

Today's strategies for successful funding

Banking products to optimise cost, access and flexibility

Financial Institutions

Achieving more together



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Your dedicated partner for success

Commerzbank Financial Institutions
Partnership meets expertise

Dear Reader



In the aftermath of a period of economic turbulence we are facing new challenges and opportunities.

Banks and corporates have to cope with new parameters such as stricter credit policies and lower rating, an increased tendency towards protectionism and tighter regulations.

Limited access to financing and the challenge of high costs on the one hand are matched by new opportunities on the other. By choosing the right strategy, you have the chance to find alternative funding sources, to gain access to new investors and to extend your market position.

While the gap between advanced and emerging markets is narrowing, Commerzbank would like to work with you in taking action. As your partner for comprehensive services, we provide funding instruments that have been developed with your specific needs in mind, the primary objective being to:

Demonstrate your strength and standing in the international markets.

In this brochure we present our core financing instruments “Bonds”, “Syndicated Loans” and “ECA-covered financing” that enable you to overcome funding constraints, cover your institution’s and your clients’ credit needs, use the capital market to your advantage and increase your global competitiveness.

Equipped with our expertise in banking and regional proximity, you can steer a firm course to successful and profitable funding through

- access to new markets and dimensions,
- flexibility of new options in your banking and funding strategies and
- cost optimisation in complex markets.

Our relationship and service teams will be pleased to assist you in successfully implementing the instruments best suited to your requirements. Benefit from our commitment to a sound and lasting relationship with you at the point where partnership meets expertise.

I invite you to join forces with us.

Yours sincerely

Christof Gabriel Maetze
Global Head of Financial Institutions

Bonds: Your chance to go for success

A record sum was invested in emerging market bonds in 2009. As markets start to stabilise, there is considerable demand among global investors for new investment targets and enhanced yields. You can capitalise on that by tapping the new funding potential at favourable conditions.

Bonds: your cost, access and flexibility benefits

A successful bond issue is an attractive and powerful financing instrument offering you:

- The diversification of your funding base away from bank debt
- Longer maturities: in contrast to the loan market, the bond market can offer up to 30 years in selected markets
- The availability of unsecured funding with fewer covenants
- The flexibility and the speed of execution that allows you to benefit from optimal market timing
- A choice of currencies and the ability to address currency mismatches
- Good prospects for follow-on transactions
- The opportunity to build up a capital market track record
- The possibility to establish an international profile and attract foreign investment to your country

Why bonding with Commerzbank?

Does a bond issue seem a bold step? Not if you can count on the support of a strong, experienced and reliable partner. Appointing Commerzbank to lead-manage your bond issue is a decision for the “Big Five” success factors:

1. Trust

Commerzbank works as a partner interested in maintaining long-term relations providing full transparency and honest broker advice.

2. Access

Benefit from the full reach of a global player to respond to the needs of all types of first class investors worldwide. The Commerzbank team is a premier business partner in fixed income products with all the major international institutional investors including asset managers, insurance and pension funds, bank treasury, portfolio and private client departments, as well as various corporates.

3. Experience

The Emerging Market Debt Capital Markets group at Commerzbank has long been at the forefront of providing its clients with products ranging from plain vanilla to tailor-

Commerzbank Global Emerging Market Franchise



made financing solutions in both the public and private international capital markets. Over the past six years, we have lead-managed more than 140 Eurobond issues for over 70 borrowers throughout Central and Eastern Europe, the Middle East, Africa and Latin America

4. Recognition

Commerzbank has won several prestigious awards, including Euromoney's highly esteemed Award for Excellence 2007 "Best Investment Bank in Central & Eastern Europe". Specific awards in various other countries have enabled us and our client partners to gain broader recognition in those markets.

5. Expertise

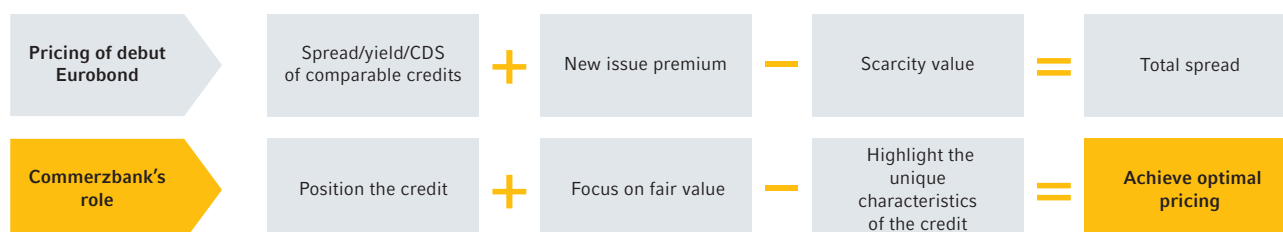
Commerzbank takes pride in being one of the best banks in placing Emerging Market debt capital issues. At each stage of the process, you can rely on our premium advice, service, access and execution.

