



150 YEARS

Successful start of Commerzbank 5.0 – 2019 with stable operating profit and strong capital ratio

Fixed Income presentation – Q4 2019 / FY 2019 preliminary and unaudited results

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2019 better than expected – early tangible progress of Commerzbank 5.0

Better financial performance than expected

Increased operating result based on stable underlying revenues

Strong CET1 ratio of 13.4%

Solid basis for strategy execution and growth

90% shareholding in comdirect reached

Prerequisite for squeeze-out and integration fulfilled

Early part-time retirement program agreed

Potential of > 1000 FTE reduction

Stable operating profit and strong capital ratio

Highlights 2019

Stable core businesses based on customer and asset growth

- › In PSBC increase of underlying revenues supported by around 473k net new customers and €35bn growth of loan and securities volumes in PSBC Germany
- › In CC underlying revenues backed by increased loan volume with corporates (+€6bn) but also reflecting lack of contributions from closed legacy businesses

Stable operating result of €1.26bn benefiting from strict cost management

- › Net result of €644m and RoTE of 2.4% affected by high tax rate and restructuring charge
- › Operating expenses and compulsory contributions below €6.8bn in line with FY guidance
- › Dividend of €0.15 proposed based on previous year's pay-out ratio


Clean balance sheet and healthy risk profile – ACR closed in 2019

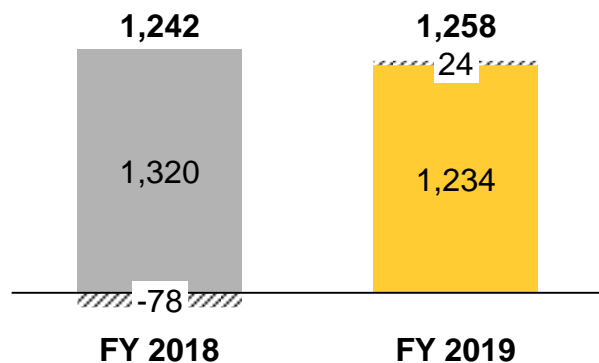
- › Strong CET1 ratio at 13.4% and leverage ratio at 5.1%
- › Risk result of -€620m – increase driven by individual cases
- › Group NPE ratio on low level of 0.9% (1.0% in 2018)

Key financial figures at a glance

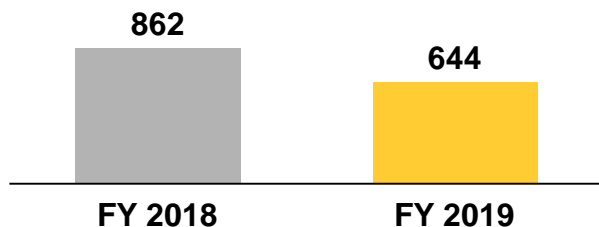
Group Financial Results

Operating result (€m)

 Exceptional Revenue Items

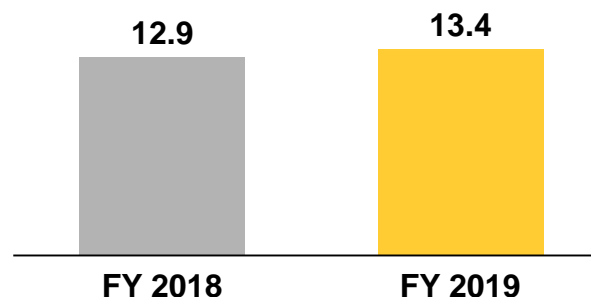


Net result¹ (€m)

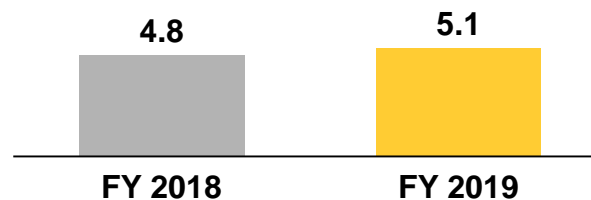


Group Capital²

CET1 ratio (%)



Leverage ratio fully loaded (% eop)



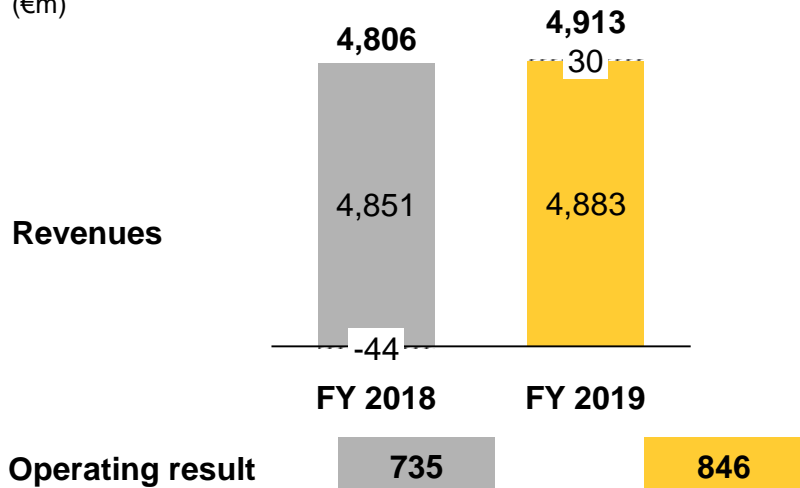
Exceptional revenue items

2018 (€m)		Revenues	2019 (€m)		Revenues	
Q1	› Hedging & valuation adjustments	-24	1	› Hedging & valuation adjustments	-15	
	› Polish group insurance business (PSBC)	52		› PPA Consumer Finance (PSBC)	-19	-34
	› PPA Consumer Finance (PSBC)	-27				
Q2	› Hedging & valuation adjustments	42	18	› Hedging & valuation adjustments	86	
	› PPA Consumer Finance (PSBC)	-25		› PPA Consumer Finance (PSBC)	-18	34
				› Insurance based product (CC)	-34	
Q3	› Hedging & valuation adjustments	41	18	› Hedging & valuation adjustments	-74	
	› PPA Consumer Finance (PSBC)	-23		› PPA Consumer Finance (PSBC)	-16	13
				› Sale ebase (PSBC)	103	
Q4	› Hedging & valuation adjustments	-95	-115	› Hedging & valuation adjustments	47	
	› PPA Consumer Finance (PSBC)	-21		› PPA Consumer Finance (PSBC)	-15	11
				› Insurance based product (CC)	-22	
FY		-78			24	

Revenues and operating results of Commerzbank divisions

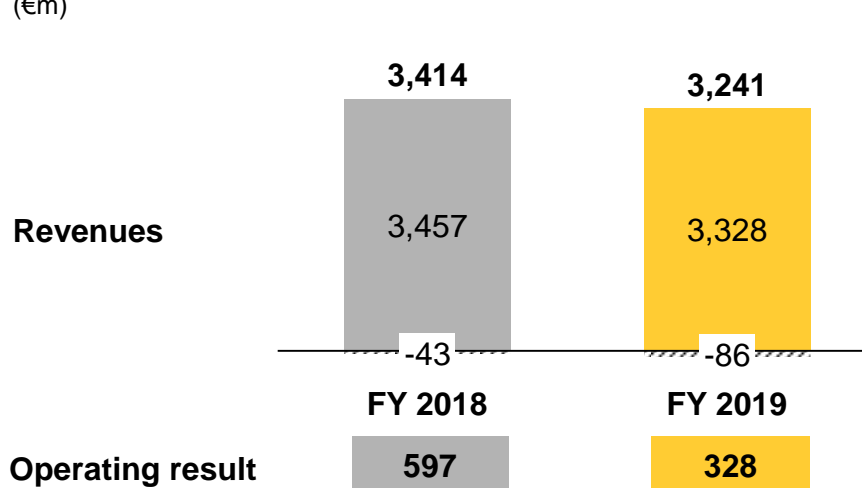
Private and Small Business Customers

(€m)



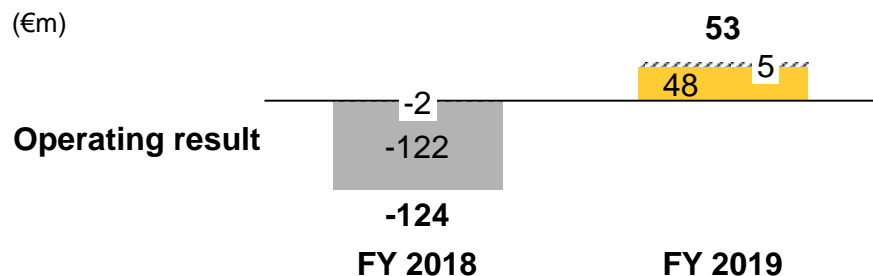
Corporate Clients

(€m)



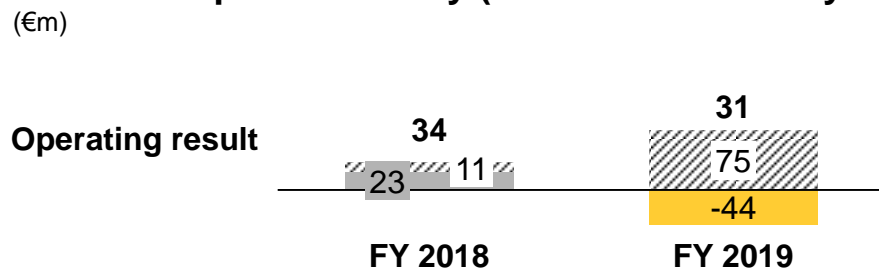
Others & Consolidation

(€m)



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

(€m)

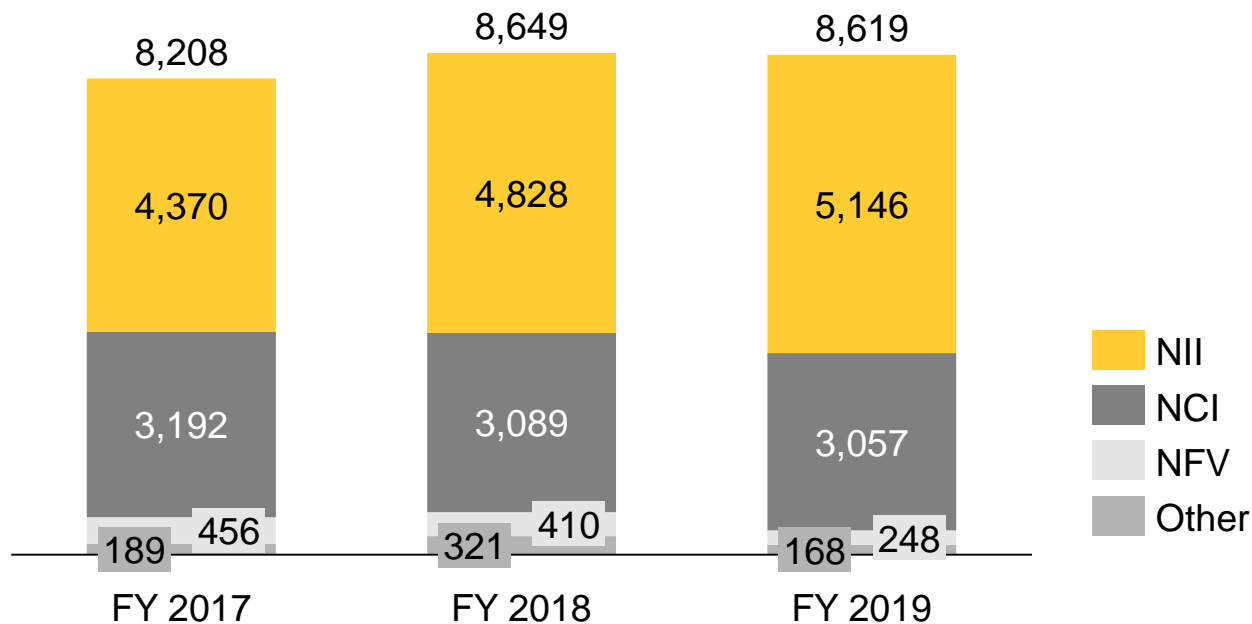


/// Exceptional revenue items

Stable revenues – growth compensating effects from negative interest rate environment and reduction of legacy portfolios

