



Commerzbank Aktiengesellschaft
(incorporated under the laws of Germany)

Note Programme

Under the terms of this Note Programme (the "**Programme**"), Commerzbank Aktiengesellschaft (the "**Issuer**" or the "**Bank**") may from time to time issue notes ("**Notes**") of any kind including but not limited to Notes relating to a specified preference share of the Preference Share Issuer (as defined herein) ("**Preference Share Linked Notes**") or a specified certificate or warrant of the Bank or another issuer ("**W&C Linked Notes**"). Notes may also bear interest. Each issue of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**General Conditions**") on pages 103-132 and any applicable Additional Terms and Conditions on pages 133-136 (together with the General Conditions, the "**Conditions**") and on such additional terms as will be set out in the applicable Final Terms or Pricing Supplement, as applicable (each as defined below).

The Notes may be issued on a continuing basis to the Initial Dealer specified in the "*Overview of the Programme*" section and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue of Notes or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors" on pages 41-55.

The requirement to publish a prospectus under the Prospectus Directive (as defined under "*Important Information*" below) only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the "**EEA**") and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive. References in this Base Prospectus to "**Exempt Notes**" are to Notes for which no prospectus is required to be published under the Prospectus Directive. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

Application has been made to the Luxembourg Commission de Surveillance du Secteur Financier (the "**CSSF**"), in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the "**Prospectus Act 2005**") to approve this document as a base prospectus for the purpose of giving information with regard to the issue of Notes other than Exempt Notes ("**Non-exempt Notes**") under the Programme during the period of 12 months after the date of this Base Prospectus. By approving this Base Prospectus, the CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005.

References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) (the "**Markets in Financial Instruments Directive**").

Notice of the aggregate nominal amount or aggregate number, as the case may be, of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and other information which is applicable to each series of Notes will (other than in the case of Exempt Notes, as defined above) be set out in a final terms document (the "**Final Terms**") which, with respect to Notes to be listed on the Luxembourg Stock Exchange will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the "**Pricing Supplement**").

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets (including the London Stock Exchange or Irish Stock Exchange) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or under any state securities laws and are subject to certain United States tax law requirements. Trading in the Notes has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act, as amended (the "**Commodity Exchange Act**"). The Notes, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in or into the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the "**United States**") or directly or indirectly offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, to, or for the account or benefit of, any person who is (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (iii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-U.S. Persons; (vii) a "U.S. Person" as defined in Regulation S under the Securities Act ("**Regulation S**"); (viii) a person other than a "Non-United States person" as defined in Rule 4.7 under the Commodity Exchange Act; (ix) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the CFTC; or (x) any other "U.S. person" as such term may be defined in regulations or guidance adopted under the Commodity Exchange Act (each such person, a "**U.S. Person**"). No U.S. Person may at any time trade or maintain a position in the Notes. See "*Offering and Sale*" on pages 155-158.

The Issuer has not registered as an investment company pursuant to an exemption from the registration requirements of the United States Investment Company Act of 1940, as amended and the rules thereunder. Investors in the Notes will be deemed to have made or be required to make certain representations and warranties in connection with purchasing the Notes.

All present and future taxes, fees or duties payable in connection with the Notes shall be borne and paid by the Holders. The Issuer is entitled to withhold from payments to be made or assets to be delivered under the Notes any taxes, fees and/or duties payable by the Holder in accordance with the previous sentence.

For a description of certain further restrictions on offers and sales of the Notes and on the distribution of this Base Prospectus, see "*Offering and Sale*" on pages 155-158.

Each issue of Notes will be issued in the form set out in "Form of the Notes" on pages 68-70.

Prospective purchasers of Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own circumstances and financial condition. Notes involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Notes. See "Risk Factors" on pages 41-55.

The following table shows Commerzbank's long-term and short-term debt ratings as of the date of this Programme:

Rating agency	Long-term rating			Short-term rating
	"Preferred" senior unsecured debt	"Non-preferred" senior unsecured debt	Subordinated debt (Tier 2)	
Moody's Investors Service, Inc. ("Moody's")	A2	Baa1	Ba1	P-1
Standard & Poor's Financial Services LLC ("Standard & Poor's")	BBB+*)		BBB-	A-2
Fitch Ratings, Inc. ("Fitch")	A-	BBB+	BBB	F2
Scope Ratings AG ("Scope")	A	A-	BBB	S-1

*) In its report dated 15 December 2016 Standard & Poor's announced its intention to separate the current class of ratings on senior unsecured debt into two layers and, depending on each instrument's specific characteristics, will either reclassify them as "senior subordinated" reflecting their new status as hybrid capital, or retain the "senior unsecured" classification.

The rating agencies define the ratings as follows:

Moody's: A: Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.

Baa: Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Ba: Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.

Rating categories defined by Moody's rank from "Aaa" (highest category) to "C" (lowest category). Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from "Aa" through "Caa". The modifier "1" indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

P-1: Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

Moody's categorizes issuers according to their relative ability to repay debt obligations in the rating categories "P-1" (superior) to "P-3" (acceptable).

S&P: BBB: An obligation rated "BBB" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

Rating categories defined by S&P rank from "AAA" (highest category) to "D" (default). The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show the relative standing within the major rating categories.

A-2: A short-term obligation rated "A-2" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

Rating categories defined by S&P rank from "A-1" (highest category) to "D" (default).

Fitch: A: "A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

BBB: "BBB" ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

Rating categories defined by Fitch rank from "AAA" (highest category) to "D" (default). The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffices are not added to the "AAA" Long-Term IDR category or to Long-Term IDR categories below "B".

F2: Good short-term credit quality. Good intrinsic capacity for timely payment of financial commitments.

Rating categories defined by Fitch rank from "F-1" (highest category) to "D" (default).

Scope: A. Ratings at the A level reflect an opinion of strong credit quality with a very low risk of a default-like event.

BBB: Ratings at the BBB level reflect an opinion of good credit quality with a low risk of a default-like event.

Rating categories defined by Scope rank from "AAA" (highest category) to "D" (default). The AA, A, BBB, BB and B rating categories are divided into three sub-categories, each using the "+" and "-" suffixed for the top and bottom sub-category, respectively.

S-1: Ratings at the S-1 level reflect an opinion of very low credit risk with high capacity to repay short-term obligations.

Rating categories defined by Scope rank from "S-1+" (highest category) to "S-4" (moderate-to-high credit risk).

In case of Standard & Poor's, Moody's and Fitch, the ratings were prepared by subsidiaries of these rating agencies. These subsidiaries, Standard & Poor's Credit Market Services Europe Ltd. (German branch) with its registered office in Frankfurt am Main, Moody's Deutschland GmbH with its registered office in Frankfurt am Main, FitchRatings Ltd. with its registered office in London, United Kingdom as well as Scope Ratings AG with its registered office in Berlin, are registered with the European Securities and Markets Authority (ESMA) in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended from time to time, and are included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>).

Each rating reflects the opinion of the particular rating agency at the given reported point in time. Investors should consider each rating individually and obtain additional information and a more detailed understanding of the significance of the credit rating provided by the relevant rating agency. Rating agencies may change their ratings at any time if they are of the opinion that specific circumstances require such a change. Investors should not regard the long-term ratings as a recommendation to buy, hold or sell securities.

Notes issued under the Programme will be unrated.

Arranger

Commerzbank Aktiengesellschaft

Initial Dealer

Commerzbank Aktiengesellschaft

The date of this Base Prospectus is 6 March 2017

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INTRODUCTION TO THIS DOCUMENT

What is this document?

This Base Prospectus describes a programme for the issue of debt securities named the Note Programme, under which the Issuer may, from time to time, issue Notes.

You should read and understand fully the contents of this Base Prospectus, including any documents incorporated by reference, together with the applicable Final Terms or Pricing Supplement, before deciding whether to invest in any Notes. This document contains important information about the Issuer and the terms of the Notes. It also describes some of the risks relating to the Issuer and its business, as well as other risks relating to an investment in the Notes (as further described in the section entitled "Risk Factors" starting on page 41) and is intended to provide investors with the information necessary to enable them to make an informed investment decision before purchasing any Notes.

What type of Securities does this Base Prospectus relate to?

This Base Prospectus relates to the issuance of different types of Notes, including:

- (a) Fixed rate notes, on which the Issuer will pay interest at a fixed rate;
- (b) Floating rate notes, on which the Issuer will pay interest at a floating rate;
- (c) Zero coupon notes, which bear no interest;
- (d) Preference Share Linked Notes, whereby the redemption amount is calculated by reference to one or more Preference Shares;
- (e) Warrant and Certificate Linked Notes, whereby the redemption amount is calculated by reference to one or more specified certificates or warrants; and
- (f) Notes which are a combination of the above options.

How do I use this Base Prospectus?

This Base Prospectus (which includes information incorporated by reference) is intended to provide you with information necessary to enable you to make an informed investment decision before purchasing any Notes.

The contractual terms of any particular issuance of Notes will comprise the General Conditions of the Notes (see "*Terms and Conditions of the Notes*" at page 103) and, if the Notes are linked to:

- (a) a Preference Share, the terms and conditions set out in the section of this Base Prospectus entitled "*Additional Terms and Conditions for Preference Share Linked Notes*"; and
- (b) a certificate or warrant, the section of this Base Prospectus entitled "*Additional Terms and Conditions for W&C Linked Notes*"

and, in relation to any tranche of Notes, the terms will be as completed by the information set out in the applicable Final Terms (in the case of Non-exempt Notes) or Pricing Supplement (in the case of Exempt Notes).

This Base Prospectus also includes other general information such as:

- (a) the principal risks the Issuer believes to be inherent in investing in the Notes;

- (b) information relating to the Issuer;
- (c) information relating to the Programme and the Notes;
- (d) information on restrictions on the offer and sale of the Notes; and
- (e) taxation considerations.

What other documents do I need to read?

This Base Prospectus contains all information which is necessary to enable investors to make an informed decision regarding the financial position and prospects of the Issuer and the rights attaching to the Notes. Some of this information is incorporated by reference from other publicly available documents and some of this information is completed in an issue-specific document called the Final Terms (for Non-exempt Notes) or the Pricing Supplement (for Exempt Notes). You should read the documents incorporated by reference, as well as the Final Terms or Pricing Supplement (as applicable) in respect of such Notes, together with this Base Prospectus.

The Base Prospectus, together with any supplements thereto, and the Final Terms of any Tranches listed on the official list and admitted to trading on the Luxembourg Stock Exchange will be available on the website of the Luxembourg Stock Exchange, www.bourse.lu.

Additionally, the Base Prospectus, together with any supplements thereto, will be available at www.commerzbank.com and the following documents will be available for inspection during usual business hours at the registered offices of the Issuer:

- (a) the Agency Agreement;
- (b) the Euroclear Agreement;
- (c) the Programme Agreement;
- (d) the Deed of Covenant;
- (e) the Memorandum and Articles of Association of the Issuer;
- (f) the latest audited financial statements of the Issuer and the latest audited annual accounts of the Issuer, for the years ended 31 December 2014 and 2015 together with the explanatory notes and auditors' reports;
- (g) the Final Terms or Pricing Supplement (as applicable) relating to any Notes (save that a Pricing Supplement will only be available to a holder of Notes who produces evidence satisfactory to the Issuer and the Principal Paying Agent as to its holding of such Notes and identity); and
- (h) a copy of this Base Prospectus or any further Base Prospectus together with any supplement thereto.

What is the status of the Notes?

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, and payments to be made by the Issuer under the Notes are subject to the credit risk of the Issuer. As such, the potential return on and the value of the Notes will be adversely affected in the event of a default or deterioration in the financial position of the Issuer. The information on the Issuer set out in this Base Prospectus (which includes information incorporated by reference) provides a description of the Issuer's business activities as well as certain financial information and material risks faced by the Issuer.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from (i) the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2014 and 31 December 2015 and (ii) the unaudited consolidated financial statements of the Issuer for the nine months ended 30 September 2016 (together, the **Financial Statements**).

The Issuer's financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus.

All references in this document to "U.S. dollars", "U.S.\$" and "\$" refer to United States dollars, all references to "GBP" and "£" refer to Pounds Sterling and all references to "euro", "EUR" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understands thoroughly the terms of the Notes and is familiar with the behaviour of the financial markets; and
- is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The following section applies to Non-exempt Notes and is provided in accordance with Article 5(2) of the Prospectus Directive.

SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "**Elements**". These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for the Notes and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings

Element	Description of Element	Disclosure Requirement
A.1	Warnings	<ul style="list-style-type: none"> • This summary should be read as an introduction to the Base Prospectus and the applicable Final Terms. • Any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole by the investor, including any documents incorporated by reference and the applicable Final Terms. • Where a claim relating to information contained in the Base Prospectus and the applicable Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus and the applicable Final Terms before the legal proceedings are initiated. • Civil liability attaches to the Issuer solely on the basis of this summary, including any translation of it, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus and the applicable Final Terms or, following the implementation of the relevant provisions of Directive 2010/73/EU in the relevant Member State, it does not provide, when read together with the other parts of this Base Prospectus and the applicable Final Terms, key information in order to aid investors when considering whether to invest in the Notes.
A.2	Consent to the use of the Prospectus	Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a " Non-exempt Offer ".*

* Delete this paragraph when preparing an issue specific summary.

Element	Description of Element	Disclosure Requirement
		<p>[Not Applicable – the Notes are not being offered to the public in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus (a "Non-exempt Offer").]</p> <p>[<i>Consent</i>: Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with a Non-exempt Offer of Notes by the Managers[, [<i>names of specific financial intermediaries</i>,] [and] [each financial intermediary whose name is published on the Issuer's website (https://fim.commerzbank.com) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer] [and any financial intermediary which is authorised to make such offers under applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) and publishes on its website the following statement (with the information in square brackets being duly completed with the relevant information):</p> <p><i>"We, [<i>insert legal name of financial intermediary</i>], refer to the offer of [<i>insert title of relevant Notes</i>] (the "Notes") described in the Final Terms dated [<i>insert date</i>] (the "Final Terms") published by Commerzbank Aktiengesellschaft (the "Issuer"). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [<i>specify Member State(s)</i>] during the Offer Period and subject to the other conditions to such consent, each as specified in the Base Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus) and confirm that we are using the Base Prospectus accordingly."</i>]</p> <p><i>Offer period</i>: The Issuer's consent referred to above is given for Non-exempt Offers of Notes during [<i>offer period for the issue to be specified here</i>] (the "Offer Period").</p> <p><i>Conditions to consent</i>: The conditions to the Issuer's consent [(in addition to the conditions referred to above)] are that such consent (a) is only valid during the Offer Period; and (b) only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Notes in [Ireland][Luxembourg][the United Kingdom].</p> <p>AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY NOTES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER.]</p>

Section B – Issuer

Element	Description of Element	Disclosure Requirement
B.1	Legal and commercial name of the Issuer	The legal name of the Issuer is Commerzbank Aktiengesellschaft (the " Issuer ", the " Bank " or " Commerzbank ", together with its consolidated subsidiaries " COMMERZBANK Group " or the " Group ") and the commercial name of the Issuer is Commerzbank.
B.2	Domicile/ legal form/ legislation/ country of incorporation	<p>The Issuer's registered office is in Frankfurt am Main, Federal Republic of Germany.</p> <p>Commerzbank is a stock corporation established and operating under German law and incorporated in the Federal Republic of Germany.</p>
B.4b	Known trends affecting the Issuer and the industries in which it operates	The global financial market crisis and sovereign debt crisis in the eurozone in particular have put a very significant strain on the net assets, financial position and results of the operations of Commerzbank in the past, and it can be assumed that further materially adverse effects for Commerzbank can also occur in the future, in particular in the event of a renewed escalation of the crisis.
B.5	Organisational Structure	Commerzbank is the parent company of the COMMERZBANK Group. The COMMERZBANK Group holds directly and indirectly equity participations in various companies.
B.9	Profit forecast or estimate	<p>On 9 February 2017, Commerzbank published preliminary unaudited consolidated figures for the financial year 2016. The operating profit fell to EUR 1,399 million(*) as of the end of 2016. Revenues before loan loss provisions fell to EUR 9,399 million(*). Loan loss provisions stood at EUR 900 million(*) in the financial year 2016. The operating expenses were reduced to EUR 7,100 million(*). The pre-tax profit came in at EUR 643 million(*). Commerzbank posted a consolidated profit attributable to Commerzbank shareholders improved to EUR 279 million(*).</p> <p>The statutory auditor of Commerzbank, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, has confirmed towards Commerzbank that the financial information above marked with (*) are substantially consistent with the financial information to be published in the next audited stand alone and consolidated financial statements of Commerzbank for the financial year 2016. The auditor also advised Commerzbank that the audit is not completed until the issuance of the respective auditor's report and that until then new findings could have material effects on the financial information above marked with (*).</p>
B.10	Qualifications in the auditors' report on the historical financial information	<p>Not Applicable.</p> <p>Unqualified auditors' reports have been issued on the consolidated financial statements and management reports for the financial years ended 2014 and 2015 as well as on the annual financial statements and management report for the 2015 financial year.</p>

Element	Description of Element	Disclosure Requirement																																
B.12	Selected key financial information:	The following table sets forth selected key financial information of the COMMERZBANK Group which has been derived from the respective audited consolidated financial statements prepared in accordance with IFRS as of 31 December 2014 and 2015 as well as from the consolidated interim financial statements as of 30 September 2016 (reviewed):																																
		<table> <thead> <tr> <th><i>Balance sheet (€m)</i></th> <th><u>December 31, 2014^{*)}</u></th> <th><u>December 31, 2015^{**)}</u></th> <th><u>September 30, 2016^{***)}</u></th> </tr> </thead> <tbody> <tr> <td>Total assets.....</td> <td>558,317</td> <td>532,641</td> <td>513,444</td> </tr> <tr> <td>Equity</td> <td>27,033</td> <td>30,407</td> <td>29,398</td> </tr> <tr> <th><i>Income Statement (€m)</i></th> <th><u>January – December 2014^{*)}</u></th> <th><u>2015</u></th> <th><u>January – September 2015^{***)}</u></th> <th><u>2016^{***)}</u></th> </tr> <tr> <td>Operating profit</td> <td>689</td> <td>1,909</td> <td>1,558</td> <td>1,062</td> </tr> <tr> <td>Pre-tax profit or loss</td> <td>628</td> <td>1,795</td> <td>1,464</td> <td>338</td> </tr> <tr> <td>Consolidated profit or loss^{****)}</td> <td>266</td> <td>1,062</td> <td>891</td> <td>96</td> </tr> </tbody> </table> <p>*) Prior-year figures restated due to the restatement of credit protection insurance and the tax restatements. **) Error corrections gave rise to a retrospective restatement in financial year 2015. Therefore, equity as of 31 December 2015 is reported as EUR 30,283 million and total assets as of 31 December 2015 are reported as EUR 532,696 million in the unaudited consolidated interim financial statements as of 30 September 2016. ***) Unaudited ****) Insofar as attributable to Commerzbank shareholders.</p>	<i>Balance sheet (€m)</i>	<u>December 31, 2014^{*)}</u>	<u>December 31, 2015^{**)}</u>	<u>September 30, 2016^{***)}</u>	Total assets.....	558,317	532,641	513,444	Equity	27,033	30,407	29,398	<i>Income Statement (€m)</i>	<u>January – December 2014^{*)}</u>	<u>2015</u>	<u>January – September 2015^{***)}</u>	<u>2016^{***)}</u>	Operating profit	689	1,909	1,558	1,062	Pre-tax profit or loss	628	1,795	1,464	338	Consolidated profit or loss ^{****)}	266	1,062	891	96
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	No material adverse change in the prospects of the Issuer:	There has been no material adverse change in the prospects of the COMMERZBANK Group since 31 December 2015.																																
	Significant changes in the financial position:	Not applicable – There has been no significant change in the financial position of the COMMERZBANK Group since 30 September 2016.																																
B.13	Recent events which are to a material extent relevant to the Issuer's solvency	Not applicable – There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.																																
B.14	Dependence of the Issuer upon other	Not applicable – As stated under item B.5, Commerzbank is the parent company of COMMERZBANK Group and is not dependent upon other entities within COMMERZBANK Group.																																

Element	Description of Element	Disclosure Requirement																												
	entities within the group																													
B.15	Issuer's principal activities	<p>The focus of the activities of the COMMERZBANK Group is on the provision of a wide range of financial services to private, small and medium-sized corporate and institutional customers in Germany, including account administration, payment transactions, lending, savings and investment products, securities services, and capital markets and investment banking products and services. As part of its comprehensive financial services strategy, the Group also offers other financial services in association with cooperation partners, particularly building savings loans, asset management and insurance. The Group is continuing to expand its position as one of the most important German export financiers. Alongside its business in Germany, the Group is also active internationally through its subsidiaries, branches and investments, particularly in Europe. The focus of its international activities lies in Poland and on the goal of providing comprehensive services to German small and medium-sized enterprises in Western Europe, Central and Eastern Europe and Asia.</p> <p>The COMMERZBANK Group is currently divided into three operating segments – Private and Small Business Customers, Corporate Clients and Asset & Capital Recovery (ACR) as well as Others and Consolidation.</p>																												
B.16	Controlling Parties	<p>Not Applicable.</p> <p>The Issuer has not submitted its management to any other company or person, for example on the basis of a domination agreement, nor is it controlled by any other company or any other person within the meaning of the German Securities Acquisition and Takeover Act (<i>Wertpapiererwerbs- und Übernahmegesetz</i>).</p>																												
		[Include Element B.17 only if Annex V or XIII of Commission Regulation (EC) No. 809/2004 (as amended) (the " PD Regulation ") applies]																												
[B.17	Credit ratings	<p>Commerzbank is rated by Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Financial Services LLC ("Standard & Poor's"), Fitch Ratings, Inc. ("Fitch") and Scope Ratings AG ("Scope").</p> <p>As of the date of the Programme the long-term and short-term debt ratings were as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Rating agency</th> <th colspan="3">Long-term rating</th> <th rowspan="2">Short-term rating</th> </tr> <tr> <th>"Preferred" senior unsecured debt</th> <th>"Non-preferred" senior unsecured debt</th> <th>Subordinated debt (Tier 2)</th> </tr> </thead> <tbody> <tr> <td>Moody's Investors Service, Inc. ("Moody's")</td> <td>A2</td> <td>Baa1</td> <td>Ba1</td> <td>P-1</td> </tr> <tr> <td>Standard & Poor's Financial Services LLC ("Standard & Poor's")</td> <td colspan="2">BBB+*)</td> <td>BBB-</td> <td>A-2</td> </tr> <tr> <td>Fitch Ratings, Inc. ("Fitch")</td> <td>A-</td> <td>BBB+</td> <td>BBB</td> <td>F2</td> </tr> <tr> <td>Scope Ratings AG ("Scope")</td> <td>A</td> <td>A-</td> <td>BBB</td> <td>S-1</td> </tr> </tbody> </table>	Rating agency	Long-term rating			Short-term rating	"Preferred" senior unsecured debt	"Non-preferred" senior unsecured debt	Subordinated debt (Tier 2)	Moody's Investors Service, Inc. (" Moody's ")	A2	Baa1	Ba1	P-1	Standard & Poor's Financial Services LLC (" Standard & Poor's ")	BBB+*)		BBB-	A-2	Fitch Ratings, Inc. (" Fitch ")	A-	BBB+	BBB	F2	Scope Ratings AG (" Scope ")	A	A-	BBB	S-1
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Element	Description of Element	Disclosure Requirement
		<p data-bbox="504 338 1445 423">*) In its report dated 15 December 2016 Standard & Poor's announced its intention to separate the current class of ratings on senior unsecured debt into two layers and, depending on each instrument's specific characteristics, will either reclassify them as "senior subordinated" reflecting their new status as hybrid capital, or retain the "senior unsecured" classification.</p> <p data-bbox="504 461 1445 730">Each agency rating reflects the opinion of the particular rating agency at the given reported point in time. Investors should consider each rating individually and obtain additional information and a more detailed understanding of the significance of the respective credit rating information provided by the respective rating agency. Rating agencies may change their ratings at any time if specific circumstances require such a change in their opinion. Investors should not buy, hold or sell securities based on the long-term rating recommendation.</p> <p data-bbox="504 768 1445 900">Notes issued under the Programme will be unrated. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.]</p>

Section C – Securities

Element	Description of Element	Disclosure Requirement
C.1	Type and class of Notes being offered/ Security identification number	<p>The Notes to be issued under the Programme may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Preference Share Linked Notes, W&C Linked Notes or a combination of the foregoing.*</p> <p>[The Notes are <i>[Insert title of Notes]</i>.</p> <p>International Securities Identification Number (ISIN): [●].]</p>
C.2	Currency	<p>Subject to compliance with all applicable laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer at the time of issue.*</p> <p>[The currency in this Series of Notes is [Pounds Sterling ("£")/Euro ("€")/U.S. dollars ("U.S.\$")/other ("[●]").]</p>
C.5	Restrictions on free transferability	<p>The Notes will be freely transferable, subject to the offering and selling restrictions in the United Kingdom, the United States of America, Ireland and under the Prospectus Directive and the laws of any other jurisdiction in which the relevant Notes are offered or sold.</p>
C.8	Rights attached to the Notes, ranking, limitations of these rights	<p>Notes issued under the Programme will have terms and conditions relating to, among other matters: *</p> <p>Taxation</p> <p>All present and future taxes, fees or duties payable in connection with the Notes shall be borne and paid by the Holders. The Issuer is entitled to withhold or deduct from payments to be made or assets to be delivered under the Notes for or on account of any taxes, fees and/or duties required by law or otherwise payable by the Holder in accordance with the previous sentence. Neither the Issuer nor any other person shall be required to pay additional amounts in respect of any such withholding or deduction.</p> <p>Events of default</p> <p>Terms of the Notes contain, amongst others, events of default covering non-payment and relating to the insolvency of the Issuer.</p> <p>The terms of the Notes will contain, amongst others, the following events of default:</p> <p>(a) the Issuer is in default for more than 30 days in the payment of any amount due under the Conditions; or</p>

* Delete this paragraph when preparing an issue specific summary.

Element	Description of Element	Disclosure Requirement
		<p>(b) the Issuer violates any other obligation under the Conditions, and such violation continues for 60 days after receipt of written notice thereof from such Holder; or</p> <p>(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); or</p> <p>(d) the Issuer ceases its payments and this continues for 60 days, or admits to be unable to pay its debts; or</p> <p>(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</p> <p>(f) in the case of a substitution of the Issuer any of the events set forth in sub-paragraphs (c) to (e) above occurs in respect of such original Issuer in its capacity of guaranteeing compliance by the new Issuer of its obligations under the Notes.</p> <p>Meetings</p> <p>The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p>Governing law</p> <p>The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law.</p> <p>Status (Ranking)</p> <p>Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank at least <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer (save for such exceptions as may exist from time to time) under applicable law.</p>
		[Include Element C.9 only if Annex V or XIII of the PD Regulation applies]
[C.9	Interest/	Please see Element C.8.

