

COMMERZBANK AKTIENGESELLSCHAFT

Frankfurt am Main

Supplement

May 13, 2011

in accordance with § 16 of the Securities Prospectus Act

to the following Base Prospectuses as of

- September 14, 2010 relating to the Notes / Certificates Programme
- September 20, 2010 relating to Structured Certificates
- November 24, 2010 relating to Reverse Convertible Notes
- December 10, 2010 relating to the Structured Credit linked Notes Programme
- February 24, 2011 relating to Warrants
- March 17, 2011 relating to Warrants
- April 6, 2011 relating to Structured Notes
- April 15, 2011 relating to Notes and Certificates and
- April 18, 2011 relating to TURBO Warrants and Unlimited TURBO Warrants

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Right of withdrawal of the investors

Investors, who have already agreed to purchase or subscribe for the securities before this Supplement is published, have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances, provided that the purchase has not yet been completed.

**The withdrawal has to be sent to Commerzbank AG, GS-MO Special Processes
5.4.1 New Issues Warrants/Certificates, Kaiserstraße 16 (Kaiserplatz), 60311
Frankfurt am Main, Federal Republic of Germany.**

Interim Report as at March 31, 2011

Interim Management Report

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Business and overall conditions

Overall economic situation

The global economy continued its upswing at the beginning of 2011 after having already put on almost 5% the previous year. The emerging economies, above all in Asia but also in Eastern Europe and Latin America, are in a rapid phase of growth, while the Western industrialized nations are also increasingly showing signs of recovery, in spite of the disaster in Japan, the political unrest in North Africa and the debt crisis in the eurozone.

Economic figures in the US are still lagging behind expectations in some areas. However, boosted by more positive labour market news there are growing indications that the recovery on the labour market will also be followed by a sharp rise in company earnings and investments – subject, of course, to the usual delay. This means that the upturn will be broadly supported. The repercussions of the earthquake in Japan on the country's economy are still hard to predict, although a significant drop in production is expected at least for the second quarter.

Growth rates in the eurozone were also extremely divergent in the first few months of 2011. In many countries, national economies are still suffering from the lagging effects of the previously overheated real estate market and the massively higher debt levels of companies and private households. The situation has been compounded by very restrictive financial policies in some countries. Thus, while some countries such as Greece and Ireland have so far been unable to free themselves from the shackles of recession, Germany continued its strong upswing in the first quarter, fuelled by exports and company investments.

The main driver of the German recovery is above all the favourable economic conditions: interest rates are extremely low and global demand is very lively. Furthermore, Germany has not seen a real estate boom in recent years nor have companies and private households indebted themselves to an excessive degree, meaning that there has been no need for a correction. The same applies to its public finances, where there has been much less of a need for consolidation compared to most other eurozone countries. Last but not least, a variety of reforms over the last ten years – especially on the labour market – have made the German economy considerably more competitive.

A number of factors have suppressed a marked increase in private consumption, including the ongoing strong rise in energy prices. This rise has pushed inflation rates in Germany and the eurozone back up over 2%. The ECB reacted to the medium-term threat of inflation by hiking interest rates at the beginning of April. This caused a noticeable rise in government bond yields at the short end, giving the euro additional tailwind against the dollar.

The political unrest in North Africa and the events in Japan had since pushed the debt crisis in the eurozone into the background. Nonetheless, Portugal became the third eurozone country to ask for financial assistance. Politicians reacted to the spreading crisis by approving a long-term rescue mechanism in March. In spite of Portugal's mounting problems, the situation seems to have eased somewhat for the time being, and risk premiums for the larger peripheral countries Italy and Spain have decreased.

The equity market has, however, remained relatively unperturbed by the number of crises around the globe and the turnaround in monetary policy in the eurozone. After noticeable price losses in the wake of the disaster in Japan, the DAX recovered to close March slightly above its level at the beginning of the year, with equity markets benefiting in the first quarter from improved economic indicators in the US and lively M&A activities.

Important business policy events in the first quarter of 2011

Optimization of capital structure

Commerzbank took the following measures to optimize its capital structure in the first quarter of 2011:

In mid-January, Credit Suisse Securities (Europe) Limited (Credit Suisse) acquired from investors hybrid equity instruments (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 paid them in as a contribution in kind in exchange for new Commerzbank shares issued from Commerzbank's authorized capital. A banking syndicate consisting of Credit Suisse, Citigroup, Goldman Sachs and UBS placed around 118.1 million shares with institutional investors on January 13, 2011. This was equivalent to 10% minus one share of Commerzbank's share capital at that time. The Financial Market Stabilization Fund (SoFFin) maintained its equity interest ratio in Commerzbank of 25% plus one share upon completion of the transaction. To achieve this, 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.

Concerning the long-term aim of optimizing the Bank's subordinated capital structure in preparation for the transition to Basel III, Commerzbank successfully placed a benchmark subordinated bond with institutional investors at the beginning of March. The euro-denominated issue has a volume of €1.25bn, a term of ten years and a coupon of 7.75% per annum. The issue was over-subscribed by a factor of around 3.5. In a second step, Commerzbank invited investors to submit an exchange offer for two of the subordinated bonds previously issued by the Bank; the offer was not subject to any volume limit. The bonds with a total nominal value of €2,000,000,000 could be exchanged for a new euro-denominated subordinated bond with a term until 2019 and a coupon of 6.375% per annum. A good 61% of the bonds were exchanged.

Key changes to shareholder structure

On January 18, 2011, Allianz SE, Munich, Germany, informed us that, based on Art. 21 para. 1 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG), its share of voting rights in Commerzbank Aktiengesellschaft, Frankfurt am Main, Germany, had fallen below the 10% threshold on January 17, 2011, amounting to 9.48%.

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Credit ratings confirmed following capital increase

Ratings agencies Standard & Poor's, Fitch Ratings and Moody's confirmed their rating for Commerzbank in connection with the announced capital increase in April 2011.

Nonetheless, Moody's downgraded Commerzbank's long-term rating in advance 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.

Commerzbank plans integration of Deutsche Schiffsbank AG

On March 23, 2011, Commerzbank Aktiengesellschaft announced that it plans to merge Deutsche Schiffsbank – one of the world's leading ship financing providers – with Commerzbank Aktiengesellschaft. The Deutsche Schiffsbank business model will remain unchanged. Commerzbank currently owns around 92% of the share capital of Deutsche Schiffsbank, with the remaining stake being held by UniCredit. Commerzbank and UniCredit are currently discussing how the merger will take place. The merger is subject to this agreement and the approval of the responsible supervisory authorities.

Earnings performance, assets and financial position

The Commerzbank Group kicked off the new business year with a very good first quarter. Consolidated profit reached €1bn, while operating earnings even exceeded €1.1bn, with the core bank segments posting a significantly improved result overall. The reduction in assets was also continued, as part of which total assets and risk-weighted assets were reduced by approximately 7% each. The Commerzbank Group had a core Tier I ratio of 11% and a core capital ratio of 12.7% as at end-March, giving it a solid capital basis for the future.

Income statement of the Commerzbank Group

Net interest income fell by 8.4% to €1,727m during the first three months of 2011 compared with the same period the prior year. The non-servicing of profit-related hybrid bonds and participation certificates in particular in the previous year had a positive effect. Lower credit volumes – especially for structured loans – coupled with the reduction in volumes in the Portfolio Restructuring Unit also had a noticeable impact. The deposit business in the Private Customers and Mittelstandsbank segments made a higher contribution dependent on margins compared with the equivalent period in 2010.

Net allocation to loan loss provisions declined significantly by 50.6% to €318m year-over-year. Buoyed by the more favourable economic environment, gross allocations remained below the prior year level, while reversals increased. With the exception of the Corporates & Markets segment – where a net reversal was recorded in the first quarter of 2010 – loan loss provisions were below the previous year's levels in all segments. In the Asset Based Finance segment, however, loan loss provisions remained at a high level at €241m due to the ongoing difficult situation in commercial real estate business.

At €1,020m, net commission income at the end of the first quarter in 2011 was 2% higher than the previous year, although the figure for the comparative period in 2010 contained a higher level of income from non-strategic participations which have since been sold. The increase is mainly attributable to increased revenue from the securities business in the Private Customers segment. While Mittelstandsbank – due to the noticeable upturn in foreign trade – and Central & Eastern Europe generated higher levels of income, the Corporate & Markets segment was unable to repeat the good performance posted the previous year arising primarily from a few large individual transactions.

Net trading income and net income from hedge accounting contracted by around 38% year-over-year to €519m. The Corporates & Markets segment was able to slightly improve its net trading income in spite of the sometimes difficult first quarter and achieved around 90% of the Group net trading result. The decline was attributable primarily to the Portfolio Restructuring Unit, which – while it made a positive contribution – was unable to live up to expectations and match the very good result posted in the prior year period. Net trading income of the Asset Based Finance segment was negative.

Net income from financial investments was up €131m on the previous year to € 12m. The reporting period was primarily characterized by gains on disposals, which were offset by losses from the systematic reduction of risk portfolios, particularly from the decrease in the public finance portfolio in the Asset Based Finance segment. The negative result in the prior year quarter was mainly caused by impairments on positions in the Portfolio Restructuring Unit's ABS book.

Other net income increased by €316m to €338m. This was in connection with the measures taken in January to optimize the Bank's capital structure, in particular by redeeming hybrid instruments that were being traded significantly below their nominal value.

Operating expenses were 2.5% lower than the prior year for the first three months of 2011 at €2,154m. Other operating expenses including ongoing impairments fell by 6.7% to €1,028m, due chiefly to the lower ongoing implementation costs relating to the integration of Dresdner Bank. By contrast, at €1,126m, personnel expenses were 1.7% higher than the prior-year's figure. While ongoing salary payments declined owing to the reduced employee headcount, expenses in connection with pension benefits and performance-related remuneration increased.

As a result of the developments described above, the Commerzbank Group posted an operating profit of €1,144m for the first three months of 2011, an improvement of €0.4bn year-over-year. Pre-tax profit also amounted to €1,144m, compared with €771m in 2010.

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Tax expense for the period under review was €135m, following €55m in the prior year period. Consolidated profit after tax amounted to €1,009m, up 40.9% on the previous year. €24m of consolidated profit after tax was attributable to non-controlling interests and €985m to Commerzbank shareholders.

Operating earnings per share amounted to €0.84 and earnings per share to €0.73 (prior year period: €0.65 and €0.60, respectively).

Consolidated balance sheet

Total assets of the Commerzbank Group amounted to €697bn as at March 31, 2011. This is the second quarter in a row where Commerzbank succeeded in significantly reducing its total assets – by 7.6% or €57.3bn versus year-end 2010. The decrease resulted from declining fair values for derivatives and the planned reduction of balance sheet volumes and risks.

On the assets side, trading assets decreased substantially. Claims on banks, customer credit volumes and financial investments also fell. The cash reserve sank by €1.4bn to €6.6bn compared to the end of 2010, especially due to lower assets at central banks. Claims on banks fell by €23.1bn to €87.5bn, triggered by a strong contraction in collateralized money market transactions in the form of reverse repos and cash collaterals. Claims on customers rose by only €2.4bn to €330.1bn due to opposing effects. On the one hand, lending business contracted as a result of the portfolio downsizing as part of the new strategic focus on the Bank's core business, while on the other, reverse repos and cash collaterals increased. Trading assets decreased significantly by €24.3bn to €143.5bn compared with year-end 2010 owing to the fall in positive fair values attributable to derivative financial instruments – mainly among interest rate derivatives as a result of rising interest rates. Financial assets fell by €7.5bn to €108.2bn, driven largely by reductions in the Public Financing business.

The key changes on the liabilities side included a decline in Eurohypo's Pfandbrief business, trading liabilities, and bank and customer deposits. Liabilities to banks fell by €8.2bn to €129.5bn, fuelled by a decline in money market trading and cash collateral business. Liabilities to clients sank by €14.7bn to €248.1bn, due in particular to the reduction in short-term liabilities among our corporate customers. Securitized liabilities were also down €9.0bn to €122.4bn, owing largely to the sharp decline in Eurohypo public-sector Pfandbriefe as a result of maturities. Trading liabilities plummeted by €23.8bn to €128.6bn. As with trading assets, this fall was attributable to the decline in negative fair values for derivative financial instruments as a result of interest rate movements.

Equity

The equity reported in total assets as at March 31, 2011 increased by 6% or €1.7bn versus year-end 2010 to €30.4bn. This rise was driven primarily by ongoing profit in the first quarter as well as measures to optimize our capital structure implemented in mid-January 2011, as part of which hybrid equity instruments were paid into Commerzbank as a capital increase in exchange for a contribution in kind.

As a result of these capital measures, the number of Commerzbank shares increased by around 118.1 million in the first quarter, equivalent to 10% minus one share of Commerzbank's share capital at that time. 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, SoFFin's silent participations from the conditional capital created at the 2009 Annual General Meeting were converted into approx. 39.4 million shares. Overall, the number of shares increased to 1,339 million units.

Subscribed capital rose by €0.4bn to €3.5bn, the capital reserve climbed by €0.4bn to €1.8bn and retained earnings increased by €1bn to €10.3bn in the first quarter; owing to the SoFFin conversion, overall silent participations fell by €0.2bn to €17bn. As at March 31, 2011, the revaluation reserve, the cash flow hedge reserve and the currency translation reserve had a negative impact on equity of €3bn, approximately €40m lower than the 2010 year-end figure. Within the revaluation reserve, interest-bearing financial assets continued to produce a negative effect of €-1.9bn, a €0.2bn improvement over year-end 2010.

Risk assets as at March 31, 2011, fell by €19.2bn to €248.3bn compared with year-end 2010, in particular due to parameter adjustments and volume decreases. Regulatory core capital fell by €0.3bn to €31.4bn versus the end of 2010. As a result of lower risk assets, however, the core capital ratio rose from 11.9% to 12.7%. Core Tier I capital, which is important in relation to Basel III, amounted to approximately €27.4bn or a ratio of 11%, boosted by the transaction carried out in January 2011 to optimize the capital structure by increasing the so-called hard core capital. Both ratios are thus clearly above our target range. Our own funds ratio was 16.8 % on the reporting date.

Funding and liquidity

The funding profile is actively managed by Group Treasury on the basis of regular structure analyses. In the first quarter of 2011, Commerzbank had a comfortable liquidity position and the regulatory provisions applicable to liquidity were complied with at all times. As at the reporting date of March 31, 2011, Commerzbank Aktiengesellschaft's key liquidity figure according to the German Liquidity Regulation was significantly higher than the minimum regulatory requirement of 1 at 1.15.

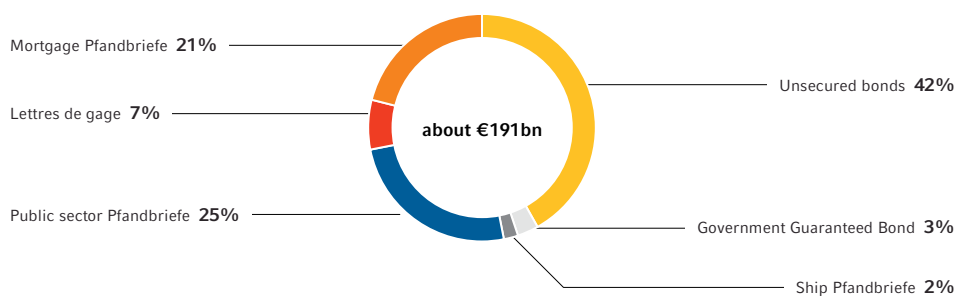
The interest rate environment was heavily influenced by the recovery of the global economy, even though growth patterns differed between individual countries and regions. At the beginning of April, the ECB kicked off the interest-rate turnaround and increased key rates by 25 basis points. Furthermore, in the first quarter, the ECB Council decided to continue to carry out main financing operations and refinancing operations with a special term lasting one reserve maintenance period for as long as necessary, but at least until the end of the sixth reserve maintenance period on July 12 of this year as a volume tender with full allocation and a fixed-interest rate. It also resolved to implement longer-term refinancing operations with a three-month duration as a volume tender with full allocation, whereby the resulting interest rate is indexed to the respective main refinancing rate and thus can only be fixed at the end of the term. On the back of the exit strategy that the ECB started to introduce in 2010, rates on the money market continued their upward trajectory in the first quarter, with the three-month Euribor up from 1.01% to 1.24% and the twelve-month Euribor up from 1.51% to 2%. This development can also be traced back to mounting inflationary pressures.

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Commerzbank also continued to enjoy unrestricted access to the secured and unsecured money and capital markets in the first quarter of 2011 and was able at all times to raise the funds required to achieve a balanced refinancing mix, both in secured and unsecured form. Thanks to its conservative and forward-looking funding strategy, the Bank was not reliant on central bank liquidity facilities in the quarter just ended.

Capital market funding structure

as of March 31, 2011

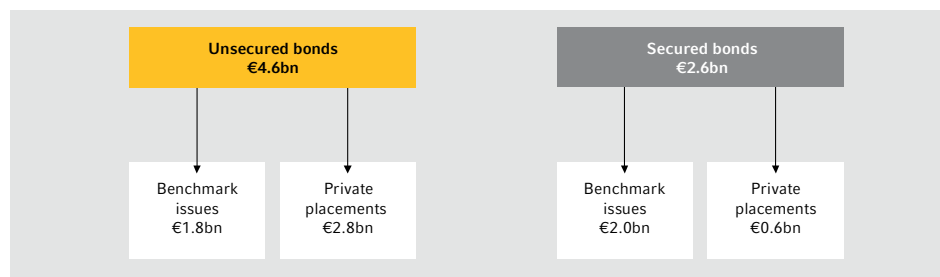


The Bank continued to benefit from a stable deposit base in its private and corporate customer business in the first quarter. The funding spread for long-term unsecured funding on the capital market widened substantially at the beginning of the year in the wake of discussions about laying claims on unsecured debt in the case of restructuring. Subject to seasonal influences, January also saw a number of new issues on the capital market. However, funding spreads in the unsecured segment began to stabilize over the course of the first quarter.

The announcement of Commerzbank Aktiengesellschaft's planned capital measures at the beginning of April had a positive impact on Commerzbank funding spreads.

Group capital market funding in first quarter 2011

Volume €7.2bn



Commerzbank raised long-term funds of €7.2bn in the market for secured and unsecured funding transactions during the first quarter. Approximately €4.6bn of this came from unsecured issues and roughly €2.6bn from Pfandbriefe. In the unsecured segment, Commerzbank Aktiengesellschaft was able to increase the senior unsecured benchmark bond issued in March 2010 by €500m. With a total issue volume of around €1.5bn, the Bank's own retail business was the main subscriber to the bond. A number of currency issues denominated in currencies such as the Australian and Canadian dollar were also placed on the capital market, as well as a benchmark subordinated bond amounting to €1.25bn. The issue has a term of

ten years and a coupon of 7.75% and was over-subscribed by a factor of around 3.5. The issue is an important step towards optimizing the Bank's long-term subordinated capital structure (Tier II) in anticipation of the changeover to Basel III.

In the secured sector, Eurohypo AG issued a five-year jumbo mortgage Pfandbrief with a volume of €1.25bn in January. The re-offer spread was 40 basis points above the mid-swap rate; 37% of the issue was subscribed by international investors. This was followed in March by a ten-year syndicated mortgage Pfandbrief with a volume of €500m. In addition, two existing Pfandbrief issues were increased by a total of €250m.

Key figures for the Commerzbank Group

The Commerzbank Group's overall operating return on equity in the first three months of 2011 was 14.1%, compared to 10.2 % in the same period last year. Return on equity based on the consolidated surplus/deficit – i.e. the ratio of consolidated surplus/deficit attributable to Commerzbank shareholders to the average capital employed attributable to them excluding the revaluation and cash flow hedge reserves – amounted to 12.5 % following 9.5 % a year ago. The cost/income ratio – i.e. the ratio of operating expenses to total earnings before deduction of loan loss provisions – fell from 61% to 59.6% year-over-year.

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Segment reporting

The core bank segments got 2011 off to a good start and – with the exception of Corporates & Markets – posted some significantly higher operating results in the first three months compared with the same quarter in the previous year. The Corporates & Markets segment nevertheless achieved a good first-quarter operating result in view of the challenging capital market environment. Outside the core bank, the picture was mixed. While Asset Based Finance posted a loss again in the first quarter in spite of lower provisions for possible loan losses, the Portfolio Restructuring Unit succeeded in showing another positive result.

Private Customers

In the first quarter, Private Customers achieved its best operating result since the integration of Dresdner Bank. The segment's business performance is even more pleasing after adjusting it for effects connected with the sale of non-strategic interests, with income before loan loss provisions up by around 9%. The number of customers remained stable at 11 million.

Net interest income increased slightly by 0.6% year-over-year to €492m, attributable to higher margins in the deposit business. The decrease in loan loss provisions of 38% to €41m was primarily the result of positive economic developments in Germany, while the 4% increase in net commission income to €569m can largely be traced back to improved earnings in the securities business. Other net income contained a negative result of –€22m during the period under review due to payments to offset commissions. In the prior year period, other net income amounted to –€49m. Operating expenses fell by 2.6% to €888m, while personnel expense saw a slight decrease by 1.9% to €353m. A marked decrease of 11% was recorded in other operating expenses at €212m. Overall the Private Customers segment posted an operating profit of €116m, after €23m in the prior year period.

The operating return on equity based on capital employed of €3.4bn climbed significantly to 13.5% (prior year period: 2.6%). The cost/income ratio of 85.0% was markedly lower than in the first quarter of 2010 (91.1%).

Mittelstandsbank

The economic market environment brightened significantly compared to 2010 and the Mittelstandsbank segment used its stable business model and strong customer base, against a backdrop of further reductions in provisions for possible loan losses, to improve its operating result in the first the quarter by 32% compared with the year-earlier period.

At €515m, net interest income was stable year-over-year. Although the deposit business made a greater contribution to net interest income both due to increased volumes and higher margins, declining lending volumes, in particular resulting from the downsizing of the non-strategic foreign portfolio, could only be partially offset by higher margins compared with the previous year. Given the ongoing positive economic environment, net allocation to loan loss provisions amounted to just €8m for the first three months of 2011. The allocations required for the first quarter were almost completely compensated for by reversals. Net commission income rose to €285m after €272m a year ago, due especially to the noticeable upturn in foreign trade and higher income from related product categories. Net trading income came to €16m, up by €20m on the figure for the first three months of 2010, largely due to remeasurement effects from credit hedge transactions. Net investment income for the reporting period amounted to €-16m, mainly as a result of remeasurement effects from ownership interests. Current net income from entities accounted for using the equity method was €2m in the year under review. Other net income also amounted to €2m compared with €44m in 2010. Operating expenses were up 6.7% year-over-year, from €357m to €381m. While personnel expense rose by 11.9% year-over-year as a result of higher provisions for variable compensation, other operating expenses decreased slightly versus the prior year period. Mittelstandsbank reported an operating profit of €415m for the first three months of the year, an increase of €101m on the equivalent period of 2010.

