

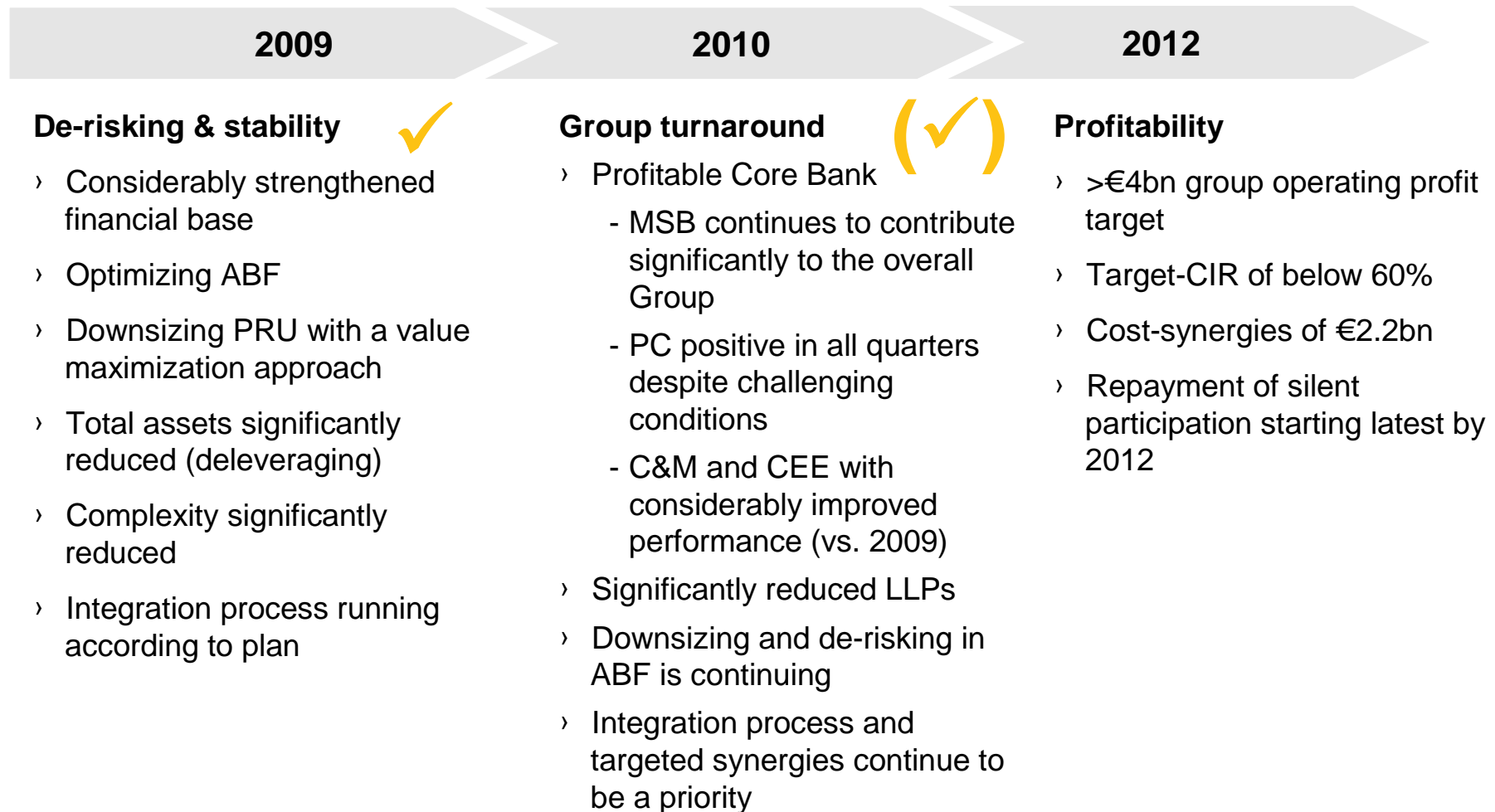


## **Commerzbank – A leading position in Germany Path to sustainable profitability**

## Commerzbank highlights

- Commerzbank has reached profitability one year earlier than expected
- Group's risk profile substantially improved
- Successful downsizing and de-risking of ABF, despite extremely challenging conditions
- PRU successfully pursuing value maximization approach
- Integration process is running ahead of plan, synergy target of €2.4bn remains achievable
- Commerzbank's leading market position across all business units in Germany, the most stable and dynamic economy in Europe

