



# Pro-forma Risk Figures of New Commerzbank

# Agenda

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## 1. Risk taking capability

2. Credit Risk

3. Market Risk

4. Operational Risk

5. Portfolios in risk focus

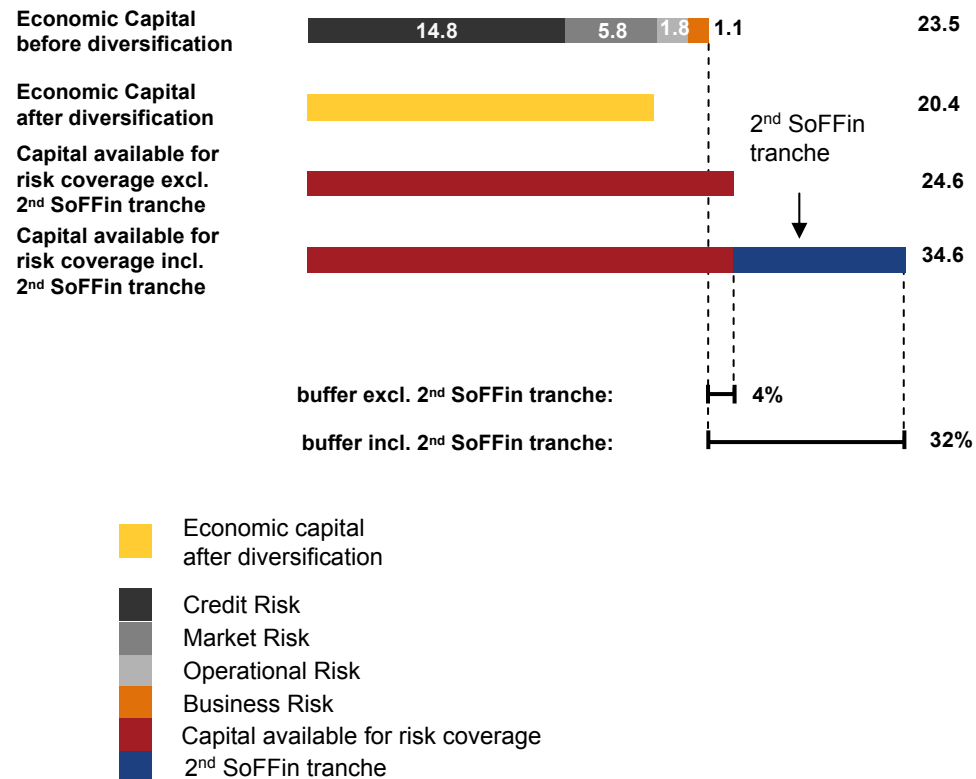
6. Default Portfolio / Charges against earnings

# Risk taking capability

## Outlook New Commerzbank

### Economic Risk taking capability

per Ultimo December 2008  
in € bn



After booking of first SoFFin tranche, the risk taking capability of New Commerzbank is ensured.

The second SoFFin tranche further increases the capital buffer and strengthens the protection against future economic stress scenarios.

The economic and regulatory capital buffer will be closely monitored by comprehensive scenario-based stress testing.

During 2009, the economic risk taking capability concept of New Commerzbank will be harmonized with existing regulatory capital adequacy rules leading to a convergence of economic and regulatory capital steering.

# Agenda

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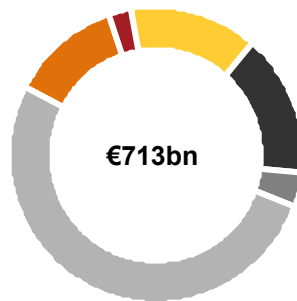
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3. Market Risk
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# Credit Portfolio

## Outlook New Commerzbank

### Exposure at Default

per Ultimo January 2009  
in € bn



- 101 Private Customers
- 111 Mittelstandsbank
- 26 Central & Eastern Europe
- 370 Corporates & Markets
- 87 Commercial Real Estate
- 19 Others and Consolidation

### Expected Loss / Risk density

per Ultimo January 2009

Segment	Expected Loss (in € mn)	Risk density (in bp)
Private Customers	345	35
Mittelstandsbank	412	37
Central and Eastern Europe	173	67
Corporates & Markets	n.a. **)	n.a. **)
Commercial Real Estate	279	32

\*\* ) n.a. due to outstanding harmonisation of methods in the trading book of C&M and therefore for the group

With the integration of Dresdner Bank in particular the portfolios of “Private Customers” and “Mittelstandsbank” will increase.

