COMMERZBANK

Q2/2010

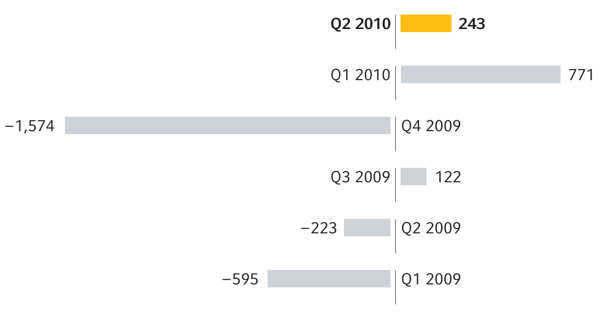
Interim Report as of June 30, 2010

Achieving more together

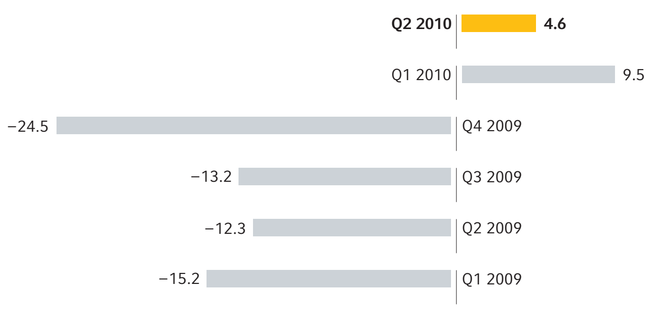
Key figures

Income statement	1.1.–30.6.2010	1.1.–30.6.2009[4]
Operating profit (€ m)	1,014	–818
Operating profit per share (€)	0.86	–0.90
Pre-tax profit/loss (€ m)	981	–1,393
Consolidated profit/loss[1] (€ m)	1,060	–1,625
Earnings per share (€)	0.90	–1.80
Operating return on equity[2] (%)	6.6	–6.6
Cost/income ratio in operating business (%)	65.9	81.0
Return on equity of consolidated profit/loss[1, 2, 3] (%)	7.1	–13.6
Balance sheet	**30.6.2010**	**31.12.2009**
Balance-sheet total (€ bn)	897.8	844.1
Risk-weighted assets (€ bn)	290.2	280.1
Equity (€ bn) as shown in balance sheet	27.8	26.6
Own funds (€ bn) as shown in balance sheet	48.1	46.5
Capital ratio		
Core capital ratio (%)	10.8	10.5
Own funds ratio (%)	14.4	14.8
Staff	**30.6.2010**	**30.6.2009**
Germany	45,671	47,210
Abroad	15,199	17,931
Total	60,870	65,141
Long/short-term rating		
Moody's Investors Service, New York	Aa3/P-1	Aa3/P-1
Standard & Poor's, New York	A/A-1	A/A-1
Fitch Ratings, London	A+/F1+	A+/F1+

Operating profit[4] (€ m)



Return on equity of consolidated profit/loss[1, 2, 3, 4] (%)



[1] Insofar as attributable to Commerzbank shareholders; [2] annualized; [3] the capital base comprises the average Group capital attributable to Commerzbank shareholders without the average revaluation reserve and the cash flow hedge reserve; [4] after counterparty default adjustments in the first and second quarter 2009.

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Letter from the Chairman of the Board of Managing Directors

Martin Blessing Chairman of the Board of Managing Directors

Dear shareholders,

In the second quarter of 2010 the economic environment showed differing developments. Whereas the world economic recovery continues to progress and Germany occupies a leading position within the eurozone, the debt crisis in the countries of the European Monetary Union caused considerable uncertainty in the financial markets.

In this volatile economic environment Commerzbank posted an operating profit of €243m in the second quarter. Although this fell short of the very good first-quarter result, as expected, we have nevertheless made substantial progress versus the same period last year. This also applies to the performance of the segments. In the second quarter all segments of the core bank posted a positive result, as in the previous quarter. The main contributor was again the Mittelstandsbank. Divergent trends were visible outside the core bank: whereas Asset Based Finance was primarily impacted by the systematic reduction of risk positions, the Portfolio Restructuring Unit (PRU) posted a positive result in the second quarter as well. Viewed overall, the operating profit of around €1bn for the first half-year shows a marked improvement in earnings quality.

A further highlight was the launch of our new joint brand in the Commerzbank and Dresdner Bank branches; more than 1,200 locations throughout Germany are being rebranded with the new corporate design. This is a visible sign of the integration of our two tradition-steeped firms and our readiness to move forward as well as grow together. At the same time our customers now have access to our key central services in every branch.

This demonstrates that we are fully on track with the integration and likewise with our Roadmap 2012 strategy. Even in times of crisis we are adhering to the challenging goals we have set ourselves. The reward for our efforts has been that we have maintained our position in the market well as a leader in private and corporate customer business. We are also consistently moving forward with the other measures of our Roadmap strategy: the rigorous reduction of risk positions and the disposal of non-strategic investments such as the sale of Allianz Dresdner Bauspar AG to Wüstenrot Bausparkasse. We have thus completed the sale of certain subsidiaries specializing in private customer business and at the same time fulfilled another condition imposed by the EU.

In addition, we have created the prerequisites at our annual general meeting that will allow us to repay the SoFFin funds at the latest from the period we envisaged. An important aspect in this connection is that in all three scenarios of the stress test prescribed by the Committee of European Bank Supervisors (CEBS) we significantly exceed the requirements and are thus well equipped to cope with difficult conditions.

We would like to inform our shareholders that based on the pleasing results achieved in the first six months of the year we expect to be able to post a profit for the full year 2010.

Yours sincerely

Martin Blessing

Martin Blessing, Chairman of the Board of Managing Directors

Commerzbank share outperforms EURO STOXX Banks

In the second quarter of 2010 bank shares continued to be affected by ongoing uncertainty over the financial stability of the eurozone. Concerns about the solvency of the financially weak euro countries put the DAX under pressure particularly in the second half of April. A general strike and unrest in Greece caused jitters and volatility in the capital markets, with the Dax falling sharply by over 500 points between the first week of April and the first week of May.

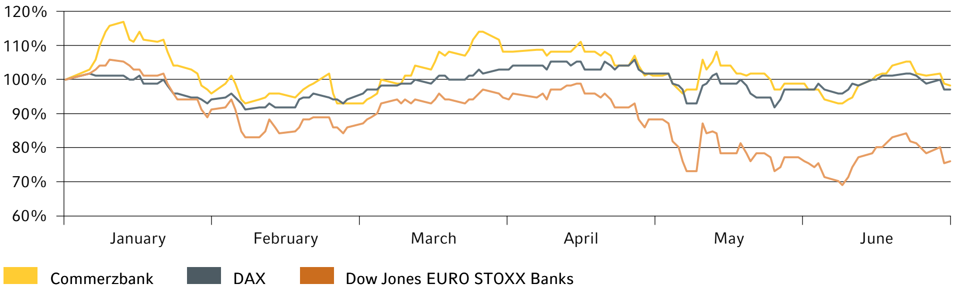
A €750bn rescue package of loans and guarantees put together by the euro states together with the International Monetary Fund calmed the financial markets again and the DAX rebounded as a result to well over the 6,100 points mark.

Following its second-quarter high of €6.55 on April 15, 2010, the Commerzbank share price dropped to a low of €5.65 at the beginning of May in connection with the Greek crisis. It picked up again, however, on the publication of positive figures for the first quarter of 2010.

The Government's directive to the Federal Financial Supervisory Authority to ban naked short selling of stocks in ten German financial services groups and of eurozone sovereign bonds inflicted heavy losses on the German stock markets. In addition, disappointing figures from the US labour market at the beginning of June sent the DAX tumbling below the 6,000 points mark. The Commerzbank share reached a low in the second quarter on June 8 at a share price of €5.47. Negative remarks by the Hungarian government about the country's financial situation had also pushed bank shares down.

In the year to date the Commerzbank share fell by 2% from €5.88 at year-end 2009 to €5.78 at mid-year. The public debate about a tax on banks towards the end of the second quarter also exerted downward pressure on bank stocks. The DAX fell 3% in the same period while the Dow Jones EURO STOXX Banks rose by some 23.7%. The strong decline in the Dow Jones EURO STOXX Banks index in the first half of the year compared with the Commerzbank share was also attributable to the negative performance of the two big Spanish banks.

Commerzbank share vs. Performance indices in the first half of 2010
daily figures, 30.12.2009 = 100



Trading volume in Commerzbank shares was down versus the first quarter and the volume for the first six months of 2010 was below the level of the prior-year period at an average of 11.7 million shares per day. The highest monthly trading level was seen in March, clearly also boosted by the generally positive mood in the stock markets. The peak daily trading volume was reached on February 23, when a total of 35.7 million Commerzbank shares changed hands on German stock exchanges. The lowest daily trading volume in the share was 3.4 million on April 6. At the end of the second quarter of 2010, Commerzbank's market capitalization stood at €6.8bn, versus €5.2bn as at the end of June 2009.

We provide our shareholders with comprehensive information. Data on Commerzbank's shares as well as current news, publications and presentations on Commerzbank can be found at our Internet site www.ir.commerzbank.de.

Highlights of the Commerzbank share

	1.1.–30.6.2010	1.1.–30.6.2009
Shares outstanding on June 30 in millions	1,181.4	1,181.4
Xetra intraday prices in €		
High	7.11	6.93
Low	5.33	2.22
Closing price on June 30	5.78	4.43
Daily trading volume [1] in millions		
High	35.7	48.6
Low	3.4	2.7
Average	11.7	13.8
Earnings per share (EPS) in €	0.90	−1.80
Book value per share [2] in € on June 30	9.45	10.34
Market value/book value on June 30	0.61	0.43

[1] Total German stock exchanges.
[2] Excluding silent participations, non-controlling interests and cash flow hedges.

Interim Management Report

Business and overall conditions

Overall economic situation

In the first half of the year the world economy continued to recover from the deep recession during the winter half-year 2008–2009. The rebound was led by the emerging economies in Asia, but growth in North America also accelerated noticeably. There was also an upturn in activity in the eurozone, but the momentum is still much weaker than in the USA for instance.

The eurozone revival has been spearheaded by Germany. After a slow start to the year, with growth constrained by the severe winter, GDP should show a significant increase in the second quarter. This expansion continues to be primarily driven by robust external demand, particularly from outside the eurozone. Additional support is now coming from equipment spending, however, with rising profits, low interest rates and increasing capacity utilization encouraging companies to invest more in production facilities again.

The above-average growth in the German economy is likely due to two factors in particular. Reliant as it is on capital goods and exports, the German economy was particularly hard hit by the global downturn, but by the same token now seems to be benefiting more than others from the recovery. Secondly, Germany did not experience any real estate bubble prior to the onset of the crisis and hence no sharp increase in private sector indebtedness, which would now need to be corrected.

Even if economic activity is improving worldwide, capacity utilization is still below-average. Upward pressure on prices has therefore continued to ease until very recently, with core inflation rates (excluding volatile energy and food prices) in many countries – including Germany – now below 1%. Given these still inert levels of inflation, only very few central banks have started to gradually raise their key interest rates. The US Federal Reserve and the European Central Bank (ECB), on the other hand, are still giving no indications of an imminent reversal in interest rates.

Activity in the financial markets was dominated in the first six months by the debt crisis in the eurozone. The flight to the "safe haven" of government bonds sent yields on ten-year German bunds to new record lows. In addition, recurrent fears of an uncertainty shock caused by an escalation in the crisis prevented the global rebound from producing a noticeable rise in stock market prices. The weakness of the euro, which lost some 12% of its value against the US dollar in the first six months of the year, is primarily attributable to concerns over the long-term future of the European Monetary Union.

Important business policy events

In mid-April Commerzbank AG sold its subsidiary Allianz Dresdner Bauspar AG (ADB), a savings and loan specialist, to Wüstenrot Bausparkasse AG. Commerzbank and Wüstenrot also agreed a long-term exclusive distribution venture for savings and loan products. Wüstenrot's products are attractive for Commerzbank's customers and will strengthen the Bank's position in the market. The parties have agreed to maintain confidentiality about the details. At the end of 2009, ADB had roughly 670,000 customers and total savings deposits of €21bn and employed some 350 members of staff. The sale is part of the agreements connected to the assistance received from the Financial Market Stabilization Fund (SoFFin).

At the beginning of June Commerzbank announced that it had sold its subsidiary Commerzbank International Trust Singapore (CITS) to the Trident Trust Group. The parties have agreed to maintain confidentiality about the details of the transaction, which is still subject to the necessary approvals from the authorities. CITS specializes in fund management and fiduciary services for private and corporate clients. At the end of 2009 it managed assets of €930m. Commerzbank's other activities in Singapore have not been affected by the transaction.

The key issues addressed at Commerzbank's Annual General Meeting on May 19 included the grant of discharge for the Board of Managing Directors and Supervisory Board and a package of measures that provide the Bank with different options to repay the silent participations held by the Financial Market Stabilization Fund (SoFFin). As planned, the Board of Managing Directors was granted the authorization to increase the share capital – with the approval of the Supervisory Board – up to a nominal amount of €1.535bn (by up to approximately 590 million shares). The new shares should, in principle, be offered to the shareholders for subscription. Subscription rights may be excluded in particular when silent participations of SoFFin are paid in as a non-cash contribution and the resulting shares immediately placed.

At the end of May the Private Customers segment reached a further milestone in the integration of Dresdner Bank. Dresdner Bank's financing specialist, Dresdner-Cetelem Kreditbank GmbH, or DCKB for short, now operates under the name of Commerz Finanz GmbH. In the Munich Commerz Finanz, BNP Paribas and Commerzbank continue to work together in consumer credit business.

Earnings performance, assets and financial position

In the first half of 2010 the Commerzbank Group posted a pre-tax profit of €981m, just under €2.4bn more than in the same period last year. The main factors behind this encouraging development were the trading result and the significantly lower risk provisioning requirement; but there was also an increase in net interest and commission income. The core bank reported earnings of €1.1bn in the period under review. We also continued to actively reduce risks, mainly exposures in the Portfolio Restructuring Unit and Public Finance activities of the Asset Based Finance segment. Moreover, the Commerzbank Group has a sound capital base and comfortable liquidity position.

Income statement of the Commerzbank Group

Net interest income was up by 6.1% to €3,747m year-on-year in the first six months of the year. The non-servicing of coupons on hybrid bonds and profit participation certificates as well as other special effects contributed to this increase. Particularly in the Private Customers and Mittelstandsbank segments the effects due to the low interest rate environment were noticeable, with declining deposit margins not being completely offset by higher lending margins.

At €1,283m, the net allocation to provisions for loan losses was 30.2% below the allocation for the first half of 2009. Primarily due to the more favourable economic environment gross allocations were lower than a year earlier, whereas releases increased at the same time. Except for the Private Customers segment, loan loss provisions were significantly down in all segments of the core bank. In the Central & Eastern Europe segment, however, they remained at a high level due to the continued difficult situation in the Ukraine. More than half of total provisions made in the first half-year were in Asset Based Finance.

Net commission income in the first six months of 2010 was up 3.9% year-on-year to €1,867m, primarily as a result of higher income from securities business.

Net trading income improved by €1.6bn to €1,187m in the first six months of the year. Despite the challenging market environment in the second quarter, this good result was bolstered by generally more favourable conditions in the markets than in the prior-year period. Major contributions came in particular from Corporates & Markets and the Portfolio Restructuring Unit.

Net investment income declined by €0.6bn to €–59m year-on-year as further risk portfolios were systematically reduced. This negative result this year was caused mainly by losses on disposals from the Public Finance portfolio in the Asset Based Finance segment, but also by impairments on positions in the Portfolio Restructuring Unit's ABS book. On the other side there were gains on the disposal of investment holdings. In the same period last year, net impairments on the ABS book were more than offset by significant revenue amounts generated from the sale of equity participations.

Operating expenses were 2.1% higher than in the first half of 2009 at €4,437m. This was due to the fact that, because the official closing of the acquisition of Dresdner Bank took place on January 12, the revenue and expense contributions from Dresdner Bank for the period of January 1 to January 12 were not included in the Commerzbank's 2009 income statement. In addition, the substantial increase in ongoing implementation expenses for the integration of Dresdner Bank also had a negative impact. These consist mainly of higher IT costs, which resulted in a 15.8% increase in other operating expense – including current depreciation – to €2,256m. Personnel expenses fell on the other hand by 8.9% to €2,181m because of a 6.6% reduction in headcount to 60,870. Adjusted especially for the integration costs, the other operating expenses were 5% below those of the equivalent period in the previous year.

As a result of the developments described above the Commerzbank Group posted an operating profit of €1,014m for the first half of 2010, an improvement of over €1.8bn year-on-year.

Whereas in the prior-year period significant restructuring costs and impairments of goodwill and brand names were incurred amounting to just under €0.6bn, restructuring costs of €33m were charged in Asset Based Finance during the reporting period. As a result, pre-tax profit for the first six months of 2010 came to €981m, following a loss of €1,393m in the same period last year.

The Group reported tax income of €96m for the reporting period, compared with tax expense of €276m for the first half of 2009. Consolidated profit after tax came to €1,077m, over €2.7bn more than a year earlier. €17m of consolidated profit for the period was attributable to minority interests and €1,060m to Commerzbank shareholders.

Operating earnings per share amounted to €0.86 and earnings per share to €0.90 (1H2009: €–0.90 and €–1.80 respectively).

Consolidated balance sheet

Total assets of the Commerzbank Group grew by 6.4% to €897.8bn at the end of June 2010. This growth, which was especially pronounced in the second quarter, resulted primarily from market developments that led to an increase in the volume of derivatives due to valuation effects.

On the assets side this affected mainly trading assets but also claims on banks.

Claims on banks rose by €14.1bn to €120.8bn compared with the end of the previous year, primarily due to the expansion of secured money market transactions. Claims on customers, at €341.0bn, were slightly lower than at year-end 2009. The volume of lending to customers and banks totalled €351.9bn at mid-year, a decline of €16.5bn versus year-end 2009, and was mainly attributable to the volume reduction at Eurohypo and also connected to the disposal of Allianz Dresdner Bauspar AG. The volume of trading assets was €264.0bn on June 30, 2010, up significantly by €45.3bn from year-end 2009 or by 20.7%.. This increase was principally due to higher positive market values for derivative financial instruments as a result of interest rate and currency movements; these grew by €40.9bn over the period. Financial assets amounted to €130.4bn and were on a par with the level at the end of last year.

On the liabilities side there was an increase particularly in trading liabilities, which grew strongly by €43.8bn to €236.8bn. As with trading assets, this growth was attributable to higher negative market values for derivative financial instruments as a result of interest rate and currency movements. Liabilities to banks rose by €3.4bn to €144.0bn, with a sharp rise in secured money market transactions being almost completely offset by a decline in other liabilities. Liabilities to customers, up by €2.1bn to €266.7bn versus year-end 2009, also saw strong growth in secured money market transactions. This was largely compensated by a lower level of other customer deposits. There was also a slight decline in securitized liabilities in first-half 2010; with a volume of €169.7bn, they were €1.7bn below the year-end 2009 level.

Capital and reserves

Reported equity at June 30, 2010, was up by 4.8% or €1.3bn compared with year-end 2009, to €27.8bn, primarily as a result of current first-half profits of €1.1bn and positive effects from the currency translation reserve.

In total, subscribed capital, the capital reserve and retained earnings amounted to €12.4bn; silent participations remained at €17.2bn. In accordance with conditions imposed by the EU, Commerzbank will pay earnings-related compensation in 2010 – as in the previous year – only if it is obliged to do so without releasing reserves or special reserves pursuant to section 340g HGB. Where necessary and permitted by law, however, Commerzbank will also release reserves in 2010 in order to prevent the carrying amount of its equity instruments being reduced through loss participation.

