COMMERZBANK

The next steps

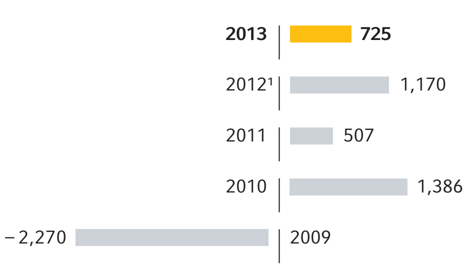
Annual Report 2013

The bank at your side

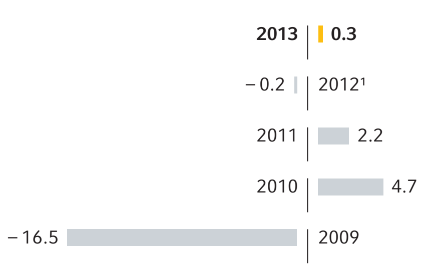
Key figures

Income statement	1.1.–31.12.2013	1.1.–31.12.2012[1]
Operating profit (€m)	725	1,170
Operating profit per share[2] (€)	0.79	1.69
Pre-tax profit or loss (€m)	232	859
Consolidated profit or loss[3] (€m)	78	– 47
Earnings per share[2] (€)	0.09	– 0.48
Operating return on equity (%)	2.5	4.0
Cost/income ratio in operating business (%)	73.3	71.3
Return on equity of consolidated profit or loss[3,4] (%)	0.3	– 0.2
Balance sheet	**31.12.2013**	**31.12.2012[1]**
Total assets[1] (€bn)	549.7	636.0
Risk-weighted assets (€bn)	190.6	208.1
Equity as shown in balance sheet[1] (€bn)	26.9	26.3
Own funds as shown in balance sheet[1] (€bn)	40.7	40.2
Capital ratios		
Tier 1 capital ratio (%)	13.5	13.1
Core Tier 1 capital ratio[5] (%)	13.1	12.0
Equity Tier 1 ratio[6] (%)	13.1	11.2
Total capital ratio (%)	19.2	17.8
Staff	**31.12.2013**	**31.12.2012**
Germany	41,113	42,857
Abroad	11,831	10,744
Total	52,944	53,601
Long/short-term rating		
Moody's Investors Service, New York	Baa1/P-2	A3/P-2
Standard & Poor's, New York	A-/A-2	A/A-1
Fitch Ratings, New York/London	A+/F1+	A+/F1+

Operating profit (€m)



Return on equity of consolidated profit or loss[3, 4] (%)



[1] Prior-year figures restated due to the first-time application of the amended IAS 19 and the hedge accounting restatement. [2] Prior-year figures restated due to the 10-to-1 reverse stock split of Commerzbank shares. [3] Insofar as attributable to Commerzbank shareholders. [4] The capital base comprises the average Group capital attributable to Commerzbank shareholders without the average revaluation reserve and the cash flow hedge reserve. [5] The core Tier 1 capital ratio is the ratio of core Tier 1 capital (ordinary shares, retained earnings and silent participations) to risk-weighted assets. [6] The equity Tier 1 ratio is the ratio of Tier 1 capital (core Tier 1 capital excluding silent participations) to risk-weighted assets.

About Commerzbank

Commerzbank is one of Germany's leading banks for private and corporate customers, and a strong universal bank that combines the long-standing, successful and extensive experience of two banks with a rich heritage.

For private customers, we are a reliable partner and high-performing financial services provider. Our customers have one of the densest networks of any private-sector bank in Germany at their disposal. For small and medium-sized firms, we successfully support our customers' business activities in Germany and around the world. Our customers also benefit from the capital market know-how of our investment bank. In Germany, we offer our customers a nationwide branch network with individual advice and services. At a global level, Commerzbank has a direct presence in the major business and financial centres. We also work with several thousand correspondent banks all over the world.

Customer satisfaction is at the heart of everything we do at Commerzbank. We are fully committed to providing this, and it is the measure of our success.

Our vision

Our Bank has more than 140 years of tradition behind it. This tradition is both a commitment and an obligation for the future. We combine modern banking with traditional values such as fairness, trust and competence. Our aim is to reinforce our leading position in our core markets of Germany and Poland over the long term. We intend to offer our private and corporate customers the banking and capital market services they need. In the future we shall continue to support our customers as a business partner in all markets. Our business will always be founded on dealing fairly and competently with customers, investors and employees.

Our mission

The operating environment in the financial sector has changed fundamentally in recent years. Persistently low interest rates, ever-intensifying regulation and shifts in customer behaviour have had a lasting impact on banks' activities. We are responding robustly to this paradigm shift: we are reducing risks further, optimising our capital base, pursuing a policy of strict cost management and at the same time making long-term investments in the core bank's earnings power, while rigorously orienting our business model towards the needs of our customers and the real economy.

Structure of Commerzbank Group

Board of Managing Directors

Segments

Private Customers	Mittelstandsbank	Central & Eastern Europe	Corporates & Markets	Non-Core Assets

Operating units

Private Customers	Mittelstandsbank	Central & Eastern Europe	Corporates & Markets	Non-Core Assets
Private Customers	Corporate Banking	mBank	Corporate Finance	Commercial Real Estate
Retail and Business Customers North-East	Strategy and Projects		Equity Markets & Commodities	Deutsche Schiffsbank
Retail and Business Customers South-West	Small and Medium Enterprises North/West		Fixed Income, Currencies	Public Finance
Wealth Management	Small and Medium Enterprises South/East		Credit Portfolio Management	
Direct Banking	Large Corporates North/West		Client Relationship Management	
Commerz Real	Large Corporates South/East		Research	
	Corporates International		New York	
	Financial Institutions			

All staff and management functions are bundled into the Group Management division.
The support functions of Group Information Technology, Group Organisation & Security, Group Banking Operations, Group Markets Operations, Group Delivery Center and Group Excellence & Support are provided by the Group Services division.

COMMERZBANK

Lena Kuske, Branch Manager, Hamburg

The next steps

Our aim – to be fair and professional

We are continuing down our chosen route, and resolutely so. The changes that we are striving for, and in many cases have already implemented, are part of a long-term process. More will follow. We are not focused simply on cutting costs; the satisfaction of our customers – whose side we are at as a fair and professional partner – is far more important to us. During the year under review, we attracted more than 245,000 net new customers, and customer satisfaction rates were above our target of 30%. That is simultaneously a vindication of what we are doing and an incentive to do more. That is how we will create the basis for further profitability improvements.

Lena Kuske, Branch Manager, Hamburg: “Most people understand that these are just the first steps – and that many more will follow. They know that we genuinely want to always be the bank at your side.”

360° orientation with the “Customer Compass”

An important component of our private customer strategy is a fair advisory process, consistently oriented towards the needs of our customers, which provides a 360 degree awareness regarding their financial situation. At the focal point is the “Customer Compass”, an IT-supported advisory process which ensures uniform, structured and comprehensive advice for our customers at each branch. The first step is to draw up a snapshot of each client’s own personal ambitions, plans and finances. We then use this information to develop customised recommendations. More than 2.4 million advisory sessions have taken place with the help of the “Customer Compass” since it was launched in summer 2012. We have been using it with our business customers since December 2013, and here, too, the new tool has proved a valuable addition.

Private Customers

We are always there for our customers

Being a fair bank means being there for our customers, and specifically when it suits them to do their banking. We therefore offer our customers exceptional levels of service: since spring 2013, our call centre has been open around the clock, seven days a week. We have also extended our cash point opening hours and improved our online offering. Our customers can now take out more than 20 basic products online, ranging from free current accounts to time deposits and the DirektDepot direct custody account. These are all important steps towards becoming a truly modern multi-channel bank at which each customer can decide for him or herself how and when they want to make contact with us. At the same time, personalised advice remains crucial. We opened a branch with a new design on Uhlandstrasse in Berlin in December 2013, marking yet another step into the future.

Angelique Wagenführ, Customer Advisor, Berlin: “We only sell what customers want.”

340,000

current accounts with satisfaction guarantee

Current accounts are at the centre of the customer relationship. That is why we have refined the free current account and added a satisfaction guarantee: our customers receive an initial credit of €50 and we guarantee that they will indeed be satisfied with their account, thanks to professional advice and reliable services at a fair price. If that is not the case and a customer wishes to close his or her account, we will pay him or her another €50. At the start of 2013, we also extended this guarantee to new business accounts. A total of around 340,000 current accounts with satisfaction guarantees were opened last year.

Alexander Weckauf, Team Leader Real Estate Financing in Düsseldorf: “We now compare offers from more than 250 banks.”

250

options to get that home of your own

Since the end of 2012, we have been advising our customers on retail mortgage financing with the help of our innovative “CobaHyp” platform. This is unique in the market and gives our customers a comparison of more than 250 providers, from which they can select the right solution for them. This objective and fair form of advice is very well received by our customers and is a contributory factor in our new positioning.

Goods shipment in Frankfurt am Main: our share of the export payments market is growing.

14%

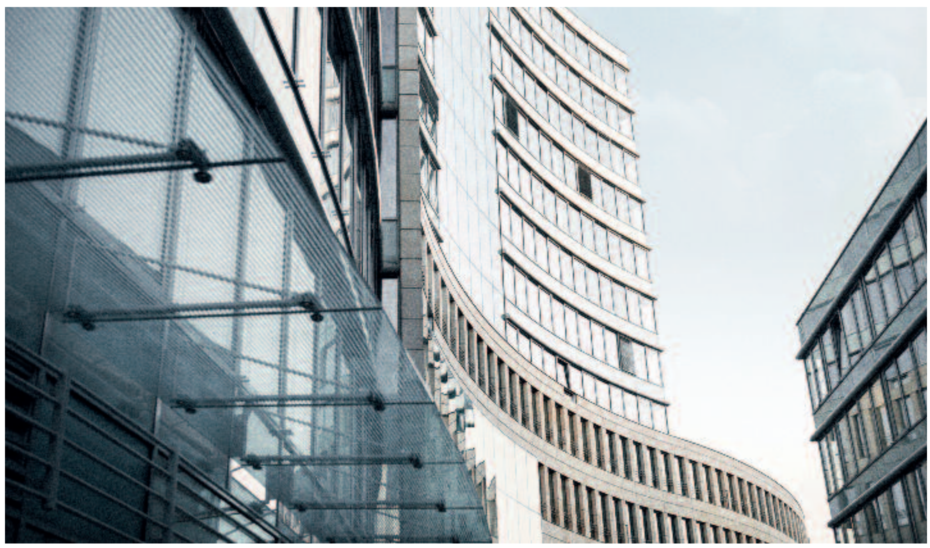
of international trade transactions in the eurozone go through Commerzbank

We have built further on our position as one of the leading institutions for export letters of credit in the eurozone. At the same time, SWIFT data indicate that our share of export payments in the eurozone has risen to 8%. With the establishment of two trade processing centres in Poland and Malaysia and trade service centres at numerous international locations, we are strengthening our long-standing product expertise in foreign trade activities – including for international partners – so as to remain one of the leading banks in support for international expansion.

Mittelstandsbank

We are the principal bank for small and medium-sized businesses

We have been catering to SME customers for more than 140 years and a decade ago set up a separate Board-level function for the Mittelstand in order to intensify our focus on this segment even further. This puts us at a considerable advantage over our competitors. The Mittelstandsbank is a trusted principal bank for corporate customers, which comes up with custom-fit, efficient solutions to every challenge by virtue of its comprehensive service approach and understanding of its customers. No matter whether payment services, financing, international transactions or risk management are called for, the proven combination of corporate customer advisors and product specialists enables the Mittelstandsbank to act as a reliable and trustworthy partner to its customers. That makes us the principal bank for SMEs.



Office buildings in Frankfurt am Main: we serve nearly one in two German businesses in the upper SME bracket.

>40%

of German companies are Commerzbank customers

We serve nearly one in two German businesses in the upper SME bracket, making us market leader. This is a impressive figure, and one that tells us that we are on the right track and that the services we offer are optimally tailored to our customers' financial needs. We would like to achieve similar penetration in the small SME segment in future.

Kirsten Schnieders-Schrewe, Mittelstandsbank Director, Frankfurt am Main: "No other bank lends more to SMEs. No other bank supports companies internationally as much as we do. And no other bank offers such personalised care."

We are market leader in the top market segment

In a fiercely competitive environment, we have achieved market-leading penetration among large corporate customers. However, we are in no way resting on our laurels: we are constantly striving to refine our relationship management model. This is based around the highest advisory expertise, global solution-finding capabilities and comprehensive support in Germany and abroad, from right on our customers' doorsteps. Within this relationship management concept, a corporate relationship manager coordinates the customer service team so as to offer needs-based solutions to complex sets of requirements. Each customer service team is made up of specialists in corporate and investment banking.

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Letter from the Chairman of the Board of Managing Directors
Frankfurt am Main, March 2014

Dear shareholders,

for us, 2013 was dominated by the implementation of our strategic agenda. The measures we have brought in will over the coming years align our business model with the altered operating environment in the financial sector. We have made progress – faster than planned in some areas – on all three of our strategic focuses: "investing in the earnings power of the core business", "rigorous cost management" and "optimising the capital base", and we have hit some key milestones.

In Private Customer business, we last year drove forward our strategic repositioning and modernisation with the aim of becoming the leading multi-channel bank. We fundamentally overhauled our range of products and services and focused consistently on our values of fairness and competence. The ongoing independent customer satisfaction surveys, alongside the growth in customer numbers, account numbers and asset volumes, signal that we are on the right track. The Private Customer business is making money again. Instead of the target of breaking even, we achieved a substantial operating profit.

Our positioning in the Mittelstandsbank remains strong. We defied the market trend to increase lending volumes with small and medium-sized German customers in 2013. We further improved our already high market shares in export payments and the processing of documentary credits. These successes helped to make up in part at least for the heavy pressure on earnings caused by interest rates. After a record year in 2012, with only low loan loss provisions, we saw the expected normalisation in 2013.

We also further reinforced our market position in our core market of Poland during 2013. The new mBank, which came into being during the year under review as a result of the merger of the previously independent BRE Bank Group brands, gives Commerzbank the most modern bank in the direct banking field. mBank received numerous international awards as best online bank and best mobile bank in 2013. It also increased its contribution to consolidated profit once again.

In Corporates & Markets, we posted our best results since 2010. Business performance benefited both from the positive market environment and from implementation of the measures under the strategic agenda, with further improvements to both trading platforms and advisory capabilities. Despite the very tangible increase in regulatory expenses, costs were also reduced slightly once again.

We also made faster progress than planned on the ongoing scaling back of our non-strategic portfolio, which included the successful sale of the UK commercial real estate portfolio. We met the full-year target ahead of schedule in the third quarter and had significantly exceeded it as at year-end, thanks in part to the disposal in the fourth quarter of non-performing loans in the shipping portfolio. As such, we beat our reduction targets by some distance and also generated a positive capital effect. This vindicates our decision to wind down the portfolios while minimising the impact on earnings.

The necessary reorganisation includes not only investing in the earnings power of the core business but also adjusting personnel capacities to the changing market environment. Group-wide job cuts of around 5,200 posts by 2016 have been agreed with the central staff council in a reconciliation of interests. The successful conclusion of this agreement paves the way for the next steps that need to be taken in order to implement the reorganisation and adjust our cost base. The necessary job cuts will affect all areas of the Bank. The decision by the Supervisory Board to shrink the Board of Managing Directors from nine members to seven is a clear sign that no personnel or management structures are sacrosanct.

We would like to emphasise that, in addition to all these measures to consistently focus on our customers and to boost our earning power, the consent that you, our shareholders, gave to the capital measure tabled at the April 2013 Annual General Meeting also made a decisive contribution to the repositioning of Commerzbank. It enabled us to repay early all the constituent parts of the government aid that we were in a position to redeem ourselves. The transaction also further improved our capital base, helping us to achieve the Basel 3 tier one ratio. We reached the 9% mark as at end-2013 – one year ahead of schedule. We are aiming for a Basel 3 ratio of more than 10% by the end of 2016, in accordance with the regulatory framework that does not come into effect until 2019. The leverage ratio under the Basel 3 Capital Requirements Directive (CRD IV, phased-in), which is increasingly coming under the scrutiny of banking supervisors and analysts, measures the ratio of regulatory capital to total assets. It stood at 4.3% on the reporting date, comfortably above the minimum of 3% that will apply from 2018.

In 2013, we posted a total operating profit of €725m, compared with €1,170m in the previous year. In a challenging low interest rate environment with commensurate pressure on deposit spreads, income before loan loss provisions was unable to match the prior-year level. The specific measures outlined above began to have a positive impact on the earnings performance of the operational Core Bank segments. The rise in loan loss provisions resulted from lower reversals in the Core Bank, as had been expected. Despite the investments already made, it was possible to cut administrative expenses further by means of active cost management. We set aside restructuring provisions of around €500m in the first quarter in connection with the job reductions within the Group.

This had a negative impact on our pre-tax profit, with the consequence that we recorded consolidated profit attributable to Commerzbank shareholders of €78m in the year under review.

Given that the operating environment remains difficult for financial institutions, 2014 is likely to be another challenging year. Nevertheless, we expect a year-on-year improvement in Commerzbank's operating profit. We feel that we are well-prepared for the asset quality review introduced by the new banking regulator, the ECB, and the associated stress test.

We are fully persuaded that we are on the right track, and we intend to press ahead systematically with the strategic measures that have been decided on, as planned.

I am pleased to take this early opportunity to invite you to our 2014 Annual General Meeting, and I look forward to seeing you there.

Yours

Martin Blessing
Chairman of the Board of Managing Directors

The Board of Managing Directors

Martin Blessing

Age 50, Chairman
Central & Eastern Europe
Member of the Board of Managing Directors since 1.11.2001

Frank Annuscheit

Age 51, Chief Operating Officer
Human Resources
Member of the Board of Managing Directors since 1.1.2008

Markus Beumer

Age 49, Mittelstandsbank
Non-Core Assets (Deutsche Schiffsbank and Commercial Real Estate)
Member of the Board of Managing Directors since 1.1.2008

Stephan Engels

Age 52, Chief Financial Officer
Member of the Board of Managing Directors since 1.4.2012

Michael Reuther

Age 54, Corporates & Markets
Non-Core Assets (Public Finance)
Member of the Board of Managing Directors since 1.10.2006

Dr. Stefan Schmittmann

Age 57, Chief Risk Officer
Member of the Board of Managing Directors since 1.11.2008

Martin Zielke

Age 51, Private Customers
Member of the Board of Managing Directors since 5.11.2010

Report of the Supervisory Board
Frankfurt am Main, 19 March 2014

Dear shareholders,

during the year under review, we advised the Board of Managing Directors on its conduct of the Bank's affairs and regularly supervised the way in which Commerzbank was managed. The Board of Managing Directors reported to us at regular intervals, promptly and extensively, in both written and verbal form, on all the main developments at the Bank, including between meetings. We received frequent and regular information on the company's business position and the economic situation of its individual business segments, on its corporate planning, on the main legal disputes, on the performance of the share price and on the strategic orientation, including risk strategy, of the Bank, and we advised the Board of Managing Directors on these topics. Between meetings I, as the Chairman of the Supervisory Board, was constantly in touch with the Board of Managing Directors and kept myself up to date with the current business progress and major business transactions within both the Bank and the Group. The Supervisory Board was involved in all decisions of major importance for the Bank, giving its approval after extensive consultation and examination wherever required.

Meetings of the Supervisory Board

In the year under review there were a total of nine Supervisory Board meetings, of which two were held as conference calls. Two full-day strategy meetings also took place: one for the employee representatives and one for the shareholder representatives.

The focus of all ordinary meetings was the Bank's current business position, which we discussed in detail with the Board of Managing Directors. Our activities centred on consultation on the requirements of and compliance with the capital requirements laid down by the European Banking Authority and the performance of the Private Customers and Non-Core Assets segments. We subjected the reports of the Board of Managing Directors to critical analysis, in some cases requesting supplementary information, which was always provided immediately and to our satisfaction. We also received information on internal and official investigations into the Bank in Germany and other countries, asked questions regarding these and then formed our verdict on them. Drawing on earlier advice from the competent committees, we dealt in several meetings with matters pertaining to the Board of Managing Directors, in particular its reduction and the adjustment of the remuneration system of the Board of Managing Directors into line with the new regulatory requirements. We also discussed and resolved upon the goal achievement of the individual members of the Board of Managing Directors in financial year 2012 and set the Board of Managing Directors' targets for 2014.

At the meeting of 14 February 2013, our discussions centred, alongside reports from the Private Customers and Non-Core Assets segments, on the provisional results for financial year 2012 and the outlook for Commerzbank in 2013. In the ensuing discussion, we satisfied ourselves that the expectations and targets presented were plausible, particularly with regard to the two above-mentioned segments and the planned restructuring expense, and we discussed the various courses of action available. The Board of Managing Directors also gave us an update on the status of the Excellence project.

Its objective is to increase the focus on customers and optimise internal processes so as to improve the quality of our services to customers and thus pave the way for growth. We also resolved upon the voting recommendations to the Annual General Meeting for the shareholder representatives on the Supervisory Board and considered the reports of the Supervisory Board for the Annual Report.

At the accounts review meeting on 13 March 2013, we reviewed the parent company and consolidated financial statements for 2012 and approved them on the Audit Committee's recommendation; we reported on this in our last Annual Report. The Supervisory Board looked in detail in this meeting at the planned capital measures to repay the silent participations of the German state and Allianz in full. We also resolved a change to the Articles of Association in response to a change to the law in relation to the German Federal Gazette (Bundesanzeiger). In addition we approved the proposed resolutions for the agenda of the 2013 Annual General Meeting and the reports of the Supervisory Board for the Annual Report, along with an amendment to the Rules of Procedure of the Board of Managing Directors, in line with regulatory changes.

At a special meeting on 26 March 2013, we resolved on the position of the Supervisory Board in respect of the supplementary motion proposed by a shareholder for the upcoming Annual General Meeting.

The meeting on 19 April 2013 was devoted mainly to preparations for the Annual General Meeting that was to follow. We looked at the proceedings for the AGM and the countermotions that had been submitted, and we amended the Rules of Procedure of the Supervisory Board and the Audit Committee in line with regulatory changes.

As the Annual General Meeting re-elected all shareholder representatives, a further Supervisory Board meeting immediately followed the Annual General Meeting, at which the Chairman, the Deputy Chairman and the members of the committees were elected.

At the meeting of 7 August 2013, the Board of Managing Directors reported to us with detailed documentation on the Bank's business performance and half year results for 2013. It also reported once again on the latest developments in the Private Customers and Non-Core Assets segments.

At a special meeting on 14 October 2013, we looked in depth at the planned reduction in the Board of Managing Directors, as a consequence of which the Conciliation Committee was convened. Mr Flöther was elected to the Audit Committee to replace the deceased Prof. Dr. Middelmann.

At the ordinary meeting of 6 November 2013, discussions centred on our advice regarding the report on the business position, including the budget for 2014 and the medium-term planning for the period to 2017. The targets for the Bank and the Group, which were based on the business figures, were presented to us and we discussed them in detail with the Board of Managing Directors. We were also informed about the Bank's capital situation under the new regulatory requirements and held an in-depth discussion with the Board of Managing Directors regarding Commerzbank's business and risk strategy. We also resolved on the reduction in the Board of Managing Directors at this meeting. Other topics covered at this meeting included the Bank's corporate governance; in particular, we approved the annual Declaration of Compliance with the German Corporate Governance Code pursuant to Art. 161 of the German Companies Act and again amended the Rules of Procedure of the Supervisory Board and the Audit Committee to bring them into line with the new regulatory requirements. More details on corporate governance at Commerzbank can be found on pages 25 to 28 of this Annual Report. We also addressed the extension of the Bank's D&O liability insurance.

We held our final meeting of the year on 12 December 2013. This was a special meeting at which we appointed Mr Annuscheit Group Human Resources Director with effect from 1 January 2014.

Committees

To ensure that it can perform its duties efficiently, the Supervisory Board has formed six committees from its members The current composition of the committees is shown on page 18 of this Annual Report.

The Presiding Committee held five meetings during the year under review, of which one was conducted as a conference call. Its discussions were devoted to preparing for the plenary meetings and in-depth treatment of the meeting deliberations, especially with regard to the business situation. The Presiding Committee also dealt with the capital increase for the full repayment of the silent participations of the German state and Allianz and the relevant amendments to the Articles of Association. It also looked at the reduction in the Board of Managing Directors and the remuneration systems for the Board of Managing Directors and employees. The Presiding Committee also prepared the plenary body's resolutions and agreed to members of the Board of Managing Directors taking up mandates at other companies. Another topic was loans to employees and officers of the Bank.

The Audit Committee met a total of seven times in financial year 2013. It also passed one urgent resolution by way of a circular. With the auditors attending, it discussed Commerzbank's parent company and consolidated financial statements and the auditors' reports. The Audit Committee obtained the auditors' declaration of independence pursuant to Section 7.2.1. of the German Corporate Governance Code and appointed the auditors to conduct the audit. It arranged the main points of the audit with the auditors and agreed their fee with them. Furthermore, the Audit Committee dealt with requests for the auditors to perform non-audit services; it also received regular reports on the current status and individual findings of the audit of the annual financial statements and discussed the interim reports before they were published. The work of the Bank's group audit and group compliance units also formed part of the discussions. In addition, the Audit Committee dealt with the functioning of the ICS and the progress on reputational and compliance risks within the Group. It also discussed developments in whistle-blowing cases, the level of the losses caused by fraud and the auditor's report on the review of reporting obligations (Art. 9) and rules of conduct (Art. 31 et seq.) under the German Securities Trading Act. Furthermore, the Audit Committee obtained information on internal and official investigations, non-event-related audits by the German Financial Reporting Enforcement Panel and individual improvements to the settlement of banking transactions. The Audit Committee also received reports on current and forthcoming changes in supervisory and accounting law, particularly in connection with Basel 3. Representatives of the auditors attended the meetings to report on their audit activities.

The Risk Committee convened a total of four times in financial year 2013. It also passed two urgent resolutions by way of circulars. At its meetings, the Risk Committee closely examined the Bank's risk situation and risk management in depth, devoting particular attention to the refinement of the risk strategy and to credit, market, liquidity and operational risks, plus reputational and compliance risks. Significant individual exposures of the Bank were also discussed in detail with the Board of Managing Directors, as were the portfolios in the Non-Core Assets segment, notably the shipping portfolio. The Risk Committee also dealt with the sale of Hypothekenbank Frankfurt's commercial real estate (CRE) business in the UK, of Commerzbank's "Depotbank" business and of Commerz Real Spezialfondsgesellschaft mbH. The meetings also addressed the risk assessment of Commerzbank by its regulators. In addition, the Risk Committee considered Commerzbank's risk-bearing capacity, large exposures and loans to Commerzbank Group companies.

The Social Welfare Committee met once in the year under review, with the meeting focusing primarily on staff development, recruitment measures, diversity, health management, internal ongoing training opportunities, the promotion of opportunities for women and life phase-oriented HR work.

The Nomination Committee met twice in the year under review, once in the form of a conference call, to discuss the composition of the Supervisory Board and possible proposals for the 2014 Annual General Meeting regarding the appointment of shareholder representatives to the Supervisory Board.

The Conciliation Committee set up pursuant to Art. 27 para. 3 of the German Co-Determination Act held one meeting in 2013 to discuss the planned reduction in the Board of Managing Directors.

The chairs of the committees reported on their work at the following plenary sessions of Supervisory Board meetings.

Members of Commerzbank's Supervisory Board are required pursuant to Art. 3 para. 6 of the Rules of Procedure of the Supervisory Board to disclose potential conflicts of interest to the Chairman of the Supervisory Board or their deputy, who will in turn consult with the Presiding Committee and disclose the conflict of interest to the Supervisory Board. No member of the Supervisory Board declared a conflict of interest during the year under review.

With the exception of Dr. Happel, who was unable to attend a number of Supervisory Board meetings prior to his departure on 19 April 2013 from the Supervisory Board, and Dr. Schenck, who was absent from a number of meetings of the Risk Committee prior to his departure from the Supervisory Board, no member of the Supervisory Board or the committees took part in fewer than half the meetings in financial year 2013.

Parent company and Group financial statements

The auditors and Group auditors appointed by the Annual General Meeting, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, audited the parent company annual financial statements and the consolidated financial statements of Commerzbank Aktiengesellschaft and also the management reports of the parent bank and the Group, giving them their unqualified certification. The parent company financial statements were prepared according to the rules of the German Commercial Code (HGB) and the consolidated financial statements according to International Financial Reporting Standards (IFRS). The financial statements and auditors' reports were sent to all members of the Supervisory Board in good time. In addition, the members of the Audit Committee also received the complete annexes and notes relating to the auditors' reports and all members of the Supervisory Board had the opportunity to inspect these documents. The Audit Committee dealt at length with the financial statements at its meeting on 18 March 2014. At our meeting to approve the financial statements held on 19 March 2014, we met as a plenary body and examined and approved the parent company annual financial statements and consolidated financial statements of Commerzbank Aktiengesellschaft as well as the management reports of the parent company and the Group. The auditors attended both meetings of the Audit Committee and the plenary Supervisory Board meetings, explaining the main findings of their audit and answering questions. At both meetings, the financial statements were discussed at length with the Board of Managing Directors and the representatives of the auditors.

Following the final review by the Audit Committee and our own examination, we raised no objections to the annual and consolidated financial statements and concurred with the findings of the auditors. The Supervisory Board has today approved the financial statements of the parent company and the Group presented by the Board of Managing Directors. We concur with the recommendation made by the Board of Managing Directors on the appropriation of profit.

Changes in the Supervisory Board and the Board of Managing Directors

The terms of office of the existing Supervisory Board members ended with the Annual General Meeting of 19 April 2013.

At this point, the shareholder representatives Dr. Bergmann, Dr. Happel and Dr. Meister stood down from the Supervisory Board of Commerzbank; the other shareholder representatives were re-elected to the Supervisory Board. The Annual General Meeting also appointed Mr Flöther, Dr. Kerber and Ms Schadeberg-Herrmann to the Supervisory Board.

Of the employee representatives, Ms van Brummelen, Ms Schubert (formerly Evers), Mr Foullong, Mr Hampel and Ms Hoffmann stood down from the Supervisory Board of Commerzbank at the Annual General Meeting of 19 April 2013. Commerzbank Group employees had already re-elected Mr Tschäge, Mr Altenschmidt, Ms Krieger, Ms Priester and Mr Roach and newly elected Mr de Buhr, Mr Burghardt, Mr Leiberich, Ms Mensch and Ms Schoffer to the Supervisory Board prior to the Annual General Meeting.

It was with deep sorrow that the Supervisory Board learned of the sudden death of Prof. Dr. Middelmann on 2 July 2013. Dr. Schenck also resigned his mandate as a member of the Supervisory Board with effect from 10 September 2013. First Dr. Müller and then Mr Wittig joined the Supervisory Board as replacement members for Prof. Dr. Middelmann and Dr. Schenck.

Jochen Klösges and Ulrich Sieber stepped down from the Board of Managing Directors on 31 December 2013.

We would like to thank Dr. Bergmann, Ms van Brummelen, Ms Evers, Mr Foullong, Mr Hampel, Dr. Happel, Ms Hoffmann, Dr. Meister, Dr. Schenck, Mr Klösges and Mr Sieber upon their departure from the Supervisory Board or Board of Managing Directors for their many years of dedicated work. Prof. Middelmann will have a special place in our thoughts.

We would like to thank the Board of Managing Directors and all our employees for their tremendous commitment and performance in 2013.

For the Supervisory Board

Klaus-Peter Müller
Chairman

Members of the Supervisory Board of Commerzbank Aktiengesellschaft

Klaus-Peter Müller

Age 69, Member of the Supervisory Board since 15.5.2008, Chairman of the Supervisory Board of Commerzbank Aktiengesellschaft

Uwe Tschäge

Age 46, Deputy Chairman of the Supervisory Board since 30.5.2003, Banking professional

Hans-Hermann Altenschmidt

Age 52, Member of the Supervisory Board since 30.5.2003, Banking professional

Dr. Nikolaus von Bomhard

Age 57, Member of the Supervisory Board since 16.5.2009, Chairman of the Board of Managing Directors of Münchener Rückversicherungs-Gesellschaft AG

Gunnar de Buhr

Age 46, Member of the Supervisory Board since 19.4.2013, Banking professional

Stefan Burghardt

Age 54, Member of the Supervisory Board since 19.4.2013, Head of Mittelstandsbank Bremen branch

Karl-Heinz Flöther

Age 61, Member of the Supervisory Board since 19.4.2013, Independent corporate consultant

Prof. Dr.-Ing. Dr.-Ing. E. h. Hans-Peter Keitel

Age 65, Member of the Supervisory Board since 15.5.2008, Vice President of the Federation of German Industries (BDI)

Dr. Markus Kerber

Age 50, Member of the Supervisory Board since 19.4.2013, CEO of the Federation of German Industries (BDI)

Alexandra Krieger

Age 43, Member of the Supervisory Board since 15.5.2008, Head Business Administration/ Corporate Strategy Industrial Union Mining, Chemical and Energy, Certified Banking Specialist and banking professional

Oliver Leiberich

Age 57, Member of the Supervisory Board since 19.4.2013, Banking professional

Beate Mensch

Age 51, Member of the Supervisory Board since 19.4.2013, Member of the National Executive Board of United Services Union (Vereinte Dienstleistungsgewerkschaft ver.di), Director of Financial Services

Dr. Roger Müller

Age 53, Member of the Supervisory Board since 3.7.2013, General Counsel Deutsche Börse AG

Dr. Helmut Perlet

Age 66, Member of the Supervisory Board since 16.5.2009, Chairman of the Supervisory Board of Allianz SE

Barbara Priester

Age 55, Member of the Supervisory Board since 15.5.2008, Banking professional

Mark Roach

Age 59, Member of the Supervisory Board since 10.1.2011, Trade Union Secretary to United Services Union National Administration (Vereinte Dienstleistungsgewerkschaft ver.di-Bundesverwaltung)

Petra Schadeberg-Herrmann

Age 46, Member of the Supervisory Board since 19.4.2013, Managing Partner and Managing Director of various companies within the Schadeberg Family Office and the Krombacher Group

Margit Schoffer

Age 57, Member of the Supervisory Board since 19.4.2013, Banking professional

Dr. Gertrude Tumpel-Gugerell

Age 61, Member of the Supervisory Board since 1.6.2012, Former Member of the Executive Board of the European Central Bank

Solms U. Wittig

Age 50, Member of the Supervisory Board since 11.9.2013, Chief Legal Officer & Chief Compliance Officer, Linde AG

Committees of the Supervisory Board

Presiding Committee

- Klaus-Peter Müller, Chairman
- Hans-Hermann Altenschmidt
- Dr. Markus Kerber
- Uwe Tschäge

Audit Committee

- Dr. Helmut Perlet, Chairman
- Hans-Hermann Altenschmidt
- Karl-Heinz Flöther
- Margit Schoffer
- Dr. Gertrude Tumpel-Gugerell

Risk Committee

- Klaus-Peter Müller, Chairman
- Gunnar de Buhr
- Karl-Heinz Flöther
- Dr. Markus Kerber
- Dr. Helmut Perlet

Nomination Committee

- Klaus-Peter Müller, Chairman
- Hans-Hermann Altenschmidt
- Prof. Dr.-Ing. Dr.-Ing. E. h. Hans-Peter Keitel
- Petra Schadeberg-Herrmann
- Uwe Tschäge

Social Welfare Committee

- Klaus-Peter Müller, Chairman
- Dr. Nikolaus von Bomhard
- Gunnar de Buhr
- Stefan Burghardt
- Karl-Heinz Flöther
- Uwe Tschäge

Conciliation Committee

(Art. 27, (3), German Co-determination Act)

- Klaus-Peter Müller, Chairman
- Hans-Hermann Altenschmidt
- Prof. Dr.-Ing. Dr.-Ing. E. h. Hans-Peter Keitel
- Uwe Tschäge

Our share

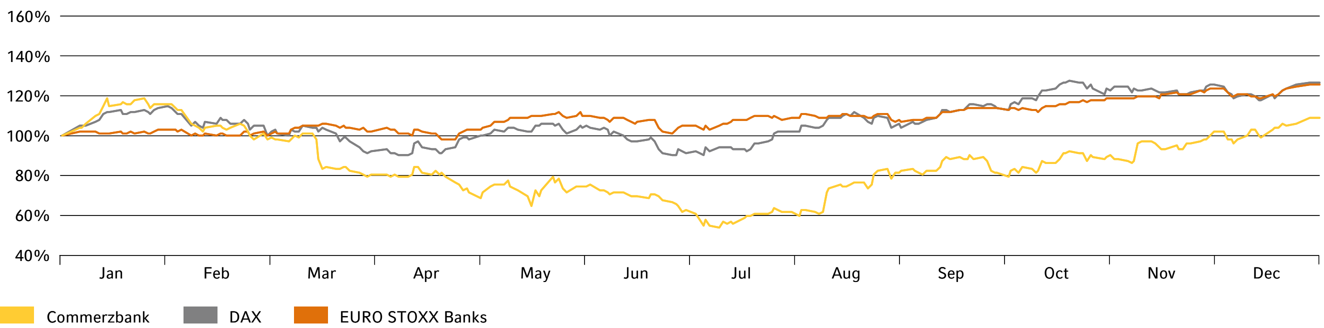
Development of equity markets and performance indices

2013 was a record year for the equity markets in the USA and Europe, due in large part to central bank policy actions aimed at supporting global economic growth. The European Central Bank (ECB) announced at the start of the year that it was prepared to take unlimited monetary policy measures should the European debt crisis make this necessary. Nevertheless, the Italian election results, the crisis in Cyprus and the difficult situation in Portugal all had a negative impact on the economic environment in Europe. Fears of an end to the US Federal Reserve's accommodative monetary policy also acted as a drag on the world's stock markets in the first half of the year. As late as the ECB's September meeting, downside risks continued to dominate, and consequently ECB President Mario Draghi announced that money market rates would definitely be kept low for the time being so as not to stifle the economic recovery.

In the second half of the year, the DAX benefited from the easing of the euro crisis and the upswing in the export markets that are so critical for German companies. The DAX was further buoyed by expansive monetary policy and continued low interest rates. The DAX gained 25.5% over the year, reaching a record high of 9,594 points on 27 December 2013. The EURO STOXX Banks index shared in this positive trend, climbing 25.9% to 141.43 points.

Figure 1

Commerzbank share vs. performance indices in 2013
Daily figures, 28.12.2012 = 100



Positive full-year performance by the Commerzbank share

In early 2013, the performance of the Commerzbank share was bolstered by a strong economic showing in the USA and China and by cautiously optimistic statements on the European economy by the European Central Bank, reaching its high for the year of €12.96 in mid-January. Bank stocks were then dragged down in February by accusations of corruption against the Spanish government and uncertainties over who might make up the Italian government. The mounting crisis in Cyprus also hit bank share prices towards the end of the quarter.

Securities codes	
Bearer shares	CBK100
Reuters	CBKG.DE
Bloomberg	CBK GR
ISIN	DE000CBK1001

On 13 March, Commerzbank announced that it was planning a combined capital increase for cash/non-cash capital contributions with subscription rights totalling €2.5bn, in order to repay the SoFFin and Allianz silent participations early. The capital increase was included on the agenda for the Commerzbank Annual General Meeting on 19 April 2013. The Annual General Meeting also approved a reverse stock split through the merger of shares in a 10:1 ratio. The Commerzbank share fell by around 15% in the days following the announcement of the planned capital increase, to hover around the €9 mark.

On 24 April 2013, Commerzbank implemented the reverse 10:1 stock split as agreed by the Annual General Meeting. The converted shares are traded on the stock market with the new security identification number WKN CBK100 (ISIN DE000CBK1001). On the day of the reverse stock split, the closing price was €7.78.

On 14 May, Commerzbank set out the conditions for the capital increase aimed at completing full repayment of the SoFFin and Allianz silent participations. In all, Commerzbank issued 555,555,556 new shares. The subscription price for the new shares was €4.50 per share. The new shares were offered to shareholders in a ratio of 21:20. This means that shareholders could subscribe for 20 new shares for every 21 they already held. The subscription period ran from 15 May 2013 to 28 May 2013 inclusive. From 15 May 2013 to 24 May 2013, the subscription rights were traded on the regulated market (Xetra Frankfurt; WKN CBKBZR) of the Frankfurt Stock Exchange. The new shares were admitted to trading on the stock exchange on 29 May 2013. During the subscription period, around €2.5bn (gross) was raised as planned. This sum was used to repay the SoFFin silent participations of around €1.6bn and the Allianz silent participation of €750m. 99.7% of the subscription rights were exercised. During the subscription period, the Commerzbank share traded within a price range of €7.79 to €8.50. The subscription right traded between €2.745 and €3.775. The share closed at €8.01 on the day that the new shares were admitted.

The Commerzbank share came under pressure at the start of the third quarter on speculation about the risks in the shipping portfolio and fresh fears concerning the euro debt crisis, falling to €5.56. There was a positive market reaction to the announcement in mid-July that €5bn of UK commercial real estate loans would be sold, marking good and faster-than-expected progress towards scaling back the portfolio in the Non-Core Assets segment while preserving value. Together with the measures implemented under our strategic agenda, this delivered a positive surprise for the market, and our share price gained 15.7% to reach €7.66 at the start of August. Good economic sentiment and some initial analyst upgrades of Commerzbank helped the price to a quarterly high of €9.61 in the weeks that followed. The third-quarter results published on 7 November exceeded market expectations, and at the same time the ECB cut its prime lending rate to a record low of 0.25%. Commerzbank shares rose more than 10% to €10.26.

During the fourth quarter, the stock continued to benefit from positive forecasts of German economic performance, the value-enhancing sale of a shipping portfolio and an improved rating outlook for Spain. At the end of 2013, the Commerzbank share stood at €11.71, which represented a 9.2% gain versus the end-2012 level.

Indices containing the Commerzbank share
Blue chip indices
DAX
EURO STOXX Banks
Sustainability indices
ECPI Ethical EMU Equity
ECPI Ethical Euro Equity

Commerzbank share – key figures

In the context of a persistently difficult market environment and mounting regulatory requirements, capital strengthening is our highest priority. No dividend will be paid out for 2013.

Commerzbank's market capitalization at the end of 2013 was €13.3bn, compared with €8.4bn a year earlier. Its weighting in the DAX was around 1.36%, putting Commerzbank in 22nd place. In the European industry benchmark index, the EURO STOXX Banks, Commerzbank's weighting at year-end was 2.72%, placing it in 8th position. The Bank is also represented in the ECPI Ethical EMU Equity and ECPI Ethical Euro Equity sustainability indices, which place particular emphasis on environmental and ethical criteria alongside economic and social factors.

Table 1

Highlights of the Commerzbank share[1]	2013	2012
Shares issued in million units (31.12.)	1,138.5	582.9
Xetra intraday prices[2] in €		
High	12.96	16.53
Low	5.56	8.48
Closing price (31.12.)	11.71	10.72
Daily trading volume[3] in million units		
High	67.2	21.1
Low	2.9	1.7
Average	11.3	6.2
Index weighting in % (31.12.)		
DAX	1.4	1.0
EURO STOXX Banks	2.7	2.1
Earnings per share in €	0.09	–0.48
Book value per share[4] in € (31.12.)	22.82	39.06
Net asset value per share[5] in € (31.12.)	21.31	36.55
Market value/Net asset value[2] (31.12.)	0.55	0.29

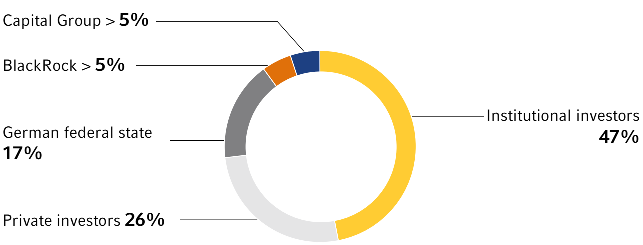
[1] Figures for the same period or same record date of the previous year have been adjusted to take account of the reverse stock split implemented in April 2013 for the purpose of reducing the share capital.
[2] For comparative purposes the share price for all periods before 15 May 2013 has been adjusted for the effect of the subscription rights issued in the capital increase.
[3] Total for German stock exchanges.
[4] Excluding silent participations and non-controlling interests.
[5] Excluding silent participations, non-controlling interests and cash flow hedges and less goodwill.

Shareholder structure

On 31 December 2013, approximately 53% of all Commerzbank shares were held by our major shareholders SoFFin, Capital Group and BlackRock and private shareholders, mainly residents in Germany. Approximately 47% of all Commerzbank shares are in the hands of institutional investors. Capital Group and BlackRock both moved above the 5% reporting threshold in 2013. The free float stood at 73%. The proportion of shares held by investors from Germany totalled 48%, with the percentage owned by foreign investors at 52%.

Figure 2

Shareholder structure
As at 31 Dezember 2013



Analysts and investors

We communicate proactively with current and potential equity and debt investors. Our aim is to provide transparent, clear and prompt information about corporate performance so as to further strengthen confidence in Commerzbank.

In more than 330 individual and group meetings and conference calls we kept our equity and bond holders informed about the Bank's performance and our strategy. A major focus of attention was the Private Customer Workshop held on 5 December 2013. The investors and analysts in attendance gained an in-depth insight into our strategic agenda for the coming years and into performance in the Private Customer business.

Some 30 analysts provided regular coverage of Commerzbank during 2013. At the end of 2013, the percentage of buy recommendations was 19%, an increase of 8 percentage points over the previous year. Around half of analysts recommended a hold. Twenty-eight percent of analysts recommended selling our shares, which was significantly lower than the previous year (43%). We also provide a range of information on our investor relations pages on the internet. We continued the dialogue with our fixed-income investors in 2013. The focus was on nondeal roadshows, i.e. individual meetings with institutional investors without the specific aim of marketing a new issue.

Commerzbank's ratings

On 23 April 2013 the rating agency Moody's downgraded Commerzbank's long-term rating by one notch from A3 to Baa1 with a stable outlook. The short-term debt rating remained unchanged at P–2. The financial strength rating was reduced by one notch from Baa3 to Ba1. According to Moody's, the main reasons for the downgrade were the persistently challenging environment in the German private customer market as well as continuing high risks in parts of the Non-Core Assets segment.

On 28 May 2013, the rating agency Standard & Poor's (S&P) downgraded Commerzbank's long-term debt rating by one notch from A to A–. The short-term debt rating was cut from A-1 to A–2, and the outlook was placed on "CreditWatch Negative" in February 2013. The financial strength rating fell two notches from BBB+ to BBB–. S&P based its decision on worsening economic conditions in Germany and Europe, which could negatively impact Commerzbank's result in the future because of the Bank's existing portfolios in the Non-Core Assets segment, especially commercial real estate and ship finance. The agency regards the ongoing restructuring of the Private Customer business, which is still not sufficiently profitable, as a significant factor. However, it did at least recognise the results of the restructuring to date and acknowledge that further progress is expected.

Stock exchange listings of the Commerzbank share
Germany
• Berlin
• Düsseldorf
• Frankfurt
• Hamburg
• Hanover
• Munich
• Stuttgart
• Xetra
Europe
• London
• Switzerland
North America
• Sponsored ADR (CRZBY) CUSIP: 202597308

Corporate Responsibility

› We acknowledge the principles of sound, responsible management as laid down in the German Corporate Governance Code, and meet virtually all of the recommendations and proposals it makes. Pages 25 to 28 give details of this aspect of our corporate responsibility.

› The term describes the extent to which a company is aware of its responsibilities whenever its business activities affect society, staff, the natural environment or the economic environment. We accept this responsibility, and report on it on pages 45 and 46.

Contents

Corporate governance report and declaration on corporate governance

Commerzbank has always attached great importance to corporate governance, in the sense of responsible and transparent management and control aimed at sustainable value creation. That is why we – the Board of Managing Directors and the Supervisory Board – expressly support the German Corporate Governance Code and the goals and objectives it pursues. Even at the time of publication of the German Corporate Governance Code, Commerzbank's Articles of Association and the rules of procedure for the Board of Managing Directors and Supervisory Board largely complied with its requirements. Wherever this was not yet the case, they were continuously adjusted to meet the regulations of the German Corporate Governance Code. The Articles of Association and the rules of procedure are available on the internet.

Commerzbank's corporate governance officer is Günter Hugger, Divisional Board Member Group Legal. He is the point of contact for all corporate governance issues and has the task of advising the Board of Managing Directors and the Supervisory Board on the implementation of the German Corporate Governance Code and reporting on its implementation by the Bank.

In accordance with section 3.10 of the German Corporate Governance Code, we report below on corporate governance as practised at Commerzbank. This report also includes the declaration on corporate governance in accordance with Art. 289 a of the German Commercial Code (HGB).

Recommendations of the German Corporate Governance Code

The Bank declares every year whether the recommendations of the Commission regarding conduct have been and are being complied with, and explains which recommendations are not being implemented and the reasons why. This declaration of compliance by the Board of Managing Directors and the Supervisory Board is published on the Commerzbank website (http://www.commerzbank.com). There is also an archive of all the declarations of compliance made since 2002. The current declaration was made on 6 November 2013.

Commerzbank complies with virtually all of the recommendations of the German Corporate Governance Code; it deviates from them in only a few points:

- Section 4.2.1 of the Code recommends that rules of procedure should regulate the activities of the Board of Managing Directors, including the allocation of responsibilities to its members. The Board of Managing Directors has adopted rules of procedure with the approval of the Supervisory Board. However, the Board of Managing Directors determines the allocation of duties among the individual Board members itself, outside of the rules of procedure. This provides it with the requisite flexibility if changes are needed, thus ensuring an efficient division of responsibilities. The Supervisory Board is informed of all changes, and is thus included in the process. The rules of procedure for the Board of Managing Directors and the specific responsibilities of the various members of the Board of Managing Directors are published on the Commerzbank website.

- In relation to the remuneration of the Board of Managing Directors, section 4.2.3 (2) sentence 8 of the Code recommends that there should be no subsequent changes to goals or the parameters for determining the variable remuneration components. In implementation of legal provisions giving the Board of Managing Directors or the Supervisory Board the opportunity to agree measures to limit variable remuneration in the event of extraordinary developments, the Commerzbank Supervisory Board is entitled to adjust the goals and other parameters for determining variable remuneration components in the case of extraordinary developments, to reasonably neutralise any positive or negative repercussions on the achievability of the goals. It is not possible to implement limiting measures as envisaged by the legal provisions when it comes to goal achievement at Commerzbank,

› **German Corporate Governance Code**
www.corporate-governance-code.de/index-e.html

› **Articles of Association of Commerzbank Aktiengesellschaft**
www.commerzbank.com > Investor Relations > Corporate governance > Articles of Association

› **Rules of procedure of the Board of Managing Directors**
www.commerzbank.com > Group > Management > Board of Managing Directors

› **Rules of procedure of the Supervisory Board**
www.commerzbank.com > Group > Management > Supervisory Board

› **Declaration of compliance**
www.commerzbank.com > Investor Relations > Corporate governance

because the predominantly mathematical basis for determining goal achievement largely excludes any adjustment. Moreover, since the assessment period for the variable remuneration component of the Board of Managing Directors lasts up to four years and the goals for this period must be determined in advance, the established method by which the Supervisory Board can adjust these goals is appropriate for this purpose.

- Section 4.2.3 of the Code recommends that pension commitments to members of the Board of Managing Directors, the Supervisory Board should define the intended benefit level – including after the end of their term of office – and the annual and long-term expense for the company arising therefrom. In 2011, Commerzbank changed its pension system to a contribution-based defined benefit scheme. As such, a specific benefit is no longer defined. Instead, each member of the Board of Managing Directors has an entitlement to an annual pension module, the amount of which is determined as a fixed percentage of that individual's basic annual salary. The way in which this percentage rate is defined – disregarding other actuarial factors – means that the ultimate level of a member of the Board of Managing Directors' earned pension entitlement depends solely on the length of their term of office on the Board of Managing Directors. The application of a fixed percentage rate of each member's basic annual salary gives the Supervisory Board the most accurate idea possible of the annual and long-term expense for the company. The actual annual expense for the company depends on actuarial factors. It is increasingly common business practice not to define an intended pension benefit but to instead switch to a contribution-based defined benefit scheme.

- According to section 5.4.6 (2) sentence 2 of the Code, where the members of the Supervisory Board are granted performance-related remuneration, this should be based on long-term corporate performance. In addition to fixed remuneration, the members of the Supervisory Board of Commerzbank receive a variable bonus of €3,000 for each €0.05 of dividend in excess of a dividend of €0.10 per share distributed to shareholders for the financial year just ended. No dividend was paid to shareholders for the 2012 financial year, so no performance-related bonus was paid to the members of the Supervisory Board either. If and when dividend payments are resumed, Commerzbank will look into reorganising the remuneration of members of the Supervisory Board.

Within the scope of their respective responsibilities, the Board of Managing Directors and Supervisory Board of Commerzbank will ensure that greater attention is paid to diversity, and particularly to efforts to achieve an appropriate degree of female representation, in the composition of the Board of Managing Directors, appointments to managerial positions at the Bank and with respect to proposals for the election of members of the Supervisory Board (sections 4.1.5, 5.1.2 and 5.4.1 of the Code), as well as the composition of other committees.

The Board of Managing Directors initiated the "Women in management positions" project in 2010. The aim is to ensure a strong management team for Commerzbank and harness all the talent available. In-depth analyses produced a detailed picture of the initial situation. Specific measures were then developed and implemented on this basis with the aim of increasing the proportion of women in management positions. The Board of Managing Directors is informed every six months of progress made in implementing these measures and changes in the number of women in management positions. The long-term, compulsory implementation of the measures is being supported by including them in the individual target agreements of senior managers.

The "Women in management positions" project aims to increase the proportion of women in senior management positions.

In addition, Commerzbank is helping staff combine family life with a career by providing company-sponsored childcare, the "Keep in Touch" programme for staying in contact during parental leave and the "Comeback Plus" programme to help people return to work after parental leave. Commerzbank offers a comprehensive range of assistance with childcare, consisting of an advice on childcare, arranging childcare places and financial allowances. The "Kids & Co." day care centre in Frankfurt for the children of employees has been open since 1 June 2005. "Kids & Co." has crèches (for children aged 9 weeks to 3 years, six locations in Frankfurt), a kindergarten (age 3 to school entry, currently at two locations) and an after-school club, which was introduced in 2011. Since 2010, staff have been able to use crèches and kindergartens at a total of 20 different childcare facilities throughout Germany. Commerzbank Aktiengesellschaft makes a significant financial commitment to supporting these arrangements, and currently offers a total of around 300 childcare places. Emergency and holiday childcare is also available at 17 sites throughout the country.

Section 5.4.1 (2) of the Code recommends that the Supervisory Board should set concrete objectives regarding its composition which, whilst taking into consideration the specific situation at the company, take into account the international activities of the company, potential conflicts of interest, the number of independent members of the Supervisory Board pursuant to section 5.4.2 of the Code, a specified age limit for members of the Supervisory Board and diversity. These concrete objectives should, in particular, stipulate an appropriate degree of female representation. The Supervisory Board of Commerzbank has approved the following concrete objectives:

- Maintaining the proportion of women on the Supervisory Board at 30% or more, on condition that the current proportion of female employee representatives is also maintained in the future.
- Retaining at least one international representative.
- Appointing members with expertise and knowledge of the Bank.
- Appointing members with particular knowledge and experience of the application of accounting principles and internal control procedures.
- Avoiding potential conflicts of interest.
- Ensuring that there are always at least eight independent members of the Supervisory Board elected by the Annual General Meeting pursuant to section 5.4.2 of the Code.
- Complying with the age limit of 72 years.

The Supervisory Board of Commerzbank consists of 20 members, including one international representative and six women – including the international representative – at present.

Suggestions of the German Corporate Governance Code

Commerzbank also largely complies with the suggestions of the German Corporate Governance Code, deviating from them in only a few points:

- In derogation of section 2.3.2, the proxy can only be reached up to the day prior to the Annual General Meeting. However, shareholders present or represented at the Annual General Meeting are able to give their proxy instructions at the meeting itself as well.

- In section 2.3.3, it is suggested that the Annual General Meeting be broadcast in its entirety on the internet. Commerzbank broadcasts the speeches of the Chairman of the Supervisory Board and the Chairman of the Board of Managing Directors, but not the general debate. For one thing, a complete broadcast seems inappropriate given the length of annual general meetings; for another, a speaker's personal rights have to be considered.

Board of Managing Directors

The Commerzbank Board of Managing Directors is responsible for independently managing the Bank in the Bank's best interest. In so doing, it must take into account the interests of shareholders, customers, employees and other stakeholders, with the objective of sustainable value creation. It develops the company's strategy, agrees it with the Supervisory Board and ensures its implementation. In addition, it sees that efficient risk management and risk control measures are in place. The Board of Managing Directors conducts Commerzbank's business activities in accordance with the law, the Articles of Association, its rules of procedure, internal guidelines and the relevant employment contracts. It cooperates on a basis of trust with Commerzbank's other corporate bodies and with employee representatives.

The composition of the Board of Managing Directors and the responsibilities of its individual members are presented on page 11 of this Annual Report. The work of the Board of Managing Directors is specified in greater detail in its rules of procedure, which may be viewed on Commerzbank's website at http://www.commerzbank.com.

Extensive details of the remuneration paid to the members of the Board of Managing Directors are given in the Remuneration Report on pages 29 to 35.

Supervisory Board

The Supervisory Board advises and supervises the Board of Managing Directors in its management of the Bank. It appoints and dismisses members of the Board of Managing Directors and, together with the Board of Managing Directors, ensures that there is long-term succession planning. The Supervisory Board conducts its business activities in accordance with legal requirements, the Articles of Association and its rules of procedure; it cooperates closely and on a basis of trust with the Board of Managing Directors.

The composition of the Supervisory Board and its committees is presented on pages 16 to 18 of this Annual Report. Information on the work of this body, its structure and its control function is provided by the report of the Supervisory Board on pages 12 to 15. Further details of how the Supervisory Board and its committees conduct their work are set out in the rules of procedure of the Supervisory Board, which may be viewed on Commerzbank's website at http://www.commerzbank.com.

The Supervisory Board examines the efficiency of its activities every five years through the services of an external personnel consultant and every two years by means of a detailed, anonymised questionnaire. The last efficiency audit took place in 2012, and the next is planned for mid-2014. The results of these efficiency audits are presented to the plenary session for discussion. Suggestions from members of the Supervisory Board are taken into account for future activities.

Pursuant to Art. 3 (6) of the rules of procedure of the Supervisory Board, each member of the Supervisory Board must disclose any conflicts of interest. No member of the Supervisory Board disclosed a conflict of interest pursuant to section 5.5.2 of the German Corporate Governance Code in the year under review.

Details of the remuneration paid to the members of the Supervisory Board are given in the Remuneration Report on pages 36 to 39.

Accounting

Accounting at the Commerzbank Group gives a true and fair view of the net assets, financial position and earnings performance of the Group. It applies International Financial Reporting Standards (IFRS), while the parent company financial statements of Commerzbank Aktiengesellschaft are prepared under the rules of the German Commercial Code (HGB). The consolidated financial statements and the financial statements of the parent bank are prepared by the Board of Managing Directors and approved or adopted by the Supervisory Board. The audit is performed by the auditor elected by the Annual General Meeting.

The annual financial statements also include a detailed risk report, providing information on the Bank's responsible handling of the various types of risk. This appears on pages 97 to 132 of this Annual Report.

Shareholders and third parties receive additional information on the course of business during the financial year in the form of the semi-annual report as well as in two quarterly reports. These interim reports are also prepared in accordance with applicable international accounting standards.

Shareholder relations, transparency and communication

The Annual General Meeting of shareholders takes place once a year. It decides upon the appropriation of distributable profit (insofar as reported) and approves the actions of the Board of Managing Directors and the Supervisory Board, the appointment of the auditors and any amendments to the Articles of Association. If necessary, it authorises the Board of Managing Directors to undertake capital-raising measures and approves the signing of profit-and-loss transfer agreements. Each share entitles the holder to one vote.

In 2010 the Board of Managing Directors and the Supervisory Board, as is permitted under Art. 120 (4) of the German Stock Corporation Act, gave the Annual General Meeting the opportunity to vote on the approval of the remuneration system for members of the Board of Managing Directors. The 2010 Annual General Meeting approved the principles of the variable remuneration system and fixed basic annual salary for members of the Board of Managing Directors.

The Bank's shareholders may submit recommendations or other statements by letter or e-mail, or may present them in person. The Bank's head-office quality management unit is responsible for dealing with written communication. At the Annual General Meeting, the Board of Managing Directors or the Supervisory Board comment or reply directly. At the same time, shareholders may influence the course of the Annual General Meeting by means of countermotions or supplementary motions to the agenda. Shareholders may also apply for an Extraordinary General Meeting to be convened. The reports and documents required by law for the Annual General Meeting, including the annual report, may be downloaded from the internet, and the same applies to the agenda for the Annual General Meeting and any countermotions or supplementary motions.

Commerzbank informs the public – and consequently shareholders as well – about the Bank's financial position and earnings performance four times a year. Corporate news items that may affect the share price are also published in the form of ad hoc releases. This ensures that all shareholders are treated equally. The Board of Managing Directors reports on the annual financial statements and the quarterly results in press conferences and analysts' meetings. Commerzbank increasingly uses the possibilities offered by the internet for reporting purposes, offering a wealth of information about the Commerzbank Group at www.commerzbank.com. The financial calendar for the current and the forthcoming year is also published in the annual report and on the internet. This contains the dates of all significant financial communications and the date of the Annual General Meeting.

We feel an obligation to communicate openly and transparently with our shareholders and all other stakeholders. We intend to continue to meet this obligation in the future as well.

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Remuneration Report

The following Remuneration Report is also part of the Group Management Report.

This report follows the recommendations of the German Corporate Governance Code and complies with the requirements of IFRS.

Board of Managing Directors

Main features of the remuneration system

The remuneration system includes a fixed basic annual salary plus variable remuneration components in the form of a Short Term Incentive (STI) and a Long Term Incentive (LTI). The Annual General Meeting in 2010 approved the main features of variable remuneration and the fixed basic annual salary of members of the Board of Managing Directors pursuant to Art. 120 (4) of the German Stock Corporation Act (AktG).

In August 2011, the Supervisory Board resolved to amend this system to meet the requirements of the Banking Remuneration Regulation (Instituts-Vergütungsverordnung). The amendment was subsequently implemented at a contractual level. In addition, at the end of 2011, the Supervisory Board decided to change the pension arrangements for the members of the Board of Managing Directors to a contribution-based defined benefit scheme, with retrospective effect from 1 January 2011.

Fixed remuneration components (fixed basic annual salary)

The fixed remuneration components include the basic annual salary and non-monetary elements.

The fixed basic annual salary, which is paid in equal monthly amounts, is €750,000[1]. The appropriateness of the fixed basic annual salary is checked at regular two-year intervals.

The non-monetary elements mainly consist of the use of a company car with driver, security measures and insurance contributions (accident insurance), as well as tax and social security contributions thereon.

Performance-related remuneration (variable remuneration)

The remuneration system includes performance-related variable remuneration components in the form of a Short Term Incentive worth a target of €400,000 in total per member and a Long Term Incentive worth a target of €600,000 in total per member. The target value of the variable salary components for a member of the Board of Managing Directors therefore totals €1m. The maximum goal achievement is 200%, which totals €800,000 for the Short Term Incentive and €1,200,000 for the Long Term Incentive[2]. The minimum total value is €0 in each case.

Short Term Incentive (STI) The STI runs for one year. It consists of two equally weighted components: one linked to the STI performance component and one based on the economic value added (EVA)[3]. Entitlement to receive a payment for the STI is suspended pending the approval of the annual financial statements for the year in question and confirmation of the achievement of the STI goals for the member of the Board of Managing Directors by the Supervisory Board. Thereafter, 50% of the STI payments fall due and are payable in cash, with the remaining 50% payable in Commerzbank shares (or a cash sum based on the value of the shares) at the end of a further 12-month waiting period. The overall STI target is €400,000, and the targets for the individual components are €200,000 each. Goal achievement can in principle vary between 0% and 200%.

› **STI EVA component** For the STI EVA component, the Supervisory Board sets a target amount for the Group EVA after tax prior to the beginning of the financial year; this amount corresponds to goal achievement of 100%. It also stipulates the EVA values that correspond to goal achievement of 0% and 200%. As a rule, investors' capital is incorporated into the basis for calculating EVA.

› **STI performance component** The individual performance of each member of the Board of Managing Directors is assessed from an overall perspective using criteria determined by the Supervisory Board prior to the beginning of the financial year in question.

Long Term Incentive (LTI) The LTI runs for four years. It consists of two equally weighted components: one linked to economic value added (EVA) (the LTI EVA component) and the other based on stock performance (the LTI equity component). Entitlement to receive a payment for the LTI is suspended pending the approval of the annual financial statements for the final year of the four-year term of the LTI in question and confirmation of the achievement of the LTI goals by the Supervisory Board. Thereafter, 50% of the LTI payments fall due and are payable in cash, with the remaining 50% payable in Commerzbank shares (or a cash sum based on the value of the shares) at the end of a further 12-month waiting period. The overall LTI target is €600,000, and the targets for the individual

[1] The fixed basic annual salary for the Chairman of the Board of Managing Directors is €1,312,500, which is 1.75 times the amount specified.
[2] The target values for the Chairman of the Board of Managing Directors are 1.75 times the amounts specified.
[3] EVA is the consolidated surplus after tax and non-controlling interests less the Bank's capital costs (product of investors' capital excluding minority interests and capital cost rate after tax).

components are €300,000 each. Goal achievement can range between 0% and 200%; each of the two components can therefore range between €0 and €600,000. The provisional LTI payout sum of both LTI components will be increased or reduced by half the percentage by which the goals for the STI performance component are over- or underachieved in the first year of the four-year LTI term (goal achievement = 100%). This adjustment cannot exceed ±20% of the target for the applicable LTI components. A prerequisite for the LTI is that the individual member of the Board of Managing Directors makes a long-term personal investment in Commerzbank shares of €350,000. Up until the personal investment target has been reached, 50% of net payments from the LTI must be invested in Commerzbank shares.

› **LTI equity component** The provisional payout sum of the LTI equity component is calculated based firstly on the relative total shareholder return (TSR) performance of Commerzbank (compared with the TSR performance of other banks in the Dow Jones EURO STOXX Banks Index) and secondly on the absolute price performance of Commerzbank shares. Prior to the commencement of the LTI term, the Supervisory Board specifies the number of Commerzbank shares that the member of the Board of Managing Directors will receive upon 100% goal achievement following the end of the four-year LTI term. The Board also defines which TSR-related ranking of Commerzbank (compared with the other relevant banks) corresponds to which goal achievements. The relative TSR performance thus determines the number of virtually assigned shares; their value is determined by the absolute price performance of Commerzbank during the LTI term.

› **LTI EVA component** The target figures of the EVA-based LTI component are set by the Supervisory Board in advance for the entire LTI term and may differ for the individual years over the term. The Supervisory Board also determines which EVA amounts correspond to which goal achievements. The goal achievement is set each year during the four-year LTI term; as a rule, the goal achievement for the individual years can lie between −100% and +200%. After the end of the four-year LTI term, the Supervisory Board determines average goal achievement, which can range between 0% and 200%, and the resulting provisional payout sum.

In the event of exceptional developments that may have a considerable impact on the achievability of the STI or LTI target figures, the Supervisory Board can neutralise any positive or negative impact by adjusting the targets.

Remuneration of the Chairman of the Board of Managing Directors

The fixed basic annual salary and the target figures for the variable remuneration components for the Chairman of the Board of Managing Directors are set at 1.75 times the amounts specified for members of the Board.

Remuneration for serving on the boards of consolidated companies

The remuneration accruing to an individual member of the Board of Managing Directors from serving on the boards of consolidated companies counts towards the total remuneration paid to that member of the Board of Managing Directors. Any offsetting takes place on the designated payment date following the Annual General Meeting that approves the financial statements for the financial year in which the member of the Board of Managing Directors received payments arising from Group mandates.

Partial waiver by members of the Board of Managing Directors relating to requirements applicable from 2014

With regard to the legal requirements applicable from 1 January 2014, the members of the Board of Managing Directors have waived their variable remuneration for 2014 where this exceeds a ratio of fixed to variable remuneration of 1:1.

Pensions

The occupational pension scheme adopted in 2011 by the Supervisory Board for members of the Board of Managing Directors contains a contribution-based defined benefit.

Each member of the Bank's Board of Managing Directors receives a credit of a pension module to their pension account every year until the end of their appointment as such. The pension module for a calendar year is calculated by converting the relevant annual contribution into an entitlement to a retirement, disability and surviving dependants' pension. When the new compensation system was introduced in 2010, the level of pension benefits was not adjusted. When the new pension scheme was introduced in 2011, the initial module and the pension modules were set so as to achieve equivalence to the commitments previously made to the members of the Board of Managing Directors.

Specifically, the member of the Board of Managing Directors is entitled to receive pension benefits in the form of a life-long pension when one of the following pensions is due:

- a retirement pension if employment ends on or after the Board member reaches the age of 65, or
- an early retirement pension if employment ends on or after the Board member reaches the age of 62, or after the Board mem-

ber has served at least 10 years on the Board of Managing Directors and has reached the age of 58, or has served at least 15 years on the Board of Managing Directors, or
- a disability pension if the Board member is permanently unable to work.

If a member of the Board of Managing Directors leaves the Bank before the pension benefits become due, any entitlement to vested benefits that they have already accrued is retained.

The monthly amount of the retirement pension is calculated as a twelfth of the amount in the pension account when the pension benefits start.

When calculating the early retirement pension, the pension will be reduced to reflect the fact that the payments are starting earlier.

If the disability pension is taken before the age of 55, the monthly amount is supplemented by an additional amount.

If they retire after reaching the age of 62, members of the Board of Managing Directors can elect to receive a lump-sum payment or nine annual instalments instead of an ongoing pension. In this case, the amount paid out is calculated using a capitalisation rate based on the age of the Board member.

Instead of their pension, members of the Board of Managing Directors will continue to receive their pro-rata basic salary for six months as a form of transitional pay if they leave the Board on or after celebrating their 62nd birthday or they are permanently unable to work. If a member of the Board receives an early retirement pension before reaching the age of 62, half of any income received from other activities will be set off against the pension entitlements.

As under the previous scheme, the widow's pension amounts to 66 2/3% of the pension entitlement of the member of the Board of Managing Directors. If no widow's pension is paid, minors or children still in full-time education are entitled to an orphan's pension amounting to 25% each of the pension entitlement of the member of the Board of Managing Directors, subject to a maximum overall limit of the widow's pension.

Rules for Board members who were appointed after the new provisions Pension provision for newly appointed members of the Board of Managing Directors was defined according to the Commerzbank capital plan for company pension benefits and was approved by the Supervisory Board on 2 December 2011. Under this agreement, a retirement pension in the form of a capital payment is paid out if the member of the Board of Managing Directors leaves the Bank:

- on or after reaching the age of 65 (retirement capital) or
- on or after reaching the age of 62 (early retirement capital) or
- before their 62nd birthday because they are permanently unable to work.

If a member of the Board of Managing Directors leaves the Bank before any of these pension benefits become due, their entitlement to vested benefits is retained.

For each calendar year during the current employment relationship until pension benefits start to be paid out, each member of the Board of Managing Directors is credited an annual module equating to 40% of the fixed basic annual salary (annual contribution), multiplied by an age-dependent conversion factor. Until the member of the Board of Managing Directors leaves, the annual modules are managed in a pension account. Upon reaching their 61st birthday, an additional 2.5% of the amount in the pension account at 31 December of the previous year is credited to the member of the Board of Managing Directors on an annual basis until the pension benefits start to be paid out.

A portion of the annual contribution – determined by the age of the member of the Board of Managing Directors – is placed in investment funds and maintained in a virtual custody account.

The retirement capital or the early retirement capital will correspond to the amount in the virtual custody account or the amount in the pension account when the pension benefits start to be paid out, whichever is higher.

For the first two months after the pension benefits become due, the member of the Board of Managing Directors will receive transitional pay of one twelfth of their fixed basic annual salary per month.

If a member of the Board of Managing Directors dies before the pension benefits become due, their dependants are entitled to receive the dependants' capital, which corresponds to the amount in the virtual custody account on the value date or the sum of the amount in the pension account and any additional amount, whichever is higher. An additional amount is payable if, at the time when pension benefits became due through inability to work or at the time of death, the Board member had served at least five consecutive years on the Bank's Board of Managing Directors and had not yet reached their 55th birthday.

The table 2 shows for active members of the Board of Directors the annual pension entitlements at pensionable age of 62 on 31 December 2013, the actuarial net present values on 31 December 2013, the service costs for 2013 contained in the net present value, and comparable amounts for the previous year.

The assets backing these pension obligations have been transferred under a contractual trust arrangement to Commerzbank Pension-Trust e.V.

As at 31 December 2013, defined benefit obligations for current members of the Commerzbank Aktiengesellschaft Board of Managing Directors on the reporting date totalled €19.9m (previous year: €17.1m; see table detailing individual entitlements). After deduction of plan assets transferred, the provisions for pension obligations in respect of active members of the Board of Managing Directors totalled €2.6m on 31 December 2013 (previous year, IFRS-adjusted: €1.9m).

Table 2

€1,000		Pension entitlements Projected annual pension at pensionable age of 62 As at 31.12.	Cash values of pension entitlements As at 31.12.	Working time expenses
Martin Blessing	2013	269	4,658	455
	2012	240	4,407	371
Frank Annuscheit	2013	133	2,201	405
	2012	107	1,872	332
Markus Beumer	2013	124	1,974	372
	2012	99	1,678	302
Stephan Engels	2013	40[1]	541	333
	2012	18[1]	244	244[2]
Jochen Klösges	2013	109	1,450	399
	2012	83	1,346	324
Michael Reuther	2013	165	3,046	450
	2012	140	2,677	377
Dr. Stefan Schmittmann	2013	169	3,142	627
	2012	135	2,586	533
Ulrich Sieber	2013	105	1,354	381
	2012	79	1,275	308
Martin Zielke	2013	97	1,505	478
	2012	67	1,061	395
Total	**2013**		**19,871**	**3,900**
	2012		**17,146**	**3,186**

[1] Capital sum annuitised.
[2] Pro-rata for nine months.

Rules for termination of office

If the term of office of a member of the Board of Managing Directors is effectively terminated, the following applies:

If appointment to the Board of Managing Directors ends prematurely, the employment contract usually expires six months after the Board member's appointment ends (linking clause). In this case, the Board member continues to receive the fixed basic annual salary, STIs and LTIs – subject to Art. 615 (2) of the German Civil Code (offsetting of remuneration otherwise acquired) – until the end of the original term of office.

If, in the case of premature termination of appointment to the Board of Managing Directors, the contract of employment ends for reasons other than the linking clause described above, the fixed basic annual salary will continue to be paid – on a pro-rata basis where applicable – until the end of the contract of employment. The STIs and LTIs awarded for financial years prior to the termination of the contract of employment remain unaffected. The STI and LTI payments for the final year in office are reduced on a pro-rata basis where applicable.

If the contract of employment is not extended upon expiry of the current term of office, without there being good cause in accordance with Art. 626 of the German Civil Code, or if the contract of employment ends as a result of a linking clause as described above, the Board member will continue to receive his or her fixed basic salary for a period of six months after the end of the original term of office. This payment ceases as soon as the Board member starts to receive pension payments.

In all these cases, the specified payments for the time after the effective termination of the term of office may not exceed two years' annual remuneration[1] (cap).

If the Bank terminates the term in office prematurely or does not extend the appointment at the end of the term in office due to circumstances that fulfil the requirements of Art. 626 of the German Civil Code, entitlement to STIs and LTIs awarded for the financial year in which the term of office was terminated will be forfeited without compensation and no further STIs and LTIs will be awarded if the employment contract ends at any later date.

[1] The cap is calculated with reference to the remuneration for the last financial year ending before the term of office was terminated.

Other

No members of the Board of Managing Directors received payments or promises of payment from third parties in the past financial year in respect of their work as a member of the Board of Managing Directors; the same applies to payments or promises of payment from companies with which the Commerzbank Group has a significant business relationship.

Commerzbank capital measures in 2013

The capital measures carried out by Commerzbank in April/May 2013 (reverse stock split through the merger of shares in a 10:1 ratio and subsequent capital increase) impacted the share-based STI remuneration that had not yet been paid for 2012 and the share-based LTI remuneration for 2012 and 2013. Due to the reverse stock split, the number of (virtual) shares was reduced to 10% of the original number. To take account of the capital increase subsequently effected, the subscription rights on the number of shares calculated in this way were compensated by way of additional (virtual) shares.

Summary

Remuneration of the individual members of the Board of Managing Directors for 2013, along with the comparative figures from 2012, is shown in table 3.

Table 3 shows the amounts under DRS 17, which specifies the requirements with regard to reporting the remuneration of the Board of Managing Directors. Under DRS 17, share-based amounts or amounts compensated by STI and LTI shares must be shown at their original value at the time they were granted at the beginning of 2013, regardless of their actual change in value. They therefore reflect the payment made for the goal achievement expected at this point in time, which for "EVA-related STI and LTI components" with compensation in shares is based on the multi-year planning for 2013-2016. All other share-based components or components with compensation in shares reflect remuneration at 100% goal achievement. With respect to these components, table 3 accordingly shows theoretical values or payment amounts, which may vary considerably from the actual benefits. As part of his special responsibility as Chairman of the Board of Managing Directors, Martin Blessing informed the Supervisory Board that he would forego his entitlement to performance-related variable remuneration for 2013.

The appointments of Mr Klösges and Mr Sieber as members of the Board of Managing Directors ended on 31 December 2013. They both qualify for the payments described in the paragraph "Rules for termination of office" after the termination of their roles.

Under IFRS 2, remuneration settled in shares is recognised without any impact on equity and in respect of their future development in 2014 to 2016, at their original value at the grant date at the start of 2013 and disregarding the waiver by Mr Blessing (IFRS 2.28(a)). For 2013, these amounts total €4,187,000, of which €706,000 was for Mr Blessing, €475,000 for Mr Zielke, €451,000 each for Mr Annuscheit and Mr Reuther, €434,000 each for Mr Klösges and Mr Sieber, €428,000 for Dr. Schmittmann and €404,000 each for Mr Beumer and Mr Engels (previous year: total of €2,269,000 of which €407,000 was for Mr Blessing, €59,000 for Dr. Strutz, €178,000 for Mr Engels, €232,000 for Mr Annuscheit, Mr Reuther and Mr Sieber, €253,000 for Mr Beumer, €222,000 for Mr Klösges and €227,000 each for Dr. Schmittmann and Mr Zielke). However, the actual remuneration will probably be significantly lower than these figures; the Bank currently expects a combined total of €2,229,000 to be paid to the members of the Board of Managing Directors. The equivalent estimate for the previous year was €1,120,000.

The cash-settled shared-based payments taken through profit and loss pursuant to IFRS 2 totalled €145,000 in 2013, of which €0 was for Mr Blessing in light of his waiver, €19,000 each for Mr Annuscheit, Mr Reuther und Mr Zielke, €18,000 each for Mr Klösges, Dr. Schmittmann and Mr Sieber and €17,000 each for Mr Beumer and Mr Engels. In the previous year, the total was €722,000, of which €0 was for Mr Blessing in light of his waiver, €22,000 was for Dr. Strutz, €67,000 for Mr Engels, €93,000 for Mr Beumer and €90,000 each for all other active members of the Board of Managing Directors .

Loans to members of the Board of Managing Directors

Members of the Board of Managing Directors have been granted cash advances and loans with terms ranging from on demand to a due date of 2042 and at interest rates ranging between 2.1% and 5.5%, for amounts overdrawn in certain cases up to 11.9%. Loans are secured on a normal market basis, if necessary through land charges and rights of lien.

As at the reporting date, the aggregate amount of loans granted to members of the Board of Managing Directors was €3,822,000 compared with €4,008,000 in the previous year. With the exception of rental guarantees, Commerzbank Group companies did not enter into any contingent liabilities in favour of members of the Board of Managing Directors in the year under review.

Table 3

Remuneration of the individual members of the Board of Managing Directors for 2013 and in comparison with 2012

		Fixed components				Performance-related components with short-term incentive (STI)			
€1,000		Basic salary	Remuneration for serving as a director[2]	Offsetting of payments arising from Group mandates in the following year[2]	Other[3]	Variable remuneration in cash[4]		Variable remuneration with settlement in shares[5]	
						dependent on EVA target achievement	dependent on achievement of individual targets	dependent on EVA target achievement	dependent on achievement of individual targets
Martin Blessing	2013	1,313	–	–	68	–	–	–	–
	2012	1,313	–	–	79	–	–	–	–
Frank Annuscheit	2013	750	–	–	50	32	120	22	100
	2012	750	–	–	47	–	50	–	100
Markus Beumer	2013	750	–	–	40	32	100	22	100
	2012	750	–	–	39	–	65	–	100
Stephan Engels	2013	750	41	−41	66	32	100	22	100
	2012[1]	563	32	−32	1,515	–	41	–	75
Jochen Klösges	2013	750	–	–	36	32	113	22	100
	2012	750	–	–	36	–	40	–	100
Michael Reuther	2013	750	–	–	71	32	120	22	100
	2012	750	–	–	69	–	50	–	100
Dr. Stefan Schmittmann	2013	750	–	–	50	32	110	22	100
	2012	750	–	–	49	–	45	–	100
Ulrich Sieber	2013	750	36	−36	54	32	113	22	100
	2012	750	50	−50	59	–	50	–	100
Dr. Eric Strutz	2013	–	–	–	–	–	–	–	–
	2012[1]	187	10	−10	15	–	13	–	25
Martin Zielke	2013	750	–	–	59	32	130	22	100
	2012	750	–	–	62	–	45	–	100
Total	**2013**	**7,313**	**77**	**−77**	**494**	**256**	**906**	**176**	**800**
	2012	**7,313**	**92**	**−92**	**1,970**	**–**	**399**	**–**	**800**

[1] Pro rata temporis from the date of appointment or up to the date of departure from the Board.
[2] The remuneration accruing to an individual member of the Board of Managing Directors arising from Group mandates are netted against the total remuneration paid to that member of the Board of Managing Directors in the following year.
[3] The heading "Other" includes non-monetary benefits granted in the year under review, tax due on non-monetary benefits and employer contributions to the BVV occupational retirement fund. In the previous year, this also showed the compensation paid to Mr Engels for the loss of his phantom Daimler shares as a result of moving to Commerzbank Aktiengesellschaft (€1,266,000).
[4] Payable in the subsequent year upon approval of the annual financial statements for the financial year just ended. "EVA target achievement" describes the level of achievement of an economic value added target set by the Supervisory Board for the Commerzbank Group before the start of the financial year. As a rule, investors' capital is incorporated into the basis for calculating EVA.
[5] Variable remuneration settled in shares and share-based payments settled in cash are initially calculated as provisional payout sums. Other than in the case of cash settlement, the number of shares to be granted is then calculated by dividing this by a future average share price. Under DRS 17, these remuneration components are presented irrespective of their actual performance at the target achievement originally expected when they were granted at the beginning of 2013.

		Performance-related components with long-term incentive (LTI)				
€1,000		Variable remuneration in cash[6]	Variable remuneration[5]			Total remuneration under DRS 17[7]
			Cash-settled share-based remuneration	With settlement in shares		
		dependent on EVA target achievement in the four-year period	dependent on share price and TSR performance in the four-year period	dependent on EVA target achievement in the four-year period	dependent on share price and TSR performance in the four-year period	
Martin Blessing	2013	–	–	–	–	**1,381**
	2012	–	–	–	–	**1,392**
Frank Annuscheit	2013	–	150	118	150	**1,492**
	2012	–	150	–	150	**1,247**
Markus Beumer	2013	–	150	118	150	**1,462**
	2012	–	150	–	150	**1,254**
Stephan Engels	2013	–	150	118	150	**1,488**
	2012[1]	–	113	–	113	**2,420**
Jochen Klösges	2013	–	150	118	150	**1,471**
	2012	–	150	–	150	**1,226**
Michael Reuther	2013	–	150	118	150	**1,513**
	2012	–	150	–	150	**1,269**
Dr. Stefan Schmittmann	2013	–	150	118	150	**1,482**
	2012	–	150	–	150	**1,244**
Ulrich Sieber	2013	–	150	118	150	**1,489**
	2012	–	150	–	150	**1,259**
Dr. Eric Strutz	2013	–	–	–	–	**–**
	2012[1]	–	37	–	37	**314**
Martin Zielke	2013	–	150	118	150	**1,511**
	2012	–	150	–	150	**1,257**
Total	**2013**	**–**	**1,200**	**944**	**1,200**	**13,289**
	2012	**–**	**1,200**	**–**	**1,200**	**12,882**

[6] The payments depend in particular on how economic value added (EVA) performs over a four-year period and are made subject to approval of the annual financial statements for the final year of this four-year period in the subsequent year; e.g. for financial year 2013 and the four-year period 2013-2016, this will take place in 2017.
The possible payout ranges for financial year 2013 are between €0 and €300,000 for a member of the Board of Managing Directors and between €0 and €525,000 for the Chairman of the Board of Managing Directors. In reality, no payments will be made to Mr Blessing as he has waived his entitlement for financial year 2013.
As a consequence of the limiting of Board of Managing Directors' remuneration in 2010 and 2011 and the waiving by members of the Board of Managing Directors of their entitlement to EVA-based components for financial year 2012, no payments in respect of these components will be made before 2017.

[7] Total payments pursuant to DRS 17 include share-based remuneration components and remuneration components settled in shares in the event that the target achievement expected at the time of grant materialises. By contrast, total payments pursuant to DRS 17 do not include possible long-term variable remuneration paid in cash, only actual payments received (see footnote 6).

Supervisory Board

Principles of the remuneration system and remuneration for financial year 2013

The remuneration of the Supervisory Board is regulated in Art. 15 of the Articles of Association; the current version was approved by the AGM on 16 May 2007. This grants members of the Supervisory Board basic remuneration for each financial year, in addition to compensation for out-of-pocket expenses, comprising:

- fixed remuneration of €40,000 per year and
- a variable bonus of €3,000 per year for each €0.05 of dividend in excess of a dividend of €0.10 per share distributed to shareholders for the financial year just ended.

The Chairman receives triple and the Deputy Chairman double the aforementioned basic remuneration. For membership of a committee of the Supervisory Board, which meets at least twice in any calendar year, the committee chairman receives additional remuneration in the amount of the basic remuneration and each committee member in the amount of half the basic remuneration; this additional remuneration is paid for a maximum of three committee appointments. In addition, each member of the Supervisory Board receives an attendance fee of €1,500 for every meeting of the Supervisory Board or one of its committees. The fixed remuneration and attendance fees are payable at the end of each financial year and the variable remuneration after the Annual General Meeting that passes a resolution approving the actions of the Supervisory Board for the financial year concerned. The value-added tax payable on the remuneration is reimbursed by the Bank.

The remuneration is divided between the individual members of the Supervisory Board as follows:

Table 4

€1,000		Fixed remuneration	Variable remuneration	Attendance fee	Total
Klaus-Peter Müller	2013	200.0	–	36.0	236.0
	2012	200.0	–	37.5	237.5
Uwe Tschäge	2013	100.0	–	24.0	124.0
	2012	100.0	–	27.0	127.0
Hans-Hermann Altenschmidt	2013	80.0	–	34.5	114.5
	2012	80.0	–	36.0	116.0
Dott. Sergio Balbinot	2013	–	–	–	–
(until 23 May 2012)[1]	2012	0.0	–	0.0	0.0
Dr.-Ing. Burckhard Bergmann	2013	12.0	–	4.5	16.5
(until 19 April 2013)	2012	40.0	–	13.5	53.5
Dr. Nikolaus von Bomhard	2013	40.0	–	13.5	53.5
	2012	40.0	–	12.0	52.0
Karin van Brummelen	2013	18.0	–	10.5	28.5
(until 19 April 2013)	2012	60.0	–	25.5	85.5
Gunnar de Buhr	2013	42.0	–	13.5	55.5
(since 19 April 2013)	2012	–	–	–	–
Stefan Burghardt	2013	28.0	–	10.5	38.5
(since 19 April 2013)	2012	–	–	–	–
Karl-Heinz Flöther	2013	46.3	–	15.0	61.3
(since 19 April 2013)	2012	–	–	–	–
Uwe Foullong	2013	12.0	–	3.0	15.0
(until 19 April 2013)	2012	40.0	–	12.0	52.0
Daniel Hampel	2013	12.0	–	6.0	18.0
(until 19 April 2013)	2012	40.0	–	13.5	53.5
Dr.-Ing. Otto Happel	2013	12.0	–	1.5	13.5
(until 19 April 2013)	2012	60.0	–	13.5	73.5
Beate Hoffmann	2013	12.0	–	6.0	18.0
(until 19 April 2013)	2012	40.0	–	10.5	50.5
Prof. Dr.-Ing. Dr.-Ing. E. h.	2013	60.0	–	16.5	76.5
Hans-Peter Keitel	2012	60.0	–	22.5	82.5
Dr. Markus Kerber	2013	56.0	–	15.0	71.0
(since 19 April 2013)	2012	–	–	–	–
Alexandra Krieger	2013	40.0	–	15.0	55.0
	2012	40.0	–	13.5	53.5

Table 4 (continuation)

€1,000		Fixed remuneration	Variable remuneration	Attendance fee	Total
Oliver Leiberich (since 19 April 2013)	2013 2012	28.0 –	– –	9.0 –	37.0 –
Dr. h.c. Edgar Meister (until 19 April 2013)	2013 2012	24.0 80.0	– –	12.0 33.0	36.0 113.0
Beate Mensch (since 19 April 2013)	2013 2012	28.0 –	– –	4.5 –	32.5 –
Prof. h.c. (CHN) Dr. rer. oec. Ulrich Middelmann (until 2 July 2013)	2013 2012	30.2 60.0	– –	13.5 22.5	43.7 82.5
Dr. Roger Müller (since 3 July 2013)	2013 2012	19.8 –	– –	7.5 –	27.3 –
Dr. Helmut Perlet	2013 2012	100.0 100.0	– –	25.5 28.5	125.5 128.5
Barbara Priester	2013 2012	40.0 40.0	– –	15.0 13.5	55.0 53.5
Mark Roach	2013 2012	40.0 40.0	– –	15.0 12.0	55.0 52.0
Petra Schadeberg-Herrmann (since 19 April 2013)	2013 2012	42.0 –	– –	10.5 –	52.5 –
Dr. Marcus Schenck (until 10 September 2013)	2013 2012	41.5 60.0	– –	9.0 18.0	50.5 78.0
Margit Schoffer (since 19 April 2013)	2013 2012	42.0 –	– –	13.5 –	55.5 –
Astrid Schubert (formerly Evers) (until 19 April 2013)	2013 2012	12.0 40.0	– –	6.0 13.5	18.0 53.5
Dr. Gertrude Tumpel-Gugerell (since 1 June 2012)	2013 2012	60.0 31.3	– –	25.5 10.5	85.5 41.8
Solms U. Wittig (since 11 September 2013)	2013 2012	12.2 –	– –	4.5 –	16.7 –
Total	**2013** **2012**	**1,290.0** **1,251.3**	**–** **–**	**396.0** **388.5**	**1,686.0** **1,639.8**

[1] Dott. Balbinot renounced his remuneration in the 2011 and 2012 financial years.

As Commerzbank will not pay a dividend in 2013, variable remuneration is not payable for financial year 2013. The members of the Supervisory Board therefore received total net remuneration of €1,686,000 for financial year 2013 (previous year: €1,640,000). Of this figure, the basic remuneration and remuneration for serving on committees amounted to €1,290,000 (previous year: €1,251,000) and attendance fees to €396,000 (previous year: €389,000). The value added tax (currently 19%) payable on the remuneration of the members of the Supervisory Board resident in Germany was reimbursed by Commerzbank Aktiengesellschaft.

Members of the Supervisory Board once again provided no advisory, intermediary or other personal services in 2013. Accordingly, no additional remuneration was paid.

Loans to members of the Supervisory Board

Members of the Supervisory Board have been granted loans with terms ranging from on demand up to a due date of 2047 and at interest rates ranging between 2.3% and 5.1%, and on amounts overdrawn in certain cases up to 11.9%. Collateral security is provided on normal market terms, if necessary through land charges or rights of lien.

As at the reporting date, the aggregate amount of loans granted to members of the Supervisory Board was €592,000; in the previous year, the figure was €605,000. Commerzbank Group companies did not enter into any contingent liabilities in favour of members of the Supervisory Board in the year under review.

Other details

D&O liability insurance

There is a Directors and Officers (D&O) liability insurance policy for members of the Board of Managing Directors and the Supervisory Board. The excess for members of the Supervisory Board and the Board of Managing Directors is set at 10% of the claim up to a maximum of 150% of the fixed annual remuneration for all insurance claims made within a single year.

Purchase and sale of the Company's shares

Under Art. 15 a of the German Securities Trading Act, transactions by executives of listed companies and their families must be disclosed and published. Accordingly, purchases and disposals of shares and financial instruments relating to Commerzbank to the value of €5,000 per annum and upwards must be reported immediately and for the duration of one month. The Bank applies this reporting requirement to the Board of Managing Directors and the Supervisory Board in line with BaFin's recommendations in the Guide for Issuers.

In 2013, members of Commerzbank's Board of Managing Directors (BMD) and Supervisory Board (SB) reported directors' dealings in Commerzbank shares or derivatives thereon:[1]

Table 5

Date	Disclosing party	Relation	Participant	Purchase/ Sale	Amount	Price €	Transaction volume | €
13.03.2013	Engels, Stephan		Member of BMD	Purchase	20,000.00	1.2950	25,900.00
14.03.2013	Blessing, Martin		Member of BMD	Purchase	100,000.00	1.2090	120,900.00
18.03.2013	Hampel, Daniel		Member of SB	Purchase	2,000.00	1.1890	2,378.00
19.03.2013	Klösges, Jochen		Member of BMD	Purchase	44,310.00	1.2180	53,969.58
26.03.2013	Blessing, Martin		Member of BMD	Purchase	100,000.00	1.1745	117,450.30
17.05.2013	Beumer, Markus		Member of BMD	Purchase[1]	0.75	2.8800	2.16
20.05.2013	Engels, Stephan		Member of BMD	Purchase[1]	2,200.00	3.3900	7,458.00
21.05.2013	Reuther, Michael		Member of BMD	Purchase[1]	100.00	3.3100	331.00
21.05.2013	Blessing, Martin		Member of BMD	Sale[1]	0.25	3.3100	0.83
21.05.2013	Burghardt, Stefan		Member of SB	Sale[1]	2.00	1.4700	2.94
22.05.2013	Annuscheit, Frank		Member of BMD	Purchase[1]	0.90	3.3200	2.99
22.05.2013	Annuscheit, Harriet w/Frank Annuscheit	x	Member of BMD	Purchase[1]	0.60	3.3200	1.99
22.05.2013	Schoffer, Margit		Member of SB	Sale[1]	545.00	3.3200	1,809.40
22.05.2013	Klösges, Jochen		Member of BMD	Sale[1]	4,996.00	3.3200	16,586.72
22.05.2013	Müller, Klaus-Peter		Member of SB	Purchase[1]	0.10	3.3200	0.33
23.05.2013	Zielke, Martin		Member of BMD	Purchase[1]	0.30	3.2100	0.96
23.05.2013	Sieber, Ulrich		Member of BMD	Purchase[1]	0.85	3.2100	2.73
23.05.2013	Sulmana GmbH w/Prof. Dr.-Ing. Dr.-Ing. E.h. Hans-Peter Keitel	x	Member of SB	Sale[1]	2,566.00	3.3100	8,493.46
24.05.2013	Flöther, Karl-Heinz		Member of SB	Sale[1]	0.05	2.7800	0.14
24.05.2013	Altenschmidt, Hans-Hermann		Member of SB	Sale[1]	953.60	2.7800	2,651.01
24.05.2013	Priester, Barbara		Member of SB	Sale[1]	51.00	2.7800	141.78
24.05.2013	Tschäge, Uwe		Member of SB	Sale[1]	279.00	2.7800	775.62
24.05.2013	Tschäge, Silke w/Uwe Tschäge	x	Member of SB	Sale[1]	112.00	2.7800	311.36
28.05.2013	Annuscheit, Harriet w/Frank Annuscheit	x	Member of BMD	Purchase[2]	32.00	4.5000	144.00
28.05.2013	Annuscheit, Frank		Member of BMD	Purchase[2]	2,518.00	4.5000	11,331.00
28.05.2013	Beumer, Markus		Member of BMD	Purchase[2]	1,715.00	4.5000	7,717.50
28.05.2013	Blessing, Martin		Member of BMD	Purchase[2]	37,775.00	4.5000	169,987.50
28.05.2013	Engels, Stephan		Member of BMD	Purchase[2]	4,000.00	4.5000	18,000.00
28.05.2013	Klösges, Jochen		Member of BMD	Purchase[2]	4,880.00	4.5000	21,960.00
28.05.2013	Reuther, Michael		Member of BMD	Purchase[2]	2,000.00	4.5000	9,000.00
28.05.2013	Sieber, Ulrich		Member of BMD	Purchase[2]	3,817.00	4.5000	17,176.50
28.05.2013	Zielke, Martin		Member of BMD	Purchase[2]	4,726.00	4.5000	21,267.00

[1] The directors' dealings were published on Commerzbank's website under "Directors' Dealings" during the year under review.

Table 5 (continuation)

Date	Disclosing party	Relation	Participant	Purchase/ Sale	Amount	Price €	Transaction volume | €
28.05.2013	Altenschmidt, Hans-Hermann		Member of SB	Purchase[2]	608.00	4.5000	2,736.00
28.05.2013	Burghardt, Stefan		Member of SB	Purchase[2]	441.00	4.5000	1,984.50
28.05.2013	Leiberich, Oliver		Member of SB	Purchase[2]	720.00	4.5000	3,240.00
28.05.2013	Müller, Klaus-Peter		Member of SB	Purchase[2]	26,182.00	4.5000	117,819.00
28.05.2013	Flöther, Karl-Heinz		Member of SB	Purchase[2]	7,619.00	4.5000	34,285.50
07.06.2013	Flöther, Karl-Heinz		Member of SB	Purchase	10,000.00	7.6370	76,370.00
08.08.2013	de Buhr, Gunnar		Member of SB	Purchase	500.00	7.4790	3,739.50
14.08.2013	Engels, Stephan		Member of BMD	Purchase	2,500.00	7.9830	19,957.50
11.11.2013	Engels, Stephan		Member of BMD	Purchase	2,500.00	10.3950	25,987.50
13.12.2013	Burghardt, Stefan		Member of SB	Sale	134.00	10.8000	1,447.20
16.12.2013	Burghardt, Stefan		Member of SB	Purchase	500.00	10.8350	5,417.50

[1] Regulation of subscription rights under the capital increase.
[2] Purchase of shares under the capital increase.

Overall, the Board of Managing Directors and Supervisory Board together held no more than 1% of the issued shares and option rights of Commerzbank Aktiengesellschaft on 31 December 2013.

Frankfurt am Main

Commerzbank Aktiengesellschaft
The Board of Managing Directors The Supervisory Board

Details pursuant to Art. 315 of the German Commercial Code (HGB)

Information under takeover law required pursuant to Art. 315 (4) of the German Commercial Code and Explanatory Report

Share capital structure

Commerzbank has issued only ordinary shares, the rights and duties attached to which arise from statutory provisions, in particular Arts. 12, 53 a et seq., 118 et seq. and 186 of the German Stock Corporation Act. The share capital of the company totalled €1,138,506,941.00 at the end of the financial year. It is divided into 1,138,506,941 no-par-value shares. The shares are issued in bearer form.

Appointment and replacement of the members of the Board of Managing Directors and amendments to the Articles of Association

The members of the Board of Managing Directors are appointed and replaced by the Supervisory Board pursuant to Art. 84 of the German Stock Corporation Act and Art. 6 (2) of the Articles of Association. Pursuant to Art. 6 (1) of the Articles of Association, the Board of Managing Directors comprises a minimum of two people; in all other respects the Supervisory Board defines the number of members on the Board of Managing Directors in accordance with Art. 6 (2) of the Articles of Association. If there is a vacancy on the Board of Managing Directors for a required member and the Supervisory Board has not appointed a replacement, in urgent cases one will be appointed by a court pursuant to Art. 85 of the German Stock Corporation Act. Any amendment to the Articles of Association requires a resolution of the Annual General Meeting under Art. 179 (1) sentence 1 of the German Stock Corporation Act. Unless the law mandates a majority, a simple majority of the share capital represented is adequate to pass resolutions (Art. 19 (3) sentence 2 of the Articles of Association). The authority to amend the Articles of Association, provided such amendments affect merely the wording of an article with no change in substance, has been transferred to the Supervisory Board under Art. 10 (3) of the Articles of Association in compliance with Art. 179 (1) sentence 2 of the German Stock Corporation Act.

Powers of the Board of Managing Directors

The Board of Managing Directors, with the approval of the Supervisory Board, is authorised to increase the share capital by a total of €1,462,936,397.00 by issuing new shares under Art. 4 (3) (Authorised Capital 2011) and by a total of €1,150,000,000.00 by issuing new shares under Art. 4 (5) (Authorised Capital 2012/I) of the Articles of Association applicable on 31 December 2013. The Board of Managing Directors is authorised, with the approval of the Supervisory Board, to exclude subscription rights in certain cases, in particular to increase the share capital for non-cash contributions.

Moreover, the Annual General Meeting on 23 May 2012 gave the Board of Managing Directors the authority to issue convertible bonds or bonds with warrants and/or profit-sharing certificates (with or without conversion or option rights) against a cash or non-cash contribution for a total nominal value of €8,400,000,000.00. Conditional capital of up to €2,750,000,000.00 is available for this purpose according to Art. 4 (4) of the Articles of Association (Conditional Capital 2012/I). The Board of Managing Directors is authorised, with the approval of the Supervisory Board, to exclude subscription rights in certain cases, in particular where the financial instruments are issued for non-cash contributions.

On the basis of the undertaking declared under agenda item 10 of the invitation to the Annual General Meeting of 19 April 2013, the Board of Managing Directors will make use of the above-mentioned approved capital and the conditional capital 2012/I during their terms and with the consent of the Supervisory Board only up to a maximum of 50% of the above-mentioned share capital.

For details of the authorised capital and conditional capital, particularly regarding maturities and terms and conditions of exercise, please refer to the explanations in Notes 74 and 75.

The authority of the Board of Managing Directors to increase share capital from authorised and conditional capital and to issue convertible bonds or bonds with warrants or profit-sharing certificates allows the Bank to respond appropriately and promptly to changed capital needs.

On 19 May 2010, the Annual General Meeting authorised the Board of Directors to purchase and sell Commerzbank shares for the purpose of securities trading, pursuant to Art. 71 (1) No. 7 of the German Stock Corporation Act (AktG) until 18 May 2015. The aggregate amount of shares to be acquired for this purpose may not exceed 5% of the share capital of Commerzbank Aktiengesellschaft at the end of any given day. The price at which own shares are purchased may not be more than 10% lower or higher than the average share price (closing auction prices or similar successor prices for Commerzbank shares in Xetra trading or a similar successor system to the Xetra system on the Frankfurt Stock Exchange) on the three trading days preceding the purchase.

Material agreements in the event of a change of control following a takeover bid

In the event of a change of control at Commerzbank, an extraordinary right of termination in favour of certain contract parties has been negotiated by Commerzbank under ISDA master agreements. In general, the right of termination is also conditional upon a material deterioration in Commerzbank's credit standing. In the event of this type of termination, the individual agreements signed under these master agreements would have to be settled at market, which can be determined on any stock exchange trading day. The possibility cannot however be excluded that, if an individual customer with an especially large volume of business terminates a contract, Commerzbank's net assets, financial position and operating results could nevertheless be heavily impacted due to the Bank's potential payment obligations.

Equity holdings that exceed 10% of the voting rights

The Financial Market Stabilisation Fund holds a stake of 17.15% in the voting capital of Commerzbank AG.

There are no further facts that need to be declared under Art. 315 (4) of the German Commercial Code.

Information pursuant to Art. 315 (2) No. 5 of the German Commercial Code (HGB)

The aim of the internal control and risk management system in respect of financial reporting is to ensure that the annual financial statements of Commerzbank Aktiengesellschaft and the Commerzbank Group provide a true and fair view of the net assets, financial position and results of operations in accordance with the applicable accounting standards under the German Commercial Code and IFRS. The internal control system and the risk management system at Commerzbank are integrated as regards their methodology and implementation, both with a view to financial reporting. In the following, we shall therefore use the term ICS (internal control system). Details of the risk management system can be found in the risk report on pages 97 to 132.

