

Press release

18 January 2016

**Transaction and new business volumes increased considerably:
Commerz Real looks back on a positive year 2015**

- **Transaction volume of 3 billion euros**
- **Total letting volume of 360,000 square metres**
- **Net cash inflow of approx. 650 million euros at hausInvest**
- **More than 500 million euros raised in institutional business**
- **Marketing authorization received from BaFin for two institutional funds (hotel and student accommodation)**
- **Approx. 860 million euros of new business in equipment leasing**

Commerz Real AG, a wholly-owned subsidiary of Commerzbank AG, can look back on an extremely positive year 2015: in terms of both transactions and new business the figures from the previous year were in part surpassed to a considerable degree. Thus Commerz Real was able to further extend its position as one of the leading providers of investments in tangible assets.

With a net cash inflow of approximately 650 million euros, the open-ended real estate fund hausInvest alone posted a year-on-year increase of more than 100 per cent. As of the end of 2015 the assets under management at Commerz Real across all product classes amounted to a total of approx. 31 billion euros, whereby ca. 20 billion euros was accounted for by investment products and ca. 11 billion euros by financing products.

Dr. Andreas Muschter, Chief Executive Officer of Commerz Real AG: "In 2015 we once again achieved a lot in line with our mission statement 'Strength through diversity'. In addition to an expansion of new business and transactions, we have laid the foundations for future strategic developments: with the market entry in Australia, the BaFin authorization for two institutional investment products, the stronger focus on early investment in construction projects, and the launch of online direct sales at hausInvest."

Commerz Real AG

Mercedesstraße 6
40470 Düsseldorf
Friedrichstraße 25
65185 Wiesbaden
Germany

Markus Esser
Head of Communications
Phone +49 611 7105-4485
Fax +49 611 7105-5510
markus.esser@commerzreal.com

Karolina Müller
Deputy Head of Communications
Phone +49 211 7708-2563
Fax +49 211 7708-3562
karolina.mueller@commerzreal.com

Transaction volume increased / Letting performance at high level seen in previous year

At approximately 3 billion euros it was possible to increase the transaction volume in 2015 (2014: 2.5 billion euros) across all product and asset classes, whereby purchases and sales were more or less equal. Purchases were made in Germany, the USA, Poland, Italy and Australia. Among other things the former AfE site in Frankfurt am Main was acquired for hausInvest. Through to 2019 a 140-meter-high residential and hotel tower is to be constructed here, for which Spain's Méliá Group has already concluded a long-term lease agreement. The fund has also secured other construction projects such as the "Burstah Ensemble", the development of a hotel, offices and retail outlets with a total area of 40,000 square metres in a prime downtown location in Hamburg, and the Adina Apartment Hotel, which is to be developed through to 2017 on the area formerly occupied by the Spiegel magazine in Hamburg.

Dr. Andreas Muschter is convinced of the strategy of entering construction projects at an early stage: "In the meantime the high prices on the real estate market mean that investments in construction projects are an astute alternative. By entering a project at an early stage we are able to secure attractive assets and reasonable conditions. At the same time we can influence the detailed planning so as to ensure the ideal prerequisites for long-term leasing." Across all product classes in 2015 Commerz Real leased areas of ca. 360,000 square metres with a volume of approximately 123 million euros in gross annual rents. Thus it has matched the very good result seen in the previous year.

Open-ended real estate fund hausInvest with an annual return of 2.5 per cent

The fund volume currently amounts to 10.4 billion euros. With an annual return of 2.5 per cent as of 31 December 2015 it was possible to follow up the excellent result from the previous year thanks to active leasing management and successful transaction business.

Development of new international markets

After Commerz Real had re-entered into the US market with hausInvest in 2014, it completed its first-ever acquisition in Australia in 2015 – the headquarters of the federal police in Sydney. The eleven-storey building with a total area of 14,300 square metres is situated in a central downtown location. The purchase took place in close cooperation with the newly-founded Hong Kong-based subsidiary Commerz Real Asia-Pacific Ltd.. It is planned to diversify the hausInvest portfolio outside Europe to a greater extent with further acquisitions in the Asian-Pacific region.

