

# Successful first half of Commerzbank 4.0 – net result of €865m

Analyst conference – Q4 2018 / FY 2018 preliminary and unaudited results

# Growth on the back of successful strategy implementation

## Commerzbank 4.0 drives...



### Simple

- › We will focus on businesses in two operating segments: **PSBC** and **CC**
- › We will discontinue non-core activities



### Digital

- › We will transform the bank into a **digital enterprise**
- › We will digitalise **80%** of all relevant processes until 2020



### Efficient

- › We will simplify the bank, creating efficiency
- › We will generate additional **competitive advantages**

## ... business model transformation ...



### PSBC

- › **Consumer Finance** business on own balance sheet
- › Setup of market segment **Small Business Customers** within PSBC



### CC

- › **Integration** of all corporate client activities in one segment
- › **Sale of EMC** business



### Run-down legacy portfolios

- › Legacy portfolios **cleaned up**
- › Ship finance **<€500m**

## ... and growth in core segments based on high quality balance sheet



### PSBC

- › **1m** net new customers (GER)
- › **+€46bn** Assets under Control (GER)
- › Underlying revenue growth of **€234m** in 2018



### CC

- › **8.9k** net new corporate customers
- › Loan growth of **€7bn** with corporates
- › RWA efficiency of **3.9%**

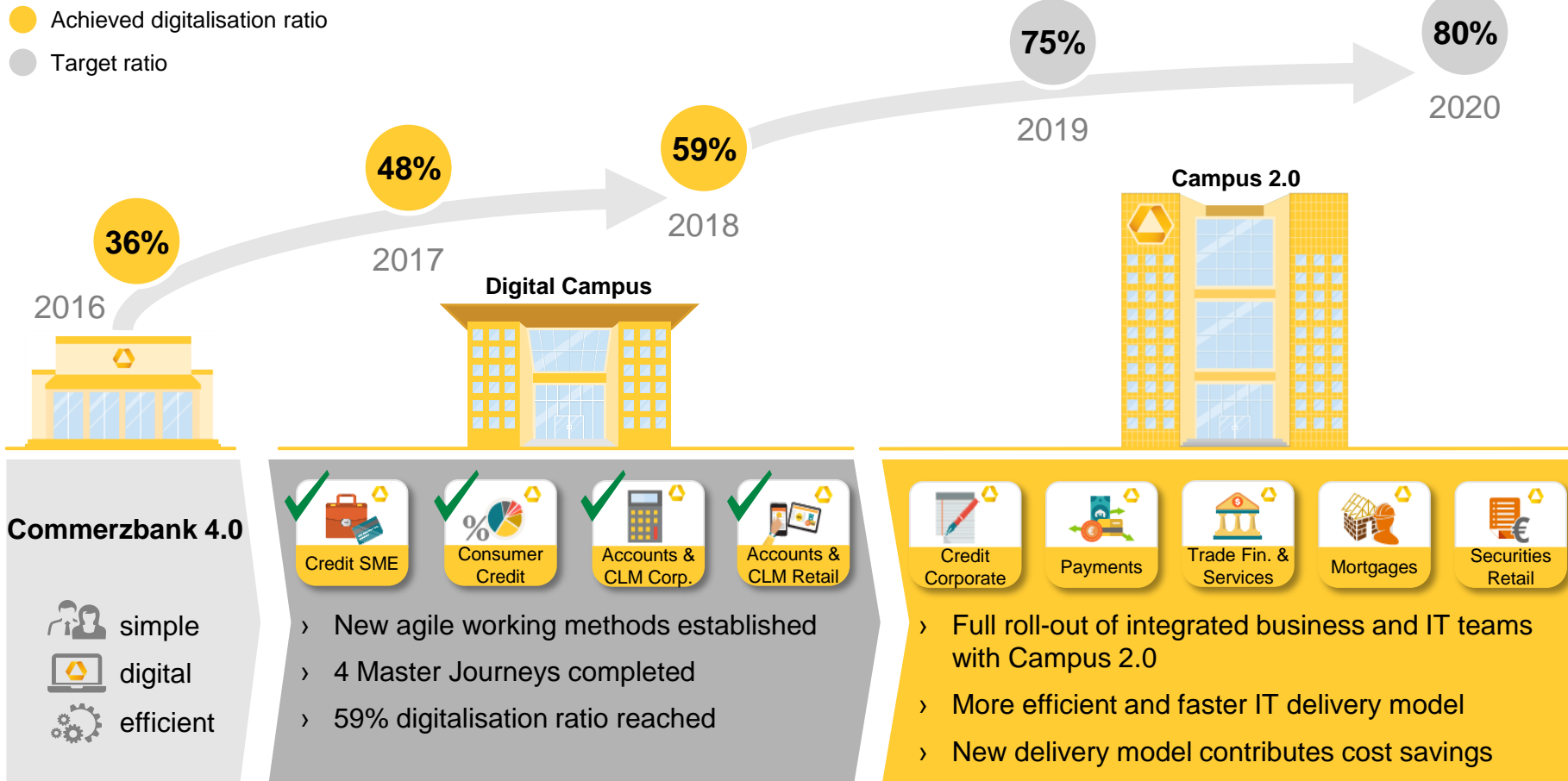


### Balance sheet quality

- › Clean balance sheet with NPL **<0.9%**
- › Capital reallocated to growth in core segments

# Significant progress in digitalisation – roll out of new delivery model

## Digitalising our core processes – our roadmap to a digital enterprise



# Sound and robust compliance framework established – Commerzbank recognised as reliable partner

## Initiatives to strengthen Compliance



- › Stringent implementation of the “Three Lines of Defense” model and a culture of integrity
- › Establishment of global robust and sustainable AML and Sanctions compliance program
- › State-of-the-art transaction monitoring and sanctions screening systems
- › Definition and roll-out of consistent global KYC processes
- › US Monitorship instrumental in implementing a sound and robust global compliance – following strict US regulatory requirements



**Next steps:**  
**Continuous improvement**  
**Further automation**  
**Usage of big data**

Substantial investment of approx. €600m



Increase of global headcount in compliance department to over 700



# Full year operating profit of €1.2bn and net result of €865m

## Highlights 2018

### Improved underlying revenues and benign risk result

- › FY underlying revenues increased by 5% vs. 2017
- › Q4 underlying revenues remain stable vs. Q3 despite challenging markets
- › Risk Result of €-446m significantly (43%) below 2017 LLPs thanks to reduced ship finance

### Costs in line with guidance

- › Expenses of €6.9bn in line with full year guidance of €7.1bn when adding back ~€200m from discontinued operations (EMC)
- › Cost management largely compensating effects of strong investments

### Net RoTE of 3.4% in second transformation year

- › Q4 contributing €240m to FY operating result of €1.2bn
- › Ongoing loan demand reflected in FY RWA growth of 6% and CET1 ratio of 12.9%
- › Dividend of €20ct per share planned for AGM

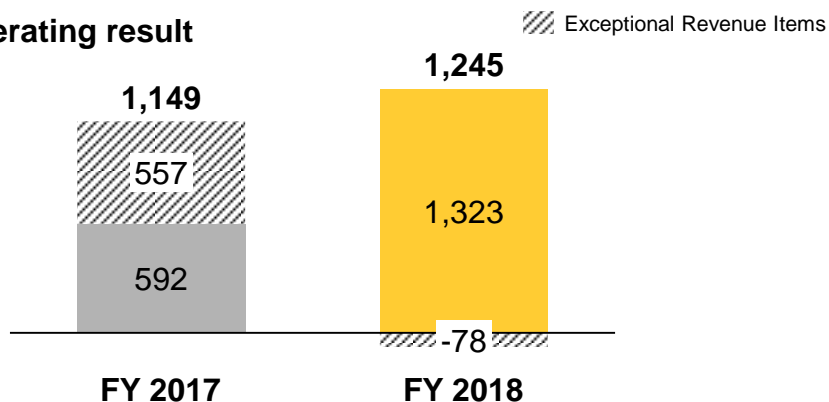
## Exceptional revenue items

2017 (€m)			Revenues	2018 (€m)			Revenues
Q1	› Hedging & valuation adjustments	108	108	› Hedging & valuation adjustments	-24	1	
				› Polish group insurance business (PSBC)	52		
				› PPA Consumer Finance (PSBC)	-27		
Q2	› Hedging & valuation adjustments	8	8	› Hedging & valuation adjustments	42	18	
				› PPA Consumer Finance (PSBC)	-25		
Q3	› Hedging & valuation adjustments	28	502	› Hedging & valuation adjustments	41	18	
	› Concardis (PSBC)	89		› PPA Consumer Finance (PSBC)	-23		
	› Consumer Finance Joint Venture	160					
	- thereof PPA (PSBC)	-16					
	› Property sales gains (O&C)	225					
Q4	› Hedging & valuation adjustments	-32	-60	› Hedging & valuation adjustments	-95	-115	
	› PPA Consumer Finance (PSBC)	-29		› PPA Consumer Finance (PSBC)	-21		
FY			557			-78	

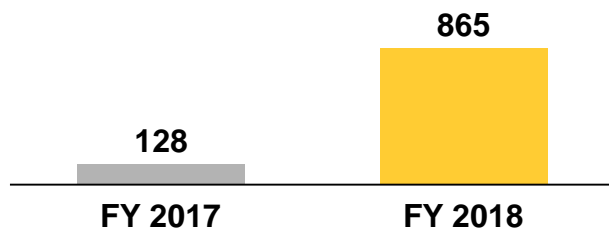
# Key financial figures at a glance

## Group Financial Results

### Operating result (€m)

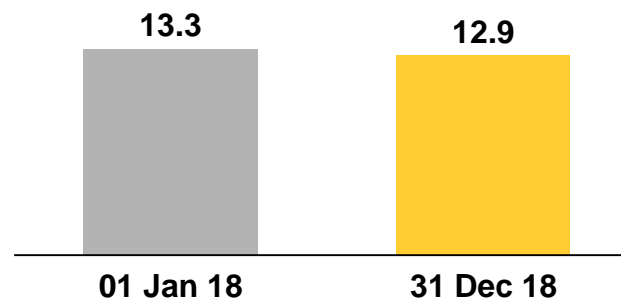


### Net result<sup>1</sup> (€m)

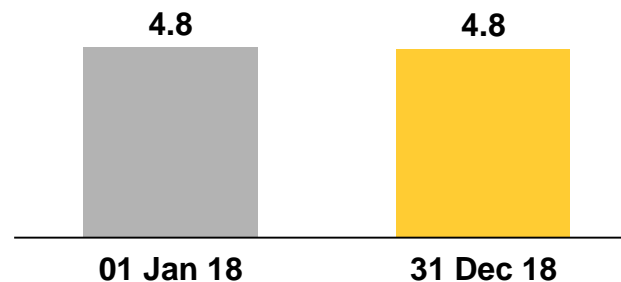


## Group Capital<sup>2</sup>

### B3 CET1 ratio fully phased-in (%)



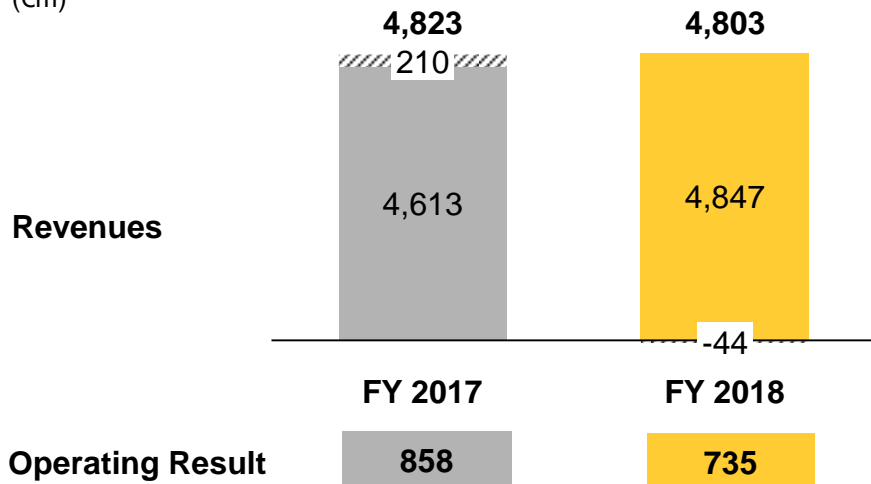
### Leverage ratio fully phased-in (% end of period)



# Revenues and operating results of Commerzbank divisions

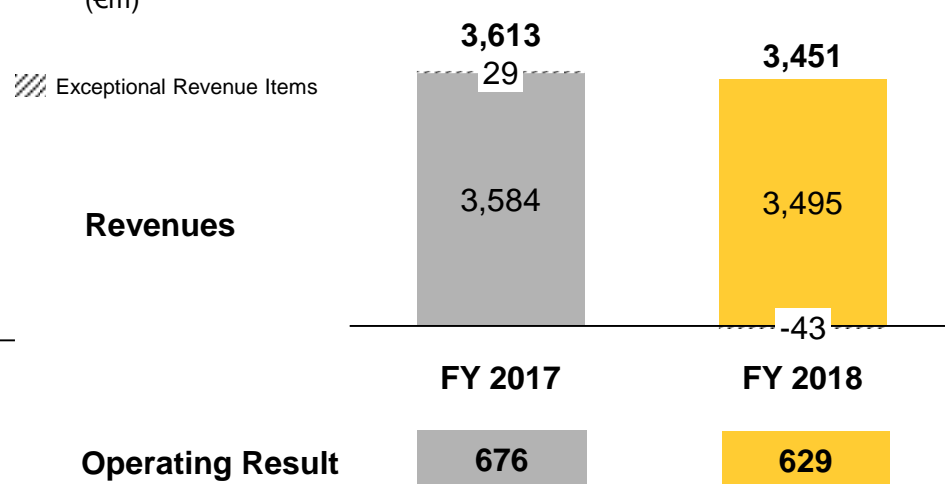
## Private and Small Business Customers

(€m)