The operating return on equity based on average capital employed of €5.4bn was 30.5% (prior-year period: 22.8%). At 47.4% (prior-year period: 42.9 %), the cost/income ratio remained at an excellent level.

Central & Eastern Europe

The countries of Central and Eastern Europe also continued to benefit from an improved economic climate in the first quarter of 2011. The economic recovery in Poland advanced and the situation in the Ukraine stabilized further. The Central & Eastern Europe segment posted a clearly positive operating result overall in the first three months.

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At €157m, net interest income was on a par with the same quarter last year. Loan loss provisions were down by a significant 68.1% to €30m, primarily as a result of the further drop at BRE Bank and Bank Forum. Net commission income rose by €8m compared with the prior year quarter to €55m, driven by the good performance posted by private and corporate customers business in Poland. Net trading income increased on the same quarter the previous year, up from €18m to €26m, due to currency hedging effects. Operating expenses were €18m higher at €144m. This increase can be attributed primarily to the growth-related increase in personnel expenses at BRE Bank.

As a result of the improved market environment and the resulting pleasing business performance and further decrease in loan loss provisions, the Central & Eastern Europe segment achieved an operating profit of €78m in the first three months of 2011 compared with €6m in the prior year period.

The operating return on equity based on average capital employed of €1.7bn was 18.6% (prior-year period: 1.5%). The cost/income ratio was 57.1%, versus 55.8% a year earlier.

Corporates & Markets

Following the successful realignment of its business model, the Corporates & Markets segment started the 2011 financial year with a good result.

The Equity Markets & Commodities group division posted a very pleasing result and closed the first quarter with the best result since the takeover of Dresdner Bank. The Corporate Finance group division also got the new business year off to a good start. In spite of the difficult trading environment, Fixed Income & Currencies performed in line with expectations and remained stable across all product lines in the first quarter; however, it was unable to match the good result recorded in the first quarter of 2010. At €678m, operating income before loan loss provisions in the first quarter of 2011 was down 6.5% year-over-year. Net interest income fell by €48m on the prior year period to €160m after being positively impacted by individual large transactions in Corporate Finance in the first quarter of 2010. There were no loan loss provisions in the period under review due to reversals of existing valuation allowances. Commission income decreased from €75m to €48m. Net trading income was up 2% year-over-year, from €448m to €456m. This was bolstered in particular by the very good performance of the Equity Markets & Commodities segment. Net income from financial investments and other net income improved by €18m to €4m and by €2m to €10m, respectively. Operating expenses rose by 6.6% to €438m. With an operating profit of €240m, Corporates & Markets remained approximately 28% behind last year's figure in first quarter 2011.

With capital employed down 11.1% to €3.4bn, the operating return on equity was 28% (prior year period: 34.6%). The cost/income ratio was 64.6%, following 56.7% in the prior year period.

Asset Based Finance

In spite of the economic recovery in the US and Europe, the international real estate and shipping markets are still in a phase of correction, although in most areas a bottom has been reached and prices in some markets are once again beginning to pick up. The situation on the public finance markets also remained bleak. New commitments in real estate financing, which are a key factor in achieving the reduced asset targets and portfolio volumes, amounted to €642m in the first quarter, compared with €1,336m in the same period the previous year. We did not conclude any noteworthy new transactions in either the public finance or ship financing markets in the reporting period.

At €296m, net interest income in the first quarter of 2011 declined year-over-year due to segment portfolio downsizing and increased refinancing costs. While loan loss provisions were down a substantial 25.8% on 2010, the figure of €241m reflects the ongoing difficult situation on the real estate markets, especially in Spain. Net commission income fell by 8% to €81m because of the low volume of new business. Net trading income posted a loss of €86m in the first quarter of 2011, following an almost stable result in the prior year quarter. The valuation for derivatives in accordance with IAS 39 had a negative impact on results in the first quarter of 2011. Net income from financial investments amounted to –€42m in connection with our de-risking of the public finance portfolio (as a result of losses on sales incurred during the portfolio downsizing process). Current net income from entities accounted for using the equity method was –€8m in the period under review. Other net income amounted to €16m compared with €13m in 2010. Operating expenses remained at the prior year level at €154m.

The operating loss was €138m, compared with a loss of €85m in the first three months of 2010.

The operating return on equity based on average capital employed of €5.5bn was –10%, versus – 5.3% the previous year. The cost/income ratio increased from 38.8% to 59.9%.

Portfolio Restructuring Unit

After the holdings of the Portfolio Restructuring Unit (PRU) were reduced by a total of €5.6bn in the 2010 financial year, a further reduction of €1.6bn was achieved in the first quarter of 2011 thanks to proactive restructurings and the exploitation of market opportunities.

Net interest income in the first quarter amounted to €5m. A lower net reversal of €1m was reported for loan loss provisions in the period under review. Net trading income in the first quarter of 2011 remained positive at €61m, due – as in preceding quarters – to active portfolio downsizing and write-ups. Net income from financial investments improved by €112m year-over-year to €18m as a result of the sale of collateralized loan obligations which were carried as available for sale. Operating expenses in the first three months of 2011 amounted to €22m, down €3m on the prior year period.

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In the first quarter of 2011, the PRU segment posted an operating profit of €63m, after €161m the year before.

Average capital employed amounted to €1bn, compared to €1.4bn in the first three months of 2010.

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 under Others comprises equity holdings, 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 items 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 operating result in the first quarter of 2011 amounted to €370m compared with €19m in the prior year period. Operating income before loan loss provisions climbed from €240m in the first quarter of 2010 to €496m in the first quarter of 2011, due mainly to one-off effects in connection with capital measures taken to optimize the capital structure in the first quarter of 2011 coupled with non-recurrent gains from the partial disposal of a participating interest. Income from Group Treasury partially offset this result, which was unable to match the high level achieved the previous year. The marked reduction in operating expenses by €99m is primarily attributable to lower integration expenses for service and management units as part of the “Growing Together” project. The pre-tax result for the first quarter of 2011 was €370m, after €19m for the equivalent period last year.

Outlook and opportunities report

The following information should always be read in conjunction with the Business and Economy section of this interim report as well as the Outlook and opportunities report of the 2010 annual report.

Future economic situation

The global economic upswing looks set to continue in the months ahead, with the focus likely to shift in favour of the industrialized nations. While momentum is expected to slow in the emerging markets, growth rates should be higher than in previous quarters, especially in the US.

Numerous risk factors remain, however. For example, it is still not completely clear how far-reaching an impact the disaster in Japan and the ensuing consequences will have on the global economy. The same applies to developments in the Arab world: should the unrest spread, exacerbating fears on the markets about a bottleneck in oil supplies, this could drive up the price of oil and put the brakes on the economic recovery. It also remains to be seen how the eurozone debt crisis will develop and whether it can be prevented from infecting the larger peripheral countries of Italy and Spain.

Nevertheless, signs are positive that the recovery in Germany will continue over the course of the year. At an annualized 3%, the country once again looks set to post the highest rate of growth in the eurozone, buoyed by ongoing positive cyclical conditions such as low short-term interest rates and the booming economy. This growth will not be neutralized by the need for corrections due to earlier excesses, as is the case in many other eurozone countries, with economic growth of just 1.7% expected across the eurozone on average.

Future consumer price developments are another factor which are likely to influence the markets in addition to the numerous crises. Since inflation rates in the eurozone look set to remain above 2% for the foreseeable future, the ECB will probably raise its key rate even further. Given the problems in the peripheral eurozone countries, however, the ECB will no doubt proceed with greater caution than in previous rate hike cycles. Capital market returns will likely also trend higher in anticipation of an upcoming interest rate turnaround by the US Federal Reserve over the course of the year, which could help the dollar to gain ground on the euro once more.

Future situation in the banking sector

In spite of the cautiously optimistic overall economic outlook, Commerzbank is more hesitant with regard to developments in the banking sector. Prospects for the sector are rather limited in some areas of banking business. Banks are also still faced with risks and pressure factors.

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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, and in Germany the market has so far not perceived any signs of excessive debt. Loan loss provisions of some banks decreased significantly 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, although investment banking business could return to profit overall at any time.

We also assume that competition for retail deposits will intensify over the next few years, which will keep margins in this area under pressure. Many banks will reduce their refinancing volumes through the interbank market. Furthermore, new retail players are entering the market. Some foreign banks, in particular, are being relatively aggressive in terms of deposit conditions in Germany.

It is still too difficult to quantify what the repercussions of the announced or – in some cases – approved regulatory reforms will have on profits. The consequences of the revised liquidity regulation also remain to be seen. A decisive factor here will be whether the reforms prompted by the strong competition for deposits will lead to a substantial rise in banks' refinancing costs.

The additional burden created by the German banking tax and similar provisions introduced in other countries will also only be able to be ascertained once the respective legislative procedures have been completed. As part of the process of reforming European statutory bank guarantee schemes, banks are likely in future to have to pay in substantially higher amounts. Assuming that these additional costs cannot be transferred to customers so as not to hamper competitiveness, this is likely to have an adverse impact on banks' profitability.

In the first half of 2010, the average return on equity for major European banks was around 8% according to ECB figures. This is a clear improvement on the years during the financial crisis.

In general, banks will benefit from declining loan loss provisions and cost savings. This should continue to outweigh the ongoing difficult competitive situation in some business areas and compensate for the problems outlined above. Growth in the sector will thus likely be on the modest side.

Financial outlook for the Commerzbank Group

Financing plans

Commerzbank's Group Treasury is responsible for the Group's capital and liquidity management. Clearly defined processes ensure that funding activities are regularly adjusted to reflect changed circumstances. The Commerzbank Group's funding structure is supported in this regard by broad diversification across investor groups, regions, products and currencies.

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. Programmes of issues denominated in the US dollar are being prepared within the Commerzbank Group to further improve its already balanced funding mix on the capital market. The Commerzbank Group is planning to raise funds of around €10bn to €12bn in 2011; the funding plan was already over 60% complete as at the end of the first quarter.

The Bank continues to take advantage of private placements and public-sector benchmark transactions when placing unsecured bonds, which are selectively used as a means of broadening the investor base or for covering existing foreign currency-denominated funding requirements.

Secured funding derives primarily from Pfandbriefe which are issued by Eurohypo AG as jumbo issues or via private placements.

Owing to the still challenging refinancing situation in some peripheral countries, we expect the capital market environment to remain tense.

With regular reviews and adjustments to the assumptions made for liquidity management, the Bank will continue to take full account of changes in the market environment and secure a solid liquidity cushion and appropriate funding structure.

Planned investments

There were no major changes to the planned investments outlined on pages 155 to 157 of the 2010 Annual Report in the first three months of 2011.

Liquidity outlook

Following an extended phase of historically low key rates, the ECB took a first step in the opposite direction and raised rates by 25 basis points at the beginning of April. The financial markets are expecting this to be followed by up to three similar increases over the course of the current financial year.

In the first quarter of 2011, there was still a considerable discrepancy between the average Eonia rate of approximately 0.7% and the main refinancing rate of 1%. We anticipate an average Eonia rate of around 1.05% for the second quarter as it continues to approach the main refinancing rate of 1.25%. For the third and fourth quarters, we think that the average Eonia rate will rise further in line with the next ECB interest rate hikes expected by the market.

We expect Commerzbank to continue to enjoy unrestricted access to secured and unsecured funding on the money and capital markets. The Bank will benefit here not only from its good standing in the market, but also due to its location in a strong eurozone country. This will also be advantageous for its funding options and thus its funding structure. The Bank also boasts a well developed system of liquidity management, which should enable it to implement the funding goals it has set itself as planned over the next two financial years.

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.

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General statement on the outlook for the Group

We expect the economic environment to remain challenging during the current financial year. The eurozone will continue to see different levels of development from one country to the next. The economy in Germany will once again post above-average growth, which should benefit Commerzbank in terms of earnings and loan loss provisions in particular. Growth in other eurozone countries, meanwhile, will be limited by the government debt crisis and the resultant economic uncertainties.

Nevertheless, we will strive to make operating improvements in all areas on the basis of our business model. We plan to grow further in the Mittelstandsbank and underpin the result posted by Corporates & Markets over the long term. BRE Bank will remain on the growth path in Central and Eastern Europe. We expect to derive greater benefits from the integration in the Private Customers segment as the year progresses. The Asset Based Finance segment will continue to be optimized and downsized, while holdings in the Portfolio Restructuring Unit will be further reduced with a view to optimizing value.

Given a stable market environment, we anticipate an operating profit in the 2011 financial year that is substantially higher than the 2010 figure.

It is still too difficult to quantify what the repercussions of the announced or – in some cases – approved regulatory reforms will have on Commerzbank. The same applies to the regulations regarding the banking tax and the harmonization of statutory deposit guarantee schemes in the EU, which will have a noticeable impact on earnings in the years to come. Based on a stable market environment and excluding possible charges arising in connection with regulatory changes, we expect to achieve the objectives of our Roadmap 2012.

Supplementary report

Capital measures for repayment of lion's share of SoFFin silent participations

On April 6, 2011, Commerzbank announced that it plans to repay approximately €14.3bn of the silent participations of the Financial Market Stabilization Fund amounting to €16.2bn by June 2011, thus largely redeeming its outstanding commitment. As part of the repayment of the silent participations, SoFFin will receive a one-off payment of €1.03bn.

In order to repay the silent participations, a package of measures consisting of two stages has been initiated which is geared towards attracting new investors, preserving the interests of existing shareholders and ensuring the best possible transaction security. The two stages combined are to be designed in such a way that they can be used to redeem €11bn of the silent participations.

In a first step, beginning April 6, 2011, conditional mandatory exchangeable notes (CoMEN) with a volume of 1,004,149,984 units were offered to existing shareholders by an international banking syndicate and placed with national and international investors as part of a book-building procedure. Shareholders who held Commerzbank shares at the close of trading on April 6, 2011 were allocated subscription rights within the scope of the CoMEN offering; that is, for each share they were able to acquire one CoMEN. The subscription price for existing shareholders was set at €4.25 per CoMEN as part of the bookbuilding procedure, resulting in an equivalent value of €4.3bn. Around 22% of the subscription rights were exercised. Following the Bank's Annual General Meeting, each CoMEN is to be exchanged for one Commerzbank share entitling shareholders to a share in profits from January 1, 2011. The 1,004,149,984 shares required for this purpose are to be created mid-May 2011 from conditional capital by the Annual General Meeting by converting SoFFin's silent participations. In exchange, SoFFin will receive the gross revenue from placing the CoMEN. To maintain its stake of 25% plus one share, SoFFin will convert around an additional €1.4bn of its silent participations into Commerzbank shares on the basis of the same conditional capital.

In a second step, a capital increase with pre-emptive rights is planned, as part of which the shares delivered in exchange for CoMEN will also be accorded pre-emptive rights. The appropriate measures will be presented to the Annual General Meeting for resolution on May 6, 2011. The new shares are scheduled to be offered to shareholders for subscription from the end of May to early June 2011. The subscription ratio will depend on the definitive number of offered shares. The subscription price is to be determined at a discount to the market price on the day it is set. The new shares to be issued in the second step will also carry a full entitlement to a share in profits from January 1, 2011. It is planned that SoFFin will take part in the capital increase by transferring silent participations to maintain its equity holding.

Against the backdrop of its customer-driven and well-functioning business model and with a view to its good capital base, as part of the overall transaction Commerzbank will be redeeming additional silent participations totalling approximately €3.3bn from free regulatory capital. The necessary approvals have been obtained.

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Combined with the measures in the first and second step, which together amount to €11bn, this will enable the Bank to redeem a total of approximately €14.3bn of SoFFin's silent participations. The remaining €1.9bn of silent participations is scheduled to be redeemed from future free regulatory capital by 2014 at the latest.

After completion of the transaction – calculated on a pro-forma basis as of March 31 – the Bank's core Tier I capital, including the one-off payment to SoFFin in the amount of €1.03bn and the costs of the transaction, was €24.2bn. The core Tier I ratio was 9.7%, the equity Tier I capital – i.e. excluding silent participations – increased to €22.3bn, and the equity Tier I ratio climbed from 4.5% to 9%.

Successful completion of IT integration of Dresdner Bank

Commerzbank has successfully completed the IT integration of Dresdner Bank. The customer and product data of the former Dresdner Bank were successfully transferred to Commerzbank's IT systems over the Easter weekend from April 22–25. This means that customers will now receive the same products and services in all branches. Among the data that will now be administered in the Commerzbank IT systems are the data of around 11 million private customers in Germany who together carry out around five billion transactions per year.

At the end of May 2011, the largest integration project in German banking history will draw to a close. The next milestone will then be to merge around 400 neighbouring branches by end-2012.

Interim Risk Report

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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 non-quantifiable 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 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. The heads of these four risk management divisions together with the CRO make up the Risk Management Board within Group Management.

More details on the risk management organization at Commerzbank are given in the 2010 Annual Report.

2 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 that 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 (gradual winding-down of the Group) that reflects the latest statutory and regulatory developments.

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 including the economic values 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 risk types not contained in the regulatory requirements for banks' capital adequacy, and also reflects the effect of portfolio-specific interrelationships. The high confidence level in the economic capital model is in line with the underlying gone concern assumptions and ensures a consistent economic risk-taking capability approach.

In consultation with BaFin and Deutsche Bundesbank, the risk-taking capability approach was updated in the first quarter of 2011 in particular with the aim of implementing Commerzbank's modelling of a gone concern scenario in an even more methodologically consistent manner. This involved the following main changes:

- Modified inclusion of hidden liabilities/reserves
- Additional inclusion of credit spread-related fluctuations in the value of securities in the IFRS category Loans and Receivables (LaR) in the economic capital requirement
- Modified inclusion of economic risks and hidden liabilities/reserves from pension obligations
- Updating of the risk buffer for unquantifiable risks as a result of the risk inventory taken in the fourth quarter of 2010
- Adjustment of the confidence level when determining the economic capital requirement from 99.95% to 99.91%.

Risk-taking capability at Commerzbank Group level is monitored and managed monthly. Risk-taking capability is assessed by means of the utilization level of the capital available for risk coverage. Under this approach, risk-taking capability is taken to be assured as long as the utilization is below 100%. The utilization level remained well below 100% at all times in the first quarter of 2011 and accounted for 52.9 % as at March 31, 2011.

Risk-taking capability Commerzbank Group | €bn	31.3.2011²	31.12.2010³
Capital available for risk coverage	38	36
Economically required capital	20	20
thereof for credit risk	13	14
thereof for market risk	5	6
thereof for OpRisk	2	3
thereof for business risk	1	2
thereof diversification between risk types	-3	-4
Utilization level¹	52.9%	56.8%

¹ Utilization level = economically required capital/capital available for risk coverage.

² Based on current methodology from the first quarter of 2011; only partially comparable to values for 2010.

³ 2010 figures based on methodology as at December 31, 2010.

Macroeconomic stress scenarios are used to test risk-taking capability in the event of adverse changes in the economic environment. The underlying macroeconomic scenarios, which are updated at least every quarter as part of a regular process, describe an unusual but plausible negative economic scenario 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 is also 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% in the first quarter of 2011. We will keep on enhancing our risk-taking capability and stress testing concept.

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The EU-stress test 2011 initiated by the European Banking Authority (EBA) began in mid-March 2011 with the collection of the relevant data from the institutions participating in the stress test. Since the end of April the results and reported data of all participating banks are validated at national authority level. Thereafter, a peer review is executed by European supervisors. The aggregated and bank-specific results are due to be published in June 2011. We assume to pass the EU stress tests again this year, keeping a comfortable capital buffer.

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 Commerzbank Group by segment (performing loans)

To manage and limit default risks the risk parameters exposure at default (EaD), expected loss (EL), risk density (EL/EaD) and credit VaR (CVaR = economically required capital for credit risk) are used. It should be noted that the confidence level was adjusted from 99.95% to 99.91% and the parameters underwent their regular update. The breakdown of these credit risk figures in the performing loan book (rating levels 1.0 – 5.8) across the segments is as follows:

Credit risk figures by segment as at 31.3.2011	Exposure at default €bn	Expected loss €m	Risk density bp	CVaR €m
Core bank	321	1,089	34	7,792
Private Customers	68	249	36	857
Residential mortgage loans	36	117	33	
Investment properties	5	17	32	
Individual loans	13	60	47	
Consumer and installment loans/ credit cards	11	52	47	
Domestic subsidiaries	2	3	13	
Foreign subsidiaries and other	1	1	8	
Mittelstandsbank	108	399	37	3,395
Financial Institutions	18	53	30	
Corporates Domestic	64	255	40	
Corporates International	26	90	34	
Central & Eastern Europe	27	218	79	746
BRE Group	24	166	70	
CB Eurasija	2	14	82	
Bank Forum	<1	27	811	
Other	2	11	63	
Corporates & Markets	76	197	26	2,245
Germany	28	51	19	
Western Europe	27	77	28	
Central and Eastern Europe	2	7	30	
North America	11	39	34	
Other	8	23	28	
Others and Consolidation	41	27	6	548
Optimization – Asset Based Finance	208	685	33	4,539
Commercial Real Estate	66	400	61	
Eurohypo Retail	16	25	16	
Shipping	23	166	73	
<i>thereof ship financing</i>	18	165	89	
Public Finance	104	93	9	
Downsize – PRU	13	103	78	1,143
Total	543	1,877	35	13,473

Compared to the end of 2010 EaD was reduced at Group level by €19bn to €543bn and EL was reduced by €48bn to €1,877m. Risk density rose slightly by one basis point to 35 basis points.

1.1 Private Customers

In the Private Customers segment clients 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 residential mortgage loans (€36bn), investment properties (€5bn), individual loans (€13bn) and consumer loans, instalment loans and credit cards (€11bn).

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The portfolio delivered a stable performance overall in the first quarter 2011 and its risk density was lowered by one basis point to 36 basis points.

In the first quarter 2011 we were able to increase the volume of construction finance with improved credit profiles, representing significant value-added for the Private Customer portfolio. The macroeconomic environment is expected to be robust in 2011 and we will therefore stick with our plans to increase new business in the areas of real estate financing and business customers. We will also continue to work on end-to-end efficiency gains and managing the granular portfolio, especially in the lower rating classes.

