Commerzbank launches issuance programme for additional tier 1 capital

- Programme volume of up to 3 billion euros
- Bettina Orlopp: “We are creating a framework with the AT 1 issuance programme that can be used flexibly. This will enable us to further optimise our capital structure and also respond to the additional business opportunities that have arisen for us in the context of the coronavirus crisis and the changed regulatory requirements.”

The Board of Managing Directors of Commerzbank AG has decided to launch an issuance programme for additional tier 1 capital (AT1). This will enable the Bank to gradually issue subordinated bonds with a total nominal value of up to €3 billion. A decision on the first issuance under the programme will be taken at a later date.

“Over recent years, we have built up a strong CET 1 position. We are creating a framework with the AT1 issuance programme that can be used flexibly. This will enable us to further optimise our capital structure and also respond to the additional business opportunities that have arisen for us in the context of the coronavirus crisis and the changed regulatory requirements,” commented Bettina Orlopp, Chief Financial Officer of Commerzbank. “The programme will give us the opportunity to act rapidly in response to the capital requirement and the market environment.” The issuance programme also enables Commerzbank in future issuances to make use of the recent regulatory changes, whereby AT1 can now be used to a greater extent to meet the capital requirements (SREP).

The basis for the issuance programme is the resolution relating to the authorisation for the Board of Managing Directors passed by the Annual General Meeting in 2019 to issue once or more than once hybrid bonds up until 21 May 2024 which meet the requirements for regulatory recognition as additional core equity. It is planned to exclude the subscription right of the shareholders from the issuances of the programme. In July 2019, Commerzbank issued its first additional tier 1 bond with a volume of 1 billion US dollars. At the end of March 2020, the common equity tier 1 ratio (CET 1 ratio) stood at 13.2 percent and therefore exceeds all regulatory requirements.
About Commerzbank

Commerzbank is a leading international commercial bank with branches and offices in nearly 50 countries. The Bank’s two business segments – Private and Small-Business Customers and Corporate Clients – offer a comprehensive portfolio of financial services precisely tailored to their customers’ needs. Commerzbank transacts approximately 30% of Germany’s foreign trade and is the market leader in German corporate banking. The Bank offers its sector expertise to its corporate clients in Germany and abroad and is a leading provider of capital market products. Its subsidiaries, comdirect in Germany and mBank in Poland, are two innovative online banks. With approximately 800 branches going forward, Commerzbank has one of the densest branch networks in Germany. The Bank serves more than 11 million private and small-business customers worldwide and over 70,000 corporate clients, multinationals, financial service providers, and institutional clients worldwide. Its Polish subsidiary mBank S.A. has around 5.7 million private and corporate customers, predominantly in Poland, but also in the Czech Republic and Slovakia. In 2019, Commerzbank generated gross revenues of €8.6 billion with approximately 48,500 employees.

Disclaimer

This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for securities. This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts. In this release, these statements concern inter alia the expected future business of Commerzbank, efficiency gains and expected synergies, expected growth prospects and other opportunities for an increase in value of Commerzbank as well as expected future financial results, restructuring costs and other financial developments and information. These forward-looking statements are based on the management’s current plans, 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. Such factors include the conditions in the financial markets in Germany, in Europe, in the USA and other regions from which Commerzbank derives a substantial portion of its revenues and in which Commerzbank holds a substantial portion of its assets, the development of asset prices and market volatility, especially due to the ongoing European debt crisis, potential defaults of borrowers or trading counterparties, the implementation of its strategic initiatives to improve its business model, the reliability of its risk management policies, procedures and methods,
risks arising as a result of regulatory change and other risks. Forward-looking statements therefore speak only as of the date they are made. Commerzbank has no obligation to 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.