



Commerzbank – Return to sustainable profitability

Fixed Income Investor Call, 8 March 2011

Commerzbank Group with net profit of €1.4bn in 2010

- 1 Profitable in all quarters 2010 - strong operating performance of the Core Bank
- 2 Integration progressing on schedule with key milestones accomplished
- 3 Significant risk & balance sheet reduction
- 4 Capital base further improved
- 5 Roadmap 2012 targets remain in place

Net profit: Consolidated Result attributable to Commerzbank shareholders

Profitable in all quarters 2010 - strong operating performance of the Core Bank

in €m	Q4 2009	Q3 2010	Q4 2010	FY 2009	FY 2010	o/w Core Bank	o/w ABF & PRU
Revenues before LLP	2,146	2,922	3,015	10,948	12,671	10,905	1,766
LLP	-1,324	-621	-595	-4,214	-2,499	-853	-1,646
Operating expenses	2,396	2,185	2,164	9,004	8,786	8,071	715
Operating profit / loss	-1,574	116	256	-2,270	1,386	1,981	-595
Net profit / loss*	-1,857	113	257	-4,537	1,430		

- › Revenues before LLP increased by 16% y-o-y driven by strong client flow and favorable market conditions
- › Low LLP level in the Core Bank; high risk provisioning in ABF
- › Cost base: synergy results partially offset by integration charges
- › Net profit supported by tax credit in foreign locations

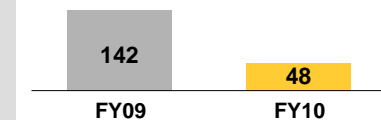
* Consolidated Result attributable to Commerzbank shareholders

All core segments profitable in FY 2010

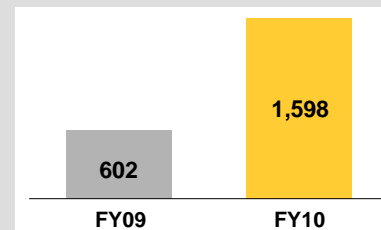


Private Customers negatively influenced by integration

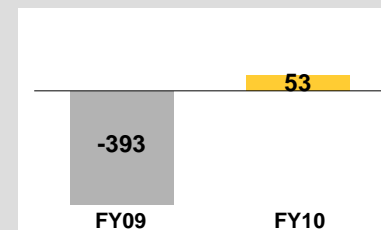
Operating profit/loss
in € m



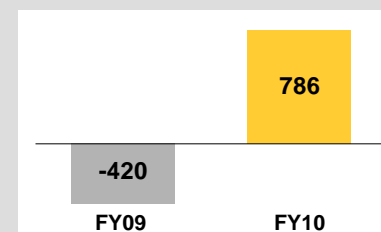
Mittelstandsbank with best FY result ever



Central Eastern Europe with turnaround



Corporates & Markets already at 2012 target level



Integration progressing on schedule with key milestones accomplished

Cost synergies

- › End of December 2010 >45% of total synergy target 2014 of €2.4bn achieved
- › Synergies 2010 slightly above plan
- › Forecast 2011 > €1.5bn

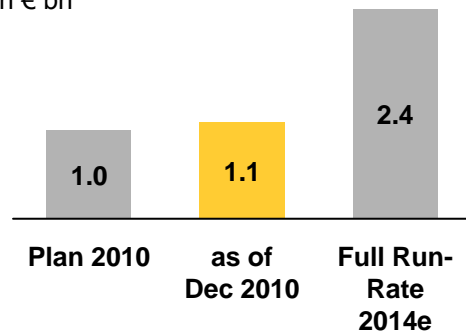
Integration charges & IT integration

- › Integration charges in line with 2010 plan despite higher IT investments
- › Total integration charges confirmed at €2.5bn
- › IT integration nearly finalised (last milestone in H1)

