



# Commerzbank

Deutsche Bank German & Austrian Corporate Conference 2008

## Solid performance in challenging environment

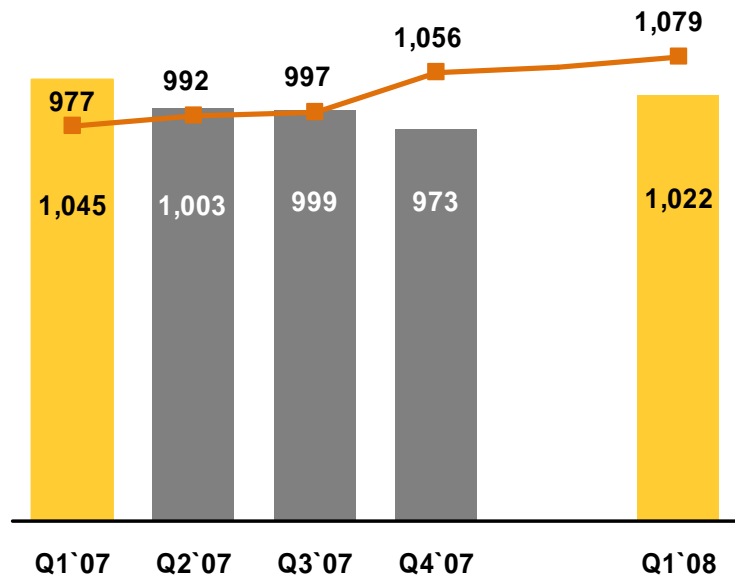
		Q1 2008	vs. Q1 07	vs. Q4 07
Revenues <sup>1</sup>	in € m	1,757	-22.5%	+12.1%
Operating profit	in € m	435	-52.1%	+157.4%
Operating RoE	in %	12.0	-15.1ppts	+ 7.0ppts
EPS	in €	0.43	- 53.8%	+ 38.7%

<sup>1</sup> after LLP

- › Strong emphasis on growing the stable client- driven business further
  - PBC, MSB and CEE continuously strong
- › Decisively reducing risk exposure in business areas affected by the financial crisis
  - Rigorous impairments on structured portfolio and downsizing particular portfolios
- › Strong capital and conservative liquidity position maintained