At the end of the first half-year the revaluation reserve, the reserve from cash flow hedges and the currency translation reserve had a negative impact on equity of €3.5bn; this was on a par with the end of 2009. The negative value of the revaluation reserve was €0.4bn higher at €–2.2bn. Interest-bearing financial assets continued to produce a negative effect of €–2.3bn. This figure was also influenced by reallocations in accordance with the amendments issued by the IASB on October 13, 2008, where securities in the Public Finance portfolio for which there was no longer an active market were reclassified from the IAS 39 category Available for Sale (AfS) to the IAS 39 category Loans and Receivables (LaR). The Bank has the intention and the ability to hold these securities for the foreseeable future or until final maturity. The securities concerned are primarily issued by public sector borrowers in Europe.

Risk-weighted assets rose to €290.2bn at June 30, 2010 compared with the end of 2009. This was due to both currency effects and rating adjustments. Our regulatory core capital increased by 6.2% over the end of 2009 to €31.3bn, while the core capital ratio rose from 10.5% to 10.8%. The capital ratio was 14.4% on the reporting date.

The stress test prescribed by the Committee of European Banking Supervisors (CEBS) for 91 European banks demonstrates that Commerzbank has a sound capital underpinning even in difficult conditions. As expected, Commerzbank passed the CEBS stress test, the results of which were published on July 23. In all three scenarios the Bank's core capital ratio was significantly above the 6% CEBS requirement and above Commerzbank's target corridor of 7% to 9%. In the "benchmark scenario" the core capital ratio was 10.5% and in the "stress scenario" 9.3%. If haircuts on receivables from Europe's public sector are also taken into account, the Bank's core capital ratio is 9.1%.

Funding and liquidity

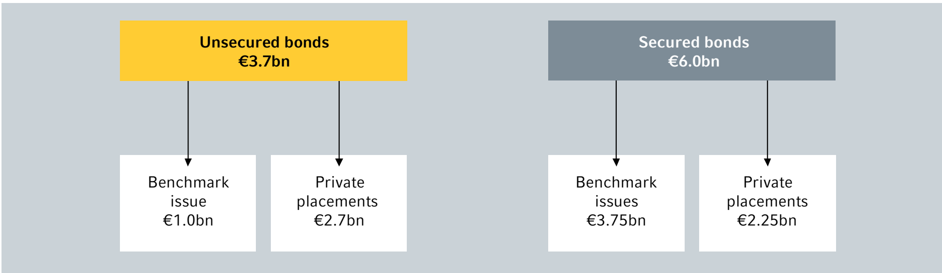
At the beginning of May tensions in the financial markets increased dramatically as a result of the debt crisis, particularly in the countries of southern Europe. This caused volatility in the markets to rise, accompanied by a general deterioration in funding terms in the money and capital markets. Both volumes and the average lending periods for transactions in the interbank markets fell. In particular banks originating from the countries concerned experienced considerable difficulties in obtaining interbank funding.

In light of these developments the ECB undertook a series of measures to assure the supply of liquidity to the financial system. These measures included interventions in the markets for public and private sector debt, the resumption of swap agreements with the Federal Reserve and the introduction of additional transactions to support liquidity. After these measures were announced and implemented tensions in the financial markets eased substantially, but have not entirely disappeared.

Despite the spread of uncertainty in the second quarter, fuelled by the funding crisis in the countries of southern Europe in particular, Commerzbank's liquidity position remains comfortable. The Group's funding is broadly diversified in terms of products, maturities, investor groups, regions and currencies with the aim of securing an appropriate funding profile for the Bank's business activities.

Despite the difficult environment – particularly in the second quarter – Commerzbank has sufficient access to funding sources in the money, interbank and capital markets; in addition, it benefits from a stable deposit base in its private and corporate customer business. These core activities constitute an important part of the Bank's funding so that the interbank market is only used opportunistically. The fact that the Bank has not needed to resort to central bank liquidity facilities in the year to date, except to manage liquidity spikes, testifies to its conservative and circumspect funding strategy. Commerzbank was able to raise long-term funds of over €9.7bn in the market for secured and unsecured funding transactions during the first half of 2010.

Group capital market funding in the first half of 2010
Volume €9.7bn



Approximately €3.7bn of this came from unsecured issues and roughly €6bn from Pfandbriefe and Lettres de Gage. In total the Bank issued five public transactions with a volume of €4.75bn.

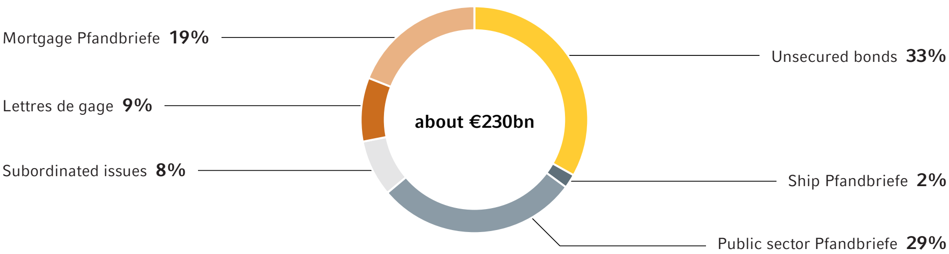
In the unsecured segment, Commerzbank AG issued a seven-year senior unsecured benchmark bond with a volume of €1bn and offering a coupon of 3.875% based on a spread of 105 basis points over the swap rate. It also placed a number of currency issues denominated in currencies such as the yen, Australian dollar and Norwegian krone.

In the secured sector two jumbo Pfandbriefe were issued by Eurohypo: a three-year public sector Pfandbrief with a volume of €1.5bn and a five-year mortgage Pfandbrief with a volume of €1bn. A mortgage Pfandbrief issue with a volume of €500m with a special focus on the German market was also syndicated in the period and Eurohypo S. A. Luxembourg successfully issued the first Lettre de Gage of the year with a volume of €750m.

Over the first six months of the year we reduced the 2010 funding plan for unsecured and secured issues. This was prompted by a decline in funding requirements due to the accelerated reduction of non-core activities and a lower demand for loans than originally anticipated. With the issues executed to date we have covered our funding needs for the current year.

The following chart shows the overall capital market funding structure as at June 30, 2010:

Capital market funding structure
as of June 30, 2010



Commerzbank successfully raised shorter-term funding on the money market, which the Bank was able to access on an unlimited basis for customary maturities. This reflects Commerzbank's good standing in the market.

Commerzbank's liquidity and solvency were adequate at all times during the period under review and the regulatory provisions applicable to liquidity were likewise complied with at all times. As at the June 30, 2010 reporting date, Commerzbank AG's liquidity ratio as measured by the standardized approach of the Liquidity Regulation was 1.16, which is above the required minimum of 1.00.

Even applying the strict liquidity management standards used in the internal liquidity risk model based on a combined market-wide and bank-specific stress scenario, the available liquidity was at all times above the internally required level.

Key figures for the Commerzbank Group

The Commerzbank Group's overall operating return on equity in the first half-year was 6.6%, compared to –6.6% in first-half 2009. Return on equity based on the consolidated surplus/deficit – i.e. the ratio of consolidated surplus/deficit attributable to Commerzbank shareholders to the average capital employed attributable to them excluding the revaluation reserve and the reserve from cash flow hedges less the current consolidated surplus/deficit – rose from –13.6% to 7.1%. The cost/income ratio – i.e. the ratio of operating expenses to total earnings before deduction of loan loss provisions – fell from 81.0% to 65.9%.

Segment reporting

The segments of the core bank posted positive operating results in the first half of the year and contributed a total of €1.1bn to consolidated profit. Outside the core bank, the picture was mixed. While the Asset Based Finance segment reported a loss due to the systematic reduction of risk exposures and the situation in the international real estate markets, the Portfolio Restructuring Unit profited from the improvement in the financial markets, especially in the first quarter.

Details of the composition of the segments and the principles of our segment reporting are set out in Note 10 of the financial statements.

Private Customers

Private Customers achieved a positive result in the first half although the competitive environment remained difficult and the capital markets continued to be challenging. The number of customers stabilized in the course of the integration and remained steady at 11 million.

The impact of the sale of non-strategic participations in banks was clear, especially in respect of net interest income, net commission income and operating expenses. Net interest income was down by 10.6% to €989m year-on-year, primarily due to the extremely low level of interest rates and deconsolidation effects. The increase in loan loss provisions by 30.8% to €136m was attributable to lagged effects from the crisis. Net commission income was down slightly by 1.0% to €1,038m from the year-earlier figure. The main reason for this were effects from the sale of non-strategic investments, the ongoing reluctance by customers to transact securities business and revenue losses due to the increased burden on sales staff as a result of the integration. The decline in other income versus the prior-year period by €24m to €–42m resulted primarily from net allocations to provisions for litigation risks in the first quarter. The synergies from the integration were reflected in operating costs, which were down by 5.0% to €1,826m. Whereas personnel expense showed a marked decline from €802m to €710m, other operating expense rose by 5.6% due the brand migration and the integration of Dresdner Bank. On balance Private Customers posted an operating profit for the first six months of €49m, after €103m a year earlier.

The operating return on equity calculated on capital employed of €3.4bn was 2.8% (1H2009: 6.2%). The cost/income ratio was 90.8%, virtually the same as in the first half of 2009 (90.3%).

Mittelstandsbank

Due to its stable business model and strong customer base Mittelstandsbank posted a substantial improvement in operating results in what continued to be a difficult, but slightly less tense, market environment compared with a year earlier.

Net interest income was €1,065m after €1,088m in the same period last year. The slight decline of 2.1% was largely due to deposit-taking business, where the continued low level of interest rates led to a drop in the contribution to net interest income. Declining volumes in lending, particularly as a result of the reduction in non-strategic foreign portfolios, were more than offset by higher margins. As economic conditions have now started to improve, loan loss provisions were €71m lower in the first half of 2010, at €255m, than in the same period last year. Net commission income rose to €466m after €449m a year ago, due especially to the upturn in foreign trade and higher income from related product categories. Net trading income came to €68m, up by €101m on the figure for the first six months of 2009, largely due to valuation effects from credit hedge transactions. Other income came to €34m, compared with €–61m in the same period last year. This increase was due in particular to the effects of impairment reversals on equity participations as well as non-recurring income from the release of a provision no longer required. Operating expenses were €706m, up 5.1% on the previous year's figure of €672m. Whereas personnel expense was slightly lower than in the first half of 2009, other operating expense was higher than in the prior-year period. Mittelstandsbank reported an operating profit of €684m for the first six months, an increase of 54.1% on the first six months of last year.

The operating return on equity based on an average capital employed of €5.5bn was 25.1% (1H2009: 16.0%). The cost/income ratio was an excellent 42.9% (1H2009: 46.6%).

Central & Eastern Europe

The countries of Central and Eastern Europe benefited from a sustained economic upswing, although its pace and strength varied from one country to another. Poland in particular saw a continuation of the positive development and the situation has also stabilized in those countries that were harder hit by the crisis. Further reforms will be needed, however. Against this market backdrop Central & Eastern Europe posted an operating profit after losses in the year-earlier period. The impact of movements in the CEE currencies was visible on both revenues and costs.

Net interest income, at €320m, was on a par with the year-earlier figure, despite pressure on margins, supported by slightly higher deposits and stable lending volumes. Given the improvement in the economic fundamentals loan loss provisions were down significantly, falling by 50.4% to €186m. Net commission income was up from €77m in first-half 2009 to €100m at mid-year. The main factor driving this was the good performance of many product groups, both in corporate and private customer business at BRE Bank. Net trading income came to €38m, which was 20.8% below the same period last year due to currency hedging effects. As result of an increase in personnel and other operating expenses due to currency translation effects, operating expense was €43m higher, at €273m, in the first half of 2010. Due in particular to the positive development at BRE Bank, the segment posted an operating profit of €14m, compared with a loss of €149m in the year-earlier period.

The operating return on equity based on an average capital employed of €1.6bn was 1.8% (1H2009: –18.4%). The cost/income ratio was 57.7%, versus 50.4% in the first six months of 2009.

Corporates & Markets

Corporates & Markets posted an operating profit for the period, achieved by the rigorous application of a client-driven business model and against the backdrop – particularly in the second quarter – of a volatile capital market environment. At €1,240m in the first half of 2010, operating income before loan loss provisions was down slightly on the same period of the previous year. It should be noted that the figures for the first half of 2009 still included income from areas that have been discontinued or substantially reduced in the new business model. The group divisions Corporate Finance and Equity Markets & Commodities successfully continued their stable trend. Fluctuations were more marked in the Fixed Income & Currencies division as a result of market unrest.

Net interest income was up 11.8% to €417m on the same period last year, with positive contributions from structured finance particularly in the first quarter. As the economic environment stabilized net income of €20m resulted on the provisioning side, primarily from the release of existing provisions. In the prior-year period charges of €221m were incurred in this area. Net commission income declined in the period by 18.7% to €139m, principally due to a number of large transactions in the first half of 2009. Net trading income came to €637m, down by 16.2% from a year earlier. While the Equity Markets & Commodities division showed a stable development, Fixed Income & Currencies posted lower revenue in the second quarter following a strong start to the year. This was attributable to the sharp rise in volatility in the markets as a result of the debt crisis among the PIIGS nations (Portugal, Italy, Ireland, Greece and Spain) in the second quarter of 2010. Net investment income came to €29m, while other income totalled €18m. Staff reduction and integration targets have been met and this is reflected in the lower level of operating costs, which were down by 21.0% to €806m. In addition to personnel expense it was also possible to significantly reduce other operating expenses. With a substantial increase in operating profit by €412m to €454m Corporates & Markets achieved an improvement on the year-earlier period.

On 17.4% lower capital employed of €3.9bn, operating return on equity was 23.5%. The cost/income ratio was down from 79.5% in the prior-year period to 65.0% in first-half 2010.

Asset Based Finance

Despite the global economic recovery in the first half-year, the effects of the crisis in the international property, public and ship finance markets continued to be clearly felt and resulted in negative results for the segment. New commitments in commercial real estate financing amounted to €2.4bn in the first half of the year, compared with €0.7bn in the corresponding period of 2009. The reduction in portfolios in Real Estate and Public Finance was continued.

Net interest income rose in the first six months by 4.9% to €615m versus first-half 2009, due in particular to higher margins in real estate financing both for new business and renewals. Loan loss provisions were €679m, an increase of 20.0% over the year-earlier period, due to high first-half charges in commercial real estate financing primarily in the USA. Despite the very low volume of new business net commission income was up by 21.7% to €168m, due to higher income from commercial real estate business – largely as a result of restructurings abroad – and from fund management fees in Asset Management. Net trading income was €27m, significantly lower than the €189m posted a year ago. This was primarily attributable to the fact that profits in the first half of 2009 were boosted by positive valuations for free derivatives and the profitable liquidation of a total return swap position. Net investment income was negative at €–160m (1H2009: €–40m). This result was impacted by selling losses in the second quarter incurred when managing down the public finance portfolio. Operating expense was €299m, down 11.5% on the same figure last year. This decline was due to personnel and other operating expense resulting from the successful execution of the restructuring measures. The operating loss for the first half of 2010 came to €–336m, after €–30m a year earlier. Restructuring costs of €33m were incurred in the first half of 2010 in connection with the Correlation strategy project at Commerz Real AG, whereas the first half of 2009 was affected by goodwill impairment charges and restructuring charges totalling €117m.

The operating return on equity calculated on capital employed of €6.3bn was –10.6%. The cost/income ratio was up from 38.7% in the prior-year period to 46.6% in first-half 2010.

Portfolio Restructuring Unit

The Portfolio Restructuring Unit (PRU) was exposed to a changeable market environment in the first half of 2010. Whereas the first few months of the year saw a revival in the Structured Credit and Credit Flow markets, these segments experienced lower liquidity and a slight softening in prices during the second quarter as a result of the debt crisis in European countries. Over the first half of the year the PRU continued to make increasing use of market opportunities to reduce portfolios; this was partially offset by the rise in the US dollar in the second quarter. On balance, substantial progress was made in managing down the number of positions, particularly in Credit Trading, thus significantly reducing complexity.

Net interest income was down versus the year-earlier period by €104m to €33m, due primarily to the reduction in holdings. Loan loss provisions decreased markedly from €240m to €50m. Net trading income improved significantly versus a year earlier from €–1,235m to €338m. This was due to gains realized on reducing portfolios and impairment reversals on structured securities. The net investment loss was reduced from €–265m in the first half of 2009 to €–24m at mid-year 2010. Administrative expenses decreased by 21.2% to €52m. In the first half of 2010 the PRU posted an operating profit of €256m, compared with a loss of €1,657m in the prior-year period.

Average capital employed amounted to €1.3bn, compared with €1.9bn at mid-year 2009.

Others and Consolidation

The Others and Consolidation segment contains income and expenses not attributable to the business segments. The following point should be noted in regard to the prior-year figures for Others and Consolidation: since, to facilitate comparison, the results of the market segments cover the period from January 1, 2009 to December 31, 2009, the difference versus the consolidated profit/loss, which for Dresdner Bank only covers the period from January 13 to December 31, 2009, is reported under Others & Consolidation.

The operating result for the first half of 2010 was €–107m, compared with €429m in the same period last year. Operating income before provisions, at €365m, derived largely from Treasury income, whereas the negative impact stemmed chiefly from Group-wide effects connected with the acquisition of Dresdner Bank that could not be assigned to individual segments, as well as negative measurement effects from the use of hedge accounting in accordance with IAS 39 on interbank transactions. There was a sharp decline in net investment income, which in the year-earlier period contained income from the disposal of investments. The operating expenses retained in the Others and Consolidation division came to €475m and related mainly to integration expenses for service and management functions as part of the “Growing together” project, Treasury costs not allocated to the business segments, expenses in relation to company law, and other operating expenses in connection with compliance with SoFFin requirements. The pre-tax result for the first six months of 2010 was €–107m, after €217m in first-half 2009.

Outlook and opportunities report

The following comments should always be read in conjunction with the Business and overall conditions section of this interim report as well as the Outlook section of the 2009 annual report.

Future economic situation

Global economic recovery seems set to continue. However, it is expected to start off weaker than previous upturns, especially in the industrialized nations, because the excesses that preceded the recession have still not been fully corrected. Despite a marked decline, the level of investment in construction is still much too high in places, while in many countries private households and companies are now having to pay down the significantly higher amounts of debt they had taken on, which in turn will curb demand from their side. Moreover, in the eurozone in particular, in the coming year at the latest the economy will run into strong headwind due to the financial policies put in place by governments forced to noticeably reduce their budget deficits.

Germany has been spared much of these excesses in recent years, meaning that a correction is not necessary here – neither in construction nor in the debt levels of private households and companies. The need for consolidation in the public sector is also much less significant in Germany than in most other European countries, and Germany's economy, which is geared to exports and capital goods, is set to reap above-average benefits from global economic recovery. Germany is therefore set to grow at a much faster pace of 2.5% than the eurozone as a whole. In the year ahead growth will be somewhat slower at 1.75% due to the need to consolidate public finances, but Germany will continue to be among the leaders in the eurozone.

Given the rather subdued nature of the global economic recovery, overall capacities will remain underutilized for some time. Initially this will result in an easing of inflationary pressures. Against this backdrop, the leading central banks will hold off a bit longer before exiting their low interest rate policies. There will be no interest rate increases from the ECB and US Federal Reserve before next year, although the Fed is more likely to initiate the reversal than the ECB.

The weak inflationary momentum and central bank hesitancy indicate that the current structural low interest rate environment will continue for the time being. If the peripheral eurozone members manage to achieve their deficit objectives, the situation in the European bond markets is likely to ease in the months ahead. However, ten-year Bund yields will only rise gradually at first and the yield premium for bonds of the peripheral eurozone countries narrow, without reaching the levels seen prior to the financial crisis. The euro is set to soften further against the dollar, since the interest rate differential will likely develop increasingly in favour of the US currency. Furthermore, the debt crisis has drawn the currency markets' attention to the structural problems within the European currency union, and this will continue to weigh on the euro for the time being.

Future situation in the banking sector

Many European banks presented improved results for the first quarter of 2010 compared with the year-earlier figures. Most big banks in Europe saw a positive return on equity again, aided in particular by a pickup in securities trading business. By contrast, the conditions for investment banking, particularly in trading, were less favourable in the second quarter. Banks' loan loss provisions are nevertheless likely to have declined further.