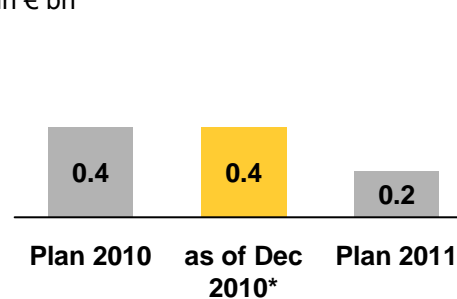
Personnel reduction

- › More than 80% of overall reduction contracted (>7,300 FTE)
- › Reduction of staff faster than planned

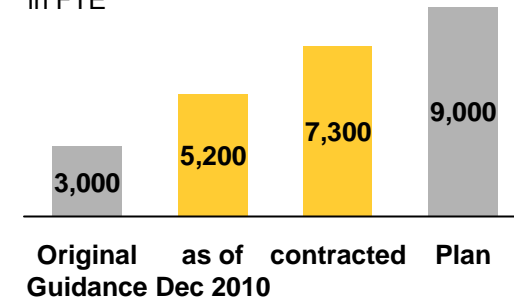
Cost synergies in € bn



Integration charges in € bn



Personnel reduction in FTE

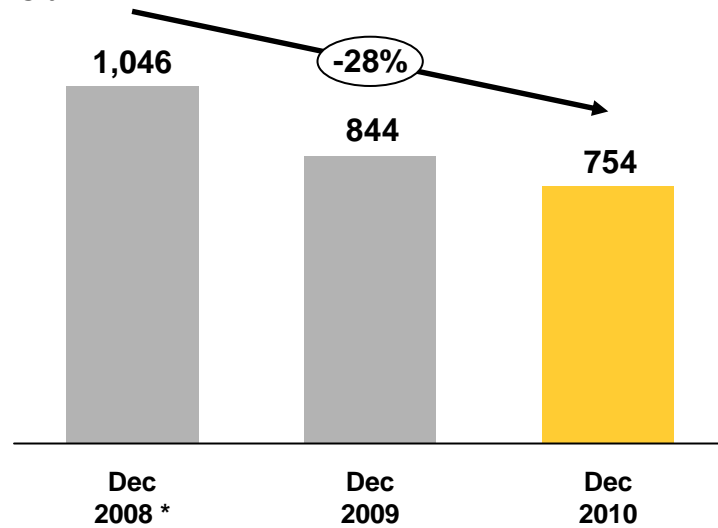


* including release in other income

Significant risk & balance sheet reduction

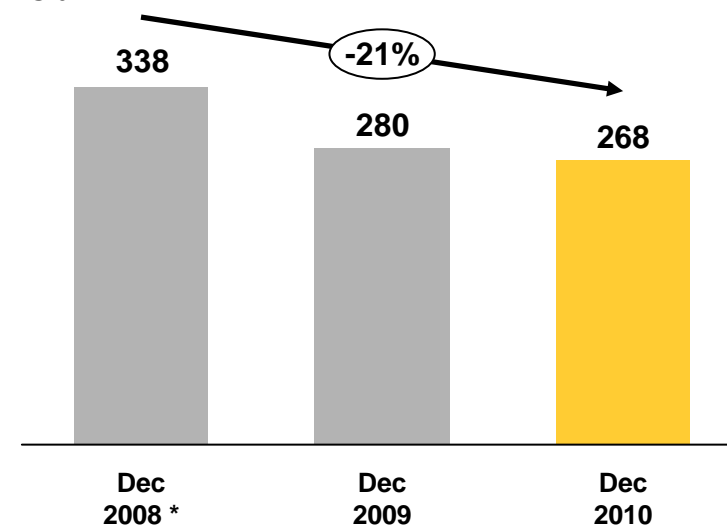
Balance sheet reduction

in € bn



RWA reduction

in € bn



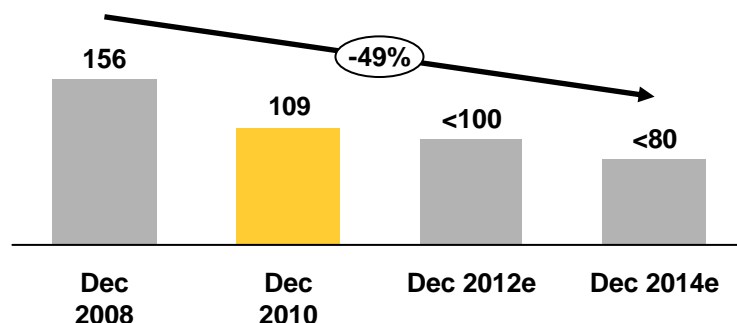
- › Since 2008 strong reduction across the entire group and various products
- › 2010: balance sheet reduction mainly in trading assets due to m-t-m effects and improved netting
- › Development of balance sheet total is in line with EU requirement (<€900bn in 2012)

- › Planned reduction in ABF main driver for RWA decrease in 2010
- › Actively managed reduction in Corporates & Markets and PRU

* 2008 pro-forma

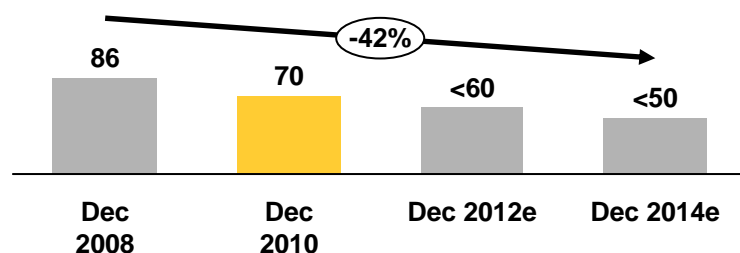
Optimization: Asset Based Finance