The portfolio of “Corporates & Markets” will be reduced mainly by reductions in the “Public Finance” sub-portfolio.

Due to the current poor economic environment we expect further ratings migration and therefore an increase in expected loss levels and risk density. This will be partly offset by selective growth in certain markets.

The figures shown are still subject to changes during 2009 due to ongoing harmonisation of methods and parameters, as well as ongoing client re-allocations between the segments, in particular with regard to the trading book.

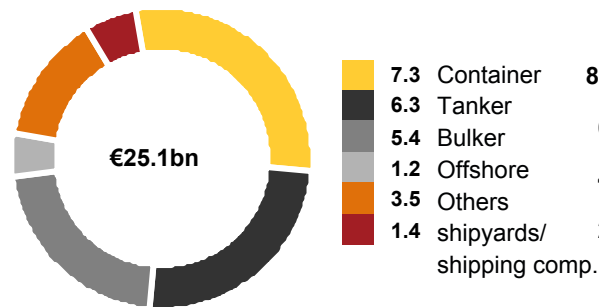


# Shipping Portfolio

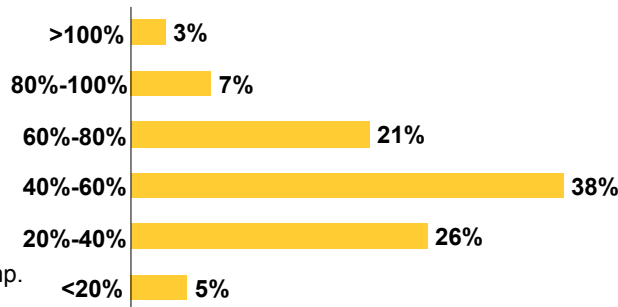
## Outlook New Commerzbank

### Exposure at Default

per Ultimo December 2008  
in € bn



### Loan-to-Value

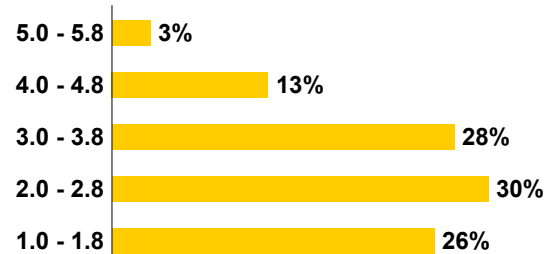


### Expected Loss / Risk Density

per Ultimo December 2008

	Expected Loss (€ m)	Risk density (in bp)
Container	15.0	21
Tanker	17.4	28
Bulker	16.3	30
Offshore	4.4	37
Others	18.1	51
Shipyards/Shipping Companies	1.0	17
<b>Group</b>	<b>72.2</b>	<b>29</b>

### Rating distribution



Commerzbank and Dresdner Bank combined hold a share of 80% of Deutsche Schiffsbank. The EAD volume of all three institutes add up to about €25bn.

In order to be able to focus on the management of the weaker parts of the portfolio, the risk profile of every single ship financing exposure has been analysed and classified using a traffic lights logic.

Since mid 2008, a noticeable decrease of ship values and charter rates especially in bulker and container shipping has been seen. In addition to the general economic environment this was mainly caused by an overcapacity due to higher ship availability.



