



Commerzbank 2015: More than 1 billion net profit – successful execution of strategy

Morgan Stanley – European Financials Conference 2016, London

More than 1 billion net profit – successful execution of strategy

Significantly increased earnings – strategy pays off

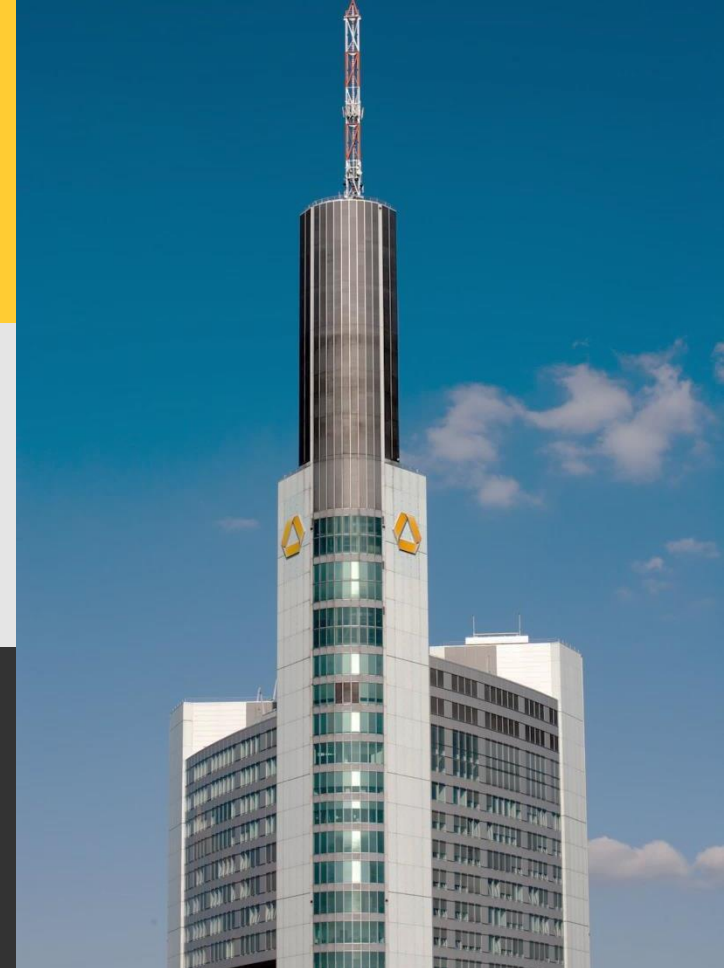
- › Sound operating result of €1.9bn and net income of €1.1bn
- › Operating RoTE of 7.3% and net RoTE of 4.2%
- › Earnings per share of €0.88

Strengthened capital ratio – proposal for dividend

- › With RWA <€200bn CET1 ratio fully phased-in of 12.0%
- › Leverage Ratio of 4.5%
- › Proposal for dividend of 20ct per share

Group with sound risk profile – NCA targets achieved

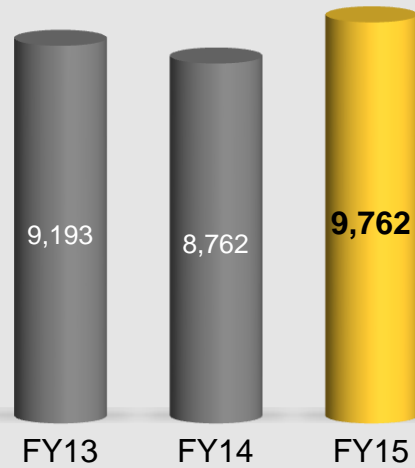
- › Group with low LLPs of €0.7bn and cost of risk at low 16bps
- › Group NPL ratio at record low of 1.6%
- › CRE & Ship Finance exposure already below €20bn



