

***/ financial statements according to
international accounting standards /
international financial reporting stan-
dards | COMMERZBANK GROUP AS OF DECEMBER 31, 2005***

COMMERZBANK 

ABRIDGED VERSION WITHOUT AUDIT OPINION





highlights of commerzbank group

	2005	2004
Income statement		
Operating profit (€ m)	1,717	1,011
Operating profit per share (€)	2.84	1.70
Pre-tax profit (€ m)	1,680	796
Consolidated surplus (€ m)	1,165	362
Earnings per share (€)	1.93	0.61
Operating return on equity (%)	16.8	9.9
Cost/income ratio in operating business (%)	67.1	70.9
Return on equity of consolidated surplus (%)	12.4	4.0
	31.12.2005	31.12.2004
Balance sheet		
Balance-sheet total (€ bn)	444.9	424.9
Risk-weighted assets according to BIS (€ bn)	149.7	139.7
Equity (€ bn) as shown in balance sheet	13.7	11.0
Own funds (€ bn) as shown in balance sheet	21.8	19.9
BIS capital ratios		
Core capital ratio, excluding market-risk position (%)	8.3	7.8
Core capital ratio, including market-risk position (%)	8.1	7.5
Own funds ratio (%)	12.5	12.6
Commerzbank share		
Number of shares issued (million units)	656.8	598.6
Share price (€, 1.1.–31.12.) high	27.06	16.49
low	15.17	12.65
Book value per share*) (€)	21.00	18.45
Market capitalization (€ bn)	17.1	9.1
Staff		
Germany	25,304	25,417
Abroad	7,752	7,403
Total	33,056	32,820
Short/long-term rating		
Moody's Investors Service, New York	P-1/A2	P-1/A2
Standard & Poor's, New York	A-2/A-	A-2/A-
Fitch Ratings, London	F2/A-	F2/A-

*) excluding cash flow hedges



Consolidated financial statements as of December 31, 2005

Our consolidated financial statements as of December 31, 2005 were prepared in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July, 2002, together with other regulations of the EU Commission for adopting certain international accounting standards on the basis of the International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs), approved and published by the International Accounting Standards Board (IASB). These financial statements are based on the IAS/IFRS rules, as they are to be applied in the EU. With the exception of IAS 39, all the standards have been recognized. Certain provisions of IAS 39 relating to hedge accounting have been ignored.

The rules applied for accounting and measurement as well as extensive notes are presented in our annual report for the 2005 financial year. The annual report will be available as from March 28, 2006.

Some of the accounting rules have been altered since the previous year. The main innovations are outlined below.

1. Claims on banks and customers

Up to now, we have distinguished in our accounting between claims originated by the Bank and those acquired in the secondary market:

- Claims originated by the Bank appeared as Claims on banks or Claims on customers at amortized cost. Disposal gains or losses were recognized under Net interest income.
- Claims acquired in the secondary market (above all promissory notes) were shown at their fair value in the Investments and securities portfolio. Disposal gains or losses were recognized under Net result on investments and securities portfolio (available for sale).

Under the new rules of IAS 39, the accounting of claims from now on will reflect whether they are listed in an active market or not. Accordingly,

- claims not quoted in an active market will appear at amortized cost as Claims on banks or Claims on customers, with disposal gains or losses recognized under Net interest income;
- claims quoted in an active market will appear at their fair value, with disposal gains or losses recognized under Net result on investments and securities portfolio (available for sale).

In order to make comparisons easier, we have similarly adjusted the year-ago levels and the figures in the income statement. This has had no effect on the consolidated surplus.

2. Amortization of goodwill

Up to now, goodwill has been amortized over 15 years, using the straight-line method. In accordance with the reformulated rule of IFRS 3, no regular amortization of goodwill will be made after January 1, 2005. However, as previously, goodwill will be subjected to an impairment test at least once a year. As this change has to be applied prospectively, we have not adjusted the year-ago figures.

3. Minority interests

Minority interests in the Bank's equity were previously shown separately from equity under Minority interests. In accordance with the reformulated IAS 1, minority interests have appeared within equity since January 1, 2005.

4. Staff remuneration plans

Up to now, provisions have been formed and charged to operating expenses for staff remuneration plans which seem likely to be used. IFRS 2, which has had to be applied since January 1, 2005, also provides for the fair value of staff remuneration plans to be recognized under expenses – spread across the lifetime of the plans. Recognition of the plans in the balance sheet distinguishes between payments to the employee settled in cash and those settled in the form of equities:

- Cash-settled plans appear in the balance sheet as a provision.
- Equity-settled plans appear in the balance sheet under equity.