# Agenda

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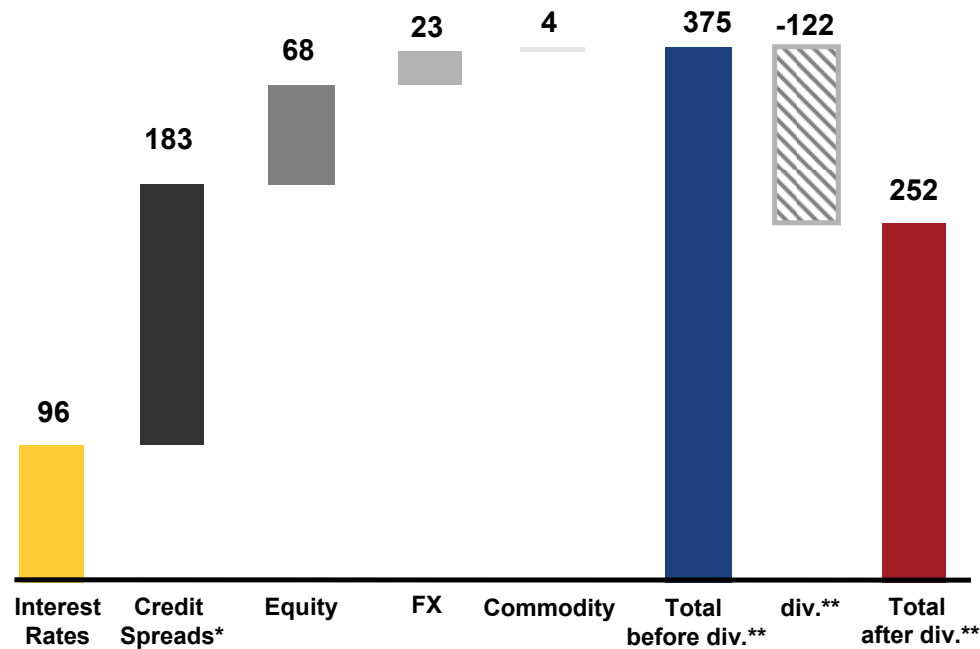
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# Market Risk

## Outlook New Commerzbank

### Value-at-Risk (99 % / 10 days)

per Ultimo January 2009  
in € m



\*: without Credit Spread Risk Public Finance

\*\* div.: diversification

Interest rate and credit spread risk continue to be the main drivers of market risk accounting for approximately 3/4 of the overall Value-at-Risk.

Main drivers are the trading book of Corporates & Markets and the banking books of Treasury.

Via the planned de-risking by the Divisional Restructuring Unit (DRU), in particular in the area of Structured Finance, we expect a significant decrease of credit spread risk during the course of 2009.

Furthermore, also a step by step de-risking of Dresdner Bank's interest rate derivatives and equity derivatives positions is planned.

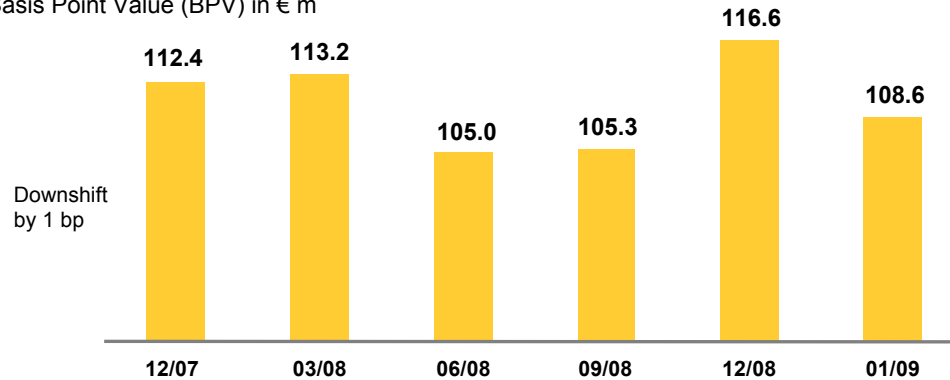


# Market Risk

## Outlook New Commerzbank

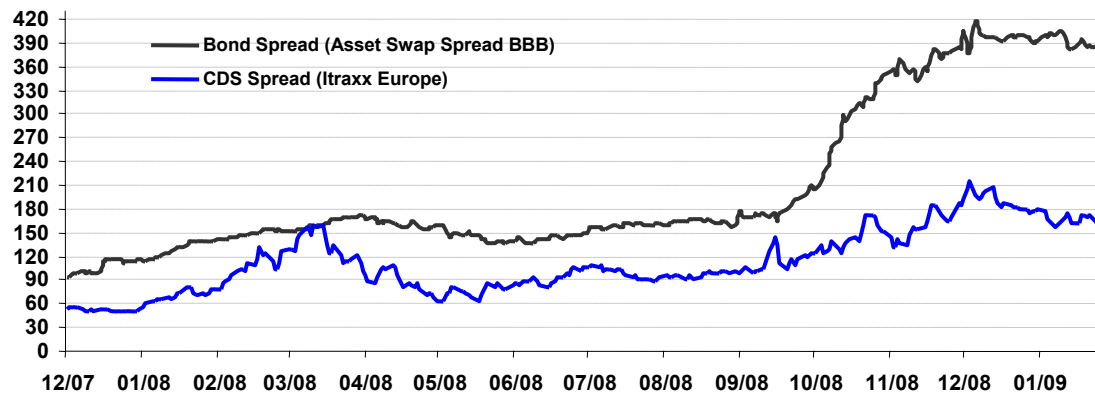
### Credit Spread sensitivities New Commerzbank

per Ultimo January 2009 (figures for 12/07 - 12/08 restated)  
Basis Point Value (BPV) in € m



### Credit Spreads (Eurozone)

in basis points (bp)



The credit spread sensitivities per January 2009 are dominated by Public Finance exposure at Eurohypo and EEPK (incl. the reclassified positions to Loans and Receivables).

