

# Commerzbank — figures, facts, targets I

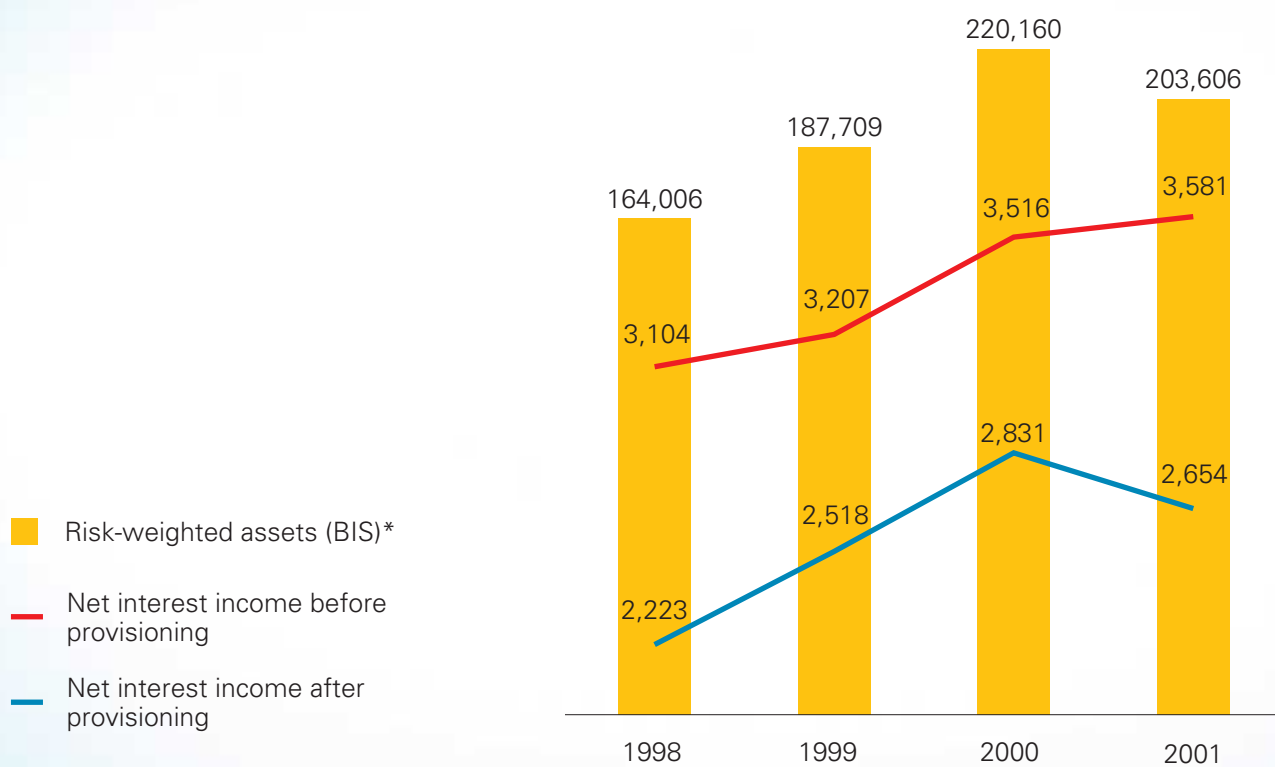
INVESTOR RELATIONS

COMMERZBANK 

APRIL 2002

## Risk-weighted assets and net interest income

Commerzbank Group, in € m



\*) including market risks

# ***! Commerzbank – figures, facts, targets !***

## ***content***

|  |    |  |    |
|--|----|--|----|
| The six basic strategic goals                                  |    | Breakdown of net commission income                           |    |
| Branch structure of Commerzbank AG _____                       | 4  | Trading profit _____   | 15 |
| Structure of Commerzbank Group _____                           | 5  | Operating expenditure  |    |
| Two double pillars comprising sales and production             |    | Development of provisioning _____                            | 16 |
| Results of the Parent Bank and of the major subsidiaries _____ | 6  | Provision for possible loan losses                           |    |
| Commerzbank's 361,000 shareholders                             |    | Overall provision for risks _____                            | 17 |
| Equity and market capitalization _____                         | 7  | Appropriation of profit                                      |    |
| Performance of the Commerzbank share                           |    | Pre-tax quarterly profit _____                               | 18 |
| Trading volume of the Commerzbank share _____                  | 8  | Geographical breakdown of Commerzbank Group's pre-tax profit |    |
| Business volume and claims on customers                        |    | Geographical breakdown of key data _____                     | 19 |
| Claims on customers _____                                      | 9  | Breakdown of results, by banking departments _____           | 20 |
| Retail Banking: Rating of credit limits                        |    | Key figures by banking departments                           |    |
| Corporate Banking: Rating of credit limits _____               | 10 | Corporate banking in Germany _____                           | 21 |
| Breakdown of assets  |    | Private client business                                      |    |
| Breakdown of liabilities and shareholders' equity _____        | 11 | Expansion of customer base at comdirect bank _____           | 22 |
| Shareholdings in the non-financial sector                      |    | Five-point-program to raise efficiency                       |    |
| Assets under management _____                                  | 12 | CB 21: A focused strategy _____                              | 23 |
| Commerzbank Group's equity                                     |    | CB 21: Retail Banking and Asset Management                   |    |
| Risk-weighted assets and capital ratios _____                  | 13 | CB 21: Corporate and Investment Banking _____                | 24 |
| Income statement   |    | Commerzbank Group's cost cutting offensive                   |    |
| Net interest income _____                                      | 14 | Key figures of the Commerzbank share _____                   | 25 |
|  |    | Basic Commerzbank data                                       |    |
|  |    | Medium-term targets _____                                    | 26 |

All figures – if not stated otherwise – according to IAS

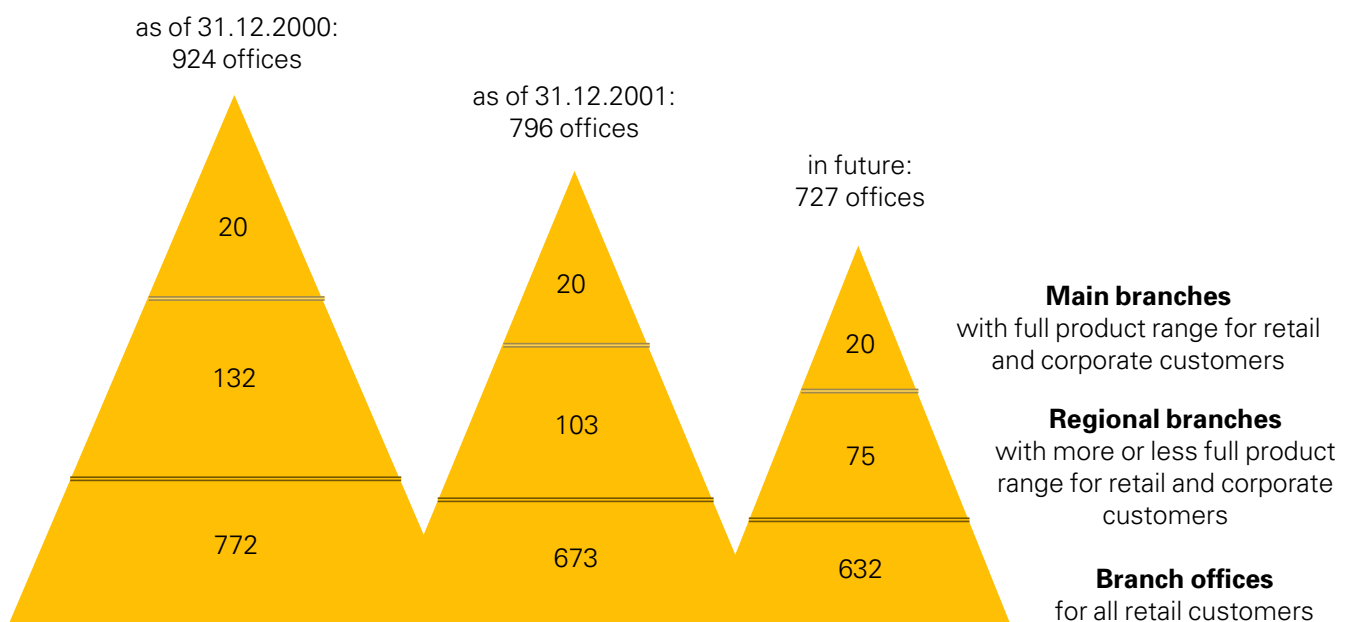
## Commerzbank's six basic strategic goals

