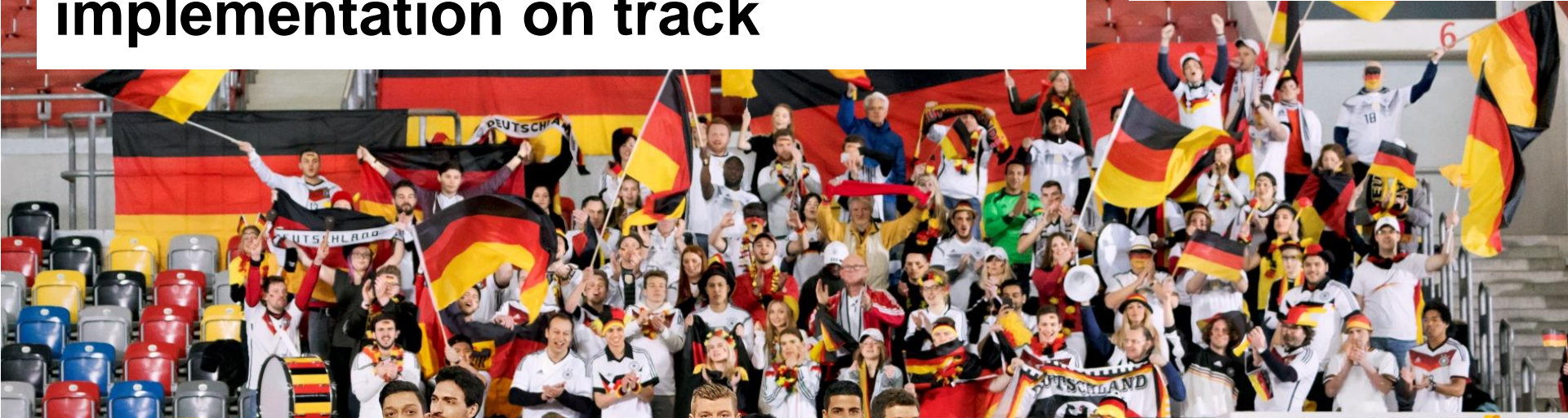


Performance and strategy implementation on track

COMMERZBANK 
The bank at your side



COMMERZBANK 
The bank at your side



Goldman Sachs 22nd Annual
European Financials Conference

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Performance and strategy implementation on track

Highlights Q1 2018

Commerzbank 4.0 strategy implementation

- › Continued net new customers in PSBC (+73k) and CC (+1k) in Q1 – on track to reach 2018 targets
- › Strong new asset acquisition in PSBC and loan growth in Mittelstand along committed growth path
- › Digitalisation journeys in SME lending and account opening for corporates successfully completed

Q1 operating result of €289m and net result of €250m

- › Stable revenues of €2.3bn
- › Risk Result of €-77m reflecting eliminated drag from ship finance
- › Expenses of €1.9bn reflecting full booking of European bank levy and continued investments

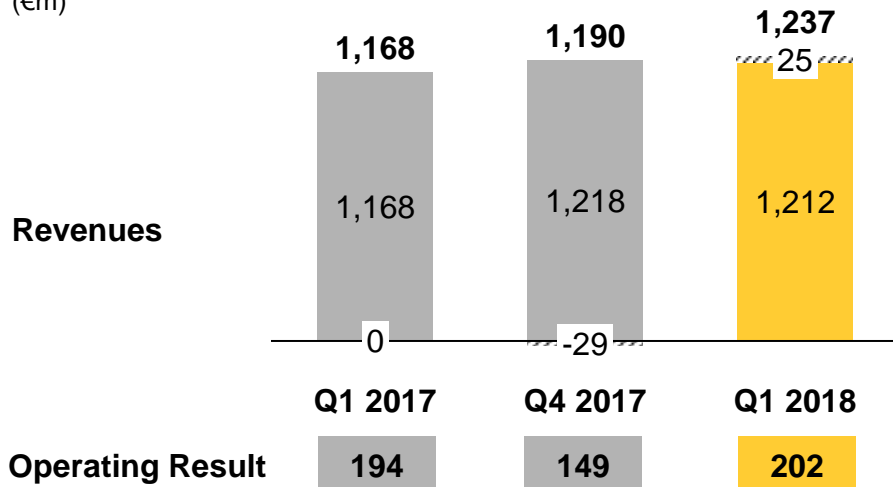
Strong balance sheet and healthy risk profile