Revenues (excluding exceptional items)

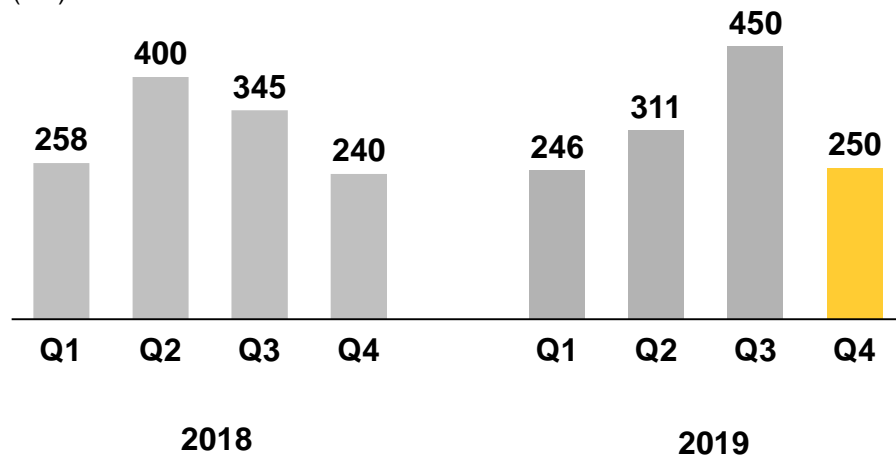
(€m)



→ Targeted underlying revenues in 2020 at least at level of 2019

Stable FY operating result – better Q4 despite higher risk result

Group operating result (€m)



Group P&L

in €m	Q4 2018	Q3 2019	Q4 2019	FY 2018	FY 2019
Revenues	2,035	2,183	2,173	8,570	8,643
Exceptional items	-115	13	11	-78	24
Revenues excl. exceptional items	2,151	2,170	2,163	8,649	8,619
<i>o/w Net interest income</i>	1,254	1,277	1,323	4,828	5,146
<i>o/w Net commission income</i>	754	763	788	3,089	3,057
<i>o/w Net fair value result</i>	17	98	85	410	248
<i>o/w Other income</i>	126	32	-33	321	168
Risk result	-154	-114	-250	-446	-620
Operating expenses	1,579	1,559	1,608	6,459	6,313
Compulsory contributions	63	60	65	423	453
Operating result	240	450	250	1,242	1,258
Impairments on other intangible assets	-	-	28	-	28
Restructuring expenses	-	-	101	-	101
Pre-tax profit discontinued operations	-30	-7	-9	-15	-17
Pre-tax profit Commerzbank Group	209	443	112	1,227	1,112
Taxes on income	75	104	154	262	369
Minority interests	22	43	13	102	100
Net result	113	296	-54	862	644
CIR (excl. compulsory contributions) (%)	77.6	71.4	74.0	75.4	73.0
CIR (incl. compulsory contributions) (%)	80.7	74.1	77.0	80.3	78.3
Net RoTE (%)	1.8	4.4	-1.1	3.4	2.4
Operating RoCET (%)	4.1	7.5	4.1	5.4	5.3

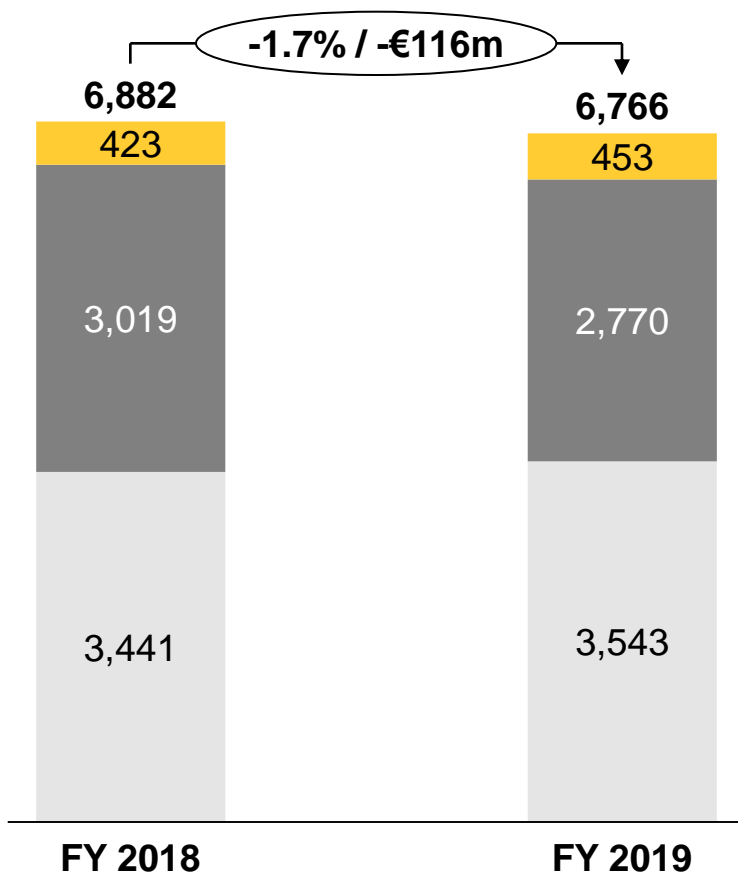
Highlights

- › Nearly stable underlying revenues – Q4 2019 including €57m legal provision for mBank's FX loan portfolio (other income)
- › Q4 underlying NII benefits from Corporate Clients and Treasury contribution while NCI increased due to better performance in PSBC's securities business
- › Q4 operating result in addition reflects risk result driven by single cases
- › Q4 net result of -€54m driven by early recognition of first restructuring charge for Commerzbank 5.0 and high tax rate

Cost target reached

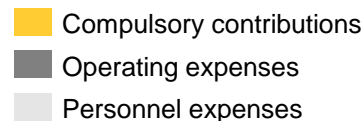
FY 2018 vs. FY 2019 transition

(€m)



Highlights

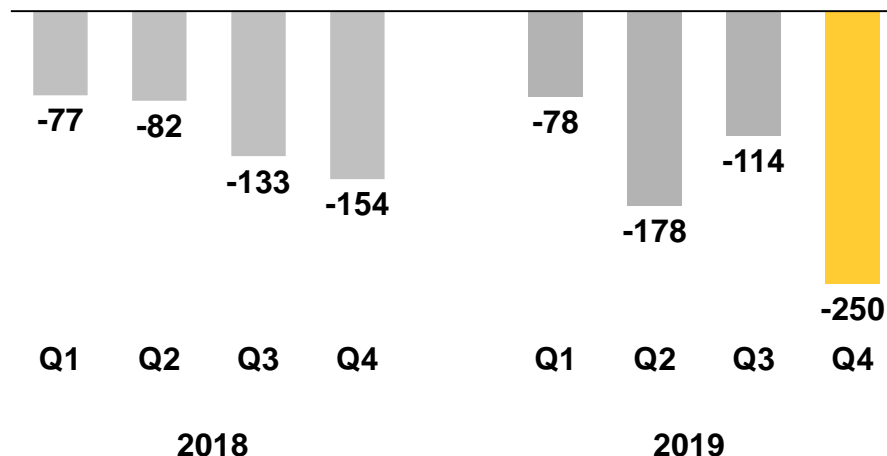
- › **Compulsory contributions** increased mainly due to higher European bank levy in mBank (+€23m)
- › **Operating expenses** decreased by -€249m due to prioritised investments and further cost management – like more efficient use of consultancy services and advertisement
- › **Personnel expenses** benefit from a net reduction of about 1,100 FTE to around 40,400 FTE
- › Increase in personnel expenses due to new compensation model and general pay scale increase as well as slightly higher variable compensation



Risk indicators remain mostly stable despite the macro environment

Risk Result

(€m)



Risk Result divisional split

Risk Result in €m	Q4 2018	Q3 2019	Q4 2019	FY 2018	FY 2019
Private and Small Business Customers	-49	-87	-67	-233	-253
Corporate Clients	-73	-31	-156	-194	-342
Asset & Capital Recovery	-23	-	-	-8	-24
Others & Consolidation	-9	4	-27	-10	-
Group	-154	-114	-250	-446	-620
NPE in €bn					
Private and Small Business Customers	1.8	1.8	1.8	1.8	1.8
Corporate Clients	1.7	1.6	1.7	1.7	1.7
Asset & Capital Recovery	0.4	-	-	0.4	-
Others & Consolidation	-	0.2	0.2	-	0.2
Group	3.8	3.6	3.7	3.8	3.7
Group NPE ratio (in %) ¹	1.0	0.9	0.9	1.0	0.9
Group CoR (bps) ²	10	10	14	10	14

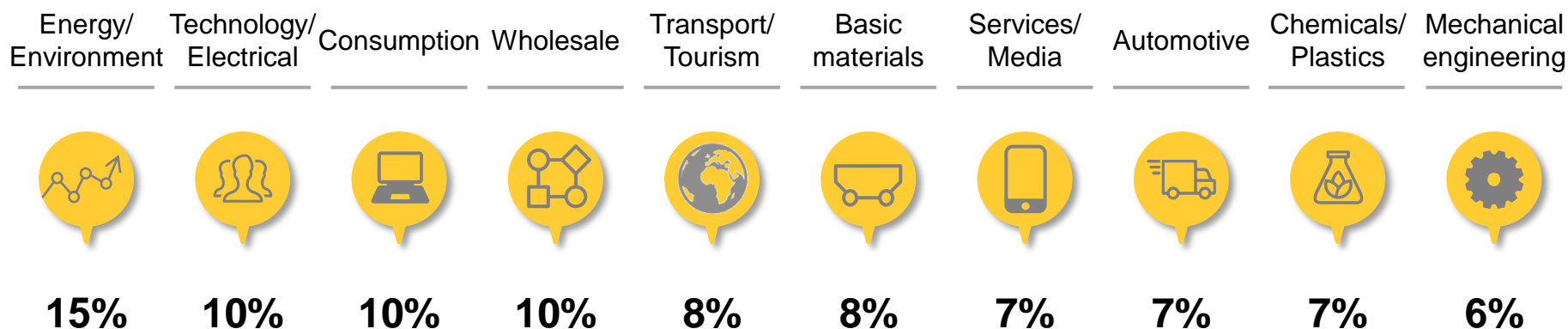
Highlights

- › PSBC and CC with healthy risk profile – Group NPE¹ ratio of 0.9%
- › German economy remains resilient – only a moderate increase in underlying risk indicators and general risk provisioning
- › Increase of Q4 risk result to -€250m driven by individual cases mainly in International Corporates
- › FY increased risk result mainly due to single cases in CC and in mBank (PSBC)