- **Knowing the markets:** Profit from bond market expertise that is based on a broad understanding of the investor base, economic developments and profound insights into market dynamics. Matching supply and demand at the right place and at the right time enables our qualified teams to direct the flow of investors' resources into Emerging Markets finance.
- **The art of pricing:** Our specialists focus on carrying out your transaction with the best possible parameters. Crucial elements are credit positioning and building a yield curve by issuing more than once in the Eurobond market. The success of the debut transaction will determine future pricing and the success of follow-on issues. The art of pricing includes the positioning of the borrower in the market based on a thorough peer analysis considering, for example, global business profile, regional proximity and rating category, followed by the careful determi-

nation of a debut issue premium in order to ensure market performance, and finally the successful instruction of investors on the unique rarity value of the borrower. These three components will determine the optimal guidance level and price the deal.

- **Rating advice:** Based on our extensive knowledge of the rating process, our experience of working with rating agencies and our well-established personal contacts, our advice enables issuers to optimise their rating potential and achieve the fair securities rating for their Eurobond.
- **Marketing power:** A key success factor in an international bond issue is our full range marketing input, which includes – but is not limited to – press interviews, Bloomberg presentations, research reports and the use of multimedia channels, all culminating in a carefully prepared and focused international investor roadshow. We proactively organise a sales force teach-in and ensure that the presenting roadshow team can rehearse for the event before going "live".
- **State-of-the-art electronic support:** Our proprietary internet-based electronic book-building platform is an award-winning tool guaranteeing the most transparent, accurate, fast and smooth handling of even the most complex and voluminous transactions.
- **Secondary market skills:** An important factor for investors' decisions is an active secondary market. Our strong secondary trading team makes sure that liquidity is provided throughout the life of the bond.
- **Research service:** Investors seek to gain thorough, objective and independent information regarding the new issue. Commerzbank's award-winning research team is committed to giving in-depth coverage and actively positions the credit in the bond universe.

Commerzbank's role in the successful pricing of a debut issue



Bond products: our strength is your advantage

With the expertise of Commerzbank's specialist teams, financial institutions all over the world can identify and implement the debt instruments best suited to their needs.

Eurobonds

In the wide range of bond products, the Eurobond, typically senior and unsecured, is the foremost solution. The market offers a considerable range of opportunities for diversification from both the investor's and issuer's perspective.

Successful Eurobond issuance guarantees you the desired key results:

- You are able to access investors outside your domestic market.
- You gain global visibility.
- You extend your maturity profile.
- You diversify and broaden your funding base.
- You gain flexibility in terms of structure, maturities and currencies, such as the US dollar and the euro.

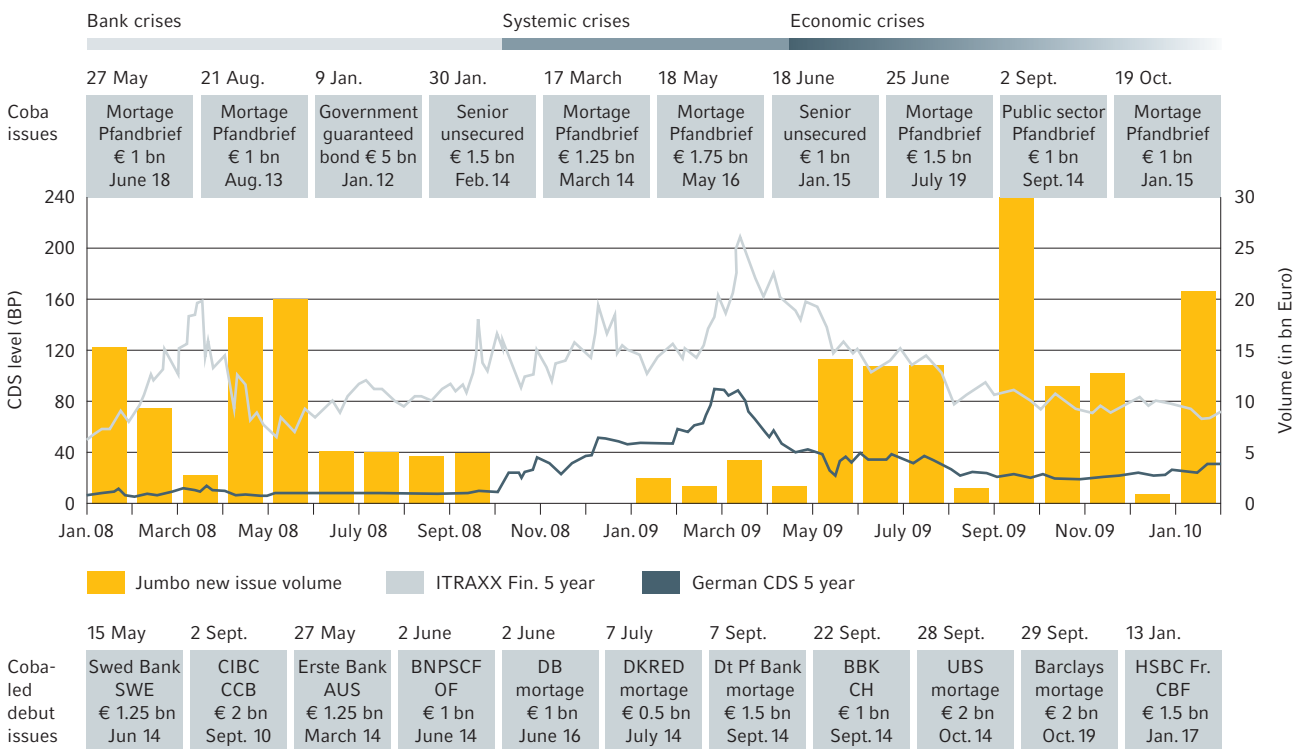
Commerzbank has made a name for itself in the Eurobond market and maintains a leading position as a top-class bookrunner.