- › CET1 ratio at 13.3% and leverage ratio of 4.6% under fully implemented IFRS 9 regime
- › Further improved risk profile with NPL ratio of 1.0%
- › Dividend accrual of €5ct per share in Q1

Revenues and operating results of Commerzbank divisions

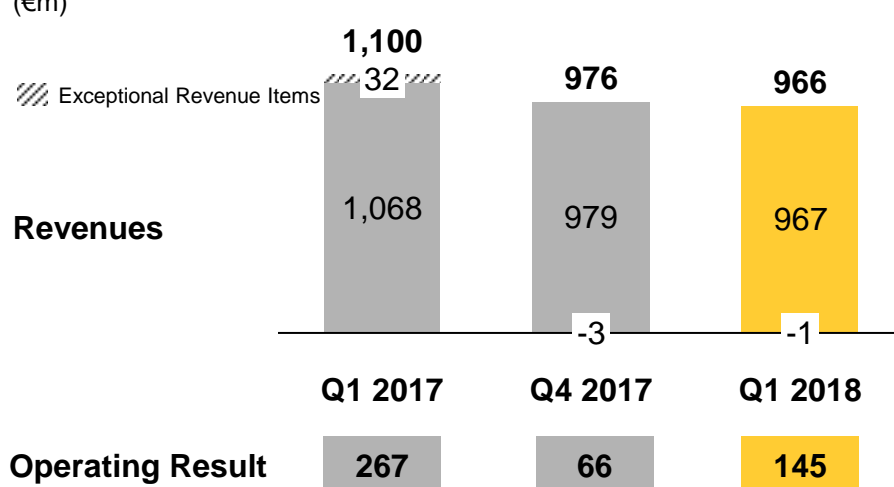
Private and Small Business Customers

(€m)



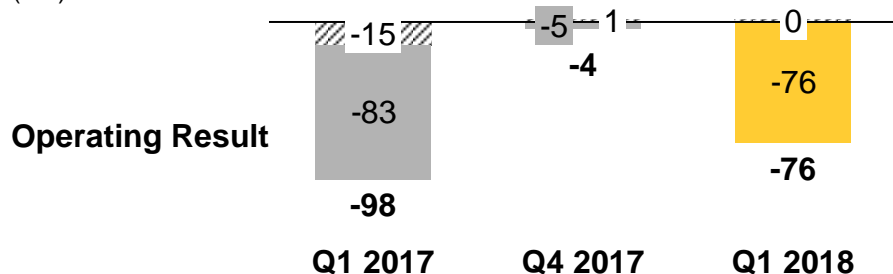
Corporate Clients

(€m)



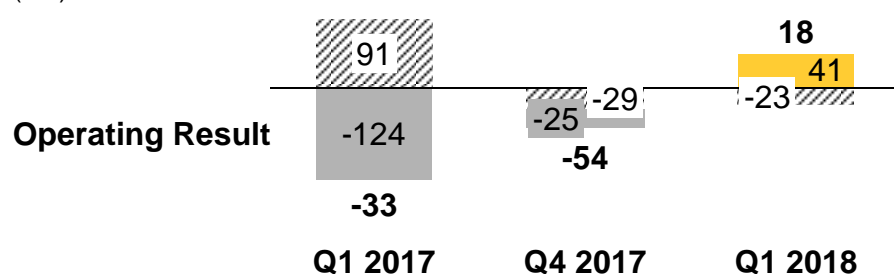
Others & Consolidation

(€m)



Asset & Capital Recovery

(€m)

