COMMERZBANK

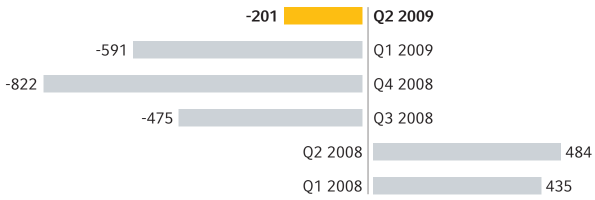
# Q2
# Interim Report

as of June 30, 2009

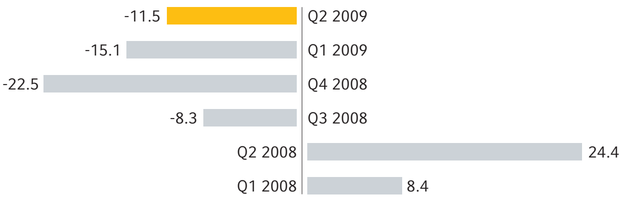
# Key figures of the Commerzbank Group

| Income statement | 1.1.–30.6.2009 | 1.1.–30.6.2008 |
|---|---|---|
| Operating profit (€ m) | –792 | 919 |
| Operating profit per share (€) | –0.88 | 1.40 |
| Pre-tax profit (€ m) | –1,367 | 894 |
| Consolidated surplus [1] (€ m) | –1,607 | 1,097 |
| Earnings per share (€) | –1.78 | 1.67 |
| Operating return on equity [2] (%) | –6.3 | 12.6 |
| Cost/income ratio in operating business (%) | 80.6 | 64.1 |
| Return on equity of consolidated surplus [1, 2, 3] (%) | –13.2 | 16.4 |
| **Balance sheet** | **30.6.2009** | **31.12.2008** |
| Balance-sheet total (€ bn) | 911.8 | 625.2 |
| Risk-weighted assets (€ bn) | 296.6 | 221.8 |
| Equity (€ bn) as shown in balance sheet | 29.1 | 19.9 |
| Own funds (€ bn) as shown in balance sheet | 49.7 | 34.9 |
| **Capital ratios** | | |
| Core capital ratio (%) | 11.3 | 10.1 |
| Own funds ratio (%) | 15.4 | 13.9 |
| **Staff** | **30.6.2009** | **30.6.2008** |
| Germany | 48,579 [4] | 27,571 |
| Abroad | 17,885 [4] | 14,051 |
| Total | 66,464 [4] | 41,622 |
| **Long/short-term rating** | | |
| Moody's Investors Service, New York | Aa3/P-1 | Aa3/P-1 |
| Standard & Poor's, New York | A/A-1 | A/A-1 |
| Fitch Ratings, London | A+/F1+ | A/F1 |

**Operating profit** (€ m)




**Return on equity of consolidated surplus** [1, 2] (%)




[1] insofar as attributable to Commerzbank shareholders; [2] annualized; [3] the capital base comprises the average Group capital attributable to Commerzbank shareholders without the average revaluation reserve and the cash flow hedge reserve and less the current consolidated surplus; [4] the comparative figures as of March 31, 2009 are: Germany 49,591, abroad 19,264, total 68,855.

The figures contained in this report are unaudited.

Dear shareholders,

**MARTIN BLESSING** Chairman of the Board of Managing Directors

In the second quarter we significantly reduced the operating loss when compared to the previous quarter. We also fully implemented our refinancing plan, having already secured more than half the funds we required for the whole year in the first quarter. The Mittelstandsbank and Private Customers segments reported a positive contribution to earnings also in the second quarter, but the Central & Eastern Europe division was still affected by high risk provisions due to the severe recession in the region. Increased risk provisions also meant that the Commercial Real Estate segment suffered an operating loss. By contrast, Corporates & Markets showed a marked improvement compared to the previous quarter, as write-downs on structured credit products could be reduced significantly, and a number of customer-based business areas fared much better than before. The Group's second quarter results were nevertheless unsatisfactory.

The EU Commission approved the second SoFFin package at the beginning of May with the expected conditions. After approval at the Annual General Meeting in the middle of May, the capital increase was entered in the commercial register and the Bank received the SoFFin and Allianz silent participations. These capital increases and the reduction of our risk-weighted assets – since the beginning of the year – to just under €297bn enabled us to increase our core capital ratio to a comfortable 11.3 % by the end of the second quarter. The risk reduction is also reflected in the lower balance sheet total, which we have reduced markedly since taking over Dresdner Bank. At the same time we continue to fully support the German Mittelstand with credit facilities. As a result we have kept our loans to German corporates nearly constant, while demand for capital goods decreased significantly. In addition we have put credit lines of more than €45bn at the disposal of these companies, credit lines which have not yet been drawn down.

Our progress with the integration of Dresdner Bank is continuing as planned. Following agreement with employee representatives on the integration of the Group headquarters in Frankfurt in the first quarter and the merger of Dresdner Bank into Commerzbank on 11 May, we also achieved consensus with employee representatives on the social plan and the reconciliation of interests for the organisation of branches.

Dear shareholders, I presented our new corporate structure and the aims of our strategic programme "Roadmap 2012" – particularly the return to full profitability in 2012 and the ongoing expansion of our customer-driven business model – in the last interim report. We are still firmly committed to this and have already successfully introduced the first steps. As a result, we still expect to achieve our medium-term goal of a 12 % post-tax return on equity in 2012.

## Contents

## Commerzbank share price improves slightly in the second quarter

In the second quarter, the environment for banking stocks was impacted by various developments. Although the German and European economies are expected to have contracted further in the second quarter, they are likely to have stabilized recently. Many economic sentiment indicators are once again pointing upward. The general situation on the financial markets has also relaxed somewhat over the past three months, and there is less uncertainty than there was in the first quarter of 2009. Overall, these improved conditions for equities had a positive effect on the DAX and an even more positive impact on financial stocks in the eurozone, with Commerzbank being no exception. As at 30 June 2009, Commerzbank shares were quoted at €4.43, some 10 % above their value at the end of the first quarter (€4.02).

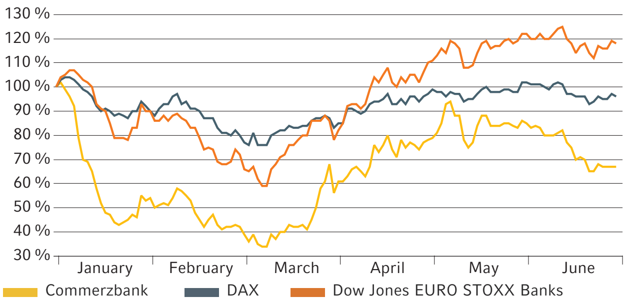
At the beginning of April, Commerzbank shares resumed their upward trend that began at the end of the first quarter, posting gains that were largely in line with those of the Dow Jones EURO STOXX Banks index. Positive corporate news flow and strong first-quarter figures from various European banks were responsible for the recovery. However, profit-taking put an end to the upward momentum on May 11, after Commerzbank shares had reached their peak in the second quarter. The shares recovered slightly following a brief correction. After subsequently moving sideways for some time, there was another one-week correction phase in mid-June before Commerzbank shares stabilized

**Highlights of the Commerzbank share**

| | 1.1.-30.6.2009 | 1.1.-30.6.2008 |
|---|---|---|
| **Shares outstanding** as of 30.6. in million units | 1,181.4 | 657.2 |
| **Xetra intraday prices** in € | | |
| High | 6.93 | 26.53 |
| Low | 2.22 | 16.40 |
| as of 30.6. | 4.43 | 18.84 |
| **Daily turnover**[1] in million units | | |
| High | 48.6 | 24.8 |
| Low | 2.7 | 2.2 |
| Average | 13.8 | 8.9 |
| **Earnings per share** (EPS) in € | –1.78 | 1.67 |
| **Book value per share**[2] in € as of 30.6. | 10.41 | 21.13 |
| **Market value / Book value** as of 30.6. | 0.43 | 0.89 |

[1] Total German Stock Exchanges;
[2] excl. silent participations, cash flow hedges and minority interests.

**Commerzbank share vs. performance indices in the first half of 2009** | Daily figures, 30.12.2008=100




at their new level at the end of the quarter. The Dow Jones EURO STOXX Banks index outperformed Commerzbank shares from the middle of the second quarter. The main reason for this is likely to be the current strength of investment banks. They are profiting more significantly from the easing on the financial markets than institutions such as Commerzbank, which are primarily active in commercial banking. The economy will likely force the latter to take significant write-downs on their credit portfolios.

The daily volume of trading in Commerzbank shares was lower than in the first quarter, but the average of 13.8 million shares traded in the first half of 2009 overall represented a significant increase (+55 %) on the first six months of 2008. Very high trading volumes were seen in January, at the end of March and in mid-April in particular, with a peak total of 48.6 million Commerzbank shares being traded on German stock exchanges on January 9. At the end of the first half of 2009, Commerzbank's market capitalization stood at €5.2bn.

In mid-January, Allianz received some 163.5 million new Commerzbank shares – representing a component of the purchase price for Dresdner Bank – from a capital increase against non-cash contributions. The number of Commerzbank shares outstanding rose to 886.0 million as a result. With the approval of the Annual General Meeting on May 16, Commerzbank's share capital was increased by 25 % plus one share via the issue of new shares against cash to SoFFin. Around 295 million ordinary shares were issued at a price of €6 per share, increasing the number of shares outstanding to 1,181.4 million.

We provide our shareholders with comprehensive information. For data on Commerzbank's shares as well as current news, publications and presentations, visit our website at www.ir.commerzbank.de.

# Interim Management Report as of June 30, 2009

## Business and economy

### Overall economic situation

Much as in the first quarter, the economies of many industrial nations are also likely to have contracted in the second quarter. However, the downtrend has slowed considerably and there are increasing signs that an end is in sight. Corporate sentiment has also improved since the beginning of the year, and positive signals are multiplying even among hard-line economic indicators such as new orders and industrial production. The first signs of an incipient upturn are already emerging out of Asia, and the economy seems to have at least stabilized in the US and the eurozone.

Inflation rates have in part fallen below zero in recent months, which is primarily due to much lower energy and food prices compared to the previous year. However, the upward pressure on prices resulting from the global recession has lessened recently even without these goods. Central banks are continuing their extremely expansive monetary policy. Key interest rates in the large currency areas are now nearly at zero, and measures for quantitative easing are increasingly being taken in order to stabilize the financial system and support an economic recovery.

Since the beginning of March, the hope for an end to the economic crisis has also taken some of the pressure off the financial markets. Share prices and yields on long-term government bonds have risen markedly since this date, and risk premiums on the corporate bonds and government bonds of many eurozone countries and emerging markets have fallen considerably.

### Commerzbank Group impacted by financial crisis and recession in the first half of the year

As a result of the overall difficulties in the financial markets and the recessions in Germany and other industrialized nations, Commerzbank recorded a loss in both the first and second quarter of 2009. However, the operating loss from April to June was significantly smaller than in the previous quarter. The Mittelstandsbank and Private Customers segments reported a positive contribution to earnings in both quarters, whereas the Central & Eastern Europe division was adversely affected by high risk provisions in the first half of the year due to the severe recession in the region. Increased risk provisions also meant that the Commercial Real Estate segment suffered an operating loss. The result for Corporates & Markets improved significantly in the second quarter after having reported massive losses for the first three months of the year. This was on the one hand due to considerably reduced write-downs on structured securities, and on the other to improved results from some customer-based business lines.

The most important event in business policy in the first half of the year was the completion of the Dresdner Bank takeover in January. Under the terms of the transaction, Allianz received around 163.5 million new Commerzbank shares from a capital increase for non-cash contributions and Commerzbank became the sole shareholder in Dresdner Bank, which was subsequently merged into Commerzbank on 11 May 2009. Since then, further important steps have been taken in the integration process. For example, Commerzbank reached an agreement with employee representatives on integrating the head offices of Commerzbank, Dresdner Bank and Dresdner Kleinwort in Frankfurt.

At the beginning of May, the EU Commission approved the second assistance package by the Special Fund for Financial Market Stabilization (SoFFin) agreed in January, on condition that we reduce our total assets and spin off Eurohypo in the next few years. After approval of the capital increase for SoFFin at the Annual General Meeting, the increase was then registered, and the silent participations of both SoFFin (€8.2bn) and Allianz (€750m) were transferred to Commerzbank. The capital increase was carried out by issuing roughly 295 million ordinary shares at a price of €6 a share, giving SoFFin a holding of 25 % plus one share in the new Commerzbank.

At the beginning of May, the Commerzbank Board of Managing Directors also decided upon a new Group structure, according to which the Group will be divided into three areas from the third quarter onwards: the customer bank, asset-based finance and the cutback portfolio. The customer bank will comprise the customer-oriented core business activities of Commerzbank. Specifically, this includes the four segments Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe. The asset-based finance area essentially includes Commercial Real Estate, Public Finance and ship financing. We will use the cutback portfolio to move portfolios that we no longer want into a single separate unit. This includes troubled assets as well as positions that hold value but no longer match our business model since they lack a focus on customer relationships.

## Earnings performance, assets and financial position

When examining the income statement of the Commerzbank Group, it should be noted that Dresdner Bank was fully consolidated on January 12, 2009 and is therefore not contained in the 2008 comparative figures. Upon acquiring Dresdner Bank for €4.7bn, we indirectly acquired a further 40 % stake in Deutsche Schiffsbank AG. As we now own 80 % in total, Schiffsbank has also been fully consolidated. By contrast, the cominvest companies that were sold in the course of the takeover of Dresdner Bank are no longer included in the consolidation. For more information on the changes in the group of consolidated companies and details on the resulting measurement effects pursuant to IFRS 3 and, in particular, the purchase price allocation please refer to pages 40 to 42 of this report.

At the end of the first half, the balance sheet and income statement continue to show a mixed picture. On the one hand, the Commerzbank Group still has a solid capital base and comfortable level of liquidity and is continuing to significantly reduce total assets and its risk exposure. Furthermore, the trend in both net interest income and operating expenses was favourable. However, as a result of the financial crisis and global recessionary trends, our income statement came under significant pressure due to a trading loss and a sharp increase in loan loss provisions. In addition, restructuring expenses and ongoing operating expenses totalling €508m were incurred for the integration of Dresdner Bank.

### Earnings situation still troubled

The initial consolidation of Dresdner Bank clearly impacted on individual items in the 2009 income statement.

Net interest income rose in the first half of 2009, up 61.0 % year-on-year to €3,530m. The Mittelstandsbank and Central and Eastern Europe segments in particular reported good net interest income based on substantially higher credit margins. However, margins on deposits were down sharply in all segments. Additional interest income was generated by investing the silent participations from SoFFin and Allianz.

In view of the weak global economy in the first half, we boosted loan loss provisions to €1,837m (net), compared to €589m in the same period last year. Loan loss provisions rose sharply in Corporates & Markets, especially for structured products and LBOs. In the Central and Eastern Europe segment, we substantially increased loan loss provisions on account of the region's extremely poor economic situation. In the second quarter in particular, loan loss provisions in the Mittelstandsbank segment saw an anticipated jump on account of individual exposures to large mid-sized companies. The Commercial Real Estate segment was affected principally by isolated cases in the US and Spain.

Compared with the first half of 2008, net commission income rose by only 24.0 % to €1,797m, faring particularly badly in the first quarter of 2009 due to market turbulence. Given this difficult environment, customers across the board were extremely averse to securities transactions, which was particularly noticeable in the Private Customers segment. The sharp drop in new business in Commercial Real Estate also led to lower net commission income.

The trading result was –€430m for the first six months, €978m down on the year-earlier figure. This trend mirrored developments in the capital markets in 2009, with a €523m loss between January and March, and more favourable market conditions generating a €93m trading profit in the second quarter. Overall, customer-driven sales and trading activities in the first year performed well, aided by our strong market position in Germany. Our public finance business reported a trading profit. In particular, the total return swap on US municipal bonds, which had still generated losses of around €500m in 2008, was closed out in the first quarter with a one-off gain of €90m. Nevertheless, these positive developments could not make up for the substantial impairment charges, mainly on the ABS portfolio in the Corporates & Markets segment.

Net investment income increased from –€112m in the first half of 2008 to €558m. This is due to income from the sale of investments such as Linde, ThyssenKrupp and cominvest, and lower impairments on RMBS and other holdings in the ABS book.

Operating expenses rose in comparison with the first six months of 2008 by 61.2 % to €4,344m. Within this total, personnel expenses increased by 59.5 % to €2,395m. One-off higher contributions in 2009 to the German Pension Protection Fund were balanced out by percentage-wise lower provisions for performance-related compensation components. Other operating expenses were up 64.6 % to €1,712m. These also included ongoing expenses for the integration of Dresdner Bank and higher contributions for the deposit protection fund.

Restructuring expenses amounted to €505m in the first half, of which €445m related to the integration of Dresdner Bank and €60m to the strategic realignment of Eurohypo.

### Operating result under pressure in the first half

The operating result for the first half of 2009 was –€792m, compared with €919m in the same period last year. After deducting restructuring expenses of €505m and a goodwill impairment of €70m in the CRE segment, the pre-tax loss was €1,367m. Due to the current difficult situation in the USA, United Kingdom and Spain, we released some deferred taxes there and did not recognize any new ones. Despite the operating loss, this generated a tax expense of €284m overall. The consolidated deficit after tax was €1,651m, of which €44m was attributable to minority interests and €1,607m to Commerzbank shareholders.

Operating earnings per share amounted to –€0.88 and earnings per share to –€1.78 (1H2008: €1.40 and €1.67 respectively).

### Total assets significantly reduced in second quarter

The Commerzbank Group’s total assets at June 30, 2009 stood at €911.8bn, almost €100bn less than at the end of the first quarter, but €286.6bn more compared to the 2008 year-end. This strong 45.8 % rise was attributable to the first-time consolidation of Dresdner Bank on January 12.

While on the asset side claims on banks and trading assets rose disproportionately by 55.9 % and 99.0 % respectively due to higher volumes of collateralized money market transactions or positive fair values for derivative financial instruments, the growth in financial assets was a moderate 8.6 %. Claims on customers were up 39.5 % or €112.4bn, of which €90bn was lending-related. On the liabilities side, liabilities to customers and trading liabilities increased by an above-average 74.3 % and 117.9 % respectively, whereas the reverse was true for liabilities to banks and securitized liabilities, which were up by only 15.5 % and 4.2 % respectively. Both subordinated and hybrid capital were 39.9 % and 26.8 % higher respectively at mid-year. This related to the first-time consolidation of Dresdner Bank.

In the second quarter, we intensified our reduction of total assets begun in the first quarter in line with the objectives set out in our Roadmap 2012 programme. Total assets have now fallen by almost €100bn since the end of March. This affected Corporates & Markets in particular through lower trading activities and a reduction in volume in the Public Finance business area. Lower volumes were reflected mainly in the following items in the consolidated balance sheet: trading assets and liabilities, caused specifically by the narrowing of credit spreads on credit derivatives and currency-related derivatives, and, to a lesser extent, claims on and liabilities to customers and banks.

### Equity stands at €29.1bn

Reported equity at June 30, 2009 was up 46.4 % or €9.2bn to €29.1bn, driven up mainly by higher silent participations and two capital increases. This was countered by the net loss for the current financial year.

The increase in subscribed capital and capital reserves stemmed firstly from the capital increase for non-cash contributions in the first quarter, from which Allianz received around 163.5 million new Commerzbank shares as part of the purchase price for Dresdner Bank. Secondly, this reflected the capital increase for cash provided by SoFFin following the EU Commission's approval of the second SoFFin package and subsequent endorsement of the capital increase by the Annual General Meeting. Through the issuance of around 295 million ordinary shares at €6 per share, SoFFin now owns a stake in Commerzbank AG of 25 % plus one share. As a result of these two measures, the number of outstanding shares stood at 1,181.4 million at June 30. All in all, subscribed capital increased by €1.2bn and the capital reserve by €1.3bn.

Silent participations rose in the second quarter by almost €9bn with SoFFin paying a second tranche of €8.2bn and Allianz providing an additional €750m. Both participations receive interest at a rate of 9 %. Under the EU's terms, Commerzbank will only make earnings-related payments in 2009 and 2010 if it is obliged to do so without releasing any reserves or special reserves pursuant to section 340g HGB. Where necessary and legally permitted however, Commerzbank will release reserves in financial years 2009 and 2010 to avoid the carrying amount of its equity instruments from being reduced through loss participation.

The negative effect on equity resulting from the revaluation reserve and from reserves from cash flow hedges and currency translation came to almost €4bn, down by €617m compared to the year-end figure. The fall in the revaluation reserve in the first half was caused primarily by the sale of equities and investment holdings. Interest-bearing financial assets continued to have a negative effect of €2.7bn. This figure was also impacted by the reclassifications made since the third quarter last year pursuant to the amendment issued by the IASB on October 13, 2008. On January 31 and May 31, under IAS 39 classification rules, we reclassified additional securities in the Public Finance portfolio for which there is no longer an active market from Available for Sale (AfS) to Loans and Receivables (LaR). The Bank has the intention and ability to hold these securities for the foreseeable future or until maturity. The new carrying amount of the reclassified securities is their fair value as at the reclassification dates, which was €3.4bn. The revaluation reserve for the reclassified securities after deferred taxes, is –€0.2bn, compared with –€0.4bn as at December 31, 2008. The nominal volume of this sub-portfolio is €3.4bn. The securities concerned are primarily issued by public sector borrowers in Europe.

In line with the change in the level of total assets as described, we were also able to pursue our aim of reducing risk assets. Risk-weighted assets rose on consolidation by 33.7 % to €296.6bn at June 30 compared to year-end. Despite initially rising on consolidation in January, they were reduced as planned during the course of the first half, mainly through volume reduction in non core activities. As at the same time our eligible regulatory core capital rose by €10.9bn to €33.4bn, primarily due to the measures described, our core capital ratio went up from 10.1 % to 11.3 %. A rise of some 0.9 percentage points was due to an adjustment as of June 30 in the rules on inclusion of the revaluation reserve in regulatory capital in line with other major EU states such as France and the United Kingdom. The total capital ratio increased to 15.4 %.

## Segment reporting

At the beginning of the year, Group Treasury was moved from the Corporates & Markets segment to Others and Consolidation. We moved Shipping from the Mittelstandsbank segment to Commercial Real Estate and renamed Private and Business Customers to Private Customers. To ensure comparability, the figures for the previous year have been restated. With the implementation of the new Group structure as announced on May 8, there will be further changes in segment allocations in the third quarter and a corresponding restatement of segments.

Details on the composition of the segments and the principles of our segment reporting are set out on pages 52 to 56 of this report.

### Private Customers reported profits and sustained customer growth

Private Customers posted an interim profit despite the difficult economic environment. Besides the integration of Dresdner Bank customers, there was also organic customer growth in the first six months of 2009. The first-time consolidation of Dresdner Bank was tangibly reflected in the individual items of the 2009 income statement. As a result, net interest income rose strongly in the first half year-on-year, by 79.9 % to €1,200m. With risk provisions up from €80m in the first half of 2008 to €161m in the first six months of 2009, the recession in Germany also had a marginally negative impact. Although net commission income rose from €700m to €1,038m, it was severely affected by the fall-off in securities business. Operating expenses went up by €949m to €1,950m despite our still strict cost management programme due to first-time charges for higher payments to the deposit protection fund and due also to one-off charges in 2009 for payments to the German Pension Protection Fund. With an operating profit of €98m, the segment made a positive contribution to the Commerzbank Group's results.

The operating return on equity calculated on capital employed of €2.6bn was 7.5 % (first half year 2008: 39.6 %). The expense ratio was 88.3 % compared with 74.1 % in the first half of 2008. Credit volume was €83.7bn on average in the second quarter of 2009.

**Mittelstandsbank made the greatest positive contribution to the Group's results**

In difficult market conditions, the Mittelstandsbank segment still managed to report a half-yearly profit in 2009, despite profit momentum falling back substantially. Risk provisions in particular rose as expected in the second quarter. The first-time consolidation of Dresdner Bank was tangibly reflected in individual items in the 2009 income statement. Net interest income rose from €599m in the first half of 2008 to €1,089m, helped by a much improved lending margin. By contrast, the deposit margin narrowed. Risk provisions had to be increased by €285m to €309m, particularly due to individual exposures to larger mid-sized companies. Net commission income rose by 46.6 % to €447m thanks to an extremely stable business performance. Despite special effects, such as higher payments to deposit protection funds and the German Pension Protection Fund, operating expenses only rose by 53.9 % to €657m. This means that costs are still under control. With operating profit up by 7.1 % to €481m, Mittelstandsbank made the biggest positive contribution to the Commerzbank Group's results.

The operating return on equity calculated on capital employed of €4.8bn was 20.0 % (first half year 2008: 35.3 %). The expense ratio was 45.4 % compared with 47.4 % in the first half of 2008. Average credit volume in the segment was €84.0bn in the second quarter of 2009. The corresponding figure for Mittelstandsbank Germany was €68.4bn. We therefore continue to finance a major section of the German Mittelstand.