Sound operating result of €1.9bn

Revenues

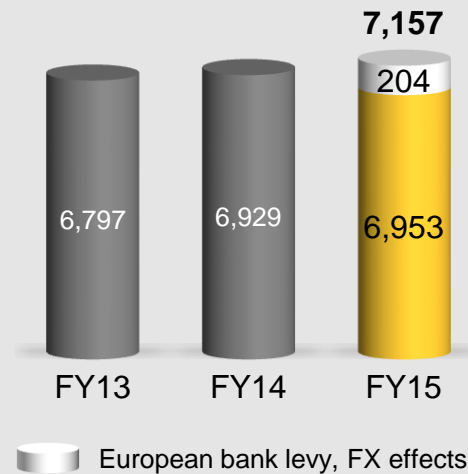
€m



Very solid revenues in a challenging environment

Costs

€m



Expenses managed flat – increase solely due to European bank levy and FX effects

LLP

€m



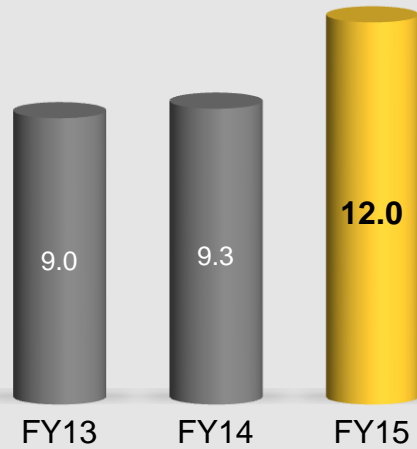
High quality of loan book and successful run-down in NCA

Commerzbank well capitalised

B3 fully phased-in capital ratios

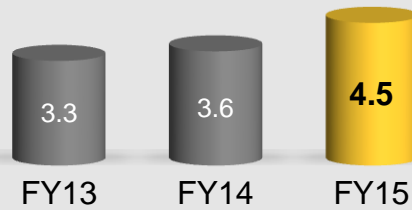
CET1 ratio

%



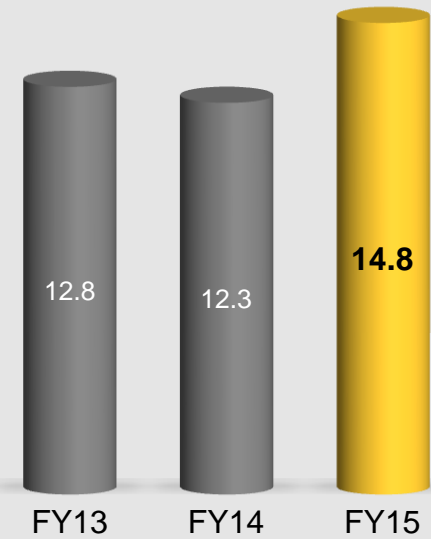
Leverage ratio

%



Total capital ratio

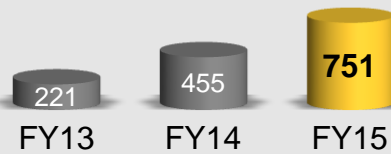
€m



Strong market position in all Core Bank divisions

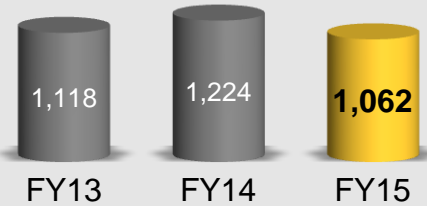
Operating result (€m)

Private Customers



Strategy pays off

Mittelstandsbank



No. 1 in Germany

Central & Eastern Europe



Most innovative bank in Poland

Corporates & Markets



Client-centric investment banking

Private Customers: Strategy pays off



Best advisory with >60% highly satisfied customers and ~820,000 net new customers since 2013

10% market share in new mortgage business and revenue increase of ~€50m from growing consumer loan business

Growing recurring revenue stream from volume based fee model accounts for more than 65% of total revenues from securities

Mittelstandsbank: No. 1 in Germany

Strong relationship model with customer satisfaction of >96%

Total lending growth of +12% since end-2013 and +4% y-o-y despite reluctance of corporate customers to invest

Top partner in foreign trade of the eurozone with market share of 19% in export letters of credit and 8% in export payments



Central & Eastern Europe: mBank most innovative bank in Poland



400,000 net new customers
to almost 5 million overall in 2015

Lending volume +7%
thanks to mortgages
in local currency,
consumer credit and
corporate loans

