



COMMERZBANK

STRATEGY 2024

Annual Results Press Conference
11 February 2021



**„We have put in place an
ambitious strategy
programme.“**



Manfred Knof
CEO





STRATEGY 2024

CUSTOMER-ORIENTED.

DIGITAL.

SUSTAINABLE.

PROFITABLE.



STRATEGY 2024



Return on tangible equity of around 7%



Cost reduction by €1,4 billion



Direct bank and individual advisory service



Focus on Germany and the Mittelstand

We want to be sustainably profitable



**PROFITABILITY
before growth**



**Adjustment of
CAPACITIES**



**Wide-ranging
DIGITALISATION**

We will concentrate on the changed needs of our customers while simultaneously focussing on maximum efficiency.

PSBC: highly efficient direct bank with a first-class offering of advisory services



Digital services



Advisory centres



Locations

for our
11 million customers

digital, mobile
& via telephone

450

No. 1

for advisory quality and customer experience

CC: strategic partner of our customers – in Germany and in international business



**Profitability
before growth**

Individual **advisory services**
& innovative **direct-bank offering**



Focus on **core products**
& **customer requirements**



Streamlining the **international presence**
& focus on business with **German connectivity**



Close attention to the management of our
risk-weighted assets





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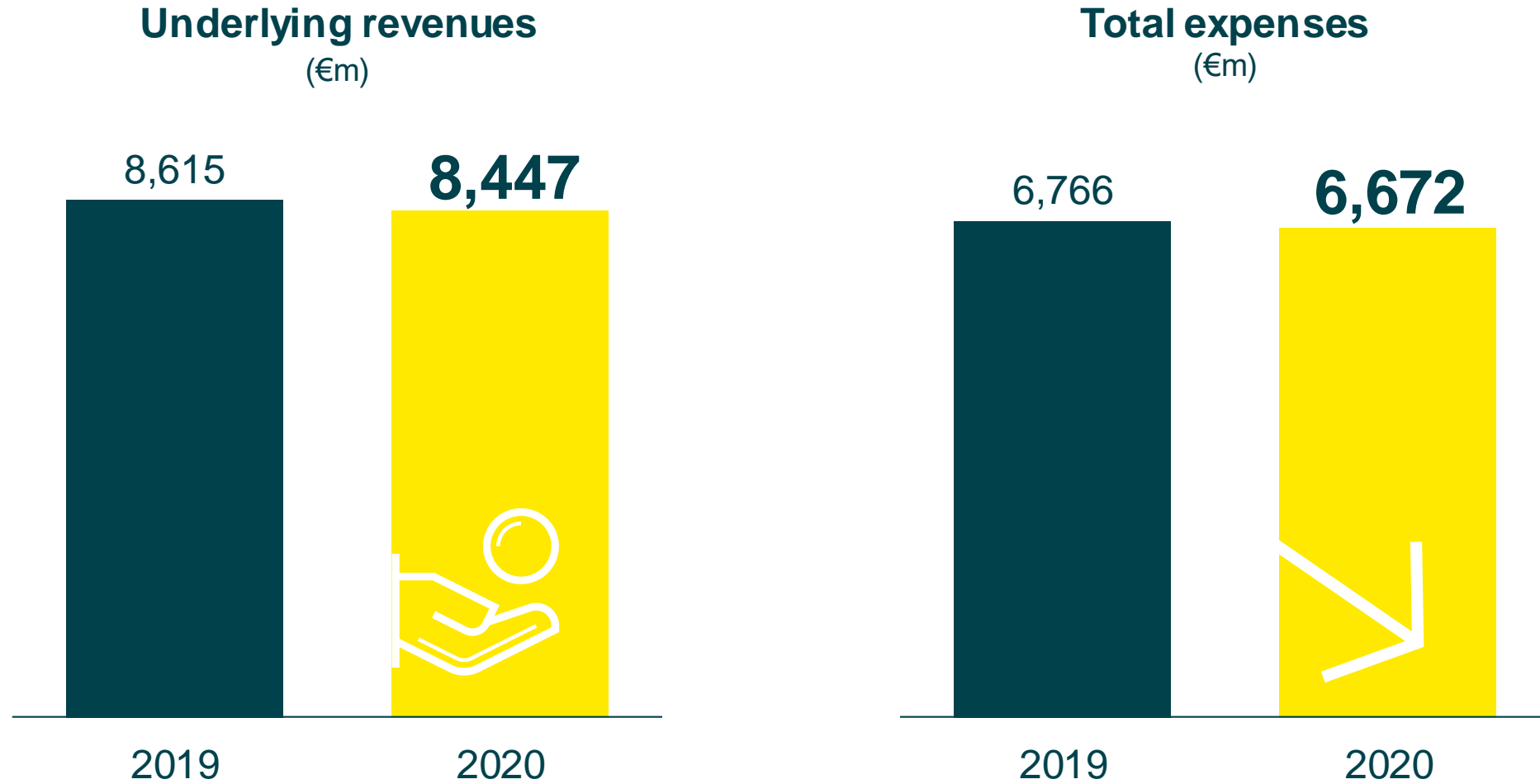
**„We intend to substantially
improve the profitability
of the Bank.“**