This amendment has had to be applied retroactively. As a result, we have adjusted the year-ago figures for personnel expenses, provisions and equity. The consolidated surplus shown in the previous year was reduced by €31m.

5. Fair value option

In the version of IAS 39 valid as from January 1, 2005, the fair value option was introduced as an additional way of measuring. It enables companies preparing their accounts to apply voluntarily the fair value principle on initial recognition when measuring financial instruments which do not have to be measured according to this principle. Changes in measurement are recognized in the income statement under Trading profit. In June 2005, the IASB presented a new version of the fair value option, which was recognized by the EU in November 2005. The changes related in particular to the conditions for applying the fair value option.

This regulation had to be applied retroactively. As a result, the consolidated surplus was €0.4m higher a year ago.



consolidated income statement

	Notes	1.1.–31.12.2005 € m	1.1.–31.12.2004 € m	Change in %
Net interest income	(1)	3,172	3,013	5.3
Provision for possible loan losses	(2)	-566	-836	-32.3
Net interest income after provisioning		2,606	2,177	19.7
Net commission income	(3)	2,415	2,250	7.3
Net result on hedge accounting		-22	6	.
Trading profit	(4)	707	539	31.2
Net result on investments and securities portfolio (available for sale)	(5)	647	339	90.9
Other result	(6)	26	193	-86.5
Operating expenses	(7)	4,662	4,493	3.8
Operating profit		1,717	1,011	69.8
Regular amortization of goodwill		-	83	.
Restructuring expenses	(8)	37	132	-72.0
Pre-tax profit		1,680	796	.
Taxes on income		409	353	15.9
After-tax profit		1,271	443	.
Profit/loss attributable to minority interests		-106	-81	30.9
Consolidated surplus		1,165	362	.

Appropriation of profit	2005	2004
	€ m	€ m
Consolidated surplus	1,165	362
Allocation to retained earnings	-837	-212
Consolidated profit	328	150

The consolidated profit represents the distributable profit of Commerzbank Aktiengesellschaft. It will be proposed to the Annual General Meeting that a dividend of €0.50 per share be paid from the net profit for the year of

Commerzbank Aktiengesellschaft. With 656.8m shares issued, this translates into a total dividend payout of €328m. Last year, a dividend payment of €0.25 per share was made (total payout of €150m).

Basic earnings per share	2005	2004
	€	€
Earnings per share	1.93	0.61

The calculation of the earnings per share according to IAS/IFRS is based on the consolidated surplus, with minority interests not taken into consideration. There were no diluted earnings per share, since – as in the previous year – no conversion or option rights were outstanding.

Consolidated income statement (breakdown, by quarter)

	Total	4th quarter	3rd quarter	2nd quarter	1st quarter
€ m	2005	2005			
Net interest income	3,172	833	771	847	721
Provision for possible loan losses	-566	-40	-151	-177	-198
Net interest income after provisioning	2,606	793	620	670	523
Net commission income	2,415	645	599	593	578
Net result on hedge accounting	-22	-	-5	-5	-12
Trading profit	707	217	217	11	262
Net result on investments and securities portfolio	647	190	79	84	294
Other result	26	-9	6	26	3
Operating expenses	4,662	1,370	1,097	1,088	1,107
Operating profit	1,717	466	419	291	541
Regular amortization of goodwill	-	-	-	-	-
Restructuring expenses	37	37	-	-	-
Pre-tax profit	1,680	429	419	291	541
Taxes on income	409	84	126	83	116
After-tax profit	1,271	345	293	208	425
Profit/loss attributable to minority interests	-106	-12	-31	-33	-30
Consolidated surplus	1,165	333	262	175	395

