



# Commerzbank

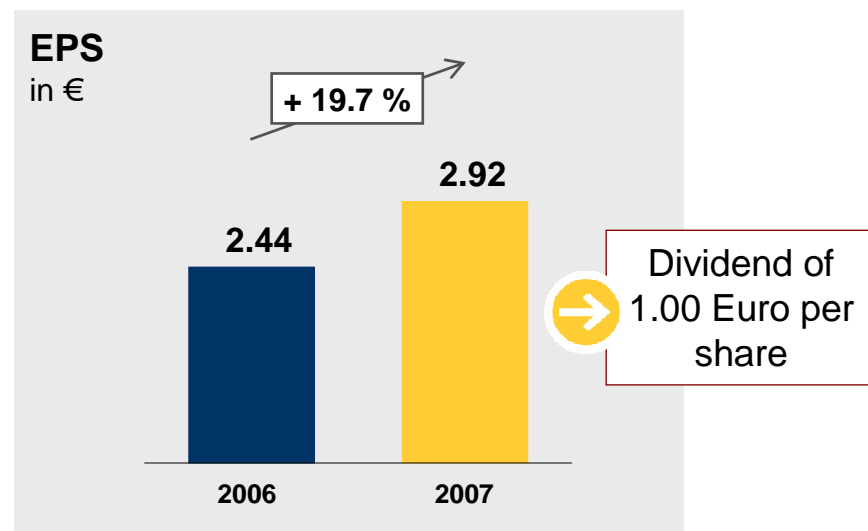
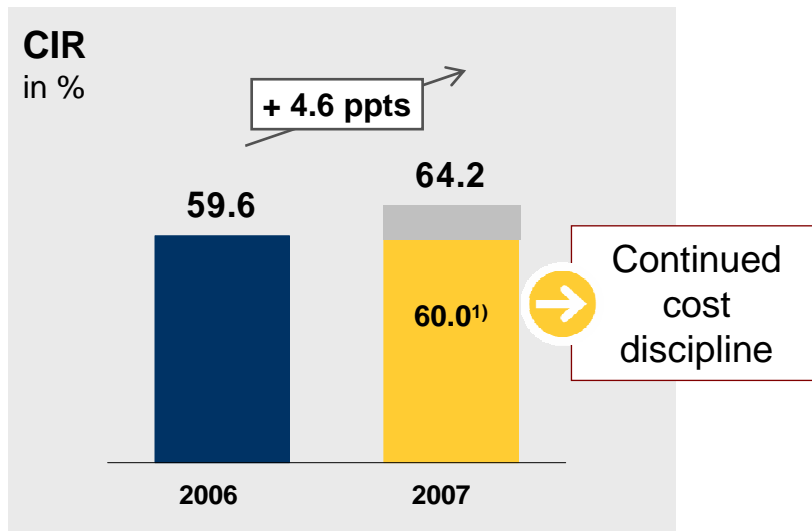
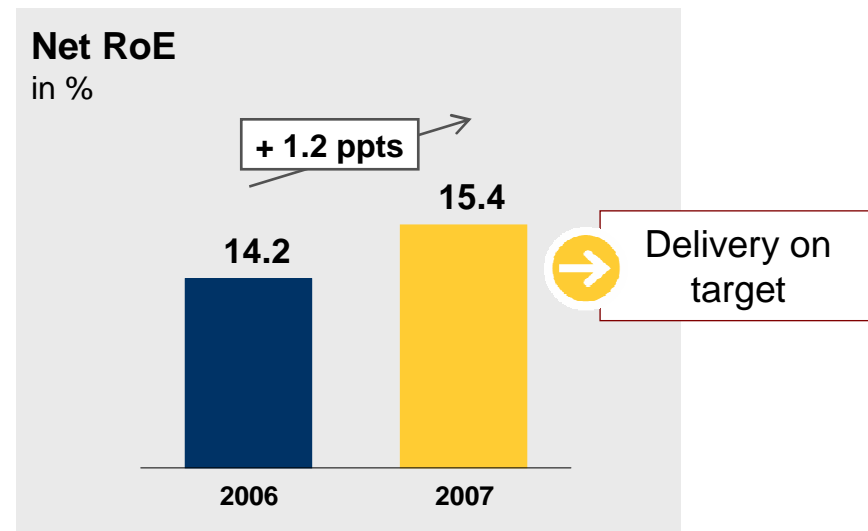
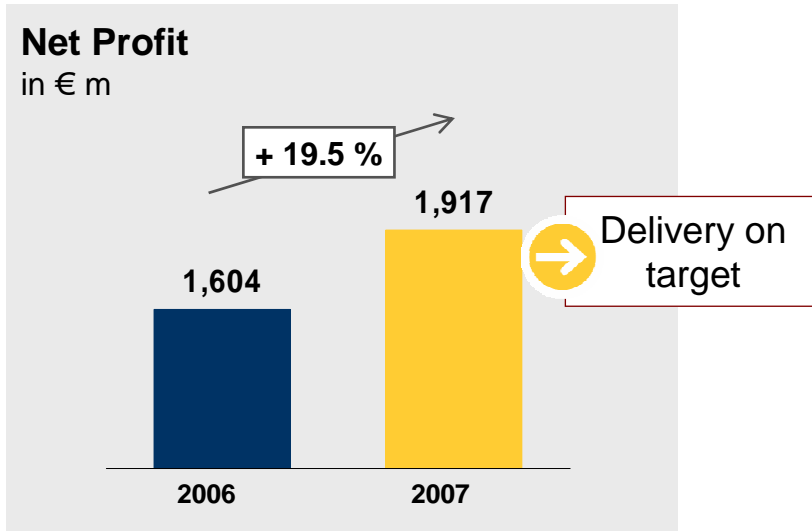
Focus on growth and efficiency