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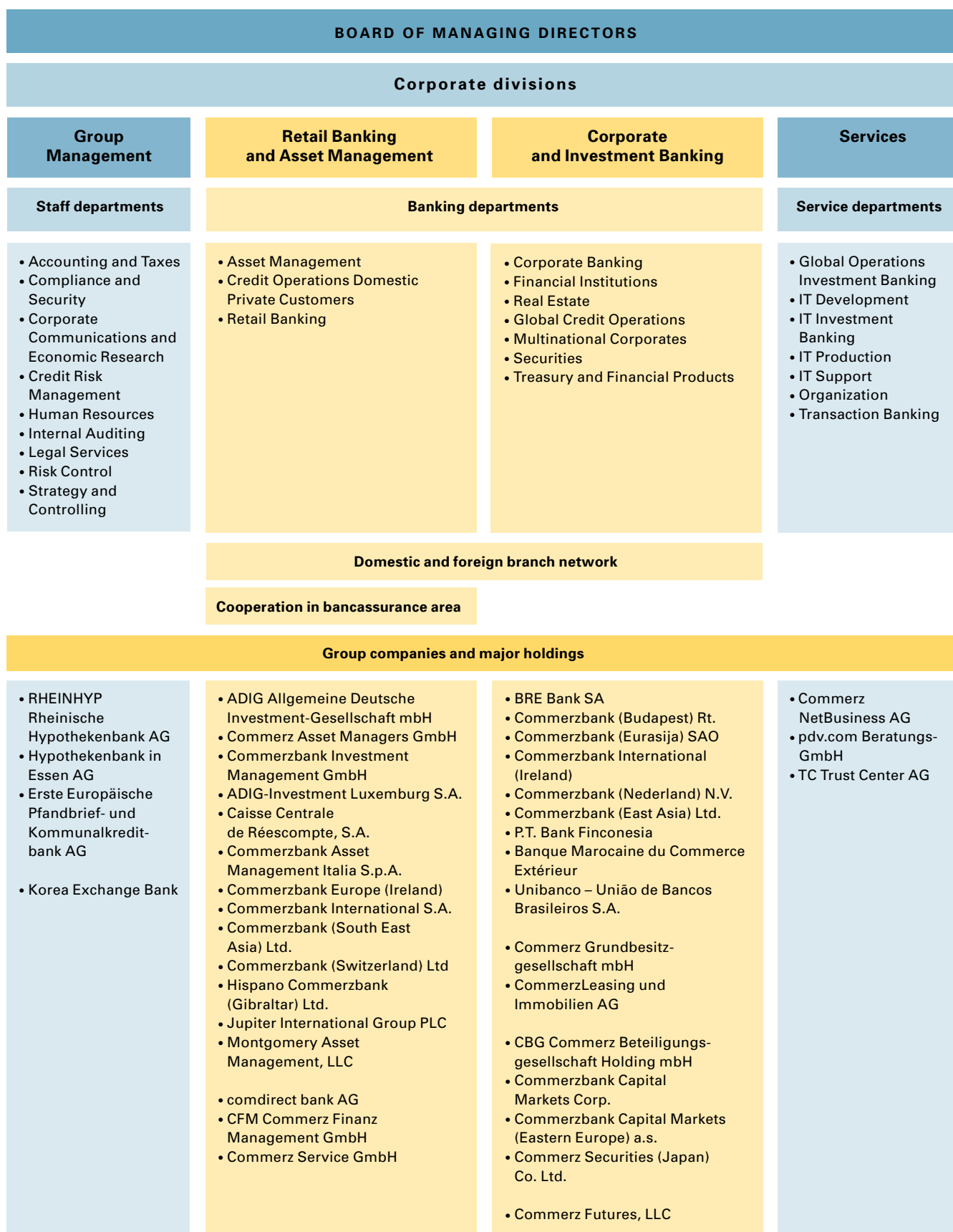
- to consolidate the Bank's position as a European integrated financial institution
- to achieve a stronger position in selected investment-banking products
- to realize broader and more intensive cooperation with Generali
- to become market leader in e-commerce banking
- to develop the Bank's international business beyond Europe's borders
- to allocate equity capital to reflect the growth potential of business areas

## Branch structure of Commerzbank AG

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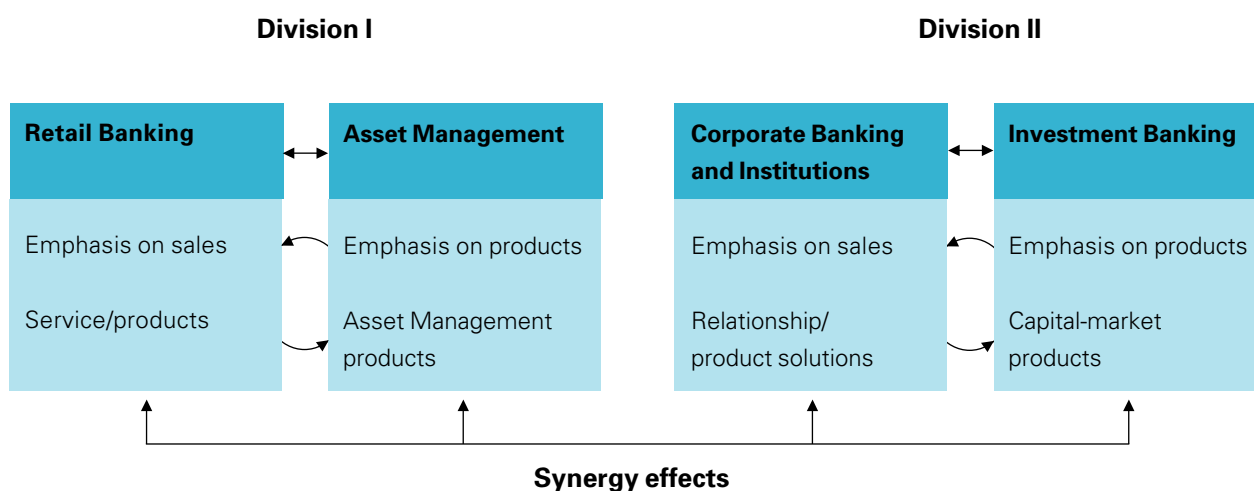


## Structure of Commerzbank Group



as of January 2002

## Two double pillars comprising sales and production



## Results of the Parent Bank and of the major subsidiaries

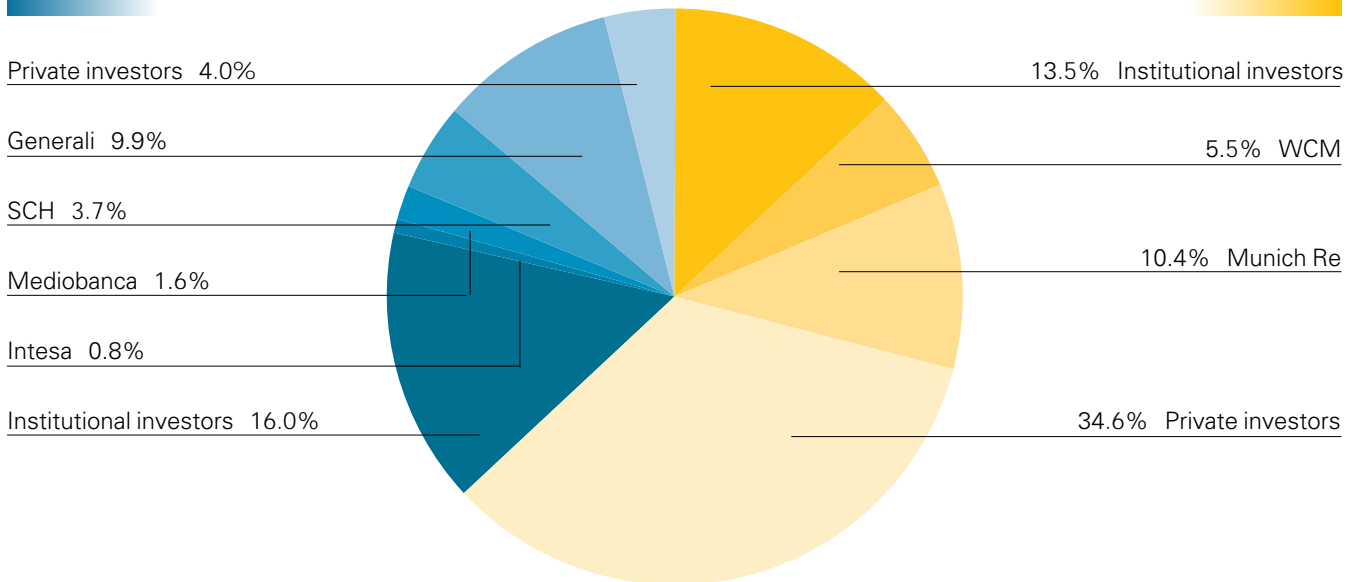
| in € m   | Balance-sheet total |            | Pre-tax profit |            |
|--|---------------------|------------|----------------|------------|
|  | 31.12.2001          | 31.12.2000 | 31.12.2001     | 31.12.2000 |
| Commerzbank AG                                 | 315,268             | 296,159    | 976            | 1,644      |
| comdirect bank*                                | 2,969               | 2,875      | -151           | 26         |
| Commerz Grundbesitz-Investmentgesellschaft mbH | 40                  | 22         | -              | 10         |
| CommerzLeasing und Immobilien AG*              | 1,236               | 1,337      | 47             | 38         |
| Hypothesenbank in Essen AG                     | 71,436              | 58,808     | 145            | 108        |
| RHEINHYP AG                                    | 81,162              | 72,580     | 305            | 162        |
| Caisse Centrale de Réescmpte, S.A.             | 5,800               | 4,351      | 18             | 21         |
| ADIG Allgemeine Deutsche Investment-GmbH       | 246                 | 240        | 35             | 51         |
| ADIG Investment Luxembourg S.A.                | 205                 | 198        | 25             | 50         |
| Commerzbank Europe (Ireland) Unltd.            | 6,359               | 5,986      | 36             | 29         |
| Commerzbank International S.A.                 | 14,037              | 12,457     | 140            | 81         |
| Commerzbank (Switzerland) Ltd                  | 620                 | 741        | 21             | 30         |
| Jupiter International Group PLC*               | 487                 | 469        | 30             | 13         |
| BRE Bank SA                                    | 7,053               | 4,211      | 111            | 120        |

Figures in the consolidated results based on IAS. Individual company results differ in some cases, due to presentation based on German Commercial Code (HGB), or other national code; \*) sub-group

