



Investors' Day

Group Strategy and Turnaround Program

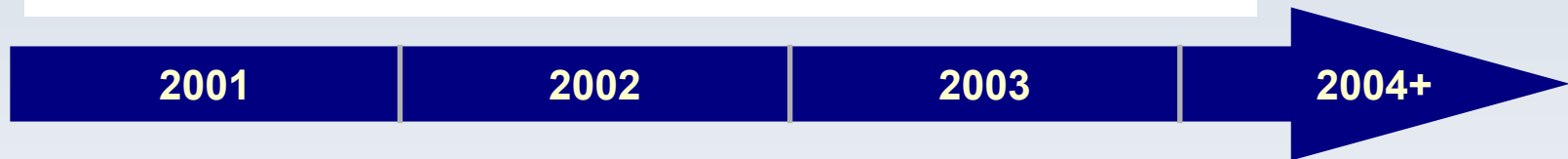
Dr. Eric Strutz
Head of Group Strategy

Frankfurt, September 4, 2002

Group survey: Starting point

Turnaround program

- Measures to be completed by 2003
- Major financial impact to be realized in 2002/03
- Cost-cutting targets for 2001 and first half 2002 met



Strategic repositioning:

- All divisions under review
- Reviews to be completed by end-2002
- Retail Banking and Asset Management reviews completed, new strategies currently being implemented

Comprehensive turnaround program to return to a satisfactory performance by 2003

- ➔ Accompanied by a strategic review of all business lines, focusing on the long-term competitiveness of the bank

Turnaround program

CB 21

1

- Focus on European clients
- Extension of Bancassurance franchise (with Generali/AMB) and Private Banking
- Restructuring of domestic branch network
- Integration of Corporate and Investment Banking

Cost-cutting initiative

2

- Based on competitor-benchmarking
- Targets: Cut total costs of €800m by 2003; reduce staff by 3,400 FTE (plus 900 FTE) plus additional 1,700 FTE unfilled vacancies

Credit portfolio check

3

- Extraordinary review of the credit portfolio
- Goals: Increase collateral or pricing where necessary/possible

Utilizing pricing levers

4

- Increase margins/prices of products where possible (Corporate and Retail Banking)

Structural measures and new appointments

5

- Appointment of regional board members to intensify relationship approach
- Reorganization of the Corporate Banking (ZCB), Global Securities (ZGS) and Retail Banking (ZPK) departments

CB 21

Milestones achieved so far

- ◆ Alignment of organizational structure and concentration of know-how in the business units
- ◆ Global responsibility of Group Treasury
- ◆ Implementation of I-Plus
- ◆ Concentration of domestic branch network from 929 (beginning 2001) to currently 757 branches