**Risk provisions hit profits in Central and Eastern Europe**

All units in the Central and Eastern Europe segment generated extremely stable income before risk provisions. Nevertheless, these provisions had to be massively increased due to the recession in the region. In the first six months of 2009, BRE Bank and Bank Forum won nearly 300,000 new customers, bringing the total number of customers in the segment to almost 3.5 million. Net interest income rose by 22.0 % to €333m thanks to a much wider credit margin. The current economic crisis was reflected in risk provisions for all units, with the strong fluctuations in the Polish zloty badly affecting some of BRE Bank's corporate customers. Total loan loss provisions rose from €43m year-on-year to €375m. Net commission income contracted by 22.3 % in the first half of 2009 to €80m as securities business continued to decline. The cost programmes in Poland and the Ukraine are taking effect, with operating expenses falling year-on-year from €246m to €231m. The negative impact of risk provisions led to an operating loss in the first half of 2009 of €141m compared with an operating profit in the same period last year of €222m.

The operating return on equity calculated on capital employed of €1.7bn was –17.0 % (first half year 2008: 29.6 %). The cost/income ratio was 49.7 % compared to 48.1 % in the first half of 2008.

**Corporates & Markets significantly burdened by financial crisis**

The segment continued to be badly affected by the ongoing financial market crisis in the first half of 2009, although second-quarter results were much better than those for the first quarter. The Portfolio Restructuring Unit (PRU) was set up in the meantime. Its brief is to actively and transparently work out structured credit instruments, exotic credits as well as the credit trading book, and to scale them back over time. In line with our strategic alignment, total assets and risk-weighted assets were reduced and risk positions in trading decreased. From the third quarter onwards, the portfolio identified for scaling down will be bundled together with structured securities from other segments into a separate unit. The volatility in the income statement due to fluctuations in fair value in the public finance portfolio was reduced significantly by reclassifying sub-portfolios. The first-time consolidation of Dresdner Bank was tangibly reflected in individual items in the 2009 income statement.

Net interest income rose by €283m year-on-year to €510m. Net interest income in public finance originating business remained stable in the reporting period. Risk provisions were affected by ongoing charges for structured credit exposures and higher defaults and restructurings in the wake of the gloomy economic environment. Accordingly, loan loss provisions were up by €385m year-on-year to €478m. Net commission income increased by €137m to €180m. Especially fixed income new issue business developed positively in the first half of 2009. Compared to the same period last year, the trading result was down by €827m to –€342m, with positive income in bond and currency trading in particular overshadowed by impairments on the ABS book. Even net investment income declined by €62m to –€163m, mainly as a result of write-downs on the ABS portfolio. Operating expenses rose by €552m to €1,109m despite much lower variable compensation. The interim operating loss was €1,375m, of which by far the largest portion, €1,144m, came in the first quarter.

The operating return on equity calculated on capital employed of €7.1bn was –38.5 % (first half year 2008: 2.2 %). The cost / income ratio was 523.1 % compared to 81.2 % in the first half of 2008.

### CRE still suffering from the bleak state of commercial real estate markets

National and international real estate markets came under enormous pressure from the economic environment, and are not expected to recover this year. Consequently new approvals for commercial real estate loans contracted to €698m in the first half compared with €7,620m in the same period last year. Overall, the Commercial Real Estate segment had a difficult first six months.

Net interest income rose in the first half of 2009 by 1.5 % to €487m compared to the first six months of 2008, with higher credit margins for renewals and new lending. Risk provisions increased to €507m, which was 45.3 % higher than the equivalent figure in the first half of 2008. This was attributable to the heavy write-downs at Eurohypo, particularly on individual exposures in the US and Spain.

Net commission income fell by 31.5 % to €146m due to lower new business in all areas. Trading profit increased by €37m to €39m, while the loss incurred on financial assets more than halved to –€97m. In the first six months of 2009, further impairments on RMBS of €94m were charged, but they were lower than those taken in the same period last year (€203m).

Operating expenses rose by 5.1 % to €270m. The operating result deteriorated from –€90m in the first half of 2008 to –€224m.

The operating return on equity calculated on capital employed of €6.0bn was –7.5 % (first half year 2008: –4.8 %). The cost / income ratio eased from 49.8 % to 48.8 %.

### Others and Consolidation made positive contribution to the Commerzbank Group's results

The Others and Consolidation segment reports income and expenses that are not attributable to the operating segments. These also include those expenses and income items that represent the reconciliation of internal management reporting figures shown in the segment reports with the Group financial statements in accordance with IFRS. This segment also contains equity participations which are not assigned to the operating segments, the remaining international asset management activities and, since the beginning of the year, Group Treasury. Operating profit in Others and Consolidation rose from €32m in the first half of 2008 to €369m due mainly to the planned reduction in non-strategic investments. Group Treasury also contributed a positive result in the first half of 2009.

## Key figures of the Commerzbank Group

The Commerzbank Group's overall operating return on equity in the first half-year was –6.3 %, compared to 12.6 % in the first half of 2008. Return on equity based on the consolidated surplus / deficit – i.e. the ratio of consolidated surplus / deficit attributable to Commerzbank shareholders to the average capital employed attributable to them – fell from 16.4 % to –13.2 %, without taking account of the revaluation reserve and the reserve from cash flow hedges less the current consolidated surplus / deficit. The cost / income ratio – i.e. the ratio of operating expenses to total earnings before deduction of loan loss provisions – rose from 64.1 % to 80.6 %.

# Forecast

The following comments should always be read in conjunction with the Business and Economy section of this interim report as well as the Outlook section of the 2008 annual report.

## Future economic situation

The global economic slump should have bottomed out by the middle of the year. A recovery is expected to take hold in the second half as the uncertainty triggered by the collapse of Lehman Brothers gradually dissipates. Companies are starting to restock their inventories, Moreover, many countries have launched extensive stimulus programmes and the drastic interest rate cuts by central banks will feed through more and more to the real economies. In spite of these highly stimulative measures the recovery is likely to be sluggish due to the after-effects of the financial crisis and the need for companies and consumers in many countries to reduce debt levels. As a result, official interest rates should remain at their current low levels for some time to come.

## Future situation in the financial industry

In the first quarter of 2009 many European banks benefited from the improved environment for their trading operations and some were able to post better results. However, the overall environment for banks remains extremely difficult, and the impact of the global economic crisis will continue to put pressure on banks' balance sheets. Commerzbank expects gross domestic product in the eurozone to shrink by 4.5 % in 2009, followed by marginal growth of 0.7 % in 2010. The lagging negative repercussions of the recession such as corporate insolvencies and sharply increased unemployment (Commerzbank forecasts that unemployment in Germany alone will rise from 3.2 million at end-2008 to around 4 million at end-2009) will lead to a sharp rise in banks' credit risk provisions. Moreover, the financial crisis continues to take a direct toll. According to a Bloomberg report of 10 July 2009, write-downs suffered by banks worldwide as a result of the financial crisis have now reached $1,042 billion. Up to the end of 2008 European banks had amassed write-downs of $384 billion according to the Bloomberg report. The IMF expects banks in the Eurozone to see further write-downs of $750 billion in 2009 and 2010, while the ECB is forecasting further write-downs of $283 billion by the end of 2010. These differing estimates show that forecasts of this kind are currently subject to a high degree of uncertainty. To offset the erosion in their capital base and accommodate the more stringent demands of the market with regard to capital adequacy, banks worldwide have to date carried out capital increases of some $1,022 billion, through private placements and public capital increases as well as capital injections from government. The banking industry is going through a fundamental reorganization. While in many cases there is a trend towards refocusing on the core business, some institutions are undergoing a re-dimensioning process. In all areas of the banking business, margins will also need to return to levels that are commensurate with the risks of the exposures taken on. The shift in the yield curve could also help to bolster margins in banking. Even in times of financial crisis and recession certain business areas in a bank can experience a temporary boom, as has recently been the case for corporate bond issuance. However, there are also business areas within banks that are under structural pressure. On the financing side, banks will seek to reduce their dependence on the interbank market, which will translate into continued intense competition for customer deposits. According to an analysis by the ECB, it is also likely that banks will scale back activities that are especially dependent on unsecured funding.

## Financial outlook for the Commerzbank Group

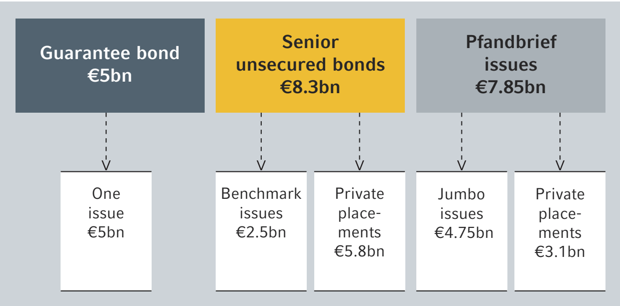
### Financing plans

Although the second quarter was a favourable one in terms of issuance, we expect the capital market environment to remain strained. We expect funding costs for long-term capital market issues to remain high due to the ongoing uncertainty in the market, even if funding spreads have certainly narrowed significantly from the highs recorded at the beginning of this year. We managed to secure our capital market funding target for 2009 of approximately €20bn – around half of which was through secured issues

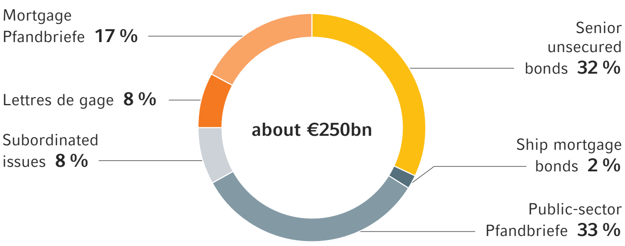
(Pfandbriefe and lettres de gages) and half through unsecured issues – by the middle of the year. This was due to several factors, not least a steady volume of private placements since the second quarter and a further unsecured and non-state guaranteed €1bn benchmark issue with a 5 ½-year term as well as two mortgage Pfandbriefe issued by Eurohypo of €1.75bn and €1.5bn with terms of seven and ten years respectively. All the issues attracted a great deal of interest from investors and were heavily oversubscribed. The total volume of secured and unsecured capital market issues successfully placed in 2009 amounted to approximately €21bn.

Commerzbank continues to be able to draw on the support provided by the Financial Market Stabilization Act and the Special Fund for Financial Market Stabilization (SoFFin). Commerzbank has received a guarantee facility of €15bn from SoFFin. Commerzbank utilized this guarantee in issuing a €5bn three-year bond in January 2009.

**Funding of the Group so far in the year 2009**
**Volume €21.15bn**




**Issue profile**
as of June 30, 2009




We expect that the one-year purchase programme for covered bonds launched by the ECB and national central banks in July will support the Pfandbrief market and facilitate issuance in this segment.

Commerzbank places great emphasis on maintaining a broadly-based funding base. With this in mind, we offer a wide range of deposit products on market terms and across all maturities through our private and corporate customer network, which help to provide stability for our funding base.

**Planned investments**

Our investment activities in 2009 will be dominated by the integration of Dresdner Bank. A total of €2 billion has been set aside for the integration. The first-half results contain €445m in restructuring expenses and €63m in current expenses. We are fully on track to reach our announced targets. Restructuring expenses of €60m were incurred in the second quarter in connection with the strategic reorganization of Commercial Real Estate business at Eurohypo.

There have been no significant changes to our investment plans compared with the planning announced in the 2008 annual report and the interim report to 31 March 2009.

**Liquidity outlook**

The worldwide support measures implemented by governments and central banks helped to further stabilize the markets in the second quarter. The Euribor-Eonia spread, an indicator of uncertainty with regard to creditworthiness on the interbank market, has narrowed from the highs seen at the beginning of the year of around 115 basis points for three-month funds to less than 60 basis points.

The interbank market for deposits has eased for all maturities up to one year. One of the main contributors to this was the decision by the ECB to issue a tender with a one-year maturity and an unlimited allocation for the first time. The ECB has also announced two other long-term money market operations for the second half of the year. These measures have made it easier for all banks, including Commerzbank, to obtain liquidity.

Commerzbank has attracted widespread investor interest in maturities over one year and has successfully carried out both secured and unsecured issues with maturities of up to ten years.

In spite of the ongoing turbulence on the financial markets, we do not expect any adverse impact on our own liquidity position – not least because of our stable deposit business and our focus on the bank's core business areas.

We have access to sufficient short-term liquidity in the interbank market and have proven our funding capability through various capital market issues in both the secured and unsecured segments. Taking advantage of assistance from the Financial Market Stabilization Fund (SoFFin) has also strengthened the Bank's liquidity position. The funds which SoFFin has provided to Commerzbank – a silent participation of €16.4bn and an increase in share capital of around €1.8bn – are available to the bank for an unlimited period. The same applies to the silent participation of €750m provided by Allianz as part of the Dresdner Bank transaction.

Our detailed liquidity management is based on an internal risk-management model, based on assumptions that are constantly monitored and regularly adjusted to prevailing market conditions. Even under stringent stress assumptions the liquidity ratios of our internal model demonstrate a sound liquidity position across all maturities.

Key liquidity under the standardized approach of the Liquidity Regulation – known until the end of 2007 as Principle II – was at a high level in the first half of 2009, as it was throughout 2008. At the end of June, the actual value was significantly above the average value in the first quarter at 1.30, reflecting Commerzbank's conservative liquidity management and the constant inflow of medium-term funds.

### General statement on the outlook for the Group

Despite the fact that the financial markets began to improve in the second quarter, we are still navigating very choppy waters. It is still impossible to make a precise forecast regarding our results for the 2009 financial year. However, the year will be impacted in particular by the situation on the financial markets, which remains unstable, and the integration of Dresdner Bank. The costs for the integration are likely to amount to around €2bn in 2009. Of this, some €1.7bn will be allocated to restructuring and the rest to current implementation expenses. In the course of the second half of the year, the ratings of our assets will likely be changed, which could also lead to renewed increase of our risk-weighted assets. The provision for possible loan losses in 2009 should be at the level of the combined figures for Commerzbank and Dresdner Bank for 2008 despite large structural shifts. In the most probable scenario, the effect of the financial crisis on net income through available-for-sale assets and holdings in the trading book should be lower than the combined values for 2008. There may also be changes to goodwill in the asset-based finance area in connection with the restructuring of segments in the third quarter. Overall we continue to expect a negative result for the 2009 financial year.

Under normal market conditions, repayments for the SoFFin silent partnership can be made starting 2012; if the market develops positively, the repayments may begin in 2011. We have already successfully introduced the first steps of our Roadmap 2012. We still expect to achieve our medium-term goal of a 12 % post-tax return on equity in 2012.

## Report on post-balance sheet date events

In early July, Commerzbank and the employee representative committees came to an agreement on the reconciliation of interests regarding the integration of Dresdner Bank's employees and regional locations into the new Commerzbank. As part of the agreements reached, the original plan to make no operational redundancies before the end of 2011 has been extended to 2013, provided that certain targets are met.

Commerzbank divested Dresdner Bank (Switzerland) at the end of July through a sale to Liechtenstein-based LGT Group. The parties have agreed to maintain confidentiality about the purchase price and other details. As at 31 December 2008, Dresdner Bank (Switzerland) had 311 employees and assets under management of CHF 9.4 billion.

Commerzbank also spun off Commerzbank (Switzerland) Ltd. at the end of July. It was purchased by the Vontobel Group. The parties have agreed to maintain confidentiality about the purchase price until the transaction is complete. Commerzbank (Switzerland), which is headquartered in Zurich and has a branch in Geneva and a subsidiary in Vienna, is active in the affluent private customer business. As at 31 December 2008 it had 127 employees and assets under management of CHF 4.5 billion.

At the end of July, Commerzbank also sold all of its shares of Reuschel & Co. Kommanditgesellschaft to Conrad Hinrich Donner Bank AG. The parties agreed not to disclose the purchase price or further details. As at 31 December 2008, Reuschel & Co. Kommanditgesellschaft had 425 employees and a net profit for the year of €8.8 million. The 74 % share in the Austrian Privatinvest Bank AG in Salzburg currently held by Reuschel will initially go to Commerzbank, but will eventually also be sold.

All three transactions are subject to the usual mandatory supervisory and anti-trust approval.

There were no other significant business events.

# Risk Report

## I. Risk-oriented overall bank management

### 1. Risk management organization

The financial market crisis once again demonstrated that the professional limitation and management of banking risks are critical factors in our business success. Essential prerequisites for successful risk management are the identification of all significant risks and risk drivers, the independent measurement and assessment of these risks in an evolving macroeconomic environment with changing portfolio-specific conditions, and the risk/return-oriented management of risks based on these assessments as part of a forward-looking risk strategy. We made considerable progress in this area in the past few years which should pay off in the dramatically deteriorating environment.

Commerzbank defines risk as the danger of possible losses or lost profits due to internal or external factors. Risk management distinguishes between quantifiable risks – those for which a value can normally be given in annual financial statements or in regulatory capital requirements – and non-quantifiable risks such as reputational and compliance risks.

For a more detailed explanation of Commerzbank's risk management organization please refer to our 2008 Annual Report which provides in the summary outlook an overview of the restructuring of the risk function which is being implemented as part of the risk integration project.

### 2. Risk-taking capability

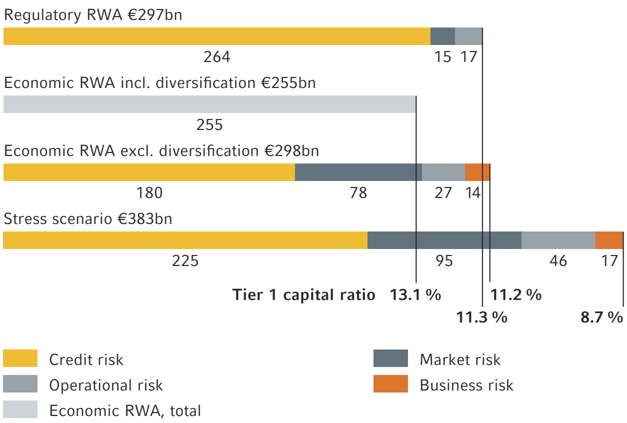
Risk-taking capability is monitored by comparing the Commerzbank Group's aggregate capital requirement with the Tier 1 core capital available to cover risk. We analyse the Group's capital requirement in both the regulatory and economic capital model. In addition to calculating regulatory capital requirements in the form of risk-weighted assets (RWA), since the start of 2009 economic RWA have been determined using internal risk models with a confidence level of 99.95 % and a holding period of one year. In order to ensure the greatest possible transparency and comparability, the capital available is determined uniformly using the legally defined Tier 1 core capital.

By converting the economic capital requirement into RWA equivalents, a direct comparison with the regulatory view is possible and can be shown appropriately in the form of capital ratios. As of the reporting date Commerzbank's regulatory risk-weighted assets were €297bn. This corresponds to a regulatory core capital ratio of 11.3 %. The economic risk-weighted assets for default, market, operational and business risk computed using internal models were €255bn (economic core capital ratio of 13.1 %).

In an additional step we analyse a scenario where all potential losses of the individual risk types occur simultaneously (full correlation between risk types). By increasing the severity of the model in this way, economic risk-weighted assets rise to €298bn (fully correlated, economic core capital ratio of 11.2 %).

We also quantify the effects of macroeconomic stress scenarios on economic risk-weighted assets. In the scenario assumed, RWA would increase to €383bn, corresponding to an economic core capital ratio under stressed conditions of 8.7 %. The minimum requirement set by our internal risk strategy was met at all times in the period under review.

**Risk-taking capability in the Commerzbank Group**
in € bn as at June 2009




## II. Default risk

Our management process is based on two parameters: unexpected loss (UL) and expected loss (EL). While for credit the analyses of risk-taking capability (stress on equity) and risk appetite (stress on the income statement) based on unexpected loss (= economic capital consumption) determine the strategic orientation and also serve to limit concentrations of risk, operational implementation of risk management is based on expected loss limits. In addition, the Exposure at Default (EaD) and rating migration are closely monitored. These limits are easy to implement in day-to-day operations, and EL is also the key parameter for systematic risk/return-oriented pricing.

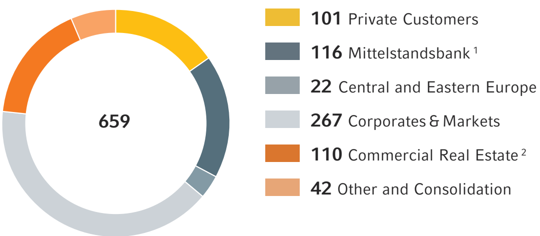
The following tables contain the key risk figures (banking and trading book without default portfolio) for Commerzbank as of June 30, 2009. It should be borne in mind that the harmonization of the differences in methods and models is already at an advanced stage but not yet completed. The final allocation of individual assets to the segments had also not been finally concluded. As a result we expect adjustment effects in the following quarters.

| | Exposure at Default in € bn | | Risk density in bp | | Expected Loss in € m | |
|---|---|---|---|---|---|---|
| | 31.03.2009 | 30.06.2009 | 31.03.2009 | 30.06.2009 | 31.03.2009 | 30.06.2009 |
| Private Customers | 105 | 101 | 32 | 32 | 333 | 321 |
| Mittelstandsbank [1] | 124 | 116 | 39 | 45 | 476 | 519 |
| Central and Eastern Europe | 24 | 22 | 70 | 91 | 170 | 203 |
| Corporates & Markets | 296 | 267 | 20 | 21 | 595 | 575 |
| Commercial Real Estate [2] | 114 | 110 | 34 | 46 | 383 | 501 |
| Other and Consolidation | 56 | 42 | 4 | 5 | 25 | 22 |
| **Group** | **720** | **659** | **28** | **32** | **1,983** | **2,141** |

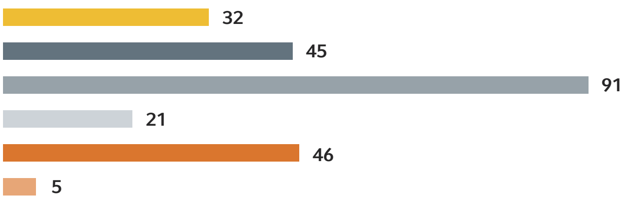
[1] incl. Western Europe and Asia
[2] incl. Shipping

## 1. Commerzbank Group

**Exposure at Default**
in € bn

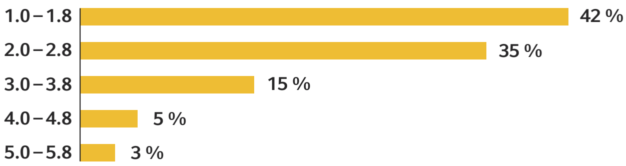



**Risk density (trading and banking book)**
in bp




Commerzbank Group 32 bp
[1] incl. Western Europe and Asia
[2] incl. Shipping

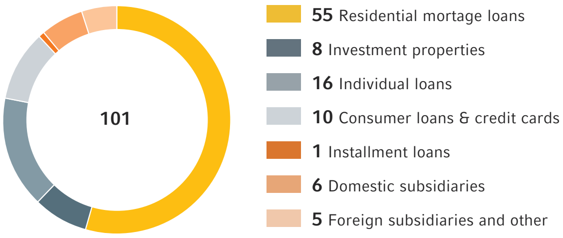
**Rating breakdown**



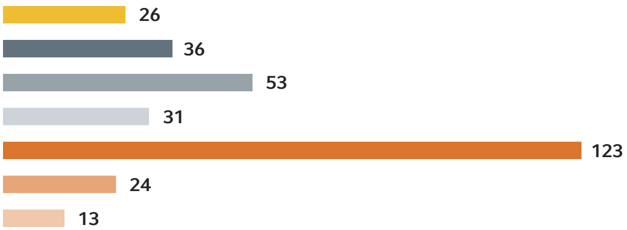

The EaD for Commerzbank's trading and banking book was €659bn as of June 30, 2009. The largest segment by far is Corporates & Markets with an EaD of approximately 40 %. In total the portfolio was reduced by around 8 % in the second quarter, amongst others through a decrease in EaDs for trading transactions. The deterioration in the general economic environment was visible in rating downgrades throughout the portfolio, which resulted in a higher risk density of 32 bp.

## 2. Private Customers

**Exposure at Default**
in € bn

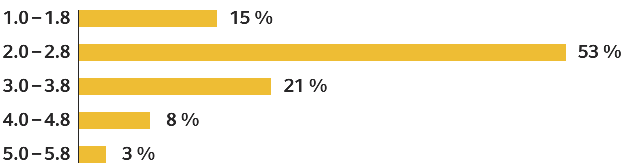



**Risk density**
in bp




Private Customers 32 bp

**Rating breakdown**



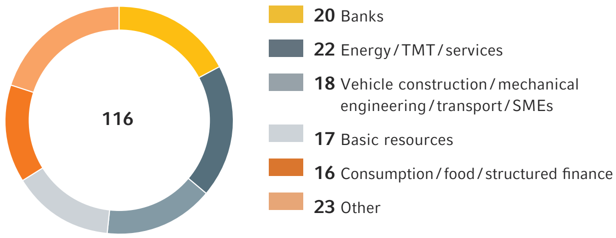

The economic development in Germany deteriorated further, as expected, during the second quarter, although the increase in unemployment was still relatively moderate. Although there are signs of a gradual pickup in economic activity in Germany (e.g. slight increase in orders received in May 2009), corporate insolvencies and unemployment are likely to increase further up to 2010 with lagged effects on the retail portfolio.