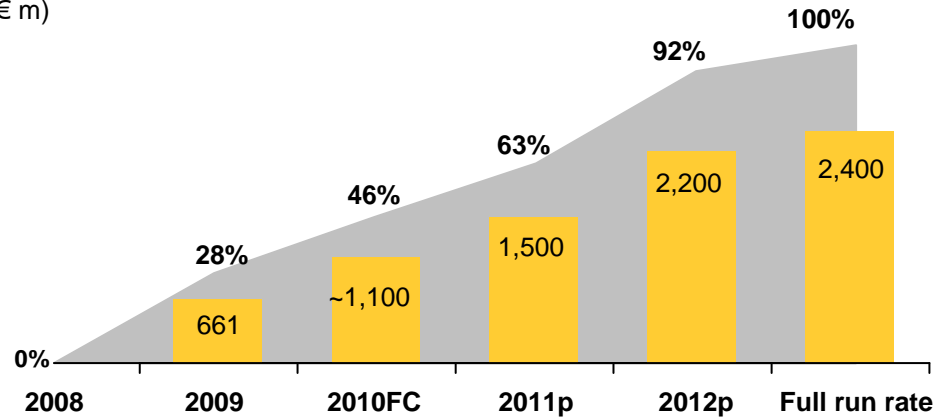
## Strategic Roadmap 2012 – Progressing according to plan



## Synergies and personnel reduction above plan

### Cost synergies

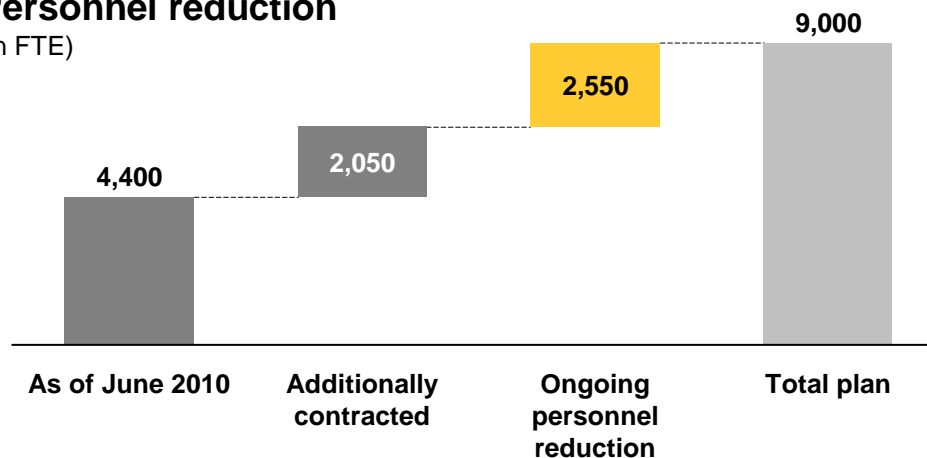
(in € m)



- › Cost synergies in 2010 of €1.1bn (above 40% of planned synergies achieved) targeted
- › Full run rate of €2.4bn after the full implementation of integration

### Personnel reduction

(in FTE)



