



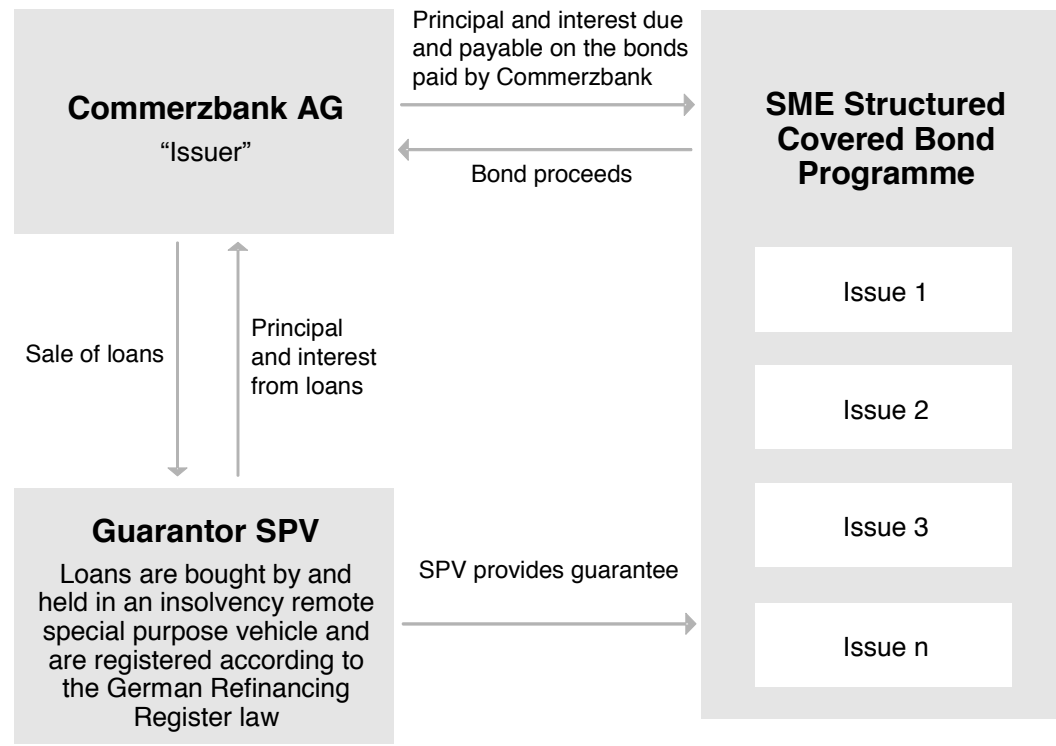
Commerzbank AG

SME Structured Covered Bond

Structure

› Similar to structured covered bonds in other jurisdictions

- Dual recourse
- 1. Obligation of Commerzbank AG
- 2. Guarantee provided by the SPV in favor of the bondholders securing the payment obligations of Commerzbank
- Guarantee is backed by a pool of SME loans or other eligible assets, transferred to an insolvency remote SPV
- Loans and any related mortgages* are registered in the Refinancing Register to assure segregation from Commerzbank insolvency
- Trustee of the SPV acts for the benefit of the bondholders and its other creditors



* Other collateral, to the extent it is accessory, is attached to the registered loan

Highlights

› Programme type	Structured Covered Bond (SCB) based on contractual arrangements
› Programme size	Up to EUR 5 billion
› Rating	Bonds issued under the SME SCB Programme are rated Aa2 / AA by Moody's / Fitch
› Dual recourse (Covered Bond)	1 st : Repayment obligation by Commerzbank 2 nd : Cover pool with over-collateralisation of at least 11% on the SCB outstanding
› Issuer	Commerzbank AG, Rating A (neg) / Baa1 (stable) / A+(stable) (S&P, Moody's, Fitch)
› Guarantor	SME Commerz SCB GmbH is an insolvency remote SPV incorporated in Germany under German law and fully-owned by three German foundations
› Maturity	Bullet / switch to pass through @ maturity in case of Guarantor EoD
› Interest	Typically fixed rate
› Cover Pool	(1) Loan Portfolio (2) Eligible Investments (Substitute Assets) (3) Cash Loan Portfolio: Euro-denominated senior loans to German SME companies with an internal rating between 1.0 and 4.0; further quantitative loan and portfolio criteria (concentration limits, maturity)
› Refinancing Register	All loans and any related mortgages in the cover pool are registered in the Refinancing Register thereby segregating the collateral from the insolvency estate of Commerzbank for the benefit of bondholders

