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Commerzbank investor update H1 2019

Continued momentum in customer business in challenging environment

Fixed income investor presentation

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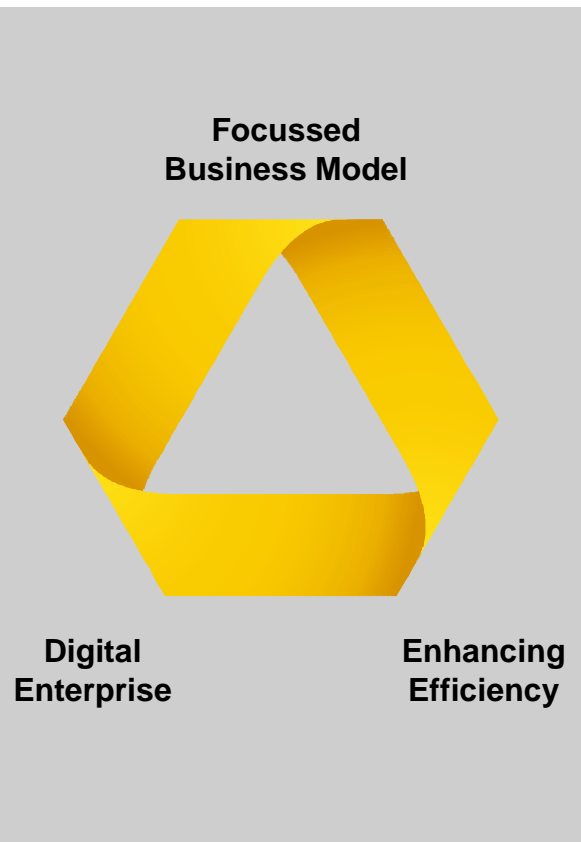
Agenda

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Commerzbank at a glance

Facts and Figures: an Overview

A leading international commercial bank with a client-focussed portfolio of financial services in two segments



Facts and Figures: Commerzbank's Global Presence



6 material subsidiaries, 20 operational foreign branches, and 31 representative offices internationally

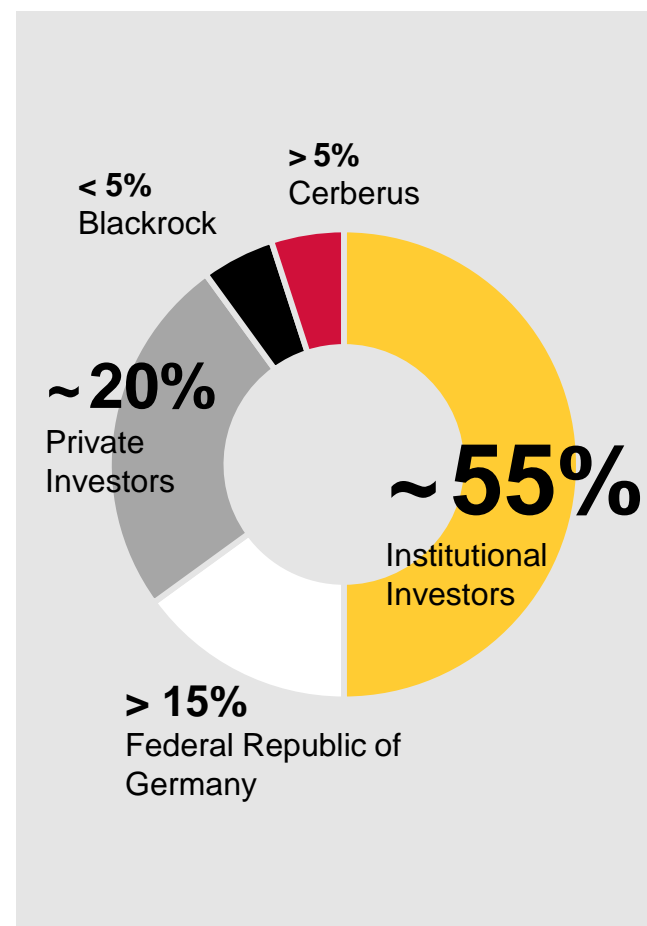
Approximately 1,000 branches in Germany

Facts and Figures: Selected Group Financial Figures

Figures	Q2 2018	FY 2018	Q2 2019
Total revenues (in €m)	2,178	8,570	2,129
Op. result (in €m)	401	1,245	298
Consolidated profit (in €m) ¹	272	865	271
Cost income ratio op. business (%)	77.8	80.3	77.6
CET 1 ratio (%) ²	13.0	12.9 / 12.7 ³	12.9 ⁴
Op. RoTE (%)	6.1	4.8	4.5

	30 June 2018	31 Dec 2018	30 June 2019
Employees	48,779	49,410	48,644

Shareholder structure as of June 2019



Strategic Positioning: “Commerzbank 4.0”



**Our goal: higher profitability
and enhanced competitiveness**

We continue building on our **strengths in our core business** and advancing **digitalisation**, whilst remaining focussed on **increasing revenues** together with **reducing costs**

By 2020, 80 per cent of all relevant processes will be digital

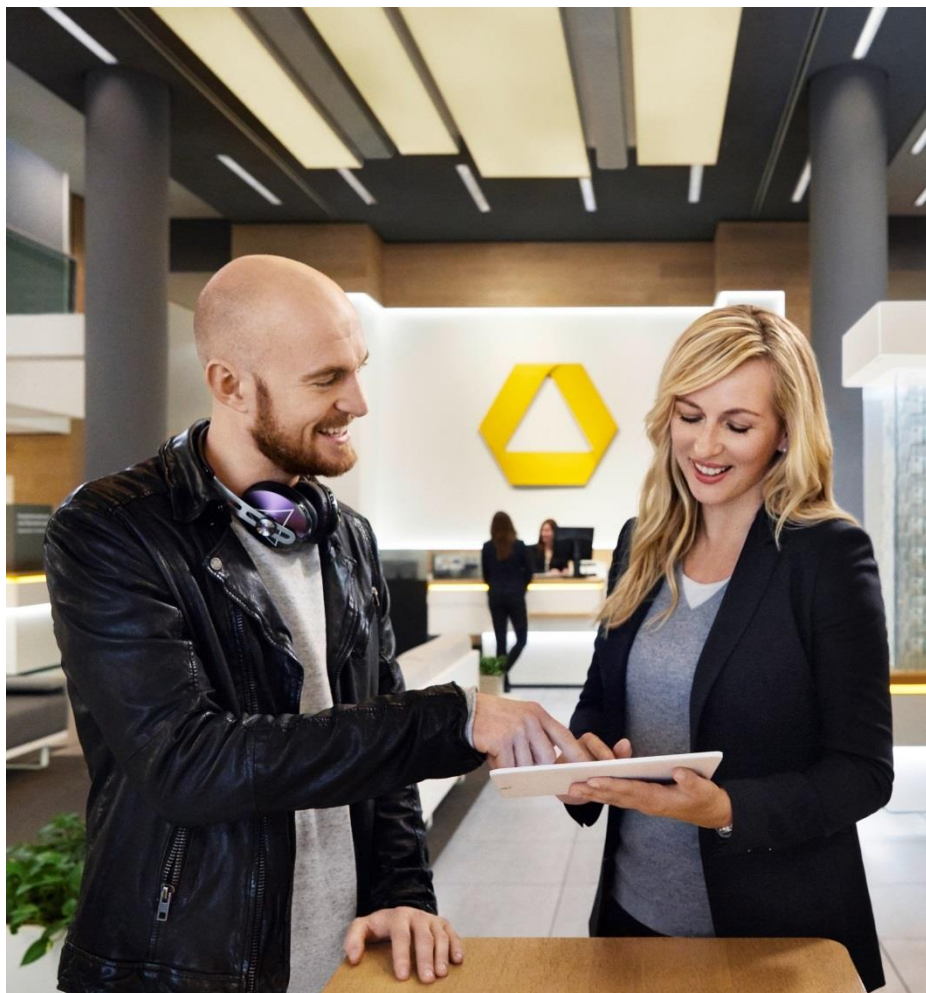
Private and Small-Business Customers

Flexible **multi-channel bank** with traditional values

Corporate Clients

Long-term business partner in Germany and abroad with an **intelligent mix of credit and capital market products**

Segments of Commerzbank: Private and Small-Business Customers



€m	Q2 2018	FY 2018	Q2 2019
Revenues	1,200	4,802	1,223
Op. result	174	734	239

Around **10,000 advisors** and approximately **13 million customers**: one of the leading banks for private and small-business customers in Germany

Target: **2 million net new customers** in Germany by 2020

“One” is the name of the **multi-channel bank**: **one sole IT platform** workable for all channels and PSBC clients

Approximately 1,000 branches: **one of the densest branch networks** among German private banks

2 different types of branches: **flagship branch** focussing on advisory and **city branch** focussing on serving clients in the most efficient manner

Comdirect and **mBank**: two of the leading online banks

Segments of Commerzbank: Corporate Clients

€m	Q2 2018	FY 2018	Q2 2019
Revenues	901	3,418	776
Op. result	218	601	22

Further improved client coverage due to **stronger linkage of our expertise** in **corporate banking and capital markets**

Approximately 30% market share: Commerzbank is the **leading bank** in processing **German foreign trade**

Unchallenged **No. 1** financing SMEs in Germany

More than 100 locations in **Germany**, almost 50 hubs **worldwide**

Leading provider of **risk hedging solutions** for corporate clients

Top rankings in the European bond market and a **top 10 position** in EMEA for syndicated loans



2020: 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
- › ACR (non-core activities) dissolved as per 1 July 2019 following successful run-down

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



Q2 2019 results (audit review)

Continued momentum in customer business in challenging environment

Highlights Q2 2019

Further growth in customers and assets

- › In PSBC net new customers Germany increased by 108k bringing the total to 1.3m
- › AuC in PSBC Germany up by €11bn in Q2 – loan volume surpasses €100bn
- › In CC targets of >€85bn loan volume with corporates and >10k net new customers reached

YoY stable net result of €271m based on operating result of €298m – net RoTE 4.3%

- › While NII increased by 7% YoY, overall revenues were 2% lower due to significantly decreased fair value result
- › Risk result of -€178m driven by a few individual cases
- › Operating expenses and compulsory contributions of €1.65bn in line with FY guidance

Clean balance sheet and healthy risk profile – further dividend accrual

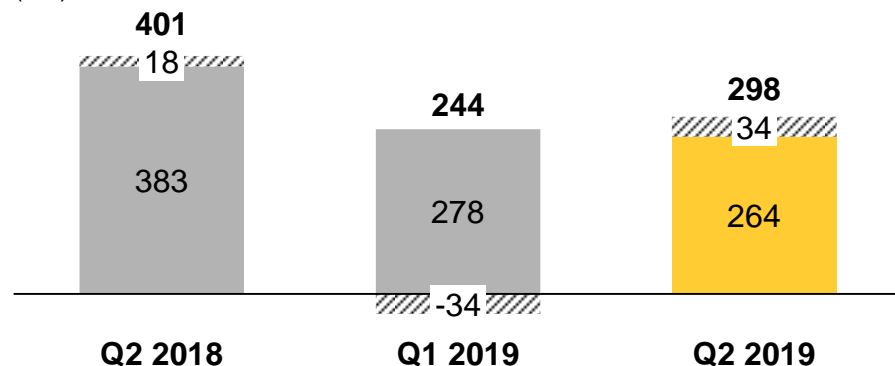
- › CET1 ratio increased to 12.9% – before TRIM impact expected in Q3
- › Total capital strengthened by \$1bn AT1 issuance in early July
- › Group NPL ratio of 0.8% – ACR dissolved following successful run-down

