Commerzbank acquires Dresdner Bank

Seizing the unique consolidation opportunity

Dr. Eric Strutz | Chief Financial Officer | Munich | 25 September 2008
Seizing the unique consolidation opportunity

1. Creating a new German banking champion

2. Enhanced platform for profitable growth

3. Balanced business mix with focus on retail and SME/corporate banking

4. Prudent risk policies and sound capitalization

5. Significant value creation for our shareholders
Well-balanced and profitable business mix

New Commerzbank

Private and Business Customers
Mittelstands-bank
Corporates & Markets
Central and Eastern Europe
Commercial Real Estate

IT und Back-Office
Consolidation of IT- and service-platform
Private & Business Customers: Leading German retail and private bank in expansion mode

Clear No. 1 in German retail banking

Creating the No. 1 Retail bank and the No. 2 Private Wealth Manager in Germany

› 11 million private clients in Germany
› Comprehensive nationwide branch network
› Franchise benefits through Allianz partnership
› Funding stability from larger deposit base
› High quality earnings stream from stronger position in wealth management

Largest German branch network

<table>
<thead>
<tr>
<th>Bank</th>
<th>Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commerzbank New</td>
<td>~1,200</td>
</tr>
<tr>
<td>DB</td>
<td>986</td>
</tr>
<tr>
<td>DPB</td>
<td>855(^1)</td>
</tr>
<tr>
<td>HVB</td>
<td>846</td>
</tr>
<tr>
<td>Commerzbank</td>
<td>820</td>
</tr>
<tr>
<td>Dresdner</td>
<td>720(^2)</td>
</tr>
</tbody>
</table>

\(^1\) Center branches
\(^2\) Ex OLB, ex Allianz Banking branches

Enhanced platform provides further leverage to focus on client growth
Mittelstandsbank: Germany’s leading Mittelstand bank leveraging the successful franchise

Clear No. 1 SME bank in Germany

Strongest customer franchise in Germany

- More quality relationships to German corporates than any other bank
- Full integration of highly complementary domestic customer bases
- Dresdner Bank foreign activities enhance international capabilities
- Excellent cultural fit

Market share leader in Germany

Business model based on successful Commerzbank strategy

1) range due to double counting
Corporates & Markets: Strictly client-centric business model – right sizing strategy

<table>
<thead>
<tr>
<th>Clear strategy for repositioning</th>
<th>Activities tailored around core client base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading investment banking provider to German corporates and institutions</td>
<td>Premium provider of selected products and services including</td>
</tr>
<tr>
<td>› Focus on products relevant to client base</td>
<td>› Equity Derivatives</td>
</tr>
<tr>
<td>› Strong reduction of proprietary trading activities</td>
<td>› Corporate Finance</td>
</tr>
<tr>
<td>› Considerable reduction of balance sheet</td>
<td>› Debt Products</td>
</tr>
<tr>
<td>› Significant cost reduction and capital release mitigates lower revenues</td>
<td>› Corporate Risk Advisory</td>
</tr>
<tr>
<td>› Integrating existing Public Finance activities</td>
<td><a href="#">13.7 m private clients</a></td>
</tr>
<tr>
<td>› Proven and successful right-sizing track-record</td>
<td>&gt;100,000 corporate &amp; institutional clients</td>
</tr>
<tr>
<td>› Transfer of corporate and relevant retail activities of DKIB into respective business units</td>
<td></td>
</tr>
</tbody>
</table>

Focused and de-risked business committed to profitability
Well-balanced business portfolio with PBC and MSB as most important pillars

Revenue before LLPs split by segments

- €8.4bn (Commerzbank) 34% PBC, 19% MSB, 8% CEE, 15% C&M, 13% CRE, 11% O&C
- €5.6bn (Dresdner) 50% PBC, 21% MSB, 21% CEE, 21% C&M, 21% CRE, 8% O&C
- €14.0bn (Commerzbank new) 40% PBC, 20% MSB, 17% CEE, 21% C&M, 8% CRE, 10% O&C

RWA\(^1\) split by segments

- €241bn (Commerzbank) 16% PBC, 25% MSB, 31% CEE, 24% C&M, 34% CRE, 7% O&C
- €120bn (Dresdner) 6% PBC, 24% MSB, 44% CEE, 24% C&M, 26% CRE, 6% O&C
- €361bn (Commerzbank new) 20% PBC, 25% MSB, 21% CEE, 25% C&M, 20% CRE, 6% O&C

