COMMERZBANK AKTIENGESELLSCHAFT

Frankfurt am Main

Base Prospectus

as of April 6, 2011

relating to

Structured Notes

COMMERZBANK

CONTENT

SUMMARY

This summary provides an overview of what are, in the opinion of the Issuer, the main risks associated with the Issuer and the Securities issued by the Issuer under this Base Prospectus. This summary is not exhaustive. It should be read as an introduction to this Base Prospectus. Investors should base any decision to invest in the Securities on a review of this Base Prospectus as a whole (including any supplements thereto) as well as the relevant Final Terms.

Commerzbank Aktiengesellschaft (the "**Issuer**", the "**Bank**" or "**Commerzbank**" and, together with its consolidated subsidiaries, "**Commerzbank Group**" or the "**Group**") may have civil liability in respect of this summary; such liability, however, applies only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus and the relevant Final Terms.

Where a claim relating to information contained in this Base Prospectus and the relevant Final Terms is brought before a court in a member state of the European Economic Area, the plaintiff investor may, under the national legislation of such member state, be required to bear the costs of translating this Base Prospectus (including any supplements thereto) and the relevant Final Terms before the legal proceedings are initiated.

SUMMARY OF INFORMATION AND SUMMARY OF RSIK FACTORS RELATING TO THE SECURITIES

The purchase of Notes issued under this Base Prospectus is associated with certain risks. In respect of Notes that, in view of their specific structure, require a special description of the relevant risk factors, a supplementary description of the special risk factors associated with the relevant Notes in addition to the list set out below will be included in a separate document (the "**Final Terms**") where required. The information set forth hereinafter and in the Final Terms merely describes the major risks that are associated with an investment in the Notes in the Issuer's opinion. In this regard, however, **the Issuer expressly points out that the description of the risks associated with an investment in the Notes is not exhaustive**.

In addition, the order in which such risks are presented does not indicate the extent of their potential commercial effects in the event that they are realised, or the likelihood of their realisation. The realisation of one or more of said risks may adversely affect the assets, finances and profits of Commerzbank Aktiengesellschaft or the value of the Notes themselves.

Moreover, additional risks that are not known at the date of preparation of this Base Prospectus and the relevant Final Terms or currently believed to be immaterial could likewise have an adverse effect on the value of the Notes.

The occurrence of one or more of the risks disclosed in this Base Prospectus, any supplement and/or the relevant Final Terms or any additional risks may lead to a material and sustained loss and, depending on the structure of the Note, even result in the **total loss** of the investor's capital.

Investors should purchase the Notes only if they are able to bear the risk of losing the capital invested, including any transaction costs incurred.

Potential investors in the Notes must in each case determine the suitability of the relevant investment in light of their own personal and financial situation. In particular, potential investors should in each case:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and/or the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all the information contained in the relevant Final Terms;

- have sufficient financial resources and liquidity to bear all of the risks associated with an investment in the Notes;

- understand thoroughly the Terms and Conditions pertaining to the Notes and be familiar with the behaviour of any relevant Underlying and the financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect the value of their investment and be able to bear the associated risks.

These risk warnings do not substitute advice by the investor's bank or by the investor's legal, business or tax advisers, which should in any event be obtained by the investor in order to be able to assess the consequences of an investment in the Notes. Investment decisions should not be made solely on the basis of the risk warnings set out in this Base Prospectus, any supplement and/or the relevant Final Terms since such information cannot serve as a substitute for individual advice and information which is tailored to the requirements, objectives, experience, knowledge and circumstances of the investor concerned.

RISK FACTORS RELATING TO THE NOTES

The Notes issued under this Base Prospectus are subject to - potentially major - price fluctuations and may involve the risk of a **complete or partial loss** of the invested capital (including any costs incurred in connection with the purchase of the Notes). Since, in the case of Notes, interest or the Redemption Amount is linked to an Underlying (e.g. a share, index, commodity (e.g. a precious metal), futures contract, bond, currency exchange rate, an interest rate, a fund or any other underlying, a basket or an index that is composed of any of the aforementioned values, commodities, rates or other underlyings, (e.g. alternative risks, real estates, life insurances, inflation, volatility), or to one or more formulae ("Structured Securities")), Notes are investments that might not be suitable for all investors.

The Notes may have complex structures, which the investor might not fully understand. The investor might therefore underestimate the actual risk that is associated with a purchase of the Notes. Therefore, potential investors should study carefully the risks associated with an investment in the Notes (with regard to the Issuer, the type of Notes and/or the Underlying, as applicable), as well as any other information contained in this Base Prospectus, any supplements thereto as well as the relevant Final Terms, and possibly consult their personal (including tax) advisors. Prior to purchasing Notes, potential investors should ensure that they fully understand the mechanics of the relevant Notes and that they are able to assess and bear the risk of a (**total**) loss of their investment. Prospective purchasers of Notes should in each case consider carefully whether the Notes are suitable for them in the light of their individual circumstances and financial position.

It is possible that the performance of the Notes is adversely affected by several risk factors at the same time. The Issuer, however, is unable to make any reliable prediction on such combined effects.

I. General Risks

- **Deviation of the issue price from the market value and impact of incidental costs**

The issue price in respect of any Notes is based on internal pricing models of the Issuer and may be higher than their market value. The pricing models of other market participants may deviate from the Issuer's internal pricing models and might produce different results.

The price that might be obtainable in the secondary market for the Notes might be lower than their issue price.

The issue price (irrespective of any agio that might be payable) may include commissions and/or other fees relating to the issue and sale of the Notes (including a margin), which are payable to distributors or third parties or may be retained by the Issuer. In addition, the issue price may include costs that are incurred in connection with the hedging of the Issuer's liabilities in relation to the issue of the Notes. Prices in the secondary market normally do not include the aforesaid commissions and/or other fees.

- **Trading in the Notes, reduction in liquidity**

Not every series of Notes that is issued under this Base Prospectus will be included in the unofficial market of, or admitted to trading on, a stock exchange. Even if such an inclusion or admission takes place, it will not necessarily result in a high turnover in respect of the Notes. After the Notes have been included or admitted, their continued permanent inclusion or admission cannot be guaranteed. If such inclusion or admission (provided it took place) cannot be permanently maintained, it will be significantly more difficult to purchase and sell the relevant Notes.

In addition, there does not exist a market maker for each series of Notes, i.e. someone who undertakes to provide purchasing and selling prices for the Notes pertaining to an issue subject to regular market conditions. Even if there is a market maker, the market maker does not undertake to provide the aforesaid prices under all circumstances. If there is a market maker, it is normally the Issuer that assumes this function.

In particular in the event of extraordinary market conditions or extremely volatile markets, the market maker will normally not provide any purchasing and selling prices. A market maker will provide purchasing and selling prices for the Notes under regular market conditions only. However, even in the event of regular market conditions, the market maker does not assume any legal responsibility towards the holders of the Notes to provide such prices and/or for the fact that such prices are reasonable. The market maker might undertake towards certain stock exchanges, in accordance with the relevant stock exchange rules, to provide purchasing and selling prices with regard to specific order or securities volumes under regular market conditions. That obligation, however, will be entered into towards the relevant stock exchange. Third parties, including the holders of the Notes, are unable to derive any issuer obligation in this regard. This means that the holders of the Notes cannot rely on their ability to sell the Notes at a certain time or price. In particular, the market maker is not obliged to buy back the Notes during their term.

Even if market making activities took place at the beginning or during the term of the Notes, this does not mean that there will be market making activities for the full duration of the term of the Notes.

For the aforesaid reasons, it cannot be guaranteed that a secondary market will develop with regard to the respective Notes, which will provide the holders of the Notes with an opportunity to sell on their Notes. The more restricted the secondary market, the more difficult it will be for the holders of the Notes to sell their Notes in the secondary market. This also applies with regard to the Notes' inclusion in an unofficial market of, or admission to trading on, a stock exchange.

- **Determination of the price of the Notes in the secondary market**

If there is a market maker for a series of Notes, such market maker will determine the purchasing and selling prices for such Notes in the secondary market on the stock exchange (if such a secondary market exists) and off the stock exchange on the basis of internal pricing models and a number of other factors. These factors may include the following parameters: actuarial value of the Notes, price of the Underlying, supply and demand with regard to the Notes, costs for risk hedging and risk assumption, margins and commissions.

Some of these factors may not have a consistent effect on the price of the Notes based on the relevant pricing models for the duration of the term, but may be taken into account at the market maker's discretion at an earlier time in a pricing context. This might include a margin included in the issue price, management fees and paid or expected yields on the Underlying or its components (such as dividends), which - based on the characteristics of the Notes - might be retained by the Issuer. Expected dividends on the underlying or its components may be deducted prior to the "ex dividend" day in relation to the Underlying or its components, based on the expected yields for the entire term or a certain portion thereof. Any dividend estimate used by the market maker in its assessment may change during the term of the Notes or deviate from the dividend generally expected by the market or the actual dividend. This can also affect the pricing process in the secondary market.

Thus, the prices provided by the market maker may deviate from the actuarial value of the Notes and/or the price to be expected from a commercial perspective, which would have formed in a liquid market at the relevant time in which several market makers acting independently of each other provide

prices. In addition, the market maker may change the method based on which it determines the prices provided by it at any time, e.g. by changing its pricing models or using other calculation models and/or increasing or reducing the bid/offer spread.

If, during the opening hours of secondary trading in the Notes by the market maker and/or the opening hours of the stock exchanges on which the Notes are admitted or included, the underlying is also traded on its home market, the price of the Notes will be taken into account in the price calculation of the Notes. If, however, the home market of the Underlying is closed while the Notes relating to that Underlying are traded, the price of the Underlying must be estimated. As the Notes issued under this Base Prospectus are also offered at times during which the home markets of the Underlyings are closed, this risk may affect each Notes. In particular, however, this applies to Underlyings that are traded in time zones far away from Central Europe, such as American or Asian shares or share indices from those regions. The same risk occurs where Notes are traded on days during which the home market of the Underlying is closed because of a public holiday. If the price of the Underlying is estimated because its home market is closed, such an estimate may turn out to be accurate, too high or too low within hours in the event that the home market starts trading in the Underlying. Accordingly, the prices provided by the market maker prior to the opening of the relevant home market in respect of the Notes will then turn out to be too high or too low.

- **Restricted secondary trading because of non-availability of electronic trading systems**

The market maker normally provides purchasing and selling prices for on- and off-exchange trading via an electronic trading system. If the availability of the relevant electronic trading system is restricted or even suspended, this will negatively affect the Notes' tradability.

- **No secondary market immediately before final maturity**

The market maker and/or the stock exchange will cease trading in the Notes no later than shortly before their scheduled Maturity Date. However, the price of the Underlying and/or the applicable exchange rate, both of which can be relevant for the determination of the Notes' Redemption Amounts, may still change between the last trading day and the scheduled Maturity Date. This may be to the investor's disadvantage.

In addition, there is a risk that a barrier, which may be stipulated in the Terms and Conditions, is reached, undercut or exceeded for the first time prior to final maturity after secondary trading has already ended.

- **Conflicts of interest**

Conflicts of interest can arise in connection with the exercise of rights and/or obligations of the Issuer, the Calculation Agent or any other party (e.g. an index sponsor or external advisor) in accordance with the Terms and Conditions in respect of the Notes (e.g. in connection with the determination or adaptation of parameters of the terms and conditions), which affect the amounts payable or the assets to be delivered.

The Issuer, the Calculation Agent or another party, as well as any of their affiliates, may enter into transactions in the Notes' Underlyings for their own or their customers' account, which might have a positive or negative effect on the performance of the relevant Underlying and may thus have a negative effect on the value of the Notes.

If the Underlying is a share, there is a possibility that the Issuer, the Calculation Agent or another party, as well as any of their affiliates, may hold shares in the company that issued the Underlying.

The party that performs a specific function in respect of the Notes (e.g. that of calculation agent and/or index sponsor) might have to determine the calculation of the Underlying or calculate that value. This can lead to conflicts of interest if securities issued by that party can be chosen as Underlying.

In addition, the Issuer might issue additional derivative instruments with regard to the Underlying. An introduction of these new competing products can adversely affect the value of the Notes.

In addition, the Issuer and its affiliates might now or in future maintain a business relationship with the issuer of one or more Underlyings (including with regard to the issue of other securities relating to the relevant Underlying or lending, depositary, risk management, advisory and trading activities). Such business activities may be carried out as a service for customers or on an own account basis. The Issuer and/or any of its affiliates will pursue actions and take steps that it or they deem necessary or appropriate to protect its and/or their interests arising therefrom without regard to any negative consequences this may have for the Notes. Such actions and conflicts may include, without limitation, the exercise of voting rights, the purchase and sale of securities, financial advisory relationships and the exercise of creditor rights. The Issuer and any of its affiliates and their officers and directors may engage in any such activities without regard to the potential adverse effect that such activities may directly or indirectly have on any Notes.

The Issuer and any of its affiliates may, in connection with their other business activities, possess or acquire material (including non-public) information about the Underlying. The Issuer and any of its affiliates have no obligation to disclose such information about the Underlying.

The Issuer may act as market maker for the Notes and, in certain cases, the Underlying. In the context of such market making activities, the Issuer will substantially determine the price of the Notes and possibly that of the Underlying and, thus, the value of the Notes. The prices provided by the Issuer in its capacity as market maker will not always correspond to the prices that would have formed in the absence of such market making and in a liquid market.

- **Hedging risks**

The Issuer and its affiliates may hedge themselves against the financial risks associated with the issue of the Notes by performing hedging activities in relation to the relevant Underlying. Such activities in relation to the Notes may influence the market price of the Underlying to which the Notes relate. This will particularly be the case at the end of the term of these Notes. It cannot be ruled out that the conclusion and release of hedging positions may have a negative influence on the value of the Notes or payments to which the holder of the Notes is entitled.

In addition, investors may not be able to enter into hedging transactions that exclude or limit their risks in connection with the purchase of the Notes. The possibility to enter into such hedging transactions depends on market conditions and the respective Underlying terms and conditions.

- **Interest rate and inflationary risks, currency risks**

The market for the Notes is influenced by the economic and market conditions, interest rates, exchange rates and inflation rates in Europe and other countries and regions. Events in Europe and in other parts of the world can lead to higher market volatility and thus have an adverse effect on the value of the Notes. In addition, the economic situation and the market conditions can have negative consequences for the value of the Notes.

Currency risks for the purchaser arise in particular in those cases where (i) the Underlying is denominated in a different currency than the Notes, (ii) the Notes are denominated in a different currency than the official currency of the purchaser's home country or (iii) the Notes are denominated in a different currency than the currency in which the purchaser receives payments.

Exchange rates are subject to supply and demand factors on the international money markets, which are in turn influenced by macroeconomic factors, speculation and measures implemented by governments and central banks (e.g. foreign exchange controls and restrictions). The value of the Notes or the amount of the potentially due payment might be reduced because of exchange rate fluctuations.

Notes with a so-called "quanto element" (an in-built currency hedge that determines a fixed exchange rate at the time of issue) are not subject to a currency risk in relation to the settlement currency and the currency of the Underlying. During the term of the Notes, the economic value of the quanto hedge may fluctuate depending on various influencing factors.

As payments are made at the fixed exchange rate, the investor will not benefit from a positive development of the exchange rate at the time of maturity in the event of a currency hedge via the quanto element. In addition, when purchasing Notes with a quanto element, investors must assume that the purchase price of the Notes includes costs in respect of the quanto hedge.

- **Offer volume**

The offer volume specified in the relevant Final Terms corresponds to the maximum total amount of Notes offered but is no indication of which volume of Notes will be actually issued. The actual volume depends on the market conditions and may change during the term of the Notes. Therefore, investors should note that the specified offer volume does not allow any conclusions as to the liquidity of the Notes in the secondary market.

- **Use of loans**

If the investor finances the purchase of the Notes through a loan, he– in the event that he/ loses some or all of the invested capital – has not only to bear the loss incurred but will also have to pay the interest and repay the loan. In that case, the exposure to loss increases considerably. Investors should never assume that they will be able to repay the loan including interest out of the payments on the Notes or – in case of a sale of the Notes before maturity – out of the proceeds from such sale. The purchaser of Notes rather has to consider in advance on the basis of his financial situation whether he will still be able to pay the interest or repay the loan at short notice if the expected profits turn into losses.

- **Transaction costs**

Transaction costs that are charged by the custodian bank and/or the stock exchange via which an investor places his purchase and/or selling order may reduce any profits and/or increase any losses. In the case of a total loss in respect of a Note, the transaction costs will increase the loss incurred by the relevant investor.

- **Notes are unsecured obligations (Status)**

The obligations under the Notes constitute direct and unconditional obligations of the Issuer that are not subject to a real charge (*nicht dinglich besichert*) and, unless otherwise provided by applicable law, rank at least *pari passu* with all other unsubordinated obligations of the Issuer that are not subject to a real charge. They are neither secured by the Deposit Protection Fund of the Association of German Banks (*Einlagensicherungsfonds des Bundesverbands deutscher Banken e.V.*) nor by the German Deposit Guarantee and Investor Compensation Act (*Einlagensicherungs- und Anlegerentschädigungsgesetz*).

This means that the investor bears the risk that the Issuer's financial situation may worsen - or that insolvency proceedings might be instituted with regard to its assets - and that the Issuer therefore might be unable to make any payments due under the Notes. **Under these circumstances, a total loss of the investor's capital might be possible.**

- **Impact of a downgrading of the credit rating**

The value of the Notes is expected to be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by the ratings given to the Issuer's outstanding securities by rating agencies such as Moody's Investors Services Inc., Fitch Ratings Ltd, a subsidiary of Fimalac, S.A., and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. Any downgrading of the Issuer's rating (if any) by even one of these rating agencies could result in a reduction in the value of the Notes.

- **Reinvestment risk upon Early Redemption**

Following an Early Redemption of the Notes (e.g. in case of a termination of the Notes by the Issuer), the investor may only be able to reinvest the Redemption Amount on significantly less favourable conditions than before.

- **Applicability of investment restrictions**

Certain investors may be subject to legal investment restrictions.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities (this particularly applies to Notes). Each potential investor should consult his legal advisers to determine whether and to what extent (a) the purchase of Notes represents a legal investment for him, (b) Notes can be used as collateral for various types of financing and (c) other restrictions apply to his purchase or pledge of any Notes. Investors who are subject to official supervision should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

- **Taxes and other duties**

All taxes or other duties payable at the level of the Issuer or the holders of the Notes on payments made in relation to the Notes are to be borne by the holders of the Notes. The Issuer will not pay any additional amounts to the holders of the Notes on account of any such taxes or duties.

- **Substitution of the Issuer**

If the conditions set out in the Terms and Conditions are met, the Issuer is entitled at any time, without the consent of the holders of the Notes, to appoint another company as the new Issuer with regard to all obligations arising out of or in connection with the Notes in its place. In that case, the holder of the Notes will generally also assume the insolvency risk with regard to the new Issuer.

- **Change of law**

The Terms and Conditions in respect of the Notes are based on relevant laws in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such laws or administrative practices after the date of this Base Prospectus.

II. Risks resulting from the structure of the Notes

Certain factors are of great significance with regard to the assessment of the risks associated with an investment in the Notes issued under this Base Prospectus. Such factors will vary depending on the type of Note issued. (e.g. Fixed or Floating Rate Notes, Zero Coupon Notes, etc.) or Structured Notes where the interest and/or redemption amount or other payments are linked to an Underlying (e.g. an index or a share) and/or a formula(e).

- **plain Notes**

Floating Rate Notes

A key difference between Floating Rate Notes, Interest Structured Notes on one hand and Fixed Rate Notes on the other is that interest income on Floating Rate Notes and Interest Structured Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes and Interest Structured Notes at the time of purchase, so that their return on investment cannot be compared with that of investments having fixed interest rates.

Reverse Floating Rate Notes

The interest income of Reverse Floating Rate Notes is calculated in reverse proportion to the reference rate: if the reference rate increases, interest income decreases whereas it increases if the reference rate decreases.

Unlike the price of ordinary Floating Rate Notes, the price of Reverse Floating Rate Notes is highly dependent on the yield of Fixed Rate Notes having the same maturity. Price fluctuations of Reverse Floating Rate Notes are parallel to but substantially stronger than those of Fixed Rate Notes having a similar maturity.

The value of Reverse Floating Rate notes especially may decrease if short and long term market interest rates both increase. The same effect applies to a certain extent if long-term market interest rates increase and short-term market interest rates decrease.

Capped Floating Rate Notes

The maximum amount of interest payable in respect of Securities that bear or pay interest with a capped variable rate will equal the sum of the reference rate and any specified margin subject to a specified maximum rate. Consequently investors in these Securities will not benefit from any increase in the relevant reference rate if, when added to the specified margin, such resulting rate is equal to or greater than the maximum specified rate.

The market value of Capped Floating Rate Notes would typically decrease if market interest rates increase, especially the closer the sum of the relevant reference rate and any margin is to the maximum specified rate or if such sum exceeds the maximum specified rate. The yield of Securities with a capped variable rate may be considerably lower than a yield of similar Securities without a cap.

Zero Coupon Notes

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par and these Notes do not pay any periodic interest during their term. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and a comparable credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

Notes issued at a substantial discount or premium

The market values of Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

- **Structured Notes**

- **General**

An investment in the Notes issued under this Base Prospectus entails significant additional risks which do not occur in connection with conventional fixed or floating rate interest notes. Risks connected with an investment in these Securities include risks in relation to the Underlying(s) as well as risks solely associated with the structure of the Notes themselves

Such risks include, without limitation:

(i) that the payments and/or deliveries to be made under the Terms and Conditions of the Notes depend on the performance of one or more Underlying(s).). In the case that interest payments or other periodical payments are linked to one or more Underlyings, these payments may be less than interest rates applied on conventional fixed or floating rate interest notes issued at the same time. In the case that the Redemption Amount is linked to one or more Underlyings the Redemption Amount may be lower than the original purchase price of the Note or no payment may take place at all.

A link to the performance of one or more Underlying(s) also has an effect on the value of the Notes. In that context, the value of the Notes will normally fall if the price of the Underlying goes down (without taking into account special characteristics of the Notes and without taking into account exchange rate changes in those cases where the Notes are issued in Euro, the Underlying is expressed in a currency other than Euro and the Redemption Amount is thus converted from a currency other than Euro).

(ii) that, pursuant to the Terms and Conditions of the Notes, payments can occur at times other than those expected by the investor (e.g. in the case of early redemption in the event of an Extraordinary Event as described in the Terms and Conditions);

(iii) that the consequences listed in (i) (reduction and/or non-occurrence of repayment) will occur for the particular reason that insolvency proceedings have been instituted with regard to the assets of the issuer of the Underlying or proceedings comparable to insolvency proceedings under German law are instituted or the Issuer ceases its payments or announces that it is unable to pay its debts when due or if similar events occur in relation to the issuer of the Underlying;

(iv) that various fees are levied by the Issuer, an affiliate of the Issuer or a third party, which reduce the payments under the Notes. For instance, management fees might be levied with regard to the composition and calculation of an index, basket, fund or other Underlying, or performance or other fees might be incurred in connection with the performance of an Underlying and/or components of such Underlying;

(v) that the risks of investing in the Notes encompass both risks relating to the Underlying and risks that are unique to the Notes as such;

(vi) that investors may be unable to hedge their exposure to the various risks relating to the Notes;

(vii) that the Underlying to which the Notes relate ceases to exist during the term of the Notes or might be replaced by another Underlying (this not only applies to actively managed Underlyings, but also to Underlyings that are effectively static), and that the investor, depending on the characteristics of the Note and the Underlying, might not always know the future underlying or its composition when purchasing the Note; and

(viii) that the value of Notes on a possible secondary market is subject to greater fluctuations and thus greater risks than the value of other securities as it is dependent on one or several Underlyings. The performance of an Underlying is in turn subject to a series of factors beyond the Issuer's control. Such factors are influenced to a significant degree by the risks on the share, debt and foreign exchange markets, the interest rate development, the volatility of the relevant Underlyings as well as economic, political and regulatory risks, and/or a combination of the aforesaid risks.

The secondary market, if any, for Notes will be affected by a number of additional factors, irrespective of the creditworthiness of the Issuer and the value of the respective Underlying(s). These include, without limitation, the volatility of the relevant Underlying, as well as the remaining term and the outstanding volume of the respective Note.

- Extraordinary termination, early redemption and adjustment rights

In accordance with the Terms and Conditions, the Issuer will in some cases be entitled to perform adjustments with regard to the aforesaid Terms and Conditions or to terminate or call for early redemption of the Notes if certain conditions are met. These conditions are described in the relevant Terms and Conditions.

Any adjustment of the Terms and Conditions may have a negative effect on the value of the Notes as well as the Redemption Amount to be claimed by the investor.

The Redemption Amount of the Notes in the event of their termination may be lower than the amount the holders of the Notes would have received without such termination. In addition, unwind costs in connection with an early redemption may be deducted when determining the termination amount to be paid in the event of a termination in accordance with the Terms and Conditions. Such unwind costs may comprise all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the early redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position.

Furthermore, investors bear the risk that they may invest the amounts received upon termination only at a rate of return which is lower than that of the terminated Notes.

- **Early Redemption of the Notes upon Termination by the Issuer, Automatic Early Redemption**

The Terms and Conditions of securities may provide for early redemption rights of the Issuer or automatic early redemption. Any such early redemption provisions may affect the market value of the Notes. Before or during any period during which the Issuer may decide to redeem the Notes, or in which an event triggering automatic early redemption may occur, the market value of the relevant Notes will normally not rise to a level that is significantly above the Redemption Amount. An early redemption of the Notes may result in the expected yield in connection with the investment in the Notes not being reached. In addition, the Redemption Amount may be lower than the purchase price paid by the holder of the Note or may even be zero, so that some or all of the invested capital may be lost.

In that case as well, the holders of the Notes may be able to invest the amounts received by them in the case of early redemption only in return for a yield that is below the (expected) yield of the Notes that were redeemed early.

- **Maximum Amount**

In the case of Notes where, pursuant to the relevant Terms and Conditions, the payment to be made in connection with the Note is limited to a maximum amount (whether in relation to the Redemption Amount, Interest Amount or any other amount), the investor will not participate in any further performance of the Underlying that might be positive for the investor. While, on the one hand, the investor's yield is capped by way of the maximum amount, the investor may, on the other hand, bear the full loss risk in the event of an adverse performance of the Underlying.

- **Market disruption and postponement of payments**

In the case of Notes, the Issuer may be entitled to determine market disruptions or other events that might result in a postponement of a calculation and/or of any payments and that might affect the value of the Notes.

In addition, in certain cases stipulated in the Terms and Conditions, the Issuer (especially if a market disruption lasts several days) may estimate certain prices that are relevant with regard to payments or the reaching of barriers (leading to the Notes being worthless). These estimates may deviate from their actual value.

- **Notes that are denominated in foreign currencies**

If the relevant Note, the Underlying or a component of the Underlying is denominated in a currency other than the currency of issue (foreign currency) or if payment is made in a foreign currency, the investor will be exposed to exchange rate risks that may have an adverse effect on the Notes' yield. Exchange rate fluctuations have various causes, such as macroeconomic factors, speculative transactions and interventions by central banks and governments.

A change in the exchange rate of a currency in relation to the EUR, for instance, will result in a corresponding change in the Euro value of Notes that are not denominated in EUR, as well as in a corresponding change in the Euro value of payments that, pursuant to the Terms and Conditions of the relevant Notes, are not made in EUR. The same applies where the Redemption Amount of a Note must be converted into EUR because it is determined on the basis of an Underlying that is not expressed in EUR (e.g. where the Redemption Amount is calculated based on the difference, converted into EUR, between an Underlying expressed in USD and the market price of a share denominated in USD).

If the value of a currency, in which the Redemption Amount of a Note is payable or in which the Underlying of a Note is expressed, falls in relation to the EUR and the value of the EUR increases

accordingly, the Euro value of the relevant Note and/or the value of the payments in connection with the Note converted into EUR will fall.

- Reverse Structures

In the case of Notes with a reverse structure, investors will participate positively in a negative performance of the Underlying and vice versa. In other words, the following normally applies: The lower the relevant value of the Underlying is on the relevant Valuation Day, the higher the Redemption Amount will be (subject to a cap). However, he higher the value of the Underlying, the lower the Redemption Amount will be. In the case of a participation rate of 100% in the price performance of the Underlying, this means that, in the event of an increase in the price of the Underlying by 100% or more, no amount will be payable and investors will suffer a total loss. If the Notes are equipped with a reverse element with a participation rate other than 100%, this means that an increase in the price of the Underlying will have a disproportionately unfavourable effect on the investor. In addition, the possible yields on Notes with a reverse element are generally limited because the negative performance of the Underlying cannot be more than 100%.

- Leverage effect

Risk of disproportionately high price losses

The prices of the Notes in the secondary market may be subject to significant fluctuations if the value of the Notes reacts disproportionately strongly to the performance of the Underlying.

This will, for instance, be the case if the formula that is used for determining the Redemption Amount, a bonus amount or any other additional amount and/or the interest payable or the delivery obligations in connection with a Note includes a participation factor that is greater than 1. In that case, a change in the price of the Underlying will reinforce the effect on the price of the Note, i.e. a favourable change in the price of the Underlying will have a disproportionately favourable effect on the investor and an unfavourable change in the price of the Underlying will have a disproportionately unfavourable effect on the investor. This is referred to as a **leverage effect**. The risk of disproportionately high price losses also occurs if the price of the Underlying (particularly shortly before the Note's maturity) nears thresholds that are significant with regard to the amount of the Redemption Amount, as even the smallest fluctuations in the price of the Underlying can result in major changes in the price of the Note.

Risk of disproportionately low price gains

On the other hand, the prices of the Notes in the secondary market may be subject to especially low fluctuations if the value of the Notes reacts disproportionately weakly to the performance of the Underlying.

This will, for instance, be the case if the formula that is used for determining the Redemption Amount, a bonus amount or any other additional amount and/or the interest payable or the delivery obligations in connection with a Note includes a participation factor that is **lower** than 1, since this means that the investor will only participate on a pro rata basis in a performance that is favourable for the investor. In that case, the yield resulting from the purchase of the Note may be lower than that resulting from a direct investment in the Underlying.

In addition, a risk of disproportionately low price gains is particularly associated with Notes that provide for a maximum amount. If, for instance, the price of the Underlying is significantly above the threshold (cap) that entitles the holder to receive the maximum amount and it is no longer to be expected that the price will once again fall below the cap before the valuation date of the Note, the price of the Note will change only insignificantly or not at all, even if the price of the Underlying is subject to major fluctuations.

- Risks in relation to physical settlement

The Terms and Conditions may provide that the Notes relating to an Underlying, depending on the performance on the Underlying or based on other conditions, may not have to be redeemed by way of a cash payment but by delivery of the Underlying (e.g. shares), one of the Underlyings, a component

of an Underlying or other securities (the "**Object of Physical Settlement**"). The number of units of the Object of Physical Settlement to be delivered is determined in accordance with the Terms and Conditions of the Notes. Accordingly, in the event that the Notes are redeemed by way of physical settlement, the investor will not receive a cash payment, but instead units of the Object of Physical Settlement.

The Terms and Conditions may provide that the Issuer is not entitled to a delivery of securities other than those on whose price redemption is based. This means that, although the Underlying is relevant for the redemption type and amount, redemption may take place by way of delivery of a different security.

This means that investors should obtain information regarding the Objects of Physical Settlement (where applicable) prior to purchasing any Notes and that they should not assume that they will be able to sell the Objects of Physical Settlement for a specific price. The value of an Object of Physical Settlement at the time of its delivery may be significantly lower than at the time of the purchase of the Notes (or than the price paid for the purchase of the Notes) or at the time at which it is decided whether settlement is to take place by way of physical delivery or cash payment (valuation day). In the event of physical settlement, investors will be exposed to the risks that are associated with the relevant Object of Physical Settlement, such as a loss risk, and may even suffer a total loss.

- No claim against the issuer of an Underlying

Notes do not give rise to any payment or other claims towards the issuers of the Underlyings to which those Notes relate. If the payments by the Issuer are less than the purchase price paid by the holder of the Notes, such holder will not have recourse to the issuer of the Underlying.

III. Risk factors relating to the Underlying

The value of a Note's Underlying depends upon a number of factors that may be interconnected. These may include economic, financial and political events beyond the Issuer's control.

The past performance of an Underlying should not be regarded as an indicator of its future performance during the term of the Notes.

a) Particular risks of Notes with shares as Underlying

Notes relating to shares are associated with particular risks beyond the Issuer's control, such as the risk that the respective company will be rendered insolvent, the risk that the share price will fluctuate or risks that occur in relation to dividend payments by the company. The performance of the shares depends to a very significant extent on developments on the capital markets, which in turn depend on the general global economic situation and more specific economic and political conditions. Shares in companies with low to medium market capitalisation may be subject to even higher risks (e.g. relating to their volatility or insolvency) than is the case for shares in larger companies. Moreover, shares in companies with low capitalisation may be extremely illiquid as a result of low trading volumes.

Shares in companies which have their statutory seat or significant business operations in countries with limited certainty of law are subject to additional risks such as, for instance, government interventions or nationalisation which may lead to a total or partial loss of the invested capital or of access to the capital invested in that country. This may result in a total or partial loss in relation to the value of the share. The realisation of such risks may also result in a total or partial loss of the invested capital for holders of Notes that are linked to such shares.

Holders of Notes that are linked to shares, unlike investors which directly invest in the shares, do not receive dividends or other distributions payable to the holders of the underlying shares.

If the Underlying consists of securities in lieu of shares (e.g. American Depositary Receipts ("**ADRs**") or Global Depositary Receipts ("**GDRs**"), together "**Depositary Receipts**"), additional risks might occur. ADRs are securities issued in the United States of America that take the form of participation Notes in relation to a portfolio of shares held in the home country of the issuer of the underlying shares

outside the United States. GDRs are also securities that take the form of participation Notes in relation to a portfolio of shares held in the home country of the issuer of the underlying shares. They normally differ from the participation Notes referred to as ADRs in that they are publicly offered and/or issued outside the United States of America. Each Depositary Receipt represents one or more shares or a fraction of a security in a foreign corporation. In the case of both types of Depositary Receipt, the legal owner of the underlying share is the depositary bank, which also acts as the issuing agent of the Depositary Receipts.

Depending on the jurisdiction in which the Depositary Receipts were issued and the laws by which the depositary contract is governed, it cannot be ruled out that the holder of the Depositary Receipts may not be recognised as the actual beneficial owner of the underlying shares in the relevant jurisdiction. Particularly in the case that the depositary bank becomes insolvent and/or debt enforcement proceedings are initiated with regard to it, the relevant underlying shares may be subjected to disposal restrictions and/or utilised commercially in the context of debt enforcement measure undertaken against the depositary bank. In that case, the relevant holder will forfeit the rights in the Underlying shares represented by the relevant Depositary Receipt. This means that the Depositary Receipt as underlying will be rendered worthless, so that the securities relating to that Depositary Receipt (except in the case of reverse structures) will also be rendered worthless. In such a scenario, the investor faces a risk of total loss subject to a possible unconditional minimum repayment amount or other (partial) capital protection.

It must also be taken into account that the depositary bank may stop offering Depositary Receipts at any time and that, in that case or if the depositary bank becomes insolvent, the issuer of these Notes will, subject to more detailed provisions set out in the Terms and Conditions of the Notes, be entitled to adjust the Terms and Conditions and/or terminate the Notes.

b) Particular risks of Notes with indices as Underlying

Notes that are linked to one or several indices involve, in particular, the following risks:

Dependency on the value of the index components

The value of an index is calculated on the basis of the value of its components. Changes in the prices of index components, the composition of an index as well as factors that (may) influence the value of the index components also influence the value of the Notes that relate to the relevant index and can thus influence the yield from an investment in the relevant Notes. Fluctuations in the value of one index component may be compensated or aggravated by fluctuations in the value of other index components. The past performance of an index does not represent any guarantee of its future performance. Under certain circumstances, an index used as an Underlying may (i) not be available for the full term of the Notes, (ii) be substituted or (iii) continue to be calculated by the Issuer itself. In these or other cases mentioned in the Terms and Conditions, Notes may also be terminated by the Issuer.

An index may reflect the performance of assets of some countries or some industries only. In that case, investors are exposed to a concentration risk. In the event of an unfavourable economic development in a country or in relation to a particular industry, investors may be adversely affected. If several countries or industries are represented in an index, it is possible that the industries contained in the relevant index are weighted unevenly. This means that, in the event of an unfavourable development in one country or industry with a high index weighting, the value of the index may be affected disproportionately by this adverse development.

Investors should note that the selection of an index is not based on the expectations or estimates of the Issuer in respect of the future performance of the selected index. Investors should therefore make their own estimates in respect of the future performance of an index on the basis of their own knowledge and sources of information.

Price index – dividends are not taken into account

The index referred to in the relevant Terms and Conditions of the Notes may be a price index. Unlike in the case of performance indices, dividend distributions in relation to the shares contained in price

indices will result in a reduction of the index level. This means that investors will not participate in dividends or other distributions in relation to shares contained in price indices.

No influence of the Issuer

As a general rule, the Issuer has no influence on the composition and performance of an index underlying a Note or the performance of the relevant index components, unless the Issuer and the index sponsor are identical.

No liability of the index sponsor

If the Notes relate to an index that is not calculated by the Issuer, the issue, marketing and distribution of the Notes will normally not be supported by the relevant index sponsor. In that regard, the relevant index is composed and calculated by the respective index sponsor without taking into account the interests of the Issuer or the holders of the Notes. In that case, the index sponsors do not assume any obligation or liability in respect of the issue, sale and/or trading of the Notes.

No recognised financial indices, no independent third party

The Notes may relate to one or more indices which are not recognised financial indexes but indices that have been specially created for the issuance of the relevant Note. The index sponsors of such indices might not be independent from the Issuer and may thus favour the interests of the Issuer over the interests of the holders of the Notes.

Currency risks

The prices of the index components may be expressed in a currency (e.g. USD) that is different from the currency in which the Notes were issued (e.g. EUR). In that case, the Redemption Amount of the Notes, during their term, may not only depend on the performance of the Underlying, but also on the development of the exchange rates of one or more foreign currencies against the currency of issue.

Index fees

Certain fees, costs, commissions or other composition and calculation charges may be deducted when calculating the value of an index. As a result, the performance of the individual index components is not acknowledged in full when calculating the performance of the respective index, but instead the performance is reduced by the amount of such fees, costs, commissions and other charges, which may to some extent erode any positive performance displayed by the individual components. It should also be noted that such costs may well also be incurred if the index returns negative performance, which will reinforce the negative performance even further.

Index composition publication

The composition of the indices may have to be published on a website or in other media mentioned in the terms and conditions. The publication of the updated composition of the respective index on the website of the relevant index sponsor might, however, be delayed considerably, sometimes even by several months. In those cases, the published composition may not always correspond to the actual composition of the relevant index.

c) Particular risks in relation to Notes with commodities (e.g. precious metals) as Underlying

Commodities are normally divided into three categories: minerals (e.g. oil, gas or aluminium), agricultural products (e.g. wheat or maize) and precious metals (e.g. gold or silver). Most commodities are traded on specialised exchanges or in interbank trading in the form of over-the-counter (OTC) transactions.

Holders of Notes linked to the price of commodities are exposed to significant price risks as prices of commodities are subject to great fluctuations. The prices of commodities are influenced by a number of factors, including, inter alia, the following factors:

Cartels and regulatory changes

A number of producers or producing countries of commodities have formed organisations or cartels to regulate supply and therefore influence prices. However, the trading in commodities is also subject to regulations imposed by supervisory authorities or market rules whose application may also affect the development of the prices of the relevant commodities.

Cyclical supply and demand behaviour

Agricultural commodities are produced at a particular time of year but are in demand throughout the year. In contrast, energy is produced without interruption, even though it is mainly required during cold or very hot times of the year. This cyclical supply and demand pattern may lead to strong price fluctuations.

Direct investment costs

Direct investments in commodities are associated with costs for storage, insurance and taxes. In addition, no interest or dividends are paid on commodities. The overall yield of an investment is influenced by these factors.

Inflation and deflation

The general development of prices may have a strong effect on the price development of commodities.

Liquidity

Many markets of commodities are not very liquid and may therefore not be able to react rapidly and sufficiently to changes in supply and demand. In case of low liquidity, speculative investments by individual market participants may lead to price distortions.

Political risks

Commodities are frequently produced in emerging markets and subject to demand from industrialised countries. The political and economic situation of emerging markets, however, is often a lot less stable than that of industrialised countries. Emerging markets are exposed to a greater risk of rapid political changes and adverse economic developments. Political crises can damage investors' confidence, which can in turn influence commodity prices. Wars or conflicts may change the supply and demand in relation to certain commodities. It is also possible that industrialised countries impose embargoes regarding the export and import of goods and services. This may have a direct or indirect effect on the price of the commodities that serve as the Notes' Underlying.

Weather and natural disasters

Unfavourable weather conditions and natural disasters may have a long-term negative effect on the supply of specific commodities for an entire year. A crisis of supply of this sort may lead to strong and incalculable price fluctuations.

d) Particular risks in relation to Notes with futures contracts as Underlying

Futures contracts are standardised forward transactions relating to financial instruments such as shares, indices, interest rates or foreign currencies (so-called financial futures) or commodities such as precious metals, wheat or sugar (so-called commodities futures).

A futures contract represents the contractual obligation to purchase or sell a certain quantity of the relevant contractual object at a certain date and price. Futures contracts are traded on futures and options exchanges and are standardised for that purpose with regard to size of contract, type and quality of the contractual object and potential delivery places and dates.

As a rule, there is a close correlation between the price performance of an asset that underlies a futures contract and is traded on a spot market and the corresponding futures market. However, futures contracts are generally traded at a premium or discount in relation to the spot price of the underlying asset. This difference between the spot and futures price, which is referred to as "basis" in futures and options exchange jargon, on the one hand results from the inclusion of the costs that are normally incurred in spot transactions (storage, delivery, insurance, etc.) and/or the revenues that are normally associated with spot transactions (interest, dividends, etc.), and on the other hand from the differing valuation of general market factors in the spot and the futures market. In addition, depending on the value, there can be a significant gap in terms of the liquidity in the spot and the corresponding futures market.

As the Notes relate to the futures contracts specified in the Terms and Conditions, investors, in addition to knowing the market for the relevant asset that underlies the relevant futures contract, must have know-how as to the workings and valuation factors of forward/futures transactions in order to be able to correctly assess the risks associated with an investment in those Notes.

As futures contracts expire on a certain date, the Terms and Conditions may provide that the Issuer (particularly in the case of Notes with a longer term), at a time stipulated in the Terms and Conditions, replaces the futures contract provided for as the Underlying in the Terms and Conditions by another futures contract that has a later expiry date than the initial underlying futures contract, but is otherwise subject to the same contractual specifications (so-called "**Roll-Over**"). The costs associated with such a Roll-Over will be taken into account in accordance with the Terms and Conditions in connection with the adjustment of the Strikes of the Notes in conjunction with the Roll-Over and may have a significant effect on the value of the Notes. The Terms and Conditions may provide for additional cases in which the Issuer may replace the initial futures contract and/or change parameters of the Terms and Conditions and/or terminate the Notes.

e) Particular risks in relation to Notes with exchange rates/currencies as Underlying

Exchange rates indicate the value ratio of a certain currency against another currency, i.e. the number of units in one currency that may be exchanged for one unit in the other.

Exchange rates are derived from the supply and demand in relation to currencies in the international foreign exchange markets. On the one hand, they are influenced by various economic factors, such as the rate of inflation in the relevant country, interest differences abroad, the assessment of the relevant economic development, the global political situation, the convertibility of one currency into another and the security of a financial investment in the relevant currency. On the other hand, they are influenced by measures undertaken by governments and central banks (e.g. foreign exchange controls and restrictions). In addition to these foreseeable factors, however, other factors might also be relevant that are difficult to estimate, such as factors of a psychological natures (such as crises of confidence in the political leadership of a country or other speculation). In some cases, such psychological factors may have a significant effect on the value of the relevant currency.

f) Particular risks of Notes with bonds as Underlying

Holders of Notes linked to bonds, in addition to the insolvency risk of Commerzbank AG as the Issuer of the Notes, are also exposed to the insolvency risk of the issuers of such underlying bond(s). If the issuer of a bond that underlies a Note does not punctually perform its obligations under the relevant bond or becomes insolvent, this will cause the value of the bond to fall (possibly to zero) and can in turn lead to significant price losses in the secondary market for the Notes and, possibly, a total loss of the invested capital of the holder of the Notes.

Additional risks (e.g. in relation to the Underlying(s), payment profiles and structures) may be set out in the relevant Final Terms.

SUMMARY OF INFORMATION AND SUMMARY OF RISK FACTORS RELATING TO COMMERZBANK AKTIENGESELLSCHAFT

Summary of Information relating to Commerzbank Aktiengesellschaft

Commerzbank Aktiengesellschaft is a stock corporation under German law. The Bank's registered office is located in Frankfurt am Main and its head office is at Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany (telephone: +49 (0)69 136-20). The Bank is registered in the commercial register of the lower regional court (*Amtsgericht*) of Frankfurt am Main under the number HRB 32 000. The financial year of the Bank is the calendar year.

Commerzbank is a universal bank. The focus of its activities is on the provision of a wide range of services to private and of products to private, medium-sized and institutional customers in Germany. This is for example the account management and payment transactions, loan, savings and money investment forms, securities services, capital markets and investment banking products and services and export finance. Through its subsidiaries and affiliates, the Group is also active in specialized areas such as ship financing and leasing. Furthermore, as part of its bankassurance strategy, the Group offers financial services in cooperation with partners, notable home loan, asset management and insurance business. Besides Germany, the Bank is active, *inter alia*, through its subsidiaries, branches and investments in Poland, Ukraine, Russia and Central and Eastern Europe.

The Commerzbank Group divides its business into the following segments:

- *Private Customers.* This segment comprises four business areas: The business area Private and Business Customers contains the classic branch banking business, with a broad range of standardized banking and financial services tailored to the needs of this customer group. The business area Wealth Management comprises services for high net worth private clients as well as the support of wealthy customers in Germany and abroad. The business area Direct Banking includes the activities of comdirect bank, a direct bank that provides its services online, the European Bank for Fund Services, one of the big service platforms in Germany, as well as the Commerz Direkt Service GmbH, which provides call-center services to the Private Customers segment. Credit is the central business area responsible for lending operations with the above-mentioned customer groups.

- *Mittelstandsbank*. This segment comprises the business areas Corporate Banking and Financial Institutions. The business area Corporate Banking contains the Group's activities with Mittelstand customers (so long as they are not assigned to the segments Central and Eastern Europe or Corporates & Markets), the public sector and institutional customers. It also includes the Center of Competence Renewable Energies, which deals with the financing of facilities for the production of renewable energies. Domestic and foreign branches (in Western Europe and Asia) offer to these customers comprehensive services and products in the areas of payment transactions, financing, solutions, interest rate and currency management, investment advisory and investment banking. The Financial Institutions Division is responsible for relationships with domestic and foreign banks and financial institutions as well as central banks. One focus is on advising on and the settlement of foreign trade activities of the customer.

- *Central and Eastern Europe*. This segment includes the activities of the Group's operating units and investments in Central and Eastern Europe (especially BRE Bank SA and Public Joint Stock Commercial Bank "Forum"). Business activities are focused on serving private and corporate customer banking as well as investment banking. Customers are private individuals and local companies in Central and Eastern Europe as well as companies operating in this geographical area.

- *Corporates & Markets*. This segment comprises the Group's investment banking activities and the management of capital-market-oriented customers. It consists of the Group Divisions Equity Markets & Commodities (trade in equities, equity derivatives and commodity products), Fixed Income & Currencies (trading and distribution of interest rate and currency instruments and the corresponding derivatives), Corporate Finance (financing and advisory services for debt and equity instruments and the central credit portfolio management of the segment and advice on mergers and acquisitions) and Client Relationship Management as well as Research.

- *Assed Based Finance*. The product portfolio of this segment ranges from traditional fixed-rate loans and structured finance to capital market products as well as open and closed-end real estate funds and real estate and equipment leasing. The segment's focus is on commercial real estate loans secured by the underlying properties. The segment is divided on the one hand into the operating divisions mainly operated by the Commerzbank subsidiary Eurohypo Aktiengesellschaft ("Eurohypo") which are Commercial Real Estate Germany, Commercial Real Estate International and Public Finance (Public Finance) and the Retail Banking (Private Banking) of Eurohypo. On the other hand this segment comprises the Asset Management and Leasing area, which reflects mainly the activities of the Commerzbank subsidiary Commerz Real AG. In addition, the segment comprises the ship financing business.

- *Portfolio Restructuring Unit.* The Portfolio Restructuring Unit segment is responsible for managing down assets related to discontinued proprietary trading and investment activities which no longer fit into Commerzbank's client-centric strategy.

- *Others and Consolidation*. This segment contains the income and expenses which are not attributable to the operational business segments. The segment comprises Group Controlling, Group Treasury, which is responsible for the liquidity management, interest rate management and capital management as well as Group Services, which provides for services used by all of the Group's segments. The reporting for this segment includes equity participations which are not assigned to the operation segments as well as other international asset management activities.

On January 12, 2009 Commerzbank has acquired all outstanding shares of Dresdner Bank by way of contribution in kind. The subsequent merger of Dresdner Bank to Commerzbank was registered in the commercial register of the lower regional court (*Amtsgericht*) of Frankfurt am Main on May 11, 2009.

In response to the financial market crisis Commerzbank and the Sonderfonds für Finanzmarktstabilisierung ("SoFFin") signed an agreement on December 19, 2008 (amended on June 3, 2009 and restated on June 22, 2010) on the establishment of a silent partnership and on June 3, 2009 a further agreement (restated on June 22, 2010) on the establishment of a further silent partnership. On the basis of such agreements SoFFin contributed a silent participation of EUR 8.2 bn and on June 4, 2009 a further silent participation of EUR 8.2 bn to Commerzbank. Furthermore, SoFFin received 295,338,233 no-par-value shares in Commerzbank at an issue price of EUR 6.00 from the capital increase against cash contribution resolved upon by the Annual General Meeting held on May 16, 2009. As a result of this capital increase, the SoFFin holds a stake of 25.0% plus one share in Commerzbank at the date of this Prospectus. In addition, SoFFin as guarantor and Commerzbank as guarantee signed an agreement on December 30, 2008 regarding the provision of guarantees up to EUR 15 bn for certain bearer bonds. A guarantee volume thereof of EUR 10 bn was returned unused.

On May 7, 2009, the European Commission declared that the stabilization measures granted to Commerzbank were in principle compatible with state aid provisions of the EC Treaty. However, for competition law reasons the Commission imposed a number of conditions on Commerzbank, to which Commerzbank has agreed to comply with in contract with SoFFin.

The Board of Managing Directors currently consists of ten members: Martin Blessing (chairman), Frank Annuscheit, Markus Beumer, Dr. Achim Kassow, Jochen Klösges, Michael Reuther, Dr. Stefan Schmittmann, Ulrich Sieber, Dr. Eric Strutz und Martin Zielke.

The Supervisory Board consists of twenty members. The members of the Supervisroy Board currently are: Klaus-Peter Müller (chairman), Uwe Tschäge (deputy chairman), Hans-Hermann Altenschmidt, Dott. Sergio Balbinot, Dr.-Ing. Burckhard Bergmann, Dr. Nikolaus von Bomhard, Karin van Brummelen, Astrid Evers, Uwe Foullong, Daniel Hampel, Dr.-Ing. Otto Happel, Sonja Kasischke, Prof. Dr.-Ing. Dr.-Ing. E.h. Hans-Peter Keitel, Alexandra Krieger, Dr. h.c. Edgar Meister, Prof. h.c. (CHN) Dr. rer. oec. Ulrich Middelmann, Dr. Helmut Perlet, Barbara Priester, Mark Roach and Dr. Marcus Schenck.

The auditors of Commerzbank Aktiengesellschaft are PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft.

Summary of Risk Factors relating to Commerzbank Aktiengesellschaft

The issuer is subject to the following market- and sector-specific as well as company-specific risks, which - if they materialised - could have a considerable impact on the Issuer's net assets, financial position and earnings performance, and consequently on the Issuer's ability to meet its commitments arising from the Notes:

- There is a risk that the Group may not be able to implement its strategic plans, that it may not be able to implement them in full or that it will only be able to implement them at costs that are higher than planned.

- The markets in which the Group operates, especially the German market and within that market the Retail and Investment Banking segments, are characterized by intense competition in terms of prices and conditions, which puts substantial pressure on margins.

- The Group continuoulsy needs liquidity to refinance its business activities and is exposed to the risk of being unable to obtain funding on acceptable terms and to meet its current and future payment obligations or of being unable to fulfill such obligations on time and to meet regulatory capital requirements.

- The requirements and conditions of the government stabilization measures which were granted to Commerzbank could negatively affect the Group's profitability and Commerzbank could not be able to repay the silent participations of the Sonderfonds Finanzmarktstabilisierung ("SoFFin").

- A downgrade in the rating of Commerzbank, its subsidiaries or the entire Group may make refinancing more difficult and/or more expensive and entitle contracting partners to terminate derivative transactions or to require additional collateral.

- There is a risk that the Group will be called upon to indemnify the German deposit protection fund against losses the fund incurs in providing assistance to a Commerzbank subsidiary.

- The synergetic effects arising from the integration of the former Dresdner Bank Aktiengesellschaft ("Dresdner Bank") into the Group may turn out to be smaller than expected or be realized later than anticipated. In addition, the continuous integration is subject to significant costs and investments which could exceed the planned budgets.

- It is possible that the goodwill and brand names reported in the consolidated balance sheet will have to be written down, in full or in part, as a result of impairment tests.

- The sales partnership between Allianz SE (“Allianz”) and the Group in respect of asset management and insurance products may not generate the benefits envisaged.

- There is a risk that the customers of Dresdner Bank migrated in the course of the acquisition may not remain customers of the Group in the long term.

- The Group is subject to counterparty risks (credit risks), also in respect of large individual exposures as well as in engagements that are concentrated in specific sectors, so-called bulk risk.

- The real estate financing business and the business activity of the Group in ship financing are subject to special risks with regard to the volatility of the real estate and ship prices, counterparty risks (credit risks) influenced therefrom as well as considerable changes in value of the real estate and ship collateral provided.

- It is possible that the Group will have to make further write-downs in future especially on structured financial instruments with and without US-subprime exposure on account of volatile and illiquid market conditions and suffers further losses in connection with the reduction of such portfolios.

- The markets for certain structured financial instruments in the Group's securities portfolio are exhibiting low levels of liquidity.

- Contracts with bond and credit insurers, especially monoline insurers, are subject to significant default risk due to the threat of insolvency faced by these insurance companies.

- The Group is subject to market price risks with regard to the valuation of shares and fund units.
- The Group is subject to market price risks in form of interest rate risks.

- The Group is subject to market price risks in form of credit spread risks.

- Currency risks could negatively affect the Group's business, results of operations and financial condition.

- The Group is subject to market price risks in form of commodity price risks.

- The Group is subject to market price risks in form of volatility and correlation risks.

- The Group's strategies for hedging against market risks may prove to be ineffective.

- The Group is subject to special risks in relation to its equity investments in listed and unlisted companies regarding the impairment of such investments and their management.

- The Group is exposed to risks on account of direct and indirect pension obligations.

- The Group is exposed to a wide range of operational risks including the risk of breaches of compliance-related provisions in connection with the exercise of its business activity, such as provisions for limitation of money laundering. It cannot be ruled out that circumstances or trends may arise that were not anticipated, or were anticipated only to an inadequate extent, when the operational risk models were designed.

- The Group is highly dependent on complex information technology ("IT") systems whose functionality may be impacted by internal and external circumstances

- The growing significance of electronic trading platforms and new technologies may negatively affect the Group's business activities.

- It is not certain whether the Group will continue to succeed in attracting and retaining qualified staff in future.

- The bank regulatory framework in the various jurisdictions in which the Group operates may change at any time, and non-compliance with regulatory provisions can result in the imposition of penalties and other disadvantages, up to the loss of administrative licenses.

- Commerzbank and its subsidiaries are subject to damages, warranty and rescission actions.

- The measures the Group has taken for data protection purposes and to ensure data confidentiality could prove to be inadequate and could lead to reputational and other damages.

- The Group is subject to risks in respect of tax audits; changes to tax legislation or judicial rulings on tax matters could have a detrimental impact on the Group's business activities, its business, results of operations and financial condition.

- It cannot be ruled out that the Group will be unable to adequately or timely satisfy the conditions imposed by the European Commission in respect of the government stabilization measures that have been granted, to the compliance of which it has committed itself vis-à-vis SoFFin, or that the Group will suffer commercial disadvantages in connection with satisfying the conditions.

- The legal relationships between the Group and its customers are based on standardized contracts and forms designed for a large number of business transactions; individual application problems or errors in this documentation may therefore affect a large number of customer relationships.

- The Group is subject to various reputational risks.

RISK FACTORS

The purchase of Notes issued under this Base Prospectus is associated with certain risks. In respect of Notes that, in view of their specific structure, require a special description of the relevant risk factors, a supplementary description of the special risk factors associated with the relevant Notes in addition to the list set out below will be included in a separate document (the "**Final Terms**") where required. The information set forth hereinafter and in the Final Terms merely describes the major risks that are associated with an investment in the Notes in the Issuer's opinion. In this regard, however, **the Issuer expressly points out that the description of the risks associated with an investment in the Notes is not exhaustive**.

In addition, the order in which such risks are presented does not indicate the extent of their potential commercial effects in the event that they are realised, or the likelihood of their realisation. The realisation of one or more of said risks may adversely affect the assets, finances and profits of Commerzbank Aktiengesellschaft or the value of the Notes themselves.

Moreover, additional risks that are not known at the date of preparation of this Base Prospectus and the relevant Final Terms or currently believed to be immaterial could likewise have an adverse effect on the value of the Notes.

The occurrence of one or more of the risks disclosed in this Base Prospectus, any supplement and/or the relevant Final Terms or any additional risks may lead to a material and sustained loss and, depending on the structure of the Note, even result in the **total loss** of the investor's capital.

Investors should purchase the Notes only if they are able to bear the risk of losing the capital invested, including any transaction costs incurred.

Potential investors in the Notes must in each case determine the suitability of the relevant investment in light of their own personal and financial situation. In particular, potential investors should in each case:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and/or the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all the information contained in the relevant Final Terms;

- have sufficient financial resources and liquidity to bear all of the risks associated with an investment in the Notes;

- understand thoroughly the Terms and Conditions pertaining to the Notes and be familiar with the behaviour of any relevant Underlying and the financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect the value of their investment and be able to bear the associated risks.

These risk warnings do not substitute advice by the investor's bank or by the investor's legal, business or tax advisers, which should in any event be obtained by the investor in order to be able to assess the consequences of an investment in the Notes. Investment decisions should not be made solely on the basis of the risk warnings set out in this Base Prospectus, any supplement and/or the relevant Final Terms since such information cannot serve as a substitute for individual advice and information which is tailored to the requirements, objectives, experience, knowledge and circumstances of the investor concerned.

RISK FACTORS RELATING TO THE NOTES

The Notes issued under this Base Prospectus are subject to - potentially major - price fluctuations and may involve the risk of a **complete or partial loss** of the invested capital (including any costs incurred in connection with the purchase of the Notes). Since, in the case of Notes, interest or the Redemption Amount is linked to an Underlying (e.g. a share, index, commodity (e.g. a precious metal), futures contract, bond, currency exchange rate, an interest rate, a fund or any other underlying, a basket or an index that is composed of any of the aforementioned values, commodities, rates or other underlyings, (e.g. alternative risks, real estates, life insurances, inflation, volatility), or to one or more formulae ("Structured Securities")), Notes are investments that might not be suitable for all investors.

The Notes may have complex structures, which the investor might not fully understand. The investor might therefore underestimate the actual risk that is associated with a purchase of the Notes. Therefore, potential investors should study carefully the risks associated with an investment in the Notes (with regard to the Issuer, the type of Notes and/or the Underlying, as applicable), as well as any other information contained in this Base Prospectus, any supplements thereto as well as the relevant Final Terms, and possibly consult their personal (including tax) advisors. Prior to purchasing Notes, potential investors should ensure that they fully understand the mechanics of the relevant Notes and that they are able to assess and bear the risk of a (**total**) loss of their investment. Prospective purchasers of Notes should in each case consider carefully whether the Notes are suitable for them in the light of their individual circumstances and financial position.

It is possible that the performance of the Notes is adversely affected by several risk factors at the same time. The Issuer, however, is unable to make any reliable prediction on such combined effects.

I. General Risks

- **Deviation of the issue price from the market value and impact of incidental costs**

The issue price in respect of any Notes is based on internal pricing models of the Issuer and may be higher than their market value. The pricing models of other market participants may deviate from the Issuer's internal pricing models and might produce different results.

The price that might be obtainable in the secondary market for the Notes might be lower than their issue price.

The issue price (irrespective of any agio that might be payable) may include commissions and/or other fees relating to the issue and sale of the Notes (including a margin), which are payable to distributors or third parties or may be retained by the Issuer. In addition, the issue price may include costs that are incurred in connection with the hedging of the Issuer's liabilities in relation to the issue of the Notes. Prices in the secondary market normally do not include the aforesaid commissions and/or other fees.

- **Trading in the Notes, reduction in liquidity**

Not every series of Notes that is issued under this Base Prospectus will be included in the unofficial market of, or admitted to trading on, a stock exchange. Even if such an inclusion or admission takes place, it will not necessarily result in a high turnover in respect of the Notes. After the Notes have been included or admitted, their continued permanent inclusion or admission cannot be guaranteed. If such inclusion or admission (provided it took place) cannot be permanently maintained, it will be significantly more difficult to purchase and sell the relevant Notes.

In addition, there does not exist a market maker for each series of Notes, i.e. someone who undertakes to provide purchasing and selling prices for the Notes pertaining to an issue subject to regular market conditions. Even if there is a market maker, the market maker does not undertake to provide the aforesaid prices under all circumstances. If there is a market maker, it is normally the Issuer that assumes this function.

In particular in the event of extraordinary market conditions or extremely volatile markets, the market maker will normally not provide any purchasing and selling prices. A market maker will provide

purchasing and selling prices for the Notes under regular market conditions only. However, even in the event of regular market conditions, the market maker does not assume any legal responsibility towards the holders of the Notes to provide such prices and/or for the fact that such prices are reasonable. The market maker might undertake towards certain stock exchanges, in accordance with the relevant stock exchange rules, to provide purchasing and selling prices with regard to specific order or securities volumes under regular market conditions. That obligation, however, will be entered into towards the relevant stock exchange. Third parties, including the holders of the Notes, are unable to derive any issuer obligation in this regard. This means that the holders of the Notes cannot rely on their ability to sell the Notes at a certain time or price. In particular, the market maker is not obliged to buy back the Notes during their term.

Even if market making activities took place at the beginning or during the term of the Notes, this does not mean that there will be market making activities for the full duration of the term of the Notes.

For the aforesaid reasons, it cannot be guaranteed that a secondary market will develop with regard to the respective Notes, which will provide the holders of the Notes with an opportunity to sell on their Notes. The more restricted the secondary market, the more difficult it will be for the holders of the Notes to sell their Notes in the secondary market. This also applies with regard to the Notes' inclusion in an unofficial market of, or admission to trading on, a stock exchange.

- **Determination of the price of the Notes in the secondary market**

If there is a market maker for a series of Notes, such market maker will determine the purchasing and selling prices for such Notes in the secondary market on the stock exchange (if such a secondary market exists) and off the stock exchange on the basis of internal pricing models and a number of other factors. These factors may include the following parameters: actuarial value of the Notes, price of the Underlying, supply and demand with regard to the Notes, costs for risk hedging and risk assumption, margins and commissions.

Some of these factors may not have a consistent effect on the price of the Notes based on the relevant pricing models for the duration of the term, but may be taken into account at the market maker's discretion at an earlier time in a pricing context. This might include a margin included in the issue price, management fees and paid or expected yields on the Underlying or its components (such as dividends), which - based on the characteristics of the Notes - might be retained by the Issuer. Expected dividends on the underlying or its components may be deducted prior to the "ex dividend" day in relation to the Underlying or its components, based on the expected yields for the entire term or a certain portion thereof. Any dividend estimate used by the market maker in its assessment may change during the term of the Notes or deviate from the dividend generally expected by the market or the actual dividend. This can also affect the pricing process in the secondary market.

Thus, the prices provided by the market maker may deviate from the actuarial value of the Notes and/or the price to be expected from a commercial perspective, which would have formed in a liquid market at the relevant time in which several market makers acting independently of each other provide prices. In addition, the market maker may change the method based on which it determines the prices provided by it at any time, e.g. by changing its pricing models or using other calculation models and/or increasing or reducing the bid/offer spread.

If, during the opening hours of secondary trading in the Notes by the market maker and/or the opening hours of the stock exchanges on which the Notes are admitted or included, the underlying is also traded on its home market, the price of the Notes will be taken into account in the price calculation of the Notes. If, however, the home market of the Underlying is closed while the Notes relating to that Underlying are traded, the price of the Underlying must be estimated. As the Notes issued under this Base Prospectus are also offered at times during which the home markets of the Underlyings are closed, this risk may affect each Notes. In particular, however, this applies to Underlyings that are traded in time zones far away from Central Europe, such as American or Asian shares or share indices from those regions. The same risk occurs where Notes are traded on days during which the home market of the Underlying is closed because of a public holiday. If the price of the Underlying is estimated because its home market is closed, such an estimate may turn out to be accurate, too high or too low within hours in the event that the home market starts trading in the Underlying. Accordingly,

the prices provided by the market maker prior to the opening of the relevant home market in respect of the Notes will then turn out to be too high or too low.

- **Restricted secondary trading because of non-availability of electronic trading systems**

The market maker normally provides purchasing and selling prices for on- and off-exchange trading via an electronic trading system. If the availability of the relevant electronic trading system is restricted or even suspended, this will negatively affect the Notes' tradability.

- **No secondary market immediately before final maturity**

The market maker and/or the stock exchange will cease trading in the Notes no later than shortly before their scheduled Maturity Date. However, the price of the Underlying and/or the applicable exchange rate, both of which can be relevant for the determination of the Notes' Redemption Amounts, may still change between the last trading day and the scheduled Maturity Date. This may be to the investor's disadvantage.

In addition, there is a risk that a barrier, which may be stipulated in the Terms and Conditions, is reached, undercut or exceeded for the first time prior to final maturity after secondary trading has already ended.

- **Conflicts of interest**

Conflicts of interest can arise in connection with the exercise of rights and/or obligations of the Issuer, the Calculation Agent or any other party (e.g. an index sponsor or external advisor) in accordance with the Terms and Conditions in respect of the Notes (e.g. in connection with the determination or adaptation of parameters of the terms and conditions), which affect the amounts payable or the assets to be delivered.

The Issuer, the Calculation Agent or another party, as well as any of their affiliates, may enter into transactions in the Notes' Underlyings for their own or their customers' account, which might have a positive or negative effect on the performance of the relevant Underlying and may thus have a negative effect on the value of the Notes.

If the Underlying is a share, there is a possibility that the Issuer, the Calculation Agent or another party, as well as any of their affiliates, may hold shares in the company that issued the Underlying.

The party that performs a specific function in respect of the Notes (e.g. that of calculation agent and/or index sponsor) might have to determine the calculation of the Underlying or calculate that value. This can lead to conflicts of interest if securities issued by that party can be chosen as Underlying.

In addition, the Issuer might issue additional derivative instruments with regard to the Underlying. An introduction of these new competing products can adversely affect the value of the Notes.

In addition, the Issuer and its affiliates might now or in future maintain a business relationship with the issuer of one or more Underlyings (including with regard to the issue of other securities relating to the relevant Underlying or lending, depositary, risk management, advisory and trading activities). Such business activities may be carried out as a service for customers or on an own account basis. The Issuer and/or any of its affiliates will pursue actions and take steps that it or they deem necessary or appropriate to protect its and/or their interests arising therefrom without regard to any negative consequences this may have for the Notes. Such actions and conflicts may include, without limitation, the exercise of voting rights, the purchase and sale of securities, financial advisory relationships and the exercise of creditor rights. The Issuer and any of its affiliates and their officers and directors may engage in any such activities without regard to the potential adverse effect that such activities may directly or indirectly have on any Notes.

The Issuer and any of its affiliates may, in connection with their other business activities, possess or acquire material (including non-public) information about the Underlying. The Issuer and any of its affiliates have no obligation to disclose such information about the Underlying.

The Issuer may act as market maker for the Notes and, in certain cases, the Underlying. In the context of such market making activities, the Issuer will substantially determine the price of the Notes and possibly that of the Underlying and, thus, the value of the Notes. The prices provided by the Issuer in its capacity as market maker will not always correspond to the prices that would have formed in the absence of such market making and in a liquid market.

- **Hedging risks**

The Issuer and its affiliates may hedge themselves against the financial risks associated with the issue of the Notes by performing hedging activities in relation to the relevant Underlying. Such activities in relation to the Notes may influence the market price of the Underlying to which the Notes relate. This will particularly be the case at the end of the term of these Notes. It cannot be ruled out that the conclusion and release of hedging positions may have a negative influence on the value of the Notes or payments to which the holder of the Notes is entitled.

In addition, investors may not be able to enter into hedging transactions that exclude or limit their risks in connection with the purchase of the Notes. The possibility to enter into such hedging transactions depends on market conditions and the respective Underlying terms and conditions.

- **Interest rate and inflationary risks, currency risks**

The market for the Notes is influenced by the economic and market conditions, interest rates, exchange rates and inflation rates in Europe and other countries and regions. Events in Europe and in other parts of the world can lead to higher market volatility and thus have an adverse effect on the value of the Notes. In addition, the economic situation and the market conditions can have negative consequences for the value of the Notes.

Currency risks for the purchaser arise in particular in those cases where (i) the Underlying is denominated in a different currency than the Notes, (ii) the Notes are denominated in a different currency than the official currency of the purchaser's home country or (iii) the Notes are denominated in a different currency than the currency in which the purchaser receives payments.

Exchange rates are subject to supply and demand factors on the international money markets, which are in turn influenced by macroeconomic factors, speculation and measures implemented by governments and central banks (e.g. foreign exchange controls and restrictions). The value of the Notes or the amount of the potentially due payment might be reduced because of exchange rate fluctuations.

Notes with a so-called "quanto element" (an in-built currency hedge that determines a fixed exchange rate at the time of issue) are not subject to a currency risk in relation to the settlement currency and the currency of the Underlying. During the term of the Notes, the economic value of the quanto hedge may fluctuate depending on various influencing factors.

As payments are made at the fixed exchange rate, the investor will not benefit from a positive development of the exchange rate at the time of maturity in the event of a currency hedge via the quanto element. In addition, when purchasing Notes with a quanto element, investors must assume that the purchase price of the Notes includes costs in respect of the quanto hedge.

- **Offer volume**

The offer volume specified in the relevant Final Terms corresponds to the maximum total amount of Notes offered but is no indication of which volume of Notes will be actually issued. The actual volume depends on the market conditions and may change during the term of the Notes. Therefore, investors should note that the specified offer volume does not allow any conclusions as to the liquidity of the Notes in the secondary market.

- **Use of loans**

If the investor finances the purchase of the Notes through a loan, he– in the event that he/ loses some or all of the invested capital – has not only to bear the loss incurred but will also have to pay the

interest and repay the loan. In that case, the exposure to loss increases considerably. Investors should never assume that they will be able to repay the loan including interest out of the payments on the Notes or – in case of a sale of the Notes before maturity – out of the proceeds from such sale. The purchaser of Notes rather has to consider in advance on the basis of his financial situation whether he will still be able to pay the interest or repay the loan at short notice if the expected profits turn into losses.

- **Transaction costs**

Transaction costs that are charged by the custodian bank and/or the stock exchange via which an investor places his purchase and/or selling order may reduce any profits and/or increase any losses. In the case of a total loss in respect of a Note, the transaction costs will increase the loss incurred by the relevant investor.

- **Notes are unsecured obligations (Status)**

The obligations under the Notes constitute direct and unconditional obligations of the Issuer that are not subject to a real charge (*nicht dinglich besichert*) and, unless otherwise provided by applicable law, rank at least *pari passu* with all other unsubordinated obligations of the Issuer that are not subject to a real charge. They are neither secured by the Deposit Protection Fund of the Association of German Banks (*Einlagensicherungsfonds des Bundesverbands deutscher Banken e.V.*) nor by the German Deposit Guarantee and Investor Compensation Act (*Einlagensicherungs- und Anlegerentschädigungsgesetz*).

This means that the investor bears the risk that the Issuer's financial situation may worsen - or that insolvency proceedings might be instituted with regard to its assets - and that the Issuer therefore might be unable to make any payments due under the Notes. **Under these circumstances, a total loss of the investor's capital might be possible.**

- **Impact of a downgrading of the credit rating**

The value of the Notes is expected to be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by the ratings given to the Issuer's outstanding securities by rating agencies such as Moody's Investors Services Inc., Fitch Ratings Ltd, a subsidiary of Fimalac, S.A., and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. Any downgrading of the Issuer's rating (if any) by even one of these rating agencies could result in a reduction in the value of the Notes.

- **Reinvestment risk upon Early Redemption**

Following an Early Redemption of the Notes (e.g. in case of a termination of the Notes by the Issuer), the investor may only be able to reinvest the Redemption Amount on significantly less favourable conditions than before.

- **Applicability of investment restrictions**

Certain investors may be subject to legal investment restrictions.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities (this particularly applies to Notes). Each potential investor should consult his legal advisers to determine whether and to what extent (a) the purchase of Notes represents a legal investment for him, (b) Notes can be used as collateral for various types of financing and (c) other restrictions apply to his purchase or pledge of any Notes. Investors who are subject to official supervision should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

- **Taxes and other duties**

All taxes or other duties payable at the level of the Issuer or the holders of the Notes on payments made in relation to the Notes are to be borne by the holders of the Notes. The Issuer will not pay any additional amounts to the holders of the Notes on account of any such taxes or duties.

- **Substitution of the Issuer**

If the conditions set out in the Terms and Conditions are met, the Issuer is entitled at any time, without the consent of the holders of the Notes, to appoint another company as the new Issuer with regard to all obligations arising out of or in connection with the Notes in its place. In that case, the holder of the Notes will generally also assume the insolvency risk with regard to the new Issuer.

- **Change of law**

The Terms and Conditions in respect of the Notes are based on relevant laws in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such laws or administrative practices after the date of this Base Prospectus.

II. Risks resulting from the structure of the Notes

Certain factors are of great significance with regard to the assessment of the risks associated with an investment in the Notes issued under this Base Prospectus. Such factors will vary depending on the type of Note issued. (e.g. Fixed or Floating Rate Notes, Zero Coupon Notes, etc.) or Structured Notes where the interest and/or redemption amount or other payments are linked to an Underlying (e.g. an index or a share) and/or a formula(e).

- **plain Notes**

Floatng Rate Notes

A key difference between Floating Rate Notes, Interest Structured Notes on one hand and Fixed Rate Notes on the other is that interest income on Floating Rate Notes and Interest Structured Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes and Interest Structured Notes at the time of purchase, so that their return on investment cannot be compared with that of investments having fixed interest rates.

Reverse Floating Rate Notes

The interest income of Reverse Floating Rate Notes is calculated in reverse proportion to the reference rate: if the reference rate increases, interest income decreases whereas it increases if the reference rate decreases.

Unlike the price of ordinary Floating Rate Notes, the price of Reverse Floating Rate Notes is highly dependent on the yield of Fixed Rate Notes having the same maturity. Price fluctuations of Reverse Floating Rate Notes are parallel to but substantially stronger than those of Fixed Rate Notes having a similar maturity.

The value of Reverse Floating Rate notes especially may decrease if short and long term market interest rates both increase. The same effect applies to a certain extent if long-term market interest rates increase and short-term market interest rates decrease.

Capped Floating Rate Notes

The maximum amount of interest payable in respect of Securities that bear or pay interest with a capped variable rate will equal the sum of the reference rate and any specified margin subject to a specified maximum rate. Consequently investors in these Securities will not benefit from any increase in the relevant reference rate if, when added to the specified margin, such resulting rate is equal to or greater than the maximum specified rate.

The market value of Capped Floating Rate Notes would typically decrease if market interest rates increase, especially the closer the sum of the relevant reference rate and any margin is to the maximum specified rate or if such sum exceeds the maximum specified rate. The yield of Securities with a capped variable rate may be considerably lower than a yield of similar Securities without a cap.

Zero Coupon Notes

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par and these Notes do not pay any periodic interest during their term. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and a comparable credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

Notes issued at a substantial discount or premium

The market values of Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

- **Structured Notes**

- **General**

An investment in the Notes issued under this Base Prospectus entails significant additional risks which do not occur in connection with conventional fixed or floating rate interest notes. Risks connected with an investment in these Securities include risks in relation to the Underlying(s) as well as risks solely associated with the structure of the Notes themselves

Such risks include, without limitation:

(i) that the payments and/or deliveries to be made under the Terms and Conditions of the Notes depend on the performance of one or more Underlying(s).). In the case that interest payments or other periodical payments are linked to one or more Underlyings, these payments may be less than interest rates applied on conventional fixed or floating rate interest notes issued at the same time. In the case that the Redemption Amount is linked to one or more Underlyings the Redemption Amount may be lower than the original purchase price of the Note or no payment may take place at all.

A link to the performance of one or more Underlying(s) also has an effect on the value of the Notes. In that context, the value of the Notes will normally fall if the price of the Underlying goes down (without taking into account special characteristics of the Notes and without taking into account exchange rate changes in those cases where the Notes are issued in Euro, the Underlying is expressed in a currency other than Euro and the Redemption Amount is thus converted from a currency other than Euro).

(ii) that, pursuant to the Terms and Conditions of the Notes, payments can occur at times other than those expected by the investor (e.g. in the case of early redemption in the event of an Extraordinary Event as described in the Terms and Conditions);

(iii) that the consequences listed in (i) (reduction and/or non-occurrence of repayment) will occur for the particular reason that insolvency proceedings have been instituted with regard to the assets of the issuer of the Underlying or proceedings comparable to insolvency proceedings under German law are instituted or the Issuer ceases its payments or announces that it is unable to pay its debts when due or if similar events occur in relation to the issuer of the Underlying;

(iv) that various fees are levied by the Issuer, an affiliate of the Issuer or a third party, which reduce the payments under the Notes. For instance, management fees might be levied with regard to the composition and calculation of an index, basket, fund or other Underlying, or performance or other fees might be incurred in connection with the performance of an Underlying and/or components of such Underlying;

(v) that the risks of investing in the Notes encompass both risks relating to the Underlying and risks that are unique to the Notes as such;

(vi) that investors may be unable to hedge their exposure to the various risks relating to the Notes;

(vii) that the Underlying to which the Notes relate ceases to exist during the term of the Notes or might be replaced by another Underlying (this not only applies to actively managed Underlyings, but also to Underlyings that are effectively static), and that the investor, depending on the characteristics of the Note and the Underlying, might not always know the future underlying or its composition when purchasing the Note; and

(viii) that the value of Notes on a possible secondary market is subject to greater fluctuations and thus greater risks than the value of other securities as it is dependent on one or several Underlyings. The performance of an Underlying is in turn subject to a series of factors beyond the Issuer's control. Such factors are influenced to a significant degree by the risks on the share, debt and foreign exchange markets, the interest rate development, the volatility of the relevant Underlyings as well as economic, political and regulatory risks, and/or a combination of the aforesaid risks.

The secondary market, if any, for Notes will be affected by a number of additional factors, irrespective of the creditworthiness of the Issuer and the value of the respective Underlying(s). These include, without limitation, the volatility of the relevant Underlying, as well as the remaining term and the outstanding volume of the respective Note.

- Extraordinary termination, early redemption and adjustment rights

In accordance with the Terms and Conditions, the Issuer will in some cases be entitled to perform adjustments with regard to the aforesaid Terms and Conditions or to terminate or call for early redemption of the Notes if certain conditions are met. These conditions are described in the relevant Terms and Conditions.

Any adjustment of the Terms and Conditions may have a negative effect on the value of the Notes as well as the Redemption Amount to be claimed by the investor.

The Redemption Amount of the Notes in the event of their termination may be lower than the amount the holders of the Notes would have received without such termination. In addition, unwind costs in connection with an early redemption may be deducted when determining the termination amount to be paid in the event of a termination in accordance with the Terms and Conditions. Such unwind costs may comprise all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the early redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position.

Furthermore, investors bear the risk that they may invest the amounts received upon termination only at a rate of return which is lower than that of the terminated Notes.

- Early Redemption of the Notes upon Termination by the Issuer, Automatic Early Redemption

The Terms and Conditions of securities may provide for early redemption rights of the Issuer or automatic early redemption. Any such early redemption provisions may affect the market value of the Notes. Before or during any period during which the Issuer may decide to redeem the Notes, or in which an event triggering automatic early redemption may occur, the market value of the relevant Notes will normally not rise to a level that is significantly above the Redemption Amount. An early redemption of the Notes may result in the expected yield in connection with the investment in the Notes not being reached. In addition, the Redemption Amount may be lower than the purchase price paid by the holder of the Note or may even be zero, so that some or all of the invested capital may be lost.

In that case as well, the holders of the Notes may be able to invest the amounts received by them in the case of early redemption only in return for a yield that is below the (expected) yield of the Notes that were redeemed early.

- Maximum Amount

In the case of Notes where, pursuant to the relevant Terms and Conditions, the payment to be made in connection with the Note is limited to a maximum amount (whether in relation to the Redemption Amount, Interest Amount or any other amount), the investor will not participate in any further performance of the Underlying that might be positive for the investor. While, on the one hand, the investor's yield is capped by way of the maximum amount, the investor may, on the other hand, bear the full loss risk in the event of an adverse performance of the Underlying.

- Market disruption and postponement of payments

In the case of Notes, the Issuer may be entitled to determine market disruptions or other events that might result in a postponement of a calculation and/or of any payments and that might affect the value of the Notes.

In addition, in certain cases stipulated in the Terms and Conditions, the Issuer (especially if a market disruption lasts several days) may estimate certain prices that are relevant with regard to payments or the reaching of barriers (leading to the Notes being worthless). These estimates may deviate from their actual value.

- Notes that are denominated in foreign currencies

If the relevant Note, the Underlying or a component of the Underlying is denominated in a currency other than the currency of issue (foreign currency) or if payment is made in a foreign currency, the investor will be exposed to exchange rate risks that may have an adverse effect on the Notes' yield. Exchange rate fluctuations have various causes, such as macroeconomic factors, speculative transactions and interventions by central banks and governments.

A change in the exchange rate of a currency in relation to the EUR, for instance, will result in a corresponding change in the Euro value of Notes that are not denominated in EUR, as well as in a corresponding change in the Euro value of payments that, pursuant to the Terms and Conditions of the relevant Notes, are not made in EUR. The same applies where the Redemption Amount of a Note must be converted into EUR because it is determined on the basis of an Underlying that is not expressed in EUR (e.g. where the Redemption Amount is calculated based on the difference, converted into EUR, between an Underlying expressed in USD and the market price of a share denominated in USD).

If the value of a currency, in which the Redemption Amount of a Note is payable or in which the Underlying of a Note is expressed, falls in relation to the EUR and the value of the EUR increases accordingly, the Euro value of the relevant Note and/or the value of the payments in connection with the Note converted into EUR will fall.

- Reverse Structures

In the case of Notes with a reverse structure, investors will participate positively in a negative performance of the Underlying and vice versa. In other words, the following normally applies: The lower the relevant value of the Underlying is on the relevant Valuation Day, the higher the Redemption Amount will be (subject to a cap). However, he higher the value of the Underlying, the lower the Redemption Amount will be. In the case of a participation rate of 100% in the price performance of the Underlying, this means that, in the event of an increase in the price of the Underlying by 100% or more, no amount will be payable and investors will suffer a total loss. If the Notes are equipped with a reverse element with a participation rate other than 100%, this means that an increase in the price of the Underlying will have a disproportionately unfavourable effect on the investor. In addition, the possible yields on Notes with a reverse element are generally limited because the negative performance of the Underlying cannot be more than 100%.

- **Leverage effect**

Risk of disproportionately high price losses

The prices of the Notes in the secondary market may be subject to significant fluctuations if the value of the Notes reacts disproportionately strongly to the performance of the Underlying.

This will, for instance, be the case if the formula that is used for determining the Redemption Amount, a bonus amount or any other additional amount and/or the interest payable or the delivery obligations in connection with a Note includes a participation factor that is greater than 1. In that case, a change in the price of the Underlying will reinforce the effect on the price of the Note, i.e. a favourable change in the price of the Underlying will have a disproportionately favourable effect on the investor and an unfavourable change in the price of the Underlying will have a disproportionately unfavourable effect on the investor. This is referred to as a **leverage effect**. The risk of disproportionately high price losses also occurs if the price of the Underlying (particularly shortly before the Note's maturity) nears thresholds that are significant with regard to the amount of the Redemption Amount, as even the smallest fluctuations in the price of the Underlying can result in major changes in the price of the Note.

Risk of disproportionately low price gains

On the other hand, the prices of the Notes in the secondary market may be subject to especially low fluctuations if the value of the Notes reacts disproportionately weakly to the performance of the Underlying.

This will, for instance, be the case if the formula that is used for determining the Redemption Amount, a bonus amount or any other additional amount and/or the interest payable or the delivery obligations in connection with a Note includes a participation factor that is **lower** than 1, since this means that the investor will only participate on a pro rata basis in a performance that is favourable for the investor. In that case, the yield resulting from the purchase of the Note may be lower than that resulting from a direct investment in the Underlying.

In addition, a risk of disproportionately low price gains is particularly associated with Notes that provide for a maximum amount. If, for instance, the price of the Underlying is significantly above the threshold (cap) that entitles the holder to receive the maximum amount and it is no longer to be expected that the price will once again fall below the cap before the valuation date of the Note, the price of the Note will change only insignificantly or not at all, even if the price of the Underlying is subject to major fluctuations.

- **Risks in relation to physical settlement**

The Terms and Conditions may provide that the Notes relating to an Underlying, depending on the performance on the Underlying or based on other conditions, may not have to be redeemed by way of a cash payment but by delivery of the Underlying (e.g. shares), one of the Underlyings, a component of an Underlying or other securities (the "**Object of Physical Settlement**"). The number of units of the Object of Physical Settlement to be delivered is determined in accordance with the Terms and Conditions of the Notes. Accordingly, in the event that the Notes are redeemed by way of physical settlement, the investor will not receive a cash payment, but instead units of the Object of Physical Settlement.

The Terms and Conditions may provide that the Issuer is not entitled to a delivery of securities other than those on whose price redemption is based. This means that, although the Underlying is relevant for the redemption type and amount, redemption may take place by way of delivery of a different security.

This means that investors should obtain information regarding the Objects of Physical Settlement (where applicable) prior to purchasing any Notes and that they should not assume that they will be able to sell the Objects of Physical Settlement for a specific price. The value of an Object of Physical Settlement at the time of its delivery may be significantly lower than at the time of the purchase of the Notes (or than the price paid for the purchase of the Notes) or at the time at which it is decided whether settlement is to take place by way of physical delivery or cash payment (valuation day). In

the event of physical settlement, investors will be exposed to the risks that are associated with the relevant Object of Physical Settlement, such as a loss risk, and may even suffer a total loss.

- No claim against the issuer of an Underlying

Notes do not give rise to any payment or other claims towards the issuers of the Underlyings to which those Notes relate. If the payments by the Issuer are less than the purchase price paid by the holder of the Notes, such holder will not have recourse to the issuer of the Underlying.

III. Risk factors relating to the Underlying

The value of a Note's Underlying depends upon a number of factors that may be interconnected. These may include economic, financial and political events beyond the Issuer's control.

The past performance of an Underlying should not be regarded as an indicator of its future performance during the term of the Notes.

a) Particular risks of Notes with shares as Underlying

Notes relating to shares are associated with particular risks beyond the Issuer's control, such as the risk that the respective company will be rendered insolvent, the risk that the share price will fluctuate or risks that occur in relation to dividend payments by the company. The performance of the shares depends to a very significant extent on developments on the capital markets, which in turn depend on the general global economic situation and more specific economic and political conditions. Shares in companies with low to medium market capitalisation may be subject to even higher risks (e.g. relating to their volatility or insolvency) than is the case for shares in larger companies. Moreover, shares in companies with low capitalisation may be extremely illiquid as a result of low trading volumes.

Shares in companies which have their statutory seat or significant business operations in countries with limited certainty of law are subject to additional risks such as, for instance, government interventions or nationalisation which may lead to a total or partial loss of the invested capital or of access to the capital invested in that country. This may result in a total or partial loss in relation to the value of the share. The realisation of such risks may also result in a total or partial loss of the invested capital for holders of Notes that are linked to such shares.

Holders of Notes that are linked to shares, unlike investors which directly invest in the shares, do not receive dividends or other distributions payable to the holders of the underlying shares.

If the Underlying consists of securities in lieu of shares (e.g. American Depositary Receipts ("**ADRs**") or Global Depositary Receipts ("**GDRs**"), together "**Depositary Receipts**"), additional risks might occur. ADRs are securities issued in the United States of America that take the form of participation Notes in relation to a portfolio of shares held in the home country of the issuer of the underlying shares outside the United States. GDRs are also securities that take the form of participation Notes in relation to a portfolio of shares held in the home country of the issuer of the underlying shares. They normally differ from the participation Notes referred to as ADRs in that they are publicly offered and/or issued outside the United States of America. Each Depositary Receipt represents one or more shares or a fraction of a security in a foreign corporation. In the case of both types of Depositary Receipt, the legal owner of the underlying share is the depositary bank, which also acts as the issuing agent of the Depositary Receipts.

Depending on the jurisdiction in which the Depositary Receipts were issued and the laws by which the depositary contract is governed, it cannot be ruled out that the holder of the Depositary Receipts may not be recognised as the actual beneficial owner of the underlying shares in the relevant jurisdiction. Particularly in the case that the depositary bank becomes insolvent and/or debt enforcement proceedings are initiated with regard to it, the relevant underlying shares may be subjected to disposal restrictions and/or utilised commercially in the context of debt enforcement measure undertaken against the depositary bank. In that case, the relevant holder will forfeit the rights in the Underlying shares represented by the relevant Depositary Receipt. This means that the Depositary Receipt as underlying will be rendered worthless, so that the securities relating to that Depositary Receipt (except

in the case of reverse structures) will also be rendered worthless. In such a scenario, the investor faces a risk of total loss subject to a possible unconditional minimum repayment amount or other (partial) capital protection.

It must also be taken into account that the depositary bank may stop offering Depositary Receipts at any time and that, in that case or if the depositary bank becomes insolvent, the issuer of these Notes will, subject to more detailed provisions set out in the Terms and Conditions of the Notes, be entitled to adjust the Terms and Conditions and/or terminate the Notes.

b) Particular risks of Notes with indices as Underlying

Notes that are linked to one or several indices involve, in particular, the following risks:

Dependency on the value of the index components

The value of an index is calculated on the basis of the value of its components. Changes in the prices of index components, the composition of an index as well as factors that (may) influence the value of the index components also influence the value of the Notes that relate to the relevant index and can thus influence the yield from an investment in the relevant Notes. Fluctuations in the value of one index component may be compensated or aggravated by fluctuations in the value of other index components. The past performance of an index does not represent any guarantee of its future performance. Under certain circumstances, an index used as an Underlying may (i) not be available for the full term of the Notes, (ii) be substituted or (iii) continue to be calculated by the Issuer itself. In these or other cases mentioned in the Terms and Conditions, Notes may also be terminated by the Issuer.

An index may reflect the performance of assets of some countries or some industries only. In that case, investors are exposed to a concentration risk. In the event of an unfavourable economic development in a country or in relation to a particular industry, investors may be adversely affected. If several countries or industries are represented in an index, it is possible that the industries contained in the relevant index are weighted unevenly. This means that, in the event of an unfavourable development in one country or industry with a high index weighting, the value of the index may be affected disproportionately by this adverse development.

Investors should note that the selection of an index is not based on the expectations or estimates of the Issuer in respect of the future performance of the selected index. Investors should therefore make their own estimates in respect of the future performance of an index on the basis of their own knowledge and sources of information.

Price index – dividends are not taken into account

The index referred to in the relevant Terms and Conditions of the Notes may be a price index. Unlike in the case of performance indices, dividend distributions in relation to the shares contained in price indices will result in a reduction of the index level. This means that investors will not participate in dividends or other distributions in relation to shares contained in price indices.

No influence of the Issuer

As a general rule, the Issuer has no influence on the composition and performance of an index underlying a Note or the performance of the relevant index components, unless the Issuer and the index sponsor are identical.

No liability of the index sponsor

If the Notes relate to an index that is not calculated by the Issuer, the issue, marketing and distribution of the Notes will normally not be supported by the relevant index sponsor. In that regard, the relevant index is composed and calculated by the respective index sponsor without taking into account the interests of the Issuer or the holders of the Notes. In that case, the index sponsors do not assume any obligation or liability in respect of the issue, sale and/or trading of the Notes.

No recognised financial indices, no independent third party

The Notes may relate to one or more indices which are not recognised financial indexes but indices that have been specially created for the issuance of the relevant Note. The index sponsors of such indices might not be independent from the Issuer and may thus favour the interests of the Issuer over the interests of the holders of the Notes.

Currency risks

The prices of the index components may be expressed in a currency (e.g. USD) that is different from the currency in which the Notes were issued (e.g. EUR). In that case, the Redemption Amount of the Notes, during their term, may not only depend on the performance of the Underlying, but also on the development of the exchange rates of one or more foreign currencies against the currency of issue.

Index fees

Certain fees, costs, commissions or other composition and calculation charges may be deducted when calculating the value of an index. As a result, the performance of the individual index components is not acknowledged in full when calculating the performance of the respective index, but instead the performance is reduced by the amount of such fees, costs, commissions and other charges, which may to some extent erode any positive performance displayed by the individual components. It should also be noted that such costs may well also be incurred if the index returns negative performance, which will reinforce the negative performance even further.

Index composition publication

The composition of the indices may have to be published on a website or in other media mentioned in the terms and conditions. The publication of the updated composition of the respective index on the website of the relevant index sponsor might, however, be delayed considerably, sometimes even by several months. In those cases, the published composition may not always correspond to the actual composition of the relevant index.

c) Particular risks in relation to Notes with commodities (e.g. precious metals) as Underlying

Commodities are normally divided into three categories: minerals (e.g. oil, gas or aluminium), agricultural products (e.g. wheat or maize) and precious metals (e.g. gold or silver). Most commodities are traded on specialised exchanges or in interbank trading in the form of over-the-counter (OTC) transactions.

Holders of Notes linked to the price of commodities are exposed to significant price risks as prices of commodities are subject to great fluctuations. The prices of commodities are influenced by a number of factors, including, inter alia, the following factors:

Cartels and regulatory changes

A number of producers or producing countries of commodities have formed organisations or cartels to regulate supply and therefore influence prices. However, the trading in commodities is also subject to regulations imposed by supervisory authorities or market rules whose application may also affect the development of the prices of the relevant commodities.

Cyclical supply and demand behaviour

Agricultural commodities are produced at a particular time of year but are in demand throughout the year. In contrast, energy is produced without interruption, even though it is mainly required during cold or very hot times of the year. This cyclical supply and demand pattern may lead to strong price fluctuations.

Direct investment costs

Direct investments in commodities are associated with costs for storage, insurance and taxes. In addition, no interest or dividends are paid on commodities. The overall yield of an investment is influenced by these factors.

Inflation and deflation

The general development of prices may have a strong effect on the price development of commodities.

Liquidity

Many markets of commodities are not very liquid and may therefore not be able to react rapidly and sufficiently to changes in supply and demand. In case of low liquidity, speculative investments by individual market participants may lead to price distortions.

Political risks

Commodities are frequently produced in emerging markets and subject to demand from industrialised countries. The political and economic situation of emerging markets, however, is often a lot less stable than that of industrialised countries. Emerging markets are exposed to a greater risk of rapid political changes and adverse economic developments. Political crises can damage investors' confidence, which can in turn influence commodity prices. Wars or conflicts may change the supply and demand in relation to certain commodities. It is also possible that industrialised countries impose embargoes regarding the export and import of goods and services. This may have a direct or indirect effect on the price of the commodities that serve as the Notes' Underlying.

Weather and natural disasters

Unfavourable weather conditions and natural disasters may have a long-term negative effect on the supply of specific commodities for an entire year. A crisis of supply of this sort may lead to strong and incalculable price fluctuations.

d) Particular risks in relation to Notes with futures contracts as Underlying

Futures contracts are standardised forward transactions relating to financial instruments such as shares, indices, interest rates or foreign currencies (so-called financial futures) or commodities such as precious metals, wheat or sugar (so-called commodities futures).

A futures contract represents the contractual obligation to purchase or sell a certain quantity of the relevant contractual object at a certain date and price. Futures contracts are traded on futures and options exchanges and are standardised for that purpose with regard to size of contract, type and quality of the contractual object and potential delivery places and dates.

As a rule, there is a close correlation between the price performance of an asset that underlies a futures contract and is traded on a spot market and the corresponding futures market. However, futures contracts are generally traded at a premium or discount in relation to the spot price of the underlying asset. This difference between the spot and futures price, which is referred to as "basis" in futures and options exchange jargon, on the one hand results from the inclusion of the costs that are normally incurred in spot transactions (storage, delivery, insurance, etc.) and/or the revenues that are normally associated with spot transactions (interest, dividends, etc.), and on the other hand from the differing valuation of general market factors in the spot and the futures market. In addition, depending on the value, there can be a significant gap in terms of the liquidity in the spot and the corresponding futures market.

As the Notes relate to the futures contracts specified in the Terms and Conditions, investors, in addition to knowing the market for the relevant asset that underlies the relevant futures contract, must have know-how as to the workings and valuation factors of forward/futures transactions in order to be able to correctly assess the risks associated with an investment in those Notes.

As futures contracts expire on a certain date, the Terms and Conditions may provide that the Issuer (particularly in the case of Notes with a longer term), at a time stipulated in the Terms and Conditions, replaces the futures contract provided for as the Underlying in the Terms and Conditions by another futures contract that has a later expiry date than the initial underlying futures contract, but is otherwise subject to the same contractual specifications (so-called "**Roll-Over**"). The costs associated with such a Roll-Over will be taken into account in accordance with the Terms and Conditions in connection with the adjustment of the Strikes of the Notes in conjunction with the Roll-Over and may have a significant effect on the value of the Notes. The Terms and Conditions may provide for additional cases in which the Issuer may replace the initial futures contract and/or change parameters of the Terms and Conditions and/or terminate the Notes.

e) Particular risks in relation to Notes with exchange rates/currencies as Underlying

Exchange rates indicate the value ratio of a certain currency against another currency, i.e. the number of units in one currency that may be exchanged for one unit in the other.

Exchange rates are derived from the supply and demand in relation to currencies in the international foreign exchange markets. On the one hand, they are influenced by various economic factors, such as the rate of inflation in the relevant country, interest differences abroad, the assessment of the relevant economic development, the global political situation, the convertibility of one currency into another and the security of a financial investment in the relevant currency. On the other hand, they are influenced by measures undertaken by governments and central banks (e.g. foreign exchange controls and restrictions). In addition to these foreseeable factors, however, other factors might also be relevant that are difficult to estimate, such as factors of a psychological natures (such as crises of confidence in the political leadership of a country or other speculation). In some cases, such psychological factors may have a significant effect on the value of the relevant currency.

f) Particular risks of Notes with bonds as Underlying

Holders of Notes linked to bonds, in addition to the insolvency risk of Commerzbank AG as the Issuer of the Notes, are also exposed to the insolvency risk of the issuers of such underlying bond(s). If the issuer of a bond that underlies a Note does not punctually perform its obligations under the relevant bond or becomes insolvent, this will cause the value of the bond to fall (possibly to zero) and can in turn lead to significant price losses in the secondary market for the Notes and, possibly, a total loss of the invested capital of the holder of the Notes.

Additional risks (e.g. in relation to the Underlying(s), payment profiles and structures) may be set out in the relevant Final Terms.

RISK FACTORS RELATING TO COMMERZBANK AKTIENGESELLSCHAFT

Strategic and Competition Risks

There is a risk that the Group may not be able to implement its strategic plans, that it may not be able to implement them in full or that it will only be able to implement them at costs that are higher planned.

In acquiring Dresdner Bank and merging it with and into Commerzbank, the Bank has set itself the objective to establish the Group for the long term as one of the leading German banks and creating a platform to unlock further growth potential, especially in Germany. In particular, the Bank aims to make the Group one of the leading main banks for private and corporate customers in Germany. However, the renewed deterioration in economic conditions in the Group's core markets, i.e., particularly in Germany and Central and Eastern Europe, and worsening capital market conditions may prevent this goal from being achieved and the new strategic orientation from being implemented. Should the Group fail to implement the strategic plans it has announced, or fail to do so in full, or if the costs associated with the implementation of these plans were to exceed the Company's expectations, the Group's business, results of operations and financial condition could be materially adversely affected.

The markets in which the Group operates, especially the German market and within that market the Retail and Investment Banking segments, are characterized by intense competition in terms of prices and conditions, which puts substantial pressure on margins.

The german banking sector is fiercely competitive. Competition is correspondingly intense and is frequently waged via prices and conditions, resulting in margins that are commercially unattractive or inappropriate to the level of risk.

In the retail business there exists to some extent extensive overcapacity. Such overcapacity may intensify in future as many competitors are increasing their focus on retail banking at the expense of their core business on the back of the financial markets crisis. In addition, the banks seek to reduce their dependency on the interbank market by increasing the share of their funding obtained from retail deposits. This development may also lead to even more intense competition. In particular, new customers are increasingly advertised from competitors with very favorable conditions for temporary entry periods.

In the corporate client business, and also in the area of investment banking, German banks are competing with a range of foreign providers that have considerably expanded their footprint on the German market in the past few years As a result, there is a risk at present that competition in the sector will continue to intensify. On account of this intense competition, it is not possible to generate commercially attractive margins in some segments or subsegments of the market. In response to this situation, some competitors in the corporate client business do not always take sufficient account of the default risk that lending entails (risk-adjusted pricing). On account of this intense competition, it is not possible to generate commercially attractive margins in some segments or subsegments of the market.

In case of a further economic downturn competitive pressure may further increase, for example by increased price pressure and lower transaction volumes. The financial market crisis and the government stabilization measures taken thereupon have caused both a significant consolidation and concentration of financial service providers and in some cases, improvement of the capital base and of geographic reach of the Group's competitors. Therefore, the Group must compete with financial institutions that are sometimes larger and better capitalized than the Group itself and that are better positioned in the local markets.

Should the Group fail to offer its products and services on competitive terms while continuing to generate margins that at least compensate for the costs and risks associated with its business activities, its business, results of operations and financial condition could be materially adversely affected.

Financing Risks

The Group continuoulsy needs liquidity to refinance its business activities and is exposed to the risk of being unable to obtain funding on acceptable terms and to meet its current and future payment obligations or of being unable to fulfill such obligations on time and to meet regulatory capital requirements.

The Group continuously needs liquidity to refinance its business activities and is therefore exposed to the risk of being unable to meet its current and future payment obligations or of being unable to fulfill such obligations on time (liquidity risk) and therefore may have to obtain liquidity from the market on expensive terms. Liquidity risk can take various forms. For example, the Group may be unable to meet its payment obligations on a particular day and may have to obtain liquidity from the market at short notice and on expensive terms or may even fail to obtain liquidity. There is also a risk that deposits are withdrawn prematurely or that lending commitments are unexpectedly taken up. Difficulties of this nature may be triggered by circumstances that are unrelated to the Group's business and are outside of its control (for example, by negative developments in the financial markets in relation to the Group's competitors). Moreover, larger-scale losses and rating changes, which result in the provision of additional collateral with respect to rating-linked collateral agreements for derivatives transactions, can trigger an increased demand for liquidity. Furthermore, the European Central Bank ("ECB") decided in November 2009 to gradually raise the requirements for securitization transactions, which can be used as collateral for a refinancing with the ECB. This could make the acquisition of liquidity more difficult for the Group. A market-wide or company-specific liquidity crisis could negatively affect the Group's operations and thus on the Group's business, results of operations and financial condition.

The financial market crisis has resulted in downside pressure on banks' share prices and creditworthiness, in many cases irrespective of their financial strength, and has had a similar effect on other capital markets participants. If the current market dislocation continued or became worse, this could restrict the Group's access to the capital markets and limit its ability to obtain funding on acceptable terms and meet the capital requirements prescribed under supervisory provisions.

In case of such difficulties of refinancing, the Group might be forced to dispose of assets for less than their book value and to rein in its business activities. Measures of this nature could have a material adverse impact on the Group's business, results of operations and financial condition.

The requirements and conditions of the government stabilization measures which were granted to Commerzbank could negatively affect the Group's profitability and Commerzbank could not be able to repay the silent participations of the SoFFin.

The government stabilization measures granted to Commerzbank are associated with miscellaneous conditions and obligations. Some of these obligations and conditions comprise the Group's business policy, such as the obligation of the Bank, to provide the German small and medium-sized enterprises with loans at normal market rates and to establish a special lending fund for German small and medium-sized enterprises with a new lending volume of EUR 2.5 bn. Thus, the composition of the loan portfolio can be negatively affected to the detriment of earnings expectations. Compliance with these requirements and conditions could negatively affect the earnings position of the Group.

For the financial year 2010, the monetary remuneration of the board members was limited to EUR 500,000 for the case that the silent participations of SoFFin are not be serviced in full. It can not be excluded that the Supervisory Board determines a similar restriction for further financial years beginning 2011. Should the remuneration for board members for that reason no longer be competitive, this could lead to the fact that board members leave Commerzbank and new members with the necessary qualifications can not be won at all or can only be won with difficulty. This could have a significant adverse impact on the success of the business activities and therefore on the Group's business, results of operations and financial condition.

A downgrade in the rating of Commerzbank, its subsidiaries or the entire Group may make refinancing more difficult and/or more expensive and entitle contracting partners to terminate derivative transactions or to require additional collateral.

The rating agencies Standard & Poor's, Moody's and Fitch Ratings perform creditworthiness assessments to decide whether a potential borrower will in future be in a position to meet its contractually agreed credit obligations. A key element of the rating awarded is the rating agency's assessment of the borrower's business, results of operations and financial condition. A rating downgrade would therefore have negative implications for the Group's costs with regard to procuring equity and debt capital and could result in new liabilities arising or existing liabilities being accelerated for repayment if such liabilities depended on a certain rating being maintained. Commerzbank's rating is furthermore an important element in competition with other banks. In particular, it has a major influence on the ratings of its main subsidiaries. A downgrade or even the possibility of a downgrade in Commerzbank's rating or that of one of its subsidiaries could have a detrimental impact on the relationship with its customers and on sales of products and services by the company in question.

The evaluations of the rating agencies are subject to a number of factors. Different rating agencies currently assume an increased rescue tendency of the German state in favor of Commerzbank in case of a crisis in the light of the existing state participation and the considerable importance of Commerzbank for the German economy (system relevance). Without consideration of this aspect the rating of Commerzbank would be worse. Especially in connection with the future return of the silent participations of SoFFin it can not be excluded that such support will be reduced or at least will be estimated from the market to be reduced and thus will negatively impact the rating.

Furthermore, it is possible that following a rating downgrade the Group might be required to furnish additional collateral in connection with rating-dependent collateral agreements for derivative transactions. If the rating of Commerzbank or one of its subsidiaries falls below the area of the four highest rating levels (downgrade below AA- (S & P / Fitch) or below Aa3 (Moody's)), this may make refinancing on the capital market more expensive due to a substantial increase in credit spreads and prevent groups of investors from the purchase of the securities and therefore the Bank's operations or those of the subsidiary concerned and, concomitantly, the funding costs of all Group companies could be materially adversely affected. This, in turn, could materially adversely impact the Group's business, results of operations and financial condition.

There is a risk that the Group will be called upon to indemnify the German deposit protection fund against losses the fund incurs in providing assistance to a Commerzbank subsidiary.

On the basis of the statutes of the Deposit Protection Fund of the Association of German Banks (*Einlagensicherungsfonds des Bundesverbands deutscher Banken e.V.*) (the "**Deposit Protection Fund**"), Commerzbank has furnished a declaration of indemnification to the Deposit Protection Fund for a number of its associates that are members of the Deposit Protection Fund (comdirect bank, Eurohypo, ebase) and Deutsche Schiffsbank. According to this declaration, the Bank has undertaken to indemnify the fund against any losses it incurs in providing assistance to one of the aforementioned companies. Any intervention by the Deposit Protection Fund to support these subsidiaries of Commerzbank could therefore have a material adverse effect on the Group's business, results of operations and financial condition. Moreover, any rescue measures taken by the Deposit Protection Fund in favor of one of these subisidiaries could result in sustained reputational damage to the Group.

Risks arising from the Integration of the former Dresdner Bank

The synergetic effects arising from the integration of the former Dresdner Bank into the Group may turn out to be smaller than expected or be realized later than anticipated. In addition, the continuous integration is subject to significant costs and investments which could exceed the planned budgets.

The Bank expects the integration of Dresdner Bank into the Group to unlock substantial synergetic effects and has also taken this into account in its medium-term planning. However, these effects may be smaller or be realised at a later date than expected. Moreover, the integration project is a complex and time-consuming enterprise which will tie up senior resources at the Group for a long period. This may result in other areas not being managed to the extent required, which could mean that ongoing business activities suffer. The ongoing implementation of the integration project entails a large number of decision-making processes, which can cause unease among staff. The integration of Dresdner Bank into the Group also involves significant costs and investment (especially in connection with

standardizing IT systems and realizing planned headcount reductions). These costs and investments eroded the Group's operating profits and its return on equity in the past and could erode the operating profits and return on equity in the future. Furthermore, unexpected risks and problems may arise that the Board of Managing Directors cannot currently foresee or evaluate. If these risks or problems were to arise, they could make the integration of Dresdner Bank into the Group more difficult and, in particular, result in an unplanned increase in the cost of the integration process. Particularly in the case of pending IT integration costs could be higher. Each of these factors could have material adverse implications for the Group's business, results of operations and financial condition.

It is possible that the goodwill and brand names reported in the consolidated balance sheet will have to be written down, in full or in part, as a result of impairment tests.

As of September 30, 2010, the goodwills shown in the balance sheet amounted to EUR 2.1 bn, of which EUR 1.7 bn was the goodwill accounted in connection with Dresdner Bank. This asset will be tested at least at each balance sheet date with respect to its future economic benefit based on the underlying cash-generating units. In this process, the carrying amount of the cash-generating units (including the attributed goodwill) will be compared with the recoverable amount. The recoverable amount is the higher of the usage value or the fair value less disposal costs and is based on the expected cash inflows from the unit in accordance with the business plan, discounted with a risk-adequate interest rate. If there are objective indications that the economic benefits originally identified can no longer be realised, an impairment charge must be taken. If an impairment review on a future balance sheet date results in a significant impairment of the goodwill or trademark rights recognised on the balance sheet, the Group's business, results of operations and financial condition could be materially adversely affected.

The sales partnership between Allianz SE ("Allianz") and the Group in respect of asset management and insurance products may not generate the benefits envisaged.

As part of the acquisition of Dresdner Bank by Allianz and the disposal of cominvest Asset Management GmbH, cominvest Asset Management S.A., Münchener Kapitalanlage Aktiengesellschaft and MK LUXINVEST S.A. (together the "cominvest Group") to Allianz Group, a long-term sales partnership was agreed between the Group and Allianz in respect of the sale and distribution of asset management and insurance products. Structural changes in customers' demand behavior as well as changes in the regulatory and tax framework, which may affect the relative appeal of investment and retirement products could have implications for their sales. As a consequence, actual business performance could lag behind plans. This could have a material adverse impact on its business, results of operations and financial condition.

There is a risk that the customers of Dresdner Bank migrated in the course of the acquisition of may not remain customers of the Group in the long term.

In aquiring of Dresdner Bank, there is a risk that the customers of Dresdner Bank may not remain customers of the Group in the long term and therefore will not generate the income expected. In particular, there is a risk that it is not possible for Commerzbank to permanently bind customers of Dresdner Bank. This risk could further intensify due to circumstances that result from the proceeding integration of the customer base (e.g., temporarily restricted online services during the IT migration).

Furthermore, changes in the support of present Commerzbank customers due to the acquisition (such as closing branches) could lead to the fact that such present Commerzbank customers will terminate their business relationship. This could have a material adverse effect on the Group's business, results of operations and financial condition.

Credit Risks

The Group is subject to counterparty risks (credit risks), also in respect of large individual exposures as well as in engagements that are concentrated in specific sectors, so-called bulk risk.

The Group is subject to credit risks, especially creditworthiness and counterparty risks, arising from the credit business with customers and banks (mainly from loans to private and corporate customers, real estate financing as well as claims against banks, insurance companies, financial service providers as well as sovereigns and public entities), the credit substitution business (i.e., transactions involving structured credit products), financial instruments in the investment portfolio (such as bonds issued by industrials, banks, insurance companies and governments), other financial instruments and derivative transactions. Counterparty risks include the risk of losses due to the default of counterparties and the change of such risk. In addition, counterparty risks include country risks, issuer risks as well as counterparty risks and settlement risks arising from trading activities.

The risks described above are exacerbated by risk concentrations on certain sectors and individual large borrowers or counterparties (so-called bulk risk). The Group categorizes bulk-risk on the basis of thresholds of the maximum loss in value at a given probability during a given holding period.

If any or all of the risks described above arose, this could have material adverse implications for the Group's business, results of operations and financial condition.

The real estate financing business and the business activity of the Group in ship financing are subject to special risks with regard to the volatility of the real estate and ship prices, counterparty risks (credit risks) influenced therefrom as well as considerable changes in value of the real estate and ship collateral provided.

Especially, the commercial success of the real estate finance operations of Eurohypo depends on trends in the property markets, which are still affected by uncertainties. In real estate financing, the credit default risk depends not only on those risks, the profitability of the property and price trends in the relevant segment of the real estate industry but also on the general economic development and the development of private incomes. As a consequence of the financial market crisis and the economic slump, the market values of many properties have been subject to considerable fluctuations for some time now and have fallen sharply in some cases, which has had a correspondingly negative impact on Eurohypo's business activities. The negative trend in real estate prices in important markets, particularly in the U.S., Spain and the United Kingdom, both privately used and the commercial real estate continues without a foreseeable end so far. Factors that can have a sustained influence on the real estate market include the relationship between the supply of commercial properties and the demand for them, construction delays and defects, legacy issues and ground contamination, the insolvency and the availability of tenants, the restrained investment behavior and general cyclical fluctuations on the property market.
Ships that are provided to the Group as part of its business activities as collateral in connection with the ship financing are subject to similar structural fluctuations in value. The value of the ships depends decisively on their capacity and from the charter rates, which in turn by the development of world trade, that has excelled in the past two years by a very high volatility with negative effects on individual ship segments. For this reason, in particular the collateral provided for the loan portfolios in the Group Divisions Commercial Real Estate and Ship Finance is subject to significant fluctuations in value. Depreciation in values of collateral procided for loans can lead to an increase of risk provisioning to cover the acute and latent credit default risks. They can also lead to the fact that the security is no longer sufficient to cover the outstanding loan volume in case of liquidation of the collateral. In this case, a depreciation would be required. All this could significantly adversely affect the Group's business, results of operations and financial condition.

Risks arising from Structured Credit Products

It is possible that the Group will have to make further write-downs in future especially on structured financial instruments with and without US-subprime exposure on account of volatile and illiquid market conditions and suffers further losses in connection with the reduction of such portfolios.

As result of the crisis on the markets for securities related to the U.S. residential mortgage market in July 2007 and later with the insolvency of the investment bank Lehman Brothers the capital markets were marked by increasing and temporarily even total illiquidity. This results in certain categories of securities held by the Group, including securities that were awarded very good ratings by the rating agencies, to significant losses in value. In certain areas, still no full normalization of the liquidity of the markets has been reached.

The Group is subject to the risk of impairments and losses in respect of both financial instruments with subprime exposure and other structured financial instruments. This risk persists despite the market recovery occurred at the end of 2009. The risk of further substantial losses results from the continuing uncertainty in the markets, which is currently driven by doubts about the solvency of the countries of Portugal, Italy, Ireland, Greece and Spain. It is currently not predictable how long the uncertainty will exist or whether a further deterioration will follow. Therefore it is certainly possible that the Group will incur further significant charges upon the disposal of structured financial instruments, or in the event of defaults on these instruments due to liquidity bottlenecks in the relevant markets or other developments relevant from a valuation perspective. The risk of disruptions increases in the case of financial instruments, which are secured by mortgage loans, *inter alia* because of the fact that real estate prices have fallen sharply in recent years in some markets. This could mean that borrowers are not in a position to completely or partially refinance loans secured by mortgages at maturity.

Moreover, the recession is reflected in many economies relevant for the bank by rising unemployment and thus increasing residue for non-performing loans. As a result, loans underlying the structured financial instruments could default. This difficulty is exacerbated due to a large number of loans secured by mortgages that will mature in the coming years. Finally, in the U.S. recently occured issues in relation to the legally proper transfer of mortgages on private real estate to the securitization vehicles and also as part of proper enforcement of private real estate.

Should the Group no longer be in a position to use valuation models to calculate the fair value of financial instruments with U.S. subprime exposure and other structured instruments, future write-downs and/or losses could prove to be even greater than in the past. This also includes the risk that the write-downs already made are not sufficient to cover the future loss of principal and interest payments. The fair value of an asset or a liability is defined as the price at which the asset is exchanged between knowledgeable, willing parties or the liability could be settled. A decline in the fair value of an asset or an increase in the fair value of a liability gives rise to a corresponding charge in the income statement. Depending on the extent of the change in value, the level of this charge could be significant and entail a substantial loss. Calculating the fair value of financial instruments with U.S. subprime exposure or other structured instruments on the basis of actual market or indicative prices in the future could result in market prices reach substantially lower levels than those of model prices, which could cause a significant loss. Prices could reach a very low level if portfolios of structured products were sold at a very large discount to market values.

The segment Portfolio Restructuring Unit is tasked with the active and transparent management and reduction of the portfolios and structured bonds within the segment that have been earmarked for downsizing. The latter group of assets is mainly composed of bonds, loans, credit default swaps ("CDSs") and tranches on pools of credit default swaps, which are outside the strategic focus of the Group. In this case, given the further high volatility in the markets, the risk of further significant decreases in value and the risk of capital losses exist.

If any of the risks described above arose, the Group's business, results of operations and financial condition could be materially adversely affected.

The markets for certain structured financial instruments in the Group's securities portfolio are exhibiting low levels of liquidity.

In large parts of its business, the Group is exposed to market liquidity risks. Some markets are still characterized by an improved but still low liquidity. In the current economic environment, this is especially true of those markets which are directly or indirectly related to the U.S. residential and commercial mortgage market but also on structured financial products linked to European residential and commercial mortgage markets (e.g. Spain and the United Kingdom). In addition, the financial market crisis led to a recession in the real economy in many markets important for the Group as a consequence of which the liquidity also significantly decreased in the meantime. In illiquid markets, it is possible that the Group will find it difficult to dispose of assets at short notice without a substantial discount or to engage in corresponding hedging transactions. This could have a material adverse impact on the Group's business, results of operations and financial condition.

Contracts with bond and credit insurers, especially monoline insurers, are subject to significant default risk due to the threat of insolvency faced by these insurance companies.

In connection with OTC derivatives (including CDS) the Group is subject to default risks vis-à-vis bond and credit insurers, including monoline insurance companies and credit derivative product companies ("CDPCs"), despite a significant reduction in the meantime. CDS are recognized at fair value in the balance sheet. The fair value of a CDS depends in part on the expected default risk of the underlying financial instrument used for hedging purposes and on that of the relevant monoline insurer or CDPC itself. Towards the end of 2007, the crisis on the U.S. residential mortgage market began to have a negative impact on the risk-taking capacity of the monoline insurers and the CDPCs also operating in this segment. As a result, the Group revalued the CDS it had concluded with monoline insurers and CDPCs as well as its receivables from similar transactions. The position of the monoline insurers and CDPCs is still considered to be critical on account of rating downgrades, the need to raise fresh capital on the market and possible legal and regulatory changes. Should the financial position of the bond and credit insurers in general and the monoline insurers and CDPCs in particular continue to deteriorate, the Group could be forced to make additional value adjustments to the CDS concluded with these companies and its receivables from similar transactions, which could have a material adverse effect on its business, results of operations and financial condition.

In addition, as this happened with a particularly critical evaluated monoline insurer in the past, the entire hedge can to be written down and terminated, with the result that the Group fully is exposed to the risks of the underlying transactions next to the value loss from the depreciation without protection by a third party.

Market Risks

The Group is subject to market price risks with regard to the valuation of shares and fund units.

In 2007 and 2008 the prices for shares and fund units were falling due to negative sentiment on the financial markets resulting in significant impairment and disposal losses. Since 2009, a significant part of this impairment was subsequently recovered. Should this development again turn around, this could result in devaluation of the shares and fund units held in the Group's financial investment and trading portfolio and could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to market price risks in form of interest rate risks.

The Group is subject to market price risks in form of interest rate risks The Group is subject to interest rate risk to the extent that asset-side and liability-side positions in the various maturity ranges do not match the amount or the interest rate (fix or variable), which gives rise to open asset-side and liability-side interest rate positions. For open liability-side fixed interest positions, falling market interest rates result in a decline in the market value of the liability-side positions and may entail a decrease in the interest margin. For open asset-side fixed interest positions, rising market interest rates result in a decline in the market values of the asset-side positions and may entail a decrease in the interest margin. In the case of variable-rate products, interest rate changes do not entail any market value risk; however, changes to market interest rates lead to a change in interest expense or income. Risks also

arise if, time bands of fixed and floating rate positions are facing each other, as this can result in active or passive open interest positions. If the Group is not successful in managing its open interest positions efficiently in line with market trends and the predetermined limits, this could have material adverse implications for the Group's profitability, its risk-bearing capacity and its core capital and total capital ratios.

It is possible that changes in market interest rates lead to a flat or even inverted yield curve. This can generally affect the opportunity for a bank to generate from the refinancing of long-term assets by means of shorter-term liabilities, a positive net interest income from maturity transformation (so-called structural contribution). Whether and to what extent this risk is realized depends on the actual term transformation position of the bank. Particularly over a longer period of time a flat or inverted yield curve could significantly harm the interest margin and profitability of the Group.

If any or all of the risks described above arose, this could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to market price risks in form of credit spread risks.

The uncertainty on the financial markets triggered by the financial crisis and the scarcity of liquidity have caused spreads, the yield differentials versus risk-free investments, to widen sharply. Whereas in some markets regeneration tendencies can be seen the risk of default of some countries like Portugal, Italy. Ireland, Greece and Spain is still classified to be critical. If widening of the spreads continued or even accelerated, this would lead to a further decline in market values and therefore in case of disposals a loss in the net present value of outstanding bonds and corresponding additional pressure on the revaluation reserve. Additional net present value losses in the financial investment portfolio could have a material adverse impact on the Group's business, results of operations and financial condition.

Currency risks could negatively affect the Group's business, results of operations and financial condition.

The Group's subsidiaries resident outside of the eurozone prepare their individual financial statements in foreign currency. Currency fluctuations between the euro and the respective local currencies can mean that during conversion of positions in the standalone financial statements that are not denominated in euro for inclusion in the consolidated financial statements, different exchange rates are applied from those used in previous reporting periods and that these conversion differences weigh on the Group's equity capital. In addition, the Company and other Group companies resident in the eurozone engage in transactions that are not denominated in euros. The relative appreciation or depreciation of the respective foreign currency versus the euro can lead to correspondingly higher costs or lower income from these foreign currency transactions. To the extent this risk is not hedged, the Group's business, results of operations and financial condition could be materially adversely affected.

The Group is subject to market price risks in form of commodity price risks.

In its operating business, the Group is exposed to market price risks arising from trading in commodity-related derivatives, certificates and spot transactions. The underlying commodities are principally precious metals, industrial metals, energy and agricultural products. The prices of these financial instruments can rise or fall due to a wide range of factors, including general economic conditions, market trends, exchange rate movements and changes in the legal and political framework. If positions are not fully hedged against these risks, losses may arise which could have a material adverse impact on the Group's business, results of operations and financial condition.

The Group is subject to market price risks in form of volatility and correlation risks.

The Group is engaged in the structuring and trading of financial derivatives. Derivatives are subject to price fluctuations due to volatility changes of the instruments underlying the prices (such as shares, currencies, interest rates and commodities). To the extent derivatives are linked to two underlying

instruments (e.g. two currencies or a portfolio of shares) or to a portfolio of underlying instruments, the prices of these derivatives are also subject to what are known as correlation fluctuations. . Correlation is a statistical measure of the linear interaction between two underlying instruments – the higher the correlation coefficient, the greater the extent to which the two underlyings will move in step. If derivative positions are not hedged against volatility changes or correlation fluctuations, losses may arise which could have a material adverse impact on the Group's business, results of operations and financial condition.

The Group's strategies for hedging against market risks may prove to be ineffective.

The Group makes use of a range of instruments and strategies to hedge against market risks. If these instruments and strategies prove ineffective or only partially effective, the Group may suffer losses. Unforeseen market developments such as the dramatic deterioration in the U.S. residential mortgage market that occurred in July 2007 or the development of government bonds of various countries that occurred beginning of 2010 may significantly reduce the effectiveness of the measures taken by the Group to hedge risks. Gains and losses from ineffective risk-hedging measures may heighten the volatility of the results achieved by the Group and could therefore have a material adverse effect on the Group's business, results of operations and financial condition.

Risks arising from Equity Investments

The Group is subject to special risks in relation to its equity investments in listed and unlisted companies regarding the impairment of such investments and their management.

The Group holds various equity investments in listed and unlisted companies. The efficient management of this portfolio entails corresponding funding costs, which may not be (fully) offset by the dividends obtainable from these investments. Many of equity investments that the Group holds in large listed companies are only minority holdings. This may make it more difficult for the Group to promptly obtain information required to timely counteract possible undesirable developments. Where the Group holds majority interests minority shareholders may be able to block important decisions. Furthermore, it cannot be ruled out that in future the Group will have to make valuation allowances with respect to its portfolio of equity investments. In addition, Commerzbank remains committed to divest non-strategic investments. It cannot be ruled out, that the Group will not be successful in disposing of its equity investments via the stock market or in off-exchange transactions at appropriate prices. Losses and risks of investments as well as adverse business or market conditions - especially low liquidity - might make it more difficult to achieve adequate prices in the sale of these assets. They may also prevent such a sale as a whole. Any of these risks could have a material adverse effect on the Group's business, results of operations and financial condition.

Risks arising from Pension Obligations

The Group is exposed to risks on account of direct and indirect pension obligations.

Commerzbank and its subsidiaries have various direct and indirect pension obligations towards their current and former staff. These obligations constitute contingent liabilities for accounting purposes, as the precise timing and duration of payout is not confirmed. These obligations therefore entail various risks. In making a commitment to grant direct pension benefits, the Group assumes similar risks as a life insurance company (*e.g.*, fluctuation risk, the risk of sudden changes to the balance sheet, longevity risk, administrative risks, inflation risk, etc.).. The assets reserved in the business or in segregated pension funds to meet subsequent pension payments are subject to the risks typically associated with a capital investment. The volume of existing pension obligations may increase on account of judicial rulings and legislation (for example with reference to factors such as equality of treatment, adjustment, non-forfaitability and retirement age).. Risks, however, may also arise due to changes in tax legislation and/or in judicial rulings as well as inflation rates or interest rates. Obligations similar to pensions (such as obligations in respect of early retirement, part-time work arrangements for older employees and anniversaries) also carry similar risks. Any of these risks could have a material adverse effect on the Group's business, results of operations and financial condition

Operational Risk

The Group is exposed to a wide range of operational risks including the risk of breaches of compliance-related provisions in connection with the exercise of its business activity, such as provisions for limitation of money laundering. It cannot be ruled out that circumstances or trends may arise that were not anticipated, or were anticipated only to an inadequate extent, when the operational risk models were designed.

As part of its normal business activities, the Group conducts a large number of complex transactions in a wide range of jurisdictions and in this connection is exposed to a variety of operational risks. These risks concern, in particular, the possibility of inadequate or erroneous internal and external work processes and systems, regulatory problems, breaches of compliance-related provisions in connection with the exercise of business activities, such as rules to prevent money laundering, human errors and deliberate legal violations such as fraud. Moreover, it is possible that external events such as natural disasters, terrorist attacks, wars and pandemias or other exceptional situations could have a highly negative impact on the environment in which the Group operates and thus, indirectly, on the Group's internal processes. Such events may cause the Group to suffer substantial losses and reputational harm. Furthermore, the Group may be forced to make staff redundant, which might have a detrimental impact on the Group's business The Group endeavors to hedge operational risks by implementing appropriate control processes tailored to its business and the market and regulatory environment in which it operates. Nevertheless, it is possible that these measures prove to be ineffective in relation to particular or all operational risks to which the Group is exposed. Even though the Group endeavors to insure itself against the most significant operational risks, it is not possible to obtain insurance cover for all the operational risks on commercially acceptable terms on the market. Should one, some or all of the risks described in this paragraph arise, the Group's business, results of operations and financial condition could be materially adversely affected.

IT Risks

The Group is highly dependent on complex information technology ("IT") systems whose functionality may be impacted by internal and external circumstances.

The type of comprehensive institutional banking carried out by the Group is highly dependent on complex IT systems. IT systems are prone to a range of problems such as computer viruses, damage, other external threats, operational errors and software or hardware errors. The harmonization of the wide variety of IT systems used in the Group to create a standardized IT architecture, especially in connection with the integration of Dresdner Bank presents a particular challenge. Furthermore, regular upgrades are required for all IT systems to meet the demands imposed by constant changes in business and supervisory requirements. In particular, compliance with the Basel II requirements has placed major demands on the functionality of the Group's IT systems and will continue to do so in the future as well as Basel III requirements will again increase the demands on the IT systems in the view of Commerzbank. If these risks were to materialise, the Group's business, results of operations and financial condition could be materially adversely affected.

The growing significance of electronic trading platforms and new technologies may negatively affect the Group's business activities.

The use of modern technologies is highly significant to the banking sector and the Group's business. Continuous growth in electronic trading and the introduction of related technologies are changing the manner in which banking business is conducted and are creating new challenges. Securities, forward and option transactions are increasingly being processed electronically. Some of the electronic trading platforms via which these transactions are processed are in competition with the systems currently used by the Group, and it is foreseeable that the expected further penetration of electronic trading platforms will further intensify this competition in future. In addition, because the Group's customers are increasingly using low-cost electronic trading platforms that offer them direct access to the trading markets, this trend could lead to a reduction in the brokerage commissions and margins generated by the Group, which could have material adverse implications for the Group's business, results of operations and financial condition.

Personnel Risks

It is not certain whether the Group will continue to succeed in attracting and retaining qualified staff in future.

Across all its business areas, the Group is dependent on its ability to hire highly qualified employees and to retain them for the long term. The Group endeavors to counteract the risk of losing expertise as a result of key employees leaving the Group by taking various actions such as talent, management and career development measures. Should the Group's efforts to hire qualified employees and retain such staff fail in the future, its business, results of operations and financial condition could be materially adversely affected.

Regulatory and Legal Risks

The bank regulatory framework in the various jurisdictions in which the Group operates may change at any time, and non-compliance with regulatory provisions can result in the imposition of penalties and other disadvantages, up to the loss of administrative licenses.

The Group's business activities are regulated and supervised by the central banks and supervisory authorities in the countries in which it operates. In each of these countries, a banking license or at least notification of the national supervisory authorities is required for Commerzbank, its subsidiaries and, from time to time, also its branches and in some cases for the Group in its entirety. The bank regulatory regime in the various countries may change at any time. For example, additional requirements may be imposed on the regulated entities that limit their ability to operate in certain business areas or even rule out such activities completely. In addition, violations of rules that are not directly attributable to the banking regulations, can have regulatory consequences. In addition, compliance with changed regulatory requirements may lead to a material increase in the Group's administrative expenses. Any of these risks could have a material adverse effect on the Group's business, results of operations and financial condition.

Commerzbank and its subsidiaries are subject to damages, warranty and rescission actions.

Given the nature of its business, Commerzbank and its subsidiaries are regularly parties to a variety of judicial, arbitration and regulatory proceedings in Germany and a number of other jurisdictions. Such proceedings are characterized by a large number of uncertainties, and definitive predictions as to their outcome are not possible. Some of the risks associated with such proceedings are difficult to quantify or may not be quantified at all. As a result, it is possible that the losses resulting from pending or potentially imminent proceedings will exceed the provisions made for them, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The measures the Group has taken for data protection purposes and to ensure data confidentiality could prove to be inadequate and could lead to reputational and other damages.

The data used by the Group in connection with its business activities are strictly confidential and subject to data protection and information security. The Group has taken a number of measures to protect the data processed and administered in the course of its business activities against misuse. However, it cannot be ruled out that these measures will prove to be inadequate and that the confidentiality of customer data will be breached by employees of the Group or third parties who circumvent the Group's security systems and obtain unauthorized access to these data. This may trigger obligations on the part of the Group to pay damages, which could result in a material deterioration in the Group's business, results of operations and financial condition. In addition, there may be negative implications for the Group's reputation.

The Group is subject to risks in respect of tax audits; changes to tax legislation or judicial rulings on tax matters could have a detrimental impact on the Group's business activities, its business, results of operations and financial condition.

The business operations of Commerzbank are assessed for tax reasons on the basis of current tax laws and consideration the current case law and administrative interpretation. In case of the existence of tax law uncertainty as to the question of how such transactions are to be judged, Commerzbank considers generally a risk-averse position. Nevertheless, if substantial additional tax demands are imposed, these could have a significant negative impact on the assets, financial position and results of the Group.

The Group is regularly inspected by domestic and foreign tax authorities. In Germany, currently at Commerzbank, the tax years 1998-2008 are reviewed. This long audit period is, inter alia, due to the merger of Dresdner Bank to Commerzbank. These audits can result in the changing of the tax assessments of Commerzbank and its subsidiaries, which can lead to additional tax demands. Because of the long period of the tax audit there is an increased risk that additional tax is demanded. Tax risks discovered up to or during the course of the audit will be covered by Commerzbank through additional risk provisioning. If the future additional tax demands are much higher than the provisions in the balance sheets of the companies as formed or to be formed this could have significant negative effects on the Group's business, results of operations and financial condition.

Changes in the view of fiscal authority, tax legislation or tax law, could also adversely affect the Group's business, results of operations and financial condition.

It cannot be ruled out that the Group will be unable to adequately or timely satisfy the conditions imposed by the European Commission in respect of the government stabilization measures that have been granted, to the compliance of which it has committed itself vis-à-vis SoFFin, or that the Group will suffer commercial disadvantages in connection with satisfying the conditions.

On May 7, 2009, the European Commission declared that the stabilization measures taken up by the Bank are, in principle, compatible with the state aid provisions set out in the EU Treaty. However, for competitive reasons, the Federal Republic of Germany undertakes to ensure that the Commerzbank complies with a number of conditions to which Commerzbank agreed to comply with in contract with the SoFFin. It cannot be ruled out that the Group will be unable to adequately and timely satisfy the conditions imposed by the European Commission. In the event of a breach of the conditions imposed by the European Commission, the Group could be required to repay, at least in part, the government funds received by it. Any of these risks could have a material adverse effect on the Group's business, results of operations and financial condition.

The legal relationships between the Group and its customers are based on standardized contracts and forms designed for a large number of business transactions; individual application problems or errors in this documentation may therefore affect a large number of customer relationships.

The Group maintains contractual relationships with a large number of customers. In all business areas and divisions, the administration of such a large number of legal relationships necessitates the use of general terms and conditions of business, standard contracts and forms. The concomitant standardization means that issues in need of clarification, wording errors or the use of individual terms and conditions of business, standard contracts or forms pose a material risk on account of the large number of copies issued. In light of the ongoing changes in the overall business framework due to new laws and judicial rulings and the increasing influence of European legislation on national law, it is conceivable that not all the general terms and conditions of business, standard contracts and forms used by the Group comply with the applicable legal requirements at all times and down to the last detail. If application problems or errors arise or if individual contractual provisions or entire contracts are ineffective, this could affect a large number of customer relationships and result in substantial claims for damages or other legal consequences which would be negative for the Group, and could therefore have a material adverse effect on the Group's business, results of operations and financial condition.

Reputational Risk

The Group is subject to various reputational risks.

The Group is exposed to various reputational risks. Reputational risks exist with respect to all business transactions that lower confidence in the Group on the part of the public, customers, business partners, investors or rating agencies. In general, each of the risks described above entails reputational risks. Because of this, as with other non-quantifiable risks, the Group has defined processes and responsibilities that make it possible to identify reputational risks at an early stage and to deliver a response. However, these procedures may prove to be ineffective. If this means that the risks materialise, the Group's business, results of operations and financial condition could be materially adversely affected.

GENERAL INFORMATION

This Base Prospectus is made in accordance with § 6 of the German Securities Prospectus Act *(Wertpapierprospektgesetz;* the "**Prospectus Act**"*)*. The final Terms and Conditions relevant for an issue under this Base Prospectus will be made available to investors in a separate document (the "**Final Terms**") on the internet page *www.commerzbank.com* at the latest on the day of the public offer of the respective Notes.

Prospectus Liability

Commerzbank Aktiengesellschaft (the "**Issuer**", the "**Bank**" or "**Commerzbank**", together with its consolidated subsidiaries "**Commerzbank Group**" or the "**Group**") with its registered office at Frankfurt am Main, Federal Republic of Germany, accepts responsibility for the information contained in this Base Prospectus. The Issuer hereby declares that the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no material omission. The Issuer has taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

No person is or has been authorized by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with this Base Prospectus, the Notes and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The information contained herein relates to the date of the Base Prospectus and may have become inaccurate and/or incomplete as a result of subsequent changes.

Important Note regarding this Base Prospectus

This Base Prospectus must be read in conjunction with any supplement thereto as well as any other documents incorporated by reference into this Base Prospectus and must be interpreted accordingly.

No person is or has been authorised by the Issuer to give any information or to make any representation that is not contained in, or is inconsistent with, this Base Prospectus or any other information supplied in connection with the Base Prospectus or the Securities. If any such information is given or if any such representation is made, it must not be relied upon as having been authorised by the Issuer.

Neither this Base Prospectus nor any other information supplied in connection with the Base Prospectus or the Notes is intended to provide the sole basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of this Base Prospectus or any other information supplied in connection with the Base Prospectus or the Notes should purchase the Notes described in this Base Prospectus and the Final Terms. Each investor contemplating purchasing Notes should make its own independent investigation of the Terms and Conditions of the Notes and the Issuer's creditworthiness. Neither this Base Prospectus nor any other information supplied in connection with the Base Prospectus or the Notes constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any of the Notes issued hereunder.

The distribution of this Base Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons coming into possession of this Base Prospectus or the Notes must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of the Notes within the European Economic Area and the United States of America (see "Offering and Selling Restrictions").

Availability of Documents

This Base Prospectus and any supplements thereto will be made available in electronic form on the website of Commerzbank Aktiengesellschaft at www.commerzbank.com. Hardcopies of this Base

Prospectus may be requested free of charge from the Issuer's head office (Kaiserplatz, 60261 Frankfurt am Main, Federal Republic of Germany).

Furthermore, the Articles of Association of Commerzbank Aktiengesellschaft (as amended) and the Annual Reports of the Commerzbank Group for the financial years 2009 and 2010 as well as the Financial Statements and Management Report 2010 of Commerzbank Aktiengesellschaft will be available for inspection at the Issuer's head office (Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany) or for electronic viewing at *www.commerzbank.com* for a period of twelve months following the date of this Base Prospectus.

Information relating to the Securities

Further information regarding a specific issue of Notes, such as the Terms and Conditions, the Value Date, redemption or other payment calculations or information, the Currency, the smallest tradable unit, market disruptions, settlement disruptions, adjustments, certain risk factors (where applicable), the clearing system, the ISIN or other securities identification numbers, stock exchange listing, representation of the Notes (stating the respective clearing system including its address) and other additional information, will be set out in the respective Final Terms.

Offer and Sale

The details of the offer and sale, in particular the relevant Issue Date and the relevant offer volume, as well as the relevant issue and/or selling price (issue price plus applicable costs) with regard to each issue hereunder will be set out in the relevant Final Terms.

Delivery of the sold Notes will take place after the issue date on the Value Date stated in the relevant Final Terms via the stated clearing system. If the Notes are sold after the Value Date, delivery will take place in accordance with applicable local market practice via the clearing system stated in the relevant Final Terms.

The issue price of the Notes is based on internal pricing models of the Issuer and may be higher than their market value due to commissions and/or other fees relating to the issue and sale of the Notes (including a margin paid to distributors or third parties or retained by the Issuer) as well as amounts relating to the hedging of the Issuer's obligations under such Notes, and the price, if any, at which a person is willing to purchase such Notes in secondary market transactions may be lower than the issue price of such Notes. Persons, who distribute the Notes and receive a commission, fee or non-pecuniary benefits in return, may be obliged under applicable law to disclose the type and amount of such commission, fee or benefit to the investor. Investors should ensure that they receive the relevant information from the relevant distributor prior to purchasing the Notes.

[Increases of a Series of Notes

In the case of an increase of Notes having been offered for the first time under the Base Prospectus dated ● (the "**Former Base Prospectus**"), the Terms and Conditions contained in this Base Prospectus shall be substituted by the Terms and Conditions of the Former Base Prospectus. For this purpose, the section "Terms and Conditions" of the Former Base Prospectus shall be incorporated by reference and form part of this Base Prospectus.**]**

Calculation Agent

In cases requiring calculation, Commerzbank acts as the Calculation Agent.