Key financial figures at a glance

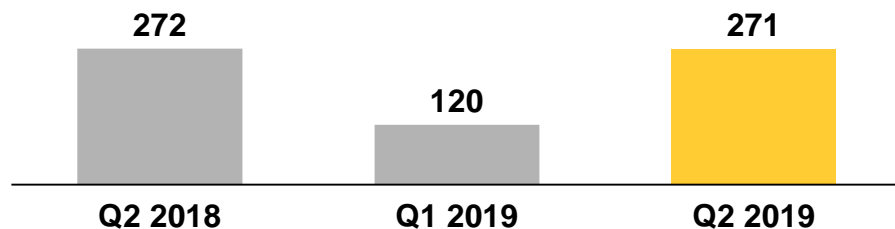
Group Financial Results

Operating result (€m)

/// Exceptional Revenue Items

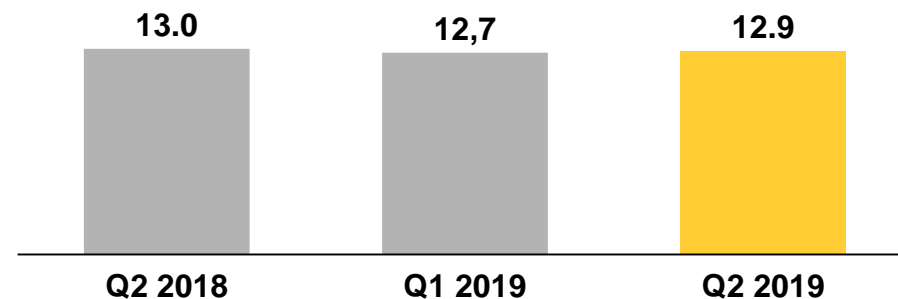


Net result¹ (€m)

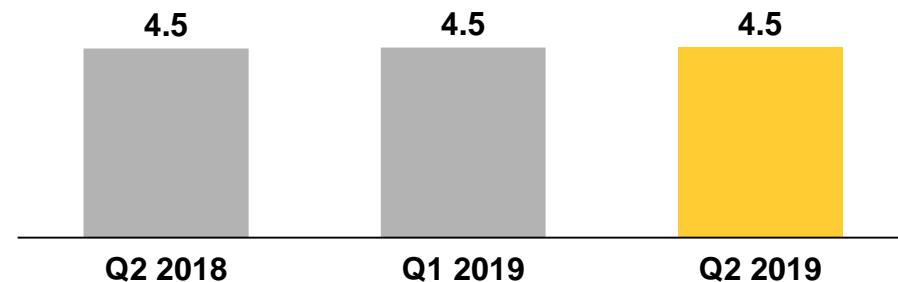


Group Capital²

CET1 ratio fully loaded (%)



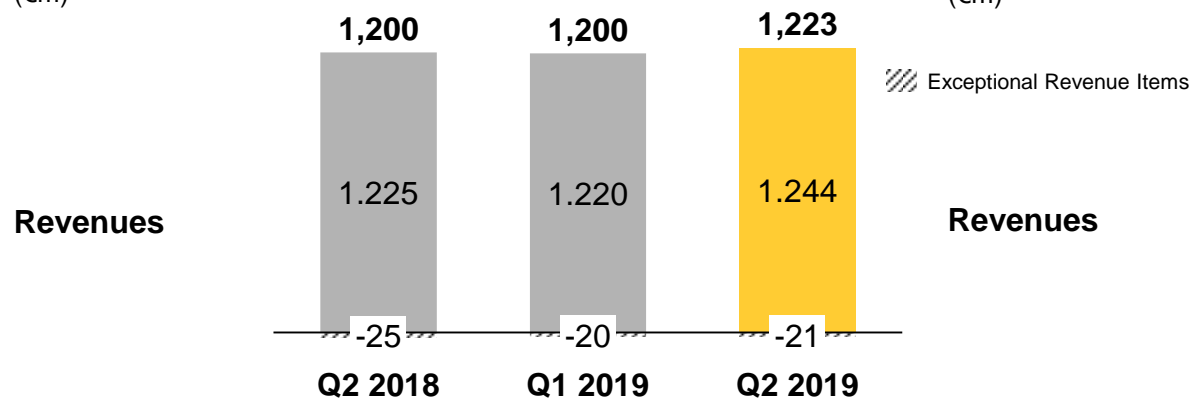
Leverage ratio fully loaded (% end of period)



Revenues and operating results of Commerzbank divisions

Private and Small Business Customers

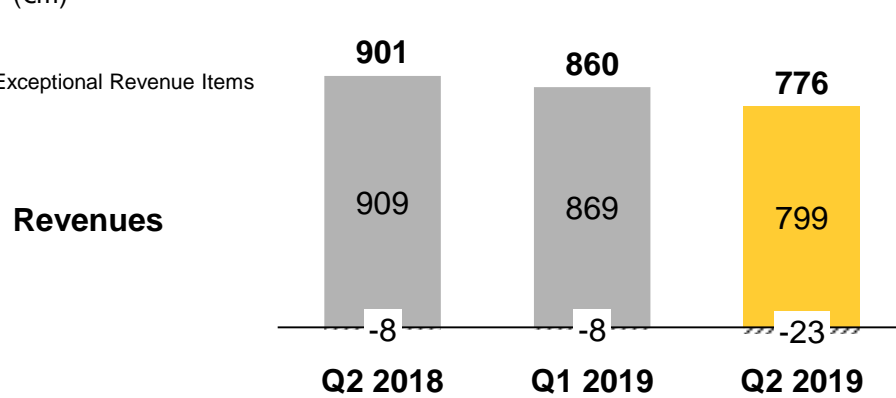
(€m)



Operating Result

Corporate Clients

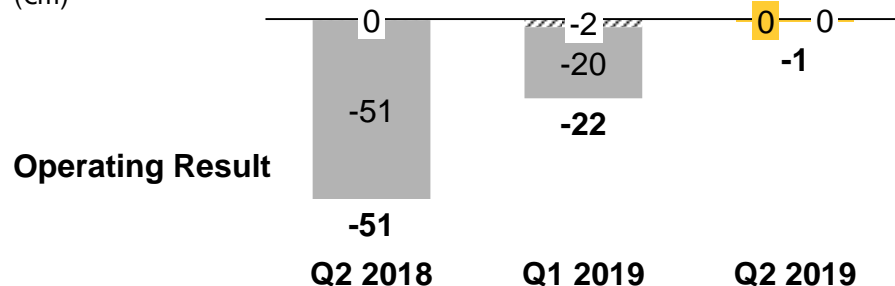
(€m)



Operating Result

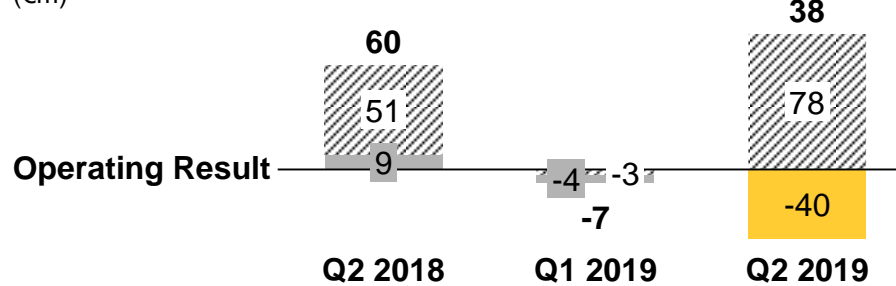
Others & Consolidation

(€m)



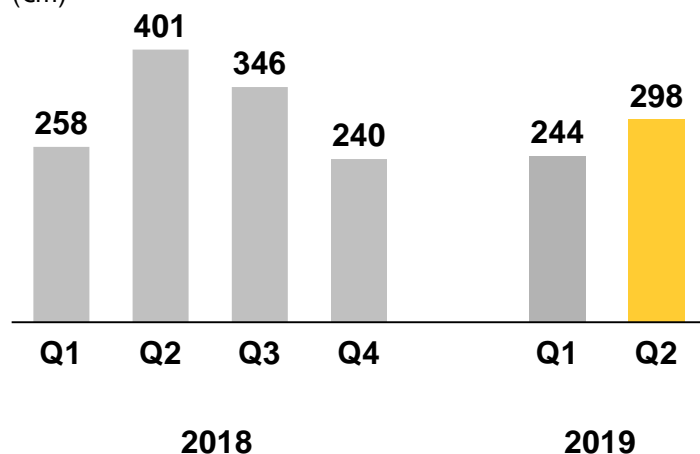
Asset & Capital Recovery (dissolved as of July 1st)

(€m)



Operating result reflects resilient customer business – but weak contribution from fair value result

Group operating result (€m)



Group P&L

in €m	Q2 2018	Q1 2019	Q2 2019	H1 2018	H1 2019
Revenues	2,178	2,156	2,129	4,395	4,285
Exceptional items	18	-34	34	19	-
Revenues excl. exceptional items	2,160	2,190	2,095	4,376	4,285
<i>o/w Net interest income</i>	1,207	1,253	1,291	2,331	2,544
<i>o/w Net commission income</i>	763	768	739	1,565	1,507
<i>o/w Net fair value result</i>	150	66	-1	340	65
<i>o/w Other income</i>	39	103	67	140	169
Risk result	-82	-78	-178	-160	-256
Operating expenses	1,636	1,569	1,581	3,274	3,150
Compulsory contributions	58	265	72	302	337
Operating result	401	244	298	659	542
Pre-tax profit discontinued operations	-12	-19	19	30	-
Pre-tax profit Commerzbank Group	389	225	318	689	542
Taxes on income	94	91	20	99	111
Minority interests	23	14	27	57	41
Net result ¹	272	120	271	533	391
CIR (excl. compulsory contributions) (%)	75.1	72.8	74.2	74.5	73.5
CIR (incl. compulsory contributions) (%)	77.8	85.1	77.6	81.4	81.4
Net RoTE (%)	4.3	1.9	4.3	4.3	3.1
Operating RoCET (%)	7.1	4.2	5.0	5.8	4.6