PF portfolio development (EaD in €bn)^{1,3}



- › Risk-oriented portfolio phase-out during the entire duration
- › No new business (only management of cover pool)

CRE portfolio development (EaD in €bn)^{2,3}



- › Selective new business
- › Reduced prolongation quota
- › Non-scheduled repayments

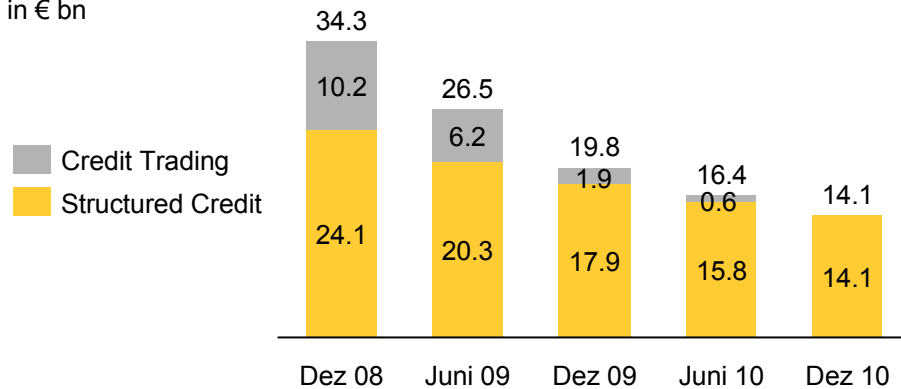
	Dec 2009	Dec 2010
RWA (in € bn)	90	79
LLP (YtD, in € m)	1,588	1,584
– thereof Public Finance	14	-8
– thereof CRE	1,075	1,315
– thereof Ship Finance	394	189
– thereof EH Retail	106	88
LLP ratio (% of EaD*)	0.60	0.69
– thereof Public Finance	0.01	<0.0
– thereof CRE	1.28	1.70
– thereof Ship Finance	1.36	0.71
– thereof EH Retail	0.51	0.50
Default portfolio (in € bn)	9.8	10.6
Coverage ratio ** (%)	97	101

* including default portfolio ** including GLLP

1) PF includes public finance portfolios of Eurohypo and EEPK 2) Volume incl. Eurohypo portfolio, AM Leasing and further assets at Commerzbank 3) excl. default portfolio

Portfolio Restructuring Unit - successful downsizing and de-risking with continuing profit contribution