## Commerzbank's 361,000 shareholders

### Abroad

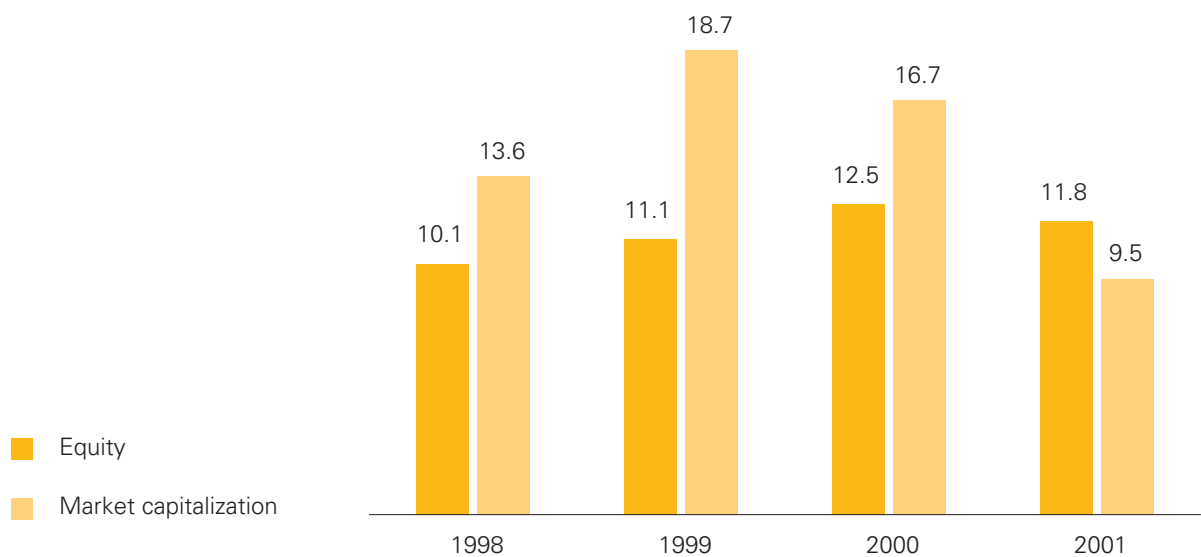
### Germany



As of April 10, 2002

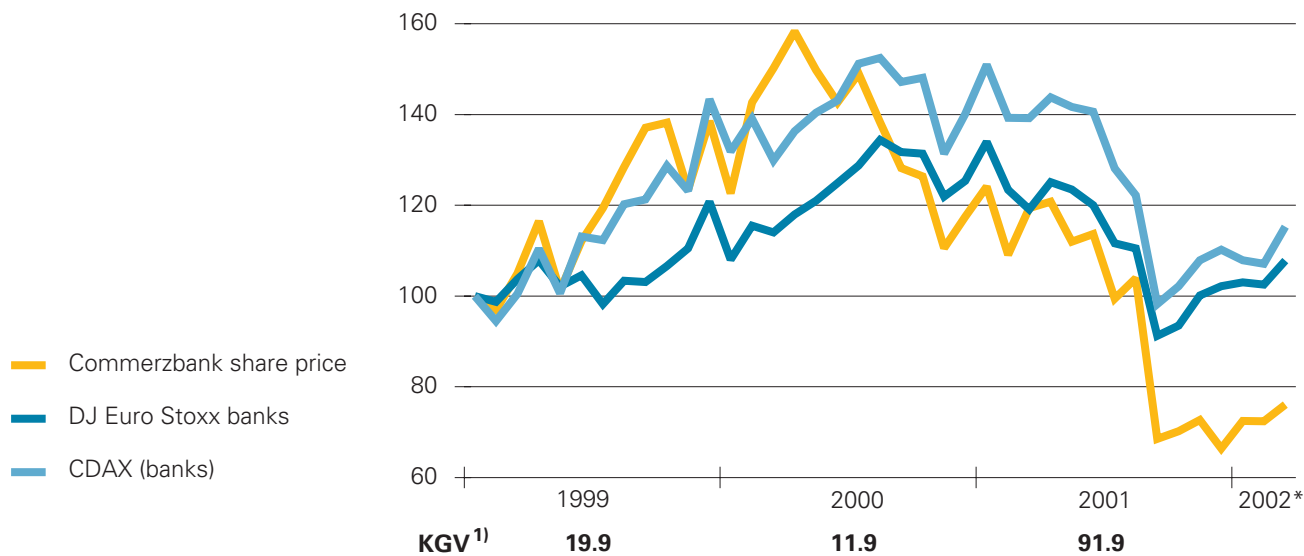
## Equity and market capitalization

Commerzbank Group, in € bn



## Performance of the Commerzbank share

Month-end figures, January 1999 = 100

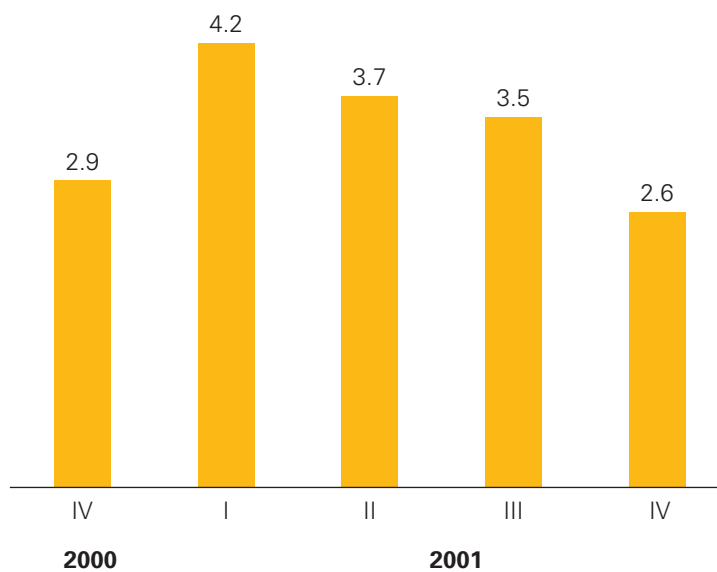


\*) until March 27, 2002

1) at year-end (calculated on the basis of net income per share)

## Trading volume of the Commerzbank share

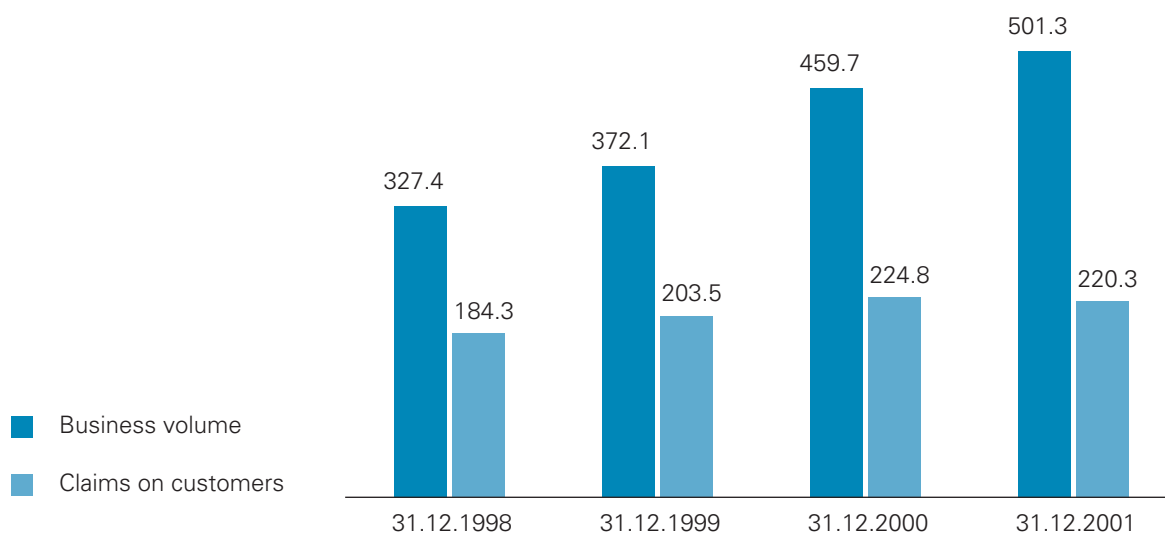
in € bn



On 31.3.2002, the Commerzbank share had an index weighting of 1.53% in the DAX index and 1.60% in the DJ Euro Stoxx Banks.

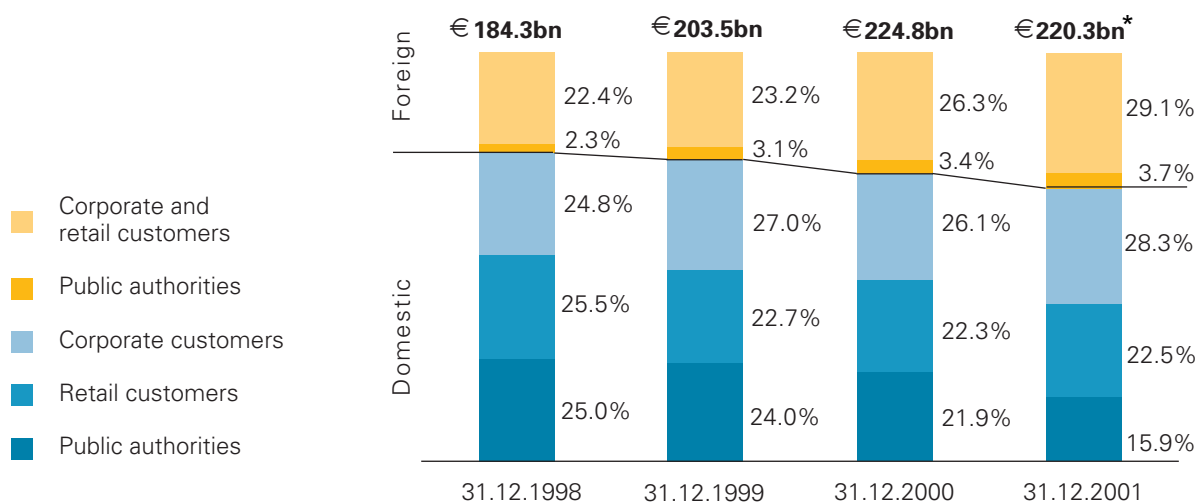
## Business volume and claims on customers