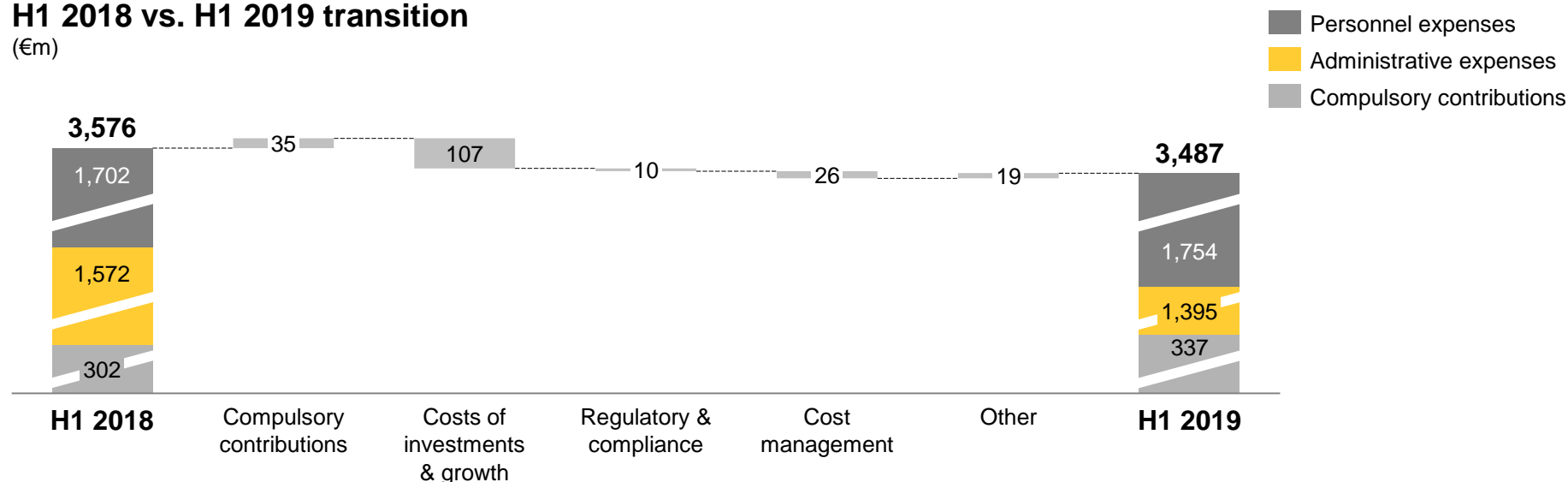
Highlights

- › YoY stable net result of €271m supported by tax refunds – operating result decreased mainly due to fair value and risk results
- › YoY 7% increase in NII based on growth in PSBC and CC but also on lower interest expenses from funding
- › Lack of positive contributions from legacy portfolios and lower contributions from hedging and portfolio management led to significant decrease in fair value result – especially in Corporate Clients

Cost development remains in line with FY guidance

H1 2018 vs. H1 2019 transition

(€m)



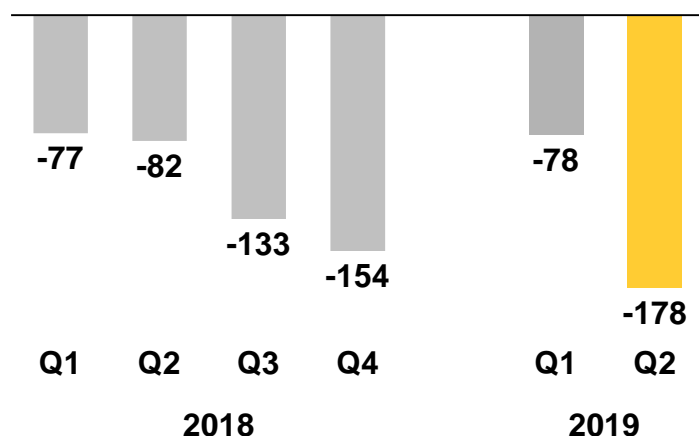
Highlights

- › Prioritised investments in digitalisation and growth leading to considerably lower costs for external suppliers
- › Timely and successful implementation of robust compliance framework comes with higher cost level to run regulatory and compliance operations
- › Increase of personnel expenses due to new compensation model and ongoing internalisation – partially compensated by staff reduction

Risk result driven by single cases

Risk Result

(€m)



Risk Result divisional split

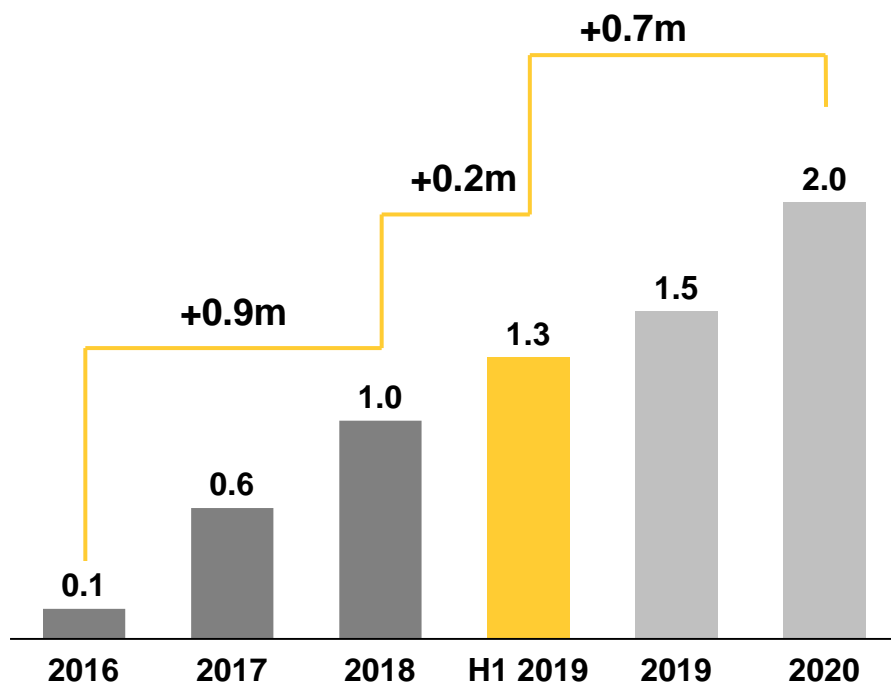
Risk Result in €m	Q2 2018	Q1 2019	Q2 2019	H1 2018	H1 2019
Private and Small Business Customers	-66	-52	-48	-115	-100
Corporate Clients	-35	-28	-127	-60	-155
Asset & Capital Recovery	16	-1	-23	14	-24
Others & Consolidation	3	2	21	2	23
Group	-82	-78	-178	-160	-256
NPL in €bn					
Private and Small Business Customers	1.8	1.7	1.8	1.8	1.8
Corporate Clients	1.9	1.7	1.7	1.9	1.7
Asset & Capital Recovery	0.2	0.4	0.3	0.2	0.3
Others & Consolidation	-	-	-	-	-
Group	4.0	3.7	3.8	4.0	3.8
Group NPL ratio (in %) ¹	0.9	0.9	0.8	0.9	0.8
Group CoR (bps) ²	7	7	16	7	12

Highlights

- › Risk result in CC higher due to single cases in Q2 and significantly lower write backs in the first half of the year
- › PSBC and CC continue to reflect healthy risk profile with Group NPL ratio of 0.8% based on unchanged lending standards
- › Despite the macro environment slightly losing momentum, the risk indicators remain stable and only single names in specific industries are showing a slight impact so far

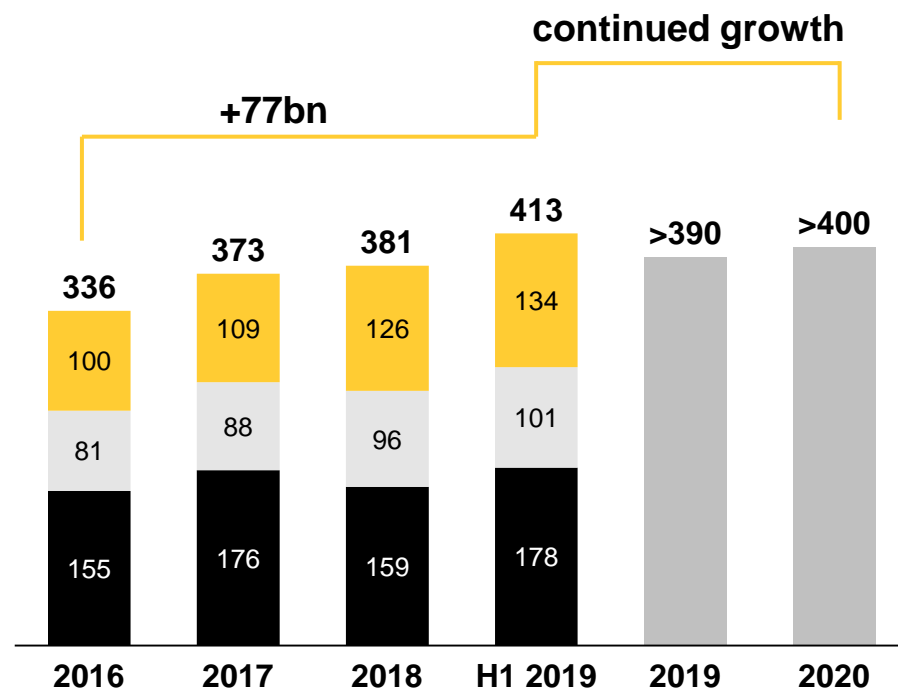
Private and Small Business Customers: net new customer acquisition on target – Assets under Control above €400bn

Net new customers (GER)
(m cumulative)



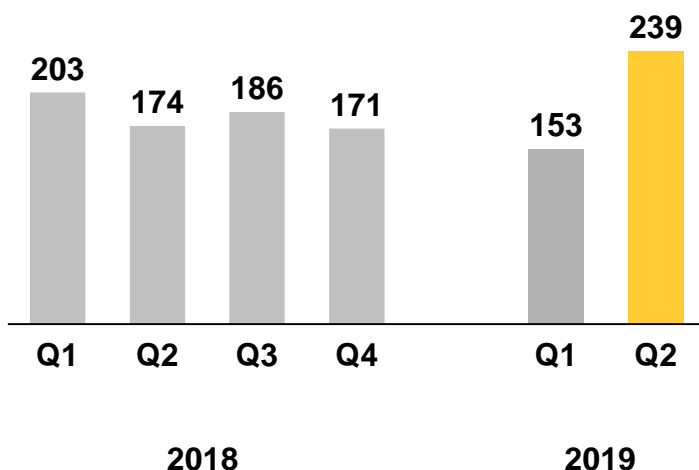
Assets under Control (GER)
(€bn eop)

Targets
 Deposits
 Loans
 Securities



Private and Small Business Customers: progress in line with strategy

Operating result (€m)



Segmental P&L

in €m	Q2 2018	Q1 2019	Q2 2019	H1 2018	H1 2019
Revenues	1,200	1,200	1,223	2,436	2,424
o/w Private Customers	599	589	598	1,196	1,187
o/w Small Business Customers	202	201	204	404	405
o/w mBank	265	274	294	518	568
o/w comdirect	94	96	100	199	196
o/w Commerz Real	65	60	47	119	108
o/w exceptional revenue items	-25	-20	-21	-	-41
Revenues excl. exceptional items	1,225	1,220	1,244	2,436	2,464
Risk result	-66	-52	-48	-115	-100
Operating expenses	912	870	873	1,800	1,743
Compulsory contributions	49	125	63	145	188
Operating result	174	153	239	377	392
RWA (end of period in €bn)	39.3	43.2	44.8	39.3	44.8
CIR (excl. compulsory contributions) (%)	76.0	72.5	71.4	73.9	71.9
CIR (incl. compulsory contributions) (%)	80.0	82.9	76.5	79.8	79.7
Operating return on equity (%)	14.9	12.0	18.2	16.2	15.2