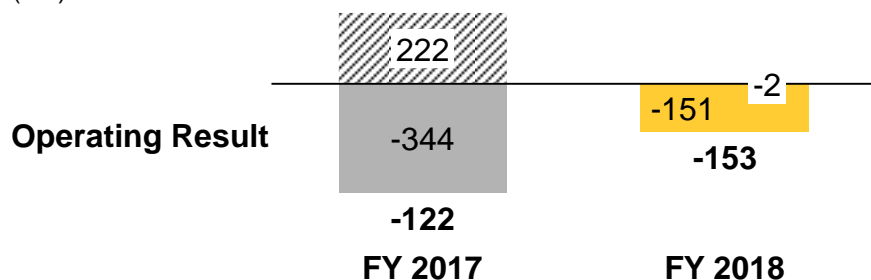
## Corporate Clients

(€m)



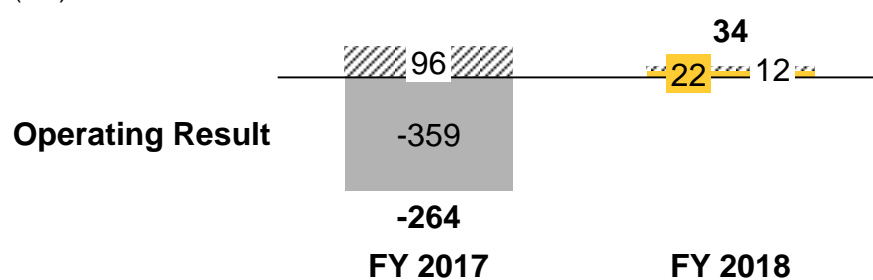
## Others & Consolidation

(€m)



## Asset & Capital Recovery

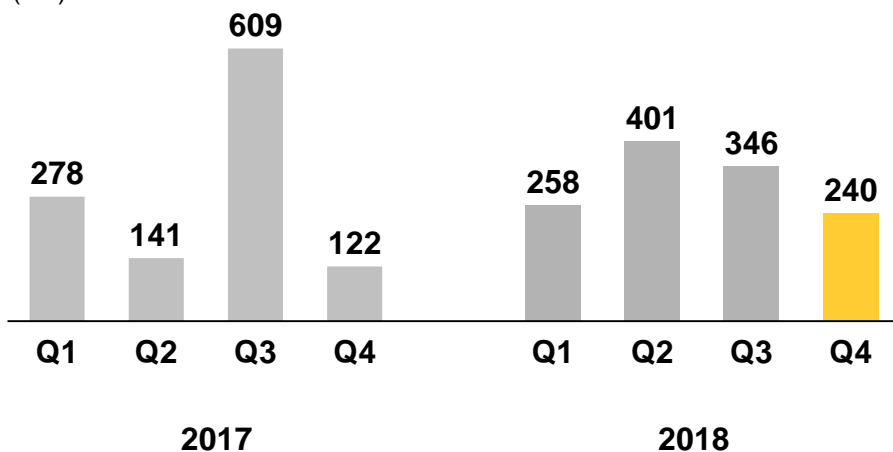
(€m)





# Operating result with substantially increased revenue quality

## Group operating result (€m)



## Group P&L

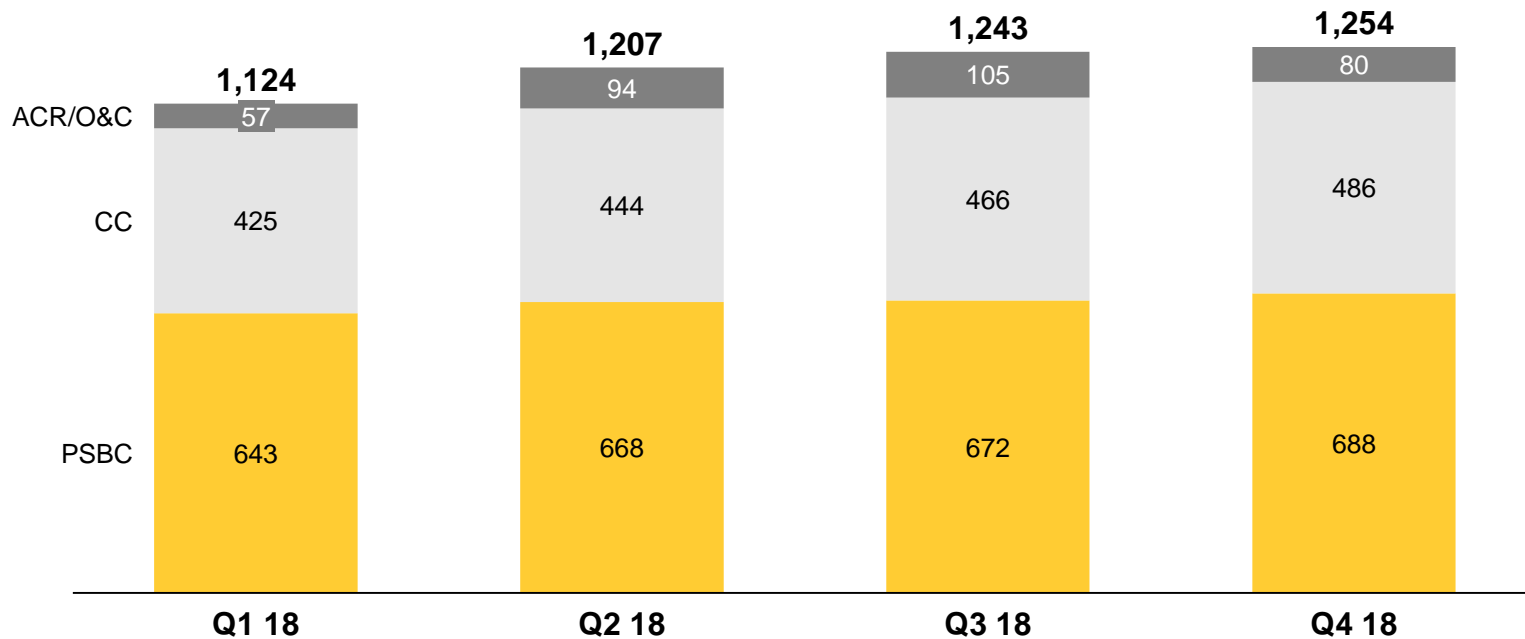
in €m	Q4 2017	Q3 2018	Q4 2018	FY 2017	FY 2018
Revenues	2,105	2,140	2,035	8,764	8,570
Exceptional items	-60	18	-115	557	-78
<b>Revenues excl. exceptional items</b>	<b>2,165</b>	<b>2,122</b>	<b>2,151</b>	<b>8,208</b>	<b>8,648</b>
<i>o/w Net interest income</i>	1,169	1,243	1,254	4,370	4,828
<i>o/w Net commission income</i>	778	771	754	3,192	3,089
<i>o/w Net fair value result</i>	69	53	17	456	410
<i>o/w Other income</i>	149	55	126	189	321
Risk result (2017: LLP)	-251	-133	-154	-781	-446
Operating expenses	1,731	1,661	1,641	6,834	6,879
<b>Operating profit</b>	<b>122</b>	<b>346</b>	<b>240</b>	<b>1,149</b>	<b>1,245</b>
Restructuring expenses	-	-	-	808	-
<b>Pre-tax profit discontinued operations</b>	<b>16</b>	<b>-15</b>	<b>-30</b>	<b>118</b>	<b>-15</b>
<b>Pre-tax profit Commerzbank Group</b>	<b>137</b>	<b>331</b>	<b>210</b>	<b>459</b>	<b>1,230</b>
Taxes on income	35	89	75	237	262
Minority interests	27	24	22	94	103
<b>Net result <sup>1</sup></b>	<b>75</b>	<b>218</b>	<b>113</b>	<b>128</b>	<b>865</b>
CIR (%)	82.3	77.6	80.6	78.0	80.3
Net RoTE (%)	1.2	3.5	1.8	0.5	3.4
Operating RoCET (%)	2.0	6.0	4.1	4.9	5.4

## Highlights

- › Significantly improved revenue quality (+€441m) – largely compensating for exceptional items (-€635m)
- › FY 5% increase in underlying revenues driven by NII while NCI and NFV slightly lower
- › Low risk result due to further balance sheet improvement drives increased operating result
- › Discontinued operations reflect agreement on sale of EMC

## Positive trajectory of NII throughout 2018 – reflecting growth in PSBC and CC

Net Interest Income (excluding exceptional items)  
(€m)

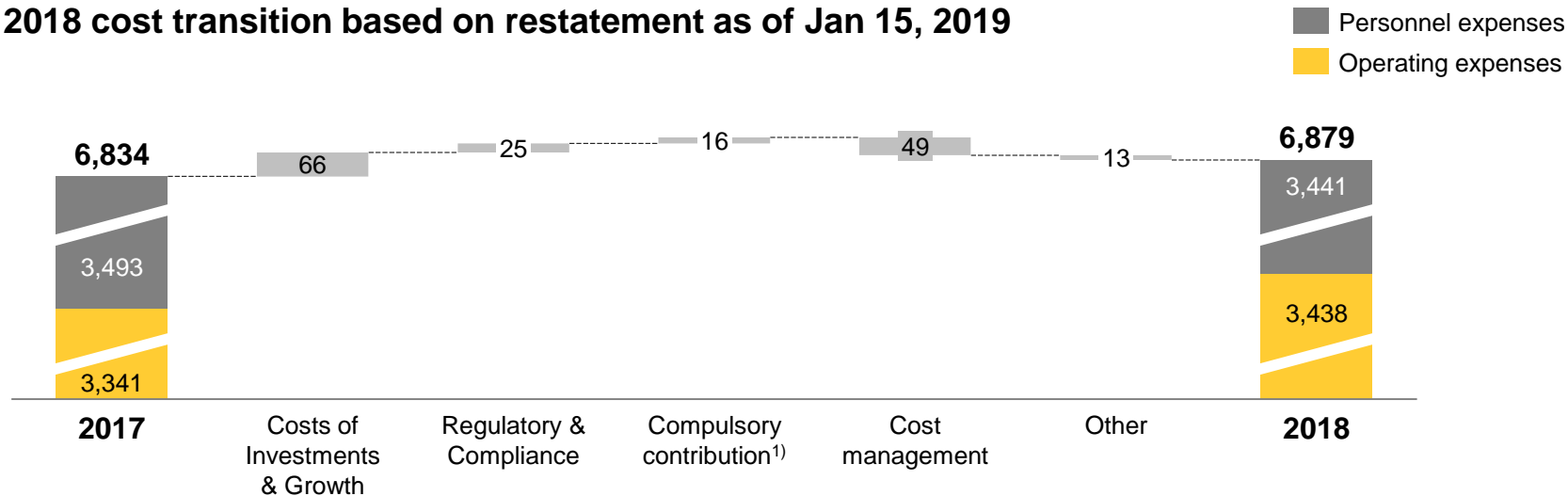


Loans and deposits as well as markets business in CC contributed to increase

## Cost development in line with FY guidance

### 2017 vs. 2018 cost transition based on restatement as of Jan 15, 2019

(€m)



### Highlights

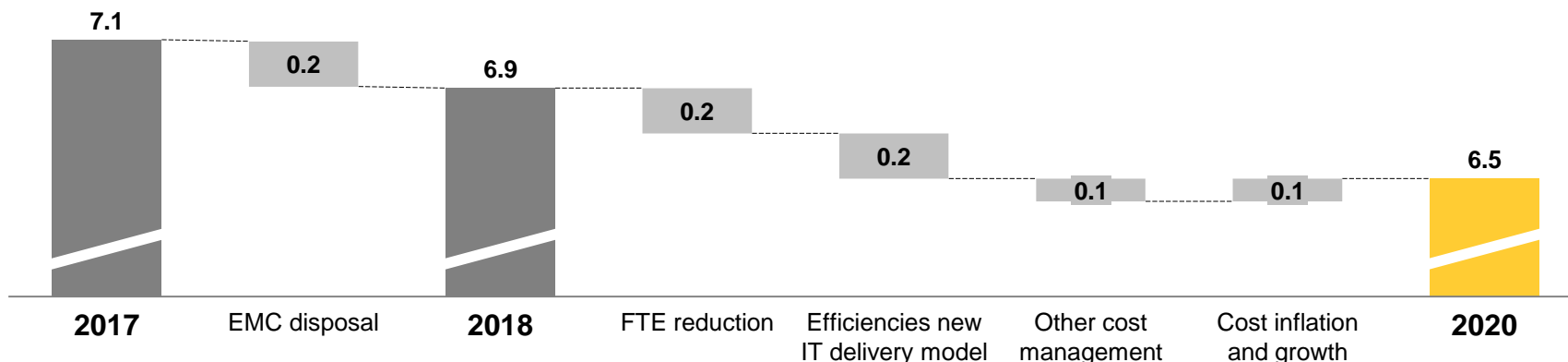
- › Continued strategic investments in digitalisation and growth peaked in mid 2018 as planned
- › Higher costs for regulatory requirements and compulsory contributions – 12M overall compulsory contribution of €420m
- › Cost Management driven by staff reduction and sourcing

For reference: 2018 costs of €6,879m correspond to guided €7.1bn when adding €246m from discontinued EMC business

# Further cost savings through increased efficiency and FTE reductions

## Drivers of cost development

(€bn)



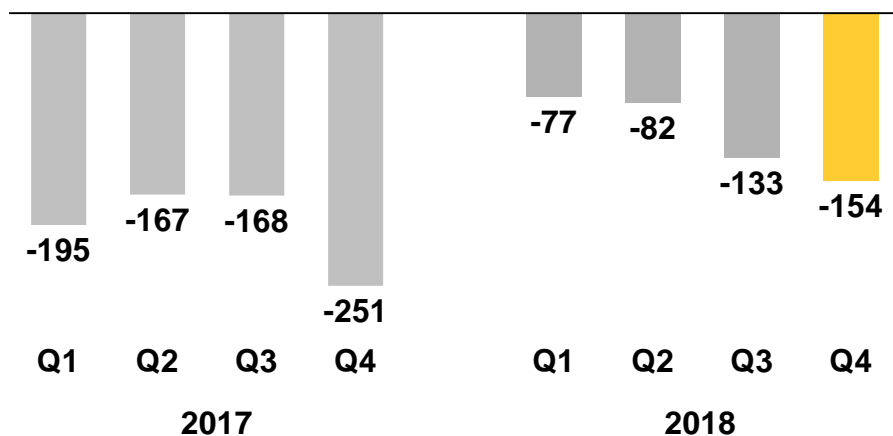
## Highlights

- › Targeted cost reduction to <€6.8bn in 2019 and €6.5bn in 2020
  - FTE reductions based on efficiency gains including digitisation
  - Efficiencies from new Campus 2.0 delivery model including benefits of internalisation
  - Other ongoing cost management measures offset effects from cost inflation and growth
- › Growth, sourcing and internalisation in IT lead to revised expected FTE of >38k