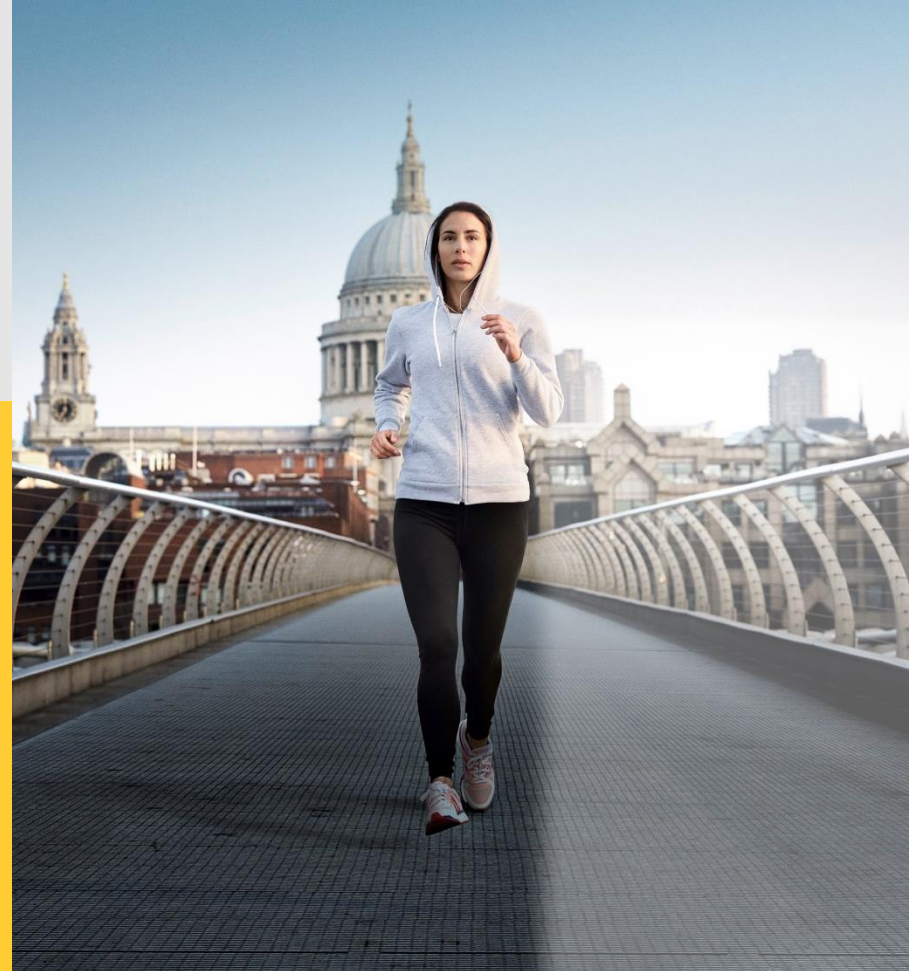
36% growth in
cashless card
transactions towards
12% market share

Corporates & Markets: Client-centric investment banking

Securing access for Mittelstand clients to tailored corporate finance and capital market solutions

No.1 in Europe as market maker for ETFs with a 14% market share

No.2 globally as lead manager for covered bonds in euros



Significant investments into our digitisation strategy

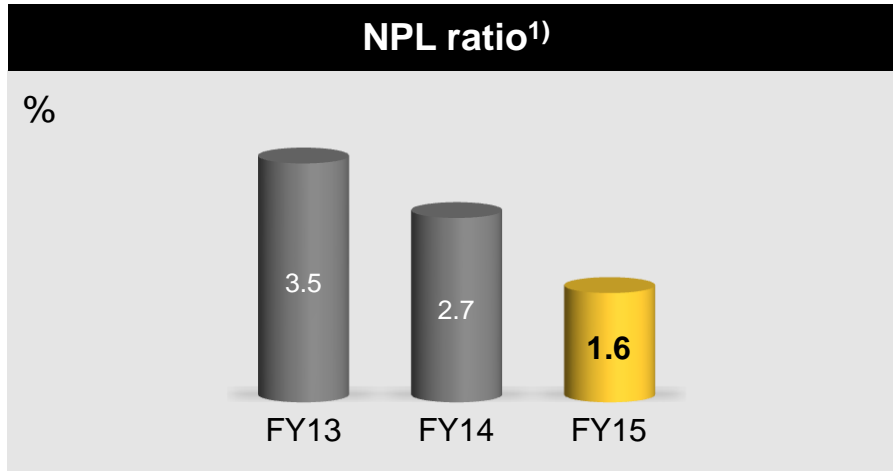


From a branch bank to a multi-channel bank – e.g. online-/videochat, pure online account opening, cash management app

Active promotion of fintech via our flexible, innovative units main incubator, CommerzVentures and Start-up Garage of comdirect