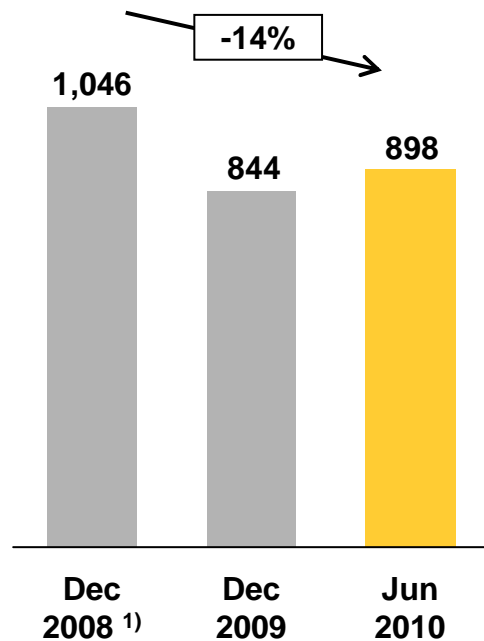
- › Personnel reduction progressing faster than originally planned
- › Decline by 4,400 FTE as of June 2010
- › Overall headcount reduction of 9,000 FTE
- › 2/3 of the overall redundancies contracted

# Tier 1 ratio well above the target range

## Total Assets

in € bn

- › Increase by end of June due to m-t-m effects in derivatives

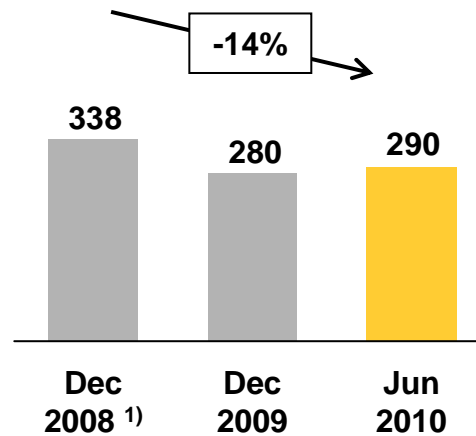


<sup>1)</sup> 2008 pro-forma    <sup>2)</sup> incl. Q1 profit

## RWA

in € bn

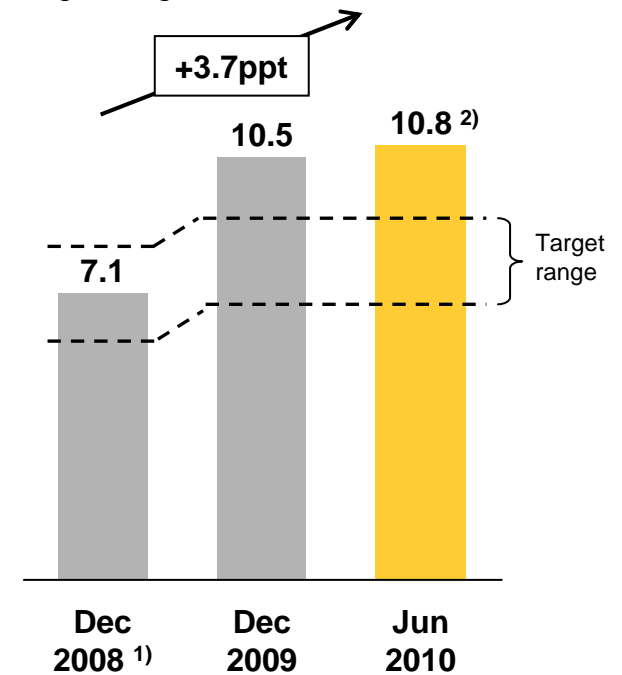
- › RWAs end of June influenced by rating migration and FX effects