The objective of proper financial reporting is endangered by the risks to which it is exposed. Risks are deemed to be the possibility that the objective stated above might not be attained and material information in the financial reporting might be inaccurate, regardless of whether this arises from a single matter or a combination of several.

Risks to financial reporting may arise from errors in business processes. Fraudulent behaviour can also result in the inaccurate reporting of information. The Bank therefore has to ensure it minimises the risks of incorrect statement, measurement or presentation of financial reporting information.

The Commerzbank ICS seeks to provide sufficient certainty that it complies with the relevant legal requirements, that business is conducted in a proper and cost-effective manner and that financial reporting is complete and accurate. It is important to note that despite all measures the Bank may take, the ICS methods and procedures used cannot entirely rule out errors or fraud, and as such offer sufficient certainty but never absolute certainty.

Legal basis and guidelines

Art. 315 (2) No. 5 of the German Commercial Code requires companies to describe the material features of their ICS in the management report. Commerzbank follows the principles for bank-specific organisation of the internal control system set out in the Minimum Requirements for Risk Management (MaRisk).

The Bank's internal control system is structured in line with the internationally recognised framework developed by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). Commerzbank derives the following objectives from this:

- that business processes be effective and efficient,
- that applicable laws and regulations be observed
- and that financial reporting be reliable.

As regards the risk assessment of the reporting process required by COSO in respect of the reliability of financial reporting (for example, ensuring that all transactions are fully and correctly recognised in the financial statements), the Bank follows the recommendations of the International Standards of Auditing and Quality Control, No. 315, 2009 Edition (hereinafter referred to as ISA number 315).

Organisation

A detailed governance framework forms a sound basis for good corporate governance that provides strategic direction for the Group as a whole while taking account of risk elements.

The governance framework sets uniform and binding minimum standards for all units with regard to their organisational structure in respect of maintaining documentation and keeping it updated. The primary feature is the principle of clear allocation of responsibility, starting with the schedule of business responsibilities for the Board of Managing Directors and ending with the individual approval authorities of each employee. The scope and structure of the governance framework follows both the legal and regulatory requirements and also the "Commerzbank corporate constitution" approved by the full Board of Managing Directors. The governance framework translates the main guiding principles of the corporate constitution into practical rules and contains the following elements:

- Plan for allocating the business responsibilities for the Board of Managing Directors
- Rules of procedure
- Organisation charts
- Business remits of the units
- Schedule of approval authorities

Where tasks in the Bank by their nature cannot be combined, they are organised into different areas applying the principle of separation of functions. Strict checks are also carried out using the dual-control principle to minimise risks in financial reporting.

In accordance with the Minimum Requirements for Risk Management (MaRisk), responsibility for implementing, executing, applying, refining and reviewing the Bank's ICS lies primarily with the Board of Managing Directors; as regards the reporting process, this lies with the CFO. The Board of Managing Directors is responsible for structuring the ICS throughout the Bank and demonstrating that it is appropriate, while the CFO is responsible for structuring the ICS and ensuring that it is effective for financial reporting. He is responsible for the effective design of the ICS through appropriate and effective control steps and for embedding these into the various processes. The CFO is also responsible for ensuring that the parent company and consolidated financial statements are properly prepared.

The Supervisory Board oversees financial reporting, mainly through the Audit Committee set up for this purpose. The responsibilities of the Audit Committee also include ensuring that the auditor is independent, appointing the auditor, setting the focus of the audit and agreeing the fee. During the year Group Audit reports to the Supervisory Board and its appointed committees about the work it has carried out and its material findings.

Group Management Finance (GM-F), which reports directly to the CFO, is responsible for ensuring that the financial statements are drawn up in compliance with the relevant laws and internal and external guidelines.

Within GM-F, Accounting Policies & Guidelines is the department responsible for drawing up and communicating over the intranet Group-wide accounting guidelines. Implementation of these accounting guidelines supports consistent and correct reporting across the Group.

GM-F is supported in producing financial statements by other corporate divisions. Of particular importance here is Group Information Technology, which is responsible for providing and upgrading the accounting IT systems used.

Controls to minimise risk

Controls at the Bank are integrated directly into operating processes, either technically or manually (i.e. by means of organisation). Technical controls are used in the IT systems employed and consist, for example, of check sums and verification digits. Technical controls are often complemented by manual controls such as screen approvals carried out by the responsible employees. Data quality on initial entry into systems is ensured by organisational measures such as the dual-control principle, delegation of powers of approval and the separation of functions, and by technical measures such as issuing IT approval authorities. Additional controls during further processing guarantee that the data entered and used is complete and accurate.

Monitoring by Group Audit

Group Audit (GM-A) provides auditing and advisory services for the Board of Managing Directors independently, objectively and in a risk-oriented manner so as to evaluate the compliance, security and cost-effectiveness of Commerzbank's business processes and flag up potential for optimisation. GM-A supports the Board of Managing Directors by evaluating the appropriateness and effectiveness of risk management, the internal control system and business processes, provides support on key projects in an internal auditing capacity and issues recommendations. In doing so, it contributes to the security of business processes and assets.

GM-A is directly accountable to the Board of Managing Directors and reports to that body. It performs its functions autonomously and independently. With regard to reporting and the assessment of audit results, it is not subject to any directives. Based on MaRisk, Group Audit's auditing activities, underpinned by the principle of risk-oriented auditing, extend to all of the Group's activities and processes, regardless of whether these take place within the Group or are outsourced. GM-A's activities complement the work of the subsidiaries' audit departments within the framework of Group risk management. The task of auditing the appropriateness and effectiveness of the ICS covers the risk management and controlling systems, reporting, information systems and financial reporting. In performing its duties, GM-A has an unrestricted right to information.

GM-A promptly prepares a written report on each audit; the responsible members of the Board of Managing Directors are among the recipients of the report. On the basis of these audit reports, GM-A oversees and documents the steps taken to remedy the deficiencies identified within the specified time. If such deficiencies are ignored, an escalation process comes into effect. In addition, GM-A prepares an annual report on the audits that it has carried out during the course of the financial year, the material deficiencies identified and the measures taken, and presents this report to the Board of Managing Directors.

The financial reporting process

The financial reporting procedures at Commerzbank are supported by IT systems integrated into each process. As part of the input process for financial reporting, all information relevant for drawing up the financial statements of Commerzbank Group under IFRS and Commerzbank Aktiengesellschaft under the German Commercial Code is submitted to GM-F by the reporting units (Commerzbank Aktiengesellschaft Germany, subsidiaries and foreign branches). Data is transmitted via a separate online data entry functionality directly into SAP EC-CS consolidation software, which has been adapted to meet the Bank's requirements. Subsidiaries generally submit IFRS data; German and foreign branches also submit data under the German Commercial Code. Data is automatically checked for consistency before transmission to GM-F. Once the plausibility checks have been successfully completed, the individual reports can be finalised. Further plausibility checks are carried out using this data in GM-F. After these controls have been successfully completed, the Commerzbank Aktiengesellschaft parent company financial statements are drawn up and all the necessary steps are taken to produce the consolidated Commerzbank Group financial statements. Drawing up the Group financial statements involves various individual steps (e.g. consolidating equity, liabilities, income and expenses), currency translation and the elimination of intra-Group profits.

Segment reporting is done on a separate IT system. This involves reconciliation with the data from accounting.

Measures to further enhance the ICS as regards financial reporting

The ICS has been adapted to meet the needs of the Commerzbank Group as regards financial reporting, and it is further enhanced on an ongoing basis. To this end, the internal Control Environment Initiative (CEI) has been permanently implemented at GM-F. The aim of CEI is to manage all risk-related processes by applying a uniform method to report and assess risk. In addition, it strengthens the ICS in the area of financial reporting by means of regular assessment of the effectiveness and efficiency of controls and by regularly checks on how controls are implemented.

The CEI is based on the GM-F "process map". This is a top-down representation of all key processes, which is refined with descriptions of procedures and in which the risks in relation to the reliability of financial reporting are determined, applying the COSO framework. The Bank also follows the recommendations of ISA 315. This involves checking whether a risk can be assigned to one of the following three categories and their various aspects:

- Statements on types of business transaction: their occurrence, completeness, accuracy, allocation to the correct period and the correct account;
- statements on account balances at the reporting date: availability, rights and obligations, completeness, measurement and allocation;
- Statements on presentation in the financial statements and on the notes to the financial statements: occurrence, rights and obligations, completeness, reporting and comprehensibility, accuracy and measurement.

Suitable controls are implemented to minimise the risks identified, and these in turn are also assigned to the ISA 315 categories and their various aspects. For the effectiveness of the ICS, it is the way the controls are structured into appropriate steps and embedded into each process, and the way they are performed at the operating level, that is the decisive factor in minimising risk. This procedure ensures that risks are identified, minimised and any faulty developments on the operational side avoided.

Other

No material changes have been made to the financial reporting ICS since the balance sheet date.

The world's top 20 green banks

In 2013, we gained inclusion for the first time into Bloomberg's rankings of the World's Top 20 Green Banks. This was linked above all to our commitment to renewable energy. Via our Renewable Energies Center of Competence, we are one of the world's largest funders of renewable power. We concentrate on wind farms and solar parks in Germany and abroad, operated by institutional investors, municipal utilities, energy groups or private investors. For large-scale infrastructure projects, we offer institutional investors the opportunity to participate via portfolio or individual transaction models.

Corporate Responsibility

Commerzbank takes its corporate responsibility seriously

Commerzbank remains fully committed to its corporate responsibility, as it demonstrated once again in 2013. The "Corporate Responsibility Report 2013" describes how the many wide-ranging areas of the Bank are living up to and promoting environmental, social and ethical considerations. In matters as diverse as corporate leadership, specific product and service offerings in the market segments, the certified environmental management system, sustainable procurement, varied employee benefits and social engagement, the Bank makes it clear that it takes its new positioning as a fair and competent partner to its customers very seriously. The report bears the title "Responsibility. Trust. Confidence.", because through its commitment to responsibility, the Bank hopes to rebuild trust and inspire confidence.

The Corporate Responsibility Report 2013 was produced in accordance with the Global Reporting Initiative (GRI) guidelines. The GRI has awarded the report its highest-possible "A" rating. It also fulfils the requirements of a Communication on Progress (COP) regarding implementation of the ten principles of the UN Global Compact, which Commerzbank joined in 2006.

Reputation risk management

All financial arrangements, products and customer relations in which sustainability plays a significant role and sensitive areas are closely scrutinised by the Commerzbank Reputation Risk Management department and, if necessary, either rejected or accepted with conditions attached. These sensitive areas include armaments, power generation and commodities extraction. In 2013, Reputation Risk Management received around 2,800 requests, which it analysed and issued a written opinion on. The number of requests went up again, reflecting both greater awareness among Bank employees and increased public attention on these issues. Approximately 10% of these requests received a negative evaluation on the grounds of social, environmental or ethical concerns.

Internal training is regularly held in Germany and abroad to raise Commerzbank employees' awareness of reputational topics.

Compliance

The confidence of our customers, shareholders and business partners that Commerzbank acts properly and legitimately forms the foundation of our business activities. Our primary aim is to ensure that all risks that might jeopardise trust in the Group's integrity are avoided. Compliance with the applicable laws, directives and market standards underpins all that we do and is an integral part of our activities as a financial services provider operating around the world. Breaches of laws and regulations can not only lead to legal disputes and financial penalties, but also have repercussions for the Group's reputation and stability. Our compliance activities are focused on preventing and combating money laundering, the financing of terrorism, insider trading, market abuse, breaches of customer interests in securities transactions, corruption, other criminal offences and breaches of sanctions within our activities. In order to take account of the ever-growing complexity of national and inter-national laws and regulations, we are constantly developing and adapting our management of compliance risk and making adjustments to reflect current developments and challenges. One such example in 2013 was the implementation of the compliance function in relation to the German Minimum Requirements for Risk Management (MaRisk).

Market and customers

Commerzbank can only achieve long-term success if its customers are happy with its performance and feel that Commerzbank is indeed "The bank at your side". As such, our product and service offering is geared to the interests of our customers, and customer satisfaction is one of the most important measures in evaluating our operational success. Fairness and competence are therefore at the heart of our new brand positioning. Commerzbank wants to be perceived as a bank that deals with its customers fairly and professionally and to impress them with its strong capabilities in all aspects of finance. The new positioning is not just window-dressing; it is applied in practice in advisory services – in the branches and online. Commerzbank has therefore discontinued products and business areas that no longer fit the performance promise and has introduced new products and services. In the private customer business, these include free current and business accounts with satisfaction guarantees, independent mortgage loans and free 30-day trials for consumer loans.

In view of the pivotal role that small and medium-sized businesses play in employment and the economy, we also bear special responsibility as the leading bank to the Mittelstand in Germany. Fairness and competence, and the customer satisfaction that

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derives from these, are guiding principles here every bit as much as in private customer business. This means, for example, that we avoid particularly risky investment opportunities when acting on our customers' behalf. It also means that we support our customers in their financial management, leaving them free to concentrate fully on their core business. In this way, we use the means at our disposal to protect them against risks and help them at times of crisis.

Another area of activity in which the Mittelstandsbank takes entrepreneurial responsibility is the promotion of renewable energies – an activity which it has pursued for more than 25 years. Via its Renewable Energies Center of Competence (CoC RE), Commerzbank is one of the world's largest funders of renewable energy. Alongside support for companies working in this sector, the core business of the CoC RE encompasses in particular funding for wind farms and solar parks (non-recourse project financing) in Germany and abroad, operated by institutional investors, municipal utilities, energy groups and even private investors. For large-scale infrastructure projects, we offer institutional investors such as insurance companies and pension funds the opportunity to participate in financing via portfolio or individual transaction models. One such innovative model is the Green Loan Fund platform, which was introduced in 2013 with a volume of €87m and is earmarked for future expansion. Our commitment to renewable energy was a major factor in Commerzbank securing a spot in the Bloomberg top 20 rankings of the World's Greenest Banks for the first time during 2013.

Environment

As climate change advances and energy costs rise, it is becoming ever-more important to take responsibility for protecting the climate and resources. Commerzbank has committed to working towards becoming as close to climate-neutral as possible over the long term. With this in mind, we reformulated our climate target again at the start of 2013, making it significantly more challenging. The original target was for a 30% reduction in CO_2 emissions across the Group between 2007 and 2011. We achieved this ahead of schedule and had far exceeded it by the end of 2012, with a CO_2 reduction of 57%. The gradual switchover to environmentally friendly electricity made a major contribution to this. Since 1 January 2013, Commerzbank Aktiengesellschaft's 1,300 or so buildings in Germany have been supplied exclusively with green electricity.

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Our new objective is to cut our total greenhouse gas emissions by 70% versus 2007 levels by 2020. The climate target and associated measures constitute the operational side of Commerzbank's climate strategy. Other elements are aimed at gearing the core business even more towards sustainability and developing more products and services relevant to climate protection. We also want to raise awareness of the issue of climate change and encourage our employees, customers and the general public to actively engage in climate protection.

Employees

The job reductions agreed with the employee representative committees in summer 2013 mark a step towards implementation of the strategic agenda 2016. We are committed to acting responsibly in respect of the job cuts that have been negotiated and at the same time to ensuring the seamless and professional conduct of the Bank's operations. This is because we recognise that motivated employees with the right qualifications in the right roles are crucial to Commerzbank's long-term success. The focus in 2013 was on staff development, training and filling posts under the auspices of the "Creating prospects" initiative. The full launch of the Commerzbank Academy and a tailored career track for each of Commerzbank's 30,000 specialists give employees the opportunity to develop within the Bank in an even more targeted manner. Commerzbank also offers performance-related remuneration models, better-than-average social and additional benefits and a corporate culture that prioritises cooperative, collegial dealings between employees. You can find full information on this subject and other key elements of our HR activities on pages 86 ff. of this annual report.

Society

Commerzbank once again lived up to its social responsibility in 2013 through an extensive programme of foundation and charity activities and various other initiatives. At the heart of our activities is the ambition to make a measurable contribution to greater educational equality in Germany. With the new educational mentoring programme which was launched in 2013, Commerzbank is setting new standards in supporting young people in need of extra assistance in making the transition from school to work. Commerzbank supports its employees in their voluntary involvement with this and other initiatives: for the second Malteser Social Day Week in 2013 we released around 500 employees across Germany to take part in a total of 46 social project in 18 locations nationwide. A new intranet platform also helps make connections between employees who would like to volunteer their time or are looking for support on voluntary projects. We also continued our programme of environmental internships in 2013. Through this project, which has gained UNESCO recognition, Commerzbank has been supporting national parks, country parks and biosphere reserves in Germany for nearly 25 years.

Group Management Report

› In the Group Management Report, we outline the economic operating conditions and how these influence the Commerzbank Group's business activities. We also provide in-depth information about the Commerzbank Group's performance in the 2013 financial year and describe the outlook for the anticipated performance of the Commerzbank Group and the overall conditions expected.

› 2013 was another eventful year with considerable challenges. The Bank made considerable progress in implementing the strategic agenda and reached key milestones; non-strategic portfolios were run down, risks reduced, capital freed up and cost management vigorously pursued. In the Private Customers segment, customer satisfaction rose to a record level in 2013 and growth was seen in customers, accounts and assets. Against the backdrop of a persistently difficult market environment, the Core Bank posted an operating profit of €1.8bn.

Contents

Basis of the Commerzbank Group

Structure and organisation

Commerzbank Aktiengesellschaft is Germany's second largest bank and one of its leading banks for private and corporate customers. Our customers have one of the densest networks of any private-sector bank in Germany at their disposal. Commerzbank serves a total of around 15 million private customers and 1 million business and corporate customers worldwide. Commerzbank aims to continue strengthening its position as market leader in the private and corporate customer segments in Germany.

The focus of our activities is on the four core segments: Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe. The Bank has merged all activities in commercial real estate and ship financing, in addition to public financing, into the new Non-Core Assets (NCA) run-off segment. The core segments are each overseen by a member of the Board of Managing Directors; responsibility for NCA was reallocated in mid-November to two Board members.

All staff and management functions are contained in Group Management: Group Audit, Group Communications, Group Compliance, Group Development & Strategy, Group Finance, Group Human Resources, Group Investor Relations, Group Legal, Group Treasury and central risk functions.

The support functions are provided by Group Services. These include Group Banking Operations, Group Markets Operations, Group Information Technology, Group Organisation & Security, Group Delivery Centre and Group Excellence & Support. The staff, management and support functions are combined in the Others and Consolidation division for external reporting purposes.

On the domestic market, Commerzbank Aktiengesellschaft is headquartered in Frankfurt am Main, from where it manages a nationwide branch network through which all customer groups are served. Its major German subsidiaries are comdirect bank AG, Commerz Real AG and Hypothekenbank Frankfurt AG. Outside of Germany, the Bank has 7 material subsidiaries, 23 operational foreign branches and 35 representative offices in 53 countries and is represented in all major financial centres, such as London, New York, Tokyo, Hong Kong and Singapore. However, the focus of the Bank's international activities is in Europe.

Commerzbank prepares consolidated financial statements which, in addition to Commerzbank Aktiengesellschaft as operating lead company, incorporate all material subsidiaries in which the Bank holds more than 50% of the voting rights or exercises control in another manner. The financial year is the calendar year.

Objectives and strategy

2013 saw Commerzbank reach key milestones on the strategic agenda announced at the 2012 Investors' Day. The Bank is targeting focused growth by adapting the business model to the new environment in the financial sector and investing over €2.0bn in the earnings power of the core business. It will implement additional efficiency measures to keep costs stable and continue to optimise its capital base. In 2016, the Bank aims to achieve a return on equity after taxes of over 10%. The cost/income ratio of the Core Bank, with the operating segments Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe, is expected to fall to around 60%. Even under Basel 3, taking into consideration the phase-in regulations, the Group's core Tier 1 ratio should be above 10% by the end of 2016. The Bank also plans to reduce the portfolios in the Non-Core Assets (NCA) segment to €75bn by 2016.

Regaining the trust of customers will be the most important task for all banks in the coming years. For us this means: We want to create a new bank that unites modern technologies and traditional values. We are rigorously orienting our business model towards the needs of the real economy, and adapting our advisory process, products and services.

The strategic realignment of the Private Customer business is a key element in the plan to boost earnings. The aim of becoming a multi-channel bank by 2016 came a step closer with the launch of a new online banking platform at the start of the current year. In total, Commerzbank will invest around €1.0bn by 2016 in its platforms, its product and service offering, the advisory process and training employees in the Private Customer business. This is expected to boost revenues per customer and increase the number of customers from 11 million at present to 12 million, generating an operating profit of over €500m in 2016. This should take the return on equity before taxes above 12%.

The Mittelstandsbank will continue expanding its successful business model and leading market position. In this respect, growth will focus on the acquisition of new customers, particularly in the small and medium-sized corporate customers segment, as well as on the expansion of business with existing customers in Germany and a move into economically attractive countries. From 2014 Commerzbank will have six locations in Switzerland and will be looking to significantly expand local corporate customer business with Swiss companies. KASIKORNBANK of Thailand has also been added to the international network of Mittelstandsbank, further boosting the Bank's commitment to the ASEAN countries. Business at the existing sites abroad will be developed, and we will invest in the expansion of our position as Europe's leading trade service bank. Overall in 2016, assuming a normalisation of loan loss provisions, we expect to achieve a return on equity before taxes of over 20%. Despite the investments, the cost/income ratio is expected to remain at less than 45%.

In the Central & Eastern Europe segment the Bank has the most modern direct bank in the form of the new mBank, a result of the merger of BRE Bank, mBank and MultiBank under the One Bank strategy. In mobile banking, mBank and 5 other Polish banks started a project aimed at developing a common infrastructure for mobile payments in Poland; this will be continued in 2014. The One Network project aims to reorganise the branch network by having branches fully used by both private and corporate customers. The first branches in the new format will be opened in Q1/2014. The target for Central & Eastern Europe is to achieve stable growth in its value contribution to the Group, with a return on equity before taxes of more than 15% and a cost/income ratio of less than 55% in 2016.

Corporates & Markets will strengthen its positioning as a leading international niche player, leveraging the distribution channels of Commerzbank's private and corporate customers business. The segment is particularly focused on growing the state-of-the-art trading platforms to meet customer requirements at any time. The segment will continue to build on its strengths in debt capital markets and make these available to European multinationals. Cost discipline remains a central issue. In addition to the savings already made, further cost savings are planned for the current year and 2015. In 2016 Commerzbank is aiming to achieve a cost/income ratio of below 65% and a return on equity before taxes of over 15%.

The planned reduction of the group divisions bundled together in Non-Core Assets (NCA), namely Public Finance, Commercial Real Estate and Deutsche Schiffsbank, was continued during the year with sales of commercial real estate and ship financing portfolios. The segment's self-imposed target for 2013 was met in the third quarter. The overall goal is to reduce the NCA portfolio, which totals some €116bn at present, to €75bn the end of 2016. The capital released as a result of the reduction process is to be reallocated to the Core Bank for growth. The job cuts planned at NCA will be implemented in line with the portfolio reduction.

Despite focused growth in the core business, the loan loss provisions in the Group are to be further reduced to some €1.4bn by 2016. Risk-weighted assets are expected to rise in numerical terms to around €240bn by 2016. This is essentially due to the implementation of the new equity capital regulations under Basel 3 and the expansion in lending as the strategic agenda is implemented. Given the new equity capital regulations under Basel 3 and against the background of a changing market environment, the focus on strengthening equity capital will continue.

In the period to the end of 2016, operating expenses are expected to be kept stable despite the investments in the core business, higher wage settlements and rising operating costs. To achieve this, the Bank will continue its strict cost management and save costs in the coming years through, for example, more efficiently designed processes, the launch of the new branch structure, and the adjustment of personnel capacities. Restructuring expenses will therefore be incurred.

By continuing to develop its strategic direction, Commerzbank is reacting to the challenges posed by the financial market and sovereign debt crisis and to the resulting "new normality" in the financial sector – namely tougher requirements for banks' capital base, ongoing low interest rates and a loss of trust on the part of customers.

Corporate management

Corporate management in the Commerzbank Group is based on a value-oriented control concept. This concept is based on ensuring that the risks entered into by the business units are in line with the external and internal guidelines on risk-taking capability and that an appropriate return is achieved over the long term on the capital employed. In this respect, the Bank regularly monitors the allocation of scarce resources to business units and actively adapts its business strategy to changing market circumstances in order to boost the enterprise value over the long term.

A key corporate management tool is the annual planning process whereby the Board of Managing Directors sets targets for the business units based on the business strategy. Existing resources such as capital and risk limits are allocated to the segments in a way that reflects the targets and risk profiles.

The management of the Bank takes account of both pillars of the Basel 2 capital adequacy regulations (Basel 3 will be phased in from 2014). To ensure internal risk-taking capability at all times, planning includes allocating economic capital to the segments broken down by type of risk. Regulatory capital and the rules on risk backing are used as the basis for calculating the capital employed in the segments. The required return from a segment is based on this external capital concept. As is standard for value-based management concepts, the target minimum return on capital employed is derived from the expected return on the capital market.

The segments put the plan into operation based on the business strategy and the results of the planning process. The Board of Managing Directors carries out regular checks to ensure that business planning is being followed. In addition to monthly management reporting, an intensive performance review of all business units is held quarterly. This ensures any deviations from plan are identified at an early stage and countermeasures taken.

The key figures used for measuring success in the corporate management process are operating profit/loss and pre-tax profit/loss as well as return on equity, the cost/income ratio and value added. Segment return on equity is calculated as the ratio of operating profit/loss or pre-tax profit/loss to the average amount of capital employed. This shows the return on the equity invested in a given business segment. The cost/income ratio is used to assess cost efficiency and is defined as the ratio of operating expenses to income before loan loss provisions. Segment value added is a measure of the enterprise value created by the segments and is calculated as the difference between the operating profit/loss and the cost of capital before tax. Group value added is defined as the amount by which the consolidated profit/loss attributable to Commerzbank shareholders exceeds the cost of capital. The cost of capital represents our shareholders’ expectations for the minimum return on their capital employed.

As Group figures, the controlling data listed above form part of a system of other segment-specific data that varies from segment to segment depending on the business strategy.

Remuneration Report

The Remuneration Report can be found in the “Corporate Responsibility” section of the Corporate Governance Report. It forms part of the Group Management Report.

Details pursuant to Art. 315 (4) of the German Commercial Code (HGB) and explanatory report

Details pursuant to Art. 315 (4) of the German Commercial Code and explanatory report can be found in the “Corporate Responsibility” section. They form part of the Group Management Report.

Details pursuant to Art. 315 (2) (No. 5) of the German Commercial Code (HGB)

Details pursuant to Art. 315 (2) (No. 5) of the German Commercial Code (HGB) can be found in the “Corporate Responsibility” section. They form part of the Group Management Report.

Important business policy events

Commerzbank made good progress in implementing its strategic agenda in 2013. The capital measure approved at the Annual General Meeting in April 2013 was used to repay the SoFFin and Allianz silent participations in full. The liquidity raised from the European Central Bank was also repaid well before maturity. Successes also came from a further reduction of the non-strategic commercial real estate portfolio and the shipping portfolio. In addition, contractual agreement was reached last year for the planned sale of Commerzbank’s “Depotbank” business. Implementation of the Group strategy will involve adapting staffing levels, and the Supervisory Board has approved a reduction in the size of the Board of Managing Directors.

Commerzbank repays funds from the European Central Bank's three-year tender

At the end of January 2013, Commerzbank repaid in full the €10bn borrowed in the first three-year tender (LTRO) of the European Central Bank (ECB), its subsidiary Hypothekenbank Frankfurt AG having taken part in the ECB tender for the first time in December 2011.

At the end of February 2013, funds of approximately €6bn taken in the second three-year ECB tender (LTRO II) were also paid back in full. In February 2012, entities of the Bank had participated in the tender to reduce the need for internal funding and refinance the Bank's holding of European government bonds directly in foreign units of Commerzbank.

Given the stabilising actions of the ECB, the Bank as announced repaid these funds well before maturity.

Commerzbank successfully concludes capital increase to repay the silent participations of SoFFin and Allianz in full

At the end of May 2013, Commerzbank successfully concluded the capital increase approved by the Annual General Meeting on 19 April 2013 to repay the silent participations of the Financial Market Stabilisation Fund (SoFFin) and Allianz early and in full. During the subscription period, around €2.5bn (gross) was raised as planned. This sum was used to repay the SoFFin silent participations of around €1.6bn and the Allianz silent participation of €750m. Commerzbank has thus repaid early all the constituent parts of the government aid that it is able to redeem by itself. At the same time, SoFFin reduced its stake in the Bank from 25% to about 17% as a result of this transaction, as previously announced. The successful completion of the capital increase thus marks the beginning of the end of the Federal Government's engagement in Commerzbank.

In total, Commerzbank issued 555,555,556 new shares under the terms of the capital increase with subscription rights which ran from 15 May to 28 May 2013. The subscription price was €4.50 per share. 99.7% of the subscription rights were exercised. The unsubscribed 1,678,801 new shares and the fraction of 363,761 new shares excluded from the subscription right were sold on the market.

New stand-alone platform to support restructuring of shipping portfolio

At the end of May 2013 Commerzbank founded a stand-alone restructuring platform for ships, called "Hanseatic Ship Asset Management GmbH". The aim of the company, which is based in Hamburg and is a 100% subsidiary of Commerzbank Aktiengesellschaft, is to assist with managing the ship financing portfolio while preserving value. The new company will acquire individual ships that have potential, remove them from their existing, impaired credit relationships, operate them on the new platform and sell them when the market recovers. The ships will be operated by experienced, professional external partners (shipping companies). The Bank is thus giving itself more room for manoeuvre and creating an additional restructuring instrument in the Deutsche Schiffsbank group division.

Commerzbank and employee representative committees achieve reconciliation of interests in respect of planned staff reduction

As part of its implementation of the strategic agenda announced in November 2012, the Commerzbank Group is to eliminate around 5,200 full-time posts by 2016. In 2012 the decision was made to delete 800 full-time posts, with a particular focus on the Non-Core Assets segment. In addition, 500 full-time posts are being cut abroad and in the German subsidiaries. The elimination of the other 3,900 full-time posts was agreed with the works council of Commerzbank Aktiengesellschaft Germany in mid-June 2013. Of these, around 1,800 full-time posts are in the Private Customer business, as announced in February 2013. On the other hand, up to 1,000 full-time posts are being planned to be created within the Group in connection with investments to implement the strategic agenda. The agreements reached with the works council for the employees of Commerzbank Aktiengesellschaft Germany propose that the exclusion period for compulsory redundancies, which was originally due to continue up to the end of 2014, will be extended to 2016 as soon as the agreed staff reduction targets have been met.

The result for the first quarter of 2013 already included restructuring costs of the order of €500m in connection with the job cuts.

Commerzbank sells commercial real estate portfolio in the United Kingdom

In mid-July 2013 Commerzbank signed an agreement regarding the sale of its commercial real estate (CRE) portfolio in the United Kingdom to a consortium of Wells Fargo and Lone Star. The deal closed in early August. The transaction covered commercial real estate loans totalling €5.0bn, including the associated interest rate and currency hedging derivatives as well as the entire operating business of Hypothekenbank Frankfurt in the UK. This made it one of Europe's biggest transactions involving commercial real estate loans in recent years. The employees were transferred to the purchaser while retaining the terms of their existing employment contracts.

Supervisory Board decides to reduce the size of the Board of Managing Directors

The Supervisory Board of Commerzbank resolved in a meeting on 6 November 2013 to make changes to the Board of Managing Directors. It accepted the request of Jochen Klösges to step down as at 31 December 2013. The Supervisory Board also decided to terminate the appointment of Ulrich Sieber with effect from 31 December 2013.

This means that the Commerzbank Board of Managing Directors has now shrunk from nine to seven members, as resolved by the Supervisory Board at its meeting on 7 August 2013. The reduction in the size of the Board of Managing Directors is a consequence of the Group strategy it approved in November 2012.

Following these staffing decisions, the Board of Managing Directors of Commerzbank decided to reallocate business responsibilities as follows with effect from 16 November 2013: Responsibility for Non-Core Assets is divided: Michael Reuther will be in charge of Public Finance, while Commercial Real Estate and Deutsche Schiffsbank will come under Markus Beumer.

At its meeting on 12 December 2013, the Supervisory Board put Frank Annuscheit in charge of HR at Commerzbank.

Changes in the Supervisory Board

On 2 July 2013 our long-standing Supervisory Board member Prof. h. c. (CHN) Dr. rer. oec. Ulrich Middelmann died suddenly after a short illness. With effect from 3 July, Dr. Roger Müller, the substitute member elected at the AGM on 19 April 2013, therefore became a member of the Commerzbank Supervisory Board.

Dr. Markus Schenk stepped down from the Supervisory Board on 10 September 2013 when his term of office expired. With effect from 11 September 2013, Solms U. Wittig, a substitute member elected at the AGM on 19 April 2013, therefore became a member of the Commerzbank Supervisory Board.

Commerzbank closes sale of its "Depotbank" business to BNP Paribas Securities Services

The sale of the "Depotbank" business agreed between Commerzbank and BNP Paribas in mid-July was contractually closed on 31 October 2013. The "Depotbank" business offers services for investment companies (mutual and special funds in the securities and real estate sectors) and institutional investors, such as the settlement of securities transactions, the administration and safekeeping of assets as well as the control of fund administration. The custody business for customers of Commerzbank, which provides a comprehensive custody service for the Bank's private, business and corporate customers as well as for institutional investors, and forms part of Commerzbank's core business, is not affected by the deal.

Commerzbank sells 14 chemical tankers to a fund managed by Oaktree Capital Management L.P.

In mid-December 2013 Commerzbank signed an agreement to sell a loan portfolio comprising 14 chemical tankers to a fund managed by Oaktree Capital Management L.P. The total volume of the transaction, which only includes problem loans, is approximately €280m. The parties have agreed to maintain confidentiality about the other details of the contract.

The sale of the chemical tanker portfolio improves the risk profile of Deutsche Schiffsbank, part of the Non-Core Assets segment. The entire portfolio is being transferred to the buyer, with no loans being retained by Commerzbank.

Economic report

Economic conditions

Economic environment

The world economy grew by 3% in 2013, less than in most recent years. One reason for this, as in 2012, was weaker growth in emerging markets. The economies in these countries once again significantly outperformed industrialised countries, but the 4.7% growth was well short of the rates seen in 2010 and 2011. This applies not only to China, but also to most other emerging economies.

The US, too, was weaker than the previous year, up some 1.9%, with growth slowed by the significant spending cuts and tax hikes that came into effect at the start of 2013. However, as their impact faded in the second half, the economy picked up again, since the excesses of the past – the housing bubble and the high level of household debt – have now been corrected and are no longer weighing on the economy. The labour market also continued to improve, with unemployment back below 7% at the year end. Against this background, the Federal Reserve began to scale back its bond purchases in December.

The eurozone economy, by contrast, picked up slightly on the previous year. Even though GDP for the year was down once again, by just under 0.5%, by the end of 2013 all countries had emerged from the persistent recession. The easing of the sovereign debt crisis was the key factor. This boosted companies' planning certainty, stimulating capital expenditure. Financial policy in the peripheral countries was also not as tight as it had been in previous years. In some countries, such as Portugal and Spain, the reforms of recent years are gradually having an effect. Despite these somewhat better economic conditions, the ECB cut its refinancing rate to a new all-time low of 0.25%.

The German economy emerged from its temporary weakness back in the spring. Average growth for the year was 0.4%, putting it well ahead of most other eurozone countries once again. The decisive factor that continues to set Germany apart from many other eurozone countries is that it did not have any excesses in the real estate market or private-sector debt to correct. The German economy is also still benefiting from its improvement in competitiveness in recent years.

Financial markets were once again dominated in 2013 by the extremely loose monetary policies pursued by the leading central banks in industrialised countries. This triggered a hunt for yield that particularly helped riskier assets, such as equities, corporate bonds and peripheral country government bonds. The discussion about Federal Reserve tapering, which actually began in December, interrupted this trend temporarily but failed to end it. The same applies to the gradual appreciation of the euro against the dollar. Only top-quality government bonds such as US Treasuries and German Bunds came under slight pressure, with the latter also affected by the easing of the sovereign debt crisis.

Sector environment

The European sovereign debt crisis had a much milder impact in 2013 than in 2012. Market perception is that the risk of the crisis escalating has fallen further as a result of unusually extensive monetary policy steps, rescue mechanisms that are now almost completely in place, initial fundamental reform successes in the crisis countries and a return to at least moderate growth in the eurozone countries. Data from the European Central Bank (ECB) show that systemic tensions on the key financial markets have latterly dropped to their lowest level for six years. Risk premiums and the price of credit default swaps on affected government bonds have decreased sharply, and there has been a clear slowdown in the flight of capital and deposits from these countries. The increasing signs that the sovereign debt crisis is easing restored investor confidence in European banks during the second half of the year: the sector saw risk premiums on bonds and the price of credit default swaps fall, while stock prices rose.

However, this relaxation in the crisis was only reflected in banking profits to a lesser extent in 2013. Overall, bank profitability remained under pressure from structural trends (regulation and stiff competition), plus the ongoing low level of interest rates. Persistently low rates, combined with the expectation of new capital and liquidity rules, resulted in little improvement in banks' basic earnings power. Ultimately, the piecemeal pace of economic recovery proved too little for some borrowers in industries already having problems. It also failed to produce a noticeable recovery in lending. In fact, book credits in the eurozone fell at the fastest annual rate since the start of currency union, so companies in the real economy are actually tending to run down their bank liabilities.

Nevertheless, the German banking system became even more resilient last year thanks to significantly lower exposure to the crisis-hit countries, a noticeable increase in core capital ratios and lower levels of debt; the ECB takes the view that bank balance sheets have become more robust. Against this backdrop, the funding costs of banks in the eurozone fell last year, and access to funding resources has continued to improve.

Earnings performance, assets and financial position

As expected, implementing the strategic agenda had a negative impact on the results for 2013, which was a transitional year. Consolidated earnings before taxes were down correspondingly from the previous year. The €500m restructuring charge was particularly felt. The decline in operating profit was driven by the earnings performance. This was especially affected by the level of interest rates, which were again down average, lower profits at Group Treasury, and higher loan loss provisions. The measures we implemented in the second quarter did stabilise the decline in earnings related to interest rates, however, especially in the Private Customers segment.

Total assets were reduced by 13.6% year-on-year to €549.7bn at the end of 2013, well below the earlier target of €600bn. The fall of €86.4bn was primarily due to the significant cut in the NCA portfolio and a reduction in reported trading assets caused by a decline in the market value of interest rate derivatives. Risk-weighted assets were also reduced considerably to €190.6bn, driven primarily by the lower credit risk in the NCA segment and the lower market risks. The Commerzbank Group's capital structure was also improved by repaying the silent participations as part of a capital increase. Regulatory capital ratios improved accordingly as at the end of 2013, with the core Tier 1 ratio rising from 12.0% to 13.1% and the core capital ratio from 13.1% to 13.5%.

Various new IFRS requirements were implemented in the Commerzbank Group with effect from the start of 2013, along with various voluntary changes to accounting policies. Prior-year figures have been adjusted accordingly to ensure comparability. The most significant reclassification resulted from the following: interest from trading activities is now reported as net interest income instead of net trading income. Detailed explanations about the changes are given in the notes to the consolidated financial statements on page 147 ff.

As a result of this reclassification, certain financially related transactions in the areas of trading and risk management are reported separately in net interest income as well as net trading income. The comments on net interest income and net trading income for the Group as a whole as well as the Corporates & Markets segment are therefore presented together in consolidated form.

Income statement of the Commerzbank Group

The individual items in the income statement were as follows:

Net interest and trading income fell 7.5% year-on-year to €6,066m overall. Net interest income was down 5.2% to €6,148m, while net trading income and net income from hedge accounting was €155m lower at €–82m. Others and Consolidation was the main driver behind the overall trend in net interest and trading income. The decline was partly due to the performance of Group Treasury, which was unable to repeat the very good results of the previous year. In addition, non-recurring effects in both years resulted in an overall negative impact on performance. The low level of interest rates also caused earnings to fall at Mittelstandsbank in particular owing to lower margins on deposits due to market conditions. By contrast, Corporates & Markets posted a significant overall increase in profits. Equity Markets & Commodities contributed to this increase thanks to greater customer activity, as did Credit Portfolio Management. The marking of own liabilities to market and measurement effects on counterparty risks resulted in an increase of some €400m compared with the previous year. The absence of losses from the measurement of derivatives and counterparty risk in the Non-Core Assets segment resulted in a higher profit, which was partially offset by the accelerated reduction in the credit portfolio.

Further information on the composition of net interest and trading income is given in the notes to the consolidated financial statements on pages 173 and 176.

Net commission income was €3,215m, down just 1.0% year-on-year. This was mainly due to the total cessation of new business in the Non-Core Asset segment. In the Private Customers segment, lower income from intermediary business was more than made up by higher income in securities business. The latter involved both transaction-related income, especially on equities, and volume-related income. Our business with corporates generated higher income from syndications, but income from currency business was lower.

Table 6

Statement of comprehensive income I €m	2013	2012[1]	Change
Net interest income	6,148	6,487	– 339
Loan loss provisions	– 1,747	– 1,660	– 87
Net commission income	3,215	3,249	– 34
Net trading income and net gain/loss on hedge accounting	– 82	73	– 155
Net investment income, income from at-equity investments and other net income	– 12	50	– 62
Operating expenses	6,797	7,029	– 232
Operating profit/loss	**725**	**1,170**	**– 445**
Restructuring expenses	493	43	450
Net gain or loss from sale of disposal groups	–	– 268	268
Pre-tax profit/loss	232	859	– 627
Taxes on income	65	803	– 738
Consolidated profit/loss	**167**	**56**	**111**
Consolidated profit/loss attributable to Commerzbank shareholders	78	– 47	125

[1] Figures restated due to the first-time application of the amended IAS 39, the hedge accounting restatement and other disclosure changes (see Notes, page 147 ff.).

Net investment income was €17m, compared with €81m in the previous year. Impairments on public finance exposure in the US in the year under review were offset by income from restructured loans and the public finance portfolio. In 2012 income from the sale of equity instruments and from interest-bearing business more than compensated for losses on disposal as the public finance portfolio was run down.

Other net income came to €–89m, compared with €–77m a year earlier. These charges resulted from net new provisions made above all in respect of litigation and recourse risks.

During the reporting period the net allocation to loan loss provisions rose by 5.2% year-on-year to €–1,747m. This was based on an anticipated increase to a normalised level of provisioning in the Core Bank; reversals at Mittelstandsbank were much lower than the previous year. The Corporates & Markets segment reported a net reversal in the current reporting period. In Non-Core Assets, provisioning was down in both commercial real estate financing and ship financing. The impact of the commercial real estate portfolio in the UK masked the improvement in the risk position in this area as a result of the portfolio reduction. By contrast, loan loss provisions in ship financing remained high.

Strict cost discipline kept operating expenses 3.3% lower than the previous year at €6,797m, despite investments and higher regulatory costs. Other operating expense including depreciation fell by 5.2%. This was attributable to lower occupancy expenses, partly offset by higher advisory and advertising costs. Despite the salary increases agreed between the negotiating partners in 2012, personnel expense edged down by 1.8%. This was due to a reduction in the number of employees through job cuts and natural fluctuation, with no new hiring to offset it.

As a result of these developments, the Commerzbank Group posted an operating profit of €725m for 2013, compared with €1,170m in 2012.

Restructuring expenses of €493m for the reporting period were incurred in the first quarter. This was because of the scheduled job cuts, as personnel capacities are in the process of being adjusted to the changing market environment by 2016. Restructuring expenses of €43m were reported in the previous year in connection with the European Commission's requirement that Hypothekenbank Frankfurt AG should be wound down. There was also a remeasurement loss of €–268m in connection with the sale of Bank Forum.

Pre-tax profit came to €232m, compared with €859m in 2012.

Tax expense for the reporting period was €65m, compared with €803m for the previous year. This high figure was primarily caused by writedowns on deferred tax assets as all Group units adapted their medium-term planning to the changed environment. Profit after tax for 2013 rose accordingly to €167m, compared with €56m in the previous year. Net of non-controlling interests of €89m, €78m was attributable to Commerzbank shareholders, up from €–47m.

As Commerzbank Aktiengesellschaft is reporting its results for the 2013 financial year in accordance with the German Commercial Code (HGB), the plan is to service all profit-sharing certificates issued by Commerzbank Aktiengesellschaft and the Class B Preferred Securities of Commerzbank Capital Funding LLCs I–III for the 2013 financial year; no dividend will be paid.

The statement of comprehensive income for 2013, which in addition to consolidated profit/loss also includes other comprehensive income for the period, showed a net total of €719m. Other comprehensive income of €552m consists of the sum of changes in the revaluation reserve (€496m), the reserve from cash flow hedges (€259m), the reserve from currency translation (€–163m), companies accounted for using the equity method (€–3m) and actuarial gains and losses (€–37m).

Operating profit per share were €0.79 and the earnings per share €0.09. In the prior-year period the comparable figures were €1.69 and €–0.48 respectively.

Balance sheet of the Commerzbank Group

Total assets of the Commerzbank Group as at 31 December 2013 were €549.7bn. Compared to end-2012 this is a decline of 13.6% or €86.4bn, primarily due to the cut in the Non-Core Assets portfolio and a reduction in trading assets.

The cash reserve fell by €3.4bn compared with year-end 2012 to €12.4bn. This was largely because of a decline in credit balances with central banks contingent on the balance sheet date.

Claims on banks remained at around the previous year's level at €87.5bn. Claims from money market transactions rose by €0.6bn, while promissory notes were down by €1.6bn. Claims on customers fell compared with year-end 2012, declining by €32.6bn to €246.0bn. This was the result of lower claims on customers – mainly due to a fall in mortgage bank business – and a reduction in secured money market transactions in the form of reverse repos and cash collaterals.

As at the reporting date, total lending to customers and banks stood at €246.7bn, down €26.1bn compared with year-end-2012. Although loans to banks were 7.3% higher than in 2012 at €22.6bn, customer lending business declined by 11.0% to €224.1bn. This was owing to the generally modest demand for credit in the Core Bank during the course of the year, and in particular the reduction of non-strategic business in the NCA segment.

As at the reporting date, trading assets amounted to €103.6bn, a fall of €40.5bn or 28.1% compared with end-2012. The major contributors to this were the €40.6bn decline in positive fair values attributable to derivative financial instruments (mainly interest rate derivatives) and a €2.4bn fall in bonds, notes and other interest rate-related securities. Given the positive market environment for equity products and associated high customer demand, holdings of equities, other equity-related securities and investment fund units rose by €2.4bn.

Financial investments decreased by 8.0% over the year to €82.1bn. Bonds, notes and other interest rate-related securities were down by €6.8bn to €80.8bn, while shares and other equity-related securities and participations fell by €0.3bn to €1.2bn overall.

Table 7

Assets I €m	**31.12.2013**	**31.12.2012**[1]	**Change in %**
Claims on banks	87,545	88,028	–0.5
Claims on customers	245,963	278,546	–11.7
Assets held for trading purposes	103,616	144,144	–28.1
Financial investments	82,051	89,142	–8.0
Other assets	30,486	36,163	–15.7
Total	**549,661**	**636,023**	**–13.6**

Liabilities and equity I €m	**31.12.2013**	**31.12.2012**[1]	**Change in %**
Liabilities to banks	77,694	110,242	–29.5
Liabilities to customers	276,486	265,905	4.0
Securitized liabilities	64,670	79,357	–18.5
Liabilities from trading activities	71,010	116,111	–38.8
Other liabilities	32,865	38,158	–13.9
Equity	26,936	26,250	2.6
Total	**549,661**	**636,023**	**–13.6**

[1] After hedge accounting restatement (see Notes, page 147 ff).

On the liabilities side, liabilities to banks fell sharply by €32.5bn to €77.7bn; this included a large €23.4bn fall in money market liabilities, largely the result of repaying the ECB tender, and a drop of €5.6bn drop in cash collaterals. Around one quarter of the reduction in volume related to banks in Germany, and three quarters to foreign bank liabilities. Liabilities to customers rose slightly year-on-year by 4.0% to €276.5bn. Savings deposits were down by €6.7bn and promissory note loans by €5.8bn, whereas demand and term deposits and repos and cash collaterals rose by a total of €23.7bn. Securitised liabilities were €14.7bn lower year-on-year at €64.7bn. Bonds and notes issued fell by €17.6bn to €61.3bn. This was mainly the result of a sharp €13.3bn decline in mortgage and public-sector Pfandbriefe due to maturities at Hypothekenbank Frankfurt AG. Money market securities rose by €2.9bn to €3.3bn. Liabilities from trading activities were down €45.1bn to €71.0bn. This was mainly due to the sharp decline in negative fair values attributable to interest rate derivatives.

The picture for off balance sheet liabilities was mixed compared with the previous year, with contingent liabilities falling slightly by €0.6bn to €35.3bn and irrevocable lending commitments rising by €2.6bn to €52.3bn.

Overall, Commerzbank took an important step on its way to further reducing volumes and risks by reporting a balance sheet volume at 31 December 2011 of €549.7bn. The reduction in total assets particularly related to the Non-Core Assets segment.

Capital and reserves

The equity capital reported in the balance sheet as at 31 December 2013 rose by 2.6% or €0.7bn to €26.9bn compared with the adjusted figure at year-end 2012. Information about the changes in the reporting of equity is given in the notes to the consolidated financial statements on page 147 ff.

While the capital reserve increased significantly compared with the end of 2012, rising by 82.5% to €15.9bn due to the capital reduction in connection with the capital measure, the subscribed capital decreased by €4.7bn to €1.1bn. Retained earnings remained at the 2012 level, at €10.7bn. As planned, around €2.5bn gross was raised in the capital increase approved by the AGM on 19 April 2013. This sum was used to repay the SoFFin silent participations of around €1.6bn and the Allianz silent participation of €750m. Information about the capital increase is given in the notes to the consolidated financial statements on page 141 f.

The revaluation reserve stood at €–1.2bn as at the reporting date. This was an improvement of around €0.5bn compared with the end of 2012 and was attributable in particular to a rise in the fair values of Italian sovereign bonds. Together with the negative cash flow hedge reserves and the currency translation reserves, this amounted to a deduction of €–1.7bn from equity compared with €–2.4bn at year-end 2012.

Risk-weighted assets were down by €17.5bn at 31 December 2013 to €190.6bn, mainly due to the decline in risk-weighted assets in market and credit risks.

Regulatory Tier 1 capital fell by €1.5bn compared with the unadjusted year-end 2012, to €25.7bn. In conjunction with the lower level of risk-weighted assets, the Tier 1 ratio came to 13.5%. Core Tier 1 capital came to €24.9bn, a ratio of 13.1%. The total capital ratio was 19.2% on the reporting date. The leverage ratio under the Basel 3 Capital Requirements Directive (CRD 4 "phased-in"), which compares regulatory capital to total assets, was 4.3% on the reporting date.

Funding and liquidity of the Commerzbank Group

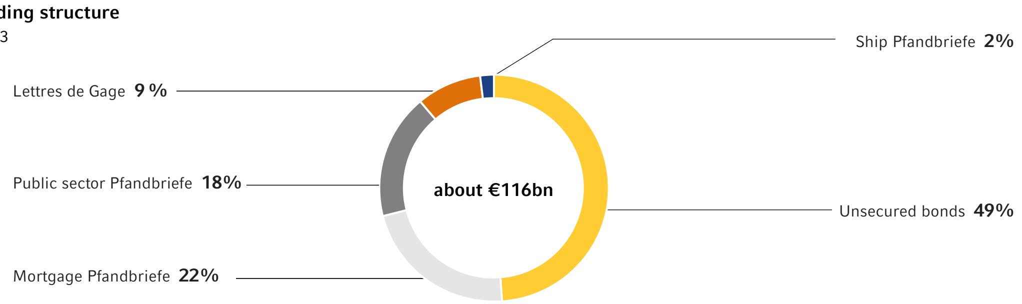
The liquidity management of the Commerzbank Group is the responsibility of Group Treasury, which is represented in all major Group locations in Germany and abroad and has reporting lines in all subsidiaries.

Liquidity management comprises both operational and strategic components. Operational liquidity management encompasses management of daily payment inflows and outflows, planning for expected payment flows and management of access to central banks. The division is also responsible for access to unsecured and secured sources of funding on the money and capital markets and the management of the liquidity portfolio. Strategic liquidity management involves managing maturity profiles for liquidity-relevant assets and liabilities within specified limits and corridors. Additional information on this subject can be found in the "Liquidity risks" section in the Group Management Report.

Guidelines and limits for the funding profile and funds are derived from the business strategy and reflect risk tolerance. The Group's short and medium-term funding is appropriately diversified in terms of investor groups, regions, products and currencies. Top-level decisions about liquidity management are taken by the central Asset Liability Committee (ALCO), which meets at regular intervals. The independent risk function quantifies liquidity risks using a Bank-internal model and also monitors the set limits. ALCO and the Board of Managing Directors receive regular reports on the liquidity risk situation.

Figure 3

Capital market funding structure
As at 31 Dezember 2013



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 report a comfortable liquidity position in 2013.

Commerzbank raised a total of €5.6bn in long-term funding on the capital market in 2013.

In the collateralised area, Commerzbank Aktiengesellschaft added three new products to its long-term funding options: the mortgage Pfandbrief, the public-sector Pfandbrief and the small- and mid-sized enterprises (SME) structured covered bond. Four benchmark transactions were successfully placed on the capital market. June saw the issue of a public-sector Pfandbrief with a volume of €500m and a five-year term, funding the long-term core business of the Mittelstandsbank. For this reason, export finance eligible for cover fund purposes and guaranteed by the export credit agency (ECA) Euler Hermes was included in the cover pool.

In the fourth quarter two mortgage Pfandbriefe were issued with a volume of €500m each and terms of seven and ten years respectively. These are funding the Bank's private retail mortgage financing business, and are secured on private retail mortgage loans in Germany.

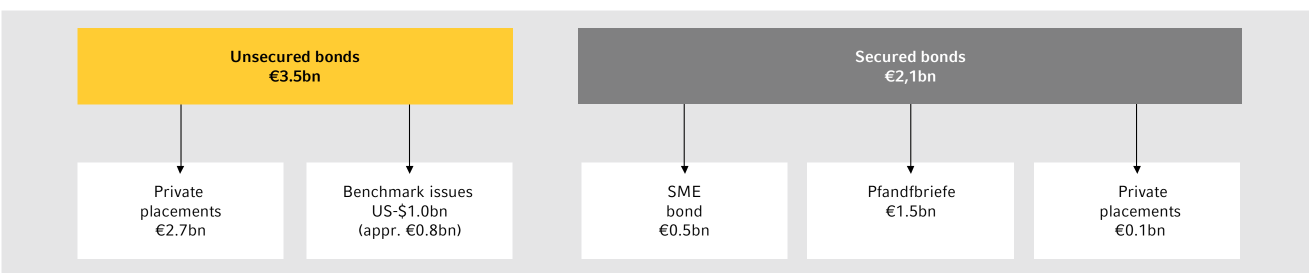
Commerzbank also issued a five-year small- and mid-sized enterprises (SME) structured covered bond with a volume of €500m. This new instrument is a contractual construct similar to a Pfandbrief; it is covered by a high-quality portfolio of selected SME loans. It was the first transaction in this innovative asset class on the capital market. All issues were several times oversubscribed and met with great demand from institutional investors.

In unsecured issues, September saw the successful placement of Commerzbank's first US dollar subordinated bond (Tier 2 capital) with a volume of $1bn on the capital market. The benchmark issue has a term of ten years and carries a coupon of 8.125%. There was a high level of interest from institutional investors and the issue was several times oversubscribed. More than two thirds of the bond was placed with institutional investors in the US and Canada. The first placement of a Tier 2 issue since 2011 has also strengthened the Bank's overall capital structure with a view to the implementation of the new EU regulatory capital requirements effective from 1 January 2014 (CRD IV). In addition, private placements totalling €2.7bn with an average maturity of five years were issued. About 75% were structured bonds.

The funding spreads for secured bonds narrowed further in 2013. Unsecured spreads, meanwhile, were volatile over the year but came in again towards year-end in line with the overall market.

Figure 4

Group capital market funding of 2013
Volume €5.6bn



In order to compensate for unexpected short-term outflows of liquidity, Commerzbank has a central liquidity portfolio of highly liquid securities eligible for central bank borrowing purposes. This centrally managed liquidity portfolio, which is supplemented by freely available cash resources, credit balances with central banks and other liquid securities positions, forms Commerzbank's liquidity reserve. This liquidity reserve was up significantly on the previous year by €21.3bn to €104.7bn. It thus accounted for about 19% of total assets.

The regulatory liquidity requirements of the German Liquidity Regulation were met at all times in 2013. As at the reporting date for 2013, Commerzbank Aktiengesellschaft's key liquidity ratio calculated using the German Liquidity Regulation's standard approach was 1.31, still significantly higher than the minimum regulatory requirement of 1.00.

Commerzbank's liquidity situation remains comfortable given its conservative and forward-looking funding strategy. The Bank is not currently drawing on central bank liquidity facilities.

Summary of 2013 business position

The 2013 financial year – which we regarded as transitional – was dominated by the implementation of our strategic agenda. The measures we have brought in will over the coming years align our business model with the altered operating environment in the financial sector. We have made progress – faster than planned in some areas – on all three of our strategic focuses: "investing in the earnings power of the core business", "rigorous cost management" and "optimising the capital base", and we have hit some key milestones.

Two objectives have even been exceeded: we have made much more rapid progress in winding down the NCA portfolio and we have raised the Basel 3 core Tier 1 ratio to 9% a year earlier than planned. We have also fully repaid the silent participations held by the government and Allianz and continued to strengthen the Bank's capital base. The growth measures launched are having an effect and the reorientation of the private customer business is ahead of schedule. Both loans and customer numbers grew in the Core Bank last year, and income in the operating segments was up overall.

In the Private Customers segment, operating profit remained stable at the same level as the previous year despite the low interest rate environment. This shows that the action we have taken on our strategic agenda is working faster than expected. In our profit forecast for the year we had not anticipated seeing the action taken already having an impact on that year's results. Operating profit was down as expected at Mittelstandsbank, largely because of the low level of market interest rates and charges for loan loss provisions. Volumes of loans to small and mid-sized German companies rose again. The Central & Eastern Europe segment showed sustained high growth in customers and operating profit rose year-on-year as forecast. Corporates & Markets achieved the best operating profit since 2010 in 2013, even beating our expectations. As expected, the Non-Core Assets segment again posted an operating loss, but this was much improved from the previous year.

Against the backdrop of the persistently difficult market environment, at Group level we reported an operating profit of €725m, compared with €1,170m in 2012. Income before loan loss provisions was down year-on-year from €9.9bn to €9.3bn, primarily because of the deterioration in the interest rate environment. Loan loss provisions rose as expected to €1.7bn. Active cost management permitted a further reduction in operating expenses to €6.8bn despite the additional investments in growth.

The Core Bank, which includes Commerzbank's strategically significant customer-centric business, posted a solid operating profit of €1.8bn (2012: €2.5bn). The decline of €0.7bn was due to the deterioration in the market environment and the increase in loan loss provisions at Mittelstandsbank. The operating return on equity at the Core Bank was 9.5%.

Consolidated profit amounted to €78m, compared with €–47m the previous year. This includes €493m of restructuring costs.

Commerzbank again improved its stability in 2013 by continuing to cut back risks and strengthening its capital base. Risk-weighted assets were reduced by a further 8.4% to €191bn. Total assets fell 13.6% year-on-year to €550bn, bringing them back below €600bn for the first time since 2006. Together with the successful €2.5bn capital increase, this resulted in stronger core capital ratios. The common equity Tier 1 ratio under the Basel 3 transitional arrangements was 11.6% as at the end of December (2012: 10.2%). Full application of Basel 3 as at the end of December would have put the common equity Tier 1 ratio at 9.0%, up from 7.6% at the end of 2012.

Overall, profitability was in line with what we had predicted for 2013. As expected, the challenging economic and capital market environment, rising loan loss provisions and restructuring costs had a noticeable impact on results.

+1 million

new customers

The new strategy in the private customer business is working, as is borne out by the positive trend in customer numbers in particular. Our objective is to attract around 1 million new customers by the end of 2016. A net 245,000 customers switched to Commerzbank in 2013, won over by the quality of our advice and our completely overhauled range of products and services. The branch network alone attracted more than 175,000 of these new customers.

› Prizes and Awards in 2013

Focus-Money
CityContest: Overall Winner "Best Client Advice"

Focus-Money
Customer Compass: "Outstanding Financial Analysis"

Euro am Sonntag
Investment Advisory: "Overall Rating Good"

Euro
Retail Mortgage Lending Test: "Best Branch Network"

Euro am Sonntag
Rating-Dependent Instalment Loans: "Very Good"

Die Welt
"Service Champions in Customer Service Experience"

Euro
comdirect: "Germany's Best Bank – Overall Winner 2013"

Euro am Sonntag
comdirect: "Online Broker Test Winner 2013"

Segment performance

Private Customers

The Private Customers segment comprises the Private Customers, Direct Banking and Commerz Real divisions. With a customer base of over 11 million, Commerzbank is one of Germany's leading banks for private customer business.

Performance

Table 8

€m	2013	2012	Change in %/%-points
Income before provisions	3,350	3,342	0.2
Loan loss provisions	–108	–95	13.7
Operating expenses	3,017	3,020	–0.1
Operating profit/loss	**225**	**227**	**–0.9**
Capital employed	3,972	3,919	1.4
Operating return on equity (%)	5.7	5.8	–0.1
Cost/income ratio in operating business (%)	90.1	90.4	–0.3

In an environment of sustained low interest rates, launching new and innovative products as part of the refocusing of the divisions within the Private Customers segment helped pave the way for sustainable income generation. The willingness of existing customers to recommend us and the fact that we attracted 245,000 new private customers to the segment last year underline the strategic approach to the reorientation. At €225m, operating profit was at the same level as in 2012.

Income before loan loss provisions rose by €8m to €3,350m year-on-year. Further to the lower interest rate environment interest spreads contracted compared with the previous year, which had a noticeable impact on net interest income. Sustained positive demand for loans, in particular retail mortgage financing, and active management of deposit rates helped counter the difficult market conditions. Net interest income fell by 3.0% to €1,771m. Net commission income rose by €15m to €1,561m, as customers became more willing to invest and capital markets performed well. New products and services in the securities area, such as asset management, were very well received by our customers. Other net income came to €–19m in 2013, compared with €–56m a year earlier.

Loan loss provisions remained low, up by €–13m year-on-year to €–108m. Operating expenses came to €3,017m, in line with the previous year's figure of €3,020m. Personnel expenses were down, while other operating expenses rose due to investment.

Overall the Private Customers segment posted a pre-tax profit of €225m compared with €227m in 2012.

The operating return on equity based on capital employed of €4.0bn was 5.7% (previous year: 5.8%). The cost/income ratio fell slightly from 90.4% in the prior-year period to 90.1%.

Main developments in 2013

In 2013 the Private Customer segment concentrated on implementing the 2016 strategic agenda. Progress was faster than planned. The private customer strategy is working: customer satisfaction was up significantly in 2013, and customers, accounts and assets all rose. Around 245,000 net new customers joined the Bank in 2013, for example, 175,000 of them in the branch network. The segment has returned to profitability ahead of schedule, despite investing millions.

Private Customers

The Private Customers division covers Commerzbank's branch business in Germany for private and business customers as well as Wealth Management.

Private customer strategy starting to work

2013 was dominated by the implementation of the private customer strategy announced at the end of 2012. This has two thrusts: to regain the confidence of our customers through new positioning and to modernise the bank and expand it to become the leading multi-channel bank.

Regaining confidence: making fairness and competence noticeable for customers

A key part of the private customer strategy is our positioning as a fair and competent partner for customers. Already in 2012 the management of the branch network team was closely focused towards three core objectives: quality, growth and profitability. 2013 saw numerous changes in the business model to make the new positioning increasingly noticeable for customers. The progress made towards these core objectives shows the strategy is having an effect.

As part of the quality goal, 2013 saw Customer Compass, Commerzbank's IT-supported structured advisory application, launched throughout the branch network. This has significantly improved the quality of advice in meetings with customers. A tangible measure of this is the increase in customer satisfaction as measured by the Net Promoter Score (NPS): every month, NPS was above the target 30% level in both Private and Business Customers and Wealth Management. Independent test purchases also confirmed the high quality of advice in 2013. For example, Commerzbank was for the first time named overall "Best Customer Advice" winner in Focus Money's CityContest.

The Customer Compass was also introduced for advising business customers in December 2013, and in WM the "Strategic Dialogue" is used to identify customers' financial circumstances and needs in a structured manner. Customer satisfaction was also boosted by the extension of cashier opening hours. Tills are open around 2,000 hours more per week and it is easier to get in touch by telephone. Since early 2013 the call centre has been open around the clock, seven days a week. This has resulted in an additional 11,000 customer contacts per month.

Good progress has also been made towards the core objective of growth: the range of products and services has been completely overhauled and numerous offerings launched that focus on fairness and competence. These have already resulted in customer, account and asset growth. The satisfaction guarantee introduced at the end of 2012 for the free current account was extended to cover business accounts. Around 340,000 free current accounts with a satisfaction guarantee were opened in 2013. Premium accounts, new product bundles for private and business customers, were also launched. Some 33,000 premium accounts, which offer additional services such as a credit card, free cash withdrawals in Germany and abroad and an insurance package for a monthly all-in fee, were sold in 2013.

2013 also saw the launch of the investment advisory business model with four new model portfolios, so each customer can select the most suitable for him- or herself. There is a new premium custody account that levies a flat fee instead of transaction costs and custody account charges, and the direct custody account for customers who prefer online banking. The offering is completed by individual wealth management, for customers with assets in excess of €250,000, and the previous pricing model, now known as the classic custody account. Around 8,000 premium custody accounts with a volume of over €1.5bn have been opened since launch in July. Portfolio management products in Private and Business Customers and wealth management services in Wealth Management also performed well. Total assets under management were up by 30% compared with 2012.

Commerzbank almost doubled its share of the market for new retail mortgage financing to around 8% compared with 2011. This was partly due to the still favourable market and partly because since the end of 2012 Commerzbank has been advising its customers using the innovative CobaHyp platform. The platform is unique in the market; customers are given a comparison from over 250 providers and can select the offer that suits them, with Commerzbank acting as an intermediary. A further innovation in lending was the placement of the first mortgage Pfandbriefe in October and November 2013 with a volume of €500m each, giving Commerzbank cheap and stable long-term funding – strategically essential for the lending business.

The segment also made good progress on profitability and kept costs at the prior-year level despite investments in the new private customer strategy. Since the Dresdner Bank integration, for example, the number of branch offices has been cut by 25%. It was announced in February that around 1,800 jobs will be cut in the Private Customers segment by the end of 2015. A reconciliation of interests to this effect was signed with the employee representatives in the summer.

Modernising the Bank: key steps on the path to a multi-channel bank

Customers want both personal advice in a branch and modern online banking. Commerzbank therefore took key steps on the path to a multi-channel bank in 2013. The online offering was upgraded to make it more convenient and customer-friendly. New security procedures were introduced for online banking as part of the digital strategy. The new photoTAN is regarded as the safest procedure currently on the market. It is now also possible to purchase 23 products online, while the process for opening our anchor current account product online has also been made leaner. December saw the launch of the new online banking portal, with more functions and a new look.

The first test branch was opened in Berlin in December as part of the new branch strategy. Customers experience a new type of banking in a contemporary design, with a wider range of products and services and a new advisory approach. Ideas being trialled in the pilot branches include more points of contact between customer and advisor, for example by integrating the self-service area into the branch, entirely new services such as credit and debit cards to take away immediately, and advice and cashier services by video.

Direct Banking

The Direct Banking division covers the activities of the comdirect group (comdirect bank AG and ebase GmbH). With 1.7 million securities custody accounts and 19 million securities transactions executed, the comdirect Group is the market leader in the online securities business for modern investors, and with over one million current accounts it is also one of Germany's leading direct banks.

Staying on the growth path

The comdirect Group achieved its ambitious growth objectives in 2013. The rise in the number of direct banking customers at comdirect bank was mainly attributable to strong demand for the free current account with satisfaction guarantee. This also boosted deposit volumes significantly. A further improved product range is focusing even more closely on the needs of a broad target group. One example of this is the Personal Finance Manager – a new analysis tool that automatically categorises income and expenses for tailored budget planning.

Securities Trading saw a year-on-year increase in the number of orders executed. The excellent CFD trading platform played a major part in this. New functionalities for securities customers underline the positioning as Germany's top performing broker. Assets under custody were up sharply thanks to net investments by customers and higher prices. The launch of an open securities custody account helped to drive forward the development of ebase GmbH as a broadly based financial services provider for institutional partners. The comdirect subsidiary is fighting the trend towards products that reduce liability with a custody account solution for standardised asset management.

Commerz Real

Commerz Real put in a powerful performance in 2013. The 100% subsidiary is positioning itself squarely as a centre of excellence for physical assets. Its assets under management amount to €32bn. The fund range includes the open-end real estate fund hausInvest, institutional investment products and equity investments in real estate, aircraft, renewable energies and ships. As the leasing company of the Commerzbank Group it also offers customised asset leasing plans and individual financing structures for physical assets such as real estate, big-ticket items and infrastructure projects.

Commerz Real investment products set the pace in 2013. The most important factor behind the success of the hausInvest open-end real estate fund is its steady performance: founded 41 years ago and with assets of €9.4bn, it achieved a solid 2.4% annual return in 2013. Following the sale of the special fund business in autumn 2013, Commerz Real is refocusing its activities for institutional investors. In future, major investors will be able to participate in various structures, such as club deals, and put money into a broader range of physical assets. In addition to real estate, this will mainly include renewable energies and infrastructure projects.

Even after the reorientation Commerz Real was able to continue the success of previous years in its structuring and financing solutions for the Bank's corporate customers. Commerz Real Asset Structuring GmbH (CRAS) was launched in early 2013 to focus on financing and structuring solutions for infrastructure models, big-ticket items, outsourced current assets and property development with one-stop planning, construction and financing. Commerz Real Mobilienleasing GmbH (CRM) specialises in leasing machinery and equipment, sale and leaseback solutions and hire purchase models. The CRM business model proved itself once again in 2013. Total assets under management in financing products were €13.2bn.

Outlook for Private Customers

The strategic focus in 2014 will be on two issues. Firstly, the segment will complete the revamp of its business model. One milestone will be adapting the advisory model by adding new service and advisor functions for private and business customers; in particular, the range of products and services for business customers is set to be significantly improved. Secondly, the modernisation of the Bank will be driven forwards. By the end of 2014 Commerzbank is aiming to be the first branch network bank that is compatible with direct banking – a key step on the way to becoming a multi-channel bank. Among the tasks for the first quarter is the full-scale roll-out of the new online banking portal. Further innovations will follow as the year progresses. For example, an online version of the Customer Compass for private customers is planned. More test branches will be launched as part of the branch network strategy: flagship branches are scheduled to open in Stuttgart and Berlin in the first quarter, with more "city branches" to follow in the second quarter.

The comdirect Group strategy is still geared to growth. With its direct bank business model it is aiming to secure a disproportionate share of the growth rates in online and mobile banking and hence boost market share. Advisory formats and interaction channels will be used more intensively to target customers who are likely to use online services even more effectively and continue growth. ebase is looking to position itself as a leading B2B direct bank that offers the capabilities of a securities platform and the range of a full-service bank.

>15%

new customer growth

The Mittelstandsbank's strategic objective is to grow its customer base by 15% by the end of 2016. This is an ambitious target, but one that we made good strides towards in 2013. We capitalised on our strong market position in a highly competitive segment and achieved the goal we had set ourselves.

› Prizes and Awards in 2013

FImetrix
"Distinguished Provider 2013"
Global Transaction Banking

EBRD Award
"Most Active Confirming Bank
in 2012"

GTR Award
"Best Trade Finance Bank
in CEE"

Mittelstandsbank

The Mittelstandsbank segment is divided into the three group divisions Mittelstand Germany, Corporate Banking & International and Financial Institutions. The Mittelstand Germany division serves small and mid-sized customers, the public sector and regional and small and mid-sized institutional customers in Germany. The Corporate Banking & International division serves companies with revenues over €500m that are not listed in the M-DAX or DAX and smaller groups with high capital market requirements. This division also contains the competence centre for companies from the renewable energy sector. The Financial Institutions division is responsible for global foreign trade activities and relationships with banks, financial institutions and central banks in Germany and abroad. During the year under review the Mittelstandsbank segment once again made a major contribution to Group earnings, but was unable to match last year's exceptional level, which was influenced by very low loan loss provisions.

Performance

Table 9

€m	2013	2012	Change in %/%-points
Income before provisions	2,914	3,014	−3.3
Loan loss provisions	−470	−30	.
Operating expenses	1,337	1,342	−0.4
Operating profit/loss	**1,107**	**1,642**	**−32.6**
Capital employed	5,990	5,771	3.8
Operating return on equity (%)	18.5	28.5	−10.0
Cost/income ratio in operating business (%)	45.9	44.5	1.4

The Mittelstandsbank segment was once again the main profit driver within the Core Bank in 2013, posting an operating profit of €1,107m compared with €1,642m in the previous year. The key factors were higher loan loss provisions in the lending business, as expected due to much lower reversals, and the low level of interest rates that persisted throughout the year.

Income before loan loss provisions reached €2,914m, which was 3.3% lower than the previous year.

Net interest income, which was hit by the low interest rates, was 11.2% lower than in 2012 at €1,730m. In the deposit business, net interest income declined despite higher volumes as market interest rates cut into margins. The contribution from the lending business, by contrast, was almost unchanged on the previous year. At €1,065m, net commission income was at the same level as in 2012. Customer demand for corporate finance solutions picked up, but income from the currency business was down on the previous year. Net trading income amounted to €29m, compared with €–21m in the prior year. This increase was largely down to positive measurement effects on restructured loans.

Net investment income was €54m, compared with €31m the previous year. Other net income came to €28m, compared with €–14m a year earlier. The rise in both items was essentially a result of measurement effects on restructured loans and the release of a provision taken under other net income.

Loan loss provisions for lending amounted to €–470m, compared with €–30m in 2012. The sharp rise was characterised by additional loan loss provisions for individual commitments and lower releases of provisions compared with the previous year.

Operating expenses amounted to €1,337m, in line with the previous year's figure of €1,342m. A rise in personnel expenses and other operating expenses was offset by lower indirect costs.

Overall, the Mittelstandsbank segment posted a pre-tax profit of €1,107m for 2013, which represents a year-on-year decrease of around a third.

The operating return on equity based on average capital employed of €6.0bn was 18.5% (prior-year period: 28.5%). The cost/income ratio was 45.9%, compared with 44.5% in 2012.

Main developments in 2013

A reliable partner for the Mittelstand – constructively supporting our customers

Our "Better financing now" campaign is helping our customers to open up new growth prospects with optimised financing solutions. This is based on the strong advisory skills of our corporate customer advisors and specialists and our clear customer focus. Our corporate customer advisors also have in-depth industry expertise from working closely with sector and market analysts and credit specialists. We further refined lending procedures by involving corporate customer distribution and risk management at an early stage. This allowed us to grow credit volumes over the year even as loan demand was stagnating, especially in domestic Mittelstand business and Financial Institutions.

Focusing on our customers' value chain

We aim to keep an eye on our customers' entire value chain, work with them to come up with specific recommendations for optimisation and make practical suggestions for action within financial management. Our offering stretches from processing payments in Germany and abroad to cash and treasury management and giving advice on settling, insuring and financing foreign trade. 2013 saw a particular focus in cash management on giving professional support to customers in connection with the SEPA switchover and the associated opportunities this opens up in the European payments area. When it comes to foreign trade, we remain the market leader in documentary credits opened in favour of German exporters. The integration of our structured export and trade financing specialists into Financial Engineering was a further development of our idea to look at customers' overall needs rather than sell individual products. Account opening procedures were also simplified, harmonised and made significantly faster at Commerzbank locations all round the world.

Customers demanding ever more skilled investment and risk management

Our customers continue to show great interest in managing financial risks and corporate investments, with occupational pensions becoming increasingly important. The solutions we offer for hedging interest rate, currency and commodity risks remain closely focused on our customers' real needs, allowing then to successfully minimise their exposure to market price risk.

Attractive new services have been added to our range: the economic and accounting impact of our financial instruments can now be demonstrated to corporate customers using calculations and scenario analyses.

There is still strong interest among our customers for our intelligent product solutions in investment management. With customers unwilling to commit to capital expenditure, deposit volumes remained high and were primarily directed at longer terms.

Stronger customer base and wider international presence

Mittelstandsbank reinforced its standing in 2013 and gained attractive new German corporate customers as planned. Business with public-sector and institutional customers was also stepped up by devoting greater attention to these groups. The Mittelstandsbank international network now includes a cooperation with KASIKORNBANK of Thailand, expanding Commerzbank's reach in the dynamic ASEAN countries.

Mittelstand Germany

Two key features of the customer care model in the Mittelstand Germany division are regionality and proximity. From 150 locations across Germany, corporate customer advisors and product specialists serve SME customers with a turnover of between €2.5m and €500m, public-sector customers and institutional customers. We have one of the largest branch networks in the country, so every one of our corporate customers receives high-quality service that is tailored to their needs and delivered on the spot.

A big welcome even for smaller SMEs

If they are to survive in challenging markets, corporate customers need a strategic partner who can offer specialist expertise. We offer a tailored service using proven product solutions and access to capital markets products to firms with annual revenues of as little as €2.5m. We can look back on many years of experience, industry and market expertise and long-term business relationships with our customers.

Financial engineering for SMEs further expanded

The philosophy of our financial engineering is to give SMEs access to the full spectrum of financing instruments while taking account of typical SME needs such as transparency of solutions and making allowance for the fact that each company is different. Our regional advisory teams work with customers to develop optimal financing concepts customised for each situation, be it a major investment project or an acquisition. For this they can call on the expertise of our central product specialists. Our concept of giving SMEs access to structured financing instruments has, for instance, made us the market leader in club deals for the Mittelstand. This form of financing allows our customers to stabilise the group of banks they use and avoid individual banks suddenly pulling out.

Corporate Banking & International

In Germany, Corporate Banking & International serves corporate customers with revenues of over €500m, plus some below this level that have capital market requirements, from seven corporate customer centres. Internationally, we offer the foreign subsidiaries and branches of our German customers and foreign companies with subsidiaries and branches in Germany the same professional coverage they are used to in Germany through our branches in western Europe, eastern Europe, Asia and North America. In selected countries we have also set up the same branch and service concept we have in Germany to cover local corporate customer business.

Linking across borders

The close integration of Corporate & Investment Banking in our international customer service teams allows us to professionally analyse each customer's situation and develop competent solutions based on a precise knowledge of the market and industry, both in Germany and in our international locations. Our regional service approach, in conjunction with our branch network, means we can keep advisory expertise and decision-making authority geographically close to customers, setting us apart from our competitors. In addition to the standard corporate banking products and our investment banking skills from our long-standing cooperation with the Corporates & Markets segment, we can also assist customers with regional expertise and local market and product knowledge.

Innovative solutions for renewable energies

Commerzbank has decades of experience in funding renewable energies, and with our Renewable Energies Competence Centre we see ourselves as a strategic partner for customers in this dynamic sector. In the year under review Commerzbank worked on €550m of financing for wind and solar parks and launched the first green loan fund for institutional investors. The focus for 2014 will remain on growing financing activities in Germany and selected core markets abroad, while making greater use of new financing models.

Financial Institutions

The Financial Institutions division also supports the international activities and strategies of other Group divisions and segments via a global network of some 5,000 correspondent banks. Financial Institutions assists its customers throughout the world with foreign payment transactions, hedging of foreign trade risks and funding for foreign trade deals. Financial Institutions also provides its customers with bilateral loans, supports them in syndicated loans and, together with the Corporates & Markets segment, offers solutions for active risk management.

Global distribution network

The Financial Institutions relationship management team based in Frankfurt follows a global service approach and has a worldwide sales network of 44 representative offices and Financial Institutions desks in all key economic areas. The division's relationship managers and skilled product and risk specialists offer its customers a long-term relationship approach and comprehensive product knowledge.

Leading market position in the eurozone

According to SWIFT, Commerzbank is one of the leading institutions for handling foreign trade deals in the eurozone. Its share of the export payments market rose again in 2013 to 8%, with the handling of documentary credits up by almost 2% to 14%. A new cash services pricing model allows Financial Institutions to offer its customers more flexible pricing. An additional trade processing centre was opened in Malaysia last year to meet customer requirements for efficient processing of documentary business in different time zones.

Outlook for Mittelstandsbank

The German Mittelstand is a key pillar of the German economy and its innovation and export strength will allow it to continue to grow in 2014, contributing to the economic recovery. 2014 will again see Mittelstandsbank facing regulatory changes and greater competition. Given our strong positioning in the relevant market segments as a result of our excellent range of services and customer relationships established over several market cycles, however, we are confident that we will be able to achieve our ambitious growth objectives in Germany and abroad. In the current year we will continue to focus our activities on acquiring new customers, above all smaller SMEs, working more closely with existing customers, expanding our successful business model in Europe and expanding internationally in line with rising global growth.

We are driving international growth by moving into local markets, opening new foreign branches and expanding our network of partner banks and representative offices. From 2014 Commerzbank will have six locations in Switzerland and will be looking to significantly expand local corporate customer business with Swiss companies. We have noticed that German companies are making large direct investments in Brazil, and so are preparing to set up a subsidiary company there. We will continue to work closely with local banks in attractive Asian markets, along the lines of our partnership with KASIKORNBANK. The Financial Institutions division monitors the possibility of opening new representative offices on an ongoing basis.

We also wish to gain further market share internationally through our leading market position and product expertise in trade services, so will be further expanding Financial Engineering in 2014. Over the short and medium term our growth strategy will see us transfer our successful domestic business model to selected core markets. To optimise rapid and secure processing of customer transactions, we will be investing consistently both in Germany and abroad in the SEPA switchover and in our IT platforms for cash management, payment services and international business. We have also set ourselves the aim of further improving the quality and scope of our customer advisory services. For example, we will strengthen our customer focus by making administrative processes leaner and improving IT customer platforms.

115%

Loan/deposit ratio

mBank significantly increased its deposit volume by rolling out a modern online banking platform and focusing on a modern banking offering. As a result, the loan/deposit ratio improved to 111% in the year under review. This exceeded the target of 115% set for 2016 as early as 2013, making a further contribution to the stable funding of the Bank via its own customer portfolio.

Retail Banking, Basic logotype of mBank and Subsidiaries

Premium Banking | Private Banking | Entrepreneurs | SME and corporates

› Prizes and Awards in 2013

Global Finance Award
BRE Bank: "The Best Bank in Poland"

Polish Tax and Accounting Institute
BRE Bank: "The Best of the Best" in The Best Annual Report contest

Distribution and Marketing Innovation Awards by Efma
New mBank: "The Most Disruptive Innovation" and "Digital Mobile Excellence" awards

Global Finance Award
BRE Bank: "Safest Emerging Markets Banks in Central and Eastern Europe"

Central & Eastern Europe

The Central & Eastern Europe (CEE) segment contains the Group's universal banking and direct banking activities in Central and Eastern Europe. The merger of the previously separate brands of the BRE Bank Group, BRE Bank, MultiBank and mBank, to form the "new" mBank means the segment is now represented by the single mBank brand, 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 2013 mBank had a market share of around 8%, making it the fourth-largest bank in Poland.

Performance

Table 10

€m	2013	2012	Change in %/%-points
Income before provisions	802	818	– 2.0
Loan loss provisions	– 119	– 105	13.3
Operating expenses	429	473	– 9.3
Operating profit/loss	**254**	**240**	**5.8**
Capital employed	1,654	1,763	– 6.2
Operating return on equity (%)	15.4	13.6	1.7
Cost/income ratio in operating business (%)	53.5	57.8	– 4.3

The Central & Eastern Europe segment generated an operating profit of €254m in 2013, 5.8% up on the previous year. Owing to the fact that the Ukrainian Bank Forum was sold in the second half of 2012, its activities are included in the prior-year figures.

The National Bank of Poland reacted to modest growth into the second half of the year by cutting interest rates in several stages in 2013, easing monetary policy and lowering the refinancing rate by 175bp to 2.50%. Nevertheless, active interest rate management reduced the pressure on net interest income. In the year under review, income before loan loss provisions came to €802m, which was €16m below the figure for 2012. The fall in income was also influenced by the sale of Bank Forum and the remeasurement effects associated with the sale of the stake in the Russian Promsvyazbank, both of which were included in the prior-year period.

Loan loss provisions rose by €14m year-on-year to a total of €–119m.

Operating expenses fell by 9.3% to €429m. Higher investment was needed in the period under review for the strategic reorientation of mBank, but this was made up by reallocating costs. The sale of Bank Forum also had a corresponding positive impact on operating expenses.

The Central & Eastern Europe segment reported a pre-tax profit of €254m in 2013, compared with €–28m last year, thanks to the extraordinary charge of €–268m in the previous year in connection with the sale of Bank Forum. This equates to a rise of €282m.

The operating return on equity based on average capital employed of €1.7bn was 15.4% (previous year: 13.6%). The cost/income ratio was 53.5% compared with 57.8% in 2012.

Main developments in 2013

The most important strategic projects carried out during 2013 included the development and launch of the new mBank transactional banking platform and the rebranding of the Group.

Implementation of the One Bank Strategy on track

In 2013, the Bank continued the implementation of the "One Bank Strategy" adopted in 2012. The main pillars of this strategy include:

- One Brand: making corporate identity consistent by grouping together three previously separate brands.
- One Group: encouraging closer cooperation and business integration within the mBank Group.
- One Team: all staff concentrating on implementing the strategic goals.
- One Network: services will now be available to all retail and corporate banking customers in every branch.

Implementing the strategy includes a number of initiatives in the areas related to corporate culture and customer relationships, product skills and the management of capital and costs.

Some strategic initiatives, such as One Brand for the entire banking group, a simplified and flatter structure of the organisation and organisational changes to integrate the areas of corporate and investment banking, were largely completed.

mBank has also further diversified its own sources of funding. This was helped by the successful placement of eurobonds with a nominal value of CHF 200 million maturing in 2018 under the Euro Medium Term Note Programme and the issue of PLN 500 million of subordinated debt with a maturity of 10 years, which met strong investor demand amid tight pricing levels.

New retail banking platform

The new mBank retail platform is one of the largest and most technologically advanced projects in the Polish banking industry. The new platform is not only about design, but also contains over 200 new features and improvements. These include the mOKAZJE retailer discount programme and 24-hour online contact by video, voice or text chat.

The new functionalities allow customers to save time and help them to understand their past, present and future financial situation. New virtual branches help customers handle their banking transactions. A unique mobile-enabled user interface, advanced and integrated personal financial management tools, redesigned customer-centric navigation, social media-integrated offers and other innovative features were appreciated by customers and experts. mBank was named the best online and mobile bank in the world and recognised as the "Most Disruptive Innovation" in a contest of 158 banks from 54 countries in a survey organised by Efma – a global banking organisation.

Rebranding of BRE Bank Group

The principal objective of the rebranding was to create a consistent banking offer for all services previously offered under separate brands, including BRE Bank, mBank and MultiBank. The mBank brand has been selected owing to its value, strong recognisability and good growth potential. Both name and logo were rebranded. The logo with its five different colour palettes recalls the previous identity and confirms that the Bank draws upon its existing experience in serving different customer groups. The rebranding process also included the subsidiaries of the Group.

Customer growth and product development

In 2013 the number of mBank's retail customers increased by some 234,500 to reach around 4.4 million (including 673,000 in the Czech Republic and Slovakia). The continued dynamic growth in retail customer business was attributable to the Bank's constant focus on innovative measures. In 2013, the Bank introduced a number of new or modified products across loans, deposits and investment products as well as new processes supporting sales. These included, among other things, an application enabling a transfer of history of operations from the customer's other bank to mBank when moving account and the launch of an online credit process for new consumer loan customers. The Bank also launched a functionality allowing new customers to open company accounts entirely online. This should help the Bank to continue to grow customers in the start-up sector.

mBank gained a further 1,200 corporate customers in 2013 and now serves more than 16,300 corporate customers. The offering for corporate customers was further optimised and expanded. New solutions include a fiduciary account integrated in the cash pool service and BlueCash immediate transfers, allowing cash to be transferred at once within a group of 25 banks in Poland. Covered working capital loans are also available under the government programme to promote entrepreneurship, thanks to guarantees from the state development bank Bank Gospodarswa Krajowego (BGK). In addition, cash cards are offered in the form of a Display card, a SWIFT-based SCORE service for companies and private label credit cards where the issuer can limit acceptance to a particular retail chain or store.

Awards for mBank

In 2013, the Bank continued to win top banking sector awards.

mBank was voted the world's best online and mobile bank. It was recognised as the "Most Disruptive Innovation" in a contest of 158 banks from 54 countries in a survey organised by Efma – a global banking organisation. Other international honours include "Best Bank in Poland", a prize granted by Global Finance Magazine in the annual contest "Best Emerging Market Banks in Central and Eastern Europe". Moreover, the Bank's FX platform was awarded the "Best in Online Treasury Services" title in Global Finance Magazine's contest for the "Best Corporate/Institutional Internet Banks in Central & Eastern Europe".

Euromoney magazine named mBank private banking the best in Poland for the sixth time. At home, it won Banking Magazine's prize for best website for a universal bank. Additionally, MultiBank (now operating under the mBank brand) for the third consecutive time proved to be among the top traditional banks in the prestigious "Newsweek's Friendly Bank" ranking in 2013. It was also named best institution offering mobile services for the second time.

Outlook for Central & Eastern Europe

The economic recovery that started in Poland in the second half of 2013 will continue in the current year. The upswing is being driven by exports boosted by improvement in the eurozone, especially in Germany. In 2014, the recovery will be supported by investment activity, including in the private sector. This will have a positive effect on income for the Polish banking sector and lead to a rise in credit demand. The improving situation of households and the corporate sector will be reflected positively in the Bank's risk costs. Corporate loans are expected to be a major growth driver, but positive developments will also be recorded in the retail segment, where mortgage loan sales are expected to increase thanks to higher disposable incomes, persistently low interest rates and the new government mortgage subsidy programme directed at young married couples and singles. Consumer loan volumes will also be positively affected by falling unemployment and improved market sentiment. At the same time regulatory changes, including reduced interchange fees for card transactions and increased banking tax, will adversely impact the financial performance of the mBank Group. The Bank will therefore continue to manage costs prudently while simultaneously investing in initiatives to promote growth.

In the Retail Banking area, the new online platform implemented in 2013 should deliver benefits in the form of increased transactional activity and a growing number of accounts. In 2014, a complex operation of migrating MultiBank customers to the new mBank platform will be completed. The Bank will expand its operations in the Czech and Slovak markets, which have high growth potential.

In the Corporate Banking area, the Bank will continue its efforts to strengthen the Group's position in the large corporate segment and expand its position in the start-up and SME segments in 2014. The Bank anticipates additional earning potential from the integration of corporate and investment banking completed in 2013, especially from corporate customers. In 2014, some residential mortgage loans will be refinanced through covered bonds issued by mBank's mortgage subsidiary. This will make mBank the first institution to launch this type of instrument in Poland. It will allow the Bank to restore its active role on the residential mortgage lending market on a sound and lasting basis.

In 2013 mBank and 5 other Polish banks started a project aimed at developing a common infrastructure for mobile payments in Poland; this will be continued in 2014. In addition, the "One Network" project aimed at reorganising the branch network will be continued. The project involves a closer integration of retail and corporate branches and reprofiling of mBank's smaller branches for retail business. The first branches in the new format will be opened in Q1/2014.

€150m

improvement in the cost base

Corporates & Markets achieved significant successes with the planned initiatives designed to achieve annual cost savings of €150m by 2016. During the year under review, 92 sub-projects involving some 900 individual measures – particularly in the FIC and EMC units and support functions – delivered substantial savings.

› Prizes and Awards in 2013

Zertifikate Awards
Overall Jury Award:
"Best Issuer"

Scope Award
1st place: Price-Setting for
Bonus Certificates

Scope Rating
Top AAA Rating:
Management Rating 2013

Euro am Sonntag
"Best Service Provider –
Leading Certificate Issuers"

Structured Products
1st place: "Best in the
Nordics"

ETP Award
ComStage: 1st place
"Best Cost Structure"

Zertifikate Awards
Discount Certificates:
"Best Issuer"

Zertifikate Awards
Bonus Certificates:
"Best Issuer"

Corporates & Markets

The Corporates & Markets segment combines Commerzbank's investment banking activities. The focus is on the sale of capital market products, advisory services and the preparation of market analyses for Group customers requiring capital market products. The segment comprises the Fixed Income & Currencies, Equity Markets & Commodities, Corporate Finance, Credit Portfolio Management and Client Relationship Management divisions, and ensures that not only Corporates & Markets customers but also customers of other Group segments, particularly Mittelstandsbank and Private Customers, have full access to the entire range of investment banking products and services.

2013 saw a slight improvement in the capital market environment compared with the previous year and customer confidence starting to return for the first time in a few areas of the market.

Performance

Table 11

€m	2013	2012	Change in %/%-points
Income before provisions	2,080	1,601	29.9
Loan loss provisions	57	–52	.
Operating expenses	1,359	1,347	0.9
Operating profit/loss	**778**	**202**	**.**
Capital employed	3,063	3,211	–4.6
Operating return on equity (%)	25.4	6.3	19.1
Cost/income ratio in operating business (%)	65.3	84.1	–18.8

The capital market environment Corporates & Markets was operating in during 2013 was characterised by central bank liquidity and declining risk aversion, resulting in a generally better valuation of government and corporate bonds and rising equity markets. Corporates & Markets posted an operating profit of €778m for 2013, compared with €202m in the previous year. This sharp rise includes a positive effect of €5m from the remeasurement of own liabilities, which compares with a negative effect of €–315m in 2012, as well as a remeasurement effect of counterparty risks in derivatives business amounting to €59m, compared with €–20m in the previous year.

In Corporate Finance income was steady and there was a large number of bond issue mandates. Equity Markets & Commodities boosted income compared with the previous year thanks to a better equity environment and rising customer activity. Fixed Income & Currencies posted a slightly higher operating profit than in the previous year, thanks largely to a good performance in interest rate trading in the first half of the year. In Credit Portfolio Management, reductions in volumes resulted in lower income from lending. This was more than made up by the successful reduction of the structured credit legacy portfolio (part of the former Portfolio Restructuring Unit), however, so the division reported much higher income compared with 2012.

Overall, income before loan loss provisions rose by €479m year-on-year from €1,601m to €2,080m. Of this €479m increase, €320m related to the remeasurement of own liabilities. Net interest and trading income were well up on the previous year, gaining €537m to €1,564m due to a positive impact from restructured loans, while net commission income was almost unchanged at €367m compared with €379m in 2012. The release of valuation allowances on loans resulted in a €109m improvement in loan loss provisions year-on-year. Operating expense remained stable at €1,359m compared with €1,347m in the previous year, despite tighter regulatory requirements and the fact that the former Portfolio Restructuring Unit was included for a full year for the first time.

Pre-tax profit came to €778m, compared with €202m in the previous year. With average capital employed down from €3,211m to €3,063m, the operating return on equity based on average capital employed was 25.4% (previous year: 6.3%). The cost/income ratio was 65.3%, compared with 84.1% in 2012. Adjusted for the effects of measurement of own liabilities and counterparty risks in derivatives business, the operating return on equity would be 23.3% (prior year: 16.7%). The adjusted cost/income ratio would be 67.4%, compared with 69.6% a year earlier.

Main developments in 2013

The performance of the various divisions benefited from both the improved market environment in 2013 and the measures in the strategic agenda put forward at the 2012 Investors' Day.

Corporate Finance had a successful year with business essentially stable throughout the whole period, while Fixed Income & Currencies saw more seasonal volatility. Equity Markets & Commodities profited from rising equity markets and good customer demand for structured investment products. Credit Portfolio Management, which became a separate division in mid-2012, made a large contribution to the positive result generated by Corporates & Markets. Write ups as well as profits realised on positions transferred from the former Portfolio Restructuring Unit in 2012 also helped divisional profitability.

Fixed Income & Currencies

Trading in interest rate products was successful during the year, but the difficult currency trading market and lower activity in the third quarter posed challenges for Fixed Income & Currencies (FIC). Before any adjustment for measuring own liabilities, the division recorded a slight increase in profit overall compared with the previous year.

The division responded to increased regulatory requirements for OTC derivatives at an early stage by establishing the market services offering in order to provide customers with an integrated solution for trading, clearing, collateral services, custody and valuation services. Commerzbank has worked jointly with Clearstream (Deutsche Börse Group) to develop TradeCycle, combining for the first time the expertise of an investment bank with that of a leading market infrastructure provider to offer customers all relevant services relating to a trade. The division also focused in 2013 on continually improving the electronic trading platform and boosting the emerging markets business. In currency trading, the "Commander" and "Commander Kristall" platforms developed by Fixed Income & Currencies continued to receive very positive feedback from customers. In "Deutsches Risk" magazine's peer rankings, Commerzbank achieved first place in the "Currency Overall", "Derivatives and Risk Management Advisory", "Credit Derivatives" and "Interest Rates – Cross Currency Swaps" categories.

The magazine also gave Commerzbank a top position in the "Interest Rates Overall" ranking. In 2013 German government bond auctions Commerzbank ranked number one in the bidding group for federal issues from the German Finance Agency.

Equity Markets & Commodities

Equity Markets & Commodities (EMC) delivered good results in 2013, profiting from its strategic positioning, the positive market environment for equity products and the resultant high demand from customers for EMC products. Trading in investment and equity products benefited particularly, while the difficult market environment for commodities made it impossible to match the good results of the preceding year. 2013 again confirmed the division's strong position as Germany's leading provider of equity and commodity products. This was helped by ongoing investment in the EMC trading platform and new offerings from Asset Management Products and Structured Solutions. The focused business approach won numerous awards for the quality of our product solutions on both the equity and the commodities side. At the 2013 Certificate Awards organised by the newspaper "Die Welt" in conjunction with Bloomberg, the Frankfurt and Stuttgart stock exchanges and Certificate Adviser, the 30-strong jury chose Commerzbank as the best bank in Germany for certificates. Commerzbank was placed in the top three in every category in which it was nominated. "Deutsches Risk" magazine awarded Commerzbank first place in the "Structured Products Overall" and "Commodities" categories and third place in "Equity Overall" and "Equity – Exchange Traded Funds". Commerzbank was placed top among its peers in the Euro am Sonntag issuer ranking in the "Overall service provider", "Client service", "Orientation and product" and "Information and training" categories.

Corporate Finance

The Corporate Finance division posted a stable earnings development compared to the previous year in a more robust market environment in 2013. Despite a year-on-year fall in market volume, the Debt Capital Markets Loans area concluded a large number of high-visibility transactions on the syndicated loan market in 2013, reconfirming its position as market leader. Commerzbank's outstanding reputation in the syndicated loan market was reconfirmed in 2013 by leading positions in league tables in Germany (number one in terms of number of transactions) and recognition at the "Euroweek" Awards. The Debt Capital Market Bonds area delivered a series of mandates for corporate, bank and public-sector bonds in an again very active new issue market in 2013, generating income slightly below the high level seen in the previous year. The team worked on a series of groundbreaking transactions in 2013. The Covered Bond Report magazine gave Commerzbank the innovation prize in its Awards for Excellence 2013 for the first SME Structured Covered Bond, a €500m issue. At the Euroweek Bond Awards 2013, Commerzbank came second as "Overall most impressive FIG house" for advising financial institutions and was also second as "Most impressive house for FIG subordinated debt". Equity Capital Markets (ECM) was again one of Germany's leading providers of equity capital transactions. This area posted a significant increase in income year-on-year thanks to its strong position and the positive environment for equity new issues during the year. During the year, M&A Advisory further reinforced its competitive position in Germany by providing professional advice on public takeovers, purchases/sales of unlisted companies or parts of companies, and fairness opinions. Company directors remained risk-averse despite the positive performance of the equity markets, however, and weak deal flow meant income was down compared with the previous year.

We were able to reinforce our leading competitive position in the leveraged finance business in Germany and Europe in 2013. Leveraged Finance maintained its position towards the top of the league tables in Germany in 2013 in terms of the number of transactions executed. Structured Capital Markets generated another good result thanks to a series of mandates from various companies and banks.

Credit Portfolio Management

The main activities of Credit Portfolio Management are managing the Corporates & Markets credit portfolio and its risks, integrating and further expanding counterparty risk management, managing selected concentration risks and continuing with the value-maximising reduction of the remaining portfolios of the former Portfolio Restructuring Unit. As the central competence centre for integrated credit and counterparty risk management, the division again made a significant contribution to the segment result in 2013 thanks to targeted management of capital employed. On the basis of its strategic business model and the resulting greater focus on market and risk-adjusted pricing for credit and counterparty risk, the Credit Portfolio Management division makes a significant contribution within Corporates & Markets to the market-based valuation of customer relationships in the international credit business. Over the past year we invested steadily in refining our methodology and further expanding our systems for managing the risks and capital in derivative counterparty risk. Credit Portfolio Management also performs various credit risk management tasks for other segments in Commerzbank Group.

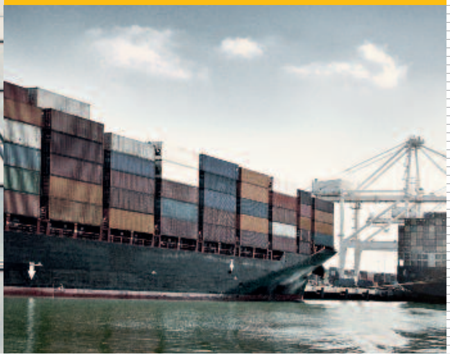
Client Relationship Management

The Client Relationship Management division is responsible for providing global support to German companies that use the capital markets, selected German family companies in all key industrial sectors and financial institutions outside the banking sector. The division also looks after leading private equity investors, asset managers, the Federal Government and the individual German states. In order to offer our customers customised solutions, the division works intensively with the relevant product specialists from all areas of the Bank in Germany and abroad. In 2013, Client Relationship Management once again stood by its customers as a strong and reliable partner in investment and corporate banking. The focus as regards the division's customers was on providing innovative answers to the challenges presented by the global financial markets in terms of funding their business activities and ensuring their liquidity. Last year saw continued expansion of our internal expertise in the insurance sector and closer coverage of asset management customers.

Outlook for Corporates & Markets

In a business environment which continues to be challenging as regards regulatory requirements and the markets, the Corporates & Markets segment will further strengthen its position in individual Group divisions, as announced at the 2012 Investors' Day. The Fixed Income & Currencies division, for example, will continue to deepen its existing customer relationships, in part through the newly launched "Market Services Campaign". The division will also seek to further increase its customer base, especially institutional customers and large corporates. Thanks to its integrated business approach, the Equity Markets & Commodities division will continue to successfully exploit synergies within Commerzbank and offer a high-quality range of products to all Group customers. Special attention is being paid to strengthening the relationships with customers served by the Private Customers segment of Commerzbank. We will also continue to work on expanding our state-of-the-art trading platform. The Corporate Finance division will also continue to develop its traditional strengths in debt capital markets, both in financing European multinationals and structured financings. In the Client Relationship Management division, existing customers and other asset management customers will be offered a comprehensive service approach geared to customer needs.

There will again be a special focus on cost discipline in Corporates & Markets in 2014. The major cost initiative launched in 2012, which already delivered savings last year, is expected to produce further large reductions in 2014, thus creating space for investment. Other influencing factors include market-sensitive customer behaviour, the efforts of customers to generate returns in a low-interest rate environment, and other adjustments made by customers and competitors in response to the constantly changing regulatory environment. The coming year will also see further measures to optimise the customer-focused business model, for example with large corporates in western Europe, where Corporates & Markets aims to grow, and as a strong partner for the US subsidiaries of German companies in the US and Asia. This provides a solid foundation for the further strategic development of the Corporates & Markets segment.



~50%

reduction in the NCA portfolios

Within the framework of our strategic agenda we made further progress in downsizing the Non-Core-Assets portfolios while seeking to minimise the impact on earnings. Due to the faster than planned reduction in volumes and risks, we have adjusted our reduction target as set by the end of 2016. At the end of 2016 the portfolio is targeted to be at around €75bn and with that around 50% lower than at the end of 2012. The capital freed up in this way is available to fund further growth in the Core Bank.

