

Press release

For business desks
18 March 2015

Commerzbank publishes 2014 Annual Report

- **Financial year 2014: operating profit of EUR 684 m**
- **Core capital ratio CET 1 improved to 9.3% as of 31 December 2014 with full application of Basel 3**

In the 2014 financial year Commerzbank attained an operating profit of EUR 684 million. The net profit of the Bank increased in the year under review to EUR 264 million, following on from EUR 81 million in the previous year. The stable to very good results of the core segments during the year show that Commerzbank is tackling the right levers with its strategic measures, its investments and the adaptation of its range of products and services to customer needs and desires.

Concerning the known investigations with respect to breaches of US embargo and money laundering regulations, Commerzbank has reached a settlement – after long negotiations – with the investigating US authorities. With this settlement the Bank is concluding a process which has been protracted and complex for all the parties involved; the Bank will now focus on remedying the shortcomings identified by the US authorities and the authorities in New York.

“Despite many challenges, Commerzbank’s operating business performed well in 2014. We achieved further growth in the Core Bank, gaining market shares and expanding our customer base. Customer satisfaction was up in both the Private Customers and Mittelstandsbank segments, and we were able to increase customer confidence,” said Martin Blessing, Chairman of the Board of Managing Directors of Commerzbank in the 2014 Annual Report submitted today.

The **Private Customers business** is adapting the advisory model by adding new service and advisory offerings. Direct bank capability was achieved at the end of 2014. The complete overhaul of the range of products and services as part of the Private Customers strategy led to continued growth in customers, accounts and assets. **Mittelstandsbank** is still well positioned. Commerzbank succeeded in expanding its customer base in the year under review. With the expansion of its international strategy Commerzbank is intensifying its business in selected core markets. The Bank has been operative in six locations in Switzerland since April 2014, and is seeing pleasing growth in new customers. The pleasing and dynamic performance of the **Central & Eastern Europe segment**, represented by the mBank subsidiary, the fourth-largest bank in Poland, continued in the year under review. The sustained strong growth is also the result of continuous work on innovative products and technical solutions. The performance of **Corporates & Markets**

in 2014 was driven by a market environment of historically low interest rates and occasional low volatility. The segment's broad base allowed the impact of lower activity in some areas to be partially offset by strong points elsewhere. This was an instance of our diversified business model paying off.

“Commerzbank boosted its stability again in 2014 by continuing to reduce risk and strengthen the capital base. Particularly important was the fact that Commerzbank not only passed both the European Central Bank's Asset Quality Review and the European Banking Authority's stress test at the end of the year: we were well above the required levels. The good result in the ECB Comprehensive Assessment is testimony to the successful restructuring of Commerzbank over the past few years and confirms that we are on the right track with our efforts both to reduce our non-strategic portfolios and to expand our customer-focused business model”, said Martin Blessing.

The individual financial statement of Commerzbank AG pursuant to the provisions of the German Commercial Code (HGB) states an annual net income of EUR 282 million for 2014. It is planned to transfer the net profit in full to the retained earnings.

In December 2014, the Supervisory Board ratified a new remuneration system for the members of the Board of Managing Directors. It had become necessary to introduce a new system as of 2015 in order to bring the remuneration of the Board of Managing Directors into line with new and/or amended rules under CRD IV, the Banking Remuneration Regulation and the German Banking Act.

The total remuneration with 100% target achievement is not higher in the new system than in the remuneration system to date. The total remuneration with maximum target achievement, in contrast, will be lower in comparison to the system to date. Detailed information about the monetary remuneration of the board members can be found in the remuneration report (pages 31 to 47).

On 1 March 2015 the Austrian Financial Markets Authority (FMA) stated that no further capital or liquidity measures would be taken in relation to HETA ASSET RESOLUTION AG (HETA) pursuant to the Financial Market Stability Act. The exposure of the Commerzbank Group to HETA consists primarily of securities, for which the Bundesland Kärnten has issued a fallback guarantee. The nominal values and amortised costs amount to approximately EUR 0.4 billion. The Austrian Federal Act on the Restructuring and Winding-up of Banks (BaSAG) has been in effect since 1.1.2015. For this reason this event does not affect the values for the 2014 financial year. At present the bank is examining all the business and legal options with respect to this engagement. Any possible impact would be taken into consideration in the coming quarters (pages 97 and 98).

Outlook

Commerzbank is continuing to focus all efforts on reaching the quantitative objectives announced for 2016. Despite the confidence, however, it would not be prudent to ignore the fact that the operating conditions for banks have changed and the market environment for a broad and profitable banking business has become more difficult. However, the action Commerzbank has already taken and the plans for the future have laid the foundations for further growth in 2015 – in customers, market shares and assets.

The 2014 Annual Report is to be found on the internet under: www.commerzbank.com/annualreport2014

Press contact

Alexander Cordes	+49 69 136-42764
Karsten Swoboda	+49 69 136-22339
Kathrin Wetzel	+49 69 136-44011

About Commerzbank

Commerzbank is a leading international commercial bank with branches and offices in more than 50 countries. The core markets of Commerzbank are Germany and Poland. With the business areas Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe, its private customers and corporate clients, as well as institutional investors, profit from a comprehensive portfolio of banking and capital market services. Commerzbank finances more than 30 per cent of Germany's foreign trade and is the unchallenged leader in financing for SMEs. With its subsidiaries comdirect and Poland's mBank it owns two of the world's most innovative online banks. With approximately 1,100 branches and approximately 90 advisory centres for business customers Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank boasts approximately 15 million private customers, as well as 1 million business and corporate clients. The Bank, which was founded in 1870, is represented at all the world's major stock exchanges. In 2014, it generated gross revenues of almost EUR 9 billion with an average of approximately 52,000 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, particularly to reduce its NCA portfolio, 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.