## Continued low risk result

### Risk Result (Provisions for loan losses in 2017)

(€m)



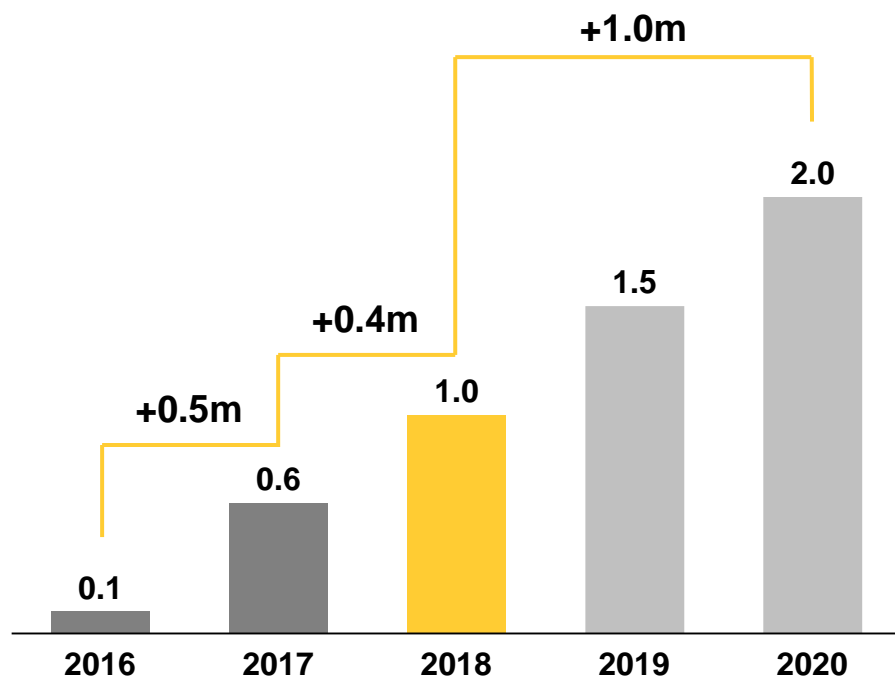
Risk Result in €m	Q4 2017	Q3 2018	Q4 2018	FY 2017	FY 2018
Private and Small Business Customers	-24	-69	-49	-154	-233
Corporate Clients	-172	-60	-71	-295	-194
Asset & Capital Recovery	-59	2	-23	-336	-8
Others & Consolidation	4	-4	-10	4	-11
<b>Group</b>	<b>-251</b>	<b>-133</b>	<b>-154</b>	<b>-781</b>	<b>-446</b>
NPL in €bn					
Private and Small Business Customers	1.9	1.8	1.8	1.9	1.8
Corporate Clients	2.6	1.7	1.7	2.6	1.7
Asset & Capital Recovery	1.1	0.2	0.4	1.1	0.4
Others & Consolidation	-	-	-	-	-
<b>Group</b>	<b>5.6</b>	<b>3.8</b>	<b>3.8</b>	<b>5.6</b>	<b>3.8</b>
Group NPL ratio (in %) <sup>1</sup>	1.3	0.9	0.9	1.3	0.9
Group CoR (bps) <sup>2</sup>	18	9	10	18	10

### Highlights

- › PSBC and CC reflect healthy risk profile based on prudent lending standards and stable German economy
- › Underlying credit losses stable throughout 2018 with H1 benefitting from write backs – H2 run-rate baseline going forward
- › PSBC reflects transferred consumer finance portfolio on own balance sheet since Q3 2017

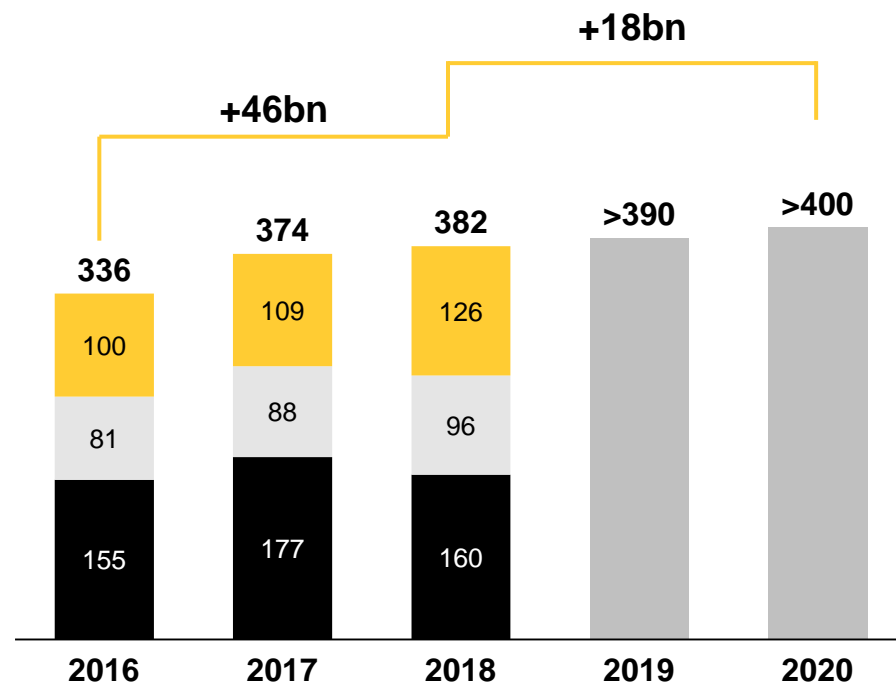
# Private and Small Business Customers: net new customer acquisition on target – lower securities volume due to weak Q4 markets

**Net new customers (GER)**  
(m cumulative)



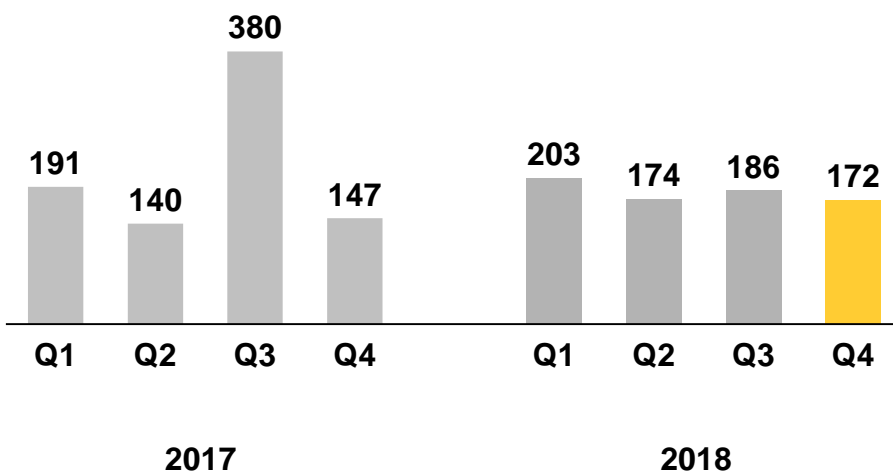
**Assets under Control (GER)**  
(€bn eop)

Targets  
 Loans  
 Deposits  
 Securities



# Private and Small Business Customers: underlying revenue growth in 2018

## Operating result (€m)



## Segmental P&L

in €m	Q4 2017	Q3 2018	Q4 2018	FY 2017	FY 2018
Revenues	1,188	1,204	1,163	4,823	4,803
o/w Private Customers	598	610	581	2,243	2,392
o/w Small Business Customers	199	200	206	775	804
o/w mBank	260	265	257	998	1,040
o/w comdirect	103	95	95	378	389
o/w Commerz Real	56	56	46	219	222
o/w exceptional revenue items	-29	-22	-23	210	-44
<i>Revenues excl. exceptional items</i>	1,216	1,226	1,185	4,613	4,847
Risk result (2017: LLP)	-24	-69	-49	-154	-233
Operating expenses	1,016	949	941	3,811	3,835
<b>Operating profit</b>	<b>147</b>	<b>186</b>	<b>172</b>	<b>858</b>	<b>735</b>
RWA (end of period in €bn)	38.5	40.5	41.4	38.5	41.4
CIR (%)	85.6	78.8	81.0	79.0	79.8
Operating return on equity (%)	12.5	15.5	14.1	19.0	15.5

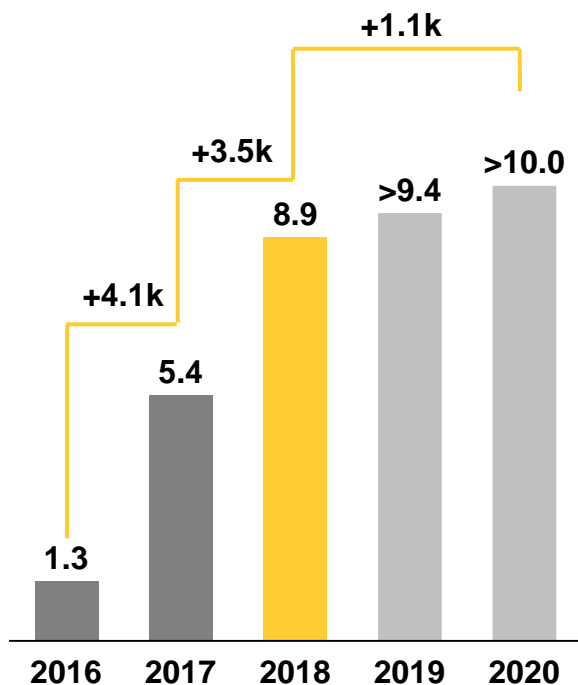
## Highlights

- › FY €234m (5%) increase of underlying revenues with all subdivisions contributing
- › Q4 underlying revenues below Q3 – increased NII (+€17m) more than offset by lower NCI impacted by weak markets and fair value result
- › YoY loan volume in German mortgage business up 9% to €75.6bn and consumer finance book at €3.6bn

# Corporate Clients: Further customer growth and increased loan volume

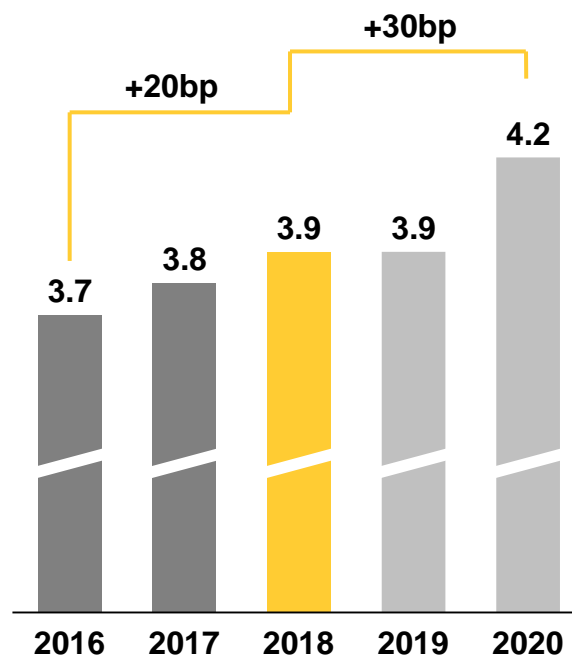
## Net new customers

(k cumulative)



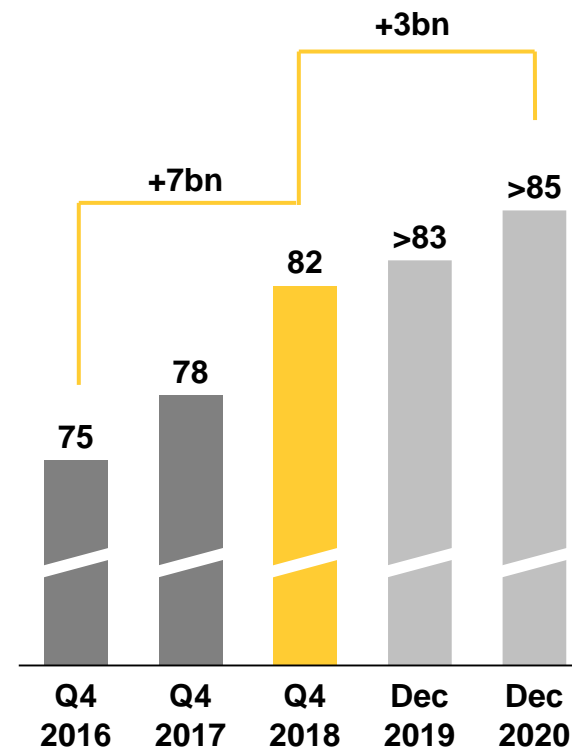
## Revenues/RWA<sup>1</sup>

(%)



## Loan Volume Corporates<sup>2</sup>

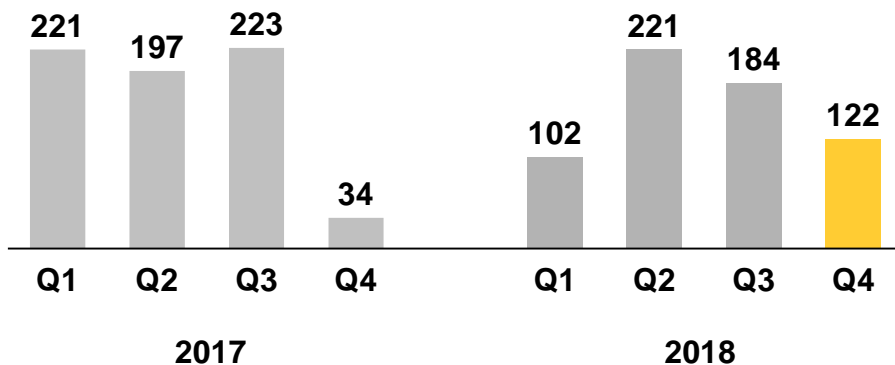
(€bn)