	Total	4th quarter	3rd quarter	2nd quarter	1st quarter
€ m	2004	2004			
Net interest income	3,013	747	719	806	741
Provision for possible loan losses	-836	-185	-199	-214	-238
Net interest income after provisioning	2,177	562	520	592	503
Net commission income	2,250	570	526	557	597
Net result on hedge accounting	6	-1	14	-11	4
Trading profit	539	103	-9	131	314
Net result on investments and securities portfolio	339	82	23	180	54
Other result	193	9	35	82	67
Operating expenses	4,493	1,159	1,086	1,136	1,112
Operating profit	1,011	166	23	395	427
Regular amortization of goodwill	83	22	20	21	20
Restructuring expenses	132	-	132	-	-
Pre-tax profit	796	144	-129	374	407
Taxes on income	353	47	71	107	128
After-tax profit	443	97	-200	267	279
Profit/loss attributable to minority interests	-81	-5	-16	-27	-33
Consolidated surplus	362	92	-216	240	246



consolidated balance sheet

Assets		31.12.2005	31.12.2004	Change
	Notes	€ m	€ m	in %
Cash reserve		8,628	4,888	76.5
Claims on banks	(10, 12)	86,203	86,719	-0.6
Claims on customers	(11, 12)	153,674	150,277	2.3
Provision for possible loan losses	(13)	-5,181	-5,305	-2.3
Positive fair values from derivative hedging instruments		4,734	3,920	20.8
Assets held for dealing purposes	(14)	100,321	102,081	-1.7
Investments and securities portfolio	(15)	86,241	72,193	19.5
Intangible assets	(16)	973	801	21.5
Fixed assets	(17)	1,525	1,766	-13.6
Tax assets		5,538	5,811	-4.7
Other assets	(18)	2,205	1,726	27.8
Total		444,861	424,877	4.7

Liabilities and equity		31.12.2005	31.12.2004	Change
	Notes	€ m	€ m	in %
Liabilities to banks	(19)	129,900	115,430	12.5
Liabilities to customers	(20)	102,846	105,064	-2.1
Securitized liabilities	(21)	96,920	87,250	11.1
Negative fair values from derivative hedging instruments		9,839	8,653	13.7
Liabilities from dealing activities	(22)	74,999	80,006	-6.3
Provisions	(23)	3,521	3,402	3.5
Tax liabilities		3,706	3,893	-4.8
Other liabilities	(24)	1,337	1,280	4.5
Subordinated capital	(25)	8,143	8,876	-8.3
Equity of Commerzbank Group		13,650	11,023	23.8
Subscribed capital		1,705	1,546	10.3
Capital reserve		5,686	4,481	26.9
Retained earnings		4,165	3,383	23.1
Revaluation reserve		1,995	1,600	24.7
Measurement of cash flow hedges		-1,069	-1,214	-11.9
Reserve arising from currency translation		-107	-192	-44.3
Consolidated profit		328	150	.
Total before minority interests		12,703	9,754	30.2
Minority interests		947	1,269	-25.4
Total		444,861	424,877	4.7

statement of changes in equity

€ m	Sub- scribed capital	Capital reserve	Retained earnings	Revalu- ation reserve	Measure- ment of cash flow hedges	Reserve from currency trans- lation	Consoli- dated profit	Total before minority interests	Minority interests	Equity
Equity as of 31.12.2003	1,545	4,475	3,286	1,240	-1,236	-219	0	9,091	1,213	10,304
Changes due to new accounting rules		1	-19	-4				-22	-1	-23
Equity as of 1.1.2004	1,545	4,476	3,267	1,236	-1,236	-219	0	9,069	1,212	10,281
Capital increases								-	72	72
Issue of shares to employees	2	8						10		10
Allocation to retained earnings			212					212		212
Distributions								-	-85	-85
Consolidated profit							150	150		150
Profits/losses								-	81	81
Change in revalu- ation reserve				364				364	53	417
Change arising from cash flow hedges					22			22	-74	-52
Change in com- panies included in consolidation and other changes*)	-1	-3	-96			27		-73	10	-63
Equity as of 31.12.2004	1,546	4,481	3,383	1,600	-1,214	-192	150	9,754	1,269	11,023
Capital increases	150	1,177						1,327	23	1,350
Issue of shares to employees	1	8						9		9
Allocation to retained earnings			837					837		837
Profits/losses in previous year								-	-81	-81
Distributions							-150	-150		-150
Consolidated profit							328	328		328
Profits/losses								-	106	106
Change in revalu- ation reserve				395				395	-73	322
Change arising from cash flow hedges					145			145	-64	81
Change in com- panies included in consolidation and other changes*)	8	20	-55			85		58	-233	-175
Equity as of 31.12.2005	1,705	5,686	4,165	1,995	-1,069	-107	328	12,703	947	13,650

*) including changes in treasury shares



As of December 31, 2005, the subscribed capital of Commerzbank Aktiengesellschaft pursuant to the Bank's articles of association stood at €1,708m; it was divided into 656,812,557 no-par-value shares (notional value per share: €2.60). After the 1,113,296 treasury shares held by the Bank on December 31, 2005, are deducted, its subscribed capital amounts to €1,705m.