Bettina Orlopp
CFO



Solid customer business and reduced expenses

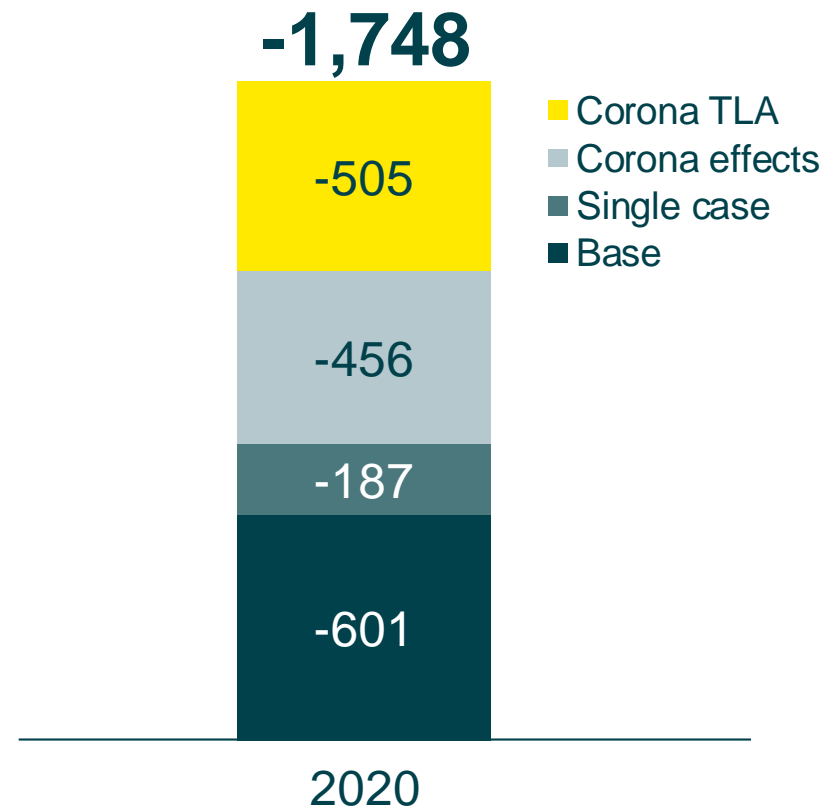


Risk result shows impacts of the coronavirus crisis and includes Top Level Adjustment for 2021



Risk result 2020

(€m)



Around €960 million related to coronavirus

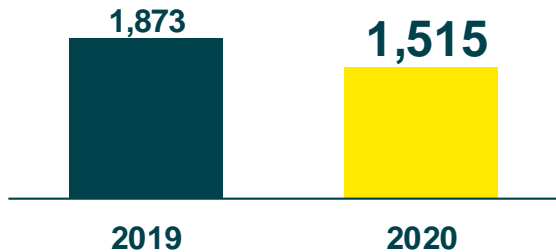
€505 million TLA booked for 2021

NPE ratio at a low level of 1.0% at year-end

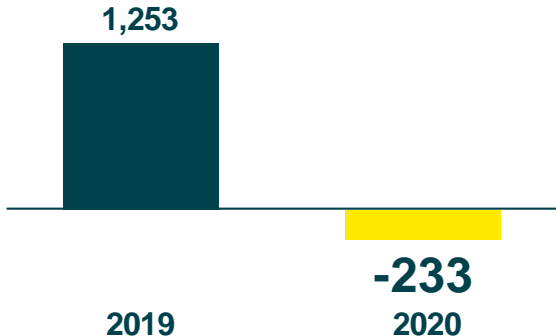
Net result marks preparation for transformation