Information regarding the Underlying

The Notes to be issued under this Base Prospectus may relate to e.g. shares, indices, precious metals, futures contracts, and other underlyings (the "**Underlying**"). The Final Terms to be drawn up with regard to each individual issue hereunder may contain information as to where information regarding the Underlying (ISIN, performance, volatility, index description in the case of indices) can be obtained.

Such information regarding the Underlying will be available on a freely accessible website stated in the Final Terms.

Post-Issuance Information

The Issuer will provide no post-issuance information regarding the relevant Underlying.

[INFLUENCE OF THE UNDERLYING ON THE SECURITIES

If the Notes relate to an Underlying, the influence of the Underlying on the Notes is in each case described in the relevant Final Terms.**]**

TAXATION

All present and future taxes, fees or other duties in connection with the Notes shall be borne and paid by the holders of the Notes. The Issuer is entitled to withhold from payments to be made under the Notes any taxes, fees and/or duties payable by the holders of the Notes in accordance with the previous sentence.

Taxation in the Federal Republic of Germany

Currently, there is no legal obligation for the Issuer (acting as issuer of the Notes and not as disbursing agent (*auszahlende Stelle*) as defined under German tax law) to deduct or withhold any German withholding tax (*Quellensteuer*) from payments of interest, principal and gains from the disposition, redemption or settlement of the Securities or on any ongoing payments to the holder of any Securities. Further, income and capital gains derived from particular issues of Securities can be subject to German income tax (*Einkommensteuer*). All tax implications can be subject to alteration due to future law changes.

Prospective investors are advised to consult their own advisors as to the tax consequences of an investment in the Notes, also taking into account the rules on taxation in the investor's country of residence or deemed residence.

[*additional taxation provisions, where applicable***]**

SELLING RESTRICTIONS

Selling Restrictions within the European Economic Area

The Notes may be publicly offered in any member state of the European Economic Area ("**EEA**") that has implemented Directive 2003/71/EC (the "**Prospectus Directive**") (each, a "**Relevant Member State**") from and including the date of entry into effect of the respective implementation in the Relevant Member State, provided that this is permitted under the applicable laws and other legal provisions, and further provided that

(a) the Public Offering starts or occurs within a period of 12 months following the publication of the Prospectus which has been approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) ("**BaFin**") in accordance with the provisions of the German Securities Prospectus Act (WpPG) and, if the Notes are publicly offered in a Relevant Member State other than Germany, the approval has been notified to the competent authority in such Relevant Member State in accordance with § 18 WpPG; or

(b) one of the exemptions set forth in § 3 (2) WpPG exists or, in the case of an offering outside Germany, an exemption from the obligation to prepare a prospectus exists as set forth in the implementing law of the respective Relevant Member State in which the Public Offering shall occur.

"**Public Offering**" means (i) a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Notes to be offered, so as to enable an investor to decide to purchase or subscribe for these Notes, as well as (ii) any additional specifications defined more closely in the implementing law of the respective Relevant Member State in which the Public Offering is to occur.

In any EEA member state that has not implemented the Prospectus Directive, the Notes may only be publicly offered within or from the jurisdiction of such member state, provided that this is in accordance with the applicable laws and other legal provisions. The Issuer has not undertaken any steps, nor will the Issuer undertake any steps, aimed at making the Public Offering of the Notes or their possession or the marketing of offering documents related to the Notes legal in such jurisdiction if this requires special measures to be taken.

Selling Restrictions outside the European Economic Area

In a country outside the EEA, the Notes may only be publicly offered, sold or delivered within or from the jurisdiction of such country, provided that this is in accordance with the applicable laws and other legal provisions, and provided further that the Issuer does not incur any obligations in that regard. The Issuer has not undertaken any steps, nor will the Issuer undertake any steps, aimed at making the Public Offering of the Notes or their possession or the marketing of offering documents related to the Notes legal in such jurisdiction if this requires special measures to be taken.

Selling Restrictions in the USA

The Notes have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in transactions not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and any regulations thereunder.

Until 40 days after the commencement of the offering of the Notes, an offer or sale of such Note within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The blank positions ("●") in the following Terms and Conditions will be supplemented in the relevant Final Terms; information in square brackets may be deleted if not applicable.

TERMS AND CONDITIONS

§ 1
FORM

These paragraphs 1 – 3 shall be applicable only in respect of non-USD issues or USD issues with a lifetime of less than or equal to one year

1. The **[***Name***]** Notes **[**of each series**]** (the "**Notes**") issued by Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") will be represented by a global bearer Note (the "**Global Note**") which shall be deposited with **[**Clearstream Banking AG, Frankfurt am Main**][**Deutsche Bank AG, Große Gallusstraße 10 - 14, 60272 Frankfurt am Main, as common depositary for Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank S.A./N.V. as operator of the Euroclear System (together the "**Clearing System**")**][**Euroclear Belgium**] [**Euroclear Nederland (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., Amsterdam)**] [**(the "**Clearing System**")**]**. **[**The Notes are issued in [Euro ("**EUR**"][United States Dollar ("**USD**")][*currency* ("•")] (the "**Issue Currency**") in the denomination of [EUR 1,000] [USD 1,000] [•] (the "**Denomination**").**]**

2. Definitive Notes will not be issued. The right of the holders of Notes (the **"Noteholders"**) to delivery of definitive Notes is excluded. The Noteholders shall receive co-ownership participations in or rights with respect to the Global Note which are transferable in accordance with applicable law and the rules and regulations of the Clearing System. In securities clearing transactions, the Notes are transferable in units of **[**one**][●]** Note**[**s**]** or integral multiples thereof.

3. The Global Note shall bear the hand-written signatures of two authorised officers of the Issuer.

These paragraphs 1 – 3 shall be applicable only in respect of USD issues with a lifetime of more than one year

1. The **[***Name***]** Notes **[**of each series**]** (the "**Notes**") issued by Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") will initially be represented by a temporary global bearer Note (the "**Temporary Global Note**"), which will be exchanged not earlier than 40 days and not later than 180 days after their issue date against a permanent global bearer Note (the "**Permanent Global Note**", together with the Temporary Global Note the "**Global Note**").

   The Temporary Global Note and the Permanent Global Note shall be deposited with Deutsche Bank AG, Frankfurt am Main, as common depositary for Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank S.A./N.V. as operator of the Euroclear System (together the "**Clearing System**"). The exchange shall only be made upon certification to the effect that, subject to certain exceptions, the beneficial owner or owners of the Notes represented by the Temporary Global Note are not U.S. persons.

2. Definitive Notes will not be issued. The right of the holders of Notes (the "**Noteholders**") to delivery of definitive Notes is excluded. The Noteholders shall receive co-ownership participations in or rights with respect to the Global Note which are transferable in accordance with applicable law and the rules and regulations of the Clearing System. In

securities clearing transactions, the Notes are transferable in units of **[**one**][●]** Note**[**s**]** or integral multiples thereof.

3. The Temporary Global Note and the Permanent Global Note shall bear the hand-written signatures of two authorised officers of the Issuer.

The paragraphs 1 to 3 are applicable for Notes being issued through Euroclear France

1. The **[***Name***]** Notes (the "**Notes**") of each series (the "**Notes**") issued by Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") will be issued in bearer dematerialised form. Title to the Notes will be evidenced by book entries (*dématérialisation*) in accordance with the provisions of the French Monetary and Financial Code relating to Holding of Securities (*inscription en compte*) (currently, Articles L. 211-3 *et seq*. and R. 211-1 *et seq*. of the French Monetary and Financial Code). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French Monetary and Financial Code) will be issued in respect of the Notes.

2. Transfers of Notes and other registration measures shall be made in accordance with the French Monetary and Financial Code, the regulations, rules and operating procedures applicable to and/or issued by Euroclear France (the "**Clearing System**"; the "**Clearing Rules**").

3. The term "**Noteholder**" in these Terms and Conditions refers to any person holding Notes through a financial intermediary entitled to hold accounts with the Clearing System on behalf of its customers (the "**Note Account Holder**") or, in the case of a Note Account Holder acting for its own account, such Note Account Holder.

These paragraphs 1. – 3. shall be applicable only in respect of Notes issued through Euroclear Finland

1. The **[***Name***]** Notes (the "**Notes**") of each series issued by Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") will be in dematerialised form and will only be evidenced by book entries in the system of Euroclear Finland Oy, PL 1110, Urho Kekkosen katu 5C, 00101 Helsinki ("**EFi**") for registration of securities and settlement of securities transactions (the "**Clearing System**") in accordance with the Finnish Act on Book-Entry System (*1991/826).* There will be neither global bearer securities nor definitive securities and no physical notes will be issued with respect to the Notes.

2. Transfers of Notes and other registration measures shall be made in accordance with the Finnish Act on Book-Entry Accounts (*1991/827)* as well as the regulations, rules and operating procedures applicable to and/or issued by EFi (the "**EFi Rules**").

3. The term "**Noteholder**" in these Terms and Conditions refers to any person that is registered on an EFi account as holder of a Note. For nominee registered Notes the authorised nominee shall be considered to be the Noteholder. Each of the Issuer and the Paying Agent (as defined in § 10), acting on behalf of the Issuer, is entitled to obtain from EFi a transcript of the register for the Notes.

These paragraphs 1. – 3. shall be applicable only in respect of Notes issued through Euroclear Sweden

1. The **[***Name***]** Notes **[**of each series**]** (the "**Notes**") issued by Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") will be in dematerialised form and will only be evidenced by book entries in the system of Euroclear Sweden AB, Box 7822, Regeringsgatan 65, 103 97 Stockholm

("**Euroclear Sweden**") for registration of securities and settlement of securities transactions (the "**Clearing System**") in accordance with Chapter 4 of the Swedish Financial Instruments Accounts Act (Sw. *lag (1998:1479)*. There will be neither global bearer securities nor definitive securities and no physical notes will be issued with respect to the Notes.

2. Transfers of Notes and other registration measures shall be made in accordance with the Swedish Financial Instruments Accounts Act (*1998:1479*) and the regulations, rules and operating procedures applicable to and/or issued by Euroclear Sweden (the "**Swedish CSD Rules**").

3. The term "**Noteholder**" in these Terms and Conditions refers to any person that is registered on a Euroclear Sweden-account as holder of a Note or, where applicable, any other person acknowledged as the holder pursuant to the Swedish CSD Rules. For nominee registered Notes the authorised nominee shall be considered to be the Noteholder. The Issuer is entitled to receive from Euroclear Sweden, at its request, a transcript of the register for the Notes in accordance with the Swedish CSD Rules.

These paragraphs 1. – 3. shall be applicable only in respect of Notes issued through the Norwegian CSD

1. The **[***Name-***]** Notes **[**of each series**]** (the "**Notes**") issued by Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") will be issued in dematerialised registered form and will only be evidenced by book entries in the system of the Norwegian Central Securities Depositary VPS ASA, P.O. Box 4, 0051, Oslo, ("**VPS**") for registration of securities and settlement of securities transactions (the "**Clearing System**") in accordance with the Norwegian Securities Register Act (*lov om registrering av finansielle instrumenter 2002 5. juli nr. 64*). There will be neither global bearer securities nor definitive securities and no physical notes will be issued in respect of the Notes. Notes issued through the Norwegian CSD must comply with the Norwegian Securities Trading Act, and the procedures applicable to and/or issued by VPS from time to time and as amended from time to time.

2. Transfers of the title to the Notes and other registration measures shall be made in accordance with the Norwegian Securities Register Act (*lov om registrering av finansielle instrumenter 2002 5. juli nr. 64*), the regulations, rules and operating procedures applicable to and/or issued by VPS (the "**Norwegian CSD Rules**").

3. The term "**Noteholder**" in these Terms and Conditions refers to any person that is registered on a VPS-account as holder of a Note or, where applicable, any other person acknowledged as the holder pursuant to the Norwegian CSD Rules. For nominee registered Notes the authorised nominee shall be considered to be the Noteholder. The Issuer shall be entitled to obtain information from VPS in accordance with the Norwegian CSD Rules. Except as ordered by a court of competent jurisdiction or as required by law, the Noteholder of any Note shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the holder.

4. The Issuer reserves the right to issue from time to time without the consent of the Noteholders another tranche of Notes with substantially

identical terms, so that the same shall be consolidated to form a single Series and increase the total volume of the Notes. The term "Notes" shall, in the event of such consolidation, also comprise such additionally issued Notes.

[*insert additional or other provisions***]**

§ 2
DEFINITIONS

[1.**]** For the purposes of these Terms and Conditions, the following definitions shall apply (subject to an adjustment in accordance with § 6):

"**Underlying**" shall be the **[***Share***][***Index***][***Precious metal***][***Futures Contract***][***other***] [**referred to in paragraph 2.**]** (the "**[***Underlying***]**").

The "**Valuation Date**" shall be the **[***date***] [***insert applicable provision***]**.

[If on the Valuation Date the **[***price***]** of the **[***Underlying***]** is not determined and published **[**by the Relevant Exchange**]** or on the Valuation Date a Market Disruption Event occurs, the Valuation Date shall be postponed to the next following **[***applicable business day***]** on which the **[***price***]** of the **[***Underlying***]** is determined and published again **[**by the Relevant Exchange**]** and on which a Market Disruption Event does not occur.

If, according to the before-mentioned, the Valuation Date is postponed to the third Payment Business Date prior to the Maturity Date, and if also on such day the **[***price***]** of the **[***Underlying***]** is not determined and published **[**by the Relevant Exchange**]** or a Market Disruption Event occurs on such day, then this day shall be deemed to be the Valuation Date and the Issuer shall estimate the **[***price***]** of the **[***Underlying***]** in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (BGB)), and in consideration of the prevailing market conditions on such day and make a notification thereof in accordance with § 13.**]**

[*insert further or other provisions with respect to any postponement of the Valuation Date***]**

["**Multiplier**" shall be expressed as a decimal figure and be the ratio set out in paragraph 2.**]**
["**Multiplier**" shall be **[***ratio***].]**

"**Maturity Date**" shall be **[**the fifth Payment Business Day following the valuation date at the latest**] [**the **[***date***]**.

"**Market Disruption Event**" means the occurrence or existence of any suspension of, or limitation imposed on **[***insert applicable provision***]**.

[A limitation regarding the office hours or the number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the respective exchange. A limitation on trading imposed during the course of a day by reason of movements in price exceeding permitted limits shall only deemed to be a Market Disruption Event if such limitation still prevails at the time of termination of the trading hours on such date.**]**

"**Payment Business Day** means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET) and the Clearing System settle payments in **[**EUR**][** *currency*].
[*insert further or other provisions with respect to Payment Business Day***]**

[*insert additional or other definitions in alphabetical order***]**

This paragraph 2. shall be applicable to series of Notes only

2. For each series of Notes the terms **[***insert applicable definition***]** shall have the following meanings:

[*insert table in which the above-mentioned terms will be defined depending of the Underlying and the respective structure of the Note***]**

§ 3
INTEREST

Alternative:	*Notes with Fixed Interest and Step-up and Step-Down Notes*

This paragraph 1 shall apply to Fixed Rate Notes

1. The Notes bear interest at a rate of **[***interest rate***]** as from **[***Interest Commencement Date***]** (inclusive). Interest is payable **[**annually / semi-annually / quarterly /●**]** in arrear on **[***Interest Payment Date(s)***]** **[**of each year**]** **[**ending on **[***last Interest Payment Date***]]** (**[**the / each an**]** "**Interest Payment Date**"). **[**The first interest payment shall be due on **[***first Interest Payment Date***].]**

This paragraph 1 shall apply to Step-up and Step-down Notes

1. The Notes bear interest at a rate of **[***interest rate***]** as from **[***Interest Commencement Date***]** (inclusive) until **[***date***]** (exlusive) **[***insert apllicable provisions***]**.

   Interest is payable **[**annually / semi-annually / quarterly / ●**]** in arrear on **[***Interest Payment Date(s)***]** **[**of each year**]** **[**ending on **[***last Interest Payment Date***]]** (**[**the / each an**]** "**Interest Payment Date**"). **[**The first interest payment shall be due on **[***first Interest Payment Date***].]**

2. The Notes will cease to bear interest at the end of the day preceding the date on which they become due for redemption, even the Maturity date is not a Payment Business Day and thus payment is made on the next following Payment Buisness Day.

3. Should the Issuer for any reason whatsoever fail to provide to the Paying Agent, when due, the necessary funds for the redemption of the Notes, then interest on the outstanding principal amount of such Notes will continue to accrue until the payment of such principal has been effected, however not beyond the fourteenth day after the date on which the necessary funds have been provided to the Paying Agent and notice thereof has been given by publication in accordance with § 13.

This paragraph 4 shall apply if "Actual/Actual" is the agreed Day Count Fraction

4. The calculation of interest shall be effected on the basis of the actual number of days elapsed divided by 365 or (if a 29 February falls within the relevant interest determination period) divided by 366.

This paragraph 4 shall apply if "Actual/Actual (ISDA)" is the agreed Day Count Fraction

4. The calculation of interest shall be effected on the basis of the actual number of days elapsed divided by 365 (or, if any portion of that interest determination period falls in a leap year, the sum of (A) the actual number of days in that portion of the interest determination period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the interest determination period falling in a non-leap year divided by 365).

This paragraph 4 shall apply if "Actual/Actual (ICMA)" is the agreed Day Count Fraction

4. The calculation of interest shall be effected on the basis of the actual number of days (actual/actual according to ICMA Rule 251).

This paragraph 4 shall apply if "Actual/365 (Fixed)" is the agreed Day Count Fraction

4. The calculation of interest shall be effected on the basis of a 365 day year and on the basis of the actual number of days elapsed.

This paragraph 4 shall apply if "30/360" or "360/360" or "Bond Basis" is the agreed Day Count Fraction

4. The calculation of interest shall be effected on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, on the basis of the actual number of days elapsed. If the last day of the calculation period is the 31st day of a month but the first day of the calculation period is a day other than the 30th or the 31st day of a month, the month that includes that last day shall not be considered to be shortened to a 30-day month. If the last day of the calculation period is the last day of the month of February, the month of February shall not be considered to be lengthened to a 30-day month.

This paragraph 4 shall apply if "30E/360" or "Eurobond Basis" is the agreed Day Count Fraction

4. The calculation of interest shall be effected on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, on the basis of the actual number of days elapsed without regard to the date of the first day or last day of the calculation period.

This paragraph 4 shall apply if "Actual/360" is the agreed Day Count Fraction

4. The calculation of interest shall be effected on the basis of a 360 day year and on the basis of the actual number of days elapsed.

Alternative:	*Floating Rate Notes / Structured Notes*

[1.**]** The Notes bear interest pursuant to the following provisions:
[*insert applicable provisions***]**

[2./●. The Calculation Agent shall notify the Paying Agent, the Clearing System and, if so required by its rules, the exchange on which the Notes are listed, without delay of the interest rate determined with respect to the relevant Interest Period, the amount payable in respect of each Note as well as the respective Interest Payment Date. **[**The Principal Paying Agent shall without delay publish the interest rate, the interest amount payable in respect of each Note and the Interest Payment Date in accordance with § 13 hereof.**]**

Alternative:	*Notes not bearing interest*

The Notes shall not bear any interest.

§ 4
MATURITY

This paragraph shall be applicable only in case of redemption at par

[Subject to §•**]** the Notes will be redeemed at par (the "**Redemption Amount**") on the Maturity Date.

These paragraphs 1. and 2. shall be applicable only in case of cash settlement

1. **[**Subject to §•**]** the Notes will be redeemed on the Maturity Date.

   Each Note is redeemed **[**subject to §•**]** at the Redemption Amount.

2. The "**Redemption Amount**" shall be **[***insert applicable provision, inter alia amount and/or formula(e) and/or other definitions***]**

These paragraphs 1. to 4. shall be applicable only in case of physical delivery

1. **[**Subject to §•**]** the Notes will be redeemed on the Maturity Date.

2. Each Note is redeemed **[**subject to §•**]** by way of delivery of a number of **[**shares**][**indexNotes **[***insert detailed description***]** (the "**Index Notes**")**][***securities***]** corresponding to the subscription ratio in the form and with the characteristics deliverable on the maturity date **[**at the Relevant Exchange in accordance with its rules**]**.

   [*insert other provision***]**

3. If the delivery of **[**shares**][**index Notes**][***securities***]** is economically or factually impossible on the maturity date, the Issuer will be entitled, instead of delivering the **[**shares**][**Index Notes**][***securities***]**, to pay a monetary amount (possibly commercially rounded up or down to the next **[**cent**][**•**]** **[***currency***]** 0.01) that corresponds to the reference price of the **[***Underlying***]** on the valuation date, as multiplied by the subscription ratio.

4. Fractions of **[**shares**][**IndexNotes**]** **[***securities***]** will not be delivered. The Issuer, instead of delivering the relevant fraction, may pay an amount in **[***currency***]** (the "**Fractions Settlement Amount**") per Note to the holders of the Notes, which will be determined by the Issuer by multiplying the fraction by the reference price of the **[***Underlying***]** on the valuation date. The combination of several Fractions Settlement Amounts into claims for the delivery of **[***shares***][***Index Notes***]** **[***securities***]** is excluded.

[*insert additional or other provisions with respect to the physical delivery***]**

These paragraphs 1. to 4. shall be applicable only in case of physical delivery of fundshares

1. **[**Subject to §•**]** the Notes will be redeemed on the Maturity Date.

2. Each Note is redeemed **[**subject to §•**]** by way of the delivery of Fund Units.

   A "**Fund Unit**" is a unit in **[**the **[**Comstage ETF DAX® TR (ISIN •**]** **[***insert Comstage ETF***]**, a subfund of Comstage ETF SICAV, Luxembourg**][***insert other Fund Units***]** (the "**Fund**").

   The number of Fund Units to be delivered is calculated in accordance with the following formula:

$$N = \frac{Underlying_{final} \cdot Subscription\ Ratio}{NAV_{final}}$$

where

N	=	the number of Fund Units to be delivered per Note
Underlying	=	the reference price of the **[***Underlying***]** on the valuation date
NAV_{final}	=	**[**the net asset value of a Fund Unit as calculated for the valuation date by the custodian bank named in the Fund's prospectus and published on the Fund's website (www.comstage.de)**][***insert other provision***]**

3. If the delivery of the Fund Units is economically or factually impossible on the maturity date, the Issuer will be entitled, instead of delivering the Fund Units, to pay a monetary amount (possibly commercially rounded up or down to the next cent (EUR 0.01)) that corresponds to the NAV_{final} of the Fund Unit on the valuation date, as multiplied by the subscription ratio.

4. Fractions of Fund Units will not be delivered. The Issuer, instead of delivering the relevant fraction of the Fund Unit, will pay an amount in EUR (the "**Fractions Settlement Amount**") per Note to the holders of the Notes, which will be determined by the Issuer by multiplying the fraction by the NAV_{final} of the Fund Unit **[**as multiplied by the subscription ratio**]** on the valuation date. The combination of several Fractions Settlement Amounts into claims for the delivery of Fund Units is excluded.

[*insert additional or other provisions with respect to the physical delivery of fundshares***]**

[*insert additional or other provisions of product-specific redemption options***]**

§ 5
EARLY REDEMPTION; REPURCHASE

This paragraph shall apply to all Note where the Issuer does not have a Call Option

1. **[**The Issuer shall not be entitled to redeem the Notes prior to the Maturity Date.**]**

   [Except as provided in § 7, the Issuer shall not be entitled to redeem the Notes prior to the Maturity Date.**]**

This paragraph shall apply to all Note where the Issuer has a Call Option

1. The Issuer shall **[**, in addition to the right to redeem the Notes prior to the Maturity Date in accordance with § 7,**]** have the right to redeem all, but not in part, of the outstanding Notes in each case at **[***insert applicable provision***]** , for the first time with effect as of **[***date***]** (each an "**Early Redemption Date**") (the "**Early Redemption**") in accordance with the following provisions: **[***insert applicable provisions***]**

   Early Redemption must be announced at least **[***number***]** days prior to the Early Redemption Date in accordance with § 13. The notice is irrevocable and must state the Early Redemption Date.

This paragraph shall apply to all Note where the Noteholders do not have a Call Option

1. The Noteholders shall not be entitled to call for a redemption of the Notes prior to the Maturity Date.

This paragraph shall apply to all Note where the Noteholders have a Call Option

2. Each Noteholder is entitled to request early redemption of the Notes ("**Early Redemption**"). Early Redemption may be requested only in accordance with the provisions set out below in this § 4 paragraph 2 and only with effect as of an Early Redemption Date. "**Early Redemption Date**" means **[***insert applicable provision***]**.

   Early Redemption of each Note takes place in accordance with the following provisions: **[***insert applicable provisions***]**

   In order to validly call the Notes for redemption with respect to an Early Redemption Date the Noteholder shall instruct the account holding bank not later than on the tenth Payment Business Day prior to the requested Early Redemption Date

   i. deliver a written redemption notice (the "**Redemption Notice**") to the Paying Agent in the form available at the Paying Agent or by providing all information and statements requested therein;

   ii. deliver the Notes by crediting the Notes to the account of the Paying Agent with the Clearing System.

   The Redemption Notice shall be binding and irrevocable. A Redemption Notice submitted with regard to a specific Early Redemption Date shall be void if it is received after the end of the tenth Payment Business Day prior to the relevant Early Redemption Date. If the Notes to which a Redemption Notice relates are not delivered or not delivered on time to the Paying Agent, the Redemption Notice shall be void. If the number of Notes stated in the Redemption Notice, for which redemption is requested, differs from the number of Notes transferred to the Paying Agent, the Redemption Notice shall be deemed submitted only with regard to the smaller number of Notes. Any excess Notes shall be re-transferred for the cost and the risk of the Noteholder to the account holding bank.

   Following the valid submission of Notes for Early Redemption, the Issuer shall ensure that the Early Redemption Amount is made available to the Paying Agent, which shall in turn transfer such amount to an account of the account-holding bank on the relevant Early Redemption Date.

This paragraph 3. shall apply only to Notes with Automatic Early Redemption

4. Notwithstanding any other rights to redeem the Notes prior to the Maturity Date in accordance with these Terms and Conditions, the Notes shall be terminated automatically and redeemed on the Early Redemption Date at the Automatic Early Redemption Amount.

[*Insert applicable provisions, including but not limited to early termination trigger event(s), definitions of Early Redemption Date(s) and Automatic Early Redemption Amount(s) and/or other amount(s) and/or formula(e) and/or additional definitions***]**

The rights in connection with the Notes shall expire upon the payment of the **[**Automatic**]** Early Redemption Amount.

[3**][**4**]**. The Issuer may at any time purchase Notes in the market or otherwise. Notes repurchased by or on behalf of the Issuer may be held by the Issuer, re-issued or resold .

§ 6
PAYMENTS[; DELIVERY OF THE UNDERLYING [•]]

These paragraphs 1. and 2. shall be applicable only in case of cash settlement

1. All amounts payable pursuant to these Terms and Conditions shall be made to the Paying Agent, subject to the provision that the Paying Agent transfers such amounts to the Clearing System on the dates stated in these Terms and Conditions so that they may be credited to the accounts of the relevant custodian banks and then forwarded on to the Noteholders.

   [Payments on Notes represented by a Temporary Global Note shall only be effected upon due certification in accordance with § 1 paragraph 1.**]**

2. If any payment with respect to a Note is to be effected on a day other than a Payment Business Day, payment shall be effected on the next following Payment Business Day. In this case, the relevant Noteholder shall neither be entitled to any payment claim nor to any interest claim or other compensation with respect to such delay.

These paragraphs 1. to 2. shall be applicable only in case of physical delivery

1. All amounts payable and/or **[**Shares**][**Certificates**][***securities***]** to be delivered pursuant to the Terms and Conditions shall be paid and/or delivered to the Paying Agent subject to the provision that the Paying Agent transfers such amounts and/or **[**Shares**][**Certificates**][***securities***]** to the Clearing System on the dates stated in these Terms and Conditions so that they may be credited to the accounts of the relevant custodian banks and then forwarded on to the Noteholders.

   [Payments and/or the delivery of **[**shares**][**index certificates**][**fund units**][***securities***]** on Notes represented by a Temporary Global Note shall only be effected upon due certification in accordance with § 1 paragraph 1.**]**

2. If any payment and/or the delivery of **[**Shares**][**Certificates**][***securities***]** is to be made on a day that is not a Payment Business Day and not a **[***Business Day***]**, it shall take place on the next following day that is a Payment Business Day and a **[***Business Day***]**. In this case, the relevant Noteholder shall neither be entitled to any payment claim nor to any interest claim or other compensation with respect to such delay.

3. All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives.

§ 7
ADJUSTMENTS; TERMINATION RIGHT OF THE ISSUER

Alternative:	*Notes with reference to a share*

1. If an Adjustment Event or an Extraordinary Event (both as defined below) has occurred, the Issuer is entitled to make adjustments to the Terms and Conditions taking into consideration the provisions set forth hereinafter. If an Extraordinary Event has occurred, the Issuer may (instead of an adjustment) terminate the Notes prematurely on the termination date (the "**Termination Date**") with a prior notice of seven Payment Business Days in accordance with § 13, provided that an adjustment is not possible or is unreasonable (*unzumutbar*) for the Issuer. Any termination of the Notes in part shall be excluded. In any case, the Issuer is neither obliged to make adjustments to the Terms and Conditions nor to terminate the Notes.

   a) When making adjustments to the Terms and Conditions, the Issuer shall act in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) and is entitled, but not obligated, to take into consideration the adjustments to option or futures contracts relating to the Share made by the Futures Exchange or that would have been made by the Futures Exchange if such option or futures contracts were traded on the Futures Exchange. In the event of any doubts regarding the application of the adjustment rules of the Futures Exchange, the Issuer shall decide in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)). Any of the before-mentioned adjustments may, among others, relate to **[***insert parameters***]** and may result in the Share being replaced by another share or other securities, a basket of securities and/or cash, and another stock exchange being determined as the Relevant Exchange. If the Share is replaced by a basket of shares following an adjustment by the Futures Exchange, the Issuer shall be entitled to determine only the Share with the highest market capitalisation on the relevant cut-off date as the (new) Underlying, to sell the remaining Shares in the basket on the first Exchange Business Day following the cut-off date at the first available price and to reinvest the proceeds immediately afterwards in the remaining Share. However, the Issuer is also entitled to make other adjustments taking into consideration the before-mentioned principles.

      Adjustments and determinations take effect as from the date determined by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)), provided that (in case the Issuer takes into consideration the manner in which adjustments are or would be made by the Relevant Exchange) the Issuer shall take into consideration the date at which such adjustments take effect or would take effect at the Futures Exchange if such option or futures contracts were traded at the Futures Exchange.

      Adjustments and determinations as well as the effective date shall be notified by the Issuer in accordance with § 13.

   b) If the Notes are called for redemption due to the occurrence of an Extraordinary Event, they shall be redeemed at the termination amount per Note (the "**Termination Amount**") which shall be calculated by the Issuer in its reasonable discretion (*billiges*

Ermessen) (§ 315 German Civil Code (*BGB*)) by taking into account applicable market conditions and any proceeds realised by the Issuer in connection with transactions concluded by it in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) for hedging measures in relation to the assumption and fulfilment of its obligations under the Notes (the "**Hedging Transactions**"). When determining the Termination Amount, the Issuer may take into account expenses for transactions that were required for winding up the Hedging Transactions in the Issuer's reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) as deductible items.

2. "**Adjustment Event**" means:

a) any of the following actions taken by the issuer of the underlying Share (the "**Company**"): capital increases through issuance of new shares against capital contribution and issuance of subscription rights to the shareholders, capital increases out of the Company's reserves, issuance of securities with option or conversion rights related to the Share, distributions of ordinary dividends, distributions of extraordinary dividends, stock splits or any other split, consolidation or alteration of category;

b) a spin-off of a part of the Company in such a way that a new independent entity is formed, or that the spun-off part of the Company is absorbed by another entity;

c) the adjustment of option or futures contracts relating to the Share at the Futures Exchange or the announcement of such adjustment; or

d) any other adjustment event being economically comparable to the before-mentioned events with regard to their effects.

3. "**Extraordinary Event**" means:

a) a takeover-bid, i.e. an offer to take over or to swap or any other offer or any other act of an individual person or a legal entity that results in the individual person or legal entity buying, otherwise acquiring or obtaining a right to buy more than 10% of the outstanding shares of the Company as a consequence of a conversion or otherwise, as determined by the Issuer based on notifications to the competent authorities or on other information determined as relevant by the Issuer;

b) the termination of trading in, or early settlement of, option or futures contracts relating to the Share at the Futures Exchange or the announcement of such termination or early settlement;

c) the becoming known of the intention of the Company or of the Relevant Exchange to terminate the listing of the Share on the Relevant Exchange due to a merger by absorption or by creation, a change of legal form into a company without shares or any other reason or the termination of the listing of the Share at the Relevant Exchange or the announcement of the Relevant Exchange that the listing of the Share at the Relevant Exchange will terminate immediately or at a later date and that the Share will not be admitted, traded or listed at any other exchange which is

comparable to the Relevant Exchange (including the exchange segment, if applicable) immediately following the termination of the listing;

d) the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act (*AktG*)) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Notes or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;

e) a procedure is introduced or ongoing pursuant to which all shares or the substantial assets of the Company are or are liable to be nationalized or expropriated or otherwise transferred to public agencies, authorities or organizations;

f) the application for insolvency proceedings or for comparable proceedings with regard to the assets of the Company according to the applicable law of the Company; or

g) any other event being economically comparable to the before-mentioned events with regard to their effects.

4. "**Futures Exchange**" means the options or futures exchange with the highest trading volume of option or futures contracts relating to the Share. If option or futures contracts on the Share are not traded on any exchange, the Futures Exchange shall be the options or futures exchange with the highest amount of option or futures contracts relating to shares of companies having their residence in the country in which the Company has its residence. If there is no options or futures exchange in the country in which the Company has its residence on which option or futures contracts on shares are traded, the Issuer will determine the Futures Exchange in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code *(BGB)*) and will make notification thereof in accordance with § 13.

[*insert additional or other provisions with respect to adjustments***]**

Alternative:	*Notes with reference to an index*

1. If the Index is no longer calculated and published by the Index Sponsor but by another person, company or institution acceptable to the Issuer as the new Sponsor (the "**Successor Sponsor**"), the **[**Cash Amount**][***insert other provision***]** will be determined on the basis of the Index being calculated and published by the Successor Sponsor and any reference made to the Index Sponsor in these Terms and Conditions shall, if the context so admits, then refer to the Successor Sponsor.

2. If at any time the Index is cancelled or replaced, the Issuer will determine in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) another index on the basis of which the **[**Cash Amount**][***insert other provision***]** will be determined (the "**Successor Index**"). The respective Successor Index as well as the time of its first application will be notified pursuant to § 13. Any

reference made to the Index in these Terms and Conditions shall, if the context so admits then refers to the Successor Index. All related definitions shall be deemed to be amended accordingly. Furthermore, the Issuer will make all necessary adjustments to the Terms and Conditions resulting from a substitution of the Index.

This paragraph 3. is applicable only for share indices

[3. In the case that the occurrence of an Adjustment Event with respect to a share contained in the Index (the "**Index Share**") has a material effect on the price of the Index, the Issuer shall be entitled to make adjustments to, inter alia, **[***insert parameters***]** in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) and give notification pursuant to § 13. Such adjustment shall become effective on the date on which the occurrence of the Adjustment Event with respect to the Index Share has its effect on the price of the Index.

"**Adjustment Event**" means:

a) the substitution of the Index by a Successor Index pursuant to paragraph 2.;

b) any of the following actions taken by the company issuing the Index Share (the "**Index Company**"): capital increases through issuance of new shares against capital contribution and issuance of subscription rights to the shareholders, capital increases out of the Index Company's reserves, issuance of securities with option or conversion rights related to the Index Share, distributions of ordinary Dividends, distributions of extraordinary dividends, stock splits or any other split, consolidation or alteration of category;

c) a spin-off of a part of the Index Company in such a way that a new independent entity is formed, or that the spun-off part of the Index Company is absorbed by another entity;

d) the adjustment of option or futures contracts relating to the Index Share on the exchange with the highest trading volume in such option or futures contracts (the "Futures Exchange") or the announcement of such adjustment;

e) a takeover-bid, i.e. an offer to take over or to swap or any other offer or any other act of an individual person or a legal entity that results in the individual person or legal entity buying, otherwise acquiring or obtaining a right to buy more than 10% of the outstanding shares of the Index Company as a consequence of a conversion or otherwise, as determined by the Issuer based on notifications to the competent authorities or on other information determined as relevant by the Issuer;

f) the termination of trading in, or early settlement of, option or futures contracts relating to the Index Share on the Futures Exchange or relating to the Index itself or the announcement of such termination or early settlement;

g) the becoming known of the intention of the Index Company or of the exchange on which the respective Index Share are traded (provided that the quotations of the prices of the Index Share on such exchange are taken for the calculation of the Index) (the "Relevant Exchange") to terminate the listing of the Index Share on the Relevant Exchange due to a merger by absorption or by

creation, a change of legal form into a company without shares or any other reason or the termination of the listing of the Index Share at the Relevant Exchange or the announcement of the Relevant Exchange that the listing of the Index Share at the Relevant Exchange will terminate immediately or at a later date and that the Index Share will not be admitted, traded or listed at any other exchange which is comparable to the Relevant Exchange (including the exchange segment, if applicable) immediately following the termination of the listing;

h) the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act (AktG)) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Notes or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments;

i) a procedure is introduced or ongoing pursuant to which all shares or the substantial assets of the Index Company are or are liable to be nationalized or expropriated or otherwise transferred to public agencies, authorities or organizations;

j) the application for insolvency proceedings or for comparable proceedings with regard to the assets of a Index Company according to the applicable law of such company; or

k) any other event being economically comparable to the afore-mentioned events with regard to their effects.

"**Futures Exchange**" refers to the exchange with the largest trading volume in futures and options contracts in relation to a share comprised in the Index. If no futures or options contracts in relation to the Index Share are traded on any exchange, the Futures Exchange shall be the exchange with the largest trading volume in futures and options contracts in relation to shares of companies whose registered office is in the same country as the registered office of the Index Company. If there is no futures and options exchange in the country in which the Index Company has its registered office on which futures and options contracts in relation to the Index Share are traded, the Issuer shall determine the Futures Exchange in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) and shall announce its choice in accordance with § 13.**]**

[3**][**4**]**. If (i) the determination of a Successor Index in accordance with the paragraph 2. is not possible or is unreasonable (*unzumutbar*) for the Issuer or (ii) if the Index Sponsor materially modifies the calculation method of an Index with effect on or after the Issue Date, or materially modifies the Index in any other way (except for modifications which are contemplated in the calculation method of the Index relating to a change with respect to shares comprising the Index, the market capitalisation or with respect to any other routine measures), then the Issuer is entitled to (a) continue the calculation of the Index on the basis of the former concept of the Index and its last determined level or (b) to terminate the Notes prematurely on the termination date (the "**Termination Date**") with a prior notice of seven Payment Business Days in accordance with § 13. Any termination in part shall be excluded.

[4**][**5**]**. In the case of a termination of the Notes pursuant to paragraph **[**3**][**4**]**. the Notes shall be redeemed on the Termination Date at the termination amount (the "**Termination Amount**") which shall be calculated by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) by taking into account applicable market conditions and any proceeds realised by the Issuer in connection with transactions concluded by it in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) for hedging measures in relation to the assumption and fulfilment of its obligations under the Notes (the "**Hedging Transactions**"). When determining the Termination Amount, the Issuer may take into account expenses for transactions that were required for winding up the Hedging Transactions in the Issuer's reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) as deductible items.

[*insert additional or other provisions with respect to adjustments***]**

Alternative:	*Notes with reference to a precious metal*

1. If an Extraordinary Event (as defined below) has occurred, the Issuer is entitled to make adjustments to the Terms and Conditions taking into consideration the provisions set forth hereinafter. The Issuer may also (instead of an adjustment) terminate the Notes prematurely on the termination date (the "**Termination Date**") with a prior notice of seven Payment Business Days in accordance with § 13, provided that an adjustment is not possible or is unreasonable (*unzumutbar*) for the Issuer. Any termination of the Notes in part shall be excluded. In any case, the Issuer is neither obliged to make adjustments to the Terms and Conditions nor to terminate the Notes.

   a) When making adjustments to the Terms and Conditions, the Issuer shall act in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) and is entitled, but not obligated, to take into consideration the adjustments to option or futures contracts relating to the Precious Metal made by the Futures Exchange or that would have been made by the Futures Exchange if such option or futures contracts were traded on the Futures Exchange. Any of the before-mentioned adjustments may relate to, inter alia, **[***insert parameters***]** and may result in the adjustment of the definition of the Reference Price. However, the Issuer is also entitled to make other adjustments taking into consideration the before-mentioned principles.

   Adjustments and determinations take effect as from the date determined by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)), provided that (in case the Issuer takes into consideration the manner in which adjustments are or would be made by the Futures Exchange) the Issuer shall take into consideration the date at which such adjustments take effect or would take effect at the Futures Exchange if such option or futures contracts were traded at the Futures Exchange.

   Adjustments and determinations as well as the effective date shall be notified by the Issuer in accordance with § 13.

(b) If the Notes are called for redemption due to the occurrence of an Extraordinary Event, they shall be redeemed at the termination amount per Note (the "**Termination Amount**") which shall be calculated by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) by taking into account applicable market conditions and any proceeds realised by the Issuer in connection with transactions concluded by it in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) for hedging measures in relation to the assumption and fulfilment of its obligations under the Notes (the "**Hedging Transactions**"). When determining the Termination Amount, the Issuer may take into account expenses for transactions that were required for winding up the Hedging Transactions in the Issuer's reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) as deductible items.

2. "**Extraordinary Event**" means:

a) if since the Issue Date the basis (e.g. quantity, quality or currency) for the calculation of the price of the Precious Metal and/or the method have been modified substantially,

b) the adjustment of option or futures contracts relating to the Precious Metal at the Futures Exchange or the announcement of such adjustment;

c) the imposition of, change in or removal of a tax on, or measured by reference to, a Precious Metal after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the Precious Metal;

d) the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act (AktG)) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Notes or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments; or

e) any other event being economically comparable to the before-mentioned events with regard to their effects.

3. "**Futures Exchange**" means the options or futures exchange with the highest trading volume of option or futures contracts relating to the Precious Metal.

[*insert additional or other provisions with respect to adjustments***]**

Alternative:	*Notes with reference to futures contracts*

1. If an Extraordinary Event (as defined below) has occurred, the Issuer is entitled to make adjustments to the Terms and Conditions taking into consideration the provisions set forth hereinafter. The Issuer may also (instead of an adjustment) terminate the Notes prematurely on the termination date (the "**Termination Date**") with a prior notice of seven Payment Business Days in accordance with § 13, provided that an adjustment is not possible or is unreasonable (*unzumutbar*) for the Issuer. Any termination of the Notes in part shall be excluded. In any

case, the Issuer is neither obliged to make adjustments to the Terms and Conditions of the Notes nor to terminate the Notes.

a) When making adjustments to the Terms and Conditions, the Issuer shall act in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) and is entitled, but not obligated, to take into consideration the manner in which adjustments are or would be made by the Futures Exchange. Any of the before-mentioned adjustments may relate to, inter alia, **[***insert parameters***]** and may result in the Relevant Futures Contract being replaced by other futures contracts, a basket of futures contracts and/or cash, and another exchange being determined as the Futures Exchange. However, the Issuer is also entitled to make other adjustments taking into consideration the before-mentioned principles.

Adjustments and determinations take effect as from the date determined by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)), provided that (in case the Issuer takes into consideration the manner in which adjustments are or would be made by the Futures Exchange) the Issuer shall take into consideration the date at which such adjustments take effect or would take effect at the Futures Exchange if such option or futures contracts were traded at the Futures Exchange.

Adjustments and determinations as well as the effective date shall be notified by the Issuer in accordance with § 13.

b) If the Notes are called for redemption due to the occurrence of an Extraordinary Event, they shall be redeemed at the termination amount per Note (the "**Termination Amount**") which shall be calculated by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) by taking into account applicable market conditions and any proceeds realised by the Issuer in connection with transactions concluded by it in its reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) for hedging measures in relation to the assumption and fulfilment of its obligations under the Notes (the "**Hedging Transactions**"). When determining the Termination Amount, the Issuer may take into account expenses for transactions that were required for winding up the Hedging Transactions in the Issuer's reasonable discretion (*billiges Ermessen*) (§ 315 German Civil Code (*BGB*)) as deductible items.

2. "**Extraordinary Event**" means

a) an adjustment of the Relevant Futures Contract on the Futures Exchange and/or the announcement of such an adjustment;

b) the suspension of trading or the early settlement of the Relevant Futures Contract on the Futures Exchange and/or the announcement of such an event;

c) a material change regarding the concept of the Relevant Futures Contract or regarding the Contract Specifications on which the Relevant Futures Contract is based;

d) the introduction, revocation or amendment of a tax levied on the commodity underlying the Relevant Futures Contract, provided that this affects the price of the Relevant Futures Contract and

provided that such introduction, revocation or amendment occurs after the Issue Date;

e) the Issuer and/or its affiliates (§ 15 of the German Stock Corporation Act (*AktG*)) are, even following economically reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any transactions or investments that the Issuer considers necessary to hedge its risks resulting from the assumption and performance of its obligations under the Notes or (ii) to realize, regain or transfer the proceeds resulting from such transactions or investments; or

f) any other event being economically comparable to the before-mentioned events with regard to their effects.

[*insert additional or other provisions with respect to adjustments***]**

Alternative:	*Notes with reference to other Underlyings*

[left intentionally blank**] [***insert provisions with respect to adjustments***]**

§ 8
TAXES

All present and future taxes, fees or other duties in connection with the Notes shall be borne and paid by the Noteholders. The Issuer is entitled to withhold from payments to be made under the Notes any taxes, fees and/or duties payable by the Noteholder in accordance with the previous sentence.

§ 9
STATUS

The obligations under the Notes constitute direct, unconditional and unsecured obligations of the Issuer and rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer (save for such exceptions as may exist from time to time under applicable law).

§ 10
PAYING AGENT

This paragraph 1 is applicable to all Notes except Notes being deposited with Euroclear Belgium, Euroclear France, Euroclear Nederland, Euroclear Finland and Notes being issued through Euroclear Sweden or the Norewgian CSD

1. **[**Commerzbank Aktiengesellschaft, main office, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany**][●]**, shall be the Paying Agent (the "**Paying Agent**").

This paragraph 1 is applicable for Notes being deposited with Euroclear Belgium

1. BNP Paribas Securities Services S.A., Brussels Branch, a banking institution incorporated under the laws of France, with a registered branch at Avenue Louise 489, B-1050 Brussels, Belgium shall be the paying agent (the "**Paying Agent**").

This paragraph 1 is applicable for Notes being deposited with Euroclear France

1. BNP Paribas Securities Services, Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France, shall be the paying agent (the "**Paying Agent**").

This paragraph 1 is applicable for Notes being deposited with Euroclear Nederland

1. BNP Paribas Securities Services S.A, a banking institution incorporated under the laws of France, whose corporate seat and registered office is at 66 Rue de la Victoire, 75009 Paris, France shall be the paying agent (the "**Paying Agent**") which term shall include any successor or additional paying agent) and BNP Paribas S.A., Amsterdam Branch, 'Gouden bocht' building, Herengracht 469, 1017 BS Amsterdam, The Netherlands, as sub paying agent for the Paying Agent.

This paragraph 1. is applicable for Notes being issued through Euroclear Finland

1. Nordea Bank Finland Plc, a credit institution and account operator, incorporated under the laws of Finland, whose corporate seat and registered office is at Aleksis Kiven katu 3-5, Helsinki, FI-00020 NORDEA, Finland, shall be the issuer agent as defined in the regulation of Euroclear Finland and paying agent (the "**Paying Agent**").

This paragraph 1. is applicable for Notes being issued through Euroclear Sweden

1. Skandinaviska Enskilda Banken AB (publ), a banking institution incorporated under the laws of Sweden, whose corporate seat and registered office is at Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden, acting through its division SEB Merchant Banking, Securities Services, shall be the paying agent (the "**Paying Agent**").

This paragraph 1. is applicable for Notes being issued through the Norwegian CSD

1. Nordea Bank Norge ASA, Postboks 1166 Sentrum, 0107 Oslo, shall be the paying agent (the "**Paying Agent**").

These paragraphs 2 and 3 are applicable to all Notes.

2. The Issuer shall be entitled at any time to appoint another bank of international standing as Paying Agent. Such appointment and the effective date shall be notified in accordance with § 13.

3. The Paying Agent is hereby granted exemption from the restrictions of § 181 of the German Civil Code (*BGB*) and any similar restrictions of the applicable laws of any other country.

[*insert additional or other provisions with respect to notices***]**

§ 11
TERMINATION

1. Each Noteholder is entitled to declare his Notes due and to require the redemption of his Notes pursuant to § 4 plus accrued interest, if:

   a) the Issuer is in default for more than 30 days in the payment of principal or interest **[**and/or any delivery**]** under these Terms and Conditions, or

   b) the Issuer violates any other obligation under these Terms and Conditions, and such violation continues for 60 days after receipt of written notice thereof from the respective Noteholder, or

c) the Issuer is wound up or dissolved whether by a resolution of the shareholders or otherwise (except in connection with a merger or reorganisation in such a way that all of the assets and liabilities of the Issuer pass to another legal person in universal succession by operation of law), or

d) the Issuer ceases its payments and this continues for 60 days, or admits to be unable to pay its debts, or

e) any insolvency proceedings are instituted against the Issuer which shall not have been dismissed or stayed within 60 days after their institution or the Issuer applies for the institution of such proceedings, or offers or makes an arrangement for the benefit of its creditors opens insolvency proceedings against the Issuer, or

f) in the case of a substitution of the Issuer within the meaning of § 12 paragraph 2) any of the events set forth in sub-paragraphs c)-e) above occurs in respect of the Guarantor.

The right to declare Notes due shall terminate if the circumstances giving rise to it have been remedied before such right is exercised.

2. The right to declare Notes due pursuant to paragraph 1 shall be exercised by a Noteholder by delivering or sending by registered mail to the Paying Agent a written notice which shall state the principal amount of the Notes called for redemption and shall enclose evidence of ownership reasonably satisfactory to the Paying Agent.

In case of termination, the Valuation Date shall be the day on which all preconditions for a termination are fulfilled, and the Maturity Date shall be the fifth Payment Business Date after such day.

§ 12
SUBSTITUTION OF THE ISSUER

1. Any other company may assume at any time during the life of the Notes, subject to paragraph 2, without the Noteholders' consent all the obligations of the Issuer under these Terms and Conditions. Any such substitution and the effective date shall be notified by the Issuer in accordance with § 13.

Upon any such substitution, such substitute company (hereinafter called the "**New Issuer**") shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under these Terms and Conditions with the same effect as if the New Issuer had been named as the Issuer herein; the Issuer (and, in the case of a repeated application of this § 10, each previous New Issuer) shall be released from its obligations hereunder and from its liability as obligor under the Notes.

In the event of such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the New Issuer.

2. No such assumption shall be permitted unless

a) the New Issuer has agreed to assume all obligations of the Issuer under the Notes pursuant to these Terms and Conditions;

b) the New Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution;

c) the Issuer (in this capacity referred to as the "**Guarantor**") has unconditionally and irrevocably guaranteed to the Noteholders compliance by the New Issuer with all obligations under the Notes pursuant to these Terms and Conditions;

d) the New Issuer and the Guarantor have obtained all governmental authorisations, approvals, consents and permissions necessary in the jurisdictions in which the Guarantor and/or the New Issuer are domiciled or the country under the laws of which they are organised.

3. Upon any substitution of the Issuer for a New Issuer, this § 10 shall apply again.

§ 13
NOTICES

Notices relating to the Notes shall be published in the electronic version of the Federal Gazette (*Bundesanzeiger*) and shall be deemed to be effective upon such publication unless such publication gives another effective date. If the Notes are offered to the public, notices relating to the Notes shall in addition be published on the internet page **[***Internet page***]** (or on another internet page notified at least six weeks in advance by the Issuer in accordance with this § 13). If applicable law or regulations of the stock exchange on which the Notes are listed require a notification in another manner, notices shall also be given in the manner so required.

[*insert additional or other provisions with respect to notices***]**

§ 14
LIMITATION OF LIABILITY

The Issuer shall be held responsible for acting or failing to act in connection with the Notes only if, and insofar as, it either breaches material obligations under or in connection with the Terms and Conditions negligently or wilfully or breaches other obligations with gross negligence or wilfully. The same applies to the Paying Agent.

§ 15
FINAL CLAUSES

This paragraph 1. is applicable for all Notes except Notes being deposited with Euroclear France or Euroclear Finland,

1. The Notes and the rights and duties of the Noteholders, the Issuer, the Paying Agent and the Guarantor (if any) shall in all respects be governed by the laws of the Federal Republic of Germany.

Norwegian CSD and Euroclear Sweden This paragraph 1 is applicable for Notes being deposited with with Euroclear France

1. The Notes and the rights and duties of the Noteholders, the Issuer, the Paying Agent and the Guarantor (if any) shall in all respects be governed by the laws of the Federal Republic of Germany except for § 1 paragraph 1 to 3 of the Terms and Conditions which shall be governed by the laws of the French Republic.

This paragraph 1. is applicable for Notes being issued through Euroclear Finland, Norwegian CSD and Euroclear Sweden

1. The Notes and the rights and duties of the Noteholders, the Issuer, the Paying Agent and the Guarantor (if any) shall in all respects be governed by the laws of the Federal Republic of Germany except for § 1 paragraph 1 to 3 of the Terms and Conditions which shall be governed by the laws of **[**the Republic of Finland**][**the Kingdom of Norway**][**the Kingdom of Sweden**]**.

2. In the event of manifest typing or calculation errors or similar manifest errors in the Terms and Conditions, the Issuer shall be entitled to declare rescission (*Anfechtung*) to the Noteholders. The declaration of rescission shall be made without undue delay upon becoming aware of any such ground for rescission (*Anfechtungsgrund*) and in accordance with § 13. Following such rescission by the Issuer, the Noteholders may instruct the account holding bank to submit a duly completed redemption notice to the Paying Agent, either by filling in the relevant form available from the Paying Agent or by otherwise stating all information and declarations required on the form (the "**Redemption Notice**"), and to request repayment of the Issue Price against transfer of the Notes to the account of the Paying Agent with the Clearing System. The Issuer shall make available the Issue Price to the Paying Agent within **[***number***]** calendar days following receipt of the Redemption Notice and of the Notes by the Paying Agent, whichever receipt is later, whereupon the Paying Agent shall transfer the Issue Price to the account specified in the Redemption Notice. Upon payment of the Issue Price all rights under the Notes delivered shall expire.

3. The Issuer may combine the declaration of rescission pursuant to paragraph 2. with an offer to continue the Notes on the basis of corrected Terms and Conditions. Such an offer and the corrected provisions shall be notified to the Noteholders together with the declaration of rescission in accordance with § 13. Any such offer shall be deemed to be accepted by a Noteholder (and the rescission shall not take effect), unless the Noteholder requests repayment of the Issue Price within four weeks following the date on which the offer has become effective in accordance with § 13 by delivery of a duly completed Redemption Notice via the account holding bank to the Paying Agent and by transfer of the Notes to the account of the Paying Agent with the Clearing System pursuant to paragraph 2. The Issuer shall refer to this effect in the notification.

4. "**Issue Price**" within the meaning of paragraph 2 and 3 shall be deemed to be the higher of (i) the purchase price that was actually paid by the relevant Noteholder (as declared and proved by evidence in the Repayment Request) and (ii) the weighted arithmetic average (as determined by the Issuer in its reasonable discretion (*billiges Ermessen*) *(*§ 315 of the German Civil Code *(BGB*)) of the traded prices of the Notes on the [*Business Day*] preceding the declaration of rescission pursuant to paragraph 1. **[**If a Market Disruption Event exists on the [*Business Day*] preceding the declaration of rescission pursuant to paragraph 1, the last [*Business Day*] preceding the declaration of rescission pursuant to paragraph 1 on which no Market Disruption Event existed shall be decisive for the ascertainment of

price pursuant to the preceding sentence.**]**

5. Contradictory or incomplete provisions in the Terms and Conditions may be corrected or amended, as the case may be, by the Issuer in its reasonable discretion (*billiges Ermessen*) (§ 315 of the German Civil Code). The Issuer, however, shall only be entitled to make such corrections or amendments which are reasonably acceptable to the Noteholders having regard to the interests of the Issuer and in particular which do not materially adversely affect the legal or financial situation of the Noteholders. Notice of any such correction or amendment shall be given to the Noteholders in accordance with § 13.

6. If the Noteholder was aware of typing or calculation errors or similar errors at the time of the acquisition of the Notes, then, notwithstanding paragraphs 2. to 5., the Noteholders can be bound by the Issuer to the corrected Terms and Conditions.

7. Should any provision of these Terms and Conditions be or become void in whole or in part, the other provisions shall remain in force. The void provision shall be replaced by a valid provision that reflects the economic intent of the void provision as closely as possible in legal terms. In those cases, however, the Issuer may also take the steps described in paragraphs 2 to 5 above.

8. Place of performance is Frankfurt am Main.

9. Place of jurisdiction for all disputes and other proceedings in connection with the Notes for merchants, entities of public law, special funds under public law and entities without a place of general jurisdiction in the Federal Republic of Germany is Frankfurt am Main. In such a case, the place of jurisdiction in Frankfurt am Main shall be an exclusive place of jurisdiction.

10. The English version of these Terms and Conditions shall be binding. Any translation is for convenience only.

[*insert additional or other provisions with respect to notices*]

Commerzbank Aktiengesellschaft

General Information

History and Development

COMMERZBANK Aktiengesellschaft (legal and commercial name) is a stock corporation under German law and was established as "Commerz- und Disconto-Bank in Hamburg" in 1870. The Bank owes its present form to the re-merger of the post-war successor institutions of 1952 on July 1, 1958. The Bank's registered office is located in Frankfurt am Main and its head office is at Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany (telephone: +49 (0)69 136-20). The Bank is registered in the commercial register of the district court (*Amtsgericht*) of Frankfurt am Main under the number HRB 32 000. The financial year of the Bank is the calendar year.

Business Overview

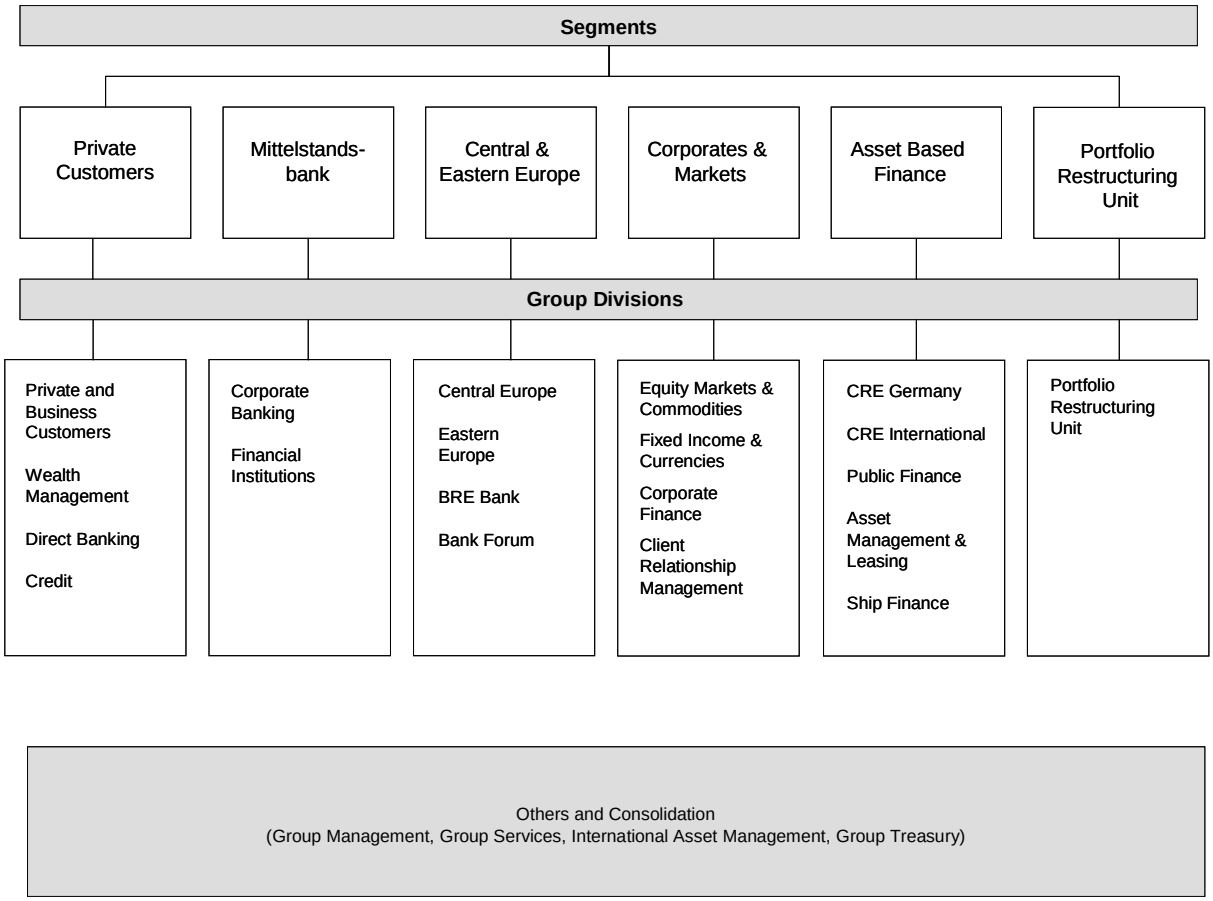
Principal Activities

Commerzbank is a universal bank. The focus of its activities is on the provision of a wide range of services to private and of products to private, medium-sized and institutional customers in Germany. This is for example the account management and payment transactions, loan, savings and money investment forms, securities services, capital markets and investment banking products and services and export finance. Through its subsidiaries and affiliates, the Group is also active in specialized areas such as ship financing and leasing. Furthermore, as part of its bankassurance strategy, the Group offers financial services in cooperation with partners, notable home loan, asset management and insurance business.

On January 12, 2009 Commerzbank has acquired all outstanding shares of Dresdner Bank by way of contribution in kind. The subsequent merger of Dresdner Bank to Commerzbank was registered in the commercial register of the lower regional court (*Amtsgericht*) of Frankfurt am Main on May 11, 2009.

Organisational Structure

Structure of the Commerzbank Group



Segments

Private Customers Segment

The Private Customers segment comprises the Group divisions Private and Business Customers, Wealth Management, Direct Banking and Credit.

Private and Business Customers

The Group division offers the Bank's private and business customers resident in Germany a range of banking and financial services, in the areas investment and securities, real estate financings and loans, pensions, liquidity management and deposits as well as account and payment transactions. The products are largely standardized, and also cover, for example, through the offering of individual investment and financing solutions special wishes of the customer. Customers are defined as all individuals with whom there was a business relationship as of the relevant date that had not been terminated, irrespective of when the most recent transaction took place. Business customers are defined as distinct from Mittelstandsbank customers as businesses with an annual turnover of less than € 2.5 million.

Since the beginning of September 2010, Commerzbank provides its customers with products of Allianz SE, Allianz Global Investors Investment Company Ltd. ("AGI"), Commerz Finanz GmbH as well as Wüstenrot Bausparkasse. These are insurance, funds and home loan products and are complementary to Commerzbank's own products.

The Private and Business Customers Group division uses the Group's own branch network which was extended due to the integration of Dresdner Bank. A further distribution channel for the business area is its website at www.commerzbanking.de, where customers can carry out all their day-to-day banking transactions. There are also a number of distribution partnerships with external partners, in which mainly credit cards are distributed.

Wealth Management

The Wealth Management Group division serves high net worth customers with liquid assets over € 1 million and/or customers who require special solutions due to the complexity of their financial circumstances. The Wealth Management Group division is organizationally separate from the Group's activities in the Private and Business Customers Group division.

The Group division offers its clients specialized advice and a broad portfolio of products and services. The products on offer range from straightforward investment accounts through to the management of unusually complex asset structures. Clients are offered a wide range of services (including securities, property and credit management, asset management, family office solutions or inheritance and trust management) as well as innovative products tailored to their needs. Through increased cooperation with the Mittelstandsbank segment, Commerzbank is also able to offer individual services for entrepreneurs including both private and business asset issues.

In addition to a relationship manager who functions as the customer's long-term personal contact, specialists in securities, real estate and loans are also available to clients in the Bank's competence centers. In addition the business area has access to specialists based in the Group's head office who can advise customers on asset management, inheritance and trust management. The Wealth Management Group division is managed outside Germany through Commerzbank International S.A. in Luxembourg.

Direct Banking

comdirect bank AG ("comdirect bank") is the main constituent of the Direct Banking Group division. To this Group division belongs also the European Bank for Fund Services ("ebase") being one of the major fund service platforms in Germany and offers a wide range of products concerning the investment account. Commerz Direct Service GmbH belongs also to the Direct Banking Group division, providing call center services for the domestic branch network of the segment.

Comdirect bank is a direct bank with three areas of expertise brokerage, banking and consulting. Brokerage covers the self-determined investment, in which comdirect bank offers securities and fund information for investment decisions, and comprehensive trading functions. Banking includes all services related to the execution of daily money transactions. The consulting business area covers telephone and internet-based consulting services in the areas of construction financing and investment advice. Financial distributors, insurance companies, asset managers as well as investment fund management and investment companies find a full-service partner in the ebase with a priority for fund custody solutions. As a direct bank, comdirect bank primarily delivers its products and services via the internet.

Commerz Service GmbH offers to customers in this Group division a range of services like call center activities, telephone banking, the technical hotline as well as services for quality management of the Group division.

Credit

The Credit Group division offers private and business customers as well as wealth management customers credit products and other lending-related services. The business area primarily provides residential mortgage loans, as well as personal loans, instalment loans and overdrafts. The offer comprises approximately 30 credit products that can be combined on a modular basis and thus tailored to a customer's individual needs.

Credit products are distributed by the Private & Business Customers Group division and by the Wealth Management Group division through the national branch network. Furthermore, in the real estate

financing currently being tested in a pilot project, is the use and development of alternative distribution channels in cooperation with comdirect bank. The sales process is supported through advanced computer-based consultation programs.

Mittelstandsbank Segment

The Mittelstandsbank segment includes the Corporate Banking and Financial Institutions Group divisions.

Corporate Banking

The Corporate Banking Group division consists of banking business with SMEs, large corporate customers - who do not fall within the Corporates & Markets segments - the public sector and institutional customers. In addition the business area comprises the Center of Competence for Renewable Energies. SMEs are divided into three core groups based on turnover and customer needs:

- *Small SMEs*: Companies registered in the Commercial Register with a turnover of between € 2.5 million and € 12.5 million,
- *Large SMEs*: Companies registered in the Commercial Register with a turnover of between € 12.5 million and € 250 million,
- *Large corporate customers*: Companies registered in the Commercial Register with turnover of between € 250 million and € 500 million that are active in the capital markets as well as companies with a turnover of over € 500 million.Public sector customers include municipalities, municipally-owned corporations and quasi-public-sector entities. The most important institutional customers are insurance companies, social security funds, pension funds, occupational pension schemes, churches, foundations and business federations.

The Group division supports its core customers in their international activities. It supports both German customers wanting to expand abroad as well as foreign customers doing business in Germany.

The Group division's product range comprises risk management, investment advice, lending, transaction management, assistance with foreign trade transactions and investment banking activities. In the area of risk management the Group division offers hedging transactions against commodity price or currency fluctuations. In terms of investment advice the product range includes money market, mutual and special funds as well as money and capital market products, such as fixed and variable deposits, shares, bonds, structured products and securities lending, as well as advice on occupational pensions and working time accounts. With regard to lending the Bank provides the funds required by the customer after an assessment of the customer's overall situation as well as their plans and requirements. In addition CommerzFactoring GmbH, a joint venture operated in conjunction with GE Commercial Finance Inc., offers a range of receivables financing services integrated in the banking business. Support services in the area of transaction management include the provision of appropriate cash levels and the updating of account information several times a day through to automatic cash management systems for companies with numerous branches which need to maintain accounts locally. To support foreign trade the Bank offers export customers processing services for their payments transactions with foreign countries and trade finance products combined with comprehensive advice. This assists customers in building up their market position and in accessing new markets. They are also offered support and assistance in evaluating new developments in foreign countries. The product portfolio is rounded off by a comprehensive range of investment banking advisory services.

The product range for public sector customers comprises a broad spectrum of financing services, ranging from loans to municipalities, corporate finance and revenue forfaiting through to project finance, as well as investments and derivatives, debt management and payments solutions.

The Group division's distribution model is based on its customers' needs. The client advisors specialize in the Group division's core customer segments. If required the client advisors can call on the assistance of additional product specialists from the Corporates & Marekts segment (so-called client service team).

Financial Institutions

The Financial Institutions Group division is responsible for the Group's relationships with German and foreign banks and central banks. The Group division offers these customers comprehensive advice and support, with a strategic focus on the processing of foreign trade. The Group division ensures the capabilities and expertise of the Group's worldwide foreign trade activities and supports other business areas in their international activities through a network of over 6,000 correspondent banks and business relationships with emerging markets.

The Group division works on the basis of a global advisory approach, where client advisors based centrally at Commerzbank's head office work with a worldwide network of representative offices as well as seven financial institution teams in foreign centers.

Central and Eastern Europe Segment

The Central and Eastern Europe segment comprises the operations of the subsidiaries and branches in the Central and Eastern European region. In addition to BRE Bank SA ("BRE Bank"), the segment also includes another universal bank, the Public Joint Stock Commercial Bank "Forum" ("Bank Forum"). Further cornerstones of the Group's Central and Eastern European business include Commerzbank (Eurasija) SAO in Russia, Commerzbank Zrt. in Hungary, the Bank's branches in the Czech Republic and Slovakia as well as the investments in a number of microfinance banks and in the Open Joint-Stock Company Promsvyazbank ("Promsvyazbank") in Russia.

The segment's main revenue source is BRE Bank. As a universal bank BRE Bank offers its customers customized products and services. In its corporate banking business BRE Bank concentrates on supporting large corporate customers and fast-growing mid-sized businesses. Under the mBank and MultiBank brands BRE Bank offers private customers an extensive range of products and services. While MultiBank concentrates primarily on affluent private customers and business owners, mBank is focused primarily on active Internet banking users via its direct banking platform.

Strategically, Bank Forum focuses on corporate banking for mid-sized Ukrainian businesses and, selectively, large Ukrainian corporates. In retail banking Bank Forum concentrates primarily on affluent private customers.

In Slovakia and the Czech Republic, Commerzbank focuses mainly on large and mid-sized companies. In addition, it provides structured finance and project finance and advice for strategic investors. In the Czech Republic, Commerzbank also offers services in Private Banking.

In Russia, Commerzbank (Eurasija) SAO services as operating entity subsidiaries and branches of German and international companies and subsidiaries of larger Russian companies. The range of services includes accounting and payment transactions, electronic banking, cash management, structured export and trade finance, document and credit transactions, bank card products as well as foreign exchange and money market transactions.

In Hungary Commerzbank Zrt. Services offers services for corporate customers. Its services include accounting, treasury and cash pooling, as well as financing as well as documentary and investment business.

Together with ProCredit Holding AG and international development agencies, Commerzbank holds minority stakes in six ProCredit banks in Albania, Bosnia-Herzegovina, Bulgaria, Kosovo, Romania and Serbia. These banks specialize in supporting small and mid-sized businesses in their respective countries with loans, and are active deposit-takers, receiving savings and time deposits from companies and individuals. The Group also holds together with international funding institutions, a minority stake in the Belarusian Bank for Small Businesses in Minsk to promote small and medium enterprises in Belarus. Also the group holds a minority stake in the Promsvyazbank, which is active in the Central and Eastern Europe strategically important Russian market as a universal bank.

Sales are primarily made through the operating units' own branch network. In corporate banking BRE Bank is represented in all of the main economic regions. In BRE Bank's private customer business mBank primarily offers its products via the Internet as well as through other direct marketing channels.

The distribution of the MultiBank is similar to the one of Bank Forum mainly through Financial Service Center and partner outlets.

Corporates & Markets Segment

The Corporates & Markets segment comprises the Group's investment banking activities as well as the support of capital-market-oriented customers. It consists of the Group divisions Equity Markets & Commodities, Fixed Income & Currencies, Corporate Finance and Client Relationship Management as well as Research.

Equity Markets & Commodities offers a widely diversified and growing product range, including primarily derivatives for private and institutional investors. In addition to the equities asset class, the area sells commodities derivatives both as risk management solutions and as investment products for corporate and private customers.

Fixed Income & Currencies provides solutions for corporate customers in the asset classes fixed income, currencies and credit. The product range is comprehensive and ranges from standard transactions to tailored structured solutions. In foreign exchange and bond trading customers can carry out all regular foreign exchange and foreign exchange options transactions online. Through the Group's sales channels the products are also provided to the customers of the Private Customers and Mittelstandsbank segments.

Corporate Finance offers corporate customers a comprehensive range of financing solutions. The main products are equity issues, bonds and mortgage bonds, loans as well as LBO financing and project finance. In addition, the division provides mergers and acquisitions advisory services. A focus of corporate finance business is on supporting the Group's domestic corporate customers. The focus is reflected in the regional structure of the business with a clear emphasis on Germany and the close integration with the Mittelstandsbank. With respect to equity issues for customers the close cooperation with the Cash Equities and Research units is also key.

Client Relationship Management serves well-known German multi-national companies as well as selected family companies in all key industrial sectors, international insurance companies, foreign companies, leading private equity investors as well as the Federal Government and the individual states. The product range comprises all of the Group's commercial and investment banking products. This involves working hand in hand with the relevant product specialists, e.g. from Debt Capital Markets, Equity Capital Markets, Leveraged Finance as well as Sales and Trading.

Important sales channels for this Group division include a large network of international private banks, the distribution networks of universal banks (financial intermediaries) as well as German and European stock exchanges (public distribution). Support for corporate customers is provided by the Group's own branch network in Germany and abroad, own sales specialists for large customers, sales specialists based across the country and a team of client advisors for multinational companies based in Frankfurt am Main. Institutional customers are generally served by sales teams in Frankfurt am Main and London, as well as New York, Singapore and Hongkong.

Asset Based Finance Segment

The Asset Based Finance segment groups together the results of the Commercial Real Estate (CRE) Germany, CRE International, Public Finance, Asset Management and Leasing, and Ship Finance Group divisions.

CRE Germany, CRE International and Public Finance belong almost completely to Eurohypo and to a lesser extent to Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg ("EEPK"). Asset Management and Leasing primarily includes the activities of Commerz Real AG ("Commerz Real"). And finally Ship Finance groups together the Group's ship financing in Deutsche Schiffsbank Aktiengesellschaft ("Deutsche Schiffsbank") and Commerzbank.

Commercial Real Estate and Public Finance

The Commercial Real Estate Group division focuses on commercial real estate financing in Germany and in other international markets. The services range from classic fixed interest rate loans to structured finance and financial market products.

The Public Finance Group division conducts the public finance business with the public sector in Germany (Federal Government and individual states), the governments of the G8 states, the EU and the European Economic Area, the member states of the Organization for Economic Cooperation and Development (OECD) and Switzerland. In addition to classic medium- and long-term finance (loans and bonds), the product range includes structured finance and derivative instruments. As part of its risk strategy the Group division operates selectively with regard to country risk and works with a broad regional spectrum of potential borrowers. The lending business is primarily refinanced through issues of public-sector *Pfandbriefe* (covered bonds) and *Lettres de Gage Publiques* (Luxembourg) as well as through the market on which short-term liquidity is traded on a collateralized basis (repurchase (repo) market).

Product sales are based largely on the continuous and long-term business relationships which the Group division has with most of its customers. Internationally, the Public Finance Group division is supported by sales units based in Luxembourg and New York.

Asset Management and Leasing

The Group division's focus is on the provision of investment products for private and institutional investors, such as open- and closed-end real estate funds and closed-end funds for ships, aeroplanes and renewable energy. The open-ended real estate funds are characterized by a broad international diversification of portfolio assets. The focus of investment is on the sectors office, trading and logistics.

A further focus of activities is the Structured Investments unit, which comprises the activities of real estate leasing, large-scale plant and equipment leasing (e.g. ships, power plants and transmission networks) and structured finance. The product range includes solutions for customer-specific investment plans, such as the development of tax-neutral and balance sheet-neutral solutions. In addition, the business area offers financing concepts structured on an individual basis, such as the transfer of pension liabilities or public private partnerships for municipal utilities and waste disposal facilities.

The product range is rounded off with the equipment leasing business, which is divided into the three traditional product areas of plants and machinery, vehicles and IT equipment. In addition, this area comprises innovative financial models for intangible assets such as brands and patent leasing.

Commerz Real uses different sales channels depending on the product area. The funds are sold both through the Group's branch network and through third-party channels. Structured Investments and equipment leasing are distributed through the sales network of the Mittelstandsbank and the large customer centers, through own branches, through subsidiaries and third-party distributors.

Ship Finance

Following the integration of Dresdner Bank, all of the Group's ship financing activities are being brought together within Deutsche Schiffsbank, which has its headquarters in Hamburg and Bremen and Commerzbank. The Ship Finance activities are focused on the management of existing loan commitments and on the necessary restructuring of current exposures. Deutsche Schiffsbank offers its customers a broad range of maritime financial services in its target markets of Germany, Greece and Asia. It provides its customers a broad range of financial services from the loan to structured financing solutions, access to capital and international investors to research and derivatives as well as the comprehensive product range of a universal bank.

Portfolio Restructuring Unit Segment

The Portfolio Restructuring Unit segment is responsible for managing down assets related to discontinued proprietary trading and investment activities which no longer fit into Commerzbank's

client-centric strategy. The segment's goal is to reduce the portfolio in such a way as to preserve maximum value. The positions managed by this segment include asset-backed securities not guaranteed by the state, other structured credit products, proprietary trading positions in corporate or financial bonds and exotic credit derivatives. These positions were mainly transferred from the Corporates & Markets and Asset Based Finance segments to the Portfolio Restructuring Unit.

Others and Consolidation Segment

The Others and Consolidation segment contains the income and expenses which are not attributable to the operational business segments. The costs of the service units are also shown under Others, which – except for integration and restructuring costs – are charged in full to the segments. Consolidation includes expenses and income items that reconcile the internal management reporting figures shown in the segment reports with the Group financial statements prepared under IFRS. The costs of the Group controlling units are also shown here, which – except for integration and restructuring costs – are also charged in full to the segments.

Group management, which is shown in this segment, includes the staff and management functions for the Group. These comprise among others the units Group Development & Strategy, Group Communications, Group Human Resources, Group Finance, Group Compliance and Group Legal. Furthermore the segment includes equity participations which are not assigned to the operating segments as well as other international asset management activities and Group Treasury.

Treasury is responsible for the liquidity management, interest rate management and capital management as well as money market-trading and managing of the Group's balance sheet structure. Other responsibilities of Group Treasury include central management of the Bank's interest rate and currency risk, the management of the internal interest rate netting and investment models.

The services used by all units of the Group such as information technology, payment transactions and securities management are provided by the Group Services business area, which consists of the support units Group Organization, Group Information Technology, Group Security, Group Support, Group Banking Operations and Group Markets Operations.

Principal Markets

Commerzbank's business activities are mainly concentrated on the German market, where as an integrated provider of financial services, it maintains a nationwide branch network for offering advice and selling products to all its groups of customers. In addition, the Bank is also active in Central and Eastern Europe via its branches and investments in Poland, Ukraine and Russia.

Major group companies and holdings

In Germany

Atlas Vermögensverwaltungs-Gesellschaft mbH, Bad Homburg v.d.H.
comdirect bank AG, Quickborn
Commerz Real AG, Eschborn
Deutsche Schiffsbank AG, Bremen/Hamburg
Eurohypo AG, Eschborn
Süddeutsche Industrie-Beteiligungs-GmbH, Frankfurt am Main

Abroad

BRE Bank SA, Warsaw
Commerzbank Capital Markets Corporation, New York
Commerzbank (Eurasija) SAO, Moscow
Commerzbank Europe (Ireland), Dublin
Commerzbank International S.A., Luxembourg
Commerzbank (South East Asia) Ltd., Singapore

Commerzbank Zrt., Budapest
Erste Europäische Pfandbrief- und Kommunalkreditbank AG, Luxembourg
Joint Stock Commercial Bank "Forum", Kiev

Further information on the holdings in affiliates and other companies is contained in the Financial Statements of the Commerzbank Group as at December 31, 2010 which forms part of this Base Prospectus (see page 220 ff. of this Base Prospectus, Note 106 (page 346 ff.)).

Administrative, Management and Supervisory Bodies

Board of Managing Directors

The Board of Managing Directors currently consists of the following members:

Martin Blessing, Frankfurt am Main, Chairman
Group Management: Group Development & Strategy, Group Communications, Group Legal, Group Treasury

Frank Annuscheit, Frankfurt am Main
Group Services: Group Information Technology, Group Organisation, Group Banking Operations, Group Markets Operations, Group Security, Group Support

Markus Beumer, Frankfurt am Main
Segment Mittelstandsbank: Mittelstand Region 1, Mittelstand Region 2, Large Customers, Corporate Banking, Corporates International, Financial Institutions, COO

Dr. Achim Kassow, Frankfurt am Main
Segment Central & Eastern Europe: Eastern Europe, Central Europe, CEO, BRE Bank, COO

Jochen Klösges, Frankfurt am Main
Segment Asset Based Finance: CRE Germany, CRE International, Eurohypo Retail, Public Finance, Real Estate Asset Management, Ship Finance, COO

Michael Reuther, Frankfurt am Main
Segment Corporates & Markets: Equity Markets & Commodities, Fixed Income Trading, Corporate Finance, Fixed Income Sales, Client Relationship Management, Research, London, America, COO

Dr. Stefan Schmittmann, Frankfurt am Main
Group Management: Group Credit Risk Management, Group Risk Controlling & Capital Management, Group Market Risk Management, Group Intensive Care

Ulrich Sieber, Frankfurt am Main
Group Management: Group Human Resources, Group Integration

Dr. Eric Strutz, Frankfurt am Main
Group Management: Group Compliance, Group Finance, Group Finance Architecture, Group Audit; Segment Portfolio Restructuring Unit

Martin Zielke, Frankfurt am Main
Segment Private Customers: Private and Business Customers, Wealth Management, Direct Banking, Kredit, COO

Supervisory Board

The Supervisory Board currently consists of the following members:

Klaus-Peter Müller, Chairman, Frankfurt am Main
Uwe Tschäge, Deputy Chairman, Commerzbank AG, Düsseldorf
Hans-Hermann Altenschmidt, Commerzbank AG, Essen

Dott. Sergio Balbinot, Managing Director of Assicurazioni Generali S.p.A., Trieste
Dr.-Ing. Burckhard Bergmann, former chairman of the Board of Managing Directors of E.ON Ruhrgas AG, Hattingen
Dr. Nikolaus von Bomhard, Chairman of the Board of Managing Directors of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft, Munich
Karin van Brummelen, Commerzbank AG, Düsseldorf
Astrid Evers, Commerzbank AG, Hamburg
Uwe Foullong, Member of the ver.di National Executive Committee, Berlin
Daniel Hampel, Commerzbank AG, Berlin
Dr.-Ing. Otto Happel, Entrepreneur, Luserve AG, Lucerne
Sonja Kasischke, Commerzbank AG, Brunswick
Prof. Dr.-Ing. Dr.-Ing. E.h. Hans-Peter Keitel, President of the Federation of German Industries (BDI), Essen
Alexandra Krieger, Head of Division Economics, Department Codetermination of Hans-Böckler-Stifung, Düsseldorf
Dr. h.c. Edgar Meister, Lawyer, former Member of the Executive Board of Deutsche Bundesbank, Kronberg im Taunus
Prof. h.c. (CHN) Dr. rer. oec. Ulrich Middelmann, former Deputy Chairman of the Board of Managing Directors of ThyssenKrupp AG, Düsseldorf
Dr. Helmut Perlet, former Member of the Board of Managing Directors of Allianz SE, Munich
Barbara Priester, Commerzbank AG, Frankfurt am Main
Mark Roach, Trade Union Secretary, ver.di National Administration, Berlin
Dr. Marcus Schenck, Member of the Board of Managing Directors of E.ON AG, Düsseldorf

The members of the Board of Managing Directors and of the Supervisory Board can be reached at the business address of the Issuer.

Potential Conflicts of Interest

In the 2010 financial year and until the date of this Prospectus, the members of the Board of Managing Directors and the members of the Supervisory Board were involved in no conflicts of interest as defined in sections 4.3 and 5.5, respectively, of the German Corporate Governance Code.

Potential conflicts of interest could occur with the following members of the Board of Managing Directors due to their additional membership in supervisory boards of Commerzbank AG's subsidiaries:

Mr Annuscheit (comdirect bank AG), Mr Beumer (Commerz Real AG), Mr Kassow (comdirect bank AG) Mr Klösges (Deutsche Schiffsbank AG, Commerz Real AG), Dr. Schmittmann (Commerz Real AG).

Currently, there are no signs of such conflicts of interest.

Major Shareholders

Based on the shareholder disclosure pursuant to sections 21 et seq. of the German Securities Trading Act (WpHG) Commerzbank has received, the following shareholders own more than 3 % of Commerzbank's ordinary share capital:

Name of shareholder	**Share of voting rights[(1)] (in %)**
Finanzmarktstabilisierungsfonds/ Sonderfonds zur Finanzmarktstabilisierung (SoFFin).....	25.0[(2)]
Allianz SE	9.48
Generali Beteiligungs-GmbH.....	4.84

(1) The percentage shares have been rounded.
(2) SoFFin holds 25% plus one share.

Historical Financial Information

The audited consolidated annual financial statements of Commerzbank for the financial year ended December 31, 2009 are incorporated by reference into, and form part of, this Base Prospectus. The audited non-consolidated annual financial statements and the audited consolidated annual financial statements of Commerzbank for the financial year ended December 31, 2010 form part of this Base Prospectus (see page 95 ff. of this Base Prospectus).

Auditors

The auditors of the Bank for the 2009 and 2010 financial years were PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Olof-Palme-Straße 35, 60439 Frankfurt am Main, Federal Republic of Germany, who audited the annual consolidated financial statements of Commerzbank Aktiengesellschaft for the financial years ended December 31, 2009 and 2010 as well as the Financial Statements and Management Report 2010 of Commerzbank Aktiengesellschaft, giving each of them their unqualified auditor's report.

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft is a member of the Chamber of Chartered Accountants (*Wirtschaftsprüferkammer*).

Interim Financial Information / Trend Information

Since December 31, 2010 no material adverse changes in the prospects of the issuer have occurred.

Since December 31, 2010 no significant change in the financial position of the issuer has occurred.

Material Contracts

Acquisition of Dresdner Bank

On August 31, 2008, Commerzbank and Allianz signed a transaction agreement (the "Transaction Agreement") that provided for the sale and transfer of Dresdner Bank shares held by Allianz to Commerzbank in two stages. On November 27, 2008 Commerzbank and Allianz agreed in a new version of the Transaction Agreement (the "Transaction Agreement (Amended)") to accelerate the full acquisition of Dresdner Bank to January 2009. On January 9, 2009 Allianz and Commerzbank entered into a supplementary agreement to the Transaction Agreement (Amended). In this agreement, Allianz undertook (1) to reduce the capital resources tied up at Dresdner Bank by acquiring certain securities of Dresdner Bank with a nominal value of EUR 2.0 bn for EUR 1.1 bn and (2) to strengthen the capital base of Dresdner Bank and, after the signing of the supplementary agreement, Commerzbank by making a silent contribution of EUR 750 million pursuant to sections 230 et seq. of the German Commercial Code (HGB). The silent participation is entitled to a profit participation consisting of fixed interest of 9 % p.a. on the nominal value of the contribution plus additional dividend-linked remuneration of 0.01 % p.a. for each full EUR5,906, 764 cash dividend paid.

In implementation of the Transaction Agreement (Amended) Commerzbank and Allianz, Allianz Lebensversicherungs-Aktiengesellschaft ("Allianz Leben"), AZ-Asopos Vermögensverwaltungs-gesellschaft oHG ("AZ-Asopos") and Allianz Finanzbeteiligungs-GmbH ("Allianz Finanz", Allianz Leben, AZ-Asopos and Allianz Finanz are hereinafter collectively referred to as the "Allianz-Companies") entered into an agreement on January 9, 2009 with respect to the provision of non-cash contributions (the "Non-Cash Contribution Agreement") under which the Allianz Companies contributed all of the Dresdner Bank shares held by them, 537,257,149 shares in total, by way of non-cash contribution to Commerzbank.

The consideration in the amount of EUR 4.7 bn consisted of the following components: The Allianz Companies subscribed to the non-cash capital increase and acquired a total of 163,461,537 no-par-value shares of Commerzbank. Commerzbank transferred all shares in the cominvest Group in the

value of EUR 0.7 bn. Furthermore, Commerzbank paid the Allianz Companies a total of EUR 2.3 bn in cash.
On August 31, 2008 Commerzbank and Dresdner Bank, with the participation of Allianz signed an agreement in principle on the merger between Commerzbank and Dresdner Bank. The three parties agreed *inter alia* that the existing distribution cooperation between Allianz and Dresdner Bank in assurbanking would in the future be operated directly by Allianz via a bank subsidiary. In addition, Commerzbank and Allianz have agreed upon the conclusion of long-term distribution agreements between Commerzbank and Allianz and their respective subsidiaries as part of a comprehensive sales cooperation in Germany.

On June 4, 2009 Commerzbank and AZ-Arges Vermögensverwaltungsgesellschaft mbH entered into an agreement with respect to the creation of a silent partnership in the amount of EUR750 million. As consideration for the provision of the silent partnership, the agreement provides for a profit participation of Allianz consisting of fixed interest of 9 % p.a. on the nominal value of the contribution plus additional dividend-linked remuneration of 0.01 % p.a. for each full EUR5,906, 764 cash dividend paid.

Utilization of SoFFin Stabilization Measures by Commerzbank

On November 2, 2008, and January 7, 2009, Commerzbank applied to the SoFFin for stabilization measures as provided for in the German Financial Market Stabilization Fund Act (the "FMStG"). The terms and conditions of these measures are described in more detail in the framework agreement of December 19, 2008, and the supplementary agreement of May 14, 2009, each between Commerzbank and the SoFFin.

On May 7, 2009, the European Commission declared that the stabilization measures granted to Commerzbank were in principle compatible with state aid provisions of the EC Treaty. However, for competition law reasons the Commission imposed a number of conditions on Commerzbank to which Commerzbank agreed to comply with in contract with SoFFin. Such conditions include (1) the reduction of the Group's total assets, (2) the disposal of Eurohypo by 2010 as well as of several investments by 2011, (3) a ban, applicable until April 2012, on acquiring other financial institutions and (4) restrictions on the terms and conditions that may be offered to customers (in market segments in which Commerzbank not only has a minor market position (a market share of more than 5 %), especially in the private customer and corporate banking business) up to December 31, 2012 to offer no more favorable prices for its products and services than the three most favorable competitors.

Such conditions were included in the framework agreement for the granting of stabilization measures between the SoFFin and Commerzbank as obligations of Commerzbank and were in parts already fulfilled by Commerzbank.

In response to the financial market crisis Commerzbank and SoFFin, represented by the Financial Market Stabilization Agency ("FMSA") signed an agreement on December 19, 2008 (amended on June 3, 2009 and restated on June 22, 2010) on the establishment of a silent partnership and on June 3, 2009 a further agreement (restated on June 22, 2010) on the establishment of a further silent partnership. On the basis of such agreements SoFFin contributed a silent participation of EUR 8.2 bn and on June 4, 2009 a further silent participation of EUR 8.2 bn to Commerzbank. Furthermore, SoFFin received 295,338,233 no-par-value shares in Commerzbank at an issue price of EUR6.00 from the capital increase against cash contribution resolved upon by the Annual General Meeting held on May 16, 2009. As a result of this capital increase, the SoFFin holds a stake of 25.0% plus one share in Commerzbank at the date of this Prospectus. In addition, SoFFin as guarantor and Commerzbank as guarantee signed an agreement on December 30, 2008 regarding the provision of guarantees up to EUR 15 bn for certain bearer bonds. A guarantee volume thereof of EUR 10bn was returned unused.

In return Commerzbank undertook to ensure that it remains adequately capitalized and to conduct its business on a cautious, sound and sustainable basis by de-risking, deleveraging and reducing its commercial real estate portfolio. The recapitalization measures are subject to the special terms and conditions that Commerzbank inter alia (1) provides German small and medium-sized enterprises with loans at normal market rates, subject to the bank’s credit rating criteria, (2) establishes a special lending fund for German small and medium-sized enterprises with a new lending volume of

EUR 2.5 bn, (3) aligns its remuneration systems for management and members of its corporate bodies to the sustainable long-term performance and profitability of the Group, (4) ensures that the monetary remuneration of the members of its corporate bodies does not exceed the gross amount of EUR500,000 per member per year in respect of their work for the Group, (5) adjusts and restructures its compensation systems for members of its corporate bodies in such a way as to eliminate any compensation in case of premature termination of service contracts existing at the time the framework agreement was concluded insofar as such compensation is not contractually or legally prescribed, and/or, in cases where service contracts are concluded after the execution of the framework agreement, to refrain from including such arrangements for compensation in the event of premature termination or change of control, (6) in the 2008 and 2009 fiscal years not pay a dividend for the respective previous years, (7) not reduce its capital except for restructuring purposes and not buy back any shares or other components of the bank's liable capital, (8) in the 2009 and 2010 fiscal years pay interest and dividends on profitparticipating equity instruments such as silent participations, hybrid capital and profit participation certificates only if it is required to do so without releasing any reserves or special reserves pursuant to section 340g of the German Commercial Code (HGB).

Legal and Arbitration Proceedings

During the previous twelve months, there were no governmental, legal or arbitration proceedings, nor is the Bank aware of any such proceedings pending or threatened, which may have, or have had in the recent past significant effects on the Bank's and/or Group's financial position or profitability.

Recent Developments

The subscibed capital of Commerzbank was increased by means of a contribution in kind of 118,135,291 shares on January 25, 2011. The new shares were issued against the contribution of hybrid equity instruments (Trust Preferred Securities) issued by companies of the Commerzbank group. Subsequently, the German Financial Market Stabilisation Fund (SoFFin) has converted a portion of its silent participations into shares in order to maintain its equity interest ratio in Commerzbank (25% plus one share). This will result in silent participations with a nominal value of approximately EUR 221 million being converted into 39,378,430 shares, using the conditional capital authorized in the 2009 Annual General Meeting of shareholders.

With the execution of both capital measures, the total number of Commerzbank shares has increased to 1,338,866,647 shares.

Rating

The following table shows the ratings of the issuer at the date of the prospectus:

Rating agency	Long-term Rating	Short-term Rating
Standard & Poor´s	A	A-1
Moody´s Investors Service	A2	P-1
Fitch Ratings	A+	F1+

The information regarding the Rating has been accurately reproduced and no facts have been omitted which would render the rating-information inaccurate or misleading.

In accordance with the EU-Regulation No. 1060/2009 Commerzbank confirms that each of the above-mentioned rating agencies with a seat in the European Community has applied for registration under this regulation.

DOCUMENTS INCORPORATED BY REFERENCE

All of the following documents incorporated by reference in this Base Prospectus have been published in a base prospectus or supplement to a base prospectus in each case deposited with and approved by the German Federal Financial Supervisory Autorhity (Bundesanstalt für Finanzdienst-leistungsaufsicht). The parts of the respective base prospectus or supplement to a base prospectus which are not incorporated by reference herein are not relevant to the investor.

The "Terms and Conditions" of the Former Base Prospectus (see page 54 of this Base Prospectus) shall be incorporated by reference and form part of this Base Prospectus.

The following documents were published in the Supplement C dated April 15, 2010 to the Base Prospectus dated June 8, 2009 relating to the Scandinavian Notes/Certificates Programme of Commerzbank Aktiengesellschaft and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

Financial Statements and Management Report 2009 of the Commerzbank AG

Management report (incl. Risk Report)	p. 2 – 70
Profit and Loss Account	p. 71
Balance sheet	p. 72 – 73
Notes	p. 74 – 105
Auditors' report	p. 106

Commerzbank Group Annual Report 2009

Reports	p. 108 – 276
Comprehensive statement of income	p. 281 - 284
Balance sheet	p. 285
Statement of changes in equity	p. 286 – 287
Cash flow statement	p. 288 – 289
Notes	p. 290 - 399
Auditors' report	p. 406
Holdings in affiliated and other companies	p. 413 - 453

Documents incorporated by reference have been published on the website of the Issuer (www.commerzbank.com).

Financial Statements 2010 of the Commerzbank Group

- Group Management Report (pages 96 ff.)
- Group Risk Report (pages 182 ff.)
- Financial Statements of the Commerzbank Group as at December 31, 2010 (pages 220 ff.)

Financial Statements and Management Report 2010 of Commerzbank Aktiengesellschaft (pages 392 ff.)

Group Management Report

Contents

Business and overall conditions

Structure and organization

Commerzbank Aktiengesellschaft is Germany's second largest bank, one of its leading banks for private and corporate customers and a major financial institution within Europe. In rolling out our new brand across the whole of Germany in September 2010, we are making a clear mark as the new Commerzbank. Our customers have around 1,200 branches at their disposal, the densest network of any private-sector bank in Germany. Today, the new Commerzbank serves a total of more than 15 million private and corporate customers worldwide, of which around 11 million are in Germany. Commerzbank aims to continue strengthening its position as market leader in the private and corporate customer segments in Germany.

The focus of our activities is on the four segments Private Customers, Mittelstandsbank, Corporates & Markets, and Central & Eastern Europe, which – as our core bank – are at the heart of the new Commerzbank. These are supplemented by asset based lending in the Real Estate, Public and Ship Finance as well as Real Estate Asset Management areas of the Asset Based Finance segment, in addition to portfolios that do not form part of core business in the Portfolio Restructuring Unit segment. Each of the segments is managed by a member of the Board of Managing Directors.

All staff and management functions are contained in Group Management: Group Development & Strategy, Group Communications, Group Legal, Group Treasury, Group Human Resources, Group Integration, Group Finance, Group Finance Architecture, Group Compliance, Group Audit and the central risk functions. The support functions are provided by Group Services. These include Group Information Technology, Group Organisation, Group Banking and Market Operations, Group Security and Group Support. The responsibilities of the Board of Managing Directors are also clearly defined for these functional units. The staff, management and support functions are combined in the Others & Consolidation division for external reporting purposes.

On the domestic market, Commerzbank Aktiengesellschaft manages a nationwide branch network serving all customer groups from its headquarters in Frankfurt am Main. Its major German subsidiaries are Eurohypo AG, comdirect bank AG, Commerz Real AG and Deutsche Schiffsbank AG. Outside of Germany, the Bank has 8 significant subsidiaries, 25 operational foreign branches and 32 representative offices in 50 countries and is represented in all major financial centres such as London, New York, Tokyo, Hong Kong and Singapore. However, the focus of the Bank's international activities is in Europe.

Commerzbank prepares consolidated financial statements that incorporate all material subsidiaries in which Commerzbank Aktiengesellschaft, as operating lead company, directly or indirectly holds more than 50% of the voting rights or exercises control in another manner. The financial year is the calendar year.

Corporate Management

Commerzbank's long-term aim is to create an appropriate level of value added for all stakeholders. One element of this is generating an attractive return on the capital employed for its shareholders. In order to improve profitability and the enterprise value, the Bank actively adapts its business structure according to changing market conditions. Key criteria in this respect include ensuring that the risks entered into are in line with the external and internal guidelines on risk-taking capacity and that an appropriate return is achieved on the capital employed. A key corporate management tool is the planning process, as part of which the Board of Managing Directors sets targets for the business units and allocates resources, such as capital and risk limits, to the segments in a targeted manner. The Board of Managing Directors carries out regular checks to ensure that these business plans are being followed. The key figures used for controlling purposes in the corporate management process are operating profit/loss and pre-tax profit/loss as well as return on equity, the cost/income ratio and value added. Return on equity is calculated by taking the ratio of operating profit/loss or pre-tax profit/loss to the average amount of capital employed. This shows the return on the equity invested in a given business segment. The cost/income ratio is used to assess cost efficiency and is defined as the relationship of operating expenses to income before loan loss provisions. Value added is a measure of the enterprise value created by the segments and is calculated based on the difference between the operating profit/loss and the cost of capital before tax. The cost of capital represents the minimum return expected on the capital employed.

Remuneration Report

The Remuneration Report is contained in the Corporate Governance Report in the "Corporate Responsibility" section. This in turn forms part of the Group Management Report.

Information pursuant to Art. 315 para. (4) of the German Commercial Code and explanatory report

Information pursuant to Art. 315 (4) of the German Commercial Code and explanatory report can be found in the "Corporate Responsibility" section. This in turn forms part of the Group Management Report.

Information pursuant to Art. 315 para. (2) (No. 5) of the German Commercial Code

Information pursuant to Art. 315 2 (No. 5) of the German Commercial Code can be found in the "Corporate Responsibility" section. This in turn forms part of the Group Management Report.

Business environment

Economic conditions

The global economy continued to recover from the financial and economic crisis in 2010. Global GDP grew by an average for the year of around 4.5% which was almost as strong as in the pre-crisis years. The drivers of this growth were again the emerging markets in Asia, which were much less affected by the crisis than the industrialized nations, but even the trend in the latter countries pointed upwards once again. Nevertheless, the economy was clearly held back in many countries by the fact that the excesses of the past had to be corrected, particularly in the real estate sector and in consumer and corporate debt levels. As a result, growth in the US economy was no stronger than the average of the past ten years despite massive fiscal and monetary stimulus. Unemployment remained high, causing the US Federal Reserve to ease its monetary policy further in the autumn.

In the eurozone, the government debt crisis was an additional adverse factor. As Greece only managed to stave off insolvency in the spring through loans from other euro countries, more and more investors began to doubt the long-term viability of the public finances of other eurozone countries as well. Consequently, some of the prices of those countries' government bonds fell sharply and their yield premiums against German bunds rose significantly amid strong fluctuations. The subsequent higher funding costs made the long-term outlook for those countries' public finances look even bleaker. Even Ireland had to seek a bail-out at the end of the year, as it required huge resources to prop up its banking system. Although the direct effect of this turbulence on the eurozone's economy was held in check, the sweeping measures taken under pressure from the markets to consolidate the public finances continued to hold back growth in those countries. As a result, economic growth in the eurozone was rather disappointing in 2010 at around 1.7%.

This was compounded by the fact that the performance was largely due to the strong upturn in the German economy alone which, with a rate of 3.6%, saw its strongest growth since reunification. Various factors were decisive here: the past few years have seen no real estate boom or a rise in private or corporate debt in Germany, therefore there was no need for a correction. The same applied to its public finances, where there was much less of a need for consolidation compared to most other eurozone countries. As a result, the German economy benefited fully from good overall conditions, particularly extremely low interest rates and the recovering global economy. Finally, the excellent position of German companies in the rapidly growing emerging markets and the price-driven competitiveness of German products that had improved in the past few years had a positive impact. The upturn was based not only on robust external demand, but also on the fact that companies began investing again on a significant basis. There were also positive trends in retail consumption, although economic output overall still did not reach pre-crisis levels.

The capital markets were primarily dominated by the government debt crisis and subsequent discussions on whether the US economy would fall into recession. Both these factors dragged down yields on 10-year bunds to new record lows of just over 2% before they rose again towards 3% at year-end as fears of recession in the United States began to subside.

The improved outlook for the global economy also boosted share prices substantially towards year-end, with the DAX briefly reaching the 7,000 mark, its highest level since mid-2008. The euro had its ups-and-downs, depending on whether concerns focused on the US economy or on the government debt crisis. Overall, however, it lost significant ground against the dollar.

Sector environment

The environment for banks in 2010 was also dominated by a consolidation and stabilization phase after the financial crisis, with the sector's profitability situation improving slightly. In the first half of the year, the median return on equity for major European banks was around 8% according to ECB figures. It was still close to 3% in 2009 and around 2% in 2008. The main reasons for the increased profitability of many banks were lower loan loss provisions and higher interest rate margins. Improved efficiency and cost savings also played a part. The increase in profitability meant that many banks repaid government aid or investment capital, which led to some very large-scale capital increases on the market. In the last few quarters, banks also reduced their leverage, i.e. the ratio of total assets to equity, and improved capital ratios worldwide, according to ECB analyses. The market is demanding greater capital adequacy in the banking industry. Legislators worldwide are also pressing for stricter capital adequacy and better liquidity regulations in the banking sector through legislative measures. The sector can expect a range of tighter regulatory controls under Basel III. Direct industry-specific levies, such as the banking tax in Germany, have been introduced. Sector-specific operating conditions are becoming tougher at both the national and international level.

The highly intensive competitive situation in Germany's banking industry is reflected in a variety of segments.

Despite banks' funding terms improving in 2010 compared to the two previous years, banks nationally and internationally were competing aggressively to secure deposits as funding. It was also apparent to us, as to most other German banks, that private customers were somewhat reluctant to buy securities products. In corporate customer business, the banking industry benefited from improved lending margins and Germany's high economic growth. Investment banking made a largely positive contribution to bank results in 2010. This was the case for both the sector as a whole and for Commerzbank. However, the ECB reported that bank trading profits deteriorated again in the second and third quarters of 2010 due to greater market volatility and lower trading activities. In real estate finance, developments in Europe's real estate markets were varied. Some countries such as Ireland were badly hit by the crisis, but others such as France saw a positive development. Concerted political moves prevented the international debt crisis in European peripheral countries from escalating in 2010. This meant that the repercussions for the banking sector were not serious, although the budget and debt problems of some European countries remain a risk factor for the entire sector.

Important business policy events

Focus on core business

Commerzbank also made further progress in 2010 in concentrating on its core business and complying with EU requirements. We sold the companies listed below following approval from the supervisory authorities:

At the beginning of February, both the sale of the remaining shares in Austrian Privatinvest Bank AG held by Commerzbank to Zürcher Kantonalbank and the sale of the Dutch asset manager Dresdner VPV to the management were completed. Privatinvest Bank AG was previously held by Reuschel & Co. Privatbankiers, with its head office in Salzburg and a branch in Vienna. Its business activities include financial planning, asset management and liquidity management. As at the end of June 2009, Privatinvest Bank AG employed around 50 staff and had assets under management of approximately €600m. As at the end of 2008, Dresdner VPV employed about 60 staff and had €1.2bn in assets under management.

At the end of March, Commerzbank completed its sale of Dresdner Van Moer Courtens and the Belgium branch of its subsidiary Commerzbank International S.A. Luxembourg (CISAL), which focuses on affluent private customers, to the management of Dresdner Van Moer Courtens. Dresdner Van Moer Courtens concentrates on wealthy private customers and securities trading. At the end of 2009 the two institutions together managed assets of €630m and employed 45 staff. The Brussels branch of Commerzbank Aktiengesellschaft Frankfurt, which specializes in the corporate customer segment, will continue to be run by Commerzbank.

At the beginning of June Commerzbank sold its subsidiary Commerzbank International Trust Singapore (CITS) to the Trident Trust Group. CITS specializes in fund management and fiduciary services for private and corporate clients. At the end of 2009 it managed assets of €930m. Commerzbank's other activities in Singapore have not been affected by the transaction.

At the beginning of July Commerzbank completed the sale of its Kleinwort Benson operations to Beteiligungsgesellschaft RHJ International. The transaction involved the sale of the companies Channel Islands Holdings Limited and Kleinwort Benson Private Bank Limited, specialists in asset management and fiduciary transactions in the UK and Channel Islands. At the end of 2009 their Wealth Management units had assets under management of some GBP5.6bn (€6.3bn) and employed more than 600 staff. Commerzbank's investment banking activities, comprising the investment banking arm of the former Dresdner Kleinwort and Commerzbank Corporates & Markets activities, were unaffected by the transaction.

In July Commerzbank AG also sold its subsidiary Allianz Dresdner Bauspar AG (ADB), a savings and loan specialist, to Wüstenrot Bausparkasse AG. Commerzbank and Wüstenrot also agreed a long-term exclusive distribution venture for savings and loan products which came into effect on September 2, 2010. Wüstenrot's products are attractive for Commerzbank's customers and will strengthen the Bank's position in the market. As at the end of 2009, Allianz Dresdner Bauspar had total deposits of €21bn and employed a staff of approximately 350.

At the beginning of September, Commerzbank completed the sale of Dresdner Bank Monaco S.A.M. to Lebanon's Bank Audi sal-Audi Saradar Group. Dresdner Bank Monaco S.A.M. is active in affluent private customer business, focussing on Monaco, southern France and northern Italy. At the end of 2009, it had assets under control of €251m and employed 19 staff.

At the end of 2010 Commerzbank sold its subsidiary montrada GmbH, which specializes in the processing of card payments, to the Dutch firm Equens SE. Commerzbank and Equens have also signed an agreement for a five-year exclusive sales partnership for card-based payment products, including cash withdrawals from ATMs for Master and Visa card holders.

The sale of the following company is still is subject to official approval:

In mid-September Commerzbank announced the sale of its Brazilian subsidiary Dresdner Bank Brasil S.A. Banco Múltiplo to Canada-based Scotiabank. The background to the transaction is Commerzbank's strategic realignment, which also involves the divestment of non-core activities. Based in São Paulo, Banco Múltiplo is mainly focused on activities in investment banking business. As at the end of 2009, the bank had total assets of €284m and around 50 employees. The Commerzbank representative office in São Paulo, which primarily supports the Bank's corporate customers with trade finance services and payment products, will not be affected by the transaction. Similarly unaffected is Commerzbank's Brazilian investment banking arm, with its activities in equity derivatives, commodities, currency and bond trading for private banks and institutional clients.

Capital measures at BRE Bank and Bank Forum

On March 1, 2010, Poland's BRE Bank announced a capital increase with an inflow of funds of 2bn Polish zloty (approximately €500m) which was approved at BRE Bank's annual general meeting in Warsaw on March 30, 2010. Commerzbank exercised its subscription rights fully in the planned capital increase of BRE Bank, in which it holds around 69.8% of shares.

At the beginning of March 2010, Commerzbank acquired a further 26.3% holding in Ukraine's Bank Forum, thereby increasing its stake to 89.3%. The shares derive from the indirect ownership of a former minority shareholder which is no longer a shareholder following the sale of this stake. The parties have agreed to maintain confidentiality about the purchase price and other details. The shareholders of Bank Forum approved a capital increase of 2.42bn Ukrainian hryvnia (approx. €240m) at an extraordinary shareholders' meeting on March 4. This has increased Commerzbank's stake in Bank Forum to 94.5%. At Bank Forum's general meeting on October 14, 2010, shareholders voted in favour of a further capital increase of 1.5bn Ukrainian hryvnia (approximately €134m). Commerzbank participated in the capital increase in proportion to its holding.

Earnings performance, assets and financial position

After the Commerzbank Group's results were badly hit by the financial market and economic crisis in previous years, we were able to make a clear return to profit in 2010. Income before loan loss provisions witnessed a year-on-year increase of around 16% following good customer business and favourable market conditions. We also continued our scheduled reduction of total assets and risk positions. At the end of 2010, we had a solid capital base with a core capital ratio of 11.9%.

Income statement of the Commerzbank Group

We achieved a pre-tax operating profit of €1,353m in 2010 after posting a €4,659m loss in 2009. The main factors behind this €6.0bn overall improvement were: the increase in operating profit, which is important in internal management and which rose by approximately €3.7bn, attributable in particular to net trading income and substantially lower loan loss provisions, and the elimination of special charges of around €2.4bn reported in the prior year and connected largely with the integration of Dresdner Bank. The core bank generated an operating profit of €1,981m in 2010.

The individual items in the income statement were as follows:

Net interest income was €7,054m, marginally lower than the previous year's figure of €7,174m. The effects of the low interest rate environment were felt in the Private Customers and Mittelstandsbank segments in particular. The contribution of deposit business to net interest income fell compared to 2009 and was only partially offset by higher credit margins.

As a result of the more favourable economic conditions, the net allocation to loan loss provisions fell by 40.7% year-on-year to €2,499m. This was based on lower gross allocations and higher reversals. Except for the Private Customers segment, loan loss provisions were significantly down in all segments of the core bank. In the Central & Eastern Europe segment, however, they remained at a high level due to ongoing difficulties in the Ukraine. Contrasting with these positive trends, loan loss provisions of around €1.6bn had to be set aside for the Asset Based Finance segment. This amount corresponded to at least 63% of total loan loss provision expense for the Group. The high level of provisions was necessary due in particular to write-down requirements in commercial real estate finance in markets such as the US and Spain, which remained difficult.

At €3,647m, net commission income was 3.3% lower than in 2009. Adjusted for the effects of selling non-strategic holdings, net commission income reached the previous year's level. Whereas net commission income in the Private Customers segment continued to suffer as a result of a combination of customers' reluctance to invest and integration-related charges, the Mittelstandsbank segment witnessed an increase in income thanks to the tangible pick-up in foreign trade. In the Corporates & Markets segment, net commission income contracted overall due to a few large transactions in 2009.

Statement of comprehensive income I €m	**2010**	**2009**	**Change**
Net interest income	7,054	7,174	–120
Loan loss provisions	–2,499	–4,214	1,715
Net commission income	3,647	3,773	–126
Net trading income and net gain/loss on hedge accounting	1,958	–409	2,367
Net investment income, income from at-equity investments and other net income	12	410	–398
Operating expenses	8,786	9,004	–218
Operating profit/loss	**1,386**	**–2,270**	**3,656**
Impairments of goodwill and brand names		768	–768
Restructuring expenses	33	1,621	–1,588
Pre-tax profit/loss	1,353	–4,659	6,012
Taxes on income	–136	–26	–110
Consolidated profit/loss	**1,489**	**–4,633**	**6,122**
Consolidated profit/loss attributable to Commerzbank shareholders	1,430	–4,537	5,967

Table 1

Net trading income and net income on hedge accounting improved by a significant €2,367m in 2010 to €1,958m. This was supported by much more favourable conditions on financial markets overall compared to 2009. A substantial part of this improvement can be attributed to the segments Corporates & Markets and the Portfolio Restructuring Unit: In Corporates & Markets, the Equity Markets & Commodities division saw a stable development across all product lines. In the Portfolio Restructuring Unit segment, contributory factors were write-ups on structured securities and gains realized on the active reduction of the portfolio.

Net investment income amounted to €108m, compared with €417m in 2009. Income from the sale of Generali shares, non-strategic holdings such as Kleinwort Benson operations and montrada plus the valuation of structured loans was offset by disposal losses from the systematic reduction of risk portfolios, particularly the decrease in the public finance portfolio in the Asset Based Finance segment. There were also impairments on positions in the Portfolio Restructuring Unit's ABS book. Current net income from entities accounted for using the equity method was €35m in 2010.

Other net income recorded a negative result of €–131m compared to €–22m in 2009. While the other expenses category was influenced by allocations for provisions and the valuation of investment properties, reversals of various provision categories were booked to items of other income.

Operating expenses fell by 2.4% from the previous year to €8,786m. Personnel expenses declined by 6.0% to €4,418m, principally as a result of the 8.8% drop in the annual average headcount to 57,676. Other operating expenses, including current write-downs, were unchanged at €4,368m. Higher IT costs and write-downs on own-use real estate were offset by lower advisory fees. Adjusted in particular for integration costs, operating expenses were approximately 4% lower year-on-year. The cost/income ratio in operating business improved 12.9 percentage points to 69.3%.

As a result of the developments described above, the Commerzbank Group posted an operating profit of €1,386m for 2010, a year-on-year improvement of €3,656m. Whereas in 2009 significant restructuring costs and impairments of goodwill and brand names were incurred amounting to a total of some €2.4bn, 2010 witnessed a low level of restructuring costs of only €33m in the Asset Based Finance segment. Consequently, pre-tax profit was €1,353m, after a loss of €4,659m in 2009.

The Group reported tax income of €136m for 2010, compared with €26m for 2009. Tax income from the reporting year stemmed mainly from the retrospective recognition of deferred tax assets abroad.

Consolidated profit after tax was €1,489m, of which €59m was attributable to minority interests and €1,430m to Commerzbank shareholders.

The statement of comprehensive income for 2010, which in addition to consolidated profit/loss also includes other comprehensive income for the period, showed a net total of €2,013m. Other comprehensive income of €524m consists of the sum of changes in the revaluation reserve (€42m), the reserve from cash flow hedges (€230m), the reserve from currency translation (€250m) and companies accounted for using the equity method (€2m). Operating earnings per share amounted to €1.18 and earnings per share to €1.21.

Consolidated balance sheet

Total assets of the Commerzbank Group fell by 10.6% compared with December 31, 2009, to €754.3bn. This figure also reflects the planned reduction in volumes and risks. On the assets side, claims on customers fell by 6.9% to €327.8bn. There was an even greater fall in trading assets, which decreased by 23.3% to €167.8bn. Financial investments also declined significantly by 11.6% to €115.7bn. On the liabilities side, securitized liabilities in particular decreased by 18.8% to €131.4bn. Trading liabilities also contracted significantly by 24,8% to €152.4bn.

The cash reserve went down by €2.3bn year-on-year to €8.1bn, with the drop particularly noticeable in balances held with central banks. Claims on banks recorded a year-on-year increase of €3.9bn to €110.6bn. Whereas collateralized money market transactions in the form of reverse repos and cash collaterals and other claims rose by €9.8bn and €6.4bn, respectively, claims from money market trading contracted by €9.5bn and promissory note loans dropped by €2.9bn. Claims on customers were down by €24.4bn to €327.8bn because of a much lower lending volume. As at the reporting date, total lending to customers and banks stood at €330.3bn, down €38.1bn compared with the last day of 2009. Loans to banks amounted to €23.4bn, down 6.4% on the prior year. Customer lending business declined by 10.6% to €306.9bn at the end of the year. This was mainly a result of the downsizing of the

portfolio as part of the new strategic focus on the Bank's core business; a decline in demand for loans in Germany was another contributory factor. As at the reporting date, trading assets amounted to €167.8bn, a fall of €50.9bn or 23.3% compared with the end of 2009. The sizeable €49.5bn fall in positive fair values attributable to derivative interest rate instruments was a significant contributory factor here, due to expansion in netting. Financial investments decreased by 11.6% over the year to €115.7bn. Bonds, notes and other interest rate-related securities were down by €14.5bn to €113.5bn, while equities and other equity capital-related securities fell by €0.2bn to €1.3bn.

Assets I €m	**31.12.2010**	**31.12.2009**	**Change in %**
Claims on banks	110,616	106,689	3.7
Claims on customers	327,755	352,194	–6.9
Assets held for trading purposes	167,825	218,708	–23.3
Financial investments	115,708	130,914	–11.6
Other assets	32,395	35,598	–9.0
Total	754,299	844,103	–10.6

Liabilities and equity I €m	**31.12.2010**	**31.12.2009**	**Change in %**
Liabilities to banks	137,626	140,634	–2.1
Liabilities to customers	262,827	264,618	–0.7
Securitized liabilities	131,356	161,779	–18.8
Liabilities from trading activities	152,393	202,595	–24.8
Other liabilities	41,439	47,901	–13.5
Equity	28,658	26,576	7.8
Total	754,299	844,103	–10.6

Table 2

On the liabilities side, liabilities to banks fell slightly by €3.0bn to €137.6bn. This included a sharp drop in liabilities from money market trading, which was partly offset by higher collateralized money market transactions such as repos and cash collaterals. Liabilities to customers remained stable compared to the previous year at €262.8bn. Securitized liabilities were €30.4bn down on the year-end 2009 figure at €131.4bn. Bonds and notes fell by €22.8bn to €116.3bn. This was mainly due to the sharp drop in public-sector Pfandbriefe (down €15.4bn to €48.5bn) and the decline in mortgage Pfandbriefe (down €4.8bn to €28.7bn). This was due to a lower funding requirement following a decrease in Eurohypo AG's assets. Money market paper fell by €7.6bn to €15.0bn. Liabilities from trading activities were down €50.2bn overall at €152.4bn. As in the case of assets held for trading, this was mainly because of the decline in negative fair values attributable to derivative interest rate instruments.

In keeping with the Roadmap 2012 strategy programme, Commerzbank significantly reduced the level of total assets by around €292bn following the first-time consolidation of Dresdner Bank: the reduction brought total assets to €754.3bn overall. The requirement imposed by the EU Commission to cut consolidated total assets to approximately €900bn by 2012 has therefore been met well in advance. Reducing total assets was a central component of our risk reduction measures and some areas were particularly affected: the Corporates & Markets segment because of reduced trading activities, the Public Finance division in the Asset Based Finance segment, and the Portfolio Restructuring Unit segment, through the managing down of the portfolio.

Capital and reserves

Reported equity in the balance sheet as at December 31, 2010 was up 7.8% or €2.1bn to €28.7bn compared to 2009. The main factor behind this was consolidated profit attributable to Commerzbank shareholders, at €1.4bn. Furthermore, equity capital rose by €0.4bn due to improvements both in the negative currency translation reserve and in the negative result of cash flow hedges.

Subscribed capital, the capital reserve and retained earnings amounted to a total of €13.7bn after a figure of €12.3bn in 2009. Silent participations remained at €17.2bn as at December 31, 2010.

At year-end, the charge to earnings for the revaluation reserve and reserves from cash flow hedges and currency translation came to €3bn, significantly lower than the 2009 year-end figure of €3.5bn. The negative value of the revaluation reserve was largely unchanged year-on-year at €–1.7bn, while the result from cash flow hedges improved by €0.2bn to €–1.0bn and the result from currency translation by €0.2bn to €–0.3bn.

Commerzbank will not undertake any debt servicing on the silent participation nor pay any distribution for the 2010 financial year, since parent company financial statements did not report any net distributable profit under German Commercial Code accounting rules. A major factor in these negative results under the German Commercial Code was a write-down on Eurohypo. To prepare for the sale of Eurohypo by the end of 2014 in accordance with EU requirements, assets and risks must be reduced. The net present value of Eurohypo's future income fell due to the further reduction in new business and still high loan loss provisions, resulting in the corresponding write-down. The goodwill arising from the purchase of Eurohypo was written off in full in 2009 consolidated statements under IFRS.

Risk-weighted assets amounted to €267.5bn at year-end 2010, representing a decline of €12.6bn compared to year-end 2009. In line with the change in the level of total assets already described, in 2010 we also made significant progress towards our objective of reducing risk-weighted assets. This primarily involved a volume reduction at Eurohypo and in foreign portfolios.

Our regulatory core capital increased by €2.2bn to €31.7bn, while the core capital ratio rose from 10.5% to 11.9% in line with lower risk-weighted assets. The core Tier 1 ratio, which is important in relation to Basel III, amounted to 10.0%, after a figure of 9.2% in 2009. In accordance with the Capital Requirements Directive (CRD II), the silent participation from Allianz and the participation from HT1 Funding GmbH which was previously accounted for on the basis of hybrid capital are no longer incorporated into the ratio. Both the core capital ratio and the core Tier 1 ratio are well above our mid-range target corridor, which is between 7% and 8% for the core Tier 1 ratio. Our own funds ratio was 15.3% on the reporting date. The stress test prescribed by the Committee of European Banking Supervisors (CEBS) – now the European Banking Authority (EBA) – for 91 European banks, the results of which were published in July 2010 and which Commerzbank passed, as expected, in all scenarios, demonstrates that Commerzbank has a sound capital underpinning even in difficult conditions.

Liquidity and funding of Commerzbank Group

Liquidity management in 2010

Group liquidity management is the responsibility of Group Treasury, which is represented in all major locations in Germany and abroad and has reporting lines in all subsidiaries.

Liquidity management comprises both operational and strategic elements. Operational liquidity management encompasses management of daily payments, planning for expected payment flows and managing access to central banks. It also deals with access to unsecured and secured sources of funding on the money and capital markets and the management of the liquidity portfolio. Strategic liquidity management involves drawing up and evaluating maturity profiles for liquidity-relevant assets and liabilities, including modelling the proportion of customer deposits which will be available on a permanent basis (the core deposit base). It also involves the Group's resultant issuance strategy and the calculation and allocation of liquidity costs that are included in the management of the Bank's business activities.

In order to compensate for unexpected short-term outflows of liquidity, Group Treasury has a central liquidity portfolio of highly liquid securities eligible for central bank borrowing purposes, backed by medium to long-term funding. Commerzbank also has a liquidity reserve consisting of freely disposable cash and liquid securities positions. The Group's short and medium-term funding is appropriately diversified in terms of investor groups, regions, products and currencies.

Guidelines and limits for the funding profile and funds are derived from the business strategy and reflect risk tolerance. Top-level decisions about liquidity management are taken by the central Asset & Liability Committee (ALCO), which meets at regular intervals. Monitoring of set limits and of liquidity risk is performed by an independent Risk function using an internal model. ALCO and the Board of Managing Directors receive regular reports on the liquidity risk situation.

Commerzbank applies a four-level limit concept in order to monitor and manage liquidity risk. In addition to the Group limit, limits also apply at the level of subsidiaries, Group divisions and their sub-units. There are also limits on liquidity risks in relation to foreign currencies. The limit concept in place ensures that an emerging liquidity bottleneck can be identified at the earliest possible stage and that steps can be taken to tackle it.

Stress testing is an important part of the internal liquidity risk model. It highlights the effects of unexpected developments on the liquidity situation based on institution-specific and market-related events as well as a combination of these. This combined stress scenario is particularly important, as it is the basis on which the Bank's liquidity is managed. The results of stress testing also feed into the definition of the limit concept and creation of a sustainable emergency plan. The stress scenarios are recalculated daily. The assumptions underlying the stress scenarios are checked regularly and adjusted to changes in the market environment. Even applying the strict liquidity management standards used in the internal liquidity risk model based on a combined market-wide and bank-specific stress scenario, the available liquidity was at all times above the limit set.

In 2010, Commerzbank also implemented a requirement through the Committee of European Banking Supervisors (CEBS) – now the European Banking Authority (EBA) – and integrated a survival period into its liquidity risk policy.

Key elements of liquidity management are the internal model "available net liquidity" (ANL), which has a horizon of up to 12 months, and the stable funding concept, with a horizon of more than one year. The ANL concept forms the basis for daily liquidity management. It calculates the available net liquidity for the next twelve months on the basis of contractual and economic payment flows from on-balance-sheet and off-balance-sheet transactions and liquid assets, by deducting expected outflows from expected inflows.

Commerzbank's liquidity and solvency were adequate at all times during the period under review. The regulatory provisions applicable to liquidity were complied with at all times. As at the December 31, 2010 reporting date, Commerzbank Aktiengesellschaft's liquidity ratio as measured by the standardized approach of the Liquidity Regulation was 1.08, which is above the required minimum of 1.00.

The funding profile is actively managed based on regular structural analysis. Commerzbank's comfortable liquidity position continued improving throughout 2010. Key contributors were

- achieving – and indeed going further than – the funding plan for unsecured capital market funding
- continuing to reduce the balance sheet in accordance with the "Roadmap 2012" strategy programme approved in 2009
- stable deposit business and Commerzbank's focus on its core segments Mittelstandsbank and Private Customers
- continuing to reduce non-strategic securities positions in the Portfolio Restructuring Unit segment and
- repaying securities positions in the Public Finance area that were not part of core activities.

One important point to note is the difference between the three-month Euribor and three-month Eonia swap rate, as this difference is an indicator of credit and liquidity risk on unsecured money markets. This averaged 31 basis points over the year, amounting to 42 basis points at year-end 2010.

The increase in December was due to the ECB putting its exit strategy on hold. It announced that it would continue with its existing procedure until at least March 2011, and carry on providing unlimited liquidity for the market for maturities of up to three months and continue with fixed rates for maturities of up to one month. This procedure is particularly supportive for market participants who cannot access regular funding markets to the extent required as a result of the continuing financial market and government debt crisis.

The performance of the unsecured interbank market in 2010 was mixed depending on maturity. Maturities of up to three months were still liquid, while those above six months were limited in terms of volume, but access for market participants varied. Commerzbank was in a position at all times throughout the year to borrow the necessary funds to ensure it had a balanced funding mix.

There was also a mixed performance on the secured repo market in terms of spreads based on the relevant European collateral. For instance, 3 month "General Collateral" Germany was trading on Eonia –10 basis points, whereas Italy on Eonia was quoted at +10 basis points and Spain on Eonia at +30 basis points. As a result, wider spreads from capital markets also set in on the short-term secured refinancing market.

In addition, market participants are trying to avoid correlated risk, i.e. when the counterparty and collateral are subject to the same country risk. They are also forcing the use of central counterparts (or clearing functions) which handle all transactions, thereby guaranteeing greater transparency and reducing credit risk on the market.

Funding structure in 2010

Commerzbank also had unrestricted access to secured and unsecured funding on the money and capital markets throughout 2010. It continued to enjoy a comfortable liquidity position and was not reliant on central bank liquidity facilities thanks to its conservative and forward-looking funding strategy. Consequently, Commerzbank continued to access the money markets without restriction for customary maturities, even for shorter-term funding. This reflects its good standing in the market.

Last year was dominated by the crisis in the peripheral European countries, despite the stabilization measures put in place in Europe and the European Central Bank's buy-back programme for eurozone government bonds. The crisis hit a new peak when an EU member country used the European Financial Stability Facility (EFSF) for the first time.

Capital market funding structure
as of December 31, 2010

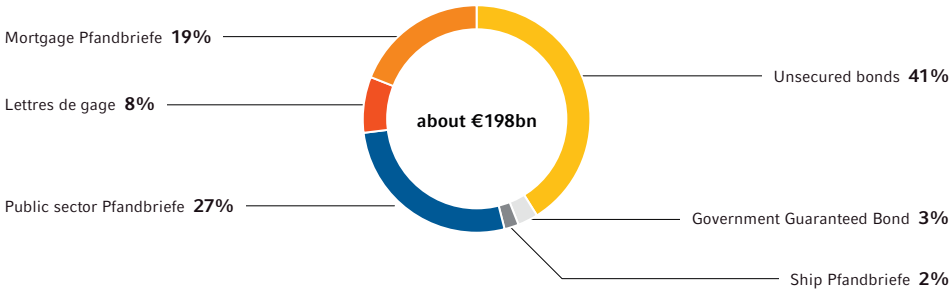


Figure 1

Last year, the ECB began implementing its exit strategy of not extending expiring long-term open-market transactions for six months/one year. In the place of a long-term tender, banks were offered standard three-month tenders with ongoing unlimited allotment; these were not taken up in the same volumes as the expiring long-term tender. The resulting reduction in the excess balances maintained by the commercial banks at the ECB generated increased volatility in the money market and a moderate rise in short-term interest rates. With the exit strategy introduced in 2010, rates on the money market were higher compared to the year-end 2009, with the three-month Euribor up from 0.70% to 1.01% and the twelve-month Euribor from 1.25% to 1.52%.

Whereas the money and capital markets are liquid for the majority of banks, those with weaker credit ratings and those in the peripheral eurozone countries remain dependent on the ECB facilities for funding. In the peripheral euro countries, there is now a relatively liquid money market at national level. In respect of international funding in the collateralized money market, however, it has to be noted that market players are steering clear of correlated risks, i.e. repo transactions where collateral carries the same country risk as the borrowing bank. In addition, there is a sizeable gap in spreads between repo transactions with high-grade bonds (such as bunds) and repo transactions with poorer collateral (e.g. government bonds from the peripheral eurozone countries).

In mid-2010, Commerzbank adjusted the volume of the original funding plan downwards to €12bn – €15bn due to a lower funding requirement. This new funding plan was achieved in full during the year. Furthermore, the Bank benefited from a stable deposit base in its private and corporate customer business. The funding spread for long-term funding on capital markets was stable throughout 2010.

Group capital market funding of 2010
Volume €16.1bn

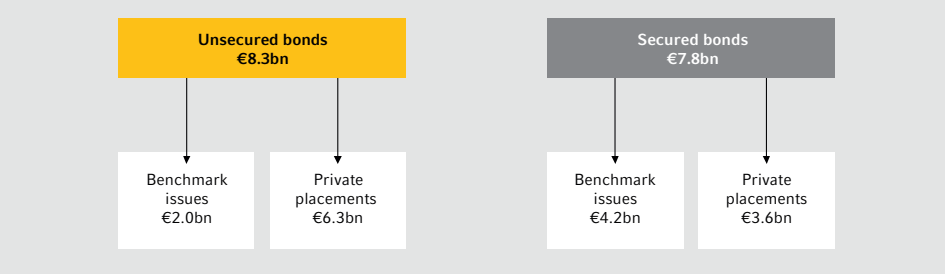


Figure 2

Commerzbank was able to raise long-term funds of €16.1bn in the market for secured and unsecured funding transactions in 2010.

Approximately €8.3bn of this came from unsecured issues and roughly €7.8bn from Pfandbriefe and Lettres de Gage. In total, the Bank issued six public-sector transactions with a volume of €5.75bn in the secured and unsecured segments.

In the unsecured segment, Commerzbank Aktiengesellschaft issued a seven-year senior unsecured benchmark bond for an amount of €1bn offering a coupon of 3.875% with a spread of 105 basis points. This was followed in September by a Commerzbank ten-year senior unsecured benchmark bond with a volume of €1bn and a spread of 150 basis points. It also placed a number of currency issues denominated in currencies such as the Japanese yen, Australian dollar and Norwegian krone.

In the secured sector, two jumbo Pfandbriefe were issued by Eurohypo AG: a three-year public sector Pfandbrief with a volume of €1.5bn and a five-year mortgage Pfandbrief with a volume of €1bn. Eurohypo AG also added a total of €975m to four jumbo Pfandbriefe during the year. A mortgage Pfandbrief issue with a volume of €500m and a special focus on the German market was also syndicated within the framework of a private placement and Eurohypo S.A. Luxembourg successfully issued the first Lettre de Gage of the year with a volume of €750m.

Summary of 2010 business position

With consolidated profit attributable to Commerzbank shareholders of around €1.4bn for 2010, we have returned to profit one year earlier than we originally planned. This highlights the fact that we took the right measures with our "Roadmap 2012" strategy programme and the accompanying underlying business model. In 2010, we continued reducing risks, improving our capital base and have already completed more than two-thirds of the integration of Dresdner Bank. As one of the leading banks in Germany, Commerzbank took advantage of the significant recovery in economic growth in 2010, particularly in Germany. In spite of our integration efforts, gross income rose 15.7% to €12.7bn, while loan loss provisions – particularly in the core bank – were down sharply by more than 40%. Operating expenses fell 2.4% in 2010, with the synergies achieved partially offset by integration-related investment. At segment level, all core bank segments posted a positive operating profit for the full year. Our most profitable segment by far was Mittelstandsbank, although the Corporates & Markets segment also performed extremely well. The performance of our Asset Based Finance segment remained disappointing, but we will continue along our chosen path of reducing risk and volumes. All in all, we are satisfied with business progress in 2010.

Display page

Segment performance

Private Customers

The Private Customers segment covers the activities of the Private, Business and Wealth Management Customers, Credit and Direct Banking divisions. The Private and Business Customers and Wealth Management divisions were merged at the beginning of 2011. The following comments are still based on the organizational structure of Private and Business Customers, Wealth Management, Credit and Direct Banking that applied in 2010.

The segment reached important milestones in 2010 with the merger of the Private Customer business of both Commerzbank and Dresdner Bank. We have now rolled out our new brand across Germany, which gives our customers the sense of being served by one bank. The changeover measures associated with the integration had a negative impact on our 2010 results.

Performance

Private Customers

	2010	2009	Change in %/%-points
Capital employed (€m)	3,397	3,256	4.3
Operating return on equity (%)	1.4	4.4	–3.0
Cost/income ratio in operating business (%)	92.4	90.8	1.6

Table 3

Despite aggressive competitive conditions and the charges connected with the integration of Dresdner Bank, Private Customers achieved a positive operating profit for full-year 2010. Our broadly based customer business was pleasingly stable. The impact of the sale of non-strategic banking participations was clearly reflected in the rates of change, especially in net interest income, net commission income and operating expenses.

On this basis, net interest income decreased by 7.3% to €1,983m Although deposit and lending margins improved slightly compared to 2009, lending and deposit volumes contracted due to deconsolidation effects. The ongoing low level of interest rates continued to make itself felt on net interest income. Loan loss provisions were unchanged year-on-year at €246m. Net commission income declined by 10.3% to €1,941m, this drop being attributed to customers' reluctance to invest and a shift in customer demand for products as well as the sale of non-strategic interests. In addition, revenues were impacted by the increased burden

on advisory teams as a result of the integration. Net investment income of €31m reflects the positive effects of the sale of a subsidiary. Other net income amounted to €–120m compared with €–99m in 2009, due in particular to provisions for potential litigation. Operating expenses declined by 7.0% to €3,552m; this result, too, was clearly impacted by the sale of equity participations. Personnel costs fell substantially by 13.4 % to €1,356m, but this was offset by higher operating expenses in connection with integration.

With an operating profit of €48m, the segment made a positive net contribution to the Group's results.

There were no more restructuring expenses posted in 2010 for the integration of Dresdner Bank. In the prior-year period, these amounted to €338m. Pre-tax profit amounted to €48m, compared with a loss of €196m in 2009.

Main developments in 2010

Market presence in Germany expanded

With a customer base of around 11 million, we are one of Germany's leading banks for private customer business. As a provider of sophisticated financial services, we place great value on top-quality advice and tailored financial solutions. Our divisions occupy prime positions in Germany: in Private and Business Customers, Commerzbank is the number one retail bank with the largest single-brand branch network. In Wealth Management, it is a leading provider with the highest number of outlets in Germany. comdirect group is a leading direct bank in the online securities business with around 1.5 million custody accounts. Commerzbank is also one of the nation's biggest lenders to private customers, granting a total volume of € 55bn.

The Private Customers segment made further progress along its strategic path and successfully overcame key challenges, with the key elements being the integration of Dresdner Bank's Private Customer business and anchoring processes to ensure a consistent improvement in the quality of our products and services. We also disposed of non-strategic holdings, primarily outside of Germany.

Integration milestones achieved, quality embedded on a sustainable basis and focus on domestic core business

We reached key milestones in the integration process in 2010. The appointment process was completed in July for third and fourth-level managers throughout Germany, and staff were transferred to the new structures. The nationwide roll-out of our new brand was completed in September in only a few months. This means that we have significantly expanded our presence in the German banking sector.

The needs and satisfaction of our customers are central criteria for our quality standards. To ensure that customer interests are firmly embedded in the Private Customer segment, in 2010 we set out our performance standards in the form of a charter containing five customer rights. At the same time, we also appointed a customer counsel who has been acting as an intermediary in the complaints procedure between customers and their relevant contacts in Commerzbank since mid-June 2010. If no agreement can be reached, the newly established arbitration board, comprising two members of the customer advisory council and Commerzbank's member of the board responsible for Private Customers, will be consulted as the final decision-making body.

The quality of advice and customer focus since July 2010 have been additional factors incorporated into the variable remuneration of senior staff. Customers' willingness to recommend the Bank to others will serve as an important measuring stick and will be measured using the quality barometer. Launched in February 2010, this tool is used every month to ask around 15,000 customers about their loyalty and satisfaction levels. The quality barometer's findings will be used to increase quality of advice and therefore customer satisfaction and loyalty on a long-term basis.

To guarantee top quality for our customers, we expanded our product portfolio in September with the addition of premium service providers Allianz, Wüstenrot and BNP Paribas Personal Finance, the latter in the form of Joint Ventures Commerz Finanz GmbH. This means that we can now enhance the advice we give in three areas, namely insurance, home loans savings and consumer loans.

In the third part of our strategic agenda, we cut our ties with non-strategic holdings in 2010, as we did in 2009, principally foreign holdings such as Dresdner Bank Monaco S.A.M. This will enable us to concentrate even more on private customer business in Germany.

Private and Business Customers

The Private and Business Customers division covers Commerzbank's branch business in Germany. We expanded our market presence through the integration of Dresdner Bank and are now never far from our customers through a network that will comprise around 1,200 branches. As a provider of sophisticated financial services, we place great value on top-quality advice and tailored financial solutions.

Measures for future success implemented

In 2010, the lagged effects of the financial and economic crisis plus the resources tied up in the integration of Dresdner Bank were reflected in our branch business. Income levels were similar to the prior year.

Nevertheless, we implemented a wide range of measures to ensure our future success. We have been present on the market under a single brand since September, and can now offer basic services at all branches. For many customers, we are now much closer to them: customers are now using a nearer branch of the former bank around 800,000 times per month.

Although branch business bore the brunt of integration, we were able to integrate more quality processes into our business model in 2010 and embed customer focus even more firmly in the Bank. If customers are ever dissatisfied with our services, they can contact the quality management team.

In May 2010, we were found to have the best complaints management procedure of German banks in a bank test carried out by "Euro" magazine. Customer concerns are the basis for improvements that are implemented on an ongoing basis. Measures to improve customer satisfaction also come from the quality barometer.

Level of advisory expertise improved

In 2010, we focused our efforts on improving the level of advisory expertise to counteract customer unease after the financial and economic crisis. Our aim was to gear our advisory services even more towards individual customer needs. To do this, we introduced a new system-based needs analysis for private and business customers in March 2010. As part of this process, we systematically analyze each individual customer situation across all financial themes of relevance to the customer. This produces practical courses of action that form the basis for individual financial solutions.

We implemented a more sector-based approach to the services and advice we offer our business customers. We created special offers for doctors and consultancy professionals, i.e. tax consultants, accountants, lawyers and notaries, laying the foundation for intensifying existing customer relationships and for customer growth. A broadly based marketing campaign, new link-ups and customer events were the main focus of accompanying marketing measures, enabling us to maintain the number of business customers in an extremely difficult environment.

Our branch models of the future, which will be rolled out across the whole branch network by 2014, make it easier for us to provide intensive customer support. The success of this concept is based on the latest technology, lean processes and an open-plan branch design. Self-service technology and the outsourcing of administrative functions help us focus on giving our customers advice. Around 150 branches were refitted in the new style in 2010, which means that half of our branch network has already been modernized and remodelled in a forward-looking design.