Covered bonds

- Covered bonds are backed by a pool of assets such as residential or commercial mortgages, public-sector debt and, more recently, ships and aircraft.
- The assets remain usually on the originating bank's balance sheet, giving investors a dual claim both on the bank and on the pool.
- Banks are obliged to maintain the quality of the cover pool.
- Bond ratings are typically well above the ratings of issuing banks.

Commerzbank Group is one of the largest covered bond issuers and was in 2009 the number one bookrunner in German Pfandbriefe. We have opened the Jumbo Covered Bond market in several countries, providing evidence of our first-class expertise in this segment.

Commerzbank's covered bond activity during the crises



Hybrid bonds

Hybrid capital offers one of the most versatile forms of financing available today. A hybrid bond is typically an option for issuers with a solid track record

- Combining equity and debt characteristics, it provides issuers with growth capital, while maintaining maximum financial flexibility.

- The structures are designed to satisfy very particular regulatory, rating agency, accounting and tax requirements, as well as meeting the specific demands of a diverse group of investors at a point in time.

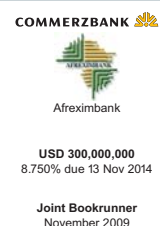
Commerzbank has extensive experience in the complete range of hybrid capital solutions. Our platform is one of the most comprehensive in the market.

How to succeed

Bond issuance by African Export-Import Bank provides an excellent opportunity to study Best Practice. The issue underlines Commerzbank’s placement capacity for debut issuers even in the adverse market conditions of 2009.

With Commerzbank as the rating advisor, the debut issuer Afreximbank received a BBB- rating with stable outlook from Fitch. During an extensive roadshow, the issue was presen-

ted to a wide range of investors in terms of type and region. As books closed, a total of \$1.5 billion was signed from 135 investors. The final bond size was fixed at \$300 million, on the back of the issuer’s needs. The strong momentum allowed a final pricing of 9.125 % reoffer yield at the tight end of the official price guidance of 9.25 % +/-1/8. The issue achieved outstanding results and performed well after pricing – breaking above the par level on the first day.



COMMERZBANK

Afreximbank

USD 300,000,000
8.750% due 13 Nov 2014


Joint Bookrunner
November 2009

“Commerzbank has been very supportive of Afreximbank over the years in various ways especially in funding. In this regard, Commerzbank has participated as Mandated Lead Arranger in various EuroLoan Syndications that we have undertaken in the past. Commerzbank was particularly helpful to us as it facilitated our entry in the Eurobonds market. They provided rating advisory services that enabled us to efficiently navigate the complex rating process of Fitch Rating agency, which enabled Afreximbank to obtain an investment grade rating of BBB- in a difficult operating environment. Further, Commerzbank was part of the Joint Lead Managers of the EMTN programme and helped us to present the deal to a carefully selected investor base, drawing on their in-depth product and capital market know-how. The professional handling of the various challenges during the Eurobond transaction contributed to the outstanding result of a fivefold oversubscription.

We appreciate the contribution of Commerzbank in the execution of the Eurobond transaction, which made it a roaring success in a difficult market especially for African credits.”

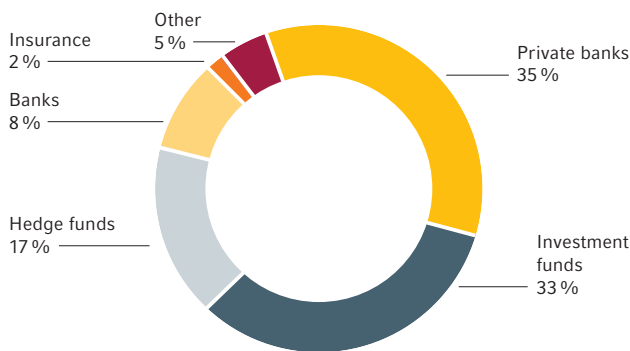
1 Afreximbank
Best Bond Deal in Africa
Inaugural \$300m 8.750% transaction due Nov. 2014

Source: EmeaFinance, EF Awards, 2009

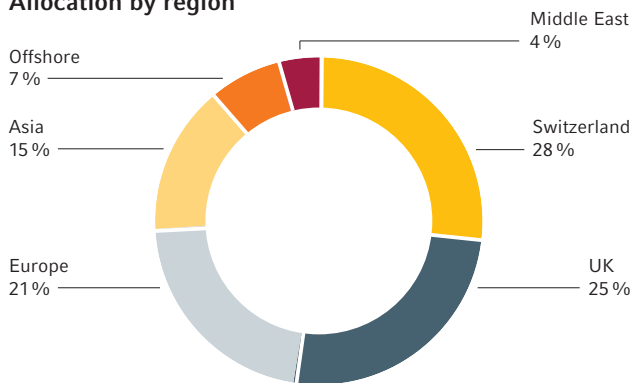


Philip Kamau
Senior Director (Finance)
African Export-Import Bank

Allocation by investor type



Allocation by region



Syndicated loans: The whole is greater than the sum of its parts

If you are seeking to refinance existing fragmented bilateral loans or maturing syndicated loans or to establish new relationships beyond your group of core banks, a syndicated loan is an optimal financing instrument.