## Tier 1 ratio

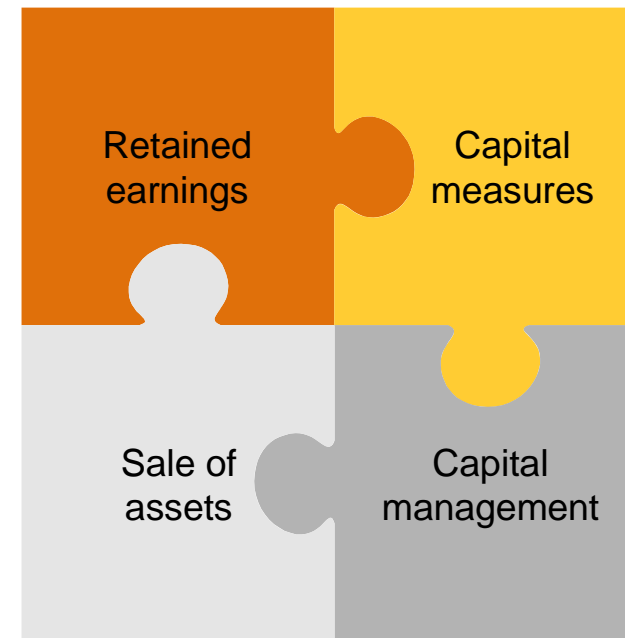
in %

- › Ongoing solid ratio, above our target range of 7-9%



## Payback of SoFFin funds via diverse mix of measures

Capital overview (in € m)	June 2010
Core equity <sup>1</sup>	13,284
Silent Participations	17,178
Investors' capital ex MI	30,462
Minority interests (IFRS) <sup>2</sup>	703
Deductions <sup>3</sup>	-3,654
Tier 1 hybrid capital	3,827
<b>Basel II Tier 1 capital</b>	<b>31,337</b>



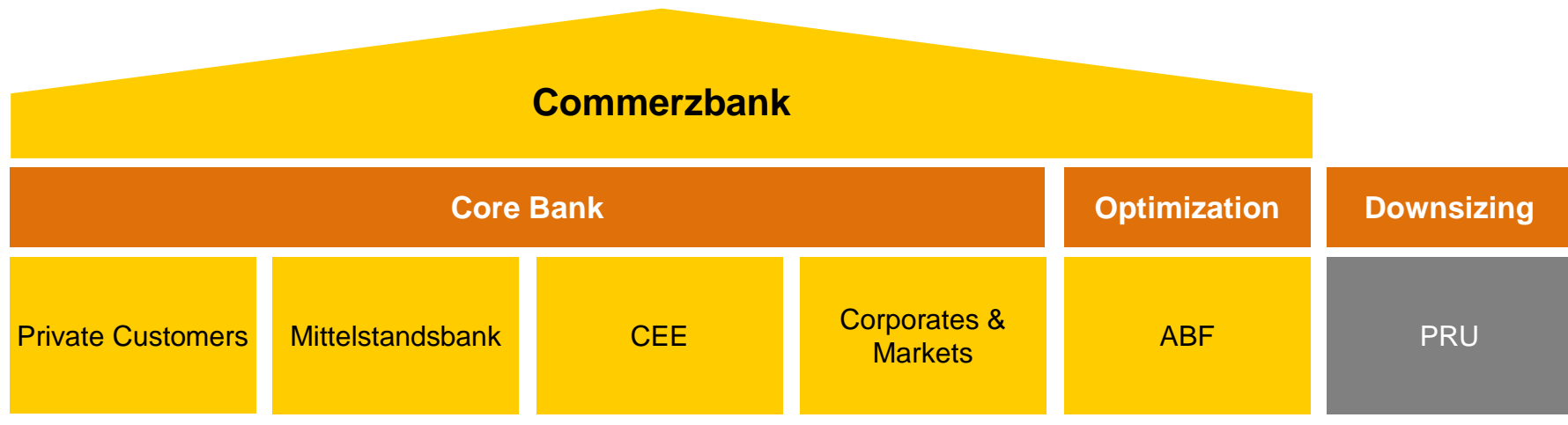
- › Comfortable capital base, no time pressure for capital increase
- › Strong management commitment to replace SoFFin
- › Long transitional period for Basel III implementation

1) Incl. subscribed capital, capital reserve, retained earnings, reserve from currency translation and P&L

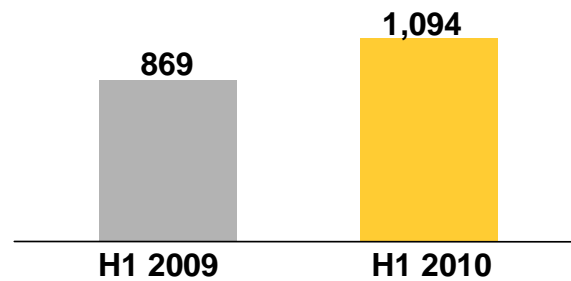
2) Excl. revaluation reserve, cash flow hedges and consolidated profit