Products for discerning private customers

Investment solutions for the changed global operating conditions, including the debt problems in some industrialized nations and low yields, were the main issues for our securities advisory service. In this regard, flexibly and broadly designed investment products with active risk management provided a good opportunity for our customers to review their custody accounts to reflect the changed circumstances on the financial markets. There was great demand in particular for the conservative investment strategies of our asset management products. Discussions in the second half of 2010 were dominated by the new regulatory rules for open-ended real estate funds and special effects on individual products.

We significantly expanded our services by changing product provider in both the pensions and insurance field and the home loans savings sector. We are focusing closely on quality with Allianz as a partner in the pensions and insurance field, and Wüstenrot in home loans savings. As a result, branches will be supported by specialists from our partners, who will work exclusively in the Bank, but we will now offer customers the whole range of property and health insurance products in the insurance sector too. In the key area of pensions, customers are particularly interested in lifetime pensions funded by accumulated assets. As a result, life insurance business through single-premium investments rose substantially, with life insurance based on continuous contributions rising marginally year-on-year.

In our deposit business, we met customer demands for short-term maturities with our overnight products in a low interest rate environment. We have deliberately not participated in the frenzied competition for additional deposits, as we wanted to focus on stabilizing and expanding our income. We continued to underpin the success of our free current account with our year-end campaign.

We stabilized our income from credit card business through an exclusive cooperation with our partner MasterCard, providing our customers with the new Commerzbank MasterCard.

Outlook

Our branch business will benefit the most from the integration. During 2011, we will start physically merging branches that are located close to each other. We will also refit more locations based on the branch model of the future, which will help us achieve significant cost synergies. The migration of customer and product data will eliminate the need for transition processes in the branches, leaving more time for advising customers.

In addition to successfully concluding the integration process, we aim to permanently improve the division's profitability. Here, we will focus on high-performing target groups and systematically press ahead with our offering to discerning private customers and expansion in the business customer segment. We will combine the support services for our business customers into 65 business customer advisory centres throughout Germany, which will enable us to provide competent and targeted advice to this target group. Enhancing service quality remains on our agenda, even in the challenging environment of the integration-based migration of customer and product data in 2011. In addition to these measures, we assume that the income situation will improve through higher interest rates and further stabilization on the capital markets.

Wealth Management

The Wealth Management division focuses on the specific requirements of high net worth private customers. We address their needs by offering an intensive and personalized service as well as comprehensive solutions for complex wealth management issues. We are one of the leading providers on the German market, with around 1,000 employees at 41 locations throughout the country. The international competence centre in Luxembourg enhances the offering for cross-border solutions: the newly established Commerzbank International S.A. (CISAL) combines Commerzbank's and Dresdner Bank's 40 years of expertise in this important financial market. At the end of 2010, we managed around 37,000 customer mandates in Germany and Luxembourg with assets worth €51bn.

Integration completed, service range expanded

Last year saw the near-completion of the merger between Dresdner Bank and Commerzbank in Wealth Management and implementation of the new business model. Despite the considerable cost involved, the Wealth Management division made another positive contribution to the Private Customers segment's results in 2010.

In addition to structural realignment, we also continued expanding our client coverage model for high net worth individuals in 2010. We radically enhanced our wealth management services and now offer Family Office solutions for Commerzbank customers. There was closer cooperation with Mittelstandsbank to take full advantage of the correlation between private and business issues for entrepreneurs.

Various elements of the media also confirmed that we were successful with this approach in 2010. The investor magazine "Euro" rated our wealth management investment proposals as "very good", the business journal "impulse" believed we had proved "how comprehensive advice for entrepreneurs can work" and, for the third time in a row, our Wealth Management was judged to have delivered an "outstanding performance" by Focus-Money and "n-tv" in their annual test. But even more important for us is that our customers also registered a high satisfaction level with us in our continual customer surveys.

Outlook

Our aim is for permanent growth through high quality. Our newly acquired market strength means customers can experience Commerzbank as a quality brand in Wealth Management. Today we now have an extremely solid basis on which to continue expanding customer numbers and assets under management. We are using this reorganization to set ourselves challenging growth targets for 2011 to help contribute towards implementing the "Roadmap 2012" strategy programme.

Lending

In the Private Customers segment, the Lending division deals with all market activities in the lending area. This integrated approach allows us to provide customized products for the Group divisions, and to implement efficient processing methods and value-oriented portfolio management.

Lending division going forward with a tailwind

Income from lending to private customers was also stable in 2010. We were able to offset the expected high level of expiring interest rate agreements in the portfolio with the increase in margins. At the same time, centralized management of the lending portfolio, comprising both existing and new loans, reduced risks and improved profitability.

We reached key milestones in the integration process, in that the first locations were merged and most staff settled in at their new workplace.

In installment loans business, we significantly enhanced our strategic link-up with BNP Paribas Personal Finance. As a result, Commerz Finanz GmbH (49.9% owned by Commerzbank) became Commerzbank's new product provider from September 2010 onwards. This has enabled us to generate efficiencies, achieve cost benefits and expand new distribution channels on the retail front and from e-commerce portals.

Lending: the anchor product for Private and Business Customers

In addition to current accounts, lending – and long-dated real estate financing in particular – is Commerzbank's anchor product for a long-term customer relationship. In 2010, the downward trend in new business was halted through a series of targeted initiatives in the real estate finance sector, which resulted in profitable growth.

Customer advisors are allocated lending experts for real estate finance and loans, and specialist sales managers for installment loans business to ensure that our private and business customers receive tailored lending advice nationwide.

Outlook

Private real estate finance will continue to be our focus on the product side. This is the area where we are looking to substantially grow new business with a whole range of measures. We are also testing new distribution channels for customers who do their business online.

After the IT systems have been merged as part of the integration process in the second quarter of 2011, loan processing will change over to a common product-based platform. This will bring synergies, substantially speed up loan application processing times and improve processing quality overall. We will also create more added value for our customers through new services in Customer and Branch Support.

Direct Banking

The Direct Banking division covered the activities of comdirect group (comdirect bank AG and ebase GmbH) and Commerz Direktservice GmbH in 2010. comdirect group is Germany's second-largest direct bank and market leader in online securities business.

Commerzbank's call centre services have been brought together in Commerz Direktservice GmbH. It has approximately 470 full-time staff members and around 8.5 million customer contacts a year.

comdirect group: market position reinforced

With a large increase in customer numbers and assets under management as well as improved product penetration, comdirect group has again exceeded the organic growth levels of 2009 and reinforced its market position.

It expanded and optimized its range of products and services. Progress was made with the "Complus" growth programme in direct banking business: the key to growth was the popularity with customers of our actively marketed current account with a satisfaction guarantee and "Tagesgeld PLUS" account. For securities traders and investors, we also launched an individually configurable market and price information system and expanded the range of savings plans. We also expanded direct bank-compatible advisory models, as a result of which comdirect withdrew from on-the-spot advisory activities via branches by mid-year.

Ebase continued its path towards becoming Germany's leading B2B direct bank for institutional partners. This mainly involved expanding custody services through banking solutions, increasing the offer of white-label products as well as increasing fund business through ETFs and ETF savings plans. Most notable in this regard was our enhanced market position in the insurance segment thanks to the technical integration of the custody account management of AmpegaGerling Kapitalanlagegesellschaft.

Commerz Direktservice: call centre partner for branch business

Commerz Direktservice strengthened its position as Commerzbank's reliable service partner with competent customer hotlines and a high availability level. The main focus of 2010 was on systematically improving competence and capacity at the Duisburg site. This means that across all channels, Commerzbank customers as well as former Dresdner Bank customers were given support through their usual contact channels at a constant quality level. At the same time, the cost and efficiency optimization programme begun in 2009 continued at the call centre by optimizing processes and reducing internal support areas in particular. The main emphasis of 2010 was on providing professional hotline support for customers and staff for the integration of Dresdner Bank

Outlook

The strategic focus in 2011 will continue to be profitable growth. The key driver of this growth for comdirect will still be the current account, which will be enhanced through additional functions. In brokerage, traders can access limit functions for OTC trading throughout the year and enjoy benefits such as low price initiatives for ETFs. Ebase is well placed to attract more institutional partners, mainly through white-label products based on enhanced custody account and account architecture. Overall, the comdirect Group expects customer numbers and both custody account and deposit volume to increase further.

In the first half of 2011, Commerz Direktservice will continue to focus its operating capacities on customer support, both technical and professional, during Commerzbank's forthcoming customer and product data migration. As the year progresses, service operations in Commerz Direktservice will reach the target business model planned through integration. Commerz Direktservice's performance drivers will continue to be measures to increase efficiency and generate cost synergies plus its high internal quality standards.

Outlook for Private Customers segment

Over the next few years, we will concentrate on the challenging targets contained in the "Roadmap 2012" strategy programme across all segments. We are looking to achieve these through two levers: capturing cost synergies and improving sales performance.

This means that we will fully capture the synergies of integration in the next few years and significantly reduce our costs. We will reach one of the key milestones of integration when customer and product data are migrated in the second quarter of 2011. The whole Bank will then work in a system that has a standardized range of products and services. After that, we will be able to begin with the last major milestone: merging pairs of branches that are located close to each other and refitting them to reflect our branch models of the future by 2012. This will be happening at over 100 pairs of branches in 2011. These measures are a key component for the future viability and financial success of our Private Customer business.

At the same time, we are looking to increase our sales activities by advising our customers comprehensively across our branch network. In order to provide better support for sales activities, in the first quarter of this year we merged the Private and Business Customers and Wealth Management divisions to form the new division Private, Business and Wealth Management Customers. Resources that were previously tied up in the integration of technical systems and products will also be freed up again for advisory services in the second quarter of 2011.

We are also being helped along by the economic environment. We will be able to see the positive effect of the expected increase in interest rates in the market on net interest income. We should also benefit from the performance of capital markets and from our customers' increasing willingness to invest, as this increases our net commission income.

Display page

Mittelstandsbank

The Mittelstandsbank segment is divided into Corporate Banking and Financial Institutions. The Corporate Banking division serves small and mid-sized clients, major clients, the public sector and institutional clients. The Financial Institutions division is responsible for relationships with banks and financial institutions in Germany and abroad as well as with central banks, and thus provides Corporate Banking with a comprehensive platform for processing the foreign trade activities of our corporate customers.

Mittelstandsbank again demonstrated its long-term business model in 2010 in an environment that is extremely challenging financially. Key success factors were our clear customer and needs-oriented service approach, which focuses on a high level of market penetration, proximity to customers, and high-level product and service competence, and solid risk management. This enabled the segment to further strengthen its leading position as the best Mittelstandsbank and make the largest contribution to the overall Bank's earnings.

Performance

Mittelstandsbank

	2010	2009	Change in %/%-points
Capital employed (€m)	5,550	5,393	2.9
Operating return on equity (%)	28.8	11.2	17.6
Cost/income ratio in operating business (%)	43.5	46.1	–2.6

Table 4

The Mittelstandsbank segment was the main earnings driver within the core bank in 2010. The market environment was much brighter compared to 2009 and the Mittelstandsbank segment used its stable business model and strong customer base, against a backdrop of substantially lower loan loss provisions, to not only improve operating profit but to more than double it compared with the year-earlier period.

Net interest income was €2,081m, down 3.5% on the previous year's figure of €2,156m. Although deposit business contributed less to net interest income as a result of ongoing low interest rates, net interest income on lending was stable. Declining volumes in lending, particularly as a result of the reduction in the non-strategic foreign portfolio and still stagnant demand for loans, were offset by higher margins compared to 2009. The tangible improvement in economic conditions was also reflected in much lower loan loss provisions compared to 2009. At €279m, loan loss provisions were €675m lower than the 2009 figure of €954m. Net commission income rose to €983m compared with €924m a year earlier. The €59m or 6.4% growth was generated in particular by the increase in foreign trade and higher income from related product categories.

Net trading income improved by €153m year-on-year to €24m thanks to positive remeasurement effects from credit hedge transactions. Net investment income for the reporting period amounted to €188m, mainly as a result of remeasurement effects from restructured loans. Current net income from entities accounted for using the equity method was €30m in 2010. Other net income amounted to €14m compared with €–69m in 2009. The 2010 result was due in particular to a one-off gain in connection with a settlement agreement dating from 2006. Operating expenses were up 8.4% on the previous year's figure of €1,331m, at €1,443m. Whereas personnel expense was only slightly higher compared with 2009, the year-on-year increase in other operating expense was greater due to increased occupancy expense and IT costs.

Overall, the Mittelstandsbank generated an operating profit of €1,598m in 2010, which was the highest contribution made by any of the core segments. Pre-tax profit amounted to €1,598m, compared with €528m in the previous year.

Main developments in 2010

Strengthening our position as market leader in Mittelstand

Commerzbank is a strategic partner that supports SMEs regionally and internationally. With a market share of around 18%, we are the market leader in our core segment of high-value SMEs. We process some 23% of German foreign trade. After the dramatic collapse in the eurozone's economic performance, Germany is currently the engine of the European economy. We are benefiting in particular from the dynamism and strength of our domestic market through our strong market position as a partner for German SMEs. In the Financial Institutions division, we confirmed our position as one of the leading euro transaction banks.

Integration well under way

The merger of Commerzbank's and Dresdner Bank's business customer support in the Corporate Banking division is now almost complete. The assignment of relationship managers for our customers as well as the inevitable physical moves and office integration of the responsible teams have all taken place. With 150 locations for business customer support and 7 large corporate centres, we can now respond even better to our customers' needs through local presence. Customers are already experiencing the new Commerzbank as a result of the customer transfers completed in the second half of 2010. Our regional service approach gives us the opportunity to gain a better understanding of our business customers' location, market and environment, which means that we can offer them tailored solutions that meet their needs. Overall, more than 4,300 employees moved into the new structure's regional units in 2010; physical pooling will be completed in the first half of 2011, which is much earlier than expected.

Another key measure in the merger of both banks was the harmonization of our product offerings, which means that our customers already benefit from the enhanced product range. Integration was almost completed internationally too, with customers in 15 locations in Western Europe and Asia being offered cross-border business.

Awards for high performance and service levels

We managed to achieve a consistent satisfaction level with our customers even in times of sweeping change. When questioned about who the best partner was for SMEs, entrepreneurs repeatedly chose Commerzbank. In several independent surveys carried out by renowned media channels, we were universally ranked first. This notably included awards such as "Best Mittelstandsbank" in the study by the German Institute for Service Quality (DISO) on behalf of Focus Money, "Favourite Institution for Foreign Business" in addition to the relevant principal bank by the financial magazine "impulse" and top spot in Euromoney's "Cash Management in Germany" category.

Corporate Banking

The Corporate Banking division serves small and mid-sized clients (annual turnover above €2.5m), major clients (provided they are not Multinational Clients allocated to the Corporate & Markets segment), the public sector and institutional clients. Our corporate customer advisors in 150 German branches and seven large corporate centres supported by product specialists are the key component of our sales organization. In our branch offices in Western Europe and Asia, we act as a strategic partner for both the international activities of our German corporate customers and for international companies with business activities in our German domestic market.

Long-term business model: a success factor

Our customer-oriented service approach, which includes developing tailored solutions for all our customer groups, is the key component of our business model. A lasting commitment to the Mittelstand, a comprehensive service approach, short decision-making lines and know-how in sectors and markets enable us to identify and actively exploit growth opportunities on the market. In addition to strengthening our already solid market position in the upper SME range, we have expressly focused on the expectations of our smaller SME customers and adapted our service approach to meet their needs. In the year under review, we put corporate customer advisors in place in this segment who have a broad product knowledge and created a wide range of uncomplicated "entry channels" that make it easy for customers to contact their advisor and, if necessary, product specialists. Even in this customer segment, we see further growth potential for Mittelstandsbank on account of our comparatively modest 6% market share.

Closer collaboration with the Corporates & Markets segment

We offer our customers access to the whole range of investment banking services by working closely with the Corporates & Markets segment. The Corporate Finance Advisory service has been set up to offer clients initial product-neutral advice that reflects their strategic objectives. Our Client Service teams, which consist of a corporate customer advisor and all relevant industry experts and product specialists, are always ready to help customers implement a customized solution. This enables us to offer companies an optimum tailored solution, i.e. access to capital markets and high-quality customer service from a single source.

Expert support for our customers outside of Germany

Internationally, our service is specifically targeted at German corporate customers that do business in other countries; we thus support small to mid-size German companies in all their activities abroad. To do this, we use our specific country know-how and comprehensive local network to act as a partner that is familiar with the markets and can provide knowledgeable support for customers to structure and process their international business. We also provide services for foreign companies active in the German market. Abroad, Commerzbank is represented in all major financial centres in Western, Central and Eastern Europe as well as in Asia and North America. We intend to expand our involvement on the Asian market in particular, including China where we are now represented in four locations and obtained the Renminbi licence for our Beijing branch in November 2010. This means that we are now able to offer products in China's currency, thus completing our existing product portfolio for business customers. We also have an international network of Commerzbank branches, representative offices and subsidiaries in 50 countries worldwide, through which we assist German companies with their exports in particular.

Reliable and innovative funding partner

Commerzbank considers that it has a particular responsibility to German SMEs as their biggest lender. Against this background, the Bank launched a multi-level "Programme for German SMEs" at the beginning of 2010, giving our SME customers access to an additional €5bn lending volume to fund capital equipment and investments.

This programme has been enhanced through the appointment of a lending mediator. Commerzbank's SME customers plus its business customers and freelance professionals from the Private Customers segment now have a direct contact method and dedicated mediation procedure within the Bank. The aim of the lending mediator is to guarantee the quality of lending decisions for rejected funding plans, and promote customer acceptance through transparency, speedy processes and clear explanations on decisions.

The third element of this package of measures was the introduction of additional decision-making parameters in our lending policy. In addition to examining customers' financial data as part of our standard rating-oriented lending decision process, we now analyze the sustainability of their business models, too, since their key figures have in many cases declined sharply in the current economic climate. A specially developed tool assists corporate customer advisors in this task and provides the basis for reviewing a company's individual future potential. This additional method of assessment enables us to identify sustainable business models at an early stage and continue to assist our customers in times of crisis. Following successful testing, we have already established the analysis tool for 15 sectors in Germany. The first international roll-out in Western Europe is planned for 2011. Our "Hausbank loan" is also offered to existing clients. This secures the liquidity needs of our long-term customers, enables them to plan with safety on the basis of fixed medium-term commitments and means that we waive our ordinary right of termination for up to three years.

Commerzbank and the government development bank KfW Bankengruppe were also founding investors in the "AF Eigenkapitalfonds" set up for German SMEs in July 2010. The fund aims to provide companies with new and additional equity capital to help guarantee their growth on a continuous basis. The main focus is on German partnerships and public companies, particularly family businesses, and on their long-term corporate development. Close attention is also paid to securing existing jobs and creating new ones. There will be a rising need for equity capital solutions for funding growth on the back of the economic situation.

Advisory services with a focus on needs-oriented solutions

Alongside our role as a reliable funding partner, we also give our customers more intensive support in their trade finance activities and in their investment, currency and commodity business. Our product specialists in the areas of Cash Management & International Business (CMIB), Interest Currency & Liquidity Management (ICLM) and Lending & Financial Engineering (FE) are always ready to assist.

The CMIB area offers business customers worldwide the whole range of products for trade finance operations: from payment transactions, cash management to documentary business, and structured commercial and export finance. The merger of Dresdner Bank's and Commerzbank's globally available solutions means that our customers can now access a broader and high-performance range of services, particularly in cash and transaction management. With around 30 CMIB locations in our domestic market and a further 20 units abroad, we are not only well established on a regional basis we can actively support customers in Germany and abroad. Additionally, we have been offering a new Internet platform in our international business for electronic message exchanges in documentary and guarantee business since the beginning of this year.

In ICLM, which incorporates German investment, currency and commodities business plus risk management products, we saw rising business volume as a result of new products, focussing on strategic advisory services and a new sales structure. It was particularly pleasing that the growth in our commission business was achieved through a general broadening of the customer base. We intend to build on this in the future and are already implementing various sales initiatives. The aim is to expand our market leadership across our broad customer base by systematically exploiting the potential in all ICLM business product areas.

The Lending & Financial Engineering areas support our customers with both classic products and customized funding solutions. Our specialists formulate individual funding solutions based on the analysis of our customers' current company situations and corporate strategies. To do this, they use the whole range of funding instruments, which also includes private equity, mezzanine, leasing solutions and the complete spectrum of public funding. The offering is enhanced by advisory services on topics such as succession and ratings. Last year we continued expanding our service offering from our ten regional locations and added specialists for the public-sector support programmes area. This will enable us to incorporate regional and cross-regional offers of public funding into funding structures in future.

In 2010, we successfully expanded our offering by introducing the multibank loan, a funding solution that merges bilateral lending agreements under standardized conditions, and a new Finance Modelling advisory tool known as CB-FIMO. Working together with the customer, this tool will help us draw up corporate planning in various scenarios and develop available options.

Outlook

Now that the former Dresdner Bank has been integrated almost in full, we are focusing strongly once more on earnings growth in the years ahead. We will concentrate on our long-term service approach, which we are gearing even more heavily to the individual needs of customers in our core segments. Our aim is to further increase our market share of small SMEs from currently 6% by taking a targeted approach to gaining new customers and getting closer to them. We also aim to increase the contribution to earnings made by larger SME customers and major clients by strengthening our position as their main port of call for banking services. The main focus here is to ensure that there is better interaction between relationship managers and product units. In order to help achieve this, we also intend to ensure that those of our corporate clients eligible for the capital market in particular continue to benefit from close links with our investment banking arm. We are also enhancing our overseas involvement and turning our Vienna and Zurich locations into full corporate branches.

We anticipate a significant rise in lending in 2011. Firstly, we expect credit lines to be utilized more due to our customers' continuing need for working capital, which will increase lending to 2008 pre-crisis levels. Secondly, there is a shift of emphasis in our funding products away from security of liquidity, which was initially required, towards all-round funding solutions for investment measures for companies that we are seeking to actively support as a strategic partner. We are also pursuing a clear growth strategy in our deposit business. In addition to expanding our volumes through a series of measures designed to exploit potential, we assume that this product area will significantly contribute to profit growth through higher money market rates. We also expect further growth momentum from processing German foreign trade, an area where we are well positioned.

Financial Institutions

Commerzbank has a worldwide network of around 7,000 correspondent banks to help it provide private and business customers with transaction and settlement services as well as hedging instruments. The Financial Institutions division is responsible for relationships with these banks in Germany and abroad, as well as with financial institutions and central banks. This collaboration strategically centres on processing foreign payment transactions (Cash Services product field), hedging against foreign trade risk and funding foreign trade activities (Trade Finance product field). We can also provide banks with bilateral loans, support customers with syndicated transactions (Banking Products product field) and in conjunction with the Corporates & Markets segment, offer solutions to hedge against bank risk (Market Products product field).

Strong market position defended

With a 23% market share in German foreign trade settlement, Financial Institutions' own research has shown the Bank to be the market leader in Germany in this business, making it one of the leading three institutions for settling global, euro-denominated payment transactions according to SWIFT and Bankscope.

Our Cash Services business was able to maintain its position as one of the leading euro transaction banks and providers of a full range of payment services. This product field was hit by the sharp fall in interest rates again which affected the profitability of sight deposits. As a result of current developments in the euro payments area, there is a shift in euro interbank sight deposits towards banks within the eurozone, and this was also to Commerzbank's advantage.

We were also able to maintain our strong position in Trade Services, an area where Commerzbank is Germany's market leader. German export volumes rose again in 2010 and there is still strong demand from the German export industry for Commerzbank to guarantee these export volumes, by confirming letters of credit, for example. Increased risk awareness in the market enabled Financial Institutions to maintain stable margins in this business.

The Banking Products area is currently facing fundamental change, notably a great deal of regulation. Overall, many banks were reluctant to raise funding through interbank lending.

The Market Products area benefited heavily from product developments of the former Dresdner Bank. For instance, the "Click and Trade" platform introduced for all Financial Institutions customers in 2009 was extremely successful and is a market-leading product in FX online. Our trading department has advisory desks in Frankfurt, London, New York, and Singapore focussing on foreign exchange and money market business with client banks, and the intensive and close cooperation between Financial Institutions and these desks allows us to provide efficient liquidity management for our client banks.

Global presence through extensive distribution network

Our central relationship management team based in Frankfurt adopts a global service approach. It collaborates with a worldwide distribution network of 33 representative offices and six Financial Institutions desks in our foreign centres, as well as with the Dubai office. Financial Institutions is thus represented in all the main economic areas of the world, and its offices complement Commerzbank's network of operational outlets abroad.

Financial Institutions offers its customers comprehensive advice, with a strategic focus on international payment operations and foreign trade settlement. This full client coverage package is provided by the Financial Institutions team of relationship managers. They are assisted by product and risk specialists, some of whom are based in other Commerzbank units. The approach combines close partnership-based client relationships with a broad product offering and comprehensive expertise, together with training for the staff of partner banks in emerging markets, and is supported by a uniform marketing campaign based on the slogan "Financial Institutions: partnership meets expertise".

Outlook

Changes in market structure brought about by numerous regulatory amendments will be the focus for the Financial Institutions division in 2011. The increasing importance of the emerging economies in international trade will also stimulate higher volumes in payment transactions and foreign trade in these markets. We will therefore examine whether the current network of representatives is still appropriate for these new trade flows. We are meeting the increasing "dollarization" of the global economy following the euro crisis by expanding our range of US dollar products. We are also planning to tap into sovereign wealth funds from emerging economies as a customer group.

The earnings potential of these changes in market structure outweighs any disadvantages, as the Financial Institutions division is geared towards the emerging economies and has a flexible structure.

Outlook for the Mittelstandsbank

We expect a positive underlying sentiment in Germany in 2011. The Ifo Business Climate index, which was already high, is showing a further rise in business expectations, thus strengthening the view that Germany should be seen as Europe's economic engine. Nevertheless, it is likely that the pace of economic expansion will slow, as global growth will come under further pressure from the cost-saving efforts of many countries and the high debt levels of US consumers.

In the coming years, Mittelstandsbank will be focusing closely on boosting income from sales activities. To help achieve this, we will be launching a special growth programme in 2011 which combines various growth initiatives that have already been drawn up. The main aim of this programme is to develop existing potential and new growth fields, and to further improve our quality and efficiency. We also expect our lending business to be boosted in particular by the normalization of drawdown patterns and rising investment. At the same time, our growth initiatives should help stimulate a significant expansion in our deposit and lending volumes.

On the risk front, we expect stabilization at a low level, given that there is much less pressure on risks this year. On the cost front, we also expect trends to be constant, with the synergy effects of the integration cushioning ongoing cost increases and additional factors such as deposit guarantee schemes.

On this basis we are striving to increase our profitability, while at the same time pursuing our strategy of selective growth, with the aim of achieving sustainability and value-oriented earnings growth.

Display page

Central & Eastern Europe

The Central & Eastern Europe segment comprises Polish subsidiary BRE Bank, Ukraine's Bank Forum, Russia's Commerzbank Eurasija, Hungary's Commerzbank Zrt., our branches in the Czech Republic and Slovakia, and investments in seven microfinance banks and Russia's Promsvyazbank. The activities are now grouped together under a management holding company which acts as a centre of competence, operational management unit and interface between the local units and the central departments. Business activities in Central and Eastern Europe focus on private and business customers as well as customer-related investment banking.

The Central and Eastern Europe segment benefited from the much improved economic conditions in 2010. Consequently, the Central & Eastern Europe segment as a whole reported an operating profit, which means that it has successfully achieved a turnaround. Nevertheless, there were differences between the performances of our various units: Polish BRE Bank made a significant contribution to the segment's income and posted a substantial operating profit, whereas in Ukraine, sustained high loan loss provisions and a further reduction in the portfolio led to a negative result. Our units in Russia and Central Europe turned in relatively robust performances in 2010 and took advantage of the economic recovery on the financial markets.

Performance

Central & Eastern Europe

	2010	2009	Change in %/%-points
Capital employed (€m)	1,627	1,605	1.4
Operating return on equity (%)	3.3	–24.5	27.8
Cost/income ratio in operating business (%)	57.7	53.7	4.0

Table 5

The countries of Central and Eastern Europe benefited from a sustained economic upswing in 2010, although its pace and strength varied from one country to another. While this trend proved particularly stable in Poland and continued in Russia, the situation improved somewhat in Ukraine but remained volatile. BRE Bank generated the largest proportion of the segment's income by posting a strong operating profit.

Despite lower margins, net interest income was marginally higher than the prior-year level at €674m. The improved economic conditions were reflected in the loan loss provisions of all units. Loan loss provisions for the segment as a whole fell €451m to €361m over the year. Net commission income increased by 22.4% to €208m. BRE Bank in particular took advantage of the positive trend on capital markets. Operating expenses rose by €79m year-on-year to €565m. This increase can be attributed primarily to currency effects and growth-related increase in personnel at BRE Bank. As a result of BRE Bank's robust performance and improvements in loan loss provisions, the segment achieved an operating profit of €53m in 2010 compared with an operating loss of €393m in the prior-year period. Pre-tax profit amounted to €53m, compared with a loss of €398m in 2009.

Main developments in 2010

The strategic focus in 2010 was the continued restructuring of our lending portfolio, measures to boost efficiency and pressing ahead with selective growth initiatives. The integration of Dresdner Bank in Central and Eastern Europe was also successfully concluded in 2010. After Dresdner Bank's former Hungarian branch was integrated into Commerzbank Zrt. in 2009, customers were then transferred in Russia and Poland in spring 2010. In Russia, Dresdner Bank ZAO was integrated through merger into Commerzbank Eurasija and a Commerzbank Eurasija branch established in St. Petersburg, where the former Dresdner Bank ZAO used to be located. In Poland, branch banking operations were sold to BRE Bank and customer business was transferred accordingly.

We succeeded in winning over a growing number of customers to our products and services in a difficult market environment in 2010, the figure rising by some 460,000 during the year to more than 4 million customers. This makes Commerzbank the leading German bank in Central and Eastern Europe. Our customers' needs are served by close to 9,500 employees across 540 branches.

Last year we also continued intensifying cross-border support for our SME customers. We increased the number of cross-border customers in the Central & Eastern Europe segment by around 700 to almost 4,000 through international sales initiatives together with Mittelstandsbank and by expanding our range of products and services, such as cross-border cash pooling in Poland.

BRE Bank Group

BRE Bank posted a strong operating profit in 2010 thanks to an improving economic environment in Poland. Growth in GDP gathered significant pace once more compared to 2009. Higher foreign trade figures and stabilization on the labour market were accompanied by improvements in customers' credit ratings.

The BRE Bank Group's contribution to the segment's operating profit totalled €190m in 2010, a rise of €164m compared to 2009. A significant contributory factor was the sharp rise in income before loan loss provisions. These provisions were another key profit driver, as they were around 40% lower than in 2009 at €156m. Cost discipline was successfully maintained at the same time, with the cost income ratio for 2010 at around 52%.

Customer numbers continued to grow, rising more than 390,000 to 3.7 million. The dynamic performance of the direct bank mBank in Poland, Czech Republic and Slovakia was a notable contributory factor in this rise.

Integration in Poland was successfully completed with the transfer of the former Dresdner Bank's Polish branch business to the BRE Bank Group. We also implemented measures to continue optimizing cooperation in cross-border business with Commerzbank and supporting international customers.

New growth strategy and successful capital increase

BRE Bank's strategy set out in March centres on profitable growth with private and business customers. In our Private Customer business, we aim to increase income through customer growth and cross-selling with existing customers. On the supply side, we will address the affluent segment in particular and continue expanding the range of services covering current accounts, consumer loans and construction financing. We will also expand the product range for customers who have never had an account with the BRE Bank Group before. We will tailor what we offer more specifically to individual needs by increasingly segmenting the customer base and using customer relationship management systems (CRM). We plan to increase the number of customers to more than 4 million by 2012.

BRE Bank's strong position should be consolidated further in corporate customer business and investment banking by concentrating on attractive growth fields. Key measures include upgrading transaction banking services and focusing more on cross-selling investment banking products to business customers. We will also tap into further growth potential, for instance in the public sector (loans to municipalities), by working with local subsidiaries of international groups and on funding projects that are supported by EU public funding.

To implement the strategic measures and strengthen its equity capital base, BRE Bank carried out a capital increase in summer 2010 of approximately €500m by issuing 12,371,200 new shares with subscription rights. Commerzbank took part in this increase in line with its existing holding of 69.8%.

Range of products and services expanded

BRE Bank enhanced its competitive position in 2010 by further developing its product and service range.

In corporate business, a new online platform for currency conversion was created with iBRE FX, giving customers additional access to capital markets. A new version of the Internet-based electronic banking platform was also started with iBRE 2.0. In addition to improved user navigation, communication options between customer and the bank were expanded, e.g. through new functions such as an interactive calendar or a new notification system. Our product and service offering for business customers now features new services that are making payment services easier for Commerzbank customers in Poland. We also extended the range of prepaid cards and provided access for a broader customer base.

In investment banking, BRE Bank played a leading role in the dynamically growing market of Polish government bonds and interest rate derivatives. BRE Bank is in 2nd place with a 21% share of the market in medium-term corporate and bank bonds.

The private customer offering was likewise expanded further. Customers can now benefit from new, individual credit limits that are automatically geared to customer history. This offer can be used either with credit cards or as a cash loan. We also expanded the range of services for cash loans for small businesses, euro car finance and installment loans that can be drawn using a credit card.

Awards for performance

BRE Bank and its subsidiaries received many awards last year. In the "World's Best Internet Banks" competition in 2010, BRE Bank was crowned the best online bank for corporate customers in Central and Eastern Europe by Global Finance magazine. In a competition held under the aegis of the Polish Ministry of Economics and the Corporate Development Agency, the strength of the iBRE electronic banking platform was demonstrated once again with the iBRE FX currency conversion platform and iBRE cards module being awarded the title "Euro-product 2010". In private customer business, the mBank direct bank was chosen as the "bank most accessible to clients" by readers of the Polish daily newspaper Dziennik Gazeta Prawna, and MultiBank received an award for its efficient customer business. The quality of MultiBank outlets, transaction systems, web profile and telephone customer support were all judged in this process. mBank was also awarded the "Golden Bank" prize for the best accounts, credit cards and corporate loans. mBank was voted the best "Consumer Internet Bank" in the Czech Republic.

Outlook

We expect the Polish economy to keep on improving in 2011, supported primarily by stable growth from consumers and private investment. The BRE Bank Group's objectives are income growth in tandem with improvements in profitability, return on equity and cost income ratio.

The BRE Bank Group will continue enhancing its range of products and services. In its corporate business, the focus will be on adopting a customer-focused approach and expanding sector-specific expertise in its customer service function. It aims to increase customer loyalty this way with attractive offers and gearing what it offers to customer needs. Key strategic features in its corporate business will be selective customer growth, greater market share in the public sector and more intensive selling in transaction banking.

In investment banking, several initiatives are planned for 2011 that should increase foreign currency transactions, the main emphasis being the expansion of business with corporate customers.

In Poland, we expect to see an increased need for finance and a greater willingness to invest as economic growth stabilizes with the completion of programmes for the 2012 European Football Championships and as a result of EU-funded projects.

In private customer business, the BRE Bank Group will focus even closer on discerning and young customers. This will involve more cross-selling, particularly with regard to consumer loans and investment products. The bank will also continue upgrading its payment services and innovative card solutions. A key driver will be touchless technology, which allows payments to be made easily by placing cards on specific reader machines.

Bank Forum

Economic growth in Ukraine improved in 2010 with Ukrainian GDP rising from approx. 4% to 5%. In the country's banking market, these trends were reflected in higher liquidity, rising customer deposits and lower loan loss provisions. This meant that Bank Forum posted a smaller loss than in 2009. Despite restructuring measures, the negative contribution to earnings stemmed from loan loss provisions which were structurally high and lower income from the value-orientated reduction of the portfolio. The number of customers increased by some 67,000 to more than 500,000. This was partly due to the image campaign launched in the summer using the slogan "Business the German way", which won gold at November's Epica Awards in the Print category.

Ongoing implementation of restructuring programme

The main focus of 2010 was the operational implementation of the restructuring programme which was launched in 2009. As part of the strategic move towards a focused universal bank, the organizational structure was adapted further and more core back-office processes were combined. We optimized existing infrastructure at the same time and geared our branch presence even more towards profitable customer segments in relevant major cities. We reduced the number of sales units from 285 to 194 and the number of staff by 22% to 3,080 to boost efficiency and cut costs.

We introduced additional products and services in our private customer business. For instance, customers can fix a minimum amount on their current account using the new "Smarter" service and any money above this minimum will be automatically transferred to a savings account. This enables accountholders to optimize their liquidity management. We also launched online banking at the end of 2010 which increased the bank's appeal to customers.

At the beginning of 2010, Commerzbank acquired a 26.25% stake in Bank Forum from a minority shareholder, thus increasing its controlling majority to 89.3%. Two capital increases were carried out which increased Commerzbank's holding in Bank Forum to approx. 95%.

The gradual implementation of professional processes and forward-looking methods for risk measurement and identification will keep on improving risk management and therefore the basis for selective new business. An internal Restructuring Unit was also established to help reduce the non-performing loan portfolio on a value-oriented basis.

Outlook
Analysts are expecting moderate economic growth in 2011. In this environment, Bank Forum will continue working down the portfolio of non-performing loans and taking on new business on a selective basis. The aim is to reduce risk costs and rebuild a portfolio of performing loans. The bank will also continue to be remodelled as a focused universal bank. Over the medium term, we expect the bank to return to profit through fundamental structural change.

Commerzbank CEE Subsidiaries & Branches

Commerzbank Eurasija
The Russian economy performed well in 2010, partly due to higher commodities prices and export earnings. GDP rose by some 4% during the year.

In its corporate customer business, the Russian Commerzbank Eurasija serves the needs of local subsidiaries of German and international companies as well as major Russian companies. The main emphasis in 2009 was the integration of Dresdner Bank ZAO into Commerzbank Eurasija, which included expanding the product range for customers of the former Dresdner Bank and building up relationships with customers. This transaction was successfully completed in autumn 2010 and the new Commerzbank Eurasija's customer base was strengthened on a long-term basis. Overall, the bank doubled the number of customers it looks after. Commerzbank's regional presence in Russia was also expanded, with a new Commerzbank branch opening in May in St. Petersburg where the former Dresdner Bank ZAO used to be located.

Integration provided further momentum for growth and collaboration in cross-border business, e.g. in cash management and for funding packages, particularly export finance for German companies which increased their supply of capital goods to Russia as a result of positive economic growth.

Outlook The business activities of Commerzbank Eurasija on the Russian markets should broaden in 2011, with the focus including closer cooperation with Corporates & Markets to improve its support for Russian blue chips and major Russian companies.

Branches in the Czech Republic and Slovakia
GDP in the Czech and Slovakian economies increased considerably to 2.4% and 4.2% respectively in 2010. Activities centred on securing our position in international business with Czech companies, particularly guarantee business, as well as enhancing business relationships with the local subsidiaries of German companies.

Customer satisfaction was also a focal point in 2010. In a wide-ranging survey in corporate and private customer business, Commerzbank in the Czech Republic and Slovakia scored a high rating in terms of customer satisfaction.

In the Czech Republic, Commerzbank positioned itself in the renewable energies sector by providing project finance for a solar park in the Bohemia region. Funding was provided in close collaboration with experts from Commerzbank's Centre of Competence Renewables (CoC RE) in Hamburg. In Slovakia, we benefited in particular from new business in capital and investment finance in line with positive trends in the automotive and steel industries.

Similarly in the Czech Republic, we expanded the number of cash management solutions in cross-border business to provide even more efficient liquidity management for our customers. They also benefited from the bank's close support in documentary business, for example through ECA-covered buyer credits processed through letters of credit.

Outlook Market observers expect stronger growth trends and increased investment demand in 2011. In this context, we will continue to concentrate on business with German, Czech and Slovakian SMEs. We are also looking to harness further potential in cross-border business. Customer growth to boost earnings will be another area of focus, the key drivers of which will primarily be more individual support for customers and high service quality.

Commerzbank Zrt., Budapest

In Hungary, Commerzbank Zrt. offers services for corporate customers and selected private customers. Economic growth in Hungary was stronger in 2010 compared to 2009, but this recovery was slower than in other Central and Eastern European countries. The introduction of a banking tax in Hungary also affected the financial services sector and our unit's operating profit.

The bank expanded its range of products and services for corporate customers. The positive perception of Commerzbank Zrt. was also reinforced once again. A study by Dun & Bradstreet in June looked at the creditworthiness of companies and examined how likely it was for companies to file for bankruptcy or liquidation in the next twelve months. In terms of its creditworthiness, Commerzbank Zrt.'s portfolio of corporate customers was ranked first among Hungarian banks with more than 1,000 corporate customers.

The bank continued to enhance its range of products and services for private customers. It expanded cross-selling activities towards customers of small and medium-sized enterprises (SMEs) and also introduced measures to further optimize payment systems.

Outlook Market observers expect the Hungarian economy to continue its recovery in 2011. The positive effects of economic growth should be reflected in the corporate sector as well as with improved results in the Hungarian banking sector. Leveraging existing cross-selling potential should help expand Commerzbank Zrt.'s earnings base.

Other activities in Central and Eastern Europe

Microfinance banks

Commerzbank has minority interests of between 6% and 21% in six ProCredit banks in Albania, Bosnia-Herzegovina, Bulgaria, Kosovo, Romania and Serbia. These banks specialize in supporting ultra-small, small and medium-sized businesses in their own countries with loans (including agricultural loans) and other financial services. They also offer savings and time deposits and current accounts for private customers. The majority shareholder is ProCredit Holding AG which is based in Frankfurt am Main. Further international financial institutions, including the European Bank for Reconstruction and Development (EBRD), the KfW Bankengruppe and the International Finance Corporation (IFC), are also shareholders in ProCredit Bank Romania. Their fundamental business model helped the ProCredit banks record relatively stable growth compared to other banks in the relevant markets.

In Belarus, Commerzbank Aktiengesellschaft owns a 9% stake in Belarusian Bank for Small Business (BBSB) which has been operating since 2008. It was founded under the guidance of the EBRD. Other shareholders in BBSB include Kreditanstalt für Wiederaufbau (KfW), IFC, FMO (the Netherlands Development Finance Company), Swedfund, the US Shorebank International and Shore Cap International. BBSB has been following a continual growth path based on a network of branches covering major Belarusian major cities.

Promsvyazbank

Commerzbank Auslandsbanken Holding AG holds a 15.3% minority share in Russia's Promsvyazbank. Established in 1995, OJSC Promsvyazbank is ranked tenth among Russian banks by assets and is one of the leading private Russian banks. Promsvyazbank offers financial services for business and private customers. In addition to attractive online banking services, Promsvyazbank has a branch network throughout Russia plus offices in China, India, the Ukraine and on Cyprus. In February 2010, the EBRD became a new shareholder when it acquired an 11.8% stake in Promsvyazbank.

Outlook for Central & Eastern Europe

We expect the economic upturn in countries in Central and Eastern Europe to continue in 2011, which should also benefit our Central & Eastern Europe segment. In this market environment, Commerzbank will continue to further expand its position as leading German bank in Central & Eastern Europe after the segment's successful turnaround in 2010.

BRE Bank in Poland will continue implementing its value-oriented growth strategy, focusing on strengthening profitability even more. Key drivers will be increased lending to business and private customers as well as expanding its range of products and services. Income should also be increased through customer growth and cross-selling in other product segments.

In Ukraine, Bank Forum will continue working down the portfolio of non-performing loans. It will also press ahead with its realignment as a focused universal bank. The main elements for this will be selective new business in the business loan segment and an increasing focus on urban private customers.

Commerzbank Eurasija will expand its business activities on the Russian market, with a particular emphasis on closer collaboration with the Corporates & Markets segment to provide an even better service for business customers. In the Czech Republic and Slovakia, activities will continue to centre on business with Mittelstand customers and improving earnings through greater customer growth. In Hungary, cross-selling in the existing customer base will be stepped up.

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Corporates & Markets

The Corporates & Markets segment includes Commerzbank's customer-oriented investment banking activities and managing customers who require capital market products. The range of products and services Commerzbank offers enables it to meet the rising customer requirements of a universal bank. As a Group-wide product supplier for customers, the Corporates & Markets segment is a core segment for the whole bank and is closely connected with other segments.

The year under review was dominated by the successful integration of Dresdner Bank's investment banking business. Despite this enormous challenge, the Corporates & Markets segment made a significant contribution to Group earnings. The four Group divisions – Fixed Income & Currencies, Equity Markets & Commodities, Corporate Finance and Client Relationship Management – are described in more detail below.

Performance

Corporates & Markets

	2010	2009	Change in %/%-points
Capital employed (€m)	3,855	4,421	– 12.8
Operating return on equity (%)	20.4	– 9.5	29.9
Cost/income ratio in operating business (%)	68.3	107.1	– 38.8

Table 6

The Corporates & Markets segment posted an operating profit in all four quarters of 2010 by systematically focusing on and successfully implementing its customer-oriented business model.

Compared to the previous year's performance, it should be noted that the figures for the first half of 2009 still included income from areas that have been discontinued or substantially reduced in the new business model. The previous year was also dominated by the reduction in risk positions and the negative impact on earnings that arose as a result.

Net interest income was more or less unchanged from the previous year's level at €767m, boosted in particular by transactions with structured finance. As the economic environment stabilized and as a result of reversals, loan loss provisions for 2010 produced net income of €27m, following a net allocation to provisions of €289m in the prior year. Net commission income fell by €98m to €254m due principally to a few large transactions in 2009. Net trading income of €1,160m was significantly above the 2009 figure of €681m.

The Equity Markets & Commodities division reported stable growth in 2010. Income in the Fixed Income & Currencies division also stabilized, with the second and fourth quarters in particular dominated by the difficult conditions caused by the debt crisis in the PIIGS countries. By contrast, the Corporate Finance division achieved another record result in 2010 for business with corporate and institutional customers. Net investment income improved as a result of remeasurement effects in relation to restructured loans, rising from €27m to €220m. Other net income fell from €5m to €–20m. Operating expenses contracted by a significant €343m to €1,633m. This cost reduction, in both personnel and other expenses, was largely a result of measures connected with integration and restructuring activities. The implementation of the planned personnel and organization structure was completed both in Germany and abroad.

In 2010, the Corporates & Markets segment posted an operating profit of €786m, after a loss of €420m a year earlier. Pre-tax profit amounted to €786m, compared with a loss of €571m in the previous year.

Main developments in 2010

Integration successfully completed

One of the segment's main achievements was the completion of the integration of Dresdner Bank's investment banking business. We successfully implemented the business model in only 18 months, adapted the organizational structure accordingly and achieved the scale we were seeking. This meant that we had to concentrate staff at the relevant locations; the IT and asset migration into the target systems also progressed as planned in 2010. The segment now has a much broader and internationalized customer platform and can access financial product expertise that has wide market recognition.

This was also reflected in excellent operating results, as the Corporates & Markets segment became profitable again in 2010 and made a significant contribution to Group earnings. The Corporate Finance division in particular saw a continual rise in the number of transactions and mandates. The Equity Markets & Commodities and Fixed Income & Currencies divisions benefited in particular from the expanded sales channels, but also from the greater product depth.

We successfully reduced non-strategic and capital-intensive business to improve the balance sheet structure and used resources efficiently.

Focus on customer business and market potential

Commerzbank's strategy in investment banking is to place a focus on customer-related business and thereby generate stable returns. We continued to pursue this aim during the integration process. The reduction in proprietary trading and the focus on risk hedging for customers were also reflected in average risk-weighted assets for market price risks of the combined segment: at year-end 2010 they amounted to only 26% of risk-weighted assets for market price risks within the Group.

Fixed Income & Currencies

The Fixed Income & Currencies (FIC) division had a successful year in the area of customer-driven trading activities with interest rate and foreign currency products and their derivatives.

High-performing product platform and Group-wide sales channels

The FIC concentrated mainly on IT and asset migration to the target systems in 2010. Following integration, the division is now represented across the world's most important financial centres, meaning that customers benefit from services in different time zones. The Group-wide sales channels were crucial to the division's success in 2010. Products and services were also provided through these channels to corporate customers of the Mittelstandsbank segment as well as to Commerzbank's private customers. In addition, we have been offering a more efficient customer service and increased transaction capacity since 2010 with the technical upgrading of the eBond and Click&Trade FX electronic platforms.

Sales strategy well received by customers

The FIC division's excellent results also stem from the fact that customers are highly satisfied with the Bank's new sales approach. Our customers value the expansion and expertise of the new sales division in the FIC Sales area, which takes a holistic approach to fulfilling the needs of every individual customer. This assessment was also reflected in the results of the survey by "Deutsche Risk-Derivate". Our customers ranked us number two overall for the second time in succession, and number one in the Risk Management and Currencies category. Commerzbank was also recognized by "European CEO magazine" as the best for FX and treasury management business in Eastern Europe.

Outlook

The FIC division will concentrate on further expanding the customer base in the corporate, retail and institutional sectors in 2011. As Group-wide sales channels are now all interlinked, it will be possible to place products on the market more effectively. The aim is to consolidate our position as a preferred partner for risk management and structured solutions. In doing so, we will pay special attention to growth markets in Eastern Europe and Asia in line with customer demand.

Equity Markets & Commodities

The Equity Markets & Commodities division (EMC) also maintained its leading position in the European equity derivatives market in 2010, reporting a very successful year despite difficult market conditions. The Flow and Exotics Trading areas in particular posted stable results. There was also considerable demand again this year from our private customers and institutional investors for the exchange-traded funds (ETF) platform.

The division expanded its role as one of the leading brokerage houses for German equities and celebrated success in 2010. The successful German Investment Seminar in New York, which was attended by 60 leading German corporate customers and 450 investors, also contributed to this.

Expanded product range

Following the successful integration of Dresdner Bank, the division can now access a wide range of sales channels, an enlarged customer base and much expanded product platform which we will keep on developing and supplementing with new products. Last year, this notably included contracts for difference (CFDs), factor certificates, systematic funds, ETFs and commodities indices.

Commerzbank's traditionally strong position in equity derivatives is highlighted by the fact that we now have close to 100,000 products. Our quality was confirmed through a series of awards, such as the award for best bank for structured products in Germany at the Scope Investment Awards 2010, and other awards from reputable magazines in Germany and Europe. The division was also classed for the fourth time in succession as the best issuer on the German market for retail derivatives (certificate award 2010). The German Derivatives Association (DDV) also announced that for the third quarter, Commerzbank was the leading issuer of derivative securities in Germany by market volume.

Outlook

Our goal for 2011 is to keep on expanding our leading role as a market maker in the EMD division with our range of structured financial products, funds and ComStage ETF products. We expect the EMC division to be able to take advantage of opportunities on various markets in the current year through a comprehensive product range and efficient sales channels.

Corporate Finance

The Corporate Finance division achieved another record result in 2010 for business with corporate and institutional customers. Our comprehensive product knowledge and excellent market position vis-à-vis German corporate customers and financial investors make us a very attractive partner, also for Mittelstandsbank institutional customers.

Further increase in transactions and mandates

In 2010, the Debt Capital Markets Bonds and Debt Capital Markets Loans units acquired numerous and highly prestigious management mandates for corporate bonds and medium and long-term syndicated loans in Germany and Europe. In terms of benchmark deals alone, which had a volume of over €500m, DCM Bonds took on 82 lead manager mandates during 2010.

The Leveraged Finance area successfully won arrangement mandates following the upturn on European LBO markets at the beginning of 2010. It became one of the leaders in the European market while adhering to its conservative credit risk management policy. Without exception, the limited amount of underwritings were all placed on the market immediately.

Equity Capital Markets (ECM) once again demonstrated its excellent positioning in the German market for equity capital market transactions. On top of this, it also recorded a growing level of success at the European level.

We were extremely well placed in several ranking lists: top-ranked bookrunner for German Pfandbriefe, top-ranked bookrunner for German Financial Institutions Bonds and fourth-placed bookrunner for German Corporate Bonds. Commerzbank also received the Euro Week Award and The Cover Award for the best covered bond research. The Bank is also number one bookrunner for syndicated loans in Germany and for the third consecutive time received the prestigious "EuroWeek" award for the best arranger for German syndicated loans and for Financial Institutions. It holds second place in the ranking lists for German ECM transactions by number of transactions thanks to 15 bookrunner mandates through the entire ECM product range and the support of benchmark transactions.

The Credit Portfolio Management unit (CPM) within the division also had a successful year. As asset owner, CPM is responsible for the credit portfolio acquired from client relationships and for optimizing it. Active management includes in particular the transfer of credit risk through the capital markets to improve portfolio diversification. CPM also continued its activities on the CDS market in particular and has now successfully hedged almost 30% of the portfolio.

Outlook

In 2011 Corporate Finance intends to continue to play a dominant role in the German market and European core countries, reinforcing its leading market position in providing financial solutions for companies, financial investors and, in particular, financial institutions. The aim is to continue expanding the area's market presence and, thus, further increasing the number of transactions.

Client Relationship Management

The Client Relationship Management division focuses on serving well-known German multinational companies, selected German family companies in all key industrial sectors and companies from the international insurance sector. The division is also responsible for taking care of leading private equity investors as well as the federal government and the individual German states. In order to offer our clients customized solutions, the division works closely with the relevant product specialists from all areas of the Bank.

Last year, the focus was on further developing business relationships with our customers. As a result, Commerzbank's position as a strong partner in investment banking was strengthened by above-average participation in market developments and successfully establishing a new service model for Corporate Banking in the Investment Bank.

Outlook

The division will press ahead in 2011 with setting up an entire unit dedicated to Investment Bank customers in the public sector. We intend to gradually increase market share with target customers.

Outlook for Corporates & Markets

We expect to strengthen our position as a strong investment bank partner through our increased customer base and market-recognized product expertise. Income is also likely to stabilize, cost synergies to be leveraged further and a range of regulation-driven investments carried out.

Corporates & Markets will systematically expand the international customer franchise in 2011 and make the most of market opportunities through strategic initiatives. This includes supplementing our range of US dollar products in line with existing customer demand. We also intend to intensify the marketing of our expertise in European products, particularly in the German market, to selected customers in growth countries. Our offices in Asia will be geared towards the needs of our Group-wide customer franchise.

In view of the still difficult market conditions, we will continue with our generally conservative lending policy. We therefore expect loan loss provisions to be moderate. We are also seeking to continually optimize the risk/return profile of our portfolio through active capital management. We will continue with our diversification strategy through active credit portfolio management to avoid concentrations of risk. We expect another positive performance in 2011 due to the portfolio's excellent risk profile.

We consider the effects on liquidity and capital requirements in the Corporates & Markets segment resulting from Basel III to be manageable in view of the relatively low risk profile of our trading activities. Nevertheless, we have already begun various initiatives early to cushion the expected regulatory effects.

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Asset Based Finance

The Asset Based Finance segment comprises the Commercial Real Estate (CRE), Public Finance (PF), Ship Finance (S) as well as Asset Management and Leasing (AML) divisions. Almost all the activities of ABF-CRE and ABF-PF are carried out by Commerzbank's subsidiary Eurohypo AG. The ABF-AML area mainly comprises the activities of our subsidiary Commerz Real AG. Finally the ABF-S area consolidates the ship financing of Commerzbank and our subsidiary Deutsche Schiffsbank AG.

Performance

Asset Based Finance

	2010	2009	Change in %/%-points
Capital employed (€m)	6,166	6,821	–9.6
Operating return on equity (%)	–20.6	–11.9	–8.7
Cost/income ratio in operating business (%)	66.0	46.3	19.7

Table 7

Despite the recovery in the global economy in 2010, the effects of the crisis in the real estate, public sector and ship finance markets continued to weigh on the ABF segment and were a key factor in the clearly negative result. Whereas new commitments in commercial real estate funding increased year-on-year, the value-maximizing portfolio reduction process continued in real estate and public finance.

Net interest income rose by 5.4% year-on-year to €1,160m, due in particular to higher margins in real estate finance for new business and renewals. Loan loss provisions remained at the very high prior-year level, at €1,584m. This was mainly due to high write-downs in commercial real estate finance, primarily in markets such as the US and Spain, where difficulties continued. Net commission income was 10.1% higher at €327m. The main factors here were increased earnings in commercial real estate business, mainly from restructurings abroad, and income from interest rate and currency management. At €–78m, the net trading result was substantially down on the prior-year figure of €197m. The figure for 2009 included positive valuations for free derivatives and the profitable liquidation of a total return swap position. Net investment income was negative with a loss of €352m (2009: €–87m) due to the reduction in the public finance portfolio, losses on disposal of the bonds of Southern European countries and valuation allowances. Operating expense was €609m, down 9.0% year-on-year. This decline was due to personnel and other operating expense resulting from the implementation of the restructuring measures.

This resulted in an operating loss of €1,270m, compared with a loss of €813m in the previous year. The reporting period saw restructuring expenses of €33m in connection with the strategic project "CORRELATION" at Commerz Real AG. The reported result was a pre-tax loss of €1,303m, compared with a loss of €1,625m in the previous year.

Main developments in 2010

The asset-based lending strategy in the Asset Based Finance segment is geared towards optimizing existing portfolios. The criteria include reducing balance sheet volume, reducing risk positions and improving profitability.

SoFFin's requirements for reducing total assets in the CRE and PF divisions are also a factor. The following volumes are to be achieved by 2012: less than €60bn for CRE and less than €100bn for PF.

The impact of the financial and economic crisis continued to be felt in 2010, particularly in high loan loss provisions, and this adversely affected the segment's business performance.

Commercial Real Estate and Public Finance

Commercial Real Estate on the right track with a new structure

Finance for commercial real estate is handled within the Commerzbank Group by Eurohypo AG. In addition to its domestic market in Germany, this specialist bank has concentrated its core activities on target markets in France, Italy, Poland, Portugal, Russia, Spain, Turkey, the UK and the US. Its customers are professional real estate investors and developers with a continuing need for finance for property assets, project developments and real estate portfolios. Eurohypo AG gives them relevant individual advice and customized finance solutions.

Eurohypo AG made further progress in 2010 following the restructuring of its business model that began in 2009. It has already closed 15 of 20 offices in restructuring markets, some sooner than planned. The bank also pressed ahead with the scheduled reduction of its existing portfolio, which decreased by a further €3.3bn to €72bn.

Nevertheless, the bank managed to increase new business to €5bn compared to the previous year. Half of this amount is attributable to Germany and half to markets outside Germany. Together with renewal volumes of €6.3bn, Eurohypo AG had a total of close to €12bn available to lend to the real estate sector.

However, the continuing high volatility on real estate markets and still difficult operating conditions on the funding front meant that the CRE division's results fell short of expectations. Results were adversely affected in particular by high loan loss provisions.

Still at the top for Pfandbrief issues

Eurohypo AG is the Commerzbank Group's Pfandbrief issuer, funding not just its own commercial real estate activities, but also Commerzbank's private, first-ranked construction finance business. It also maintained its prominent market position during the financial and debt crisis: it is Germany's largest Pfandbrief issuer and one of the world's leading jumbo covered bond issuers. In the year under review Eurohypo AG successfully placed mortgage and public-sector Pfandbriefe (and via subsidiary Eurohypo S. A. Luxembourg a Lettres de Gage Publiques) with a volume of €7.8bn on the capital market, including two jumbo Pfandbriefe with a total volume of €2.5bn, and handled €200m in unsecured funding.

This also gave Eurohypo AG access to a reliable funding instrument in 2010 which was much less affected by the difficult market conditions than other covered bond products. The Pfandbrief will play a major role in the Commerzbank Group's funding activities this year, too.

Outlook

Most real estate markets bottomed out towards the end of last year. Nevertheless, the anticipated recovery of those markets continued to be affected by the government debt crisis, corrections on commercial markets and consolidation of the banking sector. The trend is overwhelmingly positive, but the momentum very modest. The pace of recovery is crucially driven by the economic environment. In this respect, Germany is faring much better, as it does not have to work through any government or personal debt mountains. Nevertheless, risks that the euro debt crisis may have a negative impact here too have not been completely eliminated. In some markets such as Spain and the US, the corrections in sub-areas are set to continue in 2011.

The CRE division is on the right track with the strategic restructuring of its core business and risk-adjusted business philosophy. The aim is to reduce the CRE portfolio to below €60bn by the end of 2012 and significantly minimize its risk content.

We made adjustments to reflect the changed market conditions and made significant progress with the restructuring. Although these are not yet apparent in the 2010 results, the Bank has come another step closer to achieving its aim of gearing the Asset Based Finance segment's commercial real estate finance towards sustained profitability.

Public Finance

Public Finance business focuses on funding sovereigns, federal states, municipalities and other public sector bodies as well as supranational institutions. It covers Eurohypo AG's activities, including those of its Luxembourg subsidiary EUROHYPO Europäische Hypothekenbank S.A. and the Commerzbank subsidiary Erste Europäische Pfandbrief- und Kommunalkreditbank AG (EEPK) in Luxembourg. The secured funding for Public Finance's activities derives from issuing public-sector Pfandbriefe and Lettres de Gage Publiques. Repo transactions also play an important role. Unsecured finance is handled by Commerzbank's Treasury.

Value-maximizing reduction of portfolio in a challenging environment

The markets in 2010 were largely affected by the consequences of the financial and debt crises in a number of European countries. Even in North America and Asia, spreads on government bonds remained high, but some even widened. The market's risk assessment of governments and public-sector issuers changed crucially in the past year, with issuers with good credit ratings also paying much higher risk premiums than at the beginning of the year.

The Public Finance division's main focus was still on downsizing the portfolio while maximizing its value. New business was only taken on and extensions granted to manage the collateral pool or if required for contractual reasons. Compared to year-end 2009, the portfolio was reduced by some €20bn. Alongside high maturities, the volume of active sales carried out totalled some €4bn. At year-end 2010, Exposure at Default in the Public Finance division amounted to approximately €109bn. Exposure to Southern European countries was also reduced as part of the downsizing programme. At year-end 2010, total sovereign exposure to Greece, Ireland, Italy, Portugal and Spain was still €17bn, which is equivalent to a reduction of €3bn compared to year-end 2009.

Decision on strategic realignment

Most of the funding plan for 2010 was fulfilled in the first half of the year. Refinancing activities in February 2010 included issuing a three-year public-sector jumbo Pfandbrief with a volume of €1.5bn. The order book for it was closed within a few hours, as the issue was more than 100% oversubscribed. The Bank also brought out a larger Pfandbrief private placement of €500m with a special focus on the German market. By year-end, smaller private placements had been placed with German and foreign investors throughout the year.

Given SoFFin's requirement for the Public Finance portfolio to be reduced and the EU's requirement regarding Eurohypo AG which has to be implemented by the end of 2014 at the latest, Commerzbank Aktiengesellschaft's Board of Managing Directors approved a strategic realignment of Public Finance business in October 2010. Under the plan, the Public Finance holdings of Eurohypo AG and of both Luxembourg Public Finance units will be run off on a risk-oriented and passive basis. This means that greater prominence will gradually be given to repo financing for funding Public Finance holdings. We also decided to switch the Group's internal funding plan in the area of unsecured fundingto an independent funding concept largely based on matched funding.

Outlook

We expect high deficit levels and thus a high public sector funding requirement to continue in 2011 and 2012. There is still uncertainty in the markets, such as whether weak euro countries will be bailed out. This means that credit quality ratings are likely to keep deteriorating. We therefore expect market volatility to remain. Despite long transitional periods, the proposed new banking regulations will have a major impact on business opportunities for Public Finance business. We will continue along our chosen path of systematically reducing the portfolio when market opportunities arise, notably by disposing of assets with weak credit ratings. This will have a further negative impact on earnings.

Ship Finance

Following the integration of Dresdner Bank into Commerzbank, all of the Commerzbank Group's shipping finance activities were brought together into the Ship Finance division. This included the Bremen and Hamburg-based subsidiary Deutsche Schiffsbank AG as well as Commerzbank's ship financing activities.

Our Ship Finance division maintained its strong market position in 2010. Exposure at Default (EaD) for ship, shipyard and shipping company lending stood at €20bn, making the Commerzbank Group one of the world's leading ship financing providers with long-established expertise in maritime financing. The loan portfolio is diversified across different client groups, ship types and countries.

Market trends and portfolio

The recovery of the global economy in 2010 had a positive effect on individual shipping segments. In the container shipping sector the markets have – with the exception of smaller container ships – recovered somewhat, with container handling slightly higher on average than before the crisis. In 2010, container shipping benefited greatly from the rising demand mainly in the > 2,500 twenty-foot equivalent unit categories (measurement for cargo or transport capacity of container ships).

However, there was a marked decline in the demand for bulk carriers and tankers in summer 2010. The tanker market fluctuated during the year and was generally affected by numerous factors that were almost impossible to predict. The subsequent decrease in oil storage on ships resulted in a significant excess supply of large tankers. However, the one-off effect of the scrappage of single-hulled tankers by the end of 2010 led to a temporary decline in the growth of existing fleets.

Exposure to shipping finance, which is largely denominated in US dollars, contracted from €22bn at year-end 2009 to €20bn at year-end 2010. Unscheduled repayments decreased the exposure, while changes in the US dollar exchange rate had the opposite effect.

The overall portfolio is divided into three standard types of ship, the proportions largely unchanged, namely containers (€6bn), tankers (€5bn) and bulkers (€4bn). The remaining €5bn is accounted for by various special tonnages which are well diversified across the various ship segments.

We continued with our strategy in 2010 of systematically reducing risk on existing business and this resulted in a degree of stabilization, also driven by restructuring measures carried out by mutual agreement with customers.

Outlook

Time-charter rates negotiated in the market in the second half of 2010 indicate that the market will begin to stabilize again in large ship classes.

The growth forecast for the global economy for 2011, driven in particular by positive trends in the Asian emerging markets, should primarily also be based on the rise in trading volume, and as a result, a rise in the demand for sea transport. Consequently, higher transport volumes are expected to further stabilize freight and charter rates compared to the crisis and improve results in the shipping sector. However, as a result of the high order volumes for new tonnage up to 2008, there is still pressure on the supply side which will only slowly subside by 2013/2014 as the vessels gradually become operational. As a result, the potential for the shipping industry to recover is limited overall given the comparatively low scrappage volume in the same time period.

We see more generally positive signs for the current year compared to 2010. We therefore expect income levels to stabilize and loan loss provisions to fall. We will press ahead with the integration of ship finance activities.

Asset Management and Leasing

The year under review was crucial for Commerz Real AG's business and structural realignment. After posting negative results during the financial market crisis and undergoing a change of management personnel, the company introduced the strategic review of its business model at the end of 2009. Based on the results, a decision was made at the beginning of the second quarter of 2010 to intensify the company's positioning as a provider of investment and finance products for Commerzbank's private and Mittelstand customers. As a result, the company's structural and process organization as well as its risk profile are being adjusted accordingly.

hausInvest merger successfully completed

There was a great deal of unease among investors in open-ended real estate funds as a result of the Federal Ministry of Finance's plans for regulation and the announcement of the first fund liquidations, leading to substantial outflows of funds. However, at the end of the third quarter of 2010, the merger of hausInvest europa and hausInvest global created a solid basis for a successful future for the hausInvest brand. In some respects, the merger of the two products created a much broader framework that can absorb developments on individual markets or sectors more effectively. The new hausInvest covers more economic regions, optimizes the structure by property use and provides access to a comprehensive range of tenants.

Real estate special funds stood firm in a difficult environment

There was also a great deal of uncertainty among institutional investors due to the volatile environment on financial and capital markets. Nevertheless, Commerz Real AG managed to stabilize the investor groups in its real estate special funds. Other development opportunities will crucially depend on the impact of the new regulatory provisions, such as Solvency II and the related capital adequacy requirements for real estate investments by institutional investors.

Scope award for CFB funds in the "Energy" asset class

The closed-end funds of Commerz Real Fonds Beteiligungsgesellschaft mbH (CFB) saw some positive developments in 2010. Last summer the "CFB 177" solar fund, marketed exclusively by Commerzbank, was placed in full within a few weeks. Previous solar funds had already proved to be a great success. As a result, CFB won the 2010 Scope award in the "Energy" asset class awarded every year by Scope, the independent rating agency. The high quality of the concept and prospectus as well as the involvement of professional and reliable partners were singled out for particular praise. Other placements in 2010 were two aircraft funds with A 319 planes for which there are long-term leasing agreements with the airline Air Berlin.

Systematic repositioning of Structured Investments

The new business potential of financing products was significantly restricted in 2010 by the continuing reluctance of German businesses to invest, the resultant low orderbook and the sometimes difficult task of securing debt capital. Within Structured Investments, this made itself felt in building management. This meant that there was virtually no attractive follow-up business. However, Commerz Real used the time for systematic repositioning: "One-stop planning, building and finance" is a plan that optimizes the range of services associated with real estate. This realignment already made an impact in the last quarter of 2010 through a noticeable increase in business enquiries.

Portfolio restructuring in equipment leasing

Equipment leasing reported healthy new business levels in 2010. This was a notable success in view of the fact that the leasing market collapsed in 2009 and was stuck in a sideways movement during the year under review. At year-end 2010, Commerz Real also began to restructure this service area's peripheral activities, selling Commerz Real Autoleasing GmbH, which specializes in commercial leasing services, in December to Arval Deutschland GmbH, a subsidiary of French bank BNP Paribas S.A.

Outlook

Open-ended real estate funds continue to be the mainstay of Commerz Real's investment products. The hausInvest brand is well established and will continue to play a key role in the range of funds offered to private customers. Commerz Real will step up its efforts to tap into the institutional investor target market by offering specialized funds and limited partnership solutions. It will continue to focus mainly on the real estate, aircraft and renewable energies asset classes in its closed-end CFB funds. The wide range of investment solutions in equipment leasing and structured investments are an effective complement to Commerzbank's offering for SMEs. Attractive new business opportunities can be expected against the background of improved economic conditions and a growing investment appetite.

Outlook for Asset Based Finance

We will press ahead with the strategic restructuring of the segment's lines of business in what continues to be a challenging market environment. A special, overarching focus will be on optimizing the funding structure. We will also concentrate on the rigorous management of capital employed and risk positions. This is the basis with which we intend to achieve the targets set out in the "Roadmap 2012" strategy programme.

Portfolio Restructuring Unit

The Portfolio Restructuring Unit (PRU) was set up in 2009 in response to the worsening financial market crisis. It covers several asset classes, particularly those from investment banking that are linked to discontinued proprietary trading and investment activities and are no longer classified as strategic. The Portfolio Restructuring Unit is an independent segment. In 2010, the PRU was divided into Structured Credit and Credit Trading, with the latter closing at the end of 2010. The activities of the PRU's operating units are carried out in London and New York.

Performance

In 2010, the PRU witnessed a clear return of investor interest and increasing liquidity in Structured Credit and Credit Trading.

In a volatile market environment caused by the debt crisis in European countries, we pressed ahead on running down the portfolio throughout the year while exploiting market opportunities. Volumes were likewise reduced by restructurings and maturing positions.

Total assets were reduced by €5.6bn over the reporting period, despite opposing currency effects. On balance, substantial progress was made in managing down the number of positions, thus significantly reducing complexity. The Credit Trading portfolio was wound down completely in the fourth quarter through one of the PRU's biggest ever individual transactions. Net interest income was down versus the year-earlier period by €170m to €82m, due primarily to the reduction in holdings. Loan loss provisions fell significantly from €327m to €62m, attributable to a lower level of impairments in individual credit structures. Trading profit increased sharply, up €1,599m on 2009 to €787m. This increase can be attributed to gains realized on actively reducing the portfolio as well as write-ups on structured securities. The net investment loss was reduced from €432m in 2009 to €29m in 2010. Operating expenses amounted to €106m in the period under review, €42m less than in 2009.

The PRU segment posted an operating profit in 2010 of €675m, after a loss of €1,452m a year earlier.

Main developments in 2010

The PRU's strategic management aim continues to be managing down the portfolio while optimizing value within a period that seems reasonable for this objective. We pursued this aim through workout measures and active management of all exposures that were classified internally as Structured Credit and Credit Trading. The Structured Credit area contains all asset backed securities (ABS) that do not carry a state guarantee, but none of our own securitizations. Credit Trading covers proprietary positions in corporate and financial bonds as well as credit derivatives, such as synthetic collateralized debt obligations (CDOs), first to default (FTD), single name CDS, index CDS, index tranches and credit linked notes.

The management philosophy is geared towards comprehensive and transparent portfolio management as well as reduction strategies with clear balance sheet and RWA targets. Capital preservation and risk reduction take absolute priority in this regard. Selling "at any price" is not part of this management philosophy and would also run counter to the aim of value maximization. Instead the PRU management is trying to work down portfolios while proactively exploiting specific market events or carrying out restructuring. The PRU does not enter into any new positions unless for hedging/risk management purposes.

In 2010 we made great strides in working down the portfolios transferred to the PRU. We cut balance sheet volumes and the number of positions, thereby reducing complexity. These reductions also meant that the risk position (notably in respect of both counterparty and issuer risk) was decreased and the forthcoming regulatory changes will have much less of an effect on the PRU in terms of capital requirements.

This was particularly pronounced in the Credit Trading business unit. We sold corporate and financial bonds at the beginning of 2010 when the market environment was positive, and also reduced the volume of illiquid US loans through auctions and early repayments. In addition, we reduced major customized portfolios in bilateral transactions. We accelerated the sale of Credit Trading positions in 2010 by means of regular auctions.

As part of the biggest such auction ever carried out, the third quarter saw the sale of a credit derivatives portfolio in Credit Trading comprising at that time primarily 54,000 CDS and Index CDS. Since the PRU was established, we have reduced the number of managed positions within it from some 144,000 to around 4,000 at year-end 2010.

We also made great progress with structured loan products, for instance, by selling ABS and CMBS assets before the euro crisis, and by successfully restructuring or terminating products before maturity. The PRU transferred the majority of positions and processes from New York to London to reduce the operational complexity of the front-to-end process chain. As a result, procedures are now based on standardized internal processes.

Outlook for Portfolio Restructuring Unit

The question of how the markets develop is still expected to depend heavily on general macroeconomic factors. This includes international monetary policy, solutions to the European debt crisis and the regulatory and legal environment which have a major impact on market liquidity. As a result, the economic outlook for 2011 is cautiously optimistic despite the expectation of more market volatility. Economic growth continued to recover in 2010 in the US and Europe, particularly compared to 2009. Credit markets have performed well in many sub-areas, not least due to US monetary policy.

The PRU will continue to actively manage and work down the remaining exposures in a difficult environment throughout 2011. This means that balance sheet volume will continue to decline this year and next. Consequently, net interest income and the operating cost base will decrease in 2011 compared to 2010. We by and large completed integration-related issues in 2010, such as position and IT system migrations, which means that the management focus can now turn to efficiency savings.

Others and Consolidation

The Others and Consolidation segment contains the income and expenses which are not attributable to the business segments. The reporting for this segment comprises equity participations which are not assigned to business segments as well as Group Treasury. The costs of the service units are also shown here, which – except for integration and restructuring costs – are charged in full to the segments. Consolidation includes expenses and income that represent the reconciliation of internal management reporting figures shown in segment reporting with the consolidated financial statements in accordance with IFRS. The costs of the Group management units are also shown here, which – except for integration and restructuring costs – are also charged in full to the segments.

The following point should be noted in regard to the prior-year trading result for Others and Consolidation: since, to facilitate comparison, the results of the market segments cover the period from January 1, 2009 to December 31, 2009, the difference versus the consolidated profit/loss, which for Dresdner Bank only covers the period from January 13 to December 31, 2009, is reported under Others and Consolidation.

Performance

Operating profit for 2010 was negative at €–504m, compared with a figure of €64m at year-end 2009. Operating income before loan loss provisions, at €368m, derived largely from Treasury income, whereas the negative impact stemmed chiefly from Group-wide effects connected with the acquisition of Dresdner Bank that could not be assigned to individual segments, as well as remeasurement effects from the use of hedge accounting in accordance with IAS 39 on intra-bank transactions that had a negative impact on income. High non-recurrent gains from the disposal of investments in 2009 resulted in a sharp drop in net investment income. Operating expenses in Others and Consolidation came to €878m and related mainly to integration expenses for service and management functions as part of the "Growing together" project, Treasury costs not allocated to the business segments, expenses in relation to company law, and other operating expenses resulting from compliance with SoFFin requirements. The pre-tax loss for 2010 amounted to €504m after a loss of €943m in 2009. The prior-year result contained restructuring expense of €1,007m.

Our employees

We need the best employees to underpin our aim of being the best bank for our customers. The main objective of our Human Resources work is therefore to constantly improve the appeal of Commerzbank as an employer, both internally and externally. Consequently, Group Human Resources creates the conditions for hiring, training and developing suitable employees for the Bank. To help us promote our aim even further, we drew up a new mission statement for our human resources work in early 2010, with the core message: "people are the key to success".

At year-end 2010, Commerzbank Group employed 59,101 staff, a year-on-year decrease of 3,570.

Employee figures at Commerzbank

Actual number employed	31.12.2010	31.12.2009
Total staff Group	59,101	62,671
Total staff parent bank	43,550	44,227

Table 8

The number of full-time equivalents in 2010 was 50,489 compared with 53,231 the year before. The following table shows full-time employees at year-end by segment.

Full-time personnel	31.12.2010	31.12.2009
Private Customers	17,202	18,580
Mittelstandsbank	4,831	4,791
Central & Eastern Europe	8,163	8,748
Corporates & Markets	1,747	2,256
Asset Based Finance	1,743	1,745
Portfolio Restructuring Unit	45	60
Others and Consolidation	16,758	17,051
Group total	**50,489**	**53,231**

Table 9

Most of our employees (77%) work in Germany. Their average length of service is around 17 years; almost 25% have worked for the Bank for up to 9 years, 39% for between 10 and 19 years and 38% for 20 years and longer. The employee turnover rate in 2010 was 4.8%. It has fallen almost continually from 9.4% in 2000 at the old Commerzbank. The comparatively long length of service and low turnover rate emphasize Commerzbank's attractiveness as an employer.

Staff integration almost complete; significant progress with cultural integration

Group Human Resources has played an intensive and successful key role in helping Commerzbank and Dresdner Bank grow together since preparations began for the integration process. This also includes negotiations with employee committees, which were run in a very constructive manner. HR integration is now almost complete.

The last stage of the integration-led staff placement process was the branch-wide appointment of fourth-level managers last year, i.e. branch and group managers not located at our Frankfurt headquarters. Candidates had the opportunity to apply for these positions by mid-December 2009, and then have a structured interview with the relevant manager at ML 2 or ML 3. As with previous staff placement processes after integration, we made every effort to ensure that the process was as open, fair and transparent as possible. Regional branch and branch heads as well as department and group heads took on their new responsibilities as of July 1, 2010. From that date, managers, team colleagues and target location were fixed for every employee, with only a few exceptions. The process of organizational integration in the HR department was thus completed around 22 months after the takeover of Dresdner Bank was announced. Around 4,200 managers were employed by Commerzbank Aktiengesellschaft (in Germany) at year-end 2010.

The staff reduction programme as a result of integration is progressing more rapidly than planned. Over 80% of the 9,000 full-time job reduction plan, intended to be carried out in a socially responsible manner, i.e. without compulsory redundancies, has been implemented, taking account of all agreements concluded. Most of the remaining cuts will take place at the Frankfurt headquarters. Group Human Resources continues to actively support managers and employees with various HR tools, including new placement offers.

Integrating Dresdner Bank into Commerzbank entails a cultural sea change and a huge challenge for all involved. Responsibilities and working environment have changed in many cases, and the process of growing together in emotional terms continues. The success of the integration of Commerzbank and Dresdner Bank is heavily reliant on the degree of conviction of employees. Belief in a successful integration and individual commitment to the merger are always subject to fluctuations in sentiment. To respond to these in a timely manner, Commerzbank commissioned systematic employee surveys shortly after the merger was announced. These are an important tool for organizational development and deliver valuable data for managing the integration process.

The most comprehensive survey tool is the representative Change Monitor, which was carried out for the second time in September 2010. Around 15,000 employees and managers from Commerzbank Aktiengesellschaft Germany as well as from locations in New York, Luxembourg, London and Asia took part. The result showed a positive picture for the overall Bank and confirms the progress of the integration process.

Recognition of the best candidates; comprehensive development of key performers

We aim for early recognition and development of our employees' skills. Consequently, our HR work takes a comprehensive approach from junior staff to top management level. We develop promising employees along attractive career paths and offer them a complete programme of professional development measures. Of the 39,812 employees who worked at Commerzbank Aktiengesellschaft (Germany) at December 31, 2010, 2,299 of them were involved in a course of professional training. We employed 172 staff as trainees, 274 on average were students belonging to Commerzbank's study group. We also employed around 700 academic interns in 2010.

We plan to launch a new career path with the Commerzbank Project Management Programme (CPP). In future, employees will be able to opt for project-related roles as an equal career path alongside a management career. As with the latter, development under the Commerzbank Project Management Programme is in three steps: CPP Audits first check the potential for taking over a management task at the relevant project management level. A successful audit is necessary for participation in CPP Development which should be specific preparation for the requirements of the intended project management function. For project managers already in this function, CPP Professional offers a customized training programme with in-depth seminars. The Professional Programme also helps employees to gain internationally recognized certification and training under International Project Management Association (IPMA) standards.

We launched the "Commerzbank Academy" project in 2010 to help build up our employee training in a consistent way throughout the Bank. The aim is to combine all the training and development initiatives for all career paths throughout the Bank under one roof. We will also strengthen specialist careers as an equally valid alternative to management and project careers. Specialist careers are open to all sales employees and specialists in collective pay scale and non-collective pay scale areas who have no management or project management function. All employees adopting the specialist route will be able to see at a glance which opportunities are open to them and which training measures are on offer in this regard.

We reached an important milestone in the internationalization of our young talent development last year when we launched the Graduate Programme in the Corporates & Markets segment. This 12-month international trainee programme for university graduates prepares them for subsequent positions in Investment Banking, Market Risk and Treasury through targeted training and work placements. With 84 graduates taking part from Frankfurt, London, Singapore, Hong Kong and New York, the programme enabled them to begin establishing an international network at an early stage in addition to giving them practice-oriented training. After five weeks of joint practice-oriented training in London, the graduates returned to their individual locations to put into practice what they had learnt. The Corporates & Markets Graduate Programme ensures that young prospects reach a common standard of knowledge and are prepared for worldwide placement.

Our "Move it!" event was placed at the interface between junior staff development and community involvement. 250 academic young talents helped renovate the Fridtjof-Nansenschool in Frankfurt, a state primary school that was in need of substantial modernization. Working together with 30 managers, they painted classrooms, built play apparatus and redesigned the garden. This was a team effort involving two days' intensive work, but the children and school governors were absolutely thrilled with the result.

Improving products and processes, promoting creativity

To improve internal and external company processes, Commerzbank has been running a systematic ideas management campaign for many years called ComIdee. Its aim is to save materials or energy, improve customer or work satisfaction, develop innovative products and optimize environmental protection. Employees are asked to submit ideas online at any time on how improvements could be made. These are then subject to an online feasibility check by internal experts. A proposal is given favourable consideration if it brings real and quantifiable benefit to the Bank. Employees and managers are named as ComIdee experts, and their appointment depends solely on their functional area and not on hierarchy level. To motivate employees to submit ideas, any that are turned into reality carry a monetary reward or payment in kind of up to 25% of the amount that can be achieved by an idea in the first year. There is no upper limit, the highest award to date standing at €48,000. A total of 3,638 ideas were submitted in 2010 by 5.4% of all employees. The benefit achieved by ComIdee in 2010, net of all costs, stood at around €3.3m based on an average five-year application period. Proof that ComIdee is setting standards through Commerzbank comes from the fact that it received the "Seer Award" for international ideas management in 2010. This was the second time that Commerzbank had received this award from the Employee Involvement Association (EIA). The Bank therefore excelled itself in particular with the number of ideas submitted, the benefits achieved and an extremely high realization and participation rate.

Living and working healthily, avoiding illness

The motivation and high performance level of our staff depends to a great extent on their health. Consequently we have been offering internal measures for many years that help staff to stay healthy at work and promote wellbeing. The spectrum ranges from training courses on health-related issues, initiatives promoting healthy lifestyles right through to a corporate sports programme. We regularly adapt our systematic and holistic work-based health management to reflect higher requirements in the workplace and the fact that working lives are getting longer. This includes stress management seminars, flu vaccinations and the "Cycle to work" initiative. We aim to not only bring down the sickness rate which stood at 4% in 2010, but also to improve our employees' wellbeing at work.

We set up a staff advisory council on health issues in 2010 so that our staff could become actively involved in our health management initiative. The committee comprises 45 employees from nearly all areas of the Bank who discuss work-related health issues on a regular basis. The results are incorporated into the initiative's development in order to foster a health-oriented management culture and better overcome heavy work loads.

Aside from physical health, some of our employees have had increased psychosocial problems in their professional and private lives in the past few years, which is why we now offer rapid and comprehensive support through our Employee Assistance Programme. Experts from our partner dbgs GesundheitsService GmbH offer telephone counselling for our staff on work-related issues, but also provide support on family and relationship issues. If necessary, they refer them to specialists, such as clinics or doctors. We also have counsellors for family members who live with our employees. Managers with special concerns may of course also contact our telephone counselling service.

However, health management is more than stress management, prevention and healthy eating. As bank employees have mainly sedentary jobs, we believe it is important that they take part in regular sporting activity. We therefore support all staff who wish to take part in sport after work through a range of corporate sport programmes. With over 1,200 participants, the Com-Games will be held in Berlin in 2011 in an effort to link up the regional sports associations and promote corporate sport.

Using diversity productively, supporting staff

We operate in an environment with extensive competition and heterogeneous business relationships. Under these conditions, there would almost be nothing less conducive to innovation than a team who all thought and acted the same way. Only when diverse talents, experiences and life situation come together in a team can the wishes of our different customers be fully recognized and successfully implemented. In order to support and get the best out of our diverse range of employees – men and women, parents and those without children, young and old, homosexuals and heterosexuals – we have had an active diversity management programme in place for many years with which we support our staff in the various phases of their lives. Our experience shows that those who can turn their personal expectations for their professional and private lives into a reality are motivated and high-achievers.

Measures that help combine family life with a career are the cornerstone of our diversity management. We support staff who are either on maternity or parental leave with a wide range of measures so that parents can remain in touch and return to work easily. We opened our diversity portal on the Internet in June last year to support this target group in particular. We also expanded our childcare services in 2010. We booked more places for children up to age three in high-quality childcare facilities at 20 locations throughout Germany. The Kids & Co. childcare day centre in Frankfurt am Main celebrated its five-year anniversary in 2010.

All childcare facilities offer regular daycare with flexible times. Overall, the Bank has 220 full-time places for nursery and kindergarten children, and around 340 girls and boys are taken care of through intelligent place distribution. Scientific studies show that our employees return to work quicker after paternal leave, they require less reintegration time, choose larger blocks of hours and are generally more motivated.

In early 2010, we launched our "Women in management positions" project on behalf of the Board of Managing Directors. Women represent 50% of our workforce, but in term of management positions, only account for between 4.7% of level one and 29% of level four. We are looking to significantly increase these percentages to ensure that over the long term, Commerzbank has the strongest management team possible and can harness all the talent at our disposal. The measures under this project include a bank-wide internal mentoring programme, increasing the proportion of female observers at our foreign selection audits for managers, bank-internal career days, diversity training for all managers and a semi-annual management report on how successful the project has been in its implementation.

However, diversity is not something that is merely planned and implemented by the HR department. It is much more about actively including our staff in the diversity process. "Focus on fathers" looks at equal opportunities from a male perspective; the women's "Courage" network which is represented in several locations throughout Germany is organized so that women can exchange experiences and help each other in their professional development; the "Arco" network for gays and lesbians has more than 350 members and is the largest corporate network of its kind in Germany. Our diversity work for homosexual men and women was recognized in 2010 by Völklinger Kreis, the German association of gay managers, when it awarded Commerzbank the Max-Spohr prize. And on our "Forum Diversity" intranet page, we almost doubled the workshop and information offering in 2010 with more than 40 events. This also includes new programmes such as promotion skills and negotiation training for female employees, a network meeting for family carers and a workshop for homosexual staff.

Remuneration

As a result of the increased significance arising from greater regulatory requirements, employee remuneration is being disclosed for the first time for the 2010 financial year in the form of a separate report. This is being published on the Commerzbank website www.commerzbank.de and in future will be updated once a year.

Note of thanks to employees

We would like to express our thanks to all those whose trust and constructive collaboration helped to make our HR work successful in 2010, but above all we would like to thank our staff for their exceptional level of commitment. Whether in their daily work or for the integration of Dresdner Bank into Commerzbank, they made a crucial contribution that helped us deal with the past year so well.

Report on events after the reporting period

Commerzbank took an important step towards optimizing its capital structure in mid-January 2011. Under an agreement, Credit Suisse Securities (Europe) Limited ("Credit Suisse") acquired from investors hybrid equity instruments or Trust Preferred Securities issued by companies of the Commerzbank Group, in its own name and for its own account, at prices below the nominal value and contributed them as a contribution in kind in exchange for new shares issued from the authorized capital of Commerzbank. On January 13, a syndicate of banks comprising Credit Suisse, Citigroup, Goldman Sachs and UBS placed around 118.1 million shares with institutional investors, the equivalent of 10% less one share of Commerzbank's previous share capital. The Board of Managing Directors and Supervisory Board of Commerzbank adopted the resolutions required for the non-cash contribution on January 21, 2011. The Financial Market Stabilization Fund (SoFFin) maintained its equity interest ratio in Commerzbank of 25% plus one share upon completion of the transaction. In addition, around €221m of SoFFin's silent participations from the conditional capital created at the 2009 Annual General Meeting was converted into approx. 39.4 million shares. These two capital measures mean that the number of Commerzbank shares rose to 1,339 million in total.

On January 18, 2011, Allianz SE, Munich, Germany, informed us that, based on Art. 21 (1) of the German Securities Trading Act, its voting rights in Commerzbank Aktiengesellschaft, Frankfurt am Main, Germany, had fallen below the threshold of 10% on January 17, 2011, amounting to 9.48% on that date.

On February 24, 2011, the rating agency Moody's downgraded Commerzbank's long-term rating by two levels from Aa3 to A2 with a stable outlook. The Bank Financial Strength Rating (BFSR) was confirmed at C–. The main factors behind the downgrade are , in Moody's view, the deterioration in the financial strength of Eurohypo AG and a change in Moody's internal methodology, which anticipates an increasingly lower level of systemic support for banks worldwide in the future.

Outlook and opportunities report

Future economic situation

The upturn in the global economy is expected to continue in 2011 at roughly the same pace as in 2010. We can assume that the momentum from the emerging markets will slow down somewhat, but the US economy in particular will grow stronger than last year. Most of the corrections in the real estate and personal finance sectors there seem to be over. Consequently, the increased momentum provided once more by monetary policy should also be reflected in above-average growth.

Real gross domestic product

Year-on-year change

	2010	2011[1]	2012[1]
USA	2.8%	4.0%	3.5%
Eurozone	1.7%	1.7%	1.8%
Germany	3.6%	3.0%	2.5%
Central and Eastern Europe	4.0%	4.4%	4.0%
Poland	3.7%	4.5%	4.2%

[1] The figures for 2011 and 2012 are all Commerzbank forecasts.
Table 10

In the eurozone, the government debt crisis and the emerging economic differences between member states will probably remain the major issues. There is a danger of more countries having to seek a bail-out from the European Stabilization Fund; the uncertainty on the markets and the yield premiums on government debt of the countries in question are expected to remain high at the very least. As of today, we do not anticipate the default of a eurozone country. The inevitable consolidation of government finances and the ongoing correction of earlier excesses will place a further brake on the economy. As these growth-hampering factors are no longer a major issue in Germany, its economy should increase by an above-average 3% again in 2011. If it does, it will have more than made up for the ground lost after the Lehman bankruptcy. In addition to strongly growing exports and equipment spending, private consumption should gradually provide further support for the upturn.

Apart from the ongoing government debt crisis, the issue concerning the financial markets will be when and to what extent the major central banks will raise key interest rates. The ECB has flagged that due to the increased inflationary risks, it will raise base rates already in April. We are assuming that further moderate interest rate hikes will ensue. The Fed is likely to follow suit in 2012, if the unemployment rate in the US has further decreased. In view of the continuing upturn in the global economy – and also in the basic scenario of slowly approaching interest rate hikes by the central banks – we anticipate that yields on long-dated government bonds should continue to rise. However, the euro is expected to suffer from continuing uncertainty about the long-term prospects for currency union. In addition the expectation that the Fed will raise interest more than the ECB even if it starts its hikes later, should support the dollar. Consequently, the euro is expected to fall against the US dollar in the medium term.

Exchange rates

	31.12.2010	31.12.2011[1]	31.12.2012[1]
Euro/dollar	1.32	1.32	1.27
Euro/sterling	0.83	0.83	0.81
Euro/zloty	3.95	3.70	3.62

[1] The figures for 2011 and 2012 are all Commerzbank forecasts.
Table 11

Future situation in the banking sector

Commerzbank's economic assessment is extremely positive. We expect GDP in the eurozone to be 1.7% and 1.8% in 2011 and 2012 respectively. As Commerzbank is well positioned in German Mittelstand and private customer business, it should benefit in particular from economic growth in Germany.

Despite the improved economic expectations, the Bank is slightly more cautious about microeconomic trends in the banking industry. The outlook for the sector is rather restricted in some areas of banking business. Banks are also faced with risks and pressure factors.

Near-term growth prospects for the sector, particularly for new lending, are somewhat subdued as many governments and private households in Europe are having to deleverage. However, there are differences between countries. In Germany the market has not so far perceived any signs of excessive debt. The loan loss provisions of some banks significantly decreased in 2010. We expect this downward trend to continue until 2012 for the banking sector as a whole. The growth prospects for banks' net trading income are also fairly limited in the short term, but it is possible at the moment for investment banking to become profitable again in general terms.

We also assume that competition for private customer deposits will intensify in the next few years. This means that margins will remain under pressure in this area. Many banks are reducing their funding through the interbank market. New participants are also entering the deposit business, with a number of foreign banks adopting a relatively aggressive approach in their deposit terms. Competition is correspondingly intense. We will not take part in this, and not just because of the EU Commission's requirements in connection with the SoFFin investment that prevent us from assuming "price leadership" on the terms we offer our customers.

Banks' leverage, i.e. the ratio of their total assets to equity capital, fell throughout the sector in the past few years. This will stay low and is likely to limit earnings growth in the coming years.

From a regulatory perspective, tougher rules on banks' capital adequacy and liquidity provision can be expected as a result of Basel III and this will have an adverse effect on banks' profitability.

Despite the pressure factors outlined here and the additional requirements placed on the banking sector, we do not expect the fundamental sector structures in European countries to change very quickly which means that they will remain relatively stable, even after the financial crisis has ended. Commerzbank will continue its role as one of Germany's leading banks. It has clearly strengthened this position through the takeover and merger of Dresdner Bank. Germany is a rather polypolitical banking market with a relatively low market concentration compared to other European countries on account of the high number of legally independent savings banks and cooperative banks. Although there is a continual process of concentration in savings banks and cooperative associations, this banking structure in Germany will generally remain in place in the next few years.

Expected developments in significant items in the income statement

We anticipate the following developments in 2011 for individual items in the income statement:

We do not expect any significant improvements in net interest income compared to 2010. Although higher interest rates will benefit the Private Customers segment, and positive momentum will come from the expected normalization of drawdown patterns and rising investment from business customers in the Mittelstandsbank segment, these effects will be partially offset by increased pressure on margins. Loan loss provisions should continue to decline. We expect the risk provisioning requirement to be much lower in the Asset Based Finance segment in particular. Net commission income should improve in 2011, particularly in the second half, due mainly to customers' increased willingness to buy securities and the freeing up of our advisory teams from the burdens of integration. It is difficult to forecast trading profit, particularly in light of highly volatile financial markets and the resulting impact on the valuation of financial instruments. However, we expect trading profit to be higher in 2011 than in 2010. Operating expenses in 2011 will be determined by strict ongoing cost management and synergies realized. As a result, we anticipate a decrease. The Commerzbank Group should see a significant year-on-year improvement in operating profit in 2011.

Financial outlook for the Commerzbank Group

Financing plans

Commerzbank's Group Treasury is responsible for the Group's capital and liquidity management. To this end, Group Treasury uses the results of the stable funding concept as a basis for planning issues on the capital markets. This identifies the structural liquidity requirement for the Bank's core lending business as well as those assets that cannot be liquidated within one year, and compares these to the liabilities available long-term to the Bank (including core customer deposit bases).

Clearly defined processes should ensure that under this concept, funding activities are regularly adjusted to reflect changed circumstances. Liquidity management also analyses the structure of the various sources of funding in order to actively manage the funding profile. The aim is to finance the Bank's illiquid assets and core business as far as possible with long-term liabilities.

The Commerzbank Group's funding structure can still be based on broad diversification across investor groups, regions, products and currencies. In the current and the next financial years, the Bank will rigorously follow its declared aim of establishing and expanding stable and long-term customer relationships under the "Roadmap 2012" strategy programme.

Long-term funding is mainly assured by means of secured and unsecured capital market products, along with customer deposits that can be regarded as stable and available to the Bank over the long term. A US dollar programme of issues is being prepared in the US to optimize Commerzbank's already balanced funding mix.

We expect the capital market environment to remain difficult. The Commerzbank Group is planning to raise funds of around €10 to €12bn in total on the capital markets in 2011, which means that we will be substantially below the level of issues maturing this year. This programme is likely to be divided in roughly equal portions into secured and unsecured issues. The current medium-term plan for 2012 includes a similar volume and split of secured and unsecured issues. Plans for funding requirements are based on new business activities and on the focus of individual business areas.

Group maturity profile as of December 31, 2010
in €m

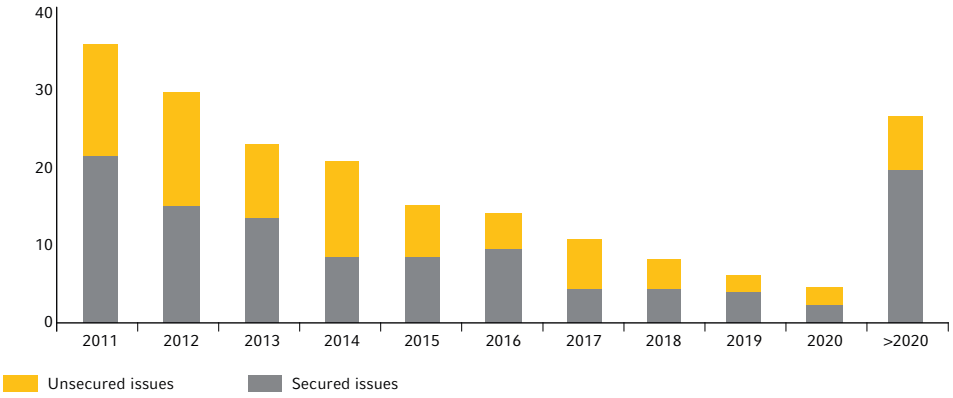


Figure 3

In unsecured issues, the focus will continue to be on private placements. We will selectively consider public sector transactions as a means of broadening our investor base or for covering existing foreign currency-denominated funding requirements. Eurohypo AG's secured funding derives from Pfandbriefe and private placements. With regular reviews and adjustments to the assumptions made for liquidity management, Group Treasury will continue to take full account of changes in the market environment and secure a solid liquidity cushion and appropriate funding structure.

Planned investments

The focus of investment activities over the next few years will continue to be the integration of Dresdner Bank. The cost of integration is estimated at €2.5bn in total, but once completed, this amount will be offset by future annual savings of €2.4bn compared to 2008. Integration-related investments accounted for around €1.9bn in 2009 and €0.4bn in 2010. A further €0.2bn in current expenses are planned for integration until the end of 2012.

The integration of Dresdner Bank specifies significant proportions of the following investment activities in individual areas in 2011.

In the Private Customers segment, the focus in 2011 will be on merging the IT infrastructure and customer systems and optimizing the branch network. Customer and product data migration is planned for the second quarter of 2011. After successful implementation, the Private Customers segment will work with a standardized system and be able to offer all customers the same range of products and services. After that, we will begin physically merging pairs of branches that are located close to each other – this is the last major milestone of the integration process. More than 100 pairs of branches will be consolidated in 2011, bringing Private Customer business much closer to the target of 1,200 branches. As part of this implementation, we will also continue turning branches into the new "Branch of the Future" and "Branch of the Future Plus" models which will feature an improved advisory offering for customers and more services in self-service areas. This should improve our service quality at the same time as increasing our cost efficiency. Further investment will also be concentrated on continually enhancing the quality of our advisory process.

In the Mittelstandsbank segment, investment planning after the integration of both IT system landscapes in 2011 will centre on strengthening our core competencies of advice for customers, customer loyalty and acquisition. This involves modernizing customer relationship applications and customer requirement analysis systems in order to further improve the quality of advice. With a view towards the customer's comprehensive assessment of the banking relationship, we will strengthen customer-focused process efficiency and further improve before and after sales services. We also intend to focus on investment that will guarantee the operational stability of IT systems for the Mittelstandsbank segment. Market events and regulatory requirements mean that further adjustments will have to be made, such as in pricing and sales management systems. There will be further concentration in international payment transactions. To be a prime provider and benefit from this market concentration, the Financial Institutions area will expand the flexibility of the relevant IT systems and thereby generate additional volumes in payment transactions. The segment's cross-border strategy will be further operationalized when our Vienna and Zurich offices are turned into full-scale corporate branches in 2011.

The Corporates & Markets segment will continue to invest in a resilient and flexible IT and back-office infrastructure, as this is the way to guarantee flexibility, cost efficiency and the control of operational risk. In the Fixed Income & Currencies area, we also plan to set up and expand the eFX and eBond platforms that give customers direct access to online trading. The increased flexibility, presence and performance in this market will generate benefits for our customers. In Equity Derivatives, we will set up a trading platform for CFDs (contracts for difference) in the Corporates & Markets strategic IT landscape. In an additional step, this product will also be made available to private investors in the form of an online platform. We will also concentrate on finalizing the integration of trading activities of the former Dresdner Bank into the C&M platform in 2011.

There are also other areas in Commerzbank that have been identified for investment and are unrelated to the integration of Dresdner Bank.

In the Central & Eastern Europe segment, BRE Bank has invested heavily in process automation projects in the back-office and in lending. Further emphasis was placed on implementing new banking products and in continually optimizing electronic sales channels. These initiatives will continue in 2011 and 2012. Furthermore, in the wake of BRE Bank's strategy implementation, there are plans to upgrade the branch network in Corporate Banking. Bank Forum in 2010 concentrated on the continued implementation of the restructuring programme, with particular attention paid to enhancing risk management and centralizing back-office units and processes. In 2011, there will be an additional emphasis on active new business and on carefully addressing profitable customer segments in addition to continuing the above measures.

The strategic realignment of Eurohypo AG's business model will continue in the Asset Based Finance segment. Optimization of the portfolio structure and a focus on core markets will further reduce business complexity, the aim being to concentrate resolutely on core activities that add value. In Eurohypo AG's Commercial Real Estate area, the cost of the Focus project, which is due to end this year, is €25m. The "CORRELATION" strategy project launched at Commerz Real AG in 2009 in response to the effects of the financial market crisis will also continue. This involves looking at the disposal of non-strategic peripheral activities and planning measures to optimize structural and process organization. The costs incurred in this regard in 2010 were €33m in restructuring expenses and €5m for implementation. For the current year, we anticipate implementation costs of around €8m.

In the current year, we will also continue with the Group Finance Architecture (GFA) programme that was initiated in 2009 to redesign the process and system architecture of the Commerzbank Group finance function. The objectives of GFA include the development of a multi-GAAP solution, the integration of financial and management accounting and, notably, a significant acceleration in the financial closing process as a result, as well as an improvement in analysis options. This will enable Finance to steer the company even more proactively and thus provide valuable support to management. This includes the relevant Accounting architecture at Commerzbank AG Germany by year-end 2014. An investment of €0.3bn is planned to build up the new platform by the end of the project in 2014. The cost incurred so far up to 2010 was €53m, and we anticipate a further €59m for the current year 2011. Funding for the investment planned in 2011 will be sourced from Commerzbank's freely available inflow of funds.

Liquidity outlook

We expect the ECB to continue following the exit strategy from its very expansionary monetary policy in 2011 and 2012. In December 2010, however, it was obliged to put this strategy on hold due to continuing market scepticism about government debt in EMU peripheral countries by announcing that the management of its monetary tool would be unchanged throughout the entire first quarter of 2011. Its main refinancing operations and one-month tenders in particular would still be conducted as fixed rate tender procedures with full allotment. Another three three-month tenders would also be carried out in the first quarter, also with full allotment. The rates would be fixed at the average rate of the main refinancing operations (MROs) over the life of the respective tenders. If necessary, the ECB would also continue to buy government bonds of EMU member countries. This was because of the continuing problems of euro peripheral countries which reached a new peak in the last quarter when one of those countries used the "European rescue facility" for the first time.

Consequently, the Eonia rate in the first quarter of 2011 is approx. 0.7% on average, which is a long way from the main refinancing rate of 1.0%. If the ECB does restart its exit strategy in the second quarter, we assume that the Eonia rate will edge closer to the refinancing rate in line with a modest rise in general money market rates.

Depending on economic trends and increased activity on capital markets in 2011 and 2012, the ECB could raise rates slightly from 2012 to counteract inflationary risks. This would feed through into slightly higher rates on money markets accordingly. Commerzbank will continue to enjoy unrestricted access to secured and unsecured funding on the money and capital markets. This is due partly to the Bank's good standing in the market and partly to its location in a strong eurozone country which enhances its funding options and therefore its funding structure. The Bank also benefits from well-developed liquidity management. It can therefore be assumed that we will be able to implement our funding targets according to plan in 2011 and 2012.

In terms of liquidity risk management, banks will face fresh challenges on the regulatory front, notably from implementation of the amendment to the Minimum Requirements for Risk Management (MaRisk) and the additional capital and liquidity requirements imposed by Basel III. The relevant documentation was approved and published in its final form in mid-December 2010. A schedule for the individual implementation stages was drawn up at the same time, such as compliance with the two new liquidity ratios, i.e. the "liquidity coverage ratio" (LCR) and "net stable funding ratio" (NSFR) by 2015 and 2018 respectively.

Irrespective of the regulatory deadlines that will be accompanied by an "observation period", we assume that the effects of the new requirements will become apparent in the next few years on the financial markets by changes and adjustments made by the banks. For instance, there could be potential consequences for the bond market through the rules on the composition of the liquidity buffer. It can be assumed, for example, that the credit spreads on top-rated government and corporate bonds will narrow, whereas they can be expected to widen on bonds with a rating of below "A".

Commerzbank is well prepared for the changed market conditions. The Bank's funding strategy will take account of regulatory changes at the appropriate time and will be implemented accordingly with entrepreneurial vision.

Managing opportunities at Commerzbank

Commerzbank views systematically identifying and taking advantage of opportunities as a core management responsibility. This applies both to day-to-day competition at an operational level and to identifying the potential for growth or improving efficiency at a strategic level. It is within this meaning that Commerzbank is focusing on a three-stage management of opportunities approach:

- Central strategic management of opportunities: strategic alternative courses of action for the Group as a whole (e.g. developing the portfolio of activities for specific markets and areas of business) are identified by the Board of Managing Directors and within Group Development & Strategy
- Central operational and strategic management of opportunities for the various segments: operational and strategic initiatives to improve growth and efficiency in the individual divisions (e.g. developing portfolios of products and customers) are defined by the business unit heads
- Local operational management opportunities: operational opportunities based on customers and transactions (e.g. taking advantage of regional market opportunities and potential for customers) are identified by all employees

The realization of the opportunities identified and the related operational and strategic measures that need to be taken are the responsibility of the person managing the division concerned. Checking the success of such measures is partly carried out with internal controlling and risk controlling instruments and individual agreements on objectives, and partly relies on external assessments (e.g. ratings, results of market research, benchmarking, customer polls, etc.).

Identifying and implementing innovative solutions for customers is in addition being tied more and more into Commerzbank's corporate culture by means of its internal system of values.

Commerzbank has also established an early detection system within Group Communication. This is where potentially interesting issues that could bring risks as well as opportunities for Commerzbank are identified at an early stage, systematically followed up and passed onto those responsible within the Group.

We have presented the specific opportunities that Commerzbank has identified in the section "Segment performance".

General statement on the outlook for the Commerzbank Group

We expect the market environment to remain challenging in the current year. Although the economy in Germany will grow at an above-average rate again, growth in other eurozone countries will be limited by the government debt crisis and the resultant economic uncertainties. Expected pressure factors for banks will be the stricter regulatory requirements relating to capital and liquidity management.

Nevertheless, on the basis of our business model, which gives us the potential for sustained earnings growth, we intend to make discernible progress in operational terms towards our objectives across all areas of business in 2011. Commerzbank will continue its role as one of Germany's leading banks. It has clearly strengthened this position through the takeover and integration of Dresdner Bank. We will continue to concentrate on expanding our customer business in Germany. The main focus here will be on private customer business, where we will fully leverage the synergies of integration in the next few years and significantly reduce our costs. At the same time, we are looking to increase our sales activities following customer and product data migration in the second quarter of 2011 and make the most of this potential. But in the coming years, Mittelstandsbank will also be focusing closely on boosting earnings from sales activities. The main aim will be to develop existing potential and new growth fields, and to further improve quality and efficiency. We expect the economic upturn in countries in Central and Eastern Europe to continue in 2011, which should benefit our Central & Eastern Europe segment. In Poland, BRE Bank will continue to grow, while we will continue our programme of consolidation in Ukraine. The Corporates & Markets segment is expected to continue stabilizing its profitability. We expect to strengthen our position as a strong investment bank partner through our increased customer base and market-recognized product expertise. Outside the core bank, we will push ahead with reducing volumes over the next few years in the Asset Based Finance segment. Although we will not engage in any new business and will gradually reduce the existing volume in Public Finance, we will substantially reduce our activities in Commercial Real Estate. The gradual introduction of Basel III will have the effect of increasing risk-weighted assets. Nevertheless, with the measures already in place and those planned with regard to the managing down of the risk portfolio, the increase in risk assets will be minimal. In the future, earnings will be impacted by regulations regarding the banking tax and the harmonization of statutory deposit guarantee schemes in the EU. No exact figures can be put on this at the current time, however.

Based on these expectations and given a stable market environment, we anticipate an operating profit in 2011,, that is substantially higher than the 2010 figure.

Looking ahead to 2012, we expect according to the targets communicated in our "Roadmap 2012" strategy programme a further increase in earnings which – with the reductions forecast in costs and loan loss provisions – should generate an operating profit before regulatory effects of approximately €4bn.

Group Risk Report

The Group Risk Report is a separate reporting section in the annual report. This in turn forms part of the Group Management Report.

Group Risk Report

Contents

The following Group Risk Report is also part of the Group Management Report. Due to rounding, numbers and percentages may not add up precisely to the totals provided.

Key developments in 2010

The risk situation in 2010 was influenced by opposing trends. On the one hand the downgrading of several European states by the rating agencies led to increased uncertainty and large price swings on the capital markets, while on the other hand favourable economic trends, especially in Germany, allowed a significant reduction of Group loan loss provisions from €4.2bn to €2.5bn as well as a further cutback of risks in major sub-portfolios.

- In line with the general recovery of the economy, most real estate markets moved into a period of bottoming out in 2010, although the USA and Spain in particular still do not show signs of a sustained recovery. Given the strategic re-orientation at Eurohypo, our activities in **Commercial Real Estate** are concentrated on reducing sub-portfolios which are no longer within our strategic focus. The exposure at default in Commercial Real Estate was reduced by a further €7bn to €70bn during 2010, nevertheless risk provisions of €1.3bn remained at a high level.
- The strict risk reduction strategy in the **ship financing** business resulted in some successful stabilization, which was also driven by restructurings agreed with clients. The volume of the ship financing business, which is largely denominated in US dollars, was reduced by more than 15% over the year under report. The rise in the dollar meant that in euro terms exposure fell by only €1bn to €21bn.
- We are pursuing a clear reduction strategy in the **Public Finance** portfolio within the Asset Based Finance segment. In the year under review exposure was cut by a further €20bn to €109bn. Overall, we are seeking to bring the exposure down to below €100bn until the end of 2012 and below €80bn until the end of 2014. In view of the debt crisis in various peripheral European countries, we further scaled back our sovereign exposure, especially in Greece, Ireland, Italy, Portugal and Spain by €3.1bn to €16.8bn over the year.

- In **PRU**, the risk value of the structured credit portfolio was cut sharply by €6.6bn to €17.1bn. Credit trading positions (credit flow and the correlation book) were brought down to almost zero.
- Against the background of the improved economic conditions the risk figures of our **Corporates** portfolio in Mittelstandsbank and in Corporates & Markets showed a positive trend. Especially the Loan Loss Provisions in Mittelstandsbank could be reduced compared to 2009 from €1.0bn to €0.3bn. In Corporates & Markets even a net release was achieved.
- We also drove forward the reduction of bulk risks in the year under review. In particular, exposure to **financial institutions** was cut by another €18bn to €95bn.
- The economic situation in **Central & Eastern Europe** improved significantly compared with the end of 2009, especially in Poland and Russia, and loan loss provisions in the segment were more than halved. Although the risk situation remains tense in Ukraine, we managed to cut our risk position considerably here in 2010.
- Loan Loss Provisions of our **Private Customers** business remained at previous year's level of €246m following a positive development in the second half of 2010.

The Dresdner Bank integration process is well advanced in Risk Management. Further key milestones were achieved in 2010:

- Mid-year we successfully established the **sector structure** in the domestic corporate business, bringing together sector expertise all along the value chain.
- In the first quarter of 2010 the integration of the **non-retail rating procedures** was successfully completed, bringing creditworthiness checks into line with the analysis of financial statements.
- The new **architecture of the Basel II calculation engine** was successfully rolled out in the fourth quarter of 2010, harmonizing the methodology for determining RWAs on common target infrastructure.
- For internal **market risk management** the existing Commerzbank and Dresdner Bank models were switched to a new integrated market price risk model based on historic simulation in October 2010. This ensures that risk measurement is consistent across the whole Group and able to meet the future requirements of Basel III.
- The IT systems previously used by Commerzbank and Dresdner Bank to calculate **counterparty and issuer risk** were migrated to a common platform in 2010. The new system provides integrated calculation and monitoring of all credit risk for trading transactions.

Risk-oriented overall bank management

1 Risk management organization

Commerzbank defines risk as the danger of possible losses or profits foregone due to internal or external factors. In risk management we normally distinguish between quantifiable risks – those to which a value can normally be attached in financial statements or in regulatory capital requirements – and unquantifiable types of risk such as reputational and compliance risk.

Responsibility for implementing the risk policy guidelines laid down by the Board of Managing Directors for quantifiable risks throughout the Group lies with the Bank's Chief Risk Officer (CRO). The CRO regularly reports to the Board of Managing Directors and the Risk Committee of the Supervisory Board on the overall risk situation within the Group.

Risk management activities are split between the divisions Credit Risk Management, Market Risk Management, Intensive Care as well as Risk Controlling and Capital Management. They all have a Group-wide focus and report directly to the CRO. Together with the four Divisional Boards, the CRO forms the Risk Management Board within Group Management.

The Board of Managing Directors has delegated the operational risk management to committees. Under the relevant rules of procedure, these are the Group Credit Committee, the Group Market Risk Committee and the Group OpRisk Committee. In 2010 the Group Strategic Risk Committee was also set up to consider issues which relate to overarching risk issues. The CRO chairs all these committees and has the right of veto.

Being responsible for the Group-wide management of portfolio composition, capital allocation and development of RWAs, Commerzbank's Asset Liability Committee is a key part of the internal capital adequacy assessment process (ICAAP). Under the ICAAP the Bank internally ensures a sufficient capital cover in relation to all material risks.

2 Risk strategy and risk management

The risk strategy defines the strategic guidelines for the development in Commerzbank's investment portfolio, based on the business strategy. Risk-taking capability and liquidity are ensured by setting concrete limits for the risk resources capital and liquidity reserve available to the Group.

The scope of the risk strategy is described by the so-called "risk tolerance". Extreme scenarios such as the default of a core economy such as Germany, France or the USA or a collapse in the basic repo functionality of the ECB fall outside the risk strategy management and are managed separately.

The overall risk strategy covers all material quantifiable and unquantifiable risks. It is detailed further in the form of sub-risk strategies for individual risk types, which are then specified and operationalized through policies, regulations and instructions/guidelines. The annual risk inventory process ensures that all risks material to the Group (both quantifiable and unquantifiable) are identified. The estimate of materiality is based on whether occurrence of a risk could have a major direct or indirect impact on the Bank's risk bearing capability.

As part of the planning process, the Board of Managing Directors considers stress scenarios to decide the extent to which the Bank's risk-taking capability should be utilized. The Board sets the risk appetite at Group level by consciously defining a capital framework as part of the available risk capital. In a second step, this capital framework is broken down and limited for each risk category and allocated to the relevant units/areas as a result of the planning process. Compliance with limits and guidelines is monitored during the year and action taken if required.

3 Risk-taking capability and stress testing

The risk-taking capability analysis is a key part of overall bank management and Commerzbank's Internal Capital Adequacy Assessment Process (ICAAP). The purpose is to ensure that sufficient capital is held for the risk profile of Commerzbank Group. The risk-taking capability approach follows a strict economic view of the Group's assets and liabilities.

Risk-taking capability is monitored at Commerzbank using a gone concern approach which seeks primarily to protect unsubordinated lenders. This objective should be met even in the event of extraordinarily high losses from an unlikely extreme event. The approach assumes a gone concern scenario that reflects the latest statutory and regulatory developments. The risk-taking capability concept was enhanced in 2010. Resulting methodological adjustments are retroactively included in the figures as at December 31, 2009.

When determining the economically required capital, allowance is made for potential unexpected fluctuations in value. Where such fluctuations exceed forecasts, they represent the actual risk to be covered by available economic capital (capital available for risk coverage). The quantification of capital available for risk coverage reflects a nuanced consideration of the accounting values of assets and liabilities under economic value adjustment of certain items in the balance sheet.

The capital requirement for the risks taken is quantified using the internal economic capital model. When setting the economic capital requirement, allowance is made for all types of risk at Commerzbank Group classified as material in the annual risk inventory. The economic risk approach therefore also includes types of risk not contained in the regulatory requirements for bank capital adequacy, and also reflects the effect of portfolio-specific interactions. The high confidence level in the economic capital model of currently 99.95% is in line with the underlying gone concern assumptions and ensures a consistent risk-taking capability approach.

Risk-taking capability at Commerzbank Group level is monitored and managed monthly. Since December 2010 risk-taking capabilty has been assessed by means of the utilization level of the capital available for risk coverage (previously, economic capital ratios were used). Under this approach, risk-taking capability is taken to be assured as long as utilization is below 100%. The utilization level as at December 31, 2010 was 56.8%. The utilization level remained well below 100% at all times during the reporting period.

In order to monitor the risk-taking capability even under the assumption of adverse changes in the economic environment, macroeconomic stress scenarios are used. The underlying macroeconomic scenarios, which are updated at least every quarter, describe an unusual but plausible negative economic development and are applied across all risk types. In the scenario calculations, the input parameters for the calculation of economic capital required are simulated to reflect the forecast macroeconomic situation. In addition to the amount of capital required, the income statement is also stressed using the macroeconomic scenarios and then, based on this, changes in the capital available for risk coverage are simulated. Risk-taking capability under stress also is assessed on the basis of the utilization level of the capital available for risk coverage. The utilization level under the stressed scenario was well below 100% throughout the reporting period. We will keep on enhancing our risk-taking capability and stress testing concept.

Risk-taking capability Commerzbank Group | €bn	**31.12.2010**	**31.12.2009**[2]
Capital available for risk coverage	**36**	**39**
Economically required capital	**20**	**19**
thereof for credit risk	14	14
thereof for market risk	6	5
thereof for OpRisk	3	2
thereof for business risk	2	1
thereof diversification between risk types	–4	–3
Utilization level[1]	**56.8%**	**49.6%**

[1] Utilization level = economically required capital/capital available for risk coverage.
[2] Figures as of 2009 adjusted based on current methodology.
Table 12

Regulatory RWAs were reduced from €280bn to €268bn over the year. Commerzbank is well prepared for the enhanced requirements of Basel 2.5 and 3. The expected increase of around €75bn RWAs based on a quantitative impact analysis is overcompensated by proactive management – partly already initiated – as well as the reduction of the concerned portfolios. We expect a relieving effect totalling around €85bn RWAs due to the management of counterparty risks as well as optimization and reduction of assets outside of the core bank. Together with the core bank's growth programme of around €30bn we assume that RWAs will amount to less than €290bn by year-end 2014.

Default risk

Default risk refers to the risk of losses due to defaults by counterparties and changes in this risk. In addition to credit default risk and risk from third-party debtors, Commerzbank also includes under default risk issuer and counterparty risk as well as country and transfer risk.

1 Default risk management

Commerzbank manages default risk using a comprehensive risk management system comprising an organizational structure, methods and models, a risk strategy with quantitative and qualitative management tools and regulations and processes. The risk management system ensures that the entire portfolio and the sub-portfolios, right down to individual exposures, are managed consistently and thoroughly on a top-down basis.

The ratios, measures and input required for the operational process of risk management are based on overarching Group objectives and are enhanced at downstream levels by sub-portfolio and product specifics. Risk-orientated credit authority regulations draw the attention of management at the highest level to, for instance, concentration risks or deviations from the risk strategy.

The focus of operational management in the loan portfolio in 2010 was once again on reducing cluster risks. At the same time, the monitoring and management of the loan portfolio was expanded, with a strengthening of the asset quality review function in the back office.

During the course of the year, the implementation of the sector structure in the back office for domestic corporate business was completed. Covering the full value creation chain brings together sector expertise and also lays the foundations for future expansion.

Moreover, the IT systems that were being used by Commerzbank and Dresdner Bank for calculation of counterparty and issuer risk were migrated to a common platform in 2010. The new system grants the integrated calculation and monitoring of all credit risks for trading positions.

Country risk management also was enhanced. Transfer risks as well as default risks are considered when calculating country risk. Country risk management is based on the definition of risk limits as well as country specific strategies for achieving a desired target portfolio.

Overview of management instruments and levels

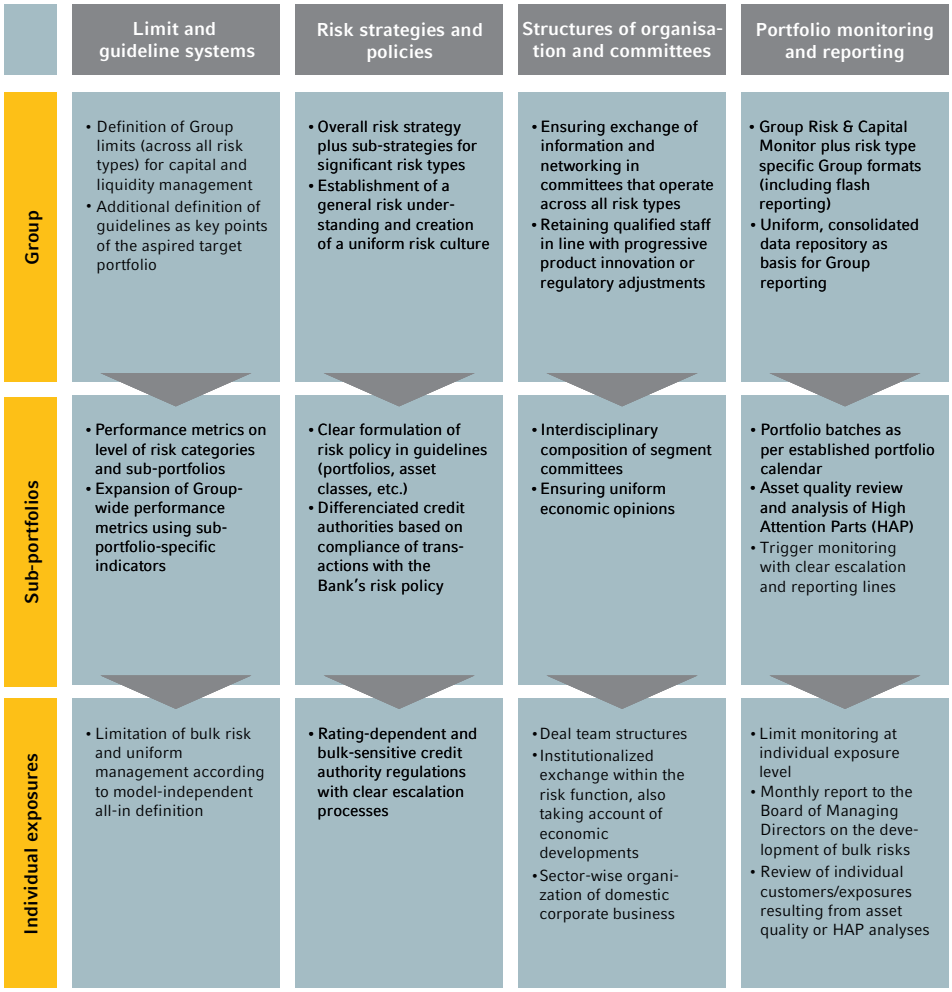


Figure 4

In particular the sector structure in the back office of the domestic corporate business and the focus on weaker ratings allowed us to instantaneously track noticeable changes on total and sub-portfolio level, to transfer and identify them directly on individual level and to initiate measures. This represents a major progress in terms of speed, efficiency of preventing measures and forecasting quality in respect of the development of risk.

2 Commerzbank Group by segment

To manage and limit default risks the risk parameters exposure at default (EaD), expected loss (EL), risk density (EL/EaD) and unexpected loss (UL = economically required capital for credit risk with a confidence level of 99.95% and a holding period of one year) are used. The breakdown of these figures across the segments is as follows:

Credit risk figures by segment as at 31.12.2010	Exposure at default €bn	Expected loss €m	Risk density bp	Unexpected loss €m
Core bank	**324**	**1,164**	**36**	**8,152**
Private Customers	69	255	37	1,032
Residential mortgage loans	36	127	36	
Investment properties	5	18	36	
Individual loans	13	57	44	
Consumer and installment loans/ credit cards	12	49	42	
Domestic subsidiaries	2	2	10	
Foreign subsidiaries and other	2	1	9	
Mittelstandsbank	111	469	42	3,682
Financial Institutions	18	51	29	
Corporates Domestic	65	303	47	
Corporates International	28	115	41	
Central & Eastern Europe	25	210	84	583
BRE Group	21	142	68	
CB Eurasija	2	18	98	
Bank Forum	<1	38	956	
Other	2	13	64	
Corporates & Markets	78	215	28	2,397
Germany	28	65	23	
Western Europe	28	73	26	
Central and Eastern Europe	3	10	33	
North America	11	30	27	
Other	9	37	43	
Others and Consolidation	41	15	4	458
Optimization – Asset Based Finance	**220**	**674**	**31**	**4,639**
Commercial Real Estate	70	377	54	
Eurohypo Retail	17	29	17	
Shipping	25	187	75	
thereof ship financing	*21*	*185*	*90*	
Public Finance	109	81	7	
Downsize – PRU	**18**	**87**	**48**	**910**
Total	**562**	**1,925**	**34**	**13,701**

Table 13

2.1 Private Customers

In the Private Customers segment natural persons in the areas of private and business customers (including those with financial statements showing a turnover of up to €2.5m) and wealth management are serviced and managed from a risk perspective. Exposure in the segment mainly relates to real estate financing (€41bn), individual loans (€13bn) and consumer loans, instalment loans and credit cards (€12bn). The book decreased by around €9bn over the year, mainly as a result of the sale of exit units. Risk density in the remaining portfolio is 37 basis points. We assume the macroeconomic environment to be stable.

The retail portfolios of Commerzbank and Dresdner Bank were successfully merged in 2010. The back office was restructured, guidelines harmonized and standardized fraud management processes put in place. Credit authorities and decision making parameters were aligned and the integration ran according to plan.

The focus in 2011 will be on enhancing efficiency, further expanding early identification of risk and monitoring the front office in a risk-aware manner when accessing potential sales areas. New business will concentrate on growth in real estate financing and expanding the corporate customer credit base. We will continue to work on end-to-end efficiency gains and managing the granular portfolio, especially in the lower rating classes.

2.2 Mittelstandsbank

This segment bundles together the Group's activities with Mittelstand customers (where they are not assigned to Central & Eastern Europe or Corporates & Markets), the public sector and institutional customers. The segment is also responsible for the Group's relationships with domestic and foreign banks, financial institutions and central banks.

The economic environment in 2010 saw predominantly good news. The recovery in the global economy continued, which had a favourable effect on Mittelstandsbank's core German market. Germany became the economic motor of Europe in 2010, despite remaining highly dependent on the development in exports. In some areas growth rates have already reached the levels seen before the crisis. The Corporates Domestic sub-portfolio has seen clear improvements in creditworthiness compared to the difficult situation in 2009. This was reflected in positive rating changes for individual customers. While EaD rose slightly, EL and risk density in this area could be reduced significantly to €303m and 47 basis points respectively.

Corporates International saw slight increases in EaD and EL over the year. Risk density was also up a small amount to 41 basis points as at December 31, 2010. The future development will depend on the economy in markets outside Europe, especially in the United States and Asia. Changes in exposure will depend to a large degree on whether or not there is a change in customers' propensity to invest.

Overall, exposure rose to €111bn at the end of the year. Utilization of credit lines in place is still below average, partly because of intensified working capital management by companies during the crisis. As the economic environment continues to improve in 2011, we can therefore expect loan drawdowns to rise with a certain time lag.

For details of the development in the Financial Institutions portfolio see section 3.3.

2.3 Central & Eastern Europe

This segment includes the activities of the Group's operating units and investments in Central and Eastern Europe.

The economic situation in the countries of Central and Eastern Europe has improved significantly compared to end-2009, although at different rates in different countries. The good performance of all the economies concerned is reflected in the improved risk data.

Most of the CEE portfolio, making up an exposure just under €21bn, relates to Poland's BRE Group. The rise in economic output in Poland has mainly been driven by the strong growth in industrial production. However, unemployment is still high, which naturally means default rates are up in retail business. Despite this, successful preventive measures allowed loan loss provisions at BRE Bank to be cut significantly from the 2009 level.

The recovery has gained strength in Russia. Our unit Commerzbank Eurasija more than halved risk density during the year. In view of the strength of commodity prices, we do not anticipate any deterioration in the loan profile here in 2011.

Ukraine was still hit hard by the crisis this year, although there was a modest economic upturn compared to 2009. The risk situation remains tense, but slightly positive signals are visible once again. We continue to concentrate on risk limitation.

The global economic recovery and rising commodity prices have significantly improved the economic situation in Central and Eastern Europe, and we see the recovery continuing in 2011. In Poland we expect further loan growth in 2011 with good risk/return ratios due to the relatively solid economic basis overall. We also see our Russian portfolio with Commerzbank Eurasija growing slightly in 2011, but dependency on the oil price and the US dollar exchange rate has to be taken into account. In Ukraine we expect a continually challenging market. We reached key milestones in our portfolio restructuring in 2010 and will continue to drive these forward even though the economic and political environment remains difficult.

2.4 Corporates & Markets

This segment covers client-driven capital markets activities and commercial business with multinationals and selected major customers of Commerzbank Group. The regional focus is on Germany and Western Europe, which continue to account for more than two-thirds of exposure. North America accounted for around €11bn as at December 31, 2010. A high percentage of the EaD relates to Financial Institutions, where we were able to steadily cut back the concentration risks over the year. We continue to insist on high quality in trading and new lending business and are planning to further reduce risk in the existing business in 2011.

There has been a revival of market activity in leveraged finance. We engaged selectively in new transactions starting in the second quarter of 2010, while sticking to a conservative risk strategy.

2.5 Asset Based Finance

Asset Based Finance (ABF) comprises the sub-portfolios Commercial Real Estate (CRE) including Asset Management, Eurohypo Retail, Ship Financing and Public Finance, which are described in detail below.

Commercial Real Estate

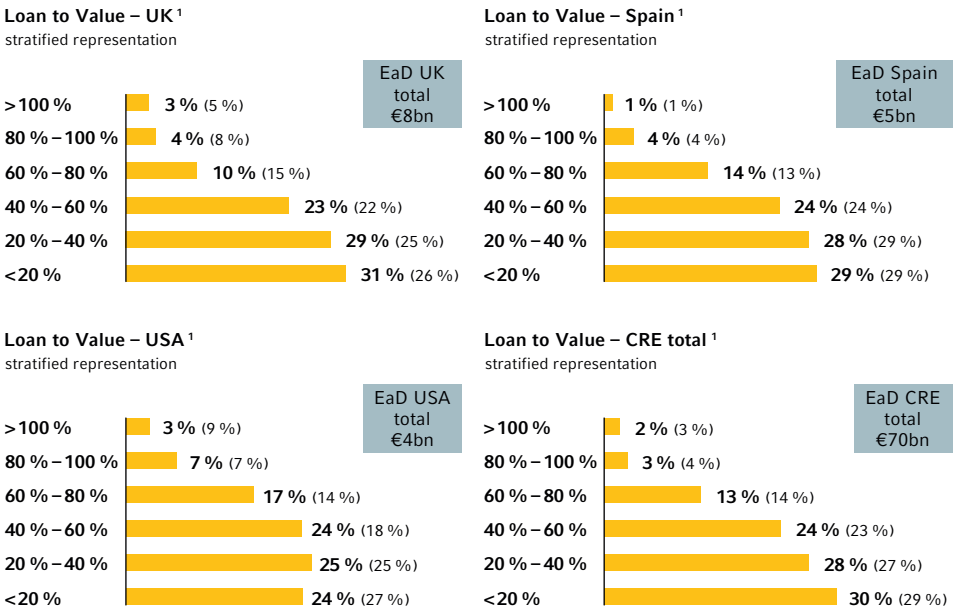
As part of the strategic reduction of existing business (white book), essentially at Eurohypo, there was a further cut in total exposure (EaD) from €77bn as at December 31, 2009 to €70bn. The main components of exposure are still the sub-portfolios Office (€27bn), Commerce (€20bn) and Residential Real Estate (€9bn). The CRE exposure also contain the Asset Management (Commerz Real) portfolios, which are composed of warehouse assets for funds as well as the typical leasing receivables of the movable property sector.

The tangible decrease in exposure during the year of some €7bn was the result of repayments of loans or declining to roll them over, exchange rate fluctuations and market-related transfers to the default portfolio. With a view to sustainably improving the financing model, and bearing in mind the strategic reorientation of Eurohypo up to 2014, our efforts are directly focused on reducing existing business. Commerzbank has launched a strategy project for this, on the course of which we decided on and initiated a significant wind down of assets.

In line with the overall recovery in the economy, most real estate markets in 2010 moved into a period of bottoming out. Activity in the investment markets remains at a low level, although there are signs of a pick up.

Performance in Germany and such core European markets as the UK, Italy and France has been stable to positive, especially for prime assets. The United States and Spain remain under pressure.

Loans secured on mortgage charges have reasonable loan to value ratios.



[1] Loan to values based on market values; exclusive margin lines and corporate loans; additional collateral not taken into account.
All figures relate to business secured by mortgages.
Values in parentheses: December 2009.
Figure 5

Eurohypo Retail

Since the transfer of new business activities in retail banking to Commerzbank in 2007, Eurohypo has only been responsible for the existing loan book. There are no strategic plans for new business activity in this area. We are steadily pushing forward the downsizing of the portfolio in a manner that protects our earnings stream. Exposure in the Eurohypo retail portfolio was cut again by more than €2bn to just €17bn as at December 31, 2010. The focus remains on owner-occupied houses (€10bn) and apartments (€3bn). Given the low loan to value ratios as implied by the remaining time to maturity and generally senior security, the risk in this portfolio is regarded as relatively low, especially against the backdrop of the macroeconomic improvement in Germany.

Ship Financing

The exposure of Ship Financing (including Deutsche Schiffsbank), which is largely denominated in US dollars, was reduced by more than 15% in the year under report. The rise in the dollar meant that in euro terms exposure fell by only €1bn to €21bn. The portfolio is still focused on the three standard types of ship, namely containers (€6bn), tankers (€5bn) and bulkers (€4bn). The remaining €5bn is accounted for by various special tonnages which are well diversified across the various ship segments.

Over the year under report, the strict risk reduction strategy in the existing book resulted in some successful stabilization, which was also driven by restructurings agreed with clients. Expected loss was reduced by €47m from year-end 2009 to €185m, with risk density falling 16 basis points to 90 basis points.

The recovery of the global economy had a positive effect on several shipping segments. Strong economic growth, especially in Asian emerging markets, is likely to push demand for marine transport higher. Apart from smaller container vessels markets have recovered slightly in bulkers and containers. The most recently negotiated charter rates suggest the market development is increasingly stable.

The predicted growth of around 4% in the world economy and the resulting trade volumes, which will have a knock-on effect on transport demand, continue to be offset by the influx of newly-built ships onto the market. The potential for recovery therefore remains limited as long as scrappage volumes are relatively low.

Public Finance

Commerzbank's Asset Based Finance segment holds a large part of the government financing positions.

The Public Finance portfolio comprises receivables and securities held in our subsidiaries Eurohypo and EEPK.

Borrowers in the Public Finance business (€70bn EaD) are sovereigns, federal states, regions, cities and local authorities as well as supranational institutions. The main exposure is in Germany and Western Europe.

The remaining Public Finance portfolio in ABF is accounted for by banks (€39bn EaD), where the focus is also on Germany and Western Europe (approximately 92%). Most of the bank portfolio comprises securities/loans which to a large extent are covered by grandfathering, guarantee/maintenance obligations or other public guarantees, or were issued in the form of covered bonds.

The strategy for ABF is to wind down the Public Finance portfolio (government financing and banks) by repayments, maturities and active sales, where these make commercial sense.

The EaD of the Public Finance portfolio was cut by €20bn to €109bn in 2010 as part of the de-risking strategy mainly by using maturities and actively reducing the portfolio, in some cases accepting losses. Overall, we are seeking to reduce this to below €100bn by the end of 2012 and below €80bn by the end of 2014.

Sovereign exposure across all segments to Portugal, Ireland, Italy, Greece and Spain which predominantly relates to Public Finance totalled €16.8bn (December 31, 2009: €19.9bn).

Sovereign exposures of selected countries | €bn	**31.12.2010**
Portugal	0.9
Ireland	<0.1
Italy	9.7
Greece	3.0
Spain	3.1

Table 14

We again do not expect any significant impact from loan loss provisions in 2011 and are not anticipating any defaults of public entities or banks in OECD countries.

2.6 Portfolio Restructuring Unit (PRU)

The PRU only manages assets that have been classified as non-strategic by Commerzbank and are therefore being wound down. Bundling allows these positions to be managed uniformly and efficiently. They are mainly structured credit positions (essentially asset-backed securities – ABSs) with a nominal value of €29.0bn as at December 31, 2010, as shown in detail in section 3.1.1.

In the last quarter of 2010 the remaining other positions in the PRU (credit default swaps and tranches on pools of credit default swaps outside the strategic focus of Commerzbank) were almost completely reduced through auctions and novations of existing business. The small remaining holding continues to be actively immunized against market movements using credit default swaps and standardized credit indices and index tranches. The positions are managed within narrow limits for value at risk and credit spread sensitivities.

3 Cross-segment portfolio analysis

It is important to note that the following positions are already contained in full in the Group and segment presentations.

3.1 Structured credit portfolio

3.1.1 Structured credit exposure PRU

Whereas most asset classes reported declining spreads and spread volatilities in the course of the year 2010, which took them back to or below the levels of end-2009, RMBS transactions from Ireland, Spain and Portugal moved in the opposite direction as a result of the sovereign crisis. The positive general trend, especially during the first third of the year, stood in contrast to even greater caution on the part of buyers from the middle of the year onwards, implying our portfolio reductions to slow down towards the end of the year while taking into account the instruction to maximize value. Nevertheless owing to minor appreciation of the US dollar and British pound, nominal volumes in the fourth quarter fell from €31.4bn to €29.0bn with risk values[1] decreasing from €19.9bn to €17.1bn. In 2010 as a whole nominal volume was cut by €8.3bn and risk values by €6.6bn. Commerzbank remains committed to the value-maximizing reduction of the structured credit portfolio.

[1] Risk value is the balance sheet value of cash instruments. For long CDS positions it comprises the nominal value of the reference instrument less the net present value of the credit derivative.

Structured credit portfolio PRU	31.12.2010		31.12.2009	
€bn	Nominal values	Risk values	Nominal values	Risk values
RMBS	5.1	3.0	8.7	5.9
CMBS	0.7	0.5	2.2	1.6
CDO	11.1	6.7	12.5	7.3
Other ABS	3.3	2.8	5.7	5.2
PFI/Infrastructure	4.3	3.8	4.1	3.7
CIRC	0.7	0.0	0.9	0.0
Other structured credit positions	3.6	0.2	3.2	0.0
Total	**29.0**	**17.1**	**37.3**	**23.7**

Table 15

Overall we expect write-ups over the residual life of these assets, with possible future write-downs on assets such as US RMBSs and US CDOs of ABSs, which have already been written down substantially, to be probably more than compensated by a positive performance from other assets. This forecast is based primarily on the long period that has now passed since the structures were launched, which enables a reliable assessment of the future performance of the portfolio, as well as the general stabilization and recovery respectively in the economies which are of importance for us. The table in the margin shows the breakdown of structured credit exposures by rating, based on the risk values.

Rating breakdown
Structured credit portfolio PRU

Figure 6

Asset-backed Securities (ABS) These are investments in ABS securities that were made by Commerzbank as part of its synthetic lending business or in its function as arranger and market maker in these products. Since the beginning of 2010 the positions have been classified into the product segments RMBSs, CMBSs, CDOs and other ABSs. This helps to provide a clear and asset-specific breakdown of the portfolio and reflects the declining importance of the previous PRU sub-portfolios ABS Hedge Book and Conduits which were reported until the end of 2009.

