

This document constitutes a base prospectus (the "**Base Prospectus**") in respect of non-equity securities within the meaning of Article 22 No. 6(4) of the Commission Regulation (EC) No. 809/2004 of April 29, 2004 (the "**Prospectus Regulation**").

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Base Prospectus  
September 14, 2010

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## **COMMERZBANK AKTIENGESELLSCHAFT** Frankfurt am Main, Federal Republic of Germany

### **Notes/Certificates Programme**

This Base Prospectus containing the Commerzbank Aktiengesellschaft Notes/Certificates Programme (the "**Programme**") was prepared in accordance with § 6 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), such Act implementing Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003. The specific issue of notes (the "**Notes**") and certificates (the "**Certificates**") (both also the "**Securities**") issued on the basis of the Base Prospectus can be defined only in connection with the final terms of this Base Prospectus (the "**Final Terms**"). For each issue of Securities on the basis of the Base Prospectus, the Final Terms will be published in a separate document. The complete information on a specific issue will always result from the Base Prospectus (including any supplements thereto) in combination with the relevant Final Terms.

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## SUMMARY

This summary provides an overview of what are, in the opinion of the Issuer, the main characteristics and risks associated with the Issuer and the Notes and Certificates (together the "**Securities**") that can be issued under the Base Prospectus. It is, however, not exhaustive. The summary should be read as an introduction to the Base Prospectus. Any decision to invest in the Securities should be based on consideration of the Base Prospectus as a whole (including any supplements thereto) and the relevant Final Terms by the investor.

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

Where a claim relating to information contained in the 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 state where the claim is brought, be required to bear the costs of translating the Base Prospectus (including any supplements thereto) and the relevant Final Terms before the legal proceedings are initiated.

### SUMMARY REGARDING 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**"), 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 or below 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**"), or

- (iv) consist partially or in whole of securities (including, without limitation, of a company other than the Issuer) instead of a cash payment ("**Reverse Convertible Notes**" or other Notes with delivery obligations),
2. Certificates with fixed redemption date or unlimited certificates without fixed redemption date ("**Unlimited Certificates**") where the redemption amount or additional payments or deliveries 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).

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). Unlimited Certificates do not have a fixed redemption date and will be redeemable at the option of the Issuer and the Certificateholders upon giving notice within the notice period (if any).

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

The purchase of Securities issued under the Programme is associated with certain risks. In respect of Securities which require in view of their specific structure a special description of risk factors, risk factors in addition to those set forth below will be described in the Final Terms relating to such Securities.

No person should purchase the Securities unless that person understands the mechanics of the Securities and the extent of that person's exposure to potential loss. Each prospective purchaser of Securities should consider carefully whether the Securities are suitable for it in the light of such purchaser's circumstances and financial position. In this context, investors should take into consideration the risks of an investment in the Securities (risks relating to the Issuer as well as risks relating to the type of the Securities and/or the underlying(s), if any) as well as the other information contained in this Base Prospectus, any supplements and in the relevant Final Terms.

The occurrence of one or more of the risks disclosed in the 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 Security, even result in the **total loss** of the capital invested by the investor.

**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 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.**

### A. RISK FACTORS RELATING TO THE SECURITIES

The Securities can be volatile instruments and involve the **risk of a complete or partial loss of the invested capital (including any incidental costs)**. The Securities may not be a suitable investment for all investors. Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and 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;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities;
- (d) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant underlying and the financial markets; and
- (e) 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 its investment and be able to bear the associated risks.

### *1. General Risks*

The issue price of the Securities is based on internal pricing models of the Issuer and may be higher than their market value due to commissions and/or other fees relating to the issue and sale of the Securities (including a margin paid to distributors or third parties or retained by the Issuer) as well as amounts relating to the hedging of the Issuer's obligations under such Securities, and the price, if any, at which a person is willing to purchase such Securities in secondary market transactions may be lower than the issue price of such Securities. In addition, pricing models of relevant market participants may differ or produce a different result.

Where the Issuer or a subsidiary or affiliate of the Issuer acts as index sponsor or as Calculation Agent, potential conflicts of interest may exist between the Calculation Agent and holders of the Securities or the index sponsor and the holders of the Securities. In addition, business transactions entered into by the Issuer or any of its subsidiaries and affiliates may lead to conflicts of interest which may affect the value of the Securities.

Hedging activities or other operations entered into by the Issuer or any of its subsidiaries and affiliates may have a materially adverse effect on the value of the Securities.

Investors may not be able to enter into transactions which exclude or limit their risks under the Securities.

The market for the Securities is influenced by the economic and market conditions, interest rates, exchange rates and inflation rates in Europe and other industrialised countries and there can be no assurance that events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the value of Securities or that economic and market conditions will not have any other adverse effect on the value 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.

There can be no assurance that a market making for the Securities will exist. Even if a market maker regularly quoted buying and selling prices for the Securities of any issue, the Issuer assumes no legal obligation regarding the level or quotation of such prices. Accordingly, investors should not rely on being able to sell the Securities during their term at a certain point in time or price.

The offer volume specified in the relevant Final Terms is no indication of which volume of Securities will be actually issued and investors should not draw any conclusions as to the liquidity of the Securities in the secondary market from the offer volume.

If the purchase of Securities is financed through loans and there is a failure in payments of the Issuer regarding the Securities or the price decreases considerably, the investor does not only have to accept the loss incurred but also has to pay interest on and redeem the loan. Investors should never assume that they will be able to repay the loan including interest out of the payments on the Securities or – in case of a sale of the Securities before maturity – out of the proceeds from such sale.

The obligations under the Securities 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).

In case of insolvency of Commerzbank as the Issuer, the holders of the Securities may lose part or all of their claims to repayment of their invested capital. The Securities are neither secured by the Deposit Protection Fund of the Association of German Banks (*Einlagensicherungsfonds des Bundesverbandes deutscher Banken e.V.*) nor by the German Deposit Guarantee and Investor Compensation Act (*Einlagensicherungsfonds- und Anlegerentschädigungsgesetz*).

A downgrading of the Issuer's credit rating may reduce the value of the Securities.

After an early redemption of the Securities the investor may only be able to reinvest the redemption proceeds at significant adverse conditions.

The investment activities of certain investors are subject to legal investment laws and regulation, or review or regulation by certain authorities.

If provided for in the applicable Final Terms 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.

## *2. Risks relating to special types of Securities*

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

The market values of Securities 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 Securities.

The potential early redemption of Securities may lead to negative deviations from the expected yield and the redemption amount may be lower than the purchase price paid by the holder of such Security or zero and thus the invested capital may be partially or completely lost.

According to the terms and conditions of the Securities as set forth in the Final Terms the Issuer may be entitled to make adjustments to the terms and conditions of the Securities or to early terminate the Securities if certain circumstances occur. Any such adjustment may have a negative effect on the value of the Securities and the redemption amount. The amount at which the Securities are redeemed in the event of an early termination may be lower than the amount the holders of the Securities would have received without such early termination. The redemption amount paid in the case of an early termination may include a deduction in respect of early redemption unwind costs.

The potential early redemption of Securities may lead to negative deviations from the expected yield and the redemption amount may be lower than the purchase price paid by the holder of such Security or zero and thus the invested capital may be partially or completely lost.

The Issuer may have the right to determine market disruptions or other events which may lead to a postponement of a calculation and/or of any payments or deliveries and which may affect the value of the Securities.

If Certificates do not have a determined maturity but are open-ended, their term depends on an optional redemption elected by the holder of Securities or the Issuer, as the case may be, if provided for.

A holder of Securities denominated or with an underlying denominated in a foreign currency or where the pay-out occurs in a foreign currency and a holder of Dual Currency Notes is exposed to the risk of changes in currency exchange rates which may adversely affect the yield of such Securities.

Where the amount of interest payable and/or amounts payable and/or assets deliverable on redemption of Securities may be determined by reference to a participation rate or leverage factor, prospective investors should note that the effect of changes in the price or level of the underlying(s) payable will be magnified.

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

If the Final Terms for a particular issue of Securities provide that payments and/or deliveries depend on an underlying, the relevant underlying and thus the payment and/or delivery 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 are linked to one or more underlying(s) it may result in an interest rate or other periodical payment that is less than that payable on a conventional fixed rate debt security issued at the same time, including the possibility that no interest will be paid or that no periodical payment will be made and if the principal amount is linked to such underlying(s), the principal amount payable may be less than the original purchase price of such Security including the possibility of no repayment at all.

The holder of a Security can lose all or a substantial portion of the principal amount of such Security (whether payable at maturity or upon early redemption), and, if the principal amount is lost, interest may cease to be payable on the Security.

**The risks of investing in the Securities encompass both risks relating to the underlying(s) and risks that are unique to the Securities as such.**

The underlying to which the Securities are linked may cease to exist or may be substituted by another underlying.

Furthermore, the value of the Securities on the secondary market is subject to greater levels of risk than is the value of other securities as it is dependent on one or several underlyings. The performance of any underlying is subject to a series of factors, including economic, financial and political events beyond the control of the Issuer. The secondary market, if any, for the Securities will be affected by a number of factors, irrespective of the creditworthiness of the Issuer and the value of the respective underlying(s), including, without limitation, the volatility of the respective underlying(s), the



time remaining to the maturity of such Securities, the amount outstanding of such Securities and market interest rates.

The Final Terms may provide that, depending on the performance of the underlying(s) or another condition, the Securities may be redeemed, in lieu of a cash payment, by the delivery of the underlying, any of the underlyings or other securities (the "**Object of Physical Settlement**"). **Accordingly, the investor will upon redemption of the Securities by physical settlement receive no amount of money (or cash settlement only in part) but the Object of Physical Settlement.**

The value of the Object of Physical Settlement may be substantially lower at the time of delivery of the Object of Physical Settlement than at the time of purchase of the Securities (or the amount paid for the purchase of the Securities), or than at the time at which it is decided whether physical or cash settlement shall occur, or than at the valuation date, if any.

Investors have no claim against the issuer of an underlying in respect of obligations of the Issuer under the Securities.

The value of respective underlying(s) depends on a number of interrelated factors, including economic, financial and political events beyond the Issuer's control. Additionally, if the formula(e) used to determine the amount of principal, premium and/or interest payable or the delivery obligations with respect to the Securities, as the case may be, contains a participation rate or leverage factor, the effect of any change in the respective underlying(s) will be increased. The historical experience of the respective underlying(s) should not be taken as an indication of future performance of such underlying(s) during the term of any Security. Additionally, there may be regulatory and other ramifications associated with the ownership by certain investors of certain Securities.

#### *Securities linked to an index or a basket of indices*

Securities linked to an index or a basket of indices may involve one or more of the following index specific risks:

- the value of an index is calculated on the basis of the value of its components. Changes in the composition of an index may therefore adversely affect the value of the Securities and the amounts payable under the Securities;
- if the components of an index reflect the performance of assets of some countries or some industries only, investors are exposed to a concentration risk. In case of an unfavourable development in the relevant country or industry, 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 or the Calculation Agent in respect of the future performance of the selected index. Investors should thus make their own estimates in respect of the future performance of the components of an index and the index itself on the basis of their own knowledge and sources of information;
- if the Securities are linked to a price index, dividends paid out do (contrary to performance indices) not cause an increase in the level of a price index. Investors do thus not participate in any dividends or other distributions on the shares contained in the price index;
- the Issuer may not have any influence over the composition of the index by the index sponsor;
- the index sponsor assumes no liability vis-à-vis the holders of the Securities;
- the underlying index may not be a recognised financial index, but an index created for the issue of the relevant Security. The index sponsor of such indices might not be independent from the Issuer and may thus favour the interests of the Issuer over the interests of the holder of the Securities;

- the index may have an exposure to one or more currencies different from the currency in which the Securities are denominated;
- fees may be included in the calculation of the index level which may reduce the index level to the detriment of the investors; and
- the index level may not be updated continuously.

#### *Securities linked to shares or a basket of shares*

Securities linked to shares or a basket of shares are associated with particular risks, such as the risk that the respective company will be rendered insolvent, the risk that the share price will fluctuate or risks relating to dividends, over which the Issuer has no control. 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 of companies with its statutory seat or with 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 such country. The realisation of such risks may also lead to a total or partial loss of the invested capital for holders of the Securities linked to such shares.

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

#### *Securities linked to a bond or bonds*

Investors in Securities linked to a bond or to various bonds are, in addition to the credit risk of Commerzbank AG as Issuer of the Securities, exposed to the credit risk of the issuers of such underlying bond(s). In the event that an issuer of an underlying bond does not punctually perform its obligations under the bonds or if such an issuer becomes insolvent this may lead to a total loss of the invested capital in the Securities linked to such bond. In addition, investors should be aware that a deterioration in the creditworthiness of the issuer of an underlying bond during the term of the Securities may lead to significant price losses in the secondary market for the Securities.

#### *Securities linked to commodities*

Investors in Securities linked to 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:

- A number of producers or producing countries of commodities have formed organizations or cartels to regulate supply and therefore influence prices. Trading in commodities is subject to regulations imposed by supervisory authorities or markets which may also influence the price development;
- The cyclical supply and demand patterns of commodities may lead to strong price fluctuations.
- Direct investments in commodities are associated with costs for storage, insurance and taxes. In addition, no interest or dividends are paid on commodities;
- An inflationary or deflationary development of prices may have a strong effect on the price development of commodities;
- Commodities markets may be very illiquid and may therefore not be able to react rapidly and sufficiently to changes in supply and demand. In case of low liquidity, speculative investments by individual market participants may lead to price distortions;

- Commodities are frequently produced in emerging markets and subject to demand from industrialized nations. This supply demand pattern holds political risks which may have a significant impact on prices of commodities; and
- Unfavourable weather conditions and natural disasters may have a 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.

#### *Securities linked to a fund or a basket of funds*

Particular risks of Securities that relate to one or several funds or a basket of funds as underlying(s) involve the risks that:

- the performance of a fund is generally reduced by fees at the level of the fund(s) as well as at the level of the investments made by the fund(s). Such fees may adversely affect the value of the Securities as well as the amounts payable under the Securities;
- underlyings of Securities may also be funds investing to a significant extent in illiquid assets. This can lead to difficulties in calculating the net asset value and to a substantial delay in the repayment of the Securities, as well as to a reduction in the value of the investment and even to a sale thereof;
- an underlying fund may publish the net asset value with a delay. This may result in a postponement of the payouts under the Securities and may have adverse effects on the value of the Securities;
- an underlying fund may redeem no or only a limited quantity of units on the scheduled times that are relevant for the calculation of the payouts under the Securities. This can result in a postponement of the payouts under the Securities and may negatively affect the value of the Securities;
- the Securities may relate to funds which invest only or mainly in a certain country, a certain industry or a certain asset class. In case of an unfavourable development of the relevant asset type or in the relevant country or industry, the value of the fund may be affected disproportionately by this adverse development;
- the Securities may be linked to funds which are denominated in another currency than the currency in which the Securities are denominated or to funds which invest in assets that are denominated in another currency. Investors may therefore be subject to significant currency risks;
- funds that invest in markets with limited certainty of law are subject to certain risks such as, for instance, government interventions which lead to a total or partial loss of the invested capital or of access to the capital invested there. These markets may not be regulated as reliably as others.

#### *Securities linked to a hedge fund*

Securities which are linked to units in funds that apply alternative investment strategies with special risks (hedge funds) (or, likewise, an index which represents a hedge fund) are exposed to high risks. Such risks depend on the strategy and underlying investments of the relevant hedge fund and include, *inter alia*, insufficient transparency, lack of investment restrictions, concentration of risks, leverage, use of derivatives, short selling and trading with illiquid instruments.

Further risks relating to the underlying and/or the type of the Securities may be described in the relevant Final Terms.

## **B. RISK FACTORS RELATING TO COMMERZBANK AKTIENGESELLSCHAFT**

The Issuer is subject to various 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. Such risks include:

### *Strategic Risks*

The Bank aims to make the Group one of the leading main banks for private and corporate customers in Germany. However, the ongoing deterioration in economic conditions in the Group's core markets and worsening capital market conditions may prevent this goal from being achieved and the new strategic orientation from being implemented.

The financial market crisis has resulted in downside pressure on banks' share prices and creditworthiness. 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. A downgrade in Commerzbank's rating or that of one of its subsidiaries may make refinancing more difficult and/or more expensive.

The Group is exposed to liquidity risk, i.e., the risk of being unable to meet its current and future payment obligations or of being unable to fulfill such obligations on time.

### *Risks arising from the Integration of the Former Dresdner Bank*

The Bank expects the integration of the former Dresdner Bank into the Group to unlock substantial synergetic effects. However, these effects may be smaller or be realized at a later date than expected. Furthermore, there is a risk that the customers of the former Dresdner Bank may not remain customers of the Group in the long term.

### *Credit Risks*

The Group is subject to credit risks, especially creditworthiness and counterparty risks as well as settlement risks and country risks.

### *Risks arising from Structured Credit Products*

The international financial markets have been suffering from the major impact of the subprime crisis, which originated in the U.S. market for subprime mortgage loans and the after-effects of this crisis. The originating banks regularly used what were in some cases complex financial instruments to transfer the risks arising from these loans to the international capital markets. It is possible that the Group will have to make further write-downs on structured financial instruments with and without subprime exposure on account of volatile and illiquid market conditions.

Furthermore, the Group is in connection with OTC derivatives in particular subject to default risks vis-à-vis bond and credit insurers.

### *Market Risks*

The Group is subject to market price risks with regard to the valuation of shares and fund units, furthermore in the form of interest rate risks, credit spread risks, currency risks and commodity price risks as well as volatility and correlation risks. The hedging strategies against these risks may prove to be ineffective.

### *Risks from Equity Investment Stakes*

The Group is subject to risks in relation to its equity investments in listed and unlisted companies.

### *Risks arising from Pension Obligations*

Commerzbank and its subsidiaries have various direct and indirect pension obligations towards their current and former staff. These obligations entail several risks, such as fluctuation risk, the risk of sudden changes to the balance sheet, longevity risk, inflation risk as well as administrative risks.

### *Operational Risks*

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.

### *IT Risks*

The Group is highly dependent on complex IT-systems whose functionality may be impacted by internal and external circumstances.

### *Personnel Risks*

Across all its business areas, the Group is dependent on its ability to hire highly qualified employees. It cannot be ruled out that the Group will not succeed in continuing to hire and retain highly qualified employees in future.

### *Regulatory, Legal and Reputational Risks*

The Group's business activities are regulated and supervised by the central banks and supervisory authorities in the countries in which it operates. The non-compliance with regulatory provisions can result in the imposition of penalties and other disadvantages, up to the loss of administrative licenses.

The legal relationships between the Group and its clients are based on standardized contracts and forms prepared for a multitude of business transactions. Individual application problems or errors in such documentation therefore may affect a large number of customer relationships and could lead to legal actions in relation to damages, warranty and rescission.

The Group is subject 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.

For more information on each of these risks see "Risk Factors relating to Commerzbank Aktiengesellschaft" on page 27 et seq.

## **SUMMARY REGARDING 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.

Commerzbank is a major universal bank. Its products and services for retail and corporate customers extend to all aspects of banking. The Bank is also active in specialised fields – partly covered by its subsidiaries – such as mortgage banking and real-estate business, leasing and asset management. Its services are concentrated on managing customers' accounts and handling payments transactions, loan, savings and investments plans, and also on securities transactions. Additional financial services are offered within the framework of the Bank's bancassurance strategy of cooperating with leading companies in finance-related sectors, including home loan savings schemes and insurance products.

The Commerzbank Group is divided into three areas: customer bank, asset based finance and the run-off portfolio (Portfolio Restructuring Unit (PRU)). The customer bank comprises the customer-oriented core business activities of Commerzbank. Specifically, this includes the four segments Private Customers, *Mittelstandsbank*, Corporates & Markets as well as Central & Eastern Europe. The asset

based finance area essentially includes Commercial Real Estate, Public Finance and ship financing. The run-off contains all the portfolios that the Bank no longer wants and has transferred to a single separate unit.

Commerzbank's business activities are mainly concentrated on the German market. In Wealth Management, considered core markets are furthermore Austria, Luxembourg, Singapore and Switzerland and in corporate business, Europe, USA and Asia.

Additional information regarding the Issuer is available in the section "Description of the Issuer" on page 146 et seq.

## RISK FACTORS

The purchase of Notes and Certificates (together the "**Securities**") issued under the Programme is associated with certain risks. In respect of Securities which require in view of their specific structure a special description of risk factors, risk factors in addition to those set forth below will be described in the Final Terms relating to such Securities. The information set forth hereinafter and in the Final Terms merely contains the major risks connected with an investment in the Securities.

No person should purchase the Securities unless that person understands the mechanics of the Securities and the extent of that person's exposure to potential loss. Each prospective purchaser of Securities should consider carefully whether the Securities are suitable for it in the light of such purchaser's circumstances and financial position. In this context, investors should take into consideration the risks of an investment in the Securities (risks relating to the Issuer as well as risks relating to the type of the Securities and/or the underlying(s), if any) as well as the other information contained in this Base Prospectus, any supplements and in the relevant Final Terms.

The order of the risk factors described herein does not imply any statement about the likelihood of occurrence of each risk factor or the influence of such risk factor on the value of the Securities.

Moreover, additional risks that are not known at the date of preparation of the 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.

It is possible that the performance of the Securities is affected by several risk factors at the same time, but the Issuer is unable to make any binding predictions on such combined effects.

**The occurrence of one or more of the risks disclosed in the 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 Security, even result in the total loss of the capital invested by the investor.**

**INVESTORS ARE ADVISED TO PURCHASE THE SECURITIES ONLY IF THEY CAN BEAR THE RISK OF A TOTAL LOSS OF THE CAPITAL INVESTED INCLUDING ANY FEES OR COSTS PAYABLE IN CONNECTION WITH THE PURCHASE OF THE SECURITIES.**

**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 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.**

### RISK FACTORS RELATING TO THE SECURITIES

The Securities can be volatile instruments and involve the **risk of a complete or partial loss of the invested capital (including any incidental costs)**. The Securities may not be a suitable investment for all investors. Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and 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;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;

- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities;
- (d) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant underlying and the financial markets; and
- (e) 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 its investment and be able to bear the associated risks.

## **GENERAL RISKS**

### *Market value and impact of incidental costs*

The issue price in respect of any Securities is based on internal pricing models of the Issuer and may be higher than the market value of such Securities, and the price, if any, at which any person is willing to purchase such Securities in secondary market transactions may be lower than the issue price in respect of such Securities. In particular, the issue price may include (irrespective of any agio which may be payable) commissions and/or other fees relating to the issue and sale of the Securities (including a margin paid to distributors or third parties or retained by the Issuer) as well as amounts relating to the hedging of the Issuer's obligations under such Securities, and secondary market prices are to some degree likely to exclude such amounts. In addition, pricing models of relevant market participants may differ or produce a different result.

### *Conflicts of interest*

Where the Issuer or an subsidiary or affiliate of the Issuer acts as index sponsor or as Calculation Agent, potential conflicts of interest may exist between the Calculation Agent and holders of the Securities or the index sponsor and the holders of the Securities, including with respect to certain determinations and judgements that the Calculation Agent or the index sponsor, respectively, may make with respect to the Securities that may influence the amount payable or specified assets deliverable under the terms of the Securities.

The Issuer and/or any of its affiliates or subsidiaries may have existing or future business relationships with an underlying or which relate to one or several underlyings (including, but not limited to, issuing other securities linked to the relevant underlying(s), lending, depositary, risk management, advisory services and trading activities). Such business activities may be carried out as service for customers or on an own account basis. The Issuer and/or any of its affiliates or subsidiaries 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 a holder of 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 exercise of creditor rights. The Issuer and any of its subsidiaries and 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 subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the underlying(s). The Issuer and any of its subsidiaries and affiliates have no obligation to disclose such information about the underlying(s).

### *Hedging risks*

The Issuer and any of its subsidiaries and affiliates may hedge themselves against the financial risks which are linked with the Securities by undertaking hedging activities in the relevant underlying. Such activities, especially the hedging activities relating to the Securities, may influence the market price of the underlying(s) to which the Securities relate, in particular at the time when the Securities expire. It cannot be excluded that entering into and releasing such 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 transactions which exclude or limit their risks under the Securities; the possibility to enter into such hedge transactions depends on market conditions and the respective underlying terms and conditions.

#### *Interest rate, exchange rate and inflation rate 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 industrialised countries and areas. There can be no assurance that events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the value of Securities or that economic and market conditions will not have any other adverse effect.

#### *Determination of the Securities Price*

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.

#### *Trading in the Securities*

There can be no assurance that there will be a market on which investors can sell their Securities during the term of the Securities. If a market does develop, it may not be very liquid. Illiquidity may have a severely adverse effect on the market value of Securities. Even if there is a market maker who regularly quotes buying and selling prices for the Securities, there is no assurance that such market maker continues to quote prices, in particular in the event of highly volatile markets. There can also be no assurance that the level of the quoted prices is acceptable to investors. In particular, the Issuer assumes no legal obligation regarding the level or quotation of such prices. Accordingly, investors should not rely on being able to sell the Securities during their term at a certain point in time or price.

Investors should neither rely on being able to sell the Securities during their term at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities that are especially sensitive to interest rate, currency or stock market, commodity market or other market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt securities.

#### *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 to draw any conclusions as to the liquidity of the Securities in the secondary market.

#### *Use of loans*

If investors finance the purchase of the Securities through a loan, they will be subject – in the event that they lose some or all of the invested capital – not only to the loss incurred but will also have to pay the interest and repay the principal on the loan. In such 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 case of a sale of the Securities before maturity – out of the proceeds from such sale. Purchasers of Securities rather have to consider in advance on the

basis of their financial situation whether they will still be able to pay the interest or repay the principal on the loan at short notice if the expected profits turn into losses.

#### *Securities are unsecured obligations*

The obligations under the Securities 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).

#### *Issuer's solvency*

The holders of the Securities assume the credit risk of Commerzbank Aktiengesellschaft as Issuer of the Securities. In case of insolvency of the Issuer, the holders of the Securities may lose part or all of their invested capital if the insolvency estate of the Issuer does not suffice to satisfy all unsecured and unsubordinated obligations of the Issuer.

The Securities 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*).

#### *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 standard statistical 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*

After an early redemption of the Securities the investor may only be able to reinvest the redemption proceeds at significant adverse conditions.

#### *Legal investment restrictions may restrict investments by certain investors*

The investment activities of certain investors are subject to legal investment laws and regulation, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Securities are legal investments for it, (b) Securities can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Securities. Financial institutions 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*

If provided for in the applicable Final Terms 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.

#### *Change of law*

The terms and conditions 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.

## **RISKS RELATING TO SPECIAL TYPES OF SECURITIES**

There are certain factors which are material for the purpose of assessing the risks associated with an investment in Securities issued under this Base Prospectus. Such factors 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, e.g. a Fixed Rate Note, a Step-Up or a Step-Down Note, a Reverse Convertible Note, a Floating Rate Note, a Certificate with fixed redemption date or an Unlimited Certificate without fixed redemption date, a Security with a redemption amount at a specified rate, a Security where the interest and/or redemption amount or other payments are linked to the value of 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), or any other underlying, a basket or an index consisting of any of the before-mentioned and/or a formula(e).

### *Floating Rate Notes*

A key difference between Floating Rate Notes, Interest Structured Notes on one hand and Fixed Rate Notes on the other is that interest income on Floating Rate Notes and Interest Structured Notes cannot be anticipated. Due to varying interest 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.

### *Reverse Floating Rate Notes*

The interest income of Reverse Floating Rate Notes is calculated in reverse proportion to the reference rate: if the reference rate increases, interest income decreases whereas it increases if the reference rate decreases.

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.

The value of Reverse Floating Rate notes especially may decrease if short and long term market interest rates both increase. The same effect applies to a certain extent if long-term market interest rates increase and short-term market interest rates decrease.

### *Capped Floating Rate Notes*

The maximum amount of interest payable in respect of Securities that bear or pay interest with a capped variable rate will equal the sum of the reference rate and any specified margin subject to a specified maximum rate. Consequently investors in these Securities will not benefit from any increase in the relevant reference rate if, when added to the specified margin, such resulting rate is equal to or greater than the maximum specified rate.

The market value of Capped Floating Rate Notes would typically decrease if market interest rates increase, especially the closer the sum of the relevant reference rate and any margin is to the maximum specified rate or if such sum exceeds the maximum specified rate. The yield of Securities with a capped variable rate may be considerably lower than a yield of similar Securities without a cap.

### *Zero Coupon Notes*

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. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and a comparable credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

### *Notes issued at a substantial discount or premium*

The market values of Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

### *Extraordinary early termination and adjustment rights*

According to the terms and conditions of the Securities as set forth in the Final Terms the Issuer may be entitled to make adjustments to the terms and conditions of the Securities or to early terminate the Securities if certain circumstances occur. Such circumstances are described in the terms and conditions and may include, without limitation, the cancellation of or changes made to an index in the case of index-linked Securities or events that have a significant impact on the underlying shares in the case of equity-linked Securities. Any adjustment of the terms and conditions may have a negative effect on the value of the Securities and the redemption amount. Also, the amount at which the Securities are redeemed in the event of an early termination may be lower than the amount the holders of the Securities would have received without such early termination. If so specified in the applicable Final Terms, the redemption amount paid in the case of an early termination will include a deduction in respect of early redemption unwind costs. Such early redemption unwind costs may comprise all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the early redemption of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position. Investors bear furthermore the risk that they may invest the amounts received upon early redemption only at a rate of return which is lower than that of the Securities redeemed.

### *Early redemption at the option of the Issuer; Automatic early redemption*

The Final Terms for a particular issue of Securities may provide for an early termination right at the option of the Issuer an automatic early redemption provision. Such early redemption provisions are likely to limit the market value of the Securities. During any period when the Issuer may elect to redeem Securities or when the automatic early redemption is likely to be triggered, the market value of those Securities generally will not rise substantially above the price at which they may be redeemed. This also may be true prior to any redemption period. The potential early redemption of Securities may lead to negative deviations from the expected yield and the redemption amount may be lower than the purchase price paid by the holder of such Security or zero and thus the invested capital may be partially or completely lost.

Moreover, regarding Securities with fixed interest, the risk that the Issuer will exercise its right of early redemption for the holders of Securities increases if the market interest rates decrease. As a consequence, the yields received upon redemption may be lower than expected, and the early redemption amount of the Securities may be lower than the purchase price for the Securities paid by the holders of Securities. As a consequence, part of the capital invested by the holders of Securities may be lost, so that the holders of Securities in such case would not receive the total amount of the capital invested. Furthermore, there is the possibility that holders of Securities may invest the amounts received upon early redemption only at a rate of return which is lower than that of the Securities redeemed.

### *Market Disruption and postponement of payments*

The Issuer may be entitled to determine market disruptions or other events which may lead to a postponement of a calculation and/or of any payments or deliveries and which may affect the value of the Securities.

### *Unlimited Certificates*

Unlimited Certificates do not have a determined maturity. Therefore, the term of the Certificates depends on an optional redemption elected by the holder of Certificates or the Issuer, as the case may be, if provided for in the applicable Final Terms. Since unlimited Certificates do not have a pre-

determined redemption date the Certificateholders must actively terminate the Certificates in order to cause a redemption of the Certificates.

#### *Foreign Currency Securities and Dual Currency Notes*

A holder of Securities denominated or with an underlying denominated in a foreign currency or where the pay-out occurs in a foreign currency and a holder of Dual Currency Notes is exposed to the risk of changes in exchange rates which may affect the yield of such Securities. Changes in exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments.

A change in the value of any currency other than Euro against the Euro, for example, will result in a corresponding change in the Euro value of Securities denominated in a currency other than Euro and a corresponding change in the Euro value of payments made in a currency other than in Euro in accordance with the terms and conditions of such Security. If the underlying exchange rate falls and the value of the Euro correspondingly rises, the price of the Securities and the value of payments made thereunder expressed in Euro falls.

#### *Leverage*

Where the amount of interest payable and/or amounts payable and/or assets deliverable on redemption of Securities may be determined by reference to a participation rate or leverage factor, prospective investors should note that the effect of changes in the price or level of the Underlying(s) will be magnified.

#### *Structured Notes and Certificates*

#### **Investments in Structured Notes and Certificates entail additional significant risks**

An investment in Structured Notes or in Certificates entails significant additional risks that are not associated with similar investments in a conventional fixed or floating rate debt security. These risks include, among other things, the possibility that:

- if the Final Terms for a particular issue of Securities provide that payments and/or deliveries depend on an underlying, the relevant underlying and thus the payment and/or delivery obligations 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 Notes provide that the interest rate is linked to one or more underlying(s) it may result in an interest rate that is less than that payable on a conventional fixed rate debt security issued at the same time, including the possibility that no interest will be paid and if the principal amount is linked to such underlying(s), the principal amount payable may be less than the original purchase price of such Note including the possibility of no repayment at all;
- if provided in the Final Terms for a particular issue of Securities the repayment of the Security can occur at times other than that expected by the investor;
- the holder of a Structured Note or of a Certificate can lose all or a substantial portion of the principal amount of such Note/Certificate (whether payable at maturity or upon early redemption), and, if the principal amount is lost, interest may cease to be payable on the structured Note/Certificate;
- the risks of investing in Structured Notes and Certificates encompass both risks relating to the underlying(s) and risks that are unique to the Notes/Certificates as such;
- it may not be possible for investors to hedge their exposure to the various risks relating to Structured Notes or Certificates;

- the underlying to which the Structured Notes/Certificates are linked may cease to exist or may be substituted by another underlying; and
- the value of Structured Notes or Certificates on the secondary market is subject to greater fluctuations and thus greater levels of risk than is the value of other securities as it is dependent on one or several underlyings. The performance of any underlying is subject to a series of factors, including economic, financial and political events beyond the control of the Issuer. The secondary market, if any, for Structured Notes or Certificates will be affected by a number of factors, irrespective of the creditworthiness of the Issuer and the value of the respective underlying(s), including, without limitation, the volatility of the respective underlying(s), the time remaining to the maturity of such Notes/Certificates, the amount outstanding of such Notes/Certificates and market interest rates.

*Risk relating to physical settlement*

The Final Terms may provide that, depending on the performance of the underlying(s) or another condition, the Securities may be redeemed, in lieu of a cash payment, by the delivery of the underlying, any of the underlyings or other securities (the "**Object of Physical Settlement**"). The quantity of the units to be delivered will be determined in accordance with the terms and conditions of the Securities. **Accordingly, the investor will upon redemption of the Securities by physical settlement receive no amount of money (or cash settlement only in part) but the Object of Physical Settlement.**

Therefore, investors should inform themselves before the purchase of the Securities on the Objects of Physical Settlement, if any, and not expect to be able to sell the Objects of Physical Settlement at a certain price. The value of the Object of Physical Settlement may be substantially lower at the time of delivery of the Object of Physical Settlement than at the time of purchase of the Securities (or the amount paid for the purchase of the Securities), or than at the time at which it is decided whether physical or cash settlement shall occur, or than at the valuation date, if any. In the case of physical settlement the investor assumes the specific risks in connection with the Objects of Physical Settlement. Under certain circumstances, the delivered Objects of Physical Settlement may even be worthless. Also in the case of physical settlement, the investor is subject to the risks associated with such Object of Physical Settlement which may involve a risk of loss and the investor may therefore even suffer a total loss.

*Dependence of payments on the performance of the underlying(s)*

The Final Terms for a particular issue of Securities may provide that the obligations of the Issuer under the Securities and thus the value of the Securities depend on the performance of the underlying(s). As a general rule, i.e. without taking into account the specific characteristics of the Securities, the influence of foreign exchange rates, if any, or other factors which may be relevant for the formation of the price of the Securities, the Securities will decrease in value when the price of the underlying(s) moves in an adverse direction for the investor. Except in case of Securities with a reverse structure, an adverse performance of one or more underlying(s) may cause an investor which has purchased a Security at the initial sales price and holds such Security continuously until redemption by the Issuer, to be in the same economic position (disregarding the agio, if any, and any transaction expenses) as if this investor had made a direct investment in the relevant underlying(s) (without taking into account dividend payments or other benefits arising from the holding of the relevant underlying(s), if any). Conversely, in case of Securities with a reverse structure, an increase in the price of one or more underlying(s) may result in a decrease in value of the Securities. This may result in losses, including a total loss of the invested capital (including any transaction expenses).

*No claim against the issuer of an underlying*

A Security will not represent a claim against the issuer of any underlying on which the redemption amount and/or interest payable or amount of assets deliverable in respect of the Securities is dependent. In the event that the payments and/or deliveries upon redemption of the Securities by the Issuer are less than the issue price of the Securities, a holder of the Securities will not have recourse to the issuer of the underlying.

### *No interest payments or dividends*

A particular issue of Securities may not provide for periodic interest payments or other distributions during the term of the Securities. Potential investors should be aware that these Securities will not generate a current income. Possible losses in the value of the Securities can therefore not be compensated by any other income from the Securities.

Additional risks concerning the type of the Securities may be set forth in the relevant Final Terms, if appropriate.

### **RISK FACTORS RELATING TO THE UNDERLYING(S)**

The value of respective underlying(s) depends on a number of interrelated factors, including economic, financial and political events beyond the Issuer's control. Additionally, if the formula(e) used to determine the amount of principal, premium and/or interest payable or the delivery obligations with respect to Structured Notes or Certificates, as the case may be, contains a participation rate or leverage factor, the effect of any change in the respective underlying(s) will be increased. The historical development of the respective underlying(s) should not be taken as an indication of future performance of such underlying(s) during the term of any Structured Note or Certificate. Additionally, there may be regulatory and other ramifications associated with the ownership by certain investors of certain Structured Notes or Certificates.

#### **Particular risks of Securities with indices or baskets of indices as underlying**

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

##### *Dependency on the value of the index components*

The respective value of an index is calculated on the basis of the value of its components. Changes in the composition of an index as well as factors that (may) influence the value of the components also influence the value of the relevant index and can thus influence the yield from an investment in the Securities. Fluctuations in the value of one component of an index may be compensated or aggravated by fluctuations in the value of another component. Historical performance of the components does not represent any guarantee of future performance. An index used as an underlying may not, in certain circumstances, be maintained for the entire term of the Securities.

An index may reflect the performance of assets of some countries or some industries only. Therefore, the value of the relevant index depends on the development of the index components of individual countries or industries. Even if more than just a few countries or industries are represented, it is still possible that the industries contained in the relevant index are weighted unevenly. This means that in case of an unfavourable development in one industry contained in the relevant index, 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 or the Calculation Agent in respect of the future performance of the selected index. Investors should thus make their own estimates in respect of the future performance of the components of an index and the index itself on the basis of their own knowledge and sources of information.

##### *Price index – dividends are not taken into account*

The Final Terms may provide that payments under the Securities are dependent on the performance of an index which is a price index. Contrary to performance indices - dividends paid out do not cause an increase in the level of a price index. Investors thus do not participate in any dividends or other distributions on the shares contained in the price index.

### *No influence of the Issuer*

As a general rule, the Issuer has no influence on the composition and performance of an underlying index or the performance of its components. A change in composition may have an adverse effect on the value of the Securities.

### *No liability of the index sponsor*

Where the Issuer is not the index sponsor of the relevant index, Securities based on an index as underlying are generally not sponsored or otherwise supported by any index sponsor, and the relevant index is composed and calculated by the respective index sponsor without any account being taken of the Issuer's or the interests of the holder's of the Securities. In such case, the index sponsors does not assume any obligation or liability in respect of the issue, sale or trading of the Securities.

### *No recognised financial indices, no independent third party*

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

### *Currency risks*

The index components may be denominated or listed in a different currency or be exposed to significant influences from another currency than the currency in which the Securities are denominated. The redemption amount and the value of the Securities during their term may therefore depend on one or more other currencies.

### *Composition fees*

Certain fees, costs, commissions or other charges for composition and calculation may be deducted when calculating the value of an index on the basis of the value of its individual components. As a result, the performance of the individual index components is not acknowledged in full when calculating the performance of the respective index, but is reduced by the amount of such fees, costs, commissions and other charges, and these 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.

### *Publication of the index composition*

Even if the composition of the relevant indices is to be published on a website or in other media specified in the Final Terms, the composition shown might not always be the current composition of the respective relevant index because the posting of the updated composition of the respective index on the website might be delayed considerably, sometimes even by several months.

### **Particular risks of Securities with shares or baskets of shares as underlying**

Shares are associated with particular risks, such as the risk that the respective company will be rendered insolvent, the risk that the share price will fluctuate or risks relating to dividends, over which the Issuer has no control. 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 of companies with its statutory seat or with 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 such country. The realisation of such risks may also lead to a total or partial loss of the invested capital for holders of Securities linked to such shares.

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

### **Particular risks of Securities with bonds as underlying**

Investors in Securities linked to a bond or to various bonds are, in addition to the credit risk of Commerzbank AG as Issuer of the Securities, exposed to the credit risk of the issuers of such underlying bond(s). In the event that an issuer of an underlying bond does not punctually perform its obligations under the bonds or if such an issuer becomes insolvent this may lead to a total loss of the invested capital in the Securities linked to such bond. In addition, investors should be aware that a deterioration in the creditworthiness of the issuer of an underlying bond during the term of the Securities may lead to significant price losses in the secondary market for the Securities.

### **Particular risks of Securities with commodities as underlying**

Investors in Securities linked to 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 organizations or cartels to regulate supply and therefore influence prices.

Trading in commodities is also subject to certain regulations imposed by supervisory authorities or markets. Changes to these regulations may affect the price development.

#### *Cyclical supply and demand behaviour*

Agricultural commodities are produced at a particular time of the 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 on commodities 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 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 industrialized nations. This supply demand pattern holds political risks which may have a significant impact on prices of commodities.

### *Weather and natural disasters*

Unfavourable weather conditions may have a 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.

### **Particular risks of Securities with funds or baskets of funds as underlying**

Securities linked to one or more funds or a basket of funds involve, in particular, the following risks:

#### *Fees*

The performance of the Securities may be affected by fees which can arise at various levels. At the level of the fund itself, fees arise on a regular basis, for instance in the form of administration fees. Additional fees and expenses may arise and be charged due to the contracting of third parties for services in connection with the management of the fund.

At the level of the investments made by the fund, fees can arise, for instance when an investment is made in other funds or other investment vehicles, which adversely affect the performance of such investments, and thus also the value of the fund assets.

In case of diversified investments, performance-based fees may arise with regard to individual investments, even though a loss may have been incurred when looking at all investments together.

#### *Illiquid investments*

Underlying funds may invest in assets which are illiquid or subject to a minimum holding period. As a result, it may be difficult for the fund to sell such assets at all or at a reasonable price when it is required to sell them to generate liquidity, in particular in the case that investors want to redeem their units in the relevant fund. The fund may suffer substantial losses when it cannot sell illiquid assets or if it can only sell the assets below a reasonable price. This may negatively affect the value of the Securities.

Investments in illiquid assets may also lead to difficulties in calculating the net asset value of the fund which may result in postponements of payouts under the Securities.

#### *Delayed NAV publication*

A fund to which the Securities may be linked to may publish the net asset value with a delay. This may result in a postponement of the payouts under the Securities and may have adverse effects on the value of the Securities.

#### *Dissolution of a fund*

It cannot be excluded that during the term of the Securities an underlying fund may be dissolved. In the event of a dissolution of a fund the Issuer or the Calculation Agent may be entitled to make adjustments to the Securities in accordance with the terms and conditions which may include an early redemption of the Securities or a substitution of the underlying fund.

