Interim Report as at 30 June 2015

The bank at your side

Key figures

Income statement	1.1.–30.6.2015	1.1.–30.6.2014
Operating profit (€m)	1,070	581
Operating profit per share (€)	0.91	0.51
Pre-tax profit or loss (€m)	1,004	581
Consolidated profit or loss[1] (€m)	646	300
Earnings per share (€)	0.55	0.26
Operating return on equity[2] (%)	7.5	4.3
Operating return on tangible equity[3] (%)	8.4	4.8
Cost/income ratio in operating business (%)	71.0	76.1
Return on equity of consolidated profit or loss[1,2,4] (%)	4.7	2.3

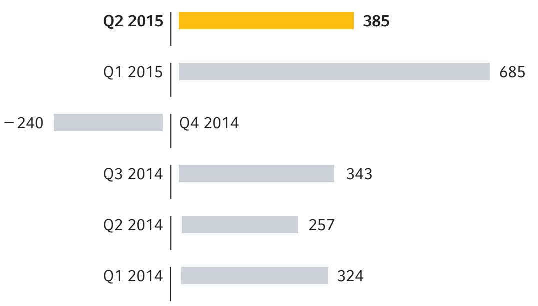
Balance sheet	30.6.2015	31.12.2014
Total assets (€bn)	561.0	557.6
Risk-weighted assets (€bn)	215.3	215.2
Equity as shown in balance sheet (€bn)	29.8	27.0
Total capital as shown in balance sheet (€bn)	42.1	39.3

Capital ratios[5]		
Tier 1 capital ratio (%)	12.4	11.7
Core Tier 1 capital ratio[6] (%)	12.4	11.7
Core Tier 1 capital ratio[6] (fully phased-in; %)	10.5	9.3
Total capital ratio (%)	15.1	14.6

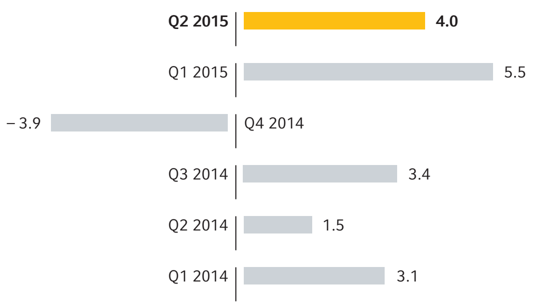
Staff	30.6.2015	30.6.2014
Germany	39,085	39,763
Abroad	12,527	12,019
Total	51,612	51,782

Long-/short-term rating		
Moody's Investors Service, New York	Baa1/P-2	Baa1/P-2
Standard & Poor's, New York	BBB+/A-2	A-/A-2
Fitch Ratings, New York/London	BBB/F2	A+/F1+

Operating profit (€m)



Return on equity of consolidated profit or loss[1,2,4] (%)



[1] Insofar as attributable to Commerzbank shareholders.
[2] Annualised.
[3] The capital base comprises the average Group capital less intangible assets pursuant to Basel 3.
[4] The capital base comprises the average Group capital attributable to Commerzbank shareholders.
[5] Preliminary figures as at 30 June 2015 (including retainable interim profit).
[6] The core Tier 1 capital ratio is the ratio of core Tier 1 capital (mainly subscribed capital and reserves) to risk-weighted assets.

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Letter from the Chairman of the Board of Managing Directors

Martin Blessing
Chairman of the Board of Managing Directors

Dear shareholders,

after a very good start to the current financial year we were able to continue the positive earnings performance in the second quarter, albeit as expected at a lower pace. Income after six months increased year-on-year across all customer-oriented core segments. Overall we posted a Group operating profit of €1.1bn in the first half of the year, almost double the figure for the corresponding prior-year period.

In the Private Customers segment, operating profit rose significantly year-on-year in the period under review; this is also a reflection of the success of our strategic turnaround and the resultant positive perception in the market. This income growth was partly due to higher volumes in asset management products and premium custody accounts. New business in retail mortgage financing was up once again year-on-year.

Our Mittelstandsbank segment also recorded an increase in operating profit compared to the first half of the previous year. Growth in currency hedging business with our customers had an appreciable impact on income performance. There was also a pleasing rise in the volume of lending compared with the previous year.

The Central & Eastern Europe segment benefited in the first half of 2015 from the sale of the insurance business to AXA Group at the start of the year. On an underlying basis, the segment reported only a slight fall in net interest income, even though interest rates in Poland were considerably lower compared to the previous year. Operating expenses were hampered in particular by higher regulatory costs. The operating profit of the segment remained stable overall compared with the first six months of the previous year.

In the Corporates & Markets segment, operating profit for the first six months of 2015 showed a very pleasing development year-on-year. Despite difficult conditions we are able to take advantage of the market opportunities that arose in the first half of the year. We recorded significant growth in Equity Markets & Commodities – primarily due to strong demand for structured investment solutions in equity derivatives and commodity hedging. Operating profit for the segment was up considerably year-on-year in the period under review.

We made further pleasing progress in our efforts to run down our non-strategic portfolio. In the Non-Core Assets (NCA) segment we reduced our shipping and real estate portfolio by a total of €2.8bn in the second quarter. We also entered into agreements with investors at the beginning of July for the sale of two commercial real estate portfolios with a total nominal volume of €2.9bn. The German commercial real estate finance portfolio sold consists mainly of non-performing loans. The European portfolio covers a number of countries and consists of both performing and non-performing loans. The sales had a negative impact of around €57m on the result in the second quarter of 2015. Overall, the sales will have a positive impact on Commerzbank's Tier 1 capital position in the third quarter. The two transactions represent another step in our value-preserving reduction and have further reduced the risk and complexity in the NCA segment. We also took advantage of the favourable market environment and in mid-July signed an agreement to sell the ship restructuring platform Hanseatic Ship Asset Management GmbH we founded at the end of May 2013. The sale also improves the risk profile of the NCA segment and realises the substantial value that was only made possible by operating the ships on this specifically created platform. The sale had a negative impact of €41m on the NCA segment's result in the second quarter of 2015.

Overall, Commerzbank recorded consolidated earnings attributable to Commerzbank shareholders of €646m in the first six months of 2015, significantly higher than the prior-year figure of €300m.

Dear shareholders, our performance in the first half of the year shows that we are on the right track with our decisions regarding the measures we have implemented and the strategic positioning of Commerzbank. This is also evident from the return on equity for the first half of the year, which increased significantly year-on-year despite a higher capital base.

As I noted in the 2014 annual report, however, conditions in the banking industry are difficult and will remain so for the foreseeable future. Increasingly stringent regulatory requirements will pose particular additional challenges in terms of both staffing and costs. With this in mind, the constant review of internal processes, structures and technical platforms to make ourselves leaner, more efficient and more customer-oriented is not a one-off project but an ongoing process that will occupy us over the coming years and should enable us to largely counteract the noticeably tougher requirements.

For 2015 as a whole we are still targeting further profitable growth in the Core Bank and an expansion of our market share. For the financial year 2015 we confirm to plan for the distribution of a dividend.

Yours sincerely

Martin Blessing, Chairman of the Board of Managing Directors

Development of Commerzbank shares

After rising by an impressive 22% at the beginning of 2015, due in particular to the expansive monetary policy of the European Central Bank, the DAX was unable to maintain this trend in the second quarter. It has trended weaker since mid-April, chiefly owing to the concerns surrounding Greece. A stronger euro and the possibility of a turnaround in US interest rates, coupled with growing inflationary expectations, also gave rise to market scepticism within the eurozone. With the threat of deflation apparently past and the price of oil rising again after collapsing in March, mid-May saw massive price corrections in the market for German government bonds.

On 9 June the DAX briefly slid below 11,000 points, down more than 10% on its all-time high of 12,390.75 points recorded on 10 April. The stock markets tumbled once again at the end of June following the abrupt end to the negotiations between the Eurogroup and Greece and the announcement of a referendum. The DAX fell by 4.8% overall in the last two days of June to 10,945 points as at 30 June 2015.

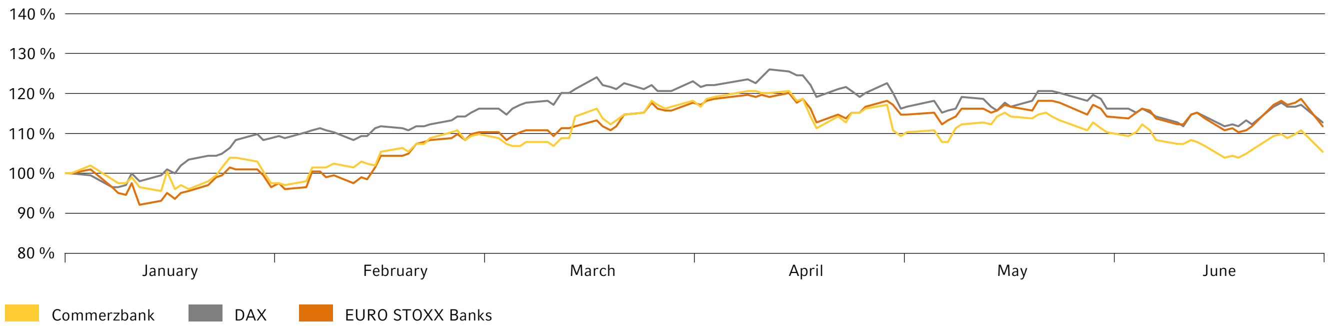
Bank stocks, which had risen sharply in the first quarter (EURO-STOXX Banks Index +17.2%), reflected the general stock market trend in the second quarter.

Again, the weakness of the Banks Index was attributable in particular to events in connection with Greece's reform efforts.

The Commerzbank share was also unable to escape this trend. It reached its quarterly high of €13.39 on 14 April. After the close of trading on 27 April Commerzbank announced a 10% capital increase with shareholders' subscription rights excluded. It took the form of a private placement of 113.85 million shares offered to institutional investors at a price of €12.10 by way of an accelerated bookbuilding transaction. The German Federal Government did not participate in the increase, meaning that its holding via SoFFin fell from the previous 17.3% to 15.6%.

The placement increased the Common Equity Tier 1 ratio under full application of Basel 3 from 9.5% as at the end of the first quarter to 10.2% (pro forma as at end-March 2015). At the same time as it announced the capital increase, Commerzbank also published an ad hoc disclosure stating that it had more than doubled its operating profit in the first quarter of 2015 compared with the corresponding prior-year period. On 7 May Commerzbank published the detailed figures for the first quarter, with the share price then rising by 3.4% to €12.27.

Commerzbank share vs. performance indices in first half of 2015
Daily figures, 30.12.2014 = 100



The Commerzbank share price rose by 4.4% overall in the first six months of 2015, while the EURO-STOXX Banks Index gained 11.4% over the same period. The Commerzbank share price closed the quarter at €11.47.

The daily turnover of Commerzbank shares – in terms of the number of shares traded – was down slightly year-on-year in the first six months of 2015.

The average daily trading volume was around 10.5 million shares (first half 2014: 11.3 million shares). At the peak of trading on 28 April 2015, the date of the capital increase, approximately 40 million shares were traded on stock exchanges. Commerzbank's market capitalisation stood at €14.4bn at the end of the second quarter.

On 30 June 2015, approximately one quarter of all Commerzbank shares were held by our major shareholders SoFFin, Capital Group and BlackRock. The rest of Commerzbank's shares were held by our private shareholders mainly resident in Germany and institutional investors.

Over the second quarter of 2015, 11 analysts recommended buying Commerzbank shares. The share of buy recommendations was 31%, and thus some 7 percentage points higher than the level at end-2014. 18 analysts recommended holding Commerzbank shares, while 6 recommending selling them.

Highlights of the Commerzbank share	1.1.–30.6.2015	1.1.–30.6.2014
Shares issued in million units (30.6.)	1,252.4	1,138.5
Xetra intraday prices in €		
High	13.39	14.48
Low	10.31	10.90
Closing price (30.6.)	11.47	11.48
Daily trading volume[1] in million units		
High	40.9	24.1
Low	4.3	4.6
Average	10.5	11.3
Index weighting in % (30.6.)		
DAX	1.4	1.3
EURO STOXX Banks	2.2	2.4
Earnings per share in €	0.55	0.26
Book value per share[2] in € (30.6.)	23.05	23.18
Net asset value per share[3] in € (30.6.)	21.55	21.61
Market value/Net asset value (30.6.)	0.53	0.53

[1] Total for German stock exchanges.
[2] Excluding non-controlling interests.
[3] Excluding non-controlling interests and cash flow hedges and less goodwill.

Interim Management Report

Business and overall conditions

Overall economic situation

The global economy did not quite live up to expectations in the first half of 2015. The rate of expansion in the emerging markets is likely to have slowed further, with the Chinese economy in particular providing cause for concern. The ongoing correction of excesses on the real estate market and the sharp rise in household debt are increasingly holding back Chinese economic performance. Investors are also becoming increasingly disillusioned, to the point that the government felt compelled to intervene in the markets on a massive scale to halt the slide in equity prices.

The US economy has returned to growth following the slight setback in the first quarter of 2015, which was partially attributable to the unusually cold weather.

Eurozone growth in the second quarter is set to mirror that achieved in the first three months of the year. The growth is perhaps chiefly down to the collapse in the price of crude oil and the marked depreciation of the euro, which are both acting as an economic stimulus. Lower energy prices are boosting the purchasing power of private households, encouraging them to increase their consumption. Companies are the main beneficiaries of the euro depreciation, as it is improving their price competitiveness and boosting margins for foreign business.

The growth gap within the eurozone has narrowed significantly in recent times, with the reforms initiated in Ireland, Portugal and Spain having an increasingly positive impact. The Spanish economy reported the strongest growth of all eurozone countries in the first half of 2015, up 0.9% compared with the previous quarter. By contrast, the German economy, which has been hit especially hard by the weakening demand from the emerging markets, has perhaps lost a bit of momentum again in the first half of the year.

Despite the economic recovery, underlying inflation in the eurozone remains weak. The rise in import prices due to the depreciation of the euro is being largely offset by the decline in energy prices.

The ECB's zero interest rate policy continues to force investors into riskier forms of investment such as equities, corporate bonds and the government bonds of periphery countries. The soaring DAX index and bond prices have recently had their wings clipped by the crisis in Greece, however.

Important business policy events in the second quarter of 2015

Commerzbank increases share capital by 113.85 million shares in an accelerated bookbuilding transaction

At the end of April, the Board of Managing Directors of Commerzbank decided, with the approval of the Supervisory Board, to increase the share capital. 113,850,693 new shares were placed with institutional investors by way of an accelerated bookbuilding transaction. The placement price was €12.10 per share, and the gross issue proceeds totalled around €1.4bn. The successful conclusion of the capital measure takes the Common Equity Tier 1 ratio to the level now demanded by the capital market sooner than anticipated.

Annual General Meeting elects new members of the Supervisory Board

As proposed by the Supervisory Board, the Annual General Meeting on 30 April 2015 elected Sabine U. Dietrich to the Supervisory Board to succeed Petra Schadeberg-Hermann and Anja Mikus to succeed Dr. Nikolaus von Bomhard. Sabine U. Dietrich is a member of the Management Board of BP Europe SE. Anja Mikus is Chief Investment Officer at Arabesque Asset Management. The changes in the Supervisory Board were necessary because Petra Schadeberg-Hermann and Dr. Nikolaus von Bomhard stepped down with effect from the end of the 2015 Annual General Meeting. Solms U. Wittig was also appointed by the Annual General Meeting as a substitute member for the two new members of the Supervisory Board.

Rating adjustments at Commerzbank

Following the introduction of the EU Bank Recovery and Resolution Directive in Germany as of 1 January 2015, shareholders and investors in capital instruments and debt will in future bear some of the losses in the event of resolution. The resulting overhaul of the rating methodologies of the three rating agencies Moody's, Standard & Poor's and FitchRatings (Fitch) in the second quarter of 2015 led two of the agencies to adjust their ratings for Commerzbank's long-term unsecured liabilities.

Moody's reviewed Commerzbank's rating in mid-June 2015 as part of its overhaul of the rating methodology for banks and subsequently kept Commerzbank's issuer rating at Baa1 with a stable outlook. The short-term rating also remained unchanged at P-2 and the financial strength rating at ba1. It has incorporated a new counterparty risk assessment (CRA) into its rating methodology. The CRA reflects a bank's ability to meet certain contractual obligations even in the event of insolvency. Commerzbank has been awarded a CRA of A3, placing it midway among its competitors.

Also in mid-June, S&P carried out a review of the ratings for banks in a number of countries including Germany. Commerzbank's individual financial strength rating was upgraded one notch to bbb. Its issuer rating was downgraded one notch to BBB+ with a negative outlook. The potential government support willingness which had been included in the issuer rating, was taken down by two notches and at the same time one support notch was awarded for the capital buffer available for additional loss-absobing capacity.

Fitch reviewed its ratings for banks in the USA, Switzerland and the European Union in mid-May. The agency also anticipated that governments would be much less likely to provide support in the future. Commerzbank's issuer rating was downgraded four notches to BBB, with a positive outlook. Once again, the downgrade was due solely to a change in methodology and not to any change in the assessment of Commerzbank's performance. The Bank's individual financial strength rating was confirmed as bbb.

All three rating agencies view the Bank's strong market position in private customer business as an essentially positive rating factor. They also highlight its major restructuring successes, good positioning in German corporate customer business, improved capital base and structure, significant decline in non-strategic portfolios, stable funding basis and good liquidity position.

Earnings performance, assets and financial position

After a very good start to the current financial year Commerzbank maintained its positive earnings performance in the second quarter, albeit as expected at a lower pace. Income after six months increased or remained stable year-on-year across all customer-oriented core segments. Despite the ongoing low interest rates and the impact on earnings in connection with the implementation of regulatory requirements, the Commerzbank Group recorded an operating profit of €1,070m in the reporting period. This represents an increase of 84.2% on the first six months of the previous year. Consolidated profit attributable to Commerzbank shareholders for the period under review came to €646m.

Total assets as at 30 June 2015 were €561.0bn, on a par with the figure for year-end 2014. Risk-weighted assets amounted to €215.3bn. The Common Equity Tier 1 ratio rose to 12.4% as at the end of June 2015, chiefly as a result of the capital increase at the end of April.

Income statement of the Commerzbank Group

The individual items in the income statement performed as follows in the first half of the current year:

Net interest and net trading income rose by 19.0% year-on-year to €3,526m overall. During the first six months of 2015, net interest income rose by €443m year-on-year to €3,179m. Net trading income and net income from hedge accounting rose by €119m to €347m over the same period. While lending volumes in both Private Customers and Mittelstandsbank increased in the first six months, with the interest contribution rising as a result, net interest income from deposit business in both segments was still affected by the low level of market interest rates. Net interest income was also down year-on-year in Central & Eastern Europe. The reduction of the National Bank of Poland's reference interest rate by a total of 100 basis points in October 2014 and March 2015 was not fully offset by growth in lending and deposit volumes and in business with private and corporate customers. Corporates & Markets reported a large increase in net interest income and net trading income compared with the first six months of the previous year. The segment profited from a high demand for investment solutions in the equity derivitives area as well as for hedging requirements in the raw materials and currency sector. The sharp rise in net interest income in Non-Core Assets was due in part to the charges on portfolio sales booked as interest expense in the first half of 2014. Substantial additional income was also generated this year from measures to restructure funding. Further information on the composition of net interest income and the trading result is given in the notes to the interim financial statements on pages 55 and 56.

Net commission income in the reporting period rose by 8.9% compared with the same period last year to €1,739m. This was largely due to the dynamic performance of the equity markets in the first half of 2015, which in Private Customers was reflected in a rise in both transaction-dependent and volume-based commission income. The pleasing increase in net commission income in the Mittelstandsbank was primarily attributable to growth in currency hedging business with our customers.

Net investment income in the first six months of 2015 was €–67m, after €3m in the prior-year period. The decrease of €70m stemmed chiefly from write-downs on HETA Asset Resolution AG.

Other net income came to €–29m, compared with €–86m a year earlier. The result in the period under review includes charges of €41m relating to the sale of our ship restructuring platform Hanseatic Ship Asset Management GmbH. The charges in the prior-year period resulted primarily from provisions in respect of legal and litigation risks.

The net allocation to loan loss provisions fell by 11.5% year-on-year to €-438m. This decline was due to a lower need for provisions in Private Customers, Mittelstandsbank and Central & Eastern Europe. Due to the sale of real estate loans there was an increase in provisions for commercial real estate financing in Non-Core Assets, however. Corporates & Markets reported a higher net reversal in the first six months of 2015 than that achieved in the prior-year period. This was principally the result of a one-off effect in relation to settled legal disputes.

In the period under review, operating expenses were €3,692m, an increase of 7.8% on the prior-year figure. While personnel expenses remained at the prior-year level at €1,965m, other operating expenses, including depreciation on fixed assets and amortisation of other intangible assets, rose by 15.2% to €1,727m. The increase of €228m was chiefly due to the first-time reporting of the European bank levy in the amount of €169m as well as a rise in costs for investments in IT.

As a result of the developments described above, the Commerzbank Group posted an operating profit of €1,070m in the first half of the current year, compared with €581m in the same period last year.

Profit in the period was burdened by restructuring expenses of €66m. These were predominantly related to the bundling of product and market expertise in Corporates & Markets.

Pre-tax profit for the first six months of the current year was €1,004m, after €581m in the prior-year period. Tax expense for the reporting period was €301m, compared with €227m for the equivalent prior-year period. The remeasurement of deferred tax assets on tax loss carryforwards as a result of the restrictions imposed by the UK government on the offsetting of tax loss carryforwards against future profits was one of the main items that pushed up the tax rate. Consolidated profit after tax came to €703m, compared with €354m in the prior-year period. Net of non-controlling interests of €57m, a consolidated profit of €646m was attributable to Commerzbank shareholders.

Operating earnings per share came to €0.91 and earnings per share to €0.55. In the prior-year period, the comparable figures were €0.51 and €0.26 respectively.

Balance sheet of the Commerzbank Group

Total assets of the Commerzbank Group as at 30 June 2015 were €561.0bn, on a par with the figure for year-end 2014.

As at the reporting date the cash reserve had increased by €22.5bn to €27.4bn. The sharp rise was attributable in particular to the investment of available liquidity with the European Central Bank due to the reduction in reverse repo business. Claims on banks were €74.9bn, up €5.1bn from the year-end. While claims (due on demand and up to three months) rose by €7.9bn, claims with maturities up to one year fell by €13.6bn. Claims from secured money market transactions fell by €5.3bn. Claims on customers were slightly below the year-end level at €226.0bn. The fall in volume at the short end was offset by a corresponding rise in longer-dated maturities. As at the reporting date, total lending to customers and banks stood at €235.4bn, down 2.3% on year-end 2014. Although loans to banks fell by €4.2bn to €21.0bn, customer lending business remained at the year-end 2014 level at €214.5bn. The increase in lending volume in the core segments was more than offset by the reduction in non-strategic business in the NCA segment. As at the reporting date, trading assets amounted to €129.0bn, a fall of 1.0% compared with year-end 2014. While holdings of equities, other equity-related securities and investment fund units increased by €10.2bn due to the positive market environment for equity products and associated high customer demand, positive fair values of financial derivatives, in particular interest-rate-related derivative transactions, decreased by €12.0bn compared with the year-end level. Financial investments were down €5.9bn compared with year-end 2014 at €84.5bn. The fall was due to a decline in bonds, notes and other interest-rate-related securities.

On the liabilities side, liabilities to banks – especially those with maturities up to one year – rose by €1.8bn to €101.3bn. The increase in volume related exclusively to foreign bank liabilities. Liabilities to customers rose by 4.6% compared with year-end 2014 to €260.5bn due to volume growth among maturities up to one year. Securitised liabilities were €2.9bn lower compared with year-end 2014 at €45.9bn. The €5.5bn fall in bonds and notes issued to €40.2bn was due in part to a decline of €1.0bn in mortgage Pfandbriefe, largely as a result of maturities at Hypothekenbank Frankfurt AG, and also to a reduction of €1.8bn in the volume of public-sector Pfandbriefe.

The fall was partially offset by an increase of €2.5bn in money market instruments issued. Liabilities from trading activities decreased in volume by €7.0bn overall to €90.1bn. This was mainly due to the decline in interest-rate related derivatives transactions, partly offset by a slight increase in short sales of bonds and equities.

Equity

The equity capital (before non-controlling interests) reported in the balance sheet as at 30 June 2015 was €28.9bn, €2.8bn above the figure for year-end 2014. The capital reserve increased by €1.3bn compared with year-end 2014 due to the capital increase carried out in the spring. As at the reporting date, it stood at €17.2bn. Subscribed capital rose slightly by €0.1bn to €1.3bn. Retained earnings were up €0.9bn on the end-2014 level, at €11.3bn. As at the reporting date, the revaluation reserve stood at €–0.7bn. This was an improvement of around €0.2bn compared with the end of 2014, attributable in particular to a rise in the fair values of Italian government bonds. Together with the negative cash flow hedge reserves and the currency translation reserves, this amounted to a deduction of €–0.9bn from equity compared with €–1.4bn at year-end 2014.

Risk-weighted assets were €215.3bn as at 30 June 2015 at the level of year-end-2014. This was primarily the result of the exchange rate based increase in the risk-weighted assets relating to lending risks as well as increased operating risks being compensated for by the ongoing reduction of the credit portfolio of the NCA segment. Regulatory Tier 1 capital rose by around €1.5bn to €26.6bn compared with year-end 2014, chiefly as a result of the capital increase at the end of April. In conjunction with the slightly higher level of risk-weighted assets, the Tier 1 ratio rose to 12.4%. Common Equity Tier 1 capital came to €26.6bn. Under Basel 3 phase-in rules, this is identical to core capital. The total capital ratio was 15.1% on the reporting date. The Basel 3 Core Tier 1 capital ratio ("fully phased-in", respectively, the fully implemented regulations according to our interpretation) amounted to 10.5% as at the reporting date.

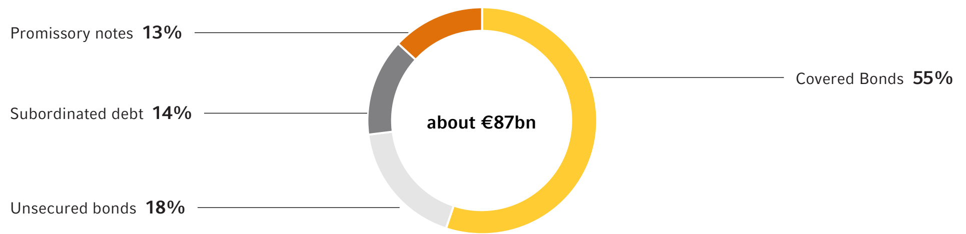
As at the reporting date, the leverage ratio based on the CRD IV/CRR rules applicable on that date ("delegated act"), which compares Tier 1 capital with leverage exposure, was 4.7% ("phase-in") respectively at 4.0% ("fully phased-in").

The Bank complies with all regulatory requirements. The disclosures as required by law include the retainable portion of interim profit. Since the deadline for the preparation of the interim financial statements differs from the reporting deadline, these disclosures are provisional.

Funding and liquidity

Commerzbank had unrestricted access to the money and capital markets throughout the reporting period, and its liquidity and solvency were also adequate at all times. It was always able to raise the resources required for a balanced funding mix and continued to enjoy a comfortable liquidity position in the period under review.

Capital market funding structure[1]
As at 30 June 2015



[1] Based on reported figures

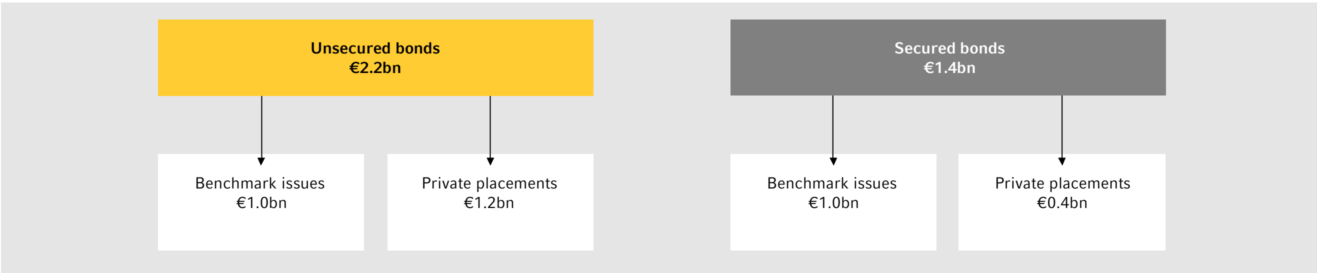
The Commerzbank Group raised a total of €3.6bn in long-term funding on the capital market in the first half of 2015.

