

COMMERZBANK



Solid performance and strengthened capital in 2016 – Execution of Commerzbank 4.0 started

Analyst conference – Q4 2016 / FY 2016 preliminary and unaudited results

Solid performance and strengthened capital in 2016 – Execution of Commerzbank 4.0 started

Strategy execution Commerzbank 4.0 kicked off

- › Management structures and steering systems in place
- › Execution started according to plan
- › Roadmap and milestones for 2017 defined

Solid operating performance at a sound risk profile

- › Operating result 2016 of €1.4bn and net result of €279m
- › Strong growth in PSBC and sustained leading position in CC
- › Sound risk profile with NPL ratio of 1.6%

Capital ratios exceed all regulatory requirements

- › CET1 ratio increased to 12.3% - above SREP requirements
- › Comfortable leverage ratio of 4.8%
- › Counterparty credit and deposit ratings at single A level¹



Commerzbank 4.0 – a strategic programme with three cornerstones

Focused business model

1

We will focus on businesses where we have clear competitive advantages, discontinuing non-core activities

Digital enterprise

2

We will transform the Bank into a digital enterprise

Enhancing efficiency

3

We will simplify the Bank, creating efficiency

Commerzbank 4.0

Targets 2020	Current rates	Rising rates
Revenues (€bn)	9.8-10.3	11.3
Costs (€bn)	6.5	6.5
CIR (%)	<66	~60
Net RoTE (%)	>6	>8
CET1 (%)	>13	>13



Higher profitability, and enhanced competitiveness

First achievements Commerzbank 4.0 – key milestones in 2017

Achievements

Management set up in place

- › Segmental and management structure implemented in governance and steering-systems

First business milestones reached

- › Multi-channel platform “One” rolled out
- › New Flagship and first City branches opened
- › RWA efficiency program successfully launched

Digital Campus “up and running”

- › 9 Master Journeys and 5 Support Journeys defined – 6 already started
- › ~300 journey staff already on-site

Key milestones 2017

Reduce complexity to enable efficiency gains

- › Negotiate workers council agreement
- › Fully integrated client approach in CC
- › EMC: final set up of stand-alone business and filing of license application

Further growth supported by digital capabilities

- › Go live of digital consumer credit offering
- › Comprehensive offering for small business customers
- › Digital onboarding of corporate clients

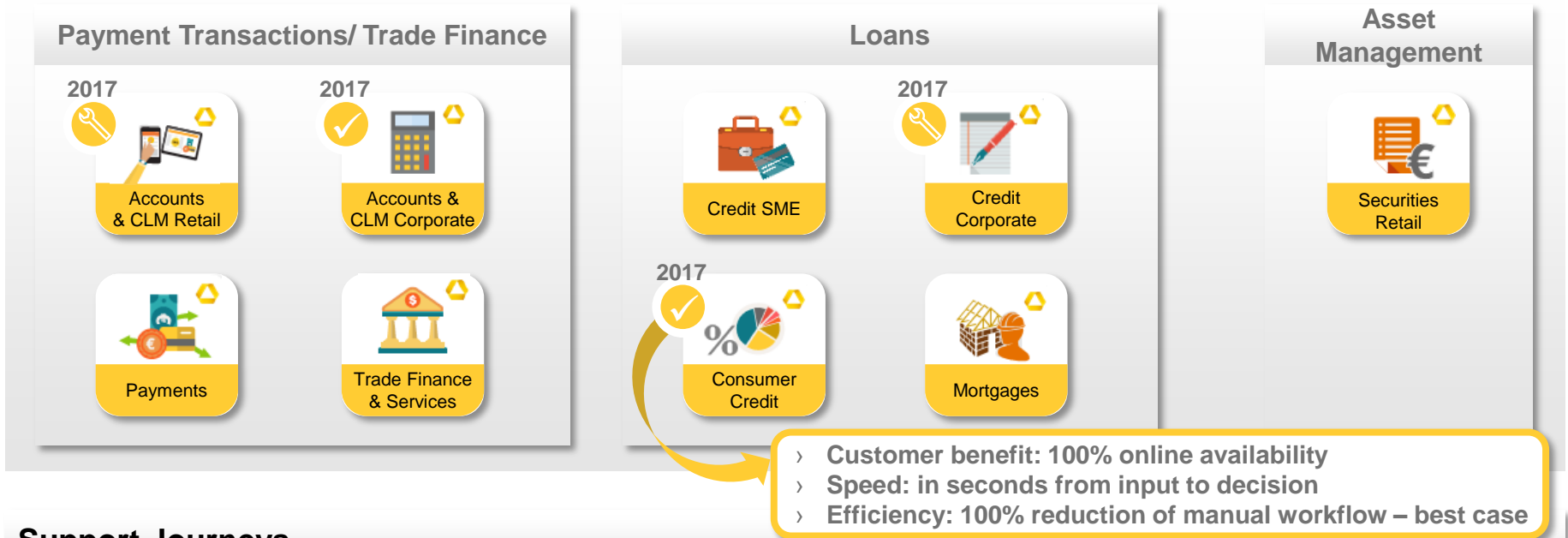
First wave of digital journeys

- › 2 Journeys to be completed in 2017 – another 7 Journeys in process in 2017
- › First use cases from advanced analytics

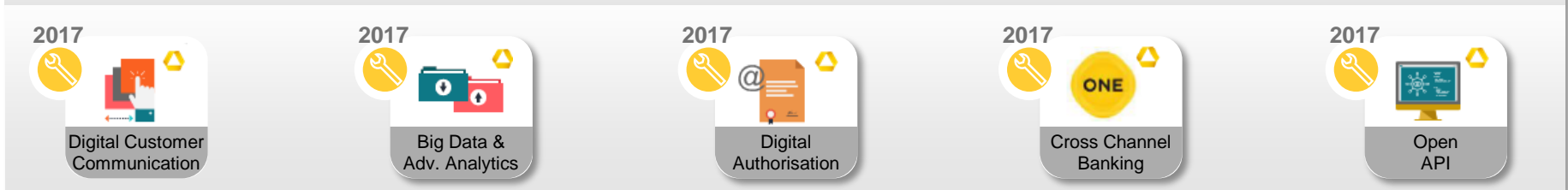


Digitalization in Commerzbank 4.0 – 9 Master Journeys and 5 Support Journeys

Master Journeys



Support Journeys



Strong background in digital initiatives serves as enabler for Commerzbank 4.0

Private and Small Business Customers

- › Fully digital account transfer service including online account opening in less than 10 minutes
- › mBank serves as strong innovative partner with leading digital position in Poland



Other Digital Initiatives

- › Newly set up digital agency “Neugelb” with the core competencies in web design, UX¹ design and creative strategy development
- › Further development of Blockchain-Technologies for our customers
- › Strong investment in OCR technology for loan business



Corporate Clients

- › Digital transformation platform for our target group corporate clients and home base for international startups
- › Corporate customer advisors function as multipliers of digital services
- › Main Funders innovative p2p lending platform



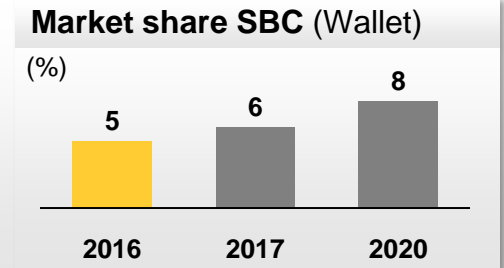
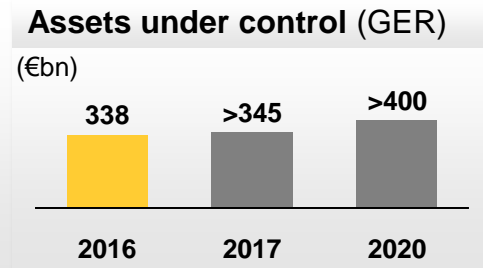
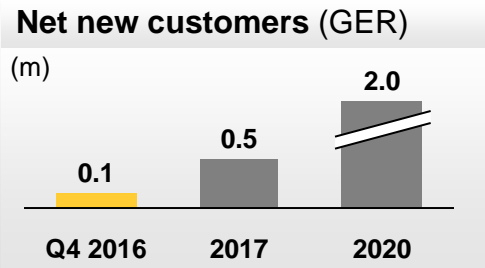
Fintech Innovations

- › Venture capital investments in promising FinTech and InsurTech companies (e.g. Pay Key for secure P2P payments on all social network mobile platforms)
- › Promotion & development of ideas into a working prototype

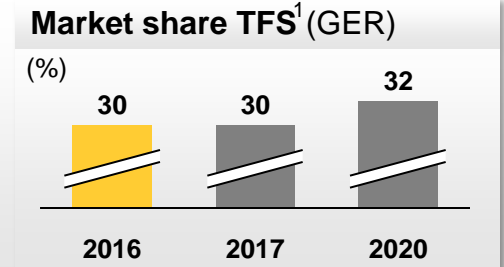
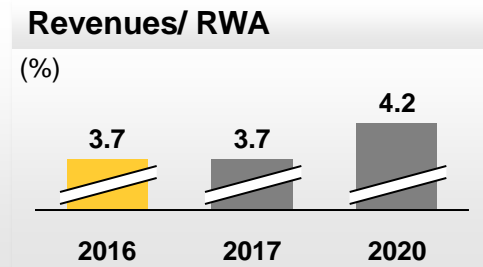
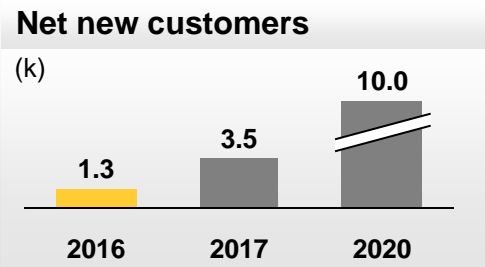


Strategy execution management alongside key execution indicators

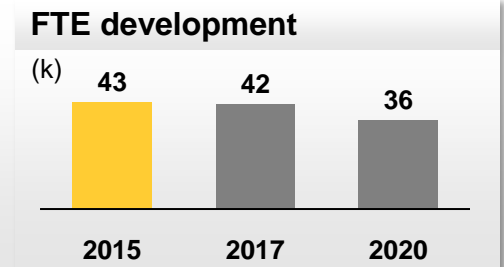
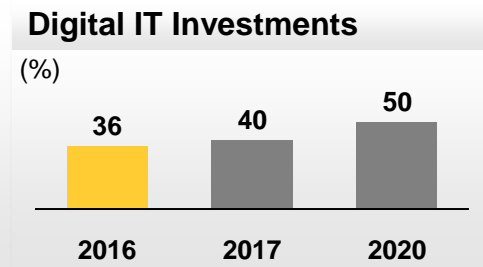
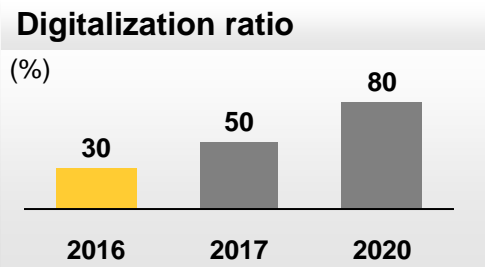
Private and Small Business Customers



Corporate Clients



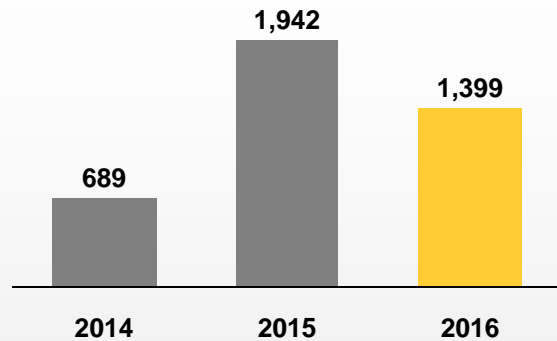
Group



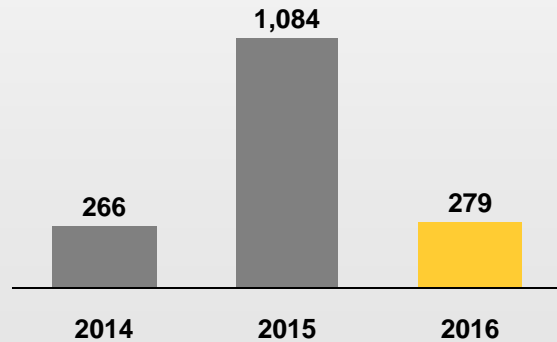
Key financial figures at a glance

Group Financial Result (€m)