The Bank made use of the authorization resolved by the Annual General Meeting of May 20, 2005 to purchase its own shares for the purpose of securities trading, pursuant to Art. 71, (1), no. 7, German Stock Corporation Act – AktG. Gains and losses from trading in the Bank's own shares do not appear in the income statement.

No use was made in the 2005 financial year of the resolution of the Annual General Meeting of May 20, 2005, authorizing the Bank to repurchase its own shares pursuant to Art. 71, (1), no. 8, AktG, for purposes other than securities trading.

Other changes in retained earnings, the revaluation reserve and the measurement of cash flow hedges relate to changes in equity at associated companies which, in accordance with IAS 28, have to be shown on a pro-rata basis with no effect on the net profit.

Notes to the income statement

(1) Net interest income

	2005	2004	Change
	€ m	€ m	in %
Interest income from lending and money-market transactions and also from available-for-sale securities portfolio	11,924	10,926	9.1
Dividends from securities	109	89	22.5
Current result on investments, investments in associated companies and holdings in subsidiaries	277	223	24.2
Current income from leasing	217	136	59.6
<i>Interest received</i>	<i>12,527</i>	<i>11,374</i>	<i>10.1</i>
Interest paid for subordinated capital and for securitized and other liabilities	9,181	8,259	11.2
Current expenses from leasing	174	102	70.6
<i>Interest paid</i>	<i>9,355</i>	<i>8,361</i>	<i>11.9</i>
Total	3,172	3,013	5.3

Due to the reformulation of IAS 39, we have adjusted the year-ago figures for Net interest income in order to ensure compatibility. The contra item relates to Net result on investments and securities portfolio.

(2) Provision for possible loan losses

	2005	2004	Change
	€ m	€ m	in %
Allocations	-1,346	-1,282	5.0
Reversals of provisions	829	550	50.7
Balance of direct write-downs and amounts received on written-down claims	-49	-104	-52.9
Total	-566	-836	-32.3

(3) Net commission income

	2005	2004	Change
	€ m	€ m	in %
Securities transactions	901	839	7.4
Asset management	620	576	7.6
Payments and foreign commercial business	422	426	-0.9
Guarantees	153	142	7.7
Income from syndicated business	110	99	11.1
Sundry net commission income	209	168	24.4
Total	2,415	2,250	7.3

Net commission income includes €402m (previous year: €337m) of commissions paid.

(4) Trading profit

	2005	2004	Change
	€ m	€ m	in %
Net result on trading	834	632	32.0
Net result on the measurement of derivative financial instruments	-148	-93	59.1
Net result of applying fair value option	21	0	.
Total	707	539	31.2

(5) Net result on investments and securities portfolio (available for sale)

	2005	2004	Change
	€ m	€ m	in %
Result on available-for-sale securities	216	193	11.9
Result on disposals and measurement of investments, investments in associated companies and holdings in subsidiaries	431	146	.
Total	647	339	90.9

We have reduced the year-ago figures by €22m due to the reformulation of IAS 39 (see Note 1).

**(6) Other result**

	2005	2004	Change
	€ m	€ m	in %
Other income	283	503	-43.7
Other expenses	257	310	-17.1
Total	26	193	-86.5

(7) Operating expenses

	2005	2004	Change
	€ m	€ m	in %
Personnel expenses	2,667	2,452	8.8
Other expenses	1,560	1,639	-4.8
Current depreciation on fixed assets and other intangible assets	435	402	8.2
Total	4,662	4,493	3.8

The first application of IFRS 2, which had to be made retroactively, led to an adjustment in the previous year of €32m in personnel expenses.

(8) Restructuring expenses

	2005	2004	Change
	€ m	€ m	in %
Expenses for restructuring measures introduced	37	132	-72.0
Total	37	132	-72.0

In the 2004 financial year, the expenses related to the restructuring of our investment banking. In the course of this project, the non-customer-based business lines in particular (trading, brokerage, research) were reduced by means of a series of concrete individual measures.

In the 2005 financial year, we launched two projects designed to improve back-office procedures in our corporate business and elsewhere. Restructuring expenses of €37m were incurred in connection with staff reductions and the closing-down of outlets.