Digitalisation in fund marketing

In order to tap new target groups for hausInvest Commerz Real has been utilising additional sales channels since 2015. Thus alongside classical marketing through Commerzbank and other sales partners, the direct marketing of the fund on the hausinvest.de portal has commenced. Above all internet-savvy investors, who prefer to conduct their asset investment online and personally, can gather comprehensive information here and subscribe to shares in the fund using the innovative ID Now identity verification solution. The digital offering is rounded off by the modern treatment of the app content and of the online annual report. In this respect the objective is that of guaranteeing a high degree of transparency across all information channels with respect to the portfolio and its performance.

Pleasing performance by the CFB funds

The CFB funds of Commerz Real have also developed successfully. The active portfolio comprises 95 products (including 67 CFB mutual funds). As documented in the 2014 Performance Report published in 2015, on the basis of figures from the year-end accounts a total of 254.4 million euros was distributed to the investors – that is 36.5 million euros or 16.75 per cent more than in 2013. The average profit distribution of the portfolio on the paid-in equity capital in 2014 was 6.14 per cent and likewise higher than in the previous year (5.46 per cent).

Dr. Andreas Muschter: “The development of our CFB funds is something of which we can be proud, and we intend to continue this. Under the CFB Invest brand we have issued the first closed-end alternative investment fund (AIF) from the newly-founded investment management company Commerz Real Kapitalverwaltungsgesellschaft mbH pursuant to the regulations of the German Investment Code (Kapitalanlagegesetzbuch). The independent ratings agency Scope has given CFB Flugzeuginvestment 1 – a holding in a Boeing 777-300 ER – an ‘A’ rating. Thus our product has the best rating in the aircraft investment category.”

Marketing license from BaFin for two institutional funds

In 2015 more than 500 million euros in institutional funds were raised. Of this sum 300 million euros alone was utilised to strengthen the capital for the upgrading of the Amprion ultra-high-voltage network. The remainder was accounted for by investments by wholesale investors in the open-ended real estate fund hausInvest and by a real estate transaction in conjunction with an asset management mandate. In the fourth quarter of the year under review Commerz Real received authorizations

from German's Federal Agency for Financial Market Supervision (BaFin) for the marketing of two open-ended special AIFs: a hotel fund investing globally in various categories and a product in the student accommodation segment with the focus on German university towns. Furthermore, a wind power fund is in preparation.

Strong new business in equipment leasing

The main points of focus for Commerz Real Mobilienleasing GmbH (CRM) remained machinery and equipment leasing, as well as sale-and-lease-back solutions and lease-sale models. The new business volume in a highly competitive environment amounted to more than 860 million euros and was thus even higher than the outstanding performance in the previous year (823 million euros). Alongside the ongoing close cooperation with Commerzbank, the year was shaped by the acquisition of a considerably larger number of direct transactions and many small-tickets, all of which had a positive impact on the diversity of the business. Commerz Real Asset Structuring GmbH (CRAS), which likewise cooperates closely with Commerzbank, also focused on financing and restructuring solutions for infrastructure models, big-ticket equipment and outsourced assets in 2015, in addition to real estate realisation through planning, structured financing and construction from one source.

About Commerz Real

Commerz Real is a fully-owned subsidiary of Commerzbank AG with more than 40 years of market experience and approximately 31 billion euros in assets under management. The company combines comprehensive know-how in asset management and a broad-based structuring expertise to deliver its signature range of services of fund products focused on tangibles and bespoke financing solutions. The fund spectrum includes the open-ended real estate fund hausInvest, institutional investment products as well as entrepreneurial participations in real estate, aircraft, regenerative energy and ships. In its role as leasing company of Commerzbank Group, Commerz Real offers tailored equipment leasing concepts along with bespoke financing arrangements for assets such as real estate, big-ticket equipment and infrastructure projects.

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