Operating result

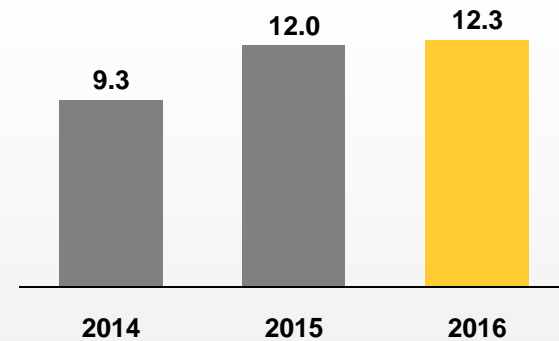


Net result¹⁾

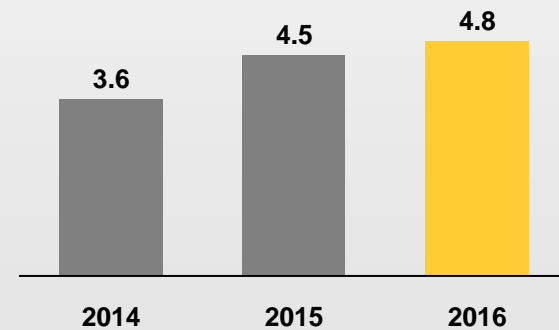


Group Capital (% end of period)

B3 CET1 ratio fully phased-in



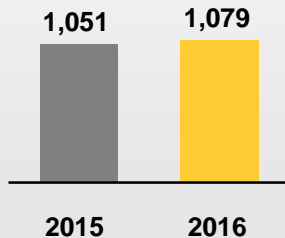
Leverage ratio fully phased-in



Operating result of Commerzbank divisions in new structure

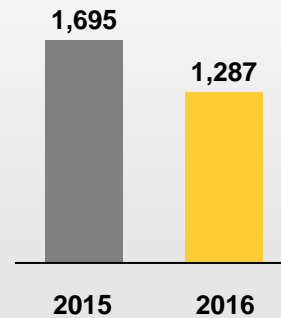
Private and Small Business Customers (€m)

Op.RoTE	21.6%	25.3%
CIR	74.9%	75.1%
RWA	€39bn	€36bn
Assets	€112bn	€119bn
	2015	2016



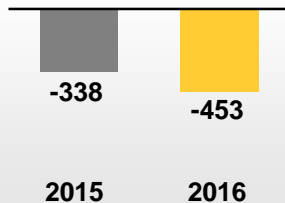
Corporate Clients (€m)

Op.RoTE	12.4%	10.1%
CIR	62.7%	66.9%
RWA	€106bn	€105bn
Assets	€259bn	€211bn
	2015	2016



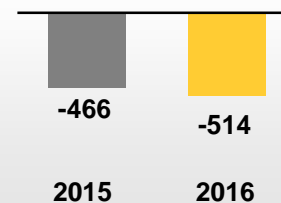
Others & Consolidation (€m)

RWA	€31bn	€28bn
Assets	€140bn	€123bn
	2015	2016



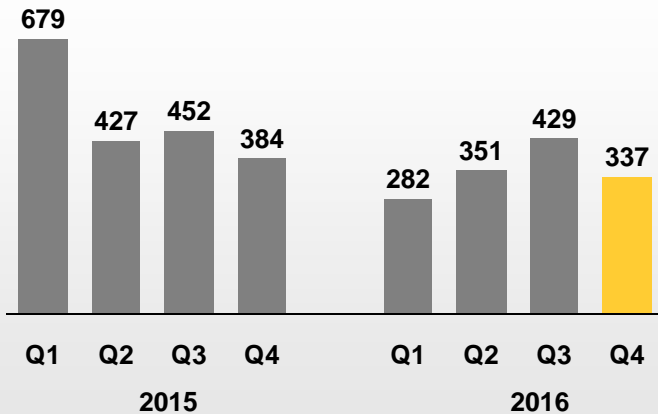
Asset & Capital Recovery (€m)

RWA	€22bn	€21bn
Assets	€23bn	€27bn
	2015	2016



Solid operating performance in 2016

Group Operating result (€m)



Group P&L

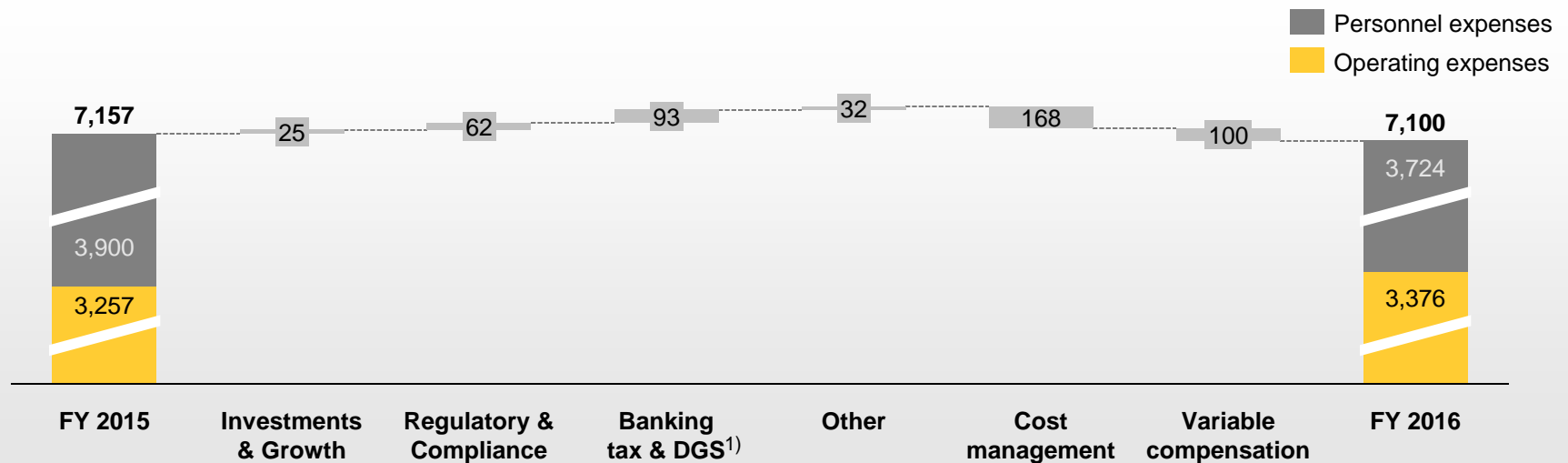
in € m	Q4 2015	Q3 2016	Q4 2016	FY 2015	FY 2016
Revenues	2,240	2,437	2,399	9,795	9,399
LLP	-112	-275	-290	-696	-900
Costs	1,744	1,733	1,772	7,157	7,100
Operating result	384	429	337	1,942	1,399
Impairments on goodwill & other intang. assets	-	627	-	-	627
Restructuring expenses	20	57	32	114	129
Taxes on income	140	14	100	629	261
Minority interests	31	19	22	115	103
Net result ¹⁾	193	-288	183	1,084	279
CIR (%)	77.9	71.1	73.9	73.1	75.5
Ø Equity (€bn)	29.7	29.5	29.6	28.9	29.5
Net RoE (%)	2.7	-4.0	2.6	3.9	1.0
Net RoTE (%)	3.0	-4.5	2.8	4.3	1.1
Operating return on CET1 (%)	6.5	7.5	5.8	8.7	6.0

Highlights

- › 2016 with an overall solid operating result of €1.4bn despite the challenging interest rate environment and additional regulatory burdens
- › Net result of €279m translates into net RoTE of 1.1% including goodwill impairment of €627m in Q3
- › Q4 revenues include Heta (€135m/ACR), property sales gains (€133m/O&C) and only minor XVA/OCS effects (€37m)
- › LLPs in 2016 increased due to shipping while costs have been slightly reduced despite new burden from Polish banking tax

Expenses stable – fully compensating additional external burdens

Transition costs 2015 vs. 2016 (€m)

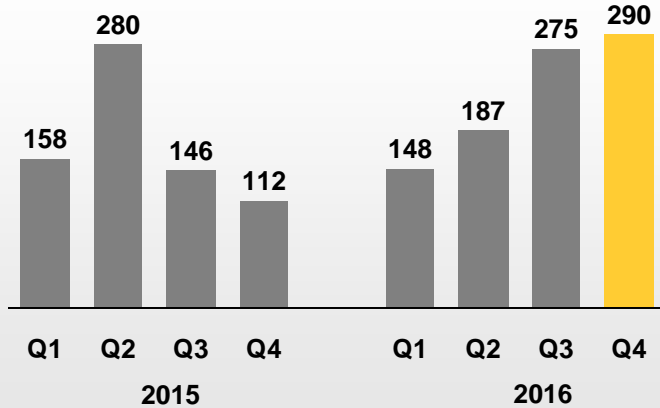


Highlights

- › Cost management driven by gross FTE reduction of 1,350 FTEs and successful management of operating costs – fully compensating additional burdens from Polish banking tax (€74m) and European bank levy (€36m)
- › Further strengthening of our compliance function (€50m)
- › Reduction of variable compensation reflecting lower performance

Loan loss provisions well below €1.0bn

Provisions for loan losses, Group (€m)



LLP divisional split

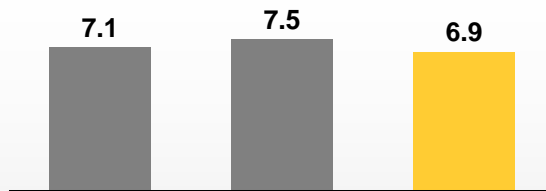
in € m	Q4 2015	Q3 2016	Q4 2016	FY 2015	FY 2016
Private and Small Business Customers	12	40	14	167	119
Corporate Clients	51	87	-30	108	185
Asset & Capital Recovery	50	147	307	361	599
Others & Consolidation	-1	1	-1	60	-3
Group	112	275	290	696	900
Group CoR (bps)	16	19	21	16	21
Group NPL (€bn)	7.1	7.5	6.9	7.1	6.9
Group NPL ratio (in %)	1.6	1.7	1.6	1.6	1.6

Highlights

- › LLPs in PSBC benefit from very good solvency of German households
- › LLPs in CC still at a low level reflecting the good portfolio quality and the stable German economy. Releases below previous year but still with a relevant impact
- › LLPs in Q4 and FY2016 mainly driven by Ship Finance portfolio. Challenging situation in the shipping markets is reflected timely in an LLP increase to €559m – LLP coverage significantly increased to 64% in Q4

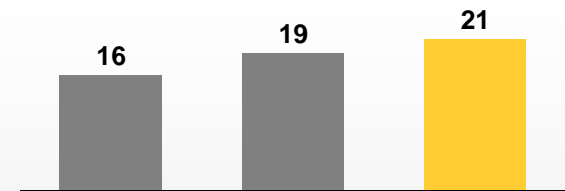
Sound risk profile with NPL ratio of only 1.6%

NPL in Group (€bn)



	YE 2015	9M 2016	YE 2016
PSBC	2.0	1.8	1.7
CC	2.9	3.5	3.4
O&C	0.1	0.0	0.0
ACR	2.2	2.2	1.8
NPL ratio ¹⁾ Group	1.6%	1.7%	1.6%
Coverage ACR	45%	41%	57%

Cost of Risk²⁾ in Group (bp)



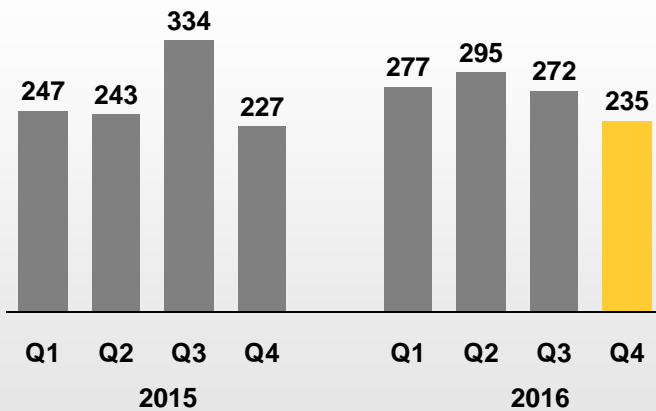
	FY 2015	9M 2016	FY 2016
PSBC	12	9	9
CC	5	15	9
O&C	7	-	-
ACR	192	226	380

Highlights

- › NPL significantly reduced by €0.6bn in Q4/2016. Further reduction expected over the next quarters especially in CC
- › Increase of cost of risk in ACR and on group level driven by Shipping portfolio as expected and clearly addressed
- › Cost of risk in the operating segments PSBC and CC with 9bp still on a very low level

Private and Small Business Customers: Continuous business growth above the market

Operating result (€m)