The increase of sensitivities in Q4/08 were solely caused by market developments (strong interest rate decrease and weaker Euro against US-Dollar) - no position increase.

De-risking is planned in Public Finance and DRU. The reduction of the Public Finance portfolio to the target value of €100bn until end of 2010 is "on track" (as of December 2008: €151bn). However, under current market conditions a fast portfolio reduction is only possible by selling "good" risks at the expense of the average portfolio quality.

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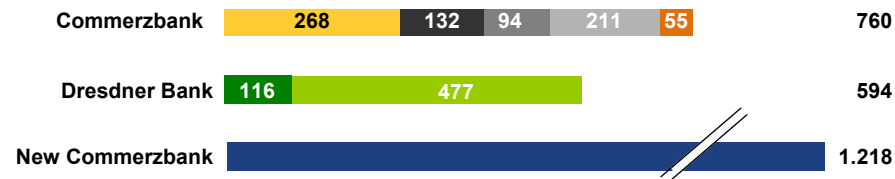
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2. Credit Risk
3. Market Risk
- 4. Operational Risk**
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# Operational Risk

## Outlook New Commerzbank

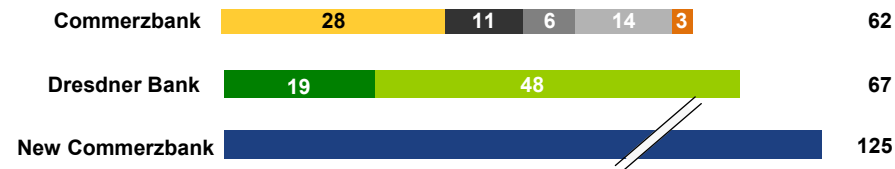
### Regulatory Capital

per Ultimo December 2008  
in € m

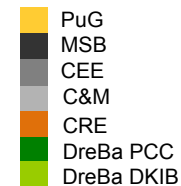


### Expected Loss

per Ultimo December 2008  
in € m



#### Segments



The values per 12/08 of New Commerzbank are based upon first integrated calculations. The assumptions used in this context are still being validated in the course of the integration project. We expect further savings in the capital charge compared to the sum of the capital charges of both institutions.

However, we also expect that the operational risk losses (including legal risk) in 2009 will increase.

We expect an increasingly difficult environment due to the current financial crisis and the economic downturn. Experiences show that these situations usually are accompanied by increased claims against banks as well as by increased potential for fraudulent activities.

Furthermore, the take-over of Dresdner Bank could cause additional events until the full consolidation of business processes and data processing systems has taken place.



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## Overview - ABS Portfolio

### Outlook New Commerzbank

#### Overview - ABS portfolio

per Ultimo December 2008  
in € bn

	Nominal values	Market values
Secondary Market- ABS	23.9	17.3
Conduits	11.1	11.1
ABS-Hedge book	13.7	10.3
SIV – K2 *	4.7	4.7
CIRC **	1.1	1.2
Others	0.2	0.2
<b>New Commerzbank</b>	<b>54.7</b>	<b>44.8</b>

\* Nominal figures not available, market values are used as a proxy

\*\* Nominal value comprises only second loss piece (nominal value of total portfolio: €1.6bn)

The management of the ABS portfolio, together with the Leveraged Acquisition Finance (LAF) portfolio, poses the greatest challenge in 2009.