Non-Core Assets

The Non-Core Assets segment (NCA) groups together the Commercial Real Estate portfolio (CRE), the Public Finance portfolio (PF) and the entire ship financing portfolio (Deutsche Schiffsbank, DSB).

The CRE portfolio principally relates to Hypothekenbank Frankfurt AG (HF). The PF portfolio is split between Hypothekenbank Frankfurt AG, Hypothekenbank Frankfurt International S.A. (HFI) in Luxembourg and the Commerzbank subsidiary Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S. A. (EEPK). The non-core parts of the retail banking portfolio of Hypothekenbank Frankfurt AG and assets and equity stakes belonging to Commerz Real that cannot currently be placed are also allocated to the NCA segment, along with a few infrastructure portfolios from Commerzbank's former Portfolio Restructuring Unit (PRU).

The NCA reduction strategy aims to systematically unwind the individual segment portfolios in a way that preserves value and minimises risk. The objective over time is to release capital by running down assets and make it available to higher-yielding, lower-risk areas of the Group, thus strengthening Commerzbank's capital position and opening up new growth prospects for the Core Bank.

Performance

Table 12

€m	2013	2012	Change in %/%-points
Income before provisions	360	220	63.6
Loan loss provisions	–1,082	–1,374	–21.3
Operating expenses	351	379	–7.4
Operating profit/loss	**–1,073**	**–1,533**	**–30.0**
Capital employed	9,488	10,003	–5.1
Operating return on equity (%)	–11.3	–15.3	4.0
Cost/income ratio in operating business (%)	97.5	172.3	–74.8

NCA delivered an improved operating performance in 2013, up around €500m year-on-year, but still a loss of €–1,073m. The operating loss in 2012 was €1,533m.

NCA used the slightly improved overall conditions throughout the year to substantially cut back assets and risk in all of the segment's main divisions. This was helped by lower risk premiums on bonds in our Public Finance portfolio following the cooling of the sovereign debt crisis in Europe. International commercial real estate markets saw a continued recovery, with growing investor demand in many regions. Ship financing, however, only gave indications of stabilisation in a few areas. Overall, we comfortably exceeded our ambitious objectives for reducing the NCA segment in 2013, trimming the portfolio by €35bn to €116bn as at year-end (exposure at default, including NPLs) with the assistance of large portfolio transactions.

Income before loan loss provisions soared 63.6% to €360m, compared with €220m in 2012. Net interest income was down 22.7% year-on-year to €522m, thanks to the accelerated portfolio reduction. The complete cessation of new business meant net commission income fell again year-on-year, down 41.0% to €59m. Net trading income was mainly impacted by the effects of IAS 39 derivatives measurement and counterparty risk. The negative prior-year figure of €–232m was cut to €–53m in 2013. Significantly lower losses on disposal were the main reason behind the improvement in negative net investment income from €–323m to €–164m.

Loan loss provisions fell 21.3 % to €–1,082m, but remain at a high level due to the ongoing difficult situation in many areas of the shipping market.

Operating expenses were 7.4% below the 2012 figure at €351m due to lower staff and other operating costs.

The success of our reduction measures allowed us to free up a total of around €200m of capital in 2013 and achieve a slightly improved but still negative pre-tax result of €–1,073m, compared with €–1,576m in the previous year.

The operating return on equity based on average capital employed of €9.5bn was –11.3%, compared with –15.3% in the previous year.

Main developments in 2013

Reduction strategy continued

The aim is to fully wind down all assets grouped in NCA in a way that preserves value, and a comprehensive asset management process has been implemented to do this. Reduction planning is developed at individual asset level for all NCA portfolios as part of the planning process.

The focus is on reducing exposure at default (EaD) including non-performing loans (NPL). EaD guidelines have been set up for this purpose. One key management element of the portfolio reduction is the risk matrix. This makes it clear that priority is given to reducing riskier assets (EaD and RWA).

The management of NCA also have an efficient toolkit for reducing the portfolio. These include active restructuring and making use of market opportunities. With good access to investors and capital markets, opportunities can be taken to sell sub-portfolios, reduce assets and free up capital in a focused manner without hurting profits. The sale of the UK commercial real estate portfolio, completed in July 2013, is a good example of this. The transaction covered commercial real estate loans totalling roughly €5.0bn, including the associated interest rate and currency hedging derivatives as well as the entire operating business of Hypothekenbank Frankfurt AG in the UK.

2013 saw a further value-preserving reduction of the NCA portfolio that cut risks and freed up capital. The EaD (including NPLs) of the NCA segment fell 23% year-on-year to €116bn. The original year-end 2013 target of €125bn was exceeded in the third quarter of the year. Risk-weighted assets fell by €14bn year-on-year to €54bn. Since the end of 2008 the NCA portfolio has been reduced by €173bn or 60% to €116bn.

The secured funding for NCA's activities derives in particular from mortgage and public-sector Pfandbriefe, Lettres de Gage Publiques and ship Pfandbriefe. Repo transactions also play a role in refinancing the portfolio. Optimising the refinancing structure – through active cover pool management, for example – is an important component of the reduction strategy.

The NCA segment has highly qualified staff with many years of experience in the different asset classes who implement the reduction process efficiently in accordance with the reduction strategy. The operating stability of the units within the NCA segment is thus assured.

Commercial Real Estate

The commercial real estate financing portfolio was cut back sharply in 2013. Total CRE exposure (EaD) decreased by €19bn (around 35%) to €36bn (including NPLs) in the year under review. In CRE Germany, which holds around 49% of the total exposure, EaD declined by 29% to €18bn. In CRE International, which accounts for around 51% of the portfolio, EaD fell by around 40% over the course of the year to €18bn.

In addition to the successful sale of the UK commercial real estate financing portfolio mentioned above, active management allowed us to reduce other commitments and work with our customers to design good solutions.

The breakdown of the overall portfolio by type of use is as follows: The main components of the exposure are the sub-portfolios office (€10.1bn), retail (€10.3bn) and residential real estate (€5.5bn).

In Germany the portfolio was reduced at a profit, not least thanks to the economic trend, whereas in some international markets the reduction continued to take place against a backdrop of difficult economic conditions. The reduction of the CRE International portfolio thus hurt profitability.

Public Finance

Public Finance business involves funding sovereign states, federal states, municipalities and other public-sector bodies as well as supranational institutions. It comprises the public finance portfolio of Hypothekenbank Frankfurt AG (HF), including those of its Luxembourg subsidiary Hypothekenbank Frankfurt International S.A. (HFI) and the Commerzbank subsidiary Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft (EEPK) in Luxembourg, and the private finance initiative (PFI) portfolio of Commerzbank in London.

In the year under review we continued on the reduction course we have pursued since autumn 2010. Maturities and active sales cut the EaD by €11bn last year to €66bn. The main exposure of the Public Finance division is in Germany and the rest of western Europe. The Public Finance portfolio in the NCA segment also includes claims on banks (€18.8bn EaD), where the focus is again on Germany and the rest of western Europe (over 92%). Most of the bank portfolio comprises securities and loans which to a large extent are covered by guarantee and maintenance obligations or other public forms of support, or were issued in the form of covered bonds.

Deutsche Schiffsbank

Deutsche Schiffsbank AG (DSB) was a wholly owned subsidiary of Commerzbank Aktiengesellschaft from November 2011 before being merged into Commerzbank Aktiengesellschaft in May 2012. The previous business area Ship Finance was renamed Deutsche Schiffsbank as part of this process.

Following the decision by Commerzbank to transfer the ship financing portfolio to the NCA segment and wind it down over time in a way that preserves value, the exposure at default (EaD including NPLs) was cut significantly by around 24% from €18.9bn as at 31 December 2012 to €14.4bn as at 31 December 2013. This was the result of numerous single-asset transactions plus the sale of a loan portfolio covering 14 chemical tankers to a fund, which was completed in December 2013. The total volume of the transaction, which only included problem loans, was approximately €280m.

One of the factors on which the future speed of portfolio reduction will depend is the performance of the shipping markets, the general condition of which did not significantly improve in 2013 after the preceding years of crisis, although certain sectors have stabilised.

The portfolio is divided principally between three standard types of ship, namely containers (€5.8bn), tankers (€3.7bn) and bulkers (€2.8bn). The rest of the portfolio (€2.0bn) consists of various special tonnages which are well diversified across the various ship segments.

Outlook for Non-Core Assets

The reduction strategy in the NCA segment will be rigorously pursued in the coming years. Conditions will be affected by both tighter regulation and reforms and the economic environment. The fundamental aim of the value-preserving reduction strategy is to make use of opportunities to sell assets or portfolios where it is economically sensible to do so. Assets and portfolios may also be sold to reduce risk. By 2016 the NCA segment expects to reduce the total portfolio to €75bn.

The more stable economic environment and the easing of the uncertainties triggered by the sovereign debt crisis are leading to a gradual recovery in CRE markets, starting with the investment markets. German investment centres, Paris and New York, and increasingly also Spain and Italy on the periphery, are profiting from this. Reduction planning for the CRE portfolio is regularly updated for all significant single assets in Germany and abroad.

The future performance of the Public Finance portfolio is dependent on how the sovereign debt crisis and the related political decisions in Europe develop. The Public Finance division will therefore continue to seek out and make use of opportunities that arise to reduce the portfolio in a risk-focused manner without hurting profits. The plan is to reduce the portfolio through maturities to €48bn by the end of 2016. We are expecting Public Finance to make a loss in 2014.

The shipping market continues to suffer from overcapacity, resulting in stiff competition and low charter rates. As a result, some of the loans for ships affected by the crisis can no longer be serviced as contractually agreed. This particularly applies to container ships, but tankers and bulkers are also affected. There are no signs of a significant recovery in the shipping markets in 2014.

Overall the NCA segment is expecting to make an operating loss again in 2014, albeit a smaller one than in the year under review.

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, as well as Group Treasury. The costs of the service units, which – except for integration and restructuring costs – are charged in full 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 consolidated financial statements in accordance with IFRS. Also shown here are the costs of the Group management units, which – except for integration and restructuring costs – are also mainly charged to the segments.

The segment recorded an operating loss of €–566m in 2013 compared with an operating profit of €208m in the previous year. The €774m decline was partly due to the performance of Group Treasury, which was unable to repeat the very good results of the previous year owing to the interest rate environment. Non-recurring effects in the year under review also resulted in an overall negative impact on performance compared with the previous year. These included in particular net additions to provisions for legal and litigation risks during the year, while the previous year saw reversals of provisions for impending losses and legal issues, plus income from the sale of equity investments and real estate. Taking into account restructuring expenses of €493m, the segment recorded a pre-tax loss of €–1,059m in 2013, compared with a profit of €208m in 2012.

Our employees

Through their commitment and skills, our employees play a crucial role in successfully implementing Commerzbank's strategic agenda 2016. They advise our customers locally, provide support to their businesses around the world, create innovative products and services and ensure that operations run professionally and seamlessly. In short, motivated employees with the right qualifications in the right roles safeguard Commerzbank's long-term economic success. Because our HR approach takes account of the different phases of life, we create the best possible environment for employees to develop and skill up, and to achieve an even better balance between their private and professional interests. At the same time, we cultivate an appreciative and performance-oriented corporate culture that shapes how we relate to our customers, investors and business partners.

At year-end 2013, Commerzbank Group employed 52,944 members of staff. This was a decrease of 657 employees compared with year-end 2012.

Table 13

Actual number employed	31.12.2013	31.12.2012
Total staff Group	52,944	53,601
Total staff parent bank	39,579	41,378

The number of full-time equivalents was 47,375, compared with 48,752 the previous year. The following table shows full-time employees at year-end by segment:

Table 14

Full-time personnel	31.12.2013	31.12.2012
Private Customers	16,569	17,615
Mittelstandsbank	5,424	5,398
Central & Eastern Europe	6,085	5,601
Corporates & Markets	1,923	1,987
Non-Core Assets	587	687
Others and Consolidation	16,787	17,464
Group total	**47,375**	**48,752**

Most employees in the Commerzbank Group (78%) work in Germany. Their average length of service with Commerzbank Aktiengesellschaft (Germany) is around 17 years; 25.6% have worked for the Bank for up to 9 years, 30.8% for between 10 and 19 years, and 43.6% for 20 years or more. The employee turnover rate in 2013 was 4.3%.

Creating prospects: Commerzbank Academy and new appointment process

In summer 2013, Commerzbank started its "Creating prospects" initiative. Its purpose is to connect and improve all processes and offers relating to personnel development, training and appointments throughout the Bank in a consistent way. We aim to give our employees prospects through systematic life-long learning. For example, our employees have the opportunity to play an even more active role in shaping their future career in the Commerzbank Group and take control of their own development, in conjunction with their line manager. The first step was bringing all Commerzbank's training and development offers under the umbrella of Commerzbank Academy. The Academy offers access to some 1,500 training measures, covering the entire spectrum from basic knowledge for entrants to highly specialised offers for staff in all disciplines. The reporting year also saw us complete Commerzbank's career model. In addition to management and project careers, we offer the more than 30,000 specialists clearly defined development opportunities in their discipline. Another measure is the new appointment process, which contains two significant innovations. We have introduced a modern and powerful job portal, called Jonas, which every staff member and external applicant can use to quickly and simply find out about job descriptions and vacancies and submit applications. We also engage recruitment specialists to accompany and advise managers through the process from publication of the vacancy to the signing of the contract.

Actively recruiting young talent remains a priority

Commerzbank continued to invest in the recruitment of young talent in 2013. In schools, it has continued strategic cooperations with the START Foundation, which offers young people from immigrant backgrounds the chance to go on to higher education, and the "Joblinge" scheme. It is also pursuing its target school programme throughout Germany. Through "business@school", it has positioned itself in the school children target group, awarding an inaugural service prize, and with more than 40 advisors is one of the largest cooperation partners. Schoolchildren can gain an insight into day-to-day work by logging on to the interactive platform www.probier-dich-aus.de. In the academic sector, the success of Commerzbank's "Management meets Campus" has continued, and this university marketing concept now operates at 34 universities in Germany and elsewhere in Europe. Schoolchildren and students can also find important information about joining Commerzbank on the social media platforms of "Commerzbank Career".

Diversity within the Bank: active networks and the first Diversity Day

We are strengthening diversity within the Bank by supporting forums for exchanging experiences, such as the Bank's employee networks, which were the focus of Commerzbank's first Diversity Day in November 2013. Various networks – Arco (gay, bisexual and transsexual), Cross Culture (intercultural), Courage (women's network), Focus on Fathers, Horizont (dealing with the issue of burnout), Kulturwerk (culture) and the future Pflege (care) network – organised workshops and informed participants about their activities and mission via presentations, discussions and practical exercises. The day also featured other events such as a fair at which the Global Diversity Management team within Group Human Resources, the works council and individual segments presented their activities.

Promoting women in management positions: many things have changed

A great deal has been achieved since the "Women in management positions" project was launched four years ago. By the end of 2013, around 27% of management positions throughout the Group were occupied by women. Participation rates in selection processes for management positions have risen to a high level. Measures such as "Career days" and "Mentoring" have established themselves with great success. Some 560 mentees of both sexes took part in the second wave of the mentoring programme in 2013. The 30% quota of women on the Supervisory Board has already been reached. Promoting women in management positions also serves the purpose of helping staff combine family and career more easily. We are constantly expanding our already extensive offering of crèche and kindergarten places. In 2013, the third primary school year group started receiving after-school care in Frankfurt am Main. An evaluation conducted during the year showed that this can ease the burden on families and increase staff loyalty.

Caring for family members

In addition to childcare, demographic change means that caring for family members is becoming increasingly important. As part of a pilot project, Commerzbank is the first company in Germany to offer emergency care, daycare and a "care check-up" to employees with family members in need of care. The check-up involves doctors running tests and checking things like medication. The service, which is offered in conjunction with project partners PME-Familienservice and Agaplesion Group, was launched on 1 April 2013 at the head office in Frankfurt, with the Bank bearing the administrative costs. Employees are also paid a subsidy if their family members use the daycare facilities. This offering makes us a pioneer among Germany companies. We were also one of the first signatories to the Hessen Care Charter, a clear indication that we are making a conscious effort to rise to the challenges of demographic change.

Health management now certified by TÜV

At Commerzbank, we place particular value on promoting the health of our employees, who enjoy a broad range of services from corporate sport to the Employee Assistance Programme. This is one of the ways we can help them to stay capable and motivated and to feel comfortable in their place of work. Commerzbank has four areas of focus within its diverse range of services: nutrition, movement, prevention of addictions and stress management. In February 2013, our occupational health management service became the first such programme of a company in Germany to receive certification from TÜV-Süd. This is recognition of the Bank's systematic and sustainable approach to maintaining the health of its employees.

Advanced remuneration and other benefits

Commerzbank's remuneration and benefits package is particularly broad. As part of total remuneration, we offer our employees an extensive range of corporate benefits. This includes pension provision, employee recognition, mobility, technology and risk insurance. For example, we lease high-value IT equipment for private use at attractive rates. The Bank deducts the leasing instalments directly from the employee's gross salary. Commerzbank is the first DAX company to offer IT leasing for private use.

Staff-oriented corporate governance

Commerzbank Monitor 2013 is an internal survey of employees' commitment and their views on important topical issues affecting the Bank. Part of our open and respectful corporate culture, it is conducted at regular intervals. Some 27,000 employees took part in the year under review. The focus of the survey was "employee commitment". Since the last survey in 2011, this had risen by four points to 66, which is close to the sector average of 69. In the Private Customers segment the score was up to 71 points, which is a particularly positive development. Participation was up sharply on 2011, by 10 percentage points to 68%. Managers and employees base follow-up actions in their areas on the results. We also count on the involvement of our employees in the company's operations with WikIdee, an online platform where suggestions for improvement are submitted and discussed. A total of 3,655 ideas were presented in 2013. In March 2013, WikIdee was awarded "Best ideas management 2013" in the banking and insurance sector by Zentrum Ideenmanagement of Deutsches Institut für Ideen- und Innovationsmanagement. In December, Commerzbank's ideas platform received the Excellence Award from the specialist magazine Human Resources Manager.

Constructive committee negotiations

In June 2013, Commerzbank and employee representatives reached an agreement on implementing the strategic agenda for the period to 2016. The core objective was to adapt the business model, organisation and cost structure to the changed market conditions and customer requirements The agreements with the employee representatives covered operational changes and the related human resources tools. All parties wish to avoid compulsory redundancies where possible. To this end, a range of measures has been developed to achieve the required job cuts in a socially responsible manner. Since September 2013, for example, HR-MOVE-Center has been providing employees at Commerzbank AG in Germany who are willing to change with advice on new career paths. The objective is to work with the employee to find a suitable solution within the Bank or, where necessary, to show them external opportunities for new careers, with the help of a specialist new placement advisory service. In addition to this, the "Creating prospects" initiative is helping employees to make better use of the opportunities in the internal job market. We also provide employees throughout the Bank with new prospects by means of the overarching training programmes and transparent development paths offered by Commerzbank Academy.

Remuneration

As a result of the increased significance arising from greater regulatory requirements, employee remuneration is disclosed in the form of a separate report. This is published on the Commerzbank website www.commerzbank.de every year.

Note of thanks to our employees

At this juncture we would like to express our thanks to all our employees for the endless dedication they have displayed. The same applies to all managers, works council members and the Senior Staff Spokesmen's Committee. Their trusting and constructive collaboration contributed to the success of our HR work in 2013.

Report on events after the reporting period

There have been no events of particular significance since the end of 2013.

Outlook and opportunities report

Future economic situation

The global economy is set to grow somewhat faster in the coming year at about 3.5%, although still not matching the growth rates seen in 2010 and 2011. Industrial nations will be some of the main improvers. At just under 3%, gross GDP in the US is likely to rise as strongly as in 2012, i.e. at pre-monetary tightening levels. Given this backdrop, the Federal Reserve will probably continue cutting back its bond purchases during the year, and reduce them to zero in the autumn. Interest rate hikes are not expected until mid 2015, however.

The eurozone economy is set to post annual growth for the first time since 2011. However, this will continue to be very sluggish at just under 1%, since in many countries – unlike the US – past excesses relating to the real estate market and debt have not yet been corrected. In addition, financial policy remains restrictive. As Germany does not have these limiting factors, its economy should outperform the eurozone average with 1.7% growth. Given the major structural problems still dogging the eurozone and the fact that the economy is recovering only slowly and inflation remains very low, the ECB is unlikely to reverse monetary policy for a long time, and will probably even take further expansionary measures.

Table 15

Real gross domestic product Change from previous year	2013	2014[1]	2015[1]
USA	1.7%	2.8%	3.0%
Eurozone	–0.4%	0.9%	1.0%
Germany	0.4%	1.7%	2.0%
Central and Eastern Europe	1.7%	2.7%	3.1%
Poland	1.4%	3.2%	3.5%

[1] The figures for 2014 and 2015 are all Commerzbank forecasts.

Although emerging markets will probably continue to grow faster than industrial nations, the pace of growth will rise minimally as some countries have tightened monetary policy to prevent their local currency coming under heavier pressure in light of Fed tapering. This trend is set to continue in the coming months, offsetting most of the positive effect of improving economies in industrial nations.

Even though a number of central banks in industrial nations are preparing to reverse monetary policy, overall these economies are likely to remain highly expansive for the time being. As a knock-on, the hunt for yield should also continue, benefiting, as before, risky investment types like equities. The discussion to be expected about the Fed's first rate hikes will cause outbursts of unrest, but change nothing in the basic trend. Yields on top-quality government bonds are set to further increase, though this will be more pronounced with US Treasuries than German Bunds because of divergent trends in monetary policy either side of the pond. This will likely leave its mark on the euro/US dollar exchange rate, too, with the euro expected to depreciate considerably against the greenback in the medium term.

Table 16

Exchange rates	31.12.2013	31.12.2014[1]	31.12.2015[1]
Euro/US-dollar	1.37	1.28	1.21
Euro/Sterling	0.84	0.80	0.77
Euro/Zloty	4.18	3.95	3.70

[1] The figures for 2014 and 2015 are all Commerzbank forecasts.

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 Interim Report for the third quarter of 2013.

The banking environment has brightened noticeably thanks to the good to very good performance of major financial markets, continuing investor confidence, the healthy state of the German economy and the long-anticipated end of the recession in the eurozone. It is still too soon to sound the all-clear, however, since the euro crisis – with its complex interplay between government debt and financial and structural factors – is not so easily overcome and the European and global economies remain highly susceptible. Although the interventions and announcements by the ECB and European politicians are still having a stabilising effect, they are nevertheless impairing the role of market prices as a reliable risk measure. The eurozone's recovery in real economic terms will be slow, and the international financial arena remains susceptible to setbacks. Although the budget restructuring and improvements to competitiveness made by crisis-ridden states are reaping their first rewards, their funding environment remains difficult. The ECB's bank balance sheet review at the start of 2014 and the subsequent bank stress test, combined with further negotiations on banking union, harbour potential for temporary jitters in the banking environment.

A further reduction in debt levels and an improvement in asset quality remain key preconditions if the bank sector is to meet the tougher requirements of the regulators and fulfil investor expectations. Bank earnings could shortly receive a modest boost from the yield curve, which is expected to steepen on the back of a slight rise in long-term rates. This is particularly significant for German banks, given the relatively high proportion of interest income in their total revenue. However, the regulatory processes already under way and the persistently fierce competition are continuing to hurt earnings. Opportunities to use the still ample supply of liquidity from central bank funds on the assets side of the Bank's balance sheet are restricted because of the requirement to reduce risks.

The pressure for renewal in the banking sector has strengthened as a result of regulation, structural transformation and competition, and this will be more difficult to deal with because major profit drivers of the past, such as lending growth and falling credit default rates, will be less evident. Loan loss provisions will not – despite Germany's expected economic growth in 2014 – fall noticeably, thereby adversely affecting earnings growth in the corporate customer business. As such, the corporate sector could be due for aftershocks of the debt crisis, and some firms might lack the cash flow to fund the preparatory work needed for the upswing. This year and next, corporate investment should gradually start boosting credit demand, but increased use of internal and alternative external funding sources is impeding a strong revival in lending to corporate customers. Additionally, according to Kreditanstalt für Wiederaufbau (KfW), recent loan demand has tended to come from small SMEs, and this small ticket borrowing means new business volumes and earnings are limited. The expected revival in German foreign trade will be positive for corporate customer business. In retail banking, given customers' astonishingly constant preference for low-income, highly liquid investment types, commission income will grow only slightly, especially as the outlook for additional price gains on the equity markets are shrouded in uncertainty and the bond markets face price falls. Impulses for the sector are coming from employment, which is at an all-time high, and strong growth in household disposable income this year and next. But stiff price competition (particularly for deposits) and historically low interest rates, together with increasing price sensitivity on the part of customers and tougher competition from online banks, are a fundamental hindrance to the expansion of earnings potential. In investment banking, we see no major recovery given further restrained activity, particularly in fixed income & currency products; we are expecting markets to adjust across the board and smaller participants to focus on their core competencies and respective home region.

The outlook for banking in our second core market, Poland, remains relatively good. The economy will grow faster in the next two years than in 2013, and the size of the domestic market makes the country an attractive place to invest and sell goods.

In general, the financial crisis will leave its mark in the shape of low interest rates, moderate growth in lending, and caution and a preference for cash among customers. Against this background, competition will intensify further, both in terms of deposits, which are the main way of refinancing independently of the interbank market, and as regards internationally active corporate customers and German SMEs, which are becoming increasingly attractive because they are regarded as comparatively crisis-proof customers. For the time being there will be no change in the fragmented market structure, which in some cases is also characterised by overcapacities. This will limit the potential for generating capital from retained profit. Overall, the outlook – especially in the core business areas – will still be largely dependent on the extent to which it proves possible to regain the customer confidence that has been lost, while keeping costs under control.

Financial outlook for the Commerzbank Group

Planned financing measures

Commerzbank forecasts a capital market funding requirement of less than €10bn per annum in the coming years. The Bank plans to raise the greater part of its funding requirements in collateralised form, primarily through issuing Pfandbriefe.

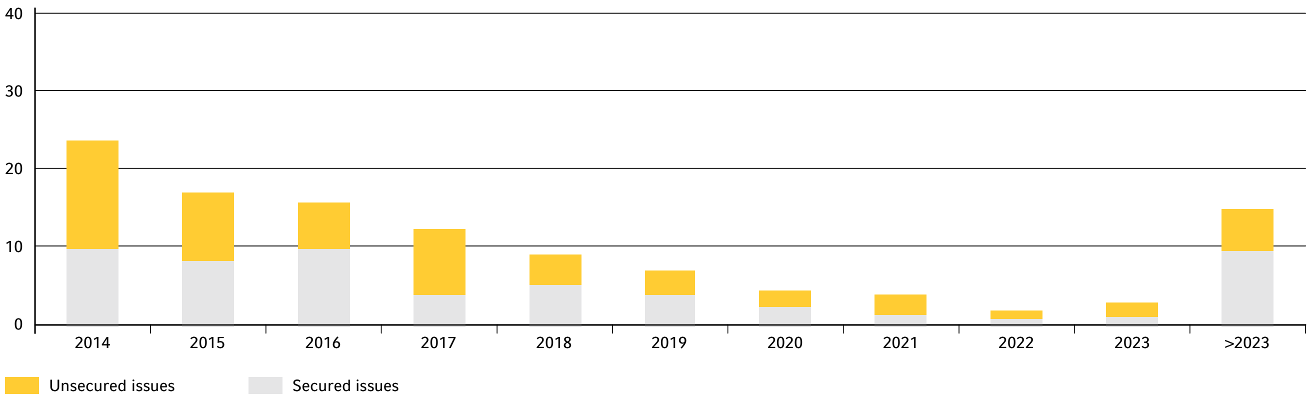
Secured funding instruments have gained in significance as a result of the financial crisis and the resultant new regulatory requirements, and this is in part reflected in investor demand for these products. They offer issuers relatively stable access to long-term funding with cost advantages compared with unsecured sources.

Since October 2013 Commerzbank has held a licence to issue mortgage Pfandbriefe as well as public-sector and ship Pfandbriefe. Such issues will thus be a key element of Commerzbank's funding mix going forward.

Commerzbank intends to launch unsecured capital market issues in the future as well: firstly private placements to meet demand from customers and secondly in the form of products that further diversify the Bank's funding base.

Figure 5

Group maturity profile of capital market issues as at 31 Dezember 2013
€bn



Hypothekenbank Frankfurt AG will have no funding requirements on the capital market again in 2014 because of the reduction strategy it has adopted.

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

In the next few years Commerzbank's investment activities will continue to be characterised by the measures announced at the Investors' Day in 2012. Investment projects focus on the growth initiatives in the Private Customers, Mittelstandsbank, Central & Eastern Europe and Corporates & Markets segments of the Core Bank. Commerzbank is planning to spend a total of over €2bn on these projects. Some €600m of this was already invested in 2013.

In the Private Customers segment the focus in 2013 was on reorienting the business model towards the new strategy Investment mainly went into sharpening the brand profile and new products and services such as the custody account model, our current accounts with satisfaction guarantee and the new consumer loan. We also invested a great deal in modernising online and mobile digital channels such as the new customer portal, the mortgage bank platform and the new mobileTAN and photoTAN security procedures. The segment is also developing pioneering branch models and has already opened a first pilot branch in Berlin. The aim of these measures is to further boost quality and growth and sustainably improve segment profitability. By 2016 the private customer business will have been converted to a multi-channel bank which combines modern technologies with values such as fairness, trust and competence. In total, Commerzbank will invest around €1bn in its platforms, its product and service offering, the advisory process and employee training. Over €200m was already spent in 2013.

The investment started in the Mittelstandsbank in 2012 as part of the "Market Leader" growth programme was continued successfully in the year under review. The money is going into three strategic areas: quality leadership, IT and internationalisation. To ensure quality leadership we are investing in continuously improving advisory quality, solutions and services. To improve performance we are modernising the IT platforms. The planned expansion of multi-channel banking is going ahead at the same time as we are refining and optimising online portals and payment platforms. We are also expanding our international presence as a basis for further growth. From 2014 Commerzbank will have six locations in Switzerland and will be looking to significantly expand local corporate customer business with Swiss companies. The branch and coverage model that has been successfully established in Germany will be extended to other selected countries in future. Regulatory changes also continue to require changes to IT and processes, which are analysed and implemented on an ongoing basis. Of the €800m of total planned investments for the Mittelstand segment, around €170m was spent in 2013.

The Corporates & Markets segment launched a four-year cost-cutting campaign in 2012, and as planned this already delivered savings in 2013. Operating expenses were therefore stable, despite investments. In trading, one of the key focuses for investment is on extending the IT architecture and improving performance. This means that Commerzbank is steadily becoming more attractive as a trading partner for our customers. In the Fixed Income & Currencies division, the OTC customer clearing service that went down well with customers last year was expanded to become a strategic partnership with Clearstream under the name TradeCycle. In addition to customer clearing, the focus will be on listed derivatives execution & clearing, FX prime brokerage, custody and collateral services. The offering was grouped together in 2013 to form a new area, Market Services. New functionalities were added to the platforms for trading interest rates, bonds and currencies. The Credit Portfolio Management division is investing in risk and capital management systems for derivatives counterparty risk. The Equity Markets & Commodities division is enhancing the existing platform for contracts for difference (CFDs). A total of €115m was spent on investments and growth in 2013. We will also continue to invest as necessary in order to meet more stringent regulatory requirements.

In the Central & Eastern Europe segment, Commerzbank will place particular emphasis on the organic growth of mBank. In the private customer business the main focus is still on continuing to invest in modern technologies for customer-oriented transaction solutions. Corresponding implementation measures were implemented in 2012, while the new mBank internet platform was launched in 2013 and will be further developed over the next few years. The main focus of investment is the targeted acquisition of new customers and the expansion of cross-selling activities. The increased cooperation between the corporate customer business and Investment Banking is being geared more clearly to SMEs. As part of the One Bank strategy, mBank also brought together all customer-related activities in 2013 under its best-known "mBank" brand and plans to gradually enable all customer groups to use its branches. Some €76m was invested in these measures in 2013.

The Bank has also set up cost optimisation programmes to run in parallel with the segment growth initiatives, with the aim of keeping operating expenses stable up to 2016 despite the investments in the core business and anticipated increases in salary and other operating costs.

Commerzbank will also continue with the strategic investment projects it has already started: work will continue as planned on the "Group Finance Architecture" (GFA) programme to redesign the process and system architecture of the Commerzbank Group finance function. The main thrust of the programme includes developing a multi-GAAP solution, integrating financial accounting and management accounting with the aim of achieving significantly faster processes, and improving the analysis options. The next step is to develop the corresponding architecture for Commerzbank Aktiengesellschaft Germany's accounting and controlling functions.

As a result of increasingly stringent regulatory requirements, Commerzbank will continue to have to make substantial investments in order to comply with national and international standards. Complex transition arrangements and new comprehensive reporting requirements (COREP, FINREP, Pillar 3 disclosure, IFRS 9) will significantly increase the cost of evaluating information and reporting it to the banking authorities. In the areas of market risk and counterparty risk management, internal models and processes are constantly having to be adjusted to take account of changes in the capital markets or in supervisory law. The CRD IV/CRR rules implementing Basel 3 in Europe have to be applied from January 2014. Key technical details are governed in numerous Regulatory Technical Standards (RTS) that are not yet available or are still only in draft form.

Anticipated liquidity trends

The eurozone money and capital market was relatively stable over the period under review, and appeared not to be affected by the results of the German elections and the more protracted than expected coalition negotiations. Repayment of the three-year tender made available by the ECB continues apace. This resulted in a fall in ECB excess liquidity, which was less than €200bn at year-end, but the market still has sufficient liquidity. The reduction in excess liquidity around the end of the year caused a slight rise in interest rates in the money market. Overall, we expect the yield curve to continue to normalise at a low level. As at 31 December 2013 the three-month Euribor rate was 0.29% (30 September 2013: 0.23%).

The fall in ECB excess liquidity continued into early 2014. If a new three-year tender is launched in 2014 it can, unlike the previous measures, be expected to be targeted and selective, with the aim of encouraging lending to SMEs. The ECB is still considering introducing negative interest rates on deposits as a way of forcing a redistribution of market liquidity. A large volume of government bonds are again coming to maturity in 2014 in the GIIPS countries. There is therefore a risk that their credit spreads will widen out significantly again. The ECB has hinted that it will intervene to counter this if necessary.

The implementation of other regulatory measures such as the liquidity coverage ratio (LCR) and the leverage ratio will continue to affect the markets. It was already noticeable, for example, that the collateralised money market (repos) was illiquid over the year-end for securities that do not count for LCR purposes. The price in the collateralised money market is mainly driven by the underlying security. The Bank still expects the credit markets to move sideways. In an environment featuring low interest rates, credit risk premiums still remain at a low level because of demand, and this is true of good quality credit in particular.

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 as we see them. 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.

Managing opportunities at Commerzbank

Commerzbank reacts to the persistently challenging conditions, such as tighter regulation, low interest rates and altered customer behaviour (as discussed in "Future situation in the banking sector"), by optimising its capital base and continuing its policy of strict cost management, while at the same time investing in the profitability of its core activities. By consistently orienting its business model to the needs of its customers and the real economy, the Bank should be able to utilise the expected further easing of the sovereign debt crisis and the cyclical recovery in the world economy, and particularly the economic upswing expected in Germany this year, to increase its profitability. This should enable Commerzbank to reinforce its position as a leading bank for private and corporate customers in Germany and Poland, even though the environment remains challenging.

Because the Bank is freeing up capital, winding down portfolios while preserving value, and keeping costs steady, it can invest in new products and services and further stabilise its earnings power. In doing so, it focuses on the needs of its customers and on its traditional values.

In the private customer business, it is reacting to the persistently challenging conditions described above by building a modern multi-channel bank with the emphasis on customer satisfaction and developing its successful product offering, for example in the retail mortgage financing business.

The Mittelstand business will continue its successful business model and invest in expanding its international presence.

The Central & Eastern Europe business area will continue its successful organic growth path and build on the proven universal bank model.

In Corporates & Markets, the Bank has opportunities from the expansion of its position as an internationally leading niche provider and from closely interlinking its capital market orientation and customer relationship approach in corporate customer relationship management.

At the same time, the Bank expects the planned reduction of non-strategic portfolios to release more net capital in due course, as this went faster and better than planned in 2013.

The specific opportunities identified by the individual segments are presented in the various "Segment performance" sections.

Anticipated performance of Commerzbank Group

As part of its strategic realignment, Commerzbank laid foundations last year as planned to achieve a sustainably higher level of profitability by 2016 through growth initiatives and cost-cutting programmes. We are working on making further progress on refining our business model in 2014. We assume business volumes in the Core Bank will rise again. However, income is likely to still be affected by low interest rates and corporate reluctance to invest. Should the anticipated economic upturn in Germany and Europe in 2014 prove only modest, as forecast, this is likely to limit the targeted expansion of customer business volume and profit growth. Particularly important this year will be the ECB's comprehensive assessment, started in 2013 as preparation for taking over supervisory responsibility for large parts of the European banking sector. Uncertainty about the outcome of this process, which will not be completed until the autumn, may result in a temporary increase in capital market volatility. Essentially, though, the comprehensive assessment offers an opportunity to permanently boost confidence in the resilience of the European banking system.

Anticipated performance of individual earnings components

Net interest income will again be largely determined by the persistently low level of interest rates and ongoing modest demand for credit in 2014. We aim to counter these negative factors by, for example, changing the terms on deposit rates. Commerzbank also anticipates that lending in the private and corporate customer business will grow slightly faster than the market, especially in private real estate financing and SME loans, thanks to the strong market positioning and the measures in the strategic agenda. Profit, in contrast, is expected to weaken significantly in the Non-Core Assets segment as the portfolio is run down. We anticipate an increasing burden on net interest income, but will make up for some of the decline by raising margins when loans are rolled over. Income from asset/liability management will not recover until the yield curve steepens, which is not our current assumption. Overall for the current year, we expect net interest income in the Core Bank to increase slightly from last year. At Group level, however, this rise will be more or less offset by charges from the continued reduction in non-strategic portfolios.

With regard to net commission income, we expect the positive impact of restructuring our advisory approach to focus more closely on customers to take root in the private customer business. Assuming the global economy grows slightly faster again, commission income from SMEs, including for foreign business and cash management, should rise. In the absence of any unexpected and excessive volatility on the capital markets, customer securities activity, which has been significantly reduced since the financial crisis, should slowly recover. All in all we expect net commission income to increase slightly in 2014.

It is difficult to forecast the trading result because of the unpredictability of developments on the global financial markets. However, Commerzbank will maintain its risk-oriented approach in future and refrain from proprietary trading.

Loan loss provisions are likely to be slightly lower in 2014 than in the previous year. In the Core Bank, we expect loan loss provisions to normalise after unrepeatable net reversals of impairments in the Corporates & Markets segment in 2013. By contrast, a much lower loan loss provision charge is expected in the NCA segment compared with 2013, thanks in particular to the marked reduction in the commercial real estate financing portfolio. In ship financing, we see no overall improvement in the difficult environment before the year end, so loan loss provisions are likely to remain unchanged.

Commerzbank will continue to manage operating expenses closely. This should allow us to limit the cost growth arising from investments to boost future profitability. Overall we expect that operating expense will be higher this year than in 2013, but will not exceed €7.0bn.

Anticipated segment performance

In the current financial year, Commerzbank is again focusing on developing and optimising its business model.

In the Private Customer segment we will adapt our service model to add new service and advisory functions for private and business customers. The range of products and services for business customers is to be significantly improved, while the modernisation of the Bank will also be driven forwards. By the end of 2014 Commerzbank is aiming to be the first branch network bank that is compatible with direct banking – a key step on the way to becoming a multi-channel bank. We want to use this competitive advantage, along with greater penetration of the existing customer base with new products, to expand the profit base by steadily improving market share and achieve a similar level of growth in net new customers to 2013. In terms of lending, we are aiming particularly to grow real estate financing. Overall, we expect a small increase in operating profit in this segment compared to last year. We expect a slight improvement in the operating return on equity in the current year. In view of the forecast growth in income, the cost/income ratio is expected to fall sharply again.

In the Mittelstandsbank, given our strong positioning in the relevant market segments and customer relationships established over several market cycles, we are confident that we will be able to achieve our ambitious growth objectives in Germany and abroad. In the current year we will continue to focus our activities on acquiring new customers, above all smaller SMEs, working more closely with existing customers and expanding our international business. From 2014 Commerzbank will have six locations in Switzerland and will be looking to significantly expand local corporate customer business with Swiss companies. Against this backdrop, we assume that 2014 operating profit will be more or less in line with last year. It should be noted that the positive one-off effects from the early repayment of a corporate loan last year will not be repeated. We expect both the operating return on equity and the cost/income ratio to be stable this year compared to last year.

In the Central & Eastern Europe segment, we see further scope for profitable growth in the medium term due to our special expertise in direct banking compared to the competition. In addition, the economic upturn will have a positive effect on income for the Polish banking sector and lead to a rise in credit demand. Corporate loans are expected to be a main growth driver, but positive developments are also expected in the retail segment. Last year we beat our 2016 target for the loans/deposits ratio early, and plan a further slight improvement on this in 2014. Overall, we expect a small increase in operating profit compared to last year, which will translate into a slightly higher operating return on equity and a correspondingly lower cost/income ratio.

In the absence of any unexpected and excessive volatility on the capital markets, the higher level of primary and secondary market activity by customers in Corporates & Markets last year should consolidate. It should be noted that the positive one-off effects from the early repayment of a corporate loan in 2013 will not be repeated in 2014. In addition, the positive remeasurement effects included in 2013 income are difficult to predict for the current year. Against this backdrop, with costs stable and loan loss provisions returning to normal, we expect both income and operating profit to be slightly lower than in 2013. Due to a higher equity allocation in implementing Basel 3, this year's operating return on equity will be well below what it was last year. In view of the forecast earnings performance, the cost/income ratio is expected to rise slightly. There are considerable imponderables that could substantially affect this forecast, however, given that regulatory changes are extremely difficult to plan for.

In the Non-Core Assets segment, having achieved the reduction in volume and risks ahead of schedule in 2013, we are trimming our downsizing target up to the end of 2016 – measured by exposure at default (including NPLs) – by a considerable amount, from €93bn to around €75bn. Overall, we expect little change in operating profit compared to last year, although this forecast is shrouded in uncertainty. For one thing, large portfolio transactions, like the complete sale of our UK commercial real estate financing activities in 2013, cannot be planned, and they can have a major impact on current and future earnings and the risk profile in NCA.

General statement on the outlook for the Group

Overall, we expect consolidated profit in 2014 to be considerably higher than in 2013. Operating return on equity should be slightly higher and the cost/income ratio slightly lower. For the Core Bank in 2014 – due to the planned internal allocation of equity as a result of the sharp reduction in non-strategic portfolios – operating return on equity should be on a par with last year and the cost/income ratio slightly lower.

Given the progress we have made in refining our business model, Commerzbank's consolidated profit, both pre-tax and after tax, should be considerably higher in 2014 even in a challenging economic and capital market environment, since the restructuring provisions necessitated by the strategic agenda were fully booked in the first quarter of 2013 and we are not currently expecting to have to top these up.

Following the improvement of 140 basis points in the Basel 3 core Tier 1 equity ratio last year to 9% (on a "fully phased-in" basis, i.e. according to our interpretation of the rules that will apply from 2019), we are aiming to achieve a ratio of over 10% by the end of 2016. We cannot rule out fluctuations in this ratio on the way to this target. Changes in the interpretation of existing rules and the precise form of Basel 3 rules that have not yet been finalised may have a major impact on the equity ratios to be reported. We cannot rule out effects on capital adequacy from the ECB comprehensive assessment, which includes a stress test. However, we do not expect this to result in any material deviation from our forecast. The specific details of how the relevant regulatory capital ratios are to be calculated will only emerge during the course of this year.

Group Risk Report

The Group Risk Report is a separate reporting section in the annual report. It forms part of the Group Management Report.

Group Risk Report

› In the Group Risk Report, we give a comprehensive presentation of the risks we are exposed to. We provide a detailed insight into the organisation and key processes of our risk management. Our primary aim is to ensure that all risks in Commerzbank are fully identified, monitored and managed based on adequate procedures at all times.

› From a risk perspective, the focus in financial year 2013 was on the accelerated reduction of the Non-Core Assets portfolio in the areas of Deutsche Schiffsbank and Commercial Real Estate. For instance, the sale of the real estate portfolio in the UK and of 14 chemicals tankers made an important contribution to risk reduction in the portfolio.

Contents

The following Group Risk Report is also part of the Group Management Report. Due to rounding, numbers and percentages may not add up precisely to the totals provided.

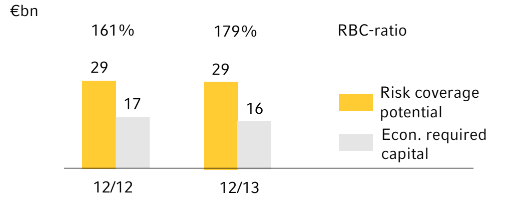
Executive summary 2013

Solid capitalisation and significantly improved risk-bearing capacity

- Risk coverage potential was kept stable at €29bn.
- The risk-bearing capacity ratio was improved from 161% to 179%.

Risk-bearing capacity

€bn

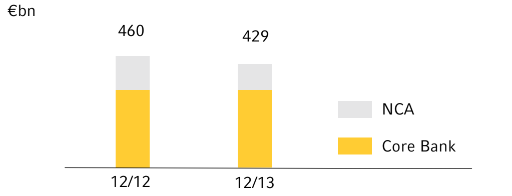


Significant exposure reduction in Non-Core Assets

- NCA exposure in the performing loan book was reduced by €32bn to €107bn during the year.
- Exposure in the Core Bank was increased from €321bn to €323bn.

EaD

€bn

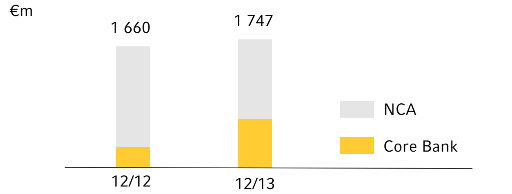


Loan loss provisions for the Group increased as expected to reach €1,747m

- Loan loss provisions in NCA were significantly reduced, particularly in CRE.
- Rise within the Core Bank due to normalisation of loan loss provisioning, particularly in the Mittelstandsbank.

Loan loss provisions

€m

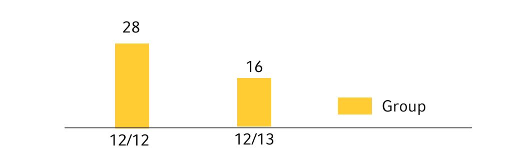


Market risk in the trading book significantly reduced again in 2013

- VaR in the trading book significantly reduced by over two-thirds since the end of 2011 (€59m).
- Trend shows significant fall in interest rate risks, other risk types stable year-on-year.

VaR

€m

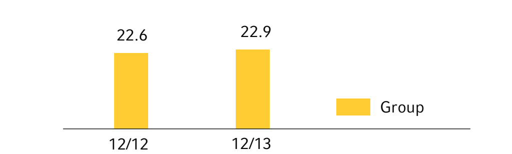


Operational risks almost unchanged year-on-year

- Only a slight rise in risk-weighted assets from operational risk, from €22.6bn to €22.9bn.
- Economically required capital for OpRisk accordingly at previous year's level of €1.9bn.

Risk-weighted assets from operational risk

€bn



Risk-oriented overall bank management

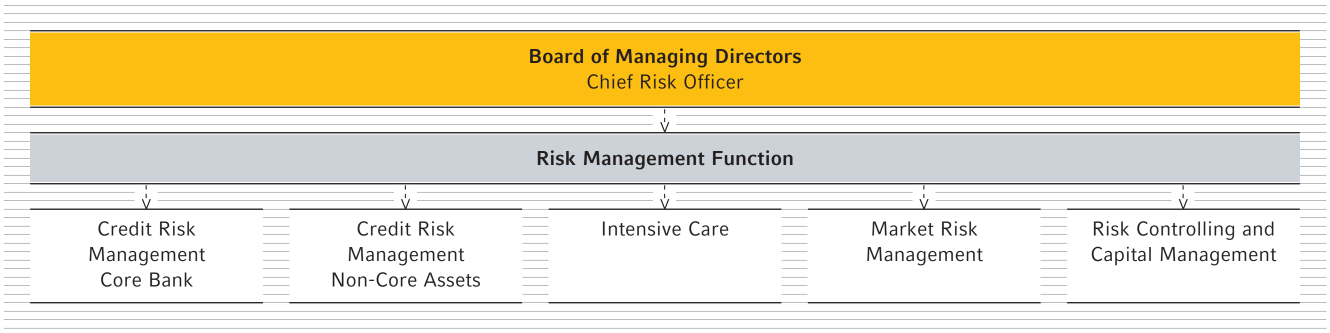
Commerzbank defines risk as the danger of losses or profits foregone due to internal or external factors. In risk management, we normally distinguish between quantifiable and non-quantifiable types of risk. Quantifiable risks are those to which a value can normally be attached in financial statements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

Risk management organisation

The Chief Risk Officer (CRO) is responsible for implementing the Group's risk policy guidelines for quantifiable risks laid down by the Board of Managing Directors. 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.

Risk management activities are split between Credit Risk Management Core Bank, Credit Risk Management Non-Core Assets (NCA), Intensive Care, Market Risk Management and 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.

Figure 6



The Board of Managing Directors has sole responsibility for fundamental strategic decisions. The Board of Managing Directors has delegated the operational risk management to committees. Under the relevant rules of procedure these are the Group Credit Committee, the Group Market Risk Committee, the Group OpRisk Committee and the Group Strategic Risk Committee, which decides on risk issues of an overarching nature. The CRO chairs all these committees and has the right of veto. In addition the CRO is a member of the Asset Liability Committee.

Figure 7

The **Supervisory Board's Risk Committee** comprises the Chairman of the Supervisory Board and at least four further Supervisory Board members. The Risk Committee is charged, among other tasks, with monitoring the risk management system and dealing with all risks, particularly with regard to market, credit, operational risk as well as reputational risk.

The **Risk Management Board** deals with important current risk topics as a discussion and decision-making committee within the risk function. In particular, it makes decisions on strategic and organisational developments for the risk function and is responsible for creating and maintaining a consistent risk culture.

The **Group Credit Committee** is the decision-making committee for operational credit risk management below the Board of

Managing Directors, comprising two representatives each from the back office and front office. It is chaired by the CRO or his deputy. The Group Credit Committee operates on the basis of the credit risk strategy. It takes decisions in line with the competencies delegated to it by the Board of Managing Directors.

The **Group Market Risk Committee** monitors market risk throughout the Group and manages limit requirements in line with risk-bearing capacity. To do this, all market risks from the trading and banking book are analysed to identify risks early and for active risk management purposes. In addition to minimising risk and avoiding losses, the focus here is on optimising the risk/return profile at an aggregated level.

The **Group OpRisk Committee** (OpRiskCo) is responsible for managing operational risks within the Group and in this regard acts as the highest escalation and decision-making committee below the Board of Managing Directors. The OpRiskCo also addresses all important regulatory issues that arise in connection with the management of operational risks and the implementation of the advanced measurement approach (AMA) within the Group. In addition, it deals with standards on governance and assessing the functioning of the Internal Control System (ICS) within the Commerzbank Group.

The **Group Strategic Risk Committee** acts as the discussion and decision-making committee for all types of risk, and its main objective is to monitor and manage risks at portfolio level. This covers risk measurement, risk transparency and risk management.

The central **Asset Liability Committee** is the Commerzbank Group committee responsible for the Group-wide and integrated management of financial resources, namely capital, liquidity and balance sheet structure as well as interest surplus, in accordance with the regulatory framework. The central Asset Liability Committee monitors in particular the Group's risk-bearing capacity and, as such, plays an important part in our Internal Capital Adequacy Assessment Process (ICAAP).

The Chairman of the Board of Managing Directors (CEO) bears responsibility for controlling risks related to the Bank's business strategy and reputational risks. The Chief Financial Officer (CFO) assumes responsibility for controlling compliance risk with particular regard to investor protection, insider trading guidelines and money laundering.

Risk strategy and risk management

The overall risk strategy, together with the business strategy, defines the strategic risk management guidelines for the development of Commerzbank's investment portfolio. Furthermore, the risk appetite is set as the maximum risk that the Bank is prepared and able to accept while following its business objectives without exposing itself to existential threats over and above the risks inherent in the business. The guiding idea is to ensure that the Group holds sufficient liquidity and capital. Based on these requirements, suitable limits for the capital and liquidity reserve available to the Group are defined. The overarching limits of the overall risk strategy are consistent with the recovery indicators of the recovery plan. The group-wide recovery plan was adopted at the end of 2013 and put into effect from January 2014 onwards.

Banks' core functions as transformers of liquidity and risk result in inevitable threats that can in extreme cases endanger the continued existence of the institution. For Commerzbank, in view of its business model, these inherent existential threats include the default of Germany, Poland, one or more of the other major EU countries (France, Italy, Spain or the UK) or the long-term default of the USA. Others include a deep recession lasting several years with serious repercussions for the German economy or the collapse of the financial markets. These existential threats are taken deliberately in the pursuit of the business targets. It may be necessary to adjust the business model and hence the business and risk strategies if the Board of Managing Directors' assessment of these threats to Commerzbank changes for an extended period of time.

The overall risk strategy covers all material risks to which Commerzbank is exposed. It is detailed further in the form of sub-risk strategies for the risk types which are material. These are then specified and made operational through policies, regulations and instructions/guidelines. By means of the risk inventory process – which is to be carried out annually or on an ad hoc basis as required – we ensure that all risks of relevance to the Group are identified and their materiality assessed. The assessment of the materiality of a risk is based on whether its occurrence could have a major direct or indirect impact on the Bank's risk-bearing capacity.

As part of the planning process, the Board of Managing Directors decides the extent to which the risk coverage potential of the Group should be utilised. On that basis, individual types of risk are limited in a second stage. A capital framework is allocated to the management-relevant units through the planning process. Compliance with limits and guidelines is monitored during the year and management impulse given where required. In addition, further qualitative and quantitative early warning indicators are established in the overall risk strategy and recovery plan. Potential negative developments can be identified at an early stage with the help of these indicators.

One of the primary tasks of risk management is the avoidance of risk concentrations. These can arise from the synchronous movement of risk positions both within a single risk type (intra-risk concentrations) and across different risk types (inter-risk concentrations). The latter result from a common risk driver or from interactions between different risk drivers of different risk types.

By establishing adequate risk management and controlling processes, we provide for the identification, assessment, management, monitoring and communication of substantial risks and related risk concentrations. Therefore we ensure that all Commerzbank-specific risk concentrations are adequately taken into account. A major objective is to ensure early transparency regarding risk concentrations, and thus to reduce the potential risk of losses. We use a combination of portfolio and scenario analyses to manage and deal with Commerzbank-specific inter-risk concentrations. Stress tests are used to deepen the analysis of risk concentrations and, where necessary, to identify new drivers of risk concentrations. Management is regularly informed about the results of the analyses.

Under the three lines of defence principle, protecting against adverse risks is an activity that goes beyond the risk function. The front office represents the first line of defence and has to take risk aspects into account in business decisions. The second line of defence is the risk function whose most basic task is to manage, limit and monitor risk. The third line of defence is made up of internal and external control bodies (internal auditors, the Supervisory Board, external auditors, supervisory authorities).

Employees who have a major impact on Commerzbank's overall risk profile (so-called risk takers) are also identified under the remuneration process regulations. Due to their particular importance for the Bank's overall results, special regulations apply to these employees for measuring their performance and determining their variable remuneration. These notably include compliance with the Code of Conduct, the sustainability of the underlying performance and the risk taker's risk behaviour. But collective criteria in terms of Group profit and liquidity risk can also result in the entitlement to salary components paid out over the long term being fully or partially clawed back.

Risk ratios

Commerzbank uses a comprehensive system of ratios and procedures for measuring, managing and limiting various types of risk. The most important of these are listed below:

Economically required capital (ErC) is the amount that corresponding to a high confidence level (currently 99.91% at Commerzbank) will cover unexpected losses arising from risk positions.

The **risk-bearing capacity ratio (RBC ratio)** indicates the excess coverage of the economically required capital by the risk coverage potential. Risk-bearing capacity is deemed to be assured as long as the RBC ratio is higher than 100%.

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

Expected loss (EL) measures the potential loss on a loan portfolio that can be expected within one year on the basis of historical loss data.

Risk density is the ratio of expected loss to exposure at default and thus represents the relative risk content of an exposure or a portfolio.

Value at risk (VaR) is a methodology for quantifying risk. It involves setting a holding period (such as one day) and a confidence level (such as 97.5%). The VaR value then denotes the relevant loss threshold that will not be exceeded within the holding period with a probability in line with the confidence level.

Credit value at risk (CVaR) is the economic capital requirement for credit risk with a confidence level of 99.91%. The term results from the application of the value at risk concept to credit risk measurement. Credit VaR is an estimate of the amount by which losses from credit risks could potentially exceed expected loss within a single year, i.e. unexpected loss. The idea behind this approach is that expected loss simply represents the long-term average of lending losses, but this may vary (positively or negatively) from actual credit losses for the current business year.

In relation to bulk risk, the **"all-in" concept** comprises all customer credit lines by the Bank in their full amount – irrespective of the loan utilisation to date. It is independent of statistically modelled parameters and comprises internal as well as external credit lines.

Risk-bearing capacity and stress testing

The 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 here by elements aimed at ensuring the institution's continuing existence (going concern perspective).

When determining the economically required capital, allowance is made for potential unexpected fluctuations in value. Where such fluctuations exceed forecasts, they must be covered by available economic capital in order to absorb unexpected losses (capital available for risk coverage). The quantification of capital available for risk coverage is based on a differentiated view on the accounting values of assets and liabilities and involves economic valuations of certain balance sheet items.

The capital requirement for the risks taken is quantified using the internal economic capital model. When assessing the economic capital required, allowance is made for all the types of risk at Commerzbank Group that are classified as material in the annual risk inventory. The economic risk approach therefore also comprises risk types that are not included in the regulatory requirements for banks' capital adequacy. In addition it and also reflects the effect of portfolio-specific interrelationships. The confidence level of 99.91% in the economic capital model is in line with the underlying gone concern assumptions and ensures the economic risk-bearing capacity concept is internally consistent. The results of the risk-bearing capacity analysis are shown using the risk-bearing capacity ratio (RBC ratio), indicating the excess of the risk coverage potential in relation to the economically required capital.

The results of the annual validation of the risk-bearing capacity concept were implemented at the beginning of 2013. Besides the regular updates of the economic capital model's risk parameters it also incorporated the results of the annual Group Risk Inventory. This in turn included the remodelling of the property value change risk, arrived at on the basis of changes in the values of property (especially real estate).

The risk-bearing capacity is monitored and managed monthly at Group level. Risk-bearing capacity is deemed to be assured as long as the RBC ratio is higher than 100%. In 2013, the RBC ratio was consistently well above 100% and was 179% as of 31 December 2013. The rise in the RBC ratio over the course of the year largely reflects the calmer mood on the financial markets and the easing of the European sovereign debt crisis. It goes hand in hand with a decline in market risk and with a decline in credit risk in response to the successful reduction of the NCA portfolio.

Table 17

Risk-bearing capacity Group | €bn	31.12.2013	31.12.2012
Economic risk coverage potential[1]	**29**	**29**
Economically required capital[2]	**16**	**17**
thereof for default risk	12	13
thereof for market risk	4	4
thereof for operational risk	2	2
thereof diversification between risk types	−2	−2
RBC-ratio[3]	**179%**	**161%**

[1] Business risk, defined as a potential loss that results from discrepancies between actual income (negative deviation) and expense (positive deviation) and the respective budgeted figures, is accounted for in the risk coverage potential.
[2] Including property value change risk and risk of unlisted investments.
[3] RBC ratio = economic risk coverage potential/economically required capital (including risk buffer).

We use macroeconomic stress tests to review the risk-bearing capacity in the event of assumed adverse changes in the economic environment. The scenarios on which they are based take into account the interdependence in development between the real and financial economies and extend over a time horizon of at least two years. They are updated quarterly and approved by the Asset Liability Committee (ALCO). The scenarios describe an extraordinary but credible adverse development in the economy, focusing in particular on portfolio priorities and business strategies of relevance to Commerzbank. The simulation is run monthly using the input parameters of the economic capital requirements for all material risk types. It reflects the forecast macroeconomic situation. In addition to the capital required, the economic capital for risk coverage is also subjected to a stress test based on the macroeconomic scenarios. Based on this, changes in the capital available for risk coverage are simulated. In the same way as the RBC ratio is incorporated into Commerzbank's limit system, explicit limits on risk tolerance are set as an early warning system in the stressed environment. The ongoing monitoring of the limit for the unstressed and stressed RBC ratio is a key part of internal reporting. Defined escalations are triggered if the limit is breached.

In addition to the regular stress tests, so-called reverse stress tests are implemented annually at Group level. Unlike regular stress testing, the result of the simulation – a sustained threat to the business model – is determined in advance. The aim of this analysis process in the reverse stress test is to improve the transparency of Bank-specific risk potential and interactions of risk by identifying and assessing extreme scenarios and events. By doing this, for example, action fields in risk management including the regular stress tests, can be identified and taken into account in the efforts at continuing development.

In 2013, the risk-weighted assets arising from Commerzbank's business activities were reduced from €208bn to €191bn. This was mainly due to the reduction in default risk in the NCA segment and to decreases in market risks.

Table 18 below gives an overview of the distribution of risk-weighted assets, broken down by segment and risk type:

Table 18

Risk-weighted assets as at 31.12.2013 | €bn	Default risk	Market risk	Operational risk	Total
Core Bank	**107**	**9**	**22**	**137**
Private Customers	17	0	10	27
Mittelstandsbank	54	0	4	58
Central & Eastern Europe	13	1	1	14
Corporates & Markets	18	5	5	28
Others and Consolidation	5	3	3	11
Non-Core Assets	**52**	**0**	**1**	**54**
Commercial Real Estate	21	0	1	22
Deutsche Schiffsbank	15	0	0	15
Public Finance	16	0	0	16
Group	**159**	**9**	**23**	**191**

Regulatory environment

With Basel 3, the Basel Committee on Banking Supervision published among other things comprehensive rules on the components of shareholders' equity and the management of liquidity risk. The European implementation was finalised with the Capital Requirements Directive (CRD) IV package of measures in summer 2013. The EU directive is transposed into German law through the CRD IV Implementation Law. The obligation to apply the regulations began on 1 January 2014, with the introduction of more stringent capital requirements to be phased in. Commerzbank has prepared itself to comply with these more stringent requirements by taking a number of steps to optimise its capital base.

As part of the liquidity requirements, the reporting expectations of supervisory authorities will include two international liquidity ratios, namely the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). These will be made mandatory and will gradually become more stringent following an observation period. Commerzbank has established internal LCR requirements and is conducting a project to develop calculation methods that will help in the active management of the LCR. As the Basel Committee intends to thoroughly overhaul the existing regulations, it is still not clear what form the final requirements will take.

As at 14 December 2012 the German Federal Financial Supervisory Authority (BaFin) has published the fourth amendment to the Minimum Requirements for Risk Management (MaRisk). These entered into force with effect from 1 January 2013 and were basically to be implemented by 31 December 2013. At Commerzbank they are implemented within the deadlines specified by the supervisory authorities.

Under an EU directive, new requirements for establishing a framework for the recovery and resolution of banks and securities firms (Banking Recovery and Resolution Directive, BRRD) are being discussed. The German Banking Act (KWG) regulations introduced under the German Separate Banks Act (Deutsches Trennbankengesetz) have since August 2013 required all systemically relevant banks to draw up and implement recovery plans. Negotiations are also underway in Brussels over the Single Resolution Mechanism (SRM) and the form that it should take. Our Group-wide recovery plan, which came into effect in January 2014, will be the basis for the resolution plan to be drawn up for Commerzbank by the relevant supervisory or resolution authority. In the recovery plan, we describe in detail for instance the courses of action and recovery potential available to the Bank in the event of a crisis and which specific recovery measures, in various stress scenarios, will enable the Bank to complete its recovery. As the European and German regulations and requirements are finalised, we will further develop our recovery plan accordingly.

In addition, with the German Separate Banks Act (Deutsches Trennbankengesetz) and the draft EU regulations on the structural reform of banks in the EU, new regulations are being established for the separation of transactions classified as high-risk both in Germany and probably also throughout the EU. The binding regulations planned to be introduced EU-wide will not come into force before the end of 2014. We are constantly evaluating their implications and are monitoring the ongoing legislative process.

In autumn 2014, the European Central Bank (ECB) will take full responsibility for banking supervision under the Single Supervisory Mechanism. In preparation, the ECB is currently carrying out comprehensive analyses of banks' balance sheets. This affects Commerzbank among others. In addition to the comprehensive data analyses carried out since the fourth quarter of 2013, we are expecting an on-site assessment of the quality of our assets (asset quality review, AQR) to be conducted in the first quarter of 2014. This will be followed by a stress test in the second half of 2014. The results of AQRs and stress tests are due to be communicated in November 2014, which may give rise to an additional capital requirement for certain banks.

At the beginning of 2013, the Basel Committee on Banking Supervision published risk data aggregation and internal risk reporting principles to be followed by banks and supervisory authorities. Alongside risk data aggregation and risk reporting, these principles also relate to governance and infrastructure. Banks of global systemic relevance, along with certain other selected banks, will be obliged to comply fully with these principles from the beginning of 2016. Here, too, Commerzbank launched a Group-wide project in 2013 to implement the requirements in question.

The Enhanced Disclosure Task Force (EDTF) has published a number of fundamental principles and recommendations for improved reporting across all areas of risk management. Commerzbank has largely taken these recommendations into account in this Annual Report 2013 and in the Disclosure Report 2013. The scope and timing of implementation are still being reviewed for certain areas.

Commerzbank operates in markets subject to national and supranational regulation. In addition, it is subject to the overarching requirements imposed by accounting standards. Changes in regulatory requirements and accounting standards, which have grown increasingly frequent and material in recent years, may have lasting implications for – and even threaten the survival of – the financial industry in general and Commerzbank's business model in particular. Commerzbank participates actively and at an early stage in the consultation processes aimed at preparing for the constant changes in the operating environment.

Default risk

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

Strategy and organisation

The credit risk strategy is derived from the overall risk strategy and is the partial risk strategy for default risks. It is embedded in the ICAAP process of the Commerzbank Group and therefore contributes to ensuring risk-bearing capacity.

It describes the strategic areas of action and gives an overview of the important management concepts in credit risk management – particularly for the management of the most important risk concentrations (groups, countries, sectors).

The credit risk strategy is a link between the Bank's overall risk management across all risk types and the operationalisation of default risk management. It relies on quantitative and qualitative management tools that take account of the specific requirements of Core Bank and run-off portfolios.

Quantitative management is carried out using clearly defined (economic and regulatory) key figures at Group, segment and sub-segment level, with the aim of ensuring an adequate portfolio quality and granularity in addition to risk-bearing capacity.

Qualitative management guidelines in the form of credit policies define the target business of the Bank. At the level of individual transactions, they regulate the transaction type with which the risk resources provided are to be used. These credit policies are firmly embedded in the credit process: transactions which do not meet the requirements are escalated through a fixed competence regulation.

In organisational terms, credit risk management in the Core Bank differs from risk management in the NCA segment. In the Core Bank, based on the separation of responsibility by the performing loan area on the one hand and Intensive Care on the other, discrete back-office areas are responsible for operational credit risk management on a portfolio and an individual case basis.

All credit decisions in the performing loan area are risk/return decisions. The front and back office take joint responsibility for risk and return from an exposure, with the back office having primary responsibility for the risk, and the front office for the return. Accordingly, neither office can be overruled in its primary responsibility in the lending process.

Higher-risk Core Bank customers are handled by specialist Intensive Care areas. The customers are moved to these areas as soon as they meet defined transfer criteria. The principal reasons for transfer to Intensive Care areas are criteria relating to number of days overdrawn, together with event-related criteria such as rating, insolvency, third-party enforcement measures or credit fraud. This ensures that higher-risk customers can continue to be managed promptly by specialists in defined standardised processes.

For loans in Intensive Care, various restructuring and reorganisation strategies are used. Appropriate steps are taken depending on the specific problem. Customers are given close support with their loans to ensure that they adhere to any agreements made (planned repayments/ongoing amortisation). This is aimed at securing the customer's recovery and return to the performing loan area. Measures on deferments and restructurings/reorganisations for customers may include:

- Tolerance of temporary overdrafts; provided that the reason for the overdraft as well as the nature and date of settlement are transparent and foreseeable.
- Repayment agreements: unpaid loan instalments that result in an overdrawn current account are set aside as a separate amount and repaid monthly under a repayment agreement.
- Restructuring of existing credits/loans: customers' credits/loans are refinanced in order to reduce the ongoing burden for the customer. This may also be accompanied by, for example, a change in amortisation methods and/or the loan structure/term.
- Restructuring/granting of new loans: financial support in the restructuring process of a company in crisis aimed at sustainable recovery. As a rule, this means fundamental intervention in funding structures and contingent liabilities. It may also result in a capital repayment waiver, a change in the collateral positions or the application of a restructuring interest rate that is below standard market conditions.

In the NCA segment, by contrast, there is no separation of responsibilities between the performing loan area and Intensive Care. Credit risk management here has been merged into one unit across all rating classes.

The aim is to fully wind down all the assets grouped in this segment in a way that preserves value. To this end, EaD-based guidelines have been established and an asset management has been implemented. This is carried out through regular asset planning and is based on a risk matrix for Commercial Real Estate and Deutsche Schiffsbank. The parts of the portfolio shown within the risk matrix serve as a guideline for differentiated risk management within the overarching portfolio reduction mandate. The main aim here is to prioritise the winding down or mitigation of those parts of the portfolio and individual loans for which the capital requirement is particularly high. Opportunities for selling sub-portfolios in a way that preserves value may also be used to free up capital as part of the systematic portfolio reduction.

For business in Public Finance, the reduction is primarily through regular maturities of assets. Market opportunities that arise are used in a targeted way for the sale of individual assets.

Risk management

Commerzbank manages default risk using a comprehensive risk management system comprising an organisational structure, methods and models, a risk strategy with quantitative and qualitative management tools and regulations and processes. The risk management system ensures that the entire portfolio and the sub-portfolios, right down to individual exposure level, are managed consistently and thoroughly on a top-down basis.

The ratios and measures required for the operational process of risk management are based on overarching Group objectives. They are enhanced at downstream levels by sub-portfolio and product specifics. Risk-based credit approval regulations focus management attention in the highest decision-making bodies on issues such as risk concentrations or deviations from the risk strategy.

Operational credit risk management still aims to preserve appropriate portfolio quality. In addition to the reduction of concentration risks, management of the effects of the euro and sovereign debt crisis and the reduction of risks in non-investment grade, the focus is also on supporting attractive new business in our growth segments. We also carry out continual checks of our credit processes to identify possible improvement measures.

Commerzbank's rating and scoring methods, which are used for all key credit portfolios, form the basis for measuring default risks. Both the calibration of the probabilities of default assigned to individual counterparties or loans and the calculation of loss ratios are based on an analysis of historical data from the Commerzbank portfolio. An annual recalibration of the methods is carried out on this basis.

Country risk management is based on the definition of risk limits as well as country-specific strategies for achieving a desired target portfolio.

Back-office activities in domestic corporate customer business are organised by industry sector, which makes it possible to directly identify issues at total and sub-portfolio level, track them down to the individual loan level and implement appropriate measures. This has led to major progress in terms of the speed and efficiency of preventative measures and forecasting quality in respect of the development of risk.

Critical events and constantly changing regulatory requirements make flexible credit portfolio management essential and ensuring that the credit portfolio is highly flexible remains, therefore, one of our key strategic action fields in credit risk management.

Management of economic capital commitment

Economic capital commitment is managed in order to ensure that the Commerzbank Group holds sufficient capital. With this object in view, all risk types in the overall risk strategy for economically required capital (ErC) are given limits on a Group-wide basis to ensure proper capital adequacy levels for Commerzbank Group, with, in particular, a CVaR limit being specified. Due to the systematically restricted options for reducing default risk on a short-term basis, it is important to take account of expected trends in credit risk (medium-term and long-term) in order to remain within limits. For this reason, medium-term forecast values of capital ratios play a key role in ongoing management. When updating forecasts, it has to be ensured that limits are met as a result of keeping to forecast. At segment and business area level, deviations from the forecast are monitored and adjustments made when necessary. There is no cascaded limit concept for credit risk below Group level, i.e. no allocation of the Group credit limit to segments/business areas.

Expected loss (EL) plays a crucial part in capital management for default risk. It consolidates key input factors of the CVaR to a meaningful ratio which has long been in established use in risk management.

Figure 8

Overview of management instruments and levels

Level	Risk strategies and policies	Limit and guideline systems	Portfolio monitoring and reporting	Structures of organisation and committees
Group	Overall risk strategy plus sub-risk strategies for significant risk types Establishment of a general risk understanding and creation of a uniform risk culture	Definition of Group limits (across all risk types) for capital and liquidity management Additional definition of guidelines as key points of the aspired target portfolio	Group Risk & Capital Monitor plus risk type specific Group formats (including flash reporting) Uniform, consolidated data repository as basis for Group reporting	Ensuring exchange of information and networking in committees that operate across all risk types Retaining qualified staff in line with progressive product innovation or regulatory adjustments
Sub-portfolios	Clear formulation of risk policy in guidelines (portfolios, asset classes, etc.) Differenciated credit authorities based on compliance of transactions with the Bank's risk policy	Performance metrics on level of risk categories and sub-portfolios Expansion of Group-wide performance metrics using sub-portfolio-specific indicators	Portfolio batches as per established portfolio calendar Asset quality review and analysis of High Attention Parts (HAP)[1] Trigger monitoring with clear escalation and reporting lines	Interdisciplinary composition of segment committees Ensuring uniform economic opinions
Individual exposures	Rating-dependent and bulk-sensitive credit authority regulations with clear escalation processes	Limitation of bulk risk and uniform management according to model-independent all-in definition	Limit monitoring at individual exposure level Monthly report to the Board of Managing Directors on the development of bulk risks Review of individual customers/exposures resulting from asset quality review or HAP analyses[1]	Deal team structures Institutionalized exchange within the risk function, also taking account of economic developments Sector-wise organization of domestic corporate business

[1] Description refers to Core Bank; analogue procedure based on a specific risk matrix used in NCA segment.

Rating classification

The Commerzbank rating method comprises 25 rating classes for loans not in default (1.0 to 5.8) and five default classes (6.1 to 6.5). The Commerzbank master scale allocates a non-overlapping range of probabilities of default that are stable over time to each rating class. The rating methods are validated and recalibrated annually so that they reflect the latest projection based on all actual observed defaults. The default ranges assigned to the ratings are the same for all portfolios and remain stable over time. This ensures internal comparability consistent with the master scale method. For the purpose of guidance, the Commerzbank master scale also shows external ratings. However, a direct reconciliation is not possible, because external ratings of different portfolios show fluctuating default rates from year to year.

Figure 9

Commerzbank master scale

Commerzbank AG rating	PD and EL mid-point %	PD and EL range %	S&P		
1.0	0	0	AAA	AAA	Investment grade
1.2	0.01	0–0.02			
1.4	0.02	0.02–0.03	AA+	AA	
1.6	0.04	0.03–0.05	AA, AA–		
1.8	0.07	0.05–0.08	A+, A	A	
2.0	0.11	0.08–0.13	A–		
2.2	0.17	0.13–0.21	BBB+	BBB	
2.4	0.26	0.21–0.31	BBB		
2.6	0.39	0.31–0.47			
2.8	0.57	0.47–0.68	BBB–		
3.0	0.81	0.68–0.96	BB+	BB	Non-investment grade
3.2	1.14	0.96–1.34	BB		
3.4	1.56	1.34–1.81			
3.6	2.10	1.81–2.40	BB–		
3.8	2.74	2.40–3.10	B+	B	
4.0	3.50	3.10–3.90			
4.2	4.35	3.90–4.86	B		
4.4	5.42	4.86–6.04			
4.6	6.74	6.04–7.52			
4.8	8.39	7.52–9.35	B–		
5.0	10.43	9.35–11.64			
5.2	12.98	11.64–14.48	CCC+	CCC	
5.4	16.15	14.48–18.01			
5.6	20.09	18.01–22.41	CCC to CC–		
5.8	47.34	22.41–99.99			
6.1		>90 days past due	C, D-I, D-II		Default
6.2		Imminent insolvency			
6.3	100	Restructuring with recapitalisation			
6.4		Termination without insolvency			
6.5		Insolvency			

The credit approval authorities of both individual staff and the committees (Board of Managing Directors, credit committee, credit sub-committees) are graduated by size of exposure and rating class. The most important control variable for default risk is expected loss (EL) as derived from the ratings. The credit risk strategy sets target values for individual sub-portfolios. This ensures that the expected level of provisioning is kept in line with the strategic objectives of the Bank, such as the target rating from rating agencies or the target portfolio quality and structure.

Management of risk concentrations

The avoidance of risk concentrations is a core strategy of risk management. Risk concentrations are actively managed in order to identify at an early stage and to contain the increased potential for loss in the synchronous movement of risk positions. In addition to exposure-related credit risk concentrations (bulk risks), default risk also includes, among others, country and sector concentrations. Segment-specific features are taken into account here.

A uniform definition based on "all-in" is used to manage bulk risk. The all-in concept comprises all customer credit lines approved by the Bank in their full amount – irrespective of the loan utilisation to date.

Management and the Supervisory Board's Risk Committee are regularly informed about the results of the analyses.

Risk mitigation

The collateral taken into account in risk management is mostly assigned to portfolios at Commerzbank Aktiengesellschaft and Hypothekenbank Frankfurt AG. It totals around €100bn for the exposures in the performing book and over €7bn in the default portfolio. In the Private Customers segment, the collateral predominantly consists of mortgages on owner-occupied and buy-to-let residential property. In Mittelstandsbank and in Corporates & Markets, collateral is spread over various types of security. These mainly relate to mortgages on commercial properties and various forms of guarantees. The portfolio in the Central & Eastern Europe segment is mainly secured by mortgages, in both the retail and commercial sectors. In the Non-Core Assets segment, collateral in the Commercial Real Estate sub-segment mainly relates to commercial land charges and also to charges on owner-occupied and buy-to-let properties. The ship finance portfolio is mostly backed by ship mortgages.

Commerzbank Group

In view of the continued uncertainty on financial markets and increasing regulatory requirements, Commerzbank decided, in June 2012, to step up the pace in focusing on client-driven and profitable core business, minimising risks and reducing complexity. It also decided that the Commercial Real Estate, Deutsche Schiffsbank and Public Finance divisions should be completely and gradually wound down. As a result, these areas were transferred in their entirety to the new Non-Core Assets (NCA) run-off segment. The Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe segments remain in the Core Bank.

To describe Commerzbank Group, we will go into more detail on credit risk ratios, the breakdown of the portfolio by region, loan loss provisions in the credit business, the default portfolio and on overdrafts in the performing book.

Credit risk parameters

The credit risk parameters in the Commerzbank Group are distributed in the rating classes 1.0 to 5.8 as follows over the Core Bank and Non-Core Assets:

Table 19

Credit risk parameters as at 31.12.2013	Exposure at default €bn	Expected loss €m	Risk density bp	CVaR €m
Core Bank	323	931	29	7,171
Non-Core Assets	107	749	70	4,880
Group	**429**	**1,680**	**39**	**12,051**

When broken down on the basis of PD ratings, 77% of the Group's portfolio is in the internal rating classes 1 and 2.

Table 20

Rating breakdown as at 31.12.2013 EaD | %	1.0 –1.8	2.0 –2.8	3.0 –3.8	4.0 –4.8	5.0 –5.8
Core Bank	29	50	16	4	2
Non-Core Assets	31	41	15	9	5
Group	**29**	**48**	**15**	**5**	**2**

The Group's country risk calculation records both transfer risks and region-specific event risks defined by political and economic events which impact on the individual economic entities of a country. Country risks are managed and limited on the basis of loss at default at country level. Country exposures which are significant for Commerzbank due to their size and exposures in countries in which Commerzbank holds significant investments in comparison to the GDP of those countries are handled by the Strategic Risk Committee on a separate basis.

The regional breakdown of the exposure corresponds to the Bank's strategic direction and reflects the main areas of its global business activities.

Table 21

Group portfolio by region as at 31.12.2013	Exposure at default €bn	Expected loss €m	Risk density bp
Germany	217	580	27
Western Europe	101	393	39
Central and Eastern Europe	42	219	53
North America	26	42	16
Other	44	447	101
Group	**429**	**1,680**	**39**

Around half of the Bank's exposure relates to Germany, another third to other countries in Europe and 6% to North America. The rest is broadly diversified and is split between a large number of countries where we serve German exporters in particular or where Commerzbank has a local presence. A main driver of the expected loss in the region "Other" is ship finance.

Table 22 below shows the exposure to Greece, Ireland, Italy, Portugal and Spain based on the member state where the head office or the asset is located.

Table 22

	31.12.2013					31.12.2012
EaD[1] €bn	Sovereign[2]	Banks	CRE	Corporates/ Other	Total	Total
Greece	0.0	0.0	0.1	0.1	0.3	0.2
Ireland	0.0	0.4	0.0	1.2	1.7	1.6
Italy	9.1	0.7	1.9	2.1	13.7	14.2
Portugal	0.8	0.4	1.3	0.2	2.8	3.0
Spain	2.4	3.5	3.0	2.4	11.3	12.8

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

Loan loss provisions

The loan loss provisions relating to the Group's credit business in 2013 amounted to €1,747m and thus were €87m higher than in the previous year. This amount includes a one-off expenditure of €70m net relating to the review and update of parameters. Write-downs on securities are not considered as risk provisions but as income from financial assets. Note (36) of the consolidated financial statements gives further details on this.

Table 23

	2013					2012				
Loan loss provisions | €m	**Total**	**Q4**	**Q3**	**Q2**	**Q1**	**Total**	**Q4**	**Q3**	**Q2**	**Q1**
Core Bank	665	134	249	190	92	283	102	47	116	18
Non-Core Assets	1,082	317	243	347	175	1,374	512	383	301	178
Group[1]	**1,747**	**451**	**492**	**537**	**267**	**1,660**	**614**	**430**	**404**	**212**

[1] Including the PRU's provisions for loan losses of a total €3 m in 2012.

For 2014 we expect loan loss provisions for the Group to be slightly below the 2013 level, with loan loss provisions in Deutsche Schiffsbank anticipated to remain unchanged.

The risks related to the macroeconomic framework are still high. Should there be a massive economic downturn or defaults at financial institutions due to the impact of the continuing sovereign debt crisis on the real economy, significantly higher loan loss provisions may become necessary under certain circumstances.

Default portfolio

The default volume was reduced by a total of €3.4bn year-on-year as at the end of 2013. In the NCA segment, it was cut by €2.6bn thanks to successful reduction measures. In the Core Bank, too, the default volume was reduced by €0.8bn. The default volume is equivalent to claims that are in default in the category LaR and to the claims that are in default that it has been decided should be sold off (IFRS 5).

Table 24

Default portfolio category LaR | €m	31.12.2013 Group	31.12.2013 Core Bank	31.12.2013 NCA	31.12.2012 Group	31.12.2012 Core Bank	31.12.2012 NCA
Default volume	15,563	6,024	9,540	18,926	6,799	12,128
Loan loss provisions	6,241	3,066	3,175	7,148	3,264	3,884
GLLP	933	523	410	887	470	417
Collaterals	7,407	1,308	6,100	9,296	1,451	7,845
Coverage ratio excluding GLLP (%)[1]	88	73	97	87	69	97
Coverage ratio including GLLP (%)[1]	94	81	102	92	76	100
NPL ratio (%)[2]	3.5	1.8	8.2	4.0	2.1	8.1

[1] Coverage ratio: total loan loss 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).

The default portfolio is divided into five classes based on the nature of the default:

- Rating class 6.1: over 90 days past due.
- Rating classes 6.2/6.3: Imminent insolvency, or the Bank is assisting in financial rescue/restructuring measures at the customer with restructuring contributions.
- Rating classes 6.4/6.5: The Bank recalls the loan and the customer has become insolvent respectively.

Table 25 below shows the breakdown of the default portfolio based on the five default classes:

Table 25

Rating classification as at 31.12.2013 | €m	6.1	6.2/6.3	6.4/6.5	Group
Default volume	2,370	7,645	5,548	15,563
Loan loss provisions	295	2,976	2,970	6,241
Collaterals	1,756	3,587	2,064	7,407
Coverage ratio excl. GLLP (%)	87	86	91	88

Overdrafts in the performing loan book

In order to avoid an increase in the default portfolio, overdrafts are closely monitored at Commerzbank. In addition to the 90 days-past-due trigger event, IT-based management of overdrafts starts on the first day the account is overdrawn. Table 26 below shows overdrafts outside the default portfolio based on the exposure at default as at end of December 2013.

Table 26

EaD €m	> 0 ≤ 30 days	> 30 ≤ 60 days	> 60 ≤ 90 days	> 90 days	Total
Core Bank	2,167	264	105	33	2,569
Non-Core Assets	717	49	183	9	958
Group	**2,884**	**313**	**288**	**42**	**3,527**

In 2013, total foreclosed assets decreased year-on-year by €13m to €103m (additions €49m, disposals €51m, cumulative change from valuation €-11m). At year-end all of these assets of around €103m related mortgages of our subsidiary Hypothekenbank Frankfurt. The properties are serviced and managed in companies in which Hypothekenbank Frankfurt owns a majority stake through subsidiaries. This is normally HF Estate Management GmbH. The aim is to increase the value and performance of the commercially-focused real estate portfolio through HF Estate's property expertise so that the properties can be placed on the market again in the short to medium term.

In 2013, Commerzbank founded a stand-alone restructuring platform for ships, called "Hanseatic Ship Asset Management GmbH". The new company will acquire individual ships that have potential, remove them from their existing, impaired credit relationships, operate them on the new platform and sell them when the market recovers. As at the end of 2013, the volume of ships recognised as self-operated ships in the Bank's tangible assets was €58m.

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 increased to €323bn as at 31 December 2013 (31 December 2012: €321bn), while risk density increased from 27 to 29 basis points.

Table 27

Credit risk parameters as at 31.12.2013	Exposure at default €bn	Expected loss €m	Risk density bp	CVaR €m
Private Customers	82	203	25	1,005
Mittelstandsbank	120	369	31	3,150
Central & Eastern Europe	27	143	53	651
Corporates & Markets	59	184	31	1,736
Others and Consolidation[1]	35	32	9	629
Core Bank	**323**	**931**	**29**	**7,171**

[1] Mainly Treasury positions.

Some 79% of the Core Bank's portfolio belongs to the investment-grade area, corresponding, on the basis of PD ratings, to our internal rating classes 1.0 to 2.8.

Table 28

Rating breakdown as at 31.12.2013 EaD | %	1.0–1.8	2.0–2.8	3.0–3.8	4.0–4.8	5.0–5.8
Private Customers	30	49	16	3	2
Mittelstandsbank	14	59	21	5	2
Central & Eastern Europe	7	59	23	9	2
Corporates & Markets	47	40	9	2	2
Core Bank[1]	**29**	**50**	**16**	**4**	**2**

[1] Including Others and Consolidation.

Loan loss provisions

Loan loss provisions in the Core Bank amounted to €665m in 2013. The charge was therefore €382m higher than in the previous year. 2013 was dominated by the recognition of new provisions for a number of larger individual cases in the corporate portfolio. It should also be taken into account that loan loss provisions in 2012 benefited strongly from reversals in the Mittelstandsbank segment.

Table 29

	2013					2012				
Loan loss provisions | €m	**Total**	**Q4**	**Q3**	**Q2**	**Q1**	**Total**	**Q4**	**Q3**	**Q2**	**Q1**
Private Customers	108	15	31	27	35	95	16	45	26	8
Mittelstandsbank	470	139	106	147	78	30	42	–9	32	–35
Central & Eastern Europe	119	36	41	36	6	105	24	28	35	18
Corporates & Markets	–57	–55	43	–19	–26	52	19	–17	23	27
Others and Consolidation	25	–1	28	–1	–1	1	1	0	0	0
Core Bank	**665**	**134**	**249**	**190**	**92**	**283**	**102**	**47**	**116**	**18**

Default portfolio

The Core Bank's default portfolio benefited from substantial outflows due to successful restructurings and repayments and was reduced from the previous year's level, especially in the Corporates & Markets segment.

Table 30

Default portfolio Core Bank | €m	31.12.2013	31.12.2012
Default volume	6,024	6,799
Loan loss provisions	3,066	3,264
GLLP	523	470
Collaterals	1,308	1,451
Coverage ratios excluding GLLP (%)	73	69
Coverage ratios including GLLP (%)	81	76
NPL ratio (%)	1.8	2.1

Overdrafts in the performing loan book

Table 31 below shows overdrafts outside the default portfolio by segment based on exposure at default as at end of December 2013:

Table 31

EaD €m	> 0 ≤ 30 days	> 30 ≤ 60 days	> 60 ≤ 90 days	> 90 days	Total
Private Customers	517	53	38	3	611
Mittelstandsbank	1,305	129	50	5	1,489
Central & Eastern Europe	301	82	18	25	426
Corporates & Markets	27	0	0	0	27
Core Bank[1]	**2,167**	**264**	**105**	**33**	**2,569**

[1] Including Others and Consolidation.

Private Customers

The Private Customers segment comprises the Private Customers, Direct Banking and Commerz Real divisions. 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. Amongst others we manage risks by the use of defined lending standards, active monitoring of new business, close observation of the real property and EDP-based overdraft management. We also identify any irregularities in loans by using selected triggers. These loans are dealt with in our area of early risks identification.

Table 32

Credit risk parameters as at 31.12.2013	Exposure at default €bn	Expected loss €m	Risk density bp
Residential mortgage loans	47	94	20
Investment properties	5	10	19
Individual loans	12	40	33
Consumer and instalment loans/credit cards	9	35	37
Domestic subsidiaries	3	7	26
Foreign subsidiaries and other	5	17	30
Private Customers	**82**	**203**	**25**

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 €52bn). We provide our business customers with credit in the form of individual loans with a volume of €12bn. 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 €9bn).

There was continued growth in the private customer business, particularly in residential mortgage loans, while risk density remained stable. In 2013, holdings were more actively managed, and this helped to reduce risks. Risk density was reduced to 25 basis points after 27 basis points at year-end 2012.

Loan loss provisions for private customer business were €13m higher year-on-year. Adjusted for parameter updating in the fourth quarter of 2012, loan loss provisions were at the previous year's level.

The default portfolio in the Private Customers segment was reduced by around €0.2bn in 2013.

Table 33

Default portfolio Private Customers | €m	31.12.2013	31.12.2012
Default volume	943	1,135
Loan loss provisions	311	392
GLLP	121	128
Collaterals	445	527
Coverage ratios excluding GLLP (%)	80	81
Coverage ratios including GLLP (%)	93	92
NPL ratio (%)	1.1	1.5

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. Thus we 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.

Table 34

Credit risk parameters as at 31.12.2013	Exposure at default €bn	Expected loss €m	Risk density bp
Corporates Domestic	81	244	30
Corporates International	15	50	33
Financial Institutions	24	74	31
Mittelstandsbank	**120**	**369**	**31**

The demand for credit revived slightly last year. Thus, the EaD in the Mittelstandsbank segment could be increased by €9bn to €120bn. The economic environment in Germany remains stable, and this is reflected in the Corporates Domestic sub-portfolio's risk parameters, which remain good. The risk density in this area was at a comparatively low 30 basis points as at 31 December 2013. In Corporates International, EaD totalled €15bn at 31 December 2013, and risk density was 33 basis points. For details of developments in the Financial Institutions portfolio please see page 120.

Loan loss provisions in Mittelstandsbank were €470m, a figure markedly higher than the preceding year's of €30m. This increase was largely attributable to a number of significant individual cases. By contrast, the previous year was marked by reversals.

The Mittelstandsbank's default portfolio was almost unchanged year-on-year.

Table 35

Default portfolio Mittelstandsbank | €m	31.12.2013	31.12.2012
Default volume	2,655	2,632
Loan loss provisions	1,487	1,439
GLLP	265	232
Collaterals	387	482
Coverage ratios excluding GLLP (%)	71	73
Coverage ratios including GLLP (%)	81	82
NPL ratio (%)	2.2	2.3

Central & Eastern Europe

Now that its restructuring has been completed, the Central & Eastern Europe segment covers mainly the operations of mBank in Poland, Commerzbank's second core market. The mBank Group's main areas of business are the private customer business, especially through the direct bank units in Poland, the Czech Republic and Slovakia, and the corporate customers business. mBank offers its corporate customers a broad range of modern products ranging from corporate finance and corporate treasury sales to leasing and factoring services. The Central & Eastern Europe segment's strategic focus lies on organic growth in Polish small and medium-sized businesses and private customer business in mBank's core markets.

Table 36

Credit risk parameters as at 31.12.2013	Exposure at default €bn	Expected loss €m	Risk density bp
Central & Eastern Europe	**27**	**143**	**53**

Following the slowdown in economic growth in Poland in the first half of the year, the economic indicators have improved again throughout the rest of the year and lead us to expect a further recovery of the Polish economy, with moderate growth in 2014. Last year's monetary easing should further stimulate domestic demand. The central bank is not expecting any significant inflationary pressure in the coming quarters.

Risk density in the Central & Eastern Europe segment fell to 53 basis points, representing a further decrease year-on-year (end of 2012: 59 basis points).

In 2013, loan loss provisions rose by €14m to €119m. The default volume increased by €57m year-on-year.

Table 37

Default portfolio Central & Eastern Europe | €m	31.12.2013	31.12.2012
Default volume	1,126	1,069
Loan loss provisions	517	579
GLLP	71	54
Collaterals	463	383
Coverage ratios excluding GLLP (%)	87	90
Coverage ratios including GLLP (%)	93	95
NPL ratio (%)	4.0	4.0

Corporates & Markets

This segment covers client-driven capital market activities (Markets) and commercial business with multinationals, institutional clients and selected large corporate customers (Corporates) of Commerzbank Group.

The regional focus of our activities in this segment is on Germany and Western Europe, which account for just under three-quarters of exposure, while North America accounted for around 12% at the end of December 2013. EaD as at the end of December 2013 was €59bn, around €9bn below the figure as at the end of December 2012.

Table 38

Credit risk parameters as at 31.12.2013	Exposure at default €bn	Expected loss €m	Risk density bp
Germany	20	79	39
Western Europe	23	71	31
Central and Eastern Europe	1	5	47
North America	7	18	25
Other	7	11	17
Corporates & Markets	**59**	**184**	**31**

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, or syndicated loans), with stringent guidelines and defined limits keeping 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 as well as at counterparty and portfolio level.

There is also a focus on close monitoring of counterparties (such as banks) in critical countries. There has been closer scrutiny of risk management in relation to stock exchanges and clearing houses due to the changes in regulatory requirements on derivatives.

During 2013, the nominal volume of the structured credit sub-portfolio decreased by €3.6bn to €7.2bn, and risk values[1] almost halved by €2.3bn to €3.1bn (including the default portfolio in each case). The decrease was mainly the result of amortisations and repayments.

A large part of the portfolio is still made up of collateralised debt obligations (CDO). These largely securitise US subprime RMBSs (CDOs of ABSs) and corporate loans in the USA and Europe (CLOs). Residential mortgage-backed securities (RMBSs) are instruments that securitise private, largely European, real estate loans.

Our risk assessment took account of negative impacts on the performance of the underlying loan portfolios resulting from macro-economic crises, especially in Southern Europe; these are occurring as expected. Moreover, the long period that has now passed since the structures were launched enables an increasingly reliable basis for the assessment of the future performance of the portfolio. In addition, further appreciations in value are expected over the residual life of the ABS portfolio, although these are only likely to be slight.

Table 39

	31.12.2013			31.12.2012		
Structured credit portfolio	**Nominal values** €bn	**Risk values** €bn	**Markdown ratio**[1] %	**Nominal values** €bn	**Risk values** €bn	**Markdown ratio**[1] %
RMBS	1.3	1.0	26	1.6	1.1	30
CMBS	0.1	0.1	45	0.2	0.1	51
CDO	2.4	1.4	42	4.5	3.1	30
Other ABS	0.8	0.7	17	1.3	1.1	20
Further structured credit exposure	2.5	0.0		3.2	0.0	
Total	**7.2**	**3.1**		**10.8**	**5.4**	

[1] Markdown ratio = 1 – (risk value/nominal value).

Loan loss provisions in the Corporates & Markets segment were strongly influenced by movements in individual exposures and benefited from successful restructuring measures that resulted in the net release of €57m in loan loss provisions. Net loan loss provisions were therefore sharply down year-on-year, falling by €109m.

[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.

The Corporates & Markets default portfolio was reduced by €738m, or 38%. This represents a very significant reduction, also attributable to successful restructuring measures.

Table 40

Default portfolio Corporates & Markets | €m	31.12.2013	31.12.2012
Default volume	1,223	1,961
Loan loss provisions	722	853
GLLP	64	54
Collaterals	14	59
Coverage ratios excluding GLLP (%)	60	47
Coverage ratios including GLLP (%)	65	49
NPL ratio (%)	2.0	2.8

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.

The exposure at default of the segment's performing loan book totalled €107bn at the end of 2013, which is €32bn less than the comparative figure for the NCA portfolio at the end of 2012.

Table 41

Credit risk parameters as at 31.12.2013	Exposure at Default €bn	Expected loss €m	Risk density bp	CVaR €m
Commercial Real Estate	30	206	69	
Deutsche Schiffsbank	10	388	370	
Public Finance	66	155	23	
Non-Core Assets	**107**	**749**	**70**	**4,880**

Loan loss provisions were €1,082m, down €292m year-on-year.

The default volume fell sharply compared with the previous year, down €2.6bn.

Table 43

Default portfolio NCA category LaR | €m	31.12.2013	31.12.2012
Default volume	9,540	12,128
Loan loss provisions	3,175	3,884
GLLP	410	417
Collaterals	6,100	7,845
Coverage ratio excluding GLLP (%)	97	97
Coverage ratio including GLLP (%)	102	100
NPL ratio (%)	8.2	8.1

Commercial Real Estate

In 2013, holdings were reduced in line with strategy, primarily at Hypothekenbank Frankfurt AG. The EaD in the performing loan book decreased by €17bn to €30bn over the course of the year. The relative portfolio composition by type of uses remains unchanged. The main components of exposure are the sub-portfolios office (€10bn), retail (€10bn) and residential real estate (€6bn). The fall in exposure during 2013 is due to the repayment of loans, the successful sale of a UK portfolio worth €4bn and to transfers to the default portfolio.

The current promising outlook for economic growth, which is helping to banish the uncertainty resulting from the sovereign debt crisis, is leading to a gradual recovery in the CRE markets. This situation is benefiting not only the German investment centres, but also, in particular, Paris and New York, as well as countries such as Spain and Portugal. In the countries of Southern Europe, the process of devaluation in market values has slowed considerably as a result. However, increases in value remain limited in most CRE markets, as the recovery in rental markets is modest, while the potential for yield-driven value increases in fast-growing investment centres has been exhausted.

Table 42

	2013					2012				
Loan loss provisions | €m	**Total**	**Q4**	**Q3**	**Q2**	**Q1**	**Total**	**Q4**	**Q3**	**Q2**	**Q1**
Commercial Real Estate	491	139	73	240	38	623	222	213	131	57
Deutsche Schiffsbank	596	177	170	110	138	743	299	160	170	114
Public Finance	–5	0	0	–3	–2	8	–9	10	0	7
Non-Core Assets	**1,082**	**317**	**243**	**347**	**175**	**1,374**	**512**	**383**	**301**	**178**

Table 44

CRE portfolio by region EaD | €bn	31.12.2013	31.12.2012
Germany	15	22
Western Europe	10	18
Central and Eastern Europe	3	4
North America	1	2
Other	1	1
Commercial Real Estate	**30**	**47**

Loan loss provisions in Commercial Real Estate were down slightly year-on-year in 2013, falling by €132m to €491m, although this still represents a high level.

The default portfolio for Commercial Real Estate fell significantly against the previous year, down by €2.0bn. In addition to the sale of the portfolio in the UK, restructuring measures and exit solutions contributed widely to this reduction.

Table 45

	31.12.2013				31.12.2012
Default portfolio CRE by country | €m	**Germany**	**Spain**	**US**	**Total**	**Total**
Default volume	2,371	1,796	283	5,662	7,643
Loan loss provisions	662	718	55	1,882	2,672
GLLP	30	18	5	119	130
Collaterals	1,692	1,101	257	3,847	5,056
Coverage ratio excluding GLLP (%)	99	101	110	101	101
Coverage ratio including GLLP (%)	101	102	112	103	103
NPL ratio (%)	13.5	37.1	23.5	15.9	14.0

Deutsche Schiffsbank

Compared with 31 December 2012, exposure to ship finance in the performing loan book fell from €14bn to €10bn as a result of our asset reduction strategy.

Our portfolio is mainly made up of financings of the following three standard types of ship: containers (€4bn), tankers (€3bn) and bulkers (€2bn). The rest of the portfolio consists of various special tonnages which are well diversified across the various ship segments.

The period from January to September 2013 saw the markets for container ships, bulkers and tankers still dominated by excess capacity, which caused further falls in charter rates. There was a noticeable upturn in bulkers and tankers in the fourth quarter of the year. Based on the given low level, the market for container ships recently experienced a slight upward trend, which is likely to persist in 2014. However, we do not expect a lasting market recovery across all asset classes in 2014 yet. In line with our strategy of reduction while preserving value, we are continuing to steadily reduce risks in this portfolio.

Risk provisions in the Deutsche Schiffsbank division stood at €596m in 2013, which was a fall of €147m on the previous year. The 2013 figure includes a one-off effect in the amount of €70m relating to the adjustment of parameters for calculating loan loss provisions.

The default portfolio volume fell by €612m year-on-year thanks to a range of risk management activities.

Table 46

	31.12.2013				31.12.2012
Default portfolio DSB by ship type | €m	**Container**	**Tanker**	**Bulker**	**Total**	**Total**
Default volume	1,956	788	581	3,871	4,482
Loan loss provisions	668	256	150	1,291	1,211
GLLP	178	58	32	281	272
Collaterals	1,106	486	374	2,252	2,789
Coverage ratio excluding GLLP (%)	91	94	90	92	89
Coverage ratio including GLLP (%)	100	102	96	99	95
NPL ratio (%)	34.6	23.0	21.3	27.0	23.7

Public Finance

In its NCA segment, Commerzbank brings together public finance 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 largely held in our subsidiaries Hypothekenbank Frankfurt and Erste Europäische Pfandbrief- und Kommunalkreditbank (EEPK).

The borrowers in the Public Finance business in NCA (€45bn 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 (€19bn EaD), with the focus likewise on Germany and Western 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 services, such as hospitals and water utilities. Most of the PFI portfolio is secured, and in accordance with NCA strategy is set to be wound down over time in a value-preserving manner.

The Public Finance portfolio was further run down by €11bn in 2013, split almost equally between public finance and bank exposures. This means that EaD has been almost halved since 2010, from €129bn to €66bn. This has been achieved largely by the use of maturities but also through active portfolio measures. By the end of 2016 a further reduction to €48bn is expected

Loan loss provisions in Public Finance decreased from €8m to –€5m year-on-year. Write-downs on securities carried out for US municipalities in 2013 are not recognised in loan loss provisions but in net investment income. Note (36) of the consolidated financial statements gives further details on this.

The Public Finance default portfolio increased by €5m to €6m year-on-year.

Further portfolio analyses

The analyses below should be understood to be 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:

Table 47

	31.12.2013			31.12.2012		
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	16	93	59	16	98	62
Consumption	13	43	33	10	41	39
Transport/Tourism	11	23	22	11	22	20
Wholesale	10	46	45	11	44	40
Basic materials/Metals	9	33	35	10	32	33
Technology/Electrical industry	8	28	34	9	25	27
Chemicals/Plastics	8	50	62	7	41	54
Mechanical engineering	8	19	25	8	20	26
Automotive	8	23	30	9	21	23
Services/Media	8	29	38	8	29	35
Construction	4	54	125	4	17	39
Pharma/Healthcare	4	6	18	4	7	20
Other	10	31	30	15	34	23
Total	**117**	**480**	**41**	**122**	**430**	**35**

Financial Institutions portfolio

In 2013, the focus for the Financial Institutions (FI) sub-portfolio continued to be on the reduction of risks, especially in Public Finance business. In taking on new business, we are selective and 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 or through capital market activities in Corporates & Markets.

