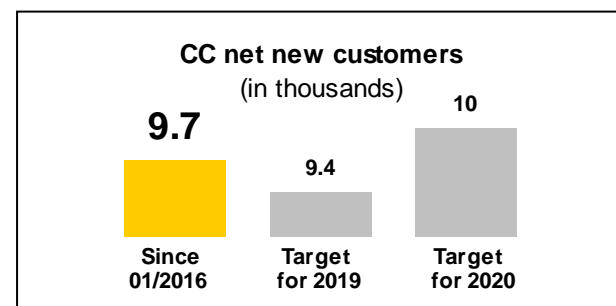
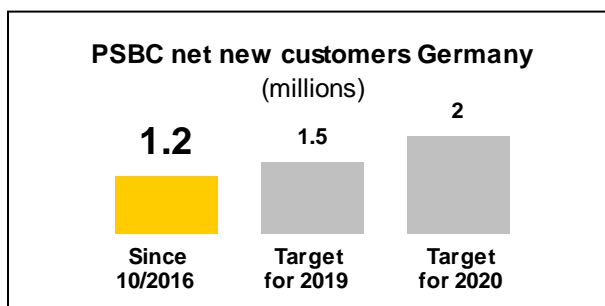
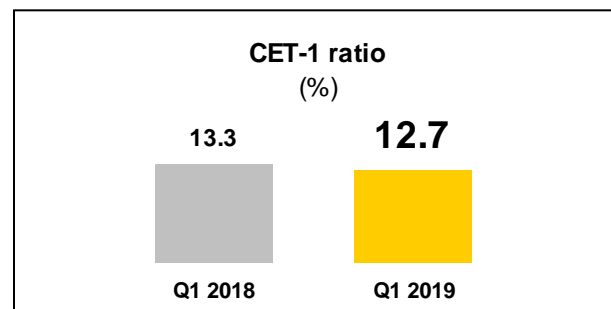
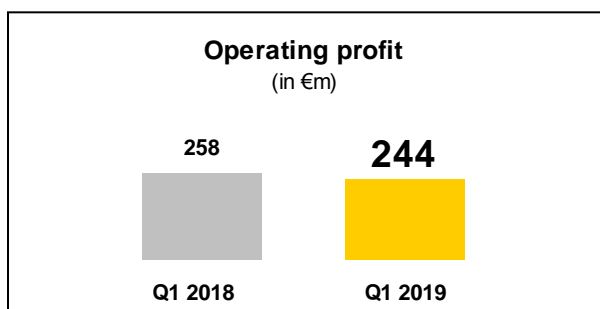


Press release

For business editors
8 May 2019

Commerzbank: Growth path continues – 123,000 new customers in first quarter of 2019

- Revenues of €2.16bn down year-on-year due to exceptional items and valuation effects (Q1 2018: €2.22bn); underlying revenues in client business slightly higher
- Operating expenses lower at €1,834m (Q1 2018: €1,882m) despite higher compulsory contributions
- Group operating profit at €244m (Q1 2018: €258m) – net result impacted by taxes and discontinued business at €120m (Q1 2018: €262m)
- Private and Small Business Customers continues to grow with net 123,000 new customers and €402bn in Assets under Control in Germany (end of 2018: €381bn)
- Corporate Clients increases operating profit to €121m (Q1 2018: €98m) – higher year-on-year revenues in Mittelstand and International Corporates
- Capital ratio of 12.7% (Q4 2018: 12.9%) reflects accounting effects due to introduction of IFRS 16 and dividend accrual



“We are addressing the right issues with our strategy. Our growth is enabling us to strengthen our revenue base thereby compensating the effects from low interest rates and margin pressure.”

Martin Zielke, CEO

“Business with our clients remains on a positive track. Even in a very competitive environment, Q1 is proof of the resilience of our corporate clients business and an example of what is possible.”

Stephan Engels, CFO

Commerzbank grew in terms of both customers and assets in the first quarter of 2019 and slightly increased its underlying revenues in the customer segments. Particularly the net interest income profited from growth initiatives and helped to compensate continued margin pressure and new regulatory requirements in the securities business (MiFID II). The Private and Small-Business Customers segment saw a marked increase in its customer growth compared to the first quarter of 2018 and is on track with its strategy implementation. The Corporate Clients segment increased its loan volume further and improved its operating profit compared to the first quarter of 2018 thanks to its business with the Mittelstand and large corporates. Overall, the realigned Corporate Clients segment posted an increase in revenues from core products like loans, cash management and trade finance. The revamp of the Bank's head office via the programme "Campus 2.0" is progressing as planned and is expected to be completed in July 2019.