(9) Segment reporting

2005	Retail Banking and Asset Management		Corporate and Investment Banking			Group Investments and Others		Total
	Private and Business Customers	Asset Management	Mittelstand	International Corporate Banking	Corporates & Markets	Mortgage Banks	Others and Consolidation	
€ m								
Net interest income	1,124	-10	1,193	294	187	528	-144	3,172
Provision for possible loan losses	-205	-	-394	69	-3	-33	-	-566
Net interest income after provisioning	919	-10	799	363	184	495	-144	2,606
Net commission income	1,065	575	568	153	69	-12	-3	2,415
Net result on hedge accounting	-	-	-	5	-1	-24	-2	-22
Trading profit	3	9	75	15	758	-130	-23	707
Net result on investments and securities portfolio	-	16	-4	21	-12	73	553	647
Other result	14	-4	-1	2	7	-4	12	26
<i>Revenue</i>	<i>2,001</i>	<i>586</i>	<i>1,437</i>	<i>559</i>	<i>1,005</i>	<i>398</i>	<i>393</i>	<i>6,379</i>
Operating expenses	1,719	466	1,029	260	793	48	347	4,662
Operating profit	282	120	408	299	212	350	46	1,717
Regular amortization of goodwill	-	-	-	-	-	-	-	-
Restructuring expenses	-	-	22	11	4	-	-	37
Pre-tax profit	282	120	386	288	208	350	46	1,680
Average equity tied up	1,891	537	3,028	1,388	1,818	1,007	566	10,235
Operating return on equity (%)	14.9	22.3	13.5	21.5	11.7	34.8	·	16.8
Cost/income ratio in operating business (%)	77.9	79.5	56.2	53.1	78.7	11.1	·	67.1
Return on equity of pre-tax profit (%)	14.9	22.3	12.7	20.7	11.4	34.8	·	16.4
Staff (average no.)	10,461	1,705	8,680	1,313	912	206	8,265	31,542



2004	Retail Banking and Asset Management		Corporate and Investment Banking			Group Investments and Others		Total
	Private and Business Customers	Asset Management	Mittelstand	International Corporate Banking	Corporates & Markets	Mortgage Banks	Others and Consolidation	
€ m								
Net interest income	1,137	-7	1,152	301	190	233	7	3,013
Provision for possible loan losses	-213	-	-555	12	-29	-51	-	-836
Net interest income after provisioning	924	-7	597	313	161	182	7	2,177
Net commission income	1,010	529	403	155	152	-12	13	2,250
Net result on hedge accounting	-	1	-	-	-	4	1	6
Trading profit	3	8	43	32	567	-110	-4	539
Net result on investments and securities portfolio	3	13	1	28	-2	126	170	339
Other result	40	25	85	14	-11	-6	46	193
<i>Revenue</i>	<i>1,980</i>	<i>569</i>	<i>1,129</i>	<i>542</i>	<i>867</i>	<i>184</i>	<i>233</i>	<i>5,504</i>
Operating expenses	1,657	392	998	231	942	45	228	4,493
Operating profit	323	177	131	311	-75	139	5	1,011
Regular amortization of goodwill	-	59	10	-	-	8	6	83
Restructuring expenses	-	-	-	-	132	-	-	132
Pre-tax profit	323	118	121	311	-207	131	-1	796
Average equity tied up	1,894	558	2,663	1,337	2,022	1,003	781	10,258
Operating return on equity (%)	17.1	31.7	4.9	23.3	-3.7	13.9	.	9.9
Cost/income ratio in operating business (%)	75.6	68.9	59.3	43.6	105.1	19.1	.	70.9
Return on equity of pre-tax profit (%)	17.1	21.1	4.5	23.3	-10.2	13.1	.	7.8
Staff (average no.)	10,207	1,671	8,095	1,328	1,294	192	8,613	31,400

Notes to the balance sheet

(10) Claims on banks

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
due on demand	16,813	20,877	-19.5
other claims	69,390	65,842	5.4
with a remaining lifetime of			
less than three months	35,004	38,316	-8.6
more than three months, but less than one year	19,529	13,356	46.2
more than one year, but less than five years	7,129	6,661	7.0
more than five years	7,728	7,509	2.9
Total	86,203	86,719	-0.6
of which: reverse repos	42,329	35,436	19.5

Due to the reformulation of IAS 39, we now show Claims on banks not originated by the Bank, which previously appeared in the Investments and securities portfolio, under Claims on banks. We have adjusted the year-earlier figures.