Element	Description of Element	Disclosure Requirement
	Redemption Yield / Representation of holders	<p>Interest</p> <p>Notes may or may not bear interest. Interest-bearing Notes will either bear interest payable at a fixed rate or a floating rate.*</p> <p>[The Notes bear interest [from their date of issue/from [●]] at the fixed rate of [●] per cent. per annum. The yield of the Notes is [●] per cent. Interest will be paid [annually] in arrear on [●] in each year. The first interest payment will be made on [●].]</p> <p>[The Notes bear interest [from their date of issue/from [●]] at floating rates calculated by reference to [specify reference rate for Notes being issued] [plus/minus] a margin of [●] per cent. Interest will be paid [semi-annually] in arrear on [●] and [●] in each year, subject to adjustment for non-business days. The first interest payment will be made on [●].]</p> <p>[Not applicable - The Notes do not bear any interest [and will be offered and sold at a discount to their nominal amount].]</p> <p>Redemption</p> <p>The terms under which Notes may be redeemed (including the maturity date and the price at which they will be redeemed on the maturity date as well as any provisions relating to early redemption) will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes.*</p> <p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [●] at par.</p> <p>[Include if applicable: The Notes may be redeemed early at the option of the [Issuer (an "Issuer Call")][Noteholders (a "Noteholder Put")] at the Optional Redemption Amount. The Optional Redemption Amount applicable following [an Issuer Call][,/and][a Noteholder Put] is par.</p> <p>[In case of an Issuer Call, the Issuer must give to the Noteholders notice that it will be exercising its option to redeem the notes at least five business days prior to such redemption.]</p> <p>[In case of a Noteholder Put, the Noteholders must give to the Issuer notice that they will be exercising their option to redeem the notes at least five business days prior to such redemption.]]</p> <p>[The Notes will be redeemed in instalments on [[insert Instalment Dates] at [insert Instalment Amounts] (repeat as necessary if different Instalment Amounts apply in respect of different Instalment Dates)].]</p> <p>Representation of holders</p>

* Delete this paragraph when preparing an issue specific summary.

Element	Description of Element	Disclosure Requirement
		Not Applicable – No representative of the Noteholders has been appointed by the Issuer.]
		[Include Element C.10 only if Annex V of the PD Regulation applies]
[C.10]	Derivative component in interest payment	<p>Please see Element C.9.</p> <p>Not Applicable – There is no derivative component in the interest payments.]</p>
		[Include Element C.11 only if Annex V or XII of the PD Regulation applies]
[C.11]	Admission to Trading	<p>Notes issued under the Programme may be admitted to trading on the Luxembourg Stock Exchange, the Irish Stock Exchange, the London Stock Exchange or such other stock exchange or market specified below, or may be issued on an unlisted basis.*</p> <p>[Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [[regulated market] of the [Luxembourg/London] Stock Exchange][Irish Stock Exchange's Main Securities Market].]</p> <p>[Not Applicable – the Notes are not intended to be admitted to trading on any market.]</p>
		[Include Elements C.15 - C.20 only if Annex XII of the PD Regulation applies]
[C.15]	Any underlying which may affect the value of the Notes	<p>The redemption of the Notes on the Maturity Date and, in the case of an automatic early redemption event, the relevant Automatic Early Redemption Amount to be paid on the relevant Automatic Early Redemption Date, as the case may be, may depend on the performance of certain specified underlying reference assets (each an "Underlying"). The Underlying may be preference shares issued by the Preference Share Issuer or warrants or certificates issued by the Bank or another issuer.*</p> <p>[These Notes are Preference Share Linked Notes. The redemption amount payable in respect of Preference Share Linked Notes will be calculated by reference to the performance of [<i>insert preference share details</i>] of the Preference Share Issuer.]</p> <p>[These Notes are W&C Linked Notes. Amounts payable in respect of W&C Linked Notes will be calculated by reference to certificates or warrants issued by [the Bank / [<i>insert issuer</i>]].]</p>
C.16	Exercise date/final reference date	The maturity date of the Notes will be [<i>insert date</i>] (the " Maturity Date ").

* Delete this paragraph when preparing an issue specific summary.

Element	Description of Element	Disclosure Requirement
C.17	Settlement procedure of derivative securities	The Notes are cash settled.
C.18	Return on derivative securities	<p>Interest</p> <p>Notes may or may not bear interest. Interest-bearing Notes will either bear interest payable at a fixed rate or a floating rate.</p> <p>[The Notes bear interest [from their date of issue/from [●]] at the fixed rate of [●] per cent. per annum. The yield of the Notes is [●] per cent. Interest will be paid [annually] in arrear on [●] in each year. The first interest payment will be made on [●].]</p> <p>[The Notes bear interest [from their date of issue/from [●]] at floating rates calculated by reference to [specify reference rate for Notes being issued] [plus/minus] a margin of [●] per cent. Interest will be paid [semi-annually] in arrear on [●] and [●] in each year, subject to adjustment for non-business days. The first interest payment will be made on [●].]</p> <p>[Not applicable - The Notes do not bear any interest [and will be offered and sold at a discount to their nominal amount].]</p> <p>Redemption</p> <p>[The redemption amount payable in respect of Preference Share Linked Notes will be calculated by reference to the performance of a single specified preference share of Commerz Pearl Limited (the "Preference Share Issuer").]</p> <p>[The redemption amount payable in respect of W&C Linked Notes will be calculated by reference to the performance of a certificate or warrant issued by the Bank or another issuer.]</p> <p>Early Redemption</p> <p>[Preference Share Linked Notes will be subject to early redemption (a) if certain corporate events (such as insolvency, merger or nationalisation of the Preference Share Issuer or a tender offer) occur, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any affiliate's hedging arrangements, or if insolvency filings are made with respect to the Preference Share Issuer or (b) if the Issuer, or any of its affiliates receives notice from the Preference Share Issuer that the relevant preference shares are to be redeemed prior to the Maturity Date. The amount payable on early redemption as provided in (a) will be the Early Redemption Amount and the amount payable on early redemption as provided in (b) will be the Early Preference Share Redemption Note Amount.</p>

* Delete when preparing an issue specific summary.

Element	Description of Element	Disclosure Requirement
		<p>"Early Preference Share Redemption Note Amount" means an amount calculated by the Calculation Agent equal to:</p> $\text{Calculation Amount} \times \frac{\text{Preference Share Value}_{\text{early}}}{\text{Preference Share Value}_{\text{initial}}}$
		<p>"Early Redemption Amount" means an amount calculated by the Calculation Agent on the same basis as the Final Redemption Amount except that the definition of Preference Share Value_{final} shall be the Preference Share Value on the Early Redemption Valuation Date.</p>
		<p>"Early Redemption Valuation Date" means the second business day immediately preceding the date for early redemption of the Notes.</p> <p>[W&C Linked Notes will be subject to early redemption (a) if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any affiliates hedging arrangements, or if insolvency filings are made with respect to the issuer of the relevant warrants or certificates or (b) if the relevant warrants or certificates are cancelled or terminated (other than by reason of a scheduled exercise) or are subject to an early cancellation event.</p> <p>The amount payable on early redemption as provided in (a) will be the Early Redemption Amount and the amount payable on early redemption as provided in (b) will be the Early W&C Cancellation Note Amount.</p> <p>"Early Redemption Amount" means an amount calculated by the Calculation Agent on the same basis as the Final Redemption Amount except that the definition of W&C Securities Value_{final} shall be the W&C Securities Value on the Early W&C Cancellation Valuation Date.</p> <p>"Early W&C Cancellation Note Amount" means an amount calculated by the Calculation Agent equal to:</p> $\text{Calculation Amount} \times \frac{\text{W \& C Securities Value}_{\text{early}}}{\text{W \& C Securities Value}_{\text{initial}}}$ <p>"Early W&C Calculation Valuation Date" means the second business day immediately preceding the date for early redemption of the W&C Linked Notes.]</p> <p>[[Issuer Call]/[Noteholder Put]</p> <p>[Include if applicable: The Notes may be redeemed early at the option of the [Issuer (an "Issuer Call")][Noteholders (a "Noteholder Put")]] at the Optional Redemption Amount. The Optional Redemption Amount applicable following [an Issuer Call][,/and][a Noteholder Put] is [par/the Early Preference Share Redemption Note Amount/the Early W&C Cancellation Note Amount].]</p>

Element	Description of Element	Disclosure Requirement
		<p>[In case of an Issuer Call, the Issuer must give to the Noteholders notice that it will be exercising its option to redeem the notes at least five business days prior to such redemption.]</p> <p>[In case of a Noteholder Put, the Noteholders must give to the Issuer notice that they will be exercising their option to redeem the notes at least five business days prior to such redemption.]]</p>
		<p>[The Notes will be redeemed in instalments on <i>[insert Instalment Dates]</i> at <i>[insert Instalment Amounts]</i> (repeat as necessary if different Instalment Amounts apply in respect of different Instalment Dates)].]</p> <p>Final Redemption</p> <p>Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer on the Maturity Date at an amount per Note calculated by the Calculation Agent equal to an amount calculated by reference to the performance of the Underlying.*</p> <p>[The Final Redemption Amount applicable to the Notes is an amount per Note equal to:</p> $\text{[Calculation Amount} \times \frac{\text{Preference Share Value}_{\text{final}}}{\text{Preference Share Value}_{\text{initial}}}]$ $\text{[Calculation Amount} \times \frac{\text{W \& C Securities Value}_{\text{final}}}{\text{W \& C Securities Value}_{\text{initial}}}]$ <p>["Calculation Amount" means [●].</p> <p>"Final Valuation Date" means [●] or, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the [Preference Shares][W&C Securities] falling on or about such day is to be delayed in accordance with the terms and conditions of the [Preference Shares][W&C Securities] by reason of a disruption or adjustment event, the Final Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent.</p> <p>"Initial Valuation Date" means <i>[specify Issue Date]</i> or, if the date for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the [Preference Shares][W&C Securities] falling on or about such day is to be delayed in accordance with the terms and conditions of the [Preference Shares][W&C Securities] by reason of a disruption or adjustment event, the Initial Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent.</p>

* Delete this paragraph when preparing an issue specific summary.

Element	Description of Element	Disclosure Requirement
		<p>["Preference Share Value_{early}" means the Preference Share Value on the Early Redemption Valuation Date.]</p> <p>["Preference Share Value_{final}" means the Preference Share Value on the Final Valuation Date.]</p> <p>["Preference Share Value_{initial}" means the Preference Share Value on the Initial Valuation Date.]</p> <p>["Preference Share Value" means, in respect of any day, the market value of a Preference Share at the Valuation Time on such day as determined by the Calculation Agent.]</p> <p>["W&C Securities Value_{early}" means the W&C Securities Value on the W&C Termination Date.]</p> <p>["W&C Securities Value_{final}" means the W&C Securities Value on the Final Valuation Date.]</p> <p>["W&C Securities Value_{initial}" means the W&C Securities Value on the Initial Valuation Date.]</p> <p>["W&C Securities Value" means, in respect of any day, the market value of a W&C Security at the Valuation Time on such day as determined by the Calculation Agent.]</p> <p>["W&C Termination Date" means, in respect of a W&C Security, the date on which such W&C Security is cancelled or terminated as a result of a W&C Termination Event, as determined by the Calculation Agent.]</p> <p>["W&C Termination Event" means, in respect of a W&C Security, (a) the cancellation or termination of such W&C Security for any reason other than (i) by reason of its scheduled exercise by a holder thereof, (ii) its automatic exercise pursuant to its terms or (b) a specified early cancellation event occurs in respect of such W&C Security in accordance with its terms.]</p> <p>"Valuation Time" means [●].]</p> <p><i>Automatic Early Redemption</i></p> <p><i>Automatic Early Redemption Valuation</i></p> <p>If [automatic early redemption is applicable,]* on any Automatic Early Redemption Valuation Date an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, each Note being redeemed on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date at the Automatic Early Redemption Amount.</p>

* Delete when preparing an issue specific summary.

Element	Description of Element	Disclosure Requirement
		<p>[The Automatic Early Redemption Amount will be an amount calculated by the Calculation Agent equal to:</p> $\text{Calculation Amount} \times \frac{\text{Underlying Value}_{\text{Auto Early}}}{\text{Underlying Value}_{\text{Initial}}}$ <p>"Automatic Early Redemption Event" means that the Underlying becomes [<i>in the case of a W&C Security: exercisable in accordance with its terms prior to its originally scheduled final exercise date</i>] [<i>in the case of a Preference Share: redeemable prior to its original designated final redemption date</i>].</p> <p>"Automatic Early Redemption Date" means [<i>insert date</i>][, or if later, the [●] Business Day following the relevant Automatic Early Redemption Valuation Date].</p> <p>"Automatic Early Redemption Valuation Date" means [●] or, if the date for valuation of or any determination of any underlying asset or basis of reference for the [Preference Shares] [W&C Securities] falling on or about such day is to be delayed in accordance with the terms and conditions of the [Preference Shares] [W&C Securities], such Automatic Early Redemption Valuation Date shall be such delayed valuation date(s), as determined by the Calculation Agent.</p> <p>"Underlying Level" means the [W&C Securities Value] [Preference Share Value].</p> <p>"Underlying Value_{Auto Early}" means the Underlying Level on the relevant Automatic Early Redemption Valuation Date.</p> <p>"Underlying Value_{initial}" means the Underlying Level on the Initial Valuation Date.]</p>
C.19	Exercise price/final reference price of the underlying	The final reference price of the Underlying is the market value of the Underlying at the Valuation Time on the Final Valuation Date as determined by [Commerzbank AG / <i>specify other</i>] (the " Calculation Agent ").
C.20	Type of Underlying and details where information on the Underlying can be obtained	<p>A preference share of the Preference Share Issuer and/or a warrant or certificate of the Bank or another issuer.*</p> <p>[The underlying (the "Underlying") for the Notes is [<i>insert relevant preference share of the relevant issuer [(the "Preference Shares")]</i>] [<i>insert warrant or certificate of [the Bank/specify][the "W&C Securities")]</i>]. Information on the Underlying is available on the website [https://fim.commerzbank.com] [<i>source</i>] and on [<i>insert relevant Bloomberg ticker or Reuters page or any other source provider of the Underlying</i>].]</p>

* Delete this paragraph when preparing an issue specific summary.

Element	Description of Element	Disclosure Requirement
		[Include Element C.21 only if Annex XIII of the PD Regulation applies]
[C.21	Indication of the markets where the securities will be traded and for which prospectus has been published	Notes issued under the Programme may be admitted to trading on the regulated market of the Luxembourg Stock Exchange, or admitted to trading on the Irish Stock Exchange, the London Stock Exchange or such other stock exchange or market specified below, or may be issued on an unlisted basis. * [Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [regulated market] of the [Luxembourg/London] Stock Exchange][Irish Stock Exchange's Main Securities Market][●].]

* Delete this paragraph when preparing an issue specific summary.

Section D – Risks

Element	Description of Element	Disclosure Requirement
D.2	Key risks specific to the Issuer	<p>The Notes entail an issuer risk, also referred to as debtor risk or credit risk for prospective investors. An issuer risk is the risk that Commerzbank becomes temporarily or permanently unable to meet its obligations to pay the redemption amount or any other payments to be made under the Notes.</p> <p>Furthermore, Commerzbank is subject to various risks within its business activities. Such risks comprise in particular the following types of risks:</p> <p>1. Global financial market crisis and sovereign debt crisis</p> <p>The global financial crisis and sovereign debt crisis, particularly in the eurozone, have had a significant material adverse effect on the Group's net assets, financial position and results of operations. There can be no assurance that the Group will not suffer further material adverse effects in the future, particularly in the event of a renewed escalation of the crisis. Any further escalation of the crisis within the European Monetary Union may have material adverse effects on the Group, which, under certain circumstances, may even threaten the Group's existence. The Group holds substantial volumes of sovereign debt. Impairments and revaluations of such sovereign debt to lower fair values have had material adverse effects on the Group's net assets, financial position and results of operations in the past, and may have further adverse effects in the future.</p> <p>2. Macroeconomic environment</p> <p>The macroeconomic environment prevailing over the past few years has negatively affected the Group's results, and the Group's heavy dependence on the economic environment, particularly in Germany, may result in further substantial negative effects in the event of any economic downturn.</p> <p>3. Counterparty default risk</p> <p>The Group is exposed to default risk (credit risk), including in respect of large individual commitments, large loans and commitments, concentrated in individual sectors, referred to as "bulk" risk, as well as loans to debtors that may be particularly affected by the sovereign debt crisis. The run-down of the ship finance portfolio and the Commercial Real Estate finance portfolio is exposed to considerable risks in view of the current difficult market environment and the volatility of ship prices and real estate prices and the default risk (credit risk) affected thereby, as well as the risk of substantial changes in the value of ships held as collateral, directly owned, directly owned real estate and private and commercial real estate held as collateral. The Group has a substantial number of non-performing loans in its portfolio and defaults may not be sufficiently covered by collateral or by write-downs and provisions previously taken.</p> <p>4. Market price risks</p>

Element	Description of Element	Disclosure Requirement
		<p>The Group is exposed to market price risks in the valuation of equities and investment fund units as well as in the form of interest rate risks, credit spread risks, currency risks, volatility and correlation risks and commodity price risks.</p> <p>5. Strategic risks</p> <p>There is a risk that the Group may not benefit from its strategy, or may be able to do so only in part or at higher costs than planned, and that the implementation of planned measures may not lead to the achievement of the strategic objectives sought to be obtained.</p> <p>6. Risks from the competitive environment</p> <p>The markets in which the Group is active, particularly the German market (and, in particular, the private and corporate customer business and investment banking activities) and the Polish market, are characterised by intense competition on price and on transaction terms, which results in considerable pressure on margins.</p> <p>7. Liquidity risks</p> <p>The Group is dependent on the regular supply of liquidity and a market-wide or company-specific liquidity shortage can have material adverse effects on the Group's net assets, financial position and results of operations.</p> <p>8. Operational risks</p> <p>The Group is exposed to a large number of operational risks including the risk that employees will take excessive risks on behalf of the Group or will violate compliance-relevant regulations while conducting business activities and thereby cause considerable losses to appear suddenly, which may also lead indirectly to an increase in regulatory capital requirements.</p> <p>9. Risks from Goodwill Write-Downs</p> <p>It is possible that the goodwill reported in the Group's consolidated financial statements and brand names will have to be fully or partly written down as a result of impairment tests.</p> <p>10. Risks from bank-specific regulation</p> <p>Ever stricter regulatory capital and liquidity standards and procedural and reporting requirements may call into question the business model of a number of the Group's activities, adversely affect the Group's competitive position, reduce the Group's profitability, or make the raising of additional equity capital necessary. Other regulatory reforms proposed in the wake of the financial crisis, for example, requirements such as the bank levy, a possible financial transaction tax, the separation of the deposit-taking business from proprietary trading, proprietary transactions and credit and</p>

Element	Description of Element	Disclosure Requirement
		<p>guarantee transactions with certain leveraged funds, or stricter disclosure and organizational obligations may materially influence the Group's business model and competitive environment.</p> <p>11. Legal risks</p> <p>Legal disputes may arise in connection with Commerzbank's business activities, the outcomes of which are uncertain and which entail risks for the Group. For example, claims for damages on the grounds of flawed investment advice have led to substantial liabilities for the Group and may also lead to further substantial liabilities for the Group in the future. Payments and restoration of value claims have been asserted against Commerzbank and its subsidiaries, in some cases also in court, in connection with profit participation certificates and trust preferred securities they have issued. The outcome of such proceedings may have material adverse effects on the Group that go beyond the claims asserted in each case. Regulatory, supervisory and judicial proceedings may have a material adverse effect on the Group. Proceedings brought by regulators, supervisory authorities and prosecutors may have material adverse effects on the Group.</p>
		<p><i>[Include Element D.3 only if Annex V or XIII of the PD Regulation applies]</i></p>
<p>[D.3</p>	<p>Key risks specific to the Notes</p>	<p>There are also risks associated with the Notes, including a range of market risks, as follows:*</p> <ol style="list-style-type: none"> 1. the Notes may not be a suitable investment for all investors – each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances; 2. if the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds to achieve a similar effective return; 3. if the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned; 4. Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates; 5. the conditions of the Notes may be modified without the consent of the holder in certain circumstances; 6. the holder may not receive payment of the full amounts due in respect of the Notes as a result of amounts being withheld by the

* Delete such of the following bullet points as are not applicable when preparing an issue specific summary.

Element	Description of Element	Disclosure Requirement
		<p>Issuer in order to comply with applicable law;</p> <p>7. investors are exposed to the risk of changes in law or regulation affecting the value of Notes held by them;</p> <p>8. investors who purchase Notes in denominations that are not an integral multiple of the specified denomination may be adversely affected if definitive Notes are subsequently required to be issued;</p> <p>9. there may be no or only a limited secondary market in the Notes and this would adversely affect the value at which an investor could sell his Notes;</p> <p>10. in determination of the price of Notes in the secondary market, the prices provided by the market maker may deviate from an actuarial value of the Notes and/or the price to be expected from a commercial perspective, which would have formed in a liquid market at the relevant time in which several market makers acting independently of each other provide prices;</p> <p>11. the value of an investor's investment may be adversely affected by exchange rate movements where the Notes are not denominated in the investor's own currency;</p> <p>12. changes in interest rates will affect the value of Notes which bear interest at a fixed rate;</p> <p>13. credit ratings assigned to the Issuer may not reflect all the risks associated with an investment in the Notes;</p> <p>14. if an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes;</p> <p>15. the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities which may restrict certain investments;</p> <p>16. there may be restricted secondary trading because of non-availability of electronic trading systems;</p> <p>17. if there is no secondary market immediately before final maturity the redemption amount may change between the last trading day and the scheduled maturity date which may be to the investor's disadvantage;</p> <p>18. the obligations under the Notes constitute direct, unconditional, unsecured obligations of the Issuer and, unless otherwise provided by applicable law, rank at least <i>pari passu</i> with all other</p>

Element	Description of Element	Disclosure Requirement
		<p>unsubordinated obligations of the Issuer;</p> <p>19. the value of the Notes could be adversely affected by a change in English law or administrative practice;</p> <p>20. if the Issuer determines that the performance of its obligations under the Notes or that any arrangement to hedge its obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in whole or in part for any reason, the Issuer may redeem the Notes;</p> <p>21. if an issue of Notes includes provisions dealing with the occurrence of an event that leads to postponement of valuation and/or calculation on a different basis, any such postponement and/or calculation on a different basis may have an adverse effect on the value of such Notes;</p> <p>22. an optional redemption feature of Notes is likely to limit their market value;</p> <p>23. Notes may be subject to automatic early redemption on the occurrence of an Automatic Early Redemption Event;</p> <p>24. certain Notes are to be held in a manner which will allow Eurosystem eligibility. Such Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life; and/or</p> <p>25. investors who purchase Bearer Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if Definitive Bearer Notes are subsequently required to be issued.]</p>
		<p><i>[Include Element D.6 only if Annex XII of the PD Regulation applies]</i></p>
<p>[D.6]</p>	<p>Risk warning</p>	<p>In the event of the insolvency of the Issuer or if it is otherwise unable or unwilling to repay the Notes when repayment falls due, an investor may lose all or part of his investment in the Notes. There are also risks associated with the Notes, including a range of market risks, as follows:*</p> <p>1. leveraged exposure will magnify losses when the Underlying moves against expectations;</p>

* Delete such of the following bullet points as are not applicable when preparing an issue specific summary.

Element	Description of Element	Disclosure Requirement
		<p>2. the Notes will represent an investment linked to the economic performance of the relevant Underlying(s) and prospective investors should note that the return (if any) on their investment in such Notes will depend upon the performance of such Underlying(s);</p> <p>3. a Note will not represent a claim against any Underlying and, in the event of any loss, a Holder will not have recourse under a Note to any Underlying;</p> <p>4. the Issuer and its Affiliates may hedge themselves against the financial risks associated with the issue of the Notes by performing hedging activities in relation to the relevant Underlying. Such activities in relation to the Notes may influence the market price of the Underlying;</p> <p>5. there may be potential conflicts of interest within the COMMERZBANK Group, which may also engage in trading activities (including hedging activities) relating to the Underlying and other instruments or derivative products based on or relating to the Underlying of any Notes;</p> <p>6. the Issuer may issue Preference Share Linked Notes where the Final Redemption Amount is determined by reference to the changes in the value of the preference shares issued by the Preference Share Issuer, and an investment in Preference Share Linked Notes will entail significant risks not associated with a conventional debt or equity security.</p> <p>If, as a result of the performance of the asset or basis of reference underlying the Preference Shares ("Preference Share Underlying"), the performance of the Preference Shares is negative, the value of the Preference Share Linked Notes will be adversely affected.</p> <p>An investment in Preference Share Linked Notes is not the same as an investment in the Preference Shares and does not confer any legal or beneficial interest in the Preference Shares or any Preference Share Underlying or any voting rights, right to receive dividends or other rights that a holder of the Preference Shares or any Preference Share Underlying may have;</p>
		<p>7. the Issuer may issue W&C Linked Notes where the Final Redemption Amount is determined by reference to the changes in the value of warrants or other certificates issued by the Issuer or another entity. Potential investors in W&C Linked Notes should be aware that an investment in W&C Linked Notes will entail significant risks not associated with a conventional debt or equity security.</p> <p>If, as a result of the performance of the asset or basis of reference underlying the relevant warrants or certificates ("W&C Securities</p>

Element	Description of Element	Disclosure Requirement
		<p>Underlying"), the performance of the W&C Securities is negative, the value of the W&C Linked Notes will be adversely affected.</p> <p>An investment in W&C Linked Notes is not the same as an investment in the W&C Securities and does not confer any legal or beneficial interest in the relevant warrants or certificates or any W&C Securities Underlying or any rights that a holder of the relevant warrants or certificates or any W&C Securities Underlying may have.</p> <p>[Insert relevant risks factors from D.3]</p>

Section E – Offer

Element	Description of Element	Disclosure Requirement
		[Include Elements E.2b and E.3 only if Annex V or XII of the PD Regulation apply]
E.2b	Reasons for the offer and use of proceeds	<p>The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit, and may also be applied for particular uses, as determined by the Issuer.*</p> <p>The net proceeds from the issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit [and [●]].</p>
E.3	Terms and conditions of the offer	<p>Under the Programme, the Notes may be offered to the public in a Non-Exempt Offer in Luxembourg, Ireland and the United Kingdom.*</p> <p>The terms and conditions of each offer of Notes will be determined by agreement between the Issuer and the relevant Dealers at the time of issue and specified in the applicable Final Terms. An Investor intending to acquire or acquiring any Notes in a Non-exempt Offer from an Authorised Offeror will do so, and offers and sales of such Notes to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.*</p> <p>[The Notes are not being offered to the public as part of a Non-Exempt Offer.]</p> <p>[This issue of Notes is being offered in a Non-Exempt Offer in</p>

* Delete this paragraph when preparing an issue specific summary.

