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# Commerzbank 4.0 transformation continues – stable business performance in Q3

Commerzbank German Investment Seminar 2018

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# Commerzbank 4.0: A Strategy with three major Cornerstones

## Focussed business model

- › We will focus on business in two operating segments: Private and Small Business Clients and Corporate Clients
- › We will continue to reduce our non-core activities consequently

## Digital enterprise

- › We will transform the bank into a digital enterprise
- › Until 2020, we will digitise 80 % of all relevant processes of the whole bank

## Enhancing efficiency

- › We will simplify the bank to enhance our efficiency
- › We will generate additional competitive advantages due to the simplification of our processes



# Commerzbank 4.0: Our strategic Targets for 2020



Figures	Current rates	Rising rates
<b>Net new customers</b> (PSBC)	<b>2 million</b>	2 million
<b>Assets under Control</b> (Germany)	<b>&gt; €400bn</b>	> €400bn
<b>Digitalisation ratio</b>	<b>80 %</b>	80 %
<b>Revenues</b>	<b>€9.8-10.3bn</b>	€11.3bn
<b>Costs</b>	<b>€6.5bn</b>	€6.5bn
<b>Cost income ratio op. business</b>	<b>&lt; 66 %</b>	~60 %
<b>CET 1<sup>1</sup></b>	<b>&gt; 13 %</b>	> 13 %
<b>Net RoTE<sup>2</sup></b>	<b>&gt; 6 %</b>	> 8 %

# Commerzbank 4.0 transformation continues – stable business performance in Q3

## Highlights Q3 2017

### Commerzbank 4.0 transformation continues

- › Successful transfer of €3.5bn Consumer Loans from JV in Q3
- › Growth ahead of plan – strong customer and associated asset growth support revenues
- › Digital transformation and restructuring program well on track

### Q3 2017 with operating result of €629m and net result of €472m

- › Strong revenues of €2.5bn benefitting from exceptional revenue items of €502m
- › Stable expenses of €1.7bn and LLPs of €168m
- › 9M 2017 operating result of €1.144m and net result of €66m

### Strong balance sheet and sound capital ratio

- › CET1 ratio increased to 13.5%, leverage ratio comfortable at 4.7%
- › Sound risk profile with NPL ratio of 1.5%
- › Again strong delivery in run-down of Ship Finance portfolio to €3.3bn in Q3 2017

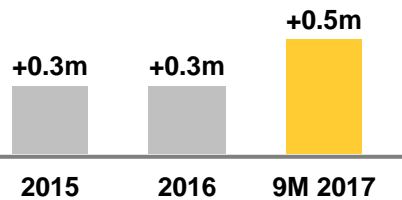
# Growth ahead of plan – strong customer and associated asset growth support revenues

## Strong growth in PSBC Germany...

## ...supporting revenues

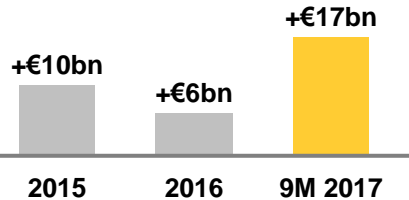
Customers  
(9M 2017)

**+4%**



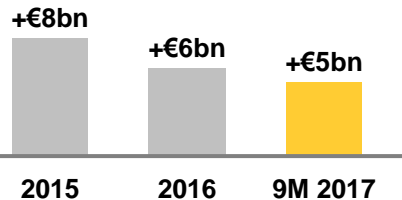
Securities  
(9M 2017)

**+10%**



Loans  
(9M 2017)

**+7%**



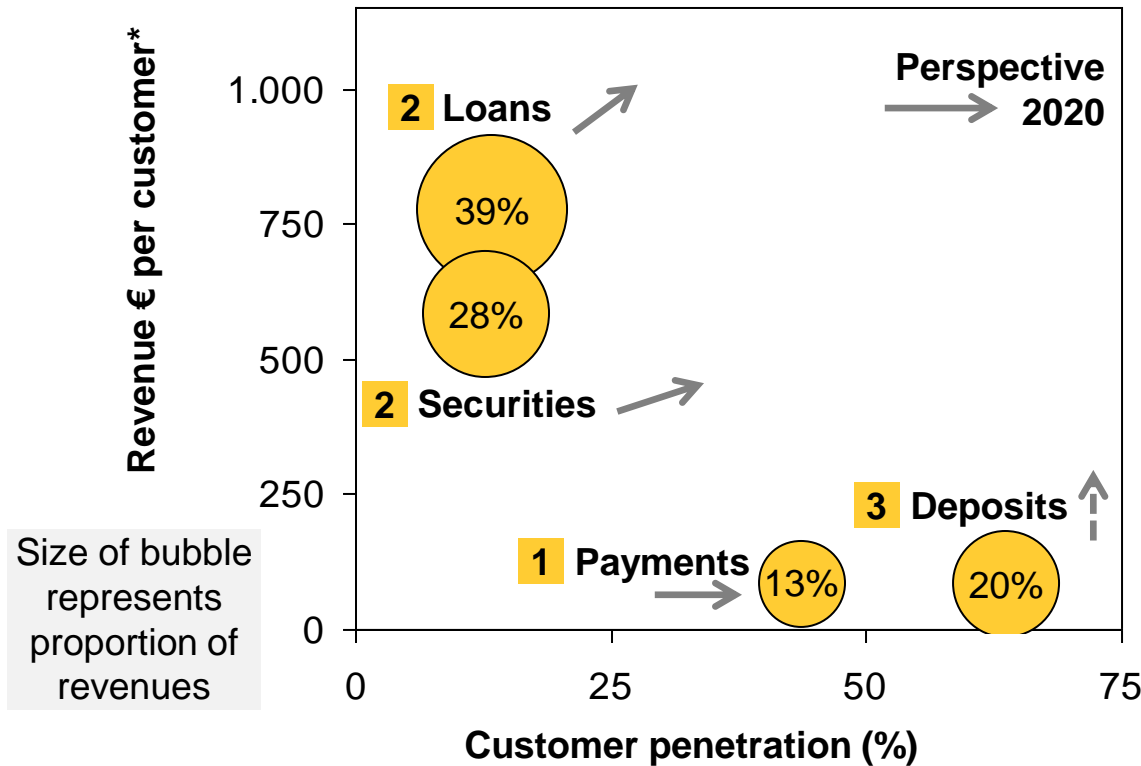
9M 2017 additional revenues

**~€100m**



Revenues from growth almost completely offset drag from negative rates and pricing competition

## Growth potential from both new customers and existing clientele



- 1** Largely cost free current account as anchor product offers sizable cross-selling potential in lending and securities
- 2** Rising loan volumes almost fully offset declining deposit margin – commission income from securities drives revenues
- 3** Deposit base offers sizable revenue potential if interest rates normalize – no change expected until 2020, however

→ **Current account means owning primary banking relationship**

# New customer earns about the same revenues as an existing customer within two years

## Ø Revenue per new customer\*

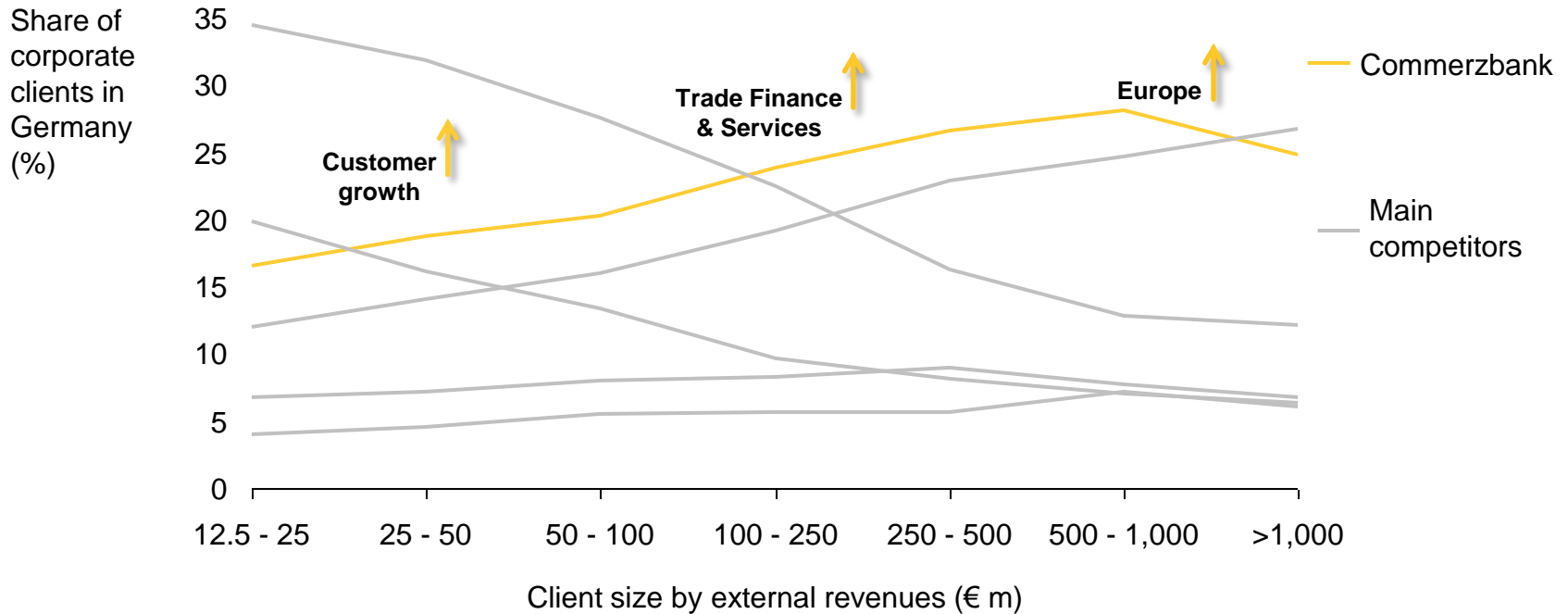
(in €)

	2013	2014	2015	2016
<b>New customers 2013</b>	Year 1 94	Year 2 243	Year 3 268	Year 4 280
<b>New customers 2014</b>		Year 1 94	Year 2 294	Year 3 319
<b>New customers 2015</b>			Year 1 96	Year 2 337**
<b>New customers 2016</b>				Year 1 83

 **New customers earn their acquisition costs (€150-250) in the second year**



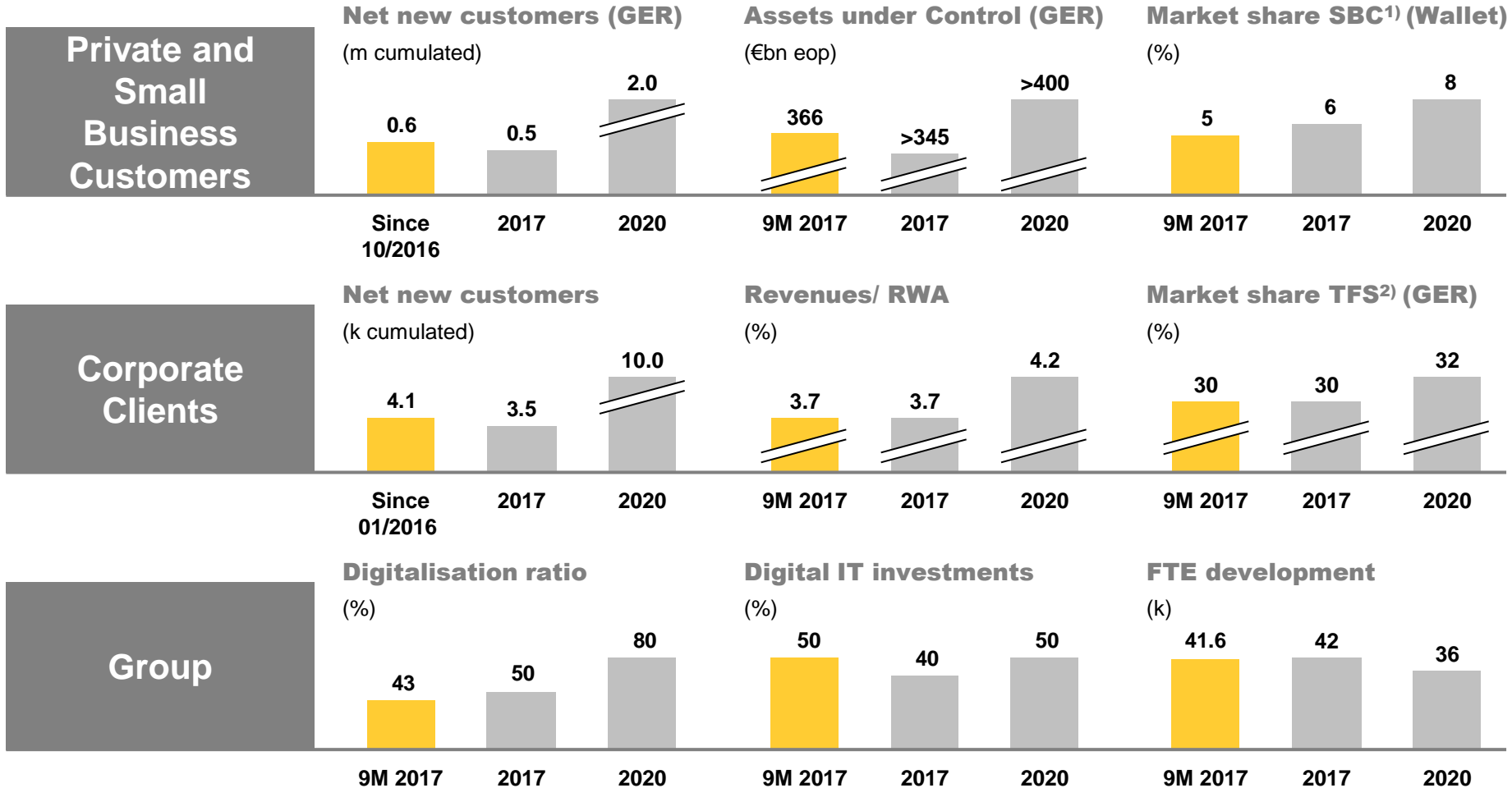
# Corporate Clients: Leverage strong domestic market position



## Targets 2020

- › 10k new customers with focus on smaller SMEs
- › Increase German market share in trade services and finance from 30% to 32%
- › Leveraging our expertise in key sectors with German leadership into Europe