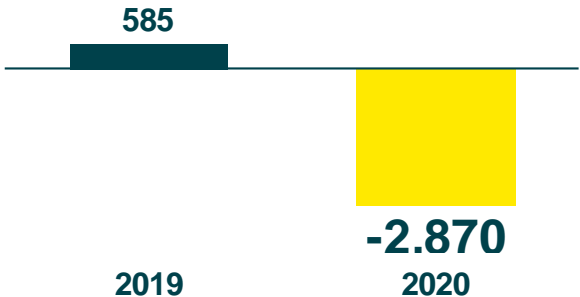
Pre-provision result
(€m)



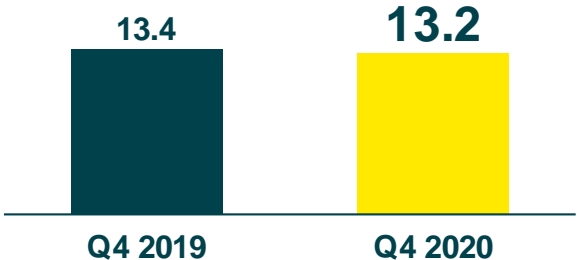
Operating result
(€m)



Net result
(€m)



CET 1 ratio
(%)



Restructuring charges booked

Goodwill write-off

Strong CET 1 ratio of 13.2%

Private and Small-Business Customers with stable revenues

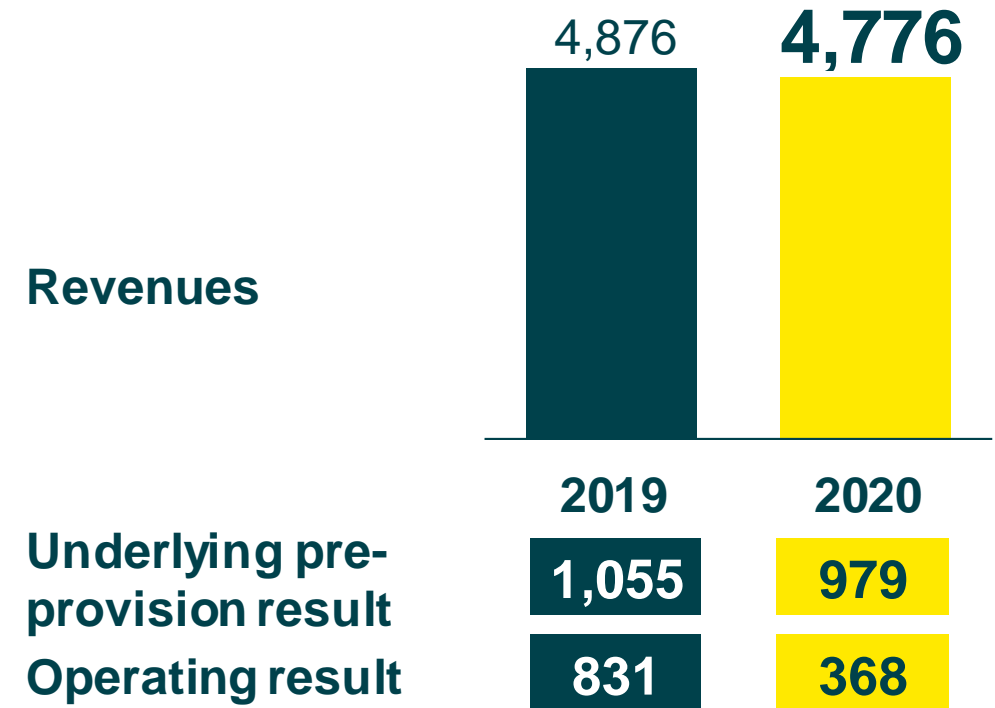


11 million private and small-business customers

€12 billion new investments in securities business

High new business volume in mortgage lending

Private and Small-Business Customers (€m)



Revenues for the Corporate Clients segment due to pandemic slightly lower year-on-year