Segmental P&L

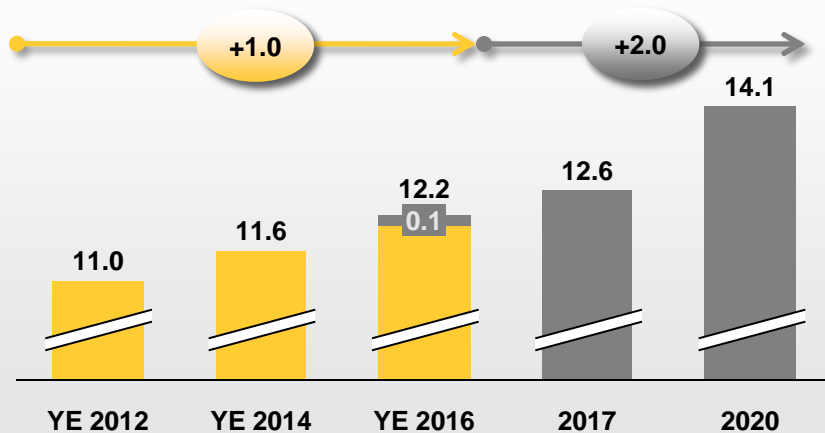
in € m	Q4 2015	Q3 2016	Q4 2016	FY 2015	FY 2016
Revenues	1,190	1,215	1,177	4,845	4,819
o/w Private Customers	572	599	593	2,518	2,402
o/w Small Business Customers	202	196	198	823	795
o/w Commerz Real	77	109	72	195	291
o/w Comdirect	88	82	83	371	379
o/w mBank	252	228	231	938	952
LLP	-12	-40	-14	-167	-119
Costs	951	903	928	3,627	3,621
Operating result	227	272	235	1,051	1,079
RWA fully phased in (end of period)	39.0	37.1	36.1	39.0	36.1
CIR (%)	79.9	74.3	78.8	74.9	75.1
Ø Equity (€bn)	4.7	4.1	4.1	4.8	4.1
Operating return on equity (%)	19.3	26.4	23.2	22.1	26.2

Highlights

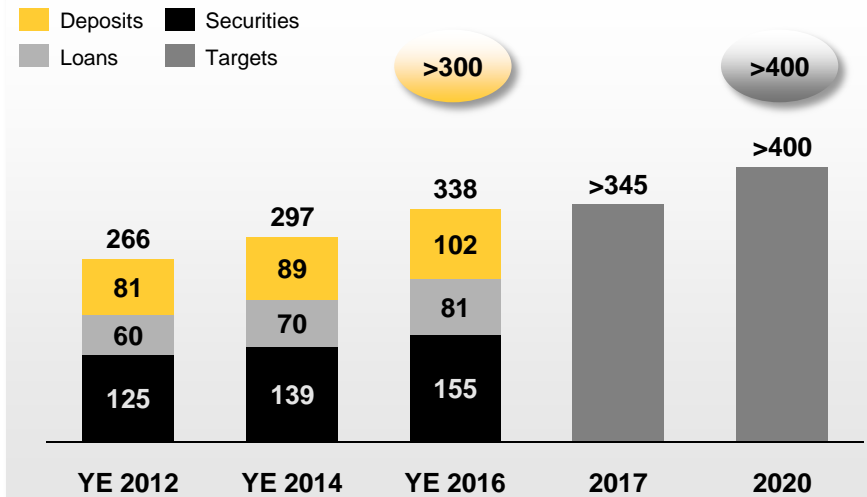
- › Sizable loan growth above the German market average with total customer loans rising 8% y/y partly compensates for pressure from negative interest rate environment.
- › Ongoing good operating performance at mBank with further increasing interest margin – cost base in 2016 including negative impact of Polish banking tax
- › Overall lower client activity in the security business but steadily growing share of recurring income from managed accounts

Private and Small Business Customers: 1m net new customers since 2012 – further 137k already contributing to 2m target for 2020

Customers GER (m)



Assets under control GER (€bn)

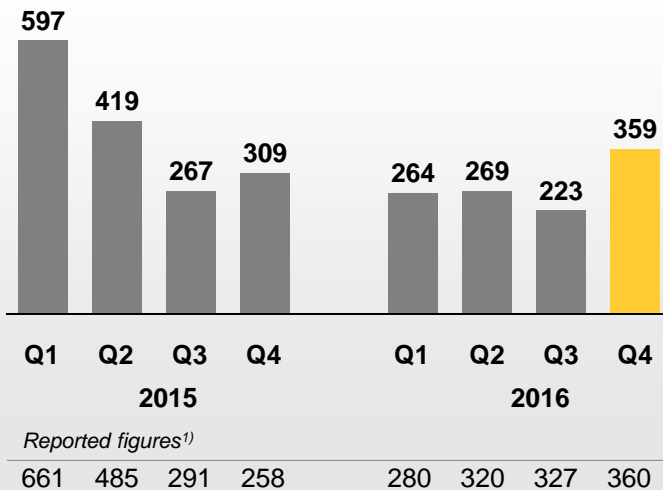


Highlights

- › 1m net new customers target achieved ahead of time in October 2016 – since then already 137k net new customers gained and further new customers will come as a result of the acquisition of online broker Onvista in 2017 with ~90k clients today
- › Growth in AuC in all areas a reflection of continuous market share gains in highly competitive domestic market
- › Net Promoter Score since 2013 constantly well above 30 and still growing - among the highest scores in the German banking sector

Corporate Clients: Strong position in Mittelstand – burdens from negative interest rates and challenging markets

Operating result²⁾ (€m)



Segmental P&L

in € m	Q4 2015	Q3 2016	Q4 2016	FY 2015	FY 2016
Revenues ²⁾	1,120	1,017	1,083	4,730	4,273
o/w Mittelstand	460	465	506	1,981	1,963
o/w International Corporates	220	231	245	1,016	965
o/w Financial Institutions	187	131	130	694	572
o/w EMC	24	86	69	422	329
FVA, net CVA / DVA and OCS	-51	104	1	103	172
LLP	-51	-87	30	-108	-185
Costs	760	707	754	3,030	2,973
Operating result	258	327	360	1,695	1,287
RWA fully phased in (end of period)	106.2	104.3	105.2	106.2	105.2
CIR (%) ²⁾	67.9	69.5	69.6	64.1	69.6
Ø Equity (€bn)	12.3	11.6	11.4	12.4	11.6
Operating return on equity (%) ²⁾	10.1	7.7	12.6	12.8	9.6

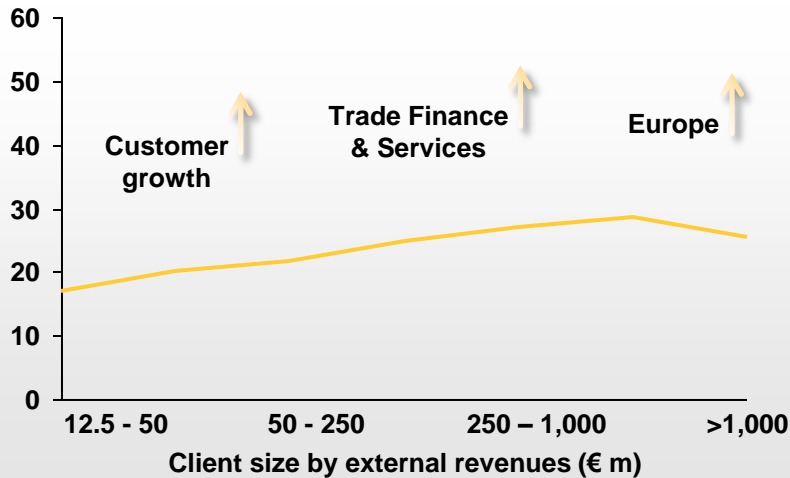
Highlights

- › Mittelstand maintains a strong market position with overall stable revenues, despite the negative rates environment
- › International Corporates sees muted client activity in capital markets while revenues from commercial business are overall stable
- › Financial Institutions with overall lower revenues y/y due to internally tightened risk and compliance framework
- › EMC impacted by volatile equity market conditions burdening structured products business for institutionals

Corporate Clients: Leverage strong domestic market position while focussing on RWA-efficiency

Growth

Share of corporate clients (%)



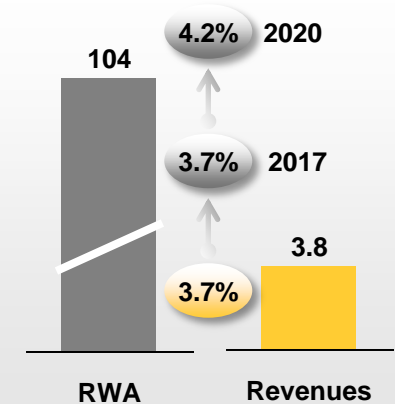
- › Acquire 10k new customers until 2020 with focus on smaller SMEs
- › Increase German market share in trade services and finance from 30% to 32%
- › Leveraging of our in-depth German expertise into selected international key industry sectors

Efficiency (€bn)

LtD ratio ~100%



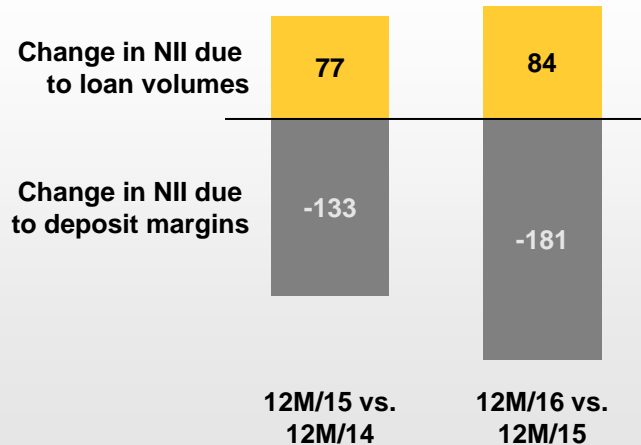
RWA-efficiency



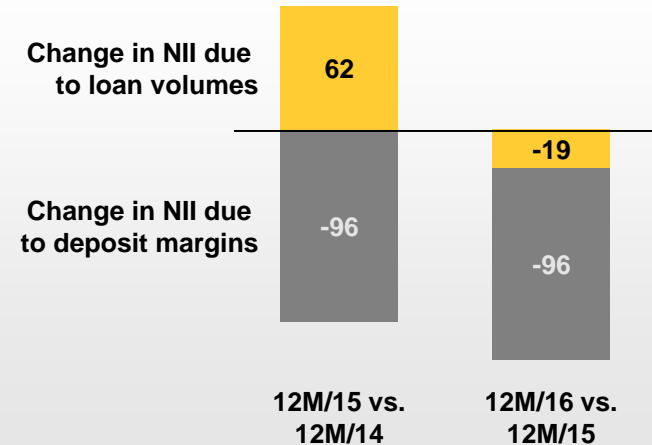
- › Keep healthy LtD ratio in current interest rate environment
- › Increase RWA-efficiency by means of ongoing portfolio optimization
- › Calculation based on RWA and operating revenues before LLP, XVA and OCS – both excluding EMC

2016 with net burden of €212m from negative interest rate environment

NII analysis in former segment PC (€m)



NII analysis in former segment MSB (€m)



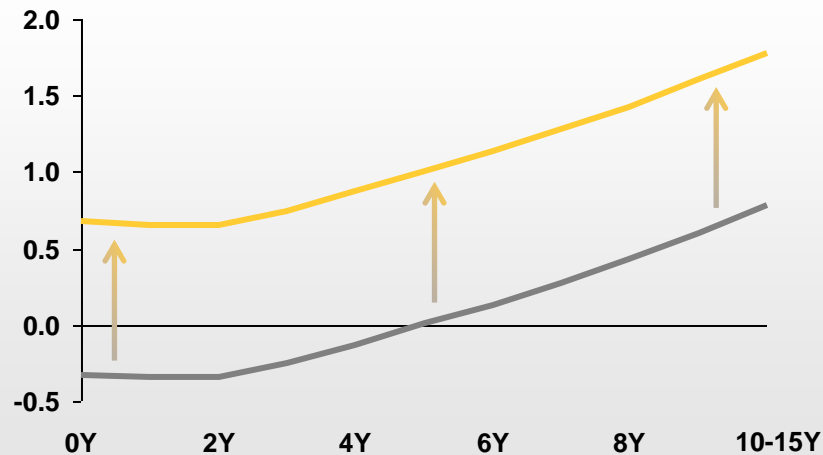
Highlights

- › NII analysis still reflects former segmental structure to allow for comparison with quarterly disclosures in 2016
- › Gross burden from negative rates environment on deposit margins adds up to €277m in PC and MSB
- › Mitigation in PC due to growing loan volumes – softened negative impact on MSB (only additional gross burden of €-17m in Q4 vs 2015) supported by reduction of deposits by €-22bn since Dec. 2015
- › At current rates, pressure on deposit margin leads to further gross ~€300m NII reduction 2020 vs 2016 and net reduction of ~€100m due to mitigating measures