# Progress of key execution indicators in line with plan



## Exceptional revenue items

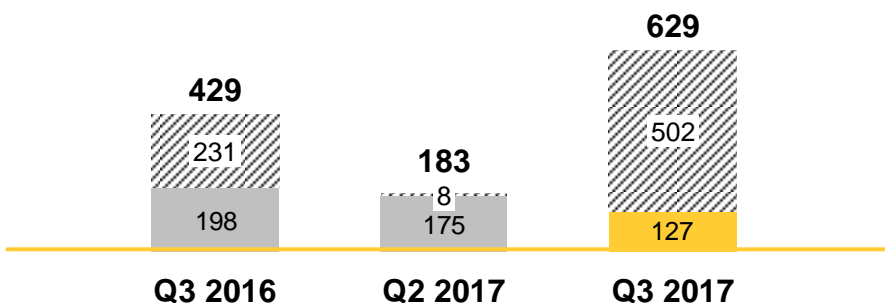
2016	Revenues	2017	Revenues
<b>Q1</b> <ul style="list-style-type: none"> <li>› Hedging &amp; valuation adjustments<sup>1)</sup> €68m</li> <li>› Extraordinary dividend EKS (PSBC) €44m</li> <li>› Sale of bond positions (CC) €43m</li> </ul>	<b>€155m</b>	<ul style="list-style-type: none"> <li>› Hedging &amp; valuation adjustments<sup>1)</sup> €108m</li> </ul>	<b>€108m</b>
<b>Q2</b> <ul style="list-style-type: none"> <li>› Hedging &amp; valuation adjustments<sup>1)</sup> €34m</li> <li>› Sale Visa Europe (PSBC) €123m</li> </ul>	<b>€157m</b>	<ul style="list-style-type: none"> <li>› Hedging &amp; valuation adjustments<sup>1)</sup> €8m</li> </ul>	<b>€8m</b>
<b>Q3</b> <ul style="list-style-type: none"> <li>› Hedging &amp; valuation adjustments<sup>1)</sup> €206m</li> <li>› Sale of CISAL (PSBC) €25m</li> </ul>	<b>€231m</b>	<ul style="list-style-type: none"> <li>› Hedging &amp; valuation adjustments<sup>1)</sup> €28m</li> <li>› Concardis (PSBC) €89m</li> <li>› Consumer Finance Joint Venture<sup>1)</sup> €160m</li> <li style="padding-left: 20px;">- thereof PPA effect Q3 -€16m</li> <li>› Property sales gains (O&amp;C) €225m</li> </ul>	<b>€502m</b>
<b>Q4</b> <ul style="list-style-type: none"> <li>› Hedging &amp; valuation adjustments<sup>1)</sup> €20m</li> <li>› Heta (ACR) €135m</li> <li>› Property sales gains (O&amp;C) €133m</li> </ul>	<b>€288m</b>	<ul style="list-style-type: none"> <li>› Consumer Finance JV PPA Q4 (PSBC) -€28m</li> </ul>	
<b>FY</b>	<b>€831m</b>		

# Key financial figures at a glance

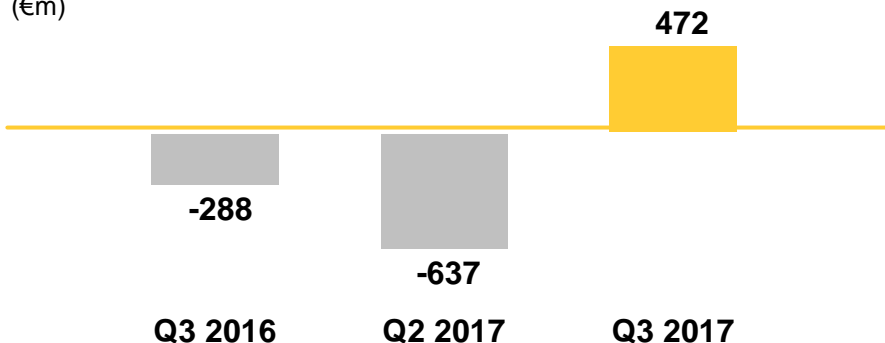
## Group Financial Results

### Operating result (€m)

▨ Exceptional revenue items

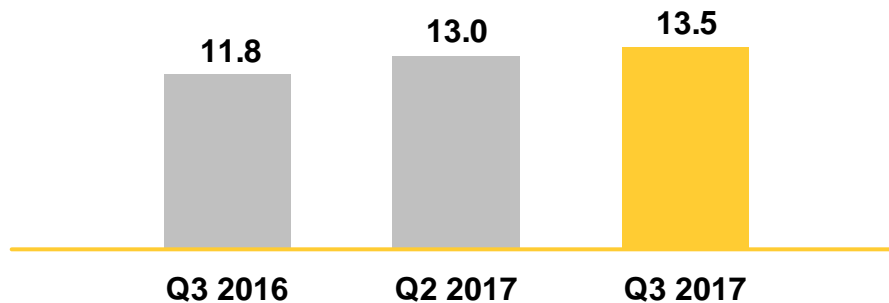


### Net result<sup>1)</sup> (€m)

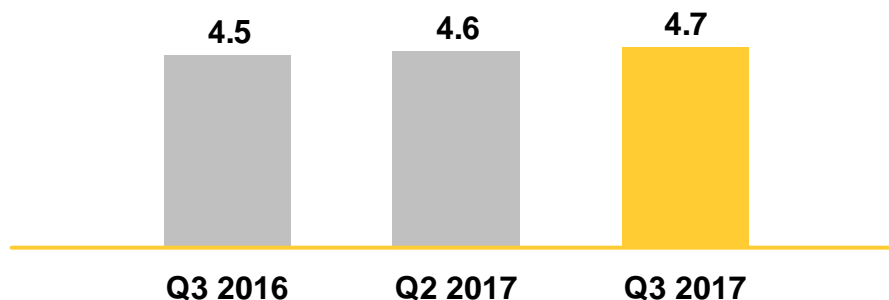


## Group Capital

### B3 CET1 ratio fully phased-in (% end of period)

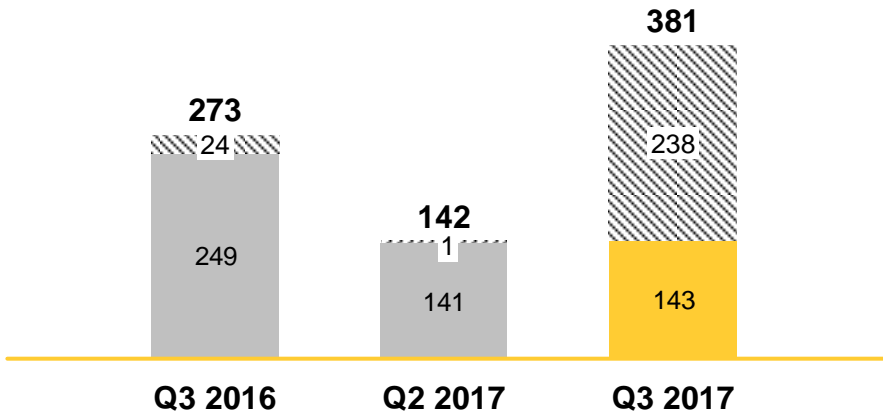


### Leverage ratio fully phased-in (% end of period)

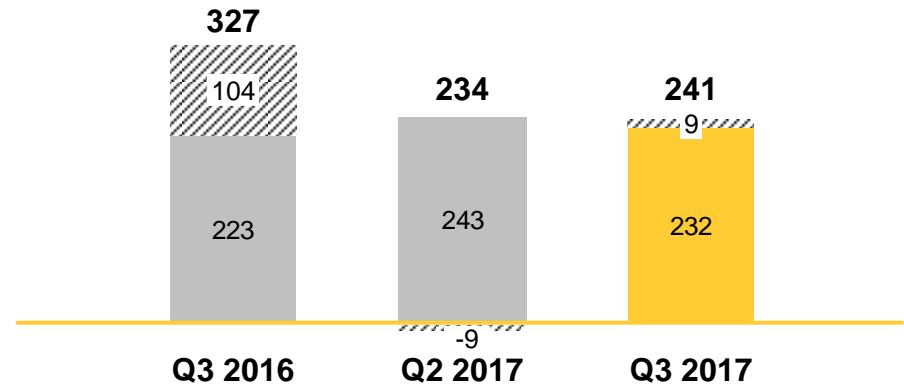


# Operating result of Commerzbank divisions

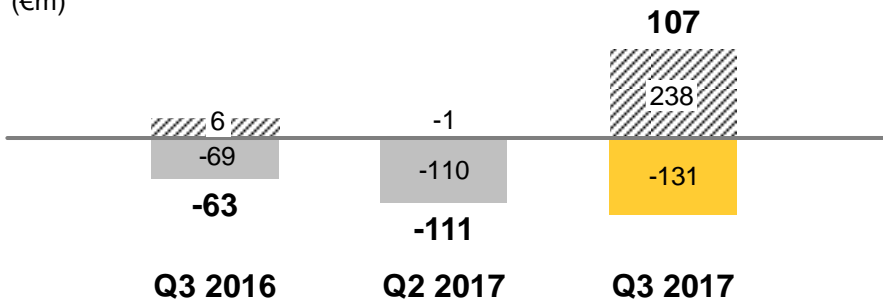
## Private and Small Business Customers (€m)



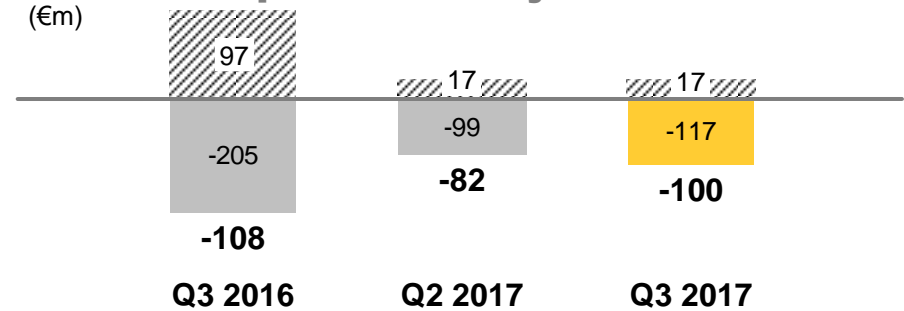
## Corporate Clients (€m)




## Others & Consolidation (€m)



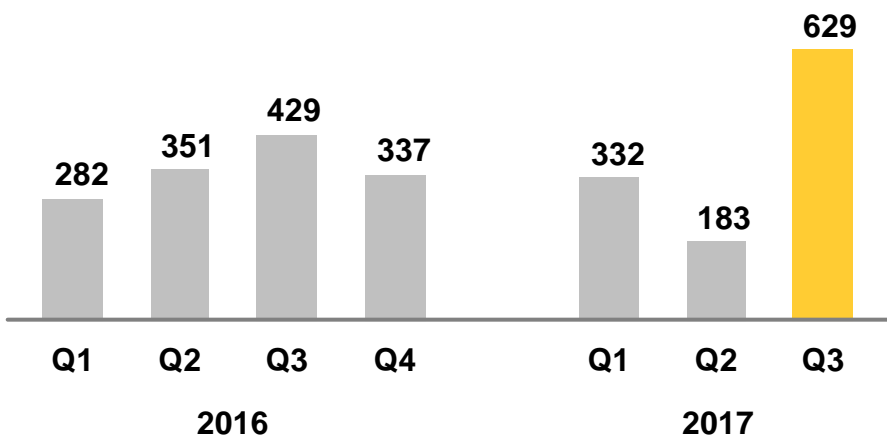
## Asset & Capital Recovery (€m)



 Exceptional revenue items

## Group operating result of €629m and net result of €472m in Q3 2017

### Group operating result (€m)



### Group P&L

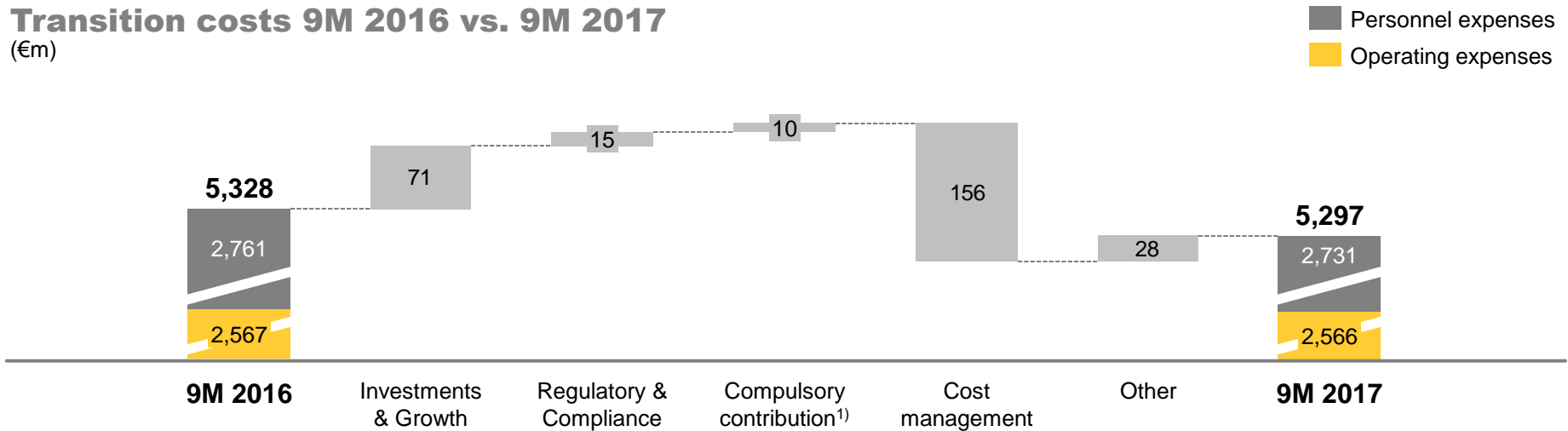
in € m	Q3 2016	Q2 2017	Q3 2017	9M 2016	9M 2017
Revenues	2,437	2,068	2,511	7,000	6,971
Revenues excl. exceptional items	2,206	2,060	2,009	6,457	6,353
LLP	-275	-167	-168	-610	-530
Costs	1,733	1,718	1,714	5,328	5,297
<b>Operating result</b>	<b>429</b>	<b>183</b>	<b>629</b>	<b>1,062</b>	<b>1,144</b>
Impairments on goodwill and other intangible assets	627	-	-	627	-
Restructuring expenses	57	807	-	97	807
Taxes on income	14	-12	135	161	204
Minority interests	19	25	22	81	67
<b>Net result <sup>1)</sup></b>	<b>-288</b>	<b>-637</b>	<b>472</b>	<b>96</b>	<b>66</b>
CIR (%)	71.1	83.1	68.3	76.1	76.0
Ø Equity (€bn)	29.4	29.8	29.6	29.5	29.7
Net RoE (%)	-4.1	-8.9	6.6	0.4	0.3
Net RoTE (%)	-4.5	-9.8	7.3	0.5	0.3
Operating return on CET1 (%)	7.5	3.1	10.7	6.1	6.5