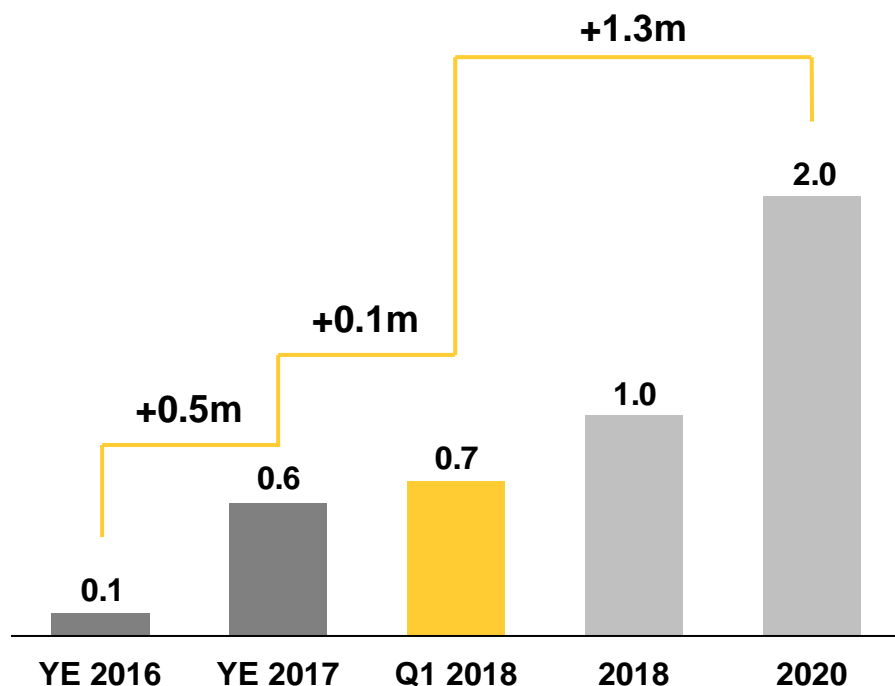


Since 2014 we have pursued a consistent retail banking strategy in Private and Small Business Customers

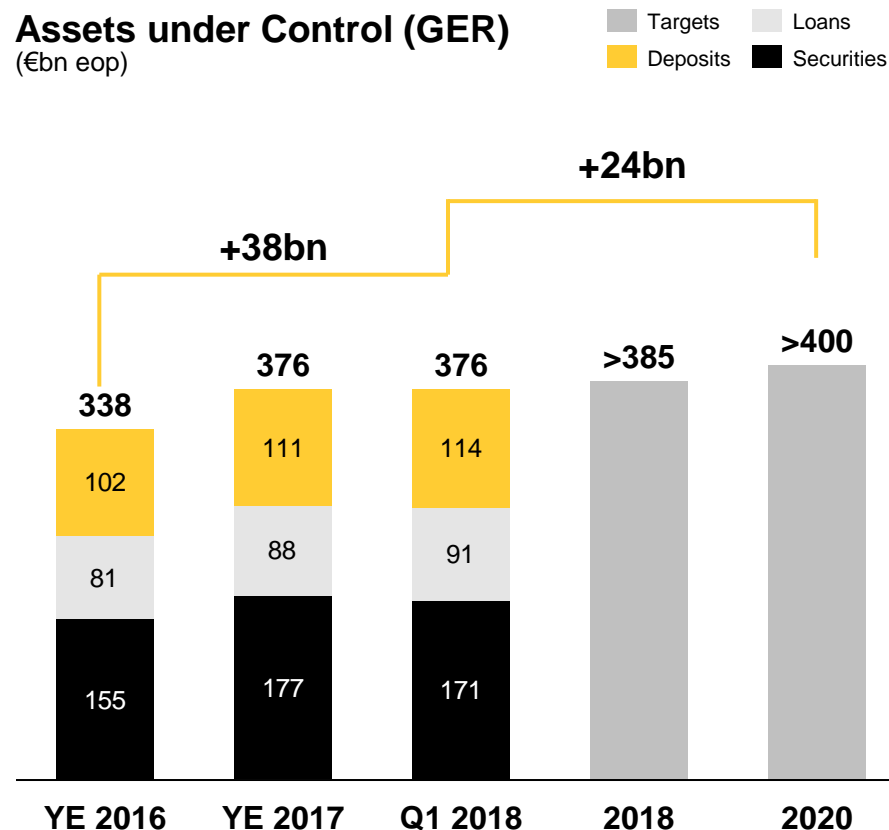
- › The future of retail banking is **digital and personal** – multi-channel banking will replace branch-based banking faster than we think
- › **Digital data management and digital CRM** will revolutionise our customer advisory and sales processes and are the new core capabilities
- › Retail banking is a scalable business – in an environment with rising regulatory costs and falling margins the only way to increase profitability is to **grow faster than our competitors**
- › Many banks have not yet realised how serious the situation is – that allows us to **scale growth massively** with the help of digital channels, new technology, partnerships, and also to defend against digital disruptors
- › In the future, product sales and customer acquisition will be mainly managed via digital channels – to grow in a digital world, **core processes** must be **fast and easy, be digital, be paperless, be channel-identical**
- › Lending, private pension plans and wealth management will remain advisory business – **if digitally linked that need for advice will not disappear** even if it is only relevant mainly for ~20% of clients
- › Our branch network is not viable in its historic purpose – we need **differentiated branch formats** with different functionalities while maintaining a sufficiently dense, nationwide presence
- › Our organizational structure is too complex, support functions too big, steering and incentive systems are outdated and implementation is too slow for a digital world – we **need to be leaner** in many areas!
- › A **digital multi-channel banking strategy opens multiple avenues for profitable growth** – to further extend our competitive lead position we have to move ahead quickly, resolutely and with focus!

