

Q3/2010



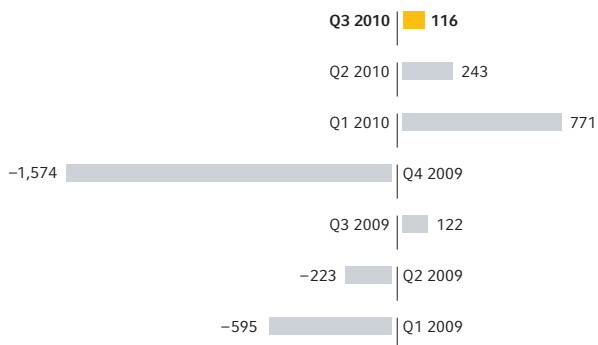
Interim Report as of September 30, 2010

Achieving more together

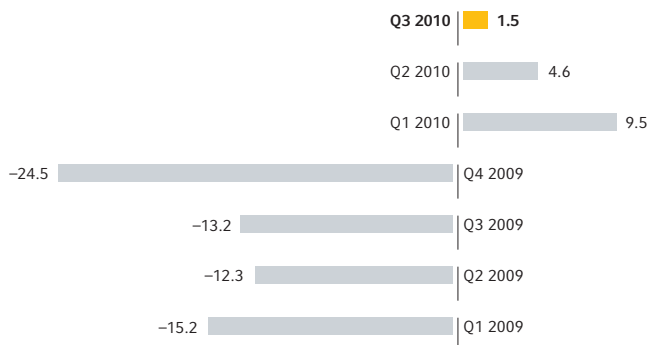
# Key figures

Income statement	1.1.–30.9.2010	1.1.–30.9.2009
Operating profit (€m)	1,130	-696
Operating profit per share (€)	0.96	-0.71
Pre-tax profit/loss (€m)	1,097	-2,821
Consolidated profit/loss <sup>1</sup> (€m)	1,173	-2,680
Earnings per share (€)	0.99	-2.71
Operating return on equity <sup>2</sup> (%)	4.9	-3.4
Cost/income ratio in operating business (%)	68.6	75.1
Return on equity of consolidated profit/loss <sup>1, 2, 3</sup> (%)	5.2	-13.4
Balance sheet	30.9.2010	31.12.2009
Total assets (€bn)	847.9	844.1
Risk-weighted assets (€bn)	279.6	280.1
Equity as shown in balance sheet (€bn)	28.1	26.6
Own funds as shown in balance sheet (€bn)	47.1	46.5
Capital ratios		
Core capital ratio (%)	11.2	10.5
Own funds ratio (%)	14.6	14.8
Staff	30.9.2010	30.9.2009
Germany	45,706	47,440
Abroad	14,055	17,170
Total	59,761	64,610
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 (€m)



Return on equity of consolidated profit/loss<sup>1, 2, 3</sup> (%)



<sup>1</sup> Insofar as attributable to Commerzbank shareholders; <sup>2</sup> annualized; <sup>3</sup> the capital base comprises the average Group capital attributable to Commerzbank shareholders without the average revaluation reserve and the cash flow hedge reserve.

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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,*

The recovery in the global economy continued in the third quarter of 2010, albeit at varying speeds. Greater momentum in the emerging markets contrasted with a more sluggish pace in the industrialized economies. The German economy nevertheless posted robust growth and turned in the most dynamic economic performance within the eurozone. This benefited Commerzbank, with its leading market position in Germany.

Against this backdrop, Commerzbank posted an operating profit of €116m for the third quarter of 2010, building on the positive results for the first and second quarters of the year. Looking at the first nine months of 2010 as a whole and comparing the result of €1,130m with the equivalent period in the previous year, the progress we have made is even more evident. At segment level, the main earnings driver within the core bank was Mittelstandsbank, followed by Corporates & Markets, which also posted an excellent result. Outside the core bank, developments were mixed as risks continued to be managed down. Whereas Asset Based Finance faced considerable burdens, the Portfolio Restructuring Unit was again able to take advantage of opportunities to work out portfolios while at the same time maximizing value, ending the third quarter in succession with a positive result.

The integration is continuing swiftly according to plan and we have more than two-thirds of the process behind us. Part of this involved the successful implementation of our joint brand and the rebranding of over 1,200 locations throughout Germany with our new joint corporate design. Over the third quarter we also disposed of further non-strategic investments – Kleinwort Benson, the Brazilian Banco Múltiplo and Dresdner Bank Monaco.

In the Asset Based Finance segment, we will push ahead with reducing volumes over the coming years. In Public Finance, we will not engage in any new business and will reduce the existing volume over time. Likewise in Commercial Real Estate, too, we will continue to substantially reduce our activities over the next few years, and only enter into new business in core markets on a selective basis.

In light of the financial market and economic crisis, it is the task of banks, central banks and supervisory authorities to identify undesirable developments earlier on and to take preventive action with the aim of stabilizing the financial sector and avoiding new systemic risks. One result has been the Basel III proposals for new capital requirements in the banking industry. These were set out in detail in September and will be implemented in the form of definitive regulatory provisions by the end of 2010. Following this, they will be enacted in national law. From the regulatory perspective, the proposals mean a clear tightening of requirements in the years ahead. Overall, the aim should be to avoid the cumulative effects of different regulatory regimes, so as not to excessively restrict lending possibilities. We will examine the effects that the Basel III proposals and other proposed regulatory measures have on specific businesses and business models on an ongoing basis; this also encompasses the active management of our capital structure. The gradual introduction of Basel III from 2013 will have the effect of increasing risk-weighted assets. Nevertheless, with the measures already in place and those planned with regard to managing down the risk portfolio, the increase in risk assets compared with the current level will be slight.

After nine months the Commerzbank Group, with its core capital ratio of 11.2%, has a comfortable capital base and a liquidity situation that is sound.

Although we are confident that the central banks' low interest rate policies will have a stabilizing effect, the economy and financial markets could find themselves facing further risks caused by the debt crisis and the crisis of confidence. Nevertheless, given the positive results we have seen so far, we expect a full-year, after-tax profit of at least €1bn under IFRS. This is clear evidence that Commerzbank's business model is starting to pay off. Profitability has been achieved one year earlier than initially planned and we are also on track to achieve the objectives of our strategic Roadmap 2012 programme.

*Yours sincerely*  
*Martin Blessing*

Martin Blessing, Chairman of the Board of Managing Directors

## Positive performance of the Commerzbank share

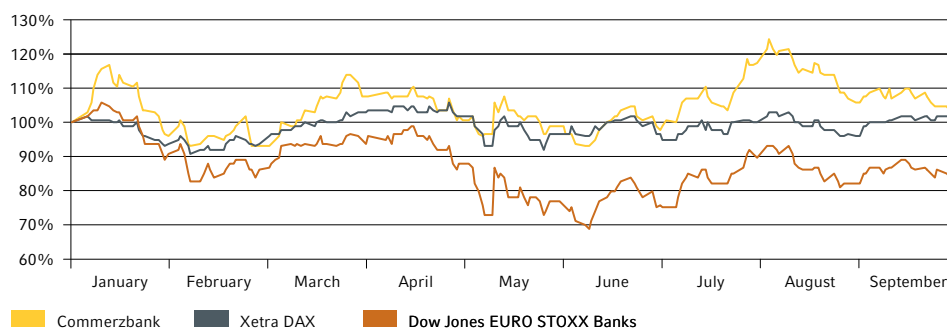
After the first half of 2010 saw investors unsettled by the debt crisis in the EU's financially weaker countries and pressure on bank share prices, publication of the results of the EU stress tests brought relief to the markets at the end of July. The stress tests examined the consequences of a recession and a fall in the equity and bond markets on banks' capital adequacy. Europe's banking system showed itself to be in a better position than many analysts had presumed. In addition, market participants reacted positively to the fact that many banks published extensive information in connection with the tests. This boosted share prices for bank stocks and, at the same time, reduced the risk premiums that investors demanded for bank bonds.

The European equity markets received an additional boost at the beginning of August. Good quarterly results from European companies and unexpectedly positive economic data from the United States and China fuelled strong price gains. In this market environment, the Commerzbank share reached a price of €7.37 on August 3, 2010, its highest level during the first three quarters of the year.

With its positive results for the first half year, Commerzbank exceeded analysts' expectations. Nevertheless, bank stocks encountered difficulties in August and September and were unable to match the performance witnessed at the beginning of the third quarter. Weak data from the US labour market and the prospect of a weaker-than-expected recovery in the United States started to weigh on the international capital markets from mid-August. Prices came under further pressure as a result of the discussions surrounding the Basel III requirements and speculation about possible capital increases. The Commerzbank share ended the third quarter at €6.08. With a figure of 3.2%, the Commerzbank share clearly outperformed the Euro STOXX Banks index (-16.8%) in the first three quarters of 2010. The sharp drop in the bank index can be attributed in particular to the negative performance of the southern European banks.

**Commerzbank share vs. Performance indices in the first nine months of 2010**

daily figures, 30.12.2009 = 100



The daily trading volume in Commerzbank shares was lower in terms of the number of shares traded during the first nine months of 2010 than in the same period of 2009. Nevertheless, at €6.18, the average share price for the first three quarters was around 20% higher than the average share price for the year-earlier period (€4.99). The average daily trading volume for the period under review amounted to 10.8 million shares (2009: 13.5 million shares), with the peak reached in the third quarter on July 27, when approximately 22.7 million Commerzbank shares changed hands on German stock exchanges. At the end of the third quarter, Commerzbank's market capitalization stood at €7.2bn.

We provide our shareholders with comprehensive information. For data on Commerzbank's shares as well as current news, publications and presentations, visit our website at [www.ir.commerzbank.de](http://www.ir.commerzbank.de).

Highlights of the Commerzbank share	1.1.–30.9.2010	1.1.–30.9.2009
<b>Shares outstanding on September 30</b> in millions	1,181.4	1,181.4
<b>Xetra intraday prices in €</b>		
High	7.37	9.64
Low	5.33	2.22
Closing price on September 30	6.08	8.66
<b>Daily trading volume<sup>1</sup></b> in millions		
High	35.7	56.0
Low	3.4	2.7
Average	10.8	13.5
<b>Earnings per share (EPS) in €</b>	0.99	-2.71
<b>Book value per share<sup>2</sup> in €</b> on September 30	9.52	10.18
<b>Market value/book value</b> on September 30	0.64	0.85

<sup>1</sup> Total German stock exchanges;

<sup>2</sup> Excluding silent participations, non-controlling interests and cash flow hedges.

# Interim Management Report

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## Business and overall conditions

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### Overall economic situation

So far over the course of 2010 the global economy has continued to recover from the crisis. Whereas the emerging markets, particularly those in Asia, are seeing very strong growth momentum and have more than made up for the setbacks at the end of 2008/beginning of 2009, growth is more halting in the industrialized nations as a whole. So much so that there are even fears of a fresh dip into recession in the United States. So far, however, the trend has been pointing steadily upward, even if the upswing is not as strong as in previous cycles and there are as yet no signs of a lasting turnaround in the labour market.

The picture is similar for the eurozone: the economy is growing but growth rates are very modest, given the severity of the decline witnessed previously. The average growth rate conceals considerable differences between individual countries. In many countries, particularly those on the periphery of the eurozone, growth is being held back by the fallout from the crisis. Companies, households and the public sector are having to reduce the levels of debt accumulated in past years. Some countries are being additionally affected by a sharp decline in construction spending following the bursting of the real estate bubble.

By contrast, the German economy is continuing to post strong growth and holds top position within the eurozone. Firstly, 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. Secondly, the German economy – heavily geared as it is to exports and capital goods – appears to be benefiting in particular from global economic recovery, in exactly the same way that it was excessively affected by the economic downturn.

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%. As a consequence, only a few central banks to date have raised key interest rates. In fact, the US and Japanese central banks have loosened their monetary reins even further.

So far in 2010, events in the financial markets have been dominated by the debt crisis in the eurozone and – more recently – fears of renewed recession in the US. The flight to the “safe haven” of government bonds sent yields on ten-year German Bunds to new record lows. Despite the global recovery and sizeable increases in earnings up to the end of the third quarter, the equity markets were unable, on balance, to post any significant price gains. The euro, too, had its share of ups-and-downs: after being adversely impacted for some time by concerns about the long-term future of monetary union, fears shifted increasingly to the prospects for the US economy, allowing the euro to make up a substantial part of the losses it had previously sustained.

## Important business policy events

In the third quarter of 2010, Commerzbank disposed of the companies below as announced. The supervisory authorities gave their approval for all three transactions.

At the beginning of July Commerzbank completed the sale of its Kleinwort Benson operations to Beteiligungsgesellschaft RHJ International. The transaction involved the sale of the companies Channel Islands Holdings Limited and Kleinwort Benson Private Bank Limited, specialists 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 distribution agreement for savings and loan products negotiated with the buyer took 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.

At the beginning of September, Commerzbank completed the sale of Dresdner Bank Monaco S.A.M. to Lebanon's Bank Audi sal-Audi Saradar Group. Dresdner Bank Monaco S.A.M. is active in affluent private customer business, focussing on Monaco, southern France and northern Italy. At the end of 2009, it had assets under management of €251m and employed 19 staff.

Commerzbank declared its intention at the beginning of September to sell its subsidiary montrada GmbH, which specializes in the processing of card payments, to the Dutch firm Equens SE. The transaction is subject to official approval. Commerzbank and Equens have also signed an agreement for a five-year exclusive sales partnership for card-based payment products, including cash withdrawals from ATMs for Master and Visa card holders. This partnership will commence once the transaction has been completed. Together with its subsidiary, BD-POS GmbH, montrada employees a staff of 60.

In mid-September Commerzbank announced the sale of its Brazilian subsidiary Dresdner Bank Brasil S.A. Banco Múltiplo to Canada-based Scotiabank. As at September 30, the transaction was awaiting approval from the authorities. The background to the transaction is Commerzbank's strategic realignment, which also involves the divestment of non-core activities. Based in São Paulo, Banco Múltiplo is mainly focused on investment banking activities. As at the end of 2009, the bank had total assets of €284m and around 50 employees. The Commerzbank representative office in São Paulo, which primarily supports the Bank's corporate customers with trade finance services and payment products, will not be affected by the transaction. Similarly unaffected is Commerzbank's Brazilian investment banking arm, with its activities in equity derivatives, commodities, currency and bond trading for private banks and institutional clients.

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In addition to these changes in its ownership interests, Commerzbank has been making available to its private customers a new, extended product offering since the beginning of September.

The Bank has, for instance, new co-operative ventures in the insurance, savings and loan and consumer credit sectors and has also extended existing co-operative ventures to the entire Commerzbank. These moves mean that, in insurance, home loan savings and instalment finance, all Commerzbank clients can access products of Allianz, which has replaced Commerzbank's former partner Generali, Wüstenrot and Commerz Finanz. In insurance, the offering available to many clients, particularly in the property and health insurance segments, has become considerably broader. All Allianz insurance products – motor vehicle, household, liability, legal protection and private supplementary health insurance – are now available bank-wide. The offering from Wüstenrot has been replaced by the co-operation agreements with Allianz-Dresdner-Bauspar and Badenia. With regard to instalment finance, Commerzbank is expanding its tried-and-tested collaboration with BNP Paribas Personal Finance. The Dresdner-Cetelem Kreditbank (DCKB) financing specialist had already changed its name to Commerz Finanz GmbH in June 2010, as part of the integration of Commerzbank and Dresdner Bank. With the new ventures, Commerzbank is further standardizing its product offerings for private customers on the path to the full integration of Dresdner Bank.

## Earnings performance, assets and financial position

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Over the first three quarters of 2010 the Commerzbank Group made considerable progress in integrating Dresdner Bank, implementing its strategic objectives and enhancing the quality of its earnings. This resulted in pre-tax profit for the period under review of €1,097m, approximately €3.9bn more than in the same period of 2009. The main factors behind this significant increase were operating income of approximately €1.8bn – attributable in particular to net trading income and substantially lower loan loss provisions – and the elimination of special charges of around €2.1bn. The core bank reported an operating profit of €1.3bn for the first nine months of 2010. There was also a further reduction in risks, mainly exposures in the Portfolio Restructuring Unit and Public Finance activities of the Asset Based Finance segment. The Commerzbank Group has a comfortable liquidity position and – with a core capital ratio of 11.2% – a solid capital base.

### Income statement of the Commerzbank Group

Net interest income was up 1.4% to €5,375m year-on-year for the first nine months of the year. The non-servicing of profit-related hybrid bonds and profit participation certificates combined with other special effects to make a significant contribution to this increase. The low interest rate environment impacted the Private Customers and Mittelstandsbank segments in particular. Compared with the year-earlier period, deposit business contributed less to net interest income, and this could only be partially offset by higher lending margins.

The net allocation to provisions for loan losses declined by 34.1% compared with the first nine months of 2009 to €1,904m. Primarily due to the more favourable economic environment, gross allocations remained below the year-earlier level and there was a simultaneous increase in reversals. 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 ongoing difficulties in the Ukraine. Contrasting

with these positive trends, loan loss provisions for the Asset Based Finance segment had to be increased to just under €1.2bn in the period under review. This amount corresponds to some 60% of total loan loss provisions for the Group.

At €2,772m, net commission income was almost identical with the previous year; the figure for the first nine months of 2009 contained a higher level of income from non-strategic subsidiaries which have since been sold. Whereas securities business in the Private Customers segment continued to suffer as a result of a combination of customers' reluctance to invest and integration-related charges, the Mittelstandsbank segment witnessed an increase in income thanks to the tangible pick-up in foreign trade.

Net trading income improved by some €1.4bn to €1,574m in the period under review. Despite the challenging market environment in the second quarter, this result was bolstered by generally more favourable conditions in the financial markets than in the prior-year period. Significant contributions came in particular from Corporates & Markets and the Portfolio Restructuring Unit.

Net investment income declined by €0.6bn year-on-year to €-83m. The negative result this year was caused mainly by losses on disposals arising from the ongoing managing down of risk portfolios. This was primarily connected to the reduction of the public finance portfolio in the Asset Based Finance segment. There were also impairments on positions in the Portfolio Restructuring Unit's ABS book, which could be only partially offset by gains on the disposal of investment holdings. In the same period last year, net impairments on the ABS portfolio were more than offset by significant revenue from the sale of equity interests.

Operating expenses were on a par with the prior year for the first nine months of the year, at €6,622m. A factor that needs to be taken into account here is 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 9% increase in other operating expense to €3,298m. Personnel expenses fell on the other hand by 7.2% to €3,324m; the headcount declined by 7.5% to 59,761. Adjusted in particular for integration costs, other operating expenses were approximately 4% below those of the equivalent period of 2009.

As a result of the developments described above, the Commerzbank Group posted an operating profit of €1,130m for the first nine months 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 a total of some €2.1bn, restructuring costs of €33m were charged in Asset Based Finance during the reporting period. As a result, pre-tax profit for the first three quarters of 2010 came to €1,097m, after a loss of €2,821m for the same period last year.