Commerzbank Group, in € bn



## Claims on customers

Commerzbank Group

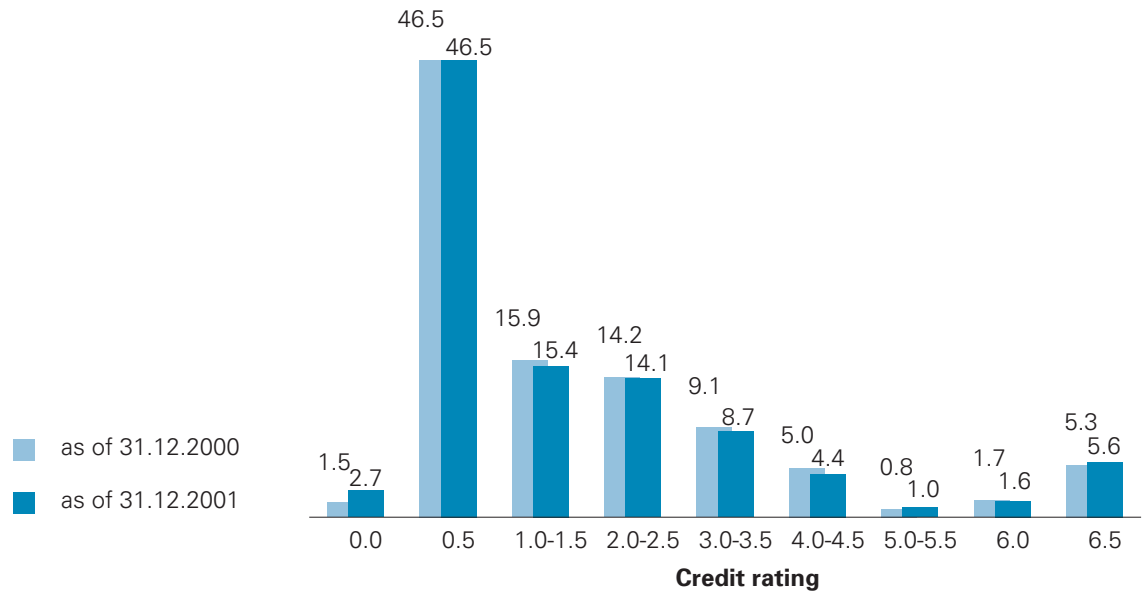


\*) 0.5% effects of measuring hedged items



## Retail Banking (Germany): Rating of agreed credit lines\*

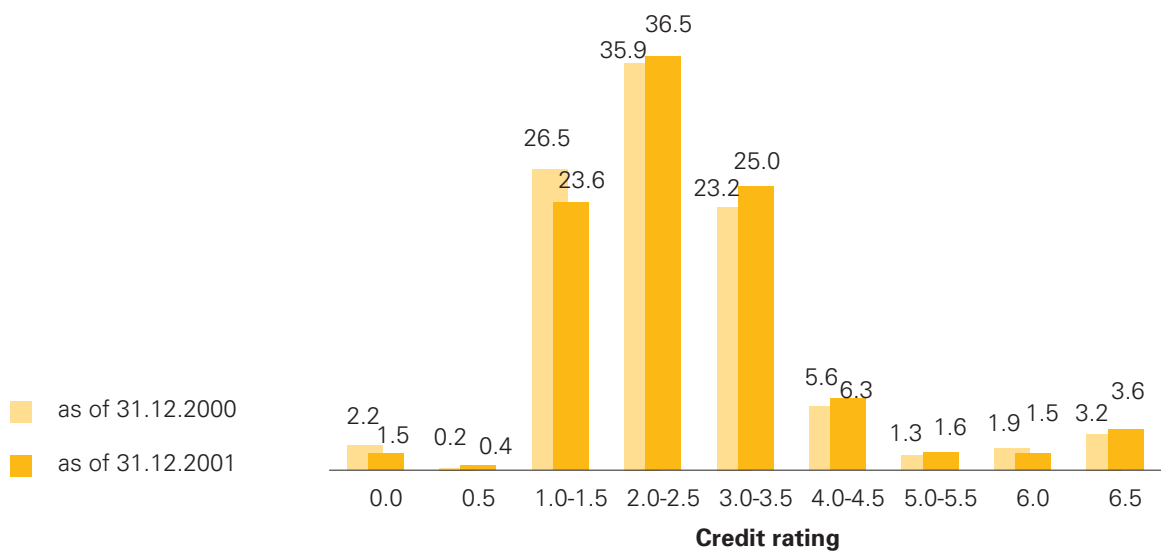
in %



\*) before securities pledged

## Corporate Banking (Germany): Rating of agreed credit lines\*

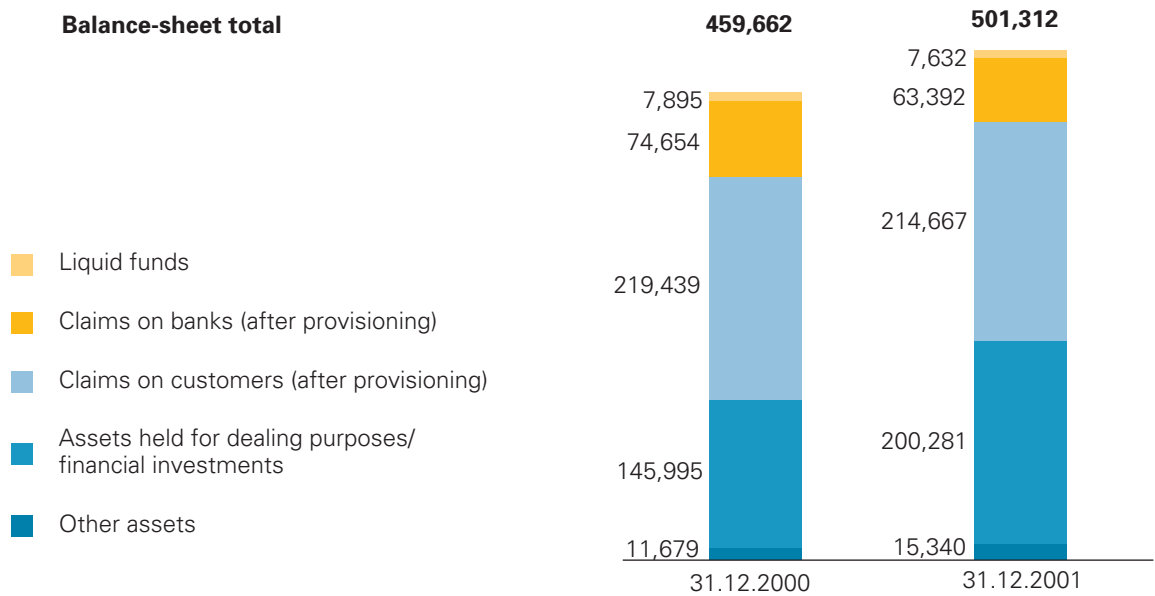
in %



\*) before securities pledged

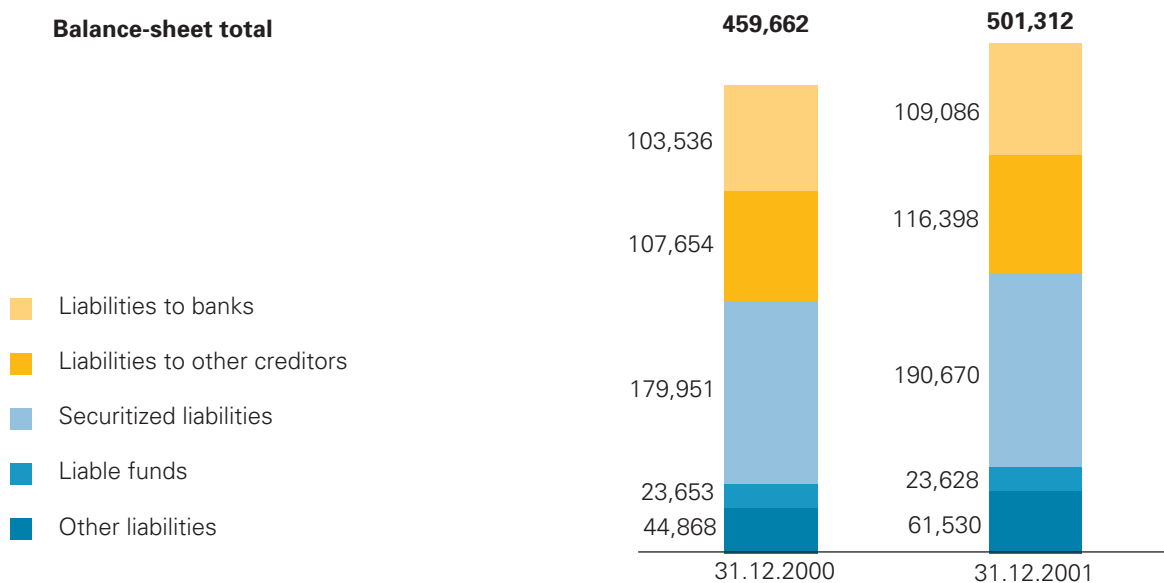
## Breakdown of assets

Commerzbank Group, in € m



## Breakdown of liabilities and shareholders' equity

Commerzbank Group, in € m



## Commerzbank's shareholdings in the non-financial sector

(5% of capital and above) as of December 31, 2001

|   |  |   |  |
|---|--|---|--|
| <b>Aino AG</b><br>Pfullendorf/Baden<br><b>29.4%</b> <b>6*</b>   | <b>Buderus AG</b><br>Wetzlar<br><b>10.5%</b> <b>203*</b>                                 | <b>Heidelberger Druckmaschinen AG</b><br>Heidelberg<br><b>9.9%<sup>1)</sup></b> <b>360*</b> | <b>Linde AG</b><br>Wiesbaden<br><b>10.4%</b> <b>547*</b> |
| <b>MAN AG</b><br>Munich<br><b>6.5%<sup>2)</sup></b> <b>237*</b> | <b>Sachsenring Automobiltechnik AG</b><br>Zwickau<br><b>10.0%<sup>2)</sup></b> <b>3*</b> |   |  |

