Supplement
June 15, 2009

Commerzbank Aktiengesellschaft

(a stock corporation incorporated in the Federal Republic of Germany)

SUPPLEMENT

Supplement to the Base Prospectus dated December 22, 2008
which has obtained visa No. 08-297 dated December 22, 2008 of the *Autorité des Marchés Financiers*

VISA* OF THE *AUTORITE DES MARCHES FINANCIERS

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code Monétaire et Financier* and with the General Regulations (*Règlement Général*) of the *Autorité des Marchés Financiers* (the "**AMF**"), in particular Articles 212-31 to 212-33, the AMF has granted to this Supplement the *visa* No. 09-189 dated June 15, 2009. This Supplement was prepared by the issuer and its signatories assume responsibility for its content. The *visa*, in accordance with the provisions of Article L. 621-8-1-I of the French *Code Monétaire et Financier*, was granted after the AMF has verified "whether the document is complete and comprehensible and whether the information is contains is coherent". The *visa* does not imply that the AMF has approved the appropriateness of the transaction or that it has verified the accounting and financial data set out in it.

This *visa* is granted subject to publication of Final Terms prepared in accordance with Article 212-32 of the General Regulations of the AMF, specifying the terms of the Warrants issued.

In accordance with the Base Prospectus dated December 22, 2008 which has obtained visa No. 08-297 dated December 22, 2008 of the *Autorité des Marchés Financiers* (the "**Base Prospectus**"), this supplement (the "**Supplement**") supplements the information relating to the Issuer as contained in the Base Prospectus and in the documents incorporated by reference therein.

This Supplement contains:

- pages 1 to 78: an English translation of the management report and non-consolidated financial statements of the Commerzbank AG for 2008, the original version of which is in the German language; and

- page 79 an English translation of the report of the auditors of Commerzbank Aktiengesellshaft on the non-consolidated financial statements and the management report for 2008, the original version of which is in the German language.

- pages 80 to 307: an English translation of the management report and financial statements of the Commerzbank Group for 2008, the original version of which is in the German language;

- page 308: an English translation of the report of the auditors of the Commerzbank Group on the consolidated financial statements and the group management report for 2008, the original version of which is in the German language;

- pages 309 to 333: the holdings in affiliated and other companies;

- page 334 : the "pro-forma" accounts of Commerzbank for the 2008 financial year;

- pages 335-339: information regarding an injection of equity capital and personnel changes on the board of management of Commerzbank;

- pages 337 to 413: an English translation of the interim report of the Commerzbank Group as of 31 March 2009, the original version of which is in the German language; and

- pages 414: information the merger of Commerzbank and Dresder and trend information.

Commerzbank AG Financial Statements and Management Report 2008

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Management Report of Commerzbank AG

Business and overall conditions

2008 saw the end of a boom in the global economy that had lasted for several years. The real estate crisis in the USA, which rapidly acquired the dimensions of a full-blown international financial crisis, was the main factor slowing the pace of expansion. This crisis exacerbated noticeably in the final months of the year – following the collapse of the US investment bank Lehman Brothers. Even intensive efforts by governments around the world to stabilize the financial system and the economy were unable to prevent the industrialized countries slipping into what is probably the worst recession since the Second World War. Economic growth in the emerging markets has also decelerated dramatically and some of their economies have also shrunk.

The collapse of the global economy has hit Germany particularly hard with its dependence on exports and the preponderance of the automobile and capital goods industries in the economy. GDP grew by an average of 1.3 % in 2008, declining since the spring after a good start to the year. In the autumn, the downward trend accelerated further and new orders for industry literally collapsed after years of strong upward momentum.

In view of the global economic crisis, government bonds with good ratings were the big winners while equities and commodities – despite a brief boom in the latter during the first half of the year – were last year's big losers. However, spreads in the bond markets have widened considerably. Demand for highly liquid paper with prime ratings increased steadily. The divergence of spreads applied not only to corporate bonds, where the worsening overall economic situation was increasingly priced in. Spreads also widened between eurozone government bonds. The downturn in the eurozone economy also put an end to the steep rise in the value of the euro. While it registered new highs against the dollar in the first half of the year, a downtrend set in in the autumn with the currency partially dipping to two-and-a-half year lows.

The ongoing escalation of the financial crisis was the predominant factor in the banking environment in 2008. Prompted by the ongoing decline in prices for securitized US real estate loans, banks around the world were forced to make historically high write-downs on their assets. This created financial difficulties for a large number of banks, leading to numerous mergers and state rescue programmes.

It was mainly in the USA that investment banks faced fundamental problems beginning with the spring of 2008: Bear Stearns was taken over by J.P. Morgan under the Fed's orchestration, and this was followed later by the takeover of investment bank Merrill Lynch by Bank of America, while Lehman Brothers was forced to declare bankruptcy in September. In October 2008, the US administration presented a USD 700bn rescue package, using the first tranche of USD 250bn to buy shares in the country's nine leading banks.

The private, but state-sponsored, mortgage banks Fannie Mae and Freddie Mac were brought under the control of the government with a USD 200bn aid package; Washington Mutual also lost its independence, as did the insurance company AIG, in return for payments totalling USD 125bn. Meanwhile the Californian real estate financier IndyMac, along with numerous regional banks, was forced to declare bankruptcy. The two remaining US investment banks, Morgan Stanley and Goldman Sachs, transformed themselves into normal commercial banks in September, thus effectively ending the original separation of investment and commercial banks that had been in existence in the USA since the Thirties but was extensively reformed in 1999. The two banks accordingly became subject to supervision by the Fed, in return gaining access to the state rescue package.

As a result of the lower levels of equity at many banks and the consequent uncertainty amongst investors, the interbank market came to a virtual standstill at times, with interbank rates climbing steeply to a level of over 5 % for 1-month Euribor at the beginning of October. The Fed and the ECB, the Bank of England and other central banks massively increased the supply of liquidity to the markets. At the same time the collateral criteria for central bank loans were eased and key interest rates drastically lowered – partially in concert with other central banks.

Numerous European countries, including the Netherlands, Belgium, France and Switzerland, gave support to their domestic banks. The UK nationalized the building societies Northern Rock and Bradford & Bingley. Iceland's Kaupthing Bank was also nationalized in October and shortly thereafter declared insolvent. Iceland later received financial support from the IMF. Many governments in Europe, as well as those of Japan and China, introduced extensive impetus packages.

In Germany, a large number of banks reported substantial losses from write-downs on financial investments. The federal government passed an aid package for banks in October, which provided for guarantees of up to €400bn and equity stakes of up to €80bn. It also announced a guarantee for all savings deposits. A series of banks received support from the public sector over the course of the year in the form of guarantees or equity. Other institutions, such as automobile finance companies, are considering participating in the scheme.

All of this makes 2008 one of the toughest years in the history of the banking sector. In a large number of European countries and in the USA it led to the public sector taking substantial stakes in banks while a large number of banks ceased to exist. At the same time, consolidation in the sector accelerated. In addition to takeovers that had been planned for some time, there were forced sales and mergers organized by the state. In addition, many financial institutions – often at a huge loss – made an effort to reduce their risk-weighted assets ("deleveraging") in order to create more transparency and trust.

Commerzbank impacted by financial crisis

The difficult environment led to Commerzbank AG making a net loss in 2008. Investment Banking, Public Finance and Commercial Real Estate were particularly hard hit by the turmoil in the financial and real estate markets. By contrast, the Private Customers, Mittelstandsbank and Central and Eastern Europe segments all continued to perform well and achieved both a significant increase in new customers as well as good profitability.

We continued to pursue our international growth strategy: following the opening of a representative office in Panama City in December 2007, we added two more in 2008 in Nigeria's capital city, Lagos, and in Turkmenistan. Commerzbank will shortly also become the first German bank to open a representative office in Libya,

We substantially strengthened our strategic position in Central and Eastern Europe in March 2008 by completing the acquisition of a majority stake in Bank Forum. We now hold 60 % plus one share in the Ukrainian bank, with the option to purchase up to another 25 % after 36 months.

The most important strategic move for Commerzbank last year was the decision to acquire Dresdner Bank AG. At the end of August we agreed together with Allianz SE that we would take over its share of Dresdner Bank in two stages. In order to partly finance the first stage of the acquisition Commerzbank carried out a highly successful capital increase in the third quarter, despite the difficult market conditions. At the end of November, Allianz and the Bank agreed to bring forward the complete takeover from the second half to the beginning of 2009. In the course of this transaction, Allianz received around €163.5 million new Commerzbank shares from a capital increase against non-cash contributions in January 2009, plus cash components amounting to €3.215bn. In addition, we sold our asset management company cominvest to Allianz. Since completion of the transaction we have held 100 % of the share capital of Dresdner Bank and have thus become Germany's leading bank for private and corporate customers. Dresdner Bank will be merged into Commerzbank in the spring of 2009. On completing the takeover, however, we already created a single management structure in January. Since the beginning of February 2009, there have been negotiations with employee representatives on a reconciliation of interests and a social plan. Once these negotiations are over, a start can be made on the final implementation of the new organizational structure.

We also opened ten new branches in Hamburg in 2008, thereby considerably expanding Commerzbank's service and advisory offering for private and business customers in the city region.

In view of the worsening financial crisis, Commerzbank decided in the fourth quarter to take advantage of the federal government's programme to stabilize the financial markets in order to strengthen its capital base. The Special Fund Financial Market Stabilization (SoFFin) provided Commerzbank with a silent participation in the amount of €8.2bn, which is 100 % eligible as core capital. In addition, SoFFin has granted Commerzbank the option of a guarantee for bonds of up to €15bn. The two parties also agreed a lending programme to strengthen Germany's small and medium-sized enterprises (SMEs). Under this programme, Commerzbank is making an additional €2.5bn in loans available to SMEs.

Earnings performance, assets and financial position

Commerzbank maintains roughly 820 branch offices in Germany, forming a comprehensive network from which to offer its retail and corporate customers a broad range of services and advisory activities. We also have subsidiaries active in specialized markets such as leasing and real estate. Outside of Germany, the Bank has 25 operational foreign branch offices, 28 representative offices and ten major subsidiaries, which focus primarily on corporate banking, although retail banking is also offered in select locations. An overview of the international branch offices is available on cover page 3 of this report.

Income statement

For the 2008 financial year Commerzbank Aktiengesellschaft made a net loss of €1,204m. Compared with the previous year's result of €657m this represented a decline of €1,861m. An amount equal to the net loss for 2008 was withdrawn from retained earnings so that distributable profit is €0 for the year. This ensures servicing of the hybrid capital and profit-sharing certificates. As we received assistance from the German government's financial markets stabilization programme we are not permitted to pay any dividends regardless of the earnings situation for the 2008 and 2009 financial years.

The decline versus the previous year's result is largely attributable to the impact of the financial market crisis and stems primarily from resultant direct and indirect impairment losses on investments in subsidiaries and associates and holdings in affiliated companies as well as from loss transfers under profit-and-loss transfer agreements.

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 subsidiaries and associates and holdings in affiliated companies and as well as subsidiaries with profit-and-loss transfer agreements – was down by €418m year-on-year to €3,364m. This represented a decline of 11.1 %.

Interest income from lending, money market business, fixed-income securities and debt register claims increased by 8.3 % or €988m to €12.9bn. This increase was essentially the result of increased interest income from lending and money market transactions due to the higher average business volume. Both lending and deposit volumes rose significantly in retail and corporate business in 2008. The rise in interest income was accompanied by an increase in interest expense of €628m.

Income from profit-and-loss transfer agreements with subsidiaries was down considerably by €782m. This trend is primarily due to the absence of profit transfers from Commerzbank Inlandsbanken Holding GmbH and the significant drop in profit transfers from Commerzbank Immobilien- und Vermögensverwaltungsgesellschaft mbH. The latter was attributable to lower earnings at Commerz Real AG.

Net commission income decreased from the previous year by 8.1 % or €154m to €1,756m. While commission income rose slightly, the costs of guarantee commissions in connection with credit default swaps as well as payments under service level agreements concluded with subsidiaries also both increased.

Net income from financial transactions primarily comprises Commerzbank AG's equity, fixed income, Group treasury and foreign exchange trading activities. This item posted a negative result of €–344m in 2008 following €212m in the previous year. The decline of €555m was primarily due to the fixed income and equity units. In particular fixed income, which combines the interest rate trading, credit trading and credit portfolio management units, suffered from the impact of the financial crisis and significant impairment charges were necessary.

The balance of other operating income and expenses came to €5m compared with €68m in 2007. Other operating income mainly resulted from the release of provisions not related to lending business, which consist predominantly of personnel cost accruals and provisions for litigation and recourse.

Despite an increase in the average number of staff from 23,263 to 23,686 we managed to reduce personnel expense from the previous year's level by €339m or 14.9 % to €1,932m. Salaries and wages dropped mainly as a result of reduced expenditure for bonuses and profit-sharing. However, other administrative expenses rose in 2008 from the previous year by 10.2 % to €1,471m. This development was driven in particular by higher marketing costs for our growth programmes – mostly for the free current account product – and rising consulting fees.

Current depreciation, amortization and impairments of intangible assets and fixed assets decreased by 24.6 % to €126m.

The expenses from assuming the losses of subsidiaries with profit-and-loss transfer agreements rose significantly on account of the financial market crisis from €12m in 2007 to €2,380m. The main factor here was the net loss of Commerzbank Inlandsbanken Holding GmbH, which we were required to offset. This in turn was essentially a direct consequence of having to assume the net loss of our subsidiary Eurohypo AG in 2008 and the impairment of the carrying value of our investment in this company.

In the year under review taxes came to €33m compared with €169m in the previous year.

Commerzbank AG balance sheet

The total assets of Commerzbank AG increased by 19.1 % or €61.9bn over the course of 2008 from €324.5bn to €386.4bn. This growth was primarily due to the expansion of lending and securities business. Claims on banks rose from the previous year by 21.9 % to €121.4bn and claims on customers by 8.5 % to €128.9bn.

Bonds and other fixed-income securities rose by 44.9 % to €85.4bn. These consisted mainly of bonds and debt securities but also to a lesser extent of money-market instruments.

Shares and other non-fixed-income securities were down by 48.7 %, amounting to €5.8bn at the end of the financial year, primarily as a result of systematically reducing the volume of securities in the trading portfolio.

Subsidiaries, associated companies and trade investments dropped by 29.2 % to €538m, mainly caused by impairments to the shares of Assicurazioni Generali S.p.A., Trieste, and Dedalus GmbH & Co. KGaA, Stuttgart.

Holdings in affiliated companies decreased slightly from €13.1bn to €12.8bn. Notable examples were the sale of our shares in Hypothekenbank in Essen AG to Eurohypo AG and its subsequent merger into Eurohypo. In addition, coincidently with the entry in the Commercial Register, all shares of Eurohypo AG's minority shareholders were transferred to Commerzbank Inlandsbanken Holding GmbH, which means that we now wholly own Eurohypo AG.

In order to fund the higher lending volumes, we substantially increased liabilities to banks and customers, by 22.3 % to €135.6bn (banks) and by 22.9 % to €139.9bn (customers). In particular deposits from private and corporate customers rose significantly once again.

Securitized liabilities were only slightly higher than in 2007, rising by 3.0 % to €58.7bn.

Equity capital considerably strengthened

Subordinated liabilities were up 3.7 % year-on-year to €9.5bn, while profit-sharing certificates remained unchanged at the end of 2008 at €934m. There were significant changes in the various components of equity in 2008. Subscribed capital rose by 9.9 % to €1.9bn due to a capital increase for cash to partly finance Dresdner Bank AG. The capital reserve also grew as a result of this share issue by 15.9 % to €6.9bn. Silent participations amounted to €8.2bn at the end of the year. In view of the worsening financial crisis, in the fourth quarter of 2008 Commerzbank decided to take advantage of the federal government's financial markets stabilization programme in order to strengthen its capital base. The Special Fund Financial Market Stabilization (SoFFin) provided the Bank with a silent participation of €8.2bn. Retained earnings were down by 55.7 % to €957m due to a withdrawal to offset the net loss. Overall the changes in these components led to an increase in equity by 71.3 % to €17.9bn as of the balance sheet date.

Since 2007 the Bank has made use of the waiver rule of § 2a KWG, which means it only reports risk-weighted assets and capital ratios for the Group to the supervisory authority. Group risk assets were 11.6 % lower than a year earlier at €207.4bn. The core capital ratio, including the market risk and operational risk exposures, rose substantially from 6.9 % to 10.1 % due to higher equity and lower risk-weighted assets, while the total capital ratio went up from 10.8 % to 13.9 %.

Off-balance-sheet liabilities were significantly higher year-on-year: contingent liabilities rose by 15.5 % to €29.6bn and irrevocable lending commitments by 34.7 % to €47.8bn.

Corporate responsibility

Commitment to sustainability continued and developed

Commerzbank's new "Corporate Responsibility Report 2009" which gives a detailed account of 2007 and 2008 is scheduled to be published in autumn 2009. In the following overview we provide examples of our commitment to sustainability and report on current developments in this area.

Developments in the domestic and international financial markets had a major impact on 2008, particularly in the second half of the year. Commerzbank was and continues to be affected – as we explain in other sections of this report.

Nevertheless Commerzbank is still firmly committed to taking its corporate responsibility seriously and putting it into practice. It is our conviction that sustainable action can make a crucial contribution to enhancing the value and securing the future of Commerzbank.

Below we describe how we are fulfilling our responsibility towards our employees, society, the environment and our economic environment by providing individual examples of our activities.

Economy

Renewable energies We financed our first mid-sized projects in the field of renewable energies back in the 1980s. With its diversity of products and services, including in particular corporate and project financing along the entire value chain of renewable energy, Commerzbank is today one of Europe's leading banks in this sector. Our comprehensive expertise in financing renewable energies is concentrated in our centre of excellence. In 2008 we actively pursued the expansion of our competence centre and the internationalization of our business with a particular focus on Asia and the US.

EntrepreneurialPerspectives initiative The Entrepreneurial Perspectives initiative addresses current topics and issues that entrepreneurs in Germany face on a daily basis. The results of two studies in the past year "Climate protection – Opportunities and challenges for small and mid-sized companies" and "The changing values of business", which we published in collaboration with TNS Infratest, were discussed extensively in numerous dialogue events at our regional branches with entrepreneurs, business associations, politicians and academics. This initiative has created a mutually beneficial network for the participants.

Environment

Environmental management With our appointment of the first environmental manager at a major German bank in 1990, we heralded a new era in corporate environmental management. Today environmental protection is integrated in practically all our processes – such as building operation, structural engineering measures, procurement and logistics. In 2008 we developed an environmental management system which is being certified at the beginning of 2009.

Climate protection Commerzbank has identified strategic areas of action for itself to help limit the impact of climate change. One important area of activity is corporate environmental protection which includes continual efforts to reduce our CO_2 emissions. To help achieve this goal Commerzbank increased the percentage of its electricity from renewable energy sources to 61 % of its total consumption throughout Germany in 2008. This percentage will be gradually increased to 100 %. A further strategic area of action is integrating the topic of climate change into our core business. We would like to use our financial services to make a sustainable contribution to climate protection, in particular by promoting renewable energies.

The "Internship for the Environment" Every year Commerzbank provides 50 students with the opportunity to complete an "Internship for the Environment", a three or six-month internship at a German national park, nature reserve or biosphere reserve. In the past 19 years, over 1,000 students have participated in an "Internship for the Environment". In 2007 the German UNESCO commission named this project an official "Decade Project" as part of the United Nations Decade of Education for Sustainable Development.

Society

The Commerzbank Foundation The endowment of the Commerzbank Foundation, which was founded in 1970, has grown to over 50 million euros since its inception. The funding policy has focused on three major areas: education and research, art and culture, and social projects. It generally supports nationwide, centralized institutions such as the Christian Association of Youth Villages, the Deutsche Stiftung Musikleben, a German foundation dedicated to music, and the Frankfurt School of Finance & Management. Grants provided by the endowment total around two million euros each year.

Encouraging volunteers Together with the German Olympic Sports Foundation (DOSC), Commerzbank has been supporting volunteer work in sports since 2000. Because volunteering is an important pillar of our society, in 2007 Commerzbank expanded its activities to other areas of community life and entered into a co-operation with the National Network for Civil Society (BBE).

Campus of Excellence The Campus of Excellence initiative launched by Commerzbank in 2005 promotes networking between high-achieving school pupils, college and university students, outstanding managers and young journalists and contacts from higher education, research, professional associations and business. Now more than 70 partners support this initiative for excellence, which is currently the only one of its kind. Participants include well-known industrial companies, colleges and universities, many regional and national partners and representatives from various European countries.

Our staff

We aim to be the best bank for our customers – and to achieve this we must also be the best bank for our employees. They are the ones who work with competence, dedication, reliability and a strong focus on service to make Commerzbank's success happen. This is why we are committed to offering our employees a working environment where they can identify and develop their skills to optimal advantage. The three units, Executive Support, Management Support and Talent Management, ensure that employees at all levels up to the Board of Managing Directors are successfully cared for in a manner specifically tailored to the target group.

The individuality of our staff enriches our corporate culture and is a major prerequisite for our success. The Bank has demonstrated for over 20 years that it does not just pay lip service to this concept. Evidence of this includes its signing of the Diversity Charter for Companies in Germany. Fairness and openness towards people with different life experiences, lifestyles and concepts have led to the Bank offering its employees a diversity of work relationships and providing them with support that often goes well beyond what is required by law and collective bargaining. Work-life balance is a good example. A host of flexible part-time working models is just one way of contributing to this. In 2008, the number of places in the Frankfurt day care centre Kids & Co. was increased by 50 to 170. A pilot project for a second day care centre has started in Düsseldorf with "Locomotion Kids". These centres are a major factor in enabling parents to return to work earlier and for longer hours. Another factor that is important to reconciling work and family life is the support available for the private care of close relatives. Last year a works agreement on the *Pflegezeitgesetz* (Home Care Leave Act) addressed this need with suitable measures.

Commerzbank proved again in 2008 that it fulfils its social responsibility in the professional training it provides. Over the last few years Commerzbank has continually raised the number of trainees subsequently hired in the organization, from over 600 in 2007 to roughly 700 in 2008. At the end of 2008 the Bank employed around 1,550 trainees, bringing the ratio of trainees to total staff to 7.6 %, one of the highest among the Dax 30 companies.

The number of employees at Commerzbank AG rose in 2008 by 3.4 % to 25,655, of which 2,211 were foreign staff. The fluctuation rate in Germany was 4.3 % following 3.7 % in 2007.

The biggest operation, as well as strategic, challenge for Human Resources in recent months has been without doubt the takeover of Dresdner Bank. Human Resources was closely involved in preparations for the integration from the outset, for instance in structuring and identifying candidates for the first and second levels of management at the new Commerzbank. In 2009, HR will again be actively supporting management in successfully shaping the integration process in the various business areas and teams and concluding Group-wide negotiations with employee representatives regarding the compensation agreement and social plan.

Summary of business performance in 2008

The worsening financial crisis severely impacted Commerzbank's results in 2008. We nevertheless continued to make good progress during the reporting period. In our core customer-oriented segments Private Customers, Mittelstandsbank and Central and Eastern Europe in particular we achieved significant rates of growth both in the number of customers and volume of deposits. With the takeover of Dresdner Bank we also laid the foundation for continued growth in future.

Remuneration Report

The report follows the recommendations of the German Corporate Governance Code and complies with the requirements of the German Commercial Code as well as the Disclosure of Remuneration of Members of the Board of Managing Directors Act *(VorstOG)*, which came into force on August 11, 2005.

Board of Managing Directors

Principles of the remuneration system

The remuneration of the members of the Board of Managing Directors is made up of the following components: fixed remuneration, a variable performance-related bonus, long-term performance plans and pension commitments. The remuneration structure is based primarily on the situation and success of the Company as well as the performance of the Board. The current remuneration structure for members of the Board of Managing Directors was decided by the Presiding Committee of the Supervisory Board in July 2004 and amended in November 2006 and February 2007. Since November 2008 the plenary Supervisory Board is responsible for determining and, where appropriate, amending the remuneration structure.

Commerzbank applied for funds from the Financial Market Stabilization Fund (SoFFin) at the end of 2008. SoFFin made the granting of these funds conditional upon the remuneration of members of the Bank's boards not exceeding €500,000 p.a. per member for the financial years 1 January 2008 to 31 December 2008 and 1 January 2009 to 31 December 2009 in respect of the duties performed for the Group (SoFFin Cap). The remuneration of board members whose board functions ended before conclusion of the framework agreement with SoFFin on 19 December 2008,[1] pension entitlements, remuneration components relating to periods ended before 1 January 2008 and non-cash elements of remuneration are not subject to this cap.

Fixed remuneration components

The fixed remuneration components include basic salary and non-cash remuneration.

The basic salary, which is paid in twelve equal monthly amounts, is generally €760,000 for the Chairman of the Board of Managing Directors and €480,000 for the other members of the Board. Due to the conditions imposed by SoFFin, the basic salary of the chairman was reduced to a maximum of €500,000 for the financial years 2008 and 2009.

Non-cash remuneration which is not subject to the SoFFin limits consists primarily of the use of a company car, reimbursement of moving expenses and insurance contributions as well as any tax and social security contributions on these benefits. The specific amount of these benefits varies between the individual members of the Board depending on their personal situation.

Performance-related remuneration

Besides the fixed remuneration, members of the Board of Managing Directors receive a variable bonus based on the following key performance ratios: return on equity (RoE) before tax, the cost/income ratio (CIR) and operating earnings before tax (excluding extraordinary factors). Targets for each of these three equally-weighted parameters and a target bonus are set for the members of the Board of Managing Directors; the bonus resulting from these inputs is limited to twice the target bonus. To reward the individual performance of members of the Board of Managing Directors and to take account of exceptional developments, the Presiding Committee may in addition raise or lower the bonus thus calculated by up to 20 %. The bonus for a financial year is paid out in the following year.

In view of the Bank's earnings no performance-related bonuses will be paid to the members of the Board of Managing Directors for the year 2008.

Remuneration for serving on the boards of consolidated subsidiaries

Payments received by the individual board members for serving on the boards of consolidated subsidiaries (Group mandates) are set off against the variable bonus in the following year. As no performance-related bonus is being paid for the financial year 2008 (see "Performance-related remuneration" above), it is not possible to set off the remuneration paid for Group mandates in 2008. The amounts paid in the financial year 2008 were largely due for work on the boards of consolidated subsidiaries in 2007. Further to an agreement with the SoFFin they are not subject to the cap. However, any remuneration for serving on the boards of Group companies paid in the financial years 2009 and 2010 will count in full towards remuneration subject to the SoFFin cap.

In the year 2008 members of the Board of Managing Directors were paid the following remuneration for serving on the boards of consolidated subsidiaries:

in € 1,000	Remuneration for serving on the boards of consolidated subsidiaries (excluding VAT)
Klaus-Peter Müller	119
Martin Blessing	43
Frank Annuscheit	23
Markus Beumer	18
Wolfgang Hartmann	77
Dr. Achim Kassow	246
Bernd Knobloch	20
Michael Reuther	78
Dr. Stefan Schmittmann	8
Dr. Eric Strutz	95
Nicholas Teller	14
Total	**741**

[1] Mr Teller stepped down from the Board on 31 May 2008 and Mr Knobloch on 30 September 2008. Mr Müller also resigned from his function as a member and Chairman of the Board of Managing Directors at the end of the 2008 AGM, but immediately thereafter took up his post as Chairman of the Supervisory Board of Commerzbank AG and was therefore a member of the boards of Commerzbank AG throughout 2008.

Long-term performance plans

Members of the Board of Managing Directors and other executives and selected staff of the Group are eligible to participate in long-term performance plans (LTPs). These are virtual stock option plans that are offered each year and pay out in the event that the Commerzbank share price outperforms the Dow Jones 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 involves a personal investment in Commerzbank shares. Members of the Board of Managing Directors may participate with up to 2,500 shares, the Chairman of the Board of Managing Directors with up to 5,000 shares.

Participation in the 2008 LTP counts towards the SoFFin cap based on the fair value at December 31, 2008. The potential remuneration stemming from participation in the 2008 LTP may deviate significantly from this fair value and – as with the 1999, 2000 and 2001 LTPs – may even be zero, as the final amount paid out is not fixed until the end of the term of each LTP. All members of the Board who originally took part in the 2008 LTP have since withdrawn the shares they invested from the 2008 LTP so that no board member can now receive payments from the 2008 LTP.[2]

Owing to the performance of the Commerzbank share price payments were made under the 2005 LTP in the year under review. This plan concluded with a payment of €40 per participating share. As this payment represents a long-term remuneration element for the financial year 2005, it does not fall under the SoFFin cap. Listed below are the payments to members of the Board of Managing Directors who participated in the 2005 LTP:

LTP 2005[3]	Number of participating shares	Amounts in € 1,000
Klaus-Peter Müller	5 000	200
Martin Blessing	2 500	100
Wolfgang Hartmann	2 500	100
Dr. Achim Kassow	2 500	100
Dr. Eric Strutz	2 500	100
Nicholas Teller	2 500	100

Mr Knobloch additionally received a payment of €615,000 in the reporting year further to the 2004 Longfrist Incentive Plan of Eurohypo Aktiengesellschaft, which had been granted to him for his activities as Chairman of the Board of Managing Directors of Eurohypo Aktiengesellschaft.

Pensions

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 or
- are permanently unable to work or
- 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 the last agreed basic annual salary after the first term of office, 40 % after the second and 60 % of the last agreed basic annual salary 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 generally 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-rated basic salary for six months as a form of transitional pay if they leave the Board after celebrating their 62nd birthday or 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 earlier onset of payments. 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 one percent p.a. from the date when they are first paid out. Under certain circumstances an

[2] The fair value of the 2008 LTP was €34.61 per share at the time of grant and €8.87 per share at December 31, 2008. Mr. Blessing originally participated in the 2008 LTP with 5,000 shares (fair value at grant date: €173,000, fair value at December 31, 2008: €44,000), Messrs. Annuscheit, Beumer, Hartmann, Dr. Kassow, Reuther and Dr. Strutz with 2,500 shares each (fair value at grant date: €87,000, fair value at December 31, 2008: €22,000). After the 2008 year-end all the board members withdrew the shares they had invested in the 2008 LTP and have so exited from the 2008 LTP. Messrs. Müller, Teller and Dr. Schmittmann were either no longer or not yet members of the Board at the relevant date of the 2008 LTP and therefore did not participate in it from the beginning. In the case of Mr. Knobloch his participation in the 2008 LTP ended with his departure from the Board of Managing Directors.

[3] Messrs. Annuscheit, Beumer, Knobloch, Reuther and Dr. Schmittmann were not yet members of the Board at the relevant date. Mr. Annuscheit participated in the 2005 LTP before joining the Board by investing 1,000 shares and received a payment of €40,000 from this investment as a result.

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 members of the Board of Managing Directors active in the financial year 2008:

Pension entitlements	Projected annual pension at pensionable age in € 1,000 (as of 31.12.2008)[4]
Klaus-Peter Müller	456
Martin Blessing	304
Frank Annuscheit	144
Markus Beumer	144
Wolfgang Hartmann	192
Dr. Achim Kassow	192
Bernd Knobloch	144
Michael Reuther	144
Dr. Stefan Schmittmann	144
Dr. Eric Strutz	192
Nicholas Teller	192

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 66⅔ % 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.

Certain amounts received from a pension to which Mr Teller is entitled for his work in the Commerzbank Group prior to joining the Board of Managing Directors are set off against his pension.

The assets securing these pension obligations have been transferred under a contractual trust arrangement to Commerzbank Pension-Trust e.V. The pension provisions set aside under the regulations of the German Commercial Code (HGB) for defined benefit liabilities as at December 31, 2008 amounted to €8.7m for members of the Board of Managing Directors. In the year under review provisions of €3.0m were set aside for the active members of the Board of Managing Directors. No assets were transferred to Commerzbank Pension-Trust e.V. in the year under review.

Change of control

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), all members of the Board of Managing Directors are entitled to terminate their contracts of employment. If any member of the Board of Managing Directors utilizes this right to terminate their contract or if, in connection with the change of control, their membership of the Board ends for other 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 years. Depending on the board member's age and length of service on the Board, this severance payment increases to three[5] times total annual remuneration. Taken together, the compensation and severance payment may not exceed the total average remuneration for five years. For board members who joined the board with effect from 2008[6] the compensation and severance payment taken together may not exceed either 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. The compensation and severance payment taken together may in no case exceed the average total annual remuneration for the period up until a board member's 65th birthday. With regard to retirement benefits and long-term performance plans, members of the Board of Managing Directors are generally 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.

[4] The amounts are based on the current term of office 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.
[5] Hartmann, Knobloch
[6] Annuscheit, Beumer, Dr. Schmittmann

Other regulations

The contracts of employment of members of the Board of Managing Directors always end automatically with the end of their term of office. In derogation of this, those members who joined Commerzbank's Board of Managing Directors before 2002 will, in the event of the premature ending of their term of office – except in the case of termination for grave cause – be released from the remaining term of their contract of employment and will continue to receive their basic salary for the remainder of their term of office.[7] If a contract of employment is not extended at the end of a term of office, without there being grave cause for termination, the members of the Board of Managing Directors concerned will continue to receive their basic salary for a further six months. Members of the Board of Managing Directors who were appointed to the Board before 2004[8] receive their basic salary in such cases for a further twelve months from the end of their second term of office. This continuation of salary ceases if members of the Board receive payments under the regulations set out above in the section headed Pensions.

The contracts of employment of Messrs. Müller and Teller were terminated at the date of their departure from the board. Mr. Teller received a payment of €562,000 as lump sum pro rata variable bonus for the year 2008 against which his remuneration for services on the boards of consolidated subsidiaries is offset. Furthermore, neither Mr. Müller nor Mr. Teller have received payments under their contracts of employment for periods after termination of their membership of the Board of Managing Directors or as the result of a severance agreement. The entitlements set out in the section headed Pensions above remain.

Mr Knobloch received a one-off payment of €4.04m as compensation for his entitlement to basic salary, bonus and transitional pay for the period until his departure from the Board and for the remaining period of his contract of employment up until the regular end of his term of office. In addition he is entitled to use a company car for a period of one year after leaving the Board. In relation to the Dresdner Bank transaction he is also contractually entitled to a payment of €1.6m when the merger becomes effective.

No members of the Board of Managing Directors received payments or promises of payment from third parties in the last financial year in respect of their work as a member of the Board of Managing Directors; the same also applies to payments and promises of payments from companies wth which the Commerzbank Group has significant business relationships.

[7] Blessing, Hartmann
[8] Blessing, Hartmann, Dr. Strutz

Summary

The following tables show the cash remuneration paid to individual members of the Board of Managing Directors for 2008 together with a comparison for 2007:

		Cash remuneration for 2008 as defined by the SoFFin agreement			
Amounts in € 1,000		**Basic salary**	**Variable remuneration**[9]	**Fair value of 2008 LTP**[10]	**Total cash remuneration**
Klaus-Peter Müller[11]	2008[12]	317	–	–	317
	2007	760	1,709	–	2,469
Martin Blessing	2008	500	–	–	500
	2007	480	1,155	–	1,635
Frank Annuscheit	2008	480	–	–	480
	2007[12]	–	–	–	–
Markus Beumer	2008	480	–	–	480
	2007[12]	–	–	–	–
Wolfgang Hartmann	2008	480	–	–	480
	2007	480	794	–	1,274
Dr. Achim Kassow	2008	480	–	–	480
	2007	480	862	–	1,342
Bernd Knobloch	2008[12]	360	–	–	360
	2007	480	864	–	1,344
Michael Reuther	2008	480	–	–	480
	2007	480	1,072	–	1,552
Dr. Stefan Schmittmann	2008[12]	80	–	–	80
	2007	–	–	–	–
Dr. Eric Strutz	2008	480	–	–	480
	2007	480	988	–	1,468
Nicholas Teller	2008[12]	200	–	–	200
	2007	480	813	–	1,293
Total	**2008**	**4,337**	**–**	**–**	**4,337**
	2007[13]	**4,120**	**8,257**	**–**	**12,377**

[9] Payable in the following year subject to approval of the annual financial statements. In 2007 the variable remuneration included €767,000 of payments already received for serving on the boards of consolidated companies. To improve comparability the next table shows compensation for these Group mandates separately.

[10] Whereas the board members originally participated in the 2008 LTP, they have since withdrawn the shares invested in the plan and can therefore no longer receive any payments under the 2008 LTP.

[11] Mr Müller stepped down from the Board of Managing Directors at the end of the AGM on May 15, 2008; his remuneration since then in his function as Chairman of the Supervisory Board is set out on pp. 16-18.

[12] pro rata temporis from the date of appointment or as the case may be up to the date of departure from the Board.

[13] The total for 2007 does not include amounts for the board member Klaus Patig who left the Board in 2007 (pro rata basic salary €40,000).

		Other remuneration as defined by the SoFFin agreement			
Amounts in € 1,000		Remuneration of Group mandates for prior financial years[14]	Payouts of share-based remuneration plans for prior financial years[15]	Other[16]	Total other remuneration
Klaus-Peter Müller	2008	119	200	35	354
	2007	167	500	84	751
Martin Blessing	2008	43	100	86	229
	2007	79	250	82	411
Frank Annuscheit	2008	23	40	51	114
	2007	–	–	–	–
Markus Beumer	2008	18	–	365	383
	2007	–	–	–	–
Wolfgang Hartmann	2008	77	100	112	289
	2007	80	250	111	441
Dr. Achim Kassow	2008	246	100	277	623
	2007	270	–	45	315
Bernd Knobloch	2008	20	615	4,137	4,772
	2007	10	–	72	82
Michael Reuther	2008	78	–	71	149
	2007	8	–	71	79
Dr. Stefan Schmittmann	2008	8	–	7	15
	2007	–	–	–	–
Dr. Eric Strutz	2008	95	100	41	236
	2007	92	250	42	384
Nicholas Teller	2008	14	100	592	706
	2007	61	250	114	425
Total	**2008**	**741**	**1,355**	**5,774**	**7,870**
	2007[17]	**767**	**1,500**	**621**	**2,888**

[14] Remuneration for serving on the boards of subsidiaries is largely paid in the following year and counts in full towards the variable remuneration for this following year (total in 2007: €767,000).

[15] The 2004 LTP was paid out in 2007 and the 2005 LTP in 2008. The 2004 Longfrist Incentive Plan of Eurohypo Aktiengesellschaft was paid out to Mr Knobloch.

[16] The "Other" column includes non-cash benefits granted in 2008 which are not subject to the SoFFin cap and in the case of Mr Knobloch an amount of €4.04m as well as in the case of Mr Teller an amount of €548,000 (pro rata bonus in the amount of €562,000 minus remuneration for services rensered on the boards of consolidated subsidiaries in the amount of €14,000) paid as part of the severance agreements set out on p. 12 above.

[17] The total for 2007 does not include amounts for the board member Klaus Patig who left the Board in 2007 (in the amount of €2,307,000, included under "Other", in accordance with his severance agreement).

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 2018 and at interest rates ranging between 4.7 % and 5.0 %, and in selected instances overdrafts at rates up to 10.0 %. Collateral security is provided on a normal market basis, if necessary through land charges and rights of lien.

As at the reporting date loans granted to the Board of Managing Directors amounted to €2,350,000 in total; in the previous year they amounted to €1,086,000. 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 in the year under review.

Supervisory Board

Principles of the remuneration system and remuneration for 2008

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, as follows:

1. fixed remuneration of €40,000 per year and

2. 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 memberships. 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 bonus 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 2009, a variable bonus is not payable for the financial year 2008. The members of the Supervisory Board therefore received total net remuneration of €1,677,000 for the financial year 2008 (previous year: €2,547,000). The fixed remuneration and remuneration for committee memberships accounted for €1,240,000 of this figure (previous year: €2,307,000) and attendance fees for €437,000 (previous year: €240,000). The value added tax of €285,000 (previous year: €484,000) 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 in 2008 was therefore €1,962,000 (previous year: €3,031,000).

Members of the Supervisory Board once again provided no advisory, intermediary or other personal services in 2008. Accordingly, no additional remuneration was paid.

The remuneration is divided between the individual members of the Supervisory Board as follows:

for 2008 in € 1,000	Fixed remu-neration	Variable remu-neration	Total	Attendance fee	VAT[18]	Total
Dr. h.c. Martin Kohlhaussen (until May 15, 2008)	74.4	–	74.4	12.0	16.4	102.9
Klaus-Peter Müller (since May 15, 2008)	125.6	–	125.6	22.5	28.1	176.2
Uwe Tschäge	100.0	–	100.0	25.5	23.8	149.3
Hans-Hermann Altenschmidt	72.6	–	72.6	36.0	20.6	129.2
Dott. Sergio Balbinot	60.0	–	60.0	28.5	–	88.5
Dr.-Ing. Burckhard Bergmann (since May 15, 2008)	25.1	–	25.1	12.0	7.1	44.2
Herbert Bludau-Hoffmann	40.0	–	40.0	13.5	10.2	63.7
Astrid Evers	40.0	–	40.0	18.0	11.0	69.0
Uwe Foullong	40.0	–	40.0	15.0	10.5	65.5
Daniel Hampel	40.0	–	40.0	15.0	10.5	65.5
Dr.-Ing. Otto Happel	60.0	–	60.0	25.5	–	85.5
Dr. jur. Heiner Hasford (until May 15, 2008)	22.3	–	22.3	7.5	5.7	35.5
Sonja Kasischke	40.0	–	40.0	15.0	10.5	65.5
Prof. Dr. Hans-Peter Keitel (since May 15, 2008)	37.7	–	37.7	13.5	9.7	60.9
Wolfgang Kirsch (until May 15, 2008)	22.3	–	22.3	9.0	6.0	37.3
Alexandra Krieger (since May 15, 2008)	25.1	–	25.1	12.0	7.1	44.2
Friedrich Lürßen	40.0	–	40.0	13.5	10.2	63.7
Werner Malkhoff (until May 15, 2008)	22.3	–	22.3	6.0	5.4	33.7
Prof. h.c. (CHN) Dr. rer.oec. Ulrich Middelmann	40.0	–	40.0	13.5	10.2	63.7
Klaus Müller-Gebel[19]	100.0	–	100.0	37.5	26.1	163.6
Barbara Priester (since May 15, 2008)	25.1	–	25.1	12.0	7.1	44.2
Dr. Sabine Reiner (until May 15, 2008)	14.9	–	14.9	4.5	3.7	23.1
Dr. Marcus Schenk (since May 15, 2008)	37.7	–	37.7	15.0	10.0	62.7
Prof. Dr. Jürgen F. Strube (until May 15, 2008)	22.3	–	22.3	9.0	6.0	37.3
Dr. Klaus Sturany (until May 15, 2008)	14.9	–	14.9	4.5	3.7	23.1
Karin van Brummelen (since May 15, 2008)	37.7	–	37.7	22.5	11.4	71.6
Dr.-Ing. E.h. Heinrich Weiss	60.0	–	60.0	18.0	14.8	92.8
Total 2008	**1,240.0**	**–**	**1,240.0**	**436.5**	**285.5**	**1,962.0**
Total 2007[20]	**924.2**	**1,382.6**	**2,306.7**	**239.9**	**484.0**	**3,030.7**

[18] Because they are resident outside Germany VAT is not due for Dr Happel and Dr Balbinot and instead German income tax and the solidarity surcharge are deducted at source.
[19] In the reporting year Mr Müller-Gebel also received a remuneration totalling €106,000 for his activities on the supervisory boards of various consolidated subsidiaries of Commerzbank.
[20] In the previous year the figures were broken down by basic and committee remuneration rather than fixed and variable remuneration. The previous year's figures have been restated for comparative purposes.

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 of 2030 and at interest rates ranging between 5.0 % and 5.4 %. 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 €234,000 compared with €723,000 in the previous year.

The Commerzbank Group 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 D&O liability insurance policy for members of the Board of Managing Directors and the Supervisory Board. The excess payable by members of the Supervisory Board amounts to one year's fixed remuneration and for members of the Board of Managing Directors 25 % of one year's fixed remuneration.

Purchase and sale of the Company's shares

Pursuant to Art. 15 a of the German Securities Trading Act, transactions by executives of listed companies and their families must be disclosed and published. Accordingly, purchases and sales of shares and financial instruments relating to Commerzbank of €5,000 p.a. 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).

Members of Commerzbank's Board of Managing Directors and Supervisory Board reported the following director's dealings in Commerzbank shares or derivatives thereon in 2008:[21]

Date	Name	Function	Purchase / sale	No. of shares	Price per share in €	Amount in €
18.01.2008	Malkhoff, Werner	Member of Supervisory Board	P	300	21.849	6,554.70
18.02.2008	Altenschmidt, Hans-Hermann	Member of Supervisory Board	P	250	20.190	5,047.50
18.04.2008	Tschäge, Uwe	Member of Supervisory Board	P	1,130	22.160	25,040.80
08.05.2008	Beumer, Markus	Board of Managing Directors	P	2,500	23.122	57,805.00
14.05.2008	Annuscheit, Frank	Board of Managing Directors	P	1,300	23.099	30,028.31
16.05.2008	Reuther, Michael	Board of Managing Directors	P	2,500	22.802	57,005.00
19.05.2008	Altenschmidt, Hans-Hermann	Member of Supervisory Board	P	250	22.620	5,655.00
23.05.2008	Knobloch, Bernd	Board of Managing Directors	P	2,500	22.817	57,042.50
26.05.2008	Bergmann, Dr. Burckhard	Member of Supervisory Board	P	1,800	22.070	39,726.00
13.06.2008[22]	Müller, Klaus Peter	Member of Supervisory Boardd	P	5,047	19.810	99,981.07
13.06.2008[22]	Strutz, Dr. Eric	Board of Managing Directors	P	2,523	19.810	49,980.63
13.06.2008[22]	Hartmann, Wolfgang	Board of Managing Directors	P	2,523	19.810	49,980.63
13.06.2008[22]	Blessing, Martin	Board of Managing Directors	P	2,523	19.810	49,980.63
13.06.2008[22]	Kassow, Dr. Achim	Board of Managing Directors	P	2,523	19.810	49,980.63
03.09.2008	Altenschmidt, Hans-Hermann	Member of Supervisory Board	P	225	17.830	4,011.75
16.09.2008	Hartmann, Wolfgang	Board of Managing Directors	P	17,477	14.545	254,201.22
29.09.2008	Hartmann, Wolfgang	Board of Managing Directors	P	15,000	11.105	166,569.00
29.09.2008	Beumer, Markus	Board of Managing Directors	P	2,000	12.080	24,160.00
07.10.2008	Annuscheit, Frank	Board of Managing Directors	P	2,000	10.790	21,580.00
13.11.2008	Hartmann, Wolfgang for Hartmann, Peter Walter	Board of Managing Directors	P	2,000	6.759	13,517.80
17.11.2008	Altenschmidt, Hans-Hermann	Member of Supervisory Board	P	500	7.000	3,500.00
19.11.2008	Hampel, Daniel	Member of Supervisory Board	P	1,000	6.074	6,074.00

[21] The Directors' Dealings have been published on Commerzbank website under "Directors' Dealings".
[22] Reinvestment at a level of 50 % due to gross payouts received under the 2005 LTP.

All told, the Board of Managing Directors and the Supervisory Board did not own more than 1 % of the issued shares and option rights of Commerzbank AG on December 31, 2008.

Information pursuant to Art. 289 (4) of the German Commercial Code and explanatory report

Structure of subscribed 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 subscribed capital of the company totalled €1,878,638,205.60 at the end of the financial year. It is divided into 722,553,156 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. According 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 Art. 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 (1) sentence 1 of the German Stock Corporation Act. Unless the law prescribes a majority, a simple majority of the represented share capital is adequate to pass resolutions (Art. 19 (3) sentence 2 of the Articles of Association). The authority to amend the Articles of Association, which relates only to the version in force, 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 Annual General Meeting resolutions of May 15, 2008, Commerzbank is authorized to acquire its own shares in the amount of up to 5% of the share capital under Art. 71 (1) (7) of the German Stock Corporation Act and in the amount of up to 10 % under Art. 71 (1) (8) of the German Stock Corporation Act. These authorizations expire on October 31, 2009.

The Board of Managing Directors, with the approval of the Supervisory Board up to April 30, 2009, is authorized to increase the share capital in the total amount of €450,000,000.00 by issuing new shares under Art. 4 of the Articles of Association applicable on December 31, 2008; it is also authorized up to April 30, 2011 to increase share capital in the amount of €212,000,001.00 by issuing new shares (authorized capital).

Moreover, the Annual General Meeting on May 15, 2008 has given the Board of Managing Directors the authority to issue convertible bonds or bonds with warrants or profit-sharing certificates (with and without conversion or option rights) while excluding subscription rights. Conditional capital is available for this purpose in each case according to Art. 4 (4 and 5) of the Articles of Association (conditional capital 2008/I and conditional capital 2008/II).

For details concerning authorized and conditional capital, especially with respect to maturities and subscription rights, as well as the repurchase of own shares, we refer to the detailed notes Nr. 25, 26 and 28 in the Group Financial Statements.

The authority of the Board of Managing Directors to increase share capital from authorized and conditional capital, to issue convertible bonds or bonds with warrants or profit-sharing certificates and to repurchase own shares allow 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 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
In the event of a change of control at Commerzbank, all members of the Board of Managing Directors have the right to terminate their employment contracts. If members of the Board of Managing Directors make use of this right of termination or end their Board activities for other reasons in connection with the change of control, they are entitled to a severance payment in the amount of their capitalized average total annual payments for between two and five years. 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 most recent term of office. There is no entitlement to a severance payment if a member of the Board of Managing Directors receives payments from the majority shareholder, from the controlling company or from other legal entities in the event of integration or merger in connection with the change of control.

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.

As at the reporting date, Commerzbank had received no disclosure on direct or indirect shareholdings that exceeded 10 per cent of the voting rights.

There are no further facts that need to be declared under Art. 289 (4) of the German Commercial Code.

Report on post-balance sheet date events

At the beginning of January, the Special Fund Financial Market Stabilization (SoFFin), Allianz and Commerzbank declared their intention to strengthen the capital base of Commerzbank and Dresdner Bank. The aim was to enable Commerzbank to meet the substantial increase in banks' capital adequacy requirements resulting from the worsening financial crisis. SoFFin has undertaken to provide the new Commerzbank with additional equity in the amount of €10bn. This will be done through the issue of roughly 295 million ordinary shares at a price of €6 per share and a silent participation in the amount of some €8.2bn. After the transaction, the state will hold 25 % plus one share in the new Commerzbank. The Federal Government will clarify the legal details concerning state aid with the EU Commission.

In addition, Allianz strengthened the capital of Dresdner Bank on completing the takeover by purchasing asset-backed securities with a nominal value of €2bn from Dresdner for a price of €1.1bn. Based on Basel II, this reduces the new Commerzbank's risk-weighted assets by €17.5bn. Allianz will also subscribe a silent participation in the amount of €750m.

The closing of the Dresdner Bank takeover took place in mid-January. Under the terms of the transaction, Allianz received around 163.5 million new Commerzbank shares from a capital increase against non-cash contributions. The capital increase which had been approved in August 2008 was entered in the commercial register. This completed the takeover of Dresdner Bank by Commerzbank, which is now the sole shareholder. Ahead of the merger of Dresdner Bank into Commerzbank planned for the spring of 2009, there had already been major changes in Dresdner Bank's Board of Managing Directors in January 2009. While many former members left the Board, six members of Commerzbank's Board of Managing Directors were appointed to it. In particular, Martin Blessing, Chairman of the Commerzbank Board of Managing Directors was appointed Chairman of Dresdner Bank's Board of Managing Directors.

Also in January, Commerzbank placed Germany's first state-guaranteed bond through a banking syndicate. The benchmark bond was for an amount of €5bn and demand in the market was very high. It has a term of three years and a 2.75 % p.a. coupon; the proceeds will be used to fund Commerzbank's lending business.

The difficult sitution on the financial markets led to further burdens on equity capital at Dresdner Bank in the first quarter of 2009. In order to ensure full actionability right up to the merger, Commerzbank will contribute to Dresdner Bank additional capital in the form of a €4bn payment to reserves further to § 272 Section 2 Nr. 4 of the German Commercial Code (HGB).

There were no other significant business events.

Outlook and opportunities report

The global economy is likely to grow only slightly at best in 2009. Real gross domestic product in the industrialized nations will shrink more drastically than it has done since the Second World War and emerging markets will also see only very low growth rates compared with recent years. This is because the adverse effects of the financial market crisis are set to ease only gradually. The interest rate cuts by central banks in recent months, which will probably be followed by further measures and accommodative policy actions, will only positively impact the economy with the usual time lag, towards the end of the year.

Germany too will see a drop in its real gross domestic product this year of 3 % to 4 %, its sharpest fall since the Federal Republic was founded. Positive effects from the significant interest rate cuts by the ECB, which is likely to drop its key interest rate to 1 % by the spring, are not likely to emerge until the coming year. Not even the impetus programmes introduced by the federal government will be able to prevent this incisive recession. But they may at least help to stabilize the economy in the second half of the year. The labour market as well is unlikely to escape the downturn unscathed. By the end of the year, the number of unemployed is set to approach four million again.

In the financial markets, US Treasuries and Bunds should initially benefit from the bad economic news. However, today's very high prices are only justified in the kind of dire environment we are currently experiencing, where investors are expecting a long-lasting recession or even a depression. If there are increasing signs in the course of the year that this will not materialize, yields on long-term government bonds are likely to rise again sharply. And the increase in the USA is likely to be greater than in the eurozone, which in turn should add to the appreciation of the dollar against the euro.

Real GDP
percentage change on year

	2008	2009	2010
USA	1.1	–2.5	1.8
Eurozone	0.7	–2.5 to –3.0	0.8
Germany	1.3	–3.0 to –4.0	1.0
Central and Eastern Europe	4.4	–1.0	2.8
Poland	4.8	0.0	3.0

Exchange rates
year-end levels respectively

	2008	2009	2010
Euro-Dollar	1.392	1.120	1.120
Euro-Sterling	0.953	0.850	0.800
Euro-Zloty	4.154	4.400	3.300

The figures for 2009 and 2010 are all Commerzbank forecasts

The business environment for banks remains acutely critical. Extensive write-downs and asset disposals – often at a loss – have already noticeably reduced the balance sheet risks arising from securitized US real estate loans. However, the global economy is also cooling off noticeably at the same time. This has a direct effect on the momentum of the German economy given its high reliance on exports. For the banks, this is likely to result in larger defaults on their lendings while a lower level of investment simultaneously depresses demand for loans. In addition, lower securities prices and trading volumes have an adverse effect on commission income.

In the other direction, the extensive support packages for the banking industry will continue to have a positive effect on banks' capital adequacy and so boost their confidence in each other. This should likewise strengthen the supply of credit to the corporate sector. The government impetus packages already passed, as well as the assistance for companies outside the banking sector currently under discussion, should also help to limit the extent of the negative impact on the economy and mitigate any growth in loan defaults.