# Corporate Clients: solid result considering ongoing margin pressure

## Operating result (€m)



## Segmental P&L

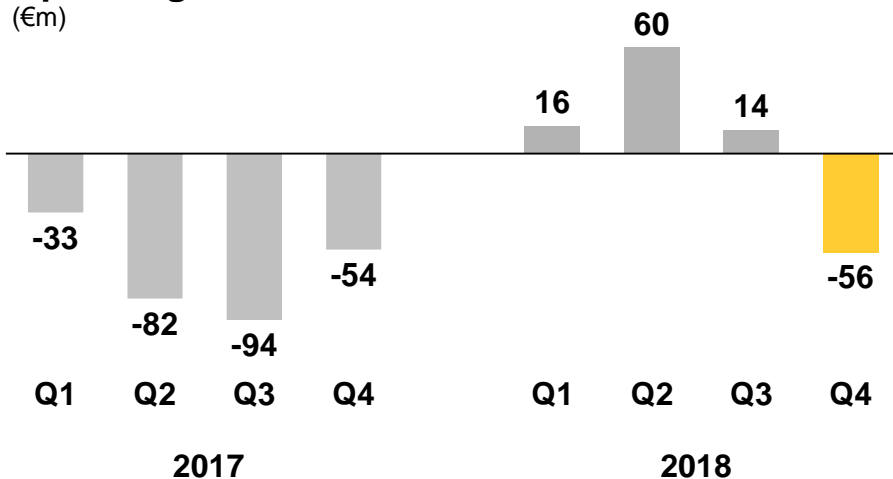
in €m	Q4 2017	Q3 2018	Q4 2018	FY 2017	FY 2018
Revenues	893	865	808	3,613	3,451
o/w Mittelstand	463	456	449	1,864	1,766
o/w International Corporates	215	206	232	889	877
o/w Financial Institutions	103	116	121	458	474
o/w others	115	73	54	373	377
o/w exceptional revenue items	-3	15	-49	29	-43
<i>Revenues excl. exceptional items</i>	<i>896</i>	<i>850</i>	<i>857</i>	<i>3,584</i>	<i>3,495</i>
Risk result (2017: LLP)	-172	-60	-71	-295	-194
Operating expenses	687	620	615	2,642	2,628
<b>Operating profit</b>	<b>34</b>	<b>184</b>	<b>122</b>	<b>676</b>	<b>629</b>
<b>Pre-tax profit discontinued operations</b>	<b>16</b>	<b>-15</b>	<b>-30</b>	<b>118</b>	<b>-15</b>
RWA (end of period in €bn)	88.1	97.4	97.6	88.1	97.6
CIR (%)	76.9	71.7	76.1	73.1	76.2
Operating return on equity (%)	1.3	6.6	4.3	6.0	5.8

## Highlights

- › Underlying revenues in Q4 slightly above Q3 in a challenging market environment driven by slightly higher NII reflecting the resilient business model
- › Loan growth based on prudent lending standards
- › Financial Institutions continues positive development
- › FY International Corporates and Mittelstand reflecting margin competition and subdued demand for capital markets products

## Asset & Capital Recovery: operating result driven by valuation effects

### Operating result (€m)



### Segmental P&L

in €m	Q4 2017	Q3 2018	Q4 2018	FY 2017	FY 2018
Revenues	24	28	-20	170	114
Revenues excl. exceptional items	54	2	22	75	103
Risk result (2017: LLP)	-59	2	-23	-336	-8
Operating expenses	19	16	12	98	72
<b>Operating profit</b>	<b>-54</b>	<b>14</b>	<b>-56</b>	<b>-264</b>	<b>34</b>
RWA (end of period in €bn)	18.0	12.6	12.1	18.0	12.1
CRE (EaD in €bn)	1.5	0.9	0.9	1.5	0.9
Ship Finance (EaD in €bn)	2.6	0.8	0.4	2.6	0.4
Public Finance (EaD in €bn)	10.0	7.5	7.7	10.0	7.7
Group Ship Finance (EaD in €bn)	3.4	1.1	0.5	3.4	0.5

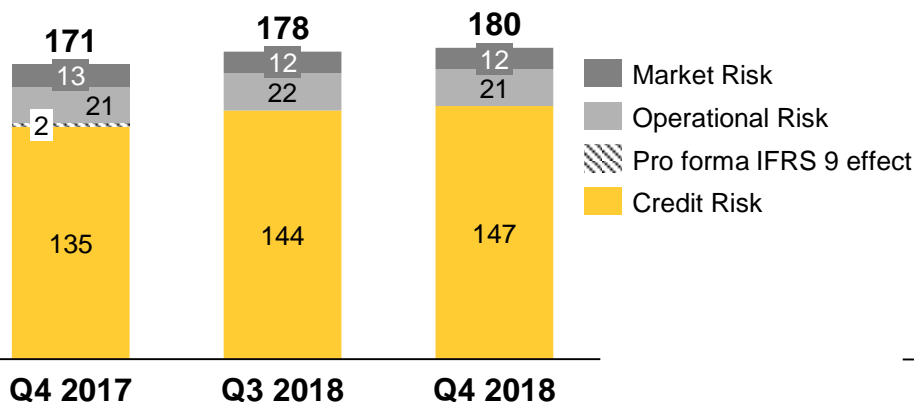
### Highlights

- › Operating result reflecting reduced portfolio size and valuation effects
- › Reduction of legacy positions progressing with an EaD reduction of ~€5bn in 2018
- › Well marked Shipping portfolio below €500m and fewer than 60 ships financed

# Capital ratio of 12.9% due to growth and increased capital deductions

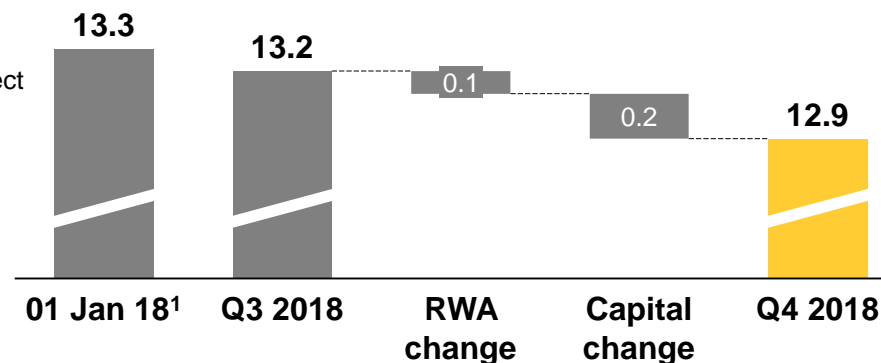
## RWA development by RWA classification

(€bn eop)



## Transition of CET1 ratio

(%)



## Highlights

- › Stable Market Risk RWA in line with business model
- › Higher Credit RWA driven by increased lending in PSBC and CC
- › Capital change driven by lower discount rate and reduced valuations of pension plan assets due to weak Q4 markets
- › Capital incorporates €0.20 per share dividend accrual

# Objectives and expectations for 2019

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## 2019 – Outlook

- We continue our growth strategy and expect higher underlying revenues
- We target a cost base below €6.8bn
- We expect a Risk Result not below €550m
- We plan to maintain a dividend at level comparable to 2018
- We target a CET1 ratio  $\geq 12.75\%$  in line with anticipated SREP requirements

## We continue with the implementation of Commerzbank 4.0 – Strategic outlook towards 2020



We pursue our strategy based on a simplified business model and high quality balance sheet

We continue our growth strategy in a challenging macro environment – targeting average revenue growth of 3% p.a.

We further intensify our digitalisation efforts with Campus 2.0 – contributing to our targeted cost base of €6.5bn in 2020

# Commerzbank 4.0

simple – digital – efficient

# Appendix

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## Commerzbank Group

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# German economy 2019 – ongoing upswing

## Current development

- › In the course of 2018 the German economy significantly lost momentum, and the ongoing downward trend of the sentiment indicators signals that this soft patch is not yet over.
- › The main reasons are probably the temporarily stronger Euro and less dynamic demand from Asia. The US trade policy and the Brexit might have been an additional burden for the economy.
- › In contrast, the internal demand has grown further driven by the ECB's still very expansionary monetary policy.

## Our expectation for 2019

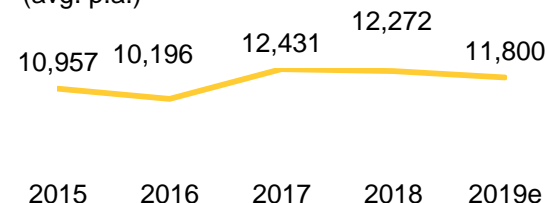
- › As long as risks do not materialise, e.g. no global trade war, a recession is unlikely because of the still expansionary stance of monetary policy.
- › In the further course of the year somewhat stronger demand in some parts of the world economy (especially in China based on the government's stimulus measures) will probably even lead to a little bit higher QoQ growth rates of the German economy. This should be signalled by an improvement of sentiment indicators starting in spring.
- › On average the German economy will expand by 1.2% in 2019 (after 1.5% in 2018) which would be roughly in line with the long-term growth potential.

## Risks in the long-run

- › The export oriented German economy could suffer especially from rising protectionism initiated by the US government.
- › In the medium term EMs – a very important market for German exports – could grow more slowly than in the past.
- › Germany's price and non-price competitiveness within the Euro area has eroded since 2009.
- › Economic policy has been geared more towards redistribution of wealth than support for growth, and this will not change with the current government.

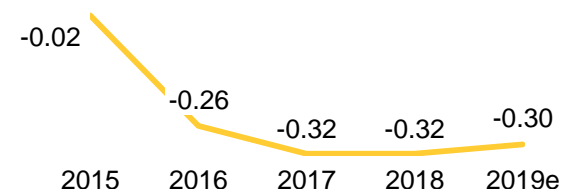
## DAX

(avg. p.a.)



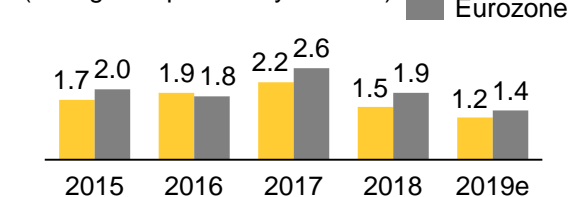
## Euribor

(avg. p.a. in %)



## GDP

(change vs. previous year in %)



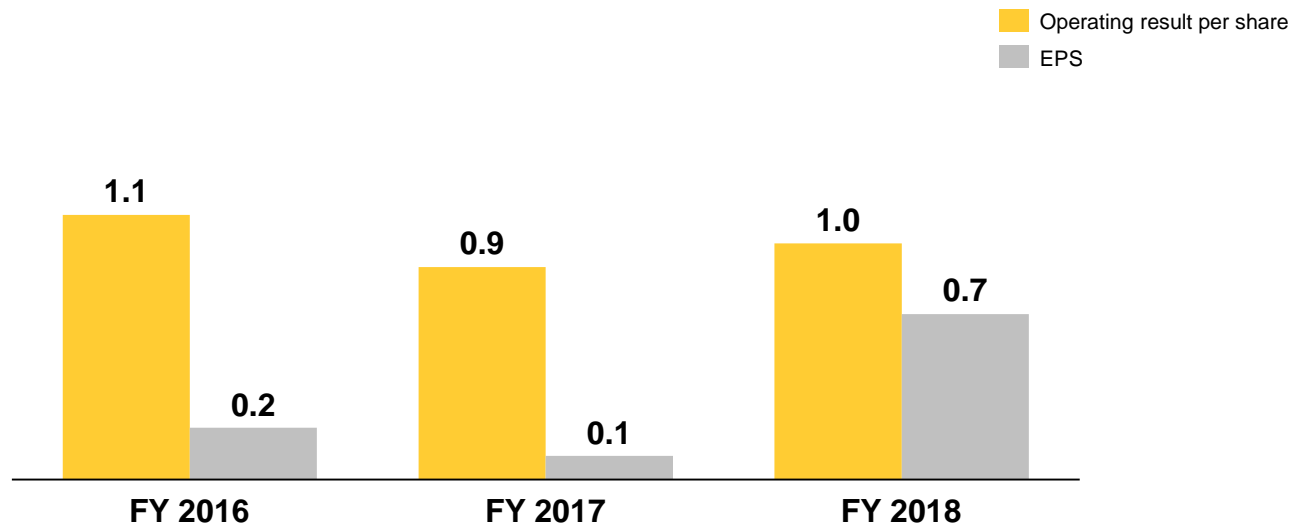


## Commerzbank financials at a glance

Group	Q4 2017	Q3 2018	Q4 2018	FY 2017	FY 2018
Operating result (€m)	122	346	240	1,149	1,245
Net result (€m)	75	218	113	128	865
CET1 ratio Basel 3 fully phased-in (%) <sup>1</sup>	14.1	13.2	12.9	14.1	12.9
Total assets (€bn)	452	493	462	452	462
RWA B3 fully phased-in (€bn)	171	178	180	171	180
Leverage ratio fully phased-in (%)	5.1	4.5	4.8	5.1	4.8
Cost/income ratio (%)	82.3	77.6	80.6	78.0	80.3
Net RoE (%)	1.0	3.1	1.6	0.4	3.1
Net RoTE (%)	1.2	3.5	1.8	0.5	3.4
Total capital ratio fully phased-in (%) <sup>1</sup>	17.5	16.4	15.9	17.5	15.9
NPL ratio (in %)	1.3	0.9	0.9	1.3	0.9
CoR (bps)	18	9	10	18	10