"We are addressing the right issues with our strategy", said Martin Zielke, Chairman of the Board of Managing Directors of Commerzbank. "Our growth with customers and assets is enabling us to strengthen our revenue base thereby compensating the effects from low interest rates and margin pressure. We'll leverage the current momentum with our customers to further implement our strategy. With Campus 2.0 we will become ever more efficient. And of course we will continue to work on our profitability."

Group revenues came to €2,156 million in the first quarter of 2019, after €2,217 million in Q1 2018 which had profited from exceptional items and valuation effects. **Underlying revenues** totalled €2,190 million and were slightly down on the previous year (Q1 2018: €2,216 million). Underlying revenues in the client segments, Private and Small Business Customers and Corporate Clients, registered a slight year-on-year increase.

Operating expenses were down to €1,834 million and in line with full-year expectations (Q1 2018: €1,882 million), despite an increase in compulsory contributions. At €265 million compulsory contributions were nearly 10% higher than in the first quarter of 2018 (Q1 2018: €244 million). This increase was attributable to the bank levies which need to be booked in the first quarter and was overcompensated by continued cost management and staff reductions. The Bank continued with its strategic investments in digitalisation and growth using fewer external suppliers, as announced. Overall, operating expenses were cut to €1,569 million (Q1 2018: €1,638 million).

The **risk result** remained low in the first quarter, at minus €78 million (Q1 2018: minus €77 million). It benefited from lower loan losses, which even offset the effect of write-backs of loan loss provisions in the previous year. The non-performing loan (NPL) ratio remained very low, at 0.9% (Q1 2018: 1.0%). It reflects the still favourable credit environment, as well as the Bank's prudent lending standards and high portfolio quality.

The **operating profit** came to €244 million, supported by a 12% increase in net interest income (Q1 2018: €258 million). The pre-tax profit declined year on year to €225 million (Q1 2018: €301 million). The **net result** attributable to Commerzbank shareholders amounted to €120 million (Q1 2018: €262 million). The reason was a higher tax burden of about €90 million. In the previous year, tax refunds had a positive impact. Additionally, the tax ratio rose as a result of higher compulsory contributions which are largely non-tax deductible. The net result was also impacted by the year-on-year €60 million weaker performance of the discontinued Equity Markets and Commodities business. **Earnings per share** came in at €0.10 in the first quarter (Q1 2018: €0.21).

The **Common Equity Tier 1 ratio** (CET 1) stood at 12.7% at the end of March (end of December 2018: 12.9%; March 2018: 13.3%). This reflects the effects of the introduction of the international accounting standard IFRS 16 at the start of the year, which, as expected, resulted in a deduction of 16 basis points. The ratio already includes an accrual for the planned dividend in line with the 2018 pay-out ratio.

“Business with our clients remains on a positive track. Even in a very competitive environment, Q1 is proof of the resilience of our corporate clients business and an example of what is possible. The challenge now is to build on this progress”, said Stephan Engels, Chief Financial Officer of Commerzbank. “We are continuing to implement cost reductions despite further increases in compulsory contributions and ongoing strategic investments. Our cost targets remain unchanged.”

Development of the segments

The **Private and Small Business Customers** (PSBC) segment gained a total of 123,000 net new customers in Germany in the first quarter, almost twice as many as in the first quarter of 2018. Assets under Control in Germany went up by €21 billion to €402 billion between the end of December and the end of March, thanks in part to the recovery of market indices (Q4 2018: €381 billion). That means assets are currently above the target level for 2020 and have risen by €66 billion since the end of 2016. The mortgage lending business also performed strongly. Portfolio volumes were up 9% compared to March 2018 at €76.5 billion (March 2018: €70.4 billion). New business in mortgage lending in the first quarter amounted to €4.2 billion, which is almost €1 billion higher than the figure for the first quarter of 2018. The consumer loan book totalled €3.7 billion as of March 2019 (December 2018: €3.6 billion).

First-quarter revenues after adjustment for exceptional items stood at €1,220 million (Q1 2018: €1,211 million). Operating expenses were trimmed by €17 million to €870 million, while charges arising from compulsory contributions climbed by €29 million. The risk result remained virtually stable at minus €52 million (Q1 2018: minus €49 million). Overall, the segment generated an operating profit of €153 million in the first quarter (Q1 2018: €203 million). In the first quarter of 2018 the profit had been supported by a non-recurring item of €52 million from the sale of the Polish group insurance business.