1.2 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 the first quarter of 2011 continued to be impacted by good news on the domestic front as well as external shocks including the political turmoil in the Arab world and the implications of the natural disaster in Japan. Germany consolidated its role as the economic motor of Europe, despite remaining highly dependent on export growth. In some areas growth rates have already reached the levels seen before the crisis or even higher levels. The Corporates Domestic sub-portfolio continues to see clear improvements in creditworthiness. This was reflected in positive rating changes for individual customers. The EL and risk density in this area therefore decreased to €255m and 40 basis points respectively by March 31, 2011.

In the Corporates International area, EaD fell to €26bn and EL to €90m in the first quarter of 2011. Risk density also fell to 34 basis points as at March 31, 2011. Overall, EaD was €108bn at the quarter-end. Utilization of credit lines is still below average, partly because of intensified and improved working capital management by companies. 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 developments in the Financial Institutions portfolio see section 2.3.

1.3 Central & Eastern Europe

This segment includes the activities of the Group's operating units and investments in Central and Eastern Europe.

The situation in Central and Eastern Europe had already improved considerably in 2010 and the positive economic trend continued in the first quarter of 2011. As a result, the risk density in this segment was further reduced from 84 basis points at the end of 2010 to 79 basis points as at March 31, 2011.

Poland continued to exhibit a stronger economic performance at the beginning of 2011 than other Central and Eastern European countries. We expect further loan growth with good risk/return ratios at our Polish subsidiary BRE Bank, which has an exposure of €24bn.

Economic growth is continuing in Russia. The main growth drivers are commodity-related exports. We were able to reduce the risk density in our Russian loan portfolio to 82 basis points in the first quarter of 2011. The performance of the portfolio from here will depend on developments in commodity prices and the level of the US dollar.

At Bank Forum in Ukraine risk provisions could be reduced significantly in the first quarter of 2011 compared to the previous year. Nevertheless, the risk situation remains problematic in Ukraine owing to the difficult economic and political situation there. Consequently, we are continuing to focus on limiting risk in this challenging market.

1.4 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 March 31, 2011.

Overall, the segment's EaD fell by €2bn to €76bn since the beginning of the year, with Markets accounting for €32bn of EaD and Corporates for €44bn. We continue to apply rigorous quality standards in trading and new lending business and expect a further risk reduction in the existing business in 2011.

For details to the developments in the Financial Institutions portfolio see section 2.3.

1.5 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), mainly at Eurohypo, there was a further cut in total exposure (EaD) to €66bn (December 31, 2010: €70bn). The main components of exposure are still the sub-portfolios Office (€24bn), Commerce (€20bn) and Residential Real Estate (€8bn). The CRE exposure also contains 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 decrease in exposure in the first quarter of 2011 is mainly the result of repayments of loans or declining to roll them over, exchange rate fluctuations and market-related transfers to the default portfolio. Bearing in mind the strategic reorientation of Eurohypo up to 2014, our efforts are still focused on reducing existing business. Activity in the investment markets is still moderate; however, it is clearly growing.

Performance in Germany and further core markets such as the UK, Italy, France and increasingly also the USA has been stable to positive, especially for prime assets. Spain remains under pressure. Loans secured on mortgage charges have predominantly reasonable loan to value ratios.

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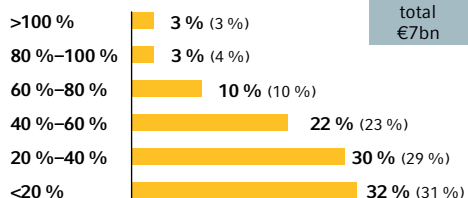
45 Liquidity risk

46 Operational risk

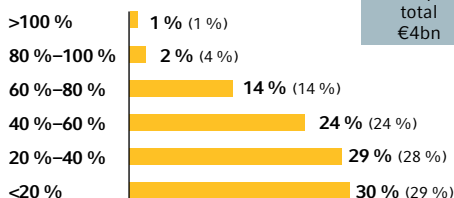
47 Other risks

Loan to Value – UK¹

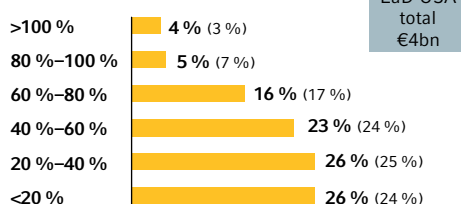
stratified representation

**Loan to Value – Spain¹**

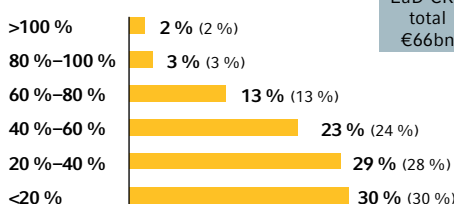
stratified representation

**Loan to Value – USA¹**

stratified representation

**Loan to Value – CRE total¹**

stratified representation



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 as of March 2011 (December 2010).

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 profitable manner. Exposure in the Eurohypo retail portfolio was again cut by just under €1bn in the first quarter 2011 and amounted to €16bn as at March 31, 2011; 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 €3bn from December 31, 2010 to €18bn, mainly due to the fall in the US dollar. The portfolio is still focused on the three standard types of ship, namely containers (€5bn), tankers (€5bn) and bulkers (€4bn). The remaining €4bn is accounted for by various special tonnages which are well diversified across the different ship segments.

Over the year under review, the strict risk reduction strategy in the existing book resulted in some successful stabilization, which was also driven by restructurings agreed with clients. The expected loss was reduced by €20m from year-end 2010 to €165m, with risk density falling 1 basis point to 89 basis points.

The recovery of the global economy is having a positive effect on several shipping segments. Strong economic growth, especially in Asian emerging markets, is likely to push demand for marine transport higher. Container markets have recovered slightly, with the exception of smaller container ships. The most recently negotiated charter rates indicate an increasingly stable market.

The predicted world economy growth of more than 4% in 2011 and the resulting trade volumes, which will have a knock-on effect on transport demand, continues to be offset by the influx of newly-built ships onto the market and during the last months considerably decreased cargo rates. The potential for recovery therefore remains limited as long as scrappage volumes are relatively low.

Commerzbank plans to fully integrate Deutsche Schiffsbank in 2011. This will bring all ship financing activities under the legal umbrella of Commerzbank.

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 (€66bn 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 (€38bn 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 Public Finance Portfolio, which was unwound by €20bn to €109bn in 2010, largely by using maturities and also through some active portfolio reduction, was reduced further in the first quarter to €104bn as at March 31, 2011. The downsizing to below €100bn, initially planned by the end of 2012 will be presumably achieved already in 2011. By the end of 2014 a reduction to below €80bn is aspired.

Sovereign exposure to the crucial countries Greece, Ireland and Portugal across all segments, but predominantly relating to Public Finance, totalled around €3.9bn as at March 31, 2011 (December 31, 2010: €3.9bn).

Sovereign exposures of selected countries | €bn	31.3.2011
Greece	2.9
Ireland	<0.1
Portugal	0.9
Italy	9.4
Spain	3.0

With the increase in the eurozone bailout fund, the heads of government of the eurozone countries sent a clear message of solidarity with the weaker members of the euro. However, if the reform programmes in the crisis-hit countries do not succeed, there could still be a risk of defaults in the medium term and further market turmoil with an indirect impact on the economy and in turn on loan loss provisions cannot be ruled out. We again do not expect any defaults of public entities or banks in OECD countries.

25 Risk-oriented overall bank management

27 Default risk

40 Intensive Care

43 Market risk

45 Liquidity risk

46 Operational risk

47 Other risks

1.6 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 €26.3bn as at March 31, 2011, as shown in detail in section 2.1.1.

In the first quarter of 2011 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 further 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.

2 Cross-segment portfolio analysis

It is important to note that the following positions are already contained in full in the Group and segment presentations.

2.1 Structured credit portfolio

2.1.1 Structured credit exposure PRU Whereas most asset classes reported declining spreads and spread volatilities in the course of the first quarter of 2011, which took them back to or below the levels of 2010, RMBS transactions from Greece, Spain and Portugal moved in the opposite direction as a result of the sovereign crisis. The ongoing caution on the part of buyers during the period under review which stood in contrast to the positive general economic recovery slowed down the portfolio reduction. Nevertheless, the nominal volume fell from €29bn to €26.3bn in the first quarter of 2011 – also due to exchange losses of the US dollar and pound sterling – while risk values¹ declined from €17.1bn to 15.8bn. 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 credit default swap (CDS) positions it comprises the nominal value of the reference instrument less the net present value of the credit derivative.

Structured credit portfolio PRU	31.3.2011		31.12.2010	
	Nominal values	Risk values	Nominal values	Risk values
€bn				
RMBS	4.8	2.8	5.1	3.0
CMBS	0.6	0.4	0.7	0.5
CDO	10.2	6.2	11.1	6.7
Other ABS	2.8	2.4	3.3	2.8
PFI/Infrastructure financing	4.2	3.7	4.3	3.8
CIRC	0.7	0.0	0.7	0.0
Other structured credit positions	3.0	0.3	3.6	0.2
Total	26.3	15.8	29.0	17.1

Overall we expect write-ups over the residual life of these assets, with possible future loss in value of 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 below shows the breakdown of structured credit exposures by rating, based on the risk values.

Rating breakdown structured credit portfolio | €bn	31.3.2011
AAA	2.5
AA	2.9
A	3.4
BBB	3.8
< BBB	3.2

Residential Mortgage-backed Securities (RMBSs) 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 €2.8bn (December 31, 2010: €3.0bn).

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 €0.6bn at the end of the reporting period (December 31, 2010: €0.7bn). The mark-down ratio for US RMBS was 71% as at March 31, 2011.

European RMBS positions (risk value €2.2bn) showed a highly differentiated picture during the period under review, one that is familiar from 2010. As the sovereign crisis spilled over from Greece to Ireland, Spain and Portugal in the course of 2010, RMBS transactions from these countries were particularly hard hit by major spread widening and much higher spread volatility compared both to other asset classes and to the levels at the start of 2010. However, despite this market volatility we continue to expect, based on the fundamental and transactional data, that these securitizations will largely be repaid in full.

25 Risk-oriented overall bank management

27 Default risk

40 Intensive Care

43 Market risk

45 Liquidity risk

46 Operational risk

47 Other risks

Rating breakdown RMBS | €bn	31.3.2011
AAA	1.3
AA	0.3
A	0.6
BBB	0.2
< BBB	0.4

Commercial Mortgage-backed Securities (CMBSs) 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 risk value of the CMBS portfolio as at March 31, 2011 was just €0.4bn (December 31, 2010: €0.5bn). The mark-down ratio as at March 31, 2011 was 38%.

Collateralized Debt Obligations (CDOs) 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 total risk exposure here at the end of the reporting period fell to €6.2bn (December 31, 2010: €6.7bn), with the help of significant US dollar devaluation effects. The largest share in this sub-segment with 52% 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 sector. The mark-down ratio as at the end of the period was 11%.

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 | €bn	31.3.2011
AAA	0.6
AA	1.4
A	0.9
BBB	1.7
< BBB	1.6

Other ABSs This sub-segment contains all the positions whose interest and principal are secured by consumer loans (including auto 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 as at March 31, 2011 was €2.4bn (December 31, 2010: €2.8bn). 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 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 ruled out. The mark-down ratio of the positions remaining in this sub-segment was 14% at the reporting date.

PFI/Infrastructure financing As at March 31, 2011 the risk value of the exposures to Private Finance Initiatives (PFI) was €3.7bn. The portfolio consists of the private financing and the 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 March 31, 2011 there was only a small €0.3bn risk exposure as the structures are sufficiently capitalized.

2.1.2 Structured credit exposure non-PRU Below are details of structured credit positions from the strategic customer business which will continue to be allocated to the core bank in future and were therefore not transferred to the PRU.

Structured credit portfolio non-PRU	31.3.2011		31.12.2010	
	Nominal values	Risk values ¹	Nominal values	Risk values ¹
€bn				
Conduit exposure	3.8	3.8	4.3	4.3
Other asset-backed exposures	6.1	5.9	6.5	6.3
Total	9.9	9.7	10.8	10.6

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 not managed by the PRU, amounted to €3.8bn at the end of March 2011 (December 2010: €4.3bn). The fall in volumes is the result of ongoing amortization of ABCP transactions.

In the first quarter of 2011, the two conduits sponsored by Commerzbank, Kaiserplatz and Silver Tower, were consolidated and the transactions from Kaiserplatz were transferred in full to Silver Tower. The majority of the reported positions consist of liquidity facilities/back-up lines granted to Silver Tower. Due to the stability of the markets, the conduit business will continue to be funded almost entirely via commercial paper.

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47 Other risks

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 basically do not contain any asset classes directly impacted by the financial crisis. To date we again 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.

Rating breakdown conduits non-PRU | €bn	31.3.2011
AAA	0.0
AA	1.6
A	1.9
BBB	0.2
< BBB	0.1

Other asset-backed exposures Other ABS positions with a total risk exposure of €5.9bn were held mainly by Eurohypo in Public Finance (€4.9bn) and by Commerzbank Europe (Ireland) (€1.0bn). These were principally government guaranteed securities (€5.0bn), of which around €3.8bn was attributable to student loans guaranteed by the US government. A further €0.9bn related to non-US RMBSs, CMBSs and other mainly European ABS securities.

2.1.3 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 €14.0bn, primarily for capital management purposes. This also includes a €1bn securitization of SME loans placed in January 2011. As at March 31, 2011, risk positions of €9.6bn were retained, with by far the largest portion of these positions at €9.1bn attributable to 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.

Securitization pool as at 31.3.2011 | €bn	Maturity	Total volume ¹	Commerzbank volume ¹		
			Senior	Mezzanine	First loss piece
Corporates	2013–2027	9.0	8.2	0.2	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	4.6	0.9	0.1	<0.1
Total		14.0	9.1	0.3	0.2

¹ Tranches/retentions (nominal): banking and trading book.

2.2 Leveraged Acquisition Finance (LAF) portfolio

Over the course of the first quarter of 2011 the EaD of the LAF portfolio was cut from €3.4bn to €3.2bn. This was primarily 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.

Direct LAF portfolio by sector | EaD €bn	31.3.2011
Technology/Electrical industry	0.6
Chemicals/Plastics/Healthcare	0.5
Financial Institutions	0.4
Automotive/Mechanical engineering	0.4
Services/Media	0.4
Consumption	0.4
Transport/Tourism	0.2
Basic materials/Energy/Metals	0.2
Other	0.1
Total	3.2

2.3 Financial Institutions and Non-Bank Financial Institutions portfolio

Business in the Financial Institutions portfolio in the first quarter of 2011 continued to be largely determined by the risk-based assessment of country risks at European and international level. Our focus here remains on ongoing, active risk reduction in the overall Financial Institutions portfolio. Exposure was nearly unchanged in the first quarter of 2011 at €96bn (December 31, 2010: €95bn).

25 Risk-oriented overall bank management

27 Default risk

40 Intensive Care

43 Market risk

45 Liquidity risk

46 Operational risk

47 Other risks

The reduction of the NBFi portfolio slowed down somewhat due to new business. The EaD of the sub-portfolio (including ABS and LAF transactions relating to NBFIs as well as NBFi assets in the PRU) fell slightly to €37bn. The outlook for the NBFi sector remains positive. So far we do not anticipate any significant impact from the natural disaster in Japan on our insurance portfolio (including reinsurers).

FI/NBFi portfolio by region as at 31.3.2011	Financial Institutions			Non-Bank Financial Institutions		
	Exposure at default €bn	Expected loss €m	Risk density bp	Exposure at default €bn	Expected loss €m	Risk density bp
Germany	29	11	4	8	16	20
Western Europe	36	34	10	17	33	20
Central/Eastern Europe	8	31	38	2	14	67
North America	8	1	2	4	39	87
Other	15	34	22	6	11	18
Total	96	111	12	37	113	30

2.4 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 31.3.2011	Exposure at default €bn	Expected loss €m	Risk density bp
Germany	275	811	30
Western Europe	133	404	30
Central/Eastern Europe	44	296	67
North America	38	106	28
Other	54	260	48
Total	543	1,877	35

2.5 Rating classification

The Bank's overall portfolio is split proportionately into the following internal rating classifications based on PD ratings:

Rating breakdown as at 31.3.2011 | %	1.0–1.8	2.0–2.8	3.0–3.8	4.0–4.8	5.0–5.8
Private Customers	26	37	25	8	3
Mittelstandsbank	13	53	26	5	2
Central & Eastern Europe	24	38	30	7	3
Corporates & Markets	43	40	14	2	1
Asset Based Finance	37	42	14	4	2
Group¹	35	41	18	4	2

¹ Including PRU and Others and Consolidation.

2.6 Sector classification corporates

The table below shows the breakdown of the Bank's corporates exposure by sector, irrespective of business segment:

Sub-portfolio corporates by sectors as at 31.3.2011	Exposure at Default €bn	Expected Loss €m	Risk density Bp
Basic materials/Energy/Metals	25	103	42
Consumption	21	99	48
Automotive	11	41	36
Chemicals/Plastics	11	64	58
Transport/Tourism	11	60	55
Services/Media	10	46	47
Technology/Electrical industry	9	35	38
Mechanical engineering	8	53	68
Construction	4	25	58
Other	20	113	56
Total	130	639	49

Intensive Care

1 Loan loss provisions

Loan loss provisions decreased further in the first quarter of 2011. At €318m the charge fell by €326m, or 50%, compared to the first quarter of 2010 and was also well below the level of the fourth quarter. Loan loss provisions fell in nearly all segments during the reporting period, as the economies of the West continued to recover. The regular parameter update in January 2011 also had a positive effect. The favourable economic trend together with the recalibration of rating methods resulted in a one-off reversal of around €70m of provisions.

The table illustrates the development at segment level:

Loan loss provisions €m	Q1 2011	2010 total	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Private Customers	41	246	46	64	70	66
Mittelstandsbank	8	279	93	-69	94	161
Central & Eastern Europe	30	361	48	127	92	94
Corporates & Markets	0	-27	-14	6	0	-19
Asset Based Finance	241	1,584	412	493	354	325
Portfolio Restructuring Unit	-1	62	10	2	28	22
Others and Consolidation	-1	-6	0	-2	1	-5
Total	318	2,499	595	621	639	644

25	Risk-oriented overall bank management
27	Default risk
40	Intensive Care
43	Market risk
45	Liquidity risk
46	Operational risk
47	Other risks

The Mittelstandsbank reported the most significant decrease in loan loss provisions, with a €153m reduction compared to the first quarter of 2010. This was attributable to several effects: As a result of ongoing favourable economic conditions, there were two thirds fewer new cases compared with the same period in the previous year. At the same time, there was increased success in restructuring problem exposures, which allowed the reversal of some provisions. Furthermore, as a result of the abovementioned updating of parameters the Mittelstandsbank recognized a one-off reversal in portfolio loan loss provisions.

Loan loss provisions in the ABF segment were also €84m less than in the first quarter of 2010, which represents a significant decrease. The decline came from CRE Banking, where loan loss provisions were down significantly from the level of the first quarter of the previous year which was dominated by substantial write-downs in the US portfolio.

Loan loss provisions also exhibited a positive development in the Central & Eastern Europe segment, falling by €64m compared with the same quarter of the previous year. Bank Forum accounted for the largest portion of this decline, as no significant individual cases were reported there in the first quarter of 2011.

Loan loss provisions in Private Customers fell by €25m compared with the first quarter of 2010 as a result of continued favourable external conditions. There were no net loan loss provisions in Corporates & Markets, Portfolio Restructuring Unit and Others and Consolidation in the first quarter of 2011.

Loan loss provisions were below the levels originally expected for the first quarter of 2011. We continue to expect that provisions will not exceed €2.3bn in 2011.

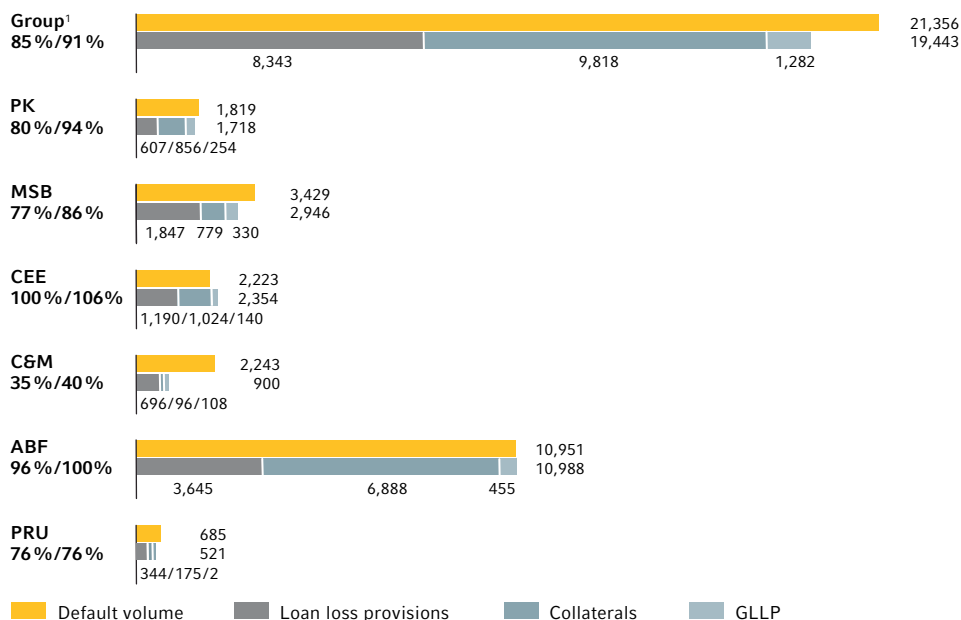
However, the uncertainties concerning developments in the remainder of 2011 have grown considerably as a result of the events in recent months. At present, it is still impossible to predict what impact the natural disaster in Japan will have on the global economy. The unrest and wars in various countries in the Middle East and North Africa could also have an adverse effect on global economic growth. With the increase in the eurozone bailout fund, the heads of government of the eurozone countries sent a clear message of solidarity with the weaker members of the euro. However, if the reform programmes in the crisis-hit countries do not succeed, there could still be a risk of defaults in the medium term and further market turmoil with an indirect impact on the economy and in turn on loan loss provisions cannot be ruled out. Should these risks become reality, it may be necessary to increase loan loss provisions significantly.