Table 48

	31.12.2013			31.12.2012		
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	14	8	5	14	8	6
Western Europe	26	62	24	28	49	18
Central and Eastern Europe	9	28	33	9	22	25
North America	1	1	7	1	< 1	3
Asia	12	29	24	7	19	27
Other	7	26	37	6	21	35
Total	**69**	**154**	**22**	**65**	**121**	**19**

[1] Excluding exceptional debtors.

Non-Bank Financial Institutions portfolio

Commerzbank is concentrating on the further optimisation of its Non-Bank Financial Institutions (NBFI) portfolio and on attractive new business with clients with good credit ratings. These are, on the whole, insurance companies, asset managers and regulated funds, with a regional focus on clients in Germany and Western Europe.

Table 49

	31.12.2013			31.12.2012		
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	16	18	11	24	22
Western Europe	15	35	23	18	41	23
Central and Eastern Europe	2	3	15	1	4	27
North America	8	17	23	8	22	29
Other	2	3	13	2	4	23
Total	**36**	**74**	**20**	**40**	**96**	**24**

Originator positions

In addition to the secondary market positions discussed above, Commerzbank and Eurohypo have in recent years securitised receivables from loans to the Bank's customers with a current volume of €7.5bn, primarily for capital management purposes. Of these, risk exposures with a value of €5.2bn were retained as at 31 December, 2013. By far the largest portion of these positions is accounted for by €5.0bn of senior tranches, which are nearly all rated good or very good.

Table 50

		Commerzbank volume[1]				
Securitisation pool €bn	**Maturity**	**Senior**	**Mezzanine**	**First loss piece**	**Total volume[1] 31.12.2013**	**Total volume[1] 31.12.2012**
Corporates[2]	2020–2036	4.5	0.1	< 0.1	5.0	5.1
Banks	2015–2021	0.3	< 0.1	< 0.1	0.4	0.0
RMBS	2048	0.1	< 0.1	< 0.1	0.1	0.1
CMBS	2014–2084	0.1	< 0.1	< 0.1	2.0	2.3
Total		**5.0**	**0.1**	**0.1**	**7.5**	**7.5**

[1] Tranches/retentions (nominal): Investment and trading book.
[2] Including MezzCAP transaction.

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 either through the issue of asset-backed commercial papers (ABCPs) or through the drawing of credit lines (liquidity lines). As a result of new business, the volume in the Silver Tower conduit rose by €0.5bn, from €3.1bn at 31 December 2012 to €3.6bn by the end of 2013. The risk values also increased by €0.5bn, from €3.1bn at 31 December 2012 to €3.6bn.

The other asset-backed exposures comprise mainly government-guaranteed ABSs issued by Hypothekenbank Frankfurt in the Public Finance area and Commerz Europe (Ireland). Their volume fell from €5.5bn to €4.7bn and the risk values from €5.4bn to €4.5bn.

Market risk

Market risk is the risk of 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, e.g. in the case of trading book positions. However, for banking book positions they would be reflected in the revaluation reserve or in hidden liabilities/reserves.

Strategy and organisation

Commerzbank's market risk strategy is derived from its overall risk strategy and the business strategies of the individual segments. It sets targets for market risk management in relation to Commerzbank's main business activities. Its core tasks are the identification of all key market risks and drivers of market risk for the Group and the independent measurement and evaluation of these. These results and estimates serve as the basis for Commerzbank Group's risk/return-oriented management.

The Board of Managing Directors of Commerzbank is responsible for ensuring the effective management of market risk throughout the Group. Specific levels of authority and responsibility in relation to market risk management have been assigned to the appropriate market risk committees.

Within the Bank, various market risk committees have been established. Segment representatives discuss current risk positioning issues and management measures with the risk function and the finance function and decide on appropriate action. Chaired by the risk function, the Group Market Risk Committee, which meets monthly, deals with the Group's market risk position. Discussions centre on the monthly market risk report which is also presented to the Board of Managing Directors for their consideration. The report summarises the latest developments on financial markets, the Bank's positioning and subsequent risk ratios. The Segment Market Risk Committee, which focuses on the trading-intensive Corporates & Markets and Treasury segments, meets once a week. This committee also manages market risks arising from non-core activities and assets.

The risk management process involves the identification, measurement, management, and monitoring of risks and reporting on them. It is the responsibility in functional terms of market risk management, which is independent of trading activities. Central market risk management is complemented by decentralised market risk management units at segment level and for regional units and subsidiaries. The close integration of central and local risk management with the business units means that the risk management process starts in the trading areas themselves. The trading units are responsible in particular for the active management of market risk positions, e.g. reduction measures or hedging.

Risk management

Commerzbank uses a wide range of quantitative and qualitative tools to manage and monitor market risk. Quantitative limits for sensitivities, value at risk, stress tests, scenario analyses and data on economic capital limit the market risk. Our comprehensive rulebook, in the form of market risk policies and guidelines as well as restrictions on portfolio structure, new products, maturities or minimum ratings establish the qualitative framework for market risk management. The market risk strategy lays down the weighting of figures in each segment by reference to their relevance. Thereby allowance is made for the varying impact of the parameters for the management of the segments in line with the business strategy.

Market risk is managed internally at Group level, segment level and in the segment's reporting units. A comprehensive internal limit system broken down to portfolio level is implemented and forms a core part of internal market risk management.

The quantitative and qualitative factors limiting market price risk are determined by the market risk committees by reference to the Group's management of economic capital. The utilisation of these limits, together with the relevant net income figures, is reported daily to the Board of Managing Directors and the responsible heads of the business segments. Based on qualitative analyses and quantitative ratios, the market risk function identifies potential future risks, anticipates, in collaboration with the finance function, potential financial losses, and draws up proposals for further action, which are discussed with the market units. Voting on the proposed measures or risk positions takes place in the market risk committees and is subsequently submitted to the Board of Managing Directors for approval.

Risk concentrations are restricted directly with specific limits or are indirectly avoided, for example, using stress test limits. In addition, the combination of various conventional risk measures (for example, VaR, sensitivities) ensures the appropriate management of concentration risks. Furthermore, risk drivers are analysed on a regular basis in order to identify concentrations. The risk management of existing concentrations is also reviewed using situation-driven analyses and, where necessary, supplemented by targeted measures, such as limits.

A standardised value at risk model incorporating all positions is used for the internal management of market risk. The VaR quantifies the potential loss from financial instruments as a result of changed market conditions 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 1 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 uniform view of market risk at all times. A 10-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 market risk management standards. For certain evaluations, such as backtesting and disclosure, the VaR is also calculated on the basis of a 1-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 1 day.

In the internal management, all positions relevant to market risk are covered and trading and banking book positions are jointly managed. For regulatory purposes an additional stand-alone management of the trading book is carried out (that is in accordance with regulatory requirements, including currency and commodity risks in the banking book). VaR fell year-on-year, both for the overall portfolio and for the trading book. The main reason for this is that the VaR calculation is no longer affected by crisis days from 2012, as these occurred over a year ago and therefore fall outside the model time series. The changed positions of Corporates & Markets and Treasury delivered additional improvement.

Table 51

VaR contribution[1] | €m	**31.12.2013**	**31.12.2012**
Trading book	16	28
Overall book	**80**	**138**

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

Trading book

VaR in the trading book was €16m as at the reporting date compared with €28m at the year-end 2012. The main reason for the fall is that – as mentioned with reference to the overall book – the VaR calculation is no longer affected by crisis days from 2012. The smaller positions in Corporates & Markets and Treasury also reduced the risk in the trading book.

Table 52

VaR of portfolios in the trading book[1] €m	**2013**	**2012**
Minimum	13	21
Mean	21	39
Maximum	34	70
Year-end figure	**16**	**28**

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

The market risk profile is diversified across all asset classes, with credit spread risk being the dominant asset class, followed by interest risk and currency risk. 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 VaR trend in 2013 shows a marked decline in interest rate risks. This, too, is attributable to the lapse of crisis days from the model time series, as well as to a changed risk position. Commerzbank has also improved the allocation to the interest and credit spreads risk classes in the loan portfolio as part of adjustments to the model. Compared with the preceding year, the other risk types have remained stable.

Table 53

VaR contribution by risk type in the trading book[1] | €m	**31.12.2013**	**31.12.2012**
Credit spreads	7	7
Interest rates	3	15
Equities	2	2
FX	3	3
Commodities	1	1
Total	**16**	**28**

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

Further risk ratios are being calculated for regulatory capital adequacy as part of Basel 2.5 reporting. This includes in particular the calculation of stressed VaR. On the basis of the VaR method described above, stressed VaR measures the present position in the trading book by reference to market movements from a specified crisis period in the past. Stressed VaR on the reporting date was €25m, representing a decrease of €10m compared with year-end 2012. The crisis observation period used for this is checked regularly through model validation and approval processes and adjusted where necessary.

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 are used in the P&L-calculation as were used for calculating the VaR, so that the profits and losses result only from the price changes that occurred on the market. 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 resulting loss exceeds the VaR, it is described as a negative backtesting outlier.

Analysing the results of backtesting provides important guidance for checking parameters and for improving the market risk 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 on group level (from both clean P&L and dirty P&L) must be reported to the supervisory authorities, citing their extent and cause. In 2013, we saw no negative outliers in clean P&L-backtesting and found only one in the dirty P&L process. As such, the results are in line with statistical expectations and confirm the quality of the VaR model.

As the VaR concept predicts potential losses based on the assumption of normal market conditions, it is supplemented by so-called 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, exchange rates, share prices and commodities prices. 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 2013, model adjustments were implemented that further improved the accuracy of risk measurement. In particular, the depiction of interest rate risks when recording tenor-specific basic risk and collateral-specific discounting (OIS) was refined.

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 the subsidiaries Hypothekenbank Frankfurt and Erste Europäische Pfandbrief und Kommunalkredit-bank (EEPK). 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.

The diagram below documents the development of credit spread sensitivities for all securities and derivative positions (excluding loans) in the Commerzbank Group's banking book. Credit spread sensitivities fell slightly in 2013 to €52m at the end of the year. A good 70% of credit spread sensitivities relate to securities positions classified as loans and receivables (LaR). Changes in credit spreads have no impact on the revaluation reserve or the income statement for these portfolios.

Figure 10

Credit spread sensitivities
Downshift 1 bp | €m

The impact of an interest rate shock on the economic value of the Group's banking books is simulated monthly in compliance with regulatory requirements. In accordance with the Banking Directive, the Federal Financial Supervisory Authority has prescribed two uniform, sudden and unexpected changes in interest rates (+/– 200 basis points) to be used by all banks, which have to report on the results of this stress test every quarter.

On this basis, the interest rate shift of + 200 basis points would give a potential loss of €1,488m, and the shift of – 200 basis points a potential gain of €514m as at 31 December 2013. These figures include the exposures of Commerzbank Aktiengesellschaft and significant subsidiaries. The numbers represent a clear undershooting of the allowed maximum value for a potential reduction in equity capital.

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 technical liabilities. Due to the extremely long duration of the liabilities (cash outflows modelled over almost 90 years), 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 dynamics in pensions. Equity, volatility and currency risk also need to be taken into consideration. Diversification effects between individual risks reduce 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

Market liquidity risk 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 start calculating market liquidity risk by initially creating a liquidation profile for each and every portfolio, so that the portfolios can be classified in terms of their convertibility into cash using a market liquidity factor. The market risk based on a one-year view is weighted with the market liquidity factor to calculate the market liquidity risk.

At the end of 2013 Commerzbank earmarked €0.2bn in economic capital to cover market liquidity risk in the trading and banking book. Asset-backed securities in particular have a 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 and at standard market conditions, as and when they are due.

Strategy and organisation

The global framework for liquidity risk management is the liquidity risk strategy derived from the Bank's business and risk strategy and approved by the Board of Managing Directors. It contains guidelines for liquidity risk management and risk tolerance. It also takes the increasing regulatory requirements for liquidity risk management into account. As the ability to meet payment obligations at all times is an existential requirement, liquidity risk management focuses on a combination of liquidity provisioning and risk limitation. The guidelines of the liquidity risk strategy are supplemented by regulations such as the Liquidity Risk Policy, the Model Validation Policy, the Model Change Policy and the Limit Policy. These four documents have been incorporated into the Bank's recovery plan.

Group Treasury is responsible for the Group's liquidity management. 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 of Commerzbank Group" in the Group Management Report. Liquidity risks occurring over the course of the year are monitored by the independent risk function using an internal liquidity risk model.

Key decisions on liquidity risk management and monitoring are taken by the central Asset Liability Committee, subject to confirmation by the Board of Managing Directors. This includes, for example, the determination of liquidity risk limits and the definition of the liquidity reserve. There are further sub-committees at the operational level, which consider liquidity risk issues at the local level as well as methodological issues of lesser significance for the Group.

As part of contingency planning, the central Asset Liability Committee can decide upon different measures to secure liquidity. This contingency plan is based on an integrated process which consists of the liquidity risk contingency plan and the supplementary liquidity contingency measures of the Treasury. This concept enables a clear allocation of responsibility for the processes to be followed in emergency situations as well as the adequate definition of any action that may need to be taken.

Risk management

The limit concept in place ensures that the Bank can identify an emerging liquidity bottleneck at the earliest possible stage and take appropriate steps to correct it in time. Under the limit concept, liquidity risk limits for the Commerzbank Group are specified using the risk tolerance, which is defined in the liquidity risk strategy. These limits are then broken down into the individual Group entities, both for individual currencies and through all currencies. In addition to liquidity limits for the time horizon of up to one year, the Bank has defined a target corridor for structural long-term liquidity risk.

In 2013, while the recovery plan was being drafted, liquidity risk management was expanded by the addition of so-called early warning indicators. This enables the Bank in due time to set in motion a range of suitable measures to secure its long-term financial solidity.

Quantification and stress testing

Our Bank's own liquidity risk model calculates the available net liquidity (ANL) for the next 12 months based on various scenarios at a specified reference date. Commerzbank's available net liquidity is calculated for various stress scenarios using the following three components: deterministic, i.e. contractually agreed cash flows, statistically expected economic cash flows for the relevant scenario, and the realisable assets in the relevant scenario.

Liquidity risk management is handled centrally, taking into account the existing liquidity risk limit structure and liquidity risk tolerance. The stress scenario underlying the model which is relevant for management purposes allows for the impact of both a bank-specific stress event and a broader market crisis.

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, risk concentrations in funding can be recognised in a timely manner.

Additional components of liquidity risk management are a survival period calculation in terms of MaRisk and the supplementary analysis of additional inverse stress scenarios.

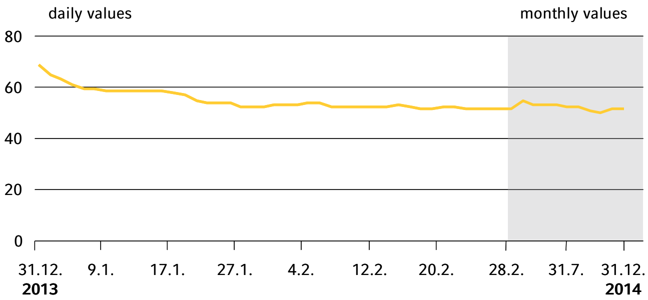
The stress scenarios relevant for management in the ANL model are run daily and reported to management. The underlying assumptions and the limits set are checked regularly and adjusted to reflect changed market conditions as necessary. The described stress scenarios also serve as the basis for the detailed emergency planning described above.

In the stress scenario calculated at the end of December 2013, a comfortable liquidity surplus existed throughout the period under consideration.

Figure 11

Available net liquidity in the combined stress scenario of the internal liquidity risk model

€bn



In 2013, Commerzbank's internal liquidity risk ratios were once again always significantly higher than the limit set by the Board of Managing Directors. The same was true of compliance with the external regulatory German Liquidity Regulation and the survival period calculation set down by MaRisk.

In this respect we continue to benefit from our core business activities in retail and corporate banking. Our funding base is widely diversified in terms of products, regions and investors in the money and capital markets. In order to hedge in particular against sudden unexpected payment obligations, the Treasury maintains a portfolio of disposable liquid securities which are held by the central bank. This liquidity reserve was up significantly on the previous year, increasing by €21.3bn from the prior-year figure of €83.4bn, and was €104.7bn at year-end. It is analysed regularly to establish the quality of the assets contained in it and the appropriateness of its diversification.

The internal ANL model with a time horizon of up to one year is supplemented by the stable funding concept with a considered horizon of more than one year. This means that the structural liquidity requirement for the Bank's core lending business is compared with the liabilities available long-term to the Bank, including core customer deposit bases. The stable funding concept forms the basis for the internal offsetting of liquidity costs and is used when planning issues on the capital markets.

Commerzbank is implementing a project to improve its liquidity management processes and infrastructure. The core elements of the project are a revision of the way that liquidity risk is measured, an improvement in the offsetting of liquidity costs taking into account requirements under MaRisk, and the integration of the liquidity coverage ratio (LCR) into liquidity management. In this way, Commerzbank intends to further optimise its liquidity management taking into account the latest regulatory requirements.

Operational risk

Operational risk (OpRisk) at Commerzbank is based on the German Solvency Regulation and is defined as the risk of loss resulting from the inadequacy or failure of internal processes, systems and people or from external events. This definition includes legal risks; it does not cover reputational or strategic risks.

Strategy and organisation

Within Commerzbank, OpRisk and governance issues of the Internal Control System (ICS) are closely connected in terms of both organisational structure and methodology. This is because many OpRisk cases are closely linked with failures in the control mechanisms. It follows that a properly functioning ICS helps to reduce or avoid losses from operational risks. Conversely, the operational risk management systems enable the ICS to adapt itself consistently to them. The reinforcement of the ICS structure is an essential aspect of the pro-active reduction/prevention of operational risks.

Chaired by the CRO, the Group OpRisk Committee meets four times a year and deals with the management of operational risks within Commerzbank Group. It also acts as the escalation and decision-making committee for key OpRisk topics that span all areas. The Segment OpRisk Committees deal with the management of operational risk in the relevant units. They conduct structured analyses of all OpRisk issues that affect them, such as loss events, and define subsequent measures or recommend action.

Commerzbank's OpRisk strategy is approved on an annual basis by the Board of Managing Directors after it has been discussed and voted upon in the Group OpRisk Committee. It describes Commerzbank's risk profile, key elements of the desired risk culture (including risk limit), its management framework and measures to be taken by the Bank in respect of operational risk.

Implementation of the OpRisk strategy is intended to prevent major OpRisk losses before they materialise using proactive measures and therefore to protect the Bank against serious negative effects. It also enables potential problem areas in the process organisation to be identified, thus providing a basis for optimisation.

As such, OpRisk management is based on three consecutive levels (three lines of defence) which, when taken together, are crucial for reaching the given strategic aims.

The segments and the management/service units form the first line of defence. They have direct responsibility for identifying and managing operational risk in their areas of responsibility and provide effective and prompt risk management.

The OpRisk & ICS area as the second line of defence provides uniform and binding methods and systems to the Bank's units to help to identify, evaluate and monitor operational risk. These are used throughout the Group, supplemented by tools and regulations of other monitoring functions and used to mitigate operational risk.

Internal and external control bodies, such as the internal auditors, are the third line of defence. They are entrusted with the independent auditing of OpRisk and ICS methodologies and their implementation at Commerzbank.

Risk management

Commerzbank takes a pro-active approach to managing operational risk, based on a Group-wide uniform framework and aiming to systematically identify OpRisk profiles and risk concentrations and to define, prioritise and implement risk mitigation measures. Operational risks are managed pre-emptively by the segments and cross-sectional units on the basis of an overarching risk strategy for them.

The systematic approach adopted in doing so differs from that adopted in dealing with credit or market risks. OpRisk management is neither client- nor position- nor portfolio-based but holistic and applicable to all business processes.

It includes an annual evaluation of the Bank's ICS and of the risk scenario assessments and OpRisk loss events are subjected to ongoing analysis and to backtesting in the ICS if necessary. Where loss events involve ≥ €1m, lessons learned activities are carried out. External OpRisk events at competitors are also systematically evaluated.

OpRisk ratios at Group level are managed through economically required capital (ErC) and regulatory capital (risk-weighted assets, RWA). The risk-weighted assets for operational risks using the advanced measurement approach (AMA) amounted to €22.9bn as at the end of 2013 (31 December 2012: €22.6bn).

A structured, centralised and decentralised reporting system ensures that the management of the Bank and its segments, members of the OpRisk Committees and the supervisory bodies are informed regularly, promptly and fully about operational risk. OpRisk reports are prepared on a monthly and quarterly basis and form part of the risk reporting process to the Board of Managing Directors and to the Risk Committee of the Supervisory Board. They contain the latest risk assessments of the segments, their main loss events, current risk analyses, changes in the capital requirement and the status of measures implemented.

Other risks

To meet the requirements of pillar 2 of the Basel framework, MaRisk insists on an integrated approach to risk that also includes unquantifiable risk categories. In Commerzbank these are subjected to a qualitative management and control process. The following risks are outside the responsibility of the CRO.

Human resources risk

Human resources risk falls within the definition of operational risk in section 269 (1) SolvV. The internal management interpretation of this definition at Commerzbank includes the following elements in human resources risk:

Adjustment risk: We offer selected internal and external training, continuing education and change programmes to ensure that the level of employee qualifications keeps pace with the current state of developments, structural changes are supported accordingly and our employees can fulfil their duties and responsibilities.

Motivation risk: Employee surveys enable us to respond as quickly as possible to potential changes in our employees' level of corporate loyalty and to initiate adequate measures.

Departure risk: We take great care to ensure that the absence or departure of employees does not result in long-term disruptions to our operations. We also regularly monitor both quantitative and qualitative measures of staff turnover.

Supply risk: Our quantitative and qualitative staffing aims to ensure that the internal operating requirements, business activities, and Commerzbank's strategy can be implemented.

Employees are a key resource for Commerzbank. Our success is based on the specialist knowledge, skills, abilities and motivation of our employees. Human resources risk is systematically managed by Group Human Resources with the aim of identifying risks as early as possible and assessing and managing them by applying selected personnel tools, for instance. In addition, the piloting of a scheme for systematic and strategic personnel planning is helping to put the management of medium- and long-term human resources risks on a more professional footing. A decision is due to be taken in 2014 on the Bank-wide introduction of regular strategic human resources planning. The Board of Managing Directors is regularly informed about human resources risks.

Business strategy risk

Business strategy risk is the medium to long-term risk of negative influences on the achievement of Commerzbank's strategic goals, for example, as a result of changes in market conditions, or the inadequate implementation of the Group strategy.

Group strategy is developed further in a process that takes into account both external and internal factors. On the basis of these factors, the Board of Managing Directors sets out a sustainable business strategy describing the major business activities and steps required to meet the targets. To ensure proper implementation of the Group strategy to achieve the business targets, strategic controls are carried out through regular monitoring of quantitative and qualitative targets in the Group and segments.

Responsibility for strategic corporate management lies with the Board of Managing Directors. Specific business policy decisions (acquisition and sale of equity holdings representing >1% of equity capital) also require the authorisation of the Risk Committee of the Supervisory Board. All major investments are subject to careful review by the Board of Managing Directors.

Reputational risk

Reputational risk is the risk that stakeholder groups may lose confidence in Commerzbank or that its reputation may be damaged as a result of negative events in its business activities. Stakeholder groups include the public and the media, employees and customers, rating agencies, shareholders and business partners. Therefore reputational risk goes hand in hand with communication risk.

The operational divisions, branches and subsidiaries bear direct responsibility, within the scope of their business operations, for reputational risk arising from their particular activity. Reputational risk may also stem from other types of risk and even amplify such risks. A special department in Group Communications is responsible for the management of reputational risk in an overall Bank context. Its tasks include the timely monitoring, recognition and response to internal and external reputational risks (early warning function).

For this reason, relevant measures and activities relating to business policy are subjected to careful scrutiny. In particular, Commerzbank avoids business policy measures and transactions which entail significant tax or legal risks, and also ethical, ecological and social risks. Any products, transactions or customer relationships that might do so are closely examined with regard to any potential reputational risk associated with them and then put to the vote. Depending on the outcome of the vote, they may be assessed unfavourably or have conditions imposed on them, or even be rejected outright.

Compliance risk

The confidence of our customers, shareholders and business partners in Commerzbank's proper and legitimate actions underpins our business activities. Compliance means conforming with the provisions of the law and with regulatory requirements as well as maintaining other, largely ethical, standards and commitments. Losses that might potentially result from failure to comply with these requirements are termed compliance risks.

Compliance risks may be either quantifiable or non-quantifiable risks.

Where non-compliance can result in financial losses arising from litigation or financial penalties, the risks are quantifiable. They are included under the heading of operational risks. Where confidence in the company's integrity might be impaired, we speak of reputational risks, which are non-quantifiable.

In our cross-divisional and Group-wide approach to risk management, we aim to detect at an early stage any risks that could undermine the integrity and therefore the success of Commerzbank, and to manage these risks appropriately.

Legal risk

Commerzbank Aktiengesellschaft and its subsidiaries are involved in a variety of court cases, claims and official investigations (legal proceedings) in connection with a broad range of issues. They include, for example, allegations of wrong or defective advice, supposed ineffective provision and/or realisation of collateral, disputes concerning the payment of variable elements of remuneration and possible entitlements to occupational pensions, allegedly false accounting and incorrect financial statements, tax claims and cases brought by shareholders and other investors. In most of these court cases, claimants are asking for the payment of compensation or the reversal of agreements already entered into. If the courts were to find in favour of certain or several of the claimants in these cases, Commerzbank could be liable to pay substantial compensation or could incur the expense of reversing agreements or of other cost-intensive measures. Some of these cases could also have an impact on the reputation of Commerzbank and/or of its subsidiaries. The Group builds up reserves for such proceedings if and insofar as liabilities are likely to result from them and the amounts to which it is likely to be liable can be sufficiently accurately determined. As such proceedings entail considerable uncertainties, the possibility remains that some of the reserves created for them prove to be inadequate once the courts' final rulings are known. As a result, substantial additional expense may be incurred. This is true also in the case of proceedings for which the Group did not consider it necessary to create reserves. Although the eventual outcome of some legal proceedings might have an impact on Commerzbank's results and cashflow in a specified reporting period, we do not believe that the liabilities that might result from them will have any long-term impact on Commerzbank's earnings performance, assets and financial position. Further information on legal proceedings can be found in Note (68) to the consolidated financial statements.

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 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 particularly 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. They cannot offer a final estimate of the maximum loss should an extreme event occur.

Group Financial Statements

› Our Group accounts are drawn up in accordance with International Financial Reporting Standards (IFRS) and their interpretation by the International Financial Reporting Interpretations Committee. We have taken account of all the standards and interpretations that are binding in the European Union for the financial year 2013.

Financial Statements of the Commerzbank Group as at 31 December 2013

Contents

Statement of comprehensive income

Income statement

€m	Notes	1.1.–31.12.2013	1.1.-31.12.2012[1]	Change in %
Interest income	(31)	13,969	16,380	–14.7
Interest expenses	(31)	7,821	9,893	–20.9
Net interest income	(31)	6,148	6,487	–5.2
Loan loss provisions	(32)	–1,747	–1,660	5.2
Net interest income after loan loss provisions		4,401	4,827	–8.8
Commission income	(33)	3,787	3,769	0.5
Commission expense	(33)	572	520	10.0
Net commission income	(33)	3,215	3,249	–1.0
Net trading income	(34)	–96	81	.
Net income from hedge accounting	(35)	14	–8	.
Net trading income and net income from hedge accounting	(34, 35)	–82	73	.
Net investment income	(36)	17	81	–79.0
Current net income from companies accounted for using the equity method	(37)	60	46	30.4
Other net income	(38)	–89	–77	15.6
Operating expenses	(39)	6,797	7,029	–3.3
Impairments of goodwill		–	–	.
Restructuring expenses	(40)	493	43	.
Net gain or loss from sale of disposal groups		–	–268	–100.0
Pre-tax profit or loss		**232**	**859**	**–73.0**
Taxes on income	(41)	65	803	–91.9
Consolidated profit or loss		**167**	**56**	**.**
Consolidated profit or loss attributable to non-controlling interests		89	103	–13.6
Consolidated profit or loss attributable to Commerzbank shareholders		78	–47	.

[1] Prior-year figures restated due to the first-time application of the amended IAS 19, the hedge accounting restatement and other disclosure changes (see page 148 ff.).

Earnings per share | €		1.1.–31.12.2013	1.1.-31.12.2012[1]	Change in %
Earnings per share	(43)	0.09	–0.48	.

[1] Prior-year figures restated due to the first-time application of the amended IAS 19, the hedge accounting restatement and other disclosure changes (see page 148 ff.) and the 10-to-1 reverse stock split of Commerzbank shares (see page 141).

The Earnings per share, calculated in accordance with IAS 33, are based on the consolidated profit or loss attributable to Commerzbank shareholders. As in the previous year, no conversion or option rights were outstanding during the financial year. The figure for diluted earnings per share was therefore identical to the undiluted figure.

Condensed statement of comprehensive income

€m	Notes	1.1.–31.12.2013	1.1.-31.12.2012[1]	Change in %
Consolidated profit or loss		167	56	.
Change from remeasurement of defined benefit plans not recognised in income statement		–36	–389	–90.7
Change in companies accounted for using the equity method		–1	–	.
Items not recyclable through profit or loss		–37	–389	–90.5
Change in revaluation reserve	(73)			
Reclassified to income statement		–80	–232	–65.5
Change in value not recognised in income statement		576	1,096	–47.4
Change in cash flow hedge reserve	(73)			
Reclassified to income statement		198	184	7.6
Change in value not recognised in income statement		61	10	.
Change in currency translation reserve	(73)			
Reclassified to income statement		–2	–175	–98.9
Change in value not recognised in income statement		–161	545	.
Change in companies accounted for using the equity method		–3	5	.
Items recyclable through profit or loss		589	1,433	–58.9
Other comprehensive income		552	1,044	–47.1
Total comprehensive income		**719**	**1,100**	**–34.6**
Comprehensive income attributable to non-controlling interests		68	212	–67.9
Comprehensive income attributable to Commerzbank shareholders		651	888	–26.7

[1] Prior-year figures restated due to the first-time application of the amended IAS 19, the hedge accounting restatement and other disclosure changes (see page 148 ff.).

The breakdown of other comprehensive income for the 2013 financial year was as follows:

Other comprehensive income | €m	**1.1.–31.12.2013**		
	Before taxes	**Taxes**	**After taxes**
Change from remeasurement of defined benefit plans	– 40	3	– 37
Change in revaluation reserve	689	– 193	496
Change in cash flow hedge reserve	350	– 91	259
Change in currency translation reserve	– 162	– 1	– 163
Change in companies accounted for using the equity method[1]	– 3	–	– 3
Other comprehensive income	**834**	**– 282**	**552**

[1] Without change in actuarial gains or losses.

In the previous year, other comprehensive income developed as follows:

Other comprehensive income | €m	**1.1.-31.12.2012[1]**		
	Before taxes	**Taxes**	**After taxes**
Change from remeasurement of defined benefit plans	– 530	141	– 389
Change in revaluation reserve	1,173	– 309	864
Change in cash flow hedge reserve	277	– 83	194
Change in currency translation reserve	370	–	370
Change in companies accounted for using the equity method	5	–	5
Other comprehensive income	**1,295**	**– 251**	**1,044**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 and other disclosure changes (see page 148 ff.).

Balance sheet

Assets | €m	Notes	31.12.2013	31.12.2012[1]	Change in %	1.1.2012[2]
Cash reserve	(7, 46)	12,397	15,755	–21.3	6,075
Claims on banks	(8, 9, 10, 47, 49, 50)	87,545	88,028	–0.5	87,790
of which pledged as collateral	(78)	29	45	–35.6	77
Claims on customers	(8, 9, 10, 48, 49, 50)	245,963	278,546	–11.7	296,586
of which pledged as collateral	(78)	–	–	.	–
Value adjustment portfolio fair value hedges	(11, 51)	74	202	–63.4	147
Positive fair values of derivative hedging instruments	(12, 52)	3,641	6,057	–39.9	5,132
Trading assets	(13, 53)	103,616	144,144	–28.1	155,700
of which pledged as collateral	(78)	3,601	12,680	–71.6	16,025
Financial investments	(14, 54)	82,051	89,142	–8.0	94,523
of which pledged as collateral	(78)	1,921	2,495	–23.0	3,062
Holdings in companies accounted for using the equity method	(4, 55)	719	744	–3.4	694
Intangible assets	(15, 56)	3,207	3,051	5.1	3,038
Fixed assets	(16, 57)	1,768	1,372	28.9	1,399
Investment properties	(18, 59)	638	637	0.2	808
Non-current assets and disposal groups held for sale	(19, 60)	1,166	757	54.0	1,759
Current tax assets	(26, 58)	844	790	6.8	716
Deferred tax assets	(26, 58)	3,096	3,227	–4.1	4,238
Other assets	(17, 61)	2,936	3,571	–17.8	3,242
Total		**549,661**	**636,023**	**–13.6**	**661,847**

[1] Figures restated due to the first-time application of the amended IAS 19 and hedge accounting restatement (see page 148 f.).
[2] 1 January 2012 is equivalent to 31 December 2011 after restatement due to the first-time application of the amended IAS 19, the hedge accounting restatement and changes in the reporting of equity (see page 148 ff.).

Liabilities and equity | €m	Notes	31.12.2013	31.12.2012[1]	Change in %	1.1.2012[2]
Liabilities to banks	(10, 20, 62)	77,694	110,242	–29.5	98,481
Liabilities to customers	(10, 20, 63)	276,486	265,905	4.0	255,402
Securitised liabilities	(20, 64)	64,670	79,357	–18.5	105,687
Value adjustment portfolio fair value hedges	(11, 65)	714	1,467	–51.3	938
Negative fair values of derivative hedging instruments	(21, 66)	7,655	11,739	–34.8	11,427
Trading liabilities	(22, 67)	71,010	116,111	–38.8	137,847
Provisions	(23, 24, 68)	3,877	4,099	–5.4	4,107
Current tax liabilities	(26, 69)	245	324	–24.4	680
Deferred tax liabilities	(26, 69)	83	91	–8.8	189
Liabilities from disposal groups held for sale	(19, 70)	24	2	.	592
Other liabilities	(71)	6,553	6,523	0.5	6,568
Subordinated debt instruments	(27, 72)	13,714	13,913	–1.4	15,460
Equity	(30, 73, 74, 75)	26,936	26,250	2.6	24,469
Subscribed capital	(73)	1,139	5,828	–80.5	5,113
Capital reserve	(73)	15,928	8,730	82.5	8,232
Retained earnings	(73)	10,658	10,783	–1.2	11,414
Silent participations	(73)	–	2,376	–100.0	2,687
Other reserves	(5, 6, 14, 73)	–1,745	–2,353	–25.8	–3,676
Total before non-controlling interests		25,980	25,364	2.4	23,770
Non-controlling interests	(73)	956	886	7.9	699
Total		**549,661**	**636,023**	**–13.6**	**661,847**

[1] After combination of the balance sheet items subordinated capital and hybrid capital into the balance sheet item subordinated debt instruments and after restatement due to the first-time application of the amended IAS 19 and hedge accounting restatement (see page 148 ff.).
[2] 1 January 2012 is equivalent to 31 December 2011 after restatement due to the first-time application of the amended IAS 19, the hedge accounting restatement, changes in the reporting of equity and the combination of the balance sheet items subordinated capital and hybrid capital into the balance sheet item subordinated debt instruments (see page 148 ff.).

Statement of changes in equity

€m	Subscribed capital	Capital reserve	Retained earnings	Silent participations	Other reserves			Total before non-controlling interests	Non-controlling interests	Equity
					Revaluation reserve	Cash flow hedge reserve	Currency translation reserve			
Equity as at 31.12.2011	**5,113**	**11,158**	**8,822**	**2,687**	**−2,511**	**−810**	**−355**	**24,104**	**699**	**24,803**
Change due to retrospective adjustments		−2,926	2,592					−334		−334
Equity as at 1.1.2012	**5,113**	**8,232**	**11,414**	**2,687**	**−2,511**	**−810**	**−355**	**23,770**	**699**	**24,469**
Total comprehensive income	–	–	−435	–	813	194	142	714	206	920
Consolidated profit or loss			−47					−47	103	56
Change from remeasurement of defined benefit plans			−388					−388	−1	−389
Change in revaluation reserve					813			813	51	864
Change in cash flow hedge reserve						194		194		194
Change in currency translation reserve							137	137	53	190
Change in companies accounted for using the equity method							5	5		5
Dividend paid on silent participations			−221					−221		−221
Dividend paid on shares								–	−16	−16
Capital increases	717	498						1,215	−2	1,213
Withdrawal from retained earnings								–		–
Decrease in silent participations				−311				−311		−311
Changes in ownership interests			−5					−5	−2	−7
Other changes[1]	−2		30		−1		175	202	1	203
Equity as at 31.12.2012	**5,828**	**8,730**	**10,783**	**2,376**	**−1,699**	**−616**	**−38**	**25,364**	**886**	**26,250**

[1] Including change in treasury shares, change in derivatives on own equity instruments and changes in the group of consolidated companies.

The changes due to retrospective restatements related to the first-time application of the amended IAS 19, changes in the reporting of equity and the hedge accounting restatement (see page 148 ff.).

In 2012 the restatements within retained earnings impacted on the consolidated loss and the change from remeasurement of defined benefit plans.

€m	Subscribed capital	Capital reserve	Retained earnings	Silent participations	Other reserves: Revaluation reserve	Other reserves: Cash flow hedge reserve	Other reserves: Currency translation reserve	Total before non-controlling interests	Non-controlling interests	Equity
Equity as at 31.12.2012	**5,828**	**8,730**	**10,783**	**2,376**	**–1,699**	**–616**	**–38**	**25,364**	**886**	**26,250**
Total comprehensive income	–	–	41	–	504	259	–153	651	68	719
Consolidated profit or loss			78					78	89	167
Change from remeasurement of defined benefit plans			–36					–36		–36
Change in revaluation reserve					504			504	–8	496
Change in cash flow hedge reserve						259		259		259
Change in currency translation reserve							–150	–150	–13	–163
Change in companies accounted for using the equity method			–1				–3	–4		–4
Dividend paid on silent participations								–		–
Dividend paid on shares								–	–43	–43
Reverse stock split	–5,247	5,247						–		–
Capital increases	556	1,951						2,507		2,507
Withdrawal from retained earnings			–88					–88		–88
Decrease in silent participations				–2,376				–2,376		–2,376
Changes in ownership interests			–2					–2	1	–1
Other changes[1]	2		–76				–2	–76	44	–32
Equity as at 31.12.2013	**1,139**	**15,928**	**10,658**	**–**	**–1,195**	**–357**	**–193**	**25,980**	**956**	**26,936**

[1] Including change in treasury shares, change in derivatives on own equity instruments and changes in the group of consolidated companies.

The restatement of retained earnings on 1 January 2012 was due in part to the retrospective application of the amended IAS 19. In addition, retained earnings and the capital reserve were affected by the changes in the accounting treatment of certain items within equity (see page 149 f.).

The capital increase for cash and non-cash capital contributions announced on 13 March 2013 and approved by the Commerzbank AGM on 19 April 2013 was implemented as follows:

- The 10-to-1 reverse stock split of Commerzbank shares was carried out on 22 April 2013, and the shares have been traded under a new securities identification number since 24 April 2013. After the reverse stock split, the number of Commerzbank shares in issue fell to 582,951,385 and the subscribed capital was reduced by €5,247m to €583m. Simultaneously, the capital reserve increased by €5,247m.
- In May 2013 a capital increase with pre-emptive rights was carried out, which gave shareholders the right to subscribe to 20 new shares for every 21 existing shares held, and 555,555,556 no-par-value shares were issued at a price of €4.50 per share. The total amount raised in the capital increase was €2.5bn, with subscribed capital rising by €556m and the capital reserve by €1,951m.
- The Financial Market Stabilisation Fund (SoFFin) exercised its pre-emptive rights in full and converted silent participations of €0.6bn into Commerzbank shares in proportion to its stake in Commerzbank of 25% plus 1 share, which led to a corresponding reduction in its silent participation. At the same time €0.6bn of shares previously held by SoFFin were placed with investors by a banking consortium at the beginning of the subscription period.
- SoFFin's remaining silent participation of around €1bn and Allianz SE's silent participation of €0.75bn were redeemed early and in full out of the issuance proceeds of the cash capital increase. As a result of the early redemption, compensation of €60.5m was paid to SoFFin and €27.9m to Allianz SE. This is reported as a withdrawal from retained earnings. The compensation payments comprise interest payments on the silent participations up to their normal redemption date.

SoFFin's stake in Commerzbank Aktiengesellschaft fell to around 17% as a result of these capital measures.

The costs incurred in the capital increase were €73m, which were recognised in retained earnings.

As a result, the subscribed capital of Commerzbank Aktiengesellschaft pursuant to the Bank's articles of association stood at €1,139m as at 31 December 2013 and was divided into 1,138,506,941 no-par-value shares with an accounting value per share of €1.00. No treasury shares were held as at 31 December 2013.

The Bank did not make use of the authorisation approved by the Annual General Meeting of 19 May 2010 to purchase its own shares for the purpose of securities trading, pursuant to Art. 71(1) no. 7 of the German Stock Corporation Act (Aktiengesetz). Gains and losses from trading in the Bank's own shares were recognised directly in equity.

There was no impact on the other reserves from assets and disposal groups held for sale.

The changes in ownership interests of €–2m in financial year 2013 resulted from the disposal of shares in subsidiaries that continue to be consolidated.

No dividend is being paid for 2013, since retained earnings including the distributable profit of Commerzbank Aktiengesellschaft in its parent company accounts did not exceed the non-distributable amounts as stipulated under Art. 268 (8) of the German Commercial Code (HGB).

Further details on equity are contained in Notes 73, 74 and 75.

Cash flow statement

€m	Notes	2013	2012[1]
Consolidated profit or loss		**167**	**56**
Non-cash positions in consolidated profit or loss and reconciliation with cash flow from operating activities:			
Write-downs, depreciation, adjustments, write-ups on fixed and other assets, changes in provisions and net changes due to hedge accounting		5,543	–3
Change in other non-cash positions		–5,859	–3,837
Gain or loss on disposal of assets	(36)	–35	–147
Net gain or loss on the sale of fixed assets	(38)	17	–8
Other adjustments	(31)	–6,518	–7,194
Sub-total		**–6,685**	**–11,133**
Change in assets and liabilities from operating activities after adjustment for non-cash positions:			
Claims on banks	(47)	472	–557
Claims on customers	(48)	33,573	18,258
Trading securities	(53)	–4,056	–4,300
Other assets from operating activities	(54-57, 59-61)	–1,028	–55
Liabilities to banks	(62)	–32,554	11,723
Liabilities to customers	(63)	10,466	10,597
Securitised liabilities	(64)	–14,770	–26,179
Net cash from contributions into plan assets	(68)	–9	–55
Other liabilities from operating activities	(65-71)	–328	–275
Interest received	(31)	11,767	13,817
Dividends received	(31)	129	221
Interest paid	(31)	–5,379	–6,844
Income tax paid	(41)	–41	271
Net cash from operating activities		**–8,442**	**5,489**
Proceeds from the sale of:			
Financial investments and investments in companies accounted for using the equity method	(36, 37, 54, 55)	7,215	5,503
Fixed assets	(38, 57)	54	71
Payments for the acquisition of:			
Financial investments and investments in companies accounted for using the equity method	(36, 37, 54, 55)	–102	–157
Fixed assets	(38, 57)	–1,528	–457
Effects from changes in the group of consolidated companies			
Cash flow from acquisitions less cash reserves acquired	(46)	–	–
Cash flow from disposals less cash reserves disposed of	(46)	1	–
Net cash from investing activities		**5,640**	**4,960**
Proceeds from capital increases	(73)	45	927
Dividends paid	(73)	–	–
Net cash from changes in ownership interests in consolidated companies		–	–7
Net cash from other financing activities (subordinated capital)	(72)	–200	–1,546
Net cash from financing activities		**–155**	**–626**
Cash and cash equivalents at the end of the previous period		**15,755**	**6,075**
Net cash from operating activities		–8,442	5,489
Net cash from investing activities		5,640	4,960
Net cash from financing activities		–155	–626
Effects from exchange rate changes		–312	–40
Effects from non-controlling interests		–89	–103
Cash and cash equivalents at the end of the period	**(46)**	**12,397**	**15,755**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19, the hedge accounting restatement and other disclosure changes (see page 148 ff.).

The breakdown of cash and cash equivalents was as follows:

€m	31.12.2013	31.12.2012	Change in %
Cash on hand	1,043	1,687	−38.2
Balances with central banks	10,772	13,678	−21.2
Debt issued by public-sector borrowers and bills of exchange rediscountable at central banks	582	390	49.2

Cash and cash equivalents as at 31 December 2013 did not include any amounts from companies consolidated for the first time (previous year: –). There were also no effects from deconsolidations in 2013 (previous year: –).

The cash flow statement shows the structure of and changes in cash and cash equivalents during the financial year. It is broken down into operating activities, investing activities and financing activities.

Net cash from operating activities includes payments (inflows and outflows) relating to claims on banks and customers and also securities held for trading and other assets. Increases and decreases in liabilities to banks and customers, securitised liabilities and other liabilities also belong to operating activities. The interest and dividend payments resulting from operating activities are similarly reflected in net cash from operating activities.

Changes in net cash from operating activities also result from disposals of consolidated companies. Other assets and liabilities from operating activities include disposals of companies that were classified as held for sale and were sold during the reporting year. The following table provides an overview of the assets and liabilities at the time of disposal.

Assets | €m	31.12.2013
Claims on banks	25
Claims on customers	1,359
Trading assets	–
Financial investments	–
Fixed assets	–
Other assets	2

Liabilities | €m	31.12.2013
Liabilities to banks	34
Liabilities to customers	958
Securitised liabilities	–
Trading liabilities	–
Other liabilities	4

Net cash from investing activities is made up of cash flows relating to financial investments, intangible assets, fixed assets and disposals of non-consolidated subsidiaries. The cash flows relating to the acquisition or disposal of subsidiaries are also shown here. Net cash from financing activities consists of the proceeds of capital increases as well as payments made or received on subordinated debt instruments. Dividends paid are also reported here.

Cash and cash equivalents consists of items that can be rapidly converted into liquid funds and are subject to a negligible risk of changes in value. It consists of the cash reserve, containing cash on hand, balances held at central banks, debt issued by public-sector borrowers and bills of exchange eligible for rediscounting at central banks (see Note 46). Claims on banks which are due on demand are not included.

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.

Notes

Significant accounting principles

Our Group financial statements as at 31 December 2013 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). 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 International Financial Reporting Interpretations Committee (IFRIC) have been applied as well. All standards and interpretations which are mandatory within the EU in 2013 have been applied. As permitted under the regulations, we have not applied standards and interpretations which do not enter into force until the financial year 2014 or later, with the exception of the new standards IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) and IFRS 12 (Disclosure of Interests in Other Entities) plus the amended standards IAS 27, 28 and 36. The table below provides an overview of the standards applied for the first time in 2013 as well as the standards that will be applied at a later date:

Standard	Title	Endorsement	Effective date
New Standards			
IFRS 9	Financial Instruments	outstanding	1.1.2017[1]
IFRS 10	Consolidated Financial Statements	11.12.2012	1.1.2014[2]
IFRS 11	Joint Arrangements	11.12.2012	1.1.2014[2]
IFRS 12	Disclosure of Interests in Other Entities	11.12.2012	1.1.2014[2]
IFRS 13	Fair Value Measurement	11.12.2012	1.1.2013
IFRIC 21	Levies	1st quarter 2014[3]	1.1.2014
Amended Standards			
IFRS 7	Financial Instruments: Disclosures	13.12.2012	1.1.2013
IFRS 10	Consolidated Financial Statements	19.11.2013	1.1.2014
IFRS 12	Disclosure of Interests in Other Entities	19.11.2013	1.1.2014
IAS 1	Presentation of Financial Statements	5.6.2012	1.7.2012
IAS 19	Employee Benefits	5.6.2012	1.1.2013
IAS 27	Separate Financial Statements	11.12.2012	1.1.2014[2]
	Separate Financial Statements (amended 31 October 2012)	19.11.2013	1.1.2014
IAS 28	Investments in Associates and Joint Arrangements	11.12.2012	1.1.2014[2]
IAS 32	Financial Instruments: Presentation	13.12.2012	1.1.2014
IAS 36	Impairments of Assets	19.12.2013	1.1.2014[2]
IAS 39	Financial Instruments: Recognition and Measurement	19.12.2013	1.1.2014

[1] At its meeting on 24 July 2013 the IASB decided to postpone the previous effective date. The IASB meeting of 19 November 2013 set 1 January 2017 as the new effective date.
[2] The new standards IFRS 10, 11 and 12 and the amended standards IAS 27, 28 and 36, which are only mandatory in the EU from 1 January 2014, were applied voluntarily in 2013 for the first time (see Note 2).
[3] Expected.

The adoption of IFRS 9, which has only been partially published by the IASB and has not yet been approved by the EU, could have significant effects on the Group's accounting and measurement practices. Due to the fact that significant portions of the standard have not yet been finalised and the standard has yet to be adopted by the EU, it is impossible to quantify the effects with any degree of accuracy. The impact of the new standard IFRS 13 that was applied in the financial year 2013 for the first time and the revised standards and interpretations (IAS 1 and 19 and IFRS 7; amendments arising from the IASB's annual improvement process) is set out in Note 2. We do not expect any significant effects on the Group financial statements from the other standards and interpretations whose application is not yet mandatory.

In addition to the statement of comprehensive income and the balance sheet, the Group financial statements also include the statement of changes in equity, the cash flow statement and the notes. Segment reporting is to be found in the Notes (Note 45). The information required under IFRS 7.31 to 7.42 (nature and extent of exposure to risks arising from financial instruments) is reported partly in the notes (see Notes 84 and 85) and partly in the Group Risk Report.

The Group Management Report, including the separate Group Risk Report pursuant to Art. 315 of the German Commercial Code (HGB), appears on pages 47 to 132 of our annual report.

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 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 both amounts rounded down to €0m and zero items are indicated by a dash.

Accounting and measurement policies

(1) Basic principles

The consolidated financial statements are based on the going concern principle. Assets are generally measured at amortised cost, unless a different form of measurement is required by IFRS. This applies in particular to certain financial instruments classified in accordance with IAS 39, investment properties and non-current assets held for sale.

Income and expenses are accounted for on an accrual basis; they are recognised in the income statement for the period to which they are attributable in economic terms. Interest from all contractual agreements relating to financial assets or liabilities is reported in net interest income on an accrual basis. Dividend income is only recognised where a corresponding legal entitlement exists. Commission income and expenses are recognised in net commission income on the one hand on the basis of the accounting treatment of the associated financial instruments and on the other hand on the basis of the nature of the activity. Commission for services which are performed over a certain period are recognised over the period in which the service is performed. Fees which are associated with the completion of a particular service are recognised at the time of completion of the service. Performance-related fees are recognised when the performance criteria are met. Commission on trading transactions carried out on behalf of customers is reported in net commission income. Borrowing costs that are directly attributable to the acquisition, construction or production of a significant tangible or intangible asset are capitalised in the balance sheet, provided that a period of at least 12 months is required to prepare the asset for its intended use.

Assets and liabilities are normally reported on a gross basis in the balance sheet, i.e. without netting. However, in accordance with IAS 32.42, financial assets and liabilities relating to the same counterparty are netted and shown in the balance sheet on a net basis if there is a legally enforceable right to net the amounts and the transactions are fulfilled on a net basis or the asset is realised simultaneously with the settlement of the liability. In addition to the netting of positive and negative fair values attributable to derivatives with clearing agreements and any variation margins payable on them, this also applies to the netting of claims and liabilities in reverse repo and repo transactions with central counterparties.

For fully consolidated companies and holdings in companies accounted for using the equity method in the Group financial statements we have generally used financial statements prepared as at 31 December 2013. In the case of companies accounted for using the equity method we in some cases use the most recent audited financial statements under national GAAP if the company's financial statements for the last financial year are not yet available at the date the Group financial statements are being prepared.

Where there is an intention to sell subsidiaries and companies accounted for using the equity method, and their sale is highly probable within one year, they are reported separately in the relevant balance sheet items and notes (see Notes 60 and 70) and in the statement of changes in equity in accordance with IFRS 5 until transfer of the shares is completed.

Note 79 contains a breakdown of all balance sheet items into short-term and long-term. Moreover, residual maturities are reported in the Commerzbank Group for all financial instruments with contractual maturity dates (see Notes 77 and 79).

The Group financial statements include values which are determined, as permitted, on the basis of estimates and judgements. The estimates and judgements used are based on past experience and other factors, such as planning and expectations or forecasts of future events that are considered likely as far as we know today. The estimates and judgements themselves and the underlying estimation methods and judgement factors are reviewed regularly and compared with actual results. In our view the parameters we have used are reasonable and appropriate. Estimates of pension obligations, goodwill and the fair value of investment properties among other items are subject to uncertainty.

Pension obligations are measured based on the projected-unit-credit method for defined benefit pension plans. In measuring such obligations, assumptions have to be made regarding long-term trends for salaries, pensions and average life expectancy in particular. Changes in the underlying assumptions from year to year and divergences from the actual effects each year are reported under actuarial gains and losses (see Note 68 Provisions on the impact of changes in parameters).

The impairment test for goodwill, which must be carried out at least once a year, uses the recognised discounted cash flow method. This is based on the future cash flows projected in management's latest planning figures. An analysis of the uncertainties surrounding the estimation of goodwill and fair value of financial instruments is set out in Notes 15 and 56 as well as Note 80.

For uncertainties relating to the fair value of investment properties we carry out analyses based on the parameters of the property yield and the land value (see Note 59).

Estimates of deferred taxes and loan loss provisions are to a large extent also subject to uncertainty (see Notes 50 and 58). For loan loss provisions please also refer to the Group Risk Report.

The assumptions and parameters underlying the estimates we have made are based on the exercise of appropriate judgement by management. This applies in particular to the appropriate selection and use of parameters, assumptions and modelling techniques when valuing financial instruments for which there are no market prices and no comparative parameters observable on the market. Where differing valuation models lead to a range of different potential valuations, management uses its judgement to determine the choice of the model to be used.

The following items in the financial statements are also subject to the judgement of management:

- The reclassification of certain financial assets from the category of available-for-sale financial instruments to the category loans and receivables (see Note 5).
- The impairment of loans and the recognition of provisions for off-balance-sheet lending exposures (in particular the choice of criteria and the assessment of whether collateral is impaired; see Note 9).
- Impairment testing of other financial assets such as holdings in companies accounted for using the equity method and financial instruments held for sale (in particular the choice of criteria used to determine whether an asset is impaired; see Note 19).
- Impairment testing of non-financial assets such as goodwill and other intangible assets (in particular the criteria used to determine the recoverable amount; see Note 15).
- Impairment testing of deferred tax assets in accordance with IAS 12.24 ff. (in particular determining the methodology used for tax planning and to assess the probability that the expected future tax effects will actually occur; see Note 26),
- The recognition of provisions for uncertain liabilities (see Note 23).

Uniform accounting and measurement methods explained in the notes below are used throughout the Commerzbank Group in preparing the financial statements.

(2) Changes to accounting and measurement policies

In essence we have employed the same accounting policies as for the Group financial statements for the year ended 31 December 2012.

As a consequence of the application of the amended IAS 1 (Presentation of Financial Statements), information about reclassifications from equity to profit or loss ("recycling") has been added to the statement of comprehensive income.

As a result of the amendments to IAS 36 (Impairment of Assets), additional information now needs to be provided in the notes in the event of the recognition or reversal of an impairment on an asset or cash-generating unit. As there were no examples of this in 2013, no additional information is required compared with the previous regulations, in spite of the early application of the standard.

The new IFRS 10 (Consolidated Financial Statements) stipulates rules for the consolidation of companies and replaces IAS 27 and SIC Interpretation 12. The most important change is the new definition of “control”. Under IFRS 10, a company has control if:

- it has the power to direct the relevant activities of the other company,
- it has exposure, or rights, to variable returns from its involvement, and
- it is able to use its power over the other company to affect the amount of its returns.

Please refer to the information on consolidated companies (Note 3, page 152 ff.) for details of the first-time consolidations and deconsolidations resulting from the first-time application of this standard.

The new IFRS 11 (Joint Arrangements) governs the accounting of jointly controlled entities or joint arrangements where two or more companies share joint control. It replaces IAS 31 and SIC Interpretation 13.

Commensurate with the changes to the definitions under IFRS 11, joint arrangements are now classified as either:

- a jointly controlled entity or
- a joint operation

The most significant change is the cessation of proportionate consolidation. Partner companies of a joint venture are now required to apply the equity method. Companies participating in joint operations are subject to accounting rules similar to those which applied previously to joint assets or joint operations (proportionate recognition of assets, liabilities, expense and income). The first-time application of this standard did not result in any changes in the companies accounted for using the equity method.

The new IFRS 12 (Disclosure of Interests in Other Entities) incorporates the disclosure requirements of IFRS 10 and IFRS 11 as well as IAS 27 and 28 and is being applied in full for the year ending 31 December 2013. The information concerned is largely set out in Notes 4, 55, 102, 103 and 104.

In accordance with the transitional provisions, IFRS 10, 11 and 12 are being applied in the current financial year for the first time. The restatement of retained earnings as at 1 January 2013 amounted to €–69m and was entirely attributable to the changes in the group of consolidated companies. The first-time consolidations and deconsolidations (see Note 3) resulted in a net increase of total assets by €0.2bn as at 31 December 2013.

The new IFRS 13 (Fair Value Measurement), which is to be applied prospectively, brings together the rules for measuring fair value, which until now had been spread across several standards. We have also harmonised and expanded the relevant notes (see Notes 80 and 81).

Fair value is now defined as the realisable price, i.e. the price that the market participant would receive to sell an asset or pay to transfer a liability in an orderly transaction. The 3-level fair value hierarchy is also applied in the measurement of fair value. When valuing liabilities, non-performance risk must also be taken into account and a graduated valuation procedure applied. If it is not possible to value a liability due to a lack of quoted market prices, the valuation may instead be based on an identical instrument held as an asset by a third party. If this is not possible either, another appropriate valuation method is to be used. Moreover, under certain circumstances, a group valuation may also be possible for financial assets and liabilities which are managed on a net basis with respect to the market and credit risk.

The first-time application of this standard had no significant impact on the statement of comprehensive income or the balance sheet as compared with the rules applicable up until now.

Application of the amended IAS 19 (Employee Benefits) changes the treatment of the remeasurement of defined benefit plans.

As previously, pension obligations are valued according to a number of parameters (including discount rate, change in salaries and adjustment to pensions). The difference between the remeasurement of the pension obligation on the balance sheet date as compared with the value projected at the beginning of the year is the actuarial gain or loss. The “corridor” option for recognising remeasurements, which the Commerzbank Group has used up until now, has been abolished. Instead, remeasurements are recognised directly in equity in retained earnings.

In addition, the past service cost resulting from retrospective plan changes must now be recognised in the income statement immediately and in full. Up to now, this was distributed on a straight-line basis until commencement of the vested benefits. Moreover, partial retirement top-up payments are now also accumulated on a straight-line basis up to the end of the working period instead of being recognised in full on the grant date as previously.

Offsetting pension liabilities and plan assets while taking account of the remeasurement of defined benefit plans means that the effective net pension obligation is recognised in the balance sheet.

Furthermore, net interest costs must be calculated pursuant to the amended IAS 19 when pension liabilities are financed by plan assets. This involves calculating the interest on the net debt or net assets (defined benefit obligation less fair value of plan assets) at a uniform interest rate. In the previous standard, there were different rules for determining the interest rate used to discount the obligation and the interest rate used to calculate the anticipated income from plan assets.

The changes described above are coupled with certain requirements concerning reporting in the statement of comprehensive income. Past service cost and net interest must be recognised in profit or loss, while remeasurement effects must be recognised in other comprehensive income.

The material impact in 2013 as a result of the application of the amended IAS 19 relates on the one hand to the immediate recognition of remeasurement of defined benefit plans rather than, as previously, being amortised through profit or loss. Recognition in equity led to a fall in retained earnings by €–37m and increase in pension provisions of €40m compared with the previous IAS 19. On the other hand, the use of the same interest rate for pension liabilities and plan assets and elimination of the amortisation of the remeasurement had a net positive impact of €44m on pre-tax profit compared with the previous IAS 19 regulations. Taking into account this effect after tax, the earnings per share for 2013 would have been €0.05.

In 2012, the impact of the retrospective restatements due to the first-time application of the amended IAS 19 was €20m for interest expense, €10m for operating expenses and €10m for taxes on income, which resulted in a reduction in consolidated profit by €6m from €–40m to €–34m as at 31 December 2012. The earnings per share for the financial year 2012 were therefore €–0,45[1] compared to €–0,38[1] as originally reported last year. Retained earnings were adjusted downwards by €271m as at 1 January 2012 and by €705m as at 31 December 2012. Provisions for pensions and similar commitments increased by a net €346m as at 1 January 2012 (of which €–7m related to provisions for age-related part-time working) and by €840m as at 31 December 2012 (of which €–2m related to provisions for age-related part-time working). As compared with 31 December 2012, other assets declined by €67m and non-controlling interests by €2m, while deferred tax assets increased by €201m (€+75m as at 1 January 2012) and deferred tax liabilities by €1m as at 31 December 2012.

The restatements affected the statement of comprehensive income, the balance sheet, the statement of changes in equity, segment reporting and other notes.

The amendments to IFRS 7 require further information to be provided in the notes on the netting of financial instruments for the 2013 financial year and the preceding year. This must disclose the gross and net amounts of financial assets and liabilities resulting from offsetting and amounts of existing netting rights which do not satisfy the netting criteria (see Note 83). This improves the comparability of the netting of financial instruments with users of US GAAP.

In financial year 2013 we corrected the valuation of specific hedge accounting transactions (accreting zero coupon structures) in accordance with IAS 8.42. Due to technical restrictions during the migration from Dresdner Bank systems to Commerzbank systems the way in which these transactions were initially booked in 2010 and accounted for in subsequent periods was incorrect. This led to a retrospective adjustment of €–16m to net income from hedge accounting for the financial year 2012. The tax income arising from this adjustment was €3m. Overall the adjustments led to a further reduction in consolidated profit by €–13m from €–34m (after the retrospective application of the amended IAS 19) to €–47m as at 31 December 2012. The earnings per share for the financial year 2012 amounted to €–0.48[1] compared with earnings per share of €–0.45[1] in the previous year (after retrospective application of the amended IAS 19). Retained earnings were adjusted downwards by €63m as at 1 January 2012 and by €77m as at 31 December 2012. Liabilities to customers and securitised liabilities increased by €58m and €14m respectively as at 1 January 2012 and by €63m and €25m respectively as at 31 December 2012. Deferred tax assets increased by €9m as at 1 January 2012 and by €11m as at 31 December 2012.

The IFRS standards do not lay down any particular rules on how to structure equity, nor do they define clear criteria for the treatment of certain items. These items include the transaction costs of capital-raising measures, share-based payments settled in the form of equity instruments, and withdrawals from capital reserve to balance net losses in Commerzbank Aktiengesellschaft's parent company financial statements under German GAAP.

[1] After completion of the 10-to-1 reverse stock split of Commerzbank shares.

The composition of equity in the Commerzbank Group applies a structure common within the German legal system. For capital components that have a guarantee function (subscribed capital and capital reserve), we now apply the definition of Art. 272 (1) and (2) HGB for the Group, as for the parent company financial statements under German GAAP. Since 1 January 2013, transaction costs in connection with capital increases, which under IAS 32.35 are to be shown as a deduction from equity, have therefore been deducted from retained earnings instead of from the capital reserve as was previously the case.

IFRS 2.10 stipulates that the fair value of share-based payments settled in the form of equity instruments is to be recognised in equity as at the grant date. Since 1 January 2013, we have also recognised these instruments in retained earnings instead of the capital reserve, as was previously the case. As under German GAAP, they are not shown in subscribed capital and the capital reserve until they are definitively drawn down by the recipient.

If the Company reports a net loss for the year under German GAAP and this is wholly or partly offset by a withdrawal from the capital reserve, the same amount is also transferred from the capital reserve in the Group financial statements under IFRS to the Group's retained earnings.

As a result, subscribed capital and capital reserve are consistent with the definitions under German company law and accounting regulations, thus increasing transparency.

The reclassification in the financial year 2013 led to an increase in the capital reserve and corresponding reduction in retained earnings by €77m. The reclassification from the capital reserve to retained earnings amounted to €2,926m as at 1 January 2012 and €2,951m as at 1 January 2013. We have restated the prior-year figures in the balance sheet and the statement of changes in equity accordingly. However, these reclassifications had no impact on consolidated profit and earnings per share.

Due to the wide-ranging reforms to banking regulation (Basel 3, CRR and CRD IV), the importance of the Bank's core Tier 1 capital (known as Common Equity Tier 1 capital) has grown. The other capital components have been regrouped into Additional Tier 1 capital and Tier 2 capital depending on their characteristics. Over the course of transitional periods of several years capital instruments issued in the past will either gradually lose their eligibility or will only be eligible in a different class of capital. As a result of these changes the previous reporting structure in the balance sheet, which was based on the old regulatory classification of Tier 1 and Tier 2 capital, now no longer applies. As a result we have decided to combine the previous balance sheet items subordinated capital and hybrid capital into the new item subordinated debt instruments. We have restated the prior-year figures in the balance sheet and the relevant notes accordingly.

In 2013 we refined the process of recognising counterparty default adjustments (CDA), which reflect the expected loss in the event the counterparty should default, in particular for OTC derivatives. Since 1 January 2013, counterparty default risk has been accounted for by recognising credit valuation adjustments (CVA) for positive derivative exposures, with Commerzbank's non-performance risk accounted for by recognising debit valuation adjustments (DVA) for negative derivative exposures. This change led to an income of €41m within net trading income in 2013.

Furthermore, a refinement in the method of bid-offer adjustments in the second quarter of 2013 had a positive impact on net trading income of €39m.

IAS 1.82 requires that financing costs be reported separately. Up until 31 December 2012 we reported these costs as interest expense in net interest income or net trading income. However, it is now common practice to show interest from trading activities within net interest income. In order to report interest within the Commerzbank Group on a consistent basis, we have therefore decided to report interest from both the non-trading and trading books in net interest income with effect from 1 January 2013. Income and expenses from trading transactions are only reported as interest income and expense if they clearly have interest-like characteristics and are not included in the valuation of the instrument. This also applies to interest effects from the purchase or sale of financial instruments in the trading transactions related to capital commitments.

To ensure that net trading income only reflects gains and losses on disposal and remeasurement of trading transactions, we also decided to reclassify commission income from syndication business to net commission income, previously recorded in net trading income. In 2013 the reclassification from net trading income to net commission income amounted to €63m.

In 2012, reclassifications from net trading income totalled €1,032m, consisting of €974m from net trading income to net interest income (net balance of €2,057m in interest income and €1,083m in interest expense) and €58m from net trading income to net commission income. However, the reclassifications had no impact on the consolidated profit, the balance sheet, the statement of changes in equity or earnings per share.

In order to present interest income and expense on a consistent basis we have also decided to recognise the interest components of IAS 19 (net interest) in net interest income starting 1 January 2013, instead of in operating expenses, as has been the case until now. In 2013 €22m was reclassified, which reduced net interest income and increased operating expenses. The reclassification for 2012 amounted to €6m and increased interest expense. However, the reclassification had no impact on the consolidated profit, the balance sheet, the statement of changes in equity or earnings per share.

Moreover, since 1 January 2013 we have reported all effects arising from the dedesignation of hedging transactions within hedge accounting in other interest expense. This pertains to the amortisation of effects from underlying transactions and the reversal of hedged transactions when fair value hedge accounting is ended. The reversals of the cash flow hedge reserve and the associated hedging instruments from the cash flow hedge accounting ended in the 2009 financial year are also recognised. The effects arising from the ending of hedge accounting are recognised in other interest income or other interest expense, depending on the net balance. In 2012, the net balance in other interest expense was €31m. Thus far, €356m of this was recognised in interest income in the loans and receivables category and €267m as other interest expense. A further €–120m was offset against interest income from available-for-sale financial instruments. However, these reclassifications had no impact on the consolidated profit, the balance sheet, the statement of changes in equity or earnings per share.

In addition, since 1 January 2013, we have recognised commission income from electronic banking in commission income from payment transactions and foreign business, instead of in other commission income as previously. The reclassification for the financial year 2012 totalled €73m. Since 1 January 2013 we have also reported commission from syndicated business and similar transactions in commission income from syndications across the Group. The reclassification from intermediary business in 2012 amounted to €41m. However, these reclassifications had no impact on the consolidated profit, the balance sheet, the statement of changes in equity or earnings per share.

The following tables set out the material restatements for the financial year 2012 including the effects from the application of amended IAS 19 and the correction of the hedge accounting transactions on the income statement and the balance sheet:

€m	Originally reported	Adjustment	Restated
	1.1.–31.12.2012		1.1.–31.12.2012
Net interest income	5,539	948	6,487
Interest income	14,559	1,821	16,380
Interest expenses	9,020	873	9,893
Net commission income[1]	3,191	58	3,249
Net trading income	1,113	–1,032	81
Net income from hedge accounting	8	–16	–8
Operating expenses	7,025	4	7,029
Pre-tax profit or loss	905	–46	859
Taxes on income	796	7	803
Consolidated profit or loss	109	–53	56
Consolidated profit or loss attributable to Commerzbank shareholders	6	–53	–47

[1] Relates to commission income only.

€m	Originally reported	Adjustment	Restated
	31.12.2012		31.12.2012
Deferred tax assets	3,015	212	3,227
Other assets	3,638	–67	3,571
Total assets	635,878	145	636,023

€m	Originally reported	Adjustment	Restated
	31.12.2012		31.12.2012
Liabilities to customers	265,842	63	265,905
Securitised liabilities	79,332	25	79,357
Provisions	3,259	840	4,099
Deferred tax liabilities	90	1	91
Equity	27,034	–784	26,250
of which capital reserve	11,681	–2,951	8,730
of which retained earnings	8,614	2,169	10,783
of which non-controlling interests	888	–2	886
Total liabilities	635,878	145	636,023

We have restated the prior-year figures as noted above in the income statement, the balance sheet, the statement of changes in equity, the cash flow statement, the relevant notes and the segment reporting.

(3) Consolidated companies

The Group financial statements include all material subsidiaries which are directly or indirectly controlled by Commerzbank Aktiengesellschaft. These also include material structured entities. Significant associates and jointly controlled entities are accounted for using the equity method.

Subsidiaries, associates and joint arrangements of minor significance for the Group's financial position are not fully consolidated or not accounted for using the equity method; instead, they are reported under financial investments as holdings in non-consolidated subsidiaries or equity holdings. The total assets of the non-significant subsidiaries amount to less than 0.2% of the Group's aggregated assets (previous year: 0.1%).

Please refer to Note 104 for more information on the structure of the Commerzbank Group including a full list of the Group's ownership interests.

The following material companies were consolidated for the first time in 2013:

Name of company	Equity share and voting rights	Acquisition cost	Assets	Liabilities
	%	€m	€m	€m
Agate Assets S.A. S014, Luxembourg	0.0	–	87.0	87.0
Aspiro S.A., Lódz, Poland	69.7	12.4	37.2	5.0
BDH Development Sp. z o.o., Warsaw, Poland	100.0	24.7	37.5	12.8
CB Leasing Summer AB, Stockholm, Sweden	100.0	–	0.0	–
Commerz Real Kapitalverwaltungsgesellschaft mbH, Düsseldorf	100.0	–	5.0	0.0
ComStage ETF FTSE China A50 UCITS ETF (ETF024), Luxembourg	100.0	–	38.6	38.6
ComStage ETF MSCI World with EM Exposure Net UCITS ETF (ETF130), Luxembourg	98.5	–	38.1	38.1
ComStage ETF S&P SMIT 40 Index TRN UCITS ETF, Luxembourg	77.6	–	30.3	30.3
CoTraX Finance II–1 Ltd, Dublin, Ireland	0.0	–	20.8	20.8
Dr. Gubelt Beteiligungsgesellschaft mbH & Co. Alpha Objekt Hauptverwaltung Frankfurt KG, Düsseldorf[1]	0.0	–	218.9	218.9
Dr. Gubelt Beteiligungsgesellschaft mbH & Co. Beta Objekt Hauptverwaltung Frankfurt KG, Düsseldorf[1]	0.0	–	219.0	219.0
Dr. Gubelt Beteiligungsgesellschaft mbH & Co. Objekt Erfurt KG, Düsseldorf[1]	0.0	–	20.1	22.8
Dr. Gubelt Beteiligungsgesellschaft mbH & Co. Objekt Halle Am Markt KG, Düsseldorf[1]	0.0	–	7.5	10.9
Dr. Gubelt Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf Breite Straße KG, Düsseldorf	0.0	–	78.6	78.7
Dr. Gubelt Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Essen Lindenallee KG, Düsseldorf[1]	0.0	–	11.6	17.6
Dr. Gubelt Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Frankfurt Neue Mainzer Straße KG, Düsseldorf[1]	0.0	–	113.9	191.0
Dr. Gubelt Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Schwabing KG, Düsseldorf[1]	0.0	–	37.3	39.4
Entertainment Asset Holdings C.V., Amsterdam, Netherlands	0.0	–	111.0	111.0
Entertainment Asset Holdings GP B.V., Amsterdam, Netherlands	0.0	–	0.0	–
Garbary Sp. z.o.o., Poznan, Poland	69.7	13.6	11.1	2.1
GRAMOLINDA Vermietungsgesellschaft mbH, Grünwald[1]	50.0	–	0.0	0.0
GRAMOLINDA Vermietungsgesellschaft mbH & Co. Objekt Frankfurt KG, Grünwald[1,2]	97.0	–	80.3	80.4

[1] As a result of the first-time application of IFRS 10.
[2] Differing voting rights of 70.0%.

Name of company	Equity share and voting rights	Acquisition cost	Assets	Liabilities
	%	€m	€m	€m
Green Loan Fund I, Luxembourg	0.0	–	87.2	87.0
Greene Birch Ltd., George Town, Cayman Islands	100.0	151.1	199.7	21.2
Greene Elm Trading I LLC, Wilmington, Delaware, USA	100.0	75.6	75.1	10.8
Greene Elm Trading II LLC, Wilmington, Delaware, USA	100.0	75.6	75.1	16.7
Greene Elm Trading III LLC, Wilmington, Delaware, USA	100.0	73.5	86.5	0.0
Greene Elm Trading IV LLC, Wilmington, Delaware, USA	100.0	73.5	73.1	8.3
Greene Oak LLC, Wilmington, Delaware, USA	100.0	75.6	251.1	175.6
Groningen Urban Invest B.V., Amsterdam, Netherlands	100.0	5.4	18.0	12.6
Hanseatic Ship Asset Management GmbH, Hamburg	100.0	1.0	1.0	–
mCentrum Operacji Sp. z o.o, Aleksandrów Lódzki, Poland	69.7	7.5	13.9	3.1
MOLARIS Verwaltungs- und Vermietungsgesellschaft mbH, Düsseldorf[1]	0.0	–	12.6	12.4
MS "BEETHOVEN" Schiffahrtsgesellschaft mbH & Co. KG, Hamburg	99.9	23.1	23.3	0.2
MS "MOZART" Schiffahrtsgesellschaft mbH & Co. KG, Hamburg	99.9	17.8	18.0	0.5
MS "PUCCINI" Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	51.0	4.8	9.3	0.4
MS "PUGNANI" Schiffahrtsgesellschaft mbH & Co. KG, Hamburg	99.9	15.8	15.7	–
MS "ROSSINI" Schiffahrtsgesellschaft mbH & Co. KG, Hamburg	100.0	–	0.0	–
MS "STRAUSS" Schiffahrtsgesellschaft mbH & Co. KG, Hamburg	100.0	–	0.0	–
mWealth Management S.A., Warsaw, Poland	69.7	2.9	6.8	0.8
Netherlands Urban Invest B.V., Amsterdam, Netherlands	100.0	8.4	14.6	6.1
Number X Bologna S.r.l., Milan, Italy	100.0	7.5	11.3	4.3
SME Commerz SCB GmbH, Frankfurt/Main	100.0	–	605.4	605.2
Urban Invest Holding GmbH, Eschborn	100.0	8.4	8.4	0.0

[1] As a result of the first-time application of IFRS 10.

The entities listed above were consolidated due to the first-time application of IFRS 10 or exceeded our materiality thresholds for consolidation, or were additional purchases of existing holdings or entities newly formed in the course of structured financing transactions, for example. We apply the provisions of IFRS 3 to additional purchases. The first-time consolidations did not give rise to any goodwill. Negative differences were reported in the income statement as at the date of acquisition in accordance with IFRS 3.34.

Subsequent measurement of the reserves and liabilities from the acquisition of Dresdner Bank uncovered in 2009 led to an expense of €247m before tax or €176m after tax being recognised in the income statement in the current financial year. The main effects derived from the imputation of interest to subordinated debt instruments.

The following companies were sold or liquidated or are no longer consolidated due to the first-time application of IFRS 10:

- Disposals
  - Commerz Real Spezialfondsgesellschaft mbH, Wiesbaden

- First-time application of IFRS 10
  - Asset Securitisation Programme for Insured Receivables Ltd. (ASPIRE), Dublin, Ireland
  - FAF Inc., George Town, Cayman Islands
  - Idilias SPC Inc., George Town, Cayman Islands
  - Loxodrome Inc., Grand Cayman, Cayman Islands
  - Max Lease S.à.r.l. & Cie. Secs, Luxembourg
  - More Global Inc., George Town, Cayman Islands
  - Semper Finance 2006–1 Ltd., St. Helier, Jersey
  - Semper Finance 2007–1 GmbH, Frankfurt/Main
  - Steel Finance Inc., Grand Cayman, Cayman Islands
  - Truckman Inc, Grand Cayman, Cayman Islands
  - Zelos Belgium I SA, Forest, Belgium
  - Zelos Belgium II SA, Forest, Belgium
  - Zelos Belgium III SA, Forest, Belgium
  - Zelos Belgium IV SA, Forest, Belgium

- Liquidations (including companies which have ceased operating activities or entities that have permanently fallen below our materiality threshold for consolidation):
  - AJUNTA Grundstücks-Vermietungsgesellschaft mbH, Düsseldorf[1]
  - ASCARA Grundstücks-Vermietungsgesellschaft mbH, Düsseldorf[1]
  - Classic I (Netherlands) BV 2008–1, Amsterdam, Netherlands
  - Commerzbank Leasing December (4) Limited, London, United Kingdom
  - Commerzbank Leasing December (8) Limited, London, United Kingdom
  - Commerzbank Leasing December (10) Limited, London, United Kingdom
  - Commerzbank Leasing December (15) Limited, London, United Kingdom
  - Commerzbank Online Ventures Limited, London, United Kingdom
  - Commerzbank Property Management & Services Limited, London, United Kingdom
  - CSA COMMERZ SOUTH AFRICA (PROPRIETARY) LIMITED, Johannesburg, South Africa[1]
  - Dresdner UK Investments 2 B.V., Amsterdam, Netherlands
  - Dresdner UK Investments N.V., Amsterdam, Netherlands
  - EH MoLu IV, LLC, Dover, Delaware, USA
  - Elco Leasing Limited, London, United Kingdom
  - European Venture Partners Ltd, London, United Kingdom
  - IVV – Immobilien – Verwaltungs- und Verwertungs-gesellschaft mbH, Eschborn[1]
  - LAUREA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin Anthropolis KG i.L., Ludwigshafen[1]
  - LAUREA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin Grindelwaldweg KG i.L., Düsseldorf[1]
  - Marylebone Commercial Finance Limited, London, United Kingdom
  - MLV 35 Sp. z o.o. SKA, Warsaw, Poland
  - Morris (S.P.) Holdings Limited, London, United Kingdom
  - Real Estate Holdings Limited, Hamilton, Bermuda
  - Riverbank Trustees Limited, London, United Kingdom

The result due to the loss of control was €–7m and was largely reported under other net income.

AFÖG GmbH & Co. KG, Frankfurt am Main, and Nordboden Immobilien- und Handelsgesellschaft mbH, Eschborn were merged into Commerzbank Group consolidated companies.

No companies were added to the group of companies accounted for using the equity method in 2013.

The following companies are no longer accounted for using the equity method:

- Captain Holdings S.à.r.l., Luxembourg
- GIE Fleur de Canne, Paris, France
- GIE Northbail, Puteaux, France
- Inmobiliaria Colonial S.A., Barcelona, Spain
- Reederei MS “E.R. INDIA” Beteiligungsgesellschaft mbH & Co. KG, Hamburg

In November 2013 our subsidiary BRE Bank SA was renamed mBank S.A.

(4) Principles of consolidation

Subsidiaries are entities which are directly or indirectly controlled by Commerzbank Aktiengesellschaft, because Commerzbank has the power to direct the relevant activities of the entity, has exposure, or rights, to variable returns from its involvement and has the ability to use its power over the entity to affect the amount of its returns. Other factors can also lead to control, for example if Commerzbank and the entity stand in a principal-agent relationship. In this case another party with decision-making powers acts as agent for Commerzbank, but does not control the entity, because it only exercises powers which have been delegated by Commerzbank (the principal). Consolidation takes effect from the date on which the Group acquires control over the subsidiary.

When consolidating capital for the first time, we remeasure the assets and liabilities of subsidiaries completely at the time of acquisition regardless of the percentage share of equity held. The assets and liabilities remeasured at fair value are included in the Group balance sheet net of deferred taxes; identified hidden reserves and liabilities are accounted for in accordance with the applicable standards in subsequent reporting periods. Any difference over net assets on remeasurement is recognised as goodwill.

Associated companies are entities over which Commerzbank Aktiengesellschaft has a significant direct or indirect influence. A significant influence is assumed to exist where the share of voting rights is between 20 and 50%.

A joint arrangement is where two or more parties agree contractually to exercise joint control over this arrangement. A joint arrangement can be a jointly controlled entity or a joint operation. There are only jointly controlled entities in the Commerzbank Group.

[1] Fell below materiality threshold.

Associated companies and jointly controlled entities are ordinarily accounted for using the equity method and are reported in the balance sheet under holdings in companies accounted for using the equity method.

The acquisition cost of these investments including goodwill is determined at the time of their initial consolidation, applying by analogy the same rules as for subsidiaries. For material associated companies and jointly ventures appropriate adjustments are made to the carrying value in the accounts, in accordance with developments in the company's equity. Losses attributable to companies accounted for using the equity method are only recognised up to the level of the carrying value (see Note 55). Losses in excess of this amount are not recognised, since there is no obligation to offset excess losses. Future profits are first offset against unrecognised losses.

Holdings in subsidiaries not consolidated for reasons of immateriality and holdings in associated companies and jointly controlled entities which, because of their immateriality, are not accounted for using the equity method are shown under financial assets at their fair value or, if this cannot be reliably established, at cost.

Subsidiaries are deconsolidated as of the date on which the Bank loses its control over them. Equity accounting for holdings in associated companies ends on the date that the Group ceases to exert significant influence over the associated company. Equity accounting for jointly controlled entities ends on the date the joint control of the venture comes to an end.

Structured entities are entities where voting or similar rights are not the dominant factor in determining control, such as when the voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Examples of structured entities are securitisation companies, asset-backed financing structures and some investment funds (including ComStage funds).

Commerzbank also acts as sponsor of structured entities in which it does not have an equity holding. An entity is regarded as sponsored if:

- it was launched and/or structured by the Commerzbank Group,
- it has received or bought assets from the Commerzbank Group,
- it is guaranteed by the Commerzbank Group or was marketed intensively by the Commerzbank Group.

As with subsidiaries, a structured entity must be consolidated if Commerzbank exerts control over it. In the Commerzbank Group the obligation to consolidate structured entities is reviewed by means of a process that includes transactions where we launch a structured entity with or without the involvement of third parties, and transactions where we enter into a contractual relationship with an already existing structured entity with or without the involvement of third parties. Decisions as to whether or not to consolidate an entity are reviewed as the need arises, but no less than once a year. All consolidated structured entities and structured entities that have not been consolidated for materiality reasons are listed in Note 104.

There are no significant restrictions on the ability of the Commerzbank Group to access or use assets and to settle the liabilities of subsidiaries including structured entities, associated companies and joint ventures.

All receivables and liabilities as well as income and expenses based on intra-group business relationships are eliminated when liabilities and income and expenses are consolidated. Intra-group interim profits or losses are eliminated unless they are of minor importance.

(5) Financial instruments: recognition and measurement

In accordance with IAS 39 all financial investments and liabilities – which also include derivative financial instruments – must be recognised in the balance sheet. A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. On initial recognition financial instruments are measured at fair value. For financial instruments that are not measured at fair value, directly attributable transaction costs are included in the fair values as acquisition-related costs. These increase the fair values of financial assets or reduce the fair values of financial liabilities. In accordance with IFRS 13 the fair value is defined as the realisable price, i.e. the price that the market participant would receive for the sale of an asset or pay to transfer a liability in an orderly transaction.

Depending on their respective category, financial instruments are recognised in the balance sheet subsequently either at (amortised) cost or fair value. Fair value is determined by the price established for the financial instrument in an active market (mark to market principle; fair value hierarchy level 1). If no market prices are available, valuation is based on quoted prices for similar instruments in active markets. In cases where no quoted prices are available for identical or similar financial instruments, fair value is established with the aid of valuation models which use market parameters to the maximum extent possible (mark to model; fair value hierarchy level 2). If insufficient recent observable market data is available to establish fair value, parameters which are not observable on the market will be used in the valuation models. These parameters may include data derived by approximation from historical data or similar methods (fair value hierarchy level 3). Please refer to Note 80 for a detailed explanation of the fair value hierarchies.

The following section provides an overview of how the rules of IAS 39, in their latest version, have been applied within the Group:

a) Recognition and derecognition of financial instruments

A financial asset or a financial liability is generally recognised in the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. For regular way purchases or sales of financial assets in the cash market the trading and settlement dates normally differ. These regular way cash market purchases and sales may be recognised using either trade date or settlement date accounting. The Group uses trade date accounting for all regular way purchases and sales of financial assets both on recognition and derecognition.

The derecognition rules of IAS 39 are based both on the concept of risks and rewards and on the concept of control. However, when deciding whether an asset qualifies for derecognition, the evaluation of the transfer of the risks and rewards of ownership takes precedence over the evaluation of the transfer of control.

If the risks and rewards are transferred only partially and control over the asset is retained, the continuing involvement approach is used. The financial asset continues to be recognised to the extent of the Group's continuing involvement and special accounting policies apply. The extent of the continuing involvement is the extent to which the Group is exposed to changes in the value of the transferred asset. A financial liability (or part of a financial liability) is derecognised when it is extinguished, i.e. when the obligations arising from the contract are discharged or cancelled or expire. The repurchase of own debt instruments is also a transfer of financial liabilities that qualifies for derecognition. Any differences between the carrying value of the liability (including discounts and premiums) and the purchase price are recognised in profit or loss; if the asset is sold again at a later date a new financial liability is recognised at cost equal to the price at which the asset was sold. Differences between this cost and the repayment amount are allocated over the term of the debt instrument using the effective interest rate method.

b) Classification of financial assets and liabilities and their measurement

Below we set out an overview of the categories defined in IAS 39. These are: loans and receivables, held-to-maturity financial assets, financial assets or liabilities at fair value through profit or loss, available-for-sale financial assets and other financial liabilities.

- Loans and receivables:

  Non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market are assigned to this category. This holds true regardless of whether they were originated by the Bank or acquired in the secondary market. An active market exists if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Measurement of these assets is at amortised cost. If there is impairment, this is recognised in profit or loss when determining the amortised cost. Premiums and discounts are recognised in net interest income over the life of the asset.

  In the case of reclassified securities contained in the loans and receivables category the fair value at the date of reclassification is taken as the new carrying amount. The revaluation reserve net of deferred taxes existing at this point remains in the other reserves within equity and is amortised over the remaining term of the reclassified securities.

  For financial assets classified as loans and receivables impairments are recognised in the same way as for lending business (see Note 9). Impairment of these financial instruments is included in net investment income and deducted directly from the financial investments. If the indicators for impairment of particular securities cease to apply or no longer suggest an impairment, the impairment of the securities must be reversed through profit or loss, but to no more than the level of amortised cost. Similarly, an improved risk environment can lead to the reversal of an impairment that was previously recognised at the portfolio level.

- Held-to-maturity financial assets:
  Non-derivative financial assets with fixed or determinable payments and fixed maturity may be included in this category if the entity has the positive intention and ability to hold them to maturity. Measurement of these assets is at amortised cost. If there is impairment, this is recognised in profit or loss when determining the amortised cost. Premiums and discounts are recognised in net interest income over the life of the asset. In the 2013 financial year Commerzbank Group again made no use of the held-to-maturity financial assets category.
- Financial assets or financial liabilities at fair value through profit or loss; this category comprises two sub-categories:
  – Financial assets or liabilities held for trading:
    This sub-category includes financial assets and financial liabilities held for trading purposes (trading assets and trading liabilities).
    Derivative financial instruments used for hedging purposes are only reported under trading assets or trading liabilities if they do not meet the conditions for the application of hedge accounting (see below in this note). Otherwise, they are shown as fair values from derivative hedging instruments.
    Trading assets and trading liabilities are measured at their fair value on each balance sheet date.
    If the fair value cannot be established on an active market, items are measured by means of comparable prices, indicative prices of pricing service providers or other banks (lead managers) or internal valuation models (net present value or option pricing models). Interest-rate and cross-currency interest-rate derivatives are measured taking account of the fixing frequency for variable payments. Counterparty default risk is accounted for by recognising credit valuation adjustments (CVA), with Commerzbank's non-performance risk accounted for by recognising debit valuation adjustments (DVA). CVAs and DVAs are based on observable market data (for example CDS spreads) where available. Gains or losses on measurement or disposal are recorded under net trading income in the income statement. Interest income and expenses from trading transactions are reported in net interest income.
  – Financial instruments designated at fair value through profit or loss:
    Under the fair value option it is permissible to voluntarily measure any financial instrument at fair value and to recognise the net result of this valuation in the income statement. The decision as to whether or not to use the fair value option must be made upon acquisition of the financial instrument and is irrevocable. The fair value option may be applied to a financial instrument provided that:
    – an accounting mismatch will be prevented or significantly reduced; or
    – a portfolio of financial instruments is managed, and its performance measured, on a fair value basis; or
    – the financial instrument has one or more embedded derivatives that must be separated.
    Financial instruments for which the fair value option is employed are shown in the appropriate balance sheet item for their respective category. Gains and losses on remeasurement are recognised in profit or loss under net trading income, while interest income and expenses are reported in net interest income. Further details on how and to what extent the fair value option is used in the Commerzbank Group can be found in Note 82.
- Available-for-sale financial assets:
  This category comprises all non-derivative financial assets not assignable to one of the above categories or which have been designated as available-for-sale. This includes interest-bearing securities, equities and equity holdings. Available-for-sale assets primarily comprise fixed-income securities and claims which are traded on an active market but which the Bank does not intend to sell in the short term. They are measured at fair value. If the fair value cannot be established on an active market, items are measured by means of comparable prices, indicative prices of pricing service providers or other banks (lead managers) or internal valuation models (net present value or option pricing models). If in exceptional cases the fair value of unlisted equity instruments cannot be reliably determined, measurement is at amortised cost less any impairments required. Gains and losses on remeasurement are shown net of deferred taxes in equity in a separate item within other reserves

(revaluation reserve). Premiums and discounts on debt instruments are recognised in profit or loss under net interest income over the life of the instrument. Interest income, dividends and current profits and losses from equity holdings classified in this category are also reported under net interest income. If the financial assets are sold, the cumulative measurement gain or loss previously recognised in the revaluation reserve is reversed and taken to the income statement.

In accordance with IAS 39.59 financial instruments in this category must be monitored for any objective indications of a loss (such as breach of contract, loss event, increased likelihood of bankruptcy proceedings or insolvency) incurred after the date of initial recognition that would lead to a reduction in the cash flow arising from them. An impairment exists when the net present value of the expected cash flows is lower than the carrying value of the financial instrument concerned. In the event of an impairment, the net change on remeasurement is no longer recognised in the revaluation reserve in equity but must be taken through the income statement under net investment income as an impairment charge.

In the Commerzbank Group, equity instruments in the available-for-sale portfolio are written down if their fair value is either significantly lower than their historic cost (≥20%) or has been below historic cost for a considerable period (at least nine months). Besides these quantitative trigger events, the qualitative trigger events cited in IAS 39.59 are also taken into account in the monitoring process. Impairment reversals may not be recognised through profit or loss for equity instruments designated as available-for-sale; instead, they are recognised directly in the revaluation reserve in equity. Impairment reversals are never permitted on unlisted equity instruments for which it is not possible to determine a reliable fair value and that are therefore carried at historic cost less any necessary impairment.

Debt instruments are reviewed individually for impairment if any qualitative trigger events have occurred. To operationalise qualitative trigger events, additional indicators for an impairment have been developed in the Commerzbank Group. For example, an impairment charge for debt instruments in this category must generally be recognised if the debtor's rating is CCC or lower (see the Commerzbank master scale in the Risk Report) and the fair value is lower than amortised cost.

If the reasons for an impairment of debt instruments cease to apply, the impairment is reversed through profit or loss, but to no more than the level of amortised cost. Any amount exceeding amortised cost is recognised in the revaluation reserve.

- Other financial liabilities
  All financial liabilities that are not classified as held for trading and to which the fair value option was not applied are allocated to the category other financial liabilities. This category includes liabilities to banks and customers as well as securitised liabilities. Measurement of these assets is at amortised cost. Premiums and discounts are recognised in net interest income over the life of the liability.

c) Net gains or losses

Net gains or losses include fair value measurements recognised in profit or loss, impairments, impairment reversals, gains realised on disposal, and subsequent recoveries on written-down financial instruments classified in the respective IAS 39 categories. The components are detailed for each IAS 39 category in the notes on net interest income, loan loss provisions, net trading income and net income from financial investments.

d) Financial guarantee contracts

IAS 39 defines a financial guarantee contract as a contract that requires the issuer to make specified payments that reimburse the holder for a loss they incur because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. This can include, for example, bank guarantees (see Note 88). If Commerzbank is the guarantee holder, the financial guarantee is not recorded in the accounts and only recognised when determining an impairment of a guaranteed asset. As the issuer, the Commerzbank Group recognises the liability arising from a financial guarantee at inception. Initial measurement is at fair value at the time of recognition. In general terms, the fair value of a financial guarantee contract at inception is zero because for fair market contracts the value of the premium agreed normally corresponds to the value of the guarantee obligation (known as the net method). Subsequent measurement is at the higher of amortised cost or the provision that is required to be recognised in accordance with IAS 37 and IAS 39 if payment of the guarantee becomes probable.

If a financial guarantee is a component of a financing commitment where there is an intention to trade, the financial guarantee also has to be classified as held for trading. Such financial guarantees are then treated in accordance with the rules for held-for-trading instruments rather than those set out above (see Note 5b).

e) Embedded derivatives

IAS 39 also regulates the treatment of derivatives embedded in financial instruments (embedded derivatives). These include, for example, reverse convertible bonds (bonds that may be repaid in the form of equities) or bonds with index-linked interest payments. According to IAS 39, under certain conditions the embedded derivative must be shown separately from the host contract as a stand-alone derivative.

Such a separation must be made if the following three conditions are met:

- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative under IAS 39; and
- the hybrid (combined) contract is not measured at fair value through profit or loss.

In this case, the separately shown embedded derivative is regarded as part of the trading portfolio and recognised at fair value. Changes on remeasurement are recognised in the income statement under net trading income. The host contract is accounted for and measured applying the rules of the category to which the financial instrument is assigned.

If the above three conditions are not met, the embedded derivative is not shown separately and the hybrid financial instrument or structured product is measured as a whole in accordance with the general provisions of the category to which the financial instrument is assigned.

f) Hedge accounting

IAS 39 contains extensive hedge accounting regulations which apply if it can be shown that the hedging instruments – especially derivatives – are employed to hedge risks in the underlying non-trading transactions.

Two main types of hedge accounting are used:

- Fair value hedge accounting:
  IAS 39 prescribes the use of hedge accounting to avoid a distorted impact on earnings for derivatives which serve to hedge the fair value of assets or liabilities against one or more defined risks. It is above all the Group's issuing and lending business and its securities holdings for liquidity management, where these consist of fixed-income securities, that are subject to interest rate risk. Interest rate swaps are primarily used to hedge these risks.
  In line with the regulations for fair value hedge accounting, the derivative financial instruments used for hedging purposes are recognised at fair value as fair values of derivative hedging instruments. Any changes in the fair value of the hedged asset or hedged liability resulting from an opposite move in the hedged risk are also recognised in profit or loss under net income from hedge accounting. Counterbalancing changes on remeasurement associated with the hedging instruments and the hedged underlying transactions are recognised in the income statement as net income from hedge accounting. Any portion of the changes in fair value that are not attributable to the hedged risk are accounted for in accordance with the rules of the valuation category to which the hedged asset or liability belongs. For interest rate risks fair value hedge accounting can take the form of either a micro fair value hedge or a portfolio fair value hedge.
  - In micro fair value hedge accounting an underlying transaction is linked with one or more hedging transactions in a hedging relationship. The carrying amounts of the hedged transactions are adjusted through profit or loss in the event of changes in fair value attributable to the hedged risk.
  - In a portfolio fair value hedge interest rate risks are hedged at the portfolio level. Not individual transactions or groups of transactions with a similar risk structure are hedged, but rather a portfolio of underlying transactions is created grouped by maturity bands in accordance with the expected repayment and interest adjustment dates. Portfolios may contain only assets, only liabilities, or a mixture of both. In this type of hedge accounting, changes in the fair value of the underlying transactions are reported in the balance sheet as a separate asset or liability item. The hedged amount of the underlying transactions is computed in the consolidated financial statements excluding demand or savings deposits (we have thus elected not to use the EU carve-out regulations).
- Cash Flow Hedge Accounting:
  IAS 39 prescribes the use of cash flow hedge accounting to avoid a distorted impact on earnings for derivatives which serve to hedge the risk of a change in future cash flows. Derivatives used in cash flow hedge accounting are measured at fair value. The effective portion of gains and losses are recognised net of deferred taxes in the cash flow hedge reserve

under equity. The ineffective portion, on the other hand, is reported in the income statement in net income from hedge accounting. The general accounting rules set out above for the underlying transactions of the hedged cash flows remain unchanged by this.

The application of hedge accounting rules is tied to a number of conditions. These relate above all to the documentation of the hedging relationship and also to its effectiveness.

The hedge must be documented at inception. Documentation must include in particular the identification of the hedging instrument, the related hedged item or transaction, the nature of the risk being hedged and how effectiveness of the hedge is assessed. In addition to documentation, IAS 39 requires the effectiveness of a hedge to be demonstrated during the entire term of the hedge in order for hedge accounting rules to be applied. Effectiveness in this context means the relationship between the change in fair value or cash flow of the hedged item and the change in fair value or cash flow of the hedging instrument. If these changes offset each other almost fully, a high degree of effectiveness exists. Proof of effectiveness requires, firstly, that a high degree of effectiveness can be expected from a hedge in the future (prospective effectiveness). Secondly, when a hedge exists, it must be regularly demonstrated that it was highly effective during the period under review (retrospective effectiveness). Both the retrospective and prospective effectiveness must be within a range of 0.8 to 1.25.

Commerzbank uses regression analysis to assess effectiveness in micro fair value hedge accounting. The changes in fair value of the hedged transaction and the hedging instrument are determined by means of historical simulations for the prospective effectiveness test, while the actual changes in fair value are used for the retrospective effectiveness test. Regression analysis is also used for the prospective effectiveness test in portfolio fair value hedge accounting, while the dollar-offset method is used for the retrospective effectiveness test.

(6) Currency translation

Monetary assets and liabilities denominated in foreign currencies and pending spot foreign exchange transactions are translated at the spot mid rate, and foreign exchange forward contracts at the forward rate, on the balance sheet date. Realised income and expenses are normally translated using the spot rate applying on the date of realisation.

Average exchange rates may also be used to translate income and expenses, provided these prices are representative, i.e. the exchange rate has not undergone major fluctuations. Hedged expenses and income are translated using the hedging rate. Expenses and income resulting from the translation of balance sheet items are recognised in profit or loss under net trading income.

Non-monetary items such as equity holdings are generally translated at historic exchange rates, if they are measured at amortised cost. If they are measured at fair value, the current rate method for foreign exchange translation is used. Gains and losses on the translation of non-monetary items are recognised either in equity or profit or loss depending on the way the net gain or loss is recognised.

Income and expenses in the financial statements of consolidated subsidiaries and companies accounted for using the equity method are translated at the exchange rate prevailing on the transaction date. For simplification purposes a price can be used for translation which represents an approximation of the exchange rate on the transaction date, for example the average exchange rate over a period. All differences arising on translation are recognised as a separate component of equity in the currency translation reserve. Translation gains and losses from the consolidation of the capital accounts are also recognised in equity under the currency translation reserve. On the date of the sale or part sale of companies reporting in foreign currency, the translation gains or losses are recognised in profit or loss under net investment income. Even if an equity holding in a foreign currency is reduced without being fully deconsolidated, the effect of this partial reduction on the currency translation reserve is recognised in profit or loss.

(7) Cash reserve

The cash reserve comprises cash on hand, balances held at central banks, debt issued by public-sector borrowers and bills of exchange eligible for rediscounting at central banks. With the exception of debt issued by public-sector borrowers, which is shown at amortised cost, all the items are stated at their nominal value.

(8) Claims

The Commerzbank Group's claims on banks and customers which are not held for trading and are not quoted on an active market are reported at amortised cost. Premiums and discounts are recognised in net interest income over the term of the claim. Claims on banks and customers for which the fair value option is applied are accounted for at fair value. The carrying amounts of claims to which micro fair value hedge accounting is applied are adjusted for changes in fair value attributable to the hedged risk. In portfolio fair value hedge accounting changes in fair value are reported in the balance sheet item value adjustments for portfolio fair value hedges.

(9) Loan loss provisions

We make provision for the particular risks of on- and off-balance sheet lending in the loans and receivables category in the form of specific loan loss provisions (SLLPs), portfolio loan loss provisions (PLLPs) and general loan loss provisions (GLLPs).

When determining provisioning levels the fundamental criteria include whether the claims are in default or not and whether the claims are significant (over €3m) or insignificant (up to €3m). All claims which are in default under the Basel 2 regulations are identified as in default or non-performing. The following events can be indicative of a customer default:

- Imminent insolvency (over 90 days past due).
- The Bank is assisting in the financial rescue/restructuring measures of the customer with or without restructuring contributions.
- The Bank has demanded immediate repayment of its claims.
- The customer is in insolvency proceedings.

For significant claims which are in default we recognise specific loan loss provisions in accordance with uniform standards across the Group. The net present value of the expected future cash flows is used to calculate both specific valuation allowances as well as specific loan loss provisions. In addition to the expected payments the cash flows include the expected proceeds from realising collateral and other recoverable cash flows. The loan loss provision or valuation allowance is therefore equal to the difference between the carrying value of the loan and the net present value of all the expected cash flows. The increase in the net present value over time using the original effective interest rate (unwinding) is recognised as interest income.

A portfolio loan loss provision (PLLP impaired) is recognised for insignificant defaulted claims using internal parameters.

For non-defaulted claims we account for credit risk in the form of general loan loss provisions (GLLPs). The level of the general loan loss provisions, both for on- and off-balance sheet lending, is determined using parameters derived from Basel 2 methodology.

We deduct the total loan loss provision, insofar as it relates to on-balance sheet claims, directly from the respective asset item. However, the provision for losses in off-balance sheet business (e.g. contingent liabilities, lending commitments) is shown under provisions for lending business.

Unrecoverable accounts for which no specific loan loss provisions have been formed are written off immediately. Amounts recovered on claims written off are recognised in the income statement under loan loss provisions. Impaired claims are (partially) written down, utilising any specific provisions, if such claims prove to be partially or entirely unrecoverable. We also directly write off portions of impaired claims that exceed existing loan loss provisions if they are unrecoverable.

(10) Repurchase agreements and securities lending

Repurchase agreements include repo and reverse repo transactions. Repo transactions combine the spot purchase or sale of securities with their forward sale or repurchase, the counterparty being identical in both cases. The securities sold under repurchase agreements (spot sale) continue to be recognised and measured in the consolidated balance sheet as part of the securities portfolio in accordance with the category to which they are assigned. The securities are not derecognised as we retain all risks and opportunities connected with the ownership of the security sold under the repurchase agreement. The same risks and opportunities therefore apply to financial assets which have been transferred but not derecognised as apply to the non-transferred financial assets described in Note 5.