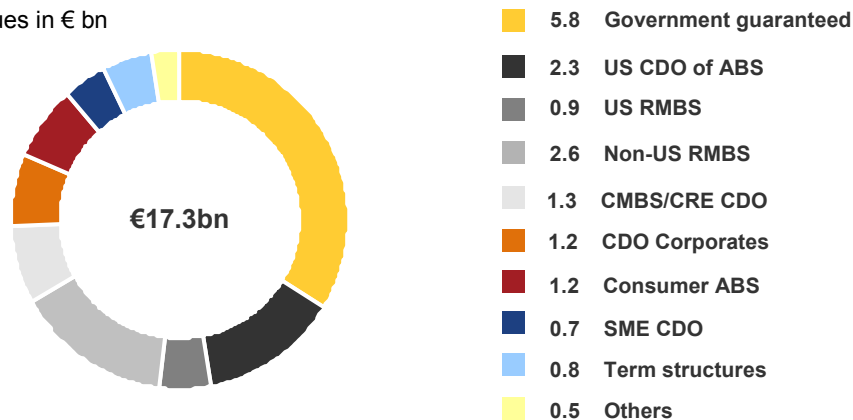
Details on sub-portfolios are presented on the following pages.

# Secondary Market ABS

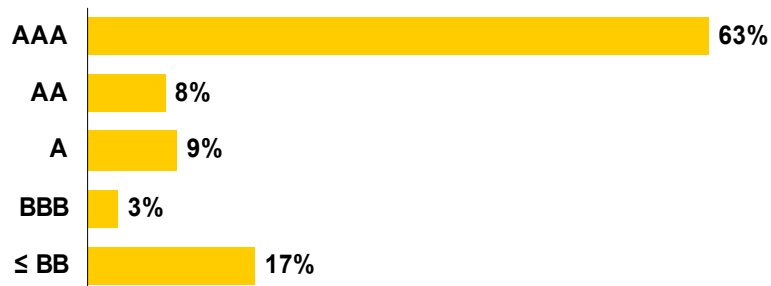
## Outlook New Commerzbank

### Breakdown of products - secondary market ABS

per Ultimo December 2008  
Market values in € bn



### Rating distribution - secondary market ABS



“Government Wrapped Asset Backed Securities” (government guaranteed) amounting to €5.8bn constitute the biggest sub asset class - whereof US Student Loan ABS of €4.1bn represent the lion’s share. From today’s point of view negative P&L effects from this sub-segment seem to be unlikely.

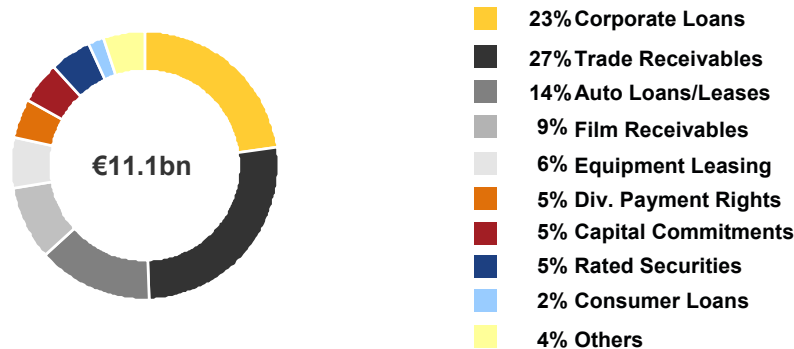
The economic downturn has an increasing impact on further trigger breaches, delayed payments, declining asset prices and potential refinancing risk (esp. real estate in Spain / UK). Hence, we see further P&L risks with regard to the sub-segments CDO, RMBS and CMBS since the performance of these investments are heavily affected by the factors mentioned above.

# Conduits

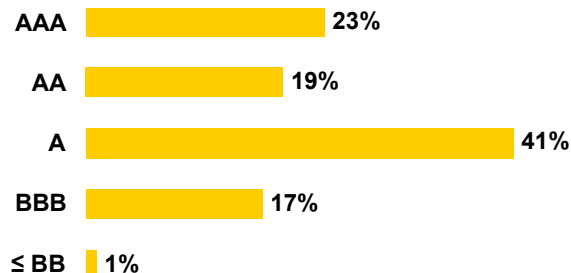
## Outlook New Commerzbank

### Breakdown by products

per Ultimo December 2008  
Market values in € bn



### Rating distribution Conduits



### “Silvertower” (€5.9bn)

Silvertower is subject to the franchise with regard to the funding of corporate clients of Dresdner Bank. 32% of the conduits are made up of securitisation transactions of own assets of Dresdner Bank, 18% from a leasing transaction based on residual values.

### “Beethoven” (€3.5bn)

Assets refer predominantly to trade receivables (25%), film receivables (21%) and capital commitments (17%) (appr. 80% USA and Emerging Markets).