#### *Postponement or suspension of redemptions*

An underlying fund may redeem no or only a limited quantity of units on the scheduled times that are relevant for the calculation of the payouts under the Securities. This can result in a postponement of the payouts under the Securities and may negatively affect the value of the Securities.

#### *Concentration on certain countries, industries or investment classes*

An underlying fund may concentrate its investments on assets relating to certain countries, industries or asset classes. This may lead to fluctuations in value that are higher and occur within a shorter period of time than it would be if the risks were more diversified between industries, regions and countries.

### *Currency risks*

The Securities may be linked to funds which are denominated in another currency than the currency in which the Securities are denominated or to funds which invest in assets that are denominated in another currency. Investors may therefore be subject to a significant currency risk.

### *Markets with limited certainty of law*

Funds that invest in markets with limited certainty of law are subject to certain risks such as, for instance, government interventions which lead to a total or partial loss of the invested capital or of access to the capital invested there. These markets may not be regulated as reliably as others.

### *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.

### **Securities with hedge funds as underlying**

Securities which are linked to units in funds that apply alternative investment strategies with special risks (hedge funds) (or, likewise an index which represents a hedge fund) are exposed to high risks. Such risks depend on the strategy and underlying investments of the relevant hedge fund and include, inter alia, insufficient transparency, lack of investment restrictions, concentration of risks, leverage, use of derivatives, short selling and trading with illiquid instruments.

Additional risks concerning the underlying(s) may be set forth in the relevant Final Terms, if appropriate.

## **RISK FACTORS RELATING TO COMMERZBANK AKTIENGESELLSCHAFT**

### ***Strategic Risks***

In acquiring Dresdner Bank and merging it with and into Commerzbank, the Bank has set itself the objective of establishing 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 ongoing 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 Bank's expectations, the Group's business, results of operations and financial condition could be materially adversely affected.

The German banking sector is fiercely competitive. Competition is frequently driven by pricing, resulting in margins that are commercially unattractive or inappropriate compared with the level of risk. In retail banking there exists to some extent extensive competition. This may intensify in the future as many competitors are increasing their focus on retail banking at the expense of their core business on the back of the financial market 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 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, even though there has recently been talk of foreign banks adopting a more defensive business policy. 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). As a result, there is a risk at present that competition in the sector will continue to intensify.

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.

The Group is exposed to liquidity risk, i.e., 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 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, rating changes, a general decline in business activity in the financial sector, regulatory measures, serious misconduct by employees, unlawful actions and a wide range of other reasons may have an adverse impact on the Group's business performance and its future prospects and therefore entail material adverse implications for 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. Although the Financial Market Stabilization Fund (Sonderfonds Finanzmarktstabilisierung, the "SoFFin") provided the Bank with two silent participations of € 8.2 billion each and received a stake of 25.0% plus one share in the Bank from the capital increase against cash contributions approved by resolution of the Annual General Meeting held on May 16, 2009, the possibility that additional stabilization measures will be required in future cannot be ruled out. Should this prove to be the case, the Group might be forced to dispose of assets held by it 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 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. Commerzbank's rating is an important comparative 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 also have a detrimental impact on the bank's relationship with its customers and on sales of products and services by the company in question. 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. 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 were downgraded to below the four highest rating levels, 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.

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 Aktiengesellschaft ("comdirect bank"), Eurohypo, the European Bank for Fund Services ("ebase") and

Deutsche Schiffsbank AG ("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 a subsidiary 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 could result in sustained reputational damage to the Group.

### ***Risks arising from the Integration of the Former Dresdner Bank***

The Bank expects the integration of the former Dresdner Bank into the Group to unlock substantial synergetic effects (such as an improvement in the Group's risk position through diversification or income and cost synergies). However, these effects may be smaller or be realized 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. Preparing and implementing 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, realizing planned headcount reductions and implementing a new, uniform corporate image). These costs and investments could erode the Group's operating profits and its return on equity. 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. Each of these factors could have material adverse implications for the Group's business, results of operations and financial condition.

The Group's strategy envisages an adjustment of the size of the investment banking business (based, e.g., on risk-weighted assets) in line with the Group's revised business model. The aim is to establish a risk-averse investment banking business with an enhanced cost/income ratio. However, implementing this strategy could take longer than scheduled and entail higher costs than expected. Specific difficulties may arise from the riskier portfolios such as those containing credit derivatives and equity derivatives. In addition, it cannot be ruled out that, even if the strategy is implemented successfully, the aim of sustained, stable profitability will not be achieved.

In connection with the Transaction a goodwill of €0.8 billion was accounted. In the 2009 fiscal year and in subsequent years, these assets will be tested with respect to their future economic benefits based on the underlying cash-generating units no less frequently than at each balance sheet date. In this process, the carrying amount of the cash-generating units (including the attributed goodwill) will be compared with the recoverable amount. If there are objective indications that the economic benefits originally identified can no longer be realized, 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 recognized on the balance sheet, the Group's business, results of operations and financial condition could be materially adversely affected.

As part of the acquisition of Dresdner Bank by Allianz and the disposal of the cominvest group to Allianz Global Investors Kapitalanlagegesellschaft mbH ("AGI"), 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. However, as a result of the financial market crisis, there may be structural changes in customers' demand behavior. In addition, changes in the regulatory and tax framework may affect the relative appeal of investment and retirement products and have implications for their sales. In the event that these changes occur, adverse effects on the sale of asset management and insurance products cannot be ruled out. As a consequence, actual business performance could lag behind plans. This, in turn, would result in a reduction in the Group's commission income and could have a material adverse impact on its business, results of operations and financial condition.

There is a risk that the customers of the former Dresdner Bank may not remain customers of the Group in the long term. It cannot be ruled out that the customer base transferred to the Group by the former Dresdner Bank in connection with the Transaction will not generate the income expected by the Group over the long term. In particular, following the integration of the former Dresdner Bank into the

Group, there is a risk that the customer base will shrink due to customer defections. 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 credit risks, especially creditworthiness and counterparty risks, arising from the credit business with customers and banks, 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. The Group defines credit risks as risks from possible losses in value that may be caused by changes in a business partner's creditworthiness or default on the part of a business partner (e.g., due to insolvency). In addition to risks relating to creditworthiness and default, subcategories of credit risks include settlement risks, counterparty risks and country risks. A deterioration in borrowers' economic situation, defaults and impairments on collateral provided may necessitate increased risk provisions to cover acute and latent credit default risks and/or heightened capital adequacy requirements for the Group due to higher risk-weighted assets.

Furthermore, the Group may be exposed to additional provisioning charges, especially in respect of financing leveraged buyout ("LBO")<sup>1</sup> transactions, the shipping portfolio, the Central and Eastern Europe segment or other parts of the portfolio. Specifically, the global recession is expected to necessitate an increase in risk provisions for loans to small and medium-sized enterprises.

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.

A substantial portion of the Group's assets and liabilities comprises financial instruments that have to be recognized at fair value in the Bank's consolidated balance sheet. This also applies to the Group's holdings that are not part of the portfolio of instruments with subprime exposure and other structured financial instruments. For specific risks relating to these portfolios please see "Risks arising from Structured Credit Products".

For many financial instruments there are no objective market prices. In these cases, the fair value is calculated on the basis of the valuation methods appropriate to the instrument in question. The application of valuation methods to determine the fair value necessitates assumptions and estimates which depend on, among other factors, the characteristics of the respective instrument and the complexity and liquidity of the underlying market. Examples of necessary decisions relate to the selection of modeling procedures and model parameters. If individual assumptions or estimates change owing to negative market trends or other reasons, revaluations of the instrument in question may result in significant adjustments to the fair value, which could entail considerable losses.

Furthermore, it should be noted that any loss in connection with adjustments to the fair value of an asset or liability are netted against any profits from related risk-hedging transactions. However, such profits are latent until the transaction is completed, and losses may be incurred in future periods, due for example to a deterioration in the contracting partner's creditworthiness. Such losses would offset the gains reported in full or in part. Even though these losses do not necessarily result from changes in the fair value of the underlying asset, they could have material adverse implications for the Group's business, results of operations and financial condition.

To a large degree, the commercial success of the real estate finance operations of Eurohypo Aktiengesellschaft ("Eurohypo") depends on trends in the property markets, which recently have shown a high degree of uncertainty. In the real estate finance business, the risk of counterparty default not only includes credit risk, but also collateral risk, which primarily comprises the possibility of a decrease in the value of the collateral provided. 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. Factors that can have a sustained

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<sup>1</sup> Leveraged buyout means the takeover of a company financed with a (sometimes) high level of debt and only a small amount of equity. Principal and interest are paid from the cash flow of the target company or the proceeds of the sale on exit.

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 availability of tenants, investment behavior and general cyclical fluctuations on the property market. The Bank has concluded a control and profit transfer agreement with Eurohypo in which it has undertaken, among other commitments, to offset any losses incurred by Eurohypo. The risk of volatile real estate prices could therefore have a material adverse effect on the Group's business, results of operations and financial condition.

### ***Risks arising from Structured Credit Products***

The international financial markets have been suffering from the major impact of the subprime crisis, which originated in the U.S. market for subprime mortgage loans (i.e., generally variable-rate mortgages issued to borrowers with inadequate credit histories), and the after-effects of this crisis. The originating banks regularly used what were in some cases complex financial instruments (structured credit products) to transfer, either directly or using special investment vehicles ("SIVs"), the risks arising from these loans to the international capital markets. For some time, the financial instruments were considered by investors to be attractive capital investments, not least because of the good ratings they were awarded by the ratings agencies.

After the financial market crisis had initially spread to a number of banks that specialized in credit products with subprime exposure, and investment banks, hedge funds and also bond and credit insurers (especially monoline insurers) found themselves in difficulty or even became insolvent in some instances, the crisis took a major turn for the worse and led to among other things significant restructuring especially of U.S. banks, often in conjunction with governmental supportive measures. Like the U.S. banks also European banks were highly affected by the intensified impacts of the financial crisis and fell into financial and in some cases existential distress which they could often only overcome with governmental stabilizing measures.

Refinancing of banks still (also in the interbank market) suffers because of a lack of confidence not least due to the complexity of a lot of structured financial products with and without subprime exposure to which there is insufficient transparency as to the dimension of risks. Even government bonds and bonds from top-rated issuers occasionally reacted with changes in market value, significant in some cases.

The crisis on the financial markets also led to a considerable increase in the volatility of financial instruments' market values. This had an impact on trading profits and net investment income, which were hit hard by valuation losses in the Group's ABS<sup>2</sup> portfolio. Heightened volatility also makes risk management more difficult, as it makes the results of the model calculations and stress tests used for this purpose less reliable. In addition, greater volatility makes it more expensive to hedge risks.

The financial market crisis has therefore weighed heavily on the Group's business, results of operations and financial condition, and it should be assumed that the crisis will continue to give rise to material adverse consequences for the Group in future.

To a large extent, demand for the Group's products and services depends on general economic trends. In the Private Customers segment, declining corporate valuations prompt customers to switch to lower-risk investment options, which generally only generate relatively low sales commissions. In the *Mittelstandsbank*, Central and Eastern Europe and Corporates & Markets segments, the economic downswing is having a direct impact on the demand for credit from companies. Because a weak economic environment also makes corporate insolvencies and therefore credit defaults more likely, higher provisions for possible loan losses are required. In addition, because of lower company valuations, the deteriorating outlook for corporate earnings results in less interest in mergers and acquisitions and capital market transactions such as initial public offerings, capital increases or takeovers, and the proceeds from advisory and placement business decline accordingly. Should the

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<sup>2</sup> ABS or Asset-backed securities are securities or certificates of indebtedness representing claims against a special purpose vehicle set up solely for the purpose of an ABS transaction. The claims are backed by a portfolio of claims, which are transferred to the special purpose vehicle and are for the benefit of the holders of the asset-backed securities as collateral for the liabilities.

financial market crisis continue, there could be more insolvencies at banks, insurance companies or other corporations, prompting further deterioration in the overall economic environment. This could exacerbate the risks described. Thus, the economic downturn has had a material adverse effect on the Group's business, results of operations and financial condition, and additional pressure is expected.

Because the markets for securities related to U.S. residential mortgages have been increasingly illiquid since July 2007, certain categories of securities held by the Group, including securities that were awarded very good ratings by the rating agencies, have lost a large part of their value over this period.

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, and this risk will remain until market sentiment and the liquidity of these products experience a material and sustained improvement. The Group hold structured financial instruments with and without subprime exposure, in particular structured credit products as well as conduits<sup>3</sup>, which primarily comprise liquidity facilities/backup lines in favour of the conduits administered by the Group. Most of the securitized asset portfolios underlying the conduits stem from customers, with a smaller portion from the securitization of the Bank's own loan receivables within the scope of active credit risk management. These asset portfolios are highly diversified and do not include any of the subprime RMBS<sup>4</sup> instruments affected by the crisis.

The Group continues to hold substantial positions in financial instruments with subprime exposure as well as other structured instruments. In the Group's opinion, the markets for these securities will be subject to liquidity bottlenecks for the foreseeable future. At present, it is not possible to forecast how long these bottlenecks will persist and whether they might even become more severe. It is, therefore, certainly possible that the Group will incur further significant charges upon the disposal of financial instruments with subprime exposure and other structured instruments, or in the event of defaults on these instruments, liquidity bottlenecks in the relevant markets or other developments relevant from a valuation perspective.

Should the Group no longer be in a position to use valuation models to calculate the fair value of financial instruments with subprime exposure and other structured instruments, future write-downs and/or losses could prove to be even greater than in the past. 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 subprime exposure or other structured instruments on the basis of actual market or indicative prices could result in far lower fair values in future if market prices reach substantially lower levels than those of model prices. Prices could reach a very low level if portfolios of structured products were sold at a very large discount to market values. If amendments were made to – or if there were changes in the interpretation of – the relevant accounting standards, the regulatory framework or the rating agencies' criteria, such changes could compel the Group to alter its existing valuation models in respect of structured financial instruments with and without subprime exposure, which would result in concomitant changes to the respective fair values.

The Portfolio Restructuring Unit (PRU) 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. However, in light of the high volatility on the markets, there is a risk of further material impairments and also of losses from disposals.

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

In large parts of its business, the Group is exposed to market liquidity risks. Liquidity is scarce on a number of markets. In the current economic environment, this is especially true of those markets

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<sup>3</sup> Conduits are special-purpose vehicles whose only corporate purpose is to issue securities to purchase receivables as part of an asset securitization.

<sup>4</sup> RMBS or residential mortgage-backed securities are asset-backed securities where the receivables securitized are real estate loans secured by mortgages on residential property.



which are directly or indirectly related to the US residential mortgage market. Furthermore, in the event of a long-term downturn normally liquid markets will also see a considerable decline in liquidity. However, the same risk can also arise in other markets. In illiquid markets, it is possible that the Group will find it difficult to dispose of assets at short notice without a 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.

In connection with OTC derivatives in particular (including credit default swaps ("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"). CDS are recognized at fair value in the balance sheet. 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.

### **Market Risks**

The price of shares and fund units has been falling due to, among other factors, negative sentiment on the financial markets. Should this trend continue, this could result in further devaluation of the shares and fund units held in the Group's financial investment and trading portfolio. If this valuation risk were to materialize, it could have a material adverse effect on the Group's business, results of operations and financial condition.

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, 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. 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. If one or more of the aforementioned risks were to materialize, this could have a material adverse effect on the Group's business, results of operations and financial condition.

The uncertainty on the financial markets triggered by the subprime crisis and the scarcity of liquidity have caused spreads, the yield differentials versus risk-free investments, to widen sharply. There has been a decline, significant in some cases, in the market values of German government bonds due to temporary upheaval in the yield curve, and in other government and top-rated corporate bonds owing to widening spreads. If widening of the spreads continued or even accelerated, this would lead to a further decline in market values and therefore 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.

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 non-consolidated 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 Bank 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.

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, agricultural products and live cattle. 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 engaged in the structuring and trading of financial derivatives. Derivatives are subject to price fluctuations due to volatility changes (i.e., changes in the fluctuation range) of the instruments underlying the prices (such as shares, currencies, interest rates and commodities). To the extent derivatives are linked to two underlying instruments or to a portfolio of underlying instruments (e.g., two currencies or a portfolio of shares), 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 underlying instruments will move in step. For example, correlation generally increases in sharply rising or falling stock markets. 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 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. Many of the risk-hedging strategies that the Group deploys are based on historical data. For example, if the Group holds a particular asset, a possible strategy for hedging the risks arising from this asset is to short-sell another asset, which, on the basis of historical observations, is likely to exhibit a trend inversely correlated with that of the asset being hedged. However, it is possible that this and other risk-hedging strategies are only partially successful or are not effective in every conceivable market environment or in respect of every conceivable risk. Unforeseen market developments such as the dramatic deterioration in the U.S. residential mortgage market that occurred in July 2007 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 financial 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 from Equity Investment Stakes***

The Group holds various equity investments in listed and unlisted companies. The efficient management of a portfolio of listed and unlisted companies entails high funding costs, which may not be (fully) offset by the dividends obtainable from these associates. Many of the equity investments that the Group holds in large listed companies in Germany and abroad are minority holdings. As a practical matter, this investment structure may make it more difficult for the Group to promptly obtain information required to timely counteract possible undesirable developments. 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 or 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. 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***

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-forfeitability and retirement age). Risks, however, may also arise due to changes in tax legislation and/or in judicial rulings. 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 Risks***

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, human errors and deliberate legal violations such as fraud. Moreover, it is possible that external events such as natural disasters, terrorist attacks 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 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 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. In addition, it is possible that upgrades will not function in the manner required. If these risks were to materialize, the Group's business, results of operations and financial condition could be materially adversely affected.

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***

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. Despite these measures, it cannot be ruled out that the Group will not succeed in continuing to hire and retain highly qualified employees in future. Should the Group's efforts to hire and retain such staff fail, its business, results of operations and financial condition could be materially adversely affected.

## ***Regulatory, Legal and Reputational Risks***

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. In the event of changes to the regulatory provisions in one or more countries, 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, 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.

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. Although the Company is not currently aware of any government interventions or investigations, court cases or arbitration proceedings that have been ongoing or completed in the last 12 months (including proceedings which to the Company's knowledge are still pending or could be commenced) and which have, recently have had or in future could have a material impact on the Group's financial situation or profitability, 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 data collected by the Group in connection with its business activities are strictly confidential and subject to data protection. 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 of previous and future assessment periods and other procedures; 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.

On May 7, 2009, the European Commission declared that the stabilization measures taken up by the Group are, in principle, compatible with the state aid provisions set out in the EU Treaty. However, for competitive reasons, a series of conditions were imposed on the Group. 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.

Under U.S. law, the silent participations granted to the Company by the SoFFin and the SoFFin's purchase of a stake in the Company's share capital of 25.0% plus one share could constitute a change of control and result in restrictions on the amount of tax loss carryforwards that may be used each year by the branch in the United States. In this case, the Group's tax burden for each period in which a taxable profit is realized would not be reduced or would only be reduced in part, which could have material adverse implications for the Group's business, results of operations and financial condition.

The legal relationships between the Group and its clients are based on standardized contracts and forms prepared for a multitude of business transactions. Individual application problems or errors in such documentation therefore may affect a large number of customer relationships. 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.

The Group is subject 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 materialize, the Group's business, results of operations and financial condition could be materially adversely affected.

## GENERAL INFORMATION

### RESPONSIBILITY

Commerzbank Aktiengesellschaft (the "**Issuer**", the "**Bank**" or "**Commerzbank**", together with its consolidated subsidiaries "**Commerzbank Group**" or the "**Group**") with its registered office at Kasierstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany, accepts responsibility for the information contained in this Base Prospectus. The Issuer hereby declares, that having 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.

### IMPORTANT NOTICE ABOUT THIS BASE PROSPECTUS

The Base Prospectus should be read and construed with any supplement thereto and with any other documents incorporated by reference and, in relation to any Series (as defined in the relevant Final Terms) of Notes or Certificates, as the case may be, should be read and construed together with the relevant Final Terms (as defined herein).

No person is or has been authorised 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 the Programme or the Securities and, if given or made, such information or representation 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 Programme or the Securities is intended to provide the 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 Programme or the Securities should purchase any of the Securities. Each investor contemplating purchasing Securities should make its own independent investigation of the financial conditions and affairs, and its own appraisal of the creditworthiness of the Issuer and of the Securities. None of this Base Prospectus, any other information supplied in connection with the Programme or the Securities constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any of the Securities.

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or the Securities is correct as of any time subsequent to the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offer or sale of the Securities may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Securities come 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 in the European Economic Area and in the United States (see "Offering and Selling Restrictions" on page 142).

The Issuer does not represent that this document may be lawfully distributed, or that the Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of the Securities or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances which are in compliance with any applicable laws and regulations.

## AVAILABILITY OF DOCUMENTS

The Base Prospectus and any supplements thereto will be available for viewing in electronic form at the following website of Commerzbank Aktiengesellschaft ([www.commerzbank.com](http://www.commerzbank.com)) and copies thereof may be obtained free of charge at the head office of the Issuer, Kaiserstraße 16 (Kaiserplatz), 60311 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 2009 and 2008, the Annual Reports of the Commerzbank Group for the financial years ended 31 December 2009 and 2008 as well as the Interim Report of the Commerzbank Group as of 30 June, 2010 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](http://www.commerzbank.com) for a period of twelve months following the date of this Base Prospectus.

## INFORMATION RELATING TO THE SECURITIES

Further 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 and any further information are set forth in the relevant Final Terms.

In the case of an increase of Notes and/or Certificates having been offered or listed for the first time on the basis of the base prospectus dated November 17, 2006, the base prospectus dated November 29, 2007 or the base prospectus dated December 10, 2008 (each a "**Former Base Prospectus**") the terms and conditions and the form of final terms set forth in this Base Prospectus will be replaced by the respective terms and conditions set forth in the respective Former Base Prospectus. To this purpose the Terms and Conditions and the Form of Final Terms from the Former Base Prospectuses are incorporated by reference into, and form part of this, Base Prospectus.

The issue price of the Securities is based on internal pricing models of the Issuer and may be higher than their market value due to commissions and/or other fees relating to the issue and sale of the Securities (including a margin paid to distributors or third parties or retained by the Issuer) as well as amounts relating to the hedging of the Issuer's obligations under such Securities. Any distributor of the Securities receiving any commission or fee or non-monetary benefit may be obligated under applicable law to disclose the existence, nature and amount of such commission, fee or benefit to the investor. Investors should ensure that they have received such information prior to purchasing the Securities from such distributor.

## POST-ISSUANCE INFORMATION

In the case of Securities where payments are linked to an underlying or several underlyings, the Issuer will not provide any post-issuance information regarding such underlying.

## US INFORMATION

This Base Prospectus is being provided on a confidential basis in the United States to a limited number of "qualified institutional buyers" ("**QIBs**") within the meaning of Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") in connection with their consideration of the purchase of the Securities being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Securities may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of the Securities is hereby notified that the offer and sale of any Securities to it is being made in reliance upon the exemption from the registration requirements of the Securities Act provided by one or more of Rule 144A under the

Securities Act ("**Rule 144A**"), Regulation D under the Securities Act ("**Regulation D**") and/or Section 4(2) of the Securities Act ("**Section 4(2)**").

Each purchaser or holder of the Securities will be deemed, by its acceptance or purchase of any such Securities, to have made certain representations and agreements intended to restrict the resale or other transfer of such Securities as set out in "Selling Restrictions outside of the European Economic Area" in this Base Prospectus.

## **NOTICE TO NEW HAMPSHIRE RESIDENTS**

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

## **NO OFFER**

This Base Prospectus does not, and is not intended to, constitute an offer or invitation by or on behalf of Commerzbank or any agent to any person to subscribe for, purchase or otherwise deal in any Securities nor is it intended to be used for the purpose of or in connection with offers or invitations to subscribe for, purchase or otherwise deal in any Securities.

## **AVAILABLE INFORMATION**

To permit compliance with Rule 144A in connection with any resales or other transfers of Securities that are "restricted securities" as defined in Rule 144(a)(3) of the Securities Act, Commerzbank has undertaken in the terms of the Securities, to furnish, upon the request of a holder of such Securities or any beneficial interest in Securities, to such holder or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended ("**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act. Written requests for such documents should be directed to Commerzbank at its office set out at the end of this Base Prospectus under the heading "Description of the Issuer".

## **FORWARD-LOOKING STATEMENTS**

This Base Prospectus (including information incorporated herein by reference) includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Exchange Act. All statements other than statements of historical facts included in this Base Prospectus, including, without limitation, those regarding Commerzbank's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Commerzbank, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the present and future business strategies of Commerzbank and the environment in which it will operate in the future. These forward-looking statements speak only as of the date on which they have been made. Commerzbank expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Base Prospectus, or incorporated herein by reference, to reflect any change in the expectations of



Commerzbank with regard to such forward-looking statements or any change in events, conditions or circumstances on which any such forward-looking statement is based.

## **ENFORCEMENT OF LIABILITIES BY INVESTORS IN THE UNITED STATES**

As set out in more detail in “Description of the Issuer” in this Base Prospectus, Commerzbank is a stock corporation under German law. All of Commerzbank’s directors and executive officers and certain other parties in connection with the transaction may reside outside the United States. All, or a substantial portion, of Commerzbank’s assets and the assets of those directors and executive officers may be located outside the United States. As a result, it may be difficult for an investor in the United States to effect service of process within the United States upon Commerzbank or such other parties or to enforce against Commerzbank or such other parties in foreign courts judgments obtained in U.S. courts predicated upon, among other things, the civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Germany in original actions, or in actions for enforcement of judgments of United States courts, of civil liabilities predicated solely upon federal or state securities laws of the United States.

## **U.S. TAXATION**

The U.S. Federal income tax consequences of certain investments is uncertain as there is no legal authority as to their proper characterization for U.S. Federal income tax purposes. Prospective investors should therefore consult their tax advisors as to Federal, state, local and other tax consequences to the purchase, ownership and disposition of investment products.

## TERMS AND CONDITIONS SET 1 (FIXED RATE 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**"), 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 OR BELOW 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**"), OR
- (iv) CONSIST PARTIALLY OR IN WHOLE OF SECURITIES (INCLUDING WITHOUT LIMITATION, OF A COMPANY OTHER THAN THE ISSUER) INSTEAD OF A CASH PAYMENT ("**REVERSE CONVERTIBLE NOTES**" OR OTHER NOTES WITH DELIVERY OBLIGATIONS), OR
- (v) BE IN A CURRENCY OTHER THAN THE ISSUE CURRENCY ("**DUAL CURRENCY NOTES**");

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

## § 1 (FORM, TRANSFERABILITY)

<i>Alternative:</i>	<i>Notes in bearer form</i>
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*These paragraphs 2 and 3 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)*

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.

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 [Clearstream Banking AG, Neue Börsenstr. 1, 60487 Frankfurt am Main,] [[Deutsche Bank AG, Große Gallusstraße 10 - 14, 60272 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] [other international clearing system]] ([together] the "**Clearing System**").

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

*These paragraphs 2 and 3 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 [Clearstream Banking AG, Neue Börsenstr. 1, 60487 Frankfurt am Main,] [[Deutsche Bank AG, Große Gallusstraße 10 - 14, 60272 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] [other international clearing 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.

3. 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.

4. 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.

5. 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.

6. The Notes can be transferred via the Clearing System [individually/only in lots of •/other].
7. The Issuer reserves the right to issue from time to time without the consent of the Noteholders another tranche of Notes with substantially identical terms, so that the same shall be consolidated to form a single Series and increase the aggregate principal amount of the Notes. The term "Notes" shall, in the event of such consolidation, also comprise such additionally issued notes.

<i>Alternative:</i>	<i>Notes issued pursuant to Rule 144A, Regulation D or Section 4(2) under the Securities Act in registered form</i>
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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]) in the denomination of [currency] [denomination] (the "**Denomination**") each. The Notes will rank pari passu among themselves.
2. The Notes will be represented by a permanent global note in registered form (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 [Clearstream Banking AG, Neue Börsenstr. 1, 60487 Frankfurt am Main,] [[Deutsche Bank AG, Große Gallusstraße 10 - 14, 60272 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] [other international clearing system]] ([together] the "**Clearing System**"). The Global Note will be subject to certain restrictions on transfers and will bear a legend regarding such restrictions. The Issuer shall maintain a register for the Notes at [registrar] (the "**Registrar**").
3. The Global Note shall only be valid if it bears the hand-written signatures of two authorised officers of the Issuer.
4. 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.
5. 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.
6. The Notes can be transferred via the Clearing System [individually/only in lots of •/other].
7. The Issuer reserves the right to issue from time to time without the consent of the Noteholders another tranche of Notes with substantially identical terms, so that the same shall be consolidated to form a single Series and increase the aggregate principal amount of the Notes. The term "Notes" shall, in the event of such consolidation, also comprise such additionally issued notes.

**§ 2**  
**(INTEREST)**

<i>Alternative:</i>	<i>Notes not bearing interest</i>
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The Notes shall not bear any interest.

<i>Alternative:</i>	<i>Notes with Fixed Interest and Step-up and Step-Down Notes</i>
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*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]* (exclusive) *[insert applicable 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*

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.

Fraction

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.

<b>Alternative:</b>	<i>Floating Rate Notes</i>
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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 paragraph 1 if the Preceding 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 commencement / 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 / 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 System] 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 commencement / 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 / 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 System] 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 / 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 less 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 (REDEMPTION)

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

The Notes will be redeemed at par (the "**Final Redemption Amount**") on [Redemption Date] (the "**Redemption Date**"). [The Redemption Date may be postponed in accordance with § 5 paragraph [•].]

**Alternative:** Redemption Structured Notes

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

[The Redemption Date may be postponed in accordance with § 5 paragraph [•].]

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].

*These paragraphs shall apply to all Notes with delivery obligations*

- [ 3.] All expenses of transfer of [object of physical delivery] on delivery (such as any stamp duty or exchange tax or any other tax, duty or charge) shall be borne by the Noteholder.
- [4.] The Noteholder will neither be entitled to any payment claim nor to any interest claim or other compensation if delivery is postponed from the stated due date in accordance with § 5 paragraph [4].
- [•.] [alternatively: insert applicable provisions including kind of underlying, delivery details and delivery amount regarding underlying which may be delivered and/or other aspects, if applicable]. ]

<i>Alternative:</i>	<i>Reverse Convertible Notes</i>
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1. Subject to § 3 paragraph 2 below, the Notes will be redeemed at par (the "**Final Redemption Amount**") on [Redemption Date] (the "**Redemption Date**").

[The Redemption Date may be postponed in accordance with § 5 paragraph [•].]

*This paragraph shall apply only to Reverse Convertible Notes with continuous observation of the Underlying*

2. If (i) on the Valuation Date the Reference Price A of the Underlying is less than [[•% of the] the Initial Price] [•] and if (ii) during the Monitoring Period the Reference Price B of the Underlying has at least once been equal to or below [[•% of the] the Initial Price] [•], then each Note shall, in lieu of a redemption at par, be redeemed by the delivery of the Delivery Amount.

Fractions of the Underlying will not be delivered. The Issuer will pay, in lieu of a fraction of the Underlying, to the Noteholders an amount in the Issue Currency per Note (the "**Fractional Settlement Amount**") which will be calculated [by multiplying the fraction of the Underlying with the Reference Price A of the Underlying on the Valuation Date] [•]. The Noteholders shall not be entitled to a delivery of the Underlying in lieu of several aggregated Fraction Settlement Amounts.

3. For the purposes of these Terms and Conditions, the following definitions shall apply (subject to an adjustment in accordance with § 7):

"**Delivery Amount**" means an amount of [number of Shares] Shares.

"**Company**" means [company].

"**Exchange**" means [exchange].

"**Exchange Business Day**" means any Scheduled Trading Day on which the Exchange and the Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or Related Exchange closing prior to its Scheduled Closing Time. Any trading or trading activities after or before the regular trading sessions on the Exchange or the Related Exchange will not be taken into account.

"**Initial Price**" ["•"] means [currency, amount/other].

"**Monitoring Period**" means the period from [date] to [date].

"**Reference Price A**" means the [closing price] [•] of the Underlying [as determined and published by the Exchange].

"**Reference Price B**" means the [intra-day level] [•] of the Underlying as determined and published by the Exchange [(including the closing price)].

"**Related Exchange**" means the options and futures exchange with the highest trading volume of option and futures contracts relating to the Shares of the Company. If option and futures contracts on the Shares are not traded on any exchange, the Related Exchange shall be the options and futures exchange with the highest amount of option and 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 and futures exchange in the country in which the Company has its residence on which option and futures contracts on shares are traded, the Issuer will determine the Related Exchange in its own reasonable discretion and give notification of this in accordance with § 13.

"**Scheduled Trading Day**" means a day on which the Exchange and the Related Exchange are scheduled to be open for trading for their regular trading sessions.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"**Share**" or "**Underlying**" means [•].

"**Valuation Date**" means [date], subject to postponement in accordance with § 7 paragraph 5.

[insert any other applicable definition]

*These paragraphs shall apply only to Reverse Convertible Notes without continuous observation of the Underlying*

2. If on the Valuation Date the Reference Price of the Underlying is less than [[•% of the] the Initial Price] [•], then each Note shall, in lieu of a redemption at par, be redeemed by the delivery of the Delivery Amount.

Fractions of the Underlying will not be delivered. The Issuer will pay, in lieu of a fraction of the Underlying, to the Noteholders an amount in the Issue Currency per Note (the "**Fractional Settlement Amount**") which will be calculated [by multiplying the fraction of the Underlying with the Reference Price of the Underlying on the Valuation Date] [•]. The Noteholders shall not be entitled to a delivery of the Underlying in lieu of several aggregated Fraction Settlement Amounts.

3. For the purposes of these Terms and Conditions, the following definitions shall apply (subject to an adjustment in accordance with § 7):

"**Delivery Amount**" means an amount of [number of Shares] Shares.

"**Company**" means [company].

"**Exchange**" means [exchange].

"**Exchange Business Day**" means any Scheduled Trading Day on which the Exchange and the Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or Related Exchange closing prior to its Scheduled Closing Time. Any

trading or trading activities after or before the regular trading sessions on the Exchange or the Related Exchange will not be taken into account.

**"Initial Price"** ["•"] means [currency, amount/other].

**"Reference Price"** means the [closing price] [•] of the Underlying [as determined and published by the Exchange].

**"Related Exchange"** means the options and futures exchange with the highest trading volume of option and futures contracts relating to the Shares of the Company. If option and futures contracts on the Shares are not traded on any exchange, the Related Exchange shall be the options and futures exchange with the highest amount of option and 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 and futures exchange in the country in which the Company has its residence on which option and futures contracts on shares are traded, the Issuer will determine the Related Exchange in its own reasonable discretion and give notification of this in accordance with § 13..

**"Scheduled Trading Day"** means a day on which the Exchange and the Related Exchange are scheduled to be open for trading for their regular trading sessions.

**"Scheduled Closing Time"** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**"Share"** or **"Underlying"** means [•].

**"Valuation Date"** means [date], subject to postponement in accordance with § 7 paragraph 5.

[insert any other applicable definition]

*These paragraphs shall apply to all Reverse Convertible Notes*

4. All expenses of transfer of [object of physical delivery] on delivery (such as any stamp duty or exchange tax or any other tax, duty or charge) shall be borne by the Noteholder.
5. The Noteholder will neither be entitled to any payment claim nor to any interest claim or other compensation if delivery is postponed from the stated due date in accordance with § 5 paragraph [3].

#### § 4

#### (EARLY REDEMPTION, REPURCHASE OF NOTES)

*Alternative:*

*Notes for which gross-up tax clause of § 6 applies*

*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] and] § 6, the Issuer shall not be entitled to redeem the Notes prior to the Redemption 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 Redemption Date in accordance with [§ 7 paragraph [1/3] and] § 6, 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 Redemption

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 Noteholders 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 Redemption Date.

*This paragraph shall apply to all Notes where the Noteholders 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 Principal Paying Agent, 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 an event having occurred as described in § 6 paragraph 3 or in § 11, as the case may be, they shall be redeemed at par plus accrued interest (the "**Early Redemption Amount**").

*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 § 6 paragraph 3 or in § 11, as the case may be, they shall be redeemed at the "**Early Redemption Amount**" which shall be determined [as the sum of (i) [•]% (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 or below 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 § 6 paragraph 3 or in § 11, as the case may be, they shall be redeemed at the "**Early Redemption Amount**" which shall be determined as follows: [insert applicable provisions]

*This paragraph shall apply to all Notes which provide for an early redemption above or below 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 § 6 paragraph 3 or 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 its reasonable discretion (§ 315 of the German Civil Code) as the fair value of the Notes at the date as determined by the Issuer in the notification of the termination] [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 Redemption 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.

*[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.

**Alternative:**

*Notes for which gross-up tax clause of § 6 does not apply*

*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 Redemption 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 Redemption 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 Redemption 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 Noteholders 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 Redemption Date.

*This paragraph shall apply to all Notes where the Noteholders 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 Principal Paying Agent, 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 accrued interest (the "**Early Redemption Amount**").

*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) [•]%( 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 or below 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]*

*This paragraph shall apply to all Notes which provide for an early redemption above or below 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 amount (the "**Early Redemption Amount**") which shall be calculated by the Issuer [in its reasonable discretion (§ 315 of the German Civil Code) as the fair value of the Notes at the date as determined by the Issuer. 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 Redemption 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.

*[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 [, DELIVERY OF [•] [THE UNDERLYING])

<i>Alternative:</i>	<i>Notes without delivery obligations</i>
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*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.

*This paragraph shall apply only to dual*

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

currency Notes

following provisions: *[insert applicable provisions]*.

*The following paragraph shall be added to paragraph 1 in case of Notes 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.

2. Payments of all amounts payable pursuant to the Terms and Conditions will be made against presentation, and in the case of the last payment, against surrender of the Global Note to the Principal Paying Agent for transfer to the Clearing System or pursuant to the Clearing System's instruction for credit to the relevant accountholders of the Clearing System. Payment to the Clearing System or 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] [•]**.

*These paragraphs shall apply if the gross-up tax clause of § 6 is selected*

4. Any reference in these Terms and Conditions to principal in respect of the Notes shall include:
  - (a) any Additional Amounts which may be payable with respect to principal pursuant to § 6; **[and]**
  - (b) *[insert Bonus Payments or other payments and]* the Final Redemption Amount of the Notes at the Redemption Date; and
  - (c) the Early Redemption Amount **[and the Automatic Early Redemption Amount]** in the case of early redemption of the Notes pursuant to **[§ 4.] § 6 paragraph 3 [ , § 7 paragraph [1/3] ]** and § 11.
5. All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of § 6. No commission or expense shall be charged to the Noteholders in respect of such payments.

*These paragraphs shall apply if the gross-up tax clause of § 6 is not selected*

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 Redemption Date; and
  - (b) the Early Redemption Amount **[and the Automatic Early Redemption Amount]** in the case of 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.

<i>Alternative:</i>	<i>Notes with delivery obligations</i>
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*The following paragraph shall be added to paragraph 1 in case of Notes in USD with a life of more than 1 year and a first payment or delivery after 40 days following issue date*

1. The Issuer irrevocably undertakes to pay in the Issue Currency, as and when due, all amounts payable and/or to deliver, as and when due, [the Delivery Amount] [•] pursuant to these Terms and Conditions.

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

2. Payments of all amounts payable and delivery of [the Delivery Amount] [•] pursuant to the Terms and Conditions will be made against presentation, and in the case of the last payment or delivery, against surrender of the Global Note to the Principal Paying Agent for transfer to the Clearing System or pursuant to the Clearing System's instruction for credit to the relevant accountholders of the Clearing System. Any payment or delivery to the Clearing System or pursuant to the Clearing System's instruction shall release the Issuer from its payment or delivery obligations under the Notes in the amount of such payment or delivery, respectively.
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] [•].

*These paragraphs shall apply if the gross-up tax clause of § 6 is selected*

4. Any reference in these Terms and Conditions to principal in respect of the Notes shall include:
  - (a) any Additional Amounts which may be payable with respect to principal pursuant to § 6; [and]
  - (b) [insert Bonus Payments or other payments and] the Final Redemption Amount of the Notes at the Redemption Date; and
  - (c) the Early Redemption Amount [and the Automatic Early Redemption Amount] in the case of early redemption of the Notes pursuant to [§ 4,] § 6 paragraph 3 [, § 7 paragraph [1/3] ] and § 11.
5. All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of § 6. No commission or expense shall be charged to the Noteholders in respect

of such payments.

*These paragraphs shall apply if the gross-up tax clause of § 6 is not selected*

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 Redemption Date; and
  - (b) the Early Redemption Amount *[and the Automatic Early Redemption Amount]* in the case of 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 and/or any deliveries 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)

<i>Alternative:</i>	<i>Notes with respect to which the Noteholder has to pay taxes, fees of other duties (Noteholder tax responsibility clause)</i>
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All present and future taxes, fees or other duties 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, fees and/or duties payable by the Noteholder in accordance with the previous sentence.

<i>Alternative:</i>	<i>Notes with respect to which the Noteholder does not have to pay taxes, fees or other duties under certain circumstances (gross-up tax clause)</i>
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1. All amounts payable under the Notes will be paid without deduction or withholding for or on account of any present or future taxes, duties or governmental charges whatsoever imposed or levied by or on behalf of the Federal Republic of Germany or any taxing authority therein, unless the Issuer is compelled by a law or other regulation to deduct or withhold such taxes, duties or governmental charges. In that event the Issuer shall pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts, after such deduction or withholding, shall equal the amounts that would have been payable if no such deduction or withholding had been made.
2. No Additional Amounts shall be payable pursuant to paragraph 1 with respect to taxes, duties or governmental charges
  - (a) for which a Noteholder is liable because of a connection with the Federal Republic of Germany or another *[member state of the European Union] [state that is part of the European Economic Area]* other than the mere fact of his being the holder of the Notes;
  - (b) to which the Noteholder would not be subject if he had presented his Notes for payment within 30 days from the due date for payment, or, if the necessary funds were not provided to the Principal Paying Agent or any other Paying Agent appointed pursuant to § 10 when due, within 30 days from the date on which

such funds are provided to the Paying Agents and a notice to that effect has been published in accordance with § 13;

- (c) which would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a credit institution;
  - (d) which are deducted or withheld by a Paying Agent, if the payment could have been made by another Paying Agent without such deduction or withholding;
  - (e) which are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or another member state of the European Union or the European Union is party, or (iii) any provision of law implementing or complying with, or introduced to conform with, such Directive, regulation, treaty or understanding;
  - (f) which are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it;
  - (g) which are deducted or withheld, even if the deduction or withholding has to be made by the Issuer or its representative, pursuant to the Corporate Tax Reform Act 2008 of the Federal Republic of Germany providing for the introduction of a definitive flat tax (*Abgeltungssteuer*) on certain investment income as from 1 January 2009; or
  - (h) which are payable by reason of a change in law (or by reason of any application or official interpretation of any law or regulation) that becomes effective more than 30 days after the relevant payment becomes due, or, if this occurs later, is duly provided for and notice thereof is given in accordance with § 13.
- (3) If at any future time as a result of a change of the laws applicable in the Federal Republic of Germany or a change in their official application, the Issuer is required, or at the time of the next succeeding payment due will be required, to pay Additional Amounts as provided in § 6 paragraph 1 the Issuer will be entitled, upon not less than 30 days' and not more than 60 days' notice to be given by publication in accordance with § 13, prior to the Redemption Date to redeem all Notes at the Early Redemption Amount. No redemption pursuant to this § 6 paragraph 3 shall be made more than 30 days prior to the date on which such change of the laws or their official application becomes applicable to the Notes for the first time.