## Key figures Commerzbank share

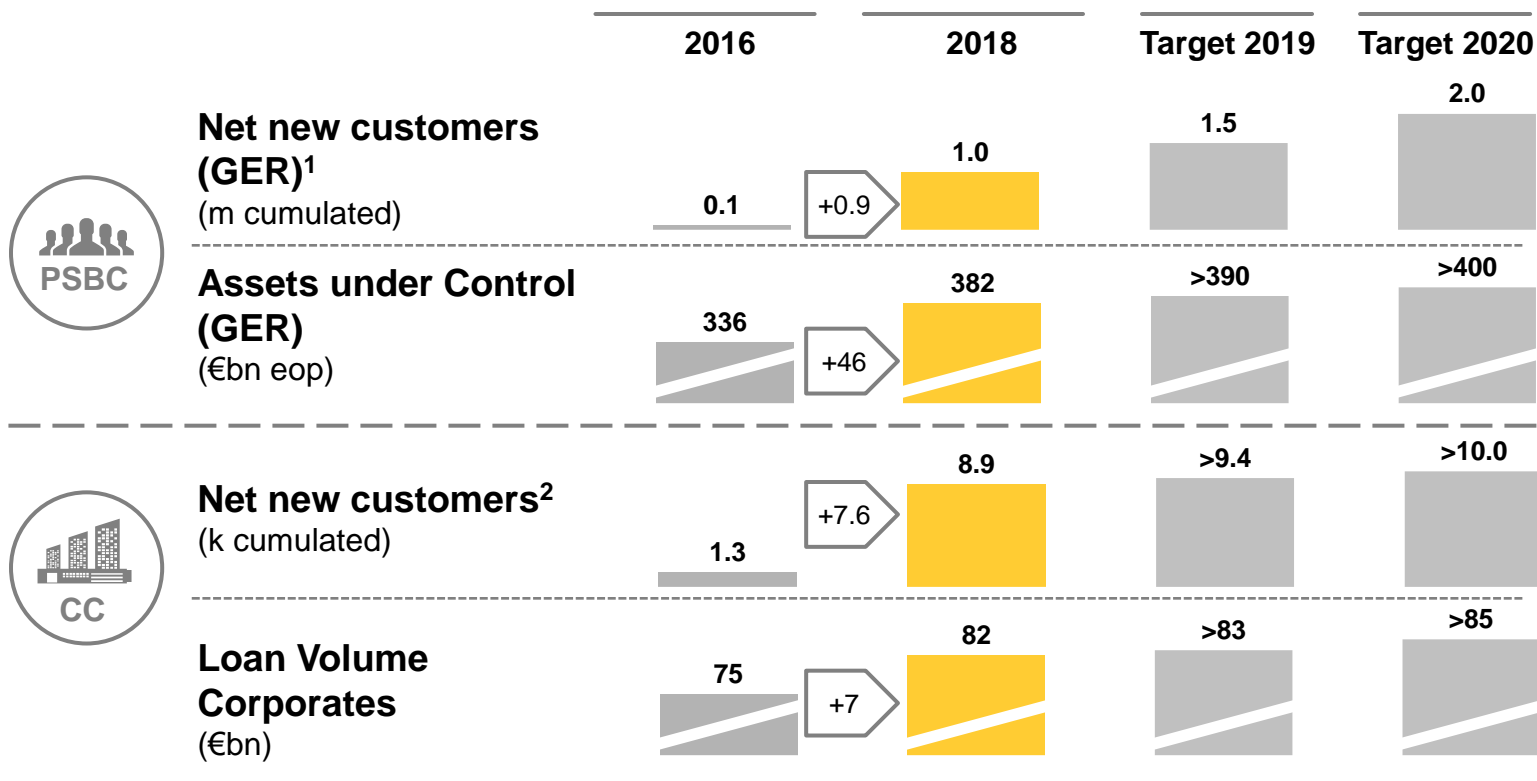
### Figures per share (€)



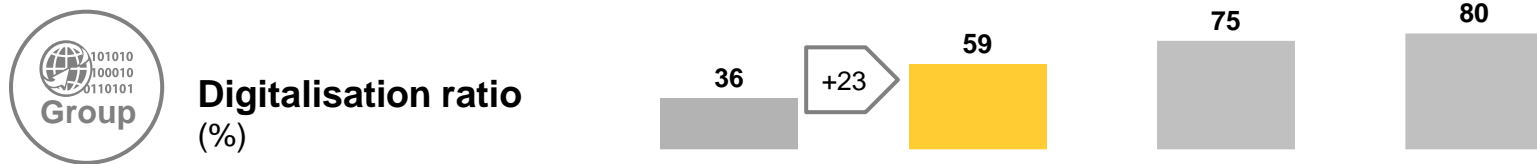
ytd as of	31 Dec 2016	31 Dec 2017	31 Dec 2018
Number of shares issued (in m)	1,252.4	1,252.4	1,252.4
Market capitalisation (in €bn)	9.1	15.7	7.2
Net asset value per share (in €)	21.69	21.88	21.34
Low/high Xetra intraday prices YtD (in €)	5.16/9.50	6.97/12.96	5.50/13.82

# Key Execution Indicators

## Growth



## Digitalisation

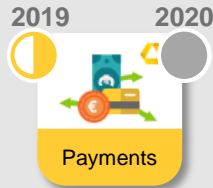
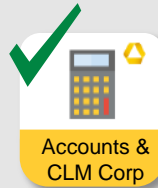
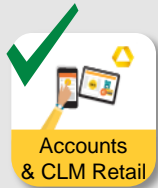


# Digitalisation progress in Commerzbank 4.0

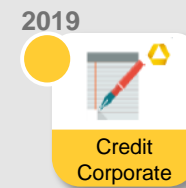
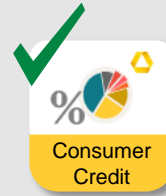
## Digitalisation of end-to-end processes in Digital Campus

### Master Journeys

#### Payment Transactions / Trade Finance



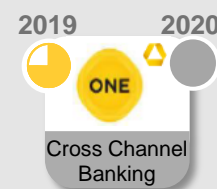
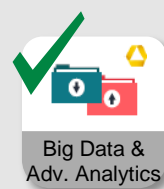
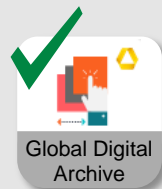
#### Loans



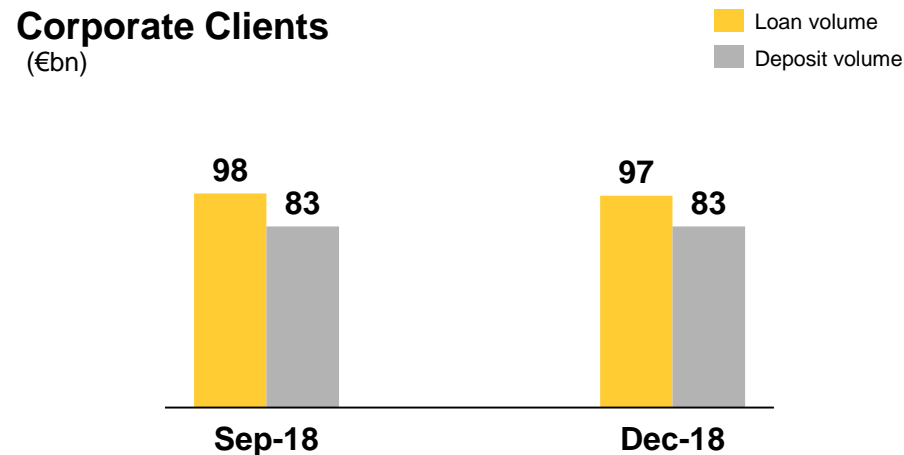
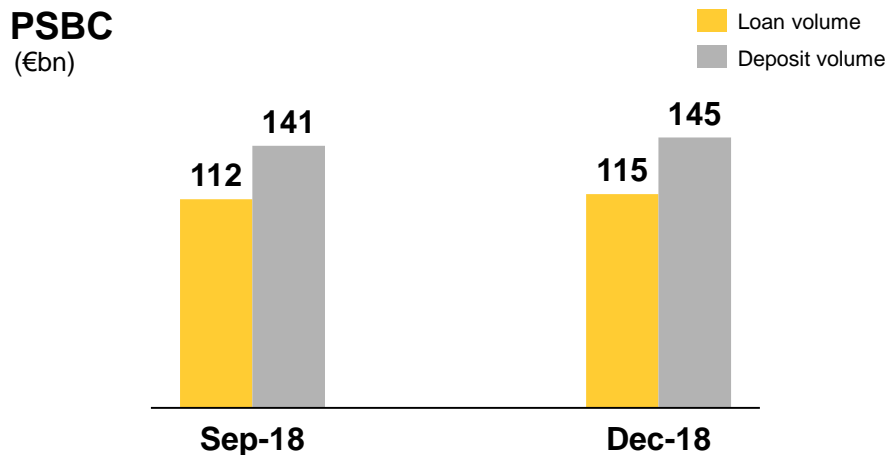
#### Asset Management



### Support Journeys



## Continuing loan and deposit growth



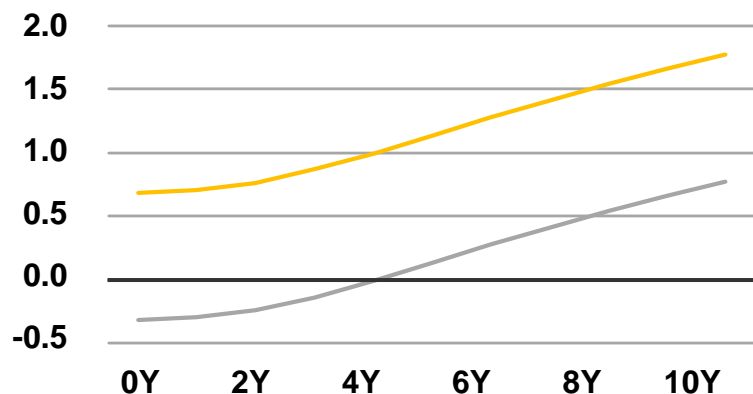
### Highlights

- › Loan growth in Private and Small Business Customers mainly driven by mortgage business in Germany and mBank's loan book
- › Corporate Clients loan volume slightly lower with growth in corporate customers more than balanced by reductions with Financial Institutions and legacy books

# Significant NII potential in scenario of rising interest rates

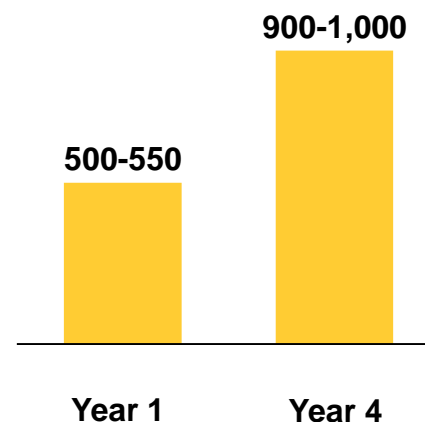
## 100 bp parallel up-shift in rates yield curve

(as of 31 December 2018, in %)



## Scenario impact on NII

(€m)



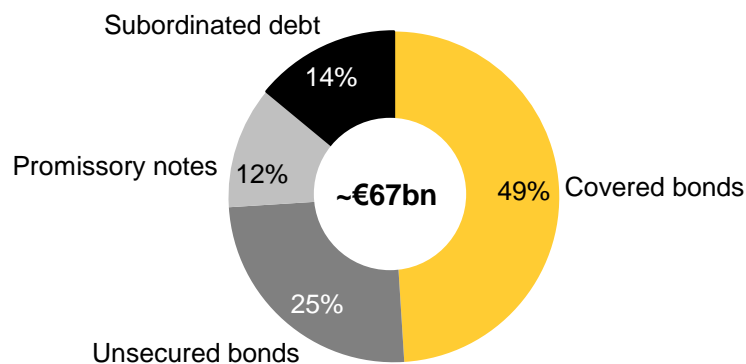
## Highlights

- › Year 1 effect of €500-550m driven by short-end rates due to large stock of overnight (excess) deposits
- › Thereof ~1/3 stem from leaving the negative interest rate territory
- › Year 4 effect of €900-1,000m driven by higher reinvestment yield of modelled deposits used to refinance longer term loans

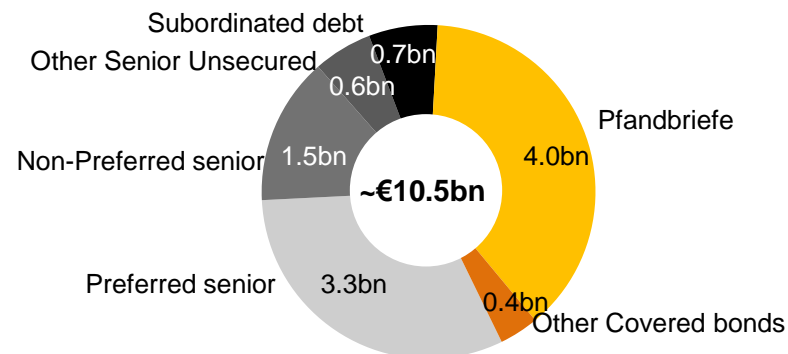
# Capital markets funding activities

## Funding structure<sup>1</sup>

(as of 31 December 2018)



## Group Funding activities 2018<sup>2</sup>







## Highlights

- › €10.5bn issued in 2018 (average term ~7 years), with focus on longer tenors, thereof:
  - Pfandbriefe: €3.75bn Benchmarks with maturities between 4 years and 10 years
  - Preferred Senior: Benchmark transactions with total volume of €3.1bn following inaugural dual tranche in August 2018
  - Non-Preferred Senior: €0.5bn inaugural green bond backed by renewable energy loans
  - Tier 2: Diversification in Asian markets (AUD 225m 10 years, SGD 400m 10 years non-call 5 years)
  - mBank: €1.2bn issuances; €0.5bn Senior Unsecured Benchmark and mBank Hipoteczny with €300m 7 years covered bond
- › Total funding volume for 2019 expected to be approx. €10bn