Residential Mortgage-backed Securities (RMBS) This sub-segment contains all the positions whose interest and principal are secured by private mortgage loans or are contractually linked to their real performance. The mortgage loans themselves are likewise partially or fully secured by the residential property being financed. The total risk value here at the end of the reporting period was €3.0bn (December 31, 2009: €5.9bn).

The holdings of direct and indirect securitizations of US mortgage loans have already been written down by a high percentage. In spite of the loan repayments we are currently receiving in some cases due to the seniority of our investments, the ongoing uncertainty surrounding the sector's future performance is likely to result in further impairments in some cases. The US RMBS portfolio had a risk value of €0.7bn at the end of the year (December 31, 2009: €0.9bn). The mark-down ratio for US RMBSs was 69 % at December 31, 2010.

European RMBS positions (risk value €2.3bn) showed a highly differentiated picture over the year. As the sovereign crisis spilled over from Greece to Ireland, Spain and Portugal during the year, RMBS transactions from these countries were particularly hard hit by major spread widening and much higher spread volatility, compared to other asset classes and the

Rating breakdown
RMBS

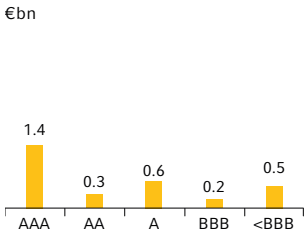


Figure 7

level at the start of the year. Despite this volatility in value due to changes in market prices, we continue to expect, based on fundamentals, that these securitizations will largely be repaid in full.

Commercial Mortgage-backed Securities (CMBS) This sub-segment contains all the positions whose interest and principal are secured by commercial mortgage loans or are contractually linked to their real performance. The mortgage loans themselves are likewise partially or fully secured by the commercial property being financed.

The reduction of the CMBS portfolio made successful progress during the year, and the risk value as at December 31, 2010 was just €0.5bn (December 31, 2009: €1.6bn). The securitized commercial property loans derive principally from the UK/Ireland (22%), Continental Europe (23%) and pan-European transactions (49%). The share of US CMBSs amounts to 6%. The mark-down ratio at December 31, 2010 was 35%.

Collateralized Debt Obligations (CDO) This sub-segment contains all the positions whose interest and principal are secured by corporate loans and/or bonds and other ABSs, or which are contractually linked to their real performance. The degree of collateralization of these assets varies from very low to very high depending on the transaction.

The total risk exposure here at the end of the reporting period was €6.7bn (December 31, 2009: €7.3bn), down slightly despite a small dollar appreciation effect. The largest share in this sub-segment with 53% of the risk value is accounted for by CDOs, which are predominantly based on lending to corporates in the USA and Europe (CLOs). CLOs are still profiting directly from the stability and recovery seen in the major economies and hence lower actual and forecast defaults, as well as from increased expectations of recovery in the corporate sector. Better portfolio quality and further improved investor demand, especially for senior CLO tranches, resulted in a slight improvement in market values in this portfolio. The mark-down ratio as at the reporting date was 14%.

A further 40% of the risk value is accounted for by US CDOs of ABSs, which are mostly secured by US subprime RMBSs. Due to our continued adverse assessment of the credit quality of residential mortgages in the US subprime market and our conservative assumptions for the resulting losses, the mark-down ratio is 57%, even though the securitizations held by Commerzbank consist predominantly of the most senior tranches of such CDOs.

Rating breakdown CDO

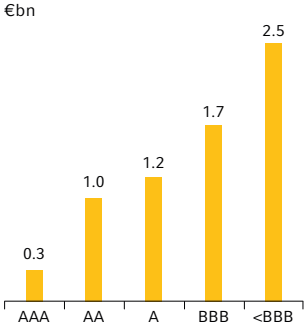


Figure 8

Other ABS This sub-segment contains all the positions whose interest and principal are secured by consumer loans (including automobile financing and student loans), lease receivables and other receivables or which are contractually linked to their real performance. The degree of collateralization of these assets varies from very low to very high (for example auto loans) depending on the transaction.

The total risk value in this asset class at December 31, 2010 was €2.8bn (December 31, 2009: €5.2bn). The largest part of this risk exposure is accounted for by Consumer ABSs and ABSs secured by other US assets, such as securitized receivables from the marketing of film rights and life insurance policies. The exposure to receivables from the marketing of film

rights was actively cut back further during the reporting period. Although our expectations are currently neutral, transaction-specific structural characteristics mean that modest charges against earnings cannot be fully ruled out. The mark-down ratio of the remaining positions in this segment was 14% at the reporting date.

PFI/Infrastructure financing The PRU's structured credit category also contains exposures to Private Finance Initiatives (PFI) with a risk value of €3.8bn as at December 31, 2010. The portfolio consists of the private financing and operation of public sector facilities and services, such as hospitals and water supply operations. All lending relates to the UK and has extremely long maturities of more than 10 to over 40 years. The credit risk of the portfolio is more than 80% hedged, mainly with monoline insurers Commerzbank does not currently expect to default.

Credit Investment Related Conduits (CIRC)/Other structured credit positions At December 31, 2010 there was only a small €0.2bn exposure from nominal commitments, as the structures are sufficiently capitalized.

3.1.2 Structured credit exposure non-PRU

Below are details of structured credit positions from our strategic customer business which will continue to be allocated to the core bank in future and therefore were not transferred to the PRU.

Structured credit portfolio non-PRU	31.12.2010		31.12.2009	
€bn	Nominal values	Risk values[1]	Nominal values	Risk values[1]
Conduits	4.3	4.3	5.9	5.9
Other	6.5	6.3	7.2	6.7
Total	**10.8**	**10.6**	**13.1**	**12.6**

[1] Risk value is the balance sheet value of cash instruments. For long CDS positions it comprises the nominal value of the reference instrument less the net present value of the credit derivative.
Table 16

Conduit Exposure The asset-backed commercial paper (ABCP) conduit business of Corporates & Markets, which is reported in full on Commerzbank's balance sheet and is not managed by the PRU, amounted to €4.3bn at the end of December 2010 (December 2009: €5.9bn). The recovery in the markets meant that over the year it became possible to once again fully finance the conduit business with commercial paper. The fall in volumes is the result of ongoing amortization of ABS programs in the conduits, although three new transactions were completed in the second half of 2010 with a total volume of €0.2bn. The majority of these positions consist of liquidity facilities/back-up lines granted to the conduits Kaiserplatz and Silver Tower administered by Commerzbank. There has been no exposure to conduits of other banks since the second quarter of 2010.

The underlying receivables of the Bank's ABCP programmes are strongly diversified and reflect the differing business strategies pursued by the sellers of receivables or customers. These receivable portfolios do not contain any non-prime assets. To date we have not

Rating breakdown Conduits non-PRU

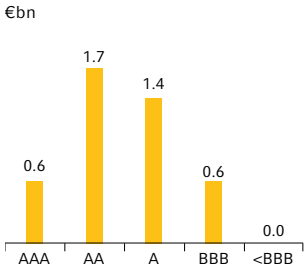


Figure 9

recorded losses on any of these transactions. We do not currently see any need for loan loss provisions in respect of the liquidity facilities/back-up lines classified under the IFRS category Loans and Receivables.

The volume of the ABS structures issued by Silver Tower was €3.5bn as at December 31, 2010 (€5.0bn at December 31, 2009). The ABS structures are based on customers' receivable portfolios as well as in-house loan receivables securitized as part of active credit risk management.

The volume of ABS structures funded under Kaiserplatz was €0.8bn as at December 31, 2010 (December 31, 2009: €0.9bn). All of the assets consist of securitizations of receivable portfolios of and for customers.

Other Asset-backed Exposures Other ABS positions with a total risk exposure of €6.3bn were held mainly by Eurohypo in Public Finance (€5.2bn) and by Commerzbank Europe (Ireland) (€1.1bn). These were principally government guaranteed securities (€5.3bn), of which about €4.0bn was attributable to student loans guaranteed by the US government. A further €1.0bn related to non-US RMBSs, CMBSs and other mainly European ABS securities.

3.1.3 Originator positions

In addition to the secondary market positions discussed above, Commerzbank and Eurohypo have in recent years securitized receivables from loans to the Bank's customers with a current volume of €13.4bn, primarily for capital management purposes, of which risk exposures with a nominal value of €8.7bn were retained as at December 31, 2010. By far the largest portion of these positions is accounted for by €8.3bn of senior tranches, which are nearly all rated AAA or AA.

The exposures stemming from the role of originator reflect the perspective of statutory reporting, taking into account a risk transfer recognized for regulatory purposes. In addition to Commerzbank's securitized credit portfolios, securities repurchased on the secondary market and/or tranches retained are also listed. This applies regardless of whether the tranches were structured in the form of a tradeable security.

			Commerzbank volume[1]		
Securitization pool as at 31.12.2010 €bn	**Maturity**	**Total volume[1]**	**Senior**	**Mezzanine**	**First loss piece**
Corporates	2013–2027	8.0	7.3	0.1	0.2
MezzCap	2036	0.2	<0.1	<0.1	<0.1
RMBS	2048	0.2	<0.1	<0.1	<0.1
CMBS	2010–2084	5.0	0.9	<0.1	<0.1
Total		**13.4**	**8.3**	**0.2**	**0.2**

[1] Tranches/retentions (nominal): banking and trading book.
Table 17

3.2 Leveraged Acquisition Finance (LAF) portfolio

Over the course of 2010 the LAF portfolio was cut from €4.1bn to €3.4bn. This was driven by early repayments of existing business – especially refinancings in the capital market and corporate divestments.

Overall, good economic performance in the core operating markets and continued adequate liquidity in the capital markets have resulted in a further improvement in portfolio quality. The geographic focus of the portfolio remains Europe (94%) with a strong concentration in Germany (50%).

For 2011 we expect a recovery in LAF business, provided capital markets remain stable. We will use the favourable conditions to contract attractive new business with adequate risk profile.

Direct LAF portfolio by sector | EaD €bn	**31.12.2010**
Technology/Electrical industry	0.6
Chemicals/Plastics/Healthcare	0.5
Financial Institutions	0.5
Automotive/Mechanical engineering	0.5
Consumption	0.4
Services/Media	0.4
Transport/Tourism	0.2
Basic materials/Energy/Metals	0.2
Other	0.1
Total	**3.4**

Table 18

3.3 Financial Institutions and Non-Bank Financial Institutions portfolio

Business in the Financial Institutions sub-portfolio in 2010 was largely determined by the discussion of the debt in some European peripheral countries and possible repercussions for the whole of Europe. We therefore focused on assessing country risk and formulating a suitable, closely related business and risk strategy. We also proactively drove forward the reduction of bulk risks in the Financial Institutions portfolio, while supporting attractive commercial business. Exposure was cut during the year by €18bn to €95bn. At the same time expected loss increased by €21m to €96m, especially due to an update of parameters. We expect the fundamental data for individual countries to continue to show strain in 2011. We will therefore be rigorous in the alignment and application of our business and risk strategy.

The NBFI portfolio saw a further reduction in bulk risks in 2010. This brought the EaD of the sub-portfolio (including ABS and LAF transactions affecting NBFI and NBFI assets in the PRU) down by €14bn to €38bn, and improved risk density to 24 basis points. In light of the persistent favourable conditions in the capital market we are positive on the NBFI sector, even though the problems in various European peripheral countries and changes to the regulatory framework will present challenges in 2011 for the NFBI area as well.

	Financial Institutions			Non-Bank Financial Institutions		
FI/NBFI portfolio by region as at 31.12.2010	**Exposure at default** €bn	**Expected loss €m**	**Risk density bp**	**Exposure at default €bn**	**Expected loss €m**	**Risk density bp**
Germany	29	4	2	8	18	23
Western Europe	36	25	7	18	39	21
Central/Eastern Europe	7	31	42	1	2	28
North America	8	1	1	5	24	52
Other	15	34	23	7	10	15
Total	**95**	**96**	**10**	**38**	**93**	**24**

Table 19

3.4 Country classification

The regional breakdown of the exposure corresponds to the Bank's strategic direction and reflects the main areas of its global business activities. Around half of the Bank's exposure relates to Germany, another third to other countries in Europe and 7% to North America. The rest is broadly diversified and split between a large number of countries where we serve German exporters in particular or where Commerzbank has a local presence.

Portfolio by region as at 31.12.2010	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp
Germany	282	855	30
Western Europe	138	393	28
Central/Eastern Europe	43	286	66
North America	42	104	25
Other	57	287	51
Total	**562**	**1,925**	**34**

Table 20

3.5 Rating classification

The Bank's overall portfolio is split proportionately into the following internal rating classifications based on PD ratings:

Rating breakdown as at 31.12.2010 | %	**1.0–1.8**	**2.0–2.8**	**3.0–3.8**	**4.0–4.8**	**5.0–5.8**
Private Customers	21	45	23	9	3
Mittelstandsbank	14	51	27	5	3
Central & Eastern Europe	23	34	29	11	2
Corporates & Markets	39	42	15	2	2
Asset Based Finance	38	42	15	4	2
Group[1]	**34**	**42**	**18**	**4**	**2**

[1] Including PRU and Others and Consolidation
Table 21

3.6 Sector classification corporates

The following table shows the breakdown of the Bank's corporates exposure by sector, irrespective of business segment:

Sub-portfolio corporates by sector as at 31.12.2010	Exposure at default €bn	Expected loss €m	Risk density bp
Basic materials/Energy/Metals	25	106	42
Consumption	21	110	53
Automotive	11	55	48
Transport/Tourism	11	58	53
Technology/Electrical industry	11	44	41
Chemicals/Plastics	11	60	56
Services/Media	10	58	56
Mechanical engineering	9	66	75
Construction	5	49	103
Other	21	84	41
Total	**134**	**690**	**51**

Table 22

Intensive care

1 Loan loss provisions

Loan loss provisions were approximately 40% lower than the previous year at just under €2.5bn. The positive trend seen during the year continued in the fourth quarter, and the charge against earnings was again down on the previous quarter at €595m. Compared to the fourth quarter of 2009, loan loss provisions were down more than half. The table below shows the development at segment level:

Loan loss provisions €m	2010 total[1]	Q4 2010	Q3 2010	Q2 2010	Q1 2010	2009 total[1]	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Private Customers	246 (35)	46	64	70	66	246 (31)	72	70	55	49
Mittel-standsbank	279 (24)	93	–69	94	161	954 (84)	298	330	236	90
Central & Eastern Europe	361 (133)	48	127	92	94	812 (309)	296	142	201	173
Corporates & Markets	–27 (–3)	–14	6	0	–19	289 (32)	25	44	–34	254
Asset Based Finance	1,584 (69)	412	493	354	325	1,588 (60)	651	372	358	207
Portfolio Restructuring Unit	62 (33)	10	2	28	22	327 (100)	–11	99	169	70
Others and Consolidation	–6 (–1)	0	–2	1	–5	–2 (–1)	–7	–4	8	1
Total	**2,499** (43)	**595**	**621**	**639**	**644**	**4,214** (65)	**1,324**	**1,053**	**993**	**844**

[1] Figures in ( ) show the provisioning ratio: provisions in relation to the exposure at default in the white book plus default volumes in the black book in basis points.

Table 23

Nearly all segments contributed to the sharp fall in loan loss provisions compared with the previous year. The biggest decline came from the Mittelstandsbank, which benefited from the economic recovery and improved its risk performance by almost €700m compared with 2009. This figure includes a positive non-recurring effect of €100m recognized in the third quarter.

Central & Eastern Europe also saw a turnaround in loan loss provisions, with a charge roughly €450m lower than last year; Bank Forum in particular witnessed a steep reduction.

Corporates & Markets delivered a net release of €27m over the year, largely the result of good performance in portfolio loan loss provisions. Compared to the previous year, which was still marked to some extent by knock-on effects of the financial and economic crisis, provisions were about €300m lower.

The major reassessment in the Portfolio Restructuring Unit had already been put into action in previous years as part of the reduction strategy. With improved market conditions for structured credit products, loan loss provisions fell by more than €250m once again in 2010.

Risk performance in the Private Customers business was on a par with the previous year, after a favourable development in the second half.

Asset Based Finance again saw major charges. However, loan loss provisions in the fourth quarter were around €80m less than in the previous quarter. We assume that the worst is now over and that loan loss provisions will decline in 2011.

The economic surrounding conditions overall have been very good. The economic recovery which emerged at the start of the year has continued, especially in Germany, proving robust in the second half of the year. Loan loss provisions are approaching the steady-state level, and in some segments have already reached this.

However, considerable uncertainties remain. Market turbulence with a negative impact on the economy, and thus on loan loss provisions, cannot at this stage be ruled out. As long as such negative scenarios, as in particular defaults of public borrowers and banks, do not materialize, provision charges in 2011 will be lower and are unlikely to exceed €2.3bn.

The following overview shows individual cases with a need for specific loan loss provisioning by size range:

	Other cases < €10m	≥ €10m < €20m		≥ €20m < €50m		≥ €50m		Individual cases ≥ €10m total		
Year	Net LLP total €m	Net LLP total €m	Number of commitments	Net LLP total €m	Number of commitments	Net LLP total €m	Number of commitments	Net LLP total €m	Number of commitments	Net LLP total €m
2010	1,064	381	40	564	27	490	11	1,435	78	2,499
2009	2,107	652	48	495	22	960	10	2,107	80	4,214

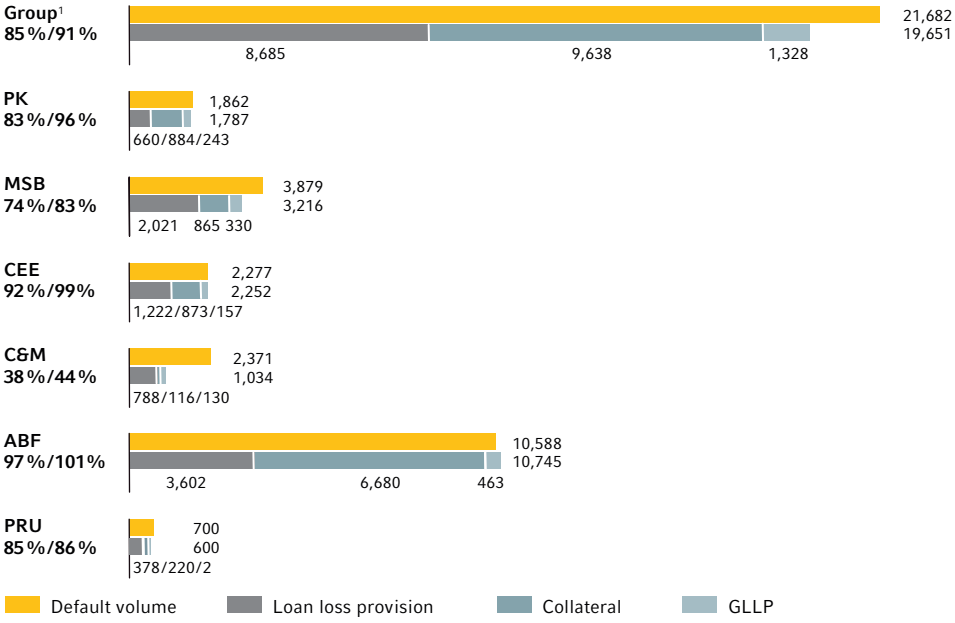
Table 24

Cases requiring specific provisions ≥€50m nearly all relate to Asset Based Finance, whereas Mittelstandsbank and PRU also saw releases in this size range. As with provisions overall, the net charge from large individual commitments fell sharply compared with the previous year.

2 Default portfolio

The default portfolio is down slightly on the previous year, and was €21.7bn as at December 31, 2010. The structure can be seen in detail in the chart below:

Default portfolio and coverage ratios by segment
€m – excluding/including GLLP



[1] Including Others and Consolidation.
Figure 10

In the core bank, being composed of Private Customers, Mittelstandsbank, Central & Eastern Europe and Corporates & Markets, default volume was reduced sharply overall compared with the previous year, in line with the sharp fall in loan loss provisions. Despite a currency related negative impact on foreign portfolios, there was a net reduction of around €1bn here. However, at Group level this good performance was largely offset by an €0.8bn rise in the default portfolio in Asset Based Finance (mainly in CRE Banking) and the slight increase in PRU. In some cases the increases in volume in these two segments is due to currency effects.

In Asset Based Finance, 2011 is expected to see significantly lower inflows into the default portfolio. The other segments are expected to show stable or declining inflows. If economic conditions remain good further gains on restructuring and disposal can be expected, reducing the default portfolio, which means that all in all a clear net decline in volumes is anticipated.

Our portfolio, comprising positions of the default portfolio as well as those of the white book and the grey book, is backed by collateral. Collateral worth around €9.6bn is being assigned to the default portfolio. In the Private Customers segment, the collateral relates predominantly to land charges on own and third party-used properties. In the Mittelstandsbank, collateral is spread over various types of security. Guarantees and mortgage liens on commercial properties account for the largest amounts. In addition, large parts of the portfolio are secured by default guarantees and assignments of collateral. The portfolio in

the Central & Eastern Europe segment is mainly backed by mortgages, in both retail and commercial businesses. In addition in the corporate business, a significant share of the collateral takes the form of guarantees and pledges. The collateral in the Corporates & Markets portfolio principally comprises assignments of collateral as well as pledges of liquid assets and assignments. In Asset Based Finance, collateral mainly relates to commercial land charges (including shipping mortgages) and also to land charges on own and third party-used properties. The collateral for the PRU portfolio is almost exclusively assignments.

In order to avoid an increase in the default portfolio, overdrafts are closely monitored at Commerzbank. In addition to the 90 days-past-due trigger event, an IT-based management of the overdrafts starts at the first day of the overdraft. The following table shows overdrafts in the white book based on the exposure at default (€m) as at end of December 2010:

Segment	>0≤30 days	>30≤60 days	>60≤90 days	>90 days	Total
PK	541	54	78	0	674
MSB	1,573	180	69	51	1,874
CEE[1]	86	0	2	0	764
C & M	252	4	76	3	335
ABF	566	104	57	76	803
Group[1, 2]	**3,029**	**373**	**306**	**162**	**4,545**

[1] BRE and Bank Forum are only included in total figures.
[2] Including Others and Consolidation and PRU.
Table 25

In 2010 total foreclosed assets decreased year-on-year by €117m to €268m (additions €1m, disposals €44m, holding loss €74m). Off the final stock real estate positions worth €176m related to our mortgage subsidiary Eurohypo. The properties are serviced and managed in companies in which Eurohypo owns a majority stake through subsidiaries; this is normally EH Estate Management GmbH. The aim is to increase the value and performance of the commercially-focused real estate portfolio through EH Estate's property expertise so that the properties can be placed on the market again in the short to medium term. Additional properties worth around €92m are being serviced and managed through TIGNATO Beteiligungsgesellschaft.

Market risk

Market risk is the risk of financial losses due to changes in market prices (interest rates, commodities, credit spreads, exchange rates and equity prices) or in parameters that affect prices such as volatilities and correlations. The losses may impact profit or loss directly, e.g. in the case of trading book positions, or may be reflected in the revaluation reserve or in hidden liabilities/reserves in the case of banking book positions. We also monitor market liquidity risk, which covers cases where it is not possible for the Bank to liquidate or hedge risky positions in a timely manner and to the desired extent on acceptable terms as a result of insufficient liquidity in the market.

1 Market risk management

Commerzbank uses a wide range of qualitative and quantitative tools to manage and monitor market price risks. The main guidelines are set in the market risk strategy approved by the Board of Managing Directors. Guidelines for maturity limits and minimum ratings are designed to protect the quality of market risk positions. Quantitative specifications for sensitivities, value at risk, stress tests and scenario analyses as well as economic capital limit the market risk.

The qualitative and quantitative factors limiting market risk are set by the Group Market Risk Committee. The utilization of these limits, together with the relevant net income figures, is reported daily to the Board of Managing Directors and the responsible heads of the business segments. Based on qualitative analyses and quantitative ratios the market risk function identifies potential future risks and anticipates potential financial losses, and draws up proposals for further action. Any adjustments that may be required in the management of the portfolios is decided by committees such as the Group Market Risk Committee.

The main feature of 2010 was the European debt crisis. High levels of debt and downgrades of some European states by rating agencies resulted in increased uncertainty and high price volatility in the markets. Not even the creation of a European rescue facility was able to bring the markets back to normal. This affected the government financing portfolio in the banking book in particular. The exchange rate of the euro against the dollar in 2010 fluctuated notably against the backdrop of the European debt crisis. Despite the difficult market environment, appropriate management measures have kept the currency risk at Commerzbank at a very low level. The same applies to commodity risk, which in 2010 meant mainly a volatile oil price and a very strong gold price. Equity markets were dominated by higher prices and lower volatility.

We expect good economic performance next year in the USA and core Europe. Equity markets are therefore likely to climb higher, which will also help the investment certificates business. No rapid solution to the debt crisis can be expected for the countries on the European periphery. This may result in further turbulences in 2011 on the interest rate and currency markets. There are also dangers from rising inflation, especially as a result of higher commodity prices.

Commerzbank will rigorously drive forward the reduction and optimization of critical portfolios. We anticipate that, under the market conditions described, market risk at Commerzbank will stay steady or fall slightly.

2 Market risk in the trading book

Since the end of October 2010 we have been using a new overall market price risk model based on historical simulation (HistSim model). This ensures that risk measurement is consistent across the whole Group and will meet the future requirements of Basel III. Apart from improving the quality of results, standardizing methods will also reduce complexity.

Value at risk in the trading book was sharply higher year-on-year at end-2010. In addition to the switch to the new internal market risk model this is due to the volatility of the markets during the debt crisis.

The market risk profile in the trading book is diversified across all asset classes, with interest rate risks and credit spread risks predominating.

Measures to reduce risk positions, especially in the Portfolio Restructuring Unit, were rigorously driven forward over the year. The complex credit derivatives business was almost entirely wound down. Even so, the much improved capture of credit spread risk following the switch to the HistSim model meant that the contribution of credit spreads and interest rates to value at risk rose.

VaR contribution by risk type in the trading book[1] | €m	**31.12.2010**	**31.12.2009**
Credit spreads	43.9	32.6
Interest rates	36.9	13.9
Equities	6.1	9.0
FX	4.7	3.5
Commodities	4.2	1.5
Total	**95.9**	**60.5**

[1] 99% confidence level, holding period 1 day, equally-weighted market data, 250 day history.
Table 26

Regulatory capital requirement is calculated in consultation with BaFin as before, using the regulator-certified market risk models of Commerzbank (old) and Dresdner Bank. Commerzbank expects the Bundesbank to approve the use of the new market price risk model for regulatory purposes during the course of the current year.

The reliability of the market risk model is constantly monitored by backtesting. Apart from meeting supervisory requirements, the aim is to assess forecasting quality. Analysing the results of backtesting provides important insights into checking parameters and further improving the model. All outliers at Group level are classified under a traffic-light system laid down by the supervisory authorities and are reported immediately to the authorities with details of the size and cause of the failure. No negative portfolio outliers were reported in 2010 using either the Dresdner Bank model or the Commerzbank (old) model.

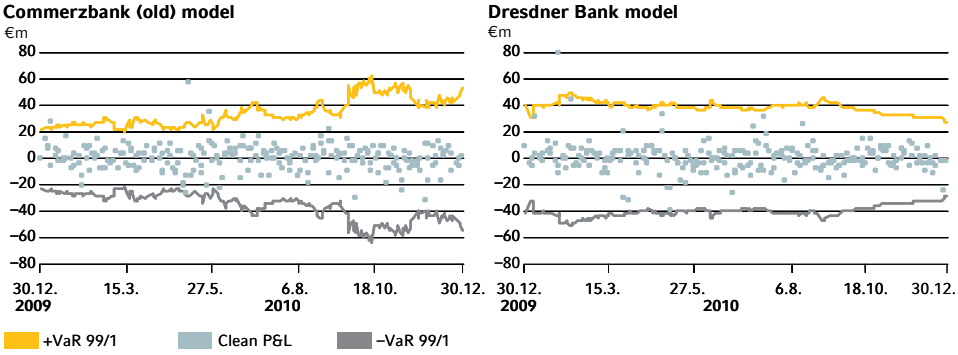


Figure 11

3 Market risk in the banking book

The main drivers of market risk in the banking book are credit spread risks in the Public Finance portfolio, including the positions held by the subsidiaries Eurohypo and Erste Europäische Pfandbrief- und Kommunalkreditbank (EEPK), the Treasury portfolios and equity price risks in the equity investments portfolio. The decision to reduce the Public Finance portfolio continues to be implemented as part of our de-risking strategy.

The adjacent chart documents the changes in credit spread sensitivities of all securities and derivative positions (excluding loans) in Commerzbank Group. The reduction measures mentioned above, especially in the Public Finance portfolio, and slightly lower market values due to a small increase in euro interest rates cut the overall position in credit spread sensitivity to €82m at year-end. Roughly 75% of credit spread sensitivity continues to relate to securities positions classified as loans and receivables (LaR). Changes in credit spreads have no impact on the revaluation reserve or the income statement for these portfolios.

Holdings in the equity investment portfolio were reduced significantly over the year, as planned. This led to a significant reduction in equity risk in the banking book.

Credit spread sensitivities

Downshift 1 bp | €m

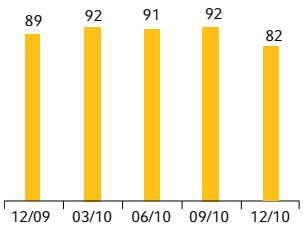


Figure 12

Liquidity risk

Liquidity risk is defined in the narrower sense as the risk that Commerzbank will be unable to meet its payment obligations on a day-to-day basis. In a broader sense, liquidity risk is the risk that future payments cannot be funded as and when they fall due, in full, in the correct currency and on standard market conditions.

1 Liquidity risk management

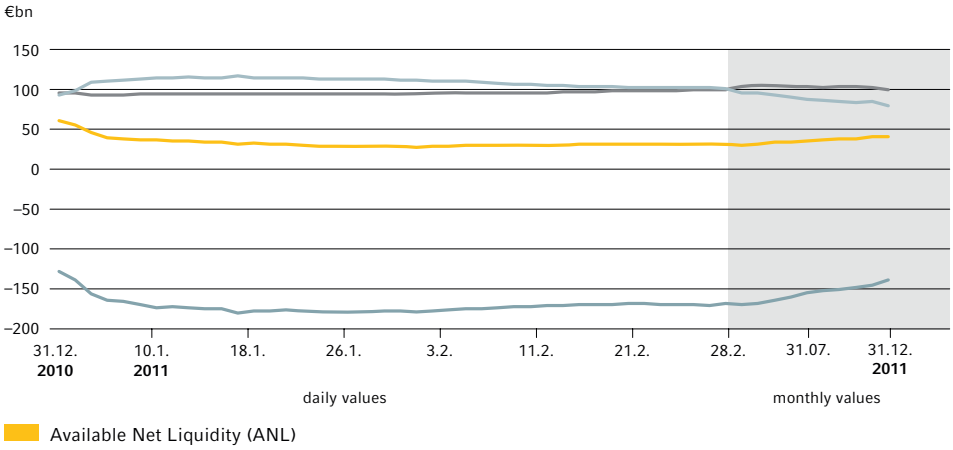
Commerzbank's internal liquidity risk model is the basis for liquidity management and reporting to the Board of Managing Directors. This risk measurement approach calculates the available net liquidity (ANL) for the next twelve months under various scenarios. The calculation is carried out on the basis of deterministic, i.e. contractually agreed, and also statistically expected economic cashflows (forward cash exposure – FCE and dynamic trade strategy – DTS respectively), taking into account realizable assets (balance sheet liquidity – BSL). As at December 31, 2010 the volume of freely available assets eligible for discounting at the central bank that were included in balance sheet liquidity in the ANL modelling was €93bn.

The stress scenario used by management which forms the basis of modelling allows for the impact of both a bank-specific stress event and a broader market crisis when calculating liquidity and setting limits. The stress scenario is used to draw up detailed contingency plans. The stress scenarios are run daily and reported to management. The underlying assumptions are checked regularly and adjusted to reflect changed market conditions as necessary. With the integration of Schiffsbank in 2010, all entities of the Group being relevant for the management of liquidity risk are now covered by the internal liquidity risk model.

2 Available net liquidity

The graph below of ANL and its subcomponents FCE, DTS and BSL shows that under the conservative stress scenario calculated as at December 31, 2010 a sufficient liquidity surplus was available throughout the period analyzed.

Available net liquidity in the combined stress scenario of the internal liquidity model



[1] Derivative positions of former Dresdner Bank are almost fully integrated.
Figure 13

The liquidity surpluses calculated remained within the limits set by the Board of Managing Directors throughout 2010. Commerzbank's solvency was therefore sufficient at all times, not only in terms of the external regulatory requirements of the German Liquidity Regulation, but also in terms of internal limit setting. Our liquidity position can therefore continue to be regarded as stable and comfortable.

We benefit from our core business activities in retail and corporate banking and a widely diversified funding base in terms of products, regions and investors in the money and capital markets.

As part of our ongoing reporting and monitoring of liquidity risk we are supporting various regulatory initiatives to bring international liquidity standards into line and are therefore actively preparing for the introduction of the liquidity risk ratios defined in Basel III. Commerzbank took part in the Quantitative Impact Study on Basel III in 2010 and launched a project to regularly calculate the Basel III observation data.

Additional information on liquidity management is given in the section "Liquidity and Funding of Commerzbank Group" in the Group Management Report.

Operational risk

Operational risk (OpRisk) in Commerzbank is based on the German Solvency Regulation and is defined as the risk of loss resulting from the inadequacy or failure of internal processes, systems and people or from external events. This definition includes legal risks; it does not cover reputational risks or strategic risks.

1 OpRisk management

The management and limitation of operational risks differs systematically from limiting credit and market risk, since the relevant management units are not made up of individual clients or positions but internal processes. For this type of risk we focus on anticipatory management by the segments and cross-sectional units based on an overarching risk strategy for operational risks and the associated relevant processes.

Areas for action and quantitative guidelines for the risk strategy are defined at Group level and segment level. Management issues are regularly examined in meetings of the Group and segment OpRisk committees.

Management of the Commerzbank Group's legal risks on a worldwide basis is handled by Group Legal. The latter's main function is to recognize potential losses from legal risks at an early stage, devise solutions for reducing, restricting or avoiding such risks and establish the necessary provisions.

2 OpRisk developments

We continued to drive forward our objective of improving the Group OpRisk profile in the year under review. We completed implementing our standardized methods and processes, and in particular developed our early warning system further.

The total charge to Commerzbank in 2010 for OpRisk events (losses plus changes in provisions taken against income for operational risks and ongoing litigation) was €274m (previous year: €272m).

This mainly resulted from OpRisk provisions taken in the private customer area with relation to advisory liability and procedural errors.

OpRisk events by segment | €m	**2010**	**2009**
Private Customers	132	127
Mittelstandsbank	–8	46
Central & Eastern Europe	7	1
Corporates & Markets	14	41
Asset Based Finance	34	24
Portfolio Restructuring Unit	11	7
Others and Consolidation	84	26
Group	**274**	**272**

Table 27

The regulatory capital requirement for operational risk according to the advanced measurement approach (AMA) was €21.8bn at year-end 2010 (previous year's RWA: €19.5bn). Of this, roughly 63% related to Private Customers and Corporates & Markets.

Until our newly developed and integrated model will be certified by the regulatory authorities (planned for 2011), the capital requirement for both regulatory and internal reporting purposes will still be calculated separately for Commerzbank (old) and Dresdner Bank and reported as a total.

Other risks

1 Business risk

Business risk is deemed to be a potential loss that results from discrepancies between actual income (negative deviation) and costs (positive deviation) and the budgeted figures. This risk is mainly influenced by business strategy and internal budget planning as well as by changes in the operating conditions affecting business volumes, technical processes and the competitive situation of the Bank and its competitors for customers. Business risk is managed by means of clear segment-specific targets as regards returns as well as cost/income ratios in conjunction with ongoing flexible cost management in the event of non-performance.

2 Unquantifiable risks

To meet the requirements of pillar II of the Basel framework, MaRisk insists on an integrated approach to risk that also includes unquantifiable risk categories. In Commerzbank these are subjected to a qualitative management and control process.

Human resources risk

Human resources risk fall within the definition of operational risk in Section 269 (1) SolvV. The internal management interpretation of this definition at Commerzbank includes the following elements under human resources risk:

- Adjustment risk: We offer selected internal and external training and continuing education programmes to ensure that the level of employee qualifications keeps pace with the current state of developments and that our employees can fulfil their duties and responsibilities.
- Motivation risk: We use employee surveys, particularly during the integration process, to try to respond as quickly as possible to potential changes in our employees' level of corporate attachment and to initiate adequate measures.

- Departure risk: We take great care to ensure that the absence or departure of employees does not result in long-term disruptions to our operations. Quantitative and qualitative measures of staff turnover are monitored regularly.
- Supply risk: Our quantitative and qualitative staffing is based on internal operating requirements, business activities, strategy and the Commerzbank risk situation, particularly due to the high demands placed on staff during the merger of the two banks.

Staff are a key resource for Commerzbank. Our success is based on the specialist knowledge, skills, abilities and motivation of our employees. Human resources risk is systematically managed with the aim of identifying risks as early as possible and assessing and managing them by, for instance, applying selected personnel tools. The Board of Managing Directors is regularly informed about human resources risks.

Business strategy risk

Business strategy risk is defined as the risk of negative deviations from given business targets arising from previous or future strategic decisions and from changes in market conditions.

Corporate strategy is developed further within the framework of a structured strategy process which forms the basis of the Bank's annual planning process. This involves fixing corporate strategic directions and guidelines as well as determining quantitative targets as an aspiration level for the Group and segments.

To ensure proper implementation of Group strategy to achieve the required business targets, strategic controls are carried out through quarterly monitoring of quantitative and qualitative targets in the Group and segments. In addition, we also constantly monitor external factors such as market and competitive conditions, capital market requirements and changed regulatory conditions, with relevant changes resulting in adjustments to Group strategy. As part of the regulatory requirements under MaRisk a sustainable business strategy is set, laying out the major business activities and the steps to reach these goals. A risk strategy consistent with this is also set. A strategy process coordinates the planning, implementation, assessment and adjustment of these strategies, which are then communicated throughout the company.

Responsibility for strategic corporate management lies with the Board of Managing Directors, which is supported by Group Development & Strategy for strategic issues. In a strategy meeting the Supervisory Board is being explicitly informed about Commerzbank's strategy. Some business policy decisions (acquisition and disposals of equity holdings exceeding 1% of equity) also require the approval of the Risk Committee of the Supervisory Board. All major investments are subject to careful review by the Investment and Resources Allocation Committee.

Reputational risk

We define reputational risk as the risk of losses, falling revenues or reduced enterprise value due to business events that erode the confidence of the public, the media, employees, customers, rating agencies, investors or business partners in Commerzbank.

The operational divisions, branches and subsidiaries bear direct responsibility, within the scope of their business operations, for reputational risk arising from their particular activity. Reputational risk may also stem from other types of risk and even intensify such risks. The responsibility of Group Communication for monitoring this ensures the Bank is aware of market perceptions at an early stage. For this reason, relevant measures and activities relating to business policy are subjected to careful scrutiny. In particular, Commerzbank avoids business policy measures and transactions which entail significant tax or legal risks, and also ethical, ecological and social risks. All relevant credit decisions are voted on individually with regard to any reputational risk incurred. These votes may result in transactions being declined.

Compliance risk

The confidence of our customers, shareholders and business partners in Commerzbank's proper and legitimate actions underpins our business activities. This confidence is based in particular on complying with applicable regulations and conforming with customary market standards and codes of conduct (compliance). To reinforce the confidence in the Group's integrity, all risks arising in this regard are effectively managed. The ever-growing complexity of national and international laws, regulations and market standards is taken into account through constant improvements to our management of compliance risk and through adjustments to reflect current developments and challenges.

Disclaimer

Commerzbank uses state-of-the-art risk measurement methods and models that are based on banking sector practice. The results obtained with the risk models are suitable for the purposes of the management of the Bank. The measurement approaches are regularly reviewed by Risk Control, Internal Audit, external auditors and the German supervisory authorities. Despite the careful development of the models and regular controls, models cannot capture all the influencing factors that may arise in reality, nor the complex behaviour and interactions of these factors. These limits to risk modelling apply particularly in extreme situations. Supplementary stress tests and scenario analyses can only show examples of the risks to which a portfolio may be exposed in extreme market situations. An analysis of all conceivable scenarios is not possible with stress tests and these cannot give a definitive indication of the maximum loss in the case of an extreme event.

Financial Statements of the Commerzbank Group as at December 31, 2010

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Statement of comprehensive income

Income statement

€m	Notes	1.1.–31.12.2010	1.1.–31.12.2009	Change in %
Interest income	(31)	18,306	20,338	–10.0
Interest expense	(31)	11,252	13,164	–14.5
Net interest income	(31)	7,054	7,174	–1.7
Loan loss provisions	(32)	–2,499	–4,214	–40.7
Net interest income after provisions		4,555	2,960	53.9
Commission income[1]	(33)	4,237	4,562	–7.1
Commission expense	(33)	590	789	–25.2
Net commission income[1]	(33)	3,647	3,773	–3.3
Net trading income[1]	(34)	2,052	–510	.
Net income on hedge accounting	(35)	–94	101	.
Net trading income and net income on hedge accounting	(34, 35)	1,958	–409	.
Net investment income	(36)	108	417	–74.1
Current income on companies accounted for using the equity method	(37)	35	15	.
Other net income	(38)	–131	–22	.
Operating expenses	(39)	8,786	9,004	–2.4
Impairments of goodwill and brand names		–	768	.
Restructuring expenses	(40)	33	1,621	–98.0
Pre-tax profit/loss		**1,353**	**–4,659**	**.**
Taxes on income	(41)	–136	–26	.
Consolidated profit/loss		**1,489**	**–4,633**	**.**
Consolidated profit/loss attributable to non-controlling interests		59	–96	.
Consolidated profit/loss attributable to Commerzbank shareholders		1,430	–4,537	.

[1] Prior-year figures restated due to harmonization of reporting structure (see Note 2).

Earnings per share | €		2010	2009	Change in %
Earnings per share	(43)	1.21	–4.40	.

Earnings per share, calculated in accordance with IAS 33, are based on the consolidated profit/loss attributable to Commerzbank shareholders. As in the previous year, no conversion or option rights were outstanding during the financial year. The figure for diluted earnings per share is therefore identical to the undiluted figure.

Condensed statement of comprehensive income

€m	Notes	1.1.–31.12.2010	1.1.–31.12.2009	Change in %
Consolidated profit/loss		1,489	–4,633	.
Change in revaluation reserve	(74)			
Reclassified to income statement		–352	59	.
Change in value not recognized in income statement		394	537	–26.6
Change in cash flow hedge reserve	(74)			
Reclassified to income statement		283	9	.
Change in value not recognized in income statement		–53	–361	–85.3
Change in currency translation reserve	(74)			
Reclassified to income statement		41	–7	.
Change in value not recognized in income statement		209	–210	.
Change in companies accounted for using the equity method		2	42	–95.2
Other comprehensive income		524	69	.
Total comprehensive income		**2,013**	**–4,564**	**.**
Comprehensive income attributable to non-controlling interests		127	75	69.3
Comprehensive income attributable to Commerzbank shareholders		1,886	–4,639	.

4th quarter | €m	1.10.–31.12.2010	1.10.–31.12.2009	Change in %
Consolidated profit/loss	277	–1,911	.
Change in revaluation reserve			
Reclassified to income statement	–286	129	.
Change in value not recognized in income statement	498	–73	.
Change in cash flow hedge reserve			
Reclassified to income statement	71	9	.
Change in value not recognized in income statement	8	42	–81.0
Change in currency translation reserve			
Reclassified to income statement	20	–7	.
Change in value not recognized in income statement	44	67	–34.3
Change in companies accounted for using the equity method	1	–	.
Other comprehensive income	356	167	.
Total comprehensive income	**633**	**–1,744**	**.**
Comprehensive income attributable to non-controlling interests	15	43	–65.1
Comprehensive income attributable to Commerzbank shareholders	618	–1,787	.

Other comprehensive income | €m	1.1.–31.12.2010			1.1.–31.12.2009		
	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Change in revaluation reserve	89	–47	42	987	–391	596
Change in cash flow hedge reserve	346	–116	230	–490	138	–352
Change in reserve from currency translation	250	–	250	–217	–	–217
Change in companies accounted for using the equity method	2	–	2	42	–	42
Other comprehensive income	**687**	**–163**	**524**	**322**	**–253**	**69**

The breakdown of other comprehensive income for the fourth quarter of 2010 was as follows:

Other comprehensive income | €m	1.10.–31.12.2010			1.10.–31.12.2009		
	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Change in revaluation reserve	329	–117	212	135	–79	56
Change in cash flow hedge reserve	127	–48	79	72	–21	51
Change in reserve from currency translation	64	–	64	60	–	60
Change in companies accounted for using the equity method	1	–	1	–	–	–
Other comprehensive income	**521**	**–165**	**356**	**267**	**–100**	**167**

Income statement (by quarter)

2010 | €m	4th quarter	3rd quarter	2nd quarter	1st quarter
Net interest income	1,682	1,633	1,853	1,886
Loan loss provisions	–595	–621	–639	–644
Net interest income after provisions	1,087	1,012	1,214	1,242
Net commission income[1]	875	870	905	997
Net trading income[1]	384	445	358	865
Net income on hedge accounting	–	–23	–42	–29
Net trading income and net income on hedge accounting	384	422	316	836
Net investment income	191	–24	60	–119
Current income on companies accounted for using the equity method	32	–5	6	2
Other net income	–149	26	–30	22
Operating expenses	2,164	2,185	2,228	2,209
Impairments of goodwill and brand names	–	–	–	–
Restructuring expenses	–	–	33	–
Pre-tax profit/loss	**256**	**116**	**210**	**771**
Taxes on income	–21	–19	–151	55
Consolidated profit/loss	**277**	**135**	**361**	**716**
Consolidated profit/loss attributable to non-controlling interests	20	22	9	8
Consolidated profit/loss attributableto Commerzbank shareholders	257	113	352	708

[1] First and second quarter restated due to harmonization of reporting structure (see Note 2).

2009 | €m	4th quarter	3rd quarter	2nd quarter[1]	1st quarter[1]
Net interest income	1,882	1,765	1,838	1,689
Loan loss provisions	–1,324	–1,053	–993	–844
Net interest income after provisions	558	712	845	845
Net commission income[2]	985	965	960	863
Net trading income[2]	–638	607	101	–580
Net income on hedge accounting	64	40	–43	40
Net trading income and net income on hedge accounting	–574	647	58	–540
Net income from financial investments	–87	–54	172	386
Current income on companies accounted for using the equity method	8	4	–	3
Other net income	–68	112	5	–71
Operating expenses	2,396	2,264	2,263	2,081
Impairments of goodwill and brand names	52	646	70	–
Restructuring expenses	212	904	216	289
Pre-tax profit/loss	**–1,838**	**–1,428**	**–509**	**–884**
Taxes on income	73	–375	269	7
Consolidated profit/loss	**–1,911**	**–1,053**	**–778**	**–891**
Consolidated profit/loss attributable to non-controlling interests	–54	2	–17	–27
Consolidated profit/loss attributableto Commerzbank shareholders	–1,857	–1,055	–761	–864

[1] After counterparty default adjustments.
[2] Restatement due to harmonization of reporting structure (see Note 2).

Balance sheet

Assets | €m	Notes	**31.12.2010**	**31.12.2009**	Change in %	**1.1.2009**[1]
Cash reserve	(7, 46)	8,053	10,329	–22.0	6,566
Claims on banks	(8, 9, 10, 47, 49, 50, 80)	110,616	106,689	3.7	62,969
of which pledged as collateral	(79)	94	–	.	83
Claims on customers	(8, 9, 10, 48, 49, 50, 80)	327,755	352,194	–6.9	284,815
of which pledged as collateral	(79)	–	–	.	–
Value adjustment portfolio fair value hedges	(11, 51)	113	–16	.	–
Positive fair values attributable to derivative hedging instruments	(12, 52)	4,961	6,352	–21.9	10,528
Trading assets	(13, 53, 80)	167,825	218,708	–23.3	118,569
of which pledged as collateral	(79)	19,397	41,838	–53.6	17,272
Financial investments	(14, 54, 80)	115,708	130,914	–11.6	127,154
of which pledged as collateral	(79)	22,374	13,293	68.3	17,724
Holdings in companies accounted for using the equity method	(4, 55)	737	378	95.0	296
Intangible assets	(15, 56)	3,101	3,209	–3.4	1,336
Fixed assets	(16, 57)	1,590	1,779	–10.6	1,240
Investment properties	(18, 59)	1,192	1,279	–6.8	909
Assets held for sale and disposal groups	(19, 60)	1,082	2,868	–62.3	684
Current tax assets	(26, 58)	650	1,267	–48.7	684
Deferred tax assets	(26, 58)	3,567	4,370	–18.4	6,042
Other assets	(17, 61)	7,349	3,783	94.3	3,432
Total		**754,299**	**844,103**	**–10.6**	**625,224**

[1] January 1, 2009 is equivalent to December 31, 2008 after the change in the balance sheet structure (see Note 2).

Liabilities and equity | €m	Notes	**31.12.2010**	**31.12.2009**	Change in %	**1.1.2009**[1]
Liabilities to banks	(10, 20, 62, 80)	137,626	140,634	–2.1	128,492
Liabilities to customers	(10, 20, 63, 80)	262,827	264,618	–0.7	170,203
Securitized liabilities	(20, 64, 80)	131,356	161,779	–18.8	157,957
Value adjustment portfolio fair value hedges	(11, 65)	121	–16	.	–
Negative fair values attributable to derivative hedging instruments	(21, 66)	9,369	11,345	–17.4	21,463
Trading liabilities	(22, 67, 80)	152,393	202,595	–24.8	104,168
Provisions	(23, 24, 68)	4,778	5,115	–6.6	2,030
Current tax liabilities	(26, 69)	1,072	1,346	–20.4	627
Deferred tax liabilities	(26, 69)	222	1,240	–82.1	2,534
Liabilities from disposal groups held for sale	(19, 70)	650	2,839	–77.1	329
Other liabilities	(71)	8,136	6,103	33.3	2,585
Subordinated capital	(27, 72, 80)	12,910	15,850	–18.5	11,836
Hybrid capital	(27, 73, 80)	4,181	4,079	2.5	3,158
Equity	(30, 74, 75, 76)	28,658	26,576	7.8	19,842
Subscribed capital	(74)	3,047	3,071	–0.8	1,877
Capital reserve	(74)	1,302	1,334	–2.4	6,619
Retained earnings	(74)	9,345	7,878	18.6	5,842
Silent participations	(74)	17,178	17,178	0.0	8,200
Other reserves	(5, 6, 14, 74)	–2,999	–3,455	–13.2	–3,353
Total before non-controlling interests		27,873	26,006	7.2	19,185
Non-controlling interests	(74)	785	570	37.7	657
Total		**754,299**	**844,103**	**–10.6**	**625,224**

[1] January 1, 2009 is equivalent to December 31, 2008 after the change in the balance sheet structure (see Note 2).

Statement of changes in equity

€m	Subscribed capital	Capital reserve	Retained earnings	Silent participations	Other reserves: Revaluation reserve	Other reserves: Cash flow hedge reserve	Other reserves: Currency translation reserve	Total before non-controlling interests	Non-controlling interests	Equity
Equity as at 31.12.2008	**1,877**	**6,619**	**5,904**	**8,200**	**–2,221**	**–872**	**–260**	**19,247**	**657**	**19,904**
Change due to retrospective adjustments			–62					–62		–62
Equity as at 1.1.2009	**1,877**	**6,619**	**5,842**	**8,200**	**–2,221**	**–872**	**–260**	**19,185**	**657**	**19,842**
Total comprehensive income	–	–6,619	2,082	–	466	–351	–217	–4,639	75	–4,564
Consolidated profit/loss		–6,619	2,082					–4,537	–96	–4,633
Change in revaluation reserve					424			424	172	596
Change in cash flow hedge reserve						–351		–351	–1	–352
Change in currency translation reserve							–217	–217		–217
Change in companies accounted for using the equity method					42			42		42
Dividend on silent participations								–		–
Dividend paid								–	–12	–12
Capital increases	1,193	1,320						2,513		2,513
Changes in ownership interests			–50					–50		–50
Other changes[1]	1	14	4	8,978				8,997	–150	8,847
Equity as at 31.12.2009	**3,071**	**1,334**	**7,878**	**17,178**	**–1,755**	**–1,223**	**–477**	**26,006**	**570**	**26,576**
Total comprehensive income	–	–	1,430	–	24	218	214	1,886	127	2,013
Consolidated profit/loss			1,430					1,430	59	1,489
Change in revaluation reserve					24			24	18	42
Change in cash flow hedge reserve						218		218	12	230
Change in currency translation reserve							212	212	38	250
Change in companies accounted for using the equity method							2	2		2
Dividend on silent participations								–		–
Dividend paid								–	–12	–12
Capital increases								–	173	173
Changes in ownership interests			5					5		5
Other changes[1]	–24	–32	32					–24	–73	–97
Equity as at 31.12.2010	**3,047**	**1,302**	**9,345**	**17,178**	**–1,731**	**–1,005**	**–263**	**27,873**	**785**	**28,658**

[1] Including change in treasury shares, change in derivatives on own equity instruments and payment of silent participations.

As at December 31, 2010 cash flow hedge reserve of €–94m and currency translation reserve of €45m were attributable to assets held for sale and disposal groups.

As at December 31, 2010 the subscribed capital of Commerzbank Aktiengesellschaft pursuant to the Bank's articles of association stood at €3,072m; it was divided into 1,181,352,926 no-par-value shares (accounting par value per share: €2.60).

After deducting the 9,315,335 treasury shares held by the Bank on December 31, 2010, its subscribed capital amounted to €3,047m.

The Bank made use of the authorization approved by the Annual General Meeting of May 19, 2010 to purchase its own shares for the purpose of securities trading, pursuant to Art. 71(1) no. 7 of the German Companies Act (Aktiengesetz). Gains and losses from trading in the Bank's own shares were recognized directly in equity.

No dividend is being paid for 2010 as Commerzbank Aktiengesellschaft did not achieve a distributable profit in its parent company accounts under German GAAP (HGB). Nor will a dividend be paid on the silent participations reported in equity as the agreement does not permit such a payment if it would lead to Commerzbank reporting a net loss or would increase such a loss.

Further details on equity are contained in Notes 74, 75 and 76.

Cash flow statement

€m	Notes	2010	2009
Consolidated profit/loss		**1,489**	**–4,633**
Non-cash positions in consolidated profit/loss and reconciliation with cash flow from operating actvities:			
Write-downs, depreciation, adjustments, write-ups on fixed and other assets, changes in provisions and net changes due to hedge accounting		4,101	1,511
Change in other non-cash positions		2,952	6,470
Gain/loss on disposal of assets	(36)	–108	–417
Profit from the sale of fixed assets	(38)	–	16
Other adjustments (net interest income)	(31)	–7,054	–7,174
Sub-total		**1,380**	**–4,227**
Change in assets and liabilities from operating activities after adjustment for non-cash positions:			
Claims on banks	(47)	–3,747	–43,974
Claims on customers	(48)	24,611	–71,335
Trading securities	(53)	–4,323	–15,664
Other assets from operating activities	(54-57, 59-61)	–3,231	–6,305
Liabilities to banks	(62)	–3,008	12,142
Liabilities to customers	(63)	–1,791	94,415
Securitized liabilities	(64)	–30,423	5,543
Other liabilities from operating activities	(65-71)	–470	15,464
Interest received	(31)	18,253	20,280
Dividends received	(31)	53	58
Interest paid	(31)	–11,252	–13,164
Income tax paid	(41)	–218	–199
Net cash from operating activities		**–14,166**	**–6,966**
Proceeds from the sale of:			
Financial investments and companies accounted for using the equity method	(36, 37, 54, 55)	15,274	858
Fixed assets	(38, 57)	187	663
Payments for the acquisition of:			
Financial investments and companies accounted for using the equity method	(36, 37, 54, 55)	–504	–5,240
Fixed assets	(38, 57)	–492	–4,426
Effects from changes in the group of companies included in the consolidation			
Cash flow from acquisitions less cash reserves acquired	(46)	–	2,083
Cash flow from disposals less cash reserves disposed of	(46)	298	370
Net cash from investing activities		**14,763**	**–5,692**
Proceeds from capital increases	(74)	–56	2,528
Dividends paid	(74)	–	–
Net cash from change in holdings in consolidated companies		–36	–111
Net cash from other financing activities (subordinated capital)	(72, 73)	–2,838	13,913
Net cash from financing activities		**– 2,930**	**16,330**
Cash and cash equivalents at the end of the previous period		**10,329**	**6,566**
Net cash from operating activities		–14,166	–6,966
Net cash from investing activities		14,763	–5,692
Net cash from financing activities		–2,930	16,330
Effects from exchange rate changes		116	–5
Effects from non-controlling interests		–59	96
Cash and cash equivalents at the end of the period	**(46)**	**8,053**	**10,329**

Cash and cash equivalents broke down as follows:

€m	31.12.2010	31.12.2009	Change in %
Cash on hand	1,388	1,338	3.7
Balances with central banks	6,386	7,842	– 18.6
Debt issued by public-sector borrowers and bills of exchange rediscountable at central banks	279	1,149	– 75.7

Cash and cash equivalents as at December 31, 2010 included no additions from companies consolidated for the first time (previous year: €615m).

The cash flow statement shows the structure of and changes in cash and cash equivalents during the financial year. It is broken down into operating activities, investing activities and financing activities.

Net cash from operating activities includes payments (inflows and outflows) relating to claims on banks and customers and also securities held for trading and other assets. Increases and decreases in liabilities to banks and customers, securitized liabilities and other liabilities also belong to operating activities. The interest and dividend payments resulting from operating activities are similarly reflected in net cash from operating activities.

The changes in cash flows from operating activities also result from disposals of consolidated companies. Other assets and liabilities from operating activities also include decreases relating to companies that were classified as held for sale at December 31, 2009 and were sold during the reporting year. The following table provides an overview of the assets and liabilities at the time of disposal.

Assets | €m	31.12.2010
Claims on banks	2,218
Claims on customers	2,271
Trading assets	3
Financial investments	3,172
Fixed assets	16
Other assets	1,330

Liabilities | €m	31.12.2010
Liabilities to banks	238
Liabilities to customers	5,286
Securitized liabilities	–
Trading liabilities	2
Other liabilities	309

The cash flow from investing activities consists of payments for financial investments, intangible assets and for fixed assets. In addition, the cash flows relating to the acquisition or disposal of subsidiaries are shown here. The cash flow from financing activities consists of the proceeds from capital increases as well as payments received and made with regard to subordinated and hybrid capital. Dividends paid are also reported here.

Cash and cash equivalents consists of positions that can be rapidly converted into liquid funds and are subject to negligible risks of changes in value. It consists of the cash reserve (see Note 46), containing cash on hand, balances held at central banks, debt issued by public-sector borrowers and bills of exchange eligible for rediscounting at central banks. Claims on banks which are due on demand are not included.

The cash flow statement cannot be considered very informative with regard to the Commerzbank Group. The cash flow statement replaces neither liquidity planning nor financial planning for us and nor is it employed as a management tool.

Notes

Significant accounting principles

Our consolidated financial statements as at December 31, 2010 were prepared in accordance with Art. 315a (1) of the German Commercial Code (HGB) and Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 (the IAS Regulation), together with other regulations for adopting certain international accounting standards on the basis of the International Financial Reporting Standards (IFRS) approved and published by the International Accounting Standards Board (IASB) and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). All standards and interpretations whose application is mandatory within the EU in 2010 have been applied.

As permitted under the regulations, we have not applied standards and interpretations which do not enter into force until the financial year 2011 or later (IFRS 9, revised IAS 24 and revised IFRIC 14 and 19; amendments arising from the annual improvement process of the IASB). The adoption of IFRS 9, which has been partially published by the IASB and not yet approved by the EU, could have significant effects on the Group's accounting and measurement practices. Due to the fact that significant portions of the standard have not yet been finalized and the standard has yet to be adopted by the EU, it is impossible to quantify the effects with any degree of accuracy. We do not, however, expect any significant effects on the consolidated financial statements from other standards and interpretations.

The standards and interpretations applied for the first time in the financial year 2010 (IFRS 1, 2 and 3 and IAS 27, 32 and 39 together with IFRIC 12, 15, 16, 17 and 18, plus amendments from the IASB's annual improvement process) did not have any significant impact on the consolidated financial statements.

In addition to the statement of comprehensive income and the balance sheet the consolidated financial statements also include a statement of changes in equity, a cash flow statement and the notes. Segment reporting and the reporting on risk management are to be found in the notes (Note 45 and Notes 83 to 90 respectively).

The Group Management Report, including a separate report on the opportunities and risks related to future developments (Group Risk Report) pursuant to Art. 315 of the German Commercial Code (HGB), appears on pages 73 to 198 of our annual report.

The reporting currency of the consolidated financial statements is the euro. Unless otherwise indicated, all amounts are shown in millions of euros.

Accounting and measurement policies

1) Basic principles

The consolidated financial statements are based on the going concern principle. Assets are generally measured at amortized cost. This principle does not apply to certain financial instruments, investment properties and assets held for sale.

Income and expenses are accounted for on an accrual basis; they are recognized in the income statement for the period to which they are attributable in economic terms. Interest from all contractual agreements relating to financial assets or liabilities is reported in net interest income on an accrual basis or in net trading income if it relates to trading transactions and their refinancing. Dividend income is only recognized where a corresponding legal entitlement exists. Commission income and expenses are recognized in net commission income firstly on the basis of the accounting treatment of the associated financial instruments and secondly on the basis of the nature of the activity. Commission for services which are performed over a certain period are recognized over the period in which the service is performed. Fees which are associated with the completion of a particular service are recognized at the time of completion of the service. Performance-related fees are recognized when the performance criteria are met. Commission on trading transactions is reported in net trading income.

Financial assets and liabilities relating to the same business partner are netted and shown in the balance sheet on a net basis if there is a legally enforceable right to net the amounts and the transactions are fulfilled on a net basis or the asset is realized simultaneously with the settlement of the liability. In addition to the netting of positive and negative fair values attributable to derivatives this also applies to the netting of claims and liabilities in reverse repo and repo transactions.

Uniform accounting and measurement methods, which are explained in the notes below, are used throughout the Commerzbank Group in preparing the financial statements.

For fully consolidated companies and holding in companies accounted for using the equity method in the Group financial statements we generally use financial statements prepared as at December 31, 2010.

Residual maturities are generally reported in the Commerzbank Group for all financial instruments that are subject to contractual maturities (see Notes 78 and 80). A residual maturity is defined as short-term if the period between the reporting date and the instrument's maturity date is less than one year. Provisions are broken down according to their main types in Note 68. Financial instruments in trading assets and liabilities without contractual maturities, the item cash reserve and assets and liabilities available for sale are classified as short-term. By contrast, the items intangible assets, fixed assets and assets held as financial investments are classified as long-term.

The consolidated financial statements include values which are determined, as permitted, on the basis of estimates and judgments. The estimates and judgments used are based on past experience and other factors, such as planning and expectations and forecasts of future events that are considered likely from the present standpoint. The estimates and judgments themselves and the underlying estimation methods and judgment factors are reviewed regularly and compared with actual results. In our view the parameters we have used are reasonable and appropriate. Estimates are subject to uncertainties in determining pension obligations and goodwill. Pension obligations are measured based on the projected-unit-credit method for defined benefit pension plans. In measuring such obligations, assumptions have to be made regarding long-term trends for salaries, pensions and average life expectancy in particular. Changes in the underlying assumptions from year to year and divergences from the actual effects each year are reported under actuarial gains and losses (see Note 68 on the impact of changes in parameters). The annual impairment test of goodwill is based on the recognized discounted cash flow method, which is based on the future cash flows projected in management's latest planning figures. An analysis of the uncertainties surrounding the estimation of goodwill and fair value of financial instruments is set out in Notes 15 and 81. For uncertainties surrounding the market value of real estate held as a financial investment we carry out analyses based on the parameters of the property yield and the land value (see Note 59). Estimates are also subject to uncertainties regarding deferred taxes, loan loss provisions, the measurement of fair value based on valuation models and the measurement of financial instruments in particular. For loan loss provisions please refer to the Group Risk Report.

(2) Changes to accounting and measurement policies

In essence we have employed the same accounting policies as for the Group financial statements for the year ended December 31, 2009.

We have amended the structure of the income statement and balance sheet in accordance with IAS 1.82 and IAS 1.54. The following items are now reported separately in the income statement or balance sheet:

- Net income on hedge accounting
- Current income on companies accounted for using the equity method
- Holdings in companies accounted for using the equity method
- Investment properties
- Assets held for sale and disposal groups and liabilities from disposal groups held for sale
- Current tax assets and liabilities and
- Deferred tax assets and liabilities

Moreover, the revaluation reserve, cash flow hedge reserve and currency translation reserve sub-items within equity have been combined and are now presented as other reserves. Consolidated profit is now included in retained earnings. Furthermore, a more detailed breakdown of other comprehensive income has been provided in the statement of changes in equity. In addition, the statement of comprehensive income provides a breakdown of the changes in other comprehensive income according to changes recognized and changes not recognized in the income statement and changes in companies accounted for using the equity method. We have restated the prior-year figures accordingly.

We have also harmonized the maturity bands we report in our financial information and are also now reporting the nominal values of derivative transactions in the current financial year in Note 78 in the following maturity bands:

- due on demand
- up to 3 months
- 3 months to 1 year
- 1 to 5 years
- over 5 years

In order to further increase the transparency and consistency of the financial statements we have introduced the following changes in 2010.

In Notes 47, 48, 54, 62 to 64, 72 and 73 we have changed the information provided for the categories of financial instruments as defined by IAS 39.9. Where we previously disclosed the financial instruments for which the fair value option had been applied, we have replaced this with the disclosure of all financial instruments measured at fair value through profit or loss. Just like last year these items mainly include repos and reverse repos which are measured at fair value and are stated in claims on banks and customers as well as liabilities to banks and customers. The fair values are assigned according to the level II measurement hierarchy (Note 81). The information on financial instruments for which the fair value option is applied is contained in Note 82.

In addition, we have provided greater detail on general and administrative expenses in Note 39 Operating expenses.

We also now report own issues in the trading book separately under trading liabilities rather than securitized liabilities, as previously, and have provided more precise details of the remuneration of the Board of Managing Directors in Note 99.

We have restated the prior-year figures in the balance sheet, the statement of changes in equity and the relevant notes accordingly. However, these reclassifications had no impact on consolidated profit/loss and earnings per share for the financial years 2009 and 2010.

Furthermore, in connection with the integration of the former Dresdner Bank the different reporting structures for net interest income have also been harmonized. The adjustments to prior periods relate to both interest income and interest expense. The reclassifications within interest income for 2009 and the first quarter of 2010 were made from the available-for-sale financial assets to the loans and receivables category and within interest expense from the application of the fair value option category to interest expense for subordinated capital (measured at cost).

There was also an adjustment for 2009 to interest from derivative financial instruments that do not form part of the trading book. The reclassification was made from interest income from available-for-sale financial assets to other interest income.

In addition, foreign exchange commission earnings of the former Dresdner Bank now form part of net commission income rather than net trading income as previously. The restatement for 2009 amounted to €51m and relates to commission from payment transactions and foreign trade business. We have restated the prior-year figures accordingly.

For 2009 and the first two quarters of 2010 we have made a correction. These reclassifications for the financial years 2009 and 2010 had no impact on consolidated profit/loss, the balance sheet, the statement of changes in equity and earnings per share.

The adjustments in the net interest income note and in the income statement are shown in the tables below.

Adjustments in net interest income:

€m	Originally reported	Adjustment	Restated
Net interest income 1.1.–31.12.2009			
Interest income from lending and money market transactions and from the securities portfolio (available-for-sale)	2,905	–817	2,088
Interest income from lending and money market transactions and from the securities portfolio (loans and receivables)	16,439	444	16,883
Other interest income	289	373	662
Interest income total[1]	20,353	–15	20,338
Interest expense on subordinated and hybrid capital	981	115	1,096
Interest expense from applying the fair value option	332	–115	217
Total interest expense	13,164	–	13,164

[1] After reclassification of the €15m current income on companies accounted for using the equity method.

Effects of reclassification of foreign exchange commission income:

€m	Originally reported	Adjustment	Restated
Income statement 1.1.–31.12.2009[1]			
Net commission income	3,722	51	3,773
Net trading income[2]	–358	–51	–409

[1] Of the amounts reclassified in 2009 €13m are attributable to the first, €13m to the second, €12m to the third and €13m to the fourth quarter.
[2] Including net income on hedge accounting.

Since September 30, 2009, the recognition and measurement of derivatives in the Group has also taken account of counterparty default risks for Commerzbank Aktiengesellschaft by means of counterparty default adjustments (CDAs). We had already adjusted the figures for the prior quarters of 2009 in accordance with IAS 8.41 in the third quarter of 2009. This reduced the consolidated surplus by €3m in the first quarter of 2009 and by €15m in the second quarter. The prior-year figures for the relevant items in the quarterly statement have been restated accordingly.

(3) Consolidated companies

The consolidated financial statements include all material subsidiaries in which Commerzbank Aktiengesellschaft directly or indirectly holds more than 50% of the voting rights or exercises a controlling influence by other means. These also include significant special purpose entities and funds that are controlled as defined by SIC 12. Significant associates and jointly controlled entities are accounted for using the equity method.

Subsidiaries, associates and jointly controlled entities of minor significance for the Group's financial position have not been fully consolidated or not accounted for using the equity method; instead, they are reported under financial investments as holdings in non-consolidated subsidiaries or equity investments. These companies account for less than 0.3% (previous year: 0.2%) of the Group's total assets.

A full list of all ownership interests of the Commerzbank Group is contained in Note 106.

The following material subsidiaries, special purpose entities and funds were consolidated for the first time in 2010:

Name of company | €m	Equity share and voting rights in %	Acquisition cost	Assets	Liabilities
BRE.locum S.A., Lodz	80.0	5.4	73.8	47.7
BRE Ubezpieczenia Towarzystwo Ubezpieczen i Reasekuracji S.A., Warsaw	100.0	6.4	37.6	27.5
BRE Ubezpieczenia Sp.z o.o., Warsaw	100.0	1.5	8.2	5.3
BRE Holding Sp. z o.o., Warsaw	100.0	41.3	44.9	0.0
Commerzbank Finance 3 S.à.r.l. , Luxembourg	100.0	132.1	132.2	0.1
Commerzbank Leasing December (17) Limited, London	100.0	13.8	138.9	138.9
Commerzbank Leasing December (19) Limited, London	100.0	28.0	311.3	311.2
Commerzbank Leasing December (20) Limited, London	100.0	–	163.5	163.5
Commerzbank Leasing December (21) Limited, London	100.0	–	41.4	41.4
Commerzbank Leasing December (22) Limited, London	100.0	–	49.5	49.1
Commerzbank Leasing December (23) Limited, London	100.0	–	188.0	188.0
Commerzbank Leasing December (24) Limited, London	100.0	0.1	62.5	62.5
Commerzbank Leasing December (25) Limited, London	70.0	18.6	187.1	172.1
Commerzbank Leasing December (26) Limited, London	100.0	1.2	160.0	160.0
ComStage ETF Nikkei 225®, Luxembourg	26.5	125.8	125.9	0.1
ComStage ETF MSCI USA TRN, Luxembourg	65.4	154.2	155.5	1.3
ComStage ETF iBoxx € Liquid Sovereigns Diversified 3m-1 TR, Louxemburg	13.9	99.8	99.8	–
COMSTAGE ETF-IBOXX EUR. L.SOV.DIV. 5-7 TR, Luxembourg	75.0	101.4	103.5	2.1
ComStage ETF iBoxx € Sovereigns Germany Capped 3m-2 TR, Luxembourg	94.8	10.0	10.0	–
GS SICAV - UK Premia, Luxembourg	86.6	198.7	198.9	0.2
EH MoLu IV, LLC, Dover/Delaware	100.0	4.1	19.6	15.5
Film Library Holding LLC, Wilmington/Delaware	100.0	29.4	57.6	28.3
Galbraith Investments Ltd, London	100.0	–	170.5	170.5
Kommanditgesellschaft MS "CPO Toulon" Offen Reederei GmbH & Co. KG, Hamburg	90.0	45.3	37.9	11.0
Pisces Nominees Limited, London	100.0	65.8	2,110.1	2,018.0
Property Invest Italy Srl, Milan	100.0	60.3	109.2	48.9
Truckman Inc., Cayman Island	–	–	68.1	68.1

There were significant changes in the group of companies accounted for using the equity method as a result of a debt swap relating to the restructuring of the Bank's loan to Immobiliaria Colonial S.A., Barcelona. The Bank received equity in the borrower as a result of this swap. The swap was carried out in two stages. In the first stage the convertible bond was converted into equity and in the second stage the loan was converted into equity.

The first-time consolidations and first-time inclusion of companies accounted for using the equity method did not give rise to any goodwill. They are companies that have exceeded our materiality threshold for consolidation or equity accounting treatment or they are entities newly formed in the course of structured financings.

Subsequent measurement of the reserves and liabilities from the acquisition of Dresdner Bank uncovered in 2009 led to an expense of €278m before tax or €167m after tax being recognized in the income statement in the current financial year. The main effects derive from the imputation of interest to the subordinated and hybrid capital and from write-downs of the customer base and brand name.

The following subsidiaries, special purpose entities and funds have been sold or partially sold, or liquidated and are therefore no longer consolidated or measured using the equity method:

- Disposals
  - ADENARA Flugzeug-Leasinggesellschaft mbH & Co. Erste A319 KG, Karlsruhe
  - Allianz Dresdner Bauspar AG , Bad Vilbel
  - ASSERTA Flugzeug-Leasinggesellschaft mbH & Co. Zweite A319 KG, Karlsruhe
  - BONITAS Vermietungsgesellschaft mbH & Co. Objekt Bötzingen KG, Grünwald (Munich)
  - Commerz Real Beteiligungsgesellschaft mbH, Düsseldorf
  - dbi-BSK Rentenfonds, Frankfurt am Main
  - dbi-BSK Rentenfonds Plus, Frankfurt am Main
  - Dresdner Bank Monaco S.A.M., Monaco
  - Dresdner Van Moer Courtens S.A., Brussels
  - Dresdner VPV N.V., Gouda
  - Kleinwort Benson Channel Island Holdings Limited, St. Peter Port (sub-group including fully consolidated sub-group subsidiaries)
  - Kleinwort Benson Private Bank Limited Group, London (sub-group including fully consolidated sub-group subsidiaries)
  - Commerzbank Leasing December (2) Limited, London
  - Dresdner Kleinwort Leasing December (16) Limited,
  - London
  - Privatinvest Bank AG, Salzburg
  - TASKABANA erste Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Marl KG, Grünwald (Munich)

The proceeds from the sale of the companies amounted to roughly €0.5bn.

- Liquidations (including companies which have discontinued operations or entities that have permanently fallen below our materiality threshold for consolidation):
  - AGI Global Selection Balance, Luxembourg
  - ALLIANZ BULGARIA PENSION FUND, Paris
  - Alexandria Capital plc, Dublin[1]
  - Alternative Holding Partenaire, London[1]
  - CB Mezzanine Capital Limited Partnership, St. Helier/Jersey
  - Classic I (Cayman) Limited, George Town/Cayman Island[1]
  - Commerzbank December Leasing (18) Limited, London
  - DIT-Garantie Plus 2012, Luxembourg[1]
  - DIT-Protect Global Winner 2014, Luxembourg[1]
  - DKNA Phoenix LLC, Wilmington/Delaware
  - Dresdner Bank (DIFC) Limited, Dubai
  - Dresdner Finanziaria S.p.A., Milan
  - Dresdner Kleinwort (Drc) Limited, London
  - Dresdner Kleinwort (China) Ltd., East Hong Kong
  - Dresdner Kleinwort (Hong Kong) Ltd., East Hong Kong
  - Dresdner Kleinwort (Lbdp) Holdings Limited, London
  - Dresdner Kleinwort (Services) Inc, Panama City
  - Dresdner Kleinwort Derivative Investments Limited, London[1]
  - Dresdner Kleinwort Equipment LLC, Wilmington/ Delaware
  - Dresdner Kleinwort Finance EURL, Paris
  - Dresdner Kleinwort France SAS, Paris
  - Dresdner Kleinwort Metals Limited, London
  - Dresdner Kleinwort Overseas Employees Limited, London
  - Dresdner Kleinwort Securities (Asia) Holdings Ltd., East Hong Kong
  - Dresdner Kleinwort Securities France S. A., Paris
  - Dresdner Leasing 7 S.àr.l., Luxembourg
  - Dresdner Leasing 8 S.àr.l., Luxembourg
  - Eurohypo Representacoes Ltd., Sao Paulo[1]
  - H 47 GmbH & Co. KG, Düsseldorf
  - HQ Trust Kensington Ltd., George Town/Cayman Island[1]
  - Kaiserplatz Purchaser No. 8 Limited, St. Helier / Jersey
  - Idilias SPC (Silo VI), George Town/Cayman Island
  - KBEMF (GP) Limited, London
  - KP Avalon Limited, Dublin
  - Kreativ 1 Limited, St. Helier/Jersey
  - Priamos Limited, Tortola[1]
  - Ryder Square Limited, St. Helier/Jersey[1]
  - Sigma-1 CLO 2007, Dublin
  - Symphony No. 1 Llc, Wilmington/Delaware
  - Symphony No. 3 Llc, Dover / Delaware
  - The Riverbank Trust, London
  - Thebes Capital Plc, Dublin
  - Thebes Plc, Dublin

[1] Fell below materiality threshold.

The following companies were merged into Commerzbank Aktiengesellschaft or consolidated companies in the current financial year:

- CBG Commerz Beteiligungsgesellschaft mbH, Frankfurt am Main
- CG New Venture 2 GmbH & Co. KG, Wiesbaden
- CG New Venture 3 GmbH & Co. KG, Wiesbaden
- comdirect private finance AG, Quickborn
- Commerz Asset Management Holding GmbH & Co. KG, Frankfurt am Main
- Commerzbank Capital Markets Corporation, New York
- DreCo Erste Beteiligungs GmbH, Frankfurt am Main
- Dreiundzwanzigste DRESIB Beteiligungs-Gesellschaft mbH, Frankfurt am Main
- Dresdner Bank Luxembourg S.A., Luxembourg
- Dresdner Bank ZAO, St. Petersburg
- Dresdner Mezzanine GmbH & Co. KG, Frankfurt am Main
- GENUJO LOK BeteiligungsGmbH & Co. KG, Frankfurt am Main
- Genujo Vierte BeteiligungsGmbH, Frankfurt am Main
- Zenon Beteiligungs-GmbH, Frankfurt am Main

The following subsidiaries and companies accounted for using the equity method are reported as held for sale in accordance with IFRS 5 as there are plans to sell them and their sale within one year is highly probable:

- Companies from the Asset Based Finance segment:
  - Commerz Real Autoleasing GmbH, Hamburg
  - MS "CPO Alicante" Offen Reederei GmbH & Co.KG, Hamburg
  - MS "CPO Ancona" Offen Reederei GmbH & Co.KG, Hamburg
  - MS "CPO Barcelona" Offen Reederei GmbH & Co.KG, Hamburg
  - MS "CPO Bilbao" Offen Reederei GmbH & Co.KG, Hamburg
  - MS "CPO Cadiz" Offen Reederei GmbH & Co.KG, Hamburg
  - MS "CPO Marseille" Offen Reederei GmbH & Co.KG, Hamburg
  - MS "CPO Palermo" Offen Reederei GmbH & Co.KG, Hamburg
  - MS "CPO Toulon" Offen Reederei GmbH & Co.KG, Hamburg
  - MS "CPO Valencia" Offen Reederei GmbH & Co.KG, Hamburg
  - MS "CPO Vigo" Offen Reederei GmbH & Co.KG, Hamburg

Dresdner Bank Brasil S.A. Banco Multiplo, São Paulo, is largely reported in the Corporates & Markets segment. KGAL GmbH & Co. KG, Grünwald (Munich), which is accounted for using the equity method, is contained in the Others and Consolidation segment. Until the final disposal of the shares is completed we will measure groups held for sale in accordance with the regulations of IFRS 5 and will report their assets and liabilities separately in the relevant balance sheet items and notes and in the statement of changes in equity.

(4) Principles of consolidation

Subsidiaries are companies in which Commerzbank Aktiengesellschaft directly or indirectly holds the majority of the voting rights or where it has power to govern their financial and operating policies in another way and thus exercise control over them so as to obtain benefits from their activities. Consolidation takes effect from the date on which the Group acquires the majority of the voting rights or gains control over the company concerned.

For the consolidation of capital, we remeasure the assets and liabilities of subsidiaries completely every year, regardless of the percentage share of the equity which we held at the time of acquisition. The remeasured assets and liabilities are included in the consolidated balance sheet net of deferred taxes; hidden reserves and liabilities are accounted for in accordance with the applicable standards in subsequent reporting periods. If a positive difference remains on remeasurement, this is recognized as goodwill.

Associated companies are entities over which Commerzbank Aktiengesellschaft has a significant direct or indirect influence. A significant influence is assumed to exist where the share in the voting rights is between 20 % and 50 %. Additional criteria for judging whether there is significant influence include substantial business transactions with the entity in question, membership of a management or supervisory board, or involvement in setting the entity's business policies.

Jointly controlled entities are companies over which we exercise joint control together with another company. Joint control may arise as a result of each company holding equal voting rights or of contractual agreements.

Associated companies and jointly controlled entities are ordinarily accounted for using the equity method and are reported in the balance sheet under investments accounted for using the equity method.

The historical cost of these investments including goodwill is determined at the time of their initial consolidation, applying by analogy the same rules as for subsidiaries For material associated companies and jointly controlled entities the equity book value.

Holdings in subsidiaries not consolidated for reasons of immateriality and holdings in associated companies and jointly controlled entities which, because of their immateriality, are not accounted for using the equity method are shown under financial assets at their fair value or, if this cannot be reliably established, at cost.

Subsidiaries are deconsolidated on the date that the Bank loses its control over them. Equity accounting for holdings in associated companies ends on the date that the share of the voting rights falls below 20 % or other possibilities of exercising significant influence over the associated company cease to apply. Equity accounting for joint ventures ends on the date the joint management of the venture comes to an end.

The obligation to consolidate special purpose entities under certain circumstances derives from SIC 12. This stipulates that consolidation is required, if, in substance,

- the activities of the special purpose entity are conducted on behalf of the entity according to its specific business needs so that the entity obtains benefits from the operations of the special purpose entity;
- the entity has the decision-making powers to obtain the majority of the benefits of the activities of the special purpose entity or, by setting up an autopilot mechanism, the entity had delegated these decision-making powers;
- the entity has rights to obtain the majority of the benefits of the special purpose entity and therefore may be exposed to risks incident to the activities of the special purpose entity;
- the entity retains the majority of the residual or ownership risks related to the special purpose entity or its assets in order to obtain benefits from its activities.

In the Commerzbank Group the obligation to consolidate special purpose entities is examined by means of a process that includes transactions where we form a special purpose entity with or without the involvement of third parties, and transactions in which we enter into contractual relations with an already existing special purpose entity. The decision to consolidate is regularly reviewed by us. The list of all consolidated special purpose entities is contained in Note 106.

There are no restrictions on the ability of special purpose entities to transfer financial resources such as cash dividends on equity instruments or payments of interest and principal on debt instruments to Commerzbank. This applies firstly to special purpose entities where Commerzbank holds voting shares by virtue of company law which enable it to control all operating decisions including the transfer of financial resources. There are also no restrictions with regard to special purpose entities where Commerzbank does not hold shares by virtue of company law but has a right to financial transfers on the basis of debt contracts with the special purpose entities.

All receivables and liabilities as well as income and expenses based on intra-group business relationships are eliminated when liabilities and income and expenses are consolidated. Intra-group profits or losses are eliminated unless they are of minor importance.

(5) Financial instruments: recognition and measurement (IAS 39)

In accordance with IAS 39 all financial investments and liabilities - which also includes derivative financial instruments - must be recognized in the balance sheet. A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. On initial recognition financial instruments are measured at fair value; as a rule, this is the cost at the time they are acquired.

Depending on their respective category, financial instruments are recognized in the balance sheet subsequently either at (amortized) cost or fair value. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. Fair value is determined by the price established for the financial instrument in an active market (mark to market principle). If no market prices are available, fair value is established with the aid of valuation models (mark to model), which use market data as their parameters to the greatest extent possible.

The following section provides an overview of how the rules of IAS 39, in their latest version, have been applied within the Group:

a) Recognition and derecognition of financial instruments

A financial asset or a financial liability is generally recognized in the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. For regular way purchases or sales of financial assets in the cash market the trading and settlement dates normally differ. These regular way cash market purchases and sales may be recognized using either trade date or settlement date accounting. The Group uses trade date accounting for all regular way purchases and sales of financial assets both on recognition and derecognition.

The derecognition rules of IAS 39 are based both on the concept of risks and rewards and on the concept of control. However, when deciding whether an asset qualifies for derecognition, the evaluation of the transfer of risks and rewards of ownership takes precedence over the evaluation of the transfer of control.

If the risks and rewards are transferred only partially and control over the asset is retained, the continuing involvement approach is used. The financial asset continues to be recognized to the extent of the Group's continuing involvement and special accounting policies apply. The extent of the continuing involvement is the extent to which the Group is exposed to changes in the value of the transferred asset. A financial liability (or part of a financial liability) is derecognized when it is extinguished, i.e. when the obligations arising from the contract are discharged or cancelled or expire. The repurchase of own debt instruments is also a transfer of financial liabilities that qualifies for derecognition. Any differences between the carrying value of the liability (including discounts and premia) and the purchase price are recognized in profit or loss; if the asset is sold again at a later date a new financial liability is recognized whose cost is equal to the price at which the asset was sold. Differences between this cost and the repayment amount are allocated over the term of the debt instrument using the effective interest rate method.

b) Classification of financial assets and liabilities and their measurement

- Loans and receivables:
  Non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market are assigned to this category. This holds true regardless of whether they were originated by the Bank or acquired in the secondary market. An active market exists if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Measurement is at amortized cost. If there is impairment, this is recognized in profit or loss when determining the amortized cost. Premiums and discounts are recognized in net interest income over the life of the asset.

- Held-to-maturity financial investments:
  Non-derivative financial assets with fixed or determinable payments and fixed maturity may be included in this category if the entity has the positive intention and ability to hold them to maturity. Measurement is at amortized cost. If there is impairment, this is recognized in profit or loss when determining the amortized cost. Premiums and discounts are recognized in net interest income over the life of the asset. In the 2010 financial year Commerzbank Group again made no use of held-to-maturity financial assets.

- Financial assets or financial liabilities at fair value through profit or loss; this category comprises two sub-categories:

  – Financial assets or liabilities held for trading:
    This category includes financial assets and financial liabilities held for trading purposes (trading assets and trading liabilities). Trading assets include originated financial instruments (especially interest-bearing securities, equities and promissory note loans), precious metals and derivative financial instruments with a positive fair value.

Trading liabilities include, in particular, derivative financial instruments with a negative fair value, own issues in the trading book and delivery commitments arising from the short-selling of securities.

Derivative financial instruments used for hedging purposes are only reported under trading assets or trading liabilities if they do not meet the conditions for the application of hedge accounting (see below in this note). Otherwise, they are shown as fair values from derivative hedging instruments.

Trading assets and trading liabilities are measured at their fair value on each balance sheet date. Gains or losses on measurement or disposal are recorded under net trading income in the income statement.

The Commerzbank Group has undertaken transactions where the fair value was established using a valuation model in which not all of the main input parameters were based on observable market parameters. Such transactions are recognized in the balance sheet at the transaction price. The difference between the transaction price and the fair value under the model is termed the day one gain or loss. The day one gain or loss is not recognized immediately but shown in the income statement pro rata over the term of the transaction. If it is possible to determine a reference price for the transaction in an active market or the main input parameters are based on observable market data, the accrued day one gain or loss is recognized directly in trading profit or loss.

– Financial instruments designated at fair value through profit or loss:
  Under the fair value option it is permissible to voluntarily measure each financial instrument at fair value and reflect the net result of this valuation in the income statement. The decision whether to use the fair value option or not must be made upon acquisition of the financial instrument and is irrevocable.

  The fair value option may be applied for a financial instrument provided that

  – an accounting mismatch will be prevented or significantly reduced, or
  – a portfolio of financial instruments is managed, and its performance is measured on a fair value basis, or
  – the financial instrument has one or several embedded derivatives that must be separated.

  Financial instruments for which the fair value option is employed are shown in the appropriate balance sheet item for their respective category. The results of this measurement are recognized in profit or loss under net trading income. Interest income and expenses are reported in net interest income. Further details on how and to what extent the fair value option is used in the Commerzbank Group can be found in Note 82.

- Available-for-sale financial assets:
  This category comprises all non-derivative financial assets not assignable to one of the above categories or which have been designated as available-for-sale. Primarily, these are interest-bearing securities, equities and investments. They are measured at fair value. If in exceptional cases the fair value of equity instruments cannot be reliably determined, measurement is at amortized cost. After deferred taxes have been taken into consideration, gains and losses on measurement are shown in a separate equity item under Other reserves (revaluation reserve) without being recognized in profit or loss. Premiums and discounts on debt instruments are recognized under net interest income over the life of the instrument. If the financial asset is sold, the cumulative measurement gain or loss previously recognized in the revaluation reserve is reversed and taken to profit or loss. If the asset's value is impaired, the revaluation reserve is adjusted for the impairment and the amount is recognized in profit or loss. For impairment reversals a distinction is made between equity and debt instruments. While impairment reversals of equity instruments are recognized directly in equity, reversals of debt instruments where the reason for impairment has ceased to apply are only recognized in profit or loss up to a level not exceeding the impairment.

- Other financial liabilities:
  All financial liabilities that are not classified as held for trading and to which the fair value option was not applied are allocated to the category Other financial liabilities. This category includes liabilities to banks and customers as well as securitized liabilities. Measurement is at amortized cost. Premiums and discounts are recognized in net interest income over the life of the asset.

  Net gains or losses include fair value measurements recognized through profit or loss, impairments, impairment reversals, gains realized on disposal, and subsequent recoveries on written-down financial instruments classified in the respective IAS 39 categories. The components are detailed for each IAS 39 category in the notes on net interest income, loan loss provisions, net trading income and net income from financial investments.

c) Financial guarantee contracts

IAS 39 defines a financial guarantee contract as a contract that requires the issuer to make specified payments that reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. If Commerzbank is the guarantee holder, the financial guarantee is not recorded in the accounts and only recognized when determining an impairment of a guaranteed asset. As the issuer, the Commerzbank Group recognizes the liability arising from a financial guarantee at inception. Initial valuation is at fair value at the time of recognition. In general terms, the fair value of a financial guarantee at inception is zero because for fair market contracts the value of the premium agreed normally corresponds to the value of the guarantee obligation. A check is performed on subsequent recognition to determine whether a risk provision is necessary.

If a financial guarantee is a component of a financing commitment where there is an intention to trade, the financial guarantee also has to be classified as held-for-trading. Such financial guarantees are then treated in accordance with the rules for held-for-trading instruments rather than those set out above (see Note 5b).

d) Embedded derivatives

IAS 39 also regulates the treatment of derivatives embedded in originated financial instruments (embedded derivatives). These include, for example, reverse convertible bonds (bonds that may be repaid in the form of equities) or bonds with index-linked interest payments. According to IAS 39, under certain conditions the embedded derivative must be shown separately from the host contract as a stand-alone derivative.

Such a separation must be made if the following three conditions are met:

- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative under IAS 39; and
- the hybrid (combined) contract is not measured at fair value through profit or loss.

In this case, the separately shown embedded derivative is regarded as part of the trading portfolio and recognized at fair value. Changes on revaluation must be recognized in the net gain/loss on remeasurement of derivative financial instruments within net trading income. The host contract is accounted for and measured applying the rules of the category to which the financial instrument is assigned.

If the above three conditions are not met, the embedded derivative is not shown separately and the hybrid financial instrument or structured product is measured as a whole in accordance with the general provisions of the category to which the financial instrument is assigned.

e) Hedge accounting

IAS 39 contains extensive hedge accounting regulations, i.e. accounting for hedging instruments – especially derivatives – and the underlying hedged transactions.

In line with general regulations, derivatives are classified as trading assets or trading liabilities and are measured at fair value. The net valuation gain/loss is shown under net trading income.

If it can be demonstrated that derivatives are used to hedge risks from non-trading transactions, IAS 39 permits the application of hedge accounting rules under certain conditions. Two main types of hedge accounting are used:

- Fair value hedge accounting:
  IAS 39 prescribes the use of hedge accounting for derivatives which serve to hedge the fair value of recognized assets or liabilities. It is above all the Group's issuing and lending business and its securities holdings for liquidity management, where these consist of fixed-income securities, that are subject to this fair value risk. Interest rate swaps are primarily used to hedge these risks.

  In line with the regulations for fair value hedge accounting, the derivative financial instruments used for hedging purposes are recognized at fair value as fair values from derivative hedging instruments. Changes upon remeasurement are recognized through profit or loss under net income from hedge accounting. Any changes in the fair value of the hedged asset or hedged liability resulting from an opposite move in the hedged risk are also recognized through profit or loss in net income from hedge accounting.

  For interest rate risks fair value hedge accounting can take the form of either a micro fair value hedge or a portfolio fair value hedge.
  - In micro fair value hedge accounting an underlying transaction is linked with one or more hedging transactions in a hedging relationship. The carrying amounts of the hedged transactions are adjusted through profit or loss in the event of changes in fair value attributable to the hedged risk.
  - In a portfolio fair value hedge interest rate risks are hedged at the portfolio level. It is not individual transactions or groups of transactions with a similar risk structure that are hedged, but instead a portfolio of underlying transactions is created grouped by maturity bands in accordance with the expected repayment and interest adjustment dates. Portfolios can consist solely of assets or liabilities or of both. In this type of hedge accounting the changes in fair value of the underlying transactions are recognized on both sides of the balance sheet as a separate asset and liability item. The hedged amount of the underlying transactions is determined in the consolidated financial statements exclusive of demand or savings deposits (we are therefore not utilizing the EU carve-out regulations).

- Cash Flow Hedge Accounting:
  IAS 39 prescribes the use of cash flow hedge accounting for derivatives which serve to hedge the risk of a change in future cash flows. Derivatives used in cash flow hedge accounting are measured at fair value. The effective portion of gains and losses are recognized net of deferred taxes in the cash flow hedge reserve. The ineffective portion, however, is recognized through profit or loss in net income from hedge accounting. The general accounting rules set out above continue to apply to the transactions underlying cash flow hedges.

The application of hedge accounting rules is tied to a number of conditions. These relate above all to the documentation of the hedging relationship and also to its effectiveness.

The hedge has to be documented at inception. Documentation must include in particular the identification of the hedging instrument, the related hedged item or transaction, the nature of the risk being hedged and how effectiveness of the hedge is assessed. In addition to documentation, IAS 39 requires the effectiveness of a hedge to be demonstrated in order for hedge accounting rules to be applied. Effectiveness in this context means the relationship between the change in fair value or cash flow of the hedged item and the change in fair value or cash flow of the hedging instrument. If these changes offset each other almost fully, a high degree of effectiveness exists. Proof of effectiveness requires, firstly, that a high degree of effectiveness can be expected from a hedge in the future (prospective effectiveness); secondly, when a hedge exists, it must be regularly demonstrated that it was highly effective during the period under review (retrospective effectiveness). A high degree of retrospective effectiveness exists if the ratio of changes in the fair values or cash flows is between 0.8 and 1.25.

Commerzbank uses regression analysis to measure effectiveness in micro fair value hedge accounting. The changes in fair value of the hedged transaction and the hedging instrument for the prospective effectiveness test are determined by means of historical simulations. The actual changes in fair value are used for the retrospective effectiveness test. Regression analysis is also used for the prospective effectiveness test in portfolio fair value hedge accounting, while the dollar-offset method is used for the retrospective effectiveness test.

(6) Currency translation

Monetary assets and liabilities denominated in foreign currencies and pending spot foreign exchange transactions are translated at the spot mid rate, and foreign exchange forward contracts at the forward rate, on the balance sheet date. Realized income and expenses are normally converted at the spot rate applying on the date of realization. Average prices may also be used to convert income and expenses, provided these prices are representative, i.e. the price has not undergone major fluctuations. Hedged expenses and income are translated at the hedging rate. Expenses and income generated by the translation of balance sheet items are recognized through profit or loss in net trading income.

Non-monetary items such as investments in associates are generally translated at historic exchange rates, if they are measured at amortized cost. If they are measured at fair value, we use the rate on the balance sheet date for translation. Gains and losses on the translation of non-monetary items are recognized either in equity or through profit or loss depending on the way in which the net gain or loss is recognized.

Income and expenses in the financial statements of consolidated subsidiaries and companies accounted for using the equity method are translated at the exchange rate prevailing on the transaction date. For simplification purposes a price can be used for translation which represents an approximation of the exchange rate on the transaction date, for example the average price of a period. All differences arising on translation are recognized as a separate component of equity in the currency translation reserve. Translation gains and losses from the consolidation of the capital accounts are also recognized in equity in the reserve from currency translation. On the date such assets are sold, the translation gains or losses are recognized in the income statement in net income from financial investments.

(7) Cash reserve

The cash reserve comprises cash on hand, balances held at central banks, debt issued by public-sector borrowers and bills of exchange eligible for rediscounting at central banks. With the exception of debt issued by public-sector borrowers, which is shown at its fair value, all the items are stated at their nominal value.

(8) Claims

The Commerzbank Group's claims on banks and customers which are not held for trading and are not quoted on an active market are reported at amortized cost. Premiums and discounts are recognized in net interest income over the lifetime of the claim. The carrying amounts of claims to which micro fair value hedge accounting is applied are adjusted for the changes in fair value attributable to the hedged risk. Claims recognized under the fair value option are shown at their fair value. In portfolio fair value hedge accounting the changes in fair value are reported under assets as positive adjustments to fair value attributable to portfolio fair value hedges.

(9) Loan loss provisions

We make provision for default risks arising from lending business in the form of specific and portfolio valuation allowances.

In order to cover the lending risks represented by claims on customers and banks, specific valuation allowances according to uniform Group standards are formed. Valuation allowances are established for a loan if it is probable on the basis of observable criteria that not all the payments of interest and principal will be made as agreed. The valuation allowance corresponds to the difference between the carrying value of the loan less the present value of the expected future cash flow.

In addition, we account for credit risk by means of portfolio valuation allowances. The level of the portfolio valuation allowances is determined using parameters derived from the Basel II system.

The total amount of the provision for possible loan losses, insofar as it relates to claims on the balance sheet, is deducted from the respective balance sheet items. However, provision for risks in off-balance-sheet business – guarantees, endorsement liabilities, lending commitments – is shown as a provision for credit risks.

Unrecoverable accounts for which no specific valuation allowances have been formed are written off immediately. Amounts recovered on claims written-off are recognized in the income statement under the provision for possible loan losses. Impaired claims are (partially) written down, utilizing any specific valuation allowances, if such claims turn out to be partially or entirely unrecoverable. Portions of impaired claims in excess of the current provision for loan losses are also written off immediately if they are unrecoverable.

(10) Repurchase agreements and securities lending transactions

Repo transactions combine the spot purchase or sale of securities with their forward sale or repurchase, the counterparty being identical in both cases. The securities sold under repurchase agreements (spot sale) continue to be reported, and are measured, in the consolidated balance sheet as part of the securities portfolio. The inflow of liquidity from the repo transaction is shown in the balance sheet as a liability to either banks or customers, depending on the counterparty. The agreed interest payments are recognized as interest expense according to maturity in net trading income and, if they are not the result of trading transactions, in net interest income.

The outflows of liquidity arising from reverse repos are accounted for as claims on customers or banks and – if they are attributable to the banking book – are measured at amortized cost. Reverse repos in trading activities are measured at fair value. The securities bought under repurchase agreements which underlie the financial transaction (spot purchase) are not carried in the balance sheet and are thus not measured. The agreed interest payments are recognized as interest income according to maturity in net trading income and, if they are not the result of trading transactions, in net interest income. We report securities lending transactions in a similar manner to securities repurchase agreements. Securities lent remain in our securities portfolio and are measured according to the rules of IAS 39. Borrowed securities do not appear in the balance sheet, nor are they valued. We show cash collateral which we have furnished for securities lending transactions as a claim and collateral received as a liability.

Therefore the same risks and opportunities apply to financial assets which have been transferred but not derecognized as apply to the non-transferred financial assets described in Note 5.

(11) Value adjustment portfolio fair value hedges

The positive and negative changes in fair value of the hedged transactions for which portfolio fair value hedge accounting is used are shown in this item.

(12) Positive fair values attributable to derivative hedging instruments

Derivative financial instruments used for hedging purposes which qualify for hedge accounting and have a positive fair value are reported in this item. The hedging instruments are measured at fair value.

Listed hedging instruments are measured at market prices; for unlisted instruments comparative prices and internal valuation models (net present value or option price models) are used. The hedge accounting results for fair value hedges appear in the income statement under net income from hedge accounting. Net income from hedge accounting also includes the ineffective portions of gains and losses on cash flow hedges; effective portions are recognized directly in equity in the reserve from cash flow hedges.

(13) Trading assets

Financial instruments held for trading purposes are carried in the balance sheet at their fair value on the balance sheet date. Also shown at fair value are all derivative financial instruments which are not used as hedging instruments in hedge accounting and have a positive fair value. Lending commitments with a positive fair value and precious metals transactions are also included in this item.

For listed products market prices are used; for unlisted products comparable prices, indicative prices from pricing service providers or other banks (e.g. lead managers) or internal valuation methods (present value or option price models) are used.

All realized gains or losses and any unrealized valuation gains or losses are included in net trading income in the income statement. Interest and dividend income from trading portfolios, less related funding costs, are also shown in net trading income.

(14) Financial investments

Financial investments are financial instruments not assigned to any other balance sheet item. Financial investments comprises all bonds, notes and other interest-rate-related securities, shares and other equity-related securities, investments and holdings in non-consolidated subsidiaries unless they must be treated as assets held for sale as defined by IFRS 5. Holdings in companies not accounted for using the equity method and in jointly controlled entities are reported as financial investments under investments in associates.

Financial instruments from the loans and receivables category contained in financial investments are measured at amortized cost. In the case of reclassifications we apply the fair value at the time of reclassification as the new carrying value of securities portfolios. The revaluation reserve net of deferred taxes existing at this point remains in the relevant item in equity and is amortized over the remaining term of the reclassified securities.

Portfolio items classified as available for sale financial assets are recognized and measured at their fair value. If the fair value cannot be found on an active market, items are measured by means of comparable prices, indicative prices of pricing service providers or other banks (e.g. lead managers) or internal valuation models (net present value or option pricing models). If in exceptional cases the fair value of equity instruments cannot be reliably determined, they are reported at historic cost less any necessary impairment.

Measurement gains and losses on available for sale financial assets are recognized – after deferred taxes – in the revaluation reserve in equity. Realized gains and losses are only recognized in the income statement under net income from financial investments if the holdings are sold or in the event of impairment.

Premiums and discounts are recognized in net interest income over the lifetime of the claim. Net interest income also shows interest income from bonds, dividends on shares including shares in unconsolidated affiliated companies and current profits or losses from equity investments.

If, however, an effective fair value hedge with a derivative financial instrument exists for financial instruments recognized here, that part of the change in fair value attributable to the hedged risk is shown as part of net trading income under net income from hedge accounting. Changes in the fair values of financial investments to which the fair value option has been applied are recognized in the net gain/loss from application of the fair value option, which is also part of net trading income.

In accordance with IAS 39.59 financial instruments reported under financial investments must be monitored for any objective indications of a loss (such as breach of contract, loss event, increased likelihood of bankruptcy proceedings or insolvency) incurred after the date of initial recognition that would lead to a reduction in the cash flow arising from them. An impairment exists when the net present value of the expected cash flows is lower than the carrying value of the financial instrument concerned. In the event of an impairment, the net change is no longer recognized under equity as part of the revaluation reserve but must be taken through the income statement under net investment income as an impairment charge.

In the case of equity instruments, the value of the asset is impaired, for instance, if the fair value is either significantly or persistently lower than the historic cost.

In the Commerzbank Group, equity instruments in the available-for-sale portfolio are written down if their fair value is either significantly lower than their historic cost (≥20%) or has been below historic cost for a considerable period (at least nine months). Besides these quantitative trigger events, the qualitative trigger events cited in IAS 39.59 are also taken into account in the monitoring process.

No impairment reversals through profit or loss may be made for equity instruments designated as available for sale; instead, they are recognized directly in the revaluation reserve in equity. Accordingly, the income statement is only affected in the event of impairment or disposal. Impairment reversals are never permitted on unlisted equity instruments for which it is not possible to determine a reliable fair value on a regular basis and that are therefore recognized at historic cost less any necessary impairment.

If any qualitative trigger events exist (IAS 39.59), debt instruments in the available-for-sale financial assets portfolio are individually reviewed for impairment and, if necessary, written down. To make qualitative trigger events operative, additional indicators for an impairment have been developed in the Commerzbank Group. For example, an impairment charge for debt instruments in the available-for-sale portfolio must generally be recognized if the debtor's rating is CCC or lower (see Note 84; S&P rating) and the fair value is lower than amortized cost.

If the reasons for an impairment of debt instruments classified as available-for-sale financial assets cease to apply, the impairment of the debt instruments is reversed through profit or loss, but to no more than the level of amortized cost. Any amount exceeding amortized cost is recognized in the revaluation reserve.

For financial instruments classified as loans and receivables impairments are recognized in a similar manner as in lending business (see Note 5). Impairments are recognized in the income statement under net income from financial investments. If the indicators for impairment of particular securities cease to apply or no longer suggest an impairment, the impairment of the securities must be reversed through profit or loss, but to no more than the level of amortized cost. Similarly, an improved risk environment can lead to the reversal of an impairment that was previously recognized at the portfolio level.

(15) Intangible assets

Intangible assets mainly consist of software, acquired brand names, customer relationships and goodwill. They are shown at amortized cost. Software and customer relationships are written off on a straight line basis due to their limited useful economic lives. For the other brands and goodwill impairment tests are carried out at least annually.

Impairment test methodology

All goodwill and brand names are allocated to the cash-generating units at the time of acquisition. Commerzbank has defined the segments as cash generating units in accordance with IFRS 8. Further details are provided on the segments in Note 45. The expected future economic benefits of these assets are tested at the level of the individual underlying cash generating units at least once annually at each balance sheet date. In the process, the carrying amount of the capital employed in a cash generating unit (including the attributed goodwill) is compared with the recoverable amount of these assets. The recoverable amount is the higher of value in use and fair value less costs to sell. The value in use is based on the expected profitability of the unit and the cost of capital as set out in the medium-term

planning for the individual segments approved by the board. If the value in use falls below the carrying amount, the fair value less costs to sell is also calculated. The higher of the two figures is reported.

Assumptions underlying the impairment testing

The discounted cash flow calculations are based on the multi-year planning for the segments. In addition to profitability projections this involves forecasts for risk weighted assets and capital employed. The main value drivers are receivables volumes, net interest income after provisioning and net commission income. Risk assets are a further sensitive planning parameter. The projections are based on forecasts from the economic research department for the macroeconomic outlook as well as other significant parameters such as movements in interest rates, exchange rates, equity and bond markets. Planning is based both on management's past experience and an assessment of risks and opportunities based on the forecasts.

Multi-year planning normally has a four-year (previously three-year) horizon. For impairment testing the profitability projections from the last planning year were extrapolated up to 2019 in order to reflect the effects of Basel III together with transitional statements on capital employed.

In calculating the discounted cash flow we use average risk-adjusted interest rates of between 11.1% (previous year: 12.1%) and 12.2% (previous year: 13.4%). A long-term growth rate of 2% is assumed for all segments (previous year: 2%).

If there are objective indications that the economic benefits originally identified will no longer be realized, an impairment must initially be recognized on the cash-generating unit's goodwill and reported in a separate item in the income statement. Any additional impairment required is divided pro-rata between the remaining assets in the unit.

The acquired rights to the Dresdner Bank brand were written off in full in 2010. This brand is now only used in one branch in Dresden.

We amortize acquired customer relationships over a period of seven to fifteen years.

Software is amortized on a straight-line basis over its expected useful economic life of two to ten years and charged to operating expenses. Software includes both proprietary software and acquired software. Software acquired in the Dresdner Bank acquisition is amortized on a straight-line basis up to the migration date, provided it is no longer needed after this date.

Where the reason for an impairment recognized in previous financial years ceases to apply, the impairment of intangible assets is reversed but not to more than the level of amortized cost. Impairment reversals are not permitted for goodwill.

(16) Fixed assets

The land and buildings, and also office furniture and equipment, shown under this item are capitalized at cost, less regular depreciation. Impairments are made in an amount by which the carrying value exceeds the higher of fair value less costs to sell and the value in use of the asset.

Where the reason for recognizing an impairment in previous financial years ceases to apply, the impairment is reversed but not to more than the level of amortized cost.

In determining the useful life, the likely physical wear and tear, technical obsolescence and legal and contractual restrictions are taken into consideration. All fixed assets are depreciated or written off over the following periods, using the straight-line method:

in years	Expected useful life
Buildings	30–50
Office furniture and equipment	2–23

Office furniture and equipment acquired in the Dresdner Bank acquisition, for example IT hardware, branch furnishings and fixtures and fittings is depreciated on a straight line basis up to the migration date, provided it is no longer needed after this date, otherwise over the expected useful life.

In line with the materiality principle, purchases of low-value fixed assets were recognized immediately as operating expenses. Profits realized on the disposal of fixed assets appear under other income, with losses being shown under other expenses.

(17) Leasing

In accordance with IAS 17, a lease is classified as an operating lease if it does not substantially transfer to the lessee all the risks and rewards incidental to ownership. By contrast, leases where substantially all of the risks and rewards are transferred to the lessee are classified as finance leases. The present value of the lease payments is central to determining the risks and rewards of the lease. If the present value amounts to at least substantially all of the fair value of the leased asset, the lease is classified as a finance lease. The most commonly leased assets are properties and vehicles.

The Group as lessor

- Operating leases
  If the risks and rewards of ownership remain substantially with the lessor, the asset will continue to be reported on the balance sheet. Leased assets are reported in the balance sheet under other assets and are shown at cost, less regular depreciation over their useful economic lives and/or impairments. Unless a different distribution suggests itself in individual cases, we recognize the proceeds from leasing transactions on a straight-line basis over the lifetime of the lease and report them under Other net income.
- Finance leases
  If virtually all the risks and rewards relating to the leased asset are transferred to the lessee, the Commerzbank Group recognizes a claim on the lessee. The claim is shown at its net investment value at the inception of the lease. Leasing payments received are divided into an interest portion and a repayment portion. The income is recognized as interest income through profit or loss for the respective period.

Real estate leasing agreements have a fixed basic rental period and generally include an option for the lessee to buy. The payments to be made by the lessee are calculated based on the total investment costs less the residual value of the leased asset as determined at the start of the leasing agreement. During the fixed basic rental period the lessee bears all the asset-related costs and the third-party costs of the leasing company. The risk of unexpected or partial loss of the leased asset is borne by the lessor.

Leasing agreements for moveable assets (vehicles, IT equipment) are structured as partially amortizing agreements with an option to purchase and can be terminated. Because the fixed rental period is shorter in relation to the normal length of use in the case of partially amortizing agreements, only part of the total investment costs are amortized.

Leases which may be terminated have no fixed rental period. In the event of termination a previously agreed final payment becomes due, which covers the portion of the total investment costs not yet amortized. If notice of termination is not given, the lease rolls over. The risk of unexpected or partial loss of the leased asset is again borne by the lessor.

The Group as lessee

Expenditure on operating leases is always recorded on a straight-line basis over the life of the leasing agreement and reported under operating expenses.

Finance leases where the Commerzbank Group is a lessee are of minor significance.

(18) Investment properties

Investment properties are defined as land and buildings held for the purpose of earning rental income or because they are expected to increase in value. Commerzbank Group also reports properties acquired as a result of the realization of collateral in this category.

Investment properties are valued at cost, including directly attributable transaction costs, on initial recognition in accordance with IAS 40. The fair value model is used for the subsequent valuation of investment property. Fair value is normally determined on the basis of annual valuations conducted by internal experts and on prices currently obtainable in the market. Properties used for commercial purposes are usually valued based on capitalized income; individual residential buildings are generally valued using the cost or sales comparison approach. Gains and losses arising from changes in fair value are shown under other result in the income statement for the period.

Current income and expenses are recognized in net interest income.

(19) Assets held for sale and disposal groups

Non-current assets and disposal groups that can be sold in their current condition and whose sale is highly probable must be classified as held for sale. These assets must be valued at fair value less costs to sell in cases where this is lower than book value. In the event of impairments these are recognized through profit or loss in net income from financial investments for disposal groups and in Other net income for non-current assets. Any subsequent write-up is limited to the total of impairments previously recognized.

(20) Liabilities

If attributable to the banking book, financial liabilities are carried at amortized cost. The derivatives embedded in liabilities have been separated from their host debt instrument where this is required, measured at fair value and shown under either trading assets or trading liabilities. In micro fair value hedge accounting, hedged liabilities have been adjusted for the fair value attributable to the hedged risk. In portfolio fair value hedge accounting the changes in fair value are reported under liabilities as adjustments to fair value attributable to portfolio fair value hedges. Liabilities for which the fair value option is used are recognized at their fair value.

(21) Negative fair values attributable to hedging instruments

This item shows derivative financial instruments that are used for hedging purposes and qualify for hedge accounting if they have a negative fair value. The hedging instruments are measured at fair value.

Listed hedging instruments are measured at market prices; for unlisted instruments comparative prices and internal valuation models (net present value or option price models) are used. Under the terms of fair value hedges, changes in fair value of hedging instruments are reported in net income from hedge accounting in the income statement. By contrast, effective portions of the gains and losses on cash flow hedges are recognized under valuation of cash flow hedges in equity.

(22) Trading liabilities

Derivative financial instruments which are not used as hedging instruments in hedge accounting, lending commitments in the trading book which have a negative fair value, own issues in the trading book and delivery obligations arising from short sales of securities are reported under trading liabilities. Trading liabilities are recorded at fair value through profit and loss, with market prices are being used for listed financial instruments and comparable prices or internal valuation models (net present value or option pricing models) for unlisted products. All realized gains or losses and any unrealized measurement gains or losses are included in net trading income in the income statement.

(23) Provisions

A provision must be shown if on the balance sheet date, as the result of an event in the past, a current legal or factual obligation has arisen, an outflow of resources to meet this obligation is likely and it is possible to make a reliable estimate of the amount of this obligation. Accordingly we make provisions for liabilities of an uncertain amount to third parties and anticipated losses arising from pending transactions in the amount of the claims expected.

The different types of provisions are allocated via various items in the income statement. Provisions for lending business are charged to the provision for possible loan losses and the provisions for restructuring to restructuring expenses. Other provisions are generally charged to operating expenses.

Restructuring provisions are recognized if the Commerzbank Group has a detailed formal restructuring plan and has already begun implementing this plan or has announced the main details of the restructuring. The detailed plan must contain information on the departments involved, the approximate number of staff whose jobs are affected by the restructuring, the costs involved and the period during which the restructuring will be carried out. The detailed plan must be communicated in such a way that those affected can expect it to be realized. The restructuring expenses item in the income statement contains further direct restructuring expenses which are not included in the restructuring provision.

Discounting

The amount recognized as a provision represents the best possible estimate of the expense required to meet the current obligation as at the reporting date. The estimate takes account of risks and uncertainties. Provisions are recognized at their net present value if they are long-term.

(24) Provisions for pensions and similar commitments

The company pension arrangements for current and former employees of Commerzbank Aktiengesellschaft and a number of domestic subsidiaries, together with their surviving dependants, are based on a number of different benefit schemes (both defined benefit and defined contribution plans).

In the defined contribution plans employees acquire a pension entitlement based on a contribution-related commitment from an external pension provider. To finance this the Group, together with its current employees, pays a fixed amount to external pension providers such as Versicherungsverein des Bankgewerbes a. G. (BVV), Berlin and Versorgungskasse des Bankgewerbes e.V., Berlin.

The level of current and future pension benefits is determined by contributions paid and the return earned on the assets. For these indirect systems the accounting standards laid down in IAS 19 for a defined contribution plan are applied, which means that the contributions paid to the external pension providers are recognized under personnel expenses. No provisions are formed.

The Group also operates defined benefit plans based on a direct pension commitment on the part of Commerzbank, where the level of the pension payment is fixed and dependent on factors such as age, salary level and length of service. IAS 19 accounting principles for defined benefit pension plans are applied to these pension schemes, which means that provisions are formed.

For employees entitled to pension benefits who joined Commerzbank Aktiengesellschaft or certain other consolidated companies before December 31, 2004, the pension entitlements are based on the regulations of the Commerzbank modular plan for pension benefits, known as CBA. The amount of the benefits under CBA consists of an initial module for the period up to December 31, 2004, plus a benefit module – possibly augmented by a dynamic module – for each contributory year from 2005 onwards. Staff joining the Bank after January 1, 2005 have pension rights under the Commerzbank capital plan for company pension benefits, known as CKA. The amount of the benefits paid under CKA consists of a contribution-based guaranteed payment for each contributory year from 2005 plus a performance-related bonus. Performance is measured throughout the period that contributions are paid until a pension is due.

Since January 1, 2010 the direct pension arrangements for staff formerly employed by Dresdner Bank Aktiengesellschaft have also been based on the pension modules of the CBA. The transfer of staff to the CBA from January 1, 2010 was based on the procedure used by Commerzbank in 2004 when it reorganized its company pensions for its own staff at the time.

In order to meet direct pension liabilities, cover assets have been transferred to a legally independent trustee, Commerzbank Pension Trust e. V. (CPT). Both sets of assets held by CPT qualify as plan assets within the meaning of IAS 19.7. Pursuant to IAS 19.54 the transferred assets may be netted with the present value of the defined benefit obligations, which results in a corresponding reduction in pension provisions within the Group.

In addition to the above mentioned pension plans, there is an internally-financed healthcare plan in the UK which entitles members in retirement to reimbursement of medical costs or a contribution to private medical insurance. The resulting obligations are accounted for according to the rules for defined benefit pension plans as specified by IAS 19.

Pension expense reported under personnel expenses for the direct pension commitments consist of two components: the service cost, representing the entitlements earned by members during the financial year; and the interest cost on the present value of the pension obligations, as the time when the pension obligations will have to be met has moved forward by one period. Set against this, the expected net income from the assets in the scheme reduces pension expense. Moreover, the level of pension expense continues to be affected by the amortization of actuarial gains or losses which have not yet been recognized in the income statement. If the direct pension commitments are changed and this leads to a change in the payment obligation, a past service cost (or income) is reported.

The size of the provision in accordance with IAS 19.54 is therefore as follows:

Present value of the defined-benefit obligation (DBO) for direct commitments
less fair value of plan assets
less/plus unrecognized actuarial losses/gains
less/plus any past service cost
or income which has not yet been recognized
= level of the pension provision

For defined-benefit plans the pension provisions and similar obligations (e.g. age-related short-time working, early retirement and anniversary provisions) are calculated annually by an independent actuary using the projected unit credit method. This calculation is based on biometric assumptions (for example, Heubeck-Richttafeln 2005G), the current market interest rate for prime long-term corporate bonds and on assumptions for staff turnover and career trends as well as future rates of salary and pension increases.

According to IAS 19.92 ff., any actuarial profits and losses that have not yet been amortized do not have to be recognized until the reporting period in which they exceed the corridor of 10 % of the greater of DBO or the fair value of the plan assets at the beginning of the period.

Commerzbank has decided to recognize unrealized actuarial profits and losses faster than the standard amortization schedules recommended in IAS 19. Above a significance threshold of 75% of the 10% corridor, 20% of the gains or losses within the corridor are amortized.

(25) Staff remuneration plans

1. Description of the main remuneration plans

a) Commerzbank Aktiengesellschaft

Long-Term Performance Plans (LTPs)

In the past, Commerzbank annually set up long-term performance plans (LTPs) for managers and other selected employees. No new LTP has been set up since 2009 and there are no plans to launch any more plans for the foreseeable future.

Managers and staff at Commerzbank Aktiengesellschaft, various subsidiaries in Germany and at selected operational units outside Germany were eligible to participate in these plans. In order to participate in the LTPs, those eligible had to invest in Commerzbank shares.

Payment of the LTP is dependent upon Commerzbank Aktiengesellschaft paying a dividend in the financial year in which the payment takes place. Eligible participants receive a maximum of €100 per share paid out in cash.

After three years the base prices of the issuing year are compared with the prices in the first quarter of the year in question. Payment is made if the Dow Jones Euro Stoxx is outperformed by at least 1 percentage point (for 50% of the shares paid in as their own participation) and/or an increase in the price of the Commerzbank share of at least 25% over the base price (for 50% of the shares paid in as their own participation). If none of the exercise criteria have been met after three years have elapsed, the comparison is repeated at annual intervals. The data from the issuing year remain the basis for comparison. If none of the performance targets have been achieved after five years, the plan is terminated.

No payouts were made under LTPs in 2009 and 2010. Under the LTP plans for 2006 to 2008, which are still ongoing, payments geared to the performance of the share price and the index are still possible. The LTPs are accounted for as cash-settled share-based payment transactions.

Share awards

In January 2010 share awards were introduced as part of a new remuneration model for non pay-scale staff of Commerzbank Aktiengesellschaft. Share awards are a deferred component of variable compensation where staff are allocated virtual Commerzbank shares. They form part of variable compensation for the previous year and entitle the holder to receive the gross cash value of the shares allocated on the award date after the vesting period has elapsed. The portion of an individual employee's variable compensation paid in the form of a share award is dependent on the bank's overall performance and is not determined until the spring of the year following the year for which the award is paid. The number of shares is determined on the date of allocation by dividing the variable compensation amount by the average Xetra closing price of the Commerzbank share for January and February of the year of the award and December of the previous year. The vesting period is normally three years from the date of the award and a payout is only made if certain conditions are met.

The average Xetra closing price of Commerzbank shares in January and February of the year of payout and December of the previous year are also used to determine the amount paid out. The amount paid out is determined by multiplying this average price by the number of shares allocated on the award date.

If Commerzbank has paid dividends during the term of the award, a cash amount equal to the dividend is normally paid out in addition to the gross cash value of the shares.

No provisions for share-based payments have been made in respect of new share awards for the financial year 2010, as the first allocation of awards - which determines the level of the provision - will not be made until the spring of 2011. The portion of variable compensation paid out in share awards recognized in profit or loss in 2010 is treated as part of the HR provisions until the date of the allocation.

b) BRE Bank S.A.

In March 2008, BRE Bank S.A. launched two new share-based remuneration plans for the members of its Management Board. The first plan provides for the subscription of BRE Bank shares and the second for the subscription of Commerzbank shares. The members of the Management Board can participate in these plans from 2009 to 2018. Participation is, however, linked to various conditions, such as BRE Bank's return on equity and its net profit.

While the plan for the subscription of BRE Bank shares has the same conditions every year, the amount of Commerzbank shares subscribed is determined each year by their price during the last 30 days of their respective subscription dates. Both plans are classified as share-based payments settled in the form of equity instruments.

c) Other consolidated companies

In addition, it is possible for selected employees at other consolidated companies (e.g. comdirect bank Aktiengesellschaft) to participate through share ownership models in the performance of the respective companies. Payment in such cases depends on the extent to which fixed performance targets are attained. These models include direct investment in shares of the respective companies. Frequently, these are offered at reduced prices and/or in combination with call or put options. In addition, warrants and share subscription rights are also issued. Bonuses are also granted which may either be used to subscribe for shares or are paid out in cash. The observance of vesting periods and agreements for later repurchase determine whether additional income is received.

2. Accounting treatment and measurement

The staff compensation plans described here are accounted for under the rules of IFRS 2 - Share-based Payment. IFRS 2 distinguishes between share-based payments settled in the form of equity instruments and those settled in cash. For both forms, however, the granting of share-based payments has to be recognized at fair value in the annual financial statements. The majority of the staff remuneration plans described above are classified and accounted for as cash-settled payment transactions.

- Equity-settled share-based payment transactions
  The fair value of share-based payments settled in the form of equity instruments is recognized as personnel expense and reflected in equity in the capital reserve. The fair value at the time the awards are granted – with the exception of the effect of non-market-based exercise conditions – is recognized as an expense through profit or loss on a straight-line basis over the term during which the employee acquires an irrevocable entitlement to the awards. The amount recognized as an expense may only be adjusted if the Bank's estimates of the number of equity instruments to be finally issued change.

  If rights cannot be exercised because the conditions for exercise (e.g. a performance target) are not met, no change is made to the amounts already recognized in equity.

- Cash-settled share-based payment transactions
  The portion of the fair value of share-based payments settled in cash that relates to services performed up to the date of measurement is recognized as personnel expense while at the same time being recorded as a provision. The fair value is recalculated on every reporting date up to and including the date of settlement. Any change in the fair value of the provision is reflected in profit or loss. On the date of settlement, therefore, the provision must correspond as closely as possible to the amount payable to the eligible employees. In the case of share awards the portion of the provisions attributable to share awards is reassigned from other personnel provisions to the provision for share awards at the date of the award. The provision is calculated as the product of the number of rights allocated multiplied by the average Xetra closing price of Commerzbank shares in January and February of the year of the award and December of the previous year. The provisions fluctuate on each balance sheet date in parallel with the performance of the Commerzbank Aktiengesellschaft share price. Discounts are not applied for staff natural wastage as the share awards do not lapse on the departure or death of an employee. If Commerzbank pays dividends during the vesting period a cash payment equal to the dividend will be paid out for each share award at the payout date in addition to the payout value of the share awards. A provision also has to be set aside for these payments.

- Valuation models
  We have engaged external actuaries to calculate the fair values of the staff compensation plans that exist within Commerzbank Group, except for the share awards. Either a Monte Carlo model or a binominal model is used for valuation purposes.

  A Monte Carlo simulation of changes which boost future share prices is applied to measure the awards granted under LTPs. The model is based on the assumption that stock yields are normally distributed in statistical terms around a mean corresponding to a risk-free investment in an interest-bearing security.

  An actuarial binominal model is generally used for determining the fair value of the options that exist under staff compensation plans in other consolidated companies. It takes into account the terms and conditions for granting such awards. The share price on each reporting date and the exercise price are calculated on the basis of the specific conditions and formulae linked to the after-tax profit of the companies in question and which are defined in the plans.

(26) Taxes on income

Current tax assets and liabilities are calculated on the basis of the expected payment to or rebate from each fiscal authority using the current tax rates applicable in the relevant country.

Deferred tax assets and liabilities are formed to reflect differences between the IFRS carrying amounts of assets or liabilities and the taxable value, provided that these temporary differences are likely to increase or reduce future taxes on income and there is no rule against disclosing them. In addition, deferred taxes are created for both tax loss carryforwards as well as for as yet unused tax credits. The valuation of deferred taxes is based on income tax rates already approved as at December 31, 2010 and applicable upon realization of the temporary differences.

Deferred tax assets on tax-reducing temporary differences, unused tax losses and unused tax credits are only recognized if and to the extent that it is probable that the same taxable entity will generate tax gains/losses in the foreseeable future with respect to the same fiscal authority.

Deferred tax assets and liabilities are recognized and continued – depending on the reason for the deferral – either under taxes on income in the income statement or directly in equity.

Income tax expenses or income are reported under taxes on income in the consolidated income statement.

Deferred tax assets and liabilities have been netted if there is a right to net current taxes on income and the deferred tax assets and liabilities relate to taxes on income levied by the same fiscal authority on the same taxable entity.

Taxable temporary differences relating to shares in Commerzbank group companies for which no deferred income tax liabilities were recognized amount to €95m (previous year: €93m).

The current and deferred tax assets and current and deferred tax liabilities are set out in the balance sheet and detailed in Notes 58 and 69.

(27) Subordinated and hybrid capital

Under subordinated and hybrid capital we show issues of profit-sharing certificates, securitized and non-securitized subordinated liabilities as well as hybrid capital instruments. They are shown at amortized cost. Premiums and discounts are recognized under net interest income over the lifetime of the instrument.

(28) Fiduciary transactions

Fiduciary business involving the management or placing of assets for the account of others is not shown in the balance sheet. Commissions received from such business are included under net commission income in the income statement.

(29) Contingent liabilities and irrevocable lending commitments

This item mainly hows contingent liabilities arising from guarantees and indemnity agreements as well as irrevocable lending commitments at their nominal value.

Situations where the reporting company acts as guarantor to the creditor of a third party for the fulfilment of a liability of that third party must be shown as guarantees. Indemnity agreements include contractual obligations that involve taking responsibility for a particular outcome or performance.

All obligations that could incur a credit risk must be shown as irrevocable lending commitments provided they are not held for trading. These include obligations to grant loans (for example, lines that have been advised externally to customers), to buy securities or provide guarantees or acceptances.

Provisions for risks in respect of contingent liabilities and irrevocable lending commitments are included in provisions for loan losses.

Income from guarantees is reported in net commission income; the level of this income is determined by the application of agreed rates to the nominal amount of the guarantees.

(30) Treasury shares

Treasury shares held by Commerzbank Aktiengesellschaft on the balance sheet date are deducted directly from equity. Gains and losses resulting from treasury shares have been netted against one another in equity.

Notes to the income statement

(31) Net interest income

€m	2010	2009	Change in %
Interest income	18,306	20,338	–10.0
Interest income from lending and money market transactions and from securities portfolio (available-for-sale)[1]	1,225	2,088	–41.3
Interest income from lending and money market transactions and from securities portfolio (loans and receivables)[1]	15,949	16,883	–5.5
Interest income from lending and money-market transactions andfrom the securities portfolio (from applying the fair value option)	130	305	–57.4
Prepayment penalty fees	132	74	78.4
Gain from the sale of loans and receivables and repurchase of liabilities[2]	26	78	–66.7
Dividends from securities	53	58	–8.6
Current net income from investments and non-consolidated subsidiaries	77	92	–16.3
Current income from assets held for sale and from investment properties	106	98	8.2
Other interest income[1]	608	662	–8.2
Interest expense	11,252	13,164	–14.5
Interest expense on subordinated and hybrid capital[1]	1,030	1,096	–6.0
Interest expense on securitized liabilities	4,494	5,757	–21.9
Interest expense on other liabilities	5,055	5,950	–15.0
Interest expense from applying the fair value option[1,3]	94	217	–56.7
Loss on the sale of loans and receivables and repurchase of liabilities[2]	102	72	41.7
Current expenses from assets held for sale and from investment properties	85	53	60.4
Other interest expense[1]	392	19	.
Total	**7,054**	**7,174**	**–1.7**

[1] Prior-year figures restated due to change in reporting structure and reclassifications between interest income and interest expense (see Note 2).
[2] Of which €23m gains and €33m losses on the repurchase of liabilities in the current financial year (previous year: €31m gains and €6m losses).
[3] Of which €1m for subordinated and hybrid capital (previous year: €17m).

There was an unwinding effect of €223m (previous year: €192m) for commitments which have been terminated and impaired commercial real estate loans.

Net interest income included €608m from derivative financial instruments not included in the trading book (previous year: €662m).

The breakdown of interest income and interest expense from investment properties was as follows:

€m	2010	2009	Change in %
Rental income	94	73	28.8
Other income	–	–	.
Total income	**94**	**73**	**28.8**
Building and occupancy expense for rented properties	27	32	–15.6
Other expenses	55	7	.
Total expenses	**82**	**39**	**.**

(32) Loan loss provisions

The breakdown of loan loss provisions in the consolidated income statement was as follows:

€m	2010	2009	Change in %
Allocation to provisions	–4,440	–5,305	–16.3
Reversals of provisions	2,207	1,315	67.8
Direct write-downs	–459	–402	14.2
Write-ups and amounts recovered on claims written-down	193	178	8.4
Total	**–2,499**	**–4,214**	**–40.7**

The breakdown of the net allocation to provisions was as follows:

€m	2010	2009	Change in %
Specific risks	–2,685	–3,711	–27.6
Claims on banks	19	–185	.
Claims on customers	–2,656	–3,496	–24.0
Off-balance sheet items	–48	–30	60.0
Portfolio risks	452	–279	.
Claims on banks	7	19	–63.2
Claims on customers	399	–334	.
Off-balance sheet items	46	36	27.8
Direct write-downs, write-ups and amounts recovered on claims written-down	–266	–224	18.8
Total	**–2,499**	**–4,214**	**–40.7**

(33) Net commission income

€m	2010	2009	Change in %
Commission income	**4,237**	**4,562**	**–7.1**
Securities transactions[1]	1,403	1,521	–7.8
Asset management[1]	175	218	–19.7
Payment transactions and foreign business[1]	1,290	1,164	10.8
Real estate lending business	226	247	–8.5
Guarantees[1]	238	385	–38.2
Net income from syndicated business[1]	241	254	–5.1
Fiduciary transactions	8	4	.
Other income[1]	656	769	–14.7
Commission expense	**590**	**789**	**–25.2**
Securities transactions[1]	182	194	–6.2
Asset management[1]	17	20	–15.0
Payment transactions and foreign business[1]	158	88	79.5
Real estate lending business	40	43	–7.0
Guarantees[1]	80	211	–62.1
Net income from syndicated business	2	5	–60.0
Fiduciary transactions	4	–	.
Other expenses	107	228	–53.1
Net commission income			
Securities transactions[1]	1,221	1,327	–8.0
Asset management[1]	158	198	–20.2
Payment transactions and foreign business[1]	1,132	1,076	5.2
Real estate lending business	186	204	–8.8
Guarantees[1]	158	174	–9.2
Net income from syndicated business[1]	239	249	–4.0
Fiduciary transactions	4	4	0.0
Other[1]	549	541	1.5
Total	**3,647**	**3,773**	**–3.3**

[1] Reclassification of foreign exchange commission income out of net trading income into payment transactions and foreign business (see Note 2) and other adjustments due to harmonization of reporting structure.

Commission income included €792m (previous year: €911m) and commission expense included €100m (previous year: €121m) from transactions with financial instruments that are not recognized at fair value through profit or loss.

(34) Net trading income

We have split net trading income into three components:

- Net gain/loss on trading in securities, promissory note loans, precious metals and derivative instruments;
- Net gain/loss on the remeasurement of derivative financial instruments that do not qualify for hedge accounting;
- Net gain/loss from application of the fair value option.

All financial instruments held for trading purposes are measured at fair value (see Note 13). Apart from realized and unrealized gains and losses, net trading income also includes the interest and dividend income related to trading positions and their funding costs.

€m	2010	2009	Change in %
Net trading profit/loss[1]	1,718	−1,296	.
Realizations[1]	115	−75	.
Net gain/loss on valuation	1,186	−1,861	.
Net interest income	417	640	−34.8
Net gain/loss on the valuation of derivative financial instruments	203	−53	.
Net gain/loss from application of the fair value option	131	839	−84.4
Realizations	−119	1,032	.
Net gain/loss on valuation	250	−193	.
Total	**2,052**	**−510**	**.**

[1] Prior-year figures restated due to reclassification of foreign exchange commission income to commission income (see Note 2).

Net interest income from trading was made up of €3,437m in interest income (previous year: €4,882m) and €3,020m in interest expense (previous year: €4,242m) for funding trading transactions. Net interest income from derivative financial instruments is contained in interest expense and came to €−281m (previous year: €−416m) in the year under review.

The net gain/loss from applying the fair value option includes the changes in fair value of the underlying derivatives.

(35) Net income on hedge accounting

Net income on hedge accounting includes gains and losses on the valuation of effective hedges in fair value hedge accounting as well as the ineffective portion of cash flow hedges. The breakdown was as follows:

€m	2010	2009	Change in %
Fair value hedges			
Changes in fair value attributable to hedging instruments	−1,363	2,719	.
Micro fair value hedges	−1,278	2,717	.
Portfolio fair value hedges	−85	2	.
Changes in fair value attributable to hedged items	1,269	−2,613	.
Micro fair value hedges	1,317	−2,612	.
Portfolio fair value hedges	−48	−1	.
Cash flow hedges			
Net gain/loss of effectively hedged cash flow hedges (ineffective part only)	–	−5	.
Total	**−94**	**101**	**.**

(36) Net investment income

Net investment income contains gains/losses on disposal and valuation (impairments) of securities in the loans and receivables and available-for-sale financial assets categories, equity investments, holdings in companies accounted for usimg the equity method and subsidiaries.

€m	2010	2009	Change in %
Net gain/loss from interest-bearing business	**67**	**–610**	**.**
In the available-for-sale category	191	–588	.
Gain on disposals (including reclassification from revaluation reserve)[1]	245	271	–9.6
Loss on disposals (including reclassification from revaluation reserve)[1]	–377	–355	6.2
Net gain/loss on valuation[1]	323	–504	.
In the loans and receivables category	–124	–22	.
Gain on disposals	6	5	20.0
Loss on disposals	–126	–	.
Net gain/loss on valuation[2]	–4	–27	–85.2
Net income from equity instruments	**41**	**1,027**	**–96.0**
In the available-for-sale category	180	738	–75.6
Gain on disposals (including reclassification from revaluation reserve)[1]	184	886	–79.2
Loss on disposals (including reclassification from revaluation reserve)[1]	–4	–148	–97.3
In the available-for-sale category,valued at cost of acquisition	11	542	–98.0
Net gain/loss on valuation[1]	–39	–209	–81.3
Net gain/loss on disposals and remeasurement of companies accounted for using the equity method	–111	–44	.
Total	**108**	**417**	**–74.1**

[1] This includes a net of €361m (previous year: €399m) of reclassification from the revaluation reserve created in the financial year 2010.
[2] This includes portfolio valuation allowances of €1m (previous year: €25m) for reclassified securities.

(37) Current income from companies accounted for using the equity method

Current income from companies accounted for using the equity method was €35m (previous year: €15m). Including the net loss on disposals and remeasurement of companies accounted for using the equity method of €–111m (previous year: €–44m), which is included in net income from financial investments, the overall gain/loss on companies accounted for using the equity method was €–76m (previous year: €–29m).

(38) Other net income

Other net income primarily comprises allocations to and reversals of provisions, income and expenses from operating leases as well as interim expenses and income attributable to hire-purchase agreements. Expenses and income arising from building and architects' fees relate to the construction management of our sub-group Commerz Real. Other taxes are also included in this item.

€m	2010	2009	Change in %
Other material items of expense	**549**	**507**	**8.3**
Allocations to provisions	275	257	7.0
Operating lease expenses	181	151	19.9
Expenses arising from building and architects' services	15	58	–74.1
Hire-purchase expenses and interim costs	78	41	90.2
Other material items of income	**546**	**461**	**18.4**
Reversals of provisions	272	190	43.2
Operating lease income	187	163	14.7
Income from building and architects' services	24	63	–61.9
Hire-purchase proceeds and interim income	35	38	–7.9
Income from disposal of fixed assets	28	7	.
Balance of sundry other expenses/income[1]	–128	24	.
Total	**–131**	**–22**	**.**

[1] Of which: €–72m (previous year: €–10m) attributable to exchange rate movements.

(39) Operating expenses

The Group's operating expenses of €8,786m consisted of personnel expenses of €4,418m, other expenses of €3,768m and depreciation and amortization of office furniture and equipment, property and other intangible assets of €600m. The breakdown of operating expenses was as follows:

Personnel expenses | €m	2010	2009	Change in %
Wages and salaries	4,101	4,341	–5.5
Expenses for pensions and similar employee benefits	317	357	–11.2
Total	**4,418**	**4,698**	**–6.0**

Personnel expenses included €507m expenses for social security contributions (previous year: €501m).

Operating expenses | €m	2010	2009	Change in %
Expenses for office space	831	867	–4.2
IT expense	1,217	1,190	2.3
Workplace and information expense	357	380	–6.1
Compulsory contributions	148	169	–12.4
Advisory, audit and other expenses required to comply with company law	437	445	–1.8
Travel, representation and advertizing expense	341	327	4.3
Personnel-related operating expense	158	149	6.0
Other operating expenses	279	241	15.8
Total	**3,768**	**3,768**	**0.0**

Auditors' fees recognized as an expense in Germany amounted to €36.3m excluding VAT for the financial year 2010, of which €954 thousand were attributable to services provided during the financial year 2009.

Auditors' fees | €1,000	**2010**	**2009**	Change in %
Audit of financial statements	19,344	17,358	11.4
Provision of other certificates or assessments	5,358	5,394	–0.7
Tax consulting services	905	913	–0.9
Other services	10,649	12,608	–15.5
Total	**36,256**	**36,273**	**0.0**

Depreciation of office furniture and equipment, property and other intangible assets was as follows:

€m	**2010**	**2009**	Change in %
Office furniture and equipment	203	206	–1.5
Property	81	38	.
Other intangible assets	316	294	7.5
Total	**600**	**538**	**11.5**

The amortization of intangible assets included impairment charges of €42m (previous year: €25m). There was an impairment charge of €41m (previous year: €1m) on property.

(40) Restructuring expenses

€m	**2010**	**2009**	Change in %
Expenses for restructuring measures introduced	33	1,621	–98.0
Total	**33**	**1,621**	**–98.0**

Human resources restructuring expenses of €33m were incurred in connection with the realignment of Commerz Real Aktiengesellschaft. The prior-year restructuring expenses of €1,621m resulted largely from the integration of the Dresdner Bank Group.

(41) Taxes on income

The breakdown of income tax expense was as follows:

€m	2010	2009	Change in %
Current taxes on income	220	199	10.6
Tax expense/income for the current year	224	314	–28.7
Tax expense/income for the previous year	–4	–115	–96.5
Deferred taxes on income	–356	–225	58.2
Tax expense/income due to change in temporary differences and loss carryforwards	–23	–628	–96.3
Tax rate differences	–89	54	.
Tax expense due to write-offs of deferred taxes previously recognized on loss carryfowards	–	349	.
Tax income from previously unrecognized tax carryforwards	–244	–	.
Total	**–136**	**–26**	**.**

The combined income tax rate applicable to Commerzbank Aktiengesellschaft and its German subsidiaries was 30.9 %.