Private and Small Business Customers continues on its growth path

Net new customers (GER)
(m cumulative)



Assets under Control (GER)
(€bn eop)



 **Net new securities growth (€3bn) – Decline in overall securities due to lower equity markets**

New customers remain on track to yield above-average income (~€300)

Ø Revenue per new customer per year*

Domestic branch business (in €)

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------|--------------|---------------|---------------|---------------|---------------|
| New customers 2013 | Year 1 94 | Year 2 243 | Year 3 268 | Year 4 280 | Year 5 305 |
| New customers 2014 | | Year 1 94 | Year 2 294 | Year 3 319 | Year 4 352 |
| New customers 2015 | | | Year 1 96 | Year 2 280 | Year 3 334 |
| New customers 2016 | | | | Year 1 83 | Year 2 249 |
| New customers 2017 | | | | | Year 1 66 |

 **New clients continue to earn their acquisition costs of €150 - 250 swiftly**

German Small Business Customers represent an attractive client group

German SBC market

> 4m
Enterprises
(< €15 m turnover) /
Self-employed

account for
~60% / ~25% / ~20%
of German workforce /
GDP / foreign trade

> € 10bn
revenue pool

Promising position in 2017

~ 25%
customer reach –
principal bank for
1 in 10 clients

> € 50bn
Assets under Control
(AuC)

> 5%
share of wallet*

Ambition 2020

+ €20bn
AuC

€ 350m - €450m
revenue increase

~ 8%
share of wallet*

SBC's strategy is based on the key strengths of Commerzbank

Wide product range ...

- › Commerzbank offers sophisticated product expertise from both the retail as well as the corporate banking sphere
- › As the leading Mittelstandsbank we serve corporates and entrepreneurs with comprehensive solutions and broad international services



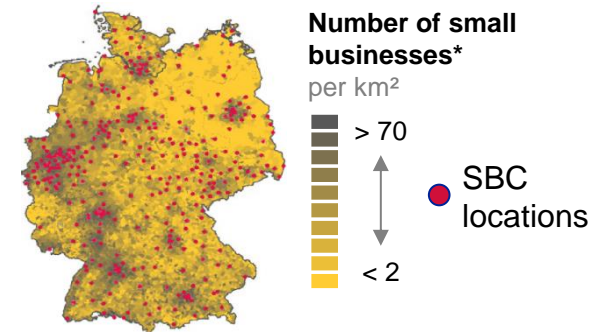
... digital ...

- › Our Commerzbank 4.0 strategy transforms the bank into a digital enterprise – clients benefit from full digital client services
- › Numerous new digital functionalities aim to help entrepreneurs to better manage their business



... and personal

- › With 330 SBC and >100 Wealth Management locations Commerzbank maintains close proximity to its clients
- › Almost half of small businesses are located in cities with an SBC branch

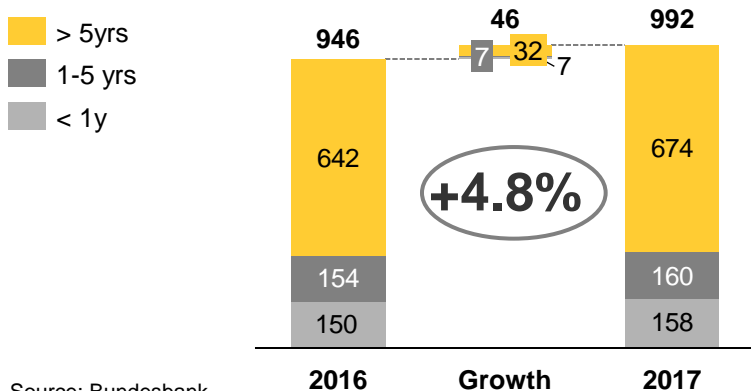


The **Small Business Customers** segment combines the strengths from **Private Customers** and **Corporate Clients**