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The Group reported tax income of €115m for the reporting period, compared with €99m for the year-earlier period. Consolidated profit after tax amounted to €1,212m, some €3.9bn more than for the first nine months of 2009. €39m of consolidated profit after tax was attributable to non-controlling interests and €1,173m to Commerzbank shareholders.

Operating earnings per share amounted to €0.96 and earnings per share to €0.99 (first nine months of 2009: €-0.71 and €-2.71, respectively).

## Consolidated balance sheet

Total assets of the Commerzbank Group amounted to €847.9bn at the end of September 2010. The slight increase of €3.8bn versus the year-end figure for 2009 is the result of contrary trends. A clear increase in trading assets and liabilities and higher volumes of collateralized money market transactions contrasted with a drop primarily in credit volumes on the assets side; on the liabilities side, it was predominantly securitized liabilities which experienced a decline. This allowed Commerzbank to reduce the mid-year increase in total assets in the third quarter.

Trading assets increased by €36.5bn or 16.7% versus the year-end 2009 figure, to €255.2bn. This increase was due primarily to higher positive market values for derivative financial instruments as a result of interest rate and currency movements. Claims on banks rose by €8.3bn compared with the year-end figure to €115.5bn, attributable to the increase in collateralized money market transactions in the form of reverse repos and cash collaterals. In contrast, at €335.3bn, claims on customers were €26.1bn lower than at year-end 2009, as a result of a drop in client lending volume at Eurohypo and at other units within the Group. Financial assets declined by €6.9bn to €124.4bn and this can be attributed to a lower level of fixed-income securities holdings.

On the liabilities side, trading liabilities rose significantly by €33.9bn to €226.9bn. 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 fell €10.1bn to €130.5bn, while liabilities to customers remained on a par with the year-end 2009 figure at €263.6bn. Volumes of collateralized money market transactions increased in both balance sheet items, but this was offset by a lower level of bank deposits on the one hand and client deposits on the other. Securitized liabilities were also down on the year-end 2009 figure at €153.4bn, a drop of €18bn. The reduction in Eurohypo's public-sector Pfandbriefe and other notes issued was a contributory factor here.

## Capital and reserves

Reported equity at September 30, 2010, was up by 5.6% or €1.5bn compared with year-end 2009, to €28.1bn, primarily as a result of current profits of €1.2bn.

In total, subscribed capital, the capital reserve and retained earnings amounted to €12.3bn; silent participations remained at €17.2bn. In accordance with conditions imposed by the EU, Commerzbank will only make earnings-related payments for the year 2010 – as in the previous year – if it is obliged to do so without releasing reserves or special reserves pursuant to section 340 g HGB. Where required 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 September 2010 the revaluation reserve, the cash flow hedge reserve and the currency translation reserve had a negative impact on equity of €3.4bn: this was on a par with the end of 2009. The negative value of the revaluation reserve was €0.2bn higher at €-1.95bn, whereas the valuation of cash flow hedges and the currency translation reserve improved by a total of €0.3bn.

Within the revaluation reserve, interest-bearing financial assets continued to produce a negative effect of €-2.2bn. This figure was also influenced by reclassifications in 2008 and 2009, which involved securities in the Public Finance portfolio for which there was no longer an active market being reclassified out of the IAS 39 Available for Sale (AfS) category into the IAS 39 Loans and Receivables (LaR) category. The securities concerned are primarily issued by public sector borrowers in Europe.

Risk-weighted assets at September 30, 2010, remained practically unchanged compared with year-end 2009 at €279.6bn. Our regulatory core capital increased by €1.9bn over the end of 2009 to €31.4bn, while the core capital ratio rose from 10.5% to 11.2%. The core Tier 1 ratio, which is important in relation to Basel III, amounted to 9.9%. Both ratios are thus clearly above our target range. Our own funds ratio was 14.6% on the reporting date.

The stress test prescribed by the Committee of European Banking Supervisors (CEBS) for 91 European banks, the results of which were published in July and which Commerzbank passed – as expected – in all scenarios, demonstrates that Commerzbank has a sound capital underpinning even in difficult conditions.

## Funding and liquidity

The third quarter of 2010 continued to be dominated by the crisis in the peripheral European countries, despite the stabilization measures put in place in Europe and the European Central Bank's buy-back programme for eurozone government bonds.

At the same time the ECB began implementing its exit strategy of not extending expiring long-term open-market transactions for six months/one year. In the place of a long-term tender, banks were offered standard 3-month tenders with ongoing unlimited allotment; these were not taken up in the same volumes as the expiring long-term tender.

The resulting reduction in the excess balances maintained by the commercial banks at the ECB generated increased volatility in the money market and a moderate rise in short-term interest rates.

Whereas the money and capital markets are liquid for the majority of banks, those with weaker credit ratings and those in the peripheral eurozone countries remain dependent on the ECB facilities for funding. In the peripheral euro countries, there is now a relatively liquid money market at the national level. In respect of international funding in the collateralized money market, however, it has to be noted that market players are steering clear of correlated risks (i.e. repo transactions where collateral carries the same country risk as the borrowing bank). In addition, there is a sizeable gap in spreads between repo transactions with high-grade bonds such as bunds and repo transactions with poorer collateral (e.g. government bonds from the peripheral eurozone countries).

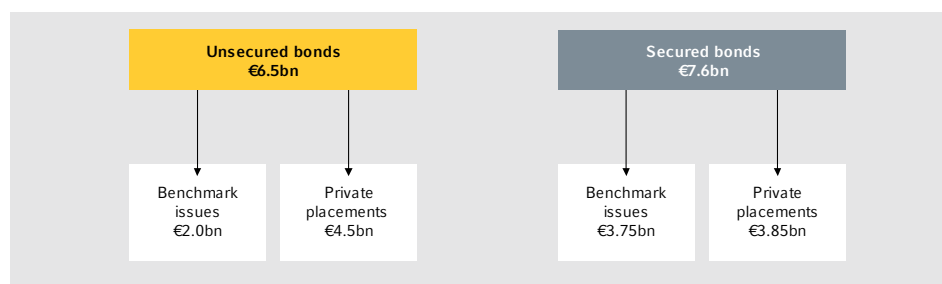
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In its funding operations, Commerzbank can fall back on a broad range of products, maturities, investor groups, regions and currencies in order to ensure an appropriate funding profile for the Bank's business activities. Furthermore, the Bank benefits from a stable deposit base in its private and corporate customer business.

Commerzbank was able to raise long-term funds of over €14.1bn in the market for secured and unsecured funding transactions during the first nine months of 2010.

#### Group capital market funding in the first nine months of 2010

Volume €14.1bn



Approximately €6.5bn of this came from unsecured issues and roughly €7.6bn from Pfandbriefe and Lettres de Gage. In total, in the secured and unsecured segment, the Bank issued six public-sector transactions with a volume of €5.75bn.

In the unsecured segment, Commerzbank Aktiengesellschaft issued a seven-year senior unsecured benchmark bond for an amount of €1bn offering a coupon of 3.875% with a spread of 105 basis points.

This was followed in September by a Commerzbank 10-year senior unsecured benchmark bond with a volume of €1bn and a spread of 150 basis points.

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. The positive market environment over the year also enabled a total of €975m to be added to four Eurohypo jumbo Pfandbriefe.

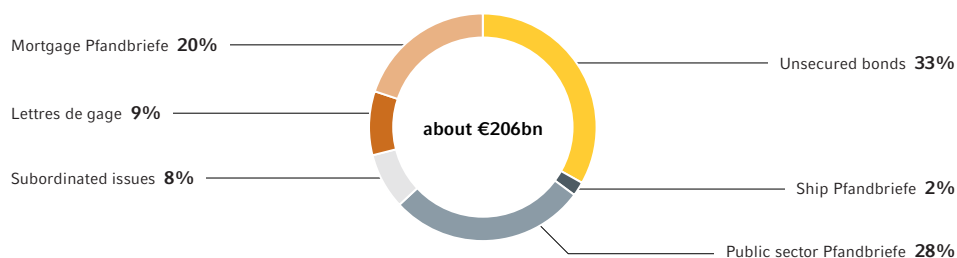
A mortgage Pfandbrief issue with a volume of €500m with a special focus on the German market was also syndicated and Eurohypo S.A. Luxembourg successfully issued the first Lettre de Gage of the year with a volume of €750m.

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

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#### Capital market funding structure

as of September 30, 2010



Commerzbank continued to enjoy unrestricted access to the secured and unsecured money and capital markets in the third quarter of 2010 and its liquidity position is comfortable. Thanks to its conservative and forward-looking funding strategy, the Bank was not reliant on central bank liquidity facilities. Consequently, Commerzbank continued to access the money market without restriction for customary maturities, even for shorter-term funding. This reflects its good standing in the market.

Commerzbank's liquidity and solvency were adequate at all times during the period under review. The regulatory provisions applicable to liquidity were complied with at all times. As at the September 30, 2010 reporting date, Commerzbank Aktiengesellschaft's liquidity ratio as measured by the standardized approach of the Liquidity Regulation was 1.11, 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 nine months of 2010 was 4.9%, compared to -3.4% in the same period last year. 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 and cash flow hedge reserves less the current consolidated surplus/deficit – amounted to 5.2% following -13.4% a year ago. The cost/income ratio – i.e. the ratio of operating expenses to total earnings before deduction of loan loss provisions – improved from 75.1% to 68.6%.



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## Segment reporting

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The Private Customers, Mittelstandsbank and Corporates & Markets segments posted positive operating results in the first nine months of 2010; Mittelstandsbank and Corporates & Markets results even recorded substantial increases. While the Central & Eastern Europe segment was slightly negative, it was able to post a significant improvement. Overall, the core bank segments contributed €1.3bn to consolidated profit. Outside the core bank, the picture was mixed. While the Asset Based Finance segment continued to report a loss due to the sharp increase in provisions for possible loan losses in connection with the situation in the international real estate markets, the Portfolio Restructuring Unit benefited from the ongoing improvement in the financial markets.

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

Although the competitive environment remained difficult and despite the charges in connection with the integration of Dresdner Bank, Private Customers achieved a positive operating result in the first nine months of the year. Once the brand migration was successfully completed, this segment alone managed to attract over 50,000 new clients in the third quarter of 2010.

The impact of the sale of non-strategic banking participations was clearly reflected in the development of net interest income, net commission income and operating expenses. Net interest income was down 8.3% year-on-year to €1,493, attributable to the ongoing low level of interest rates and deconsolidation effects. The increase in loan loss provisions of 14.9% to €200m was primarily the result of lagged effects of the crisis being felt in this segment. Net commission income was 7.0% down year-on-year at €1,506m. This drop can be attributed to customers' reluctance to invest and a shift in customer demand for products, as well as to effects connected with the sale of non-strategic interests. In addition, revenues were impacted by the increased burden on sales staff as a result of the integration. Other income contained charges of €48m in the period under review, after €75m for the equivalent period of 2009. Provisions for litigation risks made themselves felt here. Operating expenses declined by 5.5% to €2,701m – this result, too, was clearly impacted by the sale of equity participations. The decline was most noticeable in personnel expense, which dropped by €154m to €1,049m. On balance Private Customers posted an operating profit for the first nine months of 2010 of €72m, after €143m a year earlier.

The operating return on equity calculated on capital employed of €3.4bn was 2.8% (first nine months of 2009: 5.8%). The cost/income ratio was 90.9%, virtually the same as in the first nine months of 2009 (90.0%).

## Mittelstandsbank

The market environment continued to brighten compared to 2009 and the Mittelstandsbank segment used its stable business model and strong customer base, against a backdrop of further reductions in provisions for possible loan losses, to not only improve its operating result over the year but to more than double it compared with the year-earlier period.

At €1,568m, net interest income was on a par with the same period last year. Whereas deposit business contributed less to net interest income as a result of ongoing low interest rates, higher margins year-on-year largely made up for declining volumes in lending business, in particular in connection with the downsizing of the non-strategic foreign portfolio. Given the tangible improvement in economic conditions, loan losses provisions were €479m lower in the first nine months of the year at €177m, due partially to net reversals in the third quarter. Net commission income rose to €728m after €686m a year ago, due especially to the upturn in foreign trade and higher income from related product categories. Net trading income came to €32m, up by €140m on the figure for the first nine months of 2009, largely due to remeasurement effects from credit hedge transactions. Net investment income for the reporting period amounted to €41m as a result of remeasurement effects from restructured loans. Other income came to €25m, compared with €3m in the same period last year. This increase was due in particular to a one-off gain in connection with a settlement agreement dating from 2006. Operating expenses were up 5.8% on the previous year's figure of €1,011 at €1,070m. Whereas personnel expense was slightly lower than in the first nine months of 2009, other operating expense was higher year-on-year due to increased occupancy expense and IT costs and a higher level of contributions to the deposit insurance fund. Mittelstandsbank reported an operating profit of €1,147m for the first nine months of this year, an increase of €641m on the equivalent period of 2009.

The operating return on equity based on average capital employed of €5.5bn was 27.7% (first nine months of 2009: 12.4%). The cost/income ratio was an excellent 44.7% (first nine months of 2009: 46.5%).

## Central & Eastern Europe

The countries of Central and Eastern Europe benefited from a positive economic climate over the reporting period. While this trend proved particularly enduring in Poland and continued in Russia, the situation improved somewhat in Ukraine but remains volatile. The operating result after nine months is slightly negative but there has been a clear improvement year-on-year. BRE Bank has made a substantial contribution here.

Despite lower margins, net interest income was on a par with the prior-year level at €484m thanks to a slight increase in volumes. While loan loss provisions were down by a significant 39.3%, they remained at €313m as a result, in particular, of the continued difficult market environment in Ukraine. Net commission income increased by 24.4% to €153m in the period under review, bolstered by stronger demand for products in BRE Bank's private customer business. Net trading income was down slightly on the previous year at €57m due to currency hedging effects. Operating expense was €76m higher at €427m. This increase

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can be attributed primarily to a growth-related increase in personnel and higher distribution fees at BRE Bank. Overall – and despite the strong growth in BRE Bank's profits – Central & Eastern Europe posted an operating loss of €18m for the first nine months of 2010, a result that represents a significant improvement on the prior-period loss of €191m.

The operating return on equity based on average capital employed of €1.6bn was –1.5% (first nine months of 2009: –15.7%). The cost/income ratio was 59.1% after 51.9% for the first nine months of 2009.

## Corporates & Markets

Following the successful implementation of its client-driven business model, Corporates & Markets posted its third consecutive operating profit, despite a seasonally weak third quarter. The Corporate Finance group division continued to develop successfully in the third quarter. After the difficult overall conditions encountered in the second quarter in the wake of the debt crisis in the "PIIGS" countries, the Fixed Income & Currencies division returned to earnings growth in the third quarter. The results posted by Equity Markets & Commodities reflected the seasonal weakness of customer business in the third quarter.

Net interest income declined by €87m year-on-year to €549m. This was due in particular to a planned portfolio reduction and the successful reassignment of customer responsibilities as part of the integration. As a result of the increasing improvement in the economic environment and reversals, loan loss provisions for the first nine months of 2010 produced net income of €3m, following a net allocation to provisions of €264m in the prior-year period. Net commission income fell from €275m to €194m, essentially due to a few major transactions in the first nine months of 2009. At €948m, net trading income was again substantially higher than in the prior year at €801m. It should be noted that the figures for the first nine months of 2009 contained charges from the deliberate reduction of risks. Net investment income improved year-on-year as a result of remeasurement effects in relation to restructured loans, rising €57m to €60m. Other income increased €9m to €45m, whereas operating expenses fell by €265m year-on-year to €1,245m. The implementation of the planned personnel and organization structure was completed both in Germany and abroad. Cost synergies in customer-driven businesses have almost been fully leveraged, which means they have been achieved ahead of schedule. With a clear increase of €604m in operating profit to €554m, Corporates & Markets made a substantial contribution to consolidated profit in the first nine months of 2010.

On 14.4% lower capital employed of €3.9bn, operating return on equity was 19.1%. The cost/income ratio was down from 87.6% in the prior-year period to 69.3% in the first nine months of this year.

## Asset Based Finance

Despite the recovery in the global economy over the first three quarters, the crisis in the international real estate, public sector and ship finance markets continued to weigh on earnings and the result recorded by the segment was clearly negative. Whereas, in public finance, new business was restricted to that conducted as part of cover pool management, new commitments in respect of commercial real estate finance amounted to €3.7bn in the first three quarters, after €1.4bn in the same period of 2009. Portfolios continued to be managed down in both real estate and public sector finance as well as ship finance, while seeking to minimize losses as far as possible.

Net interest income rose 6.6% year-on-year to €891m as a result of higher margins in real estate financing both for new business and renewals. Loan loss provisions rose again in the third quarter to a total of €1,172m and were thus up 25.1% on the previous year. This increase can be attributed to a high-level of write-downs in commercial real estate financing, related primarily to the markets in the United States and Spain, which continue to suffer as a result of the crisis. In addition, provisions for individual exposures in other countries had to be made. Net commission income rose 23.0% to €251m. The main factors here were increased earnings in commercial real estate business, mainly from restructurings abroad, and income from interest rate and currency management products. At €-23m, the net trading result was substantially down on the prior-year figure of €258m. The result for the first nine months of 2009 contained positive valuations for derivatives and the profitable unwinding of a total return swap position. Net investment income amounted to a loss of €211m (first nine months of 2009: €-42m). This result was impacted by losses on disposals in the second quarter incurred when managing down the public finance portfolio. Operating expense was €446m, down 10.1% on the same figure last year. This decline was due to personnel and other operating expense resulting from the execution of the restructuring measures. As a result of these developments, an operating loss of €738m was recorded for the first three quarters of this year, after a loss of €161m for the same period last year. The reporting period saw restructuring expenses of €33m in connection with the strategic project "Correlation" at Commerzbank Real AG. Results for the equivalent period of 2009 were affected by goodwill impairment charges and restructuring charges of €757m.

The operating return on equity calculated on capital employed of €6.3bn was -15.6%, after -3.1% for the first nine months of 2009. The cost/income ratio increased from 39% to 50.7%.

## Portfolio Restructuring Unit

In spite of a volatile market environment, the Portfolio Restructuring Unit (PRU) posted a strong operating profit, which was also influenced by stabilizing effects in the markets for structured products. Certain assets witnessed increased liquidity and this was used to manage portfolios down further in the third quarter. Volumes were likewise reduced by restructurings and maturing positions. Total assets were reduced by €5.5bn over the reporting period, despite opposing currency effects. The total reduction of the credit trading portfolio is expected by the end of the year.

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Net interest income was down versus the year-earlier period by €127m to €62m, due primarily to the continued reduction in holdings. Loan loss provisions fell significantly from €338m to €52m, attributable to a lower level of impairments in individual credit structures. Net trading income increased sharply, up €1,204m on the first nine months of 2009 to €666m. This increase can be attributed to gains realized on actively reducing the portfolio as well as impairment reversals. The net investment loss contracted by €337m compared with the year-earlier figure, amounting to €-33m. Operating expense totalled €83m in the first nine months of 2010, a year-on-year drop of €24m. Overall, the PRU segment posted an operating profit of €570m for the first three quarters of 2010, compared to a loss of €1,153m for the equivalent period of 2009.