3) Incl. change in consolidated companies, goodwill, consolidated net profit minus portion of dividend and others

# Core Bank continues to be profitable

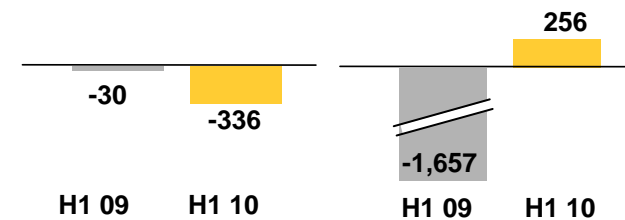


Operating profit<sup>1)</sup>  
in € m



**Mittelstandsbank main profit contributor of Core Bank**

Operating profit  
in € m



**Focus: risk reduction**

**Value maximization**

<sup>1)</sup> incl. Others and Consolidation

## Mittelstandsbank main profit pillar

### Private Clients

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#### Top achievements

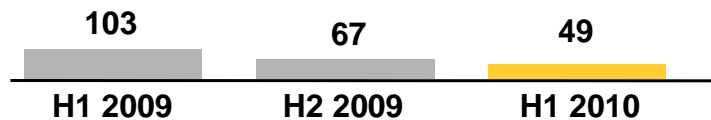
- › Operating profit achieved in all quarters notwithstanding restructuring
- › Brand migration successfully completed
- › Stable number of 11 million customers

#### Value driver

- › Successful completion of integration:
  - Realizing cost synergies
  - Increased sales productivity
- › Leverage of our market position following the integration and normalized market conditions

### Operating profit

in € m



### Mittelstandsbank

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#### Top achievements

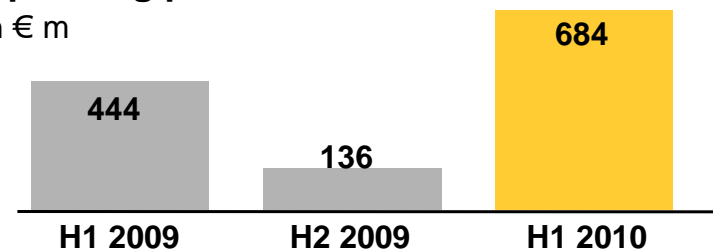
- › MSB impressively resilient during the crisis and consistently delivered positive results
- › Leading SME franchise in Germany with densest branch network
- › Stable client basis
- › Significant reduction of bulk-risks

#### Value driver

- › Normalized risk provisioning
- › Realizing cost synergies
- › Leverage potential of strong customer franchise

### Operating profit

in € m





# C&M – “the German investment bank”; demanding environment in CEE

## Corporates & Markets

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### Top achievements

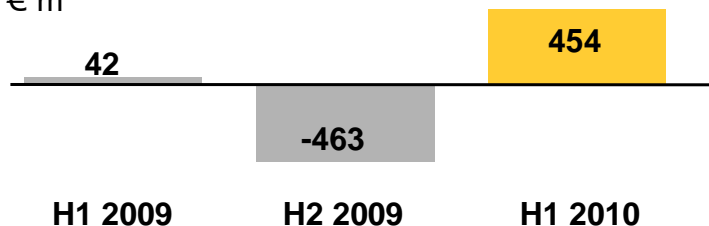
- › Client centric business model implemented, product provider for Groups’ franchise
- › Significantly improved risk profile and reduced earnings volatility
- › Top German Equity, FIC & Corporate Finance house, strong focus on existing German client base
- › Integration almost completed

### Value driver

- › Stabilization of revenues
- › Exploitation of cost synergies
- › Release of B/S usage and equity