Corporate Clients – well diversified portfolio

Exposure by industry sector – top 10 industries

(% of EaD in portfolio)



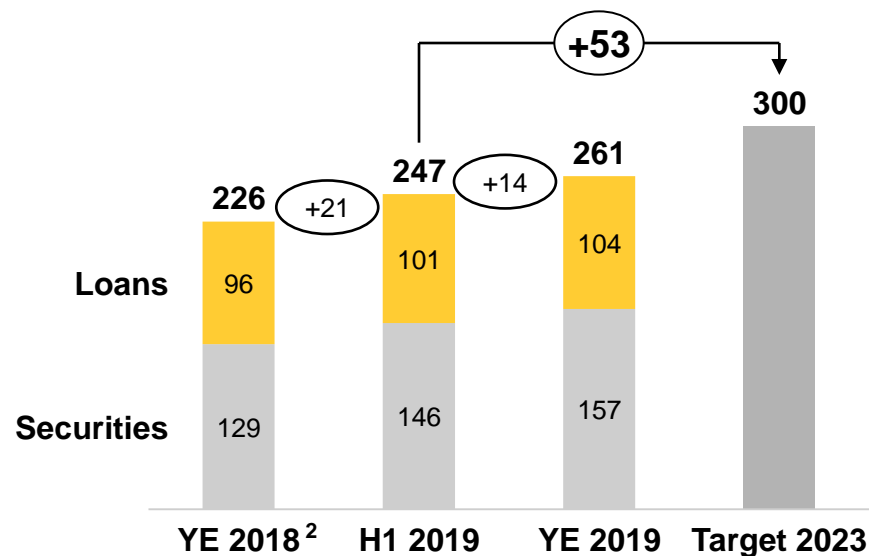
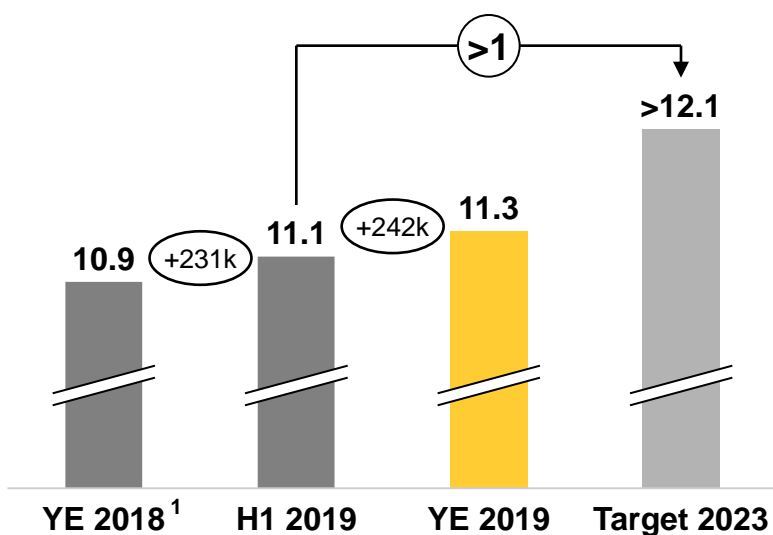
Current analysis

- › Diversification of the portfolio robust enough to manage slowdowns in individual sectors
- › Ongoing close monitoring of portfolio in light of slower growth of German and European economy

Private and Small Business Customers: continued growth towards Commerzbank 5.0 targets

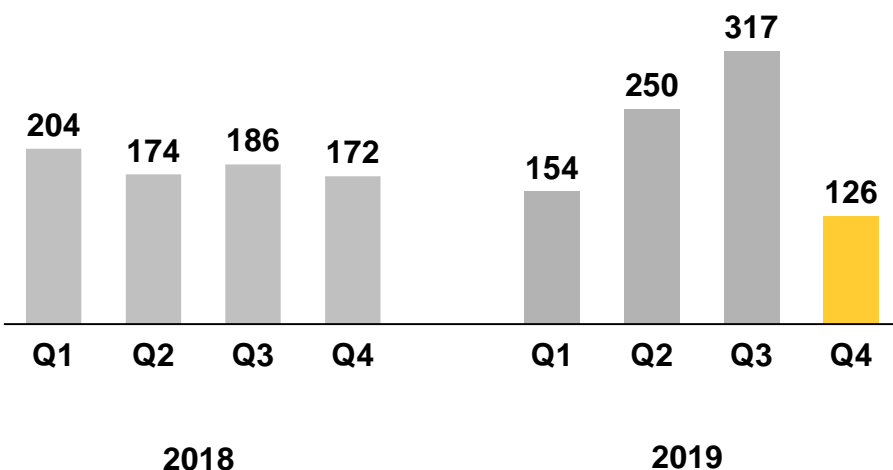
Customers (Germany)
(m)

Loan and Securities Volumes (Germany)
(€bn eop)



Private and Small Business Customers: higher operating result 2019 – Q4 impacted by provision for litigation at mBank

Operating result (€m)



Segmental P&L

in €m	Q4 2018	Q3 2019	Q4 2019	FY 2018	FY 2019
Revenues	1,163	1,328	1,160	4,806	4,913
o/w Private Customers	578	570	567	2,383	2,326
o/w Small Business Customers	209	204	203	816	813
o/w mBank	257	298	255	1,040	1,121
o/w comdirect	95	100	91	389	387
o/w Commerz Real	46	71	57	222	236
o/w exceptional revenue items	-23	84	-14	-44	30
<i>Revenues excl. exceptional items</i>	<i>1,185</i>	<i>1,243</i>	<i>1,173</i>	<i>4,851</i>	<i>4,883</i>
Risk result	-49	-87	-67	-233	-253
Operating expenses	890	873	913	3,586	3,529
Compulsory contributions	52	51	55	252	285
Operating result	172	317	126	735	846
RWA (end of period in €bn)	41.4	46.5	47.2	41.4	47.2
CIR (excl. compulsory contributions) (%)	76.5	65.7	78.7	74.6	71.8
CIR (incl. compulsory contributions) (%)	81.0	69.6	83.4	79.9	77.6
Operating return on equity (%)	14.0	23.3	8.9	15.5	15.8

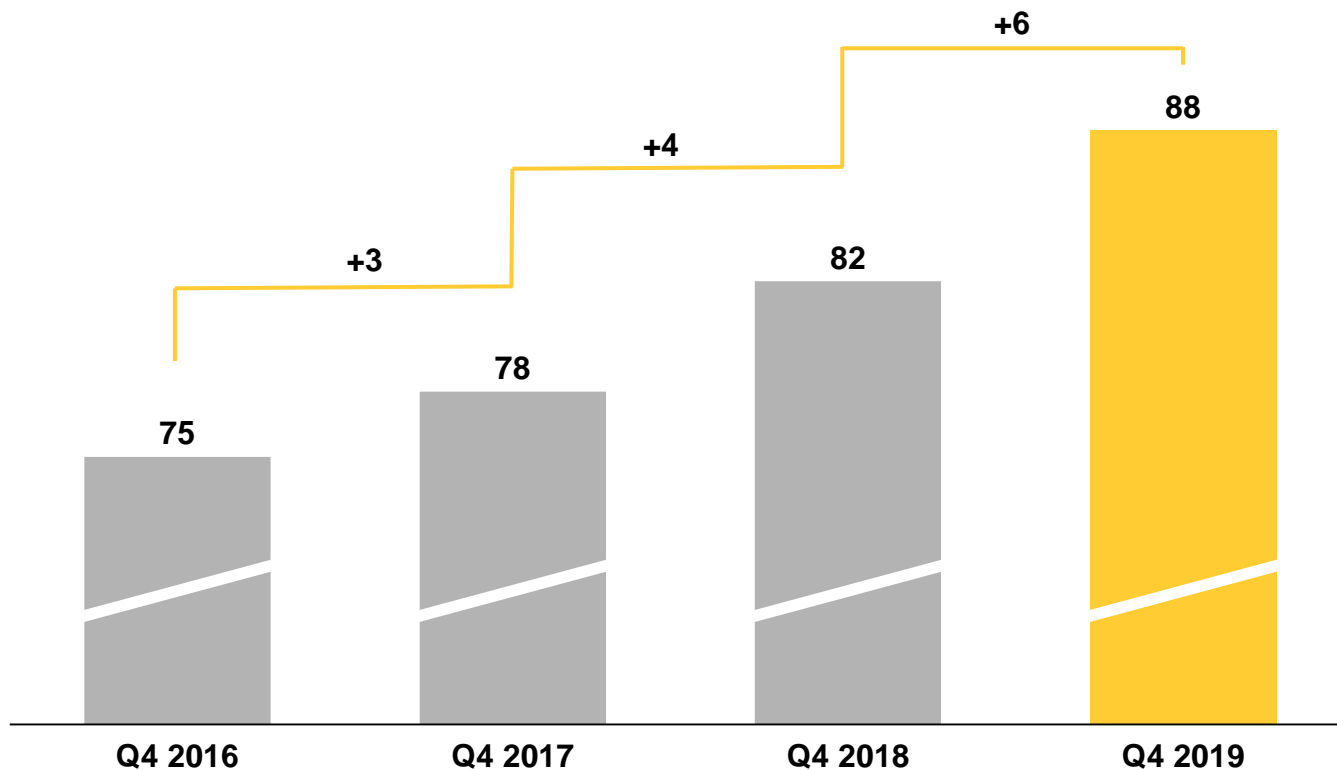
Highlights

- › FY underlying revenues increased €32m (1%) driven by €116m (4%) higher NII from growth – offsetting impact from rates and recent ECB decisions
- › FY operating result up €111m (15%) with improved revenues and costs more than compensating higher risk result
- › Q4 operating result of €126m reflects legal provision of €57m for mBank’s FX loan portfolio and YoY higher risk result
- › Q4 asset growth in PSBC Germany driven by securities up €8.2bn to €157bn and mortgages up €1.6bn to €80.9bn compared to Q3 – consumer finance book at €3.7bn