## Net interest income w/o PFT significantly up

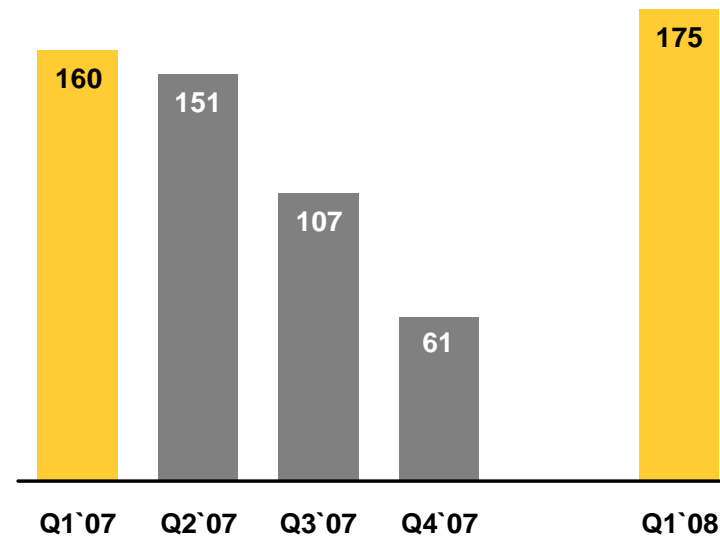
**Net interest income**  
in € m



Q1 2007		Q1 2008	
w/o PFT	Σ 977	+10%	Σ 1,079

— NII excluding PFT

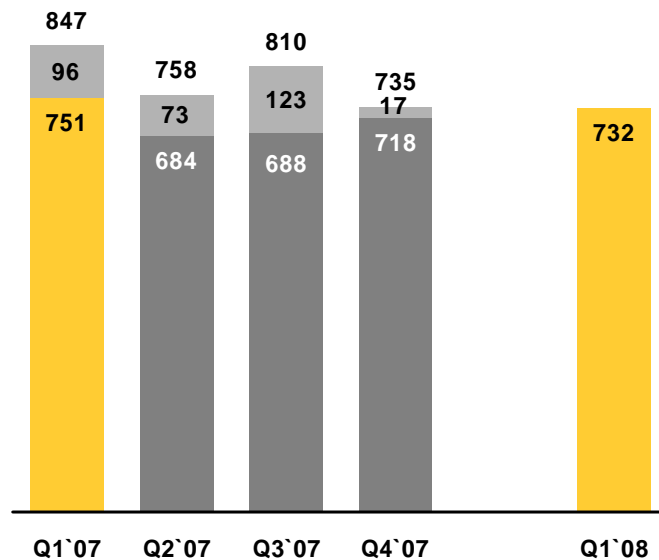
**Loan loss provisions**  
in € m



## Commission income and Sales & Trading continue to be strong

### Commission income

in € m



w/o IAM & one-off

Σ 751

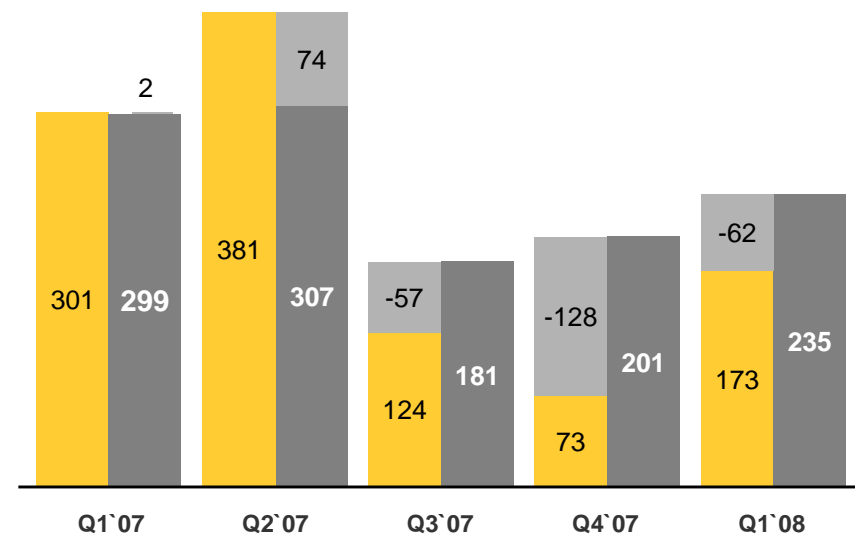
-2.5%

Σ 732

■ International Asset Management (IAM) and one-offs

### Trading profit

in € m



■ Trading profit

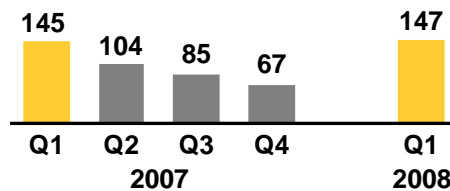
■ Sales & trading

■ Net result on measurement of derivatives and hedge accounting and application of fair value option (IAS 39)

## Growing stable franchise business

### Private & Business Customers

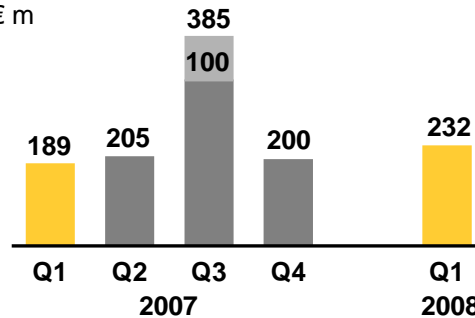
Operating profit in € m



■ Impairments in context of US-subprime and/or one-offs

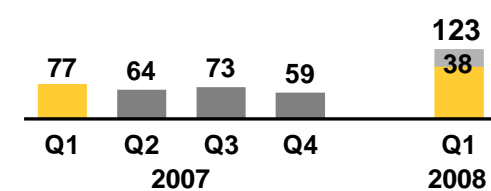
### Mittelstandsbank

in € m



### Central & Eastern Europe

in € m



- › Gaining 100,000 net new customers in branch business and at comdirect in Q1 2008
- › Ongoing strong marketing campaigns
- › AuM at cominvest set to reach €100bn by 2011
- › Increasing share of affluent clients



- › Further expansion of customer base in Germany ("stay on top")
- › Building on our leading position in Germany by new financial engineering product and services
- › Expand new business abroad especially in export and trade finance