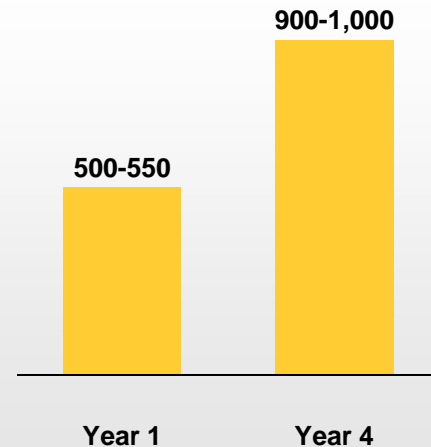
Significant NII potential in scenario of rising interest rates

Scenario: 100bp parallel up-shift in rates yield curve (%)

16 January 2017



Scenario impact on NII (€m)

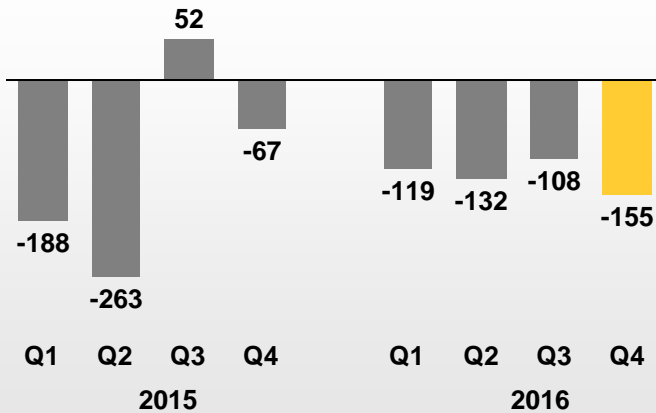


Highlights

- › Year 1 effect of €500-550m driven by short-end rates due to large stock of overnight (excess) deposits
- › Thereof ~50% stem from leaving the negative interest rate territory
- › Year 4 effect of €900-1,000m driven by higher reinvestment yield of modelled deposits used to refinance longer term loans

Asset & Capital Recovery: Gain on sale of Heta exposure offset by higher risk provisioning for shipping portfolio

Operating result (€m)



Segmental P&L

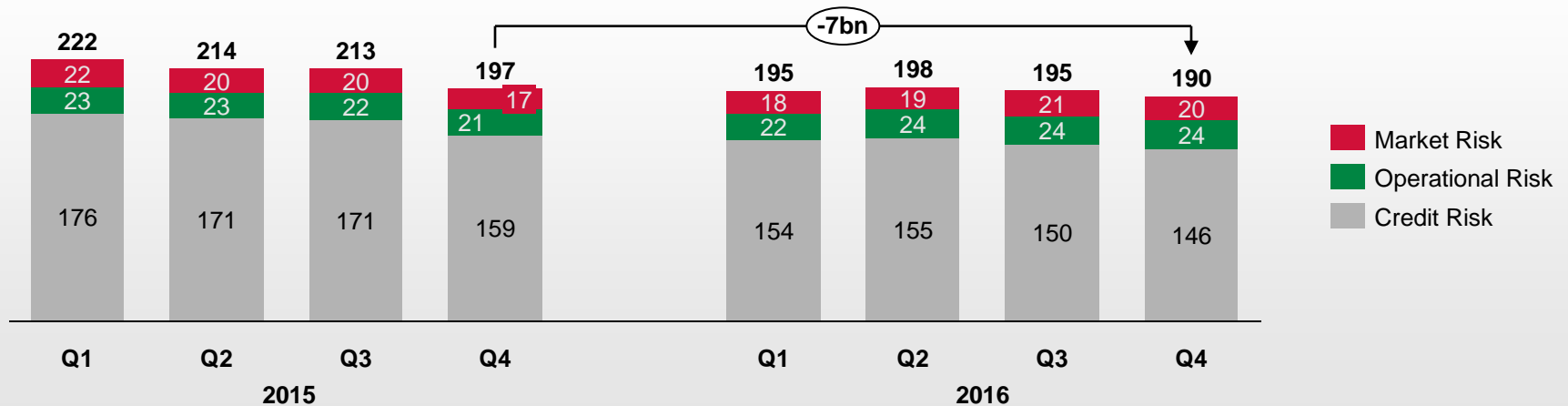
in € m	Q4 2015	Q3 2016	Q4 2016	FY 2015	FY 2016
Revenues	14	72	183	76	213
LLP	-50	-147	-307	-361	-599
Costs	31	33	31	181	128
Operating result	-67	-108	-155	-466	-514
RWA fully phased in (end of period)	21.6	21.5	20.6	21.6	20.6
Ø Equity (€bn)	3.7	3.3	3.2	4.2	3.3
CRE (EaD in €bn)	3.1	2.7	2.5	3.1	2.5
Ship Finance (EaD in €bn)	6.1	5.0	4.8	6.1	4.8
Public Finance (EaD in €bn)	9.3	9.5	9.0	9.3	9.0

Highlights

- › Revenues in Q4 supported by sale of HETA exposure with €135m positive impact
- › Higher LLPs due to ship finance
- › Ongoing portfolio shrinkage with EaD reduction of €2.3bn (-13%) yoy to €16.2bn – driven by lower shipping (€-1.3bn, despite €+0.1bn FX effect) and CRE exposures

Effective portfolio management leads to lower RWA

RWA (B3 fully phased-in) development by RWA classification (€bn)

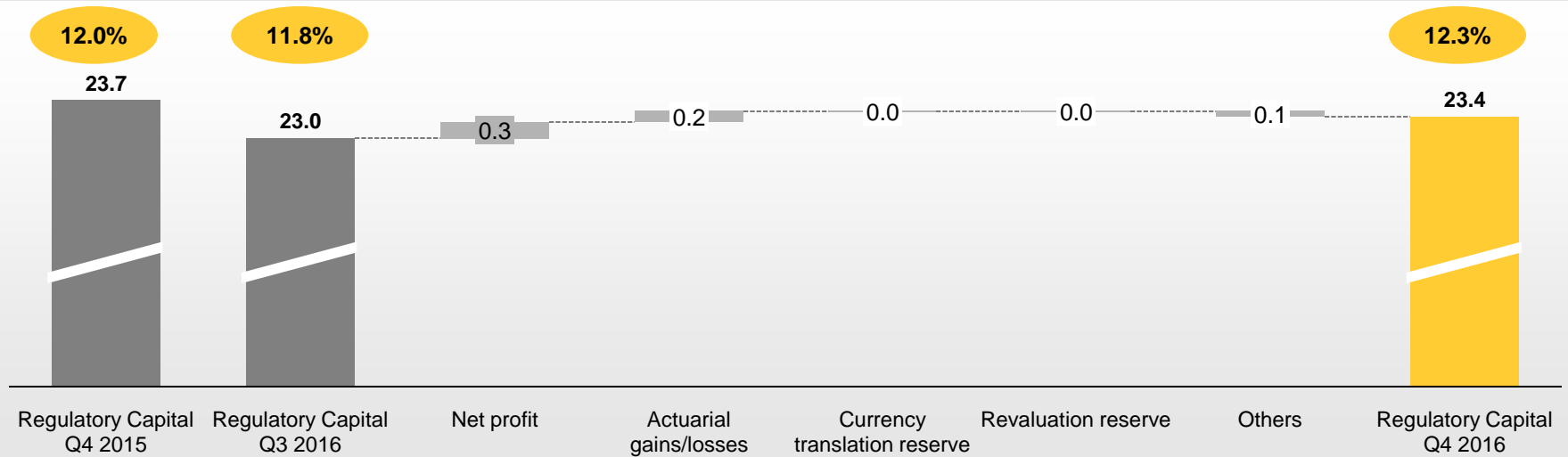


Highlights

- › Significant decrease of Credit Risk RWA caused by active portfolio management (planned reduction in run down portfolio, improvement of risk profile in certain portfolios and securitization of corporate clients portfolio)
- › OpRisk RWA increased by €2.5bn yoy. The frequency of internal loss events has decreased significantly. However, this is overcompensated by new and increased large external loss events

CET1 ratio increased to 12.3%

Regulatory capital (CET1 B3 fully phased-in) transition (€bn)



Highlights

- › Increase of CET1 ratio by 50bp due to lower RWA (+30bp) and further strengthening of capital (+20bp)
- › Positive effects from actuarial gains and losses due to increased discount rate for pension liabilities on the back of rising long-term interest rates
- › Currency translation reserve and revaluation reserve with only minor movements in Q4 2016

Objectives and expectations for 2017

We will further strengthen our market position and focus on the execution of Commerzbank 4.0

We keep our CET1 ratio stable $\geq 12\%$ balancing out investments, P&L incl. restructuring costs, capital and RWA

We keep our cost base stable and book the first part of restructuring charges for Commerzbank 4.0

We expect LLPs for PSBC and CC on the level of 2016 – Ship Finance in a range of €450m - €600m



Appendix

Slides 24 - 35

- › German economy 2016/2017
- › Major pillars of the new PSBC & CC segment
- › Key figures of Commerzbank share
- › Commerzbank financials at a glance
- › Leverage ratio at 4.8% fully phased-in
- › Hedging & Valuation adjustments
- › Capital markets funding activities (as of 9M 2016)
- › Rating overview Commerzbank
- › Change in revaluation reserve due to changes in Italian credit spread
- › Shipping market
- › ACR Ship Finance portfolio as of 31 December 2016

Slides 36 - 47

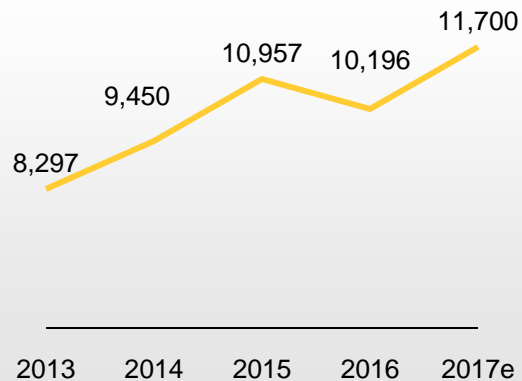
- › IAS 19: Development of pension liabilities
- › Exchange rate developments
- › Residential mortgage business vs property prices
- › Corporate responsibility as part of a sustainable and successful management
- › Group equity composition
- › Glossary - Capital Allocation / RoE, RoTE & RoCET1 Calculation
- › P&L tables for group and segments

German economy 2017 – ongoing moderate growth ahead

Current development

- › After a slowdown during the summer growth of the German economy accelerated again in Q4
- › Main driver of the recovery is still private consumption supported by higher wages and rising employment. However, exports seem to have picked up again in Q4 due to somewhat stronger demand from outside the Euro area
- › Labor market has improved further
- › Refugees crisis has subsided – economic effects remain uncertain

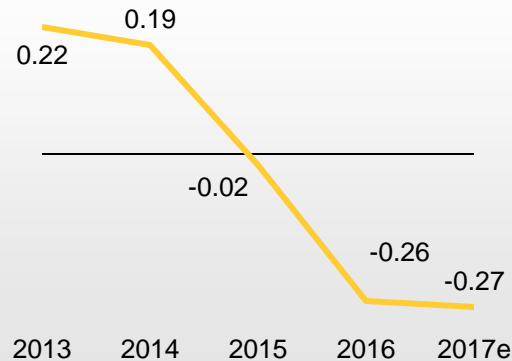
DAX (avg. p.a.)



Our expectation for 2017

- › Sentiment of firms have improved further. Therefore recovery will continue as there is no negative shock ahead – monetary policy will stay expansionary and the impact of Brexit will be very limited
- › However, as we see stronger demand from outside the euro area as a temporary phenomenon, growth will not stay as strong as recently
- › Nevertheless, with 1.6% we expect 2017 growth to be a little bit above consensus expectations (1.3%)

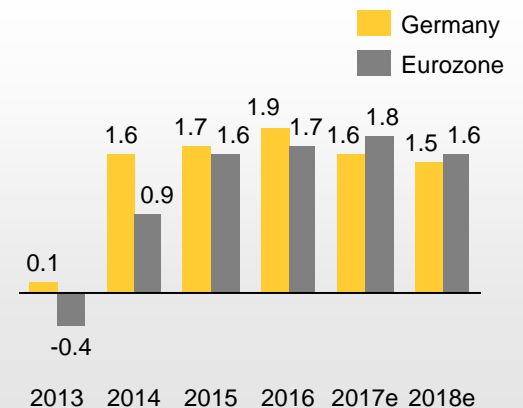
Euribor (avg. p.a. in %)



Risks in the long-run

- › Export oriented German economy would suffer especially from a trade conflict initiated by the new US government
- › EMs – a very important market for German exports – will no longer grow as strong as in the years ago
- › The fall of the German labor force will depress potential growth to around 0.5%
- › Current economic policy is geared more towards redistribution of wealth than support for growth.

