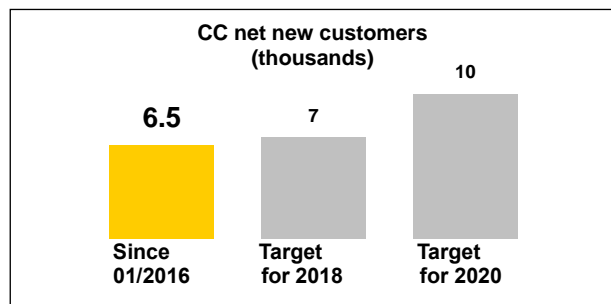
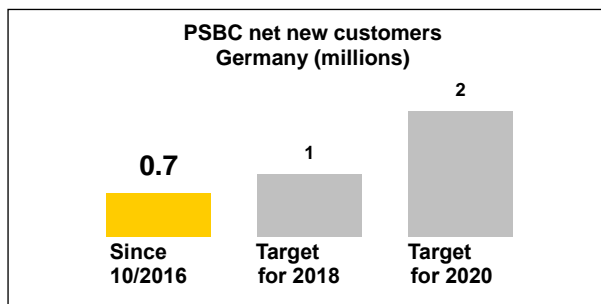
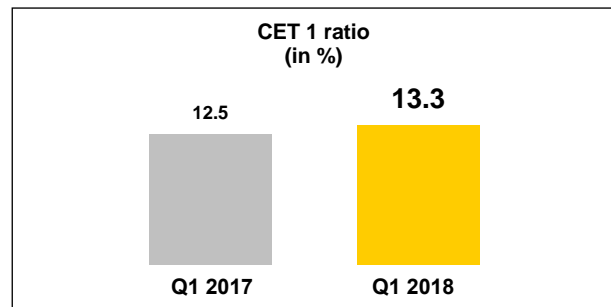
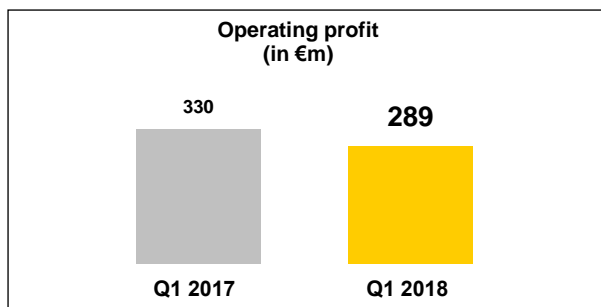


## Press release

For business editors  
15 May 2018

### Commerzbank: Performance and strategy implementation on track in the first quarter of 2018

- Stable revenues of €2.30bn (Q1 2017: €2.39bn) – revenues adjusted for exceptional items slightly higher than in Q1 2017
- Operating profit of €289m (Q1 2017: €330m)
- Net profit of €250m (Q1 2017: €229m)
- A net 712,000 new customers for Private and Small Business Customers in Germany since October 2016 – on track for target of 1 million by end of 2018
- Common Equity Tier 1 ratio at 13.3% including dividend accrual and loan growth in Q1 (Q1 2017: 12.5%); improvement in NPL ratio to 1.0%



“We are delivering on what is the core of our strategy: Growing our business with private and corporate customers and digitalising our business. We aim to resume dividend payments for financial year 2018 and have made an accrual in the first quarter.”

**Martin Zielke, CEO**

“Our business grew further in the first quarter. Growth is our answer to what remains a highly competitive German banking market.”

**Stephan Engels, CFO**

In the first quarter of 2018, Commerzbank continued on its growth path and made further progress on its strategy. The two client segments, Private and Small Business Customers and Corporate Clients, further enlarged their customer base and are well on track to reaching their customer growth targets for 2018. The Bank additionally added corporate loan growth as a key indicator of its strategy execution in its reporting. The digitalisation of the business also progressed. In the first quarter the Corporate Clients segment successfully rolled out its digital onboarding for corporates and a digital working-capital lending platform. Also, the Bank aims to resume dividend payments for financial year 2018, and made an accrual of 5 cents per share in the first quarter.

The Bank's operating performance in the first quarter of 2018 was stable. Revenues adjusted for exceptional items rose slightly to €2,301 million (Q1 2017: €2,282 million). Overall, revenues stood at €2,302 million (Q1 2017: €2,390 million). The **operating profit** came to €289 million (Q1 2017: €330 million). The risk result under International Financial Reporting Standard 9 (IFRS 9) stood at minus €77 million. It reflects the eliminated drag from ship finance, due to the revaluation of the Ship Finance portfolio following the introduction of IFRS 9. The Bank's non-performing loan (NPL) ratio, which was already low compared to its European peers, dropped to 1.0%, illustrating the Bank's healthy risk profile.