The banking sector is facing a fundamental reorganization. Many banks will have to adopt new strategies and thoroughly rethink and redimension certain business models, especially in investment banking. Many banks will need to comprehensively restructure in order to adjust their costs to lower earnings levels. This is likely to mean more consolidation within the sector, to some extent through the disappearance of smaller banks but, primarily, through mergers. Initially these are likely to be predominantly national but, in the medium term, cross-border deals could play a role. In addition, there will be fundamental changes in banking regulation, with risk exposures being reported in a more transparent way and more stringent capital adequacy requirements for banking business than in the past. This will reinforce the financial sector's ability to withstand crises while limiting growth in risk-weighted assets.

The overriding event for Commerzbank AG in 2009 will be the integration of Dresdner Bank. This will have a particularly strong impact on the Private Customers, Mittelstandsbank and Corporate & Markets segments. In 2009, we plan to make restructuring investments of some €2bn to integrate and build a highly competitive and at the same time efficient "New Commerzbank".

We continued to pursue the Private Customer segment's strategic drive for growth in all business areas during the year under review. Despite the difficult market environment we succeeded in winning customers with attractive products and needs-based advisory services. Overall the number of our customers rose in 2008 by a net figure of 574,000 to 6.1 million, while the number of current accounts increased by 451,000. The volume of deposits rose significantly by

26.6 % to €48.8bn in 2008. The focus in 2009 will be on merging Commerzbank and Dresdner Bank into the New Commerzbank. The aim is to gradually grow the new bank to become the leading bank for private customers in Germany. Priority is currently being given to standardizing and developing the product offerings of the two banks and starting to merge the branches.

In an increasingly difficult market environment, particularly in the second half of the year, the business segment Mittelstandsbank asserted itself as a stable value driver for Commerzbank and thus continued its pleasing development. However, the deteriorating economic backdrop will result in rising loan loss provisions in the small and mid-sized business sector. Despite this, we will make every effort to play a leading role in financing small and mid-sized businesses and will continue to pursue our selective growth strategy in 2009 as well. At the same time we plan to continue our sales initiatives in order to further expand our market share. Smaller corporate customers in particular are growing in importance. At the same time we aim to increase the contribution to earnings from our existing clients. We see the successful integration of Dresdner Bank as our second major challenge. We will maintain Commerzbank's tried and tested customer relationship model for SME clients as the benchmark for our services. This will ensure that nothing will change for our customers in their day-to-day business. At the same time the number of branches will increase as a result of the takeover of Dresdner Bank, so that we can be even closer to our small and mid-sized clients. This greater regional presence will be combined with an expanded product and service offering.

The Central and Eastern Europe segment achieved pleasing growth in 2008, notably increasing its client base in the region by approximately 51 % to just over under 3.2 million. In the current difficult market environment with an economic situation that is becoming increasingly gloomy, we will continue to structurally develop our business in Central and Eastern Europe with the aim of making it "weatherproof". To achieve this we will focus our efforts in 2009 on increasing cost-efficiency, improving processes and in particular on optimizing our portfolios in the region. Our frame of reference is and will remain a strong risk / return orientation within the framework of the Commerzbank Group's credit risk strategy. Despite these measures we anticipate lower results in 2009 due to increasing loan loss provisions.

After the takeover of Dresdner Bank was announced in September 2008 preparations began in the Corporates & Markets segment for the integration of Dresdner Kleinwort's investment banking business. The future strategy of the merged investment bank will focus on customer-related business, an approach that Corporate & Markets has been pursuing since 2004. By expanding the shared platform we will acquire more customers in Germany and Europe in future. In particular, Dresdner Kleinwort will cease all of its proprietary trading activities in 2009. In addition we will actively limit risks by reducing selected portfolios and discontinuing individual business areas. We also aim to significantly reduce our portfolios in public sector finance. For 2009 we expect a negative contribution to earnings from Public Finance. Income from origination will remain firmly positive, but further negative earnings effects resulting from the capital market crisis cannot be ruled out or are factored into our planning. In addition, the realization of hidden losses from the former Essen Hyp and Eurohypo will adversely impact results. This effect will also lower earnings in the medium term.

2008 was a very difficult year for the Commercial Real Estate segment due to the negative market environment. Commercial real estate financing will return to its growth path in the medium to long term, but over the next two to three years the current recession will lead to further significant downshifts in the real estate markets. In light of the ongoing international financial crisis and falling real estate prices worldwide we will pursue a more systematic risk management, which includes a more selective lending policy. As the general refinancing options are still subject to certain limitations we anticipate higher funding costs. Our business model for the Commercial Real Estate segment will be adjusted to the new market conditions with respect to asset volumes, profitability and risk. We will also focus on markets in which we have a competitive advantage and see long-term potential.

Given the ongoing violent turmoil in the markets and the extremely volatile conditions in general, it is not possible at the moment to make a serious earnings forecast for Commerzbank as a whole in 2009. The Bank's performance during 2009 will be largely influenced by the integration of Dresdner Bank – an undertaking that will be carried out in what will probably continue to be a difficult market environment. Given the current dramatic changes in the banking sector in particular, the integration of Dresdner Bank comes at just the right time. It will help us bring costs down to an appropriate level for the period following the financial crisis and make our Bank even better equipped to weather crises in the future. Alongside the cost synergies, Dresdner Bank will in particular enable us to expand our stable customer business further. However, if the government measures, above all the effects of the interest rate cuts by the ECB, contribute to a recovery in both the eurozone and the German economy in 2010 – with Germany potentially set to grow more strongly than the eurozone on the basis of current economic forecasts – the "New Commerzbank" is set to be one of the main beneficiaries.

Managing opportunities at Commerzbank

Commerzbank views systematically identifying and taking advantage of opportunities as a core management responsibility. This applies equally to day-to-day competition at an operational level and to identifying the potential for growth or improving efficiency at a strategic level. This way of thinking has led to a three-tier system of managing opportunities at Commerzbank.

1. Central strategic management of opportunities:
   identifying strategic alternative courses of action for the Group as a whole by the Board of Managing Directors and Strategy & Controlling (e.g. developing the portfolio of activities for specific markets and areas of business)

2. Central strategic and operational management of opportunities for the various areas of business:
   defining strategic and operational initiatives for improving growth and efficiency for the various areas of business by those managing them (e.g. developing portfolios of products and customers)

3. Local operational management of opportunities:
   all employees identifying operational opportunities based on customers and transactions (e.g. taking advantage of regional market opportunities and potential for customers)

Regardless of the level at which opportunities for the Group are identified, they will be turned into steps that need to be taken and assessed as part of the annual planning process. The aim here is to further develop the portfolio of the Group's areas of business with a balanced risk/reward profile.

The realization of the opportunities identified and the related strategic and operational measures that need to be taken are the responsibility of the person managing the area of business 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.).

Management of opportunities to create 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. Living Commerzbank's values accordingly means taking daily advantage of opportunities for growth.

In addition, Commerzbank has built up an early warning system for issue management within Group Communications. 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 uncovered in the sections on the various segments.

Risk report

I. Important developments in 2008

The risk report is produced in accordance with internal risk management of Commerzbank at the Group and segmental level. The basis is formed by the financial data collated for the Group according to IFRS and the key risk figures in accordance with the regulatory requirements.

Basel II implementation

Commerzbank has reported its capital position under the new Basel II regulations since January 1, 2008. The first official calculation of the capital adequacy requirement for the period ending March 31, 2008 showed the expected reduction in capital required of more than 10 %, despite the first-time application of the capital adequacy requirement for operational risk. This was confirmation that the quality of our credit portfolio has so far been sound.

For Commerzbank however, the primary function of internal rating and control procedures is not to comply with regulatory requirements for certification under the advanced Basel II approach. Rather, these procedures are at the heart of the Bank's credit portfolio management, irrespective of the method of capital adequacy reporting to the regulator. For this reason, previously approved procedures were revised further in 2008, in addition to other parts of our portfolio being approved for the first time. The main aim of these refinements was to achieve more accurate risk forecasts and improve management measures.

One example of this was the upgrading of our overall ratings architecture for corporates. As a result, our new corporates rating system, in place since January 2009, has created a single modular ratings procedure to replace four separate ones for different sizes of corporate customers. The advantages include rolling and consistent valuations that are not based on size, and where ratings do not jump because the size of our corporate customers has changed. Apart from improving discriminatory power, a range of internal and external early-warning indicators have also been implemented. Additionally, our LGD models have been refined in favour of stochastic modelling, rather than a deterministic approach based on collateral realisation rates. This takes account of the fluctuations in recoveries in specific markets and generates recovery rates for a range of collateral cover levels. As a result, there is an incentive to take collateral even where cover exceeds the average recovery rate.

Commerzbank constantly carries out refinements to increase portfolio coverage through modern assessment procedures. We also use improvements from research and development and historic data series to optimize our risk architecture.

Credit portfolio

In the past financial year Commerzbank Group exposure at default (EaD) decreased to €533bn, mainly as a result of a €25bn reduction in Public Finance. It was only in Mittelstandsbank and Central and Eastern Europe that EaD increased, by some €15bn.

Charges against earnings arising from default risks

After setting aside net loan loss provisions of €479m in 2007, the lowest percentage for two decades, we had to more than treble them in 2008 to €1,855m. This rise was due primarily to extraordinary charges caused by the financial crisis (€573m), Commercial Real Estate (CRE) foreign commitments (€453m) and charges arising from the Bank's ABS portfolio (€101m). The other charges relating to lending totalled €728m and were in line with our expectations.

The subject of impairments on fixed-income products was not a major factor until 2007, when we had to recognize impairments of almost €700m on subprime assets. The financial crisis meant that in 2008 we had to absorb impairments through net investment income and net trading income. Available-for-sale holdings were hit by €1,059m (of which some €900m from the ABS portfolio), and trading portfolios, including ABS tranches, by €246m.

The net result of the market-related stress was that charges against earnings arising from default risks almost trebled from €1.16bn in 2007 to €3.16bn in 2008. We exceeded the forecast of €2.8bn made at the time of our third quarter results by 10 %.

Default portfolio

The negative environment also impacted on the default portfolio in loans and receivables (LaR). At Group level, the volume rose from €11.3bn at the end of 2007 to €12.6bn at the end of December 2008. Half of the high €6.5bn inflow, or €3.0bn, was attributable to Commercial Real Estate. The successful workout was reflected in an outflow of €5.1bn and an intensive care contribution to earnings of €280m – still good, despite being halved.

Financial Institutions

After the massive upheaval in the third quarter culminating in the failures of Lehman Brothers and the Icelandic banks and the nationalization of Fannie Mae, Freddie Mac and AIG, the situation for large financial institutions began to stabilize in the fourth quarter thanks to massive state bailouts.

In spite of early identification and reduction of critical parts of portfolios, we were unable to avoid being affected by the failures of Lehman Brothers and Washington Mutual and the division of the Icelandic banks into "Good and Bad Banks." Although we have reduced our Iceland portfolio by half since 2006, the risks could not be eliminated entirely as markets became more difficult. In the case of Lehman Brothers we were encouraged by the US Treasury Department's rescue of Bear Stearns and for too long shared the market's mistaken belief that Lehman was "too big to fail."

Market risk / revaluation reserve

From a market risk perspective too, 2008 was characterized by turbulence on the financial markets, which increased as the year progressed and came to a head in September with the collapse of Lehman Brothers. In the months that followed the crisis intensified, with credit spreads strongly expanding in all asset classes. After risk premiums rose extremely sharply for financial and corporate bonds, spreads also widened significantly on government bonds (e.g. Greece, Italy, US municipal bonds, recently Japan too). Overall, developments in 2008 led to a significant rise in all relevant risk indicators due to much increased market volatility in all major asset classes, which we were unable to satisfactorily counteract by reducing exposure because of a lack of market liquidity.

Liquidity risks

The situation on the money and capital markets has worsened considerably from the onset of the subprime crisis to the current systemic financial crisis following the bankruptcy of Lehman Brothers. Time deposits are hardly traded on the interbank market, the market for issues practically came to a standstill during the reporting period, Euribor / Eonia spreads have widened sharply, and much smaller volumes are being traded on the equity repo markets. Commerzbank took a string of measures to counteract this situation. The inflow of customer deposits, the ongoing reduction of assets for cash, and efforts to use assets more efficiently to manage the liquidity situation by providing collateral to the ECB are already compensating for the lack of funding from long-term time deposits on the interbank market. The liquidity situation improved when the Bank received the first tranche of SoFFin capital, amounting to €8.2bn, and guarantees of €15bn for refinancing.

Operational risks

The financial industry's OpRisk events available in the ORX database show that periods of extreme market volatility are much more likely to result in major losses due to weaknesses in control processes, an inadequate management overview or fraudulent activities. We therefore focused on monitoring and continually improving control processes in investment banking and implemented measures to limit further the remaining residual risk of human error or fraudulent actions. In 2008, charges against earnings for operational risk and litigation provisions fell to €101m, compared with €140m in 2007.

Due diligence on Dresdner Bank

The due diligence process for the takeover of Dresdner Bank lasted around nine weeks and was completed by the end of August 2008. Our risk management area took a clearly structured and risk-oriented approach to auditing Dresdner Bank's portfolios: with a due diligence team of 60 staff from the risk function and the help of auditors, the relevant portfolios were analyzed and evaluated for their inherent risks. In the sub-segments, this involved drilling down to individual credit commitments or underlying assets using the look-through approach. We also methodically audited various systems, e.g. for setting aside provision for possible loan losses (risk provision) or calculating expected loss. The specific focus of our analysis was to audit and evaluate structured finance, such as asset backed securities, conduits / SIVs, leveraged acquisition finance and other DKIB portfolios.

As a result, we estimated that for the second half of 2008 charges against earnings from the Dresdner Bank sub-group would be €2.2bn in the most realistic case and €4.1bn in the downside case. In fact, Dresdner Bank lost €4.7bn following the collapse of Lehman Brothers, i.e. the figure was even higher than our downside estimate. If we strip out the American and Icelandic banks – risks that we did not see as such at that time – then, without exception, the losses came from the portfolios we had classified as critical. Following the bankruptcy of Lehman Brothers, our forecasts for 2009 have moved towards the downside case.

II. Risk-oriented overall bank management

1) Risk management organization

The financial market crisis once again demonstrated that the professional limitation and management of banking risks are critical factors in our business success. Essential prerequisites for successful risk management are identification of all significant risks and risk drivers, independent measurement and assessment of these risks against the background of changing macroeconomic and portfolio-specific conditions, and risk/return-oriented management of risks on the basis of these results and assessments as part of a forward-looking risk strategy. We have made considerable progress in this area in the past few years, which should pay off in the dramatically deteriorating environment.

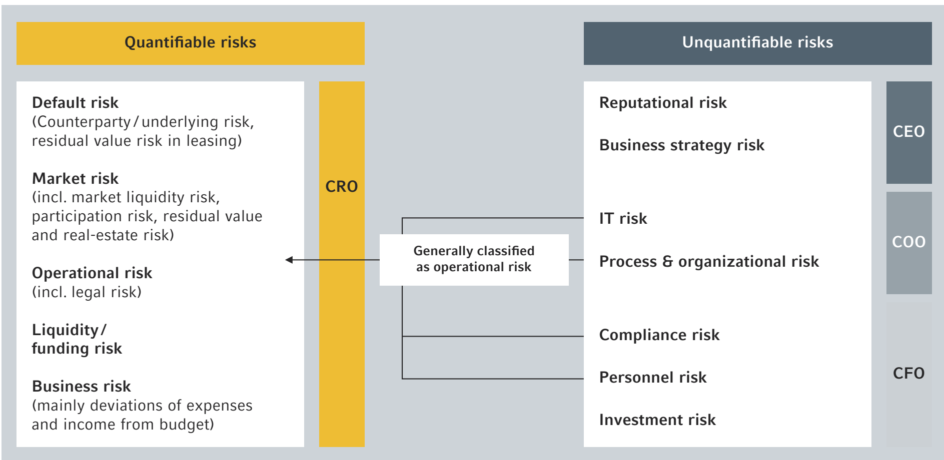
Commerzbank defines risk as the danger of possible losses or profits foregone due to internal or external factors. Risk management distinguishes between quantifiable risks – those for which a value can normally be given in annual financial statements or in capital backing – and unquantifiable risks such as reputational and compliance risks.

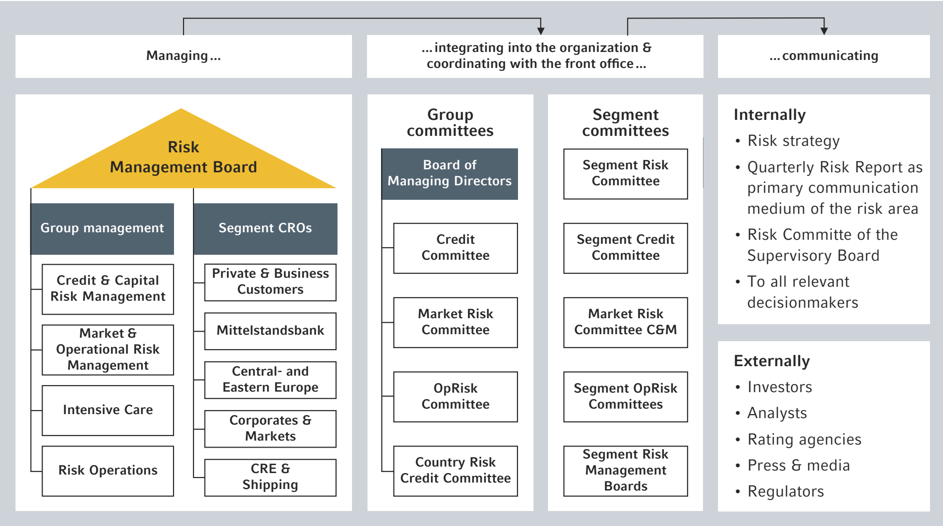
Commerzbank's Board of Managing Directors defines risk policy guidelines as part of its established overall strategy for the Commerzbank Group which is reviewed annually (= business and risk strategy, strategic operating conditions for the Group, segments and business areas). The Group's risk strategy consists of various sub-strategies for the main categories of risk. The integration of business and risk strategies is achieved through key parameters (e.g. regulatory and economic capital backing, exposure at default, expected loss, charges against earnings) which ensure that Commerzbank Group's strategic orientation is in line with its risk management system.

The Chief Risk Officer (CRO) is responsible for quantifiable risks and for implementing the risk policy guidelines established by the Board of Managing Directors throughout Commerzbank Group. The CRO regularly reports to the full Board of Managing Directors and the Risk Committee of the Supervisory Board on the overall risk situation within Commerzbank Group. In addition to responsibility for risk control, the CRO is also responsible for the back office units and therefore for ensuring that lending is approved by two loan officers. The segment CROs are members of the relevant segment's Board of Directors but also have a reporting line to the Group CRO for technical and hierarchical purposes.

The segment CROs, together with the Group CRO and the heads of the risk function within Group management, make up the Risk Management Board; as part of the new Group organization, this board is responsible for timely reporting, cost-effective and proactive risk controlling and management, a uniform risk culture and compliance with regulatory provisions.

The new segmental risk committees are charged with significant tasks in segment-specific risk management and portfolio-oriented monitoring from the risk/return perspec-





tive (portfolio batches) and management (sub-portfolio limits, stress scenarios). As a high degree of independence is sought for the segments, the segmental risk committees carry out the Group's supervisory role for the segments.

The Board of Managing Directors has established specific committees to carry out operational implementation of risk management. These committees act within delegated authority and assist the Board in making decisions on risk-related issues. They represent both front office and risk control perspectives, but under the German Minimum Requirements for the Risk Management of Credit Institutions (MaRisk) the risk control side cannot be outvoted.

2) Capital management under Basel II

The new regulations under the Basel II Framework on capital adequacy requirements for financial institutions have been in force since January 1, 2008. The rules are based on three overall pillars.

- The first pillar covers the minimum capital adequacy requirements for credit, market and operational risk,
- The second pillar concerns the monitoring process by the banking authorities of the adequacy of the capital base (risk-taking capability) and risk management,
- The third pillar stipulates the disclosure requirements in the form of extended transparency rules.

Pillar 1

The new Pillar 1 provisions implemented in Germany in the Solvency Regulation (SolvV) include allowing statistical projection models to be applied for calculating the capital adequacy requirement. On the balance sheet date, Commerzbank reported three-quarters of its credit portfolio using the Advanced Internal Rating Based (AIRB) procedure and received the relevant authorization from the supervisory authorities. This means that for these loans and receivables the internal credit rating plus internal estimates of collateral proceeds are what determines the regulatory capital requirement. For loans and receivables that are not covered by the procedures approved by the supervisory authorities for the AIRB approach the Basel standardized approach for credit risk applies, under which fixed risk weightings are used, based primarily on external estimates of the borrower's credit rating.

Apart from the revised regulations on credit risk, operational risks also had to be taken into account for the first time under Basel II, for which Commerzbank uses the advanced AMA approach (see section VI).

The first official calculation of the capital adequacy requirement on March 31, 2008 produced the expected reduction in the capital requirement of more than 10 %. Despite the first-time application of capital adequacy requirements for operational risk, this confirmed our expectations of the quality of our credit portfolio. Nonetheless, using the risk-sensitive AIRB approach meant that as the financial crisis worsened over the year the capital requirement for credit risk increased. The first procyclical effects could already be seen by the end of June in large corporates and banks, asset classes that are closely involved with the capital markets. By year-end, the amount of capital committed to *Mittelstand* business had also grown.

For 2009 we expect economic conditions to significantly sharpen the procyclical effect of Basel II, primarily in Eastern Europe, in Commercial Real Estate (including the shipping portfolio) and in the Mittelstandsbank. As a result, the initial savings in terms of regulatory capital are likely to be more than outweighed, affecting the capital base; GLLPs are also procyclical. The challenge for the regulator is to find suitable measures to prevent these procyclical effects accentuating the economic downturn by creating a "credit crunch."

Pillar 2

The provisions of Pillar 2 have been primarily implemented in Germany in the form of the Minimum Requirements for the Risk Management of Credit Institutions (MaRisk). These relate mainly to securing risk-taking capability and structuring risk strategy and the relevant processes involved.

Commerzbank monitors risk-taking capability using the economic capital model. Apart from the risks in the first pillar, these cover all other risks relevant to Commerzbank that can be measured with this concept, such as interest rate risk in the banking book, risk from equity investment stakes, real estate risk, market liquidity risk and business risk. Furthermore, sectoral and regional concentrations and diversification effects of credit risk plus all dependencies between the individual risk categories are modelled. Commerzbank also quantifies refinancing risk, focusing on securing cash liquidity rather than cushioning losses with equity capital. As a result, this is not part of the economic capital concept. See section IV.2 for further details. Unquantifiable risks are subjected to strict qualitative monitoring in compliance with Pillar II of the Basel Accord and MaRisk. The 99.95 % confidence level we use in the economic model exceeds the 99.90 % specified in Pillar 1. A buffer is also required that is quantified using macroeconomic stress tests. The economic capital requirement thus produced is then compared with the capital available to cover risk.

In comparing the results of the external model (Pillar 1) with the capital requirements under the internal model (Pillar 2), we see a basically comparable trend since March 2008, but it is clear that the external model quantifies market risk as being much lower. We see the market's higher expectations of core capital for banks as a corrective to this incentivization. We will continue to keep a close eye on necessary developments in the external requirements for all types of risk.

The 2008 risk strategy sets the following target ranges for risk-taking capability. Capital available to cover risk must

a) exceed economic capital by at least 30 %,

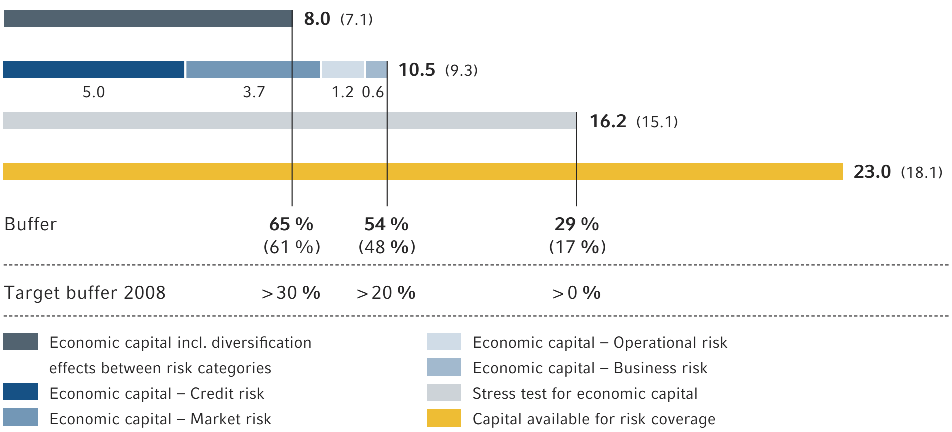
b) exceed economic capital assuming all risk categories are fully correlated, by at least 20 %

c) be sufficient to cover economic capital assuming all risk categories are fully correlated, even in the macroeconomic worst-case stress scenario for all risk categories.

The correlation between risk categories seen in normal market phases intensifies in crisis situations, therefore full correlation is deemed to be the most conservative assumption in cases (b) and (c). The worst-case scenario additionally assumes consistent negative economic and market trends for all risk categories, with the associated effects on the relevant risk drivers and parameters.

The capital requirement rose as the year progressed due to worsening parameters and economic forecasts. At the same time, capital available to cover risk fell due to lower income and demands on capital reserves. The unpredictability of the length and extent of the impending economic downturn prompted us to introduce measures to limit and reduce risk as well as strengthen capital available to cover risk by increasing capital and accepting €8.2bn from SoFFin. As a result of these measures, there was an adequate buffer for all three parameters in December 2008, which was still higher than the prior year figure.

Risk-taking capability for the Commerzbank Group
in € bn as per December 2008



Values in parentheses: December 2007

Pillar 3
The disclosure requirements relate to capital adequacy, risk strategy, and the qualitative and quantitative reporting of risks incurred. Commerzbank is complying with the extended disclosure provisions of SolvV using a separate disclosure report that will be published on the Bank's website for the first time in April 2009 for the year ending December 31, 2008.

3) Risk strategy, risk appetite and operationalization
On the basis of an analysis of its risk-taking capability and its business strategy, Commerzbank defines guidelines and limits for exposure to risk positions as part of its overall risk strategy. In addition to limiting risk and capital consumption, segment management targets are set for minimum returns, maximum use of the Bank's refinancing, and risk appetite, according to profitability. As well as limiting risk, the risk strategy is also used in particular to optimize the risk / reward ratio over the medium term, i. e. strategic asset allocation within the Group and management of correlation and concentration risks across risk categories.

Although compliance with risk-bearing capability is the high-level objective for securing the Bank's continued existence, even under crisis scenarios (the "going concern" principle), it does not replace targeted management of the risk and return profile. Risk appetite is limited at Commerzbank by the requirement that the return before risk should cover the loss stemming from the risk content of our portfolio, as stressed at the 80 % confidence level, as well as the cost of capital. In other words, even in financial years with losses, which only usually occur every five years, our risk positioning should be such that we are at least able to earn the cost of capital. This is how the Bank secures medium-term profitability. For the 2008 financial year however, it became clear that our portfolios were in a serious stress range because of market conditions, in that total charges against earnings of €3.2bn even exceeded the €2.7bn figure for the 5-year stress. A lesson learned from the financial market crisis is that greater account must now be taken of the volatility in charges against earnings in business strategy and portfolio positioning.

The overall risk strategy is broken down in the form of sub-risk strategies for individual types of risk. At segmental level, both expected loss limits (see section III.1) and market risk limits (see section IV) are defined for the operationalization of risk appetite. The aim of the limit process is for operational guidelines to be drawn up in such a way that the segments move in the direction strategically required by the whole Bank with a maximum acceptable degree of freedom.

4) Risk communication
The most important medium for describing risks within the Commerzbank Group is the internal quarterly risk report or QRR, which gives a detailed overview of the Group's quantifiable risks and forms the basis for reporting to the Board of Managing Directors and the Risk Committee of the Supervisory Board.

Externally our aim is to create trust among the public and private and institutional investors through our policy of transparency and openness regarding risk issues. Since the 2008 interim report, we have therefore greatly expanded our presentations of the Bank's ABS portfolios in line with the recommendations issued by the Financial Stability Forum (FSF) and the Senior Supervisory Group (SSG). In addition, the requirements for disclosing risk ratios became more stringent in 2008 as the result of the new Solvency Regulations (SolvV), which have now taken effect in Germany.

III. Default risks

In credit risk management we have systematically implemented the Basel II parameters. In addition to efficient rating systems, this involves a firmly established, common and uniform standardized understanding of the risk situation, or credit culture. We maintain this culture through a comprehensive training and continuing education program and review portfolio status and migration in regular asset quality reviews.

Rating systems
A good scoring or rating process is characterized by adequate discriminatory power, which means that the methods used must differentiate reliably between "good" and "bad" clients in terms of the Gini coefficient. The results of our scoring or rating processes are the future probability of default (or PD) of our borrowers.

Beyond the default risk rating, correctly assessing the severity of the loss (loss given default, or LGD) is essential for reliable and integrated risk assessment. The loss given default is primarily determined by the expected proceeds from collateral and unsecured loan components and by the outstanding loan amount on the default date (exposure at default, EaD).

Finally, combining the above components yields an assessment of the risk of loss or the expected loss (EL = EaD*PD*LGD) and the loss density or risk density (EL in bp of EaD), which is the ratio of EL to EaD. Both the percentage probability of borrower default (client rating) and the risk density of a loan commitment (credit rating) are assigned to rating classes by using an internal master scale.

The group-wide use of uniform rating processes for each asset class is ensured by Commerzbank's "single point of methodology" rating landscape. This uniform process architecture not only facilitates risk management and monitoring, it also prevents rating arbitrage within the Commerzbank Group.

Credit risk management

Under Basel II, the starting point for monitoring and managing default risks is exposure at default (EaD). EaD produces a standardized measure of value for default risk. All products (including letters of credit, open committed lines, derivatives, etc.) are converted to the default risk of a cash loan based on individual credit conversion factors or CCFs (e.g. undrawn externally committed lines at approx. 50 %). Uncertainty about utilization of contingent liabilities is thus treated conservatively. In order to improve credit quality and reduce credit risk, Commerzbank holds collateral in the form of real estate, financial assets, transfers of title and pledges, which are subject to regular reviews of market value. To calculate the reduction in credit risk collateral-specific discounts are applied, estimated on the basis of historical realisation data and statistical models reviewed by regulatory authorities. Guarantees, warranties and hedging in the form of credit derivatives are also taken into account. For internal control purposes, EaD also represents the best estimate of the maximum credit risk position under IFRS.

The expected loss on the Bank's EaD thus yields the default risk based on uniform standards, regardless of whether the default is later booked as a loan loss provision, impairment or trading loss. Whereas charges against earnings for the trading book are determined on a daily basis by mark-to-market valuation (or mark-to-index or mark-to-model, if there are no market prices) and are included directly in net trading income, the measurement of banking book positions is a function of whether the positions are booked as loans and receivables (LaR) or available-for-sale (AfS). Provisions for possible loan losses are made in the case of LaR, but with AfS positions balance sheet measurement is more complex. If the impairment in value as indicated by market prices or indices is only temporary in nature, then it is booked to the revaluation reserve as a deduction. However, if the impairment in value is classified as permanent then the position must be impaired. Unlike deductions from the revaluation reserve, impaired market values or index losses have a direct impact on the income statement.

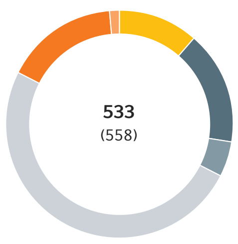
Aside from the absolute limitation of the expected loss through EL limits, credit quality is guaranteed through orientation values for risk density. Furthermore, unexpected losses, bulk risks and concentrations of credit risks are measured and actively managed using an internal credit VaR model. All the above management parameters are part of the credit process, particularly the credit authority regulations.

Independent risk controlling reports monthly through the credit monitor to the Credit Committee and Board of Managing Directors on the utilization of limits and changes in default risk. As part of the credit monitor, risk controlling regularly formulates recommended actions and proposed decisions to secure the required target risk structure for the portfolio.

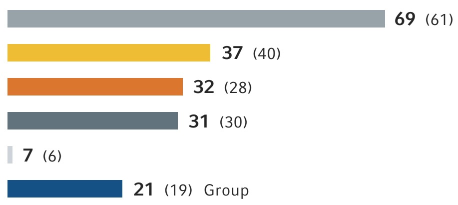
1) Commerzbank Group

The EaD figures relate to the trading and banking book without the default portfolio (see III.2). In the past year, we reduced the Group portfolio by €25bn to €533bn which was much greater than originally planned. While the focus of the reduction was on Corporates & Markets, specifically Public Finance, we were also able to successfully grow Mittelstandsbank and CEE and increase the EaD by around €15bn. The Group's EL of €1,145m on the reporting date

Exposure at Default – Breakdown
in € bn as of December 2008



Risk density (Trading and banking book)
in bp as of December 2008



61 (62) Private and Business Customers
86 (80) Mittelstandsbank
27 (19) Central- and Eastern Europe
267 (301) Corporates & Markets (incl. PF&T)
86 (86) Commercial Real Estate
6 (10) Others and Consolidation

Values in parentheses: December 2007

was within the EL limit of €1,160m. Despite the poor operating conditions, risk density only rose by 2 bp. At the 2008 year-end we marginally exceeded the EL limit for Central and Eastern Europe (CEE) and Corporates & Markets. While the Corporates & Markets breach was primarily due to lower risk density, a key factor in CEE was also the volume dynamic, but we systematically slowed this effect because of the market conditions. The change in EaD, EL and risk density by segment (including the trading book, but excluding the default portfolio) was as follows:

As of 31.12.	Exposure at Default in € bn		Risk Density in bp		Expected Loss in € m		EL Limit in € m	
	2008	2007	2008	2007	2008	2007	2008	2007
Private and Business Customers	61	62	37	40	227	246	247	241
Mittelstandsbank	86	80	31	30	268	241	281	241
Central and Eastern Europe	27	19	69	61	185	117	167	127
Corporates & Markets	267	301	7	6	187	191	175	201
Commercial Real Estate	86	86	32	28	274	239	280	260
Others and Consolidation	6	10	7	13	4	13	10	10
Group	**533**	**558**	**21**	**19**	**1,145**	**1,047**	**1,160**	**1,080**

2007 figures adjusted to current structure; see also segment report in the notes to the financial statements

The table below shows for the first time the Group portfolio's credit quality at segment level by IFRS categories. The loans and receivables (LaR) and fair value option (FVO) categories are reported as utilization or market values; we show the EaD in the available-for-sale (AfS) and held-for-trading (HfT) categories. We took advantage in 2008 of the option to recategorize securities from AfS to LaR, which largely explains the change within these two categories.

		1.0 – 1.8		2.0 – 2.8		3.0 – 3.8		4.0 – 4.8		5.0 – 5.8		NR		Total	
in € bn		2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Private and Business Customers	AfS	2.1	1.4	0.1	0.1	–	0.1	–	–	< 0.1	–	–	< 0.1	2.2	1.6
	LaR	0.6	1.2	35.0	36.7	10.9	9.7	3.7	3.0	2.2	2.2	0.5	0.3	52.9	53.1
	HfT	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	–	< 0.1	< 0.1	< 0.1
Mittelstandsbank	AfS	–0.1	0.4	0.2	0.2	< 0.1	0.5	< 0.1	–	–	< 0.1	–	–	0.1	1.2
	LaR	23.0	14.0	25.5	37.0	15.7	17.7	4.7	4.6	3.3	4.8	0.5	0.4	72.7	78.5
	HfT	1.9	0.5	1.5	1.5	0.4	0.7	0.1	0.1	0.1	0.1	< 0.1	< 0.1	4.0	2.9
Central and Eastern Europe	AfS	–	–	0.1	0.1	0.1	< 0.1	–	< 0.1	–	–	–	–	0.1	0.2
	LaR	1.7	1.9	9.5	13.1	4.7	6.5	2.4	2.6	0.2	0.3	0.1	0.1	18.6	24.5
	HfT	0.2	0.1	0.1	0.1	< 0.1	0.1	< 0.1	< 0.1	–	< 0.1	–	< 0.1	0.3	0.2
Corporates & Markets	AfS	133.6	18.0	10.7	4.7	1.1	0.5	0.2	0.1	0.5	< 0.1	0.3	0.3	146.3	23.6
	LaR	59.4	142.3	22.2	23.8	8.5	7.1	0.9	2.6	1.2	1.6	0.5	0.2	92.6	177.7
	HfT	41.9	37.7	8.4	9.3	2.3	7.7	0.1	0.3	0.4	0.2	0.2	1.0	53.3	56.2
	FVO	0.4	0.2	1.3	1.4	1.2	1.7	0.4	0.7	–	0.1	–	–	3.3	4.1
Commercial Real Estate	LaR	15.1	13.6	38.6	40.3	13.4	17.1	3.1	4.2	0.6	0.5	< 0.1	< 0.1	70.9	75.6
	HfT	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	–	–	< 0.1	–	< 0.1	< 0.1
Others and Consolidation	AfS	3.0	2.1	0.6	0.1	< 0.1	< 0.1	–	–	–	–	1.4	0.2	5.0	2.4
	LaR	2.0	1.6	0.6	0.5	0.2	0.2	0.3	< 0.1	0.2	< 0.1	0.1	0.1	3.4	2.4
	HfT	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	–	–	–	–	< 0.1	< 0.1	< 0.1	< 0.1
Group*	AfS	138.6	22.0	11.6	5.2	1.2	1.1	0.2	0.1	0.5	0.1	1.7	0.6	153.8	29.0
	LaR	101.7	174.6	131.4	151.5	53.3	58.3	15.1	17.0	7.8	9.4	1.8	1.1	311.1	411.9
	HfT	44.0	38.3	10.0	10.9	2.7	8.4	0.3	0.4	0.4	0.3	0.2	1.0	57.6	59.4
	FVO	0.4	0.2	1.3	1.4	1.2	1.7	0.4	0.7	–	0.1	–	–	3.3	4.1
	Total	**284.7**	**235.1**	**154.3**	**169.0**	**58.4**	**69.6**	**16.0**	**18.3**	**8.7**	**9.8**	**3.7**	**2.7**	**525.8**	**504.4**

* Not included in the table are subsidiaries CommerzReal, CB Schweiz, CCR and Bank Forum; further differences compared to the previous table are due to the presentation of utilization for LaR and market values for FVO

2) Trends in risk provisioning

The Group's provisions for possible loan losses in 2008 were dominated by the effects of the negative external operating conditions. Even in the fourth quarter, this resulted in more extraordinary charges against earnings, pushing up risk provisions again to third quarter levels. Corporates & Markets and Commercial Real Estate were again affected by this. Furthermore, major defaults were reported for the first time and quicker than expected, solely due to the impact of the financial market crisis, including in the Mittelstandsbank. The massive slowdown in the economy has reached the *Mittelstand*, whereas the Private and Business Customer segment still proved to be robust in 2008. In Central and Eastern Europe risk provisions rose in the second half of the year as a result of new cases, again due to the financial crisis.

The trend in risk provisions in the lending business is as follows:

	2007					2008					
in € m	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	Special items
Private and Business Customers	73	66	58	43	240	40	40	43	40	163	
Mittelstandsbank	19	9	–48	–48	–68	11	8	12	148	179	114
Central and Eastern Europe	11	16	10	19	56	17	26	71	76	190	27
Corporates & Markets	18	17	61	35	131	57	42	382	195	676	511
Commercial Real Estate	39	39	26	11	115	50	298	92	178	618	453
Others and Consolidation	0	4	0	1	5	0	0	28	3	31	32
Group	**160**	**151**	**107**	**61**	**479**	**175**	**414**	**628**	**639**	**1,855**	**1,137**
Special items 2008*						34	327	396	380	1,137	

*ABS portfolio, CRE international exposure, special charges due to financial crisis (financial institutions and special cases Mittelstand portfolio), first-time consolidation Bank Forum

All in all, the special items in 2008 came to €1,137m, comprising the following components: ABS portfolio €101m, foreign CRE commitments €453m, special charges for the financial crisis €573m, first-time consolidation of Bank Forum €11m.

Although risk provisions in Corporates & Markets were down compared to the peak in the third quarter, in the fourth they still contained significant special charges of some €85m from the default of financial players and charges from the ABS portfolio of around €19m. In the same quarter, Commercial Real Estate also posted more special items of around €156m in total from major specific cases in the foreign portfolio, particularly Spain.

Compared to the historically low result in 2007, credit risk provisions in 2008 more than trebled due to the financial crisis. The results by risk provision component can be seen at segment level as follows:

As of 31.12.	Run rate		IC result		Specific LLP net		Change in GLLP		Total net risk provisions	
in € m	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Private and Business Customers	302	194	–12	–3	290	190	–51	–28	240	163
Mittelstandsbank	213	444	–407	–207	–194	236	126	–58	–68	179
Central and Eastern Europe	51	145	–25	–35	25	110	31	80	56	190
Corporates & Markets	125	588	–8	14	117	602	19	74	135	676
Commercial Real Estate	262	663	–131	–48	131	615	–20	3	111	618
Others and Consolidation	5	32	0	0	5	32	0	–1	5	31
Commerzbank Group total	**957**	**2,065**	**–583**	**–280**	**374**	**1,784**	**105**	**71**	**479**	**1,855**

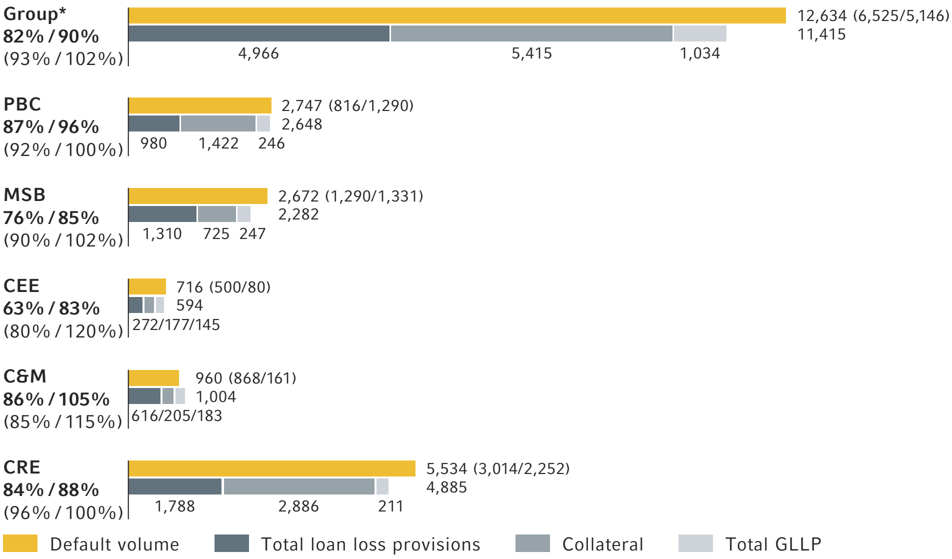
The run rate (risk provisions for new cases) more than doubled overall, with only the stable Private and Business Customers segment posting a significant year-on-year fall in 2008. Other units reported a substantial increase. The negative trend was also reflected in the fact that in the Mittelstandsbank, the fourth quarter accounted for disproportionate €142m of the €179m overall result. In the Central and Eastern Europe segment, the rise stemmed from the BRE portfolio, and was also a result of special effects arising from the financial crisis. The defaults of financial players largely accounted for the rise in run rate in Corporates & Markets, with a charge of over €400m. In Commercial Real Estate, €453m of the run rate was attributable to large cases in the foreign portfolios. The Neutral run rate stemmed from the default of a financial player.

As expected, the IC result was down, even adjusting for the positive €164m special effect in 2007 (booked in the Mittelstandsbank). However, with net releases of €280m – still principally from Mittelstandsbank – the positive contribution to earnings was still considerable despite the poor conditions. Charges for general loan loss provisions (GLLPs) were down compared to 2007, due mainly to the release or use of the top level adjustment created in the Mittelstandsbank in 2007 for financial institutions.

The negative economic environment also had an impact on the default portfolio in the fourth quarter. At Group level, the volume in December stood at €12.6bn. The high inflow (€6.5bn) was partially offset through operational workout (€5.1bn), and the net rise in the fourth quarter limited to €600m. Overall, the volume in the default portfolio rose year-on-year by €1.4 bn. The increase was dominated by bulk risk, principally in Mittelstandsbank, CRE and Corporates & Markets. However, there was a general increase in new cases, including ones from the granular sector. This was also seen in the Central and Eastern Europe segment for the first time. Aside from the increased inflow, successful and efficient processing proved to be increasingly difficult against the background of the negative trends on the real estate market. Future movements in default volume crucially depend on how the restructuring and processing of individual bulk borrowers goes.

The default portfolio was broken down as follows:

Performance of Default Portfolio
(in € m) – excl. / incl. GLLP



Values in parentheses: December 2007 (additions/disposals vs. December 2007)
*including Others and Consolidation

Total collateral of €5.4bn has been deposited for the default portfolio. In Private and Business Customers this relates almost exclusively to land charges on own-use and rented properties. In the Mittelstandsbank, collateral is divided between various types. Guarantees and mortgage liens on commercial properties cover the largest amounts. In addition, large sections of portfolios are also secured through transfers of title and pledged assets. For the Central and Eastern Europe portfolio, land charges are mainly used as collateral, and for the commercial sector transfers of title and pledges are used. The level of collateral in the Corporates & Markets portfolio principally comprises transfers of title, as well as pledges and assignments. In CRE, almost all collateral relates to charges on commercial property.

Overall, we expect the default portfolio to show a recovery rate of around 18 %, which corresponds to uncovered risk. Almost two-thirds of expected cash flows relate to restructuring commitments which have not yet been called. Assumptions on recovery proceeds are based on statistically proven rates (using the certified LGD model).

In order to avoid an increase in the default portfolio, excesses are closely monitored at Commerzbank. In addition to the 90dpd trigger event, a computer-based excess management system goes into effect even before that point as of the first date of the excess. The following tables shows excesses in the non-default- book as at December 2008:

Segment			**EaD**		
in € m	>0<=30 days	>30<=60 days	>60<=90 days	>90 days	Group
Private and Business Customers	1,195	166	75	216	1,653
Mittelstandsbank	3,084	424	168	28	3,703
Central- and Eastern Europe	195	69	32	1	297
Corporates & Markets	1,883	116	29	15	2,042
Commercial Real Estate	1,865	78	76	198	2,218
Group*	**8,581**	**879**	**381**	**496**	**10,337**

*incl. Other/Consolidation

3) Limiting bulk and concentration risks

The target and benchmark for strategic management of credit risk in Commerzbank Group is the risk/return-based target portfolio as defined by the credit-risk strategy, along with the resulting sub-portfolios based on target groups and markets. Concentrations of risk in bulks, countries, target groups and products are restricted through active management, taking the special characteristics of each segment into account. As a central element of risk policy, bulk risks are managed on the basis of economic capital. In this approach, the key variables include portfolio granularity and correlation assumptions relating to segment-specific, sector-specific and country-specific factors.

Borrower units with economic capital consumption of at least €5m are defined as a bulk risk. Borrower units having more than €20m in economic capital consumption are not wanted over the long term and are systematically reduced, in some cases by using modern capital market instruments such as credit default swaps (CDSs). The importance of limiting bulk risks is also indicated by the fact that the Board of Managing Directors specified in its own internal rules that unanimous resolutions are required for any board-level credit decisions involving economic capital consumption in excess of €10m (based on final take).

The economic capital consumption of current bulks rose by year-end due to rating downgrades in the wake of the financial market crisis. Both the number and CVaR consumption of bulks rose significantly from September 2008, and had far exceeded the internal bulk risk limit of €1bn economic capital consumption by year-end.

Current bulks
Economic capital consumption in € m

By merging the commitments with Dresdner Bank, bulk risks in the new Commerzbank as measured by CVaR rose again substantially. The economic developments mean that we see much greater risks, particularly for borrowers with a high debt-to-equity ratio, notably for the major lending portfolio in the automotive supplier sector. As part of the integration process we therefore reviewed our bulk risk strategy and adjusted the entry parameters. In future, not only will commitments with a high CVaR come under bulk risk management, but also those with an LaD above €100m or an EaD higher than €1bn, in order to limit the latent default risk to a maximum amount, even for commitments with higher ratings. The key element of the new bulk risk strategy is that in future, we do not want any individual bulks with an LaD over €400m in the portfolio, irrespective of the customer's creditworthiness. There can only be exceptions to this for government or banking institutions in Germany or temporarily as part of the syndication of highly liquid positions. However, as the markets are currently extremely illiquid, we are currently making almost no use of this.

4) Country risk management

When calculating country risk, Commerzbank measures both transfer risks and the region-specific event risks determined by politics and economics that affect a country's individual economic assets. Country risk management includes all the decisions, measures and processes that draw upon the information provided by risk quantification, and are intended to influence country portfolio structure in order to achieve business and return targets.

Exposure to emerging market countries (country rating ≥ 2.0) by region:

As of 31.12.	Exposure at Default in € bn		Loss at Default in € bn		Risk Density in bp		Expected Loss in € m	
	2008	2007	2008	2007	2008	2007	2008	2007
Europe (incl. Turkey)	15.9	20.2	5.7	7.0	40	31	64	63
Asia (incl. Middle East)	6.0	3.8	1.9	1.4	19	41	11	16
Africa	2.0	2.1	0.7	8.0	18	22	4	5
Central and South America	1.4	1.8	0.6	0.8	28	50	4	9
Emerging Markets total	**25.3**	**27.9**	**8.9**	**10.0**	**33**	**33**	**83**	**93**

Apart from limiting the expected loss, limiting the exposure at default and loss at default will in future play a greater role in the limiting process.

Exposure volume in Europe declined during the course of the year thanks to improved ratings for some countries (e. g. Slovakia and Poland) and the fact that they therefore dropped out of country risk management; in fact, there was impressive growth in our exposure in Central and Eastern Europe. The rise in exposure in Asia was due to the expansion in the country limit group.

Because of the financial crisis and the global economic downswing, the risk situation is worsening in many emerging markets. The industrial nations are withdrawing liquidity and the demand for exports is falling sharply, and economic growth can be expected to slow down even further in 2009. The IMF has already put together bail-out packages for Hungary and the Ukraine, and other countries have submitted requests for help. Iceland is a good example of a developed country which has been pushed to the brink of insolvency by its extensive international banking activities.

The countries that are particularly vulnerable to contagion by the financial market crisis include those with high trade deficits, high short-term debt and low currency reserves. Countries that export minerals and agricultural commodities are facing falling export earnings. As a result, the emerging market countries are now growing at a much slower pace than expected just a few months ago. Commerzbank has reacted to these developments by reducing country limits and subjecting portfolios to a critical review.

IV. Market and funding risks

Market price risk (market risk) includes the risk of losses due to changes in market prices (interest rates, spreads, exchange rates, share prices, etc.) or in parameters that affect prices such as volatility and correlations. We also monitor market liquidity risk, which measures the time it takes to close or hedge risk positions to the extent desired.

Value at risk (VaR) shows the potential losses that will not be exceeded, allowing for given degrees of probability and holding periods. In addition to the trading book risks covered by the BaFin-certified internal model (including the banking book's currency risk), Commerzbank's credit spread, equity investment and interest rate risks in the banking book are also subject to internal monitoring and limits (including sensitivity limits).

1) Market risk in the trading and banking books

Market risks in the trading book

Over the course of the year, market risks in the trading book – measured at a confidence level of 99 % and a holding period of ten days – rose sharply by €60.7m to a value at risk (VaR) of €96.3m. This was caused primarily by the sharp rise in market volatility in all asset classes, and accelerated again in the 4th quarter as a result of greater uncertainty after the Lehman collapse.

Historic highs in volatility for equities and bonds (credit spreads) in particular resulted, which was reflected in the increase of Commerzbank's risk-relevant parameters, resulting in higher risk values for the value-at-risk calculation. Furthermore, the risk throughout December was significantly increased again through a total return swap on an equity position with Dresdner Bank. Without this position, the rise would only have been €33.5m.

For the remaining underlying positions the Bank continued its business strategy in 2008 of focusing systematically on customer-driven business in Corporates & Markets (ZCM). There were also further reductions in trading risks in the wake of the crisis, particularly in credit derivatives (by reducing CDS positions) and equity derivatives (through hedging).

On the income side, this hedging in equity derivatives trading brought more good results, even in 2008's falling market. As a result, we were able to partially offset losses in declining warrant and certificate business in the fourth quarter. The Bank achieved higher than expected gross income in 2008 in interest derivatives and FX trading as well.

Credit trading suffered losses from September to December due to the massive market turbulence following the Lehman collapse. This was due to the significant widening of credit spreads and reduction in basis spreads (the difference between bond spreads and credit derivative spreads). As a result, gains on CDS hedges could not make up for the losses on the underlying bond positions. Overall, credit derivative volume was actively reduced on a gradual basis in 2008, but because of the lack of market liquidity this could not be carried out to the desired extent.

Market risks in the banking book (including equity investments)

Overall, a proactive approach to risk analysis and active risk management allowed us to reduce the negative impact on the banking book positions. In the equity investments portfolio, the reduction in holdings and other hedging transactions during the year led to a significant reduction in risk despite much greater volatility on equity markets.

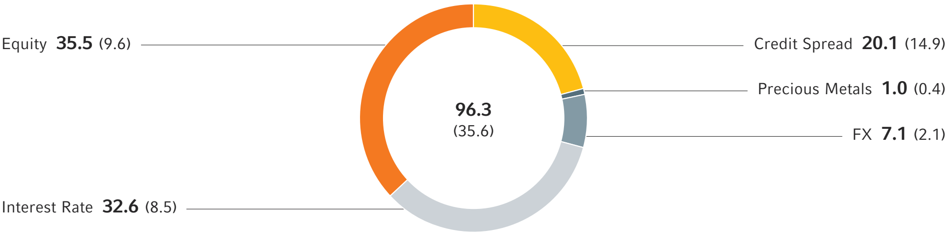
In Treasury and ALCO, the interest rate exposure in the banking book was largely stable during the year. Group Treasury centrally manages interest risk arising from commercial business and the Group's liquidity risk. Interest rate risks also arise from the investment models which are the responsibility of the central ALCO (Asset & Liability Committee), including in particular the investment and refinancing of equity capital as well as the investment of savings and sight deposits.

Overall, market risk in the banking book increased again, mainly due to credit spreads. This was caused by the fact that the reduction in exposure, in terms of volume and maturity, was more than made up for by the increase in volatility.