### Operating profit

in € m



## Central & Eastern Europe

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### Top achievements

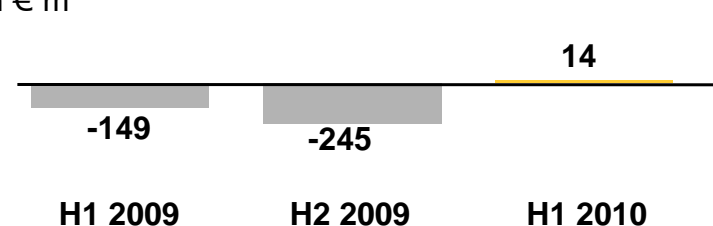
- › Strong underlying performance of BRE Bank
  - Strategic re-alignment successful launched
  - Lowest CIR within the last five years
- › Portfolio re-structuring at Bank Forum in progress

### Value driver

- › Focus on Private Client franchise
- › Benefiting from improved economic conditions and normalizing risk provisioning
- › Bank Forum strategic repositioning

### Operating profit

in € m



# Successful downsizing and de-risking of ABF

## Asset Based Finance

### Top achievements

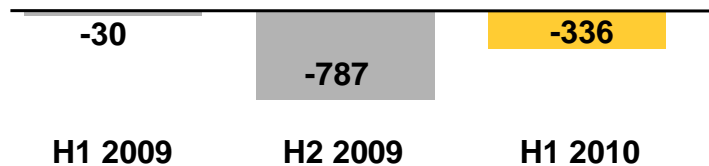
- › We have re-structured and re-focused the ABF division vigorously since 2008
- › Assets cut and risk reduced despite extremely challenging conditions
- › Integration of Ship Finance activities

### Value driver

- › Downsizing asset & RWA base
- › Sustaining the client franchise
- › Further reduction of risks

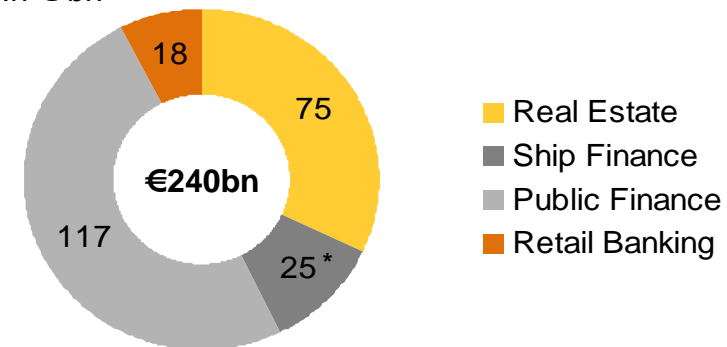
### Operating profit

in € m



### Exposure at Default

In € bn



	30/06/2010
<b>RWA (€ bn)</b>	<b>90.3</b>
<b>Economic Capital (€ bn)</b>	<b>5.5</b>
- thereof Credit Risk (%)	<b>80%</b>
- thereof Market Risk (%)	<b>17%</b>
<b>LLP (YtD, € m) – incl. GLLP</b>	<b>679</b>
<b>Default portfolio (€ bn)</b>	<b>9.8</b>

\*) add. ~ € 5 Mrd. Public Finance- und FI-Portfolio of Dt. Schiffsbank

# PRU with solid achievements

## Portfolio Restructuring Unit

### Top achievements

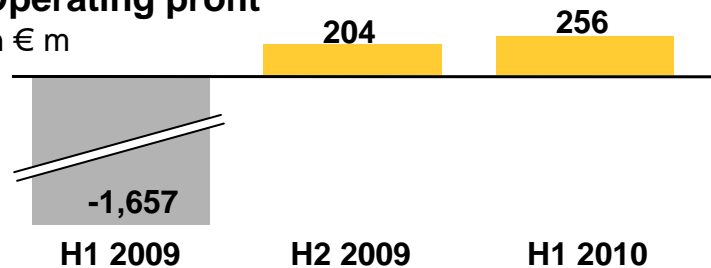
- › Balance sheet reduction by more than 50% since Dec 2009
- › Actively managed and downsized structured credit portfolio
- › Winding down in line with value maximization

### Value driver

- › Write-back potential on a large part of the portfolio
- › Portion of portfolio with loss potential significantly reduced