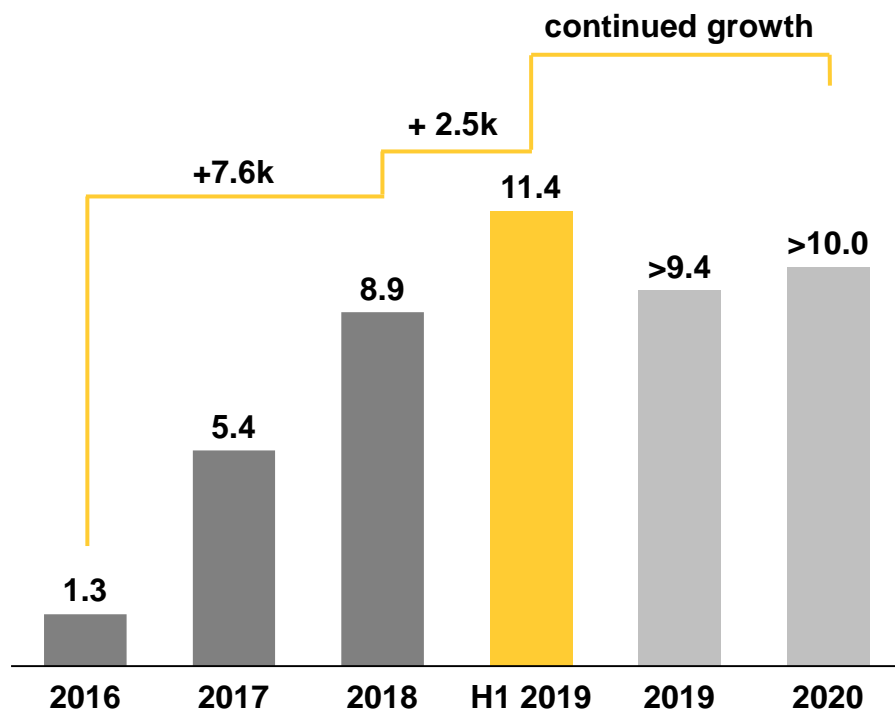
Highlights

- › Q2 operating result of €239m reflects slightly improved underlying revenues and reduced expenses
- › Underlying revenues driven by YoY 6.0% higher NII from growth – offsetting lower margins
- › German mortgages up €1.6bn to €78.1bn in Q2 – consumer finance book at €3.8bn (Q2 2018: €3.5bn)

Corporate Clients: 2020 customer growth and loan volume targets reached

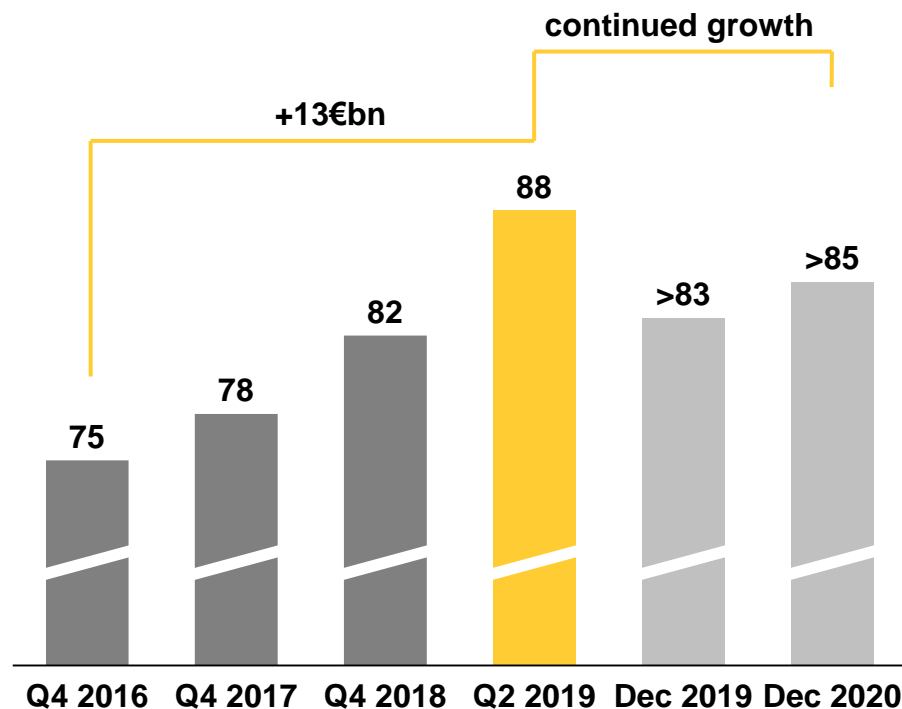
Net new customers

(k cumulative)



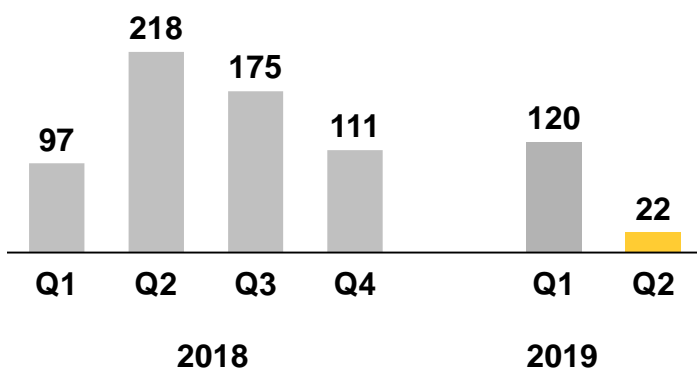
Loan Volume Corporates¹

(€bn)



Corporate Clients: stable customer business but significantly lower fair value and increased risk result

Operating result (€m)



Segmental P&L

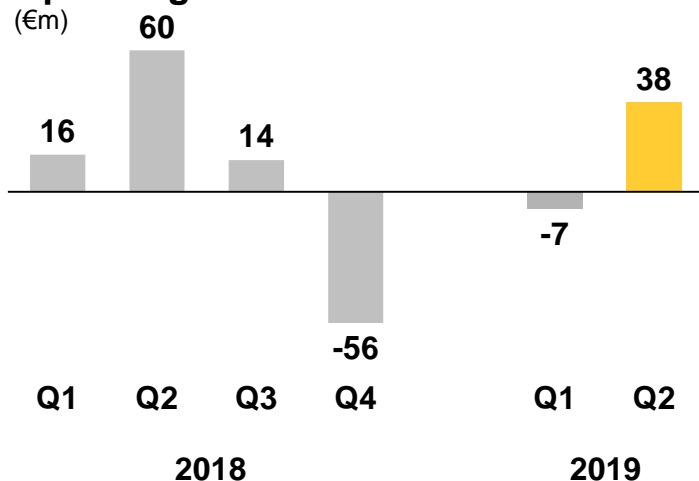
in €m	Q2 2018	Q1 2019	Q2 2019	H1 2018	H1 2019
Revenues	901	860	776	1,765	1,636
o/w Mittelstand	429	452	437	858	889
o/w International Corporates	232	254	241	444	495
o/w Financial Institutions	109	126	124	236	250
o/w others	139	37	-3	237	34
o/w exceptional revenue items	-8	-8	-23	-9	-32
Revenues excl. exceptional items	909	869	799	1,775	1,668
Risk result	-35	-28	-127	-60	-155
Operating expenses	639	619	619	1,282	1,238
Compulsory contributions	9	93	8	108	101
Operating result	218	120	22	315	142
Pre-tax profit discontinued operations	-12	-19	19	30	-
RWA (end of period in €bn)	92.4	102.0	102.5	92.4	102.5
CIR (excl. compulsory contributions) (%)	71.0	71.9	79.7	72.6	75.6
CIR (incl. compulsory contributions) (%)	71.9	82.7	80.8	78.8	81.8
Operating return on equity (%)	8.3	4.1	0.7	6.0	2.4

Highlights

- › Lower Q2 operating result driven by poor fair value result in “others” as well as higher risk result due to single cases
- › YoY revenue growth in all client divisions Mittelstand, International Corporates and Financial Institutions
- › “Others” reflects lack of positive contributions from legacy portfolios – Q2 2018 had in particular benefitted from a large transaction – as well as lower contributions from hedging and portfolio management

Asset & Capital Recovery: segment dissolved as of July 1st following successful portfolio run down

Operating result (€m)



Segmental P&L

in €m	Q2 2018	Q1 2019	Q2 2019	H1 2018	H1 2019
Revenues	62	11	68	106	79
Revenues excl. exceptional items	10	14	-11	78	3
Risk result	16	-1	-23	14	-24
Operating expenses	17	9	7	34	15
Compulsory contributions	-	9	-	10	9
Operating result	60	-7	38	76	31
RWA (end of period in €bn)	14.4	10.5	10.8	14.4	10.8
CRE (EaD in €bn)	1.1	0.8	0.7	1.1	0.7
Ship Finance (EaD in €bn)	1.1	0.2	0.2	1.1	0.2
Public Finance (EaD in €bn)	7.7	3.6	3.5	7.7	3.5
Group Ship Finance (EaD in €bn)	1.4	0.3	0.3	1.4	0.3


Highlights

- › De-risking and portfolio reduction largely finished – ship finance exposure in ACR at €200m
- › Positive operating result of €38m in Q2 – driven by valuation effects
- › The remaining €4.5bn exposures have been transferred to Others & Consolidation as of July 1st

 **ACR segment result will be frozen and carried forward to YE 2019**

Objectives and expectations for 2019

2019 – Outlook

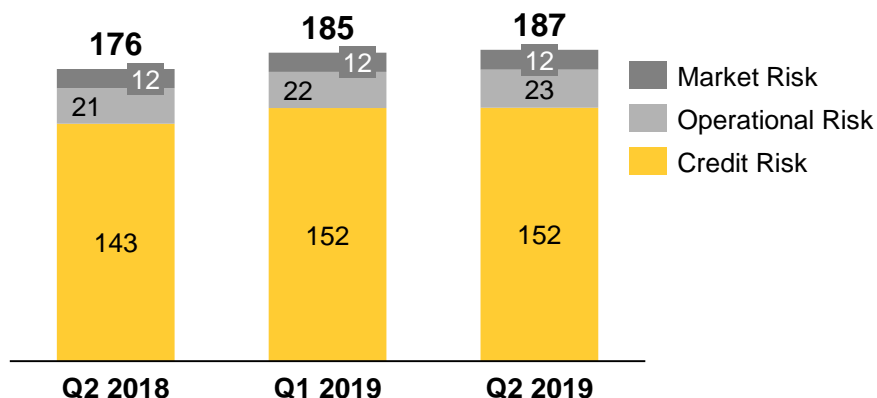
- 
- We continue our growth strategy and expect higher underlying revenues
 - We target a cost base below €6.8bn
 - We expect a risk result not below €550m
 - We plan to maintain a dividend pay-out ratio comparable to 2018
 - We target a CET1 ratio $\geq 12.75\%$

Capital management and funding

Capital ratio increased to 12.9% on capital built

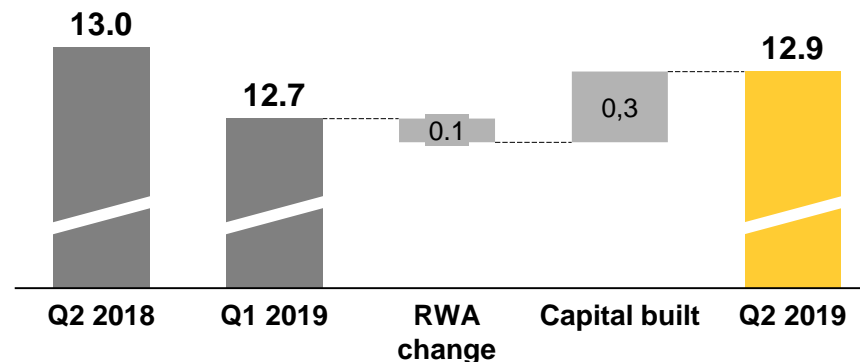
RWA development by RWA classification

(€bn eop)