There is no general deterioration visible in the existing portfolio to date, but the first signs of a gradual deterioration in portfolio quality are emerging, with consumer loans primarily affected in the initial phase, as expected. In particular the default rate for consumer loans increased in the second quarter, but due to the volume there was no significant impact on the level of loan loss provisions. The rigorous risk / return-based focus on value creation in new lending resulted in a continued reduction in the loan portfolio during the second quarter.

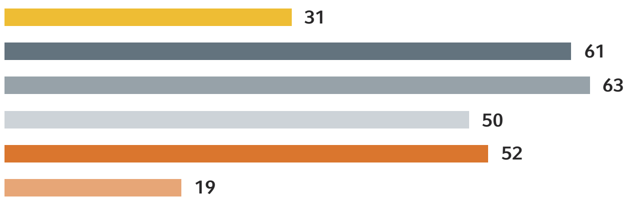
Following the introduction of risk limitation measures in new lending and for the existing loan portfolio in late 2008 / early 2009, we see no reason for further adjustments in loan approval criteria. From a risk point of view in particular, there is currently no need to fundamentally recast the segment's business policy. Our active risk management strategy comprises regular monitoring of open lines of credit. Due to real-time controlling mechanisms it is not necessary to reduce limits systematically.

## 3. Mittelstandsbank

**Exposure at Default**
in € bn

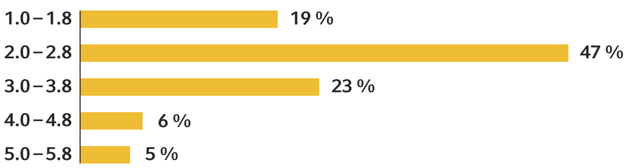



**Risk density**
in bp




Mittelstandsbank 45 bp

**Rating breakdown**



The German economy and Mittelstand business in particular were affected by the drastic decline in demand as a result of the global recession. The effects are becoming increasingly visible in our Corporates Germany core portfolio. Due to credit downgrades for borrowers the negative trend in rating changes is intensifying. For the next 12 to 18 months we expect further financial restructurings and a higher rate of insolvencies. As a result risk costs will rise, thereby placing greater demands on the gross margin.

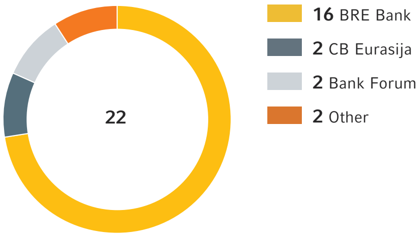
In the first half of the year the Mittelstandsbank segment had an EaD of €116bn and a risk density of 45 bp. With an EaD of €96bn and 83 % of the portfolio, Corporate Banking in Germany as well as in Western Europe and Asia remained the segment's core business. The banks had an EaD share of €20bn or 17 % of the total portfolio of the Mittelstandsbank segment.

We will unabatedly continue the risk limitation measures for new and existing loans already initiated last year (including higher collateralization levels) with the aim of combating the negative impact of the economy on our loan portfolio to the greatest extent possible, but without substantially reducing our willingness to lend to our target clients. We will also continue with the forward-looking sector risk management approach strengthened with the integration of Dresdner Bank, and rating systems will also be further developed incorporating the experiences gleaned from the current financial market crisis.

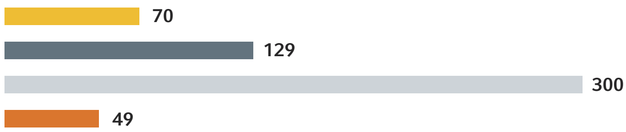
Due to the weaker economic trend in Western Europe (in particular in Spain and UK) and Asia we anticipate a larger volume of negative rating migrations due a deterioration in individual credit ratings. We are responding to the expected increase in the number of financial restructurings and insolvencies – which are likely to lead to a higher risk density – with a more anticipatory, cash flow-oriented analysis, as well as by intensifying our proximity to customers.

## 4. Central and Eastern Europe (CEE)

**Exposure at Default**
in € bn




**Risk density**
in bp




Central and Eastern Europe 91 bp

**Rating breakdown**


The EaD level in the CEE segment, which comprises BRE Bank, Bank Forum, CB Eurasija, CB Budapest and CB Prague, was actively reduced again in second-quarter 2009 and is now around €22bn. The depreciation of local currencies relative to the euro had only a marginal impact on this reduction. The risk density in the segment rose from 70 bp in the first quarter to 91 bp. This was attributable to a higher number of rating downgrades and shrinking collateral values. We are counteracting the increasing deterioration of the portfolios by continuing to manage down the weaker portfolio segments.

In the case of our strategic investment in Bank Forum, we are actively driving the efforts to develop risk management processes forward, given the difficult macroeconomic environment in which the Bank is currently operating.

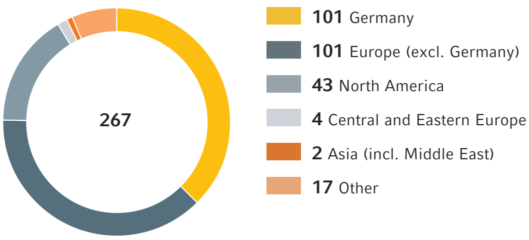
### 5. Corporates & Markets

The Corporates & Markets segment of Commerzbank comprises five business segments. Client Relationship Management serves high-volume, multinational investment banking customers. Corporate Finance provides services mainly in the field of leveraged finance transactions, syndications and conduits. Equity Markets and Commodities combines business with equities, commodities and their derivatives. Fixed Income and Currencies comprises trading activities with bonds as well as interest, currency and credit derivatives.

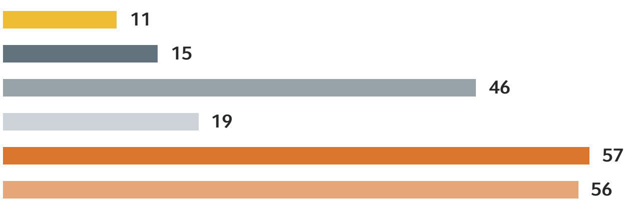
The Public Finance business segment is focussed on public sector financing, funded mainly by Pfandbrief issues. From July 1, this sector will be combined with real estate and ship financing to form a new segment "Asset Based Finance".

At the same time portfolios identified for reduction are transferred to the Portfolio Restructuring Unit for workout purposes.

**Exposure at Default**
in € bn

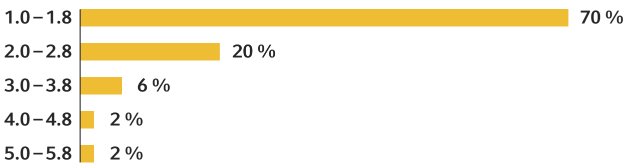



**Risk density**
in bp




Corporates & Markets 21 bp

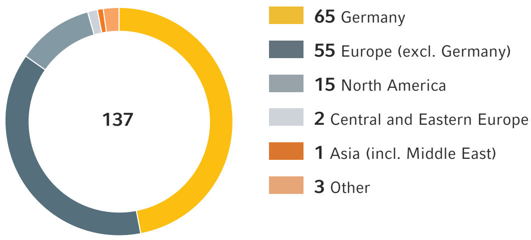
**Rating breakdown**



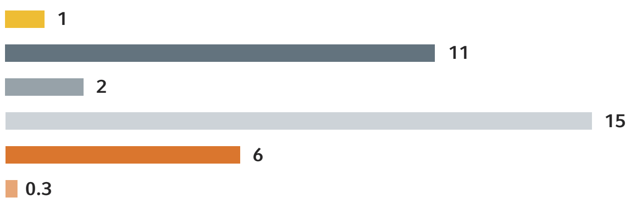

As part of the de-risking strategy for the Corporates & Markets segment we succeeded in reducing the EaD by almost €30bn to €267bn in the second quarter with only a marginal deterioration in risk density. The focus here was on lowering the volume of trading activity. Against the backdrop of ongoing recession and only slightly improved capital markets, we expect the quality of portfolios to decline further.

We are continuing to focus on reducing portfolio volume while protecting earnings, with the aim of minimizing negative changes in the revaluation reserve. In the second quarter EaD declined from €144bn to €137bn. Overall we are aiming for a reduction to €100bn.

**Exposure at Default**
in € bn



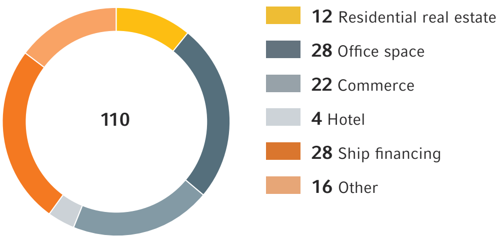

**Risk density**
in bp



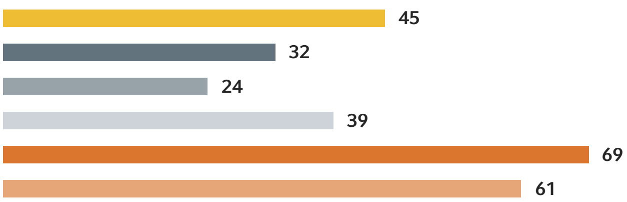

Public Finance 5 bp

## 6. Commercial Real Estate

**Exposure at Default by object type**
in € bn

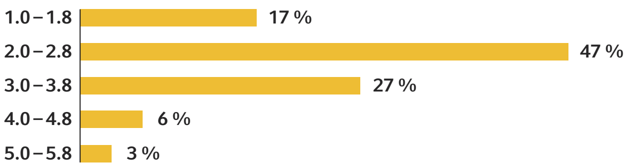



**Risk density**
in bp




Commercial Real Estate 46 bp

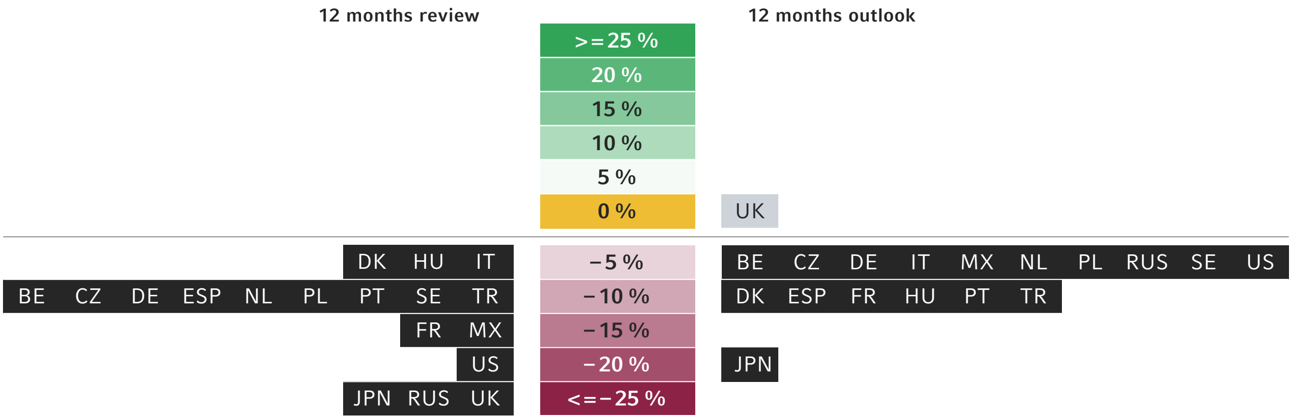
**Rating breakdown**




### a) Commercial Real Estate (CRE)

There are indications that some sort of a bottom has been reached in the investment markets, but any significant recovery will only come extremely slowly. Transactions are generally focused on prime properties with long-term secured cash flows. We still see market values falling over the next 12 months, but the rate of decline is slowing noticeably.

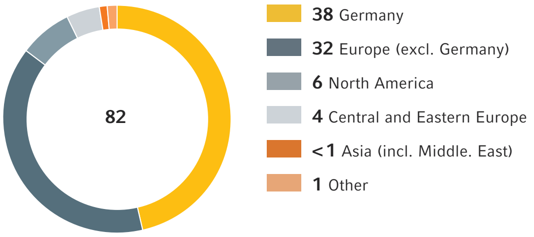
**Changes in market values:**



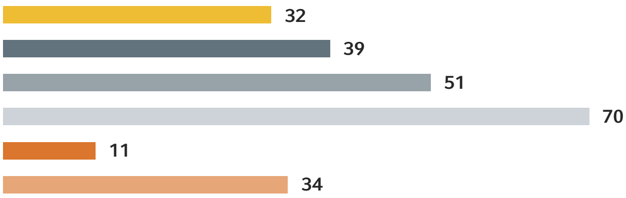

We are submitting all regional sub-portfolios to quarterly scenario analyses, based on expected rating migrations and market value forecasts for specific uses in order to identify and counter any related credit risks at an early stage.

Exposure at default for commercial real estate financing, with Eurohypo as the main lender, was €82bn at June 30, 2009, a fall of around €2bn from the last reporting date. The decrease was the result of scheduled repayments.

**Exposure at Default by region**
in € bn




**Risk density**
in bp




Commercial Real Estate 38 bp

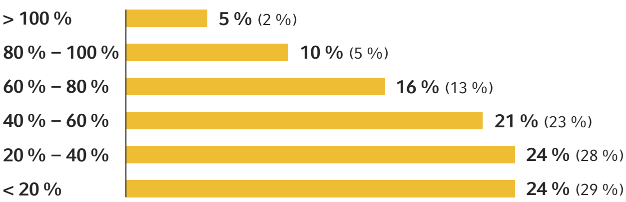
The objective of the new strategic positioning is to acquire new business where the risk involved is appropriate and to generate sustainable long-term income in core domestic and foreign markets. At the end of 2008, the Management Board of Eurohypo launched project Focus with these targets in mind; this is running on time and is currently in the implementation and realization phase.

The business opportunities available are being selectively exploited, and, following another increase in returns, have an improved risk/return profile. The successful Pfandbrief placings seen in the first half of the year, and the slight narrowing in spreads, are grounds for expecting a perceptible improvement in liquidity in the established markets as the year wears on.

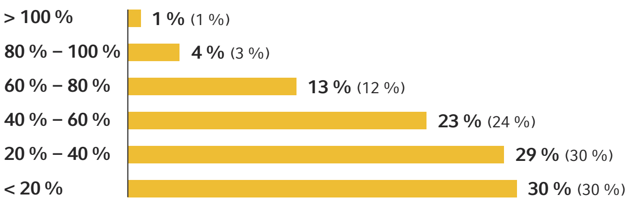
The loans in our portfolio that are secured by a land charge or mortgage still show resilient loan-to-value ratios (LtVs = ratio which covers our claims to a large extent). Overall in the first half of 2009, the varying degrees of decline in market values in both the core markets and emerging markets resulted in increasing LtVs in our portfolio.

In the United States, LtVs in secured lending business are still moderate for the most part and in no case higher than 75 %. In the UK and Spain as well as in our core business in Germany, our LtVs mostly range between 70 % and 80 %.

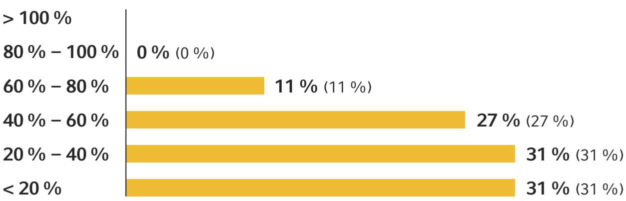
**Loan to Value – UK** [1, 2, 3]
stratified representation



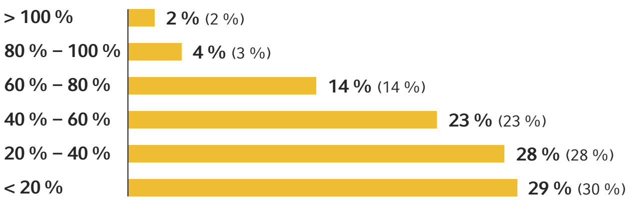

**Loan to Value – Spain** [1, 2, 3]
stratified representation




**Loan to Value – USA** [1, 2, 3]
stratified representation




**Loan to Value – CRE total** [1, 2, 3]
stratified representation



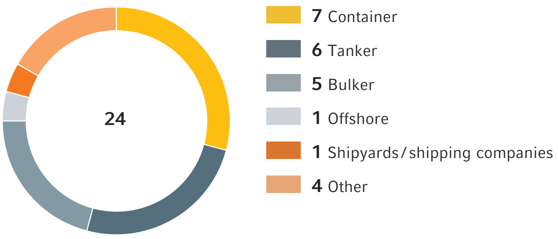

Values in parentheses: December 2008
[1] LtVs based on market values
[2] Excl. margin lines and corporate loans
[3] Additional collateral not taken into account

The volume of corporate loans in the CRE segment – the loans unsecured by mortgages that are extended on large real estate portfolios (such as REITS and funds) against financial covenants or share pledges – was €3.9bn as at the reporting date (March 2009: €4.1bn). As before, the focus is on the US (€2.4bn). Following the decision to concentrate solely on real estate financing in future, all corporate loans have now been categorized as discontinued business. The portfolio is being managed down gradually.

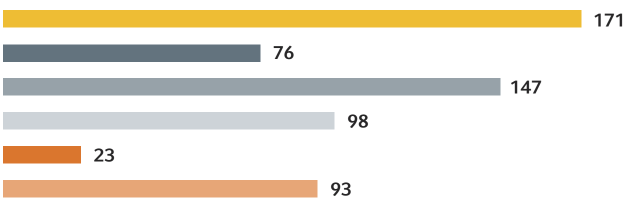
**b) Shipping**

With the financial market crisis spilling over into the global real economy, conditions for the maritime transport industry have also deteriorated severely. The situation has been exacerbated by the increasing deliveries of newbuildings into the market while cargo volumes have fallen, leading to substantial losses for liner companies. Economic stimulus packages (infrastructure measures) introduced around the world and increasing cancellations/postponements of newbuilding orders have only been able to partially cushion the effect, leading to uneven performance across the main segments of the shipping industry during the reporting period.

**Exposure at Default**
in € bn




**Risk density**
in bp




Shipping 118 bp

Exposure at default (EaD) for ship- and shipyard- and shipping company financing, taking the loan portfolio of Deutsche Schiffsbank AG (80 % subsidiary) fully into account, was €24bn as at the reporting date. The decrease of €1.8bn compared with the previous quarter is mainly due to currency effects. In addition, some loans were removed from the portfolio owing to order cancellations in the bulker segment. The breakdown of the overall portfolio by asset class is largely unchanged compared with the previous quarter, with loans distributed across standard asset classes with the main focus on container ships (29 %), tankers (25 %) and bulkers (20 %).

Owing to movements in freight/charter rates and market values, the investment grade share in the performing portfolio fell significantly in the first half of the year to its current rate of 44 % as per PD ratings (compared with 57 % as at December 2008). Although a wide range of measures have already been taken to limit risks, we are expecting a further rise in substandard and problem loans, particularly in the container ship segment.

The continued – and in places drastic – fall in market rates and ship values is still the main factor driving the increase in risk densities and loan-to-value ratios (LtVs). In the bulker and tanker segments, LtVs are still modest for the most part. In the container ship segment, LtVs are mainly in the region of 80 %.

In view of the current market environment, we are focusing primarily on portfolio management, mainly concentrating our efforts on reducing risks. We are paying particular attention here to loans that are not secured by long-term charter contracts and, in the case of predelivery financing, on open fundraising risks. Here, measures such as capital injections from initiators/limited partners using the limited liquidity still available, the contribution of public sector funds, in some cases with indemnity agreements, sellers credit of shipyards and additional collateral have enabled us to create improvements.

**7. Charges against earnings**

Conditions for some segments of the financial markets eased in the second quarter. Market-sensitive positions benefited from the improved conditions, and as a result charges against earnings fell significantly quarter-on-quarter, down from around €2bn to around €1.1bn. However, it would be premature to assume a lasting trend reversal at this point. There is still the potential for prices to fall and spreads to widen on negative news flow, leading to a fresh fall in values. In contrast with other positions, provisions for possible loan losses rose in the second quarter, as there will have to be a sustained recovery in the financial markets before there is any positive medium-term effect on the real economy.

| in € bn | 2008 total | Q1 2009 | Q2 2009 | H1 2009 total |
|---|---|---|---|---|
| LaR credit risk provision | 3.6 | 0.84 | 0.99 | 1.84 |
| Impairments AfS / Defaults trading book [1] | 4.3 | 0.70 | 0.72 | 1.42 |
| CDA charges | 1.7 | 0.47 | –0.58 | –0.11 |
| **Charges against earnings, total** | **9.6** | **2.02** | **1.13** | **3.15** |

[1] 2009 only from ABS portfolios

**a) Loans and Receivables (LaR) credit risk provisions**
Group net credit risk provisions amounted to €993m in the second quarter. For the first time, net interest income includes the IFRS net present value effect (unwinding). This results in an increase in net risk provisions for the Group, accompanied at the same time by a €64m rise in interest received, so that the effect on the income statement is neutral.

The distribution of the risk provisions among segments is as follows:

| in € m | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | 2008 total | Q1 2009 | Q2 2009 | H1 2009 total |
|---|---|---|---|---|---|---|---|---|
| Private Customers | 45 | 55 | 57 | 55 | 212 | 65 | 96 | 161 |
| Mittelstandsbank | 10 | 34 | 88 | 424 | 555 | 90 | 219 | 309 |
| Central and Eastern Europe | 17 | 25 | 71 | 76 | 189 | 173 | 202 | 375 |
| Corporates & Markets | 65 | 63 | 547 | 1,241 | 1,916 | 327 | 151 | 478 |
| Commercial Real Estate | 62 | 309 | 103 | 192 | 666 | 189 | 318 | 507 |
| Other and Consolidation | –7 | 2 | 31 | –12 | 14 | 0 | 7 | 7 |
| **Group** | **191** | **488** | **898** | **1,976** | **3,553** | **844** | **993** | **1,837** |

The higher risk provisions in the Private Customers segment are mainly the result of the changed reporting of unwinding. In addition, the impact of the negative environment is beginning to feed through into the retail portfolio as expected. The default rate in the consumer loans portfolio has already risen, but as this is relatively low-volume business, there was no significant impact on the level of net loan loss provisions. The trend for consumer loans is likely to deteriorate further in the second half of the year, while the default rate in the corporate customers portfolio can also be expected to rise.

The rise in risk provisions in the Mittelstandsbank segment in the second quarter is a consequence of the recession, which as expected is leading to a widespread increase in loan restructuring cases and defaults. Here, the effects anticipated for the second half of 2009 have already materialized to some extent in the second quarter.

The persistently difficult market conditions in the region led to a much worse risk result for the Central and Eastern Europe segment in the second quarter of 2009 than in the same period the previous year. The effects of the economic crisis and the currency losses made by our clients with foreign currency loans are increasingly leading to loan defaults among both private and corporate customers. At present there is no trend reversal in sight, so the risk result in 2009 as a whole will be significantly worse than in 2008.

In the Corporates & Markets segment, risk provisions continued to fall in the second quarter. Successful loan restructurings led to a sharp reduction in provisions compared with previous quarters, and although bulk risks may cause further fluctuations in the segment's risk provisions, they will not reach the very high levels caused by the financial crisis in 2008.

The increase in risk provisions in the CRE segment is due in part to the change compared with the previous quarter in the way unwinding is reported. In addition, the continuing difficulties in foreign real estate markets meant that the segment once again faced bulk risks (particularly in the US) in the second quarter. The segment result also includes for the first time significant risk provisions from the consolidated shipping portfolios. Risk provisions in 2009 will be well above the 2008 level.

Overall, Group risk provisions in the second quarter of 2009 were well above the level of risk provisions in the same period of the previous year. Whereas in 2008 the exceptionally high charges resulting from the financial crisis were concentrated mainly in the fourth quarter and in the Corporates & Markets segment, we think that in 2009, owing to the effects of the crisis on the real economy, the level of provisions will be higher across the board, but will mainly stay constant over the quarters. In the course of the year, we think that the additional provisioning requirement for the Central and Eastern Europe and Mittelstand portfolios in particular may be offset by a large reduction in risk provisions in the Corporates & Markets segments. Overall we expect the provision for possible loan losses in 2009 to be in line with the consolidated individual results of Commerzbank and Dresdner Bank in 2008.