### Highlights

- › Positive 9M 2017 net result of €66m despite €807m restructuring charge, covering full Commerzbank 4.0 efficiency program
- › Stable underlying revenues in PSBC and CC q-o-q despite seasonally slower Q3
- › Lower underlying revenues in ACR mainly due to portfolio sales – reduced treasury contribution in O&C due to slower markets

## Cost development fully in line with plan

### Transition costs 9M 2016 vs. 9M 2017 (€m)



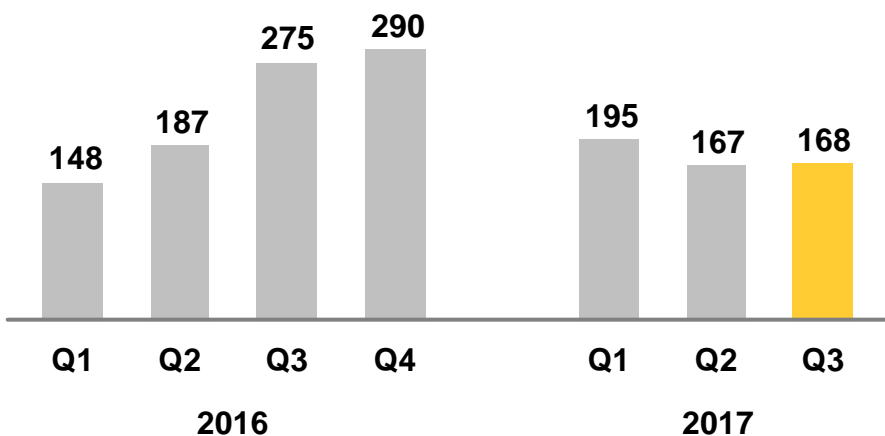
### Highlights

- › Cost Management driven by FTE reduction despite temporarily higher FTE in Q3 – in particular from OnVista and Consumer Finance JV
- › Increase of investments due to run up of digitalisation initiatives, which will subsequently lead to higher depreciations
- › Further strengthening of our compliance function
- › Rise of compulsory contribution (+€10m) essentially due to introduction of EU Bank Levy in Poland in 2017

## Stable loan loss provisions in an overall benign credit environment

### Provisions for loan losses (Group)

(€m)



### LLP divisional split

in € m	Q3 2016	Q2 2017	Q3 2017	9M 2016	9M 2017
Private and Small Business Customers	40	42	55	105	130
Corporate Clients	87	33	47	215	123
Asset & Capital Recovery	147	92	66	292	277
Others & Consolidation	1	-	-	-2	-
<b>Group</b>	<b>275</b>	<b>167</b>	<b>168</b>	<b>610</b>	<b>530</b>
Group CoR (bps)	19	16	16	19	16
Group NPL (€bn)	7.5	6.5	6.5	7.5	6.5
Group NPL ratio (in %)	1.7	1.5	1.5	1.7	1.5

### Highlights

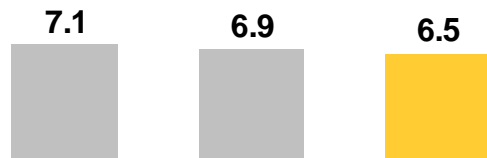
- › Overall LLP in Q3 2017 at level of previous quarters
- › PSBC and CC benefit from the stable German economy and quality of our loan book – increase in PSBC q-o-q mainly driven by mBank Corporate portfolio
- › Loan loss provisions in ACR almost completely refer to the Ship Finance portfolio



## Sound risk profile with NPL ratio of only 1.5%

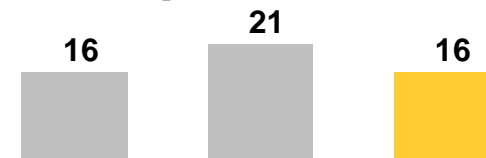
### NPL in Group

(€bn)



### Cost of Risk<sup>2)</sup> in Group

(bp)



	YE 2015	YE 2016	9M 2017
PSBC	2.0	1.7	1.8
CC	2.9	3.4	2.8
O&C	0.1	0.0	0.0
ACR	2.2	1.8	1.9
<hr/>			
NPL ratio <sup>1)</sup> Group	1.6%	1.6%	1.5%
Coverage ACR	45%	57%	45%

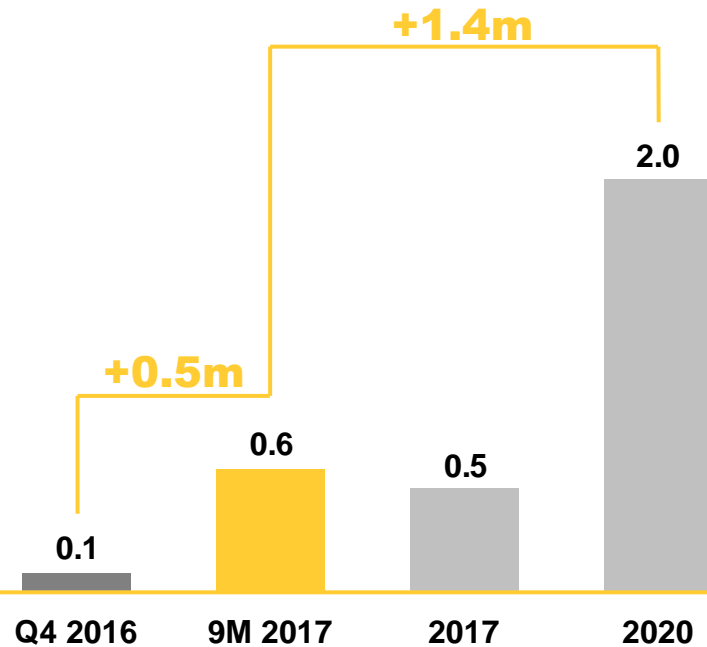
	YE 2015	YE 2016	9M 2017
PSBC	12	9	11
CC	5	9	9
O&C	7	-	-
ACR	192	380	258

## Highlights

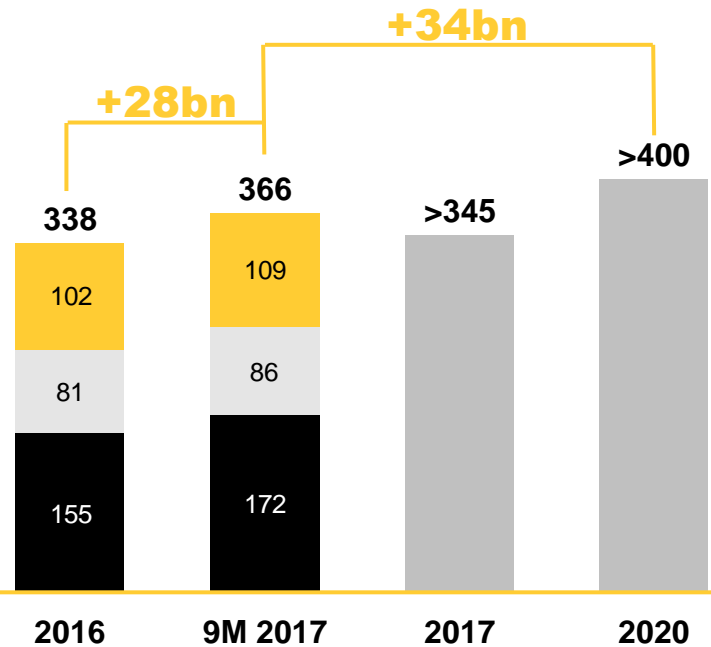
- › Cost of risk in the operating segments PSBC and CC on low levels of 11bp and 9bp
- › Overall cost of risk reflects stable German economy and quality of our loan book
- › Q3 2017 increase in PSBC by €0.1bn due to transfer of consumer loans
- › NPL in ACR Ship Finance will come down with final closing of portfolio sales by year end 2017

# Private and Small Business Customers: Growth in customers and assets already well above FY 2017 targets

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

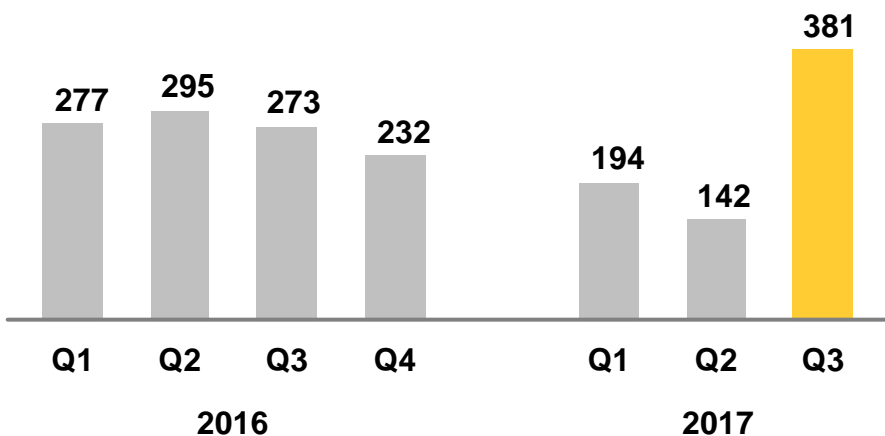


**Assets under Control (GER)** (€bn eop)  
 Targets     Loans  
 Deposits     Securities



## Private and Small Business Customers: Overall stable business performance in Q3 supported by strong asset growth

### Operating result (€m)



### Segmental P&L

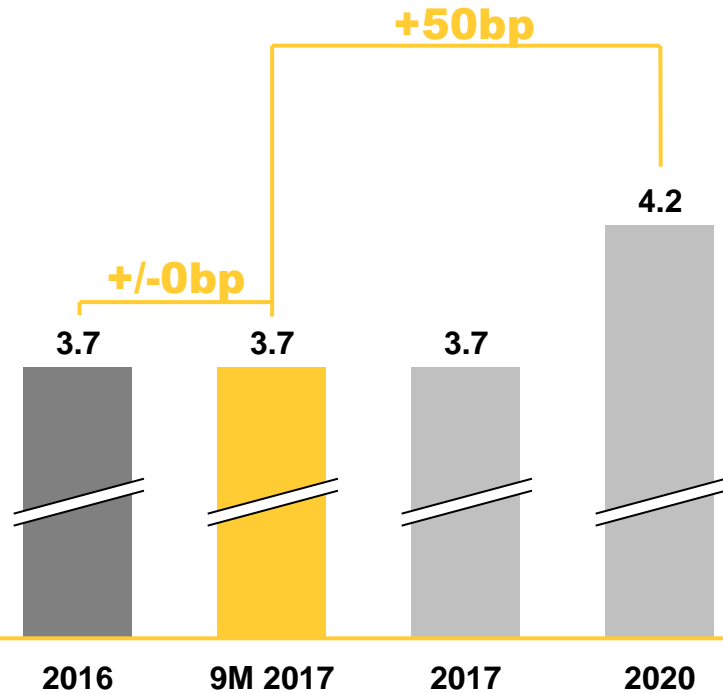
in € m	Q3 2016	Q2 2017	Q3 2017	9M 2016	9M 2017
Revenues	1,216	1,111	1,363	3,643	3,642
o/w Private Customers	573	519	531	1,732	1,639
o/w Small Business Customers	199	189	198	592	588
o/w Commerz Real	109	65	52	219	164
o/w comdirect	82	94	91	255	275
o/w mBank	229	243	254	658	738
o/w exceptional revenue items	24	1	238	187	239
Revenues excl. exceptional items	1,192	1,110	1,125	3,456	3,403
LLP	-40	-42	-55	-105	-130
Costs	903	927	927	2,693	2,795
<b>Operating result</b>	<b>273</b>	<b>142</b>	<b>381</b>	<b>845</b>	<b>717</b>
<b>RWA fully phased in (end of period)</b>	<b>37.1</b>	<b>37.7</b>	<b>39.2</b>	<b>37.1</b>	<b>39.2</b>
CIR (%)	74.3	83.4	68.0	73.9	76.7
Ø Equity (€bn)	4.1	4.0	4.2	4.1	4.1
Operating return on equity (%)	26.6	14.1	36.0	27.2	23.4

### Highlights

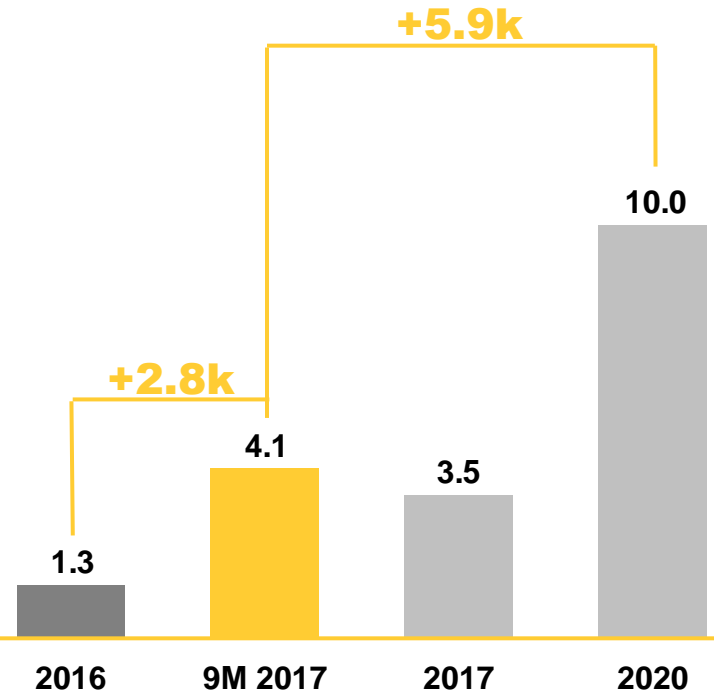
- › Slightly increased underlying revenues q-o-q – strong growth in assets under control of €9bn
- › In seasonally slower Q3 further 65k net new customers in PSBC Germany
- › Transfer of €3.5bn Consumer Loans from JV in mid-August, thus only half of Q3 contributed to revenues
- › Y-o-Y underlying revenues from growth offset drag from negative rates and loan pricing pressure – higher incentives for customer acquisition and asset appraisal in Q3 2016 lead to lower revenues

# Corporate Clients: Net new customer growth above FY 2017 target

Revenues/RWA<sup>1)</sup>  
(%)