Syndicated loans allow a large credit amount to be raised in a single loan agreement. In addition, repeated use provides an opportunity to gradually strengthen your market visibility and pulling power by developing a reliable credit track record in the global financial markets.

This type of loan is a facility made available to a borrower by a number of lenders at the same terms and conditions summarised in one loan documentation. Features such as loan purpose, loan type, tenor, number of tranches, etc. are specifically tailored to the needs of the customers.

Syndicated loans can be used for a variety of different purposes:

- General corporate funding
- Trade related financing
- Acquisition financing
- Project financing
- Capital expenditure financing
- Bridge financing of bonds or equity transactions
- Refinancing of existing debt
- Liquidity/CP back-up or back-up lines for asset backed security transactions
- Guarantee facilities

Syndicated loans:
your cost, access and flexibility benefits

A syndicated loan is

- **profitable**, while larger loan volumes permit economies of scale
- **flexible** and **tailored** to the borrower's needs in terms of credit structure (volume, currency, repayment, etc.) and syndicate composition
- **a door-opener** to new (international bank) relationships and to the debt capital market
- **efficient**, as the client negotiates the loan with the Mandated Lead Arrangers MLA(s) only and – following signing – has contact with the Facility Agent only
- **the means of signalling fairness**, as the same contractual terms apply to all participants

- **quick** in terms of execution
- **highly visible** in the market, especially for debut transactions (degree of publicity depending on customer preference)

In a nutshell, this proven funding instrument will strengthen your competitiveness and market recognition.

Mandated Lead Arranger: applied expertise

As Commerzbank has been an active investor in the syndicated loan market for a number of years, we have acquired the high level of expertise needed to professionally fulfil the role of the perfect intermediary between the borrower and the broader investor group. The role of the Mandated Lead Arranger includes the following responsibilities:

Structuring

Develop credit structure; Establish and negotiate Mandate Letter and Term Sheet; Define syndication strategy; Determine time-table and bank list

Information Memorandum

Prepare Information Memorandum on the basis of the information provided by the borrower

Documentation Agent

Prepare and negotiate loan documentation

Bookrunning

Prepare list of banks to be invited (book); Conduct syndication (bookrunning); Report regularly on status of syndication

Presentation

Organise and coordinate bankers' presentation

Signing

Organise and coordinate signing of loan documentation

Facility Agent

Act as Agent over life-time of facility after signing

Publicity

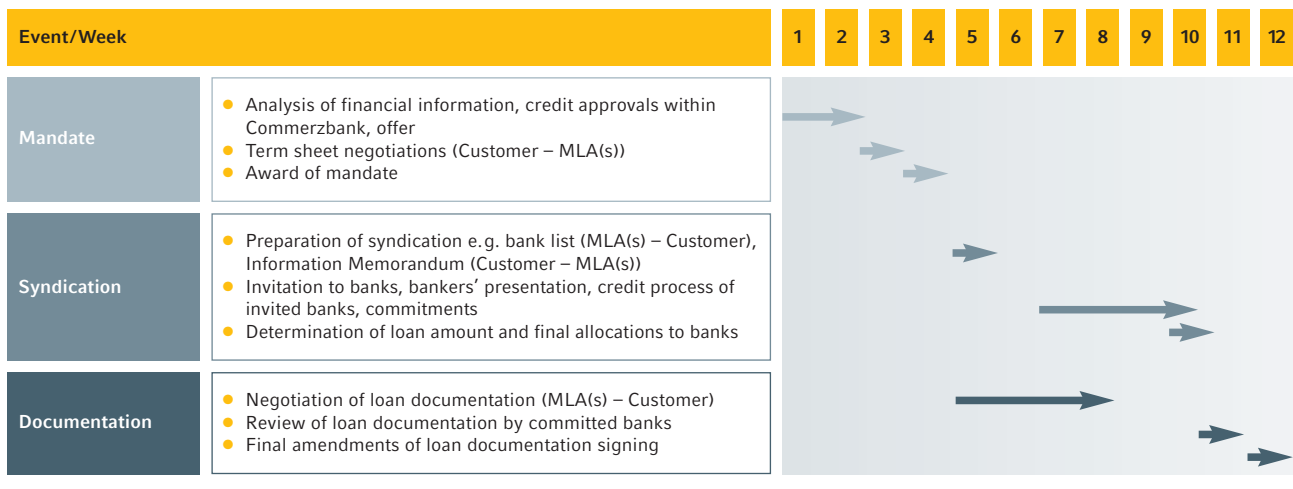
Publish press releases if required (e.g. Reuters, IFR, Euroweek), Set up Tombstone

Relationship and expertise are both crucial to the successful execution of a syndicated loan transaction. Our dedicated team of experts ensures smooth and successful transaction processing. Commerzbank excels in all roles and functions. The syndication team has unparalleled access to the service coverage of 500 bank and 200 fund investors and a full-scale debt platform. It is assisted by a dedicated FI desk with best reach to the loan investor. Furthermore, multilingual trader and sales specialists as well as research analysts and loan closers will support the transactions on a global basis and at all times.