#### § 7

**([ADJUSTMENTS, MARKET DISRUPTION [, POSTPONEMENT OF VALUATION DATE] [, SETTLEMENT DISRUPTION] [•]] ] THIS CLAUSE HAS BEEN INTENTIONALLY LEFT BLANK)**

<i>Alternative:</i>	<i>Notes without adjustments</i>
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*[leave blank]*

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 its reasonable discretion (§ 315 of the German Civil Code) 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 Exchange Business Day prior to the Redemption 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 Redemption Date shall be deemed to be the relevant **[the Valuation Date / insert other valuation time]**, and the Calculation Agent will, in its reasonable discretion (§ 315 of the German Civil Code) 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.

*These paragraphs shall apply to all Notes without delivery obligations*

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) the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Notes or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;
- (e) 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;
- (f) 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

- (g) 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 reasonable discretion of the Issuer (§ 315 of the German Civil Code) for the evaluation of the Notes and the fulfillment 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.

*These paragraphs shall apply to all Notes with delivery obligations*

- 6. If the Issuer is required to deliver [the Delivery Amount] [•] and if, in the opinion of the Calculation Agent, a Settlement Disruption Event occurs or is continuing on the Redemption Date, then the delivery of the [Delivery Amount] [•] shall be postponed to the first following Exchange Business Day on which there is no Settlement Disruption Event (the **"Postponed Settlement Date"**). In no event shall the Postponed Settlement Date be later than the fifth Exchange Business Day following the Redemption Date. If the Settlement Disruption Event is continuing on the fourth Exchange Business Day following the Redemption Date, then (i) the Postponed Settlement Date shall be the fifth Exchange Business Day following the Redemption Date and (ii) the Issuer shall have the right to pay a cash equivalent redemption amount (the **"Cash Equivalent Redemption Amount"**), in lieu of the delivery of the Delivery Amount, to the Noteholder. In the event of a payment of a Cash Equivalent Redemption Amount § 5 paragraph 3 of these Terms and Conditions shall apply *mutatis mutandis*. The Cash Equivalent Redemption Amount will be determined by the Issuer in its reasonable discretion (§ 315 of the German Civil Code).

All determinations made by the Issuer and/or the Calculation Agent pursuant to this paragraph shall be notified to the Noteholder in accordance with § 13. The Noteholder will not be entitled to any compensation from the Issuer for any loss suffered as a result of the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

- 7. 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) the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Notes or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;
- (e) 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;
- (f) 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
- (g) 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 reasonable discretion of the Issuer (§ 315 of the German Civil Code) for the evaluation of the Notes and the fulfillment 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.

**"Settlement Disruption Event"** means an event, [(a)] which, in the opinion of the Calculation Agent, is beyond the control of the Issuer and as a result of which the Issuer cannot deliver or cannot procure the delivery of [the Delivery Amount] [•] [or, (b) if it is impossible to deliver [the Delivery Amount] [•] to the Noteholders under the applicable rules of the Clearing System irrespective of when such rules have been introduced].

<i>Alternative:</i>	<i>Notes with reference to an index consisting of shares</i>
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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 its reasonable discretion (§ 315 of the German Civil Code) another 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 Calculation Agent will make all necessary adjustments to the Terms and Conditions of the Notes 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 (§ 315 of the German Civil Code) 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 (§ 315 of the German Civil Code);
- (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) the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Notes or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;

- (i) 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;
  - (j) 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
  - (k) 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] [•] Payment Business Day prior to the Redemption 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 Redemption Date shall be deemed to be the relevant [the Valuation Date / *insert other valuation time*], and the Calculation Agent will, in its reasonable discretion (§ 315 of the German Civil Code) 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 reasonable discretion of the Issuer (§ 315 of the German Civil Code) for the evaluation of the Notes and the fulfillment 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.

<i>Alternative:</i>	<i>Notes with reference to an index consisting of futures contracts</i>
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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 its reasonable discretion (§ 315 of the German Civil Code) another 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 Calculation Agent will make all necessary adjustments to the Terms and Conditions of the Notes 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 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] [•] Payment

Business Day prior to the Redemption 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 Redemption Date shall be deemed to be the relevant [the Valuation Date / insert other valuation time], and the Calculation Agent will, in its reasonable discretion (§ 315 of the German Civil Code) 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 reasonable discretion of the Issuer (§ 315 of the German Civil Code) for the evaluation of the Notes and the fulfillment 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.

<i>Alternative:</i>	<i>Notes with reference to futures contracts on commodities</i>
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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 its reasonable discretion (§ 315 of the German Civil Code). 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 Exchange Business Day prior to the Redemption 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 second Exchange Business Day prior to the Redemption Date shall be deemed to be the relevant Valuation Date, and the Calculation Agent will, in its reasonable discretion (§ 315 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, Hedging Disruption, 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.

**"Hedging Disruption"** means an event due to which the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Notes or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;

**"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.

<i>Alternative:</i>	<i>Notes with reference to a combination of different types of underlyings or to other underlyings</i>
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*[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 (PRESENTATION PERIODS, PRESCRIPTION)**

The period for presentation of the Notes (§ 801, paragraph 1, sentence 1 of the German Civil Code) shall be ten years and the period of limitation for claims under the Notes presented during the period for presentation shall be two years calculated from the expiry of the relevant presentation period.

## **§ 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 [address] / [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 [address] / [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 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 [, BRANCH DESIGNATION])

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.

*This paragraph shall be added if there is a Branch Designation*

[6. The Issuer may at any time, designate by publication in accordance with § 13 any branch (*Betriebsstätte*) of the Issuer outside the Federal Republic of Germany as the branch (*Betriebsstätte*) primarily responsible for the due and punctual payment in respect of the Notes then outstanding and the performance of all of the Issuer's other obligations under the Notes then outstanding.

Paragraphs 4 (c) and 5 of this § 12 shall apply *mutatis mutandis* to such designation.]

### **§ 13 (NOTICES)**

*This paragraph shall apply only to Notes which are listed on a exchange or offered to the public*

Notices relating to the Notes shall be published on the internet page [●] (or on another internet page notified at least six weeks in advance by the Issuer in accordance with this § 13) and shall be deemed to be effective upon such publication unless such publication gives another effective date. If applicable law or regulations of the exchange on which the Notes are listed require a notification in another manner, notices shall also be given in the manner so required.

*This paragraph shall apply only to Notes which are neither listed on a exchange nor offered to the public*

Unless these Terms and Conditions expressly provide for publication on the Issuer's internet page, any notices relating to the Notes shall be published in the electronic version of the Federal Gazette (*Bundesanzeiger*) and, where required by law, in one supra-regional mandatory publication for each of the exchanges on which the Notes are admitted to be traded. Any such notice shall be deemed to have been given on the day of its publication (or, in the case of several notices, on the first day of such publication).

### **§ 14 (AVAILABLE INFORMATION)**

Commerzbank hereby undertakes to furnish upon the request of a Noteholder or the holder of any beneficial interest in a Note, upon the request of such holder or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the U.S. Securities Act of 1933, as amended if, at the time of the request, Commerzbank is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended ("**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act.

**§ 15**  
**(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.

**§ 16**  
**(FINAL CLAUSES)**

1. The form and content of the Notes and the rights and duties of the Noteholders, the Issuer, the Calculation Agent and the Paying Agents shall in all respects be governed by the laws of the Federal Republic of Germany.
2. 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.
3. The Issuer may combine the declaration of rescission pursuant to paragraph 2. 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 2. The Issuer shall refer to this effect in the notification.
4. "**Issue Price**" within the meaning of paragraphs 2. and 3. shall be the actual purchase price paid at the time of the first purchase of the Notes delivered for repayment [, or (if no purchase price for the first purchase of the Notes can be determined) the issue price as set forth in the applicable Final Terms relating to the Base Prospectus dated [date]].
5. Contradictory or incomplete provisions in the Terms and Conditions may be corrected or amended, as the case may be, by the Issuer in its reasonable discretion (§ 315 of the German Civil Code). The Issuer, however, shall only be entitled to make such corrections or amendments

which are reasonably acceptable to the Noteholders having regard to the interests of the Issuer and in particular which do not materially adversely affect the legal or financial situation of the Noteholders. Notice of any such correction or amendment shall be given to the Noteholders in accordance with § 13.

6. If the Noteholder was aware of typing or calculation errors or similar errors at the time of the acquisition of the Notes, then, notwithstanding paragraphs 2 - 5, the Noteholders can be bound by the Issuer to the corrected Terms and Conditions.
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.

## TERMS AND CONDITIONS SET 2 (CERTIFICATES WITH FIXED REDEMPTION DATE)

PROGRAMME TERMS AND CONDITIONS OF CERTIFICATES WITH FIXED REDEMPTION DATE WHERE REDEMPTION AMOUNT OR ADDITIONAL PAYMENTS OR DELIVERIES 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) (THE "**CERTIFICATES**")

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

### § 1 (FORM, TRANSFERABILITY)

<i>Alternative:</i>	<i>Certificates in bearer form</i>
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*These paragraphs 2 and 3 shall apply to all Certificates in bearer form (unless in the case of Certificates in USD with a life of more than 1 year and a first payment or delivery after 40 days following issue date*

1. This issue of [number] certificates (the "**Certificates**") of Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") is issued in [currency] (the "**Issue Currency**") [and relates to [•] (the "**Underlying**" [or "•"])]. The Certificates will rank pari passu among themselves.
2. The Certificates will be represented by a permanent global bearer certificate (the "**Global Certificate**") without interest coupons. No definitive Certificates will be issued and the right of delivery of definitive Certificates is excluded. The Global Certificate shall be deposited with [Clearstream Banking AG, Neue Börsenstr. 1, 60487 Frankfurt am Main,] [[Deutsche Bank AG, Große Gallusstraße 10 - 14, 60272 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] [other international clearing system]] ([together] the "**Clearing System**").
3. The Global Certificate shall only be valid if it bears the hand-written signatures of two authorised officers of the Issuer.

*These paragraphs 2 and 3 shall apply to 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*

2. The Certificates will initially be represented by a temporary global 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 certificate (the "**Permanent Global Certificate**"; the Temporary Global Certificate and the Permanent Global Certificate hereinafter together the "**Global Certificate**"). The Temporary Global Certificate and the Permanent Global Certificate shall be deposited with [Clearstream Banking AG, Neue Börsenstr. 1, 60487 Frankfurt am Main,] [[Deutsche Bank AG, Große Gallusstraße 10 - 14, 60272 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] [other international clearing 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 Certificates represented by the Temporary Global Certificate are not U.S. persons. No definitive Certificates will be issued and the right of delivery of definitive Certificates is excluded.

3. The Temporary Global Certificate and the Permanent Global Certificate shall only be valid if they bear the hand-written signatures of two authorised officers of the Issuer.
4. 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.
5. The term "**Certificateholder**" in these Terms and Conditions refers to the holder of a co-ownership participation in or right with respect to the Global Certificate.
6. The Certificates can be transferred via the Clearing System [individually/only in lots of •/other].
7. The Issuer reserves the right to issue from time to time without the consent of the Certificateholders another tranche of Certificates with substantially identical terms, so that the same shall be consolidated to form a single Series and increase the aggregate principal amount of the Certificates. The term "Certificates" shall, in the event of such consolidation, also comprise such additionally issued Certificates.

<i>Alternative:</i>	<i>Certificates issued pursuant to Rule 144A, Regulation D or Section 4(2) under the Securities Act in registered form</i>
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1. This issue of [number] certificates (the "**Certificates**") of Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") is issued in [currency] (the "**Issue Currency**") [and relates to [•] (the "**Underlying**" [or "•"])]. The Certificates will rank pari passu among themselves.
2. The Certificates will be represented by a permanent global certificate in registered form (the "**Global Certificate**") without interest coupons. No definitive Certificates will be issued and the right of delivery of definitive Certificates is excluded. The Global Certificate shall be deposited with [Clearstream Banking AG, Neue Börsenstr. 1, 60487 Frankfurt am Main,] [[Deutsche Bank AG, Große Gallusstraße 10 - 14, 60272 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] [other international clearing system]] ([together] the "**Clearing System**"). The Global Certificate will be subject to certain restrictions on transfers and will bear a legend regarding such restrictions. The Issuer shall maintain a register for the Certificates at [registrar] (the "**Registrar**").
3. The Global Certificate shall only be valid if it bears the hand-written signatures of two authorised officers of the Issuer.
4. 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.
5. The term "**Certificateholder**" in these Terms and Conditions refers to the holder of a co-ownership participation in or right with respect to the Global Certificate.
6. The Certificates can be transferred via the Clearing System [individually/only in lots of •/other].

7. The Issuer reserves the right to issue from time to time without the consent of the Certificateholders another tranche of Certificates with substantially identical terms, so that the same shall be consolidated to form a single Series and increase the aggregate principal amount of the Certificates. The term "Certificates" shall, in the event of such consolidation, also comprise such additionally issued Certificates.

**§ 2  
(INTEREST)**

The Certificates shall not bear any interest.

**§ 3  
(REDEMPTION [; OTHER PAYMENTS] [•])**

- [1.] [Subject to [§ •] [other applicable provisions] [the/The] Certificates will be redeemed pursuant to the following provisions on [Redemption Date] [the •th Payment Business Day (§ 5 paragraph 3) following the [Valuation Date] [•] (the "Redemption Date") by [insert applicable provisions including formula(e) and/or provisions regarding redemption by way of payment of Final Redemption Amount (including its definition) and/or redemption by way of delivery and/or additional definitions and/or other aspects, if appropriate].
- [2.] [insert provisions regarding payments in addition to the Final Redemption Amount, if appropriate]

**§ 4  
(EARLY REDEMPTION, REPURCHASE OF CERTIFICATES)**

Alternative:	Certificates for which gross-up tax clause of § 6 applies
<i>This paragraph shall apply to all Certificate where the Issuer does not have a Call Option</i>	1. Except as provided in [§ 7 paragraph [1/3] and] § 6, the Issuer shall not be entitled to redeem the Certificates prior to the Redemption Date.
<i>This paragraph shall apply to all Certificates where the Issuer has a Call Option</i>	1. The Issuer shall, in addition to the right to redeem the Certificates prior to the Redemption Date in accordance with [§ 7 paragraph [1/3] and] § 6, 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 Redemption Date all, but not less than all, of the outstanding Certificates in accordance with the following provisions: [insert applicable provisions]
<i>This paragraph shall apply to all Certificates where the Certificateholders do not have a Put Option</i>	2. Except as provided in § 11, the Certificateholders shall not be entitled to call for a redemption of the Certificates prior to the Redemption Date.
<i>This paragraph shall apply to all Certificates where the Certificateholders have a Put Option</i>	2. Each Certificateholder 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 Principal Paying Agent, to call his Certificates for early redemption in accordance with the following provisions: [insert applicable provisions]

*This paragraph shall apply to all Certificates which do not contain an early redemption right with reference to an underlying pursuant to § 7*

3. If the Certificates are called for redemption due to an event having occurred as described in § 6 paragraph 3 or in § 11, as the case may be, they shall be redeemed at the **"Early Redemption Amount"** which shall be determined as follows: *[insert applicable provisions]*

*This paragraph shall apply to all Certificates which contain an early redemption right with reference to an underlying pursuant to § 7*

3. If the Certificates 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 § 6 paragraph 3 or 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 its reasonable discretion (§ 315 of the German Civil Code) as the fair value of the Certificates at the date as determined by the Issuer. Such date and the Early Redemption Amount shall be notified in accordance with § 13] *[insert other applicable provision]*. The rights arising from the Certificates will terminate upon the payment of the Early Redemption Amount.

*This paragraph shall apply to all Certificates with Automatic Early Redemption*

[4]. Notwithstanding any other rights to redeem the Certificates prior to the Redemption Date in accordance with these Terms and Conditions, the Certificates shall be terminated automatically and redeemed on the Automatic Early Redemption Date at 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 and/or provisions regarding market disruption, settlement disruption, adjustment clauses and/or other aspects, if appropriate]*

*This paragraph shall apply to all Certificates*

[5]. 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, resold or surrendered to the Principal Paying Agent (§ 10) for cancellation.

**Alternative:**

*Certificates for which gross-up tax clause of § 6 does not apply*

*This paragraph shall apply to all Certificates 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 Certificates prior to the Redemption Date.

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

1. The Issuer shall [, in addition to the right to redeem the Certificates prior to the Redemption 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 Redemption Date all, but not less than all, of the outstanding Certificates in accordance with the following provisions: *[insert applicable provisions]*

*This paragraph shall apply to all Certificates where the Certificateholders do not have a Put Option*

2. Except as provided in § 11, the Certificateholders shall not be entitled to call for a redemption of the Certificates prior to the Redemption Date.

*This paragraph shall apply to all*

2. Each Certificateholder shall, in addition to the right to call for redemption in accordance with § 11, be entitled upon not less than *[number]* days'

Certificate where the Certificateholders have a Put Option

prior written notice to the Principal Paying Agent, to call his Certificates for early redemption in accordance with the following provisions: **[insert applicable provisions]**

This paragraph shall apply to all Certificates which do not contain an early redemption right with reference to an underlying pursuant to § 7

3. If the Certificates 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]**

This paragraph shall apply to all Certificates which contain an early redemption right with reference to an underlying pursuant to § 7

3. If the Certificates 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 amount (the **"Early Redemption Amount"**) which shall be calculated by the Issuer [in its reasonable discretion (§ 315 of the German Civil Code) as the fair value of the Certificates at the date as determined by the Issuer in the notification of the termination] **[insert other applicable provision]**. The rights arising from the Certificates will terminate upon the payment of the Early Redemption Amount.

This paragraph shall apply to all Certificates with Automatic Early Redemption

[4. Notwithstanding any other rights to redeem the Certificates prior to the Redemption Date in accordance with these Terms and Conditions, the Certificates shall be terminated automatically and redeemed on the Automatic Early Redemption Date at 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 and/or provisions regarding market disruption, settlement disruption, adjustment clauses and/or other aspects, if appropriate]*

[4/5]. 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, resold or surrendered to the Principal Paying Agent (§ 10) for cancellation.

**§ 5  
(PAYMENTS [, DELIVERY OF [•] [THE UNDERLYING])**

<b>Alternative:</b>	<b>Certificates with cash settlement only</b>
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This paragraph shall be added to paragraph 1 in the case of Certificates in USD with a life of more than 1 year and a first payment or delivery after 40 days following issue date

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

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

2. All amounts payable pursuant to these Terms and Conditions will be made against presentation, and in the case of the last payment, against



surrender of the Global Certificate to the Principal Paying Agent for transfer to the Clearing System or pursuant to the Clearing System's instruction for credit to the relevant accountholders of the Clearing System. Payment to the Clearing System or pursuant to the Clearing System's instruction shall release the Issuer from its payment obligations under the Certificates in the amount of such payment.

3. 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.

**"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] [•].

*This paragraph applies if the gross-up tax clause of § 6 is selected*

4. All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of § 6. No commission or expense shall be charged to the Certificateholders in respect of such payments.

*This paragraph applies if the gross-up tax clause of § 6 is not selected*

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

5. The Issuer may deposit with the local court (*Amtsgericht*), Frankfurt am Main, payments not claimed by Certificateholders within 12 months after the respective due date, even though the respective Certificateholders 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 Certificateholders against the Issuer shall cease.

<i>Alternative:</i>	<i>Certificates with cash settlement and delivery obligations</i>
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1. The Issuer irrevocably undertakes to pay, as and when due, all amounts payable or to deliver, as and when due, [the Underlying] [•] pursuant to these Terms and Conditions.

*This paragraph shall be added to paragraph 1 in the case of Certificates in USD with a life of more than 1 year and a first payment or delivery after 40 days following issue date*

Payments and deliveries on Certificates represented by a Temporary Global Certificate shall only be effected upon due certification in accordance with § 1 paragraph 2.

2. Payment and delivery obligations pursuant to these Terms and Conditions will be made against presentation, and in the case of the last payment or delivery, against surrender of the Global Certificate to the Principal Paying Agent for transfer to the Clearing System or pursuant to the Clearing System's instruction for credit to the relevant accountholders of the Clearing System. Any payment or delivery to the Clearing System or pursuant to the Clearing System's instruction shall release the Issuer from its payment or delivery obligations under the Certificates in the amount of such payment or delivery, respectively.

3. 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.

**"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] [•].

*This paragraph applies if the gross-up tax clause of § 6 is selected*

4. All payments and/or deliveries are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of § 6. No commission or expense shall be charged to the Certificateholders in respect of such payments.

*This paragraph applies if the gross-up tax clause of § 6 is not selected*

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

5. The Issuer may deposit with the local court (*Amtsgericht*), Frankfurt am Main, any amounts payable and/or any deliveries not claimed by Certificateholders within 12 months after the respective due date, even though the respective Certificateholders 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 Certificateholders against the Issuer shall cease.

## § 6 (TAXES)

<i>Alternative:</i>	<i>Certificates with respect to which the Certificateholder has to pay taxes, fees or other duties (Certificateholder tax responsibility clause)</i>
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All present and future taxes, fees or other duties 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, fees and/or duties payable by the Certificateholder in accordance with the previous sentence.

<i>Alternative:</i>	<i>Certificates with respect to which the Certificateholder has to pay taxes, fees or other duties (Certificateholder tax responsibility clause)</i>
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1. All amounts payable under the Certificates will be paid without deduction or withholding for or on account of any present or future taxes, duties or governmental charges whatsoever imposed or levied by or on behalf of the Federal Republic of Germany or any taxing authority therein, unless the Issuer is compelled by a law or other regulation to deduct or withhold such taxes, duties or governmental charges. In that event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts after such deduction or withholding shall equal the amounts that would have been payable if no such deduction or withholding had been made.
2. No Additional Amounts shall be payable pursuant to paragraph 1 with respect to taxes, duties or governmental charges

- (a) for which a Certificateholder is liable because of a connection with the Federal Republic of Germany or another [member state of the European Union] [state that is part of the European Economic Area] other than the mere fact of his being the holder of the Certificates;
  - (b) to which the Certificateholder would not be subject if he had presented his Certificates for payment within 30 days from the due date for payment, or, if the necessary funds were not provided to the Principal Paying Agent or any other Paying Agent appointed pursuant to § 10 when due, within 30 days from the date on which such funds are provided to the Paying Agents and a notice to that effect has been published in accordance with § 13;
  - (c) which would not be payable if the Certificates had been kept in safe custody with, and the payments had been collected by, a credit institution;
  - (d) which are deducted or withheld by a Paying Agent, if the payment could have been made by another Paying Agent without such deduction or withholding;
  - (e) which are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or another member state of the European Union or the European Union is party, or (iii) any provision of law implementing or complying with, or introduced to conform with, such Directive, regulation, treaty or understanding;
  - (f) which are payable by any person acting as custodian bank or collecting agent on behalf of a Certificateholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it;
  - (g) which are deducted or withheld, even if the deduction or withholding has to be made by the Issuer or its representative, pursuant to the Corporate Tax Reform Act 2008 of the Federal Republic of Germany providing for the introduction of a definitive flat tax (*Abgeltungssteuer*) on certain investment income as from 1 January 2009; or
  - (h) which are payable by reason of a change in law (or by reason of any application or official interpretation of any law or regulation) that becomes effective more than 30 days after the relevant payment becomes due, or, if this occurs later, is duly provided for and notice thereof is given in accordance with § 13.
3. If at any future time as a result of a change of the laws applicable in the Federal Republic of Germany or a change in their official application, the Issuer is required, or at the time of the next succeeding payment due will be required, to pay Additional Amounts as provided in § 6 paragraph 1, the Issuer will be entitled, upon not less than 30 days' and not more than 60 days' notice to be given by publication in accordance with § 13, prior to the Redemption Date to redeem all Certificates at the Early Redemption Amount. No redemption pursuant to this § 6 paragraph 3 shall be made more than 30 days prior to the date on which such change of the laws or their official application becomes applicable to the Certificates for the first

time.

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

<i>Alternative:</i>	<i>Certificates without adjustments</i>
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*[leave blank]*

<i>Alternative:</i>	<i>Certificates with reference to a share or shares</i>
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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, Certificates 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 its reasonable discretion (§ 315 of the German Civil Code) 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 Exchange Business Day prior to the Redemption 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 Redemption Date shall be deemed to be the relevant **[the Valuation Date / insert other valuation time]**, and the Calculation Agent will, in its reasonable discretion (§ 315 of the German Civil Code) 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.

*This paragraph shall apply to all Certificates without delivery obligations*

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) the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the

Certificates or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;

- (e) 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;
- (f) 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
- (g) 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 reasonable discretion of the Issuer (§ 315 of the German Civil Code) for the evaluation of the Certificates and the fulfillment of its obligations under the Certificates. 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.

*These paragraphs shall apply to all Certificates with delivery obligations*

6. If the Issuer is required to deliver [the Delivery Amount] [•] and if, in the opinion of the Calculation Agent, a Settlement Disruption Event occurs or is continuing on the Redemption Date, then the delivery of the [the Delivery Amount] [•] shall be postponed to the first following Exchange Business Day on which there is no Settlement Disruption Event (the **"Postponed Settlement Date"**). In no event shall the Postponed Settlement Date be later than the fifth Exchange Business Day following the Redemption Date. If the Settlement Disruption Event is continuing on the fourth Exchange Business Day following the Redemption Date, then (i) the Postponed Settlement Date shall be the fifth Exchange Business Day following the Redemption Date and (ii) the Issuer shall have the right to pay a cash equivalent redemption amount (the **"Cash Equivalent Redemption Amount"**), in lieu of the delivery of the Delivery Amount, to the Certificateholder. In the event of a payment of a Cash Equivalent Redemption Amount § 5 paragraph 3 of these Terms and Conditions shall apply *mutatis mutandis*. The Cash Equivalent Redemption Amount will be determined by the Issuer in its reasonable discretion (§ 315 of the German Civil Code).

All determinations made by the Issuer and/or the Calculation Agent pursuant to this paragraph shall be notified to the Certificateholder in accordance with § 13. The Certificateholder will not be entitled to any compensation from the Issuer for any loss suffered as a result of the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

7. 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) the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Certificates or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;
- (e) 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;

- (f) 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
- (g) 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 reasonable discretion of the Issuer (§ 315 of the German Civil Code) for the evaluation of the Certificates and the fulfillment of its obligations under the Certificates. 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.

**"Settlement Disruption Event"** means an event, [(a)] which, in the opinion of the Calculation Agent, is beyond the control of the Issuer and as a result of which the Issuer cannot deliver or cannot procure the delivery of [the Delivery Amount] [•] [or, (b) if it is impossible to deliver [the Delivery Amount] [•] to the Certificateholders under the applicable rules of the Clearing System irrespective of when such rules have been introduced].

*Alternative:*

*Certificates 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 Certificates 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 its reasonable discretion (§ 315 of the German Civil Code) another index on the basis of which the redemption of the Certificates 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 Calculation Agent will make all necessary adjustments to the Terms and Conditions of the Certificates 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 or (b) to (instead of a continuation of the calculation of the Index) terminate and redeem all, but not less than all, Certificates 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] [•] Payment Business Day prior to the Redemption 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 Redemption Date shall be deemed to be the relevant [the Valuation Date / *insert other valuation time*], and the Calculation Agent will, in its reasonable discretion (§ 315 of the German Civil Code) 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 reasonable discretion of the Issuer (§ 315 of the German Civil Code) for the evaluation of the Certificates and the fulfillment of its obligations under the Certificates. 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.

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 Certificates 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 another index on the basis of which the redemption of the Certificates 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 Calculation Agent will make all necessary adjustments to the Terms and Conditions of the Certificates 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 (§ 315 of the German Civil Code) 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 (§ 315 of the German Civil Code);

- (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) the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Certificates or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;
  - (i) 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;
  - (j) 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
  - (k) 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, Certificates 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] [•] Payment Business Day prior to the Redemption 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 Redemption Date shall be deemed to be the relevant [the Valuation Date / *insert other valuation time*], and the Calculation Agent will, in its reasonable discretion (§ 315 of the German Civil Code) 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 reasonable discretion of the Issuer (§ 315 of the German Civil Code) for the evaluation of the Certificates and the fulfillment of its obligations under the Certificates. 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.

<i>Alternative: Certificates with reference to futures contracts on commodities</i>
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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 all, but not less than all, Certificates 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 its reasonable discretion (§ 315 of the German Civil Code). 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 Exchange Business Day prior to the Redemption 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 second Exchange Business Day prior to the Redemption Date shall be deemed to be the relevant Valuation Date, and the Calculation Agent will, in its reasonable discretion (§ 315 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, Hedging Disruption, 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.

**"Hedging Disruption"** means an event due to which the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Certificates or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;

**"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.

<i>Alternative:</i>	<i>Certificates with reference to a combination of different types of underlyings or to other underlyings</i>
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*[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 Certificates]*

## **§ 8 (PRESENTATION PERIODS, PRESCRIPTION)**

The period for presentation of the Certificates (§ 801, paragraph 1, sentence 1 of the German Civil Code) shall be ten years and the period of limitation for claims under the Certificates presented during the period for presentation shall be two years calculated from the expiry of the relevant presentation period.

**§ 9**  
**(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).

**§ 10**  
**(AGENTS)**

1. [Commerzbank Aktiengesellschaft [address] / [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 Certificates 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 [address] / [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 Certificateholders 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 and any similar restrictions of the applicable laws of any other country.

**§ 11**  
**(TERMINATION)**

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

- (a) the Issuer is in default for more than 30 days in the payment of any amount due [*shall be added if Certificates contain a delivery obligation: and/or deliveries*];
- (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 Certificateholder;
- (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 Certificates due shall terminate if the circumstances giving rise to it have been remedied before such right is exercised.

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

**§ 12**

**([SUBSTITUTION OF ISSUER [, BRANCH DESIGNATION] [THIS CLAUSE HAS BEEN LEFT INTENTIONALLY BLANK])**

<i>Alternative:</i>	<i>Certificates with substitution of the Issuer</i>
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1. Any other company may assume at any time during the life of the Certificates, subject to § 12 paragraph 4, without the Certificateholders' 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 Certificates.



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 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.
5. Upon any substitution of the Issuer for a New Issuer, this § 12 shall apply again.

*This paragraph shall be added if there is a Branch Designation*

- [6. The Issuer may at any time, designate by publication in accordance with § 13 any branch (*Betriebsstätte*) of the Issuer outside the Federal Republic of Germany as the branch (*Betriebsstätte*) primarily responsible for the due and punctual payment in respect of the Certificates then outstanding and the performance of all of the Issuer's other obligations under the Certificates then outstanding.

Paragraphs 4 (c) and 5 of this § 12 shall apply *mutatis mutandis* to such designation.]

<i>Alternative:</i>	<i>Certificates without substitution of the Issuer</i>
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[leave blank]

### § 13 (NOTICES)

*This paragraph shall apply only to Certificates which are listed on a exchange or offered to the public*

Notices relating to the Certificates shall be published on the internet page [●] (or on another internet page notified at least six weeks in advance by the Issuer in accordance with this § 13) and shall be deemed to be effective upon such publication unless such publication gives another effective date. If applicable law or regulations of the exchange on which the Certificates are listed require a notification in another manner, notices shall also be given in the manner so required.

*This paragraph shall apply only to Certificates which*

Unless these Terms and Conditions expressly provide for publication on the Issuer's internet page, any notices relating to the Certificates shall be published

are neither listed on  
a exchange nor  
offered to the public

in the electronic version of the Federal Gazette (*Bundesanzeiger*) and, where required by law, in one supra-regional mandatory publication for each of the exchanges on which the Certificates are admitted to be traded. Any such notice shall be deemed to have been given on the day of its publication (or, in the case of several notices, on the first day of such publication).

#### **§ 14 (AVAILABLE INFORMATION)**

Commerzbank hereby undertakes to furnish upon the request of a Certificateholder or the holder of any beneficial interest in a Certificate, upon the request of such holder or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the U.S. Securities Act of 1933, as amended if, at the time of the request, Commerzbank is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended ("**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act.

#### **§ 15 (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 Certificates only if, and insofar as, it either (i) breaches material obligations under or in connection with the Terms and Conditions of the Certificates negligently or wilfully or (ii) breaches other obligations with gross negligence or wilfully.

#### **§ 16 (FINAL CLAUSES)**

1. The form and content of the Certificates and the rights and duties of the Certificateholders, the Issuer, the Calculation Agent and the Paying Agents shall in all respects be governed by the laws of the Federal Republic of Germany.
2. 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 Certificateholders. 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 Certificateholder 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 Certificates to the account of the Principal Paying Agent with the Clearing System. The Issuer shall make available the Issue Price to the Certificate Agent within [number] calendar days following receipt of the Redemption Notice and of the Certificates by the Certificate Agent, whichever receipt is later, whereupon the Certificate Agent shall transfer the Issue Price to the account specified in the Redemption Notice. Upon payment of the Issue Price all rights under the Certificates delivered shall expire.
3. The Issuer may combine the declaration of rescission pursuant to paragraph 2. with an offer to continue the Certificates on the basis of

corrected Terms and Conditions. Such an offer and the corrected provisions shall be notified to the Certificateholders together with the declaration of rescission in accordance with § 13. Any such offer shall be deemed to be accepted by a Certificateholder (and the rescission shall not take effect), unless the Certificateholder 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 Certificates to the account of the Principal Paying Agent with the Clearing System pursuant to paragraph 2. The Issuer shall refer to this effect in the notification.

4. **"Issue Price"** within the meaning of paragraphs 2. and 3. shall be the actual purchase price paid at the time of the first purchase of the Certificates delivered for repayment [, or (if no purchase price for the first purchase of the Certificates can be determined) the issue price as set forth in the applicable Final Terms relating to the Base Prospectus dated [date]].
5. Contradictory or incomplete provisions in the Terms and Conditions may be corrected or amended, as the case may be, by the Issuer in its reasonable discretion (§ 315 of the German Civil Code). The Issuer, however, shall only be entitled to make such corrections or amendments which are reasonably acceptable to the Certificateholders having regard to the interests of the Issuer and in particular which do not materially adversely affect the legal or financial situation of the Certificateholders. Notice of any such correction or amendment shall be given to the Certificateholders in accordance with § 13.
6. If the Certificateholder was aware of typing or calculation errors or similar errors at the time of the acquisition of the Certificates, then, notwithstanding paragraphs 2 - 5, the Certificateholders can be bound by the Issuer to the corrected Terms and Conditions.
7. Place of performance is Frankfurt am Main.
8. 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.

## TERMS AND CONDITIONS SET 3 (UNLIMITED CERTIFICATES WITHOUT FIXED REDEMPTION DATE)

PROGRAMME TERMS AND CONDITIONS OF UNLIMITED CERTIFICATES WITHOUT FIXED REDEMPTION DATE WHERE REDEMPTION AMOUNT OR ADDITIONAL PAYMENTS OR DELIVERIES ARE 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) (THE "UNLIMITED CERTIFICATES")

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

### § 1 (FORM, TRANSFERABILITY)

<i>Alternative:</i>	<i>Certificates in bearer form</i>
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1. This issue of [number] unlimited certificates (the "**Certificates**") of Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") is issued in [currency] (the "**Issue Currency**") [and relates to [•] (the "**Underlying**" [or "•"])]. The Certificates will rank pari passu among themselves.

*These paragraphs 2 and 3 shall apply to all Certificates in bearer form (unless in the case of Certificates in USD with a life of more than 1 year and a first payment or delivery after 40 days following issue date)*

2. The Certificates will be represented by a permanent global bearer certificate (the "**Global Certificate**") without interest coupons. No definitive Certificates will be issued and the right of delivery of definitive Certificates is excluded. The Global Certificate shall be deposited with [Clearstream Banking AG, Neue Börsenstr. 1, 60487 Frankfurt am Main,] [[Deutsche Bank AG, Große Gallusstraße 10 - 14, 60272 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] [other international clearing system]] ([together] the "**Clearing System**").

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

*These paragraphs 2 and 3 shall apply to 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*

2. The Certificates will initially be represented by a temporary global 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 certificate (the "**Permanent Global Certificate**"); the Temporary Global Certificate and the Permanent Global Certificate hereinafter together the "**Global Certificate**". The Temporary Global Certificate and the Permanent Global Certificate shall be deposited with [Clearstream Banking AG, Neue Börsenstr. 1, 60487 Frankfurt am Main,] [[Deutsche Bank AG, Große Gallusstraße 10 - 14, 60272 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] [other international clearing 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 Certificates represented by the Temporary Global Certificate are not U.S. persons. No definitive Certificates will be issued and the right of delivery of definitive Certificates is excluded.

3. The Temporary Global Certificate and the Permanent Global Certificate shall only be valid if they bear the hand-written signatures of two authorised officers of the Issuer.
4. 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.
5. The term "**Certificateholder**" in these Terms and Conditions refers to the holder of a co-ownership participation in or right with respect to the Global Certificate.
6. The Certificates can be transferred via the Clearing System [individually/only in lots of •/other].
7. The Issuer reserves the right to issue from time to time without the consent of the Certificateholders another tranche of Certificates with substantially identical terms, so that the same shall be consolidated to form a single Series and increase the aggregate principal amount of the Certificates. The term "Certificates" shall, in the event of such consolidation, also comprise such additionally issued Certificates.

<i>Alternative:</i>	<i>Certificates issued pursuant to Rule 144A, Regulation D or Section 4(2) under the Securities Act in registered form</i>
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1. This issue of [number] unlimited certificates (the "**Certificates**") of Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") is issued in [currency] (the "**Issue Currency**") [and relates to [•] (the "**Underlying**" [or "•"])]. The Certificates will rank pari passu among themselves.
2. The Certificates will be represented by a permanent global certificate in registered form (the "**Global Certificate**") without interest coupons. No definitive Certificates will be issued and the right of delivery of definitive Certificates is excluded. The Global Certificate shall be deposited with [Clearstream Banking AG, Neue Börsenstr. 1, 60487 Frankfurt am Main,] [[Deutsche Bank AG, Große Gallusstraße 10 - 14, 60272 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] [other international clearing system]] ([together] the "**Clearing System**"). The Global Certificate will be subject to certain restrictions on transfers and will bear a legend regarding such restrictions. The Issuer shall maintain a register for the Certificates at [registrar] (the "**Registrar**").
3. The Global Certificate shall only be valid if it bears the hand-written signatures of two authorised officers of the Issuer.
4. 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.
5. The term "**Certificateholder**" in these Terms and Conditions refers to the holder of a co-ownership participation in or right with respect to the Global Certificate.
6. The Certificates can be transferred via the Clearing System [indi-

vidually/only in lots of •/other].

7. The Issuer reserves the right to issue from time to time without the consent of the Certificateholders another tranche of Certificates with substantially identical terms, so that the same shall be consolidated to form a single Series and increase the aggregate principal amount of the Certificates. The term "Certificates" shall, in the event of such consolidation, also comprise such additionally issued Certificates.

## § 2

### (REDEMPTION AT THE REQUEST OF A CERTIFICATEHOLDER)

1. Subject to the provision of § 3 paragraph 4, every Certificateholder shall, in addition to the termination right provided under § 11, have the right to request the redemption of the Certificates from the Issuer. The redemption pursuant to this clause can only be requested in accordance with the following provisions and only with respect to a Redemption Date [(paragraph 6)]. [**"Redemption Date"** means [•]].
2. Each Certificate shall be redeemed on the Redemption Date [, subject to postponement in accordance with § 7 paragraph •] [at an amount (the "**Final Redemption Amount**") which is calculated pursuant to the following provisions: ]

*[insert applicable provisions including formula(e) and/or provisions regarding redemption by way of payment of Final Redemption Amount (including its definition) and/or redemption by way of delivery and/or additional definitions and/or other aspects, if appropriate]*

3. In order to request the redemption of the Certificates with respect to a Redemption Date, the Certificateholder has to:
  - (a) submit a written notice to the Principal Paying Agent (§ 10) requesting the redemption of the Certificates held and specifying a Redemption Date (the "**Redemption Notice**"); and
  - (b) deliver the Certificates to the Principal Paying Agent (i) by an irrevocable order to the Principal Paying Agent to transfer the Certificates from its account with the Principal Paying Agent or (ii) by transfer of the Certificates to the account of the Principal Paying Agent with the Clearing System.
4. The Redemption Notice must be received by the Principal Paying Agent not later than [•] Payment Business Days (§ 5 paragraph 3) prior to such Redemption Date. A Redemption Notice received by the Principal Paying Agent shall be binding and irrevocable. It has to be in the form available at the Principal Paying Agent or informal if accepted by the Principal Paying Agent. An informal Redemption Notice has to contain the information requested in such form which is, amongst others: the requested Redemption Date, the number of Certificates for which a redemption is requested, the name and address of the relevant Certificateholder as well as the name and account details of the Certificateholder's account . A Redemption Notice which does not fulfill the above requirements may be held invalid by the Principal Paying Agent. The decision of the Principal Paying Agent whether or not to accept a Redemption notice shall be valid and binding on the Issuer and the relevant Certificateholder.

5. If the number of Certificates requested for redemption deviates from the number of Certificates received by the Principal Paying Agent, the Redemption Notice shall only be valid for a number of Certificates equal to the smaller of the two numbers. Any Certificates transferred in excess of this number shall be transferred back to the Certificateholder at its own expense and risk.
6. For the purposes of these Terms and Conditions, the following definitions shall apply:

*[insert applicable provisions including formula(e) and/or provisions regarding redemption by way of payment of Final Redemption Amount (including its definition) and/or redemption by way of delivery and/or additional definitions and/or other aspects, if appropriate]*

*This paragraph shall apply only to Certificates in relation to which the number of Certificates redeemable on a single Redemption Date is limited*

- [7. In the case that the number of Certificates validly requested for redemption on a specific Redemption Date (the "**Original Redemption Date**") exceeds *[insert details]* the Issuer will not be obligated to redeem the Certificates validly delivered for redemption on such Redemption Date. In such event the Issuer *[is entitled to postpone the redemption of the Certificates validly delivered for redemption until the Redemption Date immediately following the Original Redemption Date]* [●]. The Issuer shall publish any postponement of the redemption of the Certificates from the Original Redemption Date to the immediately following Redemption Date in accordance with § 13 without undue delay following the Original Redemption Date.]

*[alternatively: insert other provisions relating to the redemption and/or other aspects, if appropriate]*

### § 3 (TERMINATION BY THE ISSUER)

<i>Alternative:</i>	<i>Certificates which contain an extraordinary redemption right with reference to an Underlying pursuant to § 7</i>
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*This paragraph 1 shall apply if the tax gross-up clause of § 6 is not selected*

1. The Issuer shall, in addition to the extraordinary right to redeem the Certificates in accordance with § 7 paragraph [1/3], be entitled to terminate the Certificates in whole but not in part *[insert applicable provisions]* (each a "**Termination Date**") (the "**Termination by the Issuer**"). *[The first Termination Date shall be [●]].*

*This paragraph 1 shall apply if the tax gross-up clause of § 6 is selected*

1. The Issuer shall, in addition to the extraordinary right to redeem the Certificates in accordance with [§ 7 paragraph [1/3] and] § 6 paragraph 3, be entitled to terminate the Certificates in whole but not in part *[insert applicable provisions]* (each a "**Termination Date**") (the "**Termination by the Issuer**"). *[The first Termination Date shall be [●]].*
2. The Termination by the Issuer has to be notified *[at the least [●] prior to the respective Termination Date]* **[other provisions]** in accordance with § 13. Such notification is irrevocable and must include the Termination Date.
3. Following the Termination by the Issuer of the Certificates each Certificate shall be redeemed on the Termination Date *[, subject to postponement in accordance with § 7 paragraph [●]]* *[at the Final Redemption Amount as determined, mutatis mutandis, according to § 2 paragraph 2, where the Valuation Date shall be [insert applicable provisions] prior to the Termination Date].*

[alternatively: insert applicable provisions including formula(e) and/or provisions regarding redemption by way of payment of Final Redemption Amount (including its definition) and/or redemption by way of delivery and/or additional definitions and/or other aspects, if appropriate]

4. Upon notification by the Issuer of the Termination of the Certificates by the Issuer the right of the Certificateholders to request the redemption of the Certificates in accordance with § 2 shall expire.