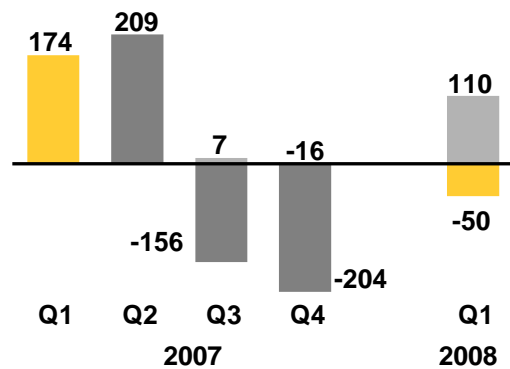


- › Extension of Commerzbank's CEE presence in new target markets
- › Continuing strong growth of BRE: > 100,000 net new customers in Q1 2008
- › Rollout of successful business model to Czech Republic and Slovakia
- › Acquisition of a majority stake in Bank Forum (Ukraine)

## Optimizing and de-risking specific business areas

### Corporate & Markets

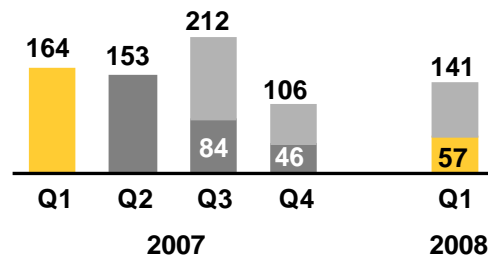
Operating profit in € m



■ Impairments in context of US-subprime and/or one-offs

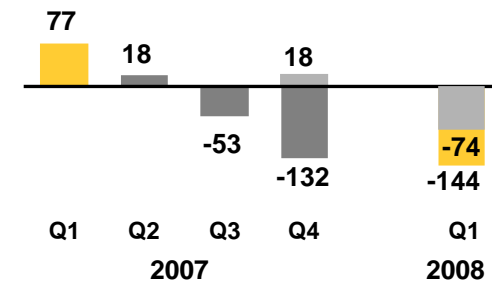
### Commercial Real Estate

in € m



### Public Finance & Treasury

in € m



- › De-risking our US business and Credit Trading
- › Institutional sales with significant opportunities to grow franchise
- › Tight cooperation of corporate and investment bank



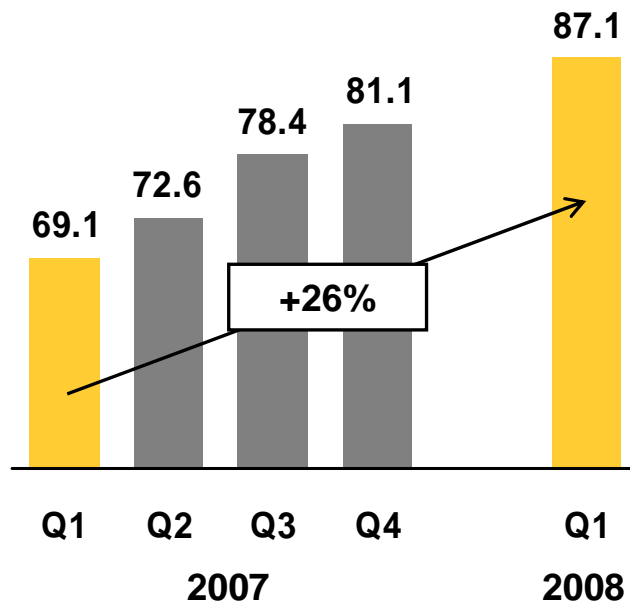
- › More selective approach in acquiring new business
- › Robust and well diversified portfolio quality
- › Prudent international expansion in attractive emerging markets



- › Reducing the Public Finance Exposure at Default down to below €150bn
- › Realignment of Public Finance business model
- › Focus on client business instead of secondary market activities