The art of pricing during the stages of a syndicated loan

Determining the price of a loan is a sensitive issue. In principle, the pricing covers the margin, fees and expenses and is influenced by a number of different factors such as market sentiment, economic environment, syndication strategy, relationship banks and ancillary business. Additionally, it depends on concrete single loan features such as volume, maturity, purpose, creditworthiness and rating of the borrower, securities and financial covenants. Optimising cost components is in deed an art that is mastered by our syndication team. A syndicated loan goes through various stages from the first contact with the borrower to the signing of the loan agreement, i.e. there are a mandate stage, a syndication stage and a documentation stage. The syndication stage and the documentation stage overlap.

The stages of a syndicated loan



Our mission is to operate a leading comprehensive and fully integrated product platform for our clients, based on a “lead not follow” scenario. Commerzbank has an extensive track record in the syndicated loan market. Top league table posi-

tions and prestigious awards provide evidence of Commerzbank’s leading role in the syndicated loan market for financial institutions – in markets all over the world from Germany to Emerging markets.

Selected transactions for financial institutions in the Euromarket in 2009

 <p>otpbank</p> <p>Term Loan € 220 million</p> <p>Mandated Lead Arranger, Bookrunner & Facility Agent</p> <p>December 2009</p>	 <p>Syndicated Credit Facility</p> <p>US\$ 317 million</p> <p>Mandated Lead Arranger</p> <p>July 2009</p>	 <p>VakifBank</p> <p>Syndicated Credit Facility</p> <p>US\$ 729 million</p> <p>Mandated Lead Arranger</p> <p>August 2009</p>	 <p>Raiffeisen BANK Croatia</p> <p>Term Loan Facility</p> <p>€ 125 million</p> <p>Mandated Lead Arranger</p> <p>June 2009</p>	 <p>GarantiBank</p> <p>Syndicated Credit Facility</p> <p>US\$ 814 million</p> <p>Mandated Lead Arranger</p> <p>May 2009</p>	 <p>İŞBANK</p> <p>Syndicated Credit Facility</p> <p>US\$ 569 million</p> <p>Mandated Lead Arranger</p> <p>May 2009</p>	 <p>Investec</p> <p>Syndicated Credit Facility</p> <p>US\$ 246 million</p> <p>Mandated Lead Arranger</p> <p>April 2009</p>	 <p>ABANKA</p> <p>Syndicated Credit Facility</p> <p>US\$ 80 million</p> <p>Mandated Lead Arranger & Bookrunner</p> <p>August 2009</p>
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“Relationships rule again”



Interview with Eric Zimny,
Head Loan Capital Markets,
Financial Institutions,
Commerzbank AG,
Frankfurt am Main

What is the current situation in the syndicated loan market for financial institutions? Are we back to normality?

The financial institutions sector is lagging behind corporates in absolute deal numbers but some activity with selected borrowers in various regions is already visible. The current global deal flow cannot be equated with a fully functioning market with regular demand and supply, stable prices and a balanced secondary market. Deals occur on a case-by-case basis.

Have the structures, terms and conditions of transactions changed in the wake of the crises? If so, how are borrowers reacting?

Investors are adhering more stringently to prudent banking rules and are now tending to base their credit decisions on business models and cash flows rather than on borrowers' external ratings. More restrictive methodologies with regard to capital allocation and the pricing of capital are being applied. To a certain extent, we are back to basics. Preferred

tenors for financial institution borrowers are currently one year, while terms in loan agreements have become tighter again and recently increased pricings remain at a high level or only decrease moderately. The yield players among the investors have disappeared. Relationships rule again. Borrowers have understood that the greatest support still comes from the core-relationship banks and they are successfully playing the relationship card.

What does this mean for the advancement of borrowers' funding plans?

Driven by more restrictive internal guidelines, it is currently more important for investors to have the transactions successfully arranged and to meet internal return requirements than to contribute to each and every deal and to take risks for the sake of titles and high league table rankings. As broadly syndicated loans are still not feasible, transactions are currently arranged as club deals. The deals are mainly supported by the borrower's core-relationship banks. These banks are prepared to support transactions but any shortfall in return or economics is expected to be cross-subsidised with cross-selling business. Commerzbank's strong and long-lasting relationship with its clients means that we have a clear understanding of their needs and can therefore flexibly negotiate all parameters so that both we and the borrowers feel that a fair return is achieved.

What is your medium-term outlook?