The following reconciliation shows the connection between net pre-tax profit according to IFRS and taxes on income in the past financial year.

The Group income tax rate selected as a basis for the reconciliation is made up of the corporate income tax rate of 15.0 % applied in Germany, plus the solidarity surcharge of 5.5 %, and an average rate of 15.0 % for trade tax. This produces a German income tax rate of 30.9 %.

Income tax effects result from discrepancies between the tax rates applying to foreign units. Tax rates outside Germany ranged between 0 % (Dubai) and 46 % (New York).

As at December 31, 2010 the Group tax rate was –10.1 % (previous year: 0.6 %). Tax income for the full year resulted mainly from the retroactive capitalization of deferred tax assets in the form of tax loss carryforwards of the London branch and UK subsidiaries (€–244m). In addition, the use of loss carryforwards (€–211m) for which no deferred tax assets were recognized in previous years had a positive effect on the Group tax rate. On the other hand we couldn't recognize deferred income tax assets for new tax losses at some companies in 2010 (€123m).

€m	2010	2009
Pre-tax profit/loss under IFRS	**1,353**	**–4,659**
Group's income tax rate (%)	30.9	30.9
Calculated income-tax expense in financial year	**417**	**–1,437**
Effects of differing tax rates and tax rate change on tax accruals recognized in income	–89	54
Impact of the recognition of deferred taxes on loss carryforwards	–244	–
Effects of non-deductible operating expenses and tax-exempt income	–104	–62
Deferred tax assets not recognized	123	1,506
Utilization of tax carryforwards for which no deferred tax assets had been calculated	–211	–
Effects of additions and deductions for trade tax	13	9
Other effects	–41	–96
Taxes on income	**–136**	**–26**

The table below shows the value of the current and deferred taxes resulting from items that were directly credited or debited to equity:

Taxes on income not recognized in the income statement | €m	**31.12.2010**	**31.12.2009**	Change in %
Current taxes on income	–	–	.
Deferred taxes on income	1,238	1,347	–8.1
Valuation differences arising from cash flow hedges	389	526	–26.0
Revaluation reserve	827	756	9.4
Loss carryforwards	22	100	–78.0
Other	–	–35	.
Total	**1,238**	**1,347**	**–8.1**

(42) Net income

Net income consists of fair value remeasurements, impairments/impairment reversals, realized gains on disposal and subsequent recoveries on written-down financial instruments (see Note 5). The net interest income table shows the interest components from the net interest income and net trading income notes by IAS 39 category.

€m	**2010**	**2009**	Change in %
Net profit/loss from			
Trading assets and liabilities1	1,410	–1,888	.
Applying the fair value option	131	839	–84.4
Available-for-sale financial assets and holdings in companies accounted for using the equity method	232	439	–47.2
Loans and receivables	–2,623	–4,236	–38.1
Other financial liabilities	–	–	.

[1] Reclassification of foreign exchange commission income in the previous year.

€m	**2010**	**2009**	Change in %
Net interest income from			
Trading assets and liabilities	698	1,056	–33.9
Applying the fair value option1	36	88	–59.1
Available-for-sale financial assets1	1,225	2,088	–41.3
Loans and receivables1	15,949	16,883	–5.5
Other financial liabilities1	–10,579	–12,803	–17.4

[1] Restated due to harmonization of reporting structure.

(43) Earnings per share

	2010	2009	Change in %
Operating profit (€m)	1,386	−2,270	.
Consolidated profit/loss attributable to Commerzbank shareholders (€m)	1,430	−4,537	.
Average number of ordinary shares issued	1,178,599,388	1,031,871,714	14.2
Operating profit per share (€)	1.18	−2.20	.
Earnings per share (€)	1.21	−4.40	.

Earnings per share, calculated in accordance with IAS 33, are based on the consolidated surplus attributable to Commerzbank shareholders. As in the previous year, no conversion and option rights were outstanding during the current financial year. The figure for diluted earnings per share was therefore identical to the undiluted figure. The breakdown of the operating profit is set out in the segment report (Note 45).

(44) Cost/income ratio

%	2010	2009	Change in % points
Cost/income ratio in operating business	69.3	82.2	−12.9

The cost/income ratio is the ratio of operating expenses to income before provisions.

(45) Segment reporting

Segment reporting reflects the results of the operating business segments within the Commerzbank Group. The following segment information is based on IFRS 8 Operating Segments, which follows the so-called management approach. In accordance with this standard, segment information must be prepared on the basis of the internal reporting information that is evaluated by the chief operating decision maker to assess the performance of the operating segments and make decisions regarding the allocation of resources to the operating segments. Within the Commerzbank Group, the function of chief operating decision maker is exercised by the Board of Managing Directors.

Our segment reporting covers six operating segments and the Others and Consolidation segment. This reflects the Commerzbank Group's organizational structure and forms the basis for internal management reporting. The business segments are divided up on the basis of distinctions between products, services and/or customer target groups. As part of the further refinement of the segments' business models slight adjustments were made to the business responsibilities.

Income statement line items were further harmonized in 2010 in the context of the Dresdner Bank integration. This involved firstly harmonizing the reporting of the funding of equity participations and of income from the investment of equity capital for consolidated subsidiaries. In addition, current net income on companies accounted for using the equity method is now reported separately and the foreign exchange commission earnings of the former Dresdner Bank are reported in net commission income. The prior-year comparison figures have been restated accordingly.

- The Private Customers segment contains the four divisions Private and Business Customers, Wealth Management, Direct Banking and Credit. The classic branch banking business is contained in the Private and Business Customers division. Wealth Management provides services to wealthy clients in Germany and abroad and contains the Group's portfolio management activities. Direct Banking encompasses the activities of the comdirect bank group and all call centre services for our customers. Credit is the central division responsible for lending operations with the above-mentioned customer groups.
- The Mittelstandsbank segment includes the Group divisions Corporate Banking and Financial Institutions. Corporate Banking serves small and mid-sized businesses, large customers and international customers. In addition, it houses the competence centre for customers from the renewable energies sector and serves public sector and institutional customers. Our comprehensive service offering includes payments, flexible financing solutions, interest rate

and currency management products, professional investment advisory services and innovative investment banking solutions. With our foreign branch offices we act as a strategic partner for both the international activities of our German corporate customers and for international companies with business activities in our home market of Germany. The Financial Institutions division is responsible for relationships with banks and financial institutions in Germany and abroad, as well as with central banks. It offers customers comprehensive advice and support, with a strategic focus on foreign trade finance. Financial Institutions uses a network of over 7,000 correspondent banks, together with business relationships in emerging markets, to promote the Group's financing and processing of foreign trade activities on behalf of all Commerzbank Group customers throughout the world. It also assists other divisions in their international strategies.

- The Central & Eastern Europe segment contains the operations of our subsidiaries, branches and investments in the Central and Eastern Europe region (e.g. those of BRE Bank in Poland, Bank Forum in Ukraine and Commerzbank Eurasija in Russia). These are grouped together under a management holding company. This management holding company acts as a centre of competence, operational management unit and interface between the local units and the central departments in Germany and as the strategic decision-maker. The main business areas in the Central & Eastern Europe segment are the private and corporate customer business and customer-driven investment banking. Our foreign units and subsidiaries operating here service national and international clients both with local business in the region and cross-border business.
- Corporates & Markets consists of three major businesses. Equity Markets & Commodities trades in equities, equity derivatives and commodities products and includes the related distribution capacities. Fixed Income & Currencies handles trading and sales of interest rate and currency instruments together with related derivatives. Corporate Finance provides debt and equity financing and advisory services and includes the central credit portfolio management operations of the Corporates & Markets segment. In addition, Corporates & Markets houses the Group's client relationship management activities with a focus on the 100 biggest German corporates plus foreign and selected domestic insurers.
- The Asset Based Finance segment groups together the results from the Commercial Real Estate (CRE) Germany, CRE International, Public Finance, Asset Management and Leasing divisions as well as Ship Finance. CRE Germany, CRE International and Public Finance belong almost completely to the Commerzbank subsidiary Eurohypo Aktiengesellschaft along with Eurohypo's retail portfolio. The Asset Management and Leasing area primarily includes the activities of our subsidiary Commerz Real Aktiengesellschaft, and finally the Shipping area groups together the ship financing of the Commerzbank Group in our subsidiary Deutsche Schiffsbank Aktiengesellschaft.
- The Portfolio Restructuring Unit (PRU) is responsible for managing down assets related to discontinued proprietary trading and investment activities which no longer fit into Commerzbank's client-centric strategy. The segment's goal is to reduce the portfolio in such a way as to preserve maximum value. The positions managed by this segment include asset-backed securities (ABSs) which do not have a state guarantee, other structured credit products, proprietary trading positions in corporate or financial bonds and exotic credit derivatives. These positions were primarily transferred from the Corporates & Markets and former Commercial Real Estate segments to the Portfolio Restructuring Unit.
- The Others and Consolidation segment contains the income and expenses which are not attributable to the operational business segments. The reporting for this segment includes equity participations which are not assigned to the operating segments as well as Group Treasury. The costs of the service units are also shown here, which – except for integration and restructuring costs – are charged in full to the segments. Consolidation includes expenses and income that represent the reconciliation of internal management reporting figures shown in segment reporting with the consolidated financial statements in accordance with IFRS. The costs of the Group management units are also shown here, which – except for integration and restructuring costs – are also charged in full to the segments.

The result generated by each segment is measured in terms of operating profit/loss and pre-tax profit/loss, as well as the return on equity and cost/income ratio. Operating profit/loss is defined as the sum of net interest income after loan loss provisions, net commission income, net trading income including net income on hedge accounting, net income from financial investments, current income on companies accounted for using the equity method and other net income less operating expenses. In the statement of pre-tax profits, non-controlling interests are included in both the result and the average capital employed. All the revenue for which a segment is responsible is thus reflected in pre-tax profit.

The return on equity is calculated as the ratio of pre-tax operating profit to the average amount of capital employed. It shows the return on the capital employed in a given segment. The cost/income ratio in operating business reflects the cost

efficiency of the various segments and shows the relationship of operating expenses to income before provisions.

Income and expenses are reported in the segments by originating unit and at market rates, with the market interest rate method being used in interest rate operations. Net interest income reflects the actual funding costs of the equity capital assigned to the respective business segments. The Group's return on capital employed is allocated to the net interest income of the various segments in proportion to the average capital employed in the segment. The interest rate corresponds to that of a risk-free investment in the long-term capital market. The average capital employed was calculated in 2010 using the Basel II system, based on the computed average risk-weighted assets and the capital charges for market risk positions (risk-weighted asset equivalents). At Group level, investors' capital is shown, which is used to calculate the return on equity. The regulatory capital requirement for risk-weighted assets assumed for segment reporting purposes is 7 %.

The segment reporting of the Commerzbank Group shows the segments' pre-tax gains/losses. To reduce the impact on operating earnings of specific tax-induced transactions in the Corporates & Markets segment in this reporting, the net interest income of Corporates & Markets includes a pre-tax equivalent of the after-tax income from these transactions. When segment reporting is reconciled with the figures from external accounting this pre-tax equivalent is eliminated in Others and Consolidation.

The carrying amounts of companies accounted for using the equity method were €737m (previous year: €378m) and are divided over the segments as follows: Private Customers €236m (previous year: €174m), Mittelstandsbank €95m (previous year: €40m), Corporate & Markets €20m (previous year: €19m), Asset Based Finance €320m (previous year: €71m) and Others and Consolidation €66m (previous year: €74m).

The operating expenses shown in the operating result consist of personnel costs, other operating expenses, depreciation of fixed assets and amortization of other intangible assets. Restructuring expenses are stated beneath operating profit in pre-tax profit. Operating expenses are attributed to the individual segments on the basis of cost causation. The indirect expenses arising in connection with internal services are charged to the user of the service or credited to the segment performing the service. The provision of intra-group services is charged at market prices or at full cost.

The tables below contain information on the segments for the financial years 2010 and 2009.

Breakdown by segment:

2010 €m	Private Customers	Mittel-stands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restruc-turing Unit	Others and Con-solidation	Group
Net interest income	1,983	2,081	674	767	1,160	82	307	7,054
Loan loss provisions	–246	–279	–361	27	–1,584	–62	6	–2,499
Net interest income after provisions	1,737	1,802	313	794	–424	20	313	4,555
Net commission income	1,941	983	208	254	327	–	–66	3,647
Net trading income and net income on hedge accounting	1	24	73	1,160	–78	787	–9	1,958
Net investment income	31	188	–4	220	–352	–29	54	108
Current income on companies accounted for using the equity method	10	30	–	11	–20	–	4	35
Other net income	–120	14	28	–20	–114	3	78	–131
Income before provisions	*3,846*	*3,320*	*979*	*2,392*	*923*	*843*	*368*	*12,671*
Income after provisions	*3,600*	*3,041*	*618*	*2,419*	*–661*	*781*	*374*	*10,172*
Operating expenses	3,552	1,443	565	1,633	609	106	878	8,786
Operating profit/loss	**48**	**1,598**	**53**	**786**	**–1,270**	**675**	**–504**	**1,386**
Impairments of goodwill and brand names	–	–	–	–	–	–	–	–
Restructuring expenses	–	–	–	–	33	–	–	33
Pre-tax profit/loss	**48**	**1,598**	**53**	**786**	**–1,303**	**675**	**–504**	**1,353**
Assets	**60,330**	**80,026**	**29,424**	**255,925**	**238,013**	**16,980**	**73,601**	**754,299**
Average capital employed	**3,397**	**5,550**	**1,627**	**3,855**	**6,166**	**1,211**	**9,175**	**30,981**
Operating return on equity (%)	**1.4**	**28.8**	**3.3**	**20.4**	**–20.6**			**4.5**
Cost/income ratio in operating business (%)	**92.4**	**43.5**	**57.7**	**68.3**	**66.0**			**69.3**
Return on equity of pre-tax profit/loss (%)	**1.4**	**28.8**	**3.3**	**20.4**	**–21.1**			**4.4**
Staff (average)	20,007	5,367	9,733	1,991	1,875	52	18,651	57,676

2009 €m	Private Customers	Mittel-stands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restruc-turing Unit	Others and Con-solidation	Group
Net interest income	2,139	2,156	665	780	1,101	252	81	7,174
Loan loss provisions	–246	–954	–812	–289	–1,588	–327	2	–4,214
Net interest income after provisions	1,893	1,202	–147	491	–487	–75	83	2,960
Net commission income[1]	2,163	924	170	352	297	11	–144	3,773
Net trading income[1] and net income on hedge accounting	–1	–129	79	681	197	–812	–424	–409
Net investment income	–4	1	–14	27	–87	–432	926	417
Current income on companies accounted for using the equity method	11	4	–	–	–	–	–	15
Other net income	–99	–69	5	5	–64	4	196	–22
Income before provisions	*4,209*	*2,887*	*905*	*1,845*	*1,444*	*–977*	*635*	*10,948*
Income after provisions	*3,963*	*1,933*	*93*	*1,556*	*–144*	*–1,304*	*637*	*6,734*
Operating expenses	3,821	1,331	486	1,976	669	148	573	9,004
Operating profit/loss	**142**	**602**	**–393**	**–420**	**–813**	**–1,452**	**64**	**–2,270**
Impairments of goodwill and brand names	–	–	–	23	745	–	–	768
Restructuring expenses	338	74	5	128	67	2	1,007	1,621
Pre-tax profit/loss	**–196**	**528**	**–398**	**–571**	**–1,625**	**–1,454**	**–943**	**–4,659**
Assets	**69,220**	**85,235**	**25,761**	**300,211**	**261,455**	**26,002**	**76,219**	**844,103**
Average capital employed	**3,256**	**5,393**	**1,605**	**4,421**	**6,821**	**1,740**	**5,116**	**28,352**
Operating return on equity (%)	**4.4**	**11.2**	**–24.5**	**–9.5**	**–11.9**			**–8.0**
Cost/income ratio in operating business (%)	**90.8**	**46.1**	**53.7**	**107.1**	**46.3**			**82.2**
Return on equity of pre-tax profit/loss (%)	**–6.0**	**9.8**	**–24.8**	**–12.9**	**–23.8**			**–16.4**
Staff (average)	22,789	5,638	10,511	2,755	2,089	53	19,432	63,267

[1] Prior-year figures restated due to harmonization of reporting structure (see Note 2).

Details for Others and Consolidation:

€m	2010			2009		
	Others	Consolidation	Others and Consolidation	Others	Consolidation	Others and Consolidation
Net interest income	332	–25	307	72	9	81
Loan loss provisions	6	–	6	2	–	2
Net interest income after provisions	338	–25	313	74	9	83
Net commission income[1]	–65	–1	–66	–12	–132	–144
Net trading income[1] and net income on hedge accounting	10	–19	–9	–200	–224	–424
Net investment income	55	–1	54	930	–4	926
Current income on companies accounted for using the equity method	4	–	4	–	–	–
Other net income	100	–22	78	124	72	196
Income before provisions	*436*	*–68*	*368*	*914*	*–279*	*635*
Income after provisions	*442*	*–68*	*374*	*916*	*–279*	*637*
Operating expenses	891	–13	878	558	15	573
Operating profit/loss	**–449**	**–55**	**–504**	**358**	**–294**	**64**
Impairments of goodwill and brand names	–	–	–	–	–	–
Restructuring expenses	–	–	–	676	331	1,007
Pre-tax profit/loss	**–449**	**–55**	**–504**	**–318**	**–625**	**–943**
Assets	**73,601**	**–**	**73,601**	**76,219**	**–**	**76,219**

[1] Prior-year figures restated due to harmonization of reporting structure (see Note 2).

To facilitate comparison, it should be noted in connection with Others and Consolidation that the results of the market segments cover the period from January 1 to December 31,2009. The difference versus the Group result which only contains the period from January 13 to December 31, 2009 is reported under Others.

Under Consolidation we report consolidation and reconciliation items between the results of the segments and the Other category on the one hand and the consolidated financial statements on the other. This includes the following items among others:

- Measurement effects from the application of hedge accounting to intra-bank transactions as per IAS 39 are shown in Consolidation.
- The pre-tax equivalent from tax-induced transactions allocated to the Corporates & Markets segment in net interest income is eliminated again under Consolidation.
- Gains and losses on the valuation of own bonds incurred in the segments are eliminated under Consolidation.
- Other consolidation effects from intragroup transactions are also reported here.
- Integration and restructuring costs of the Group controlling units are reported under Consolidation.

Quarterly results by segment:

1st quarter 2010 €m	Private Customers	Mittel-stands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restruc-turing Unit	Others and Con-solidation	Group
Net interest income	489	523	159	208	298	23	186	1,886
Loan loss provisions	–66	–161	–94	19	–325	–22	5	–644
Net interest income after provisions	423	362	65	227	–27	1	191	1,242
Net commission income[1]	547	271	47	75	88	–3	–28	997
Net trading income[1] and net income on hedge accounting	1	–4	18	448	–4	282	95	836
Net investment income	9	–3	–1	–14	–2	–94	–14	–119
Current income on companies accounted for using the equity method	4	–	–	–	–2	–	–	2
Other net income	–49	45	3	8	14	–	1	22
Income before provisions	*1,001*	*832*	*226*	*725*	*392*	*208*	*240*	*3,624*
Income after provisions	*935*	*671*	*132*	*744*	*67*	*186*	*245*	*2,980*
Operating expenses	912	358	126	410	152	25	226	2,209
Operating profit/loss	**23**	**313**	**6**	**334**	**–85**	**161**	**19**	**771**
Impairments of goodwill and brand names	–	–	–	–	–	–	–	–
Restructuring expenses	–	–	–	–	–	–	–	–
Pre-tax profit/loss	**23**	**313**	**6**	**334**	**–85**	**161**	**19**	**771**

[1] Restated due to harmonization of reporting structure (see Note 2).

2nd quarter 2010 €m	Private Customers	Mittel-stands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restruc-turing Unit	Others and Con-solidation	Group
Net interest income	486	554	161	198	319	10	125	1,853
Loan loss provisions	–70	–94	–92	–	–354	–28	–1	–639
Net interest income after provisions	416	460	69	198	–35	–18	124	1,214
Net commission income[1]	497	222	53	64	80	7	–18	905
Net trading income[1] and net income on hedge accounting	1	50	20	187	30	56	–28	316
Net investment income	5	15	4	43	–158	70	81	60
Current income on companies accounted for using the equity method	3	–	–	–	2	–	1	6
Other net income	6	–11	9	11	–21	7	–31	–30
Income before provisions	*998*	*830*	*247*	*503*	*252*	*150*	*130*	*3,110*
Income after provisions	*928*	*736*	*155*	*503*	*–102*	*122*	*129*	*2,471*
Operating expenses	914	349	148	394	147	27	249	2,228
Operating profit/loss	**14**	**387**	**7**	**109**	**–249**	**95**	**–120**	**243**
Impairments of goodwill and brand names	–	–	–	–	–	–	–	–
Restructuring expenses	–	–	–	–	33	–	–	33
Pre-tax profit/loss	**14**	**387**	**7**	**109**	**–282**	**95**	**–120**	**210**

[1] Restated due to harmonization of reporting structure (see Note 2).

3rd quarter 2010 €m	Private Customers	Mittel-stands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restruc-turing Unit	Others and Con-solidation	Group
Net interest income	501	482	164	141	283	29	33	1,633
Loan loss provisions	–64	69	–127	–6	–493	–2	2	–621
Net interest income after provisions	437	551	37	135	–210	27	35	1,012
Net commission income	458	239	53	55	83	2	–20	870
Net trading income and net income on hedge accounting	2	–14	19	313	–49	328	–177	422
Net investment income	4	29	4	31	–51	–9	–32	–24
Current income on companies accounted for using the equity method	4	–	–	1	–9	–	–1	–5
Other net income	–6	–9	9	25	–24	–3	34	26
Income before provisions	*963*	*727*	*249*	*566*	*233*	*347*	*–163*	*2,922*
Income after provisions	*899*	*796*	*122*	*560*	*–260*	*345*	*–161*	*2,301*
Operating expenses	875	367	153	438	144	31	177	2,185
Operating profit/loss	**24**	**429**	**–31**	**122**	**–404**	**314**	**–338**	**116**
Impairments of goodwill and brand names	–	–	–	–	–	–	–	–
Restructuring expenses	–	–	–	–	–	–	–	–
Pre-tax profit/loss	**24**	**429**	**–31**	**122**	**–404**	**314**	**–338**	**116**

4th quarter 2010 €m	Private Customers	Mittel-stands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restruc-turing Unit	Others and Con-solidation	Group
Net interest income	507	522	190	220	260	20	–37	1,682
Loan loss provisions	–46	–93	–48	14	–412	–10	–	–595
Net interest income after provisions	461	429	142	234	–152	10	–37	1,087
Net commission income	439	251	55	60	76	–6	–	875
Net trading income and net income on hedge accounting	–3	–8	16	212	–55	121	101	384
Net investment income	13	147	–11	160	–141	4	19	191
Current income on companies accounted for using the equity method	–1	30	–	10	–11	–	4	32
Other net income	–71	–11	7	–64	–83	–1	74	–149
Income before provisions	*884*	*931*	*257*	*598*	*46*	*138*	*161*	*3,015*
Income after provisions	*838*	*838*	*209*	*612*	*–366*	*128*	*161*	*2,420*
Operating expenses	851	369	138	391	166	23	226	2,164
Operating profit/loss	**–13**	**469**	**71**	**221**	**–532**	**105**	**–65**	**256**
Impairments of goodwill and brand names	–	–	–	–	–	–	–	–
Restructuring expenses	–	–	–	–	–	–	–	–
Pre-tax profit/loss	**–13**	**469**	**71**	**221**	**–532**	**105**	**–65**	**256**

Segmentation on the basis of the registered office of the branch or group company produced the following breakdown:

2010 financial year €m	Germany	Europe excluding Germany	America	Asia	Others	Total
Net interest income	4,497	2,170	263	123	1	7,054
Loan loss provisions	–873	–1,302	–302	–22	–	–2,499
Net interest income after provisions	3,624	868	–39	101	1	4,555
Net commission income	3,189	360	70	28	–	3,647
Net trading income and net income on hedge accounting	381	1,496	72	9	–	1,958
Net investment income	57	1	44	6	–	108
Current income on companies accounted for using the equity method	40	–5	–	–	–	35
Other net income	–130	–11	8	2	–	–131
Income before provisions	*8,034*	*4,011*	*457*	*168*	*1*	*12,671*
Income after provisions	*7,161*	*2,709*	*155*	*146*	*1*	*10,172*
Operating expenses	7,011	1,465	201	109	–	8,786
Operating profit/loss	**150**	**1,244**	**–46**	**37**	**1**	**1,386**
Risk-weighted assets for credit risk	**150,837**	**66,138**	**10,742**	**4,672**	**49**	**232,438**

In 2009 we achieved the following results in the geographical markets:

2009 financial year €m	Germany	Europe excluding Germany	America	Asia	Others	Total
Net interest income	4,631	2,107	334	101	1	7,174
Loan loss provisions	–1,915	–1,767	–512	–21	1	–4,214
Net interest income after provisions	2,716	340	–178	80	2	2,960
Net commission income[1]	3,182	495	64	32	–	3,773
Net trading income[1] and net income on hedge accounting	739	–910	–155	–83	–	–409
Net investment income	691	–118	–170	14	–	417
Current income on companies accounted for using the equity method	13	2	–	–	–	15
Other net income	–72	–6	78	–24	2	–22
Income before provisions	*9,184*	*1,570*	*151*	*40*	*3*	*10,948*
Income after provisions	*7,269*	*–197*	*–361*	*19*	*4*	*6,734*
Operating expenses	6,908	1,698	271	124	3	9,004
Operating profit/loss	**361**	**–1,895**	**–632**	**–105**	**1**	**–2,270**
Risk-weighted assets for credit risk	**147,472**	**77,899**	**16,558**	**4,294**	**90**	**246,313**

[1] Restated due to harmonization of reporting structure (see Note 2).

Around 55 % of income before provisions in Europe was accounted by our units in UK (previous year: –34 %), 18 % by our units in Poland (previous year: 40 %) and 12 % by our unit in Luxembourg (previous year: 28 %). The tables above show risk-weighted assets for credit risks rather than total assets. As a result of the acquisition of Dresdner Bank, a breakdown of Commerzbank Group's total income by products and services can only be made once the new organization's product and service definitions and information systems have been harmonized in the new Commerzbank Group.

Notes to the balance sheet

(46) Cash reserve

We include the following items in the cash reserve:

€m	31.12.2010	31.12.2009	Change in %
Cash on hand	1,388	1,338	3.7
Balances with central banks	6,386	7,842	–18.6
Debt issued by public-sector borrowers and bills of exchange rediscountable at central banks	279	1,149	–75.7
Total	**8,053**	**10,329**	**–22.0**

The balances with central banks include claims on the Bundesbank totalling €1,111m (previous year: €3,633m). The average minimum reserve requirement for the period December 2010 to January 2011 amounted to €4,593m (previous year: €4,349m). Minimum reserve requirements are measured on the basis of average credit balances, so there were no restrictions on access to balances held at Deutsche Bundesbank.

(47) Claims on banks

	Total			Due on demand		Other claims	
€m	31.12.2010	31.12.2009	Change in %	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Banks in Germany	33,403	32,331	3.3	16,628	13,568	16,775	18,763
Banks outside Germany	77,553	74,878	3.6	28,723	22,996	48,830	51,882
Total	**110,956**	**107,209**	**3.5**	**45,351**	**36,564**	**65,605**	**70,645**
of which relate to the category							
Loans and receivables	62,883	52,347	20.1				
Available-for-sale financial assets	–	–	.				
At fair value through profit or loss	48,073	54,862	–12.4				

Claims on banks after deduction of loan loss provisions amounted to €110,616m (previous year: €106,689m). The table below shows a breakdown of claims on banks by main transactions types:

€m	31.12.2010	31.12.2009	Change in %
Reverse repos and cash collaterals	68,687	58,863	16.7
Claims from money market trading	6,765	16,312	–58.5
Promissory note loans	9,893	12,831	–22.9
Other claims	25,611	19,203	33.4
Total	**110,956**	**107,209**	**3.5**

The promissory note loans and other claims on banks include €9,572m of public-sector loans (previous year: €10,080m).

(48) Claims on customers

€m	31.12.2010	31.12.2009	Change in %
Claims on customers in Germany	207,690	217,987	–4.7
Claims on customers outside Germany	129,182	143,496	–10.0
Total	**336,872**	**361,483**	**–6.8**
of which relate to the category			
Loans and receivables	308,456	336,995	–8.5
Available-for-sale financial assets	–	–	.
At fair value through profit or loss	28,416	24,488	16.0

Claims on customers after deduction of loan loss provisions amounted to €327,755m (previous year: €352,194m). The table below shows a breakdown of claims on customers by main transaction types:

€m	31.12.2010	31.12.2009	Change in %
Reverse repos and cash collaterals	29,963	22,362	34.0
Claims from money market trading	8,996	17,025	–47.2
Promissory note loans	26,599	36,836	–27.8
Mortgages and other claims secured by property charges	134,321	139,904	–4.0
Other claims	136,993	145,356	–5.8
Total	**336,872**	**361,483**	**–6.8**

The promissory note loans and other claims on customers include €34,041m of public-sector loans (previous year: €38,456m).

(49) Total lending

€m	31.12.2010	31.12.2009	Change in %
Loans to banks	23,404	25,011	–6.4
Loans to customers	306,912	343,390	–10.6
Total	**330,316**	**368,401**	**–10.3**

We distinguish loans from claims on banks and customers such that only claims for which a special loan agreement has been concluded with the borrower are shown as loans. Interbank money market transactions and reverse repo transactions, for example, are thus not shown as loans. Acceptance credits are also included in loans to customers.

(50) Loan loss provisions

Provisions for loan losses are made in accordance with rules that apply Group-wide and cover all discernible credit risks. For loan losses which have already occurred but are not yet known, we have calculated portfolio valuation allowances in line with procedures derived from the Basel II methodology. The breakdown of loan loss provisions by category is as follows:

€m	As at 1.1.2010	Allocations	Reversals	Utilization	Change in consolidated companies	Exchange rate changes/ reclassifications	As at 31.12.2010
Provisions for on-balance-sheet loan losses	9,809	4,137	1,906	2,631	–	48	9,457
Claims on banks	520	41	67	310	–	156	340
Claims on customers	9,289	4,096	1,839	2,321	–	–108	9,117
Provisions for off-balance-sheet loan losses	642	303	301	7	–	–22	615
Total	**10,451**	**4,440**	**2,207**	**2,638**	**–**	**26**	**10,072**

With direct write-downs, write-ups and recoveries on previously written-down claims taken into account, the allocations and reversals recognized in profit or loss gave rise to provisions of €2,499m (previous year: €4,214m).

	Valuation allowances for specific risks		Valuation allowances for portfolio risks		Valuation allowances total		
€m	2010	2009	2010	2009	2010	2009	Change in %
As at 1.1.	**8,345**	**4,779**	**1,464**	**820**	**9,809**	**5,599**	**75.2**
Allocations	3,894	4,542	243	497	**4,137**	**5,039**	–17.9
Deductions	3,888	3,004	649	182	**4,537**	**3,186**	42.4
of which utilized	2,631	2,143	–	–	**2,631**	**2,143**	22.8
of which reversals	1,257	861	649	182	**1,906**	**1,043**	82.7
Changes in group of consolidated companies	–	2,126	–	376	**–**	**2,502**	.
Exchange rate changes/reclassifications	10	–98	38	–47	**48**	**–145**	.
As at 31.12.	**8,361**	**8,345**	**1,096**	**1,464**	**9,457**	**9,809**	**–3.6**

	Provisions for specific risks		Provisions for portfolio risks		Provisions for lending business		
€m	2010	2009	2010	2009	2010	2009	Change in %
As at 1.1.	**364**	**232**	**278**	**214**	**642**	**446**	**43.9**
Allocations	207	209	96	57	**303**	**266**	13.9
Deductions	166	180	142	93	**308**	**273**	12.8
of which utilized	7	1	–	–	**7**	**1**	.
of which reversals	159	179	142	93	**301**	**272**	10.7
Changes in group of consolidated companies	–	107	–	94	**–**	**201**	.
Exchange rate changes/reclassifications	–21	–4	–1	6	**–22**	**2**	.
As at 31.12.	**384**	**364**	**231**	**278**	**615**	**642**	**–4.2**

The provisions for default risks by customer group break down as follows:

€m	Specific valuation allowances and provisions for lending business	Loan losses[1] in 2010	Net allocation[2] to valuation allowances and provisions in lending business
Customers in Germany	**4,194**	**1,479**	**1,090**
Corporate customers	2,889	752	686
Manufacturing	901	221	69
Construction	113	76	–6
Trading	249	104	82
Services and others	1,626	351	541
Private customers	1,305	727	404
Customers outside Germany	**4,243**	**1,295**	**1,614**
Corporate and retail customers	4,235	1,295	1,607
Public sector	8	–	7
Provisions for customer credit risk	**8,437**	**2,774**	**2,704**
Banks in Germany	82	76	–1
Banks outside Germany	226	247	–18
Provisions for bank credit risk	**308**	**323**	**–19**
Total	**8,745**	**3,097**	**2,685**

[1] Direct write-downs, utilized valuation allowances for to cover on-balance sheet items and utilized loan loss provisions to cover off-balance sheet items.
[2] Allocations less reversals.

Credit defaults and net allocations to provisions were counterbalanced by income of €9m from write-ups (previous year: €7m) and €184m (previous year: €171m) recoveries on claims that had been written down.

Key provisioning ratios:

%	2010	2009
Allocation ratio[1]	0.71	1.13
Default ratio[2]	0.82	0.63
Provision cover ratio[3]	2.85	2.80

[1] Net provisions (new provisions less reversals of valuation allowances and loan loss provisions, plus the balance of direct write-downs, write-ups and recoveries on previously written-down claims) as a percentage of total lending.
[2] Credit defaults (utilized valuation allowances and loan loss provisions, plus the net balance of direct write-downs, write-ups and recoveries on previously written-down claims) as a percentage of total lending.
[3] Total provisions (valuation allowances and loan loss provisions) as a percentage of lending volume; lending volume = claims under special credit agreements with borrowers (Note 49).

(51) Value adjustments portfolio fair value hedges

The adjustment to the fair value of underlying transactions hedged against interest rate risk was €113m (previous year: €– 16m). A counter liability from hedging transactions is shown under negative fair values attributable to derivative hedging instruments.

(52) Positive fair values attributable to derivative hedging instruments

The positive fair values of derivatives which are used to hedge underlying transactions against interest rate risk are shown under this item.

€m	31.12.2010	31.12.2009	Change in %
Positive fair values from micro fair value hedges	4,455	5,566	–20.0
Positive fair values from fair value hedges	506	786	–35.6
Total	**4,961**	**6,352**	**–21.9**

(53) Trading assets

The Group's trading activities include trading in

- Bonds, notes and other interest-rate-related securities,
- Shares and other equity-related securities and units in investment funds,
- Promissory note loans and other claims,
- Foreign exchange and precious metals,
- Derivative financial instruments and
- Other assets held for trading.

Other trading assets comprise positive fair values of loans to be syndicated, lending commitments, issue rights, loans and money market transactions.

All the items in the trading portfolio are shown at their fair value.

The positive fair values also include derivative financial instruments which cannot be used as hedging instruments in hedge accounting.

€m	31.12.2010	31.12.2009	Change in %
Bonds, notes and other interest-rate-related securities	30,305	28,898	4.9
Money market instruments	2,927	1,331	.
issued by public-sector borrowers	1,938	55	.
issued by other borrowers	989	1,276	–22.5
Bonds and notes	27,378	27,567	–0.7
issued by public-sector borrowers	12,198	9,152	33.3
issued by other borrowers	15,180	18,415	–17.6
Promissory note loans	1,810	850	.
Shares, other equity-related securities and units in investment funds	11,704	8,982	30.3
Positive fair values from derivative financial instruments	123,743	177,307	–30.2
Currency-related derivative transactions	18,345	17,653	3.9
Interest-rate-related derivative transactions	97,012	146,487	–33.8
Other derivative transactions	8,386	13,167	–36.3
Other trading assets[1]	263	2,671	–90.2
Total	**167,825**	**218,708**	**–23.3**

[1] Including other claims from trading activities.

€30,690m (previous year: €31,745m) of the bonds, notes and other interest-rate-related securities and shares, other equity-related securities and units in investment funds were listed on an exchange. Other fair values of derivative financial instruments consist mainly of €4,125m (previous year: €6,963m) in equity derivatives and €3,565m (previous year: €5,331m) in credit derivatives.

(54) Financial investments

Financial investments are financial instruments not assigned to any other balance sheet item. They include all bonds, notes and other interest-rate-related securities, shares and other equity-related securities not held for trading purposes, units in investment funds, investments (including investments in companies and joint ventures not measured using the equity method) and holdings in non-consolidated subsidiaries.

€m	31.12.2010	31.12.2009	Change in %
Bonds, notes and other interest-rate-related securities[1]	113,493	128,032	–11.4
Money market instruments	5,036	6,452	–21.9
issued by public-sector borrowers	2,874	510	.
issued by other borrowers	2,162	5,942	–63.6
Bonds and notes	108,457	121,580	–10.8
issued by public-sector borrowers	53,148	53,410	–0.5
issued by other borrowers	55,309	68,170	–18.9
Shares, other equity-related securities and units in investment funds	1,284	1,530	–16.1
Investments	807	1,194	–32.4
of which in banks	410	358	14.5
Holdings in non-consolidated subsidiaries	124	158	–21.5
of which in banks	–	3	.
Total	**115,708**	**130,914**	**–11.6**
of which relate to the category			
Loans and receivables	70,435	79,194	–11.1
Available-for-sale financial assets	41,764	44,998	–7.2
of which valued at amortized cost	372	492	–24.4
At fair value through profit or loss	3,509	6,722	–47.8

[1] Reduced by portfolio valuation allowances for reclassified securities of €51m (previous year: €50m).

After the change in the balance sheet structure (see Note 2) the financial investments excluding holdings in companies accounted for using the equity method (€296m) amounted to €127,154m as at December 31, 2008/January 1, 2009.

As at December 31, 2010 the financial investments included €372m (previous year: €492m) of equity-related securities which are predominantly unlisted (e.g. shareholdings in limited companies) and are measured at cost, as we do not have any reliable data to calculate fair value for these assets.

The following table shows the listed holdings contained in financial investments. The available-for-sale financial investments and those for which the fair value option is applied are listed with their fair values. Financial investments in the loans and receivables category are shown at amortized cost:

€m	31.12.2010	31.12.2009	Change in %
Bonds, notes and other interest-rate-related securities	95,793	109,012	–12.1
Shares, other equity-related securities and units in investment funds	581	772	–24.7
Investments	300	752	–60.1
Total	**96,674**	**110,536**	**–12.5**

In its press release of October 13, 2008, the IASB issued an amendment to IAS 39 relating to the reclassification of financial instruments. In accordance with the amendment, securities in the Public Finance portfolio for which there was no active market were reclassified from the available-for-sale financial assets category to the loans and receivables category in the financial years 2008 and 2009. In respect of the reclassified holdings there was the intention and ability at the reclassification date to hold the securities for the foreseeable future or to final maturity. The new carrying amount of these securities was their fair value as at the reclassification date. The securities concerned are primarily issued by public-sector borrowers (including European and North American local authorities and publicly guaranteed asset-backed securities) and financial institutions.

The revaluation reserve after deferred taxes for all the securities reclassified in financial years 2008 and 2009 was €– 1.0bn as at December 31, 2010 (previous year: €– 1.2bn). This negative figure will be reversed over the remaining lifetime of the reclassified securities. If these reclassifications had not been carried out in 2008 and 2009, there would have been a revaluation reserve after deferred taxes of €– 2.8bn for these holdings as at December 31, 2010 (previous year: €– 1.4bn); the change compared with a year ago was therefore €– 1.4bn (change December 31, 2009 to December 31, 2008: €– 0.1bn).

In addition to the portfolio valuation allowances of €1m (previous year: €25m), a net €1,8bn (previous year: €2.5bn) was recognized in the income statement for the reclassified securities in the current financial year.

On December 31, 2010 the carrying amount of the reclassified securities was €67,1bn (previous year: €74,9bn), fair value was €64,6bn (previous year: €74,6bn) and the cumulative portfolio valuation allowances were €51m (previous year: €50m). The transactions have average effective interest rates of between 0.8 % and 16.2 % (previous year: between 1.2 % and 16.2 %) and are expected to generate a cash inflow of €84.3bn (previous year: €94.6bn).

Changes in investments and holdings in non-consolidated subsidiaries:

	Investments		Holdings in non-consolidated subsidiaries	
€m	2010	2009	2010	2009
Fair value as at 1.1.	**1,194**	**1,093**	**158**	**124**
Acquisition cost as at 1.1.	1,569	1,479	320	248
Changes in exchange rates	8	– 1	6	4
Additions	39	297	16	19
Disposals	691	254	53	61
Reclassifications/changes in consolidated companies	– 47	48	54	110
Acquisition cost as at 31.12.	878	1,569	343	320
Write-ups	–	–	–	–
Cumulative write-downs as at 1.1.	613	519	162	125
Changes in exchange rates	6	–	–	–
Additions	14	128	11	–
Disposals	297	27	19	27
Reclassifications/changes in consolidated companies	– 10	– 7	65	64
Cumulative write-downs as at 31.12.	326	613	219	162
Cumulative changes from the fair value valuation	255	238	–	–
Fair value as at 31.12.	**807**	**1,194**	**124**	**158**

(55) Holdings in companies accounted for using the equity method

€m	2010	2009
Fair value as at 1.1.	**378**	**296**
Acquisition cost as at 1.1.	410	160
Changes in exchange rates	–	–
Additions	425	560
Disposals	–	3
Reclassifications/changes in consolidated companies	–14	–307
Acquisition cost as at 31.12.	821	410
Write-ups	–	–
Cumulative write-downs as at 1.1.	45	–
Changes in exchange rates	–	–
Additions	111	45
Disposals	–	–
Reclassifications/changes in consolidated companies	–	–
Cumulative write-downs as at 31.12.	156	45
Cumulative changes from the valuation equity	72	13
Fair value as at 31.12.	**737**	**378**
of which holdings in banks	224	174

After the change in the balance sheet structure (see Note 2) the holdings in companies accounted for using the equity method amounted to €296m as at December 31, 2008/January 1, 2009.

Our share in the total assets, liabilities, income and expenses of our holdings in companies accounted for using the equity method is as follows:

€m	31.12.2010	31.12.2009	Change in %
Assets	6,161	4,370	41.0
Liabilities	5,502	3,732	47.4
Income	472	444	6.3
Expenses	566	340	66.5

The Commerzbank Group does not have any material obligations to holding in companies accounted for using the equity method which arise from contingent liabilities.

(56) Intangible assets

€m	31.12.2010	31.12.2009	Change in %
Goodwill	2,081	2,061	1.0
Other intangible assets	1,020	1,148	–11.1
Customer relationships	546	613	–10.9
Brand names	9	51	–82.4
Self-programmed software	219	235	–6.8
Other	246	249	–1.2
Total	**3,101**	**3,209**	–3.4

Software accounted for €240m (previous year: €243m) of the other item in 2010.

	Goodwill		Brand names	
€m	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Private Customers	1,079	1,079	–	31
Mittelstandsbank	569	569	–	12
Central & Eastern Europe	292	272	9	8
Corporates & Markets	138	138	–	–
Asset Based Finance	–	–	–	–
Portfolio Restructuring Unit	–	–	–	–
Others and Consolidation	3	3	–	–
Total	**2,081**	**2,061**	**9**	**51**

The impairment testing of goodwill did not identify any impairments in the financial year 2010. In measuring the impairments, beta factors were applied for the detailed planning phase, as shown in the following table.

	Private Customers	Mittelstands-bank	Corporates & Markets	Central & Eastern Europe
Beta factor assumptions	1.20	1.47	1.64	1.19

Varying the beta factors to 1.0 and 2.0 produced the following ratios of excess cover to carrying amount:

		Private Customers	Mittelstands-bank	Corporates & Markets	Central & Eastern Europe
Realistic value	Beta factor assumptions	200.8%	132.4%	60.0%	73.0%
Sensitivity analysis	Beta 1.00	206.7%	143.4%	63.1%	76.3%
	Beta 2.00	178.3%	120.6%	48.5%	60.4%

There was no impact on goodwill within the sensitivities.

Changes in intangible assets:

	Goodwill		Self-programmed software		Brand names and customer relationships		Other intangible assets	
€m	2010	2009	2010	2009	2010	2009	2010	2009
Book value as at 1.1.	**2,061**	**1,006**	**235**	**55**	**664**	**120**	**249**	**155**
Cost of acquisition/production as at 1.1.	2,830	1,086	895	259	983	207	1,683	1,240
Changes in exchange rates	20	–20	14	45	4	–2	13	6
Additions	–	1,765	162	128	–	–	114	155
Disposals	–	1	238	56	–	–	29	92
Reclassifications/changes in consolidated companies	–	–	–8	519	–	778	16	374
Cost of acquisition/production as at 31.12.	2,850	2,830	825	895	987	983	1,797	1,683
Write-ups	–	–	–	–	–	–	–	–
Cumulative write-downs as at 1.1.	769	79	660	204	319	87	1,434	1,085
Changes in exchange rates	–	–	14	21	–	–	9	3
Additions	–	690	118	95	93	232	105	54
of which unscheduled	–	690	41	25	1	78	–	–
Disposals	–	–	177	39	–	–	13	52
Reclassifications/changes in consolidated companies	–	–	–9	379	20	–	16	344
Cumulative write-downs as at 31.12.	769	769	606	660	432	319	1,551	1,434
Book value as at 31.12.	**2,081**	**2,061**	**219**	**235**	**555**	**664**	**246**	**249**
Borrowing costs capitalized in the current financial year	–	–	–	–	–	–	–	–
Range of interest rates used (in %)	–	–	–	–	–	–	–	–

(57) Fixed assets

	Land and buildings		Office furniture and equipment	
€m	2010	2009	2010	2009
Book value as at 1.1.	**1,018**	**786**	**761**	**454**
Cost of acquisition/production as at 1.1.	1,506	1,211	3,403	2,181
Changes in exchange rates	11	17	59	19
Additions	25	15	170	184
Disposals	185	152	218	378
Reclassifications/changes in consolidated companies	–28	415	74	1,397
Cost of acquisition/production as at 31.12.	1,329	1,506	3,488	3,403
Write-ups	–	–	–	–
Cumulative write-downs as at 1.1.	488	425	2,642	1,727
Changes in exchange rates	4	14	52	7
Additions	81	37	203	227
of which unscheduled	41	1	–	7
Disposals	102	110	192	352
Reclassifications/changes in consolidated companies	–16	122	67	1,033
Cumulative write-downs as at 31.12.	455	488	2,772	2,642
Book value as at 31.12.	**874**	**1,018**	**716**	**761**
Borrowing costs capitalized in the current financial year	–	–	–	–
Range of interest rates used (in %)	–	–	–	–

The total value of fixed assets in the Commerzbank Group was €1,590m (previous year: €1,779m). There were no reclassifications to non-current assets held for sale and disposal groups in the current financial year.

(58) Tax assets

€m	31.12.2010	31.12.2009	Change in %
Current tax assets	**650**	**1,267**	**–48.7**
In Germany	532	1,035	–48.6
Outside Germany	118	232	–49.1
Deferred tax assets	**3,567**	**4,370**	**–18.4**
Tax assets recognized in income statement	2,329	2,950	–21.1
Tax assets not recognized in income statement	1,238	1,420	–12.8
Total	**4,217**	**5,637**	**–25.2**

Deferred tax assets represent the potential income tax relief arising from temporary differences between the values assigned to assets and liabilities in the Group balance sheet in accordance with IFRS and their values for tax purposes in accordance with the local tax regulations for consolidated companies and future income tax relief arising from tax loss carryforwards and as yet unused tax credits.

For the following tax loss carryforwards no deferred tax assets position was created nor was any existing deferred tax assets position restated as at December 31, 2010 due to the limited planning horizon and the resulting insufficient probability of their being utilized.

Tax loss carryforwards | €m	31.12.2010	31.12.2009	Change in %
Corporation tax/Federal tax	**10,620**	**12,560**	**–15.4**
Can be carried forward for an unlimited period	10,302	11,550	–10.8
Can be carried forward within a limited period	318	1,010	.
of which expire in the subsequent reporting period	–	117	.
Trade tax/Local tax	**4,029**	**2,935**	**37.3**
Can be carried forward for an unlimited period	3,793	1,948	94.7
Can be carried forward within a limited period	236	987	.
of which expire in the subsequent reporting period	–	–	.

Deferred tax assets for tax loss carryforwards are recognized mainly for domestic Group companies, the London branch and UK subsidiaries. Deferred tax assets were recognized in connection with the following items:

€m	31.12.2010	31.12.2009	Change in %
Fair values of derivative hedging instruments	275	774	–64.5
Trading assets and liabilities	941	698	34.8
Claims on banks and customers	13	144	–91.0
Financial investments	80	48	66.7
Provisions	60	343	–82.5
Liabilities to banks and customers	59	90	–34.4
Other balance sheet items	463	1,071	–56.8
Tax loss carryforwards	1,676	1,202	39.4
Total	**3,567**	**4,370**	**–18.4**

(59) Investment properties

Investment properties stood at €1,192m at the end of 2010 (previous year: €1,279m) and developed as follows:

€m	2010	2009
Book value as at 1.1.	**1,279**	**909**
Cost of acquisition/production as at 1.1.	1,455	997
Changes in exchange rates	–	–
Additions	83	278
Deductions	70	7
Changes in group of consolidated companies	–	40
Reclassifications	2	147
Cost of acquisition/production as at 31.12.	1,470	1,455
Cumulative changes from the fair value valuation	–278	–176
Book value as at 31.12.	**1,192**	**1,279**
Borrowing costs capitalized in the current financial year	–	–
Range of interest rates used (in %)	–	–

€268m (previous year: €385m) of the investment properties were acquired in rescue purchases. The additions during the period contain subsequent acquisition costs for significant properties of €49m (previous year: €14m).

In the sensitivity analyses we assume a 50 bp upward or downward move in the property yield for investment properties and a 20% rise or fall in the land value for building land. For the main investment properties this would cause market value to fall by around €74m, or rise by €86m, respectively. For building land the market value would rise by €12m or fall by €12m respectively.

(60) Assets held for sale and disposal groups

The breakdown of assets held for sale and disposal groups was as follows:

€m	31.12.2010	31.12.2009	Change in %
Claims on banks	10	764	–98.7
Claims on customers	128	782	–83.6
Positive fair values attributable to derivative hedging instruments	108	96	12.5
Trading assets	82	834	–90.2
Financial investments	71	51	39.2
Fixed assets	196	271	–27.7
Other assets	487	70	.
Total	**1,082**	**2,868**	**–62.3**

The total is distributed across the fully consolidated subsidiaries set out in Note 3, which have been classified as a disposal group. In all cases the sales agreements have either already been concluded or will be concluded shortly; the contracts are expected to be fulfilled in 2011.

(61) Other assets

Other assets mainly comprise the following items:

€m	31.12.2010	31.12.2009	Change in %
Collection items	612	632	–3.2
Precious metals	671	811	–17.3
Leased equipment	221	554	–60.1
Accrued and deferred items	340	380	–10.5
Other assets	5,505	1,406	.
Total	**7,349**	**3,783**	**94.3**

After the changes in the balance sheet structure (see Note 2) the other assets amounted to €3,432m as at December 31, 2008/January 1, 2009 excluding investment properties (€909m) and assets and disposal groups held for sale (€684m). Changes in leases within other assets were as follows:

€m	2010	2009
Book value as at 1.1.	**554**	**358**
Cost of acquisition/production as at 1.1.	788	504
Changes in exchange rates	1	–2
Additions	206	97
Deductions	97	46
Changes in group of consolidated companies	–	235
Reclassifications	–534	–
Cost of acquisition/production as at 31.12.	364	788
Cumulative write-downs as at 1.1.	234	146
Changes in exchange rates	–	–
Additions	68	120
of which unscheduled	–	44
Deductions	18	31
Changes in group of consolidated companies	–	–
Reclassifications	–141	–1
Cumulative write-downs as at 31.12.	143	234
Cumulative changes from the fair value valuation	–	–
Book value as at 31.12.	**221**	**554**

(62) Liabilities to banks

	Total		
€m	31.12.2010	31.12.2009	Change in %
Banks in Germany	45,475	54,188	–16.1
Banks outside Germany	92,151	86,446	6.6
Total	**137,626**	**140,634**	**–2.1**
of which relate to the category			
Liabilities measured at amortized cost	95,154	91,897	3.5
At fair value through profit or loss	42,472	48,737	–12.9

of which	Due on demand		Other liabilities	
€m	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Banks in Germany	17,097	11,989	28,378	42,199
Banks outside Germany	33,082	35,521	59,069	50,925
Total	**50,179**	**47,510**	**87,447**	**93,124**

The table below shows a breakdown of claims on banks by main transaction types:

€m	31.12.2010	31.12.2009	Change in %
Repos and cash collaterals	44,016	31,556	39.5
Liabilities from money market trading	35,166	51,785	–32.1
Other liabilities	58,444	57,293	2.0
Total	**137,626**	**140,634**	**–2.1**

(63) Liabilities to customers

Liabilities to customers consist of savings deposits, demand deposits and time deposits, including savings certificates.

	Total		
€m	31.12.2010	31.12.2009	Change in %
Customers in Germany	**195,561**	**206,123**	**–5.1**
Corporate customers	122,544	139,908	–12.4
Retail customers and others	66,144	57,809	14.4
Public sector	6,873	8,406	–18.2
Customers outside Germany	**67,266**	**58,495**	**15.0**
Corporate and retail customers	61,293	54,808	11.8
Public sector	5,973	3,687	62.0
Total	**262,827**	**264,618**	**–0.7**
of which relate to the category			
Liabilities measured at amortized cost	243,177	246,020	–1.2
At fair value through profit or loss	19,650	18,598	5.7

	Savings deposits		Other liabilities			
			due on demand		with agreed term or period of notice	
€m	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Customers in Germany	**3,970**	**5,242**	**106,097**	**105,155**	**85,494**	**95,726**
Corporate customers	43	40	49,365	77,424	73,136	62,444
Retail customers and others	3,926	5,202	54,658	26,768	7,560	25,839
Public sector	1	–	2,074	963	4,798	7,443
Customers outside Germany	**2,586**	**2,187**	**37,710**	**26,618**	**26,970**	**29,690**
Corporate and retail customers	2,585	2,186	32,864	25,241	25,844	27,381
Public sector	1	1	4,846	1,377	1,126	2,309
Total	**6,556**	**7,429**	**143,807**	**131,773**	**112,464**	**125,416**

Savings deposits broke down as follows:

€m	31.12.2010	31.12.2009	Change in %
Savings deposits with agreed period of notice of three months	5,700	6,095	–6.5
Savings deposits with agreed period of notice of more than three months	856	1,334	–35.8
Total	**6,556**	**7,429**	**–11.8**

The table below shows a breakdown of claims on customers by main transaction types:

€m	31.12.2010	31.12.2009	Change in %
Repos and cash collaterals	18,106	17,619	2.8
Liabilities from money market trading	46,339	48,791	–5.0
Other liabilities	198,382	198,208	0.1
Total	**262,827**	**264,618**	**–0.7**

(64) Securitized liabilities

Securitized liabilities consist of bonds and notes, including mortgage and public-sector Pfandbriefe, money market instruments (e.g. certificates of deposit, euro notes, commercial papers), index certificates, own acceptances and promissory notes outstanding.

The nominal interest paid on money-market paper ranged from 0,02% to 5,45% (previous year: 0,19% to 6,91%); for bonds and notes, from 0,03% to 12,00% (previous year: 0,03% to 16,73%). Mortgage Pfandbriefe of €28,744m (previous year: €33,506m) and public-sector Pfandbriefe of €48,495m (previous year: €63,885m) were included in securitized liabilities.

	Total		of which: issued by mortgage banks	
€m	31.12.2010	31.12.2009[1]	31.12.2010	31.12.2009
Bonds and notes issued	116,270	139,079	80,284	103,333
Money market instruments issued	15,024	22,612	–	–
Own acceptances and promissory notes outstanding	62	88	55	75
Total	**131,356**	**161,779**	**80,339**	**103,408**
of which relate to the category				
Liabilities measured at amortized cost	128,150	158,276	80,339	103,408
At fair value through profit or loss	3,206	3,503	–	–

[1] After reclassification to trading liabilities (see Note 2).

New issues with a total volume of €44.4bn were issued in 2010. In the same period the volume of bonds maturing amounted to €76.9bn. The table below lists the most important bonds and notes issued in 2010:

Equivalent €m	Currency	Issuer	Interest rate %	Maturity
1,500	EUR	Eurohypo Aktiengesellschaft	2.000	2013
1,250	EUR	Eurohypo Aktiengesellschaft	2.250	2015
1,000	EUR	Commerzbank Aktiengesellschaft	3.880	2017
1,000	EUR	Commerzbank Aktiengesellschaft	4.000	2020
750	EUR	EUROHYPO Europäische Hypothekenbank S.A.	2.250	2013
500	EUR	Eurohypo Aktiengesellschaft	2.000	2014
500	EUR	Eurohypo Aktiengesellschaft	1.136[1]	2014

[1] Floating interest rate.

(65) Value adjustments portfolio fair value hedges

The adjustment to the fair value of underlying transactions hedged against interest rate risk was €121m (previous year: €– 16m). A counter asset from the hedging transactions is shown under positive fair values attributable to derivative hedging instruments.

(66) Negative fair values attributable to derivative hedging instruments

The negative fair values of derivatives which are used to hedge underlying transactions against interest rate risk are shown under this item.

€m	31.12.2010	31.12.2009	Change in %
Negative fair values from micro fair value hedges	9,312	10,844	– 14.1
Negative fair values from portfolio fair value hedges	40	449	– 91.1
Negative fair values from cash flow hedges	17	52	– 67.3
Total	**9,369**	**11,345**	**– 17.4**

(67) Trading liabilities

Trading liabilities show the negative fair values of derivative financial instruments that do not qualify for hedge accounting as well as lending commitments with negative fair values. Own issues in the trading book and delivery commitments arising from short sales of securities are also included under trading liabilities.

€m	31.12.2010	31.12.2009	Change in %
Currency-related derivative transactions	19,368	16,999	13.9
Interest-rate-related derivative transactions	100,479	145,764	–31.1
Other derivative transactions	10,248	15,609	–34.3
Certificates and other notes issued[1]	9,070	9,591	–5.4
Delivery commitments arising from short sales of securities, negative market values of lending commitments and other trading liabilities	13,228	14,632	–9.6
Total	**152,393**	**202,595**	**–24.8**

[1] After reclassification from securitized liabilities (see Note 2).

Other derivative transactions consisted mainly of €5,803m (previous year: €7,738m) in equity derivatives and €3,782m (previous year: €6,668m) in credit derivatives.

(68) Provisions

Provisions broke down as follows:

€m	31.12.2010	31.12.2009	Change in %
Provisions for pensions and similar commitments	539	759	–29.0
Other provisions	4,239	4,356	–2.7
Total	**4,778**	**5,115**	**–6.6**

a) Provisions for pensions and similar commitments

Changes in provisions for pensions and similar commitments were as follows over the past financial year:

€m	As at 1.1.2010	Pension payments	Additions	Allocation to plan assets[1]	Reclassifications/ changes in exchange rates	Changes in consolidated companies	As at 31.12.2010
Pension entitlements of active and former employees and pension entitlements of pensioners	552	244	95	52	26	–21	**356**
Early retirement	104	31	9	–	–	–	**82**
Part-time scheme for older staff	103	38	95	60	2	–1	**101**
Total	**759**	**313**	**199**	**112**	**28**	**–22**	**539**

[1] If taken into account when setting the level of provisions.

b) Pension obligations

Pension obligations and the pension expense are calculated annually by independent actuaries, applying the projected unit credit method. The underlying premises are based on the norms in the country in which the pension plan was established.

%	31.12.2010	31.12.2009
Parameters for pension plans in Germany		
for determining pension obligation at year-end		
Calculatory interest rate	4.90	5.30
Change in salaries	2.50	2.50
Adjustment to pensions	1.80	1.80
for determining pension expense in the financial year		
Calculatory interest rate	5.30	6.00
Change in salaries	2.50	2.50
Adjustment to pensions	1.80	1.60
Expected return on plan assets	5.70	6.00
Parameters for pension plans outside Germany		
for determining pension obligation at year-end		
Calculatory interest rate	4.20-5.40	1.60-6.10
Change in salaries	2.00-4.50	2.00-8.50
Adjustment to pensions	1.50-3.70	0.40-3.75
for determining pension expense in the financial year		
Calculatory interest rate	1.60-6.10	6.00
Change in salaries	2.00-8.50	2.50
Adjustment to pensions	0.40-3.75	1.60
Expected return on plan assets	4.40-8.50	5.00-8.50
Parameters for post-employment medical plan		
for determining obligation at year-end		
Calculatory interest rate	5.40	5.50
Health care cost increase rate	6.00	5.90
for determining expenses in the financial year		
Calculatory interest rate	5.50	6.40
Health care cost increase rate	5.90	5.50

The pension obligations changed as follows:

€m	2010	2009
Pension obligations as at 1.1.	**5,699**	**2,118**
Service cost	61	75
Interest expense	295	289
Pension payments	–277	–277
Actuarial gains (–)/losses (+)	314	541
Experience adjustments	–5	3
Other adjustments	319	538
Changes in group of consolidated companies	–54	2,983
Past service cost	–1	1
Reductions in benefits	–6	–12
Exchange rate changes	33	4
Other changes	9	–23
Pension obligations as at 31.12.	**6,073**	**5,699**
of which completely or partially funded by plan assets	5,884	5,505
of which not funded by plan assets	189	194

The geographical breakdown of the pension obligations was as follows:

€m	31.12.2010	31.12.2009
Germany	5,032	4,721
Europe (without Germany)	952	894
America	87	78
Asia and others	2	6
Total	**6,073**	**5,699**

A change in the discount rate or the rate of increase in health costs would had the following effects:

€m	Obligation as at 31.12.2010	Expenses in 2010
Interest rate sensitivity		
Calculatory interest rate +50bp	–435	–
Calculatory interest rate –50bp	489	–
Health case cost rate sensitivity		
Health care cost increase rate +100bp	2	–
Health care cost increase rate –100bp	–2	–

The expenses for pensions and other employee benefits had the following components:

€m	2010	2009
Service cost	61	75
Interest expense	295	289
Expected income from plan assets	–267	–250
Past service cost	–1	1
Reductions in benefits	–5	–12
Amortization of actuarial gains (–)/losses (+)	9	–
Other	3	–16
Expenses for defined benefit plans	**95**	**87**
Expenses for defined contribution plans	98	102
Other pension benefits (early retirement and part-time scheme for older staff)	104	66
Other pension-related expenses	20	102
Changes in exchange rates	–	–
Expenses for pensions and similar employee benefits	**317**	**357**

In addition, personnel expense included €228m in employers' contributions to the state pension.

The expected return on plan assets is based on long-term bond yields at the balance sheet date for fixed-interest securities and on past market performance for other investments. The plan assets changed as follows:

€m	2010	2009
Fair value as at 1.1.	**4,764**	**2,039**
Changes in group of consolidated companies	–28	2,354
Employer contributions	52	21
Expected income from plan assets	267	250
Pension payments	–34	–
Reclassifications	–3	–4
Exchange rate changes	27	6
Actuarial gains (+)/losses (–)	149	98
Fair value as at 31.12.	**5,194**	**4,764**
Current income from plan assets	416	348

In the financial year 2011 employer contributions of €62m to plan assets for defined benefit pension plans are expected in the Group as well as pension payments of €250m.

The breakdown of the plan assets was as follows:

%	31.12.2010	31.12.2009
Fixed-income securities	69.3	73.7
Equities	15.6	12.9
Investment fund units	9.2	4.3
Liquid assets	2.4	4.1
Others	3.5	5.0

Summary overview of the main components of defined benefit pension plans:

€m	2010	2009	2008	2007	2006
Pension obligations (projected unit credit)	**6,073**	**5,699**	**2,118**	**2,202**	**2,410**
Fair value of plan assets	5,194	4,764	2,039	1,831	1,617
Funded status	**879**	**935**	**79**	**371**	**793**
Unrecognized actuarial gains (+)/losses (–)	–576	–416	33	71	–251
Past service income (+)/expense (–)	–	–	–	–	–
Recognition of defined benefit assets	53	33	–	–	–
Provisions for pensions	**356**	**552**	**112**	**442**	**542**

c) Other provisions

Changes in other provisions:

€m	As at 1.1.2010	Allocations	Utilization	Reversals	Reclassification/ change in consolidated companies	As at 31.12.2010
Personnel provisions	723	640	361	132	–51	819
Restructuring measures	1,362	56	402	111	18	923
Specific risks in lending business	364	207	7	159	–21	384
Portfolio risks in lending business	278	96	–	142	–1	231
Bonuses for special savings schemes	59	6	40	–	5	30
Legal proceedings and recourse claims	625	205	108	83	169	808
Other	945	673	510	272	208	1,044
Total	**4,356**	**1,883**	**1,428**	**899**	**327**	**4,239**

The provisions in the personnel area are predominantly short-term in nature, but also include provisions for service anniversaries, which are by their nature long-term and are utilized successively in subsequent reporting periods.

The average residual term of loan loss provisions is based on the residual terms of the contingent liabilities and irrevocable lending commitments set out in Note 92. In the case of legal disputes it is impossible to forecast the duration of proceedings and the amount of the liability with certainty at the date of establishing the provision. The provisions listed under other have mainly a residual term of under one year.

The provisions for restructuring measures derive predominantly from measures relating to the integration of the Dresdner Bank Group and are largely attributable to Human Resources and the Organization and IT departments. The provisions are mainly spread over a term of up to four years, with the majority expected to be utilized by the end of 2012.

(69) Tax liabilities

€m	31.12.2010	31.12.2009	Change in %
Current tax liabilities	**1,072**	**1,346**	**–20.4**
Tax liabilities to tax authorities	4	111	–96.4
Provisions for income tax	1,068	1,235	–13.5
Deferred tax liabilities	**222**	**1,240**	**–82.1**
Tax liabilities recognized in income statement	222	1,167	–81.0
Tax liabilities not recognized in income statement	–	73	.
Total	**1,294**	**2,586**	**–50.0**

Provisions for taxes on income are potential tax liabilities which have not yet been formally assessed and potential liabilities for risks associated with tax audits. The liabilities to tax authorities represent payment obligations in respect of current taxes towards German and foreign tax authorities. Deferred tax liabilities represent the potential income tax charge arising from temporary differences between the values assigned to assets and liabilities in the consolidated balance sheet in accordance with IFRS and their values for tax-accounting purposes in accordance with the local tax regulations for consolidated companies. They were recognized in connection with the following items:

€m	31.12.2010	31.12.2009	Change in %
Trading assets and liabilities	53	261	–79.7
Fair values of derivative hedging instruments	52	28	85.7
Financial investments	29	326	–91.1
Claims on banks and customers	38	123	–69.1
Liabilities to banks and customers	2	236	–99.2
Other balance sheet items	48	266	–82.0
Total	**222**	**1,240**	**–82.1**

(70) Liabilities from disposal groups held for sale

The breakdown of liabilities from disposal groups held for sale was as follows:

€m	31.12.2010	31.12.2009	Change in %
Liabilities to banks	199	74	.
Liabilities to customers	214	2,365	–91.0
Negative fair values attributable to derivative hedging instruments	181	318	–43.1
Provisions	56	82	–31.7
Total	**650**	**2,839**	**–77.1**

After the changes in the balance sheet structure (see Note 2) the liabilities from disposal groups held for sale amounted to €329m as at December 31, 2008/January 1, 2009.

(71) Other liabilities

€m	31.12.2010	31.12.2009	Change in %
Liabilities attributable to film funds	2,197	2,219	–1.0
Liabilities attributable to non-controlling interests	2,290	1,985	15.4
Accrued and deferred items	559	506	10.5
Other liabilities	3,090	1,393	.
Total	**8,136**	**6,103**	**33.3**

As a result of the changes in the balance sheet structure (see Note 2) the other liabilities amounted to €2,585m excluding liabilities from disposal groups held for sale (€329m) as at December 31, 2008/January 1, 2009.

(72) Subordinated capital

Subordinated liabilities and profit-sharing certificates are equity within the meaning of Articles 10 (5) and (5a) of the German Banking Act (KWG) in the new version of December 31, 2010 and are broken down as follows:

€m	31.12.2010	31.12.2009	Change in %
Subordinated liabilities	**11,256**	**12,215**	**–7.9**
of which Tier III capital as defined in Art. 10 (7) KWG	–	24	.
of which maturing within 2 years	2,175	2,458	–11.5
Profit-sharing certificates outstanding	**1,259**	**3,372**	**–62.7**
of which maturing within 2 years	765	645	18.6
Accrued interest, including discounts[1]	–187	–277	–32.5
Valuation effects	582	540	7.8
Total	**12,910**	**15,850**	**–18.5**
of which relate to the category			
Liabilities measured at amortized cost	12,886	15,821	–18.6
At fair value through profit or loss	24	29	–17.2

[1] Including the impact of the adjustment of fair values of subordinated capital at the date of acquisition of Dresdner Bank.

The claims of creditors for repayment of these liabilities are subordinate to those of other creditors. The issuer cannot be obliged to repay the liability before the maturity date. In the event of insolvency or winding-up, subordinated liabilities may only be repaid after the claims of all senior creditors have been satisfied.

In the financial year 2010 the volume of subordinated liabilities maturing amounted to €1.0bn. Repayments of €2.4bn were made on profit-sharing certificates. Beyond this there were no significant changes in the reporting year.

The following major subordinated liabilities were outstanding at the end of 2010:

Start of maturity	€m	Currency in m	Issuer	Interest rate	Maturity
2006	1,250	1,250 EUR	Commerzbank Aktiengesellschaft	4.125	2016
2007	750	750 EUR	Commerzbank Aktiengesellschaft	5.625	2017
2007	600	600 EUR	Commerzbank Aktiengesellschaft	1.815[1]	2017
2001	500	500 EUR	Commerzbank Aktiengesellschaft	6.125	2011
2008	500	500 EUR	Commerzbank Aktiengesellschaft	6.250	2014
2009	374	500 USD	Commerzbank Aktiengesellschaft	7.250	2015
2001	250	250 EUR	Commerzbank Aktiengesellschaft	6.100	2011
2003	250	250 EUR	Eurohypo Aktiengesellschaft	5.000	2016
2009	250	250 EUR	Commerzbank Aktiengesellschaft	5.000	2017
2003	220	220 EUR	Eurohypo Aktiengesellschaft	5.000	2014
2006	225	300 CAD	Commerzbank Aktiengesellschaft	4.500	2016
1999	174	150 GBP	Commerzbank Aktiengesellschaft	6.625	2019
2002	150	150 EUR	Eurohypo Aktiengesellschaft	5.750	2012

[1] Floating interest rate.

In the year under review, the interest expense by the Group for subordinated liabilities totalled €713m (previous year: €760m). Interest accruals for interest not yet paid totalled €275m (previous year: €325m).

The profit-sharing certifcate capital participates fully in losses. Interest payments are made only if the issuing institution earns a distributable profit. The claims of holders of profit-sharing certificates for the repayment of principal are subordinate to those of other creditors. At year-end 2010, the following major profit-sharing certificates were in circulation:

Start of maturity	€m	Currency in m	Issuer	Interest rate	Maturity
2006	750	750 EUR	Commerzbank Aktiengesellschaft	5.386	2015
2000	320	320 EUR	Commerzbank Aktiengesellschaft	6.375	2010[1]

[1] Repayment in 2011.

Interest expense on the outstanding profit-sharing certificates in the 2010 financial year was €162m (previous year: €150m). Interest accruals for interest not yet paid totalled €130m (previous year: €79m).

(73) Hybrid capital

€m	31.12.2010	31.12.2009	Change in %
Hybrid capital	5,005	5,191	–3.6
Accrued interest, including discounts[1]	–1,084	–1,342	–19.2
Valuation effects	260	230	13.0
Total	**4,181**	**4,079**	**2.5**
of which relate to the category			
Liabilities measured at amortized cost	4,181	4,079	2.5
At fair value through profit or loss	–	–	.

[1] Including the impact of the adjustment of fair values of hybrid capital at the date of acquisition of Dresdner Bank.

In 2010 no new issues or buybacks were made and no issues matured. At the end of 2010, the following hybrid capital instruments were outstanding:

Start of maturity	€m	Currency in m	Issuer	Interest rate	Maturity
2006	1,000	1,000 EUR	Commerzbank Capital Funding Trust I	5.012	unlimited period
2006	1,000	1,000 EUR	Commerzbank Aktiengesellschaft	6.932	unlimited period
2006	929	800 GBP	Commerzbank Capital Funding Trust II	5.905	unlimited period
1999	748	1,000 USD	Dresdner Capital LLC I	8.151	2031
2003	600	600 EUR	Eurohypo Capital Funding Trust I	6.445	unlimited period
2006	300	300 EUR	Commerzbank Capital Funding Trust III	2.524	unlimited period
2005	300	300 EUR	Eurohypo Capital Funding Trust II	3.486	unlimited period

In the 2010 financial year interest of €155m (previous year: €203m) was payable on hybrid capital. Hybrid capital forms part of the bank's liable equity capital. Interest payments are due in accordance with the issue conditions of the instrument. The claims of holders of hybrid instruments for repayment of their capital are subordinate to the claims of creditors of the liabilities reported under subordinated liabilities and profit-sharing certificates.

(74) Equity structure

€m	31.12.2010	31.12.2009	Change in %
a) Subscribed capital	3,047	3,071	–0.8
b) Capital reserve	1,302	1,334	–2.4
c) Retained earnings	9,345	7,878	18.6
d) Silent participations	17,178	17,178	0.0
Other reserves	–2,999	–3,455	–13.2
e) Revaluation reserve	–1,731	–1,755	–1.4
f) Cash flow hedge reserve	–1,005	–1,223	–17.8
g) Currency translation reserve	–263	–477	–44.9
Total before non-controlling interests	**27,873**	**26,006**	**7.2**
Non-controlling interests	785	570	37.7
Equity	**28,658**	**26,576**	**7.8**

a) Subscribed capital

The subscribed capital (share capital) of Commerzbank Aktiengesellschaft consists of no-par-value shares, each with a notional par value of €2.60. The shares are issued in bearer form.

	Units
Number of shares outstanding on 1.1.2010	**1,180,489,021**
plus treasury shares on 31.12. of the previous year	863,905
Capital increase	–
Issue of new shares	–
Number of shares issued on 31.12.2010	**1,181,352,926**
less treasury shares on balance sheet date	9,315,335
Number of shares outstanding on 31.12.2010	**1,172,037,591**

Before deduction of treasury shares, the subscribed capital was €3,072m. There are no preferential rights or restrictions on the payment of dividends at Commerzbank Aktiengesellschaft. All the shares in issue are fully paid up. The value of issued, outstanding and authorized shares was as follows:

	31.12.2010		31.12.2009	
	€m	1,000 units	€m	1,000 units
Shares issued	3,071.5	1,181,353	3,071.5	1,181,353
./. Treasury shares	24.2	9,315	2.2	864
= Shares outstanding	3,047.3	1,172,038	3,069.3	1,180,489
Shares not yet issued from authorized capital	1,535.0	590,385	1,142.0	439,231
Total	**4,582.3**	**1,762,423**	**4,211.3**	**1,619,720**

The number of authorized shares is 1,771,738 thousand (previous year: 1,620,584 thousand shares). The accounting value of the authorized shares is €4,606.5m (previous year: €4,213.5m shares).

As at December 31, 2010, 10,774 thousand shares (previous year: 10,821 thousand shares) had been pledged with the Group as security. This represents 0.9% (previous year: 0.9%) of the shares outstanding on the balance sheet date.

Securities transactions in treasury shares pursuant to Art. 71 (1), nos. 1 and 7 of the German Companies Act (Aktiengesetz):

	Number of shares in units	Calculated value[1] in € 1,000	Percentage of share capital
Balance as at 31.12.2010	9,315,335	24,220	0.79
Largest number acquired during the financial year	9,782,622	25,435	0.83
Total shares pledged by customers as collateral on 31.12.2010	10,773,955	28,012	0.92
Shares acquired during the financial year	216,017,380	561,645	–
Shares disposed of during the financial year	207,565,950	539,671	–

[1] Accounting par value per share €2.60.

The Bank has given an undertaking to the Financial Market Stabilization Fund, represented by the Financial Market Stabilization Authority, that neither it nor any of its affiliated companies will buy back shares or other components of its liable equity capital (except as specified under Art. 71 (1) nos. 2, 4 (purchase on behalf of another party), no. 7 or no. 8 of the German Companies Act/Aktiengesetz).

As part of our capital management we increased our share capital in January 2011 by 10% less one share (118,135,291 shares) from authorized capital excluding shareholders' preemptive rights for non-cash contributions. The new shares were subscribed in their entirety for non-cash contributions of hybrid equity instruments (trust preferred securities) issued by companies of the Commerzbank Group. The nominal amount of the hybrid capital was €0.9bn and has a one-time revenue effect on pre-tax group profit/loss of €0.3bn. Subscribed capital and the capital reserve have increased as a result by €0.3bn respectively. The transaction had no significant effects on the Tier I core capital ratio.

SoFFin subsequently transformed part of its silent participations into shares in order to maintain its ownership share in Commerzbank (25% plus one share). Thus silent participations in a nominal amount of €0.2bn were transformed into 39,378,430 shares taken from the conditional capital approved by the annual general meeting in 2009.

The completion of these two capital transactions increased the number of shares of Commerzbank Aktiengesellschaft to a total of 1,338,866,647 shares.

b) Capital reserve

The capital reserve shows, in addition to premiums from the issue of shares, fair values of share-based remuneration transactions in equity instruments that have not yet been exercised. In addition, the capital reserve contains amounts realized for conversion and option rights entitling holders to purchase shares when bonds and notes were issued.

c) Retained earnings

Retained earnings consist of the statutory reserve and other reserves. The statutory reserve contains reserves which are mandated by German law; in the parent company financial statements, the amounts assigned to this reserve may not be distributed. The total amount of retained earnings stated in the balance sheet results from other retained earnings of €9,345m (previous year: €7,878m). There were no statutory reserves in the reporting year or at December 31, 2009.

d) Silent participations

The contributions of the silent partner, the Financial Market Stabilization Fund (SoFFin), represented by the Financial Market Stabilization Authority, in the amount of €8.2bn each were paid in on December 31, 2008 and June 4, 2009. The silent participations are based on the agreement dated December 19, 2008 and the supplementary agreement dated June 3, 2009 on the establishment of a silent partnership concluded between the Financial Market Stabilization Fund, represented by the Financial Market Stabilization Authority, and Commerzbank Aktiengesellschaft. Commerzbank Aktiengesellschaft has given an undertaking to SoFFin, not to pay any dividend for the preceding year in the financial years January 1, 2009 to December 31, 2009 and January 1, 2010 to December 31, 2010. Interest of 9% p.a. will be paid on the participations, which are eligible in full as Tier I capital. Repayment will be at par. The interest rate on the silent participations rises in years when a dividend is paid. The additional interest to be paid in such cases is based on the total cash dividend paid out. For approximately every €5.9m of cash dividend paid, the interest rate will rise by 0.01 percentage points.

SoFFin participates in any net loss in proportion to the ratio of the book value of the silent participation to the overall book value of all of the Company's liable capital participating in the net loss (Art. 10 (2a), (4) and (5) German Banking Act). After a reduction the silent participation will be written up again in the following financial years to its full original nominal value, provided that this does not thereby cause or increase a net loss.

Furthermore, Commerzbank Aktiengesellschaft and Allianz concluded an agreement on June 3, 2009 on the establishment of a silent partnership, on the basis of which Allianz, through a subsidiary, provided Commerzbank Aktiengesellschaft with a silent participation of €750m. The silent participation comes with a profit participation consisting of fixed interest of 9% p.a. on the nominal contribution amount plus additional dividend-linked remuneration of 0.01% p.a. for approximately each €5.9 million of cash dividends paid.

In accordance with IFRS the silent participations are recognized separately under equity, and the interest paid on the silent participations is set off directly against equity without affecting the income statement. Interest is only payable on the silent participations if the Company earns a net distributable profit under German GAAP (HGB) accounting rules. This condition was not met in 2010 and no expenses were therefore incurred (previous year: nil).

e) Revaluation reserve

Gains and losses from revaluing financial investments at fair value are recognized in the revaluation reserve net of deferred taxes. Gains or losses are recognized in the income statement only if the asset has been disposed of or impaired.

f) Cash flow hedge reserve

The net gain/loss on measuring the effective part of cash flow hedges is reported in this equity item after deduction of deferred taxes. We ended cash flow hedge accounting in the financial year 2009 with only a few exceptions and since then have been using micro and portfolio fair value hedge accounting to manage interest rate risks. From the date of this change, the cash flow hedge reserve and the associated hedging transactions have been amortized in net interest income over the residual term of the hedging transactions. This has no impact on net income.

g) Currency translation reserve

The reserve from currency translation relates to translation gains and losses arising upon the consolidation of the capital accounts. This includes exchange rate differences arising from the consolidation of subsidiaries and companies accounted for using the equity method.

(75) Conditional capital

Conditional capital is intended to be used for the issue of convertible bonds or bonds with warrants and also of profit-sharing certificates with conversion or option rights. Conditional capital developed as follows:

					of which	
€m	Conditional capital 1.1.2010	Additions	Expirations/ Utilizations	Conditional capital[1] 31.12.2010	Used conditional capital	Available lines
Convertible bonds/bonds with warrants/profit-sharing certificates	1,222	1,058	832	1,448	–	1,448
Total	**1,222**	**1,058**	**832**	**1,448**	**–**	**1,448**

[1] €746m of the conditional capital is set aside to enable the issuance of shares in the event of the exercise of conversion rights granted to the Financial Markets Stabilization Fund SoFFin, established under the German Financial Market Stabilization Fund Act and represented by the Financial Market Stabilization Authority, as a silent partner in the Company. The conditional capital increase will only be carried out if SoFFin exercises these conversion rights.

As resolved at the General Meeting of May 19, 2010, the Company's share captal shall be conditionally increased by up to €702,000,000.00 divided into 270,000,000 no-par-value bearer shares (Conditional Capital 2010/I). The conditional capital increase will only be carried out to the extent that holders/creditors of convertible bonds, convertible profit-sharing certificates or warrants attached to bonds or profit-sharing certificates issued or guaranteed up to May 18, 2015 by Commerzbank Aktiengesellschaft or by companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18 (1) of the German Companies Act) on the basis of the AGM's authorization of May 19, 2010 (Authorization 2010) exercise their conversion or option rights or meet their corresponding obligation to exercise their conversion or option rights and no other forms of performance are chosen.

As resolved at the Annual General Meeting in May 2009, the Company's share capital shall be conditionally increased by up to €390,000,000.00, divided into up to 150,000,000 no-par-value bearer shares (Conditional Capital 2009). The conditional capital increase is to enable the issuance of shares in the event of the exercise of conversion rights granted to the Financial Market Stabilization Fund SoFFin, established under the German Financial Market Stabilization Act and represented by the Financial Market Stabilization Authority, as silent partner in the Company. The conditional capital increase will only be carried out to the extent that SoFFin exercises these conversion rights.

As resolved at the Annual General Meeting in May 2010, the Company's share capital shall be conditionally increased by up to €355,666,667.20, divided into up to 136,794,872 no-par-value bearer shares (Conditional Capital 2010/II). The conditional capital increase is to enable the issuance of shares in the event of the exercise of conversion rights granted to the Financial Market Stabilization Fund SoFFin, established under the German Financial Market Stabilization Act and represented by the Financial Market Stabilization Authority, as silent partner in the Company. The conditional capital increase will only be carried out to the extent that SoFFin exercises these conversion rights.

(76) Authorized capital

Date of AGM resolution	Original amount €m	Used in previous years for capital increases €m	Used in 2010 for capital increases €m	Authorization expired €m	Residual amount €m	Date of expiry
17.5.2006	12	–	–	12	–	30.4.2011
15./16.5.2009	670	–	–	670	–	14.5.2014
15./16.5.2009	460	–	–	460	–	14.5.2014
18.5.2010	1,535	–	–	–	1,535	18.5.2015
Total	**2,677**	**–**	**–**	**1,142**	**1,535**	

The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the Company's share capital during the period up to May 18, 2015 through the issue of new no-par-value shares for cash or non-cash contributions, in either one or several tranches, by a maximum of €1,535,000,000.00 (Authorized Capital 2010). In principle, shareholders are to be offered subscription rights; the mandatory pre-emptive right may also be granted in such manner that the new shares are underwritten by a bank or a syndicate of banks under an obligation to offer them for subscription to shareholders of Commerzbank Aktiengesellschaft. However, the Board of Managing Directors is authorized to exclude pre-emptive rights, with the approval of the Supervisory Board, in the following cases:

- To exclude fractional amounts from subscription rights.
- To the extent necessary, to grant the holders of conversion or option rights, either already issued or still to be issued by Commerzbank Aktiengesellschaft or by companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18 (1), Stock Corporations Act), subscription rights in the amount to which they would be entitled after exercising their conversion or option rights or fulfilling their corresponding conversion or option obligation.
- To issue shares up to the amount of €12,000,000.00 to employees of Commerzbank Aktiengesellschaft or of companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18 (1) AktG);
- To increase the share capital for non-cash contributions;
- In the event of capital increases for cash, if the issue price of the new shares is not significantly lower than the stock exchange price for identical shares of the Company at the time the issue price is set. The shares issued with the exclusion of pre-emptive rights pursuant to Art. 203 (1) and Art. 186 (3) sentence 4 German Companies Act on the basis of this authorization may not exceed a total of 10% of the Company's share capital at the time the authorization becomes effective, or at the time the authorization is exercised, whichever amount is lower. The upper limit of 10% of the capital will be reduced by the proportion of share capital represented by any of the Company's own shares that are sold during the period of validity of Authorized Capital 2010, while excluding shareholders' pre-emptive rights in accordance with Art. 71 (1) 8 sentence 5, and Art. 186 (3) sentence 4 of the German Companies Act. The upper limit is further reduced by the pro-rata amount of share capital corresponding to those shares that must be issued to service options and convertible bonds with option or conversion rights or with option or conversion obligations, provided such bonds are issued during the period of validity of Authorized Capital 2010, while excluding pre-emptive rights subject to appropriate application of Art. 186 (3) sentence 4, Stock Corporations Act.

The Board of Managing Directors is authorized to specify the other details of the capital increase and its execution. Art. 4 (3), (6) and (7) in the version of the Articles of Association cited last year was cancelled by resolution of the AGM on May 19, 2010 in order to create a standard, new authorization.

(77) The Bank's foreign currency position

On December 31, 2010 the Commerzbank Group had the following foreign currency assets and liabilities (excluding fair values of derivatives):

					31.12.2010	31.12.2009[1]	Change
€m	USD	PLN	GBP	Others	Total	Total	%
Cash reserve	3,914	571	48	1,234	5,767	5,379	7.2
Claims on banks	15,336	333	1,894	15,088	32,651	21,663	50.7
Claims on customers	45,624	6,524	16,029	21,721	89,898	91,921	–2.2
Trading assets	5,316	651	3,975	179	10,121	19,041	–46.8
Financial investments	19,008	4,934	3,341	3,896	31,179	35,432	–12.0
Other balance sheet items	644	632	615	404	2,295	15,742	–85.4
Foreign currency assets	**89,842**	**13,645**	**25,902**	**42,522**	**171,911**	**189,178**	**–9.1**
Liabilities to banks	37,846	992	7,860	6,356	53,054	42,799	24.0
Liabilities to customers	29,096	9,891	3,864	5,428	48,279	30,009	60.9
Securitized liabilities	20,030	423	2,024	8,033	30,510	42,170	–27.6
Trading liabilities	52	–	7,132	52	7,236	21,723	–66.7
Other balance sheet items	1,255	251	1,748	1,092	4,346	25,715	–83.1
Foreign currency liabilities	**88,279**	**11,557**	**22,628**	**20,961**	**143,425**	**162,416**	**–11.7**

[1] After reclassification from securitized liabilities to trading liabilities (see Note 2).

The open balance sheet positions beyond trading business are matched by foreign exchange forward contracts and currency swaps with matching maturities.

Notes on financial instruments

(78) Derivative transactions

The tables below show the Commerzbank Group's business with derivative financial instruments as of the balance sheet date.

A derivative is a financial instrument whose value is determined by a so-called underlying asset. The underlying asset may, for example, be an interest rate, commodity price, share price, foreign exchange rate or bond price. The financial instrument does not require any initial net investment, or an initial net investment that is smaller than would be required for other types of instrument that would be expected to have a similar response to changes in market factors. It is settled at a future date.

Most of the derivatives transactions involve OTC derivatives, whose nominal amount, maturity and price are agreed individually between the Bank and its counterparties. However, the Bank also concludes derivatives contracts on regulated stock exchanges. These are standardized contracts with standardized nominal amounts and settlement dates.

The nominal amount shows the volume traded by the Bank. The positive and negative fair values listed in the table, however, are the expenses which would be incurred by the Bank or the counterparty to replace the contracts originally concluded with transactions of an equivalent financial value. From the Bank's point of view, a positive fair value thus indicates the maximum potential counterparty-specific default risk that existed from derivative transactions on the balance sheet date.

In order to minimize both the economic and the regulatory credit risk arising from these instruments, our Legal Services department concludes master agreements (bilateral netting agreements) with our counterparties (such as 1992 ISDA Master Agreement Multi-Currency Cross-Border; German Master Agreement for Financial Futures). By means of such bilateral netting agreements, the positive and negative fair values of the derivatives contracts included under a master agreement can be offset against one another and the future regulatory risk add-ons for these products can be reduced. Through this netting process, the credit risk is limited to a single net claim on the party to the contract (close-out netting).

For both regulatory reports and the internal measurement and monitoring of our credit commitments, we use such risk-mitigating techniques only where we consider them enforceable in the jurisdiction in question, if the counterparty becomes insolvent. We obtain legal opinions from various international law firms in order to verify enforceability.

Similar to the master agreements are the collateral agreements (e.g. collateralization annex for financial futures contracts, Credit Support Annex), which we conclude with our business associates to secure the net claim or liability remaining after netting (receiving or furnishing of security). As a rule, this collateral management reduces credit risk by means of prompt – mostly daily or weekly – measurement and adjustment of the customer exposure.

The table below shows the nominal amounts and the fair values of the derivative business broken down by interest rate-based contracts, currency-based contracts and contracts based on other price risks and the maturity structure of these transactions. The fair values are the sum totals of the positive and negative amounts per contract and are shown without deducting collateral and without taking account of any netting agreements, because these work on a cross-product basis. By definition, no positive fair values exist for options which have been written. The nominal amount represents the gross volume of all sales and purchases. The maturity dates listed for the transactions are based on the term to maturity of the contracts and not the maturity of the underlying. The table below also shows the fair value of derivatives based on the net method of presentation as set out in Note 1. The netting volume as at December 31, 2010 amounted to €207,088m (previous year: €136,763m).

31.12.2010	Nominal amount						Fair value	
	Residual terms							
€m	due on demand	up to 3 months	3 months to 1 year	1 year to 5 years	more than 5 years	Total	positive	negative
Foreign-currency-based forward transactions								
OTC products	4	556,439	269,677	229,003	128,309	1,183,432	18,960	19,716
Foreign exchange spot and forward contracts	–	459,796	124,259	35,974	1,011	621,040	7,760	7,471
Interest rate and currency swaps	–	20,690	56,431	153,471	114,166	344,758	8,391	9,481
Currency call options	–	34,420	41,393	18,545	6,735	101,093	2,560	–
Currency put options	–	40,779	46,507	19,363	5,328	111,977	–	2,586
Other foreign exchange contracts	4	754	1,087	1,650	1,069	4,564	249	178
Products traded on a stock exchange	–	2,943	189	–	–	3,132	–	–
Currency futures	–	2,943	189	–	–	3,132	–	–
Currency options	–	–	–	–	–	–	–	–
Total	**4**	**559,382**	**269,866**	**229,003**	**128,309**	**1,186,564**	**18,960**	**19,716**
Interest-based forward transactions								
OTC products	23	935,289	1,659,611	3,783,989	3,560,026	9,938,938	308,399	316,541
Forward rate agreements	–	115,631	492,410	3,108	–	611,149	261	295
Interest rate swaps	–	809,751	1,119,744	3,657,641	3,383,598	8,970,734	298,659	306,996
Call options on interest rate futures	–	2,357	26,445	58,615	74,552	161,969	6,820	–
Put options on interest rate futures	–	3,335	18,794	56,266	93,894	172,289	–	7,052
Other interest rate contracts	23	4,215	2,218	8,359	7,982	22,797	2,659	2,198
Products traded on a stock exchange	–	1,415	125,290	6,650	4,128	137,483	–	–
Interest rate futures	–	582	73,385	6,489	4,128	84,584	–	–
Interest rate options	–	833	51,905	161	–	52,899	–	–
Total	**23**	**936,704**	**1,784,901**	**3,790,639**	**3,564,154**	**10,076,421**	**308,399**	**316,541**
Other forward transactions								
OTC products	1,436	22,923	51,038	167,423	24,788	267,608	8,433	10,295
Structured equity/index products	1,433	9,930	12,237	14,146	1,837	39,583	1,977	2,645
Equity call options	–	2,064	9,756	8,823	349	20,992	2,148	–
Equity put options	–	2,820	12,754	11,947	993	28,514	–	3,158
Credit derivatives	–	3,534	13,800	129,526	21,503	168,363	3,612	3,830
Precious metal contracts	3	4,087	1,412	1,121	–	6,623	308	125
Other transactions	–	488	1,079	1,860	106	3,533	388	537
Products traded on a stock exchange	–	27,731	50,086	38,616	1,467	117,900	–	–
Equity futures	–	7,043	451	15	12	7,521	–	–
Equity options	–	16,314	43,640	36,483	1,455	97,892	–	–
Other futures	–	2,350	1,970	840	–	5,160	–	–
Other options	–	2,024	4,025	1,278	–	7,327	–	–
Total	**1,436**	**50,654**	**101,124**	**206,039**	**26,255**	**385,508**	**8,433**	**10,295**
Total pending forward transactions								
OTC products	1,463	1,514,651	1,980,326	4,180,415	3,713,123	11,389,978	335,792	346,552
Products traded on a stock exchange	–	32,089	175,565	45,266	5,595	258,515	–	–
Total	**1,463**	**1,546,740**	**2,155,891**	**4,225,681**	**3,718,718**	**11,648,493**	**335,792**	**346,552**
Net position in the balance sheet							**128,704**	**139,464**

31.12.2009	Nominal amount Residual terms				Fair value	
€m	due on demand, up to 3 months and 3 months up to 1 year	1 year to 5 years	more than 5 years	Total	positive	negative
Foreign-currency-based forward transactions						
OTC products	569,568	210,591	94,331	874,490	18,121	17,357
Foreign exchange spot and forward contracts	363,697	28,683	669	393,049	5,677	6,692
Interest rate and currency swaps	84,856	144,436	83,462	312,754	8,815	7,795
Currency call options	58,077	17,807	5,458	81,342	3,417	–
Currency put options	61,304	19,417	3,657	84,378	–	2,687
Other foreign exchange contracts	1,634	248	1,085	2,967	212	183
Products traded on a stock exchange	1,855	–	–	1,855	–	–
Currency futures	1,855	–	–	1,855	–	–
Currency options	–	–	–	–	–	–
Total	**571,423**	**210,591**	**94,331**	**876,345**	**18,121**	**17,357**
Interest-based forward transactions						
OTC products	2,953,987	4,062,581	3,777,029	10,793,597	284,970	289,293
Forward rate agreements	770,675	1,894	–	772,569	398	399
Interest rate swaps	2,105,395	3,921,755	3,638,619	9,665,769	279,452	281,937
Call options on interest rate futures	34,156	62,963	55,171	152,290	4,844	–
Put options on interest rate futures	42,526	69,708	80,447	192,681	–	6,334
Other interest rate contracts	1,235	6,261	2,792	10,288	276	623
Products traded on a stock exchange	249,123	8,414	1,455	258,992	–	–
Interest rate futures	184,415	8,123	1,068	193,606	–	–
Interest rate options	64,708	291	387	65,386	–	–
Total	**3,203,110**	**4,070,995**	**3,778,484**	**11,052,589**	**284,970**	**289,293**
Other forward transactions						
OTC products	170,164	447,984	71,942	690,090	17,331	19,830
Structured equity/index products	15,003	14,074	2,610	31,687	929	2,093
Equity call options	28,049	11,795	1,637	41,481	6,035	–
Equity put options	32,024	18,081	2,485	52,590	–	5,650
Credit derivatives	88,225	400,473	65,150	553,848	9,494	10,883
Precious metal contracts	5,797	2,189	–	7,986	150	362
Other transactions	1,066	1,372	60	2,498	723	842
Products traded on a stock exchange	104,748	59,050	2,141	165,939	–	–
Equity futures	6,300	–	–	6,300	–	–
Equity options	88,322	53,495	2,141	143,958	–	–
Other futures	3,795	1,306	–	5,101	–	–
Other options	6,331	4,249	–	10,580	–	–
Total	**274,912**	**507,034**	**74,083**	**856,029**	**17,331**	**19,830**
Total pending forward transactions						
OTC products	3,693,719	4,721,156	3,943,302	12,358,177	320,422	326,480
Products traded on a stock exchange	355,726	67,464	3,596	426,786	–	–
Total	**4,049,445**	**4,788,620**	**3,946,898**	**12,784,963**	**320,422**	**326,480**
Net position in the balance sheet					**183,659**	**189,717**

Breakdown of derivatives business by borrower group:

The table below shows the positive and negative fair values of the Commerzbank Group's derivative business broken down by counterparty. The Commerzbank Group conducts derivative business primarily with counterparties who have excellent credit ratings. A large portion of the fair values is concentrated in banks and financial institutions based in OECD countries.

	Fair value		Fair value	
	positive	negative	positive	negative
€m	31.12.2010		31.12.2009	
OECD central governments	1,442	1,515	1,094	877
OECD banks	113,015	125,386	167,040	178,872
OECD financial institutions	210,674	213,304	140,706	140,637
Other entities, private individuals	9,437	4,642	8,880	3,942
Non-OECD banks	1,224	1,705	2,702	2,152
Total	**335,792**	**346,552**	**320,422**	**326,480**

The outstanding volume of the Commerzbank Group's transactions as a protection buyer or seller amounted to €89,106m (previous year: €281,956m) and €79,257m (previous year: €271,892m) respectively as of the balance sheet date. We employ these products, which serve to transfer credit risk, in both trading for arbitrage purposes and in the investment area for diversifying our loan portfolios. The following table illustrates our risk structure in terms of the various risk assets that have been hedged.

Breakdown by reference assets:

	Nominal values		Nominal values	
	Buyer of protection	Seller of protection	Buyer of protection	Seller of protection
€m	31.12.2010		31.12.2009	
OECD central governments	8,126	7,122	8,292	7,936
OECD banks	6,851	7,224	16,295	17,089
OECD financial institutions	7,301	6,002	94,893	93,603
Other entities, private individuals	65,756	58,051	160,480	152,111
Non-OECD banks	1,072	858	1,996	1,153
Total	**89,106**	**79,257**	**281,956**	**271,892**

Details of derivatives in cash flow hedge accounting:

The nominal values of derivatives used for cash flow hedging until this was ended in 2009 (see Note 74) totalled €335bn as at December 31, 2010. The table below shows the periods in which these are likely to expire:

€m	31.12.2010
Up to 3 months	17
More than 3 months up to 1 year	85
More than 1 year up to 5 years	176
More than 5 years	57

Underlying hedged transactions existed in each maturity band with at least the same nominal value.

(79) Assets pledged as collateral

Assets were pledged as collateral for the following liabilities:

€m	31.12.2010	31.12.2009	Change in %
Liabilities to banks	60,504	58,627	3.2
Liabilities to customers	19,330	35,948	–46.2
Securitized liabilities	–	144	.
Other liabilities	–	3,096	.
Total	**79,834**	**97,815**	**–18.4**

The following assets were pledged as collateral for the above-mentioned liabilities:

€m	31.12.2010	31.12.2009	Change in %
Claims on banks and customers	23,911	21,095	13.3
Trading assets and financial investments	66,602	79,395	–16.1
Other assets	–	–	.
Total	**90,513**	**100,490**	**–9.9**

The recipient of the collateral has the right under contract or in accordance with customary practice to sell or pledge the following assets of the Commerzbank Group to others:

€m	31.12.2010	31.12.2009	Change in %
Claims on banks and customers	94	–	.
Trading assets and financial investments	41,771	55,131	–24.2
Other assets	–	–	.
Total	**41,865**	**55,131**	**–24.1**

Collateral was furnished to borrow funds as part of securities repurchase agreements (repos). Security was also furnished for funds borrowed for specific purposes and securities-lending transactions. The transactions were carried out under the standard market terms for securities lending and repurchase transactions.

(80) Maturity breakdown

	Residiual terms as at 31.12.2010				
€m	due on demand and unlimited term	up to 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Claims on banks	45,351	45,557	7,044	10,928	2,076
Claims on customers	21,098	59,879	40,818	110,558	104,519
Bonds, notes and other interest-rate-related securities and promissory note loans in trading assets	222	5,685	3,894	12,114	10,200
Bonds, notes and other interest-rate-related securities held in financial instruments	16	5,366	10,324	37,682	60,105
Total	**66,687**	**116,487**	**62,080**	**171,282**	**176,900**
Liabilities to banks	50,179	56,284	4,634	13,315	13,214
Liabilities to customers	143,807	54,520	15,898	13,158	35,444
Securitized liabilities	62	23,679	18,011	66,248	23,356
Trading liabilities	–	304	3,886	3,061	1,819
Subordinated and hybrid capital[1]	–	55	1,741	3,341	12,383
Total	**194,048**	**134,842**	**44,170**	**99,123**	**86,216**

[1] Excluding deferred interest and discounts (€– 1,271m) and valuation effects (€842m).

	Residiual terms as at 31.12.2009				
€m	due on demand and unlimited term	up to 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Claims on banks	36,564	37,968	14,525	13,059	5,093
Claims on customers	23,047	68,766	34,830	122,114	112,726
Bonds, notes and other interest-rate-related securities and promissory note loans in trading assets	–	2,822	2,986	11,575	12,365
Bonds, notes and other interest-rate-related securities held in financial instruments	–	6,606	14,341	44,440	62,645
Total	**59,611**	**116,162**	**66,682**	**191,188**	**192,829**
Liabilities to banks	47,510	44,485	19,580	14,216	14,843
Liabilities to customers	131,773	64,249	15,736	17,045	35,815
Securitized liabilities[1]	92	25,854	32,414	74,327	29,092
Trading liabilities[1]	–	1,464	2,801	3,174	2,152
Subordinated and hybrid capital[2]	–	615	3,129	4,183	12,851
Total	**179,375**	**136,667**	**73,660**	**112,945**	**94,753**

[1] After reclassification from securitized liabilities to trading liabilities (see Note 2).
[2] Excluding interest accruals and discounts (€–1,619m) and valuation effects (€770m).

The term to maturity is defined as the period between the balance sheet date and the contractual maturity date of the financial instruments. In the case of financial instruments which are paid in partial amounts, the term to maturity of each partial amount has been used.

(81) Fair value of financial instruments

Determination of fair value

This note provides more information on the fair values of financial instruments which are not recognized at fair value in the balance sheet, but for which a fair value must be disclosed in accordance with IFRS 7. For the financial instruments reported in the balance sheet at fair value the accounting methodology is set out in the accounting policies (Notes 2 to 30) and below in the sections „Valuation of financial instruments" and „Fair value hierarchy".

The nominal value of financial instruments that fall due on a daily basis is taken as their fair value. These instruments include the cash reserve as well as overdrafts and demand deposits in the claims on banks and customers or liabilities to banks and customers categories.

Market prices are not available for loans and deposits as there are no organized markets in which these financial instruments are traded. Fair value is determined for these instruments by using recognized mathematical valuation methods with current market parameters. A discounted cash flow model is used for loans with parameters based on a risk-free yield curve, credit spreads and a fixed premium to cover liquidity spreads, administrative expenses and the cost of capital. A risk-free yield curve is also used to determine the fair value of liabilities, with Commerzbank Aktiengesellschaft's own credit spread and a premium for administrative costs being incorporated separately. The model also uses market risk premiums for mortgage Pfandbriefe, public-sector Pfandbriefe and loans taken out by the Bank.

The fair value of securitized liabilities, subordinated liabilities and hybrid capital is determined on the basis of available market prices. A number of different factors, including current market interest rates and the Group's credit rating are taken into account in determining fair value. If market prices are not available, the fair values are determined on the basis of mathematical valuation models (e.g. discounted cash flow or option price models), which are in turn based on yield curves, volatilities, own credit spreads etc. Particularly in cases where the Bank has issued structured debt instruments, which are measured at fair value, the Bank's own credit spread is used in determining fair value.

The table below compares the fair values of the balance sheet items with their carrying values:

	Fair Value		Carrying amount		Difference	
Assets | €bn	**31.12.2010**	**31.12.2009**[1]	**31.12.2010**	**31.12.2009**	**31.12.2010**	**31.12.2009**[1]
Cash reserve	8.1	10.3	8.1	10.3	–	–
Claims on banks	110.5	106.6	110.6	106.7	–0.1	–0.1
Reverse repos and cash collaterals	68.7	58.9	68.7	58.9		
Claims from money market trading	6.8	16.3	6.8	16.3		
Promissory note loans	9.7	12.3	9.9	12.8	–0.2	–0.5
Other claims	25.6	19.6	25.5	19.2	0.1	0.4
Loan loss provisions	–0.3	–0.5	–0.3	–0.5		
Claims on customers	327.3	352.8	327.8	352.2	–0.5	0.6
Reverse repos and cash collaterals	30.0	22.4	30.0	22.4		
Claims from money market trading	9.0	17.0	9.0	17.0		
Promissory note loans	26.2	36.8	26.6	36.8	–0.4	0.0
Mortgages and other claims secured by property charges	133.5	139.6	134.3	139.9	–0.8	–0.3
Other claims	137.7	146.3	137.0	145.4	0.7	0.9
Loan loss provisions	–9.1	–9.3	–9.1	–9.3		
Value adjustment portfolio fair value hedges	0.0	0.0	0.1	0.0	–0.1	0.0
Positive fair values attributable to derivative hedging instruments	5.0	6.4	5.0	6.4	–	–
Trading assets	167.8	218.7	167.8	218.7	–	–
Financial investments	113.1	130.6	115.7	130.9	–2.6	–0.3
Loans and receivables	67.8	78.9	70.4	79.2	–2.6	–0.3
Available-for-sale	41.4	44.5	41.4	44.5		
Equity participations valued at amortized cost	0.4	0.5	0.4	0.5		
At fair value through profit or loss	3.5	6.7	3.5	6.7		
Holdings in companies accounted for using the equity method	0.7	0.4	0.7	0.4	–	–

[1] The figures as at December 31, 2009 have been partially restated. This reduced the net difference between carrying amount and fair value as **at** December 31, 2009 from a total of €4.0bn to €3.3bn.

	Fair Value		Carrying amount		Difference	
Liabilities | €bn	**31.12.2010**	**31.12.2009**[1]	**31.12.2010**	**31.12.2009**	**31.12.2010**	**31.12.2009**[1]
Liabilities to banks	137.7	140.5	137.6	140.6	0.1	–0.1
Repos and cash collaterals	44.0	31.6	44.0	31.6		
Liabilities from money market trading	35.2	51.8	35.2	51.8		
Other liabilities	58.5	57.1	58.4	57.2	0.1	–0.1
Liabilities to customers	262.6	263.8	262.8	264.6	–0.2	–0.8
Repos and cash collaterals	18.1	17.6	18.1	17.6		
Liabilities from money market trading	46.3	48.8	46.3	48.8		
Other liabilities	198.2	197.4	198.4	198.2	–0.2	–0.8
Securitized liabilities	130.3	161.4	131.4	161.8	–1.1	–0.4
Measured at amortized cost	127.1	157.9	128.2	158.3	–1.1	–0.4
At fair value through profit or loss	3.2	3.5	3.2	3.5		
Value adjustment portfolio fair value hedges	0.0	0.0	0.1	0.0	–0.1	0.0
Negative fair values attributable to derivative hedging instruments	9.4	11.3	9.4	11.3	–	–
Trading liabilities	152.4	202.6	152.4	202.6	–	–
Subordinated and hybrid capital	14.5	18.1	17.1	19.9	–2.6	–1.8

[1] The figures as at December 31, 2009 have been partially restated. This reduced the net difference between carrying amount and fair value as at December 31, 2009 from a total of €4.0bn to €3.3bn.

The net difference between the carrying amount and fair value for all items amounted to €0.6bn as at December 31, 2010 (previous year: €3.3bn).

Valuation of financial instruments

Under IAS 39, all financial instruments are initially recognized at fair value; in the case of financial instruments that are not classified as at fair value through profit or loss, fair value plus certain transaction costs. Subsequently, those financial instruments that are classified as at fair value through profit or loss or available-for-sale financial assets are measured at fair value on an ongoing basis. For this purpose, at fair value through profit or loss includes derivatives, instruments held for trading and instruments designated at fair value.

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing, independent parties in an arm's length transaction. The most suitable measure of fair value is the quoted price for an identical instrument in an active market (fair value hierarchy Level I). In those cases where no quoted prices are available, valuation is based on quoted prices for similar instruments in active markets. To reflect the price at which an asset could be exchanged or a liability settled, asset positions are valued at the bid price and liability positions are valued at the ask price (fair value hierarchy Level II).

Where quoted prices are not available for identical or similar financial instruments, fair value is derived using an appropriate valuation model where the data inputs are obtained, as far as possible, from observable market sources. While most valuation techniques rely on data from observable market sources, certain financial instruments are valued using models that incorporate other inputs for which there is insufficient recent observable market data. These valuations inherently include a greater level of management judgement. These unobservable inputs may include data that is extrapolated, interpolated, or may be derived by approximation to correlated or historical data. However, such inputs maximize market or third-party inputs and rely as little as possible on entity-specific inputs (fair value hierarchy Level III).

Valuation models must be consistent with accepted economic methodologies for pricing financial instruments and must incorporate all factors that market participants would consider appropriate in setting a price. All fair values are subject to the Group's internal controls and procedures which set out the standards for independently verifying or validating fair values. These controls and procedures are managed by the Independent Price Verification Group within the Finance function. The models, inputs, and resulting fair values are reviewed regularly with Senior Management and the Risk function.

Fair value hierarchy

Under IFRS7, financial instruments carried at fair value have been categorized into the three levels of the fair value hierarchy as follows:

Level I: Financial instruments where the fair value is based on quoted prices for identical financial instruments in an active market.

Level II: Financial instruments where no quoted prices are available for identical instruments in an active market and the fair value is established using valuation techniques.

Level III: Financial instruments where valuation techniques are used that incorporate inputs for which there is insufficient observable market data and where these inputs have a more than insignificant impact on the fair value.

In the tables below the financial instruments reported in the balance sheet at fair value are broken down by category and valuation method. There is also a breakdown of whether fair value is based on quoted market prices (Level I), observable market data (Level II) or unobservable market data (Level III).

Financial assets		Level I	Level II	Level III	Total	Level I	Level II[1]	Level III	Total
€bn		31.12.2010				31.12.2009			
Claims on banks	At fair value through profit or loss	–	48.1	–	48.1	0.7	54.2	–	54.9
Claims on customers	At fair value through profit or loss	0.2	27.6	0.6	28.4	0.7	23.6	0.2	24.5
Positive fair values from derivative hedging instruments	Hedge accounting	–	5.0	–	5.0	–	6.4	–	6.4
Trading assets	Held for trading	40.0	123.8	4.0	167.8	28.6	185.0	5.1	218.7
of which positive fair values from derivatives		–	123.0	0.7	123.7	–	173.5	3.8	177.3
Financial investments	At fair value through profit or loss	3.5	–	–	3.5	5.1	0.9	0.7	6.7
	Available-for-sale	10.5	30.0	1.3	41.8	5.3	38.4	1.3	45.0
Total		**54.2**	**234.5**	**5.9**	**294.6**	**40.4**	**308.5**	**7.3**	**356.2**

[1] Including repurchse agreements, cash collaterals and short-term money market trading (see Note 2).

Financial liabilities		Level I	Level II	Level III	Total	Level I[1]	Level II[1]	Level III	Total
€bn		31.12.2010				31.12.2009			
Liabilities to banks	At fair value through profit or loss	0.6	41.9	–	42.5	1.6	47.1	–	48.7
Liabilities to customers	At fair value through profit or loss	1.3	18.4	–	19.7	1.7	16.9	–	18.6
Securitized liabilities	At fair value through profit or loss	3.2	–	–	3.2	3.5	–	–	3.5
Negative fair values from derivative hedging instruments	Hedge accounting	–	9.4	–	9.4	–	11.3	–	11.3
Trading liabilities	Held for trading	16.1	135.0	1.3	152.4	12.3	187.8	2.4	202.5
of which negative fair values from derivatives		–	130.1	–	130.1	–	176.0	2.4	178.4
Subordinated capital	At fair value through profit or loss	–	–	–	–	–	–	–	–
Total		**21.2**	**204.7**	**1.3**	**227.2**	**19.1**	**263.1**	**2.4**	**284.6**

[1] Including own issues, repurchse agreements, cash collaterals and short-term money market trading (see Note 2).

As in the previous year, there were no significant reclassifications between Level I and Level II. The changes in financial instruments in the Level III category in financial year 2010 were as follows:

Financial assets €m	Trading assets	Positive fair values from derivatives[1]	At fair value through profit or loss[2]	Available-for-sale financial assets	Total
Fair value as at 1.1.2009	**578**	**233**	**–**	**2,511**	**3,322**
Changes in group of consolidated companies	4,024	5,805	1,748	147	11,724
Gains/losses recognized in income statement during the period	–528	–284	–133	–	–945
Gains/losses recognized in equity	–	–	–	–10	–10
Purchases	448	–	2	184	634
Sales	–414	–	–5	–25	–444
Issues	–	–	–	–	–
Redemptions	–	–	–	–	–
Reclassifications	–2,818	–1,955	–640	–1,578	–6,991
Fair value as at 31.12.2009	**1,290**	**3,799**	**972**	**1,229**	**7,290**
Changes in group of consolidated companies	–	–	–	–	–
Gains/losses recognized in income statement during the period	537	–	–419	–	118
Gains/losses recognized in equity	–	–	–	453	453
Purchases	37	–	–	205	242
Sales	–	–	–	–67	–67
Issues	–	–	–	–	–
Redemptions	–	–	–	–170	–170
Reclassifications	1,447	–3,106	93	–356	–1,922
Fair value as at 31.12.2010	**3,311**	**693**	**646**	**1,294**	**5,944**

[1] Including hedging instruments.
[2] Excluding trading assets and positive fair values attributable to derivatives.

Financial liabilities €m	Trading liabilities	Negative fair values from derivatives[1]	At fair value through profit or loss[2]	Total
Fair value as at 1.1.2009	**2**	**16**	**–**	**18**
Changes in group of consolidated companies	271	3,520	–	3,791
Gains/losses recognized in income statement during the period	4	582	–	586
Gains/losses recognized in equity	–	–	–	–
Purchases	–	–	29	29
Sales	–	–	–	–
Issues	25	13	–	38
Redemptions	–	–	–	–
Reclassifications	–275	–1,740	–	–2,015
Fair value as at 31.12.2009	**27**	**2,391**	**29**	**2,447**
Changes in group of consolidated companies	–	–	–	–
Gains/losses recognized in income statement during the period	4	–	–	4
Gains/losses recognized in equity	–	–	–	–
Purchases	–	–	–	–
Sales	–	–	–	–
Issues	–	–	–	–
Redemptions	–	–	–	–
Reclassifications	1,240	–2,371	–29	–1,160
Fair value as at 31.12.2010	**1,271**	**20**	**–**	**1,291**

[1] Including hedging instruments.
[2] Excluding trading assets and negative fair values attributable to derivatives.

Sensitivity analysis

Where the value of financial instruments is based on unobservable input parameters, the precise level of these parameters at the balance sheet date may be derived from a range of reasonable possible alternatives. In preparing the financial statements, appropriate levels for these unobservable input parameters are chosen to be consistent with existing market evidence and in line with the Group's valuation control approach.

The purpose of this disclosure is to illustrate the potential impact of the relative uncertainty in the fair values of financial instruments whose valuations are based on unobservable input parameters, although it should be noted that these parameters lie at the extreme ends of the range of reasonable possible alternatives. In practice, it is unlikely that all unobservable parameters would simultaneously lie at the extremes of their range of reasonable possible alternatives and the estimates given are thus likely to be greater than the true level of uncertainty in the fair value of these instruments. The purpose of these figures is not to estimate or predict future changes in fair value.

The following table presents the sensitivity analysis by type of instrument:

€m	Positive effects on income statement	Negative effects on income statement
Securities	**262**	**263**
ABSs and MBSs	224	225
Other debt instruments	38	38
Derivatives	**114**	**38**
Credit derivatives	–	–
Interest-rate-related transactions	–	–
Other transactions	114	38

Day-One-P&L

The aggregated difference between the transaction price and a model value which is not exclusively based on observable market data (the so-called Day-One-P&L) applies to all Level III positions. The change in these amounts during the financial year was as follows:

Day-One-P&L	Trading assets	Trading liabilities	Total	Trading assets	Trading liabilities	Total
€m	2010			2009		
Balance as at 1.1.	11	5	16	–	4	4
Allocations not recognized in income statement	2	–	2	24	2	26
Reversals recognized in income statement	12	4	16	13	1	14
Balance as at 31.12.	**1**	**1**	**2**	**11**	**5**	**16**

(82) Information on financial assets and financial liabilities for which the fair value option is applied

In the Commerzbank Group, the fair value option is primarily used to avoid accounting mismatches arising from securities and loans hedged with interest rate or credit derivatives. This also applies to structured debt instruments we have issued which have been hedged with interest rate or foreign currency derivatives. The fair value option is also used for financial instruments whose management and performance is evaluated on a fair value basis and for financial instruments with embedded derivatives.

Applying the fair value option produced the following values as broken down by balance sheet item:

€m	31.12.2010	31.12.2009	Change in %
Claims on banks	–	699	.
Claims on customers	805	3,136	–74.3
Financial investments	3,509	6,722	–47.8
Total assets	**4,314**	**10,557**	**–59.1**
Liabilities to banks	591	1,551	–61.9
Liabilities to customers	1,292	1,658	–22.1
Securitized liabilities	3,206	3,503	–8.5
Subordinated and hybrid capital	24	29	–17.2
Total liabilities	**5,113**	**6,741**	**–24.2**

All told, the results of applying the fair value option amounted to €131m (previous year: €839m; see Note 34).

Of the total claims of €805m measured at fair value, €159m (previous year: €2,735m) were hedged by credit derivatives. In the year under review, the change in the fair value of claims attributable to changes in default risk was €– 130m (previous year: €510m) and cumulatively amounted to €– 166m (previous year: €–36m).

The change in the fair value of the related risk-limiting credit derivatives amounted to €28m in the financial year 2010 (previous year: €–460m) and cumulatively to €– 22m (previous year: €–50m).

For liabilities to which the fair value option was applied the change in fair value for credit-risk reasons was €– 89m for the 2010 financial year (previous year: €142m). The cumulative change was €– 138m (previous year: €–49m). The repayment amount of the financial liabilities measured at fair value was €8,625m (previous year: €7,161m).

The credit risk-specific changes in the fair value of the claims and liabilities are primarily calculated as changes in fair values less value changes resulting from market conditions.

Risk Management

(83) Risk management

Risk management is an essential component of all Commerzbank business processes and is designed to support the management of the bank. Risks are identified, measured and then managed and monitored in line with the Bank's risk appetite.

Commerzbank defines risk as the danger of possible losses or profits foregone due to internal or external factors. In risk management we normally distinguish between quantifiable risks – those to which a value can normally be attached in financial statements or in regulatory capital requirements – and non-quantifiable risks such as reputational and compliance risks.

Responsibility for implementing the risk policy guidelines laid down by the Board of Managing Directors for quantifiable risks throughout the Group lies with the Bank's Chief Risk Officer (CRO). The CRO regularly reports to the Board of Managing Directors and the Risk Committee of the Supervisory Board on the overall risk situation within the Group.

Risk management activities are split between Credit Risk Management, Market Risk Management, Intensive Care and Risk Controlling and Capital Management. They all have a Group-wide focus and report directly to the CRO. Together with the four Divisional Boards, the CRO forms the Risk Management Board within Group Management.

The Chairman of the Board of Managing Directors (CEO) bears responsibility for controlling risks related to the Bank's business strategy and reputational risks. The Chief Financial Officer (CFO) assumes responsibility for controlling compliance risk with particular regard to investor protection, insider guidelines and money laundering. The nature and scale of the risks arising from financial instruments are set out in the risk report.

(84) Default risk

The Commerzbank rating and scoring methods, in use for all key credit portfolios, form the basis for measuring default risks. Both the calibration of the probabilities of default assigned to individual counterparties or loans and the evaluation of collateral are based on an analysis of historical data from the Commerzbank portfolio. The basis for the annual recalibration of the methods is the experience of the current year.

Rating distribution

The Commerzbank rating method comprises 25 rating levels for loans not in default (1.0 to 5.8) and five default classes (6.1 to 6.5). The Commerzbank master scale allocates a non-overlapping range of probabilities of default that are stable over time to each rating class. The rating methods are subject to annual validation and recalibration so that they reflect the latest projection based on all actual observed defaults.

Master scale

Commerzbank AG rating	PD and EL mid-point as percentage	PD and EL range as percentage	S & P		
1.0	0	0	AAA	AAA	Investment grade
1.2	0.01	0–0.02			
1.4	0.02	0.02–0.03	AA+	AA	
1.6	0.04	0.03–0.05	AA, AA-		
1.8	0.07	0.05–0.08	A+, A	A	
2.0	0.11	0.08–0.13	A-		
2.2	0.17	0.13–0.21	BBB+	BBB	
2.4	0.26	0.21–0.31	BBB		
2.6	0.39	0.31–0.47			
2.8	0.57	0.47–0.68	BBB-		
3.0	0.81	0.68–0.96	BB+	BB	Non-investment grade
3.2	1.14	0.96–1.34	BB		
3.4	1.56	1.34–1.81			
3.6	2.10	1.81–2.40	BB-		
3.8	2.74	2.40–3.10	B+	B	
4.0	3.50	3.10–3.90			
4.2	4.35	3.90–4.86	B		
4.4	5.42	4.86–6.04			
4.6	6.74	6.04–7.52			
4.8	8.39	7.52–9.35	B-		
5.0	10.43	9.35–11.64			
5.2	12.98	11.64–14.48	CCC+	CCC	
5.4	16.15	14.48–18.01			
5.6	20.09	18.01–22.41	CCC to CC-		
5.8	47.34	22.41–99.99			
6.1		Imminent insolvency (>90 days past due)	C, D-I, D-II		Default
6.2		Restructuring			
6.3	100	Restructuring with recapitalization/ partial waiving of claims			
6.4		Cancellation without insolvency			
6.5		Insolvency			

Consistent with the master scale method, the default ranges assigned to the ratings within the Commerzbank master scale remain unchanged for the purpose of comparability (stable over time and for the portfolio). External ratings are shown as well for guidance. A direct reconciliation is not possible, however, because for external ratings the observed default rates fluctuate from year to year and sometimes even between different portfolios.

The credit approval authorities of individual employees and of the committees (Board of Managing Directors, credit committee, credit sub-committees) are graduated by rating group. The most important control variable for default risk is expected losses (EL) as derived from the ratings. The credit risk strategy sets target values for individual sub-portfolios. This ensures that the expected risk provision is kept in line with the strategic objectives of the Bank, such as the target rating from rating agencies or the target portfolio quality and structure.

(85) Market risk

Market risk is the risk of losses as a result of changes in market prices (interest rates, spreads, currency rates, equity prices and commodities) or parameters which influence prices such as volatilities and correlations. In the Commerzbank definition, risks from equity investments in the banking book and equity event risk (modelling of equity risks beyond VaR, such as the insolvency of the issuer) also constitute market risks. We also monitor market liquidity risk which covers situations where the Bank is prevented from selling trading positions at short notice or hedging them to the desired extent due to inadequate market liquidity.

Market risk is managed by means of a sophisticated system of limits, combined with reliable and optimized methods for measuring and monitoring. Commerzbank uses economic capital (risk-taking capability) and business expectations to establish its market risk limits, which ensures a risk/reward-based management of market risk. The extent to which the limits are used, together with the relevant P&L figures, is reported daily to the Board of Managing Directors and the various heads of divisions.

For the daily quantification and monitoring of market risk, especially that arising in proprietary trading, statistical methods are used to calculate the value at risk. The underlying statistical parameters are based on an observation period of the past 255 trading days, a 10-day holding period and a confidence level of 99%. The value at risk models are being constantly adapted to the changing environment.

As a result of the takeover of Dresdner Bank and with the agreement of the German Federal Financial Supervisory Authority (BaFin) Commerzbank is temporarily using two parallel market risk models which have both been approved by the supervisory authorities to determine its regulatory capital requirements. For the positions of the old Commerzbank general market risk is calculated on the basis of an historical simulation, while specific interest rate risk is calculated by means of a variance/covariance approach. For the positions of the former Dresdner Bank we use a VaR model based on historical data with a stochastic Gaussian normal distribution assumption. At the end of October 2010 internal risk management adopted a new market price risk model based on an historical simulation (HistSim model) to ensure consistent measurement of risk throughout the Group and our ability to meet the future requirements of Basel III. Commerzbank expects the Bundesbank to approve the use of the HistSim model for regulatory purposes during the course of 2011.

The reliability of both internal models is regularly checked using backtesting methods. Apart from meeting supervisory requirements, the aim is to assess and steadily improve forecasting quality. The total number of significant deviations also provides the basis for the evaluation of the internal risk models by the supervisory authorities.

The table below shows the group-wide regulatory market risk of the trading portfolio including the foreign exchange risks of the banking book, as used for calculating capital requirements. The value at risk shows the potential losses which will not be exceeded with a 99% degree of probability for a holding period of 10 days:

Group €m	31.12.2010	31.12.2009
Minimum	165.2	174.6
Median	236.1	270.6
Maximum	320.8	358.1
Year-end figure	**250.4**	**199.8**

Because the value at risk concept forecasts potential losses under normal market conditions, Commerzbank also calculates stress tests to cover possible extreme scenarios. Stress tests are intended to simulate the impact of crises, extreme market conditions and major changes in correlations and volatilities.

Stress tests by division, individually adjusted to the risk factors of each portfolio, form part of daily reporting. Stress tests performed across portfolios simulate the impact of historical and conceivable future crisis scenarios on the Group as a whole. The overall picture is rounded off by monthly specific scenario analyses for each asset class (e.g. hypothetical interest rate, equity, foreign exchange and credit spread scenarios).

(86) Interest rate risk

The interest rate risk of the Commerzbank Group results from items in both the trading book and the banking book. In the latter, interest rate risk mainly arises through maturity mismatches between the Bank's interest-bearing assets and liabilities – for instance, through the short-term funding of long-dated loans. The interest rate items shown in the balance sheet as well as the derivatives employed to manage them are included in the measurement of interest rate risk.

The interest rate risks at Group level are currently measured using a net present value approach.

We are replacing the presentation of interest rate risks in the form of a VaR figure used last year with a presentation of interest rate sensitivities. This ensures better comparability of the figures as the VaR model used in last year's reporting has been replaced by the HistSim model.

Interest-rate sensitivity +1 bp €m	**31.12.2010**	**31.12.2009**
Banking book	–0.1	–0.2
Trading book	–1.4	0.1
Group	**–1.5**	**–0.1**

The impact of an interest rate shock on the economic value of the Group's banking books is simulated monthly in compliance with regulatory requirements. In accordance with the Banking Directive, the Federal Financial Supervisory Authority (BaFin) has prescribed a uniform unexpected change in interest rates to be used by all banks. The applicable change in interest rates is currently +130 basis points and -190 basis points. At year-end both scenarios showed a slight gain, so that we are clearly below the defined limit for a potential decline in liable equity (20% for so-called outlier banks).

(87) Operational risk

Operational risk is defined in accordance with the Solvency Regulation (SolvV) as the risk of loss resulting from the inadequacy or failure of internal processes, systems and people or from external events. This definition includes legal risks.

The Operational Risk Committee is kept regularly informed about the risk situation. It deals in particular with the management of operational risks within the Group. The aim is to optimize the expected loss from OpRisk from a cost-benefit perspective and to minimize the potential for unexpected loss. In so doing, the Operational Risk Committee takes an end-to-end view of the processes within the Bank with the aim of recognizing risks in a timely manner. The Operational Risk Committee also deals with all issues relating to the implementation of AMA (the Advanced Management Approach) in the Group and arising from the Minimum Requirements for Risk Management (MaRisk) regulations with regard to operational risk. It is in particular responsible for the implementation of the guidelines under section 280 SolvV, which is the operational responsibility of Group Risk Control & Capital Management (GRM-CC).

The Group's operational risk profile, expressed in terms of the events incurred (losses and provisions) per event category under section 287 SolvV, shows that around 91% of the losses (previous year: 83%) fall into the two event categories of product-related losses and procedural errors. GRM-CC conducts regular benchmarking of the values to data from the operational risk data exchange ORX and to public data; these show comparable distributions.

OpRisk events	31.12.2010		31.12.2009	
	€m	%	€m	%
Internal fraud	9.9	3.6	16.3	6.0
External fraud	8.6	3.1	29.3	10.7
Material damage and system failures	1.6	0.6	1.3	0.5
Product-related losses	195.8	71.4	148.8	54.7
Procedural errors	56.2	20.5	76.3	28.0
Errors relating to employment conditions	2.3	0.8	0.2	0.1
Group	**274.4**	**100.0**	**272.2**	**100.0**

(88) Concentration of credit risk

Concentrations of credit risk may arise through business relations with individual borrowers or groups of borrowers who share a number of features and whose individual ability to service debt is influenced to the same extent by changes in certain overall economic conditions. Besides obtaining collateral and applying a uniform lending policy, the Bank has entered into a number of master netting agreements to minimize credit risks. These give the Bank the right to net claims on and liabilities to a customer in the case of default or insolvency of that customer. The carrying values of credit risks relating to claims on customers were as follows as at December 31, 2010:

	Claims	
€m	31.12.2010	31.12.2009
Customers in Germany	**207,690**	**217,987**
Corporate customers	97,316	98,150
Manufacturing	22,291	26,674
Construction	2,489	4,146
Trading	8,845	8,738
Services and others	63,691	58,592
Public sector	35,574	37,256
Private customers	74,800	82,581
Customers outside Germany	**129,182**	**143,496**
Corporate and retail customers	120,285	134,817
Public sector	8,897	8,679
Sub-total	**336,872**	**361,483**
less valuation allowances	–9,117	–9,289
Total	**327,755**	**352,194**

The carrying values of credit risks relating to contingent liabilities and irrevocable lending commitments were as follows as at December 31, 2010:

	Contingent liabilities, irrevocable lending commitments	
€m	31.12.2010	31.12.2009
Customers and banks in Germany	**46,424**	**58,337**
Banks	1,374	1,166
Corporate customers	42,811	55,319
Manufacturing	15,082	25,312
Construction	1,769	2,085
Trading	3,239	3,186
Services and others	22,721	24,736
Public sector	379	106
Private customers	1,860	1,746
Customers and banks outside Germany	**52,794**	**52,238**
Banks	9,102	7,827
Corporate and retail customers	43,051	43,429
Public sector	641	982
Sub-total	**99,218**	**110,575**
less provisions	–556	–539
Total	**98,662**	**110,036**

The book values of credit risk concentrations in loans and receivables, contingent liabilities and irrevocable lending commitments listed above do not form the basis for the internal management of credit risk, as credit risk management also takes account of collateral, probabilities of default and other economic factors. To this extent these amounts are therefore not representative of the bank's assessment of its actual credit risk.

(89) Maximum credit risk

The maximum credit risk exposure in accordance with IFRS 7 – excluding collateral or other credit enhancements – is equal to the carrying amount of the relevant assets in each class, or the nominal value in the case of irrevocable lending commitments and contingent liabilities. The table below shows the carrying amounts or nominal values of financial instruments with a potential default risk:

Maximum credit risk | €m	**31.12.2010**	**31.12.2009**	Change in %
Bonds, notes and other interest-rate-related securities under	145,608	157,780	–7.7
Trading assets	32,115	29,748	8.0
Financial investments	113,493	128,032	–11.4
Claims on banks	110,956	107,209	3.5
Claims on customers	336,872	361,483	–6.8
Positive fair values attributable to derivative financial instruments	128,704	183,659	–29.9
Trading assets	123,743	177,307	–30.2
Hedging instruments under IAS 39	4,961	6,352	–21.9
Other trading assets	263	2,671	–90.2
Irrevocable lending commitments	60,566	69,281	–12.6
Contingent liabilities	38,096	40,755	–6.5

The maximum credit risk exposures listed above do not form the basis for the management of credit risk internally, as the management of credit risk also takes account of collateral, probabilities of default and other economic factors. To this extent these amounts are therefore not representative of the bank's assessment of its actual credit risk.

(90) Liquidity ratio of Commerzbank Aktiengesellschaft

The liquidity of a bank is considered adequate if the liquidity ratio is not lower than 1. The liquidity ratio is the ratio between the funds available from the reporting date up to the end of the following month (first maturity bracket) and the outflows expected during this period. The standardized approach under the German Liquidity Regulation was used by Commerzbank Aktiengesellschaft in 2010.

As at December 31, 2010 the liquidity ratio calculated by Commerzbank Aktiengesellschaft was 1.08 (previous year: 1.20). Excess liquidity from the first maturity bracket was €20.4bn (previous year: €52.0bn). The following are the liquidity ratios for Commerzbank Aktiengesellschaft in 2010:

	Month-end level		**Month-end level**
January	1.18	July	1.12
February	1.19	August	1.12
March	1.19	September	1.11
April	1.15	October	1.11
May	1.14	November	1.09
June	1.16	December	1.08

Other notes

(91) Subordinated assets

The following subordinated assets were included in the assets shown in the balance sheet:

€m	31.12.2010	31.12.2009	Change in %
Claims on banks	66	62	6.5
Claims on customers	529	214	.
Trading assets	222	37	.
Financial investments	41	101	–59.4
Total	**858**	**414**	**.**
of which banks in which an equity investment exists	1	–	.

Assets are considered to be subordinated if the claims they represent may not be met until after those of other creditors in the event of the liquidation or insolvency of the issuer.

(92) Contingent liabilities and irrevocable lending commitments

The Commerzbank Group extends credit facilities to its customers, granting them rapid access to funds to meet their short-term and long-term financing needs. The credit facilities can be provided in different forms, as shown in the following examples:

- Guarantees, where the Group guarantees the repayment of a loan borrowed by a customer from another party;
- Standby letters of credit, which increase a customer's credit standing and enable the customer to obtain trade finance at a lower cost;
- Documentary credits for trade finance payments, which are made on behalf of a customer and where the Group is reimbursed at a later date;
- Standby facilities for short-term debt instruments and debt paper issued on a revolving basis, which enable customers to issue money market paper or medium-term debt instruments when needed without having to go through the normal issue procedure every time.

Customers' total exposure under loans and guarantees may be secured by collateral. In addition third parties may have sub-participations in irrevocable lending commitments and guarantees.

The figures listed in the table below would only have to be written off, if all customers utilized their facilities completely and then defaulted (and there was no collateral). However, in practice the majority of these facilities expire without ever being utilized. As a result these amounts are unrepresentative in terms of assessing risk, the actual future loan exposure or resulting liquidity requirements. The risk report contains further information on credit risk arising from financial guarantee contracts and irrevocable lending commitments as well as on the monitoring and management of liquidity risks.

€m	31.12.2010	31.12.2009	Change in %
Contingent liabilities	**38,096**	**40,755**	**–6.5**
from rediscounted bills of exchange credited to borrowers	3	3	0.0
from guarantees and indemnity agreements	38,087	40,603	–6.2
Credit guarantees	3,632	6,031	–39.8
Other guarantees	27,256	27,228	0.1
Letters of credit	6,939	7,036	–1.4
Guarantees for ABS securitizations	–	13	.
Other warranties	260	295	–11.9
from other commitments	6	149	–96.0
Irrevocable lending commitments	**60,566**	**69,281**	**–12.6**
Book credits to banks	1,442	899	60.4
Book credits to customers	56,058	65,101	–13.9
Acceptance credits	3,016	3,247	–7.1
Letters of credit	50	34	47.1
Total	**98,662**	**110,036**	**–10.3**

The maturities of contingent liabilities and irrevocable lending commitments were as follows:

€m	31.12.2010	31.12.2009	Change in %
Due on demand	2,307	1,773	30.1
Up to 3 months	29,641	34,409	–13.9
More than 3 months up to 1 year	20,729	24,162	–14.2
More than 1 year up to 5 years	41,322	45,529	–9.2
More than 5 years	4,663	4,163	12.0
Total	**98,662**	**110,036**	**–10.3**

Loan loss provisions for off-balance-sheet commitments have been deducted from the respective items in these tables.

(93) Repurchase agreements (repo and reverse repo transactions), securities lending and cash collaterals

Under its repurchase agreements, the Commerzbank Group sells or purchases securities with the obligation to repurchase or return them. The money received from repurchase agreements where the Commerzbank Group is a borrower (e.g. it has the obligation to take the securities back) is shown in the balance sheet as a liability to banks or customers.

Securities lending transactions are conducted with other banks and customers in order to cover our need to meet delivery commitments or to enable us to effect securities repurchase agreements in the money market. We show lent securities in our balance sheet under our trading portfolio or under the financial investments, whereas borrowed securities do not appear in the balance sheet. The expenses and income from securities lending transactions, insofar as they relate to the past financial year, were recognized under interest paid or received in the income statement and reflect the respective maturities.

In securities lending transactions, the counterparty credit risk can be avoided by obtaining collateral, which may be provided in the form of cash, for example. The provision of collateral for a lending transaction is known as cash collateral out and the receipt of collateral as cash collateral in. In addition, cash collateral outs are desposited as collateral in connection with derivative transactions.

The repurchase agreements and securities lending transactions concluded up to the balance sheet date and the cash collaterals broke down as follows:

Repo and securities lending transactions | €m	**31.12.2010**	**31.12.2009**	Change in %
Genuine repurchase agreements as a borrower			
(repo agreements)			
Carrying amount of securities transferred	57,166	56,711	0.8
Cash collaterals received			
Liabilities to banks	28,481	25,643	11.1
Liabilities to customers	13,923	15,423	–9.7
Securities lent in securities lending transactions			
Carrying amount of securities transferred	14,005	8,315	68.4
Cash collaterals received			
Liabilities to banks	15,535	5,913	.
Liabilities to customers	4,183	2,196	90.5
Sum of the book values of securities transferred	**71,171**	**65,026**	**9.5**
Sum of collaterals received	**62,122**	**49,175**	**26.3**
Genuine repurchase agreements as a lender			
(reverse repo agreements)			
Fair value of securities received	81,478	73,198	11.3
Cash collaterals paid			
Claims on banks	40,528	42,336	–4.3
Claims on customers	25,148	18,099	38.9
Securities borrowed in securities lending transactions			
Fair value of securities received	28,914	21,182	36.5
Cash collaterals paid			
Claims on banks	28,159	16,527	70.4
Claims on customers	4,815	4,263	12.9
Sum of fair values of securities received	**110,392**	**94,380**	**17.0**
Sum of collaterals given	**98,650**	**81,225**	**21.5**

The carrying value of securities lent was €14,005m (previous year: €8,315m), against which there were related liabilities of €19,718m (previous year: €8,109m) as well as securities of €1,721m (previous year: €2,919m) as collateral. The claims and liabilities from repurchase agreements are shown after netting.

(94) Collateral received

The fair value of collaterals received, which the Bank has a right to sell on or pledge even where the provider does not default, were as follows:

€m	31.12.2010	31.12.2009	Change in %
Total amount of collaterals received	135,068	86,977	55.3
of which			
Sold on or repledged	24,676	17,735	39.1
of which			
Subject to an obligation to return	–	–	.

The transactions were carried out on standard market terms for securities lending and repurchase transactions and loan transactions.

(95) Fiduciary transactions

Fiduciary transactions, which do not have to be shown in the balance sheet, amounted to the following on the balance sheet date:

€m	31.12.2010	31.12.2009	Change in %
Claims on banks	303	14	.
Claims on customers	838	530	58.1
Other assets	495	777	–36.3
Trust assets	**1,636**	**1,321**	**23.8**
Liabilities to banks	67	32	.
Liabilities to customers	1,569	1,289	21.7
Trust liabilities	**1,636**	**1,321**	**23.8**

(96) Capital requirements and capital ratios

The amended German Banking Act and the Solvency Regulation, which implemented the Basel II Capital Accord in Germany, impose obligations on the German banks to maintain minimum capital ratios. Banks are required to maintain a minimum ratio of own funds to risk-weighted assets of 8% (own funds ratio). A minimum requirement of 4% applies universally for the ratio between core (Tier I) capital and risk-weighted assets (Tier I core capital ratio).