<b>Alternative:</b>	<i>Certificates which do not contain an extraordinary redemption right with reference to an Underlying pursuant to § 7</i>
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*This paragraph 1 shall apply if the tax gross-up clause of § 6 is not selected*

1. The Issuer shall be entitled to terminate the Certificates in whole but not in part [insert applicable provisions] (each a "Termination Date") (the "Termination by the Issuer"). [The first Termination Date shall be [●]].

*This paragraph 1 shall apply if the tax gross-up clause of § 6 is selected*

1. The Issuer shall, in addition to the extraordinary right to redeem the Certificates in accordance with § 6 paragraph 3, be entitled to terminate the Certificates in whole but not in part [insert applicable provisions] (each a "Termination Date") (the "Termination by the Issuer"). [The first Termination Date shall be [●]].

3. The Termination by the Issuer has to be notified [at the least [●] prior to the respective Termination Date] [other provisions] in accordance with § 13. Such notification is irrevocable and must include the Termination Date.

3. Following the Termination by the Issuer of the Certificates each Certificate shall be redeemed on the Termination Date [, subject to postponement in accordance with § 7 paragraph [●]] [at the Final Redemption Amount as determined, *mutatis mutandis*, according to § 2 paragraph 2, where the Valuation Date shall be [insert applicable provisions] prior to the Termination Date].

[alternatively: insert applicable provisions including formula(e) and/or provisions regarding redemption by way of payment of Final Redemption Amount (including its definition) and/or redemption by way of delivery and/or additional definitions and/or other aspects, if appropriate]

4. Upon notification by the Issuer of the Termination of the Certificates by the Issuer the right of the Certificateholders to request the redemption of the Certificates in accordance with § 2 shall expire.

#### § 4 (EARLY REDEMPTION, REPURCHASE OF CERTIFICATES)

<b>Alternative:</b>	<i>Certificates which contain an extraordinary redemption right with reference to an Underlying pursuant to § 7</i>
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*This paragraph 1 shall apply if the tax gross-up clause of § 6 is not selected*

1. If the Certificates 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 its reasonable discretion (§ 315 of the German Civil Code) as the fair value of the Certificates at the date as determined by the Issuer in the due notification of the termination in accordance with § 13] [insert other applicable provision]. The rights arising from the Certificates will terminate upon the



payment of the Early Redemption Amount.

*[insert applicable provisions, including but not limited to early termination trigger event(s), definitions of Early Redemption Date(s) and 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 1 shall apply if the tax gross-up clause of § 6 is selected*

1. If the Certificates 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 § 6 paragraph 3 or 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 its reasonable discretion (§ 315 of the German Civil Code) as the fair value of the Certificates at the date as determined by the Issuer in the due notification of the termination in accordance with § 13] *[insert other applicable provision]*. The rights arising from the Certificates will terminate upon the payment of the Early Redemption Amount.

*[insert applicable provisions, including but not limited to early termination trigger event(s), definitions of Early Redemption Date(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]*

2. 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, resold or surrendered to the Principal Paying Agent for cancellation.

**Alternative:**

*Certificates which do not contain an extraordinary redemption right with reference to an Underlying pursuant to § 7*

*This paragraph 1 shall apply if the tax gross-up clause of § 6 is not selected*

1. If the Certificates are called for redemption due to an event having occurred as described in § 11 the Certificates shall be redeemed at the early redemption amount (the "**Early Redemption Amount**") which shall be determined as follows:

*[insert applicable provisions, including but not limited to early termination trigger event(s), definitions of Early Redemption Date(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 1 shall apply if the tax gross-up clause of § 6 is selected*

1. If the Certificates are called for redemption due to an event having occurred as described in § 6 paragraph 3 or in § 11, as the case may be, the Certificates shall be redeemed at the early redemption amount (the "**Early Redemption Amount**") which shall be determined as follows:

*[insert applicable provisions, including but not limited to early termination trigger event(s), definitions of Early Redemption Date(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]*

2. 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, resold or surrendered to the Principal Paying Agent for cancellation.

**§ 5**  
**(PAYMENTS [, DELIVERY OF [•] [THE UNDERLYING])**

<i>Alternative:</i>	<i>Certificates with cash settlement only</i>
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*This paragraph shall be added to paragraph 1 in the case of Certificates in USD with a life of more than 1 year and a first payment or delivery after 40 days following issue date*

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

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

2. All amounts payable pursuant to these Terms and Conditions will be made against presentation, and in the case of the last payment, against surrender of the Global Certificate to the Principal Paying Agent for transfer to the Clearing System or pursuant to the Clearing System's instruction for credit to the relevant accountholders of the Clearing System. Payment to the Clearing System or pursuant to the Clearing System's instruction shall release the Issuer from its payment obligations under the Certificates in the amount of such payment.
3. 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.

**"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] [•].

*This paragraph applies if the gross-up tax clause of § 6 is selected*

4. All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of § 6. No commission or expense shall be charged to the Certificateholders in respect of such payments.

*This paragraph applies if the gross-up tax clause of § 6 is not selected*

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

5. The Issuer may deposit with the local court (*Amtsgericht*), Frankfurt am Main, payments not claimed by Certificateholders within 12 months after the respective due date, even though the respective Certificateholders 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 Certificateholders against the Issuer shall cease.

<i>Alternative:</i>	<i>Certificates with cash settlement and delivery obligations</i>
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1. The Issuer irrevocably undertakes to pay, as and when due, all amounts

payable or to deliver, as and when due, [the Underlying] [•] pursuant to these Terms and Conditions.

*This paragraph shall be added to paragraph 1 in the case of Certificates in USD with a life of more than 1 year and a first payment or delivery after 40 days following issue date*

Payments and deliveries on Certificates represented by a Temporary Global Certificate shall only be effected upon due certification in accordance with § 1 paragraph 2.

2. Payment and delivery obligations pursuant to these Terms and Conditions will be made against presentation, and in the case of the last payment or delivery, against surrender of the Global Certificate to the Principal Paying Agent for transfer to the Clearing System or pursuant to the Clearing System's instruction for credit to the relevant accountholders of the Clearing System. Any payment or delivery to the Clearing System or pursuant to the Clearing System's instruction shall release the Issuer from its payment or delivery obligations under the Certificates in the amount of such payment or delivery, respectively.
3. 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.

**"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] [•].

*This paragraph applies if the gross-up tax clause of § 6 is selected*

4. All payments and/or deliveries are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of § 6. No commission or expense shall be charged to the Certificateholders in respect of such payments.

*This paragraph applies if the gross-up tax clause of § 6 is not selected*

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

5. The Issuer may deposit with the local court (*Amtsgericht*), Frankfurt am Main, any amounts payable and/or any deliveries not claimed by Certificateholders within 12 months after the respective due date, even though the respective Certificateholders 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 Certificateholders against the Issuer shall cease.

## § 6 (TAXES)

<i>Alternative:</i>	<i>Certificates with respect to which the Certificateholder has to pay taxes, fees or other duties (Certificateholder tax responsibility clause)</i>
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All present and future taxes, fees or other duties 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, fees and/or duties payable by the Certificateholder in accordance with the previous sentence.

<i>Alternative:</i>	<i>Certificates with respect to which the Certificateholder has to pay taxes, fees or other duties (Certificateholder tax responsibility clause)</i>
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1. All amounts payable under the Certificates will be paid without deduction or withholding for or on account of any present or future taxes, duties or governmental charges whatsoever imposed or levied by or on behalf of the Federal Republic of Germany or any taxing authority therein, unless the Issuer is compelled by a law or other regulation to deduct or withhold such taxes, duties or governmental charges. In that event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts after such deduction or withholding shall equal the amounts that would have been payable if no such deduction or withholding had been made.
2. No Additional Amounts shall be payable pursuant to paragraph 1 with respect to taxes, duties or governmental charges
  - (a) for which a Certificateholder is liable because of a connection with the Federal Republic of Germany or another [member state of the European Union] [state that is part of the European Economic Area] other than the mere fact of his being the holder of the Certificates;
  - (b) to which the Certificateholder would not be subject if he had presented his Certificates for payment within 30 days from the due date for payment, or, if the necessary funds were not provided to the Principal Paying Agent or any other Paying Agent appointed pursuant to § 10 when due, within 30 days from the date on which such funds are provided to the Paying Agents and a notice to that effect has been published in accordance with § 13;
  - (c) which would not be payable if the Certificates had been kept in safe custody with, and the payments had been collected by, a credit institution;
  - (d) which are deducted or withheld by a Paying Agent, if the payment could have been made by another Paying Agent without such deduction or withholding;
  - (e) which are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or another member state of the European Union or the European Union is party, or (iii) any provision of law implementing or complying with, or introduced to conform with, such Directive, regulation, treaty or understanding;
  - (f) which are payable by any person acting as custodian bank or collecting agent on behalf of a Certificateholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it;
  - (g) which are deducted or withheld, even if the deduction or withholding has to be made by the Issuer or its representative,

pursuant to the Corporate Tax Reform Act 2008 of the Federal Republic of Germany providing for the introduction of a definitive flat tax (*Abgeltungssteuer*) on certain investment income as from 1 January 2009; or

- (h) which are payable by reason of a change in law (or by reason of any application or official interpretation of any law or regulation) that becomes effective more than 30 days after the relevant payment becomes due, or, if this occurs later, is duly provided for and notice thereof is given in accordance with § 13.
3. If at any future time as a result of a change of the laws applicable in the Federal Republic of Germany or a change in their official application, the Issuer is required, or at the time of the next succeeding payment due will be required, to pay Additional Amounts as provided in § 6 paragraph 1, the Issuer will be entitled, upon not less than 30 days' and not more than 60 days' notice to be given by publication in accordance with § 13, prior to the Redemption Date to redeem all Certificates at the Early Redemption Amount. No redemption pursuant to this § 6 paragraph 3 shall be made more than 30 days prior to the date on which such change of the laws or their official application becomes applicable to the Certificates for the first time.

#### § 7

**([ADJUSTMENTS, MARKET DISRUPTION [, POSTPONEMENT OF VALUATION DATE] [, SETTLEMENT DISRUPTION] [•] ] [THIS CLAUSE HAS BEEN INTENTIONALLY LEFT BLANK])**

<i>Alternative:</i>	<i>Certificates without adjustments</i>
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*[leave blank]*

<i>Alternative:</i>	<i>Certificates with reference to a share or shares</i>
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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, Certificates prematurely at the Early Redemption Amount (§ 4 paragraph 1) 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 its reasonable discretion (§ 315 of the German Civil Code) 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 Exchange Business Day prior to the Redemption 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 Redemption Date shall be deemed to be the relevant [the Valuation Date / *insert other valuation time*], and the Calculation Agent will, in its reasonable discretion (§ 315 of the German Civil Code) 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.

*This paragraph shall apply to all Certificates without delivery obligations*

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) the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Certificates or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;
- (e) 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;
- (f) 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
- (g) 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 reasonable discretion of the Issuer (§ 315 of the German Civil Code) for the evaluation of the Certificates and the fulfillment of its obligations under the Certificates. 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.

*These paragraphs shall apply to all Certificates with delivery obligations*

- 6. If the Issuer is required to deliver [the Delivery Amount] [•] and if, in the opinion of the Calculation Agent, a Settlement Disruption Event occurs or is continuing on the Redemption Date, then the delivery of the [the Delivery Amount] [•] shall be postponed to the first following Exchange

Business Day on which there is no Settlement Disruption Event (the "**Postponed Settlement Date**"). In no event shall the Postponed Settlement Date be later than the fifth Exchange Business Day following the Redemption Date. If the Settlement Disruption Event is continuing on the fourth Exchange Business Day following the Redemption Date, then (i) the Postponed Settlement Date shall be the fifth Exchange Business Day following the Redemption Date and (ii) the Issuer shall have the right to pay a cash equivalent redemption amount (the "**Cash Equivalent Redemption Amount**"), in lieu of the delivery of the Delivery Amount, to the Certificateholder. In the event of a payment of a Cash Equivalent Redemption Amount § 5 paragraph 3 of these Terms and Conditions shall apply *mutatis mutandis*. The Cash Equivalent Redemption Amount will be determined by the Issuer in its reasonable discretion (§ 315 of the German Civil Code).

All determinations made by the Issuer and/or the Calculation Agent pursuant to this paragraph shall be notified to the Certificateholder in accordance with § 13. The Certificateholder will not be entitled to any compensation from the Issuer for any loss suffered as a result of the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

7. 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) the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Certificates or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;
- (e) 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;
- (f) 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
- (g) 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 reasonable discretion of the Issuer (§ 315 of the German Civil Code) for the evaluation of the Certificates and the fulfillment of its obligations under the Certificates. 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.

**"Settlement Disruption Event"** means an event, [(a)] which, in the opinion of the Calculation Agent, is beyond the control of the Issuer and as a result of which the Issuer cannot deliver or cannot procure the delivery of [the Delivery Amount] [•] [or, (b) if it is impossible to deliver [the Delivery Amount] [•] to the Certificateholders under the applicable rules of the Clearing System irrespective of when such rules have been introduced].

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 Certificates 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 another index on the basis of which the redemption of the Certificates 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 Calculation Agent will make all necessary adjustments to the Terms and Conditions of the Certificates 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 (§ 315 of the German Civil Code) 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 (§ 315 of the German Civil Code);

- (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) the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Certificates or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;
  - (i) 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;
  - (j) 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
  - (k) 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, Certificates prematurely at the Early Redemption Amount (§ 4 paragraph 1) 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] [•] Payment Business Day prior to the Redemption 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 Redemption Date shall be deemed to be the relevant [the Valuation Date / *insert other valuation time*], and the Calculation Agent will, in its reasonable discretion (§ 315 of the German Civil Code) 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 reasonable discretion of the Issuer (§ 315 of the German Civil Code) for the evaluation of the Certificates and the fulfillment of its obligations under the Certificates. 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.

<i>Alternative:</i>	<i>Certificates with reference to an index consisting of futures contracts</i>
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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 Certificates 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 its reasonable discretion (§ 315 of the German Civil Code) another index on the basis of which the redemption of the Certificates 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 Calculation Agent will make all

necessary adjustments to the Terms and Conditions of the Certificates 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 or (b) to (instead of a continuation of the calculation of the Index) terminate and redeem all, but not less than all, Certificates 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] [•] Payment Business Day prior to the Redemption 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 Redemption Date shall be deemed to be the relevant [the Valuation Date / *insert other valuation time*], and the Calculation Agent will, in its reasonable discretion (§ 315 of the German Civil Code) 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 reasonable discretion of the Issuer (§ 315 of the German Civil Code) for the evaluation of the Certificates and the fulfillment of its obligations under the Certificates. 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.

<i>Alternative:</i>	<i>Certificates with reference to futures contracts on commodities</i>
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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 all, but not less than all, Certificates prematurely at the Early Redemption Amount (§ 4 paragraph 1) 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 its reasonable discretion (§ 315 of the German Civil Code). 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 Exchange Business Day prior to the Redemption 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 second Exchange Business Day prior to the Redemption Date shall be deemed to be the relevant Valuation Date, and the Calculation Agent will, in its reasonable discretion (§ 315 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, Hedging Disruption, 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.

**"Hedging Disruption"** means an event due to which the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Certificates or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;

**"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.

<i>Alternative:</i>	<i>Certificates with reference to a combination of different types of underlyings or to other underlyings</i>
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*[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 Certificates]*

## **§ 8 (PRESENTATION PERIODS, PRESCRIPTION)**

The period for presentation of the Certificates (§ 801, paragraph 1, sentence 1 of the German Civil Code) shall be ten years and the period of limitation for claims under the Certificates presented during the period for presentation shall be two years calculated from the expiry of the relevant presentation period.

## **§ 9 (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).

## **§ 10 (AGENTS)**

1. **[Commerzbank Aktiengesellschaft [address] / [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 Certificates 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 [address] / [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 Certificateholders 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 and any similar restrictions of the applicable laws of any other country.

## **§ 11 (TERMINATION)**

1. Each Certificateholder is entitled to declare its Certificates due and to require the redemption of his Certificates at the Early Redemption Amount pursuant to § 4 paragraph 1 as provided hereinafter, if:
  - (a) the Issuer is in default for more than 30 days in the payment of any amount due [*shall be added if Certificates contain a delivery obligation: and/or deliveries*];
  - (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 Certificateholder;
  - (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 Certificates due shall terminate if the circumstances giving rise to it have been remedied before such right is exercised.

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

**§ 12**  
**([SUBSTITUTION OF ISSUER [, BRANCH DESIGNATION] [THIS CLAUSE HAS BEEN LEFT INTENTIONALLY BLANK])**

<i>Alternative:</i>	<i>Certificates with substitution of the Issuer</i>
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1. Any other company may assume at any time during the life of the Certificates, subject to § 12 paragraph 4, without the Certificateholders' 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 Certificates.
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 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.
5. Upon any substitution of the Issuer for a New Issuer, this § 12 shall apply again.
- [6. The Issuer may at any time, designate by publication in accordance with § 13 any branch (*Betriebsstätte*) of the Issuer outside the Federal Republic of Germany as the branch (*Betriebsstätte*) primarily responsible for the due and punctual payment in respect of the Certificates then outstanding and the performance of all of the Issuer's other obligations under the Certificates then outstanding.

*This paragraph shall be added if there is a Branch Designation*

Paragraphs 4 (c) and 5 of this § 12 shall apply *mutatis mutandis* to such

designation.]

<i>Alternative:</i>	<i>Certificates without substitution of the Issuer</i>
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[leave blank]

### § 13 (NOTICES)

*This paragraph shall apply only to Certificates which are listed on a exchange or offered to the public*

Notices relating to the Certificates shall be published on the internet page [●] (or on another internet page notified at least six weeks in advance by the Issuer in accordance with this § 13) and shall be deemed to be effective upon such publication unless such publication gives another effective date. If applicable law or regulations of the exchange on which the Certificates are listed require a notification in another manner, notices shall also be given in the manner so required.

*This paragraph shall apply only to Certificates which are neither listed on a exchange nor offered to the public*

Unless these Terms and Conditions expressly provide for publication on the Issuer's internet page, any notices relating to the Certificates shall be published in the electronic version of the Federal Gazette (*Bundesanzeiger*) and, where required by law, in one supra-regional mandatory publication for each of the exchanges on which the Certificates are admitted to be traded. Any such notice shall be deemed to have been given on the day of its publication (or, in the case of several notices, on the first day of such publication).

### § 14 (AVAILABLE INFORMATION)

Commerzbank hereby undertakes to furnish upon the request of a Certificateholder or the holder of any beneficial interest in a Certificate, upon the request of such holder or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the U.S. Securities Act of 1933, as amended if, at the time of the request, Commerzbank is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended ("**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act.

### § 15 (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 Certificates only if, and insofar as, it either (i) breaches material obligations under or in connection with the Terms and Conditions of the Certificates negligently or wilfully or (ii) breaches other obligations with gross negligence or wilfully.

### § 16 (FINAL CLAUSES)

1. The form and content of the Certificates and the rights and duties of the Certificateholders, the Issuer, the Calculation Agent and the Paying Agents shall in all respects be governed by the laws of the Federal Republic of Germany.
2. 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 Certificateholders. 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 Certificateholder 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 Certificates to the account of the Principal Paying Agent with the Clearing System. The Issuer shall make available the Issue Price to the Certificate Agent within [number] calendar days following receipt of the Redemption Notice and of the Certificates by the Certificate Agent, whichever receipt is later, whereupon the Certificate Agent shall transfer the Issue Price to the account specified in the Redemption Notice. Upon payment of the Issue Price all rights under the Certificates delivered shall expire.

3. The Issuer may combine the declaration of rescission pursuant to paragraph 2. with an offer to continue the Certificates on the basis of corrected Terms and Conditions. Such an offer and the corrected provisions shall be notified to the Certificateholders together with the declaration of rescission in accordance with § 13. Any such offer shall be deemed to be accepted by a Certificateholder (and the rescission shall not take effect), unless the Certificateholder 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 Certificates to the account of the Principal Paying Agent with the Clearing System pursuant to paragraph 2. The Issuer shall refer to this effect in the notification.
4. "**Issue Price**" within the meaning of paragraphs 2. and 3. shall be the actual purchase price paid at the time of the first purchase of the Certificates delivered for repayment [, or (if no purchase price for the first purchase of the Certificates can be determined) the issue price as set forth in the applicable Final Terms relating to the Base Prospectus dated [date]].
5. Contradictory or incomplete provisions in the Terms and Conditions may be corrected or amended, as the case may be, by the Issuer in its reasonable discretion (§ 315 of the German Civil Code). The Issuer, however, shall only be entitled to make such corrections or amendments which are reasonably acceptable to the Certificateholders having regard to the interests of the Issuer and in particular which do not materially adversely affect the legal or financial situation of the Certificateholders. Notice of any such correction or amendment shall be given to the Certificateholders in accordance with § 13.
6. If the Certificateholder was aware of typing or calculation errors or similar errors at the time of the acquisition of the Certificates, then, notwithstanding paragraphs 2 - 5, the Certificateholders can be bound by the Issuer to the corrected Terms and Conditions.
7. Place of performance is Frankfurt am Main.
8. 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.

**FORM OF FINAL TERMS (NOTES)**

**FORM OF FINAL TERMS**

**FINAL TERMS**

relating to

**COMMERZBANK AKTIENGESELLSCHAFT**

**[Issue Currency] [Aggregate Principal Amount] [[•] per cent. / Fixed Rate / Step-up / Step-down / Reverse Convertible / Zero Coupon / Floating Rate / Interest Structured / Redemption Structured] Notes of 200[•]/20[•]**

issued under the

**Notes/Certificates Programme**

of

**COMMERZBANK AKTIENGESELLSCHAFT**

Date of the Final Terms: [•]

Series No.: [•]

Tranche No.: [•] of that Series

This document constitutes the Final Terms relating to the issue of Notes under the Notes/Certificates Programme of Commerzbank Aktiengesellschaft (the "**Programme**") and shall be read in conjunction with the Base Prospectus dated September 14, 2010 as supplemented from time to time<sup>5</sup>, save in respect of the Programme Terms and Conditions which are extracted from the former base prospectuses dated [December 2, 2009] [December 10, 2008] and which had been incorporated by reference into the Base Prospectus dated September 14, 2010<sup>5</sup>. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus and supplements thereto, if any. The Base Prospectus and any supplements will be available free of charge at the head office of the Issuer, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany and at the following website of Commerzbank Aktiengesellschaft: www.commerzbank.com. These Final Terms are available [in the same form] [•] (in the event of a public offering and/or listing and admission to trading on a regulated market of a member state of the European Economic Area).

## I. Terms and Conditions:

<sup>6</sup>[The Programme Terms and Conditions dated [• December 2009] [•]<sup>7</sup> (the "**Programme Terms and Conditions**") shall be amended by incorporating the terms of the Final Terms, and by deleting all provisions not applicable to the respective Tranche of the respective Series (the "**Consolidated Terms**") in the form attached hereto as Annex 1. The Consolidated Terms shall replace the Programme Terms and Conditions in their entirety. If and to the extent the Consolidated Terms deviate from the Programme Terms and Conditions, the Consolidated Terms shall prevail.]

<sup>8</sup>[The following terms of the Final Terms amend and supplement the Programme Terms and Conditions dated [• December 2009] [•]<sup>9</sup> (the "**Programme Terms and Conditions**"). If and to the extent the following terms deviate from the Programme Terms and Conditions, the following terms shall prevail. **[add terms]**]

## II. Other Conditions

Issue Date	[date]
Issue Price	[•] <sup>10</sup>
[Offer Period	From [•] to [•]. The Offer Period may be extended or shortened.]
[Minimum subscription amount	[•]]
[Maximum subscription amount	[•]]
German Securities Identification No.	[•]

<sup>5</sup> This additional language applies if the first tranche of an issue which is being increased was issued under a former Base Prospectus.

<sup>6</sup> Only applicable in case of Consolidated Terms.

<sup>7</sup> This additional language applies if the first tranche of an issue which is being increased was issued under a former Base Prospectus.

<sup>8</sup> Only applicable in case of Supplemented Terms.

<sup>9</sup> This additional language applies if the first tranche of an issue which is being increased was issued under a former Base Prospectus.

<sup>10</sup> Agio needs to be specified if applicable.

Common Code	[•]
ISIN	[•]
	[If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible]
[Other security code(s)]	[•]
Listing	[Yes [insert exchange] / Not Applicable ]
[Stabilising Agent]	Issuer / None]
[Market Making]	[•]
	[(insert name and address of entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment)]
[Targeted investor category]	[•]
[Additional Selling Restrictions]	The following Selling Restrictions shall apply in addition to the Selling Restrictions set forth in the Prospectus: •]
<sup>11</sup> [Additional Risk Factors]	
<sup>12</sup> [Additional Taxation Disclosure]	
[Additional further Information]	[Consider inclusion of further information to comply with Annex V and/or Annex XII of the Commission Regulation (EC) No 809/2004 of April 29, 2004 (the " <b>Prospectus Regulation</b> ") if relevant]]
[Ratings:	[The Issuer has been rated as follows:
	[S & P: [•]]
	[Moody's: [•]]
	[[Other]: [•]]
	[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]
	[The Notes to be issued have been rated:
	[S & P: [•]]

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<sup>11</sup> Specific additional risk factors if appropriate.

<sup>12</sup> Information on taxes on the income from Notes withheld at source in respect of countries where the offer is being made or admission to trading is being sought.



	[Moody's: [•]]
	[[Other]: [•]]
	[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]
	[The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.]
[Interests of natural and legal persons involved in the issue/offer]	[So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.][•]]
Reasons for the offer, estimated net proceeds and total expenses	
<sup>13</sup> [(i) Reasons for the offer]	[•]]
[(ii)] Estimated net proceeds	[•]
	[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.]
[(iii)] Estimated total expenses	[•]
	[Include breakdown of expenses.] [If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.]
<sup>14</sup> [Indication of yield:	[•]
	Calculated as [include details of method of calculation in summary form] on the Issue Date.
	[As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]]
[Floating Rate Notes only - past and future interest rates]	Details of past and future [LIBOR/EURIBOR/other] rates can be obtained from [Telerate] [•].]

<sup>13</sup> If reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.

<sup>14</sup> Only applicable in case of Fixed Rate, Step-up and Step-down Notes

<sup>15</sup>[Interest Structured Notes/ Redemption Structured Notes and Reverse Convertible Notes only - performance of and other information concerning the Underlying/Formula(e)/other variable, explanation of effect on value of investment and associated risks]

[•]

[The information included herein with respect to the underlying to which [interest payment] [redemption payment] [delivery] [•] under the Notes is linked [(the "**Underlying**")]] [(the "**Underlying Entities**")]] consists only of extracts from, or summaries of, publicly available information. The Issuer confirms and accepts responsibility that such information has been correctly extracted or summarised. As far as the Issuer is aware and is able to ascertain from the information set forth herein concerning the Underlying [or the Underlying Entities] of the Notes no facts have been omitted which would render the reproduced information inaccurate or misleading.][•]

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<sup>15</sup> Need to include details of where past and future performance and volatility of the index/formula(e)/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

**FORM OF FINAL TERMS (CERTIFICATES WITH FIXED REDEMPTION DATE)**

**FORM OF FINAL TERMS**

**FINAL TERMS**

relating to

**COMMERZBANK AKTIENGESELLSCHAFT**

**[Number] [•] Certificates**

issued under the

**Notes/Certificates Programme**

of

**COMMERZBANK AKTIENGESELLSCHAFT**

Date of the Final Terms: [•]

Series No.: [•]

Tranche No.: [•] of that Series

This document constitutes the Final Terms relating to the issue of Notes under the Notes/Certificates Programme of Commerzbank Aktiengesellschaft (the "**Programme**") and shall be read in conjunction with the Base Prospectus dated September 14, 2010 as supplemented from time to time[, save in respect of the Programme Terms and Conditions which are extracted from the former base prospectuses dated [December 2, 2009] [December 10, 2008] and which had been incorporated by reference into the Base Prospectus dated September 14, 2010]<sup>16</sup>. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus and supplements thereto, if any. The Base Prospectus and any supplements will be available free of charge at the head office of the Issuer, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany and at the following website of Commerzbank Aktiengesellschaft: [www.commerzbank.com](http://www.commerzbank.com). These Final Terms are available [in the same form] [•] (in the event of a public offering and/or listing and admission to trading on a regulated market of a member state of the European Economic Area).

## I. Terms and Conditions:

<sup>17</sup>[The Programme Terms and Conditions dated [• December 2009] [•]<sup>18</sup> (the "**Programme Terms and Conditions**") shall be amended by incorporating the terms of the Final Terms, and by deleting all provisions not applicable to the respective Tranche of the respective Series (the "**Consolidated Terms**") in the form attached hereto as Annex 1. The Consolidated Terms shall replace the Programme Terms and Conditions in their entirety. If and to the extent the Consolidated Terms deviate from the Programme Terms and Conditions, the Consolidated Terms shall prevail.]

<sup>19</sup>[The following terms of the Final Terms amend and supplement the Programme Terms and Conditions dated [• December 2009] [•]<sup>20</sup> (the "**Programme Terms and Conditions**"). If and to the extent the following terms deviate from the Programme Terms and Conditions, the following terms shall prevail. [add terms]]

## II. Other Conditions

Issue Date	[date]
Issue Price	[•] <sup>21</sup>
[Offer Period	From [•] to [•]. The Offer Period may be extended or shortened.]]
[Minimum subscription amount	[•]]
[Maximum subscription amount	[•]]
German Securities Identification No.	[•]

<sup>16</sup> This additional language applies if the first tranche of an issue which is being increased was issued under a former Base Prospectus.

<sup>17</sup> Only applicable in case of Consolidated Terms.

<sup>18</sup> This additional language applies if the first tranche of an issue which is being increased was issued under a former Base Prospectus.

<sup>19</sup> Only applicable in case of Supplemented Terms.

<sup>20</sup> This additional language applies if the first tranche of an issue which is being increased was issued under a former Base Prospectus.

<sup>21</sup> Agio needs to be specified if applicable.

Common Code	[•]
ISIN	[•]
	[If fungible with an existing Series, details of that Series, including the date on which the Certificates become fungible]
[Other security code(s)]	[•]
Listing	[Yes [insert exchange] / No ]
[Stabilising Agent]	Issuer/ None]
[Market Making	[•]
	[(insert name and address of entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment)]
Targeted investor category	[•]
[Additional Selling Restrictions	The following Selling Restrictions shall apply in addition to the Selling Restrictions set forth in the Prospectus: •]
<sup>22</sup> [Additional Risk Factors]	
<sup>23</sup> [Additional Taxation Disclosure]	
[Additional further Information	[Consider inclusion of further information to comply with Annex V and/or Annex XII of the Prospectus Regulation if relevant]]
[Ratings:	[The Issuer has been rated as follows:
	[S & P: [•]]
	[Moody's: [•]]
	[[Other]: [•]]
	[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]
	[The Certificates to be issued have been rated:
	[S & P: [•]]

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<sup>22</sup> Specific additional risk factors if appropriate.

<sup>23</sup> Information on taxes on the income from Certificates withheld at source in respect of countries where the offer is being made or admission to trading is being sought.

[Moody's: [•]]

[[Other]: [•]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

[The above disclosure should reflect the rating allocated to Certificates of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.]

[Interests of natural and legal persons involved in the issue/offer

[So far as the Issuer is aware, no person involved in the offer of the Certificates has an interest material to the offer.][•]]

Reasons for the offer, estimated net proceeds and total expenses

<sup>24</sup>[(i) Reasons for the offer

[•]]

[(ii)] Estimated net proceeds

[•]

[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.]

[(iii)] Estimated total expenses

[•] [Include breakdown of expenses.] [It is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.]

<sup>25</sup>Performance of and other information concerning Underlying/Formula(e)/other variable, explanation of effect on value of investment and associated risks

[•]

[The information included herein with respect to the underlying to which [interest payment] [redemption payment] [delivery] [•] under the Notes is linked [(the "**Underlying**")]] [(the "**Underlying Entities**")]] consists only of extracts from, or summaries of, publicly available information. The Issuer confirms and accepts responsibility that such information has been correctly extracted or summarised. As far as the Issuer is aware and is able to ascertain from the information set forth herein concerning the Underlying [or the Underlying Entities] of

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<sup>24</sup> If reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.

<sup>25</sup> Need to include details of where past and future performance and volatility of the index/formula(e)/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

the Notes no facts have been omitted which would render the reproduced information inaccurate or misleading.][●]

**FORM OF FINAL TERMS (UNLIMITED CERTIFICATES WITHOUT FIXED REDEMPTION DATE)**

**FORM OF FINAL TERMS**

**FINAL TERMS**

relating to

**COMMERZBANK AKTIENGESELLSCHAFT**

**[Number] [•] Unlimited Certificates**

issued under the

Notes/Certificates Programme

of

**COMMERZBANK AKTIENGESELLSCHAFT**

Date of the Final Terms: [•]

Series No.: [•]

Tranche No.: [•] of that Series



This document constitutes the Final Terms relating to the issue of Notes under the Notes/Certificates Programme of Commerzbank Aktiengesellschaft (the "**Programme**") and shall be read in conjunction with the Base Prospectus dated September 14, 2010 as supplemented from time to time[, save in respect of the Programme Terms and Conditions which are extracted from the former base prospectuses dated [December 2, 2009] [December 10, 2008] and which had been incorporated by reference into the Base Prospectus dated September 14, 2010]<sup>26</sup>. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus and supplements thereto, if any. The Base Prospectus and any supplements will be available free of charge at the head office of the Issuer, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany and at the following website of Commerzbank Aktiengesellschaft: www.commerzbank.com. These Final Terms are available [in the same form] [•] (in the event of a public offering and/or listing and admission to trading on a regulated market of a member state of the European Economic Area).

## I. Terms and Conditions:

<sup>27</sup>[The Programme Terms and Conditions dated [• December 2009] [•]<sup>28</sup> (the "**Programme Terms and Conditions**") shall be amended by incorporating the terms of the Final Terms, and by deleting all provisions not applicable to the respective Tranche of the respective Series (the "**Consolidated Terms**") in the form attached hereto as Annex 1. The Consolidated Terms shall replace the Programme Terms and Conditions in their entirety. If and to the extent the Consolidated Terms deviate from the Programme Terms and Conditions, the Consolidated Terms shall prevail.]

<sup>29</sup>[The following terms of the Final Terms amend and supplement the Programme Terms and Conditions dated [• December 2009] [•]<sup>30</sup> (the "**Programme Terms and Conditions**"). If and to the extent the following terms deviate from the Programme Terms and Conditions, the following terms shall prevail. [add terms]]

## II. Other Conditions

Issue Date	[date]
Issue Price	[•] <sup>31</sup>
[Offer Period	From [•] to [•]. The Offer Period may be extended or shortened.]]
[Minimum subscription amount	[•]]
[Maximum subscription amount	[•]]

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<sup>26</sup> This additional language applies if the first tranche of an issue which is being increased was issued under a former Base Prospectus.

<sup>27</sup> Only applicable in case of Consolidated Terms.

<sup>28</sup> This additional language applies if the first tranche of an issue which is being increased was issued under a former Base Prospectus.

<sup>29</sup> Only applicable in case of Supplemented Terms.

<sup>30</sup> This additional language applies if the first tranche of an issue which is being increased was issued under a former Base Prospectus.

<sup>31</sup> Agio needs to be specified if applicable.

German Securities Identification No.	[•]
Common Code	[•]
ISIN	[•]
	[If fungible with an existing Series, details of that Series, including the date on which the Certificates become fungible]
[Other security code(s)]	[•]
Listing	[Yes [insert exchange] / No ]
[Stabilising Agent]	Issuer/ None]
[Market Making]	[•]
	[(insert name and address of entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment)]
Targeted investor category	[•]
[Additional Selling Restrictions]	The following Selling Restrictions shall apply in addition to the Selling Restrictions set forth in the Prospectus: •]
<sup>32</sup> [Additional Risk Factors]	
<sup>33</sup> [Additional Taxation Disclosure]	
[Additional further Information]	[Consider inclusion of further information to comply with Annex V and/or Annex XII of the Prospectus Regulation if relevant]]
[Ratings:	[The Issuer has been rated as follows:
	[S & P: [•]]
	[Moody's: [•]]
	[[Other]: [•]]
	[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]
	[The Certificates to be issued have been rated:
	[S & P: [•]]

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<sup>32</sup> Specific additional risk factors if appropriate.

<sup>33</sup> Information on taxes on the income from Certificates withheld at source in respect of countries where the offer is being made or admission to trading is being sought.

[Moody's: [•]]

[[Other]: [•]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

[The above disclosure should reflect the rating allocated to Certificates of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.]

[Interests of natural and legal persons involved in the issue/offer

[So far as the Issuer is aware, no person involved in the offer of the Certificates has an interest material to the offer.][•]]

Reasons for the offer, estimated net proceeds and total expenses

<sup>34</sup>[(i) Reasons for the offer

[•]]

[(ii)] Estimated net proceeds

[•]

[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.]

[(iii)] Estimated total expenses

[•] [Include breakdown of expenses.] [It is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.]

<sup>35</sup>Performance of and other information concerning Underlying/Formula(e)/other variable, explanation of effect on value of investment and associated risks

[•]

[The information included herein with respect to the underlying to which [interest payment] [redemption payment] [delivery] [•] under the Notes is linked [(the "**Underlying**") [(the "**Underlying Entities**")]] consists only of extracts from, or summaries of, publicly available information. The Issuer confirms and accepts responsibility that such information has been correctly extracted or summarised. As far as the Issuer is aware and is able to ascertain from the information set forth herein concerning

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<sup>34</sup> If reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.

<sup>35</sup> Need to include details of where past and future performance and volatility of the index/formula(e)/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

the Underlying [or the Underlying Entities] of the Notes no facts have been omitted which would render the reproduced information inaccurate or misleading. [●]

## **TAXATION**

If the relevant Final Terms contain a tax gross-up clause, all amounts payable under the Securities will be paid without deduction or withholding for or on account of any present or future taxes, duties or governmental charges whatsoever imposed or levied by or on behalf of the Federal Republic of Germany or any taxing authority therein. In the case that the Issuer is compelled by a law or other regulation to deduct or withhold such taxes, duties or governmental charges the Issuer will pay any additional amounts to compensate the holder of Securities for such deduction or withholding, unless one of the exceptions set forth in the gross-up clause applies.

If the relevant Final Terms do not contain a gross-up tax clause, 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 holder of the Securities in accordance with the previous sentence.

### **Taxation in 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 recommended to consult their own advisors as to the tax consequences of an investment in the Securities, taking into account the taxation in the holder's country of residence or deemed residence.

### **U.S. Taxation**

The U.S. Federal income tax consequences of certain investments is uncertain as there is no legal authority as to their proper characterization for U.S. Federal income tax purposes. Prospective investors should therefore consult their tax advisors as the Federal, state, local and other tax consequences to the purchase, ownership and disposition of investment products.

## **OFFERING AND SELLING RESTRICTIONS**

The Issuer does not represent that the Base Prospectus and the relevant Final Terms may be lawfully distributed, or that the Securities may be lawfully offered in any jurisdiction or pursuant to an exemption available under the laws and regulations of such jurisdiction, or assume any responsibility for facilitating such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of the Securities or distribution of the Base Prospectus and the relevant Final Terms other than asking for the approval by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) ("**BaFin**") in accordance with the provisions of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and possibly in the future for a notification of such approval to other states in order to provide for a lawful offer by the Issuer itself. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Base Prospectus nor any Final Terms nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances which are in compliance with any applicable laws and regulations.

### **SELLING RESTRICTIONS WITHIN THE EUROPEAN ECONOMIC AREA**

In any member state of the European Economic Area ("**EEA**") that has implemented Directive 2003/71/EC (the "**Prospectus Directive**") (the "**Relevant Member State**"), the Securities may, with (and including) the day of entry into effect of the respective implementation in the Relevant Member State, be publicly offered 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 BaFin in accordance with the provisions of the German Securities Prospectus Act and, if the Securities 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 of the German Securities Prospectus Act, or
- (b) one of the exemptions set forth in § 3 para. 2 of the German Securities Prospectus Act exists or, in case of an offering outside of 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 to 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 shall occur.

In any EEA member state that has not implemented the Prospectus Directive, the Securities may only be publicly offered within or from the jurisdiction of such member state, provided that this is in accordance with the applicable laws and other legal provisions. 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 OUTSIDE OF THE EUROPEAN ECONOMIC AREA**

In a country outside of 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. 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.

## U.S. TRANSFER AND SELLING RESTRICTIONS

### Transfer Restrictions

Each initial and subsequent purchaser of the Securities or person wishing to transfer an interest from one Security to another will be deemed to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(i) that the Base Prospectus does not contain all the information that would be included in an effective registration statement under the Securities Act;

(ii) that either: (a) it is a Qualified Institutional Buyer ("**QIB**") (as defined in Rule 144a under the U.S. Securities Act of 1933, as amended (the "**Securities Act**")), purchasing (or holding) the Securities for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on an exemption from the registration requirements of the Securities Act provided by one or more of Rule 144A, Regulation D or Section 4(2) and the representations deemed to be made hereby or (b) it is outside the United States and is not a U.S. person;

(iii) that the Securities are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, that the Securities are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and that the Securities have not been and will not be registered under the Securities Act or any applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(iv) that if in the future it decides to resell, pledge or otherwise transfer the Securities or any beneficial interests in the Securities, it will do so only (a) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (b) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (c) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available);(d) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws; or (e) pursuant to any other available exemption from the registration requirements of the Securities Act (in the case of this clause (e), as confirmed in an opinion of counsel satisfactory to Commerzbank).

(v) it will, and will require each subsequent holder to, notify any purchaser of the Securities from it of the resale restrictions referred to in paragraph (iv) above, if then applicable and it acknowledges that each Security will contain a legend substantially to the effect of paragraph (vii) below and any other legend required or advisable under applicable law;

(vi) it acknowledges that the Registrar will register the transfer of any Security resold or otherwise transferred by such purchaser pursuant to sub-paragraph (iv)(e) above only upon receipt of an opinion of counsel satisfactory to Commerzbank.