Net assets
in € bn



Total assets reduced by €20bn within 2 years



Less complexity due to reduction of 96% of positions and exit of credit trading



Further profit contribution expected

Risk Exposure
in € bn

(€Mrd.)	AAA	AA	A	BBB	Non IG	Total
RMBS						3.0
CMBS						0.5
CDO						6.7
Other ABS						2.8
Total	2.8	2.0	2.4	3.0	2.9	13.0

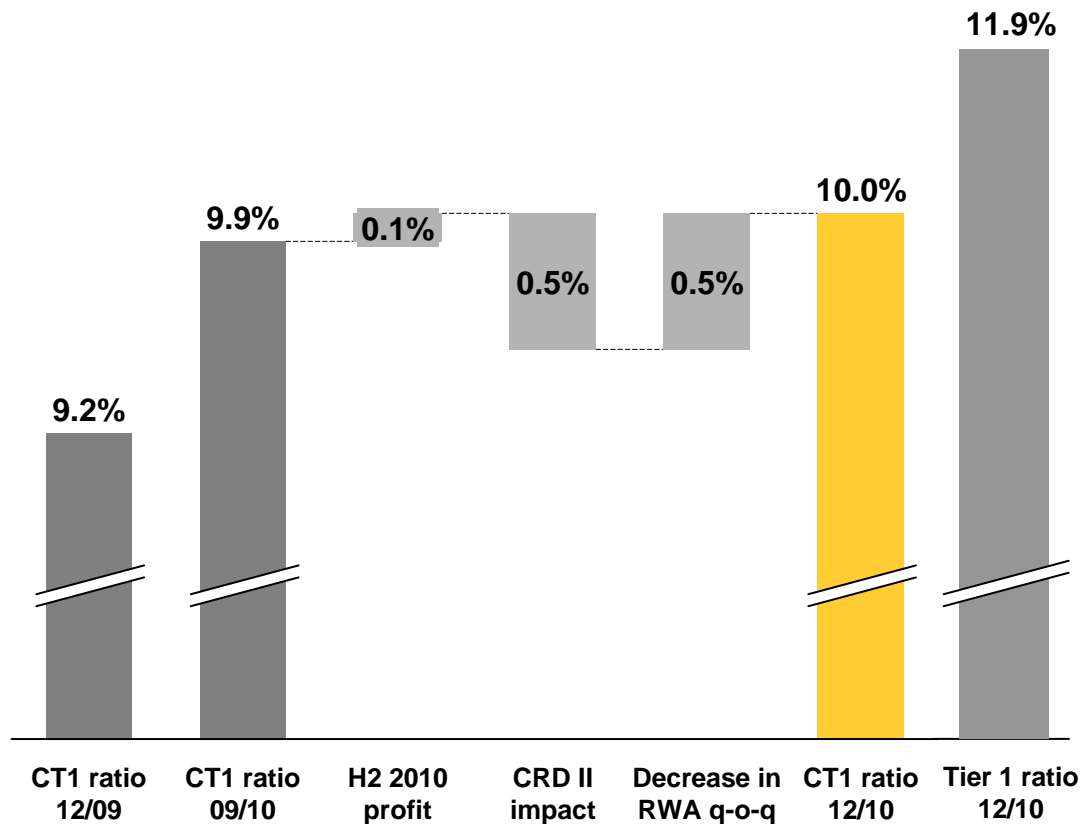
Details

	Risk Exposure	m-d-r*
■ Write-back potential	€8.9bn	13%
■ Neutral (+/- €25m P&L)	€1.8bn	25%
■ Impairment likely/possible	€2.3bn	70%
Total	€13.0bn	

* Markdown-Ratio = 1-(Risk Exposure / Notional value)