## Rating overview Commerzbank

As of 14 February 2019

				
Bank Ratings	S&P	Moody's	Fitch	Scope
Counterparty Rating/ Assessment <sup>1</sup>	A	A1/ A1 (cr)	A- (dcr)	-
Deposit Rating <sup>2</sup>	A- negative	A1 stable	A-	-
Issuer Credit Rating (long-term debt)	A- negative	A1 stable	BBB+ stable	A stable
Stand-alone Rating (financial strength)	bbb+	baa2	bbb+	-
Short-term debt	A-2	P-1	F2	S-1
<b>Product Ratings (unsecured issuances)</b>				
Preferred senior unsecured debt	A- negative	A1 stable	A-	A stable
Non-preferred senior unsecured debt	BBB	Baa1	BBB+ stable	A- stable
Subordinated debt (Tier 2)	BBB-	Baa3	BBB	BBB stable

### Rating events 2018

- › **Q2 2018: Moody's** assigned the new Counterparty Risk Rating of "A2". **S&P Global** assigned the new Resolution Counterparty Rating of "A"
- › **Q3 2018: Moody's** upgraded counterparty risk rating, deposit rating and "preferred" senior unsecured debt rating to "A1" and subordinated debt rating to "Baa3" triggered by an uplift of the stand-alone Rating by 1 Notch to "baa2"  
Methodical change: issuer credit rating positioned at "preferred" senior unsecured rating level and increased therefore by 3 notches to "A1"

### Rating events 2019

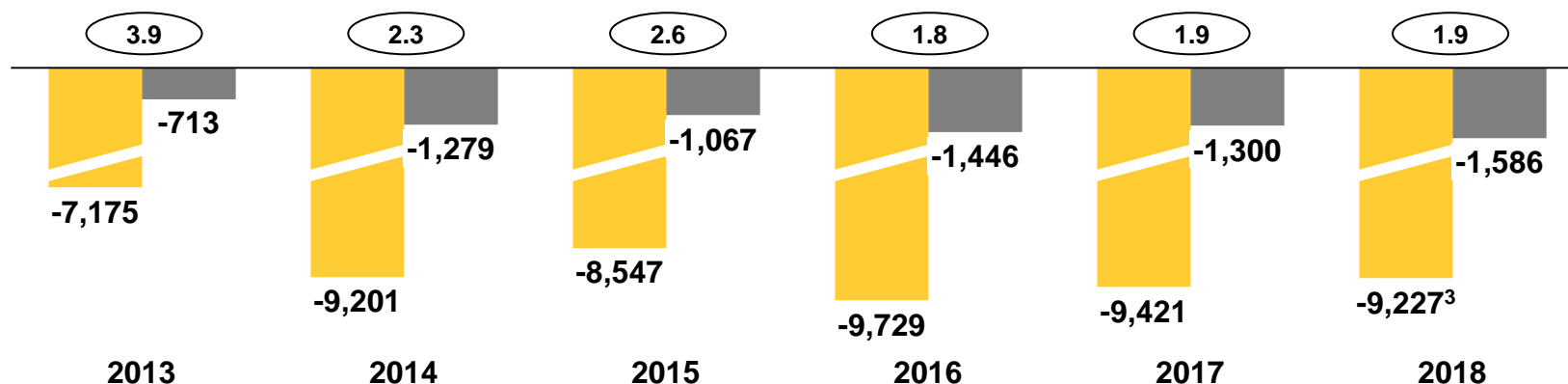
- › **Fitch** confirmed Commerzbank's ratings in a regular rating review in January 2019



## IAS 19: Development of pension obligations

### Cumulated actuarial gains and losses (€m)

■ Pension obligations (gross)
 ■ Cumulated OCI effect<sup>1</sup>
○ Discount rate in %<sup>2</sup>

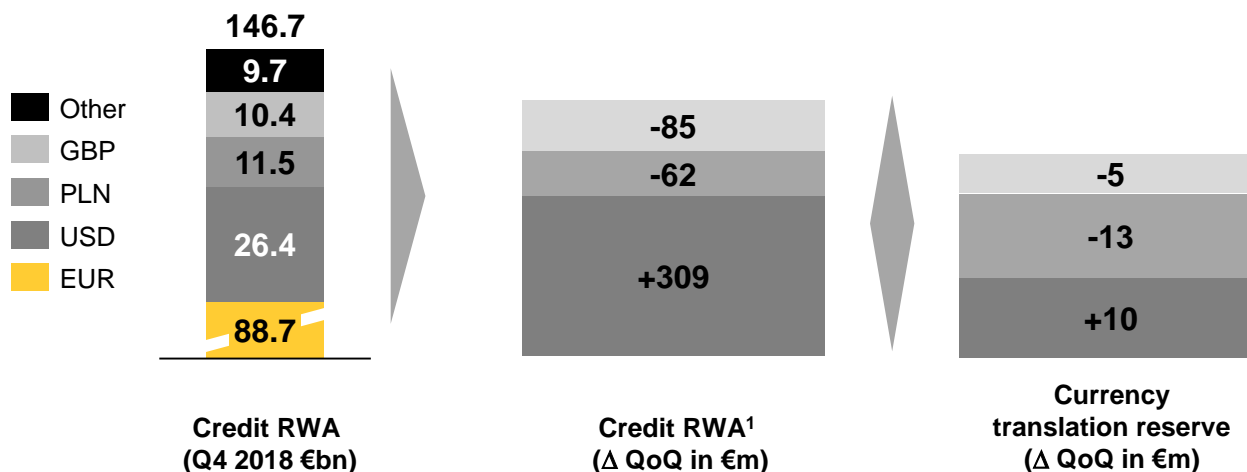


### Additional information

- › Pension obligations decreased YtD mainly due to regular benefits paid
- › The discount rate is derived from a AA rated corporate bond basket yield with average duration of 18 years
- › The average funding ratio (plan assets vs. pension obligations) of all Group plans is 93.2%
- › Value of plan assets decreased due to market developments, resulting in a negative YtD OCI capital effect of -€286m after tax

# Strengthening of USD with net negative impact on capital ratio

## QoQ Change in FX capital position



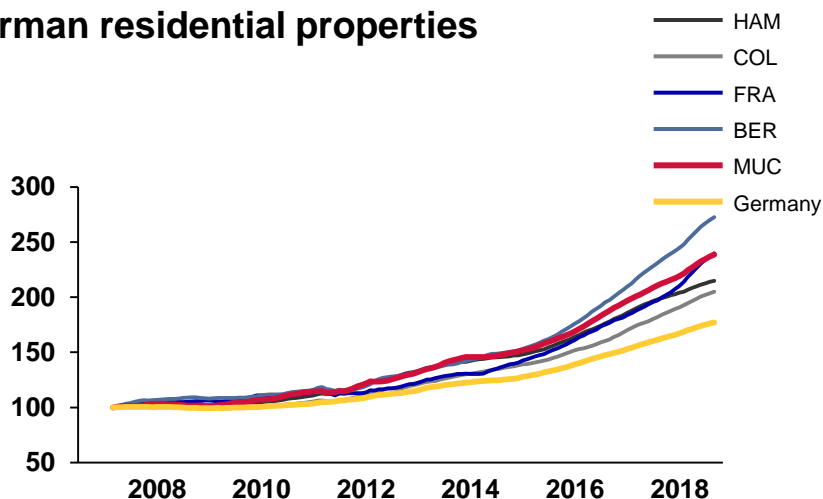
FX rates	09/18	12/18
EUR/ GBP	0.887	0.895
EUR/ PLN	4.277	4.301
EUR/ USD	1.158	1.145

## Explanation

- › QoQ the EUR weakened by -1.1% against the USD resulting in +€0.3bn higher Credit Risk RWA
- › Due to USD strengthening the currency translation reserve for USD increased by +€10m impacting the CET1 ratio
- › Negative impact of USD strengthening on CET1 ratio due to higher Credit Risk RWA not compensated by increasing currency translation reserve in USD

# Residential mortgage business vs. property prices

## German residential properties



Source: Immobilienscout24, Commerzbank Research

- › Prices of houses and flats, existing stock and newly constructed dwellings, averages, index: March 2007 = 100; Munich (MUC), Berlin (BER), Hamburg (HAM), Frankfurt (FRA), Cologne (COL)

## Overall mortgage portfolio

- › Growing mortgage volume with a very good risk quality:
  - 12/15: EaD €62.6bn – RD 12bp
  - 12/16: EaD €66.8bn – RD 10bp
  - 12/17: EaD €75.2bn – RD 9bp
  - 12/18: EaD €81.0bn – RD 9bp
- › Rating profile with a share of 90% in investment grade ratings
- › Vintages of recent years developed more favourably so far and NPLs remain at a low level
- › Due to risk-oriented selection, RD still very low
- › As a consequence of low interest rates, repayment rates remain on a very high level
- › Average “Beleihungsauslauf” (BLA) in new business of 84% in 2018. German BLA is more conservative than the internationally used LtV definition due to the application of the strict German Pfandbrief law

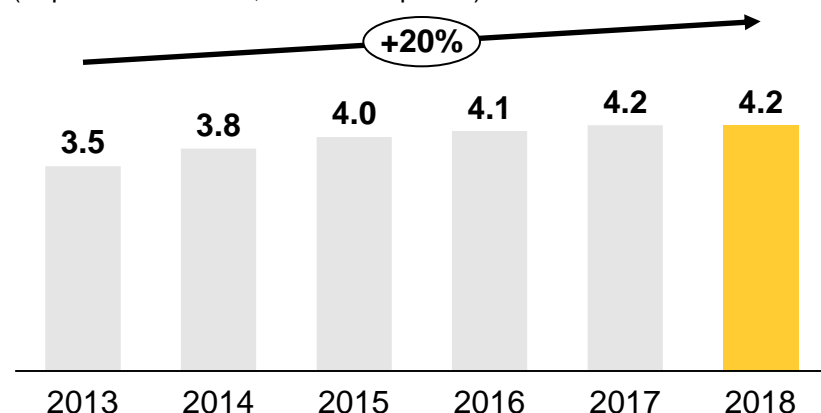


**Risk parameters still on very good level, loan decisions remain conservative**

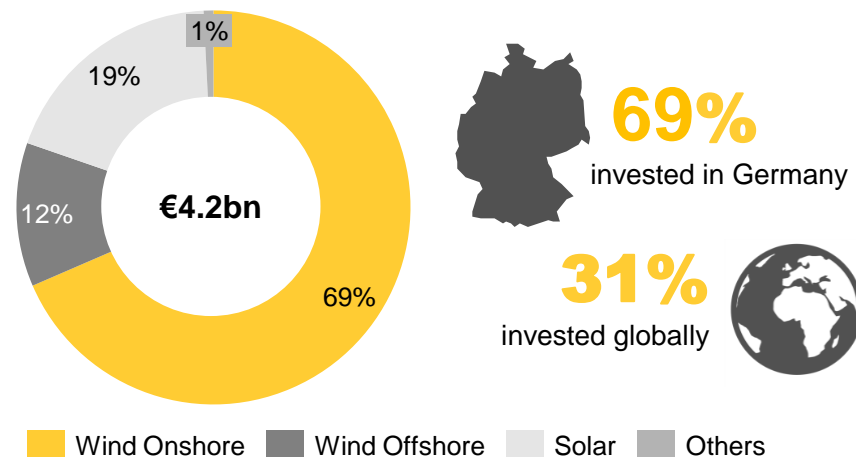
# We are a leading German provider of Renewable Energy Project Finance funding and will become Germany's most sustainable commercial bank

## Renewable Energy Project Finance Portfolio

(Exposure at Default, €bn end of period)