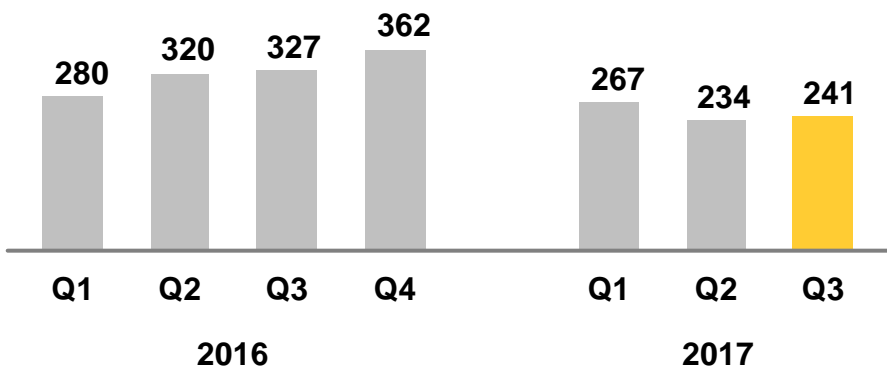


Net new customers  
(k cumulative)



# Corporate Clients: Stable result based on leading market position in Germany

## Operating result (€m)



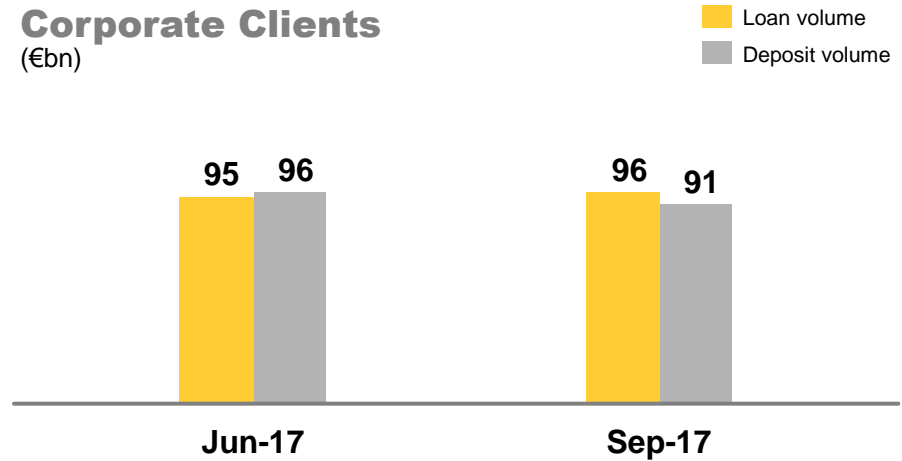
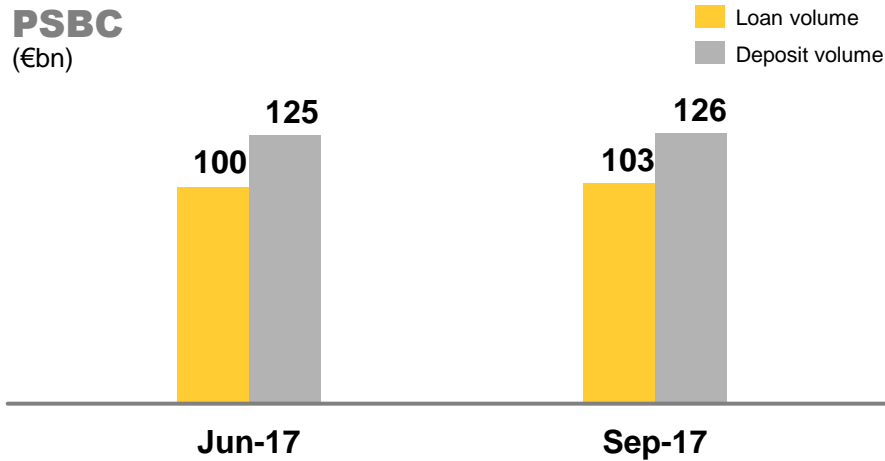
## Segmental P&L

in € m	Q3 2016	Q2 2017	Q3 2017	9M 2016	9M 2017
Revenues	1,121	943	970	3,361	3,013
o/w Mittelstand	463	447	440	1,448	1,365
o/w International Corporates	228	228	239	715	690
o/w Financial Institutions	131	107	104	442	343
o/w EMC	86	103	78	260	295
o/w others	109	67	100	282	288
o/w exceptional revenue items	104	-9	9	214	32
Revenues excl. exceptional items	1,017	952	961	3,147	2,981
LLP	-87	-33	-47	-215	-123
Costs	707	676	682	2,219	2,148
<b>Operating result</b>	<b>327</b>	<b>234</b>	<b>241</b>	<b>927</b>	<b>742</b>
<b>RWA fully phased in (end of period)</b>	<b>104.3</b>	<b>93.0</b>	<b>92.1</b>	<b>104.3</b>	<b>92.1</b>
CIR (%)	63.1	71.7	70.3	66.0	71.3
Ø Equity (€bn)	11.6	10.4	10.2	11.7	10.6
Operating return on equity (%)	11.2	9.0	9.5	10.6	9.3

## Highlights

- › Mittelstand with stable performance q-o-q based on leading German franchise
- › International Corporates expands income from loan business
- › Financial Institutions with stable revenues q-o-q after strategic realignment
- › EMC with solid client demand and performance in line with seasonality

## Strong loan growth in Private and Small Business Customers – active deposit management in Corporate Clients

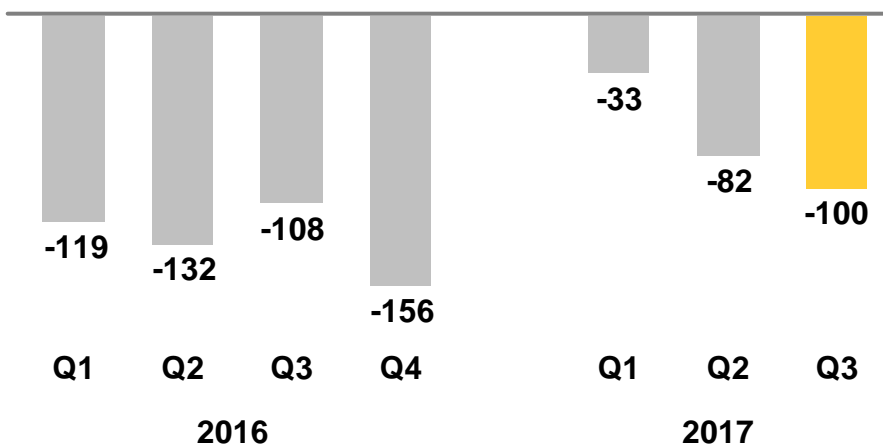


### Highlights

- › 3% continued loan growth in Private and Small Business Customers over the last 3 months (+7% in 9M 2017) mainly driven by strong mortgage business in Germany
- › Corporate Clients with overall stable development – net loan growth of €1bn
- › Successful reduction of deposits of €5bn in Corporate Clients leads to LTD ratio >100%

# Asset & Capital Recovery: Strong delivery – year-end 2017 Ship Finance target of ~€3bn confirmed

## Operating result (€m)



## Segmental P&L

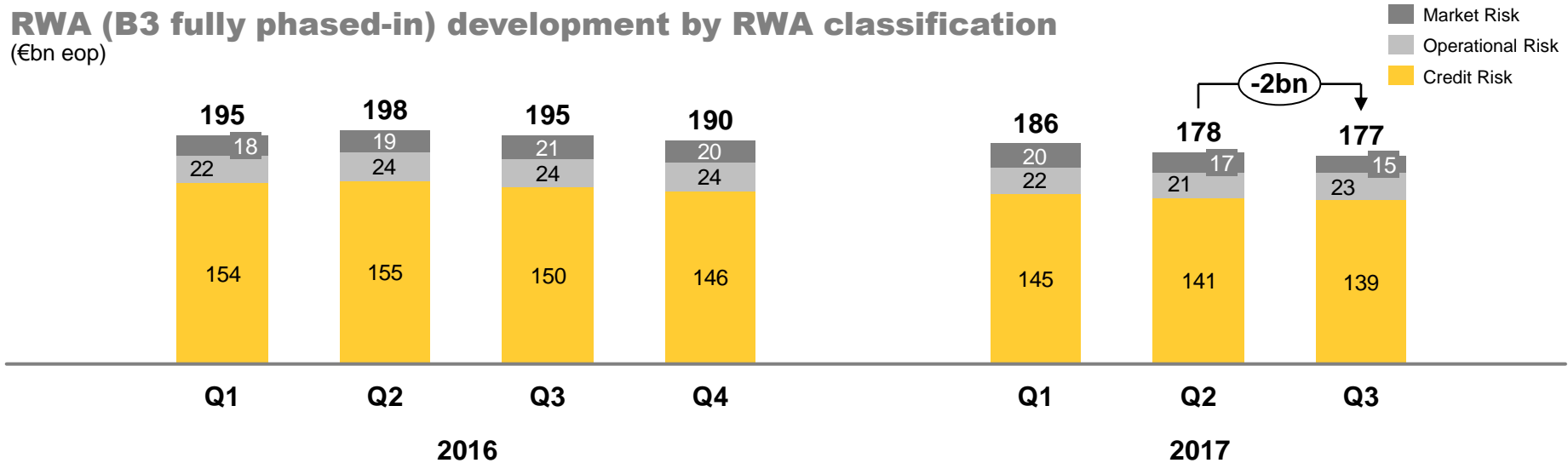
in € m	Q3 2016	Q2 2017	Q3 2017	9M 2016	9M 2017
Revenues	72	38	-12	30	141
Revenues excl. exceptional items	-25	21	-29	-69	16
LLP	-147	-92	-66	-292	-277
Costs	33	28	22	97	79
<b>Operating result</b>	<b>-108</b>	<b>-82</b>	<b>-100</b>	<b>-359</b>	<b>-215</b>
<b>RWA fully phased in (end of period)</b>	<b>21.5</b>	<b>20.1</b>	<b>19.1</b>	<b>21.5</b>	<b>19.1</b>
Ø Equity (€bn)	3.3	3.2	2.9	3.4	3.1
CRE (EaD in €bn)	2.7	1.9	1.7	2.7	1.7
Ship Finance (EaD in €bn)	5.0	3.9	3.3	5.0	3.3
Public Finance (EaD in €bn)	9.5	9.5	9.3	9.5	9.3

## Highlights

- › Continued portfolio run-down in all sub-segments – in Q3 2017 Ship Finance exposure reduced by €0.6bn to €3.3bn, supported by value-preserving portfolio sales
- › With 34% reduction over the last 12 months fully on track to reach year-end Ship Finance portfolio target of ~€3bn
- › Lower revenues compared to Q2 2017 due to portfolio sales and in line with smaller portfolio size

## RWA with reduction of €2bn in Q3 2017

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



### Highlights

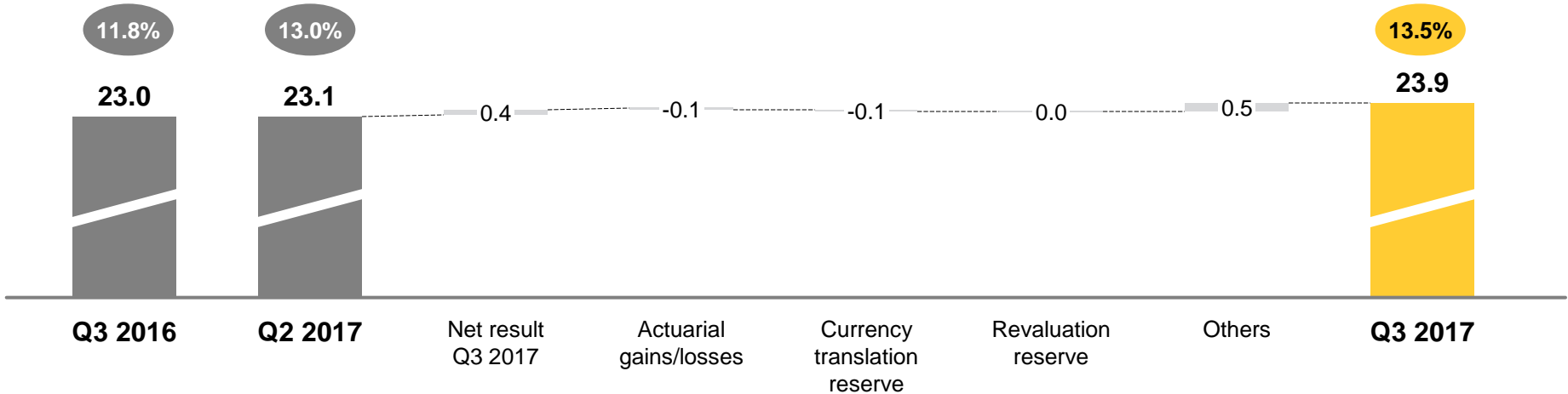
- › Credit Risk RWA driven by growth in business segments but more than offset by declining market values, FX effects and targeted reduction of sub portfolios – mainly Ship Finance
- › Market Risk RWA decreased by €2bn q-o-q in markets with low volatility
- › Increase of OpRisk RWA by €2bn q-o-q mainly due to new and increased loss events in external database



## CET1 ratio increased to 13.5%

### Regulatory capital (CET1 B3 fully phased-in) transition

(€bn)



### Highlights

- › Increase of CET1 ratio by 50bp due to strengthening of capital (+40bp) and lower RWA (+10bp)
- › Currency translation reserve and revaluation reserve with only minor movements in Q3 2017
- › Slightly negative effects from actuarial gains and losses mainly due to decreased discount rate for pension liabilities to 2.0%
- › Further positive CET1 effects mainly resulting from decreased DTA deductions and expected loss shortfall

# Objectives and expectations for 2017

## FY 2017

- We will further strengthen our market position and focus on the execution of Commerzbank 4.0
- We aim for a CET1 ratio of at least 12.5% including IFRS 9 impact effective Jan 1st 2018
- We expect our cost base to be below €7.1bn
- We expect LLPs at ~€800m – including ACR with ~€400m
- We expect a slightly positive net result for the financial year 2017

# Commerzbank 4.0

**simple – digital – efficient**

# Appendix

## Commerzbank Group

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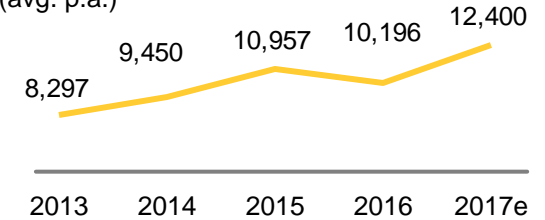
# German economy 2017 – ongoing moderate growth ahead

## Current development

- › German economy has grown significantly in recent quarters. Figures available so far point to an unchanged speed in Q3.
- › The main driver of growth is still private consumption and investment in buildings. However, the German economy is also benefiting from a stronger world economy and especially the upswing in the Euro area. At last even the investment in machinery and equipment has picked up somewhat.
- › Labour market has improved further

### DAX

(avg. p.a.)