I am sure that market confidence will slowly return for regions and borrowers across the whole credit spectrum in

Examples for Commerzbank's expertise in arranging your loans

1 **Best Arranger of Financial Institutions Loans**

Commerzbank

Source: Euroweek Syndicated Loans and Leveraged Finance Awards 2008

2008 

1 **Best Arranger of Financial Institutions Loans**

Commerzbank

Source: EuroWeek Syndicated Loans and Leveraged Finance Awards 2009

2009 

which business is still lagging behind. Investor confidence is dependent upon success stories and the absence of further market disruptions. If Tier 2 borrowers also manage to successfully print deals, then the investors' pain threshold will be lowered and a higher deal flow will gradually be seen. With its strong market expertise as a successful Bookrunner and Mandated Lead Arranger over many years, Commerzbank is well prepared for a market rebound. We are consistently analysing the market and remain in close contact with our clients so that we can advise them on the best timing for raising new funds.

How is Commerzbank positioned in the market among its peers?

As reflected in the league tables, Commerzbank has been a strong player in the EEMEA as a Bookrunner and Mandated

Lead Arranger for a number of consecutive years. Besides the loans successfully executed for Tier 1 borrowers, in a number of regions we were one of the first investors to go down the credit curve and successfully introduce Tier 2 and Tier 3 banks to the syndicated loan market with debut transactions. These transactions are more difficult to place as they contain a higher risk profile, which in general triggers less market interest. The expertise gained together with the market share and network built up over time as a Bookrunner helps us to position ourselves more quickly than our peers. Our strong market presence and expertise has just been acknowledged for the second year running with the Euroweek award for the "Best arranger for Financial Institution loans 2009".

Impressions of our market strength and placement power

EEMEA – MLA rankings 2008–2009

Pos.	Mandated Lead Arrangers	Amount (in USD mn)	Deals	share in %
1	Commerzbank Group	20,923	56	25.1
2	RZB	20,286	38	24.4
3	UniCredit Group	16,834	38	20.2
4	Standard Chartered Bank	15,206	29	18.3
5	Intesa Sanpaolo	14,463	21	17.4
6	Bayerische Landesbank	14,294	19	17.2
7	EBRD	14,076	33	16.9
8	ING	13,590	21	16.3
9	Wells Fargo	12,898	27	15.5
10	Citi	12,730	38	15.3

EEMEA – bookrunner rankings 2008–2009

Pos.	Bookrunner	Amount (in USD mn)	Deals	share in %
1	RZB	4,351	25	5.2
2	ING	2,788	12	3.4
3	Bayerische Landesbank	2,440	19	2.9
4	Intesa Sanpaolo	2,246	7	2.7
5	Commerzbank Group	2,157	12	2.6
6	Calyon	1,995	6	2.4
7	Standard Chartered Bank	1,921	5	2.3
8	UniCredit Group	1,708	15	2.1
9	WestLB	1,366	5	1.6
10	DZ Bank	1,216	6	1.5

source: Dealogic 01/2010

Germany MLA rankings 2009

Pos.	Mandated Lead Arrangers	Amount (in USD mn)	Deals	Share in %	2008 Rank
1	Commerzbank Group	6,988	46	9.4	1
2	UniCredit Group	5,642	31	7.6	3
3	Deutsche Bank	5,001	35	6.7	2
4	LBBW	4,754	23	6.4	12
5	BNP Paribas	3,645	13	4.9	5
6	Calyon	3,289	11	4.4	8
7	WestLB	3,046	13	4.1	9
8	Barclays Capital	2,999	10	4.0	14
9	BayernLB	2,648	14	3.6	15
10	DZ Bank	2,507	15	3.4	13

Germany bookrunner rankings 2008–2009

Pos.	Bookrunner	Amount (in USD mn)	Deals	Share in %	2008 Rank
1	Commerzbank Group	8,631	31	11.6	1
2	Deutsche Bank	7,945	25	10.7	2
3	UniCredit Group	4,489	11	6.1	3
4	RBS	4,203	6	5.7	4
5	BNP Paribas	2,771	7	3.7	8
6	BayernLB	2,605	7	3.5	15
7	Calyon	2,604	4	3.5	14
8	LBBW	2,506	8	3.4	10
9	Barclays Capital	2,271	4	3.1	13
10	Nordea Bank	2,186	1	3.0	20

source: Dealogic 01/2010

“Buyer’s Credit”: Support for import

Many of your corporate clients have an increased need for capital goods while investing in the upgrading of their technologies, the improvement of their energy efficiency or extending their production capacities. At the same time, your challenge is to provide your core clients with sufficient financing as a pre-condition for participation in global trade during economic recovery.

An excellent product to secure long-term funding (usually 5–10 years) in order to refinance your customers’ import-linked loans is the Export Credit Agency-covered Buyer’s Credit. It offers favourable loan conditions owing to the involvement of government-sponsored Export Credit Agencies and can be tailored to your clients’ specific projects.

Using this intelligent financing instrument may be crucial to your success and the success of your clients.