### Operating profit

in € m



## Risk Exposure as of June 30, 2010

in € bn	AAA	AA	A	BBB	Non IG	Total	m-d-r*
RMBS	█		█	█	█	5.8	34%
CMBS	█					0.5	32%
CDO	█			█	█	7.6	40%
Other ABS	█	█	█	█	█	3.7	16%
<b>Total</b>	<b>5.4</b>	<b>2.6</b>	<b>2.6</b>	<b>3.8</b>	<b>3.4</b>	<b>17.6</b>	<b>34%</b>

## Details

	Risk Exposure	m-d-r*
█ Write-back potential	€11.1 bn	19%
█ Neutral (+/-€25m P&L)	€3.9 bn	14%
█ Impairments likely/possible	€2.6 bn	69%
<b>Total</b>	<b>€17.6 bn</b>	

\* Markdown-Ratio = 1-(Risk Exposure / Nominal Value)

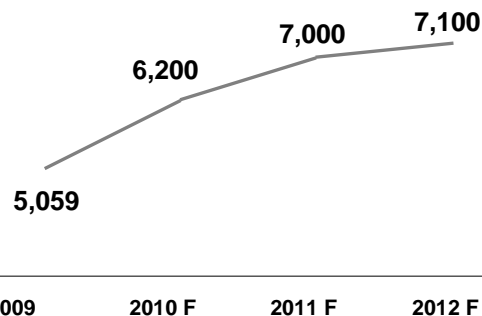
# Germany is the economic engine of the Eurozone

## Status quo

- › German economy: the largest and most promising in EMU
- › Stable economic situation
  - Low level of private sector debt
  - Low inflation risk
  - No bubbles, low spreads
- › Favourable political environment
- › Competitive banking landscape (see next slide)

## DAX

(average p.a.)

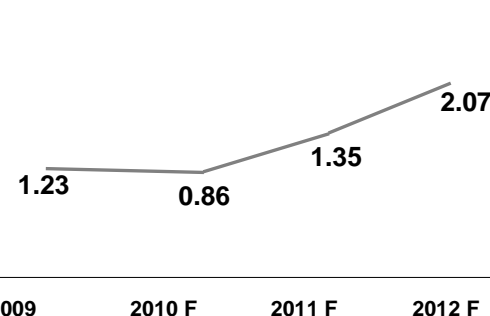


## 2010

- › Germany recovering strongly from financial crisis after Lehman default
- › Germany currently benefits from strong demand for investment goods and its strong positioning in Asian markets
- › “Labour market miracle”: level of unemployment almost back at pre-crisis level
- › Elevated level of (small cap) corporate and private defaults

## Euribor

in % (average p.a.)

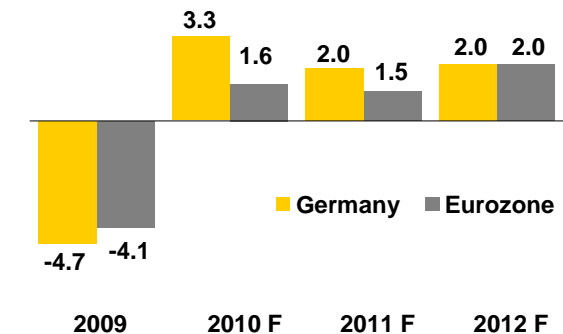


## 2011 – 2012 expectation

- › Recovery will continue, no double dip expected in the US or in EMU
- › Germany still ‘outperformer’ within EMU
- › Less dynamic world economy and ongoing consolidation efforts in EMU will slow down growth somewhat
- › Stabilization of inflation at a low level
- › ECB not expected to start to hike rates until the end of 2011

## GDP

(Change vs previous year in %)



Source: Commerzbank Economic Research

## Commerzbank is set to return to operating profitability in 2010

- German economy continues to recover driven by strong export industry
- Risk provisioning likely to be  $\leq$  €3bn in 2010
- PRU with value maximization approach
- De-risking remains in focus, taking advantage of opportunities for risk-reduction
- = Commerzbank expected to enter 2011 with tailwind**

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