Capital base further improved

Tier 1 / Core Tier 1 Ratio

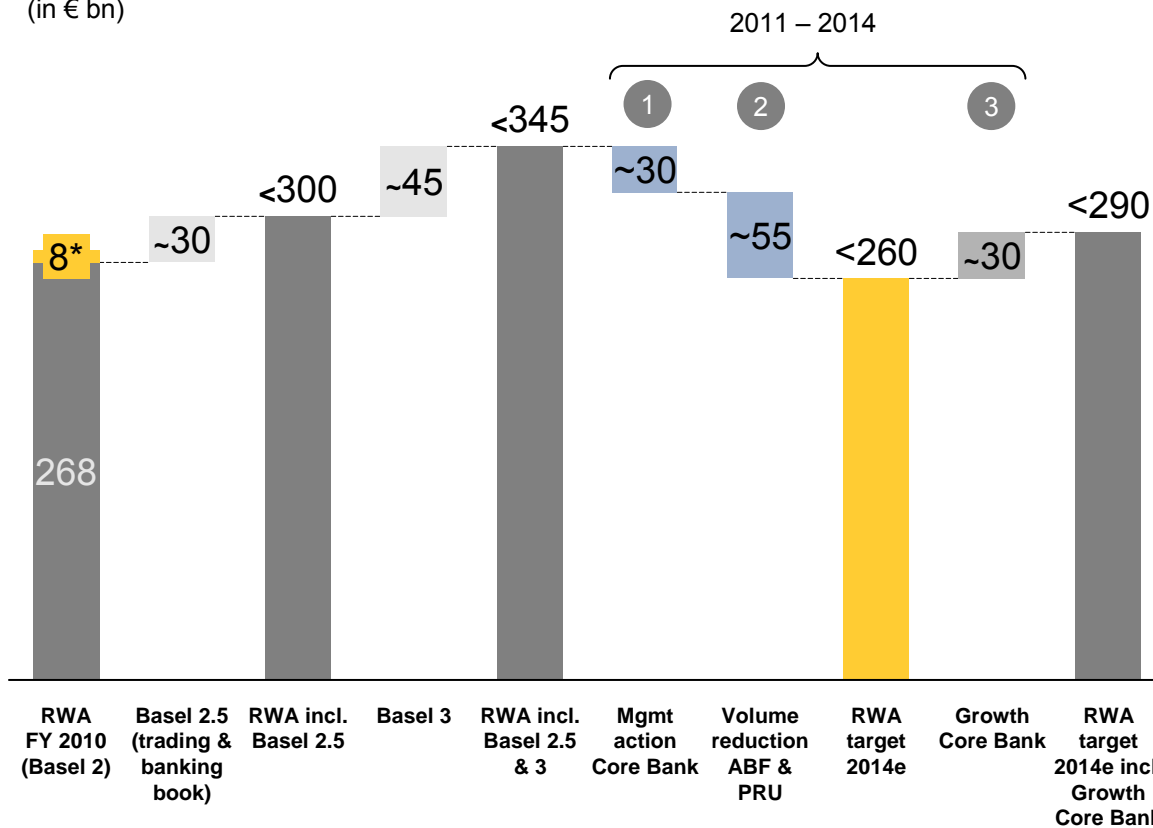


Comments

- › CRD II: de-recognition of Silent Participation Allianz & HT1 as core capital
- › Liability management in January 2011:
 - › Pre-tax P&L effect of roughly €300m
 - › Total effect on Core Tier 1 Ratio: pro-forma increase of 40bps
 - › 157.5m new shares issued

Impact of Basel 3 RWA effects under control – active management compensates regulatory effects – RWA target reduced to <€290bn

RWA
(in € bn)



Comments


- › Mitigation of CVA effects through


 - Central clearing of OTC derivatives (e.g. C&M)
 - Adjusted framework for hedging counterparty risk under Basel 3

› Portfolio Optimization
- › Mitigation of Basel 2.5 and Basel 3 effects through reduction and restructuring of structured assets (mainly PRU)