2 Default portfolio

The volume in the Group's default portfolio slightly declined by €0.3bn during the first quarter of 2011 and was €21.4bn as at March 31, 2011. Compared to March 31, 2010 this means a reduction of €0.5bn. The structure can be seen in detail in the chart below:

Default portfolio and coverage ratios by segment

€m – excluding/including GLLP



¹Including Others and Consolidation.

With the exception of Asset Based Finance all segments showed a reduced default volume after the first quarter 2011 compared to the previous quarter and compared to the reference value of the previous year. Over the course of the year 2011 we are expecting the default volume to further decline.

25	Risk-oriented overall bank management
27	Default risk
40	Intensive Care
43	Market risk
45	Liquidity risk
46	Operational risk
47	Other risks

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.

The European sovereign debt crisis, expectations of interest rate hikes due to rising inflation and the natural disaster in Japan impacted the markets in the first quarter of 2011. High levels of debt and downgrades of some European sovereigns by rating agencies resulted in increased uncertainty and high volatility on the bond markets.

Not even the resolutions on the new European stabilization mechanism were enough to bring the markets back to normal. This affected the public finance portfolio in the banking book in particular. Interest rates in the core European countries rose further based on the expectation that the European Central Bank will raise key interest rates. The rate hike expectations also boosted the euro on the foreign exchange market while the Japanese natural catastrophe caused the yen to fluctuate sharply.

Despite the difficult market environment, appropriate risk management measures have kept the overall currency risk at Commerzbank at a very low level. The same applies to commodity risk, which in the first quarter of 2011 mainly involved the rising oil price as a result of the unrest in North Africa. On the international equity markets, the clear upward trend from the beginning of the year was derailed by the natural disaster in Japan; however, the markets' recovery is once again back on track.

Commerzbank does not expect the disasters in Japan to cause a long-term shock to growth and global economic performance outside Asia.

We expect robust economic performance in the USA and core Europe this year. Equity markets are therefore likely to climb higher, which will also help the investment certificates business. Despite rising key rates, we expect the structural low interest rate environment to persist in 2011. No rapid solution to the debt crisis can be expected for the countries on the European periphery. This may result in further turmoil in 2011 on the interest rate and currency markets. There are also dangers from rising inflation, especially as a result of higher commodity prices.

We will systematically continue to unwind and optimize critical portfolios and anticipate that, under the market conditions described, the market risk of our portfolio will stay constant or fall slightly.

1 Market risk in the trading book

Commerzbank uses an overall market price risk model based on historical simulation (Hist-Sim model) for its internal risk management. This ensures that risk measurement is consistent across the whole Group and complies with the future requirements of Basel III.

Value at risk¹ in the trading book fell slightly in the first quarter of 2011. The decrease of €7.3m to €88.6m was achieved by all risk classes (credit spread, interest rate, currency, equity and commodity risk) with the credit spread VaR components making a significant contribution with a decrease of €5.6m to €38.3m. Measures to reduce risk positions, especially in the Portfolio Restructuring Unit, were rigorously continued in the first quarter of 2011 and have played a significant role in reducing credit spread risks.

The 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 this year.

2 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 (EPPK), the Treasury portfolios and equity price risk in the equity investment portfolio. The decision to reduce the Public Finance portfolio continues to be implemented as part of the de-risking strategy.

The diagram below documents the changes in credit spread sensitivities for 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 an increase in interest rates in southern European countries cut the overall position in credit spread sensitivity to €75m as at March 31, 2011. Around 75% of the 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.

Credit spread sensitivities

Downshift 1 bp | €m



Holdings in the equity investment portfolio were reduced significantly over the year, as planned. Nevertheless, due to higher market values as a result of strong market performance, equity risk in the investment portfolio changed very little.

¹ 99 % confidence level, holding period 1 day, equally weighted market data, 254 days' history.

25	Risk-oriented overall bank management
27	Default risk
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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.

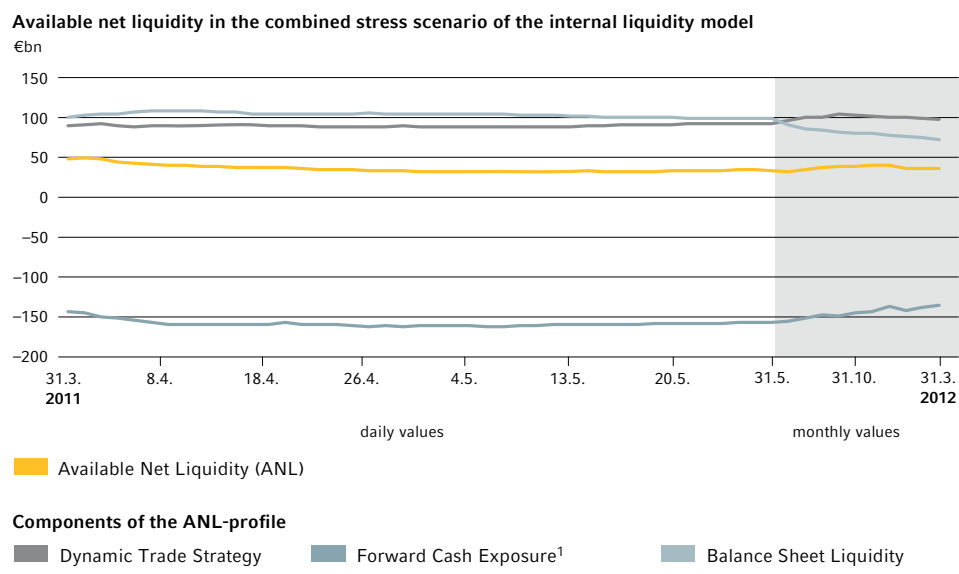
Commerzbank's internal liquidity risk model is the basis for liquidity management and reporting to the Board of Managing Directors. This risk measurement approach calculates the available net liquidity (ANL) for the next twelve months under various scenarios. The calculation is carried out on the basis 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). On March 31, 2011 the volume of freely available assets eligible for discounting at the central bank that were included in ANL modelling as part of balance sheet liquidity was around €100bn.

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 underlying scenarios are derived from the risk tolerance that is determined in accordance with the overall risk strategy and updated if necessary. This also includes a definition of scenarios that are no longer covered by the risk tolerance, such as the complete collapse of key economies like Germany, the US, the UK and major European countries.

The stress scenarios are run daily and reported to management. The underlying assumptions are reviewed regularly and adjusted to reflect changed market conditions as necessary. According to current guidelines these adjustments are documented in a formal process and are, depending on their potential impact, approved by the relevant committees.

These stress scenarios are used to draw up detailed contingency plans. According to the separation of functions described above, Liquidity Risk is responsible for the internal processes while Treasury is responsible for taking the previously documented action.

The graph below of ANL and its subcomponents FCE, DTS and BSL shows that under the stress scenario relevant for management calculated as at March 31, 2011 a sufficient liquidity surplus was available throughout the period analyzed.



¹ Derivative positions of the former Dresdner Bank have almost been fully integrated.

In the first quarter of 2011, the calculated liquidity surpluses were always significantly above the limits set by the Board of Managing Directors. 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 focussing on actively supporting various regulatory initiatives to bring international liquidity risk standards into line. Furthermore, we are preparing to introduce the liquidity risk ratios defined in Basel III in a cross-divisional project. We are also continuously developing the tools to manage liquidity risk, which include the organization, underlying rules and infrastructure used, in order to increase the granularity and transparency of the items reported.

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, strategic or compliance risks.

The total charge to Commerzbank as at the end of the first quarter of 2011 for OpRisk events (losses plus changes in provisions taken against income for operational risks and ongoing litigation) was €21m compared to €37m at the end of the first quarter 2010 (full-year 2010: €274m).

25	Risk-oriented overall bank management
27	Default risk
40	Intensive Care
43	Market risk
45	Liquidity risk
46	Operational risk
47	Other risks

OpRisk events by segment | €m	Q1 2011	2010 total
Private Customers	18	132
Mittelstandsbank	7	-8
Central & Eastern Europe	0	7
Corporates & Markets	-8	14
Asset Based Finance	2	34
Portfolio Restructuring Unit	0	11
Others and Consolidation	2	84
Group	21	274

The risk weighted assets for operational risks according to the advanced measurement approach (AMA) were €22.5bn at the end of the first quarter 2011 (December 31, 2010: €21.8bn). Of this, roughly 63% related to Private Customers and Corporates & Markets.

Until our newly developed and integrated model is 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

In terms of all other risks, there were no significant changes in the first quarter of 2011 compared to the position reported in detail in the 2010 Annual Report.

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 and 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; stress testing all imaginable scenarios however is unfeasible. The analyses cannot give a definitive indication of the maximum loss in the case of an extreme event.

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Statement of comprehensive income

Income statement

€m	Notes	1.1.–31.3.2011	1.1.–31.3.2010 ¹	Change in %
Interest income		4,204	4,611	-8.8
Interest expense		2,477	2,725	-9.1
Net interest income	(1)	1,727	1,886	-8.4
Loan loss provisions	(2)	-318	-644	-50.6
Net interest income after provisions		1,409	1,242	13.4
Commission income		1,155	1,183	-2.4
Commission expense		135	186	-27.4
Net commission income	(3)	1,020	997	2.3
Net trading income	(4)	548	865	-36.6
Net income from hedge accounting		-29	-29	0.0
Net trading income and net income from hedge accounting		519	836	-37.9
Net investment income	(5)	12	-119	.
Current net income from companies accounted for using the equity method		0	2	.
Other net income	(6)	338	22	.
Operating expenses	(7)	2,154	2,209	-2.5
Impairments of goodwill and brand names		-	-	.
Restructuring expenses		-	-	.
Pre-tax profit/loss		1,144	771	48.4
Taxes on income	(8)	135	55	.
Consolidated profit/loss		1,009	716	40.9
Consolidated profit/loss attributable to non-controlling interests		24	8	.
Consolidated profit/loss attributable to Commerzbank shareholders		985	708	39.1

¹ Prior-year figures restated (see page 62).

Earnings per share | €	1.1.–31.3.2011	1.1.–31.3.2010	Change in %
Earnings per share	0.73	0.60	21.7

Earnings per share, calculated in accordance with IAS 33, are based on the consolidated profit/loss attributable to Commerzbank shareholders less the expected dividend on the silent participations.

Condensed statement of comprehensive income

€m	1.1.–31.3.2011	1.1.–31.3.2010	Change in %
Consolidated profit/loss	1,009	716	40.9
Change in revaluation reserve			
Reclassified to income statement	-61	112	.
Change in value not recognized in income statement	145	151	-4.0
Change in cash flow hedge reserve			
Reclassified to income statement	64	50	28.0
Change in value not recognized in income statement	29	0	.
Change in currency translation reserve			
Reclassified to income statement	-	1	-100.0
Change in value not recognized in income statement	-138	171	.
Change in companies accounted for using the equity method	-1	1	.
Other comprehensive income	38	486	-92.2
Total comprehensive income	1,047	1,202	-12.9
Comprehensive income attributable to non-controlling interests	20	81	-75.3
Comprehensive income attributable to Commerzbank shareholders	1,027	1,121	-8.4

Other comprehensive income | €m	1.1.–31.3.2011			1.1.–31.3.2010		
	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Change in revaluation reserve	151	-67	84	301	-38	263
Change in cash flow hedge reserve	124	-31	93	73	-23	50
Change in currency translation reserve	-138	-	-138	172	0	172
Change in companies accounted for using the equity method	-1	-	-1	1	-	1
Other comprehensive income	136	-98	38	547	-61	486

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Income statement (by quarter)

€m	2011	2010 ¹			
	1 st quarter	4 th quarter	3 rd quarter	2 nd quarter	1 st quarter
Net interest income	1,727	1,682	1,633	1,853	1,886
Loan loss provisions	-318	-595	-621	-639	-644
Net interest income after provisions	1,409	1,087	1,012	1,214	1,242
Net commission income	1,020	875	870	905	997
Net trading income	548	384	445	358	865
Net income from hedge accounting	-29	0	-23	-42	-29
Net trading income and net income from hedge accounting	519	384	422	316	836
Net investment income	12	191	-24	60	-119
Current net income from companies accounted for using the equity method	0	32	-5	6	2
Other net income	338	-149	26	-30	22
Operating expenses	2,154	2,164	2,185	2,228	2,209
Impairments of goodwill and brand names	-	-	-	-	-
Restructuring expenses	-	-	-	33	-
Pre-tax profit/loss	1,144	256	116	210	771
Taxes on income	135	-21	-19	-151	55
Consolidated profit/loss	1,009	277	135	361	716
Consolidated profit/loss attributable to non-controlling interests	24	20	22	9	8
Consolidated profit/loss attributable to Commerzbank shareholders	985	257	113	352	708

¹ Prior-year figures restated (see page 62).

Balance sheet

Assets | €m	Notes	31.3.2011	31.12.2010	Change in %
Cash reserve		6,621	8,053	-17.8
Claims on banks	(10,12,13)	87,524	110,616	-20.9
of which pledged as collateral		88	94	-6.4
Claims on customers	(11,12,13)	330,124	327,755	0.7
of which pledged as collateral		-	-	.
Value adjustment portfolio fair value hedges		7	113	-93.8
Positive fair values attributable to derivative hedging instruments		3,352	4,961	-32.4
Trading assets	(14)	143,508	167,825	-14.5
of which pledged as collateral		14,922	19,397	-23.1
Financial investments	(15)	108,227	115,708	-6.5
of which pledged as collateral		24,517	22,374	9.6
Holdings in companies accounted for using the equity method		720	737	-2.3
Intangible assets	(16)	3,052	3,101	-1.6
Fixed assets	(17)	1,549	1,590	-2.6
Investment properties		1,200	1,192	0.7
Assets held for sale and disposal groups		1,302	1,082	20.3
Current tax assets		635	650	-2.3
Deferred tax assets		3,360	3,567	-5.8
Other assets	(18)	5,773	7,349	-21.4
Total		696,954	754,299	-7.6

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Liabilities and equity €m	Notes	31.3.2011	31.12.2010	Change in %
Liabilities to banks	(19)	129,453	137,626	-5.9
Liabilities to customers	(20)	248,090	262,827	-5.6
Securitized liabilities	(21)	122,380	131,356	-6.8
Value adjustment portfolio fair value hedges		-295	121	.
Negative fair values attributable to derivative hedging instruments		6,998	9,369	-25.3
Trading liabilities	(22)	128,595	152,393	-15.6
Provisions	(23)	4,592	4,778	-3.9
Current tax liabilities		1,060	1,072	-1.1
Deferred tax liabilities		145	222	-34.7
Liabilities from disposal groups held for sale		832	650	28.0
Other liabilities	(24)	7,264	8,136	-10.7
Subordinated capital	(25)	14,190	12,910	9.9
Hybrid capital	(26)	3,281	4,181	-21.5
Equity		30,369	28,658	6.0
Subscribed capital		3,481	3,047	14.2
Capital reserve		1,750	1,302	34.4
Retained earnings		10,333	9,345	10.6
Silent participations		16,957	17,178	-1.3
Other reserves		-2,957	-2,999	-1.4
Total before non-controlling interests		29,564	27,873	6.1
Non-controlling interests		805	785	2.5
Total		696,954	754,299	-7.6

Statement of changes in equity

€m	Subscribed capital	Capital reserve	Retained earnings	Silent participations	Other reserves			Total before non-controlling interests	Non-controlling interests	Equity
					Revaluation reserve	Cash flow hedge reserve	Currency translation reserve			
Equity as at 1.1.2010	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 paid on silent participations								-		-
Dividend paid on shares								-	-12	-12
Capital increases								-	173	173
Change 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
Total comprehensive income	-	-	985	-	84	93	-135	1,027	20	1,047
Consolidated profit/loss			985					985	24	1,009
Change in revaluation reserve					84			84	0	84
Change in cash flow hedge reserve						93		93		93
Change in currency translation reserve							-134	-134	-4	-138
Change in companies accounted for using the equity method							-1	-1		-1
Dividend paid on silent participations								-		-
Dividend paid on shares								-	0	-
Capital increases	410	423						833		833
Decrease in silent participations				-221				-221		-221
Change in ownership interests								-		-
Other changes ¹	24	25	3					52	0	52
Equity as at 31.3.2011	3,481	1,750	10,333	16,957	-1,647	-912	-398	29,564	805	30,369

¹ Including change in treasury shares, change in derivatives on own equity instruments and changes in the group of consolidated companies.

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As at March 31, 2011 cash flow hedge reserve of €-65m and currency translation reserve of €28m were attributable to assets held for sale and disposal groups.

In January 2011 we increased our share capital by 10% less one share (118,135,291 shares) from authorized capital for non-cash contributions, with shareholders' pre-emptive rights excluded. The new shares were subscribed in their entirety and paid for by non-cash contributions of hybrid equity instruments (trust preferred securities) issued by companies of the Commerzbank Group. The nominal value of the hybrid capital was €0.9bn and it generated one-off income of €0.3bn within group pre-tax profit. Subscribed capital and the capital reserve increased by €0.3bn respectively as a result.

The Financial Market Stabilization Fund (SoFFin) subsequently converted a portion of its silent participations into shares in order to maintain its stake in Commerzbank at 25% plus one share. Thus silent participations with a nominal value of €0.2bn were converted into 39,378,430 shares from the conditional capital approved by the Annual General Meeting (AGM) in 2009.

As at March 31, 2011, the subscribed capital of Commerzbank Aktiengesellschaft pursuant to the Bank's articles of association stood at €3,481m and was divided into 1,338,866,647 no-par-value shares (accounting value per share €2.60). The average number of ordinary shares issued was 1,292,971,720 (March 31, 2010: 1,180,702,819).

On 6 April 2011 we announced in an ad-hoc communication our intention to redeem around €14.3bn of the current €16.2bn of silent participations belonging to SoFFin.

For this purpose we planned to raise capital totalling €11.0bn in two stages:

- Between 6 and 13 April 2011 conditional mandatory exchangeable notes (CoMEN) were placed by means of a bookbuilding procedure. Commerzbank shareholders with the exception of SoFFin received subscription rights for this transaction. All 1,004,149,984 CoMEN were successfully placed at a price of €4.25 each, resulting in total capital raised of €4.3bn. Subject to a resolution of the AGM to this effect on May 6, 2011, and to certain other conditions, the conditional mandatory exchangeable notes will be automatically converted into Commerzbank shares. Moreover, to maintain its stake of 25% plus one share SoFFin will also convert €1.4bn of silent participations.
- In the second stage a capital increase with pre-emptive rights is planned. The resolution on the capital increase is also scheduled for the AGM. To maintain its stake of 25% plus one share SoFFin will again contribute its silent participations in the transaction. The capital increase with pre-emptive rights is due to take place from the end of May to early June 2011. The shares arising from the conversion in the first stage of the transaction will have pre-emptive rights for this share issue.

Further silent participations of €3.27bn will be redeemed from free regulatory capital. Our intention is that the remaining €1.9bn of silent participations will be redeemed from future free regulatory capital by 2014 at the latest. Further information is contained in the Prospectus of April 6, 2011.

For information: Statement of changes in equity from January 1 to March 31, 2010

€m	Subscribed capital	Capital reserve	Retained earnings	Silent participations	Other reserves			Total before non-controlling interests	Non-controlling interests	Equity
					Revaluation reserve	Cash flow hedge reserve	Currency translation reserve			
Equity as at 1.1.2010	3,071	1,334	7,878	17,178	-1,755	-1,223	-477	26,006	570	26,576
Total comprehensive income	-	-	708	-	242	38	133	1,121	81	1,202
Consolidated profit/loss			708					708	8	716
Change in revaluation reserve					242			242	21	263
Change in cash flow hedge reserve						38		38	12	50
Change in currency translation reserve							132	132	40	172
Change in companies accounted for using the equity method							1	1		1
Dividend paid on silent participations								-		-
Dividend paid on shares								-		-
Capital increases								-		-
Decrease in silent participations								-		-
Change in ownership interests								-		-
Other changes ¹	-2	4	74					76	-66	10
Equity as at 31.3.2010	3,069	1,338	8,660	17,178	-1,513	-1,185	-344	27,203	585	27,788

¹ Including change in treasury shares, change in derivatives on own equity instruments and changes in the group of consolidated companies.

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Cash flow statement (condensed version)

€m	2011	2010
Cash and cash equivalents as at 1.1.	8,053	10,329
Net cash from operating activities	-9,691	-2,983
Net cash from investing activities	7,483	2,003
Net cash from financing activities	1,041	2
Total net cash	-1,167	-978
Effects from exchange rate changes	-241	143
Effects from non-controlling interests	-24	-8
Cash and cash equivalents as at 31.3.	6,621	9,486

The cash flow statement shows the changes in cash and cash equivalents for the Commerzbank Group. These correspond to the cash reserve line item and consist of cash on hand, balances with central banks, as well as debt issues of public sector borrowers and bills of exchange rediscountable at central banks.

The cash flow statement cannot be considered very informative for the Commerzbank Group. For us the cash flow statement replaces neither liquidity planning nor financial planning, nor is it employed as a management tool.

Selected notes

General information

Accounting policies

The interim financial statements of the Commerzbank Group as of March 31, 2011 were prepared in accordance with Art. 315a (1) of the German Commercial Code (HGB) and Regulation (EC) No. 1606/2002 (IAS Regulation) of the European Parliament and of the Council of July 19, 2002, 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). This report takes particular account of the requirements of IAS 34 relating to interim financial reporting.

In preparing this interim report, we have employed the same accounting policies as in our group financial statements as of December 31, 2010 (see page 214 ff. of our 2010 annual report) unless otherwise required by changes in the law. This interim report takes into account the standards and interpretations that must be applied from January 1, 2011 in the EU.

Changes to accounting policies

As at December 31, 2010, we amended the structure of the income statement and balance sheet in accordance with IAS 1.82 and IAS 1.54. The resulting restatement of the quarterly income statements for 2010 related to the reporting of net income from hedge accounting and current net income from companies accounted for using the equity method as separate items.

In addition we harmonized differing reporting structures in connection with the integration of the former Dresdner

Uniform accounting and measurement methods are used throughout the Commerzbank Group in preparing the financial statements. For fully consolidated companies and holdings in companies accounted for using the equity method we predominantly used financial statements prepared as at March 31, 2011. The reporting currency of the consolidated financial statements is the euro. Unless otherwise indicated, all amounts are shown in millions of euros. In the statement of comprehensive income, the balance sheet, the statement of changes of equity and the condensed cash flow statement amounts under €500,000.00 are shown as €0m; where an item is €0.00 this is denoted by a dash. In all other notes both amounts rounded down to €0m and items amounting to zero are indicated by a dash.