The German corporate banking market is highly attractive but highly competitive

1) Growth in loans including CRE

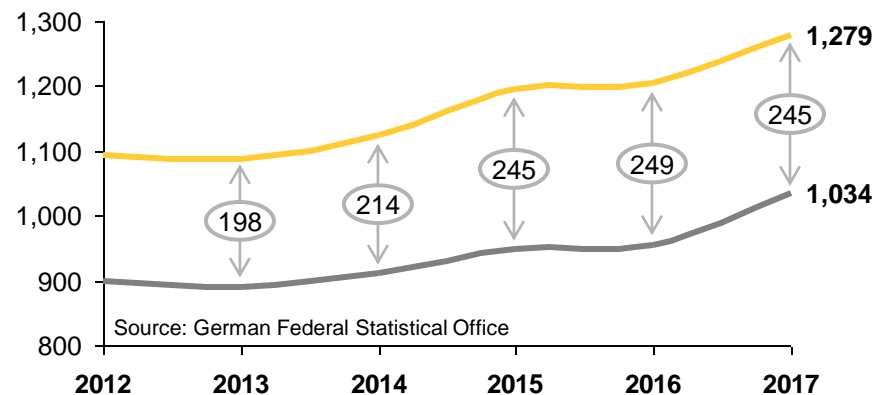
Loans to all domestic corporations by all domestic banks (€bn)



Source: Bundesbank

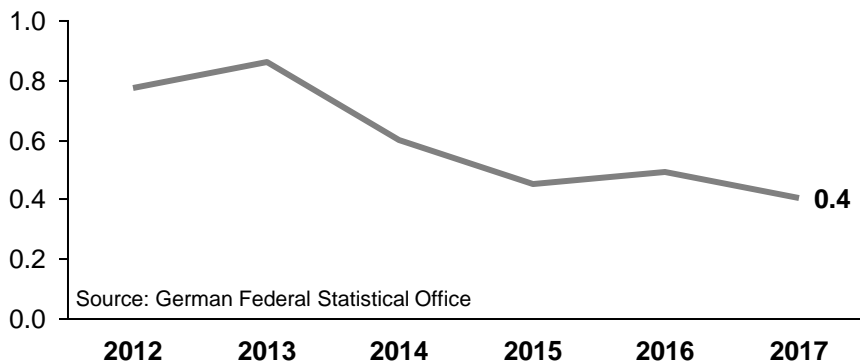
2) National champion in exports

Exports (€bn) Imports (€bn) Surplus (€bn)



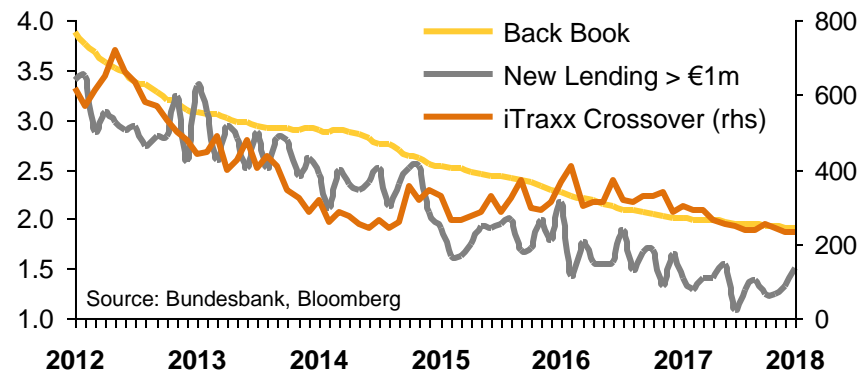
3) Very attractive risk profile

Default rates of German corporates with revenue > €20m (%)



