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Certain Risk Factors

1. General

Unlimited TURBO Warrants relating to Currency Exchange Rates grant to the investor the right (the "**Option Right**") to receive from the Issuer upon due exercise in accordance with the exercise procedure as set forth in the Terms and Conditions of the Warrants with respect to a certain Exercise Date the payment of a Cash Settlement Amount which is equal to the amount in cash converted into Euro (the "**Base Currency**"), as the case may be, and multiplied with the Ratio by which the Reference Price of the currency underlying the Warrants (e.g. JPY) (the "**Reference Currency**") exceeds the Strike Price (in the case of TURBO BULL Warrants) or is exceeded by the Strike Price (in the case of TURBO BEAR Warrants) as determined on the Valuation Date. There is no automatic exercise of the Unlimited TURBO Warrants.

The Option Right will expire upon the occurrence of a Knock-out Event (see below "Knock-out Event").

Warrants involve a high degree of risk. It cannot be expected that the price of the underlying asset will move into the preferred direction and the investor may not rely upon an investment in the Warrants being profitable. The value of the Warrants may even fall below the purchase price or the Warrants may expire worthless. Investors must be prepared to sustain a total loss of the purchase price of their Warrants.

The Warrants do not entitle the Warrantholders to receive a coupon payment or dividend yield and therefore do not constitute a regular source of income. Possible losses in connection with an investment in the Warrants can therefore not be compensated by other income from the Warrants. In addition, investors should consider that the return on the investment in the Warrants is reduced by the costs in connection with the purchase and exercise or sale of the Warrants.

Further to this, the investor bears the risk that the financial situation of the Issuer declines – or that insolvency or bankruptcy proceedings are instituted against the Issuer – and that as a result the Issuer cannot fulfill its payment obligations under the Warrants.

2. Continuous Increase of the Strike Price (in the case of TURBO BULL Warrants) or Continuous Decrease of the Strike Price (in the case of TURBO BEAR Warrants)

The Cash Settlement Amount to which the Warrantholder is entitled depends solely on the difference between the price of the Reference Currency vis-à-vis the Base Currency and the Strike Price applicable on the Valuation Date. In this connection it has to be considered that the Strike Price of the Warrants is adjusted on a daily basis which means that the Strike Price is generally increased in the case of TURBO BULL Warrants and generally decreased in the case of TURBO BEAR Warrants. If the price of the Reference Currency vis-à-vis the Base Currency does not also increase or decrease in at least the same degree, the value of the Warrants will decrease with each day.

The Strike Price is adjusted on each calendar day by the Adjustment Amount which is determined by the Issuer on the basis of the Reference Rate applicable in the respective Adjustment Period in addition with the Interest Rate Adjustment Factor. Investors should be aware that the determination of the Interest Rate Adjustment Factor is in the sole discretion of the Issuer.

3. Knock-out Event

If on or after the Issue Date the exchange rate of the Base Currency in the Reference Currency determined by the Issuer as actually traded in the international currency market is equal to or below the Knock-out Level applicable at that time (*in the case of TURBO BULL Warrants*) or is equal to or above the Knock-out Level applicable at that time (*in the case of TURBO BEAR Warrants*) (the "**Knock-out Event**") the Option Right granted by the Warrants shall expire and no Cash Settlement Amount shall be payable to the Warrantholder. **The occurrence of a Knock-out Event leads to the total loss of the capital invested by the Warrantholder for the purchase of the Warrants.**

The Knock-out Level is at each time equal to the Strike Price and will be adjusted in the same manner as the Strike Price on each calendar day by the Adjustment Amount.

4. "Unlimited" Warrants; Necessity of Exercise; Sale of the Warrants

The essential characteristic of the Warrants is that the Warrants are not automatically exercised during their life. It is a prerequisite for the payment of the Cash Settlement Amount that the Warrantholder has exercised its Warrants or that the Issuer has terminated the Warrants. Without such exercise or termination of the Warrants there is no guarantee that the Warrantholder will receive the Cash Settlement Amount. As it cannot be expected that the Issuer will terminate the Warrants the Warrantholder is compelled to exercise its Warrants in accordance with the Terms and Conditions of the Warrants in order to receive the Cash Settlement Amount.

Warrantholders should be aware that an exercise of the Warrants is only possible with respect to the Exercise Dates detailed in the Final Terms. During the period between two Exercise Dates a realisation of the economic value of the Warrants (or part of it) is only possible by selling the Warrants.

A sale of the Warrants, however, requires that there are market participants willing to purchase the Warrants at the respective price. If there are no market participants willing to do so the value of the Warrants may possibly not be realised. The Issuer has no obligation to provide for a trading in the Warrants or to repurchase the Warrants itself.

5. Transactions Excluding or Limiting Risk

The investor cannot expect that at all times during the life of the Warrants transactions can be concluded which exclude or limit the risks incurred from a purchase of Warrants. Such transactions can under certain circumstances be concluded only at an unfavourable market price and lead to a corresponding loss.

6. The Influence of Hedging Transactions of the Issuer on the Warrants

The Issuer and its affiliates may in the course of their normal business activity engage in trading in the Reference Currency. In addition, the Issuer may conclude transactions in order to hedge itself partially or completely against the risks associated with the issue of the Warrants. These activities of Commerzbank (and its affiliates) may have an influence on the market price of the Warrants. A possibly negative impact of the conclusion or dissolution of these hedging transactions on the value of the Warrants or the size of the Cash Settlement Amount to which the Warrantholder is entitled cannot be excluded.