Element	Description of Element	Disclosure Requirement
		<p>[Ireland][Luxembourg][the United Kingdom].</p> <p>[The issue price of the Notes is [●] per cent. of their nominal amount.]</p> <p>[Offer Price: [Issue Price/Not Applicable/specify]</p> <p>[Conditions to which the offer is subject:] [Not Applicable/give details]</p> <p>[Description of the application process:] [Not Applicable/give details]</p> <p>[Details of the minimum and/or maximum amount of application:] [Not Applicable/give details]</p> <p>[Manner and date in which results of the offer are to be made public:] [Not Applicable/give details]</p> <p>Other Terms and Conditions of the Offer: [Not Applicable/give details]</p>
E.4	Any interest material to the issue/offer including conflicts of interests	<p>The relevant Dealer(s) may be paid fees in relation to any issue of Notes under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.*</p> <p>[Insert any conflicts of interest][The [Dealer(s)/Managers] will be paid aggregate commissions equal to [●] per cent. of the nominal amount of the Notes. Any [Dealer/Manager] and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]</p> <p>[Other than as mentioned above,[and save for [●],] so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.]</p>
E.7	Estimated expenses charged to	<p>[Not Applicable – No expenses will be charged to investors by the Issuer.]</p> <p>[The expenses charged to the investor by the Issuer will be [●]].</p>

* Delete this paragraph when preparing an issue specific summary.

Element	Description of Element	Disclosure Requirement
	the investor by the Issuer	

OVERVIEW OF THE PROGRAMME

The following section applies to both Exempt Notes and Non-exempt Notes.

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of Notes other than Exempt Notes and, if appropriate, a supplement to the Base Prospectus or a new Base Prospectus will be published.

This Overview (for the purposes of Non-exempt Notes only) constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing Directive 2003/71.EC (the "**Prospectus Regulation**").

Words and expressions defined in the "Form of Notes" and the "Terms and Conditions of the Notes" and in the remainder of this Base Prospectus shall have the same meanings in this overview.

Issuer: Commerzbank Aktiengesellschaft.

The Issuer is a stock corporation under German law. The Issuer'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 Issuer is registered in the commercial register of the lower regional court (*Amtsgericht*) of Frankfurt am Main under the number HRB 32 000.

Description: Note Programme.

Calculation Agent: Commerzbank Aktiengesellschaft or such other calculation agent specified in the applicable Final Terms (or in the case of Exempt Notes, the applicable Pricing Supplement).

Arranger: Commerzbank Aktiengesellschaft.

Initial Dealer: Commerzbank Aktiengesellschaft.

Notes may also be issued to other dealers and third parties.

Principal Paying Agent: Commerzbank Aktiengesellschaft.

Euroclear Registrar: Computershare Investor Services (Guernsey) Limited.

Form of Notes:	<p>Notes (other than Uncertificated Notes) will be issued in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s).</p> <p>Notes may also be issued in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001 (as amended, modified or re-enacted and such other regulations made under Sections 783, 784(3), 785 and 788 of the Companies Act 2006 as are applicable to the Euroclear Registrar) ("Uncertificated Notes"). Title to the Uncertificated Notes is recorded on the relevant Operator register of eligible debt securities (as defined in the Uncertificated Securities Regulations 2001) and the relevant "Operator" (as such term is used in the Regulations) is Euroclear UK & Ireland Limited or any additional or alternative operator from time to time approved by the Issuer and the Euroclear Registrar and in accordance with the Regulations.</p>
Issue Price:	Notes may be issued on a fully-paid or, in the case of Exempt Notes, partly-paid basis at an issue price which is at par or a discount to, or a premium over, par.
Terms of Notes:	<p>Notes may be denominated or payable in any currency specified in the applicable Final Terms (or in the case of Exempt Notes, the applicable Pricing Supplement) with any agreed maturity, subject to compliance with all applicable legal and/or regulatory restrictions.</p> <p>Notes may: (i) bear interest at a fixed or floating rate; (ii) not bear interest; (iii) bear interest and/or provide that the redemption amount is calculated by reference to one or more specified certificates or warrants of the Bank or another issuer or Preference Shares of the Preference Shares Issuer; (iv) reference any combination of the foregoing (each such preference share, certificate or warrant, an "Underlying" and any Underlying linked Notes which are specified as such in the applicable Final Terms (or in the case of Exempt Notes, the applicable Pricing Supplement), "Underlying Reference Linked Notes" and/or (v) be redeemed at par and/or (vi) have such other terms and conditions as are specified in the applicable Final Terms (or in the case of Exempt Notes, the applicable Pricing Supplement).</p> <p>Interest periods, interest rates and the terms of and/or amounts payable on redemption will be specified in the applicable Final Terms (or in the case of Exempt Notes, the applicable Pricing Supplement).</p> <p>The Final Terms (or in the case of Exempt Notes, the applicable Pricing Supplement) will indicate if the relevant Notes may not be redeemed prior to their stated maturity (other than in specified instalments (if applicable), following an Event of Default and acceleration of the Notes, or (if applicable) following an Additional Disruption Event), or if such Notes will be redeemable early at the option of the Issuer and/or the Holders.</p>
Denomination of Notes:	Notes will be issued in such denominations as may be agreed between

the Issuer and the relevant Dealer(s) save that the minimum denomination or issue price, as applicable, of each Note will be €1,000 (or, if the Notes are denominated or payable in a currency other than euro, such as GBP, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Events of Default: Terms of the Notes contain, among others, events of default covering non-payment or non-delivery and relating to the insolvency of the Issuer.

Underlying Reference Linked Notes

Amounts payable: Amounts payable in respect of Underlying Reference Linked Notes will be calculated by reference to the relevant Underlying(s).

Adjustment and Early Redemption/Cancellation: In certain situations, Underlying Reference Linked Notes may be subject to (a) adjustments or postponement of valuation and/or payment, (b) early redemption or cancellation, (c) adjustment at the discretion of the Calculation Agent and/or (d) substitution of the underlying.

Preference Share Linked Notes: The redemption amount payable in respect of Preference Share Linked Notes will be calculated by reference to the performance of a single specified preference share of Commerz Pearl Limited (the "**Preference Share Issuer**").

Preference Share Linked Notes will be subject to early redemption if certain events (such as insolvency, merger or nationalisation of the Preference Share Issuer or a tender offer) occur, or if certain events, (such as illegality disruptions or cost increases) occur with respect to the Issuer's or any affiliate's hedging arrangements, or if insolvency filings are made with respect to the Preference Share Issuer or if the Issuer, or any of its affiliates, receives notice from the Preference Share Issuer that the relevant preference shares are to be redeemed prior to the Maturity Date.

W&C Linked Notes: Amounts payable in respect of W&C Linked Notes will be calculated by reference to other certificates or warrants issued by the Bank or another issuer.

W&C Linked Notes will be subject to early redemption (a) if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any affiliates hedging arrangements, or if insolvency filings are made with respect to the issuer of the relevant warrants or certificates or (b) if the relevant warrants or certificates are cancelled or terminated (other than by reason of a scheduled exercise) or are subject to an early cancellation event.

The amount payable on early redemption as provided in (a) will be the Early Redemption Amount and the amount payable on early redemption as provided in (b) will be the Early W&C Cancellation Note

Amount.

Approval, listing and admission to trading:

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made for Notes issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s), including on the London Stock Exchange or the Irish Stock Exchange, as determined by the Issuer. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or markets.

Governing law:

The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law.

Selling Restrictions – United States:

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**") or under any state securities laws and the Notes may not be offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any U.S. Person (as defined below). Furthermore, trading in the Notes has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act, as amended (the "**Commodity Exchange Act**") and no U.S. Person may at any time trade or maintain a position in the Notes.

As used herein, "**U.S. Person**" means (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-U.S. Persons; (vii) a "U.S. Person" as defined in Regulation S under the Securities Act ("**Regulation S**"); (viii) a person other than a "Non-United States person" as defined in Rule 4.7 under

the Commodity Exchange Act; (xi) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the CFTC; or (x) any other "U.S. person" as such term may be defined in regulations or guidance adopted under the Commodity Exchange Act.

Selling Restrictions – Other:

There are restrictions on the offer, sale and transfer of the Notes in the United Kingdom, the United States of America, Ireland and under the Prospectus Directive and the laws of any other jurisdiction in which the relevant Notes are offered or sold (see "*Offering and Sale*").

Certain Restrictions:

Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Offering and Sale*").

RISK FACTORS

The following section applies to both Exempt Notes and Non-exempt Notes.

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay any cash amounts in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to them or which they may not currently be able to anticipate. As the risks which the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should read, among other things, the risks and uncertainties described below and the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

AN INVESTMENT IN NOTES LINKED TO ONE OR MORE UNDERLYINGS MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT BELOW. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OF THE NOTES MAY BE LESS THAN THE NOMINAL AMOUNT OR ISSUE PRICE OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.

CERTAIN ISSUES OF NOTES INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

ADDITIONAL RISKS THAT ARE NOT KNOWN AT THE DATE OF PREPARATION OF THIS PROGRAMME AND THE APPLICABLE FINAL TERMS (OR PRICING SUPPLEMENT IN THE CASE OF EXEMPT NOTES) OR CURRENTLY BELIEVED TO BE IMMATERIAL COULD LIKEWISE HAVE AN ADVERSE EFFECT ON THE VALUE OF THE NOTES.

Terms used in this section and not otherwise defined shall have the meanings given to them in the Conditions.

Risk Factors Relating to Commerzbank

See the section entitled "Risk Factors relating to the COMMERZBANK Group" contained on pages 4 to 40 of the Registration Document which is incorporated by reference in this Base Prospectus and which discloses all material risks relating to Commerzbank's ability to fulfil its obligations under the Notes to investors.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all the information contained in the applicable Final Terms (or, in the case of Exempt Notes, the Pricing Supplement);
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with amounts payable in one or more currencies, or where the Specified Currency of the Notes is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) 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 its investment and its ability to bear the applicable risks.

In addition, an investment in Notes may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out in "*Risks related to the structure of a particular issue of Notes*" set out below.

The Notes are complex financial instruments. Sophisticated investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk.

The secondary market and trading in the Notes

Investors should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Base Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Issuer. The Issuer cannot predict when these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes at that time.

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate, currency or 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 Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

In addition, there may not be a market maker for the Notes, i.e. someone who undertakes to provide purchasing and selling prices for the Notes subject to normal market conditions. Even if there is a market maker, the market maker does not undertake to provide prices under all circumstances. If there is a market maker, it may be the Issuer that assumes this function.

If there is a market maker for the Notes it may only provide purchasing and selling prices for the Notes under regular market conditions. In the event of extraordinary market conditions or volatile markets, the market maker may not provide purchasing and/or selling prices. Even in regular market conditions, a market maker does not assume any legal responsibility towards the holders of the Notes to provide prices and/or that such prices are reasonable. A market maker may undertake to certain stock exchanges or quotation systems, in accordance with the relevant stock exchange or quotation system rules, to provide purchasing and selling prices with regard to specific order or securities volumes under regular market conditions. That obligation, however, will be to the relevant stock exchange or quotation system only and not to third parties, including the holders of the Notes. This means that the holders of the Notes cannot rely on their ability to sell the Notes at a certain time or price. In particular, a market maker is not obliged to buy back the Notes during their term.

Even if market making activities occur at any time during the term of the Notes, this does not mean that such market making activities will continue for the full term of the Notes.

Determination of the price of the Notes in the secondary market

If there is a market maker for Notes, such market maker will determine the purchasing and selling prices for such Notes in the secondary market (if such a secondary market exists) on the basis of internal pricing models and a number of other factors. These factors may include (but are not limited to) the actual value of the Notes, the price of the Underlying(s), supply and demand with regard to the Notes, costs for risk hedging and risk assumption, margins and commissions.

Some of these factors may not have a consistent effect on the price of the Notes for the duration of the term, but may be taken into account at the market maker's discretion at any time. This may include the margin included in the issue price, management fees and paid or expected yields on the Underlying which - based on the characteristics of the Notes - may be retained by the Issuer. This can also affect the pricing process in the secondary market.

Thus, the prices provided by the market maker may deviate from an actuarial value of the Notes and/or the price to be expected from a commercial perspective, which would have formed in a liquid market at the relevant time in which several market makers acting independently of each other provide prices. In addition, the market maker may change the method based on which it determines the prices provided by it at any time.

If, during the opening hours of secondary market trading in the Notes by a market maker and/or the opening hours of the stock exchange or quotation system on which the Notes are traded, the Underlying is also traded on an exchange or quotation system, the trading price of the Underlying will be taken into account in the valuation of the Notes. If, however, the Underlying is not traded or quoted on the relevant exchange or quotation system is closed while the Notes are traded, the price of the Underlying will be estimated. In particular this applies to Underlying that are quoted or traded in other time zones, such as North America or Asia. If the price of the Underlying is estimated, such an estimate may turn out to be too high or too low in which case the prices provided by the market maker in respect of the Notes may also be too high or too low.

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

A market maker normally provides purchasing and selling prices for on- and off-exchange trading via an electronic trading system. If the availability of the relevant electronic trading system is restricted or suspended, this will negatively affect the Notes' tradability.

No secondary market immediately before final maturity

A market maker and/or a stock exchange or quotation system may cease trading in the Notes before their scheduled Maturity Date. However, the price of the Underlying or the redemption amount may change between the last trading day and the scheduled maturity date. This may be to the investor's disadvantage.

In addition, there is a risk that a barrier stipulated in the Conditions, is reached, not reached or exceeded for the first time prior to final maturity after secondary market trading has ended.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay amounts payable on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the Final Redemption Amount or Early Redemption Amount in respect of the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, the Final Redemption Amount that investors may receive may be less than expected, or zero.

Risk of Leveraged Exposure

Leverage involves the use of a number of financial techniques to increase the exposure to an Underlying, and can therefore magnify both returns and losses. While the use of leverage allows for potential multiples of a return (assuming a return is achieved) when the Underlying moves in the anticipated direction, it will conversely magnify losses when the Underlying moves against expectations. If the relevant Notes include leverage, potential purchasers should note that these Notes will involve a higher level of risk, and that whenever there are losses such losses may be higher than those of a similar security which is not leveraged. Investors should therefore only invest in leveraged Notes if they fully understand the effects of leverage.

Effect of Credit Rating Reduction

The value of the Notes is expected to be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by the ratings accorded to the Issuer's outstanding securities by standard statistical rating services. A reduction in the rating, if any, accorded to the Issuer's outstanding debt securities by one of these rating agencies could result in a reduction in the trading value of the Notes.

Credit ratings assigned to the Issuer may not reflect all the risks associated with an investment in the Notes.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing by it and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

EU financial transaction tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT may give rise to tax liabilities for the Issuer or the issuer of an Underlying with respect to certain transactions if it is adopted based on the Commission's proposal. Examples of such transactions are the

conclusion of derivative contracts, the purchase or sale of securities or the exercise/settlement of a warrant. The Issuer may, in certain circumstances, be able to pass on such tax liabilities to holders of the Notes and therefore this may result in investors receiving less than expected in respect of the Notes. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of Regulation EC No 1287/2006 are exempt. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

However, the FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Moreover, once the proposed Directive has been agreed and adopted (the "FTT Directive"), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the FTT Directive might deviate from the FTT Directive itself. Prospective holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

Risks in connection with the Act on the Recovery and Resolution of Institutions and Financial Groups, with the EU Regulation establishing a Single Resolution Mechanism, and with the proposal for a new EU regulation on the mandatory separation of certain banking activities

The Act on the Recovery and Resolution of Institutions and Financial Groups (*Gesetz zur Sanierung und Abwicklung von Instituten und Finanzgruppen – SAG*) – which is the transposition into German law of the EU framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU, the "**Bank Recovery and Resolution Directive**" or "**BRRD**") may result, inter alia, in the terms of the Notes (e.g. their maturity or the abolition of existing termination rights) being varied, and claims for payment of principal, interest or other amounts under the Notes being subject to a conversion into one or more instruments that constitute common equity tier 1 capital for the Issuer, such as ordinary shares, or a permanent reduction, including to zero, by intervention of the competent resolution authority. Each of these measures is hereinafter referred to as a "**Regulatory Bail-in**". The holders of Notes would have no claim against the Issuer in such a case and there would be no obligation of Issuer to make payments under the Notes. This would occur if the Issuer becomes, or is deemed by the competent supervisory authority to have become, "non-viable" (as defined under the then applicable law) and unable to continue its regulated activities without such conversion or write-down or without a public sector injection of capital. The resolution authority will have to exercise its power in a way that results in (i) common equity tier 1 capital instruments (such as ordinary shares of the Issuer) being written down first in proportion to the relevant losses, (ii) thereafter, the principal amount of other capital instruments (additional tier 1 capital instruments and tier 2 capital instruments) being written down on a permanent basis or converted into common equity tier 1 capital instruments in accordance with their order of priority and (iii) thereafter, eligible liabilities – as those under the Notes – being converted into common equity tier 1 capital instruments or written down on a permanent basis in accordance with a set order of priority. The extent to which the Notes may be subject to a Regulatory Bail-in will depend on a number of factors that are outside the Issuer's control, and it will be difficult to predict when, if at all, a Regulatory Bail-in will occur. Potential investors should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest if a Regulatory Bail-in occurs. Financial public support will normally only be available as a last resort after having assessed and exploited, to the maximum extent practicable, the resolution tools, including the Regulatory Bail-in. The Resolution Mechanism Act (*Abwicklungsmechanismengesetz; "AbwMechG"*) provides, inter alia, that, in the event of an insolvency proceeding, certain senior unsecured debt instruments (such as the Notes) (excluding debt instruments whose payoff (i) is contingent on the occurrence or non-occurrence of a future uncertain event other than the evolution of a reference interest rate, or (ii) is settled other than by way of a money payment) shall by operation of law only be satisfied after any and all other non-subordinated obligations of the Issuer

have been fully satisfied. As a consequence, a larger loss share will be allocated to these instruments in an insolvency or bail-in scenario. Such change of the insolvency waterfalls and sequence of bail-in shall only become applicable from 1 January 2017 but is intended to have retrospective effect and would thus affect any Notes then outstanding. Liability holders have a right to compensation if the treatment they receive in resolution is less favourable than the treatment they would have received under normal insolvency proceedings. This assessment must be based on an independent valuation of the Issuer. Compensation payments, if any, may be considerably later than contractual payment dates (in the same way that there may be a delay in recovering value in the event of insolvency). Potential investors should also consider that the liquidity of the secondary market in any unsecured debt instruments may be sensitive to changes in financial markets and existing liquidity arrangements (for example, re-purchase agreements by the Issuer) might not protect investors from having to sell these instruments at substantial discount below their principal amount, in case of financial distress of the Issuer. In the event of resolution, a transfer of assets to a bridge bank or in a sale of business may also limit the capacity of the Issuer to meet repayment obligations.

Further, the EU Regulation establishing a Single Resolution Mechanism ("**SRM**") contains provisions relating to resolution planning, early intervention, resolution actions and resolution instruments that should become applicable as of 1 January 2016. The SRM will apply to all banks supervised by the Single Supervisory Mechanism ("**SSM**"), and thus also to the Issuer. It will mainly consist of a Single Resolution Board ("**Board**") and a Single Resolution Fund ("**Fund**"). This framework should be able to ensure that, instead of national resolution authorities, there will be a single authority – i.e. the Board – which will take all relevant decisions for banks being part of the Banking Union.

On 29 January 2014, the European Commission adopted a proposal for a new regulation following the recommendations released on 31 October 2012 by the High Level Expert Group (the "**Liikanen Group**") on the mandatory separation of certain banking activities. The proposed regulation contains new rules to stop the biggest and most complex banks from engaging in the activity of proprietary trading and would also give supervisors the power to require those banks to separate certain trading activities from their deposit-taking business if the pursuit of such activities compromises financial stability. Alongside this proposal, the Commission has adopted accompanying measures aimed at increasing transparency of certain transactions in the shadow banking sector. These rules are in many respects stricter than the requirements under the German bank separation law (sections 3(2)-(4), 25f, 64s of the German Banking Act (Kreditwesengesetz – KWG)).

The proposed regulation will apply to European banks that exceed the following thresholds for three consecutive years: a) total assets are equal to or exceed €30 billion; b) total trading assets and liabilities are equal to or exceed €70 billion or 10% of their total assets. The banks that meet the aforementioned conditions will be automatically banned from engaging in proprietary trading defined narrowly as activities with no hedging purposes or no connection with customer needs. In addition, such banks will be prohibited also from investing in or holding shares in hedge funds, or entities that engage in proprietary trading or sponsor hedge funds. Other trading and investment banking activities - including market-making, lending to venture capital and private equity funds, investment and sponsorship of complex securitisation, sales and trading of derivatives – are not subject to the ban, however they might be subject to separation. The proprietary trading ban would apply as of 1 January 2017 and the effective separation of other trading activities would apply as of 1 July 2018. Should a mandatory separation be imposed, additional costs are not ruled out, in terms of higher funding costs, additional capital requirements and operational costs due to the separation, lack of diversification benefits.

U.S. Foreign Account Tax Compliance Act Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

Whilst the Notes are in global form and held within Euroclear Bank SA/NV or Clearstream Banking, société anonyme (together the "ICSDs"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs (See "*Taxation – FATCA Disclosure – Foreign Account Tax Compliance Act*"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax advisor to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has made payment to, or to the order of, the common depository or common safekeeper for the ICSDs (as bearer or registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an "IGA") are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

U.S. Hiring Incentives to Restore Employment Act withholding may affect payments on the Notes

The U.S. Hiring Incentives to Restore Employment Act imposes a 30 per cent. withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "*Taxation – FATCA Disclosure – U.S. Hiring Incentives to Restore Employment Act*".

Risks relating to Notes generally

Notes are Unsecured Obligations

The obligations under the Notes constitute direct, unconditional, unsecured obligations of the Issuer and, unless otherwise provided by applicable law, rank at least *pari passu* with all other unsubordinated obligations of the Issuer. They are not secured by the Deposit Protection Fund of the Association of German Banks (*Einlagensicherungsfonds des Bundesverbands deutscher Banken e.V.*), or by the German Deposit Guarantee and Investor Compensation Act (*Einlagensicherungs- und Anlegerentschädigungsgesetz*) or by the UK Financial Services Compensation Scheme. This means that the investor bears the risk that the Issuer's financial situation may worsen and that the Issuer might therefore become subject to a reorganisation proceeding (*Reorganisationverfahren*) or transfer order (*Übertragungsanordnung*) under German bank restructuring law or that insolvency proceedings might be instituted with regard to its assets, and therefore payments due under the Notes may not or may only be partially made. Under these circumstances, a total loss of the investor's capital may occur.

Underlying Reference Linked Notes

The Notes involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Purchasers should be prepared to sustain a total loss of the purchase price of the Notes. Prospective purchasers of Notes should understand the risks of transactions involving the relevant Notes and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Notes in light of their particular financial circumstances, the information set forth

herein and the information regarding the relevant Notes and the particular Underlying to which the value of, or payments or deliveries in respect of, the relevant Notes may relate, as specified in the applicable Final Terms (or Pricing Supplement in the case of Exempt Notes).

The Notes will represent an investment linked to the economic performance of the relevant Underlying(s) and prospective investors should note that the return (if any) on their investment in such Notes will depend upon the performance of such Underlying(s). Potential investors should also note that whilst the market value of such Notes is linked to such Underlying(s) and will be influenced (positively or negatively) by such Underlying(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the relevant Underlying(s) will vary over time. In contrast to a direct investment in the relevant Underlying(s), Notes represent the right to receive payment of the Final Redemption Amount(s) as well as periodic payments of interest (if specified in the applicable Final Terms or, in the case of Exempt Notes, the Pricing Supplement), all or some of which and the value of which will be determined by reference to the performance of the relevant Underlying(s).

As the amounts payable in respect of Notes are linked to the performance of the relevant Underlying(s), a purchaser of such a Note must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Underlying(s) to ensure a successful investment. Assuming all other factors are held constant, the lower the value of such a Note and the shorter the remaining term to redemption or cancellation, as applicable, the greater the risk that purchasers of such Note will lose all or part of their investment.

The Notes may be principal protected or non-principal protected at maturity. Investors in Notes that are non-principal protected at maturity may risk losing their entire investment if the value of the relevant Underlying(s) does not move in the anticipated direction.

Therefore potential investors in Notes should be aware that depending on the terms of the Underlying Reference Linked Notes (i) they may receive no or a limited amount of interest, (ii) payments may occur at a different time than expected and (iii) except in the case of Notes which are principal protected at maturity, they may lose all or a substantial portion of their investment if the level or value of the Underlying(s) does not move in the anticipated direction.

PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE FINAL TERMS (OR IN THE CASE OF EXEMPT NOTES, THE PRICING SUPPLEMENT) TO ASCERTAIN THE NATURE OF THE RELEVANT UNDERLYING(S) AND HOW THE FINAL REDEMPTION AMOUNT AND ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED AND WHEN SUCH AMOUNTS ARE PAYABLE BEFORE MAKING ANY DECISION TO PURCHASE ANY NOTES.

Fluctuations in the value and/or volatility of the relevant Underlying(s) will affect the value of the relevant Notes. Other factors which may influence the market value of Notes include interest rates, interest payments (as applicable) in respect of the relevant Underlying(s), changes in the method of calculating the relevant Underlying(s) from time to time and market expectations regarding the future performance of the relevant Underlying(s), its composition and the Notes.

The Issuer may issue several issues of Notes relating to a particular Underlying. However, no assurance can be given that the Issuer will issue any such Notes other than the Notes to which a particular Final Terms (or Pricing Supplement in the case of Exempt Notes) relates. At any given time, the number of Notes outstanding may be substantial. Notes provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the relevant Underlying(s).

No claim against any Underlying

A Note will not represent a claim against any Underlying and, in the event of any loss, a Holder will not have recourse under a Note to any Underlying.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The terms of the Conditions are based on English law 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 English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Illegality of Notes

If the Issuer determines that the performance of its obligations under the Notes or that any arrangement to hedge its obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in whole or in part for any reason, the Issuer may redeem the Notes.

If, to the extent permitted by applicable law, the Issuer redeems the Notes, then the Issuer will redeem each Note at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption which may be less than the purchase price of the Notes and may in certain circumstances be zero.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors

The Conditions provide that the Issuer and the Principal Paying Agent or (in the case of Uncertificated Notes) the Euroclear Registrar may, without the consent of Noteholders and without regard to interests of particular holders, agree to (i) any modification (subject to certain specific exceptions) of the Notes or the Amended and Restated Agency Agreement or the Amended and Restated Euroclear Agreement, as applicable, which is not prejudicial to the interests of the Noteholders or (ii) any modification of the Notes or the Amended and Restated Agency Agreement or the Amended and Restated Euroclear Agreement, as applicable, which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law.

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Partly-paid Notes

The Issuer may issue Exempt Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Notes subject to optional redemption at option of the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Automatic Early Redemption

Notes may be subject to automatic early redemption on the occurrence of an Automatic Early Redemption Event. The Notes will be redeemed at the Automatic Early Redemption Amount. The Automatic Early Redemption Amount may be lower, and in some cases significantly lower than the amount investors would have received if the Notes had not been subject to such Automatic Early Redemption Event.

Hedging risks

The Issuer and its Affiliates may hedge themselves against the financial risks associated with the issue of the Notes by performing hedging activities in relation to the relevant Underlying. Such activities in relation to the Notes may influence the market price of the Underlying. This will particularly be the case at the end of the term of these Notes. The termination of hedging positions may have a negative influence on the value of the Notes or payments to which holders of the Notes are entitled.

Prospective purchasers of Notes may not be able to enter into hedging transactions that exclude or limit their risks in connection with the purchase of the Notes. The ability to enter into hedging transactions depends on market conditions and the Underlying.