The **Corporate Clients** segment gained 800 new clients since the start of the year, bringing the total number of new clients gained since the start of 2016 to 9,700. With prudent lending standards still in place, the corporate loan book expanded by €2 billion compared to the fourth quarter of 2018 to €84 billion.

On the back of this growth in lending, net interest income rose by 12% versus the first quarter of 2018, which contributed to stable revenues of €861 million (Q1 2018: €864 million). The contribution from the Mittelstand and International Corporates divisions increased compared to the first quarter of 2018. After the successful realignment of the segment, the core products loans, cash management, trade finance, and capital market solutions all showed an improvement on the previous year. This means all of the divisions' core products made a positive contribution to the revenue performance. The Financial Institutions division recorded stable revenues year-on-year after its realignment despite weakening global trade activities. This shows that the investments for compliance over the previous years are paying off. Overall, Corporate Clients' underlying revenues came to €869 million (Q1 2018: €865 million).

The segment cut its operating expenses excluding compulsory contributions by a good 3% to €619 million (Q1 2018: €642 million). Thanks to the continued high quality of the loan book, the risk result remained low in the first quarter of 2019 at minus €28 million (Q1 2018: minus €25 million). Corporate Clients improved its operating profit, in a still challenging environment, to €121 million (Q1 2018: €98 million).

In the **Asset & Capital Recovery (ACR)** segment, revenues fell to €11 million (Q1 2018: €45 million) in line with the further run-down of legacy portfolios which were reduced by a total of €300 million in the first quarter. The Group ship finance portfolio contracted to a volume of around €300 million, and by the end of March comprised only 38 financed ships. The segment's operating profit amounted to minus €7 million (Q1 2018: €16 million).

Outlook

The Bank will continue its growth strategy in 2019 and is expecting higher underlying revenues than in the previous year. It is targeting a Common Equity Tier 1 ratio of at least 12.75% by the end of 2019. The cost base should remain below €6.8 billion in 2019, while the drag from the risk result is expected to be at least €550 million. The Bank is planning to maintain a pay-out ratio for financial year 2019 at a level comparable to 2018.

Financial figures at a glance

in €m	Q1 2019	Q1 2018	Q4 2018	2018	Q1/19 vs Q1/18 in %	Q1/19 vs Q4/18 in %
Net interest income	1,231	1,098	1,237	4,748	12.1	-0.5
Net commission income	768	802	754	3,089	-4.2	1.8
Net fair value*	85	203	-121	366	-58.3	-
Other income	73	115	166	367	-36,5	-56.2
Income before risk result	2,156	2,217	2,035	8,570	-2.8	5.9
<i>Revenues excl. exceptional items</i>	2,190	2,216	2,151	8,648	-1.2	1.8
Operating expenses	1,569	1,638	1,579	6,459	-4.2	-0.6
Compulsory contributions	265	244	63	420	8.5	-
Risk result	-78	-77	-154	-446	-1.2	49.1
Operating profit or loss	244	258	240	1,245	-5.6	1.4
Current pre-tax profit or loss (discontinued operations)	-19	42	-30	-15	-	36.8
Pre-tax profit or loss (Group)	225	301	210	1,230	-25.3	6.9
Taxes	91	5	75	262	-	21.2
Minorities	14	34	22	103	-59.0	-35.8
Consolidated profit or loss attributable to Commerzbank shareholders	120	262	113	865	-54.2	5.8
Earnings per share (€)	0.10	0.21	0.09	0.69		
Cost/income ratio in operating business excl. compulsory contributions (%)	72.8	73.9	77.6	75.4	-1.1	-4.8
Cost/income ratio in operating business incl. compulsory contributions (%)	85.1	84.9	80.6	80.3	0.2	4.4
Operating RoTE (%)	3.7	4.0	3.6	4.8	-0.3	0.1
Net RoTE (%)	1.9	4.2	1.8	3.4	-2.3	0.1
Net RoE (%)	1.7	3.8	1.6	3.1	-2.1	0.1

	Q1 2019	Q1 2018	Q4 2018	2018
CET 1 ratio, Basel 3 fully loaded (%)	12.7	13.3	12.9	12.9
Leverage Ratio, Basel 3 fully loaded (%)	4.5	4.6	4.8	4.8
Total assets (€bn)	503	470	462	462

* Net income from financial assets and liabilities measured at fair value through profit and loss

From approximately 7 am onwards you can find broadcast-ready video material with a statement 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 70,000 corporate clients, multinationals, financial service providers, and institutional clients worldwide. In

2018, it generated gross revenues of €8.6 billion with approximately 49,000 employees.

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.