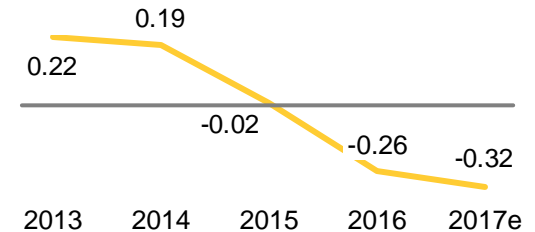


## Our expectation for 2017

- › Sentiment of firms is still very positive. Therefore the 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, less dynamic growth in some parts of the world economy (especially in Asia) and the recently stronger Euro argues for somewhat lower growth rates in the course of 2018.
- › For the whole year 2017 we expect a growth rate of 2%. In 2018 we expect growth to slow down somewhat to 1.8%.

### Euribor

(avg. p.a. in %)

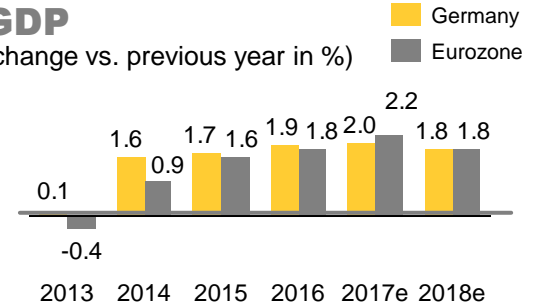


## Risks in the long-run

- › Export oriented German economy would suffer especially from a trade conflict initiated by the new US government.
- › In the medium term EMs – a very important market for German exports – will grow slower as in the years ago
- › Germany's price competitiveness inside the Euro area has eroded since 2009.
- › Economic policy has been geared more towards redistribution of wealth than support for growth. It's uncertain, whether this will change with the new government.

### GDP

(change vs. previous year in %)



## Major pillars of the Private and Small Business Customers segment

### Revenues 9M 2017

Private Customers	€1.8bn	<ul style="list-style-type: none"> <li>› Domestic retail banking business served via ~1,000 branches and wide-ranging multi-channel capabilities</li> <li>› ~8m private customers including private banking and wealth management clients</li> </ul>
Small Business Customers	€0.6bn	<ul style="list-style-type: none"> <li>› &gt; 1m domestic small business customers, incl. small entrepreneurs, freelancers, self-employed</li> <li>› 45k corporate customers with turnover &gt; €2.5m &lt; €15m transferred from Mittelstandsbank</li> </ul>
comdirect (formerly: direct banking)	€0.3bn	<ul style="list-style-type: none"> <li>› Domestic market leader in online securities business with ~3.3m total customers</li> <li>› Franchise strengthened with acquisition of OnVista bank with ~100k clients</li> </ul>
Commerz Real	€0.2bn	<ul style="list-style-type: none"> <li>› Asset manager for physical assets – €32bn total AuM, incl. over €12bn from open-end real estate fund hausInvest</li> <li>› Investment solutions for institutional investors, e.g. in real estate, leasing, infrastructure, aircraft financing</li> </ul>
mBank (formerly: Central & Eastern Europe)	€0.7bn	<ul style="list-style-type: none"> <li>› Universal and direct banking in Poland and Retail Banking in the Czech Republic and Slovakia</li> <li>› ~5.3m customers<sup>1)</sup> (+0.2m in 9M 2017) including corporate clients</li> </ul>

# Major pillars of the Corporate Clients segment

## Revenues 9M 2017<sup>1)</sup>

### Mittelstand

(German corporates w/ sales > €15m)

**€1.4bn**

- › 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)

### International Corporates

(Corporates outside of Germany and multinationals)

**€0.7bn**

- › Large German corporates (listed in DAX or MDAX)
- › Corporates / insurances located outside of Germany, including multinational clients

### Financial Institutions

(FIs and central banks)

**€0.3bn**

- › 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

### EMC

(Ring-fencing the financial products manufacturing and market making business)

**€0.3bn**

- › Structured financial instruments and investment products
- › EMC products are offered to all customers of Commerzbank, both in Germany and abroad

### Other Result

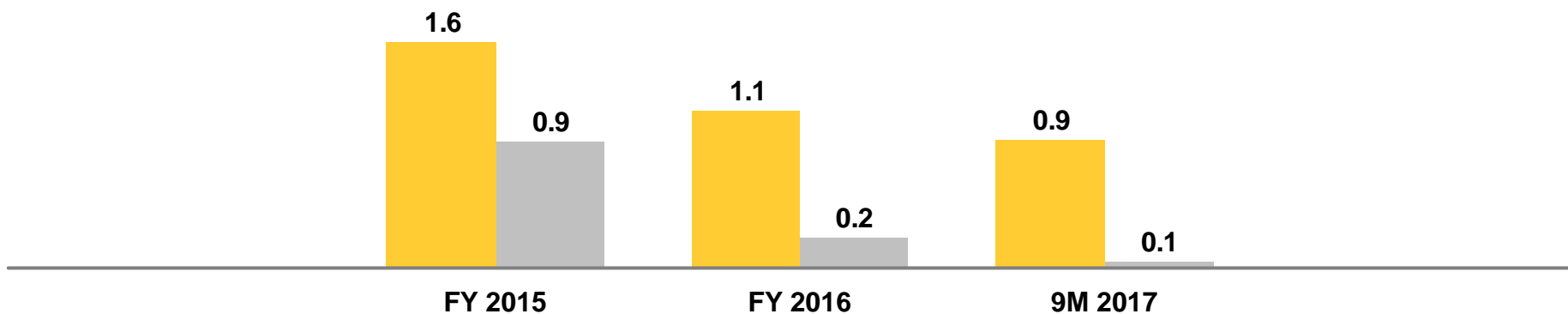
**€0.3bn**

- › Positions from non strategic business and valuation effects
- › Effects from risk management for the Segment Corporate Clients

## Key figures Commerzbank share

### Figures per share (€)

■ Operating result per share  
■ EPS



ytd as of	31 Dec 2015	31 Dec 2016	30 Sep 2017
Number of shares issued (in m)	1,252.4	1,252.4	1,252.4
Market capitalisation (in €bn)	12.0	9.1	14.4
Net asset value per share (in €)	21.68	21.70	21.70
Low/high Xetra intraday prices ytd (in €)	8.94/13.39	5.16/9.50	6.97/11.73





## Commerzbank financials at a glance

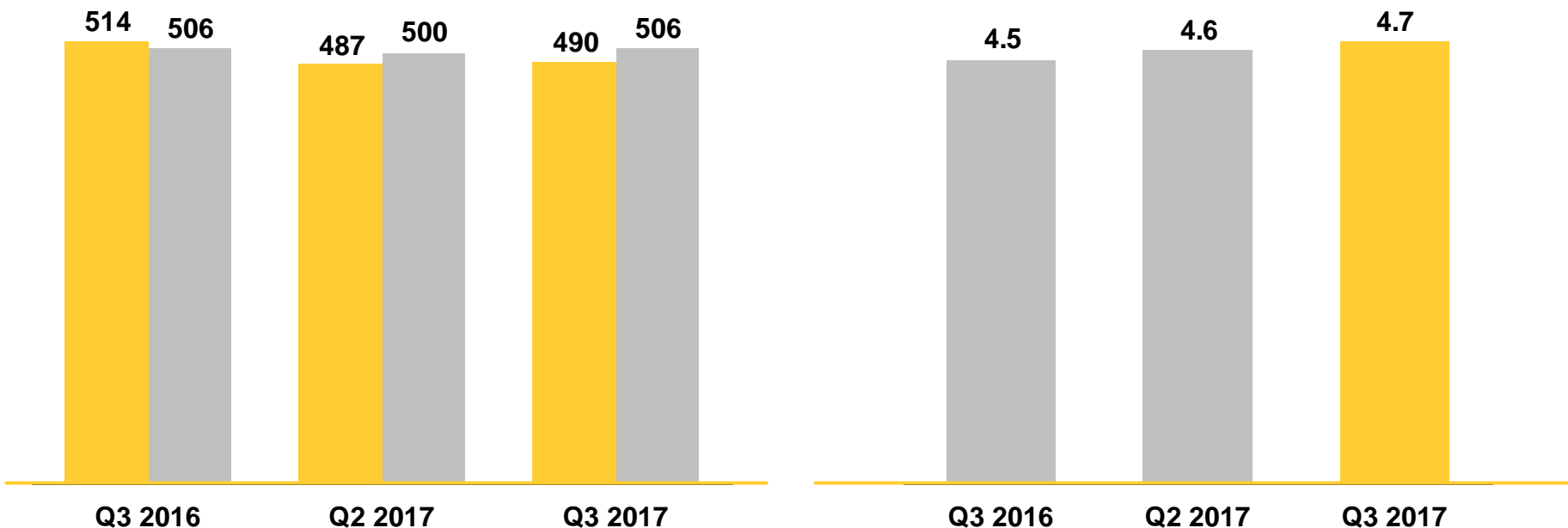
Group	Q3 2016	Q2 2017	Q3 2017
Operating result (€m)	429	183	629
Net result (€m)	-288	-637	472
CET1 ratio B3 phase-in (%)	13.6	13.9	14.4
CET1 ratio B3 fully phased-in (%)	11.8	13.0	13.5
Total assets (€bn)	514	487	490
RWA B3 fully phased-in (€bn)	195	178	177
Leverage ratio (fully phased-in) (%)	4.5	4.6	4.7
Cost/income ratio (%)	71.1	83.1	68.3
Net RoE (%)	-4.1	-8.9	6.6
Net RoTE (%)	-4.5	-9.8	7.3
Total capital ratio fully phased-in (%)	14.9	16.3	16.7
NPL ratio (in %)	1.7	1.5	1.5
CoR (bps)	19	16	16

# Leverage ratio at 4.7% fully phased-in

**Total assets and LR exposure**  
 (€bn)

 Total assets  
 LR exposure

**Leverage ratio fully phased-in**  
 (% eop)



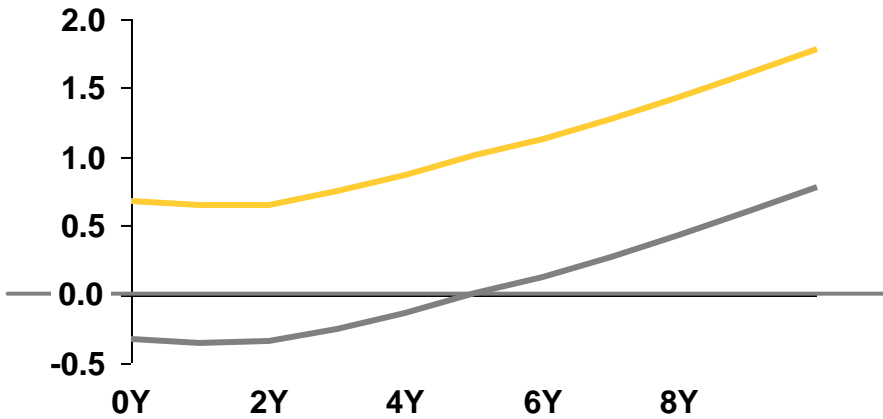
## Hedging & Valuation adjustments

	€m	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17
<b>PSBC</b>	OCS, <sup>1)</sup> FVA & Net CVA/DVA	-4	-	-1	3	-	1	1
<b>CC</b>	OCS, <sup>1)</sup> FVA & Net CVA/DVA	16	51	104	1	32	-9	9
<b>O&amp;C</b>	OCS, <sup>1)</sup> FVA & Net CVA/DVA	30	7	6	3	-15	-1	1
<b>ACR</b>	OCS, <sup>1)</sup> FVA & Net CVA/DVA	103	4	172	31	49	-31	5
<b>Group</b>	OCS, <sup>1)</sup> FVA & Net CVA/DVA	145	62	280	37	66	-40	15
<b>Other ACR valuation effects</b>		-77	-28	-75	-17	42	48	12
<b>Total</b>		<b>68</b>	<b>34</b>	<b>206</b>	<b>20</b>	<b>108</b>	<b>8</b>	<b>28</b>

# Significant NII potential in scenario of rising interest rates

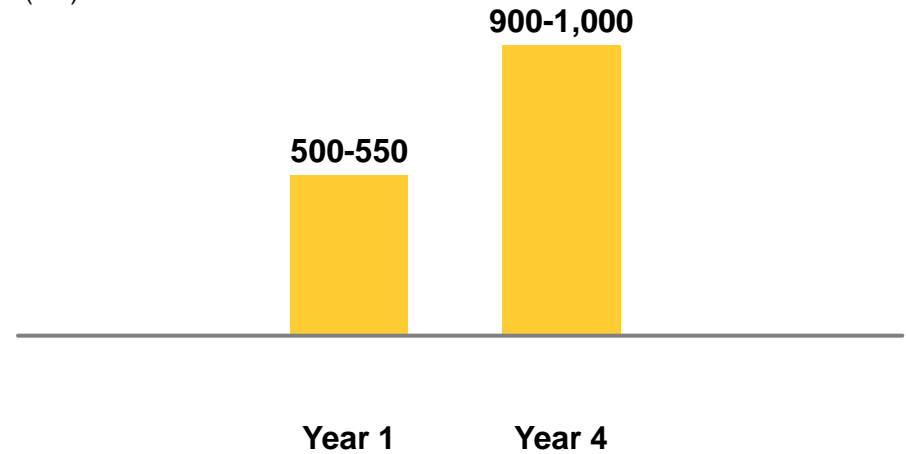
## 100bp parallel up-shift in rates yield curve

(16th January 2017, in %)



## Scenario impact on NII

(€m)

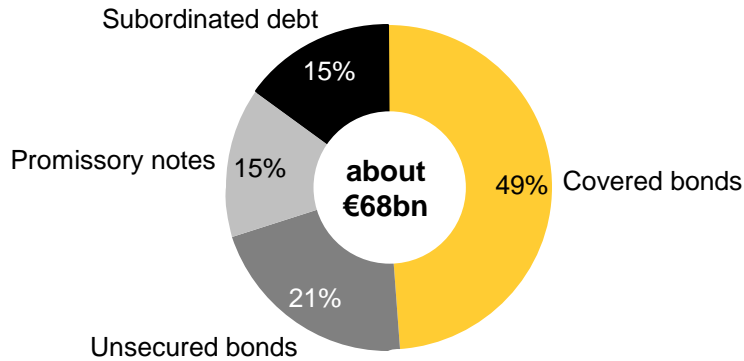


## Highlights

- › Year 1 effect of €500-550m driven by short-end rates due to large stock of overnight (excess) deposits
- › Thereof ~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