Source: Commerzbank; Programme base prospectus

Highlights continued

› Cross Collateralisation	Cover pool available to repay all outstanding bonds
› Over-collateralisation	Currently 21%; OC has to be maintained at a given level unless rating agency would require lower level for a given portfolio; can never be below 11%
› Asset Quality / Asset Coverage Test	Monthly replenishment of Loan Portfolio Repurchase Obligations: Loans from borrowers rated 4.0 or worse ACT: Monthly calculation to check whether Collateral Portfolio meets requirements Nominal Value Test
› ECB Liquidity category	Liquidity Class: L1C (= Liquidity Class 3) applicable to Covered Bonds (5% haircut) Asset Type: AT10 (= Non-Jumbo Covered Bond) Issuer Group: IG4 (= Credit Institution)
› Basel III LCR compliance	Currently not eligible as part of the Liquidity Buffer for the LCR
› Covered Bond Index	Barclays confirmed inclusion in its global covered bond index (<i>Securitised > Covered > Other Covered > Non-Pfandbriefe sector</i>) Markit iBoxx Classification; "...provisionally classified as "collateralized" in category "other collateralized". ...other classification may be introduced to capture the specific structure."

Source: Commerzbank; Programme base prospectus

Highlights continued

› Ranking of bonds	Pari passu; time-subordination of bonds with different maturities mitigated by Amortisation Test (in case of trigger-breach switch to pro-rata amortisation)
› Listing	Luxembourg Stock Exchange
› Governing law	German
› SPV Trustee / Data Trustee	Deloitte & Touche GmbH Trustee checks Asset Coverage Test / Amortisation Test
› Transparency	Investor reports and other data will be provided on an on-going basis Level of transparency in line with securitisation (Overview Section IV) meeting CRD IV/CRR (Art. 124) disclosure requirements for preferential treatment of Covered Bonds

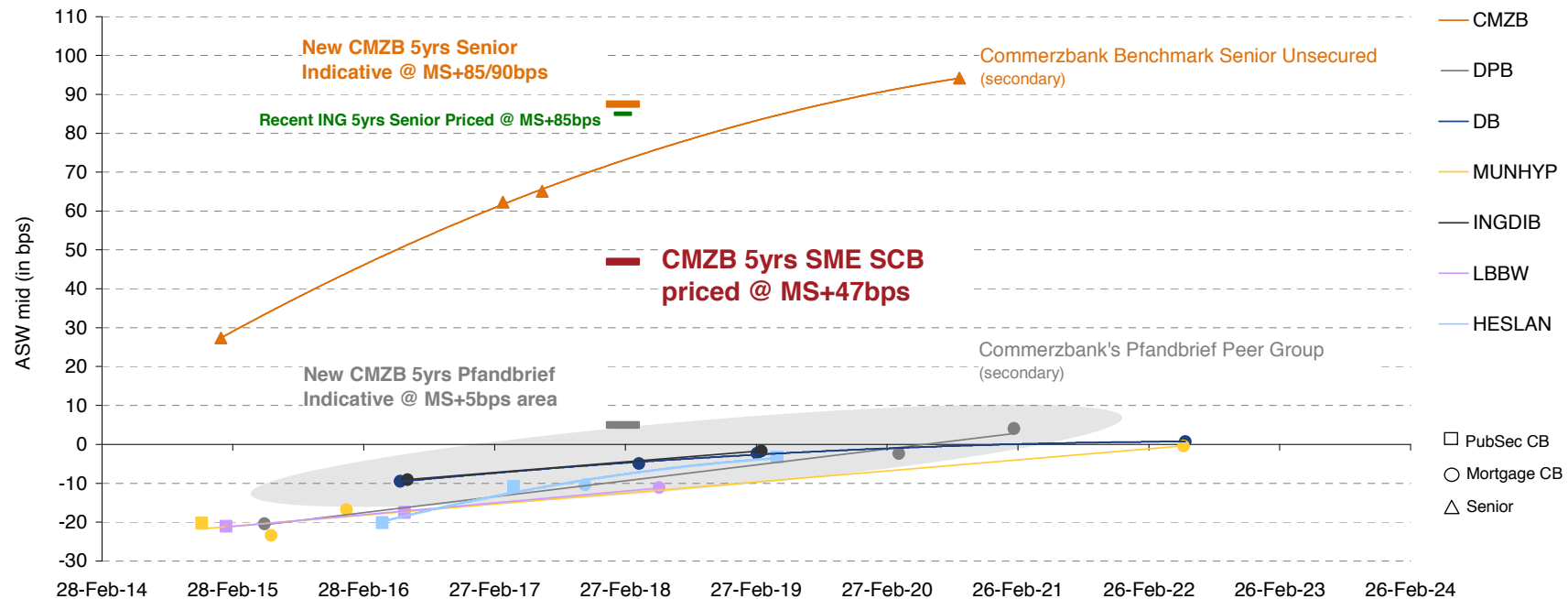
Source: Commerzbank; Programme base prospectus