Bank in 2010. In the first and second quarter of 2010 we both reclassified items within net interest income and reclassified foreign exchange commission income from net trading income to the commission from payment transactions and foreign business item within net commission income.

The prior-year figures for the items affected by these changes were restated in the quarterly and annual income statements and the notes.

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Consolidated companies

The following companies were consolidated for the first time in the first quarter of 2011:

Name of company	Equity share and voting rights	Acquisition cost	Assets	Liabilities
	%	€m	€m	€m
Cosmo Finance 2010-1 Ltd., Dublin	0.0	0.0	66.7	66.7
Mandas Receivables No.1 Limited, Jersey	100.0	0.1	0.1	0.0

The first-time consolidations did not give rise to any goodwill that requires to be recognized. They were entities newly formed or acquired, among other things in connection with structured financings.

The following subsidiaries, special purpose entities and funds were sold or liquidated and will therefore no longer be consolidated:

- Sale
 - MS "CPO Barcelona" Offen Reederei GmbH & Co.KG, Hamburg
 - MS "CPO Cadiz" Offen Reederei GmbH & Co.KG, Hamburg
 - MS "CPO Vigo" Offen Reederei GmbH & Co.KG, Hamburg
- Liquidations (including companies which have ceased operating activities and entities that have permanently fallen below our materiality threshold for consolidation or were no longer subject to a consolidation requirement)
 - ALMURUS Grundstücks-Vermietungsgesellschaft mbH, Düsseldorf
 - Commerzbank Capital Ventures Management Limited, London
 - Kaiserplatz Funding LLC, Wilmington/Delaware¹
 - Kaiserplatz Holdings Ltd., St. Helier/Jersey¹ (sub-group including sub-group subsidiaries)
 - Kleinwort Benson (Canada) Limited, Toronto
 - Mole Finance Inc., George Town/Cayman Islands
 - Parc Continental Ltd., London
 - Southwark Bridge Investments Ltd., London
 - Wisley Inc., George Town/Cayman Islands²

¹ No longer needs to be consolidated.

² Fell below materiality threshold.

The following companies

- Dresdner Bank Brasil S.A. Banco Multiplo, São Paulo
- Commerz Real Autoleasing GmbH, Hamburg
- Intermarket Bank AG, Vienna
- KGAL GmbH & Co. KG, Grünwald (Munich)
- Magyar Factor Zrt., Budapest
- MS "CPO Alicante" Offen Reederei GmbH & Co.KG, Hamburg
- MS "CPO Ancona" Offen Reederei GmbH & Co.KG, Hamburg
- MS "CPO Bilbao" 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
- Property Invest Italy Srl, Milan
- Transfactor Slovakia a.s., Bratislava

are reported as held for sale in accordance with IFRS 5 as there are plans to sell them and their sale is highly probable within one year. 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 in the statement of changes in equity.

Notes to the income statement

(1) Net interest income

€m	1.1.–31.3.2011	1.1.–31.3.2010 ¹	Change in %
Interest income	4,204	4,611	-8.8
Interest income from lending and money market transactions and from securities portfolio (available-for-sale)	296	607	-51.2
Interest income from lending and money market transactions and from securities portfolio (loans and receivables)	3,734	3,815	-2.1
Interest income from lending and money market transactions and from securities portfolio (from applying the fair value option)	24	45	-46.7
Prepayment penalty fees	22	23	-4.3
Gain from the sale of loans and receivables and repurchase of liabilities	94	5	.
Dividends from securities	10	8	25.0
Current net income from equity holdings and non-consolidated subsidiaries	3	4	-25.0
Current income from assets held for sale and from investment properties	21	22	-4.5
Other interest income	-	82	.
Interest expense	2,477	2,725	-9.1
Interest expense from subordinated and hybrid capital and from securitized and other liabilities	2,284	2,607	-12.4
Interest expense from applying the fair value option	13	26	-50.0
Loss on the sale of loans and receivables and repurchase of liabilities	7	10	-30.0
Current expenses from assets held for sale and from investment properties	11	10	10.0
Other interest expense	162	72	.
Total	1,727	1,886	-8.4

¹ Restated (see page 62).

The unwinding effect for the period January 1 to March 31, 2011 was €60m (previous year: €59m).

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(2) Loan loss provisions

The breakdown of loan loss provisions in the consolidated income statement was as follows:

€m	1.1.–31.3.2011	1.1.–31.3.2010	Change in %
Allocation to provisions	-981	-1,130	-13.2
Reversals of provisions	724	489	48.1
Net balance of direct write-downs, write-ups and amounts recovered on claims written-down	-61	-3	.
Total	-318	-644	-50.6

(3) Net commission income

€m	1.1.–31.3.2011	1.1.–31.3.2010 ¹	Change in %
Securities transactions	373	360	3.6
Asset management	45	50	-10.0
Payment transactions and foreign business	281	275	2.2
Real estate lending business	43	55	-21.8
Guarantees	41	45	-8.9
Net income from syndicated business	67	63	6.3
Fiduciary transactions	1	1	0.0
Other	169	148	14.2
Total²	1,020	997	2.3

¹ Restated (see page 62).

² Of which commission expense: €135m (previous year: €186m).

(4) 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 measurement of derivative financial instruments that do not qualify for hedge accounting
- Net gain/loss from application of the fair value option (including changes in the fair value of related derivatives).

All financial instruments held for trading purposes are measured at fair value. Fair value is derived from both stock market prices and internal pricing models (primarily net present value and option pricing models). Apart from realized and unrealized gains and losses, net trading income also includes the interest and dividend income related to trading transactions and their funding costs.

€m	1.1.–31.3.2011	1.1.–31.3.2010 ¹	Change in %
Net trading gain/loss	802	669	19.9
Net gain/loss on the measurement of derivative financial instruments	-306	62	.
Net gain/loss from applying the fair value option	52	134	-61.2
Total	548	865	-36.6

¹ Restated (see page 62).

(5) Net investment income

Net investment income contains net gains/losses on disposal and measurement (impairments) of securities in the loans and receivables and available-for-sale categories, equity holdings,

holdings in companies accounted for using the equity method and subsidiaries.

€m	1.1.–31.3.2011	1.1.–31.3.2010	Change in %
Net gain/loss from interest-bearing business	-24	-137	-82.5
In the available-for-sale category	26	-133	.
Gain on disposals (including reclassification from revaluation reserve) ¹	56	50	12.0
Loss on disposals (including reclassification from revaluation reserve) ¹	-46	-92	-50.0
Net measurement gain/loss ¹	16	-91	.
In the loans and receivables category	-50	-4	.
Gain on disposals	2	3	-33.3
Loss on disposals	-37	-4	.
Net measurement gain/loss ²	-15	-3	.
Net gain/loss from equity instruments	36	18	100.0
In the available-for-sale category	53	21	.
Gain on disposals (including reclassification from revaluation reserve) ¹	53	23	.
Loss on disposals (including reclassification from revaluation reserve) ¹	-	-2	-100.0
In the available-for-sale category, measured at cost of acquisition	-1	-2	-50.0
Net measurement gain/loss ¹	-14	-1	.
Net gain/loss on disposals and measurement of companies accounted for using the equity method	-2	-	.
Total	12	-119	.

¹ Includes a net €55m (previous year: €17m) of reclassifications from the revaluation reserve created in the financial year 2011.

² Includes portfolio valuation allowances of €15m (previous year: €4m) for reclassified securities.

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(6) Other income

€m	1.1.–31.3.2011	1.1.–31.3.2010	Change in %
Other material items of income	80	44	81.8
Operating lease income	47	36	30.6
Reversals of provisions	33	8	.
Other material items of expense	89	64	39.1
Operating lease expenses	37	38	-2.6
Allocations to provisions	52	26	100.0
Balance of sundry other income/expenses	347	42	.
Total	338	22	.

One-off income of €0.3bn relating to the capital increase in January 2011 was recognized in other income (see page 59).

(7) Operating expenses

€m	1.1.–31.3.2011	1.1.–31.3.2010	Change in %
Personnel expenses	1,126	1,107	1.7
Operating expenses	918	960	-4.4
Depreciation/amortization of fixed assets and other intangible assets	110	142	-22.5
Total	2,154	2,209	-2.5

Operating expenses for the first quarter of 2011 included integration costs of €70m (previous year: €120m).

(8) Taxes on income

As at March 31, 2011 Group tax expense came to €135m. Considering pre-tax profit of €1,144m, the Group's effective tax rate was 11.8% (Group income tax rate: 30.85%). The low

Group tax rate resulted primarily from profits being set off against loss carryforwards for which no deferred tax assets (DTAs) had been recognized to date.

(9) 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 holdings 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 was reported separately and the foreign exchange commission earnings of the former Dresdner Bank were reported in net commission income. The prior-year comparison figures have been restated accordingly.

- The Private Customers segment set up a new staff department organization in 2011 and now comprises the three group divisions Private, Business and Wealth Management Customers, Direct Banking and Credit. The group divisions Private and Business Customers and Wealth Management were merged to form the new group division Private, Business and Wealth Management Customers. The staff departments of both group divisions are grouped together in a single unit. Customer service on the sales side remains separate for Private and Business Customers in the classic branch business and for wealthy clients in Wealth Management Germany and

abroad. This new group division will also integrate the call centre services of Commerz Direktservice GmbH for the domestic branch network. Direct Banking encompasses the activities of the comdirect bank group, while Credit is the central division responsible for lending operations with the above-mentioned customer groups.

- 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 and also contains the centre of competence for customers from the renewable energies sector. 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. The strategic focus is on Commerzbank becoming customers' preferred source of trade finance. Against this backdrop the division offers our customers an extensive platform and professional advice and support. Financial Institutions uses a network of over 7,000 correspondent banks, together with business relationships in emerging markets, to support the Group's financing and processing of foreign trade activities on behalf of the Commerzbank Group's customers throughout the world.
- The Central & Eastern Europe segment contains the operations of our 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 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. The main business focus in the Central and Eastern Europe segment are the private and corporate customer business and customer-driven investment banking.

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- 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 Ship Finance groups together the ship financing activities of the Commerzbank Group, which are predominantly located in our subsidiary Deutsche Schiffsbank Aktiengesellschaft.
 - The Portfolio Restructuring Unit (PRU) is responsible for managing down assets related to proprietary trading and investment activities which no longer fit into Commerzbank's client-centric strategy and were discontinued in 2009. The segment's goal is to reduce the portfolio in such a way as to preserve maximum value. The positions managed by this segment initially included 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. Under Others, the reporting for this segment includes equity holdings 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 items 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 and net income from hedge accounting, net income from financial investments, current net income from 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 and 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 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 results. 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 €720m (previous year: €478m) and

were divided over the segments as follows: Private Customers €243m (previous year: €178m), Mittelstandsbank €95m (previous year: €40m), Corporate & Markets €12m (previous year: €17m), Asset Based Finance €306m (previous year: €168m) and Others and Consolidation €64m (previous year: €75m).

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 reported below the operating profit line 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 first three months of 2011 with comparative figures for the same period in 2010.

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1.1.–31.3.2011	Private Customers	Mittelstands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restructuring Unit	Others and Consolidation	Group
€m								
Net interest income	492	515	157	160	296	5	102	1,727
Loan loss provisions	-41	-8	-30	-	-241	1	1	-318
Net interest income after provisions	451	507	127	160	55	6	103	1,409
Net commission income	569	285	55	48	81	-	-18	1,020
Net trading income and net income from hedge accounting	-1	16	26	456	-86	61	47	519
Net investment income	1	-16	4	4	-42	18	43	12
Current net income from companies accounted for using the equity method	6	2	-	-	-8	-	-	0
Other net income	-22	2	10	10	16	-	322	338
<i>Income before provisions</i>	<i>1,045</i>	<i>804</i>	<i>252</i>	<i>678</i>	<i>257</i>	<i>84</i>	<i>496</i>	<i>3,616</i>
<i>Income after provisions</i>	<i>1,004</i>	<i>796</i>	<i>222</i>	<i>678</i>	<i>16</i>	<i>85</i>	<i>497</i>	<i>3,298</i>
Operating expenses	888	381	144	438	154	22	127	2,154
Operating profit/loss	116	415	78	240	-138	63	370	1,144
Impairments of goodwill and brand names	-	-	-	-	-	-	-	-
Restructuring expenses	-	-	-	-	-	-	-	-
Pre-tax profit/loss	116	415	78	240	-138	63	370	1,144
Assets	58,626	73,691	27,246	223,441	225,585	15,068	73,297	696,954
Average capital employed	3,428	5,435	1,679	3,423	5,542	981	11,926	32,414
Operating return on equity¹ (%)	13.5	30.5	18.6	28.0	-10.0			14.1
Cost/income ratio in operating business (%)	85.0	47.4	57.1	64.6	59.9			59.6
Return on equity of pre-tax profit/loss¹ (%)	13.5	30.5	18.6	28.0	-10.0			14.1
Staff (average headcount)	18,804	5,111	9,559	1,786	1,787	41	17,821	54,909

¹ Annualized.

1.1.–31.3.2010 ¹	Private Customers	Mittelstands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restructuring Unit	Others and Consolidation	Group
€m								
Net interest income	489	523	159	208	299	23	185	1,886
Loan loss provisions	-66	-161	-94	19	-325	-22	5	-644
Net interest income after provisions	423	362	65	227	-26	1	190	1,242
Net commission income	547	272	47	75	88	-3	-29	997
Net trading income and net income from hedge accounting	1	-4	18	448	-4	282	95	836
Net investment income	9	-3	-1	-14	-2	-94	-14	-119
Current net income from companies accounted for using the equity method	4	-	-	-	-2	-	-	2
Other net income	-49	44	3	8	13	-	3	22
<i>Income before provisions</i>	<i>1,001</i>	<i>832</i>	<i>226</i>	<i>725</i>	<i>392</i>	<i>208</i>	<i>240</i>	<i>3,624</i>
<i>Income after provisions</i>	<i>935</i>	<i>671</i>	<i>132</i>	<i>744</i>	<i>67</i>	<i>186</i>	<i>245</i>	<i>2,980</i>
Operating expenses	912	357	126	411	152	25	226	2,209
Operating profit/loss	23	314	6	333	-85	161	19	771
Impairments of goodwill and brand names	-	-	-	-	-	-	-	-
Restructuring expenses	-	-	-	-	-	-	-	-
Pre-tax profit/loss	23	314	6	333	-85	161	19	771
Assets	66,794	82,773	27,311	308,711	257,697	22,672	80,151	846,109
Average capital employed	3,510	5,500	1,599	3,849	6,461	1,363	8,001	30,283
Operating return on equity² (%)	2.6	22.8	1.5	34.6	-5.3			10.2
Cost/income ratio in operating business (%)	91.1	42.9	55.8	56.7	38.8			61.0
Return on equity of pre-tax profit/loss² (%)	2.6	22.8	1.5	34.6	-5.3			10.2
Staff (average headcount)	20,250	5,098	9,678	1,956	1,864	59	18,603	57,508

¹ Restated (see page 62).

² Annualized.

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Details for Others and Consolidation

€m	1.1.–31.3.2011			1.1.–31.3.2010 ¹		
	Others	Consolidation	Others and Consolidation	Others	Consolidation	Others and Consolidation
Net interest income	85	17	102	189	-4	185
Loan loss provisions	1	-	1	5	-	5
Net interest income after provisions	86	17	103	194	-4	190
Net commission income	-17	-1	-18	-28	-1	-29
Net trading income and net income from hedge accounting	44	3	47	91	4	95
Net investment income	43	-	43	3	-17	-14
Current net income from companies accounted for using the equity method	-	-	-	-	-	-
Other net income	321	1	322	12	-9	3
<i>Income before provisions</i>	<i>476</i>	<i>20</i>	<i>496</i>	<i>267</i>	<i>-27</i>	<i>240</i>
<i>Income after provisions</i>	<i>477</i>	<i>20</i>	<i>497</i>	<i>272</i>	<i>-27</i>	<i>245</i>
Operating expenses	130	-3	127	235	-9	226
Operating profit/loss	347	23	370	37	-18	19
Impairments of goodwill and brand names	-	-	-	-	-	-
Restructuring expenses	-	-	-	-	-	-
Pre-tax profit/loss	347	23	370	37	-18	19
Assets	73,297	-	73,297	80,151	-	80,151

¹ Restated (see page 62).

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.
- Net gains and losses from the measurement of own bonds and own shares 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.

Results by geographical market

Segmentation on the basis of the registered office of the branch or group company produced the following breakdown:

1.1.–31.3.2011	Germany	Europe excluding Germany	America	Asia	Others	Total
€m						
Net interest income	1,166	493	49	19	–	1,727
Loan loss provisions	–100	–231	23	–10	–	–318
Net interest income after provisions	1,066	262	72	9	–	1,409
Net commission income	911	98	9	2	–	1,020
Net trading income and net income from hedge accounting	233	257	17	12	–	519
Net investment income	–6	17	2	–1	–	12
Current net income from companies accounted for using the equity method	7	–7	–	–	–	0
Other net income	321	16	–1	2	–	338
<i>Income before provisions</i>	<i>2,632</i>	<i>874</i>	<i>76</i>	<i>34</i>	<i>–</i>	<i>3,616</i>
<i>Income after provisions</i>	<i>2,532</i>	<i>643</i>	<i>99</i>	<i>24</i>	<i>–</i>	<i>3,298</i>
Operating expenses	1,676	402	54	22	–	2,154
Operating profit/loss	856	241	45	2	–	1,144
Risk-weighted assets for credit risk	139,307	61,335	9,236	3,961	36	213,875

In 2010 we reported the following results in the geographical markets:

1.1.–31.3.2010 ¹	Germany	Europe excluding Germany	America	Asia	Others	Total
€m						
Net interest income	1,252	509	104	21	–	1,886
Loan loss provisions	–302	–108	–237	3	–	–644
Net interest income after provisions	950	401	–133	24	–	1,242
Net commission income	888	98	9	2	–	997
Net trading income and net income from hedge accounting	369	452	25	–10	–	836
Net investment income	–166	20	27	–	–	–119
Current net income from companies accounted for using the equity method	2	–	–	–	–	2
Other net income	11	–11	1	21	–	22
<i>Income before provisions</i>	<i>2,356</i>	<i>1,068</i>	<i>166</i>	<i>34</i>	<i>–</i>	<i>3,624</i>
<i>Income after provisions</i>	<i>2,054</i>	<i>960</i>	<i>–71</i>	<i>37</i>	<i>–</i>	<i>2,980</i>
Operating expenses	1,754	380	55	20	–	2,209
Operating profit/loss	300	580	–126	17	–	771
Risk-weighted assets for credit risk	151,388	74,346	16,674	4,744	73	247,225

¹ Prior-year figures restated (see page 62).

The tables above show the risk-weighted assets for credit risk rather than total assets.

As a result of the acquisition of Dresdner Bank, a breakdown of Commerzbank Aktiengesellschaft'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.

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Notes to the balance sheet

(10) Claims on banks

€m	31.3.2011	31.12.2010	Change in %
Due on demand	36,621	45,351	-19.2
With a residual term	51,163	65,605	-22.0
up to three months	31,808	45,557	-30.2
over three months to one year	7,401	7,044	5.1
over one year to five years	10,007	10,928	-8.4
over five years	1,947	2,076	-6.2
Total	87,784	110,956	-20.9
of which reverse repos and cash collaterals	46,498	68,687	-32.3
of which relate to the category:			
Loans and receivables	59,085	62,883	-6.0
Available-for-sale financial assets	-	-	.
At fair value through profit or loss	28,699	48,073	-40.3

Claims on banks after deduction of loan loss provisions amounted to €87,524m (previous year: €110,616m).

(11) Claims on customers

€m	31.3.2011	31.12.2010	Change in %
With an indefinite residual term	21,303	21,098	1.0
With a residual term	317,658	315,774	0.6
up to three months	70,807	59,879	18.3
over three months to one year	39,331	40,818	-3.6
over one year to five years	105,747	110,558	-4.4
over five years	101,773	104,519	-2.6
Total	338,961	336,872	0.6
of which reverse repos and cash collaterals	44,581	29,963	48.8
of which relate to the category:			
Loans and receivables	295,123	308,456	-4.3
Available-for-sale financial assets	-	-	.
At fair value through profit or loss	43,838	28,416	54.3

Claims on customers after deduction of loan loss provisions amounted to €330,124m (previous year: €327,755m).

(12) Total lending

€m	31.3.2011	31.12.2010	Change in %
Loans to banks	23,442	23,404	0.2
Loans to customers	294,385	306,912	-4.1
Total	317,827	330,316	-3.8

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.

(13) 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, portfolio valuation allowances have been calculated in line with procedures derived from the Basel II methodology.

Development of provisioning | €m	2011	2010	Change in %
As at 1.1.	10,072	10,451	-3.6
Allocations	981	1,130	-13.2
Deductions	1,130	890	27.0
Utilization	406	401	1.2
Reversals	724	489	48.1
Change in group of consolidated companies	-	-	.
Exchange rate changes/reclassifications/unwinding	-233	77	.
As at 31.3.	9,690	10,768	-10.0

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 €318m (previous year: €644m) (see Note 2).

Loan loss provisions | €m	31.3.2011	31.12.2010	Change in %
Specific valuation allowances	8,029	8,361	-4.0
Portfolio valuation allowance	1,068	1,096	-2.6
Valuation allowances for on-balance-sheet loan losses	9,097	9,457	-3.8
Specific loan loss provisions	379	384	-1.3
Portfolio loan loss provisions	214	231	-7.4
Provisions for off-balance-sheet loan losses	593	615	-3.6
Total	9,690	10,072	-3.8

For claims on banks, loan loss provisions amounted to €260m (previous year: €340m) and for claims on customers to €8,837m (previous year: €9,117m).

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(14) 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
- Other assets held for trading.

Other trading assets comprise positive fair values of loans for syndication, issuance 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	31.3.2011	31.12.2010	Change in %
Bonds, notes and other interest-rate-related securities	25,646	30,305	-15.4
Promissory note loans	1,859	1,810	2.7
Shares, other equity-related securities and units in investment funds	14,866	11,704	27.0
Positive fair values attributable to derivative financial instruments	100,963	123,743	-18.4
Currency-related derivative transactions	17,970	18,345	-2.0
Interest-rate-related derivative transactions	75,451	97,012	-22.2
Other derivative transactions	7,542	8,386	-10.1
Other trading assets	174	263	-33.8
Total	143,508	167,825	-14.5

Other fair values of derivative financial instruments consist mainly of €4,020m (previous year: €4,125m) equity derivatives and €2,969m (previous year: €3,565m) credit derivatives.