Nicholas Teller  
Member of the Board of Managing Directors  
Morgan Stanley European Banks & Financial Conference – April 2nd 2008

## Highlights 2007

1. Commerzbank achieved record year despite global financial crisis
2. Strong underlying business in core divisions confirms strength of business model
3. Early disclosure of Commerzbank's US subprime exposure and rigorous impairment
4. Comfortable capital base and strong liquidity ratios
5. Proposed dividend increase to €1.00 per share

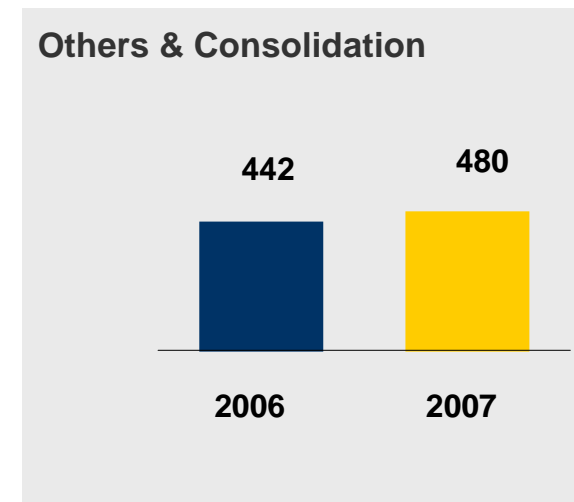
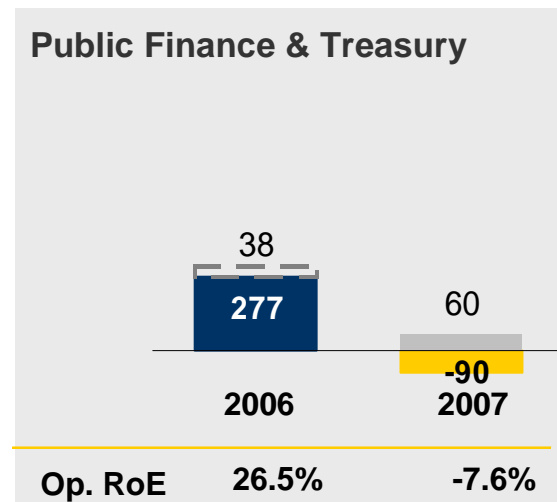
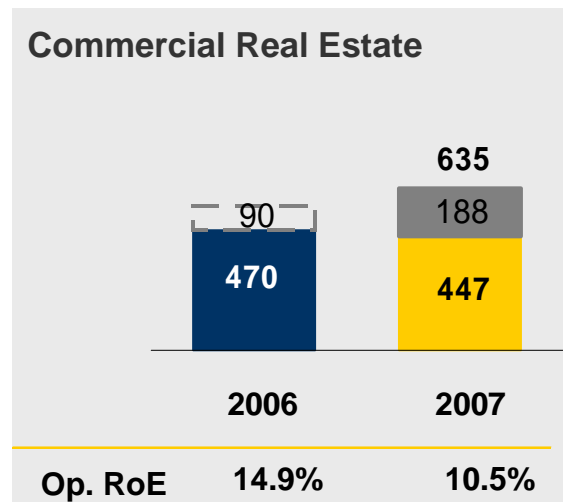
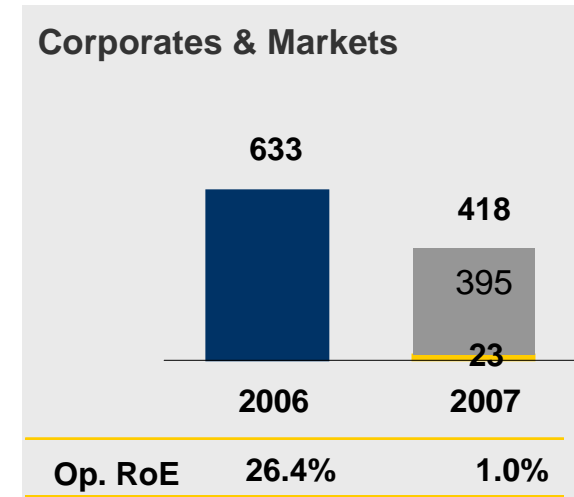
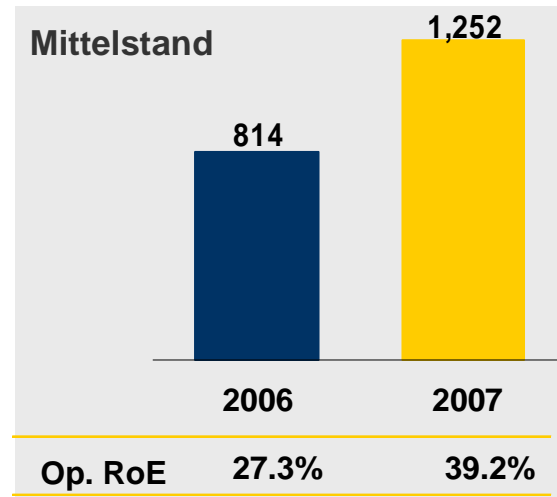
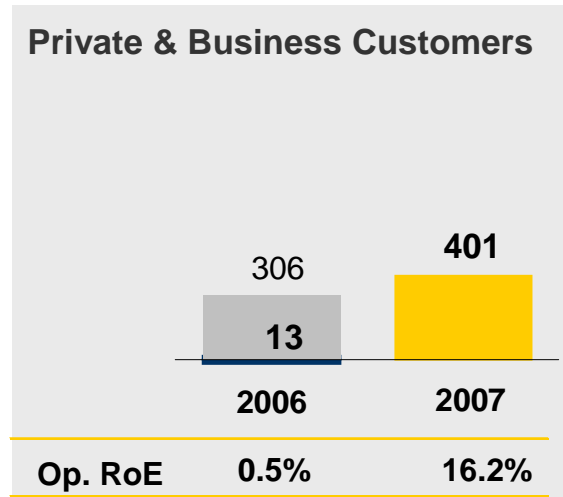
## Commerzbank achieved record year despite global financials crisis