Transition of CET1 ratio

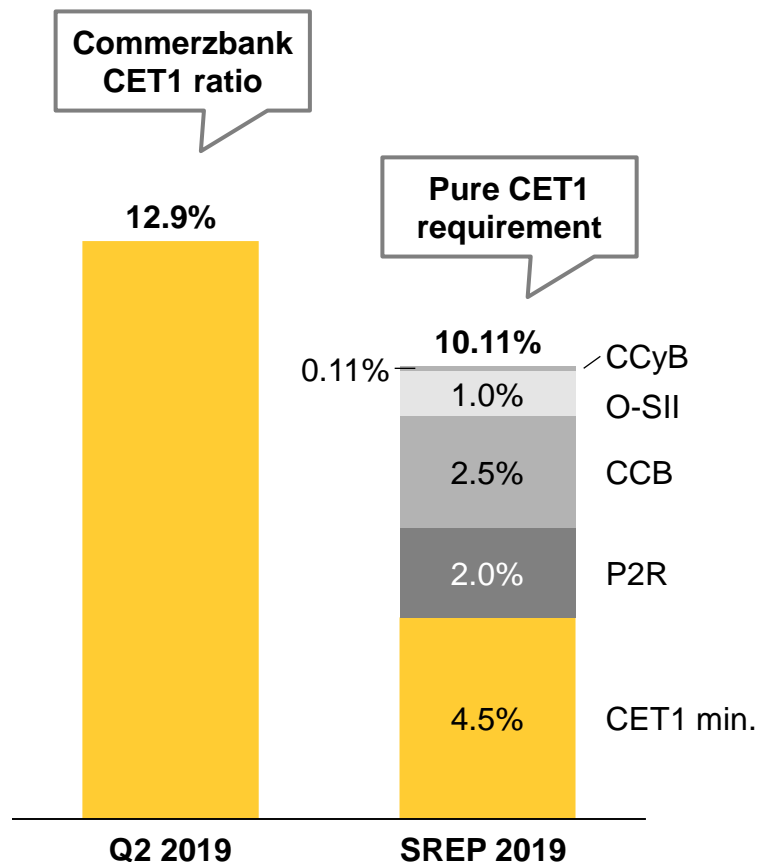
(%)



Highlights

- › CET1 ratio increased to 12.9% as the RWA increase was more than offset by capital built – before TRIM impact expected in Q3
- › €1bn increase of Operational Risk RWA due to changes in the external loss database
- › Market and Credit Risk RWA stable with higher Credit Risk RWA from loan growth offset by RWA management and FX effects
- › Capital built mainly from retained earnings net of dividend accrual and lower regulatory capital deductions

SREP 2019 – CET1 ratio well above requirement



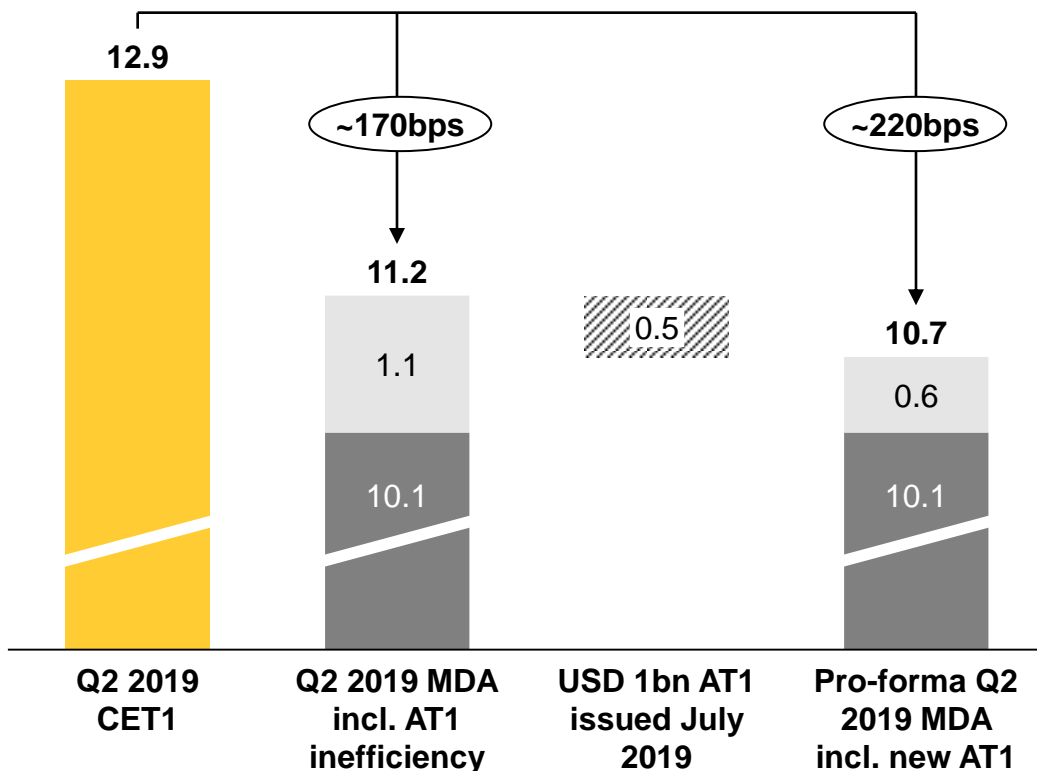
- › Commerzbank CET1 ratio of 12.9% well above SREP requirement
- › SREP for 2019: Pure CET1 requirement at 10.11%
 - › Pillar 2 Requirement (P2R): Reduction from 2.25% to 2.0% reflecting the progress made by Commerzbank in further risk reduction
 - › Capital Conservation Buffer (CCB): Industry-wide Buffer of 2.5%
 - › Other systemically important institution (O-SII): Increase from 1.0% to 1.5% has been postponed from 2019 to 2020
 - › Countercyclical Buffer (CCyB): 0.11% stemming from foreign exposure so far (German CCyB will apply from July 2020)

Distance to MDA strengthened by AT1 issuance

Distance to MDA – Status quo and pro-forma USD 1bn inaugural AT1 issue¹

in %

■ Pure CET1 requirement ■ AT1 inefficiency²

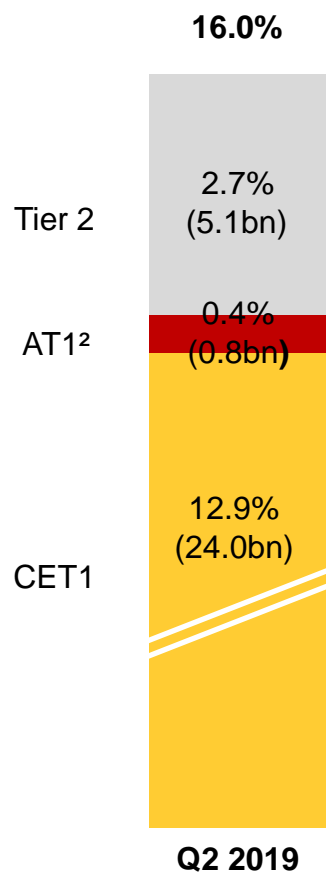


- › Inaugural USD 1bn AT1 issue in July 2019 has increased distance to MDA by ~50 bps
- › Pro-forma distance to MDA of ~220bps at Q2 2019
- › Comfortable basis for expected increase of MDA in 2020 (D-SIB increase by 50 bps, introduction of CCyB in Germany) and further phase-out of legacy AT1
- › Further AT1 issuance strategy to be considered in light of maintaining an appropriate distance to MDA and capital requirements

Total Capital – Development of Tier 2

Total Capital²

(%)

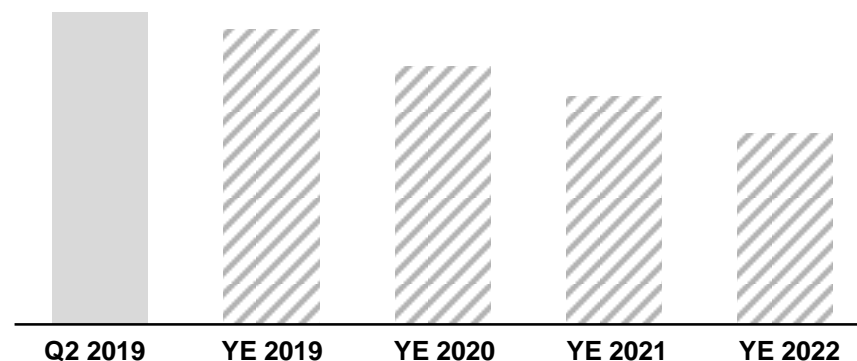


²⁾ USD 1bn 7% AT1 issuance as of July 2019 not yet reflected

Tier 2 roll-off profile¹

(€bn)

5.1bn



- › Increase of capital efficiency via replacement of amortizing Tier 2 instruments.
- › New supply will be limited and manageable aiming to a Tier 2 layer that remains comfortable above 2% of RWA.
- › Broader market access which includes US market and potentially niche markets provides flexibility

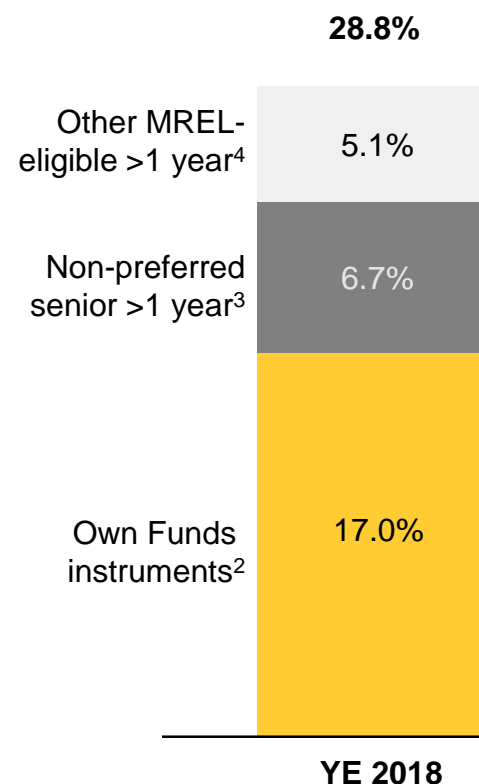
Commerzbank's issuance strategy consistent with MREL requirement

MREL requirement

- › In June 2018, Commerzbank has received the formal MREL requirement on a consolidated basis calibrated based on data as of 31 December 2016
- › The minimum requirement in terms of RWA is 27.27% ¹ being in line with SRB's 2017 policy which was applicable at the time
- › The MREL requirement contains a transitional period and is to be complied with after 30 June 2020
- › As of 31 December 2018 Commerzbank fulfils the future MREL requirement with a MREL ratio of 28.8% of RWA
- › Current issuance strategy consistent with the requirement
- › A new minimum requirement is expected H2 2019. It will be based on the new methodology of the SRB's 2018 MREL policy

MREL ratio

(% of RWA)



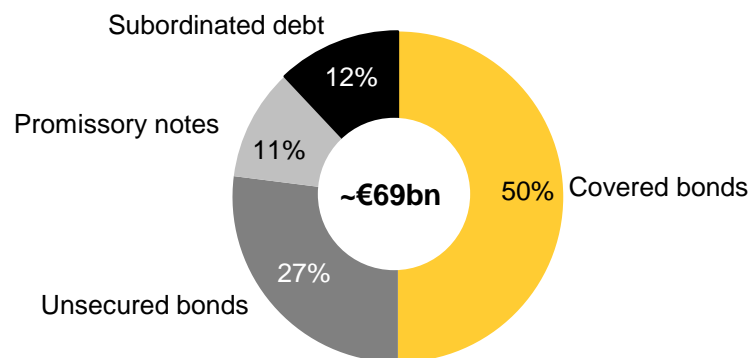
1) The legally binding MREL requirement is defined as a percentage of total liabilities and own funds (TLOF) and stands at 12.78% based on data as of 31 December 2016