Strong capital market business

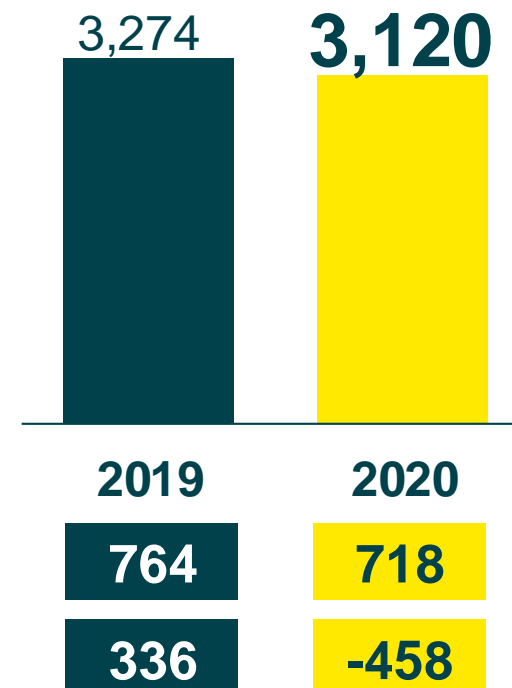
Lower demand for loans and liquidity

Active portfolio management intensified

Corporate Clients
(€m)

Revenues

Underlying pre-provision result
Operating result



Financial Outlook 2021



Slightly lower
revenues



Cost reduction
to around
€6.5bn



Risk result
in the range of
-€0.8bn to -€1.2bn



CET 1 ratio
above 12%



Positive
operating result

Targets 2024 based on prudent assumptions



Economic scenario

- > Unchanged euro interest rate environment
- > Persistent competitive pressure in Germany
- > Accelerated adoption of digital banking
- > Economic recovery in 2021



€1.4bn
cost reductions



~10,000
gross FTE reductions



~7%
group RoTE



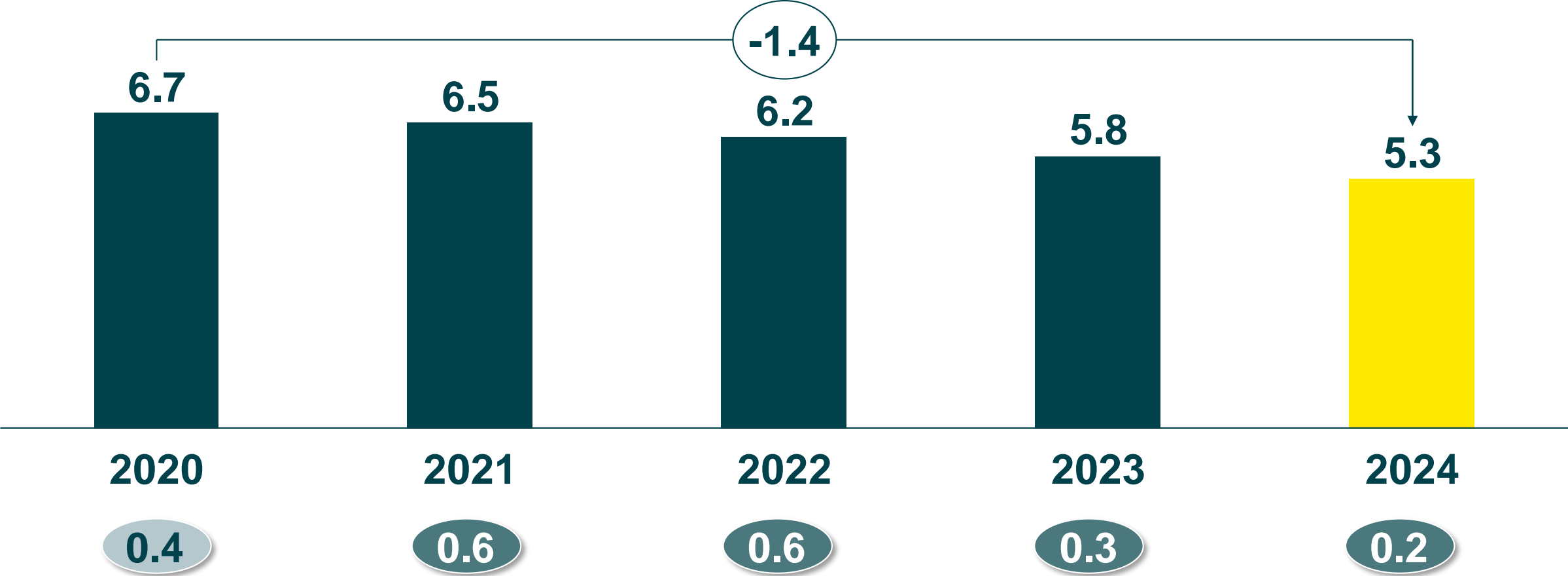
up to **€3bn**
potential for capital return¹