Average capital employed amounted to €1.3bn, after €1.8bn for the first nine months of last year.

## Others and Consolidation

The Others and Consolidation segment reports income and expenses that are 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 and Consolidation.

The operating result for the first nine months of this year was €-457m, compared with €210m in the same period of 2009. Operating income before provisions, at €186m, 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 remeasurement effects from the use of hedge accounting in accordance with IAS 39 on interbank transactions that were negative on balance. The significant decline in net investment income is attributable to substantial gains on the disposal of investments in 2009. Operating expenses in Others and Consolidation came to €650m 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 resulting from compliance with SoFFin requirements. The pre-tax result for the first nine months of 2010 was a loss of €457m, after a loss of €570 for the equivalent period of last year.

## Outlook and opportunities report

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

### Future economic situation

The recovery in the global economy is set to continue. In industrial nations, however, the upturn is likely to be weaker initially than in previous cycles because the excesses that preceded this recession have yet to be redressed. A particular case in hand is private households and companies, which in many countries had leveraged heavily and are now having to repay debt. This will slow demand just as much as the rigorous fiscal consolidation being implemented in the eurozone.

Of the large industrial nations, Germany will post the highest economic growth as it has no excesses from recent years to correct. Germany also has much less need for consolidation in its public sector than most other eurozone countries, and its economy, which is heavily geared to exports and capital goods, is set to reap above-average benefits from global economic recovery. Germany should therefore grow at a much faster pace (+3%) than the eurozone as a whole (around +1.5%). In 2011 growth will be somewhat slower at 2% due to the need to consolidate public sector finances, but Germany will continue to be a frontrunner in the eurozone.

Given the rather subdued nature of the global economic recovery, overall capacities will remain significantly underutilized for the time being. This will result in low inflationary pressure for some considerable time to come. Against this backdrop, the leading central banks will hold off a bit longer before exiting their low interest rate policies. And in fact, the US Federal Reserve and the Bank of Japan recently raised their expansionary stimulus. There will be virtually no interest rate hikes from the ECB or the Fed in the coming year.

With inflation still fairly weak and central banks holding off on rate hikes, the current structural low interest rate environment is set to remain in place for the time being. Fears of dipping back into recession should generally recede, and the European bond markets should ease somewhat. However, ten-year Bund yields will only rise gradually at first, with the yield premium for bonds of peripheral eurozone countries staying well above the levels seen prior to the financial crisis. Initially, the euro will make further gains against the dollar from the continued easing in US monetary policy, but structural problems within the European currency union will impact negatively in the medium term. Despite the initial progress governments have made in consolidating their budgets and implementing structural reform, these problems are far from being solved.

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## Future situation in the banking sector

According to a study by the European Central Bank (ECB), the median return on equity (RoE) of the world's big banks rose to 12% in the first quarter of 2010. Most European big banks also reported very healthy RoEs in the second quarter. A key factor in this improved profitability has been – and remains – the reduction many banks have made to risk provisions. Charges for write-downs on securities holdings and securitized products have also decreased.

Commerzbank is expecting eurozone gross domestic product in 2010 and 2011 to grow by 1.6% and 1.5% respectively. Given these fairly moderate macroeconomic forecasts, the banking sector's potential for growth will be restricted.

Near-term growth prospects, particularly for new lending, are somewhat subdued because many governments and private households in Europe are having to deleverage. The growth prospects for banks' net trading income are also fairly limited in the short term, leaving bond issuance aside. We are assuming that there will be further intense competition for retail deposits, which means margins in this area will remain under pressure. Banks might also face stricter requirements for access to funding, so it will be more expensive and longer-dated than before. The trends we are seeing within the sector correlate largely with the ECB's current analysis.

In the last few quarters the banking sector has reduced its leverage – i.e. the ratio of total assets to equity – and will probably maintain the current lower level. As this is also likely to limit earnings growth in the coming years, the focus at many banks will remain on cost-cutting.

The Basel Committee's proposals on banking sector regulation, which have been subsumed into Basel III, mean much tighter regulation in the coming years. The Basel proposals are scheduled to be transposed into concrete regulatory provisions by the end of 2010 and thereafter enacted in national law. These may have an impact on RoE, lending rates and the entire sector.

## Financial outlook for the Commerzbank Group

### Financing plans

The Commerzbank 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 in order to enhance the Bank's funding profile.

Commerzbank's funding activities will be regularly adjusted to reflect changes in conditions, in line with its internal stable funding concept. 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 for the rest of the year, 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 nine months 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 annual savings in future of up to €2.4bn following full implementation. Of the total investments of €2.5bn envisaged for the integration, €2.3bn will have been incurred by September 30, 2010, of which €0.4bn as running implementation costs in the 2010 financial 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 spinning off non-strategic peripheral activities and also plans measures to optimize 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. Year to date, costs of €30m have been incurred, and the full-year investment budget is €63m. For 2011 we anticipate an investment volume of €64m.

Beyond that, there have been no major changes versus the projects mentioned in the 2009 annual report on pages 146 to 147.

### Liquidity outlook

We expect the ECB to continue implementing its exit strategy in the coming quarters, although its allocation in open-market transactions is likely to remain unlimited due to the problems still being faced by peripheral eurozone countries. We also expect a further reduction in the total amount of surplus liquidity held by commercial banks at the ECB. Eonia should therefore edge closer to the short-term repo rate, with money market rates undergoing another moderate rise as a consequence.

We reckon that Commerzbank will continue to enjoy unrestricted access to secured and unsecured funding on the money and capital markets. This is due partly to the Bank’s good standing in the market and partly to its location in a strong eurozone country, which enhances its funding options and therefore its funding structure. The Bank also benefits from well-developed liquidity management. It can therefore be assumed that we will continue to be able to implement our funding targets according to plan.

In terms of liquidity risk management, banks will face fresh challenges from implementation of the amendment to the Minimum Requirements for Risk Management (MaRisk) and the additional reporting requirements imposed by Basel III, scheduled for 2011 onwards. The impact of the new requirements on Commerzbank’s liquidity management can only be assessed once Basel II is finalized and transposed into European law, which we are expecting in the first quarter of 2011.

Commerzbank is well prepared. The Bank’s funding strategy takes account of regulatory changes.



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## General statement on the outlook for the Group

We have recorded a profit in all three quarters of this year and are confident with regard to full-year results. Since the economic situation has recovered faster than initially forecast at the beginning of the year, we expect full-year 2010 to see a loan loss provisioning requirement of €2.7bn at most, well below the level originally expected. With regard to income, we expect the levels witnessed over the first three quarters to continue through to the end of the year. As far as costs are concerned, for 2010 as a whole we will achieve synergies that are slightly above those planned. On the other hand, implementation costs for integration will be higher this year than in 2009. With volatility continuing to be a feature in many areas, the development of business through to the end of the year should allow the Commerzbank Group to post an after-tax profit in accordance with IFRS of at least €1bn.

Against the backdrop of changes in planning projections for Eurohypo, write-downs should be expected in parent company financial statements under HGB (German Commercial Code). This – in addition to other charges – will probably have the effect of creating a substantial difference between the results of Commerzbank Aktiengesellschaft under HGB and consolidated results in accordance with IFRS.

In the Asset Based Finance segment, we will push ahead with reducing volumes over the next few years. In the Public Finance division, we will not engage in any new business except as part of our cover pool management and existing volumes will be substantially reduced over time via the maturities structure. In Commercial Real Estate, too, we will reduce volumes more substantially in future years than planned at the beginning of the year, and will only enter into new business in core markets on a selective basis.

We will examine the effects that the Basel III proposals announced recently and other proposed regulatory measures have on specific businesses and business models; this also encompasses the active management of our capital structure. The gradual introduction of Basel III will have the effect of increasing risk-weighted assets. Nevertheless, with the measures already in place and those planned with regard to the managing down of the risk portfolio, the increase in risk assets will be slight. The regulations on a bank levy and the EU-wide harmonization of deposit insurance will have a negative impact on earnings. We cannot however put a concrete number on the size of the impact.

For 2011, the Commerzbank Group should post a better result than for 2010, against the backdrop of a further decline in loan loss provisioning requirements and lower operating expenses. With a stable market environment, and bearing in mind that charges arising in connection with regulatory changes cannot be quantified at present, we expect to achieve the objectives of our Roadmap 2012.

## Report on events after the reporting period

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In mid-October Commerzbank completed the sale of montrada GmbH to the Dutch company Equens SE as announced. The supervisory authorities approved the transaction. Based in Bad Vilbel near Frankfurt, montrada GmbH specializes in card payment processing. Together with its subsidiary BD-POS GmbH it has a staff of 60.

Commerzbank owns 94.5% of shares in Ukrainian Bank Forum and, at its General Meeting which took place on October 14, 2010, shareholders voted in favour of a further capital increase of 1.5bn Ukrainian hryvnia (approximately €134m). Commerzbank plans to participate in the capital increase in proportion to its holding.

# Interim Risk Report

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## Risk-oriented overall bank management

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### 1. Risk management organization

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

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. The heads of these four risk management divisions together with the CRO make up 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

The risk-taking capability calculation is the basis for risk/return-oriented management and forms a central part of the Internal Capital Adequacy Assessment Process (ICAAP) at Commerzbank. The purpose is to ensure that sufficient capital is held for the risk positions of Commerzbank Group.

A distinction is made between the regulatory approach and the economic approach when calculating risk-taking capability. Economic risk-taking capability is monitored at Commerzbank using a gone concern scenario which seeks primarily to protect unsubordinated lenders. Economic capital for risk coverage therefore comprises subordinated components of capital in addition to core capital, less positions that would not be available in the event of a gone concern scenario

When calculating the capital required potential unexpected fluctuations are taken into consideration. Where such fluctuations exceed forecasts, they represent the actual risk to be covered by available capital. 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 high 99.95% confidence level in the economic capital model is in line with the underlying gone concern assumptions and ensures the risk-taking capability concept is internally consistent. It goes further than the regulatory requirements and also allows for portfolio-specific interactions.

Risk-taking capability at Commerzbank Group level is monitored and managed monthly.

Under the economic calculation of risk-taking capacity, economic risk capital is compared to economic capital required both at present and in a stress scenario. The current comparison is made using an economic capital ratio, which in the unstressed scenario as at September 30, 2010 was 15.4%. Over the year to date, the 8% internal requirement for economic core capital ratio has been met at all times.

Commerzbank uses extensive stress tests to estimate the sensitivities of capital requirements and risk cover and to obtain early warning indicators. The parameter stress test, for example, assumes a deterioration in all relevant risk parameters across all types of risk. The economic capital ratio calculated using this stress scenario as at September 30, 2010 was 9.9%.

Macroeconomic stress scenarios are also used to check the portfolio's robustness in the face of changed economic conditions. The input parameters for the calculation of economic capital required are simulated to reflect the forecast macroeconomic situation. In addition to the capital required, the economic capital for risk coverage is also stressed in the macroeconomic scenarios.

In the first nine months of the year, the 8% internal minimum for the stressed economic capital ratio was met in all the stress tests described.

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Risk-taking capability Commerzbank Group   €bn	30.9.2010	30.6.2010	31.12.2009
<b>Tier I core capital</b>	<b>31</b>	<b>31</b>	<b>30</b>
<b>Regulatory RWA</b>	<b>280</b>	<b>290</b>	<b>280</b>
thereof credit risk	246	259	246
thereof market risk	13	11	14
thereof operational risk	21	20	20
<b>Tier 1 capital ratio</b>	<b>11.2%</b>	<b>10.8%</b>	<b>10.5%</b>
<b>Capital available for risk coverage</b>	<b>38</b>	<b>39</b>	<b>39</b>
<b>Economic RWA excl. diversification</b>	<b>290</b>	<b>293</b>	<b>283</b>
thereof credit risk	177	184	173
thereof market risk	59	59	63
thereof operational risk	33	30	31
thereof business risk	21	21	16
<b>Diversification between risk types</b>	<b>43</b>	<b>42</b>	<b>43</b>
<b>Economic RWA incl. diversification</b>	<b>247</b>	<b>251</b>	<b>240</b>
<b>Economic RWA (stress scenario)</b>	<b>383</b>	<b>382</b>	<b>358</b>
thereof credit risk	212	220	206
thereof market risk	91	83	79
thereof operational risk	54	52	53
thereof business risk	25	26	20
<b>Economic capital ratio incl. diversification<sup>1</sup></b>	<b>15.4%</b>	<b>15.6%</b>	<b>16.1%</b>
<b>Economic capital ratio (stress scenario)<sup>1</sup></b>	<b>9.9%</b>	<b>10.2%</b>	<b>10.8%</b>

<sup>1</sup> As at December 2009 using the current methodology (see Risk Report Q1/2010 page 25).

Following a rise in RWAs up to June 2010, a slight fall was seen in the third quarter. Apart from currency effects such as the decline in the US dollar that reduced RWAs, it was good portfolio performance and the closure of exit units such as Allianz Dresdner Bauspar in the Private Customer segment which drove this fall. Further negative effects due to rating downgrades in the Asset Based Finance segment can be notified. Based on present knowledge, no major shifts in RWAs are expected between now and the end of the year.

## 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 30.9.2010	Exposure at Default €bn	Expected Loss €m	Risk Density bp	Unexpected Loss €m
<b>Core bank</b>	<b>332</b>	<b>1 188</b>	<b>36</b>	<b>8 673</b>
Private Costumers	70	245	35	990
Residential mortgage loans	36	117	33	
Investment properties	5	15	30	
Individual loans	13	58	44	
Consumer and installment loans/ credit cards	11	49	43	
Domestic subsidiaries	2	2	8	
Foreign subsidiaries and other	1	3	20	
Mittelstandsbank	106	450	43	3 600
Financial Institutions	17	50	29	
Corporates Domestic	64	296	46	
Corporates International	25	105	42	
Central & Eastern Europe	25	217	86	602
BRE Group	21	122	58	
CB Eurasija	2	21	116	
Bank Forum	1	58	994	
Other	2	15	79	
Corporates & Markets	93	264	28	3 169
Germany	30	100	33	
Western Europe	35	90	25	
Central and Eastern Europe	3	13	42	
North America	15	43	28	
Other	9	18	20	
Others and Consolidation	38	12	3	312
<b>Optimization – Asset Based Finance</b>	<b>224</b>	<b>593</b>	<b>26</b>	<b>4 584</b>
Commercial Real Estate	71	314	44	
Eurohypo Retail	17	31	18	
Shipping	25	210	84	
<i>thereof ship financing</i>	21	209	100	
Public Finance	111	37	3	
<b>Downsize – PRU</b>	<b>21</b>	<b>112</b>	<b>52</b>	<b>918</b>
<b>Total</b>	<b>577</b>	<b>1 893</b>	<b>33</b>	<b>14 175</b>

### 1.1 Private Customers

In this segment the Group provides private and corporate customers with a wide range of banking and financial services products, which are largely standardized and aimed at the typical needs of such customers.

Exposure in the segment mainly relates to real estate financing (€41bn), individual loans (€13bn) as well as consumer loans, instalment loans and credit cards (€11bn). The roughly €8bn fall in the portfolio over the course of the year has been chiefly due to the sale of exit units; the risk density of the remaining book has risen marginally by one basis point to 35 basis points.

Loan loss provisions were slightly below the level of the previous quarter and are therefore still in line with expectations. As a result of the continued economic recovery and the fall in German unemployment we do not expect any further negative effects from macroeconomic factors between now and the year-end.

### 1.2 Mittelstandsbank

This segment bundles together the Group's activities with Mittelstand customers (where they are not assigned to Central & Eastern Europe or Corporates & Markets), the public sector and institutional customers. The segment is also responsible for the Group's relationships with domestic and foreign banks and financial institutions and with central banks.

The first nine months of 2010 saw a lot of good economic news. The recovery in the global economy continued, which had a favourable effect on Mittelstandsbank's core German market. Germany has become the economic engine of Europe in 2010, despite remaining highly dependent on the development of the export business. In some areas growth rates have returned to the level seen before the financial markets crisis. The overall portfolio of the Mittelstandsbank in Germany has seen clear improvements in creditworthiness compared to the difficult situation of 2009. Despite a slight rise in EaD, EL and risk density at Corporates Domestic fell sharply.

The sustainability of the trend seen in the first nine months remains subject to the economic performance of markets outside Europe, especially the USA and Asia.

Corporates International have seen a slight fall in EaD and EL over the year, and risk density rose slightly to 42 basis points as at September 30, 2010.

For details of trends in Financial Institutions see Section 2.3.

The generally weaker results from 2009 have largely been worked through in the overall portfolio. The overall portfolio continues to be predominantly investment grade.

Changes in exposure will depend to a large degree on whether or not there is a change in customers' propensity to invest. Overall we expect exposure in the Mittelstandsbank to pick up slightly by the end of 2010.

### 1.3 Central & Eastern Europe

This segment includes the activities of the Group's operating units and investments in Central and Eastern Europe.

The economic situation in Central and Eastern Europe has improved from a relatively low level 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 has continued in 2010. The country is one of the fastest-growing states in the EU. However, this positive trend has been accompanied by rising unemployment, which automatically results in a higher level of defaults in retail business. Even so, EL and risk density at BRE Bank improved significantly due to successful preventive measures.

The recovery has gained strength in Russia. This is reflected in portfolio risk density, which remains high but has more than halved to 116 basis points since the start of the year. The Bank is expecting further improvements in the risk position, particularly for commodity-exporting companies.

After high charges at Bank Forum last year, Ukraine too is now showing slightly positive signs for the first time, although the risk position remains tight. The recovery of the local currency against the US dollar has brought modest relief for foreign currency denominated loans. The focus remains on risk limitation.

#### 1.4 Corporates & Markets

This segment covers client-driven capital markets activities and commercial business with multinationals and selected major customers of Commerzbank Group.

The regional focus is on Germany and Western Europe, which continue to account for more than two-thirds of the exposure: North America accounted for around €15bn as at September 30, 2010, the same as at December 31, 2009. In sector terms, a high proportion of EaD comes from Financial Institutions, so there has been a steady run-down of bulk risks here over the course of the year. The remaining portfolio is widely diversified by sector. The improved market environment from the second quarter meant it was once again possible to write new business with good names and still meet strict risk/return criteria.

There has been a revival of market activity in leveraged finance; we engaged selectively in new transactions and increases in existing exposures starting in the second quarter, while sticking to a conservative risk strategy.

#### 1.5 Asset Based Finance

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

**Commercial Real Estate** CRE has been further reduced in accordance with strategy, taking total exposure (EaD) to €71bn (December 31, 2009: €77bn). The main components of exposure are the sub-portfolios Office (€27bn), Commerce (€20bn) and Residential Real Estate (€9bn).

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.