## Strong deposit growth and focus on risk reduction

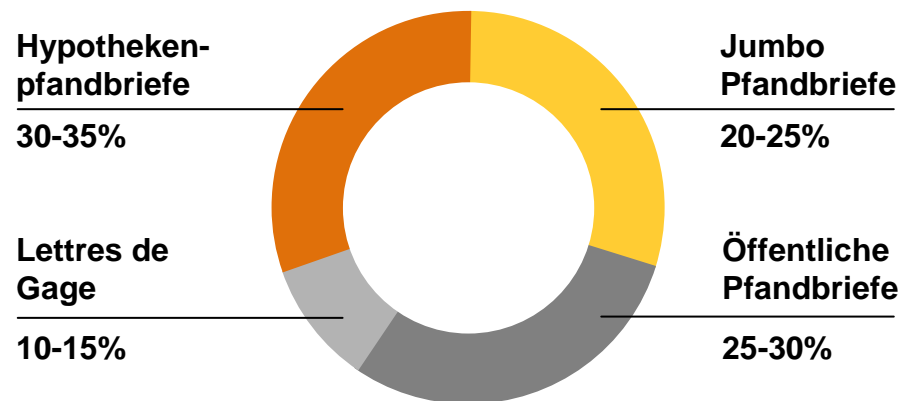
Deposit volume\*  
in € bn



- › Balance-sheet total has decreased by 2.3% to €602bn (q-o-q)
- › Planned loan volume reduction in PBC and PFT by 9% in each case
- › Default portfolio at €11.2bn reduced by €3.5bn since 12/06 with a cover ratio incl. collateral (incl. GLLP) of above 100%
- › Deposit growth of 26% y-o-y to €87.1bn
- › Loan to deposit ratio (w/o secured funding) at 1.28 further improved

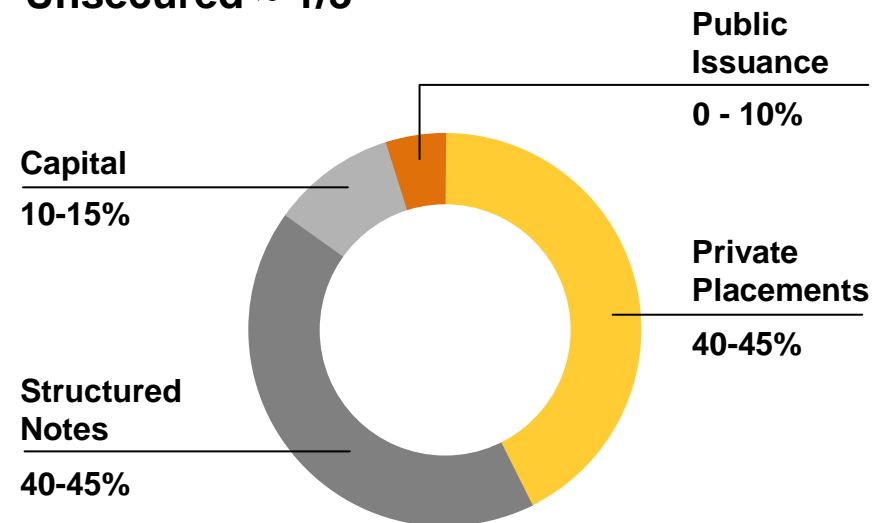
## Updated funding plan 2008 – targeted volume reduced to under €25bn

### Covered Bonds ~ 2/3



- › Pfandbriefe issued via Eurohypo
- › Two Euro Jumbo Pfandbriefe
- › Lettres de Gage mainly in non-Euro currencies
- › Continued utilization domestic and registered Pfandbriefe