¹) excluding subprime-impairment

## Strong underlying business in our core divisions

Operating profit in € m



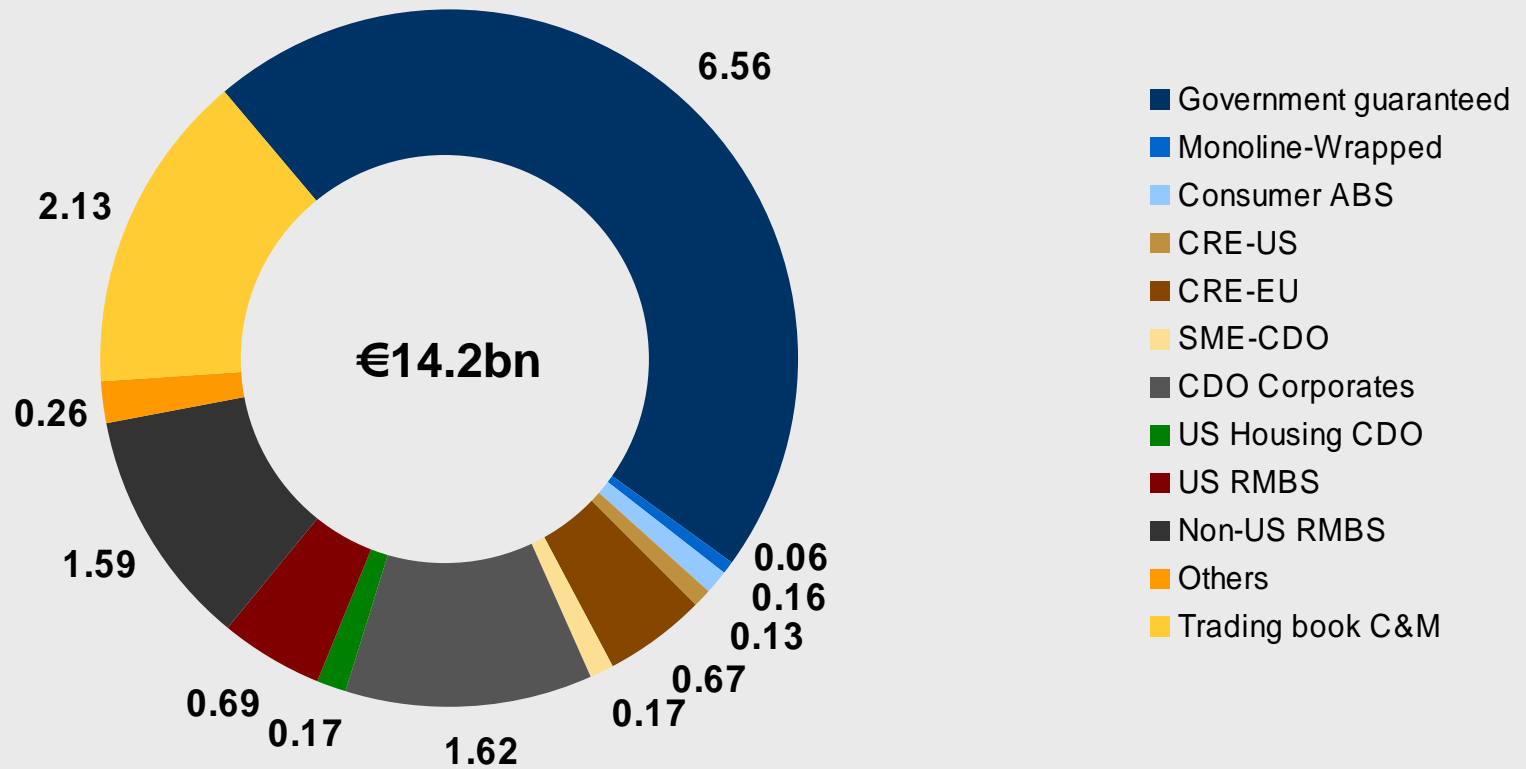
 Pro-forma integration of Eurohypo

 Subprime impairments

 excl. one-off effects

## ABS portfolio includes high portion of government guaranteed paper

**ABS Portfolio – Breakdown of Products**  
as of 12/07  
in € bn



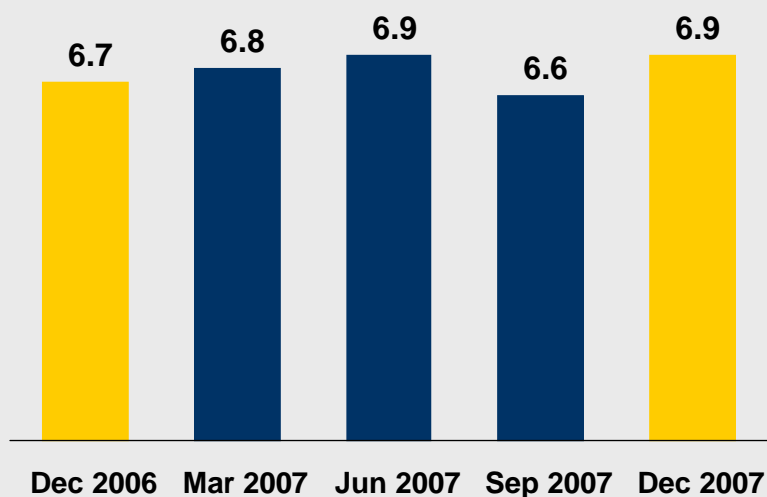
plus €2.3bn Kaiserplatz Conduits

ABS-Bonds bankbook (Fair Values)	AAA	AA	A	BBB	BB	B	CCC-D
	80.0%	10.1%	7.3%	1.9%	0.3%	0.2%	0.2%