Further adjustments necessary

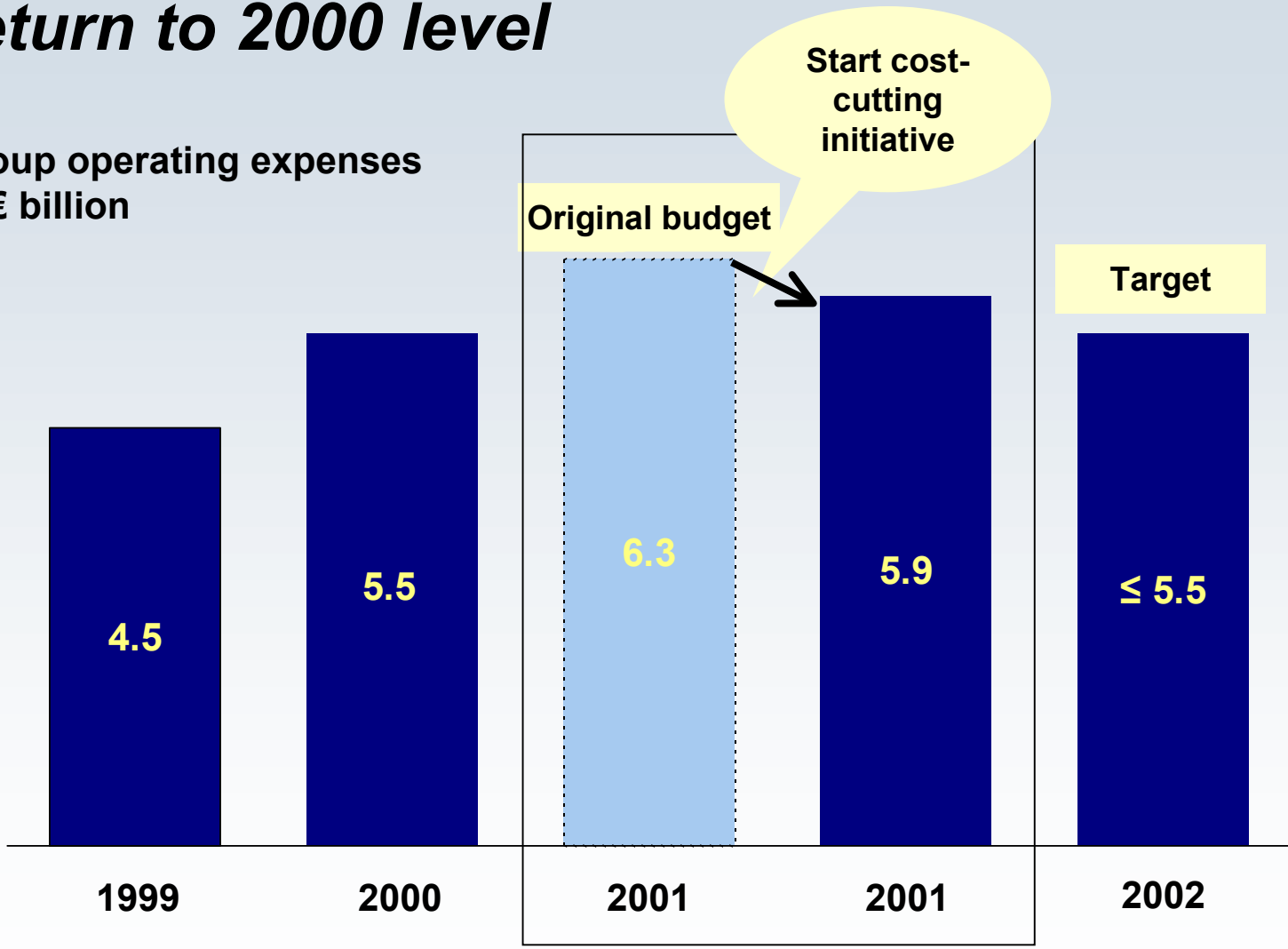
- Due to stock-market slump
- Due to reduced expectations related to Bancassurance and Asset Management

Next steps

- Off-set the gap with new/additional measures (e.g. turnaround program in Retail Banking).

