DGAP-UK Regulatory Service: Commerzbank AG / Capital Increase

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Second step of capital measure to largely reduce SoFFin's silent participations: Commerzbank sets the conditions of the rights issue

In accordance with the resolution of Commerzbank's Annual General Meeting of May 6, 2011 to largely repay the silent participations of the Financial Market Stabilisation Fund (SoFFin), Commerzbank's Board of Managing Directors has, with the approval of the Supervisory Board, today set the subscription price and the further execution details of the rights issue. The rights issue is expected to raise total proceeds of approximately EUR 5.3 billion. This includes SoFFin's participation by means of the partial contribution of its silent participations.

A total of 2,435,695,761 new Commerzbank shares will be issued, carrying full dividend rights from January 1, 2011. The subscription price for the new shares from the rights issue is EUR 2.18. The new shares will be offered to the shareholders for subscription at a subscription ratio of 11:10. Correspondingly, 11 existing shares entitle the holder to subscribe for 10 new shares. Subscription rights are excluded for the residual share amount of 1,392,769 new shares resulting from the application of the subscription ratio. The subscription for one single new share or for integral multiples of a single share is possible. The subscription period will begin on May 24, 2011 and is expected to end on June 6, 2011 (both dates inclusive). The subscription rights for the new shares will be traded on the regulated market (XETRA and XETRA Frankfurt Spezialist) on the Frankfurt stock exchange between May 24, 2011 and June 1, 2011 (both dates inclusive). The new shares are expected to be included in stock exchange trading on June 7, 2011.

An international syndicate of banks has undertaken on customary market conditions to underwrite the proceeds of approximately EUR 4.0 billion, intended to be raised on the capital markets. The syndicate will be led by the global coordinators Commerzbank, Deutsche Bank, J.P. Morgan and Citi. The other joint bookrunners are Goldman Sachs, HSBC, ING and UBS.

SoFFin will participate in the rights issue to the full extent so as to maintain its stake in the share capital of Commerzbank of 25% plus one share. Correspondingly, in accordance with the resolution of the Annual General Meeting, SoFFin will contribute approximately EUR 1.3 billion of its silent participations against the subscription of new shares. In addition, Allianz has informed Commerzbank that it will fully participate in the rights issue.

The rights issue marks the second step of the capital measure to reduce SoFFin's silent participations by a total of approximately EUR 14.3 billion. In the first step of the capital measure in April and May 2011, Commerzbank raised proceeds of approximately EUR 5.7 billion through the placement of Conditional Mandatory Exchangeable Notes (CoMEN) and their exchange for shares, as well as through the additional conversion of SoFFin's silent participations. SoFFin will receive the cash proceeds from the placement of the CoMEN and from the rights issue totalling approximately EUR 8.3 billion. In the course of the overall transaction, Commerzbank is also, as announced, redeeming SoFFin's silent participations in the further amount of approximately EUR 3.3 billion from excess regulatory capital. Together with the two steps of the capital measure, this reduces SoFFin's silent participations, which formerly totalled EUR 16.2 billion, by approximately EUR 14.3 billion. The bank intends to repay the remaining silent participations of approximately EUR 1.9 billion from future excess regulatory capital by 2014 at the latest.

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