### “Kaiserplatz” (€1.1bn)

Only liquidity lines and guarantees, no first-loss or mezzanine positions. The Kaiserplatz-conduit is subject to franchise for the funding of corporate clients with long-standing business connections and sound customer relationship.

### Participation in conduits of third parties (€0.6bn)

Assets are composed of 31% from European trade receivables and 69% from US-rated securities.

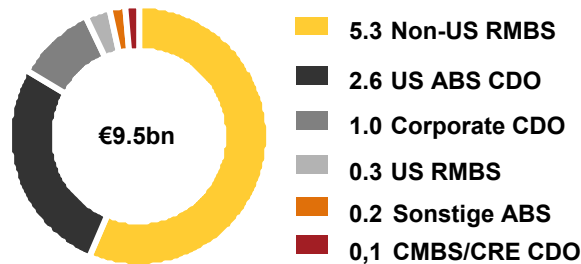


# ABS Hedge Book

## Outlook New Commerzbank

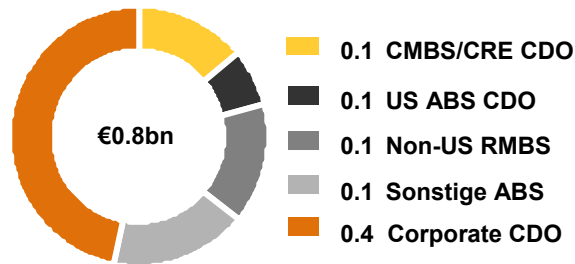
### Monoline asset classes

per Ultimo December 2008  
Market values in € bn

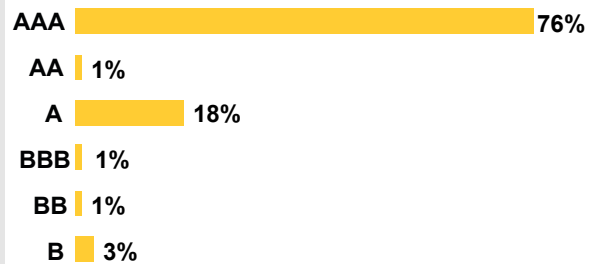


### Non-Monoline asset classes

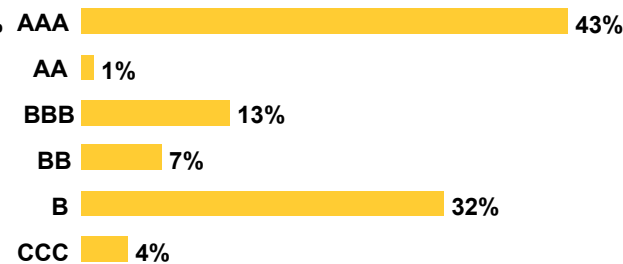
per Ultimo December 2008  
Market values in € bn



### Monoline asset ratings



### Non-Monoline asset ratings



ABS positions hedged via Credit Default Swaps (CDS) are bundled in the ABS hedge book.

For the major part of the CDS hedges, the counterparties are so-called monolines.

Since the monolines are severely affected by the financial crisis, the sustainability of the economic value of the respective hedges remains doubtful. The current replacement value of the relevant CDS hedges amounts to €2.6bn.



# Structured Investment Vehicle (SIV) – K2

## Outlook New Commerzbank

### Portfolio details

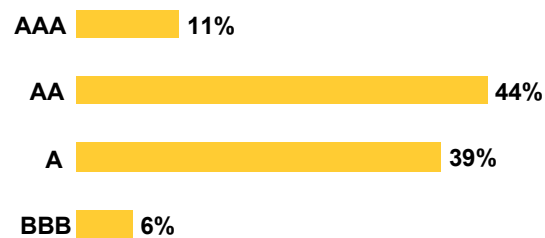
per Ultimo December 2008  
Market values in € bn



### Ratings of ABS structures



### Ratings of other products



Since March 2008 „K2” has been fully consolidated.

Dresdner Bank provides the following facilities:

- Buy/sell facility: \$5bn (current usage: \$3.1bn)
- „Mezzanine facility“ \$1.5bn (current usage: \$1.0bn)
- „Backstop bid facility“ (no usage at present)

P&L-hit in 2008: \$947m (= €681m) due to deterioration of market values.