(vii) that the Securities, if issued in certificated form, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS THAT IT IS (A) A "**QUALIFIED INSTITUTIONAL BUYER**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE ON THE EXEMPTION FROM REGISTRATION PROVIDED BY ONE OR MORE OF RULE 144A, REGULATION D AND/OR SECTION 4(2) UNDER THE SECURITIES ACT OR (B) NOT A U.S. PERSON AS DEFINED IN THE SECURITIES ACT. PROSPECTIVE PURCHASERS OF SECURITIES ARE HEREBY NOTIFIED THAT THE SELLER OF THE SECURITIES MAY BE

RELYING ON AN EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. BY ITS ACQUISITION HEREOF, THE HOLDER ALSO AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES OTHER THAN (1) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (3) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION OR (5) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (IN THE CASE OF THIS CLAUSE (E), UPON THE CONFIRMATION OF AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER); AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

(viii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Securities prior to the expiration of the distribution compliance period (defined as 40 days after the completion of the distribution of the Securities, it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and

(ix) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Securities as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(x) that either

(A) it is not an employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") or a plan subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended ("**CODE**"), it is not purchasing the Securities on behalf of or with "plan assets" of any such plan, and it is not a governmental or church or other plan ("**non-ERISA arrangement**") subject to provisions under applicable federal, state, local or foreign law that are similar to the requirements of ERISA or Section 4975 of the Code ("**similar law**"); or

(B) its purchase and holding of such Securities is eligible for exemptive relief under U.S. Department of Labor Prohibited Transaction Class Exemptions 96-23, 95-60, 91-38, 84-14, Section 408(b)(17) of ERISA or Section 4975(d)(20) of the Code, or in the case of a non-ERISA arrangement, its purchase and holding of such Securities will not constitute or result in a non-exempt violation of the provisions of any similar law; and

(xi) such person understands that there may be certain consequences under, without limitation, the United States federal, state and local income tax laws and foreign tax laws generally and ERISA, the U.S. Investment Company Act of 1940 and the Securities Act and such person has consulted such tax and other advisors with respect thereto as it deems appropriate or has otherwise satisfied itself with respect to such matters.

In addition, each person receiving this Base Prospectus and any supplement or Final Terms acknowledges that:

(i) such person has received a copy of the Base Prospectus and such other information as it deems necessary in order to make its investment decision and that such person has had access to the publicly available financial and other information regarding Commerzbank as it has requested. Such person acknowledges that neither the Company, any of its affiliates nor any other person has made



any representation, express or implied, to such person with respect to the company or the Securities, or the accuracy, completeness or adequacy of any financial or other information concerning the Company or the Securities. Such person understands that the Base Prospectus has been prepared in accordance with German format, style and content, which differs from US format, style and content. In particular, but without limitation, the financial information contained in the Base Prospectus have been prepared in accordance with International Financial Reporting Standards, and thus may not be comparable to financial statement of U.S. companies prepared in accordance with US generally accepted accounting principles;

(ii) such person understands that any subsequent transfer of the Securities is subject to certain restrictions and conditions set forth in the Base Prospectus (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Securities except in compliance with, such restrictions and conditions and the Securities Act;

(iii) in the normal course of its business, such person invests in or purchases securities similar to the Securities;

(iv) such person has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Securities, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;

(v) such person is acquiring the Securities purchased by it for its own account or for one or more accounts (each of which is a QIB) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Securities; and

(vi) such person has not relied on any dealer or any person affiliated with any dealer in connection with its investigation of the accuracy and completeness of such information or its investment decision.

### **Selling Restrictions**

The Securities have not been and will not be registered under 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 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.

## **DESCRIPTION OF THE ISSUER**

### **General Information**

#### **History and Development**

Commerzbank Aktiengesellschaft 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.

#### **Business Overview**

##### ***Principal Activities***

Commerzbank is a universal bank. Its products and services for retail and corporate customers extend to all aspects of banking. The Bank is also active in specialised fields – partly covered by its subsidiaries – such as mortgage banking and real-estate business, leasing and asset management. Its services are concentrated on managing customers' accounts and handling payments transactions, loan, savings and investments plans, and also on securities transactions. Additional financial services are offered within the framework of the Bank's bancassurance strategy of cooperating with leading companies in finance-related sectors, including home loan savings schemes and insurance products.

The Commerzbank Group is divided into three areas: customer bank, asset-based finance and the run-off portfolio (Portfolio Restructuring Unit (PRU)). The customer bank comprises the customer-oriented core business activities of Commerzbank. Specifically, this includes the four segments Private Customers, *Mittelstandsbank*, Corporates & Markets as well as Central & Eastern Europe. The asset based finance area essentially includes Commercial Real Estate, Public Finance and ship financing. The run-off portfolio (Portfolio Restructuring Unit (PRU)) contains all the portfolios that the Bank no longer wants and has transferred to a single separate unit.

##### ***Private Customers***

This segment encompasses all of the Bank's activities related to private and business customers. It therefore comprises Private and Business Customers, Credit, Wealth Management as well as Direct Banking.

##### ***Private and Business Customers***

The product range for private customers covers the complete palette of retail business, including payments, investment and securities business, home and consumer loans as well as private provision for old age products.

The product range for business customers which include professionals, the self-employed and businessmen as well as the proprietors of small companies with an annual turnover of up to €2.5 million, has been entirely adapted to their needs and results in a combination of solutions for business financial issues and all-inclusive, individual advice in private financial matters.

Around one-third of the Commerzbank branches have been converted to the branch of the future model. Branches of this type are customer-oriented and focus on consulting and distribution. Apart from the use of modern self-service machines, administrative functions are being standardised, streamlined and centralised.

On the internet, a virtual branch is available, offering practically the entire range of a traditional branch office, including the handling of payments and securities transactions.

### *Credit*

In the Credit division distribution and processing have been completely reorganized with the aim to concentrate on the processing of loans and to optimize the quality of credit decisions as well as the time it takes to reach these decisions. Another focus is on the more intensive and active portfolio management.

### *Wealth Management*

In this business division, customers with liquid assets of at least €500,000 or customers, for which special solutions (for instance due to the complexity of their asset structure) are required, are served. Support is provided in all aspects of wealth management whereas services range from individual portfolio and securities management via financial investment and property management to the management of foundations and legacies.

### *Direct Banking*

This business division mainly comprises the activities of the subsidiary comdirect bank AG which offers private customers reasonably priced services in banking and above all in securities business. Its subsidiary comdirect private finance AG provides additional financial advisory services on more complex topics such as provision for old age and wealth formation.

### **Mittelstandsbank**

This segment comprises Corporate Banking, Small and Medium Enterprises Regions 1 and 2, Large Corporates, Corporates International and Financial Institutions. Corporate Banking with the Center of Competence Renewable Energies focuses on small to medium-sized companies with a turnover between €2.5 million and €250 million or €500 million subject to the capital market affinity of the relevant companies. In the division Large Corporates the activities with large corporate customers which are close to the capital markets are bundled. Financial Institutions is responsible for the relationship to banks and financial institutions in Germany and abroad as well as to central banks and sovereigns and therefore supports Corporate Banking in respect of the trading activities or investments in the respective regions. Corporates International comprises the branches abroad in all important financial centers in Asia and in the Western European capitals. The focus there is on accompanying German corporate customers abroad as well as on Asian and Western European large corporate customers having relations to the German market and to other core regions of the Bank.

### **Central and Eastern Europe**

Since the first quarter of 2008 the operations of all subsidiaries and regional branches in Central and Eastern Europe, previously included in the *Mittelstandsbank* segment, are bundled in a separate holding.

### **Corporates & Markets**

The Corporates & Markets segment includes the client-oriented activities as well as business relations with multinational companies and selected major clients. It also serves London and America. Corporates & Markets consists of the main business areas: Fixed Income Sales, Fixed Income Trading, Corporate Finance, Equity Markets & Commodities, Client Relationship Management and Research.

### **Asset Based Finance**

Asset Based Finance comprises CRE Germany, CRE International, Public Finance, Real Estate Asset Management as well as Ship Finance.

## *CRE Germany/CRE International and Real Estate Asset Management*

In CRE Germany, CRE International and Real Estate Asset Management the commercial real estate activities are bundled. These mainly consist of the real estate activities of Eurohypo and the activities of Commerz Real AG.

Eurohypo provides a large number of different services. In the area of financing commercial real estate, the range of products extends from traditional fixed-interest loans and structured financing all the way to real estate investment banking and capital market products.

The buy-and –manage concept is at the core of the business model. This is where Eurohypo, besides being a straightforward lender for real-estate customers, also serves as an intermediary between customers and capital markets.

The range of services provided by Commerz Real AG encompasses investment products with open-ended and closed-end funds, structured investments with a broad range of individually structured forms of financing, and equipment leasing.

### *Public Finance*

Public Finance offers a wide range of financing instruments for domestic and international public sector clients and tailor-made financing solutions to meet their medium and long-term financing requirements. This includes the funding of infrastructure and public private partnership projects.

### *Ship Finance*

This business division includes all shipping activities of Commerzbank, especially the range of services of the Deutsche Schiffsbank AG, Bremen / Hamburg.

## **Important strategic decisions**

### *Acquisition of Dresdner Bank*

In 2009 Commerzbank acquired Dresdner Bank Aktiengesellschaft (Dresdner Bank) from Allianz SE (Allianz) for a total purchase price of €4.7bn. In addition to a cash payment and the transfer of cominvest Group to Allianz, Allianz received about 163.5m new non-par-value shares in the Company through a capital increase against non-cash contributions. The conclusion of long-term distribution agreements between Allianz and the Company and their respective subsidiaries was also agreed as part of the complete transaction.

The merger between Dresdner Bank and Commerzbank was registered in the commercial register at the district court of Frankfurt am Main on May 11, 2009.

### *Capital strengthening measures*

As capital strengthening measure Commerzbank received from the Special Fund Financial Market Stabilization (Sonderfonds Finanzmarktstabilisierung (SoFFin)) two silent participations of €8.2bn each. Furthermore, Allianz granted the Company a silent participation of €750m in June 2009. The silent participations bear fixed interest at a rate of 9% p.a. In years where a dividend is paid, the interest rate increases by 0.01% p.a. for about each full €5.9m cash dividend paid.

Furthermore, SoFFin received about 295m non-par-value shares in Commerzbank through a capital increase against cash for a price of €6.00 per share. As a result of this capital increase, SoFFin holds 25% plus one share of the Bank.

In May 2009 the European Commission approved the second package of the stabilization measures of the SoFFin, especially under the condition of the divestment of activities of Commerzbank and the sale of Eurohypo Aktiengesellschaft by 2014.

## **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 Wealth Management, considered core markets are furthermore Austria, Luxembourg, Singapore and Switzerland and in corporate business Europe (the United Kingdom, France, Spain, Italy, the Netherlands, Belgium, Luxembourg, Hungary, the Czech Republic, Poland and Russia) as well as the USA and Asia (China, Dubai, Japan and Singapore).

## Organisational Structure

### Structure of the Commerzbank Group

<b>Board of Managing Directors</b>
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<b>Customer Bank</b>	<b>Asset Based Finance</b> *)
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<b>Private Customers</b>	<b>Mittelstandsbank</b>	<b>Central and Eastern Europe</b>	<b>Corporates &amp; Markets</b>	<b>Asset Based Finance</b>
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Private and Business Customers	Corporate Banking	Eastern Europe	Client Relationship Management	CRE Germany
Wealth Management	Small and Medium Enterprises Region 1	Central Europe	Corporate Finance	CRE International
Direct Banking	Small and Medium Enterprises Region 2	BRE Bank	Equity Markets & Commodities	Public Finance
Credit	Large Corporates		Fixed Income Trading	Real Estate Asset Management
	Corporates International		Research	Ship Finance
	Financial Institutions		Fixed Income Sales	
			London	
			America	

\*) The third area comprises the run-off portfolio (Portfolio Restructuring Unit (PRU)) which contains all the portfolios that the Bank no longer wants. This includes troubled assets as well as positions that no longer match the Bank's business model since they lack a focus on customer relationships.

All staff and management functions are bundled into the Group Management division. Information Technology, Transaction Banking and Organization are provided by the Services division.

### 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  
 Dresdner Bank Luxembourg S.A., Luxembourg  
 Commerzbank (South East Asia) Ltd., Singapore  
 Commerzbank Zrt., Budapest  
 Dresdner Investments (UK) Limited, London  
 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 Annual Report of the Commerzbank Group as of December 31, 2009 which is incorporated by reference into this Prospectus (please see pages 413 - 453 of 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 (see page 153 of this 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 Development & Strategy, Group Communications, Group Legal, Group Treasury

Frank Annuscheit, Frankfurt am Main  
Group Information Technology, Group Organization, Group Banking Operations, Group Markets Operations, Group Security, Group Support

Markus Beumer, Frankfurt am Main  
Corporate Banking, Small and Medium Enterprises Region 1, Small and Medium Enterprises Region 2, Large Corporates, Corporates International, Financial Institutions

Dr. Achim Kassow, Frankfurt am Main  
Retail Banking, Wealth Management, Direct Banking, Credit, Eastern Europe, Central Europe, BRE Bank

Jochen Klösges, Frankfurt am Main  
CRE Germany, CRE International, Public Finance, Real Estate Asset Management, Ship Finance

Michael Reuther, Frankfurt am Main  
Client Relationship Management, Corporate Finance, Equity Markets & Commodities, Fixed Income Trading, Research, Fixed Income Sales, London, America

Dr. Stefan Schmittmann, Frankfurt am Main  
Group Credit Risk Management, Group Risk Controlling & Capital Management, Group Market Risk Operations, Global Intensive Care

Ulrich Sieber, Frankfurt am Main  
Group Human Resources, Group Integration

Dr. Eric Strutz, Frankfurt am Main  
Group Compliance, Group Finance, Group Finance Architecture, Group Audit, Portfolio Restructuring Unit

### ***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 member of the Board of Managing Directors of E.ON AG, Consultant, Essen  
Herbert Bludau-Hoffmann, Dipl.-Volkswirt, ver.di Trade Union, Sector Financial Services, Essen  
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, Lucerne  
Sonja Kasischke, Commerzbank AG, Brunswick  
Prof. Dr.-Ing. Dr.-Ing. E.h. Hans-Peter Keitel, Member of the Supervisory Board of HOCHTIEF AG, Essen  
Alexandra Krieger, Hans-Böckler-Stiftung, 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 Middelman, Deputy Chairman of the Board of Managing Directors of ThyssenKrupp AG, Düsseldorf  
Dr. Helmut Perlet, Member of the Board of Managing Directors of Allianz SE, Munich  
Barbara Priester, Commerzbank AG, Frankfurt am Main  
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 2009 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), Dr. Kassow (comdirect bank AG, BRE Bank SA), Mr Klösges (Deutsche Schiffsbank AG, Commerz Real AG), Dr. Schmittmann (Commerz Real AG)

Currently, there are no signs of such conflicts of interest.

### **Historical Financial Information**

The audited non-consolidated annual financial statements of Commerzbank for the financial year ended December 31, 2009 and the audited consolidated annual financial statements of Commerzbank for the financial years ended December 31, 2008 and 2009 are incorporated by reference into, and form part of, this Base Prospectus.

### **Auditors**

The auditors of the Bank for the 2008 and 2009 financial years were PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Olof-Palme-Straße 35, 60439 Frankfurt am Main, Federal Republic of Germany, who audited the annual and consolidated financial statements of Commerzbank Aktiengesellschaft for the financial years ended December 31, 2008 and 2009, 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**

The Commerzbank Group's interim report as of June 30, 2010 (reviewed English version) forms part of this Base Prospectus.

Since December 31, 2009 and June 30, 2010 no material adverse changes in the prospects have occurred.



Since December 31, 2009 and June 30, 2010 no significant changes in the financial position have occurred.

## **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.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The documents incorporated by reference have been deposited with and approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht).

The following documents were published in the Supplement A dated April 27, 2009 to the Base Prospectus dated February 12, 2009 for Inline Warrants relating to Shares, Indices and Currency Exchange Rates of Commerzbank Aktiengesellschaft and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

### **Management Report and Group Financial Statements 2008**

Management report	p. 81 – 200
Income statement	p. 205
Balance sheet	p. 206
Statement of changes in equity	p. 207 – 208
Cash flow statement	p. 209 – 210
Notes	p. 211 – 307
Group auditors' report	p. 308
Holdings in affiliated and other companies	p. 309 - 333

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:

### **Financial Statements and Management Report 2009 of the Commerzbank AG**

Management report (incl. Risk Report)	p. 2 – 70
Profit and Loss Account	p. 71
Balance sheet	p. 72 – 73
Notes	p. 74 – 105
Auditors' report	p. 106

### **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

Documents incorporated by reference have been published on the website of the Issuer ([www.commerzbank.com](http://www.commerzbank.com)).

**COMMERZBANK GROUP**

**INTERIM REPORT AS OF JUNE 30, 2010**

**(reviewed English version)**

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## Business and overall conditions

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### Overall economic situation

In the first half of the year the world economy continued to recover from the deep recession during the winter half-year 2008–2009. The rebound was led by the emerging economies in Asia, but growth in North America also accelerated noticeably. There was also an upturn in activity in the eurozone, but the momentum is still much weaker than in the USA for instance.

The eurozone revival has been spearheaded by Germany. After a slow start to the year, with growth constrained by the severe winter, GDP should show a significant increase in the second quarter. This expansion continues to be primarily driven by robust external demand, particularly from outside the eurozone. Additional support is now coming from equipment spending, however, with rising profits, low interest rates and increasing capacity utilization encouraging companies to invest more in production facilities again.

The above-average growth in the German economy is likely due to two factors in particular. Reliant as it is on capital goods and exports, the German economy was particularly hard hit by the global downturn, but by the same token now seems to be benefiting more than others from the recovery. Secondly, Germany did not experience any real estate bubble prior to the onset of the crisis and hence no sharp increase in private sector indebtedness, which would now need to be corrected.

Even if economic activity is improving worldwide, capacity utilization is still below-average. Upward pressure on prices has therefore continued to ease until very recently, with core inflation rates (excluding volatile energy and food prices) in many countries – including Germany – now below 1%. Given these still inert levels of inflation, only very few central banks have started to gradually raise their key interest rates. The US Federal Reserve and the European Central Bank (ECB), on the other hand, are still giving no indications of an imminent reversal in interest rates.

Activity in the financial markets was dominated in the first six months by the debt crisis in the eurozone. The flight to the “safe haven” of government bonds sent yields on ten-year German bunds to new record lows. In addition, recurrent fears of an uncertainty shock caused by an escalation in the crisis prevented the global rebound from producing a noticeable rise in stock market prices. The weakness of the euro, which lost some 12% of its value against the US dollar in the first six months of the year, is primarily attributable to concerns over the long-term future of the European Monetary Union.

### Important business policy events

In mid-April Commerzbank AG sold its subsidiary Allianz Dresdner Bauspar AG (ADB), a savings and loan specialist, to Wüstenrot Bausparkasse AG. Commerzbank and Wüstenrot also agreed a long-term exclusive distribution venture for savings and loan products. Wüstenrot’s products are attractive for Commerzbank’s customers and will strengthen the Bank’s position

in the market. The parties have agreed to maintain confidentiality about the details. At the end of 2009, ADB had roughly 670,000 customers and total savings deposits of €21bn and employed some 350 members of staff. The sale is part of the agreements connected to the assistance received from the Financial Market Stabilization Fund (SoFFin).

At the beginning of June Commerzbank announced that it had sold its subsidiary Commerzbank International Trust Singapore (CITS) to the Trident Trust Group. The parties have agreed to maintain confidentiality about the details of the transaction, which is still subject to the necessary approvals from the authorities. CITS specializes in fund management and fiduciary services for private and corporate clients. At the end of 2009 it managed assets of €930m. Commerzbank's other activities in Singapore have not been affected by the transaction.

The key issues addressed at Commerzbank's Annual General Meeting on May 19 included the grant of discharge for the Board of Managing Directors and Supervisory Board and a package of measures that provide the Bank with different options to repay the silent participations held by the Financial Market Stabilization Fund (SoFFin). As planned, the Board of Managing Directors was granted the authorization to increase the share capital – with the approval of the Supervisory Board – up to a nominal amount of €1.535bn (by up to approximately 590 million shares). The new shares should, in principle, be offered to the shareholders for subscription. Subscription rights may be excluded in particular when silent participations of SoFFin are paid in as a non-cash contribution and the resulting shares immediately placed.

At the end of May the Private Customers segment reached a further milestone in the integration of Dresdner Bank. Dresdner Bank's financing specialist, Dresdner-Cetelem Kreditbank GmbH, or DCKB for short, now operates under the name of Commerz Finanz GmbH. In the Munich Commerz Finanz, BNP Paribas and Commerzbank continue to work together in consumer credit business.

## Earnings performance, assets and financial position

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In the first half of 2010 the Commerzbank Group posted a pre-tax profit of €981m, just under €2.4bn more than in the same period last year. The main factors behind this encouraging development were the trading result and the significantly lower risk provisioning requirement; but there was also an increase in net interest and commission income. The core bank reported earnings of €1.1bn in the period under review. We also continued to actively reduce risks, mainly exposures in the Portfolio Restructuring Unit and Public Finance activities of the Asset Based Finance segment. Moreover, the Commerzbank Group has a sound capital base and comfortable liquidity position.

### Income statement of the Commerzbank Group

Net interest income was up by 6.1% to €3,747m year-on-year in the first six months of the year. The non-servicing of coupons on hybrid bonds and profit participation certificates as well as other special effects contributed to this increase. Particularly in the Private Customers and Mittelstandsbank segments the effects due to the low interest rate environment were noticeable, with declining deposit margins not being completely offset by higher lending margins.

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At €1,283m, the net allocation to provisions for loan losses was 30.2% below the allocation for the first half of 2009. Primarily due to the more favourable economic environment gross allocations were lower than a year earlier, whereas releases increased at the same time. Except for the Private Customers segment, loan loss provisions were significantly down in all segments of the core bank. In the Central & Eastern Europe segment, however, they remained at a high level due to the continued difficult situation in the Ukraine. More than half of total provisions made in the first half-year were in Asset Based Finance.

Net commission income in the first six months of 2010 was up 3.9% year-on-year to €1,867m, primarily as a result of higher income from securities business.

Net trading income improved by €1.6bn to €1,187m in the first six months of the year. Despite the challenging market environment in the second quarter, this good result was bolstered by generally more favourable conditions in the markets than in the prior-year period. Major contributions came in particular from Corporates & Markets and the Portfolio Restructuring Unit.

Net investment income declined by €0.6bn to €-59m year-on-year as further risk portfolios were systematically reduced. This negative result this year was caused mainly by losses on disposals from the Public Finance portfolio in the Asset Based Finance segment, but also by impairments on positions in the Portfolio Restructuring Unit's ABS book. On the other side there were gains on the disposal of investment holdings. In the same period last year, net impairments on the ABS book were more than offset by significant revenue amounts generated from the sale of equity participations.

Operating expenses were 2.1% higher than in the first half of 2009 at €4,437m. This was due to the fact that, because the official closing of the acquisition of Dresdner Bank took place on January 12, the revenue and expense contributions from Dresdner Bank for the period of January 1 to January 12 were not included in the Commerzbank's 2009 income statement. In addition, the substantial increase in ongoing implementation expenses for the integration of Dresdner Bank also had a negative impact. These consist mainly of higher IT costs, which resulted in a 15.8% increase in other operating expense – including current depreciation – to €2,256m. Personnel expenses fell on the other hand by 8.9% to €2,181m because of a 6.6% reduction in headcount to 60,870. Adjusted especially for the integration costs, the other operating expenses were 5% below those of the equivalent period in the previous year.

As a result of the developments described above the Commerzbank Group posted an operating profit of €1,014m for the first half of 2010, an improvement of over €1.8bn year-on-year.

Whereas in the prior-year period significant restructuring costs and impairments of goodwill and brand names were incurred amounting to just under €0.6bn, restructuring costs of €33m were charged in Asset Based Finance during the reporting period. As a result, pre-tax profit for the first six months of 2010 came to €981m, following a loss of €1,393m in the same period last year.

The Group reported tax income of €96m for the reporting period, compared with tax expense of €276m for the first half of 2009. Consolidated profit after tax came to €1,077m, over €2.7bn more than a year earlier. €17m of consolidated profit for the period was attributable to minority interests and €1,060m to Commerzbank shareholders.

Operating earnings per share amounted to €0.86 and earnings per share to €0.90 (1H2009: €-0.90 and €-1.80 respectively).

## Consolidated balance sheet

Total assets of the Commerzbank Group grew by 6.4% to €897.8bn at the end of June 2010. This growth, which was especially pronounced in the second quarter, resulted primarily from market developments that led to an increase in the volume of derivatives due to valuation effects.

On the assets side this affected mainly trading assets but also claims on banks.

Claims on banks rose by €14.1bn to €120.8bn compared with the end of the previous year, primarily due to the expansion of secured money market transactions. Claims on customers, at €341.0bn, were slightly lower than at year-end 2009. The volume of lending to customers and banks totalled €351.9bn at mid-year, a decline of €16.5bn versus year-end 2009, and was mainly attributable to the volume reduction at Eurohypo and also connected to the disposal of Allianz Dresdner Bauspar AG. The volume of trading assets was €264.0bn on June 30, 2010, up significantly by €45.3bn from year-end 2009 or by 20.7%. This increase was principally due to higher positive market values for derivative financial instruments as a result of interest rate and currency movements; these grew by €40.9bn over the period. Financial assets amounted to €130.4bn and were on a par with the level at the end of last year.

On the liabilities side there was an increase particularly in trading liabilities, which grew strongly by €43.8bn to €236.8bn. As with trading assets, this growth was attributable to higher negative market values for derivative financial instruments as a result of interest rate and currency movements. Liabilities to banks rose by €3.4bn to €144.0bn, with a sharp rise in secured money market transactions being almost completely offset by a decline in other liabilities. Liabilities to customers, up by €2.1bn to €266.7bn versus year-end 2009, also saw strong growth in secured money market transactions. This was largely compensated by a lower level of other customer deposits. There was also a slight decline in securitized liabilities in first-half 2010; with a volume of €169.7bn, they were €1.7bn below the year-end 2009 level.

## Capital and reserves

Reported equity at June 30, 2010, was up by 4.8% or €1.3bn compared with year-end 2009, to €27.8bn, primarily as a result of current first-half profits of €1.1bn and positive effects from the currency translation reserve.

In total, subscribed capital, the capital reserve and retained earnings amounted to €12.4bn; silent participations remained at €17.2bn. In accordance with conditions imposed by the EU, Commerzbank will pay earnings-related compensation in 2010 – as in the previous year – only if it is obliged to do so without releasing reserves or special reserves pursuant to section 340g HGB. Where necessary and permitted by law, however, Commerzbank will also release reserves in 2010 in order to prevent the carrying amount of its equity instruments being reduced through loss participation.



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At the end of the first half-year the revaluation reserve, the reserve from cash flow hedges and the currency translation reserve had a negative impact on equity of €3.5bn; this was on a par with the end of 2009. The negative value of the revaluation reserve was €0.4bn higher at €-2.2bn. Interest-bearing financial assets continued to produce a negative effect of €-2.3bn. This figure was also influenced by reallocations in accordance with the amendments issued by the IASB on October 13, 2008, where securities in the Public Finance portfolio for which there was no longer an active market were reclassified from the IAS 39 category Available for Sale (AfS) to the IAS 39 category Loans and Receivables (LaR). The Bank has the intention and the ability to hold these securities for the foreseeable future or until final maturity. The securities concerned are primarily issued by public sector borrowers in Europe.

Risk-weighted assets rose to €290.2bn at June 30, 2010 compared with the end of 2009. This was due to both currency effects and rating adjustments. Our regulatory core capital increased by 6.2% over the end of 2009 to €31.3bn, while the core capital ratio rose from 10.5% to 10.8%. The capital ratio was 14.4% on the reporting date.

The stress test prescribed by the Committee of European Banking Supervisors (CEBS) for 91 European banks demonstrates that Commerzbank has a sound capital underpinning even in difficult conditions. As expected, Commerzbank passed the CEBS stress test, the results of which were published on July 23. In all three scenarios the Bank's core capital ratio was significantly above the 6% CEBS requirement and above Commerzbank's target corridor of 7% to 9%. In the "benchmark scenario" the core capital ratio was 10.5% and in the "stress scenario" 9.3%. If haircuts on receivables from Europe's public sector are also taken into account, the Bank's core capital ratio is 9.1%.

## Funding and liquidity

At the beginning of May tensions in the financial markets increased dramatically as a result of the debt crisis, particularly in the countries of southern Europe. This caused volatility in the markets to rise, accompanied by a general deterioration in funding terms in the money and capital markets. Both volumes and the average lending periods for transactions in the interbank markets fell. In particular banks originating from the countries concerned experienced considerable difficulties in obtaining interbank funding.

In light of these developments the ECB undertook a series of measures to assure the supply of liquidity to the financial system. These measures included interventions in the markets for public and private sector debt, the resumption of swap agreements with the Federal Reserve and the introduction of additional transactions to support liquidity. After these measures were announced and implemented tensions in the financial markets eased substantially, but have not entirely disappeared.

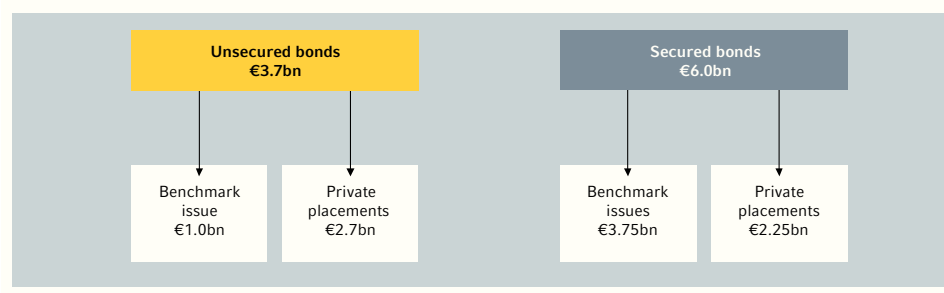
Despite the spread of uncertainty in the second quarter, fuelled by the funding crisis in the countries of southern Europe in particular, Commerzbank's liquidity position remains

comfortable. The Group's funding is broadly diversified in terms of products, maturities, investor groups, regions and currencies with the aim of securing an appropriate funding profile for the Bank's business activities.

Despite the difficult environment – particularly in the second quarter – Commerzbank has sufficient access to funding sources in the money, interbank and capital markets; in addition, it benefits from a stable deposit base in its private and corporate customer business. These core activities constitute an important part of the Bank's funding so that the interbank market is only used opportunistically. The fact that the Bank has not needed to resort to central bank liquidity facilities in the year to date, except to manage liquidity spikes, testifies to its conservative and circumspect funding strategy. Commerzbank was able to raise long-term funds of over €9.7bn in the market for secured and unsecured funding transactions during the first half of 2010.

#### Group capital market funding in the first half of 2010

Volume €9.7bn



Approximately €3.7bn of this came from unsecured issues and roughly €6bn from Pfandbriefe and Lettres de Gage. In total the Bank issued five public transactions with a volume of €4.75bn.

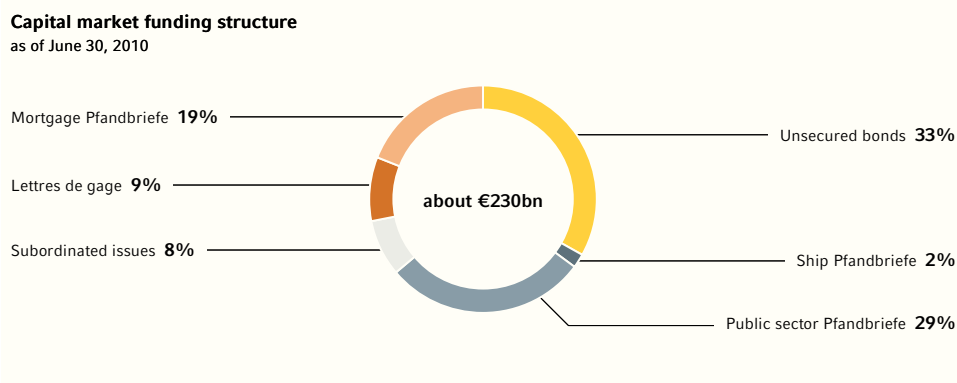
In the unsecured segment, Commerzbank AG issued a seven-year senior unsecured benchmark bond with a volume of €1bn and offering a coupon of 3.875% based on a spread of 105 basis points over the swap rate. It also placed a number of currency issues denominated in currencies such as the yen, Australian dollar and Norwegian krone.

In the secured sector two jumbo Pfandbriefe were issued by Eurohypo: a three-year public sector Pfandbrief with a volume of €1.5bn and a five-year mortgage Pfandbrief with a volume of €1bn. A mortgage Pfandbrief issue with a volume of €500m with a special focus on the German market was also syndicated in the period and Eurohypo S. A. Luxembourg successfully issued the first Lettre de Gage of the year with a volume of €750m.

Over the first six months of the year we reduced the 2010 funding plan for unsecured and secured issues. This was prompted by a decline in funding requirements due to the accelerated reduction of non-core activities and a lower demand for loans than originally anticipated. With the issues executed to date we have covered our funding needs for the current year.

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The following chart shows the overall capital market funding structure as at June 30, 2010:



Commerzbank successfully raised shorter-term funding on the money market, which the Bank was able to access on an unlimited basis for customary maturities. This reflects Commerzbank's good standing in the market.

Commerzbank's liquidity and solvency were adequate at all times during the period under review and the regulatory provisions applicable to liquidity were likewise complied with at all times. As at the June 30, 2010 reporting date, Commerzbank AG's liquidity ratio as measured by the standardized approach of the Liquidity Regulation was 1.16, which is above the required minimum of 1.00.

Even applying the strict liquidity management standards used in the internal liquidity risk model based on a combined market-wide and bank-specific stress scenario, the available liquidity was at all times above the internally required level.

## Key figures for the Commerzbank Group

The Commerzbank Group's overall operating return on equity in the first half-year was 6.6%, compared to -6.6% in first-half 2009. Return on equity based on the consolidated surplus/deficit – i.e. the ratio of consolidated surplus/deficit attributable to Commerzbank shareholders to the average capital employed attributable to them excluding the revaluation reserve and the reserve from cash flow hedges less the current consolidated surplus/deficit – rose from -13.6% to 7.1%. The cost/income ratio – i.e. the ratio of operating expenses to total earnings before deduction of loan loss provisions – fell from 81.0% to 65.9%.

## Segment reporting

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The segments of the core bank posted positive operating results in the first half of the year and contributed a total of €1.1bn to consolidated profit. Outside the core bank, the picture was mixed. While the Asset Based Finance segment reported a loss due to the systematic reduction of risk exposures and the situation in the international real estate markets, the Portfolio Restructuring Unit profited from the improvement in the financial markets, especially in the first quarter.

Details of the composition of the segments and the principles of our segment reporting are set out in Note 10 of the financial statements.

### Private Customers

Private Customers achieved a positive result in the first half although the competitive environment remained difficult and the capital markets continued to be challenging. The number of customers stabilized in the course of the integration and remained steady at 11 million.

The impact of the sale of non-strategic participations in banks was clear, especially in respect of net interest income, net commission income and operating expenses. Net interest income was down by 10.6% to €989m year-on-year, primarily due to the extremely low level of interest rates and deconsolidation effects. The increase in loan loss provisions by 30.8% to €136m was attributable to lagged effects from the crisis. Net commission income was down slightly by 1.0% to €1,038m from the year-earlier figure. The main reason for this were effects from the sale of non-strategic investments, the ongoing reluctance by customers to transact securities business and revenue losses due to the increased burden on sales staff as a result of the integration. The decline in other income versus the prior-year period by €24m to €-42m resulted primarily from net allocations to provisions for litigation risks in the first quarter. The synergies from the integration were reflected in operating costs, which were down by 5.0% to €1,826m. Whereas personnel expense showed a marked decline from €802m to €710m, other operating expense rose by 5.6% due the brand migration and the integration of Dresdner Bank. On balance Private Customers posted an operating profit for the first six months of €49m, after €103m a year earlier.

The operating return on equity calculated on capital employed of €3.4bn was 2.8% (1H2009: 6.2%). The cost/income ratio was 90.8%, virtually the same as in the first half of 2009 (90.3%).

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## Mittelstandsbank

Due to its stable business model and strong customer base Mittelstandsbank posted a substantial improvement in operating results in what continued to be a difficult, but slightly less tense, market environment compared with a year earlier.

Net interest income was €1,065m after €1,088m in the same period last year. The slight decline of 2.1% was largely due to deposit-taking business, where the continued low level of interest rates led to a drop in the contribution to net interest income. Declining volumes in lending, particularly as a result of the reduction in non-strategic foreign portfolios, were more than offset by higher margins. As economic conditions have now started to improve, loan loss provisions were €71m lower in the first half of 2010, at €255m, than in the same period last year. Net commission income rose to €466m after €449m a year ago, due especially to the upturn in foreign trade and higher income from related product categories. Net trading income came to €68m, up by €101m on the figure for the first six months of 2009, largely due to valuation effects from credit hedge transactions. Other income came to €34m, compared with €-61m in the same period last year. This increase was due in particular to the effects of impairment reversals on equity participations as well as non-recurring income from the release of a provision no longer required. Operating expenses were €706m, up 5.1% on the previous year's figure of €672m. Whereas personnel expense was slightly lower than in the first half of 2009, other operating expense was higher than in the prior-year period. Mittelstandsbank reported an operating profit of €684m for the first six months, an increase of 54.1% on the first six months of last year.

The operating return on equity based on an average capital employed of €5.5bn was 25.1% (1H2009: 16.0%). The cost/income ratio was an excellent 42.9% (1H2009: 46.6%).

## Central & Eastern Europe

The countries of Central and Eastern Europe benefited from a sustained economic upswing, although its pace and strength varied from one country to another. Poland in particular saw a continuation of the positive development and the situation has also stabilized in those countries that were harder hit by the crisis. Further reforms will be needed, however. Against this market backdrop Central & Eastern Europe posted an operating profit after losses in the year-earlier period. The impact of movements in the CEE currencies was visible on both revenues and costs.

Net interest income, at €320m, was on a par with the year-earlier figure, despite pressure on margins, supported by slightly higher deposits and stable lending volumes. Given the improvement in the economic fundamentals loan loss provisions were down significantly, falling by 50.4% to €186m. Net commission income was up from €77m in first-half 2009 to €100m at mid-year. The main factor driving this was the good performance of many product groups, both in corporate and private customer business at BRE Bank. Net trading income came to €38m, which was 20.8% below the same period last year due to currency hedging

effects. As result of an increase in personnel and other operating expenses due to currency translation effects, operating expense was €43m higher, at €273m, in the first half of 2010. Due in particular to the positive development at BRE Bank, the segment posted an operating profit of €14m, compared with a loss of €149m in the year-earlier period.

The operating return on equity based on an average capital employed of €1.6bn was 1.8% (1H2009: -18.4%). The cost/income ratio was 57.7%, versus 50.4% in the first six months of 2009.

## Corporates & Markets

Corporates & Markets posted an operating profit for the period, achieved by the rigorous application of a client-driven business model and against the backdrop – particularly in the second quarter – of a volatile capital market environment. At €1,240m in the first half of 2010, operating income before loan loss provisions was down slightly on the same period of the previous year. It should be noted that the figures for the first half of 2009 still included income from areas that have been discontinued or substantially reduced in the new business model. The group divisions Corporate Finance and Equity Markets & Commodities successfully continued their stable trend. Fluctuations were more marked in the Fixed Income & Currencies division as a result of market unrest.

Net interest income was up 11.8% to €417m on the same period last year, with positive contributions from structured finance particularly in the first quarter. As the economic environment stabilized net income of €20m resulted on the provisioning side, primarily from the release of existing provisions. In the prior-year period charges of €221m were incurred in this area. Net commission income declined in the period by 18.7% to €139m, principally due to a number of large transactions in the first half of 2009. Net trading income came to €637m, down by 16.2% from a year earlier. While the Equity Markets & Commodities division showed a stable development, Fixed Income & Currencies posted lower revenue in the second quarter following a strong start to the year. This was attributable to the sharp rise in volatility in the markets as a result of the debt crisis among the PIIGS nations (Portugal, Italy, Ireland, Greece and Spain) in the second quarter of 2010. Net investment income came to €29m, while other income totalled €18m. Staff reduction and integration targets have been met and this is reflected in the lower level of operating costs, which were down by 21.0% to €806m. In addition to personnel expense it was also possible to significantly reduce other operating expenses. With a substantial increase in operating profit by €412m to €454m Corporates & Markets achieved an improvement on the year-earlier period.

On 17.4% lower capital employed of €3.9bn, operating return on equity was 23.5%. The cost/income ratio was down from 79.5% in the prior-year period to 65.0% in first-half 2010.

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## Asset Based Finance

Despite the global economic recovery in the first half-year, the effects of the crisis in the international property, public and ship finance markets continued to be clearly felt and resulted in negative results for the segment. New commitments in commercial real estate financing amounted to €2.4bn in the first half of the year, compared with €0.7bn in the corresponding period of 2009. The reduction in portfolios in Real Estate and Public Finance was continued.

Net interest income rose in the first six months by 4.9% to €615m versus first-half 2009, due in particular to higher margins in real estate financing both for new business and renewals. Loan loss provisions were €679m, an increase of 20.0% over the year-earlier period, due to high first-half charges in commercial real estate financing primarily in the USA. Despite the very low volume of new business net commission income was up by 21.7% to €168m, due to higher income from commercial real estate business – largely as a result of restructurings abroad – and from fund management fees in Asset Management. Net trading income was €27m, significantly lower than the €189m posted a year ago. This was primarily attributable to the fact that profits in the first half of 2009 were boosted by positive valuations for free derivatives and the profitable liquidation of a total return swap position. Net investment income was negative at €–160m (1H2009: €–40m). This result was impacted by selling losses in the second quarter incurred when managing down the public finance portfolio. Operating expense was €299m, down 11.5% on the same figure last year. This decline was due to personnel and other operating expense resulting from the successful execution of the restructuring measures. The operating loss for the first half of 2010 came to €–336m, after €–30m a year earlier. Restructuring costs of €33m were incurred in the first half of 2010 in connection with the Correlation strategy project at Commerz Real AG, whereas the first half of 2009 was affected by goodwill impairment charges and restructuring charges totalling €117m.

The operating return on equity calculated on capital employed of €6.3bn was –10.6%. The cost/income ratio was up from 38.7% in the prior-year period to 46.6% in first-half 2010.

## Portfolio Restructuring Unit

The Portfolio Restructuring Unit (PRU) was exposed to a changeable market environment in the first half of 2010. Whereas the first few months of the year saw a revival in the Structured Credit and Credit Flow markets, these segments experienced lower liquidity and a slight softening in prices during the second quarter as a result of the debt crisis in European countries. Over the first half of the year the PRU continued to make increasing use of market opportunities to reduce portfolios; this was partially offset by the rise in the US dollar in the second quarter. On balance, substantial progress was made in managing down the number of positions, particularly in Credit Trading, thus significantly reducing complexity.

Net interest income was down versus the year-earlier period by €104m to €33m, due primarily to the reduction in holdings. Loan loss provisions decreased markedly from €240m

to €50m. Net trading income improved significantly versus a year earlier from €-1,235m to €338m. This was due to gains realized on reducing portfolios and impairment reversals on structured securities. The net investment loss was reduced from €-265m in the first half of 2009 to €-24m at mid-year 2010. Administrative expenses decreased by 21.2% to €52m. In the first half of 2010 the PRU posted an operating profit of €256m, compared with a loss of €1,657m in the prior-year period.

Average capital employed amounted to €1.3bn, compared with €1.9bn at mid-year 2009.

## Others and Consolidation

The Others and Consolidation segment contains income and expenses not attributable to the business segments. The following point should be noted in regard to the prior-year figures for Others and Consolidation: since, to facilitate comparison, the results of the market segments cover the period from January 1, 2009 to December 31, 2009, the difference versus the consolidated profit/loss, which for Dresdner Bank only covers the period from January 13 to December 31, 2009, is reported under Others & Consolidation.