**Operating expenses**, at €1,936 million, were higher year-on-year (Q1 2017: €1,865 million). This reflects investments in strategy implementation and digitalisation which increased in the course of the year as planned and regulatory burdens. The operating expenses for the first quarter include compulsory contributions of €244m. Thereof, €186m was the contribution for the European bank levy for the year 2018, which increased by €15m year-on-year and was fully booked in the first quarter. Running costs for the fulfilment of regulatory requirements, such as those incurred in connection with MiFIR, MiFID II and IFRS 9, increased as well. The **pre-tax profit** stood at €289 million in the first quarter of 2018. The **net profit** came to €250 million (Q1 2017: €229 million). **Earnings per share** came in at €0.20 in the first quarter of 2018 (Q1 2017: €0.18).

“We are delivering on what is the core of our strategy: Growing our businesses with private and corporate customers and digitalising our business”, said Martin Zielke, Chairman of the Board of Managing Directors of Commerzbank. “As announced, we are aiming to resume dividend payments for financial year 2018 and have made an accrual of 5 cents per share in the first quarter.”

## Common Equity Tier 1 ratio at 13.3% – risk profile shows further improvement

**Risk-weighted assets (RWA)** in the first quarter rose by €1 billion to €170 billion at the end of March 2018. With the introduction of IFRS 9, RWA had decreased by €2 billion and stood at pro forma € 169 billion per 1 January 2018. The increase in the first quarter was mainly due to higher lending in the client segments. The **Common Equity Tier 1 ratio (CET 1)** stood at 13.3% at the end of the first quarter. Thus, after IFRS 9 Commerzbank is still above all regulatory requirements and has leeway for further growth and the dividend accrual in the first quarter. The **leverage ratio** fell to 4.6% quarter-on-quarter, after 5.1% at the end of December 2017, mainly due to IFRS 9. **Total assets** came to €470 billion (end of 2017: €453 billion).

“Our business grew further in the first quarter. Growth is our answer to what remains a highly competitive German banking market”, said Stephan Engels, Chief Financial Officer of Commerzbank. He added: “Strict cost management remains a priority to compensate for large investments in digitalisation, increasing compulsory levies and the implementation of regulatory projects.”

## Development of the segments

The **Private and Small Business Customers (PSBC)** segment continued its growth in the first quarter of 2018. Revenues climbed to €1,237 million (Q1 2017: €1,168 million). Excluding non-recurring items they improved by €44 million due to the good loan growth, more than offsetting the impact of negative interest rates. Operating profit rose year-on-year to €202 million (Q1 2017: €194 million).

The Bank gained approximately 73,000 net new private and small business customers in Germany in the first quarter, meaning customer growth was higher than in the previous two quarters. The PSBC segment has gained a net 712,000 new customers in Germany since October 2016, so it is well on track to reach its target of one million net new customers by the end of 2018. Assets under Control showed large gains in loans (€3 billion), deposits (€3 billion) and net new inflows in securities accounts (€3 billion). Thanks to this growth, Assets under Control amounting to €376 billion remained stable relative to the previous quarter, despite falling equity markets.

mBank, Comdirect and Commerz Real saw further business growth in the first quarter of 2018, and were able to increase their revenues compared to the first quarter of 2017. While Comdirect profited from customer growth and increased client trading activity due to higher market volatility, mBank benefited from margin expansion as well as volume growth in loans and deposits.

The risk result for the segment came to minus €52 million. This includes the risk costs for the instalment loan business, which Commerzbank has been operating on its books after it terminated a joint venture. Due to the high quality of the loan book, the risk result is still at a low level. Operating expenses climbed year-on-year to

€984 million (Q1 2017: €941 million). This includes the charges for both the European bank levy and the Polish banking tax, which went up by €7 million year-on-year, as well as costs for the implementation of MiFID II and investments in growth and digitalisation. Costs were down quarter-on-quarter, though (Q4 2017: €1,016 million).

The **Corporate Clients** (CC) segment registered further growth as well. The Bank gained around 1,000 net new corporate clients in the first quarter and increased the volume of lending to German Mittelstand companies and large corporates year-on-year. Business was marked by pricing competition on the German market and muted client demand for capital market products in the first quarter of 2018. The operating profit was down in the first quarter, at €145 million (Q1 2017: €267 million). Revenues excluding valuation effects decreased year-on-year to €967 million (Q1 2017: €1,068 million). The Mittelstand and International Corporates divisions reflected the challenging market environment. Revenues in Financial Institutions increased quarter-on-quarter, after the Bank tightened its risk and compliance framework in 2017.

The segment's risk result stood at minus €23 million in the first quarter of 2018. Operating expenses remained close to stable year-on-year, at €799 million (Q1 2017: €790 million). Personnel reductions undertaken as part of the segment's strategic realignment compensated for higher investments.

In the **Asset & Capital Recovery** (ACR) segment, the revaluation of the Ship Finance portfolio following the introduction of IFRS 9 had a positive impact. The segment's operating result improved in the first quarter of 2018 to €18 million (Q1 2017: minus €33 million). Revenues came to €45 million (Q1 2017: €115 million). The ACR segment did not generate any charges for the risk result in the first quarter (loan loss provisions Q1 2017: €119 million). Operating expenses remained stable at €27 million in the first quarter of 2018 (Q1 2017: €29 million).