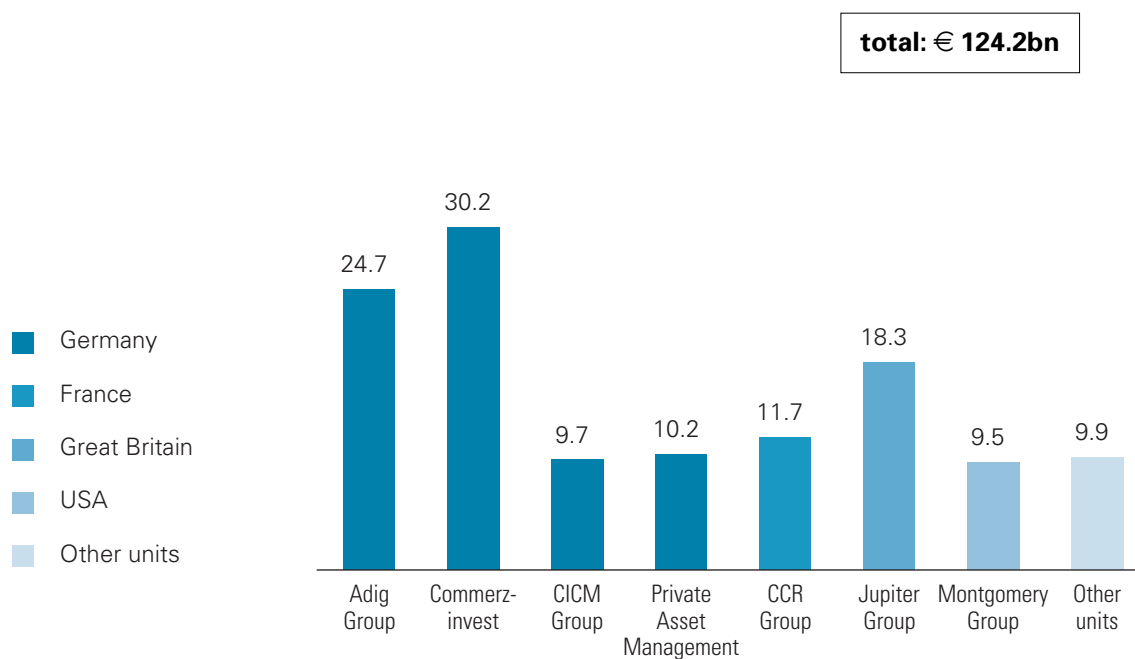
1) held indirectly and directly

2) held indirectly

\*) market price of Commerzbank's holding on December 31, 2001 in € m

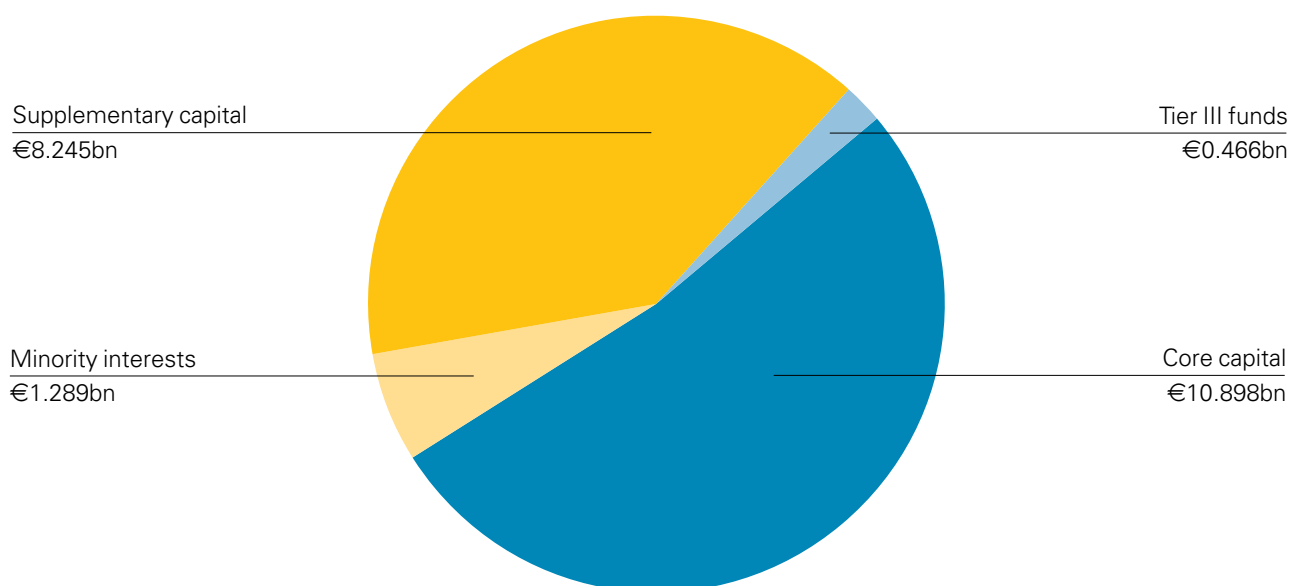
## Assets under management

in € bn



## Commerzbank Group's equity (BIS)

as of December 31, 2001



## Risk-weighted assets and capital ratios (as defined by BIS)

Commerzbank Group, in € m

|   | 31.12.2000     | 31.12.2001     |
|---|----------------|----------------|
| Risk-weighted assets                                | 193,160        | 195,443        |
| Capital charge for market risks                     | 27,000         | 8,163          |
| <b>Items to be risk-weighted</b>                    | <b>220,160</b> | <b>203,606</b> |
| <b>Elements of equity for supervision purposes</b>  |                |                |
| Core capital  | 12,570         | 12,187         |
| Eligible own funds                                  | 21,836         | 20,898         |
| <b>Capital ratios for supervision purposes in %</b> |                |                |
| Core capital ratio*                                 | 6.5            | 6.2            |
| Equity capital ratio                                | 9.9            | 10.3           |

\*) excluding market risks

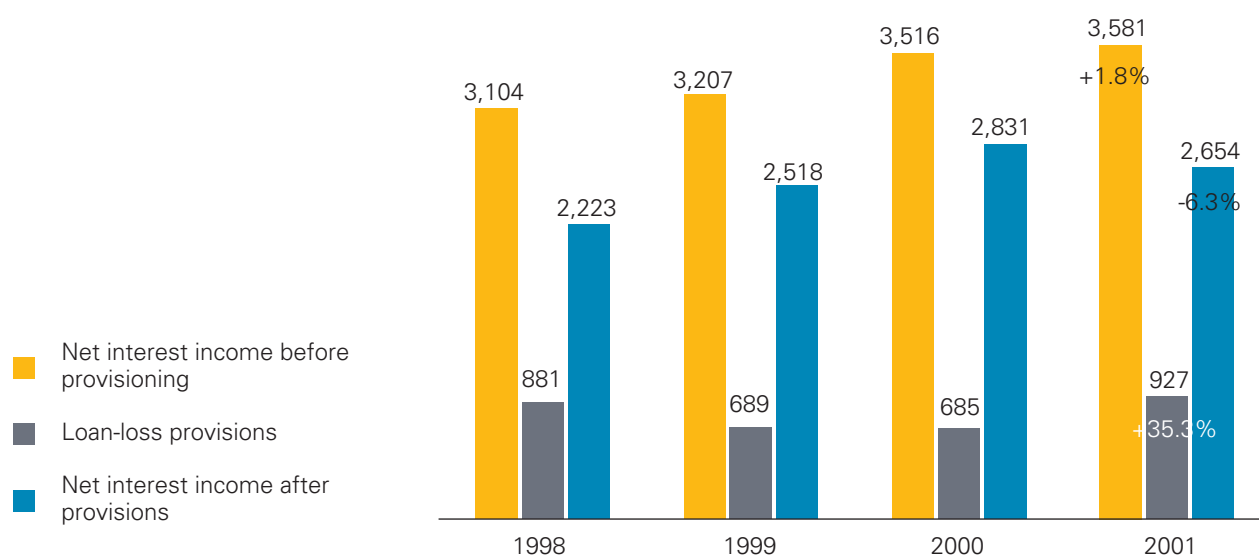
## Major items from Commerzbank Group's income statement

|  | 1.1.-31.12.2000* | 1.1.-31.12.2001 | Change        |              |
|--|------------------|-----------------|---------------|--------------|
|  | in € m           | in € m          | in € m        | in %         |
| Net interest after provisions                      | 2,831            | 2,654           | -177          | -6.3         |
| Net commission income                              | 2,724            | 2,267           | -457          | -16.8        |
| Trading profit                                     | 949              | 1,197           | 248           | 26.1         |
| Net result on investments and securities portfolio | 80               | 219             | 139           | .            |
| Other operating result                             | 1,127            | -220            | -1,347        | .            |
| Operating expenses                                 | 5,477            | 5,855           | 378           | 6.9          |
| <b>Pre-tax profit</b>                              | <b>2,234</b>     | <b>43</b>       | <b>-2,191</b> | <b>-98.1</b> |
| Taxes on income                                    | 823              | -114            | -937          | .            |
| <b>After-tax profit</b>                            | <b>1,411</b>     | <b>157</b>      | <b>-1,254</b> | <b>-88.9</b> |
| Minority interest                                  | -69              | -55             | 14            | -20.3        |
| <b>Net profit</b>                                  | <b>1,342</b>     | <b>102</b>      | <b>-1,240</b> | <b>-92.4</b> |