¹ Capital return is subject to successful restructuring and receiving the prior permission of the ECB

Every year lower cost – 1/3 of savings by 2022



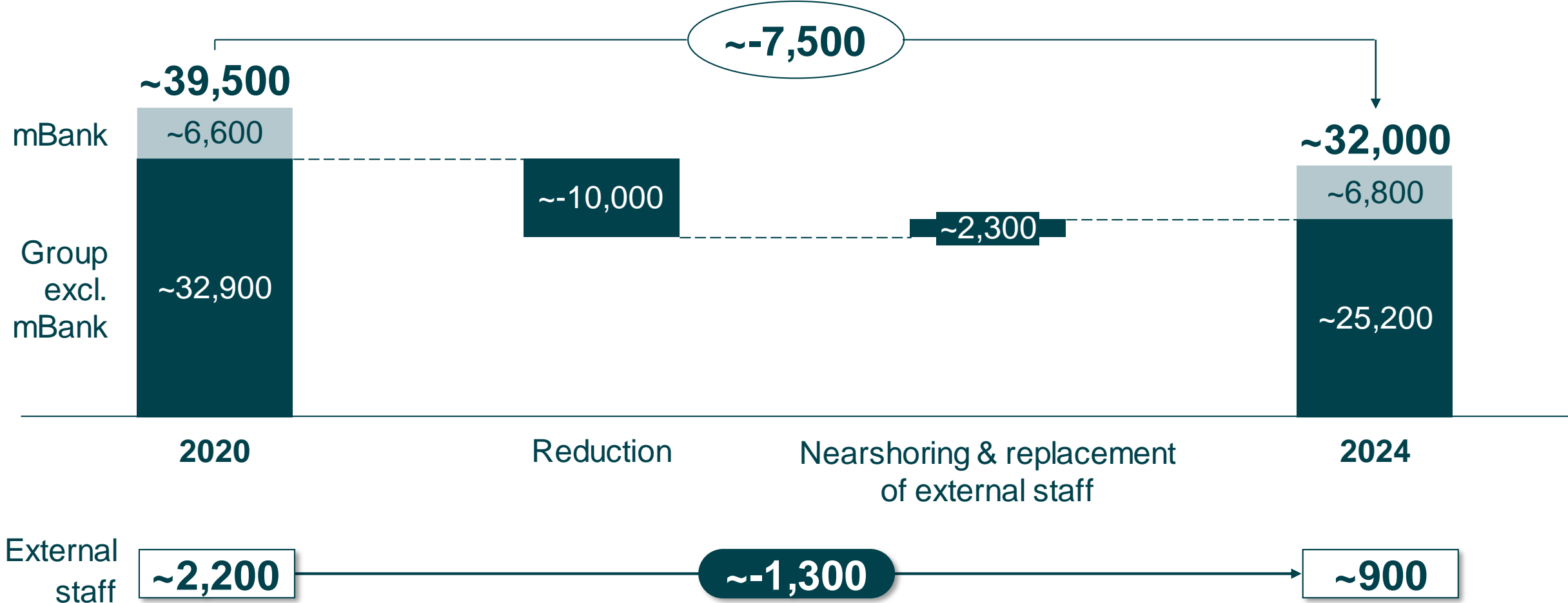
Costs incl. compulsory contributions
(€bn)  Change the bank IT cash spend