› Accelerated phase-out of non-core activities in

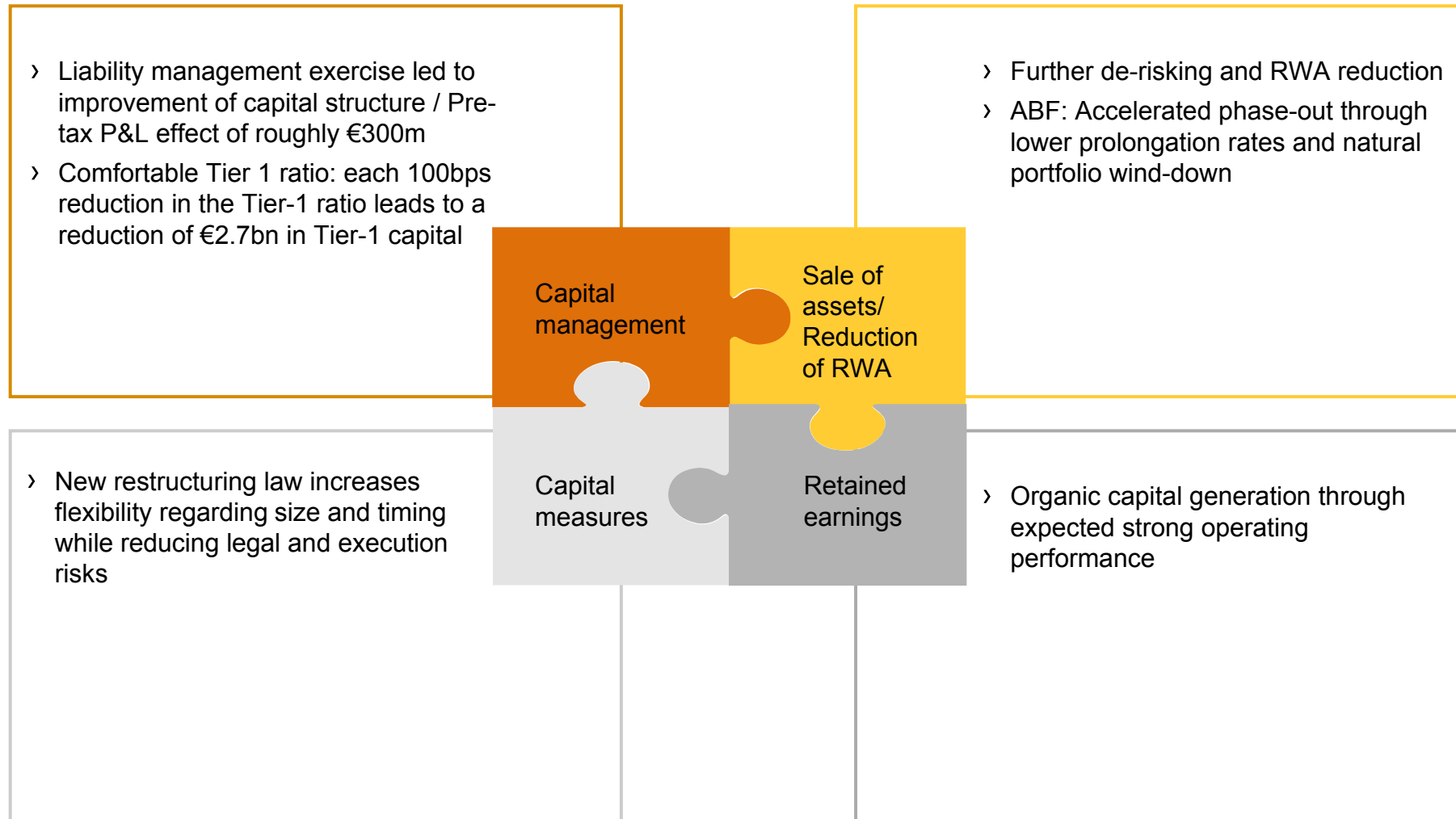
 - ABF through reduction of prolongation rate and natural portfolio wind-down
 - PRU through restructuring and sale of assets
- › RWA growth mainly planned for MSB (~1/2) and CEE (1/3)