1) RWAs according to Basel I
2) Dresdner adjusted to Commerzbank preliminary target structure
3) As stated, including subprime effects

1H 2008: RWA (Basel II) at €320bn

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Significant decrease of non-core assets by 2011

Pro forma post acquisition (based on 2007)

- Pro-forma Tier 1 ratio of ca. 7.6% expected at step 1
- Pro-forma core Tier 1 ratio of ca. 6.0% expected at step 1

Target 2011

- Mid-term Tier 1 target range 7.0% – to 8.0%
- Less dependence on wholesale funding
Transaction overview

› Purchase price of €8.817bn (based on share price of €20.80)¹
› Price to book value of ~1.0²
› Transaction in two steps, which achieves immediate control while preserving capital strength

**Step 1**

**Acquisition of 60.2% of Dresdner Bank**

- 18.4% → Commerzbank
- 39.8% → Dresdner Bank
- 60.2% → Allianz

**Financing**

- €1.57bn in cash
  - financed through a non-preemptive equity offering of 65.4m shares³, and debt
- Transfer of cominvest to Allianz for €0.7bn⁵
- 163.5 m shares to Allianz as contribution in-kind

**Step 2**

**Full merger**

- <30% ⁴ → Commerzbank
- Merger
- Dresdner Bank

**Financing**

- Dresdner to be merged into Commerzbank, with Allianz receiving further shares (subject to EGM approval)
- Expected merger exchange ratio of shares Commerzbank:Dresdner ranges from 1:1.29 to 1:1.56 (resp. value ratio 66:34 to 61:39)

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¹ Volume weighted average price August 2008
² Dresdner Bank stated book value of €8.7bn as of June 30, 2008. Adjustments to book value at closing of step 1 are likely to include, inter alia, a negative adjustment of €1.2bn due to the loss of deferred tax assets at Dresdner Bank from change of control and a negative adjustment of €0.2bn in respect of existing goodwill at Dresdner Bank.
³ ABO more than five times oversubscribed, share price issuance at €17.00
⁴ Expected pro-forma stake of 29.3% - 30.4%. Allianz committed not to exceed 30%
⁵ Exchange for 9.2% stake in Dresdner Bank
### Purchase price based on €20.80 per share\(^1\)

<table>
<thead>
<tr>
<th>in € bn</th>
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<tbody>
<tr>
<td>Consideration</td>
</tr>
<tr>
<td>cominvest</td>
</tr>
<tr>
<td>Financing</td>
</tr>
<tr>
<td>Asset sale / transfer</td>
</tr>
<tr>
<td><strong>Commerzbank stake in Dresdner</strong></td>
</tr>
<tr>
<td></td>
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<tr>
<td><strong>Allianz stake in Commerzbank</strong></td>
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</tbody>
</table>

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1) Volume weighted average price August 2008
2) ABO more than five times oversubscribed, share price issuance at €17.00
3) Based on value ratio of 63.3% : 36.7% per step 1 contributions, merger exchange ratio to be determined in step 2
4) Expected pro-forma stake of 29.3% - 30.4%. Allianz committed not to exceed 30%
# Targeted synergies: value creation ~ €5bn (NPV)

Synergies create compelling deal logic

<table>
<thead>
<tr>
<th>€ m p.a., pre tax, fully phased</th>
<th>Key insights</th>
<th>Costs synergies</th>
<th>Revenue disin-synergies</th>
<th>NPV</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial Banking</strong> (incl. back Office)</td>
<td>› Clear synergy case in commercial banking</td>
<td>Front office 350</td>
<td>0</td>
<td>Synergies incl. restructuring € 4.5 bn</td>
</tr>
<tr>
<td></td>
<td>› Restructuring case: rightsizing / closure of unattractive business lines</td>
<td>Back office 500</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>› Capital release of €1.7bn (€1.4bn NPV) due to de-risking</td>
<td>Front office 650</td>
<td>-1,080</td>
<td>Synergies incl. restructuring € -0.9 bn</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Back office 400</td>
<td></td>
<td>Capital € 1.4 bn</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total € 0.5 bn</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net €820m pre-tax p.a.</th>
</tr>
</thead>
</table>

Note: total restructuring charges pre tax ~€2bn
Realisation of targeted synergies over time:
Cost reduction expected to be largely achieved in 2011

**Retail & Corporate Banking**
- Quick phasing of €850m run-rate p.a. cost synergies: 70% realized by 2011
- Revenues broadly flat in fully phased state, slight dis-synergies in 2009 to 2011
- Restructuring charges of €1.25bn