Commerzbank – Inaugural SME Structured Covered Bond

Issuer	Commerzbank AG
Guarantor	SME Commerz SCB GmbH
Issue Rating	Aa2 / AA (Moody's / Fitch)
Issue Size	EUR 500 mn
Structure	SME Structured Covered Bond
Maturity Date	28 February 2018
Settlement	28 February 2013
Coupon	1.50% annual, act/act
Re-offer Price / Spread	99.776% / MS + 47 bps
ISIN	DE000CZ439A8
Joint Bookrunners	Barclays / CMZB / CA CIB / UniCredit

Pricing Environment for Commerzbank's Inaugural SME SCB

Levels as per launch (21. Feb 2013) of Commerzbank's Inaugural 5yrs SME SCB



Commerzbank's Inaugural 5yrs SME SCB was finally priced successfully at a spread of MS+47bps. Current pricing at around MS + 28/30 bps



While still offering a pickup versus traditional Pfandbriefe, the SME SCBond comes along with a considerable spread advantage versus Commerzbank's Senior Unsecured funding (Indicative new CMZB 5yrs Senior at MS+85/90bps)

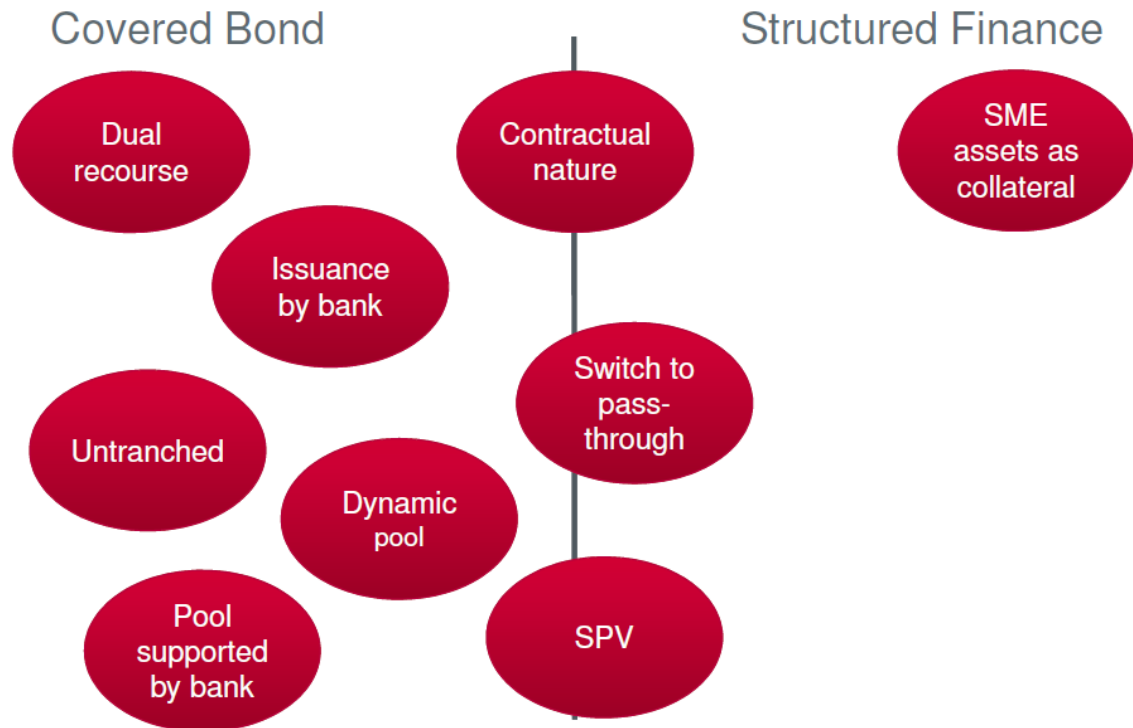
Why it is a Covered Bond

Fitch's view: SME SCB comes with typical Covered Bond features

Although Covered Bond laws and contractual frameworks are not completely identical across the various jurisdictions, there are quite a number of features that all share. Commerzbank's SME Structured Covered takes this into account and incorporates these features into its programme.

Fitch illustrates this in a clear way when arguing why they regard Commerzbank's SME Structured Covered Bond as a Covered Bond as opposed to securitizations.

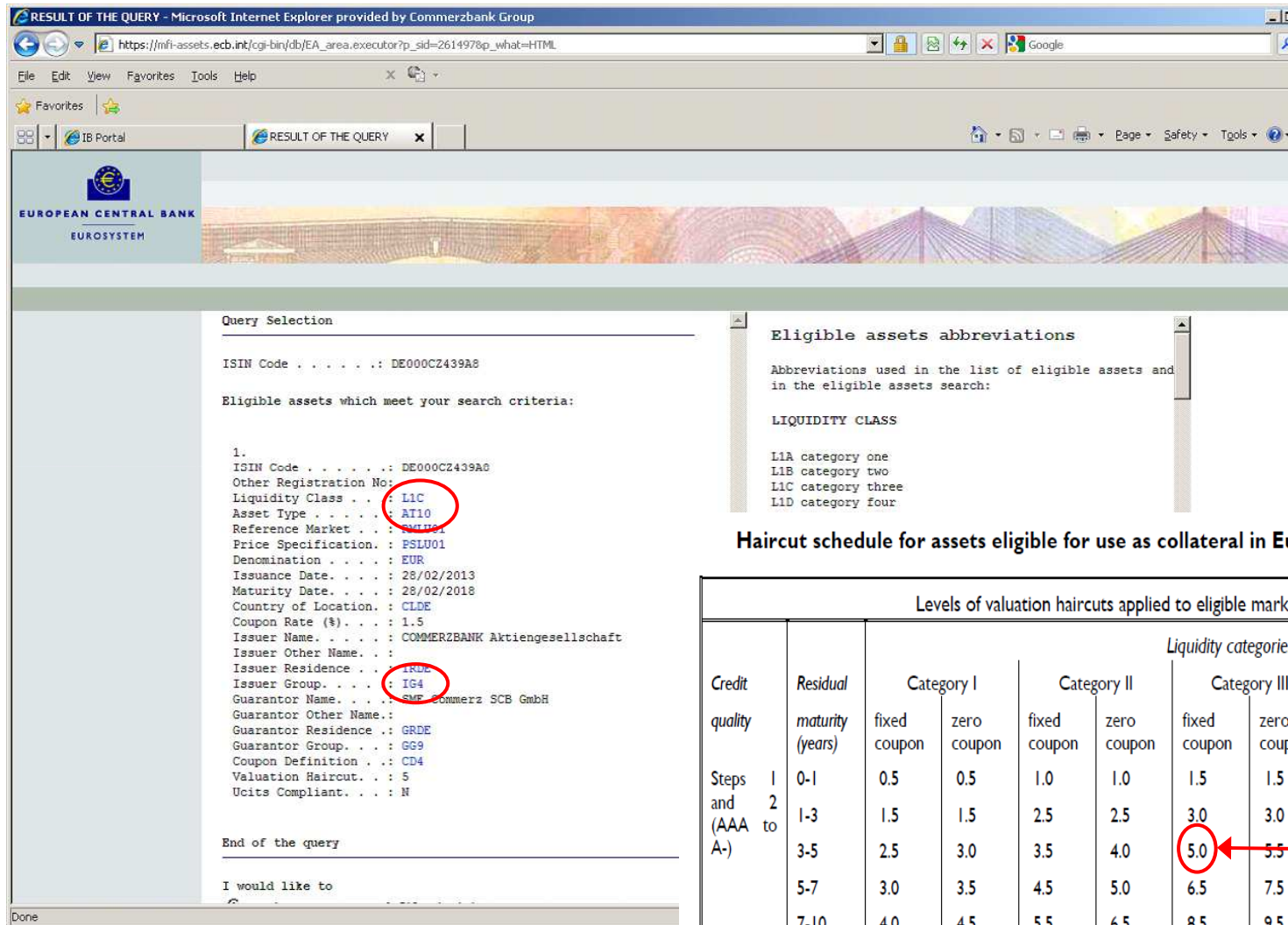
Fitch assessment of the SME Structured Covered Bond