Digital transformation of internal processes to improve efficiency and the customer interface

Sound risk profile



>80% of Core Bank portfolios in investment grade ratings

Texas ratio³⁾ of 23%

EaD in NCA down ~€100bn since Q3 2012 – NPL in CRE and Ship Finance at only €1bn each

Coverage ratio excl. collateral in Ship Finance up to 66%

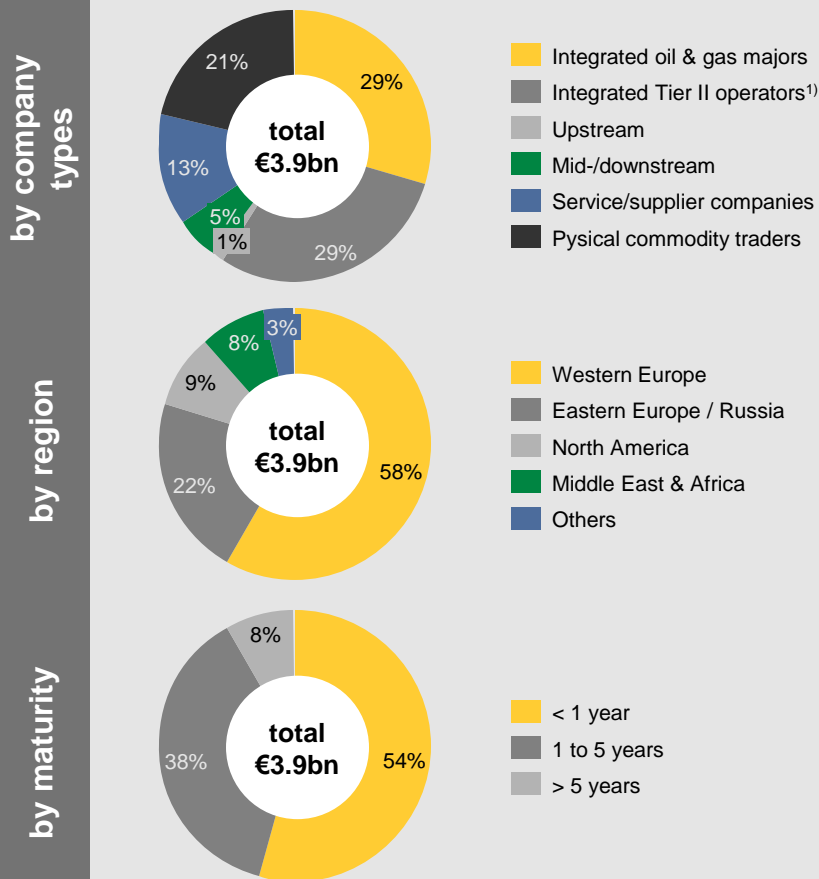
¹⁾ NPL ratio = Default volume / Exposure at Default

²⁾ Cost of Risk = Loan Loss Provisions / Exposure at Default (annualised)

³⁾ Texas ratio = NPL / (Tangible book value + LLP reserves)