7. Risks in Connection with Borrowing

If the investor obtains a loan in connection with financing the purchase of the Warrants the investor does not only bear the risk of sustaining the loss in connection with the Warrants if the price of the underlying assets develops unfavourably, but also has to pay back the loan and pay the interest connected with it. This means a substantial increase in risk. An investor can never rely on being able to pay back the loan and the interest connected with it through gains derived from the purchase of the Warrants. Prospective purchasers of Warrants should therefore carefully consider their particular financial circumstances and whether they will be able to pay back the loan and pay the interest connected with it even if the investor has to sustain losses instead of the expected gains.

This document is to be read in conjunction with the Supplement A to the Prospectus, Supplement B to the Prospectus and to the Base Prospectus [Base Prospectus](#) and the offer of the securities under the Base Prospectus [D](#).

Prospective purchasers should read this offering circular, including the charts, and consult with their financial consultants and attorneys before making an investment decision.

Status

The obligations under the Warrant will be the same as the obligations of the Issuer and rank at the same level as the obligations of the Issuer (save for subordination).

Minimum Trading

1 Warrant

Listing

The Warrants will be listed on the New York Stock Exchange.

Availability of documents

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

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

In any EEA member state that has not implemented the Prospectus Directive, the Securities may only be publicly offered within or from the jurisdiction of such member state, provided that this is in accordance with the applicable laws and other legal provisions. The Issuer has not undertaken any steps, nor will the Issuer undertake any steps, aimed at making the Public Offering of the Securities or their possession or the marketing of offering documents related to the Securities legal in such jurisdiction if this requires special measures to be taken.

TERMS AND CONDITIONS OF THE WARRANTS

§ 1

- (1) Subject to a Knock-out Event in accordance with § 1 paragraph (4) and a Termination of the Warrants by the Issuer in accordance with § 3 paragraph (3), each series of warrants (the "**Warrants**") issued by Commerzbank Aktiengesellschaft, Frankfurt am Main (the "**Issuer**") grants to the holder of a Warrant (the "**Warrantholder**") the right (the "**Option Right**") to receive upon exercise from the Issuer the payment of the Cash Settlement Amount in accordance with these Terms and Conditions of the Warrants.
- (2) For the purposes of these Terms and Conditions of the Warrants the following definitions shall apply:

"Adjustment Amount"

The Adjustment Amount for a series of Warrants during an Adjustment Period is the Strike Price on the Adjustment Date falling into the respective Adjustment Period, multiplied with the Adjustment Percentage applicable for the respective Adjustment Period.

"Adjustment Date"

Adjustment Date means the first calendar day of each month unless such day is not a Banking Day in which case the Adjustment Date shall be the next following Banking Day.

"Adjustment Percentage"

The Adjustment Percentage applicable for an Adjustment Period means the percentage resulting from dividing by 365 the sum of (i) the Reference Rate on the Adjustment Date falling into the respective Adjustment Period and (ii) the Interest Rate Adjustment Factor applicable for such Adjustment Period. The Adjustment Percentage applicable for the first Adjustment Period shall be the percentage given in the table in paragraph (3).

"Adjustment Period"

Adjustment Period means the period from the Issue Date (inclusive) to the first Adjustment Date (exclusive), and thereafter any period from an Adjustment Date (inclusive) to the following Adjustment Date (exclusive).

"Banking Day"

Banking Day means a day on which banks in Frankfurt am Main are open for regular business.

"Cash Settlement Amount"

The Cash Settlement Amount is the amount expressed in JPY and converted into EUR (rounded, if necessary, to the next Eurocent (EUR 0.01) with EUR 0.005 rounded upwards) determined in accordance with the following formula:

$(\text{Reference Price}_{\text{final}} - \text{Strike Price}) \times \text{Ratio}$ *(in the case of TURBO BULL Warrants)*

or

$(\text{Strike Price} - \text{Reference Price}_{\text{final}}) \times \text{Ratio}$ *(in the case of TURBO BEAR Warrants)*

where

Reference Price_{final} = the Reference Price on the Valuation Date

Strike Price = the Strike Price relating to a series of Warrants applicable on the Valuation Date

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| Seite 3: [1] Gelöscht | | CB2BEJL | | 09.09.2008 10:10:00 | | |
|------------------------------|--------------|----------------|----|----------------------------|----------|----------|
| Bull | DE000CB3CX13 | 3,000,000 | 10 | JPY 165.00 | -0.0074% | EUR 0.28 |

| Seite 3: [2] Gelöscht | | CB2BEJL | | 09.09.2008 10:10:00 | | |
|------------------------------|--------------|----------------|----|----------------------------|----------|----------|
| Bull | DE000CB3CX21 | 3,000,000 | 10 | JPY 145.00 | -0.0074% | EUR 1.46 |
| Bear | DE000CB3CX39 | 3,000,000 | 10 | JPY 175.00 | -0.0321% | EUR 0.31 |
| Bear | DE000CB3CX47 | 3,000,000 | 10 | JPY 180.00 | -0.0321% | EUR 0.60 |

| Seite 8: [3] Gelöscht | | CB2BEJL | | 09.09.2008 10:16:00 | | |
|------------------------------|--------------|----------------|----|----------------------------|----------|--|
| Bull | DE000CB3CX21 | | 10 | JPY 145.00 | -0.0074% | |
| Bear | DE000CB3CX39 | | 10 | JPY 175.00 | -0.0321% | |
| Bear | DE000CB3CX47 | | 10 | JPY 180.00 | -0.0321% | |