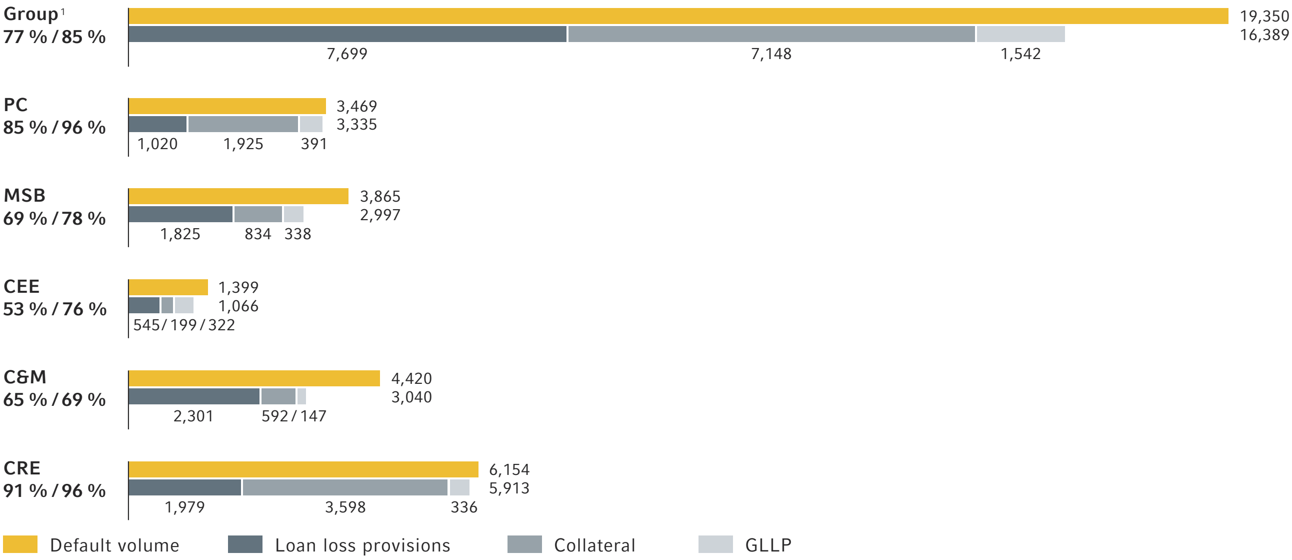
As the following table shows, almost two-thirds, or €1.1bn of net risk provisions relate to cases with specific provision requirements of ≥ €10m.

| Year | Individual cases < €10m | ≥ €10m < €20m | | ≥ €20m < €50m | | ≥ €50m | | Individual cases ≥ €10m in total | | Net RP total in € m |
|---|---|---|---|---|---|---|---|---|---|---|
| | Net RP in € m | Net RP in € m | Number of commitments | Net RP in € m | Number of commitments | Net RP in € m | Number of commitments | Net RP in € m | Number of commitments | |
| **2008** | **1,091** | 326 | 28 | 412 | 14 | 1,724 | 11 | **2,462** | **53** | **3,553** |
| **1st half-year 2009** | **715** | 271 | 21 | 128 | 7 | 723 | 10 | **1,122** | **38** | **1,837** |

Large individual cases, which in the first quarter accounted for more than three-quarters of net risk provisions, accounted for a slightly smaller proportion of the total in the second quarter. Nevertheless, at €474m, these cases still make up a significant part of Group risk provisions. The risk result for 2009 as a whole will similarly be affected by the trend in exposures to individual bulk risks.

Commerzbank's default portfolio stood at €19.3bn as at the end of the first half-year. The breakdown by segment was as follows:

**Performance of default portfolio**
(€ m) – excl. / incl. GLLP




[1] incl. Other and Consolidation

Compared to the first quarter of 2009 the increase in default volume results from the segments Corporates & Markets CEE and Mittelstandsbank. In the Mittelstandsbank segment and especially in Central and Eastern Europe the recession led to an overall increased number of defaults while in the Corporates & Markets segment once again bulk cases were the drivers of the higher default volume. In the CRE segment no additional bulk cases occurred and the default portfolio could slightly be decreased compared to the first quarter of 2009. Also in the Private Customers segment the inflow was more then offset by work out activities and a slight net decrease was achieved compared to the first quarter of 2009. Due to difficult conditions further increase of the default portfolio is to be expected in the course of the second half of 2009 – influenced by specific bulk cases and similar to the increase of impairments.

**b) Counterparty default adjustments (CDA)**

If the counterparty defaults, costs arise for closing positions for derivative and repo transactions if a positive market value remains after offsetting and collateral agreements are taken into account. These potential replacement costs must be factored in when determining the fair value of trading positions. Commerzbank makes counterparty default adjustments (CDAs) in this case. The CDAs correspond to the fair value of the counterparty risk entered into by both contracting parties.

| in € m | Mar 2009 | | | Jun 2009 | | |
|---|---|---|---|---|---|---|
| | Market value | CDA | CDA Ratio | Market value | CDA | CDA Ratio |
| Monoliner | 3,318 | 1,750 | 53 % | 2,959 | 1,651 | 56 % |
| CDPC | 615 | 357 | 58 % | 46 | 15 | 33 % |
| Other | | 176 | | | 66 | |
| **Total** | | **2,283** | | | **1,732** | |

Counterparty default adjustments fell slightly in the second quarter of 2009. In the case of monoliner counterparties, the market value of some of the hedged positions recovered in the second quarter, so that the CDAs in this category were slightly reduced even though there was no substantial improvement in the creditworthiness of the counterparties.

Furthermore, hedges with credit derivatives product companies (CDPCs) as the credit insurers are concluded. Through rating downgrades and defaults of insured loans, the liquidity and capital situation of the CDPCs during the financial market crisis has considerably worsened so that the insolvency of a few CDPCs cannot be ruled out. In the second quarter, the Bank set aside a valuation allowance for one of the two CDPCs, as this counterparty can no longer be expected to meet its future liabilities in full. In return, the CDA made for this counterparty was reversed.

In the “Other” category, the reduction in CDAs was mainly due to the recovery in the credit markets and the narrowing in credit spreads.

**8. Country risk management**

When calculating country risk, Commerzbank measures both transfer risks and the region-specific event risks determined by politics and economics that affect a country’s individual economic assets.

Country risk management includes all the decisions, measures and processes that – drawing upon the information provided by risk quantification – aim to influence the country portfolio structure with a view to achieving business and return targets.

**Exposure to emerging markets countries (country rating ≥ 2.0) by segment:**

| Segment | Exposure at Default (in € bn) | Risk density (in bp) | Expected Loss (in € m) | Loss at Default (in € bn) |
|---|---|---|---|---|
| | 30.06.2009 | 30.06.2009 | 30.06.2009 | 30.06.2009 |
| Mittelstandsbank | 15.4 | 47 | 72.2 | 4.3 |
| Central and Eastern Europe | 4.3 | 179 | 77.0 | 2.3 |
| Corporates & Markets | 7.2 | 40 | 28.5 | 2.0 |
| Commercial Real Estate | 5.4 | 70 | 37.7 | 2.1 |
| **Emerging Markets, total** | **32.3** | **67** | **215.4** | **10.7** |

Compared with the industrialized countries and measured by past debt crises, the emerging markets have stood up well to the financial crisis to date, and their economies have for the most part recovered after initial sharp falls in production and exports. However, the overall picture does not tell the full story, as economic performance has varied widely from one region to the next. Whereas in Latin America and Asia there has been a modest economic upturn, eastern Europe is still suffering from a severe lack of foreign currency liquidity, even though the situation in the international financial markets has eased a little since mid-February. Meanwhile, local banks in eastern Europe are still very reluctant to lend. Further loan defaults can be expected, particularly among companies and banks, but also among private households. However, we consider sovereign defaults unlikely, as government debt in most countries is low, and the IMF and other international organizations are also there to make finance available in emergencies. In addition to the impact of the international financial crisis, a number of emerging markets are suffering now that the speculative bubbles in the local real estate markets have burst.

**Performance by emerging markets countries (country rating ≥ 2.0) by region:**

| Region | Exposure at Default (in € bn) | Risk density (in bp) | Expected Loss (in € m) | Loss at Default (in € bn) |
|---|---|---|---|---|
| | 30.06.2009 | 30.06.2009 | 30.06.2009 | 30.06.2009 |
| Europe (including Turkey) | 18.7 | 84 | 156.5 | 6.6 |
| Asia (including Middle East) | 8.9 | 42 | 37.2 | 2.7 |
| Africa | 2.0 | 58 | 11.5 | 0.6 |
| Central / South America | 2.7 | 38 | 10.2 | 0.8 |
| **Emerging Markets, total** | **32.3** | **67** | **215.4** | **10.7** |

## III. Market and liquidity risk

### 1. Market risk

Market price risk includes the risk of losses due to changes in market prices (interest rates, commodities, spreads, exchange rates, share prices) or in parameters that affect prices such as volatility and correlations. To manage and limit market risks, Commerzbank uses a wide range of instruments including sensitivities, stress tests and scenario analyses, VaR figures and economic capital indicators. Market risks are limited and monitored by the Market Risk Committee.

We also monitor market liquidity risk, which considers the time it takes to close or hedge risk positions to the extent desired.

In the financial market crisis, it was generally shown that value at risk delivers unreliable risk forecasts for some sub-portfolios. Commerzbank is aware of the restricted information value of the value at risk model and is revising the concept as part of the integration of the two institutions. Stress and scenario analyses are being expanded, while new regulatory requirements taking effect from 2011 are being integrated into the value at risk concept.

Market price risk fell significantly during the second quarter. The fall was driven by two factors. Firstly, the financial market situation eased a little after two particularly turbulent preceding quarters. The steep declines in share prices and substantial widening in credit spreads were halted, and a correction ensued, with considerable rallies in places. This was accompanied by a decline in the general level of financial market volatility, which also led to a reduction in value at risk. The second factor driving the reduction in reported risk was that risk positions were systematically managed down. As part of the integration of Dresdner Bank, risk positions reducible at an early stage were identified. This provided the basis for rapidly and systematically reducing risks in selected areas in response to the market recovery.

Since January 2009, a consolidated daily risk report for Commerzbank and Dresdner Bank has been compiled to monitor and manage market price risk. Since the merger on May 11, 2009, the two banks have, in general, no longer been treated as separate for reporting purposes, and the report is now compiled on the basis of the new Commerzbank structure. Value at risk and stress test limits for the new structure were promptly introduced for daily monitoring purposes.

### Market risk in the trading book

A comparison between the VaR figures in Commerzbank's trading book at June 30, 2009, and those at March 31, 2009, clearly illustrates the reduction in risk described above. Credit spread risks still account for the lion's share of the total value at risk, but the breakdown of risks by asset class has clearly improved.

The emphasis remains on reducing risks, which is done with the active involvement of the risk function. To this end, selected positions have been transferred to the Portfolio Restructuring Unit (PRU), set up for the specific purpose of risk reduction. The PRU is now responsible for a substantial part of the credit spread risk. Nevertheless in other units besides the PRU, the de-risking/optimization of portfolios is still ongoing.

**VaR contribution by risk type/**
**VaR (99 % confidence level, 1-day holding period)**

| in € m | 31.03.2009 | 30.06.2009 |
|---|---|---|
| Credit spreads | 38.2 | 28.8 |
| Interest Rate | 15.2 | 14.7 |
| Equity | 11.6 | 14.6 |
| FX | 3.6 | 2.3 |
| Commodities | 2.8 | 1.0 |
| **Total** | **71.4** | **61.4** |

As conditions in some segments of the financial markets remain difficult, it is still not possible to use mark-to-market valuation methods in all instances. Mark-to-model valuation is therefore used for some risk exposures, in particular for ABS positions.

### Market risk in the banking book

Commerzbank also manages market risk in its banking books. These are mainly credit spread risks in the Public Finance portfolio with the positions held by subsidiaries Eurohypo and EEPK and exposures in the Treasury portfolios and equity price risks in the equity investments portfolio.

**Credit spread sensitivities**
(downshift 1 bp) | in € m


The decision to manage down the Public Finance portfolio continues to be vigorously implemented as part of the de-risking strategy.

The graph shown here charts the development of credit spread sensitivities for the Public Finance portfolio. The decrease in sensitivities in the second quarter of 2009 continues and can be attributed both to portfolio reduction measures and to a tightening of credit spreads since the beginning of the quarter. About €72m of the total sensitivity are due to positions classified as LaR. These positions do not have an impact on the revaluation reserve and P&L respectively.

### 2. Liquidity risk

Liquidity risk in a narrower sense is the risk that Commerzbank will be unable to meet its current and future payment obligations as and when they fall due. In the wider sense it includes the risk that, in the event of a liquidity crisis, funds can only be borrowed at very high market rates (refinancing risk) or that assets can only be liquidated at a discount to market rates (market liquidity risk) and the risk of limited access to funding sources such as the capital market, money market and deposits.

The Commerzbank Group's ability to meet its payment obligations is monitored on the basis of two interlinked concepts:

- The available net liquidity (ANL) concept (up to one year, measurement on basis of ANL)
- The stable funding concept (>1 year, measurement on basis of stable funding ratio)

The basis for liquidity management and reporting to the Board of Managing Directors is Commerzbank's internal liquidity risk model. With the internally developed liquidity risk measurement approach, ANL for the next twelve months is calculated on the basis of contractual and economic cash flows and compared with liquid assets. The results are then used to produce forecasts for trends in liquidity at various aggregation levels such as currencies, products or business units.

One important component of the internal liquidity risk model is stress testing, which shows the impact of unplanned developments on the liquidity situation and also provides information on possible countermeasures for contingency planning. The stress scenarios apply to both bank-specific and market-specific crises and account for the impact of a rating downgrade, the withdrawal of customer deposits or lower liquidity of assets. Outflows of liquidity as a result of contingent liabilities are also taken into account, such as increased drawing of agreed credit lines or claims under guarantees. In particular it anticipates impending illiquidity in the money, capital and repo markets. During the current crisis in particular, the internal liquidity risk model has proven to be a risk-sensitive and reliable tool for monitoring and managing liquidity.

Commerzbank's liquidity and solvency were adequate at all times during the period under review – even under the assumptions of the stress scenarios – and the regulatory provisions of the Liquidity Regulation were observed.

Liquidity management is the responsibility of Group Treasury, and the setting and monitoring of risk limits, the validation of applied procedures and reporting are managed – functionally and organizationally separated from the Treasury – by the Group Market & Operational Risk Management unit within the risk function. Setting ANL, and currency limits for individual units as well as for the entire Commerzbank Group, prevents liquidity risks from being entered into over a period of up to one year that cannot be closed out in good time. The strategic decisions on liquidity risk are made in close cooperation between market and back-office side in the Asset Liability Committee and in the Market Risk Committee. This includes, for example, the annual review of the Liquidity Risk Manual, which sets out the principles of liquidity management and liquidity risk limits (including an escalation process when a limit is exceeded) and a contingency plan.

Given the slightly easier market conditions and the additional SoFFin funds, Commerzbank's liquidity profile has improved further. In addition, the accommodative monetary policies being pursued by central banks should prevent a shortage of liquidity in the markets over the next few months.

The liquidity risks from Dresdner Bank's business volume were transferred to the Commerzbank liquidity model in an initial step at the end of the first quarter of 2009. As a result a consolidated view of the liquidity risk including Dresdner Bank exposures is already available for liquidity monitoring and management. This tactical solution, which is partially subject to limitations, will be gradually replaced by the strategic migration of the transactions into Commerzbank's front-office and booking systems. In this process the existing model parameters will be validated and adjusted as necessary in the context of the new Commerzbank business model.

The Commerzbank Group's short-term and medium-term funding relies on an appropriately broad diversification in terms of investor groups, regions and products. Liquidity management regularly analyses the structure of the various sources of funding of our liabilities in order to be in a position to actively manage the funding profile.

Long-term funding is mainly secured by means of structured and non-structured capital market products that may or may not be collateralized, as well as customer deposits. The basis for planning issues in the capital markets is provided by the results of the calculations of our stable funding concept. This identifies the structural liquidity requirement for the Bank's core lending business as well as those assets that cannot be liquidated within one year, and compares these to the liabilities available long-term to the Bank (including core customer deposit bases). The aim is to finance the Bank's illiquid assets and core business in terms of volume and maturity as far as possible with long-term liabilities.

## IV. Special portfolios with particular risks

### 1. Asset-backed securities (ABSs)

In the first half of the current year the following charges to earnings resulted from ABS investments: P&L impacts from fair value remeasurement and from impairments in the amount of €1.5bn and charges to the revaluation reserve for not-yet-impaired positions in the banking book in the amount of €0.3bn. Key drivers here were US CDOs of ABSs and non-US RMBS / CDOs from unhedged and monoline-hedged ABS holdings as well as exposures in the CMBS / CRE CDOs and large corporate CDO asset classes.

The 2009 financial year will again bring high charges in the ABS portfolio of Commerzbank, although we expect the very poor performance by US non-prime RMBSs and US CDOs of ABSs to spread to other asset classes such as CMBSs, RMBSs and CDO Corporates due to the worsening recession in the US and in major European economies. The crisis will no longer be confined to the financial markets but will have an increasing impact on the real economy.

The ongoing tight liquidity situation in the secondary markets for ABSs is presenting great challenges to our planned reduction with a market value of €26.3bn of those ABS portfolios identified as critical (critical in this context means that we expect further losses in market value or – in the case of conduit investments, which have not yet registered losses – we cannot exclude the possibility of losses over time). Given this environment we do not expect an efficient reduction of this exposure in 2009.

| in € bn | Dec 2008 | | Mar 2009 | | Jun 2009 | |
|---|---|---|---|---|---|---|
| | Nominal | Market values | Nominal | Market values | Nominal | Market values |
| Secondary market ABS | 23.9 | 17.3 | 22.4 | 15.0 | 25.5 | 16.6 |
| thereof critical portfolios | 18.0 | 11.5 | 16.4 | 9.2 | 19.6 | 10.9 |
| thereof government guaranteed [1] | 5.9 | 5.8 | 6.0 | 5.8 | 5.7 | 5.6 |
| Conduits | 11.1 | 11.1 | 10.6 | 10.6 | 9.5 | 9.5 |
| thereof critical conduits | 4.7 | 4.7 | 4.5 | 4.5 | 3.6 | 3.6 |
| thereof other conduits | 6.4 | 6.4 | 6.1 | 6.1 | 5.9 | 5.9 |
| ABS hedge book | 13.7 | 10.3 | 14.7 | 11.2 | 14.2 | 10.6 |
| SIV – K2 [2] | 4.7 | 4.7 | 3.2 | 3.2 | N / A | N / A |
| CIRC | 1.1 | 1.2 | 0.8 | 0.9 | 0.6 | 0.7 |
| Other | 0.2 | 0.2 | 0.6 | 0.6 | 0.7 | 0.6 |
| **Commerzbank** | **54.7** | **44.8** | **52.4** | **41.5** | **50.5** | **38.0** |
| **thereof critical portfolios** | **42.4** | **32.6** | **40.3** | **29.5** | **38.7** | **26.3** |
| **therof other ABS positions** | **12.3** | **12.2** | **12.1** | **12.0** | **11.9** | **11.6** |

[1] In addition government guaranteed ABS with a market value of €0.6bn resulting from the liquidation of K2 have been allocated to PRU (compare a) ABS secondary market)
[2] SIV K2's assets have been transferred onto Commerzbank's balance sheet in June. K2 is now orderly being liquidated

The rating distribution for the individual ABS sub-portfolios listed in this section of the risk report are based on the ratings valid as at June 30, 2009; they also represent the ratings relevant for Basel II.

#### a) ABS secondary market

These are investments in ABS securities that were made by Commerzbank as part of its replacement credit business or in its function as arranger and market maker in these products.

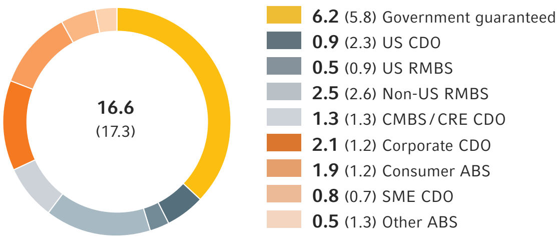
The increase in volume relative to the first quarter (market value of €15bn) resulted from the regular-way liquidation of the "K2" structured investment vehicle (SIV), in the course of which Commerzbank acquired its assets in their entirety.

Within the ABS secondary market, government guaranteed paper represents the largest share with €6.2bn, of which about €4.2bn are attributable to US government guaranteed student loans. The bulk of the remaining exposure is from ABS tranches which are based on portfolios of loans to small- and medium-sized enterprises (SME). Guarantors in this case are European countries and the European Investment Bank (EIB). Of the above-mentioned €6.2bn government guaranteed ABSs, some €5.6bn are managed outside the PRU, while the remaining €0.6bn are managed by the PRU. These relate to the "K2" portfolio, all the assets of which are managed by the PRU.

US CDOs of ABSs and US RMBSs, the latter of which include both prime and non-prime RMBSs, will have an ongoing negative impact in 2009. While the growth in past-due mortgage loans is slowing, the rate of foreclosures in the US real estate market is very high. These foreclosures and the rising unemployment rate in the US will continue to depress house prices in the US over the near term.

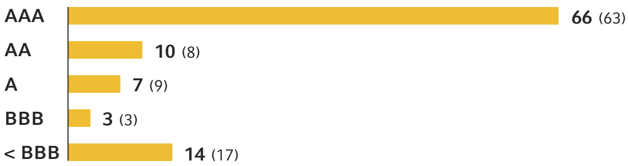
In the first half of this year, the following charges resulted on an aggregated basis for ABS secondary market: P&L impacts from fair value remeasurement and from impairments in the amount of €1.1bn and charges to the revaluation reserve for not-yet-impaired positions in the banking book in the amount of €0.3bn. Key drivers were US RMBSs, US CDOs of ABSs, CDOs of large corporates, CMBS / CRE CDOs and non-US RMBSs.

**Portfolio breakdown of ABS secondary market**
Underlying assets by product, market value in € bn



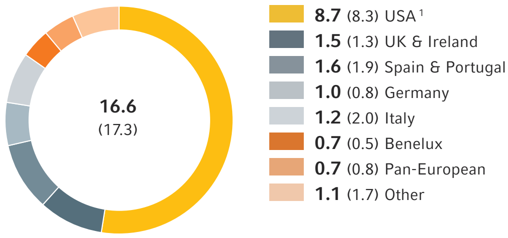

Values in parentheses: December 2008

**Rating breakdown of ABS secondary market (trading and banking book)**
Based on market values | in %




Values in parentheses: December 2008

**Breakdown of underlyings by region**
Market values in € bn




Values in parentheses: December 2008
[1] mainly government guaranteed

## Detailed overview of US non-prime portfolio

This sub-segment includes US non-prime RMBSs and US CDOs of ABSs, whose portfolios are made up mainly of tranches of US non-prime RMBS securitizations. The positions are largely written down, although further impairments in the current financial year are to be expected. For some of the transactions, we currently receive ongoing repayments due to the seniority of our investments in the waterfall structure, but the future amount of these repayments depends on the continued performance of the critical US non-prime RMBS sector.

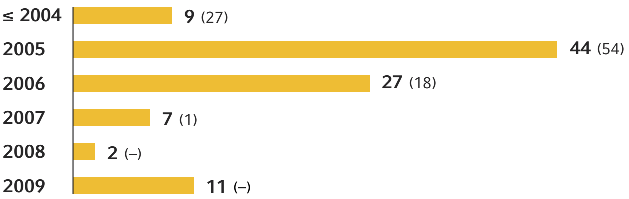
The losses in the US non-prime RMBS portfolios so far, particularly the critical 2006 and 2007 vintages, are already on average far above the level of the accumulated overall losses of earlier vintages.

The effect in the first half of the current financial year was as follows: P&L impacts from fair value remeasurement and from impairments in the amount of €0.6bn and an offsetting positive change in the revaluation reserve for assets in the banking book in the amount of €0.1bn.

**US Non-prime CDO portfolio** All positions in this sub-segment which were not assigned highest seniority in the waterfall of their respective transaction structure have in the meantime been almost completely written down. In light of the previous comments on the US non-prime RMBSs, this is because CDOs are securitizations of securitizations, the majority of which have US non-prime RMBS tranches as their underlying assets and consequently have an even higher leverage.

In the first half of the current financial year the following charges resulted on an aggregated basis: P&L impacts from fair value remeasurement and from impairments in the amount of €0.4bn. The revaluation reserve remained virtually unchanged with a marginal reduction of €13m.

**Vintages**
Based on market values | in %




Values in parentheses: December 2008

**Rating breakdown**
Based on market values, underlying RMBS | in %


Values in parentheses: December 2008

The substantial decline in US CDOs of ABSs is due to the sale of positions to Allianz SE at the beginning of the year with a nominal volume of €2.0bn and a market value at year-end 2008 of €1.6bn.

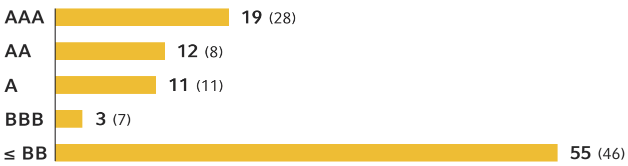
**US Non-prime RMBS portfolio** As described previously, whilst the growth of past-due mortgage loans is slowing, there are still a large number of foreclosures taking place in the US real estate market. These foreclosures are leading to increasing accumulated losses in the RMBS portfolios and in turn to write-downs on RMBS securities held by Commerzbank. The performance of these transactions is also being hampered by the historical low in loan repayments, which prior to the crisis had climbed to unprecedented heights fuelled by a combination of rising real estate prices and low interest rates. This development is explained by the fact that the chances of refinancing even a properly served mortgage loan in the US market are virtually non-existent at the moment.

