



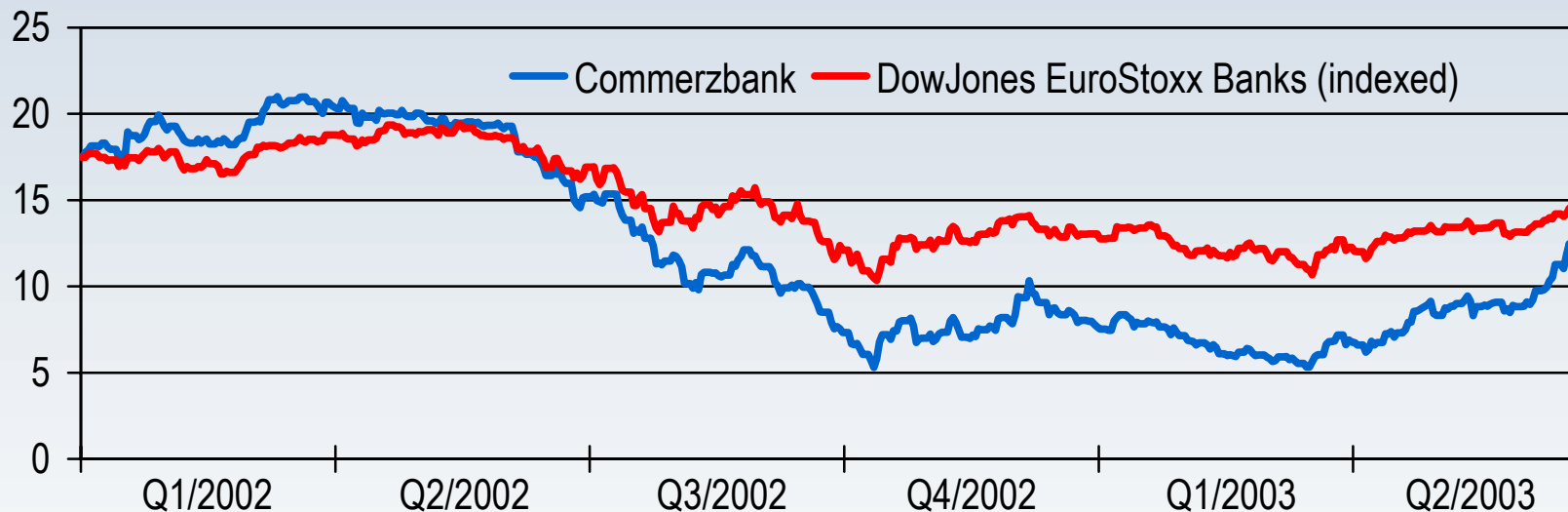
***Goldman Sachs
Financials Conference 2003***

“Retail Banking: From Surreal to Real”