Corporate Clients: strong growth in loan volume in 2019

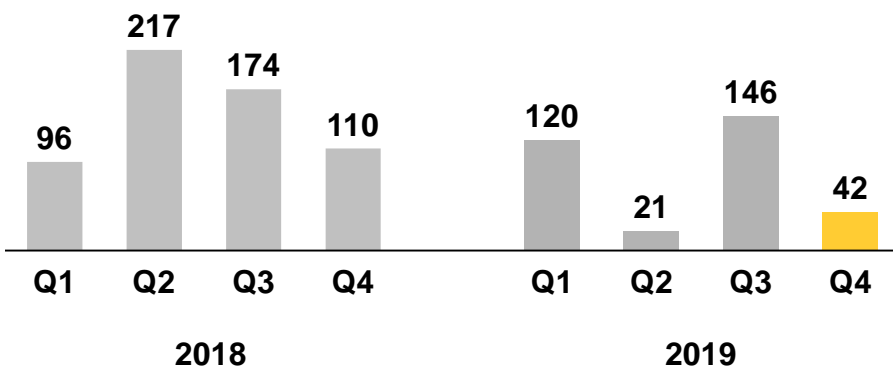
Loan volume Corporates

(€bn | Mittelstand and International Corporates)



Corporate Clients: resilient customer business – legacy portfolios no longer contributing

Operating result (€m)



Segmental P&L

in €m	Q4 2018	Q3 2019	Q4 2019	FY 2018	FY 2019
Revenues	796	781	825	3,414	3,241
o/w Mittelstand	451	449	449	1,757	1,788
o/w International Corporates	229	237	233	886	961
o/w Financial Institutions	122	129	108	474	488
o/w others	43	9	48	340	91
o/w exceptional revenue items	-49	-42	-13	-43	-86
<i>Revenues excl. exceptional items</i>	<i>845</i>	<i>823</i>	<i>838</i>	<i>3,457</i>	<i>3,328</i>
Risk result	-73	-31	-156	-194	-342
Operating expenses	604	596	619	2,503	2,453
Compulsory contributions	9	8	9	119	118
Operating result	110	146	42	597	328
Impairments on other intangible assets	-	-	28	-	28
Pre-tax profit discontinued operations	-30	-7	-9	-15	-17
RWA (end of period in €bn)	96.9	103.1	95.8	96.9	95.8
CIR (excl. compulsory contributions) (%)	75.8	76.4	75.0	73.3	75.7
CIR (incl. compulsory contributions) (%)	77.0	77.4	76.1	76.8	79.3
Operating return on equity (%)	3.9	4.8	1.4	5.5	2.8

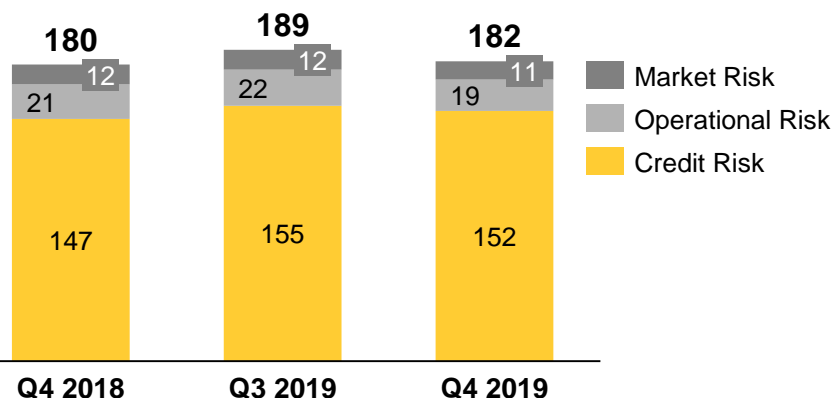
Highlights

- › FY revenues 4% higher in Mittelstand and International Corporates based on strong customer franchise with growth offsetting effects from rates environment
- › FY revenues in Financial Institutions up 3% vs. 2018 – Q4 reflects portfolio optimisation
- › Lower Q4 and FY operating results driven by lack of contributions from unwound legacy portfolios and risk result driven by single cases

Strong CET1 ratio of 13.4%

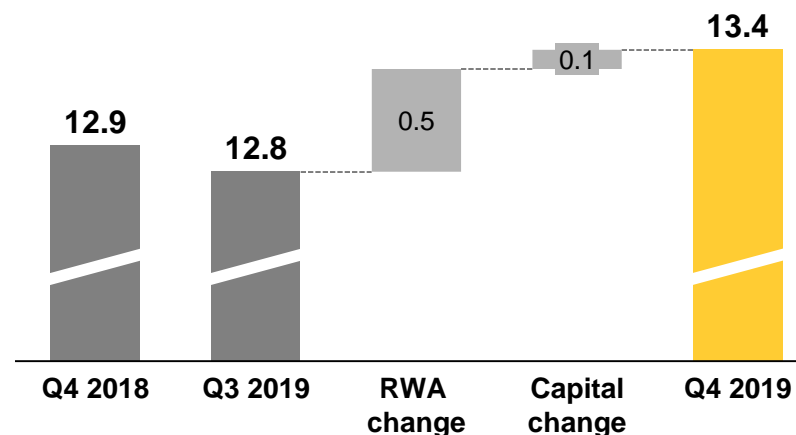
RWA development by risk types

(€bn eop)



Transition of CET1 ratio

(%)



Highlights :

- › €3bn decrease in operational risk RWA mainly reflects model enhancement following regulatory approval as well as update on loss history
- › €1bn lower market risk RWA based on position changes and the sale of EMC
- › €3bn reduction of Credit Risk RWA reflects portfolio optimisation towards year-end and securitisation
- › Capital built mainly from lower capital deductions

Commerzbank 5.0: systematic execution in 2020 – on our way to 2023

Commerzbank 5.0 targets 2020



PSBC

+ >€10bn loans & securities and more than 200k net new customers

Introduction of pricing measures on deposits in excess of €250k

Integration of comdirect and sale of mBank



Corporate Clients

Increase of underlying revenues as compared to previous year

300 new client groups in Mittelstand (GER and Eurozone)

Balancing business growth and capital efficiency



IT & Operations

Make 40% of relevant applications cloud-ready (coming from 25%)

Significant increase of nearshore capacities of IT staff from 8% to 14%

Negotiations with workers council for FTE reduction



Responsibility

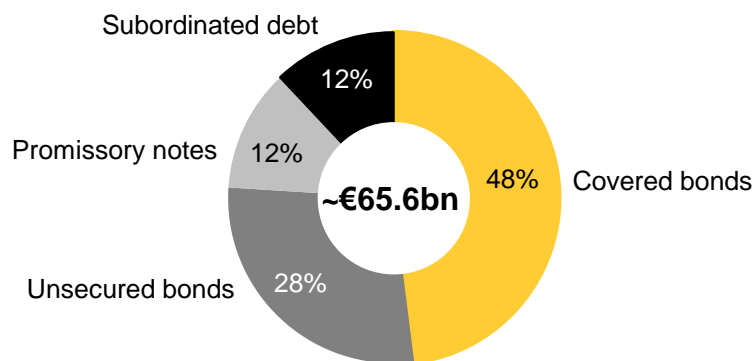
Integration of climate related measures into our credit risk management
Further development of green products, e.g. green mortgages

Objectives and expectations for 2020

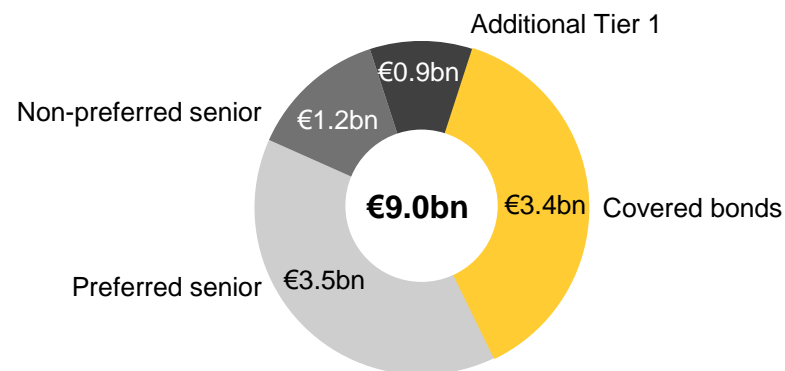
- We continue our growth strategy and target underlying revenues at least at level of 2019
- We confirm our target cost base of €6.7bn plus up to €0.2bn cost-to-achieve IT investments
- We expect a risk result above €650m
- We plan to maintain a dividend pay-out ratio comparable to last year
- We continue to target a CET1 ratio $\geq 12.75\%$ at year-end

Capital markets funding activities

Funding structure¹ (as of 31 December 2019)



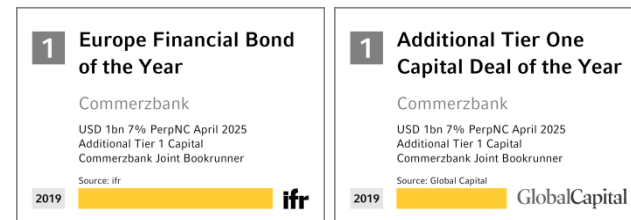
Group funding activities FY 2019² (nominal values)



Highlights

- › €9bn issued in FY 2019 (average maturity over 8 years) thereof:
 - Covered bonds: €2.5bn benchmarks with maturity from 5 to 15 years
 - Preferred senior: Benchmark transactions of 5 and 7 years maturity; total volume of €2.75bn
 - Non-preferred senior: Benchmark transactions with 5 years and 7 years maturity; total volume of €1.0bn
 - Inaugural Additional Tier 1: USD1bn perpetual non-call April 2025 with 7% p.a. coupon generated investor interest over USD10.5bn

Awards 2019



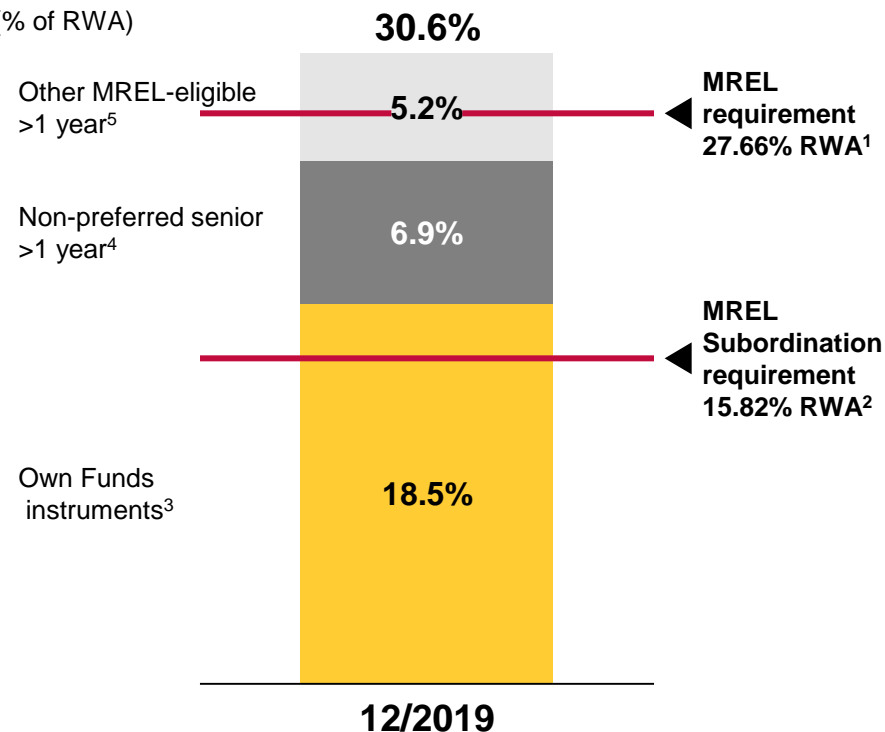
Commerzbank received a new formal MPE MREL requirement – issuance strategy consistent with MREL requirement