Potential Conflicts of Interest

Certain entities within the COMMERZBANK Group may also engage in trading activities (including hedging activities) relating to the Underlying and other instruments or derivative products based on or relating to the Underlying of any Notes for their proprietary accounts or for other accounts under their management. Entities within the COMMERZBANK Group may also issue other derivative instruments in respect of the Underlying. Entities within the COMMERZBANK Group may also act as underwriter in connection with future offerings of shares or other securities issued by the issuer of an Underlying or may act as financial adviser to such companies or in a commercial banking capacity for such companies. In the course of this business, the Issuer, the Calculation Agent and any of their respective Affiliates may acquire non-public information about the Underlying (or its issuer) and the Issuer, the Calculation Agent or any of their respective Affiliates may publish research reports about them. This research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding Underlying Reference Linked Notes. Such activities could present certain conflicts of interest, could influence the prices of such Underlyings, or could adversely affect the value of such Notes. Commerzbank Aktiengesellschaft or any of its Affiliates may also act as distributor in respect of such Underlying Reference Linked Notes.

In respect of Preference Share Linked Notes, the Bank is the issuer and, unless otherwise specified in the applicable Final Terms (or Pricing Supplement in the case of Exempt Notes), is also the calculation agent in respect of Preference Share Linked Notes and also acts as calculation agent in respect of the Preference Shares (the "**Preference Share Calculation Agent**"). Potential conflicts of interest may arise for the Bank in acting in its respective capacities. The Preference Share Issuer may also rely on members of the Group (including the Preference Share Calculation Agent) or other service providers to perform its operational requirements. In the event any relevant Group entities or other service providers fail to perform any obligations, this may adversely affect the value of the Preference Shares and potentially the amounts payable under the Preference Share Linked Notes. In addition to providing calculation agency services to the Preference Share Issuer, the Bank or any of its affiliates may perform further or alternative roles relating to the Preference Share Issuer and any series of Preference Shares including, but not limited to, for example, being involved in arrangements relating to any of the underlying reference assets (for example as a calculation agent). Further, the Bank or any of its affiliates may contract with the Preference Share Issuer and/or enter into transactions, including hedging transactions, which relate to the Preference Share Issuer or the Preference Shares and as a result the Bank may face a conflict between its obligations as Preference Share Calculation Agent and its and/or its affiliates' interests in other capacities.

In the case of W&C Linked Notes, the Bank is the issuer and, unless otherwise specified in the applicable Final Terms (or Pricing Supplement in the case of Exempt Notes), is also the calculation agent in respect of W&C Linked Notes and may also be the issuer and/or the calculation agent in respect of the certificates or warrants underlying the Notes (the "**Certificate Calculation Agent**"). Potential conflicts of interest may arise for the Bank in acting in each of these capacities. In addition as issuer or calculation agent in respect of the certificates or warrants underlying the Notes the Bank or any of its affiliates may perform further or alternative roles including, but not limited to, being involved in arrangements relating to any of the underlying reference assets (for example as a calculation agent). Further, the Bank or any of its affiliates may enter into transactions, including hedging transactions, which relate to the certificates or warrants underlying the Notes and as a result the Bank may face a conflict between its obligations as issuer of the certificates or warrants underlying the Notes or Certificate Calculation Agent and its and/or its affiliates' interests in other capacities.

Because the Calculation Agent may be an Affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgments that the Calculation Agent must make. The Calculation Agent is obligated to carry out its duties and functions as Calculation Agent using its reasonable judgment; however, subject to always acting only within the parameters allowed by the terms and conditions of the Notes, it has no responsibility to take investors' interests into account.

Subject to any relevant regulatory obligations, the Bank owes no duty or responsibility to any Noteholder to avoid any conflict or to act in the interests of any Noteholder.

Eurosystem Eligibility

There may be an intention (which, if applicable, will be specified in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement) for certain Notes to be held in a manner which will allow Eurosystem eligibility. This simply means that such Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if Definitive Bearer Notes are subsequently required to be issued

In relation to any issue of Bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a Holder who, as a result of such trading, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Bearer Notes such that its holding amounts to a Specified Denomination. Further, a Holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a Definitive Bearer Note in respect of such holding (should Definitive Bearer Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum Specified Denomination.

If Definitive Bearer Notes are issued, holders should be aware that Definitive Bearer Notes which have a denomination which is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common of these features.

Risks relating to Preference Share Linked Notes

The Issuer may issue Preference Share Linked Notes where the Final Redemption Amount is determined by reference to the changes in the value of the preference shares issued by the Preference Share Issuer ("**Preference Shares**"), which may fluctuate up or down depending on the performance of the relevant underlying asset(s) or basis of reference to which the Preference Shares are linked (the "**Preference Share Underlying**") as set out in the terms and conditions of the Preference Shares (the "**Terms of the Preference Shares**"). If, as a result of the performance of the Preference Share Underlying, the performance of the Preference Shares is negative the value of the Preference Share Linked Notes will be adversely affected. Purchasers of Preference Share Linked Notes risk losing all or a part of their investment if the value of the Preference Shares falls.

Potential investors in Preference Share Linked Notes should be aware that an investment in Preference Share Linked Notes will entail significant risks not associated with a conventional debt or equity security. Potential investors in Preference Share Linked Notes should conduct their own investigations and, in deciding whether or not to purchase the Preference Share Linked Notes, prospective investors should form their own views of the merits of an investment related to the Preference Shares based upon such investigations and not in reliance on any information given in this document.

Preference Share Linked Notes will be subject to early redemption if an Extraordinary Event or, if applicable, an Additional Disruption Event occurs or if an Early Redemption Event occurs. In these circumstances the Issuer may redeem the Notes at the Early Redemption Amount or the Early Preference Share Redemption Note Amount, as applicable. The Early Redemption Amount or Early Preference Share Redemption Note Amount may be less (and in certain circumstances, significantly less) than investors' initial investment.

The Preference Share Underlying may be a specified index or basket of indices, a specified equity or basket of equities, a specified currency or basket of currencies, a specified commodity or basket of commodities or such other underlying instruments, bases of reference or factors as may be determined by the Preference Share Issuer and specified in the terms and conditions of the relevant series of Preference Shares. As with a direct investment in a Preference Share Underlying or a Preference Share, potential investors in Preference Shares Linked Notes should be aware that:

- (i) the market price of a Preference Share Underlying (and, consequently, the Preference Shares) may be volatile and may be affected by any applicable dividend, interest or other amount payable, the financial results and prospects of the relevant issuer of the Preference Share Underlying (if any) and economic, financial and political events in one or more relevant jurisdictions;
- (ii) a Preference Share Underlying (and, consequently, a Preference Share) may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (iii) if a Preference Share Underlying is applied to the Preference Share in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Preference Share Underlying on the Preference Share will be magnified (and, accordingly, may have a similarly magnified effect on the relevant Preference Share Linked Notes);

- (iv) the timing of changes in a Preference Share Underlying may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Preference Share Underlying, the greater the effect on yield; and
- (v) the historical performance of a Preference Share Underlying should not be viewed as an indication of the future performance of such Preference Share Underlying (and, correspondingly, any relevant Preference Share) during the term of any Preference Share Linked Notes.

The Terms of the Preference Shares provide that the Preference Shares will be redeemable on their final redemption date (or otherwise in accordance with the Terms of the Preference Shares). On redemption, the Preference Shares will carry preferred rights to receive an amount calculated by reference to the Preference Share Underlying.

Investors should review the Terms of the Preference Shares and consult with their own professional advisers if they consider it necessary.

Preference Share Linked Notes are linked to the performance of the relevant Preference Shares. Investors bear the risk of an investment in the Preference Share Issuer. The value of the Preference Share Linked Notes is dependent on the value of the Preference Shares, which will depend in part on the creditworthiness of the Preference Share Issuer, which may vary over the term of the Preference Share Linked Notes. The Preference Share Issuer is not an operating company. Its sole business activity is the issue of redeemable preference shares. The Preference Share Issuer does not have any trading assets and does not generate any significant net income. As its funds are limited any misappropriation of funds or other fraudulent action by the Preference Share Issuer or person acting on its behalf would have a significant effect on the value of the Preference Shares and will affect the value of the Preference Share Linked Notes.

The Calculation Agent may determine the occurrence of a Merger Event, Tender Offer, Insolvency or Additional Disruption Event in relation to the Preference Share Linked Notes. Upon such determination, the Issuer may, at its option redeem the Preference Share Linked Notes in whole at the Early Redemption Amount which may be less than the amount invested in the Preference Share Linked Notes. Noteholders will not benefit from any appreciation of the Preference Shares that may occur following such redemption.

An investment in Preference Share Linked Notes is not the same as an investment in the Preference Shares and does not confer any legal or beneficial interest in the Preference Shares or any Preference Share Underlying or any voting rights, right to receive dividends or other rights that a holder of the Preference Shares or any Preference Share Underlying may have.

Risks relating to W&C Linked Notes

The Issuer may issue W&C Linked Notes where the Final Redemption Amount is determined by reference to the changes in the value of warrants or other certificates issued by the Issuer or another entity ("**W&C Securities**"). The value of W&C Securities may fluctuate up or down depending on the performance of the relevant underlying asset(s) or basis of reference to which the W&C Securities are linked (the "**W&C Underlying**") as set out in the conditions of the W&C Securities (the "**Conditions of the W&C Securities**"). If, as a result of the performance of the W&C Underlying, the performance of the W&C Securities is negative the value of the W&C Linked Notes will be adversely affected. Purchasers of W&C Linked Notes risk losing all or a part of their investment if the value of the W&C Securities falls.

Potential investors in W&C Linked Notes should be aware that an investment in W&C Linked Notes will entail significant risks not associated with a conventional debt or equity security. Potential investors in W&C Linked Notes should conduct their own investigations and, in deciding whether or not to purchase the W&C Linked Notes, prospective investors should form their own views of the merits of an investment related to the W&C Securities based upon such investigations and not in reliance on any information given in this document.

W&C Linked Notes will be subject to early redemption if a W&C Termination Event occurs or, if applicable, an Additional Disruption Event occurs. In these circumstances the Issuer may redeem the Notes at the Early W&C Cancellation Note Amount or the Early Redemption Amount, as applicable. The Early W&C Cancellation Note Amount or Early Redemption Amount may be less (and in certain circumstances, significantly less) than investors' initial investment.

The W&C Underlying may include an index or basket of indices in each case comprising listed equities or commodities, a specified listed equity or basket of listed equities or a specified commodity or basket of commodities. As with a direct investment in a W&C Underlying or a W&C Security, potential investors in W&C Linked Notes should be aware that:

- (i) the market price of a W&C Underlying (and, consequently, the W&C Securities) may be volatile and may be affected by any applicable dividend, interest or other amount payable, the financial results and prospects of the relevant issuer of the W&C Underlying (if any) and economic, financial and political events in one or more relevant jurisdictions;
- (ii) a W&C Underlying (and, consequently, a W&C Security) may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (iii) if a W&C Underlying is applied to the W&C Security in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the W&C Underlying on the W&C Security will be magnified (and, accordingly, may have a similarly magnified effect on the relevant W&C Linked Notes);
- (iv) the timing of changes in a W&C Underlying may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the W&C Underlying, the greater the effect on yield; and
- (v) the historical performance of a W&C Underlying should not be viewed as an indication of the future performance of such W&C Underlying (and, correspondingly, any relevant W&C Security) during the term of any W&C Linked Notes.

Investors should review the Conditions of the W&C Securities and consult with their own professional advisers if they consider it necessary.

W&C Linked Notes are linked to the performance of the relevant W&C Securities. Investors bear the risk of an investment in the issuer of the W&C Securities. The value of the W&C Linked Notes is dependent on the value of the W&C Securities, which will depend in part on the creditworthiness of the issuer of the W&C Securities, which may vary over the term of the W&C Linked Notes.

The Calculation Agent may determine the occurrence of a W&C Termination Event or Additional Disruption Event in relation to the W&C Linked Notes. Upon such determination, the Issuer may, at its option redeem the W&C Linked Notes in whole at the Early W&C Cancellation Note Amount or the Early Redemption Amount, as applicable, which may be less than the amount invested in the W&C Linked Notes. Noteholders will not benefit from any appreciation of the W&C Securities that may occur following such redemption.

An investment in W&C Linked Notes is not the same as an investment in the W&C Securities and does not confer any legal or beneficial interest in the W&C Securities or any W&C Underlying or any rights that a holder of the W&C Securities or any W&C Underlying may have.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 5.4 of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in a relevant Member State of the EEA (the "Prospectus Directive").

Commerzbank Aktiengesellschaft (the "Issuer", the "Bank" or "Commerzbank", together with its consolidated subsidiaries "COMMERZBANK Group" or the "Group") with its registered office at Frankfurt am Main, Federal Republic of Germany, accepts responsibility for the information contained in this Base Prospectus and the Final Terms (or Pricing Supplement in the case of Exempt Notes) for each Tranche of Notes issued under the Programme. The Issuer hereby declares that to the best of its knowledge, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

The applicable Final Terms (or Pricing Supplement in the case of Exempt Notes) will (if applicable) specify the nature of the responsibility taken by the Issuer for the information relating to the underlying asset or basis of reference to which the relevant Notes relate and which is contained in such Final Terms (or Pricing Supplement in the case of Exempt Notes).

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 Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

The Issuer confirms that information contained in this Base Prospectus which has been sourced from a third party has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.

For convenience, the website addresses of certain parties are set out in this Base Prospectus. No part of such websites should be deemed to be incorporated in, or form part of, this Base Prospectus and neither the Issuer nor any Dealer accepts any responsibility for any information contained in such third party websites.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*" on pages 64-67). This Base Prospectus shall be read and construed on the basis that those documents are incorporated by reference and form part of this Base Prospectus.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be

considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

Investors should consult the Issuer should they require a copy of the 2006 ISDA Definitions.

IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF NOTES

Restrictions on Non-exempt Offers of Notes in relevant Member States where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a **"Non-exempt Offer"**. This Base Prospectus has been prepared on a basis that permits Non-exempt Offers of Notes in each Member State in relation to which the Issuer has given its consent, as specified in the applicable Final Terms (each specified Member State a **"Non-exempt Offer Jurisdiction"** and together the **"Non-exempt Offer Jurisdictions"**). Any person making or intending to make a Non-exempt Offer of Notes on the basis of this Base Prospectus must do so only with the Issuer's consent to the use of this Base Prospectus as provided under *"Consent given in accordance with Article 3.2 of the Prospectus Directive"* and provided such person complies with the conditions attached to that consent.

Save as provided above, neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any Non-exempt Offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Consent given in accordance with Article 3.2 of the Prospectus Directive

In the context of a Non-exempt Offer of Notes, the Issuer accepts responsibility, in each of the Non-exempt Offer Jurisdictions, for the content of this Base Prospectus in relation to any person (an **"Investor"**) who purchases any Notes in a Non-exempt Offer made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period specified in the applicable Final Terms and provided that the conditions attached to the giving of such consent for the use of this Base Prospectus are complied with. The consent and conditions attached to it are set out under *"Consent"* and *"Common Conditions to Consent"* below.

None of the Issuer or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and none of the Issuer or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

Except in the circumstances set out in the following paragraphs, the Issuer has not authorised the making of any Non-exempt Offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Non-exempt Offer of Notes. Any Non-exempt Offer made without the consent of the Issuer is unauthorised and neither the Issuer nor, for the avoidance of doubt, any Dealer accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer. If, in the context of a Non-exempt Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus for the purposes of the relevant Non-Exempt Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

The financial intermediaries referred to in paragraphs (a)(ii), (a)(iii) and (b) below are together the **"Authorised Offerors"** and each an **"Authorised Offeror"**.

Consent

In connection with each Tranche of Notes and subject to the conditions set out below under "*Common Conditions to Consent*":

Specific Consent

- (a) the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of such Notes by:
 - (i) the relevant Dealer(s) or Manager(s) specified in the applicable Final Terms;
 - (ii) any financial intermediaries specified in the applicable Final Terms; and
 - (iii) any other financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Issuer's website (<https://fim.commerzbank.com>) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer; and

General Consent

- (b) if (and only if) Part B of the applicable Final Terms specifies "General Consent" as "Applicable", the Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of Notes by any other financial intermediary which satisfies the following conditions:
 - (i) it is authorised to make such offers under applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC); and
 - (ii) it accepts the Issuer's offer to grant consent to the use of this Base Prospectus by publishing on its website the following statement (with the information in square brackets duly completed with the relevant information) (the "**Acceptance Statement**"):

*"We, [insert legal name of financial intermediary], refer to the offer of [insert title of relevant Notes] (the "**Notes**") described in the Final Terms dated [insert date] (the "**Final Terms**") published by Commerzbank Aktiengesellschaft (the "**Issuer**"). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [specify Member State(s)] during the Offer Period and subject to the other conditions to such consent, each as specified in the Base Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus) and confirm that we are using the Base Prospectus accordingly."*

The "**Authorised Offeror Terms**", being the terms to which the relevant financial intermediary agrees in connection with using this Base Prospectus, are that the relevant financial intermediary:

- (A) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer and each relevant Dealer that it will, at all times in connection with the relevant Non-exempt Offer:
 - I. act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor;

- II. comply with the restrictions set out under "*Offering and Sale*" in this Base Prospectus which would apply as if the relevant financial intermediary were a Dealer;
- III. ensure that any fee (and any other commissions or benefits of any kind) or rebate received or paid by the relevant financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;
- IV. hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;
- V. comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Notes by the Investor), and will not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
- VI. retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to each relevant Dealer, the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or each relevant Dealer in order to enable the Issuer and/or each such relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the Issuer and the relevant Dealer, as the case may be;
- VII. ensure that it does not, directly or indirectly, cause the Issuer or any relevant Dealer to breach any Rule or subject the Issuer or any relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- VIII. immediately inform the Issuer and each relevant Dealer if at any time it becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;
- IX. comply with the conditions to the consent referred to under "*Common Conditions to Consent*" below and any further requirements or other Authorised Offeror Terms relevant to the Non-exempt Offer as specified in the applicable Final Terms;
- X. make available to each potential Investor in the Notes this Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with this Base Prospectus and the applicable Final Terms;
- XI. if it conveys or publishes any communication (other than this Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Non-exempt Offer) in connection with the relevant Non-exempt Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that none of the Issuer and each relevant Dealer accepts any responsibility for such

communication and (C) does not, without the prior written consent of the Issuer, or each relevant Dealer (as applicable), use the legal or publicity names of the Issuer or each such relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the relevant Notes on the basis set out in this Base Prospectus;

- XII. ensure that no holder of Notes or potential Investor in Notes shall become an indirect or direct client of the Issuer or any relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;
- XIII. co-operate with the Issuer and each relevant Dealer in providing relevant information (including, without limitation, documents and records maintained pursuant to paragraph (VI) above) and such further assistance as is reasonably requested upon written request from the Issuer or such relevant Dealer in each case, as soon as is reasonably practicable and, in any event, within the time frame set by any such regulator or regulatory process. For this purpose, relevant information is information that is available to or can be acquired by the relevant financial intermediary:
- (i) in connection with any request or investigation by any regulator in relation to the Notes, the Issuer or any relevant Dealer; and/or
 - (ii) in connection with any complaints received by the Issuer and/or any relevant Dealer relating to the Issuer and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in the Rules; and/or
 - (iii) which the Issuer or any relevant Dealer may reasonably require from time to time in relation to the Notes and/or as to allow the Issuer or such Dealer fully to comply with its own legal, tax and regulatory requirements;
- XIV. during the period of the initial offering of the Notes: (i) only sell the Notes at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the Issuer and each relevant Dealer); (ii) only sell the Notes for settlement on the Issue Date specified in the applicable Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the Issuer and each relevant Dealer); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the Issuer and each relevant Dealer); and (v) comply with such other rules of conduct as may be reasonably required and specified by the Issuer and each relevant Dealer; and
- XV. either (i) obtain from each potential Investor an executed application for the Notes, or (ii) keep a record of all requests the relevant financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;

- (B) agrees and undertakes to each of the Issuer and each relevant Dealer that if it or any of its respective directors, officers, employees, agents, affiliates and controlling persons (each a **Relevant Party**) incurs any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and

counsel's fees and disbursements associated with any such investigation or defence) (a "**Loss**") arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by the relevant financial intermediary, including (without limitation) any unauthorised action by the relevant financial intermediary or failure by it to observe any of the above restrictions or requirements or the making by it of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or each relevant Dealer, the relevant financial intermediary shall pay to the Issuer or to each relevant Dealer, as the case may be, an amount equal to the Loss. None of the Issuer nor any Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this provision; and

(C) agrees and accepts that:

- I. the contract between the Issuer and the relevant financial intermediary formed upon acceptance by the relevant financial intermediary of the Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Non-Exempt Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;
- II. subject to paragraph (IV) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a "**Dispute**") and the Issuer and the financial intermediary submit to the exclusive jurisdiction of the English courts;
- III. for the purposes of paragraphs (C) (II) above and (IV) below, the relevant financial intermediary waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;
- IV. to the extent allowed by law, the Issuer and each relevant Dealer may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions; and
- V. each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

Any Authorised Offeror falling within paragraph (b) above who meets the conditions set out in paragraph (b) above and the other conditions stated in "*Common Conditions to Consent*" below and who wishes to use this Base Prospectus in connection with a Non-exempt Offer is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.

Common Conditions to Consent

The conditions to the Issuer's consent to the use of this Base Prospectus in the context of the relevant Non-exempt Offer are (in addition to the conditions described in paragraph (b) above if Part B of the applicable Final Terms specifies "*General Consent*" as "*Applicable*") that such consent:

- (i) is only valid during the Offer Period specified in the applicable Final Terms; and

- (ii) only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Notes in Luxembourg, Ireland and/or the United Kingdom, as specified in the applicable Final Terms.

The consent referred to above only relates to Offer Periods (if any) occurring within 12 months from the date of this Base Prospectus.

The only relevant Member States which may, in respect of any Tranche of Notes, be specified in the applicable Final Terms (if any Relevant Member States are so specified) as indicated in paragraph (ii) above, will be Luxembourg, Ireland and/or the United Kingdom, and accordingly each Tranche of Notes may only be offered to Investors as part of a Non-exempt Offer in Luxembourg, Ireland and/or the United Kingdom, as specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY NOTES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF THE ISSUER OR, FOR THE AVOIDANCE OF DOUBT, ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF THE INFORMATION DESCRIBED ABOVE.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may 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 that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including Ireland and the United Kingdom), see "*Offering and Sale*" on pages 155-158.

DOCUMENTS INCORPORATED BY REFERENCE

The following section applies to both Exempt Notes and Non-exempt Notes.

The documents set out below which have previously been published in a base prospectus or supplement to a base prospectus in each case deposited with and approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*), are incorporated by reference in, and form part of, this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein is modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded does not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Germany and the Euroclear Registrar as set out on the final page of this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus save for the COMMERZBANK Group Annual Report 2014, the Financial Statements and Management Report 2014 of Commerzbank AG, the COMMERZBANK Group Annual Report 2015 and the Financial Statements 2015 of Commerzbank AG and the COMMERZBANK Group Interim Report as at 30 September 2016 (English version), all of which are incorporated by reference as shown below.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

The following documents shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus:

Commerzbank Aktiengesellschaft Registration Document dated 26 October 2016 (the "Registration Document").

Third Party Information	p. 3
Risk Factors relating to the COMMERZBANK Group	p. 4 – 40
Description of Commerzbank Aktiengesellschaft	
Bank name, registered office, corporate purpose and financial year	p. 41
Description of COMMERZBANK Group's business activities	
Overview	p. 41 - 42
Segments	p. 42 - 49

Group structure and corporate investments	p. 49
Board of Managing Directors and Supervisory Board	p. 51 - 58
Potential Conflict of Interest	p. 58
Major Shareholders	p. 58
Historical Financial Information	p. 58
Interim Financial Information	p. 59
Trend Information	p. 59
Significant Change in the Financial Positions	p. 59
Auditors	p. 59
Material Agreements	p. 59 - 62
Legal proceedings	p. 63 – 67
Recent Developments	p. 67 - 68
Documents on Display	p. 69

First Supplement to the Registration Document of Commerzbank
Aktiengesellschaft, dated of 10 November 2016

Amendments to the following sub-section of section "D. Risk Factors relating to the COMMERZBANK Group"	
Proceedings brought by regulators, supervisory authorities and prosecutors may have material adverse effects on the Group.	p. 2
Amendments to the following sub-sections of section "E. Description of Commerzbank"	
Interim Financial Information	p. 2
Significant Change in the Financial Position	p. 2
Auditors	p. 2
Legal proceedings	p. 3
Amendment to the section "F. Documents on Display"	p. 3
Amendments to the following sub-section of section "D. Risk Factors relating to the COMMERZBANK Group"	

Second Supplement to the Registration Document of Commerzbank
Aktiengesellschaft, dated of 30 January 2017

Amendments to the following sub-sections of section "E. Description of Commerzbank"	
Legal proceedings	p. 2
Recent Developments	p. 2 – p. 3

Third Supplement to the Registration Document of Commerzbank
Aktiengesellschaft, dated of 15 February 2017

Amendments to the following sub-sections of section "E. Description of Commerzbank"	
Rating	p. 2 - 3
Recent Developments	p. 4 - 8
Additional Information "Description of Commerzbank Aktiengesellschaft – Recent Developments"	p. 9

The Terms and Conditions of the Securities contained on pages 139 – 172 of the Commerzbank Aktiengesellschaft Note and Certificate Programme Base Prospectus dated 19 June 2012

The Terms and Conditions of the Notes contained on pages 93 – 128 of the Commerzbank Aktiengesellschaft Note Programme Base Prospectus dated 4 September 2013

The Terms and Conditions of the Notes contained on pages 94 – 129 of the Commerzbank Aktiengesellschaft Note Programme Base Prospectus dated 31 October 2014

The Terms and Conditions of the Notes contained on pages 97 – 133 of the Commerzbank Aktiengesellschaft Note Programme Base Prospectus dated 5 November 2015

**COMMERZBANK Group
Annual Report 2014**

Group Financial Statements

Statement of comprehensive income	p. 147 – p. 149
Balance sheet	p. 150 – p. 151
Statement of changes in equity	p. 152 – p. 153
Cash flow statement	p. 154 – p. 155
Notes	p. 156 – p. 323
Responsibility statement by the Board of Managing Directors	p. 324
Independent auditor's report	p. 325 – p.326
Disclaimer (reservation regarding forward-looking statements)	p. 340

Financial Statements and Management Report 2014 of Commerzbank AG

Income statement	p. 73
Balance sheet	p. 74– p. 77
Notes	p. 78 – p. 115
Responsibility statement by the Board of Managing Directors	p. 116
Independent auditor's report	p. 117 – p. 118
Disclaimer (reservation regarding forward-looking statements)	p. 119

**COMMERZBANK Group
Annual Report 2015**

Group Financial Statements

Statement of comprehensive income	p. 149 – p. 151
Balance sheet	p. 152 – p. 153
Statement of changes in equity	p. 154 – p. 155
Cash flow statement	p. 156 – p. 157
Notes	p. 158 – p. 328
Responsibility statement by the Board of Managing Directors	p. 329
Independent auditor's report	p. 329 – p.330
Disclaimer (reservation regarding forward-looking statements)	p. 344

Financial Statements and Management Report 2015 of Commerzbank AG

Income statement	p. 71
Balance sheet	p. 72– p. 75
Notes	p. 76 – p. 113
Responsibility statement by the Board of Managing Directors	p. 114
Independent auditor's report	p. 115 – p. 116
Disclaimer (reservation regarding forward-looking statements)	p. 117

COMMERZBANK Group
Interim Report as at 30 September 2016 (English version)

Interim Financial Statements	
Statement of comprehensive income	p. 36 – p. 40
Balance sheet	p. 41 – p. 42
Statement of changes in equity	p. 43 – p. 45
Cash flow statement (condensed version)	p. 46
Selected notes	p. 47 – p. 101
Review report	p. 104
Disclaimer (reservation regarding forward-looking statements)	p. 105

Documents incorporated by reference have been published on the website of the Issuer (www.commerzbank.com) and on the website of the Luxembourg Stock Exchange (www.bourse.lu). The information incorporated by reference that is not included in the cross-reference list (except for the information which is explicitly excluded) is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

FORM OF THE NOTES

Words and expressions defined in the "Terms and Conditions of the Notes" shall have the same meanings in this Form of the Notes.

