Commerzbank AG / Capital Increase

13.03.2013 11:11

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Commerzbank is planning an early repayment in full of the silent participations of the Financial Market Stabilization Fund (SoFFin) of about EUR 1.6 billion and Allianz of EUR 750 million. To this end Commerzbank is planning a combined cash capital increase/capital increase against contributions in kind with subscription rights in the amount of EUR 2.5 billion. SoFFin intends to support the transaction by exercising its subscription rights in full and, in proportion to its stake in Commerzbank, contributing silent participations in the amount of approximately EUR 625 million for shares. On behalf of SoFFin, the consortium of banks will, at the beginning of the subscription period, place with investors approximately EUR 625 million worth of Commerzbank shares out of SoFFin's holdings. This is intended to ensure that the sales proceeds correspond to the volume of the silent participations used in exercising the subscription rights. SoFFin will thereby participate in the capital increase without investing new capital. SoFFin will be repaid the remaining volume of its silent participation out of the proceeds of the cash capital increase. If, as intended, the Commerzbank shares from SoFFin's holding are placed with investors and the subscription rights of SoFFin are fully exercised, SoFFin's shareholding following the transaction is expected to fall below 20 %. SoFFin and Commerzbank intend to commit themselves not to sell or issue any shares in the 180-day period following the execution of the transaction.

The capital increase is to be adopted by the annual general meeting of Commerzbank, which is being brought forward from May 22, 2013 to April 19, 2013. The regulatory capital structure of Commerzbank will be considerably improved by this transaction. The fully phased-in Basel 3 Common Equity Tier 1 ratio will increase as a result of this the transaction from 7.6 % as of year-end 2012 to 8.6 % on a pro forma basis as of that date.

During the financial crisis, the Federal Republic supported Commerzbank with silent participations totaling EUR 16.4 billion in two steps in 2008 and 2009. The Bank has already repaid EUR 14.3 billion of this amount in 2011 together with a one-time payment of EUR 1.03 billion. With the announced repayment of the remaining EUR 1.6 billion, the silent participations of the Federal Republic will be repaid in full.

As initial step in the implementation of the planned transaction the annual general meeting of Commerzbank is to decide on a capital reduction through the consolidation of shares in a ratio of 10:1. The consolidation of shares will cause the number of shares outstanding prior to the capital increase to decrease from 5.83 billion shares to 583 million shares. The stock consolidation and subsequent capital reduction have no impact on the amount of balance sheet equity capital of Commerzbank. They will, however, reduce execution risk for the capital increase. In a second step a resolution is to be adopted on the combined cash capital increase/capital increase against contributions in kind. In the context of the cash capital increase, existing shareholders of Commerzbank will receive subscription rights to ensure that they are able to maintain their stake in Commerzbank through the purchase of new shares. The newly issued shares will have full dividend rights as of January 1, 2013. The full agenda of the general meeting, which will also include the wording of the proposed resolutions for the capital measures, will be published on March 18, 2013.

Deutsche Bank, Citi and HSBC have, on customary market conditions, agreed to underwrite the entire volume of the capital increase totalling EUR 2.5 billion.

The execution of the transaction is planned for mid-May to beginning of June 2013. The Board of Managing Directors of Commerzbank will decide on the subscription price, the subscription ratio and the number of new shares to be issued, as well as on further details of the capital increase, with the consent of the Supervisory Board at a later point in time.

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Listed:	Regulierter Markt in Berlin, Düsseldorf, Frankfurt (Prime Standard), Hamburg, Hannover, München, Stuttgart; Terminbörse EUREX; London, SIX
Category Code:	MSC
LSE Ticker:	CZB
Sequence Number:	1369
Time of Receipt:	March 13, 2013 10:38:07