A bank's total capital is made up of core (Tier I), supplementary (Tier II) plus Tier III capital. Tier I capital consists mainly of subscribed capital plus reserves, silent participations, hybrid capital and minority interests, less certain items such as goodwill, equity investments and intangible assets. Tier II capital comprises profit-sharing certificates and subordinated long-term liabilities. Tier III capital consists of short-term subordinated liabilities.

Commerzbank seeks to achieve the following objectives in managing its capital:

- Adherence to the statutory minimum capital requirements at Group level and in all affiliated companies included in the regulatory group;
- Provision of sufficient reserves to guarantee the bank's freedom of action at all times;
- Strategic allocation of Tier I capital to business segments and divisions in order to exploit growth opportunities.

During the financial crisis the importance of adequate Tier I capital levels for banks has become an issue of increasing public concern. At Commerzbank Tier I capital has always been a key management target. The bank's specifications for the capital ratios far exceed the minimum statutory requirements. The bank's risk appetite and market expectations play an important role in determining the internal capital ratio targets. As a result Commerzbank has set a target corridor for regulatory capital;

this is currently approximately 9–10 % for Tier I capital and 10.5–12.5 % for total capital.

Tier I capital is allocated via a regular process which takes account of the bank's strategic direction, profitable new business opportunities in the core business of each banking department as well as risk appetite issues.

All measures relating to the bank's capital – whether the issue of equity or any potential repurchase of shares – are proposed by the bank's central asset-liability committee and approved by the Board of Managing Directors, subject to the authorization granted by the AGM.

In the past year Commerzbank met the minimum statutory capital requirements as well as the much stricter requirements of SoFFin at all times. The structure of the Commerzbank Group's capital was as follows:

€m	31.12.2010	31.12.2009	Change in %
Core capital (Tier I)			
Subscribed capital	3,047	3,071	–0.8
Reserves, non-controlling interests, treasury shares	8,276	6,025	37.4
Silent participations	16,428	17,604	–6.7
Hybrid capital	4,999	3,820	30.9
Other	–1,023	–1,000	2.3
Total	**31,727**	**29,520**	**7.5**
Supplementary capital (Tier II)			
Hybrid capital	–	–	.
Profit-sharing certificates	674	2,405	–72.0
Reserves in securities (amount reported: 45%)	148	148	0.0
Subordinated liabilities	9,328	10,338	–9.8
Other	–1,020	–998	2.2
Total	**9,130**	**11,893**	**–23.2**
Tier III capital	**–**	**24**	**.**
Eligible equity	**40,857**	**41,437**	**–1.4**

Due to the changes in the German Banking Act (KWG) made by the Capital Requirements Directive II, only the SoFFin silent participations are reported as from 31 December 2010. The silent participation by Allianz and the silent participation held by HT1 Funding GmbH have since been recorded for regulatory purposes as hybrid capital within the Bank's core capital. This had no impact on the balance sheet. The regulatory capital ratios and capital requirements were as follows:

€m	31.12.2010	31.12.2009	Change in %
Capital adequacy requirement credit risk	18,595	19,705	–5.6
Capital adequacy requirement market risk	1,059	1,144	–7.4
Capital adequacy requirement operational risk	1,746	1,562	11.8
Total capital requirement	**21,400**	**22,411**	**–4.5**
Eligible equity	40,857	41,437	–1.4
Core capital ratio (%)	11.9	10.5	
Own funds ratio (%)	15.3	14.8	

Reconciliation of reported equity with eligible capital:

31.12.2010 €m	Core capital/ Equity	Supplementary/ subordinated capital	Total
Reported in balance sheet	28,658	12,910	41,568
Revaluation reserve	1,731		1,731
Cash flow hedge reserve	1,005		1,005
Non-controlling interests not to be shown in core capital (incl. revaluation reserve, cash flow hedge reserve), changes in consolidated companies and goodwill	–1,775		–1,775
Other capital subject to a 15% limit	3,158		3,158
Other capital subject to a 35% limit	1,841		1,841
Reclassification from silent participations to other capital	–750		–750
Parts of subordinated capital not eligible due to limited residual term		–1,918	–1,918
Deferred revaluation reserves for securities		148	148
Other	–2,141	–2,010	–4,151
Eligible equity	**31,727**	**9,130**	**40,857**

(97) Securitization of loans

The use of credit derivatives (such as credit default swaps, total return swaps and credit-linked notes) can reduce the risk weighting of a loan portfolio. The hedging effect of a credit derivative may relate both to individual loans or securities and to entire portfolios of loans or securities. As a rule, security is furnished by means of a synthetic securitization by credit default swap (CDS) and/or by credit-linked notes (CLNs). This enables us to achieve three important goals:

- Risk diversification (reduction of credit risks in the portfolio, especially concentration risks),
- Easing the burden on equity capital (the transfer of credit risks to investors leads to a reduction in the regulatory capital requirements under the Solvency Regulation) and
- Funding (use of securitization as an alternative funding instrument to unsecured bearer bonds).

As of the 2010 financial year-end, the Commerzbank Group (Commerzbank Aktiengesellschaft and three subsidiaries) had launched six securitization programmes as the buyer of protection.

The range of legal maturity dates stretches from 10 to 76 years. A total of €9.2bn loans to customers had been securitized by end-December 2010. This reduced the Bank's risk-weighted assets by €2.1bn.

Name of transaction	Buyer of protection	Year transacted	Contract period of transactions in years	Type of claim	Total lending €m	Reduction of risk-weighted assets €m
CoCo Finance 2006-1	Commerzbank Aktiengesellschaft, Commerzbank International S.A., Commerzbank (Eurasija) SAO	2006	10	National and international large corporates	4,377	329
Cosmo Finance 2007-1	Commerzbank Aktiengesellschaft	2007	20	Mittelstand customers	1,972	820
Cosmo Finance 2008-1	Commerzbank Aktiengesellschaft	2008	14	Mittelstand customers	1,381	551
Provide GEMS 2002-1 PLC	Eurohypo Aktiengesellschaft	2002	45	Residential real estate portfolio	238	59
Semper Finance 2006-1	Eurohypo Aktiengesellschaft	2006	76	Project Castle – commercial real estate portfolio	707	206
Semper Finance 2007-1	Eurohypo Aktiengesellschaft	2007	36	Commercial real estate portfolio	525	167
					9,200	**2,132**

(98) Average number of staff employed by the Bank during the year

	2010			2009		
	Total	Male	Female	Total	Male	Female
Group	57,676	31,141	26,535	63,267	34,680	28,587
In Germany	43,378	21,776	21,602	45,299	22,912	22,387
Outside Germany	14,298	9,365	4,933	17,968	11,768	6,200

The above figures include both full-time and part-time personnel. Not included in the figures is the average number of employees undergoing training within the Group. The average time worked by part-time staff is 59 % (previous year: 60 %) of the standard working time.

	2010			2009		
	Total	Male	Female	Total	Male	Female
Trainees	2,616	1,313	1,303	2,282	1,021	1,261

(99) Related party transactions

a) Business relationships

As part of its normal business Commerzbank Aktiengesellschaft and/or its consolidated companies do business with related entities and persons. These include parties that are controlled but not consolidated for reasons of materiality, companies accounted for using the equity method, equity holdings, external providers of occupational pensions for employees of Commerzbank Aktiengesellschaft, key management personnel and members of their families as well as companies controlled by these persons. Key management personnel refers exclusively to members of Commerzbank Aktiengesellschaft's Board of Managing Directors and Supervisory Board.

As the guarantor of the Financial Market Stabilization Authority, which administers the Special Fund for Financial Market Stabilization (SoFFin), the German federal government holds a stake of 25% plus one share in Commerzbank Aktiengesellschaft, which gives it the potential to exert significant influence over the Company. As a result the German federal government and entities controlled by it constitute related parties as defined by IAS 24. In the tables below we present relationships with federal government-controlled entities separately from relationships with other related parties.

Assets, liabilities and off-balance sheet items involving related parties (excluding federal agencies) changed as follows in the year under review:

Assets | €m	**31.12.2010**	**31.12.2009**	Change in %
Claims on banks	**617**	**923**	–33.2
Subsidiaries	–	–	.
Holdings in companies accounted for using the equity method and shareholdings in related companies	617	923	–33.2
Claims on customers	**1,359**	**1,042**	30.4
Subsidiaries	321	289	11.1
Holdings in companies accounted for using the equity method and shareholdings in related companies	1,032	750	37.6
Key management personnel	3	3	0.0
Other related entities/persons	3	–	.
Trading assets	**1,285**	**1,692**	–24.1
Subsidiaries	1,285	1,692	–24.1
Holdings in companies accounted for using the equity method and shareholdings in related companies	–	–	.
Other related entities/persons	–	–	.
Financial investments	**82**	**39**	.
Subsidiaries	69	38	81.6
Holdings in companies accounted for using the equity method and shareholdings in related companies	9	–	.
Other related entities/persons	4	1	.
Other assets	**298**	**–**	.
Subsidiaries	–	–	.
Holdings in companies accounted for using the equity method and shareholdings in related companies	298	–	.
Total	**3,641**	**3,696**	–1.5

Liabilities | €m	**31.12.2010**	**31.12.2009**	Change in %
Liabilities to banks	**5**	**6**	–16.7
Subsidiaries	–	–	.
Holdings in companies accounted for using the equity method and shareholdings in related companies	5	6	–16.7
Liabilities to customers	**1,607**	**1,512**	6.3
Subsidiaries	208	102	.
Holdings in companies accounted for using the equity method and shareholdings in related companies	117	197	–40.6
Key management personnel	10	11	–9.1
Other related entities/persons	1,272	1,202	5.8
Trading liabilities	**2,021**	**1,495**	35.2
Subsidiaries	2,021	1,495	35.2
Holdings in companies accounted for using the equity method and shareholdings in related companies	–	–	.
Other related entities/persons	–	–	.
Other liabilities	**16**	**–**	**.**
Subsidiaries	9	–	.
Holdings in companies accounted for using the equity method and shareholdings in related companies	7	–	.
Total	**3,649**	**3,013**	**21.1**

Off-balance sheet items | €m	**31.12.2010**	**31.12.2009**	Change in %
Guarantees and collaterals granted to	**590**	**131**	.
Subsidiaries	36	16	.
Holdings in companies accounted for using the equity method and shareholdings in related companies	554	115	.
Key management personnel	–	–	.
Other related entities/persons	–	–	.
Guarantees and collaterals received from	**7**	**35**	–80.0
Subsidiaries	7	20	–65.0
Holdings in companies accounted for using the equity method and shareholdings in related companies	–	15	.
Key management personnel	–	–	.
Other related entities/persons	–	–	.

Liabilities to customers include €1.3bn (previous year: €1.2bn) for external pension providers reported under other related companies.

The following income and expenses arose from loan agreements with, deposits from and services provided in connection with related parties (excluding government entities):

Income | €m	**1.1.–31.12.2010**	**1.1.–31.12.2009**	Change in %
Non-consolidated subsidiaries			
Interest income	60	12	.
Commission income	2	16	–87.5
Trade	–	4	.
Holdings in companies accounted for using the equity method and shareholdings in related companies			
Interest income	114	59	93.2
Commission income	12	21	–42.9
Trade	–	5	.
Key management personnel			
Interest income	–	–	.
Commission income	–	–	.
Trade	–	–	.
Other related entities/persons			
Interest income	–	–	.
Commission income	–	–	.
Trade	–	–	.
Totals			
Interest income	174	71	.
Commission income	14	37	–62.2
Trade	–	9	.

Expenses | €m	1.1.–31.12.2010	1.1.–31.12.2009	Change in %
Non-consolidated subsidiaries			
Interest expense	–	7	.
Commission expense	33	15	.
Trade	48	14	.
Write-downs/impairments	–	–	.
Holdings in companies accounted for using the equity method and shareholdings in related companies			
Interest expense	–	10	.
Commission expense	–	–	.
Trade	9	11	–18.2
Write-downs/impairments	–	–	.
Key management personnel			
Interest expense	–	–	.
Commission expense	–	–	.
Trade	–	–	.
Write-downs/impairments	–	–	.
Other related entities/persons			
Interest expense	56	59	–5.1
Commission expense	–	–	.
Trade	–	–	.
Write-downs/impairments	–	–	.
Totals			
Interest expense	56	76	–26.3
Commission expense	33	15	.
Trade	57	25	.
Write-downs/impairments	–	–	.

Claims on key management personnel were as follows:

€1,000	31.12.2010	31.12.2009	Change in %
Board of Managing Directors	2,647	2,304	14.9
Supervisory Board	484	650	–25.5
Total	**3,131**	**2,954**	**6.0**

Members of the Board of Managing Directors have been granted cash advances and loans with terms ranging from on demand to a due date of 2038 and at interest rates ranging between 2.8% and 5.5%, for amounts overdrawn in certain cases up to 10.7%. Collateral security is provided on normal market terms, if necessary through land charges or rights of lien.

Members of the Supervisory Board have been granted loans with terms ranging from on demand up to a due date of 2040 and at interest rates ranging between 3.8% and 7.7%, and on amounts overdrawn in certain cases up to 10.7%. Collateral security is provided on normal market terms, if necessary through land charges or rights of lien.

With the exception of rental guarantees the companies of the Commerzbank Group did not have any contingent liabilities relating to members of the Board of Managing Directors or the Supervisory Board in the year under review.

Banking transactions with related parties are carried out on normal market terms and conditions.

Transactions with federal agencies

The Commerzbank Group conducts transactions with federal government-controlled entities as part of its ordinary business activities on standard market terms and conditions. Details of the relationship with SoFFin are contained in Note 74. The table below sets out the assets and liabilities relating to transactions with federal agencies as at December 31, 2010:

€m	31.12.2010	31.12.2009	Change in %
Cash reserve	1,111	3,633	–69.4
Claims on banks	726	213	.
Claims on customers	2,991	2,378	25.8
Trading assets	5,040	2,628	91.8
Financial investments	7,079	6,209	14.0
Total	**16,947**	**15,061**	**12.5**
Liabilities to banks	15,262	24,260	–37.1
Liabilities to customers	88	90	–2.2
Subordinated capital	16,428	16,428	0.0
Total	**31,778**	**40,778**	**–22.1**
Guarantees and collaterals			
granted	298	3	.
received	5,000	5,000	0.0

The financial instruments included under trading assets and financial investments are debt instruments. Income and expenses for transactions with government entities were as follows:

31.12.2010 | €m	Expenses	Income
Interest income	27	163
Commission income	48	–
Trade	–	8
Write-downs/impairments	–	–

b) Remuneration of key management personnel

A detailed description of the remuneration system for the members of the Board of Managing Directors and for members of the Supervisory Board is provided in the remuneration report (see Page 51 ff.). Excluding the past service cost included in the calculation of the pension liabilities, the employer's payments to BVV retirement fund and the state pension plan for the members of the Board of Managing Directors, the total remuneration of the members of the Board of Managing Directors and Supervisory Board was as follows:

€1,000	31.12.2010	31.12.2009
Board of Managing Directors	5,275	5,865
Supervisory Board	1,841	1,974
Total	**7,116**	**7,839**

Board of Managing Directors. The table below shows a breakdown of total remuneration by the categories defined in IAS 24:

€1,000		Short-term employee benefits	Termination benefits	Payouts of share-based remuneration plans[4]	Total remuneration	Post-employment benefit expenses[5]
Martin Blessing	2010	617		–	617	283
	2009	572		–	572	216
Frank Annuscheit	2010	603		–	603	259
	2009	545		–	545	212
Markus Beumer	2010	547		–	547	218
	2009	602		–	602	176
Wolfgang Hartmann	2010[2]	–		–	–	–
	2009[1]	232		–	232	130
Dr. Achim Kassow	2010	572		–	572	154
	2009	564		–	564	119
Jochen Klösges	2010	566		–	566	262
	2009[1]	298		–	298	–
Bernd Knobloch	2010[2]	–	–	–	–	–
	2009[2,3]	–	1,113	–	1,113	–
Michael Reuther	2010	575		–	575	336
	2009	575		–	575	269
Dr. Stefan Schmittmann	2010	555		–	555	454
	2009	535		–	535	405
Ulrich Sieber	2010	563		–	563	228
	2009[1]	308		–	308	–
Dr. Eric Strutz	2010	595		–	595	168
	2009	521		–	521	124
Martin Zielke	2010[1]	82		–	82	–
	2009[2]	–		–	–	–
Total	**2010**	**5,275**	**–**	**–**	**5,275**	**2,362**
	2009	**4,752**	**1,113**	**–**	**5,865**	**1,651**

[1] Pro rata temporis from the date of appointment or up to the date of departure from the Board.
[2] Not members of the Board during the years shown.
[3] In 2009 Mr Knobloch received €1,113 thousand on the basis of the severance agreement concluded with him.
[4] No LTP was paid out in the financial year 2010.
[5] Service cost and the employer's contribution to BVV retirement fund and the state pension plan; there were no other long-term benefits pursuant to IAS 24.

Including post employment benefit expenses the total remuneration was €7,637 thousand (previous year €7,516 thousand).

The following table shows the components of short-term benefits. These comprise basic salary, variable remuneration, remuneration for serving as a director at companies consolidated in the Group financial statements of Commerzbank Aktiengesellschaft and other remuneration of individual members of the Board of Managing Directors. The column Other includes normal non-monetary benefits (chiefly use of company cars and insurance plus the tax and social security payments due on these). No variable remuneration was paid for 2009 or 2010.

€1,000		Basic salary	Variable remuneration[3]	Remuneration for serving on boards[4]	Reduction further to SoFFin cap[4]	Total monetary remuneration	Other[5]	Total short-term employee benefits
Martin Blessing	2010	500	–			500	117	617
	2009	500	–	–	–	500	72	572
Frank Annuscheit	2010	500	–			500	103	603
	2009	480	–	23	–3	500	45	545
Markus Beumer	2010	500	–			500	47	547
	2009	480	–	12	–	492	110	602
Wolfgang Hartmann	2010[2]	–	–	–	–	–	–	–
	2009[1]	200	–	–	–	200	32	232
Dr. Achim Kassow	2010	500	–			500	72	572
	2009	480	–	124	–104	500	64	564
Jochen Klösges	2010	500	–			500	66	566
	2009[1]	280	–	–	–	280	18	298
Bernd Knobloch	2010[2]	–	–	–	–	–	–	–
	2009[2]	–	–	–	–	–	–	–
Michael Reuther	2010	500	–			500	75	575
	2009	480	–	21	–1	500	75	575
Dr. Stefan Schmittmann	2010	500	–			500	55	555
	2009	480	–	–	–	480	55	535
Ulrich Sieber	2010	500	–			500	63	563
	2009[1]	280	–	–	–	280	28	308
Dr. Eric Strutz	2010	500	–			500	95	595
	2009	480	–	2	–	482	39	521
Martin Zielke	2010[1]	78	–			78	4	82
	2009[2]	–	–	–	–	–	–	–
Total	**2010**	**4,578**	**–**	**–**	**–**	**4,578**	**697**	**5,275**
	2009	**4,140**	**–**	**182**	**–108**	**4,214**	**538**	**4,752**

[1] Pro rata temporis from the date of appointment or up to the date of departure from the Board.
[2] Not members of the Board during the years shown.
[3] Payable in the following year subject to approval of the annual financial statements.
[4] Remuneration for serving on the boards of Group companies paid in the financial years 2009 and 2010 will be offset in full against the SoFFin cap of the previous year and has therefore been allocated to the previous year in the table.
[5] The heading Other includes non-monetary benefits granted in the year under review and employer's social security contributions, plus tax due on non-monetary benefits.

We refer to the section headed Other regulations in the remuneration report for information on regulations for payments stemming from termination of employment for active members of the Board of Managing Directors.

The assets backing the Bank's retirement benefit plan for present and former members of the Board of Managing Directors or their surviving dependants have been transferred to Commerzbank Pensions-Trust e.V. as part of a contractual trust arrangement.

As at December 31, 2010 the pension obligations for active members of the Board of Managing Directors amounted to €10.3m (previous year: €7.0m) and for former members of the Board of Managing Directors or their surviving dependants to €70.9m (previous year: €75.7m).

After deduction of plan assets transferred and after allowing for actuarial gains and losses, the provisions for pension obligations in respect of active members of the Board of Managing Directors amounted to €0.5m on December 31, 2010 (previous year: nil).

Payments to former members of the Board of Managing Directors of Commerzbank Aktiengesellschaft and their surviving dependents came to €6,519 thousand in the financial year 2010 (previous year: €7,677 thousand).

The active members of the Board of Managing Directors have participated in the long-term performance plans (LTPs) which are described in detail in Note 25 and represent a share-based form of compensation. In order to participate in the various plans, the members of the Board of Managing Directors have invested in up to 2,500 Commerzbank Aktiengesellschaft shares per plan at their individual discretion, the chairman in up to 5,000 shares per plan, at current market prices.

The table below provides information on the long-term performance plans of active members of the Board of Managing Directors, acquired in their capacity as active board members, effective as at December 31, 2010. The members of the Board of Managing Directors renounced all the shares acquired under the 2008 LTP in February 2009 and will therefore not receive any payments from this plan. The fair value of the 2006 and 2007 plans was zero in each case as at December 31, 2010. This led to the full reversal of the provision of around €10 thousand which had been created.

Currently active long-term performance plans of active members of the Board of Managing Directors acquired in their capacity as active board members:

	LTP	Number of participating shares in units	fair value when the shares were granted in €1,000	fair value as at 31.12.2010 in €1,000	pro rata provisions as at 31.12.2010 in €1,000
Martin Blessing	2008	–	–	–	–
	2007	2,500	79	–	–
	2006	2,500	87	–	–
Frank Annuscheit	2008	–	–	–	–
	2007	1,200	38	–	–
	2006	1,200	42	–	–
Dr. Achim Kassow	2008	–	–	–	–
	2007	2,500	79	–	–
	2006	2,500	87	–	–
Michael Reuther	2008	–	–	–	–
	2007	2,500	79	–	–
	2006	–	–	–	–
Dr. Eric Strutz	2008	–	–	–	–
	2007	2,500	79	–	–
	2006	2,500	87	–	–
Totals	**2008**	**–**	**–**	**–**	**–**
	2007	**11,200**	**354**	**–**	**–**
	2006	**8,700**	**303**	**–**	**–**
Total 2010		**19,900**	**657**	**–**	**–**
Total 2009		**19,900**	**657**	**18**	**9.9**

Members of the Board of Managing Directors not listed in the table above held no LTPs as at December 31, 2010 which they had acquired as an active board member.

Supervisory Board. Remuneration for the members of the Supervisory Board is regulated in Art. 15 of the Articles of Association of Commerzbank Aktiengesellschaft. Members of the Supervisory Board received total net remuneration for financial year 2010 of €1,563 thousand (previous year: €1,681 thousand). Of this figure, the basic remuneration and remuneration for serving on committees amounted to €1,240 thousand (previous year: €1,240 thousand) and attendance fees to €323 thousand (previous year: €441 thousand). Attendance fees are paid for participating in the meetings of the Supervisory Board and its six committees (Presiding, Audit, Risk, Nomination, Conciliation and Social Welfare Committees) which met in the year under review. Value added tax of €278 thousand (previous year: €293 thousand) payable on the remuneration of the members of the Supervisory Board is reimbursed by Commerzbank Aktiengesellschaft. The total remuneration of the members of the Supervisory Board was therefore €1,841 thousand (previous year: €1,974 thousand).

All told, the Board of Managing Directors and Supervisory Board held no more than 1% (previous year: under 1%) of the issued shares and option rights of Commerzbank Aktiengesellschaft on December 31, 2010.

(100) Share-based payment plans

Due to the performance already contributed by employees there were again expenses relating to share-based payments in the 2010 financial year. Share-based payment expense was as follows:

€m	2010	2009
Cash-settled plans	3	1
of which LTP	1	1
Equity-settled plans	2	–
Total	**5**	**1**

The provisions for cash-settled plans and the reserves in equity for plans settled with equity instruments were as follows:

€m	31.12.2010	31.12.2009
Provisions	8	2
of which LTP	2	1
Reserves in equity	3	2

Further details and the terms and conditions of the LTP are available in Note 25 of this annual report. The new Share Award Programme for the financial year 2010 is accounted for as part of other personnel provisions. The amount of these provisions that relate to share-based payments cannot be determined until April 2011 when the individual variable payments are finally decided. On the basis of provisional information as of the reporting date we estimate that the amount of possible provisions for share-based payments from this programme is €41.6m.

The parameters for the calculation of the LTPs are shown in the following tables:

LTP	Date of grant	Fair value per award as at	
in €		31.12.2010	31.12.2009
2006	April 1, 2006	–	–
2007	April 1, 2007	–	1.76
2008	May 1, 2008	4.84	4.60

Number of rights		
Units	2010	2009
Balance as at 1.1.	**988,400**	**1,033,500**
Granted during the year	–	–
Forfeited during the year	40,550	45,100
Exercised during the year	–	–
Expired during the year	–	–
Balance as at 31.12.	**947,850**	**988,400**

The expected residual terms of the awards outstanding at year-end vary between 3 and 28 months (previous year: 15 to 28 months). The fair values of the LTP awards were calculated using a Monte Carlo model. The inputs to the model were as follows:

	31.12.2010	31.12.2009
Volatility of the Commerzbank share price	80%	82%–86%
Volatility of the DJ-Euro-Stoxx Banks Index	47%	46%–48%
Correlation of Commerzbank share price to index	80%	82%
Dividend yield Commerzbank share	1.3%	1.3%
Dividend yield of DJ Euro Stoxx Banks Index	2.8%	2.0%
Risk-free interest rate	0.9%	1.5%–1.7%
Staff turnover	4.5%	4.5%

The volatility is based on the historical volatility of the Commerzbank share price and the Dow Jones (DJ) Euro Stoxx Banks Index. The correlation is based on the period before valuation day, taking into account the remaining term of the plans.

(101) Other commitments

Payment commitments to Group external entities and non-consolidated entities on shares not fully paid up amounted to €67.8m (previous year: €4.9m).

The Bank had an additional funding obligation of up to €96m (previous year: €96m) to Liquiditäts-Konsortialbank (Liko) GmbH, Frankfurt am Main. The individual banking associations have also undertaken additional funding obligations to Liko. To cover such obligations, Group companies have guaranteed to Liko as primary obligor that they will meet any payment to their respective associations.

In accordance with Art. 5 (10) of the statutes of the German banks' Deposit Insurance Fund, we have undertaken to indemnify the Association of German Banks, Berlin, for any losses incurred as a result of support provided for banks in which Commerzbank holds a majority interest.

Securities with a book value of 7,501m (previous year: €6,979m) have been deposited as collateral to meet obligations to futures and options exchanges and clearing houses.

(102) Lessor and lessee figures

Lessor disclosures – operating leases

Commerzbank acts as a lessor in operating lease arrangements. As at the balance sheet date these leases primarily comprised leased real estate and vehicles.

The following minimum leasing payments stemming from non-callable leases will accrue to the Commerzbank Group over the next few years from operating leases granted:

Due date | €m	31.12.2010	31.12.2009
In under 1 year	184	251
In 1 to 5 years	572	707
In more than 5 years	160	292
Total	**916**	**1,250**

No conditional lease instalments have been agreed in the leases.

Lessor disclosures – finance leases

Commerzbank acts as a lessor on finance leases. As at the balance sheet date these leases primarily comprise leased real estate and office furniture and equipment (e.g. vehicles, copying machines). The relationship between gross investments and net present value of the minimum leasing payments was as follows:

€m	31.12.2010	31.12.2009
Outstanding leasing payments	3,392	2,142
+ guaranteed residual values	129	28
= minimum leasing payments	3,521	2,170
+ non-guaranteed residual values	9	19
= gross investments	3,530	2,189
– unrealized financial income	464	263
= net investments	3,066	1,926
– net present value of non-guaranteed residual values	6	14
= net present value of minimum leasing payments	3,060	1,912

The minimum lease payments include the total lease instalments to be paid by the lessee under the lease agreement plus the guaranteed residual value. The non-guaranteed residual value is estimated at the beginning of the lease agreement and reviewed as of the reporting date on a regular basis. The unrealized financial income is equivalent to the interest implicit in the lease agreement between the reporting date and the end of the contract.

The term of the gross investment and net present values of the minimum lease payments from noncallable finance leases broke down as follows:

Residiual terms as at 31.12.	Gross investments		Net present value of minimum leasing payments	
€m	2010	2009	2010	2009
Up to 1 year	1,012	736	881	648
1 year to 5 years	1,645	1,153	1,384	1,013
More than 5 years	873	300	795	251
Total	**3,530**	**2,189**	**3,060**	**1,912**

Lessee disclosures – operating leases

The Group's existing obligations arising from operating leases involve rental and leasing agreements for buildings, office furniture and equipment and led in the financial year 2010 to expenses of €562m (previous year: €700m). Of this amount €21m relates to rental and lease agreements that can be terminated (previous year: €8m). For rental and lease agreements that cannot be terminated, the following expenses are forecast for future years:

Due date | €m	31.12.2010	31.12.2009
In under 1 year	549	651
In 1 to 5 years	1,625	1,863
In more than 5 years	1,355	1,531
Total	**3,529**	**4,045**

Real estate lease agreements usually have terms of between 1 and 30 years with up to 3 options to extend the lease by a further 3 to 5 years. Price adjustment clauses exist in a number of different forms such as step-up leases and index clauses. Subletting agreements have been signed for buildings no longer in use in the Commerzbank Group. These leases are of noncallable duration.

The following income will accrue to the Commerzbank Group in the next few years from these leases:

Due date | €m	**31.12.2010**	**31.12.2009**
In under 1 year	54	50
In 1 to 5 years	136	178
In more than 5 years	103	405
Total	**293**	**633**

As in 2009 the leases did not contain any agreements on contingent rents.

(103) Date of release for publication

The Group financial statements were approved by the Board of Managing Directors for submission to the Supervisory Board on March 7, 2011. The Supervisory Board is responsible for reviewing and formally approving the Group financial statements. Preliminary figures for the 2010 results were released by the Board of Managing Directors for publication on February 18, 2011.

(104) Corporate Governance Code

We have issued our annual declaration of compliance with the German Corporate Governance Code pursuant to Art. 161, German Companies Act (Aktiengesetz) and made it permanently available to shareholders on the internet (www.commerzbank.com). An annual declaration of compliance with the German Corporate Governance Code pursuant to Art. 161, German Companies Act (Aktiengesetz) has also been issued for comdirect bank Aktiengesellschaft and made permanently available on the internet (www.comdirect.de).

(105) Letters of comfort

In respect of the subsidiaries listed below and included in the consolidated financial statements of our Bank, we are obligated to ensure that, except in the case of political risks, they are able to meet their contractual liabilities.

Name	Registered office
AFÖG GmbH & Co. KG	Frankfurt/Main
comdirect bank Aktiengesellschaft	Quickborn
Commerz (East Asia) Ltd.	Hong Kong
Commerzbank (Eurasija) SAO	Moscow
Commerzbank Europe (Ireland)	Dublin
Commerzbank Europe Finance (Ireland) plc.	Dublin
Commerzbank Inlandsbanken Holding GmbH	Frankfurt/Main
Commerzbank International S.A.	Luxembourg
CommerzTrust GmbH	Frankfurt/Main
Commerz Markets LLC	New York
Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg	Luxembourg
Eurohypo Aktiengesellschaft	Eschborn

(106) Holdings in affiliated and other companies

We provide the following information pursuant to Art. 313 (2) of the German Commercial Code on the consolidated financial statements including the disclosures pursuant to Art. 285 No. 11a HGB.

1. Affiliated companies

a) Affiliated companies included in the consolidated financial statements

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity 1,000	Net profit/loss 1,000	
ABORONUM Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Berlin KG	Düsseldorf	60.0	85.0	EUR	27	4	
ADMERA Grundstücks-Vermietungs-gesellschaft mbH	Düsseldorf	100.0	100.0	EUR	26	2	
AFÖG GmbH & Co. KG	Frankfurt/Main	100.0	100.0	EUR	151,071	−95,965	
AGV Allgemeine Grundstücksverwaltungs- und -verwertungsgesellschaft mit beschränkter Haftung	Eschborn	100.0	100.0	EUR	40	-	b)
AJUNTA Grundstücks-Vermietungs-gesellschaft mbH	Düsseldorf	100.0	100.0	EUR	−4,908	−1,582	
ALDUNA Grundstücks-Vermietungs-gesellschaft mbH	Düsseldorf	100.0	100.0	EUR	−10,397	−3,378	
ALMURUS Grundstücks-Vermietungs-gesellschaft mbH	Düsseldorf	100.0	100.0	EUR	8,294	−951	
ALTEREGO Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0	EUR	959	−6,721	
ASCARA Grundstücks-Vermietungs-gesellschaft mbH	Düsseldorf	100.0	100.0	EUR	−689	−488	
ASTUTIA Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0	EUR	3,788	-	b)
Atlas-Vermögensverwaltungs-Gesellschaft mit beschränkter Haftung	Bad Homburg v.d. Höhe	100.0	100.0	EUR	455,113	-	b)
BACUL Beteiligungsgesellschaft mbH	Eschborn	100.0	100.0	EUR	3	−7	
BERGA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG	Grünwald (Munich)	100.0	100.0	EUR	−1,253	400	
Bishop Finance Inc.	Wilmington, Delaware	100.0	100.0	GBP	569,985	−979	
BRE Bank Hipoteczny S.A.	Warsaw	100.0	100.0	PLN	368,373	30,861	
BRE Bank SA	Warsaw	69.8	69.8	PLN	6,923,121	655,907	
BRE Finance France S.A.	Levallois Perret	100.0	100.0	EUR	163	−18	
BRE Holding Sp. z.o.o.	Warsaw	100.0	100.0	PLN	370,742	523	a)
BRE Leasing Sp. z o.o.	Warsaw	100.0	100.0	PLN	121,358	27,437	
BRE Ubezpieczenia Sp. z.o.o.	Warsaw	100.0	100.0	PLN	13,051	7,051	a)
BRE Ubezpieczenia Towarzystwo Ubezpieczen i Reasekuracji S.A.	Warsaw	100.0	100.0	PLN	59,255	9,460	a)
BRE.locum S.A.	Lódz	80.0	80.0	PLN	109,185	6,207	a)
Bridge Re Limited	Hamilton, Bermuda	100.0	100.0	USD	411	0	
CB Building Kirchberg GmbH	Düsseldorf	100.0	100.0	EUR	2,216	785	
CBG Commerz Beteiligungsgesellschaft Holding mbH	Bad Homburg v.d. Höhe	100.0	100.0	EUR	6,137	-	b)
CBG Commerz Beteiligungskapital GmbH & Co. KG	Frankfurt/Main	100.0	100.0	EUR	33,745	6,783	
CFB-Fonds Transfair GmbH	Düsseldorf	100.0	100.0	EUR	26	-	b)

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity 1,000	Net profit/loss 1,000	
CG New Venture 2 Verwaltungsgesellschaft mbH	Wiesbaden	100.0	100.0	EUR	83	0	
CG New Venture 4 GmbH & Co. KG	Wiesbaden	99.9	99.0	EUR	20,315	0	
CG Real Estate Master FCP-SIF	Luxembourg	58.0	58.0	EUR	203,243	8,464	
Chess Finance LLC	New York	100.0	100.0	USD	17,161	−1,502	
Coba Holdings I, LLC [1]	Wilmington, Delaware	100.0	100.0	USD	409,779	15,611	
Coba Vermögensverwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0	EUR	26	-	b)
comdirect bank Aktiengesellschaft	Quickborn	80.5	80.5	EUR	418,644	52,983	
Commerz (East Asia) Limited	Hong Kong	100.0	100.0	EUR	5,543	47	
Commerz Asset Management Asia Pacific Pte Ltd.	Singapore	100.0	100.0	SGD	51,099	−7,609	
Commerz Business Consulting GmbH	Frankfurt/Main	100.0	100.0	EUR	73	-	b)
Commerz Direktservice GmbH	Duisburg	100.0	100.0	EUR	1,178	-	b)
Commerz Grundbesitz Beteiligungsgesellschaft mbH & Co. KG	Frankfurt/Main	90.0	90.0	EUR	13,433	1,179	
Commerz Markets LLC [2]	Wilmington, Delaware	100.0	100.0	USD	412,331	5,111	
Commerz Real AG	Düsseldorf	100.0	100.0	EUR	408,394	-	b)
Commerz Real Asset Verwaltungsgesellschaft mbH	Grünwald (Munich)	100.0	100.0	EUR	25	-	b)
Commerz Real Autoleasing GmbH	Hamburg	100.0	100.0	EUR	7,553	-	b)
Commerz Real Baucontract GmbH	Düsseldorf	100.0	100.0	EUR	4,238	-	b)
Commerz Real Baumanagement GmbH	Düsseldorf	100.0	100.0	EUR	52	-	b)
Commerz Real Fonds Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0	EUR	25	-	b)
Commerz Real Immobilien GmbH	Düsseldorf	100.0	100.0	EUR	12,936	-	b)
Commerz Real Investmentgesellschaft mbH	Wiesbaden	100.0	100.0	EUR	21,968	-	b)
Commerz Real IT-Leasing GmbH	Düsseldorf	100.0	100.0	EUR	1,954	-	b)
Commerz Real Leasingservice GmbH & Co. KG	Hamburg	100.0	100.0	EUR	−20	−103	
Commerz Real Mietkauf GmbH	Düsseldorf	100.0	100.0	EUR	26	-	b)
Commerz Real Mobilienleasing GmbH	Düsseldorf	100.0	100.0	EUR	−3,463	-	b)
Commerz Real Partner Hannover GmbH	Düsseldorf	100.0	100.0	EUR	−386	−205	
Commerz Real Partner Nord GmbH	Düsseldorf	100.0	100.0	EUR	1,163	−688	
Commerz Real Partner Süd GmbH	Düsseldorf	65.0	65.0	EUR	1,098	793	
Commerz Real Spezialfondsgesellschaft mbH	Wiesbaden	100.0	100.0	EUR	5,948	-	b)
Commerz Real Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0	EUR	26	-	b)
Commerz Services Holding GmbH	Frankfurt/Main	100.0	100.0	EUR	12,564	-	b)
Commerz Systems GmbH	Frankfurt/Main	100.0	100.0	EUR	6,108	4,351	
Commerz Transaction Services Mitte GmbH	Erfurt	100.0	100.0	EUR	2,715	-	b)
Commerz Transaction Services Nord GmbH	Magdeburg	100.0	100.0	EUR	1,493	-	b)
Commerz Transaction Services West GmbH	Hamm	100.0	100.0	EUR	1,256	-	b)
Commerzbank (Eurasija) SAO	Moscow	100.0	100.0	RUB	10,922,008	1,333,058	
Commerzbank (South East Asia) Ltd.	Singapore	100.0	100.0	EUR	69,460	2,203	
Commerzbank Asset Management Asia Ltd.	Singapore	100.0	100.0	SGD	2,839	−4,399	
Commerzbank Auslandsbanken Holding AG	Frankfurt/Main	100.0	100.0	EUR	1,792,196	-	b)

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity 1,000	Net profit/loss 1,000	
Commerzbank Auslandsbanken Holding Nova GmbH	Frankfurt/Main	100.0	100.0	EUR	921,212	-	b)
Commerzbank Capital Funding LLC I	Wilmington, Delaware	100.0	100.0	EUR	2	0	
Commerzbank Capital Funding LLC II	Wilmington, Delaware	100.0	100.0	GBP	2	0	
Commerzbank Capital Funding LLC III	Wilmington, Delaware	100.0	100.0	EUR	2	0	
Commerzbank Capital Funding Trust I	Wilmington, Delaware	100.0	100.0	EUR	1	0	
Commerzbank Capital Funding Trust II	Wilmington, Delaware	100.0	100.0	GBP	1	0	
Commerzbank Capital Funding Trust III	Wilmington, Delaware	100.0	100.0	EUR	1	0	
Commerzbank Capital Investment Company Limited [3]	London	100.0	100.0	GBP	0	0	
Commerzbank Capital Ventures Management Limited [4]	London	100.0	100.0	GBP	0	0	
Commerzbank Europe (Ireland)	Dublin, Ireland	81.7	81.7	EUR	373,395	436	
Commerzbank Europe Finance (Ireland) plc	Dublin, Ireland	100.0	100.0	EUR	54	1	
Commerzbank Finance 2 S.à.r.l. [5]	Luxembourg	100.0	100.0	EUR	1,005	−19	
Commerzbank Finance 3 S.à.r.l.	Luxembourg	100.0	100.0	EUR	132,050	134	a)
Commerzbank Finance BV [6]	Amsterdam, Netherlands	100.0	100.0	EUR	6,640	7,292	
Commerzbank Holdings (UK) Limited[7]	London	100.0	100.0	GBP	495,330	80,100	
Commerzbank Holdings France	Paris	100.0	100.0	EUR	80,638	2,447	
Commerzbank Immobilien- und Vermögens-verwaltungsgesellschaft mbH	Frankfurt/Main	100.0	100.0	EUR	462,597	-	b)
Commerzbank Inlandsbanken Holding GmbH	Frankfurt/Main	100.0	100.0	EUR	6,359,838	-	b)
Commerzbank International S.A.	Luxembourg	100.0	100.0	EUR	558,321	88,045	
Commerzbank Investments (UK) Ltd. [8]	London	100.0	100.0	GBP	226,381	219,178	
Commerzbank Leasing (Guernsey) Limited [9]	St. Peter Port, Guernsey	100.0	100.0	EUR	8	0	
Commerzbank Leasing 1 S.à.r.l. [10]	Luxembourg	100.0	100.0	GBP	258	6	
Commerzbank Leasing 2 S.à.r.l. [11]	Luxembourg	100.0	100.0	GBP	63,200	−367	
Commerzbank Leasing 4 S.à.r.l. [12]	Luxembourg	100.0	100.0	GBP	32	18	
Commerzbank Leasing 5 S.à r.l. [13]	Luxembourg	100.0	100.0	GBP	−91	−44	
Commerzbank Leasing 6 S.à.r.l. [14]	Luxembourg	100.0	100.0	GBP	111	−20	
Commerzbank Leasing December (1) Limited [15]	London	100.0	100.0	GBP	1,486	365	
Commerzbank Leasing December (10) [16]	London	100.0	100.0	GBP	32	0	
Commerzbank Leasing December (11) [17]	London	100.0	100.0	GBP	0	0	
Commerzbank Leasing December (12) Limited [18]	London	100.0	100.0	GBP	254	−163	
Commerzbank Leasing December (13) Limited [19]	London	100.0	100.0	GBP	0	0	
Commerzbank Leasing December (15) [20]	London	100.0	100.0	USD	−283	12	
Commerzbank Leasing December (17) Limited	London	100.0	100.0	GBP	207	617	a)
Commerzbank Leasing December (19) Limited	London	100.0	100.0	GBP	55,028	55,829	a)
Commerzbank Leasing December (20) Limited	London	100.0	100.0	GBP	0	0	a)
Commerzbank Leasing December (21) Limited	London	100.0	100.0	GBP	0	0	a)

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity 1,000	Net profit/loss 1,000	
Commerzbank Leasing December (22) Limited	London	100.0	100.0	GBP	22	–421	a)
Commerzbank Leasing December (23) Limited	London	100.0	100.0	GBP	25	–45	a)
Commerzbank Leasing December (24) Limited	London	100.0	100.0	GBP	737	712	a)
Commerzbank Leasing December (25) Limited	London	70.0	70.0	GBP	–14,991	0	a)
Commerzbank Leasing December (26) Limited	London	100.0	100.0	GBP	1,345	1,298	a)
Commerzbank Leasing December (3) Limited [21]	London	100.0	100.0	GBP	427	–25	
Commerzbank Leasing December (4) Limited [22]	London	74.0	74.0	GBP	20	0	
Commerzbank Leasing December (7) Limited [23]	Edinburgh	100.0	100.0	GBP	0	0	
Commerzbank Leasing December (8) Limited [24]	London	100.0	100.0	GBP	0	0	
Commerzbank Leasing December (9) Limited [25]	London	100.0	100.0	GBP	0	0	
Commerzbank Leasing Holdings Limited [26]	London	100.0	100.0	GBP	2,883	6,464	
Commerzbank Leasing Limited [27]	London	100.0	100.0	GBP	2,109	655	
Commerzbank Leasing March (3) Limited [28]	London	100.0	100.0	GBP	5	5	
Commerzbank Leasing September (5) Limited [29]	London	100.0	100.0	GBP	–5	–12	
Commerzbank Leasing September (6) Limited [30]	London	100.0	100.0	GBP	0	0	
Commerzbank Online Ventures Limited [31]	London	100.0	100.0	EUR	0	0	
Commerzbank Overseas Holdings Limited [32]	London	100.0	100.0	GBP	10,039	1,254	
Commerzbank Property Management & Services Limited [33]	London	100.0	100.0	GBP	0	–945	
Commerzbank Securities Ltd [34]	London	100.0	100.0	GBP	475	10	
Commerzbank Securities Nominees Limited [35]	London	100.0	100.0	GBP	10	0	
Commerzbank U.S. Finance, Inc.	Wilmington, Delaware	100.0	100.0	USD	657	13	
Commerzbank Zrt.	Budapest	100.0	100.0	HUF	22,231,390	–153,461	
CommerzFactoring GmbH	Mainz	50.1	50.1	EUR	1,099	-	b)
CSA COMMERZ SOUTH AFRICA (PROPRIETARY) LIMITED	Johannesbourg, South Africa	100.0	100.0	ZRA	5,833	7,330	
Deutsche Schiffsbank AG	Bremen/Hamburg	92.1	92.1	EUR	950,370	0	
Dom Inwestycyjny BRE Banku S.A.	Warsaw	100.0	100.0	PLN	72,474	29,849	
Dresdner Bank Brasil S.A. Banco Múltiplo	São Paulo - SP, Brazil	100.0	100.0	BRL	269,247	6,419	
Dresdner Capital LLC I	Wilmington, Delaware	100.0	100.0	USD	1,582	42	
Dresdner Capital LLC III	Wilmington, Delaware	100.0	100.0	EUR	303	10	
Dresdner Capital LLC IV	Wilmington, Delaware	100.0	100.0	JPY	18,333	452	
Dresdner Kleinwort - Grantchester, Inc.	Wilmington, Delaware	100.0	100.0	USD	27,846	16	
Dresdner Kleinwort & Co. Holdings, Inc.	Wilmington, Delaware	100.0	100.0	USD	224,695	18	
Dresdner Kleinwort (Japan) Limited	Hong Kong	100.0	100.0	JPY	2,250,133	66,717	
Dresdner Kleinwort Capital Inc	New York	100.0	100.0	USD	3,608	–1,331	
Dresdner Kleinwort Capital Investment Trust Limited	London	100.0	100.0	GBP	0	0	

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity 1,000	Net profit/loss 1,000	
Dresdner Kleinwort do Brasil Limitada	Rio de Janeiro, Brazil	100.0	100.0	BRL	−13,339	−15	
Dresdner Kleinwort EIV Manager, Inc.	Wilmington, Delaware	100.0	100.0	USD	−18	0	
Dresdner Kleinwort Finance Inc.	New York	100.0	100.0	USD	2,105	228	
Dresdner Kleinwort Flags Inc.	Wilmington, Delaware	13.9	100.0	USD	140,479	0	
Dresdner Kleinwort Group Holdings, LLC	Wilmington, Delaware	100.0	100.0	USD	170,917	4	
Dresdner Kleinwort Holdings LLC	New York	100.0	100.0	USD	65,386	−20,133	
Dresdner Kleinwort Leasing Inc.	New York	100.0	100.0	USD	15,765	40	
Dresdner Kleinwort Limited	London	100.0	100.0	GBP	317,053	71,594	
Dresdner Kleinwort LLC	Wilmington, Delaware	14.8	100.0	USD	34,022	27	
Dresdner Kleinwort Luminary Inc.	Wilmington, Delaware	13.9	76.1	USD	813,341	6,418	
Dresdner Kleinwort Moon LLC	Wilmington, Delaware	100.0	100.0	USD	83,755	6,039	
Dresdner Kleinwort Pfandbriefe Investments II, Inc.	Wilmington, Delaware	100.0	100.0	USD	12,959	1,490	
Dresdner Kleinwort Services (Guernsey) Limited	St. Peter Port, Guernsey	100.0	100.0	GBP	2	0	
Dresdner Kleinwort Services LLC	New York	100.0	100.0	USD	866	0	
Dresdner Kleinwort Servicios y Asesorias Ltda.	Santiago de Chile, Chile	100.0	100.0	CLP	−40,713	1,024	
Dresdner Kleinwort Stripes LLC	Wilmington, Delaware	100.0	100.0	USD	193,213	158	
Dresdner Kleinwort Wasserstein (Argentina) S.A.	Buenos Aires, Argentina	100.0	100.0	USD	136	−45	
Dresdner Kleinwort Wasserstein Securities (India) Private Limited	Mumbai, India	75.0	75.0	INR	474,867	75,318	
Dresdner Lateinamerika Aktiengesellschaft	Hamburg	100.0	100.0	EUR	50,109	-	b)
Dresdner UK Investments 2 B.V.	Amsterdam, Netherlands	100.0	100.0	EUR	957	5	
Dresdner UK Investments N.V.	Amsterdam, Netherlands	100.0	100.0	EUR	1,723	4	
EH Estate Management GmbH	Eschborn	100.0	100.0	EUR	11,026	-	b)
EH MoLu IV, LLC	Dover, USA	100.0	100.0	USD	14,389	−161	a)
EH NY IV, LLC	Dover, USA	100.0	100.0	USD	−827	9,710	
EHNY Ashland, LLC	Dover, USA	100.0	100.0	USD	−827	9,710	
EHY Real Estate Fund I, LLC	New York	100.0	100.0	USD	−3,511	−353	
EHY Sub Asset LLC	Wilmington, Delaware	100.0	100.0	USD	−7,901	84	
Elco Leasing Limited	London	100.0	100.0	GBP	504	3	
Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft	Luxembourg	100.0	100.0	EUR	281,548	197	
Eurohypo (Japan) Corporation	Tokyo, Japan	100.0	100.0	JPY	2,876,293	−398,662	
Eurohypo Aktiengesellschaft	Eschborn	100.0	100.0	EUR	5,661,992	-	b)
Eurohypo Capital Funding LLC I	Wilmington, Delaware	100.0	100.0	EUR	1	0	

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity 1,000	Net profit/loss 1,000	
Eurohypo Capital Funding LLC II	Wilmington, Delaware	100.0	100.0	EUR	3	0	
Eurohypo Capital Funding Trust I	Wilmington, Delaware	100.0	100.0	EUR	1	0	
Eurohypo Capital Funding Trust II	Wilmington, Delaware	100.0	100.0	EUR	1	0	
EUROHYPO Europäische Hypothekenbank S.A.	Senningerberg, Luxembourg	100.0	100.0	EUR	35,250	69,374	
European Bank for Fund Services Gesellschaft mit beschränkter Haftung (ebase)	Haar/Munich	80.5	100.0	EUR	29,575	6,036	
European Venture Partners (Holdings) Ltd	St. Helier, Jersey	85.0	85.0	GBP	0	280	
European Venture Partners Ltd	London	85.0	100.0	GBP	0	9,381	
FABA Vermietungsgesellschaft mbH	Düsseldorf	95.0	75.0	EUR	26	-	b)
Felix (CI) Limited	George Town, Cayman Island	100.0	100.0	GBP	25	0	
FHB - Immobilienprojekte GmbH	Eschborn	100.0	100.0	EUR	52	-	b)
FI Pro-City Immobilien GmbH	Eschborn	100.0	100.0	EUR	26	-	b)
Film Library Holdings LLC	Wilmington, Delaware	51.0	51.00	USD	32,321	−2,806	a)
FM LeasingPartner GmbH	Bissendorf, Kr Osnabrück	50.4	50.4	EUR	832	290	
Forum Immobiliengesellschaft mbH	Eschborn	100.0	100.0	EUR	809	-	b)
Frankfurter Gesellschaft für Vermögensanlagen mit beschränkter Haftung	Eschborn	100.0	100.0	EUR	5,952	-	b)
Futura Hochhausprojektgesellschaft mbH	Eschborn	100.0	100.0	EUR	2,421	-	b)
Galbraith Investments Limited	London	100.0	100.0	GBP	71	20	a)
GBG Verwaltungs- und Verwertungsgesellschaft für Grundbesitz mbH	Eschborn	100.0	100.0	EUR	312	-	b)
General Leasing (No.16) Limited	London	43.8	43.8	GBP	−343	−56	
G-G-B Gebäude- und Grundbesitz GmbH	Eschborn	100.0	100.0	EUR	256	-	b)
GIE Dresdner Kleinwort France	Paris	100.0	100.0	EUR	0	0	
GO German Office GmbH	Wiesbaden	100.0	100.0	EUR	−31,818	-	b)
gr Grundstücks GmbH Objekt Corvus	Frankfurt/Main	100.0	100.0	EUR	53	−3	
gr Grundstücks GmbH Objekt Corvus & Co. Sossenheim KG	Frankfurt/Main	100.0	100.0	EUR	442	−213	
Gresham Leasing March (1) Limited	London	25.0	100.0	GBP	1,065	0	
Gresham Leasing March (2) Limited	London	25.0	100.0	GBP	2,411	288	
Grundbesitzgesellschaft Berlin Rungestr. 22 - 24 mbH	Eschborn	94.0	94.0	EUR	1,159	−894	
GVG Gesellschaft zur Verwertung von Grundbesitz mit beschränkter Haftung	Eschborn	100.0	100.0	EUR	26	-	b)
Herradura Ltd	London	100.0	100.0	GBP	5	0	
Hibernia Beta Beteiligungsgesellschaft mbH	Frankfurt/Main	100.0	100.0	EUR	70,644	−10,691	
Hibernia Eta Beteiligungsgesellschaft mbH	Frankfurt/Main	85.0	85.0	EUR	50,168	−7,344	
Hibernia Gamma Beteiligungsgesellschaft mbH	Frankfurt/Main	60.6	60.6	EUR	139,087	−22,823	
Hibernia Sigma Beteiligungsgesellschaft mbH	Frankfurt/Main	100.0	100.0	EUR	50,194	−7,376	
Intermarket Bank AG	Vienna	56.2	56.2	EUR	37,042	1,425	

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity 1,000	Net profit/loss 1,000	
Inversiones Dresdner Kleinwort Chile Ltda.	Santiago de Chile, Chile	100.0	100.0	CLP	−1,229,990	141,158	
IVV - Immobilien - Verwaltungs- und Verwertungsgesellschaft mbH	Eschborn	100.0	100.0	EUR	26	-	
KENSTONE GmbH	Eschborn	100.0	100.0	EUR	26	-	b)
Kleinwort Benson (Canada) Limited	Toronto, Canada	100.0	100.0	CAD	0	0	
Kommanditgesellschaft MS "CPO ALICANTE" Offen Reederei GmbH & Co.	Hamburg	90.0	90.0	EUR	20,504	−1,219	
Kommanditgesellschaft MS "CPO ANCONA" Offen Reederei GmbH & Co.	Hamburg	77.2	77.2	EUR	39,585	−235	
Kommanditgesellschaft MS "CPO BARCELONA" Offen Reederei GmbH & Co.	Hamburg	90.0	90.0	EUR	20,543	−926	
Kommanditgesellschaft MS "CPO BILBAO" Offen Reederei GmbH & Co.	Hamburg	90.0	90.0	EUR	20,791	−765	
Kommanditgesellschaft MS "CPO CADIZ" Offen Reederei GmbH & Co.	Hamburg	90.0	90.0	EUR	20,819	−617	
Kommanditgesellschaft MS "CPO MARSEILLE" Offen Reederei GmbH & Co.	Hamburg	77.2	77.2	EUR	39,906	−970	
Kommanditgesellschaft MS "CPO PALERMO" Offen Reederei GmbH & Co.	Hamburg	73.9	73.9	EUR	39,504	−477	
Kommanditgesellschaft MS "CPO TOULON" Offen Reederei GmbH & Co.	Hamburg	90.0	90.0	EUR	38,633	−4,995	a)
Kommanditgesellschaft MS "CPO VALENCIA" Offen Reederei GmbH & Co.	Hamburg	90.0	90.0	EUR	21,635	−455	
Kommanditgesellschaft MS "CPO VIGO" Offen Reederei GmbH & Co.	Hamburg	90.0	90.0	EUR	21,428	−369	
Langham Nominees Ltd	St. Peter Port, Guernsey	100.0	100.0	GBP	0	0	
LAUREA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin Anthropolis KG	Düsseldorf	94.5	94.4	EUR	−7,355	3,949	
LAUREA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin Grindelwaldweg KG	Düsseldorf	94.5	94.6	EUR	−4,883	1,836	
LUGO Photovoltaik Beteiligungs-gesellschaft mbH	Düsseldorf	100.0	100.0	EUR	−12,012	−12,420	
Magyar Factor Zrt.	Budapest	100.0	100.0	HUF	1,912,721	143,383	
Marlyna Ltd	London	100.0	100.0	GBP	25	0	
Marylebone Commercial Finance (2)	London	25.0	25.0	GBP	7,014	−47	
Marylebone Commercial Finance Limited	London	25.0	87.0	GBP	571	0	
Max Lease S.à.r.l. & Cie. Secs	Luxembourg	100.0	100.0	EUR	3,030	771	
MERKUR Grundstücks GmbH	Frankfurt/Main	100.0	100.0	EUR	73,576	−530	
Messestadt Riem "Office am See" I GmbH	Eschborn	94.0	94.0	EUR	−134	-	b)
Messestadt Riem "Office am See" II GmbH	Eschborn	94.0	94.0	EUR	459	-	b)
Messestadt Riem "Office am See" III GmbH	Eschborn	94.0	94.0	EUR	19	-	b)
Morris (S.P.) Holdings Limited	London	100.0	100.0	GBP	11	0	
NAVALIS Schiffsbetriebsgesellschaft mbH & Co. MS "NEDLLOYD JULIANA" KG	Hamburg	93.6	92.8	EUR	17,771	1,477	
NAVIPOS Schiffsbeteiligungs-gesellschaft mbH	Hamburg	100.0	100.0	EUR	902	443	

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity 1,000	Net profit/loss 1,000	
New Asian Land Fund Holdings Limited	Hamilton, Bermuda	100.0	100.0	BMD	34,733	–18,438	
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lampertheim KG	Düsseldorf	95.0	95.0	EUR	32	166	
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte Plön und Preetz KG	Düsseldorf	90.0	65.0	EUR	–517	82	
Nordboden Immobilien- und Handelsgesellschaft mbH	Eschborn	100.0	100.0	EUR	315	-	b)
NOVELLA Grundstücks-Vermietungs-gesellschaft mbH	Düsseldorf	100.0	100.0	EUR	10,804	-	b)
OLEANDRA Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Jupiter KG	Düsseldorf	100.0	51.0	EUR	21,259	2,110	
OLEANDRA Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Luna KG	Düsseldorf	100.0	51.0	EUR	666	335	
OLEANDRA Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Neptun KG	Düsseldorf	100.0	51.0	EUR	15,024	1,660	
OLEANDRA Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Pluto KG	Düsseldorf	100.0	51.0	EUR	23,056	2,376	
OLEANDRA Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Uranus KG	Düsseldorf	100.0	51.0	EUR	36,087	6,091	
OLEANDRA Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Venus KG	Düsseldorf	100.0	51.0	EUR	19,797	1,719	
Parc Continental Ltd.	London	100.0	100.0	GBP	0	0	
Pisces Nominees Limited	London	100.0	100.0	GBP	76,844	–30,196	a)
Polfactor S.A.	Warsaw	100.0	100.0	PLN	46,426	9,560	
Property Invest GmbH	Eschborn	100.0	100.0	EUR	61,059	–30,332	
Property Invest Italy S.r.l.	Milan, Italy	100.0	100.0	EUR	60,280	–4,116	a)
PUBLIC JOINT STOCK COMPANY "BANK FORUM"	Kyew, Ukrain	94.5	94.5	UAH	764,801	–3,282,345	
Real Estate Holdings Limited	Hamilton, Bermuda	100.0	100.0	BMD	29,385	10,897	
Real Estate TOP TEGEL Drei GmbH	Eschborn	94.0	94.0	EUR	60	-	b)
Real Estate TOP TEGEL Eins GmbH	Eschborn	94.0	94.0	EUR	421	-	b)
Real Estate TOP TEGEL Sechs GmbH	Eschborn	94.0	94.0	EUR	129	-	b)
Real Estate TOP TEGEL Vier GmbH	Eschborn	94.0	94.0	EUR	60	-	b)
Real Estate TOP TEGEL Zwei GmbH	Eschborn	94.0	94.0	EUR	60	-	b)
REFUGIUM Beteiligungsgesellschaft mbH	Grünwald (Munich)	100.0	100.0	EUR	10,714	5,701	
Rood Nominees Limited	London	100.0	100.0	GBP	0	0	
Rook Finance LLC	Wilmington, Delaware	100.0	100.0	USD	31,752	–314	
SB-Bauträger Gesellschaft mit beschränkter Haftung	Eschborn	100.0	100.0	EUR	55	-	b)
SB-Bauträger GmbH & Co. Urbis Hochhaus-KG	Frankfurt/Main	100.0	100.0	EUR	232	0	
SB-Bauträger GmbH & Co. Urbis Verwaltungs KG	Frankfurt/Main	100.0	100.0	EUR	258	0	
SECUNDO Grundstücks-Vermietungs-gesellschaft mbH	Düsseldorf	100.0	100.0	EUR	5,811	-	b)
Service-Center Inkasso GmbH Düsseldorf	Düsseldorf	100.0	100.0	EUR	128	-	b)
South East Asia Properties Limited	London	100.0	100.0	GBP	13,702	0	
Southwark Bridge Investments Ltd.	London	100.0	100.0	GBP	0	0	

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity 1,000	Net profit/loss 1,000	
Space Park GmbH & Co. KG	Frankfurt/Main	90.0	90.0	EUR	−95,038	−39	
Süddeutsche Industrie-Beteiligungs-GmbH	Frankfurt/Main	100.0	100.0	EUR	6,676	-	b)
TARA Immobiliengesellschaft mbH	Eschborn	100.0	100.0	EUR	25	-	b)
TARA Immobilienprojekte GmbH	Eschborn	100.0	100.0	EUR	25	-	b)
The New Asian Property Fund Ltd.	Bermuda	100.0	100.0	BMD	9,007	5,726	
Thurlaston Finance Limited	George Town, Cayman Island	100.0	100.0	GBP	25	0	
TIGNATO Beteiligungsgesellschaft mbH & Co. KölnTurm Media Park KG	Eschborn	100.0	100.0	EUR	−1,329	−9,380	
TOMO Vermögensverwaltungs-gesellschaft mbH	Frankfurt/Main	100.0	100.0	EUR	22,779	-	b)
Transfinance a.s.	Praha	100.0	100.0	CZK	252,529	−41,508	
U.S. Residential Investment I, L.P.	Wilmington, Delaware	90.0	90.0	USD	29,058	−5,267	
Unica Immobiliengesellschaft mbH	Eschborn	100.0	100.0	EUR	43	-	b)
Valorem LLC	New York	100.0	100.0	USD	1,048	−748	
Vendome Lease S.A.	Paris	100.0	100.0	EUR	1	−484	
Watling Leasing March (1)	London	25.0	25.0	GBP	11,174	−97	
WebTek Software Private Limited i.L.	Bangalore, India	100.0	100.0	INR	230,933	14,286	
WESTBODEN - Bau- und Verwaltungs-gesellschaft mit beschränkter Haftung	Eschborn	100.0	100.0	EUR	55	-	b)
Westend Grundstücksgesellschaft mbH	Eschborn	99.4	100.0	EUR	260	-	b)
Wohnbau-Beteiligungsgesellschaft mbH	Eschborn	90.0	90.0	EUR	307	−8	
Yarra Finance Limited	George Town, Cayman Island	100.0	100.0	GBP	55	0	

b) Affiliated companies not included in the consolidated financial statements due to their minor significance[c)]

Name	Registered office	Share of capital held in %	Voting rights in %
1. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
10. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
11. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
12. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
13. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
14. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
2. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
3. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
4. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
4274563 CANADA INC.	Toronto	100.0	100.0
5. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
6. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
7. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
8. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
9. CR Fonds-Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
ABANTITIM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ABANTUM Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ABELASSA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ABENITA Photovoltaik Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ABESTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ABORONUM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ABOTORIUM Finanz- und Verwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0
ACARINA Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ACCESSA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ACINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ACOLA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ACREDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ACRONA Photovoltaik-Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ACTOSA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ADAMANTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ADELIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ADELIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin Teltow KG	Düsseldorf	91.9	91.6
ADELKA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ADENARA Flugzeug-Leasinggesellschaft mbH	Düsseldorf	100.0	100.0
ADUKKA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ADURAMA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
AFINA, Bufete de Socios Financieros S.A.	Madrid	98.7	99.3
AFÖG Vermögensverwaltungsgesellschaft mbH	Frankfurt/Main	94.2	94.2
AGALINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AGARBA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AGASILA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AGREGATA Grundstücks-Vermietungsgesellschaft mbH	Haan	100.0	100.0
AJOLA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AKERA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0

Name	Registered office	Share of capital held in %	Voting rights in %
AKUSTIA Verwaltung und Treuhand GmbH i.L.	Düsseldorf	100.0	100.0
ALACRITAS Verwaltungs- und Treuhand GmbH	Düsseldorf	100.0	100.0
ALBELLA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
ALBOLA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
ALCARDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALDANZA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALDINGA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
ALDULA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
ALEMANTA Photovoltaik Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALEMONA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
Alexanderplatz D4 Erste Verwaltungsgesellschaft mbH	Berlin	90.0	90.0
ALFRIDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALFUTURA Grundstücks-Vermietungsgesellschaft mbH	Frankfurt/Main	100.0	100.0
ALIBORA Verwaltung- und Treuhand GmbH i.L.	Düsseldorf	100.0	100.0
ALIDA Photovoltaik-Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALIVERA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALKANTA Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALMARENA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALMONDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALONGA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALSANTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALSANTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte RiCö KG	Düsseldorf	0.0	85.0
ALSENNA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALSTRUCTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
Alternative Asset Management S.A.	Luxembourg	100.0	100.0
ALUBRA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
ALUDANTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALVENTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALVINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AMALIA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
AMBRESA Sp. z o.o.	Warsaw	100.0	100.0
AMENA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AMERA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
AMITEA Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
AMITICULA Photovoltaik Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
AMONEUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AMTERA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AMUNDA Verwaltung und Treuhand GmbH i.L.	Düsseldorf	100.0	100.0
ANBANA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ANCAVA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ANCAVA Vermietungsgesellschaft mbH & Co. Objekt Stuttgart KG	Düsseldorf	47.2	52.6
ANCAVA Vermietungsgesellschaft mbH & Co. Objekt Weilimdorf KG	Düsseldorf	47.2	52.6
ANEA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ANSELMA Grundstücks-Vermietungsgesellschaft mbH i.L.	Düsseldorf	100.0	100.0
ARAFINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0

Name	Registered office	Share of capital held in %	Voting rights in %
AREBA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
Ariondaz SAS	Paris	100.0	100.0
ARISA Vermietungsgesellschaft mbH i.L.	Düsseldorf	100.0	100.0
ARMANDA Flugzeug-Leasinggesellschaft mbH	Düsseldorf	100.0	100.0
AROSA Flugzeug-Leasinggesellschaft mbH	Düsseldorf	100.0	100.0
ARQUATUS Grundstücks-Vermietungsgesellschaft mbH i. L.	Düsseldorf	100.0	100.0
ARVINA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
ASCETO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ASERTUNA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ASILUS Grundstücks-Vermietungsgesellschaft mbH i.L.	Düsseldorf	100.0	100.0
ASISTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ASKANZA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ASKANZA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lüdenscheid KG	Düsseldorf	94.4	86.0
ASKIBA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ASPERGA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
Aspiro S.A. [36)]	Lódz	100.0	100.0
ASSANDRA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ASSENTO Photovoltaik-Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ASSERTA Flugzeug-Leasinggesellschaft mbH	Düsseldorf	100.0	100.0
ASTRELLA Grundstücks-Vermietungsgesellschaft mbH i.L.	Berlin	100.0	100.0
ASTRIFA Mobilien-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ATERNA Mobilien-Vermietungsgesellschaft mbH	Berlin	100.0	100.0
ATLAS-ALPHA GmbH	Frankfurt/Main	100.0	100.0 [b)]
ATUNO Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
AURESTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AVANCIA Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AVARICA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AVARICA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Münchberg KG	Düsseldorf	93.2	93.6
AVENDO Beteiligungsgesellschaft mbH	Stuttgart	100.0	100.0
AVERTUM Flugzeug-Leasinggesellschaft mbH	Düsseldorf	100.0	100.0
AVERTUM Flugzeug-Leasinggesellschaft mbH & Co. Zweite Legacy 600 KG	Düsseldorf	100.0	100.0
Bankowy Dom Hipoteczny Sp. z.o.o	Warsaw	100.0	100.0
Belus Immobilien- und Beteiligungsgesellschaft mbH	Eschborn	100.0	100.0
Beteiligungsgesellschaft für Industrie und Handel mbH	Frankfurt/Main	100.0	100.0
BFC Berliner Film Companie Beteiligungsgesellschaft mbH	Berlin	100.0	100.0
BFC Berliner Film Companie Productions GmbH i.L.	Berlin	100.0	100.0
Brafero-Sociedade Imobiliária, S.A.	Lisbon	100.0	100.0
BRE Corporate Finance S.A.	Warsaw	100.0	100.0
BRE Property Partner Sp. z.o.o.	Warsaw	100.0	100.0
BRE Systems Sp. z.o.o.	Warsaw	100.0	100.0
BRE Wealth Management SA	Warsaw	100.0	100.0
BREL-Property Management Sp. z o.o.	Warsaw	100.0	100.0
BREL-AG Sp. z o.o.	Warsaw	100.0	100.0
BREL-AN Sp. z o.o.	Warsaw	100.0	100.0

Name	Registered office	Share of capital held in %	Voting rights in %	
BREL-APEX Sp. z o.o.	Warsaw	100.0	100.0	
BREL-BAT Sp. z o.o.	Warsaw	100.0	100.0	
BREL-COM Sp. z o.o.	Warsaw	100.0	100.0	
BREL-ESTATE Sp. z o.o.	Warsaw	100.0	100.0	
BREL-FIN Sp. z o.o.	Warsaw	100.0	100.0	
BREL-FORCA Sp. z o.o.	Warsaw	100.0	100.0	
BREL-HAN Sp. z o.o.	Warsaw	100.0	100.0	
BREL-IMMO Sp. z o.o.	Warsaw	100.0	100.0	
BRELINVEST Sp. z o.o. Fly 2 Sp. Komandytowa	Warsaw	100.0	100.0	
BRELINVEST Sp.z o.o.	Warsaw	100.0	100.0	
BREL-MAR Sp. z o.o.	Warsaw	100.0	100.0	
BREL-MIG Sp. z.o.o. w likwidacji	Warsaw	100.0	100.0	
BREL-POL Sp. z o.o.	Warsaw	100.0	100.0	
BREL-PRO Sp. z o.o.	Warsaw	100.0	100.0	
BREL-STAR Sp. z o.o.	Warsaw	100.0	100.0	
CAP Kiel Betriebs-GmbH	Kiel	51.0	51.0	
CB Euregio GmbH	Frankfurt/Main	100.0	100.0	
CB Lux Kirchberg GmbH	Frankfurt/Main	100.0	100.0	
CBG Commerz Beteiligungskapital Verwaltungs GmbH	Frankfurt/Main	100.0	100.0	
CCR Courtage i.L.	Paris	100.0	100.0	
Centrum Rozliczeń i Informacji CERI Sp. z.o.o.	Lódz	100.0	100.0	
CG Japan GmbH	Wiesbaden	100.0	100.0	
CG NL Holding B.V.	Amsterdam	100.0	100.0	
CG Real Estate Luxemburg S.à.r.l. i.L.	Luxembourg	100.0	100.0	
CGG Canada Grundbesitz GmbH	Wiesbaden	100.0	100.0	
CGI Stadtgalerie Schweinfurt Verwaltungs- GmbH	Wiesbaden	100.0	100.0	
CGI Victoria Square Limited	London	100.0	100.0	
CGI Victoria Square Nominees Limited	London	100.0	100.0	
CGM Lux 1 S.à.r.l. i.L.	Luxembourg	100.0	100.0	
CGM Lux 2 S.à.r.l. i.L.	Luxembourg	100.0	100.0	
CGM Lux 3 S.à.r.l. i.L.	Luxembourg	100.0	100.0	
CIV GmbH Alpha	Frankfurt/Main	100.0	100.0	
CIV GmbH Beta	Frankfurt/Main	100.0	100.0	
COLLEGIUM GLASHÜTTEN Zentrum für Kommunikation GmbH	Glashütten	100.0	100.0	b)
Commerz (Nederland) N.V.	Amsterdam	100.0	100.0	
Commerz Building and Management GmbH	Essen	100.0	100.0	b)
Commerz Derivatives Funds Solutions S.A.	Luxembourg	100.0	100.0	
Commerz Europe (Ireland), Inc.	Wilmington, Delaware	100.0	100.0	
Commerz Grundbesitz Gestao de Centras Commerciais, Sociedade Unipessoal, Lda.	Lisbon	100.0	100.0	
Commerz Keyes Avenue Properties (Pty) Ltd.	Johannesburg	100.0	100.0	
Commerz Nominees Ltd.	London	100.0	100.0	
Commerz Overseas Services Ltd.	London	100.0	100.0	
Commerz Real Autoservice GmbH [37)]	Düsseldorf	100.0	100.0	
Commerz Real Benelux GmbH	Wiesbaden	100.0	100.0	
Commerz Real CZ s.r.o.	Praha	100.0	100.0	

Name	Registered office	Share of capital held in %	Voting rights in %	
Commerz Real Direkt GmbH	Düsseldorf	100.0	100.0	b)
Commerz Real Finanzierungsleasing GmbH	Düsseldorf	100.0	100.0	
Commerz Real France GmbH	Wiesbaden	100.0	100.0	
Commerz Real Nederland B. V.	Breda	100.0	100.0	
Commerz Real Projektconsult GmbH	Düsseldorf	100.0	100.0	
Commerz Real Vertrieb GmbH	Düsseldorf	100.0	100.0	
Commerz U.S. Financial Corporation	Wilmington, Delaware	100.0	100.0	
Commerz U.S. Holding, Inc.	Wilmington, Delaware	100.0	100.0	
Commerzbank Capital Management Unternehmensbeteiligungs GmbH [38]	Frankfurt/Main	100.0	100.0	b)
Commerzbank International Trust (Jersey) Ltd.	St. Helier, Jersey	100.0	100.0	
Commerzbank Leasing December (6) Limited	London	100.0	100.0	
Commerzbank Representative Office Nigeria Limited	Lagos	100.0	100.0	
Commerzbank Representative Office Panama, S.A.	0	100.0	100.0	
Commerzbank Sao Paulo Servicos Ltda.	São Paulo	100.0	100.0	
Commerzbank Sponsoring GmbH [39]	Frankfurt/Main	100.0	100.0	
CommerzKommunalbau GmbH	Düsseldorf	100.0	100.0	
CommerzLeasing GmbH	Düsseldorf	100.0	100.0	
CommerzStiftungsTreuhand GmbH	Frankfurt/Main	100.0	100.0	
CommerzTrust GmbH	Frankfurt/Main	100.0	100.0	
CR KaiserKarree Holding S.a.r.l.	Luxembourg	100.0	100.0	
CR Station General Partner Inc.	Toronto	100.0	100.0	
CR Station Limited Partnership	Toronto	100.0	100.0	
Crédito Germánico S.A	Montevideo	100.0	100.0	
CRI 1 Sp.zo.o	Warsaw	100.0	100.0	
CRI Erste Beteiligungsgesellschaft mbH	Wiesbaden	100.0	100.0	
CRI Zweite Beteiligungsgesellschaft mbH	Wiesbaden	100.0	100.0	
CSK Sp. z o.o.	Lódz	100.0	100.0	
CTF Consulting OOO	Moscow	100.0	100.0	
Czwarty Polski Fundusz Rozwoju Sp. z o.o.	Lódz	100.0	100.0	
Delphi I Eurohypo LLC	Wilmington	100.0	100.0	
DFI S.p.A. in liquidazione [40]	Milan	100.0	100.0	
DOMINO Projektentwicklungsgesellschaft mbH & Co. Objekt Neue Mainzer Straße KG	Frankfurt/Main	100.0	100.0	
dozent.it Vermögensverwaltungsgesellschaft mbH	Frankfurt/Main	100.0	100.0	
Dresdner Kleinwort Derivative Investments Limited	London	100.0	100.0	
Dresdner Kleinwort Group LLC	Wilmington, Delaware	100.0	100.0	
Dresdner Kleinwort Holdings II, Inc.	Wilmington, Delaware	100.0	100.0	
Dresdner Kleinwort Securities (Asia) Limited	Hong Kong	100.0	100.0	
Dresdner Private Placement GmbH	Bad Vilbel	100.0	100.0	
Dresdner Structured Products S.A.	Luxembourg	100.0	100.0	
Dresdner Versicherung GmbH	Dresden	100.0	100.0	
Dritte SIB Aktiengesellschaft	Frankfurt/Main	100.0	100.0	
EHNY Holdings, LLC	Dover, Delaware	100.0	100.0	
EHNY Montelucia Manager, LLC	Dover, Delaware	100.0	100.0	
Einunddreißigste DRESIB Beteiligungs-Gesellschaft mbH	Frankfurt/Main	100.0	100.0	
Elfte Umbra Vermögensverwaltungsgesellschaft mbH	Frankfurt/Main	100.0	100.0	b)

Name	Registered office	Share of capital held in %	Voting rights in %
EP Euro-Projektentwicklungs GmbH & Co. Objekt 1 KG	Frankfurt/Main	100.0	100.0
EP Euro-Projektentwicklungs-Verwaltungs GmbH	Frankfurt/Main	100.0	100.0
Erste Alexanderplatz 3 Betriebsvorrichtungs GmbH	Berlin	90.0	90.0
Erste DRESIB Beteiligungs-Gesellschaft mbH	Frankfurt/Main	100.0	100.0
EuREAM GmbH	Wiesbaden	100.0	100.0
Eurohypo Investment Banking Limited	London	100.0	100.0
Eurohypo Nominees 1 Limited	London	100.0	100.0
Eurohypo Representacoes Ltda.	São Paulo	100.0	100.0
Eurologistik 1 Freehold BVBA	Brussels	94.9	94.9
Eurologistik 1 Leasehold General Partner	Brussels	94.9	94.9
Eurologistik 1Leasehold Société en commandite simple	Brussels	94.9	94.9
Fernwärmenetz Leipzig GmbH	Leipzig	100.0	100.0
Finanztrust AG	Glarus	100.0	100.0
Forum Algarve - Gestao de Centro comercial, Sociedade Unipessoal, Lda. i.L.	Lisbon	100.0	100.0
Forum Almada - Gestao de Centro Comercial, Sociedade Unipessoal Lda. II & Comandita i.L.	Lisbon	100.0	100.0
Forum Almada - Gestao de Centro Commercial, Sociedade Unipessoal, Lda. i.L.	Lisbon	100.0	100.0
Forum Montijo, Gestao de Centro Comercial Sociedade Unipessoal, Lda i.L.	Lisbon	100.0	100.0
Frega Vermögensverwaltungsgesellschaft mbH	Frankfurt/Main	100.0	100.0
FV EURL	Paris	100.0	100.0
Garbary Sp. z. o.o.	Poznań	100.0	100.0
Gesellschaft für Kreditsicherung mbH	Berlin	63.3	63.3
GIE Victoria Aéronautique	Paris	100.0	100.0
GRAMOLINDA VermietungsGmbH & Co. Objekt Frankfurt KG	Grünwald (Munich)	97.0	70.0
GRANADA Investment GmbH	Düsseldorf	100.0	100.0
Grundstücks- und Vermögensverwaltungsgesellschaft Geretsried mbH	Düsseldorf	51.1	51.0
H 47 GmbH & Co. KG	Düsseldorf	99.7	94.9
H 47 Verwaltungsgesellschaft mbH	Düsseldorf	94.4	94.0
Hamudi S.A.	Madrid	100.0	100.0
Hardy Beteiligungs-Gesellschaft mbH	Frankfurt/Main	100.0	100.0
Haus am Kai 2 O.O.O.	Moscow	100.0	100.0
HDW Grundstücks-Vermietungsgesellschaft mbH	Frankfurt/Main	100.0	100.0
Histel Beteiligungs GmbH	Frankfurt/Main	100.0	100.0
HVI Handels- und Verwertungsgesellschaft für Immobilien mbH	Düsseldorf	94.0	94.0
Immobiliengesellschaft Ost Hägle spol. s. r.o.	Praha	100.0	100.0
Immobilien-Vermietungsgesellschaft Reeder & Co. Objekt Airport Bürocenter Dresden KG i. L.	Dresden	88.2	87.5
Immobilien-Vermietungsgesellschaft Reeder & Co. Objekt Aschersleben KG	Düsseldorf	94.0	93.8
Immobilienverwaltungs- und Vertriebsgesellschaft Villen am Glienicker Horn mbH	Berlin	100.0	100.0
Immobilienverwaltungsgesellschaft Grammophon Büropark mbH	Berlin	100.0	100.0
Immobilienverwaltungsgesellschaft Kampffmeyer Villa mbH	Berlin	100.0	100.0

Name	Registered office	Share of capital held in %	Voting rights in %
Immobilienverwaltungsgesellschaft Schlachthof Offenbach mbH	Eschborn	100.0	100.0
IMMOFIDUCIA Sp. z. o.o.	Warsaw	100.0	100.0
IWP International West Pictures GmbH & Co. Erste Produktions KG	Cologne	94.9	94.9
IWP International West Pictures Verwaltungs GmbH	Cologne	100.0	100.0
KTC Kommunikations- und Trainings-Center Königstein GmbH	Königstein/Taunus	100.0	100.0
L.I.A. Leasinggesellschaft für Immobilien und Anlagegüter mbH	Düsseldorf	100.0	100.0
LAUREA MOLARIS Grundstücks-Vermietungs gesellschaft mbH	Düsseldorf	94.0	94.0
LOFRA GmbH & Co. KG	Frankfurt/Main	99.9	100.0
LOFRA Verwaltungs-Gesellschaft mbH	Frankfurt/Main	100.0	100.0
Lufthansa Leasing GmbH & Co. Echo-Oscar KG i. L.	Grünwald (Munich)	100.0	99.6
Lufthansa Leasing GmbH & Co. Echo-Papa KG i. L.	Grünwald (Munich)	71.2	71.0
LUGO Photovoltaik-Beteiligungsgesellschaft mbH & Co. Objekt El Baldio 1 KG	Düsseldorf	100.0	100.0
Max Lease S.à.r.l.	Luxembourg	100.0	100.0
MOLBINA Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf Ludwig-Erhard-Allee KG	Düsseldorf	97.0	93.8
MOLBRIELA Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
MOLITA Vermietungsgesellschaft mbH & Co. Objekt Messe Hamburg KG	Hamburg	0.0	51.0
MOLMELFI Vermietungsgesellschaft mbH & Co. Objekt Burghausen KG	Düsseldorf	100.0	51.0
MOLRATUS Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
MOLRATUS Vermietungsgesellschaft mbH & Co. Objekt Loxstedt KG	Düsseldorf	0.0	85.0
MONEA Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
Montitail - Gestao de Retail Park, Sociedade Unipessoal Lda.	Lisbon	94.9	94.9
NACOLO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NACONA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NACONEO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NACONGA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NACORINO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NACORONA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NACOTA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAFARI Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAFIRINA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAMINO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAROLA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NASIRO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NASTO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAUCULA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAULUMO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAUMARE Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAUMOSA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAUPEUS Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAURANTO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0

Name	Registered office	Share of capital held in %	Voting rights in %
NAURATA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAUSOLA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAUTARO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAUTESSA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAUTINO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAUTIRA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAUTIS Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAUTLUS Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAUTO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAUTORIA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAUTUGO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVALIS Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVIBOLA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVIBOTO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVIFIORI Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVIGA Schiffsbeteiligung GmbH	Hamburg	100.0	100.0
NAVIGATO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVIGOLO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVILO Vermietungsgesellschaft mbH	Hamburg	100.0	100.0
NAVINA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVIRENA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVIROSSA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVISTA Verwaltung und Treuhand GmbH i.L.	Düsseldorf	100.0	100.0
NAVITA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVITARIA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVITONI Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVITOSA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVITURA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NEB-Shipping Co.	Monrovia/Liberia	92.1	92.1
NEPTANA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NEPTILA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NEPTORA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NEPTUGA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NEPTUNO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NESTOR Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hamme KG	Düsseldorf	100.0	100.0
NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Wiemelhausen KG	Düsseldorf	100.0	100.0
Neuma Vermögensverwaltungsgesellschaft mbH	Hamburg	100.0	100.0
Neunzehnte FraMü Beteiligungs GmbH	Frankfurt/Main	100.0	100.0
NORA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
NOSCO Grundstücks-Vermietungsgesellschaft mbH	Mainz	100.0	100.0
NOTITIA Grundstücks-Vermietungsgesellschaft mbH	Berlin	100.0	100.0
NOVITAS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
Number X Real Estate GmbH	Eschborn	100.0	100.0

Name	Registered office	Share of capital held in %	Voting rights in %
NUMERIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
NURUS Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
OSKAR Medienbeteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
PAREO Kraftwerk-Beteiligungsgesellschaft mbH	Leipzig	100.0	100.0
Property Invest Spain, S.L.	Barcelona	100.0	100.0
PRUNA Betreiber GmbH	Grünwald (Munich)	51.0	51.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
RAPIDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
RAVENNA Katowice Sp. z.o.o. w likwidacji	Warsaw	100.0	100.0
RAVENNA Kraków Sp. z o.o.	Warsaw	100.0	100.0
Receivable Partners Inc.	North Brook	66.0	66.0
RECURSA Grundstücks-Vermietungsgesellschaft mbH	Frankfurt/Main	100.0	100.0
RESIDO Flugzeug-Leasinggesellschaft mbH	Düsseldorf	100.0	100.0
RIMA Medien-Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
RIPA Medien-Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Baden-Airpark KG	Düsseldorf	50.0	65.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ROSINTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ROTUNDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
Schunk GmbH	Willich	51.0	51.0
Solar Cuever del Negro 1, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 10, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 11, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 12, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 13, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 14, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 15, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 16, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 17, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 18, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 2, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 3, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 4, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 5, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 6, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 7, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 8, S.L.U.	Madrid	100.0	100.0
Solar Cuever del Negro 9, S.L.U.	Madrid	100.0	100.0
Solar Los Arroyos de Escuzar 1, S.L.U.	Madrid	100.0	100.0
Solar Los Arroyos de Escuzar 10, S.L.U.	Madrid	100.0	100.0
Solar Los Arroyos de Escuzar 11, S.L.U.	Madrid	100.0	100.0
Solar Los Arroyos de Escuzar 12, S.L.U.	Madrid	100.0	100.0
Solar Los Arroyos de Escuzar 13, S.L.U.	Madrid	100.0	100.0

Name	Registered office	Share of capital held in %	Voting rights in %	
Solar Los Arroyos de Escuzar 14, S.L.U.	Madrid	100.0	100.0	
Solar Los Arroyos de Escuzar 15, S.L.U.	Madrid	100.0	100.0	
Solar Los Arroyos de Escuzar 16, S.L.U.	Madrid	100.0	100.0	
Solar Los Arroyos de Escuzar 17, S.L.U.	Madrid	100.0	100.0	
Solar Los Arroyos de Escuzar 18, S.L.U.	Madrid	100.0	100.0	
Solar Los Arroyos de Escuzar 2, S.L.U.	Madrid	100.0	100.0	
Solar Los Arroyos de Escuzar 3, S.L.U.	Madrid	100.0	100.0	
Solar Los Arroyos de Escuzar 4, S.L.U.	Madrid	100.0	100.0	
Solar Los Arroyos de Escuzar 5, S.L.U.	Madrid	100.0	100.0	
Solar Los Arroyos de Escuzar 6, S.L.U.	Madrid	100.0	100.0	
Solar Los Arroyos de Escuzar 7, S.L.U.	Madrid	100.0	100.0	
Solar Los Arroyos de Escuzar 8, S.L.U.	Madrid	100.0	100.0	
Solar Los Arroyos de Escuzar 9, S.L.U.	Madrid	100.0	100.0	
SOLTRX Transaction Services GmbH	Düsseldorf	100.0	100.0	b)
Space Park Erste Verwaltungs GmbH	Frankfurt/Main	100.0	100.0	
TARA Immobilien-Besitz GmbH	Eschborn	100.0	100.0	b)
TARA Immobilien-Verwaltungs-GmbH	Eschborn	100.0	100.0	
TARA Property-Management GmbH	Eschborn	100.0	100.0	
Tele-Tech Investment Sp. z o.o.	Warsaw	100.0	100.0	
Theresiencenter Dienstleistungsgesellschaft mbH	Wiesbaden	94.9	94.9	
TIGNARIS Beteiligungsgesellschaft mbH & Co. Objekt Ostfildern KG	Düsseldorf	94.9	97.0	
TIGNARIS Beteiligungsgesellschaft mbH & Co. Streubesitz KG	Düsseldorf	94.8	94.8	
TIGNATO Beteiligungsgesellschaft mbH	Eschborn	100.0	100.0	
Transfactor Slovakia a.s.	Bratislava	100.0	100.0	
TRANSFERIA Managementgesellschaft mbH i.L.	Dortmund	100.0	100.0	
Veer Palthe Voûte (Antilles) N.V.	Curacao	100.0	100.0	
Wall Street Technology Managers LP	New York	90.0	90.0	
Wijkertunnel Beheer III B.V.	Amsterdam	100.0	100.0	
WST-Broker-GmbH	Frankfurt/Main	90.0	90.0	

2. Associated companies

a) Associated companies included in the consolidated financial statements at equity

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity 1,000	Net profit/loss 1,000	
36th Street CO-INVESTMENT, L.P.	Wilmington, Delaware	48.0	49.0	USD	14,271	–1,368	
AKA Ausfuhrkredit-Gesellschaft mbH	Frankfurt/Main	31.6	31.6	EUR	20,500	8,360	a)
Argor-Heraeus S.A.	Mendrisio	26.5	26.5	CHF	6,369	20,686	a)
Capital Investment Trust Corporation	Taipei	24.0	24.0	TWD	495,022	609,583	
Captain Holdings S.à.r.l.	Luxembourg	46.0	46.0	GBP	3,929	–42	
Commerz Unternehmens-beteiligungs-Aktiengesellschaft	Frankfurt/Main	40.0	40.0	EUR	30,000	15	
COMUNITHY Immobilien GmbH	Düsseldorf	49.9	49.9	EUR	–8,143	747	
Exploitatiemaatschappij Wijkertunnel C.V.	Amsterdam	33.3	33.3	EUR	10,607	5,991	
GIE Céline Bail	Paris	40.0	40.0	EUR	0	4,213	
GIE Morgane Bail	Paris	40.0	40.0	EUR	0	3,581	
GIE Northbail	Puteaux	25.0	25.0	EUR	0	7	
GIE Vulcain Energie	Paris	21.0	21.0	EUR	0	23,082	
HAJOBANTA GmbH & Co. Asia Opportunity I KG	Düsseldorf	20.7	20.7	EUR	150,168	–31,856	
IGS Aerosols GmbH	Wehr/Baden	100.0	0.0	EUR	3,208	23	
ILV Immobilien-Leasing Verwaltungsgesellschaft Düsseldorf mbH	Düsseldorf	47.0	47.0	EUR	45,047	1,269	
Inmobiliaria Colonial S.A.	Barcelona	20.1	20.1	EUR	1,699,600	–474,000	a)
Irving Place Co-Investment, L.P.	New York	33.9	45.0	USD	12,633	0	
KGAL GmbH & Co. KG	Grünwald (Munich)	45.0	45.0	EUR	12,500	0	
KGAL Verwaltungs-GmbH	Grünwald (Munich)	45.0	45.0	EUR	1,400	0	
Linde Leasing GmbH	Wiesbaden	25.0	25.0	EUR	600	5,502	
MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. BETA KG	Grünwald (Munich)	29.4	29.4	EUR	62,072	489	
MM Cogène 2	Paris	49.8	49.8	EUR	0	2,476	
RECAP/COMMERZ Alta Phoenix Lofts Investment, L.P.	New York	45.0	45.0	USD	16,158	0	
RECAP/COMMERZ AMW Apartments Investment, L.P.	New York	45.0	45.0	USD	15,480	0	
RECAP/COMMERZ Greenwich Park Investment, L.P.	New York	45.0	45.0	USD	10,870	0	
Reederei MS "E.R. INDIA" Beteiligungsgesellschaft mbH & Co. KG	Hamburg	26.1	26.1	EUR	1,585	0	
Southwestern Co-Investment, L.P.	New York	45.0	45.0	USD	13,196	0	

b) Associated companies not included in the consolidated financial statements at equity due to their minor significance

Name	Registered office	Share of capital held in %	Voting rights in %
229 W. 36 th Street Partnership, L.P.	Wilmington, Delaware	47.6	49.0
4239431 Canada Inc.	Toronto	47.5	47.5
4239440 Canada Inc.	Toronto	47.5	47.5
4239440 Canada Inc. General Partner	Toronto	47.5	47.5
4239458 Canada Inc.	Toronto	47.5	47.5
4239466 Canada Inc.	Toronto	47.5	47.5
4239474 Canada Inc.	Toronto	47.5	47.5
4239482 Canada Inc.	Toronto	47.5	47.5
ABELASSA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Witt Weiden KG	Düsseldorf	0.0	50.0
ACOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf Kasernenstraße KG	Düsseldorf	1.0	50.0
ACREDA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Conow KG	Düsseldorf	0.0	50.0
ACREDA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt NESTLÉ KG	Düsseldorf	0.0	50.0
ACTIUM Leasobjekt GmbH & Co. Objekte Amberg und Landshut KG	Düsseldorf	23.5	23.5
ACTOR Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
ADAMANTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Elbphilharmonie KG	Düsseldorf	50.0	50.0
ADMIRA Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
AERA Grundstücks-GmbH	Düsseldorf	44.2	44.2
AF Eigenkapitalfonds für deutschen Mittelstand GmbH & Co. KG	Munich	49.7	49.7
AGASILA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf KG	Düsseldorf	23.4	25.0
ALFUTURA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte Hessen KG	Frankfurt/Main	0.0	50.0
ALIVERA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf-Lichtenbroich KG	Düsseldorf	5.2	23.3
ALMARENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin KG	Düsseldorf	0.0	50.0
ALONGA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bayerstraße 33 KG	Düsseldorf	0.0	50.0
Ampton B.V.	Amsterdam	50.0	50.0
Arbeitsgemeinschaft Projekt Justizvollzugsanstalt Neustrelitz	Schwerin	100.0	50.0
ASERTUNA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Schülke-Mayr KG	Düsseldorf	0.0	50.0
ASTIRA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
ASTIRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Furth/Bogen KG	Düsseldorf	0.0	40.0
AV America Grundbesitzverwaltungsgesellschaft mbH i.L.	Eschborn	25.0	25.0
AVENDO Beteiligungsgesellschaft mbH & Co. Objekt Fernwärmenetz Cottbus KG	Stuttgart	0.0	50.0
Babcock Borsig GrundstücksVermietungsgesellschaft mbH & Co. Objekt Friedrichsfeld KG	Düsseldorf	2.9	37.3
Babcock Borsig Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Oberhausen KG	Düsseldorf	2.9	37.3
BAF Berlin Animation Film GmbH	Berlin	49.0	49.0

Name	Registered office	Share of capital held in %	Voting rights in %
Banco Comercial S. A. i.L.	Montevideo	33.3	33.3
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Alzenau KG	Düsseldorf	0.0	37.6
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Neustadt-Schwaig KG	Grünwald (Munich)	16.9	45.1
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Peguform Weiden KG	Grünwald (Munich)	16.9	45.1
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Rastatt KG	Grünwald (Munich)	16.9	45.1
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Singen KG	Düsseldorf	0.0	37.6
Bonitos GmbH & Co. KG	Frankfurt/Main	50.0	50.0
Bonitos Verwaltungs GmbH	Frankfurt/Main	50.0	50.0
BONUS Vermietungsgesellschaft mbH	Düsseldorf	33.0	33.0
C & W Projektentwicklungsgesellschaft mbH	Düsseldorf	49.9	49.9
C O M U N I T H Y Projektentwicklungsgesellschaft mbH	Düsseldorf	49.9	49.9
CALMATO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	0.5	24.0
CANDOR Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
CANTICA Beteiligungsgesellschaft mbH	Schönefeld	0.5	24.0
CANUS Grundstücks-Vermietungsgesellschaft mbH i. L.	Düsseldorf	47.0	47.0
CAPRA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
CAPRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Walbeck KG i. L.	Düsseldorf	47.0	47.0
Captain North Sea Finance Limited	Luxembourg	46.0	46.0
CARBO Beteiligungsgesellschaft mbH	Düsseldorf	47.0	47.0
CARUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
CATINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
CATINA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hamburg KG	Düsseldorf	2.8	23.5
CELEBRA Grundstücks-Vermietungsgesellschaft mbH i. L.	Düsseldorf	47.0	47.0
CENULA Grundstücks-Vermietungsgesellschaft mbH	Grünwald (Munich)	47.0	47.0
CEPA Beteiligungsgesellschaft mbH	Düsseldorf	47.0	47.0
CERVA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
CERVA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Frankfurt KG	Düsseldorf	50.0	50.0
CERVISIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
CERVISIA Grundstücks-Vermietungsgesellschaft mbH & Co. Kommanditgesellschaft	Düsseldorf	47.0	47.0
CESSIO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
CETERA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
CETERA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Oberhausen KG	Düsseldorf	47.0	47.0
CHRISTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
CHRISTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Döllken KG	Düsseldorf	47.0	47.0
CHRISTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rottweil KG	Düsseldorf	46.1	34.8
CICADA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
CICONIA Grundstücks-Vermietungsgesellschaft mbH i.L.	Düsseldorf	47.0	47.0

Name	Registered office	Share of capital held in %	Voting rights in %
CLANGO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Haan KG	Düsseldorf	0.0	40.0
Commerz GOA Realty Associates LLC	New York	49.0	49.0
COMMERZ GOA REALTY Management, LLC	Atlanta	49.0	49.0
Commerz Realty Associates GP V, LLC	Wilmington, Delaware	49.0	49.0
COMPAT Immobilien GmbH	Düsseldorf	49.9	49.9
COMPOSITA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
COMPRA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
COMUNITHY Wohnimmobilien GmbH	Düsseldorf	49.9	49.9
CORVA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
DATIS Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
DAUNUS Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
DECIMA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
DECIMA Grundstücks-Vermietungsgesellschaft mbH & Co. KG	Düsseldorf	47.0	47.0
Deutsche Babcock Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	45.9	46.1
DIGITUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gladbach KG	Schönefeld	2.6	42.3
DIGITUS Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
DILAP Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
DIO Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
DONUM Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
Dr. Gubelt Immobilien Vermietungs-Gesellschaft mbH & Co. Objekt Bochum KG	Düsseldorf	0.0	50.0
DRABELA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DRABELA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Stade KG	Düsseldorf	0.0	42.5
DREBACUSA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DREBACUSA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Produktion Wolfen KG	Düsseldorf	0.0	42.5
DREBANTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DREBECUM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DREBENDA Grundstücks-Vermietungsgesellschaft mbH	Cologne	50.0	50.0
DREBENDA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt FTTB NetCologne KG	Cologne	0.0	42.5
DREBOSTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DREBOSTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Schwerin KG	Düsseldorf	0.0	42.5
DRECORA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DRECREDO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DREDARA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DREDOLA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DREDOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin KG	Düsseldorf	0.0	42.5
DREFLORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Schwenningen KG	Düsseldorf	0.0	42.5
DREFLORA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DREFUMA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DREHERA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0

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DREKANDIS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DREKONTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DRELARA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DRELARA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Freiburg KG	Düsseldorf	0.0	42.5
DRELOBA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DRELOBA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gevelsberg KG	Düsseldorf	0.0	42.5
DRELOSINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DRELOSINA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ivenack KG	Düsseldorf	0.0	42.5
DRELUNA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DRELUTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DREMARA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DRENITA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DRENITA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fertigung Dräger Medizintechnik KG	Düsseldorf	0.0	42.5
DRESANTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DRESEMPA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DRESIWA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DRETERUM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DRETERUM Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt BBS Kiel Ravensberg KG	Düsseldorf	0.0	42.5
DRETUNA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DREVERA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
DREVERA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Greven KG	Düsseldorf	0.0	42.5
DURUS Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
Düsseldorfer Börsenhaus GmbH	Düsseldorf	20.0	20.0
ECLIPS Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
ECLIPS Vermietungsgesellschaft mbH & Co. Objekt Göppingen Kommanditgesellschaft	Düsseldorf	2.8	40.0
edding AG & Co. Grundstücksverwaltung OHG	Düsseldorf	0.0	50.0
EDITUS Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
EHNY Montelucia Holdings Trust	Wilmington, Delaware	30.8	26.7
EHNY Montelucia Resort, LLC	Dover, Delaware	30.8	26.7
EHNY Montelucia Villas, LLC	Dover, Delaware	30.8	26.7
ELEGANTIA Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
ELOTUS Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
EP Euro-Projektentwicklungs GmbH & Co. Objekt Köln-Porz KG i.L.	Frankfurt/Main	50.0	50.0
FABIUS Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
FACO Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
FAGUS Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
FAR Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
FERO Vermietungsgesellschaft mbH	Düsseldorf	34.8	34.8
FESTAR Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
FLOR Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
Flumen Vermietungsgesellschaft mbH i.L.	Düsseldorf	47.0	47.0

Name	Registered office	Share of capital held in %	Voting rights in %
FOLLIS Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
FORNAX Kraftwerk-Beteiligungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
FORNAX Kraftwerk-Beteiligungsgesellschaft mbH & Co. Objekt Knapsack KG	Grünwald (Munich)	0.0	42.5
FOSSUM Beteiligungsgesellschaft mbH	Düsseldorf	24.8	25.0
FOSSUM Vermietungsgesellschaft Brno s.r.o.	Praha	24.8	25.0
FOSSUM Vermietungsgesellschaft Liberec s.r.o.	Praha	24.8	25.0
FOSSUM Vermietungsgesellschaft Mladá Boleslav s.r.o.	Praha	24.8	25.0
FOSSUM Vermietungsgesellschaft Ostrava s.r.o.	Praha	24.8	25.0
FOSSUM Vermietungsgesellschaft PRAHA s.r.o.	Praha	24.8	25.0
FOSSUM Vermietungsgesellschaft Tabor s.r.o.	Praha	24.8	25.0
FRAGUM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
FREMITUS Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
FRENO Vermietungsgesellschaft mbH i.L.	Düsseldorf	47.0	47.0
FRETUM Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
FRIGO Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
FUCATUS Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
FUCATUS Vermietungsgesellschaft mbH & Co, Objekt Mainz OHG	Düsseldorf	2.8	23.5
FUCATUS Vermietungsgesellschaft mbH & Co. Objekt Bad Rappenau KG	Düsseldorf	47.0	47.0
FUCATUS Vermietungsgesellschaft mbH & Co. Objekt Recklinghausen KG	Düsseldorf	47.0	47.0
FUCATUS Vermietungsgesellschaft mbH & Co. Objekt Schwalbach KG	Düsseldorf	47.0	47.0
FUGA Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
FULGENS Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
FULGENS Vermietungsgesellschaft mbH & Co. Objekt Ravensburg KG	Düsseldorf	47.0	47.0
FUNCTIO Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
FUNGOR Vermietungsgesellschaft mbH	Düsseldorf	46.1	46.1
FUTAR Grundstücks-Vermietungsgesellschaft mbH	Schönefeld	47.0	47.0
GAIUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
GALBA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
Galeries Rive Nord Limited Partnership	Toronto	0.0	47.5
GALLO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
GAMMA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
GAURO Grundstücks-Vermietungsgesellschaft mbH i. L.	Düsseldorf	47.0	47.0
GELAS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
GENUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
GERAM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
GERO Grundstücks-Vermietungsgesellschaft mbH i.L.	Düsseldorf	47.0	47.0
GESTUM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
GIE Cinquieme Lease	Puteaux	33.3	33.3
GIE Go Lease	Puteaux	50.0	50.0
GIE Hu Lease	Puteaux	50.0	50.0
GIE Quatrieme Lease	Puteaux	33.3	33.3
GILOS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
GMF German Mittelstand Fund GmbH	Frankfurt/Main	23.5	23.5
GOPA Gesellschaft für Organisation, Planung und Ausbildung mbH	Bad Homburg	24.8	24.8
GRADUS Investitionsgüter-Vermietungsgesellschaft mbH	Karlsruhe	47.0	47.0

Name	Registered office	Share of capital held in %	Voting rights in %
GRADUS Investitionsgüter-Vermietungsgesellschaft mbH & Co. Objekt Badenwerk KG	Karlsruhe	0.0	40.0
GRALANA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRAMEDA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRAMEN Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
GRAMINA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRAMINA Vermietungsgesellschaft mbH & Co. Objekt München Triebstraße KG	Grünwald (Munich)	0.0	42.5
GRAMOLINDA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRANA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
GRANOS Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRASSANO Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRATIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
GRATNOMA Grundstücks-Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRATNOMA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Itzehoe KG	Grünwald (Munich)	0.0	42.5
GRAVIS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
GRENADO Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRETANA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt D 19 KG	Grünwald (Munich)	0.0	42.5
GRETANA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRETANA Vermietungsgesellschaft mbH & Co. Objekt Lagerimmobilie KG	Grünwald (Munich)	0.0	42.5
GRETANA Vermietungsgesellschaft mbH & Co. Objekt Lagerlogistik KG	Grünwald (Munich)	0.0	42.5
GREX Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
GREZANA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRISLEVA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRONDALIS Vermietungsgesellschaft mbH	Grünwald (Munich)	47.0	47.0
GRONDOLA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GROSINA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Berlin Marzahn KG	Grünwald (Munich)	0.0	38.0
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Berlin Weißensee KG	Grünwald (Munich)	0.0	38.0
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Chemnitz KG	Grünwald (Munich)	0.0	38.0
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Darmstadt KG	Grünwald (Munich)	0.0	38.0
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Dreieich KG	Grünwald (Munich)	0.0	38.0
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Dresden KG	Grünwald (Munich)	0.0	38.0
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Essen KG	Grünwald (Munich)	0.0	38.0
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Hannover Hauptbetrieb KG	Grünwald (Munich)	0.0	38.0
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Saarbrücken KG	Grünwald (Munich)	0.0	38.0
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Saarlouis KG	Grünwald (Munich)	0.0	38.0
GROSINA Vermietungsgesellschaft mbH & Co. Objekt Stuttgart KG	Grünwald (Munich)	0.0	38.0
GROTEGA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRUMENTO Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRUMONA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRUMOSA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRUNATA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0

Name	Registered office	Share of capital held in %	Voting rights in %
GRUNATA Vermietungsgesellschaft mbH & Co. Objekt Knautnaundorf KG	Grünwald (Munich)	0.0	42.5
GUSTO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
GZ Verwaltungsgesellschaft für Transportmittel mbH	Munich	50.0	50.0
HABILIS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
HABILIS Grundstücks-Vermietungsgesellschaft mbH & Co. Kommanditgesellschaft	Düsseldorf	47.0	47.0
HABILIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Solingen KG	Düsseldorf	47.0	47.0
HAGIA Grundstücks-Vermietungsgesellschaft mbH	Grünwald (Munich)	47.0	47.0
HALOS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
HALOS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Göttingen KG	Düsseldorf	47.0	47.0
HALOS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Pforzheim KG	Düsseldorf	2.4	31.3
HALOS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Varn Products KG	Düsseldorf	47.0	47.0
HAMA Grundstücks-Vermietungsgesellschaft mbH i.L.	Düsseldorf	47.0	47.0
HAMSUN Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
HAMSUN Grundstücks-Vermietungsgesellschaft mbH & Co. KG	Düsseldorf	47.0	47.0
HANNO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
HARPEX Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
HARPEX Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bremen OHG	Grünwald (Munich)	0.0	40.0
HARPEX Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gummersbach KG	Düsseldorf	38.5	38.5
HECATE Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
HELIUM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
HENDRA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
HEPHAISTOS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
HEPHAISTOS Grundstücks-Vermietungsgesellschaft mbH & Co. KG	Düsseldorf	47.0	47.0
HERMUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
HERMUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Willich KG	Düsseldorf	47.0	47.0
HESTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
HESTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Frankfurt KG	Düsseldorf	47.0	47.0
HESTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Pirmasens KG i.L.	Düsseldorf	47.0	47.0
HIMUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
HONOR Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
HONOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rostock KG	Düsseldorf	47.0	47.0
HORA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
HORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hamburg Liebigstraße KG	Düsseldorf	47.0	47.0
HULDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
ILV Anlagen-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
ILV Asset Verwaltungsgesellschaft Grünwald mbH	Grünwald (Munich)	47.0	47.0
ILV Baubetreuungsgesellschaft mbH	Düsseldorf	47.0	47.0

Name	Registered office	Share of capital held in %	Voting rights in %
ILV DRITTE Fonds-Beteiligungsgesellschaft mbH	Düsseldorf	47.0	47.0
ILV Finanzierungsleasing GmbH	Düsseldorf	47.0	47.0
ILV FÜNFTE Fonds-Beteiligungsgesellschaft mbH	Düsseldorf	47.0	47.0
ILV Gesellschaft für Grundbesitzvermietung mbH	Düsseldorf	47.0	47.0
ILV Gesellschaft für Immobilien-Mietkauf mbH	Düsseldorf	47.0	47.0
ILV Grundstücks-Leasing GmbH	Düsseldorf	47.0	47.0
ILV Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
ILV Immobilien Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
ILV Immobilien Vermietungsgesellschaft mbH 1987	Düsseldorf	47.0	47.0
ILV Immobilien Vermietungsgesellschaft mbH 1988	Düsseldorf	47.0	47.0
ILV Immobilien Vermietungsgesellschaft mbH Objekte 1990	Düsseldorf	47.0	47.0
ILV Immobilien-Vermietungsgesellschaft mbH Objekte 1990 & Co. Kommanditgesellschaft	Düsseldorf	47.0	47.0
ILV Leasinggesellschaft für Grundstücke mbH	Düsseldorf	47.0	47.0
ILV Leasinggesellschaft für Immobilien mbH	Düsseldorf	47.0	47.0
ILV Projektbaugesellschaft mbH	Düsseldorf	47.0	47.0
ILV VIERTE Fonds-Beteiligungsgesellschaft mbH	Düsseldorf	47.0	47.0
ILV ZWEITE Fonds-Beteiligungsgesellschaft mbH	Düsseldorf	47.0	47.0
ILV-Achte Fonds Beteiligungsgesellschaft mbH	Düsseldorf	47.0	47.0
ILV-Fonds-Beteiligungsgesellschaft mbH	Düsseldorf	47.0	47.0
ILV-Neunte Fonds Beteiligungsgesellschaft mbH	Düsseldorf	47.0	47.0
ILV-Sechste Fonds Beteiligungsgesellschaft mbH	Düsseldorf	47.0	47.0
ILV-Siebte Fonds Beteiligungsgesellschaft mbH	Düsseldorf	47.0	47.0
ILV-Siebte Immobilien-Vermietungsgesellschaft mbH & Co. Objekt Hamburg KG	Düsseldorf	35.4	35.4
Immobilien Vermietungsgesellschaft Etzenhausen Dr. Rühl & Co. KG	Düsseldorf	47.2	46.6
Immobilien-Leasing Verwaltungsgesellschaft Waltersdorf mbH	Schönefeld	47.0	47.0
Immobilien-Vermietungsgesellschaft Objekt Eindhoven B.V.	Breda	30.0	30.0
Industriedruck Krefeld Kurt Janßen GmbH & Co KG i.K.	Krefeld	25.7	25.7
Kapelaansdijk I BV	Amsterdam	25.0	25.0
Koppelenweg I BV	Hoevelaken	33.3	33.3
Küppersbusch Aktiengesellschaft & Co. Grundstücksgesellschaft OHG	Düsseldorf	2.4	24.0
LARIX Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
LARS Grundstücks-Vermietungsgesellschaft mbH	Augsburg	47.0	47.0
LARS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Augsburg OHG	Augsburg	0.0	40.0
LARS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hagen KG	Düsseldorf	44.7	40.0
LARS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Weishaupt OHG	Düsseldorf	0.0	40.0
LAUTUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
LAUTUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Arnsberg KG	Düsseldorf	47.0	47.0
LECTIO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
LECTIO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Passau KG	Düsseldorf	47.0	47.0
LECTIO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Weimar KG	Düsseldorf	47.0	47.0
LEGALIS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0

Name	Registered office	Share of capital held in %	Voting rights in %
LENIS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
LENIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Attendorn KG	Düsseldorf	0.0	40.0
LENIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Essenbach KG	Düsseldorf	47.0	47.0
Lerchesberg Grundstücks-Gesellschaft mbH i.L.	Frankfurt/Main	49.0	49.0
LIBRA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
Liegenschaft Hainstraße GbR	Frankfurt/Main	50.0	50.0
LIGO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
LINDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
LIRIS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
LIRIS Grundstücks-Vermietungsgesellschaft mbH & Co. KG	Düsseldorf	47.0	47.0
LOCO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
LOCO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Air Treads KG	Düsseldorf	47.0	47.0
LOCO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rosental KG	Düsseldorf	47.0	47.0
LOCO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Selsten KG	Düsseldorf	47.0	47.0
LONGUM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
LONGUM Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Krefeld KG	Düsseldorf	47.0	47.0
LONGUM Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Wettenberg KG	Düsseldorf	47.0	47.0
LORATA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
LORATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bonn KG	Düsseldorf	47.0	47.0
LORATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kosmedico KG	Düsseldorf	47.0	47.0
LORATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheine KG	Düsseldorf	47.0	47.0
LORICA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
LORICA Grundstücks-Vermietungsgesellschaft mbH & Co. KG	Düsseldorf	47.0	47.0
LOUISENA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
LOUISENA Vermietungsgesellschaft mbH & Co. Objekt Königstein KG	Grünwald (Munich)	0.0	42.5
Lufthansa Leasing GmbH & Co. Echo-November KG i. L.	Grünwald (Munich)	30.6	30.5
MADENA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MADENA Grundstücks-Vermietungsgesellschaft mbH & Co. KG	Düsseldorf	47.0	47.0
MAECENA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MAECENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bremen KG	Düsseldorf	42.3	42.3
MAECENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dortmund KG	Düsseldorf	44.7	31.3
MAGISTRA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MAGNA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Nürnberg OHG	Grünwald (Munich)	0.0	40.0
MAGNIFICA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MAHO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MAIESTA Grundstücks-Vermietungsgesellschaft mbH	Vreden	23.0	23.0
MAIORA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0

Name	Registered office	Share of capital held in %	Voting rights in %
MALAXA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MALEA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MALEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gerwisch KG	Düsseldorf	47.0	47.0
MANDATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dortmund KG	Düsseldorf	47.0	47.0
MANDATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt elho Sportbekleidung KG	Grünwald (Munich)	47.0	47.0
MANDATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hanau KG	Düsseldorf	47.0	47.0
MANDATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ulm KG	Düsseldorf	47.0	47.0
MANICA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MANICA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Neutraubling KG	Düsseldorf	44.7	23.5
MARBANA Vermietungsgesellschaft mbH & Co. Objekt Hallenbad Flensburg KG	Flensburg	40.0	40.0
MARBREVA Vermietungsgesellschaft mbH & Co. Objekt AOK Bayern KG	Düsseldorf	100.0	50.0
MARBREVA Vermietungsgesellschaft mbH & Co. Objekt AOK Rheinland-Pfalz KG	Düsseldorf	100.0	50.0
Marie Lease S.à r.l.	Luxembourg	49.0	49.0
MARIUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MARIUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Assamstadt KG	Düsseldorf	0.0	40.0
MARIUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hannover KG	Düsseldorf	21.0	40.0
MAROLA Vermietungsgesellschaft mbH & Co. Objekt Essen KG	Düsseldorf	0.1	50.0
MARTINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MATERNA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MATERNA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Reisholz KG	Düsseldorf	0.5	24.0
MATIS Grundstücks-Vermietungsgesellschaft mbH	Haan	47.0	47.0
MATIS Grundstücks-Vermietungsgesellschaft mbH & Co. Gehe Objekte OHG	Haan	0.0	40.0
MAXIMA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
Mayfair Shopping Centre Limited Partnership	Toronto	0.0	47.5
Mercedes Benz AG & Co. Grundstücksvermietung Objekt Franken KG	Schönefeld	0.5	40.0
MERCEDES BENZ AG & Co. Grundstücksvermietung Objekt Germersheim Betriebsvorrichtungen OHG	Düsseldorf	0.5	40.0
MERCEDES BENZ AG & Co. Grundstücksvermietung Objekt Germersheim KG	Düsseldorf	0.5	40.0
Mercedes-Benz AG & Co. Grundstücksvermietung Objekt Rhein-Main OHG	Schönefeld	0.5	40.0
MERCEDES-BENZ AG & Co. Grundstücksvermietung Objekt Südwest KG	Düsseldorf	0.5	40.0
Mercedes-Benz AG & Co. Grundstücksvermietung Objekte Leipzig und Magdeburg KG	Schönefeld	0.0	42.0
MERLAN Mobilien-Verwaltungsgesellschaft mbH & Co. Projekt Nr. 15 KG i. L.	Grünwald (Munich)	32.0	31.1
Mic Mac Mall Limited Partnership	Toronto	0.0	47.5
MIDAS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0

Name	Registered office	Share of capital held in %	Voting rights in %
MIDAS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bumke OHG	Düsseldorf	0.0	40.0
MIDAS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Langenhagen KG	Düsseldorf	44.7	44.7
MILES Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MILES Grundstücks-Vermietungsgesellschaft mbH & Co. KG	Düsseldorf	47.0	47.0
MILVUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MILVUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Günzburg KG	Düsseldorf	0.0	40.0
MINERVA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MINERVA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Herrmann KG	Grünwald (Munich)	0.0	40.0
MINERVA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Pfullendorf OHG	Grünwald (Munich)	0.0	40.0
MINERVA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Radolfzell KG	Düsseldorf	37.1	37.1
MINERVA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Sigmaringen KG	Düsseldorf	0.0	40.0
MIRABILIS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MIRABILIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berching KG	Düsseldorf	47.0	47.0
MIRATIO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MITEC engine.tec gmbh & Co. Objekt Krauthausen KG	Eisenach	0.5	45.0
MITIGO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MODESTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
MODICA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	23.0	23.0
MOLA Vermögensverwaltungsgesellschaft mbH	Düsseldorf	47.0	47.0
MOLARIS Beteiligungsgesellschaft mbH & Co. Objekt Kurhaus KG	Düsseldorf	100.0	49.0
MOLBARVA Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
MOLBARVA Vermietungsgesellschaft mbH & Co. Objekt Augsburg KG	Düsseldorf	0.0	42.5
MOLBERNO Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
MOLBERNO Vermietungsgesellschaft mbH & Co. Objekt Pirmasens KG	Grünwald (Munich)	0.0	25.0
MOLCASA Vermietungsgesellschaft Objekt Smart mbH	Grünwald (Munich)	50.0	50.0
MOLDOMA Vermietungsgesellschaft mbH & Co. Objekt Augsburg KG	Düsseldorf	100.0	50.0
MOLERSA Vermietungsgesellschaft mbH & Co. Objekt Altenkunstadt KG	Grünwald (Munich)	0.0	42.5
MOLGRADO Vermietungsgesellschaft Objekt Göttingen und Oldenburg mbH	Grünwald (Munich)	50.0	50.0
MOLPIREAS Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
MOLPIREAS Vermietungsgesellschaft mbH & Co. Objekt Heilbronn KG	Düsseldorf	0.0	42.5
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Aquarius KG	Düsseldorf	98.5	49.0
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Aries KG	Düsseldorf	98.5	49.0
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf Hohe Straße KG	Düsseldorf	98.5	49.0
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Geminus KG	Düsseldorf	98.5	49.0
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Halle Markt 11 KG	Düsseldorf	98.5	49.0
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Halle Riegel KG	Düsseldorf	98.5	49.0
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Pforzheim KG	Düsseldorf	98.5	49.0
MOLSOLA Vermietungsgesellschaft mbH & Co. Objekt Taurus KG	Düsseldorf	98.5	49.0
MOLSTINA Vermietungsgesellschaft mbH & Co. Objekt Stuttgart KG	Düsseldorf	0.1	50.0

Name	Registered office	Share of capital held in %	Voting rights in %
MOLSURA Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
MOLWANKUM Vermietungsgesellschaft mbH & Co. Objekt Landkreis Hildburghausen KG	Düsseldorf	6.0	29.0
MOLWARGA Vermietungsgesellschaft mbH & Co. Objekt Aue KG	Düsseldorf	4.6	25.0
MOTIO Grundstücks-Vermietungsgesellschaft mbH	Singen (Hohentwiel)	47.0	47.0
MS "Meta" Stefan Patjens GmbH & Co. KG	Drochtersen	30.5	30.5
MUTUSCA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bergkamen KG	Düsseldorf	0.0	50.0
NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Erlangen KG	Düsseldorf	10.0	50.0
NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Landau KG	Düsseldorf	0.0	50.0
NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Villingen-Schwenningen KG	Düsseldorf	0.0	50.0
Neue Krausenhöfe Berlin Erste Grundstücksgesellschaft mbH	Teltow	47.4	47.4
Neue Krausenhöfe Berlin Zweite Grundstücksgesellschaft mbH	Teltow	47.4	47.4
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Castrop-Rauxel KG	Düsseldorf	0.0	50.0
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ettlingen KG	Düsseldorf	0.0	50.0
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gelsenkirchen KG	Düsseldorf	0.0	50.0
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Görlitz KG	Düsseldorf	0.0	50.0
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Groß-Kienitz OHG	Düsseldorf	0.0	50.0
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Koblenz-Kesselheim KG	Düsseldorf	0.0	50.0
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Langenau KG	Düsseldorf	0.0	50.0
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lüdinghausen KG	Düsseldorf	0.0	50.0
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Singen KG	Düsseldorf	0.0	50.0
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Weingarten KG	Grünwald (Munich)	0.0	42.5
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Weishaupt OHG	Düsseldorf	0.0	50.0
NOSCO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Alzey KG	Mainz	0.0	50.0
NOSSIA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG	Grünwald (Munich)	2.5	25.0
NOTITIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Technologiepark Adlershof KG	Berlin	0.0	50.0
NULUX NUKEM LUXEMBURG GmbH	Luxembourg	49.5	49.5
OB Lagerhaus Betriebsgesellschaft mbH & Co. Objekt Glasstrasse KG	Düsseldorf	47.0	23.5
ORBITA Kraftwerk-Beteiligungsgesellschaft mbH	Düsseldorf	50.0	50.0
ORBITA Kraftwerk-Beteiligungsgesellschaft mbH & Co. Objekt Kraftwerk Hessen KG	Grünwald (Munich)	0.0	42.5
ORNATUS Grundstücks-Vermietungsgesellschaft mbH	Schönefeld	50.0	50.0
OSCA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG	Grünwald (Munich)	26.0	26.0

Name	Registered office	Share of capital held in %	Voting rights in %
PACTOR Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	47.0	47.0
PACTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin Mühlenstraße KG i.L.	Düsseldorf	47.0	47.0
Patella Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fernwärmetrasse Lutherstadt Wittenberg KG	Berlin	94.0	37.6
Pinova GmbH & Co.Erste Beteiligungs KG	Munich	41.8	41.8
Place Ste-Foy Limited Partnership	Toronto	0.0	47.5
ProCredit Bank S.A., Romania	Bukarest	21.0	21.0
ProCredit Bank Sh.A.	Tirana	20.0	20.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte Kleinmachnow/Mölln KG	Düsseldorf	0.0	42.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Friedrichshafen KG	Düsseldorf	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kraichtal KG	Düsseldorf	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lichtenau KG	Düsseldorf	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt München KG	Düsseldorf	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt München-Haar KG	Düsseldorf	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Oberhausen KG	Düsseldorf	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Stuttgart-Feuerbach KG	Düsseldorf	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Vaihingen KG	Düsseldorf	0.0	50.0
RAVENNA KRAKOW Spolka z Ograniczona Odpowiedzialnoscia	Warsaw	50.0	50.0
RAVENNA Szczecin Spolka Z Ograniczona Odpowiedzialnoscia	Warsaw	50.0	50.0
Registra Securita Trust GmbH	Frankfurt/Main	33.3	33.3
Rendite Partner Gesellschaft für Vermögensverwaltung mbH i. L.	Frankfurt/Main	33.3	33.3
Riverbank Trustees Limited	London	94.0	40.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Heilbronn KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Logistikobjekt Schweinfurt KG	Düsseldorf	2.5	35.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Garmisch-Partenkirchen KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bankakademie KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt CAP Kiel KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ettlingen KG	Grünwald (Munich)	0.0	42.5
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fischerwerke KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gerlingen KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gutenbergstraße KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hamm KG	Düsseldorf	0.0	50.0

Name	Registered office	Share of capital held in %	Voting rights in %
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Haßfurt KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heimstetten KG	Grünwald (Munich)	0.0	42.5
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Holzstraße KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kahl KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lechfeld KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lüdenscheid KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Mainz KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Maritim Stuttgart KG	Grünwald (Munich)	0.0	42.5
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Moers KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Neckarkanal KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Oberhaching KG	Grünwald (Munich)	0.0	42.5
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Pforzheim KG	Düsseldorf	0.5	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Recklinghausen KG	Grünwald (Munich)	0.0	42.5
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Singen KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte topwert KG	Düsseldorf	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Am Hammergarten KG	Düsseldorf	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bad Schönborn KG	Düsseldorf	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dieselstraße KG	Grünwald (Munich)	0.0	35.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt FINOVA KG	Düsseldorf	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fulda-West KG	Grünwald (Munich)	0.0	42.5
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Garching KG	Düsseldorf	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kässbohrer KG	Düsseldorf	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kelsterbach KG	Düsseldorf	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Logistik-Center Heilbronn KG	Düsseldorf	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Metzingen KG	Grünwald (Munich)	0.0	35.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Neustadt-Schwaig KG	Grünwald (Munich)	0.0	42.5
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Offenbach KG	Düsseldorf	0.0	50.0

Name	Registered office	Share of capital held in %	Voting rights in %
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Östringen KG	Düsseldorf	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Saarbrücken KG	Grünwald (Munich)	0.0	42.5
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bamberg KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Braunschweig KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt BURDA Medien Park KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt BURDA Offenburg KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Eckental KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Essen KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ettlingen KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fenepark Kempten KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Genshagen KG	Grünwald (Munich)	0.0	42.5
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gründau-Lieblos KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hannover-Stöcken KG	Grünwald (Munich)	0.0	42.5
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hüttenheim KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt ISF Sindlingen KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Köngen KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Langenselbold KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Liesborn KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Maichingen KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Oelkinghausen KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Offenburg KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ratingen KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Römerberg KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Schwalbach KG	Düsseldorf	6.6	50.0

Name	Registered office	Share of capital held in %	Voting rights in %
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Schweinfurt KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Veldhoven KG	Düsseldorf	19.0	37.9
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Wustermark KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte TANK & RAST KG	Düsseldorf	0.0	50.0
ROSINTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin KG	Düsseldorf	0.5	50.0
ROSINTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Haus der Schiffahrt KG	Düsseldorf	0.0	50.0
ROSINTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kürnach KG	Düsseldorf	0.0	50.0
ROSINTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Möbel Wallach Celle KG	Düsseldorf	0.0	50.0
ROSINTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Nürnberg KG	Düsseldorf	0.0	50.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Alzenau KG	Düsseldorf	0.0	50.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf KG	Düsseldorf	0.0	50.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hafenhaus Lübeck KG	Düsseldorf	0.0	50.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heddernheim KG	Düsseldorf	0.0	50.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lünen/Soest KG	Düsseldorf	0.0	50.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Peguform KG	Grünwald (Munich)	0.0	42.5
Rudolph Beteiligungs GmbH	Halver	100.0	0.0
SCI l'Argentière	Grenoble	30.0	30.0
S.E.A. Hotels Investment AB	Danderyd	50.0	50.0
S-Factoring druzba d.d.	Ljubljana	22.5	22.5
SITA Immobilia GmbH & Co. KG	Cologne	5.1	50.0
Somentec Software GmbH	Langen	35.7	35.7
Southcentre Mall Limited Partnership	Toronto	0.0	47.5
Südkurier GmbH & Co. Objekt Konstanz OHG	Singen (Hohentwiel)	0.0	39.5
TAMOLDINA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
TAMOLTEMPA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
TAMOLTESSA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
TASKABANA dritte Immobilien-Vermietungsgesellschaft mbH & Co. Objekt Marl KG	Grünwald (Munich)	0.0	42.5
TASKABANA dritte Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Tankanlage KG	Grünwald (Munich)	0.0	23.5

Name	Registered office	Share of capital held in %	Voting rights in %
TASKABANA erste Immobilien-Vermietungsgesellschaft mbH & Co. Objekt Marl KG	Grünwald (Munich)	0.0	42.5
TASKABANA erste Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Marl KG	Grünwald (Munich)	16.9	45.1
TASKABANA Vermietungsgesellschaft mbH	Grünwald (Munich)	47.0	47.0
TASKABANA zweite Immobilien-Vermietungsgesellschaft mbH & Co.Objekt Marl KG	Grünwald (Munich)	0.0	42.5
TASKABANA zweite Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Tankanlage KG	Grünwald (Munich)	0.0	40.0
The World Markets Company GmbH i. L.	Frankfurt/Main	25.2	25.2
TIGNARIS Beteiligungsgesellschaft mbH & Co. Objekt Giershagen KG	Grünwald (Munich)	0.0	42.5
TIGNARIS Beteiligungsgesellschaft mbH & Co. Objekt Pfullendorf KG	Grünwald (Munich)	0.0	42.5
Vermietungsgesellschaft Objekt 12 m.b.H.	Düsseldorf	46.5	46.5
WEKO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rosenheim KG	Grünwald (Munich)	0.0	42.5

3. Jointly controlled entities included in the consolidated financial statements at equity

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity 1,000	Net profit/loss 1,000
Carbon Trade & Finance SICAR S.A.	Luxembourg	50.0	50.0	EUR	1,000	2,860
Delphi I LLC	Wilmington, Delaware	33.3	32.3	EUR	−299,141	−26,615
Commerz Finanz GmbH [41)]	Munich	49.9	49.9	EUR	9,780	20,258
FV Holding S.A.	Brussels	60.0	50.0	EUR	33,659	−5,051
CR Kaiserkarree S.a.r.l.	Luxembourg	50.0	50.0	EUR	−26,211	−14,509
Servicing Advisors Deutschland GmbH	Frankfurt/Main	50.0	50.0	EUR	2,665	1,731
Urbanitas Grundbesitzgesellschaft mbH	Berlin	50.0	50.0	EUR	−7,728	1,396

4. Special purpose entities and non-publicly-offered funds

a) Special purpose entities included in the consolidated financial statements pursuant to IAS 27/SIC 12

Name	Registered office	Share of capital held in %	Currency	Subscribed capital 1,000	
ALEPPA Funding I LLC	Dover, Delaware	0.0	USD	0	
ALEPPA Funding II LLC	Dover, Delaware	0.0	USD	0	
Asset Securisation Programme for Insured Receivables Ltd. (ASPIRE)	Dublin	0.0	EUR	0	
Barrington II CDO Ltd.	George Town, Cayman Island	0.0	EUR	0	
Barrington II LLC	Dover, Delaware	0.0	USD	0	
Beethoven Funding Corporation	Dover, Delaware	0.0	USD	3	
Borromeo Finance S.r.l.	Milan	0.0	EUR	0	
Bosphorus Capital Ltd.	Dublin	0.0	EUR	0	
CB MezzCAP Limited Partnership	St. Helier, Jersey	0.0	EUR	0	
Classic Finance BV	Amsterdam	0.0	EUR	0	
Classic I Netherlands Limited	Amsterdam	0.0	EUR	0	
CoCo Finance 2006-1 plc	Dublin	0.0	EUR	–3,039	
CoSMO Finance 2007-1 Ltd.	Dublin	0.0	EUR	3	
CoSMO Finance 2008-1 Ltd.	Dublin	0.0	EUR	2	
Danube Delta PLC	Dover, Delaware	0.0	USD	0	
FAF Inc.	George Town, Cayman Island	0.0	EUR	164	
Greenway Infrastructure Capital Plc	St. Helier, Jersey	0.0	EUR	0	
Greenway Infrastructure Fund	St. Helier, Jersey	0.0	EUR	0	
Honeywell Grundbesitzverwaltungs-GmbH & Co Vermietungs-KG	Grünwald (Munich)	100.0	EUR	–11,577	d)
Idilias SPC Inc.	George Town, Cayman Island	0.0	EUR	1,906	
Idilias SPC (Silo II)	George Town, Cayman Island	0.0	EUR	0	
Idilias SPC (Silo IV)	George Town, Cayman Island	0.0	EUR	0	
Justine Capital SRL	Milan	0.0	EUR	0	
Kaiserplatz-Companies:					
Kaiserplatz Funding LLC	Wilmington, Delaware	0.0	EUR	0	
Kaiserplatz Holdings Ltd.	St. Helier, Jersey	0.0	EUR	0	
Kaiserplatz Funding Ltd.	St. Helier, Jersey	0.0	EUR	0	
Kaiserplatz Sub-Holding Ltd.	St. Helier, Jersey	0.0	EUR	0	
Kaiserplatz Purchaser No. 05 Ltd.	St. Helier, Jersey	0.0	EUR	0	
Kaiserplatz Purchaser No. 06 Ltd.	St. Helier, Jersey	0.0	EUR	0	
Kaiserplatz Purchaser No. 15 Ltd.	St. Helier, Jersey	0.0	EUR	0	
Kaiserplatz Purchaser No. 16 Ltd.	St. Helier, Jersey	0.0	EUR	0	
Kaiserplatz Purchaser No. 17 Ltd.	St. Helier, Jersey	0.0	EUR	0	
MidCABS Ltd.	St. Helier, Jersey	0.0	EUR	0	
Kalmus Grundstücks Gesellschaft Objekt KG	Grünwald (Munich)	0.0	EUR	0	
Lamina Grundstücks- Verwaltungsgesellschaft mhH & Co Objekt Leipzig KG	Grünwald (Munich)	0.0	EUR	0	
Liffey (Emerald) Limited	Dublin	0.0	EUR	0	
Livingstone Mortgages Limited	London	0.0	GBP	0	
Mandas Receivables No.2 Limited	St. Helier, Jersey	0.0	EUR	0	
Merkur Grundstücks-Gesellschaft Objekt Berlin Lange Strasse mbH & Co. KG	Grünwald (Munich)	0.0	EUR	0	

Name	Registered office	Share of capital held in %	Currency	Subscribed capital 1,000
Millstone II LLC	Dover, Delaware	0.0	USD	0
Millstone II Ltd.	Dover, Delaware	0.0	USD	0
Mole Finance Inc.	George Town, Cayman Island	0.0	EUR	176
More Global Inc.	George Town, Cayman Island	0.0	EUR	112
Pantheon Master Fund	Dover, Delaware	0.0	USD	0
Plymouth Capital Ltd.	St. Helier, Jersey	0.0	EUR	19,614
Portland Capital Ltd.	St. Helier, Jersey	0.0	EUR	7
RCL Securisation GmbH	Frankfurt/Main	0.0	EUR	64
Rügen I GmbH	Frankfurt/Main	0.0	EUR	0
Semper Finance 2006-1 Ltd.	St. Helier, Jersey	0.0	GBP	0
Semper Finance 2007-1 GmbH	Frankfurt/Main	0.0	EUR	0
Shannon Capital plc.	Dublin	0.0	EUR	1,394
Silver Tower 125 Inc.	George Town, Cayman Island	0.0	EUR	5,761
Symphony No.2 Llc	Wilmington, Delaware	0.0	USD	–39
Symphony No.4 Llc	Dover, Delaware	0.0	USD	8
Thames SPC	George Town, Cayman Island	0.0	EUR	0
Truckman Inc	Cayman Island	0.0	EUR	13 a)
TS Co. mit One GmbH	Frankfurt/Main	0.0	EUR	25
TS Lago One GmbH	Frankfurt/Main	0.0	EUR	26
Twins Financing LLC	New York	0.0	USD	0
Victoria Capital (Ireland) Public Limited Company	Luxembourg	0.0	EUR	0
Victoria Capital Holdings S.A.	Luxembourg	0.0	EUR	0
Victoria Capital S.A.	Luxembourg	0.0	EUR	0
Wisley Inc.	George Town, Cayman Island	0.0	EUR	291

b) Special funds included in the consolidated financial statements pursuant to IAS 27/SIC 12

Name	Registered office	Share of investor in fund in %	Currency	Fund volume 1,000
BRE Gold Fund	Luxembourg	100.0	PLN	242,569
CDBS Cofonds	Frankfurt/Main	100.0	EUR	101,121
CDBS Cofonds II	Frankfurt/Main	100.0	EUR	91,430
CDBS Cofonds III	Frankfurt/Main	100.0	EUR	96,183
CDBS Cofonds IV	Frankfurt/Main	100.0	EUR	98,086
ComStage ETF CB Commodity EW Index TR	Luxembourg	75.2	USD	616,631
ComStage ETF Commerzbank EONIA INDEX TR	Luxembourg	8.2	EUR	409,223
ComStage ETF DAX® TR	Luxembourg	22.6	EUR	599,251
ComStage ETF Dow Jones EURO STOXX 50® TR	Luxembourg	36.2	EUR	275,830
ComStage ETF Dow Jones EURO STOXX® Select Dividend 30 TR	Luxembourg	68.1	EUR	131,100
ComStage ETF Dow Jones INDUSTRIAL AVERAGE™	Luxembourg	66.9	USD	206,504
ComStage ETF Dow Jones STOXX® 600 TR	Luxembourg	77.7	EUR	344,948

Name	Registered office	Share of investor in fund in %	Currency	Fund volume 1,000	
ComStage ETF iBoxx € Liquid Sovereigns Diversified 1-3 TR	Luxembourg	34.7	EUR	284,500	
ComStage ETF iBoxx € Liquid Sovereigns Diversified 3-5 TR	Luxembourg	44.2	EUR	330,901	
ComStage ETF iBoxx € Liquid Sovereigns Diversified 3m-1 TR	Luxembourg	13.9	EUR	100,427	a)
ComStage ETF iBoxx € Liquid Sovereigns Diversified 5-7 TR	Luxembourg	95.5	EUR	103,951	a)
ComStage ETF iBoxx € Sovereigns Germany Capped 1-5 TR	Luxembourg	98.8	EUR	105,354	
ComStage ETF iBoxx € Sovereigns Germany Capped 3m-2 TR	Luxembourg	94.8	EUR	10,173	a)
ComStage ETF MSCI EMU TRN	Luxembourg	79.9	USD	500,018	
ComStage ETF MSCI USA TRN	Luxembourg	78.2	USD	226,742	a)
ComStage ETF MSCI World TRN	Luxembourg	64.3	USD	311,344	
ComStage ETF NIKKEI 225	Luxembourg	47.8	JPY	14,668,438	a)
Gresham Bond Fund	Wilmington/Delaware	99.7	GBP	137,795	
GS SICAV - UK Premia	Luxembourg	86.6	GBP	171,180	a)
ILSP Mutual Fund AG & Co. KG	Vaduz	85.4	USD	511,159	
OP-Fonds CDBS V	Frankfurt/Main	100.0	EUR	89,029	

5. Investments in large corporations in which the investment exceeds 5 % of the voting rights

Name	Registered office	Share of capital held in %	Voting rights in %
ARES Energie Aktiengesellschaft	Berlin	13.7	13.7
CarMeile AG	Wuppertal	10.0	10.0
ConCardis Gesellschaft mit beschränkter Haftung	Frankfurt/Main	13.9	13.9
EURO Kartensysteme Gesellschaft mit beschränkter Haftung	Frankfurt/Main	13.9	13.9
GEWOBA Aktiengesellschaft Wohnen und Bauen	Bremen	7.1	7.1
Liquiditäts-Konsortialbank Gesellschaft mit beschränkter Haftung	Frankfurt/Main	9.6	9.6
Open Joint-Stock Company Promsvyazbank	Moscow	15.3	15.3

Footnotes		
1)	Renamed:	Dresdner Kleinwort Holdings I, Inc. has been transformed into Coba Holdings I, LLC
2)	Renamed:	Dresdner Kleinwort Securities LLC has been transformed into Commerz Markets LLC
3)	Renamed:	Dresdner Kleinwort Capital Investment Company Limited has been transformed into Commerzbank Capital Investment Company Limited
4)	Renamed:	Dresdner Kleinwort Capital Ventures Management Limited has been transformed into Commerzbank Capital Ventures Management Limited
5)	Renamed:	Dresdner Finance 2 S.à.r.l. has been transformed into Commerzbank Finance 2 S.à.r.l.
6)	Renamed:	Kleinwort Benson Finance BV has been transformed into Commerzbank Finance BV
7)	Renamed:	Dresdner Kleinwort Group Limited has been transformed into Commerzbank Holdings (UK) Limited
8)	Renamed:	Dresdner Investments (UK) Limited has been transformed into Commerzbank Investments (UK) Ltd.
9)	Renamed:	Dresdner Kleinwort Leasing (Guernsey) Ltd has been transformed into Commerzbank Leasing (Guernsey) Limited
10)	Renamed:	Dresdner Leasing 1 S.a.r.l. has been transformed into Commerzbank Leasing 1 S.à.r.l.
11)	Renamed:	Dresdner Leasing 2 S.a.r.l. has been transformed into Commerzbank Leasing 2 S.à.r.l.
12)	Renamed:	Dresdner Leasing 4 S.à.r.l. has been transformed into Commerzbank Leasing 4 S.à.r.l.
13)	Renamed:	Dresdner Leasing 5 S.à.r.l. has been transformed into Commerzbank Leasing 5 S.à r.l.
14)	Renamed:	Dresdner Leasing 6 S.a.r.l. has been transformed into Commerzbank Leasing 6 S.à.r.l.
15)	Renamed:	Dresdner Kleinwort Leasing December (1) Limited has been transformed into Commerzbank Leasing December (1) Limited
16)	Renamed:	Dresdner Kleinwort Leasing December (10) has been transformed into Commerzbank Leasing December (10)
17)	Renamed:	Dresdner Kleinwort Leasing December (11) has been transformed into Commerzbank Leasing December (11)
18)	Renamed:	Dresdner Kleinwort Leasing December (12) Limited has been transformed into Commerzbank Leasing December (12) Limited
19)	Renamed:	Dresdner Kleinwort Leasing December (13) Limited has been transformed into Commerzbank Leasing December (13) Limited
20)	Renamed:	Dresdner Kleinwort Leasing December (15) Limited has been transformed into Commerzbank Leasing December (15)
21)	Renamed:	Dresdner Kleinwort Leasing December (3) Limited has been transformed into Commerzbank Leasing December (3) Limited
22)	Renamed:	Dresdner Kleinwort Leasing December (4) Limited has been transformed into Commerzbank Leasing December (4) Limited
23)	Renamed:	Dresdner Kleinwort Leasing December (7) Limited has been transformed into Commerzbank Leasing December (7) Limited
24)	Renamed:	Dresdner Kleinwort Leasing December (8) Limited has been transformed into Commerzbank Leasing December (8) Limited
25)	Renamed:	Dresdner Kleinwort Leasing December (9) Limited has been transformed into Commerzbank Leasing December (9) Limited
26)	Renamed:	Dresdner Kleinwort Leasing Holdings Limited has been transformed into Commerzbank Leasing Holdings Limited
27)	Renamed:	Dresdner Kleinwort Leasing Limited has been transformed into Commerzbank Leasing Limited
28)	Renamed:	Dresdner Kleinwort Leasing March (3) Limited has been transformed into Commerzbank Leasing March (3) Limited
29)	Renamed:	Dresdner Kleinwort Leasing September (5) Limited has been transformed into Commerzbank Leasing September (5) Limited
30)	Renamed:	Kleinwort Leasing September (6) Limited has been transformed into Commerzbank Leasing September Dresdner (6) Limited
31)	Renamed:	Dresdner Kleinwort Online Ventures Limited has been transformed into Commerzbank Online Ventures Limited
32)	Renamed:	Dresdner Kleinwort Overseas Holdings Limited has been transformed into Commerzbank Overseas Holdings Limited
33)	Renamed:	Dresdner Kleinwort Property Management & Services Limited has been transformed into Commerzbank Property Management & Services Limited
34)	Renamed:	Dresdner Kleinwort Securities Ltd has been transformed into Commerzbank Securities Ltd
35)	Renamed:	Dresdner Kleinwort Securities Nominees Limited has been transformed into Commerzbank Securities Nominees Limited
36)	Renamed:	Aspiro Sp.z.o.o. has been transformed into Aspiro S.A.
37)	Renamed:	Commerz Real Autoleasing GmbH has been transformed into Commerz Real Autoservice GmbH
38)	Renamed:	Commerzbank Capital Management GmbH has been transformed into Commerzbank Capital Management Unternehmensbeteiligungs GmbH
39)	Renamed:	Dresdner Kleinwort Sponsoring GmbH has been transformed into Commerzbank Sponsoring GmbH
40)	Renamed:	Dresdner Finanziaria S.p.A. has been transformed into DFI S.p.A. in liquidazione
41)	Renamed:	Dresdner-Cetelem Kreditbank GmbH has been transformed into Commerz Finanz GmbH

Notes and explanations

[a] Included in the consolidated financial statements for the first time in the year under review.
[b] Profit transfer agreement.
[c] No disclosures pursuant to Art. 285 No. 11a of the German Commercial Code (HGB) are provided due to their minor significance as defined in Art. 286(3) No. 1 HGB.
[d] Consolidated in accordance with SIC 12 as the share of voting rights held is 19%.