2) Includes amortized amount (regulatory) of Tier 2 instruments with maturity > 1 year
 3) According to §46f KWG or Non-Preferred Senior by contract
 4) Non-Covered / Non-Preferred deposits; Preferred Senior and mBank Senior Unsecured

Capital markets funding activities in 2019

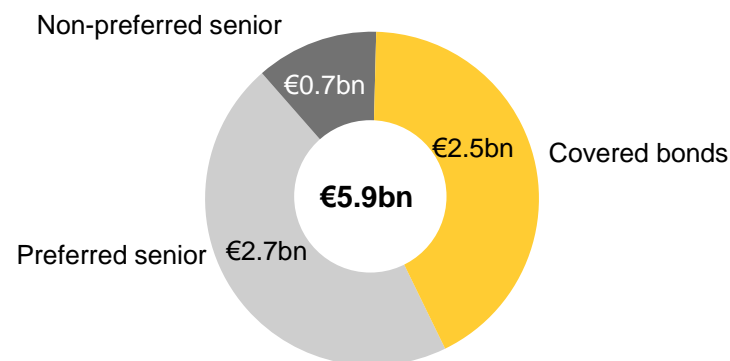
Funding structure¹

(as of 30 June 2019)



Group Funding activities H1 2019²

(nominal values)



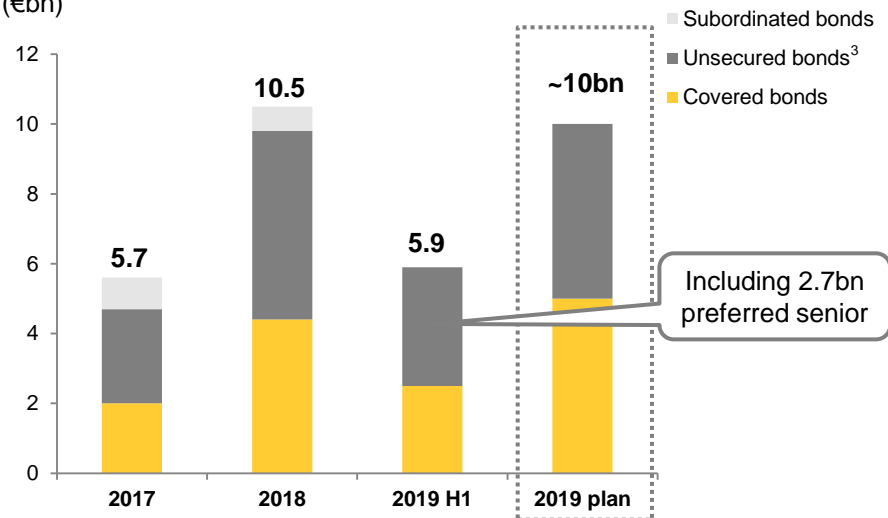
Highlights

- › €5.9bn issued in first half year 2019 (average term over 8 years) thereof:
 - Covered bonds: €2bn dual benchmarks with maturities from 5 years and 15 years
 - Preferred senior: Two benchmark transactions of 5 and 7 years with total volume of €2.25bn
 - Non-preferred senior: €500m benchmark with 7 years maturity
- › Total funding volume for 2019 expected to be around €10bn
- › Issuance of \$1bn AT1 in early July

Diversification of funding sources – optimisation of capital structure

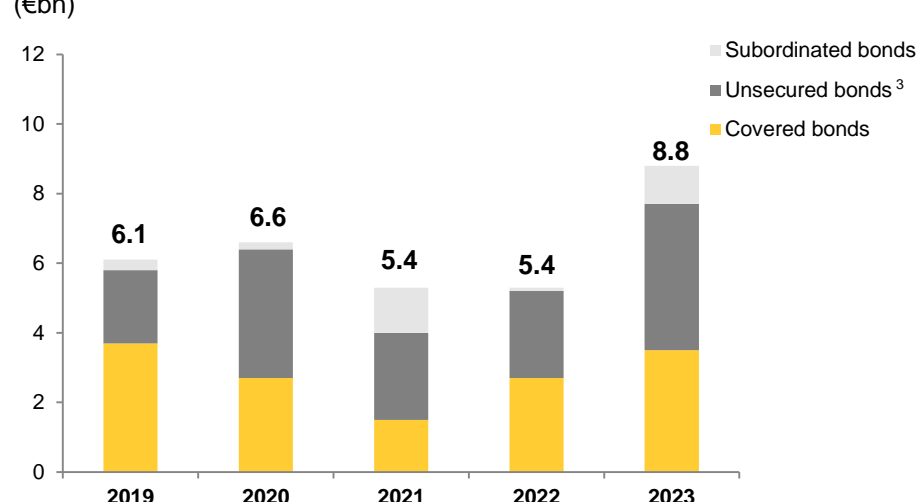
New issues activities¹

(€bn)



Maturities² until 2023

(€bn)



Strategy

- › Issuance requirements 2019 expected to be around €10bn
- › Ongoing review of funding plan throughout the year, final funding depends on asset / RWA development
- › New issuance to replace maturing debt and meet regulatory requirements
- › Continued focus on diversification: new foreign markets and new investors
- › New funding will support the well balanced maturity profile
- › Issuance of \$1bn AT1 in July 2019

Commerzbank well known with Asian investors

Tier 2 issues successfully placed into the Asian market

February 2017

COMMERZBANK 

SGD 500,000,000

Tier 2 capital
4.875%

01 March 2027
Callable March 2022

Distribution:

91% Singapore
7% Hong Kong

August 2018

COMMERZBANK 

AUD 225,000,000

Tier 2 capital
5.50%

29 August 2028
Bullet

Distribution:

87% Asia
9% Oceania

September 2018

COMMERZBANK 

SGD 400,000,000

Tier 2 capital
4.20%

18 Sept 2028
Callable Sept 2023

Distribution:

95% Singapore
5% Hong Kong

AT1 enjoyed strong support from Asia

July 2019

COMMERZBANK 

USD 1,000,000,000

Additional Tier 1 capital
7% perpetual non call April 2025

Distribution:

25% Asia
(incl. S'pore, HK, China, Australasia)



Rating overview Commerzbank

As of 7 August 2019

	S&P Global	MOODY'S INVESTORS SERVICE	FitchRatings	SCOPE Scope Ratings
Bank Ratings	S&P	Moody's	Fitch	Scope
Counterparty Rating/ Assessment ¹	A	A1/ A1 (cr)	A- (dcr)	-
Deposit Rating ²	A- negative	A1 stable	A-	-
Issuer Credit Rating (long-term debt)	A- negative	A1 stable	BBB+ stable	A stable
Stand-alone Rating (financial strength)	bbb+	baa2	bbb+	-
Short-term debt	A-2	P-1	F2 (UCO)	S-1
Product Ratings (unsecured issuance)				
Preferred senior unsecured debt	A- negative	A1 stable	A-	A stable
Non-preferred senior unsecured debt	BBB	Baa2	BBB+ stable	A- stable
Subordinated debt (Tier 2)	BBB-	Baa3	BBB	BBB stable
Additional Tier 1 (AT1)	BB	Ba2	-	-

Rating events in Q2 2019

- › Fitch has placed Commerzbank's short-term bank rating under criteria observation (UCO) because it could be upgraded by one notch under the new criteria. Fitch intends to conclude full implementation of the criteria and resolution of UCO designation within six months
- › Moody's has lowered the rating uplift of non-preferred senior debt rating resulting from the rating agency's Advanced Loss Given Failure analysis by one notch and downgraded this instrument class to „Baa2“
- › Moody's and S&P assigned ratings to Commerzbank's AT1 issuance in June 2019

Key elements of our capital management and funding

- Covered Bonds in the form of mortgage-backed Pfandbriefe are our most cost-efficient strategic funding instrument in line with the PSBC business strategy
- Preferred senior intended to be used as unsecured instrument for refinancing of our strategic growth and to the extent we are allowed for MREL purpose
- Non-preferred senior is expected to be rolled-over at a sufficient volume to support the A-rating of our preferred senior instruments and client products
- Tier 2 is managed at a layer comfortably above the amount of 2% recognised in regulatory Total Capital
- AT1 issuance strategy to be considered in light of maintaining an appropriate distance to MDA and meeting capital requirements

Appendix

Appendix

Commerzbank Group

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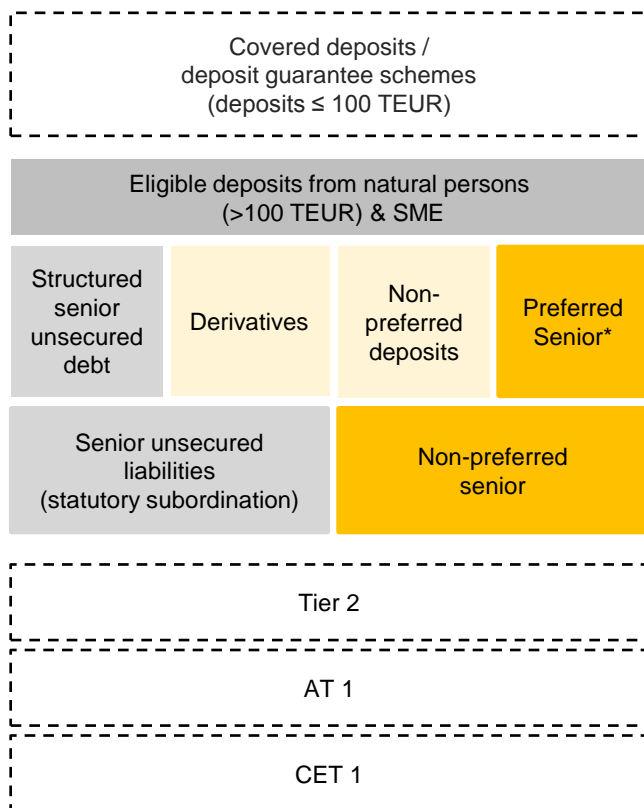
Risk & Capital Management

Exchange rate development effects on capital	42
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German creditor hierarchy – Implementation of BRRD Article 108

Since 21.07.2018

§46f KWG new - Implementation of BRRD Article 108



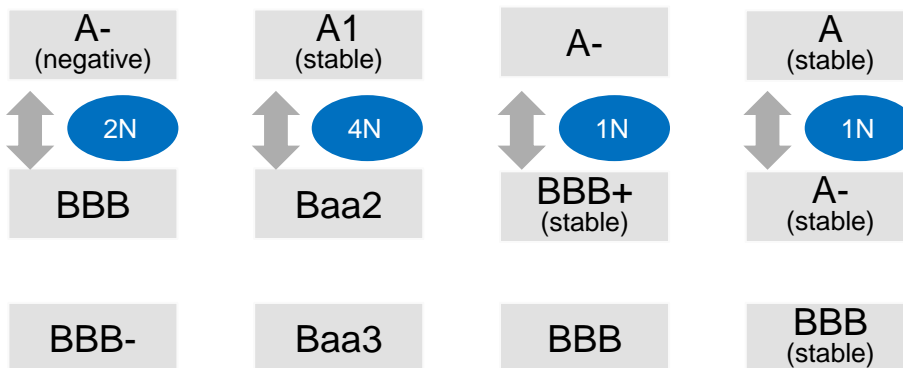
Commerzbank instrument ratings

S&P Global

MOODY'S
INVESTORS SERVICE

FitchRatings

SCOPE | Scope Ratings



 Notching difference

German economy 2019/2020 – looking for the turn-around

Current development

- › In H1 2019 the German economy stayed weak, and even contracted slightly in Q2. While manufacturing is in recession, services are still holding up.
- › This divergence points to weak external demand as the main reason of recent weak growth, particularly weighing on the automotive and machinery industries. In contrast, the expansionary stance of ECB's monetary policy is still supporting internal demand.
- › Given the still low readings of sentiment indicators risks have increased that the current period of low growth will stay for longer.