In the collateralised area, Commerzbank Aktiengesellschaft placed a mortgage Pfandbrief in January in the form of a benchmark bond with a volume of €0.5bn and a seven-year term. This issue was topped up by a further €0.5bn at the end of March, to €1bn. The mortgage Pfandbriefe are secured by Commerzbank's private retail mortgage loans in Germany. In addition, a number of mortgage Pfandbriefe were issued in the form of private placements. The Polish subsidiary mBank also issued private placements with a volume of €0.2bn.

An unsecured three-year benchmark bond with a volume of €750m was issued in March. This issue was topped up by a further €250m in April.

A further €1.2bn was raised through private placements, some 70% of which related to structured bonds. The issues had an average term of more than five years. Funding spreads remain at a very low level.

Group capital market funding in the first half of 2015
Volume €3.6bn



Based on its internal liquidity model, which uses conservative assumptions, as at the end of the first half of the year the Bank had available excess liquidity of €102.5bn. Of this, €45.9bn is held in a separate liquidity reserve portfolio managed by Group Treasury to cover liquidity outflows should a stress event occur and to ensure solvency at all times. The Bank also holds €9.8bn in its intraday liquidity reserve portfolio.

The regulatory liquidity requirements of the German Liquidity Regulation were met at all times in the reporting period. As at the reporting date, Commerzbank Aktiengesellschaft's key liquidity ratio calculated using the German Liquidity Regulation's standard approach was 1.45, still significantly higher than the minimum regulatory requirement of 1.00. Commerzbank's liquidity situation therefore remains comfortable given its conservative and forward-looking funding strategy. The Bank is not currently drawing on central bank liquidity facilities.

Key figures for the Commerzbank Group

Largely as a result of the rise in income described above, the main operating return ratios of the Commerzbank Group for the first six months of 2015 were significantly higher overall than in the comparable prior-year period.

The operating return on equity rose from 4.3% in the same period last year to 7.5%. The return on equity based on consolidated profit was 4.7%, compared with 2.3% a year earlier. The operating return on tangible equity, which is increasingly of interest to investors, was 8.4%, up from 4.8% in the prior-year period. The cost/income ratio also improved, falling to 71.0% due to the increase in operating income, compared with 76.1% in the prior-year period.

Segment performance

The comments on the segments' results for the first six months of 2015 are based on the segment structure that was applicable at year-end 2014. Further information on segment reporting can be found on page 59 ff of the interim financial statements.

The Core Bank achieved an operating profit of €1,412m in the reporting period. This represents an increase of 50.2% compared with the prior-year period. Income increased year-on-year in the customer-oriented core segments Private Customers, Mittelstandsbank and Corporates & Markets, significantly so in some cases, reflecting the successful business with our private and corporate customers. Income in the Central & Eastern Europe segment remained stable at the prior-year level. Others and Consolidation also recorded a marked improvement in earnings performance compared with the first half of the previous year due to the good performance of Group Treasury.

In the Non-Core Assets segment, operating losses decreased again compared with the same period in 2014 due to higher income. This is attributable in part to charges in the first half of 2014, while substantial additional income was also generated this year from measures to restructure funding.

Private Customers

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %/%-points
Income before provisions	1,829	1,719	6.4
Loan loss provisions	–34	–52	–34.6
Operating expenses	1,463	1,440	1.6
Operating profit/loss	**332**	**227**	**46.3**
Average capital employed	4,049	4,299	–5.8
Operating return on equity (%)	16.4	10.6	5.8
Cost/income ratio in operating business (%)	80.0	83.8	–3.8

The Private Customers segment has worked intensively over the past few years to turn around its fortunes in terms of both results and market perception. The renewed increase in profitability in the first half of 2015 shows that this has been achieved. The segment is gaining market share, and the growth is both sustainable and profitable. A total of 134,000 net new customers were gained in the first six months of the current financial year. One of the key growth drivers is the lending business, which was completely overhauled following the reorientation of the business model. For example, the volume of new retail mortgage financing reached a record level of more than €3.5bn within a single quarter in the second three months of the current financial year. Operating profit rose by €105m in the period under review to €332m.

Income before loan loss provisions increased by 6.4% in the first six months of the reporting period to €1,829m. Net interest income was still affected by the ongoing low interest rate environment, however. The pleasing performance of lending business did not fully offset the increased pressure on margins on the liabilities side. Net interest income declined by €27m to €902m, while net commission income rose significantly by €117m to €885m. Income from both transaction-dependent and volume-based securities business rose significantly in the period under review, with the reorientation of the securities business showing its effect. This applies in particular to premium custody accounts and asset management products.

Loan loss provisions for private customer business were €–34m, down €18m on the prior-year period.

Operating expenses rose slightly by 1.6% to €1,463m. This year's figure includes expenses of €15m for the European bank levy for the first time. Taking this effect into account, operating expenses remained almost at the prior-year level.

The Private Customers segment therefore reported a pre-tax profit of €332m in the first six months of this year, compared with €227m in the same period of 2014.

The operating return on equity based on average capital employed of €4.0bn was 16.4% (previous year: 10.6%). The operating return on tangible equity was 23.9%, up from 15.1% in the prior-year period. At 80.0%, the cost/income ratio was lower than in the first half of 2014 (83.8%).

Mittelstandsbank

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %/%-points
Income before provisions	1,465	1,461	0.3
Loan loss provisions	–92	–200	–54.0
Operating expenses	737	653	12.9
Operating profit/loss	**636**	**608**	**4.6**
Average capital employed	8,142	7,440	9.4
Operating return on equity (%)	15.6	16.3	–0.7
Cost/income ratio in operating business (%)	50.3	44.7	5.6

Against the backdrop of persistently difficult market conditions, the Mittelstandsbank segment posted an operating profit of €636m in the first half of 2015, compared with €608m in the prior-year period. Mittelstandsbank's earnings performance was boosted by a reduction in loan loss provisions compared with the previous year and stable income. The growth in lending volume continued in the first six months of 2015.

In the period under review, income before loan loss provisions came to €1,465m, in line with the corresponding prior-year figure. Net interest income was only slightly below the level for the first six months of the previous year at €864m despite the negative impact of the ongoing low interest rate environment. While lending volumes increased in the first six months, with the interest contribution rising as a result, the deposit business continued to have a negative impact on net interest income. Net commission income rose by 2.8% year-on-year to €553m. This pleasing increase was primarily attributable to growth in currency hedging business with our customers. Net trading income was €69m, compared with €18m in the prior-year period. The rise was mainly due to positive remeasurement effects on counterparty risks in derivatives business with our customers.

Loan loss provisions for the first half of 2015 were €–92m, compared with €–200m in the same period of 2014. The fall was mainly due to lower additions to loss loan provisions for individual commitments.

At €737m, operating expenses were up €84m on the previous year's figure of €653m. The 12.9% increase was mainly due to the first-time reporting of the European bank levy in the amount of €44m and a rise in indirect costs.

All in all, the Mittelstandsbank segment generated pre-tax earnings of €636m in the reporting period, which represents an increase of 4.6% on the same period of the previous year.

The operating return on equity based on average capital employed of €8.1bn was 15.6% (previous year: 16.3%). The operating return on tangible equity was 17.4%, after 18.4% in the prior-year period. The cost/income ratio was 50.3%, compared with 44.7% in the first six months of 2014.

Central & Eastern Europe

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %/%-points
Income before provisions	462	457	1.1
Loan loss provisions	–47	–59	–20.3
Operating expenses	235	216	8.8
Operating profit/loss	**180**	**182**	**–1.1**
Average capital employed	1,889	1,701	11.1
Operating return on equity (%)	19.1	21.4	–2.3
Cost/income ratio in operating business (%)	50.9	47.3	3.6

The Central & Eastern Europe (CEE) segment comprises all of the Group's activities in universal banking and direct banking in Central and Eastern Europe. The segment is represented by mBank, which provides retail, corporate and investment banking services for customers in Poland, and retail banking services for customers in the Czech Republic and Slovakia. At the end of 2014 mBank had a market share of around 8%, making it the fourth-largest bank in Poland.

The Polish economy, which had outperformed the eurozone in 2014, consolidated in the first half of 2015. However, the interest rate environment came under additional pressure following a further rate cut in March 2015. In the first six months of 2015 the segment generated an operating profit of €180m, compared with €182m in the prior-year period.

Income before loan loss provisions was €462m, slightly above the figure for the same period of the previous year.

Net interest income fell by 5.0% year-on-year to €268m. The reduction of the National Bank of Poland's reference interest rate by a total of 100 basis points in October 2014 and March 2015 was not fully offset by growth in lending and deposit volumes and in business with private and corporate customers. Net commission income fell by €13m year-on-year to €103m due to the regulatory requirement to reduce fees in the card business in Poland. Overall, the still pleasing rise in the number of new customers is supporting the steady performance of the CEE segment. The number of mBank customers rose by around 200,000 in the first half of 2015 to more than 4.9 million.

Overall, the decline in operating income was almost offset by the proceeds from the sale of the insurance business to AXA Group generated in the first quarter.

Loan loss provisions were down by €–12m year-on-year in the first six months of 2015 at €–47m.

Operating expenses were €19m higher than the prior-year figure at €235m. The increase was primarily attributable to higher regulatory expenses and a slight rise in staff costs.

Central & Eastern Europe reported a pre-tax profit of €180m in the first half of 2015, compared with €182m in the prior-year period.

The operating return on equity based on average capital employed of €1.9bn was 19.1% (previous year: 21.4%). The operating return on tangible equity was 23.2%, compared with 26.5% in the prior-year period. The cost/income ratio was 50.9%, compared with 47.3% in the prior-year period.

Corporates & Markets

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %/%-points
Income before provisions	1,198	1,045	14.6
Loan loss provisions	36	14	.
Operating expenses	748	659	13.5
Operating profit/loss	**486**	**400**	**21.5**
Average capital employed	4,721	4,611	2.4
Operating return on equity (%)	20.6	17.3	3.2
Cost/income ratio in operating business (%)	62.4	63.1	–0.6

The first six months of 2015 were characterised by increasing interest rate and currency volatility, which coupled in particular with the threat of a Greek default led to increased uncertainty on the markets and as such ensured stable demand among our customers for hedging products and investment solutions.

Corporates & Markets generated an operating profit of €486m in the period under review, compared with €400m in a prior-year period that had included positive measurement effects from restructured loans. The profit figure includes positive measurement effects from both counterparty risks (€42m) and the measurement of own liabilities (€46m), compared with €36m last year from counterparty risks and €–32m from the measurement of own liabilities. In Corporate Finance, as in the previous year the primary market bonds and syndicated loans business made a significant contribution to income, while lower interest rates led to a decline in deposit business. The Equity Markets & Commodities division continued to benefit from high demand for structured investment solutions in equities and the need for commodity hedging, enabling it to significantly increase income in these areas. Income in the Fixed Income & Currencies division – excluding measurement effects from own liabilities and counterparty risks in derivatives business – benefited above all from customer activity in currency hedging and customer-driven trading in bonds and credit derivatives. Credit Portfolio Management, which is responsible for managing and optimising the credit portfolios and counterparty risk, generated stable income, but this was due in part to write-ups on existing portfolios.

Income before loan loss provisions in the first six months of the year was €1,198m, up €153m on the prior-year period. Adjusted for measurement effects the figure increased by €69m. Net interest and trading income increased by €110m to €977m, while net commission income increased by €26m to €203m.

Loan loss provisions saw a net release of €36m in the first half of 2015, after €14m in the previous year. This increase was principally the result of a one-off effect in relation to settled legal disputes.

Operating expenses increased by €89m year-on-year to €748m. The increase was chiefly due to the first-time reporting of the European bank levy in the amount of €67m.

Pre-tax profit rose by €36m to €436m. This includes restructuring expenses of €50m from the first three months of 2015 in connection with the bundling of product and market expertise.

The operating return on equity based on average capital employed of €4.7bn rose to 20.6% (prior-year period: 17.3%). The operating return on tangible equity was 21.3%, up from 17.9% in the prior-year period. The cost/income ratio was 62.4%, compared with 63.1% in the previous year. Adjusted for the effects of measurement of own liabilities and counterparty risk in derivatives business, the operating return on equity would be 16.9% (previous year: 17.2%). The adjusted cost/income ratio would be 67.4%, compared with 63.3% a year earlier.

Non-Core Assets

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %/%-points
Income before provisions	78	1	.
Loan loss provisions	–239	–198	20.7
Operating expenses	181	162	11.7
Operating profit/loss	**–342**	**–359**	**–4.7**
Average capital employed	7,471	8,599	–13.1
Operating return on equity (%)	–9.2	–8.3	–0.8
Cost/income ratio in operating business (%)	232.1	.	.

In the first six months of 2015 the non-strategic Non-Core Assets (NCA) segment posted an operating result of €–342m. The operating loss was €17m smaller than in the same period of the previous year. The ongoing reduction of on-balance-sheet assets and associated permanent improvement in the risk profile once again encompassed all sub-segments. Despite difficult conditions the exposure at default (including problem loans) was reduced by around €9bn overall in the period under review to €75bn. While demand for commercial real estate investments remained strong in the low interest rate environment, the markets for European government bonds were highly volatile. The narrowing of risk premiums to extremely low levels as a result of the ECB's government bond purchases was followed by a strong counter movement, involving a sharp rise in yields and affecting all sovereign bonds, in connection with the difficult negotiations over a new EU bailout package for Greece. There are still no signs of a lasting change for the better on the international shipping markets due to falling transport demand in many market segments and new capacity entering the market.

Income before loan loss provisions of €78m was generated in the period under review, compared with €1m in the prior-year period. The sharp rise in net interest income to €166m, after €–56m in the prior-year period, was due in part to the charges on portfolio sales booked as interest expense in the first half of 2014. Substantial additional income was also generated in the first 6 months of this year from measures to restructure funding. As expected, with no new business being written net commission income of €11m is no longer making any significant contribution to income. Net trading income, which is volatile and largely reflects fair value changes from the measurement of derivatives, improved significantly to €147m after €100m in the prior-year period. The negative net investment income figure of €–212m chiefly comprises write-downs on HETA Asset Resolution AG. The €–68m reported in the previous year was due largely to effects from the intra-Group sales of public finance portfolios to Treasury. Other net income of €–32m includes charges of €41m relating to the sale of the ship restructuring platform.

Loan loss provisions amounted to €–239m, higher than the prior-year figure of €–198m. A lower charge for ship financing was offset by higher provisions for commercial real estate financing especially in connection with the sale of two real estate portfolios.

Operating expenses were €19m higher than the prior-year figure at €181m, due to the first-time inclusion of the European bank levy in the amount of €27m. The restructuring provision of €16m reflects measures to further reduce operational complexity.

In the first six months of 2015, NCA reported an overall pre-tax loss of €–358m, compared with €–359m in the prior-year period.

Average capital employed amounted to €7.5bn, compared with €8.6bn in the prior-year period.

Others and Consolidation

The Others and Consolidation segment contains the income and expenses which are not attributable to the business segments. Reporting for this segment under "Others" comprises equity participations that are not assigned to business segments, overarching Group matters such as costs for Group-wide projects, effects resulting from the purchase price allocation in connection with the Dresdner Bank takeover, specific individual matters that cannot be allocated to the segments, and Group Treasury. The costs of the service units, which are mainly charged to the segments, are also shown here. Consolidation includes income and expense items that represent the reconciliation of internal management reporting figures shown in segment reporting with the Group financial statements in accordance with IFRS. The costs of the Group management units are also mainly charged to the segments and shown here.

An operating result of €–222m was recorded for the first half of 2015, compared with €–477m in the prior-year period. This increase of €255m was primarily attributable to the performance of Group Treasury, which improved significantly on the very good result achieved in the previous year, and also to overarching Group matters and one-off effects. These include a large rise in net new provisions in respect of litigation risks in the previous year. Others and Consolidation recorded a pre-tax loss of €–222m for the first half of 2015, compared with a loss of €–477m in the first half of 2014.

Report on events after the reporting period

Commerzbank sells two commercial real estate financing portfolios

Commerzbank concluded agreements with investors at the beginning of July for the sale of two commercial real estate portfolios (CRE). A European portfolio with a nominal volume of €2.2bn is going to a consortium of J. P. Morgan and Lone Star, while a German portfolio with a nominal volume of around €0.7bn is going to the investor Oaktree. The portfolios being sold account for around 17% of the total commercial real estate loans of €17.5bn outstanding in the Non-Core Assets (NCA) segment as at the end of March 2015. The parties have agreed to maintain confidentiality about all other details of the contracts.

The German commercial real estate finance portfolio sold consists mainly of non-performing loans. The sale reduces the domestic CRE black book by around 40%. The European portfolio covers Austria, Belgium, Cyprus, the Czech Republic, Denmark, Finland, Hungary, Luxembourg, the Netherlands, Romania, Slovakia, Sweden, Switzerland and Turkey. It includes both problem loans and non-performing loans. The sales have greatly reduced the complexity of the NCA CRE portfolio.

Both portfolios were burdened by charges amounting to €57m in the second quarter of 2015. We anticipate further charges of around €24m in the third quarter. The two most recent transactions will bring about a substantial improvement in the risk profile of the CRE loan portfolio.

Commerzbank sells ship restructuring platform

In mid-July Commerzbank took advantage of the favourable market environment and signed an agreement to sell our ship restructuring platform HSAM GmbH (Hanseatic Ship Asset Management GmbH) founded at the end of May 2013 to a joint venture established between the KKR Special Situations Group of Kohlberg Kravis Roberts & Co. L.P. (USA) and Borealis Maritime Ltd. (UK). The sale will generate proceeds of around €233m. The parties have agreed to maintain confidentiality about all other details of the contract. The sale is subject to regulatory approval.

HSAM GmbH was a 100% subsidiary of Commerzbank Inlandsbanken Holding GmbH. It was founded to acquire potentially profitable individual ships from existing, impaired credit relationships and operate them on the platform. At last count there were 18 ships in the HSAM GmbH portfolio, 13 container ships and 5 bulk carriers.

The sale of HSAM GmbH improves the risk profile of the NCA segment and realises the substantial value that was only made possible by operating the ships on the specifically created HSAM platform. The sale had a negative impact of €41m on the NCA segment's result in the second quarter of 2015.

There have been no other events of particular significance since the end of the reporting period.

Outlook and opportunities report

Future economic situation

Global economic growth is unlikely to be much faster this year than it was in 2014. The biggest risks come from the emerging markets, where the policy of cheap money has led to excesses relating to the real estate markets and private debt that now need to be corrected. Investors are also likely to shift capital from the emerging markets if the US Federal Reserve starts to raise interest rates. The Chinese economy is expected to grow by just 6.5% in 2015, which would be the weakest growth rate since 1990.

By contrast, the USA – driven by an expansionary monetary policy – is set to remain the engine of the global economy. The excesses relating to the real estate market and private debt have been corrected. Even though sluggish global demand and the strong dollar will put a brake on exports for rather longer, the US economy is likely to grow somewhat faster than production potential over the coming quarters. This will mean a further fall in unemployment, while wage growth will gradually accelerate. As a result, the US Federal Reserve is likely to start raising interest rates before the end of the year.

The eurozone economy is unlikely to see any further increase in the rate of expansion, with the low crude oil price and euro depreciation of the euro providing only temporary fuel for growth. The ongoing excesses in certain countries relating to real estate markets and debt will also continue to slow growth. Real GDP growth is projected to be 1.2% in 2015, which is merely average.

The German economy should remain on its current growth path in the second half of the year. We are anticipating growth of 1.8% year-on-year for the whole of 2015.

Despite the moderate economic recovery and with inflation back above zero, the ECB will probably carry out its bond purchase programme in full.

The different monetary policy paths taken by the USA and the eurozone suggest that the euro is set to depreciate further against the dollar. Yields on ten-year Bunds should rise slightly in the second half of the year following the imminent agreement with Greece on a further bailout package and an increase in the Fed funds rate. The change in direction by the Fed will also hurt equities. Overall, though, German and European stocks should benefit from the fact that the ECB's zero interest rate policy is continuing to drive investors into riskier assets.

Future situation in the banking sector

Our views regarding the expected development of the banking sector over the medium term have not changed significantly since the statements published in the Annual Report for 2014.

The capital markets were nowhere near as robust in the second quarter of 2015 as they had been in the winter of 2014/15. Key major asset classes and financial markets such as European equities and bonds suffered losses against the backdrop of the impasse in Greece and discussions over a first interest rate hike since the financial crisis in the USA. There was a marked increase in volatility, particularly on the bond markets, due in part to the ECB's advice that the markets would need to get used to more significant fluctuations.

The German economy recovered much faster than many people expected in the winter of 2014/15 and has now returned to a growth path supported by domestic and foreign demand. The economic recovery has also picked up speed in the eurozone, with the structural changes implemented in recent years having an effect in certain countries. It is still too soon to sound the all-clear, however, since the eurozone economy is still receiving a push-start from special factors such as lower oil prices, a drop in the external value of the euro and in particular an expansionary monetary policy; the danger of setbacks in the economic recovery has not been totally banished. The euro crisis – with its complex interplay between government debt and financial and structural factors – is not so easily overcome. The crisis in Greece shows that uncertainty and volatility could increase again at any time even if the stability of the system itself is not in doubt. The debt reduction required on the part of governments, companies and private households continues to weigh on the profitability of European banks. Growth in emerging markets has also weakened for the fourth year in succession, leading to a noticeable slowdown in global trade.

The eurozone banking sector is still in the middle of a long-term structural transformation triggered by the crisis of the last few years. The new, stricter regulatory framework based on rules rather than principles (uniform methodology and stronger quantitative components for supervisory assessment) and tighter regulatory requirements overall leave banks little time to adapt their business models. It is forcing them to re-evaluate their business areas on a regular basis, and the overall burden may lead to certain business activities being cut back. The increasing number of criminal proceedings in the banking sector and the high costs of their settlement, will presumably in the course of time be reflected in a rise in operating risk assets.

The capital base is now stronger, but in future there will be reductions in implicit government guarantees, stricter rules on resolutions and greater creditor involvement. The recent downgrading of bank ratings for long-term unsecured liabilities by rating agencies in response to the EU Bank Recovery and Resolution Directive and the debt moratorium imposed on HETA Asset Resolution AG by Austria's Financial Market Authority have increased the potential for jitters in the banking environment especially as this happening has put into question the quality of state guarantees. A further reduction in debt levels and an improvement in asset quality are still essential if the banking sector is to meet the tougher requirements of banking supervisors and fulfil investor expectations.

The pressure on the banking sector has strengthened as a result of regulation, structural transformation and competition, and this will be even more difficult to deal with because major profit drivers in the past, such as high lending growth and a sharp decline in credit default rates, will be less evident. Corporate investment activity should gradually boost the demand for loans in Germany this year after a pause in the capex upturn in 2014, but increased use of internal and alternative external funding sources is impeding a strong revival in lending to corporate customers. In the private customer business, net commission income could grow despite the still prevailing preference for highly liquid investments that pay little commission and an unwillingness to buy securities directly, particularly as activity is picking up due to market volatility. Impulses for the sector are also coming from employment, which is at an all-time high, and the still good prospects for real estate lending.

Low interest rates, high price sensitivity on the part of customers and greater competition from online banks and technology-driven players with banking licences, are a fundamental hindrance to the expansion of earnings potential. All in all, eurozone banks will have rather limited scope to boost earnings in 2015 despite the improved macroeconomic conditions.

The outlook for banking in our second core market, Poland, remains better than in the eurozone despite greater political uncertainty in the run-up to the parliamentary elections in the autumn. The expected economic growth should boost credit volumes, and the improving position of private households and the corporate sector will be reflected in banks' risk costs. Significant charges cannot be ruled out in connection with the ongoing debate over the conversion of mortgages denominated in foreign currencies into Polish zloty. The main growth drivers are set to be corporate loans, but an increase in income is also expected in the Private Customers segment thanks to higher disposable income and low interest rates.

Financial outlook for the Commerzbank Group

Planned financing measures

Commerzbank anticipates that its capital market funding requirement will remain low over the coming years. The Bank is able to issue mortgage Pfandbriefe, public-sector Pfandbriefe and structured covered bonds secured by SME loans. The secured funding instruments in particular give us stable access to long-term funding with cost advantages compared to unsecured sources of funding. Such issues are a key element of Commerzbank's funding mix. Commerzbank intends to launch unsecured capital market issues in the future as well: mainly private placements to meet demand from customers, and where necessary to further diversify the Bank's funding base. Hypothekenbank Frankfurt AG has no funding requirement due to the reduction strategy. By regularly reviewing and adjusting the assumptions used for liquidity management and the long-term funding requirement, Commerzbank will continue to respond actively to changes in the market environment and business performance in order to secure a comfortable liquidity cushion and an appropriate funding structure.

Planned investments

The Bank's investment plans have not changed significantly in the first six months of 2015 from the plans set out on pages 100 to 102 of the Annual Report 2014.

Anticipated liquidity trends

In the second quarter of 2015, the eurozone money and capital markets were again characterised by the monetary policy measures implemented by the ECB to support the economic recovery in the eurozone.

Following market concerns at the start of the year regarding the trend for excess liquidity going forward as a result of the ongoing repayment of the existing three-year tenders (LTROs), the ECB's announcement that it was to expand its asset purchase programme from March onwards and the surprisingly strong demand for the TLTROs in March ensured that these fears remained groundless. There were no bottlenecks in excess liquidity. The ECB is making an additional €60bn of liquidity available each month through the securities purchase programme, while just under €74bn of additional liquidity was also made available to the market via the new targeted LTRO running from 24 June 2015 to 26 September 2018. The excess liquidity in the system will therefore increase on an ongoing basis.

Very short-term interest rates are still moving towards the rate of return for the deposit facility. EONIA is thus likely to remain negative and move towards –15 basis points. Against this background, shorter-term EURIBOR fixings up to three months have also fallen into negative territory as expected. The yield curve steepened overall, with short-term yields falling even further while long-term yields such as the ten-year swap rate rose significantly. We believe the entire EURIBOR curve will remain under pressure for the rest of the year, leading to a further reduction in yields. We expect three-month EURIBOR to move towards –5 basis points. As for credit spreads, the ECB's announcement at the start of 2015 regarding the expansion of the asset purchase programme and its subsequent implementation led to further tightening in Ireland, Italy, Portugal and Spain. The large volume of government bonds issued by these countries was thus funded without any problems. We saw these credit spreads trend sideways following the implementation of the expanded ECB measures in March. Credit spreads then widened in the second quarter despite the ECB's securities purchase programme, due chiefly to the difficult negotiations over a further bailout package for Greece. There is still considerable uncertainty regarding the movement of credit spreads over the rest of the year, even after the emergence of support for Greece. However, we expect them to narrow again and return to the level of May 2015.

The implementation of regulatory measures such as the liquidity coverage ratio (LCR) and the leverage ratio will continue to affect the markets. For example, funding costs for collateral that generates an LCR outflow have generally become more expensive relative to LCR-eligible securities, and a new bilateral repo market has also developed in recent months for more intensive trading in these collateral up/downgrades. We are anticipating a further decline in volumes for the overall bilateral repo market, however.

Commerzbank's liquidity management is well prepared to cope with changing market conditions and is set to respond promptly to new market circumstances. The Bank has a comfortable liquidity position which is well above internal limits as well as the currently applicable requirements prescribed by the German Liquidity Regulation and MaRisk.

The Bank holds a liquidity reserve to provide a cushion against unexpected outflows of cash, made up of highly liquid assets that can be discounted at central banks. Our business planning is done such that a liquidity cushion can be maintained commensurate with the prevailing market conditions and related uncertainties. This is supported by the Bank's stable franchise in private and corporate customer business and its continued access to secured and unsecured loans in the money and capital markets.

Anticipated performance of the Commerzbank Group

We fundamentally stand by what we said at the end of 2014 about the anticipated performance of the Commerzbank Group in 2015.

Although we are anticipating the usual seasonal downturn in profitability in the second half of the year, overall we want to boost business volume in the Core Bank segments via sustained growth initiatives and thus further expand our market position. We are aiming to improve overall operating income for the financial year both at Core Bank level and for the Group as a whole. Growth is likely to be suffer disproportionately at Group level, however, due to the foreseeable drop in the contribution to income from the NCA segment. We continue to view the extreme interest rate environment and the still anaemic economic situation in Europe as burdens and uncertainties that may adversely affect the desired business growth and the expected improvement in consolidated profit.