Although many economists have already declared the recession over and Commerzbank is forecasting eurozone GDP growth rates of 1.2% and 1.4% in 2010 and 2011, respectively, banks are likely to continue to find themselves operating in a difficult environment. The after effects of the economic crisis will persist for the banks, even though it was possible to stem further contagion from the debt crisis, especially among the countries of southern Europe, by mean of extensive aid programmes. Many European banks have high exposure to the countries mentioned above, as well as to the extremely difficult US and Spanish real estate markets.

In addition, a general tightening of regulatory provisions is expected to increase restrictions on the banking sector as a whole. In Germany, the UK and other European countries, draft legislation for the introduction of a banking tax has been initiated, while a uniform proposal from the EU is still in the pipeline. In the context of the planned introduction of Basel III at the end of 2012 an intensive debate is currently ongoing between politicians and regulatory experts as to the correct degree of regulation for the banking industry. It would appear difficult to find a globally uniform line of thinking on banking regulation following the crisis. The ongoing discussion about stress tests also highlights how high the market's requirements with regard to transparency are. The European banks will be confronted with the market's increased demands for transparency and capital underpinning in this respect.

Financial outlook for the Commerzbank Group

Financing plans

The Comerzbank Group has covered its funding requirements for the full year 2010. We will nevertheless continue to take advantage of opportunities in the market and place unsecured and secured issues accordingly. The adjustment to our original funding plan was made in response to the accelerated reduction of non-core activities and a lower demand for loans than previously anticipated. We expect to be able to continue building on our successful first-half issuing activities over the rest of the year, given the prerequisites mentioned above.

Funding activities will be adjusted regularly to reflect changes in conditions in the second half as well. This review is based on the Bank's internal stable funding concept and the development of assets eligible for the collateral pool. The stable funding concept identifies the structural liquidity requirement of the Bank's core lending business and those assets which cannot be liquidated within one year, and compares these to the liabilities available to the Bank over the long term (including stable customer deposit bases). Although we expect the capital market environment to remain volatile, average funding costs on the capital market should be lower this year than in the previous year.

Planned investments

With respect to planned investments, the following concrete projects have emerged in the first half of 2010.

The integration of Dresdner Bank will continue to dominate investment activities in the current year and the years to come. Compared with 2008, this will generate future annual savings of up to €2.4bn following full implementation. Of the total investments of €2.5bn envisaged for the integration, €2.1bn have been incurred as at June 30, 2010, €0.3bn of which as running implementation costs in the first half of the year.

In Asset Based Finance, the strategy project Correlation was launched at Commerz Real AG in the fourth quarter of 2009 in response to the effects of the financial market crisis. The project is reviewing the spin-off of non-strategic peripheral activities and also plans measures to optimize the structural and process organization. The total restructuring costs of €33m budgeted for this project in 2010 were already incurred in the first half of the year.

Work will continue on the Group Finance Architecture (GFA) programme that was initiated in 2009 to redesign the process and system architecture of the Commerzbank Group finance function. In the first half-year 2010 costs of €19m were incurred and investments totalling €63m are planned for the full year. For 2011 we anticipate an investment volume of €52m.

Beyond that there have been no major changes versus the projects mentioned in the 2009 annual report.

Liquidity outlook

The expiry of the first 12-month funding programme by the ECB in an amount of €442bn without any disruption in July 2010 was an encouraging sign that had been interpreted ahead of the event as a test of the banking system's liquidity. On a net basis taking into account new repo issues, this withdrew some €244bn of liquidity from the banking system. As a result, short-term interest rates have risen, but this does not indicate a fundamental change in ECB policy. Nevertheless, short-term rates will continue to trend upwards in the second half of the year due to the reduced volume and also because of the shorter maturities for central bank refinancing transactions. The interest rate for unsecured money market transactions EONIA is a faster indicator of changes in market conditions than Euribor. Given the greater sensitivity of EONIA, we expect a widening of the benchmark 3-month EONIA-Euribor swap spread up to the end of the year until market conditions are again reflected in both benchmarks.

We assume that tensions in the financial markets will also affect the second half-year. However, we also expect that Commerzbank will be able to maintain its strong position and is well equipped in view of its liquidity management to cope with any unexpected events that may occur. It is also well set to achieve its funding objectives as planned.

General statement on the outlook for the Group

The results for the first half-year have taken us an important step forward towards achieving the objectives we have set ourselves. Against this backdrop and given a stable market environment, we expect to be able to show a profit for the full year 2010. The improving economic conditions will help to improve credit quality in many industries and regions. We therefore expect a loan loss provisioning requirement in the magnitude of up to €3bn for full-year 2010, which is significantly less than originally anticipated. For the Portfolio Restructuring Unit as well, we currently estimate that the result for the whole year will be positive overall. In addition, we will continue to focus on reducing risk, while making selective use of the opportunities offered by the market.

Naturally we cannot exclude setbacks in the markets and there are also still some uncertainties in the regulatory area. While keeping a close eye on further developments in market conditions, we will continue systematically with our Roadmap 2012 agenda, which includes the realization of synergies in the course of the integration of Dresdner Bank. We are confident that we will continue to make good progress over the rest of the year.

Report on events after the reporting period

At the beginning of July Commerzbank completed the sale of its Kleinwort Benson operations to Beteiligungsgesellschaft RHJ International as announced. The supervisory authorities gave their approval for the transaction. The transaction involved the sale of the companies Channel Islands Holdings Limited and Kleinwort Benson Private Bank Limited, specialized in asset management and fiduciary transactions in the UK and Channel Islands. At the end of 2009 their Wealth Management units had assets under management of some GBP5.6bn (€6.3bn) and employed more than 600 staff. Commerzbank's investment banking activities, comprising the investment banking arm of the former Dresdner Kleinwort and Commerzbank Corporates & Markets activities, were unaffected by the transaction.

Likewise at the beginning of July, Commerzbank completed the sale of its savings and loan subsidiary Allianz Dresdner Bauspar AG (ADB) to Wüstenrot Bausparkasse AG as announced. The German supervisory authorities approved the transaction. As announced, the distribution agreement for savings and loan products which has been negotiated will take effect from September 2, 2010. As at the end of 2009, Allianz Dresdner Bauspar had total deposits of €21bn and employed a staff of approximately 350.

Interim Risk Report

Due to rounding, numbers and percentages presented throughout this report may not add up precisely to the totals provided.

Risk-oriented overall bank management

1. Risk management organization

Commerzbank defines risk as the danger of possible losses or profits foregone due to internal or external factors. Risk management normally distinguishes between quantifiable risks – those to which a value can normally be attached in financial statements or in regulatory capital requirements – and non-quantifiable risks such as reputational and compliance risks.

Responsibility for implementing the risk-policy guidelines laid down by the Board of Managing Directors for quantifiable risks throughout the Group lies with the Bank's Chief Risk Officer (CRO). The CRO regularly reports to the Board of Managing Directors and the Risk Committee of the Supervisory Board on the overall risk situation within the Group.

Risk management activities are split between Credit Risk Management, Market Risk Management, Intensive Care and Risk Controlling and Capital Management. They all have a Group-wide focus and report directly to the CRO. Together with the four Division Boards the CRO forms the Risk Management Board within Group Management.

Details on the risk management organization at Commerzbank may be found in the 2009 Annual Report.

2. Risk-taking capability and stress testing

Commerzbank's risk-taking capability approach is based on risk/return oriented management. Risk-taking capability is monitored on a monthly basis by comparing the capital requirement arising from the portfolio's risk profile against potential risk cover, i.e. the amount of capital available to absorb any risks that materialize.

All significant quantifiable risks are determined by reference to portfolio-specific, economic and regulatory conditions. The capital requirement resulting from these risks is calculated using both a regulatory and an economic capital model. The confidence level of 99.95% in the economic capital model exceeds the regulatory requirements and also takes account of portfolio-specific interactions.

The definition of potential risk cover also differs between the regulatory and economic models. The regulatory capital requirement is set against statutory Tier 1 core capital as risk cover. The benchmark for the internal economic model, however, is the protection of preferred creditors in the event of liquidation. Economic risk capital therefore comprises subordinated components of capital in addition to Tier 1 core capital, less positions that would not be available in the event of liquidation. The liquidation assumption is consistent with the high confidence level required for measuring risk effectively and ensures an internally consistent concept of economic risk-taking capability. The economic capital ratio calculated on this basis stood at 15.6% at June 30, 2010.

Commerzbank uses comprehensive stress tests to estimate the sensitivities of capital requirements and risk coverage and to obtain early warning indicators. The parameter stress test assumes a deterioration in all relevant risk parameters. The economic capital ratio calculated using this stress test stood at 10.2% at June 30, 2010.

Macroeconomic stress tests are also used to test the portfolio's robustness in the face of changed economic conditions. These not only analyse the capital requirement, but also the revenue side and risk cover under stress conditions. The internally defined minimum requirement of 8% was met in all scenarios at all times during the period under review.

Commerzbank also participated in the 2010 EU-wide stress test coordinated by the Committee of European Banking Supervisors (CEBS). The aim of these stress tests was to investigate the resilience of the European banking sector to further credit and market risks, including the effects of a rise in risk premia on European government bonds. Even in the most severe macroeconomic scenario including sovereign stress Commerzbank's simulated Tier 1 core capital ratio of 9.1% was well above CEBS's minimum threshold of 6%. The corresponding results and a detailed description of Commerzbank's country exposures relating to the CEBS definition can be found in the Investor Relations' section on Commerzbank's homepage (www.commerzbank.com).

For internal risk management Commerzbank uses the exposure at default (EaD) as defined in Basel II as a core control measure. Based hereupon the segment-overarching sovereign exposure relating to Greece, Ireland, Italy, Portugal and Spain amounts to €17bn.

Sovereign exposures of selected countries | in € bn	**30.6.2010**
Greece	2.8
Ireland	<0.1
Italy	9.9
Portugal	1.0
Spain	3.3

The rise in RWAs from €279bn at March 31 to €290bn at June 30 was mainly caused by currency effects, harmonization of systems and rating downgrades, particularly in the Asset Based Finance segment. However, in the further course of the year rating downgrades and resulting RWA charges are likely in the Asset Based Finance segment and, selectively, in the Mittelstandsbank segment.

Risk-taking capability Commerzbank Group | in € bn	**30.6.2010**	**31.3.2010**	**31.12.2009**
Tier I core capital	**31**	**30**	**30**
Regulatory RWA	**290**	**279**	**280**
thereof credit risk	259	247	246
thereof market risk	11	11	14
thereof operational risk	20	20	20
Tier 1 capital ratio	**10.8%**	**10.8%**	**10.5%**
Capital available for risk coverage	**39**	**40**	**39**
Economic RWA excl. diversification	**293**	**286**	**283**
thereof credit risk	184	179	173
thereof market risk	59	54	63
thereof operational risk	30	33	31
thereof business risk	21	21	16
Diversification between risk types	**42**	**42**	**43**
Economic RWA incl. diversification	**251**	**244**	**240**
Economic RWA (stress scenario)	**382**	**396**	**358**
thereof credit risk	220	216	206
thereof market risk	83	106	79
thereof operational risk	52	51	53
thereof business risk	26	23	20
Economic capital ratio incl. diversification[1]	**15.6%**	**16.3%**	**16.1%**
Economic capital ratio (stress scenario)[1]	**10.2%**	**10.0%**	**10.8%**

[1] As at December 2009 using the current methodology.

Default risk

Default risk refers to the risk of losses due to defaults by counterparties as well as to changes in this risk. Country risk, issuer risk and counterparty and settlement risk in trading transactions are also subsumed under default risk.

1. Commerzbank Group by segment

The following risk parameters are used to manage and limit default risk: exposure at default (EaD), expected loss (EL), risk density (EL/EaD) and unexpected loss (UL = economic capital consumption with a confidence level of 99.95% and a holding period of one year). The breakdown of these parameters across the segments is as follows:

Credit risk parameters by segments as at 30.6.2010	**Exposure at Default** in € bn	**Expected Loss** in € m	**Risk Density** in bp	**Unexpected Loss** in € m
Core bank	**338**	**1,252**	**37**	**8,708**
Private Costumers	75	265	35	1,099
Residential mortgage loans	36	124	34	-
Investment properties	5	17	33	-
Individual loans	14	64	46	-
Consumer and installment loans/ credit cards	11	50	44	-
Domestic subsidiaries	4	7	16	-
Foreign subsidiaries and other	4	4	10	-
Mittelstandsbank	108	440	41	3,630
Financial Institutions	20	59	30	-
Corporates Domestic	64	286	45	-
Corporates International	25	95	39	-
Central & Eastern Europe	25	237	96	798
BRE Group	20	123	60	-
CB Eurasija	2	35	205	-
Bank Forum	1	68	1,000	-
Other	2	11	56	-
Corporates & Markets	87	293	34	2,817
Germany	30	131	43	-
Western Europe	29	84	29	-
Central and Eastern Europe	3	10	30	-
North America	14	45	32	-
Other	10	23	24	-
Others and Consolidation	43	16	4	365
Optimization – Asset Based Finance	**239**	**771**	**32**	**4,803**
Commercial Real Estate	75	346	46	-
Eurohypo Retail	18	36	20	-
Shipping	28	296	105	-
thereof ship financing	*24*	*284*	*118*	-
Public Finance	118	93	8	-
Downsize – PRU	**29**	**156**	**54**	**1,189**
Total	**606**	**2,180**	**36**	**14,700**

1.1 Private Customers

The slight decrease in portfolio volume was mainly driven by exit units. Domestic lending volumes in the core business stabilized in the second quarter as a result of expanding new business. A risk oriented price calculation is rigorously pursued.

The economic crisis did not impact the portfolio quality as strongly as expected originally. The risk density remained stable, not least due to ongoing quality assurance measures in the portfolio, and remains in line with expectations at 35 basis points. As a result of the improvement in the economic outlook and the positive situation at the labour market no further negative effects from macroeconomic factors on the portfolio are expected during the second half of the year.

Loan loss provisions remained at roughly the same level in the second quarter as in the first and therefore continue to be in line with expectations. Risk exposures in the portfolio are expected to remain steady over the rest of the year.

1.2 Mittelstandsbank

The second quarter of 2010 was largely dominated by good news with regard to economic developments. The recovery of the world economy continued, which had a positive impact on the Mittelstandsbank's core markets. In a number of core branches in Germany there are clear signs of an improvement in credit quality compared with the difficult situation in 2009. The economic data has increasingly confirmed the sustainability of the economic recovery, backed by strong data from the German labour market, which further limits the potential for a renewed setback.

2010 will nevertheless remain a challenging year from a risk management perspective. Generally weaker results in 2009 are currently still depressing ratings for many companies and the economic outlook is not compensating sufficiently for this as yet. In spite of this most of the portfolio is expected to remain above the investment grade threshold.

Lending volumes will depend to a large degree on whether or not there is a change in customers' propensity to invest. Overall lending volumes in the Mittelstandsbank are expected to pick up slightly by the end of 2010.

For developments in Financial Institutions see section 2.3.

1.3 Central & Eastern Europe (CEE)

The economic situation in Central and Eastern Europe has improved in recent months, even if with differing intensity in the different countries. Driven by a recovery in commodity prices and a rise in exports to Western Europe and Asia all of the economies in the region saw positive growth, although significantly below the levels seen before the crisis.

Poland's robust economic performance continued. The risk profile of BRE Bank did not alter significantly in the second quarter, even if there was a minor impact from the rise in unemployment rates on the retail portfolio.

The recovery gained strength in Russia. This is reflected in the portfolio's risk density, which fell from 253 basis points in the first quarter of 2010 to 205 basis points in the second. The Bank expects further improvements in the risk situation, particularly for commodity-exporting companies.

There are also some tentative positive signs in Ukraine, although the risk situation remains tense. The recovery of the local currency against the US dollar has brought a little relief for foreign currency denominated loans. The focus here remains on risk limitation.

The currencies of other Central and Eastern European countries have also recovered against the euro in recent months, which has led to a corresponding increase in the absolute portfolio figures such as EaD and EL. The segment's described positive economic development is noticeable in the portfolio's decreasing risk density.

1.4 Corporates & Markets

Bulk and concentration risks of Financial Institutions and Corporate Customers have been further reduced in the second quarter. The ongoing improvement in the market environment also enabled the Bank to conclude more new business with high-quality customers subject to strict risk/return criteria. There has been an increase in market activity in the leveraged finance sector; within the framework of our conservative risk strategy new transactions and increased existing exposures have been accompanied selectively in the second quarter. The segment's regional focus is on Germany and Western Europe with €59bn of the portfolio; the share accounted for by North America rose to €14bn, partly due to currency effects.

1.5 Asset Based Finance

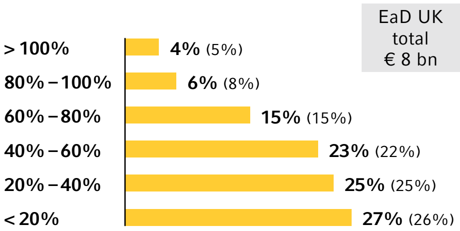
Asset Based Finance (ABF) comprises the sub-portfolios Commercial Real Estate (CRE), CRE Asset Management, Eurohypo Retail, Ship Financing and Public Finance, which are described in detail below.

Commercial Real Estate The overall exposure at default (EaD) for CRE, which is mainly with Eurohypo, was €75bn at June 30, 2010. The main components are the sub-portfolios Office (€28bn), Commerce (€21bn) and Residential Real Estate (€9bn). Despite a continued strategic reduction of exposures in the second quarter of 2010 due to the strong increase in the US dollar the EaD remained almost unchanged.

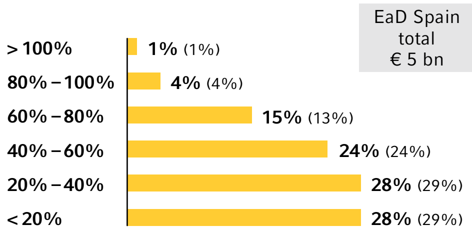
The CRE exposures also contain the CRE Asset Management (mainly Commerz Real) portfolios, which are composed of holdings in the immovable and movable property sector backed by collateral.

Although the situation on the property markets has still not settled, the overall forecast for market values is for a slight recovery from here on. Further risks are currently seen in the USA in particular. Eurohypo's mortgage backed lending continues to display acceptable loan-to-value ratios.

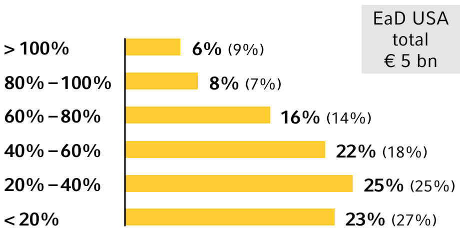
Loan to Value – UK[1]
stratified representation



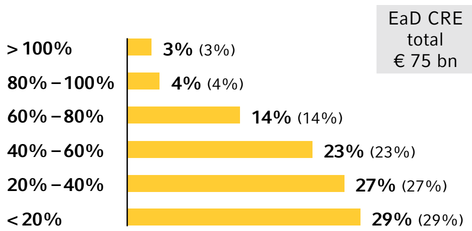
Loan to Value – Spain[1]
stratified representation



Loan to Value – USA[1]
stratified representation



Loan to Value – CRE total[1]
stratified representation



[1] LtVs based on market values; excl. margin lines and corporate loans; additional collateral not taken into account

All figures relate to business secured by mortgages.
Values in parentheses: December 2009

Eurohypo Retail The exposure of the Eurohypo retail portfolio was €18bn at June 30, 2010. The focus of the portfolio continues to be in owner-occupied homes (€11bn) and owner-occupied apartments (€4bn).

Ship Financing Due to the strong increase in the US dollar against the euro the exposure of Ship Financing including the full consolidation of Deutsche Schiffsbank AG (92%-owned subsidiary) rose by €1bn to €24bn in the second quarter of 2010. The portfolio is still focused on the three standard types of ship, namely containers (€7bn), tankers (€6bn) and bulkers (€5bn). The remaining €6bn is accounted for by various special tonnages which are well diversified across the various ship segments.