## Robust capital position

### Tier I ratio

in %

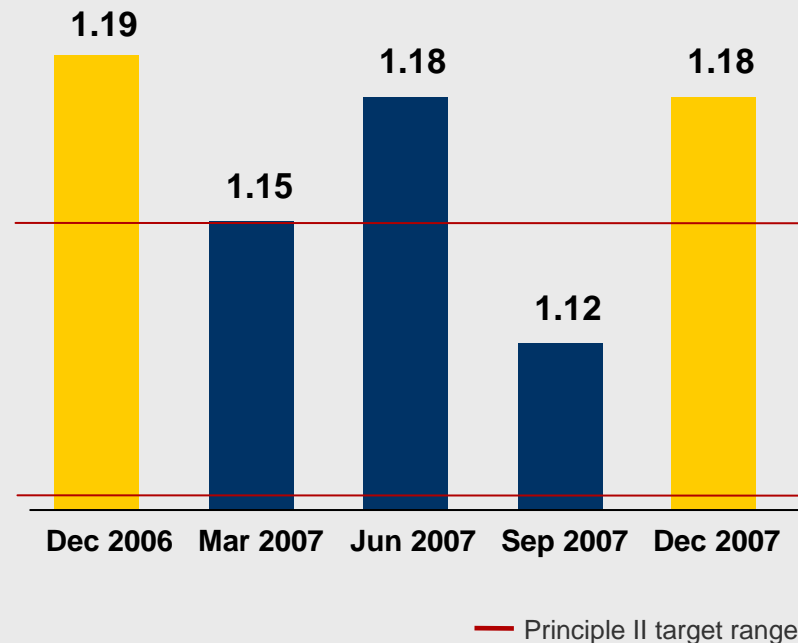


- Tier I ratio at 6.9% according to Basel I
- Applying Basel II, Tier I is significantly above 7%
- Active capital management
- First-time application of German Solvency Regulation for securitizations
- Revaluation reserve down due to fixed income mark-to-market valuation

	Dec 2006	Mar 2007	Jun 2007	Sep 2007	Dec 2007
Risk weighted assets (€ bn)	231	235	239	253	<b>237</b>
Revaluation reserves (€ m)	1,746	1,658	1,997	1,484	<b>903</b>
Tier 1 Capital (€ m)	15,427	16,055	16,573	16,693	<b>16,333</b>