GDP (change vs. previous year in %)



Major pillars of the new Private and Small Business Customers segment

Private Customers	Revenues 16
<ul style="list-style-type: none"> › Domestic retail banking business served via ~1,000 branches and wide-ranging multi-channel capabilities › ~8m private customers (+0.2m in 2016) including private banking and wealth management clients 	€2.4bn
Small Business Customers	
<ul style="list-style-type: none"> › > 1m domestic small business customers, incl. small entrepreneurs, freelancer, self-employed › 45k corporate customers with turnover > €2.5m < €15m transferred from Mittelstandsbank 	€0.8bn
comdirect bank (formerly: direct banking)	
<ul style="list-style-type: none"> › Domestic market leader in online security business with ~3.1m total customers (+0.1m in 2016) › Franchise strengthened with acquisition of onvista bank (to be completed in 1H17) with 90k clients 	€0.4bn
Commerz Real	
<ul style="list-style-type: none"> › Asset manager for physical assets – €32bn total AuM, incl. €12bn from open-end real estate fund hausInvest › Investment solutions for institutional investors, e.g. in real estate, leasing, infrastructure, aircraft financing 	€0.3bn
mBank (formerly: Central & Eastern Europe)	
<ul style="list-style-type: none"> › Universal and direct banking in Poland and Retail Banking in the Czech Republic and Slovakia › ~5.4m customers (+0.4m in 2016) including corporate clients 	€1.0bn

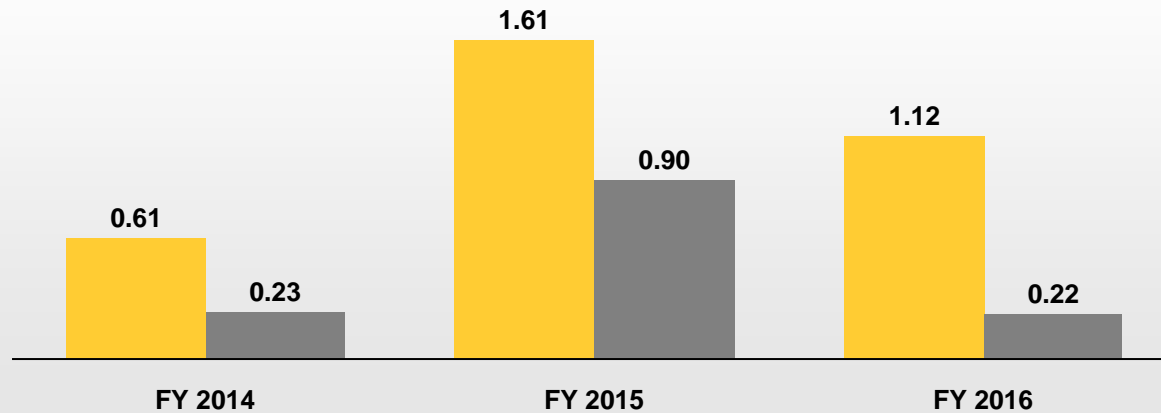
Major pillars of the new Corporate Clients segment

Mittelstand (German corporates w/ sales > 15m€) <ul style="list-style-type: none"> › Full range of products out of ~150 branches in Germany › German mid-sized and large corporates with sales >15m€ (as long as not listed in DAX or MDAX) 	Revenues¹ 16 €2.0bn
International Corporates (Corporates outside of Germany and multinationals) <ul style="list-style-type: none"> › Large German corporates (listed in DAX or MDAX) › Corporates / insurances located outside of Germany, including multinational clients 	€1.0bn
Financial Institutions (FIs and central banks) <ul style="list-style-type: none"> › Full range of services; focus on processing foreign payment transactions, trade finance and risk management › FIs in Germany and abroad, including central banks; global network of correspondent banks 	€0.6bn
EMC (Ring-fencing the financial products manufacturing and market making business) <ul style="list-style-type: none"> › Structured financial instruments and investment products › EMC products are offered to all customers of Commerzbank, both in Germany and abroad 	€0.3bn
Other Result <ul style="list-style-type: none"> › Legacy positions from former NCA, Portfolio Restructuring Unit and EMC › Effects from risk management for the Segment Corporate Clients 	€0.4bn

Key figures of Commerzbank share

Figures per share (€)

■ Operating result
■ EPS



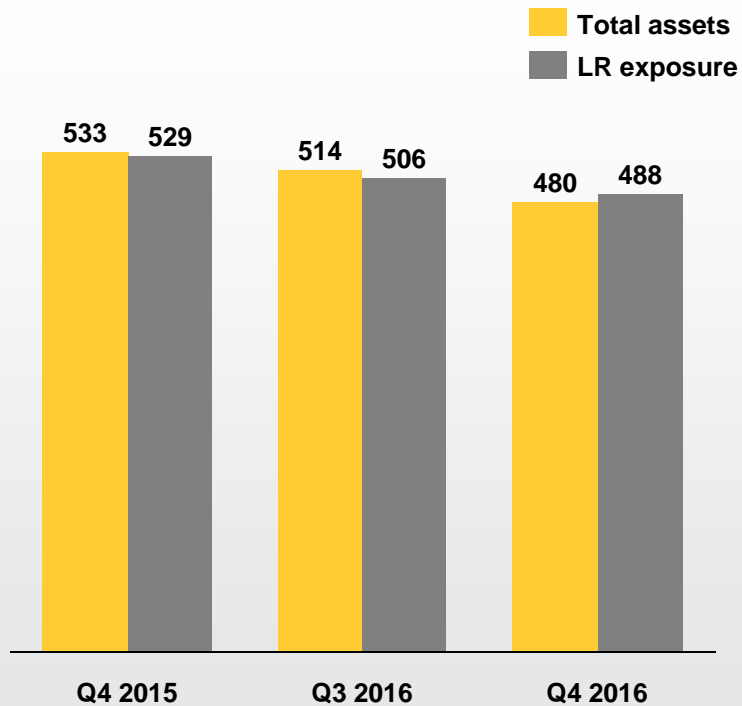
ytd as of	31 Dec 2014	31 Dec 2015	31 Dec 2016
Number of shares issued (in m)	1,138.5	1,252.4	1,252.4
Market capitalisation (in €bn)	12.5	12.0	9.1
Net asset value per share (in €)	21.34	22.52	21.74
Low/high Xetra intraday prices ytd (in €)	9.91/14.48	8.94/13.39	5.16/9.50

Commerzbank financials at a glance

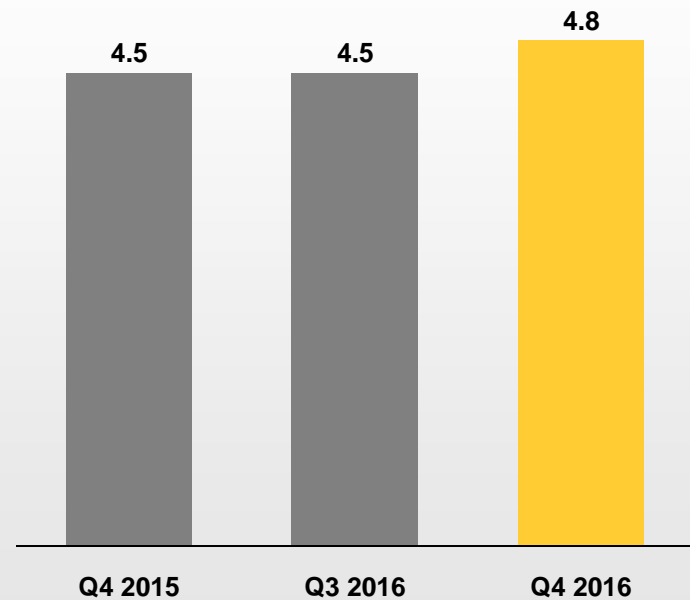
Group	Q4 2015	Q3 2016	Q4 2016	FY 2015	FY 2016
Operating result (€m)	384	429	337	1,942	1,399
Net result (€m) ¹⁾	193	-288	183	1,084	279
CET1 ratio B3 phase-in (%)	13.8	13.6	13.9	13.8	13.9
CET1 ratio B3 fully phased-in (%)	12.0	11.8	12.3	12.0	12.3
Total assets (€bn)	533	514	480	533	480
RWA B3 fully phased-in (€bn)	197	195	190	197	190
Leverage ratio (fully phased-in revised rules) (%)	4.5	4.5	4.8	4.5	4.8
Cost/income ratio (%)	77.9	71.1	73.9	73.1	75.5
Net RoE (%) ¹⁾	2.7	-4.0	2.6	3.9	1.0
Net RoTE (%) ¹⁾	3.0	-4.5	2.8	4.3	1.1
Total capital ratio fully phased-in (%)	14.7	14.9	15.3	14.7	15.3
NPL ratio (in %)	1.6	1.7	1.6	1.6	1.6
CoR (bps)	16	19	21	16	21

Leverage ratio at 4.8% fully phased-in

Total assets and LR exposure (€bn)



Leverage ratio fully phased-in¹⁾ as of Q4 2016 (%)



Hedging & Valuation adjustments

€m		Q1 15	Q2 15	Q3 15	Q4 15	FY 15	Q1 16	Q2 16	Q3 16	Q4 16	FY 16
PSBC	OCS, FVA & Net CVA/DVA	1	1	3	-2	2	-4	-	-1	3	-2
CC	OCS, FVA & Net CVA/DVA	64	66	24	-51	103	16	51	104	1	172
O&C	OCS, FVA & Net CVA/DVA	9	21	-138	5	-103	30	7	6	3	46
ACR	OCS, FVA & Net CVA/DVA	56	1	10	-80	-14	103	4	172	31	309
Group	OCS, FVA & Net CVA/DVA	130	88	-102	-127	-11	145	62	280	37	525
Other ACR valuation effects		102	87	56	21	266	13	-64	-102	22	-130
Total		232	175	-46	-106	254	158	-2	178	59	395

Capital markets funding activities (full year 2016)

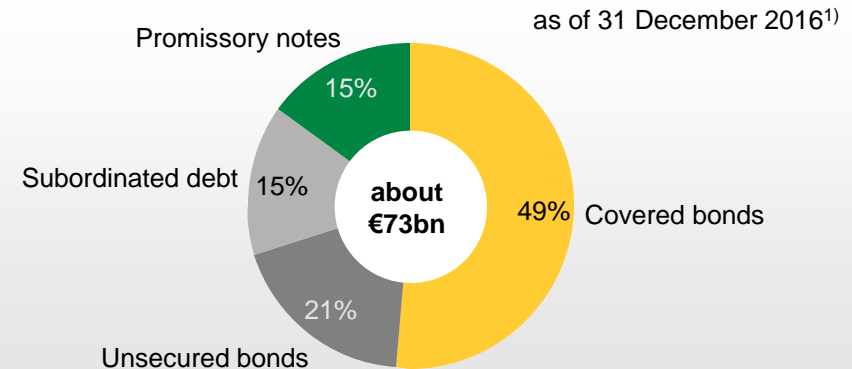
Issuance strategy in capital markets

- › Commerzbank uses covered bonds and senior unsecured instruments for funding purposes
- › Funding via private placements and public transactions
- › Issuance programs in the Euromarkets (e.g. DIP)
- › Since 2011 USD Medium-Term Note Program (144a/3a2)
- › Issuance requirements 2017 below €10bn expected

Capital market funding 2016 - highlights

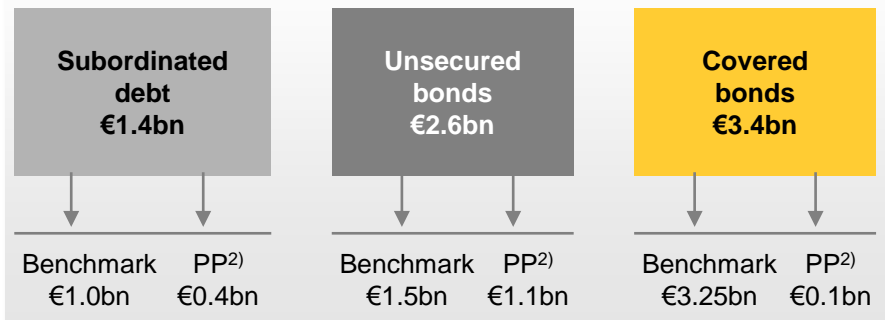
- › In 2016 Commerzbank issued a total of €7.4bn with an average term of over eight years
- › €1bn Tier 2 benchmark with maturity of ten years and \$0.4bn Tier 2 of with twelve years maturity
- › Two senior unsecured benchmarks (incl. mBank €0.5bn)
- › €3.25bn issued through four long-dated benchmark Mortgage Pfandbriefe

