ADB News Release COMMERZBANK

ADB, COMMERZBANK SIGN RISK-SHARING PACT TO BOOST TRADE IN DEVELOPING ASIA

MANILA, PHILIPPINES (1 May 2010) - The Asian Development Bank (ADB) and Commerzbank AG today signed a risk-sharing agreement that will foster greater international trade in developing Asia.

The Risk Participation Agreement – signed on the sidelines of the 43rd Annual Meeting of ADB's Board of Governors in Tashkent, Uzbekistan – is part of ADB's $1 billion Trade Finance Facilitation Program (TFFP). Under the agreement, Commerzbank and ADB will share risks to support increased trade in developing Asia, including Bangladesh, Indonesia, Kyrgyz Republic, Mongolia, Nepal, Pakistan, Philippines, Sri Lanka, Tajikistan, Viet Nam, and other markets.

Companies, particularly small- and medium-sized enterprises, in developing nations can have difficulties in accessing funds that they need to support imports or exports of critical components or final goods.

"ADB is very pleased to have a risk-sharing partnership with Commerzbank. Public-private partnerships through the Trade Finance Facilitation Program are dramatically increasing the flow of trade finance," said Philip Erquiaga, Director General of ADB's Private Sector Operations Department. "If companies can get the trade finance they need, they can expand their business and take on more workers, boosting individual incomes. Those workers will then become consumers themselves, boosting global economic growth."

The TFFP, which started operations in 2004, provides loans and guarantees through, and in conjunction with, international banks and ADB's developing member country banks to support trade. Transactions can range from short-term letters of credit to maturities of up to three years. Links created through the program also lead to knowledge sharing and technology transfer.

"Commerzbank is delighted to participate in this partnership with ADB. We are convinced that this partnership will further strengthen our trade finance activities in prospering Asia, which we consider as one of our key markets. It will also help consolidate our global position as one of the leading banks in trade finance," said Christof Gabriel Maetze, Divisional Board Member and Global Head of Financial Institutions, Commerzbank AG.

In 2009, the TFFP provided support for $1.9 billion in trade transactions, 300% more than in 2008. By attracting private sector financing and because the portfolio can roll over once a year, the program could generate $15 billion in trade finance through 2013.

ADB has been expanding the program rapidly over the past year, with banks in Central Asia signing up to the program this year. This is set to continue throughout 2010 both in countries where TFFP is already active and in new frontier economies.

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Commerzbank is the second-largest bank in Germany and one of the leading financial institutions in Europe. Following the takeover of Dresdner Bank in 2009, Commerzbank is the leading bank for both private and corporate customers in Germany. As a valued business-partner for the export-oriented SME sector, Commerzbank liaises with 6,000 correspondent banks.

Commerzbank is represented in more than 50 countries. In regional terms, it concentrates on Germany, where integrated financial services are provided, operating a nationwide branch network to advise and sell products to all customer groups**.** An additional focus lies on the expansion of cross border business. Commerzbank furthermore enjoys a reputation as a top bank for international trade transactions. More information about the bank can be found at www.commerzbank.com.

ADB, based in Manila, is dedicated to reducing poverty in the Asia and Pacific region through inclusive economic growth, environmentally sustainable growth, and regional integration. Established in 1966, it is owned by 67 members – 48 from the region. In 2009, it approved a total of $16.1 billion in financing operations through loans, grants, guarantees, a trade finance facilitation program, equity investments, and technical assistance projects. ADB also mobilized cofinancing amounting to $3.2 billion.

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