# Capital markets funding requirements of 2017 are almost covered

## Funding structure<sup>1)</sup> (as of 30 September 2017)



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

### 9M 2017 – Notional €5.2bn

Category	Notional	Benchmark	PP <sup>3)</sup>
Subordinated debt	€0.9bn	€0.8bn	€0.1bn
Unsecured bonds	€2.7bn	€1.4bn	€1.2bn
Covered bonds	€1.6bn	€1.5bn	€0.1bn

## Highlights

- › Funding requirements 2017 adjusted to around €6bn, thereof €5.2bn issued within 9M 2017 (average term slightly over eight years)
- › €0.5bn 10years Tier 2 benchmark and inaugural SGD 0.5bn 10nc5 Tier 2 benchmark
- › €0.5bn 7years and €0.5bn 8years senior unsecured benchmark
- › 6Y benchmark Mortgage Pfandbrief tapped by €0.5bn and €1bn 10years Mortgage Pfandbrief

# Rating overview Commerzbank

## As of 09 November 2017



Bank Ratings	S&P Global	MOODY'S INVESTORS SERVICE	FitchRatings	SCOPE Scope Ratings
Counterparty Rating <sup>1)</sup>	A- negative	A2 (cr)	A- (dcr)	-
Deposit Rating <sup>2)</sup>	A- negative	A2 stable	A-	-
Issuer Credit Rating (long-term debt)	A- negative	Baa1 stable	BBB+ stable	A stable
Stand-alone Rating (financial strength)	bbb+	baa3	bbb+	-
Short-term debt	A-2	P-1	F2	S-1
Product Ratings (unsecured issuances)				
"Preferred" senior unsecured debt	A- negative	A2 stable	A- (emr)	A stable
"Non-preferred" senior unsecured debt	BBB	Baa1 stable	BBB+ stable	A- stable
Subordinated debt (Tier 2)	BBB-	Ba1	BBB	BBB stable

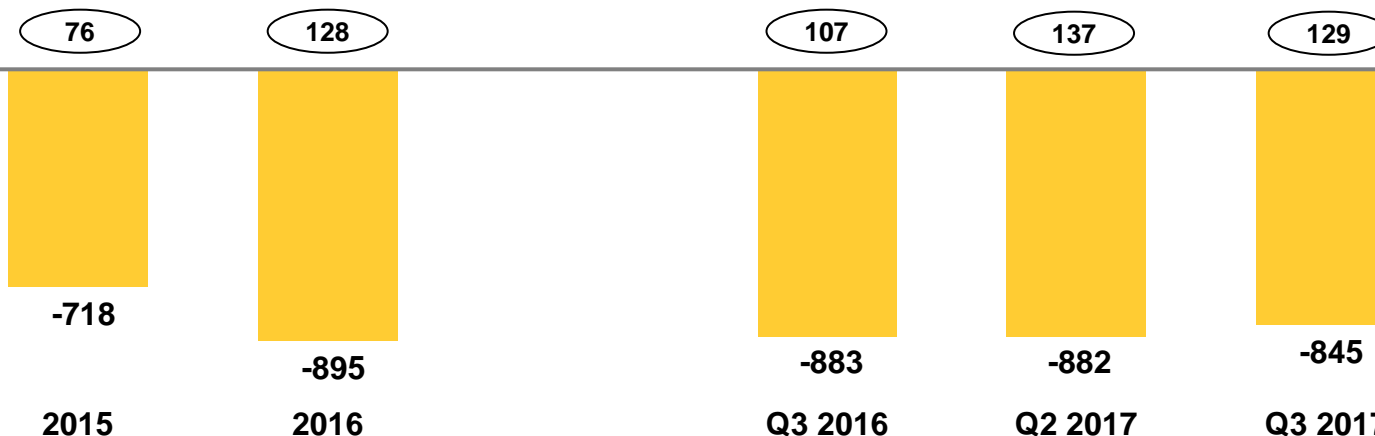
## Rating actions in 9M 2017

- › S&P Global (S&P) upgraded Counterparty, Deposit and Issuer Credit Ratings as well as "preferred" senior unsecured debt rating by 1 notch to "A-" outlook negative and downgraded "non-preferred" senior unsecured debt by 1 notch to "BBB" in March 2017
- › The rating designation „under Criteria Observation (UCO)“, which was meanwhile assigned on the basis of methodical adjustments of the S&P Risk-adjusted Capital (RAC) was removed of Commerzbank´s ratings in August 2017
- › As of January 1st 2017 Scope has been mandated as a fourth rating agency for the bank rating – previously Scope assigned ratings for Commerzbank on an unsolicited basis

## Change in revaluation reserve due to changes in Italian credit spread

### Movement of revaluation reserve<sup>1)</sup> (€m)

 Revaluation reserve - impact of Italy  
 in Bp Credit spread – Italian sovereign bonds

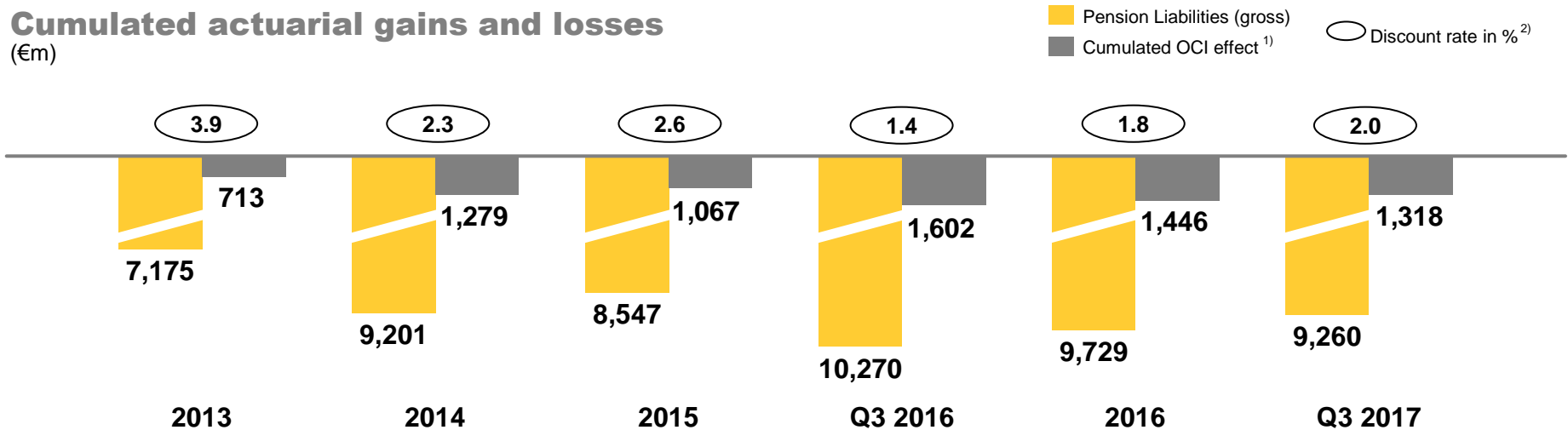


### Additional information

- › ~€10bn Italian sovereign bond portfolio mainly consists of sovereign and sub-sovereign exposures with long maturities
- › Principally hold-to-maturity management strategy

## IAS 19: Development of pension liabilities

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



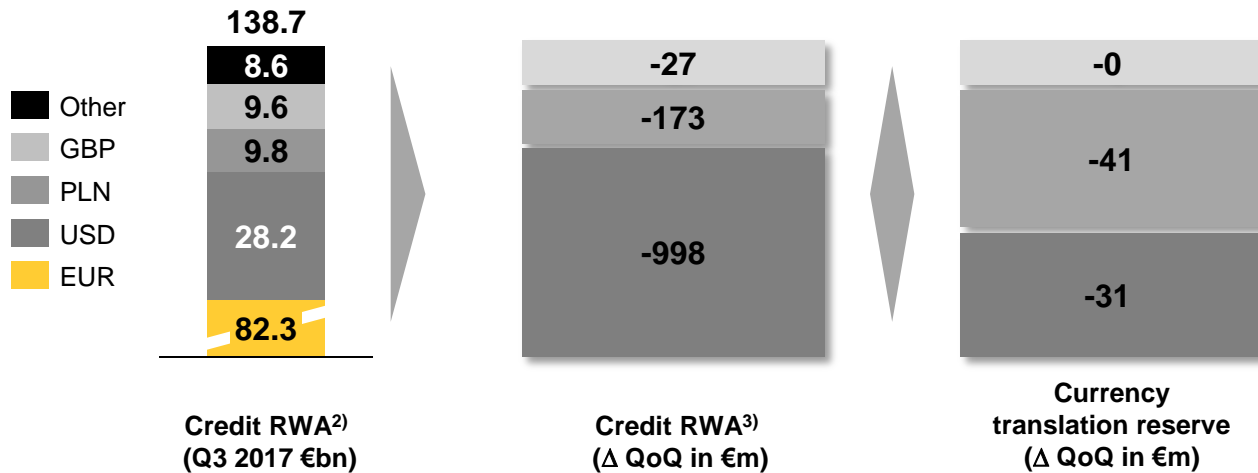
### Additional information

- › Pension obligations decreased ytd due to slightly increased discount rate (= ytd liability gain)
- › The discount rate is derived from a AA rated corporate bond basket yield with an average duration of 19 years
- › The funding ratio (plan assets vs pension obligations) continues to be around 90%
- › Liability gain was partly offset by lower market values of hedging plan assets, producing a ytd OCI capital effect of €127m
- › Since 2013, hedge via plan assets dampened the obligation increase of €2,085m to a cumulated OCI effect of -€606m



# Weakening of USD with net positive impact on capital ratio

## Q-o-Q Change in FX capital position<sup>1)</sup>



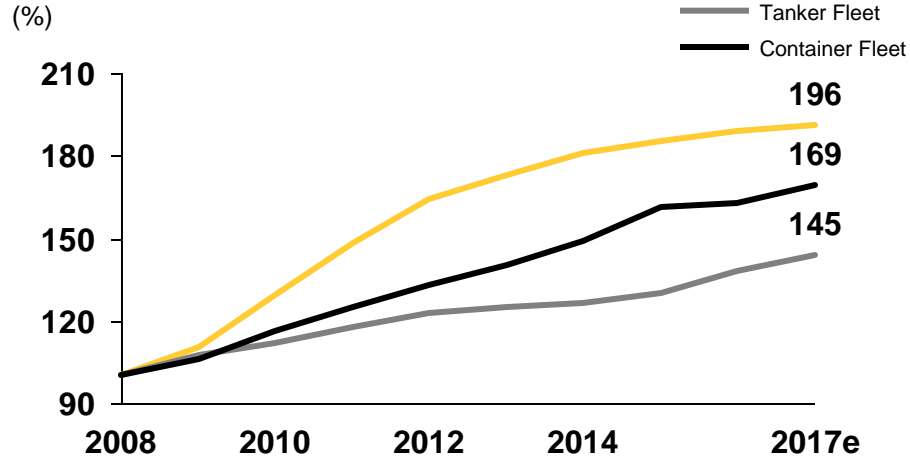
FX rates	06/17	09/17
EUR/ GBP	0.879	0.882
EUR/ PLN	4.226	4.304
EUR/ USD	1.141	1.181

## Explanation

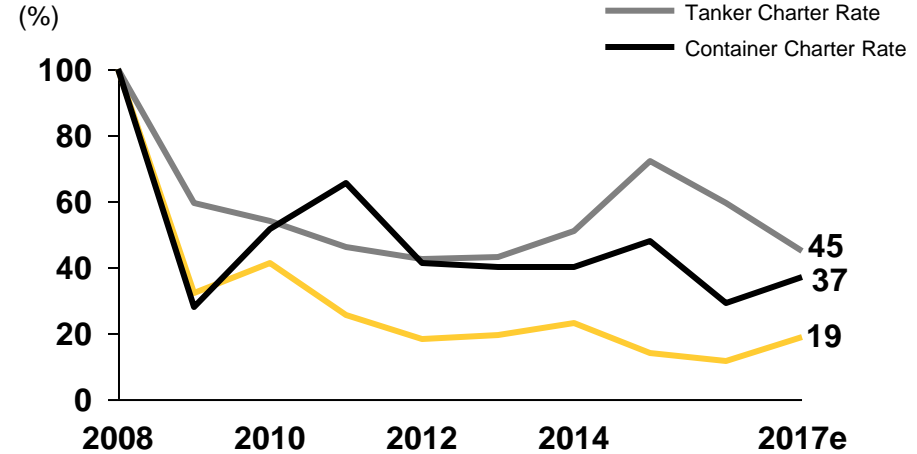
- › Quarter to quarter the EUR strengthened by 3.5% against the USD resulting into –€1bn lower credit RWA. At the same time the currency translation reserve decreased by –€31m softening the effect on capital ratio

## Overview Ship Finance – Fleet and charter rate index

### Fleet index



### Charter rate index



### Additional information

- › Net fleet growth for 2017 expected at 2% to 3% for bulker/container and 5% for tanker, with very narrow new orderings seen this year
- › Sale of loan portfolios by competitors likely to cause some price pressure – diverse development for different ship types expected
- › Steadily declining ratio of NPL / CET1 capital in recent years – approaching 5%
- › Strong portfolio run down of €21bn (-83%) since 2008 – sufficient coverage ratio level of 52% (ACR)

## ACR Ship Finance portfolio as of 30 September 2017

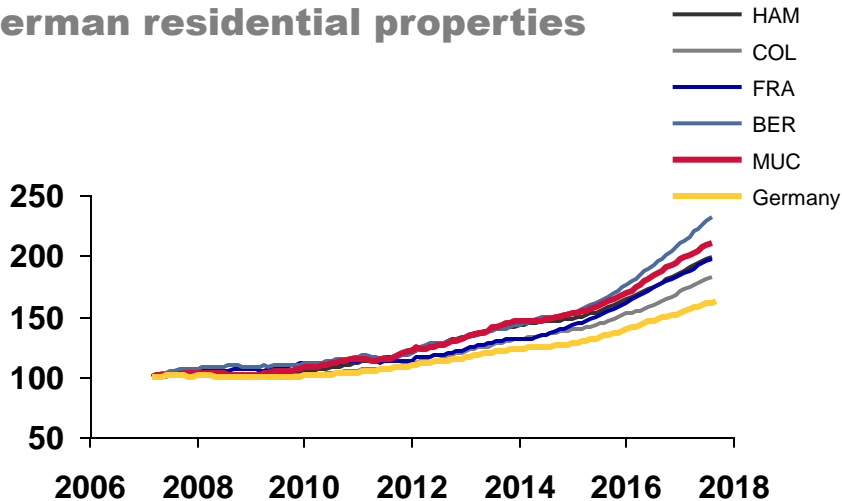
	30 September 2017 (31 December 2016)							
Performing portfolio SF by ship type   €m	Total		Container		Tanker		Bulkер	
Exposure at Default	1,922	(3,511)	861	(1,116)	421	(875)	326	(912)
Expected Loss	212	(288)	102	(85)	14	(12)	49	(121)
Risk Density (in bp)	1,105	(820)	1,180	(760)	333	(131)	1,506	(1,324)