The operating result for the first half of 2010 was €-107m, compared with €429m in the same period last year. Operating income before provisions, at €365m, derived largely from Treasury income, whereas the negative impact stemmed chiefly from Group-wide effects connected with the acquisition of Dresdner Bank that could not be assigned to individual segments, as well as negative measurement effects from the use of hedge accounting in accordance with IAS 39 on interbank transactions. There was a sharp decline in net investment income, which in the year-earlier period contained income from the disposal of investments. The operating expenses retained in the Others and Consolidation division came to €475m and related mainly to integration expenses for service and management functions as part of the "Growing together" project, Treasury costs not allocated to the business segments, expenses in relation to company law, and other operating expenses in connection with compliance with SoFFin requirements. The pre-tax result for the first six months of 2010 was €-107m, after €217m in first-half 2009.

## Outlook and opportunities report

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The following comments should always be read in conjunction with the Business and overall conditions section of this interim report as well as the Outlook section of the 2009 annual report.

### Future economic situation

Global economic recovery seems set to continue. However, it is expected to start off weaker than previous upturns, especially in the industrialized nations, because the excesses that preceded the recession have still not been fully corrected. Despite a marked decline, the level of investment in construction is still much too high in places, while in many countries private households and companies are now having to pay down the significantly higher amounts of debt they had taken on, which in turn will curb demand from their side. Moreover, in the eurozone in particular, in the coming year at the latest the economy will run into



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strong headwind due to the financial policies put in place by governments forced to noticeably reduce their budget deficits.

Germany has been spared much of these excesses in recent years, meaning that a correction is not necessary here – neither in construction nor in the debt levels of private households and companies. The need for consolidation in the public sector is also much less significant in Germany than in most other European countries, and Germany's economy, which is geared to exports and capital goods, is set to reap above-average benefits from global economic recovery. Germany is therefore set to grow at a much faster pace of 2.5% than the eurozone as a whole. In the year ahead growth will be somewhat slower at 1.75% due to the need to consolidate public finances, but Germany will continue to be among the leaders in the eurozone.

Given the rather subdued nature of the global economic recovery, overall capacities will remain underutilized for some time. Initially this will result in an easing of inflationary pressures. Against this backdrop, the leading central banks will hold off a bit longer before exiting their low interest rate policies. There will be no interest rate increases from the ECB and US Federal Reserve before next year, although the Fed is more likely to initiate the reversal than the ECB.

The weak inflationary momentum and central bank hesitancy indicate that the current structural low interest rate environment will continue for the time being. If the peripheral eurozone members manage to achieve their deficit objectives, the situation in the European bond markets is likely to ease in the months ahead. However, ten-year Bund yields will only rise gradually at first and the yield premium for bonds of the peripheral eurozone countries narrow, without reaching the levels seen prior to the financial crisis. The euro is set to soften further against the dollar, since the interest rate differential will likely develop increasingly in favour of the US currency. Furthermore, the debt crisis has drawn the currency markets' attention to the structural problems within the European currency union, and this will continue to weigh on the euro for the time being.

## Future situation in the banking sector

Many European banks presented improved results for the first quarter of 2010 compared with the year-earlier figures. Most big banks in Europe saw a positive return on equity again, aided in particular by a pickup in securities trading business. By contrast, the conditions for investment banking, particularly in trading, were less favourable in the second quarter. Banks' loan loss provisions are nevertheless likely to have declined further.

Although many economists have already declared the recession over and Commerzbank is forecasting eurozone GDP growth rates of 1.2% and 1.4% in 2010 and 2011, respectively, banks are likely to continue to find themselves operating in a difficult environment. The after effects of the economic crisis will persist for the banks, even though it was possible to stem further contagion from the debt crisis, especially among the countries of southern Europe, by means of extensive aid programmes. Many European banks have high exposure to the countries mentioned above, as well as to the extremely difficult US and Spanish real estate markets.

In addition, a general tightening of regulatory provisions is expected to increase restrictions on the banking sector as a whole. In Germany, the UK and other European countries, draft legislation for the introduction of a banking tax has been initiated, while a uniform proposal from the EU is still in the pipeline. In the context of the planned introduction of Basel III at the end of 2012 an intensive debate is currently ongoing between politicians and regulatory experts as to the correct degree of regulation for the banking industry. It would appear difficult to find a globally uniform line of thinking on banking regulation following the crisis. The ongoing discussion about stress tests also highlights how high the market's requirements with regard to transparency are. The European banks will be confronted with the market's increased demands for transparency and capital underpinning in this respect.

## **Financial outlook for the Commerzbank Group**

### **Financing plans**

The Commerzbank Group has covered its funding requirements for the full year 2010. We will nevertheless continue to take advantage of opportunities in the market and place unsecured and secured issues accordingly. The adjustment to our original funding plan was made in response to the accelerated reduction of non-core activities and a lower demand for loans than previously anticipated. We expect to be able to continue building on our successful first-half issuing activities over the rest of the year, given the prerequisites mentioned above.

Funding activities will be adjusted regularly to reflect changes in conditions in the second half as well. This review is based on the Bank's internal stable funding concept and the development of assets eligible for the collateral pool. The stable funding concept identifies the structural liquidity requirement of the Bank's core lending business and those assets which cannot be liquidated within one year, and compares these to the liabilities available to the Bank over the long term (including stable customer deposit bases). Although we expect the capital market environment to remain volatile, average funding costs on the capital market should be lower this year than in the previous year.

### **Planned investments**

With respect to planned investments, the following concrete projects have emerged in the first half of 2010.

The integration of Dresdner Bank will continue to dominate investment activities in the current year and the years to come. Compared with 2008, this will generate future annual savings of up to €2.4bn following full implementation. Of the total investments of €2.5bn envisaged for the integration, €2.1bn have been incurred as at June 30, 2010, €0.3bn of which as running implementation costs in the first half of the year.

In Asset Based Finance, the strategy project Correlation was launched at Commerz Real AG in the fourth quarter of 2009 in response to the effects of the financial market crisis. The project is reviewing the spin-off of non-strategic peripheral activities and also plans measures to optimize the structural and process organization. The total restructuring costs of €33m budgeted for this project in 2010 were already incurred in the first half of the year.

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Work will continue on the Group Finance Architecture (GFA) programme that was initiated in 2009 to redesign the process and system architecture of the Commerzbank Group finance function. In the first half-year 2010 costs of €19m were incurred and investments totalling €63m are planned for the full year. For 2011 we anticipate an investment volume of €52m.

Beyond that there have been no major changes versus the projects mentioned in the 2009 annual report.

### Liquidity outlook

The expiry of the first 12-month funding programme by the ECB in an amount of €442bn without any disruption in July 2010 was an encouraging sign that had been interpreted ahead of the event as a test of the banking system's liquidity. On a net basis taking into account new repo issues, this withdrew some €244bn of liquidity from the banking system. As a result, short-term interest rates have risen, but this does not indicate a fundamental change in ECB policy. Nevertheless, short-term rates will continue to trend upwards in the second half of the year due to the reduced volume and also because of the shorter maturities for central bank refinancing transactions. The interest rate for unsecured money market transactions EONIA is a faster indicator of changes in market conditions than Euribor. Given the greater sensitivity of EONIA, we expect a widening of the benchmark 3-month EONIA-Euribor swap spread up to the end of the year until market conditions are again reflected in both benchmarks.

We assume that tensions in the financial markets will also affect the second half-year. However, we also expect that Commerzbank will be able to maintain its strong position and is well equipped in view of its liquidity management to cope with any unexpected events that may occur. It is also well set to achieve its funding objectives as planned.

### General statement on the outlook for the Group

The results for the first half-year have taken us an important step forward towards achieving the objectives we have set ourselves. Against this backdrop and given a stable market environment, we expect to be able to show a profit for the full year 2010. The improving economic conditions will help to improve credit quality in many industries and regions. We therefore expect a loan loss provisioning requirement in the magnitude of up to €3bn for full-year 2010, which is significantly less than originally anticipated. For the Portfolio Restructuring Unit as well, we currently estimate that the result for the whole year will be positive overall. In addition, we will continue to focus on reducing risk, while making selective use of the opportunities offered by the market.

Naturally we cannot exclude setbacks in the markets and there are also still some uncertainties in the regulatory area. While keeping a close eye on further developments in market conditions, we will continue systematically with our Roadmap 2012 agenda, which includes the realization of synergies in the course of the integration of Dresdner Bank. We are confident that we will continue to make good progress over the rest of the year.

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At the beginning of July Commerzbank completed the sale of its Kleinwort Benson operations to Beteiligungsgesellschaft RHJ International as announced. The supervisory authorities gave their approval for the transaction. The transaction involved the sale of the companies Channel Islands Holdings Limited and Kleinwort Benson Private Bank Limited, specialized in asset management and fiduciary transactions in the UK and Channel Islands. At the end of 2009 their Wealth Management units had assets under management of some GBP5.6bn (€6.3bn) and employed more than 600 staff. Commerzbank's investment banking activities, comprising the investment banking arm of the former Dresdner Kleinwort and Commerzbank Corporates & Markets activities, were unaffected by the transaction.

Likewise at the beginning of July, Commerzbank completed the sale of its savings and loan subsidiary Allianz Dresdner Bauspar AG (ADB) to Wüstenrot Bausparkasse AG as announced. The German supervisory authorities approved the transaction. As announced, the distribution agreement for savings and loan products which has been negotiated will take effect from September 2, 2010. As at the end of 2009, Allianz Dresdner Bauspar had total deposits of €21bn and employed a staff of approximately 350.

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## Interim Risk Report

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## Risk-oriented overall bank management

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### 1. Risk management organization

Commerzbank defines risk as the danger of possible losses or profits foregone due to internal or external factors. Risk management normally distinguishes between quantifiable risks – those to which a value can normally be attached in financial statements or in regulatory capital requirements – and non-quantifiable risks such as reputational and compliance risks.

Responsibility for implementing the risk-policy guidelines laid down by the Board of Managing Directors for quantifiable risks throughout the Group lies with the Bank's Chief Risk Officer (CRO). The CRO regularly reports to the Board of Managing Directors and the Risk Committee of the Supervisory Board on the overall risk situation within the Group.

Risk management activities are split between Credit Risk Management, Market Risk Management, Intensive Care and Risk Controlling and Capital Management. They all have a Group-wide focus and report directly to the CRO. Together with the four Division Boards the CRO forms the Risk Management Board within Group Management.

Details on the risk management organization at Commerzbank may be found in the 2009 Annual Report.

### 2. Risk-taking capability and stress testing

Commerzbank's risk-taking capability approach is based on risk/return oriented management. Risk-taking capability is monitored on a monthly basis by comparing the capital requirement arising from the portfolio's risk profile against potential risk cover, i.e. the amount of capital available to absorb any risks that materialize.

All significant quantifiable risks are determined by reference to portfolio-specific, economic and regulatory conditions. The capital requirement resulting from these risks is calculated using both a regulatory and an economic capital model. The confidence level of 99.95% in the economic capital model exceeds the regulatory requirements and also takes account of portfolio-specific interactions.

The definition of potential risk cover also differs between the regulatory and economic models. The regulatory capital requirement is set against statutory Tier 1 core capital as risk cover. The benchmark for the internal economic model, however, is the protection of preferred creditors in the event of liquidation. Economic risk capital therefore comprises subordinated components of capital in addition to Tier 1 core capital, less positions that would not be available in the event of liquidation. The liquidation assumption is consistent with the high confidence level required for measuring risk effectively and ensures an internally consistent concept of economic risk-taking capability. The economic capital ratio calculated on this basis stood at 15.6% at June 30, 2010.

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Commerzbank uses comprehensive stress tests to estimate the sensitivities of capital requirements and risk coverage and to obtain early warning indicators. The parameter stress test assumes a deterioration in all relevant risk parameters. The economic capital ratio calculated using this stress test stood at 10.2% at June 30, 2010.

Macroeconomic stress tests are also used to test the portfolio's robustness in the face of changed economic conditions. These not only analyse the capital requirement, but also the revenue side and risk cover under stress conditions. The internally defined minimum requirement of 8% was met in all scenarios at all times during the period under review.

Commerzbank also participated in the 2010 EU-wide stress test coordinated by the Committee of European Banking Supervisors (CEBS). The aim of these stress tests was to investigate the resilience of the European banking sector to further credit and market risks, including the effects of a rise in risk premia on European government bonds. Even in the most severe macroeconomic scenario including sovereign stress Commerzbank's simulated Tier 1 core capital ratio of 9.1% was well above CEBS's minimum threshold of 6%. The corresponding results and a detailed description of Commerzbank's country exposures relating to the CEBS definition can be found in the Investor Relations' section on Commerzbank's homepage ([www.commerzbank.com](http://www.commerzbank.com)).

For internal risk management Commerzbank uses the exposure at default (EaD) as defined in Basel II as a core control measure. Based hereupon the segment-overarching sovereign exposure relating to Greece, Ireland, Italy, Portugal and Spain amounts to €17bn.

Sovereign exposures of selected countries   in € bn	30.6.2010
Greece	2.8
Ireland	<0.1
Italy	9.9
Portugal	1.0
Spain	3.3

The rise in RWAs from €279bn at March 31 to €290bn at June 30 was mainly caused by currency effects, harmonization of systems and rating downgrades, particularly in the Asset Based Finance segment. However, in the further course of the year rating downgrades and resulting RWA charges are likely in the Asset Based Finance segment and, selectively, in the Mittelstandsbank segment.

<b>Risk-taking capability Commerzbank Group   in € bn</b>	<b>30.6.2010</b>	<b>31.3.2010</b>	<b>31.12.2009</b>
<b>Tier I core capital</b>	<b>31</b>	<b>30</b>	<b>30</b>
<b>Regulatory RWA</b>	<b>290</b>	<b>279</b>	<b>280</b>
thereof credit risk	259	247	246
thereof market risk	11	11	14
thereof operational risk	20	20	20
<b>Tier 1 capital ratio</b>	<b>10.8%</b>	<b>10.8%</b>	<b>10.5%</b>
<b>Capital available for risk coverage</b>	<b>39</b>	<b>40</b>	<b>39</b>
<b>Economic RWA excl. diversification</b>	<b>293</b>	<b>286</b>	<b>283</b>
thereof credit risk	184	179	173
thereof market risk	59	54	63
thereof operational risk	30	33	31
thereof business risk	21	21	16
<b>Diversification between risk types</b>	<b>42</b>	<b>42</b>	<b>43</b>
<b>Economic RWA incl. diversification</b>	<b>251</b>	<b>244</b>	<b>240</b>
<b>Economic RWA (stress scenario)</b>	<b>382</b>	<b>396</b>	<b>358</b>
thereof credit risk	220	216	206
thereof market risk	83	106	79
thereof operational risk	52	51	53
thereof business risk	26	23	20
<b>Economic capital ratio incl. diversification<sup>1</sup></b>	<b>15.6%</b>	<b>16.3%</b>	<b>16.1%</b>
<b>Economic capital ratio (stress scenario)<sup>1</sup></b>	<b>10.2%</b>	<b>10.0%</b>	<b>10.8%</b>

<sup>1</sup> As at December 2009 using the current methodology.



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## Default risk

Default risk refers to the risk of losses due to defaults by counterparties as well as to changes in this risk. Country risk, issuer risk and counterparty and settlement risk in trading transactions are also subsumed under default risk.

### 1. Commerzbank Group by segment

The following risk parameters are used to manage and limit default risk: exposure at default (EaD), expected loss (EL), risk density (EL/EaD) and unexpected loss (UL = economic capital consumption with a confidence level of 99.95% and a holding period of one year). The breakdown of these parameters across the segments is as follows:

Credit risk parameters by segments as at 30.6.2010	Exposure at Default in € bn	Expected Loss in € m	Risk Density in bp	Unexpected Loss in € m
<b>Core bank</b>	<b>338</b>	<b>1,252</b>	<b>37</b>	<b>8,708</b>
Private Costumers	75	265	35	1,099
Residential mortgage loans	36	124	34	-
Investment properties	5	17	33	-
Individual loans	14	64	46	-
Consumer and installment loans/ credit cards	11	50	44	-
Domestic subsidiaries	4	7	16	-
Foreign subsidiaries and other	4	4	10	-
Mittelstandsbank	108	440	41	3,630
Financial Institutions	20	59	30	-
Corporates Domestic	64	286	45	-
Corporates International	25	95	39	-
Central & Eastern Europe	25	237	96	798
BRE Group	20	123	60	-
CB Eurasija	2	35	205	-
Bank Forum	1	68	1,000	-
Other	2	11	56	-
Corporates & Markets	87	293	34	2,817
Germany	30	131	43	-
Western Europe	29	84	29	-
Central and Eastern Europe	3	10	30	-
North America	14	45	32	-
Other	10	23	24	-
Others and Consolidation	43	16	4	365
<b>Optimization – Asset Based Finance</b>	<b>239</b>	<b>771</b>	<b>32</b>	<b>4,803</b>
Commercial Real Estate	75	346	46	-
Eurohypo Retail	18	36	20	-
Shipping	28	296	105	-
<i>thereof ship financing</i>	24	284	118	-
Public Finance	118	93	8	-
<b>Downsize – PRU</b>	<b>29</b>	<b>156</b>	<b>54</b>	<b>1,189</b>
<b>Total</b>	<b>606</b>	<b>2,180</b>	<b>36</b>	<b>14,700</b>

### 1.1 Private Customers

The slight decrease in portfolio volume was mainly driven by exit units. Domestic lending volumes in the core business stabilized in the second quarter as a result of expanding new business. A risk oriented price calculation is rigorously pursued.

The economic crisis did not impact the portfolio quality as strongly as expected originally. The risk density remained stable, not least due to ongoing quality assurance measures in the portfolio, and remains in line with expectations at 35 basis points. As a result of the improvement in the economic outlook and the positive situation at the labour market no further negative effects from macroeconomic factors on the portfolio are expected during the second half of the year.

Loan loss provisions remained at roughly the same level in the second quarter as in the first and therefore continue to be in line with expectations. Risk exposures in the portfolio are expected to remain steady over the rest of the year.

### 1.2 Mittelstandsbank

The second quarter of 2010 was largely dominated by good news with regard to economic developments. The recovery of the world economy continued, which had a positive impact on the Mittelstandsbank's core markets. In a number of core branches in Germany there are clear signs of an improvement in credit quality compared with the difficult situation in 2009. The economic data has increasingly confirmed the sustainability of the economic recovery, backed by strong data from the German labour market, which further limits the potential for a renewed setback.

2010 will nevertheless remain a challenging year from a risk management perspective. Generally weaker results in 2009 are currently still depressing ratings for many companies and the economic outlook is not compensating sufficiently for this as yet. In spite of this most of the portfolio is expected to remain above the investment grade threshold.

Lending volumes will depend to a large degree on whether or not there is a change in customers' propensity to invest. Overall lending volumes in the Mittelstandsbank are expected to pick up slightly by the end of 2010.

For developments in Financial Institutions see section 2.3.

### 1.3 Central & Eastern Europe (CEE)

The economic situation in Central and Eastern Europe has improved in recent months, even if with differing intensity in the different countries. Driven by a recovery in commodity prices and a rise in exports to Western Europe and Asia all of the economies in the region saw positive growth, although significantly below the levels seen before the crisis.

Poland's robust economic performance continued. The risk profile of BRE Bank did not alter significantly in the second quarter, even if there was a minor impact from the rise in unemployment rates on the retail portfolio.

The recovery gained strength in Russia. This is reflected in the portfolio's risk density, which fell from 253 basis points in the first quarter of 2010 to 205 basis points in the second. The Bank expects further improvements in the risk situation, particularly for commodity-exporting companies.

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There are also some tentative positive signs in Ukraine, although the risk situation remains tense. The recovery of the local currency against the US dollar has brought a little relief for foreign currency denominated loans. The focus here remains on risk limitation.

The currencies of other Central and Eastern European countries have also recovered against the euro in recent months, which has led to a corresponding increase in the absolute portfolio figures such as EaD and EL. The segment's described positive economic development is noticeable in the portfolio's decreasing risk density.

#### 1.4 Corporates & Markets

Bulk and concentration risks of Financial Institutions and Corporate Customers have been further reduced in the second quarter. The ongoing improvement in the market environment also enabled the Bank to conclude more new business with high-quality customers subject to strict risk/return criteria. There has been an increase in market activity in the leveraged finance sector; within the framework of our conservative risk strategy new transactions and increased existing exposures have been accompanied selectively in the second quarter. The segment's regional focus is on Germany and Western Europe with €59bn of the portfolio; the share accounted for by North America rose to €14bn, partly due to currency effects.

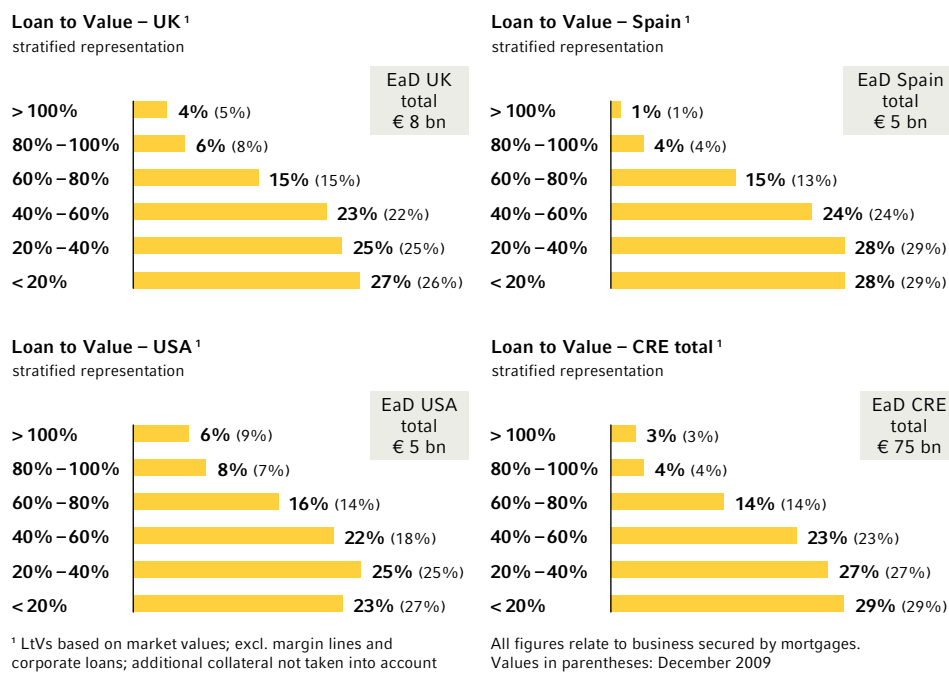
#### 1.5 Asset Based Finance

Asset Based Finance (ABF) comprises the sub-portfolios Commercial Real Estate (CRE), CRE Asset Management, Eurohypo Retail, Ship Financing and Public Finance, which are described in detail below.

**Commercial Real Estate** The overall exposure at default (EaD) for CRE, which is mainly with Eurohypo, was €75bn at June 30, 2010. The main components are the sub-portfolios Office (€28bn), Commerce (€21bn) and Residential Real Estate (€9bn). Despite a continued strategic reduction of exposures in the second quarter of 2010 due to the strong increase in the US dollar the EaD remained almost unchanged.

The CRE exposures also contain the CRE Asset Management (mainly Commerz Real) portfolios, which are composed of holdings in the immovable and movable property sector backed by collateral.

Although the situation on the property markets has still not settled, the overall forecast for market values is for a slight recovery from here on. Further risks are currently seen in the USA in particular. Eurohypo's mortgage backed lending continues to display acceptable loan-to-value ratios.



**Eurohypo Retail** The exposure of the Eurohypo retail portfolio was €18bn at June 30, 2010. The focus of the portfolio continues to be in owner-occupied homes (€11bn) and owner-occupied apartments (€4bn).

**Ship Financing** Due to the strong increase in the US dollar against the euro the exposure of Ship Financing including the full consolidation of Deutsche Schiffsbank AG (92%-owned subsidiary) rose by €1bn to €24bn in the second quarter of 2010. The portfolio is still focused on the three standard types of ship, namely containers (€7bn), tankers (€6bn) and bulkers (€5bn). The remaining €6bn is accounted for by various special tonnages which are well diversified across the various ship segments.

The strategy of systematic risk reduction in existing business resulted in a degree of stabilization in the period under review, not least through loan restructurings agreed with customers, which will naturally only be reflected in the risk ratios with a lag. However, the slightly negative trend from the first quarter is currently still continuing, so that the expected loss increased again by €26m to €284m and the risk density rose by 4 basis points to 118 basis points.

The predicted growth of more than 4% in the world economy and the resulting trade volumes, which will have a knock-on effect on transport demand, continues to be offset by the influx of newly-built ships onto the market. With limited scrappage potential and falling customer liquidity reserves a further portfolio drift into the non-investment grade category and in some cases into the default portfolio is to be expected.

At the same time, the current market environment with stronger demand for capacity and firmer charter prices is beginning to offer some opportunities for new and additional business with an attractive risk-return profile and a positive impact on the portfolio.

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**Public Finance** The Public Finance portfolio comprises receivables and securities, with predominantly long maturities, some of which are held in the Available for Sale (AfS) category, but most of which are held as Loans and Receivables (LaR) by Eurohypo and EEPK. Borrowers in our Public Finance business (€74bn EaD) are sovereigns, federal states, regions, cities and local authorities as well as supranational institutions. The main exposure is in Germany and Western Europe.

The remaining portfolio is accounted for by banks (€45bn EaD), where the focus is also on Germany and Western Europe (approximately 94%). Most of the banking portfolio consists of securities and loans, a high proportion of which are covered by grandfathering, guarantee/maintenance obligations or other public guarantees, or were issued in the form of covered bonds.

The EaD for the Public Finance portfolio as a whole was reduced by a further €7bn to €118bn in the second quarter of 2010. The overall target reduction of the exposure is a maximum of €100bn by the end of 2011.

### 1.6 Portfolio Restructuring Unit (PRU)

The PRU only manages assets that have been classified as non-strategic by Commerzbank and are therefore being wound down. Bundling allows these positions to be managed uniformly and efficiently. These are structured credit positions (mainly asset backed securities – ABS) with a nominal value as at June 30, 2010 of €35.1bn (shown in detail in section 2.1.1) including other non-structured credit positions with a net book value of €0.4bn.

Other items in the PRU include mainly bonds, loans, credit default swaps and credit default swap tranches which are outside Commerzbank's strategic focus. They are actively immunized against market movements using credit default swaps and standardized credit indices and index tranches. The book exhibits a concentration in the rating classes BBB and BB and the overall risk exposure to counterparties in the financial sector remains low. The positions are managed within narrow limits for VaR and credit spread sensitivities. The positive market development led to an absolute drop in market values since the beginning of the year for both bought and sold credit default swap positions. Further reductions in holdings of non-structured bonds, loans and CDSs were achieved in the second quarter, with holdings of CDSs being reduced to almost zero.

## 2. Cross-segment portfolio analysis

It is important to note that the following positions are already contained in full in the Group and segment presentations.

### 2.1 Structured Credit Portfolio

Structured Credit Portfolio	30.6.2010		31.3.2010		31.12.2009	
	Nominal values	Risk values <sup>1</sup>	Nominal values	Risk values <sup>1</sup>	Nominal values	Risk values <sup>1</sup>
in € bn						
<b>PRU</b>	<b>35.1</b>	<b>21.7</b>	<b>33.9</b>	<b>21.2</b>	<b>37.3</b>	<b>23.7</b>
RMBS	8.7	5.8	8.7	6.1	8.7	5.9
CMBS	0.8	0.5	1.4	1.0	2.2	1.6
CDO	12.7	7.6	11.4	6.6	12.5	7.3
Other ABS	4.4	3.7	4.1	3.6	5.7	5.2
PFI/Infrastructure	4.3	4.0	4.2	3.9	4.1	3.7
CIRC	0.7	0.0	0.8	0.0	0.9	0.0
Other Structured Credit positions	3.4	0.2	3.3	0.0	3.2	0.0
<b>Non-PRU</b>	<b>12.6</b>	<b>12.2</b>	<b>12.9</b>	<b>12.4</b>	<b>13.1</b>	<b>12.6</b>
Conduits	5.0	5.0	5.5	5.5	5.9	5.9
Other	7.6	7.2	7.4	6.9	7.2	6.7
<b>Total</b>	<b>47.7</b>	<b>33.9</b>	<b>46.8</b>	<b>33.6</b>	<b>50.4</b>	<b>36.3</b>

#### 2.1.1 Structured Credit-Exposure PRU

After a further decline in spreads in the market for structured credit products such as CDOs, CMBSs and RMBSs in the first few months of 2010, the Greek crisis led to a slight widening of spreads and an increase in spread volatility during the reporting period, particularly in the senior tranches of these securitization instruments, which had benefited particularly strongly from falling spreads in the first quarter. With the aim of maintaining the value-maximizing managing-down strategy, far fewer assets were sold in this environment than in the first quarter of 2010. Despite asset sales and repayments and due to the sharp rise in the US dollar and the British pound the nominal volume rose from €33.9bn to €35.1bn, with a slight increase in risk exposure from €21.2bn to €21.7bn. Commerzbank remains committed to the efficient value-maximizing reduction of the structured credit portfolio, which has been successfully implemented in recent quarters.

Overall the bank expects write-ups over the residual life of these assets, with future write-downs such as on US RMBSs and US CDOs of ABSs, which have already been written down substantially, being more than compensated by a positive performance from other assets. This forecast is based primarily on the high seasoning of the structures, which enables a reliable assessment of the future performance of the portfolio, as well as the general stabilization in the economies which are of importance for the portfolio.

<sup>1</sup> The risk value equates to the balance sheet value of cash instruments. For long CDS positions the risk value consists of the nominal value of the reference instrument less the present value of the credit derivative.

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The following table shows the breakdown of structured credit exposures by rating, based on the risk values.

Rating breakdown Structured Credit Portfolio   in € bn	30.6.2010
AAA	5.5
AA	3.6
A	3.3
BBB	5.8
< BBB	3.4

**Asset Backed Securities (ABS)** These are investments in ABS securities that were made by Commerzbank as part of its replacement credit business or in its function as arranger and market maker in these products. Since the beginning of 2010 the positions have been classified into the product segments RMBS, CMBS, CDO and Other ABS. This helps to provide a clear breakdown of the portfolio by specific asset class and reflects the declining importance of the previous PRU sub-portfolios ABS Hedge Book and Conduits, which were reported until the end of 2009.

**Residential Mortgage Backed Securities (RMBS)** This sub-segment contains all the positions whose interest and principal are secured by private mortgage loans or are contractually linked to their real development. The mortgage loans themselves are likewise partially or fully secured by the residential property being financed. The total risk exposure here at the end of the reporting period was €5.8bn (December 31, 2009: €5.9bn).

The holdings of direct and indirect securitizations of US mortgage loans have already been written down by a high percentage. In spite of the loan repayments that are currently received in some cases due to the seniority of our investments, the uncertainty surrounding the sector's future performance is likely to result in some further impairments in the remainder of 2010. The US RMBS portfolio had a risk value of €1.0bn at the end of the period (December 31, 2009: €0.9bn). The mark-down ratio for US RMBSs was 69% at June 30, 2010.

Due to the Greek crisis European RMBS positions (risk exposure €4.8bn) declined in value compared with the first quarter despite enhanced and stabilized fundamental and performance data (unemployment, development of property prices) as a result of widening spreads, particularly in senior tranches. These impairments in value due to changes in market prices are still accompanied by the expectation, based on fundamentals, that these securitizations will be repaid in full.

Rating breakdown RMBS   in € bn	30.6.2010
AAA	3.7
AA	0.3
A	0.7
BBB	0.2
< BBB	0.9

**Commercial Mortgage Backed Securities (CMBS)** This sub-segment contains all the positions whose interest and principal are secured by commercial mortgage loans or are contractually linked to their real development. The mortgage loans themselves are likewise partially or fully secured by the commercial property being financed.

As a result of the further successful reduction in the portfolio in the second quarter the CMBS portfolio had a risk value of only €0.5bn at the end of June 2010 (December 31, 2009: €1.6bn). The securitized commercial property loans derive principally from the UK/Ireland (19%), Continental Europe (25%) and pan-European transactions (51%). The share of US CMBSs in the portfolio was reduced from 14% to 5%.

To date, relatively few credit losses have been realized in the CMBS market. The substantial write-downs carried out on the CMBSs of the PRU are thus principally motivated by the expectation of a sharp rise in losses due to the limited funding opportunities for commercial property loans. The narrowing of spreads seen at the beginning of 2010 did not continue or plateau out in the second quarter. As in other segments CMBSs were hit by a moderate widening of spreads, increased spread volatility and a resultant drop in value. The mark-down ratio as at June 30, 2010 was 32%.

Rating breakdown CMBS   in € bn	30.6.2010
AAA	0.1
AA	<0.1
A	<0.1
BBB	<0.1
< BBB	0.3

**Collateralised Debt Obligations (CDO)** This sub-segment contains all the positions whose interest and principal are secured by corporate loans and/or bonds and other ABSs, or which are contractually linked to their real development. The degree of collateralization of these assets varies from very low to very high and is dependent on the transaction.

The total risk exposure slightly increased to €7.6bn as at the reporting date (December 31, 2009: €7.3bn), which reflected the sharp rise in the US dollar. The largest share with 52% of the risk value is accounted for by CDOs, which are predominantly based on lending to corporates in the USA and Europe (CLOs). CLOs continue to benefit from a further decline in default rates and forecasts and improved expectations of recovery in the corporate sector. However, recently a widening of spreads and increased spread volatility also led to a slight fall in market values in this portfolio as well. The mark-down ratio as at June 30, 2010 was 16%.

A further 40% of the risk value is accounted for by US CDOs of ABSs, which are mostly secured by US subprime RMBSs. Due to the continued cautious assessment of the credit quality of residential mortgages in the US subprime market and the conservative assumptions for the resulting losses the mark-down ratio is 57%, even though the securitizations held by Commerzbank consist predominantly of the most senior tranches of such CDOs.

The transaction-specific composition of the pool (vintage, asset type) and the CDO structure define the individual risk profile of the exposure.



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Rating breakdown CDO   in € bn	30.6.2010
AAA	0.9
AA	1.6
A	1.1
BBB	2.2
< BBB	1.8

**Other ABS** This sub-segment contains all the positions whose interest and principal are secured by consumer loans (including student loans and automobile financing), lease receivables and other receivables or which are contractually linked to their real development. The degree of collateralization of these assets varies from very low to very high (e.g. auto loans) depending on the transaction.

The total risk exposure in this asset class at June 30, 2010 was €3.7bn (December 31, 2009: €5.2bn). The largest part of this risk exposure is accounted for by Consumer ABSs and ABSs secured by other US assets, such as film receivables and life insurance policies. The exposure to film receivables was actively reduced further in the reporting period. However, further write-downs are still possible based on the structural characteristics of individual transactions.

The portfolio of Consumer ABSs in particular US Consumer ABSs, was systematically reduced further in the second quarter of 2010. The mark-down ratio of the remaining positions in this segment was 16% at the reporting date.

**PFI/Infrastructure financing** The PRU's Structured Credit category also contains exposures to Private Finance Initiatives (PFIs) with a risk exposure of €4.0bn at June 30, 2010. The portfolio consists of private financing and operation of public sector facilities and services, such as hospitals or water supply operations. All the financings in the PRU portfolio relate to the UK and have extremely long maturities of more than 10 to over 40 years. Over 80% of the portfolio's credit risk is hedged, mostly through monoline insurers.

**Credit Investment Related Conduits (CIRC)/Other Structured Credit positions** At June 30, 2010 there was a risk exposure arising from the nominal exposure to these instruments of €0.2bn. As in the previous quarter, no losses are expected.

### 2.1.2 Structured Credit-Exposure non-PRU

Below are details of structured credit positions from our strategic customer business which will continue to be allocated to the core bank in future and were therefore not transferred to the PRU. These are conduit exposures in Corporates & Markets and other mainly government-guaranteed ABSs held by Eurohypo and CB Europe (Ireland). With the exception of conduit business, Commerzbank is not engaging in any new ABS business outside the PRU either. In conjunction with the information given in section 2.1.1 (structured credit- or ABS-exposures in the PRU), this gives an overall view of the structured credit or ABS product category.

**Conduit Exposure** The asset backed commercial paper (ABCP) conduit business of Corporates & Markets, which is reported in full on Commerzbank's balance sheet and is not managed by the PRU, amounted to €5.0bn at the end of June 2010 (December 2009: €5.9bn). The decline in exposure is due to amortizing ABS programmes in the conduits. The majority of these positions consists of liquidity facilities/backup lines granted to the conduits Kaiserplatz and Silver Tower administered by Commerzbank. The sole remaining transaction with third-party conduits was terminated in the second quarter and repaid in full.

The underlying receivables of the Bank's ABCP programmes are strongly diversified and reflect the differing business strategies pursued by sellers of receivables or customers. These receivable portfolios do not contain any US non-prime RMBS assets. To date, there are no recorded losses on any of these transactions. Currently no need is seen for loan loss provisions in respect of the liquidity facilities/backup lines classified under the IFRS category Loans and Receivables.

Rating breakdown conduits non-PRU   in € bn	30.6.2010
AAA	1.3
AA	1.6
A	1.6
BBB	0.5
< BBB	0.1

The volume of ABS structures funded by Silver Tower was €4.2bn as at June 30, 2010 (December 31, 2009: €5.0bn). The ABS structures are based on customers' receivable portfolios as well as in-house loan receivables (Silver Tower 125, volume €1.3bn), which were securitized as part of an active credit risk management.

The volume of ABS structures funded under Kaiserplatz was €0.8bn as at June 30, 2010 (December 31, 2009: €0.9bn). Virtually all of the assets of Kaiserplatz consist of securitizations of receivable portfolios of and for customers.

**Other Asset Backed Exposures** Other ABS positions with a total risk exposure of €7.2bn were held mainly by Eurohypo in Public Finance (€5.8bn) and by CB Europe (Ireland) (€1.2bn). This was principally government guaranteed paper (€5.9bn), of which about €4.5bn was attributable to US Government Guaranteed Student Loans. A further €0.2bn related to non-US RMBSs, CMBSs and other mainly European ABS paper.

**Originator positions** In addition to the secondary market positions discussed above, Commerzbank and Eurohypo have in recent years securitized receivables from loans to the Bank's customers with a current volume of €13.7bn, primarily for capital management purposes, of which risk exposures with a value of €8.9bn were retained as at June 30, 2010. By far the largest portion of these positions is accounted for by senior tranches of €8.1bn, which are nearly all AAA/AA rated.

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The exposures stemming from the role of originator reflect the perspective of statutory reporting, taking account of a risk transfer recognized for regulatory purposes. In addition to Commerzbank's securitized credit portfolios, securities repurchased on the secondary market and/or tranches retained are also listed. This applies regardless of whether the tranches were structured in the sense of creating a tradable security.

Securitization pool as at 30.6.2010 in € bn	Maturity	Total volume <sup>1</sup>	Commerzbank volume <sup>1</sup>		
			Senior	Mezzanine	First Loss Piece
Corporates	2013 – 2027	8.1	7.3	0.1	0.2
MezzCap	2036	0.2	<0.1	<0.1	<0.1
RMBS	2048	0.3	<0.1	<0.1	<0.1
CMBS	2010 – 2084	5.1	0.8	0.4	<0.1
<b>Total</b>		<b>13.7</b>	<b>8.1</b>	<b>0.5</b>	<b>0.3</b>

<sup>1</sup> Tranches/retentions (nominal): banking and trading book.

## 2.2 Leveraged acquisition finance (LAF) portfolio

In the first half of 2010 there were both new transactions and increases in existing transactions as well as early, partial and full repayment of existing transactions in the LAF portfolio. This underlines the expected trend towards normalization of this market segment after the turmoil of the financial crisis. However, a conservative risk strategy will be maintained and new business will only be engaged in selectively on the basis of predetermined guidelines and after monitoring market developments closely, not least because the companies in the LAF portfolio are relatively more sensitive to the state of the economy due to their high debt levels. The portfolio's total exposure is €4.1bn. Its geographic focus remains Europe (92%) with a strong concentration in Germany (53%).

Direct LAF portfolio by sectors   EaD in € bn	30.6.2010
Technology/Electrical industry	0.7
Chemicals/Plastics/Healthcare	0.7
Financial Institutions	0.6
Consumption	0.5
Automotive/Mechanical engineering	0.5
Transport/Tourism	0.3
Basic materials/Energy/Metals	0.3
Services/Media	0.3
Other	0.2
<b>Total</b>	<b>4.1</b>

### 2.3 Financial Institutions and Non-Bank Financial Institutions portfolio

Most of the following positions are held in Corporates & Markets and Asset Based Finance (Public Finance), other exposures relate to Mittelstandsbank, the PRU and Treasury, with only a small proportion in Central and Eastern Europe.

FI/NBFI-Portfolio by regions as at 30.6.2010	Financial Institutions			Non-Bank Financial Institutions		
	Exposure at Default in € bn	Expected Loss in € m	Risk Density in bp	Exposure at Default in € bn	Expected Loss in € m	Risk Density in bp
Germany	35	4	1	9	12	14
Western Europe	37	15	4	23	32	14
Central and Eastern Europe	7	35	47	1	2	26
North America	8	2	3	7	57	81
Other	15	34	23	8	42	50
<b>Total</b>	<b>103</b>	<b>89</b>	<b>9</b>	<b>48</b>	<b>145</b>	<b>31</b>

The main focus of activities in the Financial institutions sub-portfolio in the second quarter of 2010 remained on controlling country risk, reducing concentration risk and pursuing a closely related risk-driven new business strategy with a focus on product diversification, cross-selling and risk mitigation through the provision of collateral.

Starting with a consolidated exposure of €112bn on March 31, 2010, a significant reduction of €9bn was achieved in the portfolio in the second quarter. Especially in the ABF segment our efforts remain directed at achieving a substantial decrease.

The positive trend in the NBFI portfolio also continued in the second quarter of 2010, showing a light decrease in risk density. The entire NBFI EaD (including NBFI-related ABS and LBO transactions and NBFI assets in the PRU) is almost unchanged compared with the first quarter at €48bn.

Activities are concentrated on Western European insurance companies and regulated funds – sectors where the market outlook has remained positive throughout. The main focus of the risk limitation measures continues to be on reducing concentrations of risk here as well.

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## 2.4 Country classification

The regional breakdown of the exposure corresponds to the Bank's strategic direction and reflects the main areas of its global business activities. Around half of the Bank's exposure relates to Germany, another third to other countries in Europe and just under 10% to North America. The rest is split between a large number of countries where German exporters in particular are being served, or where Commerzbank has a local presence.

Portfolio by regions as at 30.6.2010	Exposure at Default in € bn	Expected Loss in € m	Risk Density in bp
Germany	295	855	29
Western Europe	152	387	25
Central and Eastern Europe	43	309	72
North America	51	213	42
Other	64	417	65
<b>Total</b>	<b>606</b>	<b>2,180</b>	<b>36</b>

## 2.5 Rating classification

The Bank's overall portfolio is split proportionally into the following internal rating classifications based on PD ratings:

Rating breakdown as at 30.6.2010   in %	1.0–1.8	2.0–2.8	3.0–3.8	4.0–4.8	5.0–5.8
Private Customers	21	44	24	9	2
Mittelstandsbank	15	49	27	7	2
Central & Eastern Europe	22	37	25	13	3
Corporates & Markets	38	43	13	4	2
Asset Based Finance	45	36	13	4	2
<b>Group<sup>1</sup></b>	<b>38</b>	<b>39</b>	<b>16</b>	<b>5</b>	<b>2</b>

<sup>1</sup> Including PRU and Others and Consolidation.