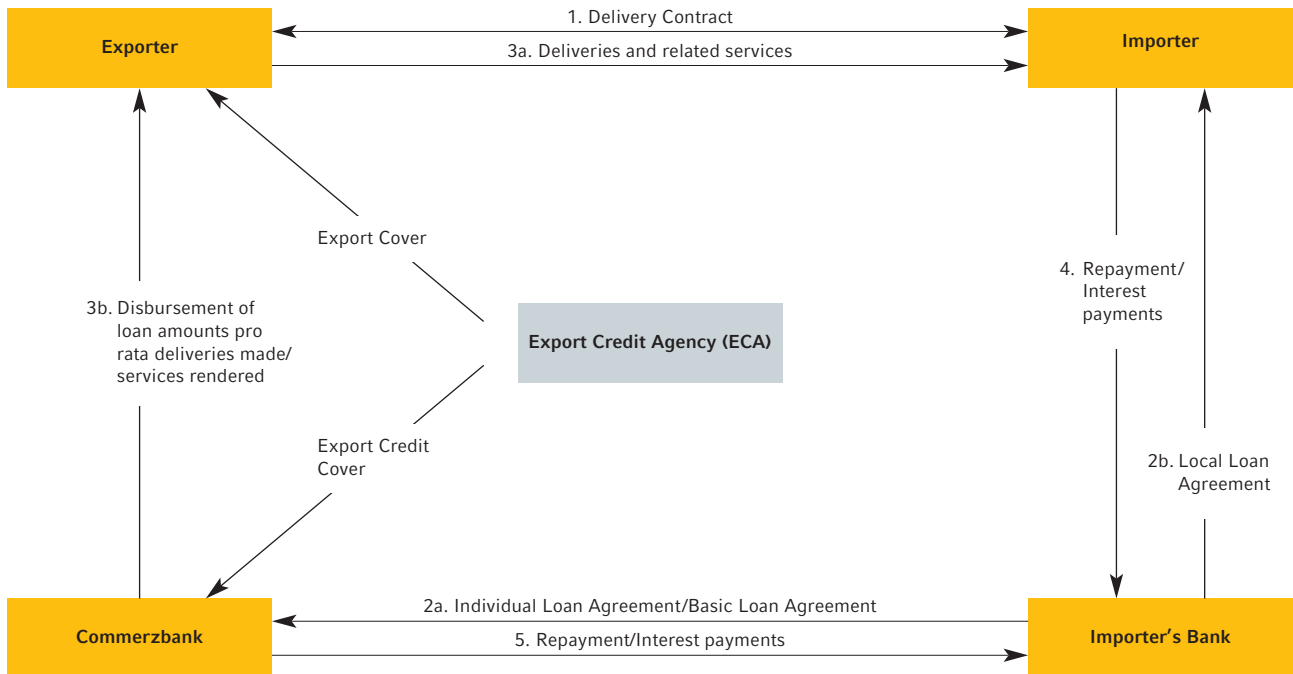
Commerzbank’s Buyer’s Credit – the competitive edge in global trade financing for you and your clients

We structure and arrange the export finance solution that adds value to your and your clients’ business in terms of cost advantages, flexibility and access.

Cost advantages

- Mitigated country risk and reduced borrower risk allow for comparably advantageous loan conditions and competitive prices.
- Standard documentation and lean transaction execution minimise cost.
- Up to 100% capitalisation/financing of ECA premium is possible:
 - Delivery contract excludes costs of financing
 - Lower delivery value reduces customs and taxes.

Working principles of the ECA-covered financing Buyer’s Credit (bank-to-bank)



- Exporter and importer conclude a delivery contract
- Exporter delivers capital goods to importer
- Exporter receives payment from Commerzbank out of the Buyer’s Credit
- Importer repays the loan in arrears via your institution in accordance with the repayment schedule
- The whole transaction is covered by an Export Credit Agency

Flexibility

- Long maturities match your clients’ investment horizon.
- You only pay for refinancing funds when and as long as you need them.
- Early repayment is possible.

Access

- Commerzbank is your partner to gain access to ECA-covered financing for imports.

- You take full advantage of the expertise of a bank which has played a leading role in the financing of German and European exports for decades.
- Commerzbank offers Buyer’s Credits for import transactions from € 250,000 upwards.
- Our broad network of branches, subsidiaries and correspondent banks also enables us to incorporate financing for non-German contributions.

Commerzbank acts as the arranger and/or lender of export financing for a large number of Export Credit Agencies*

 Oesterreichische Kontrollbank AG (OeKB)	 Finnvera plc (Finnvera)	 Exportkreditnämnden (EKN)
 Euler Hermes Kreditversicherungs-AG (Euler Hermes)	 Coface SA (Coface)	 Swiss Export Risk Insurance (SERV)
 Office national du ducroire (ONDD)	 SACE SpA (SACE)	 Export Credits Guarantee Department (ECGD)
 Export Guarantee and Insurance Corporation (EGAP)	 Atradius Credit Insurance N.V. (Atradius)	 Export-Import Bank of the United States (US-EXIM)
 Eksport Kredit Fonden (EKF)	 CESCE S.A. (CESCE)	

*including i.a.

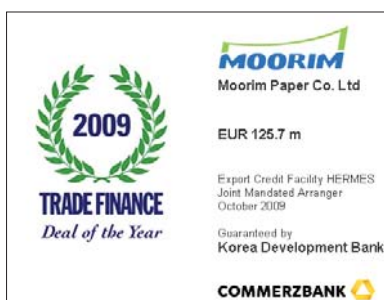
Credit with credentials

Commerzbank has a long-standing experience and outstanding expertise in export finance and has successfully provided support for numerous importers worldwide to achieve their import targets.

