

## Press release

For business editors  
01. July 2015

### **Commerzbank sells two portfolios of commercial real estate loans with a total face volume of EUR 2.9 bn**

- **J.P. Morgan and Lone Star purchase European portfolio totalling EUR 2.2 bn**
- **German portfolio of non-performing loans with a face volume of EUR 0.7 bn sold to Oaktree**
- **Overall small discount on total portfolios around 3%**
- **Transaction leads to positive net capital effect of approx. EUR 105 m in Q3**
- **Transactions reduce CRE portfolio by a total of 17% – risk profile significantly improved**
- **Significant reduction in complexity through sale of portfolios in 15 different countries**

Commerzbank has reached agreements with investors on the sale of two commercial real estate (CRE) portfolios. Accordingly a **European portfolio** with a face value of EUR 2.2 billion has been sold to a consortium comprising JP Morgan and Lone Star, and a **German portfolio** with a face value of approximately EUR 0.7 billion to the investor Oaktree. The portfolios sold account for approximately 17% of the total of commercial real estate loans of EUR 17.5 billion still held in the Non-Core Asset (NCA) segment as of the end of March 2015. Confidentiality was agreed on the further details of the agreements.

The German portfolio of commercial real estate loans sold primarily comprises non-performing loans. As a result of the sale the domestic CRE black book is being reduced by approximately 40%.

The European portfolio encompasses the countries, Austria, Belgium, Czech Republic, Cyprus, Denmark, Finland, Hungary, Luxembourg, Netherlands, Rumania, Sweden, Switzerland, Slovakia and Turkey. The portfolio contains non-performing loans as well as other loans. The complexity in the NCA-CRE unit could be reduced considerably as a result of the sale.

The bank expects that the result in the second quarter of 2015 will see charges of approximately EUR 65 million and in the third quarter of EUR 20 million as a consequence of the sale. Due to the release of risk-weighted assets (RWA) of EUR 1.9 billion the transactions lead to a positive net capital effect of approximately 105 million euros. In total the sales have a positive impact on the core capital position of

Commerzbank. In the future Commerzbank also intends to further reduce its portfolios in Commercial Real Estate and in Ship Finance in a value-preserving way. The Exposure at Default (EaD) of the CRE and Ships Finance units as of the end of March 2015 was EUR 30 billion.

Accordingly, the risk profile of the CRE loans portfolio has improved considerably with the two most recent transactions. In addition, the volume of CRE non-performing loans is being reduced by approximately EUR 1.3 billion as a result of the transactions (portfolio as of end of March 2015: EUR 3.0 bn).

“Both transactions show that we are continuing to press ahead with our value-preserving run-down, and that we are significantly reducing both risk and complexity,” said Sascha Klaus, Divisional Board Member Non-Core Assets Commercial Real Estate. “In this respect we are taking advantage of market opportunities, in order to achieve best possible results through competitive bidding procedures.”

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#### **About Commerzbank**

Commerzbank is a leading international commercial bank with branches and offices in more than 50 countries. The core markets of Commerzbank are Germany and Poland. With the business areas Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe, its private customers and corporate clients, as well as institutional investors, profit from a comprehensive portfolio of banking and capital market services. Commerzbank finances more than 30 per cent of Germany's foreign trade and is the unchallenged leader in financing for SMEs. With its subsidiaries comdirect and Poland's mBank it owns two of the world's most innovative online banks. With approximately 1,100 branches and approximately 90 advisory centres for business customers Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank boasts approximately 15 million private customers, as well as 1 million business and corporate clients. The Bank, which was founded in 1870, is represented at all the world's major stock exchanges. In 2014, it generated gross revenues of almost EUR 9 billion with an average of approximately 52,000 employees.

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#### **Disclaimer**

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

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