\*) including IPO of comdirect bank AG

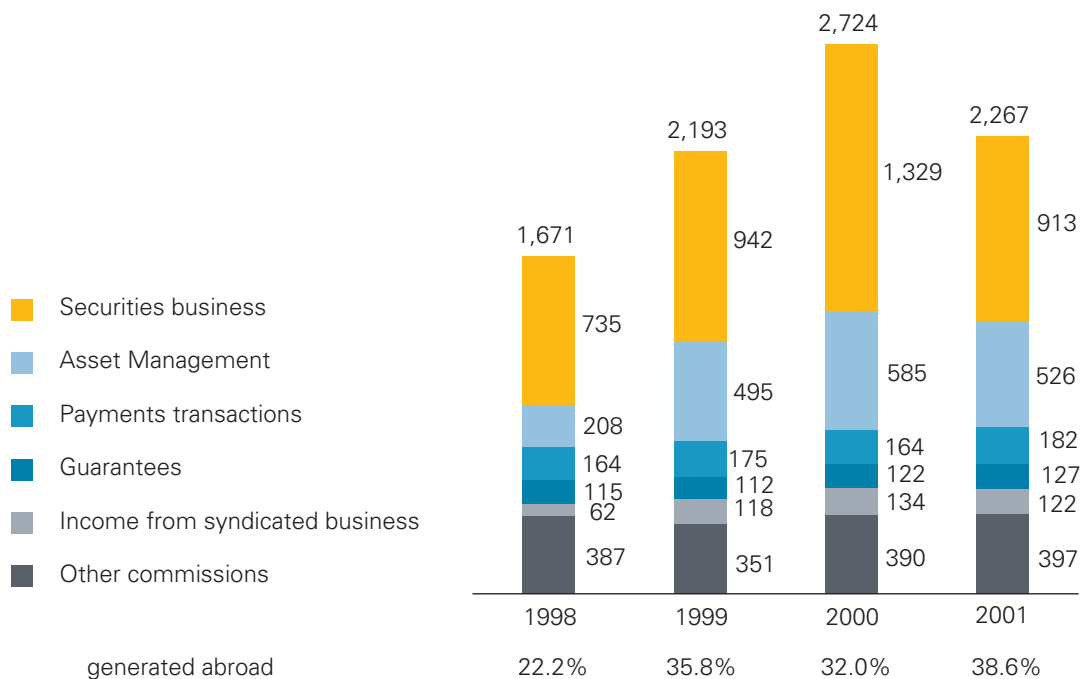
## Net interest income

Commerzbank Group, in € m



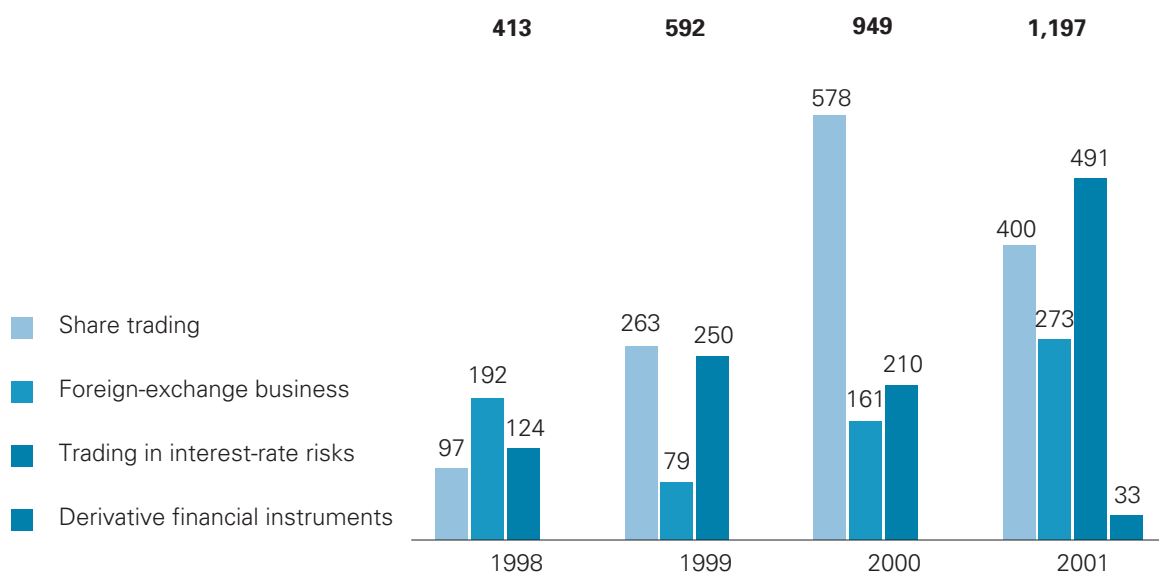
## Breakdown of net commission income

Commerzbank Group, in € m



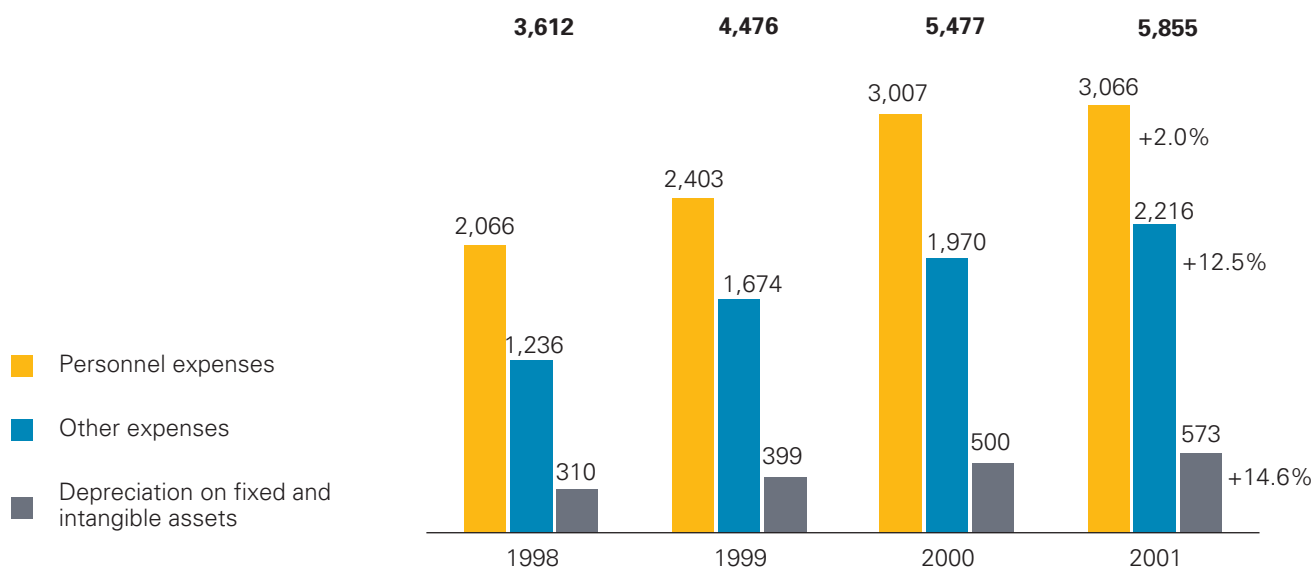
## Trading profit

Commerzbank Group, in € m



## Operating expenditure

Commerzbank Group, in € m



## Development of provisioning

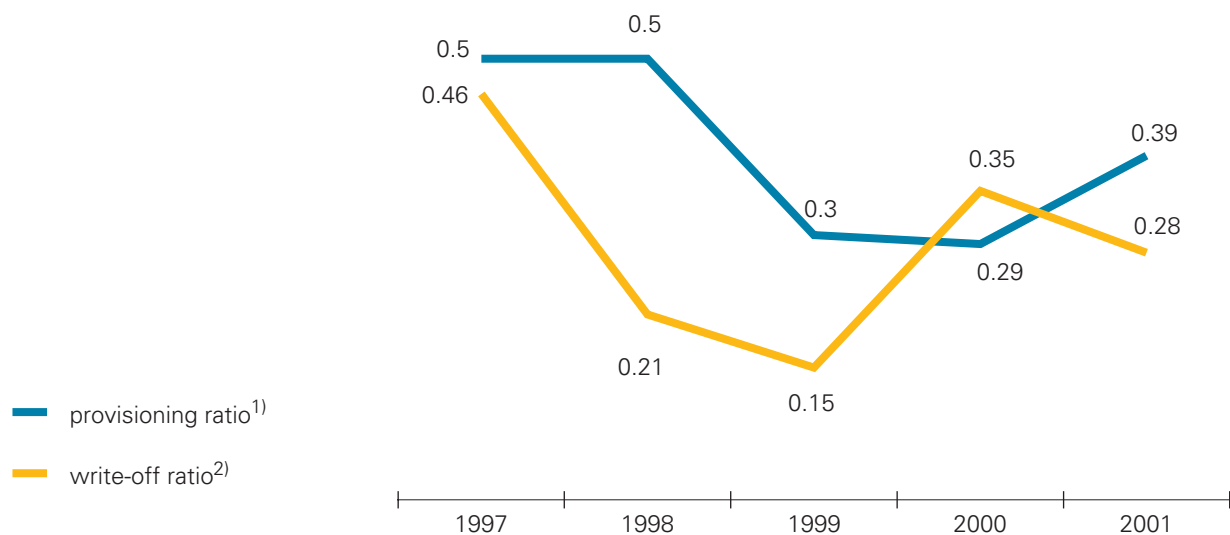
Commerzbank Group, in € m

|                                   | 2000         | 2001*        |
|-----------------------------------|--------------|--------------|
| <b>As of January 1</b>            | <b>5,678</b> | <b>5,658</b> |
| Allocations                       | 1,369        | 1,520        |
| Deductions                        | 1,525        | 1,272        |
| utilized                          | 813          | 621          |
| written back                      | 712          | 651          |
| Changes in foreign-exchange rates | 140          | 40           |
| <b>As of December 31</b>          | <b>5,662</b> | <b>5,946</b> |

\*) As of 1.1.2001, discrepancies due to changes in the list of consolidated companies

## Commerzbank Group's provision for possible loan losses

Value adjustments and loan losses (excl. country risks) 1997-2001



1) Net provision for risks as a ratio of average commercial loan portfolio, with value adjustments deducted;

2) Write-offs as a percentage of average commercial loan portfolio

## Overall provision for risks

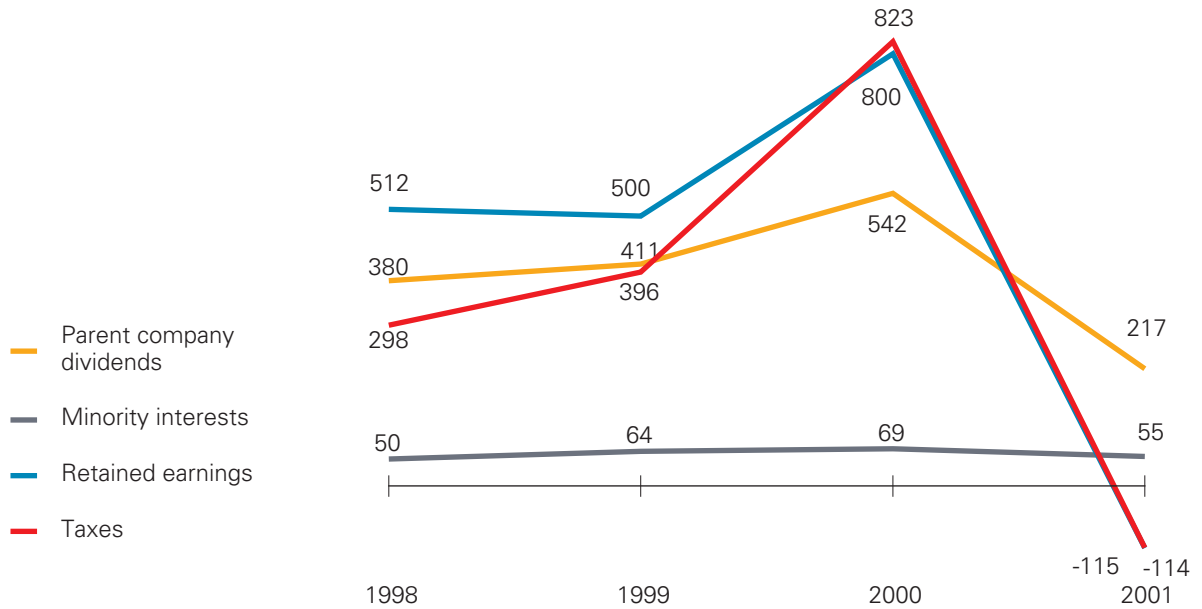
Commerzbank Group, in € m

|   | 31.12.2000   | 31.12.2001   |
|---|--------------|--------------|
| Individual value adjustments                | 4,882        | 5,104        |
| Country value adjustments                   | 146          | 134          |
| General value adjustments                   | 370          | 410          |
| <b>Provisioning for balance-sheet items</b> | <b>5,398</b> | <b>5,648</b> |
| provisions in lending business              | 264          | 298          |
| <b>Total</b>                                | <b>5.662</b> | <b>5.946</b> |



