

Press release

For business editors
26 March 2018

Commerzbank publishes 2017 Annual Report

- **Operating business developed soundly in 2017 – Operating profit of €1,303m**
- **Common Equity Tier 1 ratio with full application of Basel 3 increased to 14.1% as of end of 2017**
- **Outlook: Focus on implementation of Commerzbank 4.0 strategy – Aiming to resume dividend payments for financial year 2018**

In its Annual Report published today, Commerzbank reports on its figures for the past financial year. The main key figures in the consolidated income statement are unchanged compared to the provisional figures communicated on 8 February 2018. The Commerzbank Group's **operating profit** for 2017 stood at €1,303 million. Commerzbank achieved a positive **consolidated profit attributable to Commerzbank shareholders** of €156 million despite booking restructuring expenses of €808 million.

“At Group level, operating business developed soundly overall in 2017, despite the ongoing restructuring. Income before loan loss provisions fell to € 9.2 billion. However, when adjusted for positive one-off income and remeasurement effects, the income before loan loss provisions rose slightly from the previous year to €8.6 billion. Operating expenses were reduced slightly to €7.1 billion in 2017. Operating profit was down slightly from the previous year at €1.3 billion. The positive trend in our capital position continued in the year under review. The Common Equity Tier 1 ratio stood at 14.1% at the end of December, compared with 12.3% in the previous year. As a result, the Bank's capital position is comfortable and we clearly exceed all the applicable regulatory requirements. Our loan loss provisions remain low thanks to the stable economic situation in Germany and the quality of our loan book, as reflected in an excellent non-performing loan ratio of just 1.3%”, said **Martin Zielke, Chairman of the Board of Managing Directors of Commerzbank**.

Zielke added: “We are targeting a dividend distribution for the 2018 financial year. Meanwhile, we will continue the restructuring of Commerzbank in 2018 and take further key steps as we evolve to become a digital enterprise, all the while striving to achieve higher growth in our core business areas and enhance profitability. These are our objectives, and we will pursue them diligently.”

In the **Private and Small-Business Customers segment**, Commerzbank attracted over 500,000 new customers and more than €38 billion in assets during the reporting year. New retail mortgage financing business amounted to €15 billion, topping the nearly €12 billion in new business in the previous year. The Bank is now operating the consumer lending business on the in-house Commerzbank platform. At the same time, in Private and Small-Business Customers the Bank made a conscious decision to invest in the digital and personal services it offers to customers. The branches will continue to play a crucial role in the growth strategy. The Polish mBank again performed very well and gained around 292,000 net new customers in 2017.

The business performance of the **Corporate Clients segment** last year was largely determined by two factors: externally, by ever rising competition, and internally by the implementation of the Commerzbank 4.0 strategy. The focus here was on bringing together product units and concentrating on the core business, as well as continuously implementing growth initiatives and digitalising processes and products. Against the backdrop of these challenges, the segment comfortably beat its cumulative target of 3,500 net new customers by the end of 2017. This demonstrates that the strategic adjustments are going down well with the corporate customers.

The individual financial statement of Commerzbank AG pursuant to the provisions of the German Commercial Code (HGB) states a net income of €176 million for 2017 (2016: €1,494 million). This takes into consideration the servicing of all profit-sharing rights in Commerzbank AG. The Bank intends to fully retain earnings for 2017. Detailed information about the **monetary remuneration of the board members** can be found in the remuneration report (pages 27 to 39). The number of **employees** of the Commerzbank Group as of the end of December 2017 was 49,417 (end of December 2016: 49,941). In autumn, the Supervisory Board extended the appointment of Martin Zielke as Chairman of the Board of Managing Directors until November 2023.

For the first time, the Annual Report also includes a **non-financial report** pursuant to the German Act on Strengthening Corporate Non-Financial Reporting (CSR-Richtlinie-Umsetzungsgesetz) (pages 44 to 52). In it, Commerzbank reports on the six areas: environmental protection, treatment of employees, social responsibility, respect for human rights, anti-corruption and anti-bribery, and treatment of customers.

Outlook

In financial year 2018, Commerzbank will focus on continuing to implement the Commerzbank 4.0 strategy. Commerzbank expects, that slightly lower income with slightly lower operating expenses and a significant fall in the risk result will give an operating profit almost on the level of the previous year and a slightly worse cost/income ratio. Excluding the effect from one-off income last year, operating income this year will rise slightly, resulting in a slight improvement in the cost/income ratio; on this adjusted basis there is a significant improvement in operating profit. As no more significant restructuring expenses are likely to be needed, the Bank expects a strong rise in the consolidated surplus in the current year. In view of Commerzbank's comfortable equity capital position and the intention to further improve the risk profile, Commerzbank is aiming to pay a dividend for financial year 2018.

The 2017 Annual Report is to be found on the **internet** at www.commerzbank.com/annual-report2017.

Press contact

Nils Happich	+49 69 136-80529
Karsten Swoboda	+49 69 136-22339
Erik Nebel	+49 69 136-44986

About Commerzbank

Commerzbank is a leading international commercial bank with branches and offices in almost 50 countries. In the two business segments Private and Small Business Customers, as well as Corporate Clients, the Bank offers a comprehensive portfolio of financial services which is precisely aligned to the clients' needs. Commerzbank finances approximately 30% of Germany's foreign trade and is leading in financing for corporate clients in Germany. Due to its in-depth sector know-how in the German economy, the Bank is a leading provider of capital market products. Its subsidiaries Comdirect in Germany and mBank in Poland are two of the world's most innovative online banks. With approximately 1,000 branches, Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank serves more than 18 million private and small business customers, as well as more than 60,000 corporate clients, multinationals, financial service providers, and institutional clients. The Bank, which was founded in 1870, is represented at all the world's major stock exchanges. In 2017, it generated gross revenues of €9.2 billion with approximately 49,300 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, 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.