(15) 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 as well as units in investment

funds, equity holdings (including investments in companies and joint ventures not measured using the equity method) and holdings in non-consolidated subsidiaries that are not held for trading purposes.

€m	31.3.2011	31.12.2010	Change in %
Bonds, notes and other interest-rate-related securities ¹	106,254	113,493	-6.4
Shares, other equity-related securities and units in investment funds	1,194	1,284	-7.0
Equity holdings	646	807	-20.0
Holdings in non-consolidated subsidiaries	133	124	7.3
Total	108,227	115,708	-6.5
of which relate to the category:			
Loans and receivables	66,040	70,435	-6.2
Available-for-sale financial assets	38,831	41,764	-7.0
of which measured at amortized cost	411	372	10.5
At fair value through profit or loss	3,356	3,509	-4.4

¹ Reduced by portfolio valuation allowances for reclassified securities of €66m (previous year: €51m).

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 IAS 39 available-for-sale category to the IAS 39 loans and receivables category in the financial years 2008 and 2009. The new carrying amount of these securities was their fair value as at the reclassification date.

The revaluation reserve after deferred taxes for all the securities reclassified in financial years 2008 and 2009 was €-1.0bn as at March 31, 2011 (previous year: €-1.0bn). If these reclassifications had not been made, there would have been a revaluation reserve after deferred taxes of €-2.8bn for these holdings as at March 31, 2011 (previous year: €-2.8bn). Their carrying amount on the balance sheet date was €63.1bn (previous year: €67.1bn) and the fair value €60.5bn (previous year: €64.6bn).

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(16) Intangible assets

€m	31.3.2011	31.12.2010	Change in %
Goodwill	2,067	2,081	-0.7
Other intangible assets	985	1,020	-3.4
Customer relationships	533	546	-2.4
Brand names	8	9	-11.1
In-house developed software	215	219	-1.8
Other	229	246	-6.9
Total	3,052	3,101	-1.6

(17) Fixed assets

€m	31.3.2011	31.12.2010	Change in %
Land and buildings	858	874	-1.8
Office furniture and equipment	691	716	-3.5
Total	1,549	1,590	-2.6

(18) Other assets

€m	31.3.2011	31.12.2010	Change in %
Collection items	204	612	-66.7
Precious metals	780	671	16.2
Leased equipment	212	221	-4.1
Accrued and deferred items	223	340	-34.4
Initial/variation margins	2,391	2,636	-9.3
Other assets	1,963	2,869	-31.6
Total	5,773	7,349	-21.4

(19) Liabilities to banks

€m	31.3.2011	31.12.2010	Change in %
Due on demand	54,366	50,179	8.3
With a residual term	75,087	87,447	-14.1
up to three months	44,631	56,284	-20.7
over three months to one year	4,869	4,634	5.1
over one year to five years	13,247	13,315	-0.5
over five years	12,340	13,214	-6.6
Total	129,453	137,626	-5.9
of which repos und cash collaterals	43,309	44,016	-1.6
of which relate to the category:			
Liabilities measured at amortized cost	85,147	95,154	-10.5
At fair value through profit or loss	44,306	42,472	4.3

(20) Liabilities to customers

€m	31.3.2011	31.12.2010	Change in %
Savings deposits	6,337	6,556	-3.3
With an agreed period of notice of three months	5,691	5,700	-0.2
over three months	646	856	-24.5
Other liabilities to customers	241,753	256,271	-5.7
Due on demand	138,298	143,807	-3.8
With a residual term	103,455	112,464	-8.0
up to three months	40,457	48,616	-16.8
over three months to one year	16,815	15,624	7.6
over one year to five years	12,194	12,980	-6.1
over five years	33,989	35,244	-3.6
Total	248,090	262,827	-5.6
of which repos und cash collaterals	20,265	18,106	11.9
of which relate to the category:			
Liabilities measured at amortized cost	225,116	243,177	-7.4
At fair value through profit or loss	22,974	19,650	16.9

(21) 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, commer-

cial paper), index certificates, own acceptances and promissory notes outstanding.

€m	31.3.2011	31.12.2010	Change in %
Bonds and notes issued	108,805	116,270	-6.4
of which Mortgage Pfandbriefe	29,591	28,744	2.9
Public-sector Pfandbriefe	39,161	48,495	-19.2
Money market instruments issued	13,538	15,024	-9.9
Own acceptances and promissory notes outstanding	37	62	-40.3
Total	122,380	131,356	-6.8
of which relate to the category:			
Liabilities measured at amortized cost	118,348	128,150	-7.6
At fair value through profit or loss	4,032	3,206	25.8

Residual maturities of securitized liabilities | €m	31.3.2011	31.12.2010	Change in %
Due on demand	-	62	.
With a residual term	122,380	131,294	-6.8
up to three months	19,018	23,679	-19.7
over three months to one year	24,908	18,011	38.3
over one year to five years	57,010	66,248	-13.9
over five years	21,444	23,356	-8.2
Total	122,380	131,356	-6.8

In the first three months of financial year 2011 new bonds and notes amounting to €16.6bn were issued. In the same period the volume of repayments/repurchases amounted to €0.1bn and the volume of bonds maturing to €23.1bn.

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(22) 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 value.

Own issues in the trading book and delivery commitments arising from short sales of securities are also included under trading liabilities.

€m	31.3.2011	31.12.2010	Change in %
Currency-related derivative transactions	16,910	19,368	-12.7
Interest-rate-related derivative transactions	78,569	100,479	-21.8
Other derivative transactions	9,620	10,248	-6.1
Certificates and other notes issued	9,814	9,070	8.2
Delivery commitments arising from short sales of securities, negative market values of lending commitments and other trading liabilities	13,682	13,228	3.4
Total	128,595	152,393	-15.6

Other derivative transactions consisted mainly of €5,448m (previous year: €5,803m) in equity derivatives and €3,420m (previous year: €3,782m) in credit derivatives.

(23) Provisions

€m	31.3.2011	31.12.2010	Change in %
Provisions for pensions and similar commitments	524	539	-2.8
Other provisions	4,068	4,239	-4.0
Total	4,592	4,778	-3.9

(24) Other liabilities

€m	31.3.2011	31.12.2010	Change in %
Liabilities attributable to film funds	2,180	2,197	-0.8
Liabilities attributable to non-controlling interests	2,188	2,290	-4.5
Accrued and deferred items	459	559	-17.9
Variation margins	233	295	-21.0
Other liabilities	2,204	2,795	-21.1
Total	7,264	8,136	-10.7

(25) Subordinated capital

€m	31.3.2011	31.12.2010	Change in %
Subordinated liabilities	12,732	11,256	13.1
Profit-sharing certificates	1,267	1,259	0.6
Accrued interest, including discounts	-122	-187	-34.8
Measurement effects	313	582	-46.2
Total	14,190	12,910	9.9
of which relate to the category:			
Liabilities measured at amortized cost	14,167	12,886	9.9
At fair value through profit or loss	23	24	-4.2

In the first three months of 2011 the volume of new issues of subordinated liabilities was €2.8bn and the volume of buybacks and redemptions was €1.2bn. There were no significant changes in profit-sharing certificates.

(26) Hybrid capital

€m	31.3.2011	31.12.2010	Change in %
Hybrid capital	4,041	5,005	-19.3
Accrued interest, including discounts	-1,003	-1,084	-7.5
Measurement effects	243	260	-6.5
Total	3,281	4,181	-21.5
of which relate to the category:			
Liabilities measured at amortized cost	3,281	4,181	-21.5
At fair value through profit or loss	-	-	.

The decline of €0.9bn in the first three months of 2011 was related to the capital increase for non-cash contributions in January 2011 (see page 59).

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(27) Capital requirements and capital ratios

€m	31.3.2011	31.12.2010	Change in %
Core capital (Tier I)	31,432	31,727	-0.9
Supplementary capital (Tier II)	10,354	9,130	13.4
Tier III capital	-	-	.
Eligible equity	41,786	40,857	2.3

€m	31.3.2011	31.12.2010	Change in %
Capital adequacy requirement credit risk	17,110	18,595	-8.0
Capital adequacy requirement market risk	954	1,059	-9.9
Capital adequacy requirement operational risk	1,797	1,746	2.9
Total capital requirement	19,861	21,400	-7.2
Eligible equity	41,786	40,857	2.3
Core capital ratio (%)	12.7	11.9	
Own funds ratio (%)	16.8	15.3	

(28) Contingent liabilities and irrevocable lending commitments

€m	31.3.2011	31.12.2010	Change in %
Contingent liabilities	35,704	38,096	-6.3
from rediscounted bills of exchange credited to borrowers	4	3	33.3
from guarantees and indemnity agreements	35,698	38,087	-6.3
from other commitments	2	6	-66.7
Irrevocable lending commitments	58,285	60,566	-3.8

Provisions for contingent liabilities and irrevocable lending commitments have been deducted from the respective items.

(29) Derivative transactions

The nominal amounts and fair values in derivatives business (investment and trading books) were as follows:

31.3.2011	Nominal amount by residual term						Fair value	
	due on demand	up to 3 months	over 3 months to 1 year	over 1 to 5 years	over 5 years	Total	positive	negative
€m								
Foreign-currency-based forward transactions	4	636,331	275,691	215,977	123,868	1,251,871	18,538	17,172
Interest-based forward transactions	18	755,042	1,915,700	3,746,936	3,532,805	9,950,501	232,693	239,761
Other forward transactions	1,334	71,462	102,735	216,350	29,399	421,280	7,578	9,658
Total	1,356	1,462,835	2,294,126	4,179,263	3,686,072	11,623,652	258,809	266,591
<i>of which exchange-traded</i>	–	45,322	179,664	52,157	3,625	280,768		
Net position in the balance sheet							104,315	112,097

31.12.2010	Nominal amount by residual term						Fair value	
	due on demand	up to 3 months	over 3 months to 1 year	over 1 to 5 years	over 5 years	Total	positive	negative
€m								
Foreign-currency-based forward transactions	4	559,382	269,866	229,003	128,309	1,186,564	18,960	19,716
Interest-based forward transactions	23	936,704	1,784,901	3,790,639	3,564,154	10,076,421	308,399	316,541
Other forward transactions	1,436	50,654	101,124	206,039	26,255	385,508	8,433	10,295
Total	1,463	1,546,740	2,155,891	4,225,681	3,718,718	11,648,493	335,792	346,552
<i>of which exchange-traded</i>	–	32,089	175,565	45,266	5,595	258,515		
Net position in the balance sheet							128,704	139,464

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(30) Fair value of financial instruments

€bn	Fair value		Carrying amount		Difference	
	31.3.2011	31.12.2010	31.3.2011	31.12.2010	31.3.2011	31.12.2010
Assets						
Cash reserve	6.6	8.1	6.6	8.1	–	–
Claims on banks	87.4	110.5	87.5	110.6	–0.1	–0.1
Claims on customers	328.0	327.3	330.1	327.8	–2.1	–0.5
Value adjustment portfolio fair value hedges ¹	0.0	0.0	0.0	0.1	0.0	–0.1
Positive fair values attributable to derivative hedging instruments	3.4	5.0	3.4	5.0	–	–
Trading assets	143.5	167.8	143.5	167.8	–	–
Financial investments	105.6	113.1	108.2	115.7	–2.6	–2.6
Holdings in companies accounted for using the equity method	0.7	0.7	0.7	0.7	–	–
Liabilities						
Liabilities to banks	129.6	137.7	129.5	137.6	0.1	0.1
Liabilities to customers	247.9	262.6	248.1	262.8	–0.2	–0.2
Securitized liabilities	121.9	130.3	122.4	131.4	–0.5	–1.1
Value adjustment portfolio fair value hedges ¹	0.0	0.0	–0.3	0.1	0.3	–0.1
Negative fair values attributable to derivative hedging instruments	7.0	9.4	7.0	9.4	–	–
Trading liabilities	128.6	152.4	128.6	152.4	–	–
Subordinated and hybrid capital	16.6	14.5	17.5	17.1	–0.9	–2.6

¹ The fair value adjustments on portfolio fair value hedges are contained in the relevant balance sheet line items of the hedged items.

In the tables below the financial instruments reported in the balance sheet at fair value are grouped by category. There is also a breakdown according to whether fair value is based

on quoted market prices (Level I), observable market data (Level II) or unobservable market data (Level III).

		Level I	Level II	Level III	Total	Level I ¹	Level II ¹	Level III	Total
Financial assets | €bn		31.3.2011				31.12.2010			
Claims on banks	At fair value through profit or loss	–	28.7	–	28.7	–	48.1	–	48.1
Claims on customers	At fair value through profit or loss	0.5	43.1	0.2	43.8	0.2	27.6	0.6	28.4
Positive fair values from derivative hedging instruments	Hedge accounting	–	3.4	–	3.4	–	5.0	–	5.0
Trading assets	Held for trading	40.0	99.7	3.8	143.5	40.0	123.8	4.0	167.8
of which positive fair values from derivatives		–	99.7	1.3	101.0	–	123.0	0.7	123.7
Financial investments	At fair value through profit or loss	2.9	0.1	0.4	3.4	3.5	–	–	3.5
	Available-for-sale	36.4	1.2	1.2	38.8	38.4	2.1	1.3	41.8
Total		79.8	176.2	5.6	261.6	82.1	206.6	5.9	294.6

¹ Prior-year figures restated (available-for-sale financial investments only).

		Level I	Level II	Level III	Total	Level I ¹	Level II ¹	Level III	Total
Financial liabilities | €bn		31.3.2011				31.12.2010			
Liabilities to banks	At fair value through profit or loss	0.5	43.8	–	44.3	0.6	41.9	–	42.5
Liabilities to customers	At fair value through profit or loss	1.3	21.7	–	23.0	1.3	18.4	–	19.7
Securitized liabilities	At fair value through profit or loss	4.0	–	–	4.0	3.2	–	–	3.2
Negative fair values attributable to derivative hedging instruments	Hedge accounting	–	6.2	0.8	7.0	–	9.4	–	9.4
Trading liabilities	Held for trading	23.3	105.1	0.2	128.6	21.0	130.1	1.3	152.4
of which negative fair values from derivatives		–	105.1	–	105.1	–	130.1	–	130.1
Subordinated capital	At fair value through profit or loss	–	–	–	–	–	–	–	–
Total		29.1	176.8	1.0	206.9	26.1	199.8	1.3	227.2

¹ Prior-year figures restated (trading liabilities only).

In the first quarter of 2011 there were no significant reclassifications between Level I and Level II.

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(31) Treasury shares

	Number of shares in units	Accounting par value ¹ in €1,000	Percentage of share capital
Balance as at 31.3.2011	33,288	87	0.00
Largest number acquired during the financial year	17,638,778	45,861	1.32
Total shares pledged by customers as collateral as at 31.3.2011	12,377,248	32,181	0.92
Shares acquired during the financial year	137,657,812	357,910	
Shares disposed of during the financial year	146,939,859	382,044	

¹ Accounting par value per share €2.60.

(32) Related party transactions

As part of its normal business activities, the Commerzbank Group does 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 Financial Market Stabilization Fund (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 government-controlled entities) were as follows:

€m	31.3.2011	31.12.2010	Change in %
Claims on banks	537	617	-13.0
Claims on customers	1,513	1,359	11.3
Trading assets	1,450	1,285	12.8
Financial investments	79	82	-3.7
Other assets	370	298	24.2
Total	3,949	3,641	8.5
Liabilities to banks	6	5	20.0
Liabilities to customers	1,708	1,607	6.3
Trading liabilities	1,840	2,021	-9.0
Other liabilities	9	16	-43.8
Total	3,563	3,649	-2.4
Off-balance-sheet items			
Guarantees and collaterals granted	659	590	11.7
Guarantees and collaterals received	7	7	0.0

Trading assets and trading liabilities result largely from non-consolidated funds.

The following income and expenses arose from loan agreements with, deposits from and services provided in connection with related parties (excluding federal government-controlled entities):

€m	1.1.–31.3.2011	1.1.–31.3.2010	Change in %
Income			
Interest income	28	16	75.0
Commission income	1	10	-90.0
Trade	-	3	.
Expenses			
Interest expense	30	9	.
Commission expense	7	7	0.0
Trade	13	10	30.0
Write-downs/impairments	-	-	.

The Commerzbank Group conducts transactions with federal government-controlled entities as part of its ordinary business activities on standard market terms and conditions.

Assets and liabilities and off-balance-sheet items in connection with federal government-controlled entities changed as follows in the reporting period:

€m	31.3.2011	31.12.2010	Change in %
Cash reserve	720	1,111	-35.2
Claims on banks	286	726	-60.6
Claims on customers	3,102	2,991	3.7
Trading assets	4,468	5,040	-11.3
Financial investments	6,927	7,079	-2.1
Total	15,503	16,947	-8.5
Liabilities to banks	15,232	15,262	-0.2
Liabilities to customers	59	88	-33.0
Trading liabilities	1,367	1,951 ¹	-29.9
Silent participation	16,207	16,428	-1.3
Total	32,865	33,729	-2.6
Off-balance-sheet items			
Guarantees and collaterals granted	286	298	-4.0
Guarantees and collaterals received	5,000	5,000	0.0

¹ Prior-year figures restated

Income and expenses for transactions with federal government-controlled entities were as follows:

1.1.–31.3.2010 | €m	Income	Expenses
Interest	117	24
Commission	-	12
Trade	2	-
Write-downs/impairments	-	-

Frankfurt am Main, May 2, 2011
The Board of Managing Directors



Martin Blessing



Frank Annuscheit



Markus Beumer



Achim Kassow



Jochen Klösger



Michael Reuther



Stefan Schmittmann



Ulrich Sieber



Eric Strutz



Martin Zielke

Boards of Commerzbank Aktiengesellschaft

Supervisory Board

Klaus-Peter Müller
Chairman

Uwe Tschäge¹
Deputy Chairman

Hans-Hermann Altenschmidt¹

Dott. Sergio Balbinot

Dr.-Ing. Burckhard Bergmann

Dr. Nikolaus von Bomhard

Karin van Brummelen¹

Astrid Evers¹

Uwe Foullong¹

Daniel Hampel¹

Dr.-Ing. Otto Happel

Sonja Kasischke¹

**Prof. Dr.-Ing. Dr.-Ing. E.h.
Hans-Peter Keitel**

Alexandra Krieger¹

Dr. h.c. Edgar Meister

**Prof. h.c. (CHN) Dr. rer. oec.
Ulrich Middelmann**

Dr. Helmut Perlet

Barbara Priester¹

Mark Roach¹
(since January 10, 2011)

Dr. Marcus Schenck

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 Klösge

Michael Reuther

Dr. Stefan Schmittmann

Ulrich Sieber

Dr. Eric Strutz

Martin Zielke

Review Report¹

To COMMERZBANK Aktiengesellschaft, Frankfurt am Main

We have reviewed the condensed consolidated interim financial statements – comprising the statement of financial position, statement of comprehensive income, condensed statement of cash flows, statement of changes in equity and selected explanatory notes – and the interim group management report of COMMERZBANK Aktiengesellschaft, Frankfurt am Main, for the period from 1 January to 31 March, 2011 which are part of the quarterly financial report pursuant to § (Article) 37x Abs. (paragraph) 3 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Frankfurt am Main, May 2, 2011

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Peter Goldschmidt
Wirtschaftsprüfer
(German Public Auditor)

Stephan Erb
Wirtschaftsprüfer
(German Public Auditor)

¹ Translation of the auditor's review report issued in German language on the condensed consolidated interim financial statements prepared in German language by the management of COMMERZBANK Aktiengesellschaft, Frankfurt am Main. The German language statements are decisive.

Financial Statements of the Commerzbank Group 2010

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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.

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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.

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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. 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 | €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 monrada 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.

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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 | €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 | €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.

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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.

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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.

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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

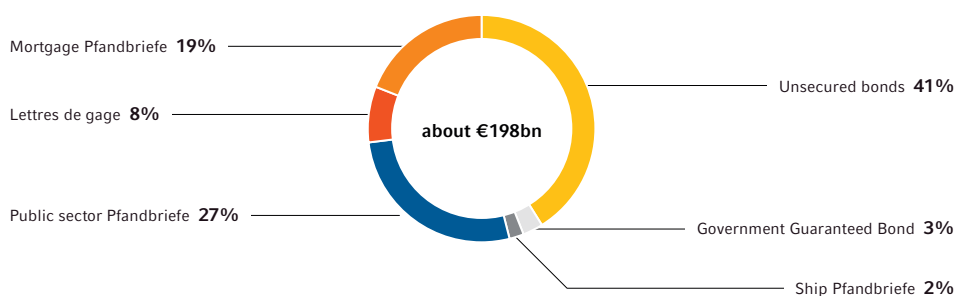


Figure 1

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

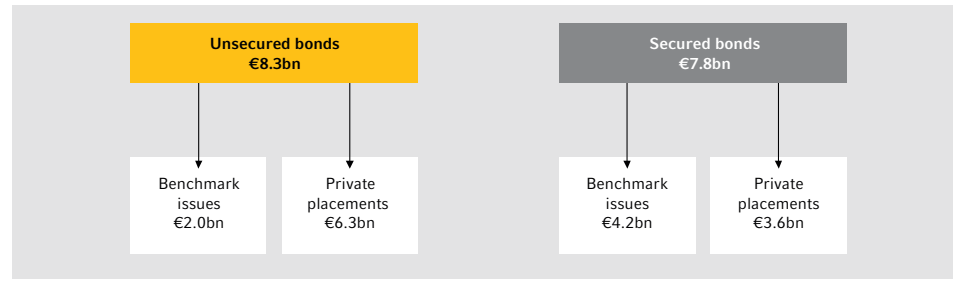


Figure 2

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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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 inter-bank 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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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 (EPPK) 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 funding to 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.

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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 scrapping 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 scrapping 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.

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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.

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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.

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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

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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.

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Our “Move it!” event was placed at the interface between junior staff development and community involvement. 250 academic young talents helped renovate the Fridtjof-Nansenschule 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.

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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.

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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.

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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.