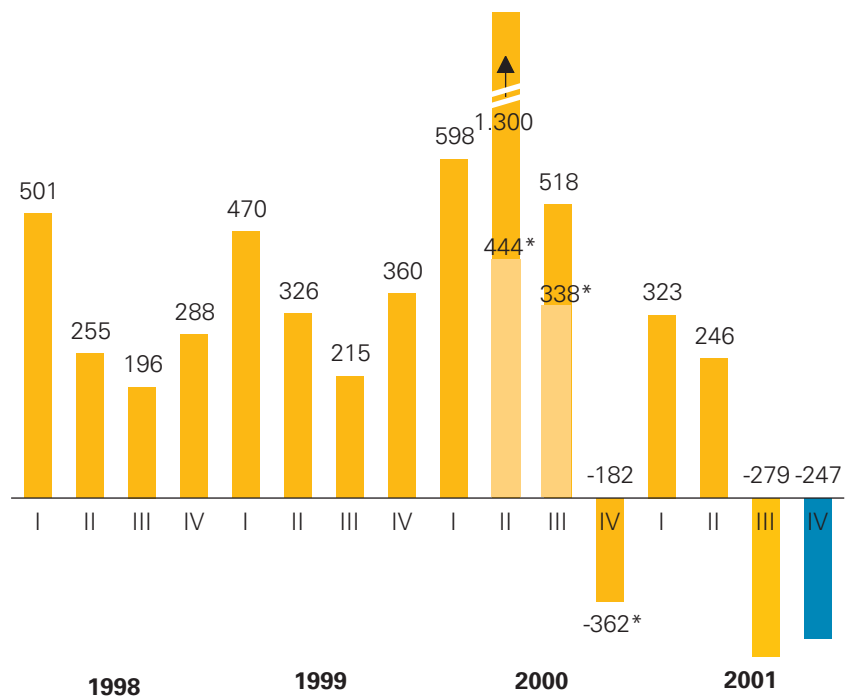
## Appropriation of Commerzbank Group's profit

in € m



## Pre-tax quarterly profit

Commerzbank Group, in € m



\*) excluding IPO of comdirect bank AG

## Geographical breakdown of Commerzbank Group's pre-tax profit

1.1.-31.12.2001, in € m

|  | Germany  | Europe<br>(excl. D) | America    | Asia       | Africa    | Consolidation | Total      |
|--|----------|---------------------|------------|------------|-----------|---------------|------------|
| Net interest income after provisioning                               | 2,125    | 512                 | 174        | 25         | 9         | -191          | 2,654      |
| Net commission income  | 1,391    | 538                 | 238        | 100        | 4         | -4            | 2,267      |
| Trading profit   | 816      | 284                 | 81         | 12         | 4         | -             | 1,197      |
| Net result on investments and securities portfolio                   | 132      | 94                  | 7          | -14        | -         | -             | 219        |
| Other operating result   | -52      | -103                | -15        | -3         | -         | 47            | -220       |
| Operating expenses   | 4,475    | 1,042               | 380        | 196        | 4         | -242          | 5,855      |
| <b>Profit from ordinary activities before restructuring expenses</b> | <b>4</b> | <b>274</b>          | <b>109</b> | <b>-75</b> | <b>13</b> | <b>-</b>      | <b>325</b> |

## Geographical breakdown of key data

Commerzbank Group, December 31, 2001, in € m

|                                    | Germany | Europe<br>(excl. D) | America | Asia   | Africa | Consolidation | Total   |
|------------------------------------|---------|---------------------|---------|--------|--------|---------------|---------|
| Pre-tax profit                     | -241    | 237                 | 109     | -75    | 13     | -             | 43      |
| Net income                         | 148     | -72                 | 174     | -157   | 9      | -             | 102     |
| Risk-weighted assets <sup>1)</sup> | 133,048 | 39,959              | 16,560  | 5,197  | 679    | -             | 195,443 |
| Balance-sheet total                | 382,684 | 107,845             | 49,515  | 16,329 | 772    | -55,833       | 501,312 |
| Staff                              | 31,498  | 6,226               | 925     | 772    | 60     | -             | 39,481  |

1) excl. market risks

## Breakdown of results, by banking departments

Commerzbank Group, 1.1.-31.12.2001, in € m

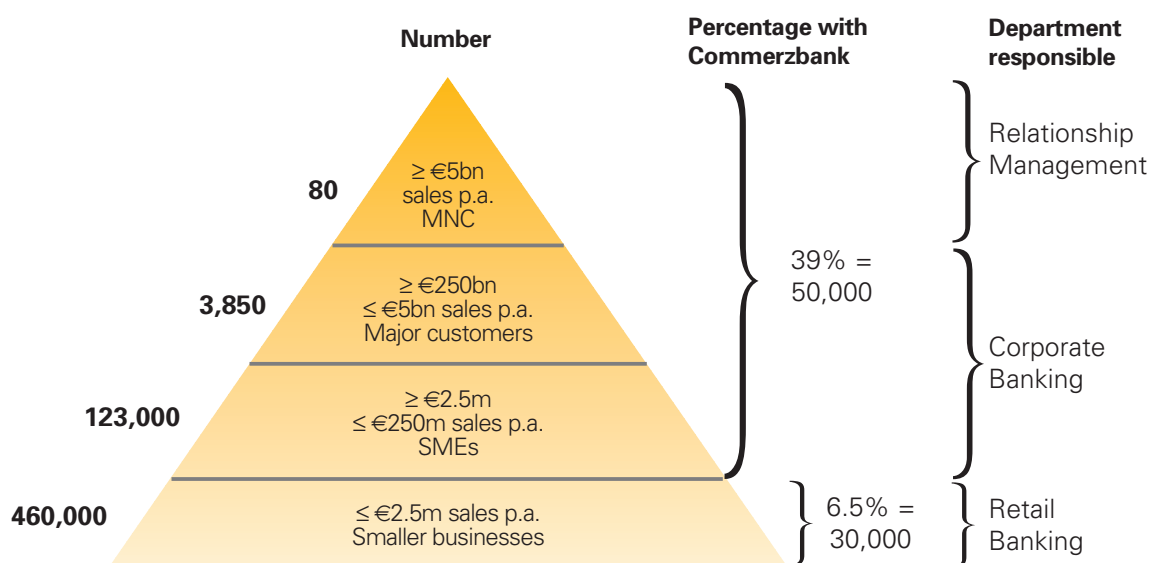
|  | Retail<br>Banking | Asset<br>Manage-<br>ment | Corp-<br>orate<br>Banking<br>and Insti-<br>tutions | Secu-<br>rities | Treasury<br>and<br>Financial<br>Products | Mort-<br>gage<br>Banking | Others/<br>Consoli-<br>dation | Total      |
|--|-------------------|--------------------------|--|-----------------|--|--------------------------|-------------------------------|------------|
| Net interest income  | 1,135             | 35                       | 2,164  | 38              | 417                                      | 591                      | -799                          | 3,581      |
| Provisions for<br>possible loan losses                                       | -145              | -                        | -622   | -               | -  | -158                     | -2                            | -927       |
| Net interest income<br>after provisioning                                    | 990               | 35                       | 1,542  | 38              | 417                                      | 433                      | -801                          | 2,654      |
| Net commission income  | 913               | 492                      | 746  | 199             | -46                                      | -40                      | 3                             | 2,267      |
| Net result on hedge<br>accounting  | 1                 | -                        | -26  | -               | 24                                       | 64                       | -                             | 63         |
| Trading profit   | 1                 | 13                       | 135  | 701             | 261                                      | 16                       | 70                            | 1,197      |
| Net result on investments<br>and securities portfolio                        | -10               | -37                      | 55   | -               | 39                                       | 94                       | 78                            | 219        |
| Other operating<br>result  | -16               | -90                      | -46  | -2              | -1                                       | 22                       | -87                           | -220       |
| Operating expenses   | 2,064             | 587                      | 1,496  | 970             | 230                                      | 154                      | 354                           | 5,855      |
| <b>Profit from ordinary<br/>activities before<br/>restructuring expenses</b> | <b>-185</b>       | <b>-174</b>              | <b>910</b>   | <b>-34</b>      | <b>464</b>                               | <b>435</b>               | <b>-1,091</b>                 | <b>325</b> |
| Restructuring<br>expenses  | -                 | -                        | -  | -               | -  | -                        | 282                           | 282        |
| Taxes on income  | -73               | -31                      | 306  | -47             | 158                                      | 155                      | -582                          | -114       |
| <b>After-tax profit</b>  | <b>-112</b>       | <b>-143</b>              | <b>604</b>   | <b>13</b>       | <b>306</b>                               | <b>280</b>               | <b>-791</b>                   | <b>157</b> |
| Profit/loss<br>attributable to<br>minority interest                          | 34                | -22                      | -51  | -               | -  | -50                      | 34                            | -55        |
| <b>Net profit</b>  | <b>-78</b>        | <b>-165</b>              | <b>553</b>   | <b>13</b>       | <b>306</b>                               | <b>230</b>               | <b>-757</b>                   | <b>102</b> |
| Profit contribution<br>from business<br>passed on                            | 6                 | 144                      | 69   | 53              | 57                                       | -                        | -329                          | -          |
| <b>Result based on<br/>internal accounting</b>                               | <b>-72</b>        | <b>-21</b>               | <b>622</b>   | <b>66</b>       | <b>363</b>                               | <b>230</b>               | <b>-1,086</b>                 | <b>102</b> |