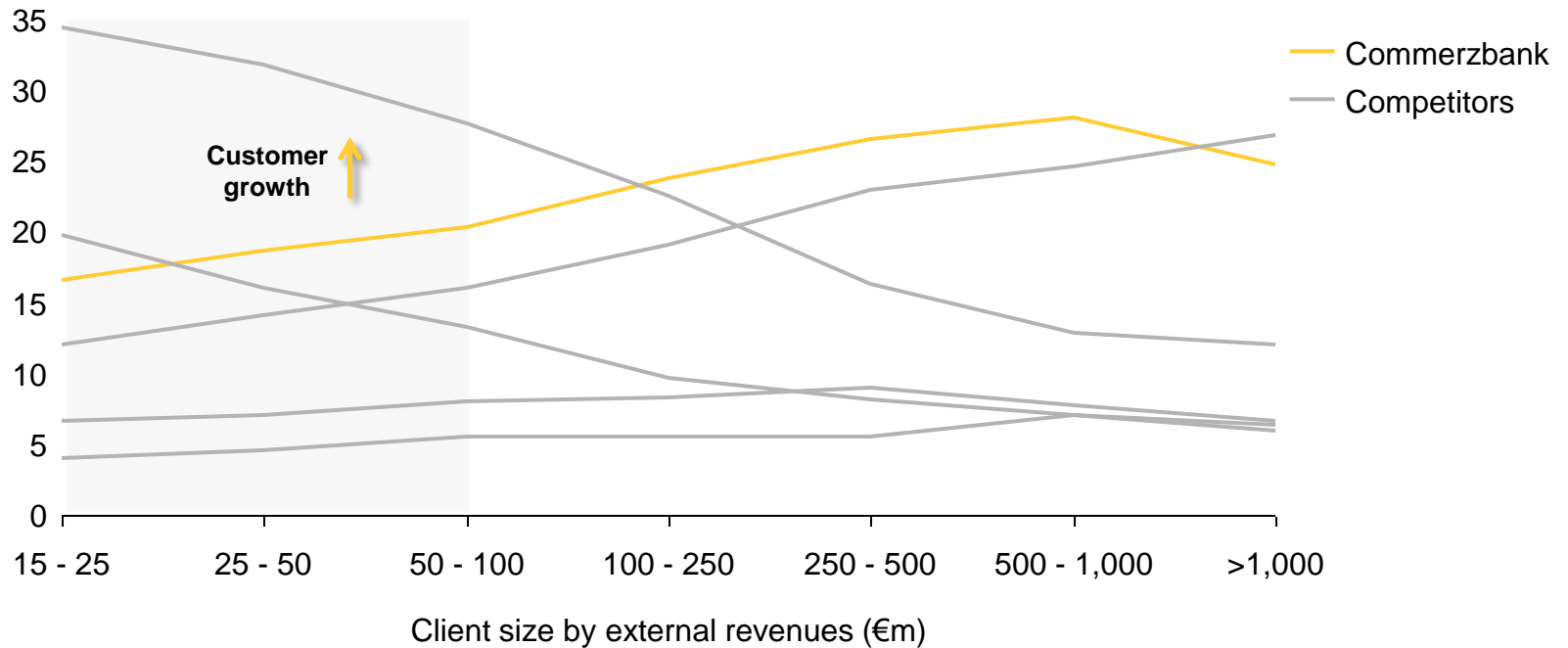
4) Rates and spreads weigh on margins

Avg. rates on 1-5 yrs corporate loans (%) & iTraxx Crossover 5y (bps)



German Mittelstand – Strong market position creates significant growth opportunities with smaller corporates

Share of corporate clients in Germany¹⁾ (%)



Our strategic Commerzbank 4.0 transformation is well on track in Corporate Clients



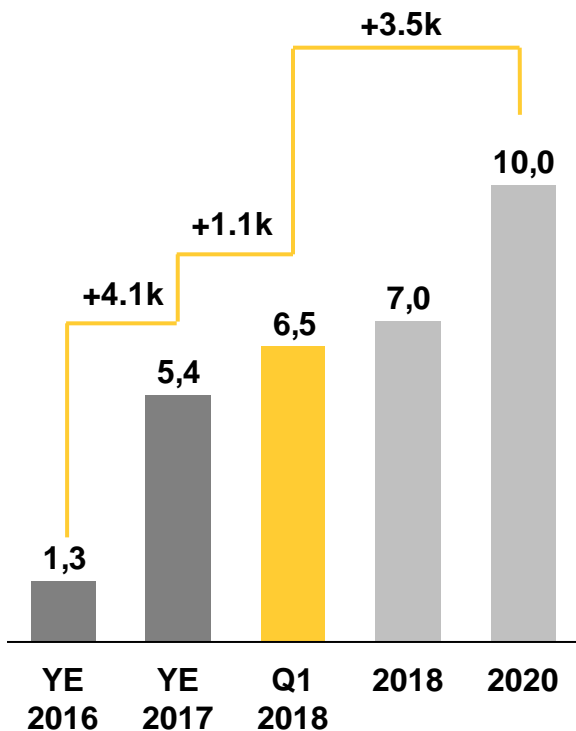
Achievements since strategy announcement