	30 September 2017 (31 December 2016)							
Default portfolio SF by ship type   €m	Total		Container		Tanker		Bulkер	
Default volume	1,351	(1,243)	418	(548)	205	(111)	307	(154)
SLLP	588	(628)	175	(223)	43	(56)	91	(78)
GLLP	114	(172)	40	(36)	10	(4)	21	(54)
Coverage ratio incl. GLLP excl. collaterals (%)	52	(64)	52	(47)	26	(54)	37	(85)
Collaterals	739	(466)	160	(178)	189	(73)	234	(82)
Coverage ratio incl. GLLP and collaterals (%)	107	(102)	90	(80)	118	(119)	113	(138)
NPL ratio (%)	41.3	(26.2)	32.6	(32.9)	32.7	(11.3)	48.5	(14.5)

# Residential mortgage business vs. property prices

## German residential properties



Source: Immobilienscout24, Commerzbank Research

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

## Overall mortgage portfolio

- › Growing mortgage volume with a very good risk quality:
  - 12/15: EaD €62.6bn – RD<sup>1)</sup>12bp
  - 12/16: EaD €66.8bn – RD 10bp
  - 03/17: EaD €69.3bn – RD 10bp
  - 06/17: EaD €71.5bn – RD 10bp
  - 09/17: EaD €73.6bn – RD 10bp
- › Rating profile with a share of 89% in investment grade ratings
- › Vintages of recent years developed more favourably so far and NPLs remain at a low level
- › Due to risk-oriented selection, RD still very low
- › As a consequence of low interest rates, repayment rates remain on a very high level



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

# Corporate Responsibility – partner for a sustainable economic and social development

## Sustainable corporate governance

- › Strengthen culture of integrity
- › Review of transaction on ESG risks



## Markets and clients

- › Bank for green energy transition
- › Sustainable investments



## Environment and society

- › Climate strategy: -70% CO<sub>2</sub> by 2020<sup>1)</sup>
- › Support for popular sports



## Selected ratings and indices

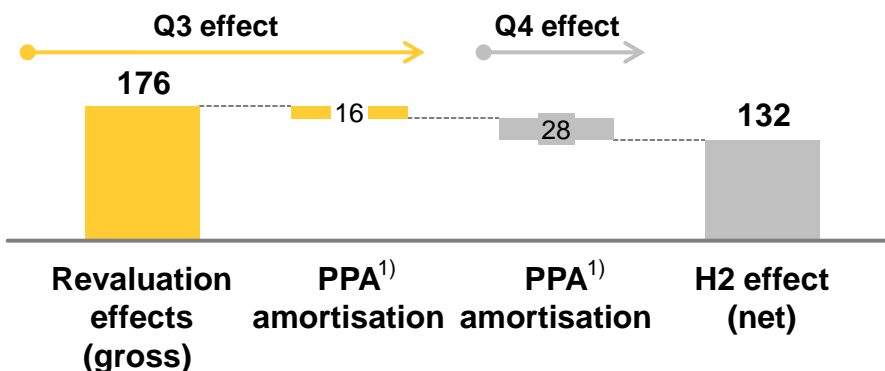
- › **MSCI: A**
- › **Oekom Research: C-**
- › **Sustainalytics: Outperformer**  
(73 of 100 points)
- › **CDP: B**
- › **STOXX® Global ESG Leaders**  
part of the leading group of companies worldwide which distinguish themselves in terms of the ESG criteria



Enhance sustainability in the core business and sharpen the profile as active part of society

# Consumer Finance now Commerzbank branded: successful termination of Consumer Loan JV on 18<sup>th</sup> August 2017

## Consumer Finance – Transaction effects (€m)



## Additional information

- › The consumer loan JV with BNP was terminated in Q3 – ~€3.5bn loans were transferred to own consumer finance platform along with the spun-off operational banking unit
- › The gain from revaluation of former 49.9% share in JV at fair value and other accounting effects sum up to gross €176m; In H2, there will be -€44m PPA<sup>1)</sup> amortisations, of which €-16m were booked in Q3
- › Differences between the fair values of the instalment loans and their notional amounts will cause yearly PPA<sup>1)</sup> amortisations until 2023
- › Yearly PPA<sup>1)</sup> amortisations will be more than offset by corresponding NII from the existing portfolio and correlate with the decreasing size of the portfolio over time

## Update on H2 Exceptional revenue items (€m)

Item	Q3	Q4	Comment
Concardis sale	89		PSBC
Property sales gains	225		O&C; Tax ~70
<b>Consumer finance (net)</b>	<b>160</b>		PSBC 148; O&C 12
Revaluation effects (gross)	176		132 in H2
PPA <sup>1)</sup> amortisations	-16	-28	

# Commerzbank Group

€m	Q1 2016	Q2 2016	Q3 2016	9M 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	9M 2017	% Q3 vs Q3	% Q3 vs Q2
Total Revenues	2,323	2,240	2,437	7,000	2,399	9,399	2,392	2,068	2,511	6,971	3.0	21.4
o/w Total net interest and net trading income	1,343	1,272	1,505	4,120	1,277	5,397	1,464	1,243	1,246	3,953	-17.2	0.2
o/w Net commission income	823	783	781	2,387	825	3,212	887	779	738	2,404	-5.5	-5.3
o/w Other income	157	185	151	493	297	790	41	46	527	614	>100	>100
Provision for possible loan losses	-148	-187	-275	-610	-290	-900	-195	-167	-168	-530	38.9	-0.6
Operating expenses	1,893	1,702	1,733	5,328	1,772	7,100	1,865	1,718	1,714	5,297	-1.1	-0.2
o/w European bank levy / Polish bank tax	156	32	21	208	21	230	192	37	22	251	7.5	-39.6
<b>Operating profit</b>	<b>282</b>	<b>351</b>	<b>429</b>	<b>1,062</b>	<b>337</b>	<b>1,399</b>	<b>332</b>	<b>183</b>	<b>629</b>	<b>1,144</b>	<b>46.6</b>	<b>&gt;100</b>
Impairments on goodwill and other intangible assets	-	-	627	627	-	627	-	-	-	-	-100.0	-
Restructuring expenses	-	40	57	97	32	129	-	807	-	807	>-100	>-100
Net gain or loss from sale of disposal groups	-	-	-	-	-	-	-	-	-	-	-	-
<b>Pre-tax profit</b>	<b>282</b>	<b>311</b>	<b>-255</b>	<b>338</b>	<b>305</b>	<b>643</b>	<b>332</b>	<b>-624</b>	<b>629</b>	<b>337</b>	<b>&gt;100</b>	<b>&gt;100</b>
Taxes on income	89	58	14	161	100	261	81	-12	135	204	>100	>100
Minority Interests	24	38	19	177	22	103	20	25	22	67	15.8	-12.0
<b>Consolidated Result attributable to Commerzbank shareholders</b>	<b>169</b>	<b>215</b>	<b>-288</b>	<b>96</b>	<b>183</b>	<b>279</b>	<b>231</b>	<b>-637</b>	<b>472</b>	<b>66</b>	<b>&gt;100</b>	<b>&gt;100</b>
Assets	535,940	532,795	513,701	513,701	480,436	480,436	490,243	487,246	489,905	489,905	-4.6	0.5
Liabilities	535,940	532,795	513,701	513,701	480,436	480,436	490,243	487,246	489,905	489,905	-4.6	0.5
Average capital employed	29,566	29,460	29,437	29,492	29,462	29,504	29,735	29,819	29,553	29,718	0.4	-0.9
RWA credit risk fully phased in (end of period)	154,061	154,692	150,256	150,256	146,201	146,201	144,544	140,989	138,669	138,669	-7.7	-1.6
RWA market risk fully phased in (end of period)	18,286	19,281	20,508	20,508	19,768	19,768	19,948	16,925	15,205	15,205	-25.9	-10.2
RWA operational risk fully phased in (end of period)	22,176	24,327	23,836	23,836	23,879	23,879	21,669	20,549	22,722	22,722	-4.7	10.6
<b>RWA fully phased in (end of period)</b>	<b>194,523</b>	<b>198,300</b>	<b>194,601</b>	<b>194,601</b>	<b>189,848</b>	<b>189,848</b>	<b>186,162</b>	<b>178,464</b>	<b>176,597</b>	<b>176,597</b>	<b>-9.3</b>	<b>-1.0</b>
Cost/income ratio (%)	81.5%	76.0%	71.1%	76.1%	73.9%	75.5%	78.0%	83.1%	68.3%	76.0%	-	-
Operating return on equity (%)	3.8%	4.8%	5.8%	4.8%	4.6%	4.7%	4.5%	2.5%	8.5%	5.1%	-	-
Operating return on tangible equity (%)	4.3%	5.4%	6.5%	5.4%	5.0%	5.3%	4.9%	2.7%	9.4%	5.7%	-	-
Return on equity of net result (%)	2.4%	3.0%	-4.1%	0.4%	2.6%	1.0%	3.2%	-8.9%	6.6%	0.3%	-	-
Net return on tangible equity (%)	2.6%	3.4%	-4.5%	0.5%	2.8%	1.1%	3.5%	-9.8%	7.3%	0.3%	-	-

## Private and Small Business Customers

€m	Q1 2016	Q2 2016	Q3 2016	9M 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	9M 2017	% Q3 vs Q3	% Q3 vs Q2
Total Revenues	1,195	1,232	1,216	3,643	1,175	4,818	1,168	1,111	1,363	3,642	12.1	22.7
o/w Net interest income	646	599	613	1,858	620	2,478	589	598	608	1,795	-0.8	1.7
o/w Net trading income	14	13	16	43	7	50	21	18	15	54	-6.3	-16.7
o/w Net commission income	486	474	492	1,452	504	1,956	545	477	465	1,487	-5.5	-2.5
o/w Other income	49	146	95	290	44	334	13	18	275	306	>100	>100
Provision for possible loan losses	-23	-42	-40	-105	-14	-119	-33	-42	-55	-130	-37.5	-31.0
Operating expenses	895	895	903	2,693	929	3,622	941	927	927	2,795	2.7	-
o/w European bank levy / Polish bank tax	32	21	21	73	21	95	63	27	22	113	8.3	-18.5
<b>Operating profit</b>	<b>277</b>	<b>295</b>	<b>273</b>	<b>845</b>	<b>232</b>	<b>1,077</b>	<b>194</b>	<b>142</b>	<b>381</b>	<b>717</b>	<b>39.6</b>	<b>&gt;100</b>
Impairments on goodwill and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net gain or loss from sale of disposal groups	-	-	-	-	-	-	-	-	-	-	-	-
<b>Pre-tax profit</b>	<b>277</b>	<b>295</b>	<b>273</b>	<b>845</b>	<b>232</b>	<b>1,077</b>	<b>194</b>	<b>142</b>	<b>381</b>	<b>717</b>	<b>39.6</b>	<b>&gt;100</b>
Assets	112,832	115,166	117,035	117,035	119,392	119,392	120,480	123,025	125,463	125,463	7.2	2.0
Liabilities	134,997	136,827	137,413	137,413	141,396	141,396	144,563	148,018	149,951	149,951	9.1	1.3
Average capital employed	4,222	4,105	4,101	4,149	4,046	4,122	3,966	4,023	4,234	4,080	3.3	5.3
RWA credit risk fully phased in (end of period)	29,403	29,023	28,902	28,902	28,126	28,126	28,604	30,927	32,351	32,351	11.9	4.6
RWA market risk fully phased in (end of period)	1,380	1,386	1,162	1,162	1,031	1,031	845	786	831	831	-28.5	5.8
RWA operational risk fully phased in (end of period)	6,503	7,053	7,085	7,085	6,955	6,955	6,424	6,010	6,023	6,023	-15.0	0.2
<b>RWA fully phased in (end of period)</b>	<b>37,286</b>	<b>37,462</b>	<b>37,149</b>	<b>37,149</b>	<b>36,112</b>	<b>36,112</b>	<b>35,873</b>	<b>37,722</b>	<b>39,205</b>	<b>39,205</b>	<b>5.5</b>	<b>3.9</b>
Cost/income ratio (%)	74.9%	72.6%	74.3%	73.9%	79.1%	75.2%	80.6%	83.4%	68.0%	76.7%	-	-
Operating return on equity (%)	26.2%	28.7%	26.6%	27.2%	22.9%	26.1%	19.6%	14.1%	36.0%	23.4%	-	-
Operating return on tangible equity (%)	25.7%	27.8%	25.6%	26.3%	21.9%	25.2%	18.6%	13.6%	34.7%	22.5%	-	-