## 2.6 Sector classification Corporates

The following table shows the breakdown of the Bank's Corporates exposure by sector, irrespective of business segment:

Sub-portfolio Corporates by sectors as at 30.6.2010	Exposure at Default in € bn	Expected Loss in € m	Risk Density in bp
Basic Materials/Energy/Metals	28	119	42
Consumption	23	132	58
Transport/Tourism	13	76	58
Chemicals/Plastics	13	78	60
Mechanical engineering	12	105	88
Technology/Electrical industry	11	49	43
Services/Media	11	68	60
Automotive	10	73	73
Construction	4	21	49
Other	15	61	40
<b>Total</b>	<b>142</b>	<b>782</b>	<b>55</b>

## Market and liquidity risks

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### 1. Market risk

Market risk is the risk of potential financial losses due to changes in market prices (interest rates, commodities, spreads, exchange rates and equity prices) or in parameters that affect prices such as volatilities and correlations. The losses may impact profit or loss directly, e.g. in the case of trading book positions, or may be reflected in the revaluation reserve or in hidden liabilities/reserves in the case of banking book positions. Market liquidity risk is also monitored; this covers cases where it is not possible for the Bank to liquidate or hedge risky positions in a timely manner and to the desired extent as a result of insufficient liquidity in the market.

Commerzbank uses a wide range of qualitative and quantitative tools to manage and monitor market price risks. Guidelines for maturity limits and minimum ratings are designed to protect the quality of market risk positions. Quantitative specifications such as sensitivities, VaR measures, stress tests and scenario analyses as well as key economic capital ratios limit market risk. The qualitative and quantitative factors limiting market risk are fixed by the Group Market Risk Committee. The extent to which the limits are used and the relevant P&L figures are reported daily to the Board of Managing Directors and the heads of the business segments. Based on qualitative analyses and quantitative ratios the market risk function identifies potential future risks and anticipates potential financial losses. Any adjustment that may be required in the management of the portfolios is decided by committees such as the Group Market Risk Committee.

In the second quarter of 2010 the high debt levels of a number of southern European countries led to increased uncertainty and sharp lurches in prices on the markets. The market risk function was able to support a timely and active risk management through selected scenario analyses. As a result critical risks were rigorously reduced in the business areas affected and the quality of the portfolio as a whole was increased overall.

#### 1.1 Market risk in the trading book

VaR in the trading book remained roughly stable overall during the second quarter of 2010, although the breakdown by asset class shows a number of shifts. Equities saw a particularly sharp decline in risk, due to lower market volatility.

The increased credit spread risk derives from the PRU. It reflects the rise in the market value of the ABS positions. Due to the narrowing of credit spreads and the stronger US dollar against the euro the potential loss on ABS paper in terms of VaR has risen. A further factor is the increased credit spread volatility. The measures to reduce risk positions had a risk-mitigating effect.

The market risk profile in the trading book is diversified across all asset classes but shows a clear dominance in the area of credit spread risks.

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VaR contribution by risk type in the trading book   in € m	30.6.2010	31.3.2010	31.12.2009
Credit spreads	25.3	22.6	32.6
Interest rates	9.8	10.4	13.9
Equities	5.9	9.0	9.0
FX	2.0	2.9	3.5
Commodities	2.7	1.6	1.5
<b>Total</b>	<b>45.8</b>	<b>46.5</b>	<b>60.5</b>

99% confidence level, holding period 1 day, equally-weighted market data, 250 days' history.

## 1.2 Market risk in the banking book

The main drivers of market risk in the banking book are credit spread risks in the Public Finance portfolio including the positions held by subsidiaries Eurohypo and EEPK, the Treasury portfolios and equity price risks in the equity investments portfolio. The decision to reduce the Public Finance portfolio continues to be implemented as part of the de-risking strategy.

### Credit spread sensitivities

Downshift 1 bp | in € m

December 2008*	117
December 2009	89
March 2010	92
June 2010	91

\* Pro forma.

The diagram above documents the development of credit spread sensitivities for all securities and derivative positions (excluding loans) in the Commerzbank Group's banking book. The overall position was relatively unchanged in the second quarter at €91m. Of this amount, around 76% was accounted for at the end of June 2010 by securities positions which are classified by financial accounting as LaR. Changes in credit spreads have no impact on the revaluation reserve and the P&L for these portfolios.

Holdings in the investment portfolio were reduced in the second quarter. This led to a significant reduction in equity risk in the banking book.

## 2. Liquidity risk

Commerzbank's internal liquidity risk model is the basis for liquidity management and reporting to the Board of Managing Directors. This risk measurement approach calculates the available net liquidity (ANL) as at a specific date for the next 12 months under various scenarios. The calculation is based on both deterministic (i.e. contractual) and statistically forecast economic cash flows as well as on assets available for liquidation. Of these assets the volume of freely available assets eligible for central bank borrowing was €74.5bn at June 30, 2010.

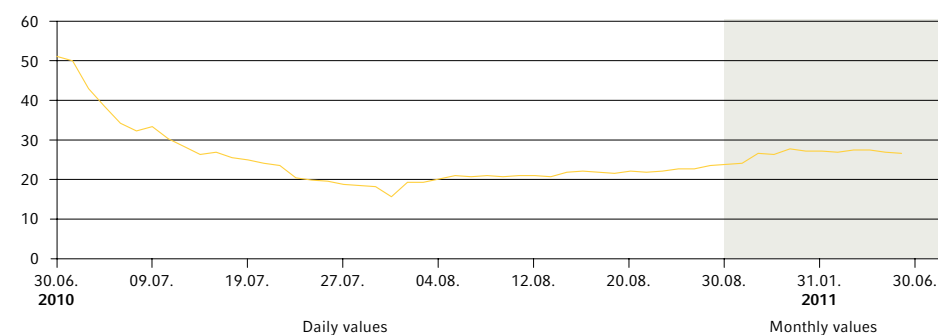
A combined stress scenario is currently being used for liquidity management. This uses both the impact of a bank-specific stress incident and of a market-wide crisis to calculate liquidity and to set limits.

The chart of the ANL below shows that as of the calculation date of June 30, 2010 there was a sufficient liquidity buffer over the entire forecast period under the conservative stress scenario.

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**Available net liquidity in the combined stress scenario or the international liquidity model**

in € bn



Throughout the first half of 2010 the excess liquidity calculated by the model was well within the risk tolerance laid down by the Board of Managing Directors relative to the predetermined liquidity limits. Commerzbank's solvency was therefore sufficient at all times, not only in terms of the external regulatory requirements of the German Liquidity Regulation, but also in terms of internal risk tolerance. Commerzbank's liquidity position therefore continues to be regarded as stable and comfortable.

This positive result reflects the fact that Commerzbank Group again benefited in its funding mix from a well-diversified investor base of private and business customers. The Bank also continued to have access to a broad selection of money and capital market products.

The bank's funding and liquidity situation is expected to remain similarly positive over the remainder of 2010.

As part of the further development of liquidity risk monitoring and ongoing reporting, the Bank actively supports various regulatory initiatives to harmonize international standards for the supervision of liquidity risk.



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## Intensive care/charges against earnings

Loan loss provisions were again down significantly year-on-year in the second quarter of 2010. Falling by €354m and at €639m provisions were slightly below the first quarter of 2010. The table below shows the breakdown by business segment:

Loan loss provisions in € m	H1 2010	Q2 2010	Q1 2010	2009 total	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Private Customers	136	70	66	246	72	70	55	49
Mittelstandsbank	255	94	161	954	298	330	236	90
Central & Eastern Europe	186	92	94	812	296	142	201	173
Corporates & Markets	-20	-1	-19	289	25	44	-34	254
Asset Based Finance	679	354	325	1,588	651	372	358	207
Portfolio Restructuring Unit	50	28	22	327	-11	99	169	70
Others and Consolidation	-3	2	-5	-2	-7	-4	8	1
<b>Total</b>	<b>1,283</b>	<b>639</b>	<b>644</b>	<b>4,214</b>	<b>1,324</b>	<b>1,053</b>	<b>993</b>	<b>844</b>

The downward trend in credit defaults that has emerged since the beginning of the year continued in the second quarter. With the exception of Asset Based Finance there has been a stabilization or turnaround in the trend in all segments compared with 2009. The Mittelstandsbank and Corporates & Markets segments in particular are benefiting from significantly better economic conditions, which are reflected in a fall in loan loss provisions.

In the Asset Based Finance segment the real estate markets of the US, UK and Spain are continuing to impact provisioning levels. No sustained recovery is detectable in these markets as yet. Even if a recovery in freight rates due to rising exports is having a positive impact on the ship portfolio, risk provisions in the Asset Based Finance segment will again be at a high level in 2010.

After the performance in the first half of the year group loan loss provisions are expected to be down by more than a quarter overall in 2010 compared with 2009. This is predicated on the assumption that there are no major negative surprises, such as a default by an OECD country with all the associated knockon effects.

As the following table shows, at mid-year about half of all provisions are booked on individual cases with a need for risk provisioning of  $\geq$  €10m:

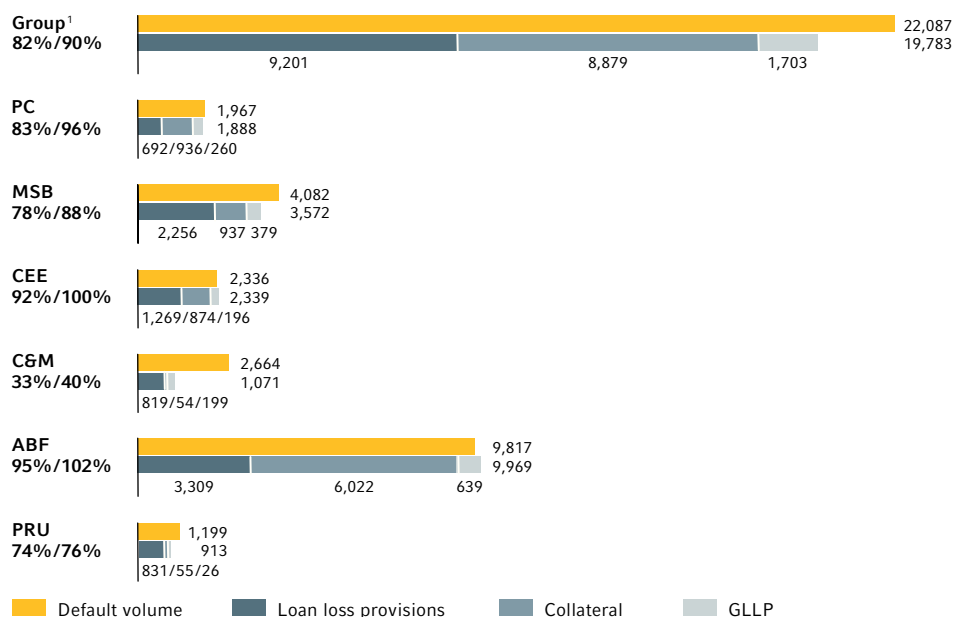
Year	Other cases <€10m	$\geq$ €10m <€20m		$\geq$ €20m <€50m		$\geq$ €50m		Individual cases $\geq$ €10m total		
	Net LLP total in € m	Net LLP total in € m	Number of commit- ments	Net LLP total in € m	Number of commit- ments	Net LLP total in € m	Number of commit- ments	Net LLP total in € m	Number of commit- ments	Net LLP total in € m
2009	2,107	652	48	495	22	960	10	2,107	80	4,214
H1 2010	611	250	21	248	12	174	3	672	36	1,283

The reported number of exposures also includes individual cases with provisions  $\geq$  €10m having been liquidated due to successful restructuring activities. Analogous to the total risk provision the net impact from large individual cases is expected to be well below the previous year's level.

The Group's default portfolio amounts to €22.1bn. Its structure can be seen in detail in the chart below:

#### Default portfolio and coverage ratios by segment

in € m – excluding/including GLLP



<sup>1</sup> Including Others and Consolidation.

The development of the default portfolio in the second quarter was heterogeneous within the segments and partly not congruent to the risk provision's development. The Corporates & Markets segment showed a higher default volume with simultaneously decreasing risk provisions. This is due to an overall positive development in portfolio provisioning in the performing book that compensated the individual loan loss provisions for inflows into the default portfolio. On the other hand and contrary to the development of risk provision the Asset Based Finance segment showed a decrease in the default portfolio achieved by successful restructuring of high volume individual cases.

Even though on Group level there is a net increase in volume noticeable compared to the first quarter, year-on-year a clear relief is shown. In the further course of the year a reduction of the default portfolio is assumed.

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## Operational risk

Operational risk in Commerzbank is based on the Solvency Regulation and is defined as the risk of loss resulting from the inadequacy or failure of internal processes, systems and people or from external events. This definition includes litigation risks; it does not cover reputational or strategic risks.

Due to operational risk losses incurred and the change in provisions for operational risks affecting capital and ongoing legal disputes, the total charge resulting from operational risk for the new Commerzbank in the first half of 2010 amounted to €67m, which was below the expected loss for the period. The events were mainly the result of liability for advice given and of procedural errors.

Expected loss by segment   in € m	30.06.2010	31.3.2010	31.12.2009
Private Customers	53	56	50
Mittelstandsbank	19	20	19
Central & Eastern Europe	8	7	9
Corporates & Markets	59	61	58
Asset Based Finance	3	4	3
Portfolio Restructuring Unit	7	7	6
Others and Consolidation	4	5	5
<b>Total</b>	<b>153</b>	<b>160</b>	<b>150</b>

Until the newly developed and integrated model has been certified by the regulatory authorities, the capital requirement for both regulatory and internal reporting purposes will still be calculated separately for former Commerzbank and Dresdner Bank and reported as a total.

## Other risks

In terms of all other risks, there were no significant changes in the first half of 2010 compared to the position shown in the 2009 annual report.

Commerzbank uses state-of-the-art risk measurement methods and models that are based on banking sector practice. The results obtained with the risk models are suitable for the purposes of the management of the Bank. The measurement approaches are regularly reviewed by Risk Control and Internal Audit, the external auditors and the German regulators. Despite the careful development of the models and regular controls, models cannot capture all the influencing factors that may arise in reality, nor the complex behaviour and interactions of these factors. These limits to risk modelling apply particularly in extreme situations. Supplementary stress tests and scenario analyses can only show examples of the risks to which a portfolio may be exposed in extreme market situations. An analysis of all conceivable scenarios is not possible with stress tests and these cannot give a definitive indication of the maximum loss in the case of an extreme event.

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## Statement of comprehensive income (condensed version)

### Income statement

€ m	Notes	1.1.–30.6.2010	1.1.–30.6.2009*	Change in %
Net interest income	(1)	3,747	3,530	6.1
Provisions for loan losses	(2)	-1,283	-1,837	-30.2
Net interest income after provisions		2,464	1,693	45.5
Net commission income	(3)	1,867	1,797	3.9
Net trading income	(4)	1,187	-456	.
Net investment income	(5)	-59	558	.
Other income	(6)	-8	-66	-87.9
Operating expenses	(7)	4,437	4,344	2.1
Impairments of goodwill and brand names		-	70	.
Restructuring expenses	(8)	33	505	-93.5
<b>Pre-tax profit / loss</b>		<b>981</b>	<b>-1,393</b>	.
Taxes on income	(9)	-96	276	.
<b>Consolidated profit / loss</b>		<b>1,077</b>	<b>-1,669</b>	.
Consolidated profit / loss attributable to minority interests		17	-44	.
Consolidated profit / loss attributable to Commerzbank shareholders		1,060	-1,625	.

\* After counterparty default adjustments.

Earnings per share   €	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
Earnings per share	0.90	-1.80	.

Earnings per share, calculated in accordance with IAS 33, are based on the consolidated profit/loss attributable to Commerzbank shareholders.

## Condensed statement of comprehensive income

€ m	1.1.-30.6.2010	1.1.-30.6.2009*	Change in %
Consolidated profit / loss	1,077	-1,669	.
Changes in revaluation reserve			
Reclassification adjustments due to realizations	-5	-115	-95.7
Unrealized gains / losses	-378	-213	77.5
Changes in cash flow hedge reserve			
Reclassification adjustments due to realizations/amortizations	130	-	.
Unrealized gains / losses	-51	-69	-26.1
Changes in currency translation reserve			
Reclassification adjustments due to realizations	-	-	.
Unrealized gains / losses	359	-247	.
Changes in companies accounted for using the equity method	2	42	-95.2
Other comprehensive income	57	-602	.
<b>Total comprehensive income</b>	<b>1,134</b>	<b>-2,271</b>	<b>.</b>
Comprehensive income attributable to minority interest	55	-29	.
Comprehensive income attributable to Commerzbank shareholders	1,079	-2,242	.

\* After counterparty default adjustments.

2 <sup>nd</sup> Quarter   € m	1.4.-30.6.2010	1.4.-30.6.2009*	Change in %
Consolidated profit / loss	361	-778	.
Changes in revaluation reserve			
Reclassification adjustments due to realizations	-117	-158	-25.9
Unrealized gains / losses	-529	487	.
Changes in cash flow hedge reserve			
Reclassification adjustments due to realizations/amortizations	80	-	.
Unrealized gains / losses	-51	227	.
Changes in reserve from currency translation			
Reclassification adjustments due to realizations/amortizations	-1	-	.
Unrealized gains / losses	188	-68	.
Changes in companies accounted for using the equity method	1	3	-66.7
Other comprehensive income	-429	491	.
<b>Total comprehensive income</b>	<b>-68</b>	<b>-287</b>	<b>-76.3</b>
Comprehensive income attributable to minority interest	-26	13	.
Comprehensive income attributable to Commerzbank shareholders	-42	-300	-86.0

\* After counterparty default adjustments.

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Other comprehensive income   € m	1.1.–30.6.2010			1.1.–30.6.2009		
	Before tax	Taxes	After tax	Before tax	Taxes	After tax
Changes in revaluation reserve	-460	77	-383	-226	-102	-328
Changes in reserve from cash flow hedges	127	-48	79	-93	24	-69
Changes in currency translation reserve	359	-	359	-247	-	-247
Changes in companies accounted for using the equity method	2	-	2	42	-	42
<b>Other comprehensive income</b>	<b>28</b>	<b>29</b>	<b>57</b>	<b>-524</b>	<b>-78</b>	<b>-602</b>

Other comprehensive income for the second quarter breaks down as follows:

Other comprehensive income   € m	1.4.–30.6.2010			1.4.–30.6.2009		
	Before tax	Taxes	After tax	Before tax	Taxes	After tax
Changes in revaluation reserve	-761	115	-646	486	-157	329
Changes in reserve from cash flow hedges	54	-25	29	331	-104	227
Changes in currency translation reserve	187	-	187	-68	-	-68
Changes in companies accounted for using the equity method	1	-	1	3	-	3
<b>Other comprehensive income</b>	<b>-519</b>	<b>90</b>	<b>-429</b>	<b>752</b>	<b>-261</b>	<b>491</b>

## Income statement (by quarter)

€ m	2010		2009*			
	2 <sup>nd</sup> quarter	1 <sup>st</sup> quarter	4 <sup>th</sup> quarter	3 <sup>rd</sup> quarter	2 <sup>nd</sup> quarter	1 <sup>st</sup> quarter
Net interest income	1,859	1,888	1,890	1,769	1,838	1,692
Provisions for loan losses	-639	-644	-1,324	-1,053	-993	-844
Net interest income after provisions	1,220	1,244	566	716	845	848
Net commission income	884	983	972	953	947	850
Net trading income	337	850	-561	659	71	-527
Net investment income	60	-119	-87	-54	172	386
Other income	-30	22	-68	112	5	-71
Operating expenses	2,228	2,209	2,396	2,264	2,263	2,081
Impairments of goodwill and brand names	-	-	52	646	70	-
Restructuring expenses	33	-	212	904	216	289
<b>Pre-tax profit / loss</b>	<b>210</b>	<b>771</b>	<b>-1,838</b>	<b>-1,428</b>	<b>-509</b>	<b>-884</b>
Taxes on income	-151	55	73	-375	269	7
<b>Consolidated profit / loss</b>	<b>361</b>	<b>716</b>	<b>-1,911</b>	<b>-1,053</b>	<b>-778</b>	<b>-891</b>
Consolidated profit / loss attributable to minority interests	9	8	-54	2	-17	-27
Consolidated profit / loss attributable to Commerzbank shareholders	352	708	-1,857	-1,055	-761	-864

\* After counterparty default adjustments.



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## Balance sheet

Assets   € m	Notes	30.6.2010	31.12.2009	Change in %
Cash reserve		13,011	10,329	26.0
Claims on banks	(11,13,14)	120,762	106,689	13.2
Claims on customers	(12,13,14)	341,023	352,194	-3.2
Value adjustment portfolio fair value hedges		297	-16	.
Positive fair values attributable to derivative hedging instruments		6,586	6,352	3.7
Trading assets	(15)	264,023	218,708	20.7
Financial investments	(16)	130,371	131,292	-0.7
Intangible assets	(17)	3,206	3,209	-0.1
Fixed assets	(18)	1,733	1,779	-2.6
Tax assets		5,176	5,637	-8.2
Other assets	(19)	11,562	7,930	45.8
<b>Total</b>		<b>897,750</b>	<b>844,103</b>	<b>6.4</b>

Liabilities and equity   € m	Notes	30.6.2010	31.12.2009	Change in %
Liabilities to banks	(20)	143,993	140,634	2.4
Liabilities to customers	(21)	266,711	264,618	0.8
Securitized liabilities	(22)	169,659	171,370	-1.0
Value adjustment portfolio fair value hedges		476	-16	.
Negative fair values attributable to derivative hedging instruments		11,528	11,345	1.6
Liabilities from trading activities	(23)	236,766	193,004	22.7
Provisions	(24)	5,338	5,115	4.4
Income tax liabilities		2,193	2,586	-15.2
Other liabilities	(25)	13,003	8,942	45.4
Subordinated capital	(26)	15,940	15,850	0.6
Hybrid capital	(27)	4,295	4,079	5.3
Capital and reserves		27,848	26,576	4.8
Subscribed capital		3,063	3,071	-0.3
Capital reserve		1,331	1,334	-0.2
Retained earnings		7,956	7,878	1.0
Silent participations		17,178	17,178	0.0
Revaluation reserve		-2,153	-1,755	22.7
Cash flow hedge reserve		-1,157	-1,223	-5.4
Currency translation reserve		-126	-477	-73.6
Consolidated profit/loss 2009 <sup>1</sup>		-	-	.
Consolidated profit/loss 1.1.-30.6.2010 <sup>2</sup>		1,060	-	.
Total before minority interests		27,152	26,006	4.4
Minority interests		696	570	22.1
<b>Total</b>		<b>897,750</b>	<b>844,103</b>	<b>6.4</b>

<sup>1</sup> After appropriation of profit. <sup>2</sup> Attributable to Commerzbank shareholders.

## Statement of changes in equity (condensed version)

€ m	Sub- scribed capital	Capital reserve	Retained earnings	Silent parti- cipations	Revalu- ation reserve	Cash flow hedge reserve	Currency translation reserve	Consoli- dated profit/ loss	Total before minority interests	Minority interests	Equity
<b>Equity as of 31.12.2008</b>	<b>1,877</b>	<b>6,619</b>	<b>5,904</b>	<b>8,200</b>	<b>-2,221</b>	<b>-872</b>	<b>-260</b>	<b>-</b>	<b>19,247</b>	<b>657</b>	<b>19,904</b>
Change due to counterparty default adjustments			-62						-62		-62
<b>Equity as of 1.1.2009</b>	<b>1,877</b>	<b>6,619</b>	<b>5,842</b>	<b>8,200</b>	<b>-2,221</b>	<b>-872</b>	<b>-260</b>	<b>-</b>	<b>19,185</b>	<b>657</b>	<b>19,842</b>
Total comprehensive income					466	-351	-217	-4,537	-4,639	75	-4,564
Consolidated profit / loss								-4,537	-4,537	-96	-4,633
Other comprehensive income					466	-351	-217		-102	171	69
Transfer from capital reserve / transfer to retained earnings		-6,619	2,082					4,537	-		-
Capital increases	1,193	1,320							2,513		2,513
Profit / loss previous year									-	-59	-59
Transfer to retained earnings (minority interests)									-	69	69
Changes in ownership interests			-50						-50		-50
Other changes <sup>1</sup>	1	14	4	8,978					8,997	-172	8,825
<b>Equity as of 31.12.2009</b>	<b>3,071</b>	<b>1,334</b>	<b>7,878</b>	<b>17,178</b>	<b>-1,755</b>	<b>-1,223</b>	<b>-477</b>	<b>-</b>	<b>26,006</b>	<b>570</b>	<b>26,576</b>
Total comprehensive income					-398	66	351	1,060	1,079	55	1,134
Consolidated profit / loss								1,060	1,060	17	1,077
Other comprehensive income					-398	66	351		19	38	57
Transfer from capital reserve / transfer to retained earnings									-		-
Capital increases									-		-
Profit / loss previous year									-	109	109
Transfer to retained earnings (minority interests)									-	9	9
Changes in ownership interests									-		-
Other changes <sup>1</sup>	-8	-3	78						67	-47	20
<b>Equity as of 30.6.2010</b>	<b>3,063</b>	<b>1,331</b>	<b>7,956</b>	<b>17,178</b>	<b>-2,153</b>	<b>-1,157</b>	<b>-126</b>	<b>1,060</b>	<b>27,152</b>	<b>696</b>	<b>27,848</b>

<sup>1</sup> Including change in treasury shares, change in derivatives on own equity instruments, change in the group of consolidated companies and payment silent participations.

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As of June 30, 2010, revaluation reserves of €29m, cash flow hedge reserves of €61m and currency translation reserves of €-91m were attributable to assets and disposal groups held for sale.

As of June 30, 2010, the subscribed capital of Commerzbank Aktiengesellschaft pursuant to the Bank's articles of

association stood at €3,071m, divided into 1,181,352,926 no-par-value shares (accounting value per share €2.60). The average number of ordinary shares issued was 1,180,166,902 (30.6.2009: 904,317,685).

#### NB: Statement of changes in equity from January 1 to June 30, 2009

€ m	Subscribed capital	Capital reserve	Retained earnings	Silent participations	Revaluation reserve	Cash flow hedge reserve	Currency translation reserve	Consolidated profit/loss	Total before minority interests	Minority interests	Equity
<b>Equity as of 31.12.2008</b>	<b>1,877</b>	<b>6,619</b>	<b>5,904</b>	<b>8,200</b>	<b>-2,221</b>	<b>-872</b>	<b>-260</b>	<b>-</b>	<b>19,247</b>	<b>657</b>	<b>19,904</b>
Change due to counterparty default adjustments			-62						-62		-62
<b>Equity as of 1.1.2009</b>	<b>1,877</b>	<b>6,619</b>	<b>5,842</b>	<b>8,200</b>	<b>-2,221</b>	<b>-872</b>	<b>-260</b>	<b>-</b>	<b>19,185</b>	<b>657</b>	<b>19,842</b>
Total comprehensive income					-322	-66	-229	-1,625	-2,242	-29	-2,271
Consolidated profit/loss								-1,625	-1,625	-44	-1,669
Other comprehensive income					-322	-66	-229		-617	15	-602
Capital increases	1,193	1,320							2,513		2,513
Profit / loss previous year									-	-58	-58
Transfer to retained earnings (minority interests)									-	71	71
Changes in ownership interests			-2						-2		-2
Other changes <sup>1</sup>	1	6	10	8,978					8,995	-23	8,972
<b>Equity as of 30.6.2009</b>	<b>3,071</b>	<b>7,945</b>	<b>5,850</b>	<b>17,178</b>	<b>-2,543</b>	<b>-938</b>	<b>-489</b>	<b>-1,625</b>	<b>28,449</b>	<b>618</b>	<b>29,067</b>

<sup>1</sup> Including change in treasury shares, change in derivatives on own equity instruments, change in the group of consolidated companies and payment silent participations.

## Cash flow statement (condensed version)

€ m	2010	2009
<b>Cash and cash equivalents as of 1.1.</b>	<b>10,329</b>	<b>6,566</b>
Cash flow from operating activities	1,308	-7,289
Cash flow from investing activities	876	-8,049
Cash flow from financing activities	295	17,072
<b>Total cash flow</b>	<b>2,479</b>	<b>1,734</b>
Currency effects	220	-44
Effects of minority interests	-17	44
<b>Cash and cash equivalents as of 30.6.</b>	<b>13,011</b>	<b>8,300</b>

The cash flow statement shows the changes in cash and cash equivalents for the Commerzbank Group. These correspond to the cash reserve item and consist of cash on hand, balances with central banks, as well as debt issued by public sector borrowers and bills of exchange rediscountable at central banks.

The cash flow statement cannot be considered very informative for the Commerzbank Group. For us the cash flow statement replaces neither liquidity planning nor financial planning, nor is it employed as a management tool.

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### General information

#### Accounting policies

The interim financial statements of the Commerzbank Group as of June 30, 2010, were prepared in accordance with Art. 315a (1) of the German Commercial Code (HGB) and Regulation (EC) No. 1606/2002 (IAS Regulation) of the European Parliament and the Council of July 19, 2002, together with other regulations for adopting certain international accounting standards on the basis of the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS), approved and published by the International Accounting Standards Board (IASB). This report takes particular account of the requirements of IAS 34 relating to interim financial reporting.

In preparing this interim report, we have employed the same accounting policies as in our consolidated financial statements as of December 31, 2009 (see page 200 ff. of our 2009 annual report) unless otherwise required by changes in

the law. This interim report takes into account the standards and interpretations that must be applied from January 1, 2010 in the EU.

#### Changes to accounting policies

Since September 30, 2009, the recognition and measurement of derivatives in the Group has also taken account of counterparty default risks for Commerzbank Aktiengesellschaft by means of counterparty default adjustments (CDAs). We have restated the figures for prior quarters of 2009 in accordance with IAS 8.41. The consolidated surplus in the first quarter of 2009 declined by €3m and in the second quarter of 2009 by €15m. The prior-year figures for the relevant items of the income statement, the development during the quarter and in the Notes were restated accordingly.

### Consolidated companies

The following subsidiaries and funds were consolidated for the first time in the first half of 2010:

Name of company	Ownership interest and voting rights	Acquisition cost	Assets	Liabilities
	%	€ m	€ m	€ m
ComStage ETF Nikkei 225®, Luxembourg	26.5	125.8	125.9	0.1
ComStage ETF MSCI USA TRN, Luxembourg	65.4	154.2	155.5	1.3
COMSTAGE ETF-IBOXX EUR. L.SOV.DIV. 5-7 T, Luxembourg	75.0	101.4	103.5	2.1
EHNY Montelucia IV, LLC, Dover / Delaware	100.0	4.1	19.6	15.5
BRE.locum S.A., Lodz	80.0	5.4	73.8	47.7
BRE Ubezpieczenia Towarzystwo Ubezpieczen i Reasekuracji S.A., Warsaw	100.0	6.4	37.6	27.5
BRE Ubezpieczenia Sp.z o.o., Warsaw	100.0	1.5	8.2	5.3
BRE Holding Sp. z o.o., Warsaw	100.0	41.3	44.9	0.0
Film Library Holding LLC, Wilmington / Delaware	100.0	29.4	57.6	28.3

In addition, Immobiliaria Colonial, Barcelona, has been included for the first time in the group of material associated companies through the conversion of a loan into equity. The first-time consolidations do not give rise to any goodwill.

The companies involved are companies that that have exceeded our materiality threshold for consolidation or entities that have been acquired due to contractual obligations.

The following funds and subsidiaries have been sold or liquidated and are therefore no longer consolidated:

- Sale
  - Dresdner VPV N.V., Gouda
  - Dresdner Van Moers Courtens S.A., Brussels
  - Privatinvest Bank AG, Salzburg
- Liquidation (including companies which have discontinued their operations)
  - AGI Global Selection Balance, Luxembourg
  - Classic I Netherlands Limited, Amsterdam
  - DreCo Erste Beteiligungs GmbH, Frankfurt am Main
  - Dreiundzwanzigste DRESIB Beteiligungs-Gesellschaft mbH, Frankfurt am Main
  - Dresdner Bank (DIFC) Limited, Dubai
  - Dresdner Finanziaria S.p.A., Milan
  - Dresdner Kleinwort Derivative Investments Limited, London
  - Dresdner Kleinwort Equipment LLC, Wilmington / Delaware
  - Dresdner Kleinwort France SAS, Paris
  - Dresdner Kleinwort Securities France S. A., Paris
  - HQ Trust Kensington Ltd., George Town / Cayman Island
  - Kaiserplatz Purchaser No. 08 Ltd., St. Helier / Jersey
  - Symphony No. 1 Llc, Wilmington / Delaware
  - Symphony No. 3 Llc, Dover / Delaware
  - The Riverbank Trust, London

The net result from the deconsolidation of the companies sold amounts to €7m.

The following subsidiaries are reported as held for sale in accordance with IFRS 5 as there are plans to sell them and their sale is highly probable within one year.

- Allianz Dresdner Bauspar AG, Bad Vilbel
- Dresdner Bank Brasil S.A. Banco Multiplo, São Paulo
- Dresdner Bank Monaco S.A.M., Monaco
- Kleinwort Benson Channel Island Holdings Limited, St. Peter Port
- Kleinwort Benson Private Bank Limited Group, London

Until the final transfer of the shares involving transfer of control of the company is completed we measure disposal groups in accordance with IFRS 5 and report their assets and liabilities separately in the notes on Other assets and Other liabilities and in the statement of changes in equity.

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## Notes to the income statement

### (1) Net interest income

€ m	1.1.–30.6.2010	1.1.–30.6.2009*	Change in %
Interest income from lending and money-market transactions and from available-for-sale financial assets portfolio	791	1,310	-39.6
Interest income from lending and money-market transactions and from loans and receivables portfolio	8,219	9,171	-10.4
Interest income from lending and money-market transactions and from securities (from applying the fair value option)	73	138	-47.1
Prepayment penalty fees	53	35	51.4
Gain from the sale of loans and receivables	5	35	-85.7
Dividends from securities	18	21	-14.3
Current income from investments, investments in associated companies and subsidiaries	26	59	-55.9
Current income from assets and liabilities held for sale as well as from investment properties	44	50	-12.0
Other interest income	423	-	.
<i>Interest income</i>	<i>9,652</i>	<i>10,819</i>	<i>-10.8</i>
Interest paid on subordinated and hybrid capital as well as on securitized and other liabilities	5,616	7,042	-20.2
Interest expense from applying the fair value option	53	181	-70.7
Losses on the sale of loans and receivables and liabilities	34	16	.
Current expenses from assets and liabilities held for sale as well as from investment properties	13	20	-35.0
Other interest expense	189	30	.
<i>Interest expenses</i>	<i>5,905</i>	<i>7,289</i>	<i>-19.0</i>
<b>Total</b>	<b>3,747</b>	<b>3,530</b>	<b>6.1</b>

\* Prior-year adjustment due to change in reporting structure and reclassification between interest income and interest expense.

The unwinding effect for the first six months of 2010 is €118m.

## (2) Provisions for loan losses

The breakdown of provisions for loan losses in the consolidated income statement is as follows:

€ m	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
Allocation to provisions	-2,297	-2,530	-9.2
Reversals of provisions	1,056	760	38.9
Balance of direct write-downs, write-ups and amounts recovered on written-down claims	-42	-67	-37.3
<b>Total</b>	<b>-1,283</b>	<b>-1,837</b>	<b>-30.2</b>

## (3) Net commission income

€ m	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
Securities transactions	680	624	9.0
Asset management	126	123	2.4
Payment transactions and foreign commercial business	424	416	1.9
Real estate lending business	91	89	2.2
Guarantees	155	124	25.0
Income from syndicated business	127	121	5.0
Fiduciary transactions	2	2	0.0
Other	262	298	-12.1
<b>Total <sup>1</sup></b>	<b>1,867</b>	<b>1,797</b>	<b>3.9</b>

<sup>1</sup> Of which commission expenses €321m (previous year: €385m).

## (4) Trading profit

Trading profit has been split into four components:

- Net gain/loss on trading in securities, promissory note loans, precious metals and derivative instruments.
- Net gain/loss on the valuation of derivative financial instruments that do not qualify for hedge accounting.
- Net gain/loss on hedge accounting.
- Net gain/loss from applying the fair value option (including changes in the fair value of the related derivatives).

All financial instruments held for trading purposes are measured at their fair value. We use market prices to measure listed products, while internal price models (primarily net-present-value and option-price models) are used to determine the current value of unlisted trading transactions. Apart from the realized and unrealized gains and losses, trading profit also includes the interest and dividend income related to trading transactions and their funding costs.



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€ m	1.1.–30.6.2010	1.1.–30.6.2009*	Change in %
Net trading profit / loss	517	–8	.
Net gain / loss on the valuation of derivative financial instruments	557	–834	.
Net gain / loss on hedge accounting	–71	–3	.
Net gain / loss from applying the fair value option	184	389	–52.7
<b>Total</b>	<b>1,187</b>	<b>–456</b>	.

\* After counterparty default adjustments.

## (5) Net investment income

Under net investment income we show gains and losses on disposal and valuation (including impairments) on securities in the loans and receivables category as well as available-for-

sale investments, equity interests, holdings in associated companies and holdings in non-consolidated subsidiaries.

€ m	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
<b>Net gain / loss from interest-bearing business</b>	<b>–215</b>	<b>–329</b>	<b>–34.7</b>
In the available-for-sale category	–137	–313	–56.2
Gains on disposals (reclassification from revaluation reserve) <sup>1</sup>	78	134	–41.8
Losses on disposals (reclassification from revaluation reserve) <sup>1</sup>	–193	–170	13.5
Net valuation gain / loss	–22	–277	–92.1
In the loans and receivables category	–78	–16	.
Gains on disposals	3	1	.
Losses on disposals	–78	–	.
Net valuation gain / loss <sup>2</sup>	–3	–17	–82.4
<b>Net gain / loss from equity instruments</b>	<b>156</b>	<b>887</b>	<b>–82.4</b>
In the available-for-sale category	156	627	–75.1
Gains on disposals (reclassification from revaluation reserve) <sup>1</sup>	157	768	–79.6
Losses on disposals (reclassification from revaluation reserve) <sup>1</sup>	–1	–141	–99.3
In the available-for-sale category, valued at cost of acquisition	11	459	–97.6
Net valuation gain / loss	–6	–199	–97.0
Net gain / loss on disposals and valuation of investments in associated companies	–5	–	.
<b>Total</b>	<b>–59</b>	<b>558</b>	.

<sup>1</sup> This includes a net €205m of reclassifications from the revaluation reserve created in the financial year 2010.

<sup>2</sup> This includes portfolio valuation allowances of €2m (previous year: €17m).

**(6) Other income**

€ m	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
<b>Other material items of income</b>	<b>130</b>	<b>116</b>	<b>12.1</b>
Operating lease income	80	78	2.6
Reversals of provisions	50	38	31.6
<b>Other material items of expense</b>	<b>141</b>	<b>119</b>	<b>18.5</b>
Operating lease expense	79	76	3.9
Allocations to provisions	62	43	44.2
<b>Balance of sundry other income / expenses</b>	<b>3</b>	<b>-63</b>	<b>.</b>
<b>Total</b>	<b>-8</b>	<b>-66</b>	<b>-87.9</b>

**(7) Operating expenses**

€ m	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
Personnel expenses	2,181	2,395	-8.9
Other operating expenses	1,974	1,712	15.3
Current depreciation on fixed assets and other intangible assets	282	237	19.0
<b>Total</b>	<b>4,437</b>	<b>4,344</b>	<b>2.1</b>

Operating expenses for the first half of 2010 include integration costs in the amount of €268m (previous year: €63m).

**(8) Restructuring expenses**

€ m	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
Expenses for restructuring measures introduced	33	505	-93.5
<b>Total</b>	<b>33</b>	<b>505</b>	<b>-93.5</b>

Human resources restructuring expenses of €33m were incurred in connection with the realignment of CommerzReal Aktiengesellschaft. The prior-year restructuring expenses

(€505m) resulted largely from the integration of the Dresdner Bank Group.

**(9) Taxes on income**

As of June 30, 2010 Group tax income was €96m and the Group tax rate was -9.8%. The negative Group tax rate results primarily from gains being set off against loss carry-forwards for which no deferred tax assets (DTAs) have been

recognized to date, as well as from the need to reclassify DTAs recognized directly in equity to DTAs recognized in the income statement, as part of a transfer of assets.

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## (10) Segment reporting

Segment reporting reflects the results of the operating business segments within the Commerzbank Group. The following segment information is based on IFRS 8 "Operating Segments", which follows what is described as the management approach. In accordance with this standard, segment information must be prepared on the basis of the internal reporting information used by the "chief operating decision-maker" to assess the performance of the operating segments and make decisions regarding the allocation of resources to the operating segments. Within the Commerzbank Group, the function of "chief operating decision-maker" is exercised by the Board of Managing Directors.

Our segment reporting covers six operating segments and the Others and Consolidation segment. This reflects the Commerzbank Group's organizational structure and forms the basis for internal management reporting. The business segments are divided up on the basis of distinctions between products, services and/or customer target groups. As part of the further refinement of the segments' business models slight adjustments were made to the business responsibilities. The comparison figures from the previous year have all been adjusted accordingly.

- The Private Customers segment contains the four divisions Private and Business Customers, Wealth Management, Direct Banking and Credit. The classic branch banking business is contained in the Private and Business Customers division. Wealth Management provides services to wealthy clients in Germany and abroad and contains the Group's portfolio management activities. Direct Banking encompasses the activities of the comdirect bank group and all call centre services for our customers. Credit is the division responsible for lending operations with the above-mentioned customer groups.
- The Mittelstandsbank segment includes the Corporate Banking and Financial Institutions divisions. Corporate Banking serves small and mid-sized businesses, large customers and international customers. In addition, this division also houses the competence centre for customers from the Renewable Energies sector and services public sector and institutional customers. Our comprehensive service offering includes payments, flexible financing solutions, interest rate and currency management products, professional investment advisory services and innovative investment banking solutions. With our foreign branch offices we act as a strategic partner for both the international activities of our German corporate

customers and for international companies with business activities in our home market of Germany. The Financial Institutions division is responsible for relationships with banks and financial institutions in Germany and abroad, as well as with central banks. It offers customers comprehensive advice and support, with a strategic focus on foreign trade finance. Financial Institutions uses a network of over 6,000 correspondent banks, together with business relationships in emerging markets, to support the financing and processing of foreign trade activities on behalf of all Commerzbank Group customers throughout the world. It also assists other divisions in their international strategies.

- Central & Eastern Europe contains the operations of our subsidiaries, branches and investments in the Central and Eastern Europe region (particularly BRE Bank and Bank Forum). These are grouped together under a management holding company. The holding company acts as the operational management unit and interface between the local units and the central departments in Germany and as the strategic decision-maker. The focus of business activities is on private and corporate customers and customer-related investment banking. Our units are the contact points for local companies in Central and Eastern Europe, as well as for cross-border business.
- Corporates & Markets consists of three major businesses. Equity Markets & Commodities trades in equities, equity derivatives and commodities products and contains the related sales resources. Fixed Income & Currencies handles trading and sales of interest rate and currency instruments together with related derivatives. Corporate Finance provides debt and equity financing and advisory services and includes the central credit portfolio management operations of the Corporates & Markets segment. In addition, Corporates & Markets houses the Group's client relationship management activities with a focus on the 100 biggest German corporates and foreign and selected domestic insurers.
- The Asset Based Finance segment groups together the results from the Commercial Real Estate (CRE) Germany, CRE International, Public Finance, Asset Management and Leasing divisions as well as Ship Finance. CRE Germany, CRE International and Public Finance belong almost completely to the Commerzbank subsidiary Eurohypo AG. Asset Management and Leasing primarily includes the activities of our subsidiary Commerz Real AG. Lastly, Ship Finance groups together the ship financing

activities of the Commerzbank Group in our subsidiary Deutsche Schiffsbank AG.