In the first half of the current financial year the following charges resulted on an aggregated basis: P&L impacts from fair value remeasurement and from impairments in the amount of €0.2bn and an offsetting positive change in the revaluation reserve for assets in the banking book in the amount of €77m.

**Vintages**
Based on market values | in %


Values in parentheses: December 2008

**Rating breakdown**
Based on market values | in %



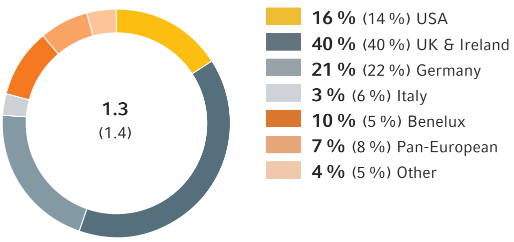

Values in parentheses: December 2008

### Commercial mortgage-backed securities (CMBSs)

With the spread of the financial market crisis to the real economy since the end of last year, a rising rate of arrears from tenant defaults and increasing vacancy rates in the ABS segment of the commercial mortgage-backed securities market can be observed. This affects both US and European securitizations. The rating agencies have already responded by making the relevant downgrades, some of which involve several notches of various tranches of a CMBS structure. Spread widenings in CMBS tranches were already seen in the second half of 2008. They increased near the end of 2008 and have risen even further in the meantime due to downgrades already made and those that are still expected to occur. Realized losses on CMBS deals have been limited until now, although a significant increase is anticipated. In contrast to US non-prime RMBSs for instance, the portfolio development of CMBS transactions depends on the performance of smaller-volume loans, making a forecast very difficult at present.

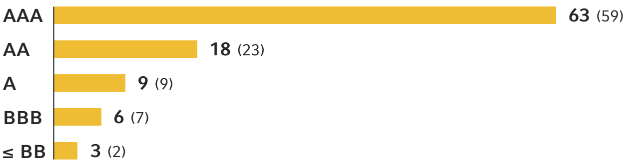
In the first half of the current financial year the following charges resulted on an aggregated basis: P&L impacts from fair value remeasurement and from impairments in the amount of €0.1bn and charges to the revaluation reserve for not-yet-impaired positions in the banking book in the amount of €0.1bn.

**Breakdown by region**
Market values in € bn




Values in parentheses: December 2008

**Rating breakdown**
Based on market values | in %



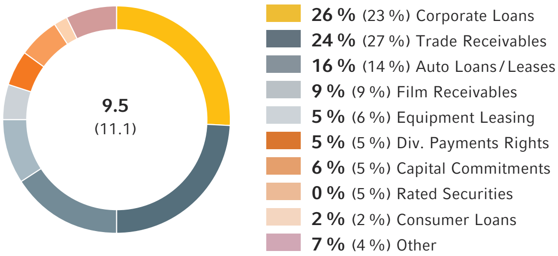

Values in parentheses: December 2008

### b) Conduits

The positions of Commerzbank (including its own securitizations) in the asset-backed commercial paper (ABCP) conduit business which are fully enclosed in the Bank's balance sheet amounted to €9.5bn at the end of the period under review, a decline versus the first quarter of €1.1bn. The exposure consists largely of so-called liquidity facilities / back-up lines granted to conduits administered by Commerzbank. This substantial decline was due to amortizing ABS programmes in the "Kaiserplatz" and "Silver Tower" conduits and, to a substantially larger extent, to complete repayments of prematurely terminated ABS programmes in the "Beethoven" conduit. This reflects the initial success of our efforts to actively manage down non-strategic ABS assets at low costs. We expect to be able to reduce other transactions in the third quarter just begun.

The underlying receivables of the Bank's ABCP programmes are strongly diversified and reflect the differing business strategies pursued by the sellers of receivables or customers. The receivables portfolios securitized via ABCP conduits did not contain any US non-prime RMBS units. To date, we have still recorded no losses on any of these transactions. We do not currently see any need for loan loss provisions in respect of the liquidity facilities / back-up lines classified under the IFRS category "Loans and Receivables".

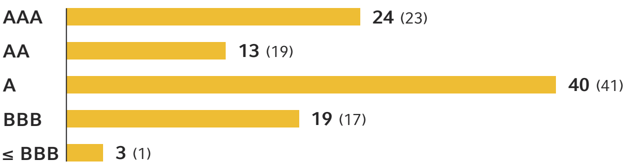
**Sub-segment breakdown**
Market values in € bn




Values in parentheses: December 2008

The risk assessment of conduit assets is performed depending on the class of receivables securitized, using the Bank's own BaFin-certified ABS rating procedure and taking into account the individual risk profile of the securitization positions held. The rating structure as at June 30, 2009 is shown below:

**Rating structure**
Based on market values | in %




Values in parentheses: December 2008

## Silver Tower

The volume of the ABS structures issued by Silver Tower was €5.4bn as at June 30, 2009 (€5.6bn at March 31, 2009). Most of this volume is from the securitization of receivables portfolios of and for customers but also includes exposures from the securitization of in-house loan receivables (Silver Tower 125, volume €2.0bn) which were securitized as part of an active credit risk management. The Silver Tower portfolio includes a CLO transaction with a volume of €0.5bn which we classify as critical and is hence to be managed by the PRU.

## Beethoven

The volume of the ABS structures issued by Beethoven was €2.6bn at June 30, 2009 (€3.3bn at March 31, 2009). The decline versus March of this year is due to our successful efforts to manage down non-strategic ABS transactions without creating losses. Given that all the risks of the ABS transactions issued via this vehicle, the majority of which stem from the US, are no longer in line with the franchise concept of the new Commerzbank, the aim is to completely eliminate these positions, some of which are considered critical, over time. The PRU will manage all the Beethoven assets.

## Kaiserplatz

The volume of the ABS structures issued by Kaiserplatz was €1.2bn as at June 30, 2009 (€1.2bn at March 31, 2009). Virtually all the assets of Kaiserplatz consist of securitizations of receivables portfolios of and for customers. This conduit contains assets totalling €0.3bn which we consider to be critical and in need of management by the PRU.

## Other bank conduits

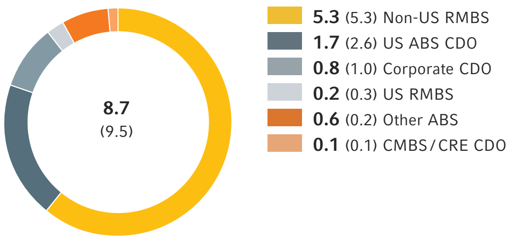
The volume of assets due from other bank conduits was €0.2bn as at June 30, 2009, corresponding to a decline of €0.3bn since the end of March this year. The exposure consists exclusively of liquidity facilities granted.

## c) ABS hedge book

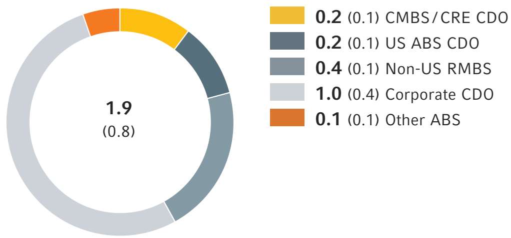
This portfolio includes all the ABS positions which are collateralized by credit default swaps. During the financial market crisis, credit insurers (known as monoliners) who are specialized in hedging default risks from both normal but in particular structured credit exposures have been under increasing pressure.

As there has been no change in the negative outlook for the monoliner industry, Commerzbank is currently conducting negotiations regarding the reversal of monoline-hedged positions. Here we expect further noteworthy charges to earnings beyond the counterparty default adjustments (CDAs). Commerzbank had insured ABS positions with a nominal value of €14.2bn as at June 30, 2009 (market value €10.6bn). Of the secured market value, €8.7bn were insured by monoliners and €1.9bn by other counterparties.

**Monoline asset classes**
Market values in € bn



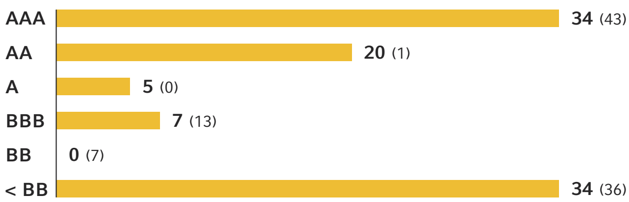

**Other insurers asset classes**
Market values in € bn




Values in parentheses: December 2008

**Monoline asset ratings**
Based on market values | in %


**Other insurers asset ratings**
Based on market values | in %




Values in parentheses: December 2008

The mark-to-market value of the trading book transactions with monoliners was €2.9bn as at June 30, 2009. Including the add-ons for potential market fluctuations which must be taken into account from a risk point of view, the risk exposure was €4.2bn. There are CDAs of €1.7bn available to cover the potential default risk from these transactions. The default of monoliners has been hedged to a limited extend.

**d) Credit enhancements to ABS portfolios – Credit Investment Related Conduits (CIRC)**

As of the reporting date of June 30, 2009, we reduced the exposure under both ABS-CIRC structures based on the values at the end of 2008 from the nominal amount of €1.6bn to €1.3bn. After deducting the cumulative first loss positions covered by other investors and top-up amounts paid under margin calls, the net nominal position was €0.7bn.

**e) Originator positions**

In addition to the secondary market positions discussed in the previous pages, Commerzbank and Eurohypo have in recent years securitized receivables with a current volume of €14.3bn, primarily for capital management purposes, of which risk exposures of €8.7bn were retained as at June 30, 2009.

The exposures stemming from the role of originator reflect the perspective of statutory reporting. In addition to Commerzbank's securitized credit portfolios, securities repurchased on the secondary market and / or tranches retained are also listed. This applies regardless of whether the tranches were securitized in the sense of a tradable security.

The clean up call for the Promise-K 2006-1 transaction was exercised on June 30, 2009. As a result, the first loss pieces are €49m lower than in the previous quarter.

| Securitization pool \| in € m | Maturity | Total volume | Commerzbank volume: Senior | Commerzbank volume: Mezzanine | Commerzbank volume: First Loss piece |
|---|---|---|---|---|---|
| Corporates | 2013 – 2027 | 8,154 | 7,303 | 121 | 157 |
| MezzCap | 2036 | 177 | 15 | 14 | 9 |
| RMBS | 2048 | 415 | 1 | 19 | 0 |
| CMBS | 2010 – 2084 | 5,529 | 998 | 62 | 18 |
| **Total** | | **14,275** | **8,316** | **216** | **184** |

**2) Leveraged acquisition finance (LAF)**

The leveraged acquisition finance (LAF) portfolio was reduced from €7.2bn to €6.1bn in the second quarter. Owing to low market activity and very strict risk selection no new transactions were carried out.

After issuing more stringent portfolio guidelines in September 2008, further adjustments along more conservative lines were made. These include a clear focus on the core market of Germany and the care of German relationship customers abroad as well as a reduction in underwriting limits. Indirect LAF business will in future be transferred to the Portfolio Restructuring Unit and worked out there.

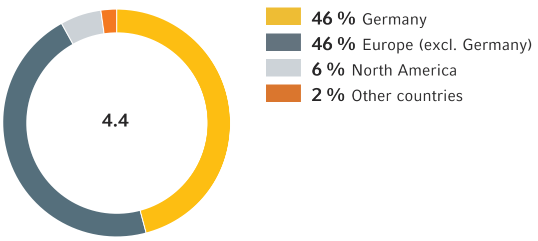
**a) Direct LAF exposure**

The combined portfolio has a high granularity. Its geographic focus remains in Europe (92 %) with a strong concentration in Germany (46 %).

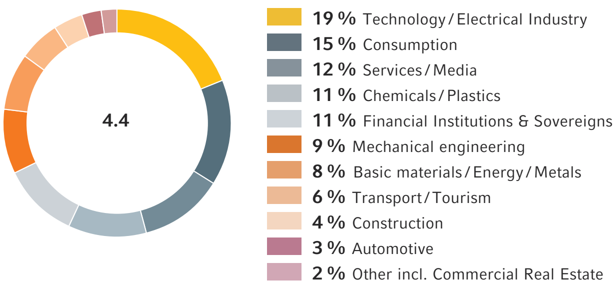
The companies in this portfolio are more vulnerable to recession because of their typically high debt-to-equity ratio. This is visible in the negative rating drift and the rising number of restructurings. Through active risk management and close customer contact we have managed to limit the specific valuation allowances in this portfolio to €20m in the year to date.

Against the unchanged backdrop of zero activity in the syndication markets, we do not expect any new business to materialize here. Additional charges against earnings are expected as the recession persists or worsens, especially as proactive portfolio management with recourse to the secondary market is only possible on a very limited scale, if at all. The risks in the automotive, chemicals and mechanical engineering sectors appear particularly critical.

**Exposure at Default by region**
in € bn




**Exposure at Default by sector**
in € bn



**b) Indirect LAF exposure**

Compared with the beginning of the year, the EaD of the indirect LAF exposure was down by approximately €2.7bn to €1.7bn at the end of June 2009. This is largely due to the workout of transactions. The exposure was also reduced through asset sales and limit reductions.

As a result of the downturn in the economic situation, the quality of the mezzanine debt portfolios (around 35 % of the total portfolio) has deteriorated, with defaults also occurring within the portfolios themselves. This led to rating downgrades for the junior tranches of two transactions (approx. €37m) and to a covenant breach (overcollateralization covenant) on one of them. Losses from this transaction cannot be excluded. However, the senior debt portfolios (65 % of the total portfolio) remained stable. Another increase in MtM losses cannot be ruled out given the volatility of secondary markets.

As the recession continues, we expect further defaults on leveraged loans, particularly in the mezzanine portfolios. The portfolio will be serviced by the Portfolio Restructuring Unit as from July 1 and worked out there. We will take advantage of any further stabilization in the markets to rigorously reduce exposure while protecting earnings.

**3) Financial Institutions**

**a) Financial Institutions (banks)**

Financial markets stabilized in the first half of 2009. Both state support measures and positive first-quarter results as well as the stress tests conducted by the Federal Reserve for US banks sent positive signals to the financial markets. Financial stocks have regained some 40 % since March and the iTraxx Index for 5-year bank CDSs narrowed to 110 bp at the end of June after posting a high for the year of 207 bp in early March. Overall, the banks have substantially increased their regulatory capital, in particular by means of capital increases, while risk assets were only reduced to a moderate extent at the majority of banks. In the US the big banks have taken the first steps towards repaying funds from the Treasury's Troubled Assets Relief Program (TARP).

This development runs counter to the ongoing downswing in the world economy, which will lead to an increase in banks' loan loss provisions in the second half-year as well. The ECB continued to combat the lack of confidence in the interbank markets with its first-ever 12-month refinancing operation, which injected €442bn of liquidity into the eurozone money markets in June. With the approval of its bad bank legislation, the German Government has also created the prerequisites for further improving the banks' risk situation and averting a credit crunch for German business.

We succeeded in significantly reducing the EaD of the Financial Institutions (banks) portfolio from €152bn to €125bn in the second quarter. The expected loss for the portfolio remained virtually stable at €92m.

**Breakdown by segment as at June 30, 2009**

| | Exposure at Default in € bn | Expected Loss in € m |
|---|---|---|
| Mittelstandsbank | 20 | 64 |
| Central and Eastern Europe | 2 | 2 |
| Corporates & Markets | 78 | 22 |
| Commercial Real Estate | < 1 | < 1 |
| Other and Consolidation | 25 | 5 |
| **Total** | **125** | **92** |

The portfolio continues to be dominated by the bond investments of our mortgage subsidiaries and counterparty risks arising from trading transactions. The majority of the investments are from issuers with good credit ratings. Collateral agreements are used in all cases for proactive risk management of derivatives business. In this way the portfolio's level of collateralization is continuously increased as part of our active exposure management approach.

**Breakdown by region as at June 30, 2009**

| | Exposure at Default in € bn | Expected Loss in € m |
|---|---|---|
| Germany | 49 | 7 |
| Europe (excl. Germany) | 47 | 15 |
| Central and Eastern Europe | 5 | 34 |
| North America | 6 | 2 |
| Central and South America (incl. Antilles) | 2 | 3 |
| Asia (incl. Middle East) | 6 | 20 |
| Africa | 1 | 3 |
| Other countries | 8 | 8 |
| **Total** | **125** | **92** |

A large component of this business is in OECD countries with good ratings. The share in emerging market regions stems primarily from the foreign trade business we handle for German Mittelstand companies.

### b) Non-bank Financial Institutions (NBFI)

**Breakdown by segment as at June 30, 2009**

| | Exposure at Default in € bn | Expected Loss in € m |
|---|---|---|
| Mittelstandsbank | 8 | 17 |
| Central and Eastern Europe | 1 | 6 |
| Corporates & Markets | 48 | 261 |
| Commercial Real Estate | < 1 | < 1 |
| Other and Consolidation | 5 | 8 |
| **Total** | **61** | **291** |

The significantly increased exposure to NBFIs that initially resulted from the takeover of Dresdner Bank declined in terms of both EaD and EL in the second quarter due to derisking activities and measures to reduce discontinued business. This decline applied to all segments.

The total exposure for C&M was €48bn and consisted of originator NBFI business amounting to €28bn and NBFI-related ABS and LBO business (€20bn). Derisking activities include volume reductions, collateralization and hedging measures and a concentration on strategically important counterparties with acceptable credit ratings.

The hedge fund industry will also remain under pressure in 2009. Negative factors such as weak performance, limited access to liquidity and high investor redemptions will force the liquidation of more funds during the year.

Commerzbank's business with hedge funds is in manageable dimensions and adequately secured. For roughly one and a half years, a systematic reduction in risks has been taking place via increased collateral requirements and termination of transactions. Due to conservative selection criteria and a professional due diligence process, no significant charges to earnings have occurred in relation to the hedge fund portfolio. The portfolio was reduced again substantially by maturities in April.

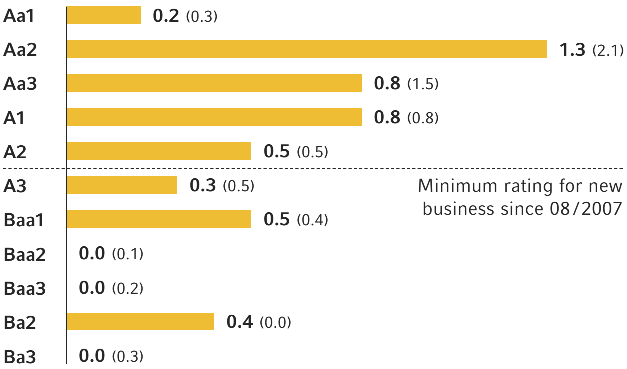
The largest sub-portfolio, Insurance (without monoline insurers), is focused on developed markets. However, we still see a risk that it will be negatively impacted by the financial crisis. We are critically monitoring the impact of the financial market crisis on the investment portfolios and the related effects on the capitalization and liquidity of insurance companies. We continue to believe that system-relevant insurers will benefit from the support given to the financial markets in the industrialized nations, whereas smaller insurance companies and niche providers could rapidly lose their business base if there is a serious contraction in revenues. Focus is on the reduction of bulk risks which are specifically for this sector.

Due to its heterogeneous structure, the rest of the NBFI portfolio is split into various sub- portfolios (such as broker / dealers, regulated funds, stock exchanges, leasing / factoring, consumer finance, etc.). Of these, the largest exposure by far is to broker / dealers and regulated funds. Our outlook for the broker / dealer sector is negative, as the earnings potential of market participants is very limited due to the critical environment. The portfolio is thus being reduced to a manageable number of important counterparties. We take a less critical view of the regulated funds industry due to the strict regulation in the EU.

### 4) North American municipals with monoliner guarantees

Public Finance has securities issued by North American municipals of a nominal €4.9bn (December 31, 2008: €6.6bn) in the banking book, which are additionally guaranteed by monoliners. We were able to substantially reduce these positions by €1.7bn in the first quarter by means of active portfolio management measures and they remained virtually unchanged in the second quarter.

**Exposure by underlying rating**
in € bn



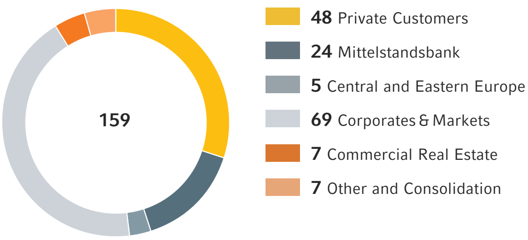

Values in parentheses: December 2008

## V. Operational and other risks

### 1. Operational risks

Operational risk is defined in accordance with the Solvency Regulation as the risk of loss resulting from the inadequacy or failure of internal processes, systems and people or from external events. This definition includes legal risks; it does not cover reputational or strategic risks.

**Expected Loss by segment**
in € m




In the projects for the integration of Dresdner Bank, which remained a large component of our work in the first half of the year, the milestones necessary to ensure the OpRisk analytic capability for the new Commerzbank were achieved. As at the end of the first half of 2009, regulatory risk-weighted assets were €15.3bn according to the new Commerzbank's integrated internal model. This is 12 % below the sum total of the individual figures calculated for the two banks. The official implementation of the joint model for regulatory purposes is currently being discussed with the regulatory authorities.

While the expected loss rose by 30 % in the first quarter owing to the recalibration of the capital model, in the second quarter it remained stable at €159m. The expected loss figure therefore continues to reflect the existing operational risks from the integration phase.

In the current financial year, losses (without legal risk provisions) of €39m were recorded as at the end of June 2009 for the new Commerzbank (figure for 2008 as a whole for Commerzbank and Dresdner Bank: €138m). Most of the events were the result of procedural errors.

The approach to establishing provisions for legal risks and the way that these are reported at new Commerzbank were largely harmonized in the first quarter. In the second quarter, the Group-wide coverage ratio for litigation risks was increased from 14 % as at March 2009 to 19 % as at end-June 2009, owing in particular to the assignment of the purchase price allocation (PPA) portfolio on an individual basis.

### 2. Other risks

In terms of all other quantifiable and non-quantifiable risks, there were no significant changes in the first half of the year compared to the position shown in the 2008 annual report.

Commerzbank uses state-of-the-art risk measurement methods and models that are based on banking sector practice. The results obtained with the risk models are suitable for the purposes of the management of the Bank. The measurement concepts are regularly reviewed by Risk Control and by Internal Audit and the external auditors. Despite the careful development of the models and regular controls, models cannot cover all influencing factors arising in reality, or the complex behaviour and interactions of these factors. These limits to risk modelling are particularly in evidence in extreme situations. Supplementary stress tests and scenario analyses can only show examples of the risks to which a portfolio may be exposed in extreme market situations; an analysis of all conceivable scenarios is not possible with stress tests either, as these cannot give a definitive indication of the maximum loss in the case of an extreme event.

## VI. Summary outlook

### Private Customers

Economic conditions look set to improve slightly in the second half of 2009. However, even if the possible economic growth materializes, it will not be strong enough to prevent another surge in unemployment in 2010. The dramatic economic slump in 2008/2009 means that company insolvencies will have risen sharply by the end of 2009 and will not fall significantly in the years that follow. We expect the insolvencies to start impacting on the Private Customers segment as early as 2009 (in particular as regards corporate customer lending and consumer loans business) and, owing to the typical lag effects in the retail portfolio, expect a significant increase in provisions for possible loan losses in 2010, including those on residential mortgage loans.

### Mittelstandsbank

The global recession is clearly having a severe impact on the German economy and left its mark on the Corporates Germany core portfolio in the first half of the year. The fiscal policy measures introduced by the government have so far only been able to counteract the negative trend in specific areas. The rating development is increasingly negative owing to credit downgrades for borrowers. As a result we anticipate a further need for restructuring and an increasing number of insolvencies. A larger percentage of the credit margin will be consequently be consumed by risk costs, creating a need for higher gross margins.

### Central and Eastern Europe

We believe that the economic crisis will reach its peak in Central and Eastern Europe in 2009. The region remains an attractive growth market in the medium term, but until GDP growth and employment return to a stable uptrend, we are taking a cautious approach to lending growth and are concentrating on cherry picking.

### Corporates & Markets

For 2009 as a whole, we are expecting the adverse economic conditions to result in further increases in risk densities. Owing to the deterioration in borrowers' credit quality, which is beginning to feed through after a time lag, rating migrations are expected to remain negative. With the secondary markets still lacking liquidity, portfolio reduction opportunities are limited.

### Commercial Real Estate

Given the severity of the financial and economic crisis, we have to assume that real estate markets are in for an extended period of correction. On the financing side, we can provide loans for investments with an attractive risk/return profile here. In the current environment, investment volumes are likely to stay at a modest level for the time being.

A relaxation/stabilization of the shipping markets is not expected until the economies of industrialized nations show a sustainable recovery. Our focus will remain on restructuring existing loans.

### Market and liquidity risks

The economic environment has stabilized significantly and there are signs of a return to modest growth in the second half of 2009. However, there is still an enormous amount of uncertainty and dips cannot be ruled out. In this difficult market environment, priority will continue to be given to consistently reducing credit spread-sensitive exposures (especially the PRU) and limiting risk across all portfolios.