### Unsecured ~ 1/3

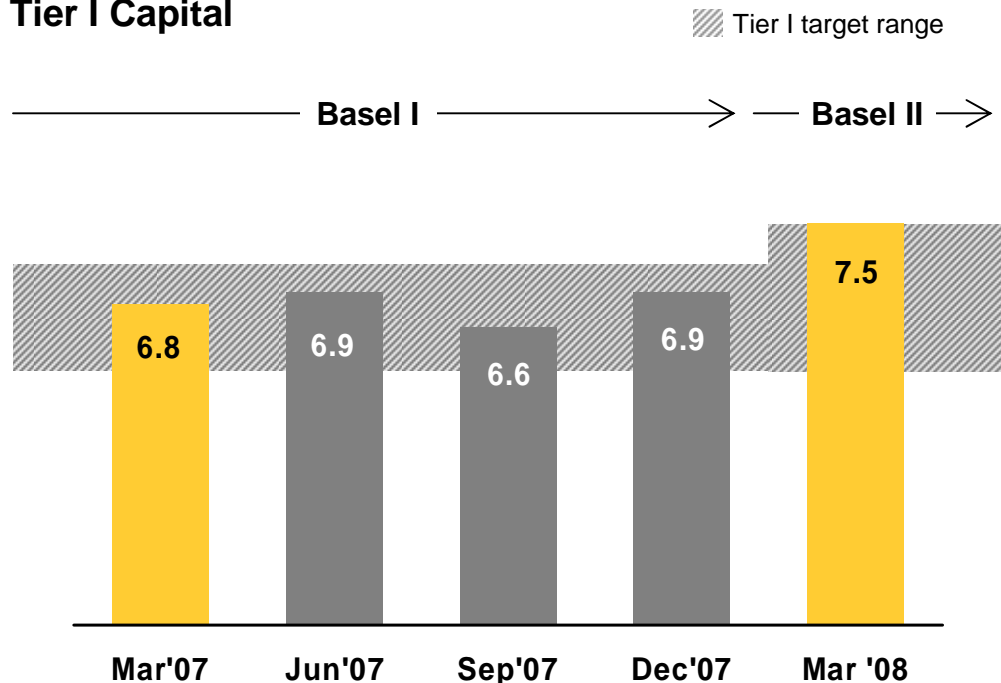


- › Significant increase of client deposits has resulted in reduction of unsecured capital markets funding requirements
- › Benchmark issuance most likely not necessary
- › Limited needs for capital – *unchanged*



## Strong capital position maintained

### Tier I Capital



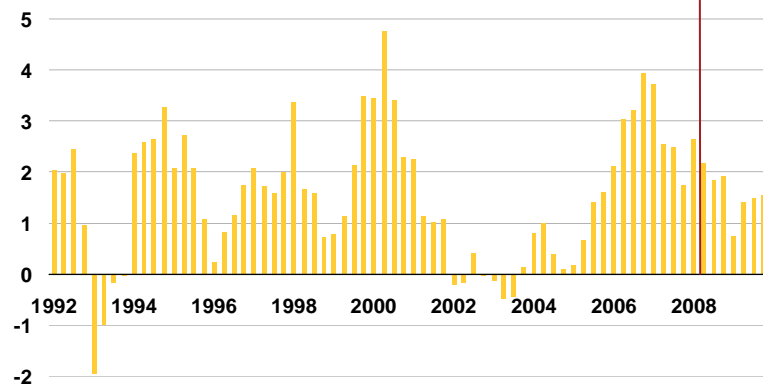
	Mar `07	Jun `07	Sep `07	Dec `07	Mar `08
Risk weighted assets (€ bn)	235	253	239	237	212
Revaluation reserves (€ m)	1,658	1,484	1,997	903	-280
Tier I capital (€ m)	16,055	16,573	16,693	16,333	15,862

- › Strong capital base as competitive advantage
- › Applying Basel II, RWA are down by 11% q-o-q to €212bn
- › Tier I ratio at 7.5%
- › Continue to prudently manage our balance sheet, exposures and capital
- › Liquidity ratio at 1.17 [Ø Q1]

# German economy remains robust

## German GDP growth

in %



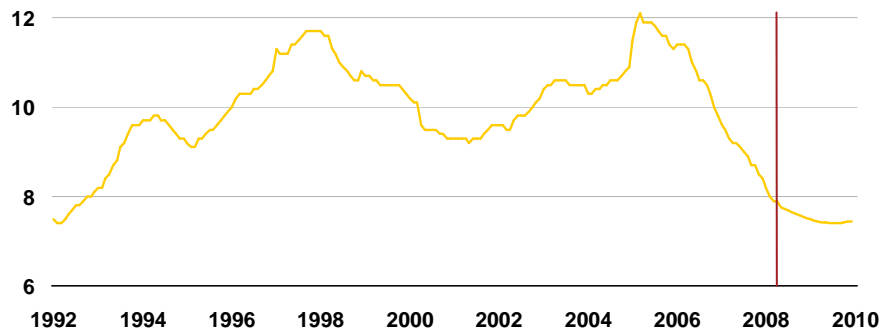
## Forecast for 2008

- German economy set to grow by 2.4%
- Unemployment rate expected to decline further to 7.5%
- 3-months Euribor should decrease to 4.3%

→ German economy remains robust given continued high export activities and ongoing strong growth in Eastern Europe and Asia.