# Corporate Clients

€m	Q1 2016	Q2 2016	Q3 2016	9M 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	9M 2017	% Q3 vs Q3	% Q3 vs Q2
Total Revenues	1,145	1,095	1,121	3,361	1,086	4,447	1,100	943	970	3,013	-13.5	2.9
o/w Total net interest and net trading income	752	766	798	2,316	720	3,036	754	594	672	2,020	-15.8	13.1
o/w Net commission income	345	315	295	955	325	1,280	347	312	279	938	-5.4	-10.6
o/w Other income	48	14	28	90	41	131	-1	37	19	55	-32.1	-48.6
Provision for possible loan losses	-56	-72	-87	-215	30	-185	-43	-33	-47	-123	46.0	-42.4
Operating expenses	809	703	707	2,219	754	2,973	790	676	682	2,148	-3.5	0.9
o/w European bank levy	82	3	-	86	-	86	96	4	-	100	-100.0	-100.0
<b>Operating profit</b>	<b>280</b>	<b>320</b>	<b>327</b>	<b>927</b>	<b>362</b>	<b>1,289</b>	<b>267</b>	<b>234</b>	<b>241</b>	<b>742</b>	<b>-26.3</b>	<b>3.0</b>
Impairments on goodwill and other intangible assets	-	-	627	627	-	627	-	-	-	-	-100.0	-
Restructuring expenses	-	12	10	22	-	22	-	-	-	-	-100.0	-
Net gain or loss from sale of disposal groups	-	-	-	-	-	-	-	-	-	-	-	-
<b>Pre-tax profit</b>	<b>280</b>	<b>308</b>	<b>-310</b>	<b>278</b>	<b>362</b>	<b>640</b>	<b>267</b>	<b>234</b>	<b>241</b>	<b>742</b>	<b>&gt;100</b>	<b>3.0</b>
Assets	259,304	263,921	229,794	229,794	210,768	210,768	208,707	198,222	189,818	189,818	-17.4	-4.2
Liabilities	271,466	262,151	238,993	238,993	223,776	223,776	232,754	228,946	212,675	212,675	-11.0	-7.1
Average capital employed	11,664	11,739	11,644	11,660	11,418	11,600	11,225	10,436	10,161	10,629	-12.7	-2.6
RWA credit risk fully phased in (end of period)	85,374	85,742	81,549	81,549	83,856	83,856	78,914	75,673	75,155	75,155	-7.8	-0.7
RWA market risk fully phased in (end of period)	10,455	11,291	11,671	11,671	9,560	9,560	9,231	7,747	6,735	6,735	-42.3	-13.1
RWA operational risk fully phased in (end of period)	10,095	11,420	11,125	11,125	11,743	11,743	9,765	9,552	10,230	10,230	-8.0	7.1
<b>RWA fully phased in (end of period)</b>	<b>105,924</b>	<b>108,452</b>	<b>104,345</b>	<b>104,345</b>	<b>105,159</b>	<b>105,159</b>	<b>97,909</b>	<b>92,972</b>	<b>92,120</b>	<b>92,120</b>	<b>-11.7</b>	<b>-0.9</b>
Cost/income ratio (%)	70.7%	64.2%	63.1%	66.0%	69.4%	66.9%	71.8%	71.7%	70.3%	71.3%	-	-
Operating return on equity (%)	9.6%	10.9%	11.2%	10.6%	12.7%	11.1%	9.5%	9.0%	9.5%	9.3%	-	-
Operating return on tangible equity (%)	8.7%	10.0%	10.2%	9.7%	11.5%	10.1%	8.7%	8.2%	8.7%	8.5%	-	-

## Asset & Capital Recovery

€m	Q1 2016	Q2 2016	Q3 2016	9M 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	9M 2017	% Q3 vs Q3	% Q3 vs Q2
Total Revenues	-18	-24	72	30	183	213	115	38	-12	141	>100	>100
o/w Net interest income	3	-50	61	14	272	286	80	70	49	199	-19.7	-30.0
o/w Net trading income	-30	24	37	31	-233	-202	23	-39	-65	-81	>100	-66.7
o/w Net commission income	-	1	-	1	3	4	-	1	-	1	>100	-
o/w Other income	9	1	-26	-16	141	125	12	6	4	22	>100	-33.3
Provision for possible loan losses	-70	-75	-147	-292	-307	-599	-119	-92	-66	-277	55.1	28.3
Operating expenses	31	33	33	97	32	129	29	28	22	79	-33.3	-21.4
o/w European bank levy	5	1	-	6	-	6	5	3	-	7	-	-100.0
<b>Operating profit</b>	<b>-119</b>	<b>-132</b>	<b>-108</b>	<b>-359</b>	<b>-156</b>	<b>-515</b>	<b>-33</b>	<b>-82</b>	<b>-100</b>	<b>-215</b>	<b>7.4</b>	<b>-22.0</b>
Impairments on goodwill and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net gain or loss from sale of disposal groups	-	-	-	-	-	-	-	-	-	-	-	-
<b>Pre-tax profit</b>	<b>-119</b>	<b>-132</b>	<b>-108</b>	<b>-359</b>	<b>-156</b>	<b>-515</b>	<b>-33</b>	<b>-82</b>	<b>-100</b>	<b>-215</b>	<b>7.4</b>	<b>-22.0</b>
Assets	24,128	30,494	30,940	30,940	27,005	27,005	25,905	24,876	23,583	23,583	-23.8	-5.2
o/w Assets excl repos, collaterals and trading assets	13,283	13,039	12,779	12,779	11,674	11,674	11,143	9,671	8,803	8,803	-31.1	-9.0
Liabilities	15,186	22,677	22,427	22,427	20,203	20,203	19,664	19,425	19,347	19,347	-13.7	-0.4
Exposure at default	17,478	17,380	17,221	17,221	16,184	16,184	16,107	15,253	14,278	14,278	-17.1	-6.4
Average capital employed	3,296	3,463	3,332	3,351	3,181	3,308	3,165	3,182	2,916	3,063	-12.5	-8.4
RWA credit risk fully phased in (end of period)	16,947	17,077	14,217	14,217	13,157	13,157	15,384	13,710	12,809	12,809	-9.9	-6.6
RWA market risk fully phased in (end of period)	3,007	3,150	4,471	4,471	5,486	5,486	5,598	4,649	4,288	4,288	-4.1	-7.8
RWA operational risk fully phased in (end of period)	2,468	3,021	2,856	2,856	1,914	1,914	1,786	1,720	1,968	1,968	-31.1	14.4
<b>RWA fully phased in (end of period)</b>	<b>22,422</b>	<b>23,249</b>	<b>21,544</b>	<b>21,544</b>	<b>20,557</b>	<b>20,557</b>	<b>22,768</b>	<b>20,079</b>	<b>19,064</b>	<b>19,064</b>	<b>-11.5</b>	<b>-5.1</b>

## Others & Consolidation

€m	Q1 2016	Q2 2016	Q3 2016	9M 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	9M 2017	% Q3 vs Q3	% Q3 vs Q2
Total Revenues	1	-63	28	-34	-45	-79	9	-24	190	175	>100	>100
o/w Total net interest and net trading income	-42	-80	-20	-142	-109	-251	-3	2	-33	-34	-65.0	>-100
o/w Net commission income	-8	-7	-6	-21	-7	-28	-5	-11	-6	-22	-	-
o/w Other income	51	24	54	129	71	200	17	-15	229	231	>100	>100
Provision for possible loan losses	1	2	-1	2	1	3	-	-	-	-	>100	-75.2
Operating expenses	158	71	90	319	57	376	105	87	83	275	-7.8	-4.6
o/w European bank levy	38	6	-	44	-	44	28	2	-	30	-9.1	>-100
<b>Operating profit</b>	<b>-156</b>	<b>-132</b>	<b>-63</b>	<b>-351</b>	<b>-101</b>	<b>-452</b>	<b>-96</b>	<b>-111</b>	<b>107</b>	<b>-100</b>	<b>&gt;100</b>	<b>&gt;100</b>
Impairments on goodwill and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	-	28	47	75	32	107	-	807	-	807	>-100	>-100
Net gain or loss from sale of disposal groups	-	-	-	-	-	-	-	-	-	-	-	-
<b>Pre-tax profit</b>	<b>-156</b>	<b>-160</b>	<b>-110</b>	<b>-426</b>	<b>-133</b>	<b>-559</b>	<b>-96</b>	<b>-918</b>	<b>107</b>	<b>-907</b>	<b>&gt;100</b>	<b>&gt;100</b>
Assets	139,676	123,214	135,932	135,932	123,271	123,271	135,151	141,123	151,041	151,041	11.1	7.0
Liabilities	114,291	111,141	114,868	114,868	95,061	95,061	93,262	90,857	107,931	107,931	-6.0	18.8
Average capital employed	10,385	10,153	10,361	10,332	10,818	10,474	11,378	12,178	12,241	11,946	18.1	0.5
RWA credit risk fully phased in (end of period)	22,337	22,850	25,589	25,589	21,062	21,062	21,643	20,680	18,354	18,354	-28.3	-11.2
RWA market risk fully phased in (end of period)	3,445	3,454	3,205	3,205	3,691	3,691	4,274	3,743	3,352	3,352	4.6	-10.5
RWA operational risk fully phased in (end of period)	3,110	2,833	2,769	2,769	3,267	3,267	3,695	3,267	4,502	4,502	62.5	37.8
<b>RWA fully phased in (end of period)</b>	<b>28,891</b>	<b>29,137</b>	<b>31,563</b>	<b>31,563</b>	<b>28,020</b>	<b>28,020</b>	<b>29,612</b>	<b>27,690</b>	<b>26,207</b>	<b>26,207</b>	<b>-17.0</b>	<b>-5.4</b>

# mBank

## Part of Segment Private and Small Business Customers

€m	Q1 2016	Q2 2016	Q3 2016	9M 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	9M 2017	% Q3 vs Q3	% Q3 vs Q2
Total Revenues	220	273	228	721	231	952	241	243	254	738	11.3	4.5
o/w Net interest income	150	147	156	452	163	615	159	166	177	502	14.0	6.9
o/w Net trading income	15	13	15	43	5	47	20	16	14	51	-2.0	-12.8
o/w Net commission income	49	48	55	152	59	211	59	61	62	181	12.9	1.5
o/w Other income	6	65	3	74	5	79	3	-	-	3	-86.3	>100
Provision for possible loan losses	-13	-30	-32	-74	-8	-83	-19	-28	-38	-86	-19.0	-34.6
Operating expenses	130	134	139	403	139	543	155	146	142	443	2.1	-2.7
o/w European bank levy / Polish bank tax	13	20	21	54	21	75	44	26	22	93	8.3	-15.4
<b>Operating profit</b>	<b>77</b>	<b>109</b>	<b>57</b>	<b>243</b>	<b>84</b>	<b>327</b>	<b>66</b>	<b>69</b>	<b>74</b>	<b>209</b>	<b>29.3</b>	<b>7.2</b>
Impairments on goodwill and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net gain or loss from sale of disposal groups	-	-	-	-	-	-	-	-	-	-	-	-
<b>Pre-tax profit</b>	<b>77</b>	<b>109</b>	<b>57</b>	<b>243</b>	<b>84</b>	<b>327</b>	<b>66</b>	<b>69</b>	<b>74</b>	<b>209</b>	<b>29.3</b>	<b>7.2</b>
Assets	29,024	29,076	29,997	29,997	30,275	30,275	30,708	30,564	30,745	30,745	2.5	0.6
Liabilities	24,816	24,807	25,828	25,828	26,598	26,598	27,518	27,240	27,440	27,440	6.2	0.7
Average capital employed	1,641	1,670	1,688	1,666	1,685	1,669	1,656	1,688	1,739	1,697	3.0	3.0
RWA credit risk fully phased in (end of period)	13,671	13,615	13,479	13,479	12,867	12,867	13,255	13,579	14,108	14,108	4.7	3.9
RWA market risk fully phased in (end of period)	369	415	509	509	584	584	401	369	389	389	-23.7	5.5
RWA operational risk fully phased in (end of period)	1,146	1,158	1,510	1,510	1,506	1,506	1,477	1,491	1,598	1,598	5.8	7.2
<b>RWA fully phased in (end of period)</b>	<b>15,186</b>	<b>15,188</b>	<b>15,498</b>	<b>15,498</b>	<b>14,957</b>	<b>14,957</b>	<b>15,133</b>	<b>15,439</b>	<b>16,095</b>	<b>16,095</b>	<b>3.9</b>	<b>4.3</b>
Cost/income ratio (%)	59.3%	49.2%	60.8%	56.0%	60.2%	57.0%	64.6%	59.9%	55.8%	60.0%	-	-
Operating return on equity (%)	18.7%	26.1%	13.6%	19.4%	19.9%	19.6%	15.9%	16.4%	17.1%	16.4%	-	-
Operating return on tangible equity (%)	18.8%	25.9%	13.3%	19.3%	19.1%	19.2%	15.2%	15.9%	16.8%	16.0%	-	-

## Group equity composition

	Capital Q2 2017 End of period €bn	Capital Q3 2017 End of period €bn	Capital Q3 2017 Average €bn		Ratios Q3 2017 %	Ratios 9M 2017 %		Ratios Q3 2017 %	
<b>Common equity tier 1 B3 capital (phase in)</b>	<b>24.8</b>	<b>25.4</b>		→			<b>CET1 ratio phase-in:</b>	<b>14.4%</b>	
Transition adjustments <sup>1)</sup>	1.6	1.6							
<b>Common equity tier 1 B3 capital (fully phased-in)</b>	<b>23.1</b>	<b>23.9</b>	<b>23.5</b>	→	<b>Op. RoCET:</b>	<b>10.7%</b>	<b>6.5%</b>	<b>CET1 ratio fully phased-in:</b>	<b>13.5%</b>
DTA	1.1	0.9							
Deductions on securitizations	0.2	0.2							
Deductions related to non-controlling interests	0.5	0.4							
IRB shortfall	0.8	0.7							
Other regulatory adjustments	1.0	0.8							
<b>Tangible equity</b>	<b>26.7</b>	<b>26.9</b>	<b>26.8</b>	→	<b>Op. RoTE:</b>	<b>9.4%</b>	<b>5.7%</b>		
Goodwill and other intangible assets	2.8	2.8	2.8		<b>Pre-tax RoE:</b>	<b>8.5%</b>	<b>1.5%</b>		
<b>IFRS capital</b>	<b>29.4</b>	<b>29.7</b>	<b>29.6</b>	→	<b>Op. RoE:</b>	<b>8.5%</b>	<b>5.1%</b>		
Subscribed capital	1.3	1.3							
Capital reserve	17.2	17.2							
Retained earnings <sup>2)</sup>	11.2	11.1							
Currency translation reserve	-0.2	-0.2							
Revaluation reserve	-0.7	-0.7							
Cash flow hedges	-0.1	-0.1							
Consolidated P&L	-0.4	0.1							
<b>IFRS capital without non-controlling interests</b>	<b>28.3</b>	<b>28.6</b>	<b>28.4</b>	→	<b>RoE on net result:</b>	<b>6.6%</b>	<b>0.3%</b>		
Non-controlling interests (IFRS)	1.1	1.1	1.1		<b>RoTE on net result:</b>	<b>7.3%</b>	<b>0.3%</b>		

## 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 €37.1bn, CC €96.6bn, O&C €27.2bn, ACR €20.4bn) by a ratio of 11% and 15% for ACR respectively - reflecting current regulatory and market standard – figures for 2016 have been reallocated
- › 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 €0.2bn, CC €1.0bn, O&C €2.7bn, ACR €0.3bn)

### 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 CET1 B3 capital fully phased-in

# Notes

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## Financial calendar

**2018**

**08 Feb**

Annual Press Conference

**08 May**

Annual General Meeting

**15 May**

Q1 2018 results

**07 Aug**

Q2 2018 results

**08 Nov**

Q3 2018 results