The strategy of systematic risk reduction in existing business resulted in a degree of stabilization in the period under review, not least through loan restructurings agreed with customers, which will naturally only be reflected in the risk ratios with a lag. However, the slightly negative trend from the first quarter is currently still continuing, so that the expected loss increased again by €26m to €284m and the risk density rose by 4 basis points to 118 basis points.

The predicted growth of more than 4% in the world economy and the resulting trade volumes, which will have a knock-on effect on transport demand, continues to be offset by the influx of newly-built ships onto the market. With limited scrappage potential and falling customer liquidity reserves a further portfolio drift into the non-investment grade category and in some cases into the default portfolio is to be expected.

At the same time, the current market environment with stronger demand for capacity and firmer charter prices is beginning to offer some opportunities for new and additional business with an attractive risk-return profile and a positive impact on the portfolio.

Public Finance The Public Finance portfolio comprises receivables and securities, with predominantly long maturities, some of which are held in the Available for Sale (AfS) category, but most of which are held as Loans and Receivables (LaR) by Eurohypo and EEPK. Borrowers in our Public Finance business (€74bn EaD) are sovereigns, federal states, regions, cities and local authorities as well as supranational institutions. The main exposure is in Germany and Western Europe.

The remaining portfolio is accounted for by banks (€45bn EaD), where the focus is also on Germany and Western Europe (approximately 94%). Most of the banking portfolio consists of securities and loans, a high proportion of which are covered by grandfathering, guarantee/maintenance obligations or other public guarantees, or were issued in the form of covered bonds.

The EaD for the Public Finance portfolio as a whole was reduced by a further €7bn to €118bn in the second quarter of 2010. The overall target reduction of the exposure is a maximum of €100bn by the end of 2011.

1.6 Portfolio Restructuring Unit (PRU)

The PRU only manages assets that have been classified as non-strategic by Commerzbank and are therefore being wound down. Bundling allows these positions to be managed uniformly and efficiently. These are structured credit positions (mainly asset backed securities – ABS) with a nominal value as at June 30, 2010 of €35.1bn (shown in detail in section 2.1.1) including other non-structured credit positions with a net book value of €0.4bn.

Other items in the PRU include mainly bonds, loans, credit default swaps and credit default swap tranches which are outside Commerzbank's strategic focus. They are actively immunized against market movements using credit default swaps and standardized credit indices and index tranches. The book exhibits a concentration in the rating classes BBB and BB and the overall risk exposure to counterparties in the financial sector remains low. The positions are managed within narrow limits for VaR and credit spread sensitivities. The positive market development led to an absolute drop in market values since the beginning of the year for both bought and sold credit default swap positions. Further reductions in holdings of non-structured bonds, loans and CDSs were achieved in the second quarter, with holdings of CDSs being reduced to almost zero.

2. Cross-segment portfolio analysis

It is important to note that the following positions are already contained in full in the Group and segment presentations.

2.1 Structured Credit Portfolio

Structured Credit Portfolio	30.6.2010		31.3.2010		31.12.2009	
in € bn	Nominal values	Risk values[1]	Nominal values	Risk values[1]	Nominal values	Risk values[1]
PRU	**35.1**	**21.7**	**33.9**	**21.2**	**37.3**	**23.7**
RMBS	8.7	5.8	8.7	6.1	8.7	5.9
CMBS	0.8	0.5	1.4	1.0	2.2	1.6
CDO	12.7	7.6	11.4	6.6	12.5	7.3
Other ABS	4.4	3.7	4.1	3.6	5.7	5.2
PFI/Infrastructure	4.3	4.0	4.2	3.9	4.1	3.7
CIRC	0.7	0.0	0.8	0.0	0.9	0.0
Other Structured Credit positions	3.4	0.2	3.3	0.0	3.2	0.0
Non-PRU	**12.6**	**12.2**	**12.9**	**12.4**	**13.1**	**12.6**
Conduits	5.0	5.0	5.5	5.5	5.9	5.9
Other	7.6	7.2	7.4	6.9	7.2	6.7
Total	**47.7**	**33.9**	**46.8**	**33.6**	**50.4**	**36.3**

2.1.1 Structured Credit-Exposure PRU

After a further decline in spreads in the market for structured credit products such as CDOs, CMBSs and RMBSs in the first few months of 2010, the Greek crisis led to a slight widening of spreads and an increase in spread volatility during the reporting period, particularly in the senior tranches of these securitization instruments, which had benefited particularly strongly from falling spreads in the first quarter. With the aim of maintaining the value-maximizing managing-down strategy, far fewer assets were sold in this environment than in the first quarter of 2010. Despite asset sales and repayments and due to the sharp rise in the US dollar and the British pound the nominal volume rose from €33.9bn to €35.1bn, with a slight increase in risk exposure from €21.2bn to €21.7bn. Commerzbank remains committed to the efficient value-maximizing reduction of the structured credit portfolio, which has been successfully implemented in recent quarters.

Overall the bank expects write-ups over the residual life of these assets, with future write-downs such as on US RMBSs and US CDOs of ABSs, which have already been written down substantially, being more than compensated by a positive performance from other assets. This forecast is based primarily on the high seasoning of the structures, which enables a reliable assessment of the future performance of the portfolio, as well as the general stabilization in the economies which are of importance for the portfolio.

[1] The risk value equates to the balance sheet value of cash instruments. For long CDS positions the risk value consists of the nominal value of the reference instrument less the present value of the credit derivative.

The following table shows the breakdown of structured credit exposures by rating, based on the risk values.

Rating breakdown Structured Credit Portfolio | in € bn	30.6.2010
AAA	5.5
AA	3.6
A	3.3
BBB	5.8
< BBB	3.4

Asset Backed Securities (ABS) These are investments in ABS securities that were made by Commerzbank as part of its replacement credit business or in its function as arranger and market maker in these products. Since the beginning of 2010 the positions have been classified into the product segments RMBS, CMBS, CDO and Other ABS. This helps to provide a clear breakdown of the portfolio by specific asset class and reflects the declining importance of the previous PRU sub-portfolios ABS Hedge Book and Conduits, which were reported until the end of 2009.

Residential Mortgage Backed Securities (RMBS) This sub-segment contains all the positions whose interest and principal are secured by private mortgage loans or are contractually linked to their real development. The mortgage loans themselves are likewise partially or fully secured by the residential property being financed. The total risk exposure here at the end of the reporting period was €5.8bn (December 31, 2009: €5.9bn).

The holdings of direct and indirect securitizations of US mortgage loans have already been written down by a high percentage. In spite of the loan repayments that are currently received in some cases due to the seniority of our investments, the uncertainty surrounding the sector's future performance is likely to result in some further impairments in the remainder of 2010. The US RMBS portfolio had a risk value of €1.0bn at the end of the period (December 31, 2009: €0.9bn). The mark-down ratio for US RMBSs was 69% at June 30, 2010.

Due to the Greek crisis European RMBS positions (risk exposure €4.8bn) declined in value compared with the first quarter despite enhanced and stabilized fundamental and performance data (unemployment, development of property prices) as a result of widening spreads, particularly in senior tranches. These impairments in value due to changes in market prices are still accompanied by the expectation, based on fundamentals, that these securitizations will be repaid in full.

Rating breakdown RMBS | in € bn	30.6.2010
AAA	3.7
AA	0.3
A	0.7
BBB	0.2
< BBB	0.9

Commercial Mortgage Backed Securities (CMBS) This sub-segment contains all the positions whose interest and principal are secured by commercial mortgage loans or are contractually linked to their real development. The mortgage loans themselves are likewise partially or fully secured by the commercial property being financed.

As a result of the further successful reduction in the portfolio in the second quarter the CMBS portfolio had a risk value of only €0.5bn at the end of June 2010 (December 31, 2009: €1.6bn). The securitized commercial property loans derive principally from the UK/Ireland (19%), Continental Europe (25%) and pan-European transactions (51%). The share of US CMBSs in the portfolio was reduced from 14% to 5%.

To date, relatively few credit losses have been realized in the CMBS market. The substantial write-downs carried out on the CMBSs of the PRU are thus principally motivated by the expectation of a sharp rise in losses due to the limited funding opportunities for commercial property loans. The narrowing of spreads seen at the beginning of 2010 did not continue or plateau out in the second quarter. As in other segments CMBSs were hit by a moderate widening of spreads, increased spread volatility and a resultant drop in value. The mark-down ratio as at June 30, 2010 was 32%.

Rating breakdown CMBS | in € bn	**30.6.2010**
AAA	0.1
AA	<0.1
A	<0.1
BBB	<0.1
< BBB	0.3

Collateralised Debt Obligations (CDO) This sub-segment contains all the positions whose interest and principal are secured by corporate loans and/or bonds and other ABSs, or which are contractually linked to their real development. The degree of collateralization of these assets varies from very low to very high and is dependent on the transaction.

The total risk exposure slightly increased to €7.6bn as at the reporting date (December 31, 2009: €7.3bn), which reflected the sharp rise in the US dollar. The largest share with 52% of the risk value is accounted for by CDOs, which are predominantly based on lending to corporates in the USA and Europe (CLOs). CLOs continue to benefit from a further decline in default rates and forecasts and improved expectations of recovery in the corporate sector. However, recently a widening of spreads and increased spread volatility also led to a slight fall in market values in this portfolio as well. The mark-down ratio as at June 30, 2010 was 16%.

A further 40% of the risk value is accounted for by US CDOs of ABSs, which are mostly secured by US subprime RMBSs. Due to the continued cautious assessment of the credit quality of residential mortgages in the US subprime market and the conservative assumptions for the resulting losses the mark-down ratio is 57%, even though the securitizations held by Commerzbank consist predominantly of the most senior tranches of such CDOs.

The transaction-specific composition of the pool (vintage, asset type) and the CDO structure define the individual risk profile of the exposure.

Rating breakdown CDO | in € bn	**30.6.2010**
AAA	0.9
AA	1.6
A	1.1
BBB	2.2
< BBB	1.8

Other ABS This sub-segment contains all the positions whose interest and principal are secured by consumer loans (including student loans and automobile financing), lease receivables and other receivables or which are contractually linked to their real development. The degree of collateralization of these assets varies from very low to very high (e.g. auto loans) depending on the transaction.

The total risk exposure in this asset class at June 30, 2010 was €3.7bn (December 31, 2009: €5.2bn). The largest part of this risk exposure is accounted for by Consumer ABSs and ABSs secured by other US assets, such as film receivables and life insurance policies. The exposure to film receivables was actively reduced further in the reporting period. However, further write-downs are still possible based on the structural characteristics of individual transactions.

The portfolio of Consumer ABSs in particular US Consumer ABSs, was systematically reduced further in the second quarter of 2010. The mark-down ratio of the remaining positions in this segment was 16% at the reporting date.

PFI/Infrastructure financing The PRU's Structured Credit category also contains exposures to Private Finance Initiatives (PFIs) with a risk exposure of €4.0bn at June 30, 2010. The portfolio consists of private financing and operation of public sector facilities and services, such as hospitals or water supply operations. All the financings in the PRU portfolio relate to the UK and have extremely long maturities of more than 10 to over 40 years. Over 80% of the portfolio's credit risk is hedged, mostly through monoline insurers.

Credit Investment Related Conduits (CIRC)/Other Structured Credit positions At June 30, 2010 there was a risk exposure arising from the nominal exposure to these instruments of €0.2bn. As in the previous quarter, no losses are expected.

2.1.2 Structured Credit-Exposure non-PRU

Below are details of structured credit positions from our strategic customer business which will continue to be allocated to the core bank in future and were therefore not transferred to the PRU. These are conduit exposures in Corporates & Markets and other mainly government-guaranteed ABSs held by Eurohypo and CB Europe (Ireland). With the exception of conduit business, Commerzbank is not engaging in any new ABS business outside the PRU either. In conjunction with the information given in section 2.1.1 (structured credit- or ABS-exposures in the PRU), this gives an overall view of the structured credit or ABS product category.

Conduit Exposure The asset backed commercial paper (ABCP) conduit business of Corporates & Markets, which is reported in full on Commerzbank's balance sheet and is not managed by the PRU, amounted to €5.0bn at the end of June 2010 (December 2009: €5.9bn). The decline in exposure is due to amortizing ABS programmes in the conduits. The majority of these positions consists of liquidity facilities/backup lines granted to the conduits Kaiserplatz and Silver Tower administered by Commerzbank. The sole remaining transaction with third-party conduits was terminated in the second quarter and repaid in full.

The underlying receivables of the Bank's ABCP programmes are strongly diversified and reflect the differing business strategies pursued by sellers of receivables or customers. These receivable portfolios do not contain any US non-prime RMBS assets. To date, there are no recorded losses on any of these transactions. Currently no need is seen for loan loss provisions in respect of the liquidity facilities/backup lines classified under the IFRS category Loans and Receivables.

Rating breakdown conduits non-PRU | in € bn	**30.6.2010**
AAA	1.3
AA	1.6
A	1.6
BBB	0.5
< BBB	0.1

The volume of ABS structures funded by Silver Tower was €4.2bn as at June 30, 2010 (December 31, 2009: €5.0bn). The ABS structures are based on customers' receivable portfolios as well as in-house loan receivables (Silver Tower 125, volume €1.3bn), which were securitized as part of an active credit risk management.

The volume of ABS structures funded under Kaiserplatz was €0.8bn as at June 30, 2010 (December 31, 2009: €0.9bn). Virtually all of the assets of Kaiserplatz consist of securitizations of receivable portfolios of and for customers.

Other Asset Backed Exposures Other ABS positions with a total risk exposure of €7.2bn were held mainly by Eurohypo in Public Finance (€5.8bn) and by CB Europe (Ireland) (€1.2bn). This was principally government guaranteed paper (€5.9bn), of which about €4.5bn was attributable to US Government Guaranteed Student Loans. A further €0.2bn related to non-US RMBSs, CMBSs and other mainly European ABS paper.

Originator positions In addition to the secondary market positions discussed above, Commerzbank and Eurohypo have in recent years securitized receivables from loans to the Bank's customers with a current volume of €13.7bn, primarily for capital management purposes, of which risk exposures with a value of €8.9bn were retained as at June 30, 2010. By far the largest portion of these positions is accounted for by senior tranches of €8.1bn, which are nearly all AAA/AA rated.

The exposures stemming from the role of originator reflect the perspective of statutory reporting, taking account of a risk transfer recognized for regulatory purposes. In addition to Commerzbank's securitized credit portfolios, securities repurchased on the secondary market and/or tranches retained are also listed. This applies regardless of whether the tranches were structured in the sense of creating a tradable security.

			Commerzbank volume[1]		
Securitization pool as at 30.6.2010 in € bn	Maturity	Total volume[1]	Senior	Mezzanine	First Loss Piece
Corporates	2013 – 2027	8.1	7.3	0.1	0.2
MezzCap	2036	0.2	<0.1	<0.1	<0.1
RMBS	2048	0.3	<0.1	<0.1	<0.1
CMBS	2010 – 2084	5.1	0.8	0.4	<0.1
Total		**13.7**	**8.1**	**0.5**	**0.3**

[1] Tranches/retentions (nominal): banking and trading book.

2.2 Leveraged acquisition finance (LAF) portfolio

In the first half of 2010 there were both new transactions and increases in existing transactions as well as early, partial and full repayment of existing transactions in the LAF portfolio. This underlines the expected trend towards normalization of this market segment after the turmoil of the financial crisis. However, a conservative risk strategy will be maintained and new business will only be engaged in selectively on the basis of predetermined guidelines and after monitoring market developments closely, not least because the companies in the LAF portfolio are relatively more sensitive to the state of the economy due to their high debt levels. The portfolio's total exposure is €4.1bn. Its geographic focus remains Europe (92%) with a strong concentration in Germany (53%).

Direct LAF portfolio by sectors | EaD in € bn	**30.6.2010**
Technology/Electrical industry	0.7
Chemicals/Plastics/Healthcare	0.7
Financial Institutions	0.6
Consumption	0.5
Automotive/Mechanical engineering	0.5
Transport/Tourism	0.3
Basic materials/Energy/Metals	0.3
Services/Media	0.3
Other	0.2
Total	**4.1**

2.3 Financial Institutions and Non-Bank Financial Institutions portfolio

Most of the following positions are held in Corporates & Markets and Asset Based Finance (Public Finance), other exposures relate to Mittelstandsbank, the PRU and Treasury, with only a small proportion in Central and Eastern Europe.

	Financial Institutions			Non-Bank Financial Institutions		
FI/NBFI-Portfolio by regions as at 30.6.2010	**Exposure at Default** in € bn	**Expected Loss** in € m	**Risk Density** in bp	**Exposure at Default** in € bn	**Expected Loss** in € m	**Risk Density** in bp
Germany	35	4	1	9	12	14
Western Europe	37	15	4	23	32	14
Central and Eastern Europe	7	35	47	1	2	26
North America	8	2	3	7	57	81
Other	15	34	23	8	42	50
Total	**103**	**89**	**9**	**48**	**145**	**31**

The main focus of activities in the Financial institutions sub-portfolio in the second quarter of 2010 remained on controlling country risk, reducing concentration risk and pursuing a closely related risk-driven new business strategy with a focus on product diversification, cross-selling and risk mitigation through the provision of collateral.

Starting with a consolidated exposure of €112bn on March 31, 2010, a significant reduction of €9bn was achieved in the portfolio in the second quarter. Especially in the ABF segment our efforts remain directed at achieving a substantial decrease.

The positive trend in the NBFI portfolio also continued in the second quarter of 2010, showing a light decrease in risk density. The entire NBFI EaD (including NBFI-related ABS and LBO transactions and NBFI assets in the PRU) is almost unchanged compared with the first quarter at €48bn.

Activities are concentrated on Western European insurance companies and regulated funds – sectors where the market outlook has remained positive throughout. The main focus of the risk limitation measures continues to be on reducing concentrations of risk here as well.

2.4 Country classification

The regional breakdown of the exposure corresponds to the Bank's strategic direction and reflects the main areas of its global business activities. Around half of the Bank's exposure relates to Germany, another third to other countries in Europe and just under 10% to North America. The rest is split between a large number of countries where German exporters in particular are being served, or where Commerzbank has a local presence.

Portfolio by regions as at 30.6.2010	Exposure at Default in € bn	Expected Loss in € m	Risk Density in bp
Germany	295	855	29
Western Europe	152	387	25
Central and Eastern Europe	43	309	72
North America	51	213	42
Other	64	417	65
Total	**606**	**2,180**	**36**

2.5 Rating classification

The Bank’s overall portfolio is split proportionally into the following internal rating classifications based on PD ratings:

Rating breakdown as at 30.6.2010 | in %	1.0–1.8	2.0–2.8	3.0–3.8	4.0–4.8	5.0–5.8
Private Customers	21	44	24	9	2
Mittelstandsbank	15	49	27	7	2
Central & Eastern Europe	22	37	25	13	3
Corporates & Markets	38	43	13	4	2
Asset Based Finance	45	36	13	4	2
Group[1]	**38**	**39**	**16**	**5**	**2**

[1] Including PRU and Others and Consolidation.

2.6 Sector classification Corporates

The following table shows the breakdown of the Bank's Corporates exposure by sector, irrespective of business segment:

Sub-portfolio Corporates by sectors as at 30.6.2010	Exposure at Default in € bn	Expected Loss in € m	Risk Density in bp
Basic Materials/Energy/Metals	28	119	42
Consumption	23	132	58
Transport/Tourism	13	76	58
Chemicals/Plastics	13	78	60
Mechanical engineering	12	105	88
Technology/Electrical industry	11	49	43
Services/Media	11	68	60
Automotive	10	73	73
Construction	4	21	49
Other	15	61	40
Total	**142**	**782**	**55**

Market and liquidity risks

1. Market risk

Market risk is the risk of potential financial losses due to changes in market prices (interest rates, commodities, spreads, exchange rates and equity prices) or in parameters that affect prices such as volatilities and correlations. The losses may impact profit or loss directly, e.g. in the case of trading book positions, or may be reflected in the revaluation reserve or in hidden liabilities/reserves in the case of banking book positions. Market liquidity risk is also monitored; this covers cases where it is not possible for the Bank to liquidate or hedge risky positions in a timely manner and to the desired extent as a result of insufficient liquidity in the market.