(11) Claims on customers

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
with indefinite remaining lifetime	14,646	15,424	-5.0
other claims	139,028	134,853	3.1
with a remaining lifetime of			
less than three months	28,858	27,046	6.7
more than three months, but less than one year	14,052	15,398	-8.7
more than one year, but less than five years	40,286	36,865	9.3
more than five years	55,832	55,544	0.5
Total	153,674	150,277	2.3
of which: reverse repos	8,377	10,744	-22.0

Due to the reformulation of IAS 39, we now show Claims on customers not originated by the Bank, which previously appeared in the Investments and securities portfolio, under Claims on customers. We have adjusted the year-earlier figures.

**(12) Total lending**

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
Loans to banks ^{*)}	18,940	20,704	-8.5
Claims on customers ^{*)}	145,297	139,533	4.1
Bills discounted	403	311	29.6
Total	164,640	160,548	2.5

^{*)} excluding reverse repos

(13) Provision for possible loan losses

Development of provisioning	2005	2004	Change
	€ m	€ m	in %
As of 1.1.	5,678	5,854	-3.0
Allocations	1,346	1,282	5.0
Deductions	1,574	1,451	8.5
Utilized	745	901	-17.3
Reversals	829	550	50.7
Changes in the list of consolidated companies	4	-	.
Exchange-rate changes/transfers	32	-7	.
As of 31.12.	5,486	5,678	-3.4

With direct write-downs and amounts received on written-down claims taken into consideration, the allocations and reversals have given rise to provision in the income statement of €566m for lending risks (previous year: €836m) (see Note 2).

Level of provisioning	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
Specific valuation allowances	4,814	4,979	-3.3
Country valuation allowances	28	17	64.7
Global valuation allowances	339	309	9.7
Provisioning for balance-sheet items	5,181	5,305	-2.3
Provisions in lending business	305	373	-18.2
Total	5,486	5,678	-3.4

After conservatively valued security in an amount of €1,334m had been deducted, the value-adjusted claims producing neither interest nor income amounted to €4,369m (31.12.2004: €4,463m).

(14) Assets held for dealing purposes

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
Bonds, notes and other fixed-income securities	22,080	20,137	9.6
Shares and other variable-yield securities	8,417	10,338	-18.6
Promissory notes held for trading purposes	1,287	798	61.3
Positive fair values from derivative financial instruments	68,537	70,808	-3.2
Total	100,321	102,081	-1.7

(15) Investments and securities portfolio (available-for-sale financial assets)

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
Bonds, notes and other fixed-income securities	77,539	64,320	20.6
Shares and other variable-yield securities	2,402	2,138	12.3
Investments	2,537	3,217	-21.1
Investments in associated companies	3,643	2,379	53.1
Holdings in subsidiaries	120	139	-13.7
Total	86,241	72,193	19.5

Due to the reformulation of IAS 39, we now show Claims on banks and customers not originated by the Bank, which previously appeared in the Investments and securities portfolio, under Claims on banks and Claims on customers. We have adjusted the year-earlier figures.

(16) Intangible assets

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
Goodwill	758	697	8.8
Other intangible assets	215	104	.
Total	973	801	21.5

**(17) Fixed assets**

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
Land and buildings	663	762	-13.0
Office furniture and equipment	628	859	-26.9
Leased equipment	234	145	61.4
Total	1,525	1,766	-13.6

(18) Other assets

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
Collection items	182	211	-13.7
Precious metal portfolios	982	350	.
Sundry assets (including deferred items)	1,041	1,165	-10.6
Total	2,205	1,726	27.8

(19) Liabilities to banks

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
due on demand	15,191	17,808	-14.7
with remaining lifetime of	114,709	97,622	17.5
less than three months	84,680	65,821	28.7
more than three months, but less than one year	13,318	14,271	-6.7
more than one year, but less than five years	4,747	5,311	-10.6
more than five years	11,964	12,219	-2.1
Total	129,900	115,430	12.5
of which: repos	41,820	36,695	14.0

(20) Liabilities to customers

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
Savings deposits	12,432	16,892	-26.4
with agreed period of notice of			
three months	11,717	15,797	-25.8
more than three months	715	1,095	-34.7
Other liabilities to customers	90,414	88,172	2.5
due on demand	41,189	36,482	12.9
with agreed remaining lifetime of			
less than three months	36,302	39,593	-8.3
more than three months, but less than one year	3,380	2,870	17.8
more than one year, but less than five years	2,818	2,843	-0.9
more than five years	6,725	6,384	5.3
Total	102,846	105,064	-2.1
of which: repos	12,674	15,764	-19.6