Source: Fitch

Source: Fitch Ratings – "Fitch's Analysis of Commerzbank's SME Structured Covered Bond Programme" (Slide 2; Panel held on a Fitch seminar on 6 February 2013)

ECB's view: Liquidity Category III Non-Jumbo Covered Bond / Haircuts



Query Selection

ISIN Code : DE000CZ439A8

Eligible assets which meet your search criteria:

1.
 ISIN Code : DE000CZ439A8
 Other Registration No.:
 Liquidity Class . . . : **LIC**
 Asset Type : **AT10**
 Reference Market . . . : **EMUCB**
 Price Specification . . : PSLU01
 Denomination : EUR
 Issuance Date : 28/02/2013
 Maturity Date : 28/02/2018
 Country of Location . . : CLDE
 Coupon Rate (%) : 1.5
 Issuer Name : COMMERZBANK Aktiengesellschaft
 Issuer Other Name . . . :
 Issuer Residence : **IRDE**
 Issuer Group : **IG4**
 Guarantor Name : **SME** Commerz SCB GmbH
 Guarantor Other Name . . :
 Guarantor Residence . . : **GRDE**
 Guarantor Group : **GG9**
 Coupon Definition : **CD4**
 Valuation Haircut : 5
 Ucits Compliant : N

Eligible assets abbreviations

Abbreviations used in the list of eligible assets and in the eligible assets search:

LIQUIDITY CLASS

L1A category one
 L1B category two
 L1C category three
 L1D category four

Haircut schedule for assets eligible for use as collateral in Eurosystem market operations

Levels of valuation haircuts applied to eligible marketable assets										
Credit quality	Residual maturity (years)	Liquidity categories								Category V
		Category I		Category II		Category III		Category IV		
		fixed coupon	zero coupon	fixed coupon	zero coupon	fixed coupon	zero coupon	fixed coupon	zero coupon	
Steps and (AAA to A-)	0-1	0.5	0.5	1.0	1.0	1.5	1.5	6.5	6.5	16
	1-3	1.5	1.5	2.5	2.5	3.0	3.0	8.5	9.0	
	3-5	2.5	3.0	3.5	4.0	5.0	5.5	11.0	11.5	
	5-7	3.0	3.5	4.5	5.0	6.5	7.5	12.5	13.5	
	7-10	4.0	4.5	5.5	6.5	8.5	9.5	14.0	15.5	
>10	5.5	8.5	7.5	12.0	11.0	16.5	17.0	22.5		

Source: European Central Bank