Commerzbank uses a wide range of qualitative and quantitative tools to manage and monitor market price risks. Guidelines for maturity limits and minimum ratings are designed to protect the quality of market risk positions. Quantitative specifications such as sensitivities, VaR measures, stress tests and scenario analyses as well as key economic capital ratios limit market risk. The qualitative and quantitative factors limiting market risk are fixed by the Group Market Risk Committee. The extent to which the limits are used and the relevant P&L figures are reported daily to the Board of Managing Directors and the heads of the business segments. Based on qualitative analyses and quantitative ratios the market risk function identifies potential future risks and anticipates potential financial losses. Any adjustment that may be required in the management of the portfolios is decided by committees such as the Group Market Risk Committee.

In the second quarter of 2010 the high debt levels of a number of southern European countries led to increased uncertainty and sharp lurches in prices on the markets. The market risk function was able to support a timely and active risk management through selected scenario analyses. As a result critical risks were rigorously reduced in the business areas affected and the quality of the portfolio as a whole was increased overall.

1.1 Market risk in the trading book

VaR in the trading book remained roughly stable overall during the second quarter of 2010, although the breakdown by asset class shows a number of shifts. Equities saw a particularly sharp decline in risk, due to lower market volatility.

The increased credit spread risk derives from the PRU. It reflects the rise in the market value of the ABS positions. Due to the narrowing of credit spreads and the stronger US dollar against the euro the potential loss on ABS paper in terms of VaR has risen. A further factor is the increased credit spread volatility. The measures to reduce risk positions had a risk-mitigating effect.

The market risk profile in the trading book is diversified across all asset classes but shows a clear dominance in the area of credit spread risks.

VaR contribution by risk type in the trading book | in € m	**30.6.2010**	**31.3.2010**	**31.12.2009**
Credit spreads	25.3	22.6	32.6
Interest rates	9.8	10.4	13.9
Equities	5.9	9.0	9.0
FX	2.0	2.9	3.5
Commodities	2.7	1.6	1.5
Total	**45.8**	**46.5**	**60.5**

99% confidence level, holding period 1 day, equally-weighted market data, 250 days' history.

1.2 Market risk in the banking book

The main drivers of market risk in the banking book are credit spread risks in the Public Finance portfolio including the positions held by subsidiaries Eurohypo and EEPK, the Treasury portfolios and equity price risks in the equity investments portfolio. The decision to reduce the Public Finance portfolio continues to be implemented as part of the de-risking strategy.

Credit spread sensitivities
Downshift 1 bp | in € m

* Pro forma.

The diagram above documents the development of credit spread sensitivities for all securities and derivative positions (excluding loans) in the Commerzbank Group's banking book. The overall position was relatively unchanged in the second quarter at €91m. Of this amount, around 76% was accounted for at the end of June 2010 by securities positions which are classified by financial accounting as LaR. Changes in credit spreads have no impact on the revaluation reserve and the P&L for these portfolios.

Holdings in the investment portfolio were reduced in the second quarter. This led to a significant reduction in equity risk in the banking book.

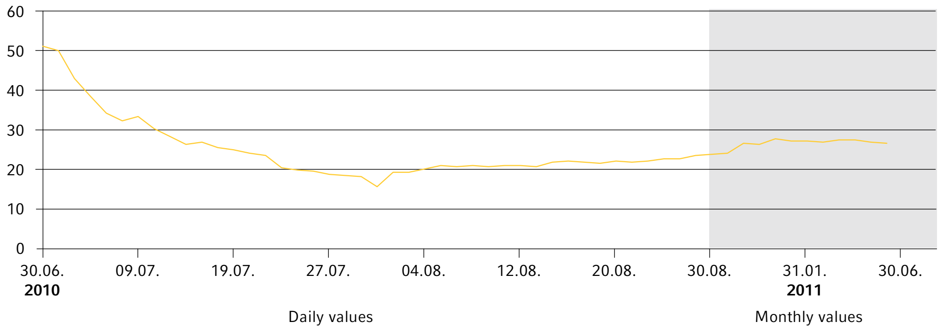
2. Liquidity risk

Commerzbank's internal liquidity risk model is the basis for liquidity management and reporting to the Board of Managing Directors. This risk measurement approach calculates the available net liquidity (ANL) as at a specific date for the next 12 months under various scenarios. The calculation is based on both deterministic (i.e. contractual) and statistically forecast economic cash flows as well as on assets available for liquidation. Of these assets the volume of freely available assets eligible for central bank borrowing was €74.5bn at June 30, 2010.

A combined stress scenario is currently being used for liquidity management. This uses both the impact of a bank-specific stress incident and of a market-wide crisis to calculate liquidity and to set limits.

The chart of the ANL below shows that as of the calculation date of June 30, 2010 there was a sufficient liquidity buffer over the entire forecast period under the conservative stress scenario.

Available net liquidity in the combined stress scenario or the international liquidity model
in € bn



Throughout the first half of 2010 the excess liquidity calculated by the model was well within the risk tolerance laid down by the Board of Managing Directors relative to the predetermined liquidity limits. Commerzbank's solvency was therefore sufficient at all times, not only in terms of the external regulatory requirements of the German Liquidity Regulation, but also in terms of internal risk tolerance. Commerzbank's liquidity position therefore continues to be regarded as stable and comfortable.

This positive result reflects the fact that Commerzbank Group again benefited in its funding mix from a well-diversified investor base of private and business customers. The Bank also continued to have access to a broad selection of money and capital market products.

The bank's funding and liquidity situation is expected to remain similarly positive over the remainder of 2010.

As part of the further development of liquidity risk monitoring and ongoing reporting, the Bank actively supports various regulatory initiatives to harmonize international standards for the supervision of liquidity risk.

Intensive care/charges against earnings

Loan loss provisions were again down significantly year-on-year in the second quarter of 2010. Falling by €354m and at €639m provisions were slightly below the first quarter of 2010. The table below shows the breakdown by business segment:

Loan loss provisions in € m	H1 2010	Q2 2010	Q1 2010	2009 total	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Private Customers	136	70	66	246	72	70	55	49
Mittelstandsbank	255	94	161	954	298	330	236	90
Central & Eastern Europe	186	92	94	812	296	142	201	173
Corporates & Markets	−20	−1	−19	289	25	44	−34	254
Asset Based Finance	679	354	325	1,588	651	372	358	207
Portfolio Restructuring Unit	50	28	22	327	−11	99	169	70
Others and Consolidation	−3	2	−5	−2	−7	−4	8	1
Total	**1,283**	**639**	**644**	**4,214**	**1,324**	**1,053**	**993**	**844**

The downward trend in credit defaults that has emerged since the beginning of the year continued in the second quarter. With the exception of Asset Based Finance there has been a stabilization or turnaround in the trend in all segments compared with 2009. The Mittelstandsbank and Corporates & Markets segments in particular are benefiting from significantly better economic conditions, which are reflected in a fall in loan loss provisions.

In the Asset Based Finance segment the real estate markets of the US, UK and Spain are continuing to impact provisioning levels. No sustained recovery is detectable in these markets as yet. Even if a recovery in freight rates due to rising exports is having a positive impact on the ship portfolio, risk provisions in the Asset Based Finance segment will again be at a high level in 2010.

After the performance in the first half of the year group loan loss provisions are expected to be down by more than a quarter overall in 2010 compared with 2009. This is predicated on the assumption that there are no major negative surprises, such as a default by an OECD country with all the associated knockon effects.

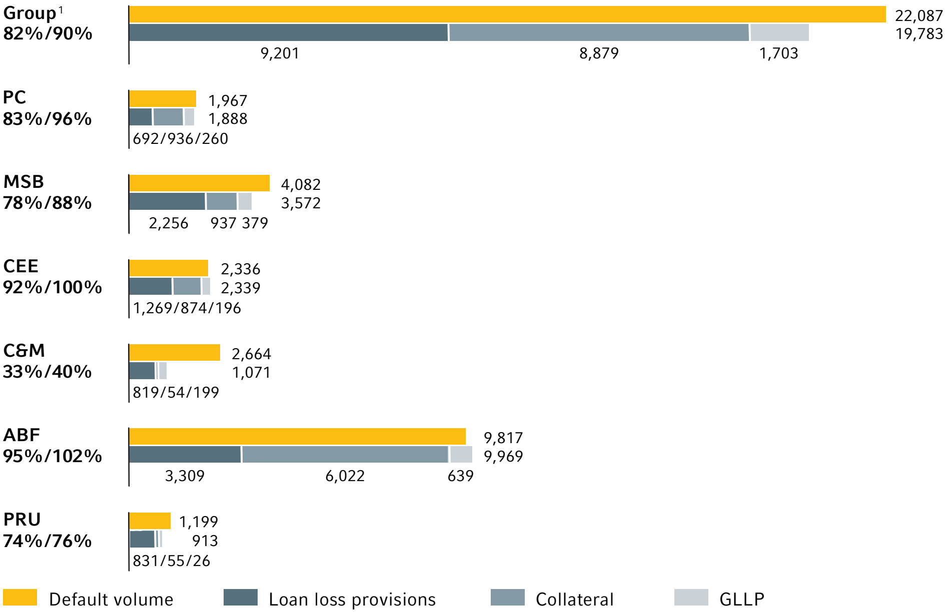
As the following table shows, at mid-year about half of all provisions are booked on individual cases with a need for risk provisioning of ≥ €10m:

	Other cases <€10m	≥€10m <€20m		≥€20m <€50m		≥€50m		Individual cases ≥€10m total		
Year	Net LLP total in € m	Net LLP total in € m	Number of commit-ments	Net LLP total in € m	Number of commit-ments	Net LLP total in € m	Number of commit-ments	Net LLP total in € m	Number of commit-ments	Net LLP total in € m
2009	**2,107**	652	48	495	22	960	10	**2,107**	**80**	**4,214**
H1 2010	**611**	250	21	248	12	174	3	**672**	**36**	**1,283**

The reported number of exposures also includes individual cases with provisions ≥ €10m having been liquidated due to successful restructuring activities. Analogous to the total risk provision the net impact from large individual cases is expected to be well below the previous year's level.

The Group's default portfolio amounts to €22.1bn. Its structure can be seen in detail in the chart below:

Default portfolio and coverage ratios by segment
in € m – excluding/including GLLP



[1] Including Others and Consolidation.

The development of the default portfolio in the second quarter was heterogeneous within the segments and partly not congruent to the risk provision's development. The Corporates & Markets segment showed a higher default volume with simultaneously decreasing risk provisions. This is due to an overall positive development in portfolio provisioning in the performing book that compensated the individual loan loss provisions for inflows into the default portfolio. On the other hand and contrary to the development of risk provision the Asset Based Finance segment showed a decrease in the default portfolio achieved by successful restructuring of high volume individual cases.

Even though on Group level there is a net increase in volume noticeable compared to the first quarter, year-on-year a clear relief is shown. In the further course of the year a reduction of the default portfolio is assumed.

Operational risk

Operational risk in Commerzbank is based on the Solvency Regulation and is defined as the risk of loss resulting from the inadequacy or failure of internal processes, systems and people or from external events. This definition includes litigation risks; it does not cover reputational or strategic risks.

Due to operational risk losses incurred and the change in provisions for operational risks affecting capital and ongoing legal disputes, the total charge resulting from operational risk for the new Commerzbank in the first half of 2010 amounted to €67m, which was below the expected loss for the period. The events were mainly the result of liability for advice given and of procedural errors.

Expected loss by segment | in € m	**30.06.2010**	**31.3.2010**	**31.12.2009**
Private Customers	53	56	50
Mittelstandsbank	19	20	19
Central & Eastern Europe	8	7	9
Corporates & Markets	59	61	58
Asset Based Finance	3	4	3
Portfolio Restructuring Unit	7	7	6
Others and Consolidation	4	5	5
Total	**153**	**160**	**150**

Until the newly developed and integrated model has been certified by the regulatory authorities, the capital requirement for both regulatory and internal reporting purposes will still be calculated separately for former Commerzbank and Dresdner Bank and reported as a total.

Other risks

In terms of all other risks, there were no significant changes in the first half of 2010 compared to the position shown in the 2009 annual report.

Commerzbank uses state-of-the-art risk measurement methods and models that are based on banking sector practice. The results obtained with the risk models are suitable for the purposes of the management of the Bank. The measurement approaches are regularly reviewed by Risk Control and Internal Audit, the external auditors and the German regulators. Despite the careful development of the models and regular controls, models cannot capture all the influencing factors that may arise in reality, nor the complex behaviour and interactions of these factors. These limits to risk modelling apply particularly in extreme situations. Supplementary stress tests and scenario analyses can only show examples of the risks to which a portfolio may be exposed in extreme market situations. An analysis of all conceivable scenarios is not possible with stress tests and these cannot give a definitive indication of the maximum loss in the case of an extreme event.

Interim Financial Statements

Statement of comprehensive income (condensed version)

Income statement

€ m	Notes	1.1.–30.6.2010	1.1.–30.6.2009*	Change in %
Net interest income	(1)	3,747	3,530	6.1
Provisions for loan losses	(2)	−1,283	−1,837	−30.2
Net interest income after provisions		2,464	1,693	45.5
Net commission income	(3)	1,867	1,797	3.9
Net trading income	(4)	1,187	−456	.
Net investment income	(5)	−59	558	.
Other income	(6)	−8	−66	−87.9
Operating expenses	(7)	4,437	4,344	2.1
Impairments of goodwill and brand names		–	70	.
Restructuring expenses	(8)	33	505	−93.5
Pre-tax profit / loss		**981**	**−1,393**	**.**
Taxes on income	(9)	−96	276	.
Consolidated profit / loss		**1,077**	**−1,669**	**.**
Consolidated profit / loss attributable to minority interests		17	−44	.
Consolidated profit / loss attributable to Commerzbank shareholders		1,060	−1,625	.

* After counterparty default adjustments.

Earnings per share | €	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
Earnings per share	0.90	−1.80	.

Earnings per share, calculated in accordance with IAS 33, are based on the consolidated profit / loss attributable to Commerzbank shareholders.

Condensed statement of comprehensive income

€ m	1.1.–30.6.2010	1.1.–30.6.2009*	Change in %
Consolidated profit / loss	1,077	–1,669	.
Changes in revaluation reserve			
Reclassification adjustments due to realizations	–5	–115	–95.7
Unrealized gains / losses	–378	–213	77.5
Changes in cash flow hedge reserve			
Reclassification adjustments due to realizations/amortizations	130	–	.
Unrealized gains / losses	–51	–69	–26.1
Changes in currency translation reserve			
Reclassification adjustments due to realizations	–	–	.
Unrealized gains / losses	359	–247	.
Changes in companies accounted for using the equity method	2	42	–95.2
Other comprehensive income	57	–602	.
Total comprehensive income	**1,134**	**–2,271**	**.**
Comprehensive income attributable to minority interest	55	–29	.
Comprehensive income attributable to Commerzbank shareholders	1,079	–2,242	.

* After counterparty default adjustments.

2nd Quarter | € m	1.4.–30.6.2010	1.4.–30.6.2009*	Change in %
Consolidated profit / loss	361	–778	.
Changes in revaluation reserve			
Reclassification adjustments due to realizations	–117	–158	–25.9
Unrealized gains / losses	–529	487	.
Changes in cash flow hedge reserve			
Reclassification adjustments due to realizations/amortizations	80	–	.
Unrealized gains / losses	–51	227	.
Changes in reserve from currency translation			
Reclassification adjustments due to realizations/amortizations	–1	–	.
Unrealized gains / losses	188	–68	.
Changes in companies accounted for using the equity method	1	3	–66.7
Other comprehensive income	–429	491	.
Total comprehensive income	**–68**	**–287**	**–76.3**
Comprehensive income attributable to minority interest	–26	13	.
Comprehensive income attributable to Commerzbank shareholders	–42	–300	–86.0

* After counterparty default adjustments.

Other comprehensive income | € m	1.1.–30.6.2010			1.1.–30.6.2009		
	Before tax	Taxes	After tax	Before tax	Taxes	After tax
Changes in revaluation reserve	–460	77	–383	–226	–102	–328
Changes in reserve from cash flow hedges	127	–48	79	–93	24	–69
Changes in currency translation reserve	359	–	359	–247	–	–247
Changes in companies accounted for using the equity method	2	–	2	42	–	42
Other comprehensive income	**28**	**29**	**57**	**–524**	**–78**	**–602**

Other comprehensive income for the second quarter breaks down as follows:

Other comprehensive income | € m	1.4.–30.6.2010			1.4.–30.6.2009		
	Before tax	Taxes	After tax	Before tax	Taxes	After tax
Changes in revaluation reserve	–761	115	–646	486	–157	329
Changes in reserve from cash flow hedges	54	–25	29	331	–104	227
Changes in currency translation reserve	187	–	187	–68	–	–68
Changes in companies accounted for using the equity method	1	–	1	3	–	3
Other comprehensive income	**–519**	**90**	**–429**	**752**	**–261**	**491**

Income statement (by quarter)

€ m	2010		2009*			
	2nd quarter	1st quarter	4th quarter	3rd quarter	2nd quarter	1st quarter
Net interest income	1,859	1,888	1,890	1,769	1,838	1,692
Provisions for loan losses	–639	–644	–1,324	–1,053	–993	–844
Net interest income after provisions	1,220	1,244	566	716	845	848
Net commission income	884	983	972	953	947	850
Net trading income	337	850	–561	659	71	–527
Net investment income	60	–119	–87	–54	172	386
Other income	–30	22	–68	112	5	–71
Operating expenses	2,228	2,209	2,396	2,264	2,263	2,081
Impairments of goodwill and brand names	–	–	52	646	70	–
Restructuring expenses	33	–	212	904	216	289
Pre-tax profit / loss	**210**	**771**	**–1,838**	**–1,428**	**–509**	**–884**
Taxes on income	–151	55	73	–375	269	7
Consolidated profit / loss	**361**	**716**	**–1,911**	**–1,053**	**–778**	**–891**
Consolidated profit / loss attributable to minority interests	9	8	–54	2	–17	–27
Consolidated profit / loss attributable to Commerzbank shareholders	352	708	–1,857	–1,055	–761	–864

* After counterparty default adjustments.

Balance sheet

Assets | € m	Notes	**30.6.2010**	**31.12.2009**	Change in %
Cash reserve		13,011	10,329	26.0
Claims on banks	(11,13,14)	120,762	106,689	13.2
Claims on customers	(12,13,14)	341,023	352,194	−3.2
Value adjustment portfolio fair value hedges		297	−16	.
Positive fair values attributable to derivative hedging instruments		6,586	6,352	3.7
Trading assets	(15)	264,023	218,708	20.7
Financial investments	(16)	130,371	131,292	−0.7
Intangible assets	(17)	3,206	3,209	−0.1
Fixed assets	(18)	1,733	1,779	−2.6
Tax assets		5,176	5,637	−8.2
Other assets	(19)	11,562	7,930	45.8
Total		**897,750**	**844,103**	**6.4**

Liabilities and equity | € m	Notes	**30.6.2010**	**31.12.2009**	Change in %
Liabilities to banks	(20)	143,993	140,634	2.4
Liabilities to customers	(21)	266,711	264,618	0.8
Securitized liabilities	(22)	169,659	171,370	−1.0
Value adjustment portfolio fair value hedges		476	−16	.
Negative fair values attributable to derivative hedging instruments		11,528	11,345	1.6
Liabilities from trading activities	(23)	236,766	193,004	22.7
Provisions	(24)	5,338	5,115	4.4
Income tax liabilities		2,193	2,586	−15.2
Other liabilities	(25)	13,003	8,942	45.4
Subordinated capital	(26)	15,940	15,850	0.6
Hybrid capital	(27)	4,295	4,079	5.3
Capital and reserves		27,848	26,576	4.8
Subscribed capital		3,063	3,071	−0.3
Capital reserve		1,331	1,334	−0.2
Retained earnings		7,956	7,878	1.0
Silent participations		17,178	17,178	0.0
Revaluation reserve		−2,153	−1,755	22.7
Cash flow hedge reserve		−1,157	−1,223	−5.4
Currrency translation reserve		−126	−477	−73.6
Consolidated profit/loss 2009 [1]		–	–	.
Consolidated profit/loss 1.1.–30.6.2010 [2]		1,060	–	.
Total before minority interests		27,152	26,006	4.4
Minority interests		696	570	22.1
Total		**897,750**	**844,103**	**6.4**

[1] After appropriation of profit. [2] Attributable to Commerzbank shareholders.

