

DGAP-News: Commerzbank AG / Key word(s): Miscellaneous Commerzbank plans measure to improve its capital structure and to strengthen its

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Commerzbank plans measure to improve its capital structure and to strengthen its Core Tier 1 capital

- Commerzbank plans contribution in kind of hybrid capital instruments, subordinated debt securities and other capital instruments in exchange for a maximum amount of 511,342,904 new shares issued from authorised capital
  
- If exchange offer is accepted to the full extent, Commerzbank's Core Tier 1 capital would be increased by more than EUR 1 billion

Commerzbank as part of its capital management has today announced its intention to exchange selected hybrid capital instruments, subordinated debt securities and other capital instruments into shares of Commerzbank AG. For this purpose, Commerzbank has entered into an agreement today with Goldman Sachs International ('the Offeror'/'Goldman Sachs') pursuant to which the Offeror may acquire from qualified investors outside the United States hybrid capital instruments, subordinated debt securities and other capital instruments issued by Commerzbank AG, by companies of the Commerzbank Group or by other companies (HT1 Funding GmbH and UT2 Funding p.l.c.) at prices below par and to be settled with Commerzbank shares.

The Offeror plans to contribute the securities it acquires as a contribution in kind to Commerzbank in exchange for new shares issued from the authorised capital ('genehmigtes Kapital') of Commerzbank. There will not be a placement of the new shares with investors, as qualified holders of the selected securities will receive the shares directly in exchange for the securities tendered. The securities

comprise hybrid capital instruments (Trust Preferred Securities, Tier 1 capital) and subordinated debt securities (Lower Tier 2 capital) issued by companies of the Commerzbank Group as well as the Tier 1 capital securities issued by HT1 Funding GmbH and the Dated Upper Tier 2 Capital securities issued by UT2 Funding p.l.c.

Commerzbank has agreed with these two companies that the amounts of the contributions in kind of these securities will be applied to reduce the nominal amount of the silent participation in Commerzbank of HT1 Funding GmbH and the Cumulative Profit Participation Securities of Commerzbank held by UT2 Funding p.l.c.

In this context Commerzbank plans a capital increase by means of a contribution in kind of a maximum of 10% minus one share (equalling a maximum of 511,342,904 shares) of Commerzbank's current subscribed capital using Commerzbank's authorised capital. The necessary resolutions, including the ultimate size of the capital increase, are expected to be adopted by the Board of Managing Directors and the Supervisory Board on March 2, 2012. The transaction is not part of the measures announced on January 19, 2012 to fulfil the additional capital requirements of the European Banking Authority (EBA), nor is the transaction necessary to achieve this goal. However, execution of the transaction will further strengthen Commerzbank's Core Tier 1 capital. This will support Commerzbank in reducing the remaining capital requirements set by EBA more quickly.

By executing this transaction Commerzbank intends to take advantage of a favourable market opportunity to further improve its capital structure.

Execution of the transaction is expected to lead to a gain in the consolidated results of Commerzbank pursuant to IFRS in the first quarter of 2012. If the exchange offer is accepted to the full extent, Commerzbank's Core Tier 1 capital would be increased by more than EUR 1 billion assuming the XETRA closing price of the Commerzbank share on February 22, 2012 as a calculation basis. Under this scenario, the full volume of available new Commerzbank shares would be issued via the capital increase by means of a contribution in kind. The transfer to Commerzbank of certain securities accepted in the exchange is expected to have positive effects on Commerzbank's Core Tier 1 capital in future years. This is due to the resulting adjustment of the purchase price allocation of the assets and liabilities of the former Dresdner Bank which included these securities.

The German Financial Market Stabilisation Fund (SoFFin) intends to continue to maintain its equity interest ratio in Commerzbank (25% plus one share) upon completion of the transaction. For this purpose, a corresponding portion of the silent participation held by SoFFin is intended to be converted into shares, using the conditional capital authorised in the 2011 Annual General Meeting of shareholders.