In the Public Finance sector a total return swap portfolio on US municipal bonds with a total volume of USD2.1bn was included. USD200m of this was cut in 2008, and the remaining USD1.9bn was reduced by the beginning of February 2009. Although there was a loss of some €500m on this position in 2008, a gain of around €90m should be recorded for 2009.

Given that we expect the current difficult market environment to persist, priority must be given in 2009 to the consistent reduction or hedging of exposure in public finance and equity investments.

Market risk in accordance with the internal model (99%, 10 days)
in € m



Values in parentheses: December 2007

Risk management and limitation

Commerzbank defines its market risk limit for value at risk and stress testing at Group level in top down terms, based on economic capital required (risk-taking capability). The limits for the individual business areas and portfolios are then allocated on the basis of the achieved and expected risk/return ratio, market liquidity of assets and the relevant business strategy. The extent to which limits are utilized is reported by the independent risk control unit on a daily basis to the Board of Managing Directors and business area or department managers.

As a result of the financial crisis, the historically high market volatility led to a sharp rise in value at risk figures and consequently to limit breaches at various portfolio levels. Not least due to these limit breaches, the relevant committees decided on reduction measures to be implemented in business areas wherever possible in the current market environment, especially for the trading and banking book portfolios, which are sensitive to credit spreads.

Sensitivity limits for credit spreads were also introduced for the first time in 2008. This serves in particular to limit and manage the potential NPV changes in the revaluation reserve, including the cover fund portfolios of Public Finance. Sensitivity limits restrict the change in the NPV of positions in the event of a variation in the yield or credit spread curves by 1 basis point.

Stress and scenario analyses

The financial crisis itself has highlighted the importance of adequate stress tests and scenario analyses for effective risk management. The Bank carries out comprehensive group-wide stress tests and scenario analyses as part of risk monitoring. The goal is to simulate the impact of crises, extreme market conditions and major changes in correlations and volatilities on Commerzbank's overall market risk position. The effects on the various components of comprehensive income – income statement, revaluation reserve and hidden reserves or liabilities – are also quantified. The bank-wide stress test calculation is based on a combination of historical and anticipatory (synthetic) scenarios for individual asset classes, i.e. equities, interest rates, credit spreads and currencies.

During the financial crisis, anticipatory scenarios in particular were regularly enhanced and adjusted for current market developments and expectations, including those of the Bank's economists, business areas and market risk function.

2) Funding risks

Funding risk refers to the risk that Commerzbank will be unable to meet its current and future payment obligations as and when they fall due (liquidity risk).

Risk management and limitation

With the internally developed liquidity risk measurement approach, the available net liquidity (ANL) for the next twelve months is calculated on the basis of contractual and economic cash flows and compared with liquid assets. The results are then used to produce forecasts for trends in liquidity at different aggregation levels such as currencies, products or business units. The model is supplemented by comprehensive stress analyses. Given the developments in money and capital markets, liquidity management was carried out in 2008 on the basis of stress scenarios. The stress scenarios used by Commerzbank to manage liquidity were and are being adjusted to the current market situation on an anticipatory basis.

To ensure that the Commerzbank Group has sufficient liquidity, Treasury works with the central liquidity management team to carrying out stress analyses and simulations and submits flexible and timely proposals for actions and measures to secure the short, medium and long-term liquidity situation.

The situation on the money market, capital markets and equity repo markets has worsened considerably from the onset of the subprime crisis to the current systemic financial crisis following the bankruptcy of Lehman Brothers. Time deposits are hardly traded on the interbank market, the market for issues practically came to a standstill during the reporting period, Euribor/Eonia spreads have widened sharply, and much smaller volumes are being traded on the equity repo markets. Commerzbank took a string of measures to counteract this situation.

The inflow of customer funds, ongoing asset reductions for cash, and efforts to use assets more efficiently by delivering collateral to the ECB in order to manage the liquidity situation are already compensating for the lack of funding via long-term time deposits on the interbank market. The liquidity situation improved significantly when the Bank received the first tranche of SoFFin capital, amounting to €8.2bn, and guarantees of €15bn. This meant that at the year end, in the 2009 stress scenario forecast liquidity available at any one time never fell below €7bn. This stress limit provides a risk buffer for guaranteeing payment transactions.

However, the coordinated approval of various rescue packages by European governments has led to the first tentative signs of a recovery.

Liquidity risk model
Commerzbank's liquidity risk model has been approved as suitable in principle and ready for certification during the Phase I review by the Bundesbank on behalf of BaFin. We were advised of the final certification and thus the freedom to take advantage of the disclosure provision in the Liquidity Regulation at the end of Phase II of the review, which focused on Eurohypo. The time schedule for the certification of the model is currently being reviewed with BaFin and the Bundesbank in view of the integration of Dresdner Bank.

Other elements of liquidity management
Operating liquidity is secured by Treasury covering intraday payment commitments. The management principle in the long-term area (i.e. over one year) is the stable funding ratio, which shows the extent to which the core business and illiquid assets are financed by stable funding.

V. Special portfolios with special risk content

1) Secondary market ABS portfolios (incl. non-prime)
1.1) Investor positions

The volume of ABS credit risks in the banking book based on market values totalled €9.6bn as at December 31, 2008 (prior year: €12.1bn), with an additional €1.6bn in the trading book (prior year: €2.1bn) subject in part to a daily mark-to-market valuation. The fall is due to the disposal of assets and the repayment and expiry of commitments. The slight rise in the US dollar acted against this, causing a modest volume increase. All assets have been fully consolidated in the balance sheet of Commerzbank Group for many years and are subject to ongoing risk monitoring. The following table shows the effects on profit:

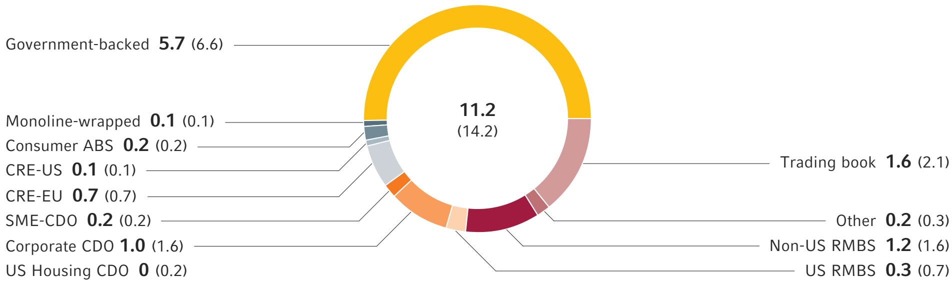
Of the €11.2bn market value, only €0.3bn (=2.7%) related to the US non-prime sector at the end of December 2008. Charges incurred in the reporting year totalled €1.5bn, of which €1.0bn were impairments, €0.1bn risk provisions and €0.4bn additional charges for the revaluation reserve.

Detailed overview of US non-prime portfolio (including Alt-A positions)
Performance significantly deteriorated again in the year as a whole. The losses in the non-prime portfolios reported so far, particularly the critical 2006 and 2007 vintages, are already far above the level of the accumulated overall losses of earlier vintages. Assuming that the delinquencies for these vintages rise on a cumulative basis to more than 40% per portfolio and the loss severity is now more than 60% due to market price erosion, the total default rate for most portfolios must be estimated at 25% or more. Due to continued market price erosion in the real estate sector, the default rate will rise further. This is equivalent to a total loss of capital for all RMBS tranches rated AA or lower and a total loss of capital for mezzanine CDOs, including their AAA tranches (ratings based on the original ratings). For these positions the market values will probably be equal to just the interest payments.

The total volume of non-prime and Alt-A underlying assets in Commerzbank Group based on nominal values stood at €1.5bn as of December 31, 2008 (of which CDOs with non-prime/Alt-A underlying assets were €0.3bn). While the RMBS assets are held in Eurohypo and CB Europe, the CDOs are booked in the New York branch. The CDO portfolio has been largely written off. During the reporting year we also reported further significant write-downs on US non-prime/Alt-A RMBS assets, which means that currently their market value is around €0.3bn. More write-downs should be expected in 2009.

in € m	2007	Q 1 2008	Q 2 2008	Q 3 2008	Q 4 2008	Full year 2008
Impairments AfS/trading book	695	244	171	244	333	991
Loan loss provisions	82	34	19	30	18	101
Total	**777**	**278**	**190**	**274**	**351**	**1,092**

Breakdown of underlying assets by product
market values in € bn



Values in parentheses: December 2007

1.2) ABS positions structured by Commerzbank

Originator positions In the last few years, Commerzbank and Eurohypo have securitized receivables totalling around €23bn (current volume: €17.5bn), largely for reasons of capital management. Just under €9.0bn still remained on our own books as of the end of December 2008. The first loss pieces of these transactions have a risk weighting of 1.250 % and are directly deducted from equity (half each from Tier I and Tier II).

			Commerzbank volume		
Securitization pool in € m	**Maturity**	**Total volume**	Senior	Mezzanine	First loss piece
Corporates	2013 – 2027	8,183	7,302	140	156
CMBS	2010 – 2084	8,628	1,250	76	18
RMBS	2048	466	1	18	0
MezzCap	2036	178	13	8	9
Total		**17,455**	**8,566**	**242**	**183**

Non-prime CDO portfolio

The valuation of the CDO portfolio and the defaults in the portfolio are driven primarily by the performance of the underlying RMBSs. However, since CDOs are actually securitizations of securitizations (two-storey structures) and therefore have even greater leverage, the portfolio is deteriorating – especially as regards the junior tranches. The portfolio now has a market value of only €13m. Charges comprise €316m in impairments and €13m from a change to the revaluation reserve.

Commercial mortgage-backed securities (CMBSs)

The CMBS portfolio of Commerzbank Group had a market value of €1.15bn as of December 31 (of which €0.4bn in the trading book). In 2008 we had to take impairments in this sub-portfolio for the first time because of a spill over of the crisis in the US housing market, which is now affecting the commercial real estate segment. We expect more impairments and write-downs through a charge to the revaluation reserve in 2009.

Sponsor positions Commerzbank has made liquidity lines available for its own conduits totalling €1.1bn; a total of €0.6bn had been drawn on these lines as of the reporting date. In addition, Commerzbank has purchased commercial paper totalling €292m in connection with the Kaiserplatz program. Liquidity lines for conduits of other banks total €0.2bn, but had not been drawn on as of the reporting date.

Own conduits | in € m	**liquidity line**	**thereof drawn lines**
Kaiserplatz	532	135
KP Avalon	245	244
MidCABS	223	172
Aspire	83	69
Sub-Holding-Wide-Program-Enh.	48	0
Total	**1,131**	**620**

2) Leveraged acquisition finance

The Commerzbank LBO portfolio stood at €3.0bn as of December 2008 (only acquisition tranches, including €0.3bn assets for the CLO warehouse – this programme was discontinued at the end of September 2008) (December 2007: €2.9bn) and has a regional focus on Europe (86 %). In 2008 this well-structured portfolio (average lot size about €30m) only reported an impairment of some €11m for a single position. Our maximum portfolio limit of 1 % of the Commerzbank Group's EaD plus the portfolio guidelines that were significantly tightened in September have proved successful in the current environment. Given the market environment, proactive LBO portfolio management via the secondary market is only possible to a very limited extent at the moment, if at all.

3) Financial Institutions

After the massive upheaval in the third quarter culminating in the failures of Lehman Brothers and the Icelandic banks and the nationalization of Fannie Mae, Freddie Mac and AIG, the situation for financial institutions stabilized in the fourth quarter. Despite the relentless economic pressure on financial institutions, the massive state bail-outs began to take effect, thus averting further collapses. The lessons learned from the Lehman Brothers bankruptcy helped greatly in increasing governments' willingness to provide support.

As part of our anticipatory risk management approach we examined our Financial Institutions portfolio for asset classes in danger of default as far back as 2007. The task force investigated banks with a conspicuous risk profile in the following areas: (i) subprime / ABS, (ii) real estate exposure in overheated markets, (iii) refinancing largely by way of wholesale funding, and (iv) mismatching maturities. We then adjusted our credit risk strategies to the new situation and implemented additional risk-minimizing and risk-eliminating measures.

Our countermeasures enabled us to substantially reduce the risks in the FI portfolio whenever market liquidity allowed. Our Financial Institutions portfolio has been reduced by more than €60bn since the beginning of 2007, and in the above categories in danger of default exposure was reduced by more than €5bn.

However, our plans to continue to reduce critical risk assets have been severely hampered by the illiquidity of the global capital markets since the third quarter of 2007. We have nevertheless implemented risk-minimizing measures in the portfolios we have identified as critical. In this difficult situation, the following risk-mitigating measures have helped to improve our risk profile:

- Strengthening collateral agreements with daily margining,
- Shortening maturities,
- Stricter documentation,
- Risk-adequate pricing,
- (Portfolio) hedges.

In spite of the early identification and reduction of critical parts of the portfolio, we were unable to avoid being affected by the failures of Lehman Brothers, Washington Mutual and the division of Icelandic banks into "Good and Bad Banks." The early implementation of countermeasures meant that we successfully managed to halve our Iceland portfolio since 2006, but the risks could not be eliminated entirely when markets became more difficult. In the case of Lehman Brothers we were also encouraged by the US Treasury Department's rescue of Bear Stearns and for too long shared the market's mistaken belief that Lehman was "too big to fail."

Another burden which we did not expect to be quite so heavy was the severe market turbulence experienced during the re-hedging process and realization of collateral for the positions affected by Lehman's failure. During our subsequent analysis of the situation and the lessons learned we redefined the risk parameters for bulk risks and risk correlations that apply to our main trading partners.

The EaD of the Financial Institutions portfolio as of December 31, 2008 stood at €144bn (September 30: €140bn). The rise in EaD was mainly attributable to special effects (the Hypo Real Estate (HRE) support package plus an increased willingness to grant loans to our subsidiaries). Without these effects, EaD would have fallen substantially. The risks come from banks, investment banks, insurance companies and (hedge) funds:

	Exposure at Default in € bn	Expected Loss in € m
Banks	115	68
NBFI	27	28
Insurances	2	< 1
Total	**144**	**97**

Breakdown by rating class as of December 31, 2008:

PD Rating	Exposure at Default in € bn	Expected Loss in € m	CVaR in € m
1.0 – 1.8	98	5	64
2.0 – 2.8	29	22	156
3.0 – 3.8	13	26	159
4.0 – 4.8	2	18	100
> 4.8	2	26	37
Total	**144**	**97**	**516**

The portfolio is dominated by investments by our mortgage subsidiaries in bonds from issuers with a good credit rating, counterparty risks arising from trading transactions, and commercial real estate financing, mainly secured through land charges, for funds managed by banks. Collateral agreements are used for proactive risk management of derivatives business, and the portfolio's level of coverage by these instruments is being continuously increased as part of our active exposure management approach.

Breakdown by region as of December 31, 2008:

	Exposure at Default in € bn	Expected Loss in € m	CVaR in € m
Africa	2	4	15
Asia / Pacific	10	19	66
Germany	52	13	115
North America	14	7	40
Eastern Europe	7	17	90
Scandinavia	3	1	8
Central and South America	1	4	16
Western Europe	55	32	166
Total	**144**	**97**	**516**

A large component of this business consists of OECD countries with good ratings. The proportion of emerging market regions is primarily the result of processing foreign trade of German Mittelstand companies. The current bank rating system is being reviewed in the light of the lessons learned from the financial market crisis and will be redefined to enable an even more accurate selection of risk.

4) CDS portfolio

The nominal volume traded on CDS markets rose to more than USD 62,000bn by the end of 2007. As a result of the financial crisis, this volume had fallen by end of June 2008 to almost USD 55,000bn. Since the nominal volumes of CDS transactions by our Bank were kept at a constant €160bn during the past few years, our market share has fallen from around 3 % in 2004 to less than 0.5 %, which underlines our conservative approach to these markets.

To reduce the systematic risk that derives from counterparty risk in credit derivatives, the financial industry is working hard to establish central clearing houses. These initiatives are quite advanced, particularly in North America. The plans are also making good progress in Europe. In October last year, the EU Commission launched an initiative for introducing new regulations for the derivatives market. The European banking industry and Commerzbank expressly support the establishment of central clearing houses for CDSs.

VI. Operational and other risks

1) Operational risk

Operational risk is defined in the Solvency Regulations (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; it does not cover reputational risks or strategic risks.

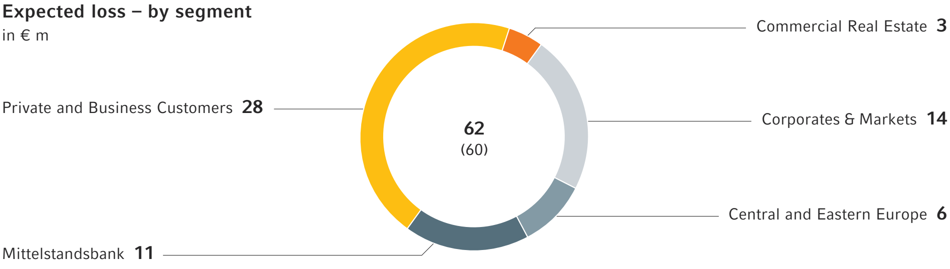
Key trends in 2008

The financial industry's experiences of OpRisk events in the reporting year showed that significant losses due to weaknesses in control processes, an inadequate management overview or fraudulent activities are much more likely to occur in periods of extreme market volatility. We therefore focused on monitoring and continually improving control processes in investment banking and implemented measures to limit the constant residual risk of human error or fraudulent actions. This involved, for example, implementing measures as part of IT security, for the reconciliation process of business confirmations and for monitoring trader portfolios. Activities still outstanding are being implemented for the new Commerzbank's target structure as part of the Dresdner Bank integration.

We also continually upgraded the internal models and methods used to manage operational risk. Another area of focus was implementation of the MaRisk requirements for bank outsourcing and inclusion of outsourced activities into Commerzbank's risk control process.

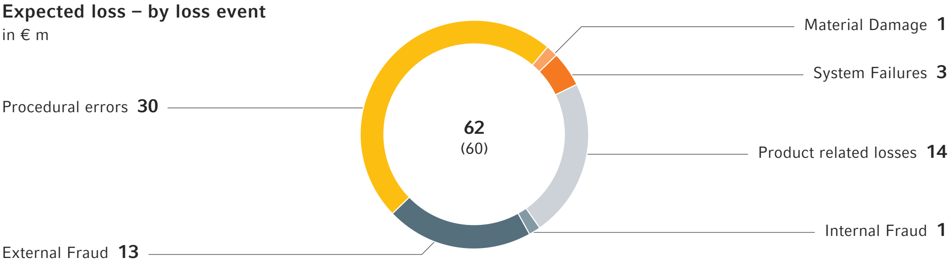
OpRisk losses of €83m were reported in 2008 (2007: €65m), and in addition the provisions for operational risk and ongoing litigation had to be increased by €18m (2007: €75m). The positive trend of losses for the first

Expected loss – by segment
in € m



Values in parentheses: December 2007

Expected loss – by loss event
in € m



Values in parentheses: December 2007

nine months ended in the fourth quarter, including in particular a €31m loss from the settlement of a trading position with disputed agreements. Nonetheless, the total charge arising from operational risk of €101m was significantly less than the prior year figure (2007: €140m).

The increased operational risk losses also had an impact on the expected loss, which increased accordingly from €60m in 2007 to €62m in 2008.

The regulatory capital backing for operational risk according to the advanced measurement approach (AMA) was €760m in 2008. Of this amount, Corporates and Markets, Mittelstandsbank and Private and Business Customers accounted for about 80%, an amount that has been relatively stable over time. Loss data provided by the Operational Risk Data eXchange Association (ORX), which we regularly use for benchmarking analyses, show comparable risk profiles.

Risk management and limitation

Limiting operational risks differs systematically from limiting market and credit risk, since the portfolio is not made up of individual clients or positions but internal processes. Possibilities for transferring risk via the traditional insurance market are currently available to only a limited degree, and measures to be taken when limits are exceeded are therefore only effective after a certain time lag. The focus for this type of risk must therefore be more on anticipatory management by the segments and cross-divisional units.

The following measures were defined as qualitative goals to further optimize the OpRisk profile in Commerzbank Group:

- Improving the scoring for qualitative OpRisk components of the bonus-and-penalty model and thereby reducing capital adequacy requirement.
- Implementing new governance structures to support proactive risk management in the segments.

Risk-strategic areas were defined in our operational risk strategy for 2009. These included:

- Greater analysis of OpRisk in connection with the financial crisis
- Operational risk in connection with the integration of Dresdner Bank
- Upgrading the OpRisk early warning system
- Analysis and management of risks from product liability

Outsourcing

In 2007 Commerzbank strengthened measures for controlling its outsourcing activities. The revised version of MaRisk that was issued on October 30, 2007 requires banks to carry out risk assessments of their outsourcing arrangements. Banks must form their own view on the materiality of outsourcing measures. Implementing these new requirements was the focus of our efforts in 2008. To this end, an IT-supported application for continuous monitoring of outsourcing-specific risks was implemented as part of a project.

Legal risk

Legal risks are included in operational risk modelling. Management of the Commerzbank Group's legal risks on a worldwide basis is handled by Legal Services (ZRA). The main function of ZRA is to recognize potential losses from legal risks at an early stage, devise solutions for reducing, restricting or avoiding such risks and create the necessary provisions. In the area of legal risk, increasing product complexity has led to an increase in potential losses.

Deposit insurance fund

Commerzbank is a member of the deposit insurance fund of the German Banking Association. Special contributions to this compensation scheme cannot be ruled out at the present time in view of a large loss in 2008.

2) Business risk

Business risk covers the risk of losses due to the negative deviation of income (essentially commissions) and expenses from the budgeted figures and is therefore primarily impacted by basic conditions in market environment, customer behaviour or technological development that have changed relative to the assumptions made for planning purposes.

Business risk is managed by means of clear targets for specific business areas as regards returns as well as cost/income ratios and continuously flexible cost management in the event of non-performance.

3) Other risks

MaRisk requires a holistic view of risk in order to meet the Pillar 2 requirements of the new Basel framework, and hence requires that unquantifiable risk categories which are subject to qualitative management and controlling processes must be also be taken into consideration.

Personnel risks

As in MaRisk, Commerzbank defines four categories of personnel risks:

- **Aptitude risk:** employees and those standing in for them must have the required knowledge and experience appropriate to their duties, authority and responsibilities. Appropriate training and continuing education programs must be offered to ensure that the level of employee qualifications keeps pace with the current state of development.
- **Motivation risk:** pay and incentive systems must be designed so that they do not lead to conflicts of interest or inappropriate incentives, especially in the case of senior managers.
- **Departure risk:** the company must ensure that the absence or departure of employees will not result in long-term disruptions to operations. The criteria governing appointments to managerial staff positions in particular must be defined.
- **Bottleneck risk:** the quantitative and qualitative staffing of the Bank must be based on internal operating requirements, business activities, strategy and the risk situation.

Strategic risk

Strategic risk is the risk of negative impacts on the achievement of Commerzbank's strategic goals as the result of changes in the market and competitive environment, capital market requirements, regulations or politics, inadequate implementation of Group strategy or inconsistent development of segments and business areas.

Responsibility for strategic corporate management lies with the Board of Managing Directors, which is supported by Strategy and Controlling (ZKE) for strategic issues. Some business policy decisions (acquisition and disposal of equity holdings exceeding 1% of equity) also require the approval of the Risk Committee of the Supervisory Board. In addition, all major investments are subject to careful review by the Investment Resources Allocation Committee (IRC). On the basis of ongoing observation of the market and competitive environment, both German and international, and of the requirements imposed by the regulatory authorities and the capital markets, key changes and developments are continuously analyzed to determine the action that needs to be taken to ensure long-term corporate success.

Reputational risk

We define reputational risk as the risk of losses, falling revenues or reduced corporate value due to business events that erode the confidence of the public, clients, 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 risks arising from their particular activity. Reputational risks may also stem from other types of risk and even intensify those risks. The responsibility of Group Communications (ZKK) for controlling reputational risk ensures that Commerzbank will be 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 environmental and social risks. Major credit decisions are voted on individually with regard to reputational risk. These votes may result in transactions being declined.

Compliance risk

The success of Commerzbank Group depends largely on the trust and confidence of our clients, our present and future shareholders, our staff and the public in the capacity and potential and especially the integrity of our group. This confidence is based particularly on compliance with applicable statutory, regulatory and internal regulations and conformity with customary market standards and codes of conduct in the global business activities of the Group. The Board of Managing Directors has primary responsibility for compliance and has assigned the function to Group Compliance (ZGC). The goal is to identify early on any compliance risks that could call into question the integrity and therefore the success of Commerzbank Group, to prevent such risks if possible, and control them or resolve them properly in the interest of those involved.

VII. Summary outlook for the new Commerzbank

Restructuring the risk function / risk integration project

The new Commerzbank attaches great importance to a resilient business model and strong risk management procedures. It follows a consistent derisking strategy and will strengthen its risk management process during the restructuring phase. The risk function is spread across nine areas, of which five will carry out this function for the CRO segment and accept responsibility for all quantifiable risks in this segment.

Of the four Corporate Center risk functions, one handles credit risks, while another takes charge of the market and operational risks of the Commerzbank Group; these two teams ensure that the Group applies uniform methods and controlling procedures. Another Corporate Center function is responsible for intensive care management and workouts for all segments. Risk Operations oversees all the Group's risk functions. It implements a uniform risk strategy, carries out macroeconomic risk research, ensures uniform target group-focused use of language in all internal and external risk reports, puts forward proposals for more efficient and cost-effective processes, monitors the budgets, takes charge of cross-segment staff training and qualification, and coordinates all these measures with the banking supervisory authority.

All nine risk functions are headed by the CRO and the Risk Management Board, who is responsible for timely reporting, cost-efficient and proactive risk controlling and management, a uniform risk culture and compliance with all regulatory provisions.

By merging the methods, models, competencies and the risk strategies for the homogenous sub-portfolios of the new Commerzbank, we are well on our way in our preparations for integration. We are aware that the integration of Dresdner Bank into the new Commerzbank presents an enormous challenge for the risk management functions, particularly the downsizing of the portfolios of ABSs / conduits, leverage acquisition finance and CDSs, which have grown considerably due to the incorporation of Dresdner Bank. However, we are well equipped to master these challenges with strength and can rely on a motivated and effective team made up of staff from both banks.

Risk-taking capability

In 2008 we fundamentally reviewed and enhanced our existing economic credit risk capital model. The new Merton model that we began using in January 2009 has led to a much higher CVaR in the Group. We had previously reflected this long-anticipated development through tougher stress scenarios. Significant features of the new model are:

- Improved, more conservative modelling of correlations and bulk risks
- A risk factor model specially designed for the new Commerzbank portfolio
- A module with loss waterfall simulation for structured products.

With the introduction of this new credit risk model we also had to change our risk-taking capability approach to an assessment of economic and regulatory risk weighted assets (RWA). In future, the key reference for analyzing risk-taking capability will be solely the regulatory definition of capital, for both economic and regulatory capital purposes. This will give us a conceptual comparability that is lacking when using a different economic definition of capital available to cover risk. Comparing the RWA with available capital produces regulatory and economic core capital and capital adequacy ratios that also reflect the application of economic stress scenarios. The capital buffer comprises the existing excess cover of the capital requirement under Basel II and the economic capital model. Regulatory and economic management measures are largely harmonized through the new risk-taking capability approach.

We expect the economic conditions to significantly strengthen the procyclical effect of Basel II in 2009 and 2010. This means that the initial savings arising from the Basel II changeover should be fully absorbed, and we do not rule out the possibility of the progressive approach coming under further pressure, even compared to less sophisticated ones. Overall, we consider that an RWA rise of 10 – 20 % would be realistic for the new Commerzbank. In view of this, we are in close exchange with regulators at national and international level to avoid economic trends being intensified as a result of regulation.

Further developments in the management of default risks

Another important pre-requisite for creating a consistent risk management process as quickly as possible in the new Commerzbank is to harmonize our rating platform in such a way that there is just one procedure throughout the Group for every asset class. To do this, all selection decisions have already been taken and the basic procedure agreed with BaFin. The projected plans, including recalibration on common data histories, should be implemented by the end of 2009. Full IT implementation is scheduled to be completed by the end of 2010.

In view of the current crisis, a number of procedures have been fundamentally revised as part of this consolidation (e.g. bank ratings). The focus is also on the closer integration of early warning indicators and market data into rating systems. In particular, this means ensuring that future estimates given by our experts (based on the credit analysis of individual cases) are incorporated into the rating result with a sufficient weighting, in addition to available quantitative information (e.g. annual financial statements, account management etc.).

Commerzbank's master scale will be used in Dresdner Bank from 2009, even before the merger. The harmonization of rating nomenclature is a key condition for the integration and establishment of a consistent policy framework.

We will also retain the previous methodical basis of the EL limit at Group and segmental level in 2009. However, extreme market trends and much greater equity capital expectations from external market participants, investors and rating agencies will also be included when the Board of Managing Directors determines the final EL. With a view to the transfer of Dresdner Bank's portfolios into the new Commerzbank, we have decided to wait until the database is standardized before determining the firmly defined EL limit, as we will then have a uniform controlling platform.

Bulk risk limitation and monitoring will be even more important for the new Commerzbank following the integration of Dresdner Bank. We have fundamentally revised the bulk definition for 2009 and adjusted it to the new balance sheet ratios because of the introduction of the new portfolio model, the newly defined risk-taking capability concept and the new Commerzbank portfolio composition. We have also defined upper limits which clearly govern the maximum amounts not to be exceeded for lending limits, uncovered risk and CVaR for individual commitments.

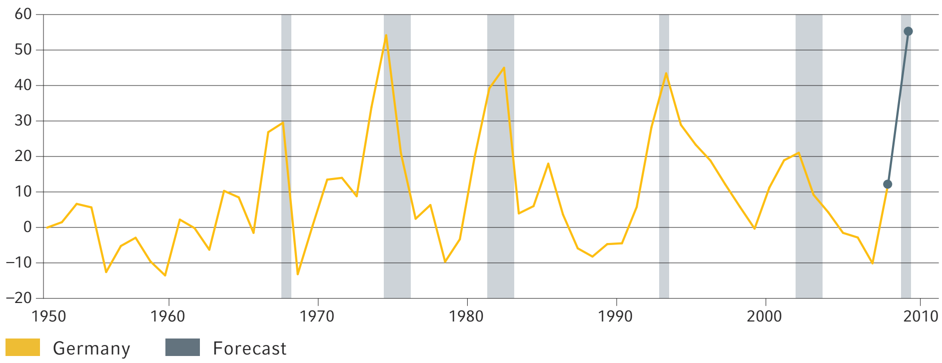
Banks

The impact of the financial market crisis and the worldwide downturn in financial institutions' income and capital position intensified in the fourth quarter of 2008 and will have a significant negative effect on their financial situation in 2009. However, the bank rescue packages and firm commitment shown by the governments and central banks of the industrialized nations to support the financial system have helped ease the situation in the developed markets. We therefore do not expect any further defaults by large market players important to the stability of the system, but further defaults and restructuring are likely with smaller financial institutions. Aside from the direct financial impact of the crisis, the questions surrounding business models that have been in place for a long time encourage us to continue steadily with our policy of reducing risk in accordance with risk/return principles.

Banks in emerging markets, especially local ones, are most at risk of default. Particular pressure is expected to come here in 2009 from a high need to refinance external funding, the recession spilling over into the emerging markets and the impact of currency depreciation in various countries. While countries rich in commodities such as Russia were able to accumulate foreign currency reserves in the boom period and are willing to use these funds to prop up their banking systems, we believe that the situation is critical for banks in countries that do not have this option and are burdened by high budget and current account deficits. This is confirmed by the current crisis in Ukraine. However, prolonged low commodity prices will also increase default risk in countries that previously had good crisis management, so that we also see greater risk potential there during the year.

For the past few months we have already proactively been reducing our risks in selected emerging markets, and we will continue with this strategy. Generally speaking, our business in emerging markets focuses on low-risk commercial bank-to-bank transactions to promote the import/export activities of our corporate customers.

Insolvencies



Change in relation to the previous year in %. Shaded areas mark recessions.

Non-bank financial institutions

Our insurance portfolio, which was small owing to our strict portfolio selection, has grown considerably through the addition of Dresdner Bank and favours developed markets. We assume that insurance companies are also likely to benefit from the positive effects of the support given to financial markets in the industrialized countries. But smaller insurance companies and niche providers could be quickly deprived of their business foundations if there is a serious dip in profits. We are in particular keeping a critical eye on the effects of the financial crisis on insurance companies' investment portfolios.

The hedge fund industry will also remain under pressure in 2009. Negative factors such as weak performance, limited access to liquidity and high investor redemptions will force the liquidation of more funds during the year. This will not just be limited to small funds; after the Madoff scandal, the overall sector's image has been tarnished even more. There has been no shock to the system yet from these negative developments, as was feared, but this could definitely still occur, as the liquidation of collateral and positions could create a downward spiral with a momentum of its own. Our hedge fund portfolio, including Dresdner Bank, is straightforward, generally well secured, widely diversified and based on funds of funds, so we do not expect any exceptional charges in this area.

Corporates

As various analyses have recently shown, the trend in corporate insolvencies has reversed, in that they went up again for the first time in 2008. As the effects of the financial crisis on the real economy are expected to intensify in 2009, the supply of capital for corporates will become more difficult, and as a result the number of insolvencies will rise. Based on past experience, our economists are predicting a rise of around 50 %. Taking credit spread trends of the sub-investment grade as a starting point, the default rate in the next two years in this sector could even reach double-digit figures.

ABS/Conduits/LAF

The new Commerzbank's ABS and LAF portfolio represents the greatest challenge for limiting charges against earnings. For this reason, responsibility for this portfolio in the Corporates & Markets segment was bundled together with other portfolio sections from Public Finance into a Divisional Restructuring Unit (DRU). We will keep a close eye on these toxic portfolios.

Market risk

As part of the integration, Commerzbank will be changing over its market risk analysis by the end of 2009 to Dresdner Bank's internal model, also approved by BaFin, known as the delta gamma model.

The Basel II requirements on the incremental risk charge which come into force from 2011 will also be implemented at the same time. We are continuing to model the default and migration risk (credit quality deterioration) of trading positions based on the project launched by Commerzbank in 2008. This involves incorporating the newly defined regulatory requirements (such as eliminating rules for securitizations, and changes in equity prices) which will be implemented in a solution for the new Commerzbank as part of the integration process.

From the market perspective, credit spreads for Commerzbank's positions are still expected to be the main negative factor in 2009, for which developments in Southern and Eastern Europe in particular will be crucial. While in Southern Europe sharply rising government borrowing will place a sustained burden on budgets as a result of government bail-out and stimulus packages and drive up refinancing costs, and therefore the yield premiums for countries such as Italy, Spain, Greece and Portugal, the problems in Eastern Europe are low energy prices, weaker demand from Western Europe and partially home-grown economic or political difficulties. Furthermore, Dresdner Bank's ABS portfolio which has since been consolidated in a special restructuring area, will create additional charges when it is reduced.

Operational risks

We expect charges, including legal risks, to stay high in 2009. Firstly, we anticipate an increasingly difficult environment due to the current financial market crisis and economic recession which, judging by experience, can lead to a rise in actions against the Bank and to a greater likelihood of fraudulent activity. Equally, charges will rise, albeit temporarily, through the acquisition of Dresdner Bank, until both banks' business processes and IT systems have been fully consolidated.

We began harmonizing the Dresdner Bank and Commerzbank advanced measurement and management approach to operational risk at the end of the reporting year. We will continue to use the principles of Commerzbank's existing model and take account of findings from Dresdner Bank's scenario approach. We assume that the transfer to a standardized methodological management concept will be completed during 2009.

IIF Principles of Conduct and Best Practice Recommendations

We take very seriously our share of the responsibility for ensuring that the financial market works well. As such, we welcome the fact that under pressure from the financial market crisis, the Institute of International Finance (IIF) drew up a package of Principles of Conduct in July 2008, which represent a general and binding code of conduct for IIF members, including Commerzbank and Eurohypo, in six areas (risk management, compensation, liquidity, valuation, securitization, disclosure). This code is formalized through Best Practice Recommendations which members are urgently advised to implement, taking account of their structure and business model. The aim of these measures is to avoid in the future the errors that have led to the current financial market crisis.

Together with our auditors, we carried out a gap analysis and checked internal regulations to see which areas of Commerzbank Group require action to comply with the IIF code of conduct and recommendations. In doing so, we also incorporated the requirements of the Counterparty Risk Management Policy Group (the Corrigan report).

The result of the gap analysis showed that the Commerzbank Group already meets most of the requirements. Those which it does not have been consolidated into areas for action and measures drafted to ensure compliance. These are expected to be implemented by the end of 2009.

Future financial market regulation

The international regulation initiatives that began in the wake of the financial market crisis will be continued in 2009. In this regard, the collapse of Lehman Brothers has created a stronger dynamic.

The Basel Committee for Banking Supervision is currently improving identified weaknesses in the Basel framework. Apart from aspects of all three pillars, this includes a stronger capital adequacy requirement for resecuritizations, liquidity lines to conduits, and risks in the trading book compared to the banking book (incremental risk charge). There will be additional burdens on banks, particularly in terms of regulatory market risk measurement.

The Capital Requirements Directive is also being revised at the same time at European level. The changes include in particular securitization, large exposure, transparency and core capital regulations and the Consolidating Supervisor (cooperation between European supervisors).

The 2008 recommendations of the Financial Stability Forum are also of major importance. Germany has undertaken to implement them nationally. The first step involves the amendments to the Minimum Requirements for Risk Management (MaRisk) published for consultation in February 2009. These relate to areas such as stress tests, concentration risks, risk management at Group level, trading transactions, valuation of illiquid positions, liquidity risk management, appropriate involvement of the supervisory body and remuneration systems.

Commerzbank welcomes all regulatory measures that help increase the stability of the financial system, and sees these as complementing its own efforts as described here for effective risk management.

Charges against earnings

For 2009 it is important to note that economic developments and therefore the outlook should be seen as very critical for credit risk provisions in Central and Eastern Europe and in Commercial Real Estate (including the shipping portfolio) and more critical than previously in the Mittelstandsbank. Nonetheless, we expect risk provisions to be slightly below 2008 levels, despite large structural shifts at the new Commerzbank, as we no longer anticipate large financial institutions incurring comparable charges. That said, downside scenarios in the insecure and extremely volatile environment are highly likely to occur; we should not exclude the possibility therefore of risk provisions rising considerably for the new Commerzbank, particularly if significant bulk or event risks occur.

We need to harmonize the methods of determining risk provisions following the integration of Dresdner Bank. For example, uniform LIP factors throughout the Group are being introduced to determine the general loan loss provision, which could result in increases because of the changeover.

In terms of impairment charges arising from available-for-sale holdings and defaults in the trading book, we currently assume that we reached the peak for the new Commerzbank in 2008. We are expecting a large reduction for this area in 2009 under our realistic-case scenario.

In the revaluation reserve, charges against the new Commerzbank's capital base should be well below the €4.6bn total for 2008.

Net risk provisions

For net risk provisions, there will be significant portfolio shifts in addition to a moderate fall. We expect a rise in the Private and Business Customers segment, largely due to adjustments in method and a significant decline in amounts received on claims written off at Dresdner Bank. As the financial market crisis also reached the real economy, we expect a large rise in insolvencies and restructurings in 2009, and therefore in net risk provisions in the Mittelstandsbank. In Central and Eastern Europe, we expect a significant year-on-year rise in net risk provisions, with Russia, Ukraine and Poland being affected in equal measure. After the exceptionally high charges in the Corporates & Markets segment in 2008, we see risk provisions more than halving in 2009, although they should still be high in the LAF portfolio at Dresdner Bank. For Financial Institutions however, we expect a significant improvement, as state intervention in this area has provided stability. In the CRE & Shipping estimate, we expect more defaults and bulk risks; additionally, the negative effect on earnings from shipping financing and the first-time full consolidation of Schiffsbank needs to be taken into account.

Lessons learned from the financial market crisis

We have learned all kinds of lessons from the financial crisis, beginning with sub-prime, and the impact on value seen so far has highlighted the need for a rethink in many areas. We have therefore concentrated on analyzing the core problems of the crisis as a matter or urgency. As part of integration preparations, we have incorporated our findings into the Bank's revised procedures (risk strategies, credit authority regulations, policies etc.) and into the new Commerzbank's organizational structure (establishing our own Group risk research, making segment CROs responsible for all quantifiable risks, strengthening the market risk function within C&M, etc.).

With the amalgamation of the Dresdner Bank and Commerzbank lending portfolios, the new Commerzbank's bulk risks will also rise both at individual level (borrower units) and portfolio level (portfolios with high default correlations). Apart from the value impact of structured secondary market products, individual bulk risks are the main source for unexpected loss and for the failure of planned risk results. Apart from correlation-oriented portfolio supervision, bulk risk management also aims to supervise individual commitments where there is deemed to be a particularly high individual risk.

For the new Commerzbank, bulk risk management, which was previously based on CVaR, has been revised and expanded by the management parameters LaD and EaD. At the same time, the entry and upper limits of individual bulk risks have been revised, with a clear orientation towards the new Commerzbank's risk-taking capability.

Profit and loss account of Commerzbank Aktiengesellschaft for the period from January 1 to December 31, 2008

in € m				2008	2007
Interest income from					
a) lending and money-market transactions		11,246			10,443
b) fixed-income securities and government-inscribed debt		1,652			1,467
			12,898		11,910
Interest paid			−10,346		−9,718
				2,552	**2,192**
Current income from					
a) shares and other variable-yield securities			595		594
b) investments (subsidiaries, associated companies, and trade investments)			37		31
c) holdings in affiliated companies			27		30
				659	**655**
Income from profit-pooling and from partial or full profit-transfer agreements				**153**	**935**
Commissions received			2,150		2,175
Commissions paid			−394		−265
				1,756	**1,910**
Net expenses from financial transactions				**−344**	**212**
Other operating income				**242**	**320**
General operating expenses					
a) personnel expenses					
aa) wages and salaries		−1,501			−1,849
ab) compulsory social-security contributions, expenses for pensions and other employee benefits		−431			−422
of which: for pensions	−205				(−186)
			−1,932		−2,271
b) other administrative expenses			−1,471		−1,335
				−3,403	**−3,606**
Depreciation on and value adjustments to intangible assets and fixed assets				**−126**	**−167**
Other operating expenses				**−237**	**−252**
Income from write-ups on claims and certain securities and from the release of provisions in lending business				**1,031**	**−1,720**
Write-downs and value adjustments on investments, holdings in affiliated companies and securities treated as non-current assets				**−1,074**	**359**
Expenses from the transfer of losses				**−2,380**	**−12**
Result from ordinary activities				**−1,171**	**826**
Taxes on income			−34		−165
Other taxes			1		−4
				−33	**−169**
Net loss for the year				**−1,204**	**657**
Withdrawals from revenue reserves					
b) from reserve for the Bank's own shares			−1		−36
d) from other revenue reserves			−1,204		–
				−1,205	**−36**
Allocation to revenue reserves					
b) to reserve for the Bank's own shares			–		–
d) to other revenue reserves			1		36
				1	**36**
Distributable profit				**–**	**657**

Balance sheet of Commerzbank Aktiengesellschaft as of December 31, 2008

Assets | in € m				31.12.2008	31.12.2007
Cash reserve					
a) cash on hand			821		861
b) balances with central banks			4,226		2,616
including: with Deutsche Bundesbank		3,909			(2,544)
				5,047	**3,477**
Debt issued by public-sector borrowers, and bills of exchange rediscountable at central banks					
treasury bills and discountable treasury notes, as well as similar debt issues by public-sector borrowers			281		72
including: rediscountable at Deutsche Bundesbank		0			(–)
				281	**72**
Claims on banks					
a) payable on demand			11,400		18,880
b) other claims			109,964		80,646
				121,364	**99,526**
Claims on customers					
including: secured by mortgages on real estate		16,052			(18,171)
communal loans		5,745			(5,886)
				128,905	**118,784**
Bonds and other fixed-income securities					
a) money-market instruments					
aa) issued by public-sector borrowers		24			8
including: rediscountable at Deutsche Bundesbank	24				(3)
ab) issued by other borrowers		7,426	7,450		1,274
including: rediscountable at Deutsche Bundesbank	5,016				(1)
					1,282
b) bonds and notes					
ba) issued by public-sector borrowers		4,942			7,666
including: rediscountable at Deutsche Bundesbank	4,735				(5,016)
bb) issued by other borrowers		45,896	50,838		28,376
including: rediscountable at Deutsche Bundesbank	31,478				(13,912)
					36,042
c) bonds and notes issued by Commerzbank			27,119		21,611
nominal amount €27,215m					
				85,407	**58,935**
Shares and other variable-yield securities				**5,750**	**11,212**
Investments (subsidiaries, associated companies and trade investments)				**538**	**760**
including: investment in banks		54			(43)
investment in financial-service institutions		3			(0)
Holdings in affiliated companies				**12,832**	**13,131**
including: in banks		226			(790)
in financial-service institutions		66			(0)
Assets held on a trust basis				**63**	**79**
including: loans at third-party risk		10			(25)
Intangible assets				**41**	**44**
Fixed assets				**374**	**434**
Bank's holding of its own shares accounting par value: €0m				**0**	**1**
Other assets				**21,166**	**14,521**
Deferred items					
a) difference arising from consolidation pursuant to Art. 250, (3) of the German Commercial Code – HGB			133		105
b) other deferred items			4,532		3,460
				4,665	**3,565**
		Total Assets		**386,433**	**324,541**

Liabilities and Shareholders' Equity | in € m			**31.12.2008**	**31.12.2007**
Liabilities to banks				
a) payable on demand		30,428		30,962
b) with agreed periods or periods of notice		105,125		79,907
			135,553	**110,869**
Liabilities to customers				
a) savings deposits				
aa) with agreed period of notice of three months	7,613			8,939
ab) with agreed period of notice of more than three months	346			418
		7,959		9,357
b) other liabilities				
ba) payable on demand	44,584			44,049
bb) with agreed periods or periods of notice	87,363			60,388
		131,947		104,437
			139,906	**113,794**
Securitized liabilities				
a) bonds and notes issued		44,096		47,036
b) other securitized liabilities		14,601		9,952
			58,697	**56,988**
including:				
ba) money-market instruments	14,576			(9,941)
bb) own acceptances and promissory notes outstanding	24			(10)
Liabilities on a trust basis			**63**	**79**
including: loans at third-party risk	10			(25)
Other liabilities			**15,544**	**14,892**
Deferred items				
a) difference arising from consolidation pursuant to Art. 340e, (2), 2 of the German Commercial Code – HGB		224		52
b) other deferred items		3,922		2,921
			4,146	**2,973**
Provisions				
a) provisions for pensions and similar commitments		1,479		1,421
b) provisions for taxation		362		442
c) other provisions		1,669		1,858
			3,510	**3,721**
Subordinated liabilities			**9,472**	**9,133**
Profit-sharing certificates outstanding			**934**	**934**
including: maturing in less than two years	539			(256)
Fund for general banking risks			**705**	**705**
Capital and reserves				
a) subscribed capital				
aa) share capital (conditional capital €832m)	1,879			1,709
ab) silent participations	8,200			
		10,079		
b) capital reserve		6,867		5,926
c) revenue reserves				
ca) legal reserve	3			3
cb) reserve for the Bank's own shares	0			1
cc) other revenue reserves	954			2,157
		957		2,161
d) distributable profit		–		657
			17,903	**10,453**
Liabilities and Shareholders' Equity			**386,433**	**324,541**
1. Contingent liabilities				
a) contingent liabilities from rediscounted bills of exchange credited to borrowers		2		1
b) liabilities from guarantees and indemnity agreements (see also Note 29)		29,589		25,616
			29,591	**25,617**
2. Other commitments				
c) irrevocable lending commitments		47,783		35,474
			47,783	**35,474**

Notes

General information

(1) Accounting principles

The annual financial statements of Commerzbank Aktiengesellschaft as of December 31, 2008, were prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch* – HGB) in combination with the regulation on the accounting of banks (RechKredV) and with due regard to the provisions of the German Stock Corporation Act (*Aktiengesetz* – AktG).

The annual financial statements consist of the profit and loss account, the balance sheet and the notes. In addition, a management report has been included pursuant to Art. 289, HGB, which appears on pages 4 to 50.

Unless otherwise indicated, all the amounts are shown in millions of euros. Rounding may give rise to differences of ± one unit in tables.

(2) Accounting and measurement policies

The cash reserve appears in nominal figures.

Debt issued by public-sector borrowers are shown in discounted form.

Claims on banks and claims on customers always appear at their nominal values, with the loan loss provisions that have been formed deducted. Differences between the acquisition cost and the nominal amount which have interest character are assigned to deferred items and recognized successively over their entire lifetime in interest income.

Bonds and other fixed-income securities, equities and other variable-yield securities, delivery commitments arising from the short-selling of securities in the trading portfolio and claims on banks and customers that form part of the trading portfolio are valued using a portfolio approach. Securities of the liquidity reserve appear – according to the rules for current assets, with the strict lower-of-cost-or-market principle applied – at the lower of acquisition cost or ascribed value. Securities held as fixed assets are treated in accordance with the diluted lower value principle.

Investments and holdings in affiliated companies are carried at amortized cost, in accordance with the rules for fixed assets. Where a permanent impairment of value seemed likely, we have made the relevant non-scheduled depreciation. Insofar as the reasons for the write-downs no longer apply we undertake a write-up to no more than the purchase cost amount.

We show expenses and income (write-ups) in net form – insofar as these stem from the portfolio held for trading purposes, they appear under Net expenses from financial transactions, while those from the liquidity portfolio are shown under Write-downs of and value adjustments to claims and certain securities, and additions to provisions for possible loan losses.

Securities-lending transactions are shown according to the principles of Art. 340b, (2), HGB, for genuine repurchase agreements. Lent securities remain in our balance sheet, whereas borrowed securities do not appear there.

Tangible fixed assets are carried at their cost of acquisition or production and, insofar as they are subject to wear and tear, they are regularly depreciated. For the underlying economic usefulness and depreciation rates, we consult the tables published by the fiscal authorities. Non-scheduled depreciation and write-offs are effected in the case of permanent impairments in value. Low-value assets are recognized according to the relevant local simplified taxation rules.

We had made no use of the option to form a deferred tax item pursuant to Art. 274, (2), HGB, as of December 31, 2008.

Liabilities are shown in the balance sheet at the respective amounts to be repaid. The difference between the amount to be repaid and the amount paid out is recognized as a deferred item and appears on a pro-rata basis in the profit and loss account. We recognize long-dated discounted liabilities (zero-coupon bonds) at their present value.

Provisions for pensions are formed according to actuarial principles, applying a calculatory interest rate of 6 % in a current value permissable for tax purposes and on the basis of the Heubeck guideline tables 2006 G. For measuring our obligations under early retirement and part-time schemes for older staff, we have recourse to methods permissible under tax rules. Provisions for taxes and other provisions are formed in accordance with reasonable commercial judgement. Provisions for contingent losses from pending transactions have been formed in the commercial balance sheet.

Risks in the lending business are reflected by creating specific loan-loss provisions (SLLPs), portfolio loan-loss provisions (PortLLPs) and general loan-loss provisions (GLLPs) for reported claims and off-balance-sheet transactions. We adopt a cautious provisioning approach, applying strict criteria. In addition, we have formed reserves pursuant to Art. 340f, HGB, and Art. 340g, HGB, to cover the special risks arising from banks' business activity.

Derivative financial instruments are used both to hedge balance-sheet items and for trading purposes. On the balance-sheet date, the derivative financial instruments are remeasured individually. However, to a reasonable extent, the results of remeasurement are netted against those for other transactions within the same valuation unit. If net expenses arise, a provision for contingent losses from pending transactions is formed; a revenue surplus is reported under Other assets.

The valuation of the trading portfolios is based on the risk-adjusted mark-to-market approach, taking into account a market price risk discount. The market risk to be deducted is calculated on the basis of a value-at-risk approach and is gauged such that an expected maximum loss arising from these trading books will not be exceeded with a high degree of probability within a defined period of time.

In the profit and loss account, we make use in the financial statements as of December 31, 2008, of the setting-off options pursuant to Art. 340c, (2), HGB and Art. 340f, (3), HGB.

We have made adjustments in the order of presentation of the components in the year-end accounts in accordance with international usage and show the profit and loss account before the balance sheet.

(3) Currency translation

Foreign currencies are translated into the reporting currency in accordance with the provisions of Art. 340h, HGB. We translate items in the balance sheet and the profit and loss account which are denominated in foreign currencies, as well as pending spot foreign-exchange transactions, at the middle spot rate on the balance-sheet date; forward foreign-exchange transactions are translated at the forward rate. Assets treated as fixed assets – investments and holdings in affiliated companies – which are not specially covered by either liabilities or forward transactions in the same currency are translated at the rate of the date of purchase. The financial statements of our branches abroad which are denominated in foreign currencies are translated into the reporting currency at the middle spot rate on the balance-sheet date. Pursuant to Art. 340h, (2), HGB, losses and gains from currency translation are reflected in the profit and loss account.

Currency translation rates (in units for €1)			
BRL	3.24360	PLN	4.15350
CHF	1.48500	RUB	41.28300
CZK	26.87500	SGD	2.0040
GBP	0.95250	TWD	45.82000
HKD	10.78580	UAH	10.69200
HUF	266.70000	USD	1.39170
JPY	126.14000		

(4) Change in accounting policies

Since financial year 2008 our parent company financial statements which are prepared according to the German Commercial Code (HGB) have accounted for risks in the lending business using International Financial Reporting Standards (IFRS).

These are calculated based on claims recognized on the balance sheet; for off-balance-sheet transactions, specific loan-loss provisions (SLLPs) or general loan-loss provisions (GLLPs) are derived from internal parameters and models. A distinction is also made between those commitments which are significant and those which are not significant. These calculations also include country provisions. The size of the risk provisions for each individual default risk is based on the difference between the carrying value of the claim and the net present value of expected future cash inflows from the claim calculated using discounted cashflow methodology. Portfolio provisions are based on models.

This change in methodology had no material impact on the balance sheet or income statement.

Notes to the profit and loss account

(5) Revenues, by geographical market

in € m	2008	2007
Europe including Germany	14,168	14,028
America	1,069	928
Asia	296	240
Africa	72	76
Total	**15,605**	**15,272**

The aggregate amount covers the following items of the profit and loss account: interest income, current income from shares and other variable-yield securities, investments, holdings in affiliated companies, commissions received, net expenses from financial transactions and other operating income.

(6) Auditors' fees

The auditors' fees (excluding turnover tax) recognized as expenses in the 2008 financial year, break down as follows:

in € 1,000	2008	2007
Audit of financial statements	6,189	5,021
Provision of other certificates or assessments	5,540	2,492
Tax consulting services	79	–
Other services	1,642	237
Total	**13,450**	**7,750**

The increase in auditors' fees is largely the result of services related to the acquisition of Dresdner Bank.