Net interest income in 2015 will largely depend on the extent to which we are able to offset the impact of an even more challenging interest rate environment with rising lending volumes and active countermeasures. In the Core Bank, Commerzbank's main focus is to further strengthen its competitive position in private and corporate customer business. We want to further increase our volume of both new and existing business by gaining more market share, particularly in retail mortgages and Mittelstand loans. However, companies' unwillingness to invest, which is reflected in low demand for credit, is lessening only very gradually. We are trying to cut funding costs again by adjusting terms, although there is now very little scope to do so. There is unlikely to be any significant change in net interest income in the Non-Core Assets segment. The elimination of a negative special effect in the previous year in connection with a portfolio transaction and the raising of margins when loans are rolled over should be largely offset by the drop in income caused by the excellent progress made in reducing the portfolio of interest-bearing assets. We assume at most a slight rise in net interest income at Group level for the year as a whole.

We are expecting a slight increase in net commission income in 2015. This applies in particular to private customer business, which has seen a significant revival in customer activity in securities business supported by our more customer-focused advisory approach. We are targeting higher commission income from Mittelstand customers, including in foreign business and cash management, on the back of our strong international market position. It is difficult to forecast net trading income because of the unpredictability of developments on the global financial markets. In an environment of at times much higher capital market volatility, however, Commerzbank's risk-oriented approach of deliberately not engaging in proprietary trading activities should pay off.

In terms of loan loss provisions we believe a volume of less than €1.0bn for the overall Group is possible for 2015 as a whole, providing the global economic situation does not deteriorate significantly over the remainder of the year. We anticipate that loan loss provisions will remain largely stable in the Core Bank. In the NCA segment, the improvement in portfolio quality and much smaller holdings of commercial real estate and ship financing should permit a further significant reduction in loan loss provision charge compared with 2014. As was the case last year, most of the risk cost relates to ship financing, where we do not expect to see any sustainable recovery in the difficult environment before the end of the year.

We are striving to limit cost pressure due to regulatory requirements, the European bank levy and exchange rate effects due to the weaker Euro through strict cost management. Operating expenses should therefore without the charges due to the European bank levy only slightly exceed €7.0bn overall.

After strengthening our Basel 3 Core Tier 1 capital ratio ("fully phased-in", respectively, the fully implemented regulations according to our interpretation) through the capital measure carried out in the second quarter of 2015, our aim is to reach a ratio of well over 10% by the end of 2015 by retaining earnings. This ratio may fluctuate temporarily, for example as a result of changes in regulation.

We are maintaining our existing forecast of a significant improvement in consolidated profit, both before and after tax, for 2015 as a whole. The Commerzbank Group's operating return on equity will also improve considerably as a result. However, we do not expect the operating profit in the second half of the year to match the performance of the first six months due to seasonal factors. Excluding the effect of high additional charges from bank levies, the cost/income ratio will fall slightly.

For the financial year 2015 we confirm to plan for the distribution of a dividend.

Interim Risk Report

Due to rounding, numbers and percentages presented throughout this report may not add up precisely to the totals provided.

Risk-oriented overall bank management

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

Risk management organisation

Commerzbank regards risk management as a task for the whole bank. The Chief Risk Officer (CRO) is responsible for developing and implementing the Group's risk policy guidelines for quantifiable risks laid down by the Board of Managing Directors as well as for their measurement. The CRO regularly reports to the Board of Managing Directors and the Risk Committee of the Supervisory Board on the overall risk situation within the Group.

The risk management organisation comprises Credit Risk Management Core Bank, Credit Risk Management Non-Core Assets (NCA), Intensive Care, Market Risk Management as well as Risk Controlling and Capital Management. In the Core Bank segments, credit risk management is separated into a performing loan area and Intensive Care, while in the NCA segment it has been merged into a single unit across all rating classes. All divisions have a direct reporting line to the CRO. The heads of these five risk management divisions together with the CRO make up the Risk Management Board within Group Management.

The organisation of Commerzbank's risk management is presented in detail in the 2014 Annual Report.

Risk-bearing capacity and stress testing

Risk-bearing capacity analysis is a key part of overall bank management and Commerzbank's Internal Capital Adequacy Assessment Process (ICAAP). The purpose is to ensure that sufficient capital is held for the risk profile of the Commerzbank Group at all times.

Commerzbank monitors risk-bearing capacity using a gone concern approach which seeks primarily to protect unsubordinated lenders. This objective should be achieved even in the event of extraordinarily high losses from an unlikely extreme event. The gone concern analysis is supplemented by elements aimed at ensuring the institution's continuing existence (going concern perspective). In addition, risk-bearing capacity is assessed using macroeconomic stress scenarios. The Annual Report 2014 provides further details on the methodology used.

Risk-bearing capacity (RBC) is deemed to be assured as long as the RBC ratio is higher than 100%. In the first half of 2015, the RBC ratio was consistently above 100% and was 190% as at 30 June 2015 owing to the significant increase in economic risk coverage potential.

Risk-bearing capacity Group | €bn	30.6.2015	31.12.2014
Economic risk coverage potential[1]	**31**	**28**
Economically required capital[2]	**16**	**16**
thereof for default risk	11	12
thereof for market risk	4	3
thereof for operational risk	2	2
thereof diversification effects	–2	–2
RBC ratio[3]	**190%**	**172%**

[1] Including potential deductible amounts for business risk.
[2] Including property value change risk, risk of unlisted investments and reserve risk.
[3] RBC ratio = economic risk coverage potential/economically required capital.

Default risk

Default risk refers to the risk of losses due to defaults by counterparties. For Commerzbank, the concept of default risk embraces not only the risks associated with defaults on loans, but also counterparty and issuer risks as well as country and transfer risk.

Commerzbank Group

Credit risk parameters To manage and limit default risks in the Commerzbank Group, we use the following risk parameters among others: exposure at default (EaD)[1], loss at default (LaD), expected loss (EL), risk density (EL/EaD), credit value at risk (CVaR = economically required capital for credit risk with a confidence level of 99.91% and a holding period of one year), risk-weighted assets and "all-in" for bulk risk. The credit risk parameters in the rating levels 1.0 to 5.8 of Commerzbank Group are distributed as follows over the Core Bank and Non-Core Assets:

[1] Expected exposure amount taking into account a potential (partial) drawing of open lines and contingent liabilities that will adversely affect risk-bearing capacity at default. For Public Finance securities, the nominal is reported as EaD.

Credit risk parameters as at 30.6.2015	Exposure at default €bn	Expected loss €m	Risk density bp	CVaR €m
Core Bank	370	1,088	29	8,424
Non-Core Assets	70	580	83	3,034
Group	**439**	**1,668**	**38**	**11,458**

When broken down on the basis of PD ratings, 80% of the Group's portfolio is in the internal rating classes 1 and 2, which constitute the investment-grade area.

Rating breakdown as at 30.6.2015 EaD | %	1.0 –1.8	2.0 –2.8	3.0 –3.8	4.0 –4.8	5.0 –5.8
Core Bank	31	50	14	3	1
Non-Core Assets	26	43	18	7	6
Group	31	49	15	4	2

The regional breakdown of the exposure corresponds to the Bank's strategic direction and reflects the main areas of its global business activities. Around half of the Bank's exposure relates to Germany, another third to other countries in Europe and 7% to North America. The rest is broadly diversified and is split among a large number of countries where we serve German exporters in particular or where Commerzbank has a local presence. In view of the current developments in Ukraine, the exposures in Ukraine and Russia are a particular focus of risk management at present. During the first half of 2015, the exposure in Russia was reduced from €5.7bn to €4.1bn. The exposure in Ukraine remained stable at €0.1bn as at the end of June 2015.

The expected loss of the Group portfolio is mainly divided between Germany and Western Europe. A main driver of the expected loss in the region "Other" is ship finance.

Group portfolio by region as at 30.6.2015	Exposure at default €bn	Expected loss €m	Risk density bp
Germany	215	506	23
Western Europe	107	442	41
Central and Eastern Europe	40	224	56
North America	31	38	12
Asia	23	48	21
Other	23	409	180
Group	**439**	**1,668**	**38**

The table below shows the exposure to Greece, Italy, Portugal and Spain based on the member state where the head office or the asset is located.

	30.6.2015					31.12.2014
EaD[1] €bn	Sovereign[2]	Banks	CRE	Corporates/ Other	Total	Total
Greece	0.0	0.1	0.1	0.1	0.3	0.3
Italy	9.1	0.5	1.0	2.4	12.9	13.2
Portugal	1.3	0.1	1.2	0.3	2.9	2.9
Spain	5.0	2.8	0.1	2.1	10.0	11.0

[1] Excluding exposure from ship finance.
[2] Including sub-sovereigns.

Loan loss provisions The loan loss provisions relating to the Group's credit business amounted to €438m in the first half of 2015 and thus were more than €57m below the previous year's figure of €495m.

Write-downs on securities are not recognised in loan loss provisions but in net investment income. Note 5 of the interim financial statements gives further details on this.

	2015			2014					
Loan loss provisions | €m	Q1-Q2	Q2	Q1	Total	Q4	Q3	Q1-Q2	Q2	Q1
Core Bank	199	138	61	490	103	90	297	193	104
Non-Core Assets	239	142	97	654	205	251	198	64	134
Group	**438**	**280**	**158**	**1,144**	**308**	**341**	**495**	**257**	**238**

For 2015 as a whole, we expect loan loss provisions for the Group to be below €1bn. However, in the event unexpected deterioration in economic conditions or in the case of defaults of large individual customers, higher loan loss provisions may also become necessary.

Default portfolio As at the end of June 2015, the default portfolio had been reduced by €1.4bn. This reduction was largely due to successful restructuring measures in the NCA segment.

The following table shows the exposure in default in the category LaR as well as the exposure in default that has been decided to be sold off (IFRS 5).

	30.6.2015			31.12.2014		
Default portfolio category LaR | €m	**Group**	**Core Bank**	**NCA**	**Group**	**Core Bank**	**NCA**
Default volume	10,413	5,087	5,326	11,843	5,610	6,233
Loan loss provisions	4,478	2,690	1,788	5,145	2,950	2,196
GLLP	863	572	291	822	513	309
Collaterals	4,771	1,260	3,511	5,526	1,454	4,072
Coverage ratio excluding GLLP (%)[1]	89	78	99	90	79	101
Coverage ratio including GLLP (%)[1]	97	89	105	97	88	105
NPL ratio (%)[2]	2.3	1.4	7.1	2.7	1.6	7.4

[1] Coverage ratio: total risk provisions, collateral (and GLLP) as a proportion of the default volume.
[2] NPL ratio: default volume (non-performing loans – NPL) as a proportion of total exposure (EaD including NPL).

Core Bank

The Core Bank comprises the segments Private Customers, Mittelstandsbank, Central & Eastern Europe, Corporates & Markets and Others and Consolidation.

Credit risk parameters The Core Bank's exposure in the rating classes 1.0 to 5.8 rose to €370bn as at 30 June 2015 (31 December 2014: €355bn). The risk density rose to 29 basis points due to individual rating and exposure changes of large engagements.

Credit risk parameters as at 30.6.2015	Exposure at default €bn	Expected loss €m	Risk density bp	CVaR €m
Private Customers	93	176	19	989
Mittelstandsbank	136	445	33	3 901
Central & Eastern Europe	28	147	53	753
Corporates & Markets	64	270	42	1 887
Others and Consolidation[1]	49	51	10	894
Core Bank	**370**	**1 088**	**29**	**8 424**

[1] Mainly Treasury positions.

Some 80% of the Core Bank's portfolio consists of investment-grade securities, corresponding, on the basis of PD ratings, to our internal rating classes 1 and 2.

Rating breakdown as at 30.6.2015 EaD | %	1.0–1.8	2.0–2.8	3.0–3.8	4.0–4.8	5.0–5.8
Private Customers	36	47	13	3	1
Mittelstandsbank	13	60	20	5	2
Central & Eastern Europe	5	60	22	10	2
Corporates & Markets	48	41	8	1	2
Core Bank[1]	**31**	**50**	**14**	**3**	**1**

[1] Including Others and Consolidation.

Loan loss provisions Loan loss provisions in the Core Bank amounted to €199m in the first half of 2015. The charge was therefore reduced by €98m compared with the previous year.

	2015			2014					
Loan loss provisions | €m	**Q1-Q2**	**Q2**	**Q1**	**Total**	**Q4**	**Q3**	**Q1-Q2**	**Q2**	**Q1**
Private Customers	34	21	13	79	11	16	52	16	36
Mittelstandsbank	92	57	35	342	106	36	200	143	57
Central & Eastern Europe	47	24	23	123	27	37	59	38	21
Corporates & Markets	– 36	11	– 47	– 55	– 41	0	– 14	– 5	– 9
Others and Consolidation	62	25	37	1	0	1	0	1	– 1
Core Bank	**199**	**138**	**61**	**490**	**103**	**90**	**297**	**193**	**104**

Default portfolio The Core Bank's default portfolio was by €523m below the year-end 2014 level.

Default portfolio Core Bank | €m	30.6.2015	31.12.2014
Default volume	5,087	5,610
Loan loss provisions	2,690	2,950
GLLP	572	513
Collaterals	1,260	1,454
Coverage ratio excluding GLLP (%)	78	79
Coverage ratio including GLLP (%)	89	88
NPL ratio (%)	1.4	1.6

Private Customers

The Private Customers segment comprises the activities of Private Customers, Direct Banking and Commerz Real. Private Customers also includes Commerzbank's branch business in Germany for private and business customers as well as Wealth Management.

The risks in private customer business depend mainly on the economic environment, trends in unemployment levels and real estate prices. We manage risks by the use of defined lending standards, active monitoring of new business, close observation of the real estate market and IT-based overdraft management, as well as by other means. We also identify any irregularities in loans by using selected triggers. These loans are dealt with in our area of early risk identification.

We meet the financing needs of our customers with a broad and modern product range. The focus of the portfolio is on traditional owner-occupied home financing and the financing of real estate capital investments (residential mortgage loans and investment properties with a total EaD of €59bn). We provide our business customers with credit in the form of individual loans with a volume of €13bn. In addition, we meet our customers' day-to-day demand for credit with consumer loans (consumer and instalment loans, credit cards to a total of €10bn).

There was continued growth in the Private Customer business, particularly in residential mortgage loans, in the first half. Risk density was reduced by 2 basis points compared with year-end 2014 to stand at 19 basis points.

Credit risk parameters as at 30.6.2015	Exposure at default €bn	Expected loss €m	Risk density bp
Residential mortgage loans	55	83	15
Investment properties	5	5	11
Individual loans	13	33	24
Consumer and instalment loans/credit cards	10	26	26
Domestic subsidiaries	4	9	25
Foreign subsidiaries and other	7	21	31
Private Customers	**93**	**176**	**19**

Loan loss provisions for Private Customer business fell by €18m to €34m compared with the prior-year period and were therefore at a very low level.

The default portfolio in the segment was slightly reduced compared with 31 December 2014.

Default portfolio Private Customers | €m	30.6.2015	31.12.2014
Default volume	703	754
Loan loss provisions	228	258
GLLP	107	113
Collaterals	331	361
Coverage ratio excluding GLLP (%)	80	82
Coverage ratio including GLLP (%)	95	97
NPL ratio (%)	0.8	0.8

Mittelstandsbank

This segment comprises all the Group's activities with mainly mid-size corporate customers, the public sector and institutional customers, where they are not assigned to other segments. The segment is also responsible for the Group's relationships with banks and financial institutions in Germany and abroad, as well as with central banks. We are seeking further growth in German corporate customers and international corporate customers connected to Germany through their core business, and are investing in certain new markets. The risk appetite is oriented towards the assessment of the relevant sector, but also towards a company's economic and competitive conditions. For each and every exposure, we analyse the future viability of the company's business model, its strategic direction and its creditworthiness.

Credit risk parameters as at 30.6.2015	Exposure at default €bn	Expected loss €m	Risk density bp
Corporates Domestic	89	306	34
Corporates International	22	39	18
Financial Institutions	24	100	41
Mittelstandsbank	**136**	**445**	**33**

The credit volume remained nearly unchanges in the first half of 2015. EaD in the Mittelstandsbank segment stood at €136bn compared with previous quarter (€140bn). The economic environment in Germany is still solid. Expected loss in the Corporates Domestic sub-portfolio increased to €306m and, thus, risk density in this area increased to 34 basis points as at 30 June 2015 due to a few individual cases. In Corporates International, EaD as at 30 June 2015 was €22bn, while risk density was 18 basis points. For details of developments in the Financial Institutions portfolio please see page 32.

Loan loss provisions in Mittelstandsbank were €92m and significantly decreased by €108m compared to the previous year's figure. The reduction was largely attributable to smaller loan loss provisions for new defaults.

The Mittelstandsbank's default portfolio has been reduced since 31 December 2014.

Default portfolio Mittelstandsbank | €m	30.6.2015	31.12.2014
Default volume	2,265	2,583
Loan loss provisions	1,223	1,429
GLLP	307	276
Collaterals	381	441
Coverage ratio excluding GLLP (%)	71	72
Coverage ratio including GLLP (%)	84	83
NPL ratio (%)	1.6	1.9

Central & Eastern Europe

The Central & Eastern Europe segment contains the Group's universal banking and direct banking activities in Central and Eastern Europe. The segment is represented by mBank. It provides retail, corporate and investment banking services for customers in Poland, and retail banking services for customers in the Czech Republic and Slovakia. The Central & Eastern Europe segment's strategic focus is on organic growth in Polish small and medium-sized businesses and private customer business in mBank's core markets.

Credit risk parameters as at 30.6.2015	Exposure at default €bn	Expected loss €m	Risk density bp
Central & Eastern Europe	**28**	**147**	**53**

The EaD of the Central & Eastern Europe segment as at 30 June 2015 was slightly higher compared with end-2014, at €28bn. Risk density in this area was 53 basis points. The Swiss franc exposure was approximately €5bn. These are mainly mortgage-secured engagements with private customers.

The Central & Eastern Europe segment's loan loss provisions fell year-on-year by €12m to €47m.

As at the reporting date, the default portfolio was slightly above the year-end 2014 level.

Default portfolio Central & Eastern Europe | €m	30.6.2015	31.12.2014
Default volume	1,247	1,212
Loan loss provisions	660	604
GLLP	73	67
Collaterals	483	649
Coverage ratio excluding GLLP (%)	92	103
Coverage ratio including GLLP (%)	98	109
NPL ratio (%)	4.3	4.5

Corporates & Markets
This segment comprises the Group's business with multinationals, institutional customers and selected large corporate customers (Corporates) and its customer-driven capital market activities (Markets).

The regional focus of our activities is on Germany and Western Europe, which account for around 70% of the exposure. North America accounted for around 16% of the exposure as at the end of June 2015. Overall, EaD as at the end of June 2015 was €64bn, around €4bn above the figure as at end-December 2014. The increase of risk density was due to a few individual cases.

Credit risk parameters as at 30.6.2015	Exposure at default €bn	Expected loss €m	Risk density bp
Germany	19	92	48
Western Europe	26	133	51
Central and Eastern Europe	1	3	24
North America	10	12	12
Asia	3	5	17
Other	4	24	54
Corporates & Markets	**64**	**270**	**42**

Corporates & Markets provides its customers with long-term support in all financial matters, especially through its underwriting and issuances services (e.g. of equities, bonds and syndicated loans). Stringent guidelines and defined limits keep the underwriting risk for all product types under control. The positions that remain on the Bank's books through its activity as lead arranger or market maker are closely monitored from market and credit risk perspectives at both counterparty and portfolio level. The increasing momentum in the leveraged buyout market in particular is currently very challenging for credit risk management.

There is also a focus on close monitoring of counterparties (such as banks and broker dealers) in countries with higher risks, particularly in terms of backed trading activities. The aim is to continue supporting our customers in these countries and to focus on supporting highly flexible business. The strategy of Corporates & Markets with large corporate customers in these critical countries remains unchanged.

While new investments in the Structured Credit area stood at €1.2bn at the end of 2014, the volume increased during the first half of 2015 by a further €0.9bn to a total of €2.1bn. In general, we invest in bonds of senior tranches of securitisation transactions in the consumer (auto) ABS, UK RMBS and CLO asset classes, the structures of which show low losses and a moderate risk profile.

The overall structured credit portfolio stood at €7.8bn, slightly increased on the prior-year period (€7.7bn as at December 2014). Risk values[1] slightly decreased from €2.4bn as at December 2014 to €2.2bn. A large part of the portfolio is still made up of CDOs securitising corporate loans in the USA and Europe (CLOs) and of other structured credit positions made up of total return swap positions. RMBSs are instruments that securitise private, largely European real estate loans.

Loan loss provisions in the Corporates & Markets segment are strongly influenced by movements in individual exposures. The net reversal of loan loss provisions of €36m in the first half of 2015 was primarily due to the successful restructuring of an individual exposure. Reversal of loan loss provisions was therefore €22m above the comparable figure in the previous year.

The default portfolio in the Corporates & Markets segment was reduced by €197m in the first half of 2015.

Default portfolio Corporates & Markets | €m	30.6.2015	31.12.2014
Default volume	775	972
Loan loss provisions	480	625
GLLP	85	56
Collaterals	66	3
Coverage ratio excluding GLLP (%)	70	65
Coverage ratio including GLLP (%)	81	70
NPL ratio (%)	1.2	1.6

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

Non-Core Assets

Commercial Real Estate (CRE), Deutsche Schiffsbank (DSB) and Public Finance are bundled in the Non-Core Assets run-off segment. The intention is that all these portfolios should be completely wound down over time.

Exposure at default for the segment in the performing loan book totalled €70bn as at 30 June 2015, €8bn less than at the end of 2014.

Credit risk parameters as at 30.6.2015	Exposure at Default €bn	Expected loss €m	Risk density bp	CVaR €m
Commercial Real Estate	13	141	107	
Deutsche Schiffsbank	9	350	398	
Public Finance	48	89	19	
Non-Core Assets	**70**	**580**	**83**	**3,034**

Loan loss provisions in the Non-Core Assets segment stood at €239m, representing an increase of €41m compared with the previous year. It has to be taken into consideration that the previous year's figure contains a reversal from portfolio transactions in the amount of €112m.

	2015			2014					
Loan loss provisions I €m	**Q1-Q2**	**Q2**	**Q1**	**Total**	**Q4**	**Q3**	**Q1-Q2**	**Q2**	**Q1**
Commercial Real Estate	71	46	25	73	1	82	–10	–72	62
Deutsche Schiffsbank	169	96	73	588	205	173	210	137	74
Public Finance	–1	0	–1	–7	–2	–3	–2	0	–2
Non-Core Assets	**239**	**142**	**97**	**654**	**205**	**251**	**198**	**64**	**134**

The default volume decreased further in the first half of 2015 compared with year-end 2014. This decline was predominantly attributable to repayments actively enforced by the Bank.

Nevertheless, our aim is to continue the value-preserving reduction strategy, with a focus on reducing the higher-risk sub-portfolios.

Default portfolio NCA category LaR I €m	**30.6.2015**	**31.12.2014**
Default volume	5,326	6,233
Loan loss provisions	1,788	2,196
GLLP	291	309
Collaterals	3,511	4,072
Coverage ratio excluding GLLP (%)	99	101
Coverage ratio including GLLP (%)	105	105
NPL ratio (%)	7.1	7.4

CRE portfolio by region EaD I €bn	**30.6.2015**	**31.12.2014**
Germany	7	10
Western Europe	4	4
Central and Eastern Europe	2	2
North America	0	0
Asia	0	0
Other	0	0
Commercial Real Estate	**13**	**17**

Commercial Real Estate

Holdings were further reduced in the first half of 2015, primarily at Hypothekenbank Frankfurt AG. EaD decreased by €3bn to €13bn, a reduction predominantly attributable to (partial) repayments of loans.

In addition, Commerzbank reached agreements with investors on the sale of two commercial real estate portfolios at the beginning of July. The portfolios in question are one European and one German, the latter mainly consists of non-performing loans. The sale is not yet recognised in the portfolio data as at 30 June 2015 and will greatly reduce the complexity and risk content of the CRE portfolio in the third quarter.

Loan loss provisions in the Commercial Real Estate division stood at €71m in the first half of 2015.

The default portfolio for the Commercial Real Estate division was slightly reduced compared with the end of the previous year.

Default portfolio CRE I €m	30.6.2015	31.12.2014
Default volume	3,287	3,335
Loan loss provisions	807	900
GLLP	79	80
Collaterals	2,458	2,523
Coverage ratio excluding GLLP (%)	99	103
Coverage ratio including GLLP (%)	102	105
NPL ratio (%)	20.0	16.7

Deutsche Schiffsbank

Compared with 31 December 2014, exposure to ship finance in the performing loan book was reduced from €9.2bn to €8.8bn in line with our reduction strategy. In this connection opposite effects of the stronger US dollar against the euro could be overcompensated despite the major part of the portfolio is denominated in US dollar.

Our portfolio is mainly made up of the following three standard types of ship: container ships (€3bn), tankers (€2bn) and bulkers (€2bn). The rest of the portfolio consists of various special tonnages that are well diversified across the various ship segments.

In the first half of 2015, the tanker markets were stronger as a result of high crude oil production. The markets for container ships showed increased rates for panamax and smaller container ships, while markets for post panamax ships saw a slight decrease. This was mainly due to the increase in deliveries of very large container ships. The markets for bulkers were weak and suffered from overcapacity; this applied to both charter rates and ship values. We do not expect a lasting market recovery across all asset classes at short notice.

In line with our value-preserving reduction strategy we are continuing to steadily reduce risks in our existing portfolio.

Deutsche Schiffsbank's loan loss provisions fell year-on-year by €41m to €169m.

The default portfolio was further reduced compared with 31 December 2014 due to successful restructuring measures.

	30.6.2015				31.12.2014
Default portfolio DSB by ship type I €m	Total	Container	Tanker	Bulker	Total
Default volume	2,033	761	272	386	2,893
Loan loss provisions	981	354	70	186	1,296
GLLP	208	88	15	43	224
Collaterals	1,053	355	232	220	1,549
Coverage ratio excluding GLLP (%)	100	93	111	105	98
Coverage ratio including GLLP (%)	110	105	117	116	106
NPL ratio (%)	18.8	19.1	14.7	17.3	24.0

Public Finance

In its NCA segment, Commerzbank brings together a large part of its public finance business and secured and unsecured bond issues/loans from banks, held available particularly as substitute cover for Pfandbrief issues. The receivables and securities in the Public Finance portfolio are held in our subsidiaries Hypothekenbank Frankfurt and Erste Europäische Pfandbrief- und Kommunalkreditbank, among others. The management of the NCA Public Finance portfolio is divided between the central segment Corporates & Markets as well as Group Treasury.

The borrowers in the Public Finance portfolio in NCA (€41bn EaD) are sovereigns, federal states, regions, cities and local authorities as well as supranational institutions. The main exposure is in Germany and Western Europe.

The remaining Public Finance portfolio in NCA is accounted for by banks (€7bn EaD), with the focus likewise on Germany and Europe. Most of the bank portfolio comprises securities and loans which to a large extent are covered by guarantee/maintenance obligations or other public guarantees, or were issued in the form of covered bonds.

The Public Finance division also includes the private finance initiative (PFI) portfolio. This business comprises the long-term financing of public sector facilities and service companies with good credit ratings, such as hospitals and water utilities. In addition, the PFI portfolio is secured by monoliner guarantees, and in accordance with the NCA strategy is set to be wound down over time in a value-preserving manner.

As a result of sales and repayments, the Public Finance portfolio in NCA was further run down by a total of €5bn in the first half of 2015.

Reversal of loan loss provisions in Public Finance was unchanged year-on-year at €1m. Write-downs on securities are recognised not in loan loss provisions but in net investment income. Note 5 of the interim financial statements gives further details on this.

The Public Finance default portfolio was almost unchanged compared with year-end 2014.

Further portfolio analyses

The analyses below are independent of the existing segment allocation. The positions shown are already contained in full in the Group and segment presentations above.

Corporates portfolio by sector

A breakdown of the corporates exposure by sector is shown below:

	30.6.2015			31.12.2014		
Corporates portfolio by sector	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp
Energy/Environment	18	133	74	17	74	44
Consumption	14	46	33	12	37	31
Transport/Tourism	13	31	23	13	26	21
Wholesale	12	48	42	11	49	43
Basic materials/Metals	11	35	32	11	42	39
Technology/Electrical industry	10	26	24	9	26	28
Services/Media	10	106	108	9	35	39
Mechanical engineering	10	27	29	9	26	28
Automotive	9	21	23	8	29	36
Chemicals/Plastics	9	52	60	9	54	63
Construction	5	59	120	5	47	100
Pharma/Healthcare	5	13	27	4	10	23
Other	11	30	27	10	30	29
Total	**136**	**627**	**46**	**127**	**487**	**38**

Financial Institutions portfolio

As has been the case in previous quarters, when taking on new business in the Core Bank we give preference to clients with a good credit rating. Here we would highlight the trade finance activities performed on behalf of our corporate customers in Mittelstandsbank and capital market activities in Corporates & Markets. Risks have been further reduced in Public Finance business. We are closely monitoring risks in Eastern European business arising from the conflict between Russia and Ukraine and taking them into account by stepping up our monitoring and management of portfolios.