Any reference in this section to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.

Bearer Notes

The following paragraphs apply to Notes other than Uncertificated Notes.

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global Note (a "**Temporary Global Note**") or, if so specified in the applicable Final Terms, a permanent global Note (a "**Permanent Global Note**", and Permanent Global Notes together with Temporary Global Notes, "**Global Notes**") which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"); and
- (ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership in a form to be provided by Euroclear and/or Clearstream, Luxembourg (unless such certificate has already been given) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations. Such certification must have been

received by Euroclear and/or Clearstream, Luxembourg, and Euroclear and/or Clearstream, Luxembourg, as applicable, must in turn have given a like certification (based on the certifications it has received) to the Principal Paying Agent. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date without such certification unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Principal Paying Agent as described therein or (b) only upon the occurrence of an Exchange Event or (c) at any time at the request of the Issuer. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in General Condition 8) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with General Condition 12 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The exchange of a Permanent Global Note for definitive Notes upon notice from Euroclear and/or Clearstream (acting on the instructions of any holder) or at any time at the request of the Issuer should not be expressed to be applicable in the applicable Final Terms if the Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for definitive Notes.

The following legend will appear on all Permanent Global Notes and definitive Notes, receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

General

Pursuant to the Amended and Restated Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche

of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Principal Paying Agent.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 8. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note, then from 8.00 p.m. (London time) on such day, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of the Deed of Covenant.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, other than where such Notes are Exempt Notes, a supplement to the Base Prospectus or a new Base Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

Uncertificated Notes

The following paragraphs apply to Uncertificated Notes:

Uncertificated Notes will be issued and held in uncertificated form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "**Regulations**"). Uncertificated Notes are participating securities for the purposes of the Regulations. Title to Uncertificated Notes is recorded on the relevant Operator register of eligible debt securities (as defined in the Regulations) and the relevant "**Operator**" (as such term is used in the Regulations) is Euroclear UK & Ireland Limited or any additional or alternative operator from time to time approved by the Issuer and the Euroclear Registrar and in accordance with the Regulations. Notes in definitive registered form will not be issued (either upon issue or in exchange for Uncertificated Notes).

The Euroclear Registrar will make all payments in respect of Uncertificated Notes.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes which are not Exempt Notes issued under the Programme.

[Date]

Commerzbank Aktiengesellschaft

Issue of [**Aggregate Nominal Amount of Tranche**] [**Title of Notes**]
under the
Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Base Prospectus dated 6 March 2017 [and the supplement[s] to the Base Prospectus dated [●] and [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the Notes (which comprises the summary in the Base Prospectus as completed to reflect the provisions of these Final Terms) has been published on the Issuer's website (<https://fim.commerzbank.com>).]

(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date. N.B. when using this Base Prospectus to tap such a previous issue, the final terms in this Base Prospectus may (and will, if the previous issue was issued under a pre-1 July 2012 Base Prospectus) take a different form to the final terms for the original issue being tapped. The Conditions of the original issue being tapped should be reviewed to ensure that they would not require the final terms documenting the further issue to include information which is no longer permitted in final terms. Where the final terms documenting the further issue would need to include such information, it will not be possible to tap using final terms and a drawdown prospectus (incorporating the original Conditions and final terms) will instead need to be prepared.)

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [19 June 2012] [4 September 2013] [31 October 2014] [5 November 2015] which are incorporated by reference in the Base Prospectus dated 6 March 2017 (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive, including the Conditions incorporated by reference in the Base Prospectus. 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. A summary of the Notes (which comprises the summary in the Base Prospectus as completed to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus has been published on the Issuer's website (<https://fim.commerzbank.com>).]

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]

[A summary of the individual issue is annexed to the Final Terms.]*

* Not applicable for Notes having a denomination of at least € 100,000

1. Details of Series/Tranche:
- (a) Series Number: []
- (b) Tranche Number: []
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with *[provide issue amount/ISIN/maturity date/issue date of earlier Tranches]* on *[the Issue Date/the date that is 40 days after the Issue date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [date]][Not Applicable]*
2. Specified Currency or Currencies: []
3. Aggregate Nominal Amount / Number of Notes:
- (a) Series: []
- (b) [Tranche: []]
4. Issue Price: [] per cent. of the Aggregate Nominal Amount *[plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]*
- (N.B. for Preference Share Linked Notes and W&C Linked Notes: 100 per cent. of par per Note)*
5. (a) Specified Denominations: []
- (b) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)*
6. (a) Issue Date [and Interest Commencement Date]: []
- (N.B. For Preference Share Linked Notes, the Preference Shares should already be in issue. For W&C Linked Notes, the W&C Securities should already be in issue)*
- [(b) Interest Commencement Date (if different from the Issue Date): []]
7. Interest Basis: The Notes bear and/or pay interest on the following basis:

[[] per cent. Fixed Rate]
[Reference Rate: [] month [LIBOR/EURIBOR] +/- []
per cent. Floating Rate]
[Zero Coupon]
[Non-Interest bearing]
[(further particulars specified below)]

8. Redemption Basis: [Redemption at par]
[Preference Share Linked Redemption]
[W&C Linked Redemption]
[Instalment]
9. Change of Interest Basis or Redemption Basis: [Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 10 and 11 below and identify there]

[Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

10. Fixed Rate Notes: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- (b) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]/[specify other]

(NB: This will need to be amended in the case of long or short coupons and in the case of irregular coupons)
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Condition 1): [] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Condition 1): [[] per Calculation Amount payable on the Interest Payment Date falling on []/Not Applicable]

[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)]
- (e) Day Count Fraction: [Actual/Actual (ICMA)
Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)]

Actual/360
 30/360 (ICMA)
 30/360
 30E/360
 30E/360 (ISDA)]
 [Not Applicable]
 [(NB: Actual/Actual (ICMA) is normally only appropriate
 for Fixed Rate Notes denominated in euros)]

(f) Determination Date(s): [] in each year

[Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration)]

11. Floating Rate Notes:

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(a) Specified Period(s)/Specified Interest Payment Dates:

[], subject to adjustment in accordance with the Business Day Convention set out in sub-paragraph (b) below/, not subject to any adjustment, as the Business Day Convention in sub-paragraph (b) below is specified to be Not Applicable]

(b) Business Day Convention:

[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]

(c) Additional Business Centre(s): []

(d) Manner in which the Rate of Interest and Interest Amount is to be determined:

[Screen Rate Determination/ISDA Determination]

(e) Calculation Agent responsible for making calculations in respect of the Notes:

[Commerzbank Aktiengesellschaft]/[other]/[Not Applicable]

(f) Screen Rate Determination:

[Applicable/Not Applicable]

(if not applicable, delete the remaining sub-paragraphs of this paragraph)

– Reference Rate:

[] month[LIBOR/EURIBOR]

(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions)

– Interest Determination Date(s): []
(The second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), the first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)

– Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

– Rate Multiplier [Applicable/Not Applicable]
(specify formula)

(g) ISDA Determination:

– Floating Rate Option: []
 – Designated Maturity: []
 – Reset Date: []
(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)

(h) Linear Interpolation [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation *(specify for each short or long interest period)*

(i) Margin(s): [+/-] [] per cent. per annum

(j) Minimum Rate of Interest: [] per cent. per annum

(k) Maximum Rate of Interest: [] per cent. per annum

(l) Day Count Fraction: [Actual/Actual (ICMA)
 Actual/Actual (ISDA)
 Actual/Actual
 Actual/365 (Fixed)
 Actual/365 (Sterling)
 Actual/360
 30/360 (ICMA)
 30/360
 360/360
 Bond Basis
 30E/360
 Eurobond Basis
 30E/360 (ISDA)]

12. Zero Coupon Notes: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 5(D)(c) and 5(F) apply/specify other] (Consider applicable day count fraction if not US\$ denominated)

PROVISIONS RELATING TO REDEMPTION OF NOTES

- 13. Maturity Date: [*Specify date or for floating rate Notes – Interest Payment Date falling on or nearest to [specify month and year]*]

[For Preference Share Linked Notes and W&C Linked Notes: [[specify date] or, if later, [three] Business Days after the Final Valuation Date]

- 14. Issuer Call: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount(s) of each Note: [[] per Calculation Amount/Early Preference Share Redemption Note Amount/Early W&C Cancellation Note Amount]

(N.B. In the case of Preference Share Linked Notes and W&C Linked Notes, the Optional Redemption Amount is the Early Preference Share Redemption Note Amount/Early W&C Cancellation Note Amount per Calculation Amount)

- (c) If redeemable in part:
 - (i) Minimum Redemption Amount: []
 - (ii) Maximum Redemption Amount: []

- (d) Notice period: Minimum period: [15 days] [*insert other*]

(N.B. The minimum notice period must be at least five Business Days prior to the Optional Redemption Date)

Maximum period: [30 days] [*insert other*]

- 15. Investor Put: [Applicable/Not Applicable]

(N.B. For Preference Share Linked Notes and W&C Linked Notes Investor Put is not applicable)

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount(s) of each Note: [[] per Calculation Amount/Early Preference Share Redemption Note Amount/Early W&C Cancellation Note Amount]
- (c) Notice period: Minimum period: [15] [*insert other*]

(N.B. The minimum notice period must be at least five Business Days prior to the Optional Redemption Date)

Maximum period: [30] [*insert other*]

16. Final Redemption Amount of each Note: [[] per Calculation Amount/Not Applicable (Preference Share Linked Notes and W&C Linked Notes state "Not Applicable" and complete relevant section in paragraphs 19 or 20 below)]
17. Early Redemption Amount(s) of each Note payable on an event of default or on an illegality (or, where otherwise required for purposes of any other relevant redemption specified in the Conditions and/or the method of calculating the same (if required or if different from that set out in Condition 5(D))):
- [[] per Calculation Amount]
- [Market Value per Calculation Amount]
- [Market Value less Associated Costs per Calculation Amount]
- [Preference Share Linked Conditions apply. (*Include for Preference Share Linked Notes*)]
- [W&C Linked Note Conditions apply. (*Include for W&C Linked Notes*)]

AUTO CALL PROVISIONS

18. Automatic Early Redemption Event: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Automatic Early Redemption Date(s): []
- [X: [[●]/Not Applicable]
- (b) Automatic Early Redemption Valuation Date(s): []

PROVISIONS RELATING TO REDEMPTION BASIS

19. Preference Share Linked Notes: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

[The provisions of Annex 1 of the Terms and Conditions – *Additional Terms and Conditions for Preference Share Linked Notes* shall apply]

- (a) Preference Share: []
- (b) Calculation Agent responsible for making calculations in respect of the Notes: [Commerzbank Aktiengesellschaft]/[other]/[Not Applicable]
- (c) Final Redemption Amount: See Preference Share Linked Condition 2
- (d) Final Valuation Date: [] *(N.B. This should generally be the calendar date falling three business days before the specified Maturity Date)*
- (e) Valuation Time: [] [(London time)]
- (f) Additional Disruption Events: The following Additional Disruption Events apply:

[Change in Law]

[Hedging Disruption]

[Insolvency Filing]

[Increased Cost of Hedging]

20. W&C Linked Notes: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

[The provisions of Annex 2 of the Terms and Conditions – *Additional Terms and Conditions for W&C Linked Notes* shall apply]

- (a) W&C Securities: [*insert details*]
- (b) W&C Securities Issuer: [*Issuer/insert details*]
- (c) Calculation Agent responsible for making calculations in respect of Notes: [Commerzbank Aktiengesellschaft]/[other]/[Not Applicable]
- (d) Final Redemption Amount: See W&C Linked Condition 2
- (e) Final Valuation Date: [] *(N.B. This should generally be the calendar date falling three business days before the specified Maturity Date)*

- (f) Valuation Time: [] [(London time)]
- (g) Additional Disruption Events: The following Additional Disruption Events apply:
- [Change in Law]
- [Hedging Disruption]
- [Insolvency Filing]
- [Increased Cost of Hedging]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes: [Bearer Notes/Uncertificated Notes].
- [If Bearer Notes:
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event].]
- [Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date.]
- [Permanent Global Note exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer].]
- (N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in item 5 includes language substantially to the following effect:*
- "[€ 100,000] and integral multiples of [€ 1,000] in excess thereof up to and including [€ 99,000][€ 199,000]."*
- Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*
22. (a) [New Global Note: [Yes][No]]
- (b) Underlying Reference Linked Note: [Yes][No]
23. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]

(Note that this item relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which item 11(c) relates)

24. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

[PURPOSE OF FINAL TERMS

For the purposes of the Notes the terms specified in these Final Terms are deemed to be incorporated into the Terms and Conditions of the Notes as amended and/or supplemented by the provisions of the Annex/Annexes of the Terms and Conditions specified in these Final Terms (the "**Conditions**") and shall thereby complete the Conditions for the purposes of the Notes and these Final Terms may be regarded as evidencing the complete Conditions.] *(N.B. Include for Uncertificated Notes)*

[THIRD PARTY INFORMATION

The information relating to [●] [and [●]] contained herein has been accurately extracted from [*insert information source(s)*]. The Issuer accepts responsibility for the accuracy of such extraction but accept no further or other responsibility in respect of such information.]

Signed on behalf of the Issuer:

By:.....
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (a) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg, the Irish Stock Exchange's Main Securities Market or the London Stock Exchange's regulated market) and, if relevant, listing on an official list (for example, Luxembourg Stock Exchange)] with effect from [].] [Not Applicable]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading)**

- (b) Estimate of total expenses related to admission to trading:** [] [Not Applicable]

2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealer(s)], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealer(s)] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business – *amend as appropriate if there are other interests*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive or the use of a Notes Note or "unitary" prospectus.)]

3. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES***

- (a) [Reasons for offer: []]

(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks, will need to include those reasons here and then also complete (b) and (c) below)]

- (b) Estimated net proceeds: []

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

- (c) Estimated total expenses: [] *(Expenses are required to be broken down into each principal intended to "use" and presented in order of priority of such "uses")*

(N.B.: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (a) above is

required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (b) and (c) above are also required)

4. YIELD (FIXED RATE NOTES ONLY)

[Indication of yield: []]

[Not Applicable]

5. PERFORMANCE OF THE PREFERENCE SHARES NOTES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE PREFERENCE SHARES (PREFERENCE SHARE LINKED NOTES ONLY)

[The Notes relate to the [] preference shares of the Preference Share Issuer.

[The Preference Share Value will be published on each Business Day on [].

The Preference Share Underlying is *[insert details of the relevant underlying asset(s) or basis of reference to which the Preference Shares relate]*. Information on the Preference Share Underlying (including past and future performance and volatility) is published on []. *[If the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies, an example(s) of how the value of the investment is affected by the value of the underlying may be included.]* [Not Applicable]

6. PERFORMANCE OF THE W&C SECURITIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE W&C SECURITIES (W&C LINKED NOTES ONLY)

[The Notes relate to the [] [certificates/warrants] of [] (the "W&C Securities").

[The value of the W&C Securities will be published on each Business Day on [].

The W&C Securities Underlying is *[insert details of the relevant underlying asset(s) or basis of reference to which the W&C Securities relate]*. Information on the W&C Securities Underlying (including past and future performance and volatility) is published on []. *[If the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies, an example(s) of how the value of the investment is affected by the value of the underlying may be included.]* The terms of the W&C Securities will be available on []. [Not Applicable]

7. OPERATIONAL INFORMATION

(a) ISIN: []

(b) Common Code: []

(c) German Securities Number: []

(d) CFI Code: []

(e) Any clearing system(s) other than Euroclear, Clearstream, [Not Applicable/give name(s), address(es) and number(s)]

Luxembourg and the relevant identification number(s):

- (f) Delivery: Delivery [against/free of] payment
- (g) Names and addresses of initial Paying Agents and Calculation Agent: []
- (h) Names and addresses of additional Paying Agent(s) (if any): []
- (i) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]
- [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]
[include this text if "yes" selected in which case the Notes must be issued in NGN form]
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

8. DISTRIBUTION

- (a) Method of distribution: [Syndicated/Non-syndicated]
- (i) If syndicated, [names and addresses]* of Managers [and underwriting commitments/quotas] *: [Not Applicable/give names, [and addresses and underwriting commitments]*]
*(Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)**
- (b) Date of Subscription Agreement*: []

- (c) If non-syndicated, name [and address]* of relevant Dealer: [Not Applicable/give Name [and address]*]
- (d) Total commission and concession: [] per cent. of the Aggregate Nominal Amount
- (e) Non exempt Offer:** [Not Applicable][Applicable] (*If not applicable, delete the remaining placeholders of this paragraph and also paragraph 9 below*)
- Non-exempt Offer Jurisdictions: [*Luxembourg/Ireland/United Kingdom*].
- Offer Period: [*specify date*] until [*specify date*]
- Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the Conditions in it: [*insert names and addresses of financial intermediaries receiving consent (specific consent)*]
- General Consent: [Not Applicable][*Add here any other Authorised Offeror Terms*]
- Other Authorised Offeror Terms: (*Authorised Offeror Terms should only be included here where General Consent is applicable.*)
- (*N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported*)
- (f) U.S. Selling Restrictions: [Regulation S Compliance Category [1/2/3] ; TEFRA D/TEFRA C/TEFRA Not Applicable]

9. TERMS AND CONDITIONS OF THE OFFER (**PUBLIC OFFER ONLY**)***

(Delete whole section if sub-paragraph 8(f) above is specified to be Not Applicable because there is no Non-exempt Offer)

- Offer Price: [Issue Price/Not Applicable/specify]
- [Conditions to which the offer is subject:] [Not Applicable/give details]
- [Description of the application process:] [Not Applicable/give details]
- [Details of the minimum and/or maximum amount of application:] [Not Applicable/give details]
- [Description of possibility to reduce subscriptions and manner for refunding] [Not Applicable/give details]

excess amount paid by applicants:]

[Details of the method and time limits for paying up and delivering the Notes:] [Not Applicable/*give details*]

[Manner and date in which results of the offer are to be made public:] [Not Applicable/*give details*]

[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] [Not Applicable/*give details*]

[Whether tranche(s) have been reserved for certain countries:] [Not Applicable/*give details*]

[Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:] [Not Applicable/*give details*]

[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [Not Applicable/*give details*]

[Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.] [The Authorised Offerors identified in paragraph [8] above and identifiable from the Base Prospectus/*None/give details*]

* Delete if the securities are not Derivative Securities.

** Delete if the securities are Derivative Securities.

*** Delete if minimum denomination or issue price is €100,000 (or its equivalent in the relevant currency as at the date of issue).

**ANNEX
SUMMARY OF THE NOTES***

[]

* Only applicable for Notes having a denomination of less than € 100,000

FORM OF PRICING SUPPLEMENT FOR EXEMPT NOTES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes issued under the Programme.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW.

[Date]

Commerzbank Aktiengesellschaft

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the
Note Programme**

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

This document constitutes the Pricing Supplement relating to the issue of Notes described herein and must be read in conjunction with the Base Prospectus dated 6 March 2017 [as supplemented by the supplement[s] dated [date[s]]] (the "**Base Prospectus**"). Full information on the Issuer and the Notes is only available on the basis of this Pricing Supplement and the Base Prospectus. The Base Prospectus is available for viewing at, and copies may be obtained from Commerzbank Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Base Prospectus [dated [original date] [and the supplement[s] dated [date]] which are incorporated by reference in the Base Prospectus].

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

An investment in the Notes involves certain risks. Prospective investors should carefully consider the risk factors included in the Base Prospectus and any other risk factors included in this Pricing Supplement prior to investing in the Notes.

Prospective investors and purchasers of Notes must inform themselves about all the relevant applicable and up-to-date restrictions, including but not limited to, selling and transfer restrictions relating to the Notes, prior to investing in the Notes.

In case of any doubt about the functioning of the Notes or about the risk involved in purchasing the Notes, prospective investors should consult a specialised financial adviser or abstain from investing. Each prospective purchaser of Notes must determine his investment decision based on his own independent review of the information included in the Base Prospectus and in this Pricing Supplement.

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

1. Issuer: Commerzbank Aktiengesellschaft

2. (a) Series Number: []

(b) Tranche Number: []

(c) Date on which the notes will be consolidated and form a single Series: []

If fungible with an existing Series, include details of that Series, including the date on which the Notes become fungible

3. Specified Currency or Currencies: []

4. Aggregate Nominal Amount / Number of Notes:

(a) Series: []

(b) [Tranche: []]

5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*)]

(N.B. For Preference Share Linked Notes and W&C Linked Notes: 100 per cent. of par per Note)

6. (a) Specified Denominations: []

(b) Calculation Amount (in relation to calculation of interest in global form see Conditions): []

(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)

7. [(a)] Issue Date [and Interest Commencement Date]: []
(N.B. For Preference Share Linked Notes, the Preference Shares should already be in issue. For W&C Linked Notes, the W&C Securities should already be in issue)
- (b) Interest Commencement Date (if different from the Issue Date): []
8. Interest Basis: The Notes bear and/or pay interest on the following basis:
 [[] per cent. Fixed Rate]
 [[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
 [Zero Coupon]
 [Non-[Interest/Coupon] bearing]
 [*specify other*]
 [(further particulars specified below)]
9. Redemption/ [Payment] Basis: [Redemption at par]
 [Preference Share Linked Redemption]
 [W&C Linked Redemption]
 [Partly Paid]
 [Instalment]
 [*specify other*]
10. Change of Interest Basis or Redemption/Payment Basis: [Applicable/Not Applicable]
[Specify details of any provision for change of Notes into another Interest Basis or Redemption Basis]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11. Fixed Rate Notes: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
(If payable other than annually, consider amending Condition 3)
(Not applicable in the case of a flat coupon amount; in which case consider disapplying interest accrual provisions in relation to any Early Redemption Amount)
- (b) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]/[*specify other*]
(NB: This will need to be amended in the case of long or

short coupons)

- (c) Fixed Coupon Amount(s): [] per Calculation Amount
- (d) Broken Amount(s): [[] per Calculation Amount payable on the Interest Payment Date falling on []/Not Applicable]

[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)]

- (e) Day Count Fraction: [Actual/Actual (ICMA)
Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360 (ICMA)
30/360
30E/360
30E/360 (ISDA)
Other]

[(NB: Actual/Actual (ICMA) is normally only appropriate for Fixed Rate Notes denominated in euros)]

- (f) Determination Date(s): [] in each year

[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration)]

(NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))

- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

12. Floating Rate Notes: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Specified Period(s)/Specified Interest Payment Dates: [], subject to adjustment in accordance with the Business Day Convention set out in sub-paragraph (b) below/, not subject to any adjustment, as the Business Day Convention in sub-paragraph (b) below is specified to be Not Applicable]

- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]][Not Applicable]

- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (e) Calculation Agent responsible for making calculations in respect of the Notes: [Commerzbank Aktiengesellschaft]/[other]/[Not Applicable]
- (f) Screen Rate Determination: [Applicable/Not Applicable]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions)
- Interest Determination Date(s): []
(The second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), the first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- Rate Multiplier: [Applicable/Not Applicable]
(specify formula)
- (g) ISDA Determination:
- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []
- (h) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long

interest period)

- (i) Margin(s): [+/-] [] per cent. per annum
- (j) Minimum Rate of Interest: [] per cent. per annum
- (k) Maximum Rate of Interest: [] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ICMA)
Actual/Actual (ISDA)
Actual/Actual
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360 (ICMA)
30/360
360/360
Bond Basis
30E/360
30E/360 (ISDA)
Other]
- (m) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Terms and Conditions: []

13. Zero Coupon Notes: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Any other formula/basis of determining amount payable: []
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 5(D)(c) and 5(F) apply/specify other] *(Consider applicable day count fraction if not US\$ denominated)*

PROVISIONS RELATING TO REDEMPTION OF NOTES

14. Maturity Date: [Specify date or for floating rate notes – Interest Payment Date falling on or nearest to [specify month and year]]

[For Preference Share Linked Notes and W&C Linked Notes: [●] or, if later, [three] Business Days after the Final Valuation Date]]

15. Issuer Call: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(a) Optional Redemption Date(s): []

(b) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):

[[] per Calculation Amount/Early Preference Share Redemption Note Amount/Early W&C Cancellation Note Amount]
(N.B. In the case of Preference Share Linked Notes and W&C Linked Notes, the Optional Redemption Amount is the Early Preference Share Redemption Note Amount/Early W&C Cancellation Note Amount per Calculation Amount)

(c) If redeemable in part:

(i) Minimum Redemption Amount: []

(ii) Maximum Redemption Amount: []

(d) Notice period: Minimum period [15 days]

(N.B. The minimum notice period must be at least five Business Days prior to the Optional Redemption Date)

Maximum period [30 days]

16. Investor Put: [Applicable/Not Applicable]

(N.B. For Preference Share Linked Notes and W&C Linked Notes Investor Put is not applicable)

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(a) Optional Redemption []

Date(s):

(b) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [[] per Calculation Amount/Early Preference Share Redemption Note Amount/Early W&C Cancellation Note Amount]

(c) Notice period: Minimum period [15 days]

(N.B. The minimum notice period must be at least five Business Days prior to the Optional Redemption Date)

Maximum period [30 days]

17. Final Redemption Amount of each Note: [[] per Calculation Amount /Not Applicable (For Preference Share Linked Notes and W&C Linked Notes state "Not Applicable" and complete relevant section in paragraphs 20 or 21 below)]

18. Early Redemption Amount(s) of each Note payable on an event of default or on an illegality (or, where otherwise required for purposes of any other relevant redemption specified in the Conditions and/or the method of calculating the same (if required):

[[] per Calculation Amount]

[Market Value per Calculation Amount]

[Market Value less Associated Costs per Calculation Amount]

[Preference Share Linked Conditions apply. (Include for Preference Share Linked Notes)]

[W&C Linked Note Conditions apply. (Include for W&C Linked Notes)]

AUTO CALL PROVISIONS

19. Automatic Early Redemption Event: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

[If applicable:

["greater than"/"greater than or equal to "/"less than"/"less than or equal to"]]

(a) Automatic Early Redemption Amount: []/See Condition 5(F)

(N.B. In the case of Preference Share Linked Notes and W&C Linked Notes, the Automatic Early Redemption Amount is the Early Redemption Amount per Calculation Amount)

(b) Automatic Early Redemption Date(s): []

- (c) Automatic Early []
Redemption Level:
- (d) Automatic Early []
Redemption Rate:
- (e) Automatic Early []
Redemption Valuation
Date(s):

PROVISIONS RELATING TO REDEMPTION/PAYMENT BASIS

20. Preference Share Linked Notes: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

[The provisions of Annex 2 of the Terms and Conditions – *Additional Terms and Conditions for Preference Share Linked Notes* shall apply]

- (a) Preference Share: []
- (b) Calculation Agent responsible for making calculations in respect of the: [Commerzbank Aktiengesellschaft]/[other]/[Not Applicable]
- (c) Final Redemption Amount: See Preference Share Linked Condition 2/[insert other]
- (d) Final Valuation Date: [] *(N.B. This should generally be the calendar date falling three business days before the specified Maturity Date)*
- (e) Valuation Time: [] [(London time)]
- (f) Extraordinary Events: [The provisions of Preference Share Linked Condition 5 apply/insert other extraordinary events]
- (g) Additional Disruption Events: The following Additional Disruption Events apply:
[Change in Law]
[Hedging Disruption]
[Insolvency Filing]
[Increased Cost of Hedging]
[other]

21. W&C Linked Notes: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

[The provisions of Annex 2 of the Terms and Conditions – *Additional Terms and Conditions for W&C Linked Notes* shall apply]

- (a) W&C Securities: [insert details]
- (b) W&C Securities Issuer: [Issuer/insert details]
- (c) Calculation Agent responsible for making calculations in respect of Notes: [Commerzbank Aktiengesellschaft]/[other]/[Not Applicable]
- (d) Final Redemption Amount: [See W&C Linked Condition 2]/[insert other]
- (e) Final Valuation Date: [] (N.B. This should generally be the calendar date falling three business days before the specified Maturity Date.)
- (f) Valuation Time: [] [(London time)]
- (g) Additional Disruption Events: The following Additional Disruption Events apply:
[Change in Law]
[Hedging Disruption]
[Insolvency Filing]
[Increased Cost of Hedging]
[other]
- (h) Other terms or Special Conditions: []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes: [Bearer Notes/Uncertificated Notes].
- [If Bearer Notes:
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event].]
- [Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date.]