 Total Basel 2.5 & 3 impact of ~€75bn

 Total management actions of ~€85bn

* RWA equivalents: Tier 1 capital deductions multiplied by 12.5

Wide range of options for payback of SoFFin funds

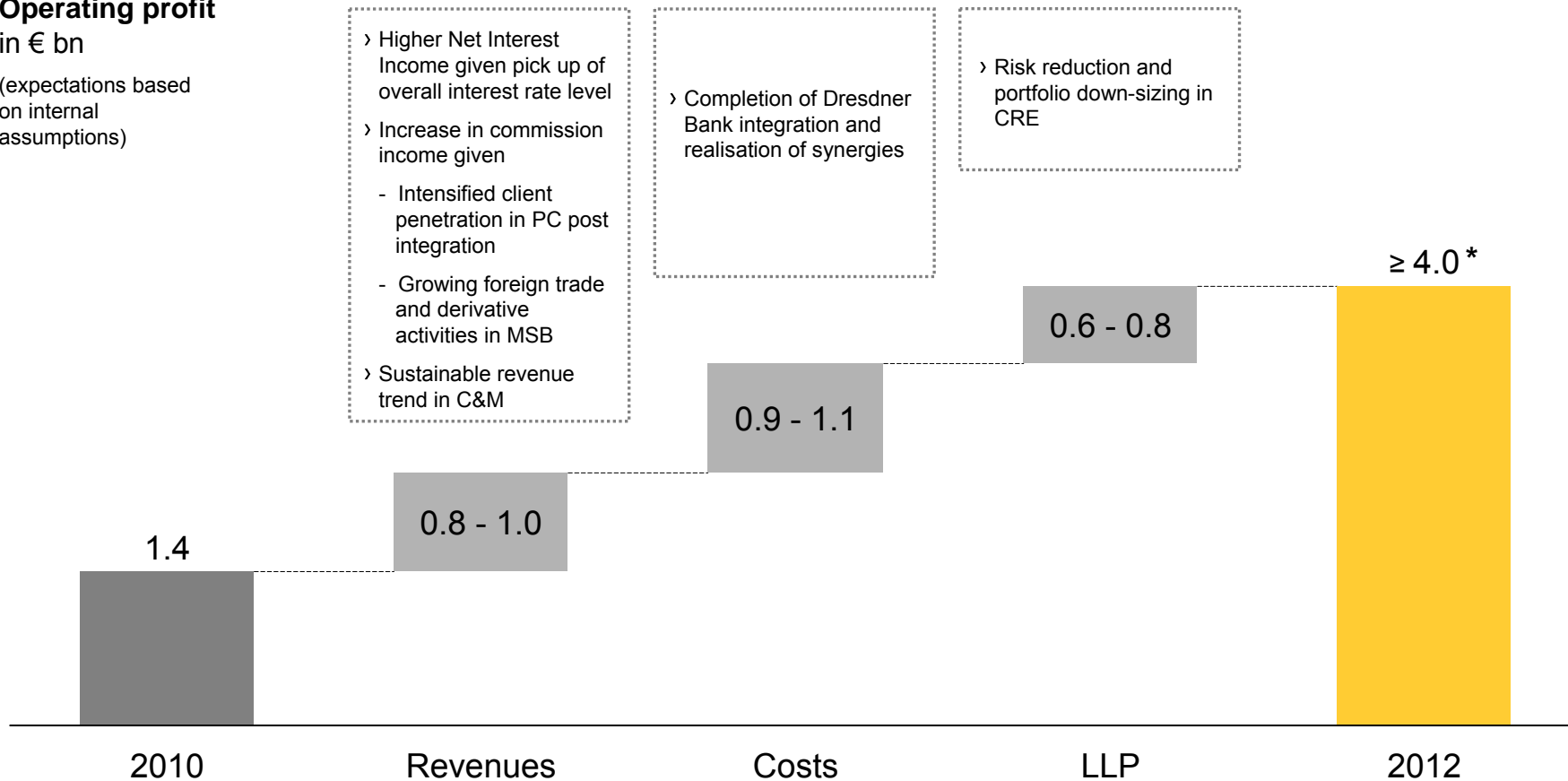


Roadmap 2012 targets remain in place

Operating profit

in € bn

(expectations based on internal assumptions)