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Group maturity profile as of December 31, 2010

in €m

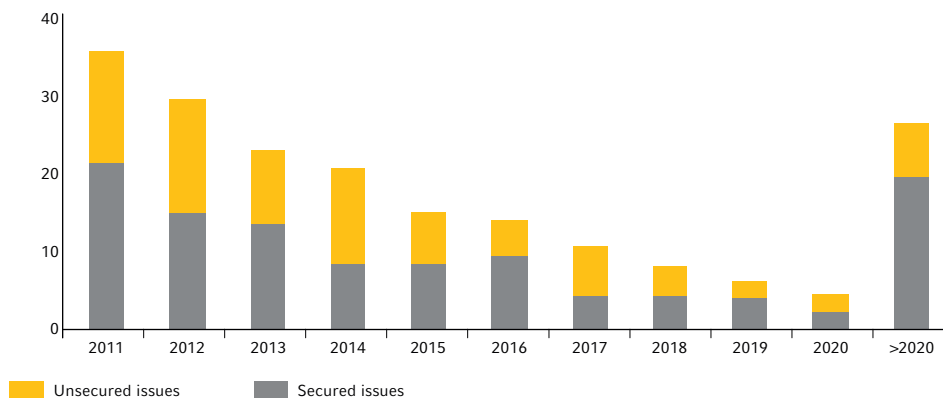


Figure 3

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.

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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.

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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 take-over 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.

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Group Risk Report

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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 review. 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.

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Risk-taking capability at Commerzbank Group level is monitored and managed monthly. Since December 2010 risk-taking capability 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 level¹	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.

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Overview of management instruments and levels

	Limit and guideline systems	Risk strategies and policies	Structures of organisation and committees	Portfolio monitoring and reporting
Group	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Overall risk strategy plus sub-strategies for significant risk types • Establishment of a general risk understanding and creation of a uniform risk culture 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Group Risk & Capital Monitor plus risk type specific Group formats (including flash reporting) • Uniform, consolidated data repository as basis for Group reporting
Sub-portfolios	<ul style="list-style-type: none"> • Performance metrics on level of risk categories and sub-portfolios • Expansion of Group-wide performance metrics using sub-portfolio-specific indicators 	<ul style="list-style-type: none"> • Clear formulation of risk policy in guidelines (portfolios, asset classes, etc.) • Differentiated credit authorities based on compliance of transactions with the Bank's risk policy 	<ul style="list-style-type: none"> • Interdisciplinary composition of segment committees • Ensuring uniform economic opinions 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Limitation of bulk risk and uniform management according to model-independent all-in definition 	<ul style="list-style-type: none"> • Rating-dependent and bulk-sensitive credit authority regulations with clear escalation processes 	<ul style="list-style-type: none"> • Deal team structures • Institutionalized exchange within the risk function, also taking account of economic developments • Sector-wise organization of domestic corporate business 	<ul style="list-style-type: none"> • 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

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	
<i>thereof ship financing</i>	21	185	90	
Public Finance	109	81	7	
Downsize – PRU	18	87	48	910
Total	562	1,925	34	13,701

Table 13

175	Key developments in 2010
177	Risk-oriented overall bank management
180	Default risk
196	Intensive care
200	Market risk
203	Liquidity risk
205	Operational risk
207	Other risks

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.

175	Key developments in 2010
177	Risk-oriented overall bank management
180	Default risk
196	Intensive care
200	Market risk
203	Liquidity risk
205	Operational risk
207	Other risks

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

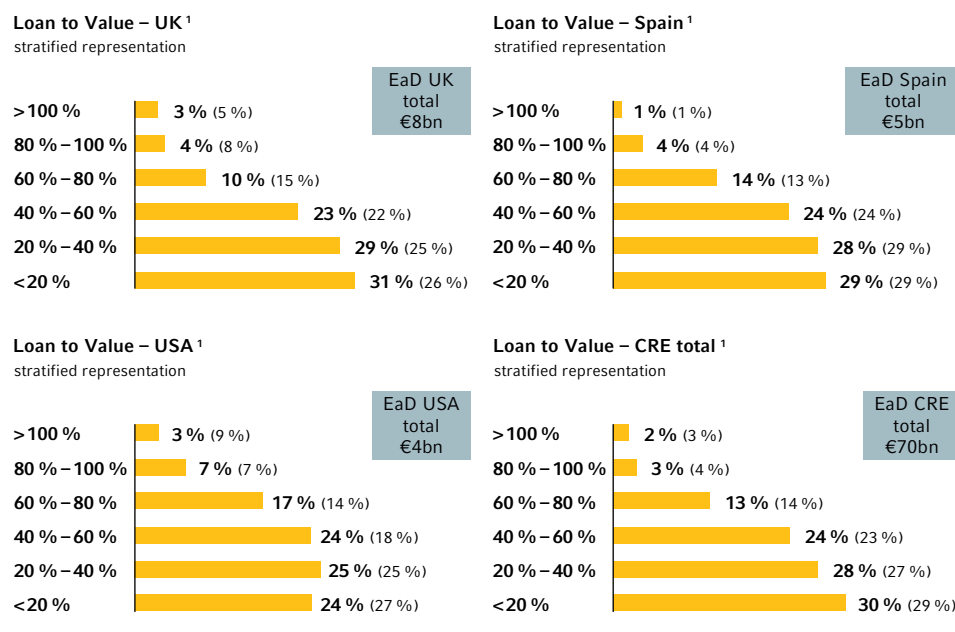
As part of the strategic reduction of existing business (white book), essentially at Eurohypo, there was a further cut in total exposure (EaD) from €77bn as at December 31, 2009 to €70bn. The main components of exposure are still the sub-portfolios Office (€27bn), Commerce (€20bn) and Residential Real 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.

175	Key developments in 2010
177	Risk-oriented overall bank management
180	Default risk
196	Intensive care
200	Market risk
203	Liquidity risk
205	Operational risk
207	Other risks

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 values¹ 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.

175	Key developments in 2010
177	Risk-oriented overall bank management
180	Default risk
196	Intensive care
200	Market risk
203	Liquidity risk
205	Operational risk
207	Other risks

Structured credit portfolio PRU	31.12.2010		31.12.2009	
	Nominal values	Risk values	Nominal values	Risk values
€bn				
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

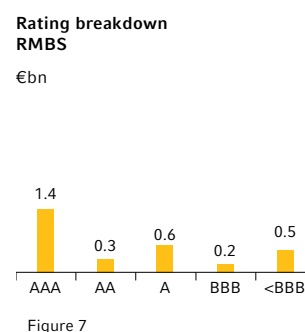
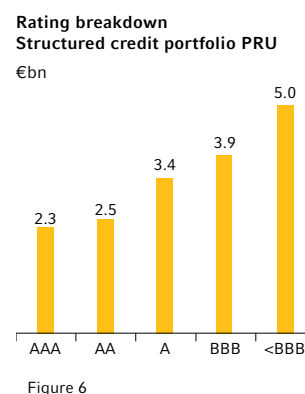
Overall we expect write-ups over the residual life of these assets, with possible future write-downs on assets such as US RMBSs and US CDOs of ABSs, which have already been written down substantially, to be probably more than compensated by a positive performance from other assets. This forecast is based 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.

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.

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.

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

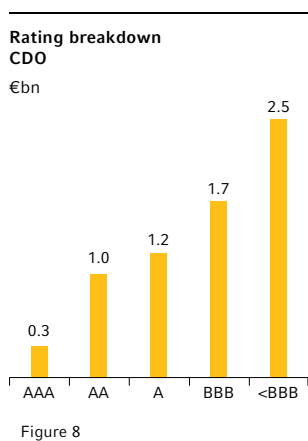


Figure 8

175	Key developments in 2010
177	Risk-oriented overall bank management
180	Default risk
196	Intensive care
200	Market risk
203	Liquidity risk
205	Operational risk
207	Other risks

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	
	Nominal values	Risk values ¹	Nominal values	Risk values ¹
€bn				
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

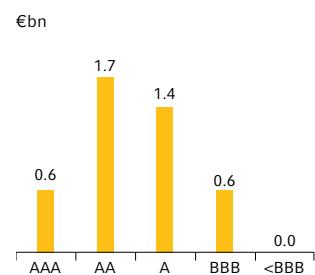


Figure 9

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.

Securitization pool as at 31.12.2010 €bn	Maturity	Total volume ¹	Commerzbank 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.

175	Key developments in 2010
177	Risk-oriented overall bank management
180	Default risk
196	Intensive care
200	Market risk
203	Liquidity risk
205	Operational risk
207	Other risks

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 NBFi area as well.

FI/NBFI portfolio by region as at 31.12.2010	Financial Institutions			Non-Bank Financial Institutions		
	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
Group¹	34	42	18	4	2

¹ Including PRU and Others and Consolidation
Table 21

175 Key developments in 2010

177 Risk-oriented overall bank management

180 Default risk

196 Intensive care

200 Market risk

203 Liquidity risk

205 Operational risk

207 Other risks

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	Exposure at default	Expected loss	Risk density
as at 31.12.2010	€bn	€m	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
Mittelstandsbank	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.

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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:

Year	Other cases	≥ €10m		≥ €20m		≥ €50m		Individual cases		Net LLP total €m
	< €10m	< €20m	of commitments	< €50m	of commitments	of commitments	of commitments	≥ €10m total		
	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	
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

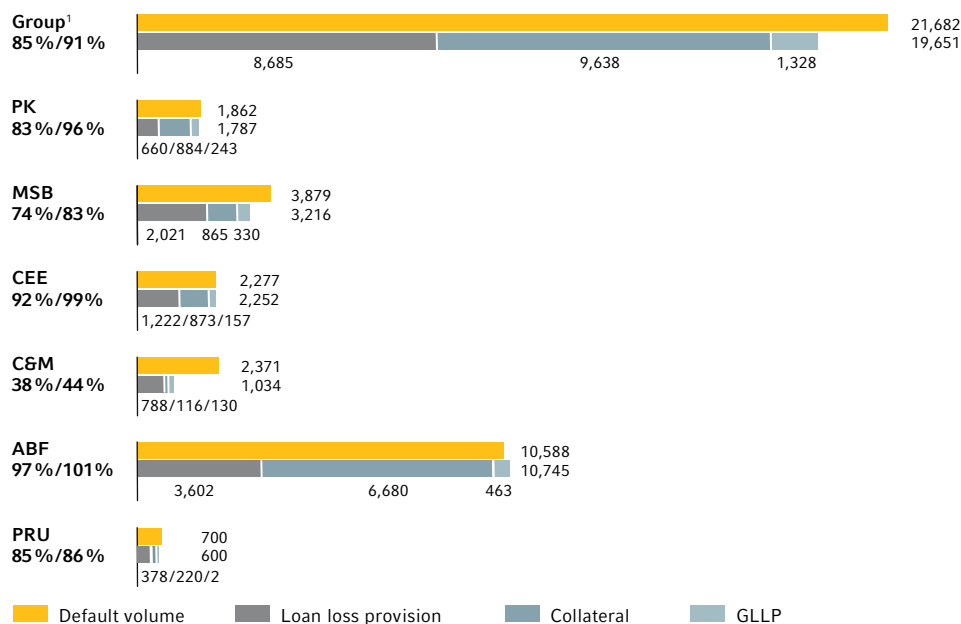
Cases requiring specific provisions \geq €50m nearly all relate to Asset Based Finance, whereas Mittelstandsbank and PRU also saw releases in this size range. As with provisions overall, the net charge from large individual commitments fell sharply compared with the previous year.

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

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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.

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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.

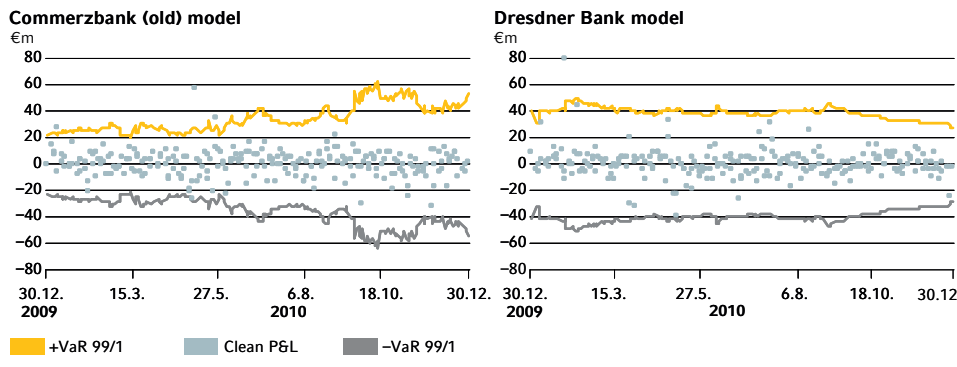


Figure 11

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 (EPPK), 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.

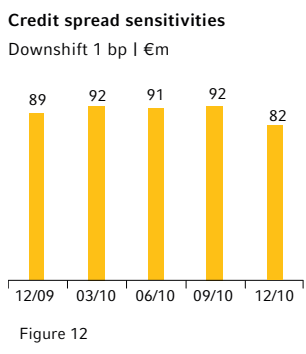


Figure 12

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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.

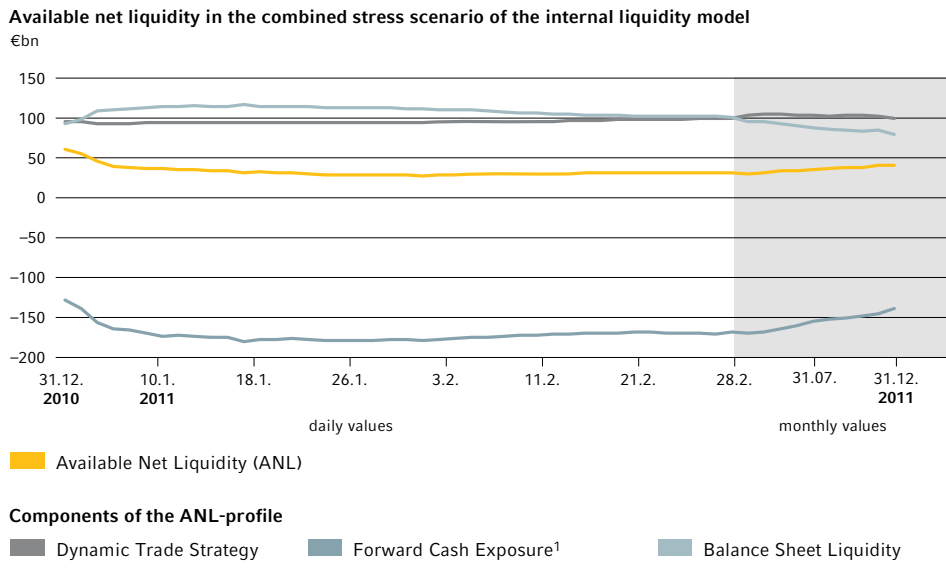
1 Liquidity risk management

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.



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.

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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.

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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.

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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.

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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.

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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	.

4 th 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

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Income statement (by quarter)

2010 €m	4 th quarter	3 rd quarter	2 nd quarter	1 st 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 attributable to Commerzbank shareholders	257	113	352	708

¹ First and second quarter restated due to harmonization of reporting structure (see Note 2).

2009 | €m	4 th quarter	3 rd quarter	2 nd quarter ¹	1 st 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 attributable to 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).

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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			Total before non-controlling interests	Non-controlling interests	Equity
					Revaluation reserve	Cash flow hedge reserve	Currency translation reserve			
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.

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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 activities:			
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

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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.

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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.

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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 meas-

urement 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.

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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 total¹	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.–31.12.2009¹			
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.Iocum 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, Luxembourg	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:

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- 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, Dublin¹
- Alternative Holding Partenaire, London¹
- CB Mezzanine Capital Limited Partnership, St. Helier/Jersey
- Classic I (Cayman) Limited, George Town/Cayman Island¹
- Commerzbank December Leasing (18) Limited, London

- DIT-Garantie Plus 2012, Luxembourg¹
- DIT-Protect Global Winner 2014, Luxembourg¹
- 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, London¹
- 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.à.r.l., Luxembourg
- Dresdner Leasing 8 S.à.r.l., Luxembourg
- Eurohypo Representacoes Ltd., Sao Paulo¹
- H 47 GmbH & Co. KG, Düsseldorf
- HQ Trust Kensington Ltd., George Town/Cayman Island¹
- 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, Tortola¹
- Ryder Square Limited, St. Helier/Jersey¹
- 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.

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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.

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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.

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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 under-

lying 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.

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(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 ($\geq 20\%$) 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

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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 macro-economic 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.

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(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
<hr/>
= level of the pension provision

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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.

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- 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 shows 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.

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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 and from 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

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(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 instru-

ments 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	.

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(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 invest-

ments, holdings in companies accounted for using 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 build-

ing 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 equip-

ment, 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 advertising 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

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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 carryforwards	-	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

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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 liabilities ¹	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 option ¹	36	88	–59.1
Available-for-sale financial assets ¹	1,225	2,088	–41.3
Loans and receivables ¹	15,949	16,883	–5.5
Other financial liabilities ¹	–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

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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 Aktien-

gesellschaft 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 equiva-

lent 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.

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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
<i>Income before provisions</i>	<i>3,846</i>	<i>3,320</i>	<i>979</i>	<i>2,392</i>	<i>923</i>	<i>843</i>	<i>368</i>	<i>12,671</i>
<i>Income after provisions</i>	<i>3,600</i>	<i>3,041</i>	<i>618</i>	<i>2,419</i>	<i>-661</i>	<i>781</i>	<i>374</i>	<i>10,172</i>
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	Private Customers	Mittelstands- & bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restructuring Unit	Others and Consolidation	Group
€m								
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
<i>Income before provisions</i>	<i>4,209</i>	<i>2,887</i>	<i>905</i>	<i>1,845</i>	<i>1,444</i>	<i>-977</i>	<i>635</i>	<i>10,948</i>
<i>Income after provisions</i>	<i>3,963</i>	<i>1,933</i>	<i>93</i>	<i>1,556</i>	<i>-144</i>	<i>-1,304</i>	<i>637</i>	<i>6,734</i>
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).

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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
<i>Income before provisions</i>	<i>436</i>	<i>-68</i>	<i>368</i>	<i>914</i>	<i>-279</i>	<i>635</i>
<i>Income after provisions</i>	<i>442</i>	<i>-68</i>	<i>374</i>	<i>916</i>	<i>-279</i>	<i>637</i>
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:

1 st quarter 2010	Private Customers	Mittelstands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restructuring Unit	Others and Consolidation	Group
€m								
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
<i>Income before provisions</i>	<i>1,001</i>	<i>832</i>	<i>226</i>	<i>725</i>	<i>392</i>	<i>208</i>	<i>240</i>	<i>3,624</i>
<i>Income after provisions</i>	<i>935</i>	<i>671</i>	<i>132</i>	<i>744</i>	<i>67</i>	<i>186</i>	<i>245</i>	<i>2,980</i>
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).

2 nd quarter 2010	Private Customers	Mittelstands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restructuring Unit	Others and Consolidation	Group
€m								
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
<i>Income before provisions</i>	<i>998</i>	<i>830</i>	<i>247</i>	<i>503</i>	<i>252</i>	<i>150</i>	<i>130</i>	<i>3,110</i>
<i>Income after provisions</i>	<i>928</i>	<i>736</i>	<i>155</i>	<i>503</i>	<i>-102</i>	<i>122</i>	<i>129</i>	<i>2,471</i>
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).

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3 rd quarter 2010	Private Customers	Mittelstands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restructuring Unit	Others and Consolidation	Group
€m								
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
<i>Income before provisions</i>	963	727	249	566	233	347	-163	2,922
<i>Income after provisions</i>	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

4 th quarter 2010	Private Customers	Mittelstands-bank	Central & Eastern Europe	Corporates & Markets	Asset Based Finance	Portfolio Restructuring Unit	Others and Consolidation	Group
€m								
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
<i>Income before provisions</i>	884	931	257	598	46	138	161	3,015
<i>Income after provisions</i>	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	Germany	Europe excluding Germany	America	Asia	Others	Total
€m						
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
<i>Income before provisions</i>	<i>8,034</i>	<i>4,011</i>	<i>457</i>	<i>168</i>	<i>1</i>	<i>12,671</i>
<i>Income after provisions</i>	<i>7,161</i>	<i>2,709</i>	<i>155</i>	<i>146</i>	<i>1</i>	<i>10,172</i>
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	Germany	Europe excluding Germany	America	Asia	Others	Total
€m						
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
<i>Income before provisions</i>	<i>9,184</i>	<i>1,570</i>	<i>151</i>	<i>40</i>	<i>3</i>	<i>10,948</i>
<i>Income after provisions</i>	<i>7,269</i>	<i>-197</i>	<i>-361</i>	<i>19</i>	<i>4</i>	<i>6,734</i>
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.

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(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

€m	Total			Due on demand		Other claims	
	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.

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(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).

€m	Valuation allowances for specific risks		Valuation allowances for portfolio risks		Valuation allowances total		Change in %
	2010	2009	2010	2009	2010	2009	
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

€m	Provisions for specific risks		Provisions for portfolio risks		Provisions for lending business		Change in %
	2010	2009	2010	2009	2010	2009	
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.

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(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 instru-

ments 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 invest-

ment 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

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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:

€m	Investments		Holdings in non-consolidated subsidiaries	
	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.

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€m	Goodwill		Brand names	
	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	Mittelstandsbank	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	Mittelstandsbank	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:

€m	Goodwill		Self-programmed software		Brand names and customer relationships		Other intangible assets	
	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

€m	Land and buildings		Office furniture and equipment	
	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 %)	-	-	-	-

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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.

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(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	

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€m	Savings deposits		Other liabilities			
	31.12.2010	31.12.2009	due on demand		with agreed term or period of notice	
	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.

€m	Total		of which: issued by mortgage banks	
	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

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(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

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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.

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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 estab-

lishing 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.

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(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 certificate 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.

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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.

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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:

€m	Conditional capital 1.1.2010	Additions	Expirations/ Utilizations	Conditional capital ¹ 31.12.2010	of which	
					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 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, 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.

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(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):

€m					31.12.2010	31.12.2009 ¹	Change
	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.

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(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

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31.12.2009	Nominal amount				Fair value	
		Residual terms				
€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.

€m	Fair value		Fair value	
	positive	negative	positive	negative
	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:

€m	Nominal values		Nominal values	
	Buyer of protection	Seller of protection	Buyer of protection	Seller of protection
	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.

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(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

Residual 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).

Residual 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.

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(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:

Assets | €bn	Fair Value		Carrying amount		Difference	
	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.

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Liabilities €bn	Fair Value		Carrying amount		Difference	
	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 repurchase 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, repurchase agreements, cash collaterals and short-term money market trading (see Note 2).

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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	Trading liabilities	Negative fair values from derivatives ¹	At fair value through profit or loss ²	Total
€m				
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.

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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 deriva-

tives. 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.

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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.

(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

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

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.

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.