[Permanent Global Note exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer].]

(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in item 6 includes language substantially to the following effect:

"€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000."

Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

23. (a) [New Global Note: [Yes][No]]
- (b) Underlying Reference [Yes][No]
Linked Note:
24. Additional Financial Centre(s) or [Not Applicable/give details]
other special provisions relating to
Payment Dates: *(Note that this item relates to the date of payment and
not the end dates of Interest Period for the purposes of
calculating the amount of interest, to which item 12(c)
relates)*
25. Talons for future Coupons or [Yes/No][If yes, give details]
Receipts to be attached to
Definitive Notes (and dates on
which such Talons mature):
26. Details relating to Partly Paid [Not Applicable/give details]
Notes: amount of each payment
comprising the Issue Price and *(NB: For Bearer Notes a new form of Temporary
Global Note and/or Permanent Global Note may be
required for Partly Paid issues)*
date on which each payment is to
be made and consequences (if
any) of failure to pay, including
any right of the Issuer to forfeit the
Notes and interest due on late
payment:
27. Details relating to Instalment
Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]

28. Redenomination applicable: Redenomination [not] applicable
 [(If Redenomination is applicable, specify the terms of Redenomination in the Pricing Supplement)]
 [For Preference Share Linked Notes: Applicable]
29. [HIRE Act Withholding The Notes shall be treated as Specified Notes (as defined in the Base Prospectus) for the purpose of Section 871(m) of the U.S. Internal Revenue Code of 1986. Additional information regarding the application of Section 871(m) to the Notes may be available at [●]]
 (N.B. If the Notes (directly or indirectly) reference underlying U.S. securities, include this language if it is determined that withholding under Section 871(m) will be applicable to the Notes and indicate where additional information regarding the application of Section 871(m) to the Notes will be made available to withholding agents (e.g., on a website). Delete if the Notes do not (directly or indirectly) reference underlying U.S. securities.)
30. Other terms or special conditions: [Not Applicable/specify or annex additional or other final terms]

[PURPOSE OF PRICING SUPPLEMENT

For the purposes of the Notes the terms specified in these Pricing Supplement are deemed to be incorporated into the Terms and Conditions of the Notes as amended and/or supplemented by the provisions of the Annex/Annexes of the Terms and Conditions specified in this Pricing Supplement (the "Conditions") and shall thereby supplement, replace or modify, as the case may be, the Conditions for the purposes of the Notes and this Pricing Supplement may be regarded as evidencing such supplement, replacement or modification of the Conditions.] (N.B. Include for Uncertificated Notes)

RESPONSIBILITY

[Subject as provided below,] [t/T]he Issuer accepts responsibility for the information contained in this Pricing Supplement.

[THIRD PARTY INFORMATION

The information relating to [●] and [●] contained herein has been accurately extracted from [insert information source(s)]. The Issuer accepts responsibility for the accuracy of such extraction but accepts no further or other responsibility in respect of such information.]

Signed on behalf of the Issuer:

By:.....
 Duly authorised

PART B – OTHER INFORMATION

1. **LISTING** [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [*specify market – note this must not be a regulated market*] with effect from [].] [Not Applicable]

2. **PERFORMANCE OF THE PREFERENCE SHARES NOTES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE PREFERENCE SHARES (PREFERENCE SHARE LINKED NOTES ONLY)**

[The Notes relate to the [] preference shares of the Preference Share Issuer.

[The Preference Share Value will be published on each Business Day on [].

The performance of the Preference Shares depends on the performance of the relevant underlying asset(s) or basis of reference to which the Preference Shares are linked (the "Preference Share Underlying"). The Preference Share Underlying is [*insert details of the relevant underlying asset(s) or basis of reference to which the Preference Shares relate*]. Information on the Preference Share Underlying (including past and future performance and volatility) is published on [].] Potential investors should review the Terms of the Preference Shares and consult with their own professional advisers if they consider it necessary. The Terms of the Preference Shares will be made available to investors upon written request to the specified office of the Preference Share Issuer.

3. **PERFORMANCE OF THE W&C SECURITIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE W&C SECURITIES (W&C LINKED NOTES ONLY)**

[The Notes relate to the [] [certificates/warrants] of [] (the "**W&C Securities**").

[The value of the W&C Securities will be published on each Business Day on [].

The performance of the W&C Securities depends on the performance of the relevant underlying asset(s) or basis of reference to which the W&C Securities are linked (the "**W&C Securities Underlying**"). The W&C Securities Underlying is [*insert details of the relevant underlying asset(s) or basis of reference to which the W&C Securities relate*]. Information on the W&C Securities Underlying (including past and future performance and volatility) is published on [].] Potential investors should review the terms of the W&C Securities and consult with their own professional advisers if they consider it necessary. The terms of the W&C Securities will be available on [].

4. **DISTRIBUTION**

(i) Method of distribution: [Syndicated/Non-syndicated]

(ii) If syndicated, [names and addresses]* of Managers [and underwriting commitments]*:

(Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the

Managers)*

- (iii) Date of Subscription Agreement*: []
- (iv) If non-syndicated, name [and address]* of relevant Dealer: [Not Applicable/give Name [and address]*]
- (v) U.S. Selling Restrictions: [Regulation S Compliance Category [1/2/3] ; TEFRA D/TEFRA C/TEFRA Not Applicable]

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**") or under any state securities laws and the Notes may not be offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any U.S. Person (as defined below). Furthermore, trading in the Notes has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act, as amended (the "**Commodity Exchange Act**") and no U.S. Person may at any time trade or maintain a position in the Notes.

As used herein, "**U.S. Person**" means (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-U.S. Persons; (vii) a "U.S. Person" as defined in Regulation S under the Securities Act ("**Regulation S**"); (viii) a person other than a "Non-United States person" as defined in Rule 4.7 under the Commodity Exchange Act; (ix) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations

promulgated by the CFTC; or (x) any other "U.S. person" as such term may be defined in regulations or guidance adopted under the Commodity Exchange Act.

(vi) Additional selling restrictions: [Not Applicable/*give details*]

5. OPERATIONAL INFORMATION

(a) ISIN: []

(b) Common Code: []

(c) German Securities Number: []

(d) CFI Code: []

(e) Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]

(f) Delivery: Delivery [against/free of] payment

(g) Names and addresses of initial Paying Agents and Calculation Agent:

(h) Names and addresses of additional Paying Agent(s) (if any): []

(i) Intended to be held in a manner which would allow Eurosystem eligibility. [Yes][No]

[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]
[include this text if "yes" selected in which case the Notes must be issued in NGN form]

[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the

Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which apply to each Series of and (except in the case of Uncertificated Notes) which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions (including the Additional Terms and Conditions described below) which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. Except in the case of Uncertificated Notes, the applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

The Additional Terms and Conditions contained in Annex 1 in the case of Preference Share Linked Notes, and in Annex 2 in the case of W&C Linked Notes (each as defined below) will apply to the Notes if specified in the applicable Final Terms.

The Series of Notes described in the applicable Final Terms (such Notes being hereinafter referred to as the "**Notes**") are issued by Commerzbank Aktiengesellschaft (the "**Issuer**"). References in these Terms and Conditions to "Note" and "Notes" will be construed accordingly. This Note is one of a Series (as defined below) of Notes issued by the Issuer. References herein to the "Notes" shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Notes issued in exchange for a Global Note; and
- (d) any Uncertificated Notes (as defined below).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement dated on or about 6 March 2017 (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") and made between the Issuer and Commerzbank Aktiengesellschaft as principal paying agent (the "**Principal Paying Agent**") and as paying agent (the "**Paying Agent**" and together with the Principal Paying Agent, the "**Paying Agents**" which expression shall include any additional or successor paying agents) and the other agents named therein. Commerzbank Aktiengesellschaft shall undertake the duties of calculation agent (the "**Calculation Agent**") in respect of the Notes unless another entity is appointed as calculation agent and so specified in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant Series, include such other specified calculation agent.

In relation to issues of Uncertificated Notes (as defined below), the Issuer has entered into an amended and restated agreement dated on or about 6 March 2017 (such agreement as amended and/or supplemented and/or restated from time to time, the "**Euroclear Agreement**") with Computershare Investor Services (Guernsey) Limited as registrar in respect of Uncertificated Notes (the "**Euroclear Registrar**", which expression shall include any successor or additional Euroclear registrar appointed in respect of Uncertificated Notes).

The applicable Final Terms for the Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms which complete these Terms and Conditions (the "**Terms and Conditions**", or the "**Conditions**") or, if the Notes are Notes which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive ("**Exempt Notes**"), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of the Notes and (except in the case of Uncertificated Notes) will be attached to or endorsed on each relevant security. References to the "**applicable Final Terms**" are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) delivered by the Issuer to the Principal Paying Agent or the Euroclear Registrar (in the case of Uncertificated Notes) and (except in the case of Uncertificated Notes) attached to or endorsed on each relevant Note. Any reference in the Conditions to "**applicable Final Terms**" shall be deemed to include a reference to the "**applicable Pricing Supplement**" where relevant. The expression "**Prospectus Directive**" means Directive 2003/71/EC as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Interest bearing definitive Notes have interest coupons ("**Coupons**") and, in the case of Notes which, when issued in definitive form, have more than just 27 interest payments remaining, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

Any reference to "**Noteholders**" or "**Holders**" in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note or Uncertificated Notes, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the issue dates, the amount and date of the first payment of interest thereon (if any) and the date from which interest starts to accrue (if any).

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplement and/or restated from time to time, the "**Deed of Covenant**") dated on or about 6 March 2017 and made by the Issuer. The original of the Deed of Covenant is held by the Principal Paying Agent and a certified copy thereof held by the Euroclear Registrar and a common depository for Euroclear and Clearstream, Luxembourg (each as defined below).

Copies of the Agency Agreement, the Deed of Covenant and the Euroclear Agreement are available for inspection during normal business hours at the specified office of each of the Paying Agents and in the case of the Euroclear Agreement, the Euroclear Registrar. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). If Notes are Exempt Notes, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent or the Euroclear Registrar, as the case may be, as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions (if any) of the Agency Agreement, the Deed of Covenant, the Euroclear Agreement and the applicable Final Terms

which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the Euroclear Agreement.

Words and expressions defined in the Agency Agreement or the Euroclear Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement or the Euroclear Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. **Form, Denomination, Title and Transfer**

The Notes are in bearer form ("**Bearer Notes**") or in uncertificated registered form ("**Uncertificated Notes**") as specified in the applicable Final Terms. Bearer Notes may not be exchanged for Uncertificated Notes or vice versa.

Bearer Notes in definitive form ("**Definitive Notes**" or "**Notes in definitive form**") are serially numbered in the Specified Currency and the Specified Denomination(s) specified in the applicable Final Terms. Bearer Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination. Unless otherwise specified in the applicable Final Terms, Bearer Notes will be issued in classic global note ("**CGN**") form.

The Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, or a combination of any of the foregoing depending on the Interest Basis specified in the applicable Final Terms.

The Notes may be Instalment Notes, Partly Paid Notes (in the case of Exempt Notes only), Preference Share Linked Redemption Notes, ("**Preference Share Linked Notes**"), W&C Linked Redemption Notes ("**W&C Linked Notes**") or a combination of any of the foregoing, depending upon the Redemption Basis specified in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery. The Issuer and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Bearer Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount or number of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**", "**holder of Notes**" and "**Holder**" and related expressions shall be construed accordingly.

Bearer Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

Uncertificated Notes will be issued in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "**Regulations**" and such other regulations made under Sections 783, 784(3), 785 and 788 of the Companies Act 2006 as are applicable to the Euroclear Registrar). Uncertificated Notes are participating securities for the purposes of the Regulations. Title to the Uncertificated Notes is recorded on the relevant Operator register of eligible debt securities. The Euroclear Registrar on behalf of the Issuer will maintain a record of uncertificated eligible debt securities (the "**Record**") in relation to the Uncertificated Notes and will procure that the Record is regularly updated to reflect the Operator register of eligible debt securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of Uncertificated Notes shall be treated by the Issuer, the Euroclear Registrar and any other person as the holder of such number of Uncertificated Notes for all purposes (and the expressions "**Noteholder**", "**holder of Notes**" and "**Holder**" and related expressions in the context of Uncertificated Notes shall be construed accordingly), and (ii) none of the Issuer, the Guarantor, the Euroclear Registrar and any other person shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the Euroclear Registrar maintains are in accordance with particulars entered in the Operator register of eligible debt securities relating to the Uncertificated Notes.

No provisions of these Conditions as completed by the applicable Final Terms or completed, amended and/or supplemented by the applicable Pricing Supplement shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to Uncertificated Notes in uncertificated form, (II) the transfer of title to Uncertificated Notes by means of a relevant system or (III) the Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the applicable Final Terms, so long as the Uncertificated Notes are participating securities, (A) the Operator register of eligible debt securities relating to the Uncertificated Notes shall be maintained at all times outside the United Kingdom, (B) the Uncertificated Notes may be issued in uncertificated form in accordance with and subject as provided in the Regulations, and (C) for the avoidance of doubt, the Conditions and the applicable Final Terms in relation to any Uncertificated Note shall remain applicable notwithstanding that they are not endorsed on any certificate for such Uncertificated Note.

As used herein each of "**Operator register of eligible debt securities**", "**participating securities**" and "**relevant system**" is as defined in the Regulations and the relevant Operator (as such term is used in the Regulations) is Euroclear UK & Ireland Limited or any additional or alternative operator from time to time approved by the Issuer and the Euroclear Registrar in relation to the Uncertificated Notes and in accordance with the Regulations. Any reference herein to the "**Operator**" shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the Uncertificated Noteholders in accordance with Condition 12.

Notes in definitive registered form will not be issued, either initially or in exchange for an Uncertificated Note.

Title to Uncertificated Notes will pass upon registration of the transfer in the Record. All transactions in relation to Uncertificated Notes (including transfers of Uncertificated Notes) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator.

2. **Status of the Notes**

The obligations under the Notes and, where applicable, Receipts and Coupons, 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).

3. **Interest**

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes or, in the case of Exempt Notes, whether a different interest basis applies.

The Notes bear and/or pay interest on the basis specified in the applicable Final Terms.

(A) *Day Count Fraction*

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 3:

(a) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

- (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

- (b) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (c) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (d) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (e) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (f) if "**30/360 (ICMA)**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (g) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (h) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30; or

- (i) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

In these Terms and Conditions:

"Determination Period" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first

Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(B) *Interest on Fixed Rate Notes*

This Condition 3(B) applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 3(B) for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Subject to early redemption or cancellation of the Notes, interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note or, if they are Partly Paid Notes, the aggregate amount paid up; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;
- (c) in the case of Fixed Rate Notes which are Uncertificated Notes, the aggregate outstanding nominal amount of the Fixed Rate Notes or if they are Partly Paid Notes, the aggregate amount paid up,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(C) *Interest on Floating Rate Notes*

(a) *Interest Payment Dates*

This Condition 3(C)(a) applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 3(C)(a) for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

Each Floating Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (in these Terms and Conditions, "**Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 3(C)(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (C)(a)(ii) above shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business

Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, "**Business Day**" means:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (B) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open: and
- (C) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as calculation agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association,

Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**"), on the Euro-zone interbank offered rate ("**EURIBOR**"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (i), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(ii) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to (i) the fifth decimal place, with 0.000005 being rounded upwards if the applicable Floating Rate Opinion is based on LIBOR or (ii) the fourth decimal place, with 0.00005 being rounded upwards if the applicable Floating Rate Opinion is based on EURIBOR) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. London time, in the case of LIBOR, 11.00 a.m. Brussels time, in the case of EURIBOR on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of Condition 3(C)(b)(ii)(A), no offered quotation appears or, in the case of Condition 3(C)(b)(ii)(B), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified

Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the relevant period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest).

(c) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest. If no Minimum Rate of Interest is specified in the applicable Final Terms, the Notes will be deemed to be subject to a Minimum Rate of Interest of zero.

(d) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Calculation Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. The Calculation Agent will notify the Principal Paying Agent or (in the case of Uncertificated Notes) the Euroclear Registrar of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount; or
- (iii) in the case of Floating Rate Notes which are Uncertificated Notes, the aggregate outstanding nominal amount of such Notes (or, if they are Partly Paid Notes, the aggregate amount paid up),

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding. In such case, the Calculation Agent will notify the Principal Paying Agent of the Interest Amount for the relevant Interest Period as soon as practicable after calculating the same.

(e) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"Designated Maturity" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) *Notification of Rate of Interest and Interest Amounts*

The Principal Paying Agent or (in the case of Uncertificated Notes) the Euroclear Registrar will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 12. For the purposes of this paragraph (f), the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(C), whether by the Principal Paying Agent, the Euroclear Registrar or the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the Euroclear Registrar, the Calculation Agent, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent, the Euroclear Registrar or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(h) *Exempt Notes*

In the case of Exempt Notes which are also Floating Rate Notes where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 3(C) shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

(D) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(E) *Accrual of interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid have been delivered; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Euroclear Registrar, as the case may be and notice to that effect has been given to the Noteholders in accordance with Condition 12.

(F) *Definitions*

In the Terms and Conditions, the following expressions have the following meanings:

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified in the applicable Final Terms; and

"Specified Time" means 11.00 a.m. London time in the case of a determination of LIBOR or 11.00 a.m. Brussels time in the case of a determination of EURIBOR.

4. **Payments**

(A) *Method of payment in respect of Bearer Notes*

In respect of Bearer Notes and subject as provided below:

- (a) payments in a Specified Currency other than euro or U.S. dollars will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; and
- (c) payments in U.S. dollars will be made by transfer to a U.S. dollar account maintained by the payee with a bank outside of the United States (which expression, as used in this Condition 4, means the United States of America, including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction).

In no event will payment be made by a cheque mailed to an address in the United States.

(B) *Presentation of Definitive Notes, Receipts and Coupons*

Payments of principal in respect of Definitive Notes will (subject as provided below) be made in the manner provided in paragraph (A) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Notes, and payments of interest in respect of Definitive Notes will (subject as provided below) be made as aforesaid only against presentation

and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States.

Payments of instalments of principal (if any) in respect of Definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (A) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (A) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Note to which it appertains. Receipts presented without the Definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Preference Share Linked Notes or W&C Linked Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 7) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void.

Upon the date on which any Floating Rate Note, Preference Share Linked Note, W&C Linked Note, unmatured Talons (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

If the due date for redemption, of any Definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Note.

(C) *Payments in respect of Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, as applicable.

(D) *Payments in respect of Uncertificated Notes*

Subject as provided below, the Euroclear Registrar shall pay or cause to be paid payments of principal in respect of Uncertificated Notes to the relevant Holder's cash account, such payment to

be made in accordance with the rules of the Operator. Payments of interest (if any) in respect of Uncertificated Notes will be discharged by payment (as shown in the records of the Operator) to the cash account of the relevant Holder.

(E) *General provisions applicable to payments*

The holder of a Global Note shall be the only person entitled to receive payments or make a claim with respect to payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of number of units of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Each of the persons shown in the Operator register of eligible debt securities as the holder of a particular nominal amount of Uncertificated Notes must look solely to the settlement bank or institution at which its cash account is held for his share of each such payment so made by or on behalf of the Issuer.

Notwithstanding the foregoing provisions of this Condition 4, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code.

(F) *Payment Day*

If the date for payment of any amount in respect of any Bearer Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay or amendment.

In the case of Uncertificated Notes, payment instructions (for value the due date, or, if the due date is not a Payment Day, for value the next succeeding Payment Day) will be initiated on the due date for payment. A holder of an Uncertificated Note shall not be entitled to any interest or other payment

in respect of any delay in payment resulting from the due date for a payment not being a Payment Day.

For these purposes, "**Payment Day**" means any day which is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) the relevant place of presentation (if presentation is required);
 - (ii) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;
 - (iii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
- (b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(G) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) the Final Redemption Amount of the Notes;
- (b) the Early Redemption Amount of the Notes;
- (c) the Optional Redemption Amount(s) (if any) of the Notes;
- (d) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(D)(c)); and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

(H) *Definition of Affiliate*

"**Affiliate**" means, in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "**control**" means ownership of a majority of the voting power of an entity.

5. **Redemption and Purchase**

(A) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(B) *Redemption at the option of the Issuer (Issuer Call)*

This Condition 5(B) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an Issuer Call. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 5(B) for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (a) not less than the minimum period (such minimum period being no less than 5 Business Days) nor more than the maximum period of notice specified in the Final Terms to the Noteholders in accordance with Condition 12; and
- (b) not less than 15 days before the giving of the notice referred to in paragraph (a) above, notice to the Principal Paying Agent or (in the case of Uncertificated Notes) not less than 45 days' notice to the Euroclear Registrar,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and/or not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes (other than Uncertificated Notes), the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 12 not less than 30 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph Condition 5(B) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 12 at least five days prior to the Selection Date. In respect of a partial redemption of Uncertificated Notes, the notice to Noteholders referred to in this Condition shall also specify any procedures for partial redemption laid down in the then applicable Regulations.

In the case of Preference Share Linked Notes the Optional Redemption Amount will be the Early Preference Share Redemption Note Amount and in the case of W&C Linked Notes the Optional Redemption Amount will be the Early W&C Cancellation Note Amount.

(C) *Redemption at the option of the Noteholders (Investor Put)*

This Condition 5(C) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an Investor Put. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 5(C) for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Bearer Note giving to the Issuer in accordance with Condition 12 not less than the minimum period (such minimum period being no less than 5 Business Days) nor more than the maximum period of notice specified in the applicable Final Terms the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

In the case of Preference Share Linked Notes the Optional Redemption Amount will be the Early Preference Share Redemption Note Amount and in the case of W&C Linked Notes the Optional Redemption Amount will be the Early W&C Cancellation Note Amount.

If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 5 accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, the terms of which require presentation for recording changes to its nominal amount, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 5(C) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5(C) and instead to declare such Note forthwith due and payable pursuant to Condition 8.

In order to exercise the option contained in this Condition, the holder of an Uncertificated Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date, deposit with the Euroclear Registrar a duly completed Put Notice in the form obtainable from the Euroclear Registrar and in accordance with the Regulations. Any Put Notice given in accordance with the

Regulations shall be irrevocable except where, prior to the date of redemption, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5(C) and instead to declare such Note forthwith due and payable pursuant to Condition 8.

(D) *Early Redemption Amounts*

The Early Redemption Amount shall be calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note and excluding Notes specified in paragraph (c) below but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount;
- (c) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

$$RP \times (1 + AY)^y$$

where:

"**RP**" means the Reference Price; and

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is a fraction, the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable,

or on such other calculation basis as may be specified in the applicable Final Terms; or

- (d) in the case of Preference Share Linked Notes or W&C Linked Notes, the Early Redemption Amount in respect of each nominal amount of such Notes equal to the Calculation Amount will be the Early Redemption Amount as set out in Annex 1 or Annex 2, as applicable.

If "**Market Value**" is specified as the Early Redemption Amount in the applicable Final Terms the Early Redemption Amount in respect of each nominal amount of Notes equal to the Calculation Amount shall be an amount determined by the Calculation Agent, which on (i) in the case of redemption other than pursuant to Condition 8, the second Business Day immediately preceding the due date for the early redemption of the Notes or (ii) in the case of redemption pursuant to Condition 8, the due date for the early redemption of such Notes, represents the fair market value of such Notes (taking into account all factors which the Calculation Agent determines relevant) and provided that in determining such fair market value in the case of redemption pursuant to Condition 8, no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligations in respect of the Notes.

If "**Market Value less Associated Costs**" is specified as the Early Redemption Amount in the applicable Final Terms the Early Redemption Amount in respect of each nominal amount of Notes equal to the Calculation Amount shall be an amount determined by the Calculation Agent, which on (i) in the case of redemption other than pursuant to Condition 8, the second Business Day immediately preceding the due date for the early redemption of the Notes or (ii) in the case of redemption pursuant to Condition 8, the due date for the early redemption of such Notes, represents the fair market value of such Notes (taking into account all factors which the Calculation Agent determines relevant) less Associated Costs, and provided that in determining such fair market value in the case of redemption pursuant to Condition 8, no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligations in respect of the Notes.

As used herein:

"**Associated Costs**" means an amount (which may not be less than zero) per nominal amount of the Notes equal to the Calculation Amount equal to its pro rata share of the total amount of any and all costs and losses associated with or incurred by the Issuer and/or any Affiliate in connection with such early redemption, including, without limitation, any costs and losses associated with or incurred by the Issuer and/or any Affiliate in connection with unwinding any funding relating to the Notes and/or any hedge positions (including without limitation, any derivative transactions) relating to or entered into in connection with the Notes, all as determined by the Calculation Agent.

(E) *Instalments*

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(D) above.

(F) *Automatic Early Redemption*

If "**Automatic Early Redemption**" is specified as applicable in the applicable Final Terms and unless previously redeemed, purchased and/or cancelled, on any Automatic Early Redemption Valuation Date an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, each Note being redeemed on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date at the Automatic Early Redemption.

The Issuer shall give notice to Holders in accordance with Condition 12 of the occurrence of an Automatic Early Redemption Event as soon as practicable following its occurrence.