The inflow of liquidity from the repo transaction is shown in the balance sheet as a liability to either banks or customers, depending on the counterparty. Agreed interest payments are recognised as interest expense in net interest income according to maturity.

The outflows of liquidity arising from reverse repos are accounted for as claims on customers or banks. They are measured either at fair value using the fair value option or at amortised cost. The securities bought under repurchase agreements which underlie the financial transaction (spot purchase) are not carried in the balance sheet and are thus not measured. Agreed interest payments in reverse repos are recognised as interest income within net interest income according to maturity.

We conduct securities lending transactions with other banks and customers in order to meet delivery commitments or to enable us to effect securities repurchase agreements. We report these transactions in a similar manner to securities repurchase transactions. Securities lent remain in our securities portfolio (trading assets or financial investments) and are measured according to the rules of IAS 39. Borrowed securities do not appear in the balance sheet, nor are they valued. In securities lending transactions, the counterparty credit risk can be avoided by obtaining collateral, which may be provided in the form of cash, for example. Collateral furnished for a securities lending transaction is known as cash collateral out and collateral received as cash collateral in. In addition, cash collateral outs are deposited as collateral in connection with derivative transactions. We show cash collateral which we have furnished for securities lending transactions as a claim and collateral received as a liability. Interest and expenses from securities lending transactions are recognised in net interest income according to maturity.

(11) Value adjustments for portfolio fair value hedges

This item contains interest-rate-related positive and negative changes in the fair value of hedged transactions for which portfolio fair value hedge accounting is used.

(12) Positive fair values of derivative hedging instruments

This item contains derivative financial instruments used for hedging purposes which qualify for hedge accounting and have a positive fair value. The hedging instruments are measured at fair value.

(13) Trading assets

Under trading assets we report financial instruments measured at fair value and held for trading purposes. These include fixed income and equity securities, promissory note loans and units in investment funds. Also shown at fair value are all derivative financial instruments which are not used as hedging instruments in hedge accounting and have a positive fair value. Lending commitments with a positive fair value allocated to the trading book are also shown in this item.

(14) Financial investments

Financial investments are financial instruments not assigned to any other balance sheet item. Financial investments comprise all bonds, notes and other interest-rate-related securities, shares and other equity-related securities, units in investment funds, equity holdings and holdings in non-consolidated subsidiaries unless they must be treated as assets held for sale as defined by IFRS 5. Holdings in companies not accounted for using the equity method and in jointly controlled entities are reported as financial investments under equity holdings.

Financial instruments from the loans and receivables category contained in financial investments are measured at amortised cost.

Portfolio items classified as available for sale financial assets are recognized and measured at their fair value.

Premiums and discounts are recognised in net interest income over the lifetime of the asset. Net interest income also includes interest income from bonds, dividends on shares including shares in unconsolidated affiliated companies and current gains or losses from equity holdings.

If, however, an effective fair value hedge with a derivative financial instrument exists for financial instruments reported in this item, then that portion of the change in fair value attributable to the hedged risk is shown under net income from hedge accounting. Changes in the fair values of financial investments to which the fair value option has been applied are recognised in the net gain or loss from application of the fair value option, which is part of net trading income.

(15) Intangible assets

Intangible assets mainly consist of software, customer relationships and goodwill. They are recognised at amortised cost. Due to their finite useful economic lives software and customer relationships are written off on a straight line basis over their prospective useful lives. In the case of goodwill our assumption is that it can generate cash flows indefinitely. As a result goodwill with an indefinite useful economic life is not amortised, but is instead tested for impairment at least once a year.

Impairment test methodology

All goodwill is allocated to the cash-generating unit at the time of acquisition. Commerzbank has defined the segments as cash generating units in accordance with IFRS 8. Further details on the segments are provided in Note 45. In accordance with IAS 36 these assets are tested for impairment at the level of the cash generating units at least at every balance sheet date or if a trigger event occurs. In the process, the carrying amount of the capital employed in a cash generating unit (including the attributed goodwill) is compared with the recoverable amount of these assets. The carrying amount of the capital employed is determined by allocating the Group's capital to the cash generating units. First all directly allocable components are allocated to the segments and then the remaining capital is allocated to the segments in proportion to their total risk-weighted assets. The recoverable amount is the higher of value in use and fair value less costs to sell. The value in use is based on the expected profitability of the unit and the cost of capital as set out in the medium-term planning for the individual segments approved by the board. If the value in use falls below the carrying amount, the fair value less costs to sell is also calculated. The higher of the two figures is reported.

Assumptions underlying the impairment testing

Commerzbank uses the Capital Asset Pricing Model (CAPM), with inputs mainly from parameters observable on the market (level 2), in order to calculate goodwill using the discounted cash flow calculation. The risk-adjusted interest rates deriving from the model are used to discount the expected cash flows of the cash-generating units. This produces the realisable amount, which can be higher or lower than the carrying amount. If the realisable amount is lower than the carrying amount, Commerzbank initially recognises an impairment on the goodwill of the cash-generating unit, which is reported under impairments of goodwill in the income statement. Any additional impairment required is divided pro-rata between the remaining assets in the unit. The expected results of the cash-generating units are based on the segments' multi-year planning, which normally has a horizon of four years. A long-term growth rate is applied to financial years in excess of this. A long-term growth rate of 2.0% is assumed for all segments (previous year: 2.0%). In addition to profitability projections the multi-year planning involves forecasts for risk-weighted assets and capital employed. The main value drivers are receivables volumes, net interest income after loan loss provisions and net commission income. Risk assets are a further sensitive planning parameter. The projections are based on forecasts from the economic research department for the macroeconomic outlook as well as other significant parameters such as movements in interest rates, exchange rates, equity and bond markets. Planning is based both on management's past experience and an assessment of risks and opportunities based on the forecasts. The main management assumptions on which the cash flow forecasts for each cash-generating unit are based, and the management approach chosen are set out in the table below:

Main assumptions	Management approach
Private customers	
New private customer strategy – strategic investment in growth with simultaneous stabilisation of costs: • Repositioning and complete overhaul of the business model to rebuild customer trust • Modernisation through close interaction between the branch network and digital banking (genuine multi-channel bank) • Growth path of Commerz Real • Growth path of comdirect: scaling up of B2C growth • Gaining new customers and boosting revenue from existing customers with a focus on growth in invested assets, expanding the lending business for business customers and broadening the premium product range • Stabilisation of the cost base through rigorous management of operating costs and a reduction in full-time employees in the branch network	• Central assumptions are based on internal and external studies on the economic and market outlook • Management projections for growth in new customers and the stabilisation of costs are based on progress achieved so far

Main assumptions	Management approach
Mittelstandsbank	
Further strategic expansion and strengthening of its market position through: • Gaining new customers among smaller Mittelstand companies, while increasing market share among the larger Mittelstand and large customers • International growth by scaling up the existing business model • Expanding loan business and thus boosting the net interest margin • Expanding cash management and growth in the foreign trade finance business • Investing to realise the strategic targets particularly in IT infrastructure and raising staff numbers • Keeping cost increases low through efficiency measures	• Use of internal and external sources for main economic assumptions • Forecast of stabilisation of costs based on progress achieved so far • Management estimates of planned revenue growth based on investments already carried out and planned • Analyses of market potential form the basis for boosting market share and winning new customers • Above-average growth opportunities at international locations
Central & Eastern Europe	
Continued implementation of the One Bank strategy for organic growth: • All BRE activities united under the mBank brand (already completed in 2013) • Greater focus on private customer offering over mobile banking and social media channels • Access to the existing integrated branch network to be opened to all customer groups • Expanding business with medium-sized business and the cross-border corporate business • Diversification of funding, particularly through customer deposits and use of the capital market • Efficient cost management	• Central assumptions based on internal and external studies on the outlook for the economy and banking sector growth • Management projections of market potential from new business growth, cross-selling and efficiency measures • All initiatives as part of the One Bank strategy are based on business plans developed by management • Central assumptions take account of regulatory changes
Corporates & Markets	
• Normalisation of the situation on the capital markets after a period of uncertainty and associated impact on profitability • Generation of revenues in corporate finance by providing short-term finance in special situations and by helping our customers to optimise their balance sheet structure • Growth in credit portfolio management through the expansion of loan books in selected markets • Growth in Fixed Income & Currencies across the entire product range • Growth in Equity Markets & Commodities primarily from higher revenues from index-based certificates and asset management products • Continued cost cuts through simplification and harmonisation of processes	• Use of internal and external sources for main economic and financial market forecasts • Analysis of customer needs for hedging and liquidity products • Competitive position incorporated in estimates of volumes and margins • Bringing results of optimisation and rationalisation projects to fruition

Due to the assumptions underlying the cash flow forecasts and the uncertainties that are inevitably involved, the following circumstances may have an adverse impact on the cash flow forecasts of the cash-generating units (the list is not exhaustive):

- Macroeconomic environment worse than expected
- Deterioration in the sovereign debt crisis
- Uncertainties about the regulatory environment
- Greater intensity of competition than assumed
- Interest rate outturn differs from economic forecast

Risk-adjusted interest rates (before tax) were calculated on the basis of the risk-free interest rate, the market risk premium and the systematic risk (beta factor). We drew on data from external providers for the risk-free interest rate and the market risk premium. The beta was calculated on the basis of a comparator group.

Risk-adjusted interest rate	2013	2012
Private customers	10.4%	11.1%
Mittelstandsbank	10.6%	11.4%
Corporates & Markets	11.1%	11.4%
Central & Eastern Europe	11.0%	11.9%

We amortise acquired customer relationships over a period of ten to fifteen years.

Software is amortised on a straight-line basis over its expected useful economic life of usually two to seven years, and sometimes up to twenty years, and charged to operating expenses. Software includes both in-house developed software and acquired software. Where the reason for an impairment recognised in previous financial years ceases to apply, the impairment of intangible assets is reversed to no more than amortised cost. Impairment reversals are not permitted for goodwill.

(16) Fixed assets

The land and buildings, self-powered ships as well as office furniture and equipment shown under this item are recognised at cost less depreciation. Impairments are made in an amount by which the carrying value exceeds the higher of fair value less costs to sell and the value in use of the asset.

Where the reason for recognising an impairment in previous financial years ceases to apply, the impairment is reversed to no more than amortised cost.

In determining the useful life, the likely physical wear and tear, technical obsolescence and legal and contractual restrictions are taken into consideration. All fixed assets are depreciated or written off largely over the following periods, using the straight-line method:

	Expected useful life years
Buildings	25–50
Office furniture and equipment	3–25
Self-powered ships	5–25

In line with the materiality principle, purchases of low-value fixed assets were recognised immediately as operating expenses. Profits realised on the disposal of fixed assets appear under other income, with losses being shown under other expenses.

(17) Leasing

In accordance with IAS 17, a lease is classified as an operating lease if it does not substantially transfer to the lessee all the risks and rewards incidental to ownership. By contrast, leases where substantially all of the risks and rewards are transferred to the lessee are classified as finance leases. The present value of the lease payments is central to determining the risks and rewards of the lease. If the present value amounts to at least substantially all of the fair value of the leased asset, the lease is classified as a finance lease. The most commonly leased assets are chartered ships and to a lesser extent vehicles.

- Operating leases

  If the risks and rewards of ownership remain substantially with the lessor, the asset will continue to be reported on the balance sheet. Leased assets are reported in the consolidated balance sheet under other assets and are shown at cost, less depreciation over their useful economic lives and/or impairments. Unless a different distribution is appropriate in individual cases, we recognise the proceeds from leasing transactions on a straight-line basis over the lifetime of the lease and report them under other net income.

- Finance leases
  If virtually all the risks and rewards relating to the leased asset are transferred to the lessee, the Commerzbank Group recognises a claim on the lessee. The claim is shown at its net investment value at the inception of the lease. Lease payments received are divided into an interest portion and a repayment portion. The income is recognised as interest income through profit or loss for the respective period.

The Group as lessor

Ship leases usually include a fixed chartering period. The lease agreements usually include an option for the lessee to buy or to extend the lease. The ships are written off over a 25-year period. The payments to be made by lessees are calculated based on the total investment costs less the residual value of the leased asset (real estate, ships) as determined at the start of the lease agreement. During the fixed basic rental period lessees bear all the asset-related costs and the third-party costs of the leasing company. The risk of unexpected or partial loss of the leased asset is borne by the lessors.

Lease agreements for moveable assets (vehicles, IT equipment) are structured as partially amortising agreements with an option to purchase and can be terminated. Because the fixed rental period is shorter in relation to the normal length of use in the case of partially amortising agreements, only part of the total investment costs are amortised.

Leases which may be terminated have no fixed rental period. In the event of termination a previously agreed final payment becomes due, which covers the portion of the total investment costs not yet amortised. If notice of termination is not given, the lease rolls over. The risk of unexpected or partial loss of the leased asset is then borne again by the lessor.

The Group as lessee

Expenditure on operating leases is always recorded on a straight-line basis over the life of the lease agreement and reported under operating expenses.

Finance leases where the Commerzbank Group is a lessee are of minor significance.

(18) Investment properties

Investment properties are defined as land and buildings held for the purpose of earning rental income or because they are expected to increase in value. Commerzbank Group also reports properties acquired as a result of the realisation of collateral (rescue purchases) and properties owned by the Commerzbank Group that are let under operating leases in this category. Commercial property accounts for the bulk of the investment properties.

Investment properties are measured at cost including directly attributable transaction costs on initial recognition in accordance with IAS 40. The fair value model is used for the subsequent valuation of investment property. Fair value is normally determined on the basis of annual valuations conducted by external and internal experts and on prices currently obtainable in the market. Properties used for commercial purposes are usually valued based on capitalised income; individual residential buildings are generally valued using the cost or sales comparison approach. The valuation of the properties using the capitalised income approach is based on standard rental values for the locality, with discounts for management, acquisition costs and vacancy rates, and on remaining useful lives and land values. In some cases contractually agreed rents are also used. The property yield, which is a further input in the valuation process, takes account of the market interest rate level and the specific property and location risk attaching to the property. The main parameters observable on the market are local rent levels and property yields.

Gains and losses arising from changes in fair value are shown under other net income in the income statement for the period. Current income and expenses are recognised in net interest income.

(19) Assets and disposal groups held for sale

Non-current assets and disposal groups that can be sold in their current condition and whose sale is highly probable must be classified as held for sale. These assets must be measured at fair value less costs to sell in cases where this is lower than book value. However, for interest-bearing and non-interest-bearing financial instruments and investment property the only accounting change is the reclassification to the relevant balance sheet items in accordance with IFRS 5. They continue to be measured in accordance with IAS 39 or IAS 40.

If impairments are established as a result of measurement in accordance with IFRS 5, these are recognised in the corresponding position in the income statement, depending on the underlying transaction. Any subsequent write-up is limited to the total of impairments previously recognised.

The current net income from assets and disposal groups held for sale is normally recognised under the same item in the income statement as for other assets and disposal groups without the classification of being held for sale. Gains and losses on the disposal of disposal groups are divided up and recognised in the relevant line of the income statement. For significant subsidiaries that were previously consolidated the gain or loss on disposal can sometimes be reported in a separate line (usually within net investment income).

(20) Debt (including financial liabilities)

In addition to our financial liabilities, the debt comprise all items on the liabilities side of the balance sheet with the exception of equity. The financial liabilities primarily consist of the liabilities to banks and customers, liabilities from securitised liabilities and liabilities from our subordinated debt instruments.

If they are not held for trading purposes, financial liabilities are carried at amortised cost. The derivatives embedded in liabilities are separated from their host debt instrument where this is required, measured at fair value and recognised under either trading assets or trading liabilities. In micro fair value hedge accounting, hedged liabilities are adjusted for the change in fair value attributable to the hedged risk. In portfolio fair value hedge accounting the changes in fair value are reported under liabilities as value adjustments for portfolio fair value hedges. Liabilities for which the fair value option is used are recognised at their fair value.

Please also refer to Notes 21 to 24 and 26 for more information on the accounting treatment of liabilities.

(21) Negative fair values of derivative hedging instruments

This item shows derivative financial instruments that are used for hedging purposes and qualify for hedge accounting if they have a negative fair value. The hedging instruments are measured at fair value.

(22) Trading liabilities

Derivative financial instruments which are not used as hedging instruments in hedge accounting, lending commitments in the trading book which have a negative fair value are reported under trading liabilities. We also report own issues in the trading book and delivery obligations from short sales of securities in this item. Trading liabilities are measured at fair value through profit or loss.

(23) Provisions

A provision must be shown if on the balance sheet date, as the result of an event in the past, a current legal or factual obligation has arisen, an outflow of resources to meet this obligation is likely and it is possible to make a reliable estimate of the amount of this obligation. Accordingly we make provisions for liabilities of an uncertain amount to third parties and anticipated losses arising from pending transactions in the amount of the claims expected.

The different types of provisions are allocated via various items in the income statement. Provisions for lending business are charged to loan loss provisions and provisions for restructuring to restructuring expenses. Other provisions are generally charged to operating expenses.

Companies within the Commerzbank Group are involved both in Germany and other countries in court, arbitration and supervisory proceedings as defendants and plaintiffs or in other ways. Moreover, there are other legal cases in which Commerzbank and its subsidiaries are not directly involved, but which could have an impact on the Group because of their fundamental importance for the banking sector. The Group recognises appropriate provisions for potential losses from liabilities of an uncertain amount for legal proceedings and recourse claims, if the potential loss is probable and quantifiable. These provisions are charged to other net income. Provisions for recourse claims include, among other things, reimbursement obligations in the lending business as a result of syndicated loan agreements or misselling to customers. With regard to liabilities for litigation costs, at a minimum the legal and court fees and ancillary costs are provided for, although this may vary based on the specific practices in each country. If a company within the Group is the defendant, provisions are recognised for the value in dispute on each balance sheet date based on an estimate of the probabilities for the outcome. However, the Group's ultimate liability may differ from the provisions that have been recognised, as a high degree of judgement is involved in estimating the probability of uncertain liabilities in such legal proceedings and quantifying them. These estimates may turn out to be inaccurate at a later stage of the proceedings.

Restructuring provisions are recognised if the Commerzbank Group has a detailed formal restructuring plan and has already begun implementing this plan or has announced the main details of the restructuring. The detailed plan must contain information on the departments involved, the approximate number of staff whose jobs are affected by the restructuring, the costs involved and the period during which the restructuring will be carried out. The detailed plan must be communicated in such a way that those affected can expect it to be realised. The restructuring expenses item in the income statement contains further direct restructuring expenses which are not included in the restructuring provision.

Discounting

The amount recognised as a provision represents the best possible estimate of the expense required to meet the current obligation as at the reporting date. The estimate takes account of risks and uncertainties. Provisions are recognised at their net present value if they are long-term.

(24) Provisions for pensions and similar commitments

The company pension arrangements for current and former employees of Commerzbank Aktiengesellschaft and a number of domestic and foreign subsidiaries, together with their surviving dependants, consist of direct and indirect pension commitments (comprising both defined benefit and defined contribution plans).

Commerzbank mainly uses the BVV pension scheme to meet its indirect pension commitments. This is also used by other BVV member companies for occupational pension provision. Membership of BVV forms part of Commerzbank's works council agreement, and its membership of BVV therefore cannot be terminated. The payment of contributions to the BVV pension scheme by the member companies and the payment of benefits by the BVV pensions scheme are determined by the applicable BVV pension plan. Contributions take the form of a percentage contribution rate, which is payable out of the gross monthly salary of active staff. Contributions are capped by a maximum contribution threshold. These indirect systems are defined benefit plans which are shared jointly by several employers. However, they are accounted for as defined contribution plans, as we do not have enough information on our share of the overall defined benefit obligation of each BVV plan and on the share of the relevant plan assets attributable to us. The contributions paid to the external pension providers are recognised under personnel expenses. Under the German occupational pensions legislation, the employer is liable for meeting the pension commitment provided through BVV. However, no provisions have been recognised either in the current year or previous years, as recourse to this statutory liability is regarded as unlikely.

The Group also operates defined benefit plans based on a direct pension commitment on the part of Commerzbank, where the level of the pension payment is pre-defined and dependent on factors such as age, salary level and length of service. IAS 19 accounting principles for defined benefit pension plans are applied to these pension schemes, and therefore provisions are recognised.

For employees entitled to pension benefits who joined Commerzbank Aktiengesellschaft or certain other consolidated companies before 31 December 2004, the pension entitlements are based on the regulations of the Commerzbank modular plan for company pension benefits, known as the CBA. The amount of the benefits under CBA consists of an initial module for the period up to 31 December 2004, plus a benefit module – possibly augmented by a dynamic module – for each contributory year from 2005 onwards. Staff joining the Bank after 1 January 2005 have pension rights under the Commerzbank capital plan for company pension benefits, known as the CKA. The CKA guarantees a minimum benefit on the modular basis, but also offers additional opportunities for higher pension benefits through investing assets in investment funds.

Since 1 January 2010 the direct pension arrangements for staff formerly employed by Dresdner Bank Aktiengesellschaft have also been based on the company pension modules of the CBA.

Furthermore, some foreign subsidiaries and branches, primarily in the United Kingdom and the USA, also have defined benefit and defined contribution plans.

In addition to the occupational pension plans, there is an internally-financed healthcare plan in the United Kingdom which entitles members in retirement to reimbursement of medical costs or a contribution to private medical insurance. The resulting obligations are accounted for according to the rules for defined benefit pension plans as specified by IAS 19.

In order to meet the direct pension liabilities in Germany, cover assets were transferred to a legally independent trustee, Commerzbank Pension Trust e. V. (CPT) under a Contractual Trust Arrangement (CTA). The assets held by CPT and the cover assets for pension obligations in our foreign units qualify as plan assets within the definition of IAS 19.8. The trust agreements signed by Commerzbank Aktiengesellschaft and other group companies in Germany with the CPT also provide insolvency insurance for the direct occupational pension commitments funded by plan assets. The insolvency insurance covers all vested benefits of active and former employees and all current benefits being paid to pensioners. It covers the portion of vested or current benefits that are not covered by Pensions-Sicherungs-Verein (PSV), the German pensions insurance fund.

The trust agreements do not require the trustor companies to pay in contributions. However, the plan assets must cover the liabilities not covered by PSV at all times. The companies that are party to the agreements may only request rebates from the plan assets for pension benefits that have been paid up to this limit.

The investment guidelines for the German plan assets are laid down jointly by the Board of Commerzbank Aktiengesellschaft and the CPT. There are no legal requirements for the investment guidelines. The investment management is carried out by the Executive Pension Committee (EPC), which follows a liability-driven investment (LDI) approach as part of its Asset Liability Management (ALM). It also sets the framework for determining the actuarial assumptions. The main aim of the EPC's investment strategy is to replicate the future cash flows for the pension liabilities using derivatives for interest rates, inflation and credit spreads, with the aim of reducing the risks directly attributable to the future development of the pension liabilities. Apart from the usual pension risks such as inflation and biometric risks there are no other unusual risks at Commerzbank. The portfolio of the plan assets is well-diversified and mainly comprises fixed-income securities, equities and alternative investments (see Note 68).

The pension plans outside Germany have their own trust structures independent from the CPT. Overall they currently represent around 20% of the Group's total pension liabilities. The EPC also acts as the steering committee for the plan assets of the foreign pension plans. Moreover, different national regulations apply in each of the foreign markets, although an LDI approach is also generally followed in these markets. The biggest plan sponsors outside Germany are the Group units in London (over 80%), New York and Amsterdam, which together account for around 95% of the foreign pension liabilities. Most of the foreign pension schemes are funded defined benefit plans. In some cases there are also pension liabilities abroad on a small scale that are not covered by plan assets.

In accordance with IAS 19.63 the net liability or net asset resulting from the present value of the defined benefit obligations less the fair value of the plan assets, subject if applicable to the asset ceiling, is recognised in the balance sheet.

The pension expense reported under personnel expenses and in net interest income consists of several components: firstly the service cost, which together with the current service cost represents the entitlements earned by members during the financial year, also including the past service cost, which arises from changes in the pension obligation of past years as a result of changes in pension commitments; secondly the net interest cost, which arises from the application of the discount rate for calculating the pension obligation to the net defined benefit liability or asset. It represents the difference between the present value of the liabilities and the fair value of the plan assets.

For defined-benefit plans the pension provisions and similar obligations (age-related short-time working, early retirement and anniversary provisions) are calculated annually by an independent actuary using the projected unit credit method. Apart from biometric assumptions (for example, Heubeck-Richttafeln 2005 G), this calculation is based in particular on a current discount rate based on the yield on high-quality long-term corporate bonds, assumptions regarding staff turnover and career trends as well as expected future rates of salary and pension increases. For German pension obligations, the discount factor is determined using a proprietary Commerzbank model derived from eurozone swap rates with the same maturity adjusted by a spread premium for high-quality corporate bonds.

The difference between the remeasurement of the pension obligation on the balance sheet date as compared with the value projected at the beginning of the year is the actuarial gain or loss. Actuarial profits and losses are, like the return on plan assets (with the exception of amounts contained in net interest expense/income) recognised directly in retained earnings within equity and are reported in the statement of comprehensive income.

(25) Staff remuneration plans

1. Description of the main remuneration plans

a) Commerzbank-Incentive-Plan (CIP)

The Commerzbank-Incentive-Plan (CIP) was established in 2011. In addition to a cash component it grants beneficiaries a certain number of Commerzbank shares. Commerzbank has the right under this remuneration plan to make a payment in cash rather than in shares. To avoid further dilution through capital increases, we have been exercising this option for all future payments to staff in Germany and abroad (except for the Board of Managing Directors) since 2013.

The CIP applies to the entire Commerzbank Group.

The mechanism of the remuneration model for variable remuneration comprises both a short-term incentive (STI) and a long-term incentive (LTI) in various formats. The STI component is designed as compensation for the previous financial year. The LTI component is designed as compensation for a vesting period of four years.

The proportion of the variable remuneration granted in the form of shares or cash depends on the risk-taker group.

- Risk-taker I (executives, members of management).
- Risk-taker II (chairmen of important committees, functions with a significant impact on the bank's overall risk profile).
- Non risk-takers (other staff whose variable remuneration exceeds a certain threshold).

Risk-taker groups I and II differ in the weighting of the STI and LTI. In both cases around half of the short-term and long-term components is paid out in shares or cash. In the non-risk-taker group half of the amount of the long-term component in excess of the threshold is paid in shares or cash.

The different remuneration components are estimated and recognised in profit or loss in the financial year on the basis of plan calculations. The level of variable remuneration and therefore the proportion accounted for by shares per employee is finalised in the annual target attainment meeting (performance appraisal I), which is held in the first three months of the following year. This amount represents the upper limit for variable remuneration for the entire 4-year vesting period; thereafter it can only be reduced in the annual target attainment meetings as a result of Group-specific quantitative and individual qualitative attainment metrics. The number of shares to be cash-settled is determined by dividing the shares portion of the variable remuneration by the average Xetra closing price of the Commerzbank share in January and February plus December of the previous year.

In the STI the shares, or the optional cash settlement, are subject to a 6-month lockup period. In the LTI the beneficiaries gain the right to acquire the shares after performance appraisal II at the end of the vesting period of 4 years (including the initial financial year), i.e. 3 years after determining the underlying number of shares. There is again a 6-month lockup period from the date on which the beneficiaries gain the right to acquire the shares.

If Commerzbank has paid dividends or carried out a capital action during the term of the CIP, an additional cash amount equal to the dividend, or a cash settlement for the capital action, will be paid out when the CIP matures.

b) Share awards

Share awards are a deferred component of variable compensation where non pay-scale employees of Commerzbank Aktiengesellschaft are allocated virtual Commerzbank shares. They entitle the holder to receive the gross cash value of the shares allocated on the award date after the vesting period has elapsed. The amount of the provision for variable compensation and the portion of the variable compensation to be paid in the form of share awards is dependent on the Bank's overall performance and is not determined until the spring of the year following the year for which the award is paid. The number of share awards is determined on the date of allocation by dividing the variable compensation amount by the average Xetra closing price of the Commerzbank share for January and February of the year of the award and December of the previous year.

The average Xetra closing price of the Commerzbank share in January and February of the year of payout and December of the previous year are also used to determine the amount paid out. The amount paid out, normally 3 years from the date of the award, is determined by multiplying this average price by the number of share awards allocated on the award date. If Commerzbank has paid dividends during the term of the award, a cash amount equal to the dividend multiplied by the number of share awards allocated is paid out in addition to the gross cash value of the shares.

The Commerzbank-Incentive-Plan (CIP) was introduced as a result of the Banking Remuneration Regulation (Instituts-Vergütungsverordnung), which became law in Germany in October 2010. For the financial years from 2011 onwards, share awards are therefore used for selected employees only.

c) Long-Term Performance Plans (LTPs)

Commerzbank operated long-term performance plans (LTPs) for managers and other selected employees until the financial year 2008. These were variable compensation plans linked to the Commerzbank share price and lasting from 3 to 5 years, for which a personal investment in Commerzbank shares was necessary. Payment is linked to specific performance criteria of the Commerzbank share. No new LTP has been set up since 2009 and there are no plans to launch any more plans for the foreseeable future. The final LTP from 2008 expired at the end of 2013 without paying out. No LTP was paid out in the financial year 2012 either.

The LTP was accounted for as a cash-settled share-based compensation transaction.

d) mBank S.A. (formerly BRE Bank SA)

In 2008, mBank SA launched two share-based remuneration plans for the members of its Management Board. The members of the Management Board of our subsidiary could participate in these plans from 2009 to 2011. The first plan provided for the subscription of mBank shares. The second plan (modified in 2010) allows for an amount to be drawn in cash corresponding to the Commerzbank share value. The last payout will be made in 2015. In 2012 a new share-based programme was launched in which members of the Management Board can participate up until 2016. It comprises both a short-term component (cash payment) and a long-term component which entitles the participants to make regular subscriptions to mBank shares over a period of three years. Similar to the 2008 programme, a given quantity of these shares are issued each year and made available to those entitled for purchase at a pre-determined price. In all of these programmes participation is linked to a minimum return on equity by the mBank sub-group. The long-term component of the new programme is also linked to the Management Board member's performance assessment.

Both plans which entitle the participants to subscribe to mBank shares (2008 and 2012) are classified as share-based payments settled in the form of equity instruments. The second programme from 2008 is accounted for as a cash-settled share-based compensation transaction.

2. Accounting treatment and measurement

The staff compensation plans described here are accounted for under the rules of IFRS 2 – Share-based Payment and IAS 19 – Employee Benefits. IFRS 2 distinguishes between share-based payments settled in the form of equity instruments and those settled in cash. For both forms, however, the granting of share-based payments has to be recognised at fair value in the annual financial statements.

- Equity-settled share-based payment transactions
  The fair value of share-based payments settled in the form of equity instruments is recognised as personnel expense within equity in retained earnings. The fair value is determined on the date on which the rights are granted.
  If rights cannot be exercised because the conditions for exercise (e.g. a performance target) are not met, no change is made to the amounts already recognised in equity.
- Cash-settled share-based payment transactions
  The portion of the fair value of share-based payments settled in cash that relates to services performed up to the date of measurement is recognised as personnel expense while at the same time being recorded as a provision. The fair value is recalculated on each balance sheet date up to and including the settlement date. Any change in the fair value of the obligation must be recognised through profit or loss. On the date of settlement, therefore, the provision must correspond as closely as possible to the amount payable to the eligible employees. The provisions fluctuate on each balance sheet date in parallel with the performance of the Commerzbank Aktiengesellschaft share price. This affects the portion of the share-based variable remuneration that was determined using an average price for the Commerzbank share. The price itself is determined as the average Xetra closing price of the months of January and February plus December of the previous year. In the case of share awards the portion of the provisions attributable to share awards is reassigned from other personnel provisions to the provision for share awards at the date of the award. The provision is calculated as the product of the number of rights allocated multiplied by the average Xetra closing price of Commerzbank shares in January and February of the year of the award and December of the previous year. The provisions fluctuate on each balance sheet date in parallel with the performance of the Commerzbank Aktiengesellschaft share price. Discounts are not applied for staff natural wastage as the share awards do not lapse on the departure or death of an employee. If Commerzbank pays dividends during the vesting period a cash payment equal to the dividend, or cash compensation for a capital action, will be paid out for each CIP and share award at the payout date in addition to the payout value. Provisions are recognised for these payments if applicable.
- Measurement
  The provision for the Commerzbank incentive plan and the share awards is determined by multiplying the number of shares earned by participants by the closing price of the Commerzbank share on 31 December of the reporting year. The value of Commerzbank shares for the second mBank programme from 2008 is calculated by using average market prices of the Commerzbank share on the date the shares were granted.

(26) Taxes on income

Current tax assets and liabilities are calculated on the basis of the expected payment to or rebate from each fiscal authority using the current tax rates applicable in the relevant country.

Deferred tax assets and liabilities are formed to reflect differences between the IFRS carrying amounts of assets or liabilities and the taxable value, provided that these temporary differences are likely to increase or reduce future taxes on income and there is no rule against disclosing them. In addition, deferred taxes are recognised for both tax loss carryforwards as well as for as yet unused tax credits. The valuation of deferred taxes is based on income tax rates already approved as at 31 December 2013 and applicable upon realisation of the temporary differences.

Deferred tax assets on tax-reducing temporary differences, unused tax losses and unused tax credits are only recognised if and to the extent that it is probable that the same taxable entity will generate tax gains or losses in the foreseeable future with respect to the same fiscal authority.

Deferred tax assets and liabilities are recognised and continued – depending on the reason for the deferral – either under taxes on income in the income statement or directly in equity.

Income tax expenses or income are reported under taxes on income in the consolidated income statement.

Deferred tax assets and liabilities have been netted if there is a right to net current taxes on income and the deferred tax assets and liabilities relate to taxes on income levied by the same fiscal authority on the same taxable entity.

Taxable temporary differences relating to shares in Commerzbank group companies for which no deferred income tax liabilities were recognised amount to €296m (previous year: €115m).

The current and deferred tax assets and current and deferred tax liabilities are set out in the balance sheet and detailed in Notes 58 and 69.

(27) Subordinated debt instruments

We report securitised and unsecuritised issues which in the event of an insolvency can only be repaid after all non-subordinated creditors have been satisfied as subordinated debt instruments. They are recognised at amortised cost. Premiums and discounts are recognised in net interest income over the lifetime of the instrument.

Subordinated debt instruments to which the fair value option is applied are reported at fair value. The carrying amounts of the subordinated debt instruments, to which micro fair value hedge accounting is applied, are adjusted for the changes in fair value attributable to the hedged risk. In portfolio fair value hedge accounting the changes in fair value are reported under liabilities as value adjustments for portfolio fair value hedges.

(28) Fiduciary transactions

Fiduciary business involving the management or placing of assets for the account of others is not shown in the balance sheet. Commissions received from such business are included under net commission income in the income statement.

(29) Contingent liabilities and irrevocable lending commitments

This item mainly shows contingent liabilities arising from guarantees and indemnity agreements as well as irrevocable lending commitments at their nominal value.

Situations where the reporting company acts as guarantor to the creditor of a third party for the fulfilment of a liability of that third party must be shown as guarantees. Indemnity agreements include contractual obligations that involve taking responsibility for a particular outcome or performance. These are normally guarantees issued at a customer's request, which give us a right of recourse to the customer in the event that the guarantee is called upon.

All obligations that could incur a credit risk must be shown here as irrevocable lending commitments. These include obligations to grant loans (e.g. lines that have been advised to customers), to buy securities or provide guarantees or acceptances. However, lending commitments attributable to the trading book are reported under trading assets or trading liabilities.

Provisions for risks in respect of contingent liabilities and lending commitments are included in provisions for loan losses.

Income from guarantees is reported in net commission income; the level of this income is determined by the application of agreed rates to the nominal amount of the guarantees.

(30) Own shares

Treasury shares held by Commerzbank Aktiengesellschaft on the balance sheet date (31 December 2013: –) are deducted directly from equity. Gains or losses on treasury shares are recognised in equity.

Notes to the income statement

(31) Net interest income

€m	2013	2012[1]	Change in %
Interest income	13,969	16,380	−14.7
Interest income from lending and money market transactions and from the securities portfolio (available-for-sale)	947	996	−4.9
Interest income from lending and money market transactions and from the securities portfolio (loans and receivables)	10,375	12,507	−17.0
Interest income from lending and money market transactions and from the securities portfolio (from applying the fair value option)	616	850	−27.5
Interest income from lending and money market transactions and from the securities portfolio (held for trading)	1,277	670	90.6
Prepayment penalty fees	155	139	11.5
Gains on the sale of loans and receivables and repurchase of liabilities[2]	158	264	−40.2
Dividends from securities	129	221	−41.6
Current net income from equity holdings and non-consolidated subsidiaries	22	21	4.8
Current income from properties held for sale and from investment properties	68	69	−1.4
Other interest income	222	643	−65.5
Interest expenses	7,821	9,893	−20.9
Interest expenses on subordinated and hybrid capital	853	891	−4.3
Interest expenses on securitised liabilities	2,094	2,733	−23.4
Interest expenses on other liabilities	3,672	4,991	−26.4
Interest expenses from applying the fair value option[3]	869	951	−8.6
Interest expenses on securitised liabilities held for trading	116	105	10.5
Losses on the sale of loans and receivables and repurchase of liabilities[2]	74	103	−28.2
Current expenses from properties held for sale and from investment properties	59	54	9.3
Other interest expense	84	65	29.2
Total	**6,148**	**6,487**	**−5.2**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 and other disclosure changes (see page 148 ff.). Before restatement interest income was €14,559m, interest expense was €9,020m and net interest income was €5,539m.
[2] Of which: gains of €119m and losses of €30m on the repurchase of liabilities in the current financial year (previous year: €195m gains and €30m losses).
[3] Of which: none for subordinated debt instruments (previous year: €1m).

There was an unwinding effect of €118m (previous year: €157m) for commitments which have been terminated and impaired commercial real estate loans.

Other interest expense includes net interest expense for pensions. Net interest from derivatives (banking and trading book) is recognised in other interest income or other interest expense, depending on the net balance.

The breakdown of interest income and interest expense from investment properties was as follows:

€m	2013	2012	Change in %
Rental income	67	58	15.5
Other income	–	–	.
Total income	**67**	**58**	**15.5**
Building and occupancy expense for rented properties	17	29	−41.4
Other expenses	19	24	−20.8
Total expenses	**36**	**53**	**−32.1**

(32) Loan loss provisions

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

€m	2013	2012	Change in %
Allocation to loan loss provisions[1]	−3,340	−3,133	6.6
Reversals of loan loss provisions[1]	1,842	1,709	7.8
Direct write-downs	−482	−456	5.7
Write-ups and amounts recovered on claims written-down	233	220	5.9
Total	**−1,747**	**−1,660**	**5.2**

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

In 2013 we raised the significance threshold from €1m to €3m (see Note 9). This led to a gain of €24m. The Group's loan loss provisions in 2013 amounted to €1.747m. The breakdown of the net allocation to provisions was as follows:

€m	2013	2012	Change in %
Specific risks	−1,447	−1,482	−2.4
Claims on banks	7	69	−89.9
Claims on customers	−1,522	−1,688	−9.8
Off-balance sheet items	68	137	−50.4
Portfolio risks	−51	58	.
Claims on banks	−13	17	.
Claims on customers	−25	2	.
Off-balance sheet items	−13	39	.
Direct write-downs, write-ups and amounts recovered on claims written down	−249	−236	5.5
Total	**−1,747**	**−1,660**	**5.2**

(33) Net commission income

€m	2013	2012	Change in %
Commission income	**3,787**	**3,769**	**0.5**
Securities transactions	1,095	1,019	7.5
Asset management	187	176	6.3
Payment transactions and foreign business[1]	1,407	1,438	−2.2
Real estate lending business	107	152	−29.6
Guarantees	249	238	4.6
Net income from syndicated business[1]	273	251	8.8
Intermediary business[1]	237	262	−9.5
Fiduciary transactions	10	8	25.0
Other income[1]	222	225	−1.3
Commission expense	**572**	**520**	**10.0**
Securities transactions	188	170	10.6
Asset management	38	34	11.8
Payment transactions and foreign business	145	131	10.7
Real estate lending business	39	37	5.4
Guarantees	76	69	10.1
Net income from syndicated business	1	1	0.0
Intermediary business	80	67	19.4
Fiduciary transactions	4	3	33.3
Other expenses	1	8	−87.5
Net commission income			
Securities transactions	907	849	6.8
Asset management	149	142	4.9
Payment transactions and foreign business[1]	1,262	1,307	−3.4
Real estate lending business	68	115	−40.9
Guarantees	173	169	2.4
Net income from syndicated business[1]	272	250	8.8
Intermediary business[1]	157	195	−19.5
Fiduciary transactions	6	5	20.0
Other income[1]	221	217	1.8
Total	**3,215**	**3,249**	**−1.0**

[1] Prior-year figures restated due to disclosure changes (see page 150 f.). Before restatement, commission income was €3,711m and net commission income was €3,191m.

Commission income included €914m (previous year[1]: €981m) and commission expense included €220m (previous year[1]: €190m) from transactions with financial instruments that are not recognised at fair value through profit or loss.

[1] Restated.

(34) Net trading income

Net trading income is comprised of 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), and
- Net gain or loss from applying the fair value option.

The net gain or loss from applying the fair value option includes the changes in fair value of the underlying derivatives.

€m	2013	2012[1]	Change in %
Net trading gain or loss[2]	–69	415	.
Net gain or loss from applying the fair value option	–27	–334	–91.9
Total	**–96**	**81**	**.**

[1] Prior-year figures restated due to disclosure changes (see page 150 f.). Before restatement total net trading income was €1,113m.
[2] Including net gain or loss on the remeasurement of derivative financial instruments.

(35) Net income from hedge accounting

Net income from hedge accounting includes gains and losses on the valuation of effective hedges in fair value hedge accounting (fair value hedge). Net income from hedge accounting also includes the ineffective portion of cash flow hedges. The breakdown was as follows:

€m	2013	2012[1]	Change in %
Fair value hedges			
Changes in fair value attributable to hedging instruments	1,944	–155	.
Micro fair value hedges	2,142	–1,063	.
Portfolio fair value hedges	–198	908	.
Changes in fair value attributable to hedged items	–1,930	147	.
Micro fair value hedges	–2,165	1,087	.
Portfolio fair value hedges	235	–940	.
Cash flow hedges			
Net gain or loss from effectively hedged cash flow hedges (ineffective part only)	–	–	.
Total	**14**	**–8**	**.**

[1] Prior-year figures restated due to restatement of hedge accounting (see page 149). Before restatement total net income from hedge accounting was €8m.

(36) 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	2013	2012	Change in %
Net gain or loss from interest-bearing business	**–10**	**–150**	**–93.3**
in the available-for-sale category	180	125	44.0
Gains on disposals (including reclassification from revaluation reserve)[1]	300	391	–23.3
Losses on disposals (including reclassification from revaluation reserve)[1]	–130	–263	–50.6
Net remeasurement gain or loss[1]	10	–3	.
in the loans and receivables category	–190	–275	–30.9
Gains on disposals	2	11	–81.8
Losses on disposals	–21	–226	–90.7
Net remeasurement gain or loss[2]	–171	–60	.
Net income from equity instruments	**27**	**231**	**–88.3**
in the available-for-sale category	15	141	–89.4
Gains on disposals (including reclassification from revaluation reserve)[1]	15	141	–89.4
Losses on disposals (including reclassification from revaluation reserve)[1]	–	–	.
in the available-for-sale category, measured at acquisition cost	46	157	–70.7
Net remeasurement gain or loss[1]	–21	–27	–22.2
Net gain or loss on disposals and remeasurement of companies accounted for using the equity method	–13	–40	–67.5
Total	**17**	**81**	**–79.0**

[1] This includes a net €55m of reclassifications from the revaluation reserve created in the financial year 2013 (previous year: €229m).
[2] Includes reversals of portfolio valuation allowances of €–87m for reclassified securities (previous year: allocations of €58m) for reclassified securities.

(37) Current net income from companies accounted for using the equity method

Current net income from companies accounted for using the equity method was €60m (previous year: €46m). Including the net gain or loss on disposals and remeasurement of companies accounted for using the equity method of €–13m (previous year: €–40m), which is included in net investment income, total net income from companies accounted for using the equity method was €47m (previous year: €6m).

(38) Other net income

Other net income primarily comprises allocations to and reversals of provisions, income and expenses from operating leases as well as interim expenses and income attributable to hire-purchase agreements. Expenses and income arising from building and architects' fees relate to the construction management of our sub-group Commerz Real. Other taxes are also included in this item.

€m	2013	2012	Change in %
Other material items of expense	**687**	**621**	**10.6**
Allocations to provisions	470	347	35.4
Operating lease expenses	151	213	−29.1
Expenses arising from building and architects' services	3	6	−50.0
Hire-purchase expenses and sublease expenses	41	41	0.0
Expenses from disposal of fixed assets	22	14	57.1
Other material items of income	**597**	**522**	**14.4**
Reversals of provisions	347	232	49.6
Operating lease income	169	232	−27.2
Income from building and architects' services	7	11	−36.4
Hire-purchase income and sublease income	35	40	−12.5
Income from disposal of fixed assets	39	7	.
Balance of sundry other expenses/income[1]	1	22	−95.5
Other net income	**−89**	**−77**	**15.6**

[1] Of which: €41m (prior year: €39m) attributable to exchange rate movements.

The reversals of provisions and allocations to provisions in other net income were impacted in 2013 by changes to our estimates of litigation losses.

(39) Operating expenses

Operating expenses of €6.797m (previous year[1]: €7.029m) consisted of personnel expenses of €3.889m (previous year[1]: €3.960m), other expenses of €2.509m (previous year: €2.664m) and depreciation and amortisation of office furniture and equipment, property and other intangible assets of €399m (previous year: €405m). The breakdown of operating expenses was as follows:

Personnel expenses | €m	2013	2012[1]	Change in %
Wages and salaries	3,684	3,723	−1.0
Expenses for pensions and similar employee benefits	205	237	−13.5
Total	**3,889**	**3,960**	**−1.8**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 and other disclosure changes (see page 148 ff.).
Before restatement personnel expenses were €3,956m and the overall operating expenses were €7,025m.

Personnel expenses included €469m expenses for social security contributions (previous year: €488m).

[1] Figures restated due to the first-time application of the amended IAS 19 and other disclosure changes (see page 148 ff.).

Operating expenses | €m	**2013**	**2012**	**Change in %**
Occupancy expenses	632	818	– 22.7
IT expenses	470	473	– 0.6
Workplace and information expenses	266	280	– 5.0
Compulsory contributions	177	169	4.7
Advisory, audit and other expenses required to comply with company law	318	293	8.5
Travel, representation and advertising expenses	325	274	18.6
Personnel-related operating expenses	120	111	8.1
Other operating expenses	201	246	– 18.3
Total	**2,509**	**2,664**	**– 5.8**

The fees for the group auditors (PricewaterhouseCoopers Aktiengesellschaft, Frankfurt, Germany) amounted to €31m excluding VAT for the financial year 2013, of which €622 thousand was attributable to services provided during the financial year 2012. The table below shows the costs incurred for services provided by our auditors during the capital increase, which were reported as a deduction from equity in accordance with IAS 32.35.

Auditors' fees | €1,000	**2013**	**2012**	**Change in %**
Audit of financial statements	14,852	15,945	– 6.9
Provision of other certificates or assessments	10,463	5,211	.
Tax consulting services	1,555	3,247	– 52.1
Other services	4,364	1,641	.
Total	**31,234**	**26,044**	**19.9**

Depreciation and amortisation of office furniture and equipment, land, buildings and other fixed assets and intangible assets was as follows:

€m	**2013**	**2012**	**Change in %**
Office furniture and equipment	144	172	– 16.3
Land, buildings and other fixed assets	69	55	25.5
Intangible assets	186	178	4.5
Total	**399**	**405**	**– 1.5**

The amortisation of intangible assets included no impairment charges (previous year: €1m). On land, buildings and other fixed assets there was an impairment charge of € 17m (previous year: €17m).

(40) Restructuring expenses

The restructuring expenses in financial year 2013 were due to Commerzbank's new strategy and the resultant adjustment to personnel capacities. The expenses in the previous year resulted from the realignment of the Group in compliance with the European Commission requirement to wind down Hypothekenbank Frankfurt (formerly Eurohypo), combined with the decision to exit ship finance and commercial real estate lending.

€m	2013	2012	Change in %
Expenses for restructuring measures introduced	493	43	.
Total	**493**	**43**	**.**

(41) Taxes on income

The breakdown of income tax expense was as follows:

€m	2013	2012[1]	Change in %
Current taxes on income	195	127	53.5
Tax expense or income for the current year	220	207	6.3
Tax expense or income for the previous year	– 25	– 80	– 68.8
Deferred taxes on income	– 130	676	.
Tax expense or income due to change in temporary differences and loss carryforwards	– 77	164	.
Tax rate differences	12	– 4	.
Tax expense due to write-offs of deferred taxes previously recognised on loss carryfowards	–	516	– 100.0
Tax income from previously unrecognised tax loss carryforwards	– 65	–	.
Total	**65**	**803**	**– 91.9**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 and the hedge accounting restatement (see page 148 f.). Before the restatement deferred taxes on income amounted to €669m and the overall taxes on income to €796m.

The combined income tax rate applicable to Commerzbank Aktiengesellschaft and its German subsidiaries was 31,2%.

The following reconciliation shows the relationship between net pre-tax profit according to IFRS and tax expense in the reporting year.

The Group income tax rate selected as a basis for the reconciliation is made up of the corporate income tax rate of 15.0% applied in Germany, plus the solidarity surcharge of 5.5%, and an average rate of 15.4% for trade tax. This produces a German income tax rate of 31,2% (previous year: 31,2%).

Income tax effects result from discrepancies between the tax rates applying to foreign units. Tax rates outside Germany ranged between 0% (Dubai) and 46% (New York).

As at 31 December 2013 the Group tax rate was 28% (previous year: 93%[1]). The tax rate of 28% was adversely affected by the non-recognition of a deferred tax asset on the loss of the Commerzbank branch in Madrid (€+11m) and by changes in tax rates in the United Kingdom (€+29m). On the other hand, the use of tax loss carryforwards on which no deferred tax assets had previously been recognised (€–163m) and tax income from the incorporation of the multi-year planning of 2014 to 2017 had a positive impact on the tax rate.

[1] Figures restated due to the first-time application of the amended IAS 19 and the hedge accounting restatement (see page 148 f.).

€m	2013	2012[1]
Pre-tax profit or loss under IFRS	**232**	**859**
Group's income tax rate (%)	31.2	31.2
Calculated income-tax expense in financial year	**72**	**268**
Effects of differing tax rates and tax rate changes on tax accruals recognised in income	12	–4
Impact of the recognition of deferred taxes on loss carryforwards	6	674
Effects of non-deductible operating expenses and tax-exempt income	77	62
Unrecognised deferred tax assets	19	–22
Utilisation of tax carryforwards for which no deferred tax assets had been calculated	–163	–130
Effects of additions and deductions for trade tax	13	–29
Current taxes relating to other periods	2	–40
Other effects	27	24
Taxes on income	**65**	**803**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 and the hedge accounting restatement (see page 148 f.). Before restatement the unrecognised deferred tax assets amounted to €–42m and taxes on income to €796m.

The table below shows the value of current and deferred taxes resulting from items that were directly credited or debited to equity:

Taxes on income not recognised in the income statement | €m	31.12.2013	31.12.2012[1]	Change in %
Current taxes on income	–	–	.
Deferred taxes on income	1,131	1,403	–19.4
Measurement differences arising from cash flow hedges	142	233	–39.1
Revaluation reserve	525	713	–26.4
Loss carryforwards	229	226	1.3
Actuarial gains or losses	235	231	1.7
Other	–	–	.
Total	**1,131**	**1,403**	**–19.4**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 and the hedge accounting restatement (see page 148 f.). Before restatement, deferred taxes on income not recognised in the income statement were €1,184m.

(42) Net income

Net income consists of remeasurements to fair value, impairments, impairment reversals, realised gains on disposal and subsequent recoveries on written-down financial instruments (see Note 5c).

The net interest income shows the interest components from the net interest income note by IAS 39 category.

€m	2013	2012[1]	Change in %
Net income from			
Trading assets and liabilities	–55	407	.
Applying the fair value option	–27	–334	–91.9
Available-for-sale financial assets and holdings in companies accounted for using the equity method	207	356	–41.9
Loans and receivables	–1,937	–1,935	0.1
Other financial liabilities	–	–	.

[1] Prior-year figures restated due to the first-time application of the amended IAS 19, the hedge accounting restatement and other disclosure changes (see page 148 ff.).

€m	2013	2012[1]	Change in %
Net interest income from			
Financial instruments held for trading	1,161	565	.
Applying the fair value option	–253	–101	.
Available-for-sale financial assets	947	996	–4.9
Loans and receivables	10,375	12,507	–17.0
Other financial liabilities	–6,619	–8,615	–23.2

[1] Prior-year figures restated due to the first-time application of the amended IAS 19, the hedge accounting restatement and other disclosure changes (see page 148 ff.).

(43) Earnings per share

	2013	2012[1]	Change in %
Operating profit (€m)	725	1,170	–38.0
Consolidated profit or loss attributable to Commerzbank shareholders (€m)	78	–47	.
Average number of ordinary shares issued	913,173,338	560,874,685	62.8
Operating profit per share (€)	0.79	1.69	–53.3
Earnings per share (€)	0.09	–0.48	.

[1] Prior-year figures restated due to the first-time application of the amended IAS 19, the hedge accounting restatement and other disclosure changes (see page 148 ff.) and the 10-to-1 reverse stock split (see page 141).

The earnings per share, calculated in accordance with IAS 33, are based on the consolidated profit or loss attributable to Commerzbank shareholders and are calculated by dividing the consolidated profit or loss by the weighted average number of shares outstanding during the financial year. The 10-to-1 reverse stock split on 22 April 2013 was reflected in the calculation both in the current financial year and the prior year in accordance with the provisions of IAS 33. As in 2012, no conversion and option rights were outstanding in the reporting year. The figure for diluted earnings per share was therefore identical to the undiluted figure. The breakdown of operating profit is set out in the segment report (Note 45).

(44) Cost/income ratio

%	2013	2012[1]	Change in % points
Cost/income ratio in operating business	73.3	71.3	2.0

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 and the hedge accounting restatement (see page 148 f.).

The cost/income ratio is the ratio of operating expenses to income before provisions.

(45) Segment reporting

Segment reporting reflects the results of the operating business 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. The Portfolio Restructuring Unit (PRU), which was wound up on 1 July 2012, is shown separately with its results for the prior year. 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. In 2013 we further refined the segmentation of assets. Minor modifications in the segments' business models led to slight adjustments in the business responsibilities of the segments. In addition, the definition of the average staff headcount was harmonised within the Group with effect from 30 September 2013. The prior-year figures were restated accordingly. Various new IFRS requirements, as well as voluntary changes in accounting policies, were implemented in the Commerzbank Group in 2013 (see page 148 ff.), the effects of which are also reflected in the segment reporting.

- 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, security, payments traffic 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 (formerly Eurohypo Aktiengesellschaft) has been part of the Private Customers division. The Direct Banking division comprises the activities of the comdirect 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 products range from open-ended real estate funds (hausInvest), to closed-end funds in real estate, aircraft, ships and renewable energy, institutional investments and structured investments as well as equipment leasing.
- The Mittelstandsbank segment is divided into the three Group divisions Mittelstand Germany, Corporate Banking & International and Financial Institutions. The Mittelstand Germany division serves small and mid-sized customers, the public sector and institutional clients. 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. 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 or significant operations outside Germany 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. The Corporate Banking & International division also contains the competence centre for companies from the renewable energy sector. 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, whose various activities under the brands BRE, MultiBank and mBank were brought together under the single brand mBank in the fourth quarter of 2013 and will trade under this name from now on. The bank offers banking products for corporate customers as well as financial services for private customers in Poland, the Czech Republic and Slovakia. An investment in a microfinance bank that was sold in the third quarter of 2013 also belonged to the CEE segment.
- 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 credit risk portfolio 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 CRE Banking Germany, CRE Banking International, Public Finance (including Private Finance Initiatives) as well as Deutsche Schiffsbank (DSB) divisions. CRE Banking Germany, CRE Banking International and Public Finance belong almost entirely to the Commerzbank subsidiary Hypothekenbank Frankfurt Aktiengesellschaft. The DSB division contains the ship financing business of the Commerzbank 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 Portfolio Restructuring Unit segment was dissolved as at 1 July 2012. The remaining assets were transferred either to the Corporates & Markets segment or to the Non-Core Assets (NCA) segment. The Portfolio Restructuring Unit was responsible for managing down assets related to proprietary trading and investment activities which no longer fitted into Commerzbank's client-centric strategy. The segment's goal was to reduce the portfolio in a way that optimised the Bank's capital position. The positions managed by this segment initially included asset-backed securities (ABSs) without a state guarantee, other structured credit products, proprietary trading positions in corporate or financial bonds and exotic credit derivatives. These positions were primarily transferred from the Corporates & Markets and former Commercial Real Estate segments to the Portfolio Restructuring Unit.
- The Others and Consolidation segment contains the income and expenses which are not attributable to the operating business segments. The Others category within this segment includes equity holdings which are not assigned to the operating segments as well as Group Treasury. The costs of the service units which are charged in full to the segments are also shown here. The restructuring expenses for implementing the strategic agenda up until 2016 are recognised under Others. 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 which are charged in full to the segments are also reported under this heading.

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. 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 2 methodology, based on average risk-weighted assets and the capital charges for market risk positions (risk-weighted asset equivalents). At Group level, investors' capital is shown, which is used to calculate the return on equity. The regulatory capital requirement for risk-weighted assets assumed for segment reporting purposes is 9%. The capital allocation for the risks of EU government bonds required by the EBA is shown in the NCA segment.

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.

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 and brand names 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 intra-group services is charged at market prices or at full cost.

The carrying amounts of companies accounted for using the equity method were €719m (previous year: €744m) and were divided over the segments as follows: Private Customers €386m (previous year: €335m), Mittelstandsbank €100m (previous year: €98m), Corporates & Markets €87m (previous year: €88m), Non-Core Assets €77m (previous year: €139m) and Others and Consolidation €69m (previous year: €84m).

The tables below contain information on the segments for the financial years 2013 and 2012.

2013 €m	Private Custom-ers	Mittel-stands-bank	Central & Eastern Europe	Corpo-rates & Markets	Non-Core Assets	Others and Con-solidation	Group
Net interest income	1,771	1,730	429	1,818	522	– 122	6,148
Loan loss provisions	– 108	– 470	– 119	57	– 1,082	– 25	– 1,747
Net interest income after loan loss provisions	1,663	1,260	310	1,875	– 560	– 147	4,401
Net commission income	1,561	1,065	206	367	59	– 43	3,215
Net trading income and net income from hedge accounting	2	29	109	– 254	– 53	85	– 82
Net investment income	2	54	19	72	– 164	34	17
Current net income from companies accounted for using the equity method	33	8	–	12	7	–	60
Other net income	– 19	28	39	65	– 11	– 191	– 89
Income before loan loss provisions	*3,350*	*2,914*	*802*	*2,080*	*360*	*– 237*	*9,269*
Income after loan loss provisions	*3,242*	*2,444*	*683*	*2,137*	*– 722*	*– 262*	*7,522*
Operating expenses	3,017	1,337	429	1,359	351	304	6,797
Operating profit or loss	**225**	**1,107**	**254**	**778**	**– 1,073**	**– 566**	**725**
Impairments of goodwill	–	–	–	–	–	–	–
Restructuring expenses	–	–	–	–	–	493	493
Net gain or loss from sale of disposal groups	–	–	–	–	–	–	–
Pre-tax profit or loss	**225**	**1,107**	**254**	**778**	**– 1,073**	**– 1,059**	**232**
Assets	**69,257**	**82,295**	**25,234**	**173,912**	**129,445**	**69,518**	**549,661**
Liabilities and equity	**97,646**	**124,691**	**19,874**	**151,519**	**80,988**	**74,943**	**549,661**
Average capital employed	**3,972**	**5,990**	**1,654**	**3,063**	**9,488**	**4,327**	**28,494**
Operating return on equity (%)	**5.7**	**18.5**	**15.4**	**25.4**	**– 11.3**		**2.5**
Cost/income ratio in operating business (%)	**90.1**	**45.9**	**53.5**	**65.3**	**97.5**		**73.3**
Return on equity of pre-tax profit or loss (%)	**5.7**	**18.5**	**15.4**	**25.4**	**– 11.3**		**0.8**
Staff (average headcount)	16,959	5,758	7,690	1,999	667	18,326	51,399

2012[1] €m	Private Customers	Mittelstandsbank	Central & Eastern Europe	Corporates & Markets	Non-Core Assets	Portfolio Restructuring Unit[2]	Others and Consolidation	Group
Net interest income	1,826	1,949	508	1,251	675	66	212	6,487
Loan loss provisions	–95	–30	–105	–52	–1,374	–3	–1	–1,660
Net interest income after loan loss provisions	1,731	1,919	403	1,199	–699	63	211	4,827
Net commission income	1,546	1,063	188	379	100	–	–27	3,249
Net trading income and net income from hedge accounting	3	–21	77	–224	–232	122	348	73
Net investment income	–4	31	9	208	–323	28	132	81
Current net income from companies accounted for using the equity method	27	6	–	12	–2	–	3	46
Other net income	–56	–14	36	–25	2	–	–20	–77
Income before loan loss provisions	*3,342*	*3,014*	*818*	*1,601*	*220*	*216*	*648*	*9,859*
Income after loan loss provisions	*3,247*	*2,984*	*713*	*1,549*	*–1,154*	*213*	*647*	*8,199*
Operating expenses	3,020	1,342	473	1,347	379	29	439	7,029
Operating profit or loss	**227**	**1,642**	**240**	**202**	**–1,533**	**184**	**208**	**1,170**
Impairments of goodwill	–	–	–	–	–	–	–	–
Restructuring expenses	–	–	–	–	43	–	–	43
Net gain or loss from sale of disposal groups	–	–	–268	–	–	–	–	–268
Pre-tax profit or loss	**227**	**1,642**	**–28**	**202**	**–1,576**	**184**	**208**	**859**
Assets	**67,402**	**76,879**	**24,825**	**213,647**	**167,459**	**–**	**85,811**	**636,023**
Liabilities and equity	**102,280**	**130,740**	**19,290**	**189,185**	**109,026**	**–**	**85,502**	**636,023**
Average capital employed	**3,919**	**5,771**	**1,763**	**3,211**	**10,003**	**1,378**	**2,894**	**28,939**
Operating return on equity (%)	**5.8**	**28.5**	**13.6**	**6.3**	**–15.3**			**4.0**
Cost/income ratio in operating business (%)	**90.4**	**44.5**	**57.8**	**84.1**	**172.3**			**71.3**
Return on equity of pre-tax profit or loss (%)	**5.8**	**28.5**	**–1.6**	**6.3**	**–15.8**			**3.0**
Staff (average headcount)	17,597	5,836	8,444	2,017	803	25	19,076	53,798

[1] Figures restated due to the first-time application of the amended IAS 19, the hedge accounting restatement and other disclosure changes (see page 148 ff.).
[2] The assets of the Portfolio Restructuring Unit (PRU) segment were transferred as at 1 July 2012 either to the Corporates & Markets segment or the Non-Core Assets (NCA) segment. The results of this segment up to then will continue to be reported.

Details for Others and Consolidation:

€m	2013			2012[1]		
	Others	Consoli-dation	Others and consoli-dation	Others	Consoli-dation	Others and consoli-dation
Net interest income	–70	–52	–122	284	–72	212
Loan loss provisions	–25	–	–25	–1	–	–1
Net interest income after loan loss provisions	–95	–52	–147	283	–72	211
Net commission income	–37	–6	–43	–26	–1	–27
Net trading income and net income from hedge accounting	76	9	85	324	24	348
Net investment income	39	–5	34	144	–12	132
Current net income from companies accounted for using the equity method	–	–	–	3	–	3
Other net income	–182	–9	–191	–21	1	–20
Income before loan loss provisions	*–174*	*–63*	*–237*	*708*	*–60*	*648*
Income after loan loss provisions	*–199*	*–63*	*–262*	*707*	*–60*	*647*
Operating expenses	329	–25	304	449	–10	439
Operating profit or loss	**–528**	**–38**	**–566**	**258**	**–50**	**208**
Impairments of goodwill	–	–	–	–	–	–
Restructuring expenses	493	–	493	–	–	–
Net gain or loss from sale of disposal groups	–	–	–	–	–	–
Pre-tax profit or loss	**–1,021**	**–38**	**–1,059**	**258**	**–50**	**208**
Assets	**69,518**	**–**	**69,518**	**85,811**	**–**	**85,811**
Liabilities and equity	**74,943**	**–**	**74,943**	**85,502**	**–**	**85,502**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19, the hedge accounting restatement and other disclosure changes (see page 148 ff.).

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 intra-bank 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 intra-group 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:

2013 €m	Germany	Europe excluding Germany	America	Asia	Others	Total
Net interest income	4,684	1,341	67	56	–	6,148
Loan loss provisions	–1,125	–727	96	9	–	–1,747
Net interest income after loan loss provisions	3,559	614	163	65	–	4,401
Net commission income	2,596	520	37	62	–	3,215
Net trading income and net income from hedge accounting	–931	682	63	104	–	–82
Net investment income	55	–37	–	–1	–	17
Current net income from companies accounted for using the equity method	49	5	4	2	–	60
Other net income	–160	75	3	–7	–	–89
Income before loan loss provisions	*6,293*	*2,586*	*174*	*216*	–	*9,269*
Income after loan loss provisions	*5,168*	*1,859*	*270*	*225*	–	*7,522*
Operating expenses	5,324	1,231	127	115	–	6,797
Operating profit or loss	**–156**	**628**	**143**	**110**	**–**	**725**
Credit-risk-weighted assets	**103,535**	**49,075**	**3,198**	**3,192**	**–**	**159,000**

In 2012 we achieved the following results in the various geographical markets:

2012[1] €m	Germany	Europe excluding Germany	America	Asia	Others	Total
Net interest income	4,438	1,853	109	87	–	6,487
Loan loss provisions	–899	–769	63	–55	–	–1,660
Net interest income after loan loss provisions	3,539	1,084	172	32	–	4,827
Net commission income	2,737	434	43	35	–	3,249
Net trading income and net income from hedge accounting	–82	100	26	29	–	73
Net investment income	–72	143	1	9	–	81
Current net income from companies accounted for using the equity method	31	10	5	–	–	46
Other net income	–140	44	–8	27	–	–77
Income before loan loss provisions	*6,912*	*2,584*	*176*	*187*	–	*9,859*
Income after loan loss provisions	*6,013*	*1,815*	*239*	*132*	–	*8,199*
Operating expenses	5,469	1,323	131	106	–	7,029
Operating profit or loss	**544**	**492**	**108**	**26**	**–**	**1,170**
Credit-risk-weighted assets	**114,945**	**52,256**	**4,043**	**3,340**	**–**	**174,584**

[1] Figures restated due to the first-time application of the amended IAS 19, the hedge accounting restatement and other disclosure changes (see Notes, page 148 ff.).

Around 37% of income before loan loss provisions in Europe was accounted by our units in the United Kingdom (previous year: 34%), 35% by our units in Poland (previous year: 34%) and 10% by our units in Luxembourg (previous year: 15%). Credit risk-weighted assets are shown for the geographical segments rather than assets. 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.

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. Neither internal management activities nor management reporting are based on this information.

Notes to the balance sheet

(46) Cash reserve

We include the following items in the cash reserve:

€m	31.12.2013	31.12.2012	Change in %
Cash on hand	1,043	1,687	−38.2
Balances with central banks	10,772	13,678	−21.2
Debt issued by public-sector borrowers and bills of exchange rediscountable at central banks	582	390	49.2
Total	**12,397**	**15,755**	**−21.3**

The cash reserve includes debt issued by public-sector borrowers in the amount of €581m (previous year: €390m), which is measured at amortised cost. The balances with central banks include claims on the Bundesbank totalling €3,430m (previous year: €5,637m). The average minimum reserve requirement for the period December 2013 to January 2014 amounted to €2,418m (previous year: €2,550m). Minimum reserve requirements are measured on the basis of average credit balances, so there were no restrictions on access to balances held at Deutsche Bundesbank.

(47) Claims on banks

	Total			Due on demand		Other claims	
€m	31.12.2013	31.12.2012	Change in %	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Banks in Germany	18,859	25,685	−26.6	6,308	10,388	12,551	15,297
Banks outside Germany	68,779	62,449	10.1	21,433	24,104	47,346	38,345
Total	**87,638**	**88,134**	**−0.6**	**27,741**	**34,492**	**59,897**	**53,642**
of which relate to the category							
Loans and receivables	46,640	53,453	−12.7				
Available-for-sale financial assets	–	–	.				
At fair value through profit or loss (fair value option)	40,998	34,681	18.2				

Claims on banks after deduction of loan loss provisions amounted to €87,545m (previous year: €88,028m). The table below shows a breakdown of claims on banks by main transaction types:

€m	31.12.2013	31.12.2012	Change in %
Reverse repos and cash collaterals	56,153	55,861	0.5
Claims from money market transactions	3,529	2,938	20.1
Promissory note loans	5,032	6,641	−24.2
Other claims	22,924	22,694	1.0
Total	**87,638**	**88,134**	**−0.6**

The promissory note loans and other claims on banks include €2,596m of public-sector loans (previous year: €4,961m).

(48) Claims on customers

€m	31.12.2013	31.12.2012	Change in %
Claims on customers in Germany	155,577	175,234	–11.2
Claims on customers outside Germany	97,038	110,966	–12.6
Total	**252,615**	**286,200**	**–11.7**
of which relate to the category			
Loans and receivables	226,462	255,157	–11.2
Available-for-sale financial assets	–	–	.
At fair value through profit or loss (fair value option)	26,153	31,043	–15.8

Claims on customers after deduction of loan loss provisions amounted to €245,963m (previous year: €278,546m). The table below shows a breakdown of claims on customers by main transaction types:

€m	31.12.2013	31.12.2012	Change in %
Reverse repos and cash collaterals	28,483	33,924	–16.0
Claims from money market transactions	6,192	7,292	–15.1
Promissory note loans	17,743	20,208	–12.2
Mortgages and other claims secured by property charges	78,490	100,863	–22.2
Other claims	121,707	123,913	–1.8
Total	**252,615**	**286,200**	**–11.7**

The promissory note loans and other claims on customers include €21,949m of public-sector loans (previous year: €21,396m).

(49) Total lending

€m	31.12.2013	31.12.2012	Change in %
Loans to banks	22,577	21,041	7.3
Loans to customers	224,139	251,807	–11.0
Total	**246,716**	**272,848**	**–9.6**

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.

(50) Loan loss provisions

Provisions for loan losses are made in accordance with rules that apply within the Group and cover all discernible credit risks. For loan losses which have already occurred but are not yet known, we have calculated portfolio valuation allowances in line with procedures derived from the Basel 2 methodology. The breakdown of loan loss provisions is as follows:

€m	As at 1.1.2013	Allocations	Reversals	Utilisation	Change in the group of consolidated companies	Exchange rate changes/ reclassifications	As at 31.12.2013
Provisions for on-balance-sheet loan losses	7,760	3,227	1,674	1,683	–	–885	6,745
Claims on banks	106	16	10	1	–	–18	93
Claims on customers	7,654	3,211	1,664	1,682	–	–867	6,652
Provisions for off-balance sheet loan losses	332	113	168	1	–	–2	274
Total	**8,092**	**3,340**	**1,842**	**1,684**	**–**	**–887**	**7,019**

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 loan loss provisions of €1,747m (previous year: €1,660m).

	Valuation allowances for specific risks		Valuation allowances for portfolio risks		Valuation allowances total		
€m	2013	2012	2013	2012	2013	2012	Change in %
As at 1.1.	**6,993**	**7,366**	**767**	**789**	**7,760**	**8,155**	**–4.8**
Allocations	2,966	2,685	261	308	3,227	2,993	7.8
Disposals	3,134	2,545	223	327	3,357	2,872	16.9
of which utilised	1,683	1,479	–	–	1,683	1,479	13.8
of which reversals	1,451	1,066	223	327	1,674	1,393	20.2
Changes in the group of consolidated companies	–	–401	–	–5	–	–406	–100.0
Exchange rate changes/ reclassifications	–880	–112	–5	2	–885	–110	.
As at 31.12.	**5,945**	**6,993**	**800**	**767**	**6,745**	**7,760**	**–13.1**

	Provisions for specific risks		Provisions for portfolio risks		Provisions for lending business		
€m	2013	2012	2013	2012	2013	2012	Change in %
As at 1.1.	**212**	**349**	**120**	**159**	**332**	**508**	**–34.6**
Allocations	73	107	40	33	113	140	–19.3
Disposals	142	244	27	72	169	316	–46.5
of which utilised	1	–	–	–	1	–	.
of which reversals	141	244	27	72	168	316	–46.8
Changes in the group of consolidated companies	–	–	–	–	–	–	.
Exchange rate changes/ reclassifications	–2	–	–	–	–2	–	.
As at 31.12.	**141**	**212**	**133**	**120**	**274**	**332**	**–17.5**

The loan loss provisions for default risks by customer group were as follows as at 31 December 2013:

€m	Specific valuation allowances and provisions for lending business	Loan losses[1] in 2013	Net allocation[2] to valuation allowances and provisions in lending business
Customers in Germany	**3,151**	**1,048**	**666**
Corporate customers	2,654	723	578
Manufacturing	740	199	73
Construction	58	17	14
Trading	271	66	108
Services and others	1,585	441	383
Private customers	497	325	88
Customers outside Germany	**2,890**	**1,115**	**788**
Corporate and retail customers	2,888	1,113	788
Public sector	2	2	–
Provisions for customer credit risk	**6,041**	**2,163**	**1,454**
Banks in Germany	–	–	–
Banks outside Germany	45	3	−7
Provisions for bank credit risk	**45**	**3**	**−7**
Total	**6,086**	**2,166**	**1,447**

[1] Direct write-downs, utilized valuation allowances and utilized loan loss provisions.
[2] Allocations less reversals.

Loan losses and net allocations to provisions were counterbalanced by income from write-ups of €4m (previous year: €1m) and recoveries on claims that had been written down of €229m (previous year: €219m). The table below presents the key provisioning ratios:

%	2013	2012
Allocation ratio[1]	0.67	0.57
Default ratio[2]	0.74	0.59
Provision cover ratio[3]	2.70	2.79

[1] Net loan loss provisions (new loan loss provisions less reversals of valuation allowances and loan loss provisions, plus the balance of direct write-downs, write-ups and recoveries on previously written-down claims) as a percentage of total lending.
[2] Credit defaults (utilised valuation allowances and loan loss provisions, plus the net balance of direct write-downs, write-ups and recoveries on previously written-down claims) as a percentage of total lending.
[3] Total loan loss provisions (valuation allowances and loan loss provisions) as a percentage of lending volume; lending volume = claims under special credit agreements with borrowers (Note 49).

(51) Value adjustments for portfolio fair value hedges

The adjustment to the fair value of underlying transactions hedged against interest rate risk was €74m (previous year: €202m). A matching liability from hedging transactions is shown on the other side of the balance sheet under negative fair values attributable to derivative hedging instruments.

(52) Positive fair values attributable to derivative hedging instruments

The positive fair values of derivatives which are used to hedge underlying transactions against interest rate risk are shown under this item.

€m	31.12.2013	31.12.2012	Change in %
Positive fair values of micro fair value hedges	3,546	5,663	−37.4
Positive fair values of fair value hedges	95	394	−75.9
Total	**3,641**	**6,057**	**−39.9**

(53) Trading assets

The Group's trading activities include trading in:

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

Other assets held for trading comprise positive fair values of loans to be syndicated, lending commitments, issuance rights as well as loans and money market trading transactions.

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

€m	31.12.2013	31.12.2012	Change in %
Bonds, notes and other interest-rate-related securities	15,952	18,381	−13.2
Money market instruments	2,326	3,020	−23.0
issued by public-sector borrowers	1,047	2,170	−51.8
issued by other borrowers	1,279	850	50.5
Bonds and notes	13,626	15,361	−11.3
issued by public-sector borrowers	4,116	5,328	−22.7
issued by other borrowers	9,510	10,033	−5.2
Promissory note loans	1,007	1,366	−26.3
Shares, other equity-related securities and units in investment funds	20,205	17,759	13.8
Equities	14,932	13,357	11.8
Units in investment funds	5,248	4,338	21.0
Other equity-related securities	25	64	−60.9
Positive fair values of derivative financial instruments	65,818	106,400	−38.1
Currency-related derivative transactions	12,047	12,939	−6.9
Interest-rate-related derivative transactions	49,687	89,139	−44.3
Other derivative transactions	4,084	4,322	−5.5
Other trading assets	634	238	.
Total	**103,616**	**144,144**	**−28.1**

Of the bonds, notes and other interest-rate-related securities, shares and other equity-related securities and units in investment funds €28,111m were listed on a stock exchange (previous year: €28,084m). Other fair values of derivative financial instruments consist mainly of €2,104m in equity derivatives (previous year: €1,917m) and €1,507m in credit derivatives (previous year: €2,104m).

(54) 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 associated companies and jointly controlled entities not accounted for using the equity method and joint ventures) and holdings in non-consolidated subsidiaries.

€m	31.12.2013	31.12.2012	Change in %
Bonds, notes and other interest-rate-related securities[1]	80,772	87,548	−7.7
Money market instruments	2,025	2,504	−19.1
issued by public-sector borrowers	487	479	1.7
issued by other borrowers	1,538	2,025	−24.0
Bonds and notes	78,747	85,044	−7.4
issued by public-sector borrowers	39,749	43,061	−7.7
issued by other borrowers	38,998	41,983	−7.1
Shares, other equity-related securities and units in investment funds	1,021	1,299	−21.4
Equities	153	175	−12.6
Units in investment funds	814	956	−14.9
Other equity-related securities	54	168	−67.9
Equity holdings	135	138	−2.2
of which in banks	25	29	−13.8
Holdings in non-consolidated subsidiaries	123	157	−21.7
of which in banks	–	–	.
Total	**82,051**	**89,142**	**−8.0**
of which relate to the category			
Loans and receivables	45,152	52,427	−13.9
Available-for-sale financial assets	34,595	34,268	1.0
of which measured at amortised cost	258	423	−39.0
At fair value through profit or loss (fair value option)	2,304	2,447	−5.8

[1] Reduced by portfolio valuation allowances for reclassified securities of €62m (previous year: €149m).

As at 31 December 2013 the financial investments included €258m (previous year: €423m) 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. The book value of these financial instruments derecognised in 2013 was €133m from which a profit of €46m resulted.

The table below shows the listed holdings contained in financial investments. The available-for-sale financial investments and those for which the fair value option is applied are listed with their fair values. Financial investments in the loans and receivables category are shown at amortised cost.

€m	31.12.2013	31.12.2012	Change in %
Bonds, notes and other interest-rate-related securities	71,127	76,109	−6.5
Shares, other equity-related securities and units in investment funds	549	680	−19.3
Equity holdings	3	3	0.0
Total	**71,679**	**76,792**	**−6.7**

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 available-for-sale financial assets category to the loans and receivables category in the financial years 2008 and 2009. In respect of the reclassified holdings we had the intention and ability at the reclassification date to hold the securities for the foreseeable future or to final maturity. The securities concerned are primarily issued by public-sector borrowers (including European and North American local authorities and publicly guaranteed asset-backed securities) and financial institutions.

The revaluation reserve after deferred taxes for all the securities reclassified in financial years 2008 and 2009 was €−0.6bn as at 31 December 2013 (previous year: €−0.7bn). This negative portfolio will be dissolved over the remaining lifetime of the reclassi_fied securities. If these reclassifications had not been carried out in 2008 and 2009, there would have been a revaluation reserve after deferred taxes for these securities of € −2.8bn as at 31 December 2013 (previous year: €−4.2bn); the change compared with a year ago was therefore €1.4bn (change 31 December 2011 to 31 December 2012: €0.1bn).

In addition to the portfolio valuation allowances of €−87m (previous year: €58m), a net €1.0bn (previous year: €1.1bn) was recognised in the income statement for the reclassified securities in the current financial year.

As at 31 December 2013 the carrying amount of the reclassified securities was €42.5bn (previous year: €50.0bn), the fair value was €39.3bn (previous year: €45.0bn) and the cumulative portfolio valuation allowances were €62m (previous year: €149m). The transactions had average effective interest rates of between 0.4 and 10.6% (previous year: between 0.4 and 13.1%) and are expected to generate a cash inflow of €51.5bn (previous year: €58.2bn).

Changes in equity holdings and investments in non-consolidated subsidiaries were as follows:

	Equity holdings		Holdings in non-consolidated subsidiaries	
€m	2013	2012	2013	2012
Carrying amount as at 1.1.	**138**	**347**	**157**	**144**
Acquisition cost as at 1.1.	272	518	595	608
Exchange rate changes	−3	1	−6	10
Additions	37	23	42	29
Disposals	75	270	44	7
Reclassifications to non-current assets and disposal groups held for sale	–	–	–	–
Other reclassifications/changes in the group of consolidated companies	−10	–	−10	−45
Acquisition cost as at 31.12.	221	272	577	595
Write-ups	–	–	–	–
Cumulative write-downs as at 1.1.	133	272	438	464
Exchange rate changes	−3	1	−6	7
Additions	14	11	7	12
Disposals	53	151	8	4
Reclassifications to non-current assets and disposal groups held for sale	–	–	–	–
Other reclassifications/changes in the group of consolidated companies	–	–	23	−41
Cumulative write-downs as at 31.12.	91	133	454	438
Cumulative changes from remeasurement to fair value	5	−1	–	–
Carrying amount as at 31.12.	**135**	**138**	**123**	**157**

(55) Holdings in companies accounted for using the equity method

The changes in companies accounted for using the equity method in the amount of €719m (previous year: €744m) were as follows:

	Associated companies		Jointly controlled entities	
€m	2013	2012	2013	2012
Equity book value as at 1.1.	**700**	**676**	**44**	**18**
Acquisition cost as at 1.1.	832	862	104	71
Exchange rate changes	–2	–1	–	–
Additions	21	36	–	33
Disposals	356	65	–	–
Reclassifications to non-current assets and disposal groups held for sale	–14	–	–	–
Other reclassifications/changes in the group of consolidated companies	–	–	–	–
Acquisition cost as at 31.12.	481	832	104	104
Write-ups	7	23	–	–
Cumulative write-downs as at 1.1.	319	304	–	–
Exchange rate changes	–	–	–	–
Additions	22	64	–	–
Disposals	315	49	–	–
Reclassifications to non-current assets and disposal groups held for sale	–	–	–	–
Other reclassifications/changes in the group of consolidated companies	–	–	–	–
Cumulative write-downs as at 31.12.	26	319	–	–
Cumulative changes from remeasurement using the equity method	206	164	–53	–60
Equity book value as at 31.12.	**668**	**700**	**51**	**44**
of which holdings in banks	451	398	–	–

The equity book values do not include any listed companies (previous year: €59m equity book value from associated companies and €69m in corresponding market value).

In 2013, €21m (previous year: €12m) in dividends from associated companies accounted for using the equity method and no dividends (previous year: €1m) from jointly controlled entities accounted for using the equity method flowed directly or indirectly to Commerzbank Aktiengesellschaft.

Equity book value was zero in 1 case (previous year: 2) for companies accounted for using the equity method and in 1 case (previous year: 1) for jointly controlled entities accounted for using the equity method (see Note 4).

Where obligations arise from contingent liabilities of companies accounted for using the equity method or discontinued operations at companies accounted for using the equity method, the Commerzbank Group is liable to the extent of its respective ownership interest.

The investments in companies accounted for using the equity method are non-strategic holdings of the Commerzbank Group which are active mainly in the financial services sector and in leasing and real estate business. The information in this Note is therefore aggregated for associated companies and for jointly controlled entities. A list of all companies accounted for using the equity method is given in Note 104.

The assets, debt, contingent liabilities, income and expenses of our holdings in companies accounted for using the equity method are as follows:

	Associated companies		Jointly controlled entities		Total		
€m	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012	Change in %
Current assets	1,485	1,852	11	22	1,496	1,874	–20.2
of which cash and cash equivalents	67	88	3	7	70	95	–26.3
Non-current assets	2,096	3,291	140	170	2,236	3,461	–35.4
Total assets	3,581	5,143	151	192	3,732	5,335	–30.0
Current debt	1,353	1,630	93	34	1,446	1,664	–13.1
of which current financial liabilities	1,212	1,551	93	25	1,305	1,576	–17.2
Non-current debt	1,630	2,435	190	251	1,820	2,686	–32.2
of which non-current financial liabilities	1,343	1,849	190	251	1,533	2,100	–27.0
Total debt	2,983	4,065	283	285	3,266	4,350	–24.9
Interest income	194	253	3	7	197	260	–24.2
Interest expenses	77	136	7	9	84	145	–42.1
Depreciation and amortisation	9	8	9	15	18	23	–21.7
Taxes on income	16	–1	–	–	16	–1	.
Total income	328	417	27	6	355	423	–16.1
Total expenses	237	335	36	33	273	368	–25.8
Profit or loss from continuing operations	75	75	–21	–20	54	55	–1.8
Other comprehensive income	–	–	–	–	–	–	.
Total comprehensive income	75	75	–21	–20	54	55	–1.8
Contingent liabilities	391	374	11	4	402	378	6.3

Our share in the total of all financial assets and debt as well as in the profit or loss of associated companies and jointly controlled entities not accounted for using the equity method due to their minor significance was as follows:

	Associated companies		Jointly controlled entities		Total		
€m	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012	Change in %
Carrying amount	29	32	–	–	29	32	– 9.4
Assets	296	475	2	2	298	477	– 37.5
Liabilities	294	506	2	2	296	508	– 41.7
Profit or loss from continuing operations	2	8	–	–	2	8	– 75.0
Other comprehensive income	–	–	–	–	–	–	.
Total comprehensive income	2	8	–	–	2	8	– 75.0

(56) Intangible assets

€m	31.12.2013	31.12.2012	Change in %
Goodwill	2,080	2,080	0.0
Other intangible assets	1,127	971	16.1
Customer relationships	395	438	– 9.8
Brand names	–	–	.
In-house developed software	485	349	39.0
Other	247	184	34.2
Total	**3,207**	**3,051**	**5.1**

Acquired software accounted for €243m (previous year: €181m) of the other item.

	Goodwill		
€m	31.12.2013	31.12.2012	Change in %
Private Customers	1,079	1,079	0.0
Mittelstandsbank	633	633	0.0
Central & Eastern Europe	227	227	0.0
Corporates & Markets	138	138	0.0
Non-Core Assets	–	–	.
Others and Consolidation	3	3	0.0
Total	**2,080**	**2,080**	**0.0**

In 2013 the recoverable amount corresponded to the value in use for all segments of Commerzbank. The comparison of the recoverable amount and book value in impairment testing of goodwill did not identify any impairments in the financial year 2013. Varying the risk-adjusted interest rate (after tax) by −25 and +25 basis points (bps) for the detailed planning phase produced the following ratios of excess or deficient cover to carrying amount:

		Private Customers	Mittelstandsbank	Central & Eastern Europe	Corporates & Markets
Realistic value[1]	Assumed risk-adjusted interest rate	74.8%	94.4%	39.3%	17.9%
Sensitivity analysis[1]	Risk-adjusted interest rate −25bps (advantageous)	76.5%	96.3%	40.7%	19.0%
	Risk-adjusted interest rate +25bps (disadvantageous)	73.2%	92.7%	38.0%	16.8%

[1] Positive percent values indicate excess cover; negative percent values indicate deficient cover.

Further sensitivities for the growth rate and predicted net profit were determined on the basis of the realistic scenario:

		Private Customers	Mittelstandsbank	Central & Eastern Europe	Corporates & Markets
Sensitivity analysis[1]	Growth rate +25 bps (advantageous)	79.8%	99.4%	42.3%	19.9%
	Growth rate −25 bps (disadvantageous)	70.3%	89.9%	36.5%	16.1%
	Future results of multi-year planning +5.0% (advantageous)	85.2%	106.1%	49.1%	26.1%
	Future results of multi-year planning −5.0% (disadvantageous)	64.5%	82.8%	29.5%	9.7%

[1] Positive percent values indicate excess cover; negative percent values indicate deficient cover.

Intangible assets changed as follows:

	Goodwill		In-house developed software		Brand names and customer relationships		Other intangible assets	
€m	2013	2012	2013	2012	2013	2012	2013	2012
Carrying amount as at 1.1.	**2,080**	**2,088**	**349**	**243**	**438**	**504**	**184**	**203**
Cost of acquisition/production as at 1.1.	2,848	2,856	837	773	965	989	1,576	1,543
Exchange rate changes	–	–2	–3	6	–	–	–6	17
Additions	–	–	209	152	–	–	169	69
Disposals	6	–	177	94	–	–	431	48
Reclassifications/changes in the group of consolidated companies	–	–6	–1	–	–1	–24	–2	–5
Cost of acquisition/production as at 31.12.	2,842	2,848	865	837	964	965	1,306	1,576
Write-ups	–	–	–	–	–	–	–	–
Cumulative write-downs as at 1.1.	768	768	488	530	527	485	1,392	1,340
Exchange rate changes	–	–	–6	6	–	–	–4	11
Additions	–	–	73	46	42	50	71	82
of which unscheduled	–	–	–	–	–	–	–	1
Disposals	6	–	174	94	–	–	397	40
Reclassifications/changes in the group of consolidated companies	–	–	–1	–	–	–8	–3	–1
Cumulative write-downs as at 31.12.	762	768	380	488	569	527	1,059	1,392
Carrying amount as at 31.12.	**2,080**	**2,080**	**485**	**349**	**395**	**438**	**247**	**184**
Borrowing costs capitalised in the current financial year	–	–	–	–	–	–	–	–
Range of interest rates used (%)	–	–	–	–	–	–	–	–

(57) Fixed assets

	Land, buildings and other fixed assets		Office furniture and equipment	
€m	2013	2012	2013	2012
Carrying amount as at 1.1.	**851**	**794**	**521**	**605**
Cost of acquisition/production as at 1.1.	1,348	1,262	2,598	2,815
Exchange rate changes	–3	13	–17	19
Additions	14	156	100	118
Disposals	38	34	597	339
Reclassifications to non-current assets and disposal groups held for sale	–	–	–	–
Other reclassifications/changes in the group of consolidated companies	1,026	–49	9	–15
Cost of acquisition/production as at 31.12.	2,347	1,348	2,093	2,598
Write-ups	–	–	–	–
Cumulative write-downs as at 1.1.	497	468	2,077	2,210
Exchange rate changes	–1	5	–14	14
Additions	69	55	144	172
of which unscheduled	17	17	–	2
Disposals	23	18	576	300
Reclassifications to non-current assets and disposal groups held for sale	–	–4	–	–
Other reclassifications/changes in the group of consolidated companies	494	–9	5	–19
Cumulative write-downs as at 31.12.	1,036	497	1,636	2,077
Carrying amount as at 31.12.	**1,311**	**851**	**457**	**521**
Borrowing costs capitalised in the current financial year	–	–	–	–
Range of interest rates used (%)	–	–	–	–

The total value of fixed assets in the Commerzbank Group was €1,768m (previous year: €1,372m), of which none was pledged as collateral (previous year: none). Beyond this there were no restrictions with regard to rights of disposal relating to our fixed assets.

(58) Tax assets

€m	31.12.2013	31.12.2012[1]	Change in %
Current tax assets	**844**	**790**	**6.8**
in Germany	758	742	2.2
outside Germany	86	48	79.2
Deferred tax assets	**3,096**	**3,227**	**−4.1**
Tax assets recognised in income statement	1,953	1,796	8.7
Tax assets not recognised in income statement	1,143	1,431	−20.1
Total	**3,940**	**4,017**	**−1.9**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 and the hedge accounting restatement (see page 148 f.). Before the restatement, deferred tax assets recognised in income were €1,803m, deferred tax assets not recognised in income were €1,212m, and the total of deferred tax assets was €3,015m.

After restatement due to the first-time application of the amended IAS 19 and the hedge accounting restatement, tax assets were €4,954m as at 31 December 2011 and 1 January 2012 (of which €4,238m pertained to deferred tax assets).

Deferred tax assets represent the potential income tax charge arising from temporary differences between the values assigned to assets and liabilities in the Group balance sheet in accordance with IFRS and their values for tax accounting purposes as reported by the group companies in accordance with the local tax regulations, as well as future income tax relief arising from tax carryforwards and as yet unused tax credits.

For the following tax loss carryforwards no deferred tax assets nor any impairments of existing deferred tax assets were recognised as at 31 December 2013 due to the limited planning horizon and the resulting insufficient probability of their being utilised.

Tax loss carryforwards | €m	31.12.2013	31.12.2012	Change in %
Corporation tax/federal tax	**11,417**	**11,485**	**−0.6**
Can be carried forward for an unlimited period	9,501	10,002	−5.0
Can be carried forward for a limited period[1]	1,916	1,483	29.2
of which expire in the subsequent reporting period	–	–	.
Trade tax/local tax	**5,613**	**4,929**	**13.9**
Can be carried forward for an unlimited period	3,778	4,171	−9.4
Can be carried forward for a limited period[1]	1,835	758	.
of which expire in the subsequent reporting period	–	–	.

[1] Expiry ten years after original date of transaction.

Deferred tax assets are recognised mainly for domestic Group companies, the London branch and United Kingdom subsidiaries. Deferred tax assets were recognised in connection with the following items:

€m	31.12.2013	31.12.2012[1]	Change in %
Fair values of derivative hedging instruments	421	585	−28.0
Trading assets and liabilities	417	414	0.7
Claims on banks and customers	37	30	23.3
Financial investments	153	96	59.4
Provisions (excluding pension obligations)	44	3	.
Liabilities to banks and customers	130	91	42.9
Pension obligations	63	256	−75.4
Other balance sheet items	251	136	84.6
Tax loss carryforwards	1,580	1,616	−2.2
Total	**3,096**	**3,227**	**−4.1**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 and the hedge accounting restatement (see page 148 f.). Before the restatement, deferred tax assets for tax loss carryforwards were €1,672m and the total of deferred tax assets was €3,015m.

(59) Investment properties

The properties held as investments in the amount of €638m (previous year: €637m) are all classified at fair value hierarchy level 3. They developed as follows:

€m	2013	2012
Carrying amount as at 1.1.	**637**	**808**
Cost of acquisition/production as at 1.1.	1,048	1,217
Exchange rate changes	–	−1
Additions	68	56
Disposals	53	180
Changes in the group of consolidated companies	81	−98
Reclassifications	–	54
Reclassifications to non-current assets and disposal groups held for sale	−49	–
Cost of acquisition/production as at 31.12.	1,095	1,048
Cumulative changes from remeasurement to fair value	−457	−411
Carrying amount as at 31.12.	**638**	**637**
Borrowing costs capitalised in the current financial year	–	–
Range of interest rates used (%)	–	–

Of the properties held as investments, €103m were acquired in rescue purchases (previous year: €116m). The additions during the period contain no subsequent acquisition costs for significant properties (previous year: –). There are no restrictions on resale, nor are there any obligations to purchase properties that need to be reported here.

In the sensitivity analyses we assume a 50bp upward or downward move in the property yield for investment properties (basic bandwidth in Germany: 3.7 to 7.0%; basic bandwidth abroad: 5.9 to 9.9%) and a 20% rise or fall in the land value for building land. For the main investment properties this would cause market value to fall by around €–44m or rise by €+50m. As there were no major holdings of building land in 2013, a sensitivity analysis was not performed.

(60) Non-current assets and disposal groups held for sale

The balance sheet item non-current assets and disposal groups held for sale broke down as follows:

€m	31.12.2013	31.12.2012	Change in %
Claims on banks	1	–	.
Claims on customers	928	495	87.5
Financial investments	179	212	– 15.6
Fixed assets	33	29	13.8
Other assets	25	21	19.0
Total	**1,166**	**757**	**54.0**

In all cases of non-current assets and disposal groups held for sale, sales agreements have either already been concluded or will be concluded shortly. The contracts are expected to be fulfilled in 2014. In the Non-Core Assets segment, the companies KGAL GmbH & Co. KG, Grünwald (Munich), and GO German Office GmbH, Wiesbaden[1] are reported as held for sale. Receivables, properties and investment fund units are also held for sale in the Non-Core Assets (NCA), Others and Consolidation and Private Customers segments.

The liabilities of disposal groups held for sale are described in Note 70.

The companies

- Real Estate TOP TEGEL Drei GmbH, Eschborn
- Real Estate TOP TEGEL Eins GmbH, Eschborn
- Real Estate TOP TEGEL Sechs GmbH, Eschborn
- Real Estate TOP TEGEL Vier GmbH, Eschborn and
- Real Estate TOP TEGEL Zwei GmbH, Eschborn

are no longer classified as held for sale, as the properties held by the companies were sold in the third quarter of 2013.

In the year under review we sold none of the disposal groups shown as held for sale in the previous year.

(61) Other assets

Other assets mainly comprise the following items:

€m	31.12.2013	31.12.2012	Change in %
Collection items	225	311	– 27.7
Precious metals	259	666	– 61.1
Leased equipment	741	851	– 12.9
Accrued and deferred items	168	256	– 34.4
Initial/variation margins receivable	223	296	– 24.7
Other assets[1]	1,320	1,191	10.8
Total	**2,936**	**3,571**	**– 17.8**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 (see page 148 f.). Before restatement total other assets were €3,638m.

[1] CG New Venture 2 Verwaltungsgesellschaft mbH, Wiesbaden and CG New Venture 4 GmbH & Co. KG, Wiesbaden, were merged with GO German Office GmbH, Wiesbaden.

Changes in leased assets within other assets were as follows:

€m	2013	2012
Carrying amount as at 1.1.	**851**	**209**
Cost of acquisition/production as at 1.1.	1,217	377
Exchange rate changes	–1	6
Additions	63	55
Disposals	214	12
Changes in the group of consolidated companies	–119	1
Reclassifications	–	790
Cost of acquisition/production as at 31.12.	946	1,217
Cumulative write-downs as at 1.1.	366	168
Exchange rate changes	–7	2
Additions	66	108
of which unscheduled	6	47
Disposals	156	8
Changes in the group of consolidated companies	–64	–
Reclassifications	–	96
Cumulative write-downs as at 31.12.	205	366
Cumulative changes from remeasurement to fair value	–	–
Carrying amount as at 31.12.	**741**	**851**

(62) Liabilities to banks

	Total		
€m	31.12.2013	31.12.2012	Change in %
Banks in Germany	33,966	42,613	–20.3
Banks outside Germany	43,728	67,629	–35.3
Total	**77,694**	**110,242**	**–29.5**
of which relate to the category			
Liabilities measured at amortised cost	66,263	90,206	–26.5
At fair value through profit or loss (fair value option)	11,431	20,036	–42.9

of which	**Due on demand**		**Other liabilities**	
€m	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Banks in Germany	4,628	7,746	29,338	34,867
Banks outside Germany	26,502	35,343	17,226	32,286
Total	**31,130**	**43,089**	**46,564**	**67,153**

The table below shows a breakdown of liabilities to banks by main transaction types:

€m	31.12.2013	31.12.2012	Change in %
Repos and cash collaterals	18,288	23,850	−23.3
Liabilities from money market transactions	17,630	41,062	−57.1
Other liabilities	41,776	45,330	−7.8
Total	**77,694**	**110,242**	**−29.5**

(63) Liabilities to customers

Liabilities to customers consist of savings deposits, demand deposits and time deposits, including savings certificates.

	Total		
€m	31.12.2013	31.12.2012[1]	Change in %
Customers in Germany	**195,965**	**204,945**	**−4.4**
Corporate customers	110,364	120,216	−8.2
Private customers and others	73,082	74,214	−1.5
Public sector	12,519	10,515	19.1
Customers outside Germany	**80,521**	**60,960**	**32.1**
Corporate and retail customers	78,063	55,276	41.2
Public sector	2,458	5,684	−56.8
Total	**276,486**	**265,905**	**4.0**
of which relate to the category			
Liabilities measured at amortised cost	220,100	228,706	−3.8
At fair value through profit or loss (fair value option)	56,386	37,199	51.6

[1] Prior-year figures restated due to restatement of hedge accounting (see page 149). Before restatement, liabilities to customers were €265,842m.

Following restatement due to the restatement of hedge accounting, liabilities to customers were €255,402m as at 31 December 2011 and 1 January 2012 respectively.

	Savings deposits		Other liabilities			
			due on demand		with agreed term or period of notice	
€m	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012[1]
Customers in Germany	**5,960**	**9,673**	**117,562**	**108,439**	**72,443**	**86,833**
Corporate customers	56	90	54,350	48,522	55,958	71,604
Private customers and others	5,904	9,583	60,828	57,266	6,350	7,365
Public sector	–	–	2,384	2,651	10,135	7,864
Customers outside Germany	**321**	**3,287**	**39,729**	**33,938**	**40,471**	**23,735**
Corporate and retail customers	318	3,286	38,858	32,022	38,887	19,968
Public sector	3	1	871	1,916	1,584	3,767
Total	**6,281**	**12,960**	**157,291**	**142,377**	**112,914**	**110,568**

[1] Prior-year figures restated due to restatement of hedge accounting (see page 149).

Savings deposits broke down as follows:

€m	31.12.2013	31.12.2012	Change in %
Savings deposits with agreed period of notice of three months	6,191	10,807	−42.7
Savings deposits with agreed period of notice of more than three months	90	2,153	−95.8
Total	**6,281**	**12,960**	**−51.5**

The table below shows a breakdown of liabilities to customers by main transaction types:

€m	31.12.2013	31.12.2012[1]	Change in %
Repos and cash collaterals	49,853	31,997	55.8
Liabilities from money market transactions	45,326	42,620	6.3
Other liabilities	181,307	191,288	−5.2
Total	**276,486**	**265,905**	**4.0**

[1] Prior-year figures restated due to restatement of hedge accounting (see page 149).

(64) Securitised liabilities

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

Securitised liabilities contained Mortgage Pfandbriefe of €18,015m (previous year: €21,530m) and public-sector Pfandbriefe of €17,929m (previous year: €27,758m).

€m	31.12.2013	31.12.2012[1]	Change in %
Bonds and notes issued	61,328	78,880	−22.3
Money market instruments issued	3,326	466	.
Own acceptances and promissory notes outstanding	16	11	45.5
Total	**64,670**	**79,357**	**−18.5**
of which relate to the category			
Liabilities measured at amortised cost	61,611	75,928	−18.9
At fair value through profit or loss (fair value option)	3,059	3,429	−10.8

[1] Prior-year figures restated due to restatement of hedge accounting (see page 149 ff.). Before restatement, securitised liabilities to customers were €79,332m.

Following restatement due to the restatement of hedge accounting, securitised liabilities were €105,687m as at 31 December 2011 and 1 January 2012 respectively.

New issues with a total volume of €13.7bn were issued in 2013. In the same period the volume of bonds maturing amounted to €24.8bn and redemptions to €2.4bn.

The table below lists the most important bonds and notes issued in 2013:

Equivalent €m	Currency	Issuer	Interest rate %	Maturity
553	USD	Commerzbank Aktiengesellschaft	8.130	2023
500	EUR	Commerzbank Aktiengesellschaft	2.000	2023
500	EUR	Commerzbank Aktiengesellschaft	1.630	2020
500	EUR	Commerzbank Aktiengesellschaft	1.500	2018
500	EUR	Commerzbank Aktiengesellschaft	1.000	2018
500	EUR	Commerzbank Aktiengesellschaft	0.000[1]	2014
500	EUR	Commerzbank Aktiengesellschaft	0.000[1]	2014
500	EUR	Commerzbank Aktiengesellschaft	0.000[1]	2014
400	EUR	Commerzbank Aktiengesellschaft	0.000[1]	2014
400	EUR	Commerzbank Aktiengesellschaft	0.000[1]	2014

[1] Zero bond.

(65) Value adjustments for portfolio fair value hedges

The adjustment to the fair value of underlying transactions hedged against interest rate risk was €714m (previous year: €1,467m). A matching asset item from hedging transactions is shown on the other side of the balance sheet under positive fair values attributable to derivative hedging instruments.

(66) Negative fair values of derivative hedging instruments

The negative fair values of derivatives used to hedge underlying transactions against interest rate risk are shown under this item.