(21) Securitized liabilities

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
Bonds and notes outstanding	85,235	76,478	11.5
Money-market instruments outstanding	11,608	10,677	8.7
Own acceptances and promissory notes outstanding	77	95	-18.9
Total	96,920	87,250	11.1

Remaining lifetimes of securitized liabilities	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
due on demand	4	48	-91.7
with agreed remaining lifetime of			
less than three months	18,877	16,733	12.8
more than three months, but less than one year	17,295	15,643	10.6
more than one year, but less than five years	49,638	42,279	17.4
more than five years	11,106	12,547	-11.5
Total	96,920	87,250	11.1



(22) Liabilities from dealing activities

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
Currency-based transactions	4,070	9,204	-55.8
Interest-based transactions	60,767	60,886	-0.2
Delivery commitments arising from short sales of securities	3,299	5,600	-41.1
Sundry transactions	6,863	4,316	59.0
Total	74,999	80,006	-6.3

(23) Provisions

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
Provisions for pensions and similar commitments	1,587	1,495	6.2
Other provisions	1,934	1,907	1.4
Total	3,521	3,402	3.5

The assets of €140m (previous year: €147m) invested in a pension fund were deducted in the 2005 financial year from Provisions for pensions and similar commitments. We adjusted Other provisions as of December 31, 2004, due to the first-time application of IFRS 2.

(24) Other liabilities

Other liabilities of €1,337m (previous year: €1,280m) comprise obligations arising from invoices not yet received, deductions from salaries to be transferred and deferred liabilities.

(25) Subordinated capital

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
Subordinated liabilities	5,410	5,673	-4.6
Profit-sharing rights outstanding	1,895	2,111	-10.2
Measurement effects (IAS 39)	679	819	-17.1
Deferred interest	159	273	-41.8
Total	8,143	8,876	-8.3



as of 31.12.2004	Capital charges in %						Total
€ m	100	50	25	20	10	4	
Balance-sheet business	89,855	6,787	–	11,253	–	–	107,895
Traditional off-balance-sheet business	3,776	15,474	84	755	286	55	20,430
Derivatives business in investment portfolio	–	2,467	–	4,115	–	–	6,582
Risk-weighted assets, total	93,631	24,728	84	16,123	286	55	134,907
Risk-weighted market-risk position multiplied by 12.5							4,838
Total items to be risk-weighted							139,745
Eligible own funds							17,623
Core capital ratio (excluding market-risk position)							7.8
Core capital ratio (including market-risk position)							7.5
Own funds ratio (including market-risk position)							12.6

(27) Liquidity ratio

The liquidity ratio of Commerzbank AG pursuant to Principle II was 1.13 at end-December 2005 (31.12.2004: 1.14). This was 13% higher than the minimum level of 1.00. The surplus liquidity in accordance with Principle II in the time band with a remaining lifetime of one month amounted to €17.2bn (31.12.2004: €18.5bn).

(28) Off-balance-sheet commitments

	31.12.2005	31.12.2004	Change
	€ m	€ m	in %
Contingent liabilities	27,521	24,541	12.1
from rediscounted bills of exchange credited to borrowers	1	2	–50.0
from guarantees and indemnity agreements	27,520	24,539	12.1
Irrevocable lending commitments	36,695	36,977	–0.8
Other commitments	52	11	·

Provisioning for off-balance-sheet commitments has been deducted from the respective items.

(29) Derivative transactions

Derivative transactions (investment and trading books) involved the following nominal amounts and fair values:

31.12.2005	Nominal amount, by remaining lifetime				Fair values	
	less than one year	more than one year, but under five years	more than five years	Total	positive	negative
€ m						
Foreign currency-based forward transactions	245,188	127,317	65,671	438,176	4,385	4,494
Interest-based forward transactions	1,600,110	1,464,095	1,264,422	4,328,627	62,837	70,152
Other forward transactions	97,641	206,595	17,546	321,782	6,049	6,893
Total	1,942,939	1,798,007	1,347,639	5,088,585	73,271	81,539
<i>of which:</i>						
<i>traded on a stock exchange</i>	<i>110,117</i>	<i>65,416</i>	<i>3,139</i>			