- › Development of **net new customers** ahead of target
- › Market leading position in Mittelstand maintained with a clear growth **focus on smaller corporates**
- › Roll-out of **customer centric** organization structure in-line with refined client coverage (to be finalised by Q3)
- › **De-risking FI** completed – risk-adjusted business approach within Trade Finance initiated (growing finance solutions)
- › Unrivalled **sector expertise** leading to higher client engagement also with smaller corporates
- › **Core competencies** in moving money, hedging risks and financing trading activities contributing to leading franchise
- › **RWA efficiency** target for 2018 already reached
- › **Investments in compliance** to remain substantial

Corporate loan volume to complement RWA efficiency

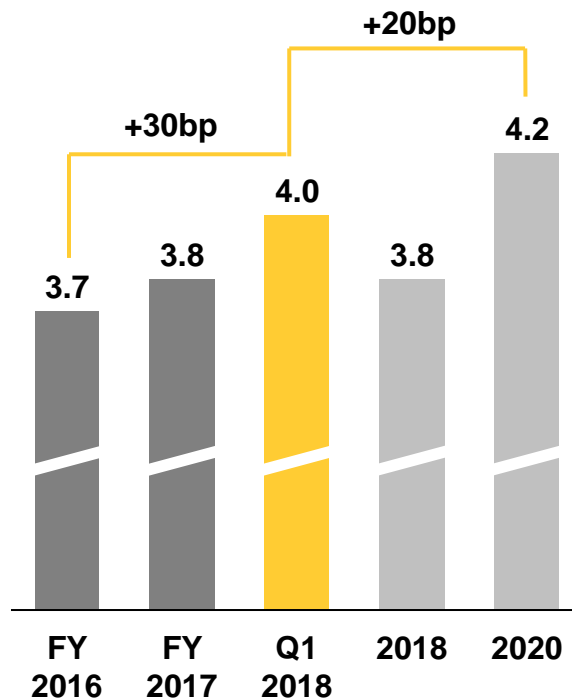
Net new customers

(k cumulative)



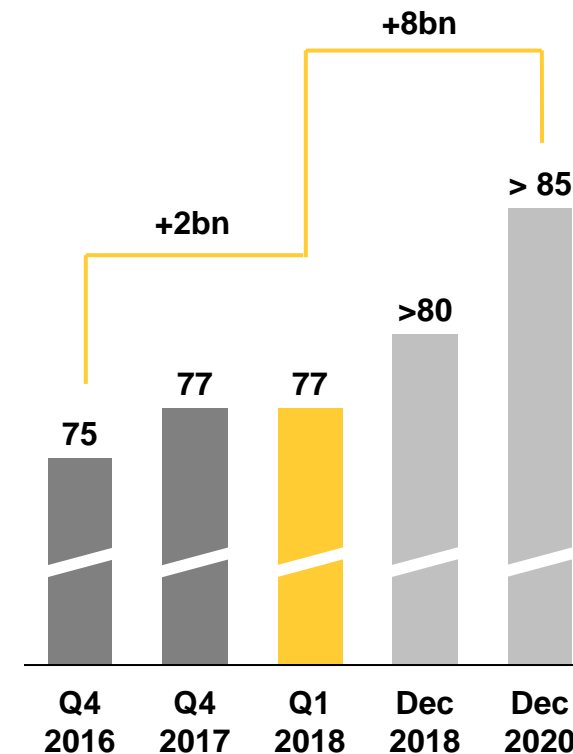
Revenues/RWA¹

(%)