Statement of changes in equity (condensed version)

€ m	Sub-scribed capital	Capital reserve	Retained earnings	Silent partici-pations	Revalu-ation reserve	Cash flow hedge reserve	Currency translation reserve	Consoli-dated profit/ loss	Total before minority interests	Minority interests	Equity
Equity as of 31.12.2008	**1,877**	**6,619**	**5,904**	**8,200**	**−2,221**	**−872**	**−260**	**–**	**19,247**	**657**	**19,904**
Change due to counterparty default adjustments			−62						−62		−62
Equity as of 1.1.2009	**1,877**	**6,619**	**5,842**	**8,200**	**−2,221**	**−872**	**−260**	**–**	**19,185**	**657**	**19,842**
Total comprehensive income					466	−351	−217	−4,537	−4,639	75	−4,564
Consolidated profit / loss								−4,537	−4,537	−96	−4,633
Other comprehensive income					466	−351	−217		−102	171	69
Transfer from capital reserve / transfer to retained earnings		−6,619	2,082					4,537	–		–
Capital increases	1,193	1,320							2,513		2,513
Profit / loss previous year									–	−59	−59
Transfer to retained earnings (minority interests)									–	69	69
Changes in ownership interests			−50						−50		−50
Other changes [1]	1	14	4	8,978					8,997	−172	8,825
Equity as of 31.12.2009	**3,071**	**1,334**	**7,878**	**17,178**	**−1,755**	**−1,223**	**−477**	**–**	**26,006**	**570**	**26,576**
Total comprehensive income					−398	66	351	1,060	1,079	55	1,134
Consolidated profit / loss								1,060	1,060	17	1,077
Other comprehensive income					−398	66	351		19	38	57
Transfer from capital reserve / transfer to retained earnings									–		–
Capital increases									–		–
Profit / loss previous year									–	109	109
Transfer to retained earnings (minority interests)									–	9	9
Changes in ownership interests									–		–
Other changes [1]	−8	−3	78						67	−47	20
Equity as of 30.6.2010	**3,063**	**1,331**	**7,956**	**17,178**	**−2,153**	**−1,157**	**−126**	**1,060**	**27,152**	**696**	**27,848**

[1] Including change in treasury shares, change in derivatives on own equity instruments, change in the group of consolidated companies and payment silent participations.

As of June 30, 2010, revaluation reserves of €29m, cash flow hedge reserves of €61m and currency translation reserves of €–91m were attributable to assets and disposal groups held for sale.

As of June 30, 2010, the subscribed capital of Commerzbank Aktiengesellschaft pursuant to the Bank's articles of association stood at €3,071m, divided into 1,181,352,926 no-par-value shares (accounting value per share €2.60). The average number of ordinary shares issued was 1,180,166,902 (30.6.2009: 904,317,685).

NB: Statement of changes in equity from January 1 to June 30, 2009

€ m	Sub-scribed capital	Capital reserve	Retained earnings	Silent partici-pations	Revalu-ation reserve	Cash flow hedge reserve	Currency translation reserve	Consoli-dated profit/loss	Total before minority interests	Minority interests	Equity
Equity as of 31.12.2008	**1,877**	**6,619**	**5,904**	**8,200**	**−2,221**	**−872**	**−260**	**–**	**19,247**	**657**	**19,904**
Change due to counterparty default adjustments			−62						−62		−62
Equity as of 1.1.2009	**1,877**	**6,619**	**5,842**	**8,200**	**−2,221**	**−872**	**−260**	**–**	**19,185**	**657**	**19,842**
Total comprehensive income					−322	−66	−229	−1,625	−2,242	−29	−2,271
Consolidated profit/loss								−1,625	−1,625	−44	−1,669
Other comprehensive income					−322	−66	−229		−617	15	−602
Capital increases	1,193	1,320							2,513		2,513
Profit / loss previous year									–	−58	−58
Transfer to retained earnings (minority interests)									–	71	71
Changes in ownership interests			−2						−2		−2
Other changes [1]	1	6	10	8,978					8,995	−23	8,972
Equity as of 30.6.2009	**3,071**	**7,945**	**5,850**	**17,178**	**−2,543**	**−938**	**−489**	**−1,625**	**28,449**	**618**	**29,067**

[1] Including change in treasury shares, change in derivatives on own equity instruments, change in the group of consolidated companies and payment silent participations.

Cash flow statement (condensed version)

€ m	2010	2009
Cash and cash equivalents as of 1.1.	**10,329**	**6,566**
Cash flow from operating activities	1,308	–7,289
Cash flow from investing activities	876	–8,049
Cash flow from financing activities	295	17,072
Total cash flow	**2,479**	**1,734**
Currency effects	220	–44
Effects of minority interests	–17	44
Cash and cash equivalents as of 30.6.	**13,011**	**8,300**

The cash flow statement shows the changes in cash and cash equivalents for the Commerzbank Group. These correspond to the cash reserve item and consist of cash on hand, bal ances with central banks, as well as debt issued by public sector borrowers and bills of exchange rediscountable at central banks.

The cash flow statement cannot be considered very informative for the Commerzbank Group. For us the cash flow statement replaces neither liquidity planning nor financial planning, nor is it employed as a management tool.

Selected notes

General information

Accounting policies

The interim financial statements of the Commerzbank Group as of June 30, 2010, were prepared in accordance with Art. 315a (1) of the German Commercial Code (HGB) and Regulation (EC) No. 1606/2002 (IAS Regulation) of the European Parliament and the Council of July 19, 2002, together with other regulations for adopting certain international accounting standards on the basis of the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS), approved and published by the International Accounting Standards Board (IASB). This report takes particular account of the requirements of IAS 34 relating to interim financial reporting.

In preparing this interim report, we have employed the same accounting policies as in our consolidated financial statements as of December 31, 2009 (see page 200 ff. of our 2009 annual report) unless otherwise required by changes in the law. This interim report takes into account the standards and interpretations that must be applied from January 1, 2010 in the EU.

Changes to accounting policies

Since September 30, 2009, the recognition and measurement of derivatives in the Group has also taken account of counterparty default risks for Commerzbank Aktiengesellschaft by means of counterparty default adjustments (CDAs). We have restated the figures for prior quarters of 2009 in accordance with IAS 8.41. The consolidated surplus in the first quarter of 2009 declined by €3m and in the second quarter of 2009 by €15m. The prior-year figures for the relevant items of the income statement, the development during the quarter and in the Notes were restated accordingly.

Consolidated companies

The following subsidiaries and funds were consolidated for the first time in the first half of 2010:

Name of company	Ownership interest and voting rights	Acquisition cost	Assets	Liabilities
	%	€ m	€ m	€ m
ComStage ETF Nikkei 225®, Luxembourg	26.5	125.8	125.9	0.1
ComStage ETF MSCI USA TRN, Luxembourg	65.4	154.2	155.5	1.3
COMSTAGE ETF-IBOXX EUR. L.SOV.DIV. 5-7 T, Luxembourg	75.0	101.4	103.5	2.1
EHNY Montelucia IV, LLC, Dover / Delaware	100.0	4.1	19.6	15.5
BRE.locum S.A., Lodz	80.0	5.4	73.8	47.7
BRE Ubezpieczenia Towarzystwo Ubezpieczen i Reasekuracji S.A., Warsaw	100.0	6.4	37.6	27.5
BRE Ubezpieczenia Sp.z o.o., Warsaw	100.0	1.5	8.2	5.3
BRE Holding Sp. z o.o., Warsaw	100.0	41.3	44.9	0.0
Film Library Holding LLC, Wilmington / Delaware	100.0	29.4	57.6	28.3

In addition, Immobiliaria Colonial, Barcelona, has been included for the first time in the group of material associated companies through the conversion of a loan into equity. The first-time consolidations do not give rise to any goodwill. The companies involved are companies that that have exceeded our materiality threshold for consolidation or entities that have been acquired due to contractual obligations.

The following funds and subsidiaries have been sold or liquidated and are therefore no longer consolidated:

- Sale
  - Dresdner VPV N.V., Gouda
  - Dresdner Van Moers Courtens S.A., Brussels
  - Privatinvest Bank AG, Salzburg

- Liquidation (including companies which have discontinued their operations)
  - AGI Global Selection Balance, Luxembourg
  - Classic I Netherlands Limited, Amsterdam
  - DreCo Erste Beteiligungs GmbH, Frankfurt am Main
  - Dreiundzwanzigste DRESIB Beteiligungs-Gesellschaft mbH, Frankfurt am Main
  - Dresdner Bank (DIFC) Limited, Dubai
  - Dresdner Finanziaria S.p.A., Milan
  - Dresdner Kleinwort Derivative Investments Limited, London
  - Dresdner Kleinwort Equipment LLC, Wilmington / Delaware
  - Dresdner Kleinwort France SAS, Paris
  - Dresdner Kleinwort Securities France S. A., Paris
  - HQ Trust Kensington Ltd., George Town / Cayman Island
  - Kaiserplatz Purchaser No. 08 Ltd., St. Helier / Jersey
  - Symphony No. 1 Llc, Wilmington / Delaware
  - Symphony No. 3 Llc, Dover / Delaware
  - The Riverbank Trust, London

The net result from the deconsolidation of the companies sold amounts to €7m.

The following subsidiaries are reported as held for sale in accordance with IFRS 5 as there are plans to sell them and their sale is highly probable within one year.

- Allianz Dresdner Bauspar AG, Bad Vilbel
- Dresdner Bank Brasil S.A. Banco Multiplo, São Paulo
- Dresdner Bank Monaco S.A.M., Monaco
- Kleinwort Benson Channel Island Holdings Limited, St. Peter Port
- Kleinwort Benson Private Bank Limited Group, London

Until the final transfer of the shares involving transfer of control of the company is completed we measure disposal groups in accordance with IFRS 5 and report their assets and liabilities separately in the notes on Other assets and Other liabilities and in the statement of changes in equity.

Notes to the income statement

(1) Net interest income

€ m	1.1.–30.6.2010	1.1.–30.6.2009*	Change in %
Interest income from lending and money-market transactions and from available-for-sale financial assets portfolio	791	1,310	–39.6
Interest income from lending and money-market transactions and from loans and receivables portfolio	8,219	9,171	–10.4
Interest income from lending and money-market transactions and from securities (from applying the fair value option)	73	138	–47.1
Prepayment penalty fees	53	35	51.4
Gain from the sale of loans and receivables	5	35	–85.7
Dividends from securities	18	21	–14.3
Current income from investments, investments in associated companies and subsidiaries	26	59	–55.9
Current income from assets and liabilities held for sale as well as from investment properties	44	50	–12.0
Other interest income	423	–	.
Interest income	*9,652*	*10,819*	*–10.8*
Interest paid on subordinated and hybrid capital as well as on securitized and other liabilities	5,616	7,042	–20.2
Interest expense from applying the fair value option	53	181	–70.7
Losses on the sale of loans and receivables and liabilities	34	16	.
Current expenses from assets and liabilities held for sale as well as from investment properties	13	20	–35.0
Other interest expense	189	30	.
Interest expenses	*5,905*	*7,289*	*–19.0*
Total	**3,747**	**3,530**	**6.1**

* Prior-year adjustment due to change in reporting structure and reclassification between interest income and interest expense.

The unwinding effect for the first six months of 2010 is €118m.

(2) Provisions for loan losses

The breakdown of provisions for loan losses in the consolidated income statement is as follows:

€ m	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
Allocation to provisions	–2,297	–2,530	–9.2
Reversals of provisions	1,056	760	38.9
Balance of direct write-downs, write-ups and amonts recovered on written-down claims	–42	–67	–37.3
Total	**–1,283**	**–1,837**	**–30.2**

(3) Net commission income

€ m	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
Securities transactions	680	624	9.0
Asset management	126	123	2.4
Payment transactions and foreign commercial business	424	416	1.9
Real estate lending business	91	89	2.2
Guarantees	155	124	25.0
Income from syndicated business	127	121	5.0
Fiduciary transactions	2	2	0.0
Other	262	298	–12.1
Total [1]	**1,867**	**1,797**	**3.9**

[1] Of which commission expenses €321m (previous year: €385m).

(4) Trading profit

Trading profit has been split into four components:

- Net gain/loss on trading in securities, promissory note loans, precious metals and derivative instruments.
- Net gain/loss on the valuation of derivative financial instruments that do not qualify for hedge accounting.
- Net gain/loss on hedge accounting.
- Net gain/loss from applying the fair value option (including changes in the fair value of the related derivatives).

All financial instruments held for trading purposes are measured at their fair value. We use market prices to measure listed products, while internal price models (primarily net-present-value and option-price models) are used to determine the current value of unlisted trading transactions. Apart from the realized and unrealized gains and losses, trading profit also includes the interest and dividend income related to trading transactions and their funding costs.

€ m	1.1.–30.6.2010	1.1.–30.6.2009*	Change in %
Net trading profit / loss	517	– 8	.
Net gain / loss on the valuation of derivative financial instruments	557	– 834	.
Net gain / loss on hedge accounting	– 71	– 3	.
Net gain / loss from applying the fair value option	184	389	– 52.7
Total	**1,187**	**– 456**	**.**

* After counterparty default adjustments.

(5) Net investment income

Under net investment income we show gains and losses on disposal and valuation (including impairments) on securities in the loans and receivables category as well as available-for-sale investments, equity interests, holdings in associated companies and holdings in non-consolidated subsidiaries.

€ m	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
Net gain / loss from interest-bearing business	**– 215**	**– 329**	**– 34.7**
In the available-for-sale category	– 137	– 313	– 56.2
Gains on disposals (reclassification from revaluation reserve) [1]	78	134	– 41.8
Losses on disposals (reclassification from revaluation reserve) [1]	– 193	– 170	13.5
Net valuation gain / loss	– 22	– 277	– 92.1
In the loans and receivables category	– 78	– 16	.
Gains on disposals	3	1	.
Losses on disposals	– 78	–	.
Net valuation gain / loss [2]	– 3	– 17	– 82.4
Net gain / loss from equity instruments	**156**	**887**	**– 82.4**
In the available-for-sale category	156	627	– 75.1
Gains on disposals (reclassification from revaluation reserve) [1]	157	768	– 79.6
Losses on disposals (reclassification from revaluation reserve) [1]	– 1	– 141	– 99.3
In the available-for-sale category, valued at cost of acquisition	11	459	– 97.6
Net valuation gain / loss	– 6	– 199	– 97.0
Net gain / loss on disposals and valuation of investments in associated companies	– 5	–	.
Total	**– 59**	**558**	**.**

[1] This includes a net €205m of reclassifications from the revaluation reserve created in the financial year 2010.
[2] This includes portfolio valuation allowances of €2m (previous year: €17m).

(6) Other income

€ m	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
Other material items of income	**130**	**116**	**12.1**
Operating lease income	80	78	2.6
Reversals of provisions	50	38	31.6
Other material items of expense	**141**	**119**	**18.5**
Operating lease expense	79	76	3.9
Allocations to provisions	62	43	44.2
Balance of sundry other income / expenses	**3**	**–63**	**.**
Total	**–8**	**–66**	**–87.9**

(7) Operating expenses

€ m	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
Personnel expenses	2,181	2,395	–8.9
Other operating expenses	1,974	1,712	15.3
Current depreciation on fixed assets and other intangible assets	282	237	19.0
Total	**4,437**	**4,344**	**2.1**

Operating expenses for the first half of 2010 include integration costs in the amount of €268m (previous year: €63m).

(8) Restructuring expenses

€ m	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
Expenses for restructuring measures introduced	33	505	–93.5
Total	**33**	**505**	**–93.5**

Human resources restructuring expenses of €33m were incurred in connection with the realignment of CommerzReal Aktiengesellschaft. The prior-year restructuring expenses (€505m) resulted largely from the integration of the Dresdner Bank Group.

(9) Taxes on income

As of June 30, 2010 Group tax income was €96m and the Group tax rate was –9.8%. The negative Group tax rate results primarily from gains being set off against loss carryforwards for which no deferred tax assets (DTAs) have been recognized to date, as well as from the need to reclassify DTAs recognized directly in equity to DTAs recognized in the income statement, as part of a transfer of assets.

(10) Segment reporting

Segment reporting reflects the results of the operating business segments within the Commerzbank Group. The following segment information is based on IFRS 8 "Operating Segments", which follows what is described as the management approach. In accordance with this standard, segment information must be prepared on the basis of the internal reporting information used by the "chief operating decision-maker" to assess the performance of the operating segments and make decisions regarding the allocation of resources to the operating segments. Within the Commerzbank Group, the function of "chief operating decision-maker" is exercised by the Board of Managing Directors.

Our segment reporting covers six operating segments and the Others and Consolidation segment. This reflects the Commerzbank Group's organizational structure and forms the basis for internal management reporting. The business segments are divided up on the basis of distinctions between products, services and/or customer target groups. As part of the further refinement of the segments' business models slight adjustments were made to the business responsibilities. The comparison figures from the previous year have all been adjusted accordingly.

- The Private Customers segment contains the four divisions Private and Business Customers, Wealth Management, Direct Banking and Credit. The classic branch banking business is contained in the Private and Business Customers division. Wealth Management provides services to wealthy clients in Germany and abroad and contains the Group's portfolio management activities. Direct Banking encompasses the activities of the comdirect bank group and all call centre services for our customers. Credit is the division responsible for lending operations with the above-mentioned customer groups.
- The Mittelstandsbank segment includes the Corporate Banking and Financial Institutions divisions. Corporate Banking serves small and mid-sized businesses, large customers and international customers. In addition, this division also houses the competence centre for customers from the Renewable Energies sector and services public sector and institutional customers. Our comprehensive service offering includes payments, flexible financing solutions, interest rate and currency management products, professional investment advisory services and innovative investment banking solutions. With our foreign branch offices we act as a strategic partner for both the international activities of our German corporate customers and for international companies with business activities in our home market of Germany. The Financial Institutions division is responsible for relationships with banks and financial institutions in Germany and abroad, as well as with central banks. It offers customers comprehensive advice and support, with a strategic focus on foreign trade finance. Financial Institutions uses a network of over 6,000 correspondent banks, together with business relationships in emerging markets, to support the financing and processing of foreign trade activities on behalf of all Commerzbank Group customers throughout the world. It also assists other divisions in their international strategies.
- Central & Eastern Europe contains the operations of our subsidiaries, branches and investments in the Central and Eastern Europe region (particularly BRE Bank and Bank Forum). These are grouped together under a management holding company. The holding company acts as the operational management unit and interface between the local units and the central departments in Germany and as the strategic decision-maker. The focus of business activities is on private and corporate customers and customer-related investment banking. Our units are the contact points for local companies in Central and Eastern Europe, as well as for cross-border business.
- Corporates & Markets consists of three major businesses. Equity Markets & Commodities trades in equities, equity derivatives and commodities products and contains the related sales resources. Fixed Income & Currencies handles trading and sales of interest rate and currency instruments together with related derivatives. Corporate Finance provides debt and equity financing and advisory services and includes the central credit portfolio management operations of the Corporates & Markets segment. In addition, Corporates & Markets houses the Group's client relationship management activities with a focus on the 100 biggest German corporates and foreign and selected domestic insurers.
- The Asset Based Finance segment groups together the results from the Commercial Real Estate (CRE) Germany, CRE International, Public Finance, Asset Management and Leasing divisions as well as Ship Finance. CRE Germany, CRE International and Public Finance belong almost completely to the Commerzbank subsidiary Eurohypo AG. Asset Management and Leasing primarily includes the activities of our subsidiary Commerz Real AG. Lastly, Ship Finance groups together the ship financing

activities of the Commerzbank Group in our subsidiary Deutsche Schiffsbank AG.