## Portfolio Breakdown



## Commerzbank's Sustainability Ratings<sup>1</sup>



# Commerzbank Group

€m	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Total clean revenues	2,160	1,956	1,926	2,165	8,208	2,216	2,160	2,122	2,151	8,648
Exceptional items	108	8	502	-60	557	1	18	18	-115	-78
<b>Total revenues</b>	<b>2,268</b>	<b>1,964</b>	<b>2,428</b>	<b>2,105</b>	<b>8,764</b>	<b>2,217</b>	<b>2,178</b>	<b>2,140</b>	<b>2,035</b>	<b>8,570</b>
o/w Net interest income	1,064	1,035	1,065	1,132	4,295	1,098	1,190	1,223	1,237	4,748
o/w Net commission income	889	786	739	778	3,192	802	763	771	754	3,089
o/w Net fair value result	266	149	137	46	598	203	200	85	-121	366
o/w Other income	49	-5	486	149	679	115	25	62	166	367
o/w Dividend income	28	27	17	34	106	14	6	9	6	36
o/w Net income from hedge accounting	-33	-53	-7	8	-85	-16	36	6	22	48
o/w Other result from realisation and measurement (2017 only)	-3	-14	-29	-29	-76	-	-	-	-	-
o/w Other financial result	47	25	83	89	244	-19	3	6	35	26
o/w At equity result	7	9	5	2	23	6	3	1	2	12
o/w Other net income	3	1	417	45	466	129	-24	40	101	245
Risk result (2017: Provision for possible loan losses)	-195	-167	-168	-251	-781	-77	-82	-133	-154	-446
Operating expenses	1,795	1,656	1,652	1,731	6,834	1,882	1,694	1,661	1,641	6,879
o/w European bank levy / Polish banking tax	179	37	22	18	256	209	23	17	23	273
<b>Operating profit</b>	<b>278</b>	<b>141</b>	<b>609</b>	<b>122</b>	<b>1,149</b>	<b>258</b>	<b>401</b>	<b>346</b>	<b>240</b>	<b>1,245</b>
Restructuring expenses	-	807	-	-	808	-	-	-	-	-
<b>Pre-tax profit discontinued operations</b>	<b>49</b>	<b>39</b>	<b>14</b>	<b>16</b>	<b>118</b>	<b>42</b>	<b>-12</b>	<b>-15</b>	<b>-30</b>	<b>-15</b>
<b>Pre-tax profit Commerzbank Group</b>	<b>326</b>	<b>-628</b>	<b>623</b>	<b>137</b>	<b>459</b>	<b>301</b>	<b>389</b>	<b>331</b>	<b>210</b>	<b>1,230</b>
Taxes on income	81	-13	134	35	237	5	94	89	75	262
Minority Interests	20	25	21	27	94	34	23	24	22	103
<b>Consolidated Result attributable to Commerzbank shareholders</b>	<b>226</b>	<b>-640</b>	<b>467</b>	<b>75</b>	<b>128</b>	<b>262</b>	<b>272</b>	<b>218</b>	<b>113</b>	<b>865</b>
Total Assets	490,262	487,266	489,925	452,495	452,495	470,013	487,518	493,203	462,369	462,369
o/w Discontinued operations	-	-	-	-	-	-	-	-	12,996	12,996
Average capital employed	23,375	23,390	23,463	24,074	23,609	22,468	22,640	23,097	23,399	22,886
RWA credit risk (end of period)	144,074	140,530	138,204	136,155	136,155	136,014	141,648	142,633	145,229	145,229
RWA market risk (end of period)	19,159	16,395	14,333	12,090	12,090	10,987	10,673	11,507	10,801	10,801
RWA operational risk (end of period)	21,669	20,549	22,722	21,041	21,041	21,090	21,297	21,685	21,393	21,393
<b>RWA (end of period) continued operations</b>	<b>184,903</b>	<b>177,474</b>	<b>175,259</b>	<b>169,285</b>	<b>169,285</b>	<b>168,091</b>	<b>173,618</b>	<b>175,825</b>	<b>177,423</b>	<b>177,423</b>
<b>RWA (end of period) discontinued operations</b>	<b>1,259</b>	<b>989</b>	<b>1,338</b>	<b>1,734</b>	<b>1,734</b>	<b>1,999</b>	<b>1,890</b>	<b>2,535</b>	<b>3,075</b>	<b>3,075</b>
<b>RWA (end of period)</b>	<b>186,162</b>	<b>178,464</b>	<b>176,597</b>	<b>171,019</b>	<b>171,019</b>	<b>170,090</b>	<b>175,508</b>	<b>178,360</b>	<b>180,498</b>	<b>180,498</b>
Cost/income ratio (%)	79.2%	84.3%	68.0%	82.3%	78.0%	84.9%	77.8%	77.6%	80.6%	80.3%
Operating return on CET1 (%)	4.8%	2.4%	10.4%	2.0%	4.9%	4.6%	7.1%	6.0%	4.1%	5.4%
Operating return on tangible equity (%)	4.1%	2.1%	9.1%	1.8%	4.3%	4.0%	6.1%	5.3%	3.6%	4.8%
Return on equity of net result (%)	3.2%	-8.9%	6.6%	1.0%	0.4%	3.8%	3.9%	3.1%	1.6%	3.1%
Net return on tangible equity (%)	3.5%	-9.8%	7.3%	1.2%	0.5%	4.2%	4.3%	3.5%	1.8%	3.4%

## Private and Small Business Customers

€m	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Total clean revenues	1,165	1,108	1,123	1,216	4,613	1,211	1,225	1,226	1,185	4,847
Exceptional items	-	1	237	-29	210	25	-25	-22	-23	-44
<b>Total revenues</b>	<b>1,165</b>	<b>1,110</b>	<b>1,360</b>	<b>1,188</b>	<b>4,823</b>	<b>1,236</b>	<b>1,200</b>	<b>1,204</b>	<b>1,163</b>	<b>4,803</b>
o/w Net interest income	567	574	583	627	2,351	616	644	649	667	2,576
o/w Net commission income	543	476	464	488	1,971	508	471	483	465	1,927
o/w Net fair value result	39	36	37	36	148	32	54	48	26	160
o/w Other income	16	24	277	36	354	80	32	24	4	140
o/w Dividend income	4	7	4	9	24	2	2	7	-1	10
o/w Net income from hedge accounting	-	-1	-1	-1	-2	-	-1	-1	1	-1
o/w Other result from realisation and measurement (2017 only)	-	-3	-1	-8	-12	-	-	-	-	-
o/w Other financial result	6	6	93	16	119	11	20	9	8	48
o/w At equity result	-	2	-	-	2	-	1	-1	-	-
o/w Other net income	7	14	182	21	224	67	10	10	-5	83
Risk result (2017: Provision for possible loan losses)	-33	-43	-55	-24	-154	-49	-66	-69	-49	-233
Operating expenses	941	927	926	1,016	3,811	984	961	949	941	3,835
o/w European bank levy / Polish banking tax	63	27	22	23	136	71	23	24	24	141
<b>Operating profit</b>	<b>191</b>	<b>140</b>	<b>380</b>	<b>147</b>	<b>858</b>	<b>203</b>	<b>174</b>	<b>186</b>	<b>172</b>	<b>735</b>
Restructuring expenses	-	-	-	-	-	-	-	-	-	-
<b>Pre-tax profit</b>	<b>191</b>	<b>140</b>	<b>380</b>	<b>147</b>	<b>858</b>	<b>203</b>	<b>174</b>	<b>186</b>	<b>172</b>	<b>735</b>
Total Assets	120,494	123,068	125,528	128,280	128,280	130,561	131,846	136,646	138,409	138,409
Liabilities	143,656	147,131	149,196	152,028	152,028	155,262	160,259	164,992	169,933	169,933
Average capital employed	4,327	4,389	4,619	4,704	4,509	4,633	4,676	4,787	4,902	4,751
RWA credit risk (end of period)	28,604	30,927	32,351	32,591	32,591	32,897	33,529	34,643	35,523	35,523
RWA market risk (end of period)	845	786	831	851	851	876	782	802	780	780
RWA operational risk (end of period)	6,424	6,010	6,023	5,092	5,092	5,024	5,012	5,033	5,111	5,111
<b>RWA (end of period)</b>	<b>35,873</b>	<b>37,722</b>	<b>39,205</b>	<b>38,534</b>	<b>38,534</b>	<b>38,797</b>	<b>39,323</b>	<b>40,478</b>	<b>41,414</b>	<b>41,414</b>
Cost/income ratio (%)	80.8%	83.6%	68.0%	85.6%	79.0%	79.6%	80.0%	78.8%	81.0%	79.8%
Operating return on CET1 (%)	17.7%	12.8%	32.9%	12.5%	19.0%	17.5%	14.8%	15.5%	14.1%	15.5%
Operating return on tangible equity (%)	16.9%	12.3%	31.8%	12.2%	18.4%	17.2%	14.6%	15.1%	13.8%	15.1%

# Corporate Clients

€m	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Total clean revenues	953	853	882	896	3,584	872	916	850	857	3,495
Exceptional items	32	-8	9	-3	29	-1	-8	15	-49	-43
<b>Total revenues</b>	<b>985</b>	<b>845</b>	<b>891</b>	<b>893</b>	<b>3,613</b>	<b>871</b>	<b>908</b>	<b>865</b>	<b>808</b>	<b>3,451</b>
o/w Net interest income	498	437	444	458	1,837	426	444	464	484	1,818
o/w Net commission income	351	321	281	305	1,258	300	298	295	299	1,191
o/w Net fair value result	125	64	161	126	475	108	193	101	21	422
o/w Other income	11	23	4	4	42	38	-28	5	5	21
o/w Dividend income	18	3	2	2	25	10	-3	5	3	14
o/w Net income from hedge accounting	-1	-2	-	2	-	-1	2	-1	3	3
o/w Other result from realisation and measurement (2017 only)	-7	-4	-9	-18	-38	-	-	-	-	-
o/w Other financial result	-1	5	-1	10	12	1	-2	-5	-16	-22
o/w At equity result	7	7	5	2	21	6	2	2	2	12
o/w Other net income	-5	14	7	5	21	22	-27	5	13	14
Risk result (2017: Provision for possible loan losses)	-43	-33	-47	-172	-295	-25	-37	-60	-71	-194
Operating expenses	720	614	620	687	2,642	744	650	620	615	2,628
o/w European bank levy	83	4	-	-5	82	91	-	-7	-	84
<b>Operating profit</b>	<b>221</b>	<b>197</b>	<b>223</b>	<b>34</b>	<b>676</b>	<b>102</b>	<b>221</b>	<b>184</b>	<b>122</b>	<b>629</b>
Restructuring expenses	-	-	-	-	-	-	-	-	-	-
<b>Pre-tax profit discontinued operations</b>	<b>49</b>	<b>39</b>	<b>14</b>	<b>16</b>	<b>118</b>	<b>42</b>	<b>-12</b>	<b>-15</b>	<b>-30</b>	<b>-15</b>
<b>Pre-tax profit (total)</b>	<b>270</b>	<b>236</b>	<b>237</b>	<b>50</b>	<b>794</b>	<b>144</b>	<b>209</b>	<b>169</b>	<b>92</b>	<b>614</b>
Total Assets	208,694	198,179	189,753	173,011	173,011	176,752	187,193	189,891	179,330	179,330
o/w Discontinued operations	-	-	-	-	-	-	-	-	12,996	12,996
Liabilities	235,082	231,222	215,009	196,709	196,709	195,180	196,613	193,378	178,988	178,988
o/w Discontinued operations	-	-	-	-	-	-	-	-	12,375	12,375
Average capital employed	12,099	11,256	10,938	10,664	11,254	10,414	10,648	11,127	11,346	10,870
RWA credit risk (end of period)	78,444	75,213	74,690	72,332	72,332	72,449	76,507	78,247	78,493	78,493
RWA market risk (end of period)	8,442	7,217	5,862	4,614	4,614	4,635	4,702	5,007	4,566	4,566
RWA operational risk (end of period)	9,765	9,552	10,230	9,469	9,469	10,092	10,338	11,562	11,449	11,449
<b>RWA (end of period) continued operations</b>	<b>96,651</b>	<b>91,982</b>	<b>90,782</b>	<b>86,415</b>	<b>86,415</b>	<b>87,176</b>	<b>91,547</b>	<b>94,817</b>	<b>94,507</b>	<b>94,507</b>
<b>RWA (end of period) discontinued operations</b>	<b>1,259</b>	<b>989</b>	<b>1,338</b>	<b>1,734</b>	<b>1,734</b>	<b>1,999</b>	<b>1,890</b>	<b>2,535</b>	<b>3,075</b>	<b>3,075</b>
Cost/income ratio (%)	73.1%	72.7%	69.6%	76.9%	73.1%	85.4%	71.6%	71.7%	76.1%	76.2%
Operating return on CET1 (%)	7.3%	7.0%	8.2%	1.3%	6.0%	3.9%	8.3%	6.6%	4.3%	5.8%
Operating return on tangible equity (%)	6.7%	6.4%	7.5%	1.2%	5.5%	3.6%	7.7%	6.2%	4.1%	5.4%

## Asset & Capital Recovery

€m	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Total clean revenues	24	22	-25	54	75	68	10	2	22	103
Exceptional items	91	16	18	-29	96	-23	52	26	-43	12
<b>Total revenues</b>	<b>115</b>	<b>39</b>	<b>-7</b>	<b>24</b>	<b>170</b>	<b>45</b>	<b>62</b>	<b>28</b>	<b>-20</b>	<b>114</b>
o/w Net interest income	34	47	27	75	183	14	16	18	12	61
o/w Net commission income	-	-	-	1	2	-	-	1	-	1
o/w Net fair value result	72	8	-11	-41	28	67	51	-6	-78	35
o/w Other income	8	-16	-24	-10	-42	-37	-6	16	45	17
o/w Dividend income	-	-	-	-	-	-	-	1	-1	-
o/w Net income from hedge accounting	-4	-17	-7	-6	-34	-5	3	2	1	1
o/w Other result from realisation and measurement (2017 only)	-1	-5	-22	-5	-32	-	-	-	-	-
o/w Other financial result	-	-	-	4	4	-40	-14	6	40	-7
o/w At equity result	-	-	-	-	-	-	-	-	-	-
o/w Other net income	13	5	5	-3	21	7	5	6	5	23
Risk result (2017: Provision for possible loan losses)	-119	-92	-65	-59	-336	-2	16	2	-23	-8
Operating expenses	29	28	22	19	98	27	17	16	12	72
o/w European bank levy	5	3	-	-	7	10	-	-	-	10
<b>Operating profit</b>	<b>-33</b>	<b>-82</b>	<b>-94</b>	<b>-54</b>	<b>-264</b>	<b>16</b>	<b>60</b>	<b>14</b>	<b>-56</b>	<b>34</b>
Restructuring expenses	-	-	-	-	-	-	-	-	-	-
<b>Pre-tax profit</b>	<b>-33</b>	<b>-82</b>	<b>-94</b>	<b>-54</b>	<b>-264</b>	<b>16</b>	<b>60</b>	<b>14</b>	<b>-56</b>	<b>34</b>
<b>Total Assets</b>	<b>25,905</b>	<b>24,876</b>	<b>23,583</b>	<b>24,374</b>	<b>24,374</b>	<b>21,374</b>	<b>19,446</b>	<b>18,365</b>	<b>18,904</b>	<b>18,904</b>
o/w Assets excl repos, collaterals and trading assets	11,143	9,670	8,804	9,222	9,222	9,632	8,841	8,215	7,985	7,985
<b>Liabilities</b>	<b>19,599</b>	<b>19,368</b>	<b>19,264</b>	<b>19,903</b>	<b>19,903</b>	<b>18,735</b>	<b>17,040</b>	<b>16,316</b>	<b>17,034</b>	<b>17,034</b>
Exposure at default	16,107	15,253	14,278	14,039	14,039	10,794	9,827	9,226	8,916	8,916
Average capital employed	3,165	3,182	2,916	2,751	2,982	2,483	2,254	2,054	1,883	2,174
RWA credit risk (end of period)	15,384	13,710	12,809	12,538	12,538	10,717	9,778	9,319	8,806	8,806
RWA market risk (end of period)	5,598	4,649	4,288	3,302	3,302	2,802	2,203	2,060	1,965	1,965
RWA operational risk (end of period)	1,786	1,720	1,968	2,127	2,127	2,334	2,386	1,263	1,305	1,305
<b>RWA (end of period)</b>	<b>22,768</b>	<b>20,079</b>	<b>19,064</b>	<b>17,967</b>	<b>17,967</b>	<b>15,853</b>	<b>14,367</b>	<b>12,643</b>	<b>12,075</b>	<b>12,075</b>