Foreign-exchange rates for €1 as of December 31, 2010:		
Bermuda	BMD	1.33620
Brazil	BRL	2.21770
Chile	CLP	626.28090
United Kingdom	GBP	0.86075
India	INR	59.75800
Japan	JPY	108.65000
Canada	CAD	1.33220
Poland	PLN	3.97500
Russia	RUB	40.82000
Singapore	SGD	1.71360
South Africa	ZAR	8.86250
Taiwan	TWD	38.99750
Czech Republic	CZK	25.06100
Ukraine	UAH	10.66330
Hungary	HUF	277.95000
USA	USD	1.33620

Boards of Commerzbank Aktiengesellschaft

Supervisory Board

Klaus-Peter Müller
Chairman

Uwe Tschäge[1]
Deputy Chairman
Employee of
Commerzbank Aktiengesellschaft

Hans-Hermann Altenschmidt[1]
Employee of
Commerzbank Aktiengesellschaft

Dott. Sergio Balbinot
Managing Director
Assicurazioni Generali S. p. A.

Dr.-Ing. Burckhard Bergmann
Former Chairman of the
Board of Managing Directors
E.ON Ruhrgas AG

Herbert Bludau-Hoffmann[1]
(until 31.12.2010)
Economist
ver.di Trade Union
Financial Services Division,
responsible for Commerzbank

Dr. Nikolaus von Bomhard
Chairman of the
Board of Managing Directors
Münchener Rückversicherungs-
Gesellschaft AG

Karin van Brummelen[1]
Employee of
Commerzbank Aktiengesellschaft

Astrid Evers[1]
Employee of
Commerzbank Aktiengesellschaft

Uwe Foullong[1]
Member of the ver.di National
Executive Committee

Daniel Hampel[1]
Employee of
Commerzbank Aktiengesellschaft

Dr.-Ing. Otto Happel
Entrepreneur
Luverse AG

Sonja Kasischke[1]
Employee of
Commerzbank Aktiengesellschaft

Prof. Dr.-Ing. Dr.-Ing. E.h.
Hans-Peter Keitel
President of the Federation
of German Industries (BDI)

Alexandra Krieger[1]
Cert. Business Manager
Head Economics Department I
Promotion of Co-Determination
Hans Böckler Foundation

Dr. h.c. Edgar Meister
Lawyer
Former member of the Executive Board
of Deutsche Bundesbank

Prof. h.c. (CHN) Dr. rer. oec.
Ulrich Middelmann
Former Deputy Chairman of the
Board of Managing Directors
ThyssenKrupp AG

Dr. Helmut Perlet
Former member of the
Board of Managing Directors
Allianz SE

Barbara Priester[1]
Employee of
Commerzbank Aktiengesellschaft

Mark Roach[1]
(since 10.1.2011)
Secretary ver.di Trade Union
National Administration

Dr. Marcus Schenck
Member of the
Board of Managing Directors
E.ON AG

Dr. Walter Seipp
Honorary Chairman

[1] Elected by the Bank's employees.

Board of Managing Directors

Martin Blessing
Chairman

Frank Annuscheit

Markus Beumer

Dr. Achim Kassow

Jochen Klösges

Michael Reuther

Dr. Stefan Schmittmann

Ulrich Sieber

Dr. Eric Strutz

Martin Zielke
(since 5.11.2010)

Responsibility statement by the Board of Managing Directors

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal oppertunities and risks associated with the expected development of the Group.

Frankfurt/Main, March 7, 2011
The Board of Managing Directors

Martin Blessing

Frank Annuscheit

Markus Beumer

Achim Kassow

Jochen Klösges

Michael Reuther

Stefan Schmittmann

Ulrich Sieber

Eric Strutz

Martin Zielke

Auditor's Report

We have audited the consolidated financial statements prepared by the COMMERZBANK Aktiengesellschaft, Frankfurt am Main, comprising the statement of financial position, the statement of comprehensive income, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from January 1 to December 31. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standards on Auditing (ISA). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company´s Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, March 8, 2011

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Lothar Schreiber
(Wirtschaftsprüfer)
(German Public Auditor)

Peter Goldschmidt
(Wirtschaftsprüfer)
(German Public Auditor)

Translation of the auditors' report issued in German language on the consolidated financial statements prepared in German language by the management of Commerzbank Aktiengesellschaft, Frankfurt/Main. The German language statements are decisive.

Financial Statements and Management Report 2010 of Commerzbank Aktiengesellschaft

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Management Report of Commerzbank Aktiengesellschaft

Structure and organization

Commerzbank Aktiengesellschaft is Germany's second largest bank, one of its leading banks for private and corporate customers and a major financial institution within Europe. With the rollout of our new brand across the whole of Germany in September 2010, we are making a clear mark as the new Commerzbank. Our customers have around 1,200 branches at their disposal, the densest network of any private-sector bank in Germany. Today, the new Commerzbank serves a total of more than 15 million private and corporate customers worldwide, of which around 11 million are in Germany. Commerzbank aims to continue strengthening its position as market leader in the private and corporate customer segments in Germany.

The focus of our activities is on the four segments Private Customers, Mittelstandsbank, Corporates & Markets, and Central & Eastern Europe, which – as our core bank – are at the heart of the new Commerzbank. These are supplemented by asset based lending in the Real Estate, Public and Ship Finance as well as Real Estate Asset Management areas of the Asset Based Finance segment in addition to portfolios that do not form part of core business in the Portfolio Restructuring Unit segment. Each of the segments is managed by a member of the Board of Managing Directors.

All staff and management functions are contained in Group Management: Group Development & Strategy, Group Communications, Group Legal, Group Treasury, Group Human Resources, Group Integration, Group Finance, Group Finance Architecture, Group Compliance, Group Audit and the central risk functions. The support functions are provided by Group Services. These include Group Information Technology, Group Organisation, Group Banking and Market Operations, Group Security and Group Support. The responsibilities of the Board of Managing Directors are also clearly defined for these functional units. The staff, management and support functions are combined in the Others & Consolidation segment for external reporting purposes.

On the domestic market, Commerzbank Aktiengesellschaft manages a nationwide branch network serving all customer groups from its headquarters in Frankfurt am Main. Its major German subsidiaries are Eurohypo AG, comdirect bank, Commerz Real AG and Deutsche Schiffsbank AG. Outside of Germany, the Bank has 8 significant subsidiaries, 25 operational foreign branches and 32 representative offices in 50 countries and is represented in all major financial centres such as London, New York, Tokyo and Singapore. However, the focus of the Bank's international activities is in Europe.

Corporate Responsibility

Commerzbank continues to expand its sustainability initiatives

Commerzbank's new "Corporate Responsibility Status Report 2010" presents the most important news and progress in the Bank's four areas of action relating to sustainability: Market and Customers, Environment, Employees and Society. The report is available on the Internet in German and English at www.nachhaltigkeit.commerzbank.de. The Status Report is not available in printed form. So far we have been reporting extensively on our corporate responsibility every two years, but we are now switching to an annual report. In doing so, Commerzbank is giving consideration to the growing internal and external significance of this topic while also issuing information more frequently. In future, a status report will alternate with the detailed long version of the report published since 2005. The Status Report fulfils the requirements of a Communication on Progress (COP) regarding implementation of the ten principles of the UN Global Compact, which Commerzbank joined in 2006.

We recognize that the new Commerzbank bears a high level of corporate responsibility. We shall continue – as before – to take account of this in our core business and beyond, with a high level of dedication and commitment.

Market and Customers

Reputation risk management All financial arrangements, products and customer relations in which environmental, ethical or social aspects play a significant role are closely scrutinized and assessed by the Commerzbank Reputation Risk Management department and either rejected or accepted with conditions attached. This covers sensitive areas such as weapons and armaments (to which Group-wide guidelines apply), nuclear power and the exploitation of commodities. In the 2010 financial year, the Reputation Risk Management department issued a written opinion on around 1,500 requests of many different kinds. Approximately 10% of these opinions expressed a negative evaluation on the grounds of social, environmental or ethical concerns.

Compliance (prevention of money laundering) The core tasks of the Compliance department include meeting the legal and regulatory requirements in respect of the prevention of money laundering. In so doing, we comply with internationally recognized standards. In order to ensure the greatest possible transparency in business relationships and financial transactions, Commerzbank abides by the "know your customer" principle: this covers not only verifying and documenting the identity of the client, but also obtaining a risk-based clarification of the origin of the assets employed within the business relationship or transaction.

Private and Corporate Customers Mindful of our responsibility to our customers, in 2010 Commerzbank again successfully implemented a series of measures relating to both private and corporate customers. The aim is to achieve a continuous improvement in customer satisfaction. For example, we have launched a quality campaign for our private customers, aimed at underpinning our promise to deliver "performance and partnership". This included introducing a customer charter and creating the new post of customer advocate.

Furthermore, since April 2010 we have been running a campaign with the slogan "The new bank in plain language" to inform our customers of all relevant innovations and changes arising from the merger between Dresdner Bank and Commerzbank. In the Mittelstandsbank, the year under review saw the creation of the new position of credit mediator for SME lending to provide even more comprehensive quality assurance for lending decisions. Furthermore, Commerzbank and the KfW banking group jointly launched an equity capital fund targeted at unlisted SMEs. It is eventually expected to have access to total funds of up to €500m.

Environment

In 2010, the establishment of the Group Environmental Committee and the re-certification of our environmental management system were further important steps forward on the environment. As part of our long-term commitment to the German national parks, we mounted an exhibition entitled "Weltnaturerbe Buchenwälder" [*World Heritage Beech Forests*] at our Frankfurt head office between February 3 and March 11, 2010. In the International Year of Biodiversity, we thus also supported Kellerwald national park's application to become a UNESCO world heritage site. The credit portfolio of around €4bn held by the Commerzbank "Renewable Energies" Centre of Competence still represents one of the largest portfolios worldwide for the financing of renewable energies. Commerzbank continued to develop its pioneering role during the period under review, concluding a high volume of new business.

Company

A key milestone in our commitment to social responsibility was the creation of the Foundation Centre, bringing together the former foundations of both Commerzbank and Dresdner Bank under one roof. From this base, the foundations have now started work with endowment capital totalling approximately €100m. In addition, the Bank, its customers and staff donated generously to fund-raising campaigns for Haiti and Pakistan during the period under review, making an important contribution to alleviating the suffering of those affected by natural disasters.

Our employees

We need the best employees to underpin our aim of being the best bank for our customers. The main objective of our Human Resources work is therefore to constantly improve the appeal of Commerzbank as an employer, both internally and externally.

The number of employees at Commerzbank Aktiengesellschaft decreased by 677 employees (roughly 2%) year-on-year to 43,550 as at December 31, 2010.

Staff integration almost complete; significant progress with cultural integration

The functional area Group Human Resources has played an intensive and successful key role in helping Commerzbank and Dresdner Bank grow together since preparations began for the integration process. The last stage of the integration-led staff placement process was the branch-wide appointment of fourth-level managers last year, i.e. branch and group managers not located at our Frankfurt headquarters.

Regional branch heads and branch heads as well as department and group heads took on their new responsibilities as of July 1, 2010. From that date, managers, team colleagues and target location were fixed for every employee, with only a few exceptions. The process of organizational integration in the HR department was thus completed around 22 months after the takeover of Dresdner Bank was announced. Around 4,200 managers were employed by Commerzbank Aktiengesellschaft (in Germany) at year-end 2010.

Integrating Dresdner Bank into Commerzbank entails a cultural sea change and a huge challenge for all involved. Responsibilities and working environment have changed in many cases, and the process of growing together in emotional terms continues. The success of the integration of Commerzbank and Dresdner Bank is heavily reliant on the degree of conviction of employees. To respond to these in a timely manner, Commerzbank commissioned systematic employee surveys shortly after the merger was announced. These are an important tool for organizational development and deliver valuable data for managing the integration process.

Recognition of the best candidates; comprehensive development of key performers

We aim for early recognition and development of our employees' skills. Consequently, our HR work takes a comprehensive approach from junior staff to top management level. We develop promising employees along attractive career paths and offer them a complete programme of professional development measures. We plan to launch a new career path with the Commerzbank Project Management Programme (CPP). In future, employees will be able to opt for project-related roles as an equal career path alongside a management career.

We launched the "Commerzbank Academy" project in 2010 to help build up our employee training in a consistent way throughout the Bank. The aim is to combine all the training and development initiatives for all career paths throughout the Bank under one roof. We will also strengthen specialist careers as an equally valid alternative to management and project careers. Specialist careers are open to all sales employees and specialists in collective pay scale and non-collective pay scale areas who have no management or project management function. All employees adopting the specialist route will be able to see at a glance which opportunities are open to them and which training measures are on offer in this regard.

Living and working healthily, avoiding illness

The motivation and high performance level of our staff depends to a great extent on their health. Consequently we have been offering internal measures for many years that help staff to stay healthy at work and promote wellbeing. The spectrum ranges from training courses on health-related issues, initiatives promoting healthy lifestyles right through to a corporate sports programme. We set up a staff advisory council on health issues in 2010 so that our staff could become actively involved in our health management initiative. The committee comprises 45 employees from nearly all areas of the Bank who discuss work-related health issues on a regular basis.

Aside from physical health, some of our employees have had increased psychosocial problems in their professional and private lives in the past few years, which is why we now offer rapid and comprehensive support through our Employee Assistance Programme. Experts from our partner dbgs GesundheitsService GmbH offer telephone counselling for our staff on work-related issues, but also provide support on family and relationship issues. If necessary, they refer them to specialists, such as clinics or doctors. We also have counsellors for family members who live with our employees.

We also support all staff who wish to take part in sport after work through a range of corporate sport programmes.

Using diversity productively, supporting staff

We operate in an environment with extensive competition and heterogeneous business relationships. Under these conditions, there would almost be nothing less conducive to innovation than a team who all thought and acted the same way. Only when diverse talents, experiences and life situation come together in a team can the wishes of our different customers be fully recognized and successfully implemented. In order to support and get the best out of our diverse range of employees, we have had an active diversity management programme in place for many years with which we support our staff in the various phases of their lives.

Measures that help combine family life with a career are the cornerstone of our diversity management. We support staff who are either on maternity or parental leave with a wide range of measures so that parents can remain in touch and return to work easily. We also further expanded our childcare services at 20 locations across Germany in 2010. Overall, the Bank makes 220 full-time places available for nursery and kindergarten children.

In early 2010, we launched our "Women in management positions" project on behalf of the Board of Managing Directors. Women represent 50% of our workforce, but in term of management positions, only account for between 4.7% of level one and 29% of level four. We are looking to significantly increase these percentages to ensure that over the long term, Commerzbank has the strongest management team possible and can harness all the talent at our disposal. The measures under this project include a bank-wide internal mentoring programme, increasing the proportion of female observers at our foreign selection audits for managers, bank-internal career days, diversity training for all managers and a semi-annual management report on how successful the project has been in its implementation.

However, diversity is not something that is merely planned and implemented by the HR department. It is much more about actively including our staff in the diversity process.

Remuneration

As a result of the increased significance arising from greater regulatory requirements, employee remuneration is being disclosed for the first time for the 2010 financial year in the form of a separate report. This is being published on the Commerzbank website www.commerzbank.de and in future will be updated once a year.

Remuneration Report

This report follos the recommendations of the German Corporate Governance Code and complies with the requirements of the German Commercial Code (HGB).

Board of Managing Directors

Principles of the remuneration system

The Supervisory Board approved a new remuneration system for the Board of Managing Directors which was introduced retroactively to January 1, 2010, in accordance with Art. 120 (4) of the German Stock Corporation Act (AktG), following approval by the 2010 Annual General Meeting.

The core components of the new remuneration system include a fixed basic annual salary as well as a Short Term Incentive (STI) and a Long Term Incentive (LTI) as variable remuneration components. In line with regulatory requirements, the short-term variable component (STI) was significantly reduced compared with the existing salary model for the Board of Managing Directors. Meanwhile, the fixed salary component and, in particular, the long-term variable component were increased. The long-term component (LTI) is only paid after four years and is reduced in the event of negative performance during this period (penalty or "malus").

The pension arrangements for the members of the Board of Managing Directors, which comprise another remuneration component, remained unchanged in the new remuneration system.

SoFFin made the granting of stabilization measures conditional upon the remuneration of the members of the Bank's boards not exceeding €500,000 per annum per member for the financial years January 1, 2008 to December 31, 2008 and January 1, 2009 to December 31, 2009 in respect of the duties they carried out for the Group (SoFFin cap). The Supervisory Board decided that this cap will continue to apply in 2010 to the total monetary remuneration of the individual members of the Board of Managing Directors, i.e. their fixed basic annual salaries, short-term incentives and long-term incentives, if the fixed interest payment on the profit participation rights attaching to SoFFin's silent participations is not paid in full in 2010. Pension entitlements are not subject to this cap, nor are non-monetary elements, provided they are of the same type and not greater than they were prior to November 1, 2008, and that the total remuneration is not inappropriate.

Fixed remuneration components

The fixed remuneration components include the basic annual salary and non-monetary elements.

The fixed basic annual salary, which is paid in twelve equal monthly amounts, is €750,000. The appropriateness of the fixed basic annual salary is checked at regular two-year intervals. Since the fixed interest payment on the profit participation rights attaching to SoFFin's silent participations was not paid in 2010, the basic annual salary for the year 2010 was limited to €500,000.

The non-monetary elements mainly consist of the use of a company car with driver, security measures and insurance contributions, as well as tax and social security contributions thereon.

Performance-related remuneration

The new remuneration system includes performance-related variable remuneration components in the form of a Short Term Incentive (STI) and a Long Term Incentive (LTI).

Since the total monetary remuneration of members of the Board of Managing Directors for 2010 has been capped at €500,000 per year, the performance-related variable remuneration components for 2010 will not be paid.

Short Term Incentive (STI)

The STI runs for one year. It consists of two equally weighted components: one linked to economic value added (EVA)[1] (STI EVA component) and one based on the individual performance of the member of the Board of Managing Directors (STI performance component). The overall STI target is €250,000, and the targets for the individual components €125,000 each. The target figures are paid out in each case when 100% of goals have been achieved; goal achievement can range from 0% to 200%. The payment is made at the end of the one-year period and can range from €0 to €250,000 for each of the two components.

STI EVA component

For the STI EVA component, the Supervisory Board sets a target amount for the Group EVA after tax prior to the beginning of the financial year; this amount corresponds to a goal achievement of 100%. The Supervisory Board also determines which EVA amounts correspond to which goal achievements. As a rule, investors' capital is incorporated into the basis for calculating EVA. This component will first be used in 2012.

STI performance component

The individual performance of each member of the Board of Managing Directors is assessed from an overall perspective using criteria determined by the Supervisory Board prior to the beginning of the financial year in question. Until the end of 2011, this qualitative STI performance component is the sole element used as the basis for measurement; until then, its target is €250,000 per annum.

Long Term Incentive (LTI)

The LTI runs for four years. It consists of two equally weighted components: one linked to economic value added (EVA) (LTI EVA component) and the other based on stock performance (LTI equity component). The overall LTI target is €750,000, and the targets for the individual components are €375,000 each. The target figures are paid out in each case when goals have been 100% achieved. The target achievement may range between 0% and 200%; hence payment for each of the two components lies between €0 and €750,000. The LTI EVA component includes a penalty or "malus" clause. A prerequisite for the LTI is that the individual member of the Board of Managing Directors makes a long-term personal investment in Commerzbank shares of €350,000. Up until the personal investment target has been reached, 50% of net payments from the LTI must be invested in Commerzbank shares.

[1] EVA is the consolidated surplus after tax less the bank's capital costs (product of investors' capital excluding minority interests and capital cost rate after tax).

LTI equity component

The payout sum of the LTI equity component is calculated based firstly on the relative total shareholder return (TSR) performance of Commerzbank (compared with the TSR performance of other banks in the EURO STOXX Banks Index) and secondly on the absolute price performance of Commerzbank shares. Prior to the commencement of the LTI term, the Supervisory Board specifies the number of Commerzbank shares for which the market value is paid out upon 100% goal achievement following the end of the four-year LTI term. The Board also defines which TSR-related ranking of Commerzbank (compared with the other relevant banks) corresponds to which goal achievements. The relative TSR performance thus determines the number of virtually assigned shares; the absolute price performance of Commerzbank shares during the LTI term determines their value, which is paid out in cash after four years.

LTI EVA component

The target figures of the EVA-based LTI component are set by the Supervisory Board in advance for the entire LTI term and may differ for the individual years over the term. The Supervisory Board also defines in advance which EVA amounts correspond to which goal achievements. The goal achievement is set each year during the four-year LTI term; the goal achievement for the individual years can generally lie between -100% and +200%; the goal achievement until the end of 2011 can fluctuate between 0% and 200%. The Supervisory Board calculates the average goal achievement and resulting payment following the end of the four-year LTI term. Due to the potentially negative goal achievement in the individual years of the LTI term, the model includes a penalty element.

The achievement of goals is measured on a straight-line basis in the STI and LTI. In the event of exceptional developments at the bank that may have a considerable impact on the achievability of STI or LTI target figures, the Supervisory Board can neutralize any positive or negative impact by adjusting the targets.

Long-term performance plans

Members of the Board of Managing Directors and other executives and selected staff of the Group used to be able to participate in long-term performance plans (LTPs). These are virtual stock option plans that until 2008 were offered each year and pay out in the event that the Commerzbank share price outperforms the EURO STOXX Banks Index over three, four or five years and/or the Commerzbank share price gains at least 25% in absolute terms. If these thresholds are not reached after five years, the option lapses. If payments are made, members of the Board of Managing Directors must each invest 50% of the gross amount paid out in Commerzbank shares. Participation in the LTPs thus involves a personal investment in Commerzbank shares. Members of the Board of Managing Directors were able to participate with up to 2,500 shares, and the Chairman of the Board of Managing Directors with up to 5,000 shares.

The members of the Board of Managing Directors now participate only in the ongoing LTPs for 2006 and 2007. The potential remuneration stemming from participation in the LTPs may differ considerably from the fair values stated in the notes or could even be zero as the final payout amounts are not fixed until the end of the term of each LTP. Potential remuneration from the 2006 and 2007 LTPs are not offset against the SoFFin cap, as the LTPs are paid out for performance in the year in which they were issued.

No LTP payments were made in the year under review.

Remuneration of the Chairman of the Board of Managing Directors

Under the new remuneration system, the fixed basic annual salary and the target figures for the variable remuneration components for the Chairman of the Board of Managing Directors are set at 1.75 times the amounts specified for members of the Board. At the request of the Chairman of the Board of Managing Directors, this rule is not being applied until the end of his current term of office on October 31, 2011.

Remuneration for serving on the boards of affiliated companies

The remuneration accruing to an individual member of the Board of Managing Directors from serving on the boards of affiliated companies counts towards the total remuneration paid to that member of the Board of Managing Directors. Any offsetting takes place on the designated payment date following the Annual General Meeting that approves the financial statements for the financial year in which the member of the Board of Managing Directors received the Group payments.

Remuneration for serving on the boards of consolidated companies paid in any given financial year will count in full against the SoFFin cap of the previous year. For this reason, this remuneration is allocated to the previous year in the table under "Summary". If the remuneration for serving on the boards of consolidated companies results in a member of the Board of Managing Directors receiving total monetary remuneration in excess of €500,000, it is transferred to Commerzbank.

Pensions

The rules governing pensions for the members of the Board of Managing Directors have remained unchanged by the new remuneration system and in 2010 will continue to pertain to the basic salary for the 2009 financial year.

According to these rules, the Bank provides members and former members of the Board of Managing Directors or their surviving dependants with a pension. A pension is paid if, upon leaving the Bank, members of the Board of Managing Directors

- have celebrated their 62nd birthday
- are permanently unable to work
- end their employment contract with the Bank after celebrating their 58th birthday having been a member of the Board of Managing Directors for at least 10 years, or
- have been a member of the Board of Managing Directors for at least 15 years.

The pension consists of 30% of €480,000 or €760,000 for the Chairman of the Board of Managing Directors (the basic salary before the introduction of the new remuneration system) after the first term of office, 40% after the second and 60% after the third term of office. The pensions are reduced in line with the statutory provisions on company pensions if members of the Board of Managing Directors leave the Board before their 62nd birthday. Vesting of pension rights is also based on the statutory provisions on company pensions.

Instead of their pension, members of the Board of Managing Directors will continue to receive their pro-rata basic salary for six months as a form of transitional pay if they leave the Board after celebrating their 62nd birthday or they are permanently unable to work. If members of the Board of Managing Directors receive a pension before their 62nd birthday without being unable to work, the pension will be reduced to reflect the fact that the payments are starting earlier. Up to this age, half of any income received from other activities will be set off against the pension entitlements.

Pension payments to members of the Board of Managing Directors are raised by 1% per annum. Under certain circumstances an increase in excess of this level will be considered, but there is no automatic right to any such increase.

The following table lists the pension entitlements of the active members of the Board of Managing Directors in the financial year 2010:

€1,000	Pension entitlements Projected annual pension at pensionable age As of 31.12.2010[1]	Cash value of pension entitlements As of 31.12.2009[1]
Martin Blessing	456	2,467
Frank Annuscheit	288	761
Markus Beumer	288	639
Dr. Achim Kassow	288	1,308
Jochen Klösges	288	402
Michael Reuther	288	1,345
Dr. Stefan Schmittmann	288	964
Ulrich Sieber	288	349
Dr. Eric Strutz	288	1,442
Martin Zielke	288	54
Total		**9,731**

[1] The amounts take account of the current term of appointment of the individual board members and assume that the pension, except in cases of incapacity to work, will not be drawn until a member's 62nd birthday and that the member will remain on the board until the pension is due.

The pension entitlements of members of the Board of Managing Directors are not subject to the SoFFin cap.

The surviving dependant's pension for a spouse amounts to 66 2/3% of the pension entitlement of the member of the Board of Managing Directors. If no widow's pension is paid, minors or children still in full-time education are entitled to an orphan's pension amounting to 25% each of the pension entitlement of the member of the Board of Managing Directors, subject to a maximum overall limit of the widow's pension.

The assets backing these pension obligations have been transferred under a contractual trust arrangement to Commerzbank Pension Trust e.V. These pension assets covered the majority of Commerzbank Aktiengesellschaft's pension obligations to the members of its Board of Managing directors as at December 31, 2010, so that in numerical terms only an insignificant portion of the provisions formed for pension obligations relates to current members of the Board. In the year under review, no assets were transferred to Commerzbank Pension-Trust e.V.

As of December 31, 2010, defined benefit obligations for active members of the Board of Managing Directors of Commerzbank Aktiengesellschaft amounted in total to €9.7m (see table detailing individual entitlements).

Change of control

The new remuneration system for the Board of Managing Directors for 2010 contains no change of control clauses. In cases where the previous contracts of employment of individual members of the Board of Managing Directors still contained change of control clauses, the latter expire at the end of the current term of office of the member concerned.

Where change of control clauses still apply, the member of the Board of Managing Directors is entitled to terminate his or her contract of employment. If the member of the Board of Managing Directors utilizes this right to terminate his or her contract, they are entitled to compensation for the remainder of their term of office equal to 75% of their average total annual pay plus a severance payment equal to their average total annual remuneration for two to four years. The compensation and severance payment taken together may not exceed the average total annual remuneration for five years or the average total annual remuneration for the period up to the board member's 65th birthday. Following his or her term of office, the board member has pension entitlements. The termination of the contract of employment is only effective if the Supervisory Board agrees that there is grave cause for termination. Furthermore, there is no entitlement to severance pay if members of the Board of Managing Directors receive payments in connection with a change of control from the majority shareholder, the controlling company or – in the event of a merger or acquisition – the new legal entity.

The contracts of employment of Mr. Klösges, Mr. Reuther, Mr. Sieber and Mr. Zielke contain no change of control clauses; in the case of Mr. Annuscheit and Mr. Beumer, these clauses expired on December 31, 2010 at the end of their most recent term of office. For Dr. Schmittmann, the compensation and severance payment taken together may not exceed either the average total annual remuneration for the last three years or 150% of the total remuneration due for the residual term of office at the date of the termination of the employment contract.

Other regulations

If the appointment to the Board of Managing Directors ends prematurely, the employment contract usually expires six months after the board member's appointment ends (linked clause). In this case, the board member continues to receive the fixed basic annual salary, STIs and LTIs – subject to Art. 615 (2) of the German Civil Code – until the end of the original term of office.

If the contract of employment is not extended upon expiry of the current term of office, without there being good cause in accordance with Art. 626 of the German Civil Code, or if the contract of employment ends as a result of a linked clause as described above, the board member will also continue to receive his or her fixed basic salary for a period of six months after the end of the original term of office (transitional pay). This continuation of salary ceases, in all cases, as soon as the board member starts to receive pension payments.

If the contract of employment is terminated for reasons other than the linked clause described above, the fixed basic annual salary will continue to be paid – on a pro-rata basis where applicable – until the end of the contract of employment. The STIs and LTIs awarded for financial years prior to the termination of the contract of employment remain unaffected. The STI and LTI payments for the final year in office, to be calculated at the end of the term, are reduced on a pro-rata basis.

If the Bank terminates the term in office prematurely or does not extend the appointment at the end of the term in office due to circumstances that fulfil the requirements of Art. 626 of the German Civil Code, there is no longer any entitlement to STIs and LTIs awarded for the financial year in which the term of office was terminated, and no STIs or LTIs will be paid.

Any amounts paid for the time after the effective termination of the term of office may not exceed two years' annual remuneration (cap). Payments relating to STIs and LTIs awarded for the financial year in which the term of office was terminated also count towards the cap on a pro-rata basis.

No members of the Board of Managing Directors received payments or promises of payment from third parties in the past financial year in respect of their work as a member of the Board of Managing Directors; the same applies to payments or promises of payment from companies with which the Commerzbank Group has a significant business relationship.

Summary

Total remuneration of the individual members of the Board of Managing Directors for 2010 is shown below, along with the comparative figures from 2009. Contrary to last year, we also show the interest rate-adjusted change in the net present value of pension entitlements as a post-employment benefit expense of the Bank.

€1,000		Short-term employee benefits	Termination benefits	Payout under share-based remuneration plan[4]	Total remuneration	Post-employment benefit expense[5]
Martin Blessing	2010	617		–	617	197
	2009	572		–	572	123
Frank Annuscheit	2010	603		–	603	227
	2009	545		–	545	102
Markus Beumer	2010	547		–	547	191
	2009	602		–	602	101
Wolfgang Hartmann	2010[2]	–		–	–	–
	2009[1]	232		–	232	18
Dr. Achim Kassow	2010	572		–	572	111
	2009	564		–	564	65
Jochen Klösges	2010	566		–	566	240
	2009[1]	298		–	298	418
Bernd Knobloch	2010[2]	–	–	–	–	–
	2009[2,3]	–	1,113	–	1,113	–
Michael Reuther	2010	575		–	575	278
	2009	575		–	575	185
Dr. Stefan Schmittmann	2010	555		–	555	413
	2009	535		–	535	274
Ulrich Sieber	2010	563		–	563	210
	2009[1]	308		–	308	449
Dr. Eric Strutz	2010	595		–	595	118
	2009	521		–	521	72
Martin Zielke	2010[1]	82		–	82	52
	2009[2]	–		–	–	–
Total	**2010**	**5,275**	**–**	**–**	**5,275**	**2,037**
	2009	**4,752**	**1,113**	**–**	**5,865**	**1,807**

[1] Pro rata temporis from the date of appointment or up to the date of departure from the Board.
[2] Not members of the Board during the years shown.
[3] In 2009 Mr Knobloch received €1,113,000 on the basis of the severance agreement concluded with him.
[4] No LTP was paid out in 2010.
[5] Interest rate-adjusted change in the partial (2009) and settlement (2010) amounts of pension entitlements as well as employers' contribution to BVV retirement fund and the state pensions.

Total remuneration of the members of the Board of Managing Directors including the post-employment benefit expense of the Bank was €7,312,000 (2009: €7,672,000).

The following table shows the components of short-term benefits. These comprise basic salary, variable remuneration, remuneration for serving as a director at companies consolidated in the Group financial statements of Commerzbank Aktiengesellschaft and other remuneration of individual members of the Board of Managing Directors. The "Other" column includes normal benefits in kind (chiefly use of company cars and insurance plus the tax and social security payments due on these).

No variable remuneration was paid for 2009 or 2010.

€1,000		Basic salary	Variable remu neration[3]	Remu neration for serving on boards[4]	Reduction further to SoFFin-Cap[4]	Total monetary remu-neration	Other[6]	Total short-term employee benefits
Martin Blessing	2010	500	–			500	117	617
	2009	500	–	–	–	500	72	572
Frank Annuscheit	2010	500	–			500	103	603
	2009	480	–	23	–3	500	45	545
Markus Beumer	2010	500	–			500	47	547
	2009	480	–	12	–	492	110	602
Wolfgang Hartmann	2010[2]	–	–	–	–	–	–	–
	2009[1]	200	–	–	–	200	32	232
Dr. Achim Kassow	2010	500	–			500	72	572
	2009	480	–	124	–104	500	64	564
Jochen Klösges	2010	500	–			500	66	566
	2009[1]	280	–	–	–	280	18	298
Bernd Knobloch	2010[2]	–	–	–	–	–	–	–
	2009[2]	–	–	–	–	–	–	–
Michael Reuther	2010	500	–			500	75	575
	2009	480	–	21	–1	500	75	575
Dr. Stefan Schmittmann	2010	500	–			500	55	555
	2009	480	–	–	–	480	55	535
Ulrich Sieber	2010	500	–			500	63	563
	2009[1]	280	–	–	–	280	28	308
Dr. Eric Strutz	2010	500	–			500	95	595
	2009	480	–	2	–	482	39	521
Martin Zielke	2010[1]	78	–			78	4	82
	2009[2]	–	–	–	–	–	–	–
Total	**2010**	**4,578**	**–**			**4,578**	**697**	**5,275**
	2009	**4,140**	**–**	**182**	**–108**	**4,214**	**538**	**4,752**

[1] Pro rata temporis from the date of appointment or up to the date of departure from the Board.
[2] Not members of the Board during the years shown.
[3] Payable in the following year subject to approval of the annual financial statements.
[4] Remuneration for serving on the boards of Group companies paid in the financial years 2009 and 2010 will be offset against the SoFFin cap of the previous year and has therefore been allocated to the previous year in the table..
[5] The heading "Other" includes non-monetary benefits granted in the year under review and employer's social security contributions, plus tax due on non-monetary benefits.

Loans to members of the Board of Managing Directors

Members of the Board of Managing Directors have been granted cash advances and loans with terms ranging from on demand to a due date of 2038 and at interest rates ranging be-

tween 2.8% and 5.5%, and in selected instances overdrafts at rates up to 10.7%. Loans are secured on a normal market basis, if necessary through land charges and rights of lien.

As at the reporting date, the aggregate amount of loans granted to members of the Board of Managing Directors was €2,647,000 compared with €2,304,000 in the previous year. With the exception of rental guarantees Commerzbank Aktiengesellschaft did not have any contingent liabilities relating to members of the Board of Managing Directors in the year under review.

Supervisory Board

Principles of the remuneration system and remuneration for financial year 2010

The remuneration of the Supervisory Board is regulated in Art. 15 of the Articles of Association; the current version was approved by a resolution of the Annual General Meeting on May 16, 2007. This grants members of the Supervisory Board basic remuneration for each financial year, in addition to compensation for out-of-pocket expenses, comprising:

- fixed remuneration of €40,000 per year and
- a variable bonus of €3,000 per year for each €0.05 of dividend in excess of a dividend of €0.10 per share distributed to shareholders for the financial year just ended.

The Chairman receives triple and the Deputy Chairman double the aforementioned basic remuneration. For membership of a committee of the Supervisory Board which meets at least twice in any calendar year, the committee chairman receives additional remuneration in the amount of the basic remuneration and each committee member in the amount of half the basic remuneration; this additional remuneration is paid for a maximum of three committee appointments. In addition, each member of the Supervisory Board receives an attendance fee of €1,500 for every meeting of the Supervisory Board or one of its committees. The fixed remuneration and attendance fees are payable at the end of each financial year and the variable remuneration after the Annual General Meeting that passes a resolution approving the actions of the Supervisory Board for the financial year concerned. The value-added tax payable on the remuneration is reimbursed by the Bank.

As Commerzbank will not pay a dividend in 2010, variable remuneration is not payable for the financial year 2010. The members of the Supervisory Board therefore received total net remuneration of €1,563,000 for the financial year 2010 (previous year: €1,681,000). The fixed remuneration and remuneration for committee memberships accounted for €1,240,000 of this figure (previous year: €1,240,000) and attendance fees for €323,000 (previous year: €441,000). The value added tax of €278,000 (previous year: €293,000) payable on the remuneration of the members of the Supervisory Board is reimbursed by Commerzbank Aktiengesellschaft. The total remuneration of the members of the Supervisory Board was therefore €1,841,000 (previous year: €1,974,000). The remuneration is divided between the individual members of the Supervisory Board as follows:

€1,000	Fixed remu-neration	Variable remu neration	Total	Attend ance fee	VAT[1]	Total
Klaus-Peter Müller	200.0	–	200.0	28.5	43.4	271.9
Uwe Tschäge	100.0	–	100.0	21.0	23.0	144.0
Hans-Hermann Altenschmidt	80.0	–	80.0	24.0	19.8	123.8
Dott. Sergio Balbinot	40.0	–	40.0	7.5	–	47.5
Dr.-Ing. Burckhard Bergmann	40.0	–	40.0	10.5	9.6	60.1
Herbert Bludau-Hoffmann	40.0	–	40.0	6.0	8.7	54.7
Dr. Nikolaus von Bomhard	40.0	–	40.0	9.0	9.3	58.3
Karin van Brummelen	60.0	–	60.0	24.0	16.0	100.0
Astrid Evers	40.0	–	40.0	12.0	9.9	61.9
Uwe Foullong	40.0	–	40.0	10.5	9.6	60.1
Daniel Hampel	40.0	–	40.0	12.0	9.9	61.9
Dr.-Ing. Otto Happel	40.0	–	40.0	10.5	–	50.5
Sonja Kasischke	40.0	–	40.0	10.5	9.6	60.1
Prof. Dr.-Ing. Dr.-Ing. E. h. Hans-Peter Keitel	60.0	–	60.0	21.0	15.4	96.4
Alexandra Krieger	40.0	–	40.0	12.0	9.9	61.9
Dr. h. c. Edgar Meister	80.0	–	80.0	27.0	20.3	127.3
Prof. h. c. (CHN) Dr. rer. oec. Ulrich Middelmann	60.0	–	60.0	21.0	15.4	96.4
Dr. Helmut Perlet	100.0	–	100.0	28.5	24.4	152.9
Barbara Priester	40.0	–	40.0	12.0	9.9	61.9
Dr. Marcus Schenck	60.0	–	60.0	15.0	14.2	89.2
Total 2010	**1,240.0**	**–**	**1,240.0**	**322.5**	**278.3**	**1,840.8**
Total 2009	**1,240.0**	**–**	**1,240.0**	**441.0**	**292.8**	**1,973.8**

[1] Because they are resident outside Germany VAT is not due for Dr. Happel and Dr. Balbinot and instead German income tax and solidarity surcharge is retained.

Members of the Supervisory Board once again provided no advisory, intermediary or other personal services in 2010. Accordingly, no additional remuneration was paid.

Loans to members of the Supervisory Board

Members of the Supervisory Board have been granted loans with terms ranging from on demand up to a due date in 2040 and at interest rates ranging between 3.8% and 7.7%, and, in individual instances, up to 10.7% for overdrafts. In line with market conditions, some loans were granted without collateral, e.g. against land charges or rights of lien.

As at the reporting date, the aggregate amount of loans granted to members of the Supervisory Board was €417,000 compared with €577,000 in the previous year.

Commerzbank Aktiengesellschaft did not have any contingent liabilities relating to members of the Supervisory Board in the year under review.

Other details

D&O liability insurance

There is a Directors and Officers (D&O) liability insurance policy for members of the Board of Managing Directors and the Supervisory Board. The excess for members of the Supervisory Board and the Board of Managing Directors is set at 10% of the claim up to a maximum of 150% of the fixed annual remuneration for all insurance claims made within a single year.

Purchase and sale of the Company's shares

Pursuant to Art. 15a of the German Securities Trading Act, transactions by executives of listed companies and their families must be disclosed and published. Accordingly, purchases and disposals of shares and financial instruments relating to Commerzbank to the value of €5,000 per annum and upwards must be reported immediately and for the duration of one month. The Bank applies this reporting requirement to the Board of Managing Directors and the Supervisory Board, in line with the recommendations in the Guide for Issuers of the German Federal Financial Supervisory Authority (BaFin).

In 2010, no members of Commerzbank's Board of Managing Directors and Supervisory Board reported directors' dealings in Commerzbank shares or derivatives thereon, apart from the following disclosure[2]:

Date	Disclosing party	Relation	Participant	Purchase/ sale	No. of shares	Price (€)	Trans-action volume (€)
24.2.2010	Sulmana Vermögensverwaltung GmbH Person initiating the disclosure requirement: Prof. Dr.-Ing. Dr.-Ing. E. h. Hans-Peter Keitel		Member of Supervisory Board	P	3,000	5.439	16,317.00

All told, the Board of Managing Directors and Supervisory Board held no more than 1% of the issued shares and option rights of Commerzbank Aktiengesellschaft on December 31, 2010.

[2] The directors' dealings have been published on Commerzbank's website under "Directors' Dealings".

Information pursuant to Art. 289 of the German Commercial Code

Information pursuant to Art. 289 para. (4) of the German Commercial Code and explanatory report

Structure of the share capital

Commerzbank has issued only ordinary shares, the rights and duties attached to which arise from statutory provisions, in particular Arts. 12, 53a et seq., 118 et seq. and 186 of the German Stock Corporation Act. The share capital of the company totalled €3,071,517,607.60 at the end of the financial year. It is divided into 1,181,352,926 no-par-value shares. The shares are issued in bearer form.

Appointment and replacement of the members of the Board of Managing Directors and amendments to the Articles of Association

The members of the Board of Managing Directors are appointed and replaced by the Supervisory Board pursuant to Art. 84 of the German Stock Corporation Act and Art. 6 (2) of the Articles of Association. Pursuant to Art. 6 (1) of the Articles of Association, the Board of Managing Directors comprises a minimum of two people; in all other respects the Supervisory Board defines the number of members on the Board of Managing Directors in accordance with Article 6 (2). If there is a vacancy on the Board of Managing Directors for a required member and the Supervisory Board has not appointed a replacement, in urgent cases one will be appointed by a court pursuant to Art. 85 of the German Stock Corporation Act. Each amendment to the Articles of Association requires a resolution of the Annual General Meeting under Art. 179 sentence 1 of the German Stock Corporation Act. Unless the law mandates a majority, a simple majority of the represented share capital is adequate to pass resolutions (Art. 19 (3) p. 2 of the Articles of Association). The authority to amend the Articles of Association, provided such amendments affect merely the wording of an article with no change in substance, has been transferred to the Supervisory Board under Art. 10 (3) of the Articles of Association in compliance with Art. 179 (1) sentence 2 of the German Stock Corporation Act.

Powers of the Board of Managing Directors

According to the terms of Annual General Meeting resolutions from May 19, 2010, Commerzbank is authorized to acquire its own shares in the amount of up to 5% of the share capital pursuant to Art. 71 (1) (7) of the German Stock Corporation Act. This authorization expires on May 18, 2015.

The Board of Managing Directors, with the approval of the Supervisory Board, is authorized to increase the share capital by a total of €1,535,000,000.00 by issuing new shares under Art. 4 (3) (Authorized Capital 2010) of the Articles of Association applicable on December 31, 2010.

Moreover, the Annual General Meeting on May 19, 2010 has given the Board of Managing Directors the authority to issue convertible bonds or bonds with warrants and/or profit-sharing certificates (both with and without conversion or option rights) with the possibility of excluding shareholders' pre-emptive rights. Conditional capital of up to €702,000,000.00 is available for this purpose according to Art. 4 (4) of the Articles of Association (Conditional Capital 2010/I). Furthermore, as resolved by the Annual General Meeting of May 2009, the capital was conditionally increased by up to €390,000,000.00 under Article 4 (5) of the Articles of Association and by up to €355,666,667.20 under Article 4 (6) of the Articles of Asso-

ciation (Conditional Capital 2009 and Conditional Capital 2010/II). The Conditional Capital 2009 and Conditional Capital 2010/II exist to enable the issuance of shares in the event of the exercise of conversion rights by the Financial Market Stabilization Fund.

For details of the authorized capital increase and conditional capital increase, particularly regarding maturities and terms and conditions of exercise, please refer to the explanations in Notes 28 und 29.

The authority of the Board of Managing Directors to increase share capital from authorized and conditional capital and to issue convertible bonds or bonds with warrants or profit-sharing certificates allows the Bank to respond appropriately and promptly to changed capital needs.

Material agreements in the event of a change of control following a takeover bid

In the event of a change of control at Commerzbank, an extraordinary right of termination in favour of certain contract parties has been negotiated by Commerzbank under ISDA master agreements. In general, the right of termination is also conditional upon a material deterioration in Commerzbank's credit standing. In the event of this type of termination, the individual agreements signed under these master agreements would have to be settled at fair value as determined on any stock exchange trading day. The possibility cannot however be excluded that, if an individual customer with an especially large volume of business terminates a contract, Commerzbank's net assets, financial position and operating results could nevertheless be heavily impacted due to the Bank's potential payment obligations.

Change of control clauses

The new remuneration system for the Board of Managing Directors introduced for 2010 contains no change of control clauses. In cases where the previous contracts of employment of individual members of the Board of Managing Directors still contained change of control clauses, the latter expire at the end of the current term of office of the member concerned.

Where change of control clauses still apply, the member of the Board of Managing Directors is entitled to terminate his or her contract of employment in the event that a shareholder acquires at least a majority of the voting rights represented at the Annual General Meeting, or that an affiliation agreement is signed with Commerzbank as a dependent entity, or in the event of Commerzbank being merged or taken over (change of control). If the member of the Board of Managing Directors utilizes this right to terminate his or her contract and the Supervisory Board accepts their resignation from the Board of Managing Directors or if, in connection with the change of control, their membership of the Board ends for other (i.e. defined) reasons, they are entitled to compensation for the remainder of their term of office equal to 75% of their average total annual pay (basic salary and variable bonus) plus a severance payment equal to their average total annual remuneration for two to four years. The compensation and severance payment taken together may not exceed the average total annual remuneration for five years or the average total annual remuneration for the period up to the board member's 65th birthday. With regard to retirement benefits and long-term performance plans, members of the Board of Managing Directors are essentially treated as if they had remained on the Board of Managing Directors until the end of their current term of office. There is no entitlement to severance pay if members of the Board of Managing Directors receive payments in connection with the change of control from the majority shareholder, the controlling company or the new legal entity in the event of a merger or acquisition.

The contracts of employment of Mr. Klösges, Mr. Reuther, Mr. Sieber and Mr. Zielke contain no change of control clauses; in the case of Mr. Annuscheit and Mr. Beumer, these

clauses expired on December 31, 2010 at the end of their most recent term of office. For Dr. Schmittmann, the compensation and severance payment taken together may not exceed either the average total annual remuneration for three years or 150% of the total remuneration due for the residual term of office at the date of the termination of the employment contract.

In a few exceptional cases, individual managers in Germany and abroad have also received an assurance that their remuneration will continue for a certain transitional period of up to five years effective from the start of their activities for the Bank in the event that they leave the Bank in connection with a change of control at Commerzbank.

Equity holdings that exceed 10% of the voting rights

The Financial Market Stabilization Fund holds a stake of 25% plus one share in the voting capital of Commerzbank Aktiengesellschaft; the Allianz Group holds a stake of more than 10% and less than 15% in the voting capital of Commerzbank as disclosed under the Securities Trading Act (WpHG).

There are no further facts that need to be declared under Art. 289 (4) of the German Commercial Code.

Information pursuant to Art. 289 para. (5) of the German Commercial Code

The aim of the internal control and risk management system in respect of financial reporting is to ensure that the annual and consolidated financial statements provide a true and fair view of the net assets, financial position and results of operations in accordance with the applicable accounting standards under the German Commercial Code and IFRS. The internal control system and the risk management system at Commerzbank are integrated as regards their methodology and implementation, both with a view to financial reporting. In the following, we shall therefore use the term ICS (internal control system). Details of the risk management system can be found in the risk report on pages 41 to 72.

The aim of proper financial reporting is endangered by risks that affect the financial reporting. Risks are deemed to be the possibility that the objective stated above might not be attained and material information in the financial reporting might be inaccurate. The Bank regards information as material when its absence or misstatement could influence economic decisions taken by those to whom it is addressed, regardless of whether this arises from a single matter or a combination of several.

Risks to financial reporting may arise from errors in business processes. Fraudulent behaviour can also result in the inaccurate reporting of information. The Bank therefore has to ensure it minimizes the risks of incorrect statement, measurement or presentation of financial reporting information.

The Commerzbank ICS seeks to provide sufficient certainty that it complies with the relevant legal requirements, that business is conducted in a proper and cost-effective manner and that financial reporting is complete and accurate. It is important to note that despite all measures the Bank may take, the ICS methods and procedures used may offer sufficient certainty but never absolute certainty.

No material changes have been made to the financial reporting ICS since the balance sheet date.

Legal basis and guidelines

Article 289 (5) of the German Commercial Code requires companies to describe the material features of their ICS in the management report. Commerzbank follows the principles for

bank-specific organization of the internal control system set out in the Minimum Requirements for Risk Management (MaRisk).

The Bank's internal control system is structured in line with the internationally-recognized framework developed by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The COSO framework is used at Commerzbank to achieve the following objectives:

- That business processes be effective and efficient;
- That applicable laws and regulations be observed;
- That financial reporting be reliable.

As regards the risk assessment of the reporting process required by COSO in respect of the reliability of financial reporting (for example, ensuring that all transactions are fully and correctly recognized in the financial statements), the Bank follows the recommendations of the International Standards of Auditing and Quality Control, No. 315, 2009 Edition (hereinafter referred to as ISA number 315).

Organization

The ICS of the Bank is based on a detailed governance framework for good management. This sets uniform and binding minimum standards for all units with regard to their organizational structure in respect of documentation and updating. The primary feature is the principle of clear allocation of responsibility, starting with the schedule of business responsibilities for the Board of Managing Directors and ending with the individual approval authorities of each employee. The scope and structure of the governance framework follows both the legal and regulatory requirements and also the "Commerzbank corporate constitution" approved by the full Board of Managing Directors. The governance framework translates the main guiding principles of the corporate constitution into practical rules and contains the following elements:

- Plan for allocating the business responsibilities of the Board of Managing Directors
- Rules of procedure
- Organization chart
- Business remits of the units
- Job descriptions
- Schedule of approval authorities

Where tasks in the Bank by their nature cannot be combined, they are organized into different areas applying the principle of separation of functions. Strict controls are also carried out using the dual-control principle to minimize risks in financial reporting.

Responsibility for implementing, executing and applying the Bank's ICS lies primarily with the Board of Managing Directors; as regards the reporting process, this lies with the CFO. The Board of Managing Directors is responsible for structuring the ICS throughout the Bank and demonstrating that it is appropriate, while the CFO is responsible for structuring the controls through appropriate controlling measures, embedding these in processes and ensuring that the ICS is effective for financial reporting. The CFO is responsible for ensuring that the annual and consolidated financial statements are properly prepared.

The Supervisory Board oversees financial reporting, mainly through the Audit Committee set up for this purpose. The responsibilities of the Audit Committee also include ensuring that the auditor is independent, appointing the auditor, setting the focus of the audit and agreeing the fee. During the year Group Audit reports to the Supervisory Board and its appointed committees about the work it has carried out and its material findings.

Group Management Finance (GM-F), which reports directly to the CFO, is responsible for ensuring that the financial statements are drawn up in compliance with the relevant laws and internal and external guidelines. GM-F produces the separate financial statements of Commerzbank and consolidates the separate financial statements of Group companies to produce the Group financial statements.

Within GM-F, Accounting Policies & Guidelines is the department responsible for drawing up and communicating Group-wide accounting guidelines. It supports consistent and correct accounting treatment across the Group by drawing up and co-ordinating accounting guidelines. Published guidelines are monitored on an ongoing basis to see if they need updating, which is carried out as required. Regular staff training sessions are also held on relevant issues. This is complemented by more detailed working instructions on the Bank's intranet.

GM-F is supported in producing financial statements by other corporate divisions. Of particular importance here is Group Information Technology, which is responsible for providing and upgrading the accounting IT systems used.

Controls to minimize risk

Controls at the Bank are integrated directly into operating processes, either technically or manually (i.e., by means of organization). Technical controls are used in the IT systems employed and consist, for example, of check sums and verification digits. Technical controls are often complemented by manual controls such as screen approvals carried out by the responsible employees. Data quality on initial entry into systems is ensured by organizational measures such as the dual-control principle, delegation of powers of approval and the separation of functions, and by technical measures such as issuing IT approval authorities. Additional controls during further processing guarantee that the data entered and used is complete and accurate.

The financial reporting process

The financial reporting procedures at Commerzbank are supported by various IT systems integrated into each process. As part of the input process for financial reporting, all information relevant for drawing up the financial statements of Commerzbank Group under IFRS and Commerzbank Aktiengesellschaft under the German Commercial Code is submitted to head office by the reporting units (Commerzbank Aktiengesellschaft Germany, subsidiaries and foreign branches). Data is transmitted via a separate online system directly into SAP EC-CS consolidation software, which has been adapted to meet the Bank's requirements. Subsidiaries generally submit IFRS data, German and foreign branches also submit data under the German Commercial Code . Data is automatically checked for consistency before transmission to head office. Once the plausibility checks have been successfully completed, individual reports can be finalized. Further plausibility checks are carried out using this data in head office. After these controls have been successfully completed, all the necessary steps are taken to produce the consolidated Commerzbank Group financial statements under IFRS and Commerzbank Aktiengesellschaft single-company financial statements under the German Commercial Code. Drawing up the Group financial statements involves various individual steps (e.g. consolidating equity, liabilities, income and expenses), currency translation and the elimination of intra-Group profits.

Segment reporting (Private Customers, Mittelstandsbank, Central & Eastern Europe, Corporates & Markets, Asset Based Finance and the Portfolio Restructuring Unit) is done on a separate IT system. This involves reconciliation with the data from accounting.

Monitoring by Group Audit

Group Audit provides auditing services for the Board of Managing Directors independently, objectively and in a risk-oriented manner so as to support Commerzbank's business processes in terms of their compliance, security and cost-effectiveness. It supports the Board of Managing Directors by evaluating the effectiveness and appropriateness of the internal control system and risk management, provides support on key projects in an internal auditing capacity and issues recommendations. In doing so, it plays a part in securing business processes and assets. Group Audit's activities complement the work of the subsidiaries' auditing activities within the framework of risk management.

Group Audit is directly accountable to the Board of Managing Directors and reports to that body. It performs its functions autonomously and independently. With regard to reporting and the assessment of audit results, it is not subject to any directives. Based on MaRisk, Group Audit's auditing activities, underpinned by the principle of risk-oriented auditing, extend to all of the Group's activities and processes, regardless of whether these take place within the Group or are outsourced. The task of auditing the effectiveness and appropriateness of the ICS covers the risk management and controlling systems, reporting, information systems and financial reporting. In performing its duties, Group Audit has an unrestricted right to information.

Group Audit promptly prepares a written report on each audit; the responsible members of the Board of Managing Directors are among the recipients of the report. On the basis of these audit reports, Group Audit oversees and documents the steps taken to remedy the deficiencies identified within the specified time. If such deficiencies are ignored, an escalation process comes into effect. In addition, Group Audit prepares an annual report on the audits that it has carried out during the course of the financial year, the material deficiencies identified and the measures taken, and presents this report to the Board of Managing Directors.

Initiatives to further enhance the ICS as regards financial reporting

As part of the Dresdner Bank integration, the ICS is being adapted and enhanced to meet the requirements of the new Group. To this end, the internal Control Environment Initiative (CEI) has been implemented at GM-F. The aim of CEI is to manage all risk-related processes by applying a uniform method to report and assess risk. In addition, it seeks to strengthen the ICS in the area of financial reporting by a regular assessment of the effectiveness and efficiency of controls and by regularly checking how controls are implemented.

The CEI is based on a refined version of the GMF "process map", which is a top-down representation of all key processes with descriptions of procedures. For this, risks affecting the reliability of financial reporting are identified using the COSO framework. The Bank also follows the recommendations of ISA 315. This involves checking whether a risk can be assigned to one of the following three categories and their various aspects:

- Statements on types of business transaction: their occurrence, completeness, accuracy, allocation to correct period and allocation to correct account;
- statements on account balances at the reporting date: availability, rights and duties, completeness, measurement and allocation;
- statements on presentation in the financial statements and on the information contained in the financial statements: occurrence, rights and duties, completeness, reporting and comprehensibility, accuracy and measurement.

Suitable controls are implemented to minimize the risks identified. For the effectiveness of the ICS it is the design, i.e. the way the controls are structured into appropriate steps and embedded into each process, and the way they are performed at the operating level, that is the decisive factor in minimizing risk. Shortcomings identified by Group Audit as part of its activities are remedied by an action plan. Group Audit monitors that action plans are implemented as scheduled and reports on this to the Board of Managing Directors.

This consistent procedure is intended to ensure that risks are identified, minimized and any faulty developments on the operational side avoided.

Information pursuant to Art. 289a of the German Commercial Code

Information pursuant to Art. 289a of the German Commercial Code, "Declaration on corporate governance", is publicly accessible on the website of Commerzbank Aktiengesellschaft at www.commerzbank.de.

Business and overall conditions

Economic environment

The global economy continued to recover from the financial and economic crisis in 2010. Global GDP grew by an average for the year of around 4.5%, which was almost as strong as in the pre-crisis years. The drivers of this growth were again the emerging markets in Asia, which were much less affected by the crisis than the industrialized nations, but even the trend in the latter countries pointed upwards once again. Nevertheless, the economy was clearly held back in many countries by the fact that the excesses of the past had to be corrected, particularly in the real estate sector and in consumer and corporate debt levels. As a result, growth in the US economy was no stronger than the average of the past ten years despite massive fiscal and monetary stimulus. Unemployment remained high, causing the US Federal Reserve to ease its monetary policy further in the autumn.

In the eurozone, the government debt crisis was an additional adverse factor. As Greece only managed to stave off insolvency in the spring through loans from other euro countries, more and more investors began to doubt the long-term viability of the public finances of other eurozone countries as well. Consequently, some of the prices of those countries' government bonds fell sharply and their yield premiums against German bunds rose significantly amid strong fluctuations. The subsequent higher funding costs made the long-term outlook for those countries' public finances look even bleaker. Even Ireland had to seek a bail-out at the end of the year, as it required huge resources to prop up its banking system. Although the direct effect of this turbulence on the eurozone's economy was held in check, the sweeping measures taken under pressure from the markets to consolidate the public finances continued to hold back growth in those countries. As a result, economic growth in the eurozone was rather disappointing in 2010 at around 1.7%.

This was compounded by the fact that the performance was largely due to the strong upturn in the German economy alone which, with a rate of 3.6%, saw its strongest growth since reunification. Various factors were decisive here: the past few years have seen no real estate boom or a rise in private or corporate debt in Germany, therefore there was no need for a correction. The same applied to its public finances, where there was much less of a need for consolidation compared to most other eurozone countries. As a result, the German economy benefited fully from good overall conditions, particularly extremely low interest rates and the recovering global economy. Finally, the excellent position of German companies in the rapidly growing emerging markets and the price-driven competitiveness of German products that had improved in the past few years had a positive impact. The upturn was based not only on robust external demand, but also on the fact that companies began investing again on a significant basis. There were also positive trends in retail consumption, although economic output overall still did not reach pre-crisis levels.

The capital markets were primarily dominated by the government debt crisis and subsequent discussions on whether the US economy would fall into recession. Both these factors dragged down yields on 10-year bunds to new record lows of just over 2% before they rose again towards 3% at year-end as fears of recession in the United States began to subside. The improved outlook for the global economy also boosted share prices substantially towards year-end, with the DAX briefly reaching the 7,000 mark, its highest level since mid-2008. The euro had its ups-and-downs, depending on whether concerns focused on the US economy or on the government debt crisis. Overall, however, it lost significant ground against the dollar.

Sector environment

The environment for banks in 2010 was also dominated by a consolidation and stabilization phase after the financial crisis, with the sector's profitability situation improving slightly. In the first half of the year, the median return on equity for major European banks was around 8% according to ECB figures. It was still close to 3% in 2009 and around 2% in 2008. The main reasons for the increased profitability of many banks were lower loan loss provisions and higher interest rate margins. Improved efficiency and cost savings also played a part.

The increase in profitability meant that many banks repaid government aid or investment capital, which led to some very large-scale capital increases on the market. In the last few quarters, banks also reduced their leverage, i.e. the ratio of total assets to equity, and improved capital ratios worldwide, according to ECB analyses. The market is demanding greater capital adequacy in the banking industry. Legislators worldwide are also pressing for stricter capital adequacy and better liquidity regulations in the banking sector through legislative measures. The sector can expect a range of tighter regulatory controls under Basel III. Direct industry-specific levies, such as the banking tax in Germany, have been introduced. Sector-specific operating conditions are becoming tougher at both the national and international level. Commerzbank too has been de-leveraging and improving its capital ratio.

The highly intensive competitive situation in Germany's banking industry is reflected in a variety of segments.

Despite banks' funding terms improving in 2010 compared to the two previous years, banks nationally and internationally were competing aggressively to secure deposits as funding. It was also apparent to us, as to most other German banks, that private customers were somewhat reluctant to buy securities products. In corporate customer business, the banking industry benefited from improved lending margins and Germany's high economic growth. Investment banking made a largely positive contribution to bank results in 2010. This was the case for both the sector as a whole and for Commerzbank. However, the ECB reported that bank trading profits deteriorated again in the second and third quarters of 2010 due to greater market volatility and lower trading activities. In real estate finance, developments in Europe's real estate markets were varied. Some countries such as Ireland were badly hit by the crisis, but others such as France saw a positive development. Concerted political moves prevented the international debt crisis in European peripheral countries from escalating in 2010. This meant that the effects on the banking sector were not serious, although the budget and debt problems of some European countries remain a risk factor for the entire sector.

Important business policy events

Focus on core business

Commerzbank also made further progress in 2010 in concentrating on its core business and complying with EU requirements. We sold the companies listed below following approval from the supervisory authorities:

At the beginning of February, both the sale of the remaining shares in Austrian Privatinvest Bank AG held by Commerzbank to Zürcher Kantonalbank and the sale of the Dutch asset manager Dresdner VPV to the management were completed. Privatinvest Bank AG was previously held by Reuschel & Co. Privatbankiers, with its head office in Salzburg and a branch in Vienna. Its business activities include financial planning, asset management and liquidity management. As at the end of June 2009, Privatinvest Bank AG employed around 50 staff and had assets under management of approximately €600m. As at the end of 2008, Dresdner VPV employed about 60 staff and had €1.2bn in assets under management.

At the end of March, Commerzbank completed its sale of Dresdner Van Moer Courtens and the Belgium branch of its subsidiary Commerzbank International S.A. Luxembourg (CISAL), which focuses on affluent private customers, to the management of Dresdner Van Moer Courtens. Dresdner Van Moer Courtens concentrates on wealthy private customers and securities trading. At the end of 2009 the two institutions together managed assets of €630m and employed 45 staff. The Brussels branch of Commerzbank Aktiengesellschaft Frankfurt, which specializes in the corporate customer segment, will continue to be run by Commerzbank.

At the beginning of June Commerzbank sold its subsidiary Commerzbank International Trust Singapore (CITS) to the Trident Trust Group. CITS specializes in fund management and fiduciary services for private and corporate clients. At the end of 2009 it managed assets of €930m. Commerzbank's other activities in Singapore have not been affected by the transaction.

At the beginning of July Commerzbank completed the sale of its Kleinwort Benson operations to Beteiligungsgesellschaft RHJ International. The transaction involved the sale of the companies Channel Islands Holdings Limited and Kleinwort Benson Private Bank Limited, specialists in asset management and fiduciary transactions in the UK and Channel Islands. At the end of 2009 their Wealth Management units had assets under management of some GBP5.6bn (€6.3bn) and employed more than 600 staff. Commerzbank's investment banking activities, comprising the investment banking arm of the former Dresdner Kleinwort and Commerzbank Corporates & Markets activities, were unaffected by the transaction.

In July Commerzbank AG also sold its subsidiary Allianz Dresdner Bauspar AG (ADB), a savings and loan specialist, to Wüstenrot Bausparkasse AG. Commerzbank and Wüstenrot also agreed a long-term exclusive distribution venture for savings and loan products which came into effect on September 2, 2010. Wüstenrot's products are attractive for Commerzbank's customers and will strengthen the Bank's position in the market. As at the end of 2009, Allianz Dresdner Bauspar had total deposits of €21bn and employed a staff of approximately 350.

At the beginning of September, Commerzbank completed the sale of Dresdner Bank Monaco S.A.M. to Lebanon's Bank Audi sal-Audi Saradar Group. Dresdner Bank Monaco S.A.M. is active in affluent private customer business, focussing on Monaco, southern France and northern Italy. At the end of 2009, it had assets under control of €251m and employed 19 staff.

At the end of 2010 Commerzbank sold its subsidiary montrada GmbH, which specializes in the processing of card payments, to the Dutch firm Equens SE. Commerzbank and Equens have also signed an agreement for a five-year exclusive sales partnership for card-based payment products, including cash withdrawals from ATMs for Master and Visa card holders.

The sale of the following company is still subject to official approval:

In mid-September Commerzbank announced the sale of its Brazilian subsidiary Dresdner Bank Brasil S.A. Banco Múltiplo to Canada-based Scotiabank. The background to the transaction is Commerzbank's strategic realignment, which also involves the divestment of non-core activities. Based in São Paulo, Banco Múltiplo is mainly focused on activities in investment banking business. he Commerzbank representative office in São Paulo, which primarily supports the Bank's corporate customers with trade finance services and payment products, will not be affected by the transaction. Similarly unaffected is Commerzbank's Brazilian investment banking arm, with its activities in equity derivatives, commodities, currency and bond trading for private banks and institutional clients.

Capital measures at BRE Bank and Bank Forum

On March 1, 2010, Poland's BRE Bank announced a capital increase with an inflow of funds of 2bn Polish zloty (approximately €500m) which was approved at BRE Bank's annual general meeting in Warsaw on March 30, 2010. Commerzbank exercised its subscription rights fully in the planned capital increase of BRE Bank, in which it holds around 69.8% of shares.

At the beginning of March 2010, Commerzbank acquired a further 26.3% holding in Ukraine's Bank Forum, thereby increasing its stake to 89.3%. The shares derive from the indirect ownership of a former minority shareholder which is no longer a shareholder following the sale of this stake. The parties have agreed to maintain confidentiality about the purchase price and other details. The shareholders of Bank Forum approved a capital increase of 2.42bn Ukrainian hryvnia (approx. €240m) at an extraordinary shareholders' meeting on March 4. This has increased Commerzbank's stake in Bank Forum to 94.5%. At Bank Forum's general meeting on October 14, 2010, shareholders voted in favour of a further capital increase of 1.5bn Ukrainian hryvnia (approximately €134m). Commerzbank participated in the capital increase in proportion to its holding.

Earnings performance, assets and financial position

Income statement

For the 2010 financial year, Commerzbank Aktiengesellschaft made a net loss of €1,151m following a net loss of €7,576m the previous year. The loss for 2010 was offset against withdrawals from retained earnings in the same amount, producing a net distributable profit for the 2010 financial year of €0.0. This ensures that hybrid capital instruments coupled to Commerzbank Aktiengesellschaft's net distributable profit under the German Commercial Code will not be written down. No dividend will be paid out for 2010.

The loss for 2010 is primarily the result of necessary impairment losses on investments in subsidiaries and associates, which are reflected in expenses from the transfer of losses, and from the impact of the first-time application of the requirements under the German Accounting Law Modernization Act (BilMoG)

The changes in the individual earnings components are set out below.

Net interest income, which is the balance of interest income less interest expense – including current income from equities, investments in associates and holdings in affiliated companies and as well as subsidiaries with profit-and-loss transfer agreements – was down by €1,831m year-on-year to €5,126m. This decrease can be attributed in particular to a clear drop in income from profit-and-loss transfer agreements with subsidiaries, which fell €785m to €93m. The main factor behind this development was the high level of prior-year income produced by sales of interests in subsidiaries. A similar contraction was witnessed in current income from equities, investments in associates and holdings in affiliated companies, which fell by around 61% year-on-year to €305m in connection with the reduction of non-strategic investments.

Net commission income decreased by 8.6% or €258m compared with the previous year, to €2,731m. The fall in commission income is attributable in particular to customers' reluctance to buy securities and a lower level of income from syndication business year-on-year. The rise in commission expense is related to broader-based commission offsetting within the Group, itself a result of the integration of the former Dresdner Bank.

Net income from the trading portfolio increased €2,658m year-on-year to €1,953m. Approximately half of this change can be attributed to shifts in net interest income due to the first-time application of the requirements under BilMoG. The improvement from operating activities was primarily the result of higher income from structured credit products. Overall, the Bank's trading units benefited from the improvement in conditions on the financial markets versus the prior year.

The balance of other operating income and expenses came to €19m after €-288m in 2009. Other operating income mainly resulted from the release of provisions not related to lending business, with releases pertaining in particular to restructuring measures and variable remuneration as well as to other types of personnel cost provisions.

Operating expenses amounted to €7,004m in the year under review following €7,459m the previous year. As a result of the roughly 2% decrease in the average number of employees from 42,382 in 2009 to approximately 41,614 in the year under review, personnel expense contracted by 3.6% to €3,699m. Other administrative expenses fell by 8.8% to €3,305m over the same period, due primarily to changes in internal service provision processes and service accounting processes resulting from the integration of the former Dresdner Bank.

Depreciation, amortization and impairments of intangible assets and fixed assets decreased by €89m to €250m in the year under review. The decrease was largely attributable to real estate revaluations which had to be reported in the previous year as part of the merger of Dresdner Bank.

Write-downs and valuation allowances on loans and certain securities and allocations to loan loss provisions amounted to €831m after €1,687m in 2009. In the year under review, net income from our securities liquidity portfolio was impacted to a significant degree by realized gains and write-ups, which contrasted with a nearly equivalent level of write-downs. In respect of loan loss provisions, there was a clear drop in the required level of net allocations to specific risks

Income from write-ups on investments in associates, holdings in associated companies and securities accounted for as fixed assets amounted to €4m in 2010. In 2009 write-downs and valuation allowances in an amount of €1,119m were necessary.

Expenses from assuming the losses of subsidiaries with profit-and-loss transfer agreements increased 41.2% year-on-year to €2,891m. A major factor in this strong increase was the loss compensation at Commerzbank Inlandsbanken Holding GmbH, due primarily to a write-down on Eurohypo AG and the assumption of the 2010 loss at our subsidiary Eurohypo AG.

This then produced a result from ordinary business activities amounting to €–1,143m. The extraordinary loss of €220m can be attributed to the expenses and income resulting from the first-time application of the requirements of BilMoG. After tax income of €212m stemming primarily from the retrospective recognition of deferred tax assets abroad, the overall result for 2010 was a loss of €1,151m.

Balance sheet

The financial statements for 2010 were compiled in accordance with the requirements of BilMoG for the first time. The comparison with the prior year which follows, however, is based on the values reported in the balance sheet as at year-end 2009.
Total assets of Commerzbank Aktiengesellschaft remained largely stable in 2010 with a 1% decrease to €624.6bn.

On the assets side, the cash reserve decreased by 14.2% to €6.5bn. Balances held at the Deutsche Bundesbank fell, whereas those with central banks in other countries increased. Claims on banks witnessed a year-on-year increase – caused primarily by cash collaterals – of 7.7% to €180.2bn. In contrast, claims on customers fell 11.3% to €184.2bn, due essentially to the decline from loan receivables and lower level of reverse repos. Bonds, notes and other interest-related securities declined €63.4bn to €40.0bn. Under the requirements of BilMoG, securities attributable to the trading portfolio were reclassified as assets included in the trading portfolio (item reported for the first time in accordance with BilMoG). The trading portfolio posted a volume of €183.3bn. Other assets amounted to €11.6bn, which represents a drop of €93.5bn. Due to requirements under BilMoG, other assets attributable to the trading portfolio were reclassified as trading portfolio assets. The first-time application of BilMoG likewise had an impact on deferred tax liabilities, with this item increasing by €1.6bn to €2.1bn.

On the liabilities side, liabilities to banks fell by 8.5% to €139.6bn. The fall in liabilities to customers was less pronounced, with a 3.9% drop to €207.9bn, and the decrease was most noticeable within liabilities of up to one year. Securitized liabilities witnessed a substantial drop of 43.7% compared to year-end 2009 to €48.6bn. This development was due in particular to a maturity-related reduction in the bonds, notes and money market instruments issued. Trading portfolio liabilities recorded a volume of €160.3bn. The first-time application of BilMoG also impacted on the trading portfolio on the assets side. No comparable data existed as at year-end 2009.

The clear decrease of €95.5bn in other liabilities to €26.0bn is also attributable to the BilMoG reclassification of liabilities from trading derivatives to the trading portfolio. Subordinated liabilities contracted by €0.9bn year-on-year to €11.2bn, whereas profit-sharing certificates dropped by €0.3bn to €1.0bn. Off-balance-sheet liabilities also declined year-on-year: contingent liabilities fell by 5.1% to €36.2bn and irrevocable lending commitments by 16.9% to €59.6bn.

Capital and reserves

Reported equity in the balance sheet of Commerzbank Aktiengesellschaft as at December 31, 2010, was 2.2% or €496m higher year-on-year at €23.2bn, primarily as a result of positive effects from the first-time application of BilMoG, which offset part of the loss recorded for the year.

Subscribed capital remains practically unchanged at €21.1bn. It contains share capital of €3.0bn, which has changed only marginally versus 2009. The reason for the slight reduction was the BilMoG-related deduction of the nominal amount of treasury shares held (€24m) from subscribed capital. Within subscribed capital, the silent participation from SoFFin remained at €16.4bn. Similarly unchanged was the silent participation from Allianz at €750m. Both participations receive interest at a rate of 9%, provided Commerzbank Aktiengesellschaft presents a net distributable profit under the German Commercial Code. Commerzbank made no earnings-related payments in respect of the silent participations for 2010. The participation of HT1 Funding GmbH is also part of subscribed capital; this participation likewise remained unchanged at €842m.

Due to the first-time application of BilMoG, the gains realized on the sale of treasury shares during 2010 resulted in a slight increase of €3m in the capital reserve, which continued to amount of €1.6bn. BilMoG resulted in first-time application effects of €1.7bn in retained earnings. These can be broken down into €0.3bn from imputed interest on long-term provisions and the incorporation of price and cost increases as at January 1, 2010 which were taken through retained earnings with no effect on the income statement. A further €1.4bn came from the capitalization of deferred taxes. This net positive effect from the first-time application of BilMoG was largely absorbed by the loss for the year of €1.2bn, with retained earnings thus amounting to €0.5bn overall.

Since 2007 the Bank has made use of the waiver rule of section 2a KWG, which means it only reports risk-weighted assets and capital ratios for the financial institution group to the supervisory authority. These risk-weighted assets contracted versus year-end 2009 by €12.6bn to €267.5bn. The core capital ratio rose to 11.9%, up from 10.5%. The core Tier 1 ratio, which is important in relation to Basel III, amounted to 10.0%, after a figure of 9.2% in 2009. In accordance with the Capital Requirements Directive (CRD II), the silent participation from Allianz and the participation from HT1 Funding GmbH which was previously accounted for on the basis of hybrid capital are no longer incorporated into the ratio. Both the core capital ratio and the core Tier 1 ratio are well above our mid-range target corridor, which is between 7% and 8% for the core Tier 1 ratio. Our own funds ratio was 15.3% on the reporting date.

Summary of 2010 business position

Even though the loss for 2010 was significantly smaller than that for 2009, we cannot be satisfied with another loss. The valuation allowances which became necessary on the carrying values of investments – and in particular those belonging to Eurohypo AG – clearly made themselves felt on results. The public finance and real estate markets in which Eurohypo AG and Commerz Real AG are active have not yet recovered, with the result that these two companies made clear losses in 2010. Against this backdrop, our earnings expectations could not become a reality. In light of the continuing economic crisis in Ukraine, write-downs were also necessary in connection with our subsidiary Bank Forum. In order to secure the future prospects of Commerzbank, we continued to reduce risks in 2010 and, in particular, pushed ahead with the reorientation of Eurohypo AG and Commerz Real AG.

Report on events after the reporting period

Commerzbank took an important step towards optimizing its capital structure in mid-January 2011. Under an agreement, Credit Suisse Securities (Europe) Limited ("Credit Suisse") acquired from investors hybrid equity instruments or Trust Preferred Securities issued by companies of the Commerzbank Group, in its own name and for its own account, at prices below the nominal value and contributed them as a contribution in kind in exchange for new shares issued from the authorized capital of Commerzbank. On January 13, a syndicate of banks comprising Credit Suisse, Citigroup, Goldman Sachs and UBS placed around 118.1 million shares with institutional investors, the equivalent of 10% less one share of Commerzbank's previous share capital. The Board of Managing Directors and Supervisory Board of Commerzbank adopted the resolutions required for the non-cash contribution on January 21, 2011. The Financial Market Stabilization Fund (SoFFin) maintained its equity interest ratio in Commerzbank of 25% plus one share upon completion of the transaction. In addition, around €221m of SoFFin's silent participations from the conditional capital created at the 2009 Annual General Meeting was converted into approx. 39.4 million shares. These two capital measures mean that the number of Commerzbank shares rose to 1,339 million in total.

On January 18, 2011, Allianz SE, Munich, Germany, informed us that, based on Art. 21 (1) of the German Securities Trading Act, its voting rights in Commerzbank Aktiengesellschaft, Frankfurt am Main, Germany, had fallen below the threshold of 10% on January 17, 2011, amounting to 9.48% on that date.

On February 24, 2011, the rating agency Moody´s downgraded Commerzbank's long-term rating by two levels from Aa3 to A2 with a stable outlook. The Bank Financial Strength Rating (BFSR) was confirmed at C-. The main factors behind the downgrade are, in Moody's view, the deterioration in the financial strength of Eurohypo AG and a change in Moody´s internal methodology, which anticipates an increasingly lower level of systemic support for banks worldwide in the future.

Outlook and opportunities report

Future economic situation

The upturn in the global economy is expected to continue in 2011 at roughly the same pace as in 2010. We can assume that the momentum from the emerging markets will slow down somewhat, but the US economy in particular will grow stronger than last year. Most of the corrections in the real estate and personal finance sectors there seem to be over. Consequently, the increased momentum provided once more by monetary policy should also be reflected in above-average growth.

Real gross domestic product

Year-on-year change

	2010	2011[1]	2012[1]
USA	2.8%	4.0%	3.5%
Eurozone	1.7%	1.7%	1.8%
Germany	3.6%	3.0%	2.5%
Central and Eastern Europe	4.0%	4.4%	4.0%
Poland	3.7%	4.5%	4.2%

[1] The figures for 2011 and 2012 are all Commerzbank forecasts.

In the eurozone, the government debt crisis and the emerging economic differences between member states will probably remain the major issues. There is a danger of more countries having to seek a bail-out from the European Stabilization Fund; the uncertainty on the markets and the yield premiums on government debt of the countries in question are expected to remain high at the very least. As of today, we do not anticipate the default of a eurozone country. The inevitable consolidation of government finances and the ongoing correction of earlier excesses will place a further brake on the economy. As these growth-hampering factors are no longer a major issue in Germany, its economy should increase by an above-average 3% again in 2011. If it does, it will have more than made up for the ground lost after the Lehman bankruptcy. In addition to strongly growing exports and equipment spending, private consumption should gradually provide further support for the upturn.

Apart from the ongoing government debt crisis, the issue concerning the financial markets will be when and to what extent the major central banks will raise key interest rates. The ECB has flagged that due to increased inflationary risks, it will raise interest rates already in April. We are assuming that further moderate interest rate hikes will ensue. The Fed is likely to follow suit in 2012, if the unemployment rate in the US has further decreased. In view of the continuing upturn in the global economy – and also in the basic scenario of slowly approaching interest rate hikes by the central banks – yields on long-dated government bonds should continue to rise.

However, the euro is expected to suffer from continuing uncertainty about the long-term prospects for currency union. In addition the expectation that the Fed will raise interest rates more than the ECB even if it starts its hikes later, should support the dollar. Consequently, the euro is expected to fall against the US dollar in the medium term.

Exchange rates

	31.12.2010	31.12.2011[1]	31.12.2012[1]
Euro/dollar	1.32	1.32	1.27
Euro/sterling	0.83	0.83	0.81
Euro/zloty	3.95	3.70	3.62

[1] The figures for 2011 and 2012 are all Commerzbank forecasts.

Future situation in the banking sector

Commerzbank's economic assessment is extremely positive. We expect GDP in the eurozone to be 1.7% and 1.8% in 2011 and 2012 respectively. As Commerzbank is well positioned in German Mittelstand and private customer business, it should benefit in particular from economic growth in Germany.

Despite the improved economic expectations, the Bank is slightly more cautious about microeconomic trends in the banking industry. The outlook for the sector is rather restricted in some areas of banking business. Banks are also faced with risks and pressure factors.

Near-term growth prospects for the sector, particularly for new lending, are somewhat subdued as many governments and private households in Europe are having to deleverage. However, there are differences between countries. In Germany the market has not so far perceived any signs of excessive debt. The loan loss provisions of some banks significantly decreased in 2010. We expect this downward trend to continue until 2012 for the banking sector as a whole. The growth prospects for banks' net trading income are also fairly limited in the short term, leaving bond issuance aside, but it is possible at the moment for investment banking to become profitable again in general terms.

We also assume that competition for private customer deposits will intensify in the next few years. This means that margins will remain under pressure in this area. Many banks are reducing their funding through the interbank market. New participants are also entering the deposit business, with a number of foreign banks adopting a relatively aggressive approach in their deposit terms. Competition is correspondingly intense. We will not take part in this, and not just because of the EU Commission's requirements in connection with the SoFFin investment that prevent us from assuming "price leadership" on the terms we offer our customers.

Banks' leverage, i.e. the ratio of their total assets to equity capital, fell throughout the sector in the past few years. This will stay low and is likely to limit earnings growth in the coming years.

From a regulatory perspective, tougher rules on banks' capital adequacy and liquidity provision can be expected as a result of Basel III and this will have an adverse effect on banks' profitability.

Despite the pressure factors outlined here and the additional requirements placed on the banking sector, we do not expect the fundamental sector structures in European countries to change very quickly which means that they will remain relatively stable, even after the financial crisis has ended. Commerzbank will continue its role as one of Germany's leading banks. It has clearly strengthened this position through the takeover and merger of Dresdner Bank. Germany is a rather polypolitical banking market with a relatively low market concentration compared to other European countries on account of the high number of legally independent savings banks and cooperative banks. Although there is a continual process of concentration in savings banks and cooperative associations, this banking structure in Germany will generally remain in place in the next few years.

Expected developments at Commerzbank Aktiengesellschaft

As the Bank is managed via its segments, our discussions in the following sections of the outlook and opportunities report are geared towards the performance of the Commerzbank Group as a whole.

We do not expect any significant improvements in net interest income compared to 2010. Although higher interest rates will benefit the Private Customers segment, and positive momentum will come from the expected normalization of drawdown patterns and rising investment from business customers in the Mittelstandsbank segment, these effects will be partially offset by increased pressure on margins. Loan loss provisions should continue to decline. We expect the risk provisioning requirement to be much lower in the Asset Based Finance segment in particular. Net commission income should improve in 2011, particularly in the second half, due mainly to customers' increased willingness to buy securities and the freeing up of sales staff from the burdens of integration. It is difficult to forecast trading profit, particularly in light of highly volatile financial markets and the resulting impact on the valuation of financial instruments. However, we expect trading profit to be higher in 2011 than in 2010. Operating expenses in 2011 will be determined by strict ongoing cost management and synergies realized. As a result, we anticipate a decrease. The Commerzbank Group should see a significant year-on-year improvement in operating profit in 2011. Based on our current estimates, we are anticipating a positive result in Commerzbank Aktiengesellschaft's parent company financial statements in 2011.

Over the next few years, the Private Customers segment will concentrate on the challenging targets contained in the "Roadmap 2012" strategy programme, which we are looking to achieve through two levers: capturing cost synergies and improving sales performance. We intend to fully capture the synergies of integration in the next few years and significantly reduce our costs. Following customer and product data migration in the second quarter of 2011, the whole Bank will be working in a system that has a standardized range of products and services. After all the efforts made necessary by the integration of technical systems and products, in the second half of 2011 we will be able to enhance our sales activities by advising our customers comprehensively across our branch network. The last major milestone on the agenda is merging pairs of branches that are located close to one another.

This will be happening at over 100 pairs of branches in 2011. These measures are a key component for the future viability and financial success of our Private Customer business. We are also being helped along by the economic environment. We will be able to see the positive effect of the expected increase in interest rates in the market on net interest income. We should also benefit from the performance of capital markets and from our customers' increasing willingness to invest, as this increases our net commission income.

In the Mittelstandsbank segment, the coming years will see us focus clearly on boosting earnings from sales activities. To help achieve this, we will be launching a special growth programme in 2011 which combines various growth initiatives that have already been drawn up. The main aim of this programme is to develop existing potential and new growth fields, and to further improve our quality and efficiency. We expect the positive impetus we are anticipating in lending business coupled with the growth initiatives to result in a clear expansion of our deposit and lending volumes. Against the backdrop of the positive underlying sentiment in the German economy anticipated for 2011, we expect to see the risk situation stabilize at a low level. On the cost front, we also expect trends to be constant, with the synergy effects of the integration cushioning ongoing cost increases and additional factors such as deposit guarantee schemes.

In the Central & Eastern Europe segment, the strategic focus in 2010 was the continued restructuring of our lending portfolio, measures to boost efficiency and pressing ahead with selective growth initiatives. The integration of Dresdner Bank in Central and Eastern Europe was also successfully concluded in 2010. We expect the economic upturn in countries in Central and Eastern Europe to continue in 2011, which should also benefit our Central & Eastern Europe segment. BRE Bank in Poland will continue implementing its value-oriented growth strategy. The focus here will be on increased lending to business and private customers as well as expanding the range of products and services. Income should also be increased through customer growth and cross-selling in other product segments. In contrast, in Ukraine, Bank Forum will continue working down the portfolio of non-performing loans. At the same time we will press ahead with the realignment as a focused universal bank, concentrating on selective new business in the business loan segment and an increasing focus on private customer business.

In Russia, the Czech Republic and Slovakia, activities will centre on providing corporate customers with an even better service as well as on business with Mittelstand customers and improving earnings through greater customer growth.

One of the main achievements of the Corporates & Markets segment in 2010 was the completion of the integration of Dresdner Bank's investment banking business. This integration meant successfully implementing the business model, adapting the organizational structure accordingly and achieving the scale we were seeking. We expect to strengthen our position as a strong investment bank partner through our increased customer base and market-recognized product expertise. Income is also likely to stabilize, cost synergies to be leveraged further and a range of regulation-driven investments carried out. The segment will use 2011 to expand its international customer franchise and exploit opportunities in the market through strategic initiatives.

Nevertheless, in view of the still difficult market conditions, we will continue with our selective and generally conservative lending policy. We therefore expect loan loss provisions to be moderate for the segment. We are also seeking to continually optimize the risk/return profile of our portfolio through active capital management. We expect another positive performance in 2011 due to the portfolio's excellent risk profile.

The repercussions of the financial and economic crisis were extremely tangible in the Asset Based Finance segment in 2010, reflected mainly in the high level of loan loss provisions and also in the segment's overall business performance. We will press ahead with the strategic restructuring of the segment's lines of business in what continues to be a challenging market environment, and will continue to reduce volumes over the coming years. Although we will not engage in any new business and will gradually reduce the existing volume in Public Finance, we will substantially reduce our new business activities in Commercial Real Estate.

In 2010 the Portfolio Restructuring Unit segment's strategic management aim continued to be managing down the portfolio while optimizing value within a period that seems reasonable for this objective. We pursued this aim through workout measures and active management of all exposures that were classified internally as Structured Credit and Credit Trading. Overall, the question of how the markets develop is still expected to depend heavily on general macroeconomic factors. The segment will continue to actively manage and work down the remaining exposures in a difficult environment throughout 2011. This means that balance sheet volume will continue to decline this year and next. Consequently, net interest income and the operating cost base will decrease compared to 2010.

Managing opportunities at Commerzbank

Commerzbank views systematically identifying and taking advantage of opportunities as a core management responsibility. This applies both to day-to-day competition at an operational level and to identifying the potential for growth or improving efficiency at a strategic level. It is within this meaning that Commerzbank is focusing on a three-stage management of opportunities approach:

- Central strategic management of opportunities: strategic alternative courses of action for the Group as a whole (e.g. developing the portfolio of activities for specific markets and areas of business) are identified by the Board of Managing Directors and within Group Development & Strategy
- Central operational and strategic management of opportunities for the various segments: operational and strategic initiatives to improve growth and efficiency in the individual divisions (e.g. developing portfolios of products and customers) are defined by the business unit heads
- Local operational management opportunities: operational opportunities based on customers and transactions (e.g. taking advantage of regional market opportunities and potential for customers) are identified by all employees

The realization of the opportunities identified and the related operational and strategic measures that need to be taken are the responsibility of the person managing the division concerned. Checking the success of such measures is partly carried out with internal controlling and risk controlling instruments and individual agreements on objectives, and partly relies on external assessments (e.g. ratings, results of market research, benchmarking, customer polls, etc.).

Identifying and implementing innovative solutions for customers is in addition being tied more and more into Commerzbank's corporate culture by means of its internal system of values.

Commerzbank has also established an early detection system within Group Communication. This is where potentially interesting issues that could bring risks as well as opportunities for Commerzbank are identified at an early stage, systematically followed up and passed onto those responsible within the Group.

We have presented the specific opportunities that Commerzbank has identified in the section "Segment performance".

Risk report

Risk reporting takes place according to the internal risk management of Commerzbank at the Group and segment level. The basis for this formed by the financial figures according to IFRS as well as the key risk figures according to the regulatory requirements. The financial data and key risk figures of the Private Customers, Mittelstandsbank and Corporates & Markets segments relate mainly to Commerzbank Aktiengesellschaft. The key figures of the segment Central & Eastern Europe relate mainly to BRE Bank SA in Warsaw, while the key figures of the segment Asset Based Finance relate mostly to Eurohypo AG and Deutsche Schiffsbank AG.

Key developments in 2010

The risk situation in 2010 was influenced by opposing trends. On the one hand the downgrading of several European states by the rating agencies led to increased uncertainty and large price swings on the capital markets, while on the other hand favourable economic trends, especially in Germany, allowed a significant reduction of Group loan loss provisions from €4.2bn to €2.5bn as well as a further cutback of risks in major sub-portfolios.

- In line with the general recovery of the economy, most real estate markets moved into a period of bottoming out in 2010, although the USA and Spain in particular still do not show signs of a sustained recovery. Given the strategic re-orientation at Eurohypo, our activities in **Commercial Real Estate** are concentrated on reducing sub-portfolios which are no longer within our strategic focus. The exposure at default in Commercial Real Estate was reduced by a further €7bn to €70bn during 2010, nevertheless risk provisions of €1.3bn remained at a high level.
- The strict risk reduction strategy in the **ship financing** business resulted in some successful stabilization, which was also driven by restructurings agreed with clients. The volume of the ship financing business, which is largely denominated in US dollars, was reduced by more than 15% over the year under report. The rise in the dollar meant that in euro terms exposure fell by only €1bn to €21bn.
- We are pursuing a clear reduction strategy in the **Public Finance** portfolio within the Asset Based Finance segment. In the year under review exposure was cut by a further €20bn to €109bn. Overall, we are seeking to bring the exposure down to below €100bn until the end of 2012 and below €80bn until the end of 2014. In view of the debt crisis in various peripheral European countries, we further scaled back our sovereign exposure, especially in Greece, Ireland, Italy, Portugal and Spain by €3.1bn to €16.8bn over the year.

The following Risk Report is also part of the Management Report. Due to rounding, numbers and percentages may not add up precisely to the totals provided.

- In **PRU**, the risk value of the structured credit portfolio was cut sharply by €6.6bn to €17.1bn. Credit trading positions (credit flow and the correlation book) were brought down to almost zero.
- Against the background of the improved economic conditions the risk figures of our **Corporates** portfolio in Mittelstandsbank and in Corporates & Markets showed a positive trend. Especially the Loan Loss Provisions in Mittelstandsbank could be reduced compared to 2009 from €1.0bn to €0.3bn. In Corporates & Markets even a net release was achieved.
- We also drove forward the reduction of bulk risks in the year under review. In particular, exposure to **financial institutions** was cut by another €18bn to €95bn.
- The economic situation in **Central & Eastern Europe** improved significantly compared with the end of 2009, especially in Poland and Russia, and loan loss provisions in the segment were more than halved. Although the risk situation remains tense in Ukraine, we managed to cut our risk position considerably here in 2010.
- Loan Loss Provisions of our **Private Customers** business remained at previous year's level of €246m following a positive development in the second half of 2010.

The Dresdner Bank integration process is well advanced in Risk Management. Further key milestones were achieved in 2010:

- Mid-year we successfully established the **sector structure** in the domestic corporate business, bringing together sector expertise all along the value chain.
- In the first quarter of 2010 the integration of the **non-retail rating procedures** was successfully completed, bringing creditworthiness checks into line with the analysis of financial statements.
- The new **architecture of the Basel II calculation engine** was successfully rolled out in the fourth quarter of 2010, harmonizing the methodology for determining RWAs on common target infrastructure.
- For internal **market risk management** the existing Commerzbank and Dresdner Bank models were switched to a new integrated market price risk model based on historic simulation in October 2010. This ensures that risk measurement is consistent across the whole Group and able to meet the future requirements of Basel III.
- The IT systems previously used by Commerzbank and Dresdner Bank to calculate **counterparty and issuer risk** were migrated to a common platform in 2010. The new system provides integrated calculation and monitoring of all credit risk for trading transactions.

Risk-oriented overall bank management

1 Risk management organization

Commerzbank defines risk as the danger of possible losses or profits foregone due to internal or external factors. In risk management we normally distinguish between quantifiable risks – those to which a value can normally be attached in financial statements or in regulatory capital requirements – and unquantifiable types of risk such as reputational and compliance risk.

Responsibility for implementing the risk policy guidelines laid down by the Board of Managing Directors for quantifiable risks throughout the Group lies with the Bank's Chief Risk Officer (CRO). The CRO regularly reports to the Board of Managing Directors and the Risk Committee of the Supervisory Board on the overall risk situation within the Group.

Risk management activities are split between the divisions Credit Risk Management, Market Risk Management, Intensive Care as well as Risk Controlling and Capital Management. They all have a Group-wide focus and report directly to the CRO. Together with the four Divisional Boards, the CRO forms the Risk Management Board within Group Management.

The Board of Managing Directors has delegated the operational risk management to committees. Under the relevant rules of procedure, these are the Group Credit Committee, the Group Market Risk Committee and the Group OpRisk Committee. In 2010 the Group Strategic Risk Committee was also set up to consider issues which relate to overarching risk issues. The CRO chairs all these committees and has the right of veto.

Being responsible for the Group-wide management of portfolio composition, capital allocation and development of RWAs, Commerzbank's Asset Liability Committee is a key part of the internal capital adequacy assessment process (ICAAP). Under the ICAAP the Bank internally ensures a sufficient capital cover in relation to all material risks.

2 Risk strategy and risk management

The risk strategy defines the strategic guidelines for the development in Commerzbank's investment portfolio, based on the business strategy. Risk-taking capability and liquidity are ensured by setting concrete limits for the risk resources capital and liquidity reserve available to the Group.

The scope of the risk strategy is described by the so-called "risk tolerance". Extreme scenarios such as the default of a core economy such as Germany, France or the USA or a collapse in the basic repo functionality of the ECB fall outside the risk strategy management and are managed separately.

The overall risk strategy covers all material quantifiable and unquantifiable risks. It is detailed further in the form of sub-risk strategies for individual risk types, which are then specified and operationalized through policies, regulations and instructions/guidelines. The annual risk inventory process ensures that all risks material to the Group (both quantifiable and unquantifiable) are identified. The estimate of materiality is based on whether occurrence of a risk could have a major direct or indirect impact on the Bank's risk bearing capability.

As part of the planning process, the Board of Managing Directors considers stress scenarios to decide the extent to which the Bank's risk-taking capability should be utilized. The Board sets the risk appetite at Group level by consciously defining a capital framework as part of the available risk capital. In a second step, this capital framework is broken down and limited for each risk category and allocated to the relevant units/areas as a result of the planning process. Compliance with limits and guidelines is monitored during the year and action taken if required.

3 Risk-taking capability and stress testing

The risk-taking capability analysis is a key part of overall bank management and Commerzbank's Internal Capital Adequacy Assessment Process (ICAAP). The purpose is to ensure that sufficient capital is held for the risk profile of Commerzbank Group. The risk-taking capability approach follows a strict economic view of the Group's assets and liabilities.

Risk-taking capability is monitored at Commerzbank using a gone concern approach which seeks primarily to protect unsubordinated lenders. This objective should be met even in the event of extraordinarily high losses from an unlikely extreme event. The approach assumes a gone concern scenario that reflects the latest statutory and regulatory developments. The risk-taking capability concept was enhanced in 2010. Resulting methodological adjustments are retroactively included in the figures as at December 31, 2009.

When determining the economically required capital, allowance is made for potential unexpected fluctuations in value. Where such fluctuations exceed forecasts, they represent the actual risk to be covered by available economic capital (capital available for risk coverage). The quantification of capital available for risk coverage reflects a nuanced consideration of the accounting values of assets and liabilities under economic value adjustment of certain items in the balance sheet.

The capital requirement for the risks taken is quantified using the internal economic capital model. When setting the economic capital requirement, allowance is made for all types of risk at Commerzbank Group classified as material in the annual risk inventory. The economic risk approach therefore also includes types of risk not contained in the regulatory requirements for bank capital adequacy, and also reflects the effect of portfolio-specific interactions. The high confidence level in the economic capital model of currently 99.95% is in line with the underlying gone concern assumptions and ensures a consistent risk-taking capability approach.

Risk-taking capability at Commerzbank Group level is monitored and managed monthly. Since December 2010 risk-taking capabilty has been assessed by means of the utilization level of the capital available for risk coverage (previously, economic capital ratios were used). Under this approach, risk-taking capability is taken to be assured as long as utilization is below 100%. The utilization level as at December 31, 2010 was 56.8%. The utilization level remained well below 100% at all times during the reporting period.

In order to monitor the risk-taking capability even under the assumption of adverse changes in the economic environment, macroeconomic stress scenarios are used. The underlying macroeconomic scenarios, which are updated at least every quarter, describe an unusual but plausible negative economic development and are applied across all risk types. In the scenario calculations, the input parameters for the calculation of economic capital required are simulated to reflect the forecast macroeconomic situation. In addition to the amount of capital required, the income statement is also stressed using the macroeconomic scenarios and then, based on this, changes in the capital available for risk coverage are simulated. Risk-taking capability under stress also is assessed on the basis of the utilization level of the capital available for risk coverage. The utilization level under the stressed scenario was well below 100% throughout the reporting period. We will keep on enhancing our risk-taking capability and stress testing concept.

Risk-taking capability Commerzbank Group | €bn	**31.12.2010**	**31.12.2009**[2]
Capital available for risk coverage	**36**	**39**
Economically required capital	**20**	**19**
thereof for credit risk	14	14
thereof for market risk	6	5
thereof for OpRisk	3	2
thereof for business risk	2	1
thereof diversification between risk types	–4	–3
Utilization level[1]	**56.8%**	**49.6%**

[1] Utilization level = economically required capital/capital available for risk coverage.
[2] Figures as of 2009 adjusted based on current methodology.

Regulatory RWAs were reduced from €280bn to €268bn over the year. Commerzbank is well prepared for the enhanced requirements of Basel 2.5 and 3. The expected increase of around €75bn RWAs based on a quantitative impact analysis is overcompensated by proactive management – partly already initiated – as well as the reduction of the concerned portfolios. We expect a relieving effect totalling around €85bn RWAs due to the management of counterparty risks as well as optimization and reduction of assets outside of the core bank. Together with the core bank's growth programme of around €30bn we assume that RWAs will amount to less than €290bn by year-end 2014.

Default risk

Default risk refers to the risk of losses due to defaults by counterparties and changes in this risk. In addition to credit default risk and risk from third-party debtors, Commerzbank also includes under default risk issuer and counterparty risk as well as country and transfer risk.

1 Default risk management

Commerzbank manages default risk using a comprehensive risk management system comprising an organizational structure, methods and models, a risk strategy with quantitative and qualitative management tools and regulations and processes. The risk management system ensures that the entire portfolio and the sub-portfolios, right down to individual exposures, are managed consistently and thoroughly on a top-down basis.

The ratios, measures and input required for the operational process of risk management are based on overarching Group objectives and are enhanced at downstream levels by sub-portfolio and product specifics. Risk-orientated credit authority regulations draw the attention of management at the highest level to, for instance, concentration risks or deviations from the risk strategy.

The focus of operational management in the loan portfolio in 2010 was once again on reducing cluster risks. At the same time, the monitoring and management of the loan portfolio was expanded, with a strengthening of the asset quality review function in the back office.

During the course of the year, the implementation of the sector structure in the back office for domestic corporate business was completed. Covering the full value creation chain brings together sector expertise and also lays the foundations for future expansion.

Moreover, the IT systems that were being used by Commerzbank and Dresdner Bank for calculation of counterparty and issuer risk were migrated to a common platform in 2010. The new system grants the integrated calculation and monitoring of all credit risks for trading positions.

Country risk management also was enhanced. Transfer risks as well as default risks are considered when calculating country risk. Country risk management is based on the definition of risk limits as well as country specific strategies for achieving a desired target portfolio.

Overview of management instruments and levels

	Limit and guideline systems	Risk strategies and policies	Structures of organisation and committees	Portfolio monitoring and reporting
Group	• Definition of Group limits (across all risk types) for capital and liquidity management • Additional definition of guidelines as key points of the aspired target portfolio	• Overall risk strategy plus sub-strategies for significant risk types • Establishment of a general risk understanding and creation of a uniform risk culture	• Ensuring exchange of information and networking in committees that operate across all risk types • Retaining qualified staff in line with progressive product innovation or regulatory adjustments	• Group Risk & Capital Monitor plus risk type specific Group formats (including flash reporting) • Uniform, consolidated data repository as basis for Group reporting
Sub-portfolios	• Performance metrics on level of risk categories and sub-portfolios • Expansion of Group-wide performance metrics using sub-portfolio-specific indicators	• Clear formulation of risk policy in guidelines (portfolios, asset classes, etc.) • Differenciated credit authorities based on compliance of transactions with the Bank's risk policy	• Interdisciplinary composition of segment committees • Ensuring uniform economic opinions	• Portfolio batches as per established portfolio calendar • Asset quality review and analysis of High Attention Parts (HAP) • Trigger monitoring with clear escalation and reporting lines
Individual exposures	• Limitation of bulk risk and uniform management according to model-independent all-in definition	• Rating-dependent and bulk-sensitive credit authority regulations with clear escalation processes	• Deal team structures • Institutionalized exchange within the risk function, also taking account of economic developments • Sector-wise organization of domestic corporate business	• Limit monitoring at individual exposure level • Monthly report to the Board of Managing Directors on the development of bulk risks • Review of individual customers/exposures resulting from asset quality or HAP analyses

In particular the sector structure in the back office of the domestic corporate business and the focus on weaker ratings allowed us to instantaneously track noticeable changes on total and sub-portfolio level, to transfer and identify them directly on individual level and to initiate measures. This represents a major progress in terms of speed, efficiency of preventing measures and forecasting quality in respect of the development of risk.

2 Commerzbank Group by segment

To manage and limit default risks the risk parameters exposure at default (EaD), expected loss (EL), risk density (EL/EaD) and unexpected loss (UL = economically required capital for credit risk with a confidence level of 99.95% and a holding period of one year) are used. The breakdown of these figures across the segments is as follows:

Credit risk figures by segment as at 31.12.2010	Exposure at default €bn	Expected loss €m	Risk density bp	Unexpected loss €m
Core bank	**324**	**1,164**	**36**	**8,152**
Private Customers	69	255	37	1,032
Residential mortgage loans	36	127	36	
Investment properties	5	18	36	
Individual loans	13	57	44	
Consumer and installment loans/ credit cards	12	49	42	
Domestic subsidiaries	2	2	10	
Foreign subsidiaries and other	2	1	9	
Mittelstandsbank	111	469	42	3,682
Financial Institutions	18	51	29	
Corporates Domestic	65	303	47	
Corporates International	28	115	41	
Central & Eastern Europe	25	210	84	583
BRE Group	21	142	68	
CB Eurasija	2	18	98	
Bank Forum	<1	38	956	
Other	2	13	64	
Corporates & Markets	78	215	28	2,397
Germany	28	65	23	
Western Europe	28	73	26	
Central and Eastern Europe	3	10	33	
North America	11	30	27	
Other	9	37	43	
Others and Consolidation	41	15	4	458
Optimization – Asset Based Finance	**220**	**674**	**31**	**4,639**
Commercial Real Estate	70	377	54	
Eurohypo Retail	17	29	17	
Shipping	25	187	75	
thereof ship financing	*21*	*185*	*90*	
Public Finance	109	81	7	
Downsize – PRU	**18**	**87**	**48**	**910**
Total	**562**	**1,925**	**34**	**13,701**

2.1 Private Customers

In the Private Customers segment natural persons in the areas of private and business customers (including those with financial statements showing a turnover of up to €2.5m) and wealth management are serviced and managed from a risk perspective. Exposure in the segment mainly relates to real estate financing (€41bn), individual loans (€13bn) and consumer loans, instalment loans and credit cards (€12bn). The book decreased by around €9bn over the year, mainly as a result of the sale of exit units. Risk density in the remaining portfolio is 37 basis points. We assume the macroeconomic environment to be stable.

The retail portfolios of Commerzbank and Dresdner Bank were successfully merged in 2010. The back office was restructured, guidelines harmonized and standardized fraud management processes put in place. Credit authorities and decision making parameters were aligned and the integration ran according to plan.

The focus in 2011 will be on enhancing efficiency, further expanding early identification of risk and monitoring the front office in a risk-aware manner when accessing potential sales areas. New business will concentrate on growth in real estate financing and expanding the corporate customer credit base. We will continue to work on end-to-end efficiency gains and managing the granular portfolio, especially in the lower rating classes.

2.2 Mittelstandsbank

This segment bundles together the Group's activities with Mittelstand customers (where they are not assigned to Central & Eastern Europe or Corporates & Markets), the public sector and institutional customers. The segment is also responsible for the Group's relationships with domestic and foreign banks, financial institutions and central banks.

The economic environment in 2010 saw predominantly good news. The recovery in the global economy continued, which had a favourable effect on Mittelstandsbank's core German market. Germany became the economic motor of Europe in 2010, despite remaining highly dependent on the development in exports. In some areas growth rates have already reached the levels seen before the crisis. The Corporates Domestic sub-portfolio has seen clear improvements in creditworthiness compared to the difficult situation in 2009. This was reflected in positive rating changes for individual customers. While EaD rose slightly, EL and risk density in this area could be reduced significantly to €303m and 47 basis points respectively.

Corporates International saw slight increases in EaD and EL over the year. Risk density was also up a small amount to 41 basis points as at December 31, 2010. The future development will depend on the economy in markets outside Europe, especially in the United States and Asia. Changes in exposure will depend to a large degree on whether or not there is a change in customers' propensity to invest.

Overall, exposure rose to €111bn at the end of the year. Utilization of credit lines in place is still below average, partly because of intensified working capital management by companies during the crisis. As the economic environment continues to improve in 2011, we can therefore expect loan drawdowns to rise with a certain time lag.

For details of the development in the Financial Institutions portfolio see section 3.3.

2.3 Central & Eastern Europe

This segment includes the activities of the Group's operating units and investments in Central and Eastern Europe.

The economic situation in the countries of Central and Eastern Europe has improved significantly compared to end-2009, although at different rates in different countries. The good performance of all the economies concerned is reflected in the improved risk data.

Most of the CEE portfolio, making up an exposure just under €21bn, relates to Poland's BRE Group. The rise in economic output in Poland has mainly been driven by the strong growth in industrial production. However, unemployment is still high, which naturally means default rates are up in retail business. Despite this, successful preventive measures allowed loan loss provisions at BRE Bank to be cut significantly from the 2009 level.

The recovery has gained strength in Russia. Our unit Commerzbank Eurasija more than halved risk density during the year. In view of the strength of commodity prices, we do not anticipate any deterioration in the loan profile here in 2011.

Ukraine was still hit hard by the crisis this year, although there was a modest economic upturn compared to 2009. The risk situation remains tense, but slightly positive signals are visible once again. We continue to concentrate on risk limitation.

The global economic recovery and rising commodity prices have significantly improved the economic situation in Central and Eastern Europe, and we see the recovery continuing in 2011. In Poland we expect further loan growth in 2011 with good risk/return ratios due to the relatively solid economic basis overall. We also see our Russian portfolio with Commerzbank Eurasija growing slightly in 2011, but dependency on the oil price and the US dollar exchange rate has to be taken into account. In Ukraine we expect a continually challenging market. We reached key milestones in our portfolio restructuring in 2010 and will continue to drive these forward even though the economic and political environment remains difficult.

2.4 Corporates & Markets

This segment covers client-driven capital markets activities and commercial business with multinationals and selected major customers of Commerzbank Group. The regional focus is on Germany and Western Europe, which continue to account for more than two-thirds of exposure. North America accounted for around €11bn as at December 31, 2010. A high percentage of the EaD relates to Financial Institutions, where we were able to steadily cut back the concentration risks over the year. We continue to insist on high quality in trading and new lending business and are planning to further reduce risk in the existing business in 2011.

There has been a revival of market activity in leveraged finance. We engaged selectively in new transactions starting in the second quarter of 2010, while sticking to a conservative risk strategy.

2.5 Asset Based Finance

Asset Based Finance (ABF) comprises the sub-portfolios Commercial Real Estate (CRE) including Asset Management, Eurohypo Retail, Ship Financing and Public Finance, which are described in detail below.

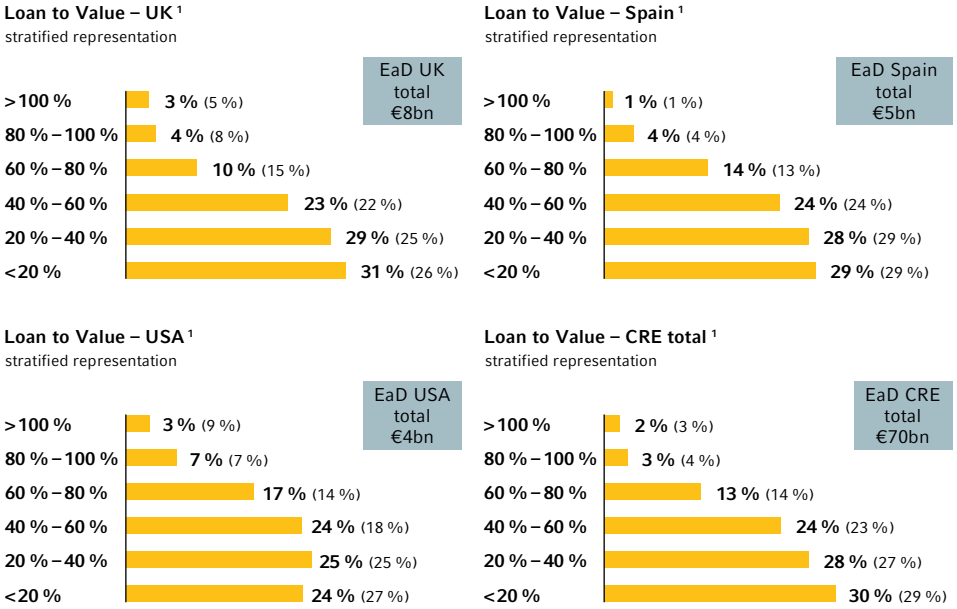
Commercial Real Estate As part of the strategic reduction of existing business (white book), essentially at Eurohypo, there was a further cut in total exposure (EaD) from €77bn as at December 31, 2009 to €70bn. The main components of exposure are still the sub-portfolios Office (€27bn), Commerce (€20bn) and Residential Real Estate (€9bn). The CRE exposure also contain the Asset Management (Commerz Real) portfolios, which are composed of warehouse assets for funds as well as the typical leasing receivables of the movable property sector.

The tangible decrease in exposure during the year of some €7bn was the result of repayments of loans or declining to roll them over, exchange rate fluctuations and market-related transfers to the default portfolio. With a view to sustainably improving the financing model, and bearing in mind the strategic reorientation of Eurohypo up to 2014, our efforts are directly focused on reducing existing business. Commerzbank has launched a strategy project for this, on the course of which we decided on and initiated a significant wind down of assets.

In line with the overall recovery in the economy, most real estate markets in 2010 moved into a period of bottoming out. Activity in the investment markets remains at a low level, although there are signs of a pick up.

Performance in Germany and such core European markets as the UK, Italy and France has been stable to positive, especially for prime assets. The United States and Spain remain under pressure.

Loans secured on mortgage charges have reasonable loan to value ratios.



[1] Loan to values based on market values; exclusive margin lines and corporate loans; additional collateral not taken into account.
All figures relate to business secured by mortgages.
Values in parentheses: December 2009.

Eurohypo Retail Since the transfer of new business activities in retail banking to Commerzbank in 2007, Eurohypo has only been responsible for the existing loan book. There are no strategic plans for new business activity in this area. We are steadily pushing forward the downsizing of the portfolio in a manner that protects our earnings stream. Exposure in the Eurohypo retail portfolio was cut again by more than €2bn to just €17bn as at December 31, 2010. The focus remains on owner-occupied houses (€10bn) and apartments (€3bn). Given the low loan to value ratios as implied by the remaining time to maturity and generally senior security, the risk in this portfolio is regarded as relatively low, especially against the backdrop of the macroeconomic improvement in Germany.

Ship Financing The exposure of Ship Financing (including Deutsche Schiffsbank), which is largely denominated in US dollars, was reduced by more than 15% in the year under report. The rise in the dollar meant that in euro terms exposure fell by only €1bn to €21bn. The portfolio is still focused on the three standard types of ship, namely containers (€6bn), tankers (€5bn) and bulkers (€4bn). The remaining €5bn is accounted for by various special tonnages which are well diversified across the various ship segments.

Over the year under report, the strict risk reduction strategy in the existing book resulted in some successful stabilization, which was also driven by restructurings agreed with clients. Expected loss was reduced by €47m from year-end 2009 to €185m, with risk density falling 16 basis points to 90 basis points.

The recovery of the global economy had a positive effect on several shipping segments. Strong economic growth, especially in Asian emerging markets, is likely to push demand for marine transport higher. Apart from smaller container vessels markets have recovered slightly in bulkers and containers. The most recently negotiated charter rates suggest the market development is increasingly stable.

The predicted growth of around 4% in the world economy and the resulting trade volumes, which will have a knock-on effect on transport demand, continue to be offset by the influx of newly-built ships onto the market. The potential for recovery therefore remains limited as long as scrappage volumes are relatively low.

Public Finance Commerzbank's Asset Based Finance segment holds a large part of the government financing positions.

The Public Finance portfolio comprises receivables and securities held in our subsidiaries Eurohypo and EEPK.

Borrowers in the Public Finance business (€70bn EaD) are sovereigns, federal states, regions, cities and local authorities as well as supranational institutions. The main exposure is in Germany and Western Europe.

The remaining Public Finance portfolio in ABF is accounted for by banks (€39bn EaD), where the focus is also on Germany and Western Europe (approximately 92%). Most of the bank portfolio comprises securities/loans which to a large extent are covered by grandfathering, guarantee/maintenance obligations or other public guarantees, or were issued in the form of covered bonds.

The strategy for ABF is to wind down the Public Finance portfolio (government financing and banks) by repayments, maturities and active sales, where these make commercial sense.

The EaD of the Public Finance portfolio was cut by €20bn to €109bn in 2010 as part of the de-risking strategy mainly by using maturities and actively reducing the portfolio, in some cases accepting losses. Overall, we are seeking to reduce this to below €100bn by the end of 2012 and below €80bn by the end of 2014.

Sovereign exposure across all segments to Portugal, Ireland, Italy, Greece and Spain which predominantly relates to Public Finance totalled €16.8bn (December 31, 2009: €19.9bn).

Sovereign exposures of selected countries | €bn	**31.12.2010**
Portugal	0.9
Ireland	<0.1
Italy	9.7
Greece	3.0
Spain	3.1

We again do not expect any significant impact from loan loss provisions in 2011 and are not anticipating any defaults of public entities or banks in OECD countries.

2.6 Portfolio Restructuring Unit (PRU)

The PRU only manages assets that have been classified as non-strategic by Commerzbank and are therefore being wound down. Bundling allows these positions to be managed uniformly and efficiently. They are mainly structured credit positions (essentially asset-backed securities – ABSs) with a nominal value of €29.0bn as at December 31, 2010, as shown in detail in section 3.1.1.

In the last quarter of 2010 the remaining other positions in the PRU (credit default swaps and tranches on pools of credit default swaps outside the strategic focus of Commerzbank) were almost completely reduced through auctions and novations of existing business. The small remaining holding continues to be actively immunized against market movements using credit default swaps and standardized credit indices and index tranches. The positions are managed within narrow limits for value at risk and credit spread sensitivities.

3 Cross-segment portfolio analysis

It is important to note that the following positions are already contained in full in the Group and segment presentations.

3.1 Structured credit portfolio

3.1.1 Structured credit exposure PRU Whereas most asset classes reported declining spreads and spread volatilities in the course of the year 2010, which took them back to or below the levels of end-2009, RMBS transactions from Ireland, Spain and Portugal moved in the opposite direction as a result of the sovereign crisis. The positive general trend, especially during the first third of the year, stood in contrast to even greater caution on the part of buyers from the middle of the year onwards, implying our portfolio reductions to slow down towards the end of the year while taking into account the instruction to maximize value. Nevertheless owing to minor appreciation of the US dollar and British pound, nominal volumes in the fourth quarter fell from €31.4bn to €29.0bn with risk values[1] decreasing from €19.9bn to €17.1bn. In 2010 as a whole nominal volume was cut by €8.3bn and risk values by €6.6bn. Commerzbank remains committed to the value-maximizing reduction of the structured credit portfolio.

Structured credit portfolio PRU	31.12.2010		31.12.2009	
€bn	Nominal values	Risk values	Nominal values	Risk values
RMBS	5.1	3.0	8.7	5.9
CMBS	0.7	0.5	2.2	1.6
CDO	11.1	6.7	12.5	7.3
Other ABS	3.3	2.8	5.7	5.2
PFI/Infrastructure	4.3	3.8	4.1	3.7
CIRC	0.7	0.0	0.9	0.0
Other structured credit positions	3.6	0.2	3.2	0.0
Total	**29.0**	**17.1**	**37.3**	**23.7**

Rating breakdown
Structured credit portfolio PRU

Overall we expect write-ups over the residual life of these assets, with possible future write-downs on assets such as US RMBSs and US CDOs of ABSs, which have already been written down substantially, to be probably more than compensated by a positive performance from other assets. This forecast is based primarily on the long period that has now passed since the structures were launched, which enables a reliable assessment of the future performance of the portfolio, as well as the general stabilization and recovery respectively in the economies which are of importance for us. The table in the margin shows the breakdown of structured credit exposures by rating, based on the risk values.

[1] Risk value is the balance sheet value of cash instruments. For long CDS positions it comprises the nominal value of the reference instrument less the net present value of the credit derivative.

Asset-backed Securities (ABS) These are investments in ABS securities that were made by Commerzbank as part of its synthetic lending business or in its function as arranger and market maker in these products. Since the beginning of 2010 the positions have been classified into the product segments RMBSs, CMBSs, CDOs and other ABSs. This helps to provide a clear and asset-specific breakdown of the portfolio and reflects the declining importance of the previous PRU sub-portfolios ABS Hedge Book and Conduits which were reported until the end of 2009.

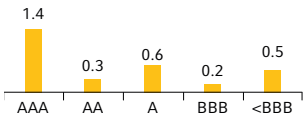
Residential Mortgage-backed Securities (RMBS): This sub-segment contains all the positions whose interest and principal are secured by private mortgage loans or are contractually linked to their real performance. The mortgage loans themselves are likewise partially or fully secured by the residential property being financed. The total risk value here at the end of the reporting period was €3.0bn (December 31, 2009: €5.9bn).

The holdings of direct and indirect securitizations of US mortgage loans have already been written down by a high percentage. In spite of the loan repayments we are currently receiving in some cases due to the seniority of our investments, the ongoing uncertainty surrounding the sector's future performance is likely to result in further impairments in some cases. The US RMBS portfolio had a risk value of €0.7bn at the end of the year (December 31, 2009: €0.9bn). The mark-down ratio for US RMBSs was 69 % at December 31, 2010.

European RMBS positions (risk value €2.3bn) showed a highly differentiated picture over the year. As the sovereign crisis spilled over from Greece to Ireland, Spain and Portugal during the year, RMBS transactions from these countries were particularly hard hit by major spread widening and much higher spread volatility, compared to other asset classes and the level at the start of the year. Despite this volatility in value due to changes in market prices, we continue to expect, based on fundamentals, that these securitizations will largely be repaid in full.

Rating breakdown RMBS

€bn

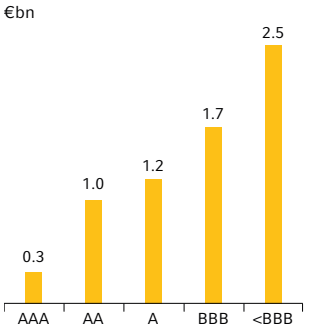


Commercial Mortgage-backed Securities (CMBS): This sub-segment contains all the positions whose interest and principal are secured by commercial mortgage loans or are contractually linked to their real performance. The mortgage loans themselves are likewise partially or fully secured by the commercial property being financed.

The reduction of the CMBS portfolio made successful progress during the year, and the risk value as at December 31, 2010 was just €0.5bn (December 31, 2009: €1.6bn). The securitized commercial property loans derive principally from the UK/Ireland (22%), Continental Europe (23%) and pan-European transactions (49%). The share of US CMBSs amounts to 6%. The mark-down ratio at December 31, 2010 was 35%.

Collateralized Debt Obligations (CDO): This sub-segment contains all the positions whose interest and principal are secured by corporate loans and/or bonds and other ABSs, or which are contractually linked to their real performance. The degree of collateralization of these assets varies from very low to very high depending on the transaction.

Rating breakdown CDO



The total risk exposure here at the end of the reporting period was €6.7bn (December 31, 2009: €7.3bn), down slightly despite a small dollar appreciation effect. The largest share in this sub-segment with 53% of the risk value is accounted for by CDOs, which are predominantly based on lending to corporates in the USA and Europe (CLOs). CLOs are still profiting directly from the stability and recovery seen in the major economies and hence lower actual and forecast defaults, as well as from increased expectations of recovery in the corporate sector. Better portfolio quality and further improved investor demand, especially for senior CLO tranches, resulted in a slight improvement in market values in this portfolio. The mark-down ratio as at the reporting date was 14%.

A further 40% of the risk value is accounted for by US CDOs of ABSs, which are mostly secured by US subprime RMBSs. Due to our continued adverse assessment of the credit quality of residential mortgages in the US subprime market and our conservative assumptions for the resulting losses, the mark-down ratio is 57%, even though the securitizations held by Commerzbank consist predominantly of the most senior tranches of such CDOs.

Other ABS: This sub-segment contains all the positions whose interest and principal are secured by consumer loans (including automobile financing and student loans), lease receivables and other receivables or which are contractually linked to their real performance. The degree of collateralization of these assets varies from very low to very high (for example auto loans) depending on the transaction.

The total risk value in this asset class at December 31, 2010 was €2.8bn (December 31, 2009: €5.2bn). The largest part of this risk exposure is accounted for by Consumer ABSs and ABSs secured by other US assets, such as securitized receivables from the marketing of film rights and life insurance policies. The exposure to receivables from the marketing of film rights was actively cut back further during the reporting period. Although our expectations are currently neutral, transaction-specific structural characteristics mean that modest charges against earnings cannot be fully ruled out. The mark-down ratio of the remaining positions in this segment was 14% at the reporting date.

PFI/Infrastructure financing The PRU's structured credit category also contains exposures to Private Finance Initiatives (PFI) with a risk value of €3.8bn as at December 31, 2010. The portfolio consists of the private financing and operation of public sector facilities and services, such as hospitals and water supply operations. All lending relates to the UK and has extremely long maturities of more than 10 to over 40 years. The credit risk of the portfolio is more than 80% hedged, mainly with monoline insurers Commerzbank does not currently expect to default.

Credit Investment Related Conduits (CIRC)/Other structured credit positions At December 31, 2010 there was only a small €0.2bn exposure from nominal commitments, as the structures are sufficiently capitalized.

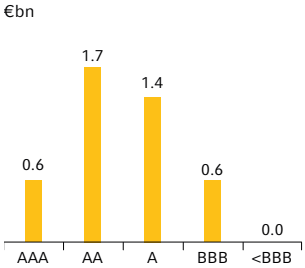
3.1.2 Structured credit exposure non-PRU Below are details of structured credit positions from our strategic customer business which will continue to be allocated to the core bank in future and therefore were not transferred to the PRU.

Structured credit portfolio non-PRU	31.12.2010		31.12.2009	
€bn	Nominal values	Risk values[1]	Nominal values	Risk values[1]
Conduits	4.3	4.3	5.9	5.9
Other	6.5	6.3	7.2	6.7
Total	**10.8**	**10.6**	**13.1**	**12.6**

[1] Risk value is the balance sheet value of cash instruments. For long CDS positions it comprises the nominal value of the reference instrument less the net present value of the credit derivative.

Conduit Exposure The asset-backed commercial paper (ABCP) conduit business of Corporates & Markets, which is reported in full on Commerzbank's balance sheet and is not managed by the PRU, amounted to €4.3bn at the end of December 2010 (December 2009: €5.9bn). The recovery in the markets meant that over the year it became possible to once again fully finance the conduit business with commercial paper. The fall in volumes is the result of ongoing amortization of ABS programs in the conduits, although three new transactions were completed in the second half of 2010 with a total volume of €0.2bn. The majority of these positions consist of liquidity facilities/back-up lines granted to the conduits Kaiserplatz and Silver Tower administered by Commerzbank. There has been no exposure to conduits of other banks since the second quarter of 2010.

Rating breakdown Conduits non-PRU



The underlying receivables of the Bank's ABCP programmes are strongly diversified and reflect the differing business strategies pursued by the sellers of receivables or customers. These receivable portfolios do not contain any non-prime assets. To date we have not recorded losses on any of these transactions. We do not currently see any need for loan loss provisions in respect of the liquidity facilities/back-up lines classified under the IFRS category Loans and Receivables.

The volume of the ABS structures issued by Silver Tower was €3.5bn as at December 31, 2010 (€5.0bn at December 31, 2009). The ABS structures are based on customers' receivable portfolios as well as in-house loan receivables securitized as part of active credit risk management.

The volume of ABS structures funded under Kaiserplatz was €0.8bn as at December 31, 2010 (December 31, 2009: €0.9bn). All of the assets consist of securitizations of receivable portfolios of and for customers.

Other Asset-backed Exposures Other ABS positions with a total risk exposure of €6.3bn were held mainly by Eurohypo in Public Finance (€5.2bn) and by Commerzbank Europe (Ireland) (€1.1bn). These were principally government guaranteed securities (€5.3bn), of which about €4.0bn was attributable to student loans guaranteed by the US government. A further €1.0bn related to non-US RMBSs, CMBSs and other mainly European ABS securities.

3.1.3 Originator positions In addition to the secondary market positions discussed above, Commerzbank and Eurohypo have in recent years securitized receivables from loans to the Bank's customers with a current volume of €13.4bn, primarily for capital management purposes, of which risk exposures with a nominal value of €8.7bn were retained as at December 31, 2010. By far the largest portion of these positions is accounted for by €8.3bn of senior tranches, which are nearly all rated AAA or AA.

The exposures stemming from the role of originator reflect the perspective of statutory reporting, taking into account a risk transfer recognized for regulatory purposes. In addition to Commerzbank's securitized credit portfolios, securities repurchased on the secondary market and/or tranches retained are also listed. This applies regardless of whether the tranches were structured in the form of a tradeable security.

			Commerzbank volume[1]		
Securitization pool as at 31.12.2010 €bn	**Maturity**	**Total volume[1]**	**Senior**	**Mezzanine**	**First loss piece**
Corporates	2013–2027	8.0	7.3	0.1	0.2
MezzCap	2036	0.2	<0.1	<0.1	<0.1
RMBS	2048	0.2	<0.1	<0.1	<0.1
CMBS	2010–2084	5.0	0.9	<0.1	<0.1
Total		**13.4**	**8.3**	**0.2**	**0.2**

[1] Tranches/retentions (nominal): banking and trading book.

3.2 Leveraged Acquisition Finance (LAF) portfolio

Over the course of 2010 the LAF portfolio was cut from €4.1bn to €3.4bn. This was driven by early repayments of existing business – especially refinancings in the capital market and corporate divestments.

Overall, good economic performance in the core operating markets and continued adequate liquidity in the capital markets have resulted in a further improvement in portfolio quality. The geographic focus of the portfolio remains Europe (94%) with a strong concentration in Germany (50%).

For 2011 we expect a recovery in LAF business, provided capital markets remain stable. We will use the favourable conditions to contract attractive new business with adequate risk profile.

Direct LAF portfolio by sector | EaD €bn	**31.12.2010**
Technology/Electrical industry	0.6
Chemicals/Plastics/Healthcare	0.5
Financial Institutions	0.5
Automotive/Mechanical engineering	0.5
Consumption	0.4
Services/Media	0.4
Transport/Tourism	0.2
Basic materials/Energy/Metals	0.2
Other	0.1
Total	**3.4**

3.3 Financial Institutions and Non-Bank Financial Institutions portfolio

Business in the Financial Institutions sub-portfolio in 2010 was largely determined by the discussion of the debt in some European peripheral countries and possible repercussions for the whole of Europe. We therefore focused on assessing country risk and formulating a suitable, closely related business and risk strategy. We also proactively drove forward the reduction of bulk risks in the Financial Institutions portfolio, while supporting attractive commercial business. Exposure was cut during the year by €18bn to €95bn. At the same time expected loss increased by €21m to €96m, especially due to an update of parameters. We expect the fundamental data for individual countries to continue to show strain in 2011. We will therefore be rigorous in the alignment and application of our business and risk strategy.

The NBFI portfolio saw a further reduction in bulk risks in 2010. This brought the EaD of the sub-portfolio (including ABS and LAF transactions affecting NBFI and NBFI assets in the PRU) down by €14bn to €38bn, and improved risk density to 24 basis points. In light of the persistent favourable conditions in the capital market we are positive on the NBFI sector, even though the problems in various European peripheral countries and changes to the regulatory framework will present challenges in 2011 for the NFBI area as well.

	Financial Institutions			Non-Bank Financial Institutions		
FI/NBFI portfolio by region as at 31.12.2010	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp
Germany	29	4	2	8	18	23
Western Europe	36	25	7	18	39	21
Central/Eastern Europe	7	31	42	1	2	28
North America	8	1	1	5	24	52
Other	15	34	23	7	10	15
Total	**95**	**96**	**10**	**38**	**93**	**24**

3.4 Country classification

The regional breakdown of the exposure corresponds to the Bank's strategic direction and reflects the main areas of its global business activities. Around half of the Bank's exposure relates to Germany, another third to other countries in Europe and 7% to North America. The rest is broadly diversified and split between a large number of countries where we serve German exporters in particular or where Commerzbank has a local presence.

Portfolio by region as at 31.12.2010	Exposure at default €bn	Expected loss €m	Risk density bp
Germany	282	855	30
Western Europe	138	393	28
Central/Eastern Europe	43	286	66
North America	42	104	25
Other	57	287	51
Total	**562**	**1,925**	**34**

3.5 Rating classification

The Bank's overall portfolio is split proportionately into the following internal rating classifications based on PD ratings:

Rating breakdown as at 31.12.2010 | %	1.0–1.8	2.0–2.8	3.0–3.8	4.0–4.8	5.0–5.8
Private Customers	21	45	23	9	3
Mittelstandsbank	14	51	27	5	3
Central & Eastern Europe	23	34	29	11	2
Corporates & Markets	39	42	15	2	2
Asset Based Finance	38	42	15	4	2
Group[1]	**34**	**42**	**18**	**4**	**2**

[1] Including PRU and Others and Consolidation

3.6 Sector classification corporates

The following table shows the breakdown of the Bank's corporates exposure by sector, irrespective of business segment:

Sub-portfolio corporates by sector as at 31.12.2010	Exposure at default €bn	Expected loss €m	Risk density bp
Basic materials/Energy/Metals	25	106	42
Consumption	21	110	53
Automotive	11	55	48
Transport/Tourism	11	58	53
Technology/Electrical industry	11	44	41
Chemicals/Plastics	11	60	56
Services/Media	10	58	56
Mechanical engineering	9	66	75
Construction	5	49	103
Other	21	84	41
Total	**134**	**690**	**51**

Intensive Care

1 Loan loss provisions

Loan loss provisions were approximately 40% lower than the previous year at just under €2.5bn. The positive trend seen during the year continued in the fourth quarter, and the charge against earnings was again down on the previous quarter at €595m. Compared to the fourth quarter of 2009, loan loss provisions were down more than half. The table below shows the development at segment level:

Loan loss provisions | €m	**2010 total**[1]	**Q4 2010**	**Q3 2010**	**Q2 2010**	**Q1 2010**	**2009 total**[1]	**Q4 2009**	**Q3 2009**	**Q2 2009**	**Q1 2009**
Private Customers	246 (35)	46	64	70	66	246 (31)	72	70	55	49
Mittel-standsbank	279 (24)	93	–69	94	161	954 (84)	298	330	236	90
Central & Eastern Europe	361 (133)	48	127	92	94	812 (309)	296	142	201	173
Corporates & Markets	–27 (–3)	–14	6	0	–19	289 (32)	25	44	–34	254
Asset Based Finance	1,584 (69)	412	493	354	325	1,588 (60)	651	372	358	207
Portfolio Restructuring Unit	62 (33)	10	2	28	22	327 (100)	–11	99	169	70
Others and Consolidation	–6 (–1)	0	–2	1	–5	–2 (–1)	–7	–4	8	1
Total	**2,499** (43)	**595**	**621**	**639**	**644**	**4,214** (65)	**1,324**	**1,053**	**993**	**844**

[1] Figures in ( ) show the provisioning ratio: provisions in relation to the exposure at default in the white book plus default volumes in the black book in basis points.

Nearly all segments contributed to the sharp fall in loan loss provisions compared with the previous year. The biggest decline came from the Mittelstandsbank, which benefited from the economic recovery and improved its risk performance by almost €700m compared with 2009. This figure includes a positive non-recurring effect of €100m recognized in the third quarter.

Central & Eastern Europe also saw a turnaround in loan loss provisions, with a charge roughly €450m lower than last year; Bank Forum in particular witnessed a steep reduction.

Corporates & Markets delivered a net release of €27m over the year, largely the result of good performance in portfolio loan loss provisions. Compared to the previous year, which was still marked to some extent by knock-on effects of the financial and economic crisis, provisions were about €300m lower.

The major reassessment in the Portfolio Restructuring Unit had already been put into action in previous years as part of the reduction strategy. With improved market conditions for structured credit products, loan loss provisions fell by more than €250m once again in 2010.

Risk performance in the Private Customers business was on a par with the previous year, after a favourable development in the second half.

Asset Based Finance again saw major charges. However, loan loss provisions in the fourth quarter were around €80m less than in the previous quarter. We assume that the worst is now over and that loan loss provisions will decline in 2011.

The economic surrounding conditions overall have been very good. The economic recovery which emerged at the start of the year has continued, especially in Germany, proving robust in the second half of the year. Loan loss provisions are approaching the steady-state level, and in some segments have already reached this.

However, considerable uncertainties remain. Market turbulence with a negative impact on the economy, and thus on loan loss provisions, cannot at this stage be ruled out. As long as such negative scenarios, as in particular defaults of public borrowers and banks, do not materialize, provision charges in 2011 will be lower and are unlikely to exceed €2.3bn.

The following overview shows individual cases with a need for specific loan loss provisioning by size range:

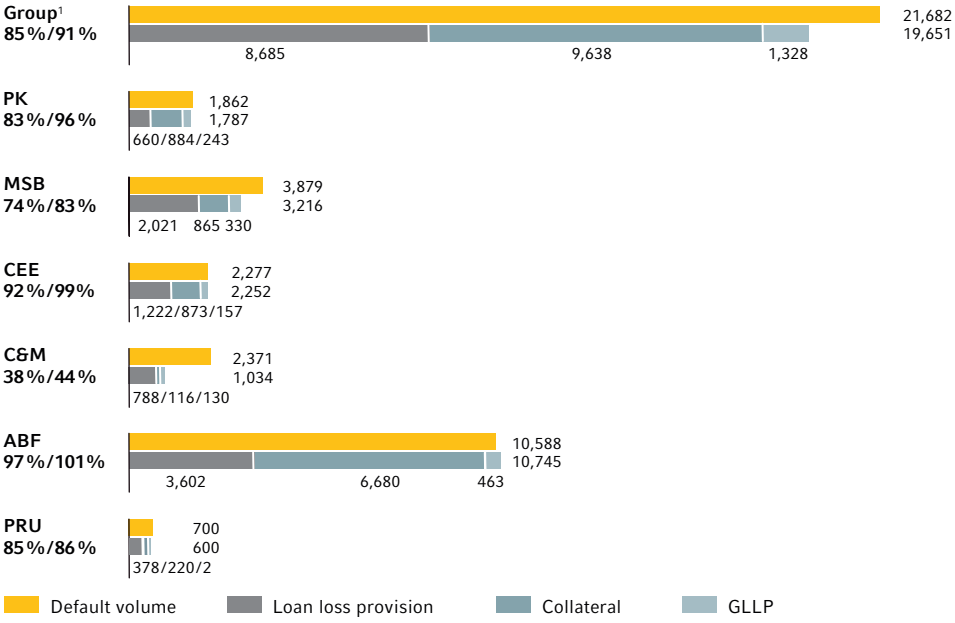
	Other cases < €10m	≥ €10m < €20m		≥ €20m < €50m		≥ €50m		Individual cases ≥ €10m total		
Year	Net LLP total €m	Net LLP total €m	Number of commitments	Net LLP total €m	Number of commitments	Net LLP total €m	Number of commitments	Net LLP total €m	Number of commitments	Net LLP total €m
2010	1,064	381	40	564	27	490	11	1,435	78	2,499
2009	2,107	652	48	495	22	960	10	2,107	80	4,214

Cases requiring specific provisions ≥€50m nearly all relate to Asset Based Finance, whereas Mittelstandsbank and PRU also saw releases in this size range. As with provisions overall, the net charge from large individual commitments fell sharply compared with the previous year.