- The Portfolio Restructuring Unit (PRU) is responsible for managing down assets related to discontinued proprietary trading and investment activities which no longer fit into Commerzbank AG's client-centric strategy. The segment's goal is to reduce the portfolio in such a way as to preserve maximum value. The positions managed by this segment include asset-backed securities (ABSs) which do not have a state guarantee, other structured credit products, proprietary trading positions in corporate or financial bonds and exotic credit derivatives. These positions were primarily transferred from the Corporates & Markets and former Commercial Real Estate segments to the Portfolio Restructuring Unit.
- The Others and Consolidation segment contains the income and expenses which are not attributable to the operational business segments. The reporting for this segment includes equity participations which are not assigned to the operating segments as well as other international asset management activities and Group Treasury. The costs of the service units are also shown here, which – except for integration and restructuring costs – are charged in full to the segments. "Consolidation" includes those expenses and income items that represent the reconciliation of internal management reporting figures shown in the segment reports with the consolidated financial statements in accordance with IFRS. The costs of the Group management units are also shown here, which – except for integration and restructuring costs – are charged in full to the segments.

The result generated by each segment is measured in terms of operating profit and pre-tax profit, as well as the return on equity and cost/income ratio. Operating income is defined as the sum of net interest income after loan loss provisions, net commission income, trading profit, net investment income and other income less operating expenses. In the statement of pre-tax profits, minority interests are included in both the result and the average capital employed. All the revenue for which a segment is responsible is thus reflected in pre-tax profit.

The return on equity is calculated from the ratio between the net result (operating income and pre-tax profit respectively) and the average amount of capital employed. It shows the return on the capital employed in a given segment. The cost/income ratio in operating business reflects the cost efficiency of the various segments and shows the relationship of operating expenses to income before provisions.

Income and expenses are shown in segment reporting by originating unit and at market rates, with the market interest rate applied in the case of interest rate activities. Net interest income reflects the actual funding costs of the equity capital assigned to the respective business segments. The Group's return on capital employed is allocated to the net interest income of the various segments in proportion to the average capital employed in the segment. The interest rate corresponds to that of a risk-free investment in the long-term capital market. The average capital employed is calculated in 2010 using the Basel II system, based on the computed average risk-weighted assets and the capital charges for market risk positions (risk-weighted asset equivalents). At Group level, investors' capital is shown, which is used to calculate the return on equity. The regulatory capital requirement for risk-weighted assets assumed for segment reporting purposes is 7%.

The segment reporting of the Commerzbank Group shows the segments' pre-tax results. To reduce the economic earnings effect from specific tax-induced transactions in the Corporates & Markets segment in this reporting, the net interest income of Corporates & Markets includes a pre-tax equivalent of the after-tax income from these transactions. When segment reporting is reconciled with the figures from external accounting this pre-tax equivalent is eliminated in Others and Consolidation.

Current income from investment in associates was €8m (previous year: €3m) and relates to the segments Private Customers in an amount of €7m (previous year: €5m), Mittelstandsbank (previous year: €2m) and Asset Based Finance in an amount of €1m (previous year: €–6m), as well as Others and Consolidation (previous year: €2m). The carrying amounts of associated companies were €792m (previous year: €360m) and are divided over the segments as follows: Private Customers €181m (previous year: €130m) Mittelstandsbank €40m (previous year: €39m), Corporates & Markets €17m (previous year: €18m), Asset Based Finance €479m (previous year: €48m) and Others and Consolidation €75m (previous year: €125m).

The operating expenses shown in the operating result consist of personnel costs, other expenses, depreciation of fixed assets and amortization of other intangible assets. Restructuring expenses are stated beneath operating profit in pre-tax profit. Operating expenses are attributed to the individual segments on the basis of cost causation. The indirect expenses arising in connection with internal services are charged to the beneficiary or credited to the segment performing the service. The provision of intra-group services is charged at market prices or at full cost.

The following tables contain information on the segments for the first half of 2010 and 2009.

1.1.–30.6.2010 € m	Private Customers	Mittel-stands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restruc-turing Unit	Others and Consoli-dation	Group
Net interest income	989	1,065	320	417	615	33	308	3,747
Provision for loan losses	–136	–255	–186	20	–679	–50	3	–1,283
Net interest income after provisions	853	810	134	437	–64	–17	311	2,464
Net commission income	1,038	466	100	139	168	4	–48	1,867
Net trading income	12	68	38	637	27	338	67	1,187
Net investment income	14	12	3	29	–160	–24	67	–59
Other income	–42	34	12	18	–8	7	–29	–8
Income before provisions	*2,011*	*1,645*	*473*	*1,240*	*642*	*358*	*365*	*6,734*
Income after provisions	*1,875*	*1,390*	*287*	*1,260*	*–37*	*308*	*368*	*5,451*
Operating expenses	1,826	706	273	806	299	52	475	4,437
Operating income	**49**	**684**	**14**	**454**	**–336**	**256**	**–107**	**1,014**
Impairments of goodwill and brand names	–	–	–	–	–	–	–	–
Restructuring expenses	–	–	–	–	33	–	–	33
Pre-tax profit / loss	**49**	**684**	**14**	**454**	**–369**	**256**	**–107**	**981**
Assets	**67,343**	**82,723**	**28,509**	**360,212**	**256,793**	**22,158**	**80,012**	**897,750**
Average capital employed	**3,440**	**5,459**	**1,597**	**3,868**	**6,332**	**1,306**	**8,623**	**30,625**
Operating return on equity [1] (%)	**2.8**	**25.1**	**1.8**	**23.5**	**–10.6**	**–**	**–**	**6.6**
Cost / income ratio in operating business (%)	**90.8**	**42.9**	**57.7**	**65.0**	**46.6**	**–**	**–**	**65.9**
Pre-tax return on equity [1] (%)	**2.8**	**25.1**	**1.8**	**23.5**	**–11.7**	**–**	**–**	**6.4**
Average headcount	20,140	5,262	9,803	1,902	1,855	56	18,459	57,477

[1] Annualized.

1.1.–30.6.2009 € m	Private Customers	Mittelstandsbank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restructuring Unit	Others and Consolidation	Group
Net interest income	1,106	1,088	326	373	586	137	– 86	3,530
Provision for loan losses	– 104	– 326	– 375	– 221	– 566	– 240	– 5	– 1,837
Net interest income after provisions	1,002	762	– 49	152	20	– 103	– 91	1,693
Net commission income	1,049	449	77	171	138	12	– 99	1,797
Net trading income	–	– 33	48	760	189	– 1,235	– 185	– 456
Net investment income	– 8	– 1	– 6	– 25	– 40	– 265	903	558
Other income	– 18	– 61	11	4	1	–	– 3	– 66
Income before provisions	*2,129*	*1,442*	*456*	*1,283*	*874*	*– 1,351*	*530*	*5,363*
Income after provisions	*2,025*	*1,116*	*81*	*1,062*	*308*	*– 1,591*	*525*	*3,526*
Operating expenses	1,922	672	230	1,020	338	66	96	4,344
Operating income	**103**	**444**	**– 149**	**42**	**– 30**	**– 1,657**	**429**	**– 818**
Impairments of goodwill and brand names	–	–	–	–	70	–	–	70
Restructuring expenses	94	25	–	125	47	2	212	505
Pre-tax profit / loss [1]	**9**	**419**	**– 149**	**– 83**	**– 147**	**– 1,659**	**217**	**– 1,393**
Assets [1]	**74,116**	**93,806**	**25,461**	**327,389**	**282,362**	**40,744**	**67,973**	**911,851**
Average capital employed [1]	**3,300**	**5,541**	**1,621**	**4,683**	**7,136**	**1,876**	**533**	**24,690**
Operating return on equity [2] (%)	**6.2**	**16.0**	**– 18.4**	**1.8**	**– 0.8**	**–**	**–**	**– 6.6**
Cost / income ratio in operating business (%)	**90.3**	**46.6**	**50.4**	**79.5**	**38.7**	**–**	**–**	**81.0**
Pre-tax return on equity [2] (%)	**0.5**	**15.1**	**– 18.4**	**– 3.5**	**– 4.1**	**–**	**–**	**– 11.3**
Average headcount	22,971	5,650	10,901	3,110	2,109	50	21,042	65,833

[1] After counterparty default adjustments.
[2] Annualized.

Details for Others and Consolidation

€ m	1.1.–30.6.2010			1.1.–30.6.2009		
	Others	Consolidation	Others and Consolidation	Others	Consolidation	Others and Consolidation
Net interest income	273	35	308	–90	4	–86
Provision for loan losses	3	–	3	–5	–	–5
Net interest income after provisions	276	35	311	–95	4	–91
Net commission income	–51	3	–48	–40	–59	–99
Net trading income	130	–63	67	–54	–131	–185
Net investment income	67	–	67	914	–11	903
Other income	–12	–17	–29	–10	7	–3
Income before provisions	*407*	*–42*	*365*	*720*	*–190*	*530*
Income after provisions	*410*	*–42*	*368*	*715*	*–190*	*525*
Operating expenses	488	–13	475	95	1	96
Operating income	**–78**	**–29**	**–107**	**620**	**–191**	**429**
Impairments of goodwill and brand names	–	–	–	–	–	–
Restructuring expenses	–	–	–	116	96	212
Pre-tax profit / loss	**–78**	**–29**	**–107**	**504**	**–287**	**217**
Aktiva	**80,012**	**–**	**80,012**	**67,973**	**–**	**67,973**

To facilitate comparison, it should be noted in connection with Others and Consolidation that the results of the market segments cover the period from January 1 to June 30, 2009. The difference versus the Group result – which only contains the period from January 13 to June 30, 2009 – is reported under Others.

Under Consolidation we report consolidation and reconciliation items between the results of the segments and the Others category on the one hand and the consolidated financial statements on the other. This includes the following items among others:

- Measurement effects from the application of hedge accounting to intra-bank transactions as per IAS 39 are shown in Consolidation.
- The pre-tax equivalent from tax-induced transactions allocated to the Corporates & Markets segment in net interest income is eliminated again under Consolidation.
- Gains and losses on valuation of own bonds incurred in the segments are eliminated under Consolidation.
- Other consolidation effects from intragroup transactions are also reported here.
- Integration and restructuring costs of the Group controlling units are reported under Consolidation.

Results by geographical market

Assignment to the respective segments on the basis of the registered office of the branch or group company produces the following breakdown:

1.1.–30.6.2010 € m	Germany	Europe excluding Germany	America	Asia	Other	Total
Net interest income	2,438	1,186	120	3	–	3,747
Provisions for loan losses	–528	–520	–235	–	–	–1,283
Net interest income after provisions	1,910	666	–115	3	–	2,464
Net commission income	1,602	226	30	9	–	1,867
Net trading income	375	921	–94	–16	1	1,187
Net investment income	–237	126	49	3	–	–59
Other income	–34	–89	7	108	–	–8
Income before provisions	*4,144*	*2,370*	*112*	*107*	*1*	*6,734*
Income after provisions	*3,616*	*1,850*	*–123*	*107*	*1*	*5,451*
Operating expenses	3,543	740	104	50	–	4,437
Operating income	**73**	**1,110**	**–227**	**57**	**1**	**1,014**
Risk-weighted assets	162,176	76,306	15,584	5,115	69	**259,250**

In the previous year, we achieved the following results in the geographical markets:

1.1.–30.6.2009 € m	Germany	Europe excluding Germany	America	Asia	Other	Total
Net interest income	2,502	808	159	60	1	3,530
Provisions for loan losses	–477	–1,126	–229	–5	–	–1,837
Net interest income after provisions	2,025	–318	–70	55	1	1,693
Net commission income	1,539	203	39	16	–	1,797
Net trading income	1,280	–1,660	–40	–36	–	–456
Net investment income	823	–149	–118	2	–	558
Other income	–16	–61	9	1	1	–66
Income before provisions	*6,128*	*–859*	*49*	*43*	*2*	*5,363*
Income after provisions	*5,651*	*–1,985*	*–180*	*38*	*2*	*3,526*
Operating expenses	3,416	733	126	67	2	4,344
Operating income	**2,235**	**–2,718**	**–306**	**–29**	**–**	**–818**
Risk-weighted assets	**149,971**	**90,990**	**18,861**	**3,958**	**106**	**263,886**

Instead of non-current assets we report the risk assets for credit risks here.

As a result of the acquisition of Dresdner Bank, a breakdown of Commerzbank AG's total income by products and services can only be made once the new organization's product and service definitions and information systems have been harmonized in the new Commerzbank Group.

Notes to the balance sheet

(11) Claims on banks

€ m	30.6.2010	31.12.2009	Change in %
due on demand	48,312	36,564	32.1
with a residual term	72,904	70,645	3.2
up to tree months	41,049	37,968	8.1
over three months to one year	16,764	14,525	15.4
over one year to five years	11,713	13,059	–10.3
over five years	3,378	5,093	–33.7
Total	**121,216**	**107,209**	**13.1**
of which reverse repos and cash collaterals	80,991	58,863	37.6
of which relate to the category:			
Loans and receivables	120,384	106,510	13.0
Available-for-sale financial assets	–	–	.
Applying the fai value option	832	699	19.0

Claims on banks after provisions for possible loan losses amount to €120,762m (previous year: €106,689m).

(12) Claims on customers

€ m	30.6.2010	31.12.2009	Change in %
with an indefinite residual term	27,785	23,047	20.6
with a residual term	323,104	338,436	–4.5
up to tree months	59,532	68,766	–13.4
over three months to one year	35,975	34,830	3.3
over one year to five years	115,401	122,114	–5.5
over five years	112,196	112,726	–0.5
Total	**350,889**	**361,483**	**–2.9**
of which reverse repos and cash collaterals	25,074	22,362	12.1
of which relate to the category:			
Loans and receivables	349,968	358,347	–2.3
Available-for-sale financial assets	–	–	.
Applying the fair value option	921	3,136	–70.6

Claims on customers after provisions for possible loan losses were €341,023m (previous year: €352,194m).

(13) Total lending

€ m	30.6.2010	31.12.2009	Change in %
Loans to banks	26,121	25,011	4.4
Loans to customers	325,825	343,390	– 5.1
Total	**351,946**	**368,401**	**– 4.5**

We distinguish loans from claims on banks and customers such that only claims for which special loan agreements have been concluded with the borrowers are shown as loans. Interbank money market transactions and reverse repo transactions, for example, are thus not shown as loans. Acceptance credits are also included in loans to customers.

(14) Provisions for loan losses

Provisions for loan losses are made in accordance with rules that apply Group-wide and cover all discernible credit risks. For loan losses which have already occurred but have not yet come to our attention, portfolio valuation allowances were calculated in line with procedures derived from the Basel II system.

Development of provisioning | € m	2010	2009	Change in %
As of 1.1.	**10,451**	**6,045**	**72.9**
Allocations	2,297	2,530	– 9.2
Deductions	1,949	1,460	33.5
Utilizations	893	700	27.6
Reversals	1,056	760	38.9
Changes in group of consolidated companies	–	2,192	.
Exchange rate movements / transfers / unwinding	173	– 14	.
As of 30.6.	**10,972**	**9,293**	**18.1**

With direct write-offs, write-ups and amounts recovered on previously written-down claims taken into account, the allocations to and reversal of provisions reflected in the income statement resulted in provisioning expense of €1,283m (30.6.2009: €1,837m) - (see Note 2).

Loan loss provisions | € m	30.6.2010	31.12.2009	Change in %
Specific valuation allowances	8,917	8,345	6.9
Portfolio valuation allowances	1,403	1,464	– 4.2
Provision to cover balance-sheet items	**10,320**	**9,809**	**5.2**
Provisions in lending business (specific risks)	351	364	– 3.6
Provisions in lending business (portfolio risks)	301	278	8.3
Provision to cover off-balance-sheet items	**652**	**642**	**1.6**
Total	**10,972**	**10,451**	**5.0**

For claims on banks, loan loss provisions amount to €454m (previous year: €520m) and for claims on customers to €9,866m (previous year: €9,289m).

(15) Assets held for trading purposes

The Group's trading activities include trading in

- Bonds, notes and other interest-related securities
- Shares, other equity-related securities and units in investment funds
- Promissory note loans and other claims
- Foreign exchange and precious metals
- Derivative financial instruments
- Other assets held for trading

Other assets held for trading comprise positive fair values of credit commitments and issuance rights. Other claims consist of treasury bills, loans and money market transactions.

All the items in the trading portfolio are shown at their fair value.

€ m	30.6.2010	31.12.2009	Change in %
Bonds, notes and other interest-related securities	23,789	28,898	−17.7
Promissory note loans	1,157	850	36.1
Other claims	3,680	2,643	39.2
Shares, other equity-related securities and units in investment funds	17,126	8,982	90.7
Positive fair values attributable to derivative financial instruments	218,251	177,307	23.1
Currency-related transactions	22,703	17,653	28.6
Interest-rate-related transactions	181,346	146,487	23.8
Other transactions	14,202	13,167	7.9
Other assets held for trading	20	28	−28.6
Total	**264,023**	**218,708**	**20.7**

Other transactions involving positive fair values of derivative financial instruments consist mainly of €8,143m (previous year: €6,963m) in equity derivatives and €5,376m (previous year: €5,331m) in credit derivatives.

(16) Financial investments

Financial investments represent financial instruments not assigned to any other category. They include all bonds, notes and other interest-related securities, shares and other equity-related securities not held for trading purposes, units in investment funds, equity investments, holdings in associated companies accounted for using the equity method and holdings in non-consolidated subsidiaries.

€ m	30.6.2010	31.12.2009	Change in %
Bonds, notes and other interest-related securities [1]	126,016	128,032	−1.6
Shares and other equity-related securities and units in investment funds	2,636	1,530	72.3
Investments	767	1,194	−35.8
Investments in assiciated companies	792	378	.
Ownership interests in unconsolidated subsidiaries	160	158	1.3
Total	**130,371**	**131,292**	**−0.7**
of which related to investments in associated companies accounted for using the equity method	792	378	.
of which relate to the category:			
Loans and receivables [1]	78,947	79,194	−0.3
Available-for-sale financial assets	46,079	44,998	2.4
of which: valued at amortized cost	538	492	9.3
Applying the fair value option	4,553	6,722	−32.3

[1] Reduced by portfolio valuation allowances of €54m (previous year: €50m).

In its press release of October 13, 2008, the IASB issued an amendment to IAS 39 relating to the reclassification of financial instruments. In accordance with the amendment, securities in the Public Finance portfolio for which there is no active market were reclassified from the IAS 39 Available for Sale (AfS) category to the IAS 39 Loans and Receivables (LaR) category in the financial years 2008 and 2009. The fair value at the date of reclassification was recognized as the new carrying amount of these securities holdings.

The revaluation reserve after deferred taxes for all the reclassified securities in financial years 2008 and 2009 was €–1.2bn at June 30, 2010. If these reclassifications had not been made, as at June 30, 2010 there would have been a revaluation reserve after deferred taxes of €–3.1bn for these holdings. Their carrying amount on the balance sheet date was €74.6bn and the fair value €71.8bn.