(7) Other operating income

Other operating income of €242m (previous year: €320m) mainly includes revenues from the reversal of provisions not related to lending and rental income.

(8) Other operating expenses

Other operating expenses largely comprise €237m (previous year: €252m) of additions to provisions for litigation and recourse, rental and leasing payments for properties leased to third parties and non-recurring expenses related to the purchase of Dresdner Bank.

(9) Administrative and agency services

The following major administration and agency services were performed for third parties:

- Custody account administration
- Agency services for insurance and home loan savings plans
- Portfolio management
- Fiduciary services
- Investment business
- Securities commission business
- Payment transaction services

Notes to the balance sheet

(10) Remaining lifetimes of claims and liabilities

in € m	31.12.2008	31.12.2007
Other claims on banks	**109,964**	**80,646**
with a remaining lifetime of		
less than three months	72,704	53,429
more than three months, but less than one year	13,178	13,568
more than one year, but less than five years	21,340	12,085
more than five years	2,742	1,564
Claims on customers	**128,905**	**118,784**
with indeterminate lifetime	11,088	10,596
with a remaining lifetime of		
less than three months	37,645	37,048
more than three months, but less than one year	12,224	10,332
more than one year, but less than five years	31,005	26,779
more than five years	36,943	34,029

Of the bonds, notes and other fixed-income securities in an amount of €85,407m (previous year: €58,935m), €27,037m will mature during the 2009 financial year.

in € m	31.12.2008	31.12.2007
Liabilities to banks		
with agreed lifetime or period of notice	**105,125**	**79,907**
with a remaining lifetime of		
less than three months	73,148	56,732
more than three months, but less than one year	11,971	5,107
more than one year, but less than five years	7,967	6,680
more than five years	12,039	11,388
Savings deposits		
with agreed period of notice of more than three months	**346**	**418**
with a remaining lifetime of		
less than three months	45	40
more than three months, but less than one year	80	108
more than one year, but less than five years	190	224
more than five years	31	46
Other liabilities to customers		
with agreed lifetime or period of notice	**87,363**	**60,388**
with a remaining lifetime of		
less than three months	54,157	49,923
more than three months, but less than one year	14,267	6,068
more than one year, but less than five years	1,421	1,582
more than five years	17,518	2,815
Other securitized liabilities	**14,601**	**9,952**
with a remaining lifetime of		
less than three months	9,928	6,843
more than three months, but less than one year	4,672	3,108
more than one year, but less than five years	1	1

Of the €44,096m of bonds and notes issued (previous year: €47,036m), €13,184m will fall due in the 2009 financial year.

(11) Securities

	Marketable		Listed on a stock exchange		Not listed	
in € m	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Bonds, notes and other fixed-income securities	82,654	58,132	56,903	47,196	25,751	10,936
Shares and other variable-yield securities	2,526	8,513	2,505	8,060	21	453
Investments	453	671	307	478	146	193
Holdings in affiliated companies	1,933	3,442	–	–	1,933	3,442

Bonds, notes and other fixed-income securities include a total of €4,666m held as a financial investment as of December 31, 2008.

The modified lower-of-cost-or-market principle was used for these securities in 2008 in accordance with Art. 253, (2), HGB and write-downs of €315m were not recognized as there is no intention to sell them. These portfolios were particularly affected by the price volatility seen on the markets.

Under shares and other variable-yield securities, different investment fund shares of altogether €1,551m (previous year: €1,545m) are shown as a financial investment; these may be used solely to meet obligations arising from old-age pensions and part-time work schemes for older staff.

(12) Relations with affiliated companies and equity investments

	Affiliated companies		Investments	
in € m	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Claims on banks	74,656	45,131	625	24
Claims on customers	6,608	6,801	58	11
Bonds, notes and other fixed-income securities	6,161	3,821	14	56
Liabilities to banks	16,797	12,098	256	26
Liabilities to customers	5,540	4,961	53	34
Subordinated liabilities	2,140	2,391	–	–
Securitized liabilities	761	535	–	–

(13) Trust business

in € m	31.12.2008	31.12.2007
Claims on customers	10	25
Commerzbank Foundation	53	54
of which: Cash at bank – current accounts	3	45
Time deposits	2	7
Securities	48	2
Assets on a trust basis at third-party risk	**63**	**79**
of which: Fiduciary loans	10	25
Liabilities to banks	7	21
Liabilities to customers	3	4
Commerzbank Foundation	53	54
of which: Equity	51	53
Other liabilities	2	1
Liabilities on a trust basis at third-party risk	**63**	**79**
of which: Fiduciary loans	10	25

(14) Changes in book value of fixed assets

in € m	Intangible assets	Fixed assets	Securities held as financial investments	Invest-ments*	Holdings in affiliated companies*
Cost of acquisition / production as of 1.1.2008	**311**	**2,642**	**1,545**		
Changes in exchange rates	–4	–26	–		
Additions in 2008	23	66	6		
Disposals in 2008	129	219	0		
Transfers	604	–604	4,666		
Cost of acquisition / production as of 31.12.2008	**805**	**1,859**	**6,217**		
Cumulative write-downs	764	1,485	–		
Additions in 2008	–	–	–		
Residual book values as of 31.12.2008	**41**	**374**	**6,217**	**538**	**12,832**
Residual book values as of 31.12.2007	**44**	**434**	**1,545**	**760**	**13,131**
Write-downs in 2008	29	97	–		

*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 €61m (previous year: €59m), the Bank uses premises of €52m (previous year: €50m) for its own purposes.

Office furniture and equipment of €313m (previous year: €375m) is included in fixed assets. With reference to securities shown as financial investment we refer to our comments under note number 11.

(15) Other assets

Other assets of €21,166m (previous year: €14,521m) mainly comprise premiums paid for option contracts and interest-rate caps amounting to €9,977m (previous year: €10,152m) and collateral paid amounting to €2,131m (previous year: €695m) and €2,333m (previous year: €223m) of positive valuation differences in trading portfolios measured at mark-to-market.

(16) Subordinated assets

in € m	31.12.2008	31.12.2007
Claims on banks	121,364	99,526
of which: subordinated	1,147	934
Claims on customers	128,905	118,784
of which: subordinated	317	247
Bonds and notes		
a) of other issuers	45,896	28,376
of which: subordinated	647	513
b) own bonds	27,119	21,611
of which: subordinated	63	68
Shares and other variable-yield securities	5,750	11,212
of which: subordinated	9	56
Subordinated assets total	**2,183**	**1,818**

(17) Repurchase agreements

The book value of the securities pledged under repurchase agreements, which appear in the balance sheet, is €18,752m (previous year: €15,329m). In addition we have sold assets worth €21,750m (previous year: €8,063m) under repurchase agreements as part of open-market transactions.

(18) The Bank's foreign-currency position

On the balance-sheet date, the aggregate amount of foreign-currency assets was €82,366m (previous year: €66,237m).

Foreign-currency liabilities amounted to €66,922m (previous year: €60,268m) on the balance-sheet date.

(19) Security pledged for own liabilities

Assets of matching amounts were posted as collateral for the following liabilities:

in € m	31.12.2008	31.12.2007
Liabilities to banks	52,237	33,314
Liabilities to customers	22,675	4,589
Total	**74,912**	**37,903**

Security was furnished in connection with genuine securities repurchase agreements to raise funds, for funds borrowed for fixed specific purposes and in connection with open-market transactions.

The open-market volumes include €12,437m of retail property loans of Commerzbank Aktiengesellschaft which were securitized via a special-purpose entity (TS Lago One GmbH) and subsequently acquired by Commerzbank Aktiengesellschaft.

(20) Other liabilities

Other liabilities of €15,544m (previous year: €14,892m) mainly include premiums for option contracts and interest-rate caps amounting to €11,019m (previous year: €11,860m) and liabilities from the assumption of losses.

(21) Provisions

Other provisions were mainly created for other administrative expenses, risks in the lending business, issues relating to personnel and litigation and recourse risks.

Other provisions include restructuring provisions of €116m (previous year: €182m).

(22) Subordinated liabilities

In the event of insolvency or winding-up, the subordinated liabilities of €9,472m (previous year: €9,133m) may only be repaid after the claims of all non-subordinate creditors have been met. Until such time, no repayment obligation or claims to interest payments exist.

The obligations arising from the bonds and notes are subordinated obligations of the issuer, which will be met on an equal basis with all the issuer's other subordinated liabilities. In the financial year, interest paid on subordinated liabilities amounted to €510m (previous year: €476m).

As of December 31, 2008, the following fund-raising measures exceeded 10 % of the aggregate amount for this item:

Code number	Currency	Amount in m	Interest rate	Maturity date	
WKN CB0789	EUR	1,250	4.125 %	13.09.2016	
WKN 002155	EUR	1,000	5.012 %	12.04.2036	hybrid bonds

The issuer cannot be obliged by creditors to make premature repayment. The conditions for subordinated obligations find application.

Conversion into capital or into another form of debt is not laid down in the contractual agreements.

(23) Profit-sharing certificates outstanding

Of the profit-sharing certificates shown in the balance sheet, after deduction of discounts and market support positions €380m (previous year: €658m) qualified as liable equity capital as defined in Art. 10, (5), German Banking Act (*Kreditwesengesetz* – KWG).

Repayments of the profit-sharing certificates are subordinate to the claims of other creditors, but take priority over 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 relevant conditions of the profit-sharing certificates.

Under the terms of the profit-sharing certificates, the servicing of the claims for interest and capital repayment is linked to the Bank's distributable earnings rather than whether or not it pays a dividend. As in previous years, Commerzbank Aktiengesellschaft is not reporting a deficit on distributable earnings, so holders' claims will be serviced.

Profit-sharing certificates outstanding as of December 31, 2008 were unchanged from the previous year and break down as follows:

31.12.2008			
Volume in € m	Interest rate	Maturing on 31.12.	
320	6.38 %	2010	Profit-sharing certificate including: €10m registered profit-sharing certificate WKN 803205
256	7.90 %	2008	Profit-sharing certificate* including: €5m registered profit-sharing certificate WKN 816120
150	6.38 %	2009	Profit-sharing certificate including: €12m registered profit-sharing certificate WKN 816406
100	7.00 %	2009	Profit-sharing certificate WKN 816407
50	7.53 %	2014	Registered profit-sharing certificate WKN 422785
25	7.56 %	2014	Registered profit-sharing certificate WKN 422720
10	7.24 %	2009	Registered profit-sharing certificate WKN 422714
10	7.50 %	2009	Registered profit-sharing certificate WKN 423280
8	7.24 %	2009	Registered profit-sharing certificate WKN 422721
5	7.52 %	2009	Registered profit-sharing certificate WKN 423289
934			

* Repayment on July 1, 2009

(24) Equity

in €		31.12.2008		31.12.2007
Equity		**17,902,640,440.77**		**10,452,507,187.97**
a) Subscribed capital		10,078,638,205.60		1,708,638,206.60
share capital	1,878,638,205.60		1,708,638,206.60	
Silent participations	8,200,000,000.00		–	
b) Capital reserve		6,867,379,695.91		5,925,841,239.91
c) Revenue reserves		956,622,539.26		2,160,859,200.46
Legal reserve	3,067,751.29		3,067,751.29	
Reserve for treasury shares	59,659.74		1,268,433.13	
Other revenue reserves	953,495,128.23		2,156,523,016.04	
d) Distributable profit		–		657,168,541.00

a) Subscribed capital

The share capital of Commerzbank Aktiengesellschaft of €1,878,638,205.60 was divided as of December 31, 2008 into 722,553,156 no-par-value shares (accounting par value per share: €2.60). The shares are issued in the form of bearer shares.

In accordance with resolutions of the Board of Managing Directors and the Supervisory Board and its Presiding Committee dated August 31, 2008 and September 8, 2008 and in partial use of the authority granted in Art. 4 (7) of the version of the Articles of Association dated May 27, 2008 the share capital of Commerzbank Aktiengesellschaft was increased by €169,999,999.00 through the issue of 65,384,615 no-par-value bearer shares with an accounting value of €2.60 each in consideration for cash payment. The capital increase was entered in the commercial register on September 9, 2008.

The investment made by the Financial Market Stabilization Fund, represented by the Financial Market Stabilization Authority as a silent partner, amounted to €8,200m and was made on December 31, 2008. This silent partnership interest was based on the agreement dated December 19, 2008 governing the creation of a silent partnership between the Financial Market Stabilization Fund, represented by the Financial Market Stabilization Authority, and Commerzbank Aktiengesellschaft.

The pro-rata interest expense for this investment is shown under other liabilities.

Commerzbank Aktiengesellschaft has given an undertaking to the Financial Market Stabilization Fund, represented by the Financial Market Stabilization Authority, to pay no dividends in respect of the previous year in the financial years from January 1 to December 31, 2009 and from January 1 to December 31, 2010. The silent investment bears a 9 % annual coupon and has a 100 % weighting for Tier 1 capital purposes. Repayment will be at par. The interest rate on the silent investment rises in years when a dividend is paid. The additional interest is calculated based on the total amount of the cash dividend paid. A cash dividend of around €4.4m raises the interest rate by 0.01 percentage points.

b) Capital reserve

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 Aktiengesellscha shares are also recognized here.

The increase in the capital reserve in September 2008 was the result of implementing the resolutions of the Board of Managing Directors dated August 31, 2008 and September 8, 2008. The shares were issued at a price of €17.00 each, which resulted in €941,538,456.00 being added to the capital reserve as an issue premium.

c) Revenue reserves

in €	Total	Legal reserve	Reserve for treasury shares	Other revenue reserves
As of 31.12.2007	**2,160,859,200.46**	**3,067,751.29**	**1,268,433.13**	**2,156,523,016.04**
Changes in portfolio of treasury shares	0.00	–	–1,208,773.39	1,208,773.39
Withdrawal from other revenue reserves	1,204,236,661.20	–	–	1,204,236,661.20
As of 31.12.2008	**956,622,539.26**	**3,067,751.29**	**59,659.74**	**953,495,128.23**

The withdrawal from other revenue reserves was to make good the net loss for the year.

We draw attention to the comments under Note 28 with regard to the reserve for treasury shares.

(25) Authorized capital

Year of resolution	Original authorized capital € m	Remaining authorized capital €	Expiring on	Pursuant to the Bank's Articles of Association
2004	225	225,000,000.00	April 30, 2009	Art. 4 (3)
2004	225	225,000,000.00	April 30, 2009	Art. 4 (6)
2006	170	1.00	April 30, 2011	Art. 4 (7)
2006	200	200,000,000.00	April 30, 2011	Art. 4 (8)
2006	12	12,000,000.00	April 30, 2011	Art. 4 (9)
As of 31.12.2008	**832**	**662,000,001.00**		

Conditions for capital increases out of authorized capital result from the individual terms as of December 31, 2008 as follows (see Articles of Association of Commerzbank Aktiengesellschaft, as of September 9, 2008):

Art. 4 (3): The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the Company's share capital by April 30, 2009, through the issue of new no-par-value shares against cash, in either one or several tranches, but by a maximum amount of €225,000,000 (authorized capital 2004/I). On principle, shareholders are to be offered subscription rights; however, the Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights to the extent necessary in order 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), *Aktiengesetz*), subscription rights to the extent to which they would be entitled after they have exercised their conversion or option rights. In addition, any fractional amounts of shares may be excluded from shareholders' subscription rights.

Art. 4 (6): The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the Company's share capital by April 30, 2009 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 €225,000,000 (authorized capital 2004/II). On principle, shareholders are to be offered subscription rights; however, the Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights 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), *Aktiengesetz*), subscription rights to the extent to which they would be entitled after they have exercised their conversion or option rights. In addition, any fractional amounts of shares may be excluded from shareholders' subscription rights. Furthermore, the Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights insofar as the capital increase is made against contributions in kind for the purpose of acquiring companies or interests in companies.

Art. 4 (7): The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the Company's share capital by April 30, 2011, through the issue of new no-par-value shares against cash, in either one or several tranches, but by a maximum amount of €1.00 (authorized capital 2006/I). The Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights if the issue price of the new shares is not substantially lower than the market price of already listed shares offering the same conditions.

During the financial year authorized capital of €169,999,999.00 was applied in partial use of the authority granted by the Annual General Meeting of Commerzbank Aktiengesellschaft held on May 17, 2006 (Art. 4 (7) of the Articles of Association of Commerzbank Aktiengesellschaft) by issuing new shares in consideration for cash payment.

Art. 4 (8): The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the Company's share capital by April 30, 2011 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 €200,000,000 (authorized capital 2006/II). On principle, shareholders are to be offered subscription rights; however, the Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights 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), *Aktiengesetz*), subscription rights to the extent to which they would be entitled after they have exercised their conversion or option rights. In addition, any fractional amounts of shares may be excluded from shareholders' subscription rights. Furthermore, the Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights insofar as the capital increase is made against contributions in kind for the purpose of acquiring companies or interests in companies.

Art. 4 (9): The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the Company's share capital by April 30, 2011 through the issue of new no-par-value shares against cash, in either one or several tranches, but by a maximum amount of €12,000,000 (authorized capital 2006/III), thereby excluding shareholders' subscription rights for the purpose of issuing shares to employees of Commerzbank Aktiengesellschaft and companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18, (1), *Aktiengesetz*).

in €	31.12.2007				31.12.2008
	Remaining authorized capital	Added in financial year	Used in financial year	Expired in financial year	Remaining authorized capital
Total	**832,000,000.00**	**–**	**169,999,999.00**	**–**	**662,000,001.00**

(26) Conditional capital

in €	Conditional capital 31.12.2007	Added in financial year	Expired in financial year	Conditional capital 31.12.2008	of which used conditional capital	of which available lines
Total	**403,000,000**	**832,000,000**	**403,000,000**	**832,000,000**	**–**	**832,000,000**

Conditions for capital increases out of conditional capital result from the individual terms as follows (see Articles of Association of Commerzbank Aktiengesellschaft, as of September 9, 2008):

Art. 4 (4): As resolved by the Annual General Meeting of May 15, 2008, the Company's share capital shall be conditionally increased by up to €416,000,000.00 divided into 160,000,000 no-par-value bearer shares (Conditional Capital 2008 / 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), *Aktiengesetz*) by May 14, 2013 on the basis of the authorization resolved by the Annual General Meeting on May 15 , 2008 (Authorization 2008 / I) make use of their conversion / option rights or meet their related conversion obligations, and the conditional capital is required under the terms and conditions of the bonds or profit-sharing rights (with conversion or option rights).

Art. 4 (5): As resolved by the Annual General Meeting of May 15, 2008, the Company's share capital shall be conditionally increased by up to €416,000,000.00 divided into 160,000,000 no-par-value bearer shares (Conditional Capital 2008 / II). 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), *Aktiengesetz*) by May 14, 2013 on the basis of the authorization resolved by the Annual General Meeting on May 15, 2008 (Authorization 2008 / II) make use of their conversion / option rights or meet their related conversion obligations, and the conditional capital is required under the terms and conditions of the bonds or profit-sharing rights (with conversion or option rights).

The conditional capital increase of up to €403,000,000.00 granted by authority of the Annual General Meeting held on May 30, 2003 expired on May 30, 2008.

(27) Significant shareholder voting rights

The Bank had received the following notices under Art. 21, German Securities Trading Act (*Wertpapierhandelsgesetz* – WpHG) prior to the preparation of the financial statements:

Company required to report	Seat	held directly	indirectly	Total	Report date
Allianz SE	Munich	–	18.786 %	18.786 %	13.01.2009
Generali Deutschland Holding AG	Hamburg	–	7.730 %	7.730 %	09.01.2009

(28) Treasury shares

	Number of shares* in units	Accounting par value in €1,000	Percentage of share capital
Portfolio on 31.12.2008	8,241	21	0.00
Largest total acquired during the financial year	6,789,285	17,652	0.94
Shares pledged by customers as collateral (pursuant to Art. 160, AktG)	6,177,602	16,062	0.85
Shares acquired during the financial year	282,181,468	733,672	–
Shares disposed of during the financial year	282,216,918	733,764	–

* accounting par value per share €2.60

The Annual General Meeting on May 15, 2008 authorized the Commerzbank Aktiengesellschaft, pursuant to Art. 71, (1), no. 7, AktG, to purchase and sell the Bank's shares for the purpose of securities trading. The authorization is valid until October 31, 2009. The aggregate amount of shares acquired for this purpose may not exceed 5 % of the share capital of Commerzbank AG at the end of any given day.

Together with the Bank's own shares purchased for other reasons, which are held by Commerzbank Aktiengesellschaft or are attributable to it pursuant to Art. 71a et seq., *Aktiengesetz*, 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 the Bank may buy one of its shares may not be more than 10 % lower than the mean value for the share price (closing auction prices or similar successor prices for the Commerzbank share in XETRA trading or a similar successor system to the XETRA system on the Frankfurt Stock Exchange) on the last three trading days prior to the purchase; the highest price at which the Bank may buy one of its own shares may not be more than 10 % higher than this amount.

The average purchase price in the past financial year was €9.31 (previous year: €30.54), and the average selling price €9.32 (previous year: €30.51). The surplus resulting from the above mentioned transactions has been reported as revenues in the financial year.

For the Commerzbank shares held in the Bank's portfolio at year-end, a reserve of €60 thousand (previous year: €1.3m) was formed.

The Annual General Meeting of Commerzbank Aktiengesellschaft held on May 15, 2008 also authorized the Bank under Art. 71, (1), no. 8, AktG to purchase its own shares up to a limit of 10 % of its share capital for purposes other than securities trading. This authorization also expires on October 31, 2009. Together with the treasury shares purchased for other reasons, which are held by the Bank or are attributable to it pursuant to Art. 71a et seq., AktG, the shares purchased on the basis of this authorization may at no time exceed 10 % of the share capital of Commerzbank Aktiengesellschaft.

The purchase shall be effected – as decided by the Board of Managing Directors – on the stock exchange, by means of a public offer to all shareholders or by means of an invitation to all shareholders to submit an offer to sell.

The Board of Managing Directors is authorized to use the acquired shares as follows:

aa) to sell them via the stock exchange or by means of a public offer to all shareholders;

bb) under certain additional conditions to sell them in ways other than via the stock exchange or by means of a public tender offer to all shareholders, provided that the repurchased shares are sold at a price that is not substantially lower than the market price of the shares of Commerzbank Aktiengesellschaft offering the same conditions at the time of sale;

cc) to sell them in ways other than via the stock exchange or by means of a public tender offer to all shareholders, where this is carried out for the purpose of acquiring companies or interests in companies;

dd) in the event of the shares being sold via the stock exchange or by means of a public tender offer to all shareholders, by granting subscription rights to the holders or creditors of convertible bonds or bonds with warrants or profit-sharing rights – with conversion or option rights – issued by Commerzbank Aktiengesellschaft or by companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest to the extent of their entitlement to shares after they have exercised their conversion or option rights;

ee) to issue staff shares to employees of Commerzbank Aktiengesellschaft or companies in which a majority interest is held, either directly or indirectly (Group companies as defined in Art. 18, (1), AktG).

ff) to redeem and cancel the shares without the need for a further Annual General Meeting resolution.

Shareholders' subscription rights on Commerzbank shares resold after purchase by Commerzbank Aktiengesellschaft are excluded in so far as the shares are subject to the aforementioned authorizations under lit. bb) to lit. ee).

In addition to the above, the Annual General Meeting of Commerzbank Aktiengesellschaft held on May 15, 2008 also granted authorization for the share repurchase that is to be carried out under Art. 71, (1), no. 8, AktG no later than October 31, 2009, also by means of derivatives.

As at the balance sheet date there were no own shares further to Art. 71, (1), no 8 AktG on our books.

The Bank has given an undertaking to the Financial Market Stabilization Fund, represented by the Financial Market Stabilization Authority, that neither it nor any affiliated companies will repurchase any shares or other components of the Bank's liable equity capital, except under Art. 71, (1), no. 2, 4 – own issues or Art. 7, AktG.

Other notes

(29) Contingent liabilities

in € m	31.12.2008	31.12.2007
Contingent liabilities from bills of exchange credited to borrowers	2	1
Liabilities from guarantees and indemnity agreements	29,589	25,616
of which: Credit guarantees	2,884	2,550
Other guarantees	19,491	17,400
Letters of credit	7,214	5,666
Total	**29,591**	**25,617**

(30) Other commitments

in € m	31.12.2008	31.12.2007
Irrevocable lending commitments	**47,783**	**35,474**
Book credits to customers	30,743	28,726
Book credits to banks	15,465	5,680
Credits by way of guarantee	1,398	939
Letters of credit	177	129

(31) Other financial commitments

On December 31, 2008, the existing commitments arising from rental and leasing agreements amounted to altogether €2,352m for subsequent years (previous year: €2,104m); €1,175m (previous year: €1,003m) of this relates to commitments to affiliated companies.

Payment commitments for equities, shares in private limited companies and other interests amounted to €0.4m (previous year: €0.4m) on the balance-sheet date.

Due to our participation in Liquiditäts-Konsortialbank mbH, Frankfurt am Main, we are responsible for the payment of assessments of €38m (previous year: €38m) in accordance with Art. 26, GmbHG. In addition, a guarantee obligation of €135m (previous year: €135m) exists.

Under Art. 5, (10) of the statutes of the German banks' Deposit Insurance Fund, we have undertaken to indemnify the Association of German Banks for any possible losses incurred through measures to support banks in which we hold a majority interest. Please refer to our comments in the risk report regarding the current large claim against the Deposit Insurance Fund.

(32) Letter of comfort

In respect of the subsidiaries listed below and included in the consolidated financial statements of our Bank, we 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 am Main
BRE Bank Hipoteczny SA	Warsaw
BRE Bank SA	Warsaw
BRE Leasing Sp. z o.o.	Warsaw
comdirect bank Aktiengesellschaft	Quickborn
Commerz (East Asia) Ltd.	Hong Kong
Commerzbank (Eurasija) SAO	Moscow
Commerzbank (South East Asia) Ltd.	Singapore
Commerzbank (Switzerland) Ltd	Zurich
Commerzbank Asset Management Asia Ltd.	Singapore
Commerzbank Capital Markets Corporation	New York
Commerzbank Europe (Ireland)	Dublin
Commerzbank Europe Finance (Ireland) plc.	Dublin
Commerzbank Inlandsbanken Holding GmbH	Frankfurt am Main
Commerzbank International S.A.	Luxembourg
Commerzbank Zrt.	Budapest
CommerzTrust GmbH	Frankfurt am Main
Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg	Luxembourg
Eurohypo Aktiengesellschaft	Eschborn
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Jupiter KG	Düsseldorf
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Luna KG	Düsseldorf
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Neptun KG	Düsseldorf
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Pluto KG	Düsseldorf
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Uranus KG	Düsseldorf
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Venus KG	Düsseldorf

(33) Forward transactions

31.12.2008	Nominal amount Remaining lifetimes				Fair value	
in € m	under one year	one to five years	more than five years	total	positive	negative
Foreign-currency-based forward transactions						
OTC products						
Foreign-exchange forward contracts	210,257	21,930	389	232,576	7,593	6,402
Interest-rate and currency swaps	46,851	92,342	45,114	184,307	6,741	7,112
Currency call options	31,089	7,900	1,722	40,711	1,685	–
Currency put options	32,964	9,242	700	42,906	–	1,553
Other foreign-exchange contracts	1,201	211	1,702	3,114	122	103
Products traded on a stock exchange						
Currency futures	21	–	–	21	–	–
Currency options	–	–	–	–	–	–
Total	**322,383**	**131,625**	**49,627**	**503,635**	**16,141**	**15,170**
Interest-based forward transactions						
OTC products						
Forward-rate agreements	397,649	100	–	397,749	863	879
Interest-rate swaps (same currency)	1,187,734	2,038,552	2,054,128	5,280,414	126,477	127,495
Interest-rate call options	18,064	32,280	32,701	83,045	3,303	–
Interest-rate put options	14,611	31,492	39,898	86,001	–	4,129
Structured interest-rate products	1,704	5,387	2,709	9,800	653	608
Products traded on a stock exchange						
Interest-rate futures	70,427	4,176	633	75,236	–	–
Interest-rate options	1,333	36	88	1,457	–	–
Total	**1,691,522**	**2,112,023**	**2,130,157**	**5,933,702**	**131,296**	**133,111**
Other forward transactions						
OTC products						
Structured equity/index products	8,611	10,348	2,500	21,459	1,428	1,828
Equity call options	10,653	4,670	570	15,893	4,044	–
Equity put options	11,197	4,540	426	16,163	–	5,251
Credit derivatives	26,441	92,283	19,905	138,629	5,405	4,730
Precious metal contracts	159	67	–	226	35	17
Other transactions	810	692	–	1,502	468	237
Products traded on a stock exchange						
Equity futures	2,588	–	–	2,588	–	–
Equity options	37,332	22,426	1,615	61,373	–	–
Other futures	556	269	–	825	–	–
Other options	369	220	–	589	–	–
Total	**98,716**	**135,515**	**25,016**	**259,247**	**11,380**	**12,063**
Total pending forward transactions						
OTC products	1,999,995	2,352,036	2,202,464	6,554,495	158,817	160,344
Products traded on a stock exchange	112,626	27,127	2,336	142,089	–	–
Total	**2,112,621**	**2,379,163**	**2,204,800**	**6,696,584**	**158,817**	**160,344**

The fair values of derivative financial instruments are derived, among other things, from interest rates and indices, as well as equity prices and currency rates. Various mark-to-market measurement methods are used to calculate the fair values of the derivatives which we show. Both the choice of measurement method and the selected influential parameters depend upon the individual product.

The fair values of forwards and swaps are calculated by means of the net present value method, taking into account discount factors worked out from the interest-rate curve of the relevant trading currency.

Plain vanilla and digital options are priced using the Black-Scholes model. In the case of exotic options, such as those with a path-dependent payoff, pricing models based on tree-building or the Monte Carlo methods are applied. For the volatilities used in measuring options, volatility surfaces are calculated from volatilities quoted in the market, wherever these are available. If it is not possible to calculate such volatilities, because – for example – not enough issues are quoted in the market, the historical volatility is calculated instead. Monte Carlo simulation is also used for structured transactions.

Variation margins posted and received for exchange-traded derivatives amounted to €6,984m (previous year: €4,665m) and €–8,079m (previous year: €–4,835m) respectively. These figures break down as follows: €485m/€–407m for interest-rate transactions; €6,354m/€–7,400m for equity transactions; €1m/€0m for foreign currency transactions and €144m/€–272m for transactions with other price risks.

(34) The Bank's staff

On average, we employed 23,686 people (previous year: 23,263) last year, who were deployed as follows:

		Total		Male		Female	
		FT	WF	FT	WF	FT	WF
AG in Germany	2008	19,710	21,491	10,465	10,650	9,245	10,841
	2007	19,428	21,229	10,307	10,484	9,121	10,745
AG abroad	2008	2,139	2,195	1,433	1,471	706	724
	2007	1,981	2,034	1,308	1,343	673	691
AG total	2008	21,849	23,686	11,898	12,121	9,951	11,565
	2007	21,409	23,263	11,615	11,827	9,794	11,436

The figures for full-time staff (FT) include part-time personnel with the time actually worked. The average time worked by part-time staff is 60 % (previous year: 60 %). The figures for the workforce (WF) also cover all part-time staff. Trainees are not included in the employee figures.

		Total	Male	Female
Trainees	2008	1,293	571	722
	2007	1,241	512	729

(35) 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 forms part of the management report and appears on pages 10 to 18 of the financial statements for the year ending December 31, 2008.

The total remuneration for the members of the Board of Managing Directors and the Supervisory Board is as follows:

in € 1,000	31.12.2008	31.12.2007
Board of Managing Directors	12,207	17,612
Supervisory Board	1,962	3,031

The total remuneration for the Board of Managing Directors includes amongst others remuneration in kind granted within the standard scope (essentially remuneration in kind from vehicle use and insurance taxes and social security contributions).

The following table shows the remuneration in the form of basic salary, variable remuneration, remuneration for serving on the boards of consolidated companies included in the consolidated financial statements of Commerzbank AG, pay-outs from long-term performance plans (LTPs) and other remuneration of the individual members of the Board of Managing Directors. For the financial year 2008 no variable remuneration was granted.

Amounts in € 1,000		Basic salary[2]	Variable remuneration[3]	Remuneration for serving on boards	Payouts of share-based remuneration plans[4]	Other[5]	Total
Klaus-Peter Müller	2008[1]	317	–	119	200	35	671
	2007	760	1,709	167	500	84	3,220
Martin Blessing	2008	500	–	43	100	86	729
	2007	480	1,155	79	250	82	2,046
Frank Annuscheit	2008	480	–	23	40	51	594
	2007[1]	–	–	–	–	–	–
Markus Beumer	2008	480	–	18	–	365	863
	2007[1]	–	–	–	–	–	–
Wolfgang Hartmann	2008	480	–	77	100	112	769
	2007	480	794	80	250	111	1,715
Dr. Achim Kassow	2008	480	–	246	100	277	1,103
	2007	480	862	270	–	45	1,657
Bernd Knobloch	2008[1]	360	–	20	615	4,137	5,132
	2007	480	864	10	–	72	1,426
Klaus M. Patig	2008	–	–	–	–	–	–
	2007[6]	40	–	–	–	2,307	2,347
Michael Reuther	2008	480	–	78	–	71	629
	2007	480	1,072	8	–	71	1,631
Dr. Stefan Schmittmann	2008[1]	80	–	8	–	7	95
	2007	–	–	–	–	–	–
Dr. Eric Strutz	2008	480	–	95	100	41	716
	2007	480	988	92	250	42	1,852
Nicholas Teller	2008[1]	200	–	14	100	592	906
	2007	480	813	61	250	114	1,718
Total	**2008**	**4,337**	**–**	**741**	**1,355**	**5,774**	**12,207**
	2007	**4,160**	**8,257**	**767**	**1,500**	**2,928**	**17,612**

[1] Pro rata for the period since being appointed or up to the date of departure from the Board.
[2] Owing to the participation of the Special Fund for Financial Market Stabilization (SoFFin), the maximum limit for the remuneration of all members of the Board of Managing Directors active as at the reporting date and Mr Müller was €500 thousand. In the case of Mr Müller, his remuneration as a member of the Supervisory Board of €148 thousand (excl. VAT) also has to be taken into account.
[3] Payable in the following year subject to approval of the annual financial statements. In 2007 the variable remuneration included €767 thousand of payments already received for serving on the boards of consolidated companies. For purposes of better comparison, remuneration for serving on boards is now stated separately.
[4] The LTP 2004 was paid out in 2007 and the LTP 2005 and Eurohypo AG's Longfrist Incentive Plan 2004 were paid out in 2008, the year under review.
[5] The heading Other covers payment in kind in the year under review. In the year under review Mr Knobloch received €4,040 thousand and Mr Teller €548 thousand, which was promised to them under their severance agreements. Mr Beumer and Mr Kassow were reimbursed for the cost of having security systems installed; Mr Beumer was also reimbursed for the costs of moving house.
[6] Mr Patig left the Board of Managing Directors at the end of January 2007.

The active members of the Board of Managing Directors had and have participated in the long-term performance plans (LTPs) which are described in the remuneration report and represent a share-based form of remuneration. In order to take part in the various plans, the members of the Board of Managing Directors on the basis of their individual decisions have invested in up to 2,500 shares of Commerzbank Aktiengesellschaft and the Chairman in up to 5,000 shares of Commerzbank Aktiengesellschaft per plan at current market prices.

The following table shows the number of shares (corresponding to a "virtual" option per share) per individual active member of the Board and per respective current LTP, as well as the fair values at the time the share-based payment was granted and the fair values as of the valuation date, December 31, 2008. Provisions for the LTPs 2006 to 2008 amounting to €42 thousand have been formed for possible future payment liabilities to members of the Board on the basis of the fair values as of December 31, 2008. €137 thousand of provisions for the LTP were released in 2008.

Current long-term performance plans

	LTP	Number of participating shares	Attributable fair value when the shares were granted in €1,000	Attributable fair value as of 31.12.2008 in €1,000	Pro rata provisions as of 31.12.2008 in €1,000
Martin Blessing	2008	5,000	173	44	6.4
	2007	2,500	79	10	2.9
	2006	2,500	87	–	–
Frank Annuscheit	2008	2,500	87	22	3.2
	2007	1,200	38	5	1.4
	2006	1,200	42	–	–
Markus Beumer	2008	2,500	87	22	3.2
	2007	–	–	–	–
	2006	–	–	–	–
Wolfgang Hartmann	2008	2,500	87	22	3.2
	2007	2,500	79	10	2.9
	2006	2,500	87	–	–
Dr. Achim Kassow	2008	2,500	87	22	3.2
	2007	2,500	79	10	2.9
	2006	2,500	87	–	–
Michael Reuther	2008	2,500	87	22	3.2
	2007	2,500	79	10	2.9
	2006	–	–	–	–
Dr. Stefan Schmittmann	2008	–	–	–	–
	2007	–	–	–	–
	2006	–	–	–	–
Dr. Eric Strutz	2008	2,500	87	22	3.2
	2007	2,500	79	10	2.9
	2006	2,500	87	–	–
Sum	**2008**	20,000	695	176	25.6
	2007	13,700	433	55	15.9
	2006	11,200	390	–	–
Total		**44,900**	**1,518**	**231**	**41.5**

The potential remuneration stemming from participation in the LTPs 2006 to 2008 could deviate considerably from the figures shown in the table above or could even be completely released, because the final pay-out amounts are not fixed until the end of the term of each LTP (please refer to the remuneration report concerning terms of payout). In February 2009 the members of the Board of Managing Directors renounced all the shares under the LTP 2008 and can therefore no longer receive any payments from this plan. Further details are available in the management report.

The first pay-out for the LTP 2005, which were based on the values of the first quarter of 2008, resulted in a payment obligation for the amount achieved under the terms of the plan. The LTP 2005 was terminated in June 2008 by means of a cash payment of €40 per participating share.

The payments made to members of the Board of Managing Directors, who had participated in this plan are listed below. The payments are contained in the total remuneration amount above.

Paid out long-term performance plan

LTP 2005	Number of participating shares	Amount in € 1,000
Klaus-Peter Müller	5,000	200
Martin Blessing	2,500	100
Frank Annuscheit	1,000	40
Wolfgang Hartmann	2,500	100
Dr. Achim Kassow	2,500	100
Dr. Eric Strutz	2,500	100
Nicholas Teller	2,500	100
Total	**18,500**	**740**

Mr Knobloch also received a payment of €615 thousand in the year under review from entitlements under Eurohypo's Longfrist Incentive Plan 2004, which had been granted to him in 2004 for his work as Chairman of the Board of Managing Directors of Eurohypo Aktiengesellschaft.

Payments to former members of the Board of Managing Directors and their surviving dependents amounted to €6,533 thousand in the year under review (previous year: €5,410 thousand).

For present and former members of the Board of Managing Directors or their surviving dependents the Bank has established a retirement benefit plan: assets to hedge this were transferred to Commerzbank Pensions-Trust e.V. as part of a contractual trust arrangement.

As at December 31, 2008, the defined benefit obligations for active members of the Board of Managing Directors amounted to €8.7m (previous year: €17.8m) and for former members of the Board of Managing Directors or their surviving dependants €60.3m (previous year: €49.4m). For these pension liabilities Commerzbank has built provisions in the full amount.

We refer to the section headed Other Regulations in the remuneration report for information on regulations for payments stemming from termination of employment for the active members of the Board of Managing Directors.

Remuneration for members of the Supervisory Board is regulated in Art. 15 of the Articles of Association of Commerzbank Aktiengesellschaft. Members of the Supervisory Board will receive net remuneration for financial year 2008 of €1,677 thousand (previous year: €2,547 thousand). Of this figure, the basic remuneration and the remuneration for serving on committees amounts to €1,240 thousand (previous year: €2,307 thousand) and attendance fees to €437 thousand (previous year: €240 thousand). The attendance fees are for participating in the meetings of the Supervisory Board and its five committees (Presiding, Audit, Risk, Nomination and Social Welfare Committees) which met in the year under review. VAT of €285 thousand (previous year: €484 thousand) to be paid on the overall remuneration of the members of the Supervisory Board is refunded by Commerzbank Aktiengesellschaft. Accordingly the total remuneration of members of the Supervisory Board amounted to €1,962 thousand (previous year: €3,031 thousand).

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, 2008.

On the balance-sheet date, the aggregate amount of advances and loans granted was as follows:

in € 1,000	31.12.2008	31.12.2007
Board of Managing Directors	2,350	1,086
Supervisory Board	234	723

Members of the Board of Managing Directors have been granted cash advances and loans with terms ranging from on demand to a due date in 2018 and at interest rates ranging between 4.7 % and 5.0 %, and for individual instances of overdrafts up to 10.0 %. Collateral is provided at normal market conditions, if necessary through land charges or rights of lien.

Loans to members of the Supervisory Board (including loans to employee representatives on that board) were granted with terms ranging from on demand to a due date in 2030 and at interest rates ranging between 5.0 % and 5.4 %. In line with market conditions, some of the loans were granted without collateral being provided; some involved land charges or rights of lien.

(36) Corporate Governance Code

We have issued our declaration of compliance with the German Corporate Governance Code pursuant to Art. 161, German Stock Corporation Act – AktG and made it available on November 4, 2008, to shareholders on the internet (www.commerzbank.com).

The management report of the consolidated financial statements contains the 2008 corporate governance report. The statement is also available on the internet.

(37) Holdings in consolidated companies

A full list of all holdings of Commerzbank Aktiengesellschaft is published as part of the notes in the electronic Federal Gazette *(elektronischer Bundesanzeiger)* and can also be accessed in the electronic company register.

Commerzbank Aktiengesellschaft is the parent company of Commerzbank Group and prepares the consolidated financial statements. All information is also published on our website at www.commerzbank.com.

(38) Seats on supervisory boards and similar bodies

Members of the Board of Managing Directors of Commerzbank AG

Information pursuant to Art. 285, no. 10, of the German Commercial Code (HGB)
As of 10.03.2009

a) Seats on mandatory supervisory boards
b) Seats on similar bodies

Martin Blessing

a) **within Commerzbank Group:**

Commerzbank Auslandsbanken Holding AG
Chairman

Frank Annuscheit

a) **within Commerzbank Group:**

comdirect bank AG

Markus Beumer

a) ThyssenKrupp Services AG

within Commerzbank Group:

Commerz Real AG
Deputy Chairman

Wolfgang Hartmann

a) **within Commerzbank Group:**

Eurohypo AG

Dr. Achim Kassow

a) AMB Generali Holding AG*

ThyssenKrupp Steel AG

within Commerzbank Group:

comdirect bank AG
Chairman

Commerzbank Auslandsbanken Holding AG

b) Allianz Global Investors GmbH

within Commerzbank Group:

BRE Bank SA

Commerzbank International S.A.
Chairman

Commerzbank (Schweiz) AG
President

COMMERZ PARTNER Beratungsgesellschaft für Vorsorge- und Finanzprodukte mbH
Chairman

Michael Reuther

a) **within Commerzbank Group:**

Eurohypo AG

b) **within Commerzbank Group:**

Commerzbank Capital Markets Corporation

Erste Europäische Pfandbrief- und Kommunalkreditbank AG
Chairman

Dr. Stefan Schmittmann

a) Deutsche Schiffsbank AG
Chairman

Schaltbau Holding AG

Verlagsgruppe Weltbild GmbH

within Commerzbank Group:

Commerz Real AG
Chairman

Commerz Real Investmentgesellschaft mbH
Chairman

Dresdner Bank AG
(since 19.01.2009)

Eurohypo AG

b) KGAL Allgemeine Leasing GmbH & Co.
Chairman

Dr. Eric Strutz

a) ABB AG

BVV Versicherungsverein des Bankgewerbes a.G.

RWE Power AG

within Commerzbank Group:

Commerzbank Auslandsbanken Holding AG
Deputy Chairman

Dresdner Bank AG
(since 19.01.2009)

* listed company outside group (pursuant to no. 5.4.5, German Corporate Governance Code)

b) Mediobanca – Banca di Credito Finanziario S.p.A.*

within Commerzbank Group:

Commerzbank Auslandsbanken Holding Nova GmbH
Chairman

Commerzbank Inlandsbanken Holding GmbH
Chairman

Commerzbank International S.A.

Erste Europäische Pfandbrief- und Kommunalkreditbank AG

Former members of the Board of Managing Directors

Klaus-Peter Müller

see seats under "Members of the Supervisory Board of Commerzbank AG"

Bernd Knobloch

a) **within Commerzbank Group:**

Commerz Real AG
Chairman

Commerz Real Investmentgesellschaft mbH
Chairman

b) **within Commerzbank Group:**

Eurohypo Investment Banking Ltd.

Nicholas Teller

a) EUREX Clearing AG

EUREX Frankfurt AG

b) Air Berlin PLC
Non-executive director

EUREX Zürich AG

Members of the Supervisory Board of Commerzbank AG

Information pursuant to Art. 285, no. 10, of the German Commercial Code (HGB)
As of 31.12.2008

a) Seats on other mandatory supervisory boards
b) Seats on similar bodies

Klaus-Peter Müller

a) Fraport AG*
(since May 2008)

Fresenius SE*
(since May 2008)

Linde AG*

Steigenberger Hotels AG

within Commerzbank Group:

Eurohypo AG
Chairman (until November 2008)

b) Assicurazioni Generali S.p.A.*

KfW Kreditanstalt für Wiederaufbau

Liquiditäts-Konsortialbank GmbH

Parker Hannifin Corporation*

within Commerzbank Group:

Commerzbank International S.A.
President (until April 2008)

Uwe Tschäge

./.

Hans-Hermann Altenschmidt

b) BVV Pensionsfonds
(since July 2008)

BVV Pensionskasse

BVV Unterstützungskasse

Dott. Sergio Balbinot

a) Deutsche Vermögensberatung AG

within group:

AachenMünchener Lebensversicherung AG

AachenMünchener Versicherung AG

AMB Generali Holding AG

b) **within group:**

Banco Vitalicio de España, C.A. de Seguros y Réaseguros

Europ Assistance Holding

Future Generali India Insurance Co. Ltd.

Future Generali India Life Insurance Co. Ltd.

Generali Asia N.V.

Generali China Insurance Company Ltd.

Generali China Life Insurance Co. Ltd.
Deputy Chairman

Generali España, Holding de Entidades de Seguros, S.A.
Deputy Chairman

Generali Finance B.V.

Generali France S.A.
Deputy Chairman

Generali Holding Vienna AG
Deputy Chairman

Generali Investments SpA

Generali (Schweiz) Holding

Generali PPF Holding BV
Chairman

La Centrale Finanziaria Generale S.p.A. (since 01.07.2008)

La Estrella S.A.

Migdal Insurance Holding Ltd.

Migdal Insurance & Financial Holdings Ltd.

Participatie Maatschappij Graafschap Holland N.V.

Transocean Holding Corporation

* listed company outside group (pursuant to no. 5.4.5, German Corporate Governance Code)

Dr.-Ing. Burckhard Bergmann

a) Allianz Lebensversicherungs-AG
Deputy Chairman

E.ON Energie AG

MAN Ferrostaal AG

b) OAO Gazprom

Nord Stream AG

OAO Novatek
(since 03.10.2008)

Telenor
(since 29.05.2008)

Accumulatorenwerke Hoppecke Carl Zoellner & Sohn GmbH

Jaeger Beteiligungsgesellschaft mbH & Co. KG
Chairman

Herbert Bludau-Hoffmann

./.

Karin van Brummelen

./.

Astrid Evers

./.

Uwe Foullong

a) DBV-Winterthur Holding AG

DBV-Winterthur Lebensversicherung AG

Daniel Hampel

./.

Dr.-Ing. Otto Happel

./.

Sonja Kasischke

./.

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

a) Hochtief AG

National-Bank AG

b) EQT Infrastructure Limited

RAG Stiftung

Alexandra Krieger

./.

Friedrich Lürßen

a) Atlas Elektronik GmbH

b) Finanzholding der Sparkasse in Bremen
Deputy Chairman

MTG Marinetechnik GmbH
Chairman

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

a) E.ON Ruhrgas AG

LANXESS AG*

LANXESS Deutschland GmbH

within group:

ThyssenKrupp Elevator AG
Chairman

ThyssenKrupp Stainless AG
Chairman

ThyssenKrupp Steel AG

ThyssenKrupp Reinsurance AG
Chairman

b) Hoberg & Driesch GmbH
Chairman

within group:

ThyssenKrupp Acciai Speciali Terni S.p.A.

ThyssenKrupp (China) Ltd.

ThyssenKrupp Risk and Insurance Services GmbH
Chairman

Klaus Müller-Gebel

a) comdirect bank AG
Deputy Chairman

Deutsche Schiffsbank AG

Eurohypo AG
Deputy Chairman

Barbara Priester

./.

Dr. Marcus Schenck

a) **within group:**

E.ON Ruhrgas AG

b) **within group:**

Aviga GmbH
Chairman

E.ON Audit Services GmbH
Chairman

E.ON IS GmbH
Deputy Chairman

E.ON Risk Consulting GmbH
Chairman

NFK Finanzcontor GmbH
Chairman

OAO OGK 4

Dr.-Ing. E.h. Heinrich Weiss

a) DB Mobility Logistics AG
(since 05.09.2008)

Deutsche Bahn AG

Voith AG

within group:

SMS Demag AG
Chairman

b) Thyssen-Bornemisza Group

Bombardier Inc.

* listed company outside group (pursuant to no. 5.4.5, German Corporate Governance Code)

Former members of the Supervisory Board

Dr. h.c. Martin Kohlhaussen

a) HOCHTIEF AG
Chairman

ThyssenKrupp AG

Dr. jur. Heiner Hasford

a) D.A.S. Deutscher Automobil Schutz – Allgemeine Rechtsschutz-Versicherungs-AG

ERGO Versicherungsgruppe AG

Europäische Reiseversicherung AG
Chairman

Hamburg-Mannheimer Sachversicherungs-AG
(since 06.03.2008)

MAN AG

Nürnberger Beteiligungs-AG

VICTORIA Lebensversicherung AG
(until 10.03.2008)

VICTORIA Versicherung AG

Wolfgang Kirsch

·/.

Werner Malkhoff

·/.

Dr. Sabine Reiner

·/.

Prof. Dr. Jürgen F. Strube

a) Allianz Deutschland AG

BASF AG
Chairman

Bayerische Motorenwerke AG
Deputy Chairman

Bertelsmann AG
Deputy Chairman

Fuchs Petrolub AG
Chairman

Hapag-Lloyd AG

Linde AG
(until 03.07.2008)

Dr. Klaus Sturany

a) Bayer AG

Hannover Rückversicherung AG

Heidelberger Druckmaschinen AG

b) Österreichische Industrieholding AG

Employees of Commerzbank AG

Information pursuant to Art. 340a, (4), no. 1, of the German Commercial Code (HGB)
As of 10.03.2009

Heiko Burchardt

Ellerhold AG

Dr. Detlev Dietz

cominvest Asset Management GmbH

Commerz Real AG

Commerz Real Investmentgesellschaft mbH

Martin Fischedick

Borgers AG

cominvest Asset Management GmbH

Commerz Real AG

Commerz Real Investmentgesellschaft mbH

Bernd Förster

SE Spezial Electronic AG

Bernd Grossmann

Textilgruppe Hof AG

Herbert Huber

Saarländische Investitionskreditbank AG

Klaus Kubbetat

Goodyear Dunlop Tires Germany GmbH

Pensor Pensionsfonds AG

Erhard Modrejewski

Braunschweiger Baugenossenschaft eG

Dr. Thorsten Reitmeyer

Commerz Real Investmentgesellschaft mbH

Commerz Real AG

Jörg Schauerhammer

Herlitz AG

Herlitz PBS AG

Dirk Wilhelm Schuh

GEWOBA Wohnen und Bauen AG

Martin Zielke

comdirect bank AG

(39) Boards of Commerzbank Aktiengesellschaft

Supervisory Board

Dr. h.c. Martin Kohlhaussen
Chairman (until May 15, 2008)
Frankfurt am Main

Klaus-Peter Müller
Chairman (since May 15, 2008)
Frankfurt am Main

Uwe Tschäge *
Deputy Chairman
Bank employee
Commerzbank AG
Düsseldorf

Hans-Hermann Altenschmidt *
Bank employee
Commerzbank AG
Essen

Dott. Sergio Balbinot
Managing Director
Assicurazioni Generali S.p.A.
Trieste

Dr.-Ing. Burckhard Bergmann
(since May 15, 2008)
former Chairman of the
Board of Managing Directors
E.ON Ruhrgas AG
Hattingen

Herbert Bludau-Hoffmann *
Dipl.-Volkswirt
ver.di Trade Union
Sector Financial Services,
responsible for Commerzbank
Commerzbank
Essen/Berlin

Karin van Brummelen *
(since May 15, 2008)
Bank employee
Commerzbank AG
Düsseldorf

Astrid Evers *
Bank employee
Commerzbank AG
Hamburg

Uwe Foullong *
Member of the
ver.di National Executive Committee
Berlin

Daniel Hampel *
Bank employee
Commerzbank AG
Berlin

Dr.-Ing. Otto Happel
Entrepreneur
Luserve AG
Lucerne

Dr. jur. Heiner Hasford
(until May 15, 2008)
Member of the Board of
Managing Directors (retired)
Münchener Rückversicherungs-
Gesellschaft AG
Gräfelfing

Sonja Kasischke *
Bank employee
Commerzbank AG
Brunswick

**Prof. Dr.-Ing. Dr.-Ing. E.h.
Hans-Peter Keitel**
(since May 15, 2008)
Member of the Supervisory Board
HOCHTIEF AG
Essen

Wolfgang Kirsch *
(until May 15, 2008)
Bank employee
Commerzbank AG
Oldenburg/Frankfurt am Main

Alexandra Krieger *
(since May 15, 2008)
Dipl.-Kauffrau
Head of Division Economics
Department Codetermination
Hans-Böckler-Stiftung
Düsseldorf

Friedrich Lürßen
Chairman
Fr. Lürssen Werft GmbH & Co. KG
Bremen

Werner Malkhoff *
(until May 15, 2008)
Bank employee
Commerzbank AG
Wallrabenstein

**Prof. h.c. (CHN) Dr. rer. oec.
Ulrich Middelmann**
Deputy Chairman of the
Board of Managing Directors
ThyssenKrupp AG
Düsseldorf

Klaus Müller-Gebel
Lawyer
Frankfurt am Main

Dr. Sabine Reiner *
(until May 15, 2008)
Trade Union Secretary
Economic Policy
ver.di National Administration
Berlin

Barbara Priester *
(since May 15, 2008)
Bank employee
Commerzbank AG
Frankfurt am Main

Dr. Marcus Schenck
(since May 15, 2008)
Member of the Board
of Managing Directors
E.ON AG
Düsseldorf

Prof. Dr. Jürgen F. Strube
(until May 15, 2008)
Chairman of the Supervisory Board
BASF Aktiengesellschaft
Ludwigshafen

Dr. Klaus Sturany
(until May 15, 2008)
Member of different supervisory boards
Dortmund

Dr.-Ing. E.h. Heinrich Weiss
Chairman
SMS GmbH
Düsseldorf

Dr. Walter Seipp
Honorary Chairman
Frankfurt am Main

* elected by the Bank's employees

Board of Managing Directors

Klaus-Peter-Müller
Chairman
(until May 15, 2008)

Martin Blessing
Chairman
(since May 15, 2008)

Frank Annuscheit

Markus Beumer

Wolfgang Hartmann

Dr. Achim Kassow

Bernd Knobloch
(until September 30, 2008)

Michael Reuther

Dr. Stefan Schmittmann
(since November 1, 2008)

Dr. Eric Strutz

Nicholas Teller
(until May 31, 2008)

(40) Statement by the Management Board

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 assets, liabilities, financial position and profit and loss of the company, and the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Frankfurt am Main, March 10, 2009
The Board of Managing Directors

Martin Blessing | Frank Annuscheit | Markus Beumer

Wolfgang Hartmann | Achim Kassow | Michael Reuther

Stefan Schmittmann | Eric Strutz

Auditors' report

We have audited the annual financial statements, comprising the profit and loss account, the balance sheet 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, 2008 to December 31, 2008. 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. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, March 11, 2009

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Lothar Schreiber	Petra Fischer
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Management Report and
Group Financial Statements 2008

Management Report

In the Group Management Report we outline the economic operating conditions and how they influence the business and development of the Commerzbank Group. In the 2008 financial year the Group result was noticeably affected by the worsening financial crisis.