Our expectation for 2019/2020

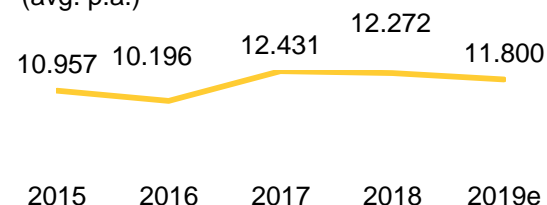
- › In the further course of 2019 somewhat stronger demand in some parts of the world economy (especially in China based on the government's stimulus measures) will probably help global as well as German manufacturing. Accordingly the sentiment indicators should at least stabilize in the coming months. However, the recovery of China is not a given.
- › Because of the weak first half of the year the German economy will expand only by 0.4% in 2019 (after 1.4% in 2018). Growth in 2020 should be somewhat stronger again with an increase of real GDP by 0.8%. However, this higher growth rate is partly due to more working days in 2020.

Risks in the long-run

- › The export oriented German economy could suffer especially from rising protectionism initiated by the US government.
- › Germany's price and non-price competitiveness within the Euro area has eroded since 2009.
- › Economic policy has been geared more towards redistribution of income and wealth than support for growth, and this will not change with the current government.

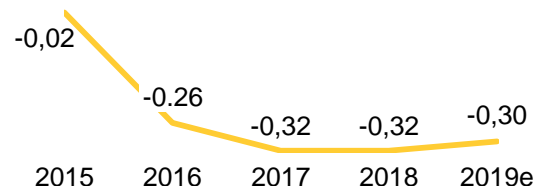
DAX

(avg. p.a.)



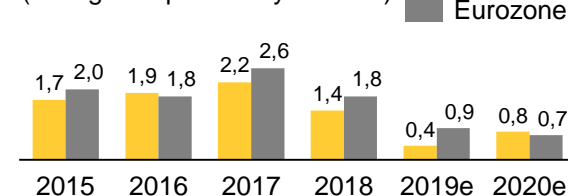
Euribor

(avg. p.a. in %)



GDP

(change vs. previous year in %)



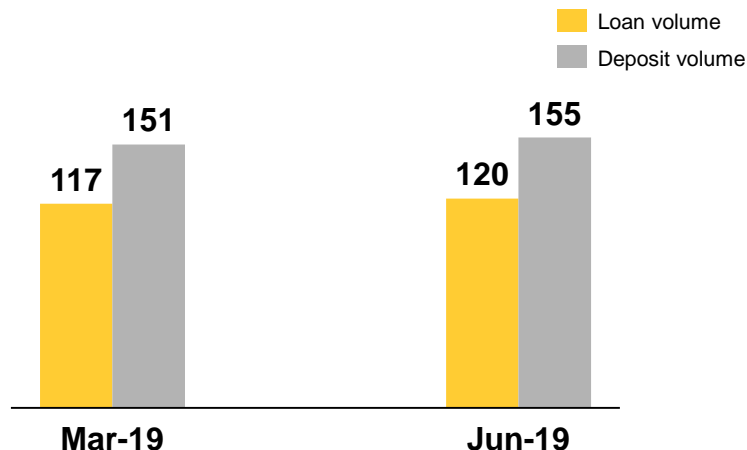
Commerzbank financials at a glance

Group	Q2 2018	Q1 2019	Q2 2019	H1 2018	H1 2019
Operating result (€m)	401	244	298	659	542
Net result (€m)	272	120	271	533	391
CET1 ratio fully loaded (%) ¹	13.0	12.7	12.9	13.0	12.9
Total assets (€bn)	488	503	518	488	518
RWA fully loaded (€bn)	176	185	187	176	187
Leverage ratio fully loaded (%)	4.5	4.5	4.5	4.5	4.5
Cost/income ratio (excl. compulsory contributions) (%)	75.1	72.8	74.2	74.5	73.5
Cost/income ratio (incl. compulsory contributions) (%)	77.8	85.1	77.6	81.4	81.4
Net RoE (%)	3.9	1.7	3.9	3.8	2.8
Net RoTE (%)	4.3	1.9	4.3	4.3	3.1
Total capital ratio fully loaded (%) ¹	16.1	15.7	15.7	16.1	15.7
NPL ratio (in %)	0.9	0.9	0.8	0.9	0.8
CoR (bps)	7	7	16	7	12

Continuing loan and deposit growth

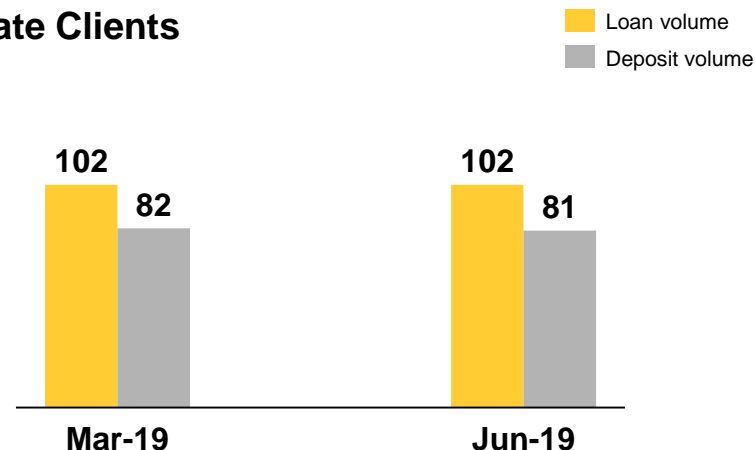
PSBC

(€bn)



Corporate Clients

(€bn)



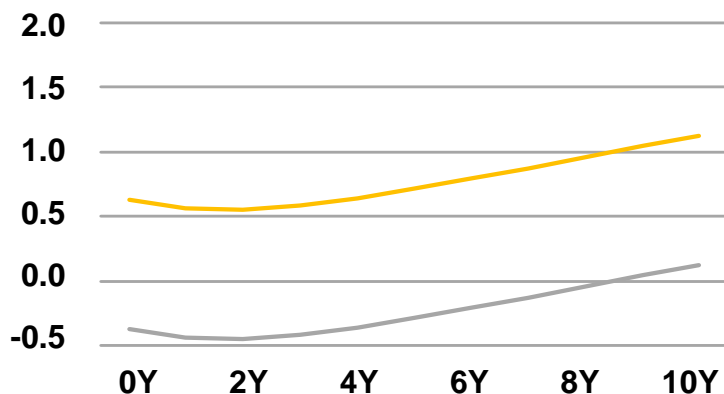
Highlights

- › Loan growth in Private and Small Business Customers mainly driven by mortgage business in Germany and mBank's loan book
- › Increased loan volumes in Mittelstand and International Corporates are offset by lower loan volumes in Financial Institutions and in legacy portfolios – ongoing deposit optimisation

Significant NII potential in scenario of rising interest rates

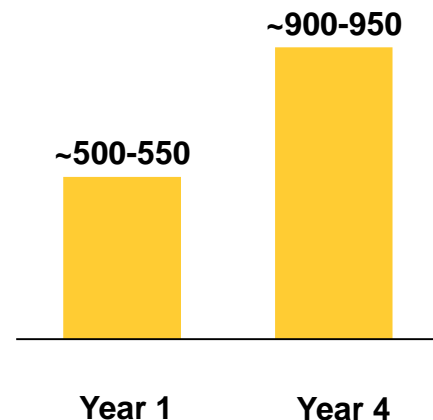
100 bp parallel up-shift in rates yield curve

(as of 28 June 2019, in %)



Scenario impact on NII

(€m)

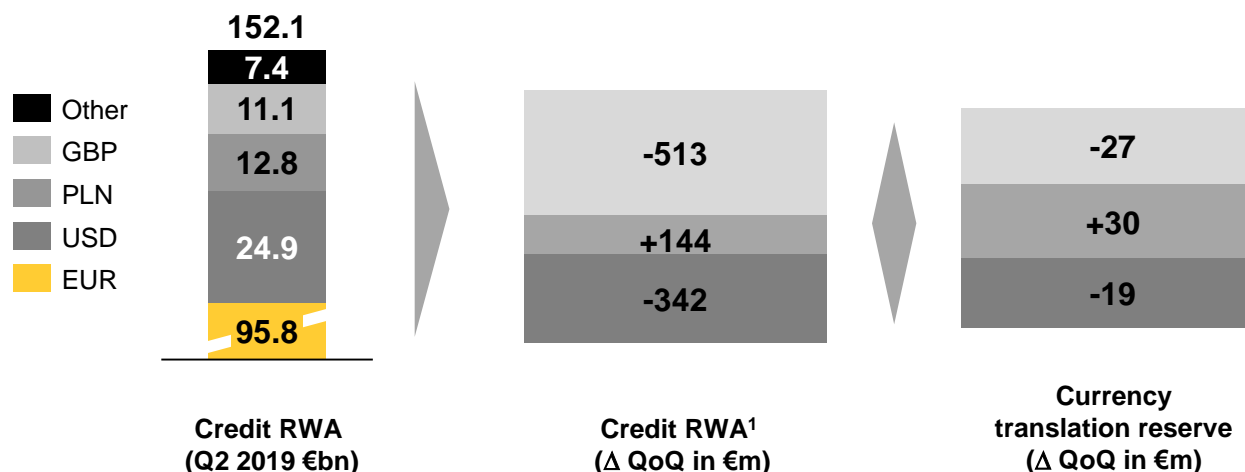


Highlights

- › Year 1 effect of ~€500-550m driven by short-end rates due to large stock of overnight (excess) deposits – reduced sensitivity due to increased investment in models
- › Thereof ~1/3 stem from leaving the negative interest rate territory
- › Year 4 effect of ~€900-950m driven by higher reinvestment yield of modelled deposits used to refinance longer term loans – reduced sensitivity also due to flatter interest rate curve

Weakening of both, USD and GBP, with net positive impact on capital ratio

QoQ Change in FX capital position



FX rates	03/19	06/19
EUR/ GBP	0.858	0.897
EUR/ PLN	4.301	4.250
EUR/ USD	1.124	1.138

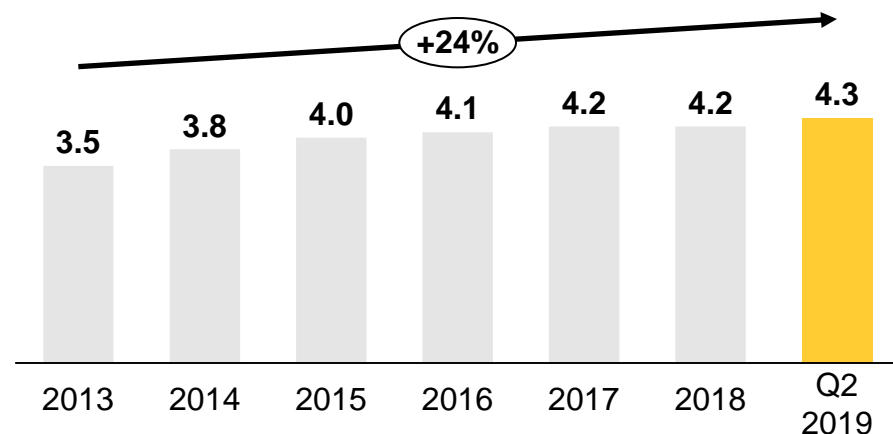
Explanation

- › QoQ the EUR strengthened by +1.3% against the USD and by +4.5% against the GBP, resulting in total to -€0.9bn lower Credit Risk RWA
- › Due to weakening the currency translation reserve for USD and GBP decreased in total by -€45m impacting the CET1 ratio
- › Positive impact of USD and GBP on CET1 ratio due to lower Credit Risk RWA partially offset by decreasing currency translation reserve in USD and GBP