The Offeror will invite the holders of the selected capital instruments outside the United States of America who are 'qualified investors' within the meaning of the EU Prospectus Directive to submit

tenders to the Offeror to exchange the selected securities at the respective fixed exchange prices. In return, the holders of the selected securities will receive Commerzbank shares that will have been issued from authorised capital as a contribution in kind by the Offeror. The price of these shares will be determined based on the average of the daily volume weighted average price in XETRA during the period starting on February 24 and ending on March 2, 2012. In the event that the total volume of securities for which tenders have been submitted to the Offeror exceeds the authorised capital of 511,342,904 shares, the Offeror will accept the tenders on a pro rata basis as set forth in the Exchange Offer Memorandum dated February 23, 2012. The exchange offer period starts on February 23, 2012 and is expected to end on March 2, 2012 at 2 p.m. CET. Joint Dealer Managers are Citigroup, Commerzbank, Goldman Sachs and HSBC.

The aggregate principal amount of all capital instruments outstanding and included in the exchange offer invitation amounts to approximately EUR 3.16 bn.

The exchange offer invitation by the Offeror includes the following hybrid capital instruments, subordinated debt securities and other capital

instruments:

Instrument / Aggregate Principal Amount outstanding\* / ISIN / Minimum Nominal Amount / Theoretical Purchase Price / Order of

Priority\*\*

Commerzbank Capital Funding Trust I / EUR 189,550,000 / DE000A0GPYR7 / EUR 50,000 / EUR 31,500 / 1

Commerzbank Capital Funding Trust II / GBP 115,600,000 / XS0248611047 / £ 50,000 / £ 30,500 / 1

UT2 Funding p.l.c. / EUR 750,000,000 / DE000A0GVS76 / EUR 1,000 / EUR 825 / 2

HT1 Funding GmbH / EUR 1,000,000,000 / DE000A0KAAA7 / EUR 1,000 / EUR 710 / 3

Eurohypo Capital Funding Trust I / EUR 306,425,000 / XS0169058012 / EUR 1,000 / EUR 690 / 4

Lower-Tier-2-Anleihe (bearer bond) / EUR 502,150,000 / DE000CB07899 / EUR 50,000 / EUR 41,000\*\*\* / 5

Lower-Tier-2-Anleihe (bearer bond) / EUR 272,850,000 / DE000CB8AUX7 / EUR 50,000 / EUR 42,500\*\*\* / 5

\* Trust Preferred Securities currently outstanding and not held within the Commerzbank Group.

\*\* Acceptance of securities tendered will be in accordance with this order of priority.

\*\*\* Plus accrued and unpaid interest to be paid in cash pursuant to the Exchange Offer Memorandum.

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About Commerzbank

Commerzbank is a leading bank for private and corporate customers in Germany. With the segments Private Customers, Mittelstandsbank, Corporates & Markets, Central & Eastern Europe as well as Asset Based Finance, the Bank offers its customers an attractive product portfolio, and is a strong partner for the export-oriented SME sector in Germany and worldwide. With a future total of some 1,200 branches, Commerzbank has one of the densest networks of branches among German private banks. It has around 60 sites in

52 countries and serves more than 14 million private clients as well as 1 million business and corporate clients worldwide. In 2011, it posted gross revenues of EUR 9.9 billion with 58,160 employees.

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#### IMPORTANT NOTICE

This document does not constitute an offer of securities in any jurisdiction where such offer would be unlawful. In the European Economic Area, the exchange offer referred to herein is made exclusively to 'qualified investors' within the meaning of Article 2(1)(e) of the Prospectus Directive. Qualified investors include (a) legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities; or (b) legal entities which have two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than EUR 43,000,000; and (iii) an annual net turnover of more than EUR 50,000,000 as shown in their last annual or consolidated accounts.

The exchange offers described herein are not being made, and will not be made, directly or indirectly in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States.

Accordingly, copies of this release and any other documents or materials relating to such exchange offers are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded in or into the United States. These materials do not contain or constitute an offer for sale or the solicitation of an offer to purchase securities in the United States. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the 'Securities Act'), and may not be offered or sold in the United States absent registration under the Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Commerzbank does not intend to conduct a public offering of shares in the United States.

This release contains statements concerning the expected future business of Commerzbank, efficiency gains and expected synergies, expected growth prospects and other opportunities for an increase in value of the company as well as expected future net income per share, restructuring costs and other financial developments and information. These forward-looking statements are based on management's current expectations, estimates and projections. They are subject to a number of assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from any future results and developments expressed or implied by such forward-looking statements.

Commerzbank has no obligation to periodically update or release any revisions to the forward-looking statements contained in this release to reflect events or circumstances after the date of this release.

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End of Corporate News

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