Gross FTE reduction of ~30% outside mBank



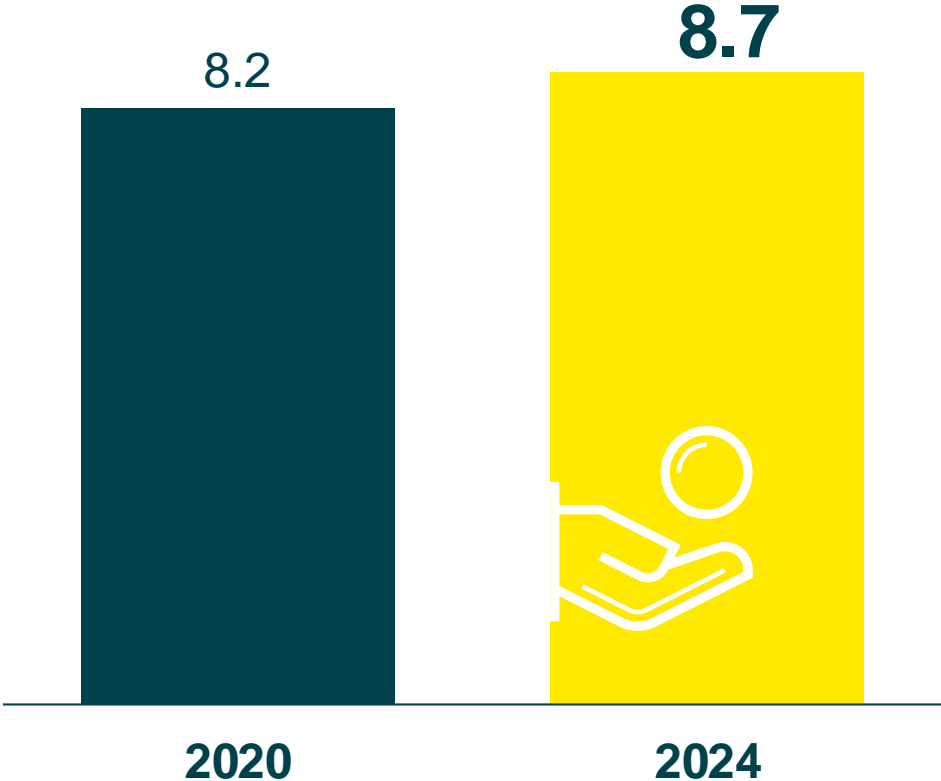
Internal FTE transition



Moderate revenue growth



Revenues incl. mBank
(€bn)



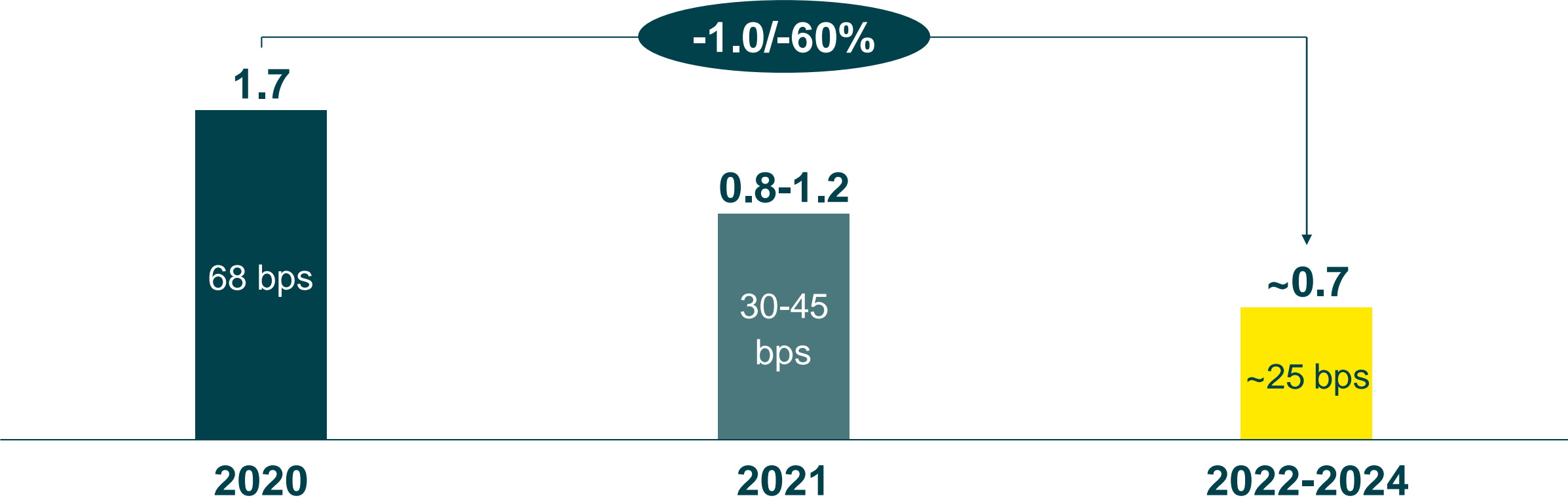
- Low-interest environment
- Focussing and customer churn
- + Profitable customers and products
- + Growth coming from mBank