Cost-cutting initiative: Operating expenses return to 2000 level

Group operating expenses in € billion



Cost-cutting initiative

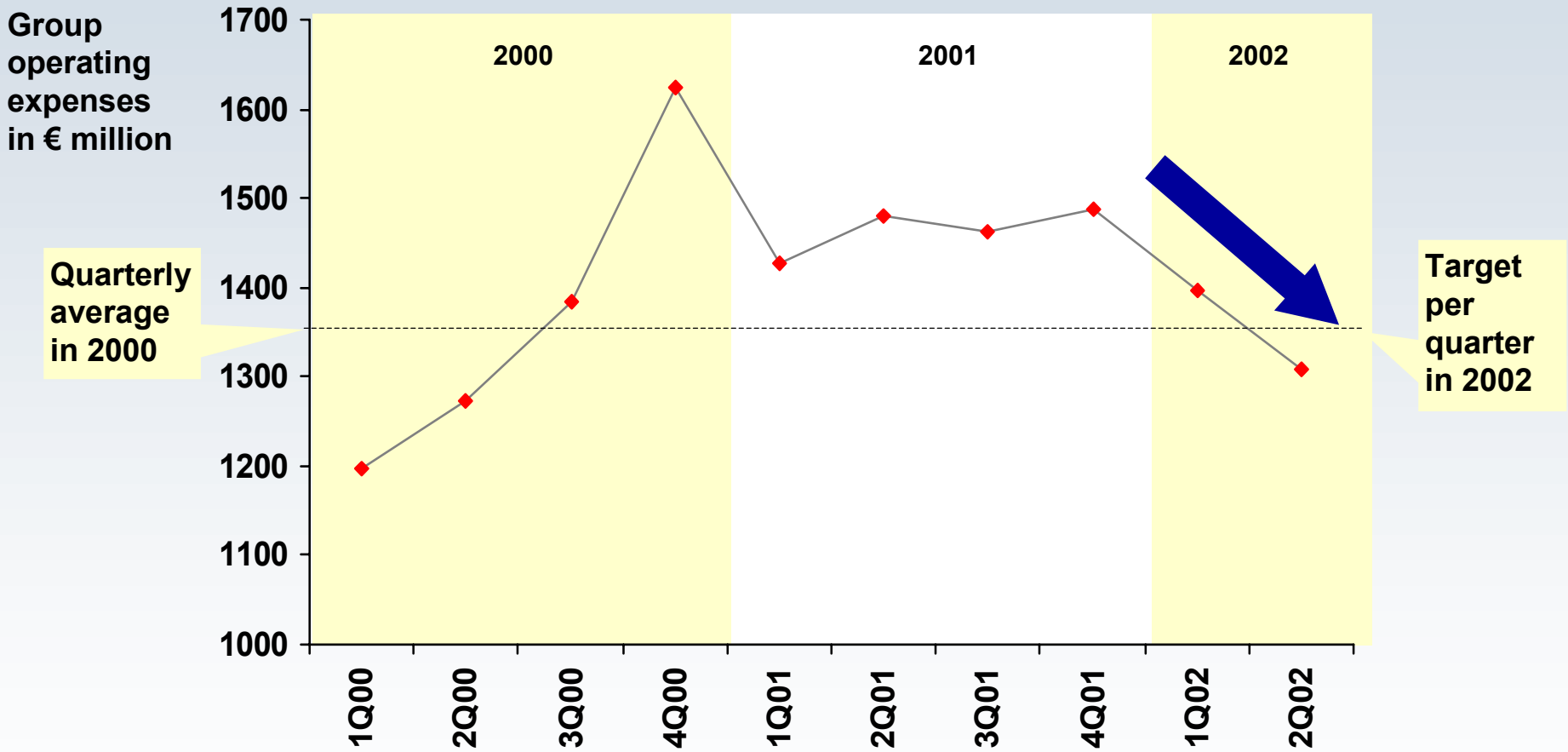
Milestones achieved so far

- ◆ Social plan completed
- ◆ Agreements signed with employees willing to leave the bank
- ◆ Sale of comdirect France
- ◆ Closure of comdirect Italy
- ◆ Re-negotiation of IT-maintenance and -licence contracts
- ◆ Implementation of new Asset Management organization ("Große KAG")
- ◆ Sale of CAMI

Next steps

- ➔ Outsourcing of premises management and set-up of organizational centres
- ➔ Reorganization of credit risk management
- ➔ Back-office centralization
- ➔ Further concentration of the domestic branch network to 727 offices

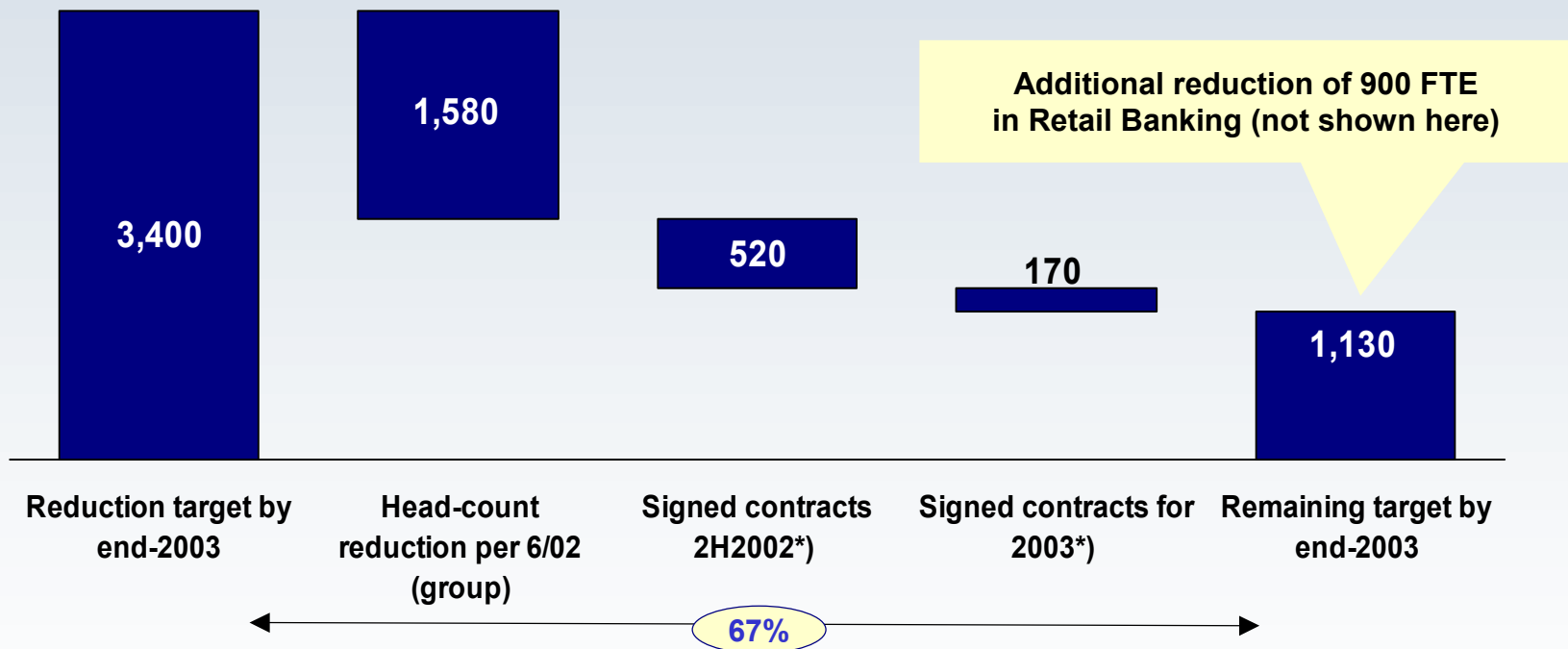
Cost-cutting initiative: Successful implementation of measures