€m	31.12.2013	31.12.2012	Change in %
Negative fair values of micro fair value hedges	7,585	11,604	–34.6
Negative fair values of portfolio fair value hedges	17	31	–45.2
Negative fair values of cash flow hedges	53	104	–49.0
Total	**7,655**	**11,739**	**–34.8**

(67) 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	31.12.2013	31.12.2012	Change in %
Currency-related derivative transactions	11,896	13,959	–14.8
Interest-rate-related derivative transactions	45,225	85,503	–47.1
Other derivative transactions	5,997	5,672	5.7
Certificates and other notes issued	5,001	5,201	–3.8
Delivery commitments arising from short sales of securities, negative market values of lending commitments and other trading liabilities	2,891	5,776	–49.9
Total	**71,010**	**116,111**	**–38.8**

Other derivative transactions consisted mainly of €3,858m in equity derivatives (previous year: €3,220m) and €1,785m in credit derivatives (previous year: €2,183m).

(68) Provisions

Provisions broke down as follows:

€m	31.12.2013	31.12.2012	Change in %
Provisions for pensions and similar commitments[1]	828	1,050	−21.1
Other provisions	3,049	3,049	0.0
Total	**3,877**	**4,099**	**−5.4**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 (see page 148 f.). Before restatement, provisions for pensions and similar commitments were €210m.

Following restatement due to the first-time application of the amended IAS 19, provisions were €4,107m as at 31 December 2011 and 1 January 2012 respectively (of which €783m were provisions for pensions and similar commitments).

a) Provisions for pensions and similar commitments

Changes in provisions for pensions and similar commitments were as follows in 2013:

€m	Pension entitlements of active and former employees and pension entitlements of pensioners	Early retirement	Part-time scheme for older staff	Total
As at 1.1.2013[1]	**922**	**58**	**70**	**1,050**
Pension payments	242	22	80	**344**
Additions	107	11	15	**133**
Allocation to plan assets[2]	55	–	–	**55**
Change from remeasurement of defined benefit plans not recognised in income statement	39	–	–	**39**
Reclassifications/exchange rate changes[3]	5	–	–	**5**
Changes in consolidated companies	–	–	–	**–**
As at 31.12.2013	**776**	**47**	**5**	**828**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 (see page 148 f.).
[2] If taken into account when setting the level of provisions.
[3] The change in capitalised plan assets is contained in pension entitlements of active and former employees and pension entitlements of pensioners.

b) Defined benefit plans

Pension obligations and pension expense for defined benefit plans are calculated annually by independent actuaries, using the projected unit credit method. The underlying actuarial parameters are based on the norms in the country in which the pension plan was established. The parameters outside Germany are shown on the basis of weighted averages taking account of the respective relevant pension plans.

%	31.12.2013	31.12.2012
Parameters for pension plans in Germany		
for determining the pension obligation at year-end		
Discount rate	3.9	3.8
Change in salaries	2.5	2.5
Adjustment to pensions	1.8	1.8
for determining pension expenses in the financial year		
Discount rate	3.8	4.8
Change in salaries	2.5	2.5
Adjustment to pensions	1.8	1.8
Parameters for pension plans outside Germany		
for determining the pension obligation at year-end		
Discount rate	4.5	4.3
Change in salaries	2.8	2.8
Adjustment to pensions	3.1	2.8
for determining pension expenses in the financial year		
Discount rate	4.3	4.8
Change in salaries	2.8	3.0
Adjustment to pensions	2.8	2.9

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 (see page 148 f.).

The net debt of the defined benefit obligation changed as follows:

€m	Pension obligation	Plan assets	Net debt
As at 1.1.2012	**6,242**	**– 5,730**	**512**
Service cost	65	–	65
Past service cost	1	–	1
Curtailments/settlements	–	–	–
Interest expense/income	293	– 276	17
Remeasurement	936	– 406	530
Gain/loss on plan assets excluding amounts already recognised in net interest expense/income	–	– 406	– 406
Experience adjustments	– 4	–	– 4
Adjustments in financial assumptions	921	–	921
Adjustments in demographic assumptions	19	–	19
Pension payments	– 281	37	– 244
Settlement payments	–	–	–
Change in the group of consolidated companies	– 1	–	– 1
Exchange rate changes	18	– 22	– 4
Employer contributions	–	– 92	– 92
Employee contributions	–	–	–
Reclassifications/other changes	–	–	–
As at 31.12.2012	**7,273**	**– 6,489**	**784**
of which provision for pension			922
of which recognition of defined benefit assets			138
As at 1.1.2013	**7,273**	**– 6,489**	**784**
Service cost	86	–	86
Past service cost	– 2	–	– 2
Curtailments/settlements	–	–	–
Interest expense/income	275	– 252	23
Remeasurement	– 141	180	39
Gain/loss on plan assets excluding amounts already recognised in net interest expense/income	–	180	180
Experience adjustments	– 76	–	– 76
Adjustments in financial assumptions	– 67	–	– 67
Adjustments in demographic assumptions	2	–	2
Pension payments	– 288	46	– 242
Settlement payments	–	–	–
Change in the group of consolidated companies	–	–	–
Exchange rate changes	– 26	26	–
Employer contributions	–	– 55	– 55
Employee contributions	–	–	–
Reclassifications/other changes	– 2	1	– 1
As at 31.12.2013	**7,175**	**– 6,543**	**632**
of which provision for pension			776
of which recognition of defined benefit assets			144

The asset ceiling had no effects within Commerzbank, and the net debt may therefore be equated with the financing status.

The geographical breakdown of the pension obligations was as follows:

€m	31.12.2013	31.12.2012
Germany	5,971	6,067
United Kingdom	1,020	1,009
America	82	93
Others	102	104
Total	**7,175**	**7,273**

The sensitivity analysis shown here reflects the changes in the assumption; the other assumptions remain unchanged from the original calculation, i.e. potential correlation effects between the individual assumptions are not accounted for. The effects of the assumption changes on the present value of the pension liabilities were determined using the same methods – especially the projected unit credit method – as used for the measurement of pension obligations in the financial statements. A change in the corresponding assumptions as at 31 December 2013 would have the following effects:

€m	Obligation as at 31.12.2013
Interest rate sensitivity	
Discount rate +50bps	–530
Discount rate –50bps	600
Salary change sensitivity	
Change in salaries +50bps	7
Change in salaries –50bps	–7
Pension adjustment sensitivity	
Adjustment to pensions +50bps	393
Adjustment to pensions –50bps	–356
Mortality rate (life expectancy) change sensitivity	
Reduction in mortality of 10%[1]	205

[1] The reduction in mortality by 10% for all ages results in an average increase in life expectancy of around one year at age 65.

The expenses for pensions and other employee benefits consisted of the following components:

€m	2013	2012
Expenses for defined benefit plans	107	83
Expenses for defined contribution plans	86	89
Other pension benefits (early retirement and part-time scheme for older staff)	26	61
Other pension-related expenses	19	25
Exchange rate changes	–	–
Expenses for pensions and similar employee benefits	**238**	**258**

In addition, personnel expense included €233m (previous year: €242m) in employers' contributions to the state pension scheme.

In the financial year 2014 employer contributions of €52m to plan assets for defined benefit pension plans are expected in the Group as well as pension payments of €250m.

The breakdown of the plan assets was as follows:

%	31.12.2013		31.12.2012	
	Active market	Inactive market	Active market	Inactive market
Fixed-income securities/bond funds	55.1	16.2	58.3	15.1
Shares/equity funds	8.8	2.6	7.7	2.1
Other investment fund units	0.2	1.2	0.2	–
Liquid assets	3.5	–	2.0	–
Asset-backed securities	0.7	4.8	0.6	3.6
Property	–	–	–	–
Derivatives	3.4	0.3	6.3	1.1
Interest-related	4.1	0.5	6.2	0.7
Credit-related	0.2	0.1	−0.4	−0.1
Inflation-related	−0.9	−0.3	0.1	–
Other	–	–	0.4	0.5
Others	–	3.2	–	3.0

The weighted average duration of the pension obligations was 16.3 years (previous year: 16.7 years). The anticipated maturities of undiscounted pension obligations are as follows:

€m	2014	2015	2016	2017	2018	2019–2023
Expected pension payments	291	301	306	313	323	1,726

c) Defined contribution plans

Expense for contributions paid to defined contribution plans in Germany in 2013 was €66m (2012: €67m) and contributions in 2014 are expected to be around the same amount. No provisions were formed, since the assumption of secondary liability under the law is regarded as unlikely.

d) Loan loss provisions

Loan loss provisions in 2013 changed as follows:

€m	As at 1.1.2013	Allocations	Utilisation	Reversals	Reclassification/ change in the group of consoli-dated companies	As at 31.12.2013
Specific risks in lending business	212	73	1	141	−2	141
Portfolio risks in lending business	120	40	–	27	–	133
Total	**332**	**113**	**1**	**168**	**−2**	**274**

The average residual term of loan loss provisions is based on the residual terms of the contingent liabilities and irrevocable lending commitments set out in Note 88.

e) Other provisions

The changes in other provisions are as follows:

€m	As at 1.1.2013	Allocations	Utilisation	Reversals	Interest imputation	Reclassification/ change in the group of consolidated companies	As at 31.12.2013
Personnel provisions	589	442	362	32	–	24	661
Restructuring measures	468	473	188	91	1	−2	661
Bonuses for special savings schemes	110	6	95	–	–	–	21
Legal proceedings and recourse claims	982	400	289	140	2	−21	934
Other	568	252	217	102	1	−4	498
Total	**2,717**	**1,573**	**1,151**	**365**	**4**	**−3**	**2,775**

The personnel provisions are predominantly short-term in nature, but also include provisions for service anniversaries, which are by their nature long-term and are utilised successively in subsequent reporting periods. They also contain provisions for the long-term cash component of the Commerzbank Incentive Plan which are utilised after the expiry of the 4-year vesting period.

The provisions for restructuring measures derive predominantly from measures relating to the new strategy of Commerzbank, the integration of the Dresdner Bank Group and the realignment of the Group in compliance with the requirement to wind down Hypothekenbank Frankfurt. They are largely attributable to the Human Resources and Organisation departments and are mainly spread over a term of up to 3 years. We expect these provisions to be utilised in the period from 2014 to 2016.

In the case of legal disputes (legal proceedings and recourse claims) it is impossible to forecast the duration of proceedings and the amount of the liability with certainty at the date of establishing the provision. The provisions for legal proceedings and recourse claims were formed in part in connection with the following issues. The amount of the provisions formed cover the respective estimated expense as at the balance sheet date:

- Commerzbank and its subsidiaries are mainly active in the Private Customers segment in the area of investment advisory. 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 and may demand compensation for damages or the reversal of investment transactions about which information regarding distribution fees was lacking (e.g. for closed-end funds).
- A number of employees of the former 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.
- 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. The Group is currently also involved in a number of such cases. The office of the New York Attorney General, the US Justice Department and other US authorities are, for example, investigating whether the Group breached US embargo regulations, particularly with respect to Iran, Sudan, North Korea, Myanmar and Cuba. The New York branch of Commerzbank was served with subpoenas by these US authorities in this regard and consequently had to surrender extensive documentation and results of internal investigations to authorities. The outcome of the proceedings is not yet foreseeable. US authorities may impose civil and criminal sanctions on Commerzbank which may include substantial fines. In similar cases with other banks, the settlements reached sometimes included significant civil and criminal penalties. Consequently, the Bank cannot rule out the possibility that it will pay a considerable sum of money in order to settle the case.

- During the last few years, the Commerzbank Group has sold a number of subsidiaries, other holdings in Germany and abroad and some major properties. The related contractual agreements contain guarantees, certain indemnities and some financing obligations. In several cases, complaints have been filed claiming failure to honour the guarantees in question.

The provisions listed under Other mostly have a residual term of under one year.

(69) Tax liabilities

€m	31.12.2013	31.12.2012[1]	Change in %
Current tax liabilities	**245**	**324**	**–24.4**
Tax liabilities to tax authorities	6	4	50.0
Provisions for income tax	239	320	–25.3
Deferred tax liabilities	**83**	**91**	**–8.8**
Tax liabilities recognised in income statement	71	63	12.7
Tax liabilities not recognised in income statement	12	28	–57.1
Total	**328**	**415**	**–21.0**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 (see page 148 f.). Before the restatement, deferred tax liabilities recognised in income were €62m and the total of deferred tax liabilities was €90m.

Provisions for taxes on income are potential tax liabilities which have not yet been formally assessed and potential liabilities for risks associated with tax audits. The liabilities to tax authorities represent payment obligations in respect of current taxes towards German and foreign tax authorities.

Deferred tax liabilities represent the potential income tax charge arising from temporary differences between the values assigned to assets and liabilities in the consolidated balance sheet in accordance with IFRS and their values for tax accounting purposes as reported by the group companies in accordance with the local tax regulations. They were recognised in connection with the following items:

€m	31.12.2013	31.12.2012[1]	Change in %
Trading assets and liabilities	17	16	6.3
Fair values of derivative hedging instruments	16	32	–50.0
Financial investments	17	12	41.7
Claims on banks and customers	9	6	50.0
Liabilities to banks and customers	2	1	100.0
Other balance sheet items	22	24	–8.3
Total	**83**	**91**	**–8.8**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 (see page 148 f.). Before the restatement, deferred tax liabilities for tax loss on other balance sheet items were €23m and the total of deferred tax liabilities was €90m.

(70) Liabilities from disposal groups held for sale

The breakdown of liabilities from disposal groups held for sale was as follows:

€m	31.12.2013	31.12.2012	Change in %
Liabilities to banks	–	–	.
Liabilities to customers	1	2	–50.0
Negative fair values of derivative hedging instruments	23	–	.
Total	**24**	**2**	**.**

(71) Other liabilities

€m	31.12.2013	31.12.2012	Change in %
Liabilities attributable to film funds	1,690	1,915	–11.7
Liabilities attributable to non-controlling interests	2,974	2,441	21.8
Accrued and deferred items	397	439	–9.6
Variation margins payable	234	162	44.4
Other liabilities	1,258	1,566	–19.7
Total	**6,553**	**6,523**	**0.5**

(72) Subordinated debt instruments

Subordinated debt instruments comprise financial instruments which in the event of an insolvency can only be repaid after all non-subordinated creditors have been satisfied. These were as follows:

€m	31.12.2013	31.12.2012	Change in %
Subordinated debt instruments	14,188	14,108	0.6
Accrued interest, including discounts[1]	–1,107	–1,130	–2.0
Remeasurement effects	633	935	–32.3
Total	**13,714**	**13,913**	**–1.4**
of which relate to the category			
Liabilities measured at amortised cost	13,706	13,905	–1.4
At fair value through profit or loss (fair value option)	8	8	0.0

[1] Including the impact of the adjustment of fair values of subordinated debt instruments at the date of acquisition of Dresdner Bank.

After combining the balance sheet items (see page 150), subordinated debt instruments were €15,460m as at 31 December 2011 and 1 January 2012 respectively.

In 2013 the volume of subordinated debt instruments maturing amounted to €0.6bn and new issues to €0.8bn.

In the year under review, the interest expense of the Group for subordinated debt instruments totalled €853m (previous year: €891m). Interest accruals for interest not yet paid totalled €337m (previous year: €535m).

The following major subordinated debt instruments were outstanding at the end of 2013:

Start of maturity	€m	Currency in m	Issuer	Interest rate %	Maturity
2011	1,254	1,254 EUR	Commerzbank Aktiengesellschaft	6.375	2019
2011	1,250	1,250 EUR	Commerzbank Aktiengesellschaft	7.750	2021
1999	725	1,000 USD	Dresdner Capital LLC I	8.151	2031
2006	662	662 EUR	Commerzbank Aktiengesellschaft	5,386	2015
2007	600	600 EUR	Commerzbank Aktiengesellschaft	1,242[1]	2017
2013	553	762 USD	Commerzbank Aktiengesellschaft	8.125	2023
2008	500	500 EUR	Commerzbank Aktiengesellschaft	6.250	2014
2006	492	492 EUR	Commerzbank Aktiengesellschaft	1,167[1]	2016
2006	416	416 EUR	Commerzbank Aktiengesellschaft	7.040	for an unlimited period
2009	363	500 USD	Commerzbank Aktiengesellschaft	7.250	2015

[1] Floating interest rate.

(73) Equity structure

€m	31.12.2013	31.12.2012[1]	Change in %
a) Subscribed capital	1,139	5,828	–80.5
b) Capital reserve	15,928	8,730	82.5
c) Retained earnings	10,658	10,783	–1.2
d) Silent participations	–	2,376	.
Other reserves	–1,745	–2,353	–25.8
e) Revaluation reserve	–1,195	–1,699	–29.7
f) Cash flow hedge reserve	–357	–616	–42.0
g) Currency translation reserve	–193	–38	.
Total before non-controlling interests	**25,980**	**25,364**	**2.4**
Non-controlling interests	956	886	7.9
Equity	**26,936**	**26,250**	**2.6**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19, the hedge accounting restatement and other disclosure changes (see page 148 ff.). Before restatement, equity was €27,034m.

a) Subscribed capital

The subscribed capital (share capital) of Commerzbank Aktiengesellschaft consists of no-par-value shares, each with an accounting par value of €1.00. The shares are issued in bearer form. Purchases and disposals of treasury shares are added to or deducted from subscribed capital at an accounting par value of €1.00.

	Units
Number of shares outstanding as at 1.1.2013	**5,828,320,504**
plus treasury shares as at 31.12. of the previous year	1,193,353
Reverse stock split	–5,246,562,472
Issue of new shares	555,555,556
Number of issued shares as at 31.12.2013	**1,138,506,941**
less treasury shares as at balance sheet date	–
Number of shares outstanding as at 31.12.2013	**1,138,506,941**

On 22 April 2013 the 10-to-1 reverse stock split of Commerzbank shares was carried out as planned. After the reverse stock split, the number of Commerzbank shares in issue fell to 582,951,385. In May 2013, 555,555,556 no-par-value shares were issued as part of the capital increase with pre-emptive rights. The subscribed capital stood at €1,139m as at 31 December 2013, as no treasury shares were held. There are no preferential rights or restrictions on the payment of dividends at Commerzbank Aktiengesellschaft. All shares in issue are fully paid up. The value of issued, outstanding and authorised shares was as follows:

	31.12.2013		31.12.2012	
	€m	1,000 units	€m	1,000 units
Issued shares[1]	1,138.5	1,138,507	583.0	582,951
./. Treasury shares[1]	–	–	0.1	119
= Shares outstanding[1]	1,138.5	1,138,507	582.8	582,832
Shares not yet issued from authorised capital[2]	2,613.0	2,613,000	5,068.0	5,068,000
Total	**3,751.5**	**3,751,507**	**5,650.8**	**5,650,832**

[1] Prior-year figures restated due to 10-to-1 reverse stock split of Commerzbank shares (see page 141).
[2] The Board of Managing Directors will only make use of the approved capital during its term up to a maximum of 50% of the share capital available after completion of the capital increase registered on 28 March 2013 and with the consent of the Supervisory Board.

The number of authorised shares was 3,751,507 thousand (previous year1: 5,650,951 thousand shares). The accounting par value of the authorised shares was €3,751.5m (previous year1: €5,650.9m).

As at 31 December 2013, 4,288 thousand shares (previous year[1]: 3,222 thousand) had been pledged with the Group as collateral. This represents 0.4% (previous year: 0.6%) of the shares outstanding on the balance sheet date.

Securities transactions in treasury shares pursuant to Art. 71 (1), no. 7 of the German Stock Corporation Act (Aktiengesetz) were as follows:

	Number of shares in units	Accounting par value[1] €1,000	Percentage of share capital %
Balance as at 31.12.2013	–	–	–
Largest number acquired during the financial year	536,807	537	0.05
Total shares pledged by customers as collateral as at 31.12.2013	4,287,593	4,288	0.38
Shares acquired during the financial year	6,072,771	6,073	–
Shares disposed of during the financial year	6,192,106	6,192	–

[1] Accounting par value per share €1.00.

b) Capital reserve

Premiums from the issue of shares are shown in the capital reserve. In addition, if bonds and notes are issued for conversion and option rights entitling holders to purchase shares, the amounts realised are recognised in the capital reserve.

For the resale of treasury shares, the difference between the accounting par value and the market value of the share is recognised in the capital reserve, if the latter exceeds the original acquisition costs of these shares.

c) Retained earnings

Retained earnings consist of the statutory reserve and other reserves. The statutory reserve contains reserves which are mandated by German law; in the parent company financial statements, the amounts assigned to this reserve may not be distributed. The total amount of retained earnings stated in the balance sheet resulted from other retained earnings of €10,658m (previous year[2]: €10,783m). There were no statutory reserves at 31 December 2012 or 31 December 2013.

In addition, costs arising in connection with capital increases, which must be shown as a deduction from equity in accordance with IAS 32.35, are deducted from retained earnings. In addition, the fair value of share-based payments settled in the form of equity instruments that have not yet been exercised is also shown.

For purchases of treasury shares, the difference between the acquisition costs and the notional par value is recognised in the retained earnings. The resale of treasury shares is reported as a mirror-image of the purchase of treasury shares.

d) Silent participations

Following a combined capital increase for cash/non-cash capital contributions in May 2013, SoFFin's silent participation of €1.63bn (as at 31 December 2012) was repaid in full. Thus, the agreement dated 19 December 2008 and the supplementary agreement dated 3 June 2009 on the establishment of a silent partnership concluded between SoFFin, represented by the FMSA, and Commerzbank Aktiengesellschaft were by mutual agreement terminated early. Compensation was paid accordingly (see page 141).

At the same time, Allianz SE's silent participation of €0.75bn (as at 31 December 2012) was repaid and the agreement concluded between Commerzbank Aktiengesellschaft and Allianz SE on 3 June 2009 concerning the establishment of a silent partnership was terminated early by mutual agreement. Compensation was paid accordingly (see page 141).

Under IFRS the silent participations were reported separately under equity until their repayment. Under the repayment, compensation included the interest accrued on the silent participations and was set off directly against equity without affecting the income statement. Therefore, no further dividend will be paid out for 2013 (previous year: €221m).

e) Revaluation reserve

Gains or losses from revaluing financial investments at fair value are recognised in the revaluation reserve net of deferred taxes. Gains or losses are recognised in the income statement only after the asset has been disposed of or impaired.

[1] Figures restated due to 10-to-1 reverse stock split of Commerzbank shares (see page 141).
[2] Figures restated due to the first-time application of the amended IAS 19 and the hedge accounting restatement (see page 148 f.).

f) Cash flow hedge reserve

The net gain or loss on remeasuring the effective part of cash flow hedges is reported in this equity item after deduction of deferred taxes. We ended cash flow hedge accounting in the financial year 2009 with only a few exceptions and since then have been using micro hedge accounting and portfolio fair value hedge accounting to manage interest rate risks. From the date of this change, the cash flow hedge reserve reported in equity and the associated hedging transactions have been amortised in net interest income over the residual termof the hedging transactions. This has no impact on net income.

g) Currency translation reserve

The reserve from currency translation relates to translation gains and losses arising upon the consolidation of the capital accounts. This includes exchange rate differences arising from the consolidation of subsidiaries and companies accounted for using the equity method.

(74) Conditional capital

Conditional capital is intended to be used for the issue of convertible bonds or bonds with warrants and also of profit-sharing certificates with conversion or option rights. Conditional capital developed as follows:

						of which	
€m	Conditional capital 1.1.2013	Additions	Expirations/ utilisations	Authorisation expired	Conditional capital[1] 31.12.2013	Used conditional capital	Conditional capital still available
Convertible bonds/bonds with warrants/profit-sharing certificates	4,394	–	139	1,505	2,750	–	2,750
Total	**4,394**	**–**	**139**	**1,505**	**2,750**	**–**	**2,750**

As resolved at the AGM on 23 May 2012, the Company's share capital shall be conditionally increased by up to €2,750,000,000.00, divided into 2,750,000,000 no-par-value bearer shares (Conditional Capital 2012/I in accordance with Art. 4 (4) of the Articles of Association). The conditional capital increase will only be carried out to the extent that the holders or creditors of convertible bonds or convertible profit-sharing certificates or warrants attached to bonds or profit-sharing certificates with warrants issued or guaranteed by Commerzbank or by companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18 (1) of the German Stock Corporation Act) exercise, in the period up to 22 May 2017, their conversion/option rights or fulfil their related conversion or option obligations on the basis of the authorisation resolved by the Annual General Meeting on 23 May 2012 (Authorisation 2012) and other forms of performance in satisfaction thereof are not chosen.

The Board of Managing Directors is authorised to specify the other details of the capital increase and its execution.

The Board of Managing Directors will only make use of the above-mentioned conditional capital during its term with the consent of the Supervisory Board up to a maximum of 50% of the existing share capital as at 31 December 2013. Furthermore, the Board of Managing Directors will use its authority to undertake capital-raising measures only up to a total maximum of 20% of the existing share capital and – insofar as the exclusion of pre-emptive rights serves the purpose of issuing shares to members of the Board of Managing Directors, members of management or employees of Commerzbank Aktiengesellschaft or of companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest – not exceed the upper limit of 5% of the existing share capital as at 31 December 2013. These restrictions on utilisation may only be lifted by resolution of the AGM.

(75) Authorised capital

Date of AGM resolution	Original amount €m	Used in previous years for capital increases €m	Used in 2013 for capital increases €m	Authorisation expired €m	Residual amount €m	Date of expiry
6.5.2011	2,000	537	–	–	1,463	5.5.2016
23.5.2012	1,150	–	–	–	1,150	22.5.2017
23.5.2012	2,455	–	–	2,455	–	22.5.2017
Total	**5,605**	**537**	**–**	**2,455**	**2,613**	

The conditions for capital increases from authorised capital for the individual capital items as at 31 December 2013 are given in the Articles of Association of Commerzbank Aktiengesellschaft dated 29 May 2013 and by the undertaking declared under agenda item 10 of the AGM of 19 April 2013.

The Board of Managing Directors is authorised, with the approval of the Supervisory Board, to increase the Company's share capital during the period up to 5 May 2016 through the issue of new no-par-value shares for cash or non-cash contributions, in either one or several tranches, by a maximum of €1,462,936,397.00 (Authorised Capital 2011 in accordance with Art. 4 (3) of the Articles of Association). In principle, shareholders are to be offered subscription rights; the mandatory pre-emptive right may also be granted in such a manner that the new shares are underwritten by a bank or a syndicate of banks under an obligation to offer them for subscription to shareholders of Commerzbank Aktiengesellschaft. However, the Board of Managing Directors is authorised to exclude pre-emptive rights, with the approval of the Supervisory Board, in the following cases:

- To exclude fractional amounts from subscription rights;
- To the extent necessary, to grant the holders of conversion or option rights, either already issued or still to be issued by Commerzbank Aktiengesellschaft or by companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18 (1) of the German Stock Corporation Act), subscription rights in the amount to which they would be entitled after exercising their conversion or option rights or fulfilling their corresponding conversion or option obligation;
- to issue employee shares up to the amount of €20,000,000.00 to employees of Commerzbank Aktiengesellschaft or of companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18 1) of the German Stock Corporation Act;
- In order to increase the share capital for non-cash contributions;
- In the event of capital increases for cash, provided that the issue price of the new shares is not significantly lower than the stock exchange price for identical shares of the Company at the time the issue price is set. The shares issued under exclusion of pre-emptive rights under Articles 203 (1), 186 (3) sentence 4 German Stock Corporation Act on the basis of this authorisation may not exceed a total of 10% of the Company's share capital at the time the authorisation becomes effective or at the time the authorisation is exercised, whichever amount is lower. The upper limit of 10% of the share capital will be reduced by the proportion of share capital represented by any of the Company's own shares that are sold during the period of validity of the Authorised Capital 2011 while excluding shareholders' pre-emptive rights in accordance with Art. 71 (1) no. 8 sentence 5, and Art. 186 (3) sentence 4 of the German Stock Corporation Act. The upper limit is further reduced by the pro-rata amount of share capital corresponding to those shares that must be issued to service options and convertible bonds with option or conversion rights or with option or conversion obligations, provided such bonds are issued during the period of validity of Authorised Capital 2011 while excluding pre-emptive rights subject to appropriate application of Art. 186 (3) sentence 4 of the German Stock Corporation Act.

The Board of Managing Directors is authorised to specify the other details of the capital increases and their execution.

The Board of Managing Directors is authorised, with the approval of the Supervisory Board, to increase the Company's share capital during the period up to 22 May 2017 through the issue of new no-par-value shares for cash or non-cash contributions, in either one or several tranches, by a maximum of €1,150,000,000.00 (Authorised Capital 2012/I in accordance with Art. 4 (5) of the Articles of Association). In principle, shareholders are to be offered subscription rights; the mandatory pre-emptive right may also be granted in such a manner that the new shares are are underwritten by a bank or a syndicate of banks under an obligation to offer them for subscription to shareholders of Commerzbank Aktiengesellschaft. However, the Board of Managing Directors is authorised to exclude pre-emptive rights, with the approval of the Supervisory Board, in the following cases:

- To exclude fractional amounts from subscription rights;
- To the extent necessary, to grant the holders of conversion or option rights, either already issued or still to be issued by

Commerzbank Aktiengesellschaft or by companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18 (1) of the German Stock Corporation Act), subscription rights in the amount to which they would be entitled after exercising their conversion or option rights or fulfilling their corresponding conversion or option obligation;
- To issue shares to members of the Board of Managing Directors, members of management or employees of Commerzbank Aktiengesellschaft or of companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18 (1) of the German Stock Corporation Act) in return for contributions in kind by contributing claims to variable compensation components, bonuses or similar receivables due from the company or a group company.
- In order to increase the share capital for non-cash contributions.

The Board of Managing Directors will only make use of the above-mentioned approved capital during its terms up to a maximum of 50% of the share capital available after completion of the capital increase registered on 28 March 2013 and with the consent of the Supervisory Board. Furthermore, the Board of Managing Directors will use its authority to undertake capital-raising measures. excluding shareholders' pre-emptive rights, only up to a total maximum of 20% of the existing share capital as at 31 December 2013 and – insofar as the exclusion of pre-emptive rights serves the purpose of issuing shares to members of the Board of Managing Directors, members of management or employees of Commerzbank Aktiengesellschaft or of companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest – not exceed the upper limit of 5% of the existing share capital as at 31 December 2013. These restrictions on utilisation may only be lifted by resolution of the AGM.

(76) The Bank's foreign currency position

As at 31 December 2013 the Commerzbank Group had the following foreign currency assets and debt (excluding fair values of derivatives):

€m	31.12.2013					31.12.2012[1]	
	USD	PLN	GBP	Others	Total	Total	Change in %
Cash reserve	4,854	368	847	1,043	7,112	8,557	–16.9
Claims on banks	19,107	408	1,853	2,690	24,058	23,344	3.1
Claims on customers	31,243	8,485	7,310	14,414	61,452	72,689	–15.5
Trading assets	13,961	222	2,380	3,008	19,571	16,801	16.5
Financial investments	13,727	5,846	1,521	1,758	22,852	25,416	–10.1
Other balance sheet items	2,768	651	786	1,002	5,207	2,656	96.0
Foreign currency assets	**85,660**	**15,980**	**14,697**	**23,915**	**140,252**	**149,463**	**–6.2**
Liabilities to banks	15,416	1,031	3,057	3,145	22,649	35,553	–36.3
Liabilities to customers	23,820	11,471	3,852	5,528	44,671	34,201	30.6
Securitised liabilities	5,541	541	750	6,311	13,143	15,567	–15.6
Trading liabilities	1,064	23	56	659	1,802	2,869	–37.2
Other balance sheet items	2,387	470	783	801	4,441	3,806	16.7
Foreign currency liabilities	**48,228**	**13,536**	**8,498**	**16,444**	**86,706**	**91,996**	**–5.8**

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 (see page 148 f.).

The open balance sheet positions outside the trading business are matched by corresponding foreign exchange forward contracts or currency swaps with matching maturities.

Notes on financial instruments

(77) Derivative transactions

The Commerzbank Group conducts transactions with derivative financial instruments, as explained below.

A derivative is a financial instrument with a value determined by a so-called underlying asset. The underlying asset may, for example, be an interest rate, commodity price, share price, foreign exchange rate or bond price. The financial instrument does not require any, or an initial net investment that is smaller than would be required for other types of instrument that would be expected to have a similar response to changes in market factors. It is settled at a future date.

Most of the derivatives transactions involve OTC derivatives, with a nominal amount, maturity and price which are agreed individually between the Bank and its counterparties. However, the Bank also concludes derivatives contracts on regulated stock exchanges. These are standardised contracts with standardised nominal amounts and settlement dates.

The nominal amount shows the volume traded by the Bank. The positive and negative fair values listed in the table, however, are the expenses which would be incurred by the Bank or the counterparty to replace the contracts originally concluded with transactions of an equivalent financial value. From the Bank's point of view, a positive fair value thus indicates the maximum potential counterparty-specific default risk that existed from derivative transactions on the balance sheet date.

In order to minimise both the economic and regulatory credit risk arising from these instruments, we conclude master agreements (bilateral netting agreements) with our counterparties (such as 1992 ISDA Master Agreement Multi-Currency Cross-Border; German Master Agreement for Financial Futures). By means of such bilateral netting agreements, the positive and negative fair values of the derivatives contracts included under a master agreement can be offset against one another and the future regulatory risk add-ons for these products can be reduced. This netting process reduces the credit risk to a single net claim on the party to the contract (close-out netting).

For both regulatory reports and the internal measurement and monitoring of our credit commitments, we use such risk-mitigating techniques only where we consider them enforceable in the jurisdiction in question, if the counterparty becomes insolvent. We obtain legal opinions from various international law firms in order to verify enforceability.

Similar to the master agreements are the collateral agreements (e.g. collateralisation annex for financial futures contracts, Credit Support Annex), which we conclude with our business associates to secure the net claim or liability remaining after netting (receiving or furnishing of security). As a rule, this collateral management reduces credit risk by means of prompt – mostly daily or weekly – measurement and adjustment of the customer exposure.

The table below shows the nominal amounts and the fair values of the derivative business broken down by interest rate-based contracts, currency-based contracts and contracts based on other price risks and the maturity structure of these transactions. The fair values are the sum totals of the positive and negative amounts per contract and are shown without deducting collateral and without taking account of any netting agreements, because these work on a cross-product basis. By definition, no positive fair values exist for options which have been written. The nominal amount represents the gross volume of all sales and purchases. The maturity dates listed for the transactions are based on the term to maturity of the contracts and not the maturity of the underlying. The table below also shows the fair value of derivatives based on the net method of presentation as set out in Note 1. The netting volume as at 31 December 2013 totalled €101,665m (previous year: €162,271m). On the assets side, €100,476m (previous year: €158,561m) of this was attributable to positive fair values and €1,189m (previous year: €3,710m). Netting on the liabilities side involved negative fair values of €101,567m (previous year: €162,133m) and €98m margins payable (previous year: €138m).

31.12.2013	Nominal amount Residual terms						Fair value	
€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								
OTC products	8	233,674	145,670	186,724	121,791	687,867	12,603	11,985
Foreign exchange spot and forward contracts	–	184,498	71,525	21,712	819	278,554	3,514	3,889
Interest rate and currency swaps	–	17,587	42,634	148,720	115,950	324,891	7,610	6,660
Currency call options	–	14,211	13,323	7,172	2,305	37,011	1,307	–
Currency put options	–	17,099	16,974	8,605	2,190	44,868	–	1,324
Other foreign exchange contracts	8	279	1,214	515	527	2,543	172	112
Exchange-traded products	–	324	52	–	–	376	–	–
Currency futures	–	321	7	–	–	328	–	–
Currency options	–	3	45	–	–	48	–	–
Total	**8**	**233,998**	**145,722**	**186,724**	**121,791**	**688,243**	**12,603**	**11,985**
Interest-based forward transactions								
OTC products	5	559,333	1,980,142	1,835,917	1,587,116	5,962,513	153,248	154,358
Forward rate agreements	–	183,845	1,336,442	5,578	–	1,525,865	246	252
Interest rate swaps	–	370,689	601,645	1,723,549	1,406,109	4,101,992	146,926	148,095
Call options on interest rate futures	–	2,536	22,671	50,744	81,891	157,842	5,762	–
Put options on interest rate futures	–	1,332	17,994	52,753	96,937	169,016	–	5,578
Other interest rate contracts	5	931	1,390	3,293	2,179	7,798	314	433
Exchange-traded products	–	325	34,661	6,630	8,894	50,510	–	–
Interest rate futures	–	307	20,658	6,405	7,927	35,297	–	–
Interest rate options	–	18	14,003	225	967	15,213	–	–
Total	**5**	**559,658**	**2,014,803**	**1,842,547**	**1,596,010**	**6,013,023**	**153,248**	**154,358**
Other forward transactions								
OTC products	2,254	17,240	34,766	99,898	17,352	171,510	4,084	5,997
Structured equity/index products	1,852	10,118	7,619	15,956	2,224	37,769	1,172	2,698
Equity call options	–	1,569	4,646	3,117	112	9,444	931	–
Equity put options	–	1,844	7,330	9,385	968	19,527	–	1,160
Credit derivatives	–	2,565	13,853	69,138	14,034	99,590	1,508	1,785
Precious metal contracts	1	471	580	884	–	1,936	121	185
Other transactions	401	673	738	1,418	14	3,244	352	169
Exchange-traded products	–	39,759	28,509	15,422	469	84,159	–	–
Equity futures	–	18,204	316	28	–	18,548	–	–
Equity options	–	15,723	21,324	13,761	469	51,277	–	–
Other futures	–	4,535	2,999	866	–	8,400	–	–
Other options	–	1,297	3,870	767	–	5,934	–	–
Total	**2,254**	**56,999**	**63,275**	**115,320**	**17,821**	**255,669**	**4,084**	**5,997**
Total pending forward transactions								
OTC products	2,267	810,247	2,160,578	2,122,539	1,726,259	6,821,890	169,935	172,340
Exchange-traded products	–	40,408	63,222	22,052	9,363	135,045	–	–
Total	**2,267**	**850,655**	**2,223,800**	**2,144,591**	**1,735,622**	**6,956,935**	**169,935**	**172,340**
Net position in the balance sheet							**69,459**	**70,773**

31.12.2012	Nominal amount Residual terms						Fair value	
€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								
OTC products	6	282,388	158,932	170,518	118,569	730,413	13,592	14,119
Foreign exchange spot and forward contracts	–	223,807	77,333	21,506	616	323,262	4,444	4,516
Interest rate and currency swaps	–	21,531	44,708	134,440	111,055	311,734	7,535	7,999
Currency call options	–	16,710	15,865	6,633	3,305	42,513	1,417	–
Currency put options	–	19,780	19,809	7,183	2,985	49,757	–	1,391
Other foreign exchange contracts	6	560	1,217	756	608	3,147	196	213
Exchange-traded products	–	1,049	91	1	–	1,141	–	–
Currency futures	–	1,033	91	–	–	1,124	–	–
Currency options	–	16	–	1	–	17	–	–
Total	**6**	**283,437**	**159,023**	**170,519**	**118,569**	**731,554**	**13,592**	**14,119**
Interest-based forward transactions								
OTC products	16	523,252	2,004,294	2,019,132	1,728,384	6,275,078	253,072	259,183
Forward rate agreements	–	157,479	1,341,339	7,059	–	1,505,877	501	440
Interest rate swaps	–	362,127	615,895	1,892,321	1,536,202	4,406,545	240,282	246,267
Call options on interest rate futures	–	1,525	26,685	58,753	84,749	171,712	9,799	–
Put options on interest rate futures	–	1,438	16,921	56,885	100,475	175,719	–	10,790
Other interest rate contracts	16	683	3,454	4,114	6,958	15,225	2,490	1,686
Exchange-traded products	–	2,372	87,779	5,355	10,759	106,265	–	–
Interest rate futures	–	1,479	32,940	3,980	8,781	47,180	–	–
Interest rate options	–	893	54,839	1,375	1,978	59,085	–	–
Total	**16**	**525,624**	**2,092,073**	**2,024,487**	**1,739,143**	**6,381,343**	**253,072**	**259,183**
Other forward transactions								
OTC products	1,013	18,111	51,785	111,903	16,740	199,552	4,354	5,704
Structured equity/ index products	1,010	8,213	7,403	14,025	1,422	32,073	1,020	1,923
Equity call options	–	1,313	6,230	5,438	144	13,125	896	–
Equity put options	–	1,373	6,395	8,256	1,140	17,164	–	1,297
Credit derivatives	–	5,929	30,475	81,987	13,991	132,382	2,137	2,215
Precious metal contracts	2	723	585	668	–	1,978	59	87
Other transactions	1	560	697	1,529	43	2,830	242	182
Exchange-traded products	–	26,883	24,637	17,235	415	69,170	–	–
Equity futures	–	12,034	261	23	–	12,318	–	–
Equity options	–	11,533	17,042	14,795	415	43,785	–	–
Other futures	–	1,805	2,032	1,008	–	4,845	–	–
Other options	–	1,511	5,302	1,409	–	8,222	–	–
Total	**1,013**	**44,994**	**76,422**	**129,138**	**17,155**	**268,722**	**4,354**	**5,704**
Total pending forward transactions								
OTC products	1,035	823,751	2,215,011	2,301,553	1,863,693	7,205,043	271,018	279,006
Exchange-traded products	–	30,304	112,507	22,591	11,174	176,576	–	–
Total	**1,035**	**854,055**	**2,327,518**	**2,324,144**	**1,874,867**	**7,381,619**	**271,018**	**279,006**
Net position in the balance sheet							**112,457**	**116,873**

Breakdown of derivatives business by borrower group:

The table below shows the positive and negative fair values of the Commerzbank Group's derivative business broken down by counterparty. The Commerzbank Group conducts derivative business primarily with counterparties with excellent credit ratings. A large portion of the fair values is concentrated in banks and financial institutions based in OECD countries.

€m	31.12.2013		31.12.2012	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
OECD central governments	4,377	3,403	4,238	3,597
OECD banks	55,423	60,784	95,171	103,702
OECD financial institutions	102,827	103,487	161,583	165,678
Other entities, private individuals	6,301	2,864	9,169	3,488
Non-OECD banks	1,007	1,802	857	2,541
Total	**169,935**	**172,340**	**271,018**	**279,006**

As at the balance sheet date the outstanding volume of the Commerzbank Group's transactions as a protection buyer and seller amounted to €52,215m (previous year: €68,634m) and €47,376m (previous year: €63,748m). We employ these products, which are used to transfer credit risk, both for arbitrage purposes in trading and in the banking book for diversifying our loan portfolios. The table below shows our risk structure in terms of the various risk assets that have been hedged.

€m	31.12.2013		31.12.2012	
	Nominal values Buyer of protection	Nominal values Seller of protection	Nominal values Buyer of protection	Nominal values Seller of protection
OECD central governments	4,893	4,897	6,565	6,248
OECD banks	5,962	6,290	6,967	7,135
OECD financial institutions	3,236	2,466	4,474	4,479
Other entities, private individuals	37,607	33,396	49,074	45,131
Non-OECD banks	517	327	1,554	755
Total	**52,215**	**47,376**	**68,634**	**63,748**

Details of derivatives in cash flow hedge accounting:

The nominal values of derivatives used for cash flow hedging until this was ended in 2009 (see Note 73) totalled €151bn as at 31 December 2013 (previous year: €184bn). The table below shows the periods in which these are likely to expire:

€bn	31.12.2013	31.12.2012
Up to 3 months	10	6
More than 3 months up to 1 year	47	27
More than 1 year up to 5 years	85	135
More than 5 years	9	16

Underlying hedged transactions existed in each maturity band with at least the same nominal value.

(78) Transferred financial assets

a) Assets pledged as collateral (own and third-party holdings)

Financial assets were pledged as collateral for the following financial liabilities:

€m	31.12.2013	31.12.2012	Change in %
Liabilities to banks	46,492	54,625	−14.9
Liabilities to customers	52,066	43,485	19.7
Securitised liabilities	500	–	.
Other liabilities	–	17	−100.0
Total	**99,058**	**98,127**	**0.9**

The following financial assets (own and third-party holdings) were pledged as collateral for the above-mentioned liabilities, which are shown after netting. Furthermore, in the previous year, own secured bonds which had been bought back amounting to €5,526m were carried over as collateral for financial liabilities towards banks.

€m	31.12.2013	31.12.2012	Change in %
Claims on banks and customers	24,225	23,691	2.3
Trading assets and financial investments	76,099	72,300	5.3
Other assets	31	17	82.4
Total	**100,355**	**96,008**	**4.5**

The recipient of the collateral has the right under contract or in accordance with customary practice to sell or pledge the following financial assets of the Commerzbank Group to others:

€m	31.12.2013	31.12.2012	Change in %
Claims on banks and customers	29	45	−35.6
Trading assets and financial investments	5,522	15,175	−63.6
Other assets	–	–	.
Total	**5,551**	**15,220**	**−63.5**

Collateral was furnished to borrow funds as part of securities repurchase agreements (repos). Collateral was also furnished for funds borrowed for specific purposes and securities-lending transactions. The transactions were carried out under the standard market terms for securities lending and repurchase transactions.

b) Financial assets which have been transferred but not derecognised (own holdings)

Securities from the Bank's own holdings were pledged as collateral in securities repurchase and lending transactions. These securities were not derecognised as all the risks and opportunities connected with the ownership of these securities were retained within the Commerzbank Group. In addition, in the previous year, own secured bonds which had been bought back amounting to €5,526m were carried over as collateral for liabilities towards central banks. The transferred securities and associated liabilities (before netting) were as follows:

31.12.2013	Trading assets	Financial investments		
€m	Held for trading	At fair value through profit or loss	Available-for-sale financial assets	Loans and receivables
Repurchase agreements as a borrower				
Carrying amount of securities transferred	2,959	–	652	1,269
Carrying amount of associated liabilities	2,977	–	636	1,228
Securities lent in securities lending transactions				
Carrying amount of securities transferred	642	–	–	–
Carrying amount of associated liabilities	586	–	–	–
Securities transferred to central bank (without repo agreements)				
Carrying amount of securities transferred	–	–	–	–
Carrying amount of associated liabilities	–	–	–	–

31.12.2012	Trading assets	Financial investments		
€m	Held for trading	At fair value through profit or loss	Available-for-sale financial assets	Loans and receivables
Repurchase agreements as a borrower				
Carrying amount of securities transferred	10,609	–	231	2,228
Carrying amount of associated liabilities	11,247	–	239	2,067
Securities lent in securities lending transactions				
Carrying amount of securities transferred	2,071	–	809	–
Carrying amount of associated liabilities	2,204	–	37	–
Securities transferred to central bank (without repo agreements)				
Carrying amount of securities transferred	–	–	–	10,023
Carrying amount of associated liabilities	–	–	–	13,822

The fair values of transactions where the counterparty (protection buyer) only has recourse to the transferred assets were as follows:

31.12.2013	Trading assets	Financial investments		
€m	Held for trading	At fair value through profit or loss	Available-for-sale financial assets	Loans and receivables
Repurchase agreements as a borrower				
Fair value of securities transferred	2,959	–	652	1,215
Fair value of associated liabilities	2,977	–	636	1,228
Net position	**–18**	**–**	**16**	**–13**
Securities lent in securities lending transactions				
Fair value of securities transferred	642	–	–	–
Fair value of associated liabilities	586	–	–	–
Net position	**56**	**–**	**–**	**–**
Securities transferred to central bank (without repo agreements)				
Fair value of securities transferred	–	–	–	–
Fair value of associated liabilities	–	–	–	–
Net position	**–**	**–**	**–**	**–**

31.12.2012	Trading assets	Financial investments		
€m	Held for trading	At fair value through profit or loss	Available-for-sale financial assets	Loans and receivables
Repurchase agreements as a borrower				
Fair value of securities transferred	10,609	–	231	2,154
Fair value of associated liabilities	11,247	–	239	2,067
Net position	**–638**	**–**	**–8**	**87**
Securities lent in securities lending transactions				
Fair value of securities transferred	2,071	–	809	–
Fair value of associated liabilities	2,204	–	37	–
Net position	**–133**	**–**	**772**	**–**
Securities transferred to central bank (without repo agreements)				
Fair value of securities transferred	–	–	–	9,963
Fair value of associated liabilities	–	–	–	13,819
Net position	**–**	**–**	**–**	**–3,856**

c) Transferred and derecognised financial assets with continuing involvement

Continuing involvement exists when the contractual rights and obligations relating to the transferred asset remain within the Commerzbank Group after transferring these financial assets. Continuing involvement may also arise from the assumption of new rights and obligations in connection with the transferred assets. No significant transactions were concluded in the Commerzbank Group where the assets were derecognised in spite of continuing involvement.

(79) Maturities of assets and liabilities

The table below lists all assets and liabilities (except for positive and negative fair values of derivative financial instruments) classified by whether they are short-term or long-term. Please refer to Note 77 for the maturity breakdown of derivatives. The residual term or the time of anticipated realisation or fulfilment is defined as short-term if the period between the reporting date and the instrument's maturity date is less than one year. Financial instruments in trading assets and liabilities without contractual maturities, the cash reserve item, non-current assets and liabilities held for sale and current taxes on income are classified as short-term. By contrast, the items holdings in companies accounted for using the equity method, intangible assets, fixed assets, investment properties and deferred taxes are generally classified as long-term. When classifying other assets and liabilities we make an assessment for the main items. For information on how the maturities of the main types of provisions are classified, please refer to Note 68.

€m	31.12.2013		31.12.2012[1]	
	Short-term	Long-term	Short-term	Long-term
Cash reserve	12,397	–	15,755	–
Claims on banks	81,180	6,365	79,174	8,854
Claims on customers	91,135	154,828	105,328	173,218
Trading assets	25,699	12,099	24,640	13,104
Financial investments	9,483	72,568	9,740	79,402
Holdings in companies accounted for using the equity method	–	719	–	744
Intangible assets	–	3,207	–	3,051
Fixed assets	–	1,768	–	1,372
Investment properties	–	638	–	637
Non-current assets and disposal groups held for sale	1,166	–	757	–
Current tax assets	844	–	790	–
Deferred tax assets	–	3,096	–	3,227
Other assets	2,010	1,000	2,323	1,450
Total	**223,913**	**256,289**	**238,507**	**285,059**
Liabilities to banks	53,354	24,340	70,141	40,101
Liabilities to customers	237,174	39,312	220,352	45,553
Securitised liabilities	20,773	43,897	17,963	61,394
Trading liabilities	5,460	2,432	8,609	2,368
Provisions	2,906	971	2,633	1,466
Current tax liabilities	245	–	324	–
Deferred tax liabilities	–	83	–	91
Liabilities from disposal groups held for sale	24	–	2	–
Other liabilities	2,603	4,664	3,634	4,356
Subordinated debt instruments	1,056	12,658	564	13,349
Total	**323,595**	**128,357**	**324,222**	**168,678**

[1] Figures restated due to the first-time application of the amended IAS 19 and hedge accounting restatement (see page 148 f.).

In the maturity breakdown, we show the residual terms of financial instruments that are subject to contractual maturities. The residual term is defined as the period between the balance sheet date and the contractual maturity date of the financial instruments. In the case of financial instruments which are paid in partial amounts, the residual term of each partial amount has been used.

31.12.2013	Residual terms				
€m	due on demand and unlimited term	up to 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Claims on banks	27,741	40,353	13,172	5,964	408
Claims on customers	30,162	39,305	27,836	73,651	81,661
Bonds, notes and other interest-rate-related securities and promissory note loans in trading assets	98	2,738	2,024	6,051	6,048
Bonds, notes and other interest-rate-related securities held in financial investments	–	5,098	4,385	34,342	36,947
Total	**58,001**	**87,494**	**47,417**	**120,008**	**125,064**
Liabilities to banks	31,130	16,275	5,949	13,211	11,129
Liabilities to customers	157,291	62,303	17,580	15,412	23,900
Securitised liabilities	–	7,926	12,847	32,661	11,236
Trading liabilities	–	831	1,738	1,163	1,269
Subordinated debt instruments[1]	–	13	1,079	5,436	7,660
Total	**188,421**	**87,348**	**39,193**	**67,883**	**55,194**

[1] Excluding deferred interest and discounts (€–1,107m) and remeasurement effects (€633m).

31.12.2012	Residual terms				
€m	due on demand and unlimited term	up to 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Claims on banks	34,492	34,180	10,597	8,125	740
Claims on customers	29,308	45,564	37,340	84,913	89,075
Bonds, notes and other interest-rate-related securities and promissory note loans in trading assets	100	2,835	3,708	6,312	6,792
Bonds, notes and other interest-rate-related securities held in financial investments	–	5,130	4,610	33,576	44,232
Total	**63,900**	**87,709**	**56,255**	**132,926**	**140,839**
Liabilities to banks	43,089	21,670	5,382	27,396	12,705
Liabilities to customers[1]	142,377	61,999	15,976	16,129	29,424
Securitised liabilities[1]	–	8,301	9,662	47,302	14,092
Trading liabilities	4	843	1,986	1,173	1,195
Subordinated debt instruments[2]	–	375	197	5,052	8,484
Total	**185,470**	**93,188**	**33,203**	**97,052**	**65,900**

[1] Figures restated due to restatement of hedge accounting (see page 149).
[2] Excluding deferred interest and discounts (€–1,130m) and remeasurement effects (€935m).

(80) Information on the fair value hierarchy of financial instruments

Measurement 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 or 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). 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 are obtained, as far as possible, from observable 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 other 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 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 fair values as calculated under Level 3.

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 actual 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, asset-backed securities (ABS), mortgage-backed securities, other asset-backed securities and collateralised debt obligations (CDO) 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 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 (see measurement of financial instruments above):

Level 1: Financial instruments where the fair value is based on quoted prices for identical financial instruments in an active market;

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 which rely on observable market parameters;

Level 3: Financial instruments where valuation techniques are used that incorporate inputs for which there is insufficient observable market data and where these inputs have 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 to reflect changes in market liquidity and 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 method. 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		31.12.2013				31.12.2012			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Claims on banks	At fair value through profit or loss	–	41.0	–	41.0	–	34.7	–	34.7
Claims on customers	At fair value through profit or loss	–	25.9	0.3	26.2	–	30.7	0.3	31.0
Positive fair values of derivative hedging instruments	Hedge accounting	–	3.6	–	3.6	–	6.1	–	6.1
Trading assets	Held for trading	35.5	66.3	1.8	103.6	34.6	107.3	2.2	144.1
of which positive fair values from derivatives		–	65.0	0.8	65.8	–	105.4	1.0	106.4
Financial investments	At fair value through profit or loss	1.5	0.8	0.0	2.3	2.3	–	0.1	2.4
	Available-for-sale financial assets	32.5	2.0	0.1	34.6	30.7	3.0	0.6	34.3
Total		**69.5**	**139.6**	**2.2**	**211.3**	**67.6**	**181.8**	**3.2**	**252.6**

Financial liabilities | €bn		31.12.2013				31.12.2012			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Liabilities to banks	At fair value through profit or loss	–	11.4	–	11.4	–	20.0	–	20.0
Liabilities to customers	At fair value through profit or loss	–	56.4	–	56.4	–	37.2	–	37.2
Securitised liabilities	At fair value through profit or loss	3.1	–	–	3.1	3.4	–	–	3.4
Negative fair values of derivative hedging instruments	Hedge accounting	–	7.7	–	7.7	–	11.7	–	11.7
Trading liabilities	Held for trading	7.8	62.6	0.6	71.0	10.8	104.5	0.8	116.1
of which negative fair values from derivatives[1]		–	62.6	0.5	63.1	–	104.5	0.8	105.3
Subordinated liabilities	At fair value through profit or loss	–	–	–	–	–	–	–	–
Total		**10.9**	**138.1**	**0.6**	**149.6**	**14.2**	**173.4**	**0.8**	**188.4**

[1] Prior-year restatement of Level 3.

In the fourth quarter of 2013 we reclassified €0.6bn of available-for-sale securities from Level 1 to Level 2, as no quoted market prices were available. For available-for-sale securities, opposite reclassifications of €0.4bn were made from Level 2 to Level 1, as quoted market prices became available again. The reclassifications were determined on the basis of the holdings on 30 September 2013. 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 in 2013 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 1.1.2012	**192**	**4,224**	**2,536**	**163**	**827**	**5,406**
Changes in the group of consolidated companies	–	–	–	–	–	–
Gains or losses recognised in income statement during the period	–6	–60	–48	8	–	–58
Gains or losses recognised in revaluation reserve	–	–	–	–	–	–
Purchases	–	98	3	–		98
Sales	–	–1,232	–760	–18	–164	–1,414
Issues	–	–	–	–	–	–
Redemptions	–	–61	–1	–96	–8	–165
Reclassifications	116	–794	–776	–4	–10	–692
Fair value as at 31.12.2012	**302**	**2,175**	**954**	**53**	**645**	**3,175**
Changes in the group of consolidated companies	–	–	–	–	–	–
Gains or losses recognised in income statement during the period	–19	–119	–77	2	–26	–162
of which unrealised gains/losses	–	–85	–43	8	–	–77
Gains or losses recognised in revaluation reserve	–	–	–	–	7	7
Purchases	–	612	6	–	165	777
Sales	–	–476	–29	–	–3	–479
Issues	–	–	–	–	–	–
Redemptions	–	–373	–311	–30	–706	–1,109
Reclassification to Level 3	1	713	550	2	110	826
Reclassifications from Level 3	–	–719	–318	–2	–133	–854
Fair value as at 31.12.2013	**284**	**1,813**	**775**	**25**	**59**	**2,181**

The unrealised gains or losses on financial instruments held for trading (trading assets and derivatives) are part of the net trading income. The 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.

Significant reclassifications from Level 2 to Level 3 totalling €0.5bn were made in 2013 for positive fair values from derivatives and €0.2bn for structured bonds, as observable data was no longer available on the market. Market data was again observable for available-for-sale bonds, necessitating a reclassification of €0.1bn in the opposite direction from Level 3 to Level 1. The other reclassifications amounting to €0.6bn net pertained to negligible individual items for which market parameters were again available and therefore were no longer classified at Level 3.

Financial liabilities €m	Trading liabilities Held for trading	of which negative fair values from derivatives Held for trading	Total
Fair value as at 1.1.2012	**1,403**	**1,162**	**1,403**
Changes in the group of consolidated companies	–	–	–
Gains or losses recognised in income statement during the period	–48	–48	–48
Purchases	89	89	89
Sales	2	2	2
Issues	–	–	–
Redemptions	–47	–47	–47
Reclassifications[1]	–559	–321	–559
Fair value as at 31.12.2012	**840**	**837**	**840**
Changes in the group of consolidated companies	–	–	–
Gains or losses recognised in income statement during the period	–47	–47	–47
of which unrealised gains/losses	–41	–41	–41
Purchases	42	42	42
Sales	–7	–7	–7
Issues	–	–	–
Redemptions	–274	–274	–274
Reclassification to Level 3	384	229	384
Reclassifications from Level 3	–305	–252	–305
Fair value as at 31.12.2013	**633**	**528**	**633**

[1] Restatement of "of which" information: Negative fair values of derivatives.

The unrealised gains or losses on financial instruments held for trading (trading assets and derivatives) are part of the net trading income.

Significant reclassifications from Level 2 to Level 3 totalling €0.2bn were made in 2013 for negative fair values from derivatives as observable data was no longer available on the market. The other reclassifications of amounting to €0.2bn net pertained to negligible individual items for which market parameters were again and therefore were no longer classified at Level 3.

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 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 long-termed 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 is, the lower the respective 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.

  At low correlation, the assets are virtually independent. In the case of an extremely low default correlation assumption, 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 default correlation assumption, 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 entity 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 entity. A typical recovery rate assumption in the default swap market for senior unsecured contracts is 40%.

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		2013			2013	
	Valuation technique	Assets	Liabilities	Significant unobservable input parameter	Range	
Derivatives		**774**	**628**			
Equity-related transactions	Discounted cash flow model	181	98	IRR (%)	3.2	3.7
Credit derivatives	Discounted cash flow model	363	268	Credit spread (bps)	100	500
				Recovery rate (%)	40	90
Interest-rate-related transactions	Option pricing model	230	262	IR-FX correlation (%)	–25	74
Other transactions		–	–		–	–
Securities		**1,384**	**7**			
Interest-rate-related transactions	Price based	1,384	7	Price (%)	7	106
of which ABS	Price based	1,318	–	Price (%)	–	169
Equity-related transactions		–	–		–	–
Loans	Price based	**23**	**–**	Price (%)	72	100
Summe		**2,181**	**635**			

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. This sensitivity analysis for financial instruments in fair value hierarchy 3 is broken down by type of instrument:

€m	2013		
	Positive effects on income statement	Negative effects on income statement	Changed parameters
Derivatives	**60**	**–63**	
Equity-related transactions	13	–12	IRR
Credit derivatives	34	–38	Credit spread, recovery rate
Interest-rate-related transactions	13	–13	Correlation
Other transactions	–	–	
Securities	**60**	**–33**	
Interest-rate-related transactions	60	–33	Price
of which ABS	53	–26	Yield, recovery rate, credit spread
Equity-related transactions	–	–	
Loans	**2**	**–2**	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 shifted by either 1 to 10% 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 are 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 recognized immediately but shown in the income statement 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 1.1.2012	**–**	**3**	**3**
Allocations not recognised in income statement	–	1	1
Reversals recognised in income statement	–	2	2
Balance as at 31.12.2012	**–**	**2**	**2**
Allocations not recognised in income statement	–	–	–
Reversals recognised in income statement	–	1	1
Bestand am 31.12.2013	**–**	**1**	**1**

(81) Fair value of financial instruments

Determination of fair value

This note provides more information on the fair values of financial instruments which are not recognised at fair value in the balance sheet. Their fair value must be disclosed in accordance with IFRS 7. For the financial instruments reported in the balance sheet at fair value the accounting methodology is set out in the accounting and measurement policies (Notes 2 to 30) and in the sections "Measurement of financial instruments" and "Fair value hierarchy" in Note 80.

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. The cash reserve is allocated to Level 2.

Market prices are not available for loans as there are no organised markets in which these financial instruments are traded. 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 expenses and the cost of capital. Data on the credit spreads of major banks and corporate customers is available making it possible to classify them as Level 2. When using credit spreads, neither liquidity spreads nor premiums for administrative expenses and the cost of capital may be considered, since implicitly they are already included in credit risk. If no observable input parameters are available, it may also be appropriate to classify the fair value of loans as Level 3.

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 expenses and the cost of capital. Depending on the input parameters used (observable or not observable), classification is made at Level 2 or Level 3.

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 administrative 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. Since credit spreads of the respective counterparties are not used in the measurement of liabilities, they are usually classified as Level 2. In the case of non-observable input parameters, classification at Level 3 may also be appropriate.

The fair value of securitised liabilities and subordinated debt instruments 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.

If available market prices are applied to securitised liabilities and subordinated debt instruments, they are to be classified as Level 1. Otherwise, classification at Level 2 normally applies, since valuation models rely to a high degree on observable input parameters.

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

	Fair value		Carrying amount		Difference	
Assets | €bn	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Cash reserve	12.4	15.8	12.4	15.8	–	–
Claims on banks	87.5	87.9	87.5	88.0	0.0	−0.1
Reverse repos and cash collaterals	56.2	55.9	56.2	55.9		
Claims from money market transactions	3.5	2.9	3.5	2.9		
Promissory note loans	5.0	6.5	5.0	6.6	0.0	−0.1
Other claims	22.9	22.7	22.9	22.7	0.0	0.0
Loan loss provisions	−0.1	−0.1	−0.1	−0.1		
Claims on customers	247.1	281.5	246.0	278.5	1.1	3.0
Reverse repos and cash collaterals	28.5	33.9	28.5	33.9		
Claims from money market transactions	6.2	7.3	6.2	7.3		
Promissory note loans	17.3	19.9	17.7	20.2	−0.4	−0.3
Mortgages and other claims secured by property charges	78.0	100.8	78.5	100.9	−0.5	−0.1
Other claims	123.8	127.3	121.8	123.9	2.0	3.4
Loan loss provisions	−6.7	−7.7	−6.7	−7.7		
Value adjustment portfolio fair value hedges[1]	0.0	0.0	0.1	0.2	−0.1	−0.2
Positive fair values of derivative hedging instruments	3.6	6.1	3.6	6.1	–	–
Trading assets	103.6	144.1	103.6	144.1	–	–
Financial investments	78.9	84.3	82.1	89.1	−3.2	−4.8
Loans and receivables	42.0	47.6	45.2	52.4	−3.2	−4.8
Available-for-sale	34.3	33.9	34.3	33.9		
Unlisted equity holdings	0.3	0.4	0.3	0.4		
At fair value through profit or loss	2.3	2.4	2.3	2.4		

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

	Fair value		Carrying amount		Difference	
Liabilities | €bn	**31.12.2013**	**31.12.2012**[1]	**31.12.2013**	**31.12.2012**[1]	**31.12.2013**	**31.12.2012**
Liabilities to banks	77.7	110.3	77.7	110.2	0.0	0.1
Repos and cash collaterals	18.3	23.8	18.3	23.8		
Liabilities from money market transactions	17.6	41.1	17.6	41.1		
Other liabilities	41.8	45.4	41.8	45.3	0.0	0.1
Liabilities to customers	276.3	266.2	276.5	265.9	−0.2	0.3
Repos and cash collaterals	49.9	32.0	49.9	32.0		
Liabilities from money market transactions	45.3	42.6	45.3	42.6		
Other liabilities	181.1	191.6	181.3	191.3	−0.2	0.3
Securitised liabilities	66.5	83.0	64.7	79.3	1.8	3.7
Measured at amortised cost	63.4	79.6	61.6	75.9	1.8	3.7
At fair value through profit or loss	3.1	3.4	3.1	3.4		
Value adjustment portfolio fair value hedges[1]	0.0	0.0	0.7	1.5	−0.7	−1.5
Negative fair values of derivative hedging instruments	7.7	11.7	7.7	11.7	–	–
Trading liabilities	71.0	116.1	71.0	116.1	–	–
Subordinated liabilities	14.2	13.2	13.7	13.9	0.5	−0.7

[1] Figures restated due to restatement of hedge accounting (see page 149).
[2] The fair value adjustments on portfolio fair value hedges are contained in the relevant balance sheet line items for the hedged items.

The fair values shown above as at 31 December 2013 were distributed along the fair value hierarchy (Levels 1, 2 and 3) as follows:

€bn	Fair value			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Cash reserve	–	12.4	–	12.4
Claims on banks	–	84.9	2.6	87.5
Claims on customers	–	41.5	205.6	247.1
Value adjustment portfolio fair value hedges	–	–	–	–
Positive fair values of derivative hedging instruments	–	3.6	–	3.6
Trading assets	35.5	66.3	1.8	103.6
Financial investments	35.3	6.4	37.2	78.9
Liabilities				
Liabilities to banks	–	76.5	1.2	77.7
Liabilities to customers	–	264.8	11.5	276.3
Securitised liabilities	21.1	40.9	4.5	66.5
Value adjustment portfolio fair value hedges	–	–	–	–
Negative fair values of derivative hedging instruments	–	7.7	–	7.7
Trading liabilities	7.8	62.6	0.6	71.0
Subordinated liabilities	0.8	12.2	1.2	14.2

(82) Information on financial assets and financial liabilities for which the fair value option is applied

In the Commerzbank Group, the fair value option is primarily used to avoid accounting mismatches arising from securities and loans hedged with interest rate or credit derivatives. This also applies to structured debt instruments we have issued which have been hedged with interest rate or foreign currency derivatives.

The fair value option is also used for financial instruments of which the management and performance is evaluated on a fair value basis and for financial instruments with embedded derivatives.

All in all, the results of applying the fair value option amounted to €–27m (previous year: €–334m) (see Note 34).

Applying the fair value option in order to avoid accounting mismatches and for financial instruments with embedded derivatives produced the following values as broken down by balance sheet item:

€m	31.12.2013	31.12.2012	Change in %
Claims on banks	–	–	.
Claims on customers	425	521	–18.4
Financial investments	2,207	2,237	–1.3
Total assets	**2,632**	**2,758**	**–4.6**
Liabilities to banks	25	171	–85.4
Liabilities to customers	1,427	1,791	–20.3
Securitised liabilities	3,059	3,429	–10.8
Subordinated liabilities	8	8	.
Total liabilities	**4,519**	**5,399**	**–16.3**

Of the total claims of €425m measured at fair value, €129m (previous year: €209m) were hedged by credit derivatives. In the year under review, the change in the fair value of claims attributable to changes in default risk was €26m (previous year: €–5m) and amounted cumulatively to €–127m (previous year: €–153m).

The change in the fair value of the related risk-limiting credit derivatives amounted to €–20m in the 2013 financial year (previous year: €40m) and amounted cumulatively to €18m (previous year: €38m).

For liabilities to which the fair value option was applied, the change in fair value in 2013 for credit risk reasons was €–4m (previous year: €332m). The cumulative change was €–30m (previous year: €–27m). The repayment amount of financial liabilities at fair value through profit or loss was €4,495m (previous year: €5,593m).

The credit risk-specific changes in the fair value of the claims and liabilities were primarily calculated as changes in fair values less value changes resulting from market conditions.

The fair value option was also used for financial instruments if their management and performance is measured on a fair value basis. This applied chiefly to repurchase agreements, money market transactions and cash collaterals paid and received. The following balance sheet items were affected:

€m	31.12.2013	31.12.2012	Change in %
Claims on banks	40,998	34,681	18.2
Claims on customers	25,728	30,522	– 15.7
Financial investments	97	210	– 53.8
Total assets	**66,823**	**65,413**	**2.2**
Liabilities to banks	11,406	19,865	– 42.6
Liabilities to customers	54,959	35,408	55.2
Securitised liabilities	–	–	.
Subordinated liabilities	–	–	.
Total liabilities	**66,365**	**55,273**	**20.1**

There were no significant changes in the fair values of assets and liabilities arising from default risk, since these consisted of short-term money market transactions and collaterals in securities lending business. Furthermore, for €54,371m of financial assets at fair value through profit or loss (reverse repos after netting; previous year: €57,142m) we received €71,652m (previous year: €70,796m) of securities as collateral to reduce counterparty risk.

The repayment amount of the financial liabilities measured at fair value was €66,361m (previous year[1]: €56,968m).

(83) 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).

[1] Restated.

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	**31.12.2013**		**31.12.2012**	
	Reverse repos	**Positive fair values of derivative financial instruments**	**Reverse repos**	**Positive fair values of derivative financial instruments**
Gross amount of financial instruments	74,566	169,935	71,208	271,018
Book values not eligible for netting	5,664	5,417	4,606	9,244
a) Gross amount of financial instruments I & II	68,902	164,518	66,602	261,774
b) Amount netted in the balance sheet for financial instruments I	18,884	100,476	13,323	158,561
c) Net amount of financial instruments I & II = a) – b)	50,018	64,042	53,279	103,213
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[1]	6,756	48,440	4,595	82,974
Fair value of financial collaterals relating to financial instruments I & II not already accounted for in b)[2]				
Non-cash collaterals[3]	30,963	928	30,891	1,260
Cash collaterals	123	7,731	23	10,678
e) Net amount of financial instruments I & II = c) – d)	12,176	6,943	17,770	8,301
f) Fair value of financial collaterals of central counterparties relating to financial instruments I	11,598	207	13,480	172
g) Net amount of financial instruments I & II = e) – f)	578	6,736	4,290	8,129

[1] Lesser amount of assets and liabilities.
[2] Excluding rights or obligations to return arising from the transfer of securities.
[3] Including financial instruments not reported on the balance sheet (e.g. securities provided as collateral in repo transactions).

Liabilities and equity | €m	**31.12.2013**		**31.12.2012**	
	Repos	**Negative fair values of derivative financial instruments**	**Repos**	**Negative fair values of derivative financial instruments**
Gross amount of financial instruments	72,950	172,340	50,185	279,006
Book values not eligible for netting	2,058	3,690	2,843	6,439
a) Gross amount of financial instruments I & II	70,892	168,650	47,342	272,567
b) Amount netted in the balance sheet for financial instruments I	18,884	101,567	13,323	162,133
c) Net amount of financial instruments I & II = a) – b)	52,008	67,083	34,019	110,434
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[1]	6,756	48,440	4,595	82,974
Fair value of financial collaterals relating to financial instruments I & II not already accounted for in b)[2]				
Non-cash collaterals[3]	26,115	621	13,280	1,876
Cash collaterals	21	15,389	1	22,366
e) Net amount of financial instruments I & II = c) – d)	19,116	2,633	16,143	3,218
f) Fair value of financial collaterals of central counterparties relating to financial instruments I	19,050	207	12,004	172
g) Net amount of financial instruments I & II = e) – f)	66	2,426	4,139	3,046

[1] Lesser amount of assets and liabilities.
[2] Excluding rights or obligations to return arising from the transfer of securities.
[3] Including financial instruments not reported on the balance sheet (e.g. securities provided as collateral in repo transactions).

Other notes

(84) Concentration of credit risk

Concentrations of credit risk may arise through business relations with individual borrowers or groups of borrowers which share a number of features and which are individually able to service debt and are influenced to the same extent by changes in certain overall economic conditions. Besides obtaining collateral and applying a uniform lending policy, the Bank has entered into a number of master netting agreements to minimise credit risks. These give the Bank the right to net claims on and liabilities to a customer in the event of the default or insolvency of that customer. The carrying values of credit risks relating to claims on customers were as follows:

	Claims	
€m	31.12.2013	31.12.2012
Customers in Germany	**155,577**	**175,234**
Corporate customers	70,217	87,532
Manufacturing	24,164	24,037
Construction	799	1,165
Trading	8,313	7,745
Services and others	36,941	54,585
Public sector	22,620	23,795
Private customers	62,740	63,907
Customers outside Germany	**97,038**	**110,966**
Corporate and retail customers	90,364	102,990
Public sector	6,674	7,976
Sub-total	**252,615**	**286,200**
Less valuation allowances	– 6,652	– 7,654
Total	**245,963**	**278,546**

The carrying values of credit risks relating to contingent liabilities and irrevocable lending commitments were as follows:

	Contingent liabilities, irrevocable lending commitments	
€m	31.12.2013	31.12.2012
Customers and banks in Germany	**40,242**	**39,398**
Banks	668	459
Corporate customers	35,321	34,981
Manufacturing	20,923	21,365
Construction	1,683	1,796
Trading	4,441	4,509
Services and others	8,274	7,311
Public sector	62	79
Private customers	4,191	3,879
Customers and banks outside Germany	**47,564**	**46,474**
Banks	10,205	10,873
Corporate and retail customers	37,255	35,370
Public sector	104	231
Sub-total	**87,806**	**85,872**
Less provisions	– 230	– 288
Total	**87,576**	**85,584**

The book values of credit risk concentrations in loans and receivables, contingent liabilities and irrevocable lending commitments listed above do not form the basis for the internal management of credit risk, as credit risk management also takes account of collateral, probabilities of default and other economic factors. To this extent these amounts are therefore not representative of the Bank's assessment of its actual credit risk.

(85) Maximum credit risk

The maximum credit risk exposure in accordance with IFRS 7 – excluding collateral or other credit enhancements – is equal to the carrying amount of the relevant assets in each class, or the nominal value in the case of irrevocable lending commitments and contingent liabilities. The table below shows the carrying amounts or nominal values of financial instruments with a potential default risk:

Maximum credit risk | €m	31.12.2013	31.12.2012	Change in %
Bonds, notes and other interest-rate-related securities under	97,731	107,295	– 8.9
Trading assets	16,959	19,747	– 14.1
Financial investments	80,772	87,548	– 7.7
Claims on banks[1]	87,545	88,028	– 0.5
Claims on customers[1]	245,963	278,546	– 11.7
Positive fair values of derivative financial instruments	69,459	112,457	– 38.2
Trading assets	65,818	106,400	– 38.1
Hedging instruments under IAS 39	3,641	6,057	– 39.9
Other trading assets	634	238	.
Irrevocable lending commitments	52,326	49,747	5.2
Contingent liabilities	35,250	35,837	– 1.6

[1] Prior-year figures restated.

The maximum credit risk exposures listed above do not form the basis for the management of credit risk internally, as credit risk management also takes account of collateral, probabilities of default and other economic factors (see the section on default risks in the Risk Report). These amounts are therefore not representative of the Bank's assessment of its actual credit risk.

(86) Liquidity ratio of Commerzbank Aktiengesellschaft

The liquidity of a bank is considered adequate if the liquidity ratio is not lower than 1. The liquidity ratio is the ratio between the funds available from the reporting date up to the end of the following month (first maturity bracket) and the outflows expected during this period. The standardised approach under the German Liquidity Regulation was used by Commerzbank Aktiengesellschaft in 2013.

As at 31 December 2013 the liquidity ratio calculated by Commerzbank Aktiengesellschaft was 1.31 (previous year: 1.38). Excess liquidity from the first maturity bracket was €65.6bn (previous year: €68.4bn). The following are the liquidity ratios for Commerzbank Aktiengesellschaft in 2013:

	Month-end level		Month-end level
January	1.36	July	1.27
February	1.30	August	1.26
March	1.32	September	1.32
April	1.25	October	1.29
May	1.25	November	1.29
June	1.22	December	1.31

(87) Subordinated assets

The following subordinated assets were included in the assets shown in the balance sheet:

€m	31.12.2013	31.12.2012	Change in %
Claims on banks	50	50	0.0
Claims on customers	475	510	−6.9
Trading assets	211	188	12.2
Financial investments	55	466	−88.2
Total	**791**	**1,214**	**−34.8**
of which on or in banks in which an equity holding exists	–	–	.

Assets are considered to be subordinated if the claims they represent may not be met until after those of other creditors in the event of the liquidation or insolvency of the issuer.

(88) Contingent liabilities and irrevocable lending commitments

The Commerzbank Group extends credit facilities to its customers, granting them rapid access to funds to meet their short-term and long-term financing needs. The credit facilities can be presented in different forms, as shown in the following examples:

- Guarantees, where the Group guarantees the repayment of a loan borrowed by a customer from another party;
- Standby letters of credit, which enhance a customer's credit standing and enable the customer to obtain trade finance at a lower cost;
- Documentary credits for trade finance payments, which are made on behalf of a customer and where the Group is reimbursed at a later date;
- Standby facilities for short-term debt instruments and debt paper issued on a revolving basis, which enable customers to issue money market paper or medium-term debt instruments when needed without having to go through the normal issue procedure every time.

Customers' total exposure under loans and guarantees may be secured by collateral. In addition third parties may have sub-participations in irrevocable lending commitments and guarantees.

The figures listed in the table below would only have to be written off, if all customers utilised their facilities completely and then defaulted (and there was no collateral). However, in practice the majority of these facilities expire without ever being utilised. As a result these amounts are unrepresentative in terms of assessing risk, the actual future loan exposure or resulting liquidity requirements. The Risk Report contains further information on credit risk arising from financial guarantee contracts and irrevocable lending commitments as well as on the monitoring and management of liquidity risks.

€m	31.12.2013	31.12.2012	Change in %
Contingent liabilities	**35,250**	**35,837**	**– 1.6**
from rediscounted bills of exchange credited to borrowers	6	5	20.0
from guarantees and indemnity agreements	35,220	35,783	– 1.6
Credit guarantees	2,277	2,148	6.0
Other guarantees	25,037	25,169	– 0.5
Letters of credit	7,481	8,051	– 7.1
Guarantees for ABS securitisations	–	–	.
Other warranties	425	415	2.4
Other commitments	24	49	– 51.0
Irrevocable lending commitments	**52,326**	**49,747**	**5.2**
Book credits to banks	1,148	1,369	– 16.1
Book credits to customers	49,952	47,119	6.0
Acceptance credits	954	1,025	– 6.9
Letters of credit	272	234	16.2
Total	**87,576**	**85,584**	**2.3**

The maturities of contingent liabilities and irrevocable lending commitments were as follows:

€m	31.12.2013	31.12.2012	Change in %
Due on demand	797	749	6.4
Up to 3 months	29,640	30,771	– 3.7
More than 3 months up to 1 year	18,275	16,761	9.0
More than 1 year up to 5 years	36,316	34,209	6.2
More than 5 years	2,548	3,094	– 17.6
Total	**87,576**	**85,584**	**2.3**

Loan loss provisions for off balance-sheet commitments have been deducted from the respective items in these tables.

(89) Repurchase agreements (repo and reverse repo transactions), securities lending and cash collaterals

Under its repurchase agreements, the Commerzbank Group sells or purchases securities with the obligation to repurchase or return them. The money received from repurchase agreements where we are the borrower (i.e. where we are under an obligation to take the securities back) is shown in the balance sheet as a liability to banks or customers. The securities delivered to the lender continue to be reported in the balance sheet in accordance with their relevant category. As lender the Commerzbank Group recognises a claim on the borrower equal to the cash collateral it has paid out. We hold the securities, which are the collateral for the transaction, in custody.

Securities lending transactions are conducted with other banks and customers in order to cover our need to meet delivery commitments or to enable us to effect securities repurchase agreements in the money market. We show lent securities in our balance sheet under our trading portfolio or under financial investments, whereas borrowed securities do not appear in the balance sheet. We report cash collateral which we have furnished for securities lending transactions (cash collaterals out) as a claim and collateral received as a liability (cash collaterals in). Cash collaterals out are also deposited as security in connection with derivative transactions.

The repurchase agreements and securities lending transactions concluded up to the balance sheet date and the cash collaterals broke down as follows:

€m	31.12.2013	31.12.2012	Change in %
Repurchase agreements as a borrower			
Carrying amount of securities transferred	70,633	49,134	43.8
Cash collaterals received			
Liabilities to banks	8,455	9,147	– 7.6
Liabilities to customers	45,611	27,715	64.6
Securities lent in securities lending transactions			
Carrying amount of securities transferred	22,667	18,424	23.0
Cash collaterals received			
Liabilities to banks	9,833	14,703	– 33.1
Liabilities to customers	4,242	4,282	– 0.9
Sum of the carrying amounts of securities transferred	**93,300**	**67,558**	**38.1**
Sum of collaterals received	**68,141**	**55,847**	**22.0**
Repurchase agreements as a lender			
Fair value of securities received	72,967	71,510	2.0
Cash collaterals paid			
Claims on banks	35,938	31,956	12.5
Claims on customers	19,744	25,929	– 23.9
Securities borrowed in securities lending transactions			
Fair value of securities received	29,537	17,681	67.1
Cash collaterals paid[1]			
Claims on banks	20,215	23,905	– 15.4
Claims on customers	8,739	7,995	9.3
Sum of fair value from securities received	**102,504**	**89,191**	**14.9**
Sum of collaterals given	**84,636**	**89,785**	**– 5.7**

[1] Including cash collateral paid out in connection with derivatives.

The carrying value of securities lent was €22,667m (previous year: €18,424m) against which there were related liabilities of €14,075m (previous year: €18,985m) as well as securities of €10,313m (previous year: €4,924m) as collateral. The claims and liabilities from repurchase agreements are shown after netting.

(90) Collateral received

The fair value of collaterals received, which the Bank has a right to sell on or pledge even where the provider does not default, were as follows:

€m	31.12.2013	31.12.2012	Change in %
Total amount of collaterals received	102,504	89,191	14.9
of which			
Resold or repledged	77,464	46,686	65.9
of which			
Subject to an obligation to return	–	–	.

The transactions were carried out on standard market terms for securities lending and repurchase transactions and loan transactions.

(91) Fiduciary transactions

Fiduciary transactions, which do not have to be shown in the balance sheet, amounted to the following on the balance sheet date:

€m	31.12.2013	31.12.2012	Change in %
Claims on banks	47	49	– 4.1
Claims on customers	567	650	– 12.8
Other assets	931	485	92.0
Fiduciary assets	**1,545**	**1,184**	**30.5**
Liabilities to banks	58	58	0.0
Liabilities to customers	1,046	1,126	– 7.1
Other liabilities	441	–	.
Fiduciary liabilities	**1,545**	**1,184**	**30.5**

(92) Capital requirements and capital ratios

The German Banking Act and the Solvency Regulation, which implemented the Basel 2 Capital Accord in Germany, impose obligations on the German banks to maintain minimum capital ratios. Banks are required to maintain a minimum ratio of capital to risk-weighted assets of 8% (total capital ratio). A minimum requirement of 4% applies for the ratio of Tier 1 capital to risk-weighted assets (Tier 1 capital ratio).

A bank's total capital is made up of Tier 1, Tier 2 and Tier 3 capital. Core Tier 1 capital consists largely of subscribed capital plus reserves and non-controlling interests, less certain items such as goodwill, equity holdings and intangible assets. Adding other core capital components which include subordinated debt instruments with certain conditions gives us Tier 1 capital. Tier 2 capital comprises mainly subordinated debt instruments that are not eligible as additional Tier 1.

At the same time the European Banking Authority announced a EU-wide capital exercise which introduced a new capital requirement for Europe's major banks. This requires banks for the foreseeable future to hold a given minimum absolute amount of Core Tier 1 after marking their European sovereign bond exposures to market.

Commerzbank seeks to achieve the following objectives in managing its capital:

- Adherence to the statutory minimum capital requirements at Group level and in all companies included in the regulatory Group,
- Ensuring that the planned capital ratios are met, including the new EBA requirements,
- Provision of sufficient reserves to guarantee the Bank's freedom of action at all times,
- Strategic allocation of Tier 1 capital to business segments and divisions in order to exploit growth opportunities.

The financial crisis made the importance of adequate Tier 1 capital levels for banks become an issue of increasing public concern. At Commerzbank Tier 1 capital has always been a key management target. The Bank's specifications for the capital ratios far exceed the minimum statutory requirements. The Bank's risk-taking capability and market expectations play an important role in determining the internal capital ratio targets. For this reason Commerzbank has stipulated minimum ratios for regulatory capital. Furthermore, Commerzbank has set itself the goal of achieving a Core Tier 1 ratio of 9.0% of risk-weighted assets by the end of 2014 (after fully implementing the transition arrangements under the Capital Requirements Regulation (CRR) and the German Banking Act). Tier 1 capital is allocated via a regular process which takes account of the Bank's strategic direction, profitable new business opportunities in the core business of each banking department as well as risk appetite issues.

All measures relating to the Bank's capital are proposed by the Bank's central Asset Liability Committee and approved by the Board of Managing Directors, subject to the authorisation granted by the AGM.

During the past year Commerzbank met the minimum statutory capital requirements as well as the requirements of the EBA at all times. The structure of the Commerzbank Group's capital was as follows:

€m	31.12.2013	31.12.2012	Change in %
Core Tier 1			
Subscribed capital	1,139	5,828	– 80.5
Reserves, non-controlling interests, treasury shares	24,093	18,188	32.5
Silent participations	–	1,626	– 100.0
Other	– 345	– 656	– 47.4
Total Core Tier 1	**24,887**	**24,986**	**– 0.4**
Additional Tier 1	819	2,259	– 63.7
Total Tier 1	**25,706**	**27,245**	**– 5.6**
Tier 2 capital			
Reserves in securities (amount reported: 45%)	25	25	0.0
Subordinated debt instruments	11,264	10,508	7.2
Other	– 344	– 655	– 47.5
Total Tier 2	**10,945**	**9,878**	**10.8**
Total capital	**36,651**	**37,123**	**– 1.3**

The changes in Tier 1 capital were mainly the result of the capital increases in 2013. The SoFFin silent participation was also repaid in full as a result of this capital increase.

	Capital adequacy requirement		Risk-weighted assets[1]		
€m	31.12.2013	31.12.2012	31.12.2013	31.12.2012	Change in %
Credit risk	12,720	13,967	159,000	174,584	– 8.9
Market risk	694	880	8,675	10,999	– 21.1
Operational risk	1,833	1,804	22,913	22,552	1.6
Total	**15,247**	**16,651**	**190,588**	**208,135**	**– 8.4**
Core Tier 1	24,887	24,986			
Tier 1 capital	25,706	27,245			
Total capital	36,651	37,123			
Core Tier 1 ratio (%)	13.1	12.0			
Tier 1 ratio (%)	13.5	13.1			
Total capital ratio (%)	19.2	17.8			

[1] Risk-weighted assets are calculated by multiplying the capital requirements by 12.5.

Starting 2014, supervisory authorities will enforce new, higher capital requirements. In accordance with the Capital Requirements Directive (CRD IV), Capital Requirements Regulation (CRR) and the German CRD-IV Implementation Law, significantly stricter standards will apply to banks' minimum capitalisation. The new regulations contain transitional provisions under which the minimum capital requirements can be satisfied on a step-by-step basis. The Bank has already integrated these future requirements in its internal capital planning.

The reconciliation of equity reported in the balance sheet with regulatory capital was as follows:

31.12.2013 €m	Core Tier 1	Subordinated debt instruments and other regulatory components of capital	Total capital
Reported in balance sheet	26,936	13,714	40,650
of which additional Tier 1		819	819
Revaluation reserve	1,195		1,195
Cash flow hedge reserve	357		357
Non-controlling interests not to be shown in Tier I capital (incl. revaluation reserve, cash flow hedge reserve), changes in the group of consolidated companies and goodwill	– 2,106		– 2,106
Intangible assets	– 1,125		– 1,125
Parts of subordinated capital not eligible due to limited residual term		– 1,321	– 1,321
Deferred revaluation reserves for securities		25	25
Regulatory deduction from capital (as per Art. 10 (6) and (6a) of the German Banking Act, KWG)	– 345	– 344	– 689
Other	– 25	– 310	– 335
Regulatory capital	**24,887**	**11,764**	**36,651**

Core Tier 1 capital and the sub-item comprising Additional Tier 1 capital add up to the Tier 1 capital of €25,706m.

(93) Securitisation of loans

The use of credit derivatives (such as credit default swaps, total return swaps and credit-linked notes) can reduce the risk weighting of a loan portfolio. The hedging effect of a credit derivative may relate both to individual loans or securities and to entire portfolios of loans or securities. As a rule, security is furnished by means of a synthetic securitisation by credit default swap (CDS) and/or by credit-linked notes (CLNs). This enables us to achieve three important goals:

- Risk diversification (reduction of credit risks in the portfolio, especially concentration risks),
- Easing the burden on equity capital (the transfer of credit risks to investors leads to a reduction in the regulatory capital requirements under the Solvency Regulation) and
- Funding (use of securitisation as an alternative funding instrument to unsecured bearer bonds).

As at the 2013 financial year-end, the Commerzbank Group (Commerzbank Aktiengesellschaft and one subsidiary) had launched 7 securitisation programmes as the buyer of protection.

The range of legal maturity dates stretches from 7 to 76 years. A total of €6.1bn loans to customers had been securitised by end-December 2013 (previous year: €6.0bn). This reduced the Bank's risk-weighted assets by €2.7bn (previous year: €2.6bn).

Name of transaction	Buyer of protection	Year transacted	Contract period of transactions in years	Type of claim	Total lending €m	Reduction of risk-weighted assets €m
CoSMO Finance II–1 Limited	Commerzbank Aktiengesellschaft	2011	9	Mittelstand customers	996	425
COSMO Finance II–2 Limited	Commerzbank Aktiengesellschaft	2012	10	Mittelstand customers	1,988	950
CoCo Finance II–1 Limited	Commerzbank Aktiengesellschaft	2012	10	Large corporates	1,984	1,114
CoTrax Finance II–1 Limited	Commerzbank Aktiengesellschaft	2013	7	Banks	363	125
Provide GEMS 2002–1 PLC	Hypothekenbank Frankfurt Aktiengesellschaft	2002	45	Residential real estate portfolio	162	13
Semper Finance 2006–1	Hypothekenbank Frankfurt Aktiengesellschaft	2006	76	Project Castle – commercial real estate portfolio	403	17
Semper Finance 2007–1	Hypothekenbank Frankfurt Aktiengesellschaft	2007	36	Commercial real estate portfolio	244	23
					6,140	**2,667**

(94) Average number of staff employed by the Bank during the year

	2013			2012		
	Total	**male**	**female**	**Total**	**male**	**female**
Group	51,399	24,720	26,679	53,798	26,240	27,558
in Germany	39,692	19,171	20,521	41,171	20,091	21,080
outside Germany	11,707	5,549	6,158	12,627	6,149	6,478

The above figures include both full-time and part-time personnel. Not included in the figures is the average number of employees undergoing training within the Group. The average time worked by part-time staff was 61.8% (previous year: 62%) of the standard working time.

	2013			2012		
	Total	**male**	**female**	**Total**	**male**	**female**
Trainees	2,226	1,077	1,149	2,298	1,121	1,177

(95) Related party transactions

a) Business relationships

As part of its normal business Commerzbank Aktiengesellschaft and/or its consolidated companies do business with related entities and persons. These include subsidiaries that are controlled but not consolidated for reasons of materiality, jointly controlled entities, associated 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 who were active during the financial year.

As a result of the capital measures carried out in April and May 2013 (reverse stock split, capital increase and redemption of silent participations), the stake in Commerzbank Aktiengesellschaft held by the German federal government as guarantor of the Financial Market Stabilisation Authority, which administers the Financial Market Stabilisation Fund (SoFFin), in Commerzbank Aktiengesellschaft fell to around 17%. However, besides the size of a stake, 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 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) changed as follows in the year under review:

Assets | €m	31.12.2013	31.12.2012	Change in %
Claims on banks	**83**	**172**	−51.7
Non-consolidated subsidiaries	–	–	.
Jointly controlled entities	–	–	.
Holdings in associated companies accounted for using the equity method and holdings in related companies	83	172	−51.7
Claims on customers	**1,386**	**1,569**	−11.7
Non-consolidated subsidiaries	514	249	.
Jointly controlled entities	–	14	−100.0
Holdings in associated companies accounted for using the equity method and holdings in related companies	859	1,294	−33.6
Key management personnel	4	5	−20.0
Other related entities/persons	9	7	28.6
Trading assets	**14**	**37**	−62.2
Non-consolidated subsidiaries	10	24	−58.3
Jointly controlled entities	1	–	.
Holdings in associated companies accounted for using the equity method and holdings in related companies	3	11	−72.7
Other related entities/persons	–	2	−100.0
Financial investments	**45**	**188**	−76.1
Non-consolidated subsidiaries	30	39	−23.1
Jointly controlled entities	–	–	.
Holdings in associated companies accounted for using the equity method and holdings in related companies	10	3	.
Other related entities/persons	5	146	−96.6
Other assets	**40**	**271**	−85.2
Non-consolidated subsidiaries	–	–	.
Jointly controlled entities	–	–	.
Holdings in associated companies accounted for using the equity method and holdings in related companies	40	271	−85.2
Total	**1,568**	**2,237**	−29.9

Liabilities | €m	**31.12.2013**	**31.12.2012**	**Change in %**
Liabilities to banks	**4**	**–**	.
Non-consolidated subsidiaries	–	–	.
Jointly controlled entities	–	–	.
Holdings in associated companies accounted for using the equity method and holdings in related companies	4	–	.
Liabilities to customers	**1,227**	**1,145**	7.2
Non-consolidated subsidiaries	124	105	18.1
Jointly controlled entities	–	4	–100.0
Holdings in associated companies accounted for using the equity method and holdings in related companies	138	570	–75.8
Key management personnel	8	11	–27.3
Other related entities/persons	957	455	.
Trading liabilities	**–**	**–**	.
Non-consolidated subsidiaries	–	–	.
Jointly controlled entities	–	–	.
Holdings in associated companies accounted for using the equity method and holdings in related companies	–	–	.
Other related entities/persons	–	–	.
Subordinated debt instruments	**618**	**620**	–0.3
Non-consolidated subsidiaries	–	–	.
Jointly controlled entities	–	–	.
Holdings in associated companies accounted for using the equity method and holdings in related companies	–	–	.
Other related entities/persons	618	620	–0.3
Other liabilities	**24**	**21**	14.3
Non-consolidated subsidiaries	24	18	33.3
Jointly controlled entities	–	–	.
Holdings in associated companies accounted for using the equity method and holdings in related companies	–	3	–100.0
Total	**1,873**	**1,786**	**4.9**

The total liabilities to other related companies include €0.9bn (previous year: €0.9bn) for external pension providers.

Off-balance sheet items | €m	**31.12.2013**	**31.12.2012**	**Change in %**
Guarantees and collaterals granted to	**101**	**109**	–7.3
Non-consolidated subsidiaries	20	22	–9.1
Jointly controlled entities	–	–	.
Associated companies accounted for using the equity method and holdings in related companies	81	87	–6.9
Key management personnel	–	–	.
Other related entities/persons	–	–	.
Guarantees and collaterals received from	**–**	**8**	–100.0
Non-consolidated subsidiaries	–	8	–100.0
Jointly controlled entities	–	–	.
Associated companies accounted for using the equity method and holdings in related companies	–	–	.
Key management personnel	–	–	.
Other related entities/persons	–	–	.

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

Income I €m	1.1.–31.12.2013	1.1.-31.12.2012	Change in %
Non-consolidated subsidiaries			
Interest income	36	13	.
Commission income	12	12	0.0
Goods and services	2	3	– 33.3
Jointly controlled entities			
Interest income	–	–	.
Commission income	–	–	.
Current net income from companies accounted for using the equity method	7	– 6	.
Goods and services	–	–	.
Holdings in associated companies accounted for using the equity method and holdings in related companies			
Interest income	46	46	0.0
Commission income	4	18	– 77.8
Current net income from companies accounted for using the equity method	53	52	1.9
Goods and services	–	–	.
Key management personnel			
Interest income	–	–	.
Commission income	–	–	.
Goods and services	–	–	.
Other related entities/persons			
Interest income	–	5	– 100.0
Commission income	–	–	.
Goods and services	–	–	.
Totals			
Interest income	82	64	28.1
Commission income	16	30	– 46.7
Current net income from companies accounted for using the equity method	60	46	30.4
Goods and services	2	3	– 33.3

The expenses from loan agreements with, deposits from and services provided in connection with related parties (excluding federal agencies) are shown in the table below.

The operating expenses under key management personnel relate to remuneration of board members reported as personnel expense and salaries of the employee representatives on the Supervisory Board employed by the Commerzbank Group. They also include remuneration paid to the members of the Supervisory Board. The taxes item relates to VAT reimbursed to members of the Board of Managing Directors and Supervisory Board.

Expenses | €m	**1.1.–31.12.2013**	**1.1.-31.12.2012**	**Change in %**
Non-consolidated subsidiaries			
Interest income	1	2	– 50.0
Net loan loss provisions	– 1	–	.
Commission income	–	27	– 100.0
Goods and services	46	20	.
Write-downs/impairments	7	34	– 79.4
Other expenses	1	–	.
Jointly controlled entities			
Interest income	–	–	.
Commission income	–	–	.
Goods and services	–	–	.
Write-downs/impairments	–	–	.
Holdings in associated companies accounted for using the equity method and holdings in related companies			
Interest income	1	3	– 66.7
Net loan loss provisions	48	–	.
Commission income	5	8	– 37.5
Goods and services	5	12	– 58.3
Write-downs/impairments	14	43	– 67.4
Other expenses	4	–	.
Key management personnel			
Interest income	–	–	.
Commission income	–	–	.
Operating expenses	15	15	0.0
Goods and services	–	–	.
Write-downs/impairments	–	–	.
Taxes	–	–	.
Other related entities/persons			
Interest income	47	49	– 4.1
Commission income	–	–	.
Goods and services	–	–	.
Write-downs/impairments	–	–	.
Totals			
Interest income	49	54	– 9.3
Net loan loss provisions	47	–	.
Commission income	5	35	– 85.7
Operating expenses	15	15	0.0
Goods and services	51	32	59.4
Write-downs/impairments	21	77	– 72.7
Other expenses	5	–	.
Taxes	–	–	.

Claims on key management personnel were as follows:

	31.12.2013		31.12.2012	
	Board of Managing Directors	Supervisory Board	Board of Managing Directors	Supervisory Board
Claims (€1,000)	3,822	592	4,008	605
Last due date[1]	2042	2047	2042	2038
Range of interest rates used (%)[2]	2.09 – 5.5	2.28 – 5.1	2.09 – 7.56	2.45 – 6.3

[1] As well as loans with fixed repayment dates, loans were also extended without a specified maturity.
[2] In individual cases up to 11.9% for overdrafts.

Collaterals for the cash advances and loans to members of the Board of Managing Directors and the Supervisory Board are provided on normal market terms, if necessary through land charges or rights of lien.

With the exception of rental guarantees the companies of the Commerzbank Group did not have any contingent liabilities relating to members of the Board of Managing Directors or the Supervisory Board in the year under review.

Banking transactions with related parties are carried out on normal market terms and conditions.

Transactions with federal agencies

The Commerzbank Group conducts transactions with federal government-controlled entities as part of its ordinary business activities on standard market terms and conditions. Details of the relationship with SoFFin are contained in Note 73. The table below sets out the assets and liabilities relating to transactions with federal agencies:

€m	31.12.2013	31.12.2012	Change in %
Cash reserve	3,430	5,637	– 39.2
Claims on banks	262	129	.
Claims on customers	2,040	2,114	– 3.5
Trading assets	1,957	2,761	– 29.1
Financial investments	2,299	4,066	– 43.5
Total	**9,988**	**14,707**	**– 32.1**
Liabilities to banks	12,301	14,866	– 17.3
Liabilities to customers	1,367	382	.
Trading liabilities	401	1,312	– 69.4
Silent participations	–	1,626	– 100.0
Total	**14,069**	**18,186**	**– 22.6**
Guarantees and collaterals			
granted	221	333	– 33.6
received	–	–	.

The financial instruments included under trading assets and financial investments are debt instruments.

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

€m	1.1.–31.12.2013	1.1.-31.12.2012	Change in %
Income			
Interest income	228	352	– 35.2
Commission income	4	5	– 20.0
Goods and services	–	2	– 100.0
Expenses			
Interest income	59	59	0.0
Commission income	–	2	– 100.0
Goods and services	1	–	.
Write-downs/impairments	–	–	.

b) Remuneration of key management personnel

A detailed description of the remuneration system for the members of the Board of Managing Directors and for members of the Supervisory Board is provided in the remuneration report (see page 29 ff.).

Board of Managing Directors. The table below shows a breakdown of the total remuneration of the Board of Managing Directors in accordance with both the IAS 24.17 and German Accounting Standard 17 classifications (see the remuneration report). The expense under the IAS 24 classification is based on the regulations of the underlying standards (IAS 19 and IFRS 2).

The short-term employee benefits also contain the other remuneration. This includes standard non-monetary benefits (chiefly use of company cars and insurance plus the tax due on these, and employer contributions to the BVV occupational retirement fund).

The post-employment benefits contain the service cost included in pension provisions.

Figures for individual board members in accordance with the German Accounting Standard 17 rules are set out in the remuneration report (see page 34 f.).

€1.000	2013	2012
Short-term employee benefits	8,969	9,682
Post-employment benefits	3,900	3,186
Other long-term benefits	922	–
Termination benefits	–[1]	625
Share-based remuneration	4,332	2,991
Total remuneration in accordance with IAS 24.17	**18,123**	**16,484**
less		
Post-employment benefits	3,900	3,186
Termination benefits	–[1]	625
Measurement and other differences[2]	934	– 209
Total remuneration in accordance with the Remuneration Report[3]	**13,289**	**12,882**

[1] The appointments of Mr. Klösges and Mr. Sieber as members of the Board of Managing Directors ended on 31 December 2013. They both qualify for the payments described in the remuneration report in the paragraph "Rules for termination of office" after the termination of their roles. The amount of these payments depends on a variety of factors (e.g offsetting of other income) and may also be zero.
[2] This includes the difference arising from measurement on the grant date (German Accounting Standard 17) and on the balance sheet date (IFRS 2) among other factors.
[3] The legal basis is Art. 314 (1) no. 6 (a) sentence 1 of the German Commercial Code (HGB).

The assets backing the Bank's retirement benefit plan for present and former members of the Board of Managing Directors or their surviving dependants have been transferred to Commerzbank Pensions-Trust e.V. as part of a contractual trust arrangement.

The net present value of pension entitlements of the active members of the Board of Managing Directors was €19,871 thousand as at 31 December 2013 (previous year: €17,146 thousand). The service costs reflected in the calculation of pension provisions in 2013 amounted to €3,900 thousand (previous year: €3,186 thousand).

The amounts are calculated considering the current term of appointment of the individual board members and assuming none of the board members will collect a pension before reaching the age of 62 (except in a potential case of incapacity to work) and that they will remain on the board until such time. The pension entitlements and service costs for the individual board members are set out in the remuneration report (see page 32).

After deduction of plan assets transferred provisions for pension obligations in respect of active members of the Board of Managing Directors at 31 December 2013 were €2.6m (previous year[1]: €1.9m).

Payments to former members of the Board of Managing Directors of Commerzbank Aktiengesellschaft and their surviving dependents came to €6,526 thousand in the 2013 financial year (previous year: €6,100 thousand). The pension liabilities for these persons amounted to €79.7m (previous year: €82.5m).