	30.6.2015			31.12.2014		
FI portfolio by region[1]	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp
Germany	9	8	8	11	6	5
Western Europe	23	53	23	26	54	21
Central and Eastern Europe	5	32	63	9	31	35
North America	2	2	11	2	2	9
Asia	12	35	30	13	37	29
Other	7	35	50	8	34	43
Total	**58**	**165**	**28**	**69**	**165**	**24**

[1] Excluding exceptional debtors.

Non-Bank Financial Institutions portfolio

In the Non-Bank Financial Institutions (NBFI) portfolio our focus is on attractive new business with clients with good credit ratings, which we carry out in the interests of our institutional customers. These are, on the whole, diversified insurance companies, asset managers and regulated funds, with a regional focus on clients in Germany and Western Europe.

	30.6.2015			31.12.2014		
NBFI portfolio by region	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp
Germany	9	14	16	8	18	22
Western Europe	14	28	19	17	32	19
Central and Eastern Europe	1	4	60	1	6	88
North America	10	7	7	8	5	6
Asia	1	2	21	1	1	11
Other	1	1	9	1	3	21
Total	**36**	**57**	**16**	**37**	**65**	**18**

Originator positions

Commerzbank and Hypothekenbank Frankfurt have in recent years securitised receivables from loans to the Bank's customers with a current volume of €4.6bn, primarily for capital management purposes. Of these, risk exposures with a value of €4.3bn were retained as at 30 June 2015. By far the largest portion of these positions is accounted for by €4.1bn of senior tranches, which are nearly all rated good or very good.

		Commerzbank volume[1]				
Securitisation pool €bn	**Maturity**	**Senior**	**Mezzanine**	**First loss piece**	**Total volume[1] 30.6.2015**	**Total volume[1] 31.12.2014**
Corporates	2020–2036	3.6	0.1	< 0.1	4.1	4.1
Banks	2015–2021	0.4	< 0.1	< 0.1	0.4	0.4
RMBS	2048	< 0.1	< 0.1	< 0.1	0.1	< 0.1
CMBS	2046–2084	0.0	< 0.1	< 0.1	< 0.1	1.0
Total		**4.1**	**0.1**	**0.1**	**4.6**	**5.5**

[1] Tranches/retentions (nominal): Banking and trading book.

Conduit exposure and other asset-backed exposures

Commerzbank is the sponsor of the multiseller asset-backed commercial paper conduit Silver Tower. It uses it to securitise receivables from customers in the Mittelstandsbank and Corporates & Markets segments, mainly from trade and leasing. The transactions are financed predominantly through the issue of asset-backed commercial papers (ABCPs) or through the drawing of credit lines (liquidity lines). In the second quarter of 2015, the volume and risk values in the Silver Tower conduit fell slightly within the usual fluctuation range to reach €3.2bn as at the end of June 2015, around €0.2bn below the figure as at end-December 2014.

The other asset-backed exposures mainly comprise government-guaranteed ABSs issued by Hypothekenbank Frankfurt in the Public Finance area and trading book positions of Commerzbank AG in Germany.

Due to new dealings of Commerzbank AG in Germany the voume slightly increased to €4.8bn (December 2014: €4.7bn) as well as risk values increased from €4.5bn to €4.7bn compared with the end of 2014.

Market risk

Market risk is the risk of potential financial losses due to changes in market prices (interest rates, commodities, credit spreads, exchange rates and equity prices) or in parameters that affect prices such as volatilities and correlations. Losses may impact profit or loss directly, for example in the case of trading book positions. However, for banking book positions they are reflected in the revaluation reserve or in hidden liabilities/reserves.

Risk management

A standardised value at risk model incorporating all positions is used for the internal management of market risk. VaR quantifies the potential loss from financial instruments over a predefined time horizon and with a specific probability. For internal management purposes, a confidence level of 97.5% and a holding period of one day are assumed. The value at risk concept makes it possible to compare risks over a variety of business areas. It enables many positions to be aggregated, taking account of correlations between different assets. This ensures a consolidated view of the market risk at all times.

A ten-day holding period and confidence level of 99% are used for regulatory capital adequacy requirements. These assumptions meet the requirements of the Basel Committee and other international standards on the management of market risk. For certain evaluations, such as backtesting and disclosure, the VaR is also calculated on the basis of a one-day holding period. In order to provide for a consistent presentation of the risk parameters in this report, all figures relating to VaR are based on a confidence level of 99% and a holding period of one day.

In internal management, all positions relevant to market risk are covered, and trading and banking book positions are jointly managed. For regulatory purposes, additional stand-alone management of the trading book is carried out (in accordance with regulatory requirements, including currency and commodity risks in the banking book). The VaR for the overall book rose by €34m to €132m. One major reason for this increase is increased volatility on the markets. The increase was due in particular to the European Central Bank's low interest rate and accommodative monetary policy in light of the debt crisis of individual European countries.

VaR contribution[1] | €m	30.6.2015	31.12.2014
Overall book	**132**	**98**
thereof trading book	23	16

[1] 99% confidence level, one-day holding period, equally weighted market data, 254 days' history.

Trading book

The value at risk rose by €7m to €23m in the first half of 2015. This was attributable to increased volatility on the markets, which affected Corporates & Markets and Treasury in particular.

VaR of portfolios in the trading book[1] | €m	Q1-Q2 2015	2014
Minimum	17	11
Mean	23	15
Maximum	38	37
VaR at end of reporting period	**23**	**16**

[1] 99% confidence level, one-day holding period, equally weighted market data, 254 days' history.

The market risk profile is diversified across all asset classes. The dominant asset classes are credit spread risks and foreign exchange risks, followed by interest rate risks. Interest rate risk also contains basis and inflation risk. Basis risk arises if, for example, positions are closed through hedging transactions with a different type of price setting than the underlying transaction.

The rise in VaR in the first half of 2015 was mainly due to changes in foreign exchange and credit spread risks. The increased foreign exchange risks stemmed from the sharp fluctuations in the US dollar rate and affected Treasury and pension fund positions in particular. The other risk types remained stable in the first half of 2015.

VaR contribution by risk type in the trading book[1] | €m	30.6.2015	31.12.2014
Credit spreads	7	5
Interest rates	4	3
Equities	2	2
FX	10	5
Commodities	1	1
Total	**23**	**16**

[1] 99% confidence level, one-day holding period, equally weighted market data, 254 days' history.

Further risk ratios are calculated for regulatory capital adequacy. This includes in particular the calculation of stressed VaR. On the basis of the VaR method described above, stressed VaR evaluates the present position in the trading book by reference to market movements from a specified crisis period in the past. Stressed VaR was stable at €38m as at the reporting date. The crisis observation period used for this is checked regularly through model validation and approval processes and adjusted where necessary. The crisis observation period was not changed in the course of the year.

In addition, the incremental risk charge and the equity event VaR ratios quantify the risk of deterioration in creditworthiness and event risks in trading book positions.

The reliability of the internal model is monitored by backtesting on a daily basis. The VaR calculated is set against actually occurring profits and losses. The process draws a distinction between "clean P&L" and "dirty P&L" backtesting. In the former, exactly the same positions in the income statement are used as were used for calculating the VaR. This means that the profits and losses forecast from the VaR estimate and the profits and losses actually calculated are based on the same positioning. In dirty P&L backtesting, by contrast, profits and losses from newly concluded and expired transactions from the day under consideration are included. If the loss actually calculated exceeds the loss forecast from the VaR estimate, it is described as a negative backtesting outlier.

Analysing the results of backtesting provides an informative basis for checking parameters and for improving the market risk model. In the first half of 2015, we saw one negative outlier in the clean P&L process and none in the dirty P&L process. As such, the results are in line with statistical expectations and confirm the quality of the VaR model. Backtesting is also used by the supervisory authorities for evaluating internal risk models. Negative outliers are classified by means of a traffic-light system laid down by the supervisory authorities. All negative backtesting outliers at Group level (from both clean P&L and dirty P&L) must be reported to the supervisory authorities, citing their extent and cause.

As the VaR concept gives a prediction of potential losses on the assumption of normal market conditions, it is supplemented by the calculation of stress tests. These stress tests measure the risk to which Commerzbank is exposed, based on unlikely but still plausible events. These events may be simulated using extreme movements on various financial markets. The key scenarios relate to major changes in credit spreads, interest rates and yield curves, share prices, exchange rates and commodities prices. Events simulated in stress tests include all stock prices falling by 15%, a parallel shift in the interest rate curve or changes to the curve's gradient. Extensive group-wide stress tests and scenario analyses are carried out as part of risk monitoring.

The VaR and stress test models are validated regularly. In the first half of 2015, model adjustments were implemented that helped improve the accuracy of risk measurement.

Banking book

The key drivers of market risk in the banking book are the credit spread risks in the area of Non-Core Assets – Public Finance, including the positions held by Hypothekenbank Frankfurt and Erste Europäische Pfandbrief- und Kommunalkreditbank. We are continuing systematically with the downsizing strategy that we have followed rigorously in this area for many years. The Treasury portfolios with their credit spread risk, interest rate risk and basis risk also influence the market risk in the banking book.

In market risk management credit spread risks in the banking and trading books are considered together. Credit spread sensitivities (downshift of 1 basis point) for all securities and derivative positions (excluding loans) fell moderately from €63m at year-end 2014 to €61m at the end of the second quarter. This was mainly due to the fall in bond market prices in Non-Core Assets resulting from the rise in credit spreads.

Most credit spread sensitivities relate to securities positions classified as loans and receivables (LaR). Changes in market price have no impact on the revaluation reserve or the income statement for these positions.

Pension fund risk is also part of market risk in the banking book. Our pension fund portfolio comprises a well-diversified investment section and the section of insurance-related liabilities. The duration of the liabilities is extremely long (cash outflows modelled over almost 90 years) and the main portion of the overall portfolio's present value risk is in maturities of 15 and more years. Main risk drivers are long-term euro interest rates, credit spreads and expected euro inflation due to anticipated pension dynamics. Equity, volatility and currency risk also need to be taken into consideration. Diversification effects between individual risks reduce the overall risk. The extremely long maturities of these liabilities represent the greatest challenge, particularly for hedging credit spread risk. This is because there is insufficient liquidity in the market for corresponding hedging products.

Market liquidity risk

In measuring economic capital adequacy, Commerzbank also takes account of market liquidity risk. This is the risk of the Bank not being able to liquidate or hedge risky positions in a timely manner, to the desired extent and on acceptable terms as a result of insufficient liquidity in the market.

We first create a realistic downsizing profile for each portfolio on the basis of its product and risk strategies and an assessment of the market. This enables portfolios to be classified in terms of their convertibility into cash using a so-called market liquidity factor. The market liquidity factor takes into account the heightened volatility of portfolio value resulting from the extended holding period for risk positions in line with the portfolio's downsizing profile. The market risk of every portfolio is then evaluated based on a one-year view and weighted with the market liquidity factor.

As at the end of the first half of 2015, Commerzbank had earmarked €0.3bn in economic capital to cover market liquidity risk in the trading and banking books. Asset-backed securities, structured products and restructuring portfolios in particular have higher market liquidity risk.

Liquidity risk

In a narrower sense, Commerzbank defines liquidity risk as the risk that the Group will be unable to meet its daily payment obligations. In a broader sense, liquidity risk describes the risk that future payments cannot be funded to the full amount, in the required currency or at standard market conditions, as and when they are due.

Risk management

Commerzbank uses a wide range of tools to manage and monitor liquidity risks on the basis of its own liquidity risk model. The stress scenario within the Bank that underlies the model and is relevant for management purposes allows for the impact of both a bank-specific stress event and a broader market crisis. Binding regulatory requirements are an integral component of the management mechanism.

Group Treasury is responsible for the Group's liquidity management operations. Group Treasury is represented in all major locations of the Group in Germany and abroad and has reporting lines into all subsidiaries. Additional information on this subject can be found in the section "Funding and Liquidity" in the Interim Management Report. Liquidity risk is monitored on the basis of the Bank's own liquidity risk model by the independent risk function.

The Bank has established early warning indicators for the purpose of managing liquidity risk. These ensure that appropriate steps can be taken in good time to secure long-term financial solidity.

Risk concentrations can lead to increased outflows of liquidity, particularly in a stress situation, and thus to increased liquidity risk. They can, for example, occur with regard to maturities, large individual creditors or currencies. By means of ongoing monitoring and reporting, emerging risk concentrations in funding can be recognised in a timely manner and mitigated through suitable measures.

In the event of a liquidity crisis, the emergency plan provides for various measures for different types of crisis that can be launched by the central Asset Liability Committee. The emergency plan forms an integral part of Commerzbank's recovery plan and is updated annually. It defines a clear allocation of responsibilities for the processes to be followed in emergency situations and gives details of any action that may need to be taken.

Quantification and stress testing

The setting of liquidity risk modelling parameters taking regulatory requirements into account and the adjustment of limits are described in Commerzbank's liquidity risk framework. The combination of modelling and limits provides the basis for quantifying our liquidity risk tolerance, which is in line with the overall risk strategy.

The liquidity gap profile is shown for the whole of the modelling horizon across the full spectrum of maturities and follows a multi-level concept. The levels 1 to 5 include deterministic and modelled cash flows of existing business while planned new business is considered in the calculus on levels 6 and 7.

Based on the new methodology of the liquidity gap profile, management mechanisms such as recovery and early warning indicators are being limited and monitored, correspondingly. Hard limits are defined for a time horizon of up to one year, while for time horizons of over a year review triggers are in place to limit the liquidity risk in line with our funding capacity. The Group limits are broken down into individual currencies and Group units.

In the first half of financial year 2015, Commerzbank's internal liquidity risk ratios, including the regulatory liquidity coverage ratio, were at all times within the limits set by the Board of Managing Directors. The same is true of compliance with the survival period calculation set down by MaRisk and with the external regulatory German Liquidity Regulation; at the end of the first half, the liquidity ratio stood at 1.45.

Significant factors in liquidity risk tolerance include the reserve period, the size of the liquidity reserve portfolio held to compensate for unexpected short-term liquidity outflows, and the limits in the various maturity bands. In order to ensure that it functions as a buffer in stress situations, the liquidity reserve portfolio is maintained and monitored separately by the Treasury. The liquidity reserve portfolio is funded in line with liquidity risk tolerance in order to ensure that it is kept at the required size throughout the entire reserve period stipulated by the Board of Managing Directors.

Based on its internal liquidity model, which uses conservative assumptions, at the end of the period the Bank had available excess liquidity of up to €102.5bn in the maturity band for up to one day. Of this, €45.9bn was held in a separate liquidity reserve portfolio managed by Treasury to cover liquidity outflows should a stress event occur and to ensure solvency at all times. When simulating the existing exposures under the current model assumptions, a liquidity shortage would only occur after five years, whereas the limitation of the internal model would already allow for a term transformation position in the maturity band of over one year.

In addition, the Bank operates an intraday liquidity reserve portfolio in the amount of €9.8bn as at the reporting date.

The main liquidity risk drivers underlying the stress scenario are a markedly increased outflow of short-term customer deposits, above-average drawdown of credit lines, extensions of lending business regarded as commercially necessary, the need to provide additional collateral for secured transactions and the application of higher risk discounts to the liquidation values of assets. The internal liquidity risk model is complemented by the regular analysis of additional inverse stress scenarios.

Operational risks

Based on the Capital Requirements Regulation (CRR), Commerzbank defines operational risk (OpRisk) as the risk of loss resulting from the inadequacy or failure of internal processes, people and systems or from external events. This definition includes legal risks; it does not cover reputational or strategic risks.

Commerzbank takes an active approach to managing operational risk, aiming to systematically identify OpRisk profiles and risk concentrations and to define, prioritise and implement risk mitigation measures.

Operational risks are characterised by asymmetric distribution of losses, so that most of the losses are relatively small, while isolated losses with a very low probability of occurrence have the potential to be large and devastating. This makes it necessary not only to limit high loss potential but also to pro-actively manage losses that can be expected to occur frequently.

To do this, Commerzbank has set up a multi-stage system that brings together the defined limits on economic capital (risk capacity) and those set for operational risk management during the year (risk appetite/tolerance). It is complemented by rules on the transparent and conscious acceptance and approval of individual risks (risk acceptance).

Commerzbank uses the advanced measurement approach to measure regulatory and economic capital for operational risks. Risk-weighted assets for operational risks on this basis amounted to €22.7bn at the end of the first half of 2015 (31 December 2014: €21.6bn), while economically required capital was €1.9bn (31 December 2014: €1.8bn).

The following table gives an overview of risk-weighted assets and the economically required capital (ErC) by segment:

	30.6.2015		31.12.2014	
€bn	RWA	ErC	RWA	ErC
Private Customers	6.6	0.5	9.0	0.8
Mittelstandsbank	3.5	0.3	3.3	0.3
Central & Eastern Europe	0.8	0.1	0.4	0.0
Corporates & Markets	5.6	0.5	4.7	0.4
Non-Core Assets	2.1	0.2	1.3	0.1
Others and Consolidation	4.1	0.3	2.9	0.2
Group	**22.7**	**1.9**	**21.6**	**1.8**

OpRisk management includes an annual evaluation of the Bank's internal control system (ICS) and of the risk scenario assessments. Furthermore, OpRisk loss events are subjected to ongoing analysis and to ICS backtesting on an event-driven basis. Where loss events involve ≥ €1m, lessons learned activities are carried out. External OpRisk events at competitors are also systematically evaluated.

Other risks

In mid-March 2015, Commerzbank reached settlements with various US authorities regarding violations of US sanctions and anti-money laundering provisions. Commerzbank has been cooperating with the US authorities and the authorities in New York for several years and has provided them with extensive documentation and the results of various internal investigations.

In connection with the settlement, the US authorities require additional measures to improve Compliance relevant processes. The settlement also includes a three-year deferred prosecution agreement. For more information regarding the settlement please see Note 24 to the Interim Financial Statements (Provisions).

Over the past few years, the Bank has already improved its Compliance relevant processes and implemented further initial measures following the settlement with the US authorities, which were based on the settlements reached with the US authorities. Furthermore, the group-wide Compliance-Program "Achieving a Robust Compliance Framework" was initiated. This program focusses on the prevention of money laundering and compliance with sanctions requirements, such as the optimisation of monitoring and scoring processes and systems, promotion of rule-abiding behaviour in Commerzbank Group, development of education and training plans, as well as of the revision of internal guidelines to improve comprehensibility.

Cologne public prosecutor's office is currently conducting an investigation regarding aid in tax evasion in favour of German taxpayers. Commerzbank is cooperating fully with the authorities. The investigations are not yet completed.

In terms of all other risks, there were no significant changes in the first half of 2015 compared with the position reported in detail in the 2014 Annual Report.

Disclaimer Commerzbank's internal risk measurement methods and models which form the basis for the calculation of the figures shown in this report are state-of-the-art and based on banking sector practice. The risk models produce results appropriate to the management of the Bank. The measurement approaches are regularly reviewed by risk control and internal audit, external auditors and the German and European supervisory authorities. Despite being carefully developed and regularly monitored, models cannot cover all the influencing factors that have an impact in reality or illustrate their complex behaviour and interactions. These limits to risk modelling apply in particular in extreme situations. Supplementary stress tests and scenario analyses can only show examples of the risks to which a portfolio may be exposed in extreme market situations; however, stress testing is not feasible for all imaginable scenarios. Stress tests cannot offer a final estimate of the maximum loss should an extreme event occur.

Interim Financial Statements

Statement of comprehensive income

Income statement

€m	Notes	1.1.–30.6.2015	1.1.–30.6.2014	Change in %
Interest income		6,448	6,509	– 0.9
Interest expenses		3,269	3,773	– 13.4
Net interest income	(1)	3,179	2,736	16.2
Loan loss provisions	(2)	– 438	– 495	– 11.5
Net interest income after loan loss provisions		2,741	2,241	22.3
Commission income		2,084	1,896	9.9
Commission expenses		345	299	15.4
Net commission income	(3)	1,739	1,597	8.9
Net trading income	(4)	401	238	68.5
Net income from hedge accounting		– 54	– 10	.
Net trading income and net income from hedge accounting		347	228	52.2
Net investment income	(5)	– 67	3	.
Current net income from companies accounted for using the equity method		31	23	34.8
Other net income	(6)	– 29	– 86	– 66.3
Operating expenses	(7)	3,692	3,425	7.8
Restructuring expenses	(8)	66	–	.
Pre-tax profit or loss		**1,004**	**581**	**72.8**
Taxes on income	(9)	301	227	32.6
Consolidated profit or loss		**703**	**354**	**98.6**
Consolidated profit or loss attributable to non-controlling interests		57	54	5.6
Consolidated profit or loss attributable to Commerzbank shareholders		646	300	.

Earnings per share | €	1.1.–30.6.2015	1.1.–30.6.2014	Change in %
Earnings per share	0.55	0.26	.

The earnings per share, calculated in accordance with IAS 33, are based on the consolidated profit or loss attributable to Commerzbank shareholders. No conversion or option rights were outstanding in the current year or comparable prior-year period. The figure for diluted earnings was therefore identical to the undiluted figure.

Condensed statement of comprehensive income

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %
Consolidated profit or loss	703	354	98.6
Change from remeasurement of defined benefit plans not recognised in income statement	271	– 230	.
Change from non-current assets and disposal groups held for sale not recognised in income statement	–	–	.
Change in companies accounted for using the equity method	0	–	.
Items not recyclable through profit or loss	**271**	**– 230**	**.**
Change in revaluation reserve			
Reclassified to income statement	– 52	3	.
Change in value not recognised in income statement	268	222	20.7
Change in cash flow hedge reserve			
Reclassified to income statement	44	64	– 31.3
Change in value not recognised in income statement	– 1	3	.
Change in currency translation reserve			
Reclassified to income statement	7	– 2	.
Change in value not recognised in income statement	225	57	.
Change from non-current assets and disposal groups held for sale			
Reclassified to income statement	– 1	– 2	– 50.0
Change in value not recognised in income statement	0	–	.
Change in companies accounted for using the equity method	12	0	.
Items recyclable through profit or loss	**502**	**345**	**45.5**
Other comprehensive income	**773**	**115**	**.**
Total comprehensive income	**1,476**	**469**	**.**
Comprehensive income attributable to non-controlling interests	59	66	– 10.6
Comprehensive income attributable to Commerzbank shareholders	1,417	403	.

The condensed statement of comprehensive income for the second quarter was as follows:

2nd quarter| €m	1.4.–30.6.2015	1.4.–30.6.2014	Change in %
Consolidated profit or loss	302	125	.
Change from remeasurement of defined benefit plans not recognised in income statement	368	– 40	.
Change from non-current assets and disposal groups held for sale not recognised in income statement	–	–	.
Change in companies accounted for using the equity method	0	–	.
Items not recyclable through profit or loss	**368**	**– 40**	**.**
Change in revaluation reserve			
Reclassified to income statement	– 26	–	.
Change in value not recognised in income statement	– 235	83	.
Change in cash flow hedge reserve			
Reclassified to income statement	22	28	– 21.4
Change in value not recognised in income statement	7	– 1	.
Change in currency translation reserve			
Reclassified to income statement	7	– 1	.
Change in value not recognised in income statement	– 124	80	.
Change from non-current assets and disposal groups held for sale	–	–	.
Reclassified to income statement	–	– 2	– 100.0
Change in value not recognised in income statement	–	–	.
Change in companies accounted for using the equity method	–	–	.
Items recyclable through profit or loss	**– 349**	**187**	**.**
Other comprehensive income	**19**	**147**	**– 87.1**
Total comprehensive income	**321**	**272**	**18.0**
Comprehensive income attributable to non-controlling interests	– 20	38	.
Comprehensive income attributable to Commerzbank shareholders	341	234	45.7

The breakdown of other comprehensive income for the first six months was as follows:

Other comprehensive income | €m	1.1.–30.6.2015			1.1.–30.6.2014		
	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Change from remeasurement of defined benefit plans	409	– 138	271	– 358	128	– 230
of which companies accounted for using the equity method	0	–	0	–	–	–
of which non-current assets and disposal groups held for sale	–	–	–	–	–	–
Change in revaluation reserve	240	– 24	216	320	– 95	225
Change in cash flow hedge reserve	62	– 19	43	97	– 30	67
Change in currency translation reserve	233	– 1	232	55	–	55
Change from non-current assets and disposal groups held for sale	– 1	–	– 1	– 2	–	– 2
Change in companies accounted for using the equity method	12	–	12	0	–	0
Other comprehensive income	**955**	**– 182**	**773**	**112**	**3**	**115**

Other comprehensive income for the second quarter broke down as follows:

Other comprehensive income | €m	1.4.–30.6.2015			1.4.–30.6.2014		
	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Change from remeasurement of defined benefit plans	528	– 160	368	– 69	29	– 40
of which companies accounted for using the equity method	0	–	0	–	–	–
of which non-current assets and disposal groups held for sale	–	–	–	–	–	–
Change in revaluation reserve	– 352	91	– 261	112	– 29	83
Change in cash flow hedge reserve	39	– 10	29	40	– 13	27
Change in currency translation reserve	– 117	–	– 117	79	–	79
Change from non-current assets and disposal groups held for sale	–	–	–	– 2	–	– 2
Change in companies accounted for using the equity method	0	–	0	0	–	0
Other comprehensive income	**98**	**– 79**	**19**	**160**	**– 13**	**147**

Income statement (by quarter)

€m	2015		2014			
	2nd quarter	1st quarter	4th quarter	3rd quarter	2nd quarter	1st quarter
Net interest income	1,681	1,498	1,376	1,495	1,606	1,130
Loan loss provisions	– 280	– 158	– 308	– 341	– 257	– 238
Net interest income after loan loss provisions	1,401	1,340	1,068	1,154	1,349	892
Net commission income	839	900	809	799	782	815
Net trading income	– 189	590	60	79	– 184	422
Net income from hedge accounting	17	– 71	5	21	4	– 14
Net trading income and net income from hedge accounting	– 172	519	65	100	– 180	408
Net investment income	61	– 128	64	15	41	– 38
Current net income from companies accounted for using the equity method	17	14	2	19	10	13
Other net income	– 8	– 21	– 469	– 22	– 18	– 68
Operating expenses	1,753	1,939	1,779	1,722	1,727	1,698
Restructuring expenses	–	66	61	–	–	–
Pre-tax profit or loss	**385**	**619**	**– 301**	**343**	**257**	**324**
Taxes on income	83	218	– 67	93	132	95
Consolidated profit or loss	**302**	**401**	**– 234**	**250**	**125**	**229**
Consolidated profit or loss attributable to non-controlling interests	22	35	27	25	25	29
Consolidated profit or loss attributable to Commerzbank shareholders	280	366	– 261	225	100	200

Balance sheet

Assets | €m	**Notes**	**30.6.2015**	**31.12.2014**	**Change in %**
Cash reserve		27,434	4,897	.
Claims on banks	(11,13,14)	74,936	80,036	– 6.4
of which pledged as collateral		–	–	.
Claims on customers	(12,13,14)	225,997	232,867	– 3.0
of which pledged as collateral		–	–	.
Value adjustment portfolio fair value hedges		228	415	– 45.1
Positive fair values of derivative hedging instruments		3,069	4,456	– 31.1
Trading assets	(15)	129,048	130,343	– 1.0
of which pledged as collateral		8,786	5,532	58.8
Financial investments	(16)	84,464	90,358	– 6.5
of which pledged as collateral		649	569	14.1
Holdings in companies accounted for using the equity method		693	677	2.4
Intangible assets	(17)	3,383	3,330	1.6
Fixed assets	(18)	1,651	1,916	– 13.8
Investment properties		118	620	– 81.0
Non-current assets and disposal groups held for sale		2,726	421	.
Current tax assets		386	716	– 46.1
Deferred tax assets		3,062	3,358	– 8.8
Other assets	(19)	3,827	3,199	19.6
Total		**561,022**	**557,609**	**0.6**

Liabilities and equity | €m	**Notes**	**30.6.2015**	**31.12.2014**	**Change in %**
Liabilities to banks	(20)	101,263	99,443	1.8
Liabilities to customers	(21)	260,483	248,977	4.6
Securitised liabilities	(22)	45,908	48,813	– 6.0
Value adjustment portfolio fair value hedges		991	1,278	– 22.5
Negative fair values of derivative hedging instruments		7,437	9,355	– 20.5
Trading liabilities	(23)	90,123	97,163	– 7.2
Provisions	(24)	3,495	5,251	– 33.4
Current tax liabilities		285	239	19.2
Deferred tax liabilities		119	131	– 9.2
Liabilities from disposal groups held for sale		83	142	– 41.5
Other liabilities	(25)	8,731	7,499	16.4
Subordinated debt instruments	(26)	12,294	12,358	– 0.5
Equity		29,810	26,960	10.6
Subscribed capital		1,252	1,139	9.9
Capital reserve		17,192	15,928	7.9
Retained earnings		11,316	10,383	9.0
Other reserves		– 895	– 1,396	– 35.9
Total before non-controlling interests		28,865	26,054	10.8
Non-controlling interests		945	906	4.3
Total		**561,022**	**557,609**	**0.6**

Statement of changes in equity

€m	Subscribed capital	Capital reserve	Retained earnings	Other reserves			Total before non-controlling interests	Non-controlling interests	Equity
				Revaluation reserve	Cash flow hedge reserve	Currency translation reserve			
Equity as at 1.1.2014	**1,139**	**15,928**	**10,660**	**– 1,195**	**– 357**	**– 192**	**25,983**	**950**	**26,933**
Total comprehensive income	–	–	– 301	238	111	– 1	47	108	155
Consolidated profit or loss			264				264	106	370
Change from remeasurement of defined benefit plans			– 565				– 565	– 1	– 566
Change in revaluation reserve				238			238	24	262
Change in cash flow hedge reserve					111		111		111
Change in currency translation reserve						– 5	– 5	– 21	– 26
Change from non-current assets and disposal groups held for sale						– 1	– 1		– 1
Change in companies accounted for using the equity method						5	5		5
Dividend paid on silent participations							–		–
Dividend paid on shares							–	– 62	– 62
Reverse stock split							–		–
Capital increases							–		–
Withdrawal from retained earnings							–		–
Decrease in silent participations							–		–
Changes in ownership interests			– 5				– 5	– 89	– 94
Other changes[1]			29				29	– 1	28
Equity as at 31.12.2014	**1,139**	**15,928**	**10,383**	**– 957**	**– 246**	**– 193**	**26,054**	**906**	**26,960**

[1] If relevant for the reporting period, other changes mainly comprise changes in the group of consolidated companies, changes in treasury shares and the change in derivatives on own equity instruments.