Martin Blessing
Member of the Board of Managing Directors

Rome
20 June, 2003

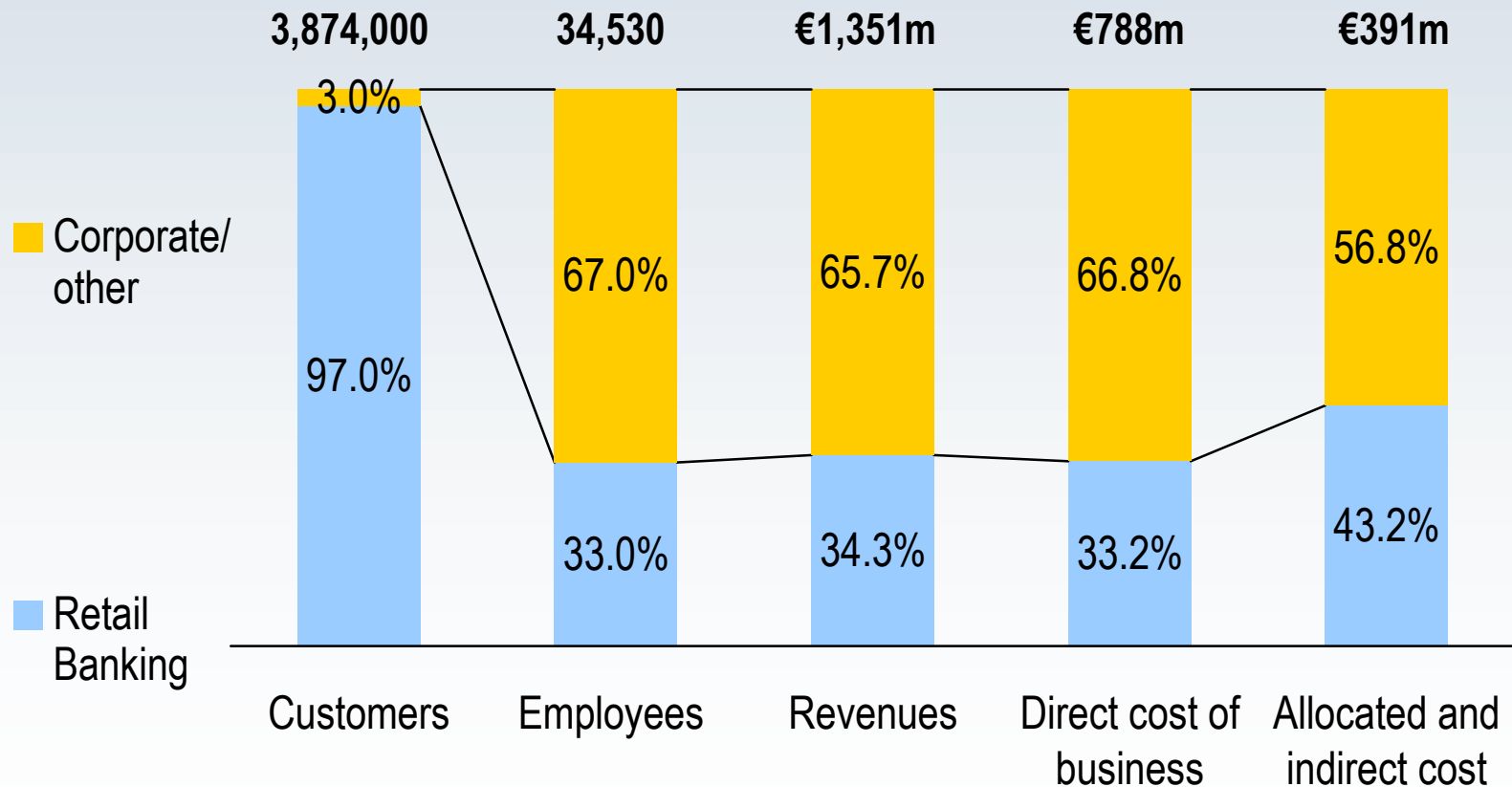
Commerzbank: profitability and stock performance on the way up again



Q1/2002	Q2/2002	Q3/2002	Q4/2002	Q1/2003	Q2/2003	
181	54	-75	32	172		Operating profit (€ m)
<div style="text-align: center;"> } 192 </div>						Commerzbank Group
4	9	3	37	33		
<div style="text-align: center;"> } 53 </div>						Retail Banking