MREL requirement

- › In February 2020, Commerzbank AG received a new legally binding MREL requirement calibrated based on data as of 31 December 2017
- › Resolution approach is a multiple point of entry (MPE) with two separate resolution groups (resolution group A: Commerzbank group without mBank subgroup; resolution group B: mBank subgroup)
- › The new MREL requirement for Commerzbank (Resolution group A) is to be complied with immediately and is based on the SRB's 2018 MREL policy
- › The MREL requirement in terms of RWA is 27.66%¹
- › Additionally, Commerzbank AG received a legally binding MREL Subordination requirement of 15.82%² of RWA
- › As of 31st December 2019 Commerzbank fulfils both the MREL requirement with a MREL ratio of 30.6% of RWA and the MREL Subordination requirement with a ratio of 25.4% of RWA
- › Current issuance strategy consistent with the requirement
- › A new MREL requirement is expected in Q1 2021

MREL ratio

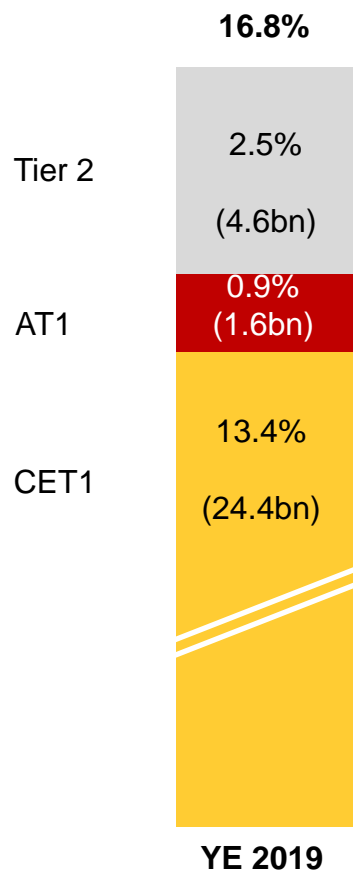
(% of RWA)



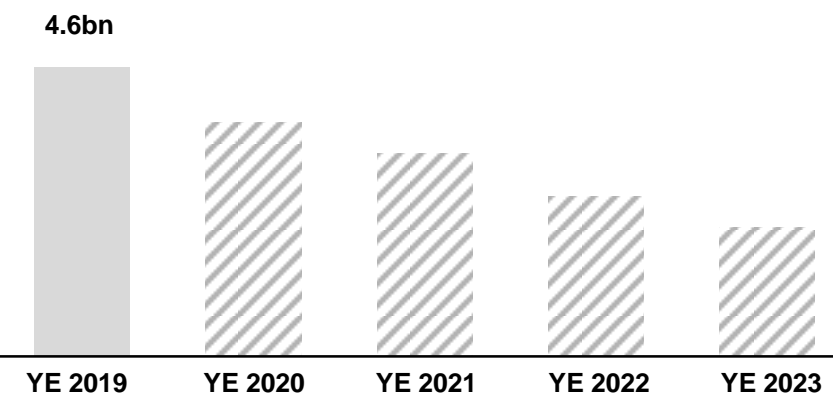
- 1) The legally binding MREL requirement is defined as a percentage of total liabilities and own funds (TLOF) and stands at 12.01% based on data as of 31 December 2017
- 2) The legally binding MREL subordination requirement stands at 6.87% TLOF
- 3) Includes amortized amount (regulatory) of Tier 2 instruments with maturity > 1 year
- 4) According to §46f KWG or Non-Preferred Senior by contract
- 5) Non-Covered / Non-Preferred deposits; Preferred Senior Unsecured

Total Capital – Development of Tier 2

Total Capital
(%)



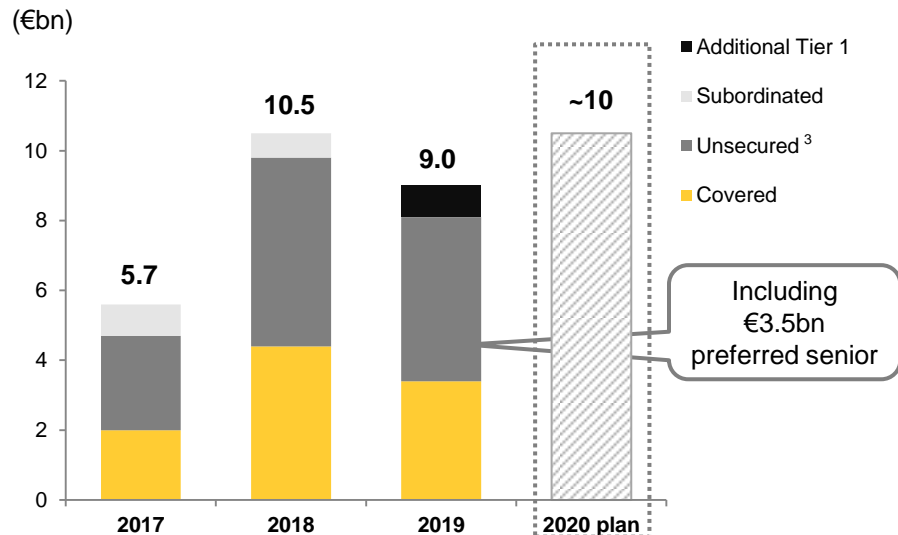
Tier 2 roll-off profile¹
(€bn)



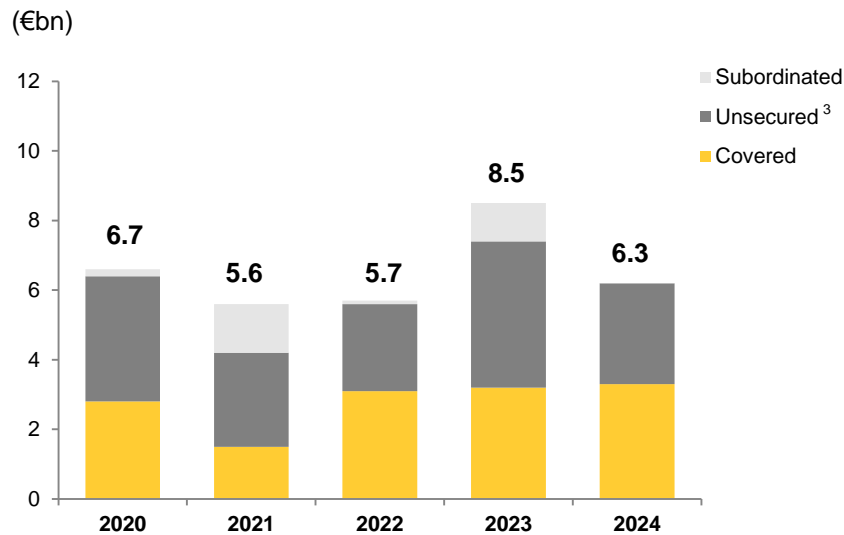
- › Increase of capital efficiency via replacement of amortizing Tier 2 instruments
- › Tier 2 issuance will be limited and manageable as Commerzbank goes for a 2.5% layer of RWA's
- › Broader market access which includes US market and potentially niche markets provides flexibility

Capital markets funding expectations 2020 similar to 2019

New issues activities¹



Maturities² until 2024

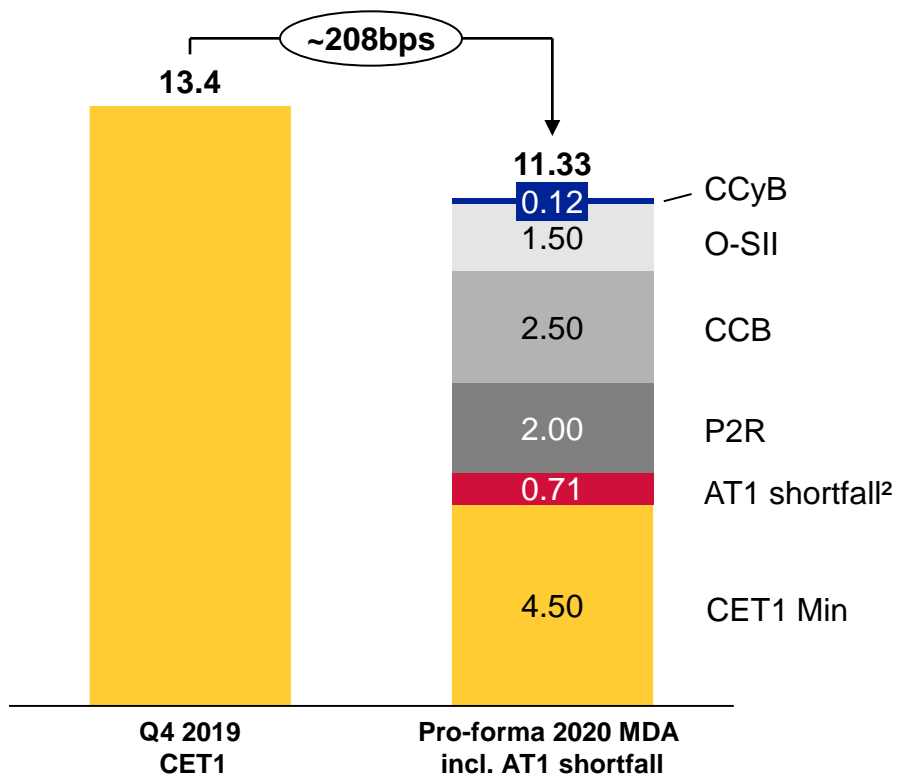


- › Funding plan with approx. €10bn similar to 2019 funding
- › Continued focus on diversification of funding basis
- › Dynamic review of funding requirements during the year to incorporate any new developments
- › In Q1 successful issuance of €3bn benchmarks:
 - €750m 7 years and inaugural GBP 400m 5 years non-preferred senior benchmarks
 - €500m 7 years preferred senior (re-opening of the December 2026 issue from 2019, total issuance size €1bn)
 - €1.25bn 10 years Mortgage Pfandbrief

Distance to MDA comfortable

Distance to MDA – Status quo based on SREP requirement for 2020¹

(%)



- › ~208 bps distance to MDA based on Q4 2019 CET1 ratio of 13.4% and SREP requirement for 2020
- › AT1 shortfall significantly reduced by inaugural USD 1bn AT1 issue in July 2019
- › Further AT1 issuance strategy to be considered in light of maintaining an appropriate distance to MDA and capital requirements