€m	Subscribed capital	Capital reserve	Retained earnings	Other reserves			Total before non-controlling interests	Non-controlling interests	Equity
				Revaluation reserve	Cash flow hedge reserve	Currency translation reserve			
Equity as at 31.12.2014	**1,139**	**15,928**	**10,383**	**– 957**	**– 246**	**– 193**	**26,054**	**906**	**26,960**
Total comprehensive income	–	–	916	230	43	228	1,417	59	1,476
Consolidated profit or loss			646				646	57	703
Change from remeasurement of defined benefit plans			270				270	1	271
Change in revaluation reserve				230			230	– 14	216
Change in cash flow hedge reserve					43		43	–	43
Change in currency translation reserve[1]						217	217	15	232
Change from non-current assets and disposal groups held for sale						– 1	– 1		– 1
Change in companies accounted for using the equity method						12	12		12
Dividend paid on silent participations							–		–
Dividend paid on shares							–	– 11	– 11
Reverse stock split							–		–
Change in accounting par value							–		–
Capital increases	113	1,264	– 5				1,372		1,372
Withdrawal from retained earnings							–		–
Decrease in silent participations							–		–
Changes in ownership interests							–	– 4	– 4
Other changes[2]			22				22	– 5	17
Equity as at 30.6.2015	**1,252**	**17,192**	**11,316**	**– 727**	**– 203**	**35**	**28,865**	**945**	**29,810**

[1] Including changes in the group of consolidated companies. The change in the current financial year is mainly due to the currencies US dollar, Polish zloty, British pound an the Russian rouble.
[2] If relevant for the reporting period, other changes mainly comprise changes in the group of consolidated companies, changes in treasury shares and the change in derivatives on own equity instruments.

As at 30 June 2015, the subscribed capital of Commerzbank Aktiengesellschaft pursuant to the Bank's articles of association was €1,252m and was divided into 1,252,357,634 no-par-value shares (accounting value per share of €1.00). The average number of ordinary shares in issue was 1,171,035,710 (30 June 2014: 1,138,506,941).

On 27 April 2015 Commerzbank Aktiengesellschaft announced in an ad hoc disclosure that it would increase its share capital by 113,850,693 new shares from authorised capital with shareholders' subscription rights excluded. The shares were placed with institutional investors on 28 April 2015 by means of an accelerated bookbuilding process and have full dividend rights for the current financial year. The issue price was €12.10 per share and led to an increase of €113m in subscribed capital and €1,264m in the capital reserve. The costs incurred in this capital action were €5m, which were recognised in retained earnings.

There was no impact on the other reserves from assets and disposal groups held for sale as at 30 June 2015.

In the first six months of 2015 there was no material impact from the purchase of additional shares in already consolidated companies or the disposal of shares in subsidiaries that continue to be consolidated.

For information: Statement of changes in equity from 1 January to 30 June 2014

€m	Subscribed capital	Capital reserve	Retained earnings	Other reserves			Total before non-controlling interests	Non-controlling interests	Equity
				Revaluation reserve	Cash flow hedge reserve	Currency translation reserve			
Equity as at 1.1.2014	**1,139**	**15,928**	**10,660**	**– 1,195**	**– 357**	**– 192**	**25,983**	**950**	**26,933**
Total comprehensive income	–	–	70	213	67	49	399	66	465
Consolidated profit or loss			300				300	54	354
Change from remeasurement of defined benefit plans			– 230				– 230		– 230
Change in revaluation reserve				213			213	12	225
Change in cash flow hedge reserve					67		67		67
Change in currency translation reserve						51	51		51
Change from non-current assets and disposal groups held for sale						– 2	– 2		– 2
Change in companies accounted for using the equity method							–		–
Dividend paid on silent participations							–		–
Dividend paid on shares							–	– 62	– 62
Reverse stock split							–		–
Capital increases							–		–
Withdrawal from retained earnings							–		–
Decrease in silent participations							–		–
Changes in ownership interests			1				1	– 29	– 28
Other changes[1]			6			4	10	– 2	8
Equity as at 30.6.2014	**1,139**	**15,928**	**10,737**	**– 982**	**– 290**	**– 139**	**26,393**	**923**	**27,316**

[1] If relevant for the reporting period, other changes mainly comprise changes in the group of consolidated companies, changes in treasury shares and the change in derivatives on own equity instruments.

Cash flow statement (condensed version)

€m	2015	2014[1]
Cash and cash equivalents as at 1.1.	**4,897**	**12,397**
Net cash from operating activities	15,315	– 2,413
Net cash from investing activities	5,936	– 2,348
Net cash from financing activities	1,188	– 617
Total net cash	**22,439**	**– 5,378**
Effects from exchange rate changes	155	102
Effects from non-controlling interests	– 57	– 54
Cash and cash equivalents as at 30.6.	**27,434**	**7,067**

[1] Prior-year figures restated.

The cash flow statement shows the changes in cash and cash equivalents for the Commerzbank Group. These correspond to the cash reserve item in the balance sheet and consist of cash on hand, balances with central banks and debt issues of public-sector borrowers.

With regard to the Commerzbank Group the cash flow statement is not very informative. For us the cash flow statement replaces neither liquidity planning nor financial planning, nor is it employed as a management tool.

Selected notes

General information

Accounting policies

The interim financial statements of the Commerzbank Group as at 30 June 2015 were prepared in accordance with Art. 315 a (1) of the German Commercial Code (HGB) and Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 (the IAS Regulation), together with other regulations for adopting certain international accounting standards on the basis of the International Financial Reporting Standards (IFRS) approved and published by the International Accounting Standards Board (IASB) and their interpretation by the IFRS Interpretations Committee (formerly IFRIC). This report takes particular account of the requirements of IAS 34 relating to interim financial reporting.

Uniform accounting and measurement methods are used throughout the Commerzbank Group in preparing the financial statements. For fully consolidated companies and holdings in companies accounted for using the equity method we predominantly used financial statements prepared as at 30 June 2015. The reporting currency of the Group financial statements is the euro. Unless otherwise indicated, all amounts are shown in millions of euros. In the statement of comprehensive income, the balance sheet, the statement of changes in equity and the condensed cash flow statement amounts under €500,000.00 are shown as €0m; where an item is €0.00 this is denoted by a dash. In all other notes amounts rounded down to €0m and zero items are both indicated by a dash.

Application of new and revised standards

We have employed the same accounting policies in preparing these financial statements as in our Group financial statements as at 31 December 2014 (see page 158 ff. of our 2014 Annual Report). These financial statements take into account the standards and interpretations that must be applied in the EU from 1 January 2015 (revised IAS 19 and amendments arising from the IASB's annual improvement process for the 2010 to 2012 and 2011 to 2013 cycles), which had no material impact on the Commerzbank Group financial statements.

The impact of the new and revised standards (IAS 1, 16, 27, 28, 38 and 41 and IFRS 9, 10, 11, 12, 14 and 15) and interpretations whose application is not yet mandatory on the Group's accounting and measurement practices is set out below.

The IASB published an extensively revised new version of IFRS 9 in July 2014. IFRS 9 replaces the previous standard governing the accounting treatment of financial instruments (IAS 39). IFRS 9 contains new rules for classifying financial instruments on the assets side of the balance sheet and also changes the regulations on the accounting treatment of expected default risk (provisions). The EU Commission started the process for implementing it into European law in December 2014 and has asked the European Financial Reporting Advisory Group (EFRAG) for its opinion. Based on the information available so far, the process of adoption may be completed by the end of 2015. Due to the long timespan until its likely entry into force (1 January 2018) and the remaining uncertainties and potential scope for interpretation it is not yet possible to quantify the impact of IFRS 9 reliably.

IFRS 15, which has not yet been adopted by the EU, introduces a principles-based five-step model framework dealing with the nature, amount and timing of revenues and cash flows arising from a contract with a customer. It replaces IAS 11 and 18, IFRIC 13, 15 and 18 as well as SIC-31. The standard also requires extensive qualitative and quantitative disclosures on contracts, service agreements and significant judgements and estimates. We are currently reviewing the impact on the Commerzbank Group financial statements.

We do not expect any significant effects on the Group financial statements from the other standards and interpretations whose application is not yet mandatory (including the changes from the IASB's annual improvement process), which are set out below. The amended standard IAS 1 contains amendments with regard to materiality, aggregation and the ordering of notes to the financial statements. The amended standards IAS 16 and 38 clarify the acceptable methods of depreciation and amortisation of tangible and intangible assets. The amendments to the standards IAS 16 and 41 relate to the accounting treatment of what are known as bearer plants. The amendments to IAS 27 permit the use of the equity method for holdings in subsidiaries, joint ventures and associates in separate IFRS financial statements and therefore do not apply to the Commerzbank Group financial statements. The amendments to the IAS 28 and IFRS 10 standards mean that unrealised gains or losses from transactions with an associate or joint venture are recognised if assets that constitute a business are sold or contributed to the associate or joint venture. The amended standard IFRS 11 requires both the initial acquisition of an interest in a joint operation, and the acquisition of additional interest, to be accounted for in accordance with the principles of IFRS 3 and other applicable IFRSs as long as they do not contradict the provisions of IFRS 11. A further amendment to the standards IFRS 10 and 12 as well as IAS 28 relates to the application of the consolidation exception for investment entities. IFRS 14, which only applies to those adopting IFRS for the first time and is therefore not relevant for the Commerzbank Group, deals with the treatment of regulatory deferral account balances recognised in previous GAAP financial statements. Changes from the IASB's annual improvement cycle 2012 to 2014 were published in September 2014, consisting mainly of clarifications of definitions and minor changes in recognition, measurement and reporting of transactions.

Changes in presentation

Since the second quarter of 2015 we have reported negative interest in net interest income with retroactive effect from 1 January 2015. Negative interest is reported in interest expenses for financial instruments held as assets and in interest income for financial instruments held as liabilities. In doing so we are following the decision of the IFRS Interpretations Committee (formerly IFRIC IC) on the presentation of negative interest rates. We have not restated the first quarter of 2015 or the prior-year period when negative interest was offset against either interest income or interest expenses, as the effect was not material for the Commerzbank Group during these periods.

Consolidated companies

The following companies were consolidated for the first time as at 30 June 2015:

Name of company	Equity share and voting rights %	Acquisition cost €m	Assets €m	Liabilities €m
COCO Finance II–2 Ltd., Dublin, Irland	–	–	171.7	171.7
Commerzbank Finance Limited, London, United Kingdom	100.0	–	2,376.1	2,076.8
ComStage LevDAX® x2 UCITS ETF, Luxembourg, Luxembourg	93.0	34.0	35.8	5.7
ComStage MSCI Italy TRN UCITS ETF, Luxembourg, Luxembourg	99.8	21.5	22.5	1.3
ComStage MSCI Spain TRN UCITS ETF, Luxembourg, Luxembourg	99.5	21.5	22.4	1.5
ComStage ShortMDAX TR UCITS ETF, Luxembourg, Luxembourg	95.0	44.7	46.6	– 2.8
MS "SCHUMANN" Schiffahrtsgesellschaft mbH & Co. KG, Hamburg, Germany	98.0	–	–	–
MS "TSCHAIKOWSKY" Schiffahrtsgesellschaft mbH & Co. KG, Hamburg, Germany	98.0	–	–	–

The first-time consolidations listed above are entities that were newly formed or else exceeded our materiality limits for consolidation. In the case of additional purchases we apply the provisions of IFRS 3 as soon as we have control of the acquired company. The first-time consolidations did not give rise to any goodwill. Negative differences are reported in the income statement as at the date of acquisition in accordance with IFRS 3.34.

The following companies were sold or permanently fell below our materiality threshold for consolidation:

- Disposals
  - AWL I Sp. z o.o., Warsaw, Poland
  - BRE Ubeczpieczenia Towarzystwo Ubezpieczen i Reasekuracji S.A., Warsaw, Poland
  - Transfinance a.s., Prague, Czech Republic
- Entities that have permanently fallen below our materiality threshold for consolidation
  - Commerzbank Leasing December (9) Limited, London, United Kingdom
  - Commerzbank Leasing December (11), London, United Kingdom
  - Commerzbank Leasing December (17) Limited, London, United Kingdom
  - Commerzbank Leasing December (19) Limited, London, United Kingdom
  - Commerzbank Leasing December (20) Limited, London, United Kingdom
  - Commerzbank Leasing December (22) Limited, London, United Kingdom
  - Commerzbank Leasing December (23) Limited, London, United Kingdom
  - Commerzbank Leasing December (24) Limited, London, United Kingdom
  - Commerzbank Overseas Holdings Limited, London, United Kingdom
  - Frankfurter Gesellschaft für Vermögensanlagen mit beschränkter Haftung, Eschborn, Germany
  - LSF Loan Solutions Frankfurt GmbH, Eschborn, Germany
  - gr Grundstücks GmbH Objekt Corvus, Eschborn, Germany
  - gr Grundstücks GmbH Objekt Corvus & Co. Sossenheim KG i.L., Eschborn, Germany
  - HF Estate Management GmbH, Eschborn, Germany
  - NAVALIS Schiffsbetriebsgesellschaft mbH & Co MS "NEDLLOYD JULIANA" KG, Hamburg, Germany
  - SB-Bauträger GmbH & Co. Urbis Hochhaus-KG, Frankfurt am Main, Germany
  - Space Park GmbH & Co. KG, Frankfurt am Main, Germany

The following companies were merged with Commerzbank Group consolidated companies:

- BRE Agent Ubezpieczeniowy Sp. z.o.o., Warsaw, Poland
- BRE Ubezpieczenia Sp. z.o.o., Warsaw, Poland
- Commerz Real IT-Leasing GmbH, Düsseldorf, Germany
- Westend Grundstücksgesellschaft mbH, Eschborn, Germany
- Wohnbau-Beteiligungsgesellschaft mbH, Frankfurt am Main, Germany

In the first half of 2015 Apartamenty Molo Rybackie Sp. z o.o., Gdynia, Poland was added to the group of companies accounted for using the equity method. RECAP/Commerz AMW Investment, L.P. – New York, USA, which is being wound down, ceased to be accounted for using the equity method in the first half of 2015.

Due to our asset reduction strategy in the Non-Core Assets (NCA) segment, Hanseatic Ship Asset Management GmbH (HSAM), Hamburg, is held for sale. One European and one German commercial mortgage portfolio are also held for sale in the NCA segment. Agreement has already been reached with the investors buying the portfolios and the sales are expected to be completed in the third quarter of 2015. The other net income in the NCA segment is reduced due to the sale of HSAM by about €40m in the 2nd quarter of 2015. Avolo Aviation GmbH & Co. KG, Karlsruhe, is held for sale in the Private Customers segment. Fund units are also held for sale in this segment. Until the definitive transfer of the holdings, we measure non-current assets held for sale in accordance with IFRS 5 and report them separately in the relevant balance sheet items.

Notes to the income statement

(1) Net interest income

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %
Interest income	6,448	6,509	– 0.9
Interest income from lending and money market transactions and from the securities portfolio (available-for-sale)	405	407	– 0.5
Interest income from lending and money market transactions and from the securities portfolio (loans and receivables)	4,368	4,843	– 9.8
Interest income from lending and money market transactions and from the securities portfolio (from applying the fair value option)	162	180	– 10.0
Interest income from lending and money market transactions and from the securities portfolio (held for trading)	1,001	777	28.8
Prepayment penalty fees	62	58	6.9
Gains on the sale of loans and receivables and repurchase of liabilities	269	79	.
Dividends from securities	66	42	57.1
Current net income from equity holdings and non-consolidated subsidiaries	17	9	88.9
Current income from properties held for sale and from investment properties	42	38	10.5
Other interest income	56	76	– 26.3
Interest expenses	3,269	3,773	– 13.4
Interest expense on subordinated debt instruments and on securitised and other liabilities	2,464	3,075	– 19.9
Interest expenses from applying the fair value option	212	365	– 41.9
Interest expenses on securitised liabilities held for trading	56	60	– 6.7
Loss on the sale of loans and receivables and repurchase of liabilities	62	216	– 71.3
Current expenses from properties held for sale and from investment properties	15	24	– 37.5
Other interest expense	460	33	.
Total	**3,179**	**2,736**	**16.2**

The unwinding effect for the period 1 January to 30 June 2015 was €21m (previous year: €44m).

Other interest expense includes, among other items, net interest expense for pensions and negative interest from financial instruments held as assets (1 January to 30 June 2015: €162m). Other interest income includes negative interest from financial instruments held as liabilities (1 January to 30 June 2015: €56m) among other items. Net interest from derivatives (banking and trading book) is recognised in other interest income or other interest expense, depending on the net balance.

(2) Loan loss provisions

The breakdown of loan loss provisions in the income statement was as follows:

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %
Allocation to loan loss provisions[1]	– 1,180	– 1,326	– 11.0
Reversals of loan loss provisions[1]	775	924	– 16.1
Net balance of direct write-downs, write-ups and amounts recovered on claims written-down	– 33	– 93	– 64.5
Total	**– 438**	**– 495**	**– 11.5**

[1] Gross figures (e.g. migrations between different types of provisions are not netted off).

(3) Net commission income

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %
Securities transactions	500	427	17.1
Asset management	95	86	10.5
Payment transactions and foreign business	675	626	7.8
Real estate lending business	19	20	– 5.0
Guarantees	108	111	– 2.7
Net income from syndicated business	160	167	– 4.2
Intermediary business	97	65	49.2
Fiduciary transactions	4	3	33.3
Other	81	92	– 12.0
Total[1]	**1,739**	**1,597**	**8.9**

[1] Of which commission income €2,084m (previous: €1,896m) und commission expense: €345m (previous year: €299m).

(4) Net trading income

We have split net trading income into two components:

- Net trading gain or loss (this includes trading in securities, promissory note loans, precious metals and derivative instruments plus the net gain or loss on the remeasurement of derivative financial instruments that do not qualify for hedge accounting).
- Net gain or loss from applying the fair value option (including changes in the fair value of related derivatives).

All financial instruments held for trading purposes are measured at fair value. Fair value is derived both from quoted market prices and internal pricing models (primarily net present value and option pricing models). Interest rate and cross-currency interest rate derivatives are measured taking account of the fixing frequency for variable payments.

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %
Net trading gain or loss[1]	453	329	37.7
Net gain or loss from applying the fair value option	– 52	– 91	– 42.9
Total	**401**	**238**	**68.5**

[1] Including net gain or loss on the remeasurement of derivative financial instruments.

(5) Net investment income

Net investment income contains gains or losses on the disposal and remeasurement of securities in the loans and receivables and available-for-sale categories, equity holdings, holdings in companies accounted for using the equity method and subsidiaries.

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %
Net gain or loss from interest-bearing business	**– 105**	**– 7**	**.**
In the available-for-sale category	73	– 6	.
Gain on disposals (including reclassification from revaluation reserve)	89	28	.
Loss on disposals (including reclassification from revaluation reserve)	– 17	– 32	– 46.9
Net remeasurement gain or loss	1	– 2	.
In the loans and receivables category	– 178	– 1	.
Gains on disposals	17	9	88.9
Loss on disposals	– 18	– 17	5.9
Net remeasurement gain or loss[1]	– 177	7	.
Net gain or loss on equity instruments	**38**	**10**	**.**
In the available-for-sale category	3	–	.
Gain on disposals (including reclassification from revaluation reserve)	3	4	– 25.0
Loss on disposals (including reclassification from revaluation reserve)	–	– 4	– 100.0
In the available-for-sale category, measured at acquisition cost	48	12	.
Net remeasurement gain or loss	– 13	– 4	.
Net gain or loss on disposals and remeasurement of companies accounted for using the equity method	–	2	– 100.0
Total	**– 67**	**3**	**.**

[1] Includes reversals of €7m of portfolio valuation allowances for reclassified securities (previous year: reversals of €10m).

The net gain or loss from interest-bearing business was dominated in the first half of 2015 by the impairment of our exposure to HETA ASSET RESOLUTION AG. The net income from equity instruments mainly comprised the net gain generated on the disposal of BRE Ubeczpieczenia Towarzystwo Ubezpieczen i Reasekuracji S.A., Warsaw.

(6) Other net income

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %
Other material items of expense	**156**	**320**	**– 51.3**
Allocations to provisions	45	247	– 81.8
Operating lease expenses	52	58	– 10.3
Income from building and architects' services	1	2	– 50.0
Hire-purchase expenses and sublease expenses	5	6	– 16.7
Expenses from investment properties	11	2	.
Expenses from non-current assets held for sale	41	–	.
Expenses from disposal of fixed assets	1	5	– 80.0
Other material items of income	**184**	**177**	**4.0**
Reversals of provisions	76	66	15.2
Operating lease income	80	72	11.1
Income from insurance business	6	11	– 45.5
Income from building and architects' services	1	3	– 66.7
Hire-purchase income and sublease income	15	14	7.1
Income from investment properties	3	5	– 40.0
Income from non-current assets held for sale	–	5	.
Income from disposal of fixed assets	3	1	.
Balance of exchange rate changes	– 29	– 4	.
Balance of sundry tax income/expenses	– 12	– 15	– 20.0
Balance of sundry other income/expenses	– 16	76	.
Other net income	**– 29**	**– 86**	**– 66.3**

(7) Operating expenses

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %
Personnel expenses	1,965	1,926	2.0
Administrative expenses	1,492	1,290	15.7
Depreciation/amortisation of fixed assets and other intangible assets	235	209	12.4
Total	**3,692**	**3,425**	**7.8**

The administrative expenses include €169m for bank levy in the current financial year.

(8) Restructuring expenses

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %
Expenses for restructuring measures introduced	66	–	.
Total	**66**	**–**	**.**

The restructuring expenses of €66m in the first half of financial year 2015 related to the realignment of the Corporate Markets division in London, the creation of global centres of competence and the reorganisation of our operations in Luxembourg. The aim of these measures is to reduce costs by moving activities to alternative locations while maintaining comparable quality. The cost reductions accompanied by restructuring expenses are largely related to the implementation of personnel adjustments.

(9) Taxes on income

Group tax expense was €301m as at 30 June 2015. With pre-tax profit of €1,004m the Group's effective tax rate was therefore 30.0% (Group income tax rate: 31.23%). Group tax expense derived mainly from current tax expenses of the mBank sub-group, comdirect bank AG and Commerzbank Aktiengesellschaft in Germany and Luxembourg for the current year. The remeasurement of deferred tax assets on tax loss carryforwards as a result of the restrictions imposed by the UK government on the offsetting of tax loss carryforwards against future profits was one of the main items that pushed up the tax rate.

(10) Segment reporting

Segment reporting reflects the results of the operating segments within the Commerzbank Group. The segment information below is based on IFRS 8 Operating Segments, which applies the management approach. In accordance with this standard, segment information must be prepared on the basis of the internal reporting information that is evaluated by the chief operating decision maker to assess the performance of the operating segments and make decisions regarding the allocation of resources to the operating segments. Within the Commerzbank Group, the function of chief operating decision maker is exercised by the Board of Managing Directors.

Our segment reporting covers five operating segments plus the Others and Consolidation segment. This reflects the Commerzbank Group's organisational structure and forms the basis for internal management reporting. The business segments are divided up on the basis of distinctions between products, services and/or customer target groups. Minor modifications in the segments' business models led to slight adjustments in the business responsibilities.

- The Private Customers segment comprises the activities of Private Customers, Direct Banking and Commerz Real. The Private Customers division combines the classic branch business with retail and corporate customers and private banking. The dense national network of local branches offers a full service range of banking products including loan, deposit, securities, payment and pension products. Wealth Management provides services to wealthy clients in Germany and abroad and also contains the Group's portfolio management activities. The focus is on services such as securities and portfolio management, credit management and loans and real estate management. We also provide advice on trust and inheritance issues and corporate investments. Moreover, this segment includes Commerz Direktservice GmbH, which provides call centre services for Commerzbank customers. The joint venture Commerz Finanz, which is focused on consumer lending, is managed centrally by the Private Customers segment and also reports its results there. Since 1 July 2012 the private real estate portfolio of the Private Customer portfolio of Hypothekenbank Frankfurt Aktiengesellschaft has been part of the Private Customers division. The Direct Banking division comprises the activities of the comdirect bank Group. The B2B (ebase) and B2C businesses (comdirect) contained in Direct Banking provide standardised, primarily internet-based advisory and service offerings for customers. Commerz Real has been a division of the Private Customers segment since July 2012 (except for the warehouse section). Its product range comprises open-ended real estate funds (hausinvest), asset structuring of investment products for private and institutional investors (real estate, infrastructure including tankers, aircraft, rolling stock and renewable energy), asset structuring of financing products and equipment leasing.
- The Mittelstandsbank segment is divided into the three Group divisions Mittelstand Germany, Corporate Banking & International and Financial Institutions. Our comprehensive service offering includes payments and cash management solutions, flexible financing solutions, interest rate and currency management products, professional investment advisory services and innovative investment banking solutions. The Mittelstand Germany division serves small and mid-sized customers, the public sector and institutional clients. In the Corporate Banking & International division we concentrate on serving corporate groups with revenues of over €500m (except for multinational corporates, which are handled by Client Relationship Management within the Corporates & Markets segment). Smaller groups with a strong capital market affinity are also serviced by this division. With our foreign branch offices we act as a strategic partner for both the international

activities of our German corporate customers and for international companies with business activities in our home market of Germany. In selected core markets we also provide services to small and medium-sized customers in their local business, even when it has no connections with Germany. The Corporate Banking & International division also contains the centre of competence for customers from the energy sector. A new centre of competence for corporate customer real estate was established in April this year. Its aim is to make our expertise in commercial real estate finance available to our corporate customer base. By doing so the Mittelstandsbank is rigorously pursuing its strategy as a full-service provider for its corporate customers in Germany, with a clear focus on financing the real economy. The Financial Institutions division is responsible for relationships with banks and financial institutions in Germany and abroad, as well as with central banks. The strategic focus is on Commerzbank becoming customers' preferred source of trade finance services. Financial Institutions uses a global network of correspondent banks, together with business relationships in emerging markets, to support the Group's financing and processing of foreign trade activities on behalf of all Commerzbank Group customers throughout the world, and thus supports other Group divisions of the Bank in their international strategies.