The environment will remain strained in 2009 as we aim to use the integration of Dresdner Bank to further expand our stable customer business as a means of significantly improving our market position.

Business and overall conditions

Structure and organization of the Group

Commerzbank Aktiengesellschaft is the parent company of a group providing financial services around the world. The Group's operating activities are divided into five segments: Private Customers[1], Mittelstandsbank, Central and Eastern Europe, Corporates & Markets and Commercial Real Estate. A different member of Commerzbank AG's Board of Managing Directors manages each of these segments. All staff and management functions – Strategy and Controlling, Corporate Communications, Group Finance, Group Finance Architecture, Internal Auditing, Legal Services, Group Compliance, Human Resources, Group Treasury[2] and the central risk functions – are contained in the Group Management division. All support functions – Information Technology, Transaction Banking, Organization, Security & Support – are provided by the Group Services division. Group-wide responsibility for these divisions lies primarily with the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer and Chief Operating Officer, as members of the Board of Managing Directors. On the domestic market, Commerzbank AG manages a nationwide branch network covering all customer segments from its headquarters in Frankfurt am Main. The major domestic subsidiaries are Eurohypo, comdirect bank and Commerz Real[3]. Outside of Germany, the Bank has 25 operational foreign branches, 28 representative offices and ten significant subsidiaries[4] in 46 countries. The focus of its international activities lies in Europe.

[1] The segment Private and Business Customers was renamed at the beginning of 2009 following the takeover of Dresdner Bank.
[2] Included until year-end 2008 in the segment Corporates & Markets.
[3] A further important subsidiary was cominvest Asset Management GmbH which was sold within the framework of the Dresdner Bank takeover. Dresdner Bank is until its merger with Commerzbank planned for spring 2009, a new significant subsidiary.
[4] Until year-end 2008 there were 11 when cominvest Asset Management GmbH is included.

Management and Controlling

In order to improve profitability and hence the Group's enterprise value, we are constantly working on optimizing the structure of our business. In order to achieve this, a proactive approach to capital and portfolio management, as well as strict management of costs, is applied in managing the Group. This means that available resources are allocated in a targeted manner to core segments and areas of growth. The key figures used for controlling purposes, besides operating earnings and pre-tax profit, are return on capital and the cost/income ratio. Return on equity is calculated by taking the ratio of operating earnings/pre-tax profit to the average amount of tied equity. It shows the return on the equity invested in a given business segment. Cost efficiency is measured using the cost/income ratio before provisions for possible loan losses. The performance of the individual segments with regard to these management variables are shown in the notes to the consolidated financial statements on pages 220 to 224.

Remuneration Report

The Remuneration Report forms part of the Corporate Governance Report (pages 31 to 42). This in turn forms part of the Group Management Report.

Information pursuant to Arts. 289 (4) and 315 (4) of the German Commercial Code and explanatory report

Structure of subscribed 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 subscribed capital of the company totalled €1,878,638,205.60 at the end of the financial year. It is divided into 722,553,156 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. According 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 Art. 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 (1) sentence 1 of the German Stock Corporation Act. Unless the law prescribes a majority, a simple majority of the represented share capital is adequate to pass resolutions (Art. 19 (3) sentence 2 of the Articles of Association). The authority to amend the Articles of Association, which relates only to the version in force, 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 Annual General Meeting resolutions of May 15, 2008, Commerzbank is authorized to acquire its own shares in the amount of up to 5 % of the share capital under Art. 71 (1) (7) of the German Stock Corporation Act and in the amount of up to 10 % under Art. 71 (1) (8) of the German Stock Corporation Act. These authorizations expire on October 31, 2009.

The Board of Managing Directors, with the approval of the Supervisory Board up to April 30, 2009, is authorized to increase the share capital in the total amount of €450,000,000.00 by issuing new shares under Art. 4 of the Articles of Association applicable on December 31, 2008; it is also authorized up to April 30, 2011 to increase share capital in the amount of €212,000,001.00 by issuing new shares (authorized capital).

Moreover, the Annual General Meeting on May 15, 2008 has given the Board of Managing Directors the authority to issue convertible bonds or bonds with warrants or profit-sharing certificates (with and without conversion or option rights) while excluding subscription rights. Conditional capital is available for this purpose in each case according to Art. 4 (4 and 5) of the Articles of Association (conditional capital 2008/I and conditional capital 2008/II).

For details concerning autorized and conditional capital, especially with respect to maturities and subscription rights, as well as the repurchase of own shares, we refer to the detailed notes Nr. 67, 66 and 29 in the Group Financial Statements.

The authority of the Board of Managing Directors to increase share capital from authorized and conditional capital, to issue convertible bonds or bonds with warrants or profit-sharing certificates and to repurchase own shares allow 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 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

In the event of a change of control at Commerzbank, all members of the Board of Managing Directors have the right to terminate their employment contracts. If members of the Board of Managing Directors make use of this right of termination or end their Board activities for other reasons in connection with the change of control, they are entitled to a severance payment in the amount of their capitalized average total annual payments for between two and five years. 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 most recent term of office. There is no entitlement to a severance payment if a member of the Board of Managing Directors receives payments from the majority shareholder, from the controlling company or from other legal entities in the event of integration or merger in connection with the change of control.

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.

As at the reporting date, Commerzbank had received no disclosure on direct or indirect shareholdings that exceeded 10 per cent of the voting rights.

There are no further facts that need to be declared under Art. 289(4) or Art. 315(4) of the German Commercial Code.

Overall economic conditions

2008 saw the end of a boom in the global economy that had lasted for years. The real estate crisis in the USA, which rapidly acquired the dimensions of a full-blown international financial crisis, was the main factor slowing the pace of expansion. This crisis exacerbated noticeably in the final months of the year – following the collapse of the US investment bank Lehman Brothers. Even intensive efforts by governments around the world to stabilize the financial system and the economy were unable to prevent the industrialized countries slipping into what is probably the worst recession since the Second World War. Economic growth in the emerging markets has also decelerated dramatically and some of their economies have also shrunk.

The collapse of the global economy has hit Germany particularly hard with its dependence on exports and the preponderance of the automobile and capital goods industries in the economy. GDP grew by an average of 1.3 % in 2008, declining since the spring after a good start to the year. In the autumn, the downward trend accelerated further and new orders for industry literally collapsed after years of strong momentum.

In view of the global economic crisis, government bonds with good ratings were mostly the big winners while equities and commodities – despite a brief boom in the latter during first half of the year – were last year's big losers. However, spreads in the bond markets widened considerably. Demand for highly liquid paper with prime ratings increased steadily. The widening divergence of spreads applied not only to corporate bonds, where the worsening overall economic situation was increasingly priced in. Spreads also widened between eurozone government bonds. The downturn in the eurozone economy also put an end to the steep rise in the value of the euro. While it registered new highs against the dollar in the first half of the year, a downtrend set in during the autumn with the currency partially dipping to two-and-a-half year lows.

Sectors

The ongoing escalation of the financial crisis was the predominant factor in the banking environment in 2008. Prompted by the ongoing decline in prices for securitized US real estate loans, banks around the world were forced to make historically high write-downs on their assets. This created financial difficulties for a large number of banks, leading to numerous mergers and state rescue programmes.

It was mainly in the USA that investment banks faced fundamental problems beginning with the spring of 2008: Bear Stearns was taken over by J.P. Morgan under the Fed's orchestration, and this was followed later by the takeover of investment bank Merrill Lynch by Bank of America, while Lehman Brothers was forced to file for chapter 11 bankruptcy protection in September. In October 2008, the US administration presented a USD 700bn rescue package, using the first tranche of USD 250bn to buy shares in the country's nine leading banks.

The private, but state-sponsored, mortgage banks Fannie Mae and Freddie Mac were brought under the control of the government with a USD 200bn aid package; Washington Mutual also lost its independence, as did the insurance company AIG, in return for payments totalling USD 125bn. Meanwhile the Californian real estate financier IndyMac, along with numerous regional banks, was forced to declare bankruptcy. The two remaining US investment banks, Morgan Stanley and Goldman Sachs, transformed themselves into normal commercial banks in September, thus effectively ending the original separation of investment and commercial banks that had been in existence in the USA since the Thirties but was extensively reformed in 1999. The two banks accordingly became subject to supervision by the Fed, in return gaining access to the state rescue package.

As a result of the lower levels of equity at many banks and the consequent uncertainty amongst investors, the interbank market came to a virtual standstill, with interbank rates climbing steeply: by the beginning of October, 1-month Euribor stood at over 5 %. The Fed and the ECB, the Bank of England and other central banks massively increased the supply of liquidity to the markets. At the same time the collateral criteria for central bank loans were eased and key interest rates drastically lowered – partially in concert with other central banks.

Numerous European countries, including the Netherlands, Belgium, France and Switzerland, gave support to their domestic banks. The UK nationalized the building societies Northern Rock and Bradford & Bingley. Iceland's Kaupthing bank was also nationalized in October and declared insolvent soon thereafter. Iceland later received financial support from the IMF. Many governments in Europe, as well as those of Japan and China, introduced extensive impetus packages.

In Germany, a large number of banks reported substantial losses from write-downs on financial investments. The federal government passed an aid package for banks in October, which provided for guarantees of up to €400bn and equity stakes of up to €80bn. It also announced a guarantee for all savings deposits. A series of banks received support from the public sector over the course of the year in the form of guarantees or equity. Other institutions, such as automobile finance companies, are considering participating in the scheme.

All of this makes 2008 one of the toughest years in the history of the banking sector. In a large number of European countries and in the USA it led to the public sector taking substantial stakes in banks while a large number of banks ceased to exist. At the same time, consolidation in the sector accelerated. In addition to takeovers that had been planned for some time, there were forced sales and mergers organized by the state. In addition, many financial institutions – often at a huge loss – made an effort to reduce their risk-weighted assets ("deleveraging") in order to create more transparency and trust.

Segment performance

Private Customers

Private Customers

	2008
Equity tied up (€ m)	1,554
Operating return on equity	35.5 %
Cost/income ratio in operating business	74.4 %

In 2008 the Private Customers segment comprised the activities of Private and Business Customers, Private Banking, Retail Credit Business, Asset Management and comdirect bank AG.

Last year we posted a record operating profit of €551m, which represents an increase of around 23 % compared with 2007. Despite the difficult environment resulting from the international financial crisis we were able to keep our earnings stable. In addition, thanks to a rigorous management of risks we were once again able to reduce the provisions for possible loan losses in the segment compared with a year earlier, helped by the still favourable conditions in the labour market. With sustained cost management and the timely implementation of our efficiency measures, we reduced administrative expenses by €127m while continuing our growth programme as planned. As a result the cost/income ratio improved to 74.4 %, down from 77.5 % in 2007. The return on equity came to 35.5 %, up 19.3 percentage points from the previous year.

We continued to pursue the segment's strategic drive for growth in all business areas during the year under review. Despite the difficult market environment we succeeded in winning over customers with attractive products and needs-based advisory services. Overall the number of our customers rose in 2008 by a net figure of 574,000 to 6.1 million; the number of current accounts increased by 451,000. The volume of deposits increased significantly in 2008 by 26.6 % to €48.8bn.

Outlook

2009 will be marked by two major challenges: the ongoing financial crisis and its consequences, and the integration of Dresdner Bank. In addition we will focus more intently on personalized and integrated advisory services for our customers and the systematic development of needs-based solutions in all areas. Through an in-depth understanding of our customers we can secure competitive advantage, which is why we have created a format for an ongoing exchange of information with our customers: the Commerzbank customer advisory council. As an advisory body to the Board of Managing Directors, the customer advisory council provides ideas for optimizing existing and developing new products, advisory activities and other services.

Our expectations for the integration of Dresdner Bank are high. Once it is complete we will be the largest bank serving private customers in Germany with the most extensive network of branches and we will continue on our clear growth course. Backed by the experience of two tradition-rich institutions, a focused and customer-driven business model, and a solid and balanced risk policy, we are already on the right path. As the two banks' business models are quite similar we will be able to realize significant increases in efficiency and potential synergies.

To help us achieve this, we have systematically positioned the segment with a strong customer-centric focus. Organizationally we have separated the management of wealthy private clients from our activities on behalf of private and business customers. The new business area of Wealth Management – which emanated from the business area Private Banking at the start of 2009 – will thus encompass our business with wealthy customers both in Germany and abroad. Our core target groups of discerning private customers and business customers will continue to be served in the domestic branch banking network under Private and Business Customers. We will be creating a new business area called Direct Banking, which in future will include the activities of comdirect bank AG, the European Bank for Fund Services (ebase) and our call centre activities. Retail Credit will be responsible for all topics related to lending business at the market interface. We spun off the cominvest group in the course of the Dresdner Bank takeover and from January 2009 it is now part of the German business of Allianz Global Investors.

Private and Business Customers

Private and Business Customers benefited from the continuation and expansion of our growth programme in 2008. At the same time we responded rapidly to the changing needs of our customers in view of the uncertainty on the international financial markets. With a strong focus on customers, attractive products and strong distribution we succeeded in improving our products, advisory services and service performance for customers in a difficult market environment exposed to fierce competitive pressures – an important step on the way to becoming the best bank in Germany for private and business customers.

Attractive range of services as key drivers of growth

One particular focus of 2008 was acquiring new customers with the help of Commerzbank's new image campaign. The objective was to strengthen ties with these customers over the course of the year. Concepts for targeted approaches, individual customer advice and attractive follow-up offers on fair terms helped to convince many customers of the value of our services over the long term and strengthen their loyalty to Commerzbank.

- Free current account continues to guarantee success

The free current account launched in December 2006 continued its success in 2008. Introducing the account switching service in January 2008 further enhanced the range of services and made an important contribution to positive customer development. A significant portion of the growth in customers also came from two first-time nation-wide campaigns with a higher opening balance of 75 euros. A survey among new current account customers showed that the free current account is an unmitigated success: 90 % of customers would continue to recommend Commerzbank to others. The percentage of new customers who use Commerzbank as their main bank without maintaining any other current accounts rose to 81 %.

- Topzins investment an additional growth factor

The second product success was the Topzins investment, a time deposit which provides customers with 100 % security while also offering a good interest rate. This product benefited from an increasing need for security on the part of investors. In a tough interest rate environment Commerzbank's product performed very successfully relative to competitors and made an important contribution to the significant increase in customers.

- Asset management products a strong draw

The focal issue in securities investments for both new and existing customers was the introduction of the flat-rate withholding tax in Germany on January 1, 2009. The demand for advice on the part of customers prior to the introduction of the tax was particularly strong, which is why we addressed this topic with our customers very early on in the year. With our high level of advisory expertise and our innovative range of asset management products, which has something for every type of investor profile, we created solutions which were positively received by many of our customers – as a result, we acquired €4bn in customer funds.

- Successful deposit business

Deposit business saw a sharp surge in 2008, a significant contribution coming from the Topzins investment, with over €4bn, plus the successful market launch of the Topzins account, our new call deposit account. Both products meet the rising demand from our customers for safe and profitable cash investments.

- New retirement savings business model

We have further expanded our expertise in the retirement savings business. The advisory network was also strengthened by new retirement specialists at the branches. The specialist activities previously located at Commerz Partner GmbH was integrated into our segment during the year in order to better leverage the knowledge available there for the benefit of our customers. As a result, branch banking now has a nationwide advisory offering available, even for more complex pension solutions, which in particular includes advisory services to business customers for company pension schemes.

Sales power boosted

An innovative sales strategy ensures growth and competitive advantage.

- Successful "branch of the future" model further developed

In its branch strategy Commerzbank aims at a broad geographic presence. By using advanced self-service technology and modern branch facilities incorporating a high level of availability we have created a cost-efficient branch model – the branch of the future. The focus is on customers and providing them with qualified advice as in this modern environment staff have less administrative tasks to complete and more time for their customers. A high rate of acceptance by customers and above-average profitability vouch for the success of this model. As a result additional branches were converted to the branch of the future model in the past financial year. With a total of over 300, the branches of the future now account for 40 % of Commerzbank's overall branch network. In 2008 the branch of the future PLUS model was developed to further streamline branch processes. Medium-sized and large locations in particular will be converted to this new branch model. With the branch of the future and branch of the future PLUS, Commerzbank has two modern branch models that can be applied successively across the entire branch network. Over 200 additional branches are scheduled to make the transition in 2009 alone.

- Regional market effort launched

As part of the "Tapping into regional markets" growth initiative Commerzbank opened ten new branches in the Hamburg city region in October 2008. The small, flexible locations with a strong focus on advisory services increased our branch presence in one of the most profitable areas of Germany by 37 %. In addition to the new advisor model, local marketing and attractive regional location products are other core elements of penetrating regional markets. After just three months the new locations had already achieved their first success by acquiring over 2,100 new customers.

2009 outlook

In Private and Business Customers we are continuing on our clear growth path together with Dresdner Bank. With the closest proximity to customers and the most extensive branch and advisor network of Germany's private customer banks we are on our way to becoming Germany's leading bank in terms of the number of private and business customers. In this way we are reinforcing our position as a key growth driver in the Group.

For us "understanding customers" is our guiding principle. With our in-depth knowledge of customers we provide competent, regular and needs-oriented advice along with an individual approach. By consistently focusing on our customers we can offer solutions and products which best suit their personal life situation. Until the IT systems of the two banks are merged, both brands – Commerzbank and Dresdner Bank – will continue to co-exist. The transition to the new Commerzbank is however already tangible to customers of both banks as a wider range of the same products and services are now available from both. Together we will bring the focus on the customer relationship closer to the centre of our activities in Private and Business Customers, thereby securing our long-term position in the marketplace.

Private Banking

Private Banking at Commerzbank encompasses our offering for wealthy private individuals. We combine two factors for success: the investment skills, in-depth product knowledge and expertise of a large bank with a personal advisory style and extensive national coverage for a trustful dialogue with our customers.

Despite the upheaval on the international financial markets the trend in Private Banking is a positive one. Although the downtrend in financial markets has led to a reduction in assets under management from around €28bn to €24bn, when adjusted for market conditions and negative performance we were able to win assets and increase the number of wealthy private customers under management by 11.7 % to around 28,000. This means we have once again outperformed the market, although momentum has slowed due to the negative environment.

Market position strengthened

In the past financial year the Private Customers segment was revamped, and organizationally the management of wealthy private customers was separated from our activities on behalf of private and business customers. As a result we have further developed the existing Private Banking unit into a fully-fledged Wealth Management business area. Since January 2009 we have been managing customers with liquid assets upwards of one million euros in this area, which requires special solutions due to the complexity of their asset structures. A stronger focus on uniform customer groups helps reduce the complexity of tasks for all employees and optimizes processes.

Growth programme further expanded

Optimizing our organizational structure and processes has increased our power in the market. Despite the current market situation our success allowed us to make targeted investments in employee training and development in order to best meet customer needs. Specialists are available with first-rate knowledge in dedicated areas such as securities management, real estate and credit management or estate and foundation management so that relationship managers can focus their full energy and attention on advising their customers. Last year we were able to raise our success rates in acquiring and retaining customers by offering specific solutions for wealthy customers, and positioned ourselves in the market as an innovative, high-performance partner.

2009 outlook

Together with Dresdner Bank we are creating a Wealth Management offering which combines the strengths of both of our tradition-rich banks within a single entity. With an enlarged presence of over 40 locations throughout Germany and an extensive network abroad, the service we provide to our customers is now significantly more comprehensive and enhanced with an array of highly qualified teams and specialists. The current integration work is progressing rapidly, the advisory philosophy of both banks is largely congruent and the service offerings complement each other ideally in the areas which are relevant to wealthy customers, for example when it comes to family office issues or integrated management of private and business assets. Although we are still operating under two brand names until the technical integration is complete, we are acting as a single firm wherever possible. For example, we offer the same products and coordinate our marketing activities and events to include customers of both banks. Intensive feedback from our customers, including from the customer advisory council, will help us achieve consistent improvements that benefit our customers.

Retail Credit

As the central supplier of credit products to the whole business segment, Retail Credit deals with all market activities in the lending area, from product development to processing and all the way to portfolio management. This integrated set-up allows the segment to provide innovative products, apply streamlined processing methods and focus more strongly on a value-driven approach to portfolio risk management.

Profitability increased
In 2008 we successfully established our new business model and contributed to raising segment profitability by optimizing processes. By introducing automated processing we were able to achieve long-term cost cuts. Following the approval of our rating methodology and processing system for real estate financing using the advanced internal ratings-based approach (AIRB) under Basel II we were able to reduce our capital adequacy requirements compared with 2007. Optimization in risk management, which included the introduction of an early warning system and organizational changes, led to an improvement in the risk situation. By leveraging the expertise of our subsidiary Eurohypo AG we were also able to optimize the refinancing of our portfolio.

Customer-driven optimization of the product range
The range of products offered by the retail credit business was further improved. To complement our standardized products which cover the majority of customer wishes we expanded our range to include products tailored to meet specific needs. We were the first national bank to offer a homeowner's loan with a flexible 100 % repayment option. Spurred on by the public discussion on the repackaging of loan assets, we also developed a construction loan which offers our customers guaranteed protection against the loan's resale for its entire term.

2009 outlook

The Retail Credit units of both Dresdner Bank and Commerzbank will create sustainable value for the new Commerzbank. The extensive experience we gained from the integration of Eurohypo AG and Hypothekenbank in Essen into Commerzbank are ideal prerequisites for a smooth and successful integration process. We will define a shared product landscape as quickly as possible so that we can offer customers of both banks the same range of best products. An integrated portfolio management process whose implementation will be accelerated in 2009 will secure us additionally against risks.

comdirect bank AG

Accelerated growth

For comdirect bank 2008 was a very good business year. In the midst of strong turbulence generated by the financial market and banking crisis it proved the robustness of its integrated business model on two counts.

comdirect bank grew even faster than in the previous year. The number of its customers rose by around 350,000 to 1.35 million – primarily as a result of attractive interest rates for call money and time deposits. The deposit volume increased by 36.2 % to €10.47bn. The bank was able to conclude the comvalue growth programme which had been running since 2005 ahead of schedule at the end of 2008 as the programme achieved its key growth objectives – particularly for customers – over a year earlier than originally planned.

In addition, comdirect significantly boosted its earnings power through the growth efforts undertaken over the past several years. Although investments in growth, at over €70m, were some €20m higher than in the previous year, comdirect bank contributed €63.1m to the segment's operating earnings, which was only €8.7m less than in 2007.

New products and services

comdirect bank significantly expanded its range of services in both Brokerage and Banking in the year under review; the fact that it was named "Best Bank of 2008" by €uro financial magazine for the first time confirms the quality and advantageous pricing of its offering. The "Komfort Order" – which is supplemented by the "Trailing Stop Order", which automatically and dynamically adjusts the order to current market conditions – provides securities traders with an impressive all-round solution. For its fund investors comdirect bank expanded the quality-certified selection of FondsDiamanten and introduced five certified investment proposals based on it. The FondsDiamanten selection is primarily geared towards the ratings of Morningstar, Stiftung Warentest, comdirect and independent analysts. These products are offered without a front-end fee. The range of products and services in Banking was expanded via an intermediary solution compatible with direct banking for tailored construction loans on attractive terms. Customers have access to more than 40 financing partners and receive support from experienced construction loan specialists. In the deposit business there is now a more flexible savings plan available which can be made dynamic as an option. The current account was enhanced with new service functions such as the "Komfort" transfer.

Outlook 2009
comdirect bank aims to increase the number of its customers by the end of 2013 by 1 million to 2.3 million and assets under management by €20bn, thereby doubling its earnings before tax versus 2008. complus is continuing its successful product strategies and using the efficient direct bank platform for new concepts in its service offering in the spheres of securities advice, retirement savings and construction lending. At the same time products in the deposit business are being made more accessible to an even broader target group and the company's market position in the households with higher-than-average incomes segment is being expanded.

Business area Asset Management (cominvest)

Growth continues in a difficult market environment
Despite the financial crisis and the related turmoil in global capital markets cominvest continued its growth in 2008. Over the course of the past year cominvest customers entrusted the bank with new funds totalling €2.8bn. The product solutions which were particularly successful had asset management features that were especially created to address the flat-rate withholding tax introduced in Germany on January 1, 2009. Over the past 12 months the inflow into these innovative fund concepts alone was €4bn. As of the reporting date of December 31, 2008, the cominvest Group was managing assets of €55.1bn in its investment vehicles. Compared with the previous year this represented a decline of just slightly over €7bn. Overall the positive trend in new business was not able to offset the decline in prices triggered by the financial crisis.

2009 outlook
After cutting ties with our asset management units abroad in previous years, we sold the cominvest Group to Allianz as part of the Dresdner Bank takeover deal. We will continue to offer our customers first-class fund solutions in the market using an open architecture approach. To help in this regard we have added Allianz Global Investors, a leading global asset manager, to our preferred distribution partners. ebase, our custodian bank subsidiary, remains part of the Commerzbank Group and will be integrated into the Direct Banking business line. As one of the leading fund platforms ebase stands for a pure B2B approach: many financial intermediaries provide their customers with intelligent ebase solutions for asset growth and fund investments.

Mittelstandsbank

Mittelstandsbank

	2008
Equity tied up (€ m)	8,869
Operating return on equity	30.3 %
Cost/income ratio in operating business	41.4 %

In the financial year 2008 the Mittelstandsbank segment included Corporate Banking and Financial Institutions, the Centers of Competence for Global Shipping and Renewable Energies as well as the Asia region. All the subsidiaries and branches in Central and Eastern Europe, which were previously part of the Mittelstandsbank for organizational purposes, have been combined in the new Central and Eastern Europe segment since the beginning of 2008. From 2009 the Western Europe region will be added to this segment, while the Center of Competence for Global Shipping will be integrated into the Commercial Real Estate segment.

In spite of an increasingly difficult environment, particularly from the second half of the year onwards, the Mittelstandsbank continued to perform well and was once again a solid value driver in the Group.

Operating profit was €868m in 2008 (previous year: €980m). The operating return on equity of 30.3 %, after 42.0 % last year, represented a solid performance. Our success was based on a positive net interest income performance, which we achieved by expanding volumes and margins in lending to small and mid-sized businesses. We also generated strong growth in the export business. However, we were unable to entirely escape the effects of the economic slowdown in the course of the year. Administrative expenses fell slightly and the cost/income ratio improved further from an already good 45.7 % to 41.4 %.

As in previous years our new client initiative contributed substantially to the success of the Corporate Banking area. We have gained around 20,000 new corporate clients since 2004 and significantly exceeded the goal we set for 2008.

We are aiming to further expand our market share in the German small and mid-sized corporates market and increase the share of earnings from existing clients.

Further proof of our success are the results of the independent customer surveys, which are well above the sector average. In the most recent survey 91 % of the 7,000 representative clients surveyed stated they were "very satisfied" or "satisfied" with the technical competence of their customer advisors. 86 % had a positive opinion of the quality of the advice they received. Relationship management and the proactivity and competence of advisors received particular praise.

For the second year in succession the readers of the magazine "Markt & Mittelstand" awarded us the coveted title of "*Mittelstand* Bank of the Year 2008". We regard this as a reward for our efforts and simultaneously as a spur to be the best bank for our small and mid-sized customers.

Corporate Banking in Germany

Corporate Banking for small and mid-sized customers performed very satisfactorily in an increasingly difficult market environment. Due to strict cost management and controlled growth in lending business with moderate risk, profitability remained at a high level. This demonstrates that our business model is robust enough to withstand turbulent times.

Our loan portfolio grew further in 2008, although growth slowed in the second half of the year due to the economic downturn. The classic bank loan remains the main financing instrument. In addition to loans funded from Commerzbank's own resources, we are also increasingly relying on financing and programmes offered by public funding bodies. The funds from the KfW global loan of over €500m and other global loans for North-Rhine Westphalia and Bavaria will give us greater flexibility in meeting our clients' needs and offering them customized financing solutions.

Our sales initiatives in the investment business were successful and the volume of deposits rose by a double-digit percentage.

The extremely weak economic environment in Germany will lead to correspondingly higher provisions for possible loan losses in 2009; we already saw the first effects at the end of the financial year 2008. We have responded to this situation with rigorous risk management and lending margins which reflect the increased risks, but we will remain a reliable partner for our clients even in difficult times.

Business with large corporates continues to grow

Once again we were able to significantly expand our business with large corporate customers, including those active in the capital market, and further strengthen our market position. In 2008 we once again achieved double-digit growth in earnings in this area.

We have worked in-depth on our advisory model in order to become even more attractive for our clients. The establishment of an International Desk in Frankfurt has strengthened the links with our foreign branches, particularly in Asia, Eastern Europe and the USA, thereby boosting our cross-border business. Moreover, we initiated a reorganization of our Western European and Asian offices at year-end 2008, in order to better align them strategically with the concept of the Mittelstandsbank. We want to continue to grow and gain market share in 2009 and are well-positioned to do so.

The integration of Dresdner Bank will allow us to further expand our established advisory model; we will be represented in additional locations in future with more relationship managers and a strategic expansion of our product range.

We also posted double-digit earnings growth in the institutional client area. We have been meeting the special demands and requirements of this high-powered client group for a number of years by using specialist relationship managers. This approach has paid off. We are considering expanding this advisory approach further, in order to enable us to participate in the expected high growth rates in this market segment.

Stay on Top

We introduced the growth programme "Stay on Top" in 2008 and further strengthened our uncompromising focus on the needs of mid-sized businesses with new measures and projects. By improving the quality of our advice and proactively addressing our customers we are establishing the most important prerequisites for growing our market share among smaller, owner-managed companies. Our aim is to become the best Mittelstandsbank for all small and mid-sized companies.

We have strengthened our decentralized Financial Engineering Center, which enables us to provide customized financing structures for small and medium-sized enterprises.

We want to achieve further growth in future with our new innovation management. In 2008 we began developing our new "climate coaching" advisory service, which analyses companies' energy intensity, points up specific savings potential and provides individual recommendations for action. After a pilot phase we will offer the service more broadly in the first quarter of 2009. As innovation benefits from scientific advice we have founded a special innovation advisory board made up of scientists, business figures and other external thought leaders. Its task is to accompany and bring input to the innovation process on a continuous basis.

Encouraging start for the new portfolio management

While the financial market conditions became increasingly difficult, the establishment in the middle of 2007 of a new portfolio management centre has proved to be a success in 2008. Since setting up a specialist unit for the purpose we have already placed two synthetic capital market transactions (CoSMO Finance 2007-1 and CoSMO Finance 2008-1), which have enabled us to significantly reduce the minimum capital requirement of the Mittelstandsbank segment.

CommerzFactoring expands receivables financing for mid-sized companies

CommerzFactoring GmbH, which was founded in 2006, expanded its strong position as a provider of factoring services in Germany during the year. We were able to increase the volume of business significantly with customized solutions for financing receivables, such as factoring and reverse factoring and other banking services. We purchased receivables totalling around €4.1bn in 2008 (previous year €1.8bn).

With the launch of the product "Forfaiting with Re-Factoring" Commerzbank and CommerzbankFactoring expanded the range of receivables financing instruments in response to our customers' wishes. In the light of deteriorating economic conditions asset-backed financing instruments such as factoring and forfaiting are becoming increasingly important as a means of ensuring corporate liquidity and hedging suppliers against defaults.

Expansion of trade finance activities
The demand for hedging in the export business has risen due to the deterioration in economic conditions. The Trade Finance & Transaction Services unit offers the full product range of risk hedging instruments and supports clients in their export markets. We saw significant increases in revenues in this area compared with the previous year and expect that the trend towards higher risk margins will continue.

Our specialists from Structured Export & Trade Finance have already brought their product range into line with the established worldwide sales approach of the Trade Finance & Transactions Services area and so will help to strengthen Commerzbank's competitive position by increasing our international presence.

We have also achieved further progress in Cash Management. We have further expanded our "TREASURY" application, which helps customers to plan their financing needs and manage liquidity. Due to strong demand we are planning to develop an application for the broader mid-sized sector.

Demand for investment, currency and commodity solutions stronger than ever
The demand from our small and mid-sized corporate customers for information and hedging facilities in this area was particularly high against the backdrop of economic developments. We have tailored our product range to meet this demand. Alongside general advisory competence there was particularly strong demand for solutions in the unusually volatile currency and commodity business. There was also considerable interest in our investment products and we were able to attract a considerable volume of new funds.

In 2008 we set a new record in the interest rate and currency derivatives business. In asset management we continued our successful co-operation with cominvest, which enabled us to achieve significant inflows of funds into special and mutual funds. This business only subsided sharply with the deepening of the financial market crisis in the third quarter.

Public sector stable
In 2008 we again increased the volume of lending to municipalities, municipally-owned corporations and quasi-public-sector entities compared with the previous year. Commerzbank primarily placed maturity-matched external development loans in this sector. The

focus of public sector lending has shifted decisively from loans to municipalities to the financing of municipally-owned corporations, with whom the bank can also pursue intensive cross-selling – e.g. in the area of interest rate hedging, cash management and money market investments. Business with municipalities concentrated on the provision of low-interest development loans and active debt management. An intensive sector focus, which supports the specialist relationship managers in the regions, contributed to the dynamic growth in this segment, particularly in the utilities sector.

UnternehmerPerspektiven initiative
Through our *UnternehmerPerspektiven* (Entrepreneurial Perspectives) initiative, which was launched in 2006, we were again able to position ourselves convincingly vis-à-vis our customers and the general public as the best *Mittelstand* bank. The initiative is based on surveys carried out in conjunction with TNS Infratest. The results of two studies entitled "Climate protection – Opportunities and challenges for small and mid-sized companies" and "The Changing values of business" were discussed with entrepreneurs, business associations, politicians and academics at numerous events in our regional branches.

This enabled us to further strengthen our dialogue with large corporate clients and small and mid-sized businesses and show that we are serious about our commitment to the medium-sized business sector by tackling issues of concern to these companies, discussing these issues with them and subsequently taking them into the public sphere.

Center of Competence for Global Shipping
The Center of Competence for Global Shipping reported a shipping finance portfolio of some €10bn at year-end 2008. This puts Commerzbank among the top five shipping finance banks in Germany and the top ten in the world. In addition to its main office in Hamburg the Center of Competence for Global Shipping also has desks in Leer (northern Germany), Amsterdam and Singapore.

The services offered include loans for the construction, interim equity and final financing of ships, the provision of working capital lines for maritime and inland waterway vessels and for off-shore installations in the oil and gas industry for German and foreign shipping companies and issuers of shipping funds. In addition we provide project-related finance for shipbuilding companies. Shipping finance functions as an anchor product for other services such as interest rate and currency derivatives, international payments solutions and M&A activities. The advisory services are always based on an integrated, solution-oriented approach. Our staff have many years of experience in the shipping markets and their specific business structures and also have access to the full product range of Commerzbank as a worldwide universal bank.

The Center of Competence for Global Shipping does not have an explicit country strategy, but instead serves its clients wherever they are on the basis of a relationship approach. Alongside the traditionally strong ties to the German shipping sector further regional focuses have emerged in Greece and Asia. The financing portfolio is well diversified in relation to client groups, ship types and regions. However, the turmoil in the financial markets and its impact on the economy also hit the economy-sensitive shipping markets over the past year. As a key part of the globalized economy the maritime transport sector is expected to be one of the areas in which the normalization of the markets will quickly lead to a rebound in business levels in the medium term.

Center of Competence for Renewable Energies

The Center of Competence for Renewable Energies was able to further expand its strong market position in project and corporate financing in 2008. The trend to internationalization is also reflected in the loan portfolio. In the past year the foreign portion of new business has increased.

In addition to hiring and training additional specialists for international projects we have established a "Renewable Energy Desk" in the USA to provide finance for German manufacturers in the rapidly growing American market. In the past year we assisted clients in all segments of renewable energies and along the entire value chain. In conjunction with our investment bank we were able to secure an outstanding position in the execution of capital market transactions.

Climate change and the depletion of fossil fuels are raising the importance of renewable energies and leading to corresponding growth in market potential. The growth of renewable energies will continue on the basis of the EU's goals for combating climate change alone. However, the weaker world economy in 2009 may lead to a temporary slowdown in this area. Nonetheless, we expect the upward trend to resume in subsequent years with double-digit growth rates.

Outlook

The financial market crisis has led to dislocations which will further depress the entire economic environment – possibly into the year 2010. This will result in rising loan loss provisions in the small and mid-sized business sector. Nonetheless we want to meet the challenge of remaining the best bank for these corporate customers in 2009. We will make sure that we retain a leading role in financing the SME sector and will continue our selective growth strategy. At the same time we plan to continue our sales initiatives in order to further expand our market share. Smaller corporate customers in particular are growing in importance. At the same time we aim to increase the contribution to earnings from our existing clients.

We see the successful integration of Dresdner Bank as a further major challenge. We will maintain Commerzbank's tried and tested customer relationship model for SME clients as the benchmark for our services. This will ensure that nothing will change for our customers in their day-to-day business. At the same time the number of branches will increase as a result of the takeover of Dresdner Bank, so that we can be even closer to our small and mid-sized clients. This greater regional presence will be combined with an expanded product and service offering.

International Corporate Banking

International Corporate Banking is a new area which was set up in 2008 and is responsible for corporate banking in Asia as part of the Mittelstandsbank segment. With branches in Singapore, Hong Kong, Shanghai, Tianjin (currently being set up) and Tokyo we are represented in regions which are important trading partners and investment destinations for our German corporate clients. In addition this area with its broad product range for corporate customers concentrates on the cross-border business of large local customers with Commerzbank's other core markets. We want to be the leading banking partner supporting these companies' business operations in Germany.

We are responding to the deterioration in the economic situation in Asia at the end of 2008 with a prudent risk policy.

In the financial year 2009 we will also integrate the Western European branch network into International Corporate Banking. We will then be able to offer the full commercial corporate banking product range to our German clients from our branches in Amsterdam, Barcelona, Brussels, London, Madrid, Milan and Paris. In addition we will support our international corporate customers with a full range of corporate finance and risk advisory services.

The creation of the International Desks in Frankfurt to act as an interface between the German and foreign branches of the Mittelstandsbank segment will ensure that we provide co-ordinated cross-border support for German corporate clients doing business abroad and foreign corporate clients doing business in Germany.

In 2009 we will drive the process of strengthening the links between the branches inside and outside Germany forward in order to provide support to our internationally focused corporate customers. In addition new locations will be added to our already extensive branch network; as a result of the integration of Dresdner Bank we will acquire new branches in Peking, Vienna and Zurich. We will offer an attractive and comprehensive product range in all our locations.

Financial Institutions

Financial Institutions, which is part of the Mittelstandsbank segment, is responsible for our relations with German and foreign banks and financial institutions, central banks and national governments. The central relationship management team based in Frankfurt works with a worldwide sales network of 28 representative offices and 6 financial institutions desks and is based on a global service approach. We are represented in all the important economic areas of the world, and our offices complement Commerzbank's network of operational outlets abroad. An integrated customer service is provided by the Financial Institutions relationship managers, who manage sales teams encompassing product and risk specialists. Our approach which combines close partnership-based client relationships with a broad product offering and comprehensive expertise, combined with training for the staff of partner banks in emerging markets, is supported by a uniform marketing campaign based on the slogan "financial institutions: partnership meets expertise".

Reorganization of the business

In the past year all of our products were organized into four groups, with product management teams responsible for each group. The groups are Cash Services ("moving money and securities"), Trade Services ("financing trade"), Banking Products ("raising debt") and Market Products ("hedging risks"). This reorganization led to 2008 being the most successful year so far for the Financial Institutions area, in spite of the adverse market conditions emanating from the subprime crisis, the collapse of several banks and the extreme shortage of liquidity. All product areas contributed to this success.

We further consolidated and improved our position as one of the leading European transaction banks and providers of a full range of payment services in Euro and other currencies in our Cash Services business in 2008. Key to this was that we prepared well in advance for the impact of the introduction of the Single Euro Payment Area as well as the growing complexity of external regulations. Our products allow the customer to use Commerzbank as an entry point into the Euro area. Since the start of SEPA a growing number of banks have been taking advantage of our offering. We are already making preparations for further products such as "SEPA Direct Debit".

Commerzbank has a strong market position in Trade Services. In spite of the current difficult economic conditions as a result of the financial and liquidity crisis we maintained an unwavering commitment to supporting the financing needs of German exporters through our willingness to confirm letters of credit. At the end of the year under review the volume of letters of credit underwritten was well above the previous year's level. For example, Commerzbank financed a German export transaction of just under €1bn through a letter of credit and was able to structure most of the transaction itself due the successful build-up of our risk distribution activities.

At the initiative of and with the collaboration of Commerzbank a Master Participation Agreement for Trade Transactions was drawn up by the Bankers' Association for Finance and Trade (BAFT). This agreement is being used by more and more banks worldwide as the standard documentation for sub-participations in trade transactions. The simplification of the process makes it possible for banks to share trade risks and eliminate any shortages in commercial lines or use free lines optimally. These new activities in the Risk Distribution area made it possible to finance larger trade volumes through Commerzbank and so to further expand our current strong market position with market shares of over 20 %.

The performance standards and expertise of Commerzbank were recognized in a number of different awards. We received first prize as "Most active confirming bank" for the fifth time in succession for our active participation in the Trade Facilitation Programme of the European Bank for Reconstruction and Development. In addition the readers of the respected Global Trade Magazine voted us "Best Trade Bank in Russia and CIS" in 2008.

Our position as a leading foreign trade bank is based on a closely-knit network of relationships with over 5,000 banks throughout the world. We support our internationally active corporate clients in their relations with foreign business partners and banks in their destination countries by providing the following services:

- Expert advice on delivery transactions and capital investment projects.
- Handling of funds transfer or payments with the goal of being able to reach all world markets efficiently, especially through a continually growing network of correspondent banks.
- Exchange rate hedging, including for exotic currencies.
- Issuing foreign guarantees that reflect local laws and practices.
- Hedging trade receivables based on letters of credit or guarantees.
- Foreign trade financing, from forfaiting to structured products.

The foundation for this service offering is our foreign expertise, acquired over many years and based on a solid knowledge of the cultural, economic, political and legal ramifications of the different export and sourcing markets. Financial Institutions strengthens the traditional foreign expertise and position of Commerzbank as the bank for small and medium-sized enterprises in Germany.

The Banking Products area suffered from the more difficult conditions engendered by the liquidity crisis. Nevertheless we were able to provide a large number of bilateral loans to finance trade transactions and also to support syndicated transactions for our clients.

We developed new loan types in our "Islamic banking" area. There is a rising demand for inter-bank business which is compliant with the religious requirements of Islam. Commerzbank Financial institutions can now offer its clients a selection of competitive products which are sharia-compliant.

In Market Products we fired the starting gun for the new e-trading platform Comforex Plus in April 2008. Financial institutions can carry out foreign exchange and money market transactions on this platform 24 hours a day 5 days a week. Comforex Plus uses the latest technology e.g. live streaming pricing and one click trading. The service is rounded off with applications such as limit order management, historic reporting, individual user profiles, online help as well as market reports and currency analyses. This platform is already being used by many of our customers.

The intensive and close co-operation between financial institutions and the advisory desk in our trading department, which is specially focused on the foreign exchange and money market business with client banks enabled us to ensure efficient liquidity management for our client banks and increase their deposit base.

New representative offices

Commerzbank continued to strengthen its presence in foreign markets in 2008. We opened a representative office in Lagos, Nigeria in January and a further office in Ashgabat, Turkmenistan in October. Our representative office in the Libyan capital Tripoli will open in the spring of 2009.

The main task of these representative offices is to build up and maintain close contact with central banks, local banks, government and international institutions and local business communities. In addition we provide advice to German corporate clients who wish to take advantage of opportunities in these countries.

Strategic orientation 2009

Due to the deteriorating economic situation worldwide and the ongoing financial and liquidity crisis, 2009 will be another difficult year for banks. Financial Institutions will be unable to wholly escape these trends. The main goals for 2009 are to secure as high a proportion of clients' cash and trade flows, as well as their investment and hedging flows, as possible, in order to continue to grow profitably together with the Corporate Banking and Capital Markets sectors. At the same time we want to expand our strong position in the financing of foreign trade in Europe. Our objective is also to position Commerzbank as the competent Euro bank and banking partner for the whole of Europe.

To achieve these goals we aim to have as complete a coverage of partner countries and partner banks worldwide as possible. In this way we ensure that Commerzbank can offer a unique selling proposition in the corporate banking business.

A further challenge in 2009 will be the merger of the two Financial Institution departments of Commerzbank and Dresdner Bank. Both banks have a strong market position in the financial institutions business and in financing German foreign trade. This position needs to be consolidated and expanded further. The first important steps to delivering client advice from a single source have already been taken with the aim of transferring the relationship management of bank clients to the new Commerzbank as quickly and smoothly as possible.

Central and Eastern Europe

This segment comprises the activities of our operating units and investments in Central and Eastern Europe under the umbrella of a management holding company. With around 3.2 million customers – that is around 51 % more than in the previous year when 353,584 customers from the first time consolidation of Bank Forum are included – and approx. 11,000 employees, we have a significant presence, serving private and corporate customers and are one of the leading international banks in Central and Eastern Europe.

Our business in this region saw some major changes in 2008. Negotiations on acquiring a majority stake in Bank Forum in Ukraine were brought to a successful conclusion. And we demonstrated the importance of Central and Eastern Europe for the Bank as a whole by transferring responsibility for it from the business segment Mittelstandsbank to the newly created CEE segment with its own management and reporting system.

The segment comprises our Polish subsidiary, BRE Bank, Ukraine's Bank Forum, Russia's Commerzbank (Eurasija) SAO, Hungary's Commerzbank ZRT, our branches in the Czech Republic and Slovakia, and our investments in microfinance banks and Russia's Promsvyazbank.

Central and Eastern Europe

	2008
Equity tied up (€ m)	1,595
Operating return on equity	19.1 %
Cost/income ratio in operating business	52.9 %

Business model justified by solid earnings

The reorganization demonstrated the growing importance of Central and Eastern Europe for the entire Commerzbank Group. Against the backdrop of the current crisis in the financial markets, the segment performed well. At €304m, operating earnings were once again higher than for the previous year. The segment achieved an operating ROE of 19.1 % (previous year: 31.4 %) and at 52.9 %, the cost/income ratio was virtually unchanged.

The segment focuses strategically on private customer business and mid-sized companies. These areas should enable Commerzbank to exploit its long-term competitive advantages. Our cross-border initiatives provide one example of this in the Commerzbank Group. The aim of these is to leverage the advantages of our extensive network to the full, while benefiting from the strong market position and expertise of the business segment Mittelstandsbank in Germany.

We expanded our cross-border business further in 2008. All of our units are both organizationally and technically equipped to deal with cross-border business enquiries in German, English or the relevant local language. Mid-sized corporate customers from Germany as well as from Central and Eastern Europe are thus able to access the international expertise of a major bank for their cross-border expansion plans or other projects. We shall also be continuing to develop cross-border business in the years ahead – very much in line with the continuous improvements we are making to the range of products and services we offer mid-sized corporates.

Outlook

In the current difficult market environment with an economic situation that is becoming increasingly gloomy, we will continue to structurally reinforce our business in Central and Eastern Europe, the aim being to make it "weatherproof". To achieve this, our efforts in 2009 will be concentrating on raising cost-efficiency, improving processes and optimizing our portfolios in the region. Our yardstick here has been, and will continue to be, a strong focus on the risk/return ratio as part of the Commerzbank Group's credit risk strategy.

BRE Bank Group once again successful in 2008

Poland's BRE Bank, in which Commerzbank has a stake of around 70 %, is the core of our business activities in Central and Eastern Europe. With total assets of €23.0bn, it is the third-largest bank in the country.

As a universal bank, BRE Bank offers tailor-made products and services to corporate, private banking and private customers. In its corporate business, BRE Bank concentrates on supporting large corporate customers and rapidly growing mid-sized businesses. It provides first-class service here and a series of tailor-made products.

BRE Bank also has an extensive range of products and services for private customers. Under the mBank and MultiBank brands, it offers private customers modern products and services. While MultiBank primarily focuses on affluent private customers and business owners, mBank is Poland's largest direct banking platform. BRE Bank is Poland's leading bank in wealth management and private banking.

The group was once again successful in 2008, raising its pre-tax profit by €33m to €260m. The number of customers rose by 711,000 to 2.8 million. This growth was largely driven by the strong development of the direct bank mBank in Poland and its successful foothold in the Czech and Slovakian markets. The number of customers in these units rose by around 627,000 to 2.3 million.

Greater proximity to customers

Local corporate customers expect a direct personal contact at their home base. With 24 branches for corporate customers in addition to 21 corporate offices, BRE Bank has ensured its presence in all the major business regions. This enables corporate customer relationship managers to tune their services more individually to customers' needs and expectations and offer assistance with extensive investment projects throughout the country, for instance.

In its private customer business, BRE Bank can look back on a successful history for mBank and MultiBank in Poland. In the eighth year of its existence, mBank now has more than two million customers. Analysts assume that the number of active online banking customers in Poland passed the 7 million mark at the end of 2008. This means that almost every third online banking user has an mBank account.

The launch of the mBank business model in the Czech Republic and Slovakia, which commenced in November 2007, continued to move ahead successfully. With around 185,000 customers (up 168,000 year-on-year) in the Czech Republic, mBank is the sixth largest in the country. With around 59,000 customers in Slovakia (up 52,000 year-on-year), it also performed well beyond our expectations.

MultiBank also succeeded in improving its market presence. With around 493,000 customers (up 84,000 year-on-year), it now has a share of around 14 % in business with affluent private customers. The network was expanded last year to a total of 131 outlets (up 22 year-on-year).

Range of products and services improved for the long term

In order to provide its customers with tailor-made solutions, the BRE Bank Group introduced a host of innovative technologies, products and services last year.

iBRE is currently one of the most innovative communication platforms for corporate customers. The system is aimed at large corporates (including financial institutions) and mid-sized business customers who wish to use bank services online. In 2008, the service was extended to include an advanced and user-friendly trade finance module, so that more than 90 % of all transactions can now be carried out online.

In addition, BRE Bank was one of the first Polish banks to introduce a new payment product with the SEPA (Single European Payment Area) Direct Debit, which caters to the growing importance of non-cash payments in Poland. This has strengthened its competence in cash management and laid the basis for gaining further market share.

MultiBank introduced innovative deposit products to the Polish market in 2008, which had previously been reserved for private banking customers, such as index-/commodity-price-linked structured deposits. To enhance customer value, mBank introduced new functionalities and free money transfers as well as expanding its range of products.

Awards for outstanding performance
A large number of awards given last year to the BRE Bank Group demonstrate how successful it has been. Last January, BRE Bank was named the "Business-friendly Bank". The Polish Chamber of Commerce and Poland's Deputy Minister of Economy presented the award for professional advisory services, a widespread standard of friendly contact with institutional customers and a high level of transparency. Many awards were also given for the bank's service offering in private customer business. BRE Private Banking & Wealth Management received the accolade of providing the best range of private banking products and services in Poland at the end of 2008, awarded by the magazine Euromoney. mBank in Poland, the Czech Republic and Slovakia, also received a large number of expert awards that confirmed the efficiency and attractiveness of its online business model for private customers.

2009 outlook
In 2009, BRE Bank will continue to expand its individual as well as its overall management of corporate customers and generally strengthen its successful mid-size corporate business. In its private customer business, the strategic focus will continue to be on the affluent segment. The controlled growth of the successful mBank business model in Poland, as well as the Czech Republic and Slovakia, will continue.

Ukraine and Russia

Joint Stock Commercial Bank Forum, Kiev
In March 2008, the acquisition of a majority stake of 60 % plus one share in the private Ukrainian bank, Bank Forum, was legally completed. This transaction makes Commerzbank the only German bank directly represented in Ukraine, thus strengthening its market position in Central and Eastern Europe long-term. Bank Forum is a universal bank with corporate and private customer business activities. With 331 sales units (up 30 year-on-year) it has a nationwide network.

Integration well underway Once the acquisition was completed, we immediately started on the integration of Bank Forum into the Commerzbank Group. Working groups for the various business areas were set up to ensure the new subsidiary is linked up to the Group's workflows. One area on which they are focusing is the development of the risk management organization. Here, as in the other areas of Bank Forum, Commerzbank is paying particularly close attention to the transfer of knowledge and further education of staff.

Strategically, Bank Forum's corporate customer division is focusing on Ukrainian mid-sized businesses and, selectively, on large Ukrainian corporates. In this way Commerzbank will be leveraging its core competence as the leading bank for the mid-sized sector in Ukraine as well. In our private customer business we are concentrating on the affluent segment. This new strategic thrust is a conscious effort to differentiate our subsidiary from the mass retail business. The aim is to develop Bank Forum to become the preferred address for Ukraine's modern citizens.

Successful increase in the number of customers As a result of expanding the branch network, increasing advertising activities and effectively managing sales, the number of customers rose significantly. The number of private customers rose by 66,000 to 333,000 in 2008. With 26,000 new customers in third-quarter 2008, the number of new customers scored the highest increase in Bank Forum's history. Corporate customer business also reflected the effects of our sales activity. New customers here rose by 5,500 to 20,000.

Liquidity sound The global financial crisis reached Ukraine, too, starting in September 2008. As a consequence, the Ukrainian government was forced to ask the International Monetary Fund for financial assistance. At all times, Bank Forum was able to maintain a stable position in the market and secure the funding it needed.