Given the new Commerzbank's solid liquidity position and the excess liquidity in the market resulting from the central banks' expansive monetary policy, no liquidity bottlenecks are expected.

### Asset-backed securities

The 2009 financial year will bring further high charges in Commerzbank's ABS portfolio, as the very poor performance of US non-prime RMBSs and US CDOs of ABSs has spread to other asset classes such as CMBSs and European RMBSs due to the worsening recession in the US and the major European economies.

The unchanged illiquidity in the secondary markets for ABSs is presenting great challenges to our planned €26.3bn reduction of the ABS portfolios identified as critical. Given the circumstances, we do not expect a quick reduction of this exposure in 2009.

# Statement of compliance with International Financial Reporting Standards (IFRS) – Accounting policies and consolidated companies –

## Accounting policies

Our interim financial statements as of June 30, 2009, were prepared in accordance with Art. 315a (1) of the German Commercial Code (HGB) and Regulation (EC) No. 1606/2002 (IAS Regulation) of the European Parliament and of the Council of July 19, 2002, together with other regulations for adopting certain international accounting standards on the basis of the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS), approved and published by the International Accounting Standards Board (IASB). This report takes particular account of the requirements of IAS 34 relating to interim financial reporting.

In preparing this interim report, we have employed the same accounting policies as in our consolidated financial statements as of December 31, 2008 (see page 195 ff. of our 2008 annual report) unless otherwise required by changes in the law. This interim report takes into account the standards and interpretations that must be applied from January 1, 2009 in the EU.

In its press release of October 13, 2008, the IASB issued an amendment for the reclassification of financial instruments. In accordance with the amendment, securities in the Public Finance portfolio for which there is no active market were reclassified from the IAS 39 Available for Sale (AfS) category to the IAS 39 Loans and Receivables (LaR) category. Commerzbank has the intention and ability to hold the securities reclassified on January 31, 2009 and May 31, 2009 for the foreseeable future or until final maturity. The fair value of €3.4bn at the date of reclassification is recognized as the new carrying amount of the reclassified securities. The revaluation reserve for the reclassified securities, after deferred taxes, is –€0.2bn, compared with –€0.4bn as at December 31, 2008. The nominal volume of these subportfolios is €3.4bn. The securities concerned are primarily issued by public sector borrowers in Europe. The transactions have average effective interest rates of between 2.0 % and 5.1 % and we expect them to generate a cash inflow of €6.7bn.

The Special Fund for Financial Market Stabilization (SoFFin) provided Commerzbank with silent participations each in an amount of €8.2bn on December 31, 2008 and June 4, 2009. In addition, SoFFin received 295,338,233 no-par-value shares in Commerzbank Aktiengesellschaft from a capital increase for cash contributions approved by the Annual General Meeting on May 16, 2009, at an issue price of €6.00. As a result of this capital increase SoFFin holds a stake of 25 % plus one share in Commerzbank Aktiengesellschaft with effect from June 4, 2009. Furthermore, Commerzbank Aktiengesellschaft and Allianz concluded an agreement on June 3, 2009 on the establishment of a silent partnership, on the basis of which Allianz provided Commerzbank Aktiengesellschaft with a silent participation of €750m.

## Consolidated companies

As of January 12, 2009 (acquisition date), we acquired 100 % of the equity shares and voting rights of Dresdner Bank AG for a purchase price of €4.7bn. The purchase price consists of several components: the cash purchase price of €3.2bn, the equivalent of €0.8bn from a capital increase for non-cash contributions of 163,461,537 shares issued to Allianz (valuation as per Xetra closing price on January 12, 2009) and the four asset management companies exchanged (cominvest Asset Management GmbH, Frankfurt; cominvest Asset Management S.A., Luxembourg; Münchener Kapitalanlage Aktiengesellschaft, Munich; MK LUXINVEST S.A., Luxembourg), which are valued at €0.7bn.

In accordance with the preliminary assessment of the fair value of the assets, liabilities and contingent liabilities of Dresdner Bank as of the acquisition date, the difference of €2.4bn was booked between acquisition cost and the equity capital (€2.3bn) so far as possible to balance sheet assets (€0.3bn unrealized losses), other individually identifiable values (customer relationships, brand names; €0.8bn) and liabilities and contingent liabilities (€1.1bn hidden reserves). After allocating the hidden reserves and liabilities and taking into account the contingent liabilities, equity capital attributable to Commerzbank stands at €3.9bn. There is a residual goodwill amount of €0.8bn. This goodwill amount is based in particular on the application of employee and bank know-how, the development of additional future market potential and expected cost savings from the exploitation of economies of scale. Given the complexity of the transaction, it has not been possible to definitively ascertain the valuation parameters and the assumptions for planning purposes; as a result, the purchase price allocation is provisional. The company is exercising its right to the 12-month period permitted under IFRS 3 for determining fair value; as a result, it will not allocate the provisional goodwill figure to the cash-generating units (CGUs) until this period is underway.

The following table shows the book value immediately before the acquisition date and the provisional fair value, liabilities and contingent liabilities of the Dresdner Bank Group immediately after the acquisition date.

| Asset side<br>in € m | Assets 12.1.2009 | Fair value adjustment | Assets incl. fair value adjustment |
|---|---|---|---|
| Cash reserve | 18,642 | – | 18,642 |
| Claims on banks and customers | 183,079 | –195 | 182,884 |
| Assets held for trading purposes and positive fair values attributable to derivative hedging instruments | 190,717 | – | 190,717 |
| Financial investments | 23,448 | 132 | 23,580 |
| Intangible assets and fixed assets | 1,409 | 595 | 2,004 |
| Other assets | 2,941 | –2 | 2,939 |
| **Total assets** | **420,236** | **530** | **420,766** |

| Liabilities side<br>in € m | Liabilities 12.1.2009 | Fair value adjustment | Liabilities incl. fair value adjustment |
|---|---|---|---|
| Liabilities to banks and customers | 210,398 | –424 | 209,974 |
| Liabilities from trading activities and negative fair values attributable to derivative hedging instruments | 164,892 | – | 164,892 |
| Provisions/ contingent liabilities | 2,332 | 1,488 | 3,820 |
| Other liabilities | 31,205 | –54 | 31,151 |
| Subordinated capital and hybrids | 7,422 | –375 | 7,047 |
| Equity | 3,987 | –105 | 3,882 |
| **Total liabilities** | **420,236** | **530** | **420,766** |

Dresdner Bank's contribution to pre-tax Group results for the period from the full consolidation on January 12, 2009 until the merger in May 2009 was –€1.9bn. Had the consolidation been completed as of January 1, 2009, the pre-tax Group results would have been €0.7bn lower.

Via the acquisition of Dresdner Bank AG on January 12, 2009, we indirectly acquired an additional 40 % of the shares and voting rights of Deutsche Schiffsbank AG, Bremen/ Hamburg, for which no additional purchase price was paid. As a result, we now hold a total of 80 % of the shares of Deutsche Schiffsbank AG, which we have therefore fully consolidated versus the previous 40 % accounted for at equity.

Following the provisional measurement of the fair value of the assets, liabilities and contingent liabilities of Deutsche Schiffsbank AG at the acquisition date, a total of €56m of hidden liabilities were recognized in assets and €297m of hidden reserves in liabilities. The remaining amount of €49m is recorded as goodwill. The fair value calculation resulted in total assets of €16,775m, liabilities of €16,026m and equity capital of €749m. Given the complexity of the transaction[1], the company is exercising its right to the 12-month period permitted under IFRS for determining fair value. The contribution made to Group results by Deutsche Schiffsbank AG for the first half of 2009 since the full consolidation was €14m.

[1] See the corresponding details on the acquisition of Dresdner Bank on page 40

The following table shows the book value immediately before the acquisition date and the provisional fair value of the material assets, liabilities and contingent liabilities of Deutsche Schiffsbank AG immediately after the acquisition date:

| Asset side in € m | Assets 12.1.2009 | Fair value adjustment | Assets incl. fair value adjustment |
|---|---|---|---|
| Cash reserve | 40 | – | 40 |
| Claims on banks and customers | 13,502 | –34 | 13,468 |
| Assets held for trading purposes and financial investments | 3,207 | – | 3,207 |
| Other assets | 82 | –22 | 60 |
| **Total assets** | **16,831** | **–56** | **16,775** |

| Liabilities side in € m | Liabilities 12.1.2009 | Fair value adjustment | Liabilities incl. fair value adjustment |
|---|---|---|---|
| Liabilities to banks and customers | 11,428 | –283 | 11,145 |
| Provisions/contingent liabilities | 34 | – | 34 |
| Liabilities from trading activities/Other liabilities | 4,247 | 62 | 4,309 |
| Subordinated capital and hybrids | 614 | –76 | 538 |
| Equity | 508 | 241 | 749 |
| **Total liabilities** | **16,831** | **–56** | **16,775** |

In addition, the following subsidiaries were consolidated for the first time in 2009:

- Hibernia Sigma Beteiligungsgesellschaft mbH, Frankfurt am Main
- Real Estate Top Tegel Eins GmbH, Berlin
- Real Estate Top Tegel Zwei GmbH, Berlin
- Real Estate Top Tegel Drei GmbH, Berlin
- Real Estate Top Tegel Vier GmbH, Berlin
- Real Estate Top Tegel Sechs GmbH, Berlin
- NAVIPOS Schiffsbeteiligungsgesellschaft mbH, Hamburg
- Commerz Real Partner Hannover GmbH, Düsseldorf
- Commerz Real Partner Süd GmbH, Düsseldorf
- Commerz Real Partner Nord GmbH, Düsseldorf

Hibernia Sigma Beteiligungsgesellschaft mbH, Frankfurt am Main, has assets of €50.2m and liabilities of €0.1m. The acquisition cost for 85 % of the shares and voting rights was €42.8m. The Real Estate Top Tegel companies have total assets of €71.9m, liabilities of €70.9m and the acquisition cost for 94 % of the shares and voting rights was €0.1m. The acquisition cost for NAVIPOS Schiffsbeteiligungsgesellschaft mbH, Hamburg was €0.7m for 100 % of the shares; the company has assets of €32.5m and liabilities of €31.8m. Commerz Real Partner-Gesellschaften had assets of €0.6m, liabilities of €0.1m and the acquisition cost for 65 % of the shares was €0.05m. No excess arose for any of the above companies.

FV Holding S.A., Brussels, was added to the list of significant subsidiaries and associates.

The following funds, subsidiaries and special-purpose companies were sold, liquidated or exchanged as part of the Dresdner Bank acquisition and are therefore no longer included in the consolidation:

Sale
- Stampen S.A., Brussels

Liquidation[2]
- CICO-Fonds I, Frankfurt am Main
- SUK-Cofonds, Frankfurt am Main
- NAPEUS Schiffsbetriebsgesellschaft GmbH, Hamburg
- LOFRA GmbH & Co.KG, Frankfurt am Main
- LUFRA Beteiligungs-Holding AG, Zurich
- Mertus Zweite GmbH, Frankfurt am Main
- Dresdner Kleinwort Wasserstein (South East Asia) Ltd., Singapore
- Dresdner Kleinwort Finance BV, Amsterdam
- Dresdner Advisors LLC, Wilmington/Delaware
- ST Drive Inc., George Town
- Alkmene S.a.r.l., Luxembourg
- DRESDNER HFR ENHANCED ALPHA FUND, Hamilton

Exchange
- cominvest Asset Management GmbH, Frankfurt am Main
- cominvest Asset Management S.A., Luxembourg
- Münchener Kapitalanlage Aktiengesellschaft, Munich
- MK LUXINVEST S.A., Luxembourg

The net result from the deconsolidation of the exchanged companies amounts to €0.45bn.

[2] Including companies which have ceased operations.

# Overall results

## Consolidated income statement

| in € m | Notes | 1.1.–30.6.2009 | 1.1.–30.6.2008 | Change in % |
|---|---|---|---|---|
| Net interest income | (1) | 3,530 | 2,193 | 61.0 |
| Provision for possible loan losses | (2) | –1,837 | –589 | . |
| Net interest income after provisioning | | 1,693 | 1,604 | 5.5 |
| Net commission income | (3) | 1,797 | 1,449 | 24.0 |
| Trading profit | (4) | –430 | 548 | . |
| Net investment income | (5) | 558 | –112 | . |
| Other result | (6) | –66 | 125 | . |
| Operating expenses | (7) | 4,344 | 2,695 | 61.2 |
| **Operating profit** | | **–792** | **919** | **.** |
| Impairments of goodwill | | 70 | – | . |
| Restructuring expenses | (8) | 505 | 25 | . |
| **Profit from ordinary activities/Pre-tax profit** | | **–1,367** | **894** | **.** |
| Taxes on income | (9) | 284 | –306 | . |
| **Consolidated surplus** | | **–1,651** | **1,200** | **.** |
| attributable to minority interests | | –44 | 103 | . |
| attributable to Commerzbank shareholders | | –1,607 | 1,097 | . |

| **Earnings per share** | 1.1.–30.6.2009 | 1.1.–30.6.2008 | Change in % |
|---|---|---|---|
| Operating profit (€ m) | –792 | 919 | . |
| Consolidated surplus attributable to Commerzbank shareholders (€ m) | –1,607 | 1,097 | . |
| Average number of ordinary shares issued (units) | 904,317,685 | 656,906,376 | 37.7 |
| Operating profit per share (€) | –0.88 | 1.40 | . |
| Basic earnings per share (€) | –1.78 | 1.67 | . |

The basic earnings per share, calculated in accordance with IAS 33, are based on the consolidated surplus attributable to Commerzbank shareholders.

## Summary of overall results

| in € m | 1.1.–30.6.2009 | 1.1.–30.6.2008 | Change in % |
|---|---|---|---|
| Consolidated surplus | –1,651 | 1,200 | . |
| Changes in revaluation reserve | –286 | –1,607 | –82.2 |
| Changes in reserve from cash flow hedges | –69 | 331 | . |
| Changes in reserve from currency translation | –247 | 98 | . |
| Other result | –602 | –1,178 | –48.9 |
| **Total result** | **–2,253** | **22** | **.** |
| attributable to minority interests | –29 | 59 | . |
| attributable to Commerzbank sharesholders | –2,224 | –37 | . |

| 2nd quarter \| in € m | 1.4.–30.6.2009 | 1.4.–30.6.2008 | Change in % |
|---|---|---|---|
| Consolidated surplus | –763 | 870 | . |
| Changes in revaluation reserve | 332 | –371 | . |
| Changes in reserve from cash flow hedges | 227 | 604 | –62.4 |
| Changes in reserve from currency translation | –68 | 84 | . |
| Other result | 491 | 317 | 54.9 |
| **Total result** | **–272** | **1,187** | **.** |
| attributable to minority interests | 13 | 60 | –78.3 |
| attributable to Commerzbank sharesholders | –285 | 1,127 | . |

| **Other result** | **1.1.–30.6.2009** | | | **1.1.–30.6.2008** | | |
|---|---|---|---|---|---|---|
| in € m | **pre-tax** | **tax** | **after tax** | **pre-tax** | **tax** | **after tax** |
| Changes in revaluation reserve | –184 | –102 | –286 | –2,072 | 465 | –1,607 |
| Changes in reserve from cash flow hedges | –93 | 24 | –69 | 529 | –198 | 331 |
| Changes in reserve from currency translation | –247 | – | –247 | 98 | – | 98 |
| **Other result** | **–524** | **–78** | **–602** | **–1,445** | **267** | **–1,178** |

| **Other result 2nd quarter** | **1.4.–30.6.2009** | | | **1.4.–30.6.2008** | | |
|---|---|---|---|---|---|---|
| in € m | **pre-tax** | **tax** | **after tax** | **pre-tax** | **tax** | **after tax** |
| Changes in revaluation reserve | 489 | –157 | 332 | –479 | 108 | –371 |
| Changes in reserve from cash flow hedges | 331 | –104 | 227 | 922 | –318 | 604 |
| Changes in reserve from currency translation | –68 | – | –68 | 84 | – | 84 |
| **Other result** | **752** | **–261** | **491** | **527** | **–210** | **317** |

## Consolidated income statement (quarter-on-quarter comparison)

| in € m | 2009 | | 2008 | | | |
|---|---|---|---|---|---|---|
| | 2nd quarter | 1st quarter | 4th quarter | 3rd quarter | 2nd quarter | 1st quarter |
| Net interest income | 1,838 | 1,692 | 1,325 | 1,211 | 1,174 | 1,019 |
| Provision for possible loan losses | –993 | –844 | –638 | –628 | –414 | –175 |
| Net interest income after provisioning | 845 | 848 | 687 | 583 | 760 | 844 |
| Net commission income | 947 | 850 | 677 | 720 | 717 | 732 |
| Trading profit | 93 | –523 | –701 | –297 | 375 | 173 |
| Net investment income | 172 | 386 | –324 | –229 | –86 | –26 |
| Other result | 5 | –71 | –137 | –15 | 91 | 34 |
| Operating expenses | 2,263 | 2,081 | 1,024 | 1,237 | 1,373 | 1,322 |
| **Operating profit** | **–201** | **–591** | **–822** | **–475** | **484** | **435** |
| Impairments of goodwill | 70 | – | – | – | – | – |
| Restructuring expenses | 216 | 289 | – | – | – | 25 |
| **Profit from ordinary activities/ Pre-tax profit** | **–487** | **–880** | **–822** | **–475** | **484** | **410** |
| Taxes on income | 276 | 8 | 43 | –202 | –386 | 80 |
| **Consolidated surplus** | **–763** | **–888** | **–865** | **–273** | **870** | **330** |
| attributable to minority interests | –17 | –27 | –56 | 12 | 53 | 50 |
| attributable to Commerzbank shareholders | –746 | –861 | –809 | –285 | 817 | 280 |

# Consolidated balance sheet

| **Assets** \| in € m | Notes | **30.6.2009** | **31.12.2008** | Change in % |
|---|---|---|---|---|
| Cash reserve | | 8,300 | 6,566 | 26.4 |
| Claims on banks | (11, 13, 14) | 98,155 | 62,969 | 55.9 |
| Claims on customers | (12, 13, 14) | 397,178 | 284,815 | 39.5 |
| Positive fair values attributable to derivative hedging instruments | | 12,854 | 10,528 | 22.1 |
| Assets held for trading purposes | (15) | 235,971 | 118,569 | 99.0 |
| Financial investments | (16) | 138,431 | 127,450 | 8.6 |
| Intangible assets | (17) | 3,083 | 1,336 | . |
| Fixed assets | (18) | 2,163 | 1,240 | 74.4 |
| Tax assets | | 6,619 | 6,698 | –1.2 |
| Other assets | (19) | 9,061 | 5,025 | 80.3 |
| **Total** | | **911,815** | **625,196** | **45.8** |

| **Liabilities and equity** \| in € m | Notes | **30.6.2009** | **31.12.2008** | Change in % |
|---|---|---|---|---|
| Liabilities to banks | (20) | 148,406 | 128,492 | 15.5 |
| Liabilities to customers | (21) | 296,620 | 170,203 | 74.3 |
| Securitized liabilities | (22) | 172,722 | 165,827 | 4.2 |
| Negative fair values attributable to derivative hedging instruments | | 19,439 | 21,463 | –9.4 |
| Liabilities from trading activities | (23) | 209,594 | 96,208 | . |
| Provisions | (24) | 4,612 | 2,030 | . |
| Tax liabilities | | 3,676 | 3,161 | 16.3 |
| Other liabilities | (25) | 7,031 | 2,914 | . |
| Subordinated capital | (26) | 16,564 | 11,836 | 39.9 |
| Hybrid capital | (27) | 4,004 | 3,158 | 26.8 |
| Equity of Commerzbank Group | | 29,147 | 19,904 | 46.4 |
| Subscribed capital | | 3,071 | 1,877 | 63.6 |
| Capital reserve | | 7,945 | 6,619 | 20.0 |
| Retained earnings | | 5,912 | 5,904 | 0.1 |
| Silent participation | | 17,178 | 8,200 | . |
| Revaluation reserve | | –2,543 | –2,221 | 14.5 |
| Reserve from cash flow hedges | | –938 | –872 | 7.6 |
| Reserve from currency translation | | –489 | –260 | 88.1 |
| 2008 consolidated profit [1] | | – | – | . |
| Consolidated surplus 1.1.–30.6.2009 [2] | | –1,607 | – | . |
| Total before minority interests | | 28,529 | 19,247 | 48.2 |
| Minority interests | | 618 | 657 | –5.9 |
| **Total** | | **911,815** | **625,196** | **45.8** |

[1] after allocation to retained earnings; [2] insofar as attributable to Commerzbank shareholders

# Statement of changes in equity

The changes in the Commerzbank Group's equity were as follows during the first six months:

| in € m | Subscribed capital | Capital reserve | Retained earnings | Silent participation | Revaluation reserve | Reserve from Cash Flow Hedges | Reserve from currency translation | Consolidated profit | Total before minority interests | Minority interests | Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Equity as of 1.1.2008** | **1,708** | **5,709** | **6,158** | **–** | **903** | **34** | **–34** | **657** | **15,135** | **997** | **16,132** |
| Consolidated surplus | | | | | | | | 3 | 3 | 59 | 62 |
| Allocation to retained earnings | | | 1 | | | | | –1 | – | | – |
| Distribution from SoFFin silent participation | | | | | | | | –2 | –2 | | –2 |
| Other result | | | | | –3,120 | –906 | –255 | | –4,281 | –266 | –4,547 |
| Capital increases | 170 | 924 | | | | | | | 1,094 | | 1,094 |
| Profits/losses in previous year | | | | | | | | | – | –8 | –8 |
| Allocation to retained earnings (minority interests) | | | | | | | | | – | 53 | 53 |
| Dividend | | | | | | | | –657 | –657 | | –657 |
| Changes in holdings in affiliated and other companies | | | –223 | | | | | | –223 | | –223 |
| Changes in companies included in consolidation and other changes [1] | –1 | –14 | –32 | 8,200 | –4 | | 29 | | 8,178 | –178 | 8,000 |
| **Equity as of 31.12.2008** | **1,877** | **6,619** | **5,904** | **8,200** | **–2,221** | **–872** | **–260** | **–** | **19,247** | **657** | **19,904** |
| Consolidated surplus | | | | | | | | –1,607 | –1,607 | –44 | –1,651 |
| Allocation to retained earnings | | | | | | | | | – | | – |
| Distribution from SoFFin silent participation | | | | | | | | | – | | – |
| Other result | | | | | –322 | –66 | –229 | | –617 | 15 | –602 |
| Capital increases | 1,193 | 1,320 | | | | | | | 2,513 | | 2,513 |
| Profits/losses in previous year | | | | | | | | | – | –58 | –58 |
| Allocation to retained earnings (minority interests) | | | | | | | | | – | 71 | 71 |
| Dividend | | | | | | | | | – | | – |
| Changes in holdings in affiliated and other companies | | | –2 | | | | | | –2 | | –2 |
| Changes in companies included in consolidation and other changes [1] | 1 | 6 | 10 | 8,978 | | | | | 8,995 | –23 | 8,972 |
| **Equity as of 30.6.2009** | **3,071** | **7,945** | **5,912** | **17,178** | **–2,543** | **–938** | **–489** | **–1,607** | **28,529** | **618** | **29,147** |

[1] including change in treasury shares, change in own derivative equity instruments and proceeds from silent participation.

NB: statement of changes in equity from 1.1. to 30.6.2008

| in € m | Sub-scribed capital | Capital reserve | Retained earnings | Silent partici-pation | Revalu-ation reserve | Reserve from Cash Flow Hedges | Reserve from currency translation | Consoli-dated profit | Total before minority interests | Minority interests | Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Equity as of 1.1.2008** | **1,708** | **5,709** | **6,158** | **–** | **903** | **34** | **–34** | **657** | **15,135** | **997** | **16,132** |
| Consolidated surplus | | | | | | | | 1,097 | 1,097 | 103 | 1,200 |
| Allocation to retained earnings | | | | | | | | | – | | – |
| Other result | | | | | –1,524 | 325 | 65 | | –1,134 | –44 | –1,178 |
| Capital increases | | | | | | | | | – | | – |
| Issue of shares to employees | | | | | | | | | – | | – |
| Profits/losses in previous year | | | | | | | | | – | –7 | –7 |
| Allocation to retained earnings (minority interests) | | | | | | | | | – | 52 | 52 |
| Dividend | | | | | | | | –657 | –657 | | –657 |
| Changes in holdings in affiliated and other companies | | | –190 | | | | | | –190 | | –190 |
| Changes in companies included in consolidation and other changes [1] | | 3 | –38 | | –4 | | 29 | | –10 | 88 | 78 |
| **Equity as of 30.6.2008** | **1,708** | **5,712** | **5,930** | **–** | **–625** | **359** | **60** | **1,097** | **14,241** | **1,189** | **15,430** |

[1] including change in treasury shares

# Cash flow statement (short version)

| in € m | 2009 | 2008 |
|---|---|---|
| **Cash and cash equivalents as of 1.1.** | **6,566** | **5,157** |
| Net cash provided by operating activities | –7,289 | –6,755 |
| Net cash used by investing activities | –8,049 | 5,702 |
| Net cash provided by financing activities | 17,072 | –542 |
| **Total cash flow** | **1,734** | **–1,595** |
| Effects of exchange-rate changes | –44 | –6 |
| Effects of minority interests | 44 | –53 |
| **Cash and cash equivalents as of 30.6.** | **8,300** | **3,503** |

The cash flow statement shows the changes in cash and cash equivalents in the Commerzbank Group. These are represented by the cash reserve item, which is made up of cash on hand, balances with central banks, as well as debt issued by public sector borrowers and bills of exchange discountable at central banks.