Definitions relating to Automatic Early Redemption:

"**Automatic Early Redemption Amount**" means in respect of each nominal amount of Notes equal to the Calculation Amount, an amount in the Specified Currency calculated by the Calculation Agent equal to:

$$\text{Calculation Amount} \times \frac{\text{Underlying Value}_{\text{Auto Early}}}{\text{Underlying Value}_{\text{initial}}};$$

"**Automatic Early Redemption Date**" means each date specified as such in the applicable Final Terms, or if specified as applicable in the applicable Final Terms and if later, the X Business Day following the relevant Automatic Early Redemption Valuation Date;

"Automatic Early Redemption Event" means that the Underlying becomes (a) in the case of a W&C Security, exercisable in accordance with its terms prior to its originally scheduled final exercise date or (b) in the case of a Preference Share, redeemable prior to its originally designated final redemption date;

"Automatic Early Redemption Valuation Date" means each date specified as such in the applicable Final Terms or, if the date for valuation of or any determination of any underlying asset or basis of reference for the Preference Shares or the W&C Securities, as the case may be, falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares or the W&C Securities, as the case may be, such Automatic Early Redemption Valuation Date shall be such delayed valuation date(s), as determined by the Calculation Agent;

"Underlying" means the Preference Share, certificate or warrant to which the relevant Notes relate;

"Underlying Level" means the W&C Securities Value or the Preference Share Value, as applicable;

"Underlying Value_{Auto Early}" means the Underlying Level on the relevant Automatic Early Redemption Valuation Date;

"Underlying Value_{initial}" means the Underlying Level on the Initial Valuation Date; and

"X" is the number specified as such in the applicable Final Terms.

(G) *Illegality*

In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under the Notes or that any arrangements made to hedge the Issuer's obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than 10 nor more than 30 days' notice to Holders in accordance with Condition 12 (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

(H) *Partly Paid Notes*

Amounts payable or redemption in respect of Partly Paid Notes will be determined in accordance with the provisions of this Condition 5 and the applicable Final Terms.

(I) *Purchases*

The Issuer or any of its Affiliates may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent or (in the case of Uncertificated Notes) transferred to the Euroclear Registrar for cancellation.

(J) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 5(I) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal

Paying Agent or (in the case of Uncertificated Notes) transferred to the Euroclear Registrar and cannot be reissued or resold.

(K) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption or exercise of such Zero Coupon Note or upon its becoming due and repayable or cancelled as provided in Condition 8 is improperly withheld or refused, the amount due and payable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5(D)(c) as though the references therein to the date fixed for the redemption or exercise or the date upon which such Zero Coupon Note becomes due and payable or is cancelled were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Euroclear Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 12.

6. **Taxation**

All present and future taxes, fees or duties payable in connection with the Notes shall be borne and paid by the Holders thereof. The Issuer is entitled to withhold or deduct from payments to be made or assets to be delivered under the Notes for on account of any taxes, fees and/or duties required by law or otherwise payable by the Holder in accordance with the previous sentence. Neither the Issuer nor any other person should be required to pay additional amounts in respect of any such withholding or deduction.

7. **Prescription**

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined below) therefor.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Euroclear Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 12.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 7 or Condition 4(B) or any Talon which would be void pursuant to Condition 4(B).

8. **Events of Default**

Each Holder is entitled to declare his Notes due and to require the redemption at the Early Redemption Amount together (if appropriate) with interest accrued to the date of repayment such date being determined by the Issuer and notified in accordance with Condition 12, if:

- (a) the Issuer is in default for more than 30 days in the payment of any amount due under the Conditions; or

- (b) the Issuer violates any other obligation under the Conditions, and such violation continues for 60 days after receipt of written notice thereof from such Holder; or
- (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); or
- (d) the Issuer ceases its payments and this continues for 60 days, or admits to be unable to pay its debts; or
- (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
- (f) in the case of a substitution of the Issuer within the meaning of Condition 13(B)(b) any of the events set forth in sub-paragraphs (c) to (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.

The right to declare Notes due pursuant to this Condition shall be exercised by a Holder delivering to the Principal Paying Agent (or in the case of Uncertificated Notes) the Euroclear Registrar written notice which shall state the nominal amount or number of the Notes called for redemption and shall enclose evidence of ownership reasonably satisfactory to the Principal Paying Agent or the Euroclear Registrar, as the case may be.

9. **Replacement of Bearer Notes, Receipts, Coupons and Talons**

Should any Bearer Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

10. **Paying Agents, Euroclear Registrar and Calculation Agent**

(A) *Paying Agents and Euroclear Register*

The names of the initial Paying Agents and the initial Euroclear Registrar and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent or the Euroclear Registrar and/or appoint additional or other Paying Agents or Euroclear Registrar and/or approve any change in the specified office through which any Paying Agent or Euroclear Registrar acts, provided that:

- (a) in the case of Bearer Notes, there will at all times be a Principal Paying Agent and, in the case of Uncertificated Notes, there will at all times be a Euroclear Registrar; and
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent, which may be the Principal Paying Agent, or the Euroclear Registrar with a specified office in such place as may be

required by the rules and regulations of the relevant stock exchange or other relevant authority.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 4(E). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 12.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder, Receiptholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

In acting under the Euroclear Agreement, the Euroclear Registrar acts solely as agent of the Issuer and does not assume any obligation to, or relationship of agency or trust with, any Holders.

(B) *Calculation Agent*

In relation to each issue of Notes, the Calculation Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Noteholders, Receiptholders or Couponholders. All calculations and determinations made in respect of the Notes by the Calculation Agent shall be made in good faith and in a commercially reasonable manner (having regard in each case to the criteria specified in the Conditions and the hedging agreement entered into in respect of the Notes) and shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Paying Agents, the Euroclear Registrar, and the Noteholders, Receiptholders or Couponholders. The Calculation Agent shall promptly notify the Issuer and the Principal Paying Agent or (in the case of Uncertificated Notes) the Euroclear Registrar upon any such calculations and determinations, and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer, the Paying Agents, the Euroclear Registrar, the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

Notwithstanding that certain calculations, determinations and adjustments in the Conditions may be expressed to be on a certain date, the Calculation Agent may make such calculations, determinations and adjustments in respect of that date on a date after that date determined by it in its discretion.

Pursuant to the Conditions the Calculation Agent has a number of discretions. These are necessary since certain circumstances or the occurrence of certain events may materially affect the costs to the Issuer and/or its Affiliates of maintaining the Notes or the hedging arrangements for the Notes, in each case before and after the occurrence of such event in a way which has not been reflected in the pricing of the Notes. In addition, certain circumstances may arise where it is not reasonably practicable or otherwise not appropriate for certain valuations to be carried out in relation to relevant reference assets and in these circumstances the Calculation Agent also may exercise certain discretions.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

11. **Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified

office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 7.

12. **Notices**

All notices regarding Definitive Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London or, in the case of Notes listed on the official list of the Luxembourg Stock Exchange, published on the website of the Luxembourg Stock Exchange (www.bourse.lu), and published in a leading newspaper having general circulation in Luxembourg. It is expected that any such publication in a London newspaper will be made in the *Financial Times* in London and any such publication in a Luxembourg newspaper will be made in the *Luxemburger Wort*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

In respect of Bearer Notes, until such time as any Definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to Holders of Uncertificated Notes shall be sent to the address of the Noteholder appearing in the Record on the second Business Day immediately prior to despatch of such notice, by first class post or, if such address is not in the United Kingdom, by airmail post (any such notice to be delivered or sent at the risk of the relevant Holder).

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent or (in the case of Uncertificated Notes) the Euroclear Registrar. Whilst any of the Bearer Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

13. **Meetings of Noteholders, Modification, Waiver and Substitution**

(A) *Meetings of Noteholders, Modification and Waiver*

The Agency Agreement or (in the case of Uncertificated Notes) the Euroclear Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement or Euroclear Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by

the Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing in the aggregate no less than 50% in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount or number of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, altering the currency of payment of the Notes, the Receipts or the Coupons or amending the Deed of Covenant in certain respects), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Agency Agreement (in the case of Bearer Notes) or the Euroclear Agreement (in the case of Uncertificated Notes) provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement or Euroclear Agreement, as the case may be, by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of all the Noteholders or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent (in the case of Bearer Notes) or the Euroclear Registrar (in the case of Uncertificated Notes) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Principal Paying Agent or (in the case of Uncertificated Notes) the Euroclear Registrar and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement or the Euroclear Agreement, as the case may be, or to any waiver or authorisation of any breach or proposed breach by the Issuer of any of the terms of the Notes, the Receipts, the Coupons or the Agency Agreement or the Euroclear Agreement, as the case may be, or determine that any Event of Default shall not be treated as such which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement or the Euroclear Agreement, as the case may be, which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 12 as soon as practicable thereafter.

(B) *Substitution of Issuer or Branch*

- (a) Any other company may assume at any time during the life of the Notes, subject to paragraph (b), without the Holders' consent all the obligations of the Issuer under the Conditions. Any such substitution and the effective date shall be notified by the Issuer in accordance with Condition 12.

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 the Notes, the Conditions and the applicable Final Terms 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 Condition 13(B), each previous New Issuer) shall be released from its obligations hereunder and from its liability as obligor under the Notes.

In the event of such substitution, any reference in the Conditions, the applicable Final Terms and the Notes to the Issuer shall from then on refer to the New Issuer.

- (b) No such substitution and assumption shall be permitted unless:
- (i) the New Issuer has agreed to assume all obligations of the Issuer under the Notes pursuant to the Conditions and the applicable Final Terms;
 - (ii) the New Issuer has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;
 - (iii) the Issuer (in this capacity referred to as the "**Guarantor**") has unconditionally and irrevocably guaranteed to the Holders compliance by the New Issuer with all obligations under the Notes pursuant to the Conditions and the applicable Final Terms;
 - (iv) 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.

(C) *Upon any further substitution of the Issuer for a New Issuer, this Condition 13(B) shall apply again.*

14. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further securities having terms and conditions the same as the Notes or the same in all respects save for the issue dates, the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

15. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

16. **Governing Law and Submission to Jurisdiction**

(A) *Governing law*

The Agency Agreement, the Euroclear Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Euroclear Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons shall be governed by, and construed in accordance with, English law.

(B) *Submission to jurisdiction*

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes, Receipts or Coupons (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes, Receipts or Coupons) (a "**Dispute**") and accordingly the Issuer and the Noteholders, Receiptholders and Couponholders (by its acquisition of a Note, Receiptholder or Coupon, as applicable) submit to the exclusive jurisdiction of the English courts. The Issuer and the Noteholders, Receiptholders and Couponholders (by its acquisition of a Note, Receiptholder or Coupon, as applicable) waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(C) *Appointment of Process Agent*

The Issuer appoints its London Branch at its registered office at 30 Gresham Street, London EC2V 7PG as its agent for service of process, and undertakes that, in the event of its London Branch ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Dispute. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

17. **Severability**

Should any of the provisions contained in these Terms and Conditions be or become invalid, the validity of the remaining provisions shall not be affected in any way.

ANNEX 1

ADDITIONAL TERMS AND CONDITIONS FOR PREFERENCE SHARE LINKED NOTES

1. Interpretation

The terms and conditions applicable to Preference Share Linked Notes shall comprise the terms and conditions of the Notes (the "**General Conditions**") and the Additional Terms and Conditions for Preference Share Linked Notes set out below (the "**Preference Share Linked Conditions**") in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Preference Share Linked Conditions, the Preference Share Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Preference Share Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. Any reference in the Preference Share Linked Conditions to "**applicable Final Terms**" shall be deemed to include a reference to the "**applicable Pricing Supplement**" where relevant.

2. General Definitions

"**Additional Disruption Event**" means any of Change in Law, Hedging Disruption, Insolvency Filing and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

"**Change in Law**" means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it has become illegal to hold, acquire or dispose of any Preference Share or (y) it will incur a materially increased cost in performing its obligations in relation to the Preference Share Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**Early Preference Share Redemption Date**" means a date upon which the Preference Shares are redeemed prior to their planned maturity, as specified in the relevant Early Preference Share Redemption Notice.

"**Early Preference Share Redemption Note Amount**" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount in the Specified Currency calculated by the Calculation Agent equal to:

$$\text{Calculation Amount} \times \frac{\text{Preference Share Value}_{\text{early}}}{\text{Preference Share Value}_{\text{initial}}}$$

"**Early Preference Share Redemption Notice**" means a notice from the Preference Share Issuer that the Preference Shares are to be redeemed early.

"**Early Redemption Amount**" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount in the Specified Currency calculated by the Calculation Agent on the same basis as the Final Redemption Amount except that the definition of Preference Share Value_{final} shall be the Preference Share Value on the Early Redemption Valuation Date.

"**Early Redemption Event**" means that the Issuer or any of its Affiliates has received notice from the Preference Share Issuer that the Preference Shares are to be redeemed early.

"Early Redemption Valuation Date" means the second Business Day immediately preceding the date for early redemption of the Preference Share Linked Notes.

"Extraordinary Event" means a Merger Event, a Nationalisation, a Tender Offer and/or an Insolvency or such other event specified as such in the applicable Final Terms.

"Final Redemption Amount" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount in the Specified Currency calculated by the Calculation Agent equal to:

$$\text{Calculation Amount} \times \frac{\text{Preference Share Value}_{\text{final}}}{\text{Preference Share Value}_{\text{initial}}}$$

"Final Valuation Date" means the date specified as such in the applicable Final Terms or, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Final Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent.

"Hedging Disruption" means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Preference Share Linked Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Increased Cost of Hedging" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Preference Share Linked Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

"Initial Valuation Date" means the Issue Date or, if the date for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Initial Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent.

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Preference Share Issuer (A) all the Preference Shares are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Preference Shares become legally prohibited from transferring them.

"Insolvency Filing" means that the Preference Share Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar

official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Preference Share Issuer shall not be deemed an Insolvency Filing.

"Merger Date" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means any (A) reclassification or change of the Preference Shares that results in a transfer of or an irrevocable commitment to transfer all of such Preference Shares outstanding to another entity or person, (B) consolidation, amalgamation, merger or binding share exchange of the Preference Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Preference Shares outstanding), (C) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Preference Shares that results in a transfer of or an irrevocable commitment to transfer all such Preference Shares (other than such Preference Shares owned or controlled by such other entity or person), or (D) consolidation, amalgamation, merger or binding share exchange of the Preference Share Issuer with or into another entity in which the Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Preference Shares outstanding but results in the outstanding Preference Shares (other than Preference Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Preference Shares immediately following such event, in each case if the Merger Date is on or before the Maturity Date.

"Nationalisation" means that all the Preference Shares or all or substantially all the assets of the Preference Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"Preference Share Issuer" means Commerz Pearl Limited.

"Preference Shares" means the preference shares of the Preference Share Issuer specified in the applicable Final Terms.

"Preference Share Underlying" means the relevant underlying asset(s) or basis of reference to which the Preference Shares are linked.

"Preference Share Value" means, in respect of any day, the market value of a Preference Share at the Valuation Time on such day as determined by the Calculation Agent.

"Preference Share Value_{early}" means the Preference Share Value on the Early Redemption Valuation Date.

"Preference Share Value_{final}" means the Preference Share Value on the Final Valuation Date.

"Preference Share Value_{initial}" means the Preference Share Value on the Initial Valuation Date.

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Preference Share Issuer as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"**Valuation Time**" has the meaning given to it in the applicable Final Terms or if not set out in the applicable Final Terms, 3.00 p.m. (London time).

3. Call Option

If Call Option is specified in the applicable Final Terms as being applicable the provisions of General Condition 5(B) shall apply to the Preference Share Linked Notes as if the words "redeem all or some only" in the seventh and eighth lines thereof were replaced with the words "redeem all (but not some only)".

4. Early Redemption of Preference Share Linked Notes

Upon the occurrence of an Early Redemption Event, the Issuer may give notice to the Holders in accordance with General Condition 12 and will redeem all (but not some only) of the Preference Share Linked Notes on the tenth Business Day immediately preceding the Early Preference Share Redemption Date (as specified in the Early Preference Share Redemption Notice), each Preference Share Linked Note to be redeemed by payment of the Early Preference Share Redemption Note Amount.

5. Extraordinary Events

If in the determination of the Calculation Agent an Extraordinary Event occurs, the Issuer may (but is not obliged to) give notice to the Holders in accordance with General Condition 12 and redeem all, but not some only, of the Preference Share Linked Notes, each Preference Share Linked Note being redeemed at the Early Redemption Amount on the tenth Business Day immediately following the date on which such determination is made by the Calculation Agent.

6. Additional Disruption Events

If in the determination of the Calculation Agent an Additional Disruption Event occurs (such date of determination the "**Additional Disruption Event Determination Date**"), the Issuer may (but is not obliged to) give notice to Holders in accordance with General Condition 12 and redeem all, but not some only, of the Preference Share Linked Notes, each Preference Share Linked Note being redeemed at the Early Redemption Amount on the tenth Business Day immediately following the Additional Disruption Event Determination Date.

7. Cancellation of Preference Share Linked Notes

The provisions of General Condition 5(l) shall apply to the Preference Share Linked Notes as if the words "by the Issuer" were inserted after the words "purchased" in the third line thereof.

8. Further Issues

General Condition 14 shall not apply to the Preference Share Linked Notes.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR W&C LINKED NOTES

1. Interpretation

The terms and conditions applicable to W&C Linked Notes shall comprise the terms and conditions of the Notes (the "**General Conditions**") and the Additional Terms and Conditions for W&C Linked Notes set out below (the "**W&C Linked Conditions**") in each case subject to completion in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the W&C Linked Conditions, the W&C Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the W&C Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. Any reference in the W&C Linked Conditions to "**applicable Final Terms**" shall be deemed to include a reference to the "**applicable Pricing Supplement**" where relevant.

2. General Definitions

"**Additional Disruption Event**" means any of Change in Law, Hedging Disruption, Insolvency Filing and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

"**Change in Law**" means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (x) it has become illegal to hold, acquire or dispose of any W&C Security or (y) it will incur a materially increased cost in performing its obligations in relation to the W&C Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**Early Redemption Amount**" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount in the Specified Currency calculated by the Calculation Agent on the same basis as the Final Redemption Amount except that the definition of W&C Securities Value_{final} shall be the W&C Securities Value on the Early W&C Cancellation Valuation Date.

"**Early W&C Cancellation Note Amount**" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount in the Specified Currency calculated by the Calculation Agent equal to:

$$\text{Calculation Amount} \times \frac{\text{W \& C Securities Value}_{\text{early}}}{\text{W \& C Securities Value}_{\text{initial}}}$$

"**Early W&C Cancellation Valuation Date**" means the second Business Day immediately preceding the date for early redemption of the W&C Linked Notes.

"**Final Redemption Amount**" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount in the Specified Currency calculated by the Calculation Agent equal to:

$$\text{Calculation Amount} \times \frac{\text{W \& C Securities Value}_{\text{final}}}{\text{W \& C Securities Value}_{\text{initial}}}$$

"Final Valuation Date" means the date specified as such in the applicable Final Terms or, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the W&C Securities falling on or about such day is to be delayed in accordance with the terms and conditions of the W&C Securities by reason of a disruption or adjustment event, the Final Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent.

"Hedging Disruption" means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the W&C Linked Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Increased Cost of Hedging" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the W&C Linked Notes (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

"Initial Valuation Date" means the Issue Date or, if the date for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the W&C Securities falling on or about such day is to be delayed in accordance with the terms and conditions of the W&C Securities by reason of a disruption or adjustment event, the Initial Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent.

"Insolvency Filing" means that the W&C Securities Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the W&C Securities Issuer shall not be deemed an Insolvency Filing.

"Valuation Time" has the meaning given to it in the applicable Final Terms or if not set out in the applicable Final Terms, 3.00 p.m. (London time).

"W&C Securities" means the certificates or warrants issued by the Issuer or another entity specified in the applicable Final Terms.

"W&C Securities Issuer" means the issuer of the W&C Securities specified in the applicable Final Terms, which may be the Issuer or another entity.

"W&C Securities Underlying" means the relevant underlying asset(s) or basis of reference to which the W&C Securities are linked.

"W&C Securities Value" means, in respect of any day, the market value of a W&C Security at the Valuation Time on such day as determined by the Calculation Agent.

"W&C Securities Value_{early}" means the W&C Securities Value on the W&C Termination Date.

"W&C Securities Value_{final}" means the W&C Securities Value on the Final Valuation Date.

"W&C Securities Value_{initial}" means the W&C Securities Value on the Initial Valuation Date.

"W&C Termination Date" means, in respect of a W&C Security, the date on which such W&C Security is cancelled or terminated as a result of a W&C Termination Event, as determined by the Calculation Agent.

"W&C Termination Event" means, in respect of a W&C Security, (a) the cancellation or termination of such W&C Security for any reason other than (i) by reason of its scheduled exercise by a holder thereof, (ii) its automatic exercise pursuant to its terms or (b) a specified early cancellation event occurs in respect of such W&C Security in accordance with its terms.

3. Call Option

If Call Option is specified in the applicable Final Terms as being applicable the provisions of General Condition 5(B) shall apply to the W&C Linked Notes as if the words "redeem all or some only" in the seventh and eighth lines thereof were replaced with the words "redeem all (but not some only)".

4. Early Redemption of W&C Linked Notes

Upon the occurrence of a W&C Termination Event, the Issuer may give notice to the Holders in accordance with General Condition 12 and will redeem all (but not some only) of the W&C Linked Notes on the fifth Business Day immediately succeeding the W&C Termination Date, each W&C Linked Note to be redeemed by payment of the Early W&C Cancellation Note Amount.

5. Additional Disruption Events

If in the determination of the Calculation Agent an Additional Disruption Event occurs (such date of determination the **"Additional Disruption Event Determination Date"**), the Issuer may (but is not obliged to) give notice to Holders in accordance with General Condition 12 and redeem all, but not some only, of the W&C Linked Notes, each W&C Linked Note being redeemed at the Early Redemption Amount on the tenth Business Day immediately following the Additional Disruption Event Determination Date.

6. Cancellation of W&C Linked Notes

The provisions of General Condition 5(I) shall apply to the W&C Linked Notes as if the words "by the Issuer" were inserted after the words "purchased" in the third line thereof.

7. Further Issues

General Condition 14 shall not apply to the W&C Linked Notes.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. If, in respect of any particular issue of Notes (unless such Notes are debt securities with a denomination per unit of at least EUR100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such other currency)) to which Annex XIII of the Prospectus Regulation applies, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes).

DESCRIPTION OF THE PREFERENCE SHARE ISSUER AND THE PREFERENCE SHARES

The following section applies to both Exempt Notes and Non-exempt Notes.

The following is a description of the Preference Share Issuer and the Preference Shares.

The Preference Share Issuer

Commerz Pearl Limited (the "**Preference Share Issuer**") is a private company limited by shares and was incorporated under the Companies Act 2006 on 25 April 2012 (with registered number 8045926). Commerz Pearl Limited is governed by the laws of England and Wales and has its registered office at 30 Gresham Street, London, EC2V 7PG, United Kingdom.

The sole business activity of the Preference Share Issuer is to issue redeemable preference shares. Accordingly, the Preference Share Issuer does not have any trading assets and does not generate any significant net income.

A copy of the Preference Share Issuer's constitutional documents and the Preference Share terms and conditions are available (free of charge) from the registered office of the Preference Share Issuer.

The Preference Shares

The Preference Share Issuer will from time to time issue tranches of 100 redeemable preferred shares (the "**Preference Shares**"). Each tranche of Preference Shares will be issued fully paid to Commerzbank Aktiengesellschaft and may be denominated in any of the following currencies: Pounds Sterling, euro, U.S. dollars, Japanese yen, Swiss francs, Australian dollars or New Zealand dollars. The Preference Share Issuer may issue redeemable preference shares of any kind, including but not limited to preference shares linked to a specified index or basket of indices, share or basket of shares, currency or basket of currencies, commodity or basket of commodities, or to such other underlying instruments, bases of reference or factors (each a "**Preference Share Underlying**") and on such terms as may be determined by the Preference Share Issuer and specified in the applicable terms and conditions of the relevant series of preference shares (the "**Preference Share Terms**"). The Preference Share Terms, and any non-contractual obligations arising out of or in connection with the Preference Share Terms, are governed by and construed in accordance with English law.

The Preference Share Terms provide that the Preference Shares will be redeemable on their final redemption date (or otherwise in accordance with the Preference Share Terms). On redemption, the Preference Shares will carry preferred rights to receive an amount calculated by reference to the performance of the Preference Share Underlying.

The Preference Share Terms also provide that the Preference Share Issuer may redeem the Preference Shares early if:

- (a) the calculation agent in respect of the Preference Shares determines that for reasons beyond the Preference Share Issuer's control, the performance of the Preference Share Issuer's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or
- (b) any event occurs in respect of which the provisions of the Preference Share Terms relating to any adjustment, delay, modification, cancellation or determination in relation to the Preference Share Underlying, the valuation procedure for the Preference Share Underlying or the Preference Shares provide that the Preference Shares may be redeemed; or

- (c) a change in applicable law or regulation occurs that in the determination of the Preference Share Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Preference Share Issuer being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Preference Share Issuer to be onerous to it; or
- (d) the Preference Share Issuer is notified that the Preference Share Linked Notes have become subject to early redemption.

The value of the Preference Shares will be published on each Business Day on the Bloomberg service or similar information provision.

The Preference Share Underlying

The performance of the Preference Shares depends on the performance of the Preference Share Underlying to which the relevant Preference Shares are linked.

Investors should review the Preference Share Terms and the Preference Share Issuer's constitutional documents and consult with their own professional advisers if they consider it necessary.

TAXATION

The following section applies to both Exempt Notes and Non-exempt Notes.

The following comments are of a general nature, are based on the Issuer's understanding of current law and practice and are included in this document solely for information purposes. These comments are not intended to be, nor should they be regarded as, legal or tax advice. The precise tax treatment of a holder of a Note will depend for each issue on the terms of the Notes as specified in the Terms and Conditions (as amended and supplemented by the applicable Pricing Supplement) and on the law and practice at the relevant time. Prospective holders of Notes should consult their own tax advisers in all relevant jurisdictions to obtain advice about their particular tax treatment in relation to such Notes.

LUXEMBOURG TAXATION

The following information is of a general nature and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in this Luxembourg Taxation section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(i) **Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

(ii) **Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the "**Relibi Law**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law would be subject to withholding tax at a rate of currently 20 per cent.

UNITED KINGDOM TAXATION

The following describes certain general United Kingdom tax consequences arising from acquiring, holding and disposing of Notes which fall into certain categories for tax purposes. Prospective holders of particular Notes should obtain professional advice in order to determine which, if any, of these categories those Notes fall into. The following relates only to the position of persons who are the beneficial owners of Notes and who are resident in the United Kingdom for tax purposes and is based on the current United Kingdom tax law and published HM Revenue & Customs ("**HMRC**") practice; some aspects do not apply to certain classes of person (such as persons carrying on a trade of dealing in Notes and persons connected with the Issuer) to whom special rules may apply. References to "interest" have the same meaning as it does for United Kingdom tax purposes. The United Kingdom tax treatment of prospective holders depends on their individual circumstances and may be subject to change in the future. Prospective holders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Withholding Tax

Payments of Interest on Notes not attributable to the Issuer's London branch

Payments of interest on Notes that are not attributable to the Issuer's London branch and that do not have a United Kingdom source may be made without withholding on account of United Kingdom income tax.