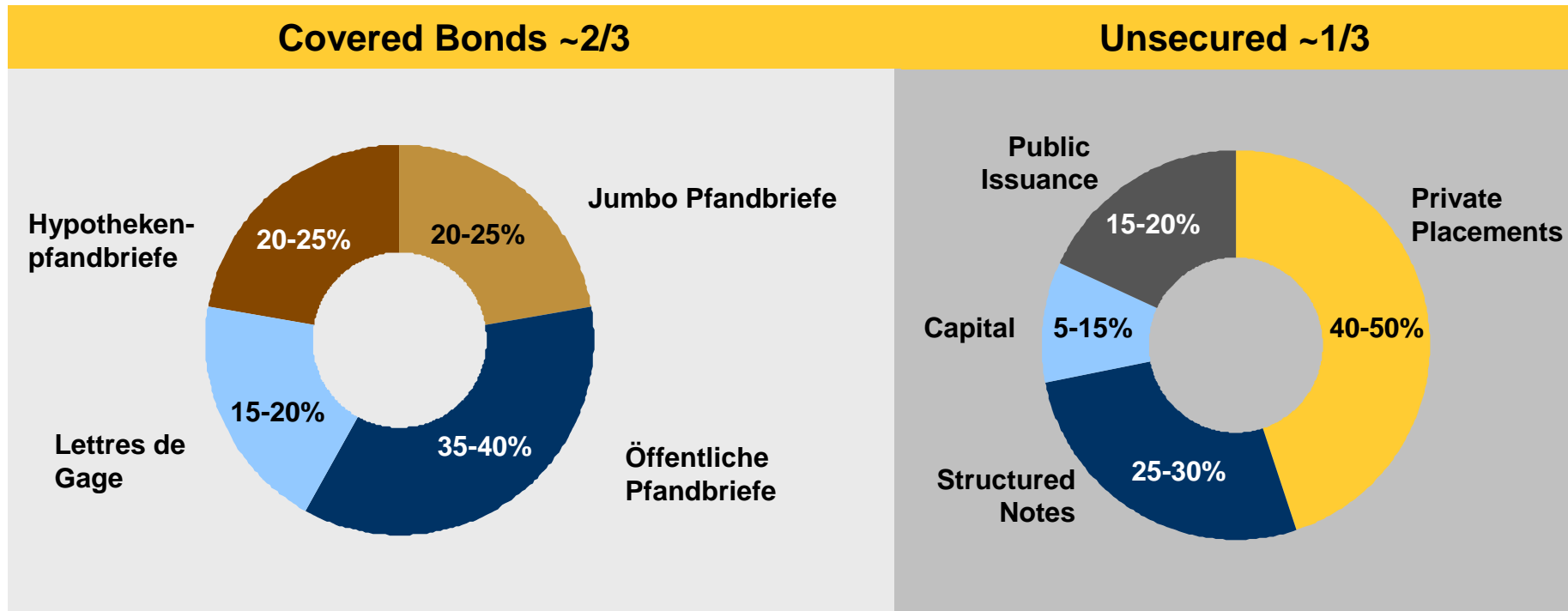
## Solid liquidity management

### Liquidity ratio (Principle II)



- Congruent and stable financing program
- Solid refinancing structure in all maturity buckets
- High quality liquidity portfolios for the Group
- Principle II target range of Commerzbank between 1.08 and 1.15 (1.18 at year end 2007)

## Broad funding base - Funding plan 2008: volume of approx. €30bn



- Commerzbank benefits from strong client base – deposits still increasing
- Continued good access to German Pfandbrief market, which has been little affected by crisis
- Deep domestic fixed income investor base (especially for private placements)

**Further diversification of the investor base (by investor type, region and currency)**



## Outlook

### PBC

- Continuing growth initiatives and building on strong client base
- Further reduction of lending volume to improve profitability
- Set to achieve 6 million retail customers in Germany by 2009

### MSB

- Building on leading position in Germany (“Stay on Top“)
- Focussing in growing industries (e.g. Global Shipping and Renewable Energies)
- Following our customers into markets of the future

### CEE

- CEE holding led by top management emphasizes the significance attached to CEE
- Prudent expansion into CEE countries (e.g. roll-out of successful business models)
- Leverage experience in different CEE countries and know-how transfer

## Outlook

### C&M

- Continuing strong underlying business and customer focus
- Consolidating leading position for equity derivatives
- Growing Institutional Business

### CRE

- Less new business written while margins improved
- Limited access to securitisation platform
- Focus on high quality relationship business and strong support for our clients

### PFT

- Ongoing difficult market conditions
- Realignment of Public Finance: Essen Hyp in a process of merger with Eurohypo
- Downsizing and de-risking public finance book

## Main take aways

1. Focus on growth and efficiency
2. Strong underlying business in core divisions confirms strength of business model
3. Comfortable capital base and strong liquidity ratios
4. Commerzbank well positioned to ride out the global financial crisis
5. Continuing growth path to achieve international RoE standards

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