- The Central & Eastern Europe (CEE) segment comprises the universal banking and direct banking activities in this region during the reporting period. It includes in particular our Polish subsidiary mBank, which offers banking products for corporate customers as well as financial services for private customers in Poland, the Czech Republic and Slovakia.
- Corporates & Markets consists of four main businesses: Equity Markets & Commodities comprises trading and sales of equity and commodity-related financial products. Fixed Income & Currencies handles trading and sales of interest rate, credit and currency instruments. Corporate Finance provides arrangement and advisory services for equity, debt and hybrid instruments, securitisation solutions and mergers & acquisitions. Credit Portfolio Management is responsible for actively managing the counterparty risks arising from the lending and trading transactions of Corporates & Markets on a uniform global basis. The assets transferred from the Portfolio Restructuring Unit are also wound down in this Group division in a value-preserving manner. Corporates & Markets also houses Client Relationship Management, which is responsible for servicing German multinational industrial companies, German and international insurers, private equity investors, sovereign wealth funds and public sector customers.
- The Non-Core Assets (NCA) segment groups together the results from the Commercial Real Estate, Public Finance including Private Finance Initiatives) and Deutsche Schiffsbank (DSB) divisions. Commercial Real Estate belongs almost entirely, and Public Finance predominantly, to the Commerzbank subsidiary Hypothekenbank Frankfurt Aktiengesellschaft. The DSB division comprises the ship finance activities of the comdirect Group. including all ship financing activities of the former Deutsche Schiffsbank Aktiengesellschaft. The NCA segment also comprises the warehouse assets of Commerz Real Aktiengesellschaft.
- The Others and Consolidation segment contains the income and expenses which are not attributable to the business segments. Reporting for this segment under "Others" comprises equity participations that are not assigned to business segments, overarching Group matters such as costs for Group-wide projects, effects resulting from the purchase price allocation in connection with the Dresdner Bank takeover, specific individual matters that cannot be allocated to the segments, and Group Treasury. The costs of the service units, which – except for restructuring costs – are mainly charged to the segments, are also shown here. Consolidation includes income and expense items that represent the reconciliation of internal management reporting figures shown in segment reporting with the Group financial statements in accordance with IFRS. Also shown here are the costs of the Group management units, which – except for restructuring costs – are also mainly charged to the segments.

The performance of each segment is measured in terms of operating profit or loss and pre-tax profit or loss, as well as return on equity and the cost/income ratio. Operating profit or loss is defined as the sum of net interest income after loan loss provisions, net commission income, net trading income and net income from hedge accounting, net investment income, current net income from companies accounted for using the equity method and other net income less operating expenses. As we report pre-tax profits, non-controlling interests are included in the figures for both profit or loss and average capital employed. All the revenue for which a segment is responsible is thus reflected in the pre-tax profit.

The return on equity is calculated as the ratio of profit (both operating and pre-tax) to average capital employed. It shows the return on the capital employed in a given segment. In addition to the usual key performance indicators, we are for the first time reporting the operating return on equity less goodwill and other intangible assets, which is increasingly becoming a source of interest for investors. The cost/income ratio in operating business reflects the cost efficiency of the various segments and expresses the relationship of operating expenses to income before loan loss provisions.

Income and expenses are reported in the segments by originating unit and at market prices, with the market interest rate method being used for interest rate operations. The actual funding costs for the segment-specific equity holdings allocated to each segment are shown in net interest income. The Group's return on capital employed is allocated to the net interest income of the various segments in proportion to the average capital employed in the segment. The interest rate used is the long-term risk-free rate on the capital market. The average capital employed is calculated using the Basel 3 methodology, based on average risk-weighted assets and the capital charges for market risk positions (risk-weighted asset equivalents). At Group level, IFRS capital is shown, which is used to calculate the return on equity. The adjustment of average capital employed to IFRS capital is carried out in Others and Consolidation. Against the backdrop of increased capital adequacy requirements the capital requirement for risk-weighted assets assumed for segment reporting purposes is 10.0% from 2015. The prior-year figures have been restated accordingly. As a result of the continuing reduction in the NCA segment's portfolio part of the capital allocation reported there, which was originally required by the EBA for the risks of EU government bonds, was given back to the core bank in the first quarter of 2014. We also report assets as well as liabilities and equity for the individual segments. Due to our business model the segment balance sheet only balances out at Group level.

The segment reporting of the Commerzbank Group shows the segments' pre-tax profit or loss. To reflect the impact on earnings of specific tax-related transactions in the Corporates & Markets segment, the net interest income of Corporates & Markets includes a pre-tax equivalent of the after-tax income from these transactions. When segment reporting is reconciled with the figures from external accounting this pre-tax equivalent is eliminated in Others and Consolidation. When showing the elimination of intragroup profits from intragroup transactions in segment reporting the transferring segment is treated as if the transaction had taken place outside the Group. Intragroup profits and losses are therefore eliminated in Others and Consolidation.

The operating expenses reported under operating profit or loss contain personnel expenses, other operating expenses as well as depreciation and write-downs on fixed assets and other intangible assets. Restructuring expenses and impairments of goodwill are reported below the operating profit line in pre-tax profit or loss. Operating expenses are attributed to the individual segments on the basis of cost causation. The indirect expenses arising in connection with internal services are charged to the user of the service and credited to the segment performing the service. The provision of intragroup services is charged at market prices or at full cost.

The carrying amounts of companies accounted for using the equity method were €693m (previous year: €670m) and were divided over the segments as follows: Private Customers €406m (previous year: €400m), Mittelstandsbank €103m (previous year: €97m), Corporates & Markets €104m (previous year: €87m), Non-Core Assets €59m (previous year: €69m) and Others and Consolidation €21m (previous year: €17m).

The tables below contain information on the segments as at 30 June 2015 and on the comparative figures for the prior-year period.

1.1.–30.6.2015 €m	**Private Customers**	**Mittel-standsbank**	**Central & Eastern Europe**	**Corporates & Markets**	**Non-Core Assets**	**Others and Consoli-dation**	**Group**
Net interest income	902	864	268	1,030	166	– 51	3,179
Loan loss provisions	– 34	– 92	– 47	36	– 239	– 62	– 438
Net interest income after loan loss provisions	868	772	221	1,066	– 73	– 113	2,741
Net commission income	885	553	103	203	11	– 16	1,739
Net trading income and net income from hedge accounting	1	69	35	– 53	147	148	347
Net investment income	2	– 11	48	7	– 212	99	– 67
Current net income from companies accounted for using the equity method	25	2	–	9	– 2	– 3	31
Other net income	14	– 12	8	2	– 32	– 9	– 29
Income before loan loss provisions	*1,829*	*1,465*	*462*	*1,198*	*78*	*168*	*5,200*
Income after loan loss provisions	*1,795*	*1,373*	*415*	*1,234*	*– 161*	*106*	*4,762*
Operating expenses	1,463	737	235	748	181	328	3,692
Operating profit or loss	**332**	**636**	**180**	**486**	**– 342**	**– 222**	**1,070**
Restructuring expenses	–	–	–	50	16	–	66
Pre-tax profit or loss	**332**	**636**	**180**	**436**	**– 358**	**– 222**	**1,004**
Assets	**76,194**	**89,253**	**28,920**	**179,565**	**88,453**	**98,637**	**561,022**
Liabilities and equity	**102,401**	**142,473**	**23,786**	**155,201**	**46,185**	**90,976**	**561,022**
Average capital employed	**4,049**	**8,142**	**1,889**	**4,721**	**7,471**	**2,176**	**28,448**
Operating return on equity[1] (%)	**16.4**	**15.6**	**19.1**	**20.6**	**– 9.2**		**7.5**
Operating return on tangible equity (%)	**23.9**	**17.4**	**23.2**	**21.3**	**– 9.2**		**8.4**
Cost/income ratio in operating business (%)	**80.0**	**50.3**	**50.9**	**62.4**	**.**		**71.0**
Return on equity of pre-tax profit or loss[1] (%)	**16.4**	**15.6**	**19.1**	**18.5**	**– 9.6**		**7.1**
Staff (average headcount)	15,612	5,887	8,104	1,927	469	17,781	49,780

[1] Annualised.

1.1.–30.6.2014 €m	Private Customers	Mittel-standsbank	Central & Eastern Europe	Corporates & Markets	Non-Core Assets	Others and Consoli-dation	Group
Net interest income	929	890	282	848	– 56	– 157	2,736
Loan loss provisions	– 52	– 200	– 59	14	– 198	–	– 495
Net interest income after loan loss provisions	877	690	223	862	– 254	– 157	2,241
Net commission income	768	538	116	177	10	– 12	1,597
Net trading income and net income from hedge accounting	1	18	49	19	100	41	228
Net investment income	2	9	–	– 5	– 68	65	3
Current net income from companies accounted for using the equity method	14	2	–	7	–	–	23
Other net income	5	4	10	– 1	15	– 119	– 86
Income before loan loss provisions	*1,719*	*1,461*	*457*	*1,045*	*1*	*– 182*	*4,501*
Income after loan loss provisions	*1,667*	*1,261*	*398*	*1,059*	*– 197*	*– 182*	*4,006*
Operating expenses	1,440	653	216	659	162	295	3,425
Operating profit or loss	**227**	**608**	**182**	**400**	**– 359**	**– 477**	**581**
Restructuring expenses	–	–	–	–	–	–	–
Pre-tax profit or loss	**227**	**608**	**182**	**400**	**– 359**	**– 477**	**581**
Assets	**70,060**	**85,862**	**27,045**	**200,597**	**108,001**	**91,025**	**582,590**
Liabilities and equity	**96,418**	**135,944**	**22,242**	**184,523**	**54,627**	**88,836**	**582,590**
Average capital employed	**4,299**	**7,440**	**1,701**	**4,611**	**8,599**	**531**	**27,181**
Operating return on equity[1] (%)	**10.6**	**16.3**	**21.4**	**17.3**	**– 8.3**		**4.3**
Operating return on tangible equity (%)	**15.1**	**18.4**	**26.5**	**17.9**	**– 8.4**		**4.8**
Cost/income ratio in operating business (%)	**83.8**	**44.7**	**47.3**	**63.1**	**.**		**76.1**
Return on equity of pre-tax profit or loss[1] (%)	**10.6**	**16.3**	**21.4**	**17.3**	**– 8.3**		**4.3**
Staff (average headcount)	15,925	5,763	7,660	1,965	600	17,897	49,810

[1] Annualised.

Details for Others and Consolidation:

€m	1.1.–30.6.2015			1.1.–30.6.2014		
	Others	Consolidation	Others and Consolidation	Others	Consolidation	Others and Consolidation
Net interest income	2	– 53	– 51	– 132	– 25	– 157
Loan loss provisions	– 62	–	– 62	–	–	–
Net interest income after loan loss provisions	– 60	– 53	– 113	– 132	– 25	– 157
Net commission income	– 13	– 3	– 16	– 8	– 4	– 12
Net trading income and net income from hedge accounting	126	22	148	32	9	41
Net investment income	81	18	99	1	64	65
Current net income from companies accounted for using the equity method	– 3	–	– 3	–	–	–
Other net income	– 5	– 4	– 9	– 117	– 2	– 119
Income before loan loss provisions	*188*	*– 20*	*168*	*– 224*	*42*	*– 182*
Income after loan loss provisions	*126*	*– 20*	*106*	*– 224*	*42*	*– 182*
Operating expenses	341	– 13	328	298	– 3	295
Operating profit or loss	**– 215**	**– 7**	**– 222**	**– 522**	**45**	**– 477**
Restructuring expenses	–	–	–	–	–	–
Pre-tax profit or loss	**– 215**	**– 7**	**– 222**	**– 522**	**45**	**– 477**
Assets	98,637	–	**98,637**	91,025	–	**91,025**
Liabilities and equity	90,976	–	**90,976**	88,836	–	**88,836**

Under Consolidation we report consolidation and reconciliation items between the results of the segments and the Others category on the one hand and the Group financial statements on the other. This includes the following items among others:

- Remeasurement effects from the application of hedge accounting to cross-segment transactions as per IAS 39 are shown in Consolidation.
- The pre-tax equivalent of tax-related transactions allocated to net interest income in the Corporates & Markets segment is eliminated again under Consolidation.
- Net remeasurement gains or losses on own bonds and shares incurred in the segments are eliminated under Consolidation.
- Other consolidation effects from intragroup transactions are also reported here.

The breakdown within segment reporting of the results by geographical region, which is mainly based on the location of the branch or group company, was as follows:

1.1.–30.6.2015 €m	Germany	Europe excluding Germany	America	Asia	Others	Total
Net interest income	1,745	1,242	248	– 56	–	3,179
Loan loss provisions	– 264	– 184	6	4	–	– 438
Net interest income after loan loss provisions	1,481	1,058	254	– 52	–	2,741
Net commission income	1,429	254	26	30	–	1,739
Net trading income and net income from hedge accounting	381	– 53	– 196	215	–	347
Net investment income	– 85	17	–	1	–	– 67
Current net income from companies accounted for using the equity method	23	3	2	3	–	31
Other net income	– 48	40	– 16	– 5	–	– 29
Income before loan loss provisions	*3,445*	*1,503*	*64*	*188*	–	*5,200*
Income after loan loss provisions	*3,181*	*1,319*	*70*	*192*	–	*4,762*
Operating expenses	2,889	670	64	69	–	3,692
Operating profit or loss	**292**	**649**	**6**	**123**	**–**	**1,070**
Credit-risk-weighted assets	**98,635**	**66,252**	**4,058**	**3,350**	**–**	**172,295**

In the prior-year period we achieved the following results in the various geographical regions:

1.1.–30.6.2014 €m	Germany	Europe excluding Germany	America	Asia	Others	Total
Net interest income	1,317	1,305	46	68	–	2,736
Loan loss provisions	– 465	– 41	11	–	–	– 495
Net interest income after loan loss provisions	852	1,264	57	68	–	2,241
Net commission income	1,297	248	18	34	–	1,597
Net trading income and net income from hedge accounting	528	– 328	– 22	50	–	228
Net investment income	– 15	13	4	1	–	3
Current net income from companies accounted for using the equity method	16	3	2	2	–	23
Other net income	– 107	16	3	2	–	– 86
Income before loan loss provisions	*3,036*	*1,257*	*51*	*157*	–	*4,501*
Income after loan loss provisions	*2,571*	*1,216*	*62*	*157*	–	*4,006*
Operating expenses	2,660	642	62	61	–	3,425
Operating profit or loss	**– 89**	**574**	**–**	**96**	**–**	**581**
Credit-risk-weighted assets	**117,875**	**46,988**	**3,069**	**3,086**	**–**	**171,018**

Credit risk-weighted assets are shown for the geographical segments rather than non-current assets. In accordance with IFRS 8.32 Commerzbank has decided not to provide a breakdown of the Commerzbank Group's total profits by products and services. We decided not to collect this data for cost reasons, as it is used neither for internal management activities nor management reporting.

Notes to the balance sheet

(11) Claims on banks

€m	30.6.2015	31.12.2014	Change in %
Due on demand	30,959	29,070	6.5
With a residual term	44,092	51,078	– 13.7
up to three months	28,907	22,944	26.0
over three months to one year	8,609	22,164	– 61.2
over one year to five years	6,198	5,587	10.9
more than 5 years	378	383	– 1.3
Total	**75,051**	**80,148**	**– 6.4**
of which reverse repos and cash collaterals	42,811	48,096	– 11.0
of which relate to the category:			
Loans and receivables	51,016	52,458	– 2.7
Available-for-sale financial assets	–	–	.
At fair value through profit or loss (fair value option)	24,035	27,690	– 13.2

Claims on banks after deduction of loan loss provisions amounted to €74,936m (previous year: €80,036m).

(12) Claims on customers

€m	30.6.2015	31.12.2014	Change in %
With an indefinite residual term	28,087	26,368	6.5
With a residual term	202,410	212,162	– 4.6
up to three months	29,861	37,407	– 20.2
over three months to one year	23,250	25,732	– 9.6
over one year to five years	67,637	65,371	3.5
more than 5 years	81,662	83,652	– 2.4
Total	**230,497**	**238,530**	**– 3.4**
of which reverse repos and cash collaterals	16,048	22,886	– 29.9
of which relate to the category:			
Loans and receivables	218,066	219,565	– 0.7
Available-for-sale financial assets	–	–	.
At fair value through profit or loss (fair value option)	12,431	18,965	– 34.5

Claims on customers after deduction of loan loss provisions amounted to €225,997m (previous year: €232,867m).

(13) Total lending

€m	30.6.2015	31.12.2014	Change in %
Loans to banks	20,961	25,203	– 16.8
Loans to customers	214,456	215,650	– 0.6
Total	**235,417**	**240,853**	**– 2.3**

We distinguish loans from claims on banks and customers such that only claims for which a special loan agreement has been concluded with the borrower are shown as loans. Interbank money market transactions and reverse repo transactions, for example, are thus not shown as loans. Acceptance credits are also included in loans to customers.

(14) Loan loss provisions

Provisions for loan losses are made in accordance with rules that apply Group-wide and cover all discernible credit risks. For loan losses that have already occurred but are not yet known, portfolio valuation allowances have been calculated in line with procedures derived from Basel 3 methodology.

Development of provisioning I €m	2015	2014	Change in %
As at 1.1.	**6,013**	**7,019**	**– 14.3**
Allocations	1,180	1,326	– 11.0
Disposals	2,056	2,117	– 2.9
Utilisation	1,281	1,193	7.4
Reversals	775	924	– 16.1
Changes in the group of consolidated companies	– 12	– 17	– 29.4
Exchange rate changes/reclassifications/unwinding	– 243	– 96	.
As at 30.6.	**4,882**	**6,115**	**– 20.2**

With direct write-downs, write-ups and recoveries on written-down claims taken into account, the allocations and reversals recognised in profit or loss resulted in provisions of €438m (30 June 2014: €495m) (see Note 2).

Loan loss provisions I €m	30.6.2015	31.12.2014	Change in %
Specific valuation allowances	3,886	5,079	– 23.5
Portfolio valuation allowances	729	696	4.7
Provisions for on-balance-sheet loan losses	**4,615**	**5,775**	**– 20.1**
Specific loan loss provisions	133	111	19.8
Portfolio loan loss provisions	134	127	5.5
Provisions for off-balance sheet loan losses	**267**	**238**	**12.2**
Total	**4,882**	**6,013**	**– 18.8**

For claims on banks, loan loss provisions amounted to €115m (previous year: €112m) and for claims on customers to €4,500m (previous year: €5,663m).

(15) Trading assets

The Group's trading activities include trading in:

- Bonds, notes and other interest-rate-related securities,
- Shares and other equity-related securities as well as units in investment funds,
- Promissory note loans and other claims,
- Foreign currencies and precious metals,
- Derivative financial instruments and
- Other trading assets.

Other assets held for trading comprise positive fair values of loans for syndication as well as loans and money market trading transactions.

All the items in the trading portfolio are reported at fair value.

The positive fair values also include derivative financial instruments which cannot be used as hedging instruments in hedge accounting.

€m	30.6.2015	31.12.2014	Change in %
Bonds, notes and other interest-rate-related securities	14,202	14,059	1.0
Promissory note loans	1,115	1,102	1.2
Shares, other equity-related securities and units in investment funds	35,117	24,936	40.8
Positive fair values of derivative financial instruments	77,313	89,315	– 13.4
Currency-related derivative transactions	16,525	16,707	– 1.1
Interest-rate-related derivative transactions	55,244	66,587	– 17.0
Other derivative transactions	5,544	6,021	– 7.9
Other trading assets	1,301	931	39.7
Total	**129,048**	**130,343**	**– 1.0**

Other transactions involving positive fair values of derivative financial instruments consisted mainly of €2,464m in equity derivatives (previous year: 2,083m) and €1,476m in credit derivatives (previous year: €1,712m).

(16) Financial investments

Financial investments are financial instruments not assigned to any other balance sheet item. They comprise bonds, notes and other interest-rate-related securities, shares and other equity-related securities not used for trading purposes, as well as units in investment funds, equity holdings (including companies not accounted for using the equity method and jointly controlled entities) and holdings in non-consolidated subsidiaries.

€m	30.6.2015	31.12.2014	Change in %
Bonds, notes and other interest-rate-related securities[1]	83,036	89,076	−6.8
Shares, other equity-related securities and units in investment funds	946	993	−4.7
Equity holdings	327	177	84.7
Holdings in non-consolidated subsidiaries	155	112	38.4
Total	**84,464**	**90,358**	**−6.5**
of which relate to the category:			
Loans and receivables[1]	40,175	45,154	−11.0
Available-for-sale financial assets	42,035	42,756	−1.7
of which measured at amortised cost	368	309	19.1
At fair value through profit or loss (fair value option)	2,254	2,448	−7.9

[1] Reduced by portfolio valuation allowances for reclassified securities of €34m (previous year: €41m).

As at 30 June 2015 the financial investments included €368m (previous year: €309m) of equity-related financial instruments which are predominantly unlisted (e.g. shareholdings in limited companies) and are measured at cost, as we do not have any reliable data to calculate fair value for these assets. We plan to continue to hold these financial instruments.

In its press release of 13 October 2008, the IASB issued an amendment to IAS 39 relating to the reclassification of financial instruments. In accordance with the amendment, securities in the Public Finance portfolio for which there was no active market were reclassified from the IAS 39 available-for-sale financial assets category to the IAS 39 loans and receivables category in the financial years 2008 and 2009. The fair value at the date of reclassification was recognised as the new carrying amount of these securities.

The revaluation reserve after deferred taxes for all the securities reclassified in financial years 2008 and 2009 was €−0.5bn as at 30 June 2015 (previous year: €−0.5bn). Without these reclassifications, the revaluation reserve for these portfolios after deferred taxes would have been €−2.3bn (previous year: €−2.7bn) as at 30 June 2015; the carrying amount of these portfolios on the balance sheet date was €40.0bn (previous year: €42.7bn) and fair value was €35.4bn (previous year: €39.5bn).

(17) Intangible assets

€m	30.6.2015	31.12.2014	Change in %
Goodwill	2,076	2,076	0.0
Other intangible assets	1,307	1,254	4.2
Customer relationships	335	355	– 5.6
In-house developed software	647	616	5.0
Other	325	283	14.8
Total	**3,383**	**3,330**	**1.6**

(18) Fixed assets

€m	30.6.2015	31.12.2014	Change in %
Land and buildings and other fixed assets	1,190	1,457	– 18.3
Office furniture and equipment	461	459	0.4
Total	**1,651**	**1,916**	**– 13.8**

(19) Other assets

€m	30.6.2015	31.12.2014	Change in %
Collection items	25	17	47.1
Precious metals	248	177	40.1
Leased equipment	838	795	5.4
Accrued and deferred items	382	219	74.4
Initial/variation margins receivable	232	194	19.6
Defined benefit assets	374	342	9.4
Other assets	1,728	1,455	18.8
Total	**3,827**	**3,199**	**19.6**

(20) Liabilities to banks

€m	30.6.2015	31.12.2014	Change in %
Due on demand	43,817	43,629	0.4
With a residual term	57,446	55,814	2.9
up to three months	24,987	24,850	0.6
over three months to one year	7,932	5,824	36.2
over one year to five years	13,566	14,040	– 3.4
more than 5 years	10,961	11,100	– 1.3
Total	**101,263**	**99,443**	**1.8**
of which repos and cash collaterals	28,488	33,410	– 14.7
of which relate to the category:			
Liabilities measured at amortised cost	75,291	72,893	3.3
At fair value through profit or loss (fair value option)	25,972	26,550	– 2.2

(21) Liabilities to customers

€m	30.6.2015	31.12.2014	Change in %
Savings deposits	6,817	6,760	0.8
With an agreed period of notice of			
three months	6,768	6,701	1.0
over three months	49	59	– 16.9
Other liabilities to customers	253,666	242,217	4.7
Due on demand	157,007	151,727	3.5
With a residual term	96,659	90,490	6.8
up to three months	37,166	33,814	9.9
over three months to one year	26,671	20,482	30.2
over one year to five years	12,070	13,336	– 9.5
over five years	20,752	22,858	– 9.2
Total	**260,483**	**248,977**	**4.6**
of which repos and cash collaterals	18,917	20,204	– 6.4
of which relate to the category:			
Liabilities measured at amortised cost	239,468	225,906	6.0
At fair value through profit or loss (fair value option)	21,015	23,071	– 8.9

(22) Securitised liabilities

Securitised liabilities consist of bonds and notes, including ship and mortgage Pfandbriefe and public-sector Pfandbriefe, money market instruments (e.g. euro notes, commercial paper), index certificates, own acceptances and promissory notes outstanding.

€m	30.6.2015	31.12.2014	Change in %
Bonds and notes issued	40,192	45,664	– 12.0
of which Mortgage Pfandbriefe	12,938	13,973	– 7.4
Public Pfandbriefe	11,541	13,353	– 13.6
Money market instruments issued	5,669	3,136	80.8
Own acceptances and promissory notes outstanding	47	13	.
Total	**45,908**	**48,813**	**– 6.0**
of which relate to the category:			
Liabilities measured at amortised cost	44,479	47,346	– 6.1
At fair value through profit or loss (fair value option)	1,429	1,467	– 2.6

Residual maturities of securitised liabilities | €m	30.6.2015	31.12.2014	Change in %
Due on demand	–	–	.
With a residual term	45,908	48,813	– 6.0
up to three months	4,775	5,031	– 5.1
over three months to one year	11,822	10,245	15.4
over one year to five years	20,219	24,888	– 18.8
over five years	9,092	8,649	5.1
Total	**45,908**	**48,813**	**– 6.0**

In the first six months of 2015, material new issues with a total volume of €8.2bn were floated. In the same period the volume of redemptions and repurchases amounted to €2.6bn and the volume of bonds maturing to €9.2bn.

(23) Trading liabilities

Trading liabilities show the negative fair values of derivative financial instruments that do not qualify for hedge accounting as well as lending commitments with negative fair values. Own issues in the trading book and delivery commitments arising from short sales of securities are also included under trading liabilities.

€m	30.6.2015	31.12.2014	Change in %
Currency-related derivative transactions	18,721	18,637	0.5
Interest-rate-related derivative transactions	52,624	63,648	– 17.3
Other derivative transactions	6,785	6,616	2.6
Certificates and other notes issued	6,040	5,271	14.6
Delivery commitments arising from short sales of securities, negative market values of lending commitments and other trading liabilities	5,953	2,991	99.0
Total	**90,123**	**97,163**	**– 7.2**

Other derivative transactions consisted mainly of €4,042m in equity derivatives (previous year: €3,736m) and €2,253m in credit derivatives (previous year: €2,327m).

(24) Provisions

€m	30.6.2015	31.12.2014	Change in %
Provisions for pensions and similar commitments	999	1,590	−37.2
Other provisions	2,496	3,661	−31.8
Total	**3,495**	**5,251**	**−33.4**

The provisions for pensions and similar commitments relate primarily to direct pension commitments in Germany (see page 178 ff. of our 2014 Annual Report). The actuarial assumptions underlying these obligations at 30 June 2015 were a discount rate of 2.7% (previous year: 2.3%), a change in salaries of 2.5% (previous year: 2.5%) and an adjustment to pensions of 1.5% (previous year: 1.8%).

In case of legal proceedings for which provisions need to be recognised and which are contained in the other provisions, neither the duration of the proceedings nor the level of utilisation of the provision can be predicted with certainty at the date the provision is recognised. Concerning €493m (previous year: €1,748m) within provisions for legal proceedings and recourse claims provisions have been recognised relating to the following matters among others, although we have not set out the provision amounts in detail to avoid influencing the outcome of the various proceedings. The provisions cover the costs expected according to our judgement as at balance sheet date:

- Commerzbank and its subsidiaries operate in a large number of jurisdictions subject to different legal and regulatory requirements. In isolated cases in the past infringements of legal and regulatory provisions have come to light and have been prosecuted by government agencies and institutions. Some companies within the Group is currently still involved in a number of such cases.
- Commerzbank and its subsidiaries are mainly active in the area of investment advisory within the Private Customers segment. The legal requirements for investor- and investment-oriented advisory services have been made more rigorous, especially in recent years. Commerzbank and its subsidiaries have consequently been involved in a number of legal disputes, some of which are still pending, with investors who claim to have received poor or inadequate investment advice demanding compensation for damages or the reversal of investment transactions where information regarding commission fees was lacking (e.g. for closed-end funds).
- Following a ruling by the German Federal Court of Justice in October 2014 that non-term related processing fees in preformulated contract terms for consumer loans were invalid, a large number of customers have lodged claims with Commerzbank for repayment of the processing fees.
- Former employees of the Dresdner Bank Group have instigated lawsuits in Germany and at various locations abroad against group companies to recover variable remuneration which was either not paid or not paid in the amount to which the employee was supposedly entitled for the 2008 financial year. The majority of these cases have already been legally decided in the courts. The rulings which resulted varied according to jurisdiction and the specifics of the respective case; in some instances the Bank prevailed and in others the Bank was ordered to pay.
- In the past few years the Commerzbank Group has sold a number of subsidiaries and equity holdings in Germany and abroad as well as some major properties. These contracts contain guarantees, certain indemnities and some financial commitments and could lead to claims being raised against the Commerzbank Group. In some cases, complaints have been filed claiming failure to honour the agreements in question.
- In connection with the acquisition of an equity stake by a Commerzbank subsidiary the vendor took the case to court disputing the way in which the share price had been determined through the transfer of properties by way of a non-cash capital contribution. The appeal court in the case decided in April 2014 that the transfer of the properties by way of a non-cash capital contribution was invalid. The Commerzbank subsidiary is appealing this decision.
- A subsidiary of Commerzbank was involved in two South American banks which are meanwhile being liquidated. A number of investors and creditors of these banks have launched various legal actions in Uruguay and Argentina against the subsidiary, and in some cases Commerzbank as well, alleging liability as shareholders of the bankrupt companies as well as breaches of duties by the persons nominated by the subsidiary for the banks' supervisory boards. In addition the subsidiary was involved in two funds which raised money from investors and were managed by third parties. The liquidators of these funds have launched courtroceedings in the US demanding the repayment of amounts received by the subsidiary from the funds.