In the course of the year, two capital increases totalling 1,139 million hryvnia (approx. €107m) were made, which substantially strengthened Bank Forum's capital base.

2009 outlook Even with the much gloomier business environment, we aim to improve the position of Bank Forum in the Ukrainian market. We shall achieve this with a focussed business strategy coupled with strict management of costs. We shall also push the integration process forward in 2009 and continue our systematic management of risk.

Commerzbank (Eurasija) SAO, Moscow

Our subsidiary, Commerzbank (Eurasija) SAO, set up in 1999, can look back on generally profitable business development last year. The expansion of our product and service offering for local corporate customers made a significant contribution towards this successful outcome. By introducing a local online banking solution and a cash pooling product in 2008, we reinforced our capabilities in cash management and laid the basis for further gains in market share. In addition, we have started selling attractive solutions in the area of currencies, interest rates and derivatives. We are thus responding to the current needs of our corporate customers' as a result of rapidly changing market conditions and proving ourselves as a competent and attractive partner in the Russian market.

In view of the significant worsening of market conditions since mid-September last year, Commerzbank (Eurasija) SAO took timely action to tighten risk management and thus only needed to establish minor loan loss provisions. Activities will once again focus on developing the business structurally in 2009. An additional focus will be on integrating the Dresdner Bank unit in Russia.

Hungary, Czech Republic and Slovakia

Czech Republic and Slovakia

Commerzbank has been in the region for 15 years. With seven sales units, of which two are in Slovakia, Commerzbank is the biggest German bank with a local presence. The focus of our business is on servicing local customers, especially mid-sized businesses, as well as international corporate customers on a cross-border basis in the Group.

Our units can look back on a positive performance last year. Our proximity to customers has paid off particularly well. There were only a few defaults in lending business, while deposit business with both private and corporate customers recorded significant inflows, especially in the final months of the fiscal year.

We reinforced our capabilities in cross-border business by expanding our trade finance offering. This gives local customers access to the wider range of products of the Commerzbank Group. In 2009 we shall primarily develop our business structurally, given the current situation in the financial and capital markets. To this end we shall continue and deepen the dialogue with our local customers.

Slovakia joined the eurozone as from January 1, 2009. The introduction of the euro removes the exchange risk and costs for companies with international business. This closer cooperation with the EU will give us an opportunity to offer our mid-sized corporate customers a broader range of products and services.

Commerzbank Zrt., Budapest

Our subsidiary, Commerzbank Zrt. has now been doing business successfully in the Hungarian market for 15 years. An independently held poll of 500 business leaders recently confirmed the positive view of Commerzbank in Hungary. The poll showed Commerzbank to be the bank with the best reputation.

We succeeded in reinforcing our market position in 2008. Our presence expanded with the addition of two locations, bringing the total number of outlets to eleven. With three locations in Budapest and eight units distributed across the country, we are close to our customers in the region, safeguarding our ability to provide personal contact, individualized advice and convenient service. We consider this to be essential, particularly in the present market environment, as well as from a risk/return point of view. We have also made the necessary adjustments to portfolios in response to the ongoing global financial crisis.

We started our Private Banking business in the summer of 2008. The aim is to exploit existing synergies with our mid-sized corporate businesses. The initiative is therefore aimed primarily at the owners/management of our business customers. We now offer them individualized, top-quality service in Private Banking. We also introduced structured deposits and investment funds last year.

In the wake of the takeover of Dresdner Bank, the integration of its unit in Budapest will be a substantial focus of our activities in 2009.

Microfinance banks

Together with ProCredit Holding AG and international development agencies, Commerzbank has a stake in six ProCredit banks in Albania, Bosnia-Herzegovina, Bulgaria, Kosovo, Romania and Serbia These banks have specialized in supporting small and mid-sized businesses in their respective countries with loans, and actively take savings and time deposits from companies and individuals. Since they were set up, the ProCredit banks have gained market shares in their respective countries; in Kosovo, ProCredit Bank is market leader.

The Belarusian Bank for Small Business was established in Minsk in 2007, together with international development agencies and the US Shorebank International/Shore Cap; it started operations successfully in October 2008. The business purpose of this bank is also to support small and mid-sized businesses in Belarus and thus to contribute to the formation of private entrepreneurial structures.

It continues to be our aim to assist with the dynamically growing microfinance sector in Eastern Europe and, in so doing, to realize opportunities for Commerzbank.

Corporates & Markets

Corporates & Markets

	2008
Equity tied up (€ m)	3,388
Operating return in equity	–49.8 %
Cost/income ratio in operating business	–1,197.4 %

The Corporates & Markets segment includes our customer-facing market activities and business relations with multinational, western European and US companies. Since the third quarter of 2008 it now also includes Public Finance and Treasury, which was previously a separate segment. Within the framework of a business reorientation of the PFT segment, we aim amongst others to put the product range of our investment banking division at the disposal of our public sector customers. From 2009, Group Treasury will be integrated in Group Management.

The Corporate & Markets segment was particularly hard hit by the turmoil in the financial markets. Many factors such as the Lehman Brothers' bankruptcy, the moratorium on Icelandic banks and the partially drastic widening of spreads for fixed-income and structured securities took a heavy toll. The impact was also evident in much higher loan loss provisions, primarily in the New York branch office.

Last year the segment posted an operating loss of €1.7bn. Net interest income rose to €473m and net commission income was slightly above that of the previous year. However, trading profit also fell further at the end of 2008. Customer-driven business with equity derivatives on the one hand and fixed-income and foreign currency products on the other continued to perform well.

Outlook

After the takeover of Dresdner Bank was announced in September 2008 preparations began for the integration of Dresdner Kleinwort's investment bank business into the Corporates & Markets segment. The future strategy of the merged investment bank will continue to focus on customer-related business, an approach that Corporates & Markets has been pursuing since 2004. By expanding the shared platform we will acquire more customers in Germany and Europe in future. Dresdner Kleinwort will cease all of its proprietary trading activities in 2009. In addition we will actively limit risks by reducing selected portfolios and discontinuing individual business areas.

A first step in the integration of the two banks is establishing the same image for all research products from February 2009. The approach of Dresdner Kleinwort's business model in equity trading and equity research now matches the Commerzbank Group's strategy, which is focused on Germany.

Fixed Income record performance in interest rates and foreign exchange

Last year was a record year for Fixed Income in the area of interest-rate and foreign currency products. Income surpassed the 2007 figure. In light of the volatile markets we further expanded the range of interest-rate and currency products for our main target group, corporate customers. Interest-rate hedges for issuers were also very popular.

With effect from the beginning of the year 2009, the renamed Fixed Income & Currencies division will focus on expanding the product platform shared by Dresdner Kleinwort and Commerzbank. Efforts will concentrate on enlarging the platform's function for institutional investors as this customer group will gain added significance after the integration of the two banks.

Credit trading was hit hard by the turmoil in the financial markets and the resulting lack of liquidity. As there is no end to the crisis in sight, we will continue to reduce the risks in the credit portfolio. Structured credit solutions will focus on the restructuring needs of investors.

Equity Derivatives – for the first time with exchange-traded funds

Despite the difficult market conditions over the course of the year the Equity Derivatives business maintained its leading position in Germany and ended the year successfully.

At the beginning of September 2008 a new platform for exchange-traded and structured funds called ComStage was set up and went into operation. Exchange-traded funds (ETFs) are passively managed funds whose performance simulates that of an index. ETFs can be traded exactly like equities. These passive investment solutions are offered to both private customer and institutional investors. The first tranche included 27 products and met with strong demand just before the flat-rate withholding tax went into force on January 1, 2009.

We received recognition for our customer-driven products in these business activities with 31 awards from reputable magazines in Germany and Europe, including prizes for "Best Issuer of the Year" (Zertifikateawards 2008) and "Derivatives Innovation of the Year" (Euro am Sonntag).

We will also further expand our leading role as a market maker with our current offering of 90,000 financial products, 2,400 funds and an ever-increasing number of ComStage ETF products.

Corporate Finance – focus remains on profitability

Corporate Finance's income in the past year from its business with corporate and institutional customers was on a par with the 2007 level. Despite weak markets, the Debt Capital Markets group won a number of mandates as lead manager for corporate bonds and medium-term and long-term loans in Germany and Europe, proof of its strong customer loyalty and orientation.

We were also the lead manager for several successful bond issues including those of E.ON, Daimler and Deutsche Börse. For *Pfandbrief* issues we took on mandates from Caixa Catalunya, Münchener Hypothekenbank, SEB AG and our own subsidiary, Eurohypo. We also arranged structured bond issues for Canadian Imperial Bank of Commerce, Royal Bank of Canada and BNP.

Our Euro Medium Term Notes (EMTN) product won the Institutional Performance Award last year in the "Equity-Linked Structured Note Leadership" category.

Leveraged Finance cemented its good position in leveraged buyouts. On twelve of these transactions we acted as lead manager, for example Capvis's takeover of Bartec, and on another nine transactions we were members of the syndicate.

Equity Capital Markets (ECM) benefited from the systematic strategic orientation towards German customers in selected core sectors. The team was involved in virtually every ECM transaction in Germany, including rights issues in the renewable energy sector for Manz Automation, Roth & Rau and Solar Millennium and follow-up transactions for Fresenius (Life Science) and IFM Immobilien AG. We played a leading role in the only major German initial public offering (IPO) in 2008, which was for SMA Solar Technology AG. In addition we were one of the bookrunners for Commerzbank's capital increase in September 2008 to partially fund the takeover of Dresdner Bank.

The activities of the M&A unit in merger and acquisition financing increased as the year progressed, leading to a good position in the rankings for Germany-related transactions – evidence that our customer-driven strategy pays off.

Client Relationship Management: success with numerous lead manager mandates

Commerzbank's Client Relationship teams serve multinational clients from all the key industrial sectors. This involves working hand in hand with the relevant product specialists, from areas such as Debt Capital Markets, Equity Capital Markets, Leveraged Finance and Sales and Trading. In 2008 a large number of lead manager mandates were taken on and successfully completed.

These included a bond issue of €2.9bn in two tranches for E.ON, a bond issue of €2.25bn for Daimler and a eurobond issue with a volume of €500m for Metro AG.

Commerzbank also lead managed a euro promissory note loan *(Schuldscheindarlehen)* issue for the Swiss company Clariant AG and a similar transaction in two tranches for Siemens AG, one of the largest *Schuldscheindarlehen* ever issued for over €1bn.

Commerzbank was also lead manager for the Fresenius SE capital increase to finance the takeover of APP Pharmaceuticals.

Last year the western European branches successfully focused on planning and implementing a restructuring programme with the aim of reducing risks and increasing profitability while also adjusting to a difficult market environment. After the Dresdner Bank integration in 2009 the western European branches will be incorporated in the business segment Mittelstandsbank.

As in 2007 the New York branch office was one of the areas of Corporates & Markets which was hardest hit in 2008 by the credit crisis. The New York branch office accounted for the largest share of loan loss provisions in the segment, and trading profit and net investment income were significantly negative. After the integration of Dresdner Bank the New York branch office will remain in the Corporates & Markets segment. The branch has defined an exit portfolio and will focus in future on a smaller customer base.

Public Finance

Back in 2007 we launched our strategic reorientation of public-sector financing activities, which until then had been located at Eurohypo, Hypothekenbank in Essen (Essen Hyp) and Erste Europäische Pfandbrief- und Kommunalkreditbank in Luxembourg. The full takeover of the remaining shares of Essen Hyp in January 2008 gave us the requisite corporate and strategic flexibility to reorganize large parts of this business area. It was subsequently decided to integrate Essen Hyp in Eurohypo, the process being completed at the beginning of October 2008 with the successful migration of all portfolios. The merger of the two banks under commercial law was effected retroactively to January 1, 2008.

Business model thoroughly reviewed

In parallel with the integration, the Public Finance (PF) business model was also subjected to thorough review. The original value added by the PF business model was based on stable and predictable earnings contributions and high returns on equity coupled with very low default, liquidity, interest-rate and currency risks. The business model is however subject to temporary fluctuations in value caused by movements in credit spreads, the impact of which can be mitigated but not altogether avoided and which are reflected in the current financial market turbulence.

Especially with a view to these fluctuations in value, the portfolio represented too large a share of the Group's aggregate portfolio. With an original exposure of around €180bn, it exceeded the Group's risk appetite. As a result, the Board of Managing Directors decided in mid-2008 to scale back the portfolio volume to around €100bn by 2010.

2008 result significantly influenced by the widening of spreads and Essen Hyp integration

The results achieved in Public Finance, with its orientation towards credit risks, directly reflect the capital market crisis. The general and specific widening of credit spreads affected trading profit via the volume of derivative financial instruments held (credit default swaps, total return swaps) and the revaluation reserve (AfS positions) via holdings of securities that form part of asset swap packages. The latter also impacted securities of public-sector borrowers with excellent credit ratings.

Public Finance also felt the impact of the Lehman Brothers bankruptcy and the fallout from the collapse of the Icelandic banks, as could be seen from September in the development of loan loss provisions, trading profit and net investment income.

As a consequence of the Essen Hyp integration project, administrative outlay rose significantly. With the integration completed and the prospect of further synergies to be realized, we anticipate significant relief in the future.

Outlook

In relation to the portfolio downsizing decided upon already in 2008, assets have been reduced by 14 % in terms of nominal volume as at year end. During the present financial year and in a market environment which is expected to remain difficult, high priority will be attached to the continued and consistent reduction and hedging of assets in Public Finance.

Group Treasury

Group Treasury is responsible for managing Commerzbank Group's liquidity and balance sheet structure and is located in Frankfurt, London, Luxembourg, New York and Tokyo.

Given the difficult situation in the financial markets, 2008 was a good year. The Commerzbank Group's liquidity over the entire year remained within a comfortable range of 1.06 to 1.21. It was thus consistently above the level of 1.0 required by Principle II. At the end of the fourth quarter the value was 1.14 and the Group's refinancing structure also matched our requirements and plans. Treasury benefited in particular in the second half of the year from the flight to quality, which boosted the government bond liquidity portfolio and had a positive impact on net income from financial investments. Trading also made a solid contribution to earnings.

Group Treasury successfully responded to the challenges presented by the market environment with product innovations, and its portfolio strategies and hedging models helped stabilize earnings in all segments. Treasury's precise and constructive information policy vis-à-vis regulators, rating agencies, market players and official bodies during the crisis also strengthened the Group's position.

Proven liquidity management

In a market environment impacted by the financial crisis, liquidity management made an important contribution to securing liquidity and a solid financing structure. It can be broken down into strategic, tactical and operational components.

Strategic liquidity management involves constructing a maturity profile for all assets and liabilities including the modelling of various levels of core deposit bases in our balance sheet and the issuing strategy that we evolve from these. Tactical liquidity management, which is concerned with access to unsecured sources of funding and the management of our liquidity portfolio, builds on this. Operational liquidity management encompasses management of daily payments, planning for expected cash flows, and managing access to central banks.

The past year was marked by a volatile market environment which peaked after the Lehman Brothers' bankruptcy in the third quarter of 2008 and led to considerable upheavals in the money and capital markets. The resulting extensive support measures implemented by the central banks and the government packages for the financial sector provided the banks with a broad and secure liquidity base.

Despite the ongoing market disruptions, we still do not expect any negative effects on our own liquidity situation – partly because of continued inflows of customer deposits and a high-quality liquidity portfolio.

Taking advantage of assistance from the Financial Market Stabilization Fund (SoFFin) has also significantly strengthened the liquidity situation.

Solid funding structure

In its business policies Commerzbank generally opts for funding with matching maturities which is managed using our in-house and tried-and-tested stable-funding concept. The Commerzbank Group's short-term and medium-term funding relies on an appropriately broad diversification in terms of investor groups, regions and products. The structure of the various sources of funding in our liabilities is regularly analysed to enable active management of the funding profile.

Long-term funding is mainly secured by means of structured and non-structured capital market products that may or may not be collateralized, as well as customer deposits. The basis for planning issues in the capital markets is provided by the results of the computations made by our stable funding concept. 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). The aim is to finance the Bank's illiquid assets and core business in terms of volume and maturity as far as possible with long-term liabilities.

In 2008 we increased customer deposits by a further €20bn. As a result of this and in light of the difficult capital market environment we made a downward adjustment to our funding plan. In the unsecured segment a volume of around €7bn was raised exclusively via private placements. For secured issues the amount was around €10bn, of which approximately 70 % came from mortgage *Pfandbriefe*. Two jumbo mortgage *Pfandbriefe* were issued, each with a volume of €1bn. By contrast the importance of public-sector *Pfandbriefe* declined as the Bank reduced its assets in Public Finance.

Our funding plan for the Group in 2009 includes the placement of around €20bn, roughly half of which will be in the secured capital market and the other half in the unsecured segment. In the area of unsecured issues, we can also count on the support provided by the Financial Market Stabilization Fund (SoFFin). Commerzbank has received guarantee commitments of €15bn from SoFFin. These guarantees may be used to issue bonds with maturities of up to three years.

With regular reviews and adjustments to our assumptions for liquidity management Group Treasury will continue to take full account of changes in the market environment and secure a solid liquidity cushion and healthy funding structure.

Commercial Real Estate

The Commercial Real Estate (CRE) segment is responsible for all of the Commerzbank Group's commercial real estate business. It includes CRE Banking (essentially Eurohypo AG) and CRE Asset Management (Commerz Real AG). Owing to its broad real estate and capital markets expertise, the segment aims to position itself as an internationally active real estate investment bank. As from the beginning of 2009 the CRE segment now also includes Shipping, which was part of the Mittelstandsbank segment until the end of 2008.

The 2008 financial year was impacted by difficult economic conditions. The segment registered an operating loss of €424m, versus an operating profit of €447m in the previous year, primarily as a result of higher loan loss provisions and subprime write-downs.

Commercial Real Estate

	2008
Equity tied up (€ m)	3,577
Operating return on equity	–11.9 %
Cost/income ratio in operating business	71.2 %

Eurohypo (CRE Banking)

Commercial Real Estate Financing is the most important business area for Eurohypo along with Public Finance. In real estate financing Eurohypo offers a broad spectrum of financing and advisory services ranging from traditional fixed-interest loans and structured financing all the way to capital market products. Due to the turmoil in the capital markets in 2008 the scope for this offering was limited. Falling property values worldwide, deteriorating returns on real estate, the lower level of capital available from customers and higher borrowing costs led to more selective lending decisions. Customers and investors responded to these changes in the market environment by taking a cautious approach to new projects.

Overall these factors meant that Eurohypo was unable to match by far the record performance of 2007 in the Commercial Real Estate (CRE) segment. Nevertheless it made new commitments for a volume of €13.7bn, €5.3bn of which was in Germany, thus solidifying our strong position in our home market even in a year of crisis. Compared with previous years the focus shifted from large landmark deals to transactions with lower volumes. Our customers with whom we have built up long-term relationships are owners and managers of large diversified real estate portfolios, which include many family businesses in the real estate sector, international banks, project developers, fund companies and institutional investors.

Solid funding

As a wholly-owned subsidiary of Commerzbank, Eurohypo participates in the latter's funding activities. It is a leading issuer of *Pfandbriefe* and jumbo mortgage *Pfandbriefe* and as such has access to a traditional range of refinancing options which, until the third quarter of 2008, was least affected by the liquidity shortage in the capital markets. After waiting for some time to see how things would develop, in January 2009 Eurohypo was the first to resume placing larger-volume *Pfandbriefe* in Germany.

The securitization market came to a virtual standstill all over the world in 2008. In the syndication market Eurohypo concluded successful transactions by virtue of its good standing as a globally active syndication bank in the real estate sector even under difficult conditions. Despite the persistent low level of liquidity in the exit channels during the year, Eurohypo syndicated a total of €3.4bn (previous year: €7.7bn) to German and foreign bank partners. This makes Eurohypo, in terms of the value and number of syndicated loans in the real estate sector, the front-runner in Europe. Worldwide it is in second place.

Reliable financing partner

In its home market of Germany Eurohypo further reinforced its leading position in the period under review despite difficult business conditions. A key element of its strategy in commercial real estate financing remains international diversification. Due to the global financial crisis we postponed our plans for developing and expanding our branch network in 2008. Currently Eurohypo has a presence in 28 countries.

Award for property financer

In the international Real Estate Awards for Excellence 2008 Eurohypo was named the best bank in real estate financing worldwide for the third time in a row. Among these awards, which are distributed by the renowned financial journal Euromoney, Eurohypo defended its first place in the category "Best Global Commercial Bank in Real Estate". Eurohypo also received an honour in its home market for the fourth consecutive year when it was named the "Best Commercial Bank in Real Estate in Germany". The English magazine Global Property Week also chose Eurohypo as its "Funding Partner of the Year" for the second time. These results have shown that we are on the right path with our consistent, relationship-based strategy, even in difficult business years.

Outlook

Commercial real estate financing will return to its growth path in the medium to long term, but over the next two to three years the current recession will lead to further significant downshifts in the real estate markets. To strengthen its leading market position in this segment over the long term, Eurohypo will reposition and redimension its operations in line with changing market conditions.

Commerz Real (Real Estate/Assets/Leasing)

In the 2008 financial year Commerz Real maintained its good market position despite the financial crisis. With assets under management of around €43bn, Commerz Real is a leading real estate asset manager and provider of leasing and investment solutions. Its service offering includes investment products such as open- and closed-end real estate funds, special real estate funds, closed-end funds for ships, aeroplanes and regenerative energy, as well as products such as real estate leasing, large-scale plant and equipment leasing and structured financing, and equipment leasing, which are grouped within the Structured Investments unit.

New business
New business volume was significantly higher year-on-year until the third quarter of 2008. In the fourth quarter hardly any new accounts could be acquired due to the turmoil in the capital markets and the severely limited financing options as a result. The total new business volume in 2008 was €5.1bn (previous year: €7.2bn).

hausInvest funds offer security and stability
In autumn 2008 several open-ended real estate funds were forced to suspend redemption of fund units due to unexpectedly strong selling pressure from institutional investors. With hausInvest funds from Commerz Real the outflow of funds was manageable as its percentage of institutional investors is relatively low. In addition, over the past two years special

The festive opening took place in October 2008: Commerz Real Fund hausInvest Europa participates with a share of 50 % in Londons "Westfield", one of the largest shopping centres in Europe.

redemption arrangements were agreed with the overwhelming majority of these investors, which prevented the short-term withdrawal of large-scale fund volumes. In these times of heightened uncertainty and volatility long-term, stability-oriented investments in real assets are increasingly attracting investors' attention. Against this backdrop we were able to maintain a solid supply of liquidity for the hausInvest products.

The assets of the hausInvest funds which has more than 500,000 investors amount to €10.3bn. Real estate with a total volume of €1.4bn was acquired in 2008. At the end of the period under review the annualized performance was 5.1 % for hausInvest europa and 5.6 % for hausInvest global. Compared with their peers in the market these are first-rate returns.

Professional investments for institutional investors

The range of institutional investment products includes seven special funds under German and Luxembourg law. They invest throughout Europe in various sectors. The volume of real estate assets under management is around €2bn.

CFB funds: attractive return potential due to solid tangible assets

The placement volume in closed funds in the past financial year was €368m and as a result was higher than the previous year's level despite the market-induced slump in sales. On a cumulative basis 71,250 investors subscribed for 133,500 investments with an investment capital of around €5bn, divided over 170 funds. The volume of invested funds rose to around €12.4bn. By the end of 2008 around 96 % of all current CFB funds met or exceeded the forecasted distribution. The Scope Analysis GmbH rating agency in Berlin gave CFB, the initiator of closed-end funds in the Commerz Real Group, an overall rating of AA (very high quality) for its management quality.

The focus of fund issues last year was on ship funds. A total of six container ship funds with equity of around USD 460m were launched on the market. The Euro Alsace real estate fund in France was fully placed in the first half of year. The Asia Opportunity I real estate certificate fund was 80 % sold during the period under review with a placed equity volume of around USD 220m.

The secondary market turnover from CFB fund units increased from €11.3m to over €35m in the past financial year.

Awards for Commerz Real funds

At the ceremony for the 2008 Scope Awards, funds from Commerz Real won in two categories: hausInvest europa was the winner among the open-ended real estate funds targeting Europe, and CFB funds were awarded the top place among the closed-end funds in the container ships segment. In the case of hausInvest europa the jury acknowledged its clearly defined investment strategy, solid financial structure and its management's renowned financial market expertise. With CFB funds, investors were given the option of investing in latest-generation container ships. This involved the signing of long-term cooperation agreements with market leaders in the shipping sector. In addition, the initiator built extensive hedges into the fund structure.

Structured investments: expanding bank privileges to leasing companies

In its Structured Investments sector Commerz Real specializes in investment and financial solutions for properties and large-scale commercial real estate which do not burden the balance sheet and liquidity. In 2008, agreements were concluded for a volume of €978m. The volume of new business up to October was significantly higher year-on-year. However, business suffered a setback in the fourth quarter as the financial market crisis caused a dearth of funding options. A pickup in the last quarter, traditionally the strongest in the big-ticket segment, consequently failed to materialize and volume fell short of the previous year's level. There are grounds for optimism in the shape of the 2009 Annual Tax Act, which has expanded bank privileges to leasing companies. Tax conditions for the leasing business had deteriorated in the last few years, and the new tax act partially corrects the problem by levelling the playing field.

Potential is also evident in public-private partnerships (PPPs), where Commerz Real has developed expertise and experience over many years in the implementation of construction and infrastructure projects. With the "Partnerships in Germany" initiative launched by the German government and the economic stimulus programme which has since been approved the number of PPP projects should increase over the long term.

Positive effects in equipment leasing by expanding the sales network

Despite the increasingly difficult investment climate in 2008 Commerz Real increased its volume of new business in equipment leasing by 17 % year-on-year, thus consistently pursuing further growth. The focus of its activities was on plant and machinery. This positive trend received support from the continued expansion of Commerz Real's partnership with Commerzbank in corporate customer business and its strengthening of third-party distribution. As part of its international activities BRE Leasing once again made a significant contribution to new business development, thus confirming its position among the leading leasing companies in Poland.

Outlook

In 2009 Commerz Real will primarily concentrate on expanding the sales base for all products, including developing the potential for new customers offered by Commerzbank's takeover of Dresdner Bank. Further objectives include selectively opening up new international markets and expanding the selection of investment products for institutional investors.

Outlook for Commercial Real Estate

Real estate business should remain a growth sector in future with correspondingly high financing requirements. In light of the ongoing international financial crisis and falling real estate prices worldwide we will pursue a more systematic risk management which includes a more selective lending policy. As the general funding options are still subject to certain limitations we anticipate higher funding costs.

Our business model for the Commercial Real Estate segment will be aligned to the new conditions in the market with regard to asset volume, profitability and risk. We will also focus on markets in which we have a competitive advantage and see long-term potential. As of the start of 2009, the CRE segment will include Shipping business which formerly was part of the Mittelstandsbank segment until year end 2008.

Earnings performance, assets and financial position

Income statement of the Commerzbank Group

The earnings performance of the Commerzbank Group was severely impacted by the financial crisis in 2008. In what was a very difficult environment we were able to report a small consolidated surplus. However, at €62m, it was down 96.8 % from the 2007 result. The individual items in the income statement were as follows:

Net interest income rose by 18.0 % to €4.73bn. This very satisfactory increase was driven by almost all segments of the bank, particularly by strong results in the business segment Mittelstandsbank as well as the segments Private Customers and Central and Eastern Europe. We significantly increased both lending and deposit volumes in private customer and corporate banking business.

Due to the difficult economic environment provisions for possible loan losses had to be increased significantly from the previous year's very low level. While provisions in the Private and Business Customers segment fell, there was a significant rise in other segments. Particularly hard hit were the segments Corporates & Markets – as a result of the moratorium on the Icelandic banks and the bankruptcy of Lehman Brothers – and Commercial Real Estate, due to individual credit events in Western Europe. Overall provisions for possible loan losses rose by 287.3 % to €1.86bn. Net interest income after provisions for possible loan losses fell by 18.5 % to €2.87bn.

Net commission income fell 9.7 % to €2.85bn. For one, this reflected lower commission income in the securities and asset management business, which was impacted by difficult conditions in the financial markets. Secondly, in 2007 we recognized extraordinary income of €100m as a result of a judgement by the Federal Court of Justice. In spite of these effects, net commission income on a comparable basis – i.e. after adjustment for the divestments in the international asset management business – would have been around the previous year's level.

The trading result moved from a profit of €879m in 2007 to a loss of €450m in 2008. The main reason for the deterioration was the turmoil in the financial markets during the second half of the year, which generated negative fair value effects. The Public Finance business in particular was hit hard by the collapse of Lehman Brothers and the dramatic widening of spreads. This widening led to substantial costs in 2008 of around €500m on a total return swap agreement on US municipal bonds. This position was closed at the beginning of 2009 with a one-off gain of around €90m. In addition to the above-mentioned costs there were also significant losses in credit trading in 2008.

The net investment result for 2008 was a loss of €665m, after a profit of €126m in the previous year. Income from the sale of investments in associates was once again offset by impairments, particularly on our ABS book. Alongside impairments on our subprime holdings we also had to recognise additional impairments on Corporate CDOs and on Icelandic bank bonds.

We continue to have costs under control. Total operating expenses fell 7.6 % to €4.96bn in 2008. Personnel expense fell by 18.9 % to €2.5bn, mainly due to lower regular and special bonuses, even though the number of staff employed by the Commerzbank Group rose by 6,400 to 43,169 at the end of 2008. However, other operating expense increased by 9.2 % to €2.15bn due to our various growth initiatives.

Consolidated surplus slightly positive

The net result of all the aforementioned income and expenses was an operating loss of €378m, after a profit of €2.51bn in 2007. This decline was mainly due to the upheavals in the financial and real estate markets. The integration of Hypothekenbank in Essen AG into Eurohypo AG led to restructuring expenses of €25m. We therefore posted a pre-tax loss €403m, after a profit of €2.51bn in the previous year. In contrast to 2007 we registered tax income of €465m, thanks to the capitalization of tax loss carryforwards in accordance with IAS 12. Profits attributable to minority interests rose from €8m in 2007 to €59m in 2008.

On the bottom line the consolidated surplus attributable to Commerzbank shareholders came to €3m, compared with €1.92bn in 2007. Of this amount €2m will be paid as a dividend on the silent participation of the government financial market stabilization fund (SoFFin) and €1m will be allocated to retained earnings. The consolidated profit of €0 corresponds to Commerzbank Aktiengesellschaft's distributable profit. Earnings per share are thus down from €2.92 in 2007 to €0. Due to the support received from the German Federal Government's financial market stabilization programme we are not permitted to pay a dividend for the financial years 2008 and 2009 irrespective of our results. The return on equity resulting from the consolidated surplus fell from 15.4 % in the previous year to 0 %. The cost/income ratio rose from 64.2 % in 2007 to 77.0 %.

Consolidated balance sheet

Total assets of the Commerzbank Group rose slightly by 1.4 % during 2008 to €625.2bn. On the assets side, claims on banks dropped by 15.0 % to €63.0bn, while claims on customers rose by 0.5 % to €284.8bn. Assets held for trading rose sharply by 21.5 % to €118.6bn, while those held as financial investments fell by 3.6 % to €127.5bn.

On the liabilities side, we increased our liabilities to banks slightly by 2.7 % to €128.5bn. Customer deposits showed a pleasing increase of 6.9 % to €170.2bn, largely due to the higher volume of private customer deposits. Securitized liabilities were down sharply by 19.4 % to €165.8bn. This revaluation reserve will be amortized over the remaining maturity of the financial instruments. Through the reclassification into the category "loans and receivables" at fair value the revaluation reserve is not affected by the future valuation of these assets. Negative fair values attributable to derivative hedging instruments increased significantly by 44.8 % to €21.5bn. Trading liabilities registered disproportionately higher growth than trading assets, increasing by 36.9 % to €96.2bn.

While subordinated liabilities rose by 5.6 % to €10.0bn, profit-sharing certificates dropped by 16.2 % to €1.1bn. The overall figure reported for subordinated capital is 7.2 % higher than that for the previous year. The total figure for hybrid capital, however, fell by 7.5 % to €3.2bn.

Equity now stands at €19.9bn

We increased equity by 23.4 % to €19.9bn in 2008. This was due substantially to the €8.2bn silent participation of the government financial market stabilization fund (SoFFin). Moreover, as a result of a capital increase in September we succeeded in raising subscribed capital by 9.9 % to €1.9bn and the capital reserve by 15.9 % to €6.6bn. The sharp decline in the revaluation reserve from €903m to €–2.2bn was due primarily to the mark-to-market valuation of our fixed-income portfolio. In particular the sharp rise in spreads on sovereign bonds led to a loss of almost €3bn. This was partly counterbalanced by a positive revaluation reserve of €772m on the equity and investment portfolio at the end of 2008. The revaluation reserve was also affected by the reclassifications carried out in the third and fourth quarters in line with the IASB announcement of 13 October 2008. In accordance with this amendment, securities in the Public Finance portfolio for which there is no active market were reclassified from the IAS 39 Available for Sale (AfS) category to the IAS 39 Loans and Receivables (LaR) category. The Bank has the intention and ability to hold these securities for the foreseeable future or until maturity. The fair value at the date of reclassification is recognized as the new carrying amount of these securities holdings. The securities in question were primarily issued by public sector borrowers (including European and North American municipalities) and financial institutions. At the date of reclassification the nominal value of the selected portfolio was €77bn and the fair value €78bn. The revaluation reserve for the reclassified securities after deferred taxes is €–1.1bn compared with €–0.4bn at 31 December 2007. This revaluation reserve will be amortized over the remaining maturity of the financial instruments. Through the reclassification into the category "loans and receivables" at fair value the revaluation reserve is not affected by the future valuation of these assets. The creation of a portfolio valuation allowance results in a one-off effect of €–25m on the income statement for the financial year 2008.

Risk-weighted assets fell by 11.6 % versus the end of 2007 to €207.4bn. The core capital ratio including the market-risk position and the position for operational risk rose sharply from 6.9 % to 10.1 % due to the increased level of equity and the lower risk-weighted assets, while the total capital ratio rose from 10.8 % to 13.9 %.

Summary of 2008 business performance

The deepening financial crisis had a significant impact on the results of the Commerzbank Group in 2008. Nonetheless, we continued to make solid progress in the year under review. Particularly in our core customer-facing segments Private Customers, Mittelstandsbank and Central and Eastern Europe we achieved significant growth both in the number of customers and their deposits. With the takeover of Dresdner Bank we have also laid the basis for further growth in the future.

Our staff

We aim to be the best bank for our customers – and to achieve this, we must also be the best bank for our employees. They are the ones who work with competence, dedication, reliability and a strong focus on service to make Commerzbank's success happen. This is why we are committed to offering our staff an environment where they can identify and develop their skills to optimal advantage. Central Human Resources under the new name Central Human Resources ("ZHR") are responsible for realizing this goal. Human Resources not only has a new name but a new focus. As well as making operational and structural adjustments, it is now concentrating even more on the strategic aspects of HR work. That means we are playing a more active role in shaping the future and the success of our "internal customers". We thus provide more targeted, ongoing support to the Bank's individual divisions but also to each of its employees.

Strategy and advice – supporting the individual and the whole

Promoting internal talent and potential, optimal and efficient processes, and closeness to our staff are decisive factors in the ever changing, complex world of human resources that help us identify and retain the right people to take the Bank forward into the future. HR work that confines itself to a purely administrative focus will not succeed in meeting this challenge. It needs to look ahead and take appropriate action. The aim, more particularly in critical times, is to win new talented people and create an attractive environment for high achievers, so that we can remain successful in the fiercely contended financial services marketplace.

This is a major reason why our HR activities pursue a long-term approach that is in line with the market and employee-driven. This works by interacting closely with the strategies of the individual business lines, which feed directly into our HR policy concepts and instruments. What is important here is the clear separation of strategic from operational tasks, and advice that is professional and specific to the target group. The three units, Executive Support, Management Support and Talent Management, ensure that employees at all levels up to the Board of Managing Directors are successfully cared for in a manner specifically tailored to the target group.

The biggest operational, as well as strategic, challenge for Human Resources in recent months has been without doubt the takeover of Dresdner Bank. We were closely involved in preparations for the integration from the outset, for instance in structuring and identifying candidates for the first and second levels of management at the new Commerzbank. ZHR will again be actively supporting management in 2009 in successfully shaping the integration process in the various divisions and teams. Of crucial importance to the successful integration of the two banks will be the group-wide negotiations with employee representatives on the compensation agreement and social plan. This is a key responsibility of ours as Human Resources.

Especially against the background of the increasingly difficult market environment and the additional workload in the wake of the takeover of Dresdner Bank, we have demanded much of our employees in the past financial year. The more so the Board of Managing Directors found the decision not to pay a bonus for 2008 to management and employees,

Data on Commerzbank's personnel*

	2008	2007	Change in %
Total staff Group[1]	**43,169**	**36,767**	**17.4**
Permanent staff Group[2]	**39,947**	**33,931**	**17.7**
Total staff Parent Bank[1]	**25,655**	**24,803**	**3.4**
including: based abroad	2,211	2,124	4.1
including: trainees	1,483	1,429	3.8
Permanent staff Parent Bank	**23,184**	**22,639**	**2.4**
Share of women	50.0 %	50.5 %	
Length of service	15.0	15.1	
Average age	41.4	41.2	
Staff turnover ratio Parent Bank in Germany	4.3 %	3.7 %	
Percentage of sick	3.6 %	3.5 %	
Percentage of part-time staff	20.7 %	21.2 %	
Total pensioners and surviving dependents	12,585	12,367	1.8

* Actual number employed; [1] including local staff in representative offices and cleaning and kitchen personnel, excluding staff on maternity leave and long-term sick; [2] employees, excluding trainees, junior executive staff, temporary staff, volunteers, cleaning and kitchen personnel, staff on maternity leave and long-term sick.

a difficult one to take. In view of the financial results there was no alternative however. We are presently working on a new remuneration system which will provide adequate incentives even in a difficult market environment, in order to reward the efforts of our employees appropriately and to raise even more the attractiveness of Commerzbank as an employer.

People for tomorrow – Talent Management

Attracting and keeping young people is essential to Commerzbank's ability to thrive in the future. In order to attract the best, ZHR has reorganized its efforts to groom the next generation of professionals by creating a Talent Management unit. As well as being responsible for both recruitment and career management activities, it is also dedicated to implementing and meshing individual career paths – for next-generation recruits as well as the potential high performers in the Commerzbank Group.

Besides attracting and retaining young people with academic qualifications, who are managed well and enabled to develop their skills further, Commerzbank will in future also have a talent pool of specialists, project and management experts. In order to fill vacant positions even better in future, and above all as quickly as possible, the Bank will keep a precise record of all employees' capabilities and potential as well as their goals and career aims. This will enable us to fill internal vacancies systematically and effectively, thereby considerably reducing the number of external recruitments – and hence the induction time needed for new job entrants. At the same time, we will be able to show employees development prospects and career paths that make Commerzbank an attractive employer over the long term. These include the planning of career steps, such as foreign postings, but also ensuring that employees are qualified and trained with a view to a specific function.

Commerzbank proved again in 2008 that it fulfils its social responsibility in the professional training it provides. Over the last few years Commerzbank has continuously raised the number of new trainees employed in the organization from around 600 in 2007 to around 700 in 2008. As at the end of 2008, we employed a total of 1,550 trainees. This brings the ratio of trainees to total staff at Commerzbank to 7.6 % percent, one of the highest among the Dax 30 companies. To provide the best possible basis for ongoing development, we offer young people, in addition to practical training, theory modules, internal training sessions on the job, workshops and online media. Trainees can select from a range of qualifications: in banking, office communications, dialogue marketing, real estate and IT specialists, as well as dual courses leading to a Bachelor's degree run jointly with professional institutes and the Frankfurt School of Finance & Management.

In August 2008, the Bank and the Frankfurt School of Finance & Management jointly launched a comprehensive new programme for an initial professional qualification. This qualification offensive combines the traditional live banking seminars with online training modules, correspondence lessons and personality development sessions. To support their studies, trainees in all vocations receive a notebook with access to the Internet. The training programme is intended to do more than impart knowledge – it also promotes the personal development of career entrants.

Qualified employees – at all levels

Strategic, employee-focussed qualifications and personnel development efforts must seek to marry employee objectives with those of Commerzbank. This means the Bank must offer the right sort of concepts geared to current needs and act in accordance with these principles. But systematic staff development also involves strategic succession planning that meets long-term needs. The processes required for this were designed and set up in 2008.

360 degree feedback has become an established component of staff development for managers: it provides feedback from various groups (e.g. line managers, peers and direct reports), hence from all angles. For members of the Board of Managing Directors, divisional heads and regional board members, this feedback model was first adopted in 2007 and was extended to cover regional branch managers and divisional managers in 2008. This produced a total of 5,000 feedbacks. This demonstrates the willingness of Commerzbank managers to hold a constructive exchange of information on their personal strengths and development areas. This 360 degree feedback plays a decisive role in a modern and successful understanding of leadership and is an important step towards an even better culture of learning and feedback within the Commerzbank Group.

Up until 2008 Commerzbank managers were prepared for their future tasks within the echelons of management. However, the evolving banking world brings with it new challenges for both management and the management culture. This is why ZHR has completely redesigned its management development programmes and its underlying competency model. The new concept is closely tied to the ComMap career stage model and the ComWerte corporate culture values, and is aligned to the demands of the business segments and divisions. The Commerzbank Management Programme (CMP) now no longer comprises three management circles but four qualification programmes attuned to the various management levels. They are based on the competency model and consist of three components: Audit, Development Programme and Professional Programme. Audit determines the potential of a candidate to take on a management position. The Development Programme prepares employees for management functions with specific regard to the respective target group. The Professional Programme provides incumbent managers with special modules for reflection and improvement of their management performance.

ComMap – mapping out clear perspectives

ComMap – a new model for development and compensation in the Commerzbank Group – will in future be used for all employees not covered by collective wage agreements. Employees who are subject to collective wage agreements, but whose function will later take them outside the sphere of collective agreements, also benefit from this transparent and flexible career model. We prepared the ground for this thoroughly in 2008. Since January 2009, employees have precisely defined job requirement criteria to help them understand their individual develop opportunities and to plan their own careers. Assistance is provided for career paths that take employees both upwards as well as sideways, i.e. switches between a career as a specialist, in project work and management. ComMap also helps Commerzbank to enhance careers as specialists or project team leaders as it also creates opportunities to progress to higher organizational levels. This puts a greater value on the work of specialists who want to progress within their core area without taking on management responsibilities. At the same time, the new development model guarantees a market-based level of compensation.

Health management – good for body and soul

Commerzbank's health management sets standards. Its aim is to promote and protect employees' health. Strategic, long-term occupational health management (OHM) is an important investment, producing benefits for both employees and the organization they work for. Commerzbank's OHM is a particularly strong partner in major areas, such as nutrition, mobility and managing stress. The system relies on the involvement of company doctors, social counsellors, psychologists and a host of others.

A major goal in 2008 was to make staff more aware of the extensive services offered by OHM. Together with the service provider, dbgs GesundheitsService GmbH, Commerzbank's health management offers a wide range of services to employees – from personal advice in personal or professional stress situations, stress management seminars, right through to campaigns and activities to promote healthy nutrition.

Another important element was ensuring protection for non-smokers. Works agreements and regulations ensure comprehensive protection for employees in Head Office and in the branches. The "Im Lot" work-life balance project was and remains an important component: the mental and physical burdens and demands within the Bank are analysed and measures designed to reduce them. Two scientific institutes have already carried out extensive research into which factors are potentially linked to health damage. The project will continue in 2009 and help intensify the level of care we provide our staff.

Health should also be a permanent topic in leadership development programmes. In a pilot seminar last year, managers were sensitized to their personal state of health and trained in the issue of "Health and Managing Staff". In future, sport and health will be more strongly linked under occupational health management.

When there is an acute need for support in the form of health management, we aim to ensure that we react more speedily and more efficiently in future. This is the goal of a new concept that systematically records the needs of people and provides support where it is necessary as soon as possible – by means of prevention and assistance if that is what is required.

Employee surveys – providing clear opinions

Commerzbank uses employee surveys to identify the factors that help to raise staff commitment and thereby promote the success of the business. Once a year Commerzbank staff participate in an anonymous survey. Five questions are used to establish attitudes to issues such as employees' commitment to their own area and to the Bank as a whole. Every three years, there is an additional analysis of strengths and weaknesses resulting in measures to create improvements. This survey was conducted again in 2008, but for the first time covering employees throughout the Group. There was a 69 % response rate at Commerzbank AG. This showed a rise in commitment of seven points to 66. This figure for staff commitment puts Commerzbank amongst the world's top companies.

As diverse as human beings – diversity management

The individuality of our staff members enriches our corporate culture and is a major prerequisite for our success. The Bank has demonstrated for over 20 years that it does not just pay lip service to this concept. Evidence of this includes its signing of the Diversity Charter for Companies in Germany. Fairness and openness towards people with different life experiences, life styles and concepts have led to the Bank offering a diversity of work relationships to its employees and providing them with support that often goes well beyond what is required by law and collective bargaining.

Work-life balance is a good example. A host of flexible part-time working models is just one way of contributing to this. In 2008, the number of places in the Frankfurt day care centre "Kids & Co." was increased by 50 to 170. A pilot project for a second day care centre has started in Düsseldorf with "Locomotion Kids". These centres are a major factor in enabling parents to return to work earlier and for longer hours. This is documented by a scientific study on "Kids & Co.", which also shows how valuable the investment in company-sponsored childcare is to parents as well as the Bank. This evaluation also demonstrates diversity management that continuously reviews its work while keeping an eye on the cost-benefit aspect.

Another factor that is important to reconciling work and family life is the support available for the private care of close relatives. A works agreement on the *Pflegezeitgesetz* (Home Care Leave Act) addressed this need with suitable measures last year.

The women's network "Courage" celebrated its tenth anniversary in 2008 while "Arco", the gay and lesbian employee network, participated in street festivals in Berlin and Frankfurt and in the Christopher Street Day. The "Focus on Fathers" network was actively involved in internal and external events on the issue of fatherhood, such as combining work with parental time. The activities of Commerzbank's networks support the idea of diversity and they are an important point of contact for many employees.

A pilot project was started in Berlin offering secondary school leavers with immigrant backgrounds the opportunity to try out an internship. Participants gained practical knowledge of the Bank over several months and prepared themselves for the selection process to enter bank training. This was a great success as most of the participants were taken on as trainees by the Bank.

Demography the overriding issue in all aspects of HR

Demographic change will have a lasting effect on society, the interaction between people and the world in which we work. All of its manifold impacts on all areas of life also significantly influence the strategic direction of our HR work. This becomes particularly clear in the areas of Talent Management, Health Management and Diversity.

HR management needs to recognize the challenges presented by demographic change at an early stage and identify areas for action. This is why we regularly review the demographic structure of our staff, as we can only initiate targeted action where we have a solid basis of information. Our forward-looking and sustainable HR policies ensure that Commerzbank will still be successful in 10, 20 and 50 years.

Attractive as a brand – successful as a market player

HR work can only be successful if it puts people at the centre of all it does. Good HR work that is focused on strategic goals secures Commerzbank's standing as an attractive employer with a commitment to retaining staff who make a substantial contribution to its success with their skills and dedicated effort. ZHR makes sure that this remains the case by developing concepts today for the Bank of tomorrow.

Our thanks go to all those whose trust and constructive collaboration helped to make our HR work successful in 2008: to managers and staff at all levels, works councils, representatives of senior management, spokesmen and -women for the disabled, and youth delegates.

Above all, we are grateful to all our employees who work so hard to ensure the success of our Bank.

Report on post-balance sheet date events

At the beginning of January, the Special Fund Financial Market Stabilization (SoFFin), Allianz and Commerzbank declared their intention to strengthen the capital base of Commerzbank and Dresdner Bank. The aim was to enable Commerzbank to meet the substantial increase in expectations concerning banks' capital adequacy requirements resulting from the worsening financial crisis. SoFFin has undertaken to provide the new Commerzbank with additional equity in the amount of €10bn. This will be done through a further silent participation in the amount of some €8.2bn and the issue of roughly 295 million ordinary shares at a price of €6 per share. After the transaction, the state will hold 25 % plus one share in the new Commerzbank. The Federal Government will clarify the legal details concerning state aid with the EU Commission.

In addition, Allianz strengthened the capital of Dresdner Bank on completing the takeover by purchasing asset-backed securities with a nominal value of €2bn from Dresdner for a price of €1.1bn. Based on Basel II, this reduces the new Commerzbank's risk-weighted assets by €17.5bn. Allianz will also subscribe a silent participation in the amount of €750m.

The closing of the Dresdner Bank takeover took place in mid-January. Under the terms of the transaction, Allianz received around 163.5 million new Commerzbank shares from a capital increase against non-cash contributions. The capital increase which had been approved in August 2008 was entered in the commercial register. This completed the takeover of Dresdner Bank by Commerzbank, which is now the sole shareholder. Ahead of the merger of Dresdner Bank into Commerzbank planned for the spring of 2009, there had already been major changes in Dresdner Bank's Board of Managing Directors in January 2009. While many former members left the Board, six members of Commerzbank's Board of Managing Directors were appointed to it. In particular, Martin Blessing, Chairman of the Commerzbank Board of Managing Directors was appointed Chairman of Dresdner Bank's Board of Managing Directors.

Also in January, Commerzbank placed Germany's first state-guaranteed bond through a banking syndicate. The benchmark bond was for an amount of €5bn and demand in the market was very high. It has a term of three years and a 2.75 % p.a. coupon; the proceeds will be used to fund Commerzbank's lending business.

The difficult sitution on the financial markets led to further burdens on equity capital at Dresdner Bank in the first quarter of 2009. In order to ensure full actionability right up to the merger, Commerzbank will contribute to Dresdner Bank additional capital in the form of a €4bn payment to reserves further to §272 Section 2 Nr. 4 of the German Commercial Code (HGB). There were no other significant business events.

Outlook and opportunities report

Future economic situation

The global economy is likely to grow only slightly at best in 2009. Real gross domestic product in the industrialized nations will shrink by more than it has since the Second World War and emerging markets will also see only very low growth rates compared with recent years. This holds true especially because the adverse effects of the financial market crisis will ease only gradually. The interest rate cuts by central banks in recent months, which will probably be followed by further measures and expansive policy actions, will only positively impact the economy with the usual time lag, towards the end of the year.

Germany too will see a drop in its real gross domestic product this year of 3 % to 4 %, its sharpest fall since the founding of the Federal Republic. Positive effects from the significant interest rate cuts by the ECB, which is likely to drop its key interest rate to 1 % by the spring, are not likely to emerge until 2010. Not even the stimulus programmes introduced by the Federal Government will be able to prevent this deep recession. But they will at least most likely help to stabilize the economy in the second half of the year. The labour market as well is unlikely to escape the downturn unscathed. By the end of the year, the number of unemployed is set to approach four million again.

In the financial markets, US Treasuries and Bunds should initially benefit from the bad economic news. However, today's very high prices are only justified in the kind of dire environment we are currently experiencing, where investors are expecting a long-lasting recession or even a depression which can at least no longer be excluded. If there are increasing signs in the course of the year that this will not materialize, yields on long-term government bonds are likely to rise again sharply. And the increase in the USA is likely to be greater than in the eurozone, which in turn should add to the appreciation of the dollar against the euro.

Real GDP
percentage change on year

	2008	2009	2010
USA	1.1	–2.5	1.8
Eurozone	0.7	–2.5 to –3.0	0.8
Germany	1.3	–3.0 to –4.0	1.0
Central and Eastern Europe	4.4	–1.0	2.8
Poland	4.8	0.0	3.0

Exchange rates
year-end levels respectively

	2008	2009	2010
Euro-Dollar	1.392	1.120	1.120
Euro-Sterling	0.953	0.850	0.800
Euro-Zloty	4.136	4.400	3.300

The figures for 2009 and 2010 are all Commerzbank forecasts

Future situation in the financial industry

The business environment for banks remains acutely critical. Extensive write-downs and selling – often at a loss – have already noticeably reduced the balance sheet risks arising from securitized US real-estate loans. However, the global economy is also cooling off noticeably at the same time. This has a direct effect on the momentum of the German economy given its high reliance on exports. For the banks, this is likely to result in larger defaults on their lendings while a lower level of investment simultaneously depresses demand for loans. In addition, lower securities prices and trading volumes have an adverse effect on commission income.

In the other direction, the extensive support packages for the banking industry will continue to have a positive effect on banks' capital adequacy and so boost their confidence in each other. This should at the same time strengthen the supply of credit to the corporate sector. The state stimulus packages already passed, as well as the assistance for companies outside the banking sector currently under discussion, should also help to limit the extent of the negative impact on the economy and mitigate the increase in loan defaults.

The banking sector is facing a fundamental reorganization. Many banks will have to adopt new strategies and thoroughly rethink and redimension certain business models, especially in investment banking. Many banks will need to comprehensively restructure in order to adjust their costs to lower earnings levels. This will entail more consolidation within the sector, to some extent through the disappearance of smaller banks but, primarily, through mergers. Initially these are likely to be predominantly national but, in the medium term, cross-border deals could play a role. In addition, there will be fundamental changes in banking regulation, with risks entered into being reported in a more transparent way and more stringent capital adequacy requirements for banking business than in the past. This will reinforce the financial sector's ability to withstand crises while limiting growth in risk-weighted assets.

Earnings outlook for the Commerzbank Group

Provisional outlook for major items in the income statement

We expect higher net interest income year-on-year in 2009 as a result of the takeover of Dresdner Bank. An important driver is lending business whereas we assume that on the liablities side, margins will come under more pressure as a result of the current low level of interest rates. Loan loss provisions should increase again in 2009, as the macroeconomic environment has considerably worsened and the recession will significantly push up the level of insolvencies. As a result of the takeover, we expect a rise in net commission income. On a constant basis, excluding the takeover, net interest income would probably be down on the previous year, especially in view of the ongoing turbulence in the financial markets and lower equity valuations. The biggest uncertainty lies by its very nature in the forecast for the trading result. In view of the still extremely high volatility in financial markets and its impact on the valuation of assets, it is not possible to make a well founded forecast at this time. Operating expenses will be higher due to the first-time consolidation of Dresdner Bank. On an unchanged basis, it looks today as if they would be lower than in 2008 despite our growth programmes, since we are pursuing a strict cost management policy. The integration of Dresdner Bank will also produce synergies. In addition, we expect restructuring outlays of around €2bn in 2009 related to the integration of Dresdner Bank. It is not possible to forecast the expected tax rate in view of all the special factors involved.