Capital market funding structure



Capital market funding activities

2016 – Notional €7.4bn



Rating overview Commerzbank

As of 09 February 2017

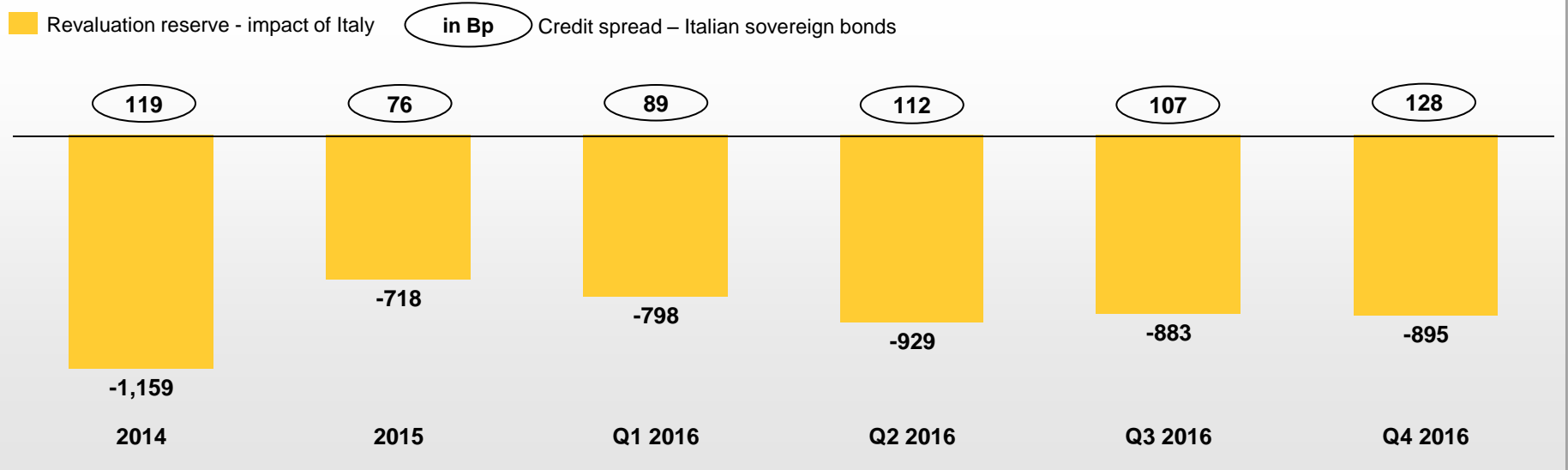
Bank Ratings	S&P Global ¹⁾	MOODY'S INVESTORS SERVICE	FitchRatings	SCOPE Scope Ratings
Counterparty Credit Rating ²⁾	BBB+ CW positive	A2	A-	-
Stand-alone Rating (financial strength)	bbb+	baa3	bbb+	-
Short-term debt	A-2 CW positive	P-1	F2	S-1
Product Ratings (unsecured issuances)				
"Preferred" senior unsecured debt	BBB+ CW positive	A2 stable	A-	A stable
"Non-preferred" senior unsecured debt	BBB+ CW developing	Baa1 stable	BBB+ stable	A- stable
Subordinated debt (Tier 2)	BBB- CW developing	Ba1	BBB	BBB stable

Rating actions in Q4 2016

- › S&P Global placed the Counterparty Credit Rating to "BBB+" Credit watch positive and for "non-preferred" senior unsecured debt to "BBB+" Credit watch developing
- › Moody's assigned an "A2" Rating with stable outlook for "preferred" senior unsecured debt (Senior-senior)
- › Fitch Ratings assigned a deposit and a „preferred“ senior unsecured debt rating of "A-" and a "Derivative Counterparty Rating" (DCR) of "A- (dcr)"

Change in revaluation reserve due to changes in Italian credit spread

Movement of revaluation reserve due to changes in the credit spread of Italian sovereign bonds (€m)

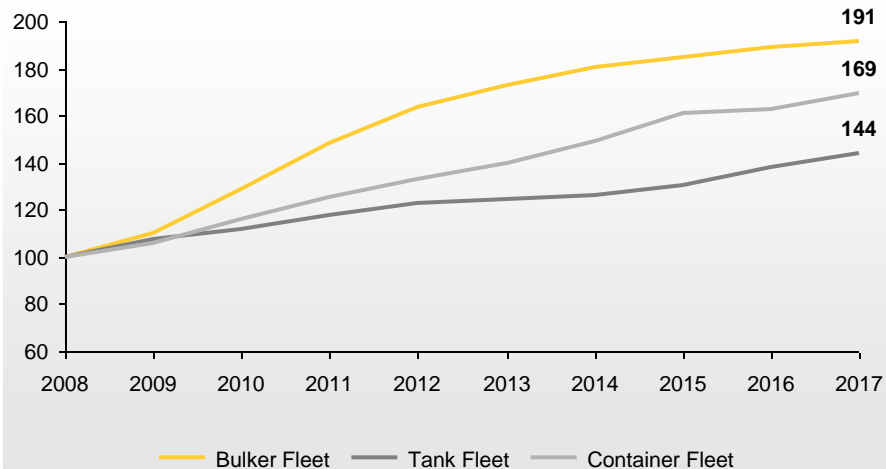


Background

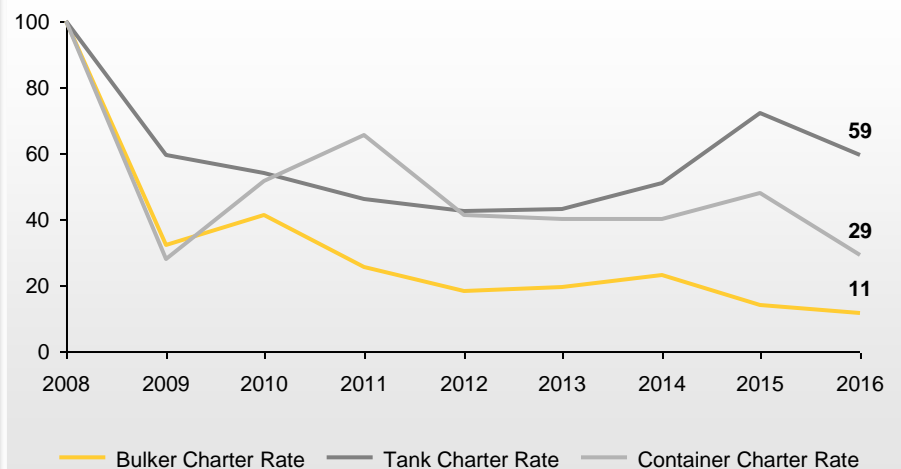
- › ~€10bn Italian sovereign bond portfolio mainly consists of sovereign and sub-sovereign exposures with long maturities
- › About one-third of portfolio is classified as available for sale – Italian credit spread changes affect revaluation reserve
- › Principally hold-to-maturity management strategy

Sustainable ship market recovery not yet in sight

Fleet Index (%)



Charter Rate Index (%)



Shipping markets environment / Mid-term outlook

- › Net fleet growth still $\geq 4\%$ (container / tanker) in 2017e despite lower new capacity / more scrapping limits rate recovery
- › Sale of loan portfolios by competitors likely to cause some price pressure
- › Diverse development for different ship types expected
- › We view a sustainable recovery of charter rates unlikely before 2018 – container: not before 2019

Commerzbank position

- › CBK with largest portfolios downsizing in relative terms in peer group
- › Steadily declining ratio of NPL / CET1 capital in recent years – approaching 5%, close to benchmark levels among peers
- › Strong portfolio run down of €19bn (-76%) since 2008
- › Steadily increased coverage ratio to 64%

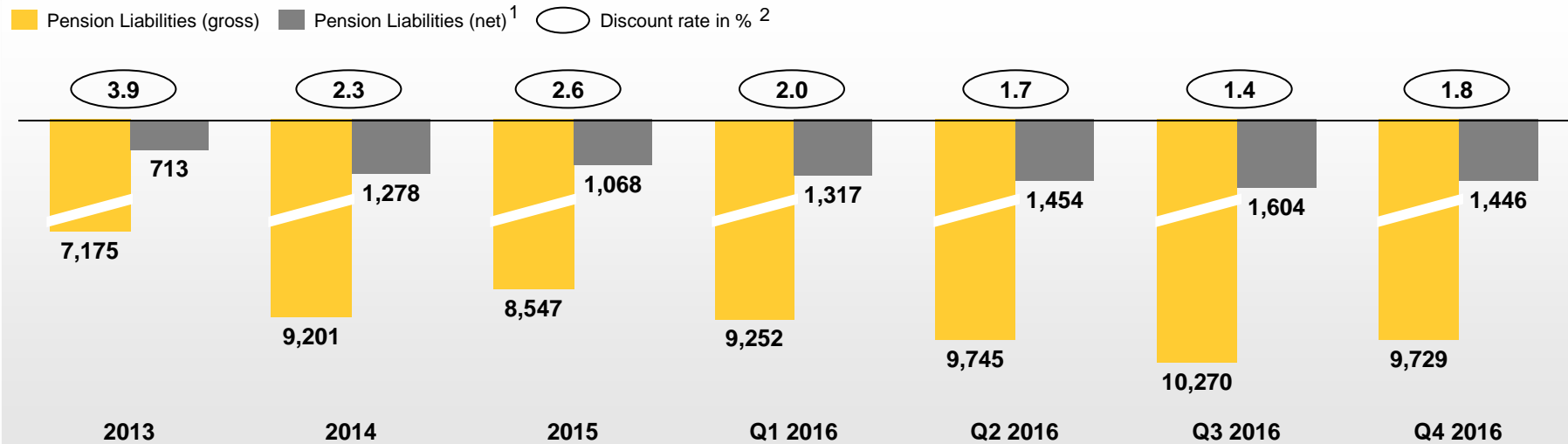
ACR Ship Finance portfolio as of 31 December 2016

	31 December 2016 (31 Dec 2015)							
Performing portfolio SF by ship type €m	Total		Container		Tanker		Bulkер	
Exposure at Default	3,511	(4,965)	1,116	(1,858)	875	(1,106)	912	(1,233)
Expected Loss	288	(389)	85	(227)	12	(12)	121	(89)
Risk Density	820	(783)	760	(1,220)	131	(108)	1,324	(718)

	31 December 2016 (31 Dec 2015)							
Default portfolio SF by ship type €m	Total		Container		Tanker		Bulkер	
Default volume	1,243	(1,160)	548	(434)	111	(163)	154	(233)
Loan loss provisions	628	(540)	223	(218)	56	(33)	78	(92)
GLLP	172	(213)	36	(116)	4	(7)	54	(49)
Coverage ratio incl. GLLP excl. collaterals (%)	64	(65)	47	(77)	54	(24)	85	(61)
Collaterals	466	(604)	178	(199)	73	(118)	82	(118)
Coverage ratio incl. GLLP and collaterals (%)	102	(117)	80	(123)	119	(96)	138	(111)
NPL ratio (%)	26.2	(18.9)	32.9	(18.9)	11.3	(12.8)	14.5	(14.4)

IAS 19: Development of pension liabilities

Cumulated actuarial gains and losses (€m)



Additional Information

- › With all other assumptions unchanged (eg. salary, pension adjustment, mortality rate, inflation), a +50bp increase in discount rate results into €~840m³ lower present value of pension liabilities.
- › The net impact is softened due to performance of plan assets (~90% of pension liabilities are funded) and tax effects.
- › Whereas gross pension liabilities increased by €1,182m YoY, the OCI capital burden for 2016 amounts to €-378m vs. 2015.
- › Compared to 2013 the OCI capital burden increases by €-733m.
- › The discount rate is derived from a AA rated corporate bond basket yield with an average duration of 19 years.