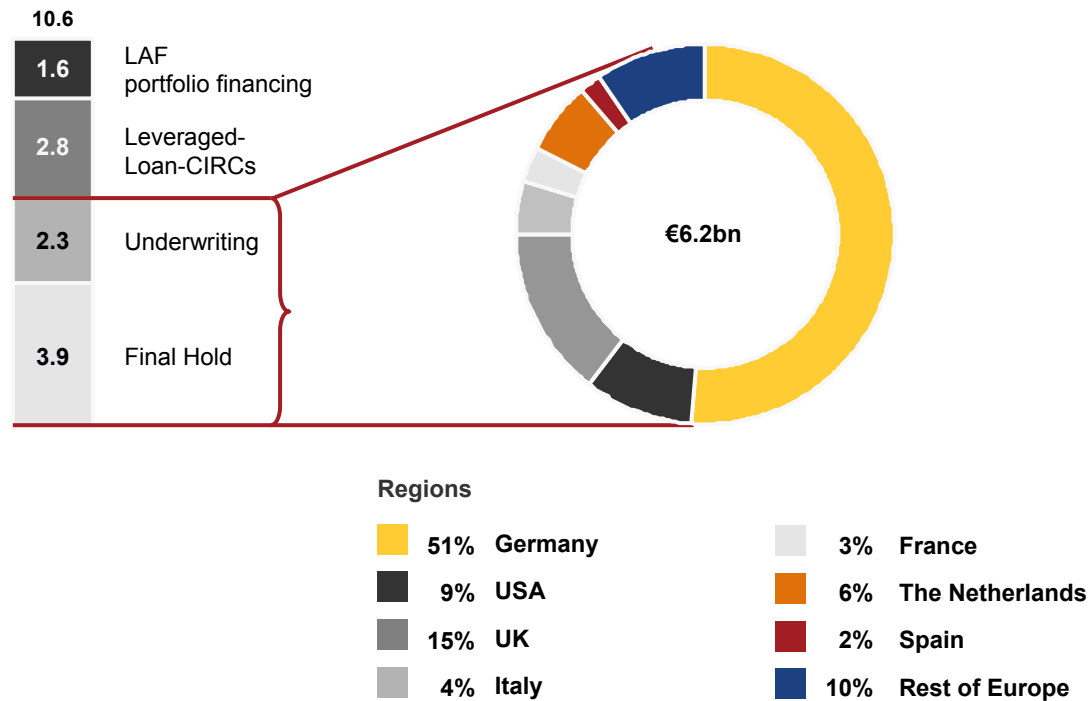
In case of a market recovery, we see potential for write-up, given the good ABS portfolio quality.

# Leveraged Acquisition Finance (LAF)

## Outlook New Commerzbank

### Overall portfolio with focus on Underwriting / Final Hold Portfolio

per Ultimo December 2008  
Exposure at Default in € bn



In 2008 the well-structured Commerzbank portfolio (average exposure size of about €30m) only reported a loan loss provision of appr. €11m.

In Dresdner Bank the credit quality of individual transactions deteriorated during the second half of 2008 in the course of the worsening economic environment. In the Final Hold portfolio, a loan loss provision of €10m was made for a single exposure. For the Underwriting portfolio, loan loss provisions of €662m were made.

We expect the macroeconomic environment during 2009 to remain weak. Therefore, and in view of the higher leverage ratios in the LAF portfolio, negative rating migrations and further defaults in the Final Hold and Underwriting portfolio cannot be ruled out.

## Agenda

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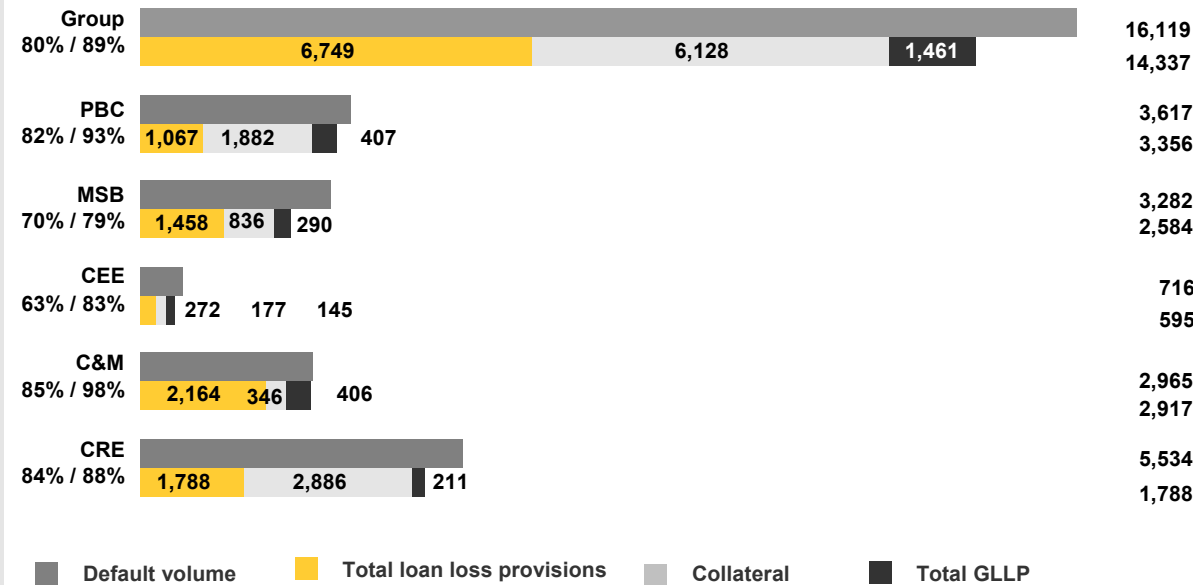
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# Default Portfolio