Financial outlook for the Commerzbank Group

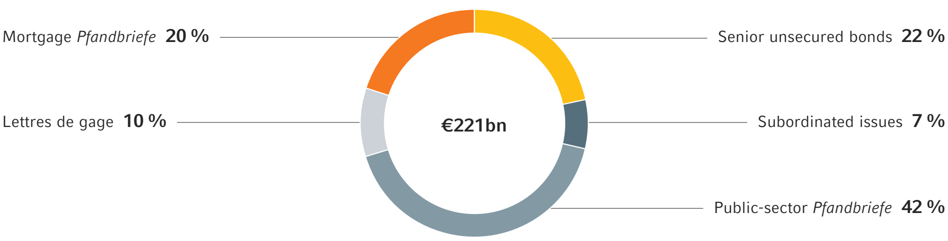
Financing plans

We continue to expect a difficult capital market environment in 2009 with correspondingly high funding costs. Following the takeover of Dresdner Bank, we plan to raise around €20bn in the capital markets in 2009. Of this amount, roughly half will be through secured issues – *Pfandbriefe* and lettres de gage – and half through unsecured issues.

For the unsecured issues, we can also count on the support provided by the Financial Market Stabilization Act/the Special Fund Financial Market Stabilization (SoFFin). Commerzbank has received guarantee commitments of €15bn from SoFFin. The guarantees may be used to issue bonds with maturities of up to three years. In January 2009, Commerzbank issued a three-year bond with a SoFFin guarantee in the amount of €5bn, which was very well received in the market. In addition Commerzbank successfully issued an unguaranteed senior benchmark bond in the capital markets with a volume of €1.5bn and a maturity of 5 years. We have thus already raised half of the funding planned for the whole year from the so-called unsecured segment. The remainder is due to come from private placements, in particular with Commerzbank's institutional and retail customers and, as required, through large-volume bond issues in the institutional market ("benchmarks"). If necessary, more bonds can be issued with a state guarantee.

The equity received by Commerzbank from SoFFin (€16.4bn silent participation and €1.8bn increase in share capital) is available to the Bank for an unlimited period and thus strengthens Commerzbank's long-term funding profile.

Issue profile
as of December 31, 2008



Planned investments

The integration of Dresdner Bank will dominate investment activities over the next few years primarily in the Retail Banking, Mittelstandsbank and Corporates & Markets segments. In 2009, we are planning on investing around €2bn in integrating and structuring a highly competitive and at the same time efficient "New Commerzbank". This will generate annual savings by the year 2012 of up to €2bn when compared with 2008.

Investments by the Bank's various business lines will be closely linked to this programme.

The focus in the Retail Banking segment in 2009 is on merging Commerzbank and Dresdner Bank into the New Commerzbank. The aim is to gradually grow the new bank to become the leading bank for retail customers in Germany. Priority is currently being given to standardizing and developing the product ranges of the two banks and starting to merge the branches. Major investments are planned for migrating the IT infrastructure and in the branches' customer systems. The result after merging the branch networks – which also includes closing and/or amalgamating branches – will be a New Commerzbank which from 2010 will have Germany's strongest branch network under one brand. Implementation of the Branch of the Future project will be taken forward until then. It aims to boost our advisory services and improve the cost efficiency of our branches. Our whole range of services will be consistently directed at meeting our customers' requirements. We are working here on speedily and systematically realizing a uniform market presence for the Commerzbank and Dresdner Bank branch networks. As early as January 2009, i.e. only days after the takeover of Dresdner Bank by Commerzbank, the first joint product was available on the market. We shall continue to invest progressively in this uniform market presence throughout 2009. In direct banking, comdirect bank has started to implement the new complus programme. With complus the direct bank aims to increase the number of its customers by 1 million to 2.3 million by the end of 2013, to raise the customer assets by €20bn and to as a result double pre-tax profits compared to the 2008 result. At the same time successful product strategies will be developed further and the efficient direct banking platform will be used for new concepts in investment advice, pension plan advice and home financings. Products in deposit business will be made available to a broader target group and the market position with respect to above average income households is to be expanded.

In the coming financial year, the Business Segment Mittelstandsbank aims to continue pursuing risk-oriented growth. Part of the investments involved relate to the integration of Dresdner Bank's corporate banking business. Besides optimizing the joint sales structure and building a uniform distribution management system, the focus will be on improving efficiency. We are also planning to continue our sales offensives as part of our growth programme. Having focussed in the past on medium- to large-sized SMEs, we shall mainly be intensifying our efforts to win new customers in the coming year among the smaller *Mittelstand* companies and optimizing our approach to selling to this customer segment. We are also planning in particular to expand our Corporate Finance activities for the *Mittelstand* by designing new and developing existing individual products for a broad range of customers.

In view of the integration of Dresdner Bank, Corporates & Markets is investing in a robust and flexible IT and back-office infrastructure. Only by constantly investing in the appropriate platforms can we guarantee the flexibility, cost-efficiency and ability to control operational risks needed as the basis for a seamless integration, also with a view to serving our customers. In addition, we want to use the eFX and eBond platforms that are well established at Dresdner Bank and provide customers with direct access to online trading, thereby establishing and expanding them in the New Commerzbank. The increased flexibility and presence in this market will be of benefit to our customers.

In equity derivatives, we shall continue setting up the platform for Exchange Traded Funds started in 2008 and intensifying our business in this area.

In Central and Eastern Europe, we shall take advantage of current market conditions to develop operations primarily structurally. The focus at BRE Bank will, besides the reinforcement of business with small and mid-sized companies, be on controlled growth of the mBank business model in Poland, but also in the Czech Republic and Slovakia. mBank exceeded expectations in 2008 in terms of the increase in new customers and deposits. We shall pursue the integration project at Bank Forum and continue to optimize the network of branches and sales outlets.

Liquidity outlook

The main feature of the market in 2008 was volatility. The uncertainty of the markets peaked in the third and fourth quarters triggered by the insolvency of Lehman Brothers. Volatility for virtually all market products rose to new highs, only receding again towards the end of the year following the announcement of government support programmes for the financial sector. The Euribor-Eonia spread reached record levels at the beginning of October 2008 and, although falling, is still above its highs at the beginning and in the middle of 2008. If interest rate levels on the money markets fall as expected, we expect the Euribor-Eonia spread to narrow further in 2009 but still to remain high.

The market for time deposits in the interbank market effectively ground to a halt as a result of the financial market turbulence, with supply and demand in the money market only partially functioning due to the existing uncertainties.

The extensive support measures implemented by central banks have resulted in an improvement at the short end only. Since the beginning of 2009 we have seen a further revival in the money markets, also in longer-term maturities.

We view the current political discussions on reforming the money markets positively, as long as the resulting measures lead to a further recovery in the “free” interbank money market.

The expansion of the list of assets eligible as collateral in Eurosystem credit transactions and the switch by the ECB from variable- to fixed-rate tenders on October 15 put the supply of liquidity to banks on a broader and more secure footing. This substantially improved the banks’ liquidity situation.

Despite the ongoing disruptions in the financial markets, we still do not expect any negative effects on our own liquidity situation – partly because of the strong inflows of customer deposits and adjustments to new business planning.

The assistance obtained from the Special Fund Financial Market Stabilization (SoFFin) further improves the Bank's liquidity situation.

Our detailed liquidity management is based on an internal risk-management model, whose assumptions are constantly monitored and regularly adjusted to prevailing market conditions. Today's stressed market conditions accordingly form the basis for our model. The stress scenarios that we use rest, as a result, on these already stressed market conditions.

The key liquidity ratio according to the standardized approach under the Liquidity Regulation – known until the end of 2007 as Principle II – was constantly maintained throughout the year at a comfortable level between 1.06 and 1.21. The actual figure as at the end of the fourth quarter of 2008 stood at 1.14.

Managing opportunities at Commerzbank

Commerzbank views systematically identifying and taking advantage of opportunities as a core management responsibility. This applies equally to day-to-day competition at an operational level and to identifying the potential for growth or improving efficiency at a strategic level. This way of thinking has led to a three-tier system of managing opportunities at Commerzbank.

1. Central strategic management of opportunities:
   identifying strategic alternative courses of action for the Group as a whole by the Board of Managing Directors and Strategy & Controlling (e.g. developing the portfolio of activities for specific markets and areas of business)

2. Central strategic and operational management of opportunities for the various areas of business:
   defining strategic and operational initiatives for improving growth and efficiency for the various areas of business by those managing them (e.g. developing portfolios of products and customers)

3. Local operational management of opportunities:
   all employees identifying operational opportunities based on customers and transactions (e.g. taking advantage of regional market opportunities and potential for customers)

Regardless of the level at which opportunities for the Group are identified, they will be turned into steps that need to be taken and assessed as part of the annual planning process. The aim here is to further develop the portfolio of the Group's areas of business with a balanced risk/reward profile.

The realization of the opportunities identified and the related strategic and operational measures that need to be taken are the responsibility of the person managing the area of business 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.).

Management of opportunities to create 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. Living Commerzbank's values accordingly means taking daily advantage of opportunities for growth.

In addition, Commerzbank has built up an early warning system for issue management within Group Communications. 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 uncovered in the sections on the various segments.

General statement on the outlook for the Group

Due to the ongoing severe market turbulence and the extremely volatile general environment in which we operate, it is currently impossible for us to make any well-founded forecasts for the 2009 results. The result for 2009 will however be influenced in particular by the integration of Dresdner Bank, which is likely to be carried out in an environment which continues to be extraordinarily difficult. The integration costs in 2009 should amount to around €2bn.

Given the current dramatic changes in the banking sector in particular, the integration of Dresdner Bank comes at just the right time, since it will help us reach an appropriate cost level once the financial crisis is over and will make our bank even more crisis proof. Alongside the cost synergies, Dresdner Bank will in particular enable us to expand our stable customer business further. However, if the government measures, above all the effects of the interest rate cuts by the ECB, contribute to a recovery in both the German economy as well as in the whole eurozone from 2010 onwards – with Germany potentially set to grow more strongly than the eurozone on the basis of current economic forecasts – the “New Commerzbank” is set to be one of the main beneficiaries.

Risk report 2008

Content

I. Key developments in 2008

Basel II implementation

Commerzbank has reported its capital position under the new Basel II regulations since January 1, 2008. The first official calculation of the capital adequacy requirement for the period ending March 31, 2008 showed the expected reduction in capital required of more than 10 %, despite the first-time application of the capital adequacy requirement for operational risk. This was confirmation that the quality of our credit portfolio has so far been sound.

For Commerzbank however, the primary function of internal rating and control procedures is not to comply with regulatory requirements for certification under the advanced Basel II approach. Rather, these procedures are at the heart of the Bank's credit portfolio management, irrespective of the method of capital adequacy reporting to the regulator. For this reason, previously approved procedures were revised further in 2008, in addition to other parts of our portfolio being approved for the first time. The main aim of these refinements was to achieve more accurate risk forecasts and improve management measures.

One example of this was the upgrading of our overall ratings architecture for corporates. As a result, our new corporates rating system, in place since January 2009, has created a single modular ratings procedure to replace four separate ones for different sizes of corporate customers. The advantages include rolling and consistent valuations that are not based on size, and where ratings do not jump because the size of our corporate customers has changed. Apart from improving discriminatory power, a range of internal and external early-warning indicators have also been implemented. Additionally, our LGD models have been refined in favour of stochastic modelling, rather than a deterministic approach based on collateral realisation rates. This takes account of the fluctuations in recoveries in specific markets and generates recovery rates for a range of collateral cover levels. As a result, there is an incentive to take collateral even where cover exceeds the average recovery rate.

Commerzbank constantly carries out refinements to increase portfolio coverage through modern assessment procedures. We also use improvements from research and development and historic data series to optimize our risk architecture.

Credit portfolio

In the past financial year Commerzbank Group exposure at default (EaD) decreased to €533bn, mainly as a result of a €25bn reduction in Public Finance. It was only in Mittelstandsbank and Central and Eastern Europe that EaD increased, by some €15bn.

Charges against earnings arising from default risks

After setting aside net loan loss provisions of €479m in 2007, the lowest percentage for two decades, we had to more than treble them in 2008 to €1,855m. This rise was due primarily to extraordinary charges caused by the financial crisis (€573m), Commercial Real Estate

(CRE) foreign commitments (€453m) and charges arising from the Bank's ABS portfolio (€101m). The other charges relating to lending totalled €728m and were in line with our expectations.

The subject of impairments on fixed-income products was not a major factor until 2007, when we had to recognize impairments of almost €700m on sub-prime assets. The financial crisis meant that in 2008 we had to absorb impairments through net investment income and net trading income. Available-for-sale holdings were hit by €1,059m (of which some €900m from the ABS portfolio), and trading portfolios, including ABS tranches, by €246m.

The net result of the market-related stress was that charges against earnings arising from default risks almost trebled from €1.16bn in 2007 to €3.16bn in 2008. We exceeded the forecast of €2.8bn made at the time of our third quarter results by 10 %.

Default portfolio

The negative environment also impacted on the default portfolio in loans and receivables (LaR). At Group level, the volume rose from €11.3bn at the end of 2007 to €12.6bn at the end of December 2008. Half of the high €6.5bn inflow, or €3.0bn, was attributable to Commercial Real Estate. The successful workout was reflected in an outflow of €5.1bn and an intensive care contribution to earnings of €280m – still good, despite being halved.

Financial Institutions

After the massive upheaval in the third quarter culminating in the failures of Lehman Brothers and the Icelandic banks and the nationalization of Fannie Mae, Freddie Mac and AIG, the situation for large financial institutions began to stabilize in the fourth quarter thanks to massive state bail-outs.

In spite of early identification and reduction of critical parts of portfolios, we were unable to avoid being affected by the failures of Lehman Brothers and Washington Mutual and the division of the Icelandic banks into "Good and Bad Banks." Although we have reduced our Iceland portfolio by half since 2006, the risks could not be eliminated entirely as markets became more difficult. In the case of Lehman Brothers we were encouraged by the US Treasury Department's rescue of Bear Stearns and for too long shared the market's mistaken belief that Lehman was "too big to fail."

Market risk / revaluation reserve

From a market risk perspective too, 2008 was characterized by turbulence on the financial markets, which increased as the year progressed and came to a head in September with the collapse of Lehman Brothers. In the months that followed the crisis intensified, with credit spreads strongly expanding in all asset classes. After risk premiums rose extremely sharply for financial and corporate bonds, spreads also widened significantly on government bonds (e.g. Greece, Italy, US municipal bonds, recently Japan too). Overall, developments in 2008 led to a significant rise in all relevant risk indicators due to much increased market volatility in all major asset classes, which we were unable to satisfactorily counteract by reducing exposure because of a lack of market liquidity.

As the Bank has a large Public Finance banking book, the revaluation reserve for fixed-income instruments in particular was hard hit to the extent of €2.3bn due to the current market conditions. As a result, the overall revaluation reserve reported a €2.2bn deficit at the end of December 2008, representing a drain on the Bank's reported equity.

Liquidity risks

The situation on the money and capital markets has worsened considerably from the onset of the subprime crisis to the current systemic financial crisis following the bankruptcy of Lehman Brothers. Time deposits are hardly traded on the interbank market, the market for issues practically came to a standstill during the reporting period, Euribor / Eonia spreads have widened sharply, and much smaller volumes are being traded on the equity repo markets. Commerzbank took a string of measures to counteract this situation. The inflow of customer deposits, the ongoing reduction of assets for cash, and efforts to use assets more efficiently to manage the liquidity situation by providing collateral to the ECB are already compensating for the lack of funding from long-term time deposits on the interbank market. The liquidity situation improved when the Bank received the first tranche of SoFFin capital, amounting to €8.2bn, and guarantees of €15bn for refinancing.

Operational risks

The financial industry's OpRisk events available in the ORX database show that periods of extreme market volatility are much more likely to result in major losses due to weaknesses in control processes, an inadequate management overview or fraudulent activities. We therefore focused on monitoring and continually improving control processes in investment banking and implemented measures to limit further the remaining residual risk of human error or fraudulent actions. In 2008, charges against earnings for operational risk and litigation provisions fell to €101m, compared with €140m in 2007.

Due diligence on Dresdner Bank

The due diligence process for the takeover of Dresdner Bank lasted around nine weeks and was completed by the end of August 2008. Our risk management area took a clearly structured and risk-oriented approach to auditing Dresdner Bank's portfolios: with a due diligence team of 60 staff from the risk function and the help of auditors, the relevant portfolios were analyzed and evaluated for their inherent risks. In the sub-segments, this involved drilling down to individual credit commitments or underlying assets using the look-through approach. We also methodically audited various systems, e.g. for setting aside provision for possible loan losses (risk provision) or calculating expected loss. The specific focus of our analysis was to audit and evaluate structured finance, such as asset backed securities, conduits / SIVs, leveraged acquisition finance and other DKIB portfolios.

As a result, we estimated that for the second half of 2008 charges against earnings from the Dresdner Bank sub-group would be €2.2bn in the most realistic case and €4.1bn in the downside case. In fact, Dresdner Bank lost €4.7bn following the collapse of Lehman Brothers, i.e. the figure was even higher than our downside estimate. If we strip out the American and Icelandic banks – risks that we did not see as such at that time – then, without exception, the losses came from the portfolios we had classified as critical. Following the bankruptcy of Lehman Brothers, our forecasts for 2009 have moved towards the downside case.

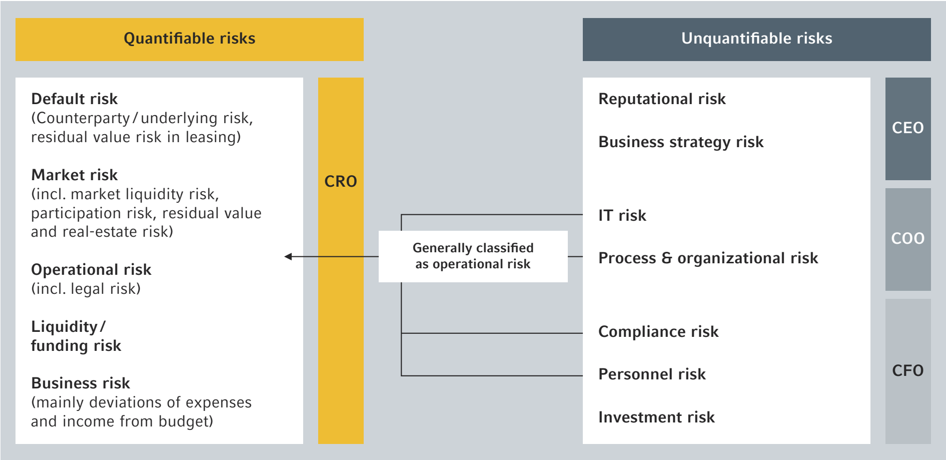
II. Risk-oriented overall bank management

1) Risk management organization

The financial market crisis once again demonstrated that the professional limitation and management of banking risks are critical factors in our business success. Essential prerequisites for successful risk management are identification of all significant risks and risk drivers, independent measurement and assessment of these risks against the background of changing macroeconomic and portfolio-specific conditions, and risk / return-oriented management of risks on the basis of these results and assessments as part of a forward-looking risk strategy. We have made considerable progress in this area in the past few years, which should pay off in the dramatically deteriorating environment.

Commerzbank defines risk as the danger of possible losses or profits foregone due to internal or external factors. Risk management distinguishes between quantifiable risks – those for which a value can normally be given in annual financial statements or in capital backing – and unquantifiable risks such as reputational and compliance risks.

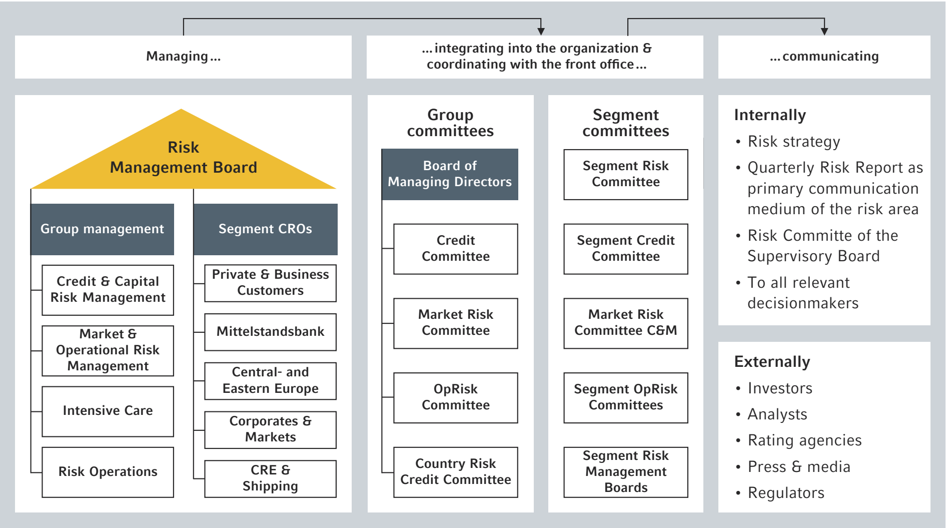
Commerzbank's Board of Managing Directors defines risk policy guidelines as part of its established overall strategy for the Commerzbank Group which is reviewed annually (= business and risk strategy, strategic operating conditions for the Group, segments and business areas). The Group's risk strategy consists of various sub-strategies for the main categories of risk. The integration of business and risk strategies is achieved through key parameters (e.g. regulatory and economic capital backing, exposure at default, expected loss, charges against earnings) which ensure that Commerzbank Group's strategic orientation is in line with its risk management system.



The Chief Risk Officer (CRO) is responsible for quantifiable risks and for implementing the risk policy guidelines established by the Board of Managing Directors throughout Commerzbank Group. The CRO regularly reports to the full Board of Managing Directors and the Risk Committee of the Supervisory Board on the overall risk situation within Commerzbank Group. In addition to responsibility for risk control, the CRO is also responsible for the back office units and therefore for ensuring that lending is approved by two loan officers. The segment CROs are members of the relevant segment's Board of Directors but also have a reporting line to the Group CRO for technical and hierarchical purposes.

The segment CROs, together with the Group CRO and the heads of the risk function within Group management, make up the Risk Management Board; as part of the new Group organization, this board is responsible for timely reporting, cost-effective and pro-active risk controlling and management, a uniform risk culture and compliance with regulatory provisions.

The new segmental risk committees are charged with significant tasks in segment-specific risk management and portfolio-oriented monitoring from the risk/return perspective (portfolio batches) and management (sub-portfolio limits, stress scenarios). As a high degree of independence is sought for the segments, the segmental risk committees carry out the Group's supervisory role for the segments.



The Board of Managing Directors has established specific committees to carry out operational implementation of risk management. These committees act within delegated authority and assist the Board in making decisions on risk-related issues. They represent both front office and risk control perspectives, but under the German Minimum Requirements for the Risk Management of Credit Institutions (MaRisk) the risk control side cannot be outvoted.

2) Capital management under Basel II

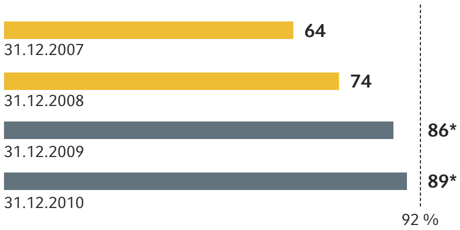
The new regulations under the Basel II Framework on capital adequacy requirements for financial institutions have been in force since January 1, 2008. The rules are based on three overall pillars.

- The first pillar covers the minimum capital adequacy requirements for credit, market and operational risk,
- The second pillar concerns the monitoring process by the banking authorities of the adequacy of the capital base (risk-taking capability) and risk management,
- The third pillar stipulates the disclosure requirements in the form of extended transparency rules.

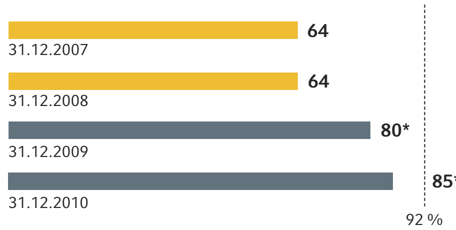
Pillar 1

The new Pillar 1 provisions implemented in Germany in the Solvency Regulation (SolvV) include allowing statistical projection models to be applied for calculating the capital adequacy requirement. On the balance sheet date, Commerzbank reported three-quarters of its credit portfolio using the Advanced Internal Rating Based (AIRB) procedure and received the relevant authorization from the supervisory authorities. This means that for these loans and receivables the internal credit rating plus internal estimates of collateral proceeds are what determines the regulatory capital requirement. For loans and receivables that are not covered by the procedures approved by the supervisory authorities for the AIRB approach the Basel standardized approach for credit risk applies, under which fixed risk weightings are used, based primarily on external estimates of the borrower's credit rating.

EaD Coverage for Group (%)



RWA Coverage for Group (%)



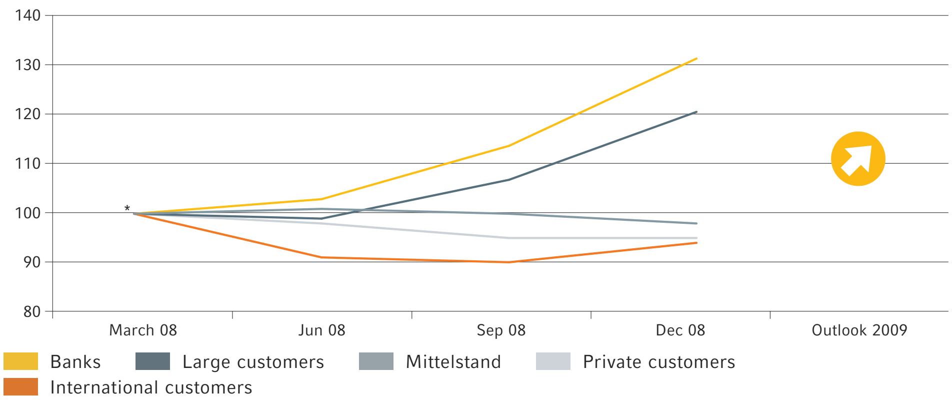
* planned
92 % AIRB has to be achieved by 2012 in accordance with SolvV

Apart from the revised regulations on credit risk, operational risks also had to be taken into account for the first time under Basel II, for which Commerzbank uses the advanced AMA approach (see section VI).

The first official calculation of the capital adequacy requirement on March 31, 2008 produced the expected reduction in the capital requirement of more than 10 %. Despite the first-time application of capital adequacy requirements for operational risk, this confirmed our expectations of the quality of our credit portfolio. Nonetheless, using the risk-sensitive

AIRB approach meant that as the financial crisis worsened over the year the capital requirement for credit risk increased. The first procyclical effects could already be seen by the end of June in large corporates and banks, asset classes that are closely involved with the capital markets. By year-end, the amount of capital committed to Mittelstand business had also grown.

Capital commitment by customer group
in %



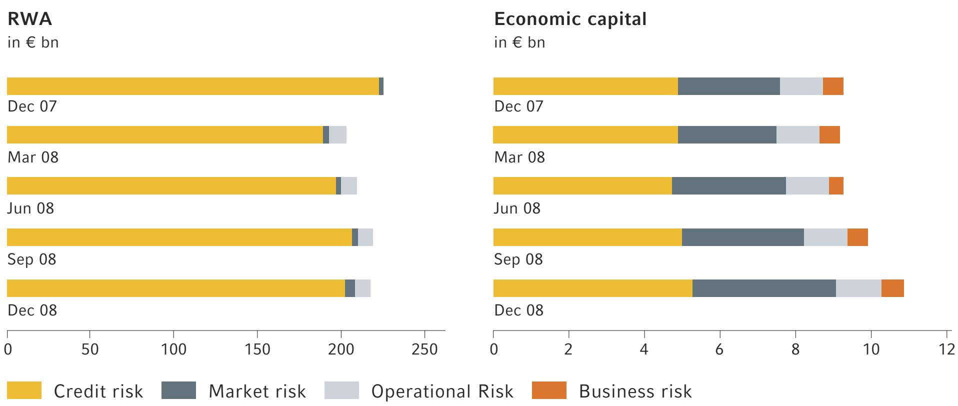
* Further to Basel II

For 2009 we expect economic conditions to significantly sharpen the procyclical effect of Basel II, primarily in Eastern Europe, in Commercial Real Estate (including the shipping portfolio) and in the Mittelstandsbank. As a result, the initial savings in terms of regulatory capital are likely to be more than outweighed, affecting the capital base; GLLPs are also procyclical. The challenge for the regulator is to find suitable measures to prevent these procyclical effects accentuating the economic downturn by creating a "credit crunch."

Pillar 2

The provisions of Pillar 2 have been primarily implemented in Germany in the form of the Minimum Requirements for the Risk Management of Credit Institutions (MaRisk). These relate mainly to securing risk-taking capability and structuring risk strategy and the relevant processes involved.

Commerzbank monitors risk-taking capability using the economic capital model. Apart from the risks in the first pillar, these cover all other risks relevant to Commerzbank that can be measured with this concept, such as interest rate risk in the banking book, risk from equity investment stakes, real estate risk, market liquidity risk and business risk. Furthermore, sectoral and regional concentrations and diversification effects of credit risk plus all dependencies between the individual risk categories are modelled. Commerzbank also quantifies refinancing risk, focusing on securing cash liquidity rather than cushioning losses with equity capital. As a result, this is not part of the economic capital concept. See section IV.2 for further details. Unquantifiable risks are subjected to strict qualitative monitoring in compliance with Pillar II of the Basel Accord and MaRisk. The 99.95 % confidence level we use in the economic model exceeds the 99.90 % specified in Pillar 1. A buffer is also required that is quantified using macroeconomic stress tests. The economic capital requirement thus produced is then compared with the capital available to cover risk.



In comparing the results of the external model (Pillar 1) with the capital requirements under the internal model (Pillar 2), we see a basically comparable trend since March 2008, but it is clear that the external model quantifies market risk as being much lower. We see the market's higher expectations of core capital for banks as a corrective to this incentivization. We will continue to keep a close eye on necessary developments in the external requirements for all types of risk.

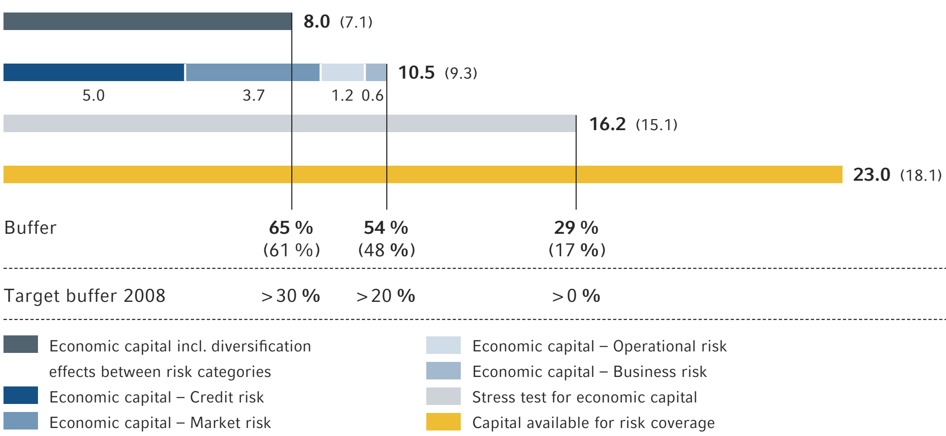
The 2008 risk strategy sets the following target ranges for risk-taking capability. Capital available to cover risk must

a) exceed economic capital by at least 30 %,
b) exceed economic capital assuming all risk categories are fully correlated, by at least 20 %
c) be sufficient to cover economic capital assuming all risk categories are fully correlated, even in the macroeconomic worst-case stress scenario for all risk categories.

The correlation between risk categories seen in normal market phases intensifies in crisis situations, therefore full correlation is deemed to be the most conservative assumption in cases (b) and (c). The worst-case scenario additionally assumes consistent negative economic and market trends for all risk categories, with the associated effects on the relevant risk drivers and parameters.

The capital requirement rose as the year progressed due to worsening parameters and economic forecasts. At the same time, capital available to cover risk fell due to lower income and demands on capital reserves. The unpredictability of the length and extent of the impending economic downturn prompted us to introduce measures to limit and reduce risk as well as strengthen capital available to cover risk by increasing capital and accepting €8.2bn from SoFFin. As a result of these measures, there was an adequate buffer for all three parameters in December 2008, which was still higher than the prior year figure. This meant that the internal limits for risk-taking capability were clearly met.

Risk-taking capability for the Commerzbank Group
in € bn as per December 2008

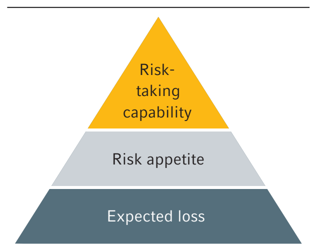


Values in parentheses: December 2007

Pillar 3

The disclosure requirements relate to capital adequacy, risk strategy, and the qualitative and quantitative reporting of risks incurred. Commerzbank is complying with the extended disclosure provisions of SolvV using a separate disclosure report that will be published on the Bank's website for the first time in April 2009 for the year ending December 31, 2008.

3) Risk strategy, risk appetite and operationalization



On the basis of an analysis of its risk-taking capability and its business strategy, Commerzbank defines guidelines and limits for exposure to risk positions as part of its overall risk strategy. In addition to limiting risk and capital consumption, segment management targets are set for minimum returns, maximum use of the Bank's refinancing, and risk appetite, according to profitability. As well as limiting risk, the risk strategy is also used in particular to optimize the risk / reward ratio over the medium term, i. e. strategic asset allocation within the Group and management of correlation and concentration risks across risk categories.

Although compliance with risk-bearing capability is the high-level objective for securing the Bank's continued existence, even under crisis scenarios (the "going concern" principle), it does not replace targeted management of the risk and return profile. Risk appetite is limited at Commerzbank by the requirement that the return before risk should cover the loss stemming from the risk content of our portfolio, as stressed at the 80 % confidence level, as well as the cost of capital. In other words, even in financial years with losses, which only usually occur every five years, our risk positioning should be such that we are at least able to earn the cost of capital. This is how the Bank secures medium-term profitability. For the 2008 financial year however, it became clear that our portfolios were in a serious stress range because of market conditions, in that total charges against earnings of €3.2bn even exceeded the €2.7bn figure for the 5-year stress. A lesson learned from the financial market crisis is that greater account must now be taken of the volatility in charges against earnings in business strategy and portfolio positioning.

The overall risk strategy is broken down in the form of sub-risk strategies for individual types of risk. At segmental level, both expected loss limits (see section III. 1) and market risk limits (see section IV) are defined for the operationalization of risk appetite. The aim of the limit process is for operational guidelines to be drawn up in such a way that the segments move in the direction strategically required by the whole Bank with a maximum acceptable degree of freedom.

4) Credit authorities

As part of integration preparations, we also revised our authority regulations and introduced them into the new Commerzbank on February 1, 2009. The specific focus here was to create a close link between credit authorities, lending policy and credit risk strategy. For the first time in 2009 as part of credit policy, we clearly defined for every segment those transactions which are desired (“in policy”), those which require higher authority and are for individual cases only (“exceptions to policy), and those which are not desired (“out of policy”) and may therefore only be carried out with the approval of the Board of Managing Directors. This naturally involved setting up clear escalation guidelines for any exceptions to policy. In future we will couple authority levels with the PD rating, which will speed up reactions to changes in client creditworthiness. We are sticking with the current all-in concept for the commitment amount for the time being. However, we are looking to gradually place the focus more on uncovered risk by taking account of the collateral applicable under Basel II in determining authority. With the takeover of Dresdner Bank we have not significantly extended authority levels for the time being due to market conditions.

Authority cluster based on Commerzbank's PD rating | in € m	**1.0 – 1.8**	**2.0 – 2.8**	**3.0 – 3.8**	**4.0 – 4.8**	**5.0 – 5.8**	**6.0 – 6.5**	**New problem loans**
Board of Managing Directors	> 1,000	> 800	> 600	> 400	> 400	> 400	> 100
Credit Committee	1,000	800	600	400	400	400	100
Segment credit committee – Corporates & Markets – Mittelstandsbank – CRE / Shipping	600	400	200	100	50		
Segment credit committee – CEE Corporates	300	200	100	50	20		
Segment credit committee – Private Customers – CEE Private Customers	100	50	30	20	10		
Segment credit committee – Intensive Care	600	400	200	200	100	100	50

5) Risk communication

The most important medium for describing risks within the Commerzbank Group is the internal quarterly risk report or QRR, which gives a detailed overview of the Group's quantifiable risks and forms the basis for reporting to the Board of Managing Directors and the Risk Committee of the Supervisory Board.

Externally our aim is to create trust among the public and private and institutional investors through our policy of transparency and openness regarding risk issues. Since the 2008 interim report, we have therefore greatly expanded our presentations of the Bank's ABS portfolios in line with the recommendations issued by the Financial Stability Forum (FSF) and the Senior Supervisory Group (SSG). In addition, the requirements for disclosing risk ratios became more stringent in 2008 as the result of the new Solvency Regulations (SolvV), which have now taken effect in Germany.

III. Default risk

In credit risk management we have systematically implemented the Basel II parameters. In addition to efficient rating systems, this involves a firmly established, common and uniform standardized understanding of the risk situation, or credit culture. We maintain this culture through a comprehensive training and continuing education program and review portfolio status and migration in regular asset quality reviews.

Rating systems

A good scoring or rating process is characterized by adequate discriminatory power, which means that the methods used must differentiate reliably between "good" and "bad" clients in terms of the Gini coefficient. The results of our scoring or rating processes are the future probability of default (or PD) of our borrowers.

Beyond the default risk rating, correctly assessing the severity of the loss (loss given default, or LGD) is essential for reliable and integrated risk assessment. The loss given default is primarily determined by the expected proceeds from collateral and unsecured loan components and by the outstanding loan amount on the default date (exposure at default, EaD).

Finally, combining the above components yields an assessment of the risk of loss or the expected loss (EL = EaD*PD*LGD) and the loss density or risk density (EL in bp of EaD), which is the ratio of EL to EaD. Both the percentage probability of borrower default (client rating) and the risk density of a loan commitment (credit rating) are assigned to rating classes by using an internal master scale.

The group-wide use of uniform rating processes for each asset class is ensured by Commerzbank's "single point of methodology" rating landscape. This uniform process architecture not only facilitates risk management and monitoring, it also prevents rating arbitrage within the Commerzbank Group.

Credit risk management

Under Basel II, the starting point for monitoring and managing default risks is exposure at default (EaD). EaD produces a standardized measure of value for default risk. All products (including letters of credit, open committed lines, derivatives, etc.) are converted to the default risk of a cash loan based on individual credit conversion factors or CCFs (e.g. undrawn externally committed lines at approx. 50 %). Uncertainty about utilization of contingent liabilities is thus treated conservatively. In order to improve credit quality and reduce credit risk, Commerzbank holds collateral in the form of real estate, financial assets, transfers of title and pledges, which are subject to regular reviews of market value. To calculate the reduction in credit risk collateral-specific discounts are applied, estimated on the basis of historical realisation data and statistical models reviewed by regulatory authorities. Guarantees, warranties and hedging in the form of credit derivatives are also taken into account. For internal control purposes, EaD also represents the best estimate of the maximum credit risk position under IFRS.

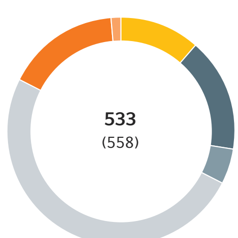
The expected loss on the Bank's EaD thus yields the default risk based on uniform standards, regardless of whether the default is later booked as a loan loss provision, impairment or trading loss. Whereas charges against earnings for the trading book are determined on a daily basis by mark-to-market valuation (or mark-to-index or mark-to-model, if there are no market prices) and are included directly in net trading income, the measurement of banking book positions is a function of whether the positions are booked as loans and receivables (LaR) or available-for-sale (AfS). Provisions for possible loan losses are made in the case of LaR, but with AfS positions balance sheet measurement is more complex. If the impairment in value as indicated by market prices or indices is only temporary in nature, then it is booked to the revaluation reserve as a deduction. However, if the impairment in value is classified as permanent then the position must be impaired. Unlike deductions from the revaluation reserve, impaired market values or index losses have a direct impact on the income statement.

Aside from the absolute limitation of the expected loss through EL limits, credit quality is guaranteed through orientation values for risk density. Furthermore, unexpected losses, bulk risks and concentrations of credit risks are measured and actively managed using an internal credit VaR model. All the above management parameters are part of the credit process, particularly the credit authority regulations.

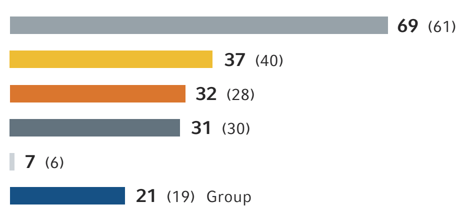
Independent risk controlling reports monthly through the credit monitor to the Credit Committee and Board of Managing Directors on the utilization of limits and changes in default risk. As part of the credit monitor, risk controlling regularly formulates recommended actions and proposed decisions to secure the required target risk structure for the portfolio.

1) Commerzbank Group

Exposure at Default – Breakdown
in € bn as of December 2008



Risk density (Trading and banking book)
in bp as of December 2008



61 (62) Private and Business Customers
86 (80) Mittelstandsbank
27 (19) Central- and Eastern Europe
267 (301) Corporates & Markets (incl. PF&T)
86 (86) Commercial Real Estate
6 (10) Others and Consolidation

Values in parentheses: December 2007

The EaD figures relate to the trading and banking book without the default portfolio (see III.7). In the past year, we reduced the Group portfolio by €25bn to €533bn which was much greater than originally planned. While the focus of the reduction was on Corporates & Markets, specifically Public Finance, we were also able to successfully grow Mittelstandsbank and CEE and increase the EaD by around €15bn. The Group's EL of €1,145m on the reporting date was within the EL limit of €1,160m. Despite the poor operating conditions, risk density only rose by 2 bp. At the 2008 year-end we marginally exceeded the EL limit for Central and Eastern Europe (CEE) and Corporates & Markets. While the Corporates & Markets breach was primarily due to lower risk density, a key factor in CEE was also the volume dynamic, but we systematically slowed this effect because of the market conditions. The change in EaD, EL and risk density by segment (including the trading book, but excluding the default portfolio) was as follows:

As of 31.12.	Exposure at Default in € bn		Risk Density in bp		Expected Loss in € m		EL Limit in € m	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Private and Business Customers	61	62	37	40	227	246	247	241
Mittelstandsbank	86	80	31	30	268	241	281	241
Central and Eastern Europe	27	19	69	61	185	117	167	127
Corporates & Markets	267	301	7	6	187	191	175	201
Commercial Real Estate	86	86	32	28	274	239	280	260
Others and Consolidation	6	10	7	13	4	13	10	10
Group	**533**	**558**	**21**	**19**	**1,145**	**1,047**	**1,160**	**1,080**

2007 figures adjusted to current structure; see also segment report in the notes to the financial statements

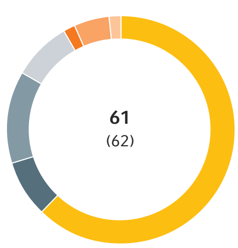
The table below shows for the first time the Group portfolio's credit quality at segment level by IFRS categories. The loans and receivables (LaR) and fair value option (FVO) categories are reported as utilization or market values; we show the EaD in the available-for-sale (AfS) and held-for-trading (HfT) categories. We took advantage in 2008 of the option to recategorize securities from AfS to LaR, which largely explains the change within these two categories.

		1.0 – 1.8		2.0 – 2.8		3.0 – 3.8		4.0 – 4.8		5.0 – 5.8		NR		Total	
in € bn		2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Private and Business Customers	AfS	2.1	1.4	0.1	0.1	–	0.1	–	–	< 0.1	–	–	< 0.1	2.2	1.6
	LaR	0.6	1.2	35.0	36.7	10.9	9.7	3.7	3.0	2.2	2.2	0.5	0.3	52.9	53.1
	HfT	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	–	< 0.1	< 0.1	< 0.1
Mittelstandsbank	AfS	–0.1	0.4	0.2	0.2	< 0.1	0.5	< 0.1	–	–	< 0.1	–	–	0.1	1.2
	LaR	23.0	14.0	25.5	37.0	15.7	17.7	4.7	4.6	3.3	4.8	0.5	0.4	72.7	78.5
	HfT	1.9	0.5	1.5	1.5	0.4	0.7	0.1	0.1	0.1	0.1	< 0.1	< 0.1	4.0	2.9
Central and Eastern Europe	AfS	–	–	0.1	0.1	0.1	< 0.1	–	< 0.1	–	–	–	–	0.1	0.2
	LaR	1.7	1.9	9.5	13.1	4.7	6.5	2.4	2.6	0.2	0.3	0.1	0.1	18.6	24.5
	HfT	0.2	0.1	0.1	0.1	< 0.1	0.1	< 0.1	< 0.1	–	< 0.1	–	< 0.1	0.3	0.2
Corporates & Markets	AfS	133.6	18.0	10.7	4.7	1.1	0.5	0.2	0.1	0.5	< 0.1	0.3	0.3	146.3	23.6
	LaR	59.4	142.3	22.2	23.8	8.5	7.1	0.9	2.6	1.2	1.6	0.5	0.2	92.6	177.7
	HfT	41.9	37.7	8.4	9.3	2.3	7.7	0.1	0.3	0.4	0.2	0.2	1.0	53.3	56.2
	FVO	0.4	0.2	1.3	1.4	1.2	1.7	0.4	0.7	–	0.1	–	–	3.3	4.1
Commercial Real Estate	LaR	15.1	13.6	38.6	40.3	13.4	17.1	3.1	4.2	0.6	0.5	< 0.1	< 0.1	70.9	75.6
	HfT	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	–	–	< 0.1	–	< 0.1	< 0.1
Others and Consolidation	AfS	3.0	2.1	0.6	0.1	< 0.1	< 0.1	–	–	–	–	1.4	0.2	5.0	2.4
	LaR	2.0	1.6	0.6	0.5	0.2	0.2	0.3	< 0.1	0.2	< 0.1	0.1	0.1	3.4	2.4
	HfT	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	–	–	–	–	< 0.1	< 0.1	< 0.1	< 0.1
Group*	AfS	138.6	22.0	11.6	5.2	1.2	1.1	0.2	0.1	0.5	0.1	1.7	0.6	153.8	29.0
	LaR	101.7	174.6	131.4	151.5	53.3	58.3	15.1	17.0	7.8	9.4	1.8	1.1	311.1	411.9
	HfT	44.0	38.3	10.0	10.9	2.7	8.4	0.3	0.4	0.4	0.3	0.2	1.0	57.6	59.4
	FVO	0.4	0.2	1.3	1.4	1.2	1.7	0.4	0.7	–	0.1	–	–	3.3	4.1
	Total	**284.7**	**235.1**	**154.3**	**169.0**	**58.4**	**69.6**	**16.0**	**18.3**	**8.7**	**9.8**	**3.7**	**2.7**	**525.8**	**504.4**

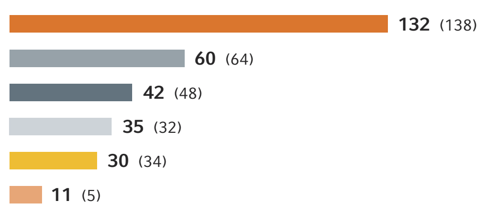
* Not included in the table are subsidiaries CommerzReal, CB Schweiz, CCR and Bank Forum; further differences compared to the previous table are due to the presentation of utilization for LaR and market values for FVO

2) Private and Business Customers

Exposure at Default – Breakdown
in € bn as of December 2008



Risk density*
in bp as of December 2008



38 (37) Residential mortgage loans
5 (6) Investment properties
8 (9) Individual loans
5 (5) Consumer loans
1 (1) Installment loans
3 (3) comdirect
<1 (1) Other

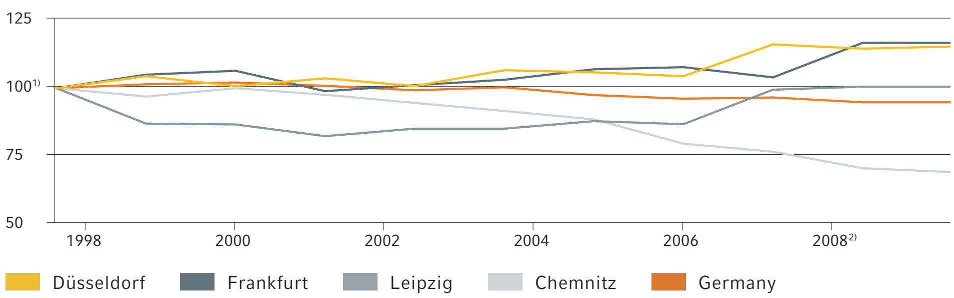
Values in parentheses: December 2007
* Private and Business Customers 37 (40) bp

In the past year we integrated the relevant portion of the loan portfolio of Hypothekenbank in Essen into the Private and Business Customers segment. This inflow to the non-defaulted portfolio, some €5bn EaD, partially reversed the scheduled reduction in holdings.

Given that we are maintaining our strict risk / return-oriented focus on value-creation in new business based on the AIRB capital commitment, we expect another reduction in the portfolio in 2009.

By systematically focusing on responsibilities in Private Customer risk management and fully utilizing an automated and powerful risk classification procedure for new and current business, the expected loss in the banking book at the end of 2008 was kept significantly below the €247m EL limit at €227m. The change in risk provisions was very pleasing, as they not only fell by €77m to stand at €163m net, but were also well below the 2008 expected loss. Because of systematic derisking measures, the risk density in the non-defaulted portfolio improved in the reporting period from 40 bp to 37 bp, principally in the largest "private real estate funding" sub-portfolio, through the inclusion of the Essen Hyp real estate portfolio, which was heavily weighted towards loans secured on first mortgages. As a result of the worsening market conditions, we expect risk density to rise to 40 bp again in 2009, pushing up the expected loss and risk provisions in the segment too.

Price trend single family homes

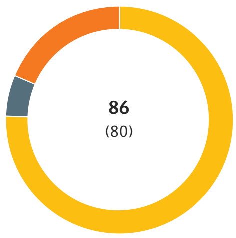


[1] 1998 = Index 100
[2] Forecast

Apart from risk and business-aware management of the current financial crisis, the main challenge in 2009 for Private Customer risk management will be to successfully consolidate the Commerzbank and Dresdner Bank retail portfolios under a uniform credit risk strategy. Because of the market conditions, we see risks primarily in unsecured business customer commitments, less in mortgages to individuals. Unlike some foreign markets, where prices tend to be overinflated, prices for single family houses in Germany have actually been falling since 2003. We therefore see a good buffer in the collateral position of mortgages to private individuals for the PD risks that are rising again due to higher unemployment. Our early detection has been greatly improved through the CORES scoring of behaviour that was applied to all portfolio components in 2008.

3) Mittelstandsbank

Exposure at Default – Breakdown
in € bn as of December 2008



65 (57) Germany
5 (4) Asia
16 (19) Financial Institutions

Risk density*
in bp as of December 2008

Values in parentheses: December 2007
* Mittelstandsbank 31 (30) bp

With a substantial increase in EaD of around 7.5 % during the course of the year and at the same time only a slight decrease in risk density, the segment performed well. The core market Corporates Germany was a key factor in this positive trend, with an increase in EaD of some €8bn to approximately €65bn and a 2bp lower risk density. The risk provisions for the Mittelstandsbank rose sharply year-on-year, as the run rate doubled and income from intensive care halved. The net effect was that risk provisions were only kept well below the €268m expected loss at €179m through a large €58m decrease in GLLPs.

Given the prospect of a strong slowdown in economic activity in Germany, we are expecting negative rating migrations in our core Corporates Germany portfolio in 2009, as borrowers see their credit standing decline. As a result, we are expecting a greater need to restructure, an increase in the number of insolvencies, rising risk densities, a sharply higher EL and consequently rising GLLPs. This means that we expect risk provisions to double in 2009, or possibly increase even more if bulks are hit. A significant part of the credit margin is being eaten up by rising risk costs, placing a strain on the gross margin. We will mitigate the increasing risks by applying risk-limiting measures to our new and existing business (including increasing collateral), but will not significantly restrict our readiness to grant loans to our core target group.

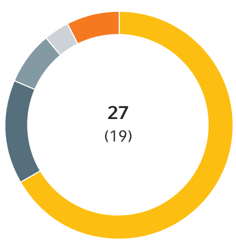
Nonetheless, we need to systematically counter the tighter risk situation through greater risk transparency. There will therefore be a greater need for our customers to provide forward-looking disclosure of their financial circumstances. We expect them to supply up-to-date information on business performance, with budget figures and details on projected cash flows and the change in fluctuating borrowings (net debt to EBITDA). This type of sound forward planning will feed into our customers' ratings. We will also ensure that our experience of the financial crisis is incorporated into the upgrading of our rating and risk management systems. The new Commerzbank's risk function will be deployed throughout Germany by sector for the Mittelstandsbank, providing customers and regional customer advisors with even more professional and solution-oriented expertise for their funding inquiries. We want to be a partner to our established customers and support them in these difficult times; but we can only do this, and only wish to do so, if they consistently give us the necessary in-depth, forward-looking information.

In line with our expectations for Corporates Germany, we also expect a negative rating migration and increased risk density for our borrowers in Asia. We will essentially apply the same measures for mitigating risk as in the domestic Mittelstand business.

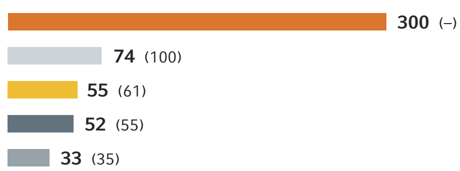
The Mittelstandsbank Financial Institutions portfolio is significantly determined by loans to banks in emerging markets for supporting imports and exports by German firms. We anticipate charges for 2009 in Central and Eastern Europe in particular, as already indicated by a substantial rise in risk density.

4) Central and Eastern Europe (CEE)

Exposure at Default – Breakdown
in € bn as of December 2008



Risk density[1)]
in bp as of December 2008



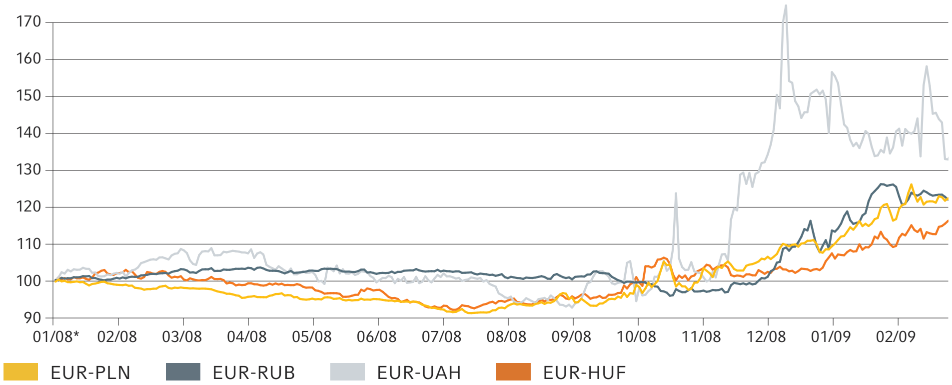
18 (14) BRE Bank*
4 (2) CB Eurasija
2 (2) Prague branch
1 (1) CB Budapest
2 (–) Bank Forum

Values in parentheses: December 2007
* Of which €7bn (4) retail
1) Central and Eastern Europe 69 (61) bp

The global financial crisis has been felt very keenly since the autumn in Commerzbank's activities in Eastern Europe, which have been combined in one segment since 2008. The crisis has led to a drastically reduced supply of liquidity in CEE, so funding is now a key issue for East European banks, as it is scarce and is becoming more expensive.

