Commerzbank sells non-performing loans from Spanish commercial real estate portfolio

- Non-performing loans with a volume of EUR 710 m from Spanish commercial real estate portfolio sold to international investors
- Positive net capital effect of approximately EUR 20 m and reduction in risk-weighted assets (RWA) totalling EUR 600 m
- Volume of non-performing loans in Spanish commercial real estate portfolio halved since the beginning of 2013 to EUR 1 bn with these transactions

Commerzbank has profited from the favourable market conditions and reduced its commercial real estate portfolio through the sale of non-performing loans in Spain. The Bank has sold large-volume commercial real estate financing commitments and corporate loans of Hypothekenbank Frankfurt in Spain with a volume of EUR 710 million to international investors. It was agreed that confidentiality be maintained on further details of these transactions.

As a consequence of the reduction of EUR 600 million in risk-weighted assets resulting from the transactions in the first quarter of 2014, there is a positive net capital relief effect of approximately EUR 20 million. The minor burden on earnings resulting from the sale will already be included in the result of Commerzbank in the fourth quarter of 2013.

“We are pleased that through these transactions it has been possible to reduce non-performing commercial real estate commitments in a difficult market in a value preserving way. We will consistently continue to fulfil our asset reduction assignment and focus on transactions that meet our stringent requirements, arising from present market opportunities,” said Sascha Klaus, divisional board member Non-Core Assets Commercial Real Estate.

With these transactions Commerzbank has halved the volume of non-performing loans in the Spanish commercial real estate portfolio from approximately EUR 2 billion to approximately EUR 1 billion since the beginning of 2013.

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About Commerzbank
Commerzbank is a leading bank in Germany and Poland. It is also present worldwide in all markets for its customers as a partner to the business world. With the business areas Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe, it offers its private and corporate customers as well as institutional investors the banking and capital market services they need. With some 1,200 branches Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank boasts nearly 15 million private customers, as well as 1 million business and corporate customers. In 2012, it generated revenues of just under EUR 10 billion with approximately 56,000 employees on average.

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