

Press release

For business editors
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Commerzbank publishes 2018 Annual Report

- **Operating profit increased to €1.2bn and consolidated profit to €865m**
- **Board of Managing Directors proposes dividend of 20 cent per share for 2018 financial year**
- **Martin Zielke: “Our growth paid off”**

In its Annual Report published today, Commerzbank reports on its figures for the past financial year. The key figures in the consolidated income statement are unchanged compared to the provisional figures communicated on 14 February 2019. The **operating profit** for 2018 stood at €1,245 million (2017: €1,149 million). Commerzbank achieved a positive **consolidated profit attributable to Commerzbank shareholders** of €865 million, compared to €128 million in the previous year.

“In our core business, we grew further thanks to steady gains in new customers and an increase in assets under management and credit volume. Also, the high quality of our service and advice was once again acknowledged externally. This is expressed also in customer satisfaction, which is consistently at a very good level”, writes Martin Zielke, Chairman of the Board of Managing Directors of Commerzbank, in the Annual Report to the shareholders.

“Overall, the growth paid off. In financial year 2018, income before loan loss provisions adjusted for positive one-off income and remeasurement effects rose by 5% to €8.6 billion”, adds Martin Zielke. “Ongoing strategic investment in digitalisation and technology and higher regulatory charges and levies were offset through strict cost management.”

The **Private and Small-Business Customers segment** reached a major strategic milestone in new customer growth: the segment has gained one million net new customers since the “Commerzbank 4.0” strategy was launched, with just under 420,000 in 2018 alone. Assets grew by €46 billion since 2016. The **Corporate Clients segment** has also continued its growth path. Since the beginning of 2016, the Bank has gained around 8,900 new corporate customers, mainly German small and medium-sized enterprises, with more than 3,500 of these coming on board last year. Total lending with corporate customers has increased by around €4 billion to €82 billion.

The risk reduction of recent years continued to pay off in 2018. The Bank passed the EBA stress test last year with a good result, despite further intensification of the crisis scenario. In addition, the European Central Bank (ECB) reduced the minimum requirement for the Common Equity Tier 1 (CET 1) ratio by 0.25 percentage points following the completion of the 2018 Supervisory Review and Evaluation Process (SREP). At the end of December 2018, the CET 1 ratio stood at a comfortable 12.9% and considerably exceeded all the applicable regulatory requirements.

The individual financial statement of Commerzbank AG pursuant to the provisions of the German Commercial Code (HGB) states a net profit for the 2018 financial year of €262 million (2017: €176 million). This includes the servicing of all profit-related capital instruments of Commerzbank AG. Subject to the approval of the decision-making bodies, the appropriate balance sheet profit is to be used to distribute the dividend of 20 cent per share planned by the Executive Board and to further strengthen retained earnings.

Detailed information about the monetary remuneration of the members of the Board of Managing Directors can be found in the remuneration report (starting on page 29). The number of **employees** at the end of 2018 was 49,410.

Outlook

“The environment in 2019 will remain challenging and, in spite of much progress, numerous tasks still lie ahead of us,” Martin Zielke writes in the outlook. “We intend to continue our growth unabated in private and corporate customer business in order to gain more market share and increase our adjusted income. We will transfer our experience with the Digital Campus to large parts of the central organisation. We want to pick up the pace in this regard and become much faster at providing our sales force with viable products and services for our clients. All in all, we expect consolidated profit in the current financial year to be slightly higher than last year.”

Commerzbank is forecasting a slightly higher income overall for the current financial year, operating expenses below €6.8 billion, and a significantly higher risk result. This will result in a slight rise in operating profit and the cost/income ratio should improve slightly. Following the reduced SREP requirements, the ambition for the Common Equity Tier 1 ratio at the end of 2019 is at least 12.75%. Commerzbank is aiming to pay a dividend in 2019 at a level comparable to 2018.

The 2018 Annual Report can be found on the **internet** at www.commerzbank.com/annual-report2018.

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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 and Corporate Clients, the Bank offers a comprehensive portfolio of financial services which is precisely aligned to its clients' needs. Commerzbank finances approximately 30% of Germany's foreign trade and is the leading finance provider 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 70,000 corporate clients, multinationals, financial service providers, and institutional clients worldwide. In 2018, it generated gross revenues of €8.6 billion with approximately 49,000 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, 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.