Rating overview Commerzbank







As of 13 February 2020

	S&P Global	MOODY'S INVESTORS SERVICE	FitchRatings
Bank Ratings	S&P	Moody's	Fitch
Counterparty Rating/ Assessment ¹	A	A1/ A1 (cr)	A- (dcr)
Deposit Rating ²	A- negative	A1 stable	A-
Issuer Credit Rating (long-term debt)	A- negative	A1 stable	BBB+ negative
Stand-alone Rating (financial strength)	bbb+	baa2	bbb+
Short-term debt	A-2	P-1	F1
Product Ratings (unsecured issuances)			
Preferred senior unsecured debt	A- negative	A1 stable	A-
Non-preferred senior unsecured debt	BBB	Baa2	BBB+ negative
Subordinated debt (Tier 2)	BBB-	Baa3	BBB
Additional Tier 1 (AT1)	BB	Ba2	-

Rating event in Q4 2019

- › FitchRatings **revised the outlook** of Commerzbank's issuer credit rating to **negative** (previously: stable)

Commerzbank's sustainability ratings

As of 01.03.2020	Rating	Meaning
	A	Average (exposure to ESG risks and how well these are managed)
	B	Management level (evidence of actions associated with good environmental management)
	C / Prime	Medium company performance concerning environment, social and governance
	75/100	Outperformer in Industry Sector "Banks" (within the top 5% to 16% of the reference universe)
	Environmental: 1 Social: 2	Low risk of experiencing material financial impacts from ESG factors
	52/100	Positive (B) Sustainability Rating Positive (BB) Mortgage Covered Bonds

Commerzbank 5.0

digital – personal – responsible

Appendix

German economy	28	P&L Table	
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Commerzbank Group		Commerzbank cover pool information	
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German economy 2020 – looking for the turn-around

Current development

- › After shrinking slightly in Q2 2019, real GDP recovered moderately in H2.
- › The service sector is still holding up significantly better than manufacturing. This divergence points to subdued external demand as the main reason of recent weak growth. In contrast, the ECB's monetary policy is still supporting domestic demand. However, investment has weakened recently and the increase of employment has slowed, too.
- › Given the still low readings of sentiment indicators there are no signs yet for a fast turn-around.

Our expectation for 2020

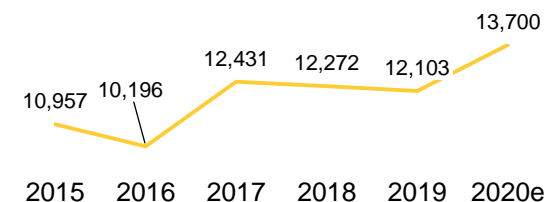
- › In Q1 there will be some negative effects of the outbreak of the corona virus. However, this will probably prove as a temporary issue. In the further course of the year somewhat stronger demand in some parts of the world economy (especially in emerging markets) will probably help global as well as German manufacturing. Nevertheless, we are unlikely to experience a classical cyclical upswing.
- › The growth rate of the German economy in 2020 (Commerzbank forecast: 0.8%) will be higher than in 2019 (0.6%) only because of a higher number of working days. In 2021 growth will probably still be anaemic with an increase of real GDP by 0.8% yoy.

Risks in the long-run

- › The export oriented German economy is suffering especially from rising protectionism initiated by the US government.
- › Germany's competitiveness within the Euro area has eroded over the past years. The negative consequences have already become visible. The auto industry e.g. has shifted part of its production abroad.
- › Economic policy has been geared more towards redistribution of income than support for growth, and this will not change for the time being.

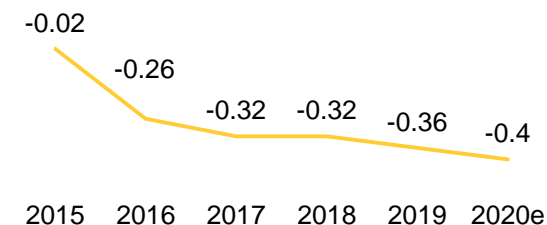
DAX

(avg. p.a.)



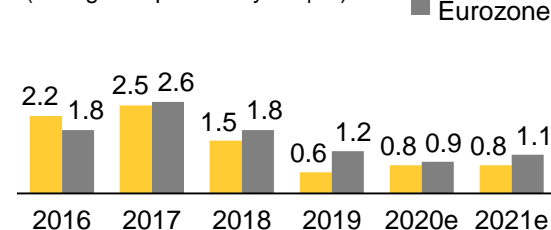
Euribor

(avg. p.a. | %)



GDP

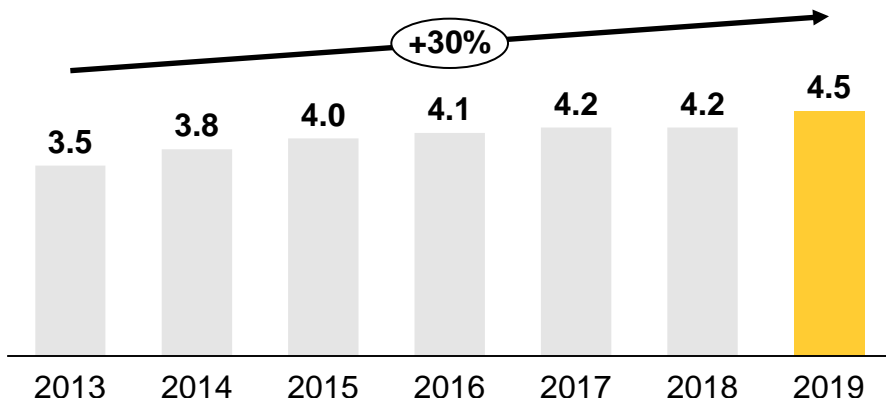
(change vs. previous year | %)



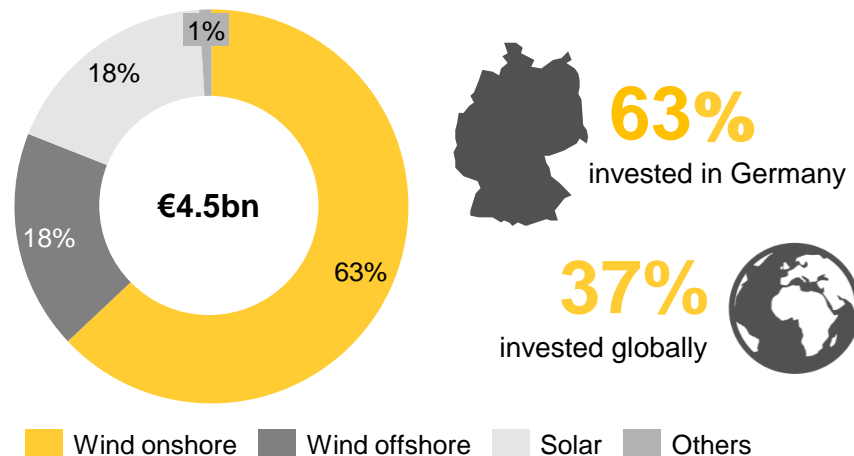
As a leading German provider of renewable energy project finance it is our objective to become Germany's most sustainable commercial bank

Renewable energy project finance portfolio

(EaD, €bn eop)



Portfolio breakdown



Memberships & Commitments

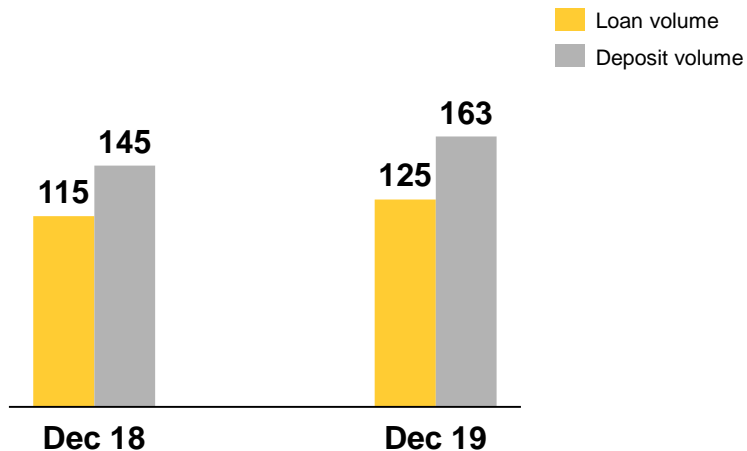


Commerzbank financials at a glance

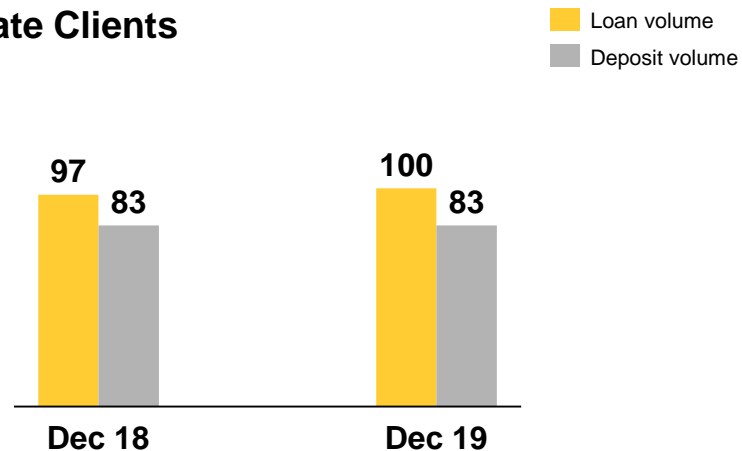
Group	Q4 2018	Q3 2019	Q4 2019	FY 2018	FY 2019
Operating result (€m)	240	450	250	1,242	1,258
Net result (€m)	113	296	-54	862	644
CET1 ratio (%) ¹	12.9	12.8	13.4	12.9	13.4
Total assets (€bn)	462	513	464	462	464
RWA (€bn)	180	189	182	180	182
Leverage ratio fully loaded (%)	4.8	4.7	5.1	4.8	5.1
Cost/income ratio (excl. compulsory contributions) (%)	77.6	71.4	74.0	75.4	73.0
Cost/income ratio (incl. compulsory contributions) (%)	80.7	74.1	77.0	80.3	78.3
Net RoE (%)	1.6	4.0	-1.0	3.1	2.2
Net RoTE (%)	1.8	4.4	-1.1	3.4	2.4
Total capital ratio fully loaded (%) ¹	15.9	15.8	16.4	15.9	16.4
NPE ratio (in %)	1.0	0.9	0.9	1.0	0.9
CoR (bps)	10	10	14	10	14

Loan and deposit development

PSBC (€bn)



Corporate Clients (€bn)