The difficult economic environment has resulted in competitors in international real estate markets continuing to act with great caution. Positive indicators suggesting an improvement in the willingness to invest are now appearing with increasing frequency. Performance in Germany and such core European markets as the UK, Italy and France indicate cautious optimism, especially for prime assets. No lasting turn for the better has emerged yet in the USA. However, risk density for the US sub-market has been reduced year-on-year, in line with the more optimistic view of the market overall. As at the reporting date, the risk density of the overall portfolio has moved significantly closer to the year-end 2009 level.

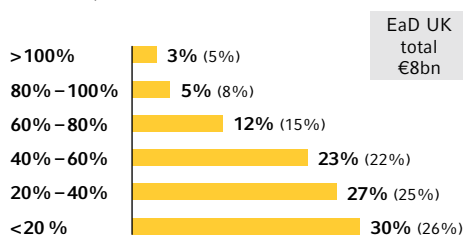


27	Risk-oriented overall bank management
30	Default risk
44	Market and liquidity risks
47	Intensive care/charges against earnings
49	Operational risk
49	Other risks

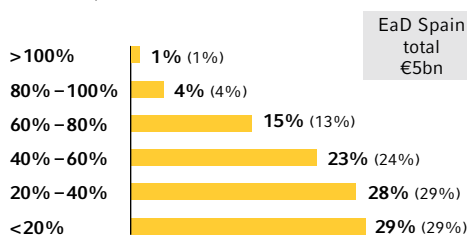
Given the strategic reorientation of Eurohypo until 2014, activities are currently focused on winding down the non-strategic portfolio in a profitable manner, with a view to sustainably strengthening the financing model.

Mortgage-backed funding continues to be largely at acceptable loan-to-value ratios; a total of 2% of EaD is in the category >100% (December 31, 2009: 3%).

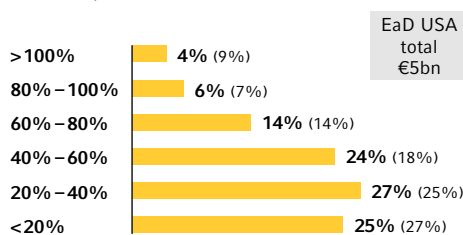
#### Loan to Value – UK<sup>1</sup> stratified representation



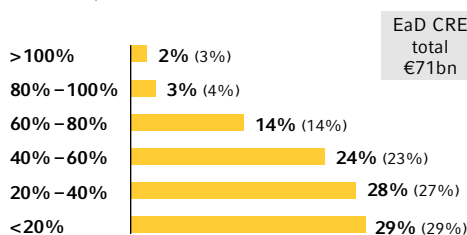
#### Loan to Value – Spain<sup>1</sup> stratified representation



#### Loan to Value – USA<sup>1</sup> stratified representation



#### Loan to Value – CRE total<sup>1</sup> stratified representation



<sup>1</sup> LtVs based on market values; excluding margin lines and corporate loans; additional collateral not taken into account.

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

**Eurohypo Retail** Since the transfer of new business activities in retail banking to Commerzbank in 2007, Eurohypo has only been responsible for the existing loan book. There are no strategic plans for new business activity in this segment (it is a "discontinued business"). The downsizing of the portfolio was steadily been pushed forward in a manner that protects earnings stream. Exposure in the Eurohypo retail portfolio was cut by €2.1bn to €17bn as at September 30, 2010; the focus remains on owner-occupied houses (€10bn) and apartments (€4bn). Given the low loan-to-value ratios (a factor of residual maturity) and generally senior security, the risk in this portfolio is regarded as relatively low, especially given the macro-economic improvement in Germany.

**Ship Financing** Including Deutsche Schiffsbank AG the, mostly in US dollar denominated exposure of ship financing in 2010 has seen a reduction from €24bn in June 2010 to €21bn due to the weakened US dollar. The portfolio is still focused on the three standard types of ship, namely containers (€6bn), tankers (€5bn) and bulkers (€5bn). The remaining €5bn 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. Expected loss was reduced by €23m from year-end 2009 to €209m, with risk density falling 6 basis points to 100 basis points.

The recovery of the world economy has positive effects on all segments of shipping. Strong economic growth, especially in Asian emerging markets, should lead to a further increase in the demand for carriage by sea. In the bulker and container segment markets have slightly recovered (except small-sized containerships). The recently negotiated time charter rates indicate an increasingly stable market development. The demand for containers has been stimulated significantly.

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 low scrappage potential recovery potential remains limited.

**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. Most lending to governments comes under Public Finance, but some is included in Mittelstand, Corporates & Markets and Treasury. Borrowers in the Public Finance business (€73bn 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 (€38bn EaD), where the focus is also on Germany and Western Europe (approximately 92%). The business with other banks mostly 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 of the overall Public Finance portfolio was cut by €18bn to €111bn in the first nine months of 2010 as part of the de-risking strategy by using maturities and actively reducing the portfolio, in some cases accepting losses. The overall target reduction is a maximum of €100bn by the end of 2011.

Sovereign exposure across all segments to Portugal, Ireland, Italy, Greece and Spain, which predominantly relates to Public Finance, totalled €16.6bn.

27 Risk-oriented overall bank management

30 Default risk

44 Market and liquidity risks

47 Intensive care/charges against earnings

49 Operational risk

49 Other risks

Sovereign exposure in selected countries   €bn	30.9.2010
Portugal	0.9
Ireland	<0.1
Italy	9.9
Greece	2.8
Spain	3.0

### 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 mainly structured credit positions (mainly asset backed securities – ABS) with a nominal value of €31.4bn as at September 30, 2010, as shown in detail in section 2.1.1.

The remaining items in the PRU include credit default swaps and tranches on pools of credit default swaps 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. The positions are managed within narrow limits for VaR and credit spread sensitivities. The positive market trend since the beginning of the year has resulted in an absolute reduction in both long and short credit default swap positions. As in the second quarter, the holdings of non-structured bonds, loans and CDSs could be further reduced in the third quarter.

## 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 €bn	30.9.2010		30.6.2010		31.12.2009	
	Nominal values	Risk values <sup>1</sup>	Nominal values	Risk values <sup>1</sup>	Nominal values	Risk values <sup>1</sup>
<b>PRU</b>	<b>31.4</b>	<b>19.9</b>	<b>35.1</b>	<b>21.7</b>	<b>37.3</b>	<b>23.7</b>
RMBS	7.7	5.3	8.7	5.8	8.7	5.9
CMBS	0.7	0.5	0.8	0.5	2.2	1.6
CDO	11.3	6.9	12.7	7.6	12.5	7.3
Other ABS	3.7	3.0	4.4	3.7	5.7	5.2
PFI/Infrastructure	4.3	3.9	4.3	4.0	4.1	3.7
CIRC	0.7	0.0	0.7	0.0	0.9	0.0
Other Structured Credit positions	2.8	0.2	3.4	0.2	3.2	0.0
<b>Non-PRU</b>	<b>11.5</b>	<b>10.7</b>	<b>12.6</b>	<b>12.2</b>	<b>13.1</b>	<b>12.6</b>
Conduits	4.6	4.6	5.0	5.0	5.9	5.9
Other	6.9	6.1	7.6	7.2	7.2	6.7
<b>Total</b>	<b>42.9</b>	<b>30.6</b>	<b>47.7</b>	<b>33.9</b>	<b>50.4</b>	<b>36.3</b>

#### 2.1.1 Structured Credit Exposure PRU

In the opening months of 2010 the market for structured credit products as CDOs, CMBSs and RMBSs saw spreads come in further, but in the wake of the Greek 'crisis' they widened out again slightly and became increasingly volatile, a situation which persisted during the period under review. This particularly affected the senior tranches of securitized structures, which had especially benefitted from falling spreads in the first quarter. In these circumstances it proved possible to dispose of only a few assets in line with the strategy of reducing in a way that maximizes value. Because of a renewed decline in both the dollar and the pound sterling and despite the only small quantity of disposals, nominal volumes fell noticeably from €35.1bn to €31.4bn with risk values<sup>1</sup> falling from €21.7bn to €19.9bn at the same time. Commerzbank remains committed to the value-maximizing reduction of the structured credit portfolio, which has been successfully implemented in recent quarters.

Overall we expect write-ups over the residual life of these assets, with possible future write-downs on assets such as US RMBSs and US CDOs of ABSs, which have already been written down substantially, to be more than compensated by a positive performance from other assets. This forecast is based primarily on the long period that has now passed since the structures were launched, which enables a reliable assessment of the future performance of the portfolio, as well as the general stabilization in those economies which are of importance for us.

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

<sup>1</sup> Risk value is the balance sheet value of cash instruments. For long CDS positions it comprises the nominal value of the reference instrument less the net present value of the credit derivative.

27	Risk-oriented overall bank management
30	Default risk
44	Market and liquidity risks
47	Intensive care/charges against earnings
49	Operational risk
49	Other risks

Rating breakdown Structured Credit Portfolio   €bn	30.9.2010
AAA	4.7
AA	3.2
A	3.0
BBB	5.2
< BBB	3.7

**Asset Backed Securities (ABS)** These are investments in ABS securities that were made by Commerzbank as part of its synthetic lending 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 of RMBSs, CMBSs, CDOs and other ABSs. This helps to provide a clear and asset-specific breakdown of the portfolio 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 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 €5.3bn (December 31, 2009: €5.9bn).

A high percentage of the holdings of direct and indirect securitizations of US mortgage loans have already been written down. In spite of the loan repayments we are currently receiving in some cases due to the seniority of the 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 €0.8bn at the end of the quarter (December 31, 2009: €0.9bn). The mark-down ratio for US RMBSs was 69% as at September 30, 2010.

European RMBS positions (risk value €4.5bn), which had suffered spread widening and lower prices in the previous quarter owing to the Greek 'crisis' and despite enhanced and stabilized fundamental and performance data (unemployment, development of property prices), saw stable or improving prices, especially in senior tranches. Notwithstanding these impairments in value due to changes in market prices, based on fundamentals, we continue to expect that these securitizations will be repaid in full.

Rating breakdown RMBS   €bn	30.9.2010
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 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 successful reduction in the portfolio during the course of the year the CMBS portfolio had a risk value of only €0.5bn at the end of September 2010 (December 31, 2009: €1.6bn). The CMBS loans come predominantly from the UK and Ireland (21%),

Continental Europe (22%) and from pan-European transactions (52%). The share of US CMBSs in the portfolio remained unchanged at 5%.

Realized credit losses in the CMBS market have been limited to date. The severe write-downs taken on CMBSs in the PRU therefore derive principally from Commerzbank's expectation of a sharp rise in losses due to the limited funding opportunities for commercial property loans. Following the events of early 2010, the third quarter saw a favourable movement in spreads once again. However CMBSs, like other segments, also experienced increased volatility in spreads within the quarter and associated fluctuations in value. The mark-down ratio as at September 30, 2010 was 33%.

**Collateralized 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 depending on the transaction.

Despite considerable nominal downsizing the total risk exposure of this asset class at the end of the period was only slightly lower at €6.9bn (December 31, 2009: €7.3bn) due to the renewed weakness of the dollar. The largest share of the risk exposure at 53% is accounted for by CDOs, which are predominantly based on loans to corporates in the USA and Europe (CLOs). CLOs have continued to benefit from falling default rates and forecasts and increased expectations of recovery in the corporate sector. Further spread tightening, especially for the senior tranches of CLOs with European assets, has resulted in slightly higher market values in this sector of the portfolio. The mark-down ratio as at the end of the period was 15%.

A further 39% of the risk value is accounted for by US CDOs of ABSs, which are mostly secured by US subprime RMBSs. Due to Commerzbank's continued adverse 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 mostly consist of the highest-ranking tranches of such CDOs.

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

Rating breakdown CDO   €bn	30.9.2010
AAA	0.5
AA	1.4
A	1.0
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 value in this asset class as at September 30, 2010 was €3.0bn (December 31, 2009: €5.2bn). The largest part of the risk exposure is accounted for by Consumer ABSs and ABSs secured by other US assets, such as securitized receivables from the marketing of film rights and life insurance policies. The exposure to receivables from the marketing of film rights was actively cut back further during the reporting period. However, due to the structural characteristics of individual transactions, further writedowns are possible.

27	Risk-oriented overall bank management
30	Default risk
44	Market and liquidity risks
47	Intensive care/charges against earnings
49	Operational risk
49	Other risks

The portfolio of Consumer ABSs was consistently reduced further in the third quarter of 2010. The mark-down ratio of the remaining positions in this segment was 19% at the reporting date.

**PFI/Infrastructure financing** The PRU's Structured Credit category also contains exposures to Private Finance Initiatives (PFI) with a risk value of €3.9bn as at September 30, 2010. The portfolio consists of the private financing and the operation of public sector facilities and services, such as hospitals and water supply operations. All lending in the PRU portfolio relates to the UK and has extremely long maturities of over 10 to over 40 years. The credit risk of the portfolio is more than 80% hedged, mainly with monoline insurers Commerzbank does not currently expect to default.

**Credit Investment Related Conduits (CIRC)/other Structured Credit positions** At September 30, 2010 there was no risk exposure arising from the nominal exposure to these instruments due to an adequate capitalization of the structures.

### 2.1.2 Structured Credit Exposure non-PRU

Below are details of structured credit positions from the 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. When combined 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 €4.6bn at the end of September 2010 (December 2009: €5.9bn). The decline in exposure is due to more amortizing ABS programmes in the conduits. The majority of these positions consists of liquidity facilities/back-up lines granted to the conduits Kaiserplatz and Silver Tower administered by Commerzbank. There has been no exposure to conduits of other banks since the second quarter of 2010.

The underlying receivables of the Bank's ABCP programmes are strongly diversified and reflect the differing business strategies pursued by the sellers of receivables or customers. These receivable portfolios do not contain any non-prime assets. To date there are no recorded losses on any of these transactions.

Currently Commerzbank does not see any need for loan loss provisions in respect of the liquidity facilities/back-up lines classified under the IFRS category Loans and Receivables.

Rating breakdown conduits non-PRU   €bn	30.9.2010
AAA	0.9
AA	1.6
A	1.6
BBB	0.4
< BBB	0.1

The volume of the ABS structures issued by Silver Tower was €3.8bn as at September 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 €1.0bn), which were securitized as part of an active credit risk management.

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

**Other Asset Backed Exposures** Other ABS positions with a total risk exposure of €6.3bn were held mainly by Eurohypo in Public Finance (€5.2bn) and by CB Europe (Ireland) (€1.1bn). These were principally government guaranteed securities (€5.3bn), of which about €4.0bn were attributable to US Government Guaranteed Student Loans. A further €1.0bn was related to non-US RMBSs, CMBSs and other mainly European ABS papers.

**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 €13.5bn, primarily for capital management purposes, of which risk exposures with a nominal value of €8.7bn were retained as at September 30, 2010. By far the largest portion of these positions is accounted for by senior tranches of €8.3bn, which are nearly all rated AAA or AA.

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.



27 Risk-oriented overall bank management

30 Default risk

44 Market and liquidity risks

47 Intensive care/charges against earnings

49 Operational risk

49 Other risks

Securitization pool as at 30.9.2010 €bn	Maturity	Total volume <sup>1</sup>	Commerzbank volume <sup>1</sup>		
			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	5.0	0.9	0.1	<0.1
<b>Total</b>		<b>13.5</b>	<b>8.3</b>	<b>0.2</b>	<b>0.2</b>

<sup>1</sup> Tranches/retentions (nominal): banking and trading book.

## 2.2 Leveraged Acquisition Finance (LAF) portfolio

In the first nine months 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, Commerzbank will maintain its conservative risk strategy and will only enter into new business on a selective basis on the basis of predetermined guidelines and after monitoring market developments closely, not least because the companies in the LAF portfolio are comparatively more sensitive to the development of the economy due to their high debt levels. The portfolio's total exposure is €3.8bn. The geographic emphasis remains in Europe at 91%, with a special focus on Germany at 50%.

Direct LAF portfolio by sectors   EaD €bn	30.9.2010
Technology/Electrical industry	0.7
Chemicals/Plastics/Healthcare	0.6
Financial Institutions	0.5
Automotive/Mechanical engineering	0.5
Consumption	0.4
Transport/Tourism	0.3
Services/Media	0.3
Basic materials/Energy/Metals	0.2
Other	0.1
<b>Total</b>	<b>3.8</b>

### 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 other segments.

FI/NBFI portfolio by region as at 30.9.2010	Financial Institutions			Non-Bank Financial Institutions		
	Exposure at Default €bn	Expected Loss €m	Risk Density bp	Exposure at Default €bn	Expected Loss €m	Risk Density bp
Germany	36	4	1	8	19	24
Western Europe	35	19	5	24	45	19
Central and Eastern Europe	7	29	40	1	2	23
North America	6	2	3	6	50	77
Other	14	31	22	7	31	43
<b>Total</b>	<b>99</b>	<b>85</b>	<b>9</b>	<b>46</b>	<b>146</b>	<b>32</b>

Activities in the Financial Institutions portfolio in the first nine months of 2010 concentrated on proactively reducing risk in line with strategy, especially in positions identified as concentrations of risk.

Starting with a consolidated exposure of €113bn at December 31, 2009, a significant reduction of €14bn has been achieved in the portfolio in the year to date. Especially in the Asset Based Finance segment efforts remain directed at achieving a further decrease.

The EaD of the NBFI portfolio (including ABS and LBO transactions relating to NBFIs as well as NBFI assets in the PRU) have fallen by €6bn over the course of the year to €46bn. Commerzbank's outlook for the NBFI sector remains positive, although a degree of caution has crept in as a result of the uncertainties arising from the European sovereign crisis.

New business is concentrated in Western European insurers and regulated funds. The main focus of the risk limitation measures continues to be on reducing concentrations of risk.

27 Risk-oriented overall bank management

30 Default risk

44 Market and liquidity risks

47 Intensive care/charges against earnings

49 Operational risk

49 Other risks

## 2.4 Country classification

The regional breakdown of the exposure corresponds to the Bank's strategic focus 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 8% to North America. The rest is split between a large number of countries where we serve German exporters in particular or where Commerzbank has a local presence.

Total portfolio by region as at 30.9.2010	Exposure at Default €bn	Expected Loss €m	Risk Density bp
Germany	284	795	28
Western Europe	148	334	23
Central and Eastern Europe	43	289	67
North America	45	160	36
Other	58	316	55
<b>Total</b>	<b>577</b>	<b>1 893</b>	<b>33</b>

## 2.5 Rating classification

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

Rating breakdown as at 30.9.2010   %	1.0–1.8	2.0–2.8	3.0–3.8	4.0–4.8	5.0–5.8
Private Customers	21	45	23	8	2
Mittelstandsbank	14	50	28	6	3
Central & Eastern Europe	28	33	26	11	2
Corporates & Markets	41	42	12	3	2
Asset Based Finance	38	42	14	4	2
<b>Group<sup>1</sup></b>	<b>35</b>	<b>41</b>	<b>17</b>	<b>5</b>	<b>2</b>

<sup>1</sup> Including PRU as well as 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 sector as at 30.9.2010	Exposure at Default €bn	Expected Loss €m	Risk Density bp
Basic Materials/Energy/Metals	28	126	44
Consumption	23	124	54
Transport/Tourism	12	74	62
Chemicals/Plastics	12	71	59
Mechanical engineering	11	86	77
Technology/Electrical industry	12	45	37
Services/Media	11	65	60
Automotive	9	58	62
Construction	5	24	52
Other	14	51	36
<b>Total</b>	<b>138</b>	<b>725</b>	<b>53</b>

## Market and liquidity risks

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### 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 volatility 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 utilization of these limits, together with the relevant P&L figures, is reported daily to the Board of Managing Directors and the various 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.

