

Press release

For business editors
17. May 2016

Commerzbank winds up Hypothekenbank Frankfurt AG (HF)

- **Portfolios transferred to Commerzbank AG**
- **HF returns banking licence and Pfandbrief licence and is being transformed into service company LSF Loan Solutions Frankfurt GmbH**
- **Pfandbriefe of HF transferred to Commerzbank; desired target ratings for mortgage Pfandbriefe AAA and for public Pfandbriefe solid AA**

Commerzbank has completed the winding-up of its wholly-owned subsidiary Hypothekenbank Frankfurt AG (HF), formerly Eurohypo AG. The portfolios of HF from the Private Customers, commercial real estate loans, and Public Finance segments were transferred to Commerzbank AG over the Whitsuntide weekend. HF has been transformed into the service company LSF Loan Solutions Frankfurt GmbH. The servicing and ongoing run-down of the commercial real estate loans portfolio transferred to Commerzbank AG are the tasks of LSF, operating mostly independently on behalf of Commerzbank. The necessary personnel cuts in Eschborn with the winding up of HF were attained without any enforced redundancies. In the course of the transformation of HF into the service company LSF, HF will return its banking licence and Pfandbrief licence.

In the course of the transaction all the outstanding Pfandbriefe of HF were transferred to Commerzbank AG. The outstanding mortgage Pfandbriefe of both institutions currently have the highest rating of AAA. The objective is that of retaining this rating for the mortgage Pfandbriefe of Commerzbank AG. Large portions of the private residential mortgage loans of HF are being transferred to the cover pool of Commerzbank AG. The commercial real estate loans of HF will, on principle, not be assigned to the cover pool of Commerzbank AG. The outstanding public Pfandbriefe of Commerzbank AG currently have the highest rating, AAA, from Moody's and Fitch, the Pfandbriefe of HF have a rating of Aa1 from Moody's. Commerzbank is aspiring to a solid rating of at least AA for its public Pfandbriefe in the future. With a view to the necessary surplus cover, the statutory requirements plus a sufficiently large buffer are being created for the management of the cover pool. Mortgage Pfandbriefe and public Pfandbriefe will also be a permanent element in the long-term funding of Commerzbank in the future.

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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 M Bank it owns two of the world's most innovative online banks. With approximately 1,050 branches and more than 90 advisory centres for business customers Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank boasts more than 16 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 2015, it generated gross revenues of EUR 9.8 billion with 51,300 employees.

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 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, particularly to reduce its NCA portfolio, 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.