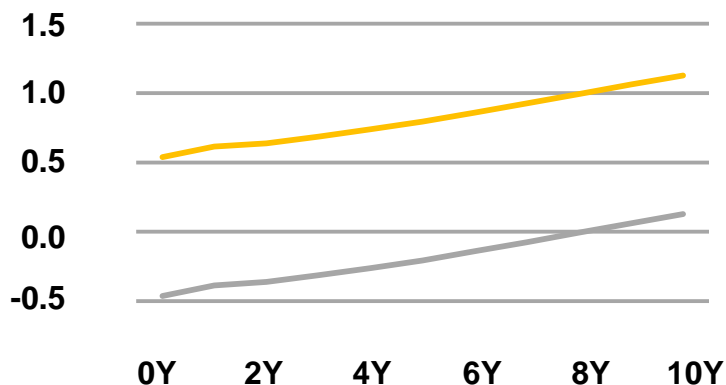
Highlights

- › Loan growth in Private and Small Business Customers mainly driven by residential mortgage business in Germany and mBank's loan book
- › Increased loan volumes in International Corporates and Mittelstand

Significant NII potential in scenario of rising interest rates

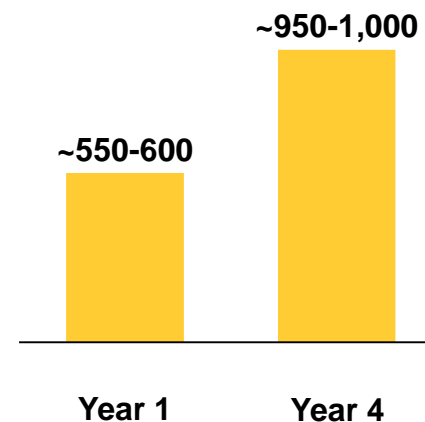
100 bp parallel up-shift in rates yield curve

(as of 31 December 2019, in %)



Scenario impact on NII

(€m)

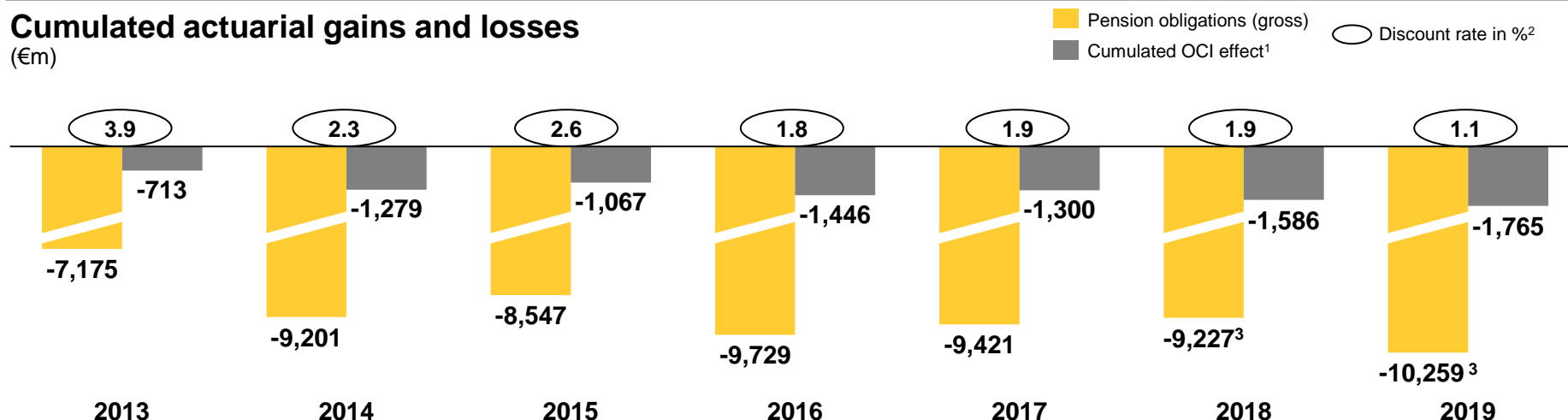


Highlights

- › Year 1 effect of ~€550-600m driven by short-end rates due to large stock of overnight (excess) deposits
- › Thereof ~1/2 stem from leaving the negative interest rate territory
- › Year 4 effect of ~€950-1,000m driven by higher reinvestment yield of modelled deposits used to refinance longer term loans

IAS 19: Development of pension obligations

Cumulated actuarial gains and losses (€m)

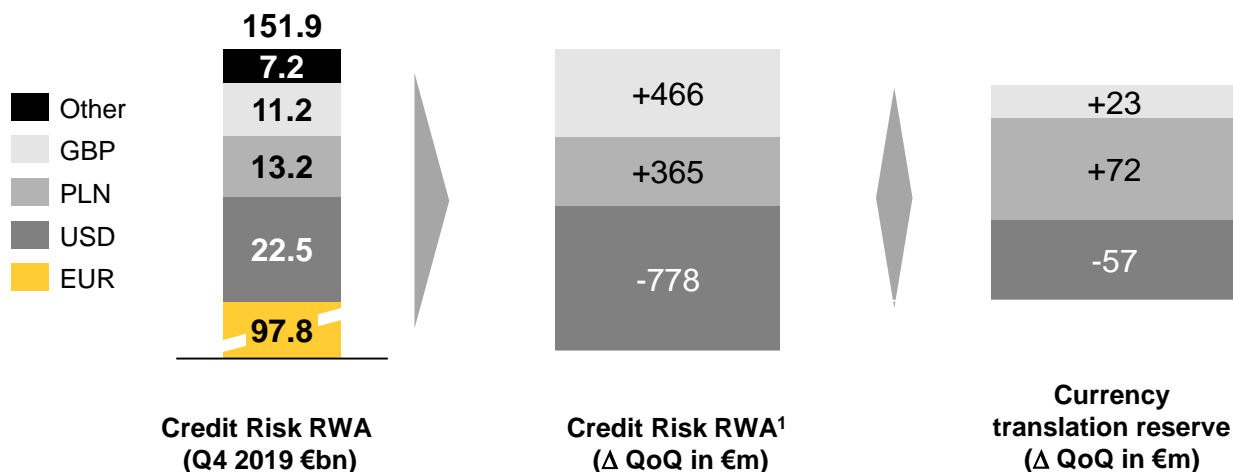


Additional information

- › Pension obligations increased YtD due to a decrease in the discount rate. This effect could be compensated through an increased market value of plan assets (LDI approach)
- › YtD OCI capital effect of -€179m after tax
- › The IAS19 discount rate is derived from a AA rated corporate bond basket yield with average duration of 18 years
- › The average funding ratio (plan assets vs. pension obligations) of all Group plans is 94.8%
- › Since 2013, hedge via plan assets dampened the obligation increase of €3,084m to a cumulated OCI capital effect of -€1,052m

Slight net positive impact on CET1 ratio from FX effects

QoQ Change in FX capital position



FX rates	09/19	12/19
EUR/ GBP	0.886	0.851
EUR/ PLN	4.378	4.257
EUR/ USD	1.089	1.123

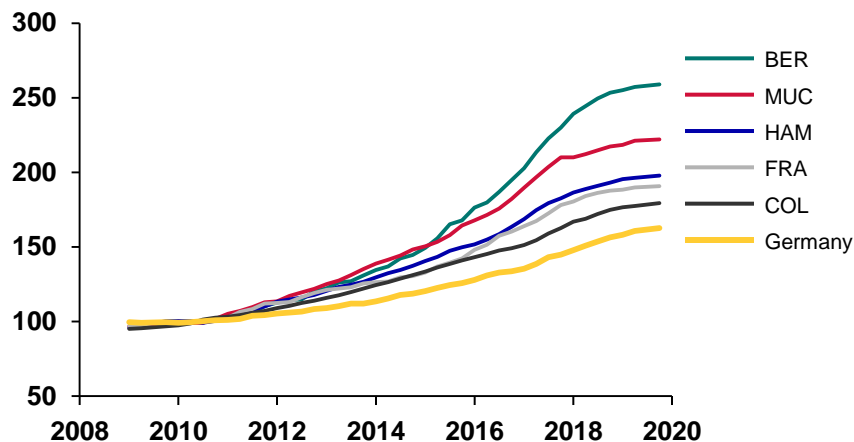
Explanation

- › Positive impact on capital ratio due to lower Credit Risk RWA from USD weakening as well as due to increasing currency translation reserve for PLN:
 - QoQ the EUR strengthened by +3.2% against the USD resulting in -€0.8bn lower Credit Risk RWA, which was only partly compensated by a slightly decreased currency translation reserve by -€57m
 - Major impact from increasing currency translation reserve for PLN with only minor impacts on Credit Risk RWA

Residential mortgage business vs. property prices

German residential properties

(index values)



Source: vdpresearch, Commerzbank Research

- › Prices of houses and flats, existing stock and newly constructed dwellings, averages
- › Munich (MUC), Berlin (BER), Hamburg (HAM), Frankfurt (FRA), Cologne (COL)

Overall mortgage portfolio

- › Growing mortgage volume with a very good risk quality:
 - 12/15: EaD €62.6bn – RD 12bp
 - 12/16: EaD €66.8bn – RD 10bp
 - 12/17: EaD €75.2bn – RD 9bp
 - 12/18: EaD €81.0bn – RD 9bp
 - 12/19: EaD €86.6bn – RD 8bp
- › Rating profile with a share of 90% in investment grade ratings
- › Vintages of recent years developed more favourably so far and NPEs remain at a low level
- › Due to risk-oriented selection very low RD
- › As a consequence of low interest rates, repayment rates remain on a very high level
- › Average “Beleihungsauslauf” (BLA) in new business of 83% in Q4/2019. German BLA is more conservative than the internationally used LtV definition due to the application of the strict German Pfandbrief law



Risk parameters on very good level, loan decisions remain conservative

Group equity composition

	Capital Q3 2019 EoP €bn	Capital Q4 2019 EoP €bn	Capital Q4 2019 Average €bn		Ratios Q4 2019 %	Ratios FY 2019 %	Ratio FY 2019 %		
Common equity tier 1 capital	24.2	24.4	24.4	¹	→ Op. RoCET	4.1%	5.3%	CET1 ratio	13.4%
DTA	1.1	0.9							
Minority interests	0.5	0.6							
Prudent Valuation	0.3	0.2							
IRB shortfall	0.3	0.3							
Instruments that are given recognition in AT1 Capital	0.9	0.9							
Other regulatory adjustments	0.4	0.6							
Tangible equity	27.7	27.8	27.8	¹	→ Op. RoTE	3.6%	4.7%		
Goodwill and other intangible assets	2.7	2.7	2.7						
IFRS capital	30.5	30.4	30.5	¹					
Subscribed capital	1.3	1.3							
Capital reserve	17.2	17.2							
Retained earnings ²	9.4	9.4							
Currency translation reserve	-0.2	-0.2							
Revaluation reserve	0.0	0.0							
Cash flow hedges	-0.0	-0.0							
Consolidated P&L	0.7	0.6							
IFRS capital attributable to Commerzbank shareholders	28.3	28.3	28.4	¹	→ Net RoE	-1.0%	2.2%		
Additional equity components	0.9	0.9	0.9		Net RoTE	-1.1%	2.4%		
Non-controlling interests	1.3	1.3	1.3						