Recovery of risk result until 2022



Risk result 2020-2024

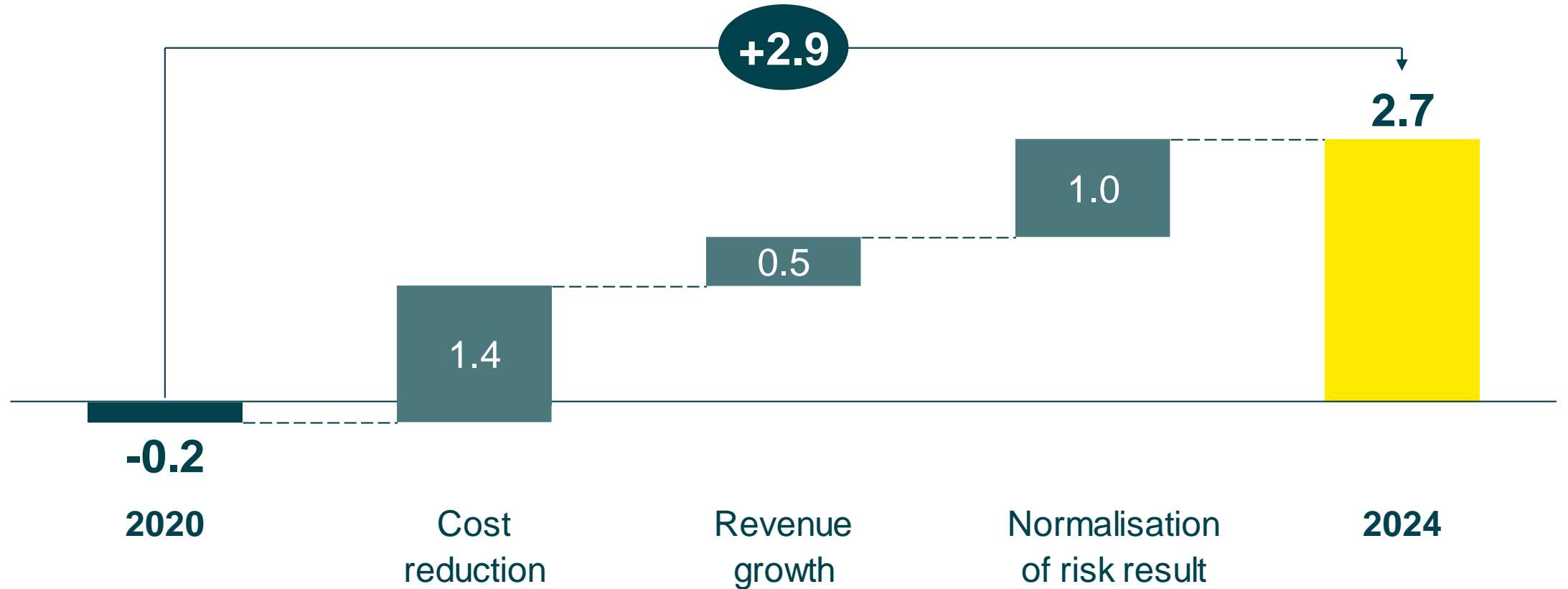
(€bn, CoRL in bps)



Clear turnaround visible in targets

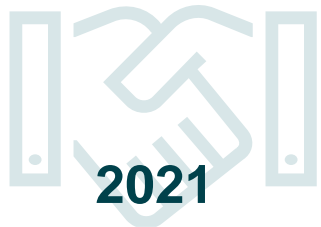


Transition of operating result (€bn)



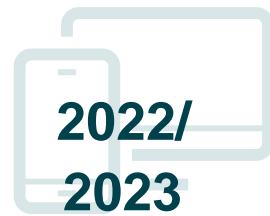
CIR	82	>	61
Net RoTE	-11.7		~7

Selected milestones until 2024



2021

- Arrangement with Works Council until 5 May
- Reorganisation of Head Office
- Start of branch adjustments



2022/
2023

- Further branch adjustments
- Expansion of direct bank capability
- Streamlining international presence



End of
2023

- Headcount reduction mostly concluded



End of
2024

- Goals fully achieved
- Return on tangible equity of around 7%



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