Risk was affected by movements in interest rates in the third quarter of 2010, especially in the Public Finance portfolio in the banking book. Yields fell noticeably in the core European markets, but remained high in the peripheral countries. Spreads therefore widened and volatility rose. In a difficult market environment, risk management drove the reduction of the portfolio forward.

#### 1.1 Market risk in the trading book

There was little change to the overall risk in the trading book over the third quarter 2010. However, a mixed picture emerges if one looks at the different asset classes. Risk from equities and commodities is lower, whereas credit spread risk is higher. The decline in equity risk comes from reductions in the portfolio and changes in the market value of an equity investment position, while commodity risk was lower largely due to changes in correlations.

The increased credit spread risk comes from PRU and Corporates & Markets. More positions were reduced in the PRU, but higher market values in the portfolio as a result of performance resulted in an increased risk position. In addition, an increase in the risk parameters (sensitivity and volatility) in Corporates & Markets caused higher spread risk.

The market risk profile in the trading book is diversified across all asset classes, but there is a focus on credit spread risks.

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VaR contribution by risk type in the trading book   €m	30.9.2010	30.6.2010	31.12.2009
Credit spreads	29.2	25.3	32.6
Interest rates	10.8	9.8	13.9
Equities	3.9	5.9	9.0
FX	2.1	2.0	3.5
Commodities	1.2	2.7	1.5
<b>Total</b>	<b>47.2</b>	<b>45.8</b>	<b>60.5</b>

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 interest risk and credit spread risk 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 process of reducing the Public Finance and equity investment portfolios continued.

### Credit spread sensitivities

Downshift 1 bp | €m

December 2008*	117
December 2009	89
June 2010	91
September 2010	92

\* 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 stable in the third quarter at €92m. The effect from portfolio reductions was cancelled out by changes in market values due to falling yields. As at the end of September 2010, around 76% related to 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.

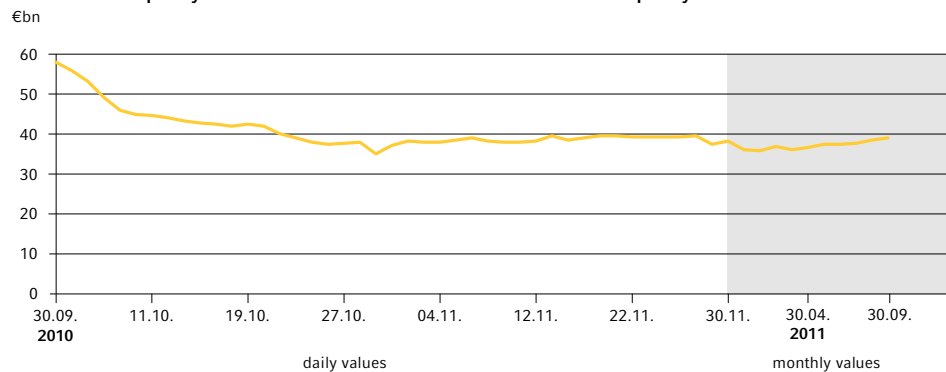
## 2. Liquidity risk

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 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 €93bn at September 30, 2010.

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

The chart of the available net liquidity below shows that as at the calculation date of September 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 of the internal liquidity model**



Throughout the first three quarters 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. The liquidity requirements of supervisory law as set down in the Liquidity Regulation were met at all times. The liquidity situation at Commerzbank continues to be stable and comfortable and the Bank was solvent at all times.

The Bank benefits from its core business activities in retail and corporate banking and a widely diversified funding base in terms of products, regions and investors in the money and capital markets. Commerzbank expects the favourable liquidity situation to persist in the last quarter of 2010.

As part of the further development of liquidity risk monitoring and ongoing reporting, the Bank supports various regulatory initiatives to harmonize international standards for the supervision of liquidity risk and is actively preparing for the introduction of the liquidity risk ratios defined in Basel III.

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## Intensive care/charges against earnings

Loan loss provisions were again down significantly year-on-year in the third quarter of 2010. Falling by €432m and at €621m provisions were slightly below the second quarter of 2010. The table below shows the development within the business segments:

Loan loss provisions €m	2010	2010			2009	2009			
	Q1-Q3	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Private Customers	200	64	70	66	246	72	70	55	49
Mittelstandsbank	177	-78	94	161	954	298	330	236	90
Central & Eastern Europe	313	127	92	94	812	296	142	201	173
Corporates & Markets	-3	17	-1	-19	289	25	44	-34	254
Asset Based Finance	1,172	493	354	325	1,588	651	372	358	207
Portfolio Restructuring Unit	52	2	28	22	327	-11	99	169	70
Others and Consolidation	-7	-4	2	-5	-2	-7	-4	8	1
<b>Total</b>	<b>1,904</b>	<b>621</b>	<b>639</b>	<b>644</b>	<b>4,214</b>	<b>1,324</b>	<b>1,053</b>	<b>993</b>	<b>844</b>

The main driver behind the reduction in provisions was the very good risk performance in the Mittelstandsbank, which profited particularly from the favourable economic environment and also saw a significant release of €-100m from provisions when it successfully restructured one particular position. Provisioning levels at the Portfolio Restructuring Unit were also sharply down on the previous periods and the Private Customers segment did slightly better than previous quarters.

Risk provisions rose in the third quarter in Central & Eastern Europe, Corporates & Markets and Asset Based Finance. The increase at Corporates & Markets was only modest, so the segment has still made a slight positive contribution to earnings in the year to date. Provisioning in Central & Eastern Europe is also well down on last year's high level. The targeted consolidation of the segment is moving ahead as planned. Group risk provisioning in 2010 is heavily affected by Commercial Real Estate in the Asset Based Finance segment: provisions here rose again significantly on the previous quarter. No change to this trend is in sight, in the absence of any sustainable recovery in the critical real estate markets of the USA and Spain.

Subject to seasonal influences the risk provision will increase in the fourth quarter. However Commerzbank's current expectations are for a charge no greater than €2.7bn for 2010 as a whole.

The following overview shows individual cases with a need for specific loan loss provisioning by size range:

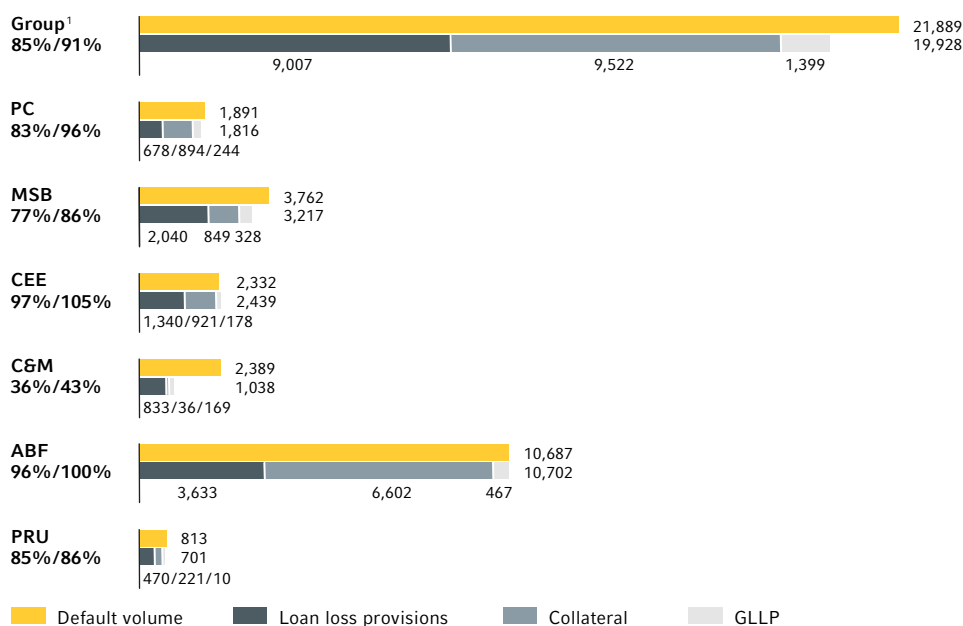
Year	Other cases <€10m	≥€10m <€20m	≥€20m <€50m	≥€50m	Individual cases ≥€10m total					
	Net LLP total €m	Net LLP total €m	Number of commitments	Net LLP total €m	Number of commitments	Net LLP total €m	Number of commitments	Net LLP total €m	Number of commitments	Net LLP total €m
2009	2,107	652	48	495	22	960	10	2,107	80	4,214
Q1-Q3 2010	788	331	29	644	25	141	6	1,116	60	1,904

All cases requiring specific provisions  $\geq$ €50m are within the Asset Based Finance segment, whereas in Mittelstandsbank, for instance, releases of this size were also recognized. Overall, the net charge for large specific provisions was sharply down on the previous year, as were provisions overall.

The Group's default portfolio amounts to €21.9bn, just under €200m less than at the end of the previous quarter. Its structure can be seen in detail in the chart below:

#### Default portfolio and coverage ratios by segment

€m – excluding/including GLLP



<sup>1</sup> Including Others and Consolidation.

The default portfolio shrank in all segments in the third quarter, with the exception of Asset Based Finance. The biggest net reduction was the result of restructuring and asset workouts in the Portfolio Restructuring Unit. Corporates & Markets and Mittelstandsbank also cut volumes considerably thanks to the favourable environment. Asset Based Finance saw increased inflows into the default portfolio during the period, in line with the rise in risk provisioning. However, this increase was more than made up by the positive development within the other segments. Despite the difficult circumstances in the Asset Based Finance segment, the current assumption is that the default portfolio can be further reduced by year-end.



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## Operational risk

Operational risk in Commerzbank is based on the German 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 at the end of the period was €112m, 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   €m	30.9.2010	30.6.2010	31.12.2009
Private Customers	57	53	50
Mittelstandsbank	20	19	19
Central & Eastern Europe	8	8	9
Corporates & Markets	61	59	58
Asset Based Finance	3	3	3
Portfolio Restructuring Unit	7	7	6
Others and Consolidation	5	4	5
<b>Total</b>	<b>161</b>	<b>153</b>	<b>150</b>

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 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 nine months of the year compared to the position reported in detail 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, external auditors and the German supervisory authorities. 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.

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## Statement of comprehensive income (condensed version)

### Income statement

€m	Notes	1.1.–30.9.2010	1.1.–30.9.2009	Change in %
Net interest income	(1)	5,375	5,299	1.4
Provisions for loan losses	(2)	-1,904	-2,890	-34.1
Net interest income after provisions		3,471	2,409	44.1
Net commission income <sup>1</sup>	(3)	2,772	2,788	-0.6
Net trading income <sup>1</sup>	(4)	1,574	165	.
Net investment income	(5)	-83	504	.
Other income	(6)	18	46	-60.9
Operating expenses	(7)	6,622	6,608	0.2
Impairments of goodwill and brand names		-	716	.
Restructuring expenses	(8)	33	1,409	-97.7
<b>Pre-tax profit/loss</b>		<b>1,097</b>	<b>-2,821</b>	.
Taxes on income	(9)	-115	-99	16.2
<b>Consolidated profit/loss</b>		<b>1,212</b>	<b>-2,722</b>	.
Consolidated profit/loss attributable to non-controlling interests		39	-42	.
Consolidated profit/loss attributable to Commerzbank shareholders		1,173	-2,680	.

<sup>1</sup> Restatement of prior-year figures due to change in reporting structure (see page 59f.).

Earnings per share   €	1.1.–30.9.2010	1.1.–30.9.2009	Change in %
Earnings per share	0.99	-2.71	.

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.–30.9.2010	1.1.–30.9.2009	Change in %
Consolidated profit/loss	1,212	-2,722	.
Change in revaluation reserve			
Reclassified to income statement	-66	-70	-5.7
Change in value not recognized in income statement	-104	610	.
Change in cash flow hedge reserve			
Reclassified to income statement	212	-	.
Change in value not recognized in income statement	-61	-403	-84.9
Change in currency translation reserve			
Reclassified to income statement	21	-	.
Change in value not recognized in income statement	165	-277	.
Change in companies accounted for using the equity method	1	42	-97.6
Other comprehensive income	168	-98	.
<b>Total comprehensive income</b>	<b>1,380</b>	<b>-2,820</b>	<b>.</b>
Comprehensive income attributable to non-controlling interests	112	32	.
Comprehensive income attributable to Commerzbank shareholders	1,268	-2,852	.

3 <sup>rd</sup> Quarter   €m	1.7.–30.9.2010	1.7.–30.9.2009	Change in %
Consolidated profit/loss	135	-1,053	.
Change in revaluation reserve			
Reclassified to income statement	-61	45	.
Change in value not recognized in income statement	274	823	-66.7
Change in cash flow hedge reserve			
Reclassified to income statement	82	-	.
Change in value not recognized in income statement	-10	-334	-97.0
Change in currency translation reserve			
Reclassified to income statement	21	-	.
Change in value not recognized in income statement	-194	-30	.
Change in companies accounted for using the equity method	-1	-	.
Other comprehensive income	111	504	-78.0
<b>Total comprehensive income</b>	<b>246</b>	<b>-549</b>	<b>.</b>
Comprehensive income attributable to non-controlling interests	57	61	-6.6
Comprehensive income attributable to Commerzbank shareholders	189	-610	.

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Other comprehensive income   €m	1.1.-30.9.2010			1.1.-30.9.2009		
	Before tax	Taxes	After tax	Before tax	Taxes	After tax
Change in revaluation reserve	-240	70	-170	852	-312	540
Change in cash flow hedge reserve	219	-68	151	-562	159	-403
Change in currency translation reserve	186	-	186	-277	-	-277
Change in companies accounted for using the equity method	1	-	1	42	-	42
<b>Other comprehensive income</b>	<b>166</b>	<b>2</b>	<b>168</b>	<b>55</b>	<b>-153</b>	<b>-98</b>

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

Other comprehensive income   €m	1.7.-30.9.2010			1.7.-30.9.2009		
	Before tax	Taxes	After tax	Before tax	Taxes	After tax
Change in revaluation reserve	220	-7	213	1,078	-210	868
Change in cash flow hedge reserve	92	-20	72	-469	135	-334
Change in currency translation reserve	-173	-	-173	-30	-	-30
Change in companies accounted for using the equity method	-1	-	-1	-	-	-
<b>Other comprehensive income</b>	<b>138</b>	<b>-27</b>	<b>111</b>	<b>579</b>	<b>-75</b>	<b>504</b>

## Income statement (by quarter)

€m	2010			2009			
	3 <sup>rd</sup> quarter	2 <sup>nd</sup> quarter	1 <sup>st</sup> quarter	4 <sup>th</sup> quarter	3 <sup>rd</sup> quarter	2 <sup>nd</sup> quarter <sup>1</sup>	1 <sup>st</sup> quarter <sup>1</sup>
Net interest income	1,628	1,859	1,888	1,890	1,769	1,838	1,692
Provisions for loan losses	-621	-639	-644	-1,324	-1,053	-993	-844
Net interest income after provisions	1,007	1,220	1,244	566	716	845	848
Net commission income <sup>2</sup>	870	905	997	985	965	960	863
Net trading income <sup>2</sup>	422	316	836	-574	647	58	-540
Net investment income	-24	60	-119	-87	-54	172	386
Other income	26	-30	22	-68	112	5	-71
Operating expenses	2,185	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
<b>Pre-tax profit/loss</b>	<b>116</b>	<b>210</b>	<b>771</b>	<b>-1,838</b>	<b>-1,428</b>	<b>-509</b>	<b>-884</b>
Taxes on income	-19	-151	55	73	-375	269	7
<b>Consolidated profit/loss</b>	<b>135</b>	<b>361</b>	<b>716</b>	<b>-1,911</b>	<b>-1,053</b>	<b>-778</b>	<b>-891</b>
Consolidated profit/loss attributable to non-controlling interests	22	9	8	-54	2	-17	-27
Consolidated profit/loss attributable to Commerzbank shareholders	113	352	708	-1,857	-1,055	-761	-864

<sup>1</sup> After counterparty default adjustments.

<sup>2</sup> Restatement of prior-year figures due to change in reporting structure (see page 59f.).

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## Balance sheet

Assets   €m	Notes	30.9.2010	31.12.2009	Change in %
Cash reserve		5,851	10,329	-43.4
Claims on banks	(11,13,14)	115,117	106,689	7.9
Claims on customers	(12,13,14)	325,911	352,194	-7.5
Value adjustment portfolio fair value hedges		336	-16	.
Positive fair values attributable to derivative hedging instruments		6,029	6,352	-5.1
Trading assets	(15)	255,218	218,708	16.7
Financial investments	(16)	124,426	131,292	-5.2
Intangible assets	(17)	3,120	3,209	-2.8
Fixed assets	(18)	1,700	1,779	-4.4
Tax assets		4,163	5,637	-26.1
Other assets	(19)	6,018	7,930	-24.1
<b>Total</b>		<b>847,889</b>	<b>844,103</b>	<b>0.4</b>

Liabilities and equity   €m	Notes	30.9.2010	31.12.2009	Change in %
Liabilities to banks	(20)	130,451	140,634	-7.2
Liabilities to customers	(21)	263,576	264,618	-0.4
Securitized liabilities	(22)	153,382	171,370	-10.5
Value adjustment portfolio fair value hedges		473	-16	.
Negative fair values attributable to derivative hedging instruments		12,488	11,345	10.1
Liabilities from trading activities	(23)	226,925	193,004	17.6
Provisions	(24)	5,231	5,115	2.3
Income tax liabilities		1,356	2,586	-47.6
Other liabilities	(25)	6,953	8,942	-22.2
Subordinated capital	(26)	14,672	15,850	-7.4
Hybrid capital	(27)	4,308	4,079	5.6
Capital and reserves		28,074	26,576	5.6
Subscribed capital		3,063	3,071	-0.3
Capital reserve		1,312	1,334	-1.6
Retained earnings		7,948	7,878	0.9
Silent participations		17,178	17,178	0.0
Revaluation reserve		-1,949	-1,755	11.1
Cash flow hedge reserve		-1,084	-1,223	-11.4
Currency translation reserve		-327	-477	-31.4
Consolidated profit/loss 2009 <sup>1</sup>		-	-	.
Consolidated profit/loss 1.1.-30.9.2010 <sup>2</sup>		1,173	-	.
Total before non-controlling interests		27,314	26,006	5.0
Non-controlling interests		760	570	33.3
<b>Total</b>		<b>847,889</b>	<b>844,103</b>	<b>0.4</b>

<sup>1</sup> After appropriation of profit.

<sup>2</sup> Attributable to Commerzbank shareholders.