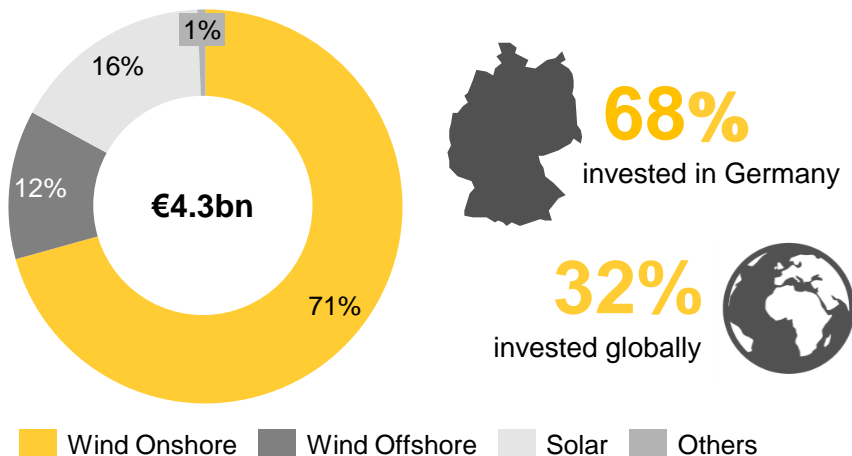
We are a leading German provider of Renewable Energy Project Finance funding and will become Germany's most sustainable commercial bank

Renewable Energy Project Finance Portfolio

(Exposure at Default, €bn end of period)



Portfolio Breakdown



Commerzbank's Sustainability Ratings¹



Commerzbank Group

€m	Q1 2018	Q2 2018	H1 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	H1 2019
Total clean revenues	2,216	2,160	4,376	2,122	2,151	8,649	2,190	2,095	4,285
Exceptional items	1	18	19	18	-115	-78	-34	34	-
Total revenues	2,217	2,178	4,395	2,140	2,035	8,570	2,156	2,129	4,285
o/w Net interest income	1,098	1,190	2,288	1,223	1,237	4,748	1,231	1,274	2,505
o/w Net commission income	802	763	1,565	771	754	3,089	768	739	1,507
o/w Net fair value result	203	200	403	85	-121	366	85	28	113
o/w Other income	115	25	139	62	166	367	73	88	160
o/w Dividend income	14	6	21	9	6	36	1	10	11
o/w Net income from hedge accounting	-16	36	20	6	22	48	50	46	96
o/w Other financial result	-19	3	-15	6	35	26	-20	31	11
o/w At equity result	6	3	9	1	2	12	5	2	7
o/w Other net income	129	-24	105	40	101	245	37	-1	36
Risk result	-77	-82	-160	-133	-154	-446	-78	-178	-256
Operating expenses	1,638	1,636	3,274	1,607	1,579	6,459	1,569	1,581	3,150
Compulsory contributions	244	58	302	55	63	420	265	72	337
Operating result	258	401	659	346	240	1,245	244	298	542
Pre-tax result discontinued operations	42	-12	30	-15	-30	-15	-19	19	-
Pre-tax result Commerzbank Group	301	389	689	331	210	1,230	225	318	542
Taxes on income	5	94	99	89	75	262	91	20	111
Minority Interests	34	23	57	24	22	103	14	27	41
Consolidated Result attributable to Commerzbank shareholders	262	272	533	218	113	865	120	271	391
Total Assets	470,013	487,518	487,518	493,203	462,369	462,369	503,246	518,030	518,030
o/w Discontinued operations	-	-	-	-	12,996	12,996	14,068	13,613	13,613
Average capital employed	22,468	22,640	22,556	23,097	23,399	22,886	23,440	23,818	23,635
RWA credit risk (end of period)	136,014	141,648	141,648	142,633	145,229	145,229	150,964	151,377	151,377
RWA market risk (end of period)	10,987	10,673	10,673	11,507	10,801	10,801	10,418	11,045	11,045
RWA operational risk (end of period)	21,090	21,297	21,297	21,685	21,393	21,393	21,562	22,833	22,833
RWA (end of period) continued operations	168,091	173,618	173,618	175,825	177,423	177,423	182,944	185,256	185,256
RWA (end of period) discontinued operations	1,999	1,890	1,890	2,535	3,075	3,075	2,213	1,541	1,541
RWA (end of period)	170,090	175,508	175,508	178,360	180,498	180,498	185,158	186,797	186,797
Cost/income ratio (excl. compulsory contributions) (%)	73.9%	75.1%	74.5%	75.1%	77.6%	75.4%	72.8%	74.2%	73.5%
Cost/income ratio (incl. compulsory contributions) (%)	84.9%	77.8%	81.4%	77.6%	80.6%	80.3%	85.1%	77.6%	81.4%
Operating return on CET1 (RoCET) (%)	4.6%	7.1%	5.8%	6.0%	4.1%	5.4%	4.2%	5.0%	4.6%
Operating return on tangible equity (%)	4.0%	6.1%	5.1%	5.3%	3.6%	4.8%	3.7%	4.5%	4.1%
Return on equity of net result (%)	3.8%	3.9%	3.8%	3.1%	1.6%	3.1%	1.7%	3.9%	2.8%
Net return on tangible equity (%)	4.2%	4.3%	4.3%	3.5%	1.8%	3.4%	1.9%	4.3%	3.1%

Commerzbank Group

Exceptional Revenue Items

€m	Q1 2018	Q2 2018	H1 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	H1 2019
Exceptional Revenue Items	1	18	19	18	-115	-78	-34	34	-
o/w Net interest income	-26	-17	-43	-20	-17	-80	-22	-16	-39
o/w Net fair value result	14	50	63	31	-139	-44	18	30	48
o/w Other income	14	-15	-1	7	40	46	-30	21	-9
o/w FVA, CVA / DVA, OCS, Other ACR valuations (NII, NFVR)	-24	42	18	41	-95	-36	-15	86	71
PSBC	25	-25	-	-22	-23	-44	-20	-21	-41
o/w Net interest income	-27	-25	-51	-23	-21	-95	-19	-18	-37
o/w Net fair value result	-	-	-1	1	-2	-2	-1	-3	-4
o/w Other income	52	-	52	-	-	52	-	-	-
o/w FVA, CVA / DVA (NII, NFVR)	-	-	-1	1	-2	-2	-1	-3	-4
CC	-1	-8	-9	15	-49	-43	-8	-23	-32
o/w Net interest income	1	-	1	-2	-2	-3	-3	-3	-6
o/w Net fair value result	-1	-8	-10	16	-47	-40	-5	-20	-26
o/w Other income	-	-	-	-	-	-	-	-	-
o/w FVA, CVA / DVA, OCS (NII, NFVR)	-1	-8	-9	15	-49	-43	-8	11	3
ACR	-23	51	28	26	-43	11	-3	78	75
o/w Net interest income	-	7	7	5	6	17	-	4	4
o/w Net fair value result	15	59	74	15	-89	-	27	53	80
o/w Other income	-38	-15	-53	7	40	-6	-30	21	-9
o/w FVA, CVA / DVA, Other ACR valuations (NII, NFVR)	-23	51	28	26	-43	11	-3	78	75
O&C	-	-	-	-1	-1	-2	-2	-	-3
o/w Net interest income	-	-	-	-	-	-	-	-	-
o/w Net fair value result	-	-	-	-1	-1	-2	-2	-	-3
o/w Other income	-	-	-	-	-	-	-	-	-
o/w FVA, CVA / DVA (NII, NFVR)	-	-	-	-1	-1	-2	-2	-	-3

Description of Exceptional Revenue Items

2018	€m	2019	€m
Q1 PPA Consumer Finance (PSBC)	-27	Q1 PPA Consumer Finance (PSBC)	-19
Q1 Polish group insurance business (PSBC)	52	Q2 PPA Consumer Finance (PSBC)	-18
Q2 PPA Consumer Finance (PSBC)	-25	Q2 Insurance based product (CC)	-34
Q3 PPA Consumer Finance (PSBC)	-23		
Q4 PPA Consumer Finance (PSBC)	-21		

Glossary – Key Ratios

Key Ratio	Abbreviation	Calculated for	Numerator	Denominator			
				Group	Private and Small Business Customers and Corporate Clients	Asset & Capital Recovery	Others & Consolidation
Cost/income ratio (excl. compulsory contributions) (%)	CIR (excl. compulsory contributions) (%)	Group as well as segments PSBC and CC	Operating expenses	Total revenues	Total revenues	n/a	n/a
Cost/income ratio (incl. compulsory contributions) (%)	CIR (incl. compulsory contributions) (%)	Group as well as segments PSBC and CC	Operating expenses and compulsory contributions	Total revenues	Total revenues	n/a	n/a
Operating return on CET1 (%)	Op. RoCET (%)	Group and segments (excl. O&C)	Operating profit	Average CET1 fully loaded ¹	12% ² of the average RWAs (YTD: PSBC €43.1bn, CC €100.7bn)	15% ² of the average RWAs (YTD: €10.8bn)	n/a (note: O&C contains the reconciliation to Group CET1)
Operating return on tangible equity (%)	Op. RoTE (%)	Group and segments (excl. O&C)	Operating profit	Average IFRS capital after deduction of goodwill and other intangible assets ¹	12% ² of the average RWAs plus average regulatory capital deductions (excluding goodwill and other intangible assets) (YTD: PSBC €0.2bn, CC €0.7bn)	15% ² of the average RWAs plus average regulatory capital deductions (excluding goodwill and other intangible assets) (YTD: €0.2bn)	n/a (note: O&C contains the reconciliation to Group tangible equity)
Return on equity of net result (%)	Net RoE (%)	Group	Consolidated Result attributable to Commerzbank shareholders	Average IFRS capital without non-controlling interests ¹	n/a	n/a	n/a
Net return on tangible equity (%)	Net RoTE (%)	Group	Consolidated Result attributable to Commerzbank shareholders	Average IFRS capital without non-controlling interests after deduction of goodwill and other intangible assets ¹	n/a	n/a	n/a
Key Parameter	Calculated for	Calculation					
Total clean revenues	Group and segments	Total revenues excluding exceptional revenue items					
Underlying Operating Performance	Group and segments	Operating result excluding exceptional revenue items and compulsory contributions					

For more information, please contact Commerzbank's IR team

Christoph Wortig (Head of Investor Relations)

P: +49 69 136 52668

M: christoph.wortig@commerzbank.com

**Mail: ir@commerzbank.com
www.ir.commerzbank.com**

Ansgar Herkert (Head of IR Communications)

P: +49 69 136 44083

M: ansgar.herkert@commerzbank.com

Investors and Financial Analysts

Michael H. Klein

P: +49 69 136 24522

M: michael.klein@commerzbank.com

Jutta Madjlessi

P: +49 69 136 28696

M: jutta.madjlessi@commerzbank.com

Dirk Bartsch (Head of Strategic IR / Rating Agency Relations / ESG)

P: +49 69 136 22799

M: dirk.bartsch@commerzbank.com

Financial calendar