**Synergies in Private & Corporate Clients**
\[ \Delta \text{in € m based on adjusted 2007 figures (pre tax)} \]

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Synergies Commercial</td>
<td>30</td>
<td>-70</td>
<td>-80</td>
<td>-40</td>
</tr>
<tr>
<td>Revenue (dis-)synergies Commercial</td>
<td>200</td>
<td>120</td>
<td>600</td>
<td>560</td>
</tr>
<tr>
<td>Net Synergies Commercial</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
</tr>
</tbody>
</table>

**Investment Banking**
- Restructuring case: deliberate reduction of revenues in IB following rightsizing / de-risking strategy
- 90%-phasing of cost reduction achieved by 2011
- Capital release of €1.7bn as a clear benefit due to de-risking
- Restructuring charges of €0.75bn

**Restructuring Investment Banking**
\[ \Delta \text{in € m based on adjusted 2007 figures (pre tax)} \]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost synergies IB</td>
<td>270</td>
<td>-160</td>
<td>-210</td>
<td>-120</td>
</tr>
<tr>
<td>Revenue (dis-) synergies IB</td>
<td>650</td>
<td>-860</td>
<td>-1.080</td>
<td>-1.080</td>
</tr>
<tr>
<td>Net synergies IB</td>
<td>-430</td>
<td>-210</td>
<td>-1.080</td>
<td>-1.080</td>
</tr>
</tbody>
</table>

% of total cost synergies:
- Retail & Corporate Banking: 70% in 2011
- Investment Banking: 90% in 2011

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Targeted cost synergies overview

Cost synergies (pre tax) in € m

- PBC: ~250
- Mittelstandsbank: ~100
- Corporates & Markets: ~650
- Service-Platform: ~625
- Corporate Center: ~275
- Total: ~1,900

FTE

- Total: ~9,000

Note: preliminary calculation

Personnel cost ~50% of cost synergies; other operating costs ~50% of total cost synergies
Integration process: 3-phase-model of integration to ensure synergy realization

<table>
<thead>
<tr>
<th>Focus</th>
<th>Design concepts</th>
<th>Prepare implementation</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integration steps</td>
<td>› Establish joint teams to design and prepare integration</td>
<td>› Group steering functions with joint management boards</td>
<td>› Implementation of all HR measures</td>
</tr>
<tr>
<td></td>
<td>› Develop stabilisation concept</td>
<td>› Prepare back office-optimisation (e.g. payments, securities processing, IT)</td>
<td>› Full implementation of all integration activities</td>
</tr>
<tr>
<td></td>
<td>› Develop concepts for functional models of Front office and Back office</td>
<td>› IB: Accelerate de-risking portfolio and rightsizing teams</td>
<td></td>
</tr>
<tr>
<td></td>
<td>integration modules</td>
<td>› Retail/SME: Prepare implementation of new front-office organisation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>› Negotiation of reconciliation of interests and social compensation plan</td>
<td></td>
</tr>
</tbody>
</table>

- **Pre-Closing Phase**: Signing
- **Change of Control Phase**: Closing Step 1
- **Post-Merger Phase**: Closing Step 2
Challenges in the integration process

- Motivating staff
  Early involvement and open communication

- Creating trust
  Value-oriented change process

- Efficiency
  High-speed integration

- Management
  Early appointment and announcement

Customers in focus
Extend and strengthen relationship

Transparency and clarity are key to success
Our commitment

1. The acquisition will deliver considerable value to our shareholders
2. We have set a clear roadmap for integration
3. We will continue to focus on our clients and gaining market share
4. We will continue our conservative risk management strategy
5. Our corporate culture based on respect and integrity will guide our behaviour of bringing the two organizations together
Appendix
## Group Pro Forma Figures H1 2008