Oil/gas exposure stands for <1% of total exposure – >75% investment grade

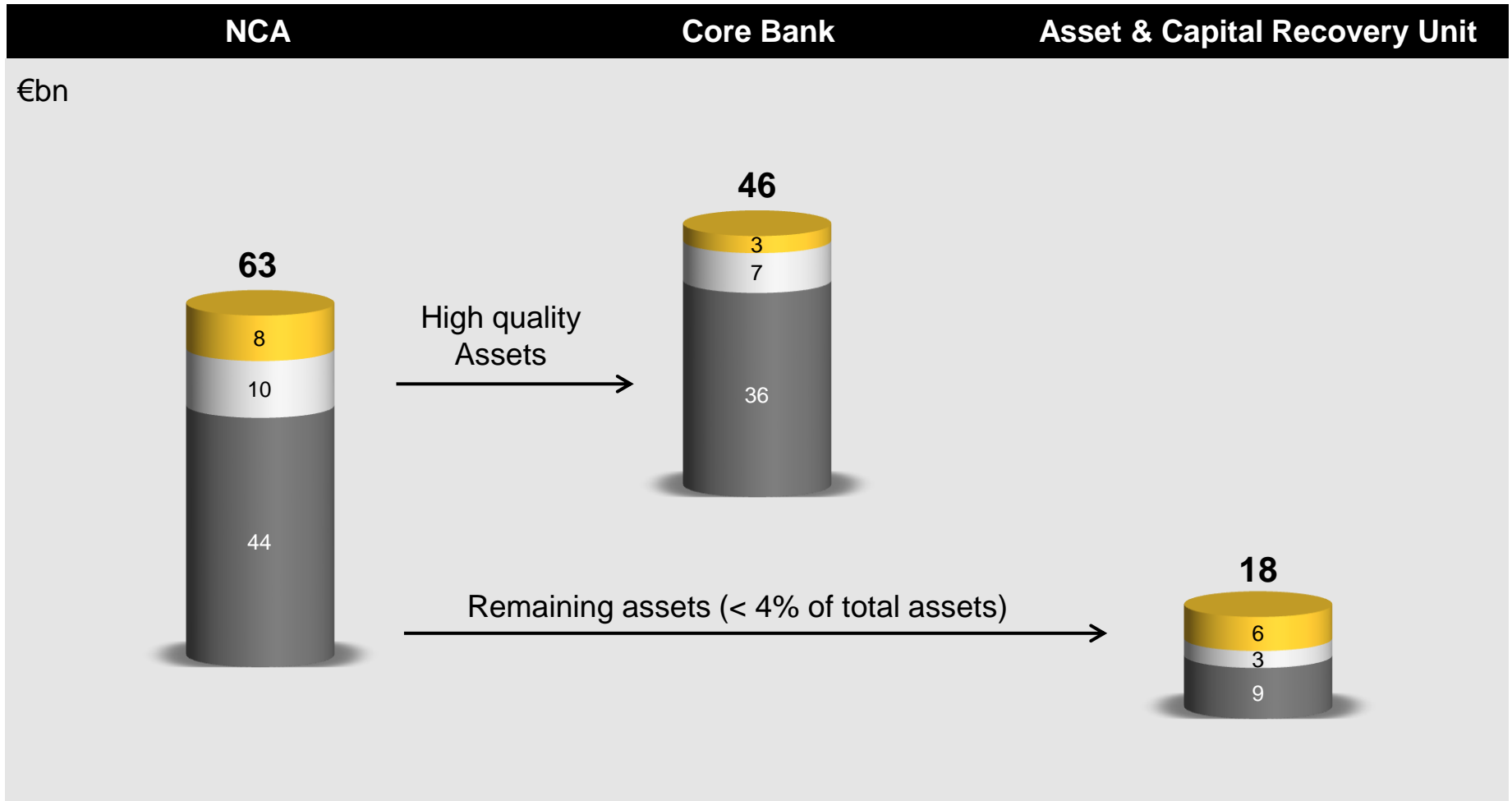
Oil/gas exposure (year-end 2015, €bn)



Notes

- › Roughly 60% of the exposure to integrated oil & gas majors and Tier II operators
- › Commodity trader exposure concentrated to world's top independent energy traders
- › >75% of the overall portfolio rated investment grade
- › High reactability – more than 50% of the exposure with maturities below 1 year
- › No exposure to single asset operations
- › No shale producers
- › No project finance

Transfer of high quality assets to Core Bank



New ACR is ring-fenced with sufficient equity capital even under stress – we aim for significant capital relief over time



~€18bn EaD with ~€23bn RWA to remain in ACR

CRE and Ship Finance with combined EaD run-down to low single digit billion exposure by year-end 2019



Expected cumulated operating loss for new ACR segment 2016-2019: €750m-€850m

After 2019 only minor exposure in CRE & SF and roughly break-even Public Finance P&L

Allocated capital (~15% of RWA) ensures sufficient cushion even under severe stress (substantial NPL migration and collateral write-down combined)

Sound risk profile and significantly improved returns on a substantially increased capital base

Substantial achievements despite significant headwinds from the low and negative interest rate environment and regulatory requirements

CET1 ratio fully phased-in of 12.0%

Proposal for dividend of 20ct per share

NCA reduced ahead of repeatedly stretched targets

Net RoE Core Bank of 8.1% despite capital buildup of ~€7bn / 50% since 2012

CIR Core Bank of 60% not within reach in the current low interest rate environment