31.12.2004	Nominal amount, by remaining lifetime				Fair values	
	less than one year	more than one year, but under five years	more than five years	Total	positive	negative
€ m						
Foreign currency-based forward transactions	268,952	119,264	61,901	450,117	9,578	9,878
Interest-based forward transactions	1,398,880	1,244,024	1,022,452	3,665,356	61,408	68,737
Other forward transactions	71,369	154,369	10,992	236,730	3,742	4,444
Total	1,739,201	1,517,657	1,095,345	4,352,203	74,728	83,059
<i>of which:</i>						
<i>traded on a stock exchange</i>	<i>159,740</i>	<i>16,679</i>	<i>8,432</i>			

(30) Market risk arising from trading activities

The market risk arising from trading activities shows the values-at-risk in accordance with Principle I (99% confidence interval, 10-day holding period) of the Commerzbank Group and also of its individual business

lines, calculated using Commerzbank's internal market-risk model. For calculating and managing market risk, historical simulation is used as the value-at-risk model.

Portfolio	31.12.2005	31.12.2004
	€ m	€ m
Commerzbank Group	39.2	54.7
Corporates & Markets (Securities)	26.1	50.7
Treasury	22.1	12.4



(31) Fair value of financial instruments

€ bn	Fair value		Book value		Difference	
	31.12.2005	31.12.2004	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Assets						
Cash reserve	8.6	4.9	8.6	4.9	–	–
Claims on banks	86.2	86.7	86.2	86.7	–	–
Claims on customers	155.8	152.7	153.7	150.3	2.1	2.4
Hedging instruments	4.7	3.9	4.7	3.9	–	–
Assets held for dealing purposes	100.3	102.1	100.3	102.1	–	–
Investments and securities portfolio	86.2	72.2	86.2	72.2	–	–
Liabilities						
Liabilities to banks	129.9	115.4	129.9	115.4	–	–
Liabilities to customers	102.9	105.2	102.8	105.1	0.1	0.1
Securitized liabilities	97.5	87.8	96.9	87.3	0.6	0.5
Hedging instruments	9.8	8.7	9.8	8.7	–	–
Liabilities from dealing activities	75.0	80.0	75.0	80.0	–	–
Subordinated capital	8.1	8.9	8.1	8.9	–	–

In net terms, the difference between the book value and fair value, which can be seen as unrealized appreciation, amounted for all items to €1.4bn as of December 31, 2005 (31.12.2004: €1.8bn). For the most part, cash flow hedges are used for covering these items. As of December 31, 2005, the measurement of cash flow hedges

yielded a figure of –€1.1bn (31.12.2004: –€1.2bn). As of both December 31, 2005 and December 31, 2004, the unrealized appreciation in interest-bearing assets and liabilities exceeded the negative measurement of cash flow hedges.

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*) elected by the Bank's employees



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Legal domicile of the bank: Frankfurt am Main (HRB 32000)
791 branches in Germany

Major group companies and holdings

In Germany

CBG Commerz Beteiligungsgesellschaft Holding mbH, Bad Homburg v.d.H.
comdirect bank AG, Quickborn
COMINVEST Asset Management GmbH, Frankfurt am Main
Commerz Grundbesitzgesellschaft mbH, Wiesbaden
CommerzLeasing und Immobilien AG, Düsseldorf
Commerz Business Consulting AG, Frankfurt am Main
Hypothesenbank in Essen AG, Essen
Deutsche Schiffsbank AG, Bremen/Hamburg
Eurohypo AG, Eschborn

Abroad

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Caisse Centrale de Réescompte, S.A., Paris
COMINVEST Asset Management S.A., Luxembourg
Commerzbank Capital Markets Corporation, New York
Commerzbank (Eurasija) SAO, Moscow
Commerzbank Europe (Ireland), Dublin
Commerzbank International S.A., Luxembourg
Commerzbank (South East Asia) Ltd., Singapore
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RESERVATION REGARDING FORWARD-LOOKING STATEMENTS

This interim report contains forward-looking statements on Commerzbank's business and earnings performance, which are based upon our current plans, estimates, forecasts and expectations. The statements entail risks and uncertainties, as there are a variety of factors which influence our business and to a great extent lie beyond our sphere of influence. Above all, these include the economic

situation, the state of the financial markets worldwide and possible loan losses. Actual results and developments may, therefore, diverge considerably from our current assumptions, which, for this reason, are valid only at the time of publication. We undertake no obligation to revise our forward-looking statements in the light of either new information or unexpected events.