- An investor is claiming compensation from Commerzbank and other defendants due to an alleged incorrect prospectus in connection with the flotation of a company on the stock market. In addition the company's insolvency administrator has raised recourse claims against the company arising from its joint liability and for other reasons. The action was rejected by the court of first instance. The claimants are appealing against this decision. Should the claimants win their appeal in the higher courts, Commerzbank expects that recourse claims against other members of the consortium and third parties will be possible based on the contractual agreements.
- In July 2005 Commerzbank Aktiengesellschaft was sued as part of a consortium by a customer in the course of his bankruptcy proceedings in the US. The customer had repaid a loan in full as guarantor for his subsidiary and claimed that various repayments were invalid because he was evidently insolvent at the date the loan was granted. Two attempts at out-of-court mediation were unsuccessful. After the quashing of the ruling of the court of first instance, pre-trial discovery was held before the district court in March 2015. Following these proceedings the banking consortium has submitted an application for a summary judgement.
- Commerzbank has been sued by a customer's fidelity insurer in connection with foreign payment transactions which were allegedly not authorised by the customer. The Bank received notice of the action in November 2014. Commerzbank will defend itself against the action.
- Investors in a fund managed by a Commerzbank subsidiary active in asset management have sued this subsidiary for compensation arising from a lending commitment allegedly made by the subsidiary in the course of a joint venture project. A hearing date is planned for 2015.
- A subsidiary of Commerzbank was sued by a customer in May 2014 for compensation due to alleged fraudulent misselling of derivative transactions. The subsidiary has defended itself against the claim.

At the beginning of 2010 Commerzbank was requested by the US authorities to carry out an internal investigation of breaches by the Group of US sanctions regulations and to work closely with the US authorities in conducting this investigation. The US authorities also investigated whether Commerzbank infringed US anti-money laundering regulations. Commerzbank has been cooperating with the US authorities for several years and provided them with detailed documentation and the findings of various internal investigations. After the US Department of Justice decided in October 2014 to pursue a combined settlement of the two cases, an agreement was reached with the US authorities on the breaches of sanctions and anti-money laundering regulations in mid-March 2015. As part of this settlement Commerzbank has agreed to pay a total of US dollar 1,452m. Provisions have been recognised for this amount. Commerzbank also has wide-ranging obligations under the agreement, particularly in relation to cooperation with the US authorities and the improvement of the Bank's compliance processes. The monitoring designated by the US bank regulation will begin its work in the third quarter of 2015 which will lead to costs for the bank. The settlement also includes a deferred prosecution agreement covering a period of three years.

(25) Other liabilities

€m	30.6.2015	31.12.2014	Change in %
Liabilities attributable to film funds	1,314	1,470	– 10.6
Liabilities attributable to non-controlling interests	5,127	3,965	29.3
Accrued and deferred items	369	388	– 4.9
Variation margins payable	229	138	65.9
Other liabilities	1,692	1,538	10.0
Total	**8,731**	**7,499**	**16.4**

(26) Subordinated debt instruments

€m	30.6.2015	31.12.2014	Change in %
Subordinated debt instruments	12,634	12,635	0.0
Accrued interest, including discounts	– 1,026	– 1,010	1.6
Remeasurement effects	686	733	– 6.4
Total	**12,294**	**12,358**	**– 0.5**
of which relate to the category:			
Liabilities measured at amortised cost	12,286	12,350	– 0.5
At fair value through profit or loss (fair value option)	8	8	0.0

In the first six months of 2015 the volume of bonds maturing amounted to €0.2bn. Other than this there were no material changes.

Other notes

(27) Capital requirements and leverage ratio

The table below with the composition of the Commerzbank Group's capital shows the figures on both a phase-in basis and a fully phased-in basis

Position | €m	30.6.2015[1] phase in	31.12.2014 phase in	30.6.2015[1] fully phased-in	31.12.2014 fully phased-in
Equity as shown in balance sheet	**29,810**	**26,960**	**29,810**	**26,960**
Effect from debit valuation adjustments	– 122	– 38	– 306	– 188
Correction to revaluation reserve	692	906	–	–
Correction to cash flow hedge reserve	203	246	203	246
Correction to phase-in (IAS 19)	605	1,022	–	–
Non-controlling interests (minority)	– 228	– 135	– 431	– 426
Goodwill	– 2,088	– 2,090	– 2,088	– 2,090
Intangible assets	– 1,019	– 969	– 1,019	– 969
Surplus in plan assets	– 118	– 57	– 295	– 283
Deferred tax assets from loss carryforwards	– 203	– 128	– 507	– 639
Shortfall due to expected loss	– 917	– 496	– 1,310	– 827
Prudential Valuation	– 382	– 469	– 382	– 469
Own shares	– 21	– 17	– 47	– 68
First loss positions from securitisations	– 302	– 360	– 302	– 360
Advance payment risks	–	–	–	–
Deduction of offset components of additional core capital (AT 1)	1,003	935	–	–
Deferred tax assets from temporary differences which exceed the 10% threshold	– 75	– 89	– 545	– 886
Accrued dividends	– 125		– 125	
Others and rounding	– 67	– 98	– 67	– 99
Common Equity Tier 1	**26,646**	**25,123**	**22,589**	**19,902**
Additional Tier 1	**–**	**–**	**–**	**–**
Tier 1 capital	**26,646**	**25,123**	**22,589**	**19,902**
Tier 2 capital	**5,958**	**6,353**	**5,978**	**6,404**
Equity	**32,604**	**31,476**	**28,567**	**26,306**
Risk-weighted assets	**215,318**	**215,178**	**214,421**	**214,072**
Core Tier 1 ratio (%)	**12.4**	**11.7**	**10.5**	**9.3**
Total capital ratio (%)	**15.1**	**14.6**	**13.3**	**12.3**

[1] Preliminary figures (including retainable interim profit).

The table below shows the current risk-weighted assets, capital amounts and capital ratios:

€m	30.6.2015[1]	31.12.2014	Change in %
Credit risk	172,295	173,563	−0.7
Market risk[2]	20,368	20,055	1.6
Operational risk	22,655	21,560	5.1
Total	**215,318**	**215,178**	**0.1**
Common Equity Tier 1	26,646	25,123	
Tier 1 capital	26,646	25,123	
Total capital	32,604	31,476	
Core Tier 1 ratio (%)	12.4	11.7	
Tier 1 ratio (%)	12.4	11.7	
Total capital ratio (%)	15.1	14.6	

[1] Preliminary figures (including retainable interim profit).
[2] Including capital adequacy requirements for credit valuation adjustment risks.

The CRD IV/CRR has introduced the leverage ratio as a new tool and indicator for quantifying the risk of excessive leverage. The leverage ratio shows the ratio of Tier 1 capital to leverage exposure, consisting of the non-risk-weighted assets plus off-balance-sheet positions. The way in which exposure to derivatives, securities financing transactions and off-balance sheet positions is calculated is laid down by regulators. The leverage ratio at the end of the first six months of 2015 was calculated on the basis of the CRR as revised in January 2015. As a non-risk sensitive figure the leverage ratio is intended to supplement risk-based measures of capital adequacy.

Avoiding the risk of excessive leverage is an integral part of Commerzbank's management of its balance sheet. Commerzbank has set up a quantitative and qualitative framework to monitor and manage the leverage ratio in line with the requirements of CRD IV/CRR.

Group Finance is responsible for quantifying the leverage ratio on the basis of regulatory requirements and provides regulators with quarterly reports.

Commerzbank has set an internal target for the leverage ratio which supplements the targets for the risk-based capital ratios. Segments actively get involved in the steering of the leverage ratio by segment specific targets for their leverage ratio exposure.

Developments in the segment-specific leverage ratio exposures relative to the guidelines is monitored monthly. Group Finance reports regularly to the Central Asset Liability Committee (ALCO) and the Board on leverage ratio levels and segment exposures as well as on the main drivers of the ratio and any changes in them.

In addition to ex-post analyses of the leverage ratio, forecasts of developments in the leverage ratio exposures are included in the internal planning process (MYP) and reviewed regularly in forecasting exercises between the annual review dates.

Key decisions on management and monitoring of the leverage ratio are taken by ALCO, subject to confirmation by the Board of Managing Directors.

	Applicable Amounts (in €m)
Summary reconciliation of accounting assets and leverage ratio exposures	**30.6.2015**
Total assets as per published interim financial statements	561,022
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	7,986
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429 (13) of Regulation (EU) No 575/2013)	–
Adjustments for derivative financial instruments	– 50,271
Adjustments for securities financing transactions (SFT)	3,624
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	45,396
(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	–
(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	–
Other adjustments	
phase in	– 2,234
fully phased-in	– 5,084
Total leverage ratio exposure	
phase in	**565,523**
fully phased-in	**562,673**

Leverage ratio common disclosure	CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)	
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	452,671
(Asset amounts deducted in determining Tier 1 capital)	
phase in	– 3,748
fully phased-in	– 6,598
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	
phase in	448,923
fully phased-in	446,073
Derivative exposures	
Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	17,813
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	24,389
Exposure determined under Original Exposure Method	–
Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	–
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	– 20,186
(Exempted CCP leg of client-cleared trade exposures)	– 280
Adjusted effective notional amount of written credit derivatives	39,789
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	– 31,207
Total derivative exposures	30,318

Leverage ratio common disclosure (continuation)	**CRR leverage ratio exposures**
Securities financing transaction exposures	
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	37,261
(Netted amounts of cash payables and cash receivables of gross SFT assets)	–
Counterparty credit risk exposure for SFT assets	3,624
Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	–
Agent transaction exposures	–
(Exempted CCP leg of client-cleared SFT exposure)	–
Total securities financing transaction exposures	40,885
Other off-balance sheet exposures	
Off-balance sheet exposures at gross notional amount	154,503
(Adjustments for conversion to credit equivalent amounts)	– 109,107
Total other off-balance sheet exposures	45,396
Exempted exposures in accordance with Article 429 (7) and (14) of Regulation (EU) No 575/2013 (on- and off-balance sheet)	
(Exemption of intragroup exposures (solo basis) in accordance with Article 429 (7) of Regulation (EU) No 575/2013 (on- and off-balance sheet))	–
(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on- and off-balance sheet))	–
Capital and total exposures	
Tier 1 capital	
phase in	26,646
fully phased-in	22,589
Total leverage ratio exposures	
phase in	565,522
fully phased-in	562,672
Leverage ratio	
Phase-in (%)	**4.7**
Fully phased-in (%)	**4.0**
Choice on Phase-in arrangements and amount of derecognised fiduciary items	
Choice on Phase-in arrangements for the definition of the capital measure	Phase-in und Fully phased-in
Amount of derecognised fiduciary items in accordance with Article 429 (13) of Regulation (EU) No 575/2013	–

Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	CRR leverage ratio exposures
Total on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures), of which:	452,671
Trading book exposures	70,105
Banking book exposures, of which:	382,566
Covered bonds	5,873
Exposures treated as sovereigns	83,253
Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	19,314
Institutions	42,204
Secured by mortgages of immovable properties	56,663
Retail exposures	37,375
Corporate	94,454
Exposures in default	6,138
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	37,282

The leverage ratio based on the CRR phase-in rules was 4.7% as at 30 June 2015 (31 March 2015: 4.3%). The leverage ratio with full phasing-in of the revised CRR rules stood at 4.0%, compared with 3.7% as at 31 March 2015. The improvement in the leverage ratio reflected an increase in regulatory Tier 1 capital combined with a simultaneous reduction in leverage ratio exposures. As at the reporting date the leverage ratio exposure was €565.5bn (phase-in) and €562.7bn (fully phased-in), compared with €579.7bn (phase-in) and €576.9bn (fully phased-in) in the prior quarter. This resulted primarily from a decline in securities financing transactions and other assets. Regulatory Tier 1 capital rose principally as a consequence of the capital increase carried out at the end of April 2015.

(28) Contingent liabilities and irrevocable lending commitments

€m	30.6.2015	31.12.2014	Change in %
Contingent liabilities	37,450	37,147	0.8
from rediscounted bills of exchange credited to borrowers	6	7	– 14.3
from guarantees and indemnity agreements	37,387	37,069	0.9
from other commitments	57	71	– 19.7
Irrevocable lending commitments	64,399	59,850	7.6

Provisions for contingent liabilities and irrevocable lending commitments have been deducted from the respective items.

In addition to the credit facilities listed above, the Commerzbank Group can also sustain losses from legal risks where the occurrence of a loss may not be probable, but is not improbable either, and for which no provisions have been recognised. A reliable assessment either of the date on which the risk will materialise or of potential reimbursements is impossible. Depending on the outcome of the legal proceedings, the estimate of our risk of loss may be either too low or too high. However, in a large majority of cases the contingent liabilities for legal risks do not materialise and therefore the amounts are not representative of the actual future losses. As at 30 June 2015 the contingent liability for legal risks amounted to €672m (previous year: €992m) and related to the following material issues:

- Several actions have been taken against a subsidiary of Commerzbank by customers of a former, now bankrupt, corporate customer which held its bank accounts with the subsidiary. The aim of the action is to obtain damages from the subsidiary for allegedly assisting the management of the bankrupt corporate customer in its fraudulent dealings in relation to the management of its accounts. The Bank believes the claims are unfounded.
- During the bankruptcy proceedings of a former customer, Commerzbank has been sued together with the customer's managing directors and other persons and companies on the basis of joint and several liability for alleged fraudulent bankruptcy. The action was rejected in the court of first instance insofar as it affected Commerzbank. The court ruled that although the bankruptcy could be regarded as fraudulent in accounting terms, there was no fraud in relation to the financing transactions. The claimants are appealing this decision.
- Together with other banks, Commerzbank has been sued for damages for allegedly invalidly taking in pledge and realising globally certificated stocks. The suit was rejected in the court of first instance in 2010. The appeal was rejected in 2013. Leave to appeal this judgement was denied. However, the complaint against denial of leave to appeal taken by the plaintiff to the German Federal Court of Justice was partly upheld. The case is currently being considered by the appeal court.
- Following the sale of the stake in the Public Joint-Stock Company "Bank Forum", Kiev, Ukraine (Bank Forum) in 2012, Commerzbank was contacted by the purchasers raising claims under the contract of sale and alleging that the contract of sale was invalid as a result of fraud. The parties are currently engaged in arbitration on the basis of the arbitration clauses in the contract. The purchasers are demanding that the contract of sale should be declared invalid, the sale reversed and the instalments paid towards the purchase price reimbursed, together with compensation for the losses they have sustained. Commerzbank rejects these demands and has lodged claims against the purchasers for the payment of the remainder of the purchase price and against the guarantor of the purchase price under the guarantee. Commerzbank has now submitted its statement of defence to the court of arbitration.
- The Commerzbank Group held an equity holding in a company which was sold by way of a leveraged buyout. During the insolvency proceedings of this company a number of lawsuits were taken against the Commerzbank Group for repayment of the proceeds it received for the sale of its stake. Two of these suits have been rejected but are currently going through the appeals process.

(29) Derivative transactions

The nominal amounts and fair values of derivative transactions after netting the fair values of derivatives and any variation margins payable on them were as set out below.

The netting volume as at 30 June 2015 totalled €68,178m (previous year: €98,917m). On the assets side, €66,665m of this was attributable to positive fair values and €1,513m to variation margins received. Netting on the liabilities side involved negative fair values of €67,675m and liabilities for variation margin payments of €503m.

	Nominal amount by residual term						Fair values	
30.6.2015 €m	**due on demand**	**up to 3 months**	**3 months to 1 year**	**1 year to 5 years**	**more than 5 years**	**Total**	**positive**	**negative**
Foreign-currency-based forward transactions	2	255,224	170,724	195,713	124,988	746,651	16,525	18,726
Interest-based forward transactions	7	281,325	1,355,555	942,584	1,131,239	3,710,710	124,978	127,730
Other forward transactions	2,183	64,676	74,136	111,967	15,668	268,630	5,544	6,786
Total	**2,192**	**601,225**	**1,600,415**	**1,250,264**	**1,271,895**	**4,725,991**	**147,047**	**153,242**
of which exchange-traded	–	*41,057*	*59,006*	*24,800*	*6,896*	*131,759*		
Net position in the balance sheet							**80,382**	**85,567**

	Nominal amount by residual term						Fair values	
31.12.2014 €m	**due on demand**	**up to 3 months**	**3 months to 1 year**	**1 year to 5 years**	**more than 5 years**	**Total**	**positive**	**negative**
Foreign-currency-based forward transactions	4	249,095	148,242	191,380	122,093	710,814	17,185	18,808
Interest-based forward transactions	6	512,331	1,223,260	1,072,946	1,222,229	4,030,772	166,939	171,169
Other forward transactions	1,796	53,869	66,884	111,164	17,619	251,332	6,021	6,615
Total	**1,806**	**815,295**	**1,438,386**	**1,375,490**	**1,361,941**	**4,992,918**	**190,145**	**196,592**
of which exchange-traded	–	*38,557*	*57,378*	*20,003*	*4,147*	*120,085*		
Net position in the balance sheet							**93,771**	**98,256**

(30) Fair value and fair value hierarchy of financial instruments

Under IAS 39, all financial instruments are initially recognised at fair value; financial instruments that are not classified as at fair value through profit or loss are recognised at fair value plus certain transaction costs. Subsequently, those financial instruments that are classified as at fair value through profit or loss and available-for-sale financial assets are measured at fair value on an ongoing basis. For this purpose, at fair value through profit or loss includes derivatives, instruments held for trading and instruments designated at fair value.

Under IFRS 13, the fair value of an asset is the amount for which it could be sold between knowledgeable, willing, independent parties in an arm's length transaction. The fair value therefore represents a realisable price. The fair value of a liability is defined as the price at which the debt could be transferred to a third party as part of an orderly transaction. The fair value of a liability also reflects own credit risk. If third parties provide security for our liabilities (e.g. guarantees), this security is not taken into account in the valuation of the liability, as the Bank's repayment obligation remains the same.

The most suitable measure of fair value is the quoted price for an identical instrument in an active market (fair value hierarchy Level 1). An active market is one in which transactions in the asset or liability take place sufficiently regularly and with sufficient volume to ensure pricing data is available continuously. As a rule, therefore, quoted prices are to be used if they are available. The relevant market used to determine the fair value is generally the market with the greatest activity (main market). To reflect the price at which an asset could be exchanged or a liability settled, asset positions are valued at the bid price and liability positions are valued at the ask price.

In those cases where no quoted prices are available, valuation is based on quoted prices for similar instruments in active markets. Where quoted prices are not available for identical or similar financial instruments, fair value is derived using an appropriate valuation model where the data inputs – except for non-material parameters – are obtained from verifiable market sources (fair value hierarchy Level 2). In accordance with IFRS 13, valuation methods are to be chosen that are commensurate with the situation and for which the required information is available. For the selected methods, observable input parameters are to be used to the maximum extent possible and unobservable input parameters to the least extent possible.

While most valuation techniques rely on data from observable market sources, certain financial instruments are measured using models that incorporate at least one material input for which there is insufficient recent observable market data. IFRS 13 recognises the market approach, income approach and cost approach as potential methods of measurement. The market approach relies on measurement methods that draw on information about identical or comparable assets and liabilities. The income approach reflects current expectations about future cash flows, expenses and income. The income approach may also include option price models. The cost approach (which may only be applied to non-financial instruments) defines fair value as the current replacement cost of the asset, taking into account the asset's current condition. These valuations inherently include a greater level of management judgement. These unobservable inputs may include data that is extrapolated or interpolated, or may be derived by approximation to correlated or historical data. However, such inputs maximise market or third-party inputs and rely as little as possible on company-specific inputs (fair value hierarchy Level 3).

Valuation models must be consistent with accepted economic methodologies for pricing financial instruments and must incorporate all factors that market participants would consider appropriate in setting a price. All fair values are subject to the Commerzbank Group's internal controls and procedures which set out the standards for independently verifying or validating fair values. These controls and procedures are carried out and coordinated by the Independent Price Verification (IPV) Group within the finance function. The models, inputs and resulting fair values are reviewed regularly by Senior Management and the Risk function.

The fair values which can be realised at a later date can deviate from the estimated fair values.

The following summary shows how these measurement principles are applied to the key classes of financial instrument held by the Commerzbank Group:

- Listed derivatives are valued at the bid or offer price available on active markets. In some cases, theoretical prices may also be used. The fair value of OTC derivatives is determined using valuation models that are well established on the financial markets. On the one hand, models may be used that measure the expected future cash flows and discount these to determine the net present value of the financial instruments. On the other hand, alternative models may be used that determine the value at which there is no scope for arbitrage between a given instrument and other related traded instruments. For some derivatives, the valuation models used in the financial markets may differ in the way that they model the fair value and may use different input parameters to different degrees. These models are regularly calibrated to recent market prices.

  Input parameters for these models are derived, where possible, from observable data such as prices or indices that are published by the relevant exchange, third-party brokers or organisations that provide generally recognised prices based on data submitted by significant market participants. Where input parameters are not directly observable, they may be derived from observable data through extrapolation or interpolation, or may be approximated by reference to historical or correlated data. Input parameters for derivative valuations would typically include underlying spot or forward security prices, volatility, interest rates and exchange rates.

  The fair value of options is comprised of two parts, the intrinsic value and the time value. The factors used to determine the time value include the strike price compared to the underlying, the volatility of the underlying market, the time to expiry and the correlations between the underlying assets and underlying currencies.
- Equities, bonds and asset-backed securities (ABS) are valued using market prices from the relevant exchange, third-party brokers or organisations that provide generally recognised prices based on data submitted by significant market participants. In the absence of such prices, the price for similar quoted instruments is used and adjusted to reflect the contractual differences between the instruments. In the case of more complex securities traded in markets that are not active, the fair value is derived using a valuation model that calculates the present value of the expected future cash flows. In such cases, the input parameters reflect the credit risk associated with those cash flows. Unlisted equities are recognised at cost if it is impossible to establish either a price quotation in an active market or the relevant parameters for the valuation model.
- Structured instruments are securities that combine features of fixed income and equity securities. As opposed to traditional bonds, structured instruments generally pay out a variable return based on the performance of some underlying asset with this return potentially being significantly higher (or lower) than the return on the underlying. In addition to the interest payments, the redemption value and maturity date of the structured debt instrument can also be affected by the derivatives embedded in the instrument. The methodology for determining the fair value of structured instruments can vary greatly as each instrument is individually customised and therefore the terms and conditions of each instrument must be considered individually. Structured instruments can provide exposure to almost any asset class, such as equities, commodities and foreign exchange, interest rate, credit and fund products.

Fair value hierarchy

Under IFRS 13, financial instruments carried at fair value are assigned to the three levels of the fair value hierarchy as follows:

- Level 1: Financial instruments where the fair value is based on quoted prices for identical financial instruments in active markets.
- Level 2: Financial instruments where no quoted prices are available for identical instruments in an active market and the fair value is established using valuation techniques.
- Level 3: Financial instruments where valuation techniques are used that incorporate at least one material input for which there is insufficient observable market data and where at least this input has a more than insignificant impact on the fair value.

The allocation of certain financial instruments to the relevant level is subject to the judgement of management on a systematic basis, particularly if the valuation is based both on observable market data and unobservable market data. An instrument's classification may also change over time due to changes in market liquidity and consequently in price transparency.

In the tables below the financial instruments reported in the balance sheet at fair value are grouped by balance sheet item and valuation category. They are broken down according to whether fair value is based on quoted market prices (Level 1), observable market data (Level 2) or unobservable market data (Level 3).

Financial assets | €bn		30.6.2015				31.12.2014			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Claims on banks	At fair value through profit or loss	–	24.0	–	24.0	–	27.7	–	27.7
Claims on customers	At fair value through profit or loss	–	11.9	0.5	12.4	–	18.5	0.5	19.0
Positive fair values of derivative hedging instruments	Hedge accounting	–	3.1	–	3.1	–	4.5	–	4.5
Trading assets	Held for trading	45.1	78.8	5.1	129.0	32.5	92.7	5.1	130.3
of which positive fair values from derivatives		–	73.4	3.9	77.3	–	85.4	3.9	89.3
Financial investments	At fair value through profit or loss	0.6	1.2	0.5	2.3	2.4	–	–	2.4
	Available-for-sale financial assets	40.5	1.1	0.1	41.7	37.9	4.5	0.1	42.5
Total		**86.2**	**120.1**	**6.2**	**212.5**	**72.8**	**147.9**	**5.7**	**226.4**

Financial liabilities | €bn		30.6.2015				31.12.2014			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Liabilities to banks	At fair value through profit or loss	–	26.0	–	26.0	–	26.6	–	26.6
Liabilities to customers	At fair value through profit or loss	–	21.0	–	21.0	–	23.1	–	23.1
Securitised liabilities	At fair value through profit or loss	1.4	–	–	1.4	1.5	–	–	1.5
Negative fair values of derivative hedging instruments	Hedge accounting	–	7.4	–	7.4	–	9.4	–	9.4
Trading liabilities	Held for trading	11.6	75.8	2.7	90.1	7.8	86.9	2.5	97.2
of which negative fair values from derivatives		–	75.4	2.7	78.1	–	86.3	2.5	88.8
Subordinated debt instruments	At fair value through profit or loss	–	–	–	–	–	–	–	–
Total		**13.0**	**130.2**	**2.7**	**145.9**	**9.3**	**146.0**	**2.5**	**157.8**

A reclassification of levels occurs where a financial instrument is reclassified from one level of the 3-level valuation hierarchy to another. A reclassification of the financial instrument may be caused by market changes which impact on the input factors used to value the financial instrument.

A number of reclassifications from Level 1 to Level 2 were carried out in the second quarter of 2015, as there were no listed market prices available. This involved €0.2bn in available-for-sale bonds and receivables. Opposite reclassifications were made from Level 2 to Level 1 for €0.1bn of available-for-sale bonds, as quoted market prices became available again. The reclassifications were determined on the basis of the holdings on 31 March 2015. Apart from this, there were no other significant reclassifications between Level 1 and Level 2.

The changes in financial instruments in the Level 3 category were as follows:

Financial assets €m	Claims on customers	Trading assets	of which positive fair values from derivatives	Financial investments		Total
	At fair value through profit or loss	Held for trading	Held for trading	At fair value through profit or loss	Available-for-sale financial assets	
Fair value as at 1.1.2014	**284**	**1,813**	**775**	**25**	**59**	**2,181**
Changes in the group of consolidated companies	–	–	–	–	–	–
Gains or losses recognised in income statement during the period	– 2	194	169	–	–	192
of which unrealised gains/losses	– 2	206	180	–	–	204
Gains or losses recognised in revaluation reserve	–	–	–	–	– 1	– 1
Purchases	–	251	7	–	89	340
Sales	–	– 225	– 152	–	–	– 225
Issues	–	–	–	–	–	–
Redemptions	–	– 13	– 10	– 28	–	– 41
Reclassifications to Level 3	184	3,376	3,161	11	289	3,860
Reclassifications from Level 3	– 15	– 249	– 31	– 6	– 312	– 582
Fair value as at 31.12.2014	**451**	**5,147**	**3,919**	**2**	**124**	**5,724**
Changes in the group of consolidated companies	–	–	–	–	–	–
Gains or losses recognised in income statement during the period	115	247	159	103	–	465
of which unrealised gains/losses	115	251	161	103	–	469
Gains or losses recognised in revaluation reserve	–	–	–	–	–	–
Purchases	8	83	2	50	–	141
Sales	–	– 191	– 142	– 33	– 284	– 508
Issues	–	–	–	–	–	–
Redemptions	– 108	– 74	– 7	– 52	– 43	– 277
Reclassifications to Level 3	–	34	14	485	321	840
Reclassifications from Level 3	– 10	– 126	– 56	– 70	– 2	– 208
Fair value as at 30.6.2015	**456**	**5,120**	**3,889**	**485**	**116**	**6,177**

Unrealised gains or losses on financial instruments held for trading purposes (trading assets and derivatives) are included in net trading income. Unrealised gains or losses on claims and financial investments at fair value through profit or loss are recognised in the net gain or loss from applying the fair value option.