- The Portfolio Restructuring Unit (PRU) is responsible for managing down assets related to discontinued proprietary trading and investment activities which no longer fit into Commerzbank AG'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 (ABSs) which do not have a state guarantee, other structured credit products, proprietary trading positions in corporate or financial bonds and exotic credit derivatives. These positions were primarily transferred from the Corporates & Markets and former Commercial Real Estate segments to the Portfolio Restructuring Unit.
- The Others and Consolidation segment contains the income and expenses which are not attributable to the operational business segments. The reporting for this segment includes equity participations which are not assigned to the operating segments as well as other international asset management activities and Group Treasury. The costs of the service units are also shown here, which – except for integration and restructuring costs – are charged in full to the segments. "Consolidation" includes those expenses and income items that represent the reconciliation of internal management reporting figures shown in the segment reports with the consolidated financial statements in accordance with IFRS. The costs of the Group management units are also shown here, which – except for integration and restructuring costs – are charged in full to the segments.

The result generated by each segment is measured in terms of operating profit and pre-tax profit, as well as the return on equity and cost/income ratio. Operating income is defined as the sum of net interest income after loan loss provisions, net commission income, trading profit, net investment income and other income less operating expenses. In the statement of pre-tax profits, minority interests are included in both the result and the average capital employed. All the revenue for which a segment is responsible is thus reflected in pre-tax profit.

The return on equity is calculated from the ratio between the net result (operating income and pre-tax profit respectively) and the average amount of capital employed. It shows the return on the capital employed in a given segment. The cost/income ratio in operating business reflects the cost efficiency of the various segments and shows the relationship of operating expenses to income before provisions.

Income and expenses are shown in segment reporting by originating unit and at market rates, with the market interest rate applied in the case of interest rate activities. Net interest income reflects the actual funding costs of the equity capital assigned to the respective business segments. The Group's return on capital employed is allocated to the net interest income of the various segments in proportion to the average capital employed in the segment. The interest rate corresponds to that of a risk-free investment in the long-term capital market. The average capital employed is calculated in 2010 using the Basel II system, based on the computed average risk-weighted assets and the capital charges for market risk positions (risk-weighted asset equivalents). At Group level, investors' capital is shown, which is used to calculate the return on equity. The regulatory capital requirement for risk-weighted assets assumed for segment reporting purposes is 7%.

The segment reporting of the Commerzbank Group shows the segments' pre-tax results. To reduce the economic earnings effect from specific tax-induced transactions in the Corporates & Markets segment in this reporting, the net interest income of Corporates & Markets includes a pre-tax equivalent of the after-tax income from these transactions. When segment reporting is reconciled with the figures from external accounting this pre-tax equivalent is eliminated in Others and Consolidation.

Current income from investment in associates was €8m (previous year: €3m) and relates to the segments Private Customers in an amount of €7m (previous year: €5m), Mittelstandsbank (previous year: €2m) and Asset Based Finance in an amount of €1m (previous year: €-6m), as well as Others and Consolidation (previous year: €2m). The carrying amounts of associated companies were €792m (previous year: €360m) and are divided over the segments as follows: Private Customers €181m (previous year: €130m) Mittelstandsbank €40m (previous year: €39m), Corporates & Markets €17m (previous year: €18m), Asset Based Finance €479m (previous year: €48m) and Others and Consolidation €75m (previous year: €125m).

The operating expenses shown in the operating result consist of personnel costs, other expenses, depreciation of fixed assets and amortization of other intangible assets. Restructuring expenses are stated beneath operating profit in pre-tax profit. Operating expenses are attributed to the individual segments on the basis of cost causation. The indirect expenses arising in connection with internal services are charged to the beneficiary or credited to the segment performing the service. The provision of intra-group services is charged at market prices or at full cost.

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The following tables contain information on the segments for the first half of 2010 and 2009.

<b>1.1.–30.6.2010</b>	Private Customers	Mittelstands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restructuring Unit	Others and Consolidation	Group
€ m								
Net interest income	989	1,065	320	417	615	33	308	3,747
Provision for loan losses	-136	-255	-186	20	-679	-50	3	-1,283
Net interest income after provisions	853	810	134	437	-64	-17	311	2,464
Net commission income	1,038	466	100	139	168	4	-48	1,867
Net trading income	12	68	38	637	27	338	67	1,187
Net investment income	14	12	3	29	-160	-24	67	-59
Other income	-42	34	12	18	-8	7	-29	-8
<i>Income before provisions</i>	<i>2,011</i>	<i>1,645</i>	<i>473</i>	<i>1,240</i>	<i>642</i>	<i>358</i>	<i>365</i>	<i>6,734</i>
<i>Income after provisions</i>	<i>1,875</i>	<i>1,390</i>	<i>287</i>	<i>1,260</i>	<i>-37</i>	<i>308</i>	<i>368</i>	<i>5,451</i>
Operating expenses	1,826	706	273	806	299	52	475	4,437
<b>Operating income</b>	<b>49</b>	<b>684</b>	<b>14</b>	<b>454</b>	<b>-336</b>	<b>256</b>	<b>-107</b>	<b>1,014</b>
Impairments of goodwill and brand names	-	-	-	-	-	-	-	-
Restructuring expenses	-	-	-	-	33	-	-	33
<b>Pre-tax profit / loss</b>	<b>49</b>	<b>684</b>	<b>14</b>	<b>454</b>	<b>-369</b>	<b>256</b>	<b>-107</b>	<b>981</b>
<b>Assets</b>	<b>67,343</b>	<b>82,723</b>	<b>28,509</b>	<b>360,212</b>	<b>256,793</b>	<b>22,158</b>	<b>80,012</b>	<b>897,750</b>
<b>Average capital employed</b>	<b>3,440</b>	<b>5,459</b>	<b>1,597</b>	<b>3,868</b>	<b>6,332</b>	<b>1,306</b>	<b>8,623</b>	<b>30,625</b>
<b>Operating return on equity<sup>1</sup> (%)</b>	<b>2.8</b>	<b>25.1</b>	<b>1.8</b>	<b>23.5</b>	<b>-10.6</b>	<b>-</b>	<b>-</b>	<b>6.6</b>
<b>Cost / income ratio in operating business (%)</b>	<b>90.8</b>	<b>42.9</b>	<b>57.7</b>	<b>65.0</b>	<b>46.6</b>	<b>-</b>	<b>-</b>	<b>65.9</b>
<b>Pre-tax return on equity<sup>1</sup> (%)</b>	<b>2.8</b>	<b>25.1</b>	<b>1.8</b>	<b>23.5</b>	<b>-11.7</b>	<b>-</b>	<b>-</b>	<b>6.4</b>
Average headcount	20,140	5,262	9,803	1,902	1,855	56	18,459	57,477

<sup>1</sup> Annualized.

<b>1.1.–30.6.2009</b>	Private Customers	Mittelstands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restructuring Unit	Others and Consolidation	Group
€ m								
Net interest income	1,106	1,088	326	373	586	137	-86	3,530
Provision for loan losses	-104	-326	-375	-221	-566	-240	-5	-1,837
Net interest income after provisions	1,002	762	-49	152	20	-103	-91	1,693
Net commission income	1,049	449	77	171	138	12	-99	1,797
Net trading income	-	-33	48	760	189	-1,235	-185	-456
Net investment income	-8	-1	-6	-25	-40	-265	903	558
Other income	-18	-61	11	4	1	-	-3	-66
<i>Income before provisions</i>	<i>2,129</i>	<i>1,442</i>	<i>456</i>	<i>1,283</i>	<i>874</i>	<i>-1,351</i>	<i>530</i>	<i>5,363</i>
<i>Income after provisions</i>	<i>2,025</i>	<i>1,116</i>	<i>81</i>	<i>1,062</i>	<i>308</i>	<i>-1,591</i>	<i>525</i>	<i>3,526</i>
Operating expenses	1,922	672	230	1,020	338	66	96	4,344
<b>Operating income</b>	<b>103</b>	<b>444</b>	<b>-149</b>	<b>42</b>	<b>-30</b>	<b>-1,657</b>	<b>429</b>	<b>-818</b>
Impairments of goodwill and brand names	-	-	-	-	70	-	-	70
Restructuring expenses	94	25	-	125	47	2	212	505
<b>Pre-tax profit / loss<sup>1</sup></b>	<b>9</b>	<b>419</b>	<b>-149</b>	<b>-83</b>	<b>-147</b>	<b>-1,659</b>	<b>217</b>	<b>-1,393</b>
<b>Assets<sup>1</sup></b>	<b>74,116</b>	<b>93,806</b>	<b>25,461</b>	<b>327,389</b>	<b>282,362</b>	<b>40,744</b>	<b>67,973</b>	<b>911,851</b>
<b>Average capital employed<sup>1</sup></b>	<b>3,300</b>	<b>5,541</b>	<b>1,621</b>	<b>4,683</b>	<b>7,136</b>	<b>1,876</b>	<b>533</b>	<b>24,690</b>
<b>Operating return on equity<sup>2</sup> (%)</b>	<b>6.2</b>	<b>16.0</b>	<b>-18.4</b>	<b>1.8</b>	<b>-0.8</b>	<b>-</b>	<b>-</b>	<b>-6.6</b>
<b>Cost / income ratio in operating business (%)</b>	<b>90.3</b>	<b>46.6</b>	<b>50.4</b>	<b>79.5</b>	<b>38.7</b>	<b>-</b>	<b>-</b>	<b>81.0</b>
<b>Pre-tax return on equity<sup>2</sup> (%)</b>	<b>0.5</b>	<b>15.1</b>	<b>-18.4</b>	<b>-3.5</b>	<b>-4.1</b>	<b>-</b>	<b>-</b>	<b>-11.3</b>
Average headcount	22,971	5,650	10,901	3,110	2,109	50	21,042	65,833

<sup>1</sup> After counterparty default adjustments.

<sup>2</sup> Annualized.

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### Details for Others and Consolidation

€ m	1.1.–30.6.2010			1.1.–30.6.2009		
	Others	Consolidation	Others and Consolidation	Others	Consolidation	Others and Consolidation
Net interest income	273	35	308	-90	4	-86
Provision for loan losses	3	-	3	-5	-	-5
Net interest income after provisions	276	35	311	-95	4	-91
Net commission income	-51	3	-48	-40	-59	-99
Net trading income	130	-63	67	-54	-131	-185
Net investment income	67	-	67	914	-11	903
Other income	-12	-17	-29	-10	7	-3
<i>Income before provisions</i>	<i>407</i>	<i>-42</i>	<i>365</i>	<i>720</i>	<i>-190</i>	<i>530</i>
<i>Income after provisions</i>	<i>410</i>	<i>-42</i>	<i>368</i>	<i>715</i>	<i>-190</i>	<i>525</i>
Operating expenses	488	-13	475	95	1	96
<b>Operating income</b>	<b>-78</b>	<b>-29</b>	<b>-107</b>	<b>620</b>	<b>-191</b>	<b>429</b>
Impairments of goodwill and brand names	-	-	-	-	-	-
Restructuring expenses	-	-	-	116	96	212
<b>Pre-tax profit / loss</b>	<b>-78</b>	<b>-29</b>	<b>-107</b>	<b>504</b>	<b>-287</b>	<b>217</b>
<b>Aktiva</b>	<b>80,012</b>	<b>-</b>	<b>80,012</b>	<b>67,973</b>	<b>-</b>	<b>67,973</b>

To facilitate comparison, it should be noted in connection with Others and Consolidation that the results of the market segments cover the period from January 1 to June 30, 2009. The difference versus the Group result – which only contains the period from January 13 to June 30, 2009 – is reported under Others.

Under Consolidation we report consolidation and reconciliation items between the results of the segments and the Others category on the one hand and the consolidated financial statements on the other. This includes the following items among others:

- Measurement effects from the application of hedge accounting to intra-bank transactions as per IAS 39 are shown in Consolidation.
- The pre-tax equivalent from tax-induced transactions allocated to the Corporates & Markets segment in net interest income is eliminated again under Consolidation.
- Gains and losses on valuation of own bonds incurred in the segments are eliminated under Consolidation.
- Other consolidation effects from intragroup transactions are also reported here.
- Integration and restructuring costs of the Group controlling units are reported under Consolidation.

### Results by geographical market

Assignment to the respective segments on the basis of the registered office of the branch or group company produces the following breakdown:

1.1.–30.6.2010	Germany	Europe excluding Germany	America	Asia	Other	Total
€ m						
Net interest income	2,438	1,186	120	3	–	3,747
Provisions for loan losses	–528	–520	–235	–	–	–1,283
Net interest income after provisions	1,910	666	–115	3	–	2,464
Net commission income	1,602	226	30	9	–	1,867
Net trading income	375	921	–94	–16	1	1,187
Net investment income	–237	126	49	3	–	–59
Other income	–34	–89	7	108	–	–8
<i>Income before provisions</i>	<i>4,144</i>	<i>2,370</i>	<i>112</i>	<i>107</i>	<i>1</i>	<i>6,734</i>
<i>Income after provisions</i>	<i>3,616</i>	<i>1,850</i>	<i>–123</i>	<i>107</i>	<i>1</i>	<i>5,451</i>
Operating expenses	3,543	740	104	50	–	4,437
<b>Operating income</b>	<b>73</b>	<b>1,110</b>	<b>–227</b>	<b>57</b>	<b>1</b>	<b>1,014</b>
<b>Risk-weighted assets</b>	<b>162,176</b>	<b>76,306</b>	<b>15,584</b>	<b>5,115</b>	<b>69</b>	<b>259,250</b>

In the previous year, we achieved the following results in the geographical markets:

1.1.–30.6.2009	Germany	Europe excluding Germany	America	Asia	Other	Total
€ m						
Net interest income	2,502	808	159	60	1	3,530
Provisions for loan losses	–477	–1,126	–229	–5	–	–1,837
Net interest income after provisions	2,025	–318	–70	55	1	1,693
Net commission income	1,539	203	39	16	–	1,797
Net trading income	1,280	–1,660	–40	–36	–	–456
Net investment income	823	–149	–118	2	–	558
Other income	–16	–61	9	1	1	–66
<i>Income before provisions</i>	<i>6,128</i>	<i>–859</i>	<i>49</i>	<i>43</i>	<i>2</i>	<i>5,363</i>
<i>Income after provisions</i>	<i>5,651</i>	<i>–1,985</i>	<i>–180</i>	<i>38</i>	<i>2</i>	<i>3,526</i>
Operating expenses	3,416	733	126	67	2	4,344
<b>Operating income</b>	<b>2,235</b>	<b>–2,718</b>	<b>–306</b>	<b>–29</b>	<b>–</b>	<b>–818</b>
<b>Risk-weighted assets</b>	<b>149,971</b>	<b>90,990</b>	<b>18,861</b>	<b>3,958</b>	<b>106</b>	<b>263,886</b>

Instead of non-current assets we report the risk assets for credit risks here.

As a result of the acquisition of Dresdner Bank, a breakdown of Commerzbank AG's total income by products and

services can only be made once the new organization's product and service definitions and information systems have been harmonized in the new Commerzbank Group.



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## Notes to the balance sheet

### (11) Claims on banks

€ m	30.6.2010	31.12.2009	Change in %
due on demand	48,312	36,564	32.1
with a residual term	72,904	70,645	3.2
up to three months	41,049	37,968	8.1
over three months to one year	16,764	14,525	15.4
over one year to five years	11,713	13,059	-10.3
over five years	3,378	5,093	-33.7
<b>Total</b>	<b>121,216</b>	<b>107,209</b>	<b>13.1</b>
of which reverse repos and cash collaterals	80,991	58,863	37.6
of which relate to the category:			
Loans and receivables	120,384	106,510	13.0
Available-for-sale financial assets	-	-	.
Applying the fair value option	832	699	19.0

Claims on banks after provisions for possible loan losses amount to €120,762m (previous year: €106,689m).

### (12) Claims on customers

€ m	30.6.2010	31.12.2009	Change in %
with an indefinite residual term	27,785	23,047	20.6
with a residual term	323,104	338,436	-4.5
up to three months	59,532	68,766	-13.4
over three months to one year	35,975	34,830	3.3
over one year to five years	115,401	122,114	-5.5
over five years	112,196	112,726	-0.5
<b>Total</b>	<b>350,889</b>	<b>361,483</b>	<b>-2.9</b>
of which reverse repos and cash collaterals	25,074	22,362	12.1
of which relate to the category:			
Loans and receivables	349,968	358,347	-2.3
Available-for-sale financial assets	-	-	.
Applying the fair value option	921	3,136	-70.6

Claims on customers after provisions for possible loan losses were €341,023m (previous year: €352,194m).

**(13) Total lending**

€ m	30.6.2010	31.12.2009	Change in %
Loans to banks	26,121	25,011	4.4
Loans to customers	325,825	343,390	-5.1
<b>Total</b>	<b>351,946</b>	<b>368,401</b>	<b>-4.5</b>

We distinguish loans from claims on banks and customers such that only claims for which special loan agreements have been concluded with the borrowers are shown as loans.

Interbank money market transactions and reverse repo transactions, for example, are thus not shown as loans. Acceptance credits are also included in loans to customers.

**(14) Provisions for loan losses**

Provisions for loan losses are made in accordance with rules that apply Group-wide and cover all discernible credit risks. For loan losses which have already occurred but have not yet

come to our attention, portfolio valuation allowances were calculated in line with procedures derived from the Basel II system.

Development of provisioning   € m	2010	2009	Change in %
<b>As of 1.1.</b>	<b>10,451</b>	<b>6,045</b>	<b>72.9</b>
Allocations	2,297	2,530	-9.2
Deductions	1,949	1,460	33.5
Utilizations	893	700	27.6
Reversals	1,056	760	38.9
Changes in group of consolidated companies	-	2,192	.
Exchange rate movements / transfers / unwinding	173	-14	.
<b>As of 30.6.</b>	<b>10,972</b>	<b>9,293</b>	<b>18.1</b>

With direct write-offs, write-ups and amounts recovered on previously written-down claims taken into account, the allocations to and reversal of provisions reflected in the in-

come statement resulted in provisioning expense of €1.283m (30.6.2009: €1.837m) - (see Note 2).

Loan loss provisions   € m	30.6.2010	31.12.2009	Change in %
Specific valuation allowances	8,917	8,345	6.9
Portfolio valuation allowances	1,403	1,464	-4.2
<b>Provision to cover balance-sheet items</b>	<b>10,320</b>	<b>9,809</b>	<b>5.2</b>
Provisions in lending business (specific risks)	351	364	-3.6
Provisions in lending business (portfolio risks)	301	278	8.3
<b>Provision to cover off-balance-sheet items</b>	<b>652</b>	<b>642</b>	<b>1.6</b>
<b>Total</b>	<b>10,972</b>	<b>10,451</b>	<b>5.0</b>

For claims on banks, loan loss provisions amount to €454m (previous year: €520m) and for claims on customers to €9.866m (previous year: €9.289m).

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### (15) Assets held for trading purposes

The Group's trading activities include trading in

- Bonds, notes and other interest-related securities
- Shares, other equity-related securities and units in investment funds
- Promissory note loans and other claims
- Foreign exchange and precious metals
- Derivative financial instruments

- Other assets held for trading

Other assets held for trading comprise positive fair values of credit commitments and issuance rights. Other claims consist of treasury bills, loans and money market transactions.

All the items in the trading portfolio are shown at their fair value.

€ m	30.6.2010	31.12.2009	Change in %
Bonds, notes and other interest-related securities	23,789	28,898	- 17.7
Promissory note loans	1,157	850	36.1
Other claims	3,680	2,643	39.2
Shares, other equity-related securities and units in investment funds	17,126	8,982	90.7
Positive fair values attributable to derivative financial instruments	218,251	177,307	23.1
Currency-related transactions	22,703	17,653	28.6
Interest-rate-related transactions	181,346	146,487	23.8
Other transactions	14,202	13,167	7.9
Other assets held for trading	20	28	-28.6
<b>Total</b>	<b>264,023</b>	<b>218,708</b>	<b>20.7</b>

Other transactions involving positive fair values of derivative financial instruments consist mainly of €8.143m (previous year: €6.963m) in equity derivatives and €5.376m (previous year: €5.331m) in credit derivatives.

## (16) Financial investments

Financial investments represent financial instruments not assigned to any other category. They include all bonds, notes and other interest-related securities, shares and other equity-related securities not held for trading purposes, units in

investment funds, equity investments, holdings in associated companies accounted for using the equity method and holdings in non-consolidated subsidiaries.

€ m	30.6.2010	31.12.2009	Change in %
Bonds, notes and other interest-related securities <sup>1</sup>	126,016	128,032	-1.6
Shares and other equity-related securities and units in investment funds	2,636	1,530	72.3
Investments	767	1,194	-35.8
Investments in associated companies	792	378	.
Ownership interests in unconsolidated subsidiaries	160	158	1.3
<b>Total</b>	<b>130,371</b>	<b>131,292</b>	<b>-0.7</b>
of which related to investments in associated companies accounted for using the equity method	792	378	.
of which relate to the category:			
Loans and receivables <sup>1</sup>	78,947	79,194	-0.3
Available-for-sale financial assets	46,079	44,998	2.4
of which: valued at amortized cost	538	492	9.3
Applying the fair value option	4,553	6,722	-32.3

<sup>1</sup> Reduced by portfolio valuation allowances of €54m (previous year: €50m).

In its press release of October 13, 2008, the IASB issued an amendment to IAS 39 relating to the reclassification of financial instruments. In accordance with the amendment, securities in the Public Finance portfolio for which there is no active market were reclassified from the IAS 39 Available for Sale (AFS) category to the IAS 39 Loans and Receivables (LaR) category in the financial years 2008 and 2009. The fair value at the date of reclassification was recognized as the new carrying amount of these securities holdings.

The revaluation reserve after deferred taxes for all the reclassified securities in financial years 2008 and 2009 was €-1.2bn at June 30, 2010. If these reclassifications had not been made, as at June 30, 2010 there would have been a revaluation reserve after deferred taxes of €-3.1bn for these holdings. Their carrying amount on the balance sheet date was €74.6bn and the fair value €71.8bn.

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**(17) Intangible assets**

€ m	30.6.2010	31.12.2009	Change in %
Goodwill	2,105	2,061	2.1
Other intangible assets	1,101	1,148	-4.1
Customer relationships	590	613	-3.8
Brand names	10	51	-80.4
Software developed in-house	235	235	0.0
Other	266	249	6.8
<b>Total</b>	<b>3,206</b>	<b>3,209</b>	<b>-0.1</b>

**(18) Fixed assets**

€ m	30.6.2010	31.12.2009	Change in %
Land and buildings	988	1,018	-2.9
Office furniture and equipment	745	761	-2.1
<b>Total</b>	<b>1,733</b>	<b>1,779</b>	<b>-2.6</b>

**(19) Other assets**

€ m	30.6.2010	31.12.2009	Change in %
Collection items	291	632	-54.0
Precious metals	979	811	20.7
Leased equipment	578	554	4.3
Assets held for sale	5,791	2,868	.
Assets held as financial investments	1,240	1,279	-3.0
Other, including accrued and deferred items	2,683	1,786	50.2
<b>Total</b>	<b>11,562</b>	<b>7,930</b>	<b>45.8</b>

**(20) Liabilities to banks**

€ m	30.6.2010	31.12.2009	Change in %
due on demand	49,667	47,510	4.5
with a residual term	94,326	93,124	1.3
up to three months	57,722	44,485	29.8
over three months to one year	6,706	19,580	-65.8
over one year to five years	15,126	14,216	6.4
over five years	14,772	14,843	-0.5
<b>Total</b>	<b>143,993</b>	<b>140,634</b>	<b>2.4</b>
of which repos und cash collaterals	42,636	31,556	35.1
of which relate to the category:			
Liabilities measured at amortized cost	142,899	139,083	2.7
Applying the fair value option	1,094	1,551	-29.5

**(21) Liabilities to customers**

€ m	30.6.2010	31.12.2009	Change in %
Savings deposits	6,754	7,429	-9.1
with an agreed period of notice of three months	5,561	6,095	-8.8
over three months	1,193	1,334	-10.6
Other liabilities to customers	259,957	257,189	1.1
due on demand	144,113	131,773	9.4
with an agreed residual maturity up to three months	115,844	125,416	-7.6
over three months to one year	47,539	57,651	-17.5
over one year to five years	16,239	15,240	6.6
over five years	14,474	16,823	-14.0
	37,592	35,702	5.3
<b>Total</b>	<b>266,711</b>	<b>264,618</b>	<b>0.8</b>
of which repos und cash collaterals	30,014	17,619	70.4
of which relate to the category: Liabilities measured at amortized cost	265,243	262,960	0.9
Applying the fair value option	1,468	1,658	-11.5

**(22) Securitized liabilities**

Securitized liabilities consist of bonds and notes, including mortgage and public-sector Pfandbriefe, money-market instruments (e.g. certificates of deposit, Euro-notes, commer-

cial paper), index certificates, own acceptances and promissory notes outstanding.

€ m	30.6.2010	31.12.2009	Change in %
Bonds and notes issued	146,193	148,670	-1.7
of which: Mortgage Pfandbriefe	34,066	33,506	1.7
Public sector Pfandbriefe	61,918	63,885	-3.1
Money market instruments issued	23,383	22,612	3.4
Own acceptances and promissory notes outstanding	83	88	-5.7
<b>Total</b>	<b>169,659</b>	<b>171,370</b>	<b>-1.0</b>
of which relate to the category: Liabilities measured at amortized cost	166,165	167,867	-1.0
Applying the fair value option	3,494	3,503	-0.3

Residual maturities of securitized liabilities   € m	30.6.2010	31.12.2009	Change in %
due on demand	154	92	67.4
with an agreed residual maturity up to three months	169,505	171,278	-1.0
over three months to one year	35,214	27,318	28.9
over one year to five years	31,579	35,215	-10.3
over five years	73,282	77,501	-5.4
	29,430	31,244	-5.8
<b>Total</b>	<b>169,659</b>	<b>171,370</b>	<b>-1.0</b>

In the first half of financial year 2010 new bonds and notes amounting to €54.1bn were issued. In the same period the volume of repayments/repurchases amounted to €2bn and the volume of bonds maturing to €54.6bn.

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### (23) Trading liabilities

Liabilities from trading activities show the negative fair values of financial instruments not employed as hedging instruments in connection with hedge accounting as well as

lending commitments with negative market values. Delivery commitments arising from short sales of securities are also included under liabilities from trading activities.

€ m	30.6.2010	31.12.2009	Change in %
Currency-related derivative transactions	25,814	16,999	51.9
Interest-related derivative transactions	181,719	145,764	24.7
Other derivative transactions	15,008	15,609	-3.9
Delivery commitments on short sales of securities, negative market values of lending commitments and other trading liabilities	14,225	14,632	-2.8
<b>Total</b>	<b>236,766</b>	<b>193,004</b>	<b>22.7</b>

Other derivative transactions consist mainly of €8.008m (previous year: €7.738m) in equity derivatives and €6.208m (previous year: €6.668m) in credit derivatives.

### (24) Provisions

€ m	30.6.2010	31.12.2009	Change in %
Provisions for pensions and similar commitments	778	759	2.5
Other provisions	4,560	4,356	4.7
<b>Total</b>	<b>5,338</b>	<b>5,115</b>	<b>4.4</b>

### (25) Other liabilities

€ m	30.6.2010	31.12.2009	Change in %
Liabilities to film funds	2,206	2,219	-0.6
Liabilities from disposal groups held for sale	5,837	2,839	.
Debt capital from minority interests	1,983	1,985	-0.1
Other, including accrued and deferred items	2,977	1,899	56.8
<b>Total</b>	<b>13,003</b>	<b>8,942</b>	<b>45.4</b>

Other liabilities include obligations arising from outstanding invoices, payroll taxes due for payment to the authorities and deferred liabilities.

**(26) Subordinated capital**

€ m	30.6.2010	31.12.2009	Change in %
Subordinated liabilities	12,192	12,215	-0.2
Profit-sharing certificates outstanding	3,328	3,372	-1.3
Accrued interest, including discounts	-331	-277	19.5
Measurement effects	751	540	39.1
<b>Total</b>	<b>15,940</b>	<b>15,850</b>	<b>0.6</b>
of which relate to the category:			
Liabilities measured at amortized cost	15,911	15,821	0.6
Applying the fair value option	29	29	0.0

The volume of maturing issues for profit-sharing certificates was €0.3bn in the first half of 2010. Beyond this there were no material changes in subordinated capital.

**(27) Hybrid capital**

€ m	30.6.2010	31.12.2009	Change in %
Hybrid capital	5,121	5,191	-1.3
Accrued interest, including discounts	-1,194	-1,342	-11.0
Measurement effects	368	230	60.0
<b>Total</b>	<b>4,295</b>	<b>4,079</b>	<b>5.3</b>
of which relate to the category:			
Liabilities measured at amortized cost	4,295	4,079	5.3
Applying the fair value option	-	-	.

There were no material changes in the first half of 2010.



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### (28) Capital requirements and capital ratios

€ m	30.6.2010	31.12.2009	Change in %
Core capital	31,337	29,520	6.2
Supplementary capital	10,319	11,893	-13.2
Tier 3 capital	-	24	.
<b>Eligible capital</b>	<b>41,656</b>	<b>41,437</b>	<b>0.5</b>

€ m	30.6.2010	31.12.2009
Capital requirement credit risk	20,740	19,705
Capital requirement market risk	899	1,144
Capital requirement operational risk	1,577	1,562
<b>Total capital requirement</b>	<b>23,216</b>	<b>22,411</b>
Eligible equity	41,656	41,437
Core capital ratio (%)	10.8	10.5
Own funds ratio (%)	14.4	14.8

### (29) Contingent liabilities and irrevocable lending commitments

€ m	30.6.2010	31.12.2009	Change in %
Contingent liabilities	39,610	40,755	-2.8
from rediscounted bills of exchange credited to borrowers	4	3	33.3
from guarantees and indemnity agreements	39,476	40,603	-2.8
from other commitments	130	149	-12.8
Irrevocable lending commitments	68,406	69,281	-1.3

Provisions for contingent liabilities and irrevocable lending commitments have been deducted from the respective items.

**(30) Derivative transactions**

The nominal amounts and fair values in derivatives business (investment and trading books) were as follows:

30.6.2010 € m	Nominal amount by residual term				Fair value	
	up to 1 year	1–5 years	over 5 years	Total	positive	negative
Foreign exchange forward transactions	713,190	231,178	110,855	1,055,223	23,156	26,117
Interest rate forward transactions	2,743,637	4,125,301	3,765,709	10,634,647	417,612	423,078
Other forward transactions	250,396	478,234	62,035	790,665	17,463	18,268
<b>Gross position</b>	<b>3,707,223</b>	<b>4,834,713</b>	<b>3,938,599</b>	<b>12,480,535</b>	<b>458,231</b>	<b>467,463</b>
<i>of which: exchange-traded</i>	<i>210,215</i>	<i>63,078</i>	<i>6,026</i>	<i>279,319</i>		
<b>Net position in the balance sheet</b>					<b>224,837</b>	<b>234,069</b>

31.12.2009 € m	Nominal amount by residual term				Fair value	
	up to 1 year	1–5 years	over 5 years	Total	positive	negative
Foreign exchange forward transactions	571,423	210,591	94,331	876,345	18,121	17,357
Interest rate forward transactions	3,203,110	4,070,995	3,778,484	11,052,589	284,970	289,293
Other forward transactions	274,912	507,034	74,083	856,029	17,331	19,830
<b>Gross position</b>	<b>4,049,445</b>	<b>4,788,620</b>	<b>3,946,898</b>	<b>12,784,963</b>	<b>320,422</b>	<b>326,480</b>
<i>of which: exchange-traded</i>	<i>355,726</i>	<i>67,464</i>	<i>3,596</i>	<i>426,786</i>		
<b>Net position in the balance sheet</b>					<b>183,659</b>	<b>189,717</b>

**(31) Fair value of financial instruments**

€ bn	Fair Value		Carrying amount		Difference	
	30.6.2010	31.12.2009	30.6.2010	31.12.2009	30.6.2010	31.12.2009*
<b>Assets</b>						
Cash reserve	13.0	10.3	13.0	10.3	–	–
Claims on banks	120.7	106.6	120.8	106.7	–0.1	–0.1
Claims on customers	344.7	352.8	341.0	352.2	3.7	0.6
Hedging instruments	6.6	6.4	6.6	6.4	–	–
Trading assets	264.0	218.7	264.0	218.7	–	–
Financial investments	127.5	131.0	130.4	131.3	–2.9	–0.3
<b>Liabilities</b>						
Liabilities to banks	144.1	140.5	144.0	140.6	0.1	–0.1
Liabilities to customers	266.5	263.8	266.7	264.6	–0.2	–0.8
Securitized liabilities	167.7	171.0	169.7	171.4	–2.0	–0.4
Hedging instruments	11.5	11.3	11.5	11.3	–	–
Liabilities from trading activities	236.8	193.0	236.8	193.0	–	–
Subordinated and hybrid capital	18.8	18.1	20.2	19.9	–1.4	–1.8

\* The data as at December 31, 2009 has been partially restated. The net difference between the carrying amount and fair value as at December 31, 2009 has thus been reduced from a total of €4.0bn to €3.3bn.

In net terms, the difference between the carrying amount and fair value for all items amounted to €4.2bn as at June 30, 2010 (previous year: €3.3bn).

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In the tables below the financial instruments reported in the balance sheet at fair value are grouped by category. There is also a breakdown according to whether fair value is based

on quoted market prices (Level I), observable market data (Level II) or unobservable market data (Level III).

Financial assets   € bn	30.6.2010				31.12.2009
	Level I	Level II	Level III	Total	Total
Fair value option	5.0	0.1	1.2	6.3	10.5
Hedge accounting	–	6.6	–	6.6	6.4
Held for trading	42.7	218.0	3.3	264.0	218.7
Available for Sale	10.5	34.4	1.2	46.1	45.0
<b>Total</b>	<b>58.2</b>	<b>259.1</b>	<b>5.7</b>	<b>323.0</b>	<b>280.6</b>

Financial liabilities   € bn	30.6.2010				31.12.2009
	Level I	Level II	Level III	Gesamt	Gesamt
Fair value option	6.1	–	–	6.1	6.8
Hedge accounting	–	11.5	–	11.5	11.3
Helf for trading	11.9	224.4	0.5	236.8	192.9
<b>Total</b>	<b>18.0</b>	<b>235.9</b>	<b>0.5</b>	<b>254.4</b>	<b>211.0</b>

### (32) Treasury shares

	Number of shares <sup>1</sup> in units	Accounting par value in €1,000	Percentage of share capital
Holdings on 30.6.2010	3,655,503	9,504	0.31
Largest number acquired during the financial year	6,140,823	15,966	0.52
Total shares pledged by customers as collateral on 30.6.2010	10,650,562	27,691	0.90
Shares acquired during the financial year	77,924,169	202,603	
Shares disposed of during the financial year	75,132,571	195,345	

<sup>1</sup> Accounting par value per share of €2.60.

### (33) Dealings with related parties

As part of its normal business activities, the Commerzbank Group does business with related parties. These include parties that are controlled but not consolidated for reasons of materiality, associated companies, external service providers of occupational pensions for employees of Commerzbank Aktiengesellschaft, key management personnel and members of their families as well as companies controlled by these persons. Key management personnel refers exclusively to members of Commerzbank Aktiengesellschaft's Board of Managing Directors and Supervisory Board.

As the guarantor of the Financial Market Stabilization Authority, which manages the Special Fund for Financial Market Stabilization (SoFFin), the German federal government holds an ownership interest of 25% plus one share in Commerzbank Aktiengesellschaft, which gives it the potential to exert significant influence over the Company. As a result the German federal government and entities controlled by it constitute related parties as defined by IAS 24. In this section we present relationships with federal government-controlled entities separately from relationships with other related parties.

Assets and liabilities and off-balance-sheet items in connection with related parties changed as follows in reporting period:

€ m	1.1.2010	Additions	Deductions	Changes in group of consolidated companies	Changes in exchange rates	30.6.2010
Claims on banks	923	–	153	–	–	770
Claims on customers	1,042	908	73	–3	2	1,876
Financial investments	39	16	16	–	2	41
<b>Total</b>	<b>2,004</b>	<b>924</b>	<b>242</b>	<b>–3</b>	<b>4</b>	<b>2,687</b>
Liabilities to banks	6	1	3	–	–	4
Liabilities to customers	1,512	404	399	32	1	1,550
<b>Total</b>	<b>1,518</b>	<b>405</b>	<b>402</b>	<b>32</b>	<b>1</b>	<b>1,554</b>
<b>Off-balance-sheet items</b>						
Guarantees and collateral granted as well as irrevocable lending commitments	131	307	–	–	1	439
Guarantees and collateral received	35	18	26	–	1	28

In addition, as at June 30, 2010, Commerzbank Group held trading assets of €1.147m (December 31, 2009: €1.692m) and trading liabilities of €1.664m (31.12.2009: €1.495m). These trading positions stem primarily from non-consolidated funds.

The following income and expenses arose from loan agreements with, deposits from and services provided in connection with related parties:

€ m	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
<b>Income</b>			
Interest	32	45	–28.9
Commision	21	6	.
Goods and services	3	4	–25.0
<b>Expenses</b>			
Interest	29	30	–3.3
Commision	7	5	40.0
Goods and services	10	12	–16.7
Write-downs / impairments	–	–	.

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The Commerzbank Group conducts transactions with federal government-controlled entities as part of its ordinary business activities on standard market terms and conditions.

Assets and liabilities and off-balance-sheet items in connection with federal government-controlled entities changed as follows in the reporting period:

	1.1.2010	Additions	Deductions	Changes in group of consolidated companies	Changes in exchange rates	30.6.2010
in € m						
Cash reserve	3,633	1,926	–	–	–	5,559
Claims on banks	213	4,949	91	–	–	5,071
Claims on customers	2,378	2,126	2,195	–	–	2,309
Financial assets	6,209	780	1,971	–	–	5,018
<b>Total</b>	<b>12,433</b>	<b>9,781</b>	<b>4,257</b>	<b>–</b>	<b>–</b>	<b>17,957</b>
Liabilities to banks	24,260	244	5,677	–	–	18,827
Liabilities to customers	90	1	54	–	–	37
Subordinated capital <sup>1</sup>	16,428	–	–	–	–	16,428
<b>Total</b>	<b>40,778</b>	<b>245</b>	<b>5,731</b>	<b>–</b>	<b>–</b>	<b>35,292</b>
<b>Off-balance-sheet items</b>						
Guarantees and collateral granted as well as irrevocable lending commitments	3	52	–	–	–	55
Guarantees and collateral received	5,000	–	–	–	–	5,000

<sup>1</sup> Subordinated capital represents the silent participation of the Special Fund for Financial Market Stabilization (SoFFin).

In addition, as at June 30, 2010, the Commerzbank Group held trading assets of €3,970m (December 31, 2009: €2,628m) from business with federal government entities.

## Responsibility statement by the Board of Managing Directors

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We confirm that, to the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group presents a fair review

of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the prospective development of the Group during the remaining months of the financial year.

Frankfurt/Main, August 2, 2010  
The Board of Managing Directors



Martin Blessing



Frank Annuscheit



Markus Beumer



Achim Kassow



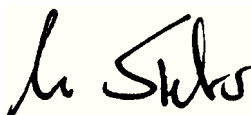
Jochen Klösge



Michael Reuther



Stefan Schmittmann



Ulrich Sieber



Eric Strutz

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## Boards of Commerzbank Aktiengesellschaft

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### Supervisory Board

**Klaus-Peter Müller**  
Chairman

**Uwe Tschäge\***  
Deputy Chairman

**Hans-Hermann Altenschmidt\***

**Dott. Sergio Balbinot**

**Dr.-Ing. Burckhard Bergmann**

**Herbert Bludau-Hoffmann\***

**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\***

**Dr. Marcus Schenck**

**Dr. Walter Seipp**  
Honorary Chairman

\* Elected by the bank's employees.

### Board of Managing Directors

**Martin Blessing**  
Chairman

**Frank Annuscheit**

**Markus Beumer**

**Dr. Achim Kassow**

**Jochen Klösges**

**Michael Reuther**

**Dr. Stefan Schmittmann**

**Ulrich Sieber**

**Dr. Eric Strutz**

## Report of the audit review

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### To COMMERZBANK Aktiengesellschaft, Frankfurt/Main

We have reviewed the condensed consolidated interim financial statements – comprising the balance sheet, condensed statement of comprehensive income, condensed statement of cash flows, condensed statement of changes in equity and selected explanatory notes – and the interim group management report of COMMERZBANK, Frankfurt am Main, for the period from January 1 to June 30, 2010 which are part of the half-year financial report pursuant to Article 37 w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Frankfurt/Main, August 2, 2010

PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Lothar Schreiber  
Wirtschaftsprüfer  
(German Public Auditor)

Stephan Erb  
Wirtschaftsprüfer  
(German Public Auditor)



## Significant subsidiaries and associates

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### 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

### Operative foreign branches

Amsterdam, Barcelona, Bratislava, Beijing, Brno (office), Brussels,  
Dubai, Hong Kong, Hradec Králové (office), Košice (office),  
London, Luxembourg, Madrid, Milan, New York, Ostrava (office),  
Paris, Plzeň (office), Prague, Shanghai, Singapore, Tianjin, Tokyo,  
Vienna, Warsaw, Zurich

### Representative Offices and Financial Institutions Desks

Addis Ababa, Almaty, Ashgabat, Baku, Bangkok, Beijing (FI Desk),  
Beirut, Belgrade, Brussels (Liaison Office to the European Union),  
Bucharest, Buenos Aires, Cairo, Caracas, Dubai (FI Desk),  
Ho Chi Minh City, Hong Kong (FI Desk), Istanbul, Jakarta,  
Johannesburg, Kiev, Kuala Lumpur, Lagos, Melbourne,  
Milan (FI Desk), Minsk, Moscow, Mumbai, New York (FI Desk),  
Novosibirsk, Panama City, Riga, Santiago de Chile, São Paulo,  
Seoul, Shanghai (FI Desk), Singapore (FI Desk), Taipei, Tashkent,  
Tehran, Tripoli, Zagreb

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## Disclaimer

### Reservation regarding forward-looking statements

This interim report contains forward-looking statements on Commerzbank's business and earnings performance, which are based upon our current plans, estimates, forecasts and expectations. The statements entail risks and uncertainties, as there are a variety of factors which influence our business and to a great extent lie beyond our sphere of influence. Above all, these include the economic situation, the state of the financial markets worldwide and possible loan losses. Actual results and developments may, therefore, diverge considerably from our current assumptions, which, for this reason, are valid only at the time of publication. We undertake no obligation to revise our forward-looking statements in the light of either new information or unexpected events.

Frankfurt am Main, September 14, 2010

**COMMERZBANK**  
AKTIENGESELLSCHAFT

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by: Reichle

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by: Jung