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+	
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)			Default
6.2		Restructuring			
6.3	100	Restructuring with recapitalization/partial waiving of claims		C, D-I, D-II	
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.

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(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.

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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:

€m	Claims	
	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:

€m	Contingent liabilities, irrevocable lending commitments	
	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.

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(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, probabili-

ties 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.

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€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.

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(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	

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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	Reduction of risk-weighted assets
					€m	€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

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(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.

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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.

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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 remuner- ation 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 Klösches	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.

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		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
€1,000								
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 Klösches	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 obliga-

tions 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 dependants 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		pro rata provisions as at 31.12.2010 in €1,000
			when the shares were granted in €1,000	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.

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(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 in €	Date of grant	Fair value per award as at	
		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.

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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:

Residual terms as at 31.12. €m	Gross investments		Net present value of minimum leasing payments	
	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 non-callable 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.

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(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.Iocum 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)}

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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 Vermögensverwaltungs-gesellschaft 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 Beteiligungs-gesellschaft 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 Verwaltungs-gesellschaft 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 Beteiligungs-gesellschaft 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 Leasing-service 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 Vermögensverwaltungsgesellschaft 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)}

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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

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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 Wertungsgesellschaft 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	-
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
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 Beteiligungsgesellschaft 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	-
Messestadt Riem "Office am See" II GmbH	Eschborn	94.0	94.0	EUR	459	-
Messestadt Riem "Office am See" III GmbH	Eschborn	94.0	94.0	EUR	19	-
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 Schiffsbeteiligungsgesellschaft mbH	Hamburg	100.0	100.0	EUR	902	443

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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-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0	EUR	10,804	- ^{b)}
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Jupiter KG	Düsseldorf	100.0	51.0	EUR	21,259	2,110
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Luna KG	Düsseldorf	100.0	51.0	EUR	666	335
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Neptun KG	Düsseldorf	100.0	51.0	EUR	15,024	1,660
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Pluto KG	Düsseldorf	100.0	51.0	EUR	23,056	2,376
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Uranus KG	Düsseldorf	100.0	51.0	EUR	36,087	6,091
OLEANDRA Grundstücks-Vermietungsgesellschaft 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-Vermietungsgesellschaft 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 Verwaltungsgesellschaft 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

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b) Affiliated companies not included in the consolidated financial statements due to their minor significance^{d)}

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 Weillimdorf 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

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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
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

b)

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.	Łódź	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
Commerz (Nederland) N.V.	Amsterdam	100.0	100.0
Commerz Building and Management GmbH	Essen	100.0	100.0
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 Comerciais, 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

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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 Betriebsvorrichtung 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 1 Leasehold 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
Immobilien-Gesellschaft 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 Kampfmeyer Villa mbH	Berlin	100.0	100.0

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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-Vermietungsgesellschaft 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

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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
Space Park Erste Verwaltungs GmbH	Frankfurt/Main	100.0	100.0
TARA Immobilien-Besitz GmbH	Eschborn	100.0	100.0
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

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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
Argor-Heraeus S.A.	Mendrisio	26.5	26.5	CHF	6,369	20,686
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 Unternehmensbeteiligungs-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
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

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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

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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

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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
Galleries 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

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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

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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	Hoewelaken	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

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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

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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 Gernersheim Betriebsvorrichtungen OHG	Düsseldorf	0.5	40.0
MERCEDES BENZ AG & Co. Grundstücksvermietung Objekt Gernersheim 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

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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

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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

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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

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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 Schifffahrt 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 Hafenhaushaus 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 družba 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

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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 Securitisation 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 Securitisation 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
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

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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 Cobra 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

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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 Tschäge¹

Deputy Chairman

Employee of

Commerzbank Aktiengesellschaft

Hans-Hermann Altenschmidt¹

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-Hoffmann¹

(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 Brummelen¹

Employee of

Commerzbank Aktiengesellschaft

Astrid Evers¹

Employee of

Commerzbank Aktiengesellschaft

Uwe Foullong¹

Member of the ver.di National

Executive Committee

Daniel Hampel¹

Employee of

Commerzbank Aktiengesellschaft

Dr.-Ing. Otto Happel

Entrepreneur

Luverse AG

Sonja Kasischke¹

Employee of

Commerzbank Aktiengesellschaft

Prof. Dr.-Ing. Dr.-Ing. E.h.

Hans-Peter Keitel

President of the Federation

of German Industries (BDI)

Alexandra Krieger¹

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 Priester¹

Employee of

Commerzbank Aktiengesellschaft

Mark Roach¹

(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 Klösger

Michael Reuther

Dr. Stefan Schmittmann

Ulrich Sieber

Dr. Eric Strutz

Martin Zielke

(since 5.11.2010)

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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 opportunities 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)

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 terms 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 follows 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 Klösge	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. Klösger, 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.

		Short-term employee benefits	Termination benefits	Payout under share-based remu- neration plan ⁴	Total remu- neration	Post- employment benefit expense ⁵
€1,000						
Martin Blessing	2010	617		–	617	197
	2009	572		–	572	123
Frank Annuschein	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 Klösches	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 remuneration ³	Remuneration for serving on boards ⁴	Reduction further to SoFFin-Cap ⁴	Total monetary remuneration	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 Klösches	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 remuneration	Variable remuneration	Total	Attendance 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 disclosure²:

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 Association.

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. Klösger, 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. Coordinated 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 monrada 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. 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

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.

- 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 capability 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	31.12.2009²
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 level¹	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	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Overall risk strategy plus sub-strategies for significant risk types • Establishment of a general risk understanding and creation of a uniform risk culture 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Group Risk & Capital Monitor plus risk type specific Group formats (including flash reporting) • Uniform, consolidated data repository as basis for Group reporting
Sub-portfolios	<ul style="list-style-type: none"> • Performance metrics on level of risk categories and sub-portfolios • Expansion of Group-wide performance metrics using sub-portfolio-specific indicators 	<ul style="list-style-type: none"> • Clear formulation of risk policy in guidelines (portfolios, asset classes, etc.) • Differentiated credit authorities based on compliance of transactions with the Bank's risk policy 	<ul style="list-style-type: none"> • Interdisciplinary composition of segment committees • Ensuring uniform economic opinions 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Limitation of bulk risk and uniform management according to model-independent all-in definition 	<ul style="list-style-type: none"> • Rating-dependent and bulk-sensitive credit authority regulations with clear escalation processes 	<ul style="list-style-type: none"> • Deal team structures • Institutionalized exchange within the risk function, also taking account of economic developments • Sector-wise organization of domestic corporate business 	<ul style="list-style-type: none"> • 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	
<i>thereof ship financing</i>	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.

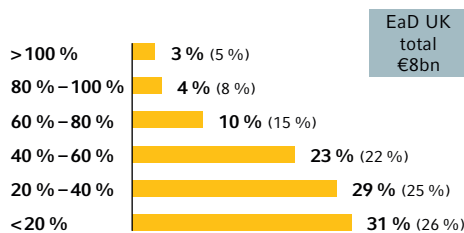
The tangible decrease in exposure during the year of some €7bn was the result of repayments of loans or declining to roll them over, exchange rate fluctuations and market-related transfers to the default portfolio. With a view to sustainably improving the financing model, and bearing in mind the strategic 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.

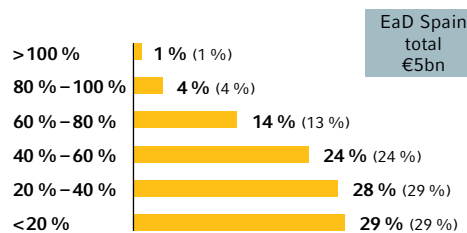
Performance in Germany and such core European markets as the UK, Italy and France has been stable to positive, especially for prime assets. The United States and Spain remain under pressure.

Loans secured on mortgage charges have reasonable loan to value ratios.

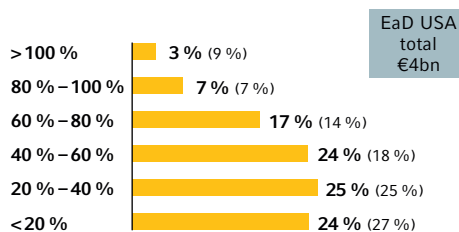
Loan to Value – UK¹
stratified representation



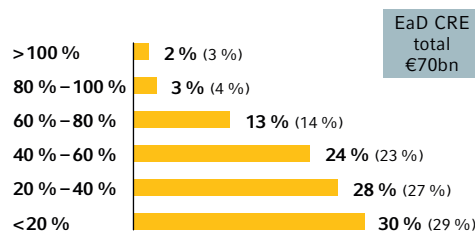
Loan to Value – Spain¹
stratified representation



Loan to Value – USA¹
stratified representation



Loan to Value – CRE total¹
stratified representation



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 values¹ 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	
	Nominal values	Risk values	Nominal values	Risk values
€bn				
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
€bn



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).

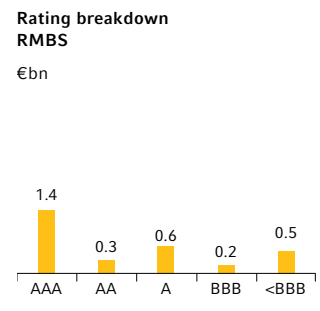
The holdings of direct and indirect securitizations of US mortgage loans have already been written down by a high percentage. In spite of the loan repayments we are currently receiving in some cases due to the seniority of our investments, the ongoing uncertainty surrounding the sector's future performance 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.

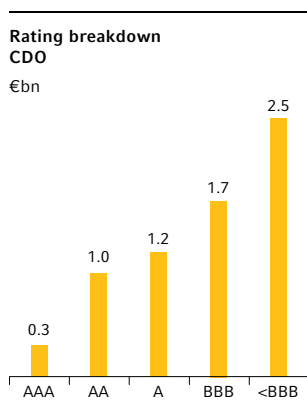
European RMBS positions (risk value €2.3bn) showed a highly differentiated picture over the year. As the sovereign crisis spilled over from Greece to Ireland, Spain and Portugal during the year, RMBS transactions from these countries were particularly hard hit by major spread widening and much higher 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.

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.

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	
	Nominal values	Risk values ¹	Nominal values	Risk values ¹
€bn				
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.

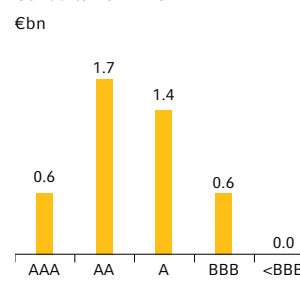
The underlying receivables of the Bank's ABCP programmes are strongly diversified and reflect the differing business strategies pursued by the sellers of receivables or customers. These receivable portfolios do not contain any non-prime assets. To date we have not recorded losses on any of these transactions. 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.

Rating breakdown
Conduits non-PRU



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.

Securitization pool as at 31.12.2010 €bn	Maturity	Total volume ¹	Commerzbank 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 NBFi area as well.

FI/NBFi portfolio by region as at 31.12.2010	Financial Institutions			Non-Bank Financial Institutions		
	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
Group¹	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
Mittelstandsbank	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:

Year	Other cases < €10m	≥ €10m < €20m		≥ €20m < €50m		≥ €50m		Individual cases ≥ €10m total		
	Net LLP total €m	Net LLP total €m	Number of commit- ments	Net LLP total €m	Number of commit- ments	Net LLP total €m	Number of commit- ments	Net LLP total €m	Number of commit- ments	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

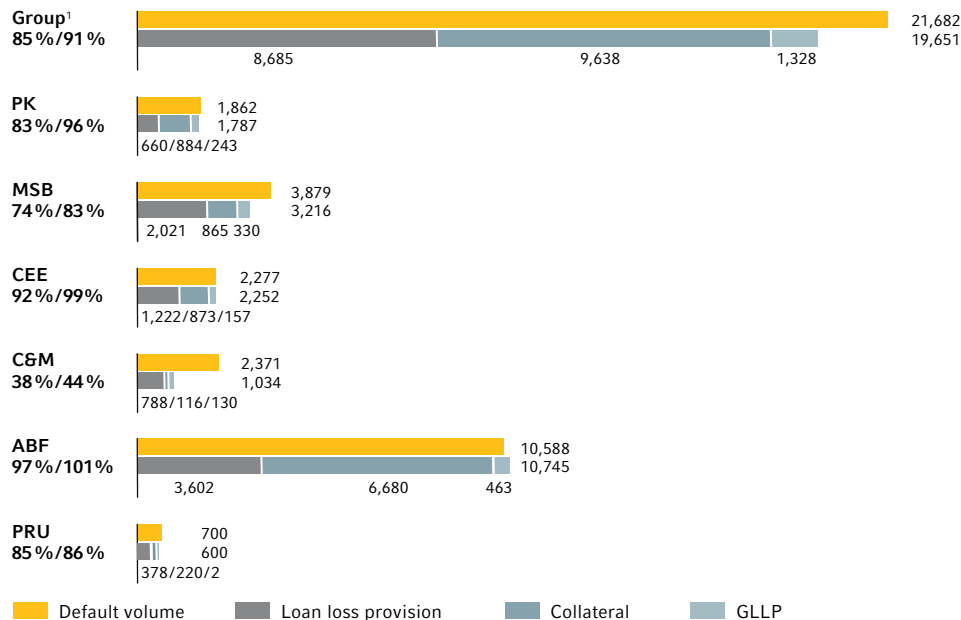
Cases requiring specific provisions \geq €50m nearly all relate to Asset Based Finance, whereas Mittelstandsbank and PRU also saw releases in this size range. As with provisions overall, the net charge from large individual commitments fell sharply compared with the previous year.

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.

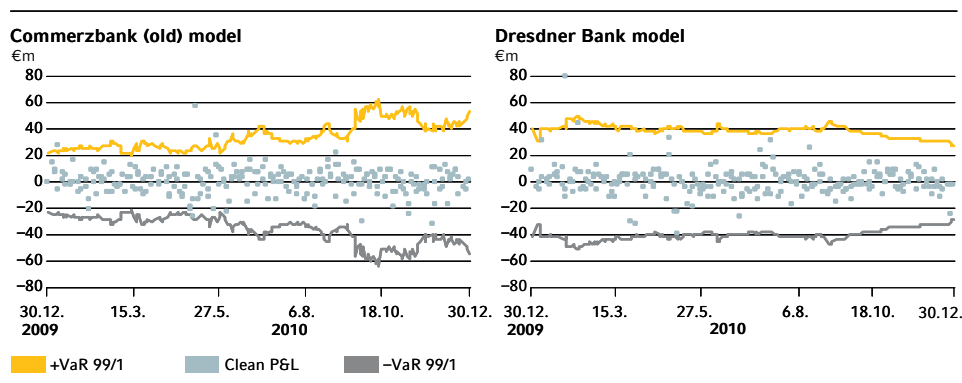
Measures to reduce risk positions, especially in the Portfolio Restructuring Unit, were rigorously driven forward over the year. The complex credit derivatives business was almost entirely wound down. Even so, the much improved capture of credit spread risk following the switch to the HistSim model meant 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

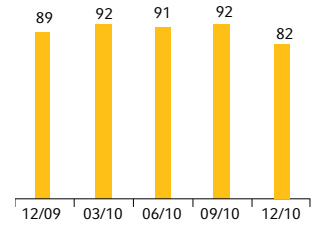
The main drivers of market risk in the banking book are credit spread risks in the Public Finance portfolio, including the positions held by the subsidiaries Eurohypo and Erste Europäische Pfandbrief- und Kommunalkreditbank (EPPK), the Treasury portfolios and equity price risks in the equity investments 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.

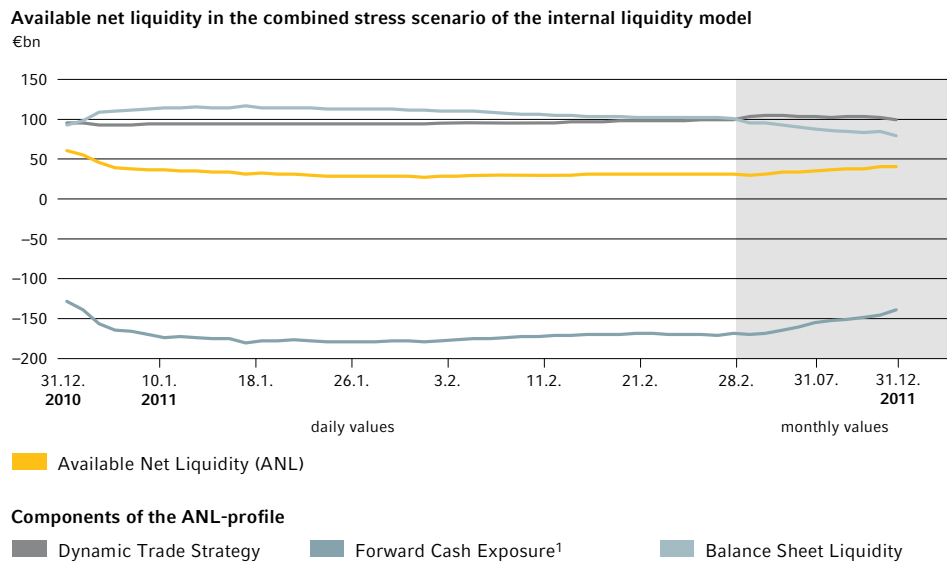
1 Liquidity risk management

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.



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	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	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		-
Trust liabilities		933
of which: loans at third-party risk	875	457
Other liabilities		25,977
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
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
Subordinated liabilities		11,226
Profit-sharing certificates outstanding		1,027
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	-
(conditioned 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
Liabilities and Shareholders' Equity		22,665
1. Contingent liabilities		624,574
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
2. Other commitments		38,195
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 (Bilanzrechtsmodernisierungsgesetz – 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:

€m	Affiliated companies		Investments in associates	
	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 pro-

portionate 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 of which capital ¹ 31.12.2010	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 Aktien-

gesellschaft. 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

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

(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.

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						Positive	Negative
	Due on demand	up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total		
€m								
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 Klösches	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 Klösches	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 dependants 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		pro rata provisions as of 31.12.2010 €1,000
			when the shares were granted €1,000	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 Leasingsservice 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	- ⁹⁾
Commerzbank Inlandsbanken Holding GmbH	Frankfurt/Main	100.0	EUR	6,359,838	- ⁹⁾
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-Vermietungsgesellschaft 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
Exploitiemaatschappij 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
Tschech 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 Aktiengesellschaft¹

Markus Beumer

- a) Commerz Real AG¹

Dr. Achim Kassow

- a) comdirect bank Aktiengesellschaft¹
Deputy Chairman

Commerzbank Auslandsbanken Holding AG¹
Chairman

Generali Deutschland Holding AG²

b) Allianz Global Investors Deutschland GmbH

BRE Bank S.A.¹

Jochen Klösger

- a) Commerz Real AG¹
Chairman

Commerz Real Investmentgesellschaft mbH¹
Chairman

Deutsche Schiffsbank Aktiengesellschaft¹
Chairman

Eurohypo Aktiengesellschaft¹
Chairman

b) Commerzbank Auslandsbanken Holding Nova GmbH¹

Commerzbank Inlandsbanken Holding GmbH¹
Deputy Chairman

Michael Reuther

- a) Eurohypo Aktiengesellschaft¹

Dr. Stefan Schmittmann

- a) Commerz Real AG¹
Deputy Chairman

Commerzbank Auslandsbanken Holding AG¹

Eurohypo Aktiengesellschaft¹

Schaltbau Holding AG²

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 AG¹
Deputy Chairman

RWE Power AG

b) Commerzbank Auslandsbanken Holding Nova GmbH¹
Chairman

Commerzbank Inlandsbanken Holding GmbH¹
Chairman

Mediobanca Banca di Credito Finanziario S.p.A.²

SdB-Sicherungseinrichtungsgesellschaft deutscher Banken mbH

Verlagsbeteiligungs- und Verwaltungsgesellschaft mit beschränkter Haftung

Martin Zielke

- a) comdirect bank Aktiengesellschaft¹
Chairman

b) BRE Bank S.A.¹

Commerzbank Auslandsbanken Holding Nova GmbH¹
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 AG¹
AachenMünchener Versicherung AG¹
Generali Deutschland Holding AG¹

- b) Banco Vitalicio de España, C.A. de Seguros y Réaseguros¹ (until June 30, 2010)
Generali España S.A. de Seguros y Reaseguros¹ (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 Holding¹
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 AG¹ Deputy Chairman
Generali Investments SpA¹
Generali (Schweiz) Holding¹ Deputy Chairman
Generali PPF Holding BV¹ 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 Corporation¹

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 AG¹ Chairman
Munich Health Holding AG¹ 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

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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 AG²E.ON Ruhrgas AG
(until June 30, 2010)LANXESS AG²

LANXESS Deutschland GmbH

ThyssenKrupp Marine Systems AG¹
(until February 2010)ThyssenKrupp Materials
International GmbH¹ThyssenKrupp Nirosta GmbH¹
(previously ThyssenKrupp Stainless
AG)

(until April 2010)

ThyssenKrupp Steel Europe AG¹b) Hoberg & Driesch GmbH
ChairmanThyssenKrupp 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 Schencka) E.ON Ruhrgas AG¹b) E.ON IT GmbH¹
(Change of name with effect
since April 1, 2010)E.ON Energy Trading SE¹¹ 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 Fishedick

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 Tengemann 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 Tschäge¹

Deputy Chairman

Employee of
Commerzbank Aktiengesellschaft**Hans-Hermann Altenschmidt¹**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-Hoffmann¹**

(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 Brummelen¹**Employee of
Commerzbank Aktiengesellschaft**Astrid Evers¹**Employee of
Commerzbank Aktiengesellschaft**Uwe Foullong¹**Member of the ver.di National
Executive Committee**Daniel Hampel¹**Employee of
Commerzbank Aktiengesellschaft**Dr.-Ing. Otto Happel**Entrepreneur
Luverse AG**Sonja Kasischke¹**Employee of
Commerzbank Aktiengesellschaft**Prof. Dr.-Ing. Dr.-Ing. E.h.
Hans-Peter Keitel**President of the Federation
of German Industries (BDI)**Alexandra Krieger¹**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 Priester¹**Employee of
Commerzbank Aktiengesellschaft**Mark Roach¹**(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 Klösger

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 in-

cludes 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 Klösge



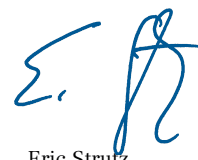
Michael Reuther



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 state-

ments 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)

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, May 13, 2011

COMMERZBANK

AKTIENGESELLSCHAFT

by: Borinski

by: Jung