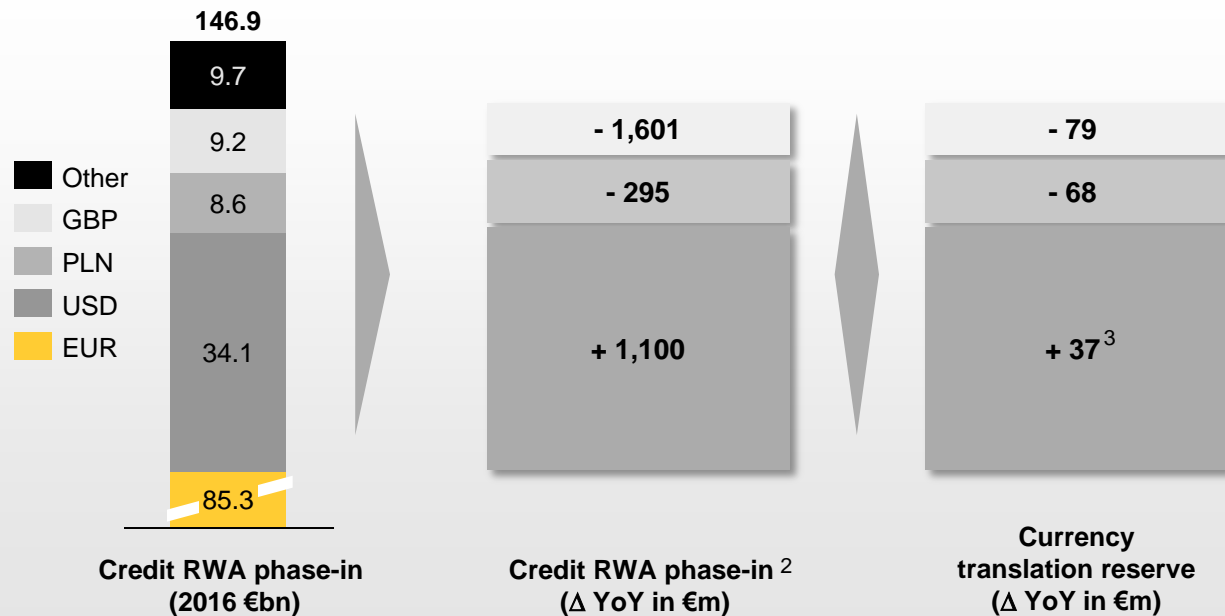
¹) Net includes DTA effects and plan assets

²) Discount rate for pension plans in Germany

³) Methodology applied analogous to annual report

Exchange rate developments with limited net effect on capital in 2016

YoY Change in FX capital position ¹



FX rates	12/15	12/16
EUR/ GBP	0.734	0.856
EUR/ PLN	4.264	4.410
EUR/ USD	1.089	1.054

Explanation

- › YoY the EUR weakened by 3.2% against the USD resulting into €1.1bn higher credit RWA². At the same time the currency translation reserve increased by €37m softening the effect on capital

¹) Rounding differences possible

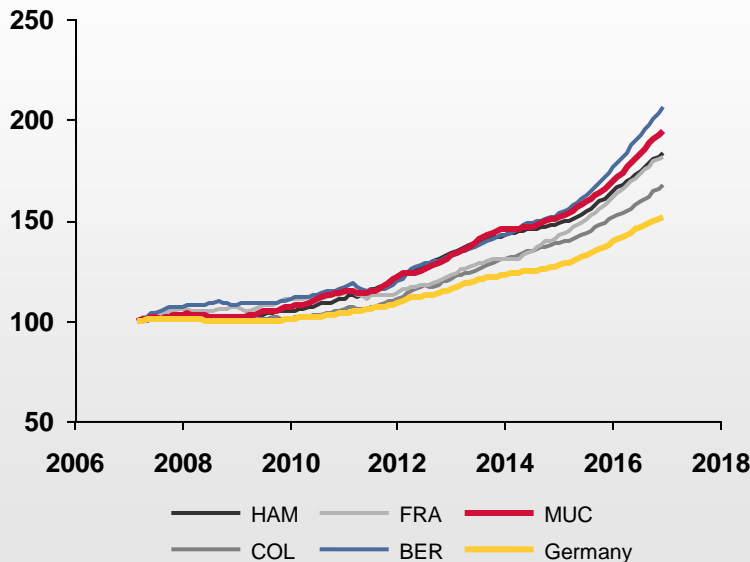
²) Change in RWA solely based on FX not on possible volume effects

³) Adjusted for one-off effect per December 2016

Residential mortgage business vs property prices

German residential properties: Signs of exaggerations

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



Source: Immobilienscout24, Commerzbank Research

Overall mortgage portfolio

- › Growing mortgage volume with a very good risk quality:
 - 12/14: EAD €56,2bn¹ – RD²17bp
 - 12/15: EAD €62,6bn – RD 12bp
 - 12/16: EAD €66,8bn – RD 10bp
- › Rating profile with a share of 89% in investment grade ratings
- › Vintages of more recent years developed more favourable so far and remain at a low level

New business

- › Due to risk-oriented selection, RD still very low while margins further increased
- › As a consequence of low interest rates and higher requirements, repayment rates remain on a very high level



Risk parameters overall are still on very good levels and loan decisions are unchanged conservative

¹) Excluding HF non-core

²) RD = Risk Density (Expected Loss / EAD)

Corporate responsibility as part of a sustainable and successful management



Sustainable Governance

- › Strong Governance Framework with a groupwide Code of Conduct.
- › Strong Reputational Risk Management with about 6.200 ESG-checks in 2016.
- › Committed to the UN Global Compact and its ten principles since 2006.
- › We are a responsible and supportive employer offering flexible working time models and strategic personnel development.



Markets & Clients

- › Our Competence Center Energy
Commerzbank is one of the leading financiers in renewable energies with a loan portfolio of 5 bn Euro in 2016.
- › Energiewende@Commerzbank is our project to accompany corporate clients in dealing with the challenges of the German „Energiewende“.
- › We offer sustainable investments.
- › We bring green bonds to market.



Environment & Society

- › Commerzbank is aiming at reducing its CO₂ emissions by 70% until 2020 (compared to 2007).
- › Since 2015 Commerzbank is climate neutral by fully compensating its unavoidable CO₂ emissions.
- › Commitment to a sustainable society is an integral part of our corporate culture. We support several projects, focusing on education, sports and science.



Commerzbank meets the global challenges as a responsible partner for a sustainable economic development.

CDP 2016: A-

Oekom: Prime (C)

Sustainalytics: 74/100 (92th percentile)

IMUG Eiris: C - BB

STOXX Global ESG Leaders

Commerzbank Group

€m	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	% Q4 vs Q4	% Q4 vs Q3
Total Revenues	2,794	2,444	2,317	2,240	9,795	2,323	2,240	2,437	2,399	9,399	7.1	-1.6
o/w Total net interest and net trading income	1,986	1,496	1,469	1,270	6,221	1,343	1,272	1,505	1,277	5,397	0.6	-15.1
o/w Net commission income	915	855	825	835	3,430	823	783	781	825	3,212	-1.2	5.6
o/w Other income	-107	93	23	135	144	157	185	151	297	790	>100	96.7
Provision for possible loan losses	-158	-280	-146	-112	-696	-148	-187	-275	-290	-900	>100	-5.5
Operating expenses	1,957	1,737	1,719	1,744	7,157	1,893	1,702	1,733	1,772	7,100	1.6	2.3
o/w European bank levy (including Polish banking tax)	167	2	-4	-46	119	156	32	21	21	230	>100	2.4
Operating profit	679	427	452	384	1,942	282	351	429	337	1,399	-12.2	-21.4
Impairments on goodwill and other intangible assets	-	-	-	-	-	-	-	627	-	627	-	-100.0
Restructuring expenses	66	-	28	20	114	-	40	57	32	129	60.0	-43.9
Net gain or loss from sale of disposal groups	-	-	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	613	427	424	364	1,828	282	311	-255	305	643	-16.2	>100
Taxes on income	240	91	158	140	629	89	58	14	100	261	-28.6	>100
Minority Interests	29	24	31	31	115	24	38	19	22	103	-29.0	15.8
Consolidated Result attributable to Commerzbank shareholders	344	312	235	193	1,084	169	215	-288	183	279	-5.2	>100
Assets	608,920	564,574	567,772	532,701	532,701	535,954	532,809	513,715	480,450	480,450	-9.8	-6.5
Liabilities	608,920	564,574	567,772	532,701	532,701	535,954	532,809	513,715	480,450	480,450	-9.8	-6.5
Average capital employed	27,278	29,132	29,447	29,743	28,900	29,588	29,448	29,506	29,562	29,526	-0.6	0.2
RWA credit risk fully phased in (end of period)	176,024	171,399	171,005	158,617	158,617	154,061	154,692	150,256	146,201	146,201	-7.8	-2.7
RWA market risk fully phased in (end of period)	22,471	20,368	20,481	17,427	17,427	18,286	19,281	20,508	19,768	19,768	13.4	-3.6
RWA operational risk fully phased in (end of period)	23,053	22,655	21,978	21,398	21,398	22,176	24,327	23,836	23,879	23,879	11.6	0.2
RWA fully phased in (end of period)	221,547	214,422	213,465	197,442	197,442	194,523	198,300	194,601	189,848	189,848	-3.8	-2.4
Cost/income ratio (%)	70.0%	71.1%	74.2%	77.9%	73.1%	81.5%	76.0%	71.1%	73.9%	75.5%	-	-
Operating return on equity (%)	10.0%	5.9%	6.1%	5.2%	6.7%	3.8%	4.8%	5.8%	4.6%	4.7%	-	-
Operating return on tangible equity (%)	11.2%	6.6%	6.9%	5.8%	7.5%	4.3%	5.4%	6.5%	5.0%	5.3%	-	-
Return on equity of net result (%)	5.2%	4.4%	3.3%	2.7%	3.9%	2.4%	3.0%	-4.0%	2.6%	1.0%	-	-
Net return on tangible equity (%)	5.9%	4.9%	3.7%	3.0%	4.3%	2.6%	3.4%	-4.5%	2.8%	1.1%	-	-

Private and Small Business Customers

€m	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	% Q4 vs Q4	% Q4 vs Q3
Total Revenues	1,220	1,179	1,256	1,190	4,845	1,195	1,232	1,215	1,177	4,819	-1.1	-3.1
o/w Net interest income	596	632	720	636	2,584	646	599	613	621	2,479	-2.4	1.3
o/w Net trading income	21	15	26	15	77	14	13	16	7	50	-53.3	-56.2
o/w Net commission income	529	506	505	480	2,020	486	474	491	505	1,956	5.2	2.9
o/w Other income	74	26	5	59	164	49	146	95	44	334	-25.4	-53.7
Provision for possible loan losses	-48	-59	-48	-12	-167	-23	-42	-40	-14	-119	-16.7	65.0
Operating expenses	925	877	874	951	3,627	895	895	903	928	3,621	-2.4	2.8
o/w European bank levy (including Polish banking tax)	23	-	-4	-4	15	32	21	21	21	95	>100	2.4
Operating profit	247	243	334	227	1,051	277	295	272	235	1,079	3.5	-13.6
Impairments on goodwill and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net gain or loss from sale of disposal groups	-	-	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	247	243	334	227	1,051	277	295	272	235	1,079	3.5	-13.6
Assets	107,731	109,037	111,238	111,562	111,562	112,832	115,166	117,035	119,392	119,392	7.0	2.0
Liabilities	127,451	131,046	132,668	134,886	134,886	134,821	136,661	137,246	140,904	140,904	4.5	2.7
Average capital employed	4,839	4,737	4,751	4,712	4,760	4,268	4,053	4,124	4,057	4,125	-13.9	-1.6
RWA credit risk fully phased in (end of period)	34,095	34,243	33,914	29,950	29,950	29,403	29,023	28,902	28,126	28,126	-6.1	-2.7
RWA market risk fully phased in (end of period)	1,285	1,281	1,235	1,460	1,460	1,380	1,386	1,162	1,031	1,031	-29.4	-11.3
RWA operational risk fully phased in (end of period)	7,739	7,466	7,554	7,632	7,632	6,503	7,053	7,085	6,955	6,955	-8.9	-1.8
RWA fully phased in (end of period)	43,120	42,991	42,704	39,043	39,043	37,286	37,462	37,149	36,112	36,112	-7.5	-2.8
Cost/income ratio (%)	75.8%	74.4%	69.6%	79.9%	74.9%	74.9%	72.6%	74.3%	78.8%	75.1%	-	-
Operating return on equity (%)	20.4%	20.5%	28.1%	19.3%	22.1%	26.0%	29.1%	26.4%	23.2%	26.2%	-	-
Operating return on tangible equity (%)	20.1%	20.1%	27.5%	18.8%	21.6%	25.4%	28.2%	25.5%	22.1%	25.3%	-	-