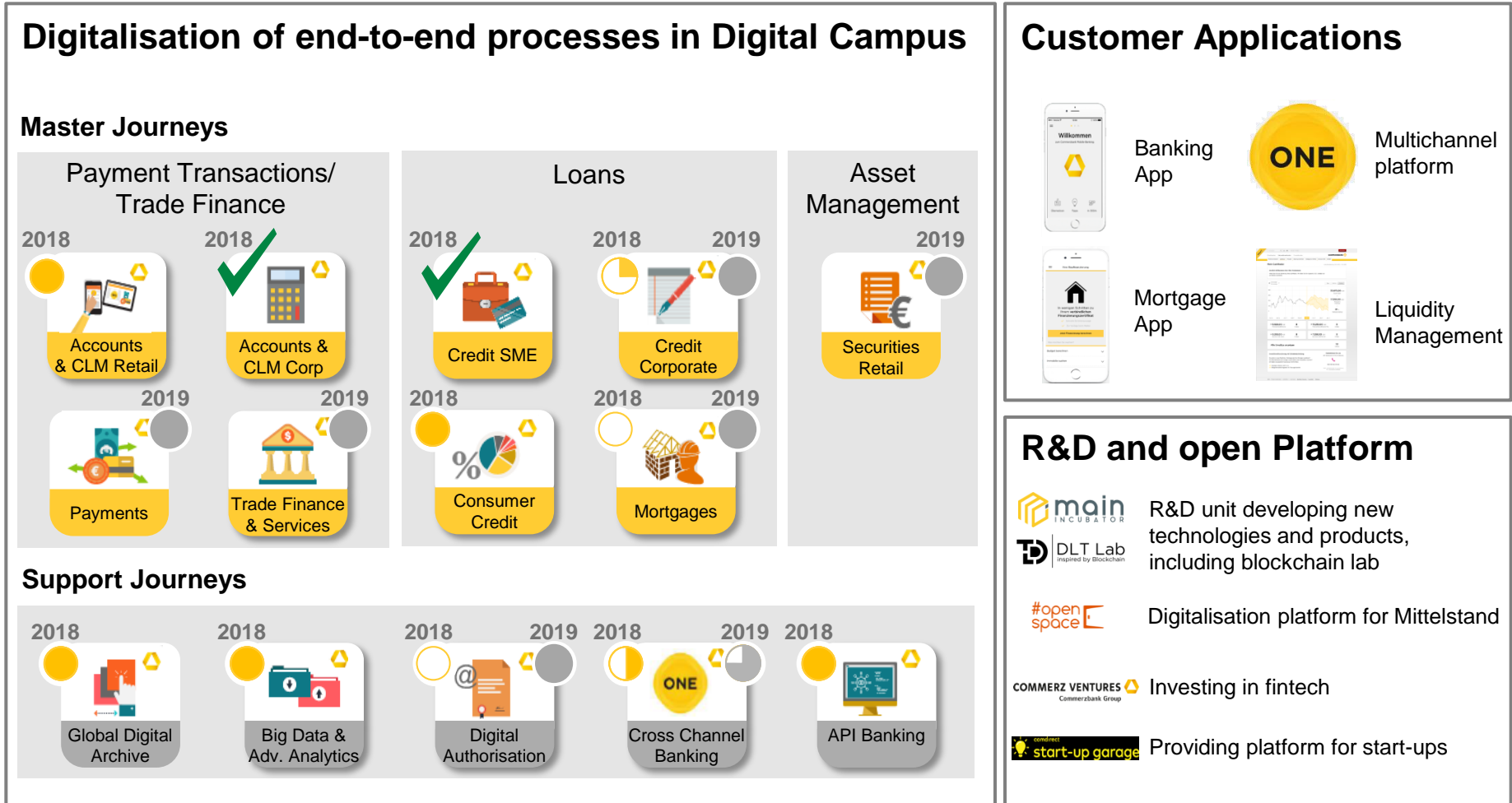


Loan Volume Corporates²

(€bn)



Commerzbank 4.0 – digitalisation is progressing as planned



Batavia - global blockchain trade finance platform: First pilot client transactions successfully executed

Our Mission:

„Seller and Buyer do transactions as simple as Open Account but secure like Letter of Credit“



Never experienced digital, transparent, efficient and cost-effective access to international trade 

- › Seamless, secure and automated flow across supply chains through smart contracts & Internet of things
- › Smart contracts represent legally binding trade transactions
- › Contractual conditions digitally and immutably signed-off in advance by all participants
- › Smart payments automatically triggered by the events (pre-defined by buyer and seller) on the IBM blockchain
- › Documents dematerialised for process simplification, acceleration and automation
- › Convenience for clients maximised through lean and fully digital interface

Objectives and expectations for 2018

FY 2018

- We focus on further growth and the execution of our strategy Commerzbank 4.0
- We expect higher underlying revenues in PSBC and Corporate Clients
- We will manage our cost base at ~€7.0bn
- We expect a Risk Result under the IFRS 9 regime of less than €600m
- We aim to resume dividend payments for the financial year 2018



Commerzbank 4.0

simple – digital – efficient