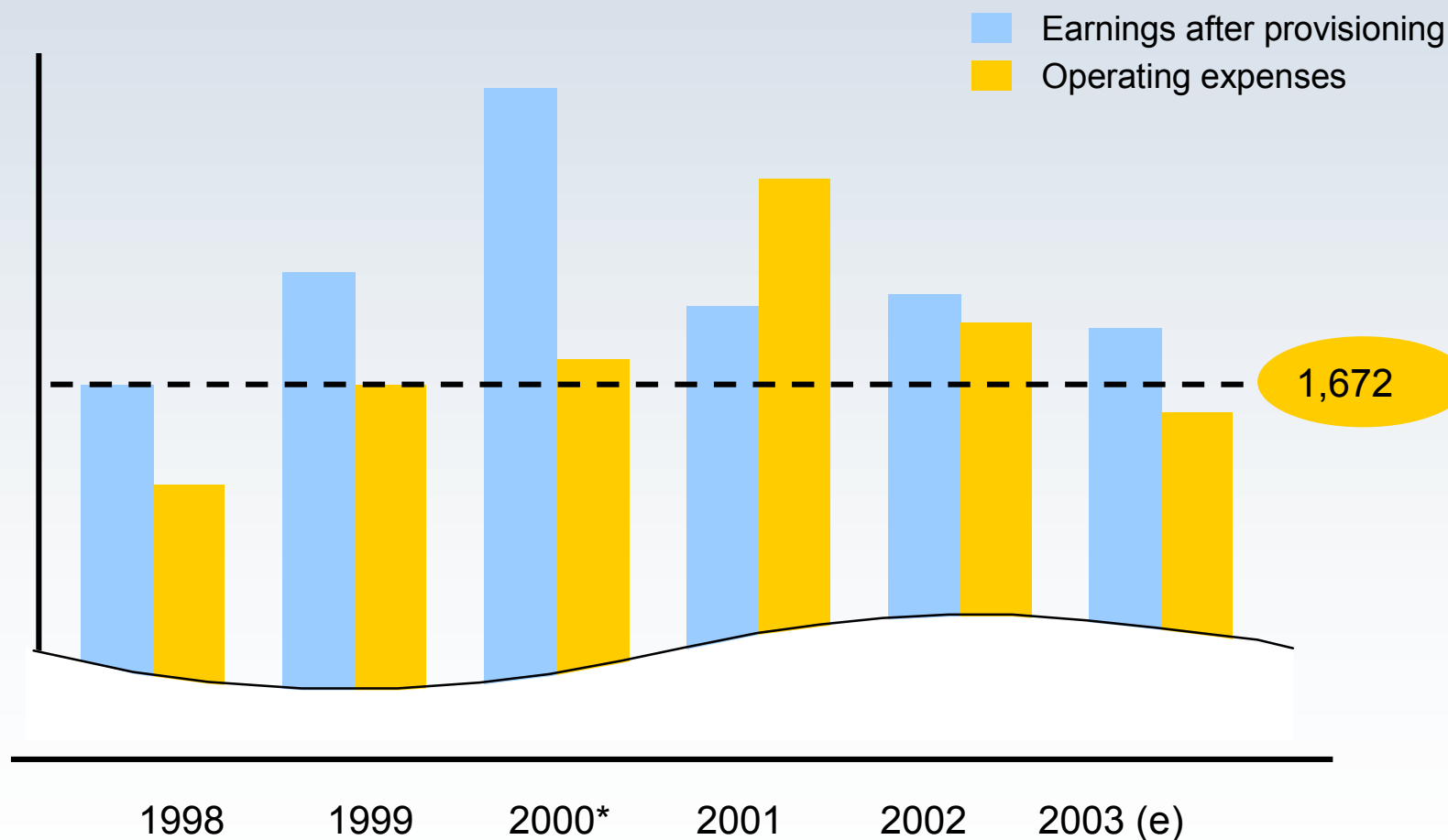
Retail business is an important component of Commerzbank Group