Operating expenses below budget in every month since March 2002

Cost-cutting initiative: Status quo of workforce reduction per 6/2002

Net workforce reduction
(in FTE)

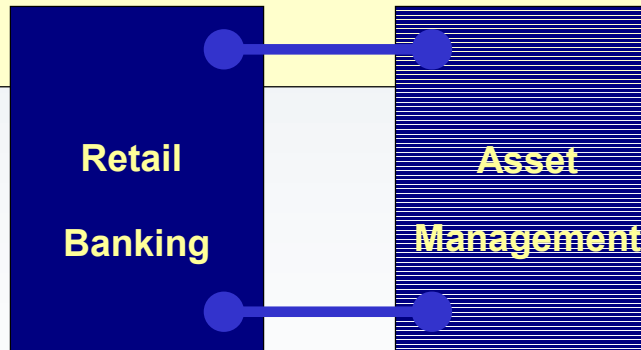


*) AG in Germany only; head-count reductions abroad (signed contracts) in H2 2002 and 2003 not included

Sharpening the strategic profile

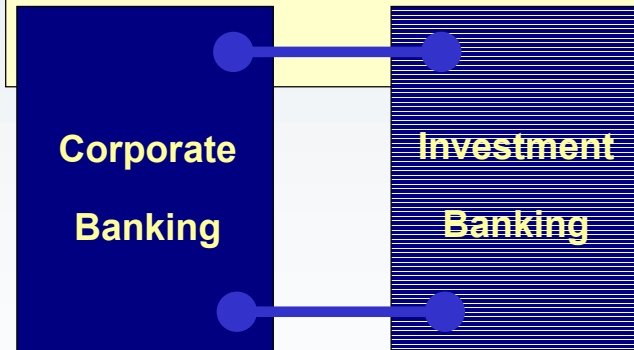


The competent bank for the sophisticated private client in Germany



The creative relationship bank

- for corporates and entrepreneurs in Germany
- for selected corporates in Europe and the United States



“Leading distributor of financial services in the heart of Europe”



stronger focus on adding value in distribution

Strategic repositioning

Strategic profile of Commerzbank Group

- Stronger focus on distribution

Retail Banking/Asset Management

- Expand German affluent and private banking business
- Focus Asset Management on needs of distribution network (“produce what will sell”) and on European core countries

Corporate Banking/Investment Banking

- Expand business with upper-tier German “Mittelstand” customers
- Outside Germany, focus on European and US customers with good credit quality
- Align Commerzbank’s Investment Banking to needs of targeted customer groups

1

2

Strategic review of all business lines

- Align strategies of business lines with overall group strategy

3

Improve management information/controlling systems

- Including Value Portfolio Management and Value Monitor

Growth path restructuring program