	FY 2014	FY 2015	Targets 2016
Basel 3 CET1 (fully phased-in)	9.3%	12.0% ¹⁾	> 10%
Leverage Ratio (fully phased-in)	3.6% ²⁾	4.5% ²⁾	~ 4%
Volume NCA (CRE & Ship Finance)	€32bn	€19bn	~ €20bn
RoE, Core Bank (net after tax)	6.2% ³⁾	8.1% ³⁾	> 10%
CIR, Core Bank	77%	72%	~ 60%

¹⁾ Includes net profit of FY 2015 excl. dividend accrual

²⁾ Leverage Ratio-Exposure according to revised CRD4/CRR rules published 10 Oct 2014

³⁾ Based on average tax rate 2013-2015 calculated by applying total group tax expenses to the Core Bank result

Rating upgrades in Q1 2016 reflect improved profile of CBK – Credit Issuer Ratings of all three agencies in the upper „BBB“ range

	STANDARD & POOR'S		MOODY'S INVESTORS SERVICE		FitchRatings	
Commerzbank Ratings	since 11.03.	Δ	since 25.01.	Δ	since 07.03.	Δ
Counterparty Risk Assessment	-	-	A2	+1	-	-
Deposits	-	-	A2 stable	+2	-	-
Issuer Credit Rating	BBB+ stable	+/-0	Baa1 stable	+/-0	BBB+ stable	+1
Stand-alone (Financial Strength)	bbb+	+1	Baa3	+1	bbb+	+1
Subordinated debt (Tier 2)	BBB-	+1	Ba1	+1	BBB	+1
Short-term debt	A-2	+/-0	P-1	+1	F2	+/-0

Upgrades were driven by enhanced capitalisation, profitability and improved risk profile

Stand-alone rating came back to investment-grade level at Moody's; all issuer credit ratings in the upper „BBB“ range with stable outlooks

Subordinated debt: Tier 2 Bonds fulfill in principle iBoxx Index investment-grade requirements¹⁾

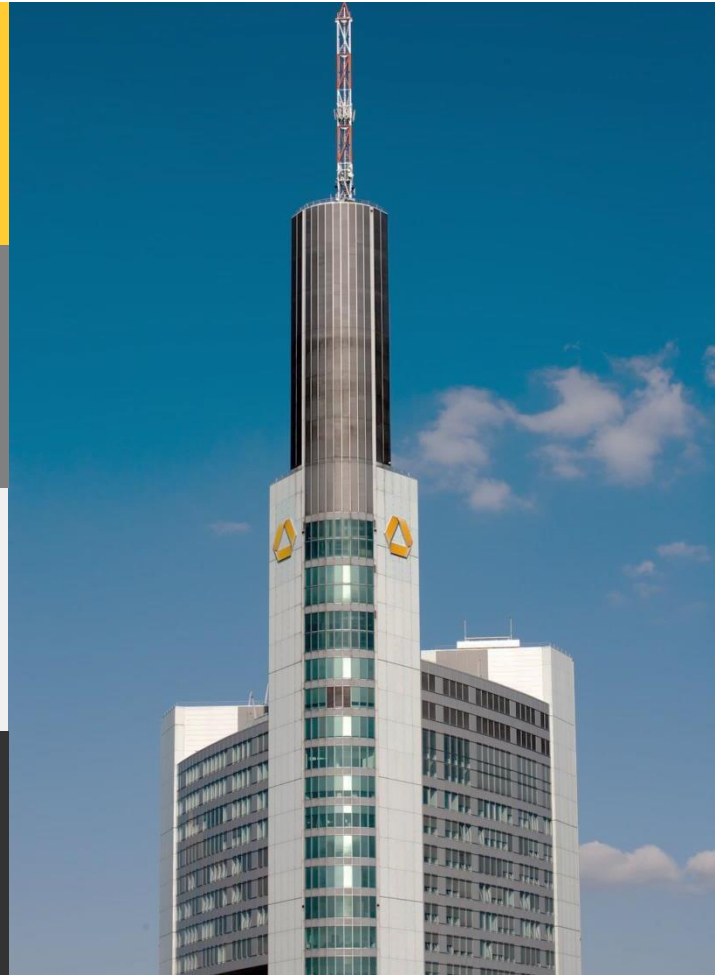
Financial outlook 2016 in an overall challenging macro environment

We pursue our strategy and aim to further increase market share in our core bank divisions

We aim to keep our cost base stable with exception of additional external burdens

We expect a moderate increase in loan loss provisions due to lower releases from impaired loans

Overall we expect a slight increase in net profit



Disclaimer

Investor Relations

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