as of 31.3.2003



Costs in Retail Banking to fall below the 1999 level this year

in € m



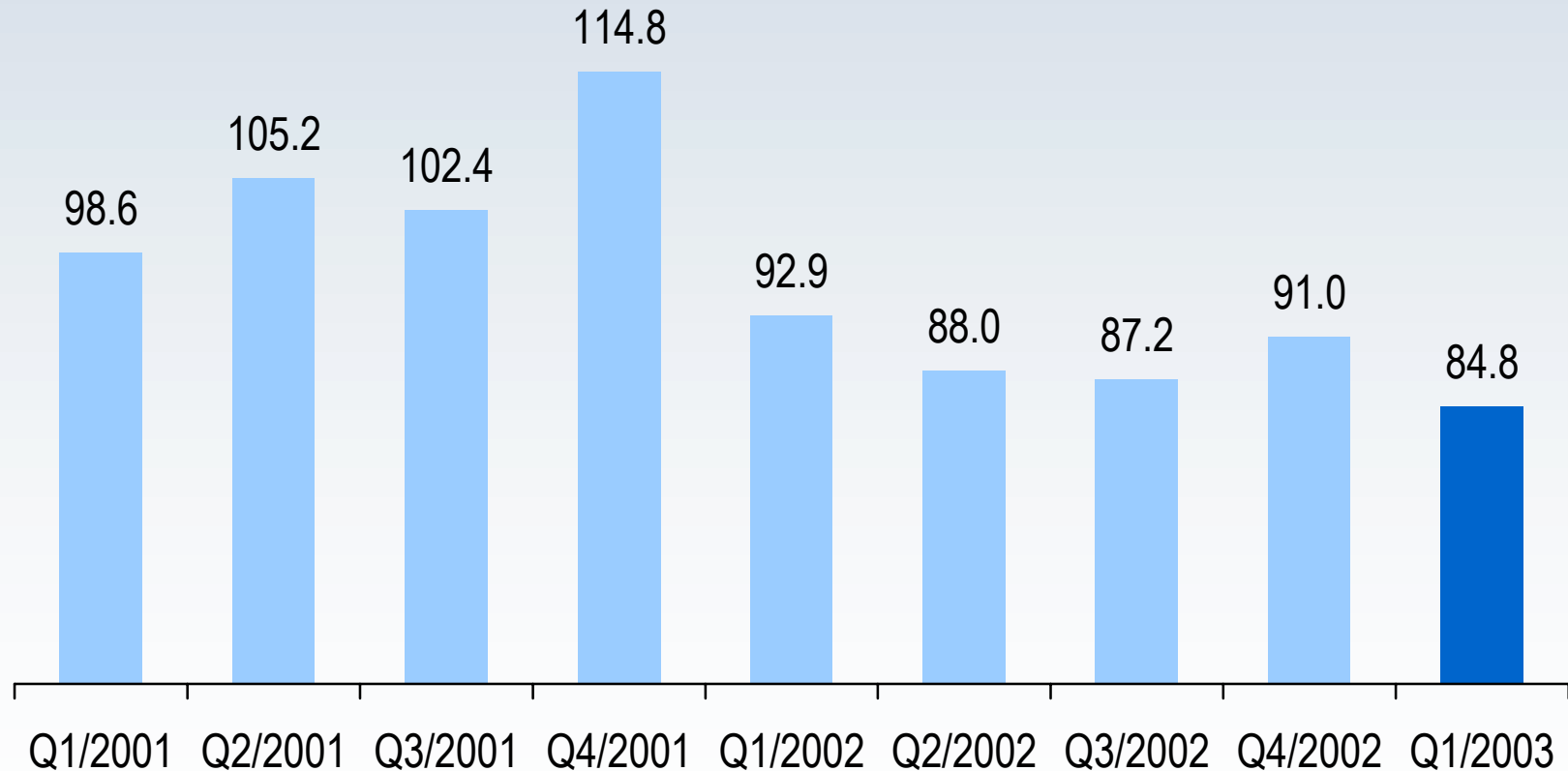
* excluding comdirect bank's IPO

Quarterly figures for 2001-2003 show clear, positive trend in € m

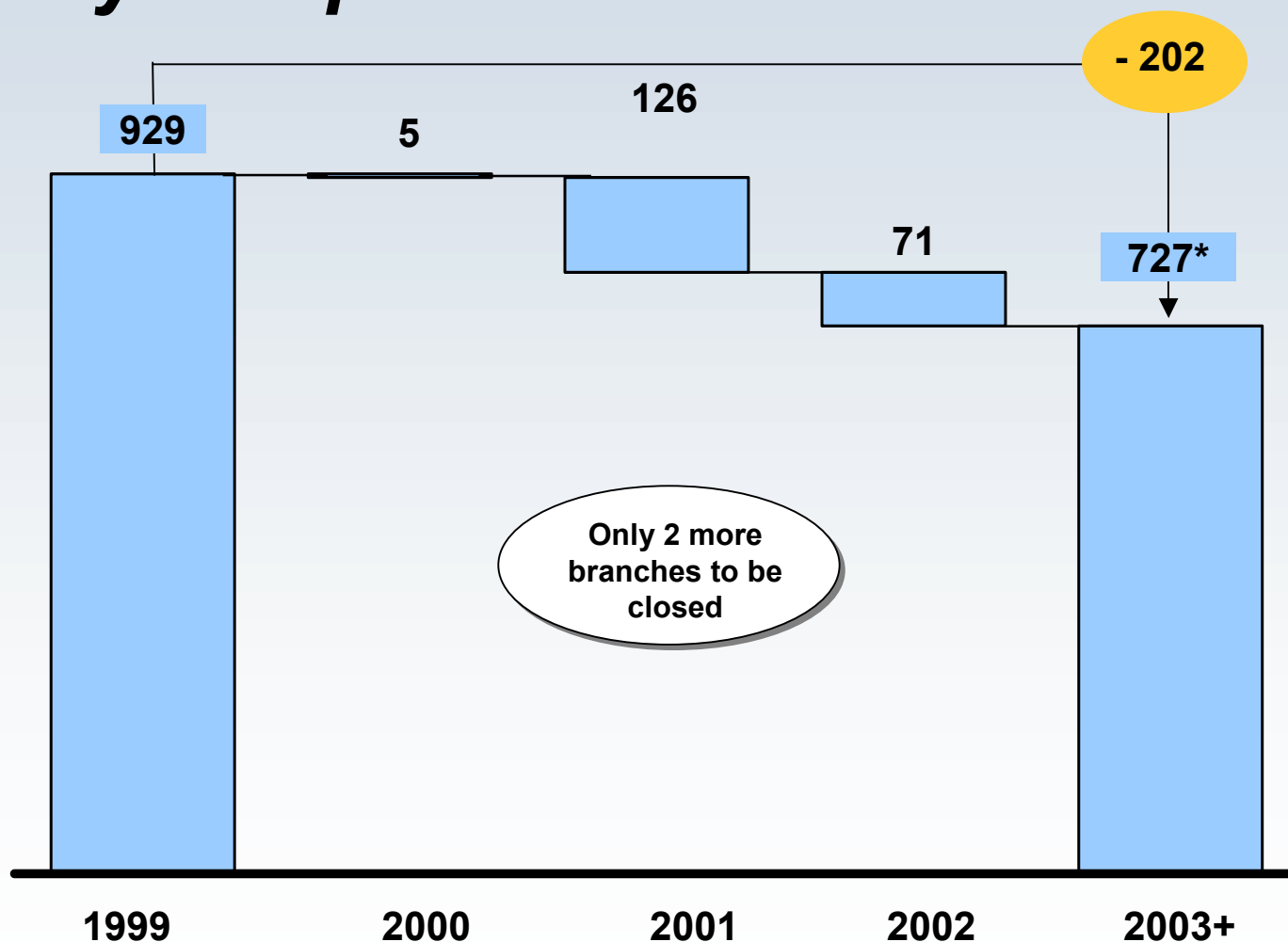
	2001				2002				2003
	Q I	Q II	Q III	Q IV	Q I	Q II	Q III	Q IV	Q I
Net interest income	286	279	278	292	284	296	290	286	267
Loan loss provision	-31	-31	-11	-72	-33	-53	-59	-5	-44
Net interest income after provisioning	255	248	267	220	251	243	231	281	223
Net commission income and other income items	228	219	224	160	238	220	196	180	240
Income	483	467	491	380	489	463	427	461	463
Operating expenses	507	524	514	519	485	454	424	424	430
Operating profit	-24	-57	-23	-139	4	9	3	37	33
	-243				53				