We have arranged a large number of transactions based on

- In-depth and comprehensive knowledge of the German export credit system and, in particular, decades of experience in structuring transactions under the cover of the German Export Credit Agency Euler Hermes Kreditversicherungs-AG.

- Lead-management of multi-sourced financing transactions and cooperation with other ECAs in combination with Hermes cover.
- Various collateral models ranging from simple corporate risk to countertrade-based structures involving the assignment of revenues generated by exports from the borrower’s country.
- Basic loan agreements facilitating the conclusion of smaller individual transactions for customers who import from Germany/Europe.
- Single loan agreements to finance larger transactions.



“A moderately priced, flexible long-term instrument”



Interview with Ralph Lerch,
Head of Export Finance,
Commerzbank AG,
Frankfurt am Main

We are currently experiencing a renaissance of export financing backed by a government-sponsored Export Credit Agency (ECA). What do you consider to be the reasons?

Predominantly, the global liquidity crisis. For many creditors, both banks and corporates, the possibilities of refinancing have been limited or in case of longer maturities even eradicated. Buyers of investment goods which formerly paid in cash or via LC are increasingly asking exporters for financing possibilities accompanying the trade transaction. In many cases, export credits turn out to be a key prerequisite to the signing of the delivery contract. In contrast to general market developments and despite drastic upheavals in the markets, ECAs have pursued a stable risk policy and maintained their premium for insurance cover. Owing to the risk mitigation afforded by the ECA cover, banks have proved willing to provide such financing, despite changed conditions of liquidity or risk policies.

What are the characteristics of the ECA-covered Buyer’s Credit?

It is a moderately priced, flexible and calculable instrument specifically intended to finance the demand for investments in capital goods and it offers longer, matching maturities. The borrower is the local bank or, if he can obtain the necessary evidence of creditworthiness, the buyer himself. Additionally, there is no dependence on the financial markets and the ECA-premium can be included in the financing.

Isn’t that type of financing very bureaucratic and time-consuming?

On the contrary. Among other things, basic loan agreements between Commerzbank and the borrowing bank abroad accelerate the transaction execution. In recent years, ECAs have been operating much faster and more flexibly as a means of providing effective support for their respective exporting companies.

What is the role of the importer’s bank?

The buyer’s bank is the importer’s ongoing contact point and contract partner. The bank is responsible for conducting a discrete credit analysis of the buyer, negotiates the onlending loan agreement, including security documentation, and monitors the loan. Implicitly, the ECA-covered Buyer’s Credit with Commerzbank can be viewed as the refinancing of a term loan granted by the buyer’s bank for investment purposes in the country of the buyer. Having access to long-term refinancing at favourable conditions can provide an opportunity to broaden the customer base or to intensify existing customer relationships. Furthermore, the exclusive nature of the relationship between the buyer’s bank and its customer is maintained since Commerzbank works as a partner and not as a competitor. The customer does not need to disclose financial statements to a foreign bank or to undergo an extensive rating procedure and a know-your-customer process.

What are Commerzbank’s strengths in export finance?

On the one hand, Commerzbank has a comprehensive network of branch offices and has repeatedly been awarded Germany’s best Mittelstandsbank in customer surveys. On the other hand, our worldwide network of correspondent banking partners enables us to accompany our export customers globally and to provide support for the financing needs of the banks abroad – not only but also with basic loan agreements. Furthermore, we have a proven track record in leading syndicates in order to finance big ticket deals such as the Nord Stream project, the natural gas pipeline linking Russia and the European Union via the Baltic Sea. We can provide creative funding solutions and combine our loans with financial derivatives for hedging purposes. To sum it all up, our success is the success of our international partners.

Commerzbank Financial Institutions – your dedicated partner for success

“Financial Institutions” is an integral part of Commerzbank, Germany’s leading commercial bank, and is one of the biggest FI departments in Europe. With one of the world’s largest networks of correspondent banking partners and representative offices, Commerzbank FI constitutes a point of entry into the European and global markets.

Our performance is driven by the dedication to serve our clients on the basis of continuous long-term relationships and service excellence.

The client’s success is our focus. The achievement of this core objective involves a committed team of relationship managers, product specialists and local representatives. A distinguished combination of product expertise, geographic insight and international market know-how enables us to provide you with state-of-the-art solutions that are tailored to your specific needs.

Banking Products for debt solutions as described in this brochure belong to the core service components within the Financial Institutions department, along with Cash Services, Trade Services and Market Products.

Drawing on its in-depth knowledge, long-standing experience and long-established customer orientation, our service team has not only mastered the most complex and challenging transactions – including origination, documentation, structuring and syndication, sales and trade – but is also committed to ongoing investment in our clients’ training needs.

Transforming leadership performance into your competitive market power is summed up as:

Partnership meets expertise.



Commerzbank relationship managers and specialists will be happy to answer your questions about

Banking Products

and, on request, will provide you with information about our other product and service areas

Trade Services

Cash Services

Market Products.

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