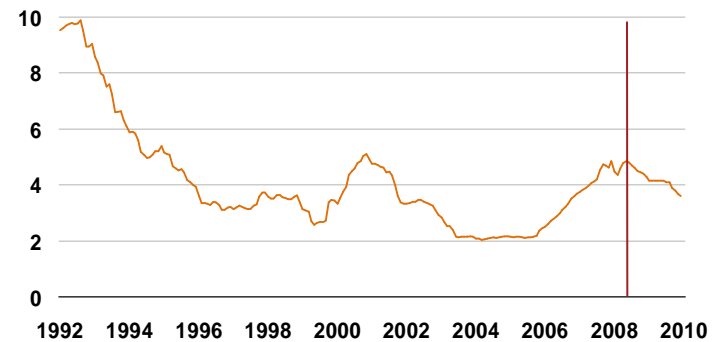
## Unemployment

in %



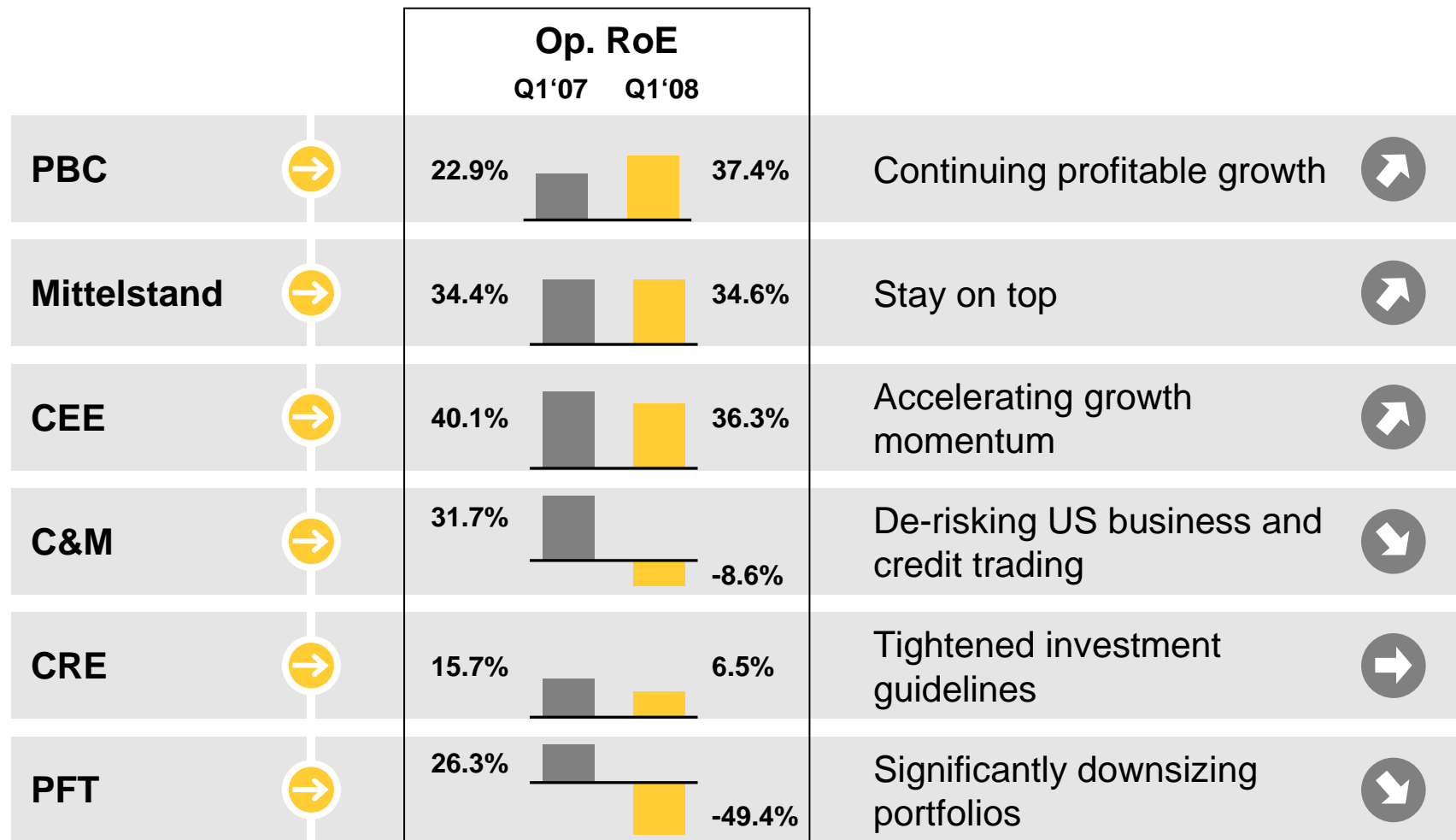
## Euribor (Fibor)

in %



forecast Commerzbank Economic & Commodity Research

## Growing stable client business; de-risking particular business areas



## Main takeaways

1. Solid performance in challenging environment
2. Strong emphasis on growing the stable client-driven business further
3. Reducing risk in business areas affected by market turmoil
4. Further strict management of risk, capital, liquidity and costs
5. Commerzbank remains on track to achieve 2010 targets

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