## Others & Consolidation

€m	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Total clean revenues	18	-28	-54	-1	-65	65	9	43	86	204
Exceptional items	-15	-1	238	1	222	-	-	-1	-1	-2
<b>Total revenues</b>	<b>3</b>	<b>-29</b>	<b>184</b>	<b>-</b>	<b>158</b>	<b>66</b>	<b>8</b>	<b>43</b>	<b>85</b>	<b>202</b>
o/w Net interest income	-35	-22	10	-28	-75	42	85	93	73	293
o/w Net commission income	-5	-12	-6	-15	-38	-7	-6	-8	-10	-30
o/w Net fair value result	30	41	-49	-75	-53	-4	-98	-58	-90	-251
o/w Other income	14	-36	229	118	325	34	27	16	112	189
o/w Dividend income	6	17	12	22	57	3	8	-4	5	12
o/w Net income from hedge accounting	-28	-34	1	13	-49	-11	33	6	17	46
o/w Other result from realisation and measurement (2017 only)	5	-3	2	2	6	-	-	-	-	-
o/w Other financial result	43	14	-9	60	109	9	-	-4	3	7
o/w At equity result	-	-	-	-	-	-	-	-	-	-
o/w Other net income	-12	-31	223	22	201	33	-13	18	87	125
Risk result (2017: Provision for possible loan losses)	-	-	-	4	4	-1	5	-4	-10	-11
Operating expenses	105	86	84	9	284	127	67	76	73	344
o/w European bank levy	28	2	-	1	31	37	-	-	-	37
<b>Operating profit</b>	<b>-102</b>	<b>-115</b>	<b>100</b>	<b>-5</b>	<b>-122</b>	<b>-62</b>	<b>-54</b>	<b>-38</b>	<b>2</b>	<b>-153</b>
Restructuring expenses	-	807	-	-	808	-	-	-	-	-
<b>Pre-tax profit</b>	<b>-102</b>	<b>-922</b>	<b>100</b>	<b>-6</b>	<b>-929</b>	<b>-62</b>	<b>-54</b>	<b>-38</b>	<b>2</b>	<b>-153</b>
Total Assets	135,169	141,143	151,060	126,831	126,831	141,326	149,033	148,301	125,727	125,727
Liabilities	91,924	89,545	106,456	83,856	83,856	100,836	113,606	118,517	96,415	96,415
Average capital employed	3,783	4,563	4,989	5,956	4,864	4,941	5,061	5,129	5,268	5,091
RWA credit risk (end of period)	21,643	20,680	18,354	18,694	18,694	19,950	21,834	20,423	22,408	22,408
RWA market risk (end of period)	4,274	3,743	3,352	3,323	3,323	2,674	2,986	3,638	3,490	3,490
RWA operational risk (end of period)	3,695	3,267	4,502	4,352	4,352	3,640	3,561	3,827	3,529	3,529
<b>RWA (end of period)</b>	<b>29,612</b>	<b>27,690</b>	<b>26,207</b>	<b>26,369</b>	<b>26,369</b>	<b>26,264</b>	<b>28,381</b>	<b>27,887</b>	<b>29,427</b>	<b>29,427</b>

# mBank

## Part of Segment Private and Small Business Customers

€m	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Total clean revenues	241	243	254	260	998	253	265	265	257	1,040
Exceptional items	-	-	-	-	-	52	-	-	-1	52
<b>Total revenues</b>	<b>241</b>	<b>243</b>	<b>254</b>	<b>261</b>	<b>998</b>	<b>305</b>	<b>265</b>	<b>266</b>	<b>257</b>	<b>1,092</b>
o/w Net interest income	143	151	160	166	619	158	167	172	176	673
o/w Net commission income	59	61	62	58	239	65	59	56	52	233
o/w Net fair value result	36	32	33	34	135	31	40	38	22	131
o/w Other income	3	-1	-1	4	5	51	-	-1	6	55
o/w Dividend income	-	1	-	-	1	-	1	-	-	1
o/w Net income from hedge accounting	-	-1	-1	-1	-2	-	-1	-1	1	-1
o/w Other result from realisation and measurement (2017 only)	-	-3	-	-	-3	-	-	-	-	-
o/w Other financial result	-	-1	-2	4	1	1	-	-	2	4
o/w At equity result	-	-	-	-	-	-	-	-	-	-
o/w Other net income	2	4	2	-	9	49	1	-	2	52
Risk result (2017: Provision for possible loan losses)	-19	-28	-38	-33	-119	-18	-48	-35	-20	-121
Operating expenses	155	146	142	152	595	173	149	154	149	625
o/w European bank levy / Polish banking tax	44	26	22	23	116	47	23	24	24	117
<b>Operating profit</b>	<b>66</b>	<b>69</b>	<b>74</b>	<b>75</b>	<b>285</b>	<b>113</b>	<b>68</b>	<b>77</b>	<b>88</b>	<b>346</b>
Restructuring expenses	-	-	-	-	-	-	-	-	-	-
<b>Pre-tax profit</b>	<b>66</b>	<b>69</b>	<b>74</b>	<b>75</b>	<b>285</b>	<b>113</b>	<b>68</b>	<b>77</b>	<b>88</b>	<b>346</b>
Total Assets	30,708	30,564	30,745	31,381	31,381	31,505	31,734	34,408	33,802	33,802
Liabilities	27,674	27,401	27,636	29,001	29,001	29,621	29,881	32,075	32,048	32,048
Average capital employed	1,807	1,842	1,897	1,945	1,874	1,956	2,028	2,094	2,129	2,049
RWA credit risk (end of period)	13,255	13,579	14,108	14,246	14,246	14,553	14,880	15,681	15,694	15,694
RWA market risk (end of period)	401	369	389	404	404	453	419	367	411	411
RWA operational risk (end of period)	1,477	1,491	1,598	1,449	1,449	1,702	1,707	1,777	1,524	1,524
<b>RWA (end of period)</b>	<b>15,133</b>	<b>15,439</b>	<b>16,095</b>	<b>16,100</b>	<b>16,100</b>	<b>16,707</b>	<b>17,005</b>	<b>17,825</b>	<b>17,629</b>	<b>17,629</b>
Cost/income ratio (%)	64.6%	59.9%	55.8%	58.4%	59.6%	56.8%	56.4%	58.1%	57.9%	57.3%
Operating return on CET1 (%)	14.6%	15.0%	15.6%	15.5%	15.2%	23.2%	13.4%	14.6%	16.6%	16.9%
Operating return on tangible equity (%)	14.0%	14.6%	15.4%	15.4%	14.9%	23.0%	13.3%	14.2%	16.3%	16.6%

# Commerzbank Group

## Exceptional Revenue Items

€m	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
<b>Exceptional Revenue Items</b>	<b>108</b>	<b>8</b>	<b>502</b>	<b>-60</b>	<b>557</b>	<b>1</b>	<b>18</b>	<b>18</b>	<b>-115</b>	<b>-78</b>
o/w Net interest income	-9	-5	-24	-37	-75	-26	-17	-20	-17	-80
o/w Net fair value result	117	13	36	-23	142	14	50	31	-139	-44
o/w Other income	-	-	490	-	490	14	-14	7	40	46
o/w FVA, CVA / DVA, OCS, Other ACR valuations (NII, NFVR)	108	8	28	-32	111	-24	43	41	-95	-36
<b>PSBC</b>	<b>-</b>	<b>1</b>	<b>237</b>	<b>-29</b>	<b>210</b>	<b>25</b>	<b>-25</b>	<b>-22</b>	<b>-23</b>	<b>-44</b>
o/w Net interest income	-	-	-28	-29	-57	-27	-25	-23	-21	-95
o/w Net fair value result	-	1	1	-	2	-	-	1	-2	-2
o/w Other income	-	-	265	-	265	52	-	-	-	52
o/w FVA, CVA / DVA (NII, NFVR)	-	1	1	-	2	-	-	1	-2	-2
<b>CC</b>	<b>32</b>	<b>-8</b>	<b>9</b>	<b>-3</b>	<b>29</b>	<b>-1</b>	<b>-8</b>	<b>15</b>	<b>-49</b>	<b>-43</b>
o/w Net interest income	3	-5	-	-8	-10	1	-	-2	-2	-3
o/w Net fair value result	29	-3	9	5	39	-1	-8	16	-47	-40
o/w Other income	-	-	-	-	-	-	-	-	-	-
o/w FVA, CVA / DVA, OCS (NII, NFVR)	32	-8	9	-3	29	-1	-8	15	-49	-43
<b>ACR</b>	<b>91</b>	<b>16</b>	<b>18</b>	<b>-29</b>	<b>96</b>	<b>-23</b>	<b>52</b>	<b>26</b>	<b>-43</b>	<b>12</b>
o/w Net interest income	-	-	-1	-	-1	-	7	5	6	17
o/w Net fair value result	91	16	18	-29	96	15	59	15	-89	-
o/w Other income	-	-	-	-	-	-38	-14	7	40	-6
o/w FVA, CVA / DVA, Other ACR valuations (NII, NFVR)	91	16	18	-29	96	-23	52	26	-43	12
<b>O&amp;C</b>	<b>-15</b>	<b>-1</b>	<b>238</b>	<b>1</b>	<b>222</b>	<b>-</b>	<b>-</b>	<b>-1</b>	<b>-1</b>	<b>-2</b>
o/w Net interest income	-12	-	5	-	-7	-	-	-	-	-
o/w Net fair value result	-3	-1	8	1	5	-	-	-1	-1	-2
o/w Other income	-	-	225	-	225	-	-	-	-	-
o/w FVA, CVA / DVA (NII, NFVR)	-15	-1	1	1	-15	-	-	-1	-1	-2

### Description of Exceptional Revenue Items

2017	€m	2018	€m	2018	€m
Q3 Concordis (PSBC)	89	Q1 PPA Consumer Finance (PSBC)	-27	Q3 PPA Consumer Finance (PSBC)	-23
Q3 Consumer Finance Joint Venture incl PPA (PSBC, O&C)	160	Q1 Polish group insurance business (PSBC)	52	Q4 PPA Consumer Finance (PSBC)	-21
Q3 Property sales gains (O&C)	225	Q2 PPA Consumer Finance (PSBC)	-25		
Q4 PPA Consumer Finance (PSBC)	-29				

# Group equity composition

	Capital Q3 2018 End of period €bn	Capital Q4 2018 End of period €bn	Capital Q4 2018 Average €bn		Ratios Q4 2018 %	Ratios FY 2018 %	Ratio FY 2018 %		
<b>Common equity tier 1 B3 capital</b>	<b>23.5</b>	<b>23.2</b>	<b>23.4</b>	<sup>1</sup> →	<b>Op. RoCET</b>	<b>4.1%</b>	<b>5.4%</b>	<b>CET1 ratio</b>	<b>12.9%</b>
DTA	1.2	1.2							
Deductions on securitizations	0.2	0.2							
Deductions related to non-controlling interests	0.4	0.4							
IRB shortfall	0.2	0.2							
Other regulatory adjustments	1.0	1.0							
<b>Tangible equity</b>	<b>26.5</b>	<b>26.3</b>	<b>26.4</b>	<sup>1</sup> →	<b>Op. RoTE</b>	<b>3.6%</b>	<b>4.8%</b>		
Goodwill and other intangible assets	2.8	2.8	2.8		<b>Pre-tax RoE</b>	<b>3.3%</b>	<b>4.3%</b>		
<b>IFRS capital</b>	<b>29.4</b>	<b>29.2</b>	<b>29.3</b>	<sup>1</sup> →	<b>Op. RoE</b>	<b>3.3%</b>	<b>4.3%</b>		
Subscribed capital	1.3	1.3							
Capital reserve	17.2	17.2							
Retained earnings <sup>2</sup>	9.2	8.9							
Currency translation reserve	-0.2	-0.3							
Revaluation reserve	0.1	-0.0							
Cash flow hedges	-0.0	-0.0							
Consolidated P&L	0.8	0.9							
<b>IFRS capital without non-controlling interests</b>	<b>28.2</b>	<b>28.0</b>	<b>28.1</b>	<sup>1</sup> →	<b>RoE on net result</b>	<b>1.6%</b>	<b>3.1%</b>		
Non-controlling interests (IFRS)	1.2	1.2	1.2		<b>RoTE on net result</b>	<b>1.8%</b>	<b>3.4%</b>		

## Glossary – Capital Allocation / RoE, RoTE & RoCET1 Calculation

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### Capital Allocation

- › Amount of average capital allocated to business segments is calculated by multiplying the segments current YtD average RWA (PSBC €39.6bn, CC €92.8bn, O&C €27.2bn, ACR €14.5bn) by a ratio of 12% (and 15% for ACR respectively) - reflecting current regulatory and market standard
- › Excess capital reconciling to Group CET1 Basel 3 fully phased-in is allocated to Others & Consolidation
- › CET1 capital allocation is disclosed in the business segment reporting of Commerzbank Group
- › For the purposes of calculating the segmental RoTE, average regulatory capital deductions (excluding Goodwill and other intangibles) are allocated to the business segments additionally (PSBC €0.1bn, CC €0.8bn, O&C €2.0bn, ACR €0.4bn)

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### RoE, RoTE, RoCET1 Calculation

- › RoE is calculated on an average level of IFRS capital on Group level and on an average level of 12% (and 15% for ACR respectively) of the RWAs on segmental level
- › RoTE is calculated on an average level of IFRS capital after deduction of goodwill and other intangible assets on Group level and on an average level of 12% (and 15% for ACR respectively) of the RWAs after addition of capital deductions (excluding goodwill and other intangible assets) on segmental level
- › RoTE calculation represents the current market standard
- › RoCET1 is calculated on average CET1 capital

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## Financial calendar

**2019**

08 May



Q1 2019 results

22 May



Annual General Meeting

07 Aug



Q2 2019 results

07 Nov



Q3 2019 results

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