## Statement of changes in equity (condensed version)

€m	Subscribed capital	Capital reserve	Retained earnings	Silent participations	Revaluation reserve	Cash flow hedge reserve	Currency translation reserve	Consolidated profit/loss	Total before non-controlling interests	Non-controlling interests	Equity
<b>Equity as of 31.12.2008</b>	<b>1,877</b>	<b>6,619</b>	<b>5,904</b>	<b>8,200</b>	<b>-2,221</b>	<b>-872</b>	<b>-260</b>	<b>-</b>	<b>19,247</b>	<b>657</b>	<b>19,904</b>
Change due to counterparty default adjustments			-62						-62		-62
<b>Equity as of 1.1.2009</b>	<b>1,877</b>	<b>6,619</b>	<b>5,842</b>	<b>8,200</b>	<b>-2,221</b>	<b>-872</b>	<b>-260</b>	<b>-</b>	<b>19,185</b>	<b>657</b>	<b>19,842</b>
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 (non-controlling interests)									-	69	69
Change in ownership interests			-50						-50		-50
Other changes <sup>1</sup>	1	14	4	8,978					8,997	-172	8,825
<b>Equity as of 31.12.2009</b>	<b>3,071</b>	<b>1,334</b>	<b>7,878</b>	<b>17,178</b>	<b>-1,755</b>	<b>-1,223</b>	<b>-477</b>	<b>-</b>	<b>26,006</b>	<b>570</b>	<b>26,576</b>
Total comprehensive income					-194	139	150	1,173	1,268	112	1,380
Consolidated profit/loss								1,173	1,173	39	1,212
Other comprehensive income					-194	139	150		95	73	168
Transfer from capital reserve/transfer to retained earnings									-		-
Capital increases									-		-
Profit/loss previous year									-	109	109
Transfer to retained earnings (non-controlling interests)									-	9	9
Change in ownership interests									-		-
Other changes <sup>1</sup>	-8	-22	70						40	-40	-
<b>Equity as of 30.9.2010</b>	<b>3,063</b>	<b>1,312</b>	<b>7,948</b>	<b>17,178</b>	<b>-1,949</b>	<b>-1,084</b>	<b>-327</b>	<b>1,173</b>	<b>27,314</b>	<b>760</b>	<b>28,074</b>

<sup>1</sup> Including change in treasury shares, change in derivatives on own equity instruments, changes in the group of consolidated companies and payment of silent participations.



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As of September 30, 2010, cash flow hedge reserves of €-102m and currency translation reserves of €30m were attributable to assets and disposal groups held for sale.

As of September 30, 2010, the subscribed capital of Commerzbank Aktiengesellschaft pursuant to the Bank's

articles of association stood at €3.071m and was divided into 1,181,352,926 no-par-value shares (accounting value per share €2.60). The average number of ordinary shares issued was 1,179,429,359 (30.9.2009: 987,230,919).

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

€m	Subscribed capital	Capital reserve	Retained earnings	Silent participations	Revaluation reserve	Cash flow hedge reserve	Currency translation reserve	Consolidated profit/loss	Total before non-controlling interests	Non-controlling interests	Equity
<b>Equity as of 31.12.2008</b>	<b>1,877</b>	<b>6,619</b>	<b>5,904</b>	<b>8,200</b>	<b>-2,221</b>	<b>-872</b>	<b>-260</b>	<b>-</b>	<b>19,247</b>	<b>657</b>	<b>19,904</b>
Change due to counterparty default adjustments			-62						-62		-62
<b>Equity as of 1.1.2009</b>	<b>1,877</b>	<b>6,619</b>	<b>5,842</b>	<b>8,200</b>	<b>-2,221</b>	<b>-872</b>	<b>-260</b>	<b>-</b>	<b>19,185</b>	<b>657</b>	<b>19,842</b>
Total comprehensive income					497	-400	-269	-2,680	-2,852	32	-2,820
Consolidated profit/loss								-2,680	-2,680	-42	-2,722
Other comprehensive income					497	-400	-269		-172	74	-98
Transfer from capital reserve/transfer to retained earnings									-		-
Capital increases	1,193	1,320							2,513		2,513
Profit/loss previous year									-	-59	-59
Transfer to retained earnings (non-controlling interests)									-	72	72
Dividend									-		-
Change in ownership interests				58					58		58
Other changes <sup>1</sup>	1	20	16	8,978					9,015	-84	8,931
<b>Equity as of 30.9.2009</b>	<b>3,071</b>	<b>7,959</b>	<b>5,916</b>	<b>17,178</b>	<b>-1,724</b>	<b>-1,272</b>	<b>-529</b>	<b>-2,680</b>	<b>27,919</b>	<b>618</b>	<b>28,537</b>

<sup>1</sup> Including change in treasury shares, change in derivatives on own equity instruments, changes in the group of consolidated companies and payment of silent participations.

## Cash flow statement (condensed version)

€m	2010	2009
<b>Cash and cash equivalents as of 1.1.</b>	<b>10,329</b>	<b>6,566</b>
Cash flow from operating activities	-10,851	-6,066
Cash flow from investing activities	7,293	-4,636
Cash flow from financing activities	-979	16,688
<b>Total cash flow</b>	<b>-4,537</b>	<b>5,986</b>
Currency effects	98	-30
Effects of non-controlling interests	-39	42
<b>Cash and cash equivalents as of 30.9.</b>	<b>5,851</b>	<b>12,564</b>

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

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

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### General information

#### Accounting policies

The interim financial statements of the Commerzbank Group as of September 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 of the Council of July 19, 2002, together with other regulations for adopting certain international accounting standards on the basis of International Accounting Standards (IAS) and 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

In connection with the integration of the former Dresdner Bank the different reporting structures within net interest income have been harmonized. The adjustments to prior periods relate to both interest income and interest expense. The reclassifications within interest income for 2009 and the first quarter of 2010 were made from the available-for-sale to the loans and receivables category and within interest expense from the use of the fair value option category to interest expense for subordinated capital. There was also an adjustment for 2009 to net interest from derivative financial instruments that do not form part of the trading book. The reclassifications resulted in a reduction of interest income from available-for-sale financial assets and an increase in net interest income. The prior-year figures have been restated accordingly.

In addition, foreign exchange commission earnings of the former Dresdner Bank now form part of net commission income and not trading profit as was previously the case. The reclassifications for the first nine months of 2009 amount to €38m and relate to commission from payment transactions and foreign business. The prior-year figures have been restated accordingly.

For 2009 and for the first two quarters of 2010 we have made a correction in accordance with IAS 8.41. These reclassifications for the financial years 2009 and 2010 had no impact on consolidated profit/loss, the balance sheet, the statement of changes in equity and earnings per share.

The adjustments in the note on net interest income and in the income statement are shown in the following tables.

**Adjustments in net interest income:**

€m	Originally reported	Adjustment	Restated
<b>Net interest income 1.1.–31.12.2009</b>			
Interest income from lending and money market transactions and from the available-for-sale financial assets portfolio <sup>1,2</sup>	2,905	–817	2,088
Interest income from lending and money market transactions and from the securities portfolio (loans and receivables) <sup>1</sup>	16,439	444	16,883
Other interest income <sup>2</sup>	289	373	662
<b>Total interest income</b>	<b>20,353</b>	<b>–</b>	<b>20,353</b>
Interest expense for subordinated and hybrid capital and securitized and other liabilities <sup>3</sup>	12,688	115	12,803
Interest expense from applying the fair value option <sup>3</sup>	332	–115	217
Other interest expense <sup>2</sup>	19	–	19
<b>Total interest expense</b>	<b>13,164</b>	<b>–</b>	<b>13,164</b>
<b>Net interest income 1.1.–30.9.2009</b>			
Interest income from lending and money market transactions and from the available-for-sale financial assets portfolio	2,555	–835	1,720
Interest income from lending and money market transactions and from the securities portfolio (loans and receivables)	12,695	553	13,248
Other interest income	–	85	85
<b>Total interest income</b>	<b>15,727</b>	<b>–197</b>	<b>15,530</b>
Interest expense for subordinated and hybrid capital and for securitized and other liabilities	9,862	95	9,957
Interest expense from applying the fair value option	289	–95	194
Other interest expense	197	–197	–
<b>Total interest expense</b>	<b>10,428</b>	<b>–197</b>	<b>10,231</b>
<b>Net interest income 1.1.–31.3.2010</b>			
Interest income from lending and money market transactions and from the available-for-sale financial assets portfolio	682	–75	607
Interest income from lending and money market transactions and from the securities portfolio (loans and receivables)	3,740	75	3,815
<b>Total interest income</b>	<b>4,613</b>	<b>–</b>	<b>4,613</b>
Interest expense for subordinated and hybrid capital and for securitized and other liabilities	2,592	15	2,607
Interest expense from applying the fair value option	41	–15	26
<b>Total interest expense</b>	<b>2,725</b>	<b>–</b>	<b>2,725</b>

<sup>1</sup> Of the amounts reclassified between the available-for-sale and loans and receivables categories €210m are attributable to the first, €163m to the second, €180m to the third and €–109m to the fourth quarter of 2009.

<sup>2</sup> Of the amounts reclassified within net interest income €109m are attributable to the first, €53m to the second, €120m to the third and €91m to the fourth quarter of 2009.

<sup>3</sup> Of the amounts reclassified €24m are attributable to the first, €46m to the second, €25m to the third and €20m to the fourth quarter of 2009.

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### Effects of reclassification of foreign exchange commission income:

€m	Originally reported	Adjustment	Restated
Income statement 1.1.–31.12.2009 <sup>1</sup>			
Net commission income	3,722	51	3,773
Net trading income	-358	-51	-409
Income statement 1.1.–30.6.2010			
Net commission income	1,867	35	1,902
Net trading income	1,187	-35	1,152
Income statement 2 <sup>nd</sup> quarter 2010			
Net commission income	884	21	905
Net trading income	337	-21	316
Income statement 1 <sup>st</sup> quarter 2010			
Net commission income	983	14	997
Net trading income	850	-14	836

<sup>1</sup> Of the amounts reclassified in 2009 €13m are attributable to the first, €13m to the second, €12m to the third and €13m to the fourth quarter.

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 had already adjusted the figures for the prior quarters of 2009 in accordance with IAS 8.41 in the third quarter of

2009. This reduced the consolidated surplus in the first quarter of 2009 by €3m and in the second quarter of 2009 by €15m. The prior-year figures for the relevant items in the quarterly statement have been restated accordingly.

### Consolidated companies

The following subsidiaries were consolidated for the first time up to September 30, 2010:

Subsidiaries	Ownership interest and voting rights	Acquisition cost	Assets	Liabilities
	%	€m	€m	€m
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	51.0	29.4	57.6	28.3
Commerzbank Leasing December (17) Limited, London	100.0	13.8	138.9	138.9
Commerzbank Leasing December (18) Limited, London	100.0	22.3	288.9	288.9
Commerzbank Leasing December (19) Limited, London	100.0	28.0	311.3	311.2
Commerzbank Leasing December (20) Limited, London	100.0	-	163.5	163.5
Commerzbank Leasing December (21) Limited, London	100.0	-	41.4	41.4

The following funds and special purpose entities were also consolidated for the first time up to September 30, 2010:

Funds and special purpose entities	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
Truckman Inc., Cayman Island	–	–	68.1	68.1

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. They are companies 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:

- Disposals
  - Dresdner VPV N.V., Gouda
  - Dresdner Van Moer Courtens S.A., Brussels
  - Privatinvest Bank AG, Salzburg
  - ADENARA Flugzeug-Leasinggesellschaft mbH & Co. Erste A319 KG, Karlsruhe
  - Allianz Dresdner Bauspar AG, Bad Vilbel
  - dbi-BSK Rentenfonds, Frankfurt/Main
  - dbi-BSK Rentenfonds Plus, Frankfurt/Main
  - Dresdner Bank Monaco S.A.M., Monaco
  - Kleinwort Benson Channel Island Holdings Limited, St. Peter Port
  - Kleinwort Benson Private Bank Limited Group, London
- Liquidations (including companies which have ceased their business or entities that have permanently fallen below our materiality threshold for consolidation)
  - AGI Global Selection Balance, Luxembourg
  - Classic I Netherlands Limited, Amsterdam
  - 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. 8 Limited, St. Helier/Jersey
  - Sigma-1 CLO 2007, Dublin
  - Symphony No. 1 Llc, Wilmington/Delaware
  - Symphony No. 3 Llc, Dover/Delaware
  - The Riverbank Trust, London
  - Dresdner Leasing 7 S.à.r.l., Luxembourg
  - Dresdner Leasing 8 S.à.r.l., Luxembourg
  - Dresdner Kleinwort (Drc) Limited, London
  - Dresdner Kleinwort (China) Ltd., East Hong Kong
  - Dresdner Kleinwort (Hong Kong) Ltd., East Hong Kong
  - Dresdner Kleinwort (Services) Inc, Panama City
  - Dresdner Kleinwort Finance EURL, Paris
  - Dresdner Kleinwort Metals Limited, London
  - Dresdner Kleinwort Overseas Employees Limited, London
  - Dresdner Kleinwort Securities (Asia) Holdings Ltd., East Hong Kong
  - KBEMF (GP) Limited, London
  - Thebes Capital Plc, Dublin
  - Thebes Plc, Dublin

The net result from the deconsolidation of the companies sold is €–32m.

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The following companies were integrated into Commerzbank Aktiengesellschaft or consolidated companies in the current financial year:

- DreCo Erste Beteiligungs GmbH, Frankfurt/Main
- Dreiundzwanzigste DRESIB Beteiligungs-Gesellschaft mbH, Frankfurt/Main
- CBG Commerz Beteiligungsgesellschaft mbH, Frankfurt/Main
- CG New Venture 2 GmbH & Co. KG, Wiesbaden
- CG New Venture 3 GmbH & Co. KG, Wiesbaden
- Commerz Asset Management Holding GmbH & Co. KG, Frankfurt/Main
- Dresdner Bank Luxembourg S.A., Luxembourg
- Dresdner Bank ZAO, St. Petersburg
- Dresdner Mezzanine GmbH & Co. KG, Frankfurt/Main
- GENUJO LOK BeteiligungsGmbH & Co. KG, Frankfurt/Main
- Genujo Vierte BeteiligungsGmbH, Frankfurt/Main

Dresdner Bank Brasil S.A. Banco Multiplo, São Paulo, is reported as held for sale in accordance with IFRS 5 as there are plans to sell it and its sale is highly probable within one year. Until the final transfer of the shares and the resultant transfer of control of the company is completed we account for the company as a disposal group in accordance with IFRS 5 and report its 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.–30.9.2010	1.1.–30.9.2009	Change in %
Interest income	13,923	15,530	- 10.3
Interest income from lending and money market transactions and from the available-for-sale financial assets portfolio <sup>1</sup>	909	1,720	- 47.2
Interest income from lending and money market transactions and from the securities portfolio (loans and receivables) <sup>1</sup>	12,192	13,248	- 8.0
Interest income from lending and money-market transactions and from securities (from applying the fair value option)	90	182	- 50.5
Prepayment penalty fees	106	53	.
Gain from the sale of loans and receivables	1	62	- 98.4
Dividends from securities	41	25	64.0
Current income from investments, investments in associated companies and subsidiaries	75	85	- 11.8
Current income from assets and liabilities held for sale and from investment properties	59	70	- 15.7
Other interest income <sup>1</sup>	450	85	.
Interest expense	8,548	10,231	- 16.5
Interest expense for subordinated and hybrid capital and for securitized and other liabilities <sup>1</sup>	8,072	9,957	- 18.9
Interest expense from applying the fair value option <sup>1</sup>	56	194	- 71.1
Losses on the sale of loans and receivables and liabilities	63	47	34.0
Current expenses from assets and liabilities held for sale and from investment properties	50	33	51.5
Other interest expense <sup>1</sup>	307	-	.
<b>Total</b>	<b>5,375</b>	<b>5,299</b>	<b>1.4</b>

<sup>1</sup> Restatement of prior-year figures due to change in reporting structure and reclassifications between interest income and interest expense (see page 59f.).

The unwinding effect for the period January 1 to September 30, 2010 is €176m.



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## (2) Provisions for loan losses

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

€m	1.1.–30.9.2010	1.1.–30.9.2009	Change in %
Allocation to provisions	–3,448	–3,687	–6.5
Reversals of provisions	1,639	931	76.0
Net of direct write-downs, write-ups and amounts recovered on claims written-down	–95	–134	–29.1
<b>Total</b>	<b>–1,904</b>	<b>–2,890</b>	<b>–34.1</b>

## (3) Net commission income

€m	1.1.–30.9.2010	1.1.–30.9.2009	Change in %
Securities transactions	914	975	–6.3
Asset management	171	186	–8.1
Payment transactions and foreign business <sup>1</sup>	842	802	5.0
Real estate lending business	143	140	2.1
Guarantees <sup>1</sup>	128	128	0.0
Income from syndicated business	182	198	–8.1
Fiduciary transactions	3	3	0.0
Other <sup>1</sup>	389	356	9.3
<b>Total<sup>2</sup></b>	<b>2,772</b>	<b>2,788</b>	<b>–0.6</b>

<sup>1</sup> Reclassification of foreign exchange commission income out of net trading income into payment transactions and foreign business (see page 59f.) and other adjustments due to harmonization of reporting structure.

<sup>2</sup> Of which commission expense: €444m (previous year: €573m).

## (4) Net trading income

We have split net trading income 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 relationships
- Net gain/loss from applying the fair value option (including changes in the fair value of related derivatives)

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

€m	1.1.–30.9.2010	1.1.–30.9.2009	Change in %
Net trading profit/loss <sup>1</sup>	1,763	953	85.0
Net gain/loss on the valuation of derivative financial instruments	-231	-1,530	-84.9
Net gain/loss on hedge accounting	-94	37	.
Net gain/loss from applying the fair value option	136	705	-80.7
<b>Total</b>	<b>1,574</b>	<b>165</b>	<b>.</b>

<sup>1</sup> Restatement of prior-year figures due to reclassification of foreign exchange commission income to commission income (see page 59f.).

## (5) Net investment income

Net investment income contains gains/losses on disposal and measurement (impairments) of securities in the loans and receivables and available-for-sale categories, equity

interests, holdings in associated companies and subsidiaries that have not been consolidated.

€m	1.1.–30.9.2010	1.1.–30.9.2009	Change in %
<b>Net gain/loss from interest-bearing business</b>	<b>-201</b>	<b>-439</b>	<b>-54.2</b>
In the available-for-sale category	-117	-415	-71.8
Gains on disposals (reclassification from revaluation reserve) <sup>1</sup>	214	172	24.4
Losses on disposals (reclassification from revaluation reserve) <sup>1</sup>	-335	-219	53.0
Net valuation gain/loss	4	-368	.
In the loans and receivables category	-84	-24	.
Gains on disposals	4	5	-20.0
Losses on disposals	-88	-	.
Net valuation gain/loss <sup>2</sup>	-	-29	-100.0
<b>Net gain/loss from equity instruments</b>	<b>118</b>	<b>943</b>	<b>-87.5</b>
In the available-for-sale category	167	681	-75.5
Gains on disposals (reclassification from revaluation reserve) <sup>1</sup>	168	828	-79.7
Losses on disposals (reclassification from revaluation reserve) <sup>1</sup>	-1	-147	-99.3
In the available-for-sale category, valued at cost of acquisition	-28	458	.
Net valuation gain/loss	-13	-198	-93.4
Net gain/loss on disposals and measurement of holdings in associated companies	-8	2	.
<b>Total</b>	<b>-83</b>	<b>504</b>	<b>.</b>

<sup>1</sup> This includes a net €286m of reclassifications from the revaluation reserve created in the financial year 2010.