Commerzbank Group

€m	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Total clean revenues	2,216	2,160	2,122	2,151	8,649	2,191	2,096	2,170	2,163	8,619
Exceptional items	1	18	18	-115	-78	-34	34	13	11	24
Total revenues	2,217	2,178	2,140	2,035	8,570	2,157	2,130	2,183	2,173	8,643
o/w Net interest income	1,098	1,190	1,223	1,237	4,748	1,232	1,275	1,260	1,307	5,074
o/w Net commission income	802	763	771	754	3,089	768	739	763	786	3,056
o/w Net fair value result	203	200	85	-121	366	85	28	15	116	244
o/w Other income	115	25	62	166	367	73	87	145	-36	270
o/w Dividend income	14	6	9	6	36	1	10	5	19	35
o/w Net income from hedge accounting	-16	36	6	22	48	50	46	36	-27	105
o/w Other financial result	-19	3	6	35	26	-20	31	-20	36	27
o/w At equity result	6	3	1	2	12	5	2	2	2	10
o/w Other net income	129	-24	40	101	245	37	-2	122	-65	93
Risk result	-77	-82	-133	-154	-446	-78	-178	-114	-250	-620
Operating expenses	1,638	1,636	1,607	1,579	6,459	1,567	1,579	1,559	1,608	6,313
Compulsory contributions	245	59	56	63	423	265	63	60	65	453
Operating result	258	400	345	240	1,242	246	311	450	250	1,258
Impairments on other intangible assets	-	-	-	-	-	-	-	-	28	28
Restructuring expenses	-	-	-	-	-	-	-	-	101	101
Pre-tax result discontinued operations	42	-12	-15	-30	-15	-19	19	-7	-9	-17
Pre-tax result Commerzbank Group	300	388	330	209	1,227	227	330	443	112	1,112
Taxes on income	5	94	89	75	262	91	20	104	154	369
Minority Interests	34	23	24	22	102	14	30	43	13	100
Consolidated Result attributable to Commerzbank shareholders and investors in additional equity components	261	271	217	113	862	122	280	296	-54	644
Total Assets	470,031	487,536	493,220	462,386	462,386	503,266	518,052	513,349	463,636	463,636
o/w Discontinued operations	-	-	-	12,996	12,996	14,068	13,613	9,347	7,955	7,955
Average capital employed	22,468	22,640	23,097	23,399	22,886	23,440	23,818	24,108	24,402	23,940
RWA credit risk (end of period)	136,014	141,648	142,633	145,229	145,229	150,964	151,377	154,838	151,588	151,588
RWA market risk (end of period)	10,987	10,673	11,507	10,801	10,801	10,418	11,045	11,397	10,847	10,847
RWA operational risk (end of period)	21,090	21,297	21,685	21,393	21,393	21,562	22,833	21,859	18,728	18,728
RWA (end of period) continued operations	168,091	173,618	175,825	177,423	177,423	182,944	185,256	188,094	181,163	181,163
RWA (end of period) discontinued operations	1,999	1,890	2,535	3,075	3,075	2,213	1,541	1,351	602	602
RWA (end of period)	170,090	175,508	178,360	180,498	180,498	185,158	186,797	189,445	181,765	181,765
Cost/income ratio (excl. compulsory contributions) (%)	73.9%	75.1%	75.1%	77.6%	75.4%	72.7%	74.1%	71.4%	74.0%	73.0%
Cost/income ratio (incl. compulsory contributions) (%)	84.9%	77.8%	77.7%	80.7%	80.3%	85.0%	77.1%	74.1%	77.0%	78.3%
Operating return on CET1 (RoCET) (%)	4.6%	7.1%	6.0%	4.1%	5.4%	4.2%	5.2%	7.5%	4.1%	5.3%
Operating return on tangible equity (%)	4.0%	6.1%	5.2%	3.6%	4.7%	3.7%	4.7%	6.6%	3.6%	4.7%
Return on equity of net result (%)	3.8%	3.9%	3.1%	1.6%	3.1%	1.8%	4.0%	4.0%	-1.0%	2.2%
Net return on tangible equity (%)	4.2%	4.3%	3.4%	1.8%	3.4%	1.9%	4.4%	4.4%	-1.1%	2.4%



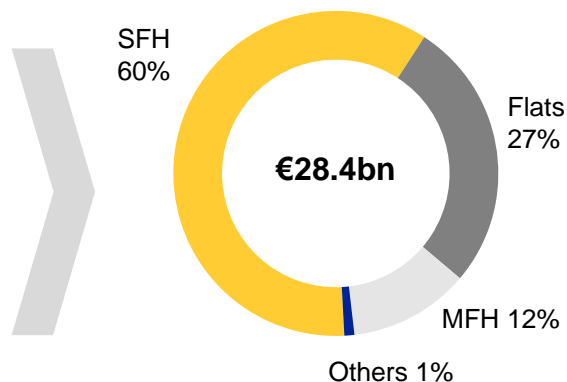
Mortgage cover pool with German mortgages

as of 31.12.2019

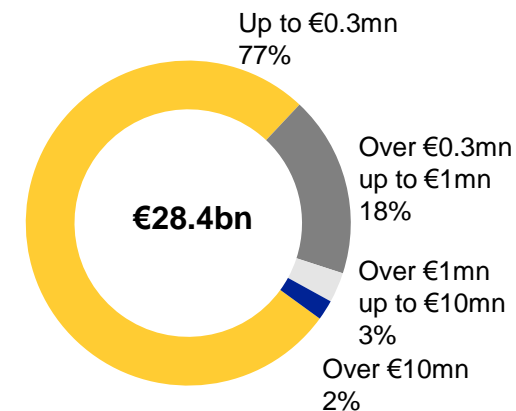
Mortgage cover pool

Total over assets	€29.044m
Cover loans	€28.449m
<i>Number of loans</i>	>227.000
<i>Fixed rated assets</i>	99%
<i>WA loan-to-value ratio</i>	53%
<i>Residual WA life time (capital lockup)</i>	~13 years
Further cover assets	€2.271m
Outstanding Pfandbriefe	€17.780m
Fixed rated Pfandbriefe	99%
Cover surplus (nom.)	€11.264m
	63%
Rating	
Moody's	Aaa

Break-down by property type



Break-down by size



- › German mortgage loans only
- › 97.5% residential mortgages, 2.5% commercial real estate business
- › Approx. 70% of residential mortgages are “owner occupied”
- › Highly granular pool
 - › 77% of the mortgages are €300.000 or smaller
 - › Average loan amount ~ €118.000
- › Share of fixed-rated assets and fixed-rated Pfandbriefe 99%



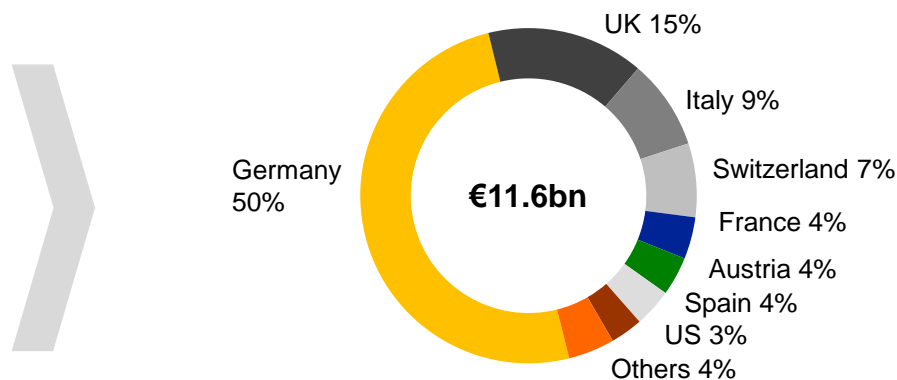
Portfolio break down public sector cover pool

as of 31.12.2019

Public sector cover pool

Total cover assets in €mn	11.712
Cover loans in €mn	11.626
<i>Number of loans</i>	531
<i>Fixed rated assets</i>	71%
<i>Residual WA life time</i>	~12 years
Further cover assets in €mn	86
Outstanding Pfandbriefe in €mn	6.616
Fixed rated Pfandbriefe	91%
Cover surplus in €mn (nom.)	5.097 77%
Rating	
Moody's	Aaa

Break-down by borrower / guarantor country



- › Large portion of legacy public sector assets of former Hypothekbank Frankfurt AG
- › 16% ECA guaranteed loans
ECA lending, a core business segment in corporate clients, continues to increase within the public sector pool

Glossary – key ratios

Key Ratio	Abbreviation	Calculated for	Numerator	Denominator			
				Group	Private and Small Business Customers and Corporate Clients	Asset & Capital Recovery	Others & Consolidation
Cost/income ratio (excl. compulsory contributions) (%)	CIR (excl. compulsory contributions) (%)	Group as well as segments PSBC and CC	Operating expenses	Total revenues	Total revenues	n/a	n/a
Cost/income ratio (incl. compulsory contributions) (%)	CIR (incl. compulsory contributions) (%)	Group as well as segments PSBC and CC	Operating expenses and compulsory contributions	Total revenues	Total revenues	n/a	n/a
Operating return on CET1 (%)	Op. RoCET (%)	Group and segments (excl. O&C)	Operating profit	Average CET1 ¹	12% ² of the average RWAs (YTD: PSBC €44.7bn, CC €100.9bn)	15% ² of the average RWAs (YTD: €10.8bn)	n/a (note: O&C contains the reconciliation to Group CET1)
Operating return on tangible equity (%)	Op. RoTE (%)	Group and segments (excl. O&C)	Operating profit	Average IFRS capital after deduction of goodwill and other intangible assets ¹	12% ² of the average RWAs plus average regulatory capital deductions (excluding goodwill and other intangible assets) (YTD: PSBC €0.1bn, CC €0.6bn)	15% ² of the average RWAs plus average regulatory capital deductions (excluding goodwill and other intangible assets) (YTD: €0.2bn)	n/a (note: O&C contains the reconciliation to Group tangible equity)
Return on equity of net result (%)	Net RoE (%)	Group	Consolidated Result attributable to Commerzbank shareholders and investors in additional equity components after deduction of potential (fully discretionary) AT1 coupon	Average IFRS capital without non-controlling interests and without additional equity components ¹	n/a	n/a	n/a
Net return on tangible equity (%)	Net RoTE (%)	Group	Consolidated Result attributable to Commerzbank shareholders and investors in additional equity components after deduction of potential (fully discretionary) AT1 coupon	Average IFRS capital without non-controlling interests and without additional equity components after deduction of goodwill and other intangible assets ¹	n/a	n/a	n/a

Key Parameter	Calculated for	Calculation
Total clean revenues	Group and segments	Total revenues excluding exceptional revenue items
Underlying Operating Performance	Group and segments	Operating result excluding exceptional revenue items and compulsory contributions

For more information, please contact Commerzbank's IR team

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Financial calendar

2020

7 May



Annual General Meeting

13 May



Q1 2020 results

05 Aug



Q2 2020 results

05 Nov



Q3 2020 results