2 Default portfolio

The default portfolio is down slightly on the previous year, and was €21.7bn as at December 31, 2010. The structure can be seen in detail in the chart below:

Default portfolio and coverage ratios by segment
€m – excluding/including GLLP



[1] Including Others and Consolidation.

In the core bank, being composed of Private Customers, Mittelstandsbank, Central & Eastern Europe and Corporates & Markets, default volume was reduced sharply overall compared with the previous year, in line with the sharp fall in loan loss provisions. Despite a currency related negative impact on foreign portfolios, there was a net reduction of around €1bn here. However, at Group level this good performance was largely offset by an €0.8bn rise in the default portfolio in Asset Based Finance (mainly in CRE Banking) and the slight increase in PRU. In some cases the increases in volume in these two segments is due to currency effects.

In Asset Based Finance, 2011 is expected to see significantly lower inflows into the default portfolio. The other segments are expected to show stable or declining inflows. If economic conditions remain good further gains on restructuring and disposal can be expected, reducing the default portfolio, which means that all in all a clear net decline in volumes is anticipated.

Our portfolio, comprising positions of the default portfolio as well as those of the white book and the grey book, is backed by collateral. Collateral worth around €9.6bn is being assigned to the default portfolio. In the Private Customers segment, the collateral relates predominantly to land charges on own and third party-used properties. In the Mittelstandsbank, collateral is spread over various types of security. Guarantees and mortgage liens on commercial properties account for the largest amounts. In addition, large parts of the portfolio are secured by default guarantees and assignments of collateral. The portfolio in the Central & Eastern Europe segment is mainly backed by mortgages, in both retail and commercial businesses. In addition in the corporate business, a significant share of the collateral takes the form of guarantees and pledges. The collateral in the Corporates & Markets portfolio principally comprises assignments of collateral as well as pledges of liquid assets and assignments. In Asset Based Finance, collateral mainly relates to commercial land

charges (including shipping mortgages) and also to land charges on own and third party-used properties. The collateral for the PRU portfolio is almost exclusively assignments.

In order to avoid an increase in the default portfolio, overdrafts are closely monitored at Commerzbank. In addition to the 90 days-past-due trigger event, an IT-based management of the overdrafts starts at the first day of the overdraft. The following table shows overdrafts in the white book based on the exposure at default (€m) as at end of December 2010:

Segment	>0≤30 days	>30≤60 days	>60≤90 days	>90 days	Total
PK	541	54	78	0	674
MSB	1,573	180	69	51	1,874
CEE[1]	86	0	2	0	764
C & M	252	4	76	3	335
ABF	566	104	57	76	803
Group[1, 2]	**3,029**	**373**	**306**	**162**	**4,545**

[1] BRE and Bank Forum are only included in total figures.
[2] Including Others and Consolidation and PRU.

In 2010 total foreclosed assets decreased year-on-year by €117m to €268m (additions €1m, disposals €44m, holding loss €74m). Off the final stock real estate positions worth €176m related to our mortgage subsidiary Eurohypo. The properties are serviced and managed in companies in which Eurohypo owns a majority stake through subsidiaries; this is normally EH Estate Management GmbH. The aim is to increase the value and performance of the commercially-focused real estate portfolio through EH Estate's property expertise so that the properties can be placed on the market again in the short to medium term. Additional properties worth around €92m are being serviced and managed through TIGNATO Beteiligungsgesellschaft.

Market risk

Market risk is the risk of financial losses due to changes in market prices (interest rates, commodities, credit spreads, exchange rates and equity prices) or in parameters that affect prices such as volatilities and correlations. The losses may impact profit or loss directly, e.g. in the case of trading book positions, or may be reflected in the revaluation reserve or in hidden liabilities/reserves in the case of banking book positions. We also monitor market liquidity risk, which covers cases where it is not possible for the Bank to liquidate or hedge risky positions in a timely manner and to the desired extent on acceptable terms as a result of insufficient liquidity in the market.

1 Market risk management

Commerzbank uses a wide range of qualitative and quantitative tools to manage and monitor market price risks. The main guidelines are set in the market risk strategy approved by the Board of Managing Directors. Guidelines for maturity limits and minimum ratings are designed to protect the quality of market risk positions. Quantitative specifications for sensitivities, value at risk, stress tests and scenario analyses as well as economic capital limit the market risk.

The qualitative and quantitative factors limiting market risk are set by the Group Market Risk Committee. The utilization of these limits, together with the relevant net income figures, is reported daily to the Board of Managing Directors and the responsible heads of the business segments. Based on qualitative analyses and quantitative ratios the market risk function identifies potential future risks and anticipates potential financial losses, and draws up proposals for further action. Any adjustments that may be required in the management of the portfolios is decided by committees such as the Group Market Risk Committee.

The main feature of 2010 was the European debt crisis. High levels of debt and downgrades of some European states by rating agencies resulted in increased uncertainty and high price volatility in the markets. Not even the creation of a European rescue facility was able to bring the markets back to normal. This affected the government financing portfolio in the banking book in particular. The exchange rate of the euro against the dollar in 2010 fluctuated notably against the backdrop of the European debt crisis. Despite the difficult market environment, appropriate management measures have kept the currency risk at Commerzbank at a very low level. The same applies to commodity risk, which in 2010 meant mainly a volatile oil price and a very strong gold price. Equity markets were dominated by higher prices and lower volatility.

We expect good economic performance next year in the USA and core Europe. Equity markets are therefore likely to climb higher, which will also help the investment certificates business. No rapid solution to the debt crisis can be expected for the countries on the European periphery. This may result in further turbulences in 2011 on the interest rate and currency markets. There are also dangers from rising inflation, especially as a result of higher commodity prices.

Commerzbank will rigorously drive forward the reduction and optimization of critical portfolios. We anticipate that, under the market conditions described, market risk at Commerzbank will stay steady or fall slightly.

2 Market risk in the trading book

Since the end of October 2010 we have been using a new overall market price risk model based on historical simulation (HistSim model). This ensures that risk measurement is consistent across the whole Group and will meet the future requirements of Basel III. Apart from improving the quality of results, standardizing methods will also reduce complexity.

Value at risk in the trading book was sharply higher year-on-year at end-2010. In addition to the switch to the new internal market risk model this is due to the volatility of the markets during the debt crisis.

The market risk profile in the trading book is diversified across all asset classes, with interest rate risks and credit spread risks predominating.

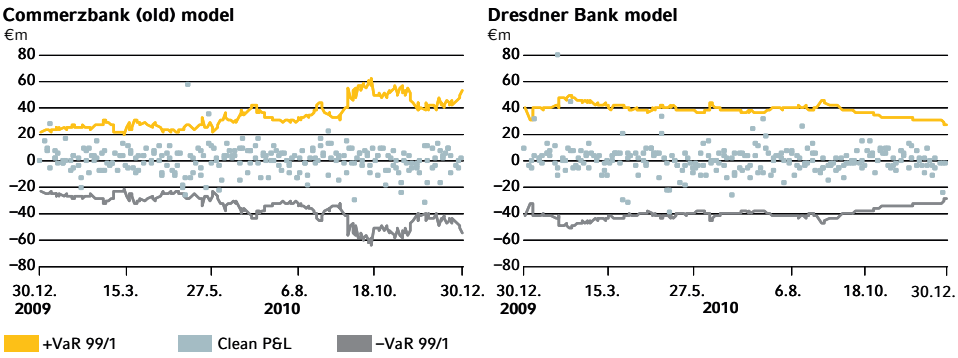
Measures to reduce risk positions, especially in the Portfolio Restructuring Unit, were rigorously driven forward over the year. The complex credit derivatives business was almost entirely wound down. Even so, the much improved capture of credit spread risk following the switch to the HistSim model meant that the contribution of credit spreads and interest rates to value at risk rose.

VaR contribution by risk type in the trading book[1] | €m	31.12.2010	31.12.2009
Credit spreads	43.9	32.6
Interest rates	36.9	13.9
Equities	6.1	9.0
FX	4.7	3.5
Commodities	4.2	1.5
Total	**95.9**	**60.5**

[1] 99% confidence level, holding period 1 day, equally-weighted market data, 250 day history.

Regulatory capital requirement is calculated in consultation with BaFin as before, using the regulator-certified market risk models of Commerzbank (old) and Dresdner Bank. Commerzbank expects the Bundesbank to approve the use of the new market price risk model for regulatory purposes during the course of the current year.

The reliability of the market risk model is constantly monitored by backtesting. Apart from meeting supervisory requirements, the aim is to assess forecasting quality. Analysing the results of backtesting provides important insights into checking parameters and further improving the model. All outliers at Group level are classified under a traffic-light system laid down by the supervisory authorities and are reported immediately to the authorities with details of the size and cause of the failure. No negative portfolio outliers were reported in 2010 using either the Dresdner Bank model or the Commerzbank (old) model.



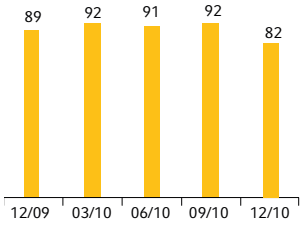
3 Market risk in the banking book

The main drivers of market risk in the banking book are credit spread risks in the Public Finance portfolio, including the positions held by the subsidiaries Eurohypo and Erste Europäische Pfandbrief- und Kommunalkreditbank (EEPK), the Treasury portfolios and equity price risks in the equity investments portfolio. The decision to reduce the Public Finance portfolio continues to be implemented as part of our de-risking strategy.

The adjacent chart documents the changes in credit spread sensitivities of all securities and derivative positions (excluding loans) in Commerzbank Group. The reduction measures mentioned above, especially in the Public Finance portfolio, and slightly lower market values due to a small increase in euro interest rates cut the overall position in credit spread sensitivity to €82m at year-end. Roughly 75% of credit spread sensitivity continues to relate to securities positions classified as loans and receivables (LaR). Changes in credit spreads have no impact on the revaluation reserve or the income statement for these portfolios.

Holdings in the equity investment portfolio were reduced significantly over the year, as planned. This led to a significant reduction in equity risk in the banking book.

Credit spread sensitivities
Downshift 1 bp | €m



Liquidity risk

Liquidity risk is defined in the narrower sense as the risk that Commerzbank will be unable to meet its payment obligations on a day-to-day basis. In a broader sense, liquidity risk is the risk that future payments cannot be funded as and when they fall due, in full, in the correct currency and on standard market conditions.

1 Liquidity risk management

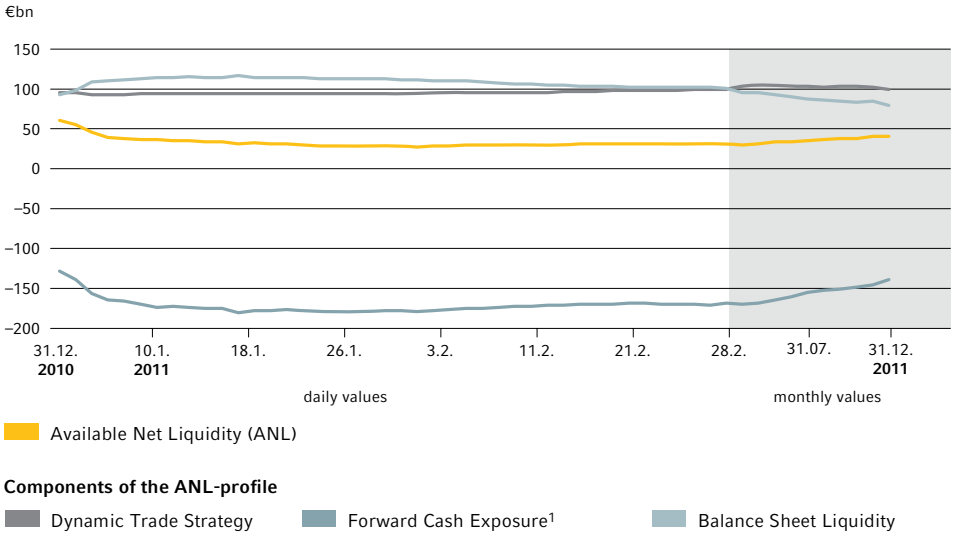
Commerzbank's internal liquidity risk model is the basis for liquidity management and reporting to the Board of Managing Directors. This risk measurement approach calculates the available net liquidity (ANL) for the next twelve months under various scenarios. The calculation is carried out on the basis of deterministic, i.e. contractually agreed, and also statistically expected economic cashflows (forward cash exposure – FCE and dynamic trade strategy – DTS respectively), taking into account realizable assets (balance sheet liquidity – BSL). As at December 31, 2010 the volume of freely available assets eligible for discounting at the central bank that were included in balance sheet liquidity in the ANL modelling was €93bn.

The stress scenario used by management which forms the basis of modelling allows for the impact of both a bank-specific stress event and a broader market crisis when calculating liquidity and setting limits. The stress scenario is used to draw up detailed contingency plans. The stress scenarios are run daily and reported to management. The underlying assumptions are checked regularly and adjusted to reflect changed market conditions as necessary. With the integration of Schiffsbank in 2010, all entities of the Group being relevant for the management of liquidity risk are now covered by the internal liquidity risk model.

2 Available net liquidity

The graph below of ANL and its subcomponents FCE, DTS and BSL shows that under the conservative stress scenario calculated as at December 31, 2010 a sufficient liquidity surplus was available throughout the period analyzed.

Available net liquidity in the combined stress scenario of the internal liquidity model



[1] Derivative positions of former Dresdner Bank are almost fully integrated.

The liquidity surpluses calculated remained within the limits set by the Board of Managing Directors throughout 2010. Commerzbank's solvency was therefore sufficient at all times, not only in terms of the external regulatory requirements of the German Liquidity Regulation, but also in terms of internal limit setting. Our liquidity position can therefore continue to be regarded as stable and comfortable.

We benefit from our core business activities in retail and corporate banking and a widely diversified funding base in terms of products, regions and investors in the money and capital markets.

As part of our ongoing reporting and monitoring of liquidity risk we are supporting various regulatory initiatives to bring international liquidity standards into line and are therefore actively preparing for the introduction of the liquidity risk ratios defined in Basel III. Commerzbank took part in the Quantitative Impact Study on Basel III in 2010 and launched a project to regularly calculate the Basel III observation data.

Operational risk

Operational risk (OpRisk) in Commerzbank is based on the German Solvency Regulation and is defined as the risk of loss resulting from the inadequacy or failure of internal processes, systems and people or from external events. This definition includes legal risks; it does not cover reputational risks or strategic risks.

1 OpRisk management

The management and limitation of operational risks differs systematically from limiting credit and market risk, since the relevant management units are not made up of individual clients or positions but internal processes. For this type of risk we focus on anticipatory management by the segments and cross-sectional units based on an overarching risk strategy for operational risks and the associated relevant processes.

Areas for action and quantitative guidelines for the risk strategy are defined at Group level and segment level. Management issues are regularly examined in meetings of the Group and segment OpRisk committees.

Management of the Commerzbank Group's legal risks on a worldwide basis is handled by Group Legal. The latter's main function is to recognize potential losses from legal risks at an early stage, devise solutions for reducing, restricting or avoiding such risks and establish the necessary provisions.

2 OpRisk developments

We continued to drive forward our objective of improving the Group OpRisk profile in the year under review. We completed implementing our standardized methods and processes, and in particular developed our early warning system further.

The total charge to Commerzbank in 2010 for OpRisk events (losses plus changes in provisions taken against income for operational risks and ongoing litigation) was €274m (previous year: €272m).

This mainly resulted from OpRisk provisions taken in the private customer area with relation to advisory liability and procedural errors.

OpRisk events by segment | €m	2010	2009
Private Customers	132	127
Mittelstandsbank	–8	46
Central & Eastern Europe	7	1
Corporates & Markets	14	41
Asset Based Finance	34	24
Portfolio Restructuring Unit	11	7
Others and Consolidation	84	26
Group	**274**	**272**

The regulatory capital requirement for operational risk according to the advanced measurement approach (AMA) was €21.8bn at year-end 2010 (previous year's RWA: €19.5bn). Of this, roughly 63% related to Private Customers and Corporates & Markets.

Until our newly developed and integrated model will be certified by the regulatory authorities (planned for 2011), the capital requirement for both regulatory and internal reporting purposes will still be calculated separately for Commerzbank (old) and Dresdner Bank and reported as a total.

Other risks

1 Business risk

Business risk is deemed to be a potential loss that results from discrepancies between actual income (negative deviation) and costs (positive deviation) and the budgeted figures. This risk is mainly influenced by business strategy and internal budget planning as well as by changes in the operating conditions affecting business volumes, technical processes and the competitive situation of the Bank and its competitors for customers. Business risk is managed by means of clear segment-specific targets as regards returns as well as cost/income ratios in conjunction with ongoing flexible cost management in the event of non-performance.

2 Unquantifiable risks

To meet the requirements of pillar II of the Basel framework, MaRisk insists on an integrated approach to risk that also includes unquantifiable risk categories. In Commerzbank these are subjected to a qualitative management and control process.

Human resources risk

Human resources risk fall within the definition of operational risk in Section 269 (1) SolvV. The internal management interpretation of this definition at Commerzbank includes the following elements under human resources risk:

- Adjustment risk: We offer selected internal and external training and continuing education programmes to ensure that the level of employee qualifications keeps pace with the current state of developments and that our employees can fulfil their duties and responsibilities.
- Motivation risk: We use employee surveys, particularly during the integration process, to try to respond as quickly as possible to potential changes in our employees' level of corporate attachment and initiate adequate measures.
- Departure risk: We take great care to ensure that the absence or departure of employees does not result in long-term disruptions to our operations. Quantitative and qualitative measures of staff turnover are monitored regularly.
- Supply risk: Our quantitative and qualitative staffing is based on internal operating requirements, business activities, strategy and the Commerzbank risk situation, particularly due to the high demands placed on staff during the merger of the two banks.

Staff are a key resource for Commerzbank. Our success is based on the specialist knowledge, skills, abilities and motivation of our employees. Human resources risk is systematically managed with the aim of identifying risks as early as possible and assessing and managing them by, for instance, applying selected personnel tools. The Board of Managing Directors is regularly informed about human resources risks.

Business strategy risk

Business strategy risk is defined as the risk of negative deviations from given business targets arising from previous or future strategic decisions and from changes in market conditions.

Corporate strategy is developed further within the framework of a structured strategy process which forms the basis of the Bank's annual planning process. This involves fixing corporate strategic directions and guidelines as well as determining quantitative targets as an aspiration level for the Group and segments.

To ensure proper implementation of Group strategy to achieve the required business targets, strategic controls are carried out through quarterly monitoring of quantitative and qualitative targets in the Group and segments. In addition, we also constantly monitor external factors such as market and competitive conditions, capital market requirements and changed regulatory conditions, with relevant changes resulting in adjustments to Group strategy. As part of the regulatory requirements under MaRisk a sustainable business strategy is set, laying out the major business activities and the steps to reach these goals. A risk strategy consistent with this is also set. A strategy process coordinates the planning, implementation, assessment and adjustment of these strategies, which are then communicated throughout the company.

Responsibility for strategic corporate management lies with the Board of Managing Directors, which is supported by Group Development & Strategy for strategic issues. In the strategy meeting the Supervisory Board is being explicitly informed about Commerzbank's strategy. Some business policy decisions (acquisition and disposals of equity holdings exceeding 1% of equity) also require the approval of the Risk Committee of the Supervisory Board. All major investments are subject to careful review by the Investment and Resources Allocation Committee.

Reputational risk

We define reputational risk as the risk of losses, falling revenues or reduced enterprise value due to business events that erode the confidence of the public, the media, employees, customers, rating agencies, investors or business partners in Commerzbank.

The operational divisions, branches and subsidiaries bear direct responsibility, within the scope of their business operations, for reputational risk arising from their particular activity. Reputational risk may also stem from other types of risk and even intensify such risks. The responsibility of Group Communication for monitoring this ensures the Bank is aware of market perceptions at an early stage. For this reason, relevant measures and activities relating to business policy are subjected to careful scrutiny. In particular, Commerzbank avoids business policy measures and transactions which entail significant tax or legal risks, and also ethical, ecological and social risks. All relevant credit decisions are voted on individually with regard to any reputational risk incurred. These votes may result in transactions being declined.

Compliance risk

The confidence of our customers, shareholders and business partners in Commerzbank's proper and legitimate actions underpins our business activities. This confidence is based in particular on complying with applicable regulations and conforming with customary market standards and codes of conduct (compliance). To reinforce the confidence in the Group's integrity, all risks arising in this regard are effectively managed. The ever-growing complexity of national and international laws, regulations and market standards is taken into account through constant improvements to our management of compliance risk and through adjustments to reflect current developments and challenges.

Disclaimer

Commerzbank uses state-of-the-art risk measurement methods and models that are based on banking sector practice. The results obtained with the risk models are suitable for the purposes of the management of the Bank. The measurement approaches are regularly reviewed by Risk Control, Internal Audit, external auditors and the German supervisory authorities. Despite the careful development of the models and regular controls, models cannot capture all the influencing factors that may arise in reality, nor the complex behaviour and interactions of these factors. These limits to risk modelling apply particularly in extreme situations. Supplementary stress tests and scenario analyses can only show examples of the risks to which a portfolio may be exposed in extreme market situations. An analysis of all conceivable scenarios is not possible with stress tests and these cannot give a definitive indication of the maximum loss in the case of an extreme event.

Income statement of Commerzbank Aktiengesellschaft for the period from January 1 to December 31, 2010

€m				2010	2009
Interest income from					
a) Lending and money market transactions		10,151			13,576
b) Fixed income securities and debt register claims		1,058			2,395
			11,209		15,971
Interest expense			−6,481		−10,671
				4,728	**5,300**
Current income from					
a) Equities and other non-fixed income securities			2		343
b) Investments in associates			20		56
c) Holdings in affiliated companies			283		380
				305	**779**
Income from profit-pooling and from partial or full profit-transfer agreements				**93**	878
Commission income			3,483		3,546
Commission expense			−752		−557
				2,731	**2,989**
Net trading income				**1,953**	−705
of which: allocation pursuant to Art. 340e (4) HGB	−217				–
Other operating income				**694**	624
General administrative expenses					
a) Personnel expense					
aa) Wages and salaries		−3,023			−3,010
ab) Compulsory social-security contributions, expenses for pensions and other employee benefits		−676			−827
of which: for pensions	−257				−416
			−3,699		−3,837
b) Other administrative expenses			−3,305		−3,622
				−7,004	**−7,459**
Depreciation, amortization and write-downs of intangible and fixed assets				**−250**	−339
Other operating expenses				**−675**	−912
Write-downs and valuation allowances on loans and certain securities and allocations to provisions in lending business				**−831**	−1,687
Income from write-ups on investments in associates, holdings in affiliated companies and securities accounted for as fixed assets				**4**	−1,119
Expenses from the transfer of losses				**−2,891**	−2,048
Income from release of Fund for General Banking Risks				**–**	705
Profit/loss on ordinary activities				**−1,143**	**−3,699**
Extraordinary income			504		–
Extraordinary expenses			−724		−4,830
Extraordinary profit/loss				**−220**	**−4,830**
Taxes on income			259		256
of which: changes in deferred taxes	297				403
Other taxes			−47		−8
				212	**248**
Net loss				**−1,151**	**−7,576**
Withdrawals from capital reserve				**–**	6,619
Withdrawals from revenue reserves					
a) from statutory reserve			–		3
b) from other revenue reserves			1,151		954
				1,151	**957**
Distributable profit				**–**	**–**

Balance sheet of Commerzbank Aktiengesellschaft as of December 31, 2010

Assets | €m				31.12.2010	31.12.2009
Cash reserve					
a) Cash on hand			1,304		1,259
b) Balances with central banks			5,216		6,343
of which: with Deutsche Bundesbank		789			3,300
				6,520	**7,602**
Debt issued by public sector borrowers, and bills of exchange rediscountable at central banks					
a) Treasury bills and discountable treasury notes, as well as similar debt issues by public sector borrowers			243		2,140
				243	**2,140**
Claims on banks					
a) Payable on demand			35,921		30,627
b) Other claims			144,324		136,751
				180,245	**167,378**
Claims on customers				**184,167**	**207,522**
of which: secured by mortgages on real estate		29,204			30,932
public sector loans		6,078			5,966
Bonds and other fixed income securities					
a) Money market instruments					
aa) Issued by public sector borrowers		2,640			–
of which: rediscountable at Deutsche Bundesbank	2,640				–
ab) Issued by other borrowers		94	2,734		5,005
of which: rediscountable at Deutsche Bundesbank	–				4,233
					5,005
b) Bonds and notes					
ba) Issued by public sector borrowers		9,496			12,777
of which: rediscountable at Deutsche Bundesbank	9,058				11,552
bb) Issued by other borrowers		27,731	37,227		61,802
of which: rediscountable at Deutsche Bundesbank	22,190				34,743
					74,579
c) Own bonds			7		23,753
Nominal amount €5m					
				39,968	**103,337**
Equities and other non-fixed income securities				**72**	**11,968**
Trading assets				**183,286**	**–**
Investments in associates				**512**	**819**
of which: investments in banks		279			232
investments in financial services companies		2			6
Holdings in affiliated companies				**13,047**	**14,274**
of which: investments in banks		458			955
investments in financial services companies		521			446
Trust assets				**933**	**1,121**
of which: loans at third-party risk		875			457
Intangible assets					
a) Proprietary intellectual property rights and similar rights and assets			54		–
b) Purchased concessions, industrial property rights and similar rights and assets as well as licences relating to such rights and assets			116		114
				170	**114**
Fixed assets				**995**	**966**
Other assets				**11,611**	**105,102**
Accrued and deferred items					
a) Difference pursuant to Art. 250, (3) of the German Commercial Code - HGB			282		361
b) Other accrued and deferred items			462		7,490
				744	**7,851**
Deferred tax assets				**2,061**	**445**
Total assets				**624,574**	**630,639**

Liabilities and Shareholders' Equity | €m				31.12.2010	31.12.2009
Liabilities to banks					
a) Payable on demand			55,835		67,461
b) With agreed term or period of notice			83,785		85,159
				139,620	**152,620**
Liabilities to customers					
a) Savings deposits					
aa) With agreed period of notice of three months		3,896			5,121
ab) With agreed period of notice of more than three months		260			341
			4,156		5,462
b) Other liabilities					
ba) Payable on demand		124,931			121,599
bb) With agreed term or period of notice		78,769			89,223
			203,700		210,822
				207,856	**216,284**
Securitized liabilities					
a) Bonds and notes issued			42,282		66,367
b) Other securitized liabilities			6,293		19,873
				48,575	**86,240**
of which:					
ba) Money market instruments		6,285			19,844
bb) Own acceptances and promissory notes outstanding		8			12
Trading liabilities				**160,262**	**–**
Trust liabilities				**933**	**1,121**
of which: loans at third-party risk		875			457
Other liabilities				**25,977**	**121,518**
Accrued and deferred items					
a) Difference pursuant to Art. 340e, (2) of the German Commercial Code - HGB			127		82
b) Other accrued and deferred items			580		7,907
				707	**7,989**
Provisions					
a) Provisions for pensions and similar commitments			198		3,576
b) Provisions for taxes			736		1,038
c) Other provisions			4,079		4,134
				5,013	**8,748**
Subordinated liabilities				**11,226**	**12,144**
Profit-sharing certificates outstanding				**1,027**	**1,310**
of which: maturing in less than two years		320			603
Fund for General Banking Risks				**217**	**–**
Capital and reserves					
a) Subscribed capital					
aa) Share capital	3,072				
Own shares	–24				–
(conditional capital €1,222m)		3,048			3,072
ab) Silent participations		18,020			18,020
			21,068		21,092
b) Capital reserve			1,576		1,573
c) Retained earnings					
ca) Statutory reserve		–			–
cb) Other retained earnings		517			–
			517		–
d) Distributable profit			–		–
				23,161	**22,665**
Liabilities and Shareholders' Equity				**624,574**	**630,639**
1. Contingent liabilities					
a) Contingent liabilities from rediscounted bills of exchange credited to borrowers			3		3
b) Liabilities from guarantees and indemnity agreements			36,234		38,192
				36,237	**38,195**
2. Other commitments					
a) Repurchase commitments under sale with option to repurchase transactions			1		1
b) Irrevocable lending commitments			59,640		71,740
				59,641	**71,741**

Notes

General information

(1) Basis of preparation

The financial statements of Commerzbank Aktiengesellschaft as of December 31, 2010 have been prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB) and the Accounting Regulation for Credit Institutions and Financial Services Institutions (RechKredV) and in accordance with the provisions of the German Stock Corporation Act (Aktiengesetz – AktG). The rules on recognition and measurement set down in the German Accounting Law Modernization Act (Bilanzrechtmodernisierungsgesetz – BilMoG) were applied for the first time in 2010.

These financial statements consist of the income statement, the balance sheet and the notes. In addition, a management report was produced, as required under Art. 289 HGB.

Unless otherwise indicated, all amounts are shown in millions of euro.

(2) Accounting and measurement policies

The Cash reserve is reported at nominal value. Debt issued by public sector borrowers is shown at net present value. Claims on banks and Claims on customers are recognized at nominal value net of any provisions. Differences between cost and nominal value with interest-like characteristics are reported in Accrued and deferred items and are recognized through profit or loss in net interest income over the life of the claim.

Risks in the lending business are reflected by creating both specific loan loss provisions and general loan loss provisions for all on-balance-sheet claims and off-balance-sheet transactions using internal parameters and models. A distinction is made between significant and non-significant exposures. Provision is also made for country risks in these calculations. The level of the provision for each individual default risk is based on the difference between the carrying amount of the claim and the net present value of the expected future cash inflows on the claim, calculated using the discounted cash flow method and allowing for any collateral held. General loan loss provisions are calculated using models. Regular reversals of provisions arising from an increase in net present value are reported under Interest income in the Income statement.

Securities held in the liquidity reserve are measured in accordance with the regulations for current assets using the strict lower of cost or market value principle, except where they are included in Hedge relationships. Securities held as investments are measured using the modified lower of cost or market value principle, according to which the entity has the option of measuring at the lower of cost or market value provided that the asset is not permanently impaired.

Investments in associates and Holdings in affiliated companies are carried at amortized cost, in accordance with the rules for fixed assets. If the impairment of an investment is expected to be permanent the carrying amount of the asset is written down. If the reasons for the impairment cease to exist, the asset is written up to a maximum of the amortized cost.

Write-downs and impairments are shown net of write-ups. If the assets are held for trading, the net figure is reported under Net trading income. In the case of liquidity reserves income and expense items are reported under Write-downs and valuation allowances on loans and certain securities and allocations to provisions in lending business. In the case of securities held as investments they are reported under Write-downs and valuation allowances on investments in associates, holdings in affiliated companies and securities accounted for as fixed assets.

Trading assets and trading liabilities are measured at fair value less a risk deduction, in accordance with Art. 340e (3) HGB. The risk deduction is calculated using the supervisory value-at-risk for market price risk. Own issues which have been bought back in the trading portfolio are shown net where there is no longer a debt outstanding.

Repurchase agreements are reported in accordance with the principles of Art. 340b of the German Commercial Code (HGB). In the case of securities lending transactions, securities lent continue to be recognized on the balance sheet of Commerzbank Aktiengesellschaft as long as the title is retained.

Fixed assets are stated at cost and reduced by depreciation in accordance with the rules for fixed assets. The underlying useful lives are based on the general depreciation table published by the tax authorities. If an asset is permanently impaired, it is written down to the impaired value. Proprietary intangible assets are recognized at development cost incurred. Low-value items are accounted for in accordance with the respective local tax simplification rules.

Liabilities are recognized at their settlement amount. Differences between the repayment and the disbursement amount are reported as accrued and deferred items and recognized through

profit or loss on a pro-rata temporis basis. Non-current discounted liabilities (zero bonds) are stated at net present value.

Pension provisions are measured at the end of each year on the basis of an external expertise and using the projected unit credit method. The imputed interest expense on these provisions is recognized under Other operating expenses. The calculation parameters can be found in the note on Provisions.

Plan assets held to cover pension and age-related part-time working obligations are measured at fair value and reported combined with the provisions formed for this purpose in accordance with Art. 246 (2) sentence 2 HGB. The same applies for the corresponding income and expense. The difference is recognized in the balance sheet. The contribution required under Art. 67 (1) EGHGB will be provided no later than December 31, 2024.

Provisions for taxes and other provisions are recognized at the settlement amount estimated as necessary using reasonable commercial judgment; provisions with a residual term of more than one year are discounted to their present value. Imputed interest expense on provisions is recognized under Other operating expense.

Derivative financial instruments are used both to hedge balance sheet items and for trading purposes, and are measured individually as of the reporting date. Hedge relationships are created using derivatives transactions in line with the provisions of Art. 254 HGB. Interest rate derivatives used to manage the overall interest rate position of Commerzbank Aktiengesellschaft (asset/liability management) are not measured on the basis of interest rates. Internal transactions are accounted for using the arm's length principle.

Deferred taxes are recognized for all temporary differences between the accounting values of all assets, debts and accruals/deferrals and their tax values. Deferred taxes are measured using the individual company tax rates (and tax regulations) in force on the reporting date or which have been essentially approved in law and are expected to be in force at the time the deferred tax asset will be realized or deferred tax liability settled.

The overall tax rate of Commerzbank Aktiengesellschaft for Germany breaks down as follows:

Corporation tax rate	Solidarity surcharge	Trade tax rate	Overall tax rate
15%	5.5% of Corporation tax	15%	**30.85%**

Deferred taxes from foreign branches are measured using the tax rates in force at the location, which range between 0% and 46%.

Because Commerzbank Aktiengesellschaft includes selected subsidiaries for income tax purposes, deferred tax assets and liabilities arising from timing differences at these companies are recognized at the level of Commerzbank Aktiengesellschaft. For foreign branches, they are recognized at the level of the individual companies.

Deferred tax assets are recognized where it is likely that a taxable profit will be available to be offset against the temporary difference. Tax loss carryforwards and interest carryforwards are taken into account when calculating deferred tax assets where they are expected to be realized within the next five years. Deferred tax assets and liabilities are stated net.

The underlying differences are mainly due to different valuation methods for Provisions, Other liabilities, Claims on banks and Fixed assets, and result in a Deferred tax asset. Deferred tax assets have also been recognized on tax loss-carryforwards where there are sufficient grounds to expect they can be realized within the next five financial years following the reporting date. The net result in the financial year was a deferred tax asset, which we have opted to report.

(3) Currency translation

Foreign currencies are converted into euro in accordance with the provisions of Articles 256a and 340h HGB. We translate items

in the balance sheet and the income statement denominated in foreign currencies, as well as pending spot market transactions, at the mid rate on the balance sheet date and forward foreign exchange transactions at the forward rate. Because of the special hedging in the same currency, gains and losses on currency transactions are taken to income. The financial statements of our branches abroad which are denominated in foreign currencies are translated into the reporting currency at the spot market mid-rate on the balance sheet date. Holdings of notes and coins were translated at exchange rates on the balance sheet date.

(4) Changes in accounting policies

Income and expense arising from initial application of the German Accounting Law Modernization Act are generally reported under Extraordinary income and expense. The effects from the initial application of the German Accounting Law Modernization Act have been taken directly to Retained earnings. Commerzbank Aktiengesellschaft has exercised the right not to restate the prior-year figures. No prior-year figures have been calculated for data reported for the first time under the German Accounting Law Modernization Act.

The definition of marketable company has been amended and the prior-year figures restated accordingly.

Starting with this financial year, own issues which have been bought back in the trading portfolio are shown net where there is no longer a debt outstanding. In addition, claims and liabilities under sale and repurchase and securities lending agreements and the positive and negative fair values of derivatives with central counterparties are, subject to certain conditions, shown net.

Notes to the income statement

(5) Breakdown of revenues by geographic markets

€m	2010	2009
Europe including Germany	17,035	19,336
America	419	607
Asia	189	250
Africa	1	22
Total	**17,644**	**20,215**

The total amount includes the items Interest income, Current income from equities and other non-fixed income securities, investments in associates, holdings in affiliated companies, Commission income, Net trading income and Other operating income.

(6) Auditors' fee

We have exercised the option permitted by Art. 285 no. 17 HGB to report the auditors' fee in the consolidated financial statements.

(7) Other operating income

Other operating income of €694m (previous year: €624m) mainly includes revenues from the reversal of provisions.

(8) Other operating expenses

Other operating expenses of €675m (previous year: €912m) mostly include imputed interest on provisions and additions to provisions for litigation and recourse.

(9) Extraordinary profit/loss

The Extraordinary loss was the result of income and expenses incurred by the initial application of the German Accounting Law Modernization Act as of January 1, 2010.

(10) Administrative and agency services

The following significant administrative and agency services were performed for third parties:

- Custody account administration
- Agency services for insurance and home loan savings plans
- Asset management
- Fiduciary services
- Investment business
- Securities commission business
- Payment transaction services

Notes to the balance sheet

(11) Maturity profile of claims and liabilities

€m	31.12.2010	31.12.2009
Other claims on banks	**144,324**	**136,751**
with a residual term of		
less than three months	87,064	78,211
more than three months, but less than one year	19,186	30,003
more than one year, but less than five years	33,234	25,776
more than five years	4,840	2,761
Claims on customers	**184,167**	**207,522**
with an indefinite term	14,908	14,537
with a residual term of		
less than three months	41,780	63,566
more than three months, but less than one year	22,652	17,501
more than one year, but less than five years	49,730	54,483
more than five years	55,097	57,435

€m	31.12.2010	31.12.2009
Liabilities to banks		
with an agreed term or period of notice	**83,785**	**85,159**
with a residual term of		
less than three months	53,110	39,235
more than three months, but less than one year	4,694	17,285
more than one year, but less than five years	13,214	14,699
more than five years	12,767	13,940
Savings deposits		
with an agreed period of notice of more than three months	**260**	**341**
with a residual term of		
less than three months	42	51
more than three months, but less than one year	68	86
more than one year, but less than five years	126	174
more than five years	24	30
Other liabilities to customers		
with an agreed term or period of notice	**78,769**	**89,223**
with a residual term of		
less than three months	52,506	63,075
more than three months, but less than one year	11,368	10,516
more than one year, but less than five years	7,974	8,162
more than five years	6,921	7,470
Other securitized liabilities	**6,293**	**19,873**
with a residual term of		
less than three months	5,226	14,939
more than three months, but less than one year	1,067	4,930
more than one year, but less than five years	–	4
more than five years	–	–

Of the €42,282m of Bonds and notes issued (previous year: €66,367m), €7,058m will fall due in the financial year 2011.

Due to the regulations of the German Accounting Law Modernization Act, Claims on customers, Claims on banks and Liabilities to banks attributable to the trading portfolio have been reclassified as Trading assets or Trading liabilities and are shown at fair value.

(12) Securities

€m	31.12.2010	31.12.2009
Bonds and other fixed income securities	**39,968**	**103,337**
of which		
Marketable	39,538	101,740
Listed on a stock exchange	21,892	74,389
Not listed	17,646	27,351
Equities and other non-fixed income securities	**72**	**11,968**
of which		
Marketable	1	7,229
Listed on a stock exchange	1	7,229
Investments in associates	**512**	**819**
of which		
Marketable	14	311
Listed on a stock exchange	14	311
Holdings in affiliated companies	**13,047**	**14,274**
of which		
Marketable	–	–
Listed on a stock exchange	–	–

[1] See note on Changes in accounting policies. Previous-year figures have been restated to reflect the amendment to the definition of a marketable company.

Of the Bonds and other fixed income securities in the amount of €39,968m (previous year: €103,337m), €7,187m will fall due in the financial year 2011.

In financial year 2010 €5,101m of securities held as investments were reclassified to the liquidity portfolio.

Due to the regulations of the German Accounting Law Modernization Act, securities attributable to the trading portfolio have been reclassified as Trading assets and are shown at fair value.

(13) Trading assets and liabilities

As of December 31, 2010, the Trading assets and Trading liabilities are made up of:

€m	31.12.2010
Trading assets	**183,286**
Derivative financial instruments	131,455
Claims	1,688
Bonds and other fixed income securities	36,698
Equities and other non-fixed income securities	13,705
Risk deduction Value at Risk	–260

€m	31.12.2010
Trading liabilities	**160,262**
Derivative financial instruments	133,665
Liabilities	26,597

Financial instruments in the trading portfolio are measured at fair value. Under Art. 255 (4) HGB, fair value is equal to market value. For listed products market prices are used; for unlisted products comparable prices, indicative prices from pricing service providers or other banks are used. Non-derivative financial instruments for which market prices are not available are valued applying normal market procedures based on market parameters using specific instruments. The net present value method is most often applied. If it is not possible to measure fair value in this way, acquisition cost is used pursuant to Art. 255 (4) HGB. For an explanation of the measurement of derivative financial instruments held for trading, please see the note on Forward transactions.

Under Art. 340e (3) HGB, when measuring the trading portfolio, a market risk discount is applied based on a risk-adjusted mark-to-market approach. The market risk discount is calculated on the basis of a value-at-risk approach approved by regulators. This specifies a maximum loss from these trading books that, with a 99% probability, will not be exceeded over a holding period of ten days. The historical observation period is one year. The value-at-risk is calculated centrally for the entire portfolio and deducted from trading assets on the balance sheet. In accordance with the German Accounting Law Modernization Act, net income from interest and dividends is reported under Net trading income. Commerzbank Aktiengesellschaft offsets the positive and negative fair values of interest rate swaps with central counterparties in the trading portfolio.

The internal guidelines determining which financial instruments are included in the trading portfolio have not changed during the year.

In financial year 2010, Commerzbank Aktiengesellschaft transferred €217m from Net trading income to the Fund for General Banking Risks.

Due to the regulations of the German Accounting Law Modernization Act, no prior-year figures are shown this year (see the note on Changes in accounting policies).

(14) Hedge relationships

To balance contrary changes in value, micro and portfolio hedge relationships are created to hedge the resultant risks.

Micro hedge relationships created for securities in the liquidity reserve mainly hedge against the general risk of a change in interest rates. Interest-rate-induced changes in the value of the securities are almost entirely compensated by the change in the value of the associated hedges. Micro hedge relationships created for own issues not held for trading are fully hedged against interest rate, currency and other price risks. The terms of each of the hedging instruments almost fully match the terms (e.g. volume, maturity, payment dates, etc.) of the hedged portfolios in case of both types of hedging.

The prospective and retrospective effectiveness of the hedge relationships for securities in the liquidity reserve is demonstrated using regression analysis. The average term to maturity of these micro hedge relationships is six years. The effectiveness of hedge relationships for own issues in the non-trading portfolio is measured using a simplified test based on the same key parameters (critical term match). The average term to maturity of these hedge relationships is six years.

Portfolio hedge relationships are created to protect against interest rate risks in securities in the liquidity reserve, since fair value is managed on a portfolio basis. This means that the overall interest rate position of a portfolio of separate but identical transactions grouped together is hedged. Effectiveness is demonstrated by analysing interest rate sensitivity. The remaining average term of the portfolio hedge relationship created is three years.

The carrying amount of all assets hedged by hedge relationships was €13,019m at the reporting date; the carrying amount of hedged liabilities was €61,495m. The nominal value of hedge relationships on the asset side of the balance sheet was €12,592m at the reporting date and the nominal value of hedge relationships on the liability side €62,920m.

(15) Relations with affiliated companies and associates

The table below shows claims on and liabilities to affiliated companies and associates:

	Affiliated companies		Investments in associates	
€m	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Claims on banks	92,258	83,380	622	1,015
Claims on customers	12,709	11,627	4,194	1,087
Bonds and other fixed income securities	15,181	7,843	–	–
Trading assets	3,852	–	59	–
Liabilities to banks	20,654	21,012	42	25
Liabilities to customers	18,311	10,979	4,025	658
Securitized liabilities	1,923	1,566	–	–
Subordinated liabilities	3,282	2,201	–	5

Transactions with related companies are carried out on arm's length terms and conditions. Relationships with related parties are set out in detail in the note on Remuneration and loans paid to board members, and in the Remuneration report.

(16) Fiduciary transactions

€m	31.12.2010	31.12.2009
Claims on customers	875	457
Bonds and other fixed income securities	–	276
Other trust assets	–	336
Commerzbank Foundation	58	52
of which: cash at bank - current accounts	1	1
securities	56	50
other assets	1	1
Trust assets	**933**	**1,121**
of which: loans at third-party risk	875	457
Liabilities to banks	15	293
Liabilities to customers	860	776
Commerzbank Foundation	58	52
of which: capital and reserves	56	51
liabilities	1	1
foundation net profit/loss	1	–
Trust liabilities	**933**	**1,121**
of which: loans at third-party risk	875	457

(17) Changes in book value of fixed assets

€m	Intangible assets	Fixed assets	Securities held as investments	Investments in associates[1]	Holdings in affiliated companies[1]
Cost of acquisition/production as of 1.1.2010	**1,135**	**3,485**	**9,876**		
Additions in 2010	128	186	321		
Disposals in 2010	9	104	353		
Transfers	–4	–26	–8,759		
Changes in exchange rates	6	41	40		
Cost of acquisition/production as of 31.12.2010	**1,256**	**3,582**	**1,125**		
Cumulative write-downs	1,086	2,612	448		
of which: Write-downs in 2010	70	180	22		
Write-ups in 2010	–	25	–		
Residual book values as of 31.12.2010	**170**	**995**	**677**	**512**	**13,047**
Residual book values as of 31.12.2009	**114**	**966**	**9,315**	**819**	**14,274**

[1] Use was made of the option to present an aggregate figure, pursuant to Art. 34 (3) RechKredV.

Of the land and buildings with an overall book value of €443m (previous year: €399m) the Bank uses premises of €198m (previous year: €244m) for its own purposes. Office furniture and equipment of €552m (previous year: €567m) is included in the Fixed assets. For securities held as financial investments please see the note on Securities.

Commerzbank Aktiengesellschaft does not undertake research in connection with proprietary intangible assets. Development costs recognized for proprietary intangible assets amounted to €54m in the financial year.

(18) Other assets

Other assets of €11,611m (previous year: €105,102m) mainly consist of premiums paid for option transactions in the non-trading portfolio of €4,475m (previous year: € 19,567m) and €2,636m of initial margins receivables.

Due to the regulations of the German Accounting Law Modernization Act, Other assets attributable to the trading portfolio have been reclassified as Trading assets and are shown at fair value.

(19) Subordinated assets

€m	31.12.2010	31.12.2009
Claims on banks	180,245	167,378
of which: subordinated	1,268	1,156
Claims on customers	184,167	207,522
of which: subordinated	389	312
Bonds and other fixed income securities	39,968	103,337
a) Bonds and notes issued by other borrowers	27,731	61,802
of which: subordinated	–	86
b) Own bonds	7	23,753
of which: subordinated	6	92
Equities and other non-fixed income securities	72	11,968
of which: subordinated	–	13
Trading assets[1]	183,286	–
of which: subordinated	222	–
Subordinated assets total	**1,885**	**1,659**

[1] Trading assets measured at fair value.

(20) Repurchase agreements

The book value of the securities pledged under repurchase agreements which are recognized in the balance sheet was €37,956m (previous year: €45,607m).

(21) The Bank's foreign currency position

On the balance sheet date foreign currency assets totalled €236,527m (previous year: €139,471m).

Foreign currency liabilities amounted to €234,524m (previous year: €139,670m) on the balance sheet date.

(22) Collateral pledged for own liabilities

Assets of matching amounts were pledged as collateral for the following liabilities:

€m	31.12.2010	31.12.2009
Liabilities to banks	62,535	72,912
Liabilities to customers	15,111	39,090
Other commitments	11,785	1
Total	**89,431**	**112,003**

Collateral was provided to borrow funds under securities repurchase agreements, for funds borrowed for specific purposes and in connection with open market transactions in the Eurosystem. The figure for open market transactions includes securities deriving from the securitization of retail mortgage loans by Commerzbank Aktiengesellschaft totalling €12,290m (previous year: €13,856m). The securitizations were carried out via special-purpose entities.

(23) Other liabilities

The Other liabilities of €25,977m (previous year: €121,518m) mainly include €4,580m of premiums received for option transactions in the non-trading portfolio and liabilities under securitization transactions.

Due to the regulations of the German Accounting Law Modernization Act, Other liabilities attributable to the trading portfolio have been reclassified as Trading liabilities and are shown at fair value.

(24) Provisions

a) Provisions for pensions and similar commitments

Pension provisions are calculated on the basis of actuarial principles using a discount rate of 5.15% applying the projected unit credit method; the provision recognized is on the basis of the Heubeck 2005 G mortality tables. This assumes an expected general salary and wage increase of 2.50% p.a. including assumed career trends; pension increases are based on an interest rate of 1.80% p.a. An increase of 2.00% p.a. is assumed for increases in the income threshold. The shortfall due to unrecognized pension obligations within the meaning of Art. 28 (2) EGHGB amounted to €24m.

The contribution required by the change in measuring pensions caused by the German Accounting Law Modernization Act amounted to €444m at the end of the year and will be accumulated by December 31, 2024 at the latest. The contribution for this financial year was recognized under Extraordinary expenses.

Pursuant to Art. 246 (2) sentence 2 HGB, the plan assets held to cover pension and age-related early retirement obligations are netted against the provisions created for this purpose. As of December 31, 2010, the value of the items prior to netting was as follows:

€m	31.12.2010[1]
Fair value of the plan assets	4,076
Amount to be paid	4,671

[1] See note on Changes in accounting policies. Due to the regulations of the German Accounting Law Modernization Act, no prior-year figures are shown this year.

Prior to offset, the imputed interest expense was €181m, income from plan assets was €305m. The historical acquisition costs of the plan assets amounted to €3,894m.

Plan assets are mainly invested in institutional and retail funds focusing on fixed income securities and equities. They also contain private equity investments, capitalization products and credit balances on bank accounts. Recognized quoted or market prices have been obtained for the institutional and retail funds. Private equity investments are measured according to values provided by the relevant fund. The asset value of the capitalization product is calculated by the insurance company according to recognized actuarial principles and comprises contributions paid, guaranteed interest accrued to date and surpluses allocated less costs. Credit balances on bank accounts are recognized at nominal value. For an explanation of measuring derivatives, please see the note on Forward transactions.

b) Other provisions

Other provisions mainly include provisions for restructuring, litigation and recourse risks, and issues relating to personnel. Restructuring provisions amounted to €741m (previous year: €1,126m). Other provisions rose €114m because of imputed interest. Due to regulations of the German Accounting Law Modernization Act, provision amounts attributable to the trading portfolio were reclassified as Trading liabilities.

(25) Subordinated liabilities

In the event of insolvency or winding-up, the Subordinated liabilities of €11,226m (previous year: €12,144m) may only be repaid after the claims of all non-subordinated creditors have been met. There is no obligation to redeem the liability and no claim to interest payments until the claims of these creditors have been satisfied.

The obligations arising from the bonds and notes are subordinated obligations of the issuer which rank pari passu with all the issuer's other subordinated liabilities. In the financial year, interest paid on Subordinated liabilities amounted to €576m (previous year: €566m).

As of December 31, 2010 the following issues exceeded 10% of the aggregate amount for this item:

Code number	Currency	€m	Interest rate	Due date
WKN CB0789	EUR	1,250	4.13	13.9.2016

The holders of bonds cannot call for their redemption. The terms and conditions for subordinated liabilities apply. Conversion into equity or another form of debt is not stipulated in the contractual agreements.

(26) Profit-sharing certificates

Of the profit-sharing certificates shown in the balance sheet €707m (previous year: €707m) qualified as liable equity capital as defined in Art. 10 (5) of the German Banking Act (KWG).

Repayments of the profit-sharing certificates are subordinate to the claims of other creditors, but take priority over profit distributions to shareholders.

If the Distributable profit is not sufficient for a distribution to be made on the profit-sharing certificates, the distribution is reduced in accordance with the applicable conditions of each profit-sharing certificate.

Under the terms of the profit-sharing certificates, the servicing of the interest and principal repayments is linked to the Bank's distributable earnings rather than whether or not it pays a dividend. In accordance with the conditions imposed by the EU and the SoFFin agreements the Bank is not permitted to release reserves or special reserves pursuant to Art. 340g HGB in order to service profit-related equity instruments if it reports a net loss for the year. This means that there will be no coupon payments on Commerzbank Aktiengesellschaft's profit-sharing certificates for 2010 unless it has a legal obligation to do so which does not involve releasing reserves or dissolving the Fund for General Banking Risks. A reduction in the book value of the profit-sharing certificates was prevented by the release of reserves permitted under the SoFFin agreements.

Profit-sharing certificates outstanding as of the end of the financial year were as follows:

31.12.2010			
€m	Interest rate	Maturing on 31.12	
632	5.39	2015	Profit-sharing certificate WKN DR2U70
320	6.38	2010	Profit-sharing certificate[1] including: €10m registered profit-sharing certificate WKN 803205
50	7.53	2014	Registered profit-sharing certificate WKN 422785
25	7.56	2014	Registered profit-sharing certificate WKN 422720
1,027			

[1] Repayment on July 1, 2011.

(27) Equity

€		31.12.2010		31.12.2009
Equity		**23,160,614,169.94**		**22,664,750,885.16**
a) Subscribed capital		21,067,742,163.62		21,091,962,034.62
Share capital	3,071,517,607.60		3,071,517,607.60	
Silent participations	18,020,444,427.02		18,020,444,427.02	
Less own shares held	– 24,219,871.00		–	
b) Capital reserve		1,576,279,026.27		1,572,788,792.92
c) Retained earnings		516,592,980.05		57.62
Statutory reserve	–		–	
Reserves under Articles of Association	–		–	
Other retained earnings[1]	516,592,980.05		57.62	
d) Distributable profit		–		–

[1] The previous year figure was the reserve for own shares.

a) Subscribed capital

The Share capital of Commerzbank Aktiengesellschaft amounts to €3,071,517,607.60 and is divided into 1,181,352,926 no par value shares (notional par value per share: €2.60). The shares are bearer shares.

The silent participations are based on the contract dated December 19, 2008, together with the supplementary agreement dated June 3, 2009, on the establishment of a silent partnership between the Financial Market Stabilization Fund, represented by the Financial Market Stabilization Authority, and Commerzbank Aktiengesellschaft. Interest of 9% p.a. will be payable on the silent participations provided the Company reports a profit, and the silent participations are 100% eligible for Tier 1 capital purposes. Repayment of the silent participations is at par and the interest rate paid on them rises in years when a dividend is paid. The additional interest to be paid in such cases is based on the total cash dividend paid out. For every full €5,906,764 of cash dividend paid, the interest rate will rise by 0.01 percentage points. The silent participations are reported separately within equity. Interest is only payable on the silent partnership if the Company earns a net distributable profit. This condition was not met in 2010 and no expenses were therefore incurred.

The Financial Market Stabilization Fund participates in any net loss in proportion to the ratio of the book value of the silent participation to the overall book value of all of the Company's liable capital participating in the net loss (Art. 10 (2a), (4) and (5) KWG). After a reduction in value, the silent participation will be written up again in the following financial years to its full original nominal value, provided that this does not thereby cause or increase a net loss.

Furthermore, Commerzbank Aktiengesellschaft and Allianz SE concluded an agreement on June 3, 2009 on the establishment of a silent partnership, on the basis of which Allianz SE, through a subsidiary, provided Commerzbank Aktiengesellschaft with a silent participation of €750,000,000.00. The silent participation comes with a profit participation consisting of fixed interest of 9% p.a. on the nominal contribution amount plus additional dividend-linked remuneration of 0.01% p.a. for each full €5,906,764 of cash dividends paid. Interest is only payable on the silent partnership if the Company earns a distributable profit.

Moreover a silent partnership contribution of €842,473,825.02 was made by HT1 Funding GmbH.

b) Capital reserve

€	
As of 31.12.2009	**1,572,788,792.92**
Profit from trade with Own shares	3,490,233.35
Additions	–
Withdrawals	–
As of 31.12.2010	**1,576,279,026.27**

In the Capital reserve, premiums from the issue of Commerzbank Aktiengesellschaft shares are shown. Additional cash payments from the issue of conversion and option rights entitling holders to purchase Commerzbank Aktiengesellschaft shares and the difference between acquisition costs and resale proceeds of own shares are also recognized here.

c) Retained earnings

€	Total	Statutory reserve	Reserve for Own shares[1]	Other Retained earnings
As of 31.12.2009	**57.62**	**–**	**57.62**	**–**
Release of reserve for Own shares	**–57.62**	–	–57.62	–
Changes of Own shares	**–44,487,304.22**	–	–	–44,487,304.22
Loss from trading Own shares	**–23,308,192.73**	–	–	–23,308,192.73
Addition to Other retained earnings	**1,735,610,091.17**	–	–	1,735,610,091.17
Withdrawal from Other retained earnings	**–1,151,221,614.17**	–	–	–1,151,221,614.17
As of 31.12.2010	**516,592,980.05**	**–**	**–**	**516,592,980.05**

[1] Only until December 31, 2009.

The withdrawal from Retained earnings was to compensate the Net loss for the year. With regard to Own shares, please refer to the note on Own shares. As a result of the German Accounting Law Modernization Act, the allocation to other Retained earnings is mainly made up of deferred taxes and imputed interest on provisions.

(28) Authorized capital

Year of resolution	Originally Authorized capital €m	Remaining Authorized capital €	Expiring on	Pursuant to the Articles of Association
2009	670	–	14.5.2014	Art. 4 (3)[1]
2009	460	–	14.5.2014	Art. 4 (6)[1]
2006	12	–	30.4.2011	Art. 4 (7)[1]
2010	1,535	1,535,000,000.00	18.5.2015	Art. 4 (3)[2]
As of 31.12.2010	**2,677**	**1,535,000,000.00**		

[1] Previous issue.
[2] Current issue.

The terms and conditions for capital increases from authorized capital for the individual capital items are as follows as of December 31, 2010 (cf. Commerzbank Aktiengesellschaft Articles of Association as of August 25, 2010):

Article 4 (3) The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the Company's share capital until May 18, 2015, through the issue of new no-par-value shares against cash or contributions in kind, in either one or several tranches, but by a maximum amount of €1,535,000,000.00 (Authorized Capital 2010). In principle, shareholders are to be offered pre-emptive rights; the statutory pre-emptive rights may also be offered in such a way that the new shares are taken over by a bank or a syndicate of banks with the obligation to offer them to the shareholders of Commerzbank Aktiengesellschaft for subscription. However, the Board of Managing Directors is authorized, with the approval of the Supervisory Board, to exclude the preemptive rights in the following cases:

- in order to exclude any fractional amounts of shares from pre-emptive rights;
- in order, to the extent necessary, to offer to the holders of conversion or option rights, either already issued or still to be issued by Commerzbank Aktiengesellschaft or by companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18 (1) Stock Corporation Act) pre-emptive rights to the extent to which they would be entitled as shareholders after they have exercised their conversion or option rights or have met a corresponding conversion or option obligation;
- in order to issue staff shares of up to €12,000,000.00 to employees of Commerzbank Aktiengesellschaft and of companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18 (1) Stock Corporation Act);
- in order to increase the share capital against contributions in kind

- in the case of capital increases against contributions in cash if the issue price of the new shares is not substantially lower than the stock exchange price for shares of the Company with the same conditions at the time of determination of the issue price. The shares issued under the exclusion of pre-emptive rights under Articles 203 (1), 186 (3) sentence 4 Stock Corporation Act on the basis of this authorization may not exceed a maximum amount of 10% of the Company's share capital at the time this authorization becomes effective or at the time of exercise of the authorization, whichever amount is lower. The upper limit of 10% of the share capital will be reduced by the proportionate amount of share capital attributable to own shares of the Company which are disposed during the term of Authorized Capital 2010 under the exclusion of shareholders' pre-emptive rights under Articles 71 (1) no. 8 sentence 5, 186 (3) sentence 4 Stock Corporation Act. The upper limit will be further reduced by the proportionate amount of share capital attributable to those shares which are to be issued for the servicing of bonds with warrants or convertible bonds with option or conversion rights or with option or conversion obligations, if the bonds are issued during the term of Authorized Capital 2010 under the exclusion of pre-emptive rights, with Art. 186 (3) sentence 4 Stock Corporation Act applying mutatis mutandis.

The Board of Managing Directors is authorized to determine the further details of the capital increase and its implementation.

Article 4 sections (3), (6) and (7) of last year's Articles of Association were deleted by resolution of the Annual General Meeting on May 19, 2010 in order to create a uniform new authorization.

€	Remaining Authorized capital 31.12.2009	Added in financial year	Used in financial year	Expired in financial year	Remaining Authorized capital 31.12.2010
Total	**1,142,000,000.00**	**1,535,000,000.00**	**-**	**1,142,000,000.00**	**1,535,000,000.00**

(29) Conditional capital

€	Conditional capital 31.12.2009	Added in financial year	Expired in financial year	Conditional capital[1] 31.12.2010	of which used conditional capital	available lines
Total	**1,222,000,000.00**	**1,057,666,667.20**	**832,000,000.00**	**1,447,666,667.20**	**-**	**1,447,666,667.20**

[1] Of the Conditional capital increase, €745,666,667.20m is to enable the issuance of shares in the event of the exercise of conversion rights granted to the Financial Market Stabilization Fund, established under the German Financial Market Stabilization Act and represented by the Financial Market Stabilization Authority, as silent partner in the Company. The conditional capital increase will only be carried out to the extent that the Financial Market Stabilization Fund exercises these conversion rights.

The conditions for capital increases from conditional capital for the individual capital items are as follows as of December 31, 2009 (cf. Commerzbank Aktiengesellschaft Articles of Association as of August 25, 2010):

§ 4 (4) As resolved by the Annual General Meeting of May 19, 2010, the Company's share capital shall be conditionally increased by up to €702,000,000.00 divided into 270,000,000 no-par-value bearer shares (Conditional Capital 2010/ I). The conditional capital increase will only be carried out to the extent that holders / creditors of convertible bonds or convertible profit-sharing rights or warrants attached to bonds or profit-sharing certificates issued or guaranteed by Commerzbank Aktiengesellschaft or by companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18 (1) Stock Corporation Act) by May 18, 2015 on the basis of the authorization resolved by the Annual General Meeting on May 19, 2010 (Authorization 2010) make use of their conversion or option rights or meet their related conversion or option obligations, and other forms of performance are not selected.

§ 4 (5) As resolved by the ordinary General Meeting held in May 2009, the Company's share capital shall be conditionally increased by up to €390,000,000.00 divided into up to 150,000,000 no-par-value bearer shares (Conditional Capital 2009). The conditional capital increase shall serve to grant shares upon the exercise of exchange rights which were granted to the Financial Market Stabilization Fund (Finanzmarktstabilisierungsfonds), established under the German Financial Market Stabilization Fund Act (Finanzmarktstabilisierungsfondsgesetz) and represented by the Financial Market Stabili-

zation Agency (Finanzmarktstabilisierungsanstalt), as dormant partner of the Company. The conditional capital increase will only be carried out to the extent that the Financial Market Stabilization Fund (Finanzmarktstabilisierungsfonds) makes use of the exchange right.

§ 4 (6) As resolved by the ordinary General Meeting held in May 2010, the Company's share capital shall be conditionally increased by up to €355,666,667.20, divided into up to 136,794,872 no-par-value bearer shares (Conditional Capital 2010/ II). The conditional capital increase shall serve to grant shares upon the exercise of exchange rights which were granted to the Financial Market Stabilization Fund (Finanzmarktstabilisierungsfonds), established under the German Financial Market Stabilization Fund Act (Finanzmarktstabilisierungsfondsgesetz) and represented by the Financial Market Stabilization Agency (Finanzmarktstabilisierungsanstalt), as dormant partner of the Company. The conditional capital increase will only be carried out to the extent that the Financial Market Stabilization Fund (Finanzmarktstabilisierungsfonds) makes use of the exchange right.

(30) Non-distributable amount

The following table shows the amounts not available for distribution after deducting the deferred tax liabilities concerning these amounts. Deferred tax liabilities in an amount of €87m were offset against Deferred tax assets.

€m	31.12.2010[1]
Capitalized proprietary intangible assets	37
Difference arising from the capitalization of plan assets at fair value	112
Capitalization of deferred tax assets	2,148
Non-distributable amount	**2,297**

[1] See note on Changes in accounting policies. Due to the regulations of the German Accounting Law Modernization Act, no prior-year figures are shown this year.

(31) Significant shareholder voting rights

The Bank had received the following notices under Art. 21 German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) prior to the completion of the financial statements:

Company required to report	Registered office	held directly %	held indirectly %	Total %	Report date
Assicurazioni Generali S.p.A.	Trieste	0.19	4.78	4.97	11.10.2010
Allianz SE	München	7.17	2.31	9.48	21.1.2012

(32) Own shares

	Number of shares units[1]	Accounting par value €1,000	Percentage of share capital
Own shares as of 31.12.2010	9,315,335	24,220	0.79
Largest number acquired during the financial year	9,782,622	25,435	0.83
Shares pledged by customers as collateral as on 31.12.2009	10,276,162	26,718	0.87
Shares acquired during the financial year	216,750,366	563,551	–
Shares disposed of during the financial year	207,435,041	539,331	–

[1] Notional par value per share €2.60.

On May 19, 2010 the Annual General Meeting authorized the Commerzbank Aktiengesellschaft to purchase and sell its own shares for the purpose of securities trading, pursuant to Art. 71 (1) 7, Stock Corporation Act. The aggregate amount of shares to be acquired for this purpose shall not exceed 5% of the share capital of Commerzbank Aktiengesellschaft at the end on any given day. Together with the Company's own shares purchased for other reasons and held by Commerzbank Aktiengesellschaft or attributable to it pursuant to Articles 71d f. Stock Corporation Act, the shares purchased on the basis of this authorization may at no time exceed 10 % of the share capital of Commerzbank Aktiengesellschaft. The lowest price at which own shares may be purchased may not be more than 10% lower than the average share price (closing auction prices or similar successor prices for Commerzbank shares in XETRA trading or a similar successor system to the XETRA system on the Frankfurt Stock Exchange) on the three trading days preceding the purchase; own shares may not be purchased at prices more than 10% higher than this level.

The average purchase price in the past financial year was €6.29 (previous year: €9.35) and the average selling price was €6.27 (previous year: €9.34). The accounting value of repurchased own shares held is deducted from Subscribed capital (previous year: Reserve for Own shares in the amount of €57.62). The difference between the accounting value and the cost of acquisition is offset against Other retained earnings. The excess of the proceeds from reselling treasury shares over the acquisition costs is booked to the Capital reserve.

The Bank has given an undertaking to the Financial Market Stabilization Fund SoFFin, represented by the Financial Market Stabilization Authority, that neither it nor any of its affiliated companies will buy back shares or other components of its liable equity capital (except as specified under Art. 71 (1) nos. 2, 4 (purchase on behalf of another party), no. 7 or no. 8 AktG)).

Other notes

(33) Off-balance-sheet transactions

a) Contingent liabilities

€m	31.12.2010	31.12.2009
a) Contingent liabilities from rediscounted bills of exchange	3	3
b) Liabilities from guarantees and indemnity agreements	36,234	38,192
Credit guarantees	3,642	2,105
Other guarantees	25,784	28,979
Letters of credit	6,808	7,108
Total	**36,237**	**38,195**

Contingent liabilities from guarantees and indemnity agreements are mainly related to retail banking with customers generating commission income. Commerzbank Aktiengesellschaft runs the risk that a claim will be made under its contractual obligations due to deteriorating credit quality of the borrower. Account is taken of credit quality risks by creating provisions in the balance sheet. The risk of a claim under a contingent liability is assessed in accordance with the credit risk management parameters implemented pursuant to the German Solvency Regulation.

b) Other commitments

€m	31.12.2010	31.12.2009
a) Repurchase commitments from sales with option to repurchase transactions	1	1
b) Irrevocable lending commitments	59,640	71,740
Loans to customers	48,386	53,890
Loans to banks	8,264	14,703
Guarantees/acceptance credits/letters of credit	2,990	3,147
Total	**59,641**	**71,741**

Irrevocable lending commitments are included in Commerzbank Aktiengesellschaft's lending business and are not reported in the balance sheet. Risks may arise due to the deterioration of a customer's credit quality, for which a corresponding provision is created in the balance sheet.

Commerzbank AG arranges securitizations of the Bank's own receivables as well as of customers' receivables portfolios. The transactions serve to procure liquidity or to tap new sources of funding for customers or Commerzbank Aktiengesellschaft. In the case of direct securitizations of the own receivables, receivable portfolios are derecognized from Commerzbank Aktiengesellschaft's balance sheet.

The liquidity facilities and back-up credit lines provided to the securitization vehicles are also shown under Irrevocable lending commitments. The liquidity or back-up lines may be used if the risks relating to the underlying financial instruments increase and the securitized paper can no longer be sold on the market as planned.

c) Other financial commitments

In the context of operating leasing agreements where Commerzbank is the lessee, economic ownership is retained by the lessor and is therefore not shown in the balance sheet of Commerzbank Aktiengesellschaft. Commerzbank Aktiengesellschaft's liabilities under operating leasing are mainly related to buildings, office furniture and equipment. On December 31, commitments arising from rental and leasing agreements for subsequent years amounted to €2,691m (previous year: €3,391m); of which €851m (previous year: €1,394m) related to affiliated companies.

Liabilities to pay in capital for shares, shares in private limited companies and other shares amounted to €68m (previous year: €62m). Due to our participation in Liquiditäts-Konsortialbank GmbH, Frankfurt/Main, the Bank has an additional funding obligation of €96m (previous year: €96m) in accordance with Art. 26 of the German Limited Liability Companies Act (GmbHG).

Under Art. 5 (10) of the statute governing the German Deposit Protection Fund we have undertaken to indemnify the Association of German Banks for any losses incurred through support provided for banks in which Commerzbank holds a majority interest.

d) Securities lending transactions

Commerzbank Aktiengesellschaft carries out securities lending transactions with the aim of ensuring that its securities trading operations are able to meet delivery obligations and generate income from lending securities held in our trading portfolios. Borrowed securities are not reported in the balance sheet, but securities which are lent continue to be reported because title is retained. The risk of these transactions consists in the settlement risk. It can be defined as the difference between the fair value of the underlying securities and the value of the collateral that we have provided to others or which has been provided to us. A key benefit for Commerzbank Aktiengesellschaft is the additional income generated by lending our securities holdings. As of the reporting date, securities with a fair value of €11,459m (previous year: €11,554m) were out on loan, the fair value of securities borrowed was €22,387m (previous year: €17,189m).

e) Letter of comfort

In respect of the subsidiaries listed below and included in the consolidated financial statements, Commerzbank Aktiengesellschaft is obligated to ensure that, except in the case of political risks, they are able to meet their contractual liabilities.

Name	Registered office
AFÖG GmbH & Co. KG	Frankfurt/Main
comdirect bank Aktiengesellschaft	Quickborn
Commerz (East Asia) Ltd.	Hong Kong
Commerzbank (Eurasija) SAO	Moscow
Commerzbank Europe (Ireland)	Dublin
Commerzbank Europe Finance (Ireland) plc.	Dublin
Commerzbank Inlandsbanken Holding GmbH	Frankfurt/Main
Commerzbank International S.A.	Luxembourg
CommerzTrust GmbH	Frankfurt/Main
Commerz Markets LLC	New York
Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg	Luxembourg
Eurohypo Aktiengesellschaft	Eschborn

(34) Forward transactions

31.12.2010	Nominal amount						Fair value	
	Residual terms							
€m	Due on demand	up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total	Positive	Negative
Foreign-currency-based forward transactions								
OTC products								
Foreign exchange spot and forward contracts	–	471,701	120,937	36,130	1,377	630,145	7,875	7,448
Interest rate and currency swaps	–	18,128	55,226	154,410	108,407	336,171	7,247	8,732
Currency call options	–	33,972	40,869	18,543	6,735	100,119	2,532	–
Currency put options	–	40,328	45,969	19,363	5,328	110,988	–	2,561
Other foreign exchange contracts	4	908	1,195	1,650	1,829	5,586	313	178
Products traded on a stock exchange								
Currency futures	–	2,943	189	–	–	3,132	–	–
Currency options	–	–	–	–	–	–	–	–
Total	**4**	**567,980**	**264,385**	**230,096**	**123,676**	**1,186,141**	**17,967**	**18,919**
of which: trading instruments	**4**	**565,784**	**263,692**	**230,026**	**123,502**	**1,183,008**	**17,593**	**18,860**
Interest-based forward transactions								
OTC products								
Forward rate agreements	–	100,461	485,270	1,913	–	587,644	258	292
Interest rate swaps (same currency)	–	812,391	1,119,063	3,679,553	3,383,831	8,994,838	303,417	303,528
Call options on interest rate futures	–	2,349	26,384	58,281	78,687	165,701	7,382	–
Put options on interest rate futures	–	3,039	18,642	55,057	95,573	172,311	–	7,616
Structured interest rate products	23	4,380	2,496	11,274	7,130	25,303	2,106	1,394
Products traded on a stock exchange								
Interest rate futures	–	582	73,385	6,489	4,128	84,584	–	–
Interest rate options	–	3	51,905	161	–	52,069	–	–
Total	**23**	**923,205**	**1,777,145**	**3,812,728**	**3,569,349**	**10,082,450**	**313,163**	**312,830**
of which: trading instruments	**23**	**872,499**	**1,723,124**	**3,779,444**	**3,563,403**	**9,938,493**	**311,442**	**311,522**
Other forward transactions								
OTC products								
Structured equity/index products	1,433	14,086	12,283	14,516	1,855	44,173	1,277	2,482
Equity call options	–	2,057	9,749	8,823	349	20,978	2,144	–
Equity put options	–	2,804	12,752	11,946	993	28,495	–	3,162
Credit derivatives	–	3,509	13,876	129,746	23,825	170,956	3,886	4,242
Precious metal contracts	3	4,090	1,412	1,130	–	6,635	308	127
Other transactions	–	468	1,058	1,849	106	3,481	375	536
Products traded on a stock exchange								
Equity futures	–	7,041	451	15	12	7,519	–	–
Equity options	–	16,314	43,640	36,483	1,455	97,892	–	–
Other futures	–	2,350	1,970	840	–	5,160	–	–
Other options	–	2,024	4,025	1,278	–	7,327	–	–
Total	**1,436**	**54,743**	**101,216**	**206,626**	**28,595**	**392,616**	**7,990**	**10,549**
of which: trading instruments	**1,436**	**54,285**	**99,022**	**198,689**	**28,008**	**381,440**	**7,815**	**10,323**
Total pending forward transactions								
OTC products	1,463	1,514,671	1,967,181	4,204,184	3,716,025	11,403,524	339,120	342,298
Products traded on a stock exchange	–	31,257	175,565	45,266	5,595	257,683	–	–
Total	**1,463**	**1,545,928**	**2,142,746**	**4,249,450**	**3,721,620**	**11,661,207**	**339,120**	**342,298**

The fair value of financial derivatives is largely driven by the performance of the underlying asset. Underlying assets are, in particular, equities, bonds, currencies, precious metals, commodities, indices and interest rates. Fair value is also affected by future expected fluctuations in the value of the underlying and the residual term of the derivative itself.

Where available, the fair value of derivatives shown is based on prices on active markets, especially stock market prices.

Where no market prices are available on an active market, fair value is determined by various methods including valuation models. The valuation models selected and the parameters used depend on the individual product and are in line with market standards.

Fair value for forwards and swaps is determined using discounted cash flow methodology taking the yield curve for the relevant currency.

Standardized and digital options are generally priced using the Black-Scholes model. In the case of exotic options, multinomial trees and Monte Carlo models are used as valuation methods. Monte Carlo simulations are also used for other structured derivatives.

Option premiums received and paid for financial derivatives in the non-trading portfolio are shown under Other Assets and Other Liabilities. A €342m provision for impending losses was set aside for financial derivatives in the non-trading portfolio. Variation margin posted and received on exchange-traded derivatives amounted to €6,028m (previous year: €9,830m) and €–6,403m (previous year: €–11,051m) respectively. They include €134m/€–154m for interest rate transactions; €5,313m/€–5,534m for equity transactions, €15m/€–189m for foreign currency transactions and €566m/€–526m for transactions with other price risks.

(35) Employees

On average, Commerzbank Aktiengesellschaft employed 41,614 people (previous year: 42,382) last year, who were deployed as follows:

		Total		Male		Female	
		FTE	Empl.	FTE	Empl.	FTE	Empl.
In Germany							
	2010	34,932	37,951	18,824	19,038	16,108	18,913
	2009	35,961	39,544	19,333	19,910	16,628	19,634
Outside of Germany							
	2010	3,597	3,663	2,410	2,454	1,187	1,209
	2009	2,773	2,838	1,851	1,894	922	944
Total							
	2010	38,529	41,614	21,234	21,492	17,295	20,122
	2009	38,734	42,382	21,184	21,804	17,550	20,578

The figures for full-time equivalent (FTE) staff include part-time personnel with their time actually worked. The average hours worked by part-time staff is 60% (previous year: 60%) of the standard working time. The figures for the employees (Empl.) count all part-time staff on an absolute basis. Trainees are not included in the staff numbers.

Trainees		Total	Male	Female
	2010	2,205	1,025	1,180
	2009	2,265	1,004	1,261

(36) Remuneration and loans to board members

A detailed description of the principles of the remuneration system for the members of the Board of Managing Directors and members of the Supervisory Board is provided in the remuneration report. This can be found in the management report.

Excluding the interest rate-adjusted change in the net present value of pension entitlements included in the calculation of pension liabilities, the total remuneration of the members of the Board of Managing Directors and Supervisory Board was as follows:

€1,000	31.12.2010	31.12.2009
Board of Managing Directors	5,275	5,865
Supervisory Board	1,841	1,974

Total remuneration of the individual members of the Board of Managing Directors for 2010 is shown below, along with the comparative figures for 2009. Contrary to last year, we also show the interest rate-adjusted change in the net present value of pension entitlements as a post-employment benefit expense of the Bank.

€1,000		Short-term employee benefits	Termination benefits	Payouts of share-based remuner-ation plans[4]	Total remuneration	Post-employment benefit expenses[5]
Martin Blessing	2010	617		–	617	197
	2009	572		–	572	123
Frank Annuscheit	2010	603		–	603	227
	2009	545		–	545	102
Markus Beumer	2010	547		–	547	191
	2009	602		–	602	101
Wolfgang Hartmann	2010[2]	–		–	–	–
	2009[1]	232		–	232	18
Dr. Achim Kassow	2010	572		–	572	111
	2009	564		–	564	65
Jochen Klösges	2010	566		–	566	240
	2009[1]	298		–	298	418
Bernd Knobloch	2010[2]	–	–	–	–	–
	2009[2,3]	–	1,113	–	1,113	–
Michael Reuther	2010	575		–	575	278
	2009	575		–	575	185
Dr. Stefan Schmittmann	2010	555		–	555	413
	2009	535		–	535	274
Ulrich Sieber	2010	563		–	563	210
	2009[1]	308		–	308	449
Dr. Eric Strutz	2010	595		–	595	118
	2009	521		–	521	72
Martin Zielke	2010[1]	82		–	82	52
	2009[2]	–		–	–	–
Total	**2010**	**5,275**	**–**	**–**	**5,275**	**2,037**
	2009	**4,752**	**1,113**	**–**	**5,865**	**1,807**

[1] Pro rata temporis from the date of appointment or up to the date of departure from the Board.
[2] Not members of the Board during the years shown.
[3] In 2009 Mr Knobloch received €1,113,000 on the basis of the severance agreement concluded with him.
[4] No LTP was paid out in the financial year 2010.
[5] Interest rate-adjusted change in the partial (2009) and settlement (2010) amounts of pension entitlements and employer's contributions to BVV retirement fund and the state pension.

Total remuneration of the members of the Board of Executive Directors including the expense for benefits from the Bank after employment has ceased was €7,312,000 (previous year: €7,672,000).

The following table shows the components of short-term benefits. These comprise basic salary, variable remuneration, remuneration for serving as a director at companies consolidated in the Group financial statements of Commerzbank Aktiengesellschaft and other remuneration of individual members of the Board of Managing Directors. The "Other" column includes normal benefits in kind (chiefly use of company cars and insurance plus the tax and social security payments due on these).

No variable remuneration was paid for 2009 or 2010.

€1,000		Basic salary	Variable remuneration[3]	Remuneration for serving on boards[4]	Reduction further to SoFFin cap[4]	Total monetary remuneration	Other[5]	Total short-term employee benefits
Martin Blessing	2010	500	–			500	117	617
	2009	500	–	–	–	500	72	572
Frank Annuscheit	2010	500	–			500	103	603
	2009	480	–	23	–3	500	45	545
Markus Beumer	2010	500	–			500	47	547
	2009	480	–	12	–	492	110	602
Wolfgang Hartmann	2010[2]	–	–	–	–	–	–	–
	2009[1]	200	–	–	–	200	32	232
Dr. Achim Kassow	2010	500	–			500	72	572
	2009	480	–	124	–104	500	64	564
Jochen Klösges	2010	500	–			500	66	566
	2009[1]	280	–	–	–	280	18	298
Bernd Knobloch	2010[2]	–	–	–	–	–	–	–
	2009[2]	–	–	–	–	–	–	–
Michael Reuther	2010	500	–			500	75	575
	2009	480	–	21	–1	500	75	575
Dr. Stefan Schmittmann	2010	500	–			500	55	555
	2009	480	–	–	–	480	55	535
Ulrich Sieber	2010	500	–			500	63	563
	2009[1]	280	–	–	–	280	28	308
Dr. Eric Strutz	2010	500	–			500	95	595
	2009	480	–	2	–	482	39	521
Martin Zielke	2010[1]	78	–			78	4	82
	2009[2]	–	–	–	–	–	–	–
Total	**2010**	**4,578**	**–**			**4,578**	**697**	**5,275**
	2009	**4,140**	**–**	**182**	**–108**	**4,214**	**538**	**4,752**

[1] Pro rata temporis from the date of appointment or up to the date of departure from the Board.
[2] Not members of the Board during the years shown.
[3] Payable in the following year subject to approval of the annual financial statements.
[4] Remuneration for serving on the boards of Group companies paid in the financial years 2009 and 2010 will be offset in full against the SoFFin cap of the previous year and has therefore been allocated to the previous year in the table
[5] The heading "Other" includes non-monetary benefits granted in the year under review and employer's social security contributions, plus tax due on non-monetary benefits.

We refer to the section headed "Other regulations" in the remuneration report for information on regulations for payments stemming from termination of employment for active members of the Board of Managing Directors.

The assets funding the Bank's retirement benefit plan for present and former members of the Board of Managing Directors or their surviving dependants have been transferred to Commerzbank Pensions-Trust e.V. as part of a contractual trust arrangement.

As of December 31, 2010 the pension obligations for active members of the Board of Managing Directors amounted to €9.7m (previous year: €7.2m) and for former members of the Board of Managing Directors or their surviving dependants to €69.3m (previous year: €62.7m). There are also pension obligations of €133.9m (previous year: €121.4m) for former directors of Dresdner Bank. Commerzbank Aktiengesellschaft has made provisions for these pension obligations.

Payments to former members of the Board of Managing Directors of Commerzbank Aktiengesellschaft and their surviving dependents amounted to €6,519,000 in the financial year 2010 (previous year: €7,677,000). Payments to former directors of the former Dresdner Bank were €11,154m (previous year: €11,602m).

The active members of the Board of Managing Directors have participated and participate in the long-term performance plans (LTPs) which are described in detail in the remuneration report and represent a share-based form of compensation. In order to participate in the various plans, the members of the Board of Managing Directors have invested in up to 2,500 Commerzbank Aktiengesellschaft shares per plan at their individual discretion, the chairman in up to 5,000 shares per plan, at current market prices.

The table below provides information on the shares of long-term performance plans of active members of the Board of Managing Directors, acquired in their capacity as active board members, effective as of December 31, 2010. The members of the Board of Managing Directors renounced all the shares acquired under the 2008 LTP in February 2009 and will therefore not receive any payments from this plan. The fair value of the 2006 and 2007 plans was zero in each case as of December 31, 2010. This led to the full reversal of the provision of around €10,000 which had been created.

Currently active long-term performance plans of active members of the Board of Managing Directors acquired in their capacity as active board members:

	LTP	Number of participating shares	fair value when the shares were granted €1,000	fair value as of 31.12.2010 €1,000	pro rata provisions as of 31.12.2010 €1,000
Martin Blessing	2008	–	–	–	–
	2007	2,500	79	–	–
	2006	2,500	87	–	–
Frank Annuscheit	2008	–	–	–	–
	2007	1,200	38	–	–
	2006	1,200	42	–	–
Dr. Achim Kassow	2008	–	–	–	–
	2007	2,500	79	–	–
	2006	2,500	87	–	–
Michael Reuther	2008	–	–	–	–
	2007	2,500	79	–	–
	2006	–	–	–	–
Dr. Eric Strutz	2008	–	–	–	–
	2007	2,500	79	–	–
	2006	2,500	87	–	–
Sum	**2008**	**–**	**–**	**–**	**–**
	2007	**11,200**	**354**	**–**	**–**
	2006	**8,700**	**303**	**–**	**–**
Total 2010		**19,900**	**657**	**–**	**–**
Total 2009		**19,900**	**657**	**18**	**9.9**

Members of the Board of Managing Directors not listed in the table above held no LTPs as of December 31, 2010 which they had acquired as an active board member.

The remuneration for the members of the Supervisory Board is regulated in Art. 15 of the Articles of Association of Commerzbank Aktiengesellschaft. Members of the Supervisory Board received total net remuneration for financial year 2010 of €1,563,000 (previous year: €1,681,000). Of this figure, the basic remuneration and remuneration for serving on committees amounted to €1,240,000 (previous year: €1,240,000) and attendance fees to €323,000 (previous year: €441,000). Attendance fees are paid for participating in the meetings of the Supervisory Board and its six committees (Presiding, Audit, Risk, Nomination, Conciliation and Social Welfare Committees) which met in the year under review. Value added tax of €278,000 (previous year: €293,000) payable on the remuneration of the members of the Supervisory Board is reimbursed by Commerzbank AG. Accordingly the total remuneration of the members of the Supervisory Board amounted to €1,841,000 (previous year: €1,974,000).

All told, the Board of Managing Directors and Supervisory Board held no more than 1% (previous year: under 1%) of the issued shares and option rights of Commerzbank Aktiengesellschaft on December 31, 2010.

On the balance sheet date, the aggregate amount of advances and loans granted was as follows:

€1,000	31.12.2010	31.12.2009
Board of Managing Directors	2,647	2,304
Supervisory Board	417	577
Total	**3,064**	**2,881**

Members of the Board of Managing Directors have been granted cash advances and loans with terms ranging from on demand to a due date of 2038 and at interest rates ranging between 2.8% and 5.5%, and in selected instances overdrafts at rates up to 10.7%. Loans are secured in line with normal market practice, if necessary through land charges and rights of lien.

Members of the Supervisory Board have been granted loans with terms ranging from on demand up to a due date in 2040 and at interest rates ranging between 3.8% and 7.7%, and, in individual instances, up to 10.7% for overdrafts. In line with market conditions, loans were granted in some cases without collateral such as land charges or rights of lien.

(37) Corporate Governance Code

We have issued our declaration of compliance with the German Corporate Governance Code pursuant to Art. 161 AktG. This forms part of the corporate governance declaration in the management report, and is also available on the internet at www.commerzbank.de.

(38) Ownership interests

The following information is given pursuant to Art. 285 nos. 11 and 11a HGB.

a) Affiliated companies

Name	Registered office	Share of capital held in %	Currency	Equity 1,000	Net profit/loss 1,000
ABORONUM Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Berlin KG	Düsseldorf	60.0	EUR	27	4
ADMERA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	EUR	26	2
AFÖG GmbH & Co. KG	Frankfurt/Main	100.0	EUR	151,071	–95,965
AGV Allgemeine Grundstücksverwaltungs- und -verwertungsgesellschaft mit beschränkter Haftung	Eschborn	100.0	EUR	40	– *)
AJUNTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	EUR	–4,908	–1,582
ALDUNA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	EUR	–10,397	–3,378
ALMURUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	EUR	8,294	–951
ALTEREGO Beteiligungsgesellschaft mbH	Düsseldorf	100.0	EUR	959	–6,721
ASCARA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	EUR	–689	–488
ASTUTIA Beteiligungsgesellschaft mbH	Düsseldorf	100.0	EUR	3,788	– *)
Atlas-Vermögensverwaltungs-Gesellschaft mit beschränkter Haftung	Bad Homburg v.d. Höhe	100.0	EUR	455,113	– *)
BACUL Beteiligungsgesellschaft mbH	Eschborn	100.0	EUR	3	–7
BERGA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG	Grünwald (Munich)	100.0	EUR	–1,253	400
Bishop Finance Inc.	Wilmington, Delaware	100.0	GBP	569,985	–979
BRE Bank Hipoteczny S.A.	Warsaw	100.0	PLN	368,373	30,861
BRE Bank SA	Warsaw	69.8	PLN	6,923,121	655,907
BRE Finance France S.A.	Levallois Perret	100.0	EUR	163	–18
BRE Holding Sp. z.o.o.	Warsaw	100.0	PLN	370,742	523
BRE Leasing Sp. z o.o.	Warsaw	100.0	PLN	121,358	27,437
BRE Ubezpieczenia Sp. z.o.o.	Warsaw	100.0	PLN	13,051	7,051
BRE Ubezpieczenia Towarzystwo Ubezpieczen i Reasekuracji S.A.	Warsaw	100.0	PLN	59,255	9,460
BRE.locum S.A.	Lódz	80.0	PLN	109,185	6,207
Bridge Re Limited	Hamilton, Bermuda	100.0	USD	411	–
CB Building Kirchberg GmbH	Düsseldorf	100.0	EUR	2,216	785
CBG Commerz Beteiligungsgesellschaft Holding mbH	Bad Homburg v.d. Höhe	100.0	EUR	6,137	– *)
CBG Commerz Beteiligungskapital GmbH & Co. KG	Frankfurt/Main	100.0	EUR	33,745	6,783
CFB-Fonds Transfair GmbH	Düsseldorf	100.0	EUR	26	– *)
CG New Venture 2 Verwaltungsgesellschaft mbH	Wiesbaden	100.0	EUR	83	–
CG New Venture 4 GmbH & Co. KG	Wiesbaden	99.9	EUR	20,315	–
CG Real Estate Master FCP-SIF	Luxembourg	58.0	EUR	203,243	8,464
Chess Finance LLC	New York	100.0	USD	17,161	–1,502
Coba Holdings I, LLC [1)]	Wilmington, Delaware	100.0	USD	409,779	15,611
Coba Vermögensverwaltungsgesellschaft mbH	Düsseldorf	100.0	EUR	26	– *)

Name	Registered office	Share of capital held in %	Currency	Equity 1,000	Net profit/loss 1,000	
comdirect bank Aktiengesellschaft	Quickborn	80.5	EUR	418,644	52,983	
Commerz (East Asia) Limited	Hongkong	100.0	EUR	5,543	47	
Commerz Asset Management Asia Pacific Pte Ltd.	Singapore	100.0	SGD	51,099	–7,609	
Commerz Business Consulting GmbH	Frankfurt/Main	100.0	EUR	73	–	*)
Commerz Direktservice GmbH	Duisburg	100.0	EUR	1,178	–	*)
Commerz Grundbesitz Beteiligungsgesellschaft mbH & Co. KG	Frankfurt/Main	90.0	EUR	13,433	1,179	
Commerz Markets LLC [2)]	Wilmington, Delaware	100.0	USD	412,331	5,111	
Commerz Real AG	Düsseldorf	100.0	EUR	408,394	–	*)
Commerz Real Asset Verwaltungsgesellschaft mbH	Grünwald (Munich)	100.0	EUR	25	–	*)
Commerz Real Autoleasing GmbH	Hamburg	100.0	EUR	7,553	–	*)
Commerz Real Baucontract GmbH	Düsseldorf	100.0	EUR	4,238	–	*)
Commerz Real Baumanagement GmbH	Düsseldorf	100.0	EUR	52	–	*)
Commerz Real Fonds Beteiligungsgesellschaft mbH	Düsseldorf	100.0	EUR	25	–	*)
Commerz Real Immobilien GmbH	Düsseldorf	100.0	EUR	12,936	–	*)
Commerz Real Investmentgesellschaft mbH	Wiesbaden	100.0	EUR	21,968	–	*)
Commerz Real IT-Leasing GmbH	Düsseldorf	100.0	EUR	1,954	–	*)
Commerz Real Leasingservice GmbH & Co. KG	Hamburg	100.0	EUR	–20	–103	
Commerz Real Mietkauf GmbH	Düsseldorf	100.0	EUR	26	–	*)
Commerz Real Mobilienleasing GmbH	Düsseldorf	100.0	EUR	–3,463	–	*)
Commerz Real Partner Hannover GmbH	Düsseldorf	100.0	EUR	–386	–205	
Commerz Real Partner Nord GmbH	Düsseldorf	100.0	EUR	1,163	–688	
Commerz Real Partner Süd GmbH	Düsseldorf	65.0	EUR	1,098	793	
Commerz Real Spezialfondsgesellschaft mbH	Wiesbaden	100.0	EUR	5,948	–	*)
Commerz Real Verwaltung und Treuhand GmbH	Düsseldorf	100.0	EUR	26	–	*)
Commerz Services Holding GmbH	Frankfurt/Main	100.0	EUR	12,564	–	*)
Commerz Systems GmbH	Frankfurt/Main	100.0	EUR	6,108	4,351	
Commerz Transaction Services Mitte GmbH	Erfurt	100.0	EUR	2,715	–	*)
Commerz Transaction Services Nord GmbH	Magdeburg	100.0	EUR	1,493	–	*)
Commerz Transaction Services West GmbH	Hamm	100.0	EUR	1,256	–	*)
Commerzbank (Eurasija) SAO	Moskow	100.0	RUB	10,922,008	1,333,058	
Commerzbank (South East Asia) Ltd.	Singapore	100.0	EUR	69,460	2,203	
Commerzbank Asset Management Asia Ltd.	Singapore	100.0	SGD	2,839	–4,399	
Commerzbank Auslandsbanken Holding AG	Frankfurt/Main	100.0	EUR	1,792,196	–	*)
Commerzbank Auslandsbanken Holding Nova GmbH	Frankfurt/Main	100.0	EUR	921,212	–	*)
Commerzbank Capital Funding LLC I	Wilmington, Delaware	100.0	EUR	2	–	
Commerzbank Capital Funding LLC II	Wilmington, Delaware	100.0	GBP	2	–	
Commerzbank Capital Funding LLC III	Wilmington, Delaware	100.0	EUR	2	–	
Commerzbank Capital Funding Trust I	Wilmington, Delaware	100.0	EUR	1	–	
Commerzbank Capital Funding Trust II	Wilmington, Delaware	100.0	GBP	1	–	
Commerzbank Capital Funding Trust III	Wilmington, Delaware	100.0	EUR	1	–	
Commerzbank Capital Investment Company Limited [3)]	London	100.0	GBP	–	–	
Commerzbank Capital Ventures Management Limited [4)]	London	100.0	GBP	–	–	
Commerzbank Europe (Ireland)	Dublin, Ireland	81.7	EUR	373,395	436	

Name	Registered office	Share of capital held in %	Currency	Equity 1,000	Net profit/loss 1,000
Commerzbank Europe Finance (Ireland) plc	Dublin, Ireland	100.0	EUR	54	1
Commerzbank Finance 2 S.à.r.l. [5]	Luxembourg	100.0	EUR	1,005	–19
Commerzbank Finance 3 S.à.r.l.	Luxembourg	100.0	EUR	132,050	134
Commerzbank Finance BV [6]	Amsterdam, Netherlands	100.0	EUR	6,640	7,292
Commerzbank Holdings (UK) Limited [7]	London	100.0	GBP	495,330	80,100
Commerzbank Holdings France	Paris	100.0	EUR	80,638	2,447
Commerzbank Immobilien- und Vermögensverwaltungsgesellschaft mbH	Frankfurt/Main	100.0	EUR	462,597	– *)
Commerzbank Inlandsbanken Holding GmbH	Frankfurt/Main	100.0	EUR	6,359,838	– *)
Commerzbank International S.A.	Luxembourg	100.0	EUR	558,321	88,045
Commerzbank Investments (UK) Ltd. [8]	London	100.0	GBP	226,381	219,178
Commerzbank Leasing (Guernsey) Limited [9]	St. Peter Port, Guernsey	100.0	EUR	8	–
Commerzbank Leasing 1 S.à.r.l. [10]	Luxembourg	100.0	GBP	258	6
Commerzbank Leasing 2 S.à.r.l. [11]	Luxembourg	100.0	GBP	63,200	–367
Commerzbank Leasing 4 S.à.r.l. [12]	Luxembourg	100.0	GBP	32	18
Commerzbank Leasing 5 S.à r.l. [13]	Luxembourg	100.0	GBP	–91	–44
Commerzbank Leasing 6 S.à.r.l. [14]	Luxembourg	100.0	GBP	111	–20
Commerzbank Leasing December (1) Limited [15]	London	100.0	GBP	1,486	365
Commerzbank Leasing December (10) [16]	London	100.0	GBP	32	–
Commerzbank Leasing December (11) [17]	London	100.0	GBP	–	–
Commerzbank Leasing December (12) Limited [18]	London	100.0	GBP	254	–163
Commerzbank Leasing December (13) Limited [19]	London	100.0	GBP	–	–
Commerzbank Leasing December (15) [20]	London	100.0	USD	–283	12
Commerzbank Leasing December (17) Limited	London	100.0	GBP	207	617
Commerzbank Leasing December (19) Limited	London	100.0	GBP	55,028	55,829
Commerzbank Leasing December (20) Limited	London	100.0	GBP	–	–
Commerzbank Leasing December (21) Limited	London	100.0	GBP	–	–
Commerzbank Leasing December (22) Limited	London	100.0	GBP	22	–421
Commerzbank Leasing December (23) Limited	London	100.0	GBP	25	–45
Commerzbank Leasing December (24) Limited	London	100.0	GBP	737	712
Commerzbank Leasing December (25) Limited	London	70.0	GBP	–14,991	–
Commerzbank Leasing December (26) Limited	London	100.0	GBP	1,345	1,298
Commerzbank Leasing December (3) Limited [21]	London	100.0	GBP	427	–25
Commerzbank Leasing December (4) Limited [22]	London	74.0	GBP	20	–
Commerzbank Leasing December (7) Limited [23]	Edinburgh	100.0	GBP	–	–
Commerzbank Leasing December (8) Limited [24]	London	100.0	GBP	–	–
Commerzbank Leasing December (9) Limited [25]	London	100.0	GBP	–	–
Commerzbank Leasing Holdings Limited [26]	London	100.0	GBP	2,883	6,464
Commerzbank Leasing Limited [27]	London	100.0	GBP	2,109	655
Commerzbank Leasing March (3) Limited [28]	London	100.0	GBP	5	5
Commerzbank Leasing September (5) Limited [29]	London	100.0	GBP	–5	–12
Commerzbank Leasing September (6) Limited [30]	London	100.0	GBP	–	–
Commerzbank Online Ventures Limited [31]	London	100.0	EUR	–	–
Commerzbank Overseas Holdings Limited [32]	London	100.0	GBP	10,039	1,254

Name	Registered office	Share of capital held in %	Currency	Equity 1,000	Net profit/loss 1,000	
Commerzbank Property Management & Services Limited [33]	London	100.0	GBP	–	–945	
Commerzbank Securities Ltd [34]	London	100.0	GBP	475	10	
Commerzbank Securities Nominees Limited [35]	London	100.0	GBP	10	–	
Commerzbank U.S. Finance, Inc.	Wilmington, Delaware	100.0	USD	657	13	
Commerzbank Zrt., Budapest	Budapest	100.0	HUF	22,231,390	–153,461	
CommerzFactoring GmbH	Mainz	50.1	EUR	1,099	–	*)
CSA COMMERZ SOUTH AFRICA (PROPRIETARY) LIMITED	Johannesbourg, South Africa	100.0	ZRA	5,833	7,330	
Deutsche Schiffsbank AG	Bremen/Hamburg	92.1	EUR	950,370	–	
Dom Inwestycyjny BRE Banku S.A.	Warsaw	100.0	PLN	72,474	29,849	
Dresdner Bank Brasil S.A. Banco Múltiplo	São Paulo – SP, Brazil	100.0	BRL	269,247	6,419	
Dresdner Capital LLC I	Wilmington, Delaware	100.0	USD	1,582	42	
Dresdner Capital LLC III	Wilmington, Delaware	100.0	EUR	303	10	
Dresdner Capital LLC IV	Wilmington, Delaware	100.0	JPY	18,333	452	
Dresdner Kleinwort – Grantchester, Inc.	Wilmington, Delaware	100.0	USD	27,846	16	
Dresdner Kleinwort & Co. Holdings, Inc.	Wilmington, Delaware	100.0	USD	224,695	18	
Dresdner Kleinwort (Japan) Limited	Hongkong	100.0	JPY	2,250,133	66,717	
Dresdner Kleinwort Capital Inc	New York	100.0	USD	3,608	–1,331	
Dresdner Kleinwort Capital Investment Trust Limited	London	100.0	GBP	–	–	
Dresdner Kleinwort do Brasil Limitada	Rio de Janeiro, Brazil	100.0	BRL	–13,339	–15	
Dresdner Kleinwort EIV Manager, Inc.	Wilmington, Delaware	100.0	USD	–18	–	
Dresdner Kleinwort Finance Inc.	New York	100.0	USD	2,105	228	
Dresdner Kleinwort Group Holdings, LLC	Wilmington, Delaware	100.0	USD	170,917	4	
Dresdner Kleinwort Holdings LLC	New York	100.0	USD	65,386	–20,133	
Dresdner Kleinwort Leasing Inc.	New York	100.0	USD	15,765	40	
Dresdner Kleinwort Limited	London	100.0	GBP	317,053	71,594	
Dresdner Kleinwort Moon LLC	Wilmington, Delaware	100.0	USD	83,755	6,039	
Dresdner Kleinwort Pfandbriefe Investments II, Inc.	Wilmington, Delaware	100.0	USD	12,959	1,490	
Dresdner Kleinwort Services (Guernsey) Limited	St. Peter Port, Guernsey	100.0	GBP	2	–	
Dresdner Kleinwort Services LLC	New York	100.0	USD	866	–	
Dresdner Kleinwort Servicios y Asesorias Ltda.	Santiago de Chile, Chile	100.0	CLP	–40,713	1,024	
Dresdner Kleinwort Stripes LLC	Wilmington, Delaware	100.0	USD	193,213	158	
Dresdner Kleinwort Wasserstein (Argentina) S.A.	Buenos Aires, Argentina	100.0	USD	136	–45	
Dresdner Kleinwort Wasserstein Securities (India) Private Limited	Mumbai, India	75.0	INR	474,867	75,318	
Dresdner Lateinamerika Aktiengesellschaft	Hamburg	100.0	EUR	50,109	–	*)
Dresdner UK Investments 2 B.V.	Amsterdam, Netherlands	100.0	EUR	957	5	
Dresdner UK Investments N.V.	Amsterdam, Netherlands	100.0	EUR	1,723	4	
EH Estate Management GmbH	Eschborn	100.0	EUR	11,026	–	*)
EH MoLu IV, LLC	Dover, USA	100.0	USD	14,389	–161	

Name	Registered office	Share of capital held in %	Currency	Equity 1,000	Net profit/loss 1,000	
EH NY IV, LLC	Dover, USA	100.0	USD	–827	9,710	
EHNY Ashland, LLC	Dover, USA	100.0	USD	–827	9,710	
EHY Real Estate Fund I, LLC	New York	100.0	USD	–3,511	–353	
EHY Sub Asset LLC	Wilmington, Delaware	100.0	USD	–7,901	84	
Elco Leasing Limited	London	100.0	GBP	504	3	
Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft	Luxembourg	100.0	EUR	281,548	197	
Eurohypo (Japan) Corporation	Tokyo, Japan	100.0	JPY	2,876,293	–398,662	
Eurohypo Aktiengesellschaft	Eschborn	100.0	EUR	5,661,992	–	*)
Eurohypo Capital Funding LLC I	Wilmington, Delaware	100.0	EUR	1	–	
Eurohypo Capital Funding LLC II	Wilmington, Delaware	100.0	EUR	3	–	
Eurohypo Capital Funding Trust I	Wilmington, Delaware	100.0	EUR	1	–	
Eurohypo Capital Funding Trust II	Wilmington, Delaware	100.0	EUR	1	0	
EUROHYPO Europäische Hypothekenbank S.A.	Senningerberg, Luxembourg	100.0	EUR	35,250	69,374	
European Bank for Fund Services Gesellschaft mit beschränkter Haftung (ebase)	Haar/Munich	80.5	EUR	29,575	6,036	
European Venture Partners (Holdings) Ltd	St. Helier, Jersey	85.0	GBP	–	280	
European Venture Partners Ltd	London	85.0	GBP	–	9,381	
FABA Vermietungsgesellschaft mbH	Düsseldorf	95.0	EUR	26	–	*)
Felix (CI) Limited	George Town, Cayman Island	100.0	GBP	25	–	
FHB – Immobilienprojekte GmbH	Eschborn	100.0	EUR	52	–	*)
FI Pro-City Immobilien GmbH	Eschborn	100.0	EUR	26	–	*)
Film Library Holdings LLC	Wilmington, Delaware	51.0	USD	32,321	–2,806	
FM LeasingPartner GmbH	Bissendorf, Kr Osnabrück	50.4	EUR	832	290	
Forum Immobiliengesellschaft mbH	Eschborn	100.0	EUR	809	–	*)
Frankfurter Gesellschaft für Vermögensanlagen mit beschränkter Haftung	Eschborn	100.0	EUR	5,952	–	*)
Futura Hochhausprojektgesellschaft mbH	Eschborn	100.0	EUR	2,421	–	*)
Galbraith Investments Limited	London	100.0	GBP	71	20	
GBG Verwaltungs- und Verwertungsgesellschaft für Grundbesitz mbH	Eschborn	100.0	EUR	312	–	*)
General Leasing (No.16) Limited	London	43.8	GBP	–343	–56	
G-G-B Gebäude- und Grundbesitz GmbH	Eschborn	100.0	EUR	256	–	*)
GIE Dresdner Kleinwort France	Paris	100.0	EUR	–	–	
GO German Office GmbH	Wiesbaden	100.0	EUR	–31,818	–	*)
gr Grundstücks GmbH Objekt Corvus	Frankfurt/Main	100.0	EUR	53	–3	
gr Grundstücks GmbH Objekt Corvus & Co. Sossenheim KG	Frankfurt/Main	100.0	EUR	442	–213	
Gresham Leasing March (1) Limited	London	25.0	GBP	1,065	–	
Gresham Leasing March (2) Limited	London	25.0	GBP	2,411	288	
Grundbesitzgesellschaft Berlin Rungestr. 22 – 24 mbH	Eschborn	94.0	EUR	1,159	–894	
GVG Gesellschaft zur Verwertung von Grundbesitz mit beschränkter Haftung	Eschborn	100.0	EUR	26	–	*)
Herradura Ltd	London	100.0	GBP	5	–	
Hibernia Beta Beteiligungsgesellschaft mbH	Frankfurt/Main	100.0	EUR	70,644	–10,691	

Name	Registered office	Share of capital held in %	Currency	Equity 1,000	Net profit/loss 1,000	
Hibernia Eta Beteiligungsgesellschaft mbH	Frankfurt/Main	85.0	EUR	50,168	−7,344	
Hibernia Gamma Beteiligungsgesellschaft mbH	Frankfurt/Main	60.6	EUR	139,087	−22,823	
Hibernia Sigma Beteiligungsgesellschaft mbH	Frankfurt/Main	100.0	EUR	50,194	−7,376	
Intermarket Bank AG	Vienna	56.2	EUR	37,042	1,425	
Inversiones Dresdner Kleinwort Chile Ltda.	Santiago de Chile, Chile	100.0	CLP	−1,229,990	141,158	
IVV – Immobilien – Verwaltungs- und Verwertungsgesellschaft mbH	Eschborn	100.0	EUR	26	–	
KENSTONE GmbH	Eschborn	100.0	EUR	26	–	*)
Kleinwort Benson (Canada) Limited	Toronto, Canada	100.0	CAD	–	–	
Kommanditgesellschaft MS "CPO ALICANTE" Offen Reederei GmbH & Co.	Hamburg	90.0	EUR	20,504	−1,219	
Kommanditgesellschaft MS "CPO ANCONA" Offen Reederei GmbH & Co.	Hamburg	77.2	EUR	39,585	−235	
Kommanditgesellschaft MS "CPO BARCELONA" Offen Reederei GmbH & Co.	Hamburg	90.0	EUR	20,543	−926	
Kommanditgesellschaft MS "CPO BILBAO" Offen Reederei GmbH & Co.	Hamburg	90.0	EUR	20,791	−765	
Kommanditgesellschaft MS "CPO CADIZ" Offen Reederei GmbH & Co.	Hamburg	90.0	EUR	20,819	−617	
Kommanditgesellschaft MS "CPO MARSEILLE" Offen Reederei GmbH & Co.	Hamburg	77.2	EUR	39,906	−970	
Kommanditgesellschaft MS "CPO PALERMO" Offen Reederei GmbH & Co.	Hamburg	73.9	EUR	39,504	−477	
Kommanditgesellschaft MS "CPO TOULON" Offen Reederei GmbH & Co.	Hamburg	90.0	EUR	38,633	−4,995	
Kommanditgesellschaft MS "CPO VALENCIA" Offen Reederei GmbH & Co.	Hamburg	90.0	EUR	21,635	−455	
Kommanditgesellschaft MS "CPO VIGO" Offen Reederei GmbH & Co.	Hamburg	90.0	EUR	21,428	−369	
Langham Nominees Ltd	St. Peter Port, Guernsey	100.0	GBP	–	–	
LAUREA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin Anthropolis KG	Düsseldorf	94.5	EUR	−7,355	3,949	
LAUREA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin Grindelwaldweg KG	Düsseldorf	94.5	EUR	−4,883	1,836	
LUGO Photovoltaik Beteiligungsgesellschaft mbH	Düsseldorf	100.0	EUR	−12,012	−12,420	
Magyar Factor Zrt.	Budapest	100.0	HUF	1,912,721	143,383	
Marlyna Ltd	London	100.0	GBP	25	–	
Marylebone Commercial Finance (2)	London	25.0	GBP	7,014	−47	
Marylebone Commercial Finance Limited	London	25.0	GBP	571	–	
Max Lease S.à.r.l. & Cie. Secs	Luxembourg	100.0	EUR	3,030	771	
MERKUR Grundstücks GmbH	Frankfurt/Main	100.0	EUR	73,576	−530	
Messestadt Riem "Office am See" I GmbH	Eschborn	94.0	EUR	−134	–	*)
Messestadt Riem "Office am See" II GmbH	Eschborn	94.0	EUR	459	–	*)
Messestadt Riem "Office am See" III GmbH	Eschborn	94.0	EUR	19	–	*)
Morris (S.P.) Holdings Limited	London	100.0	GBP	11	–	
NAVALIS Schiffsbetriebsgesellschaft mbH & Co. MS "NEDLLOYD JULIANA" KG	Hamburg	93.6	EUR	17,771	1,477	

Name	Registered office	Share of capital held in %	Currency	Equity 1,000	Net profit/loss 1,000	
NAVIPOS Schiffsbeteiligungsgesellschaft mbH	Hamburg	100.0	EUR	902	443	
New Asian Land Fund Holdings Limited	Hamilton, Bermuda	100.0	BMD	34,733	–18,438	
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lampertheim KG	Düsseldorf	95.0	EUR	32	166	
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte Plön und Preetz KG	Düsseldorf	90.0	EUR	–517	82	
Nordboden Immobilien- und Handelsgesellschaft mbH	Eschborn	100.0	EUR	315	–	*)
NOVELLA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	EUR	10,804	–	*)
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Jupiter KG	Düsseldorf	100.0	EUR	21,259	2,110	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Luna KG	Düsseldorf	100.0	EUR	666	335	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Neptun KG	Düsseldorf	100.0	EUR	15,024	1,660	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Pluto KG	Düsseldorf	100.0	EUR	23,056	2,376	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Uranus KG	Düsseldorf	100.0	EUR	36,087	6,091	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Venus KG	Düsseldorf	100.0	EUR	19,797	1,719	
Parc Continental Ltd.	London	100.0	GBP	–	–	
Pisces Nominees Limited	London	100.0	GBP	76,844	–30,196	
Polfactor S.A.	Warsaw	100.0	PLN	46,426	9,560	
Property Invest GmbH	Eschborn	100.0	EUR	61,059	–30,332	
Property Invest Italy S.r.l.	Milan, Italy	100.0	EUR	60,280	–4,116	
PUBLIC JOINT STOCK COMPANY "BANK FORUM"	Kyew, Ukrain	94.5	UAH	764,801	–3,282,345	
Real Estate Holdings Limited	Hamilton, Bermuda	100.0	BMD	29,385	10,897	
Real Estate TOP TEGEL Drei GmbH	Eschborn	94.0	EUR	60	–	*)
Real Estate TOP TEGEL Eins GmbH	Eschborn	94.0	EUR	421	–	*)
Real Estate TOP TEGEL Sechs GmbH	Eschborn	94.0	EUR	129	–	*)
Real Estate TOP TEGEL Vier GmbH	Eschborn	94.0	EUR	60	–	*)
Real Estate TOP TEGEL Zwei GmbH	Eschborn	94.0	EUR	60	–	*)
REFUGIUM Beteiligungsgesellschaft mbH	Grünwald (Munich)	100.0	EUR	10,714	5,701	
Rood Nominees Limited	London	100.0	GBP	–	–	
Rook Finance LLC	Wilmington, Delaware	100.0	USD	31,752	–314	
SB-Bauträger Gesellschaft mit beschränkter Haftung	Eschborn	100.0	EUR	55	–	*)
SB-Bauträger GmbH & Co. Urbis Hochhaus-KG	Frankfurt/Main	100.0	EUR	232	–	
SB-Bauträger GmbH & Co. Urbis Verwaltungs-KG	Frankfurt/Main	100.0	EUR	258	–	
SECUNDO Grundstücks-Vermietungs gesellschaft mbH	Düsseldorf	100.0	EUR	5,811	–	*)
Service-Center Inkasso GmbH Düsseldorf	Düsseldorf	100.0	EUR	128	–	*)
South East Asia Properties Limited	London	100.0	GBP	13,702	–	
Southwark Bridge Investments Ltd.	London	100.0	GBP	–	–	
Space Park GmbH & Co. KG	Frankfurt/Main	90.0	EUR	–95,038	–39	
Süddeutsche Industrie-Beteiligungs-GmbH	Frankfurt/Main	100.0	EUR	6,676	–	*)
TARA Immobiliengesellschaft mbH	Eschborn	100.0	EUR	25	–	*)

Name	Registered office	Share of capital held in %	Currency	Equity 1,000	Net profit/loss 1,000	
TARA Immobilienprojekte GmbH	Eschborn	100.0	EUR	25	–	*)
The New Asian Property Fund Ltd.	Bermuda	100.0	BMD	9,007	5,726	
Thurlaston Finance Limited	George Town, Cayman Island	100.0	GBP	25	–	
TIGNATO Beteiligungsgesellschaft mbH & Co. KölnTurm Media Park KG	Eschborn	100.0	EUR	–1,329	–9,380	
TOMO Vermögensverwaltungsgesellschaft mbH	Frankfurt/Main	100.0	EUR	22,779	–	*)
Transfinance a.s.	Praha	100.0	CZK	252,529	–41,508	
U.S. Residential Investment I, L.P.	Wilmington, Delaware	90.0	USD	29,058	–5,267	
Unica Immobiliengesellschaft mbH	Eschborn	100.0	EUR	43	–	*)
Valorem LLC	New York	100.0	USD	1,048	–748	
Vendome Lease S.A.	Paris	100.0	EUR	1	–484	
Watling Leasing March (1)	London	25.0	GBP	11,174	–97	
WebTek Software Private Limited i.L.	Bangalore, India	100.0	INR	230,933	14,286	
WESTBODEN – Bau- und Verwaltungsgesellschaft mit beschränkter Haftung	Eschborn	100.0	EUR	55	–	*)
Westend Grundstücksgesellschaft mbH	Eschborn	99.4	EUR	260	–	*)
Wohnbau-Beteiligungsgesellschaft mbH	Eschborn	90.0	EUR	307	–8	
Yarra Finance Limited	George Town, Cayman Island	100.0	GBP	55	–	

b) Associated companies

Name	Registered office	Share of capital held in %	Currency	Equity 1,000	Net profit/loss 1,000
36th Street CO-INVESTMENT, L.P.	Wilmington, Delaware	48.0	USD	14,271	–1,368
AKA Ausfuhrkredit-Gesellschaft mbH	Frankfurt/Main	31.6	EUR	20,500	8,360
Argor-Heraeus S.A.	Mendrisio	26.5	CHF	6,369	20,686
Capital Investment Trust Corporation	Taipei	24.0	TWD	495,022	609,583
Captain Holdings S.à.r.l.	Luxembourg	46.0	GBP	3,929	–42
Commerz Unternehmensbeteiligungs-Aktiengesellschaft	Frankfurt/Main	40.0	EUR	30,000	15
COMUNITHY Immobilien GmbH	Düsseldorf	49.9	EUR	–8,143	747
Exploitatiemaatschappij Wijkertunnel C.V.	Amsterdam	33.3	EUR	10,607	5,991
GIE Céline Bail	Paris	40.0	EUR	–	4,213
GIE Morgane Bail	Paris	40.0	EUR	–	3,581
GIE Northbail	Puteaux	25.0	EUR	–	7
GIE Vulcain Energie	Paris	21.0	EUR	–	23,082
HAJOBANTA GmbH & Co. Asia Opportunity I KG	Düsseldorf	20.7	EUR	150,168	–31,856
IGS Aerosols GmbH	Wehr/Baden	100.0	EUR	3,208	23
ILV Immobilien-Leasing Verwaltungsgesellschaft Düsseldorf mbH	Düsseldorf	47.0	EUR	45,047	1,269
Inmobiliaria Colonial S.A.	Barcelona	20.1	EUR	1,699,600	–474,000
Irving Place Co-Investment, L.P.	New York	33.9	USD	12,633	–
KGAL GmbH & Co. KG	Grünwald (Munich)	45.0	EUR	12,500	–
KGAL Verwaltungs-GmbH	Grünwald (Munich)	45.0	EUR	1,400	–
Linde Leasing GmbH	Wiesbaden	25.0	EUR	600	5,502
MFG Flughafen-Grundstücksverwaltungs-gesellschaft mbH & Co. BETA KG	Grünwald (Munich)	29.4	EUR	62,072	489
MM Cogène 2	Paris	49.8	EUR	–	2,476
RECAP/COMMERZ Alta Phoenix Lofts Investment, L.P. New York	New York	45.0	USD	16,158	–
RECAP/COMMERZ AMW Apartments Investment, L.P. New York	New York	45.0	USD	15,480	–
RECAP/COMMERZ Greenwich Park Investment, - L.P. New York	New York	45.0	USD	10,870	–
Reederei MS "E.R. INDIA" Beteiligungsgesellschaft mbH & Co. KG	Hamburg	26.1	EUR	1,585	–
Southwestern Co-Investment, L.P.	New York	45.0	USD	13,196	–

c) Jointly controlled entities

Name	Registered office	Share of capital held in %	Currency	Equity 1,000	Net profit/loss 1,000
Carbon Trade & Finance SICAR S.A.	Luxembourg	50.0	EUR	1,000	2,860
Delphi I LLC	Wilmington, Delaware	33.3	EUR	−299,141	−26,615
Commerz Finanz GmbH [36]	Munich	49.9	EUR	9,780	20,258
FV Holding S.A.	Brussels	60.0	EUR	33,659	−5,051
CR Kaiserkarree S.a.r.l.	Luxembourg	50.0	EUR	−26,211	−14,509
Servicing Advisors Deutschland GmbH	Frankfurt/Main	50.0	EUR	2,665	1,731
Urbanitas Grundbesitzgesellschaft mbH	Berlin	50.0	EUR	−7,728	1,396

d) Special purpose entities

Name	Registered office	Share of capital held in %	Currency	Equity 1,000	Net profit/loss 1,000
Honeywell Grundbesitzverwaltungs-GmbH & Co Vermietungs-KG	Grünwald (Munich)	100.0	EUR	−11,577	−1,645

e) Investments in large corporations

Name	Registered office	Share of capital held in %	Voting rights in %
ARES Energie Aktiengesellschaft	Berlin	13.7	13.7
CarMeile AG	Wuppertal	10.0	10.0
ConCardis Gesellschaft mit beschränkter Haftung	Frankfurt/Main	13.9	13.9
EURO Kartensysteme Gesellschaft mit beschränkter Haftung	Frankfurt/Main	13.9	13.9
GEWOBA Aktiengesellschaft Wohnen und Bauen	Bremen	7.1	7.1
Liquiditäts-Konsortialbank Gesellschaft mit beschränkter Haftung	Frankfurt/Main	9.6	9.6
Open Joint-Stock Company Promsvyazbank	Moskow	15.3	15.3

Footnotes regarding name changes		
1)	Renamed:	Dresdner Kleinwort Holdings I, Inc. has been transformed into Coba Holdings I, LLC
2)	Renamed:	Dresdner Kleinwort Securities LLC has been transformed into Commerz Markets LLC
3)	Renamed:	Dresdner Kleinwort Capital Investment Company Limited has been transformed into Commerzbank Capital Investment Company Limited
4)	Renamed:	Dresdner Kleinwort Capital Ventures Management Limited has been transformed into Commerzbank Capital Ventures Management Limited
5)	Renamed:	Dresdner Finance 2 S.à.r.l. has been transformed into Commerzbank Finance 2 S.à.r.l.
6)	Renamed:	Kleinwort Benson Finance BV has been transformed into Commerzbank Finance BV
7)	Renamed:	Dresdner Kleinwort Group Limited has been transformed into Commerzbank Holdings (UK) Limited
8)	Renamed:	Dresdner Investments (UK) Limited has been transformed into Commerzbank Investments (UK) Ltd.
9)	Renamed:	Dresdner Kleinwort Leasing (Guernsey) Ltd has been transformed into Commerzbank Leasing (Guernsey) Limited
10)	Renamed:	Dresdner Leasing 1 S.a.r.l. has been transformed into Commerzbank Leasing 1 S.à.r.l.
11)	Renamed:	Dresdner Leasing 2 S.a.r.l. has been transformed into Commerzbank Leasing 2 S.à.r.l.
12)	Renamed:	Dresdner Leasing 4 S.à.r.l. has been transformed into Commerzbank Leasing 4 S.à.r.l.
13)	Renamed:	Dresdner Leasing 5 S.à.r.l. has been transformed into Commerzbank Leasing 5 S.à r.l.
14)	Renamed:	Dresdner Leasing 6 S.a.r.l. has been transformed into Commerzbank Leasing 6 S.à.r.l.
15)	Renamed:	Dresdner Kleinwort Leasing December (1) Limited has been transformed into Commerzbank Leasing December (1) Limited
16)	Renamed:	Dresdner Kleinwort Leasing December (10) has been transformed into Commerzbank Leasing December (10)
17)	Renamed:	Dresdner Kleinwort Leasing December (11) has been transformed into Commerzbank Leasing December (11)
18)	Renamed:	Dresdner Kleinwort Leasing December (12) Limited has been transformed into Commerzbank Leasing December (12) Limited
19)	Renamed:	Dresdner Kleinwort Leasing December (13) Limited has been transformed into Commerzbank Leasing December (13) Limited
20)	Renamed:	Dresdner Kleinwort Leasing December (15) Limited has been transformed into Commerzbank Leasing December (15)
21)	Renamed:	Dresdner Kleinwort Leasing December (3) Limited has been transformed into Commerzbank Leasing December (3) Limited
22)	Renamed:	Dresdner Kleinwort Leasing December (4) Limited has been transformed into Commerzbank Leasing December (4) Limited
23)	Renamed:	Dresdner Kleinwort Leasing December (7) Limited has been transformed into Commerzbank Leasing December (7) Limited
24)	Renamed:	Dresdner Kleinwort Leasing December (8) Limited has been transformed into Commerzbank Leasing December (8) Limited
25)	Renamed:	Dresdner Kleinwort Leasing December (9) Limited has been transformed into Commerzbank Leasing December (9) Limited
26)	Renamed:	Dresdner Kleinwort Leasing Holdings Limited has been transformed into Commerzbank Leasing Holdings Limited
27)	Renamed:	Dresdner Kleinwort Leasing Limited has been transformed into Commerzbank Leasing Limited
28)	Renamed:	Dresdner Kleinwort Leasing March (3) Limited has been transformed into Commerzbank Leasing March (3) Limited
29)	Renamed:	Dresdner Kleinwort Leasing September (5) Limited has been transformed into Commerzbank Leasing September (5) Limited
30)	Renamed:	Dresdner Kleinwort Leasing September (6) Limited has been transformed into Commerzbank Leasing September (6) Limited
31)	Renamed:	Dresdner Kleinwort Online Ventures Limited has been transformed into Commerzbank Online Ventures Limited
32)	Renamed:	Dresdner Kleinwort Overseas Holdings Limited has been transformed into Commerzbank Overseas Holdings Limited
33)	Renamed:	Dresdner Kleinwort Property Management & Services Limited has been transformed into Commerzbank Property Management & Services Limited
34)	Renamed:	Dresdner Kleinwort Securities Ltd has been transformed into Commerzbank Securities Ltd
35)	Renamed:	Dresdner Kleinwort Securities Nominees Limited has been transformed into Commerzbank Securities Nominees Limited
36)	Renamed:	Dresdner-Cetelem Kreditbank GmbH has been transformed into Commerz Finanz GmbH

Comments and explanations	
*)	Ergebnisabführungsvertrag

Foreign exchange rates for €1 as of December 31, 2010		
Bermuda	BMD	1.33620
Brazil	BRL	2.21770
Chile	CLP	626.28090
United Kingdom	GBP	0.86075
India	INR	59.75800
Japan	JPY	108.65000
Canada	CAD	1.33220
Poland	PLN	3.97500
Russia	RUB	40.82000
Singapore	SGD	1.71360
South Africa	ZAR	8.86250
Taiwan	TWD	38.99750
Tchech Republik	CZK	25.06100
Ukrain	UAH	10.66330
Hungary	HUF	277.95000
USA	USD	1.33620

(39) Investment funds

The following table shows the values of the investment funds, per category, in which Commerzbank Aktiengesellschaft held an investment of more than 10% as of December 31, 2010.

€m	Fair value[1]	Distributions in 2010[1]
Index funds	5,398	2
Mixed funds	469	–
Life insurance funds	372	–
Bond and other fixed income funds	180	1
Hedge funds	91	–
Share and other equity funds	50	–
Other	47	–
Total	**6,607**	**3**

[1] See note on Changes in accounting policies. Due to the regulations of the initial application of the German Accounting Law Modernization Act, no prior-year figures are shown this year.

All fund units subject to disclosure are held in the trading portfolio and measured at fair value. Fair value is therefore equivalent to book value. In some cases restrictions may apply to daily redemptions.

(40) Seats on supervisory boards and similar bodies

Members of the Board of Managing Directors of Commerzbank Aktiengesellschaft

Information pursuant to Art. 285, no. 10, of the German Commercial Code (HGB)
As of December 31, 2010
a) Seats on mandatory supervisory boards
b) Seats on similar bodies

Martin Blessing

./.

Frank Annuscheit

a) comdirect bank Aktiengesellschaft[1]

Markus Beumer

a) Commerz Real AG[1]

Dr. Achim Kassow

a) comdirect bank Aktiengesellschaft[1]
Deputy Chairman

Commerzbank Auslandsbanken Holding AG[1]
Chairman

Generali Deutschland Holding AG[2]

b) Allianz Global Investors Deutschland GmbH

BRE Bank S.A.[1]

Jochen Klösges

a) Commerz Real AG[1]
Chairman

Commerz Real Investment-gesellschaft mbH[1]
Chairman

Deutsche Schiffsbank Akiengesellschaft[1]
Chairman

Eurohypo Aktiengesellschaft[1]
Chairman

b) Commerzbank Auslandsbanken Holding Nova GmbH[1]

Commerzbank Inlandsbanken Holding GmbH[1]
Deputy Chairman

Michael Reuther

a) Eurohypo Aktiengesellschaft[1]

Dr. Stefan Schmittmann

a) Commerz Real AG[1]
Deputy Chairman

Commerzbank Auslandsbanken Holding AG[1]

Eurohypo Aktiengesellschaft[1]

Schaltbau Holding AG[2]

Verlagsgruppe Weltbild GmbH

b) BRE Bank S.A.[1]

KGAL GmbH & Co. KG
Chairman

Ulrich Sieber

a) BVV Pensionsfonds des Bankgewerbes AG
Deputy Chairman

b) SWAB Stiftung der Deutschen Wirtschaft für Arbeit und Beschäftigung GmbH

Dr. Eric Strutz

a) ABB AG

Commerzbank Auslandsbanken Holding AG[1]
Deputy Chairman

RWE Power AG

b) Commerzbank Auslandsbanken Holding Nova GmbH[1]
Chairman

Commerzbank Inlandsbanken Holding GmbH[1]
Chairman

Mediobanca Banca di Credito Finanziario S.p.A.[2]

SdB-Sicherungseinrichtungsgesellschaft deutscher Banken mbH

Verlagsbeteiligungs- und Verwaltungs-gesellschaft mit beschränkter Haftung

Martin Zielke

a) comdirect bank Aktiengesellschaft[1]
Chairman

b) BRE Bank S.A.[1]

Commerzbank Auslandsbanken Holding Nova GmbH[1]
Deputy Chairman

PUBLIC JOINT STOCK COMPANY „BANK FORUM“[1]

[1] Seat on the board of a consolidated company.
[2] Seat on the supervisory board of an external listed company or a supervisory body of a company subject to similar regulations (pursuant to section 5.4.5 of the German Corporate Governance Code).

Members of the Supervisory Board of Commerzbank Aktiengesellschaft

Information pursuant to Art. 285, no. 10, of the German Commercial Code (HGB)
As of December 31, 2010
a) Seats on mandatory supervisory boards
b) Seats on similar bodies

Klaus-Peter Müller

a) Fraport AG Frankfurt Airport Services Worldwide (until December 31, 2010)

Fresenius SE & Co. KGaA (previously Fresenius SE)

Fresenius Management SE (since May 12, 2010)

Linde Aktiengesellschaft

MaschmeyerRürup AG Independent International Consultancy (since February 26, 2010)

b) Landwirtschaftliche Rentenbank

Parker Hannifin Corporation

Assicurazioni Generali S.p.A. (until April 24, 2010)

Uwe Tschäge

./.

Hans-Hermann Altenschmidt

b) BVV Pensionsfonds

BVV Pensionskasse

BVV Unterstützungskasse

Dott. Sergio Balbinot

a) Deutsche Vermögensberatung AG

AachenMünchener Lebensversicherung AG[1]

AachenMünchener Versicherung AG[1]

Generali Deutschland Holding AG[1]

b) Banco Vitalicio de España, C.A. de Seguros y Réaseguros[1] (until June 30, 2010)

Generali España S.A. de Seguros y Reaseguros[1] (since June 30, 2010; the Company was created from the merger of Banco Vitalico C.A. de Seguros y Réaseguros and La Estrella S.A.)

Europ Assistance Holding[1]

Future Generali India Insurance Co. Ltd.[1]

Future Generali India Life Insurance Co. Ltd.[1]

Generali Asia N.V.[1]

Generali China Insurance Company Ltd.[1] Deputy Chairman

Generali China Life Insurance Co. Ltd.[1] Deputy Chairman

Generali España, Holding de Entidades de Seguros, S.A.[1] Deputy Chairman

Generali Finance B.V.[1]

Generali France S.A.[1] Deputy Chairman

Generali Holding Vienna AG[1] Deputy Chairman

Generali Investments SpA[1]

Generali (Schweiz) Holding[1] Deputy Chairman

Generali PPF Holding BV[1] Chairman

La Centrale Finanziaria Generale S.p.A.[1]

La Estrella S.A.[1] (until June 30, 2010)

Migdal Insurance & Financial Holdings Ltd.[1]

Participatie Maatschappij Graafschap Holland N.V.[1]

Transocean Holding Corporation[1]

Dr.-Ing. Burckhard Bergmann

a) Allianz Lebensversicherungs-AG Deputy Chairman

E.ON Energie AG

b) OAO Gazprom

Nord Stream AG

OAO Novatek

Telenor

Accumulatorenwerke Hoppecke Carl Zoellner & Sohn GmbH

Jaeger Beteiligungsgesellschaft mbH & Co. KG Chairman

Herbert Bludau-Hoffmann

(until December 31, 2010)
./.

Dr. Nikolaus von Bomhard

a) ERGO Versicherungsgruppe AG[1] Chairman

Munich Health Holding AG[1] Chairman

Karin van Brummelen

./.

Astrid Evers

./.

Uwe Foullong

./.

[1] Seat on the board of a consolidated company.
[2] Seat on the supervisory board of an external listed company or a supervisory body of a company subject to similar regulations (pursuant to section 5.4.5 of the German Corporate Governance Code).

Daniel Hampel

./.

Dr.-Ing. Otto Happel

./.

Sonja Kasischke

./.

Prof. Dr.-Ing. Dr.-Ing. E.h. Hans-Peter Keitel

a) Hochtief AG

National-Bank AG

ThyssenKrupp AG (since January 21, 2010)

b) EQT Infrastructure Limited

RAG Stiftung

Alexandra Krieger

./.

Dr. h.c. Edgar Meister

b) DWS Investment GmbH

Standard & Poors Credit Market Services Europe Limited

Prof. h.c. (CHN) Dr. rer. oec. Ulrich Middelmann

a) Deutsche Telekom AG[2]

E.ON Ruhrgas AG (until June 30, 2010)

LANXESS AG[2]

LANXESS Deutschland GmbH

ThyssenKrupp Marine Systems AG[1] (until February 2010)

ThyssenKrupp Materials International GmbH[1]

ThyssenKrupp Nirosta GmbH[1] (previously ThyssenKrupp Stainless AG) (until April 2010)

ThyssenKrupp Steel Europe AG[1]

b) Hoberg & Driesch GmbH Chairman

ThyssenKrupp Acciai Speciali Terni S.p.A.[1] (until April 2010)

ThyssenKrupp (China) Ltd.[1] (until April 2010)

Dr. Helmut Perlet

a) Allianz Deutschland AG

Allianz Global Corporate & Specialty AG

Allianz Global Investors AG

Allianz Investment Management SE

GEA GROUP AG

b) Allianz Life Insurance Company of North America

Fireman's Fund Ins. Co.

Allianz of America Inc.

Allianz S.p.A.

Allianz France S.A.

Barbara Priester

./.

Dr. Marcus Schenck

a) E.ON Ruhrgas AG[1]

b) E.ON IT GmbH[1] (Change of name with effect since April 1, 2010)

E.ON Energy Trading SE[1]

[1] Seat on the board of a consolidated company.

[2] Seat on the supervisory board of an external listed company or a supervisory body of a company subject to similar regulations (pursuant to section 5.4.5 of the German Corporate Governance Code).

Employees of Commerzbank Aktiengesellschaft

Information pursuant to Art. 340a, (4), no. 1, of the German Commercial Code (HGB)
As of December 31, 2010

Manfred Breuer
Deutsche Edelstahlwerke GmbH

Dr. Detlev Dietz
Commerz Real AG
Commerz Real Investment-gesellschaft mbH

Gerold Fahr
Stadtwerke Ratingen GmbH

Martin Fischedick
Borgers AG
Commerz Real AG
Commerz Real Investment-gesellschaft mbH

Bernd Förster
SE Spezial Electronic Aktiengesellschaft
Deputy Chairman

Sven Gohlke
Bombardier Transportation GmbH

Bernd Grossmann
Textilgruppe Hof AG

Detlef Hermann
Kaiser's Tengelmann GmbH
Ritzenhoff AG

Jochen H. Ihler
Hüttenwerke Krupp Mannesmann GmbH

Dr. Thorsten Reitmeyer
Commerz Real AG
Commerz Real Investment-gesellschaft mbH

Andreas Schmidt
Goodyear Dunlop Tires Germany GmbH

Dirk Wilhelm Schuh
GEWOBA Wohnen und Bauen AG

Berthold Stahl
Maincor AG
Deputy Chairman

Rupert Winter
Klinikum Burgenlandkreis GmbH

(41) Boards of Commerzbank Aktiengesellschaft

Supervisory Board

Klaus-Peter Müller

Chairman

Uwe Tschäge[1]

Deputy Chairman

Employee of
Commerzbank Aktiengesellschaft

Hans-Hermann Altenschmidt[1]

Employee of
Commerzbank Aktiengesellschaft

Dott. Sergio Balbinot

Managing Director
Assicurazioni Generali S. p. A.

Dr.-Ing. Burckhard Bergmann

Former Chairman of the
Board of Managing Directors
E.ON Ruhrgas AG

Herbert Bludau-Hoffmann[1]

(until December 31, 2010)
Economist
ver.di Trade Union
Financial Services Division,
responsible for
Commerzbank

Dr. Nikolaus von Bomhard

Chairman of the Board of
Managing Directors
Münchener Rückversicherungs-
Gesellschaft AG

Karin van Brummelen[1]

Employee of
Commerzbank Aktiengesellschaft

Astrid Evers[1]

Employee of
Commerzbank Aktiengesellschaft

Uwe Foullong[1]

Member of the ver.di National
Executive Committee

Daniel Hampel[1]

Employee of
Commerzbank Aktiengesellschaft

Dr.-Ing. Otto Happel

Entrepreneur
Luverse AG

Sonja Kasischke[1]

Employee of
Commerzbank Aktiengesellschaft

**Prof. Dr.-Ing. Dr.-Ing. E.h.
Hans-Peter Keitel**

President of the Federation
of German Industries (BDI)

Alexandra Krieger[1]

Cert. Business Manager,
Head Economics Department I
Promotion of Co-Determination
Hans Böckler Foundation

Dr. h.c. Edgar Meister

Lawyer
Former member of the Executive Board
of Deutsche Bundesbank

**Prof. h.c. (CHN) Dr. rer. oec.
Ulrich Middelmann**

Former Deputy Chairman of the
Board of Managing Directors
ThyssenKrupp AG

Dr. Helmut Perlet

Former member of the
Board of Managing Directors
Allianz SE

Barbara Priester[1]

Employee of
Commerzbank Aktiengesellschaft

Mark Roach[1]

(since January 10, 2011)
Secretary ver.di Trade Union
National Administration

Dr. Marcus Schenck

Member of the
Board of Managing Directors
E.ON AG

Dr. Walter Seipp

Honorary Chairman

[1] Elected by the Bank's employees.

Board of Managing Directors

Martin Blessing
Chairman

Frank Annuscheit

Markus Beumer

Dr. Achim Kassow

Jochen Klösges

Michael Reuther

Dr. Stefan Schmittmann

Ulrich Sieber

Dr. Eric Strutz

Martin Zielke
(since November 5, 2010)

Responsibility statement by the Board of Managing Directors

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the net assets, financial position and results of operations of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Frankfurt am Main, March 7, 2011
The Board of Managing Directors

Martin Blessing

Frank Annuscheit

Markus Beumer

Achim Kassow

Jochen Klösges

Michael Reuther

Stefan Schmittmann

Ulrich Sieber

Eric Strutz

Martin Zielke

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of COMMERZBANK Aktiengesellschaft, Frankfurt am Main for the business year from January 1, to December 31, 2010. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Art. 317 of the German Commercial Code (Handelsgesetzbuch – HGB) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany - IDW) and additionally observed the International Standards on Auditing (ISA). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, March 8, 2011

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Lothar Schreiber	Peter Goldschmidt
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Translation of the auditors' report issued in German language on the financial statements prepared in German language by the management of Commerzbank Aktiengesellschaft, Frankfurt/Main. The German language statements are decisive.

Disclaimer

Reservation regarding forward-looking statements

The Group Management and the Group Risk Report, the Financial Statements of the Commerzbank Group as at December 31, 2010 as well as the Financial Statements and Management Report 2010 of Commerzbank Aktiengesellschaft contains forward-looking statements on Commerzbank's business and earnings performance, which are based upon the current plans, estimates, forecasts and expectations. The statements entail risks and uncertainties, as there are a variety of factors which influence the business and to a great extent lie beyond the sphere of influence of Commerzbank. Above all, these include the economic situation, the state of the financial markets worldwide and possible loan losses. Actual results and developments may, therefore, diverge considerably from the current assumptions, which, for this reason, are valid only at the time of publication. Commerzbank undertakes no obligation to revise the forward-looking statements in the light of either new information or unexpected events.

Frankfurt am Main, April 6, 2011

C O M M E R Z B A N K
AKTIENGESELLSCHAFT

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by: Borinski	by: Jung