## Outlook New Commerzbank

### Performance of default portfolio

per ultimo December 2008  
in € m – excl. / incl. GLLP (in %)



Defaults in 2008 were dominated by bulk risks. However, there was a general increase of new cases, including migrations from the homogeneous portfolio.

In addition to an increased inflow to the default portfolio, successful and efficient processing proved to be increasingly difficult in light of the negative trends on the commercial real estate market.

Future development of default volume is strongly dependent upon restructuring and processing progress of individual bulk risks.

The figures shown are still subject to changes during 2009 due to continuous harmonisation of methods and parameters as well as ongoing client re-allocations between the segments.

## Loan Loss Provisions (Loans and Receivables)

### Outlook New Commerzbank

#### Loan loss provisions

per ultimo December 2008  
in € m

	Run Rate	IC result	Change in GLLP	Net-LLP
<b>Private customers</b>	335	-87	-43	<b>205</b>
<b>Mittelstandsbank</b>	575	-251	-63	<b>262</b>
<b>Central and Eastern Europe</b>	145	-35	80	<b>190</b>
<b>Corporates &amp; Markets</b>	2,083	4	147	<b>2,234</b>
<b>Commercial Real Estate</b>	663	-48	3	<b>618</b>
<b>Others &amp; consolidation</b>	31	-14	0	<b>17</b>
<b>Group</b>	<b>3,832</b>	<b>-431</b>	<b>124</b>	<b>3,526</b>

**Group:** significant portfolio shifts in addition to a moderate decline.

**Private customers:** increase largely due to adjustments in methodology and a significant decline in amounts received on claims written off.

**Mittelstandsbank:** Significant rise of insolvencies and restructurings in 2009, and therefore also in net loan loss provisions.

**Central and Eastern Europe:** significant year-on-year rise in net loan loss provisions, with Russia, Ukraine and Poland being affected in equal measure.

**Corporates & Markets:** after the exceptionally high charges in 2008, we expect a decline of risk provisions by more than 50% although they will still be high in the LAF portfolio.





**CRE & Shipping:** we expect more defaults and bulk risks; additionally, the negative effect on earnings from ship financing (incl. Schiffsbank) needs to be taken into account.

# Overview Effects on Earnings

## Outlook New Commerzbank

### Effects on earnings 2008 compared to 2007

in € bn

	2007			2008		
			Total			Total
Provisions for LaR Loans	0.5	-0.1	0.4	1.9	1.7	3.6
Effects on earnings from defaults AfS/ trading book	0.7	1.3	2.0	1.3	4.5	5.8
Sum of effects on earnings	1.2	1.2	2.4	3.2	6.2	9.4
Effects on revaluation reserve	0.8	0.4	1.2	3.1	1.5	4.6

We expect **risk provisions** to be slightly below 2008 levels, despite large structural shifts at the New Commerzbank in 2009. In addition, the probability of bulk and event risks has increased in the current unstable and extremely volatile environment.

In terms of impairment **charges arising from available-for-sale holdings and defaults in the trading book**, we currently assume that we reached the peak for the New Commerzbank in 2008. We are expecting a large reduction for this area in 2009 under our “realistic-case” scenario.

In the **revaluation reserve**, charges against the New Commerzbank’s capital base should be well below the €4.6bn total for 2008.



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