Supervisory Board. Remuneration for the members of the Supervisory Board is regulated in Art. 15 of the Articles of Association of Commerzbank Aktiengesellschaft. Members of the Supervisory Board received total net remuneration for financial year 2013 of €1,686 thousand (previous year: €1,640 thousand). Of this figure, the fixed remuneration and remuneration for committee memberships amounted to €1,290 thousand (previous year: €1,251 thousand) and attendance fees to €396 thousand. (previous year: €389 thousand). Attendance fees are paid for participating in the meetings of the Supervisory Board and its six committees (Presiding, Audit, Risk, Nomination, Conciliation and Social Welfare Committees) which met in the year under review. The overall remuneration of 1,686 thousand (previous year: €1,640 thousand) is categorised as short-term employee benefits in accordance with IAS 24.17.

The VAT (currently 19%) payable on the remuneration of the members of the Supervisory Board resident in Germany was reimbursed by the Bank, but is not counted as a component of remuneration. No value added tax is payable for members of the Supervisory Board resident outside Germany.

The Board of Managing Directors and Supervisory Board held no more than 1% in total (previous year: less than 1%) of the issued shares and option rights of Commerzbank Aktiengesellschaft as at 31 December 2013.

(96) Share-based payment plans

Due to the performances already made by employees (including the Board of Managing Directors) there were again expenses relating to share-based payments in the 2013 financial year. Further details and the terms and conditions of the share-based payment plans are available in Note 25 of this annual report. Share-based payment expense was as follows:

€m	2013	2012
Cash-settled plans	42	1
of which		
Commerzbank-Incentive-Plan	41	–
Equity-settled plans	3	23
of which		
Commerzbank-Incentive-Plan	–	20
Total	**45**	**24**

The provisions for cash-settled plans and the reserves in equity for plans settled with equity instruments were as follows:

€m	31.12.2013	31.12.2012
Provisions	54	17
of which		
Share awards	12	13
Commerzbank-Incentive-Plan	41	2
Equity reserves	10	31
of which		
Commerzbank-Incentive-Plan	–	23

[1] Prior-year figures restated due to the first-time application of the amended IAS 19 (see page 148 f.).

Share awards. The number of rights outstanding under the share award programmes developed as follows during the financial year:

Number of awards units	Share awards
Balance at at 1.1.2012	**6,390,804**
Granted during the year	864,685
Forfeited during the year	78,363
Exercised during the year	578,014
Expired during the year	36,694
Balance at at 31.12.2012	**6,562,418**
Granted during the year	172,232
Forfeited during the year	205,050
Exercised during the year	146,533
Expired during the year	–
Balance at at 31.5.2013	**6,383,067**
Effect from capital measure (reverse stock split)	−5,744,343
Balance at at 1.6.2013	**638,724**
Granted during the year	27
Forfeited during the year	16,590
Exercised during the year	56,570
Expired during the year	–
Balance at at 31.12.2013	**565,591**

Commerzbank-Incentive-Plan. The number of shares in 2013 changed as follows:

Number of awards units	Commerzbank-Incentive-Plan
Balance at at 1.1.2012	**–**
Granted during the year	18,082,133
Forfeited during the year	–
Exercised during the year	7,424,718
Expired during the year	–
Balance at at 31.12.2012	**10,657,415**
Granted during the year	15,627,321
Forfeited during the year	–
Exercised during the year	–
Expired during the year	49,343
Balance at at 31.5.2013	**26,235,393**
Effect from capital measure (reverse stock split)	−23,643,916
Balance at at 1.6.2013	**2,591,477**
Granted during the year	–
Forfeited during the year	–
Exercised during the year	724,259
Expired during the year	2,839
Balance at at 31.12.2013	**1,864,379**

Long-Term Performance Plan (LTPs) The exercise criteria for LTP plans set out in Note 25 also did not apply with respect to the final plan in 2013. As a result, the fair value could no longer be determined nor were there any provisions. The number of outstanding LTP rights changed as follows:

Number of awards units	2013	2012
Balance as at 1.1.	**346,050**	**678,950**
Granted during the year	–	–
Forfeited during the year	3,150	42,000
Exercised during the year	–	–
Expired during the year	342,900	290,900
Balance as at 31.12.	**–**	**346,050**

(97) Other commitments

Payment commitments to Group external entities and non-consolidated entities on shares not fully paid up amounted to €21.8m (previous year: €22.9m).

The Bank had an additional funding obligation of up to €96m (previous year: €96m) to Liquiditäts-Konsortialbank (Liko) GmbH, Frankfurt am Main. The individual banking associations have also undertaken additional funding obligations to Liko. To cover such obligations, Group companies have guaranteed to Liko as primary obligor that they will meet any payment to their respective associations.

In accordance with Art. 5 (10) of the statutes of the German banks' Deposit Insurance Fund, we have undertaken to indemnify the Association of German Banks, Berlin, for any losses incurred as a result of support provided for banks in which Commerzbank holds a majority interest.

Securities with a book value of €6,606m (previous year: €7,519m) have been deposited as collateral to meet obligations to futures and options exchanges and clearing houses.

(98) Lessor and lessee figures

Lessor disclosures – operating leases

Commerzbank acts as a lessor in operating lease arrangements. As at the balance sheet date these leases primarily comprised chartered ships, real estate and vehicles. No conditional lease instalments have been agreed in the leases.

The following minimum leasing payments stemming from non-cancellable leases will accrue to the Commerzbank Group over the next few years from operating leases granted:

Due date | €m	**31.12.2013**	**31.12.2012**[1]
Up to 1 year	196	192
1 year to 5 years	471	495
More than 5 years	103	87
Total	**770**	**774**

[1] Restated.

Lessor disclosures – finance leases

Commerzbank acts as a lessor for finance leases. As at the balance sheet date these leases primarily comprise leased real estate and office furniture and equipment (e.g. vehicles, office machines).

The relationship between gross investments and net present value of the minimum leasing payments was as follows:

€m	**31.12.2013**	**31.12.2012**
Outstanding lease payments	1,602	1,506
+ guaranteed residual values	100	108
= minimum lease payments	1,702	1,614
+ non-guaranteed residual values	9	9
= gross investments	1,711	1,623
of which from sale and leaseback transactions	264	133
– unrealised financial income	178	185
= net investments	1,533	1,438
– net present value of non-guaranteed residual values	7	7
= net present value of minimum lease payments	1,526	1,431
of which from sale and leaseback transactions	221	111

The minimum lease payments include the total lease instalments to be paid by the lessee under the lease agreement plus the guaranteed residual value. The non-guaranteed residual value is estimated at the beginning of the lease agreement and reviewed as at the reporting date on a regular basis. Unrealised financial income is equivalent to the interest implicit in the lease agreement between the reporting date and the end of the contract.

The accumulated allowance for uncollectible minimum lease payments receivable was €31m.

The term of the gross investment and net present values of the minimum lease payments from non-cancellable finance leases broke down as follows:

Residual terms as at 31.12.	Gross investments		of which from sale and leaseback transactions	
€m	2013	2012	2013	2012
Up to 1 year	579	496	47	31
1 year to 5 years	907	864	145	70
More than 5 years	225	263	72	32
Total	**1,711**	**1,623**	**264**	**133**

Residual terms as at 31.12.	Net present value of minimum lease payments		of which from sale and leaseback transactions	
€m	2013	2012	2013	2012
Up to 1 year	520	432	37	25
1 year to 5 years	808	769	122	57
More than 5 years	198	230	62	29
Total	**1,526**	**1,431**	**221**	**111**

Lessee disclosures – operating leases

The Group's existing obligations arising from operating leases involve rental and leasing agreements for buildings, office furniture and equipment and led in the financial year 2013 to expenses of €391m (previous year: €609m). The breakdown of the expenses was as follows:

€m	2013	2012
Minimum lease payments	179	279
Payments for terminable agreements	14	13
Conditional payments	205	325
less sublease income	7	8
Total	**391**	**609**

For rental and lease agreements that cannot be terminated, the following expenses are forecast for future years:

Due date | €m	31.12.2013	31.12.2012
Up to 1 year	454	457
1 year to 5 years	1,293	1,333
More than 5 years	1,076	1,044
Total	**2,823**	**2,834**

For real estate, mostly rental agreements were concluded, but occasionally also lease agreements These lease agreements usually long term and include opt-out clauses, options for the lessee to extend the lease for follow-up periods or price adjustment clauses. Price adjustment clauses exist in a number of different forms such as step-up leases and index clauses. Lease agreements may also include purchase options. Operating lease agreements do not entail any restrictions with respect to the future payment of dividends or assumption of additional debt.

Subletting agreements have been signed for buildings no longer in use in the Commerzbank Group. These leases are non-cancellable. The following income will accrue to the Commerzbank Group in the next few years from these leases:

Due date | €m	**31.12.2013**	**31.12.2012**
Up to 1 year	35	41
1 year to 5 years	66	54
More than 5 years	54	12
Total	**155**	**107**

(99) Date of release for publication

The Group financial statements were approved by the Board of Managing Directors for submission to the Supervisory Board on 24 February 2014. The Supervisory Board is responsible for reviewing and formally approving the Group financial statements. Preliminary figures for the 2013 results were released by the Board of Managing Directors for publication on 10 February 2014.

(100) Corporate Governance Code

We have issued our annual declaration of compliance with the German Corporate Governance Code pursuant to Art. 161, German Stock Corporation Act (Aktiengesetz) and made it permanently available to shareholders on the internet (www.commerzbank.com).

An annual declaration of compliance with the German Corporate Governance Code pursuant to Art. 161, Stock Corporation Act has also been issued for comdirect bank Aktiengesellschaft and made permanently available on the internet (www.comdirect.de).

(101) Letters of comfort

In respect of the subsidiaries listed below and included in the Group financial statements of our Bank, we undertake to ensure that, except in the case of political risks, they are able to meet their contractual liabilities.

Name	**Registered office**
comdirect bank Aktiengesellschaft	Quickborn
Commerzbank (Eurasija) SAO	Moscow
Commerzbank Inlandsbanken Holding GmbH	Frankfurt/Main
Commerzbank International S.A.	Luxembourg
CommerzTrust GmbH	Frankfurt/Main
Commerz Markets LLC	New York
Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg	Luxembourg
Hypothekenbank Frankfurt Aktiengesellschaft	Eschborn
Hypothekenbank Frankfurt International S.A.	Luxembourg

(102) Information on unconsolidated structured entities

The unconsolidated structured entities of the Commerzbank Group comprise the following transaction types:

- Credit derivatives
  These include cash collateralised debt obligations and synthetic collateralised debt obligations as well as senior tranches of securitisation transactions outside the scope of the conduit business of Commerzbank. The companies are financed through the issue of various tranches of securities. Investors in these securities are subject to the default risk of the underlying, while the buyer of protection is protected against this risk.
- Own securitisations
  These are true-sale and synthetic securitisations used for the purpose of steering the liquidity, capital and risk-weighted assets of the Bank. The companies are financed through the issue of various tranches of securities that are placed on the capital market.
- Hedge funds
  These are investments in hedge fund units made in the interest of the customer. The performance and risk of the units are passed on to the customer by means of total return swaps or certificates. Commerzbank thus secures itself financially and does not invest for its own account.
- Leasing structured entities
  These companies design need-based leasing and financing concepts for large plant such as real estate, aircraft, ships and regenerative energy systems. Normally, for every transaction an autonomous company is established in which the Commerz Real Group is a majority or minority stakeholder. These companies mostly operate in the legal form of a GmbH & Co. KG. As a financial services company, the Commerz Real Group does not provide loans to these companies. Loans are instead provided by lending institutions within and outside the Group. The core business of Commerz Real does, however, include administration related to the structured entities, such as the regular renewal of expiring fixed interest rate periods and loans with fixed repayment dates.
- Private Finance Initiative
  The cluster comprises positions from the former Portfolio Restructuring Unit (PRU), which was responsible for managing down assets related to the proprietary trading and investment activities which were discontinued in 2009. The positions managed by this segment initially included asset-backed securities (ABSs) without a state guarantee, other structured credit products, proprietary trading positions in corporate and bank bonds and exotic credit derivatives.
- Structured Capital Markets (SCM)
  Structured Capital Markets (SCM) carries out transactions for customers with limited access to the capital markets and brings them together with alternative providers of capital. SCM comprises the areas of Structured Finance (SF), Structured Asset Solutions (SAS) and Securitised Products (SP). The focus in Structured Finance is on structuring and carrying out tax-efficient financing and investments for companies and financial institution. Structured Asset Solutions concentrates on the customer-oriented securitisation of credit financing and short-term leasing financing. Securitised Products is focused on synthetic and true-sale securitisations for public and private placements.
- Securitisation platform
  Commerzbank sponsors a securitisation platform. With this conduit programme, Commerzbank structures, arranges and securitises the receivables of third parties who are customers of Mittelstandsbank and Corporates & Markets. The companies refinance themselves through the issue of asset-backed securities and liquidity lines. Default risk is covered by external bad debt insurance as well as existing over-hedging.
- Others
  These are structured entities which do not fulfil the above criteria. They mainly include all other financing companies.

The carrying amounts of the assets and liabilities of the Commerzbank Group compared to unconsolidated structured entities as at 31 December 2013 were as follows:

€m	Credit derivatives	Own securiti-sations	Hedge funds	Leasing structured entities	Private finance initiative	Structured capital markets (SCM)	Securiti-sation platform	Others
Assets	**103**	**116**	**414**	**553**	**5,276**	**3**	**967**	**100**
Claims on customers	–	111	–	549	475	–	947	36
Trading assets	103	–	260	–	3,990	3	20	–
Financial investments	–	4	154	4	811	–	–	–
Other assets	–	1	–	–	–	–	–	64
Liabilities	**103**	**1,213**	**7**	**20**	**91**	**3**	**70**	**–**
Liabilities to customers	8	–	–	20	–	–	70	–
Securitised liabilities	–	383	–	–	–	–	–	–
Trading liabilities	95	–	5	–	91	3	–	–
Other liabilities	–	830	2	–	–	–	–	–

The breakdown of income and expenses of unconsolidated structured entities of the Commerzbank Group in the 2013 financial year was as follows:

€m	Credit derivatives	Own securiti-sations	Hedge funds	Leasing structured entities	Private finance initiative	Structured capital markets (SCM)	Securiti-sation platform	Others
Net interest income after loan loss provisions	–46	6	–	26	63	–	28	4
Net commission income	–	–4	–	15	–	–	1	–
Net trading income and net investment income	31	1	24	–	185	3	–	–
Other net income	–	–	–	–3	–	–	–	–

The size of unconsolidated structured entities as at 31 December 2013 was as follows:

€m	Credit derivatives	Own securiti-sations	Hedge funds	Leasing structured entities	Private Finance Initiative	Structured capital markets (SCM)	Securiti-sation platform	Others
Size[1]	1,297	2,911	414	5,588	5,276	255	3,151	226

[1] The size of unconsolidated structured entities generally reflects the total assets of the companies. For the clusters Hedge Funds and Private Finance Initiative, Commerzbank's interest is shown as size instead, which in the case of the Private Finance Initiative Cluster mainly comprise senior tranches.

The maximum risk of loss for the Commerzbank Group with regard to unconsolidated structured entities resulted from recognised assets and from lending commitments and guarantees provided to unconsolidated structured entities that had not yet been utilised as at the reporting date. The maximum risk of loss on assets with regard to unconsolidated structured entities is equivalent to the current carrying values of these items after loss provisions. For loan commitments and guarantees we treat the nominal value of the commitment as the maximum risk of loss.

The maximum risk of loss is shown gross, i.e. without regard to collateral or hedging activities serving the purpose of risk mitigation.

The maximum risk of loss for the Commerzbank Group with regard to unconsolidated structured entities as at 31 December 2013 was as follows:

€m	Credit derivatives	Own securiti-sations	Hedge funds	Leasing structured entities	Private finance initiative	Structured capital markets (SCM)	Securiti-sation platform	Others
Claims on customers	–	111	–	549	475	–	947	36
Trading assets	103	–	260	–	3,990	3	20	–
Financial investments	–	4	154	4	811	–	–	64
Other assets	–	1	–	–	–	–	–	–
Lending commitments	–	–	–	–	27	–	2,632	30
Guarantees	–	–	–	–	–	–	16	–

(103) Information on significant non-controlling interests

Significant non-controlling interests were as follows:

	mBank S.A., Warsaw, Poland		comdirect bank subgroup		Hibernia Gamma Beteiligungsgesellschaft mit beschränkter Haftung, Frankfurt am Main	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Attributable to non-controlling interests						
Capital (%)	30.4	30.3	18.9	18.9	39.4	39.4
Voting rights (%)	30.4	30.3	18.9	18.9	39.4	39.4
Consolidated profit or loss (€m)	71	82	12	14	–	–
Equity (€m)	684	678	102	102	64	64
Assets[1] (€m)	7,356	7,316	2,674	2,351	40	40
Liabilities[1] (€m)	6,652	6,637	2,570	2,241	–	–
Profit or loss[1] (€m)	74	90	12	14	–	–
Other comprehensive income[1] (€m)	– 23	54	– 6	8	–	–
Total comprehensive income[1] (€m)	51	144	6	22	–	–
Cash flows[1] (€m)	– 239	288	140	5	–	–

[1] Before elimination of intragroup-transactions.

(104) Ownership interests

We provide the following information pursuant to Art. 313 (2) of the German Commercial Code (HGB) and IFRS 12.10 and IFRS 12.21 on the Group Financial Statements. The data on the equity and net profit or loss of the companies is taken from their financial statements under national accounting regulations. Footnotes, information on business purpose and further comments on the tables below appear at the end of this note.

1. Affiliated companies

a) Affiliated companies included in the Group financial statements

Name	Registered office	Business purpose	Share of capital held %	Voting rights (where different) %	Currency	Equity 1,000	Net profit or loss 1,000	
ABORONUM Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Berlin KG	Düsseldorf, Germany	SOFDL	0.0	85.0	EUR	0	2	
ADMERA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	SOFDL	100.0		EUR	23	0	
AGV Allgemeine Grundstücks-verwaltungs- und -verwertungs-gesellschaft mit beschränkter Haftung	Eschborn, Germany	BETGE	100.0		EUR	47	–	a)
ALDUNA Grundstücks-Vermietungs-gesellschaft mbH	Düsseldorf, Germany	SOUNT	100.0		EUR	–8,542	1,634	
ALTEREGO Beteiligungsgesellschaft mbH i.L.	Düsseldorf, Germany	SOFDL	100.0		EUR	134	–338	
ASBERGIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	SOUNT	100.0		EUR	4,354	–15,668	
Aspiro S.A.	Lódz, Poland	SOUNT	100.0		PLN	139,614	209	
ASTUTIA Beteiligungsgesellschaft mbH	Düsseldorf, Germany	SOFDL	100.0		EUR	3,825	37	a)
Atlas Vermögensverwaltungs-gesellschaft mbH	Frankfurt/Main, Germany	BETGE	100.0		EUR	243,238	–	a)
BDH Development Sp. z o.o.	Warsaw, Poland	SOUNT	100.0		PLN	102,557	–232	1)
BERGA Grundstücks-Verwaltungs-gesellschaft mbH & Co. KG	Grünwald, Germany	SOFDL	100.0	19.0	EUR	–1,449	–70	
Brafero-Sociedade Imobiliária, S.A.	Lisbon, Portugal	SOUNT	100.0		EUR	26,849	1,471	
BRE Agent Ubezpieczeniowy Sp. z.o.o.	Warsaw, Poland	SOUNT	100.0		PLN	9,090	9,040	
BRE Finance France S.A.	Levallois Perret, France	SOFDL	100.0		EUR	165	27	
BRE Ubezpieczenia Sp. z.o.o.	Warsaw, Poland	SOUNT	100.0		PLN	22,556	16,556	
BRE Ubezpieczenia Towarzystwo Ubezpieczen i Reasekuracji S.A.	Warsaw, Poland	VERSI	100.0		PLN	177,637	90,709	
Bridge Re Limited	Hamilton, Bermuda	SOFDL	100.0		USD	626	–70	
Brussels Urban Invest S.A.	Brussels, Belgium	SOUNT	100.0		EUR	–730	–2,478	
CB Building Kirchberg GmbH	Düsseldorf, Germany	SOUNT	100.0		EUR	5,166	1,084	
CB Leasing Summer AB	Stockholm, Sweden	SOFDL	100.0		GBP	104	54	
CBG Commerz Beteiligungs-gesellschaft Holding mbH	Frankfurt/Main, Germany	BETGE	100.0		EUR	7,264	–	a)

Name	Registered office	Business purpose	Share of capital held %	Voting rights (where different) %	Currency	Equity 1,000	Net profit or loss 1,000	
CBG Commerz Beteiligungskapital GmbH & Co. KG	Frankfurt/Main, Germany	BETGE	100.0		EUR	54,871	4,491	
CFB-Fonds Transfair GmbH	Düsseldorf, Germany	SOFDL	100.0		EUR	125	0	a)
CG NL Holding B.V.	Amsterdam, Netherlands	SOUNT	100.0		EUR	41	27	
CG Real Estate Master FCP-SIF S.A.R.L.	Luxembourg, Luxembourg	SOUNT	55.4		EUR	73,295	73,363	
CGM Lux 1 S.à.r.l.	Luxembourg, Luxembourg	SOUNT	100.0		EUR	–156,755	–5,645	
CGM Lux 2 S.à.r.l.	Luxembourg, Luxembourg	SOUNT	100.0		EUR	–59,058	2,019	
CGM Lux 3 S.à.r.l.	Luxembourg, Luxembourg	SOUNT	100.0		EUR	–100,120	7,524	
Coba Vermögensverwaltungs-gesellschaft mbH	Düsseldorf, Germany	SOUNT	100.0		EUR	26	–	a)
comdirect bank Aktiengesellschaft	Quickborn, Germany	KREDI	81.1		EUR	452,884	51,089	
Commerz (East Asia) Limited	Hong Kong, Hong Kong	SOFDL	100.0		EUR	2,496	–4	
Commerz Asset Management Asia Pacific Pte Ltd	Singapore, Singapore	BETGE	100.0		SGD	30,353	2,298	
Commerz Bankenholding Nova GmbH	Frankfurt/Main, Germany	BETGE	100.0		EUR	1,566,617	–	a)
Commerz Business Consulting GmbH	Frankfurt/Main, Germany	SOUNT	100.0		EUR	66	–	a)
Commerz Direktservice GmbH	Duisburg, Germany	SOUNT	100.0		EUR	1,178	–	a)
Commerz Equipment Leasing Limited	London, United Kingdom	SOUNT	100.0		GBP	0	–	2)
Commerz Europe (Ireland)	Dublin, Ireland	SOFDL	100.0		EUR	343,470	–5,639	
Commerz Funds Solutions S.A.	Luxembourg, Luxembourg	KAFOG	100.0		EUR	9,218	3,327	
Commerz Grundbesitz Beteiligungs–gesellschaft mbH & Co. KG	Frankfurt/Main, Germany	BETGE	90.0		EUR	14,378	403	
Commerz Japan Real Estate Finance Corporation	Tokyo, Japan	KREDI	100.0		JPY	5,640	1,212	
Commerz Markets LLC	Wilmington, Delaware, USA	SOFDL	100.0		USD	434,548	21,293	
Commerz Pearl Limited	London, United Kingdom	SOFDL	100.0		GBP	0	–	
Commerz Property GmbH & Co. Hamburg KG	Frankfurt/Main, Germany	SOUNT	100.0		EUR	70,513	1,583	
Commerz Real AG	Eschborn, Germany	SOFDL	100.0		EUR	408,394	–	a)
Commerz Real Asset Verwaltungs-gesellschaft mbH	Grünwald, Germany	SOFDL	100.0		EUR	25	–	a)
Commerz Real Baumanagement GmbH (ehem. Commerz Real Baucontract GmbH)	Düsseldorf, Germany	SOUNT	100.0		EUR	4,238	–	a)

Name	Registered office	Business purpose	Share of capital held %	Voting rights (where different) %	Currency	Equity 1,000	Net profit or loss 1,000	
Commerz Real Fonds Beteiligungsgesellschaft mbH	Düsseldorf, Germany	SOUNT	100.0		EUR	151	–	a)
Commerz Real Immobilien GmbH	Düsseldorf, Germany	SOFDL	100.0		EUR	12,936	–	a)
Commerz Real Investment-gesellschaft mbH	Wiesbaden, Germany	KAFOG	100.0		EUR	21,968	–	a)
Commerz Real IT-Leasing GmbH	Düsseldorf, Germany	SOFDL	100.0		EUR	1,954	–	a)
Commerz Real Kapitalverwaltungs-gesellschaft mbH	Düsseldorf, Germany	KAFOG	100.0		EUR	5,000	–	a)
Commerz Real Mobilienleasing GmbH	Düsseldorf, Germany	SOFDL	100.0		EUR	5,310	7,971	a)
Commerz Real Verwaltung und Treuhand GmbH	Düsseldorf, Germany	SOFDL	100.0		EUR	26	–	a)
Commerz Securities Hong Kong Limited	Hong Kong, Hong Kong	SOFDL	100.0		EUR	19,610	–777	
Commerz Services Holding GmbH	Frankfurt/Main, Germany	BETGE	100.0		EUR	28,262	–	a)
Commerz Systems GmbH	Frankfurt/Main, Germany	SOUNT	100.0		EUR	6,464	–	a)
Commerz Transaction Services Mitte GmbH	Erfurt, Germany	SOUNT	100.0		EUR	2,960	–	a)
Commerz Transaction Services Nord GmbH	Magdeburg, Germany	SOUNT	100.0		EUR	1,436	–	a)
Commerz Transaction Services Ost GmbH	Halle (Saale), Germany	SOUNT	100.0		EUR	1,550	–	a)
Commerz Transaction Services West GmbH	Hamm, Germany	SOUNT	100.0		EUR	1,234	–	a)
Commerzbank (Eurasija) SAO	Moscow,Russia	KREDI	100.0		RUB	12,826,394	1,381,037	
Commerzbank Asset Management Asia Ltd.	Singapore, Singapore	KAFOG	100.0		SGD	2,054	25	
Commerzbank Auslandsbanken Holding AG	Frankfurt/Main, Germany	BETGE	100.0		EUR	183,000	–	a)
Commerzbank Capital Funding LLC I	Wilmington, Delaware, USA	SOFDL	100.0		EUR	1	–	
Commerzbank Capital Funding LLC II	Wilmington, Delaware, USA	SOFDL	100.0		GBP	1	–	
Commerzbank Capital Funding LLC III	Wilmington, Delaware, USA	SOFDL	100.0		EUR	1	–	
Commerzbank Capital Funding Trust I	Newark, Delaware, USA	SOFDL	100.0		EUR	1	0	
Commerzbank Capital Funding Trust II	Newark, Delaware, USA	SOFDL	100.0		GBP	1	0	
Commerzbank Capital Funding Trust III	Newark, Delaware, USA	SOFDL	100.0		EUR	1	–	
Commerzbank Capital Investment Company Limited	London, United Kingdom	BETGE	100.0		GBP	0	0	
Commerzbank Finance 2 S.à.r.l.	Luxembourg, Luxembourg	SOFDL	100.0		EUR	349	–23	
Commerzbank Finance 3 S.à.r.l.	Luxembourg, Luxembourg	SOFDL	100.0		EUR	802	140	

Name	Registered office	Business purpose	Share of capital held %	Voting rights (where different) %	Currency	Equity 1,000	Net profit or loss 1,000	
Commerzbank Finance BV	Amsterdam, Netherlands	BETGE	100.0		EUR	1,282	–62	
Commerzbank Holdings (UK) Limited	London, United Kingdom	SOFDL	100.0		GBP	504,093	1,584	
Commerzbank Holdings France	Paris, France	SOFDL	100.0		EUR	80,638	–1,167	
Commerzbank Immobilien- und Vermögensverwaltungs-gesellschaft mbH	Frankfurt/Main, Germany	BETGE	100.0		EUR	462,597	–	a)
Commerzbank Inlandsbanken Holding GmbH	Frankfurt/Main, Germany	BETGE	100.0		EUR	1,598,385	–	a)
Commerzbank International S.A.	Luxembourg, Luxembourg	KREDI	100.0		EUR	347,180	20,594	
Commerzbank Investments (UK) Limited	London, United Kingdom	SOFDL	100.0		GBP	834	86	
Commerzbank Leasing 1 S.àr.l.	Luxembourg, Luxembourg	SOFDL	100.0		GBP	159	21	
Commerzbank Leasing 2 S.àr.l.	Luxembourg, Luxembourg	SOFDL	100.0		GBP	32,182	9,158	
Commerzbank Leasing 4 S.à.r.l.	Luxembourg, Luxembourg	SOFDL	100.0		GBP	4,982	9	
Commerzbank Leasing 5 S.à r.l.	Luxembourg, Luxembourg	SOFDL	100.0		GBP	10,291	71	
Commerzbank Leasing 6 S.à.r.l.	Luxembourg, Luxembourg	SOFDL	100.0		GBP	93	0	
Commerzbank Leasing December (1) Limited	London, United Kingdom	SOFDL	100.0		GBP	339	6	
Commerzbank Leasing December (11)	London, United Kingdom	SOUNT	100.0		GBP	0	0	
Commerzbank Leasing December (12) Limited	London, United Kingdom	SOFDL	100.0		GBP	459	104	
Commerzbank Leasing December (13) Limited	London, United Kingdom	SOUNT	100.0		GBP	0	0	
Commerzbank Leasing December (17) Limited	London, United Kingdom	SOUNT	100.0		GBP	0	0	
Commerzbank Leasing December (19) Limited	London, United Kingdom	SOUNT	100.0		GBP	0	0	
Commerzbank Leasing December (20) Limited	London, United Kingdom	SOUNT	100.0		GBP	0	0	
Commerzbank Leasing December (22) Limited	London, United Kingdom	SOUNT	100.0		GBP	0	0	
Commerzbank Leasing December (23) Limited	London, United Kingdom	SOUNT	100.0		GBP	0	0	
Commerzbank Leasing December (24) Limited	London, United Kingdom	SOUNT	100.0		GBP	0	0	
Commerzbank Leasing December (26) Limited	London, United Kingdom	SOUNT	100.0		GBP	0	0	
Commerzbank Leasing December (3) Limited	London, United Kingdom	SOFDL	100.0		GBP	814	338	
Commerzbank Leasing December (9) Limited	London, United Kingdom	SOUNT	100.0		GBP	0	0	

Name	Registered office	Business purpose	Share of capital held %	Voting rights (where different) %	Currency	Equity 1,000	Net profit or loss 1,000	
Commerzbank Leasing Holdings Limited	London, United Kingdom	BETGE	100.0		GBP	2,806	669	
Commerzbank Leasing Limited	London, United Kingdom	SOFDL	100.0		GBP	1,104	142	
Commerzbank Leasing March (3) Limited	London, United Kingdom	SOUNT	100.0		GBP	13	4	
Commerzbank Leasing September (5) Limited	London, United Kingdom	SOFDL	100.0		GBP	24	8	
Commerzbank Overseas Holdings Limited	London, United Kingdom	SOUNT	100.0		GBP	0	0	
Commerzbank Securities Ltd	London, United Kingdom	SOUNT	100.0		GBP	10	0	
Commerzbank Securities Nominees Limited	London, United Kingdom	SOUNT	100.0		GBP	0	0	
Commerzbank U.S. Finance, Inc.	Wilmington, Delaware, USA	SOFDL	100.0		USD	540	–65	
Commerzbank Zrt.	Budapest, Hungary	KREDI	100.0		HUF	25,387	446	
CommerzFactoring GmbH	Mainz, Germany	SOFDL	50.1		EUR	1,099	–	a)
CR KaiserKarree Holding S.a.r.l.	Luxembourg, Luxembourg	SOFDL	100.0		EUR	–42,039	673	
Dom Maklerski mBanku S.A.	Warsaw, Poland	SOFDL	100.0		PLN	109,636	19,408	3)
Dr. Gubelt Beteiligungsgesellschaft mbH & Co. Alpha Objekt Hauptverwaltung Frankfurt KG	Düsseldorf, Germany	SOUNT			EUR	–49,847	16,555	c)
Dr. Gubelt Beteiligungsgesellschaft mbH & Co. Beta Objekt Hauptverwaltung Frankfurt KG	Düsseldorf, Germany	SOUNT			EUR	–49,930	16,509	c)
Dr. Gubelt Beteiligungsgesellschaft mbH & Co. Objekt Erfurt KG	Düsseldorf, Germany	SOUNT	0.1		EUR	–6,956	2,013	c)
Dr. Gubelt Beteiligungsgesellschaft mbH & Co. Objekt Halle Am Markt KG	Düsseldorf, Germany	SOUNT	6.0	5.9	EUR	–4,587	645	c)
Dr. Gubelt Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf Breite Straße KG	Düsseldorf, Germany	SOUNT	0.0		EUR	4,554	–4,680	c)
Dr. Gubelt Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Essen Lindenallee KG	Düsseldorf, Germany	SOUNT			EUR	–7,141	156	c)
Dr. Gubelt Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Frankfurt Neue Mainzer Straße KG	Düsseldorf, Germany	SOUNT	0.0		EUR	–53,131	1,738	c)
Dr. Gubelt Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Schwabing KG	Düsseldorf, Germany	SOUNT	1.6	10.0	EUR	5,448	234	c)
Dresdner Capital LLC I	Wilmington, Delaware, USA	SOFDL	100.0		USD	1,707	42	
Dresdner Capital LLC IV	Wilmington, Delaware, USA	SOFDL	100.0		JPY	18,626	32	
Dresdner Kleinwort – Grantchester, Inc.	Wilmington, Delaware, USA	SOFDL	100.0		USD	27,844	–1	
Dresdner Kleinwort & Co. Holdings, Inc.	Wilmington, Delaware, USA	SOFDL	100.0		USD	231,314	–266	

Name	Registered office	Business purpose	Share of capital held %	Voting rights (where different) %	Currency	Equity 1,000	Net profit or loss 1,000	
Dresdner Kleinwort Capital Inc.	Wilmington, Delaware, USA	SOFDL	100.0		USD	10,234	5,208	
Dresdner Kleinwort do Brasil Limitada	Rio de Janeiro, Brazil	SOFDL	100.0		BRL	– 18,985	4	
Dresdner Kleinwort EIV Manager, Inc.	Wilmington, Delaware, USA	SOUNT	100.0		USD	– 18	0	
Dresdner Kleinwort Finance Inc.	Wilmington, Delaware, USA	SOFDL	100.0		USD	3,365	291	
Dresdner Kleinwort Flags Inc.	Wilmington, Delaware, USA	BETGE	100.0		USD	140,479	0	
Dresdner Kleinwort Group Holdings, LLC	Wilmington, Delaware, USA	SOFDL	100.0		USD	170,916	– 1	
Dresdner Kleinwort Group LLC	Wilmington, Delaware, USA	SOFDL	100.0		USD	394,740	– 38	
Dresdner Kleinwort Holdings II, Inc.	Wilmington, Delaware, USA	BETGE	100.0		USD	83,624	477	
Dresdner Kleinwort Holdings LLC	Wilmington, Delaware, USA	BETGE	100.0		USD	376,641	0	
Dresdner Kleinwort Limited	London, United Kingdom	SOFDL	100.0		GBP	13,844	37,196	
Dresdner Kleinwort LLC	Wilmington, Delaware, USA	SOFDL	100.0		USD	34,164	– 1	
Dresdner Kleinwort Luminary Inc.	Wilmington, Delaware, USA	SOFDL	100.0		USD	790,880	313	
Dresdner Kleinwort Moon LLC	Wilmington, Delaware, USA	SOFDL	100.0		USD	21,349	– 2,861	
Dresdner Kleinwort Services (Guernsey) Limited	St. Peter Port, Guernsey	SOFDL	100.0		GBP	2	0	
Dresdner Kleinwort Wasserstein Securities (India) Private Limited	Mumbai, India	SOFDL	75.0		INR	49,728	499	
Dresdner Lateinamerika Aktiengesellschaft	Hamburg, Germany	SOFDL	100.0		EUR	32,109	–	a)
DSB Vermögensverwaltungs-gesellschaft mbH	Frankfurt/Main, Germany	SOUNT	100.0		EUR	25	–	a)
EHY Real Estate Fund I, LLC	Wilmington, Delaware, USA	BETGE	100.0		USD	– 3,711	63	
Entertainment Asset Holdings C.V.	Amsterdam, Netherlands	SOUNT	58.2		USD	0	0	
Entertainment Asset Holdings GP B.V.	Amsterdam, Netherlands	SOFDL	100.0		USD	0	0	
Erste Europäische Pfandbrief- und Kommunalkreditbank Aktien-gesellschaft in Luxemburg	Luxembourg, Luxembourg	KREDI	100.0		EUR	476,413	31,451	
Espacio Leon Propco S.L.U.	Madrid, Spain	SOUNT	100.0		EUR	– 22,971	– 4,555	
Eurohypo Capital Funding LLC I	Wilmington, Delaware, USA	SOFDL	100.0		EUR	1	– 1	
Eurohypo Capital Funding LLC II	Wilmington, Delaware, USA	SOFDL	100.0		EUR	3	0	
Eurohypo Capital Funding Trust I	Wilmington, Delaware, USA	SOFDL	100.0		EUR	1	–	

Name	Registered office	Business purpose	Share of capital held %	Voting rights (where different) %	Currency	Equity 1,000	Net profit or loss 1,000	
Eurohypo Capital Funding Trust II	Wilmington, Delaware, USA	SOFDL	100.0		EUR	1	0	
European Bank for Financial Services GmbH (ebase)	Aschheim, Germany	KREDI	100.0		EUR	32,835	5,999	4)
European Venture Partners (Holdings) Ltd	St. Helier, Jersey	SOUNT	85.0		GBP	0	0	
FABA Vermietungsgesellschaft mbH	Düsseldorf, Germany	SOFDL	95.0	75.0	EUR	26	–	a)
Felix (CI) Limited	George Town, Cayman Islands	SOUNT	100.0		GBP	26	0	
FHB – Immobilienprojekte GmbH	Eschborn, Germany	SOUNT	100.0		EUR	26	–	a)
Film Library Holdings LLC	Wilmington, Delaware, USA	SOUNT	51.0		USD	13,603	4,904	
Forum Almada, Gestao de Centro Comercial, Sociedade Unipessoal Lda. II & Comandita	Lisbon, Portugal	SOUNT	100.0		EUR	37,442	4,227	
Forum Almada-Gestao de Centro Commercial, Sociedade Unipessoal, Lda.	Lisbon, Portugal	SOUNT	100.0		EUR	–65,480	3,586	
Forum Montijo, Gestao de Centro Comercial Sociedade Unipessoal, Lda	Lisbon, Portugal	SOUNT	100.0		EUR	–57,851	–7,432	
Frankfurter Gesellschaft für Vermögensanlagen mit beschränkter Haftung	Eschborn, Germany	BETGE	100.0		EUR	5,972	–	a)
Garbary Sp. z.o.o.	Poznan, Poland	SOUNT	100.0		PLN	44,750	–2,739	
General Leasing (No.16) Limited	London, United Kingdom	SOFDL	100.0		GBP	687	141	
G-G-B Gebäude- und Grundbesitz GmbH	Eschborn, Germany	BETGE	100.0		EUR	256	–	a)
GO German Office GmbH	Wiesbaden, Germany	SOUNT	100.0		EUR	–12,431	–	a)
gr Grundstücks GmbH Objekt Corvus	Frankfurt/Main, Germany	SOFDL	100.0		EUR	38	–4	
gr Grundstücks GmbH Objekt Corvus & Co. Sossenheim KG	Frankfurt/Main, Germany	SOUNT	100.0		EUR	201	–171	
GRAMOLINDA Vermietungsgesellschaft mbH	Grünwald, Germany	SOFDL	50.0		EUR	31	1	
GRAMOLINDA Vermietungsgesellschaft mbH & Co. Objekt Frankfurt KG	Grünwald, Germany	SOUNT	94.0	40.0	EUR	–156	8	
Greene Birch Ltd.	George Town, Cayman Islands	SOFDL	100.0		USD	238,895	38,895	
Greene Elm Trading I LLC	Wilmington, Delaware, USA	SOFDL	100.0		USD	52,055	–47,945	
Greene Elm Trading II LLC	Wilmington, Delaware, USA	SOFDL	100.0		USD	91,918	–8,082	
Greene Elm Trading III LLC	Wilmington, Delaware, USA	SOFDL	100.0		USD	127,883	27,883	
Greene Elm Trading IV LLC	Wilmington, Delaware, USA	SOFDL	100.0		USD	87,044	–12,956	
Greene Oak LLC	Wilmington, Delaware, USA	SOFDL	100.0		USD	99,962	–38	

Name	Registered office	Business purpose	Share of capital held %	Voting rights (where different) %	Currency	Equity 1,000	Net profit or loss 1,000	
Gresham Leasing March (1) Limited	London, United Kingdom	SOUNT	100.0		GBP	0	0	
Gresham Leasing March (2) Limited	London, United Kingdom	SOFDL	25.0	100.0	GBP	2,426	34	
Groningen Urban Invest B.V.	Amsterdam, Netherlands	SOUNT	100.0		EUR	6,900	669	
Hanseatic Ship Asset Management GmbH	Hamburg, Germany	SOUNT	100.0		EUR	83,000	– 1,571	
Herradura Ltd	London, United Kingdom	SOFDL	100.0		GBP	5	0	
HF Estate Management GmbH	Eschborn, Germany	SOUNT	100.0		EUR	3,280	–	a)
Hibernia Eta Beteiligungsgesellschaft mit beschränkter Haftung	Frankfurt/Main, Germany	BETGE	85.0		EUR	31,041	– 9	
Hibernia Gamma Beteiligungs-gesellschaft mit beschränkter Haftung	Frankfurt/Main, Germany	BETGE	60.6		EUR	102,626	– 4	
Hurley Investments No.3 Limited	George Town, Cayman Islands	SOFDL	100.0		GBP	0	0	
Hypothekenbank Frankfurt AG	Eschborn, Germany	KREDI	100.0		EUR	5,661,992	–	a)
Hypothekenbank Frankfurt International S.A.	Luxembourg, Luxembourg	KREDI	100.0		EUR	235,402	– 53,882	
KENSTONE GmbH	Eschborn, Germany	SOUNT	100.0		EUR	105	39	a)
Kommanditgesellschaft MS "CPO ALICANTE" Offen Reederei GmbH & Co.	Hamburg, Germany	SOUNT	90.0		EUR	11,586	7,950	b)
Kommanditgesellschaft MS "CPO ANCONA" Offen Reederei GmbH & Co.	Hamburg, Germany	SOUNT	77.3		EUR	30,270	11,199	b)
Kommanditgesellschaft MS "CPO BILBAO" Offen Reederei GmbH & Co.	Hamburg, Germany	SOUNT	90.0		EUR	8,318	6,417	b)
Kommanditgesellschaft MS "CPO MARSEILLE" Offen Reederei GmbH & Co.	Hamburg, Germany	SOUNT	77.3	77.2	EUR	30,930	12,021	b)
Kommanditgesellschaft MS "CPO PALERMO" Offen Reederei GmbH & Co.	Hamburg, Germany	SOUNT	73.9		EUR	33,071	12,875	b)
Kommanditgesellschaft MS "CPO TOULON" Offen Reederei GmbH & Co.	Hamburg, Germany	SOUNT	90.0		EUR	24,127	7,822	b)
Kommanditgesellschaft MS "CPO VALENCIA" Offen Reederei GmbH & Co.	Hamburg, Germany	SOUNT	90.0		EUR	7,447	– 3,858	b)
LUGO Photovoltaik Beteiligungsgesellschaft mbH	Düsseldorf, Germany	SOFDL	100.0		EUR	– 10,817	1,074	
Marylebone Commercial Finance (2)	London, United Kingdom	SOUNT	100.0		GBP	0	0	
mBank Hipoteczny S.A.	Warsaw, Poland	KREDI	100.0		PLN	501,572	4,255	5)
mBank S.A.	Warsaw, Poland	KREDI	69.6		PLN	9,644,877	1,051,074	6)
mCentrum Operacji Sp. z o.o.	Aleksandrów Lódzki, Poland	SOUNT	100.0		PLN	39,378	318	7)
MERKUR Grundstücks GmbH	Frankfurt/Main, Germany	SOFDL	100.0		EUR	7,642	–	a)
mFaktoring S.A.	Warsaw, Poland	SOFDL	100.0		PLN	70,743	14,793	8)

Name	Registered office	Business purpose	Share of capital held %	Voting rights (where different) %	Currency	Equity 1,000	Net profit or loss 1,000	
mLeasing Sp. z o.o.	Warsaw, Poland	SOFDL	100.0		PLN	196,862	54,448	9)
mLocum S.A.	Lódz, Poland	SOUNT	80.0		PLN	135,401	13,007	10)
MLV 45 Sp. z o.o. sp. k. (former BRE Holding Sp. z o.o.)	Warsaw, Poland	BETGE	100.0		PLN	551,286	40,545	11)
MOLARIS Verwaltungs- und Vermietungsgesellschaft mbH	Düsseldorf, Germany	SOFDL			EUR	89	373	c)
MS "BEETHOVEN" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	SOUNT	99.9		EUR	23,096	–875	
MS "MOZART" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	SOUNT	99.9		EUR	17,810	–662	
MS "PAGANINI" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	SOUNT	100.0		EUR	10	–	
MS "PUCCINI" Schifffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	SOUNT	51.0		EUR	9,461	–1,444	
MS "PUCCINI" Verwaltungsgesellschaft mbH	Hamburg, Germany	BETGE	51.0		EUR	25	0	
MS "PUGNANI" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	SOUNT	99.9		EUR	15,526	–526	
MS "ROSSINI" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	SOUNT	100.0		EUR	10	0	
MS "SCHUBERT" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	SOUNT	100.0		EUR	10	0	
MS "STRAUSS" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	SOUNT	100.0		EUR	10	0	
MS "WAGNER" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	SOUNT	100.0		EUR	10	0	
mWealth Management S.A.	Warsaw, Poland	SOFDL	100.0		PLN	31,057	13,581	12)
NAVALIS Schiffsbetriebsgesellschaft mbH & Co. MS "NEDLLOYD JULIANA" KG	Hamburg, Germany	SOUNT	93.6	92.8	EUR	18,276	1,301	
NAVIPOS Schiffsbeteiligungs–gesellschaft mbH	Hamburg, Germany	SOFDL	100.0		EUR	218	–13	
Netherlands Urban Invest B.V.	Amsterdam, Netherlands	SOUNT	100.0		EUR	11,500	165	
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lampertheim KG	Düsseldorf, Germany	SOUNT	100.0		EUR	0	46	
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte Plön und Preetz KG	Düsseldorf, Germany	SOFDL	90.0	65.0	EUR	–339	98	
NOVELLA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	SOFDL	100.0		EUR	11,176	–	a)
Number X Bologna S.r.l.	Milan, Italy	SOUNT	100.0		EUR	7,710	–906	
Number X Real Estate GmbH	Eschborn, Germany	BETGE	100.0		EUR	11,819	–5,094	
OLEANDRA Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Jupiter KG	Grünwald, Germany	SOUNT	100.0	51.0	EUR	29,647	2,095	
OLEANDRA Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Luna KG	Grünwald, Germany	SOUNT	100.0	51.0	EUR	1,827	335	

Name	Registered office	Business purpose	Share of capital held %	Voting rights (where different) %	Currency	Equity 1,000	Net profit or loss 1,000	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Neptun KG	Grünwald, Germany	SOUNT	100.0	51.0	EUR	19,751	1,706	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Pluto KG	Grünwald, Germany	SOUNT	100.0	51.0	EUR	32,575	1,874	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Uranus KG	Grünwald, Germany	SOUNT	100.0	51.0	EUR	41,265	–2,915	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Venus KG	Grünwald, Germany	SOUNT	100.0	51.0	EUR	26,815	1,769	
Pisces Nominees Limited	London, United Kingdom	SOFDL	100.0		GBP	0	0	
Property Invest Ferdinando di Savoia S.r.l.	Milan, Italy	SOUNT	100.0		EUR	12,639	–317	
Property Invest GmbH	Eschborn, Germany	SOUNT	100.0		EUR	24,871	–4,950	
Property Invest Italy S.r.l.	Milan, Italy	SOUNT	100.0		EUR	37,371	–732	
Property Invest Roma S.r.l.	Milan, Italy	SOUNT	100.0		EUR	1,232	–117	
Real Estate TOP TEGEL Drei GmbH	Eschborn, Germany	SOUNT	100.0		EUR	60	–	a)
Real Estate TOP TEGEL Eins GmbH	Eschborn, Germany	SOUNT	100.0		EUR	421	–	a)
Real Estate TOP TEGEL Sechs GmbH	Eschborn, Germany	SOUNT	100.0		EUR	129	–	a)
Real Estate TOP TEGEL Vier GmbH	Eschborn, Germany	SOUNT	100.0		EUR	60	–	a)
Real Estate TOP TEGEL Zwei GmbH	Eschborn, Germany	SOUNT	100.0		EUR	60	–	a)
REFUGIUM Beteiligungsgesellschaft mbH	Grünwald, Germany	SOFDL	100.0		EUR	8,522	13	
Rood Nominees Limited	London, United Kingdom	SOUNT	100.0		GBP	0	0	
Rook Finance LLC	Wilmington, Delaware, USA	SOFDL	100.0		USD	75,007	6	
SB-Bauträger GmbH & Co. Urbis Hochhaus-KG	Frankfurt/Main, Germany	SOUNT	100.0		EUR	204	0	
SECUNDO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	SOUNT	100.0		EUR	5,811	–	a)
Service-Center Inkasso GmbH Düsseldorf	Düsseldorf, Germany	SOUNT	100.0		EUR	154	–	a)
South East Asia Properties Limited	London, United Kingdom	BETGE	100.0		GBP	16,419	530	
Space Park GmbH & Co. KG	Frankfurt/Main, Germany	SOUNT	90.0		EUR	93,154	–17	
Sterling Energy Holdings Inc.	Wilmington, Delaware, USA	SOFDL	76.2	100.0	USD	45,032	–1,240	
Sterling Energy II LLC	Wilmington, Delaware, USA	SOFDL	100.0		USD	63,735	5,873	

Name	Registered office	Business purpose	Share of capital held %	Voting rights (where different) %	Currency	Equity 1,000	Net profit or loss 1,000	
Sterling Energy LLC	Wilmington, Delaware, USA	SOFDL	100.0		USD	129,799	– 848	
TARA Immobilienprojekte GmbH	Eschborn, Germany	SOUNT	100.0		EUR	25	–	a)
Thurlaston Finance Limited	George Town, Cayman Islands	SOUNT	100.0		GBP	0	0	
TOMO Vermögensverwaltungs-gesellschaft mbH	Frankfurt/Main, Germany	BETGE	100.0		EUR	22,778	–	a)
Transfinance a.s.	Prague, Czech Republic	SOFDL	100.0		CZK	290,740	10,530	
Twins Financing LLC	Dover, Delaware, USA	SOUNT	60.0		USD	20,447	12,333	
U.S. Residential Investment I, L.P.	Wilmington, Delaware, USA	SOUNT	90.0		USD	19,562	171	
Urban Invest Holding GmbH	Eschborn, Germany	BETGE	100.0		EUR	11,518	– 20	13)
Watling Leasing March – 1	London, United Kingdom	SOUNT	100.0		GBP	0	0	
WebTek Software Private Limited	Bangalore, India	SOFDL	100.0		INR	215,295	10,432	
WESTBODEN – Bau– und Verwaltungs-gesellschaft mit beschränkter Haftung	Eschborn, Germany	SOUNT	100.0		EUR	370	–	a)
Westend Grundstücksgesellschaft mbH	Eschborn, Germany	SOUNT	100.0		EUR	260	–	a)
Wohnbau-Beteiligungsgesellschaft mbH	Eschborn, Germany	SOUNT	90.0		EUR	288	0	
Yarra Finance Limited	George Town, Cayman Islands	SOUNT	100.0		GBP	0	0	
Zelos Luxembourg S.C.S.	Luxembourg, Luxembourg	BETGE	100.0		EUR	– 5,195	– 4,881	

b) Affiliated companies not included in the Group financial statement due to their minor significance

Name	Registered office	Share of capital held %	Voting rights (where different) %
1. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	
10. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	
11. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	
12. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	
13. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	
14. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	
14. CR Immobilien-Vermietungsgesellschaft mbH & Co. Objekt Berlin Lindencorso KG	Düsseldorf, Germany	81.4	
14. CR Immobilien-Vermietungsgesellschaft mbH & Co. Objekt ENEX-Babelsberg KG	Düsseldorf, Germany	76.1	
2. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	
2. CR Immobilien-Vermietungsgesellschaft mbH & Co. Objekt Heilbronn KG	Düsseldorf, Germany	78.1	77.3
3. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	
4. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	
5. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	
6. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	
7. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	
8. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	
9. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	
ABALINGA Beteiligungsgesellschaft mbH	Düsseldorf, Germany	10.0	100.0
ABANTITIM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	
ABANTUM Beteiligungsgesellschaft mbH	Düsseldorf, Germany	100.0	
ABELASSA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	
ABESTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	
ABORONUM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	
ABOTORIUM Finanz- und Verwaltungsgesellschaft mbH i.L.	Düsseldorf, Germany	100.0	
ACARINA Beteiligungsgesellschaft mbH	Düsseldorf, Germany	100.0	
ACCESSA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	
ACILIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany		c)
ACINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	
ACOLA Grundstücks-Vermietungsgesellschaft mbH	Grünwald, Germany	100.0	
ACONITA Grundstücks-Vermietungsgesellschaft mbH	Frankfurt/Main, Germany		c)
ACREDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	
ACRONA Photovoltaik-Beteiligungsgesellschaft mbH	Düsseldorf, Germany	100.0	
Actium Leasobjekt Gesellschaft mbH	Frankfurt/Main, Germany	100.0	
ACTOSA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	
ADAMANTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	
ADAMANTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Elbphilharmonie KG	Düsseldorf, Germany	50.0	
ADELIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	
ADELIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin Teltow KG	Düsseldorf, Germany	92.4	92.1
ADENARA Flugzeug-Leasinggesellschaft mbH	Düsseldorf, Germany	100.0	
ADENDA Grundstücks-Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany		c)
ADURAMA Verwaltung und Treuhand GmbH	Düsseldorf, Germany	100.0	
AFINA, Bufete de Socios Financieros, S.A.	Madrid, Spain	98.7	99.3

Name	Registered office	Share of capital held %	Voting rights (where different) %	
AGALINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
AGARBA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
AGASILA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
AGREGATA Grundstücks-Vermietungsgesellschaft mbH i.L.	Haan, Germany	100.0		
AJOLA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
AJUNTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
AKERA Verwaltung und Treuhand GmbH	Düsseldorf, Germany	100.0		
ALACRITAS Verwaltungs- und Treuhand GmbH	Düsseldorf, Germany	100.0		
ALBELLA Verwaltung und Treuhand GmbH	Düsseldorf, Germany	100.0		
ALBOLA Verwaltung und Treuhand GmbH	Düsseldorf, Germany	100.0		
ALCARDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ALDINGA Verwaltung und Treuhand GmbH	Düsseldorf, Germany	100.0		
ALDULA Verwaltung und Treuhand GmbH	Düsseldorf, Germany	100.0		
ALEMONA Verwaltung und Treuhand GmbH	Düsseldorf, Germany	100.0		
ALFUTURA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ALIBORA Verwaltung- und Treuhand GmbH i. L.	Düsseldorf, Germany	100.0		
ALICANTE NOVA Shipping Limited	Monrovia, Liberia	100.0		
ALIDA Photovoltaik-Beteiligungsgesellschaft mbH i.L.	Düsseldorf, Germany	100.0		
ALIVERA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ALMARENA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ALMARENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin KG	Düsseldorf, Germany	0.0	50.0	c)
ALMONDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ALMURUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ALSANTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ALSANTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte RiCö KG	Düsseldorf, Germany	0.0	85.0	
ALSENNA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ALSTRUCTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ALUBRA Verwaltung und Treuhand GmbH	Düsseldorf, Germany	100.0		
ALUDANTA Grundstücks-Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany	100.0		
ALVENTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ALVINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ALZOLA Beteiligungsgesellschaft mbH	Düsseldorf, Germany	100.0		
AMALIA Verwaltung und Treuhand GmbH	Düsseldorf, Germany	100.0		
AMENA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
AMERA Verwaltung und Treuhand GmbH	Düsseldorf, Germany	100.0		
AMITEA Beteiligungsgesellschaft mbH i.L.	Düsseldorf, Germany	100.0		
AMITICULA Photovoltaik Beteiligungsgesellschaft mbH i.L.	Düsseldorf, Germany	100.0		
AMONEUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
AMTERA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ANBANA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ANCAVA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ANCONA NOVA Shipping Limited	Monrovia, Liberia	100.0		
ANDINO Beteiligungsgesellschaft mbH	Düsseldorf, Germany	100.0		14)a)
ANEA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ARAFINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ARAUNA Verwaltung und Treuhand GmbH	Düsseldorf, Germany			c)
ARBITRIA Verwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0		
AREBA Verwaltung und Treuhand GmbH	Düsseldorf, Germany	100.0		

Name	Registered office	Share of capital held %	Voting rights (where different) %	
Ariondaz SAS	Paris, France	100.0		
ARMANDA Flugzeug-Leasinggesellschaft mbH	Düsseldorf, Germany	100.0		
AROSA Flugzeug-Leasinggesellschaft mbH i.L.	Düsseldorf, Germany	100.0		
ARVINA Verwaltung und Treuhand GmbH	Düsseldorf, Germany	100.0		
ASCARA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ASCETO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ASERTUNA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ASILUS Grundstücks-Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany	100.0		
ASISTA Grundstücks-Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany	100.0		
ASKANZA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ASKANZA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lüdenscheid KG	Düsseldorf, Germany	100.0		
ASKIBA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
Aspiro net Sp. z.o.o. w likwidacji	Lódz, Poland	100.0		
ASSANDRA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ASSENTO Photovoltaik-Beteiligungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ASSERTA Flugzeug-Leasinggesellschaft mbH	Düsseldorf, Germany	100.0		
ASTRADA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
ASTRELLA Grundstücks-Vermietungsgesellschaft mbH i.L.	Berlin, Germany	100.0		
ASTRIFA Mobilien-Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany	100.0		
ATERNA Mobilien-Vermietungsgesellschaft mbH	Berlin, Germany	100.0		
Atlas-Alpha GmbH	Frankfurt/Main, Germany	100.0		a)
ATUNO Verwaltung und Treuhand GmbH	Düsseldorf, Germany	100.0		
AURESTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
AVALERIA Beteiligungsgesellschaft mbH	Düsseldorf, Germany	100.0		
AVANCIA Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
AVARICA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
AVENDO Beteiligungsgesellschaft mbH	Stuttgart, Germany	100.0		
AVENDO Beteiligungsgesellschaft mbH & Co. Objekt Fernwärmenetz Cottbus KG	Stuttgart, Germany	0.0	50.0	c)
AVERTUM Flugzeug-Leasinggesellschaft mbH	Düsseldorf, Germany	100.0		
AVERTUM Flugzeug-Leasinggesellschaft mbH & Co. Zweite Legacy 600 KG	Düsseldorf, Germany	100.0		
AWL I Sp. z o.o.	Warsaw, Poland	100.0		
BATOR Vermietungsgesellschaft mbH & Co. Objekt Nürnberg KG	Düsseldorf, Germany	3.0		
Belus Immobilien- und Beteiligungsgesellschaft mbH	Eschborn, Germany	100.0		a)
BENE Verwaltungund Treuhand GmbH	Düsseldorf, Germany			c)
Beteiligungsgesellschaft für Industrie und Handel mbH	Frankfurt/Main, Germany	100.0		
BILBAO NOVA Shipping Limited	Monrovia, Liberia	100.0		
Blue Amber Fund Management S.A.	Luxembourg, Luxembourg	100.0		
BONITAS Mobilien-Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Alzenau KG	Düsseldorf, Germany			c)
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Friedrichshafen KG	Düsseldorf, Germany	0.0	51.0	c)
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Lauchhammer KG	Berlin, Germany			c)
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Neustadt-Schwaig KG	Grünwald, Germany	85.5	86.0	
BONITAS Vermietungsgesellschaft mbH & Co. Objekt Bötzingen KG	Grünwald, Germany			c)

Name	Registered office	Share of capital held %	Voting rights (where different) %	
BRE Property Partner Sp. z o.o.	Warsaw, Poland	100.0		
BREL-AN Sp. z.o.o. w likwidacji	Warsaw, Poland	100.0		
Call Center Poland S.A.	Warsaw, Poland	100.0		
CB Euregio GmbH	Frankfurt/Main, Germany	100.0		
CB Lux Kirchberg GmbH	Frankfurt/Main, Germany	100.0		
CBG Commerz Beteiligungskapital Verwaltungs GmbH	Frankfurt/Main, Germany	100.0		
CCR Courtage i.L.	Paris, France	100.0		
CERI International Sp. z o.o.	Lódz, Poland	100.0		
CG Japan GmbH	Wiesbaden, Germany	100.0		
CG Real Estate Luxemburg S.à.r.l.	Luxembourg, Luxembourg	100.0		
CGG Canada Grundbesitz GmbH	Wiesbaden, Germany	100.0		
CGI Stadtgalerie Schweinfurt Verwaltungs- GmbH	Wiesbaden, Germany	100.0		
CGI Victoria Square Limited	London, United Kingdom	100.0		
CGI Victoria Square Nominees Limited	London, United Kingdom	100.0		
CIV GmbH Beta	Frankfurt/Main, Germany	100.0		
COLLEGIUM GLASHÜTTEN Zentrum für Kommunikation Gesellschaft mit beschränkter Haftung	Glashütten, Germany	100.0		a)
Commerz (Nederland) N.V.	Amsterdam, Netherlands	100.0		
Commerz Building and Management GmbH	Essen, Germany	100.0		a)
Commerz GOA Realty Associates LLC	New York, New York, USA	49.0		c)
COMMERZ GOA REALTY Management, LLC	Atlanta, Georgia, USA	49.0		c)
Commerz Grundbesitz Gestao de Centros Commerciais, Sociedade Unipessoal, Lda.	Lisbon, Portugal	100.0		
Commerz Keyes Avenue Properties (Proprietary) Ltd.	Johannesburg, South Africa	100.0		
Commerz Management Services Limited	Dublin, Ireland	100.0		
Commerz Nominees Limited	London, United Kingdom	100.0		
Commerz Property GmbH	Frankfurt/Main, Germany	100.0		a)
Commerz Real Asset Structuring GmbH	Düsseldorf, Germany	100.0		15)
Commerz Real Autoservice GmbH i.L.	Düsseldorf, Germany	100.0		
Commerz Real Beteiligungsgesellschaft mbH	Düsseldorf, Germany	16.9	17.0	c)
Commerz Real Direkt GmbH i.L.	Düsseldorf, Germany	100.0		
Commerz Real Finanzierungsleasing GmbH	Düsseldorf, Germany	100.0		a)
Commerz Real Nederland B. V.	Capelle a/d Ijssel, Netherlands	100.0		
Commerz Real Partner Hannover GmbH i.L.	Düsseldorf, Germany	100.0		
Commerz Real Partner Nord GmbH i.L.	Düsseldorf, Germany	100.0		
Commerz Real Partner Süd GmbH	Düsseldorf, Germany	100.0		
Commerz Real Southern Europe GmbH	Wiesbaden, Germany	100.0		
Commerz Real Western Europe GmbH	Wiesbaden, Germany	100.0		
Commerz Realty Associates GP V, LLC	Wilmington, Delaware, USA	49.0		
Commerz Trade Services Sdn. Bhd.	Kuala Lumpur, Malaysia	100.0		
Commerz U.S. Financial Corporation	Wilmington, Delaware, USA	100.0		
Commerzbank Capital Management Unternehmensbeteiligungs GmbH	Frankfurt/Main, Germany	100.0		a)
Commerzbank Leasing December (6) Limited	London, United Kingdom	100.0		
Commerzbank Pension Trustees Limited	London, United Kingdom	100.0		

Name	Registered office	Share of capital held %	Voting rights (where different) %	
Commerzbank Representative Office Nigeria Limited	Lagos, Nigeria	100.0		
Commerzbank Representative Office Panama, S.A.	City of Panama, Panama	100.0		
Commerzbank Sao Paulo Servicos Ltda.	Sao Paulo, Brasilien	100.0		
Commerzbank Sponsoring GmbH	Frankfurt/Main, Germany	100.0		a)
CommerzKommunalbau GmbH	Düsseldorf, Germany	100.0		
CommerzLeasing Anlagen-Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
CommerzLeasing GmbH	Düsseldorf, Germany	100.0		
CommerzStiftungsTreuhand GmbH	Frankfurt/Main, Germany	100.0		
CommerzTrust GmbH	Frankfurt/Main, Germany	100.0		
Communication One Consulting Sp. z o.o.	Warsaw, Poland	100.0		
COMUNITHY Wohnimmobilien Rheinland GmbH i.L.	Düsseldorf, Germany			c)
ContactPoint Sp. z o.o.	Warsaw, Poland	100.0		
CR Station General Partner Inc.	Toronto, Kanada	100.0		
Crédito Germánico S.A.	Montevideo, Uruguay	100.0		
CRI Erste Beteiligungsgesellschaft mbH	Wiesbaden, Germany	100.0		
CRI Zweite Beteiligungsgesellschaft mbH	Wiesbaden, Germany	100.0		
CSA COMMERZ SOUTH AFRICA (PROPRIETARY) LIMITED	Johannesburg, South Africa	100.0		
CSK Sp. z.o.o.	Lódz, Poland	100.0		
Czwarty Polski Fundusz Rozwoju Sp. z.o.o.	Lódz, Poland	100.0		
DAUNUS Vermietungsgesellschaft mbH	Grünwald, Germany			a) c)
Delphi I Eurohypo LLC	Wilmington, Delaware, USA	100.0		
DFI S.p.A. in liquidazione	Milan, Italy	100.0		
DIO Vermietungsgesellschaft mbH	Grünwald, Germany			a) c)
DOMINO Projektentwicklungsgesellschaft mbH	Frankfurt/Main, Germany			c)
Dr. Gubelt Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dortmund KG	Düsseldorf, Germany	0.0		
Dr. Gubelt Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Duisburg KG	Düsseldorf, Germany	0.0		
Dr. Gubelt Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hamburg Altstadt KG i.L.	Stuttgart, Germany	0.0		
Dr. Gubelt Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Potsdam Alte Wache KG	Düsseldorf, Germany	0.0		
Dr. Gubelt Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Wuppertal KG	Düsseldorf, Germany	100.0	99.9	
Dr. Gubelt Immobilien Vermietungs-Gesellschaft mbH & Co. Objekt Bochum KG	Düsseldorf, Germany	0.0	50.0	c)
Dr. Gubelt Immobilien Vermietungs-Gesellschaft mbH & Co. Objekt Chemnitz KG	Düsseldorf, Germany	100.0	98.8	
Dr. Gubelt Immobilien Vermietungsgesellschaft mbH & Co. Objekt Stuttgart KG	Düsseldorf, Germany	0.6		
DRABELA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
DREBACUSA Grundstücks-Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany	50.0		c)
DREBANTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
DREBENDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
DREBENDA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt FTTB NetCologne KG	Düsseldorf, Germany			c)
DREBOSTA Grundstücks-Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
DREBOSTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Schwerin KG	Grünwald, Germany			c)

Name	Registered office	Share of capital held %	Voting rights (where different) %	
DRECORA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
DREDOLA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
DREFLORA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
DREFUMA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
DREHERA Grundstücks-Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany	50.0		c)
DREKONTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
DRELARA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
DRELOBA Grundstücks-Vermietungsgesellschaft & Co. Objekt Gevelsberg KG	Grünwald, Germany			c)
DRELOBA Grundstücks-Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
DRELOSINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
DREMARA Grundstücks-Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany	50.0		c)
DRENITA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
DRESANA Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
Dresdner Kleinwort Derivative Investments Limited	London, United Kingdom	100.0		
Dresdner Private Placement GmbH	Bad Vilbel, Germany	100.0		
DRETERUM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
DRETERUM Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt BBS Kiel Ravensberg KG	Düsseldorf, Germany			c)
DREVERA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
Elfte Umbra Vermögensverwaltungsgesellschaft mbH	Frankfurt/Main, Germany	100.0		a)
EuREAM GmbH	Wiesbaden, Germany	100.0		
Eurohypo Investment Banking Limited	London, United Kingdom	100.0		
Eurohypo Nominees 1 Limited	London, United Kingdom	100.0		
Fernwärmenetz Leipzig GmbH	Leipzig, Germany	100.0		
FLOR Vermietungsgesellschaft mbH	Munich, Germany			a) c)
FORNAX Kraftwerk-Beteiligungsgesellschaft mbH	Grünwald, Germany	50.0		c)
Forum Algarve – Gestao de Centro comercial, Sociedade Unipessoal, Lda.	Lisbon, Portugal	100.0		
Frega Vermögensverwaltungsgesellschaft mbH	Frankfurt/Main, Germany	100.0		
FUHRTIVUS Grundstücks-Vermietungsgesellschaft Objekt Lauchhammer mbH	Düsseldorf, Germany			c)
Galbraith Investments Limited	London, United Kingdom	100.0		
GALLO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany			a) c)
Gesellschaft für Kreditsicherung mbH	Berlin, Germany	63.3		
GIE Dresdner Kleinwort France i.L.	Paris, France	100.0		
GIE Victoria Aéronautique	Paris, France	100.0		
GRADARA Vermietungsgesellschaft mbH	Grünwald, Germany			c)
GRALANA Vermietungsgesellschaft mbH	Grünwald, Germany			c)
GRAMINA Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
GRAMOLSEMPA GmbH	Düsseldorf, Germany			16) c)
GRANADA Investment GmbH i.L.	Düsseldorf, Germany	100.0		
GRASSANO Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
GRATNOMA Grundstücks-Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
GRAVIATION Flugzeug-Vermietungsgesellschaft mbH	Grünwald, Germany			c)
Greene Elm Trading IX LLC	Wilmington, Delaware, USA	100.0		
Greene Elm Trading V LLC	Wilmington, Delaware, USA	100.0		
Greene Elm Trading VI LLC	Wilmington, Delaware, USA	100.0		
Greene Elm Trading VII LLC	Wilmington, Delaware, USA	100.0		
Greene Elm Trading VIII LLC	Wilmington, Delaware, USA	100.0		
Greene Elm Trading X LLC	Wilmington, Delaware, USA	100.0		

Name	Registered office	Share of capital held %	Voting rights (where different) %	
GRENADO Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
Gresham Leasing March (3) Limited	London, United Kingdom	70.0		17)
GRETANA Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
GRONDOLA Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
GROSINA Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Berlin Marzahn KG	Grünwald, Germany	0,6	5,0	c)
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Berlin Weißensee KG	Grünwald, Germany	0,6	5,0	c)
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Chemnitz KG	Grünwald, Germany	0,6	5,0	c)
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Darmstadt KG	Grünwald, Germany	0,6	5,0	c)
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Dreieich KG	Grünwald, Germany	0,6	5,0	c)
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Dresden KG	Grünwald, Germany	0,6	5,0	c)
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Essen KG	Grünwald, Germany	0,6	5,0	c)
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Hannover EXPOPark KG	Grünwald, Germany	0,6	5,0	c)
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Hannover Hauptbetrieb KG	Grünwald, Germany	0,6	5,0	c)
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Leipzig KG	Grünwald, Germany	0,6	5,0	c)
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Saarbrücken KG	Grünwald, Germany	0,6	5,0	c)
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Saarlouis KG	Grünwald, Germany	0,6	5,0	c)
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Stuttgart KG	Grünwald, Germany	0,6	5,0	c)
GROTEGA Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
GRUMENTO Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
GRUMONA Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
GRUMOSA Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
GRUNATA Vermietungsgesellschaft mbh	Grünwald, Germany	50.0		c)
Grundbesitzgesellschaft Berlin Rungestr. 22–24 mbH i.L.	Eschborn, Germany	100.0		
Grundstücks- und Vermögensverwaltungsgesellschaft Geretsried mbH i.L.	Düsseldorf, Germany	51,1	51,0	
Grupa PINO Sp. z o.o. w likwidacji	Warsaw, Poland	100.0		
H 47 Verwaltungsgesellschaft mbH	Düsseldorf, Germany	94,4	94,0	
HAJOBANTA GmbH	Düsseldorf, Germany			c)
HAJOBURGA Beteiligungsgesellschaft mbH	Düsseldorf, Germany			c)
HAJOGA-US Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
HAJOLENA Beteiligungsgesellschaft mbH	Düsseldorf, Germany			c)
HAJOLINDA Beteiligungsgesellschaft GmbH	Düsseldorf, Germany			c)
HAJOLUCA Beteiligungsgesellschaft mbH	Düsseldorf, Germany			c)
HAJOMA Beteiligungsgesellschaft mbH	Düsseldorf, Germany			c)
HAJOMINA Beteiligungsgesellschaft mbH	Düsseldorf, Germany			c)
HAJORALDIA Verwaltung und Treuhand GmbH	Düsseldorf, Germany			c)
HAJOSINTA Beteiligungsgesellschaft mbH	Düsseldorf, Germany			c)
HAJOSOLA Beteiligungsgesellschaft mbH	Düsseldorf, Germany			c)
HAJOTARA Beteiligungsgesellschaft mbH	Düsseldorf, Germany			c)
Hamudi S.A.	Madrid, Spain	100.0		
Hanseatic SAM Verwaltungsgesellschaft mbH	Hamburg, Germany	100.0		
Haus am Kai 2 O.O.O.	Moscow,Russia	100.0		
HDW Grundstücks-Vermietungsgesellschaft mbH	Frankfurt/Main, Germany	100.0		
HIMUS Grundstücks-Vermietungsgesellschaft mbH	Grünwald, Germany			a) c)
Histel Beteiligungs GmbH	Frankfurt/Main, Germany	100.0		a)
HT Beteiligungs-Verwaltungs GmbH i.L.	Munich, Germany			c)

Name	Registered office	Share of capital held %	Voting rights (where different) %	
HVI Handels- und Verwertungsgesellschaft für Immobilien mbH i.L.	Düsseldorf, Germany	94.0		
Immobiliengesellschaft Ost Hägle, spol. s.r.o	Prague, Czech Republic	100.0		
Immobilien-Vermietungsgesellschaft Reeder & Co. Objekt Airport Bürocenter Dresden KG	Dresden, Germany	87.2	86.6	
Immobilienverwaltungsgesellschaft Grammophon Büropark mbH	Berlin, Germany	100.0		
Immobilienverwaltungsgesellschaft Schlachthof Offenbach mbH	Eschborn, Germany	100.0		
IMMOFIDUCIA Sp. z. o.o.	Warsaw, Poland	100.0		
IMO Autopflege Beteiligungsverwaltungsgesellschaft mbH	Mülheim an der Ruhr, Germany			c)
IVV – Immobilien – Verwaltungs- und Verwertungsgesellschaft mbH	Eschborn, Germany	100.0		a)
IWP International West Pictures GmbH & Co. Erste Produktions KG	Cologne, Germany	95.2		
IWP International West Pictures Verwaltungs GmbH	Cologne, Germany	100.0		
JBBK Verwaltungs S.à.r.l.	Luxembourg, Luxembourg			c)
JMD III Sp. z o.o.	Warsaw, Poland	100.0		
KTC Kommunikations- und Trainings-Center Königstein GmbH	Königstein, Germany	100.0		a)
LAUREA MOLARIS Grundstücks-Vermietungsgesellschaft mbH	Ludwigshafen, Germany	100.0		
LAUREA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin Anthropolis KG i.L.	Ludwigshafen, Germany	94.5	94.4	
LAUREA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin Grindelwaldweg KG i.L.	Düsseldorf, Germany	94.5	94.6	
LENIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Essenbach KG	Düsseldorf, Germany			c)
LIVIDA MOLARIS Grundstücks-Vermietungsgesellschaft mbH	Erfurt, Germany			c)
LOCO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Air Treads KG	Düsseldorf, Germany			c)
LOUISENA Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
LOUISENA Vermietungsgesellschaft mbH & Co. Objekt Königstein KG	Grünwald, Germany			c)
Lufthansa Leasing GmbH & Co. Echo-Oscar KG i. L.	Grünwald, Germany	100.0	99.6	
LUNADIM INVESTMENTS, S.L.	Barcelona, Spanien	100.0		
LUTEA MOLARIS Grundstücks-Vermietungsgesellschaft mbH	Berlin, Germany			c)
M 31 Beteiligungsgesellschaft mbH	Düsseldorf, Germany			c)
Main Incubator GmbH	Frankfurt/Main, Germany	100.0		
MAIORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hamburg KG	Düsseldorf, Germany	2.7		
Mana Holdings I LLC	Wilmington, Delaware, USA	100.0		
Mana I LLC	Wilmington, Delaware, USA	100.0		
Mana II LLC	Wilmington, Delaware, USA	100.0		
Mana III LLC	Wilmington, Delaware, USA	100.0		
Mana IV LLC	Wilmington, Delaware, USA	100.0		
MARBARDA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MARBENTA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MARBINO Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MARBREVA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MARBREVA Vermietungsgesellschaft mbH & Co. Objekt AOK Bayern KG	Düsseldorf, Germany	100.0	50.0	c)
MARBREVA Vermietungsgesellschaft mbH & Co. Objekt AOK Rheinland-Pfalz KG	Düsseldorf, Germany	100.0	50.0	c)
MARIUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MARKANTA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MARLINTA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MARLISA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MARLOTTA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MAROLA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)

Name	Registered office	Share of capital held %	Voting rights (where different) %	
Marseille Shipping Limited	Monrovia, Liberia	100.0		
MARUNA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MARUNA Vermietungsgesellschaft mbH & Co. Objekt BIOTRONIK KG	Düsseldorf, Germany			c)
Max Lease Sàrl	Luxembourg, Luxembourg	100.0		
mCorporate Finance S.A.	Warsaw, Poland	100.0		18)
Messestadt Riem “Office am See” I GmbH i.L.	Eschborn, Germany	100.0		a)
Messestadt Riem “Office am See” III GmbH i.L.	Eschborn, Germany	100.0		a)
MLV 35 Sp. z o.o. w likwidacji	Warsaw, Poland	100.0		
MLV 45 Sp. z o.o.	Warsaw, Poland	100.0		
MOLANA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLANCONA Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		
MOLANDA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLANGA Beteiligungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLANKA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLANZIO Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLARELLA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLAREZZO Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLARGA Grundstücks-Vermietungsgesellschaft mbH	Schwerin, Germany			c)
MOLARINA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLARIS Beteiligungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLARIS Beteiligungsgesellschaft mbH & Co. Objekt Kurhaus KG	Düsseldorf, Germany	100.0	49.0	
MOLARIS Geschäftsführungs GmbH	Düsseldorf, Germany			c)
MOLARIS Grundstücksverwaltung GmbH	Düsseldorf, Germany			c)
MOLARIS Immobilienverwaltung GmbH	Düsseldorf, Germany			c)
MOLARIS Managementgesellschaft mbH	Düsseldorf, Germany			c)
MOLARIS Objektverwaltung GmbH	Düsseldorf, Germany			c)
MOLARISA Vermögensverwaltung mbH	Düsseldorf, Germany			c)
MOLARISSA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLARISSA Vermietungsgesellschaft mbH & Co. Objekt Detmold KG	Düsseldorf, Germany	0.4	1.0	c)
MOLARONA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLAROSA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLASSA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLATHINA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLBAKKA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLBARVA Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
MOLBELUM Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLBERA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLBERNO Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		c)
MOLBINA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLBINA Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf Ludwig-Erhard-Allee KG	Düsseldorf, Germany	94.3	91.2	
MOLBISTA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLBOLLA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLBONA Vermietungsgesellschaft mbH	Berlin, Germany	50.0		c)
MOLBRIELA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLBRIENZA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLBURGA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLBURGOS Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLCAMPO Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)

Name	Registered office	Share of capital held %	Voting rights (where different) %	
MOLCAPRI Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLCASA Vermietungsgesellschaft Objekt Smart mbH i.L.	Grünwald, Germany	50.0		c)
MOLCENTO Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLCERA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLCLOSA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLCOBASSO Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLCORA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLCREDO Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLDAMA Vermietungsgesellschaft mbH i. L.	Düsseldorf, Germany			c)
MOLDANUM Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLDARA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLDEO Mobilien-Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLDEO Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Lünen KG	Düsseldorf, Germany			c)
MOLDESKA Vermietungsgesellschaft mbH & Co. Objekt Mallersdorf KG i. Gr.	Düsseldorf, Germany			c)
MOLDEX Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLDICMA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLDINGA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLDISCUS Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLDOMA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLDORA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLDOSSA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLEA Vermietungs- und Beteiligungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLEMPA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLENA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLENDRA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLETUM Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLFENNA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLFINO Vermietungsgesellschaft mbH	Berlin, Germany			c)
MOLFOKKA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLFRANCA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLFRIEDA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLFUNDA Vermietungsgesellschaft mbH	Berlin, Germany			c)
MOLGABA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLGATO Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLGERBA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLGRADO Vermietungsgesellschaft Objekt Göttingen und Oldenburg mbH	Grünwald, Germany	50.0		c)
MOLGUSO Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLHABIS Vermietungsgesellschaft mbH i.Gr.	Düsseldorf, Germany			c)
MOLHELA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLIGELA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLIGO Vermietungsgesellschaft mbH	Rostock, Germany			c)
MOLISTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLITA Vermietungsgesellschaft mbH	Hannover, Germany			c)
MOLKANDIS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLKIRA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLKRIMA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLLIS Beteiligungsgesellschaft mbH	Stuttgart, Germany			c)
MOLMARTA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLMELFI Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)

Name	Registered office	Share of capital held %	Voting rights (where different) %	
MOLMIRA Vermietungsgesellschft mbH	Düsseldorf, Germany			c)
MOLMOSA Vermietungsgesellschaft mbH i.L.	Berlin, Germany			c)
MOLNERA Vermietungsgesellschaft mbH	Berlin, Germany			c)
MOLOTA Vermietungsgesellschaft mbH	Frankfurt/Main, Germany			c)
MOLPANA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLPATRA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLPERA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLPETTO Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLPIKA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLPIREAS Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
MOLPLANTA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLPLEVEN Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLPRIMA Vermietungsgesellschaft mbH	Berlin, Germany			c)
MOLPURA Beteiligungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLRANO Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLRATUS Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
MOLRAWIA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLRESTIA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLRIANA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLRIBA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLRISTA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLRONDA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLRONDA Vermietungsgesellschaft mbH & Co. Objekt Nürnberg KG	Düsseldorf, Germany			c)
MOLROSA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLROSSI Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLSANA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLSANTA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLSIMA Vermietungsgesellschaft mbH i.L.	Hirschau, Germany			c)
MOLSINDRA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLSIRIS Vermietunsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLSIWA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLSOLA Vermietungsgesellschaft mbH	Grünwald, Germany			c)
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Aquarius KG	Grünwald, Germany	98.5	49.0	c)
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Pforzheim KG	Grünwald, Germany	98.5	49.0	c)
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Taurus KG	Grünwald, Germany	98.5	49.0	c)
MOLSTEFFA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLSTINA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLSTRADA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLSURA Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
MOLTANDO Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLTARA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLTERAMO Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLTESO Beteiligungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLTINTA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLTIVOLA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLTUNA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLTUNIS Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLUGA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLUNA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)

Name	Registered office	Share of capital held %	Voting rights (where different) %	
MOLUNA Vermietungsgesellschaft mbH & Co. Objekt Hocheifel KG	Düsseldorf, Germany			c)
MOLVANI Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLVENTO Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLVINA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLVINCA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLVODA Vermietungsgesellschaft mbH i.L.	Haan, Germany			c)
MOLWALLA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLWALLA Vermietungsgesellschaft mbH & Co. Objekt Schweinfurt KG	Düsseldorf, Germany	0.4	1.0	c)
MOLWANKUM Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLWARGA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLWARIA Vermietungsgesellschaft mbH i.L.	Düsseldorf, Germany			c)
MOLWORUM Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MOLWORUM Vermietungsgesellschaft mbH & Co. Objekt Ottensen KG	Düsseldorf, Germany	0.4	1.0	c)
MONATA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
MONEA Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
Montitail – Gestao de Retail Park, Sociedade Unipessoal Lda.	Lisbon, Portugal	100.0		
MUTUSCA Grundstücks-Vermietungsgesellschaft mbH & Co. Etzenhausen KG	Düsseldorf, Germany	2.5		19)
NACOLO Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NACONA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NACONGA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAFARI Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAFIRINA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NASIRO Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NASTO Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAUCULA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAULUMO Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAURANTO Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAURATA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAUSOLA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAUTARO Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAUTESSA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAUTESSA Schiffsbetriebsgesellschaft mbH & Co. MS "NEDLLOYD MARITA" KG	Hamburg, Germany	1.8	2.6	
NAUTIS Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAUTLUS Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAUTO Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAUTORIA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAUTUGO Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAVALIS Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAVALIS Shipping Limited	Monrovia, Liberia	100.0		
NAVIBOLA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAVIBOTO Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAVIFIORI Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAVIGA Schiffsbeteiligung GmbH	Hamburg, Germany	100.0		
NAVIGATO Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAVIGOLO Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAVILO Vermietungsgesellschaft mbH	Hamburg, Germany	100.0		
NAVINA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAVIRENA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAVIROSSA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		

Name	Registered office	Share of capital held %	Voting rights (where different) %	
NAVITA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAVITARIA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAVITONI Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAVITOSA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAVITURA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NAVO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin KG	Düsseldorf, Germany	10.0	15.0	c)
NEPTANA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NEPTILA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NEPTORA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NEPTUGA Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NEPTUNO Schiffsbetriebsgesellschaft mbH	Hamburg, Germany	100.0		
NESTOR Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hamme KG	Düsseldorf, Germany	100.0		
NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Wiemelhausen KG	Düsseldorf, Germany	100.0		
NOLICA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	19.0		
NORA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ettlingen KG	Düsseldorf, Germany	0.0	50.0	
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Görlitz KG	Düsseldorf, Germany	0.0	50.0	
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Koblenz-Kesselheim KG	Düsseldorf, Germany	0.0	50.0	c)
NOSCO Grundstücks-Vermietungsgesellschaft mbH	Mainz, Germany	100.0		
NOTITIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
NOVITAS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
Nr. X Real Estate Hungary Kft.	Budapest, Hungary	100.0		
NUMERIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
NURUS Beteiligungsgesellschaft mbH	Düsseldorf, Germany	100.0		a)
Octopus Investment Sp. z o.o.	Warsaw, Poland	100.0		
OPTIO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
OPTIO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bad Kissingen KG i. L.	Düsseldorf, Germany			c)
OPTIO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Schönborn KG	Düsseldorf, Germany			c)
OPTIONA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
ORBITA Kraftwerk-Beteiligungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
ORBITA Kraftwerk-Beteiligungsgesellschaft mbH & Co. Objekt Kraftwerk Hessen KG	Düsseldorf, Germany			c)
ORNATUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0		c)
OSKAR Medienbeteiligungsgesellschaft mbH	Düsseldorf, Germany	100.0		
PALERMO Shipping Limited	Monrovia, Liberia	100.0		
PAREO Kraftwerk-Beteiligungsgesellschaft mbH	Leipzig, Germany	100.0		
Patella Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fernwärmetrasse Lutherstadt Wittenberg KG	Berlin, Germany			c)
PATELLA Vermietungsgesellschaft mbH	Berlin, Germany			c)
quatron Grundstücks-Vermietungsgesellschaft mbH	Frankfurt/Main, Germany			c)
RAMONIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Stuttgart-Feuerbach KG	Düsseldorf, Germany	0.0	50.0	c)
RAPIDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
RAVENNA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
RAVENNA Kraków Sp. z.o.o.	Warsaw, Poland	100.0		

Name	Registered office	Share of capital held %	Voting rights (where different) %	
Ravenna Warszawa Spolka zograniczona odpowiedzialnoscia	Warsaw, Poland			c)
RAYMO Dritte Portfolio KG	Düsseldorf, Germany	100.0	99.5	
RAYMO Erste Portfolio KG	Düsseldorf, Germany	100.0	99.5	
RAYMO Zweite Portfolio KG	Düsseldorf, Germany	100.0	99.5	
RECURSA Grundstücks-Vermietungsgesellschaft mbH	Frankfurt/Main, Germany	100.0		
RESIDO Flugzeug-Leasinggesellschaft mbH	Düsseldorf, Germany	100.0		
RIPA Medien-Beteiligungsgesellschaft mbH	Düsseldorf, Germany	100.0		
RIVALIS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
ROSARIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Mainz KG	Düsseldorf, Germany	0.0	25.0	c)
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte topwert KG	Düsseldorf, Germany	0.0	25.0	
ROSATA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Östringen KG	Düsseldorf, Germany			c)
ROSEA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Braunschweig KG	Düsseldorf, Germany	0.0	50.0	c)
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Eckental KG	Düsseldorf, Germany	0.0	50.0	c)
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt ISF Sindlingen KG	Düsseldorf, Germany	0.0	50.0	c)
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Veldhoven KG	Düsseldorf, Germany	0.0	35.0	c)
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte TANK & RAST KG	Düsseldorf, Germany	0.0	50.0	c)
ROSINTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ROSOLA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Peguform KG	Grünwald, Germany			c)
ROTUNDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0		
SB-Bauträger Gesellschaft mit beschränkter Haftung	Eschborn, Germany	100.0		a)
SENATORSKA Vermietungsgesellschaft mbH	Düsseldorf, Germany			c)
SILVA Grundstücks-Vermietungsgesellschaft mbH	Frankfurt/Main, Germany			c)
Solar Cuever del Negro 1, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 10, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 11, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 12, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 13, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 14, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 15, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 16, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 17, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 18, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 2, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 3, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 4, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 5, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 6, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 7, S.L.U.	Madrid, Spain	100.0		
Solar Cuever del Negro 8, S.L.U.	Madrid, Spain	100.0		

Name	Registered office	Share of capital held %	Voting rights (where different) %	
Solar Cuever del Negro 9, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 1, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 10, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 11, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 12, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 13, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 14, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 15, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 16, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 17, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 18, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 2, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 3, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 4, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 5, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 6, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 7, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 8, S.L.U.	Madrid, Spain	100.0		
Solar Los Arroyos de Escuzar 9, S.L.U.	Madrid, Spain	100.0		
SOLTRX Transaction Services GmbH	Düsseldorf, Germany	100.0		[a]
Space Park Erste Verwaltungs GmbH	Frankfurt/Main, Germany	100.0		
TALORA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany			[c]
TAMOLDINA Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		[c]
TAMOLTEMPA Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		[c]
TAMOLTESSA Vermietungsgesellschaft mbH	Grünwald, Germany	50.0		[c]
TANECTRA Beteiligungsgesellschaft mbH	Düsseldorf, Germany			[c]
TARA Immobilien-Besitz GmbH	Eschborn, Germany	100.0		[a]
TARA Immobiliengesellschaft mbH	Eschborn, Germany	100.0		[a]
TARA Immobilien-Verwaltungs-GmbH	Eschborn, Germany	100.0		
TASKABANA dritte Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Tankanlage KG	Grünwald, Germany			[c]
TASKABANA erste Immobilien-Vermietungsgesellschaft mbH & Co. Objekt Marl KG	Grünwald, Germany			[c]
TASKABANA erste Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Marl KG	Grünwald, Germany			[c]
TASKABANA Vermietungsgesellschaft mbH	Grünwald, Germany			[c]
TASKABANA zweite Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Tankanlage KG	Grünwald, Germany			[c]
Tele-Tech Investment Sp. z.o.o.	Warsaw, Poland	100.0		
TIGNARIS Beteiligungsgesellschaft mbH	Düsseldorf, Germany			[c]
TIGNARIS Beteiligungsgesellschaft mbH & Co. Streubesitz KG	Düsseldorf, Germany	94.8		
TIGNARIS Managementgesellschaft mbH i.L.	Düsseldorf, Germany			[c]
TIGNARIS Verwaltungsgesellschaft mbH	Düsseldorf, Germany			[c]
TIGNATO Beteiligungsgesellschaft mbH	Essen, Germany	100.0		
TIGNATO Beteiligungsgesellschaft mbH & Co. KölnTurm MediaPark KG	Eschborn, Germany	100.0		
TOULON NOVA Shipping Limited	Monrovia, Liberia	100.0		
U.S. Residential I GP, LLC	Wilmington, Delaware, USA	49.0	50.0	
VALENCIA NOVA Shipping Limited	Monrovia, Liberia	100.0		
Webtel Sp. z o.o. w likwidacji	Warsaw, Poland	100.0		
Wijkertunnel Beheer III B.V.	Amsterdam, Netherlands	100.0		

Name	Registered office	Share of capital held %	Voting rights (where different) %	
Windsor Asset Management GP Ltd.	Toronto, Canada	49.0		
Windsor Canada Verwaltungsgesellschaft mbH	Düsseldorf, Germany			c)
WINROD INVESTMENTS, S.L.	Barcelona, Spain	100.0		

2. Associated companies

a) Associated companies in the Group financial statements accounted for using the equity method

Name	Registered office	Share of capital %	Voting rights (where different) %	Currency	Equity 1,000	Net profit or loss 1,000	
AKA Ausfuhrkredit-Gesellschaft mbH	Frankfurt/Main, Germany	31.6		EUR	183,872	11,425	
Argor-Heraeus S.A.	Mendrisio, Switzerland	31.2		CHF	114,962	28,699	
Capital Investment Trust Corporation	Taipei, Taiwan	24.0		TWD	3,260,711	485,063	
Commerz Finanz GmbH	Munich, Germany	49.9		EUR	773,791	98,122	
Commerz Unternehmens-beteiligungs-Aktiengesellschaft	Frankfurt/Main, Germany	40.0		EUR	95,001	7,804	
COMUNITHY Immobilien GmbH	Düsseldorf, Germany	49.9		EUR	679	7,945	
DTE Energy Center, LLC	Wilmington, Delaware, USA	50.0		USD	98,887	20,309	
Exploitatiemaatschappij Wijkertunnel C.V.	Amsterdam, Netherlands	33.3		EUR	21,358	8,035	
HAJOBANTA GmbH & Co. Asia Opportunity I KG	Düsseldorf, Germany	20.9	20.8	EUR	130,587	13,962	
ILV Immobilien-Leasing Verwaltungs-gesellschaft Düsseldorf mbH	Düsseldorf, Germany	50.0		EUR	21,910	2,950	c)
KGAL GmbH & Co. KG	Grünwald, Germany	40.5		EUR	68,688	–44,828	
KGAL Verwaltungs-GmbH	Grünwald, Germany	45.0		EUR	7,162	2,055	
MFG Flughafen-Grundstücksverwal-tungsgesellschaft mbH & Co. BETA KG	Grünwald, Germany	29.4	29.0	EUR	–63,291	0	
RECAP/Commerz AMW Investment, L. P.	New York, New York, USA	50.0		EUR	5,404	–319	

b) Associated companies in the Group financial statements not accounted for using the equity method due to their minor significance

Name	Registered office	Share of capital %	Voting rights (where different) %
36th Street CO-INVESTMENT, L.P.	Wilmington, Delaware, USA	49.0	50.0
4239466 Canada Inc.	Toronto, Kanada	50.0	
ACTIUM Leasobjekt GmbH & Co. Objekt Altötting KG	Düsseldorf, Germany	50.0	30.0
ACTIUM Leasobjekt GmbH & Co. Objekt Bietigheim OHG	Düsseldorf, Germany	100.0	50.0
ACTIUM Leasobjekt GmbH & Co. Objekte Amberg und Landshut KG	Düsseldorf, Germany	50.0	
AF Eigenkapitalfonds für deutschen Mittelstand GmbH & Co. KG	München, Germany	47.4	
AGASILA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf KG	Düsseldorf, Germany	23.4	25.0
ALIVERA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf-Lichtenbroich KG	Düsseldorf, Germany	5.2	23.0
Alliance Medical Group Limited	Warwick, United Kingdom	18.5	21.5
Ampton B.V.	Amsterdam, Netherlands	50.0	

Name	Registered office	Share of capital %	Voting rights (where different) %
ASTIRA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	50.0	
BAF Berlin Animation Film GmbH	Berlin, Germany	49.0	
Banco Comercial S. A.	Montevideo, Uruguay	33.3	
BONUS Vermietungsgesellschaft mbH	Düsseldorf, Germany	30.0	
Düsseldorfer Börsenhaus GmbH	Düsseldorf, Germany	20.0	
FERO Vermietungsgesellschaft mbH	Düsseldorf, Germany	26.0	
FRAST Beteiligungsgesellschaft mbH & Co. Objekt Kokerei KG	Grünwald, Germany		
GIE Cinquieme Lease	Puteaux, France	33.3	
GIE Go Lease	Puteaux, France	50.0	
GIE Hu Lease	Puteaux, France	50.0	
GIE Quatrieme Lease	Puteaux, France	33.3	
GMF German Mittelstand Fund GmbH i. L.	Frankfurt/Main, Germany	23.5	
GOPA Gesellschaft für Organisation, Planung und Ausbildung mbH	Bad Homburg v. d. Höhe, Germany	24.8	28.8
HAJOTARA Beteiligungsgesellschaft mbH & Co. Solarkraftwerke KG	Düsseldorf, Germany	6.0	30.0
Industriedruck Krefeld Kurt Janßen GmbH & Co KG	Krefeld, Germany	25.7	
Irving Place Co-Investment, L.P.	New York, New York, USA	37.7	50.0
Kapelaansdijk I BV	Amsterdam, Netherlands	25.0	
Koppelenweg I BV	Hoevelaken, Netherlands	33.3	
La Tasca Holdings Limited	Luton, United Kingdom	39.2	
Lerchesberg Grundstücks-Gesellschaft mbH i.L.	Frankfurt/Main, Germany	49.0	
MAECENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dortmund KG	Düsseldorf, Germany	5.0	33.3
MANICA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Neutraubling KG	Düsseldorf, Germany	5.0	50.0
MINERVA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Radolfzell KG	Düsseldorf, Germany	21.0	
MOLWANKUM Vermietungsgesellschaft mbH & Co. Objekt Landkreis Hildburghausen KG	Düsseldorf, Germany	6.0	29.0
MS "Meta" Stefan Patjens GmbH & Co. KG	Drochtersen, Germany	30.5	
NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Villingen-Schwenningen	Düsseldorf, Germany	0.0	50.0
NOSSIA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG	Pöcking, Germany	2.5	25.0
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kaiser-Karree KG	Grünwald, Germany		
OSCA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG i. L.	Grünwald, Germany	26.0	
Pinova GmbH & Co. Erste Beteiligungs KG	Munich, Germany	41.8	
PRUNA Betreiber GmbH	Grünwald, Germany	51.0	
RECAP Alta Phoenix Lofts Investment, L.P.	New York, New York, USA	50.0	
RECAP/Commerz Greenwich Park Investment, L.P	New York, New York, USA	50.0	
Rendite Partner Gesellschaft für Vermögensverwaltung mbH i. L.	Frankfurt/Main, Germany	33.3	
SCI L Argentiere	Grenoble, France	30.0	
SITA Immobilia GmbH & Co. KG	Cologne, Germany	5.1	50.0
Southwestern Co-Investment, L.P.	New York, New York, USA	50.0	
The World Markets Company GmbH i. L.	Frankfurt/Main, Germany	25.2	
True Sale International GmbH	Frankfurt/Main, Germany	23.1	

3. Jointly controlled entities

a) Jointly controlled entities in the Group financial statements accounted for using the equity method

Name	Registered office	Share of capital %	Voting rights (where different) %	Currency	Equity 1,000	Net profit or loss 1,000
Carbon Trade & Finance SICAR S.A.	Senningerberg, Luxembourg	50.0		EUR	−6,672	−11,423
Delphi I LLC	Wilmington, Delaware, USA	33.3		EUR	−400,161	−28,993
FV Holding S.A.	Brussels, Belgium	60.0		EUR	13,028	−3,650
Kaiserkarree S.a.r.l.	Luxembourg, Luxembourg	50.0		EUR	44,726	106

b) Jointly controlled entities in the Group financial statements not accounted for using the equity method due to their minor significance

Name	Registered office	Share of capital %	Voting rights (where different) %
Bonitos GmbH & Co. KG	Frankfurt/Main, Germany	50.0	
Bonitos Verwaltungs GmbH	Frankfurt/Main, Germany	50.0	
NULUX NUKEM LUXEMBURG GmbH	Luxembourg, Luxembourg	49.5	

4. Structured entities

a) Structured entities included in the Group financial statements pursuant to IFRS 10

Name	Registered office	Share of capital %	Voting rights (where different) %	Currency	Equity 1,000
Barrington II CDO Ltd.	George Town, Cayman Islands	0.0		USD	0
Barrington II LLC	Dover, Delaware, USA	0.0		USD	0
Beethoven Funding Corporation	Dover, Delaware, USA	0.0		USD	–76
Borromeo Finance S.r.l.	Milan, Italy	0.0		EUR	2,108
Bosphorus Capital Ltd.	Dublin, Ireland	0.0		EUR	588
Bosphorus Investments Limited	Dublin, Ireland	0.0		EUR	2,943
CB MezzCAP Limited Partnership	St. Helier, Jersey	0.0		EUR	0
CBK SICAV	Hesperange, Luxembourg	0.0		EUR	25,072
COCO Finance II–1 Ltd.	Dublin, Ireland	0.0		EUR	–151
CoSMO Finance II–1 Ltd.	Dublin, Ireland	0.0		EUR	–29
COSMO Finance II–2 Ltd.	Dublin, Ireland	0.0		EUR	–83
CoTraX Finance II–1 Ltd	Dublin, Ireland	0.0		EUR	0
Danube Delta PLC	Delaware, USA	0.0		USD	36,065
DOCK 100 GmbH & Co. KG	Berlin, Germany	0.0		EUR	–33,882
Global One Funding III LLC	Wilmington, Delaware, USA	0.0		USD	0
Green Loan Fund I	Luxembourg, Luxembourg	0.0		EUR	0
Greenway Infrastructure Capital Plc	St. Helier, Jersey	0.0		GBP	0
Greenway Infrastructure Fund	St. Helier, Jersey	0.0		GBP	0
HFR MF iQArts Master Trust	Hamilton, Bermuda	0.0		USD	0
Honeywell Grundbesitzverwaltungs-GmbH & Co. Vermietungs-KG	Grünwald, Germany	100.0	19.0	EUR	–15,949
Justine Capital SRL	Milan, Italy	0.0		EUR	1,357
KALMUS Grundstücks-Gesellschaft Objekt Erfurt mbH & Co. KG.	Grünwald, Germany	0.0		EUR	–1,291
LAMINA Grundstücks-Verwaltungs-gesellschaft mbH & Co. Objekt Leipzig KG	Grünwald, Germany	100.0	16.7	EUR	–7,693
Liffey (Emerald) Limited	Dublin, Ireland	0.0		EUR	0
Livingstone Mortgages Limited	London, United Kingdom	0.0		GBP	18,166
MERKUR Grundstücks-Gesellschaft Objekt Berlin Lange Straße mbH & Co. KG	Grünwald, Germany	3.9		EUR	–858
Metrofinanciera Warehousing 2007	Delaware, USA	0.0		USD	752
Pantheon Master Fund	Delaware, USA	0.0		USD	36,065
Plymouth Capital Limited	St. Helier, Jersey	0.0		EUR	1,637
Rügen I GmbH	Frankfurt/Main, Germany	0.0		EUR	26
SME Commerz SCB GmbH	Frankfurt/Main, Germany	0.0		EUR	27
Symphony No.2 Llc	Wilmington, Delaware, USA	0.0		USD	29
Symphony No.4 Llc	Dover, Delaware, USA	0.0		USD	0
Thames SPC	George Town, Cayman Islands	0.0		EUR	0
TS Co. mit One GmbH	Frankfurt/Main, Germany	0.0		EUR	0
TS Lago One GmbH	Frankfurt/Main, Germany	0.0		EUR	25
VFM Mutual Fund AG & Co. KG	Vaduz, Liechtenstein	0.0		USD	313,355
Viaduct Invest FCP – SIF	Luxembourg, Luxembourg	0.0		EUR	1,300

b) Structured entities not included in the Group financial statements pursuant to IFRS 10 due to their minor significance

Name	Registered office	Share of capital %	Voting rights (where different) %
Dock 100 Logistik GmbH	Berlin, Germany	0.0	
Gangrey Ltd	London, United Kingdom	0.0	
GRENADO Vermietungsgesellschaft mbH & Co. Objekt Brigachschiene KG	Grünwald, Germany	0.0	
HSC Life Policy Pooling S.A.R.L.	Luxembourg, Luxembourg	0.0	
MOLKANDIS Grundstücks-Vermietungs-gesellschaft bmH & Co. Objekt Kaltenkichen KG	Düsseldorf, Germany	0.0	
OLEANDRA Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Haar KG	Düsseldorf, Germany	0.0	
Opera Germany No. 2 plc.	Dublin, Ireland	0.0	
Opera Germany No. 3 Ltd.	Dublin, Ireland	0.0	
Protect Global Winner 2014	Luxembourg, Luxembourg	0.0	
TIGNARIS Beteiligungsgesellschaft mbH & Co. Objekt Burscheid KG	Düsseldorf, Germany	0.0	
TIGNARIS Beteiligungsgesellschaft mbH & Co. Objekt Kleve KG	Düsseldorf, Germany	0.0	