Cost/income ratio: substantially reduced from peak levels

in %

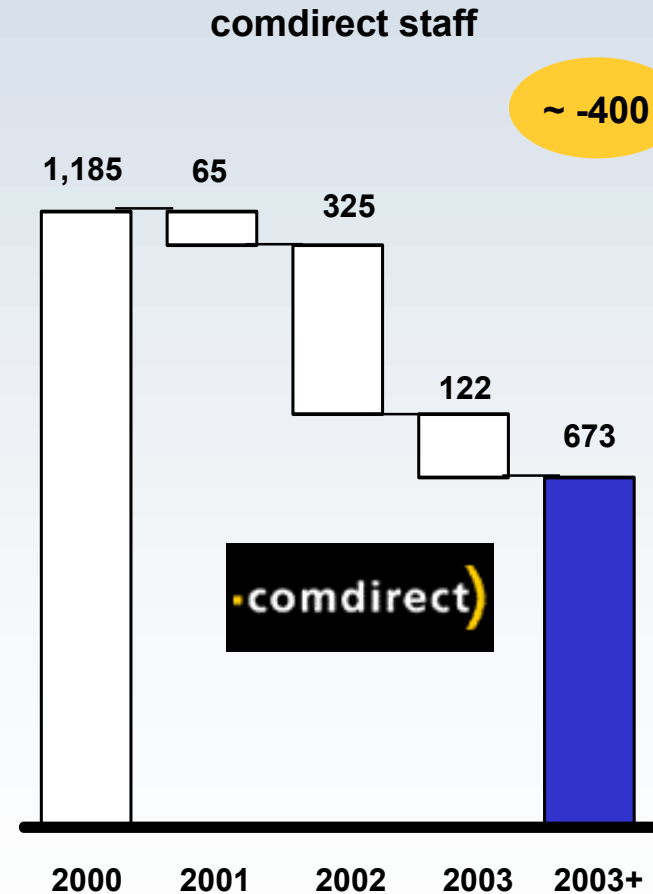
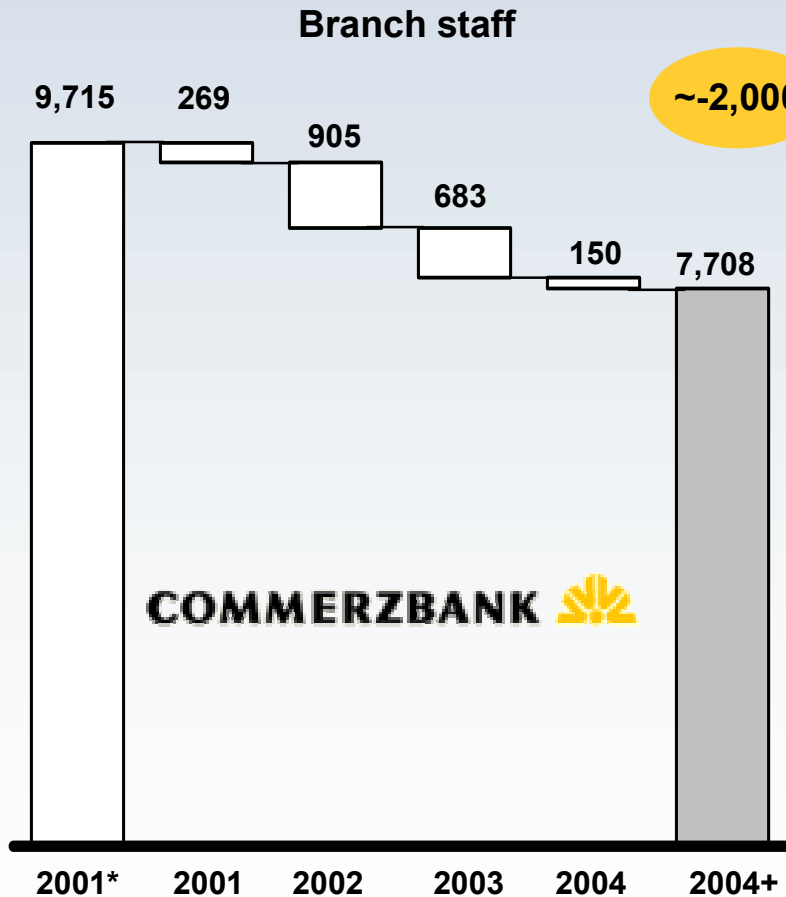


The reduction of our branch network is nearly complete



* The last 2 branch closures will be made by end-June

2,400 employees to be shed in Retail Banking



* base value June

Pilot project for new advisory branches

Advantages:

- small, flexible advisory units – maximum of 3 staff who are almost entirely freed from administrative work
- Greater use of self-service on 24-hour basis (incl. free-of-charge internet access and cash deposit machine)
- New type of branch ensures nationwide presence
- Pilot project in 7 locations is now in roll-out phase
 - ➔ If customers respond positively – as we expect they will – this will be a future growth area



Volume trend in Commerzbank's Retail Banking

	12/00	12/01	12/02	03/03	
Loans (average, € m)	36,222	37,386	37,591	37,227	↗
Deposits (average, € m)	21,607	22,049	22,377	22,635	↗
Portfolio volume (on reporting date)	50,397	44,887	36,790	35,936	↓
DAX*	6,400	5,200	2,900	2,400	↓

Change

12/00 - 03/03:



>10%



>2%



>-2%



>-10%



<-10%

* year-end values

Margin trend in Commerzbank's Retail Banking in %

	12/00	12/01	12/02	03/03	
Loans*	1.51	1.46	1.51	1.51	→
Deposits*	1.84	1.70	1.48	1.28	↓
Earnings on securities**	0.98	1.11	1.34	1.49	↑

Change

12/00 - 03/03:



>10%



>2%



>-2%



>-10%



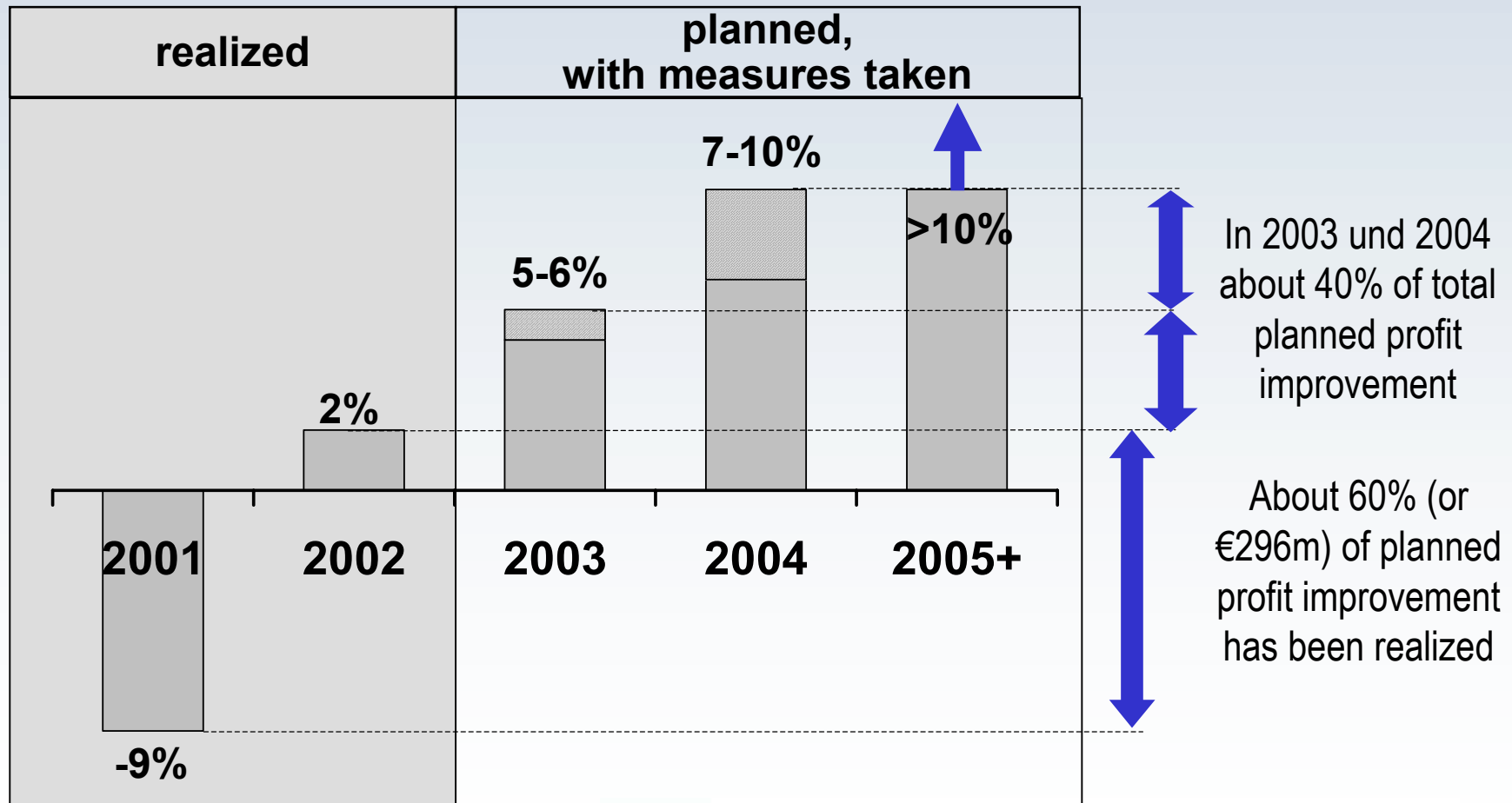
<-10%

*on average volume

** on reporting date

More than 60% of planned profit improvement in 2002 already realized

ROE* after tax in %



* before restructuring expenses

Comparison with best-practice models shows Commerzbank's increasing competitiveness despite continuing need for action

Critical success factors

- Effective cost management
- Transparency of results produced by employees
- Standardization of product-creation procedures
- Optimization of distribution procedures
- Performance-oriented compensation
- Growth-oriented organization



Important strategic course set in 2002

Earnings stabilized

- Revenue goal of €2,000m reached
– in spite of difficult market conditions:
- capital market trend: Dax –40% over the year
 - low-interest phase after several interest-rate reductions