There was one significant reclassification from Level 2 to Level 3 in the first half of 2015 involving €0.5bn of securities at fair value through profit or loss, as observable data was no longer available on the market.

Financial liabilities €m	**Trading liabilities** **Held for trading**	**of which negative fair values from derivatives** **Held for trading**	**Total**
Fair value as at 1.1.2014	**633**	**528**	**633**
Changes in the group of consolidated companies	–	–	–
Gains or losses recognised in income statement during the period	28	28	28
of which unrealised gains/losses	– 2	– 2	– 2
Purchases	45	45	45
Sales	– 7	–	– 7
Issues	–	–	–
Redemptions	– 17	– 17	– 17
Reclassifications to Level 3	2,088	2,030	2,088
Reclassifications from Level 3	– 235	– 81	– 235
Fair value as at 31.12.2014	**2,535**	**2,533**	**2,535**
Changes in the group of consolidated companies	–	–	–
Gains or losses recognised in income statement during the period	125	125	125
of which unrealised gains/losses	130	130	130
Purchases	25	25	25
Sales	– 10	– 9	– 10
Issues			–
Redemptions	– 3	– 3	– 3
Reclassifications to Level 3	160	151	160
Reclassifications from Level 3	– 165	– 156	– 165
Fair value as at 30.6.2015	**2,667**	**2,666**	**2,667**

Unrealised gains or losses on financial instruments held for trading purposes (trading liabilities and derivatives) are included in net trading income.

There was one significant reclassification from Level 2 to Level 3 in the first half of 2015 involving €0.1bn of negative fair values from derivatives, as observable data was no longer available on the market.

Sensitivity analysis

Where the value of financial instruments is based on unobservable input parameters (Level 3), the precise level of these parameters at the balance sheet date may be derived from a range of reasonable possible alternatives at the discretion of management. In preparing the Group financial statements, appropriate levels for these unobservable input parameters are chosen which are consistent with existing market evidence and in line with the Group's valuation control approach.

The purpose of this disclosure is to illustrate the potential impact of the relative uncertainty in the fair values of financial instruments with valuations based on unobservable input parameters (Level 3). Interdependencies frequently exist between the parameters used to determine Level 3 fair values. For example, an anticipated improvement in the overall economic situation may cause share prices to rise, while securities perceived as being lower risk, such as German Government Bonds, may lose value. Such interdependencies are accounted for by means of correlation parameters insofar as they have a significant effect on the fair values in question. If a valuation model uses several parameters, the choice of one parameter may restrict the range of possible values the other parameters may take. So, by definition, this category will contain more illiquid instruments, instruments with longer-term maturities and instruments where sufficient independent observable market data is difficult to obtain. The purpose of this information is to illustrate the main unobservable input parameters for Level 3 financial instruments and subsequently present various inputs on which the key input parameters were based.

The main unobservable input parameters for Level 3 and the key related factors may be summarised as follows:

- Internal rate of return (IRR):
  The IRR is defined as the discount rate that sets the net present value of all cash flows from an instrument equal to zero. For bonds, the IRR depends, for example, upon the current bond price, the nominal value and the duration.
- Equity correlation:
  Correlation is a measure of how two instruments move in relation to each other. Correlation is expressed as the correlation coefficient, which ranges between −1 and +1.

  Many popular equity derivative products involve several underlying reference assets (equity basket correlation). The performance is determined by taking the average of the baskets; locking in at certain time intervals the best (or worst) performers; or picking the best (or worst) performer at maturity.

  Basket products such as index baskets may have their performance linked to a number of indices. The inputs used to price these include the interest rate, index volatility, index dividend and the correlations between the indices. The correlation coefficients are typically provided by independent data providers. For correlated paths the average basket value can then be estimated by a large number of samples (Monte Carlo simulation).

  A quanto (quantity adjusting option) swap is a swap with varying combinations of interest rate, currency and equity swap features, where the yield spread is based on the movement of two different countries' interest rates. Payments are settled in the same currency.

  The inputs needed to value an equity quanto swap are the correlation between the underlying index and the FX forward rate, the volatility of the underlying index, the volatility of the FX forward rate and maturity.
- Credit spread:
  The credit spread is the yield spread (premium or discount) between securities that are identical in all respects except for their respective credit quality. The credit spread represents the excess yield above the benchmark reference instrument that compensates for the difference in creditworthiness between the instrument and the benchmark. Credit spreads are quoted in terms of the number of basis points above (or below) the quoted benchmark. The wider (higher) the credit spread in relation to the benchmark, the lower the instrument's creditworthiness, and vice versa for narrower (lower) credit spreads.
- Discount yield:
  Discount yield is a measure of a bond's percentage return. Discount yield is most frequently used to calculate the yield on short-term bonds and treasury bills sold at a discount. This yield calculation uses the convention of a 30-day month and 360-day year. The inputs required to determine the discount yield are the par value, purchase price and the number of days to maturity.
- Credit correlation:
  Credit derivative products such as collateralised debt obligations (CDOs), CDS indices, such as iTraxx and CDX, and First-to-default (FTD) basket swaps all derive their value from an underlying portfolio of credit exposures.

  Correlation is a key determinant in the pricing of FTD swaps. Default correlation assumptions can have a significant impact on the distribution of losses experienced by a credit portfolio. It is the loss distribution that captures the default characteristics of a portfolio of credits and ultimately determines the pricing of the FTD swaps.

  At low correlation, the assets are virtually independent. In the case of an extremely low expected standard correlation, the distribution is almost symmetrical. There is a high probability of experiencing a few losses but almost no probability of experiencing a very large number of losses. Also the probability of experiencing zero losses is low. With a medium expected standard correlation, the distribution becomes more "skewed". There is thus a higher probability of experiencing no defaults, but also a higher probability of experiencing a large number of losses. As a result, there is a greater likelihood of assets defaulting together. The tail of the portfolio loss distribution is pushed out, with more of the risk therefore in the senior tranche.

  At a high correlation, the portfolio virtually behaves like a single asset, which either does or does not default.
- Mean reversion of interest rates:
  This is a theory suggesting that prices and returns eventually move back towards the mean or average. This mean or average can be the historical average of a price or yield or another relevant average such as average economic growth or the average return of an industry.

A single-factor interest rate model used to price derivatives is the Hull-White model. This assumes that short rates have a normal distribution and are subject to mean reversion. Volatility is likely to be low when short rates are near zero, which is reflected in a larger mean reversion in the model. The Hull-White model is an extension of the Vasicek and Cox-Ingersoll-Ross (CIR) models.

- Interest rate-forex (IR-FX) correlation:
The IR-FX correlation is relevant for the pricing of exotic interest rate swaps involving the exchange of funding payments in one currency and an exotic structured leg that is usually based on the development of two government bond yields in different currencies.

Data vendors provide a service for quanto swaps as well as for CMS quanto spread options in the same currency pairs. We participate in these services and receive consensus mid prices for these, together with spreads and standard deviations of the distribution of prices provided by all participants.

The model parameters required as inputs include, for example, rate/rate (Dom-For currency) and rate/FX (Dom-FX and For-FX) correlations. These are not directly observable on the market, but can be derived from consensus prices then used to price these transactions.

For the calculation of the correlation sensitivities, the different types of correlations (rate/rate and rate/FX) are shifted one after the other and the exotics interest rate swaps portfolio is revalued each time. The calculated price differences to the respective basis prices determine the sensitivity values for each correlation type. These calculations are done for the various currency pairs.

- Recovery rates, survival and default probabilities:
Supply and demand as well as the arbitrage relationship with asset swaps tends to be the dominant factor driving pricing of credit default swaps. Models for pricing default swaps tend to be used more for exotic structures and off-market default swap valuation for which fixed interest payments above or below the market rate are agreed. These models calculate the implied default probability of the reference asset as a means of discounting the cash flows in a default swap. The model inputs are credit spreads and recovery rates that are used to interpolate ("bootstrap") a time series of survival probabilities of the reference asset. A typical recovery rate assumption in the default swap market for senior unsecured contracts is 40.0%.

Assumptions about recovery rates will be a factor determining the shape of the survival probability curve. Different recovery rate assumptions translate into different survival probability rates. For a given credit spread, a high recovery assumption implies a higher probability of default (relative to a low recovery assumption) and hence a lower survival probability.

There is a relationship over time between default rates and recovery rates of corporate bond issuers. In particular, there is an inverse correlation between the two: an increase in the default rate (defined as the percentage of issuers defaulting) is generally associated with a decline in the average recovery rate.

In practice, market participants use market spreads to determine implied default probabilities. Estimates of default probabilities also depend on the joint loss distributions of the parties involved in a credit derivative transaction. The copula function is used to measure the correlation structure between two or more variables. The copula function creates a joint distribution while keeping the characteristics of the two independent marginal distributions.

The following ranges for the material unobservable parameters were used in the valuation of our Level 3 financial instruments:

€m		30.6.2015			30.6.2015	
	Valuation technique	Assets	Liabilities	Significant unobservable input parameter	Range	
Derivatives		**3,889**	**2,666**			
Equity-related transactions	Discounted cash flow model	215	147	IRR (%)	2.9	3.2
Credit derivatives	Discounted cash flow model	3,640	2,325	Credit spread (bps)	100	500
				Recovery rate (%)	40	80
Interest-rate-related transactions	Option pricing model	34	194	IR-FX correlation (%)	– 30	75
Other transactions		–	–			
Securities		**2,208**	**1**			
Interest-rate-related transactions	Price based model	2,208	1	Price (%)	–	100
of which ABS	Price based model	1,719	–	Price (%)	–	100
Equity-related transactions		–	–			
Loans	Price based model	**80**	–	Price (%)	–	100
Total		**6,177**	**2,667**			

The table below shows the impact on the income statement of reasonable parameter estimates on the edges of these ranges for instruments in the fair value hierarchy Level 3. The sensitivity analysis for financial instruments in the fair value hierarchy Level 3 is broken down by type of instrument:

€m	2015		
	Positive effects on income statement	Negative effects on income statement	Changed parameters
Derivatives	**65**	**– 70**	
Equity-related transactions	20	– 19	IRR
Credit derivatives	31	– 37	Credit spread, recovery rate
Interest-rate-related transactions	14	– 14	Correlation
Other transactions	–	–	
Securities	**98**	**– 67**	
Interest-rate-related transactions	98	– 67	Price
of which ABS	47	– 16	Discount yield, recovery rate, credit spread
Equity-related transactions	–	–	
Loans	**8**	**– 8**	Price

The selected parameters lie at the extremes of their range of reasonable possible alternatives. In practice, however, it is unlikely that all unobservable parameters would simultaneously lie at the extremes of this range. Consequently, the estimates provided are likely to exceed the actual uncertainty in the fair values of these instruments. The purpose of these figures is not to estimate or predict future changes in fair value. The unobservable parameters were either shifted by between 1.0 and 10.0% as deemed appropriate by our independent valuation experts for each type of instrument or a measure of standard deviation was applied.

Day one profit or loss

The Commerzbank Group has entered into transactions where the fair value was calculated using a valuation model, where not all material input parameters were observable in the market. The initial carrying value of such transactions is the transaction price. The difference between the transaction price and the fair value under the model is termed the "day one profit or loss". The day one profit or loss is not recognised immediately in the income statement but pro rata over the term of the transaction. As soon as there is a quoted market price on an active market for such transactions or all material input parameters become observable, the accrued day one profit or loss is immediately recognised in net trading income. A cumulated difference between transaction price and model valuation is calculated for the Level 3 items in all categories. Material impacts only result from financial instruments held for trading; the development was as follows:

€m	Day one profit or loss		
	Trading assets	**Trading liabilities**	**Total**
Balance as at 1.1.2014	**–**	**1**	**1**
Allocations not recognised in income statement	–	–	–
Reversals recognised in income statement	–	–	–
Balance as at 31.12.2014	**–**	**1**	**1**
Allocations not recognised in income statement	–	2	2
Reversals recognised in income statement	–	1	1
Balance as at 30.6.2015	**–**	**2**	**2**

Below we provide more information on the fair values of financial instruments which are not recognised at fair value in the balance sheet, but for which a fair value must be disclosed. For the financial instruments reported in the balance sheet at fair value, the accounting methodology is set out in the section on fair value hierarchy.

The nominal value of financial instruments that fall due on a daily basis is taken as their fair value. These instruments include the cash reserve as well as overdrafts and demand deposits in the claims on banks and customers or liabilities to banks and customers items.

Market prices are not available for loans as there are no organised markets for trading these financial instruments. A discounted cash flow model is used for loans with parameters based on a risk-free yield curve (swap curve), credit spreads and a maturity-based premium to cover liquidity spreads, plus fixed premiums for administrative costs and the cost of capital. Data on the credit spreads of major banks and corporate customers is available. When using credit spreads, neither liquidity spreads nor premiums for administrative costs and the cost of capital may be considered, since implicitly they are already included in credit risk.

In the case of reclassified securities contained in the IAS 39 loans and receivables category the fair value is determined on the basis of available market prices insofar as an active market once again exists (Level 1). If there is no active market, recognised valuation methods are to be used to determine the fair values. In general, the discounted cash flow model is applied to the valuation. The parameters used comprise yield curves, risk and liquidity spreads and premiums for administrative costs and the cost of capital.

For liabilities to banks and customers, a discounted cash flow model is generally used for determining fair value, since market data is usually not available. In addition to the yield curve, own credit spread and a premium for operating expenses are also taken into account. In the case of promissory note loans issued by banks, the cost of capital is also taken into account.

The fair value of securitised liabilities, subordinated liabilities and hybrid capital is determined on the basis of available market prices. If no prices are available, the discounted cash flow model is used to determine the fair values. A number of different factors, including current market interest rates, the own credit spread and capital costs, are taken into account in determining fair value.

The table below compares the fair values of the balance sheet items with their carrying amounts:

	Fair value		Carrying amount		Difference	
€bn	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Assets						
Cash reserve	27.4	4.9	27.4	4.9	–	–
Claims on banks	74.9	80.0	74.9	80.0	–	–
Claims on customers	226.5	235.7	226.0	232.9	0.5	2.8
Value adjustment portfolio fair value hedges[1]	0.0	0.0	0.2	0.4	– 0.2	– 0.4
Positive fair values of derivative hedging instruments	3.1	4.5	3.1	4.5	–	–
Trading assets	129.0	130.3	129.0	130.3	–	–
Financial investments	81.9	87.3	84.5	90.4	– 2.6	– 3.1
Non-current assets and disposal groups held for sale	2.4	0.2	2.4	0.2	–	–
Liabilities						
Liabilities to banks	101.3	99.4	101.3	99.4	–	–
Liabilities to customers	260.7	249.5	260.5	249.0	0.2	0.5
Securitised liabilities	48.3	52.0	45.9	48.8	2.4	3.2
Value adjustment portfolio fair value hedges[1]	0.0	0.0	1.0	1.3	– 1.0	– 1.3
Negative fair values of derivative hedging instruments	7.4	9.4	7.4	9.4	–	–
Trading liabilities	90.1	97.2	90.1	97.2	–	–
Liabilities from disposal groups held for sale	0.1	0.1	0.1	0.1	–	–
Subordinated debt instruments	13.0	13.1	12.3	12.4	0.7	0.7

[1] The fair value adjustments on portfolio fair value hedges are contained in the relevant balance sheet line items for the hedged items.

(31) Treasury shares

	Number of shares in units	Accounting par value[1] in €1,000	Percentage of share capital
Balance as at 30.6.2015	–	–	–
Largest number acquired during the financial year	–	–	–
Total shares pledged by customers as collateral as at 30.6.2015	3,476,096	3,476	0.28
Shares acquired during the current financial year	–	–	
Shares disposed of during the current financial year	–	–	

[1] Accounting par value per share €1.00.

(32) Related party transactions

As part of its normal business activities, the Commerzbank Group does business with related parties. These include subsidiaries that are controlled but not consolidated for reasons of materiality, companies accounted for using the equity method, equity holdings, external providers of occupational pensions for employees of Commerzbank Aktiengesellschaft, key management personnel and members of their families as well as companies controlled by these persons. Key management personnel refers exclusively to members of Commerzbank Aktiengesellschaft's Board of Managing Directors and Supervisory Board.

Besides the size of the stake held by the German federal government as guarantor of the Financial Market Stabilisation Authority (FMSA), which administers the Financial Market Stabilisation Fund (SoFFin), other factors (including membership of the supervisory board) which could allow a shareholder to exert a significant influence on Commerzbank Aktiengesellschaft also need to be taken into account. As a result the German federal government and entities controlled by it continue to constitute related parties as defined by IAS 24.

In the tables below we present relationships with federal government-controlled entities and agencies separately from relationships with other related parties.

Assets, liabilities and off-balance sheet items involving related parties (excluding federal agencies) were as follows:

€m	30.6.2015	31.12.2014	Change in %
Claims on banks	24	41	– 41.5
Claims on customers	1,147	1,118	2.6
Trading assets	5	13	– 61.5
Financial investments	37	40	– 7.5
Other assets	40	51	– 21.6
Total	**1,253**	**1,263**	**– 0.8**
Liabilities to banks	1	–	.
Liabilities to customers	871	665	31.0
Trading liabilities	–	3	– 100.0
Subordinated debt instruments	403	394	2.3
Other liabilities	16	26	– 38.5
Total	**1,291**	**1,088**	**18.7**
Off-balance-sheet items			
Guarantees and collaterals granted	255	220	15.9
Guarantees and collaterals received	5	6	– 16.7

The following income and expenses arose from loan agreements with, deposits from and services provided in connection with related parties (excluding federal agencies):

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %
Income			
Interest income	54	48	12.5
Commission income	69	36	91.7
Gains on disposals and remeasurement	–	–	.
Others	1	1	0.0
Expenses			
Interest expenses	19	23	– 17.4
Commission expenses	1	–	.
Operating expenses	45	36	25.6
Write-downs/impairments	–	14	– 100.0
Others	4	5	– 20.0

The Commerzbank Group conducts transactions with federal government-controlled entities and agencies as part of its ordinary business activities on standard market terms and conditions.

Assets and liabilities and off-balance-sheet items in connection with federal government-controlled entities changed as follows:

€m	30.6.2015	31.12.2014	Change in %
Cash reserve	16,192	247	.
Claims on banks	163	154	5.8
Claims on customers	1,487	1,438	3.4
Trading assets	1,700	970	75.3
Financial investments	3,312	3,484	– 4.9
Total	**22,854**	**6,293**	**.**
Liabilities to banks	12,161	13,255	– 8.3
Liabilities to customers	87	89	– 2.2
Trading liabilities	1,937	845	.
Total	**14,185**	**14,189**	**0.0**
Off-balance-sheet items			
Guarantees and collaterals granted	250	242	3.3
Guarantees and collaterals received	–	–	.

Income and expenses for transactions with federal agencies were as follows:

€m	1.1.–30.6.2015	1.1.–30.6.2014	Change in %
Income			
Interest income	80	155	– 48.4
Commission income	2	2	0.0
Gains on disposals and remeasurement	17	–	.
Expenses			
Interest expenses	47	107	– 56.1
Net loan loss provisions	–	11	– 100.0
Commission expenses	–	–	.
Operating expenses	–	–	.
Write-downs/impairments	–	–	.

(33) Information on netting of financial instruments

The table below shows the reconciliation of amounts before and after netting, as well as the amounts of existing netting rights which do not satisfy the netting criteria, separately for all recognised financial assets and liabilities which

- are already netted in accordance with IAS 32.42 (financial instruments I) and
- are subject to an enforceable, bilateral master netting agreement or a similar agreement but are not netted in the balance sheet (financial instruments II).

For the netting agreements we conclude master agreements with our counterparties (such as 1992 ISDA Master Agreement Multi-Currency Cross-Border; German Master Agreement for Financial Futures). By means of such netting agreements, the positive and negative fair values of the derivatives contracts included under a master agreement can be offset against one another. This netting process reduces the credit risk to a single net claim on the party to the contract (close-out-netting).

We apply netting to receivables and liabilities from repurchase agreements (reverse repos and repos) and to positive and negative fair values of derivatives. The balance sheet netting pertains to transactions with central counterparties.

Assets | €m	**30.6.2015**		**31.12.2014**	
	Reverse repos	**Positive fair values of derivative financial instruments**	**Reverse repos**	**Positive fair values of derivative financial instruments**
Gross amount of financial instruments	45,196	147,054	52,874	190,145
Book values not eligible for netting	2,714	6,682	5,588	8,430
a) Gross amount of financial instruments I & II	42,482	140,372	47,286	181,715
b) Amount netted in the balance sheet for financial instruments I[1]	17,196	66,665	15,036	96,374
c) Net amount of financial instruments I & II = a) – b)	25,286	73,707	32,250	85,341
d) Master agreements not already accounted for in b)				
Amount of financial instruments II which do not fulfil or only partially fulfil the criteria under IAS 32.42[2]	1,154	54,471	1,793	63,067
Fair value of financial collateral relating to financial instruments I & II not already accounted for in b)[3]				
Non-cash collaterals[4]	14,283	1,602	15,950	2,043
Cash collaterals	156	10,535	16	10,738
e) Net amount of financial instruments I & II = c) – d)	**9,693**	**7,099**	**14,491**	**9,493**
f) Fair value of financial collateral of central counterparties relating to financial instruments I	9,568	262	14,479	664
g) Net amount of financial instruments I & II = e) – f)	**125**	**6,837**	**12**	**8,829**

1 Of which for positive fair values €503m (previous year: €581m) is attributable to margins.
2 Lesser amount of assets and liabilities.
3 Excluding rights or obligations to return arising from the transfer of collateral.
4 Including financial instruments not reported on the balance sheet (e.g. securities provided as collateral in repo transactions).

Liabilities | €m	**30.6.2015**		**31.12.2014**	
	Repos	**Negative fair values of derivative financial instruments**	**Repos**	**Negative fair values of derivative financial instruments**
Gross amount of financial instruments	41,332	153,262	49,883	196,592
Book values not eligible for netting	441	5,221	1,123	6,284
a) Gross amount of financial instruments I & II	40,891	148,041	48,760	190,308
b) Amount netted in the balance sheet for financial instruments I[1]	17,196	67,675	15,036	98,336
c) Net amount of financial instruments I & II = a) – b)	23,695	80,366	33,724	91,972
d) Master agreements not already accounted for in b)				
Amount of financial instruments II which do not fulfil or only partially fulfil the criteria under IAS 32.42[2]	1,154	54,471	1,793	63,067
Fair value of financial collateral relating to financial instruments I & II not already accounted for in b)[3]				
Non-cash collaterals[4]	21,579	2,361	17,804	2,165
Cash collaterals	134	19,661	3	22,058
e) Net amount of financial instruments I & II = c) – d)	**828**	**3,873**	**14,124**	**4,682**
f) Fair value of financial collateral of central counterparties relating to financial instruments I	814	262	14,072	664
g) Net amount of financial instruments I & II = e) – f)	**14**	**3,611**	**52**	**4,018**

1 Of which for negative fair values €1,513m (previous year: €2,543m) is attributable to margins.
2 Lesser amount of assets and liabilities.
3 Excluding rights or obligations to return arising from the transfer of collateral.
4 Including financial instruments not reported on the balance sheet (e.g. securities provided as collateral in repo transactions).

Boards of Commerzbank Aktiengesellschaft

Supervisory Board

Klaus-Peter Müller
Chairman

Uwe Tschäge[1]
Deputy Chairman

Hans-Hermann Altenschmidt[1]

Dr. Nikolaus von Bomhard
(until 30.4.2015)

Gunnar de Buhr[1]

Stefan Burghardt[1]

Sabine U. Dietrich
(since 30.4.2015)

Karl-Heinz Flöther

Dr. Markus Kerber

Alexandra Krieger[1]

Oliver Leiberich[1]

Dr. Stefan Lippe

Beate Mensch[1]

Anja Mikus
(since 30.4.2015)

Dr. Roger Müller

Dr. Helmut Perlet

Barbara Priester[1]

Mark Roach[1]

Petra Schadeberg-Herrmann
(until 30.4.2015)

Margit Schoffer[1]

Nicholas Teller

Dr. Gertrude Tumpel-Gugerell

[1] Elected by the Bank's employees.

Board of Managing Directors

Martin Blessing
Chairman

Frank Annuscheit

Markus Beumer

Stephan Engels

Michael Reuther

Dr. Stefan Schmittmann

Martin Zielke

Responsibility statement by the Board of Managing Directors

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, we confirm that the consolidated interim Group financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and that the interim Group management report provides a true and fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the rest of the financial year.

Frankfurt am Main, 30 July 2015
The Board of Managing Directors

Martin Blessing

Frank Annuscheit

Markus Beumer

Stephan Engels

Michael Reuther

Stefan Schmittmann

Martin Zielke

Review report

To COMMERZBANK Aktiengesellschaft, Frankfurt am Main

We have reviewed the condensed consolidated interim financial statements – comprising the statement of financial position, statement of comprehensive income, condensed statement of cash flows, statement of changes in equity and selected explanatory notes – and the interim group management report of COMMERZBANK Aktiengesellschaft, Frankfurt am Main, for the period from 1 January to 30 June 2015 which are part of the half-year financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Frankfurt am Main, 31 July 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Peter Goldschmidt	Caroline Gass
Wirtschaftsprüfer (German Public Auditor)	Wirtschaftsprüferin (German Public Auditor)

Significant subsidiaries and associates

Germany
Atlas Vermögensverwaltungsgesellschaft mbH, Frankfurt am Main
comdirect bank AG, Quickborn
Commerz Real AG, Eschborn
Hypothekenbank Frankfurt AG, Eschborn

Abroad
Commerzbank (Eurasija) SAO, Moscow
Commerzbank International S.A., Luxembourg
Commerzbank Zrt., Budapest
Commerz Markets LLC, New York
Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg, Luxembourg
mBank S.A., Warsaw

Operative foreign branches
Amsterdam, Barcelona, Bratislava, Beijing, Brno (office), Brussels, Dubai, Hong Kong, London, Luxembourg, Madrid, Milan, New York, Ostrava (office), Paris, Plzeň (office), Prague, Shanghai, Singapore, Tianjin, Tokyo, Vienna, Zurich

Representative Offices and Financial Institutions desks
Abidjan, Addis Ababa, Almaty, Ashgabat, Baghdad, Baku, Bangkok, Beijing (FI Desk), Beirut, Belgrade, Brussels (Liaison Office to the European Union), Bucharest, Buenos Aires, Cairo, Caracas, Dhaka, Dubai (FI Desk), Ho Chi Minh City, Hong Kong (FI Desk), Istanbul, Jakarta, Johannesburg, Kiev, Kuala Lumpur, Lagos, Luanda, Melbourne, Milan (FI Desk), Minsk, Moscow, Mumbai, New York (FI Desk), Novosibirsk, Panama City, Riga, Santiago de Chile, São Paulo, Seoul, Shanghai (FI Desk), Singapore (FI Desk), Taipei, Tashkent, Tblisi, Tokyo (FI Desk), Tripoli, Zagreb

The German version of this Interim Report is the authoritative version.

Disclaimer

Reservation regarding forward-looking statements
This interim report contains forward-looking statements on Commerzbank's business and earnings performance, which are based upon our current plans, estimates, forecasts and expectations. The statements entail risks and uncertainties, as there are a variety of factors which influence our business and to a great extent lie beyond our sphere of influence. Above all, these include the economic situation, the state of the financial markets worldwide and possible loan losses. Actual results and developments may, therefore, diverge considerably from our current assumptions, which, for this reason, are valid only at the time of publication. We undertake no obligation to revise our forward-looking statements in the light of either new information or unexpected events.

Cover
German Football Association (DFB), Commerzbank-Arena, Frankfurt am Main

2015/2016 Financial calendar	
2 November 2015	Interim Report as at 30 September 2015
End-March 2016	Annual Report 2015
Early-May 2016	Interim Report as at 31 March 2016
Early-August 2016	Interim Report as at 30 June 2016
Early-November 2016	Interim Report as at 30 September 2016

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