# Notes to the income statement

### (1) Net interest income

| in € m | 1.1.–30.6.2009 | 1.1.–30.6.2008 | Change in % |
|---|---|---|---|
| Interest income from lending and money-market transactions and also from financial investments securities portfolio[1] | 10,816 | 10,699 | 1.1 |
| Gains from the sale of loans and receivables | 35 | – | . |
| Dividends from securities | 21 | 57 | –63.2 |
| Current result on investments, investments in associated companies and holdings in subsidiaries | 59 | 84 | –29.8 |
| Current income from assets and debt held for sale as well as from investment properties | 50 | 44 | 13.6 |
| *Interest income* | *10,981* | *10,884* | *0.9* |
| *of which: Interest income from applying the fair value option* | *138* | *68* | *.* |
| Interest paid on subordinated and hybrid capital and also on securitized and other liabilities | 7,415 | 8,667 | –14.4 |
| Losses from the sale of loans and receivables | 16 | – | . |
| Current expenses from assets and debt held for sale as well as from investment properties | 20 | 24 | –16.7 |
| *Interest expenses* | *7,451* | *8,691* | *–14.3* |
| *of which: Interest expenses from applying the fair value option* | *251* | *46* | *.* |
| **Total** | **3,530** | **2,193** | **61.0** |

[1] Herein €35m (previous year: €21m) are included in the current business year from prepayment penalty fees.

The unwinding effect for the first half of 2009 is €63m.

### (2) Provision for possible loan losses

| in € m | 1.1.–30.6.2009 | 1.1.–30.6.2008 | Change in % |
|---|---|---|---|
| Allocation to provisions | –2,530 | –825 | . |
| Reversals of provisions | 760 | 304 | . |
| Balance of direct write-downs, write-ups and amounts received on written-down claims | –67 | –68 | –1.5 |
| **Total** | **–1,837** | **–589** | **.** |

### (3) Net commission income

| in € m | 1.1.–30.6.2009 | 1.1.–30.6.2008 | Change in % |
|---|---|---|---|
| Securities transactions | 624 | 507 | 23.1 |
| Asset management | 123 | 217 | –43.3 |
| Payment transactions and foreign commercial business | 416 | 256 | 62.5 |
| Real-estate lending business | 89 | 161 | –44.7 |
| Guarantees | 124 | 94 | 31.9 |
| Income from syndicated business | 121 | 57 | . |
| Trust transactions at third-party risk | 2 | 2 | 0.0 |
| Other net commission income | 298 | 155 | 92.3 |
| **Total** [1] | **1,797** | **1,449** | **24.0** |

[1] of which commissions paid: €385m (previous year: €285m)

Net commission income includes €358m from transactions in financial instruments that are not measured at fair value through profit or loss.

### (4) Trading profit

| in € m | 1.1.–30.6.2009 | 1.1.–30.6.2008 | Change in % |
|---|---|---|---|
| Net result on trading | 18 | 599 | –97.0 |
| Net result on the valuation of derivative financial instruments | –834 | –68 | . |
| Net result on hedge accounting | –3 | 8 | . |
| Net result from applying the fair value option | 389 | 9 | . |
| **Total** | **–430** | **548** | **.** |

## (5) Net investment income

| in € m | 1.1.–30.6.2009 | 1.1.–30.6.2008 | Change in % |
|---|---|---|---|
| **Net result from interest-bearing business** | **–329** | **–250** | **31.6** |
| in the available-for-sale category | –36 | 24 | . |
| Gains on disposals (rebooking from the revaluation reserve)[1] | 134 | 46 | . |
| Losses on disposals (rebooking from the revaluation reserve)[1] | –170 | –22 | . |
| in the loans and receivables category | 1 | –20 | . |
| Gains on disposals | 1 | 40 | –97.5 |
| Losses on disposals | – | –60 | –100.0 |
| Net valuation result[2] | –294 | –254 | 15.7 |
| **Net result from equity instruments** | **887** | **138** | **.** |
| in the available-for-sale category | 627 | 47 | . |
| Gains on disposal (rebooking from the revaluation reserve)[1] | 768 | 50 | . |
| Losses on disposals (rebooking from the revaluation reserve)[1] | –141 | –3 | . |
| in the available-for-sale category, valued at cost of acquisition | 459 | 256 | 79.3 |
| Net valuation result | –199 | –165 | 20.6 |
| Net result on disposals and valuation of holdings in associated companies | – | – | . |
| **Total** | **558** | **–112** | **.** |

[1] This includes a net amount of €283m of rebookings from the revaluation reserve which relate to the financial year 2009.
[2] Herein are included portfolio valuation allowances of €17m (previous year: €0m) on investments in the loans and receivables category. The subprime-related valuation losses shown above for the CDO and RMBS portfolio amount to €104m (previous year: €243m).

## (6) Other result

| in € m | 1.1.–30.6.2009 | 1.1.–30.6.2008 | Change in % |
|---|---|---|---|
| Other income | 280 | 311 | –10.0 |
| Other expenses | 346 | 186 | 86.0 |
| **Total** | **–66** | **125** | **.** |

## (7) Operating expenses

| in € m | 1.1.–30.6.2009 | 1.1.–30.6.2008 | Change in % |
|---|---|---|---|
| Personnel expenses | 2,395 | 1,502 | 59.5 |
| Other expenses | 1,712 | 1,040 | 64.6 |
| Current depreciation on fixed assets and other intangible assets | 237 | 153 | 54.9 |
| **Total** | **4,344** | **2,695** | **61.2** |

### (8) Restructuring expenses

| in € m | 1.1.–30.6.2009 | 1.1.–30.6.2008 | Change in % |
|---|---|---|---|
| Expenses for restructuring measures introduced | 505 | 25 | . |
| **Total** | **505** | **25** | **.** |

Restructuring expenses of €505m relate in part to the integration of Dresdner Bank AG into Commerzbank AG (€445m) and are largely attributable to the personnel sector. Other restructuring expenses of €60m stem from the strategic reorganization of Commercial Real Estate business at Eurohypo.

### (9) Taxes on income

At June 30, 2009, the Group tax rate, i.e. the anticipated average tax rate on the basis of anticipated pre-tax profit for the full reporting year, was –20.8 %. This is the rate used to calculate tax liability for the first six months of 2009, which totalled €284m. The derecognition of the deferred tax losses of our UK entity had a significant impact on the tax rate in the period under review.

### (10) Segment reporting

Segment reporting reflects the results of the operating business segments included in the Commerzbank Group. The following segment information is based on IFRS 8 "Operating Segments", which follows the so-called management approach. In accordance with this standard, segment information must be prepared on the basis of the internal reporting information that is evaluated by the "chief operating decision maker" to assess the performance of the operating segments and make decisions regarding the allocation of resources to the operating segments. Within the Commerzbank Group, the function of "chief operating decision maker" is exercised by the Board of Managing Directors.

Our segment reporting covers five operating segments and the Others and Consolidation segment. This procedure follows the Commerzbank Group's organizational structure and forms the basis for internal management reporting. The business segments are divided up on the basis of differences between products, services and/or customer target groups. Segment reporting reflects the new Group structure of Commerzbank AG, which was implemented on January 1, 2009. Prior-year figures have been restated in line with the new Group structure. The business models of the Mittelstandsbank and Corporates & Markets segments have been further developed and additional slight adjustments made in the allocation of customers to the segments. The segment reports for first-half 2009 and comparative figures for the previous year reflect the current structure.

The figures for the first quarter of 2009 represent the new Commerzbank Group following the acquisition of Dresdner Bank. The comparative figures for the first half of the previous year contain the contributions of the business segments to Group results prior to the acquisition of Dresdner Bank.

- The Private Customers segment contains the four business areas Private and Business Customers, Wealth Management, Direct Banking and Credit. The business area Private and Business Customers is active in classic branch banking business. Wealth Management provides services to wealthy clients in Germany and abroad and contains the Group's portfolio management activities. Direct Banking encompasses the activities of the comdirect bank group and all call centre services for our customers. Credit is the central business area responsible for lending operations with the above-mentioned customer groups.

- The Mittelstandsbank segment includes the Corporate Banking and Financial Institutions business areas. The Corporate Banking business area serves small and mid-sized businesses, the public sector and institutional clients. In addition, this business area also houses the competence centre for customers from the Renewable Energies sector. Our comprehensive service offering includes payments, flexible financing solutions, interest rate and currency management products, professional investment advisory services, foreign trade business and innovative banking solutions. The Financial Institutions business area is responsible for our relationships with German and foreign banks and financial institutions and central banks. The business area offers these customers comprehensive advice and support, with a strategic focus on the processing of foreign trade.

- Central and Eastern Europe contains the operations of our subsidiaries and branches in the Central and Eastern Europe region (particularly BRE Bank and Bank Forum). These are grouped together under a management holding. The holding acts as the interface between the local units and the central departments in Germany and is also the strategic decision-maker. The local units serve private and business customers and selected investment banking clients. They are the contact points for local companies in Central and Eastern Europe, as well as for cross-border business.

- Corporates & Markets consists of three major businesses. Equity Markets & Commodities trades in equities, equity derivatives and commodities products and contains the related sales resources. Fixed Income & Currencies comprises trading and sales of interest rate and currency instruments together with related derivatives as well as the central credit portfolio management operations of the Corporate & Markets segment. Corporate Finance is active in equity and debt capital financing and advisory services. In addition, Corporate & Markets houses the Group's client relationship management activities with a focus on the 100 biggest German corporates and insurances. The Group's Public Finance operations are located in Corporates & Markets as well as the workout portfolios that will be assigned to the Portfolio Restructuring Unit in future.

- Commercial Real Estate combines the results of the commercial real estate finance business (especially in the Commerzbank subsidiary Eurohypo), the immovable and movable property asset management/leasing activities of Commerz Real and Shipping (within Commerzbank itself and our subsidiary Deutsche Schiffsbank).

- The Others and Consolidation segment contains the income and expenses which are not attributable to the operating business lines. These also include those expenses and income amounts that represent the reconciliation between the internal management reporting figures shown in the segment reports and the Group financial statements in accordance with IFRS. In addition, this segment covers equity participations which are not assigned to the operating segments as well as other international asset management activities and Group Treasury. The costs of the service units and Group controlling services are also shown here, which – aside from restructuring costs – are charged in full to the segments.

The result generated by each segment is measured in terms of operating profit and pre-tax profit, as well as the return on equity and cost/income ratio. In the statement of pre-tax profits, minority interests are included in both the result and the average capital employed. All the revenue for which a segment is responsible is thus reflected in pre-tax profit.

The return on equity is calculated from the ratio between operating profit before tax and the average amount of capital employed. It shows the return on the capital employed in a given segment. The cost/income ratio in operating business reflects the cost efficiency of the various segments and shows the relationship of operating expenses to income before provisions.

Income and expenses are shown by originating unit and at market rates, with the market interest rate applied in the case of interest rate activities. Net interest income reflects the actual funding costs of the equity capital assigned to the respective business segments. The Group's return on capital employed is allocated to the net interest income of the various segments in proportion to the average capital employed in the segment. The interest rate corresponds to that of a risk-free investment in the long-term capital market. The average capital employed is calculated in 2009 using the Basel II system, based on the computed average risk-weighted assets and the capital charges for market risk positions (risk-weighted asset equivalents). At Group level, investors' capital is shown, which is used to calculate the return on equity. The regulatory capital requirement for risk-weighted assets assumed for segment reporting purposes is 7 %.

Current income from investment in associates was €3m in the first half-year (1H2008: €26m) and relates to the segments Private Customers in an amount of €5m (1H2008: –), Mittelstandsbank €2m (1H2008: €3m), Commercial Real Estate –€5m (1H2008: €21m) and Others and Consolidation €1m (1H2008: €2m). The carrying amounts of associated companies were €360m (1H2008: €297m) and are divided over the segments Private Customers €130m (1H2008: –), Mittelstandsbank €39m

(1H2008: €35m), Corporates & Markets €9m (1H2008: –), Commercial Real Estate €57m (1H2008: €245m) and Others and Consolidation €125m (1H2008: €17m).

The operating expenses shown in the operating result consist of personnel costs, other expenses, depreciation of fixed assets and amortization of other intangible assets. Restructuring expenses are stated beneath operating profit in pre-tax profit. Operating expenses are attributed to the individual segments on the basis of cost causation. Indirect costs arising from the performance of internal services are charged to the user and credited to the segment performing the service. Intra-group services are provided at market prices or at full cost.

The following tables contain information on the segments for the first half of 2009 and the first half of 2008.

| **1.1.–30.6.2009** in € m | **Private Customers** | **Mittelstandsbank** | **Central and Eastern Europe** | **Corporates & Markets** | **Commercial Real Estate** | **Others and Consolidation** | **Group** |
|---|---|---|---|---|---|---|---|
| Net interest income | 1,200 | 1,089 | 333 | 510 | 487 | –89 | 3,530 |
| Provision for possible loan losses | –161 | –309 | –375 | –478 | –507 | –7 | –1,837 |
| Net interest income after provisioning | 1,039 | 780 | –42 | 32 | –20 | –96 | 1,693 |
| Net commission income | 1,038 | 447 | 80 | 180 | 146 | –94 | 1,797 |
| Trading profit | – | 8 | 48 | –342 | 39 | –183 | –430 |
| Net investment income | –11 | –37 | –6 | –163 | –97 | 872 | 558 |
| Other result | –18 | –60 | 10 | 27 | –22 | –3 | –66 |
| *Revenue before provisioning* | *2,209* | *1,447* | *465* | *212* | *553* | *503* | *5,389* |
| *Revenue after provisioning* | *2,048* | *1,138* | *90* | *–266* | *46* | *496* | *3,552* |
| Operating expenses | 1,950 | 657 | 231 | 1,109 | 270 | 127 | 4,344 |
| **Operating profit** | **98** | **481** | **–141** | **–1,375** | **–224** | **369** | **–792** |
| Impairments of goodwill | – | – | – | – | 70 | – | 70 |
| Restructuring expenses | 94 | 25 | – | 128 | 43 | 215 | 505 |
| **Profit from ordinary activities / Pre-tax profit** | **4** | **456** | **–141** | **–1,503** | **–337** | **154** | **–1,367** |
| | | | | | | | |
| **Assets** | **96,004** | **91,264** | **25,461** | **526,411** | **104,371** | **68,304** | **911,815** |
| | | | | | | | |
| **Average equity tied up** | **2,623** | **4,817** | **1,655** | **7,141** | **5,994** | **3,005** | **25,235** |
| **Operating return on equity[1] (%)** | **7.5** | **20.0** | **–17.0** | **–38.5** | **–7.5** | **.** | **–6.3** |
| **Cost/income ratio in operating business (%)** | **88.3** | **45.4** | **49.7** | **523.1** | **48.8** | **.** | **80.6** |
| **Return on equity of pre-tax profit[1] (%)** | **0.3** | **18.9** | **–17.0** | **–42.1** | **–11.2** | **.** | **–10.8** |
| | | | | | | | |
| Staff (average no.) | 22,955 | 5,576 | 10,898 | 3,516 | 1,860 | 21,028 | 65,833 |

[1] annualized

| **1.1.–30.6.2008**<br>in € m | **Private Customers** | **Mittelstandsbank** | **Central and Eastern Europe** | **Corporates & Markets** | **Commercial Real Estate** | **Others and Consolidation** | **Group** |
|---|---|---|---|---|---|---|---|
| Net interest income | 667 | 599 | 273 | 227 | 480 | –53 | 2,193 |
| Provision for possible loan losses | –80 | –24 | –43 | –93 | –349 | – | –589 |
| Net interest income after provisioning | 587 | 575 | 230 | 134 | 131 | –53 | 1,604 |
| Net commission income | 700 | 305 | 103 | 43 | 213 | 85 | 1,449 |
| Trading profit | –5 | 2 | 69 | 485 | 2 | –5 | 548 |
| Net investment income | –8 | –16 | 60 | –101 | –203 | 156 | –112 |
| Other result | –3 | 10 | 6 | 32 | 24 | 56 | 125 |
| *Revenue before provisioning* | *1,351* | *900* | *511* | *686* | *516* | *239* | *4,203* |
| *Revenue after provisioning* | *1,271* | *876* | *468* | *593* | *167* | *239* | *3,614* |
| Operating expenses | 1,001 | 427 | 246 | 557 | 257 | 207 | 2,695 |
| **Operating profit** | **270** | **449** | **222** | **36** | **–90** | **32** | **919** |
| Impairments of goodwill | – | – | – | – | – | – | – |
| Restructuring expenses | – | – | – | 25 | – | – | 25 |
| **Profit from ordinary activities / Pre-tax profit** | **270** | **449** | **222** | **11** | **–90** | **32** | **894** |
| | | | | | | | |
| **Assets** | **56,886** | **77,247** | **27,943** | **323,307** | **85,218** | **44,622** | **615,223** |
| | | | | | | | |
| **Average equity tied up** | **1,365** | **2,546** | **1,500** | **3,230** | **3,734** | **2,167** | **14,542** |
| **Operating return on equity [1] (%)** | **39.6** | **35.3** | **29.6** | **2.2** | **–4.8** | **.** | **12.6** |
| **Cost/income ratio in operating business (%)** | **74.1** | **47.4** | **48.1** | **81.2** | **49.8** | **.** | **64.1** |
| **Return on equity of pre-tax profit [1] (%)** | **39.6** | **35.3** | **29.6** | **0.7** | **–4.8** | **.** | **12.3** |
| | | | | | | | |
| Staff (average no.) | 10,839 | 3,538 | 7,760 | 1,773 | 1,612 | 11,574 | 37,096 |

[1] annualized

**Details "Others and Consolidation"**

| | first half 2009 | | | first half 2008 | | |
|---|---|---|---|---|---|---|
| in € m | **Others** | **Consoli-dation** | **Others and Con-solidation** | **Others** | **Consoli-dation** | **Others and Con-solidation** |
| Net interest income | –96 | 7 | –89 | –23 | –30 | –53 |
| Provision for possible loan losses | –7 | – | –7 | – | – | – |
| Net interest income after provisioning | –103 | 7 | –96 | –23 | –30 | –53 |
| Net commission income | –35 | –59 | –94 | 86 | –1 | 85 |
| Trading profit | –50 | –133 | –183 | –3 | –2 | –5 |
| Net investment income | 883 | –11 | 872 | 156 | – | 156 |
| Other result | –9 | 6 | –3 | 21 | 35 | 56 |
| *Revenue before provisioning* | *693* | *–190* | *503* | *237* | *2* | *239* |
| *Revenue after provisioning* | *686* | *–190* | *496* | *237* | *2* | *239* |
| Operating expenses | 121 | 6 | 127 | 171 | 36 | 207 |
| **Operating profit** | **565** | **–196** | **369** | **66** | **–34** | **32** |
| Restructuring expenses | 115 | 100 | 215 | – | – | – |
| **Profit from ordinary activities / Pre-tax profit** | **450** | **–296** | **154** | **66** | **–34** | **32** |
| | | | | | | |
| **Assets** | **68,304** | **–** | **68,304** | **44,622** | **–** | **44,622** |

There are two notes for the Others and Consolidation segment:

- The results of the market segments for the period January 1 to June 30, 2009 are shown in their entirety. The difference versus the Group result – which only pertains to the period from January 13 to June 30, 2009 for Dresdner Bank – is recognized under Others and Consolidation.
- The allocation of data to Others and Consolidation is performed on the basis of the current structure. During the second half of 2009 it will be reviewed whether some of this data should be allocated to other segments on a case-by-case basis. The requirements of IFRS 8 "Operating Segments" will be implemented fully in this connection.

### Results, by geographical market

Assignment to the respective segments on the basis of the location of the branch or consolidated company produces the following breakdown:

| **1.1.–30.6.2009**<br>in € m | Europe including Germany | America | Asia | Other countries | Total |
|---|---|---|---|---|---|
| Net interest income | 3,310 | 159 | 60 | 1 | 3,530 |
| Provision for possible loan losses | –1,603 | –229 | –5 | – | –1,837 |
| Net interest income after provisioning | 1,707 | –70 | 55 | 1 | 1,693 |
| Net commission income | 1,742 | 39 | 16 | – | 1,797 |
| Trading profit | –354 | –40 | –36 | – | –430 |
| Net investment income | 674 | –118 | 2 | – | 558 |
| Other result | –77 | 9 | 1 | 1 | –66 |
| *Revenue* | *3,692* | *–180* | *38* | *2* | *3,552* |
| Operating expenses | 4,149 | 126 | 67 | 2 | 4,344 |
| **Operating profit** | **–457** | **–306** | **–29** | **–** | **–792** |
| **Risk-weighted assets** | **240,961** | **18,861** | **3,958** | **106** | **263,886** |

In the previous year, we achieved the following results in the geographical markets:

| **1.1.–30.6.2008**<br>in € m | Europe including Germany | America | Asia | Other countries | Total |
|---|---|---|---|---|---|
| Net interest income | 2,000 | 159 | 33 | 1 | 2,193 |
| Provision for possible loan losses | –445 | –138 | –6 | – | –589 |
| Net interest income after provisioning | 1,555 | 21 | 27 | 1 | 1,604 |
| Net commission income | 1,419 | 21 | 9 | – | 1,449 |
| Trading profit | 564 | –32 | 15 | 1 | 548 |
| Net investment income | 155 | –268 | 1 | – | –112 |
| Other result | 100 | 1 | 24 | – | 125 |
| *Revenue* | *3,793* | *–257* | *76* | *2* | *3,614* |
| Operating expenses | 2,600 | 57 | 35 | 3 | 2,695 |
| **Operating profit** | **1,193** | **–314** | **41** | **–1** | **919** |
| **Risk-weighted assets** | **184,389** | **13,757** | **3,281** | **297** | **201,724** |

As a result of the acquisition of Dresdner Bank, a breakdown of Commerzbank AG's total income by products and services can only be made once the new organization's product and service definitions have been harmonized.

# Notes to the balance sheet

### (11) Claims on banks

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| due on demand | 39,507 | 19,040 | . |
| other claims | 59,167 | 44,195 | 33.9 |
| with a remaining lifetime of | | | |
| less than three months | 31,232 | 18,964 | 64.7 |
| more than three months, but less than one year | 9,713 | 8,916 | 8.9 |
| more than one year, but less than five years | 11,843 | 10,148 | 16.7 |
| more than five years | 6,379 | 6,167 | 3.4 |
| **Total** | **98,674** | **63,235** | **56.0** |
| of which: reverse repos and cash collaterals | 44,625 | 22,757 | 96.1 |
| of which relate to the category: | | | |
| Loans and receivables | 97,753 | 63,235 | 54.6 |
| Available-for-sale financial assets | – | – | . |
| Applying the fair value option | 921 | – | . |

Claims on banks after deduction of loan loss provisions were €98,155m (previous year: €62,969m).

### (12) Claims on customers

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| with indefinite remaining lifetime | 31,490 | 20,454 | 54.0 |
| other claims | 373,834 | 269,694 | 38.6 |
| with a remaining lifetime of | | | |
| less than three months | 83,738 | 46,306 | 80.8 |
| more than three months, but less than one year | 37,976 | 27,275 | 39.2 |
| more than one year, but less than five years | 128,594 | 98,238 | 30.9 |
| more than five years | 123,526 | 97,875 | 26.2 |
| **Total** | **405,324** | **290,148** | **39.7** |
| of which: reverse repos and cash collaterals | 37,388 | 9,120 | . |
| of which relate to the category: | | | |
| Loans and receivables | 401,271 | 286,030 | 40.3 |
| Available-for-sale financial assets | – | – | . |
| Applying the fair value option | 4,053 | 4,118 | –1.6 |

Claims on customers after deduction of loan loss provisions were €397,178m (previous year: €284,815m).

### (13) Total lending

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Loans to banks | 29,981 | 30,089 | –0.4 |
| Loans to customers | 373,821 | 283,564 | 31.8 |
| **Total** | **403,802** | **313,653** | **28.7** |

We distinguish loans from claims on banks and customers such that only those claims are shown as loans for which special loan agreements have been concluded with the borrowers. Therefore, interbank money-market transactions and reverse repo transactions, for example, are not shown as loans. Acceptance credits are also included in loans to customers.