Costs lowered

- Sustained cost-reduction of €300m (more than 15%); further cost-cutting implemented:
- adjustment of capacities in line with *play to win*
 - successful launch of *play to win* cost management
 - second cost-cutting offensive started at head office

Strategy developed

- With *play to win*, further projects launched:
- Quick-Wins procedures begun in May 2002
 - Optimization of building finance underway
 - Pricing strategy being prepared for implementation
 - Launching of advisory branches as pilot project
 - Customer relationship management intensified
 - Business-customer strategy (sales >€2.5m) being tested, implementation Q4 2003

Our agenda for 2003:

Boost revenues

Implement new sales-management program on a **binding** basis and achieve 2003 earnings target – or better

Implement strategy

Medium-term strategic projects related to **play to win** to be implemented

- Pricing strategy
- Advisory branches
- Business-customer strategy

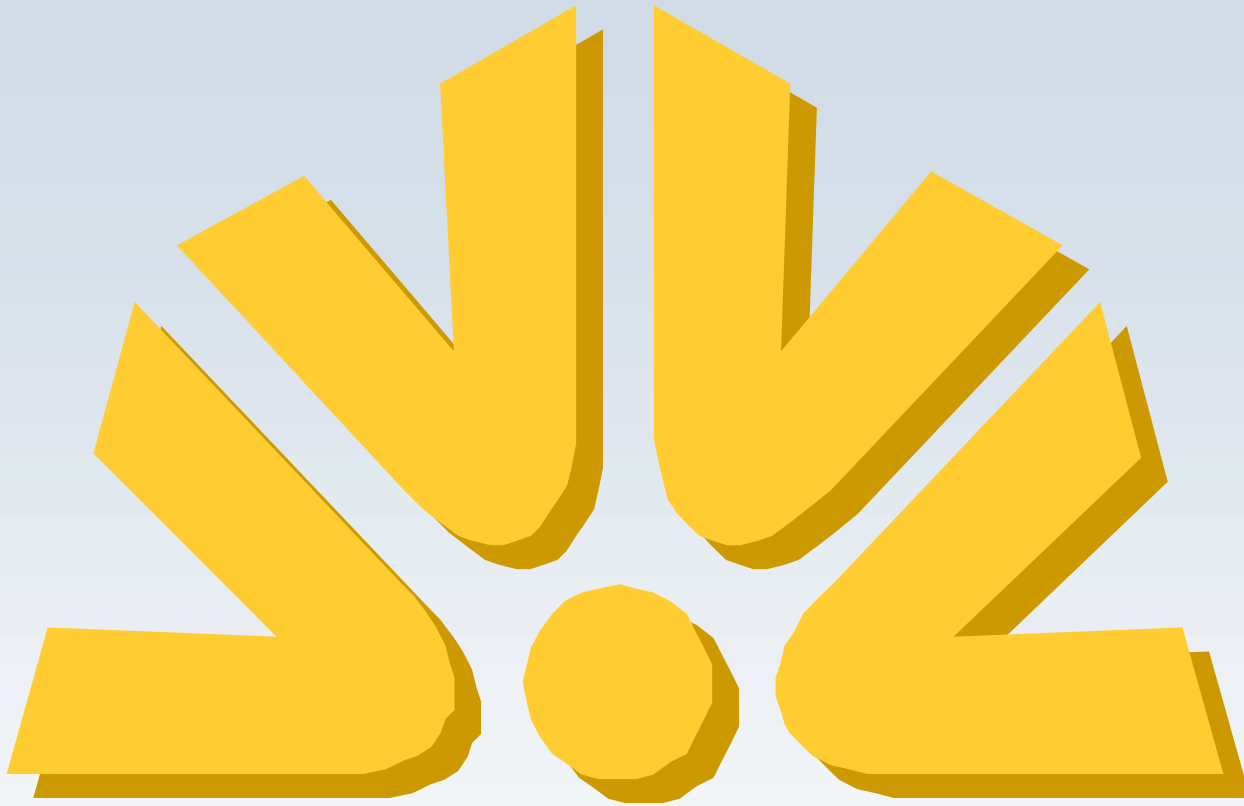
Active cost-management

Costs to be kept at least at current low level, with cost-cutting projects systematically maintained

Commerzbank moves “**from surreal to real**” in retail banking

We aim to prove that:

- Retail banking has a **real** future in our business model
- We can earn **real** money in this segment
- Our retail banking division can make a **real** contribution to shareholder value



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