(17) Intangible assets

€ m	30.6.2010	31.12.2009	Change in %
Goodwill	2,105	2,061	2.1
Other intangible assets	1,101	1,148	−4.1
Customer relationships	590	613	−3.8
Brand names	10	51	−80.4
Software developed in-house	235	235	0.0
Other	266	249	6.8
Total	**3,206**	**3,209**	**−0.1**

(18) Fixed assets

€ m	30.6.2010	31.12.2009	Change in %
Land and buildings	988	1,018	−2.9
Office furniture and equipment	745	761	−2.1
Total	**1,733**	**1,779**	**−2.6**

(19) Other assets

€ m	30.6.2010	31.12.2009	Change in %
Collection items	291	632	−54.0
Precious metals	979	811	20.7
Leased equipment	578	554	4.3
Assets held for sale	5,791	2,868	.
Assets held as financial investments	1,240	1,279	−3.0
Other, including accrued and deferred items	2,683	1,786	50.2
Total	**11,562**	**7,930**	**45.8**

(20) Liabilities to banks

€ m	30.6.2010	31.12.2009	Change in %
due on demand	49,667	47,510	4.5
with a residual term	94,326	93,124	1.3
up to three months	57,722	44,485	29.8
over three months to one year	6,706	19,580	−65.8
over one year to five years	15,126	14,216	6.4
over five years	14,772	14,843	−0.5
Total	**143,993**	**140,634**	**2.4**
of which repos und cash collaterals	42,636	31,556	35.1
of which relate to the category:			
Liabilities measured at amortized cost	142,899	139,083	2.7
Applying the fair value option	1,094	1,551	−29.5

(21) Liabilities to customers

€ m	30.6.2010	31.12.2009	Change in %
Savings deposits	6,754	7,429	−9.1
with an agreed period of notice of			
three months	5,561	6,095	−8.8
over three months	1,193	1,334	−10.6
Other liabilities to customers	259,957	257,189	1.1
due on demand	144,113	131,773	9.4
with an agreed residual maturity	115,844	125,416	−7.6
up to three months	47,539	57,651	−17.5
over three months to one year	16,239	15,240	6.6
over one year to five years	14,474	16,823	−14.0
over five years	37,592	35,702	5.3
Total	**266,711**	**264,618**	**0.8**
of which repos und cash collaterals	30,014	17,619	70.4
of which relate to the category:			
Liabilities measured at amortized cost	265,243	262,960	0.9
Applying the fair value option	1,468	1,658	−11.5

(22) Securitized liabilities

Securitized liabilities consist of bonds and notes, including mortgage and public-sector Pfandbriefe, money-market instruments (e.g. certificates of deposit, Euro-notes, commercial paper), index certificates, own acceptances and promissory notes outstanding.

€ m	30.6.2010	31.12.2009	Change in %
Boonds and notes issued	146,193	148,670	−1.7
of which: Mortgage Pfandbriefe	34,066	33,506	1.7
Public sector Pfandbriefe	61,918	63,885	−3.1
Money market instruments issued	23,383	22,612	3.4
Own acceptances and promissory notes outstanding	83	88	−5.7
Total	**169,659**	**171,370**	**−1.0**
of which relate to the category:			
Liabilities measured at amortized cost	166,165	167,867	−1.0
Applying the fair value option	3,494	3,503	−0.3

Residual maturities of securitized liabilities | € m	30.6.2010	31.12.2009	Change in %
due on demand	154	92	67.4
with an agreed residual maturity	169,505	171,278	−1.0
up to three months	35,214	27,318	28.9
over three months to one year	31,579	35,215	−10.3
over one year to five years	73,282	77,501	−5.4
over five years	29,430	31,244	−5.8
Total	**169,659**	**171,370**	**−1.0**

In the first half of financial year 2010 new bonds and notes amounting to €54.1bn were issued. In the same period the volume of repayments/repurchases amounted to €2bn and the volume of bonds maturing to €54.6bn.

(23) Trading liabilities

Liabilities from trading activities show the negative fair values of financial instruments not employed as hedging instruments in connection with hedge accounting as well as lending commitments with negative market values. Delivery commitments arising from short sales of securities are also included under liabilities from trading activities.

€ m	30.6.2010	31.12.2009	Change in %
Currency-related derivative transactions	25,814	16,999	51.9
Interest-related derivative transactions	181,719	145,764	24.7
Other derivative transactions	15,008	15,609	−3.9
Delivery commitments on short sales of securities, negative market values of lending commitments and other trading liabilities	14,225	14,632	−2.8
Total	**236,766**	**193,004**	**22.7**

Other derivative transactions consist mainly of €8,008m (previous year: €7,738m) in equity derivatives and €6,208m (previous year: €6,668m) in credit derivatives.

(24) Provisions

€ m	30.6.2010	31.12.2009	Change in %
Provisions for pensions and similar commitments	778	759	2.5
Other provisions	4,560	4,356	4.7
Total	**5,338**	**5,115**	**4.4**

(25) Other liabilities

€ m	30.6.2010	31.12.2009	Change in %
Liabilities to film funds	2,206	2,219	−0.6
Liabilities from disposal groups held for sale	5,837	2,839	.
Debt capital from minority interests	1,983	1,985	−0.1
Other, including accrued and deferred items	2,977	1,899	56.8
Total	**13,003**	**8,942**	**45.4**

Other liabilities include obligations arising from outstanding invoices, payroll taxes due for payment to the authorities and deferred liabilities.

(26) Subordinated capital

€ m	30.6.2010	31.12.2009	Change in %
Subordinated liabilities	12,192	12,215	−0.2
Profit-sharing certificates outstanding	3,328	3,372	−1.3
Accrued interest, including discounts	−331	−277	19.5
Measurement effects	751	540	39.1
Total	**15,940**	**15,850**	**0.6**
of which relate to the category:			
Liabilities measured at amortized cost	15,911	15,821	0.6
Applying the fair value option	29	29	0.0

The volume of maturing issues for profit-sharing certificates was €0.3bn in the first half of 2010. Beyond this there were no material changes in subordinated capital.

(27) Hybrid capital

€ m	30.6.2010	31.12.2009	Change in %
Hybrid capital	5,121	5,191	−1.3
Accrued interest, including discounts	−1,194	−1,342	−11.0
Measurement effects	368	230	60.0
Total	**4,295**	**4,079**	**5.3**
of which relate to the category:			
Liabilities measured at amortized cost	4,295	4,079	5.3
Applying the fair value option	–	–	.

There were no material changes in the first half of 2010.

Other notes

(28) Capital requirements and capital ratios

€ m	30.6.2010	31.12.2009	Change in %
Core capital	31,337	29,520	6.2
Supplementary capital	10,319	11,893	−13.2
Tier 3 capital	–	24	.
Eligible capital	**41,656**	**41,437**	**0.5**

€ m	30.6.2010	31.12.2009
Capital requirement credit risk	20,740	19,705
Capital requirement market risk	899	1,144
Capital requirement operational risk	1,577	1,562
Total capital requirement	**23,216**	**22,411**
Eligible equity	41,656	41,437
Core capital ratio (%)	10.8	10.5
Own funds ratio (%)	14.4	14.8

(29) Contingent liabilities and irrevocable lending commitments

€ m	30.6.2010	31.12.2009	Change in %
Contingent liabilities	39,610	40,755	−2.8
from rediscounted bills of exchange credited to borrowers	4	3	33.3
from guarantees and indemnity agreements	39,476	40,603	−2.8
from other commitments	130	149	−12.8
Irrevocable lending commitments	68,406	69,281	−1.3

Provisions for contingent liabilities and irrevocable lending commitments have been deducted from the respective items.

(30) Derivative transactions

The nominal amounts and fair values in derivatives business (investment and trading books) were as follows:

30.6.2010	Nominal amount by residual term				Fair value	
€ m	up to 1 year	1–5 years	over 5 years	Total	positive	negative
Foreign exchange forward transactions	713,190	231,178	110,855	1,055,223	23,156	26,117
Interest rate forward transactions	2,743,637	4,125,301	3,765,709	10,634,647	417,612	423,078
Other forward transactions	250,396	478,234	62,035	790,665	17,463	18,268
Gross position	**3,707,223**	**4,834,713**	**3,938,599**	**12,480,535**	**458,231**	**467,463**
of which: exchange-traded	*210,215*	*63,078*	*6,026*	*279,319*		
Net position in the balance sheet					**224,837**	**234,069**

31.12.2009	Nominal amount by residual term				Fair value	
€ m	up to 1 year	1–5 years	over 5 years	Total	positive	negative
Foreign exchange forward transactions	571,423	210,591	94,331	876,345	18,121	17,357
Interest rate forward transactions	3,203,110	4,070,995	3,778,484	11,052,589	284,970	289,293
Other forward transactions	274,912	507,034	74,083	856,029	17,331	19,830
Gross position	**4,049,445**	**4,788,620**	**3,946,898**	**12,784,963**	**320,422**	**326,480**
of which: exchange-traded	*355,726*	*67,464*	*3,596*	*426,786*		
Net position in the balance sheet					**183,659**	**189,717**

(31) Fair value of financial instruments

	Fair Value		Carrying amount		Difference	
€ bn	**30.6.2010**	**31.12.2009**	**30.6.2010**	**31.12.2009**	**30.6.2010**	**31.12.2009***
Assets						
Cash reserve	13.0	10.3	13.0	10.3	–	–
Claims on banks	120.7	106.6	120.8	106.7	−0.1	−0.1
Claims on customers	344.7	352.8	341.0	352.2	3.7	0.6
Hedging instruments	6.6	6.4	6.6	6.4	–	–
Trading assets	264.0	218.7	264.0	218.7	–	–
Financial investments	127.5	131.0	130.4	131.3	−2.9	−0.3
Liabilities						
Liabilities to banks	144.1	140.5	144.0	140.6	0.1	−0.1
Liabilities to customers	266.5	263.8	266.7	264.6	−0.2	−0.8
Securitized liabilities	167.7	171.0	169.7	171.4	−2.0	−0.4
Hedging instruments	11.5	11.3	11.5	11.3	–	–
Liabilities from trading activities	236.8	193.0	236.8	193.0	–	–
Subordinated and hybrid capital	18.8	18.1	20.2	19.9	−1.4	−1.8

* The data as at December 31, 2009 has been partially restated. The net difference between the carrying amount and fair value as at December 31, 2009 has thus been reduced from a total of €4.0bn to €3.3bn.

In net terms, the difference between the carrying amount and fair value for all items amounted to €4.2bn as at June 30, 2010 (previous year: €3.3bn).

In the tables below the financial instruments reported in the balance sheet at fair value are grouped by category. There is also a breakdown according to whether fair value is based on quoted market prices (Level I), observable market data (Level II) or unobservable market data (Level III).

Financial assets | € bn	30.6.2010				31.12.2009
	Level I	**Level II**	**Level III**	**Total**	**Total**
Fair value option	5.0	0.1	1.2	6.3	10.5
Hedge accounting	–	6.6	–	6.6	6.4
Held for trading	42.7	218.0	3.3	264.0	218.7
Available for Sale	10.5	34.4	1.2	46.1	45.0
Total	**58.2**	**259.1**	**5.7**	**323.0**	**280.6**

Financial liabilities | € bn	30.6.2010				31.12.2009
	Level I	**Level II**	**Level III**	**Gesamt**	**Gesamt**
Fair value option	6.1	–	–	6.1	6.8
Hedge accounting	–	11.5	–	11.5	11.3
Helf for trading	11.9	224.4	0.5	236.8	192.9
Total	**18.0**	**235.9**	**0.5**	**254.4**	**211.0**

(32) Treasury shares

	Number of shares[1] in units	Accounting par value in €1,000	Percentage of share capital
Holdings on 30.6.2010	3,655,503	9,504	0.31
Largest number acquired during the financial year	6,140,823	15,966	0.52
Total shares pledged by customers as collateral on 30.6.2010	10,650,562	27,691	0.90
Shares acquired during the financial year	77,924,169	202,603	
Shares disposed of during the financial year	75,132,571	195,345	

[1] Accounting par value per share of €2.60.

(33) Dealings with related parties

As part of its normal business activities, the Commerzbank Group does business with related parties. These include parties that are controlled but not consolidated for reasons of materiality, associated companies, external service providers of occupational pensions for employees of Commerzbank Aktiengesellschaft, key management personnel and members of their families as well as companies controlled by these persons. Key management personnel refers exclusively to members of Commerzbank Aktiengesellschaft's Board of Managing Directors and Supervisory Board.

As the guarantor of the Financial Market Stabilization Authority, which manages the Special Fund for Financial Market Stabilization (SoFFin), the German federal government holds an ownership interest of 25% plus one share in Commerzbank Aktiengesellschaft, which gives it the potential to exert significant influence over the Company. As a result the German federal government and entities controlled by it constitute related parties as defined by IAS 24. In this section we present relationships with federal government-controlled entities separately from relationships with other related parties.

Assets and liabilities and off-balance-sheet items in connection with related parties changed as follows in reporting period:

€ m	1.1.2010	Additions	Deductions	Changes in group of consolidated companies	Changes in exchange rates	30.6.2010
Claims on banks	923	–	153	–	–	770
Claims on customers	1,042	908	73	−3	2	1,876
Financial investments	39	16	16	–	2	41
Total	**2,004**	**924**	**242**	**−3**	**4**	**2,687**
Liabilities to banks	6	1	3	–	–	4
Liabilities to customers	1,512	404	399	32	1	1,550
Total	**1,518**	**405**	**402**	**32**	**1**	**1,554**
Off-balance-sheet items						
Guarantees and collateral granted as well as irrevocable lending commitments	131	307	–	–	1	439
Guarantees and collateral received	35	18	26	–	1	28

In addition, as at June 30, 2010, Commerzbank Group held trading assets of €1,147m (December 31, 2009: €1,692m) and trading liabilities of €1,664m (31.12.2009: €1,495m). These trading positions stem primarily from non-consolidated funds.

The following income and expenses arose from loan agreements with, deposits from and services provided in connection with related parties:

€ m	1.1.–30.6.2010	1.1.–30.6.2009	Change in %
Income			
Interest	32	45	−28.9
Commision	21	6	.
Goods and services	3	4	−25.0
Expenses			
Interest	29	30	−3.3
Commision	7	5	40.0
Goods and services	10	12	−16.7
Write-downs / impairments	–	–	.

The Commerzbank Group conducts transactions with federal government-controlled entities as part of its ordinary business activities on standard market terms and conditions. Assets and liabilities and off-balance-sheet items in connection with federal government-controlled entities changed as follows in the reporting period:

in € m	1.1.2010	Additions	Deductions	Changes in group of consolidated companies	Changes in exchange rates	30.6.2010
Cash reserve	3,633	1,926	–	–	–	5,559
Claims on banks	213	4,949	91	–	–	5,071
Claims on customers	2,378	2,126	2,195	–	–	2,309
Financial assets	6,209	780	1,971	–	–	5,018
Total	**12,433**	**9,781**	**4,257**	**–**	**–**	**17,957**
Liabilities to banks	24,260	244	5,677	–	–	18,827
Liabilities to customers	90	1	54	–	–	37
Subordinated capital [1]	16,428	–	–	–	–	16,428
Total	**40,778**	**245**	**5,731**	**–**	**–**	**35,292**
Off-balance-sheet items						
Guarantees and collateral granted as well as irrevocable lending commitments	3	52	–	–	–	55
Guarantees and collateral received	5,000	–	–	–	–	5,000

[1] Subordinated capital represents the silent participation of the Special Fund for Financial Market Stabilization (SoFFin).

In addition, as at June 30, 2010, the Commerzbank Group held trading assets of €3,970m (December 31, 2009: €2,628m) from business with federal government entities.

Responsibility statement by the Board of Managing Directors

We confirm that, to the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group presents a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the prospective development of the Group during the remaining months of the financial year.

Frankfurt/Main, August 2, 2010
The Board of Managing Directors

Martin Blessing

Frank Annuscheit

Markus Beumer

Achim Kassow

Jochen Klösges

Michael Reuther

Stefan Schmittmann

Ulrich Sieber

Eric Strutz

Boards of Commerzbank Aktiengesellschaft

Supervisory Board

Klaus-Peter Müller
Chairman

Uwe Tschäge*
Deputy Chairman

Hans-Hermann Altenschmidt*

Dott. Sergio Balbinot

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Herbert Bludau-Hoffmann*

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Karin van Brummelen*

Astrid Evers*

Uwe Foullong*

Daniel Hampel*

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Prof. Dr.-Ing. Dr.-Ing. E.h. Hans-Peter Keitel

Alexandra Krieger*

Dr. h.c. Edgar Meister

Prof. h.c. (CHN) Dr. rer. oec. Ulrich Middelmann

Dr. Helmut Perlet

Barbara Priester*

Dr. Marcus Schenck

Dr. Walter Seipp
Honorary Chairman

* Elected by the bank's employees.

Board of Managing Directors

Martin Blessing
Chairman

Frank Annuscheit

Markus Beumer

Dr. Achim Kassow

Jochen Klösges

Michael Reuther

Dr. Stefan Schmittmann

Ulrich Sieber

Dr. Eric Strutz

Report of the audit review

To COMMERZBANK Aktiengesellschaft,
Frankfurt / Main

We have reviewed the condensed consolidated interim financial statements – comprising the balance sheet, condensed statement of comprehensive income, condensed statement of cash flows, condensed statement of changes in equity and selected explanatory notes – and the interim group management report of COMMERZBANK, Frankfurt am Main, for the period from January 1 to June 30, 2010 which are part of the half-year financial report pursuant to Article 37 w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Frankfurt/Main, August 2, 2010

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Lothar Schreiber	Stephan Erb
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Significant subsidiaries and associates

Germany
Atlas Vermögensverwaltungs-Gesellschaft mbH, Bad Homburg v.d.H.
comdirect bank AG, Quickborn
Commerz Real AG, Eschborn
Deutsche Schiffsbank AG, Bremen / Hamburg
Eurohypo AG, Eschborn
Süddeutsche Industrie-Beteiligungs-GmbH, Frankfurt am Main

Abroad
BRE Bank SA, Warsaw
Commerzbank Capital Markets Corporation, New York
Commerzbank (Eurasija) SAO, Moscow
Commerzbank Europe (Ireland), Dublin
Commerzbank International S.A., Luxembourg
Commerzbank (South East Asia) Ltd., Singapore
Commerzbank Zrt., Budapest
Erste Europäische Pfandbrief- und Kommunalkreditbank AG, Luxembourg
Joint Stock Commercial Bank „Forum", Kiev

Operative foreign branches
Amsterdam, Barcelona, Bratislava, Beijing, Brno (office), Brussels, Dubai, Hong Kong, Hradec Králové (office), Košice (office), London, Luxembourg, Madrid, Milan, New York, Ostrava (office), Paris, Plzeň (office), Prague, Shanghai, Singapore, Tianjin, Tokyo, Vienna, Warsaw, Zurich

Representative Offices and Financial Institutions Desks
Addis Ababa, Almaty, Ashgabat, Baku, Bangkok, Beijing (FI Desk), Beirut, Belgrade, Brussels (Liaison Office to the European Union), Bucharest, Buenos Aires, Cairo, Caracas, Dubai (FI Desk), Ho Chi Minh City, Hong Kong (FI Desk), Istanbul, Jakarta, Johannesburg, Kiev, Kuala Lumpur, Lagos, Melbourne, Milan (FI Desk), Minsk, Moscow, Mumbai, New York (FI Desk), Novosibirsk, Panama City, Riga, Santiago de Chile, São Paulo, Seoul, Shanghai (FI Desk), Singapore (FI Desk), Taipei, Tashkent, Tehran, Tripoli, Zagreb

Disclaimer

Reservation regarding forward-looking statements

This interim report contains forward-looking statements on Commerzbank's business and earnings performance, which are based upon our current plans, estimates, forecasts and expectations. The statements entail risks and uncertainties, as there are a variety of factors which influence our business and to a great extent lie beyond our sphere of influence. Above all, these include the economic situation, the state of the financial markets worldwide and possible loan losses. Actual results and developments may, therefore, diverge considerably from our current assumptions, which, for this reason, are valid only at the time of publication. We undertake no obligation to revise our forward-looking statements in the light of either new information or unexpected events.

2010/2011 Financial calendar	
November 5, 2010	Interim Report Q3 2010
February 23, 2011	Annual Results Press Conference
End-March 2011	Annual Report 2010
May 18, 2011	Annual General Meeting
Early-May 2011	Interim Report Q1 2011
Early-August 2011	Interim Report Q2 2011
Early-November 2011	Interim Report Q3 2011

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