Payments of Interest on Notes attributable to the Issuer's London branch

The Issuer, provided that it continues to be a bank within the meaning of section 991 ITA 2007 and provided that the interest on the Notes is paid in the ordinary course of its business within the meaning of section 878 ITA 2007, will be entitled to make payments of interest on Notes that are attributable to its London branch without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on Notes that are attributable to the Issuer's London branch may also be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 ITA 2007. Each of the Luxembourg Stock Exchange, the Irish Stock Exchange and the London Stock Exchange is a recognised stock exchange. Notes will satisfy this requirement if they are: (i) officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in European Economic Area states and are admitted to trading on the Main Market of the Luxembourg Stock Exchange; (ii) officially listed in Ireland in accordance with provisions corresponding to those generally applicable in European Economic Area states and are admitted to trading on the Main Securities Market of the Irish Stock Exchange; or (iii) included in the Official List* and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes are and remain so listed, interest on Notes that are attributable to the Issuer's London branch will be payable without withholding or deduction on account of United Kingdom tax whether or not the Issuer carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business.

Interest on Notes that are attributable to the Issuer's London branch may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld on account of United Kingdom income tax at the basic rate (currently 20 per cent.) from payments of interest on Notes that are attributable to the Issuer's London branch and has a United Kingdom source. However, where an applicable double tax treaty provides for a

* Within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000

lower rate of withholding tax (or for no tax to be withheld) in relation to a Holder, HMRC can issue a notice to the Issuer to pay interest to the Holder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

An amount may also be required to be withheld from payments on the Notes that are attributable to the Issuer's London branch and has a United Kingdom source and are not interest, but are nevertheless treated as annual payments for United Kingdom tax purposes, on account of United Kingdom income tax at the basic rate. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Holder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty). Taxation of Profits and Gains – Preference Share Linked Notes and W&C Linked Notes only

United Kingdom resident individuals

Notes will generally fall to be treated as deeply discounted securities for the purposes of Chapter 8 of Part 4 of the ITTOIA 2005 where the amount payable on the redemption at maturity will or could give rise to a "deep gain"; such gains are charged to income tax. A deep gain exists where the issue price is less than the sum payable on redemption of a Note and the amount by which it is less (expressing the difference between the issue price and the redemption amount as a percentage of the redemption amount) is greater than the percentage figure equal to one half the number of years between the issue date and redemption, where this is less than 30 years, or greater than 15 per cent. in other cases. Where a Note falls to be treated as a deeply discounted security, profits and gains arising from disposing of the Note prior to maturity, or from holding the Note to maturity, will generally be charged to tax as income. No relief from income tax is available in respect of any loss sustained from the discount on a deeply discounted security.

If, however, a Note qualifies as an "excluded indexed security" any gain arising on disposal prior to maturity, or at maturity, will generally be charged to tax as a capital gain under TCGA 1992 not income tax, with the benefit of the annual exempt amount (to the extent not already utilised). An excluded indexed security is, in broad terms, a security which provides that the holder is entitled to receive at redemption an amount equal to the amount subscribed for the security multiplied by the percentage increase or decrease in the value of a specified chargeable asset (expressed as a percentage) over the life of the security. The terms of an excluded indexed security can provide for a minimum amount to be payable at redemption provided this does not exceed 10 per cent. of the amount paid on the issue of the security. While the Issuer expects Preference Share Linked Notes to be issued on terms allowing them to qualify as excluded indexed securities and W&C Linked Notes to be issued on terms that do not allow them to qualify as excluded indexed securities, prospective holders should seek their own professional advice in relation to whether any particular Preference Share Linked Note or W&C Linked Note is or is not an excluded indexed security.

United Kingdom resident individuals – Transfer of Assets Abroad Legislation

The attention of individuals who are resident in the United Kingdom is drawn to the provisions of sections 714-751 ITA 2007 contained in Chapter 2 of Part 13 of ITA 2007 (the "**Transfer of Assets Abroad Legislation**"). Under sections 714-751 ITA 2007, the income accruing to a person resident outside the United Kingdom may be attributed to a United Kingdom resident individual and may (in certain circumstances) be subject to United Kingdom income tax in the hands of the individual. However, under section 737 ITA 2007, sections 714-751 ITA 2007 will not apply if the individual can satisfy HMRC that either:

- (1) it would not be reasonable to draw the conclusion, from all the circumstances of the case, that the purpose of avoiding liability to United Kingdom taxation was the purpose or one of the purposes for which an investment in the Notes or any "associated operations" within the meaning of section 719 ITA 2007 (together, the "**Note Transactions**") was effected; or

- (2) the Note Transactions were "genuine commercial transactions" and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the Note Share Transactions was designed, more than incidentally, for the purpose of avoiding United Kingdom taxation.

Sections 737 and 738 ITA 2007 provide that, in interpreting these provisions:

- (A) the intentions and purposes of any person who, whether or not for consideration, designs or effects any of the Note Transactions or provides advice in relation to any of the Note Share Transactions would have to be taken into account in determining the purposes for which the Note Share Transactions were effected;
- (B) for the purposes of (2) above, a Note Transaction would only be a "commercial transaction" if, broadly, it was on arm's length terms and, in addition, if it was effected in the course of a trade or business, or with a view to setting up and commencing a trade or business and, in either case, for the purposes of that trade or business; and
- (C) the making and managing of investments, or the making or managing of investments, can only constitute a trade or business for the purposes of the preceding paragraph to the extent that the person carrying out the activity and the person for whom it is done are independent persons dealing at arm's length.

Noteholders should note that Finance Act 2013 has introduced a new exception to the provisions in addition to those described above, which applies retrospectively from 6 April 2012.

United Kingdom resident individuals – ISA, SIPPS and SSAS

A Note may, depending on its terms, be eligible to be held within the stocks and shares component of an ISA provided that at the date it is first held under the ISA, it is listed on a recognised stock exchange (or if not the Issuer's ordinary shares are so listed (or the Issuer's parent's ordinary shares are so listed)).

United Kingdom tax resident Holders who acquire their investment in Notes through an ISA and who satisfy the requirements for tax exemption in the ISA Regulations 1998 (United Kingdom Statutory Instrument 1998 No. 1870) will not be subject to either United Kingdom income tax or United Kingdom capital gains tax on income and gains realised from their investment and any losses on their investment will be disregarded for the purposes of United Kingdom capital gains tax.

Investors should note that the overall yearly subscription limit for the 2016/2017 tax year for an ISA is £15,240 (which may be split between a cash ISA and a stocks and shares ISA in any proportion the saver chooses).

The Notes should be capable of being held within a SIPP or SSAS that is a registered pension scheme subject to the individual circumstances of the Noteholders. Note Holders should obtain independent advice in relation to the tax treatment of Notes held within a SIPP or SSAS.

United Kingdom corporation tax paying companies

Profits and gains arising in relation to Notes which are regarded as "loan relationships" for the purposes of Parts 5 and 6 of the CTA 2009 will generally be charged to tax on an income basis consistently with the way they are recognised in accordance with generally accepted accounting practice. A security will generally fall to be treated as a loan relationship where it represents the rights of a creditor in respect of a "money debt" as defined in CTA 2009. Therefore in order to qualify as a loan relationship a Note will have to represent a "money debt".

Part 7 of the CTA 2009 applies to "derivative contracts" of United Kingdom corporation tax paying companies. Where Part 7 applies to a contract, all income, profits and gains will generally be taxed on an income basis (whether they arise from acquiring, holding, disposing or exercising rights under the contract) consistently with the way those profits are recognised in accordance with generally accepted accounting practice. Accordingly income, profits or gains in relation to derivative contracts treated as comprised in Notes will generally be charged to tax as income.

Stamp Duty and SDRT

Notes issued as Uncertificated Notes registered in a register (outside the United Kingdom) by or on behalf of the Issuer

No United Kingdom stamp duty will be payable in relation to the issue of such Notes. No United Kingdom stamp duty will be payable on transfers of Notes on sale provided no instruments of transfer are used to complete such sales.

No SDRT will be payable in relation to the issue (into Euroclear UK & Ireland Limited (formerly CRESTCo Limited)) or transfer of Notes.

Notes issued in bearer form

No stamp duty will be payable on the issue or transfer by delivery of Notes denominated in a currency other than sterling.

Stamp duty may be payable on the issue in the United Kingdom of Notes denominated in sterling, or if issued outside the United Kingdom on the first transfer by delivery in the United Kingdom, unless they qualify as loan capital. This stamp duty is charged at 1.5 per cent. of the market value of the relevant Notes.

IRISH TAXATION

The following is an overview based on the laws and practices currently in force in Ireland of certain matters regarding the tax position of investors who are the absolute beneficial owners of their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes including dealers in securities and trusts. This overview does not constitute tax or legal advice and the comments below are of a general nature only and does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Notes. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Withholding Tax

Tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest. The Issuer will not be obliged to withhold tax from payments of interest on the Notes so long as such payments do not constitute Irish source income. Interest and premium paid on the Notes may be treated as having an Irish source if:

- (a) the Issuer is resident in Ireland for tax purposes; or
- (b) the Issuer is not resident in Ireland for tax purposes but the register for the Notes is maintained in Ireland or if the Notes are in bearer form the Notes are physically held in Ireland; or
- (c) the assets relating to the Notes are attributed to an Irish branch or agency of the Issuer.

It is anticipated that (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Issuer will not have a branch or permanent establishment in Ireland; (iii) bearer Notes will not be physically located in Ireland; and (iv) the Issuer will not maintain a register of any registered Notes in Ireland.

Taxation of Receipts

Notwithstanding that a Noteholder may receive payments of interest, premium or discount on the Notes free of Irish withholding tax, the Noteholder may still be liable to pay Irish income or corporation tax (and in the case of individuals, the universal social charge) on such interest, premium or discount if (i) such interest, premium or discount has an Irish source, (ii) the Noteholder is resident or (in the case of a person other than a body corporate) ordinarily resident in Ireland for tax purposes (in which case there would also be a pay related social insurance (PRSI) liability for an individual in receipt of interest, premium or discount on the Notes), or (iii) the Notes are attributed to a branch or agency in Ireland. Ireland operates a self-assessment system in respect of income and corporation tax, and each person must assess its own liability to Irish tax.

Relief from Irish income tax may also be available under the specific provisions of a double taxation agreement between Ireland and the country of residence of the recipient.

Encashment Tax

Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any interest paid on Notes issued by a company not resident in Ireland, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder who is Irish resident.

Encashment tax does not apply where the Noteholder is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

Capital Gains Tax

A Noteholder will not be subject to Irish tax on capital gains on a disposal of Notes unless (i) such holder is either resident or ordinarily resident in Ireland or (ii) such holder carries on a trade or business in Ireland through a branch or agency in respect of which the Notes are or were held, used or acquired or (iii) the Notes cease to be listed on a stock exchange in circumstances where such Notes derive their value, or more than 50% of their value, from Irish real estate, mineral rights or exploration rights.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs is currently levied at 33 per cent.) if either (i) the disposer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland or (ii) if the Notes are regarded as property situate in Ireland. A foreign domiciled individual will not be regarded as being resident or ordinarily resident in Ireland at the date of the gift or inheritance unless that individual (i) has been resident in Ireland for the five consecutive tax years preceding that date, and (ii) is either resident or ordinarily resident in Ireland on that date.

Bearer notes are generally regarded as situated where they are physically located at any particular time. Notes in registered form are property situate in Ireland if the register is in Ireland. The Notes may, however, be regarded as situated in Ireland regardless of their physical location if they secure a debt due by an Irish resident debtor and/or are secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disposer or the donee/successor.

Stamp duty

As the Issuer is not registered in Ireland, stamp duty will not arise on a document effecting a transfer of the Notes so long as the instrument of transfer of the Notes does not relate to:

- (a) any immoveable property in Ireland; or
- (b) stocks or marketable securities of a company registered in Ireland (other than a company which is (i) an investment undertaking within the meaning of Section 739B of the Taxes Consolidation Act 1997 ("TCA") or (ii) a qualifying company within the meaning of Section 110 TCA).

U.S. TAXATION

FATCA DISCLOSURE

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Issuer (a "**Recalcitrant Holder**"). The Issuer is classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2019. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "**grandfathering date**", which (A) with respect to Notes that give rise solely to foreign passthru payments, is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register and (B) with respect to Notes that give rise to a dividend equivalent pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986, is 1 July 2017, or (in each case) which are materially modified after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Germany have entered into an agreement (the "**US-Germany IGA**") based largely on the Model 1 IGA.

If the Issuer is treated as a Reporting FI pursuant to the US-Germany IGA it does not anticipate that it will be obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA

Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Notes are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common depositary or common safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

U.S. Hiring Incentives to Restore Employment Act

The U.S. Hiring Incentives to Restore Employment Act introduced Section 871(m) of the U.S. Internal Revenue Code of 1986 which treats a "dividend equivalent" payment as a dividend from sources within the United States. Under Section 871(m), such payments generally would be subject to a 30 per cent. U.S. withholding tax that may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner timely claims a credit or refund from the IRS. A "dividend equivalent" payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in (i) and (ii). Recently published final U.S. Treasury regulations issued under Section 871(m) (the "**Section 871(m) Regulations**") will, when effective, require withholding on certain non-U.S. holders of the Notes with respect to amounts treated as attributable to dividends from certain U.S. securities. Under the Section 871(m) Regulations, only a Note that has an expected economic return sufficiently similar to that of the underlying U.S. security, as determined on the Note's issue date based on tests set forth in the Section 871(m) Regulations, will be subject to the Section 871(m) withholding regime (making such Note a "**Specified Note**"). The Section 871(m) Regulations provide certain exceptions to this withholding requirement, in particular for instruments linked to certain broad-based indices.

Withholding in respect of dividend equivalents will generally be required when cash payments are made on a Specified Note or upon the date of maturity, lapse or other disposition by the non-U.S. holder of the Specified Note. If the underlying U.S. security or securities are expected to pay dividends during the term of the Specified Note, withholding generally will still be required even if the Specified Note does not provide for payments explicitly linked to dividends or even if, upon the date of maturity, lapse or other disposition by the non-U.S. holder of the Specified Note, such holder realises a loss. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

The Section 871(m) Regulations generally apply to Specified Notes issued on or after 1 January 2017. If the terms of a Note are subject to a "significant modification" (as defined for U.S. tax purposes), the Note

generally would be treated as retired and reissued on the date of such modification for purposes of determining, based on economic conditions in effect at that time, whether such Note is a Specified Note. Similarly, if additional Notes of the same series are issued (or deemed issued for U.S. tax purposes, such as certain sales out of inventory) after the original issue date, the IRS could treat the issue date for determining whether the existing Notes are Specified Notes as the date of such subsequent sale or issuance. Consequently, a previously grandfathered Note, or otherwise out of scope Note, might become a Specified Security following such modification or further issuance.

The applicable Pricing Supplement will indicate whether the Issuer has determined that the Notes are Specified Notes and will specify contact details for obtaining additional information regarding the application of Section 871(m) to Notes. If Notes are Specified Notes, a non-U.S. holder of such Notes should expect to be subject to withholding in respect of any dividend-paying U.S. securities underlying those Notes. The Issuer's determination is binding on non-U.S. holders of the Notes, but it is not binding on the IRS. The Section 871(m) Regulations require complex calculations to be made with respect to Notes linked to U.S. securities and their application to a specific issue of Notes may be uncertain.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISERS REGARDING THE POTENTIAL APPLICATION OF SECTION 871(M) TO THE NOTES.

GERMAN TAXATION

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This overview is based on the tax laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

As each Series or Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Notes as set out in the respective Final Terms (or Pricing Supplement in the case of Exempt Notes), the following section only provides some general information on the possible tax treatment. *Tax consequences that may arise if an investor combines certain series of Notes so that he or she derives a certain return are not discussed herein.*

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.

German Tax Residents

The section "German Tax Residents" refers to persons who are tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Withholding tax on ongoing payments and capital gains

Ongoing payments received by a private holder of Notes will be subject to German withholding tax if the Notes are kept or administered in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a "**Disbursing Agent**", *auszahlende Stelle*). The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). For individuals who are subject to church tax an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way

of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax.

The same treatment applies to capital gains (i.e. the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by a private holder of Notes provided the Notes have been kept or administered in a custodial account with the same Disbursing Agent since the time of their acquisition. If similar Notes kept or administered in the same custodial account were acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where Notes are acquired and/or sold or redeemed in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively with the result that any currency gains or losses are part of the capital gains. If interest coupons or interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the payment of interest coupons or interest claims if the Notes have been disposed of separately.

To the extent the Notes have not been kept or administered in a custodial account with the same Disbursing Agent since the time of their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge, plus church tax, if applicable) on 30 per cent. of the disposal proceeds (plus interest accrued on the Notes ("**Accrued Interest**", *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution from another Member State of the European Union or the European Economic Area or from certain other countries in accordance with article 17 paragraph 2 of the Council Directive 2003/48/EC on the taxation of savings income (e.g. Switzerland or Andorra).

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated 18 January 2016 a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden capital contribution, shall not be treated like a disposal. Accordingly, losses suffered upon such bad debt-loss or waiver shall not be tax-deductible. The same rules should be applicable according to the said tax decree, if the Notes expire worthless so that losses may not be tax-deductible at all. A disposal of the Notes will only be recognised according to the view of the tax authorities, if the received proceeds exceed the respective transaction costs.

In computing any German tax to be withheld, the Disbursing Agent generally deducts from the basis of the withholding tax negative investment income realised by a private holder of the Notes via the Disbursing Agent (e.g. losses from the sale of other securities with the exception of shares). The Disbursing Agent also deducts Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security by a private holder of Notes via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent credits foreign withholding taxes levied on investment income in a given year regarding securities held by a private holder of Notes in the custodial account with the Disbursing Agent.

Private holders of Notes are entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) for all investment income received in a given year. Upon the private holder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the holder of the Notes has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs Bescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation while ongoing payments, such as interest payments, are subject to withholding

tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Notes form part of a trade or business, subject to further requirements being met.

Taxation of current income and capital gains

The personal income tax liability of a private holder of Notes deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad or if no Disbursing Agent is involved in the payment process, the private holder of Notes must report his or her income and capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge and church tax thereon, where applicable). If the withholding tax on a disposal, redemption, repayment or assignment has been calculated from 30 per cent. of the disposal proceeds (rather than from the actual gain), a private holder may and in case the actual gain is higher than 30 per cent. of the disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. Further, a private holder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemised basis is not permitted.

Losses incurred with respect to the Notes can only be off-set against investment income of a private holder of Notes realised in the same or the following years.

Where Notes form part of a trade or business the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. Where Notes qualify as zero bonds and form part of a trade or business, each year the part of the difference between the issue or purchase price and the redemption amount attributable to such year must be taken into account. The respective holder of Notes will have to report income and related (business) expenses on the tax return and the balance will be taxed at the holder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the holder of Notes. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax. Generally the deductibility of capital losses from Notes which qualify for tax purposes as contracts for difference is limited. These losses may only be applied against profits from other contracts for difference derived in the same or, subject to certain restrictions, the previous year. Otherwise these losses can be carried forward indefinitely and applied against profits from contracts for difference in subsequent years. This generally does not apply to forward/futures transactions hedging risks from the holder's ordinary business. Further special rules apply to credit institutions, financial services institutions and finance companies within the meaning of the German Banking Act.

Non-German Tax Residents

Interest and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder of Notes or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "German Tax Residents" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and capital gains. However, where the income is subject to German taxation as set forth in the preceding paragraph and the Notes are kept or administered in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposal, assignment or redemption of a Note or an interest coupon are paid by a Disbursing Agent to a non-resident upon delivery of the Notes or interest coupons, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to the Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Notes are not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

The European Commission and certain EU Member States (including Germany) are currently intending to introduce a financial transactions tax ("**FTT**") (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force with regard to dealings with the Notes.

Withholding tax obligations of the Issuer

Currently, there is no obligation for the Issuer (acting as issuer of the Notes and not as Disbursing Agent as defined above) to deduct or withhold any German withholding tax from payments of interest, principal and gains from the disposition, redemption or settlement of the Notes or on any ongoing payments to the holder of any Notes. However, these rules can be subject to alternation due to future law changes.

OFFERING AND SALE

The following section applies to both Exempt Notes and Non-exempt Notes.

The Initial Dealer has entered into an amended and restated programme agreement dated on or about 6 March 2017 (as the same may be amended or supplemented, from time to time, in accordance with the terms thereof, the "**Programme Agreement**") with the Issuer, which sets forth a basis upon which it may from time to time agree to purchase the Notes.

No action has been or will be taken by the Issuer that would permit a public offering of any Notes or possession or distribution of any offering material in relation to any Notes in any jurisdiction where action for that purpose is required. No offers, sales, re-sales or deliveries of any Notes, or distribution of any offering material relating to any Notes, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer.

SELLING RESTRICTIONS

UNITED STATES

None of the Notes of any series have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under any state securities laws, and trading in the Notes has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act, as amended (the "**Commodity Exchange Act**"). The Issuer has not registered as an investment company pursuant to an exemption from the registration requirements of the United States Investment Company Act of 1940, as amended and the rules thereunder.

No Notes of any series, or interests therein, may at any time be offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, in or into the United States of America (including the states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the "**United States**") or directly or indirectly offered, sold, resold, traded, pledged, redeemed, transferred or delivered to, or for the account or benefit of, any person who is (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-U.S. Persons; (vii) a "U.S. Person" as defined in Regulation S under the Securities Act ("**Regulation S**"); (viii) a person other than a "Non-United States person" as defined in Rule 4.7 under the Commodity Exchange Act; (xi) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the CFTC; or (x) any other "U.S. Person" as such term may be defined in regulations or guidance adopted under the Commodity Exchange Act (each such person, a "**U.S. Person**").

Offers, sales, resales or deliveries of Notes of any series, or interests therein, directly or indirectly, in or into the United States or to, or for the account or benefit of U.S. Persons would constitute a violation of United States securities laws unless made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom. In addition, in the absence of relief from the CFTC, offers, sales,

resales, trades or deliveries of Notes of any series, or interests therein, directly or indirectly, in or into the United States or to, or for the account or benefit of, U.S. Persons, may constitute a violation of United States law governing commodities trading. Consequently, any offer, sale, resale, trade, pledge, redemption, transfer or delivery of any Notes of any series, or interests therein, made, directly or indirectly, in or into the United States or to, or for the account or benefit of, a U.S. Person will not be recognised.

The Initial Dealer has agreed, and each further Dealer in respect of an issue of Notes will be required to agree, that they will not at any time offer, sell, resell, trade, pledge, redeem, transfer or deliver, directly or indirectly, Notes of any series, or interests therein, in or into the United States or to, or for the account or benefit of, any U.S. Person or to others for offer, sale, resale or delivery, directly or indirectly, in or into the United States or to, or for the account or benefit of, any U.S. Person. The Issuer will also be required to notify all initial Holders, and require that such notice be repeated to all subsequent Holders, that every person exercising such Notes of any series, or interests therein, will be required to represent that neither it nor any person on whose behalf it is acting is a U.S. Person.

The Initial Dealer has further agreed and each further Dealer in respect of an issue of Notes will be required to agree that it, its affiliates, and any person acting on its or their behalf will not offer or sell the Notes at any time except in accordance with Rule 903 of Regulation S under the Securities Act, and that neither it, its affiliates, nor any persons acting on its or their behalf will engage in any directed selling efforts with respect to the Notes and it and they will comply with the offering restrictions requirements of Regulation S under the Securities Act. The terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes 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. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and U.S. Treasury regulations promulgated thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in the Relevant Member State.,

UNITED KINGDOM

The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

IRELAND

The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct issued in connection therewith and the provisions of the Investor Compensation Act 1998;
- (b) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Act 2014, the Central Bank Acts 1942-2015 (as amended), and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of, the Notes, otherwise than in conformity with the provisions of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued under Section 1363 of the Companies Act 2014; and
- (d) it will not underwrite the issue of, or place, or otherwise act in Ireland in respect of, the Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014 (as amended)) and any rules and guidance issued under Section 1370 of the Companies Act 2014.

GENERAL

The Initial Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or delivery and neither the Issuer nor any of the other Dealers shall have no responsibility therefor.

Neither the Issuer nor the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, nor assume any responsibility for facilitating such sale.

With regard to each Tranche of Exempt Notes, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

GENERAL INFORMATION

The following section applies to both Exempt Notes and Non-exempt Notes.

APPROVAL, LISTING OF NOTES AND ADMISSION TO TRADING

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive.

DOCUMENTS AVAILABLE

For the life of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified office of each Agent for the time being in London:

- (i) the Articles of Association of the Issuer;
- (ii) the audited financial statements and management report of the Issuer in respect of the financial year ended 31 December 2014, the audited financial statements and management report of the Issuer in respect of the financial year ended 31 December 2015, the Annual Reports of the Group in respect of the financial years ended 31 December 2014 and 31 December 2015 and the Interim Report of the Group as of 30 September 2016;
- (iii) the most recently published audited annual financial statements and management reports of the Issuer, the most recently published Annual Report of the Group and the most recently published unaudited interim financial statements (if any) of the Issuer;
- (iv) the Registration Document and any supplements thereto;
- (v) the Programme Agreement, the Deed of Covenant, the Agency Agreement (including the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons) and the Euroclear Agreement;
- (vi) a copy of this Base Prospectus; and
- (vii) any future prospectuses, supplements, Final Terms and Pricing Supplements (in the case of Exempt Notes) (save that a Pricing Supplement will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Principal Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

CLEARING SYSTEMS AND EUROCLEAR UK & IRELAND LIMITED

Notes (other than Uncertificated Notes) have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

Uncertificated Notes will be issued and held in uncertificated form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof from time to time. Title to the Uncertificated Notes is recorded on the relevant Operator register of eligible debt securities. The Operator is Euroclear UK & Ireland Limited.

CONDITIONS FOR DETERMINING PRICE

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

YIELD

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

POST-ISSUANCE INFORMATION

The Issuer does not intend to provide any post-issuance information, except if required by any applicable laws and regulations.

DEALERS TRANSACTING WITH THE ISSUER

Any further Dealer(s) appointed under the Programme (other than the Initial Dealer) and their affiliates may have engaged, and may in future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

POTENTIAL INVESTORS

The Notes may be offered to retail clients, professional clients and other eligible counterparties.

TREND INFORMATION

There has been no material adverse change in the prospects of the COMMERZBANK Group since 31 December 2015.

SIGNIFICANT CHANGE IN FINANCIAL POSITION

Since 30 September 2016, no significant change in the financial position of the COMMERZBANK Group has occurred.

PREFERENCE SHARE LINKED NOTES: TERMS OF PREFERENCE SHARES

In relation to any issuance of Preference Share Linked Notes, potential investors should review the Terms of the relevant Preference Shares and consult with their own professional advisers if they consider it necessary. In respect of each relevant Series of Notes, the Terms of the relevant Preference Shares will be made available to investors upon written request to the specified office of the Preference Share Issuer.

W&C SECURITY LINKED NOTES: TERMS OF W&C SECURITIES

In relation to any issuance of W&C Security Linked Notes, potential investors should review the terms of the W&C Securities and consult with their own professional advisers if they consider it necessary. The applicable Final Terms (or Pricing Supplement in the case of Exempt Notes) will disclose where copies of the terms of any relevant W&C Securities will be made available.

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