### (14) Provision for possible loan losses

| **Development of provisioning** \| in € m | 2009 | 2008 | Change in % |
|---|---|---|---|
| **As of 1.1.** | **6,045** | **6,407** | **–5.7** |
| Allocations | 2,530 | 825 | . |
| Deductions | 1,460 | 625 | . |
| Utilized | 700 | 321 | . |
| Reversals | 760 | 304 | . |
| Changes in companies included in consolidation | 2,192 | 48 | . |
| Exchange-rate changes / transfers / unwinding | –14 | 11 | . |
| **As of 30.6.** | **9,293** | **6,666** | **39.4** |

With direct write-downs, write-ups and income received on previously written-down claims taken into account, the allocations and reversals reflected in the income statement gave rise to a provision of €1,837m (previous year: €589m); see Note 2.

| **Level of provisioning** \| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Specific valuation allowances | 7,380 | 4,779 | 54.4 |
| Portfolio valuation allowances | 1,285 | 820 | 56.7 |
| **Provision to cover balance-sheet items** | **8,665** | **5,599** | **54.8** |
| Provisions in lending business (specific risks) | 371 | 232 | 59.9 |
| Provisions in lending business (portfolio risks) | 257 | 214 | 20.1 |
| **Provision to cover off-balance-sheet items** | **628** | **446** | **40.8** |
| **Total** | **9,293** | **6,045** | **53.7** |

For claims on banks, provisions for possible loan losses as of June 30, 2009, amount to €519m and for claims on customers to €8,146m.

### (15) Assets held for trading purposes

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Bonds, notes and other interest-rate-related securities | 30,387 | 17,352 | 75.1 |
| Shares and other equity-related securities | 7,444 | 5,475 | 36.0 |
| Promissory notes held for trading purposes | 738 | 1,110 | –33.5 |
| Loans and positive market values of lending commitments | 1,484 | 1,650 | –10.1 |
| Positive fair values attributable to derivative financial instruments | 195,918 | 92,982 | . |
| **Total** | **235,971** | **118,569** | **99.0** |

### (16) Financial investments

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Bonds, notes and other interest-rate-related securities [1] | 135,489 | 123,938 | 9.3 |
| Shares and other equity-related securities | 1,375 | 1,999 | –31.2 |
| Investments | 1,058 | 1,093 | –3.2 |
| Investments in associated companies | 360 | 296 | 21.6 |
| Holdings in subsidiaries | 149 | 124 | 20.2 |
| **Total** | **138,431** | **127,450** | **8.6** |
| of which: at equity participations in associated companies | 360 | 296 | 21.6 |
| of which relate to the category: | | | |
| Loans and receivables [1] | 81,993 | 83,563 | –1.9 |
| Available-for-sale financial assets | 47,223 | 41,534 | 13.7 |
| of which: valued at amortized cost | 452 | 576 | –21.5 |
| Applying the fair value option | 8,855 | 2,057 | . |

[1] reduced by portfolio impairment charges of €42m (previous year: €25m)

Securities from the Public Finance portfolio previously classified as “Available for Sale” were reclassified as “Loans and Receivables” in the 2008 and 2009 financial years. The revaluation reserve after deferred taxes for the reclassified securities was –€1.2bn as at June 30, 2009. If this reclassification had not been carried out, there would have been a revaluation reserve after deferred taxes of –€1.8bn for these holdings as at June 30, 2009; the book value on the balance sheet date was €77.1bn and the fair value €76.2bn.

### (17) Intangible assets

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Goodwill | 1,794 | 1,006 | 78.3 |
| Other intangible assets | 1,289 | 330 | . |
| **Total** | **3,083** | **1,336** | **.** |

In other intangible assets, acquired customer relationships are represented with €670m (previous year: €58m) and the acquired brand names with €174m (previous year: €64m).

## (18) Fixed assets

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Land and buildings | 1,366 | 786 | 73.8 |
| Office furniture and equipment | 797 | 454 | 75.6 |
| **Total** | **2,163** | **1,240** | **74.4** |

## (19) Other assets

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Collection items | 134 | 764 | –82.5 |
| Precious metals | 625 | 815 | –23.3 |
| Leased equipment | 363 | 358 | 1.4 |
| Assets held for sale | 1,961 | 684 | . |
| Assets held as financial investments | 954 | 909 | 5.0 |
| Sundry assets, including deferred items | 5,024 | 1,495 | . |
| **Total** | **9,061** | **5,025** | **80.3** |

## (20) Liabilities to banks

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| due on demand | 38,860 | 19,894 | 95.3 |
| with remaining lifetime of | 109,546 | 108,598 | 0.9 |
| less than three months | 52,794 | 70,252 | –24.9 |
| more than three months, but less than one year | 15,192 | 13,677 | 11.1 |
| more than one year, but less than five years | 26,246 | 11,398 | . |
| more than five years | 15,314 | 13,271 | 15.4 |
| **Total** | **148,406** | **128,492** | **15.5** |
| of which: repos and cash collaterals | 29,611 | 31,008 | –4.5 |
| of which relate to the category: | | | |
| Liabilities measured at amortized cost | 145,346 | 128,479 | 13.1 |
| Applying the fair value option | 3,060 | 13 | . |

### (21) Liabilities to customers

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Savings deposits | 8,074 | 9,821 | –17.8 |
| with agreed period of notice of | | | |
| three months | 7,205 | 9,131 | –21.1 |
| more than three months | 869 | 690 | 25.9 |
| Other liabilities to customers | 288,546 | 160,382 | 79.9 |
| due on demand | 146,968 | 57,883 | . |
| with agreed remaining lifetime of | 141,578 | 102,499 | 38.1 |
| less than three months | 61,908 | 45,763 | 35.3 |
| more than three months, but less than one year | 28,747 | 18,290 | 57.2 |
| more than one year, but less than five years | 15,501 | 12,572 | 23.3 |
| more than five years | 35,422 | 25,874 | 36.9 |
| **Total** | **296,620** | **170,203** | **74.3** |
| of which: repos and cash collaterals | 27,526 | 8,944 | . |
| of which relate to the category: | | | |
| Liabilities measured at amortized cost | 294,571 | 169,848 | 73.4 |
| Applying the fair value option | 2,049 | 355 | . |

### (22) Securitized liabilities

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Bonds and notes issued | 157,627 | 154,801 | 1.8 |
| of which: mortgage Pfandbriefe | 30,866 | 30,953 | –0.3 |
| public-sector Pfandbriefe | 73,747 | 88,695 | –16.9 |
| Money-market instruments issued | 15,010 | 10,923 | 37.4 |
| Own acceptances and promissory notes outstanding | 85 | 103 | –17.5 |
| **Total** | **172,722** | **165,827** | **4.2** |
| of which relate to the category: | | | |
| Liabilities measured at amortized cost | 170,985 | 164,560 | 3.9 |
| Applying the fair value option | 1,737 | 1,267 | 37.1 |

| **Remaining lifetimes of securitized liabilities** \| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| due on demand | 227 | 218 | 4.1 |
| with agreed remaining lifetime of | 172,495 | 165,609 | 4.2 |
| less than three months | 23,637 | 23,823 | –0.8 |
| more than three months, but less than one year | 26,774 | 29,848 | –10.3 |
| more than one year, but less than five years | 93,885 | 84,576 | 11.0 |
| more than five years | 28,199 | 27,362 | 3.1 |
| **Total** | **172,722** | **165,827** | **4.2** |

In the first six months of financial year 2009 new bonds and notes amounting to €28.9bn were issued. In the same period the volume of repayments/repurchases amounted to €1.7bn and the volume of bonds and notes maturing to €37.8bn.

### (23) Liabilities from trading activities

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Currency-related transactions | 22,265 | 15,707 | 41.8 |
| Interest-rate-related transactions | 139,388 | 63,351 | . |
| Delivery commitments arising from short sales of securities, negative market values of lending commitments and other liabilities from trading activities | 18,944 | 4,414 | . |
| Sundry transactions | 28,997 | 12,736 | . |
| **Total** | **209,594** | **96,208** | **.** |

### (24) Provisions

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Provisions for pensions and similar commitments | 946 | 195 | . |
| Other provisions | 3,666 | 1,835 | 99.8 |
| **Total** | **4,612** | **2,030** | **.** |

### (25) Other liabilities

Other liabilities of €7,031m (31.12.2008: €2,914m) include obligations arising from still outstanding invoices, deductions from salaries to be passed on and deferred liabilities. In addition, this item includes liabilities of €501m (previous year: €329m) which relate to assets yet to be disposed of as well as borrowed funds from minority interests amounting to €1,213m (previous year: €675m).

### (26) Subordinated capital

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Subordinated liabilities | 12,631 | 10,006 | 26.2 |
| Profit-sharing rights outstanding | 2,995 | 1,124 | . |
| Deferred interest, including discounts | 388 | 225 | 72.4 |
| Valuation effects | 550 | 481 | 14.3 |
| **Total** | **16,564** | **11,836** | **39.9** |
| of which relate to the category: | | | |
| Liabilities measured at amortized cost | 16,536 | 11,836 | 39.7 |
| Applying the fair value option | 28 | – | . |

The volume of maturing issues in subordinated liabilities was €1.8bn in first-half 2009.

### (27) Hybrid capital

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Hybrid capital | 3,975 | 3,038 | 30.8 |
| Deferred interest, including discounts | 11 | 107 | –89.7 |
| Valuation effects | 18 | 13 | 38.5 |
| **Total** | **4,004** | **3,158** | **26.8** |
| of which relate to the category: | | | |
| Liabilities measured at amortized cost | 4,004 | 3,158 | 26.8 |
| Applying the fair value option | – | – | . |

In the first six months of financial year 2009 new bonds and notes amounting to €0.5bn were issued.

# Other notes

### (28) Risk-weighted assets and capital ratios

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Core capital | 33,410 | 22,500 | 48.5 |
| Supplementary capital | 12,350 | 8,357 | 47.8 |
| Tier III capital | 25 | 25 | 0.0 |
| **Eligible own funds** | **45,785** | **30,882** | **48.3** |

| **as of 30.6.2009** | **Capital charges in %** | | | **Total** |
|---|---|---|---|---|
| in € m | **< 20** | **from 20 up to under 100** | **100 and more** | |
| Commercial business | 14,187 | 107,851 | 116,137 | 238,175 |
| Derivative business | 3,500 | 11,653 | 10,558 | 25,711 |
| **Risk-weighted assets, total** | **17,687** | **119,504** | **126,695** | **263,886** |
| | | | | |
| Risk-weighted market-risk position multiplied by 12.5 | | | | 15,269 |
| Risk-weighted market-risk position for operational risk multiplied by 12.5 | | | | 17,424 |
| Total items to be risk-weighted | | | | 296,579 |
| Eligible own funds | | | | 45,785 |
| Core capital ratio | | | | 11.3 |
| Own funds ratio | | | | 15.4 |

| as of 31.12.2008 | Capital charges in % | | | Total |
|---|---|---|---|---|
| in € m | < 20 | from 20 up to under 100 | 100 and more | |
| Commercial business | 12,327 | 83,817 | 98,543 | 194,687 |
| Derivative business | 2,118 | 3,880 | 6,753 | 12,751 |
| **Risk-weighted assets, total** | **14,445** | **87,697** | **105,296** | **207,438** |
| | | | | |
| Risk-weighted market-risk position multiplied by 12.5 | | | | 4,891 |
| Risk-weighted market-risk position for operational risk multiplied by 12.5 | | | | 9,495 |
| Total items to be risk-weighted | | | | 221,824 |
| Eligible own funds | | | | 30,882 |
| Core capital ratio | | | | 10.1 |
| Own funds ratio | | | | 13.9 |

The calculation of risk weighted assets and capital ratios for international comparative purposes is carried out on the basis of the consolidated report further to IFRS. For the purposes of reports (SolvV) to the Deutsche Bundesbank and the Bundesanstalt für Finanzdiensteistungsaufsicht, the German Commercial Code (HGB) is taken as the calculatory basis.

### (29) Contingent liabilities and irrevocable lending commitments

| in € m | 30.6.2009 | 31.12.2008 | Change in % |
|---|---|---|---|
| Contingent liabilities | 45,933 | 33,035 | 39.0 |
| from rediscounted bills of exchange credited to borrowers | 1 | 2 | –50.0 |
| from guarantees and indemnity agreements | 45,363 | 32,695 | 38.7 |
| Other commitments | 569 | 338 | 68.3 |
| Irrevocable lending commitments | 68,092 | 49,873 | 36.5 |

Provisioning for contingent liabilities and irrevocable lending commitments has been deducted from the respective items.

### (30) Derivative transactions

Derivative transactions (investment and trading books) involved the following nominal amounts and fair values:

| 30.6.2009 | Nominal amount, by remaining lifetime | | | | Fair values | |
|---|---|---|---|---|---|---|
| in € m | less than one year | more than one year, but under five years | more than five years | Total | positive | negative |
| Foreign currency-based forward transactions | 782,221 | 235,346 | 88,932 | 1,106,499 | 24,629 | 22,619 |
| Interest-based forward transactions | 2,782,526 | 4,164,148 | 3,834,687 | 10,781,361 | 281,281 | 285,731 |
| Other forward transactions | 346,402 | 721,051 | 116,150 | 1,183,603 | 50,855 | 49,732 |
| **Gross result** | **3,911,149** | **5,120,545** | **4,039,769** | **13,071,463** | **356,765** | **358,082** |
| *of which: traded on a stock exchange* | *393,180* | *94,373* | *4,972* | | | |
| **Net result in the balance sheet** | | | | | **208,772** | **210,089** |

| 31.12.2008 | Nominal amount, by remaining lifetime | | | | Fair values | |
|---|---|---|---|---|---|---|
| in € m | less than one year | more than one year, but under five years | more than five years | Total | positive | negative |
| Foreign currency-based forward transactions | 321,349 | 137,079 | 56,581 | 515,009 | 17,856 | 16,294 |
| Interest-based forward transactions | 1,735,846 | 2,088,327 | 2,144,016 | 5,968,189 | 124,692 | 136,823 |
| Other forward transactions | 104,113 | 136,967 | 26,330 | 267,410 | 13,634 | 12,812 |
| **Gross result** | **2,161,308** | **2,362,373** | **2,226,927** | **6,750,608** | **156,182** | **165,929** |
| *of which: traded on a stock exchange* | *113,885* | *27,141* | *2,336* | | | |
| **Net result in the balance sheet** | | | | | **103,510** | **113,257** |

## (31) Fair value of financial instruments

| | Fair value | | Book value | | Difference | |
|---|---|---|---|---|---|---|
| in € bn | 30.6.2009 | 31.12.2008 | 30.6.2009 | 31.12.2008 | 30.6.2009 | 31.12.2008 |
| **Assets** | | | | | | |
| Cash reserve | 8.3 | 6.6 | 8.3 | 6.6 | – | – |
| Claims on banks | 98.0 | 63.0 | 98.2 | 63.0 | –0.2 | 0.0 |
| Claims on customers | 397.2 | 284.2 | 397.2 | 284.8 | 0.0 | –0.6 |
| Hedging instruments | 12.9 | 10.5 | 12.9 | 10.5 | – | – |
| Assets held for trading purposes | 236.0 | 118.6 | 236.0 | 118.6 | – | – |
| Financial investments | 137.4 | 126.9 | 138.4 | 127.5 | –1.0 | –0.6 |
| **Liabilities** | | | | | | |
| Liabilities to banks | 147.3 | 127.1 | 148.4 | 128.5 | –1.1 | –1.4 |
| Liabilities to customers | 295.3 | 169.4 | 296.6 | 170.2 | –1.3 | –0.8 |
| Securitized liabilities | 170.9 | 164.0 | 172.7 | 165.8 | –1.8 | –1.8 |
| Hedging instruments | 19.4 | 21.5 | 19.4 | 21.5 | – | – |
| Liabilities from trading activities | 209.6 | 96.2 | 209.6 | 96.2 | – | – |
| Subordinated and hybrid capital | 16.7 | 11.9 | 20.6 | 15.0 | –3.9 | –3.1 |

In net terms, the difference between the book value and fair value amounted for all items to €6.9bn as of June 30, 2009 (31.12.2008: €5.9bn).

## (32) Treasury shares

| | Number of shares[1] in units | Accounting par value in €1,000 | Percentage of share capital |
|---|---|---|---|
| Portfolio on 30.6.2009 | 388,126 | 1,009 | 0.03 |
| Largest total acquired during the financial year | 7,137,100 | 18,556 | 0.60 |
| Total shares pledged by customers as collateral on 30.6.2009 | 10,745,884 | 27,939 | 0.91 |
| Shares acquired during the financial year | 79,964,488 | 207,908 | – |
| Shares disposed of during the financial year | 79,801,303 | 207,483 | – |

[1] accounting par value per share: €2.60

### (33) Dealings with related companies and persons

As part of its normal business, Commerzbank AG does business with related companies and persons. These include parties that are controlled but not consolidated for reasons of materiality, associated companies, external service providers of occupational pensions for Commerzbank AG employees, key management personnel and their dependants as well as companies controlled by people belonging to this group. Key management personnel refers exclusively to members of Commerzbank AG's Board of Managing Directors and Supervisory Board.

In the first quarter of 2009 there were two major changes regarding related parties. First, Schiffsbank AG is no longer regarded as a related party, but rather as a subsidiary which is fully consolidated in the financial statements. As a consequence, business relationships between Commerzbank AG and Schiffsbank AG have been entirely eliminated from the consolidated financial statements. Second, the number of related parties has increased due to the first-time consolidation of Dresdner Bank AG. In the second quarter there were further changes in the group of consolidated companies due to newly appointed and/or departing people in key positions and in other related parties associated with this.

Assets and liabilities and off-balance-sheet items in connection with related parties changed as follows in the year under review:

| in € m | 1.1.2009 | Additions | Disposals | Changes in consolidated companies | Changes in exchange rates | 30.6.2009 |
|---|---|---|---|---|---|---|
| Claims on banks | 622 | 1 | 98 | 365 | – | 890 |
| Claims on customers | 885 | 520 | 155 | – | –5 | 1 245 |
| Financial investments | 37 | 2 | 7 | – | –3 | 29 |
| **Total** | **1 544** | **523** | **260** | **365** | **–8** | **2 164** |
| Liabilities to banks | 256 | 6 | 42 | –217 | – | 3 |
| Liabilities to customers | 1 885 | 155 | 51 | –436 | –3 | 1 550 |
| **Total** | **2 141** | **161** | **93** | **–653** | **–3** | **1 553** |
| | | | | | | |
| **Off-balance-sheet items** | | | | | | |
| Granted guarantees and collateral | 322 | – | 266 | 124 | – | 180 |
| Received guarantees and collateral | 10 | 2 | – | – | – | 12 |

In addition, the Commerzbank Group held trading assets of €713m as at June 30, 2009 and trading liabilities of €888m. These trading positions stem largely from non-consolidated funds.

The following income and expenses arose from loan agreements with, deposits from and services provided in connection with related companies and persons:

| **1.1.-30.6.2009** \| in € m | Expenses | Income |
|---|---|---|
| Interest | 30 | 45 |
| Commission income | 5 | 6 |
| Trade | 12 | 4 |
| Write-downs/impairments | – | – |

**Responsibility statement by the Management Board**

We confirm that to the best of our knowledge the interim consolidated financial statements, prepared in accordance with the applicable accounting policies for interim financial reporting, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the prospective development of the Group during the remaining months of the financial year.

Frankfurt am Main, August 4, 2009
The Board of Managing Directors

| | | |
|---|---|---|
| Martin Blessing | Frank Annuscheit | Markus Beumer |
| Achim Kassow | Jochen Klösges | Michael Reuther |
| Stefan Schmittmann | Ulrich Sieber | Eric Strutz |

# Boards of Commerzbank Aktiengesellschaft

## Supervisory Board

**Klaus-Peter Müller**
Chairman

**Uwe Tschäge***
Deputy Chairman

**Hans-Hermann Altenschmidt***

**Dott. Sergio Balbinot**

**Dr.-Ing. Burckhard Bergmann**

**Herbert Bludau-Hoffmann***

**Dr. Nikolaus von Bomhard**
(since May 16, 2009)

**Karin van Brummelen***

**Astrid Evers***

**Uwe Foullong***

**Daniel Hampel***

**Dr.-Ing. Otto Happel**

**Sonja Kasischke***

**Prof. Dr.-Ing. Dr.-Ing. E.h. Hans-Peter Keitel**

**Alexandra Krieger***

**Friedrich Lürßen**
(until May 16, 2009)

**Dr. h.c. Edgar Meister**
(since May 16, 2009)

**Prof. h.c. (CHN) Dr. rer. oec. Ulrich Middelmann**

**Klaus Müller-Gebel**
(until May 16, 2009)

**Dr. Helmut Perlet**
(since May 16, 2009)

**Barbara Priester***

**Dr. Marcus Schenck**

**Dr.-Ing. E.h. Heinrich Weiss**
(until May 16, 2009)

**Dr. Walter Seipp**
Honorary Chairman

* elected by the Bank's employees

## Board of Managing Directors

**Martin Blessing**
Chairman

**Frank Annuscheit**

**Markus Beumer**

**Wolfgang Hartmann**
(until May 7, 2009)

**Dr. Achim Kassow**

**Jochen Klösges**
(since June 1, 2009)

**Michael Reuther**

**Dr. Stefan Schmittmann**

**Ulrich Sieber**
(since June 1, 2009)

**Dr. Eric Strutz**

# Report of the audit review[1]

**To Commerzbank Aktiengesellschaft, Frankfurt am Main**

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated balance sheet, overall results, cash flow statement, statement of changes in equity and selected explanatory notes – and the interim group management report of Commerzbank Aktiengesellschaft, Frankfurt am Main, for the period from January 1st to June 30th, 2009 which are part of the half-year financial report pursuant to § 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Frankfurt am Main, August 4, 2009

**PricewaterhouseCoopers**
**Aktiengesellschaft**
**Wirtschaftsprüfungsgesellschaft**

| | |
|---|---|
| Lothar Schreiber | Clemens Koch |
| Wirtschaftsprüfer | Wirtschaftsprüfer |
| (German Public Auditor) | (German Public Auditor) |

[1] Translation of the auditors' report issued in German language on the condensed consolidated interim financial statements prepared in German language by the management of Commerzbank Aktiengesellschaft, Frankfurt am Main. The German language statements are decisive.

# Major Group companies and major holdings

| Germany |
| --- |
| Allianz Dresdner Bauspar AG, Bad Vilbel |
| Atlas Vermögensverwaltungs-Gesellschaft mbH, Bad Homburg v.d.H. |
| comdirect bank AG, Quickborn |
| Commerz Real AG, Eschborn |
| Deutsche Schiffsbank AG, Bremen / Hamburg |
| Eurohypo AG, Eschborn |
| Süddeutsche Industrie-Beteiligungs-GmbH, Frankfurt am Main |

| Abroad |
| --- |
| BRE Bank SA, Warsaw |
| Commerzbank Capital Markets Corporation, New York |
| Dresdner Kleinwort Securities LLC, Wilmington / Delaware |
| Commerzbank (Eurasija) SAO, Moscow |
| Commerzbank Europe (Ireland), Dublin |
| Commerzbank International S.A., Luxembourg |
| Dresdner Bank Luxembourg S. A., Luxembourg |
| Commerzbank (South East Asia) Ltd., Singapore |
| Commerzbank Zrt., Budapest |
| Dresdner Investments (UK) Limited, London |
| Erste Europäische Pfandbrief- und Kommunalkreditbank AG, Luxembourg |
| Joint Stock Commercial Bank „Forum", Kiev |

**Foreign branches**
Amsterdam, Barcelona, Bratislava, Beijing, Brno (office), Brussels, Budapest, Chicago, Dubai, Grand Cayman, Hong Kong, Hradec Králové (office), Johannesburg, Košice (office), London, Los Angeles, Luxembourg, Madrid, Milan, New York, Ostrava (office), Paris, Plzeň (office), Prague, Shanghai, Singapore, Tianjin, Tokyo, Vienna, Warsaw, Zurich

**Representative offices**
Addis Ababa, Almaty, Ashgabat, Athens, Baku, Bangkok, Beijing, Beirut, Belgrade, Bogotá, Brussels, Bucharest, Buenos Aires, Cairo, Caracas, Guangzhou, Hanoi, Ho Chi Minh City, Istanbul, Jakarta, Johannesburg, Kiev, Kuala Lumpur, Lagos, Mexico City, Minsk, Moscow, Mumbai, Novosibirsk, Panama City, Riga, Santiago de Chile, São Paulo, Seoul, Taipei, Tashkent, Tehran, Tripoli, Zagreb

# Disclaimer

**Reservation regarding forward-looking statements**
This interim report contains forward-looking statements on Commerzbank's business and earnings performance, which are based upon our current plans, estimates, forecasts and expectations. The statements entail risks and uncertainties, as there are a variety of factors which influence our business and to a great extent lie beyond our sphere of influence. Above all, these include the economic situation, the state of the financial markets worldwide and possible loan losses. Actual results and developments may, therefore, diverge considerably from our current assumptions, which, for this reason, are valid only at the time of publication. We undertake no obligation to revise our forward-looking statements in the light of either new information or unexpected events.

| 2009/2010 Financial Calendar | |
|---|---|
| Early November 2009 | Interim Report Q3 2009 |
| November 25, 2009 | Investors' Day |
| Mid-February 2010 | Annual Results Press Conference |
| End-March 2010 | Annual Report 2009 |
| Early May 2010 | Interim Report Q1 2010 |
| May 19, 2010 | Annual General Meeting |
| Early August 2010 | Interim Report Q2 2010 |

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