Corporate Clients

€m	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	% Q4 vs Q4	% Q4 vs Q3
Total Revenues	1,457	1,263	1,044	1,069	4,833	1,145	1,095	1,121	1,084	4,445	1.4	-3.3
o/w Total net interest and net trading income	1,078	906	771	642	3,397	752	765	799	719	3,035	12.0	-10.0
o/w Net commission income	386	353	323	366	1,428	345	315	295	324	1,279	-11.5	9.8
o/w Other income	-7	4	-50	61	8	48	15	27	41	131	-32.8	51.9
Provision for possible loan losses	33	-55	-35	-51	-108	-56	-72	-87	30	-185	>100	>100
Operating expenses	829	723	718	760	3,030	809	703	707	754	2,973	-0.8	7.0
o/w European bank levy	111	1	-	-40	72	82	3	-	-	86	>100	-
Operating profit	661	485	291	258	1,695	280	320	327	360	1,287	39.5	10.1
Impairments on goodwill and other intangible assets	-	-	-	-	-	-	-	627	-	627	-	-100.0
Restructuring expenses	50	-	7	-	57	-	12	10	-	22	>-100	>-100
Net gain or loss from sale of disposal groups	-	-	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	611	485	284	258	1,638	280	308	-310	360	638	39.5	>100
Assets	325,729	279,565	291,978	258,832	258,832	259,304	263,921	229,794	210,768	210,768	-18.6	-8.3
Liabilities	338,689	298,090	307,952	272,572	272,572	271,688	262,363	239,208	224,166	224,166	-17.8	-6.3
Average capital employed	12,430	12,565	12,335	12,272	12,401	11,673	11,648	11,629	11,370	11,580	-7.4	-2.2
RWA credit risk fully phased in (end of period)	93,488	90,425	91,265	88,561	88,561	85,374	85,742	81,549	83,856	83,856	-5.3	2.8
RWA market risk fully phased in (end of period)	13,126	12,754	12,005	9,953	9,953	10,455	11,291	11,671	9,560	9,560	-3.9	-18.1
RWA operational risk fully phased in (end of period)	9,481	9,016	8,295	7,706	7,706	10,095	11,420	11,125	11,743	11,743	52.4	5.6
RWA fully phased in (end of period)	116,095	112,195	111,565	106,220	106,220	105,924	108,452	104,345	105,159	105,159	-1.0	0.8
Cost/income ratio (%)	56.9%	57.2%	68.8%	71.1%	62.7%	70.7%	64.2%	63.1%	69.6%	66.9%	-	-
Operating return on equity (%)	21.3%	15.4%	9.4%	8.4%	13.7%	9.6%	11.0%	11.2%	12.7%	11.1%	-	-
Operating return on tangible equity (%)	19.3%	14.0%	8.5%	7.7%	12.4%	8.7%	10.1%	10.3%	11.5%	10.1%	-	-

Asset & Capital Recovery

€m	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	% Q4 vs Q4	% Q4 vs Q3
Total Revenues	-19	-76	157	14	76	-18	-24	72	183	213	>100	>100
o/w Net interest income	110	39	-17	5	137	3	-49	60	273	287	>100	>100
o/w Net trading income	47	-100	139	8	94	-30	24	37	-233	-202	>100	>100
o/w Net commission income	6	6	2	3	17	-	1	1	2	4	-33.3	-
o/w Other income	-182	-21	33	-2	-172	9	-	-26	141	124	>100	>100
Provision for possible loan losses	-109	-140	-62	-50	-361	-70	-75	-147	-307	-599	>100	>100
Operating expenses	60	47	43	31	181	31	33	33	31	128	0.0	-6.1
o/w European bank levy	9	-	-	-1	8	5	1	-	-	6	91.0	-
Operating profit	-188	-263	52	-67	-466	-119	-132	-108	-155	-514	>100	-43.5
Impairments on goodwill and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	16	-	-	-	16	-	-	-	-	-	-	-
Net gain or loss from sale of disposal groups	-	-	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	-204	-263	52	-67	-482	-119	-132	-108	-155	-514	>100	-43.5
Assets	27,425	24,581	23,776	22,604	22,604	24,128	30,494	30,940	27,005	27,005	19.5	-12.7
o/w Assets excl repos, collaterals and trading assets	20,838	19,033	17,493	14,573	14,573	13,283	13,039	12,779	11,674	11,674	-19.9	-8.6
Liabilities	14,970	14,210	12,941	14,951	14,951	15,186	22,677	22,427	20,435	20,435	36.7	-8.9
Exposure at default	28,080	25,298	19,134	18,485	18,485	17,478	17,380	17,221	16,184	16,184	-12.4	-6.0
Average capital employed	4,720	4,516	3,839	3,652	4,182	3,280	3,470	3,287	3,213	3,313	-12.0	-2.2
RWA credit risk fully phased in (end of period)	25,045	22,229	19,475	16,483	16,483	16,947	17,077	14,217	13,157	13,157	-20.2	-7.5
RWA market risk fully phased in (end of period)	4,095	3,142	3,677	2,965	2,965	3,007	3,150	4,471	5,486	5,486	85.1	22.7
RWA operational risk fully phased in (end of period)	1,950	2,066	2,091	2,167	2,167	2,468	3,021	2,856	1,914	1,914	-11.7	-33.0
RWA fully phased in (end of period)	31,090	27,438	25,243	21,615	21,615	22,422	23,249	21,544	20,557	20,557	-4.9	-4.6

Others & Consolidation

€m	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	% Q4 vs Q4	% Q4 vs Q3
Total Revenues	136	78	-140	-33	41	1	-63	29	-45	-78	-36.4	>100
o/w Total net interest and net trading income	134	4	-170	-36	-68	-42	-80	-20	-110	-252	>100	>100
o/w Net commission income	-6	-10	-5	-14	-35	-8	-7	-6	-6	-27	57.1	-0.0
o/w Other income	8	84	35	17	144	51	24	55	71	201	>100	29.1
Provision for possible loan losses	-34	-26	-1	1	-60	1	2	-1	1	3	0.0	>100
Operating expenses	143	90	84	2	319	158	71	90	59	378	>100	-34.4
o/w European bank levy	25	-	-	-1	24	38	6	-	-	44	>100	>100
Operating profit	-41	-38	-225	-34	-338	-156	-132	-62	-103	-453	>100	-66.1
Impairments on goodwill and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	-	-	21	20	41	-	28	47	32	107	60.0	-31.9
Net gain or loss from sale of disposal groups	-	-	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	-41	-38	-246	-54	-379	-156	-160	-109	-135	-560	>100	-23.9
Assets	148,035	151,391	140,781	139,703	139,703	139,690	123,228	135,946	123,285	123,285	-11.8	-9.3
Liabilities	127,811	121,228	114,212	110,292	110,292	114,260	111,110	114,831	94,944	94,944	-13.9	-17.3
Average capital employed	5,289	7,314	8,521	9,106	7,558	10,367	10,278	10,466	10,922	10,508	19.9	4.4
RWA credit risk fully phased in (end of period)	23,395	24,501	26,350	23,622	23,622	22,337	22,850	25,589	21,062	21,062	-10.8	-17.7
RWA market risk fully phased in (end of period)	3,965	3,190	3,564	3,049	3,049	3,445	3,454	3,205	3,691	3,691	21.0	15.2
RWA operational risk fully phased in (end of period)	3,882	4,107	4,039	3,893	3,893	3,110	2,833	2,769	3,267	3,267	-16.1	18.0
RWA fully phased in (end of period)	31,242	31,799	33,953	30,564	30,564	28,891	29,137	31,563	28,020	28,020	-8.3	-11.2

mBank

Part of Segment Private and Small Business Customers

€m	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	% Q4 vs Q4	% Q4 vs Q3
Total Revenues	253	207	227	252	938	220	273	228	231	952	-8.2	1.4
o/w Net interest income	134	132	144	153	562	150	147	156	163	615	6.5	4.7
o/w Net trading income	20	15	25	10	70	15	13	15	5	47	-55.2	-69.3
o/w Net commission income	47	56	56	56	215	49	48	55	59	211	5.9	8.4
o/w Other income	52	4	2	33	91	6	65	3	5	79	-86.1	44.2
Provision for possible loan losses	-23	-24	-27	-23	-97	-13	-30	-32	-8	-83	63.4	74.3
Operating expenses	141	114	102	151	508	130	134	139	139	543	-7.8	0.3
o/w European bank levy (including Polish banking tax)	5	-	-4	-	1	13	20	21	21	75	>100	2.4
Operating profit	88	69	97	78	333	77	109	57	84	327	7.0	46.2
Impairments on goodwill and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net gain or loss from sale of disposal groups	-	-	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	88	69	97	78	333	77	109	57	84	327	7.0	46.2
Assets	30,158	28,904	29,735	29,034	29,034	29,023	29,076	29,997	30,275	30,275	4.3	0.9
Liabilities	25,319	23,933	25,364	24,923	24,923	24,815	24,807	25,828	26,606	26,606	6.8	3.0
Average capital employed	1,618	1,713	1,744	1,723	1,699	1,645	1,656	1,689	1,694	1,671	-1.7	0.3
RWA credit risk fully phased in (end of period)	14,391	14,411	14,228	13,630	13,630	13,671	13,615	13,479	12,867	12,867	-5.6	-4.5
RWA market risk fully phased in (end of period)	558	483	492	584	584	369	415	509	584	584	0.0	14.6
RWA operational risk fully phased in (end of period)	760	781	830	796	796	1,146	1,158	1,510	1,506	1,506	89.3	-0.2
RWA fully phased in (end of period)	15,709	15,675	15,550	15,010	15,010	15,186	15,188	15,498	14,957	14,957	-0.4	-3.5
Cost/income ratio (%)	55.9%	55.0%	45.1%	60.0%	54.2%	59.3%	49.2%	60.8%	60.2%	57.0%	-	-
Operating return on equity (%)	21.8%	16.1%	22.2%	18.2%	19.6%	18.7%	26.3%	13.6%	19.8%	19.5%	-	-
Operating return on tangible equity (%)	21.8%	16.0%	22.2%	18.2%	19.5%	18.7%	26.2%	13.2%	18.9%	19.2%	-	-

Group equity composition

	Capital Q3 2016 End of period €bn	Capital Q4 2016 End of period €bn	Capital Q4 2016 Average €bn		Ratios Q4 2016 %	Ratios FY 2016 %	Ratios Dec 2016 %
Common equity tier 1 B3 capital (phase in)	26.5	26.5		→			CET1 ratio phase-in: 13.9%
Transition adjustments	3.5	3.1 ¹⁾					
Common equity tier 1 B3 capital (fully phased-in)	23.0	23.4	23.2	→	Op. RoCET: 5.8%	6.0%	CET1 ratio fully phased-in: 12.3%
DTA	1.1	1.0					
Deductions on securitizations	0.3	0.3					
Deductions related to non-controlling interests	0.4	0.4					
IRB shortfall	0.8	0.5					
Other regulatory adjustments	1.1	1.3					
Tangible equity	26.6	26.9	26.9	→	Op. RoTE: 5.0%	5.3%	
Goodwill and other intangible assets	2.6	2.7	2.7		Pre-tax RoE: 4.1%	2.2%	
IFRS capital	29.2	29.6	29.6	→	Op. RoE: 4.6%	4.7%	
Subscribed capital	1.3	1.3					
Capital reserve	17.2	17.2					
Retained earnings	10.7	10.9 ²⁾					
Currency translation reserve	-0.1	-0.1					
Revaluation reserve	-0.8	-0.8					
Cash flow hedges	-0.1	-0.1					
Consolidated P&L	0.1	0.3					
IFRS capital without non-controlling interests	28.2	28.6	28.5	→	RoE on net result: 2.6%	1.0%	
Non-controlling interests (IFRS)	1.0	1.0	1.0		RoTE on net result: 2.8%	1.1%	

Glossary - Capital Allocation / RoE, RoTE & RoCET1 Calculation

Capital Allocation

- › Amount of average capital allocated to business segments is calculated by multiplying the segments current YTD average Basel 3 RWA (fully phased-in) (PSBC €37.5bn, CC €105.3bn, O&C €29.5bn, ACR €22.1bn) by a ratio of 11% and 15% for ACR respectively - reflecting current regulatory and market standard – figures for 2015 have been restated
- › Excess capital reconciling to Group CET1 Basel 3 fully phased-in is allocated to Others & Consolidation
- › Capital allocation is disclosed in the business segment reporting of Commerzbank Group
- › For the purposes of calculating the segmental RoTE, average regulatory capital deductions Basel 3 fully phased-in (excluding Goodwill and other intangibles) are allocated to the business segments additionally (PSBC €0.1bn, CC €1.1bn, O&C €2.5bn, ACR €0.4bn)

RoE, RoTE & RoCET1 Calculation

- › RoE is calculated on an average level of IFRS capital on Group level and on an average level of 11% (and 15% for ACR respectively) of the RWAs Basel 3 fully phased-in on segmental level
- › RoTE is calculated on an average level of IFRS capital after deduction of goodwill and other intangible assets on Group level and on an average level of 11% (and 15% for ACR respectively) of the RWAs Basel 3 fully phased-in after addition of capital deductions Basel 3 fully phased-in (excluding goodwill and other intangible assets) on segmental level
- › RoTE calculation represents the current market standard
- › RoCET1 is calculated on average B3 CET1 capital fully phased-in

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Financial calendar

2017

03 May



Annual General Meeting

09 May



Q1 2017 results

02 Aug



Q2 2017 results

09 Nov



Q3 2017 results

Disclaimer

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