5. Special funds included in the Group financial statements pursuant to IFRS 10

Name	Registered office	Share of investor in fund %	Voting rights (where different) %	Currency	Funds volume 1,000	
Agate Assets S.A. S014	Luxembourg, Luxembourg	100.0		EUR	0	
CBK SICAV Skandia Shield	Luxembourg, Luxembourg	0.0		EUR	52,618	
CDBS-Cofonds	Frankfurt/Main, Germany	100.0		EUR	112,268	
CDBS-Cofonds II	Frankfurt/Main, Germany	100.0		EUR	94,836	
CDBS-Cofonds III	Frankfurt/Main, Germany	100.0		EUR	102,842	
CDBS-Cofonds IV	Frankfurt/Main, Germany	100.0		EUR	103,304	
ComStage ETF ATX® UCITS ETF	Luxembourg, Luxembourg	66.9		EUR	20,978	20)
ComStage ETF CAC 40® Leverage UCITS ETF	Luxembourg, Luxembourg	89.2		EUR	10,037	21)
ComStage ETF CAC 40® Short GR UCITS ETF	Luxembourg, Luxembourg	74.6		EUR	10,025	22)
ComStage ETF CAC 40® UCITS ETF	Luxembourg, Luxembourg	14.4		EUR	20,040	23)
ComStage ETF Commerzbank Bund-Future Double Short TR UCITS ETF	Luxembourg, Luxembourg	5.6		EUR	1,994	24)
ComStage ETF Commerzbank Bund-Future Leveraged TR UCITS ETF	Luxembourg, Luxembourg	86.9		EUR	50,200	25)
ComStage ETF Commerzbank Bund-Future Short TR UCITS ETF	Luxembourg, Luxembourg	8.3		EUR	50,309	26)
ComStage ETF Commerzbank Bund-Future TR UCITS ETF	Luxembourg, Luxembourg	91.2		EUR	42,500	27)
ComStage ETF Commerzbank Commodity ex-Agriculture EW Index TR UCITS ETF	Luxembourg, Luxembourg	10.0		USD	223,569	28)
ComStage ETF Commerzbank EONIA Index TR UCITS ETF	Luxembourg, Luxembourg	44.0		EUR	455,406	29)
ComStage ETF Commerzbank FED Funds Effective Rate Index TR UCITS ETF	Luxembourg, Luxembourg	33.0		USD	90,187	30)
ComStage ETF DAX® TR UCITS ETF	Luxembourg, Luxembourg	46.9		EUR	603,924	31)
ComStage ETF DivDAX® TR UCITS ETF	Luxembourg, Luxembourg	18.6		EUR	25,072	32)
ComStage ETF Dow Jones Industrial Average UCITS ETF	Luxembourg, Luxembourg	35.6		USD	123,412	33)
ComStage ETF EURO STOXX 50® Daily Leverage UCITS ETF	Luxembourg, Luxembourg	64.2		EUR	17,677	34)
ComStage ETF EURO STOXX 50® Daily Short GR UCITS ETF	Luxembourg, Luxembourg	70.8		EUR	40,079	35)
ComStage ETF EURO STOXX 50® NR UCITS ETF	Luxembourg, Luxembourg	17.5		EUR	220,536	36)
ComStage ETF EURO STOXX® Select Dividend 30 NR UCITS ETF	Luxembourg, Luxembourg	26.9		EUR	150,833	37)
ComStage ETF F.A.Z. Index UCITS ETF	Luxembourg, Luxembourg	69.0		EUR	31,436	38)
ComStage ETF FR DAX® UCITS ETF	Luxembourg, Luxembourg	18.0		EUR	21,471	39)
ComStage ETF FR EURO STOXX 50® UCITS ETF	Luxembourg, Luxembourg	7.3		EUR	12,908	40)
ComStage ETF FTSE 100 TR UCITS ETF	Luxembourg, Luxembourg	43.5		GBP	8,230	41)
ComStage ETF FTSE China A50 UCITS ETF (ETF024)	Luxembourg, Luxembourg	100.0		EUR	50,077	
ComStage ETF HSCEI UCITS ETF	Luxembourg, Luxembourg	29.2		HKD	188,423	42)
ComStage ETF HSI UCITS ETF	Luxembourg, Luxembourg	48.7		HKD	94,988	43)
ComStage ETF iBOXX ? Germany Covered Capped 3–5 TR UCITS ETF	Luxembourg, Luxembourg	50.5		EUR	60,026	44)
ComStage ETF iBOXX ? Germany Covered Capped 5–7 TR UCITS ETF	Luxembourg, Luxembourg	97.7		EUR	14,948	45)

Name	Registered office	Share of investor in fund %	Voting rights (where different) %	Currency	Funds volume 1,000	
ComStage ETF iBOXX ? Germany Covered Capped 7–10 TR UCITS ETF	Luxembourg, Luxembourg	75.9		EUR	10,016	46)
ComStage ETF iBOXX ? Germany Covered Capped Overall TR UCITS ETF	Luxembourg, Luxembourg	89.5		EUR	10,059	47)
ComStage ETF iBOXX ? Liquid Sovereigns Diversified 10–15 TR UCITS ETF	Luxembourg, Luxembourg	99.4		EUR	10,058	48)
ComStage ETF iBOXX ? Liquid Sovereigns Diversified 1–3 TR UCITS ETF	Luxembourg, Luxembourg	25.7		EUR	281,008	49)
ComStage ETF iBOXX ? Liquid Sovereigns Diversified 15+ TR UCITS ETF	Luxembourg, Luxembourg	83.3		EUR	10,101	50)
ComStage ETF iBOXX ? Liquid Sovereigns Diversified 25+ TR UCITS ETF	Luxembourg, Luxembourg	97.3		EUR	10,003	51)
ComStage ETF iBOXX ? Liquid Sovereigns Diversified 3–5 TR UCITS ETF	Luxembourg, Luxembourg	93.2		EUR	160,389	52)
ComStage ETF iBOXX ? Liquid Sovereigns Diversified 3m–1 TR UCITS ETF	Luxembourg, Luxembourg	39.6		EUR	150,204	53)
ComStage ETF iBOXX ? Liquid Sovereigns Diversified 5–7 TR UCITS ETF	Luxembourg, Luxembourg	48.3		EUR	10,152	54)
ComStage ETF iBOXX ? Liquid Sovereigns Diversified 7–10 TR UCITS ETF	Luxembourg, Luxembourg	92.3		EUR	29,975	55)
ComStage ETF iBOXX ? Liquid Sovereigns Diversified Overall TR UCITS ETF	Luxembourg, Luxembourg	0.7		EUR	35,049	56)
ComStage ETF iBOXX ? Sovereigns Germany Capped 10+ TR UCITS ETF	Luxembourg, Luxembourg	97.2		EUR	10,071	57)
ComStage ETF iBOXX ? Sovereigns Germany Capped 1–5 TR UCITS ETF	Luxembourg, Luxembourg	91.6		EUR	69,275	58)
ComStage ETF iBOXX ? Sovereigns Germany Capped 3m–2 TR UCITS ETF	Luxembourg, Luxembourg	93.7		EUR	30,640	59)
ComStage ETF iBOXX ? Sovereigns Germany Capped 5–10 TR UCITS ETF	Luxembourg, Luxembourg	64.5		EUR	74,528	60)
ComStage ETF iBOXX ? Sovereigns Inflation-Linked Euro-Inflation TR UCITS ETF	Luxembourg, Luxembourg	59.2		EUR	32,728	61)
ComStage ETF MSCI EM Eastern Europe TRN UCITS ETF	Luxembourg, Luxembourg	64.1		USD	20,385	62)
ComStage ETF MSCI Emerging Markets Leveraged 2x Daily TRN UCITS ETF	Luxembourg, Luxembourg	57.8		USD	9,166	63)
ComStage ETF MSCI Emerging Markets TRN UCITS ETF	Luxembourg, Luxembourg	72.2		USD	129,722	64)
ComStage ETF MSCI EMU TRN UCITS ETF	Luxembourg, Luxembourg	86.8		USD	202,583	65)
ComStage ETF MSCI Europe Large Cap TRN UCITS ETF	Luxembourg, Luxembourg	94.4		USD	32,713	66)
ComStage ETF MSCI Europe Mid Cap TRN UCITS ETF	Luxembourg, Luxembourg	42.0		USD	10,101	67)
ComStage ETF MSCI Europe Small Cap TRN UCITS ETF	Luxembourg, Luxembourg	10.9		USD	10,011	68)
ComStage ETF MSCI Europe TRN UCITS ETF	Luxembourg, Luxembourg	89.1		USD	22,125	69)
ComStage ETF MSCI Japan TRN UCITS ETF	Luxembourg, Luxembourg	64.9		USD	18,538	70)
ComStage ETF MSCI North America TRN UCITS ETF	Luxembourg, Luxembourg	28.2		USD	86,030	71)
ComStage ETF MSCI Pacific ex Japan TRN UCITS ETF	Luxembourg, Luxembourg	50.6		USD	24,368	72)
ComStage ETF MSCI Pacific TRN UCITS ETF	Luxembourg, Luxembourg	18.7		USD	39,248	73)
ComStage ETF MSCI Russia 30 % Capped TRN UCITS ETF	Luxembourg, Luxembourg	65.8		USD	9,734	74)

Name	Registered office	Share of investor in fund %	Voting rights (where different) %	Currency	Funds volume 1,000	
ComStage ETF MSCI Taiwan TRN UCITS ETF	Luxembourg, Luxembourg	87.5		USD	23,496	75)
ComStage ETF MSCI USA Large Cap TRN UCITS ETF	Luxembourg, Luxembourg	8.7		USD	10,393	76)
ComStage ETF MSCI USA Mid Cap TRN UCITS ETF	Luxembourg, Luxembourg	42.0		USD	10,410	77)
ComStage ETF MSCI USA Small Cap TRN UCITS ETF	Luxembourg, Luxembourg	10.9		USD	25,623	78)
ComStage ETF MSCI USA TRN UCITS ETF	Luxembourg, Luxembourg	23.5		USD	189,853	79)
ComStage ETF MSCI World TRN UCITS ETF	Luxembourg, Luxembourg	31.0		USD	326,003	80)
ComStage ETF MSCI World with EM Exposure Net UCITS ETF (ETF130)	Luxembourg, Luxembourg	98.5		EUR	49,499	
ComStage ETF Nasdaq– 100® UCITS ETF	Luxembourg, Luxembourg	17.2		USD	69,778	81)
ComStage ETF Nikkei 225® UCITS ETF	Luxembourg, Luxembourg	39.0		JPY	13,476,991	82)
ComStage ETF NYSE Arca Gold BUGS UCITS ETF	Luxembourg, Luxembourg	15.4		USD	30,177	83)
ComStage ETF PSI 20® Leverage UCITS ETF	Luxembourg, Luxembourg	72.9		EUR	10,006	84)
ComStage ETF PSI 20® UCITS ETF	Luxembourg, Luxembourg	37.1		EUR	13,500	85)
ComStage ETF S&P 500 UCITS ETF	Luxembourg, Luxembourg	61.4		USD	91,266	86)
ComStage ETF S&P SMIT 40 Index TRN UCITS ETF	Luxembourg, Luxembourg	68.5		EUR	30,459	87)
ComStage ETF SDAX® TR UCITS ETF	Luxembourg, Luxembourg	54.2		EUR	50,268	88)
ComStage ETF ShortDAX® TR UCITS ETF	Luxembourg, Luxembourg	20.5		EUR	26,704	89)
ComStage ETF SMI® UCITS ETF	Luxembourg, Luxembourg	42.9		CHF	51,145	90)
ComStage ETF SPI® TR UCITS ETF	Luxembourg, Luxembourg	73.9		CHF	30,109	91)
ComStage ETF STOXX® Europe 600 Automobiles & Parts NR UCITS ETF	Luxembourg, Luxembourg	62.6		EUR	18,073	92)
ComStage ETF STOXX® Europe 600 Banks NR UCITS ETF	Luxembourg, Luxembourg	4.5		EUR	67,795	93)
ComStage ETF STOXX® Europe 600 Basic Resources NR UCITS ETF	Luxembourg, Luxembourg	53.2		EUR	60,708	94)
ComStage ETF STOXX® Europe 600 Chemicals NR UCITS ETF	Luxembourg, Luxembourg	75.1		EUR	20,237	95)
ComStage ETF STOXX® Europe 600 Construction & Materials NR UCITS ETF	Luxembourg, Luxembourg	92.2		EUR	20,522	96)
ComStage ETF STOXX® Europe 600 Financial Services NR UCITS ETF	Luxembourg, Luxembourg	78.4		EUR	25,116	97)
ComStage ETF STOXX® Europe 600 Food & Beverage NR UCITS ETF	Luxembourg, Luxembourg	58.3		EUR	40,704	98)
ComStage ETF STOXX® Europe 600 Health Care NR UCITS ETF	Luxembourg, Luxembourg	52.1		EUR	50,523	99)
ComStage ETF STOXX® Europe 600 Industrial Goods & Services NR UCITS ETF	Luxembourg, Luxembourg	76.4		EUR	18,149	100)
ComStage ETF STOXX® Europe 600 Insurance NR UCITS ETF	Luxembourg, Luxembourg	79.7		EUR	35,320	101)
ComStage ETF STOXX® Europe 600 Media NR UCITS ETF	Luxembourg, Luxembourg	68.1		EUR	18,125	102)
ComStage ETF STOXX® Europe 600 NR UCITS ETF	Luxembourg, Luxembourg	22.0		EUR	114,300	103)
ComStage ETF STOXX® Europe 600 Oil & Gas NR UCITS ETF	Luxembourg, Luxembourg	68.0		EUR	50,443	104)
ComStage ETF STOXX® Europe 600 Personal & Household Goods NR UCITS ETF	Luxembourg, Luxembourg	60.4		EUR	20,131	105)

Name	Registered office	Share of investor in fund %	Voting rights (where different) %	Currency	Funds volume 1,000	
ComStage ETF STOXX® Europe 600 Real Estate NR UCITS ETF	Luxembourg, Luxembourg	58.7		EUR	10,078	106)
ComStage ETF STOXX® Europe 600 Retail NR UCITS ETF	Luxembourg, Luxembourg	92.0		EUR	15,085	107)
ComStage ETF STOXX® Europe 600 Technology NR UCITS ETF	Luxembourg, Luxembourg	87.9		EUR	30,045	108)
ComStage ETF STOXX® Europe 600 Telecommunications NR UCITS ETF	Luxembourg, Luxembourg	52.9		EUR	30,005	109)
ComStage ETF STOXX® Europe 600 Travel & Leisure NR UCITS ETF	Luxembourg, Luxembourg	70.2		EUR	14,974	110)
ComStage ETF STOXX® Europe 600 Utilities NR UCITS ETF	Luxembourg, Luxembourg	66.6		EUR	60,087	111)
ComStage ETF TOPIX® UCITS ETF	Luxembourg, Luxembourg	78.2		JPY	2,490,897	112)
ComStage SICAV	Luxembourg, Luxembourg	59.4		EUR	25,072	113)
Olympic Investment Fund II	Luxembourg, Luxembourg	100.0		EUR	2,414,464	
OP-Fonds CDBS V1	Luxembourg, Luxembourg	100.0		EUR	97,857	
Premium Management Immobilien-Anlagen	Frankfurt/Main, Germany	95.2		EUR	416,591	

6. Unconsolidated structured entities pursuant to IFRS 10 (information pursuant to IFRS 12.24)

Name	Registered office	Share of capital %	Voting rights (where different) %
ABELASSA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Witt Weiden KG	Düsseldorf, Germany	0.0	50.0
ACOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf Kasernenstraße KG	Düsseldorf, Germany	1.0	50.0
Active Trading Limited	Dublin, Ireland		
Agate Assets S.A. (Host)	Luxembourg, Luxembourg		
AGF Alternative Holdings Partenaires	Paris, France		
AIG MEZZVEST INVESTMENTS II, LIMITED	St. Helier, Jersey		114)
ALCARDA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Tübingen KG	Düsseldorf, Germany		
Alchemy Capital PLC	Dublin, Ireland		
Alexandria Capital Plc	Dublin, Ireland		
Alexandria, silo 2007–1	Dublin, Ireland		
Alexandria, silo 2007–3	Dublin, Ireland		
ALFUTURA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte Hessen KG	Düsseldorf, Germany	0.0	50.0
Amundi Absolute Return Aggregate Fund A EUR	Dublin, Ireland		
Amundi Absolute Return Harmony A EUR	Luxembourg, Luxembourg		
Amundi Absolute Return Intense Fund Class A	Dublin, Ireland		
AS Finance Inc.	Grand Cayman, Cayman Islands		
ASERTUNA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Schülke-Mayr KG	Düsseldorf, Germany	0.0	50.0
Asset Securitisation Programme for Insured Receivables Ltd. (ASPIRE)	Dublin, Ireland		
Belmont Fixed Income Ltd.	Grand Cayman, Cayman Islands		
Benchmark Alternative Investment Fund (Class C)	Dublin, Ireland		
Blue Inc.	Grand Cayman, Cayman Islands		
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Bottrop KG	Düsseldorf, Germany		
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Ochsenfurt KG	Düsseldorf, Germany		
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Peguform Weiden KG	Grünwald, Germany		
Caduceus Compartment 1	Luxembourg, Luxembourg		
Caduceus Compartment 2	Luxembourg, Luxembourg		
Caduceus Compartment 3	Luxembourg, Luxembourg		
Carbo Finance Inc.	Grand Cayman, Cayman Islands		
CB MezzCAP Limited	St. Helier, Jersey		
Cerberus International SPV	Nassau, Bahamas		
Cheyne Multistrategy Fund Inc	Grand Cayman, Cayman Islands		
Cheyne Special Sitiation Fund Inc	George Town, Cayman Islands		

Name	Registered office	Share of capital %	Voting rights (where different) %
Circular Quay Schifffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany		
Commerz Immobilien Vermietungsgesellschaft mbH	Düsseldorf, Germany	10.0	
Compagnia Finanziaria 1 S.r.l	Milan, Italy		
Comtesse CTC Limited	London, United Kingdom	10.0	0.0
Comtesse JTB Ltd	London, United Kingdom	10.0	0.0
Corn Finance Inc.	Grand Cayman, Cayman Islands		
CoSMO Finance 2007–1 Ltd.	Dublin, Ireland		
CoSMO Finance 2008–1 Ltd.	Dublin, Ireland		
CPIM Structured Credit Fund 1000	George Town, Cayman Islands		
Dominion DX Evolution	St. Peter Port, Guernsey		
DRABELA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Stade KG	Düsseldorf, Germany		
DRAFIS Limited	Grand Cayman, Cayman Islands		
DREDOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin KG	Düsseldorf, Germany		
DREFLORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Schwenningen KG	Düsseldorf, Germany		
DRELARA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Freiburg KG	Düsseldorf, Germany		
DRELOSINA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ivenack KG	Düsseldorf, Germany		
DRENITA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fertigung Dräger Medizintechnik KG	Düsseldorf, Germany		
Dresdner Funding Trust I.	Delaware, USA		
Dresdner Funding Trust IV.	Delaware, USA		
DREVERA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Greven KG	Düsseldorf, Germany		
Ecofin Global Utilities Hedge Fund Limited	St. Helier, Jersey		
edding AG & Co. Grundstücksverwaltung OHG	Düsseldorf, Germany	0.0	50.0
Enhanced Investing Corp (II) Ltd	George Town, Cayman Islands		
Enhanced Investing Corp Ltd	George Town, Cayman Islands		
Epic Opera (Arlington) Ltd.	Dublin, Ireland		
FAF Inc.	George Town, Cayman Islands		
Feather Lease S.à r.l.	Luxembourg, Luxembourg		
FORNAX Kraftwerk-Beteiligungsgesellschaft mbH & Co. Objekt Knapsack KG	Grünwald, Germany		
FUCATUS Vermietungsgesellschaft mbH & Co. Objekt Schwalbach Kommanditgesellschaft	Düsseldorf, Germany		
FUNGOR Vermietungsgesellschaft mbH	Düsseldorf, Germany	43.6	
Glastonbury Finance 2007–1 plc	Dublin, Ireland		
Golden Tree Offshore Fund Ltd	George Town, Cayman Islands		
Goldman Sachs Multi-Strategy Portfolio – Series E	George Town, Cayman Islands		
Goldman Sachs Multi-Strategy Portfolio – Series S	George Town, Cayman Islands		
Goldman Sachs Multi-Strategy Portfolio (Class B/E)	Grand Cayman, Cayman Islands		

Name	Registered office	Share of capital %	Voting rights (where different) %
GRADARA Vermietungsgesellschaft mbH & Co. Objekt Neu-Ulm KG	Grünwald, Germany		
GRAMEDA Vermietungsgesellschaft mbH	Grünwald, Germany	50.0	
GRAMINA Vermietungsgesellschaft mbH & Co. Objekt München Triebstraße KG	Grünwald, Germany		
GRATNOMA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Itzehoe KG	Grünwald, Germany		
GRATNOMA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rendsburg KG	Grünwald, Germany		
Greenway Dedicated Opportunities	Dublin, Ireland		
Greenway Infrastructure Capital Holding Ltd	London, United Kingdom		
GREMBERTA Vermietungsgesellschaft mbH	Grünwald, Germany		
GRETANA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt D 19 KG	Grünwald, Germany		
GRISLEVA Vermietungsgesellschaft mbh	Grünwald, Germany	50.0	
GRUNATA Vermietungsgesellschaft mbH & Co. Objekt Knautnaundorf KG	Grünwald, Germany		
Harbinger L LBS1	George Town, Cayman Islands		
Harbinger L S2	George Town, Cayman Islands		
Harbinger PE S1	George Town, Cayman Islands		
Highland Credit Strategies Fund Ltd Class A II Non Eligible Series 11	Hamilton, Bermuda		
Highland Credit Strategies Fund Ltd. 10	Hamilton, Bermuda		
HQ Trust Kensington Ltd.	George Town, Cayman Islands		
HT1 Funding GmbH	Frankfurt/Main, Germany		
Idilias SPC (Silo V)	Grand Cayman, Cayman Islands		
Idilias SPC (Silo VIII)	Grand Cayman, Cayman Islands		
Idilias SPC Inc. (Host)	George Town, Cayman Islands		
Innovation Strategies Inc.	Grand Cayman, Cayman Islands		
ITF Finance Inc.	Grand Cayman, Cayman Islands		
Kaiserplatz Purchaser No. 15 Ltd.	St. Helier, Jersey		
Kaiserplatz Purchaser No. 17 Ltd	St. Helier, Jersey		
Kaiserplatz Purchaser No. 6 Ltd.	St. Helier, Jersey		
KAS e.V. & Co. KG	Sankt Augustin, Germany		115)
Kedge Capital Select Funds Ltd. Sedna no.1 Fund USD Class A	St. Helier, Jersey		
Kenmar Global Resource Fund SPC Ltd Segregated Portfolio Class F Initial	George Town, Cayman Islands		
Leiber Immobilien GmbH & Co. KG	Düsseldorf, Germany	0.1	2.0
LIDA Inc.	Grand Cayman, Cayman Islands		
LIVIDA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Landesfunkhaus Erfurt KG	Erfurt, Germany		
LIVIDA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Polizei Nordhausen KG	Erfurt, Germany		

Name	Registered office	Share of capital %	Voting rights (where different) %
Longacre SPV I Ltd 0109–2010– 692	George Town, Cayman Islands		
Lorica Fund Class B (SP39)	George Town, Cayman Islands		
Loxodrome Inc.	Grand Cayman, Cayman Islands		
LUTEA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Flöha KG	Berlin, Germany		
MARBINO Vermietungsgesellschaft mbH & Co. Objekt BBS Stade KG	Düsseldorf, Germany		
Marie Lease S.à r.l.	Luxembourg, Luxembourg	49.0	
MARLINTA Vermietungsgesellschaft mbH & Co. Objekt Norden KG	Düsseldorf, Germany		
MAROLA Vermietungsgesellschaft mbH & Co. Objekt Essen KG	Düsseldorf, Germany	0.1	50.0
Max Lease S.à.r.l. & Cie. Secs	Luxembourg, Luxembourg	100.0	
Mercedes-Benz AG & Co. Grundstücksvermietung Objekte Leipzig und Magdeburg KG	Düsseldorf, Germany		
MidCABS Ltd.	St. Helier, Jersey		
MITEC engine.tec gmbh & Co. Objekt Krauthausen KG	Eisenach, Germany	0.5	45.0
MOBI Finance Inc.	Grand Cayman, Cayman Islands		
MOLANA Vermietungsgesellschaft mbH & Co. Objekt Gymnasium Harsefeld KG	Düsseldorf, Germany		
MOLANA Vermietungsgesellschaft mbH & Co. Objekt Verwaltungsgebäude Hannover KG	Düsseldorf, Germany		
MOLANCONA Vermietungsgesellschaft mbH & Co. Objekt Stuttgart KG	Düsseldorf, Germany		
MOLANKA Vermietungsgesellschaft mbH & Co. Objekt Duisport KG	Düsseldorf, Germany	0.1	2.0
MOLARGA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt JVA Neustrelitz KG	Schwerin, Germany		
MOLARINA Vermietungsgesellschaft mbH & Co. Objekt Eisemann KG	Düsseldorf, Germany	0.1	2.0
MOLASSA Vermietungsgesellschaft mbH & Co. Objekt Herten KG	Düsseldorf, Germany		
Molathina Vermietungsgesellschaft mbH & Co. Objekt Rostock KG	Düsseldorf, Germany	0.1	50.0
MOLBARVA Vermietungsgesellschaft mbH & Co. Objekt Augsburg KG	Düsseldorf, Germany		
MOLBERA Vermietungsgesellschaft mbH & Co. Objekt Aalen KG	Düsseldorf, Germany	0.1	50.0
MOLBERNO Vermietungsgesellschaft mbH & Co. Objekt Pirmasens KG	Grünwald, Germany		
MOLBONA Vermietungsgesellschaft mbH & Co. Objekt Schulgebäude Stade KG	Berlin, Germany		
MOLCORA Vermietungsgesellschaft mbH & Co. Objekt Heidelberg KG	Düsseldorf, Germany		
MOLDANUM Vermietungsgesellschaft mbH & Co. FS Deutschland KG	Düsseldorf, Germany		
MOLDARA Vermietungsgesellschaft mbH & Co. Objekt Rottweil KG	Düsseldorf, Germany	0,1	2,0
MOLDOMA Vermietungsgesellschaft mbH & Co. Objekt Augsburg KG	Düsseldorf, Germany	100.0	50.0
MOLDOSSA Vermietungsgesellschaft mbH & Co. FS Schleswig-Holstein KG	Düsseldorf, Germany		
MOLFENNA Vermietungsgesellschaft mbH & Co. Objekt Neu Wulmstorf KG	Düsseldorf, Germany		
MOLFINO Vermietungsgesellschaft mbH & Co. Objekt Holzkontor Preussen KG	Berlin, Germany		
MOLFOKKA Vermietungsgesellschaft mbH & Co. Objekt Heusenstamm KG	Düsseldorf, Germany		
MOLFRIEDA Vermietungsgesellschaft mbH & Co. Objekt Wesel KG	Düsseldorf, Germany	0,1	50.0

Name	Registered office	Share of capital %	Voting rights (where different) %
MOLGERBA Vermietungsgesellschaft mbH & Co. Objekt Albrechts KG	Düsseldorf, Germany	0.0	2.0
MOLIGELA Vermietungsgesellschaft mbH & Co. Objekt Celle KG	Düsseldorf, Germany		
MOLIGO Vermietungsgesellschaft mbH & Co. Objekte Schulsanierungen Rostock KG	Rostock, Germany		
MOLISTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gesamtschule Peine KG	Düsseldorf, Germany		
MOLISTA Grundstücks-Vermietungsgesellschaft mbH & Co. Operative Kliniken Leipzig KG	Berlin, Germany		
MOLITA Vermietungsgesellschaft mbH & Co. Objekt Klinikum Barmbek KG	Hannover, Germany		
MOLITA Vermietungsgesellschaft mbH & Co. Objekt Messe Hamburg KG	Hamburg, Germany	0.0	51.0
MOLITA Vermietungsgesellschaft mbH & Co. Objekt TPFZ Hannover KG	Hannover, Germany		
MOLKIRA Vermietungsgesellschaft mbH & Co. Objekt Herten KG	Düsseldorf, Germany	0.1	50.0
MOLKRIMA Vermietungsgesellschaft mbH & Co. Objekt Triptis KG	Düsseldorf, Germany	0.1	50.0
MOLMELFI Vermietungsgesellschaft mbH & Co. Objekt Burghausen KG	Düsseldorf, Germany	100.0	51.0
MOLPATRA Vermietungsgesellschaft mbH & Co. Objekt Münnerstadt KG	Düsseldorf, Germany		
MOLPETTO Vermietungsgesellschaft mbH & Co. Objekt Bracht KG	Düsseldorf, Germany		
MOLPIKA Vermietungsgesellschaft mbH & Co. Objekt Tuttlingen KG	Düsseldorf, Germany	0.1	50.0
MOLPIREAS Vermietungsgesellschaft mbH & Co. Objekt Heilbronn KG	Düsseldorf, Germany		
MOLPLANTA Vermietungsgesellschaft mbH & Co. Objekt cold oak KG	Düsseldorf, Germany		
MOLPRIMA Vermietungsgesellschaft mbH & Co. Objekt Dampferzeuger 5 Amsdorf KG	Halle, Germany		
MOLRATUS Vermietungsgesellschaft mbH & Co. Objekt Loxstedt KG	Düsseldorf, Germany	0.0	85.0
MOLRAWIA Vermietungsgesellschaft mbH & Co. Objekt Bad Honnef KG	Düsseldorf, Germany		
MOLRESTIA Vermietungsgesellschaft mbH & Co. Objekt TKA Varel KG	Düsseldorf, Germany		
MOLROSSI Vermietungsgesellschaft mbH & Co. Objekt Eitorf KG	Düsseldorf, Germany	0.3	1.0
MOLSANTA Vermietungsgesellschaft mbH & Co. Objekt BSS Mühlheim KG	Düsseldorf, Germany		
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Aries KG	Grünwald, Germany	98.5	49.0
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf Hohe Straße KG	Grünwald, Germany	98.5	49.0
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Geminus KG	Grünwald, Germany	98.5	49.0
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Halle Markt 11 KG	Grünwald, Germany	98.5	49.0
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Halle Riegel KG	Grünwald, Germany	98.5	49.0
MOLSTINA Vermietungsgesellschaft mbH & Co. Objekt Stuttgart KG	Düsseldorf, Germany	0.1	50.0
MOLTANDO Vermietungsgesellschaft mbH & Co. Objekt Kassel KG	Düsseldorf, Germany		
MOLTIVOLA Vermietungsgesellschaft mbH & Co. Objekt Gladbeck KG	Düsseldorf, Germany		
MOLTUNA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lilienthal KG	Düsseldorf, Germany	0.1	2.0
MOLTUNIS Vermietungsgesellschaft mbH & Co. Objekt Tübingen KG	Düsseldorf, Germany		
MOLVENTO Vermietungsgesellschaft mbH & Co. Objekt VW-Zentrum Essen KG	Düsseldorf, Germany		

Name	Registered office	Share of capital %	Voting rights (where different) %
MOLVINA Vermietungsgesellschaft mbH & Co. Objekt Finkenstraße KG	Düsseldorf, Germany		
MOLWARGA Vermietungsgesellschaft mbH & Co. Objekt Aue KG	Düsseldorf, Germany	4.6	25.0
Monaco Real Estate Fund	Monaco, Monaco		
Montpellier Distribution Fund	Hamilton, Bermuda		
More Global Inc.	George Town, Cayman Islands		
MS "Pinara" GmbH & Co KG	Rostock, Germany		
NASH Princenhof B.V.	Breda, Netherlands	19.0	
NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Erlangen KG	Düsseldorf, Germany	10.0	50.0
NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Landau KG	Düsseldorf, Germany	5.0	55.0
NL Finance Inc.	Grand Cayman, Cayman Islands		
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Castrop-Rauxel KG	Düsseldorf, Germany	0.0	50.0
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gelsenkirchen KG	Düsseldorf, Germany	0.0	50.0
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Groß-Kienitz OHG	Düsseldorf, Germany	0.0	50.0
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Langenau KG	Düsseldorf, Germany	0.0	50.0
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Weingarten KG	Grünwald, Germany		
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Weishaupt OHG	Düsseldorf, Germany	0.0	50.0
NOSCO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Alzey KG	Mainz, Germany	0.0	50.0
NOTARIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	10.0	
NOTITIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Technologiepark Adlershof KG	Berlin, Germany	0.0	50.0
Octagon Ltd (Silo Host)	George Town, Cayman Islands		
Octagon Ltd – Silo 3 (2004-02)	George Town, Cayman Islands		
Octagon Ltd – Silo 5 (2005-03)	George Town, Cayman Islands		
Octagon Ltd – Silo 6 (2005-04)	George Town, Cayman Islands		
Octagon Ltd – Silo 7 (2006-01)	George Town, Cayman Islands		
Octagon Ltd – Silo 8 (2004-03 Camber IV)	George Town, Cayman Islands		
One Riverside Drive Windsor L.P.	Montreal, Quebec, Canada		
Opera Finance (CMH)	Dublin, Ireland		
Opera Finance (CSC 3)	London, United Kingdom		
Opera Finance (MetroCenter)	London, United Kingdom		
PADA Finance Inc.	Grand Cayman, Cayman Islands		
Paradigm Equities Limited (CLASS B/C)	Road Town, British Virgin Islands		
Patella Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heizkraftwerk Lutherstadt Wittenberg KG	Berlin, Germany		
PATELLA Vermietungsgesellschaft mbH & Co. Objekt Bäderzentrum Cottbus KG	Berlin, Germany		

Name	Registered office	Share of capital %	Voting rights (where different) %
PATELLA Vermietungsgesellschaft mbH & Co. Objekt Bibliothek Berlin KG	Berlin, Germany		
PATELLA Vermietungsgesellschaft mbH & Co. Objekt Collegium Hungaricum KG	Berlin, Germany		
PATELLA Vermietungsgesellschaft mbH & Co. Objekt Pulvermühle KG	Berlin, Germany		
PATELLA Vermietungsgesellschaft mbH & Co. Objekt Technikmuseum KG	Berlin, Germany		
PCL Greenwich	Grand Cayman, Cayman Islands		
Permal Fixed Income Holdings NV	Willemstand, Netherlands Antilles		
Permal Macro Holdings	Road Town, British Virgin Islands		
Plainfield Liquidating Ltd 2008	George Town, Cayman Islands		
Plainfield Liquidating Ltd 2009	George Town, Cayman Islands		
PMA Credit Opportunities feeder Fund CI Accu Sh (USD non US Fdr)	George Town, Cayman Islands		
Portland Capital Ltd.	St. Helier, Jersey		
PROVIDE GEMS 2002–1	Dublin, Ireland		
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Friedrichshafen KG	Düsseldorf, Germany	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kraichtal KG	Düsseldorf, Germany	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lichtenau KG	Düsseldorf, Germany	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt München KG	Düsseldorf, Germany	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt München-Haar KG	Düsseldorf, Germany	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Oberhausen KG	Düsseldorf, Germany	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Vaihingen KG	Düsseldorf, Germany	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte Kleinmachnow/Mölln KG	Düsseldorf, Germany	0.0	42.0
RCL Securisation GmbH	Frankfurt/Main, Germany		
RIVALIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Polizeipräsidium Bremen KG	Düsseldorf, Germany		
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Heilbronn KG	Düsseldorf, Germany	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Logistikobjekt Schweinfurt KG	Düsseldorf, Germany	2.5	35.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Baden-Airpark KG	Düsseldorf, Germany	50.0	65.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bankakademie KG	Düsseldorf, Germany	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dettingen KG	Düsseldorf, Germany		
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ettlingen KG	Grünwald, Germany		

Name	Registered office	Share of capital %	Voting rights (where different) %
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fischerwerke KG	Düsseldorf, Germany	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Frechen KG	Düsseldorf, Germany		
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gerlingen KG	Düsseldorf, Germany	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gutenbergstraße KG	Düsseldorf, Germany	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gymnasium Buchholz KG	Düsseldorf, Germany		
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Haßfurt KG	Düsseldorf, Germany	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heimstetten KG	Grünwald, Germany		
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Holzstraße KG	Düsseldorf, Germany	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kahl KG	Düsseldorf, Germany	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Maritim Stuttgart KG	Grünwald, Germany		
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Moers KG	Düsseldorf, Germany	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Neckarkanal KG	Düsseldorf, Germany	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Oberhaching KG	Grünwald, Germany		
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ochsenfurt KG	Düsseldorf, Germany		
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Peugeot KG	Düsseldorf, Germany		
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Pforzheim KG	Düsseldorf, Germany	0.5	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Recklinghausen KG	Düsseldorf, Germany		
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Singen KG	Düsseldorf, Germany	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Obj. Am Hammergarten KG	Düsseldorf, Germany	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bad Schönborn KG	Düsseldorf, Germany	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dieselstraße KG	Grünwald, Germany		
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt FINOVA KG	Düsseldorf, Germany	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fulda-West KG	Grünwald, Germany		
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Garching KG	Düsseldorf, Germany	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kässbohrer KG	Düsseldorf, Germany	0.0	50.0

Name	Registered office	Share of capital %	Voting rights (where different) %
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kelsterbach KG	Düsseldorf, Germany	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Logistik-Center Heilbronn KG	Düsseldorf, Germany	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Metzingen KG	Grünwald, Germany		
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Neustadt-Schwaig KG	Grünwald, Germany		
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Offenbach KG	Düsseldorf, Germany	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Saarbrücken KG	Grünwald, Germany		
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt BURDA Medien Park KG	Düsseldorf, Germany	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt BURDA Offenburg KG	Düsseldorf, Germany	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Essen KG	Düsseldorf, Germany	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ettlingen KG	Düsseldorf, Germany	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fenepark Kempten KG	Düsseldorf, Germany	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Genshagen KG	Grünwald, Germany		
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gründau-Lieblos KG	Düsseldorf, Germany	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hannover-Stöcken KG	Grünwald, Germany		
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hüttenheim KG	Düsseldorf, Germany	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Köngen KG	Düsseldorf, Germany	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Maichingen KG	Düsseldorf, Germany	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Oelkinghausen KG	Düsseldorf, Germany	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Offenburg KG	Düsseldorf, Germany	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ratingen KG	Düsseldorf, Germany	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Römerberg KG	Düsseldorf, Germany	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Schwalbach KG	Düsseldorf, Germany	6.6	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Schweinfurt KG	Düsseldorf, Germany	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Wustermark KG	Düsseldorf, Germany	0.0	50.0
ROSINTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Haus der Schiffahrt KG	Düsseldorf, Germany	0.0	50.0

Name	Registered office	Share of capital %	Voting rights (where different) %
ROSINTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kürnach KG	Düsseldorf, Germany	0.0	50.0
ROSINTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Möbel Wallach Celle KG	Düsseldorf, Germany	0.0	50.0
ROSINTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Nürnberg KG	Düsseldorf, Germany	0.0	50.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Alzenau KG	Düsseldorf, Germany	0.0	50.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf KG	Düsseldorf, Germany	0.0	50.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hafenhaus Lübeck KG	Düsseldorf, Germany	0.0	50.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heddernheim KG	Düsseldorf, Germany	94.0	65.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lünen/Soest KG	Düsseldorf, Germany	0.0	50.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Reutlingen KG	Düsseldorf, Germany		
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Wetzlar KG	Düsseldorf, Germany		
Ryder Square Limited	St. Helier, Jersey		
Semper Finance 2006–1 Ltd.	St. Helier, Jersey		
Semper Finance 2007–1 GmbH	Frankfurt/Main, Germany		
Shannon Capital plc.	Dublin, Ireland		
Signet Global Multi-Strategy Fund	Road Town, British Virgin Islands		
Silver Tower Funding Ltd.	Grand Cayman, Cayman Islands		
Silver Tower Ltd.	St. Peter Port, Guernsey		
Silver Tower US Funding LLC.	Delaware, USA		
Skylark (previously Classic II Cayman) (Silo Host)	George Town, Cayman Islands		
Skylark (previously Classic II Cayman) – Silo (2007-1)	George Town, Cayman Islands		
Skylark (previously Classic II Cayman) – Silo 18 (2004-07)	George Town, Cayman Islands		
Skylark (previously Classic II Cayman) – Silo 21 (2004-12)	George Town, Cayman Islands		
Skylark (previously Classic II Cayman) – Silo 25 (2005-06)	George Town, Cayman Islands		
SOLA SPIT2–2011–713	George Town, Cayman Islands		
Sphinx Managed Futures (SP28)	George Town, Cayman Islands		
Spyglass Entertainment	Delaware, USA		
Stable Absolute Return FoF Ltd. (CLASS AA/A2/J)	Frankfurt/Main, Germany		
Star Global Multi Strategy	Grand Cayman, Cayman Islands		
Steel Finance Inc.	Grand Cayman, Cayman Islands		
Tamf Inc.	Grand Cayman, Cayman Islands		
Tarchon Fund (SP13) SIDE POCKET	George Town, Cayman Islands		
TASKABANA dritte Immobilien-Vermietungsgesellschaft mbH & Co. Objekt Marl KG	Grünwald, Germany		
TASKABANA zweite Immobilien-Vermietungsgesellschaft mbH & Co. Objekt Marl KG	Grünwald, Germany		

Name	Registered office	Share of capital %	Voting rights (where different) %
TIGNARIS Beteiligungsgesellschaft mbH & Co. Objekt Giershagen KG	Grünwald, Germany		
TIGNARIS Beteiligungsgesellschaft mbH & Co. Objekt Heidelberg KG	Düsseldorf, Germany		
TIGNARIS Beteiligungsgesellschaft mbH & Co. Objekt Ostfildern KG	Düsseldorf, Germany	94.9	97.0
TIGNARIS Beteiligungsgesellschaft mbH & Co. Objekt Überherrn KG	Düsseldorf, Germany		
TRAL Finance Inc.	Grand Cayman, Cayman Islands		
Truckman Inc	Grand Cayman, Cayman Islands		
TWC Finance Inc.	Grand Cayman, Cayman Islands		
Uniq Holdings Ltd	Road Town, British Virgin Islands		
UT2 Funding Plc	Dublin, Ireland		
Van Tracker SPC, Ltd – Series 9 Class A	Hamilton, Bermuda		
Victoria Capital (Ireland) Public Limited Company	Luxembourg, Luxembourg		
Victoria Capital Holdings S.A.	Luxembourg, Luxembourg		
Victoria Capital S.A.	Luxembourg, Luxembourg		
Viking Capital Ltd.	St. Helier, Jersey		
Viso Ltd (Host SPV)	Grand Cayman, Cayman Islands		
Viso Ltd, silo 2008–3	Grand Cayman, Cayman Islands		
WEKO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rosenheim KG	Grünwald, Germany		
Wood Finance Inc.	Grand Cayman, Cayman Islands		
Zelos Belgium I SA	Forest, Belgium		
Zelos Belgium II SA	Forest, Belgium		
Zelos Belgium III SA	Forest, Belgium		
Zelos Belgium IV BVBA	Brussels, Belgium		

7. Investments in large corporations where the investment exceeds 5 % of the voting rights

Name	Registered office	Share of capital %	Voting rights (where different) %
ConCardis Gesellschaft mit beschränkter Haftung	Eschborn, Germany	13.9	
EURO Kartensysteme Gesellschaft mit beschränkter Haftung	Frankfurt/Main, Germany	13.9	
GEWOBA Aktiengesellschaft Wohnen und Bauen	Bremen, Germany	7.1	

Footnotes		
1)	Renamed:	Bankowy Dom Hipoteczny Sp. z. o.o. has been transformed to BDH Development Sp. z o.o.
2)	Renamed:	Commerzbank Leasing December (21) Limited has been transformed to Commerz Equipment Leasing Limited
3)	Renamed:	Dom Inwestycyjny BRE Banku S.A. has been transformed to Dom Maklerski mBanku S.A.
4)	Renamed:	European Bank for Fund Services Gesellschaft mit beschränkter Haftung (ebase) has been transformed to European Bank for Financial Services GmbH (ebase)
5)	Renamed:	BRE Bank Hipoteczny S.A. has been transformed to mBank Hipoteczny S.A.
6)	Renamed:	BRE Bank S.A. has been transformed to mBank S.A.
7)	Renamed:	BRE Centrum Operacji Sp. z o.o. has been transformed to mCentrum Operacji Sp. z o.o.
8)	Renamed:	BRE Faktoring S.A. has been transformed to mFaktoring S.A.
9)	Renamed:	BRE Leasing Sp. z o.o. has been transformed to mLeasing Sp. z o.o.
10)	Renamed:	BRE.locum S.A. has been transformed to mLocum S.A.
11)	Renamed:	BRE Holding Sp. z.o.o. has been transformed to MLV 45 Sp. z o.o. sp. k. (former BRE Holding Sp. z o.o.)
12)	Renamed:	BRE Wealth Management S.A. has been transformed to mWealth Management S.A.
13)	Renamed:	TARA Property-Management GmbH has been transformed to Urban Invest Holding GmbH
14)	Renamed:	Commerz Real Projektconsult GmbH has been transformed to ANDINO Beteiligungsgesellschaft mbH
15)	Renamed:	Commerz Real Vertrieb GmbH has been transformed to Commerz Real Asset Structuring GmbH
16)	Renamed:	MOLSEMPA Vermietungsgesellschaft mbH has been transformed to GRAMOLSEMPA GmbH
17)	Renamed:	Commerzbank Leasing December(25) Limited has been transformed to Gresham Leasing March (3) Limited
18)	Renamed:	BRE Corporate Finance S.A. has been transformed to mCorporate Finance S.A.
19)	Renamed:	Immobilien Vermietungsgesellschaft Etzenhausen Dr. Rühl & Co. KG has been transformed to MUTUSCA Grundstücks-Vermietungsgesellschaft mbH & Co. Etzenhausen KG
20)	Renamed:	ComStage ETF ATX has been transformed to ComStage ETF ATX® UCITS ETF
21)	Renamed:	ComStage ETF CAC40 Leverage has been transformed to ComStage ETF CAC 40® Leverage UCITS ETF
22)	Renamed:	ComStage ETF CAC40 Short TR has been transformed to ComStage ETF CAC 40® Short GR UCITS ETF
23)	Renamed:	ComStage ETF CAC40 has been transformed to ComStage ETF CAC 40® UCITS ETF
24)	Renamed:	ComStage ETF Commerzbank Bund-Future Double Short TR has been transformed to ComStage ETF Commerzbank Bund-Future Double Short TR UCITS ETF
25)	Renamed:	ComStage ETF Commerzbank Bund-Future Leveraged TR has been transformed to ComStage ETF Commerzbank Bund-Future Leveraged TR UCITS ETF
26)	Renamed:	ComStage ETF Commerzbank Bund-Future Short TR has been transformed to ComStage ETF Commerzbank Bund-Future Short TR UCITS ETF
27)	Renamed:	ComStage ETF Commerzbank Bund-Future TR has been transformed to ComStage ETF Commerzbank Bund-Future TR UCITS ETF
28)	Renamed:	ComStage ETF CB Commodity EW Index TR has been transformed to ComStage ETF Commerzbank Commodity ex-Agriculture EW Index TR UCITS ETF
29)	Renamed:	ComStage ETF Commerzbank EONIA INDEX TR has been transformed to ComStage ETF Commerzbank EONIA Index TR UCITS ETF
30)	Renamed:	ComStage ETF COMM.B.FED FUNDS EFF. RATE INDEX has been transformed to ComStage ETF Commerzbank FED Funds Effective Rate Index TR UCITS ETF
31)	Renamed:	ComStage ETF DAX TR has been transformed to ComStage ETF DAX® TR UCITS ETF
32)	Renamed:	Comstage ETF DivDax (R) TR has been transformed to ComStage ETF DivDAX® TR UCITS ETF
33)	Renamed:	ComStage ETF Dow Jones INDUSTRIAL AVERAGE has been transformed to ComStage ETF Dow Jones Industrial Average UCITS ETF
34)	Renamed:	ComStage ETF Dow Jones EURO STOXX 50 Leveraged has been transformed to ComStage ETF EURO STOXX 50® Daily Leverage UCITS ETF
35)	Renamed:	ComStage ETF Dow Jones EURO STOXX 50 Short TR has been transformed to ComStage ETF EURO STOXX 50® Daily Short GR UCITS ETF
36)	Renamed:	ComStage ETF Dow Jones EURO STOXX 50 TR has been transformed to ComStage ETF EURO STOXX 50® NR UCITS ETF
37)	Renamed:	ComStage ETF Dow Jones EURO STOXX Select Dividend 30 TR has been transformed to ComStage ETF EURO STOXX® Select Dividend 30 NR UCITS ETF
38)	Renamed:	Comstage ETF F.A.Z. Index has been transformed to ComStage ETF F.A.Z. Index UCITS ETF
39)	Renamed:	ComStage ETF DAX® FR has been transformed to ComStage ETF FR DAX® UCITS ETF
40)	Renamed:	ComStage ETF EURO STOXX 50® FR has been transformed to ComStage ETF FR EURO STOXX 50® UCITS ETF
41)	Renamed:	ComStage ETF FTSE 100 TR has been transformed to ComStage ETF FTSE 100 TR UCITS ETF
42)	Renamed:	ComStage ETF FTSE China A50 UCITS ETF (ETF024) has been transformed to ComStage ETF FTSE China A50 UCITS ETF (ETF024)

Footnotes		
43)	Renamed:	ComStage ETF HSCEI has been transformed to ComStage ETF HSCEI UCITS ETF
44)	Renamed:	ComStage ETF HSI has been transformed to ComStage ETF HSI UCITS ETF
45)	Renamed:	ComStage ETF iBoxx € Sovereigns Germany Capped 3–5 TR has been transformed to ComStage ETF iBOXX ? Germany Covered Capped 3–5 TR UCITS ETF
46)	Renamed:	ComStage ETF iBoxx € Sovereigns Germany Capped 5–7 TR has been transformed to ComStage ETF iBOXX ? Germany Covered Capped 5–7 TR UCITS ETF
47)	Renamed:	ComStage ETF iBoxx € Sovereigns Germany Capped 7–10 TR has been transformed to ComStage ETF iBOXX ? Germany Covered Capped 7–10 TR UCITS ETF
48)	Renamed:	ComStage ETF iBoxx € Germany Covered Capped Overall TR has been transformed to ComStage ETF iBOXX ? Germany Covered Capped Overall TR UCITS ETF
49)	Renamed:	ComStage ETF iBoxx € Liquid Sovereigns Diversified 10–15 TR has been transformed to ComStage ETF iBOXX ? Liquid Sovereigns Diversified 10–15 TR UCITS ETF
50)	Renamed:	ComStage ETF iBoxx € Liquid Sovereigns Diversified 1–3 TR has been transformed to ComStage ETF iBOXX ? Liquid Sovereigns Diversified 1–3 TR UCITS ETF
51)	Renamed:	ComStage ETF iBoxx € Liquid Sovereigns Diversified 15+ TR has been transformed to ComStage ETF iBOXX ? Liquid Sovereigns Diversified 15+ TR UCITS ETF
52)	Renamed:	ComStage ETF iBoxx € Liquid Sovereigns Diversified 25+ TR has been transformed to ComStage ETF iBOXX ? Liquid Sovereigns Diversified 25+ TR UCITS ETF
53)	Renamed:	ComStage ETF iBoxx € Liquid Sovereigns Diversified 3–5 TR has been transformed to ComStage ETF iBOXX ? Liquid Sovereigns Diversified 3– TR UCITS ETF
54)	Renamed:	ComStage ETF iBoxx € Liquid Sovereigns Diversified 3m–1 TR has been transformed to ComStage ETF iBOXX ? Liquid Sovereigns Diversified 3m–1 TR UCITS ETF
55)	Renamed:	ComStage ETF iBoxx € Liquid Sovereigns Diversified 5–7 TR has been transformed to ComStage ETF iBOXX ? Liquid Sovereigns Diversified 5–7 TR UCITS ETF
56)	Renamed:	ComStage ETF iBoxx € Liquid Sovereigns Diversified 7– 10 TR has been transformed to ComStage ETF iBOXX ? Liquid Sovereigns Diversified 7–10 TR UCITS ETF
57)	Renamed:	ComStage ETF iBoxx € Liquid Sovereigns Diversified Overall TR has been transformed to ComStage ETF iBOXX ? Liquid Sovereigns Diversified Overall TR UCITS ETF
58)	Renamed:	ComStage ETF iBoxx € Sovereigns Germany Capped 10+ TR has been transformed to ComStage ETF iBOXX ? Sovereigns Germany Capped 10+ TR UCITS ETF
59)	Renamed:	ComStage ETF iBoxx € Sovereigns Germany Capped 1–5 TR has been transformed to ComStage ETF iBOXX ? Sovereigns Germany Capped 1–5 TR UCITS ETF
60)	Renamed:	ComStage ETF iBoxx € Sovereigns Germany Capped 3m–2 TR has been transformed to ComStage ETF iBOXX ? Sovereigns Germany Capped 3m–2 TR UCITS ETF
61)	Renamed:	ComStage ETF iBoxx € Sovereigns Germany Capped 5–10 TR has been transformed to ComStage ETF iBOXX ? Sovereigns Germany Capped 5–10 TR UCITS ETF
62)	Renamed:	ComStage ETF iBoxx € Sovereigns Inflation-Linked Euro-Inflation TR has been transformed to ComStage ETF iBOXX ? Sovereigns Inflation-Linked Euro-Inflation TR UCITS ETF
63)	Renamed:	ComStage ETF MSCI EM Eastern Europe TRN has been transformed to ComStage ETF MSCI EM Eastern Europe TRN UCITS ETF
64)	Renamed:	ComStage ETF MSCI Emerging Markets Leveraged 2x Daily TRN has been transformed to ComStage ETF MSCI Emerging Markets Leveraged 2x Daily TRN UCITS ETF
65)	Renamed:	Comstage ETF MSCI Emerging Markets TRN has been transformed to ComStage ETF MSCI Emerging Markets TRN UCITS ETF
66)	Renamed:	ComStage ETF MSCI EMU TRN has been transformed to ComStage ETF MSCI EMU TRN UCITS ETF
67)	Renamed:	ComStage ETF MSCI Europe Large Cap TRN has been transformed to ComStage ETF MSCI Europe Large Cap TRN UCITS ETF
68)	Renamed:	ComStage ETF MSCI Europe Mid Cap TRN has been transformed to ComStage ETF MSCI Europe Mid Cap TRN UCITS ETF
69)	Renamed:	ComStage ETF MSCI Europe Small Cap TRN has been transformed to ComStage ETF MSCI Europe Small Cap TRN UCITS ETF
70)	Renamed:	ComStage ETF MSCI Europe TRN has been transformed to ComStage ETF MSCI Europe TRN UCITS ETF
71)	Renamed:	ComStage ETF MSCI Japan TRN has been transformed to ComStage ETF MSCI Japan TRN UCITS ETF
72)	Renamed:	ComStage ETF MSCI North America TRN has been transformed to ComStage ETF MSCI North America TRN UCITS ETF
73)	Renamed:	ComStage ETF MSCI Pacific ex Japan TRN has been transformed to ComStage ETF MSCI Pacific ex Japan TRN UCITS ETF
74)	Renamed:	ComStage ETF MSCI Pacific TRN has been transformed to ComStage ETF MSCI Pacific TRN UCITS ETF
75)	Renamed:	ComStage ETF MSCI Russia 30 % Capped TRN has been transformed to ComStage ETF MSCI Russia 30 % Capped TRN UCITS ETF
76)	Renamed:	ComStage ETF MSCI Taiwan TRN has been transformed to ComStage ETF MSCI Taiwan TRN UCITS ETF
77)	Renamed:	ComStage ETF MSCI USA Large Cap TRN has been transformed to ComStage ETF MSCI USA Large Cap TRN UCITS ETF

Footnotes		
78)	Renamed:	ComStage ETF MSCI USA Mid Cap TRN has been transformed to ComStage ETF MSCI USA Mid Cap TRN UCITS ETF
79)	Renamed:	ComStage ETF MSCI USA Small Cap TRN has been transformed to ComStage ETF MSCI USA Small Cap TRN UCITS ETF
80)	Renamed:	ComStage ETF MSCI USA TRN has been transformed to ComStage ETF MSCI USA TRN UCITS ETF
81)	Renamed:	ComStage ETF NASDAQ 100 has been transformed to ComStage ETF Nasdaq–100® UCITS ETF
82)	Renamed:	ComStage ETF Nikkei 225(R) has been transformed to ComStage ETF Nikkei 225® UCITS ETF
83)	Renamed:	ComStage ETF NYSE Arca Gold BUGS has been transformed to ComStage ETF NYSE Arca Gold BUGS UCITS ETF
84)	Renamed:	ComStage ETF PSI 20 Leverage has been transformed to ComStage ETF PSI 20® Leverage UCITS ETF
85)	Renamed:	ComStage ETF PSI 20 has been transformed to ComStage ETF PSI 20® UCITS ETF
86)	Renamed:	ComStage ETF S&P 500 has been transformed to ComStage ETF S&P 500 UCITS ETF
87)	Renamed:	Comstage ETF S&P SMIT 40 Index TR has been transformed to ComStage ETF S&P SMIT 40 Index TRN UCITS ETF
88)	Renamed:	Comstage ETF SDAX (R) TR has been transformed to ComStage ETF SDAX® TR UCITS ETF
89)	Renamed:	Comstage ETF ShortDAX (R) TR has been transformed to ComStage ETF ShortDAX® TR UCITS ETF
90)	Renamed:	ComStage ETF SMI has been transformed to ComStage ETF SMI® UCITS ETF
91)	Renamed:	Comstage ETF SPI (R) TR has been transformed to ComStage ETF SPI® TR UCITS ETF
92)	Renamed:	ComStage ETF DJ STOXX 600 AUTOMOBILES AND PARTS has been transformed to ComStage ETF STOXX® Europe 600 Automobiles & Parts NR UCITS ETF
93)	Renamed:	ComStage ETF DJ STOXX 600 BANKS has been transformed to ComStage ETF STOXX® Europe 600 Banks NR UCITS ETF
94)	Renamed:	ComStage ETF DJ STOXX 600 BASIC RESSOURCES has been transformed to ComStage ETF STOXX® Europe 600 Basic Resources NR UCITS ETF
95)	Renamed:	ComStage ETF DJ STOXX 600 CHEMICALS has been transformed to ComStage ETF STOXX® Europe 600 Chemicals NR UCITS ETF
96)	Renamed:	ComStage ETF DJ STOXX 600 CONSTRUCTION AND MAT has been transformed to ComStage ETF STOXX® Europe 600 Construction & Materials NR UCITS ETF
97)	Renamed:	ComStage ETF DJ STOXX 600 FINANCIAL SERVICES has been transformed to ComStage ETF STOXX® Europe 600 Financial Services NR UCITS ETF
98)	Renamed:	ComStage ETF DJ STOXX 600 FOOD AND BEVERAGE has been transformed to ComStage ETF STOXX® Europe 600 Food & Beverage NR UCITS ETF
99)	Renamed:	ComStage ETF DJ STOXX 600 HEALTH CARE has been transformed to ComStage ETF STOXX® Europe 600 Health Care NR UCITS ETF
100)	Renamed:	ComStage ETF DJ STOXX 600 IND. GOODS AND SERV has been transformed to ComStage ETF STOXX® Europe 600 Industrial Goods & Services NR UCITS ETF
101)	Renamed:	ComStage ETF DJ STOXX 600 INSURANCE has been transformed to ComStage ETF STOXX® Europe 600 Insurance NR UCITS ETF
102)	Renamed:	ComStage ETF DJ STOXX 600 MEDIA has been transformed to ComStage ETF STOXX® Europe 600 Media NR UCITS ETF
103)	Renamed:	ComStage ETF Dow Jones STOXX 600 TR has been transformed to ComStage ETF STOXX® Europe 600 NR UCITS ETF
104)	Renamed:	ComStage ETF DJ STOXX 600 OIL AND GAS has been transformed to ComStage ETF STOXX® Europe 600 Oil & Gas NR UCITS ETF
105)	Renamed:	ComStage ETF DJ STOXX 600 PERS. AND HOUS. GOODS has been transformed to ComStage ETF STOXX® Europe 600 Personal & Household Goods NR UCITS ETF
106)	Renamed:	ComStage ETF DJ STOXX 600 Real Estate TR has been transformed to ComStage ETF STOXX® Europe 600 Real Estate NR UCITS ETF
107)	Renamed:	ComStage ETF DJ STOXX 600 RETAIL has been transformed to ComStage ETF STOXX® Europe 600 Retail NR UCITS ETF
108)	Renamed:	ComStage ETF DJ STOXX 600 TECHNOLOGY has been transformed to ComStage ETF STOXX® Europe 600 Technology NR UCITS ETF
109)	Renamed:	ComStage ETF DJ STOXX 600 TELECOMMUNICATIONS has been transformed to ComStage ETF STOXX® Europe 600 Telecommunications NR UCITS ETF
110)	Renamed:	ComStage ETF DJ STOXX 600 TRAVEL AND LEISURE has been transformed to ComStage ETF STOXX® Europe 600 Travel & Leisure NR UCITS ETF
111)	Renamed:	ComStage ETF DJ STOXX 600 UTILITIES has been transformed to ComStage ETF STOXX® Europe 600 Utilities NR UCITS ETF
112)	Renamed:	ComStage ETF TOPIX has been transformed to ComStage ETF TOPIX® UCITS ETF
113)	Renamed:	ComStage ETF SICAV has been transformed to ComStage SICAV
114)	Renamed:	MEZZVEST INVESTMENTS II, LIMITED has been transformed to AIG MEZZVEST INVESTMENTS II, LIMITED
115)	Renamed:	ROSINTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin KG has been transformed to KAS e.V. & Co. KG

Notes and explanations	
a)	Control and profit transfer agreement
b)	No disclosures persuant to Art. 264b of the German Commercial Code (HGB).
c)	Agent relationships

Information on business purpose pursuant to Art. 26a of the German Banking Act (KWG)

Abbreviation	Explanation
BETGE	Investment companies
KAFOG	Asset management companies and investment trusts
KREDI	Banks
SOFDL	Other financial institutions
SOUNT	Other companies
VERSI	Insurances

Foreign exchange rates for €1 as at 31 December 2013		
Albania	ALL	140,3800
Bermuda	BMD	1,3791
Brazil	BRL	3,2576
Bulgaria	BGN	1,9558
Chile	CLP	724,4621
United Kingdom	GBP	0,8337
India	INR	85,3660
Japan	JPY	144,7200
Canada	CAD	1,4671
Poland	PLN	4,1543
Russia	RUB	45,3246
Switzerland	CHF	1,2276
Singapore	SGD	1,7414
South Africa	ZAR	14,5660
Taiwan	TWD	41,0517
Czech Republic	CZK	27,4270
Ukraine	UAH	11,3436
Hungary	HUF	297,0400
USA	USD	1,3791

Boards of Commerzbank Aktiengesellschaft

Supervisory Board

Klaus-Peter Müller
Chairman

Uwe Tschäge[1]
Deputy Chairman
Employee of Commerzbank Aktiengesellschaft

Hans-Hermann Altenschmidt[1]
Employee of Commerzbank Aktiengesellschaft

Dr.-Ing. Burckhard Bergmann
(until 19.4.2013)
Former Chairman of the Board of Managing Directors E.ON Ruhrgas AG

Dr. Nikolaus von Bomhard
Chairman of the Board of Managing Directors Münchener Rückversicherungs-Gesellschaft AG

Karin van Brummelen[1]
(until 19.4.2013)
Employee of Commerzbank Aktiengesellschaft

Gunnar de Buhr[1]
(since 19.4.2013)
Employee of Commerzbank Aktiengesellschaft

Stefan Burghardt[1]
(since 19.4.2013)
Main Branch Manager of Bremen Commerzbank Aktiengesellschaft

Karl-Heinz Flöther
(since 19.4.2013)
Independent corporate consultant

Uwe Foullong[1]
(until 19.4.2013)
Trade Union Secretary to United Services Union (Vereinte Dienstleistungsgewerkschaft ver.di)

Daniel Hampel[1]
(until 19.4.2013)
Employee of Commerzbank Aktiengesellschaft

[1] Elected by the Bank's employees.

Dr.-Ing. Otto Happel
(until 19.4.2013)
Entrepreneur Luserve AG

Beate Hoffmann[1]
(until 19.4.2013)
Employee of Commerzbank Aktiengesellschaft

Prof. Dr.-Ing. Dr.-Ing. E. h. Hans-Peter Keitel
Vice-President of the Federation of German Industries (BDI)

Dr. Markus Kerber
(since 19.4.2013)
CEO of the Federation of German Industries (BDI)

Alexandra Krieger[1]
Head Business Administration/Corporate Strategy Industrial Union Mining, Chemical and Energy

Oliver Leiberich[1]
(since 19.4.2013)
Employee of Commerzbank Aktiengesellschaft

Dr. h. c. Edgar Meister
(until 19.4.2013)
Lawyer Member of the Executive Board of Deutsche Bundesbank

Beate Mensch[1]
(since 19.4.2013)
Member of the National Executive Board of United Services Union (Vereinte Dienstleistungsgewerkschaft ver.di), Director of Financial Services

Prof. h. c. (CHN) Dr. rer. oec. Ulrich Middelmann
(until 2.7.2013)
Former Deputy Chairman of the Board of Managing Directors ThyssenKrupp AG

Dr. Roger Müller
(since 3.7.2013)
General Counsel Deutsche Börse AG

Dr. Helmut Perlet
Chairman of the Supervisory Board Allianz SE

Barbara Priester[1]
Employee of Commerzbank Aktiengesellschaft

Mark Roach[1]
Trade Union Secretary to United Services Union National Administration (Vereinte Dienstleistungsgewerkschaft ver.di-Bundesverwaltung)

Petra Schadeberg-Herrmann
(since 19.4.2013)
Managing Partner and Managing Director of various companies within the Schadeberg Family Office and the Krombacher Group

Dr. Marcus Schenck
(until 10.9.2013)
Head of Investment Banking Services EMEA Goldman Sachs International, London

Margit Schoffer[1]
(since 19.4.2013)
Employee of Commerzbank Aktiengesellschaft

Astrid Schubert (formerly Evers)[1]
(until 19.4.2013)
Employee of Commerzbank Aktiengesellschaft

Dr. Gertrude Tumpel-Gugerell
Former Member of the Executive Board of the European Central Bank

Solms U. Wittig
(since 11.9.2013)
Chief Legal Officer & Chief Compliance Officer Linde AG

Dr. Walter Seipp
Honorary Chairman

Board of Managing Directors

Martin Blessing
Chairman

Frank Annuscheit

Markus Beumer

Stephan Engels

Jochen Klösges
(until 31.12.2013)

Michael Reuther

Dr. Stefan Schmittmann

Ulrich Sieber
(until 31.12.2013)

Martin Zielke

Responsibility statement by the Board of Managing Directors

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the management report of the Group 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.

Frankfurt/Main, 24 February 2014
The Board of Managing Directors

Martin Blessing

Frank Annuscheit

Markus Beumer

Stephan Engels

Michael Reuther

Stefan Schmittmann

Martin Zielke

Independent Auditors' Report[1]

To COMMERZBANK Aktiengesellschaft, Frankfurt am Main

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of COMMERZBANK Aktiengesellschaft, Frankfurt am Main, and its subsidiaries, which comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements for the business year from 1 January to 31 December 2013.

Board of Managing Directors' Responsibility for the Consolidated Financial Statements

The Board of Managing Directors of COMMERZBANK Aktiengesellschaft is responsible for the preparation of these consolidated financial statements. This responsibility includes that these consolidated financial statements are prepared in accordance with International Financial Reporting Standards, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) and that these consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The Board of Managing Directors is also responsible for the internal controls as the Board of Managing Directors determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standards on Auditing (ISA). Accordingly, we are required to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The selection of audit procedures depends on the auditor's professional judgement. This includes the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In assessing those risks, the auditor considers the internal control system relevant to the entity's preparation of consolidated financial statements that give a true and fair view. The aim of this is to plan and perform audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

According to § 322 Abs. 3 Satz (sentence) 1 HGB, we state that our audit of the consolidated financial statements has not led to any reservations.

In our opinion based on the findings of our audit, the consolidated financial statements comply, in all material respects, with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets and financial position of the Group as at 31 December 2013 as well as the results of operations for the business year then ended, in accordance with these requirements.

Report on the Group Management Report

We have audited the accompanying group management report of COMMERZBANK Aktiengesellschaft for the business year from 1 January to 31 December 2013. The Board of Managing Directors of COMMERZBANK Aktiengesellschaft is responsible for the preparation of the group management report in accordance with the requirements of German commercial law applicable pursuant to § 315a Abs. 1 HGB. We conducted our audit in accordance with § 317 Abs. 2 HGB and German generally accepted standards for the audit of the group management report promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW).

[1] Translation of the independent auditors' report issued in German language on the consolidated financial statements prepared in German language by the management of Commerzbank Aktiengesellschaft, Frankfurt am Main. The German language statements are decisive.

Accordingly, we are required to plan and perform the audit of the group management report to obtain reasonable assurance about whether the group management report is consistent with the consolidated financial statements and the audit findings, as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

According to § 322 Abs. 3 Satz 1 HGB we state, that our audit of the group management report has not led to any reservations.

In our opinion based on the findings of our audit of the consolidated financial statements and group management report, the group management report is consistent with the consolidated financial statements, as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, 25 February 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Clemens Koch	Peter Goldschmidt
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Further information

› We inform you about the composition of the Central Advisory Board and the seats on mandatory supervisory boards and similar bodies for members of the Board of Managing Directors, members of the Supervisory Board and employees of Commerzbank as well as provide a glossary of the most important financial terms and the quarterly results by segment and the details pursuant to section 26 a of the German Banking Act (KWG).

Central Advisory Board

Dr. Simone Bagel-Trah
Chairwoman of the Supervisory Board
and the Shareholders' Committee
Henkel AG & Co. KGaA
Düsseldorf

Dott. Sergio Balbinot
Group Chief Insurance Officer
Assicurazioni Generali S.p.A.
Trieste

Dr. Olaf Berlien
CEO
M+W Group GmbH
Stuttgart

Cathrina Claas-Mühlhäuser
Chairwoman of the Supervisory Board
and Deputy Chairwoman of the
Shareholders' Committee
CLAAS KGaA mbH
Harsewinkel

Prof. Dr. Hans Heinrich Driftmann
General and Managing Partner
Peter Kölln KGaA
Elmshorn

Dr. Hubertus Erlen
Berlin

Ulrich Grillo
Chairman of the Executive Board
Grillo-Werke AG
Duisburg

Dr. Margarete Haase
CFO
Deutz AG
Cologne

Dr. Marion Helmes
Speaker of the Management Board
and CFO
Celesio AG
Stuttgart

Prof. Dr. Johanna Hey
Head of Institute of Fiscal Law
University of Cologne
Cologne

Uwe Lüders
Chairman of the Board
of Managing Directors
L. Possehl & Co. mbH
Lübeck

Dipl.-Kfm. Friedrich Lürßen
Managing Partner
Fr. Lürssen Werft GmbH & Co. KG
Bremen

Prof. Hans Georg Näder
Managing Partner
Otto Bock HealthCare GmbH
Duderstadt

Klaus M. Patig
Königstein

Hans Dieter Pötsch
Member of the Board
of Managing Directors
Volkswagen AG
Wolfsburg

Dr. Helmut Reitze
Director
Hessischer Rundfunk
Frankfurt am Main

Georg F.W. Schaeffler
Chairman of the Supervisory Board
Schaeffler AG
Herzogenaurach

Dr. Ernst F. Schröder
Bielefeld

Jürgen Schulte-Laggenbeck
CFO
OTTO (GmbH & Co KG)
Hamburg

Nicholas Teller
CEO
E.R. Capital Holding GmbH & Cie. KG
Hamburg

Roland Vogel
Member of the Board
of Managing Directors
Hannover Rück SE
Hanover

Dr. Michael Werhahn
Member of the Board
of Managing Directors
Wilh. Werhahn KG
Neuss

Dr. Wendelin Wiedeking
Entrepreneur
Bietigheim-Bissingen

The lists of members of our regional advisory committees North, Northwest, West, East, Middle, South and Southwest can be found in the internet under www.commerzbank.com > Investor Relations > Corporate governance > Advisory Committees.

Seats on supervisory boards and similar bodies

Members of the Board of Managing Directors of Commerzbank Aktiengesellschaft

Information pursuant to Art. 285, no. 10, of the German Commercial Code (HGB)
As of December 31, 2013

a) Seats on other mandatory supervisory boards
b) Seats on similar national and international bodies

Martin Blessing

b) mBank S.A.[1]
(formerly BRE Bank SA)
(since 11.4.2013)

Frank Annuscheit

a) comdirect bank Aktiengesellschaft[1]
Deputy Chairman

b) Commerz Services Holding GmbH[1]
Chairman
(since 13.12.2013)

Markus Beumer

a) ABB AG

Stephan Engels

a) Commerzbank Auslandsbanken Holding AG[1]
Deputy Chairman
(until 20.11.2013)

Hypothekenbank Frankfurt AG[1]
Deputy Chairman

b) mBank S.A.[1]
(formerly BRE Bank SA)

SdB – Sicherungseinrichtungs-gesellschaft deutscher Banken mbH

Jochen Klösges
(until 31.12.2013)

a) Hypothekenbank Frankfurt AG[1]
(21.3.2013 – 15.11.2013)

Michael Reuther

a) EUREX Deutschland AöR

Frankfurter Wertpapierbörse AöR

RWE Power AG

b) Verlagsbeteiligungs- und Verwaltungsgesellschaft mit beschränkter Haftung

Dr. Stefan Schmittmann

a) Commerz Real AG[1]
Deputy Chairman
(until 24.5.2013)

Commerzbank Auslandsbanken Holding AG[1]
(until 20.11.2013)

Hypothekenbank Frankfurt AG[1]
Chairman

Schaltbau Holding AG

Verlagsgruppe Weltbild GmbH
(until 21.6.2013)

Ulrich Sieber
(until 31.12.2013)

a) BVV Pensionsfonds des Bankgewerbes AG
Deputy Chairman

BVV Versicherungsverein des Bankgewerbes a.G.
Deputy Chairman

Commerzbank Auslandsbanken Holding AG[1]
Chairman
(until 11.11.2013)

Hypothekenbank Frankfurt AG[1]
Chairman
(until 15.11.2013)

b) BVV Versorgungskasse des Bankgewerbes e.V.
Deputy Chairman

mBank S.A.[1]
(formerly BRE Bank SA)
(until 30.11.2013)

Martin Zielke

a) comdirect bank Aktiengesellschaft[1]
Chairman

Commerz Real AG[1]
Chairman

b) Commerz Real Investment-gesellschaft mbH[1]
Chairman

mBank S.A.[1]
(formerly BRE Bank SA)
Deputy Chairman
(since 12.12.2013)

Members of the Supervisory Board of Commerzbank Aktiengesellschaft

Information pursuant to Art. 285, no. 10, of the German Commercial Code (HGB)
As of December 31, 2013

a) Seats on other mandatory supervisory boards
b) Seats on similar national and international bodies

Klaus-Peter Müller

a) Fresenius Management SE

Fresenius SE & Co. KGaA

Linde Aktiengesellschaft

b) Landwirtschaftliche Rentenbank

Parker Hannifin Corporation

Uwe Tschäge

– –

Hans-Hermann Altenschmidt

a) BVV Pensionsfonds des Bankgewerbes AG

BVV Versicherungsverein des Bankgewerbes a.G.

b) BVV Versorgungskasse des Bankgewerbes e.V.

[1] Seat on the board of a consolidated company.

Dr.-Ing. Burckhard Bergmann
(until 19.4.2013)

a) Allianz Lebensversicherungs-AG
Deputy Chairman
(until 15.4.2013)

b) Accumulatorenwerke Hoppecke
Carl Zoellner & Sohn GmbH

Jaeger Beteiligungsgesellschaft
mbH & Co. KG
Chairman

Kuratorium RAG-Stiftung

OAO Novatek

Telenor

Dr. Nikolaus von Bomhard

a) ERGO Versicherungsgruppe AG[1]
Chairman

Munich Health Holding AG[1]
Chairman

Karin van Brummelen
(until 19.4.2013)

– –

Gunnar de Buhr
(since 19.4.2013)

– –

Stefan Burghardt
(since 19.4.2013)

– –

Karl-Heinz Flöther
(since 19.4.2013)

a) Deutsche Börse AG
Frankfurt am Main

Uwe Foullong
(until 19.4.2013)

– –

Daniel Hampel
(until 19.4.2013)

– –

Dr.-Ing. Otto Happel
(until 19.4.2013)

– –

Beate Hoffmann
(until 19.4.2013)

– –

**Prof. Dr.-Ing. Dr.-Ing. E. h.
Hans-Peter Keitel**

a) Deutsche Messe AG
(until 30.4.2013)

EADS Deutschland GmbH
(since 1.2.2013)

National-Bank AG

RWE AG
(since 18.4.2013)

ThyssenKrupp AG

Voith GmbH
(since 9.2.2013)

b) EADS N.V.
(since 27.3.2013)

Dr. Markus Kerber
(since 19.4.2013)

a) KfW-Bankengruppe[2]

b) Computershare Limited, Melbourne

Alexandra Krieger

a) AbbVie Komplementär GmbH
(since 1.2.2013)

Oliver Leiberich
(since 19.4.2013)

– –

Beate Mensch
(since 19.4.2013)

– –

Dr. h. c. Edgar Meister
(until 19.4.2013)

b) DWS Investment GmbH

Standard & Poor's Credit Market
Services Europe Limited

**Prof. h. c. (CHN) Dr. rer. oec.
Ulrich Middelmann**
(until 2.7.2013)

a) Deutsche Telekom AG

LANXESS AG

LANXESS Deutschland GmbH

b) Hoberg & Driesch GmbH
Chairman

Dr. Roger Müller
(since 3.7.2013)

– –

Dr. Helmut Perlet

a) Allianz SE

GEA GROUP AG

Barbara Priester

– –

Mark Roach

a) Fiducia IT AG

Petra Schadeberg-Herrmann
(since 19.4.2013)

a) Krones AG

Dr. Marcus Schenck
(until 10.9.2013)

a) E.ON Energy Trading SE[1]
(until 30.9.2013)

E.ON IT GmbH[1]
(until 30.9.2013)

SMS GmbH
(until 31.3.2013)

b) AXA S.A.

Margit Schoffer
(since 19.4.2013)

– –

Astrid Schubert (formerly Evers)
(until 19.4.2013)

– –

[1] Seat on the board of a consolidated company.
[2] Mandate in abeyance until further notice.

Dr. Gertrude Tumpel-Gugerell

b) Finanzmarktbeteiligung Aktiengesellschaft des Bundes, Vienna

Österreichische Bundesbahnen Holding AG, Vienna

Österreichische Forschungsförderungsgesellschaft mbH, Vienna

Verein zur Förderung der BBRZ Gruppe, Linz

Vienna Insurance Group AG, Vienna

Wien Holding GmbH, Vienna

Solms U. Wittig
(since 11.9.2013)

– –

Employees of Commerzbank Aktiengesellschaft

Information pursuant to Art. 340a, (4), no. 1, of the German Commercial Code (HGB)
As of December 31, 2013

Michael Bonacker

Commerz Real AG[1]

Dr. Marcus Chromik

VALOVIS BANK AG

Gerold Fahr

Stadtwerke Ratingen GmbH

Martin Fischedick

Borgers AG

Commerz Real AG[1]
Deputy Chairman

Bernd Förster

SE Spezial Electronic Aktiengesellschaft

Jörg van Geffen

Häfen und Güterverkehr Köln AG

NetCologne Gesellschaft für Telekommunikation mit beschränkter Haftung

Sven Gohlke

Bombardier Transportation GmbH

Bernd Grossmann

HOFTEX GROUP AG
(formerly Textilgruppe Hof AG)

Detlef Hermann

Kaiser's Tengelmann GmbH

Ritzenhoff AG

Jochen H. Ihler

Hüttenwerke Krupp Mannesmann GmbH

Thorsten Kanzler

Hypothekenbank Frankfurt AG[1]

Michael Kotzbauer

Goodyear Dunlop Tires Germany GmbH

Hypothekenbank Frankfurt AG[1]

Werner Lubeley

TNT Express GmbH

Michael Mandel

Commerz Real AG[1]

Schufa Holding AG

Dr. Annette Messemer

K+S Aktiengesellschaft

Sabine Schmittroth

comdirect bank Aktiengesellschaft[1]

Dirk Schuster

Commerz Real AG[1]

Rupert Winter

Klinikum Burgenlandkreis GmbH

Christoph Wortig

Commerz Real AG[1]

[1] Seat on the board of a consolidated company.

Glossary

Ad hoc disclosure A key objective of ad hoc disclosure is to prevent insider trading. Art. 15 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) requires issuers whose securities are admitted to official trading or to the Regulated Market to make disclosures on an ad hoc basis. A new fact has to be disclosed if it has occurred within the company's area of activity and is not known to the public. In addition, the new fact must affect the issuer's net assets or financial position or its general business progress and must be likely to exert a considerable influence on the market price of the listed securities.

American depositary receipts (ADRs) In order to facilitate trading in non-US stocks, banks located in the USA issue depositary receipts in respect of original securities that are normally held in custody in their country of origin. They are traded on US stock exchanges like equities.

Asset-backed securities (ABSs) Securities whose interest payment and repayment of principal are covered, or backed, by the underlying pool of receivables. As a rule, they are issued by a special-purpose entity in securitised form.

Back-testing A procedure for monitoring the quality of value at risk models. For this purpose, actual losses are compared with the forecast maximum loss over a lengthy period.

Banking book The banking book contains all banking transactions that are not allocated to the trading book.

Benchmark bond A bond with a large issue volume which, by virtue of the credit quality of its issuer, its terms and its liquidity on the bond market, is representative and serves as a point of reference for other issuers.

Capital Requirements Regulation (CRR)/Capital Requirements Directive (CRD IV) The Capital Requirements Directive (CRD IV) and the associated regulation (CRR) implement the Basel 3 rules throughout the European Union from 1 January 2014. The CRR applies immediately and largely uniformly in all EU member states and contains the quantitative requirements and duties of disclosure under Basel 3. CRD IV requires transposition into national law by means of legislation and contains rules that apply to the national supervisory authorities. In addition to rules on cooperation between supervisory authorities, these include in particular the qualitative capital adequacy requirements under pillar 2.

Collateralised debt obligations (CDOs) A type of ABS secured on a pool of different assets, in particular loans and other securitised bonds.

Commercial mortgage-backed securities (CMBSs) A type of ABS secured on commercial mortgages.

Confidence level The probability that a potential loss will not exceed the maximum loss defined by the value at risk.

Core Tier 1 capital Core Tier 1 capital defines the Bank's liable equity capital. It comprises equity capital (common stock and capital reserves), retained earnings and silent participations.

Core Tier 1 ratio The core Tier 1 ratio is defined by the regulations issued by the Basel Committee and governs banks' minimum capital adequacy. It is calculated as the ratio of core Tier 1 capital to risk-weighted assets.

Corporate governance Corporate governance establishes guidelines for transparent corporate management and supervision. The recommendations of the German Corporate Governance Code create transparency and strengthen confidence in responsible management; in particular, they serve to protect shareholders.

Coverage ratio The ratio of the sum of loan loss provisions and collateral to the default volume is the coverage ratio including collateral.

Credit default swaps (CDSs) A credit derivative used to transfer the credit risk from a reference asset (e.g. a security or loan). For this purpose, the buyer of protection pays the seller of protection a premium and receives a compensation payment if a previously specified credit event occurs.

Credit derivatives Financial instruments whose value depends on an underlying asset, e.g. a loan or security. As a rule, these contracts are concluded on an OTC basis. They are used for managing risk, among other things. The most frequently used credit derivative product is the credit default swap.

Credit VaR The term results from the application of the value at risk concept to credit risk measurement. Credit VaR is an estimate of the amount by which losses from credit risks could potentially exceed the expected loss within a single year, i.e.

unexpected loss. The idea behind this approach is that expected loss simply represents the long-term average of lending losses, but this may vary (positively or negatively) from actual credit losses for the current business year.

Default portfolio Portfolio containing loans classified as in default (as defined by the Basel 2 regulations).

Deferred taxes Deferred taxes are future tax liabilities or tax assets resulting from temporary differences and from unused tax losses and tax credits. Such temporary differences include differences in the value of an asset or liability recognised for financial reporting or IFRS accounting purposes and the values recognised for tax purposes (the liability method), which balance each other out in later financial years and result in actual tax effects. Deductible temporary differences and unused tax losses and tax credits lead to deferred tax assets, while taxable temporary differences lead to deferred tax liabilities. Deferred tax assets/tax liabilities must be reported separately from actual tax assets/tax liabilities.

Derivatives Financial instruments whose value is determined by the price of an underlying asset (e.g. a security or loan) or by a market-based reference parameter (e.g. an interest rate or currency). Among other things, these instruments offer possibilities for hedging risk.

Economically required capital This is the amount that will cover unexpected losses arising from risk positions with a high confidence level (currently 99.91% at Commerzbank). It is not the same as reported or regulatory capital.

EONIA (Euro Overnight Index Average) Average interest rate for overnight money in the euro interbank market calculated on the basis of actual transactions. It is computed as a weighted average of all overnight unsecured lending transactions denominated in euro quoted by a specific group of banks in the eurozone.

Equity method A method of accounting for equity investments carried as associated companies or jointly controlled entities in the consolidated financial statements. The company's proportional share of net profit/loss for the year is included in the consolidated income statement as current gain/loss on investments in companies measured at equity. The investments are recognised in the balance sheet at the proportional amount of the equity capital of the company measured at equity.

EURIBOR (Euro Interbank Offered Rate) Average interest rate at which euro interbank term deposits are being offered by one prime bank to another of first-class credit standing. The EURIBOR rate is calculated daily on the basis of the interest rates quoted by selected banks for maturities of up to twelve months.

European Banking Authority (EBA) The EBA was established by the European Union as part of the European System of Financial Supervision. The EBA's remit includes in particular the development of technical standards of regulation and implementation and the production of guidelines and recommendations. The EBA will also produce European standards of regulation and supervision, which will form the framework for the competent national supervisory authorities.

Expected loss Measure of the potential loss on a loan portfolio that can be expected within a single year on the basis of historical loss data.

Exposure at default (EaD) The amount of a loan at the time of its default.

Futures A futures contract is a binding agreement committing both parties to deliver or take delivery of a certain number or amount of an underlying security or asset at a fixed price on an agreed date. Unlike options, futures contracts are very strongly standardised.

Goodwill The difference between the purchase price and the value of the net assets acquired after disclosure of hidden reserves and unrealised losses when an equity investment is acquired or a company is taken over.

Grandfathering The guarantee obligation applicable to savings banks and Landesbanken, under which the institution's sponsor (i.e. the state, city or district) guaranteed deposits and bonds issued, was abolished on competition grounds in 2001. Special provisions continued to apply to certain issues of savings banks and Landesbanken for a transitional period which ran until 2005, and this was known as "grandfathering".

Hedging A strategy under which transactions are effected with the aim of providing protection against the risk of unfavourable price movements (interest rates, prices, commodities).

Internal capital adequacy assessment process (ICAAP) A process aimed at ensuring that banks have adequate internal capital to cover all material risks.

International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS) Accounting regulations approved by the International Accounting Standards Board. The objective of financial statements prepared according to IFRS is to provide investors with internationally comparable information to help them reach a decision with regard to the company's asset and financial position and also its earnings performance.

Mark to market Measurement of items at current, quoted market prices.

Mezzanine Mezzanine capital or mezzanine financing refers to types of financing which, in their legal and economic form, are a hybrid of equity and debt. Mezzanine capital can be issued in equity-like forms (known as equity mezzanine) such as profit-sharing rights, securitised profit-sharing certificates or silent participations. It is especially suitable for smaller businesses seeking to strengthen their capital base but not wishing to alter their ownership structure.

Netting The offsetting of positions that cancel one another out in terms of amount or risk.

Options Options are agreements giving one party (the buyer of the option) the unilateral right to buy or sell a previously determined amount of goods or securities at a price established in advance within a defined period of time.

OTC Abbreviation for "over the counter", which is used to refer to the off-the-floor trading of financial instruments.

Rating Standardised assessment of the creditworthiness of companies, countries or debt instruments issued by them, on the basis of standardised qualitative and quantitative criteria. The rating process forms the basis for determining the probability of default, which in turn is used in calculating the capital needed to back the credit risk. Ratings may be produced by the Bank itself (internal ratings) or by specialised rating agencies such as Standard & Poor's, Fitch and Moody's (external ratings).

Residential mortgage-backed securities (RMBSs) A type of ABS secured on private mortgages.

Risk-weighted assets The loans and claims granted by a bank vary greatly in terms of their risk profile, which is primarily determined by the borrower's credit rating. The better the rating, the lower the risk weight. The risk profile has to be taken into account when calculating the risk-weighted assets that have to be backed by capital. In this calculation, the relevant risk weight for a transaction is multiplied by the amount of the claim to be taken into account for this transaction. Total risk-weighted assets are the sum of the individual risk-weighted assets for all transactions.

Securitisation In a securitisation, receivables (such as loans, commercial bills or leasing receivables) are pooled and transferred to a buyer, usually a special-purpose vehicle (SPV). The SPV raises funds by issuing securities (e.g. ABSs). Repayment and the interest payments on the securities are directly linked to the performance of the underlying receivables rather than to that of the issuer.

Spread The difference between two prices or interest rates, e.g. the differential between the bid and offer price of securities, or the premium paid over a market interest rate in the case of weaker creditworthiness.

STOXX The STOXX "family" of indices is a system of European benchmark, blue chip and sectoral indices.

Stress testing Stress tests are used to study the impact on risk positions of crisis-level changes on the capital markets. At Commerzbank, we draw a distinction between stress tests that consider a specific type of risk and integrated stress tests that incorporate all types of risk. A further distinction is drawn in risk-bearing capacity calculation between parameter stress tests (multivariate sensitivity analyses) and macroeconomic stress tests (scenario analyses based on macroeconomic forecasts). Scenario analyses consider the impact of macroeconomic conditions on both risk positions and capital components.

Sustainability Sustainability describes business management on a long-term basis which is compatible with acceptable living conditions now and in the future. Its guiding objectives are environmental responsibility and balanced social relations.

Swaps Financial derivatives in which the swapping of payment flows (interest and/or currency amounts) is agreed over a fixed period. Interest rate swaps are used to exchange interest payment flows (e.g. fixed for floating rates). Currency swaps offer the additional opportunity to eliminate exchange rate risk by swapping amounts of capital.

Trading book Trading book positions are held for the purpose of being resold quickly with the aim of achieving a profit, and primarily consist of financial instruments, equity investments and tradable claims. Positions that are closely related to trading book positions with the aim of hedging trading book risks are also shown in the trading book.

Value at risk (VaR) This is a methodology for quantifying risk. For it to be meaningful, the holding period (e.g. one day) and confidence level (e.g. 97.5%) must always be stated. The VaR value then denotes the relevant loss threshold that will not be exceeded within the holding period with a probability in line with the confidence level.

Volatility Volatility describes the fluctuations in the value of a security or currency. It is often calculated in the form of the standard deviation of the price history, or implicitly from a price-setting formula. The higher the volatility, the riskier it is to hold the investment.

90 days past due (90dpd) A default criterion under Basel 2. Commitments that are past due for more than 90 days (taking minimum claims limits into account) must be recorded as in default under Basel 2. At Commerzbank, these come under rating category 6.1.

Many other terms are explained in our online glossary at www.commerzbank.com.

Quarterly results by segment

1st quarter 2013 €m	Private Customers	Mittel-standsbank	Central & Eastern Europe	Corporates & Markets	Non-Core Assets	Others and Con-solidation	Group
Net interest income	430	456	103	197	170	–	1,356
Loan loss provisions	−35	−78	−6	26	−175	1	−267
Net interest income after loan loss provisions	395	378	97	223	−5	1	1,089
Net commission income	427	280	47	82	19	−8	847
Net trading income and net income on hedge accounting	1	1	23	307	−43	23	312
Net investment income	5	−12	–	−6	8	−1	−6
Current income on companies accounted for using the equity method	9	–	–	2	−2	−1	8
Other net income	−14	2	11	2	20	−83	−62
Income before loan loss provisions	*858*	*727*	*184*	*584*	*172*	*−70*	*2,455*
Income after loan loss provisions	*823*	*649*	*178*	*610*	*−3*	*−69*	*2,188*
Operating expenses	754	324	103	338	83	122	1,724
Operating profit or loss	**69**	**325**	**75**	**272**	**−86**	**−191**	**464**
Impairments of goodwill	–	–	–	–	–	–	–
Restructuring expenses	–	–	–	–	–	493	493
Net gain or loss from sale of disposal groups	–	–	–	–	–	–	–
Pre-tax profit or loss	**69**	**325**	**75**	**272**	**−86**	**−684**	**−29**

2nd quarter 2013 €m	Private Customers	Mittel-standsbank	Central & Eastern Europe	Corporates & Markets	Non-Core Assets	Others and Con-solidation	Group
Net interest income	444	432	98	554	182	−81	1,629
Loan loss provisions	−27	−147	−36	19	−347	1	−537
Net interest income after loan loss provisions	417	285	62	573	−165	−80	1,092
Net commission income	390	272	53	94	19	−20	808
Net trading income and net income on hedge accounting	–	−27	28	−139	23	100	−15
Net investment income	3	−9	9	18	−157	16	−120
Current income on companies accounted for using the equity method	6	1	–	6	–	−2	11
Other net income	−4	26	6	36	−12	−57	−5
Income before loan loss provisions	*839*	*695*	*194*	*569*	*55*	*−44*	*2,308*
Income after loan loss provisions	*812*	*548*	*158*	*588*	*−292*	*−43*	*1,771*
Operating expenses	758	333	106	334	95	73	1,699
Operating profit or loss	**54**	**215**	**52**	**254**	**−387**	**−116**	**72**
Impairments of goodwill	–	–	–	–	–	–	–
Restructuring expenses	–	–	–	–	–	–	–
Net gain or loss from sale of disposal groups	–	–	–	–	–	–	–
Pre-tax profit or loss	**54**	**215**	**52**	**254**	**−387**	**−116**	**72**

3rd quarter 2013 €m	Private Customers	Mittel-standsbank	Central & Eastern Europe	Corporates & Markets	Non-Core Assets	Others and Con-solidation	Group
Net interest income	451	424	111	382	59	56	1,483
Loan loss provisions	–31	–106	–41	–43	–243	–28	–492
Net interest income after loan loss provisions	420	318	70	339	–184	28	991
Net commission income	379	263	50	92	6	–5	785
Net trading income and net income on hedge accounting	1	33	33	–83	–35	–26	–77
Net investment income	1	63	4	63	4	1	136
Current income on companies accounted for using the equity method	10	6	–	2	10	3	31
Other net income	–17	–1	11	5	10	–88	–80
Income before loan loss provisions	*825*	*788*	*209*	*461*	*54*	*–59*	*2,278*
Income after loan loss provisions	*794*	*682*	*168*	*418*	*–189*	*–87*	*1,786*
Operating expenses	752	335	105	332	82	80	1,686
Operating profit or loss	**42**	**347**	**63**	**86**	**–271**	**–167**	**100**
Impairments of goodwill	–	–	–	–	–	–	–
Restructuring expenses	–	–	–	–	–	–	–
Net gain or loss from sale of disposal groups	–	–	–	–	–	–	–
Pre-tax profit or loss	**42**	**347**	**63**	**86**	**–271**	**–167**	**100**

4th quarter 2013 €m	Private Customers	Mittel-standsbank	Central & Eastern Europe	Corporates & Markets	Non-Core Assets	Others and Con-solidation	Group
Net interest income	446	418	117	685	111	–97	1,680
Loan loss provisions	–15	–139	–36	55	–317	1	–451
Net interest income after loan loss provisions	431	279	81	740	–206	–96	1,229
Net commission income	365	250	56	99	15	–10	775
Net trading income and net income on hedge accounting	–	22	25	–339	2	–12	–302
Net investment income	–7	12	6	–3	–19	18	7
Current income on companies accounted for using the equity method	8	1	–	2	–1	–	10
Other net income	16	1	11	22	–29	37	58
Income before loan loss provisions	*828*	*704*	*215*	*466*	*79*	*–64*	*2,228*
Income after loan loss provisions	*813*	*565*	*179*	*521*	*–238*	*–63*	*1,777*
Operating expenses	753	345	115	355	91	29	1,688
Operating profit or loss	**60**	**220**	**64**	**166**	**–329**	**–92**	**89**
Impairments of goodwill	–	–	–	–	–	–	–
Restructuring expenses	–	–	–	–	–	–	–
Net gain or loss from sale of disposal groups	–	–	–	–	–	–	–
Pre-tax profit or loss	**60**	**220**	**64**	**166**	**–329**	**–92**	**89**

Details pursuant to section 26 a of the German Banking Act (KWG)

The following information pursuant to Art. 26 a KWG relates to the companies of Commerzbank Group consolidated under IFRS. For the statement of business purpose please refer to our ownership interests (page 271 ff.) in the electronic version of the annual report available in the internet under “Commerzbank > Investor Relations” (www.commerzbank.de). The statement of turnover is based on the respective financial statement of the company under International Financial Reporting Standards (IFRS) and comprises income before loan loss provisions. The statement of personnel includes full-time personnel and part-time personnel calculated as full-time equivalents.

31.12.2013	Turnover (€m)	Employees (number)
Germany	6,787	37,371
United Kingdom	1,057	1,357
Luxembourg	1,062	544
Poland	900	6,073
USA	144	466
Others	431	1,564

Index of figures and tables

Figures

Tables

Published by
Commerzbank AG
Head Office
Kaiserplatz
Frankfurt am Main
www.commerzbank.com

This Annual Report is also available in German.
Both versions are available online.

http://geschaeftsbericht2013.commerzbank.de

http://annualreport2013.commerzbank.com

ISSN 0414-0443 | VKI 02041

The German version of this Annual Report is the authoritative version and only the German version of the Group Management Report and the Group Financial Statements were audited by the auditors.

Concept and Design
wirDesign Berlin Brunswick

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Printing and Processing
Kunst- und Werbedruck,
Bad Oeynhausen

Disclaimer

Reservation regarding forward-looking statements

This Annual 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.

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print production

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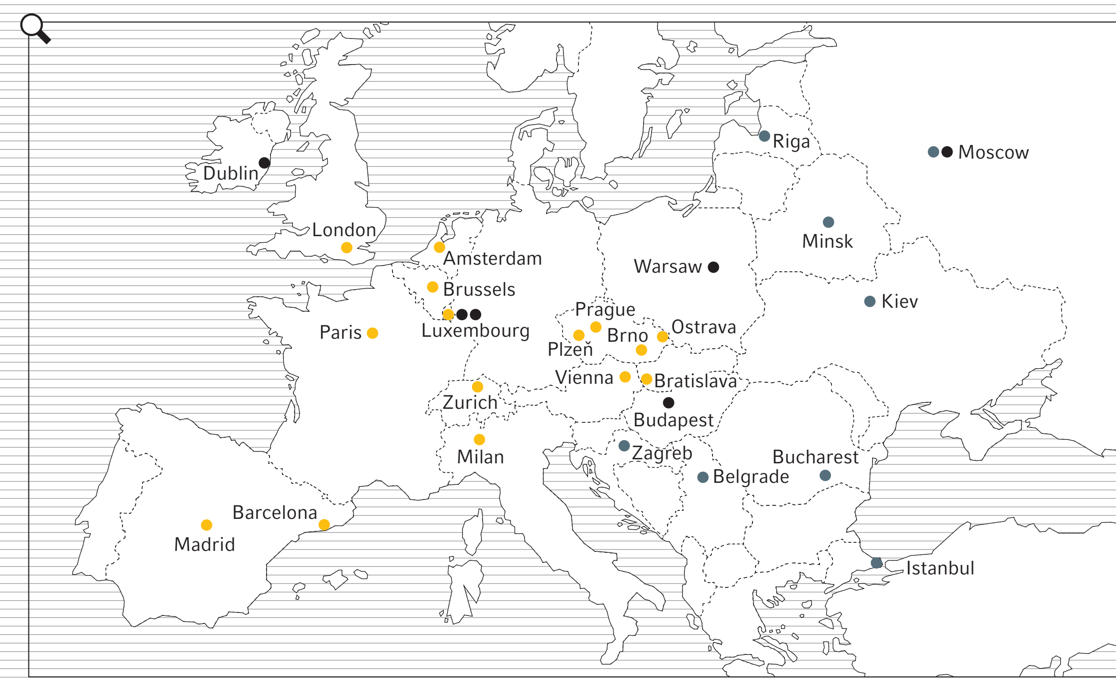
Publication of the Annual Report as at 21 March 2014



Commerzbank worldwide

● Operative foreign branches	23
● Representative offices	35
● Group companies and major foreign holdings	7
Domestic branches in private customer business	1,200
Foreign branches	327
Worldwide staff	52,944
International staff	11,831
Domestic staff	41,113

As at 31.12.2013

Five-year overview

Income statement | €m	2013	2012[1]	2011	2010	2009[2]
Net interest income	6,148	6,487	6,724	7,054	7,174
Loan loss provisions	–1,747	–1,660	–1,390	–2,499	–4,214
Net commission income	3,215	3,249	3,495	3,647	3,773
Net trading income and net income on hedge accounting	–82	73	1,986	1,958	–409
Net investment income	17	81	–3,611	108	417
Current income on companies accounted for using the equity method	60	46	42	35	15
Other income	–89	–77	1,253	–131	–22
Operating expenses	6,797	7,029	7,992	8,786	9,004
Operating profit	725	1,170	507	1,386	–2,270
Impairments of goodwill and brand names	–	–	–	–	768
Restructuring expenses	493	43	–	33	1,621
Net gain or loss from sale of disposal groups	–	–268	–	–	–
Pre-tax profit or loss	232	859	507	1,353	–4,659
Taxes on income	65	803	–240	–136	–26
Consolidated profit or loss attributable to non-controlling interests	89	103	109	59	–96
Consolidated profit or loss attributable to Commerzbank shareholders	**78**	**–47**	**638**	**1,430**	**–4,537**

Key figures					
Earnings per share[4] (€)	0.09	–0.48	1.84	12.13	–43.97
Dividend total (€m)	–	–	–	–	–
Dividend per share (€)	–	–	–	–	–
Operating return on equity (%)	2.5	4.0	1.7	4.5	–8.0
Return on equity of consolidated profit or loss[3,5] (%)	0.3	–0.2	2.2	4.7	–16.5
Cost/income ratio in operating business (%)	73.3	71.3	80.8	69.3	82.2

Balance sheet | €bn	31.12.2013	31.12.2012[1]	31.12.2011	31.12.2010	31.12.2009[2]
Total assets	549.7	636.0	661.8	754.3	844.1
Total lending	246.7	272.8	303.9	330.3	368.4
Liabilities	418.9	455.5	459.5	531.8	567.0
Equity	26.9	26.3	24.8	28.7	26.6

Capital ratios | %					
Core capital ratio	13.5	13.1	11.1	11.9	10.5
Total capital ratio	19.2	17.8	15.5	15.3	14.8

Long/short-term rating					
Moody's Investors Service, New York	Baa1/P-2	A3/P-2	A2/P-1	A2/P-1	Aa3/P-1
Standard & Poor's, New York	A-/A-2	A/A-1	A/A-1	A/A-1	A/A-1
Fitch Ratings, New York/London	A+/F1+	A+/F1+	A+/F1+	A+/F1+	A+/F1+

[1] Prior-year figures restated due to the first-time application of the amended IAS 19, the hedge accounting restatement and other disclosure changes.
[2] Restatement due to harmonization of reporting structure.
[3] Insofar as attributable to Commerzbank shareholders.
[4] Prior-year figures restated due to the 10-to-1 reverse stock split of Commerzbank shares.
[5] The capital base comprises the average Group capital attributable to Commerzbank shareholders without the average revaluation reserve and the cash flow hedge reserve.

2014/2015 Financial calendar	
7 May 2014	Interim Report as at 31 March 2014
8 May 2014	Annual General Meeting
7 August 2014	Interim Report as at 30 June 2014
6 November 2014	Interim Report as at 30 September 2014
End-March 2015	Annual Report 2014

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