## Outlook

The outlook remains unchanged: In 2018 the Bank will focus on further growth and the implementation of its Commerzbank 4.0 strategy. Higher adjusted revenues are expected for both the Private and Small Business Customers and the Corporate Clients segments. Despite ongoing investments in digitalisation and IT, the Bank will manage its costs at around €7.0 billion. The risk result under IFRS 9 is expected to be below €600 million. The Bank aims to resume dividend payments for financial year 2018.

## Financial figures at a glance

in €m	Q1 2018	Q1 2017	Q4 2017	2017	Q1/18 vs Q1/17 in %	Q1/18 vs Q4/17 in %
Net interest income	1,045	1,049	1,101	4,192	-0.4	-5.1
Provisions for loan losses (2017: Loan loss provisions)	-77	-195	-251	-781	60.6	69.4
Net commission income	797	887	774	3,178	-10.1	3.0
Net fair value result	345	402	169	1,092	-14.2	-
Other income	115	51	146	692	-	-21.5
<b>Revenues before loan loss provisions</b>	<b>2,302</b>	<b>2,390</b>	<b>2,191</b>	<b>9,154</b>	<b>-3.7</b>	<b>5.1</b>
<i>Revenues excl. exceptional items</i>	<i>2,301</i>	<i>2,282</i>	<i>2,251</i>	<i>8,598</i>	<i>0.8</i>	<i>2.2</i>
Operating expenses	1,936	1,865	1,782	7,079	3.8	8.6
<b>Operating profit or loss</b>	<b>289</b>	<b>330</b>	<b>157</b>	<b>1,294</b>	<b>-12.3</b>	<b>84.2</b>
Impairments of Goodwill	-	-	-	-	-	-
Restructuring expenses	-	-	-	808	-	-
<b>Pre-tax profit or loss</b>	<b>289</b>	<b>330</b>	<b>157</b>	<b>487</b>	<b>-12.3</b>	<b>84.6</b>
Taxes	5	81	41	243	-	-88.5
<b>Consolidated profit or loss attributable to Commerzbank shareholders</b>	<b>250</b>	<b>229</b>	<b>89</b>	<b>150</b>	<b>9.2</b>	<b>-</b>
Earnings per share (€)	0.20	0.18	0.07	0.12	-	-
Cost/income ratio in operating business (%)	84.1	78.0	81.4	77.3	-	-
Operating RoTE (%)	4.5	4.9	2.3	4.8	-	-
Net RoTE (%)	4.0	3.5	1.4	0.6	-	-
Net RoE (%)	3.6	3.2	1.2	0.5	-	-
CET 1 ratio, Basel 3 fully phased-in (%)	13.3	12.5	14.1	14.1	-	-
Leverage Ratio, Basel 3 fully phased-in (%)	4.6	4.6	5.1	5.1	-	-
Total assets (€bn)	470	490	453	453	-	-

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From approximately 7 am onwards you can find broadcast-ready video material with statements by Stephan Engels at <http://mediathek.commerzbank.de/>.

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## About Commerzbank

Commerzbank is a leading international commercial bank with branches and offices in almost 50 countries. In the two business segments Private and Small Business Customers and Corporate Clients, the Bank offers a comprehensive portfolio of financial services which is precisely aligned to its clients' needs. Commerzbank finances approximately 30% of Germany's foreign trade and is the leading finance provider for corporate clients in Germany. Due to its in-depth sector know-how in the German economy, the Bank is a leading provider of capital market products. Its subsidiaries Comdirect in Germany and mBank in Poland are two of the world's most innovative online banks. With approximately 1,000 branches, Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank serves more than 18 million private and small business customers, as well as more than 60,000 corporate clients, multinationals, financial service providers, and institutional clients. The Bank, which was founded in 1870, is represented at all the world's major stock exchanges. In 2017, it generated gross revenues of €9.2 billion with approximately 49,300 employees.

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## Disclaimer

This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts. In this release, these statements concern inter alia the expected future business of Commerzbank, efficiency gains and expected synergies, expected growth prospects and other opportunities for an increase in value of Commerzbank as well as expected future financial results, restructuring costs and other financial developments and information. These forward-looking statements are based on the management's current plans, expectations, estimates and projections. They are subject to a number of assumptions and involve known and unknown risks,

uncertainties and other factors that may cause actual results and developments to differ materially from any future results and developments expressed or implied by such forward-looking statements. Such factors include the conditions in the financial markets in Germany, in Europe, in the USA and other regions from which Commerzbank derives a substantial portion of its revenues and in which Commerzbank holds a substantial portion of its assets, the development of asset prices and market volatility, especially due to the ongoing European debt crisis, potential defaults of borrowers or trading counterparties, the implementation of its strategic initiatives to improve its business model, the reliability of its risk management policies, procedures and methods, risks arising as a result of regulatory change and other risks. Forward-looking statements therefore speak only as of the date they are made. Commerzbank has no obligation to update or release any revisions to the forward-looking statements contained in this release to reflect events or circumstances after the date of this release.