

## Press release

For business editors  
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### **Commerzbank's measure to improve its capital structure strengthens its Core Tier 1 capital by EUR 776 m in the first half of 2012**

- **Hybrid capital instruments, subordinated debt securities and other capital instruments with an aggregate principal amount of EUR 965 m are being contributed as a contribution in kind to Commerzbank in exchange for 360,509,967 new shares issued from authorised capital**
- **Transaction expected to strengthen Core Tier 1 capital through 2017 by post-tax approximately EUR 1.2 bn in total**
- **Result of the transaction demonstrates the offer's attractiveness for investors, shareholders of Commerzbank benefit from significant positive effects on the results in the next years**

As part of its measure to improve its capital structure announced on February 23, 2012, Commerzbank's Board of Managing Directors, with the approval of the Supervisory Board, has decided to increase the Bank's subscribed capital by approximately 7 % (equalling 360,509,967 shares) by means of a contribution in kind of selected securities using the Bank's authorised capital ("genehmigtes Kapital"). The selected securities to be contributed to Commerzbank comprise hybrid capital instruments, subordinated debt securities and other capital instruments issued by Commerzbank and other companies with an aggregate principal amount of EUR 965 million. To enable an efficient acquisition of these capital instruments, Goldman Sachs International ("Goldman Sachs") will intermediate this transaction and acquire these securities as offeror from qualified investors outside the United States for the purpose of exchange against new Commerzbank shares. Joint Dealer Managers for this exchange offer were Citigroup, Commerzbank, Goldman Sachs and HSBC.

As intermediary, Goldman Sachs will also subscribe for the total of 360,509,967 new Commerzbank shares to be issued for the exchange offer against the contribution in kind of the acquired capital instruments to Commerzbank and will transfer these shares to the respective holders following registration of the capital increase in the commercial register after consummation of the capital increase. 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, 3 p.m. (CET) the exchange will be executed based on an arithmetically determined exchange price per newly issued share of EUR 1.9128.

With this transaction Commerzbank has taken advantage of a favourable market opportunity to further improve its capital structure. The transaction will lead to a post-tax positive effect of EUR 87 million in the consolidated results of Commerzbank pursuant to IFRS and will increase the Core Tier 1 capital by EUR 776 million in the first half of 2012. In addition, the transaction will have an aggregate positive effect of EUR 484 million on the pre-tax result of Commerzbank pursuant to IFRS through December 31, 2017. This is due to reduced coupon payment obligations (subject to the fulfilment of the conditions for coupon payments for the respective capital instruments) on the remaining aggregate principal amount of the capital instruments after the transaction and due to specific effects under IFRS for certain securities accepted in the exchange. The latter 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 transaction is therefore expected to strengthen the Core Tier 1 capital through 2017 by post-tax approximately EUR 1.2 billion in total.

With this once more successful transaction, Commerzbank has already executed the third measure to improve its capital structure due to the repurchase of hybrid and subordinated capital instruments in the past 13 months. On one side, the result of this transaction demonstrates the offer's attractiveness for the participating investors and the high level of confidence of the capital markets in the Bank. On the other side, the shareholders of Commerzbank also benefit from the significant positive effects on the results in the next years.

The German Financial Market Stabilisation Fund (SoFFin) will continue to maintain its equity interest ratio in Commerzbank (25% plus one share) upon completion of the transaction. For this purpose it has been agreed, that a corresponding portion of the silent participation held by SoFFin will be converted into 120,169,989 shares, using the conditional capital authorised in the 2011 Annual General Meeting of shareholders.

Commerzbank will receive the following hybrid capital instruments, subordinated debt securities and other capital instruments in the respective amounts shown below after successful completion of the transaction:

Description of the Securities	Issuer	ISIN	Number of Securities Accepted	Aggregate Nominal Amount of Securities Accepted	Exchange Ratio per Security Accepted <sup>1</sup>	Number of Ex-change Shares Issued in Exchange <sup>1</sup>	Aggregate Nominal Amount of Securities Remaining Outstanding <sup>2</sup>
€1,000,000,000 Noncumulative Trust Preferred Securities	Commerzbank Capital Funding Trust I	DE000A0GPYR7	830	€ 41,500,000	16,468	13,668,440	€148,050,000
£800,000,000 Noncumulative Trust Preferred Securities	Commerzbank Capital Funding Trust II	XS0248611047	450	£ 22,500,000 / € 27,020,536 <sup>3</sup>	19,148	8,616,600	£93,100,000
€750,000,000 Dated Upper Tier 2 Securities	UT2 Funding PLC	DE000A0GVS76	87,720	€ 87,720,000	431	37,807,320	€662,280,000

€1,000,000,000 Tier 1 Capital Securities	HT1 Funding GmbH	DE000A0KAAA7	584,115	€ 584,115,000	371	216,706,665	€415,885,000
€600,000,000 Noncumulative Trust Preferred Securities	Eurohypo Capital Funding Trust I	XS0169058012	187,838	€ 187,838,000	360	67,621,680	€118,587,000
€1,250,000,000 Subordinated (Lower Tier II) Fixed to Floating Rate Notes of 2006/2016	Commerzbank	DE000CB07899	194	€ 9,700,000	21,434 <sup>4</sup>	4,158,196 <sup>4</sup>	€492,450,000
€750,000,000 Subordinated (Lower Tier II) Fixed to Floating Rate Notes of 2007/2017	Commerzbank	DE000CB8AUX7	537	€ 26,850,000	22,218 <sup>5</sup>	11,931,066 <sup>5</sup>	€246,000,000

<sup>1</sup> No accrued interest on any securities will be payable except on the lower tier 2 instruments accepted.

<sup>2</sup> Means the respective liquidation preference amount or nominal amount, as the case may be, of securities currently outstanding and not held within the Commerzbank group.

<sup>3</sup> For the purpose of determining the number of exchange shares to be delivered to holders of accepted Commerzbank II TPS, the theoretical purchase price of £ 30,500 in respect of such accepted Commerzbank II TPS was converted into € at the foreign exchange reference rate of 0.8327 as at 2 March 2012, as published on the website of the European Central Bank under <http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>.

<sup>4</sup> Plus accrued interest in the amount of approximately € 269 per accepted LT2 2016 Note.

<sup>5</sup> Plus accrued interest in the amount of approximately € 745 per accepted LT2 2017 Note.

The transaction leads to the following positive effects on the pre-tax result of Commerzbank pursuant to IFRS in the period starting on July 1, 2012 until December 31, 2017:

**Positive effects on pre-tax result pursuant to IFRS due to the reduction of interest expenses for the acquired capital instruments (due to purchase price allocation for former Dresdner Bank and expected reduction of coupon payments\*)**

Period	EUR million
H2 2012	EUR 25 million
2013	EUR 97 million
2014	EUR 104 million
2015	EUR 111 million
2016	EUR 111 million
2017	EUR 36 million
<b>aggregate</b>	<b>EUR 484 million</b>

\* Subject to the fulfilment of the conditions for coupon payments for the respective capital instruments.

**Press contact:**

Simon Steiner +49 69 136 46646

Maximilian Bicker +49 69 136 28696

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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 almost 15 million private clients as well as 1 million business and corporate clients worldwide. In 2011, it posted gross revenues of almost EUR 10 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 offers referred to herein were 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 were not 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.