<sup>2</sup> This includes portfolio valuation allowances of €1m (previous year: €27m).

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## (6) Other income

€m	1.1.–30.9.2010	1.1.–30.9.2009	Change in %
<b>Other material items of income</b>	<b>213</b>	<b>169</b>	<b>26.0</b>
Operating lease income	139	119	16.8
Reversals of provisions	74	50	48.0
<b>Other material items of expense</b>	<b>244</b>	<b>207</b>	<b>17.9</b>
Operating lease expense	125	111	12.6
Allocations to provisions	119	96	24.0
<b>Balance of sundry other income/expenses</b>	<b>49</b>	<b>84</b>	<b>-41.7</b>
<b>Total</b>	<b>18</b>	<b>46</b>	<b>-60.9</b>

## (7) Operating expenses

€m	1.1.–30.9.2010	1.1.–30.9.2009	Change in %
Personnel expenses	3,324	3,582	-7.2
Other operating expenses	2,898	2,658	9.0
Current depreciation on fixed assets and other intangible assets	400	368	8.7
<b>Total</b>	<b>6,622</b>	<b>6,608</b>	<b>0.2</b>

Operating expenses for the first nine months of 2010 include integration costs in the amount of €415m (previous year: €144m).

## (8) Restructuring expenses

€m	1.1.–30.9.2010	1.1.–30.9.2009	Change in %
Expenses for restructuring measures initiated	33	1,409	-97.7
<b>Total</b>	<b>33</b>	<b>1,409</b>	<b>-97.7</b>

Human resources restructuring expenses of €33m were incurred in connection with the realignment of Commerz Real Aktiengesellschaft. The prior-year restructuring expenses

(€1.409m) resulted largely from the integration of the Dresdner Bank Group.

## (9) Taxes on income

As of September 30, 2010 Group tax income was €115m and the Group tax rate was -10.5 %. The negative Group tax rate results primarily from profits 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. Income statement line items were further harmonized in the context of the Dresdner Bank integration. Foreign exchange commission earnings of the former Dresdner Bank now form part of net commission income and not trading profit as was previously the case. The prior-year comparison figures have been restated 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 central 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 7,000 correspondent banks, together with business relationships in emerging markets, to support the Group’s 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.

- The Central & Eastern Europe segment contains the operations of our subsidiaries, branches and investments in the Central and Eastern Europe region (specifically 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. These 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 includes the related distribution capacities. 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 plus foreign and selected domestic insurers.

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- The Asset Based Finance segment groups together the results from the Commercial Real Estate (CRE) Germany, CRE International, Public Finance, Asset Management and Leasing as well as Ship Finance. CRE Germany, CRE International and Public Finance belong almost completely to the Commerzbank subsidiary Eurohypo Aktiengesellschaft. Asset Management and Leasing primarily include the activities of our subsidiary Commerz Real Aktiengesellschaft. And finally Ship Finance groups together the ship financing of the Commerzbank Group in our subsidiary Deutsche Schiffsbank Aktiengesellschaft.
- 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 Aktiengesellschaft'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 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 also charged in full to the segments.

The result generated by each segment is measured in terms of operating profit/loss and pre-tax profit/loss, as well as the return on equity and cost/income ratio. Operating profit/loss is defined as the sum of net interest income after loan loss provisions, net commission income, net trading income, net investment income and other income less operating expenses. In the statement of pre-tax profits, non-controlling 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 as the ratio of income (operating profit/loss and pre-tax profit/loss) to 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 reported in the segments by originating unit and at market rates, with the market interest rate method being used in interest rate operations. 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 impact on operating earnings 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 investments in associates was €3m (previous year: €7m) and is divided over the segments as follows: Private Customers €11m (previous year: €8m), Mittelstandsbank (previous year: €3m), Corporates & Markets (previous year: €1m), Asset Based Finance €-9m (previous year: €-5m) and Others and Consolidation €1m (previous year: -). The carrying amounts of associated companies were €783m (previous year: €375m) and are divided over the segments as follows: Private Customers €185m (previous year: €144m), Mittelstandsbank €40m (previous year: €40m), Corporates & Markets €18m (previous year: €18m), Asset Based Finance €465m (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/loss. 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 user of the service 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 nine months of 2010 and 2009.

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<b>1.1.–30.9.2010</b>	Private Customers	Mittelstands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restructuring Unit	Others and Consolidation	Group
€m								
Net interest income	1,493	1,568	484	549	891	62	328	5,375
Provisions for loan losses	-200	-177	-313	3	-1,172	-52	7	-1,904
Net interest income after provisions	1,293	1,391	171	552	-281	10	335	3,471
Net commission income	1,506	728	153	194	251	6	-66	2,772
Net trading income	4	32	57	948	-23	666	-110	1,574
Net investment income	18	41	7	60	-211	-33	35	-83
Other income	-48	25	21	45	-28	4	-1	18
<i>Income before provisions</i>	<i>2,973</i>	<i>2,394</i>	<i>722</i>	<i>1,796</i>	<i>880</i>	<i>705</i>	<i>186</i>	<i>9,656</i>
<i>Income after provisions</i>	<i>2,773</i>	<i>2,217</i>	<i>409</i>	<i>1,799</i>	<i>-292</i>	<i>653</i>	<i>193</i>	<i>7,752</i>
Operating expenses	2,701	1,070	427	1,245	446	83	650	6,622
<b>Operating profit/loss</b>	<b>72</b>	<b>1,147</b>	<b>-18</b>	<b>554</b>	<b>-738</b>	<b>570</b>	<b>-457</b>	<b>1,130</b>
Impairments of goodwill and brand names	-	-	-	-	-	-	-	-
Restructuring expenses	-	-	-	-	33	-	-	33
<b>Pre-tax profit/loss</b>	<b>72</b>	<b>1,147</b>	<b>-18</b>	<b>554</b>	<b>-771</b>	<b>570</b>	<b>-457</b>	<b>1,097</b>
<b>Assets</b>	<b>60,532</b>	<b>81,895</b>	<b>27,746</b>	<b>333,350</b>	<b>249,665</b>	<b>18,481</b>	<b>76,220</b>	<b>847,889</b>
<b>Average capital employed</b>	<b>3,407</b>	<b>5,528</b>	<b>1,623</b>	<b>3,871</b>	<b>6,327</b>	<b>1,250</b>	<b>8,818</b>	<b>30,824</b>
<b>Operating return on equity<sup>1</sup> (%)</b>	<b>2.8</b>	<b>27.7</b>	<b>-1.5</b>	<b>19.1</b>	<b>-15.6</b>	<b>-</b>	<b>-</b>	<b>4.9</b>
<b>Cost/income ratio in operating business (%)</b>	<b>90.9</b>	<b>44.7</b>	<b>59.1</b>	<b>69.3</b>	<b>50.7</b>	<b>-</b>	<b>-</b>	<b>68.6</b>
<b>Pre-tax return on equity<sup>1</sup> (%)</b>	<b>2.8</b>	<b>27.7</b>	<b>-1.5</b>	<b>19.1</b>	<b>-16.2</b>	<b>-</b>	<b>-</b>	<b>4.7</b>
Average headcount	19,883	5,135	9,777	1,883	1,850	54	18,435	57,017

<sup>1</sup> Annualized.

<b>1.1.–30.9.2009</b>	Private Customers	Mittelstands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restructuring Unit	Others and Consolidation	Group
€m								
Net interest income	1,629	1,592	487	636	836	189	-70	5,299
Provisions for loan losses	-174	-656	-516	-264	-937	-338	-5	-2,890
Net interest income after provisions	1,455	936	-29	372	-101	-149	-75	2,409
Net commission income <sup>1</sup>	1,620	686	123	275	204	10	-130	2,788
Net trading income <sup>1</sup>	-3	-108	63	801	258	-538	-308	165
Net investment income	5	-	-9	3	-42	-370	917	504
Other income	-75	3	12	9	16	1	80	46
<i>Income before provisions</i>	<i>3,176</i>	<i>2,173</i>	<i>676</i>	<i>1,724</i>	<i>1,272</i>	<i>-708</i>	<i>489</i>	<i>8,802</i>
<i>Income after provisions</i>	<i>3,002</i>	<i>1,517</i>	<i>160</i>	<i>1,460</i>	<i>335</i>	<i>-1,046</i>	<i>484</i>	<i>5,912</i>
Operating expenses	2,859	1,011	351	1,510	496	107	274	6,608
<b>Operating profit/loss</b>	<b>143</b>	<b>506</b>	<b>-191</b>	<b>-50</b>	<b>-161</b>	<b>-1,153</b>	<b>210</b>	<b>-696</b>
Impairments of goodwill and brand names	-	-	-	21	694	-	1	716
Restructuring expenses	286	75	-	204	63	2	779	1,409
<b>Pre-tax profit/loss</b>	<b>-143</b>	<b>431</b>	<b>-191</b>	<b>-275</b>	<b>-918</b>	<b>-1,155</b>	<b>-570</b>	<b>-2,821</b>
<b>Assets</b>	<b>75,015</b>	<b>85,533</b>	<b>25,186</b>	<b>319,475</b>	<b>269,082</b>	<b>34,436</b>	<b>83,580</b>	<b>892,307</b>
<b>Average capital employed</b>	<b>3,284</b>	<b>5,446</b>	<b>1,623</b>	<b>4,522</b>	<b>6,948</b>	<b>1,809</b>	<b>3,785</b>	<b>27,417</b>
<b>Operating return on equity<sup>2</sup> (%)</b>	<b>5.8</b>	<b>12.4</b>	<b>-15.7</b>	<b>-1.5</b>	<b>-3.1</b>	<b>-</b>	<b>-</b>	<b>-3.4</b>
<b>Cost/income ratio in operating business (%)</b>	<b>90.0</b>	<b>46.5</b>	<b>51.9</b>	<b>87.6</b>	<b>39.0</b>	<b>-</b>	<b>-</b>	<b>75.1</b>
<b>Pre-tax return on equity<sup>2</sup> (%)</b>	<b>-5.8</b>	<b>10.6</b>	<b>-15.7</b>	<b>-8.1</b>	<b>-17.6</b>	<b>-</b>	<b>-</b>	<b>-13.7</b>
Average headcount	22,965	5,646	10,651	2,924	2,119	51	20,754	65,110

<sup>1</sup> Restatement of prior-year figures due to change in reporting structure (see page 59f.).

<sup>2</sup> Annualized.



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### Details for Others and Consolidation

€m	1.1.–30.9.2010			1.1.–30.9.2009		
	Others	Consolidation	Others and Consolidation	Others	Consolidation	Others and Consolidation
Net interest income	325	3	328	-54	-16	-70
Provisions for loan losses	7	-	7	-5	-	-5
Net interest income after provisions	332	3	335	-59	-16	-75
Net commission income <sup>1</sup>	-66	-	-66	-37	-93	-130
Net trading income <sup>1</sup>	-67	-43	-110	-123	-185	-308
Net investment income	36	-1	35	924	-7	917
Other income	31	-32	-1	51	29	80
<i>Income before provisions</i>	<i>259</i>	<i>-73</i>	<i>186</i>	<i>761</i>	<i>-272</i>	<i>489</i>
<i>Income after provisions</i>	<i>266</i>	<i>-73</i>	<i>193</i>	<i>756</i>	<i>-272</i>	<i>484</i>
Operating expenses	689	-39	650	267	7	274
<b>Operating profit/loss</b>	<b>-423</b>	<b>-34</b>	<b>-457</b>	<b>489</b>	<b>-279</b>	<b>210</b>
Impairments of goodwill and brand names	-	-	-	1	-	1
Restructuring expenses	-	-	-	563	216	779
<b>Pre-tax profit/loss</b>	<b>-423</b>	<b>-34</b>	<b>-457</b>	<b>-75</b>	<b>-495</b>	<b>-570</b>
<b>Assets</b>	<b>76,220</b>	<b>-</b>	<b>76,220</b>	<b>83,580</b>	<b>-</b>	<b>83,580</b>

<sup>1</sup> Restatement of prior-year figures due to change in reporting structure (see page 59f.).

To facilitate comparison, the results of the market segments for Others and Consolidation cover the period from January 1 to September 30, 2009. The difference versus consolidated profit/loss – which only contains the period from January 13 to September 30, 2009. for Dresdner Bank – 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 the 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.–30.9.2010	Germany	Europe excluding Germany	America	Asia	Others	Total
€m						
Net interest income	3,495	1,681	203	-4	-	5,375
Provisions for loan losses	-854	-717	-316	-17	-	-1,904
Net interest income after provisions	2,641	964	-113	-21	-	3,471
Net commission income	2,381	326	51	14	-	2,772
Net trading income	275	1,332	-19	-13	-1	1,574
Net investment income	-77	-53	43	4	-	-83
Other income	-37	42	10	3	-	18
<i>Income before provisions</i>	<i>6,037</i>	<i>3,328</i>	<i>288</i>	<i>4</i>	<i>-1</i>	<i>9,656</i>
<i>Income after provisions</i>	<i>5,183</i>	<i>2,611</i>	<i>-28</i>	<i>-13</i>	<i>-1</i>	<i>7,752</i>
Operating expenses	5,217	1,164	167	74	-	6,622
<b>Operating profit/loss</b>	<b>-34</b>	<b>1,447</b>	<b>-195</b>	<b>-87</b>	<b>-1</b>	<b>1,130</b>
<b>Risk-weighted assets for credit risks</b>	<b>157,180</b>	<b>69,395</b>	<b>13,977</b>	<b>4,941</b>	<b>57</b>	<b>245,550</b>

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

1.1.–30.9.2009	Germany	Europe excluding Germany	America	Asia	Others	Total
€m						
Net interest income	3,692	1,290	233	83	1	5,299
Provisions for loan losses	-858	-1,706	-315	-12	1	-2,890
Net interest income after provisions	2,834	-416	-82	71	2	2,409
Net commission income <sup>1</sup>	2,349	359	53	27	-	2,788
Net trading income <sup>1</sup>	664	-436	-45	-18	-	165
Net investment income	885	-246	-144	9	-	504
Other income	30	2	14	-1	1	46
<i>Income before provisions</i>	<i>7,620</i>	<i>969</i>	<i>111</i>	<i>100</i>	<i>2</i>	<i>8,802</i>
<i>Income after provisions</i>	<i>6,762</i>	<i>-737</i>	<i>-204</i>	<i>88</i>	<i>3</i>	<i>5,912</i>
Operating expenses	5,117	1,192	197	100	2	6,608
<b>Operating profit/loss</b>	<b>1,645</b>	<b>-1,929</b>	<b>-401</b>	<b>-12</b>	<b>1</b>	<b>-696</b>
<b>Risk-weighted assets for credit risks</b>	<b>148,848</b>	<b>85,869</b>	<b>18,963</b>	<b>3,812</b>	<b>126</b>	<b>257,618</b>

<sup>1</sup> Restatement of prior-year figures due to change in reporting structure (see page 59f.).

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 Aktiengesellschaft'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.

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## Notes to the balance sheet

### (11) Claims on banks

€m	30.9.2010	31.12.2009	Change in %
Due on demand	44,276	36,564	21.1
With a residual term	71,238	70,645	0.8
up to three months	42,647	37,968	12.3
over three months to one year	13,643	14,525	-6.1
over one year to five years	11,917	13,059	-8.7
over five years	3,031	5,093	-40.5
<b>Total</b>	<b>115,514</b>	<b>107,209</b>	<b>7.7</b>
of which reverse repos and cash collateral	76,254	58,863	29.5
of which relate to the category:			
Loans and receivables	115,170	106,510	8.1
Available-for-sale financial assets	-	-	.
Applying the fair value option	344	699	-50.8

Claims on banks after deduction of loan loss provisions amount to €115,117m (previous year: €106,689m).

### (12) Claims on customers

€m	30.9.2010	31.12.2009	Change in %
With an indefinite residual term	24,890	23,047	8.0
With a residual term	310,449	338,436	-8.3
up to three months	56,569	68,766	-17.7
over three months to one year	36,151	34,830	3.8
over one year to five years	109,604	122,114	-10.2
over five years	108,125	112,726	-4.1
<b>Total</b>	<b>335,339</b>	<b>361,483</b>	<b>-7.2</b>
of which reverse repos and cash collateral	21,994	22,362	-1.6
of which relate to the category:			
Loans and receivables	334,495	358,347	-6.7
Available-for-sale financial assets	-	-	.
Applying the fair value option	844	3,136	-73.1

Claims on customers after deduction of loan loss provisions amount to €325,911m (previous year: €352,194m).

**(13) Total lending**

€m	30.9.2010	31.12.2009	Change in %
Loans to banks	29,595	25,011	18.3
Loans to customers	313,352	343,390	-8.7
<b>Total</b>	<b>342,947</b>	<b>368,401</b>	<b>-6.9</b>

We distinguish loans from claims on banks and customers such that only claims for which special loan agreements have been concluded with 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 are not yet

known, portfolio valuation allowances have been calculated in line with procedures derived from the Basel II system.

Development of provisioning   €m	2010	2009	Change in %
<b>As of 1.1.</b>	<b>10,451</b>	<b>6,045</b>	<b>72.9</b>
Allocations	3,448	3,687	-6.5
Deductions	3,172	2,290	38.5
Utilizations	1,533	1,359	12.8
Reversals	1,639	931	76.0
Change in group of consolidated companies	-29	2,493	.
Exchange rate movements/transfers/unwinding	-222	-141	57.4
<b>As of 30.9.</b>	<b>10,476</b>	<b>9,794</b>	<b>7.0</b>

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 €1.904m (September 30, 2009: €2,890m) (see Note 2).

Loan loss provisions   €m	30.9.2010	31.12.2009	Change in %
Specific valuation allowances	8,671	8,345	3.9
Portfolio valuation allowances	1,154	1,464	-21.2
<b>Provision to cover balance sheet items</b>	<b>9,825</b>	<b>9,809</b>	<b>0.2</b>
Provisions in lending business (specific risks)	406	364	11.5
Provisions in lending business (portfolio risks)	245	278	-11.9
<b>Provision to cover off-balance-sheet items</b>	<b>651</b>	<b>642</b>	<b>1.4</b>
<b>Total</b>	<b>10,476</b>	<b>10,451</b>	<b>0.2</b>

For claims on banks, loan loss provisions amounted to €397m (previous year: €520m) and for claims on customers to €9,428m (previous year: €9,289m).