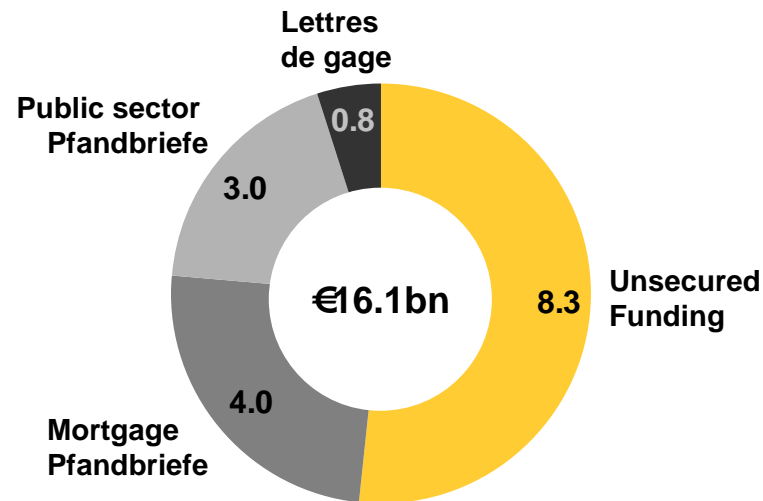
* Pre regulatory effects (i.e. bank levies) and under stable market conditions

2011 outlook: Commerzbank expects to surpass operating profit level of 2010 significantly

- Core Bank set for revenue growth and further synergy realization in 2011
- IT integration to be accomplished in H1
- Ongoing risk reduction and balance sheet management
- Consistent improvement of capital base
- Successful business model – well positioned within strong German economy
Roadmap 2012 targets remain in place

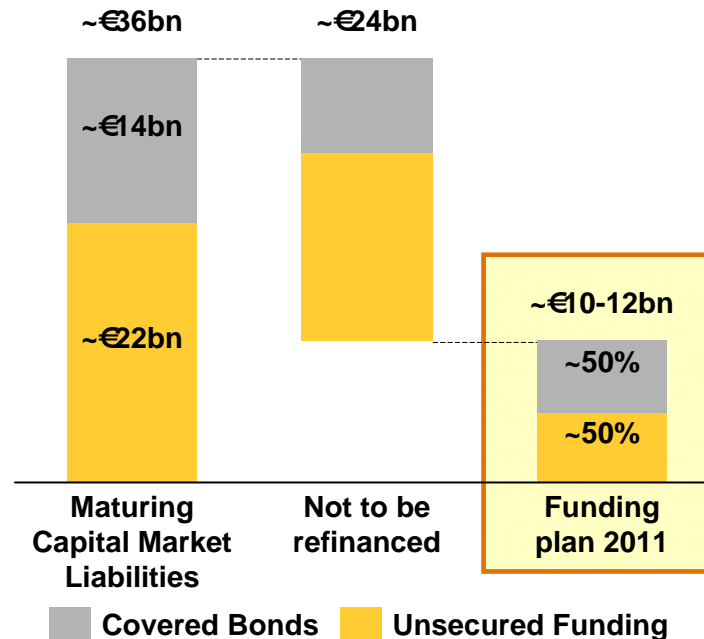
Capital markets funding plan 2011 and review 2010

Funding review 2010
in € bn



- › Average issuance spread was Euribor +55 bps
- › Unsecured funding was supported by strong retail franchise
- › 2 long dated €1bn benchmarks (7 and 10 years)
- › 2 Jumbo Pfandbriefe issued by Eurohypo

Funding plan 2011
in € bn



- › Funding plan 2011 is below volume achieved in 2010. Can be covered mainly by private placements
- › Approximately one-third of funding plan 2011 already completed YTD

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