<table>
<thead>
<tr>
<th></th>
<th>Commerzbank old</th>
<th>Dresdner Bank</th>
<th>Commerzbank new</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group 1.1.-30.6.2008</strong> in € m</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest income</td>
<td>2.198</td>
<td>1.399</td>
<td>3.597</td>
</tr>
<tr>
<td>Provision for possible loan losses</td>
<td>-589</td>
<td>-76</td>
<td>-665</td>
</tr>
<tr>
<td>Net interest income after provisioning</td>
<td>1.609</td>
<td>1.323</td>
<td>2.932</td>
</tr>
<tr>
<td>Net commission income</td>
<td>1.449</td>
<td>1.162</td>
<td>2.611</td>
</tr>
<tr>
<td>Trading profit</td>
<td>548</td>
<td>-1.147</td>
<td>-599</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-112</td>
<td>103</td>
<td>-9</td>
</tr>
<tr>
<td>Other income</td>
<td>120</td>
<td>0</td>
<td>120</td>
</tr>
<tr>
<td><strong>Revenues after provisioning</strong></td>
<td>3.614</td>
<td>1.442</td>
<td>5.056</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>2.695</td>
<td>2.303</td>
<td>4.998</td>
</tr>
<tr>
<td><strong>Operating Result</strong></td>
<td>919</td>
<td>-861</td>
<td>58</td>
</tr>
<tr>
<td>Restructuring expenses</td>
<td>-25</td>
<td>15</td>
<td>-10</td>
</tr>
<tr>
<td><strong>Pre-tax profit</strong></td>
<td>894</td>
<td>-846</td>
<td>48</td>
</tr>
<tr>
<td>Taxes on income</td>
<td>-306</td>
<td>152</td>
<td>-154</td>
</tr>
<tr>
<td><strong>Consolidated surplus</strong></td>
<td>1.200</td>
<td>-998</td>
<td>202</td>
</tr>
<tr>
<td>attributable to minority interests</td>
<td>103</td>
<td>31</td>
<td>134</td>
</tr>
<tr>
<td><strong>attributable to Commerzbank shareholders</strong></td>
<td>1.097</td>
<td>-1.029</td>
<td>68</td>
</tr>
<tr>
<td><strong>Risk-weighted-assets (Basel II; EoP)</strong></td>
<td>218.6</td>
<td>104.8</td>
<td>323.4</td>
</tr>
<tr>
<td><strong>FTE (EoP)</strong></td>
<td>35.931</td>
<td>25.362</td>
<td>61.293</td>
</tr>
</tbody>
</table>

**Note:** as stated, without takeout of consolidation effects; including subprime effects at Commerzbank of €0.5bn and Dresdner Bank of €1.4bn

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Note: The figures shown above reflect a simple aggregation of the relevant figures of Commerzbank and Dresdner Bank, which, in each case, have been derived from the relevant entity's audited consolidated financial statements. The figures do not reflect any pro forma adjustments and have not been prepared on the basis of the general principles of the Institut der Wirtschaftsprüfer in Deutschland e.V. (German Institute for Public Auditors) (IDW) regarding the preparation of pro forma financial information (IDW Accounting Practice Statement: Preparation of Pro Forma Financial Information (IDW AcPS AAB 1.004) (IDW Rechnungslegungshinweis: Erstellung von Pro-Forma-Finanzinformationen (IDW RH HFA 1.004)).
Manageable funding plan 2009 – targeted volume approx. €25bn

**Covered Bonds ~50% (€11-13bn)**

- 25-35% Jumbo Pfandbriefe
- 40-50% Hypothekenpfandbriefe
- 20-30% Öffentliche Pfandbriefe & Lettres de Gage

**Unsecured ~50% (€10-14bn)**

- 30-40% Structured Notes
- 10-20% Public Issuance
- 30-40% Private Placements

- 10-20% Subordinated Debt

› 2-3 Jumbo Pfandbriefe from Eurohypo
› Focus on Mortgage Pfandbriefe
› Continued utilization of domestic and registered Pfandbrief markets

› Limited public issuance required
› Focus on private placements and structured notes
› Capitalize on both banks’ funding franchises
Growth in client deposits = further strengthening of liquidity base

Rapidly growing deposit base...
Deposit volume (Commerzbank Group)
in € bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (€ bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec ’06</td>
<td>65.9</td>
</tr>
<tr>
<td>Jun ’07</td>
<td>72.6</td>
</tr>
<tr>
<td>Dec ’07</td>
<td>81.1</td>
</tr>
<tr>
<td>Jun ’08</td>
<td>88.6</td>
</tr>
</tbody>
</table>

+ €23bn

... only partially used for reduction of unsecured funding needs

Funding Plan
in € bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Unsecured - €6bn</th>
<th>Unsecured CBK</th>
<th>Mortgage Covered Bonds</th>
<th>Public Sector Covered Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>7</td>
<td>63</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>7</td>
<td>41</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008e</td>
<td>&lt;20</td>
<td>37</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>2009e</td>
<td>~25</td>
<td>7</td>
<td>7</td>
<td>6-7</td>
</tr>
</tbody>
</table>

Number of retail clients +23% in same period
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