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### (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	30.9.2010	31.12.2009	Change in %
Bonds, notes and other interest-related securities	24,829	28,898	-14.1
Promissory note loans	1,094	850	28.7
Other claims	3,747	2,643	41.8
Shares, other equity-related securities and units in investment funds	13,911	8,982	54.9
Positive fair values attributable to derivative financial instruments	211,601	177,307	19.3
Currency-related transactions	23,123	17,653	31.0
Interest-rate-related transactions	176,341	146,487	20.4
Other transactions	12,137	13,167	-7.8
Other assets held for trading	36	28	28.6
<b>Total</b>	<b>255,218</b>	<b>218,708</b>	<b>16.7</b>

Other transactions involving positive fair values of derivative financial instruments consist mainly of €7,306m (previous year: €6.963m) equity derivatives and €4.204m (previous year: €5.331m) 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	30.9.2010	31.12.2009	Change in %
Bonds, notes and other interest-related securities <sup>1</sup>	121,028	128,032	-5.5
Shares, other equity-related securities and units in investment funds	1,610	1,530	5.2
Investments	801	1,194	-32.9
Holdings in associated companies	783	378	.
Holdings in non-consolidated subsidiaries	204	158	29.1
<b>Total</b>	<b>124,426</b>	<b>131,292</b>	<b>-5.2</b>
of which related to holdings in associated companies accounted for using the equity method	783	378	.
of which relate to the category:			
Loans and receivables	75,068	79,194	-5.2
Available-for-sale financial assets	44,690	44,998	-0.7
of which: valued at amortized cost	506	492	2.8
Applying the fair value option	3,885	6,722	-42.2

<sup>1</sup> Reduced by portfolio valuation allowances of €52m (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 category to the IAS 39 loans and receivables 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.

The revaluation reserve after deferred taxes for all the reclassified securities in financial years 2008 and 2009 at September 30, 2010, was €-1.1bn. If these reclassifications had not been made, there would have been a revaluation reserve after deferred taxes of €-3.1bn for these holdings as at September 30, 2010. Their carrying amount on the balance sheet date was €71.2bn and the fair value €68.3bn.

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**(17) Intangible assets**

€m	30.9.2010	31.12.2009	Change in %
Goodwill	2,077	2,061	0.8
Other intangible assets	1,043	1,148	-9.1
Customer relationships	556	613	-9.3
Brand names	9	51	-82.4
Software developed in-house	230	235	-2.1
Other	248	249	-0.4
<b>Total</b>	<b>3,120</b>	<b>3,209</b>	<b>-2.8</b>

**(18) Fixed assets**

€m	30.9.2010	31.12.2009	Change in %
Land and buildings	970	1,018	-4.7
Office furniture and equipment	730	761	-4.1
<b>Total</b>	<b>1,700</b>	<b>1,779</b>	<b>-4.4</b>

**(19) Other assets**

€m	30.9.2010	31.12.2009	Change in %
Collection items	254	632	-59.8
Precious metals	733	811	-9.6
Leased equipment	661	554	19.3
Assets held for sale	458	2,868	-84.0
Assets held as financial investments	1,215	1,279	-5.0
Other, including accrued and deferred items	2,697	1,786	51.0
<b>Total</b>	<b>6,018</b>	<b>7,930</b>	<b>-24.1</b>

**(20) Liabilities to banks**

€m	30.9.2010	31.12.2009	Change in %
Due on demand	55,647	47,510	17.1
With a residual term	74,804	93,124	-19.7
up to three months	42,311	44,485	-4.9
over three months to one year	5,738	19,580	-70.7
over one year to five years	13,523	14,216	-4.9
over five years	13,232	14,843	-10.9
<b>Total</b>	<b>130,451</b>	<b>140,634</b>	<b>-7.2</b>
of which repos und cash collateral	40,079	31,556	27.0
of which relate to the category:			
Liabilities measured at amortized cost	129,532	139,083	-6.9
Applying the fair value option	919	1,551	-40.7

**(21) Liabilities to customers**

€m	30.9.2010	31.12.2009	Change in %
Savings deposits	6,789	7,429	-8.6
with an agreed period of notice of three months	5,798	6,095	-4.9
over three months	991	1,334	-25.7
Other liabilities to customers	256,787	257,189	-0.2
due on demand	143,672	131,773	9.0
with a residual term	113,115	125,416	-9.8
up to three months	46,633	57,651	-19.1
over three months to one year	14,680	15,240	-3.7
over one year to five years	13,677	16,823	-18.7
over five years	38,125	35,702	6.8
<b>Total</b>	<b>263,576</b>	<b>264,618</b>	<b>-0.4</b>
of which repos und cash collateral	21,861	17,619	24.1
of which relate to the category:			
Liabilities measured at amortized cost	262,315	262,960	-0.2
Applying the fair value option	1,261	1,658	-23.9

**(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, commer-

cial paper), index certificates, own acceptances and promissory notes outstanding.

€m	30.9.2010	31.12.2009	Change in %
Bonds and notes issued	131,399	148,670	-11.6
of which: Mortgage Pfandbriefe	31,802	33,506	-5.1
Public-sector Pfandbriefe	52,712	63,885	-17.5
Money market instruments issued	21,899	22,612	-3.2
Own acceptances and promissory notes outstanding	84	88	-4.5
<b>Total</b>	<b>153,382</b>	<b>171,370</b>	<b>-10.5</b>
of which relate to the category:			
Liabilities measured at amortized cost	150,411	167,867	-10.4
Applying the fair value option	2,971	3,503	-15.2

Residual maturities of securitized liabilities   €m	30.9.2010	31.12.2009	Change in %
Due on demand	70	92	-23.9
With a residual term	153,312	171,278	-10.5
up to three months	30,713	27,318	12.4
over three months to one year	25,329	35,215	-28.1
over one year to five years	68,939	77,501	-11.0
over five years	28,331	31,244	-9.3
<b>Total</b>	<b>153,382</b>	<b>171,370</b>	<b>-10.5</b>

In the first nine months of financial year 2010 new bonds and notes amounting to €76.1bn were issued. In the same period the volume of repayments/repurchases amounted to €4.0bn and the volume of bonds maturing to €89.3bn.



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### (23) Liabilities from trading activities

Liabilities from trading activities show the negative fair values of derivative financial instruments that do not qualify for hedge accounting as well as lending commitments with ne-

gative market values. Delivery commitments arising from short sales of securities are also included under liabilities from trading activities.

€m	30.9.2010	31.12.2009	Change in %
Currency-related derivative transactions	22,440	16,999	32.0
Interest-related derivative transactions	176,665	145,764	21.2
Other derivative transactions	13,068	15,609	-16.3
Delivery commitments on short sales of securities, negative market values of lending commitments and other trading liabilities	14,752	14,632	0.8
<b>Total</b>	<b>226,925</b>	<b>193,004</b>	<b>17.6</b>

Other derivative transactions consist mainly of €7,646m (previous year: €7,738m) in equity derivatives and €4,864m (previous year: €6,668m) in credit derivatives.

### (24) Provisions

€m	30.9.2010	31.12.2009	Change in %
Provisions for pensions and similar commitments	701	759	-7.6
Other provisions	4,530	4,356	4.0
<b>Total</b>	<b>5,231</b>	<b>5,115</b>	<b>2.3</b>

### (25) Other liabilities

€m	30.9.2010	31.12.2009	Change in %
Liabilities to film funds	2,204	2,219	-0.7
Liabilities from disposal groups held for sale	284	2,839	-90.0
Debt capital from non-controlling interests	2,031	1,985	2.3
Other, including accrued and deferred items	2,434	1,899	28.2
<b>Total</b>	<b>6,953</b>	<b>8,942</b>	<b>-22.2</b>

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

**(26) Subordinated capital**

€m	30.9.2010	31.12.2009	Change in %
Subordinated liabilities	11,161	12,215	-8.6
Profit-sharing certificates outstanding	3,063	3,372	-9.2
Accrued interest, including discounts	-295	-277	6.5
Measurement effects	743	540	37.6
<b>Total</b>	<b>14,672</b>	<b>15,850</b>	<b>-7.4</b>
of which relate to the category:			
Liabilities measured at amortized cost	14,642	15,821	-7.5
Applying the fair value option	30	29	3.4

In the first nine months of 2010 the volume of new issues of subordinated liabilities was €0.2bn. The volume of maturing issues of subordinated liabilities was €1.0bn. The volume of

maturing issues of profit-sharing certificates was €0.3bn. There were no other material changes to report.

**(27) Hybrid capital**

€m	30.9.2010	31.12.2009	Change in %
Hybrid capital	4,991	5,191	-3.9
Accrued interest, including discounts	-1,080	-1,342	-19.5
Measurement effects	397	230	72.6
<b>Total</b>	<b>4,308</b>	<b>4,079</b>	<b>5.6</b>
of which relate to the category:			
Liabilities measured at amortized cost	4,308	4,079	5.6
Applying the fair value option	-	-	.

There were no material changes in the first nine months of 2010.

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## Other notes

### (28) Capital requirements and capital ratios

€m	30.9.2010	31.12.2009	Change in %
Core capital	31,416	29,520	6.4
Supplementary capital	9,389	11,893	-21.1
Tier 3 capital	-	24	.
<b>Eligible equity</b>	<b>40,805</b>	<b>41,437</b>	<b>-1.5</b>

€m	30.9.2010	31.12.2009	Change in %
Capital requirement credit risk	19,644	19,705	-0.3
Capital requirement market risk	1,005	1,144	-12.2
Capital requirement operational risk	1,719	1,562	10.1
<b>Total capital requirement</b>	<b>22,368</b>	<b>22,411</b>	<b>-0.2</b>
Eligible equity	40,805	41,437	-1.5
Core capital ratio (%)	11.2	10.5	
Own funds ratio (%)	14.6	14.8	

### (29) Contingent liabilities and irrevocable lending commitments

€m	30.9.2010	31.12.2009	Change in %
Contingent liabilities	38,153	40,755	-6.4
from rediscounted bills of exchange credited to borrowers	2	3	-33.3
from guarantees and indemnity agreements	38,008	40,603	-6.4
from other commitments	143	149	-4.0
Irrevocable lending commitments	63,617	69,281	-8.2

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:

30.9.2010 €m	Nominal amount by residual term				Fair value	
	up to 1 year	1–5 years	over 5 years	Total	positive	negative
Forward foreign exchange transactions	789,945	227,943	122,743	1,140,631	23,799	22,752
Forward interest rate transactions	2,838,083	3,910,024	3,695,722	10,443,829	449,637	456,784
Other forward transactions	251,117	410,076	57,558	718,751	14,315	15,246
<b>Gross position</b>	<b>3,879,145</b>	<b>4,548,043</b>	<b>3,876,023</b>	<b>12,303,211</b>	<b>487,751</b>	<b>494,782</b>
<i>of which: exchange-traded</i>	<i>232,022</i>	<i>68,650</i>	<i>8,863</i>	<i>309,535</i>		
<b>Net position in the balance sheet</b>					<b>217,630</b>	<b>224,661</b>

31.12.2009 €m	Nominal amount by residual term				Fair value	
	up to 1 year	1–5 years	over 5 years	Total	positive	negative
Forward foreign exchange transactions	571,423	210,591	94,331	876,345	18,121	17,357
Forward interest rate 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
<b>Gross position</b>	<b>4,049,445</b>	<b>4,788,620</b>	<b>3,946,898</b>	<b>12,784,963</b>	<b>320,422</b>	<b>326,480</b>
<i>of which: exchange-traded</i>	<i>355,726</i>	<i>67,464</i>	<i>3,596</i>	<i>426,786</i>		
<b>Net position in the balance sheet</b>					<b>183,659</b>	<b>189,717</b>

**(31) Fair value of financial instruments**

€bn	Fair value		Carrying amount		Difference	
	30.9.2010	31.12.2009 <sup>1</sup>	30.9.2010	31.12.2009	30.9.2010	31.12.2009 <sup>1</sup>
<b>Assets</b>						
Cash reserve	5.9	10.3	5.9	10.3	–	–
Claims on banks	115.0	106.6	115.1	106.7	–0.1	–0.1
Claims on customers	328.6	352.8	325.9	352.2	2.7	0.6
Value adjustment portfolio fair value hedges <sup>2</sup>	–	–	0.3	0.0	–0.3	0.0
Hedging instruments	6.0	6.4	6.0	6.4	–	–
Trading assets	255.2	218.7	255.2	218.7	–	–
Financial investments	121.4	131.0	124.4	131.3	–3.0	–0.3
<b>Liabilities</b>						
Liabilities to banks	130.6	140.5	130.5	140.6	0.1	–0.1
Liabilities to customers	263.6	263.8	263.6	264.6	0.0	–0.8
Securitized liabilities	152.2	171.0	153.4	171.4	–1.2	–0.4
Value adjustment portfolio fair value hedges <sup>2</sup>	–	–	0.5	0.0	–0.5	0.0
Hedging instruments	12.5	11.3	12.5	11.3	–	–
Liabilities from trading activities	226.9	193.0	226.9	193.0	–	–
Subordinated and hybrid capital	18.7	18.1	19.0	19.9	–0.3	–1.8

<sup>1</sup> The figures as at December 31, 2009 have been partially restated. The net difference between carrying amount and fair value as at December 31, 2009 has thus been reduced from a total of €4.0bn to €3.3bn.

<sup>2</sup> The fair value adjustments on portfolio fair value hedges are contained in the relevant balance sheet line items of the hedged items.

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The net difference between the carrying amount and fair value for all items amounted to €1.2bn as at September 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	30.9.2010				31.12.2009
	Level I	Level II	Level III	Total	Total
Fair value option	4.2	–	0.9	5.1	10.5
Hedge accounting	–	6.0	–	6.0	6.4
Held for trading	41.6	210.6	3.0	255.2	218.7
Available-for-sale	4.0	40.1	0.6	44.7	45.0
<b>Total</b>	<b>49.8</b>	<b>256.7</b>	<b>4.5</b>	<b>311.0</b>	<b>280.6</b>

Financial liabilities   €bn	30.9.2010				31.12.2009
	Level I	Level II	Level III	Total	Total
Fair value option	5.2	–	–	5.2	6.8
Hedge accounting	–	12.5	–	12.5	11.3
Held for trading	14.1	212.1	0.7	226.9	192.9
<b>Total</b>	<b>19.3</b>	<b>224.6</b>	<b>0.7</b>	<b>244.6</b>	<b>211.0</b>

### (32) Treasury shares

	Number of shares <sup>1</sup> in units	Accounting par value in €1,000	Percentage of share capital
Holdings on 30.9.2010	3,622,495	9,418	0.31
Largest number acquired during the financial year	6,505,242	16,914	0.55
Total shares pledged by customers as collateral on 30.9.2010	10,767,058	27,994	0.91
Shares acquired during the financial year	101,625,001	264,225	
Shares disposed of during the financial year	98,866,411	257,053	

<sup>1</sup> Accounting par value per share €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 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 administers the Special Fund for Financial Market Stabilization (SoFFin), the German federal government holds a stake 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 the following 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	30.9.2010	31.12.2009	Change in %
Claims on banks	691	923	-25.1
Claims on customers	1,807	1,042	73.4
Trading assets	1,279	1,692	-24.4
Financial investments	44	39	12.9
<b>Total</b>	<b>3,821</b>	<b>3,696</b>	<b>3.4</b>
Liabilities to banks	3	6	-44.4
Liabilities to customers	1,374	1,512	-9.1
Liabilities from trading activities	1,708	1,495	14.2
<b>Total</b>	<b>3,086</b>	<b>3,013</b>	<b>2.4</b>
<b>Off-balance-sheet items</b>			
Guarantees and collateral granted as well as irrevocable lending commitments	535	131	.
Guarantees and collateral received	7	35	-80.3

Trading assets and trading liabilities result largely 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.-30.9.2010	1.1.-30.9.2009	Change in %
<b>Income</b>			
Interest	96	67	43.8
Commission	6	11	-42.6
Goods and services	12	7	73.2
<b>Expenses</b>			
Interest	44	55	-19.5
Commission	26	5	.
Goods and services	46	21	.
Write-downs/impairments	-	-	.

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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:

€m	30.9.2010	31.12.2009	Change in %
Cash reserve	693	3,633	-80.9
Claims on banks	4,157	213	.
Claims on customers	2,727	2,378	14.7
Trading assets	4,741	2,628	80.4
Financial assets	9,782	6,209	57.5
<b>Total</b>	<b>22,100</b>	<b>15,061</b>	<b>46.7</b>
Liabilities to banks	11,701	24,260	-51.8
Liabilities to customers	86	90	-3.9
Silent participation	16,428	16,428	0.0
<b>Total</b>	<b>28,215</b>	<b>40,778</b>	<b>-30.8</b>
<b>Off-balance-sheet items</b>			
Guarantees and collateral granted as well as irrevocable lending commitments	391	3	.
Guarantees and collateral received	5,000	5,000	0.0

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



Martin Blessing



Frank Annuscheit



Markus Beumer



Achim Kassow



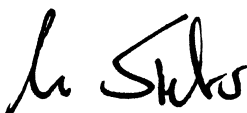
Jochen Klösges



Michael Reuther



Stefan Schmittmann



Ulrich Sieber



Eric Strutz



## Boards of Commerzbank Aktiengesellschaft

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### Supervisory Board

**Klaus-Peter Müller**  
Chairman

**Uwe Tschäge\***  
Deputy Chairman

**Hans-Hermann Altenschmidt\***

**Dott. Sergio Balbinot**

**Dr.-Ing. Burckhard Bergmann**

**Herbert Bludau-Hoffmann\***

**Dr. Nikolaus von Bomhard**

**Karin van Brummelen\***

\* Elected by the Bank's employees.

**Astrid Evers\***

**Uwe Foullong\***

**Daniel Hampel\***

**Dr.-Ing. Otto Happel**

**Sonja Kasischke\***

**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

### 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

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### To COMMERZBANK Aktiengesellschaft, Frankfurt am 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 in-terim group management report of COMMERZBANK, Frankfurt am Main, for the period from January 1 to September 30, 2010 which are part of the quarterly financial report pursuant to Article 37 x Abs. 3 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 am Main, November 2, 2010

PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Lothar Schreiber  
Wirtschaftsprüfer  
(German Public Auditor)

Stephan Erb  
Wirtschaftsprüfer  
(German Public Auditor)

## Significant subsidiaries and associates

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Germany	Abroad
Atlas Vermögensverwaltungs-Gesellschaft mbH, Bad Homburg v.d.H.	BRE Bank SA, Warsaw
comdirect bank AG, Quickborn	Commerzbank Capital Markets Corporation, New York
Commerz Real AG, Eschborn	Commerzbank (Eurasija) SAO, Moscow
Deutsche Schiffsbank AG, Bremen/Hamburg	Commerzbank Europe (Ireland), Dublin
Eurohypo AG, Eschborn	Commerzbank International S.A., Luxembourg
Süddeutsche Industrie-Beteiligungs-GmbH, Frankfurt am Main	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, Tripoli, Zagreb

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## 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.

#### 2011 Financial calendar

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

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