## Key figures by banking departments

Commerzbank Group, 1.1.-31.12.2001, in € m

|                        | Retail<br>Banking | Asset<br>Manage-<br>ment | Corp-<br>orate<br>Banking<br>and Insti-<br>tutions | Secu-<br>rities | Treasury<br>and<br>Financial<br>Products | Mort-<br>gage<br>Banking | Others/<br>Consoli-<br>dation | Total  |
|------------------------|-------------------|--------------------------|--|-----------------|--|--------------------------|-------------------------------|--------|
| Average equity tied up | 1,380             | 474                      | 5,755  | 1,256           | 624                                      | 1,252                    | 1,045                         | 11,786 |
| Return on equity       | -5.2%             | -4.4%                    | 10.8%  | 5.3%            | 58.2%                                    | 18.4%                    | .                             | 0.9%   |
| Cost/income ratio      | 102.0%            | 142.1%                   | 49.4%  | 103.6%          | 33.1%                                    | 20.6%                    | .                             | 82.4%  |
| Staff (average)        | 14,121            | 2,351                    | 10,111   | 1,296           | 247                                      | 1,011                    | 9,218                         | 38,355 |

## Corporate banking in Germany

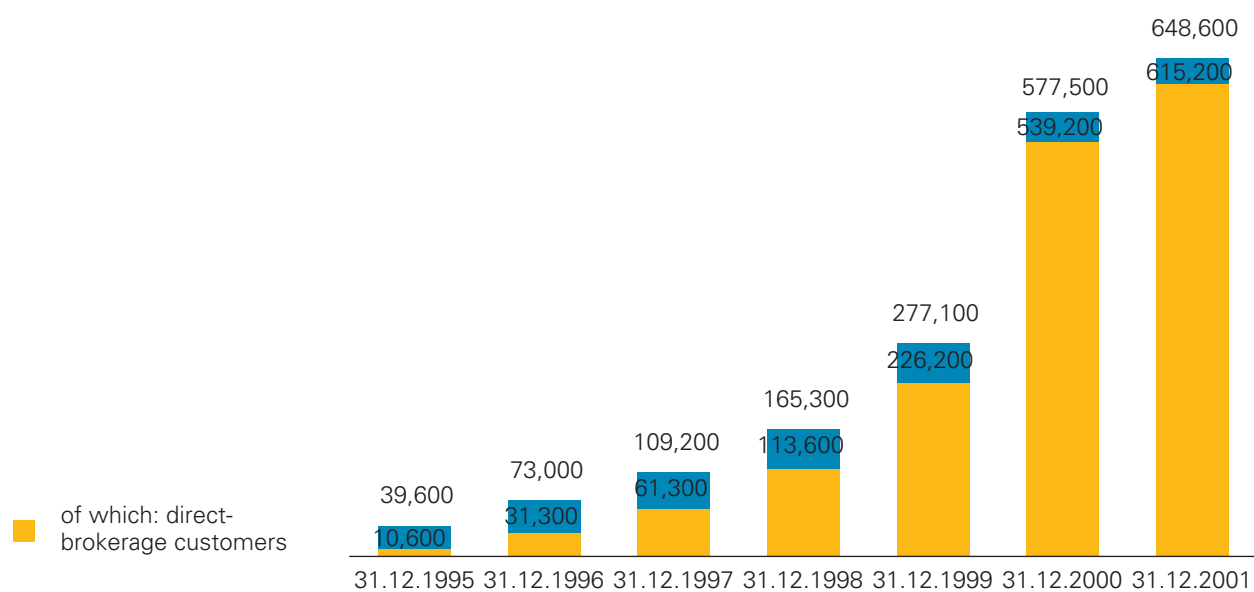


## Commerzbank AG: Private client business

| at year-end                                     | 1998      | 1999      | 2000      | 2001         |
|---|-----------|-----------|-----------|--------------|
| Private clients                                 | 3,490,700 | 3,596,700 | 3,754,600 | 3,925,800 ** |
| Number of custody accounts                      | 1,070,300 | 1,165,100 | 1,397,200 | 1,312,000    |
| Market value of all custody accounts* (in € bn) | 355       | 410       | 466       | 375          |

\*) incl. German and foreign banks and investment companies; \*\*) incl. TUI Card customers

## Expansion of customer base at comdirect bank



## Five-point-program to raise efficiency

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- Cost-cutting offensive
- Earnings boost through CB 21
- Loan-portfolio check
- Price offensive
- Changes in structure and personnel

## A focused strategy: "CB 21" – Commerzbank in the 21st century

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- **Our goals:**
  1. Market-oriented approach in all banking departments
  2. Permanent rise in profitability to provide the basis for an increase in shareholder value
- **Our approach:**
  1. Concentration on core competencies, i.e. what we do best
  2. Exploring business potential through close contact with customers and integration
  3. Achieving critical mass in all market segments
  4. Investment in new technologies to meet customer demand around the clock, with high quality and at reasonable cost

## CB 21: Retail Banking and Asset Management

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- **Data-based marketing as key ingredient for success**
  - The fully-integrated and closed marketing and distribution system already established in retail banking has been successfully applied to private banking as well
  
- **Further plans with Generali group: a new dimension of bancassurance**
  - Sharing of customer bases in Germany
  - Additional cooperation abroad
  
- **Asset management remains a core activity**
  - Extension of our strong domestic position to targeted European countries
  
- **Private banking – a growth area**
  - Expansion of our palette of products and services, with a focus on securities investments and real estate in Germany and abroad

## CB 21: Corporate and Investment Banking

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- **Consolidation of our market position in Germany**
  - The competitive advantage of long-term customer relationships in corporate banking enhances business potential in investment banking
  
- **Securities business successfully positioned**
  - Operative presence established in key financial centres, starting with equities
  - Integration of fixed income and M&A
  - Corporate finance now being integrated into this global platform
  
- **Linkage of corporate and investment banking**
  - In line with our intention to become Germany's leading bank for SME's, we are simultaneously extending the distribution of investment banking and asset management products in our branches
  
- **Business with multinationals worldwide**
  - Multinationals are served by relationship managers with global sector know-how

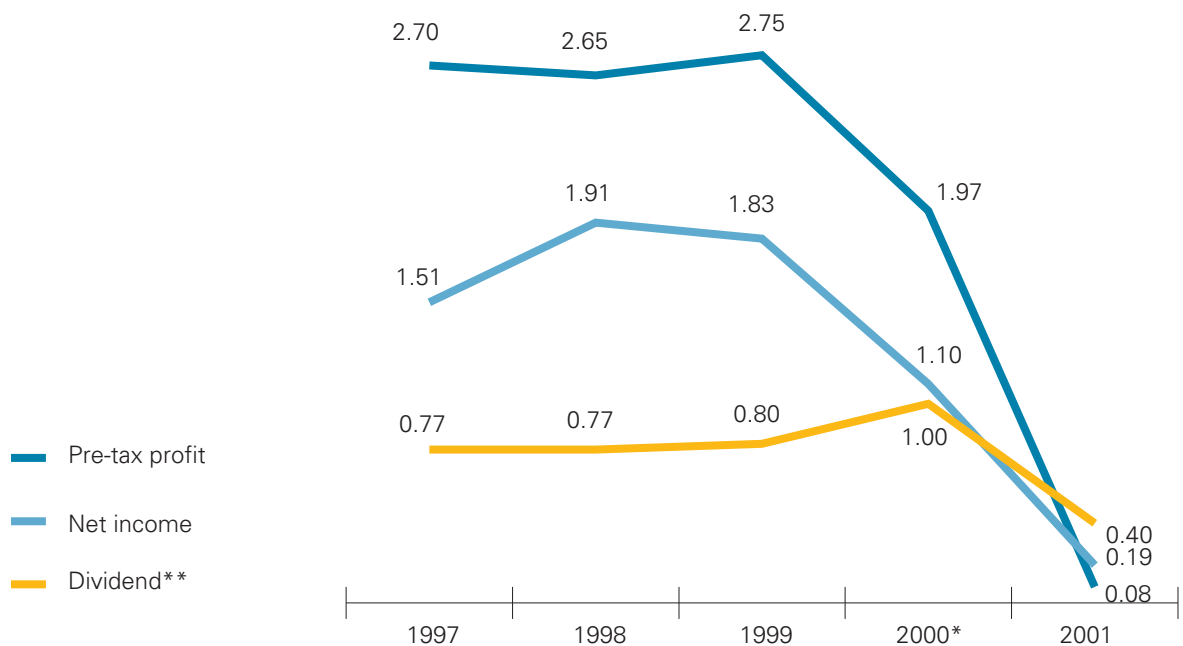
## Commerzbank Group's cost-cutting offensive

### Significant reductions in personnel and other operating costs

- **The following measures are being realized:**
  - €110m cut in IT project volume
  - €100m cut in communications budget
  - €150m cut in consulting and other non-personnel costs
  - Shedding of 3,400 jobs by 2003
  - 1,700 currently unfilled positions to be cancelled
  
- **Operating expenses are to be reduced to their 2000 level next year (€5.5bn).**

### Key figures per Commerzbank share

in €



\*) excluding comdirect IPO/dividend including €0.20 bonus; \*\*) excluding tax credit



## Basic Commerzbank data

year-end figures

| <b>Commerzbank Group</b> | <b>1998</b> | <b>1999</b> | <b>2000</b> | <b>2001</b> |
|--------------------------|-------------|-------------|-------------|-------------|
| Branches                 | 1,052       | 1,064       | 1,080       | 981         |
| Customers                | 4.21 m      | 5.20 m      | 5.70 m      | 6.00 m      |
| Employees                | 32,593      | 34,870      | 39,044      | 39,481      |
| of whom: in Germany      | 28,719      | 30,557      | 31,716      | 31,899      |
| abroad                   | 3,874       | 4,313       | 7,328       | 7,582       |

### Parent Bank

|                       |        |        |        |        |
|-----------------------|--------|--------|--------|--------|
| Branches              | 959    | 960    | 945    | 816    |
| of which: in Germany  | 938    | 939    | 924    | 796    |
| abroad                | 21     | 21     | 21     | 20     |
| Employees             | 28,083 | 29,190 | 29,611 | 30,021 |
| of whom: in Germany   | 26,189 | 27,068 | 27,225 | 27,469 |
| abroad                | 1,894  | 2,122  | 2,386  | 2,552  |
| Shares (in millions)* | 496.1  | 513.6  | 541.8  | 541.8  |

1) dividend-bearing shares

## Commerzbank: Medium-term targets

|                                   |                                     |
|-----------------------------------|-------------------------------------|
| ■ Return on equity after tax      | 15%                                 |
| ■ Cost-income ratio <sup>1)</sup> | 60%                                 |
| ■ Core capital ratio (BIS)        | 6.5%                                |
| ■ Dividend                        | upward trend, in line with earnings |

1) excl. provision for risks