Since the collapse of Lehman Brothers it has been increasingly hard for East European governments to prevent the slide in their countries' currencies, which previously had effectively fixed exchange rates. Attempts by the Russian central bank to guarantee stability cost it up to one billion dollars a day. This has had a negative impact on the credit ratings of countries and borrowers; foreign currency lending without a natural hedge in particular lost out in terms of calculated debt servicing ability in line with the FX loss. Russia has had the added problem of a slump in commodity prices. In structured trade finance, we began to restructure commitments in the fourth quarter with regard to the sustainability of collateral / resources, in parallel with the market. This change in economic factors has translated into a much greater risk density on East European commitments, particularly since year-end, and increased the level of GLLPs that need to be made.

Currency rate development
in %



* 01.01.2008 = 100 %

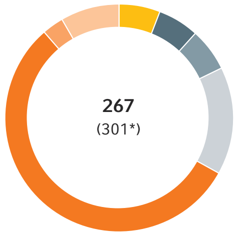
To take account of the higher risk content in this environment we broadly stopped taking on new business and began reducing sub-portfolios. For BRE's retail mortgage business in Swiss francs (around 80 % of the total mortgage portfolio, in line with the market), quarterly growth of up to 15 % slumped to 3 % in the fourth quarter and credit terms were tightened considerably. Furthermore, we pressed ahead with portfolio differentiation in all markets by risk class and therefore geared our capacities even more towards the various qualities of our existing business.

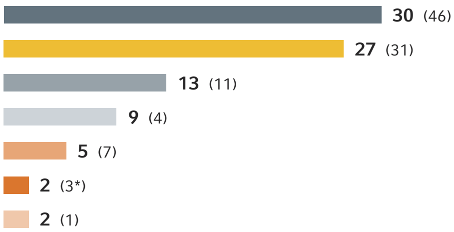
Although the CEE segment currently accounts for only about 5 % of Commerzbank Group's exposure at default (EaD), Central and Eastern Europe accounts for around 16 % of our expected loss (EL), as a result of a higher risk density due to market conditions. Risk provisions in the segment stood at €190m in 2008 (of which BRE Bank €98m and Bank Forum €54m), which was in line with the expected loss level of €185m. In 2008, the CEE segment earned above-average risk margins and reported record results in the first nine months of the year.

With the surprisingly sharp deterioration in economic conditions and exchange rates in CEE from the fourth quarter of 2008, the high proportion of foreign currency loans had a negative impact on Retail and Corporates, apart from Hungary where our subsidiary provides most of its funding in forint.

The willingness of CEE governments to provide support boosted key industries. In Russia, the supply of liquidity and specific funding of maturities is provided by state banks, while in Ukraine and Hungary, standby funds come from the IWF. The economies of Poland, Slovakia and the Czech Republic are still relatively stable by comparison.

5) Corporates & Markets (including Public Finance and Treasury)





Values in parentheses: December 2007
* as per December 2007 incl. Essenhyp
1) Corporates & Markets 7 (6) bp

This year the Corporates & Markets segment also includes the Public Finance books of Eurohypo and EEPK for the first time. As a result, this segment now accounts for some 50 % of the Bank's total EaD. With the merger of the former Essen Hyp into Eurohypo and the resulting combination of the books, the previous Essen Hyp portfolio was divided in October 2008 between Commercial Real Estate, Private and Business Customers and Corporates & Markets.

At the end of December 2008, the €267bn EaD in Corporates & Markets was some €34bn below the December 2007 figure, due solely to the decline in Public Finance. Apart from Public Finance, the sector focus is on regulated financial institutions, which account for 50 % of the portfolio. The risk density continued to be low at 6 bp. Critical sectors such as auto manufacturing, mechanical engineering, construction, chemicals and packaging together account for less than 10 %. The risk density for these sectors has already noticeably increased, and we expect to see defaults as the situation worsens.

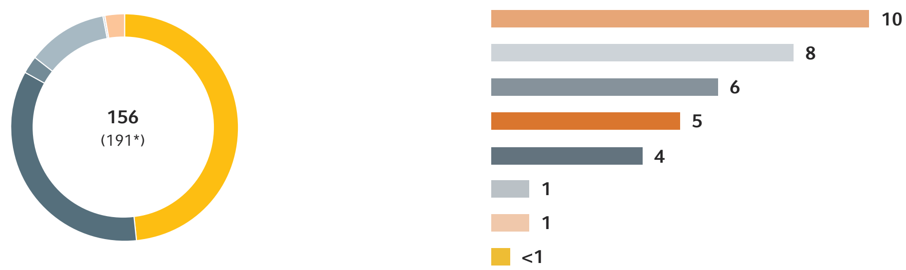
At 30 bp and 27 bp respectively, the risk density for North America and Western Europe was still just below the Mittelstandsbank level and actually improved year-on-year. Commerzbank's secondary investment portfolio in New York was heavily affected by the disappearance of hedges totalling USD2.8bn due to the collapse of Lehman Brothers. By year-end, USD1.6bn of the exposure had either been re-hedged or sold. USD0.7bn of the remaining USD1.2bn exposure was rated investment grade. The risk density for business with large multinational groups was an acceptable 13 bp on a bank-wide comparative basis, but higher than last year. Due to the large standard lot sizes per customer in this business, there are considerable concentration risks and (for backup lines) refinancing risks; these are managed through credit value at risk (CVaR). There is an individual strategy for closely controlling bulk risk for every commitment beyond a certain size. The margins are often unattractive in the risk-return assessment and are only justified through sustained cross-selling. We will therefore subject all exposures to a critical profitability test in 2009 and systematically reduce bulk risks, which have risen sharply due to the merger with Dresdner Bank.

Assets held for trading purposes in the Markets and Treasury sub-segments have a generally excellent credit quality (risk density); see also section IV.

Public Finance sub-segment – portfolio breakdown by region

Exposure at Default – Breakdown
in € bn as of December 2008

Risk density[1]
in bp as of December 2008

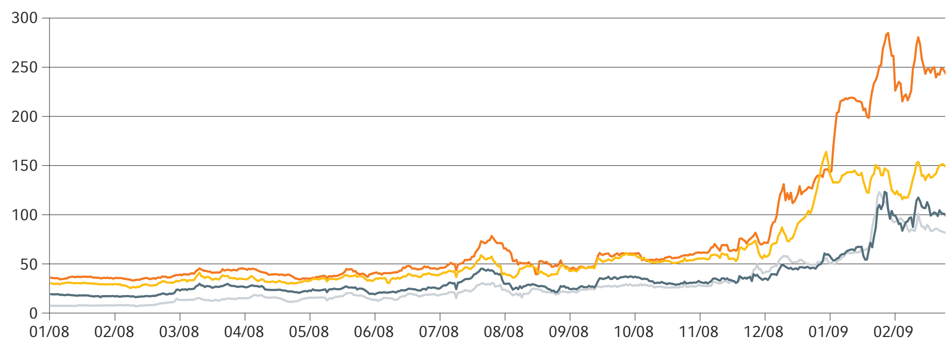


76 Germany
54 Rest of Europe
4 Central- and Eastern Europe
18 North America
0,1 Africa
0,2 Asia (incl. Middle East)
0,1 Central & South America
4 Other

Value in parenthesis: December 2007
* as per December 2007 incl. PF Essenhyp (€79bn)
[1] Public Finance 2 (2) bp

As part of the strategic reorganization of Public Finance, we are pushing integration into the market risk management of Corporates & Markets and are also implementing a programme to reduce our portfolio volume and protect earnings. Potential further negative movements in the revaluation reserve must be avoided, bearing in mind the capital base.

Credit Spread Development
in bp



Italy Portugal Spain Greece

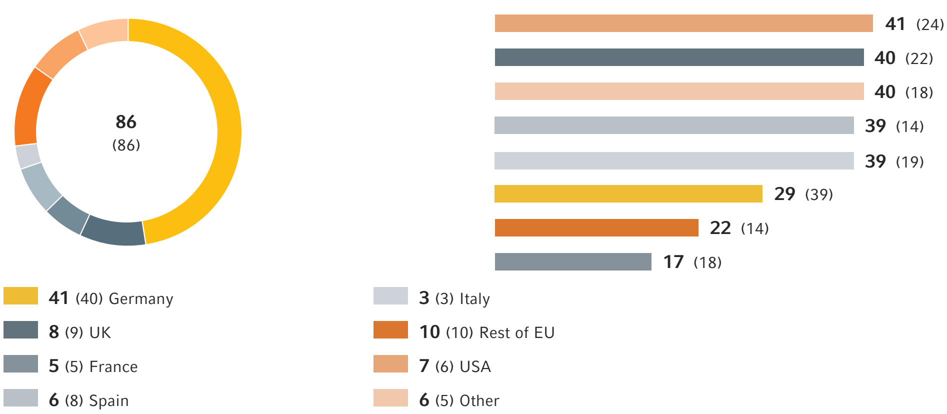
The downward trend on international financial markets also affected the traditionally low-risk Public Finance business in 2008, with risk premiums for European countries such as Italy, Greece or Portugal increasing dramatically as a consequence. The subsequent slide in the price of these countries' government bonds had a considerable negative impact on the revaluation reserve. This greatly affected us, as we had invested heavily in European markets outside Germany. The traditionally low credit margins in Public Finance business bear no reasonable or clear relation to the risks entered into.

6) Commercial Real Estate (CRE))

With the merger of Essen Hyp into Eurohypo and the resulting combination of the books, the EaD at the balance sheet date stood at €86bn.

Exposure at Default – Breakdown
in € bn as of December 2008

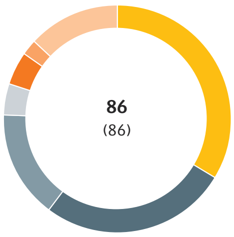
Risk density*
in bp as of December 2008



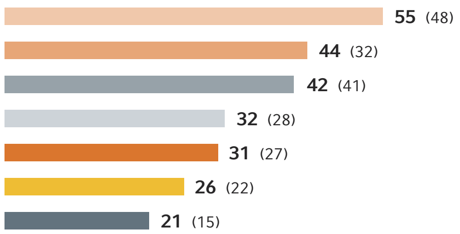
Values in parentheses: December 2007
* Commercial Real Estate 32 (28) bp

Real estate markets came under enormous pressure from the economic environment, and are not expected to recover before the end of 2010. Worldwide investment activities almost came to a standstill at the end of 2008, and because of the market and risk conditions the volume of new commitments in commercial real estate financing fell during the year to €13.7bn, compared with €36.8bn in 2007. New business is expected to fall sharply again in 2009.

Exposure at Default – Breakdown
in € bn as of December 2008



Risk density*
in bp as of December 2008

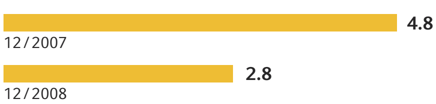


29 (30) Office space
23 (19) Commerce
13 (13) Residential real estate
4 (4) Hotels
4 (4) Markets, exhibition centres, warehouses
2 (3) Construction sites
11 (13) Other

Values in parentheses: December 2007
* Commercial Real Estate 32 (28) bp

For the purposes of strategic planning we focus on new business that creates value at an appropriate level of risk. As many competitors have turned their backs on CRE activities, there is also excellent potential in our core portfolios, even under much tighter lending standards; new business, now significantly lower, is showing a much better risk / return profile than a year ago. Both for new business and in portfolio management, we systematically apply the "look-through" approach for each transaction, regardless of product type, region, asset class or level of the targeted syndication size. The volume in the syndication pipeline fell by €2bn in 2008, while the final hold went up. We do not expect any tangible improvement in liquidity in the securitization markets in the foreseeable future; the syndication market will also stay at a very low level in 2009.

Syndication pipeline CRE
in € bn



CMBS pipeline CRE
in € bn

[1] All exposures in the CMBS-pipeline have now been taken into the final hold due to the present unsatisfactory market situation

The investment grade proportion in the performing portfolio fell noticeably during the year to its current 89 %. In view of the continuing market weaknesses in three hotspots, namely the USA, UK and Spain, the investment grade proportions fell here to 86 %, 89 % and 82 % respectively – the latter after some €2bn was transferred into the default portfolio. This portfolio is being systematically worked off by the intensive care function under uniform management processes.

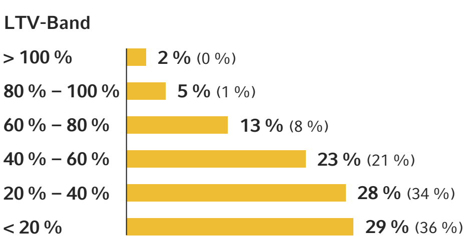
Market values are continuing to fall, driven by rising yields, falling rents and a increasing number of vacant properties. The large falls in market value already seen over the past 12 months will continue in 2009 and are the main reason for the sharp rise in risk densities.

Aside from the three hotspots mentioned, market values have also weakened in France and Italy; in view of economic trends and the substantial fall in investment activity, we expect a rise in risk density in 2009 in Germany, too. We subject all regional sub-portfolios to quarterly scenario analyses for risk densities based on expected rating migrations and market value forecasts for specific types of use. We are countering these developments by applying much stricter lending standards for new business as well as external renewals.

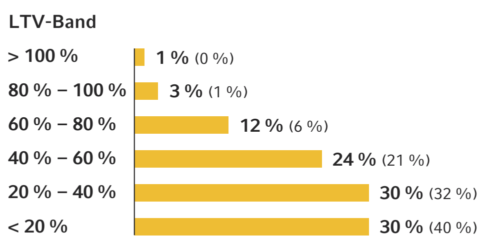
Against this background of market developments, we are focusing primarily on portfolio management. Depending on the legal situation in the various jurisdictions, we are taking every available opportunity (maturities or covenant testing) to restructure and improve the risk / return in our portfolios. This has enabled us to create substantial improvements in our risk position for a range of commitments.

The loans in our portfolio that are secured by a property charge or mortgage still overwhelmingly show acceptable loan to values (LTV), despite further losses in market value having increased the loan-to-value ratios on our existing portfolio. Rises in LTVs also result from the contractual agreement to renew external charges. In hotspot markets the LTVs on weaker commitments are being reviewed and assessed internally during the year, based on which a decision on the next steps is taken. In the United States, for example, the LTVs in the secured lending business are as far as possible moderate, but no more than 75 %. In the UK and Spain and our core business in Germany, LTVs mostly range between 65 % and 75 %. As a result of the limited opportunities for potential purchasers to find finance, market values in the UK and Spain are under more pressure, so the bands will probably shift. In new business, the LTVs in all regions do not exceed this level; in fact, most are below it. In emerging markets we only finance top-class properties in excellent locations, and have dramatically cut back our activities here.

Loan to Value – UK [1), 2), 3)]
stratified representation

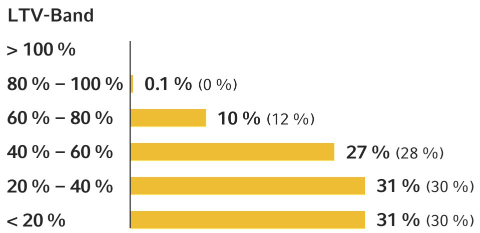


Loan to Value – Spain [1), 2), 3)]
stratified representation

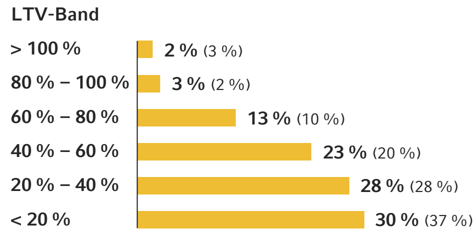


Values in parentheses: March 2008
1) LTVs based on market values
2) Excl. margin lines and corporate loans
3) Additional collateral not takent into account

Loan to Value – USA [1), 2), 3)]
stratified representation



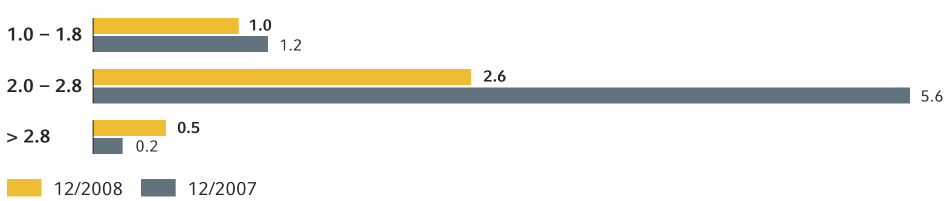
Loan to Value – CRE total [1), 2), 3)]
stratified representation



Values in parentheses: March 2008
[1)] LTVs based on market values
[2)] Excl. margin lines and corporate loans
[3)] Additional collateral not takent into account

The tables shown above include all performing loans in CRE (apart from corporate loans) made without tangible asset collateral (i. e. without mortgages) that that have been extended on large real estate portfolios (e. g. REITS, funds, etc.) against financial covenants or pledged shares. These amount to €4.2bn (12/2007: €7bn). The United States currently accounts for €2.4bn of this (primarily REITS), while the UK accounts for €0.9bn and Spain €0.2bn. All corporate loans have now been classified as "out of policy", and the portfolio is being reduced gradually.

Rating breakdown of Commercial Real Estate corporate loans (performing loans only)
in € bn



7) Intensive care

Trends in risk provisioning / Intensive Care results
Loans and receivables / provisions for possible loan losses
The Group's provisions for possible loan losses in 2008 were dominated by the effects of the negative external operating conditions. Even in the fourth quarter, this resulted in more extraordinary charges against earnings, pushing up risk provisions again to third quarter levels. Corporates & Markets and Commercial Real Estate were again affected by this. Furthermore, major defaults were reported for the first time and quicker than expected, solely due to the impact of the financial market crisis, including in the Mittelstandsbank. The massive slowdown in the economy has reached the Mittelstand, whereas the Private and Business Customer segment still proved to be robust in 2008. In Central and Eastern Europe risk provisions rose in the second half of the year as a result of new cases, again due to the financial crisis.

The trend in risk provisions in the lending business is as follows:

	2007					2008					
in € m	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	Special items
Private and Business Customers	73	66	58	43	240	40	40	43	40	163	
Mittelstandsbank	19	9	–48	–48	–68	11	8	12	148	179	114
Central and Eastern Europe	11	16	10	19	56	17	26	71	76	190	27
Corporates & Markets	18	17	61	35	131	57	42	382	195	676	511
Commercial Real Estate	39	39	26	11	115	50	298	92	178	618	453
Others and Consolidation	0	4	0	1	5	0	0	28	3	31	32
Group	**160**	**151**	**107**	**61**	**479**	**175**	**414**	**628**	**639**	**1,855**	**1,137**
Special items 2008*						34	327	396	380	1,137	

*ABS portfolio, CRE international exposure, special charges due to financial crisis (financial institutions and special cases Mittelstand portfolio), first-time consolidation Bank Forum

Group net risk provisions contained unwinding effects of €133m, principally in the CRE segment.

All in all, the special items in 2008 came to €1,137m, comprising the following components: ABS portfolio €101m, foreign CRE commitments €453m, special charges for the financial crisis €573m, first-time consolidation of Bank Forum €11m.

Although risk provisions in Corporates & Markets were down compared to the peak in the third quarter, in the fourth they still contained significant special charges of some €85m from the default of financial players and charges from the ABS portfolio of around €19m. In the same quarter, Commercial Real Estate also posted more special items of around €156m in total from major specific cases in the foreign portfolio, particularly Spain.

Compared to the historically low result in 2007, credit risk provisions in 2008 more than trebled due to the financial crisis. The results by risk provision component can be seen at segment level as follows:

As of 31.12.	Run rate		IC result		Specific LLP net		Change in GLLP		Total net risk provisions	
in € m	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Private and Business Customers	302	194	–12	–3	290	190	–51	–28	240	163
Mittelstandsbank	213	444	–407	–207	–194	236	126	–58	–68	179
Central and Eastern Europe	51	145	–25	–35	25	110	31	80	56	190
Corporates & Markets	125	588	–8	14	117	602	19	74	135	676
Commercial Real Estate	262	663	–131	–48	131	615	–20	3	111	618
Others and Consolidation	5	32	0	0	5	32	0	–1	5	31
Commerzbank Group total	**957**	**2,065**	**–583**	**–280**	**374**	**1,784**	**105**	**71**	**479**	**1,855**

The run rate (risk provisions for new cases) more than doubled overall, with only the stable Private and Business Customers segment posting a significant year-on-year fall in 2008. Other units reported a substantial increase. The negative trend was also reflected in the fact that in the Mittelstandsbank, the fourth quarter accounted for disproportionate €142m of the €179m overall result. In the Central and Eastern Europe segment, the rise stemmed from the BRE portfolio, and was also a result of special effects arising from the financial crisis. The defaults of financial players largely accounted for the rise in run rate in Corporates & Markets, with a charge of over €400m. In Commercial Real Estate, €453m of the run rate was attributable to large cases in the foreign portfolios. The Neutral run rate stemmed from the default of a financial player.

As expected, the IC result was down, even adjusting for the positive €164m special effect in 2007 (booked in the Mittelstandsbank). However, with net releases of €280m – still principally from Mittelstandsbank – the positive contribution to earnings was still considerable despite the poor conditions. Charges for general loan loss provisions (GLLPs) were down compared to 2007, due mainly to the release or use of the top level adjustment created in the Mittelstandsbank in 2007 for financial institutions.

The following comparison shows that net risk provisions in 2008 rose in all commitment classes, with the largest rise resulting from defaults of major individual players:

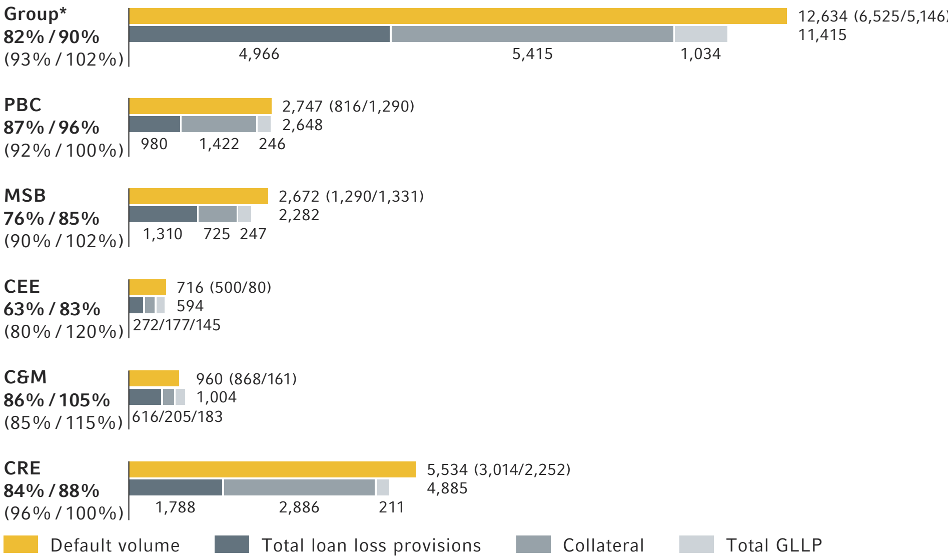
	Individual cases with changes in risk provisioning affecting income							
	≥ €10m < €20m		≥ €20m < €50m		≥ €50m		Individual exposures ≥ €10m total	
	Risk provisions net in €m	Number of exposures	Risk provisions net in €m	Number of exposures	Risk provisions net in €m	Number of exposures	Risk provisions net in €m	Number of exposures
2007	33	12	67	6	–164	1	–64	19
2008	265	24	318	11	695	5	1,278	40

A €64m positive contribution to earnings from commitments with risk provision changes of more than €10m in 2007 contrasted with a net charge of almost €1.3bn in 2008, of which some €700m was attributable to bulk risks with a case-related net risk provision requirement of €50m and more. Overall, two thirds of risk provisions related to charges against earnings of more than €10m were attributable to individual cases in 2008. It is striking that net risk provisions on individual cases below €10m only rose from €438m to €506m. We see this as proof that our lending decision and selection processes are broadly working well.

The negative economic environment also had an impact on the default portfolio in the fourth quarter. At Group level, the volume in December stood at €12.6bn. The high inflow (€6.5bn) was partially offset through operational workout (€5.1bn), and the net rise in the fourth quarter limited to €600m. Overall, the volume in the default portfolio rose year-on-year by €1.4 bn. The increase was dominated by bulk risk, principally in Mittelstandsbank, CRE and Corporates & Markets. However, there was a general increase in new cases, including ones from the granular sector. This was also seen in the Central and Eastern Europe segment for the first time. Aside from the increased inflow, successful and efficient processing proved to be increasingly difficult against the background of the negative trends on the real estate market. Future movements in default volume crucially depend on how the restructuring and processing of individual bulk borrowers goes.

The default portfolio was broken down as follows:

Performance of Default Portfolio
(in € m) – excl. / incl. GLLP



Values in parentheses: December 2007 (additions / disposals vs. December 2007)
*including Others and Consolidation

Total collateral of €5.4bn has been deposited for the default portfolio. In Private and Business Customers this relates almost exclusively to land charges on own-use and rented properties. In the Mittelstandsbank, collateral is divided between various types. Guarantees and mortgage liens on commercial properties cover the largest amounts. In addition, large sections of portfolios are also secured through transfers of title and pledged assets. For the Central and Eastern Europe portfolio, land charges are mainly used as collateral, and for the commercial sector transfers of title and pledges are used. The level of collateral in the Corporates & Markets portfolio principally comprises transfers of title, as well as pledges and assignments. In CRE, almost all collateral relates to charges on commercial property.

Overall, we expect the default portfolio to show a recovery rate of around 18 %, which corresponds to uncovered risk. Almost two-thirds of expected cash flows relate to restructuring commitments which have not yet been called. Assumptions on recovery proceeds are based on statistically proven rates (using the certified LGD model).

In order to avoid an increase in the default portfolio, excesses are closely monitored at Commerzbank. In addition to the 90dpd trigger event, a computer-based excess management system goes into effect even before that point as of the first date of the excess. The following tables shows excesses in the non-default- book as at December 2008:

Segment			EaD		
in € m	>0<=30 days	>30<=60 days	>60<=90 days	>90 days	Group
Private and Business Customers	1,195	166	75	216	1,653
Mittelstandsbank	3,084	424	168	28	3,703
Central- and Eastern Europe	195	69	32	1	297
Corporates & Markets	1,883	116	29	15	2,042
Commercial Real Estate	1,865	78	76	198	2,218
Group*	**8,581**	**879**	**381**	**496**	**10,337**

* incl. Other / Consolidation

In 2008 total foreclosed assets rose year-on-year by €46m to €198m (additions €105m, disposals €58m). This related mainly to real estate positions at the mortgage subsidiary Eurohypo.

Available-for-sale & trading book / impairments

The financial crisis meant that in 2008 our available-for-sale holdings were hit by high charges of €1,059m (of which some €900m from the ABS portfolio). Net trading income, including ABS holdings, was cut by €246m due mainly to the defaults of Icelandic and American financial institutions in the third quarter. The cost of impairments / defaults can be seen from the following table.

in € m		2007	2008
AfS	ABS portfolios	636	916
	Financial Institutions	0	143
HfT	ABS portfolios	48	75
	Financial Institutions	0	171
Total	ABS portfolios	684	991
	Financial Institutions	0	314
	Total	**684**	**1,305**

After absorbing many of the sub-prime effects, we expect impairments to fall in 2009 to around €0.5bn. More details on the ABS and Financial Institution portfolios can be found in section V.

8) Limiting bulk and concentration risks

The target and benchmark for strategic management of credit risk in Commerzbank Group is the risk / return-based target portfolio as defined by the credit-risk strategy, along with the resulting sub-portfolios based on target groups and markets. Concentrations of risk in bulks, countries, target groups and products are restricted through active management, taking the special characteristics of each segment into account. As a central element of risk policy, bulk risks are managed on the basis of economic capital. In this approach, the key variables include portfolio granularity and correlation assumptions relating to segment-specific, sector-specific and country-specific factors.

Borrower units with economic capital consumption of at least €5m are defined as a bulk risk. Borrower units having more than €20m in economic capital consumption are not wanted over the long term and are systematically reduced, in some cases by using modern capital market instruments such as credit default swaps (CDSs). The importance of limiting bulk risks is also indicated by the fact that the Board of Managing Directors specified in its own internal rules that unanimous resolutions are required for any board-level credit decisions involving economic capital consumption in excess of €10m (based on final take).

Current bulks
Economic capital consumption in € m

The economic capital consumption of current bulks rose by year-end due to rating downgrades in the wake of the financial market crisis. Both the number and CVaR consumption of bulks rose significantly from September 2008, and had far exceeded the internal bulk risk limit of €1bn economic capital consumption by year-end.

By merging the commitments with Dresdner Bank, bulk risks in the new Commerzbank as measured by CVaR rose again substantially. The economic developments mean that we see much greater risks, particularly for borrowers with a high debt-to-equity ratio, notably for the major lending portfolio in the automotive supplier sector. As part of the integration process we therefore reviewed our bulk risk strategy and adjusted the entry parameters. In future, not only will commitments with a high CVaR come under bulk risk management, but also those with an LaD above €100m or an EaD higher than €1bn, in order to limit the latent default risk to a maximum amount, even for commitments with higher ratings. The key element of the new bulk risk strategy is that in future, we do not want any individual bulks with an LaD over €400m in the portfolio, irrespective of the customer's creditworthiness. There can only be exceptions to this for government or banking institutions in Germany or temporarily as part of the syndication of highly liquid positions. However, as the markets are currently extremely illiquid, we are currently making almost no use of this.

9) Country risk management

When calculating country risk, Commerzbank measures both transfer risks and the region-specific event risks determined by politics and economics that affect a country's individual economic assets. Country risk management includes all the decisions, measures and processes that draw upon the information provided by risk quantification, and are intended to influence country portfolio structure in order to achieve business and return targets.

Exposure to emerging market countries (country rating ≥ 2.0) by region:

As of 31.12.	Exposure at Default in € bn		Loss at Default in € bn		Risk Density in bp		Expected Loss in € m	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Europe (incl. Turkey)	15.9	20.2	5.7	7.0	40	31	64	63
Asia (incl. Middle East)	6.0	3.8	1.9	1.4	19	41	11	16
Africa	2.0	2.1	0.7	8.0	18	22	4	5
Central and South America	1.4	1.8	0.6	0.8	28	50	4	9
Emerging Markets total	**25.3**	**27.9**	**8.9**	**10.0**	**33**	**33**	**83**	**93**

Apart from limiting the expected loss, limiting the exposure at default and loss at default will in future play a greater role in the limiting process.

Exposure volume in Europe declined during the course of the year thanks to improved ratings for some countries (e.g. Slovakia and Poland) and the fact that they therefore dropped out of country risk management; in fact, there was impressive growth in our exposure in Central and Eastern Europe. The rise in exposure in Asia was due to the expansion in the country limit group.

Because of the financial crisis and the global economic downswing, the risk situation is worsening in many emerging markets. The industrial nations are withdrawing liquidity and the demand for exports is falling sharply, and economic growth can be expected to slow down even further in 2009. The IMF has already put together bail-out packages for Hungary and the Ukraine, and other countries have submitted requests for help. Iceland is a good example of a developed country which has been pushed to the brink of insolvency by its extensive international banking activities.

The countries that are particularly vulnerable to contagion by the financial market crisis include those with high trade deficits, high short-term debt and low currency reserves. Countries that export minerals and agricultural commodities are facing falling export earnings. As a result, the emerging market countries are now growing at a much slower pace than expected just a few months ago. Commerzbank has reacted to these developments by reducing country limits and subjecting portfolios to a critical review.

IV. Market and funding risks

Market price risk (market risk) includes the risk of losses due to changes in market prices (interest rates, spreads, exchange rates, share prices, etc.) or in parameters that affect prices such as volatility and correlations. We also monitor market liquidity risk, which measures the time it takes to close or hedge risk positions to the extent desired.

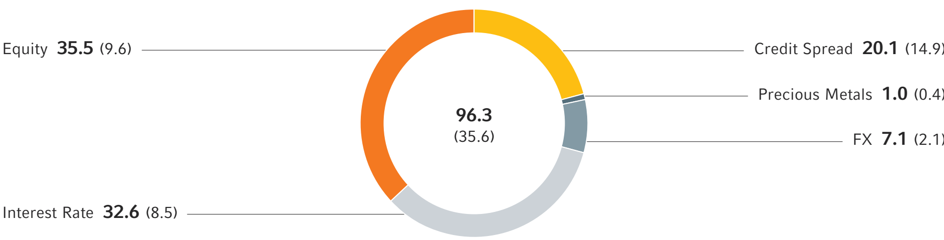
Value at risk (VaR) shows the potential losses that will not be exceeded, allowing for given degrees of probability and holding periods. In addition to the trading book risks covered by the BaFin-certified internal model (including the banking book's currency risk), Commerzbank's credit spread, equity investment and interest rate risks in the banking book are also subject to internal monitoring and limits (including sensitivity limits).

1) Market risk in the trading and banking books

Market risks in the trading book

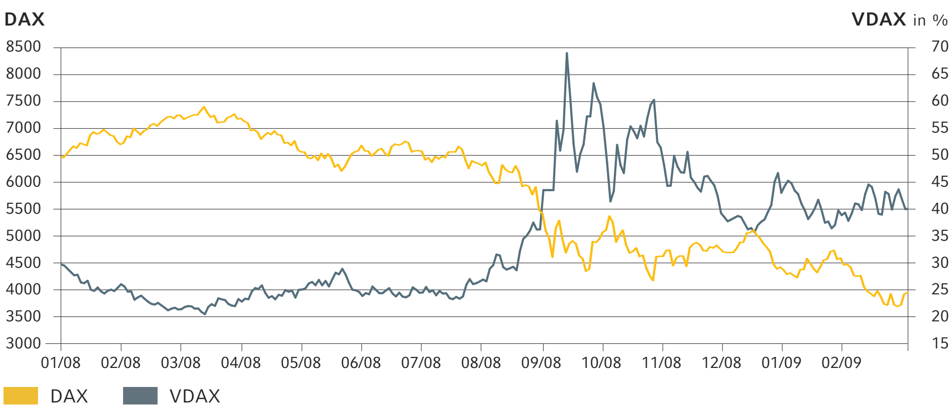
Over the course of the year, market risks in the trading book – measured at a confidence level of 99 % and a holding period of ten days – rose sharply by €60.7m to a value at risk (VaR) of €96.3m. This was caused primarily by the sharp rise in market volatility in all asset classes, and accelerated again in the 4th quarter as a result of greater uncertainty after the Lehman collapse.

Market risk in accordance with the internal model (99%, 10 days)
in € m



Values in parentheses: December 2007

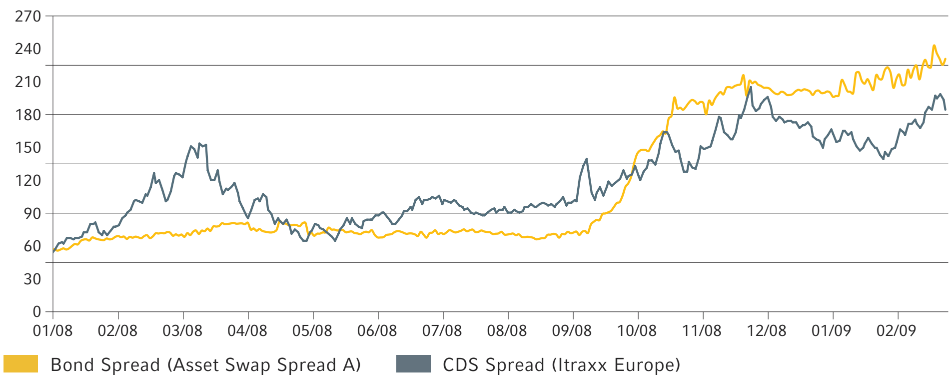
DAX and VDAX



Historic highs in volatility for equities and bonds (credit spreads) in particular resulted, which was reflected in the increase of Commerzbank's risk-relevant parameters, resulting in higher risk values for the value-at-risk calculation. Furthermore, the risk throughout December was significantly increased again through a total return swap on an equity position with Dresdner Bank. Without this position, the rise would only have been €33.5m.

For the remaining underlying positions the Bank continued its business strategy in 2008 of focusing systematically on customer-driven business in Corporates & Markets (ZCM). There were also further reductions in trading risks in the wake of the crisis, particularly in credit derivatives (by reducing CDS positions) and equity derivatives (through hedging).

Credit Spreads (Eurozone)
in bp



On the income side, this hedging in equity derivatives trading brought more good results, even in 2008's falling market. As a result, we were able to partially offset losses in declining warrant and certificate business in the fourth quarter. The Bank achieved higher than expected gross income in 2008 in interest derivatives and FX trading as well.

Credit trading suffered losses from September to December due to the massive market turbulence following the Lehman collapse. This was due to the significant widening of credit spreads and reduction in basis spreads (the difference between bond spreads and credit derivative spreads, see chart). As a result, gains on CDS hedges could not make up for the losses on the underlying bond positions. Overall, credit derivative volume was actively reduced on a gradual basis in 2008, but because of the lack of market liquidity this could not be carried out to the desired extent.

Market risks in the banking book (including equity investments)
The banking books at Commerzbank account for by far the largest exposure in terms of market risk. The key drivers are the positions of the Eurohypo and EEPK subsidiaries in Public Finance, the Treasury portfolios and the equity investments portfolio. Here too there was a significant rise in VaR caused by the very sharp rise in market volatility over 2008.

Overall, a proactive approach to risk analysis and active risk management allowed us to reduce the negative impact on the banking book positions. In the equity investments portfolio, the reduction in holdings and other hedging transactions during the year led to a significant reduction in risk despite much greater volatility on equity markets.

It was also decided to reduce the portfolio in the Public Finance sector to €100bn by the end of 2010. By the end of 2008 this was on course, with assets reduced during the year by 14 % based on nominal value (see chart). This included a total return swap portfolio on

US municipal bonds with a total volume of USD2.1bn. USD200m of this was cut in 2008, and the remaining USD1.9bn was reduced by the beginning of February 2009. Although there was a loss of some €500m on this position in 2008, a gain of around €90m should be recorded for 2009.

EaD Public Finance
in € bn

Credit Spread Sensitivities
in € m

In Treasury and ALCO, the interest rate exposure in the banking book was largely stable during the year. Group Treasury centrally manages interest risk arising from commercial business and the Group's liquidity risk. Interest rate risks also arise from the investment models which are the responsibility of the central ALCO (Asset & Liability Committee), including in particular the investment and refinancing of equity capital as well as the investment of savings and sight deposits.

Overall, market risk in the banking book increased again, mainly due to credit spreads. This was caused by the fact that the reduction in exposure, in terms of volume and maturity, was more than made up for by the increase in volatility.

However, market conditions have sustainably worsened since the stock market crash in October. Due to the lack of market liquidity for some fixed-interest instruments, we have applied a mark-to-model approach for the sub-portfolios affected. For these portfolios, we assume full repayment at maturity (they include US student loans and US municipal bonds).

Given that we expect the current difficult market environment to persist, priority must be given in 2009 to the consistent reduction or hedging of exposure in public finance and equity investments.

Risk management and limitation

Commerzbank defines its market risk limit for value at risk and stress testing at Group level in top down terms, based on economic capital required (risk-taking capability). The limits for the individual business areas and portfolios are then allocated on the basis of the achieved and expected risk/return ratio, market liquidity of assets and the relevant business strategy. The extent to which limits are utilized is reported by the independent risk control unit on a daily basis to the Board of Managing Directors and business area or department managers.

As a result of the financial crisis, the historically high market volatility led to a sharp rise in value at risk figures and consequently to limit breaches at various portfolio levels. Not least due to these limit breaches, the relevant committees decided on reduction measures to be implemented in business areas wherever possible in the current market environment, especially for the trading and banking book portfolios, which are sensitive to credit spreads.

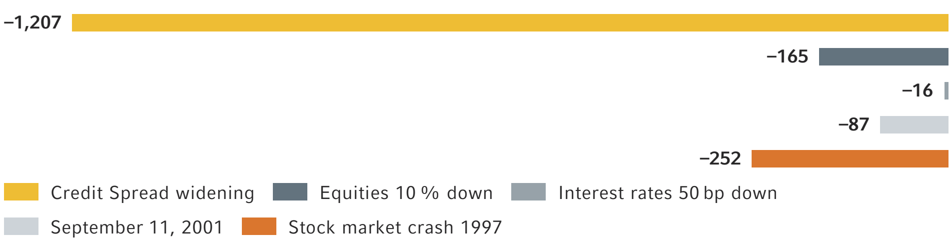
Sensitivity limits for credit spreads were also introduced for the first time in 2008. This serves in particular to limit and manage the potential NPV changes in the revaluation reserve, including the cover fund portfolios of Public Finance. Sensitivity limits restrict the change in the NPV of positions in the event of a variation in the yield or credit spread curves by 1 basis point.

Stress and scenario analyses

The financial crisis itself has highlighted the importance of adequate stress tests and scenario analyses for effective risk management. The Bank carries out comprehensive group-wide stress tests and scenario analyses as part of risk monitoring. The goal is to simulate the impact of crises, extreme market conditions and major changes in correlations and volatilities on Commerzbank's overall market risk position. The effects on the various components of comprehensive income – income statement, revaluation reserve and hidden reserves or liabilities – are also quantified. The bank-wide stress test calculation is based on a combination of historical and anticipatory (synthetic) scenarios for individual asset classes, i. e. equities, interest rates, credit spreads and currencies.

During the financial crisis, anticipatory scenarios in particular were regularly enhanced and adjusted for current market developments and expectations, including those of the Bank's economists, business areas and market risk function.

Stress and scenario analyses
in € m



2) Funding risks

Funding risk refers to the risk that Commerzbank will be unable to meet its current and future payment obligations as and when they fall due (liquidity risk).

Risk management and limitation

With the internally developed liquidity risk measurement approach, the available net liquidity (ANL) for the next twelve months is calculated on the basis of contractual and economic cash flows and compared with liquid assets. The results are then used to produce forecasts for trends in liquidity at different aggregation levels such as currencies, products or business units. The model is supplemented by comprehensive stress analyses. Given the developments in money and capital markets, liquidity management was carried out in 2008 on the basis of stress scenarios. The stress scenarios used by Commerzbank to manage liquidity were and are being adjusted to the current market situation on an anticipatory basis.

To ensure that the Commerzbank Group has sufficient liquidity, Treasury works with the central liquidity management team to carrying out stress analyses and simulations and submits flexible and timely proposals for actions and measures to secure the short, medium and long-term liquidity situation.

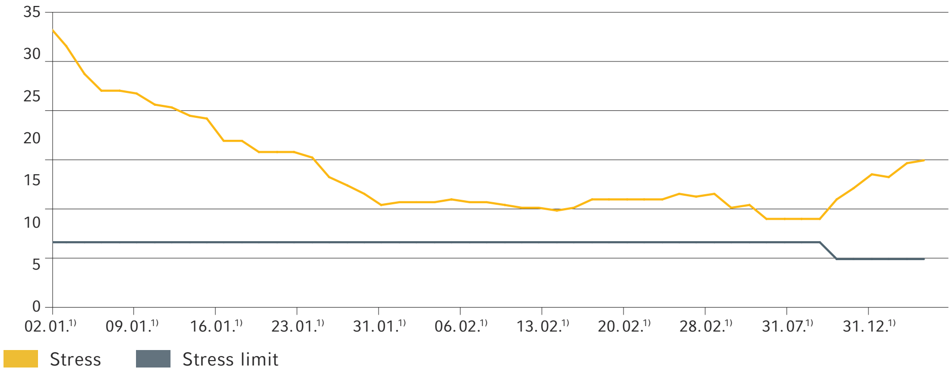
The situation on the money market, capital markets and equity repo markets has worsened considerably from the onset of the subprime crisis to the current systemic financial crisis following the bankruptcy of Lehman Brothers. Time deposits are hardly traded on the interbank market, the market for issues practically came to a standstill during the reporting period, Euribor / Eonia spreads have widened sharply, and much smaller volumes are being traded on the equity repo markets. Commerzbank took a string of measures to counteract this situation.

The inflow of customer funds, ongoing asset reductions for cash, and efforts to use assets more efficiently by delivering collateral to the ECB in order to manage the liquidity situation are already compensating for the lack of funding via long-term time deposits on the interbank market. The liquidity situation improved significantly when the Bank received the first tranche of SoFFin capital, amounting to €8.2bn, and guarantees of €15bn.

This meant that at the year end, in the 2009 stress scenario forecast liquidity available at any one time never fell below €7bn. This stress limit provides a risk buffer for guaranteeing payment transactions.

However, the coordinated approval of various rescue packages by European governments has led to the first tentative signs of a recovery.

Liquidity Forecast (ANL)*)
in €bn



*) As per: 31.12.2008
1) Year 2009

Liquidity risk model

Commerzbank's liquidity risk model has been approved as suitable in principle and ready for certification during the Phase I review by the Bundesbank on behalf of BaFin. We were advised of the final certification and thus the freedom to take advantage of the disclosure provision in the Liquidity Regulation at the end of Phase II of the review, which focused on Eurohypo. The time schedule for the certification of the model is currently being reviewed with BaFin and the Bundesbank in view of the integration of Dresdner Bank.

Other elements of liquidity management
Operating liquidity is secured by Treasury covering intraday payment commitments. The management principle in the long-term area (i. e. over one year) is the stable funding ratio, which shows the extent to which the core business and illiquid assets are financed by stable funding.

V. Special portfolios with special risk content

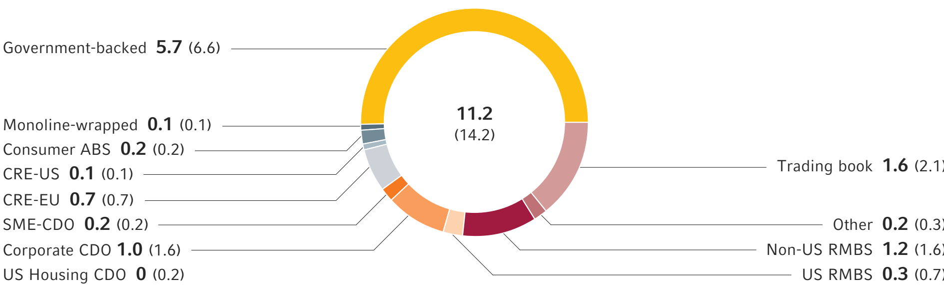
1) Secondary market ABS portfolios (including non-prime)

1.1) Investor positions
The volume of ABS credit risks in the banking book based on market values totalled €9.6bn as at December 31, 2008 (prior year: €12.1bn), with an additional €1.6bn in the trading book (prior year: €2.1bn) subject in part to a daily mark-to-market valuation. The fall is due to the disposal of assets and the repayment and expiry of commitments. The slight rise in the US dollar acted against this, causing a modest volume increase. All assets have been fully consolidated in the balance sheet of Commerzbank Group for many years and are subject to ongoing risk monitoring. The following table shows the effects on profit:

in € m	2007	Q 1 2008	Q 2 2008	Q 3 2008	Q 4 2008	Full year 2008
Impairments AfS / trading book	695	244	171	244	333	991
Loan loss provisions	82	34	19	30	18	101
Total	**777**	**278**	**190**	**274**	**351**	**1,092**

Of the €11.2bn market value, only €0.3bn (=2.7%) related to the US non-prime sector at the end of December 2008. Charges incurred in the reporting year totalled €1.5bn, of which €1.0bn were impairments, €0.1bn risk provisions and €0.4bn additional charges for the revaluation reserve.

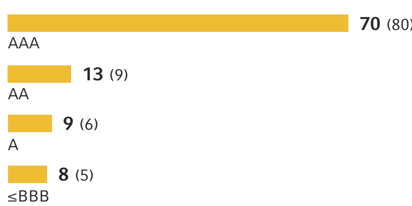
Breakdown of underlying assets by product
market values in € bn



Values in parentheses: December 2007

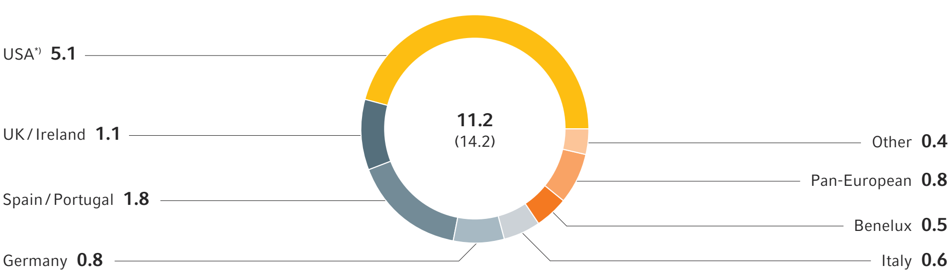
Rating structure of banking book
market values in %

Rating structure of trading book
market values in %



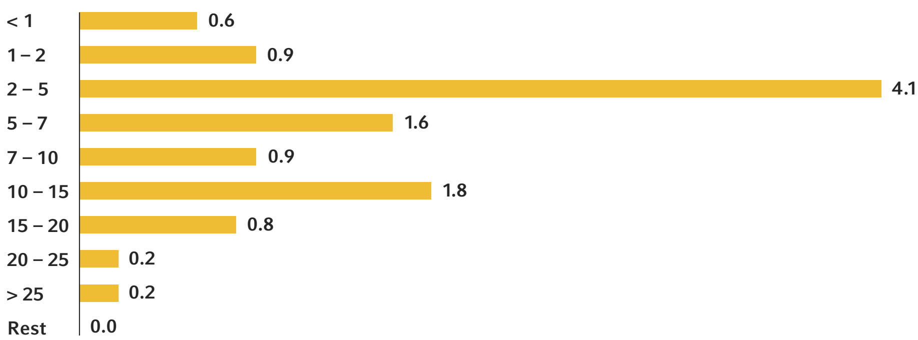
Values in parentheses: December 2007

Breakdown of underlying assets by region
market values in € bn



Values in parentheses: December 2007
*) mainly government-backed

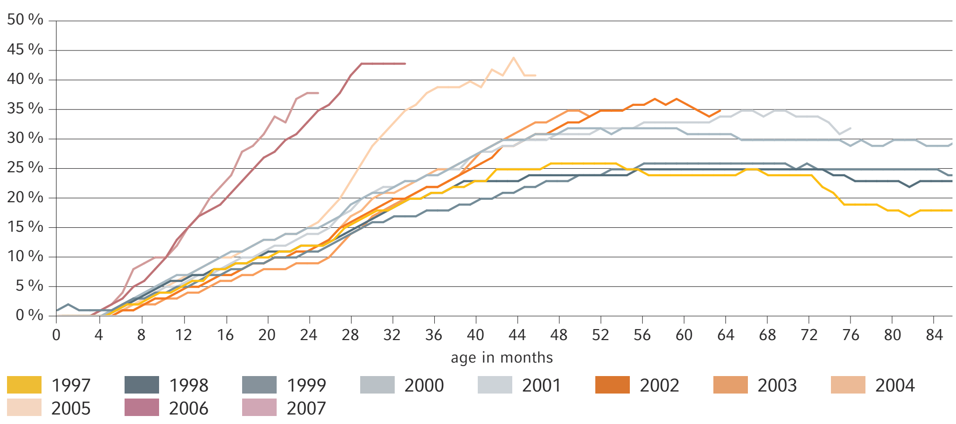
Portfolio by maturity
in years | in € bn



Detailed overview of US non-prime portfolio (including Alt-A positions)

Performance significantly deteriorated again in the year as a whole. The losses in the non-prime portfolios reported so far, particularly the critical 2006 and 2007 vintages, are already far above the level of the accumulated overall losses of earlier vintages. Assuming that the delinquencies for these vintages rise on a cumulative basis to more than 40% per portfolio and the loss severity is now more than 60% due to market price erosion, the total default rate for most portfolios must be estimated at 25% or more. Due to continued market price erosion in the real estate sector, the default rate will rise further. This is equivalent to a total loss of capital for all RMBS tranches rated AA or lower and a total loss of capital for mezzanine CDOs, including their AAA tranches (ratings based on the original ratings). For these positions the market values will probably be equal to just the interest payments.

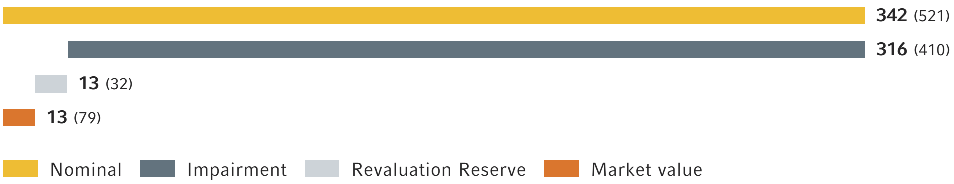
Delinquencies
60 days past due, foreclosure, real estate owned (REO)



The total volume of non-prime and Alt-A underlying assets in Commerzbank Group based on nominal values stood at €1.5bn as of December 31, 2008 (of which CDOs with non-prime / Alt-A underlying assets were €0.3bn). While the RMBS assets are held in Eurohypo and CB Europe, the CDOs are booked in the New York branch. The CDO portfolio has been largely written off. During the reporting year we also reported further significant writedowns on US non-prime / Alt-A RMBS assets, which means that currently their market value is around €0.3bn. More write-downs should be expected in 2009.

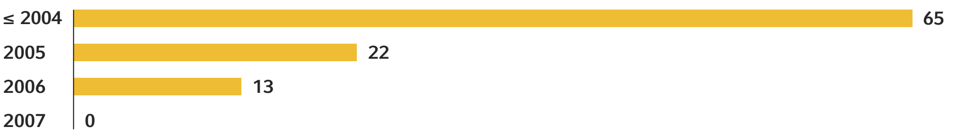
Non-prime CDO portfolio The valuation of the CDO portfolio and the defaults in the portfolio are driven primarily by the performance of the underlying RMBSs. However, since CDOs are actually securitizations of securitizations (two-storey structures) and therefore have even greater leverage, the portfolio is deteriorating – especially as regards the junior tranches. The portfolio now has a market value of only €13m. Charges comprise €316m in impairments and €13m from a change to the revaluation reserve.

Changes in market values
in € m

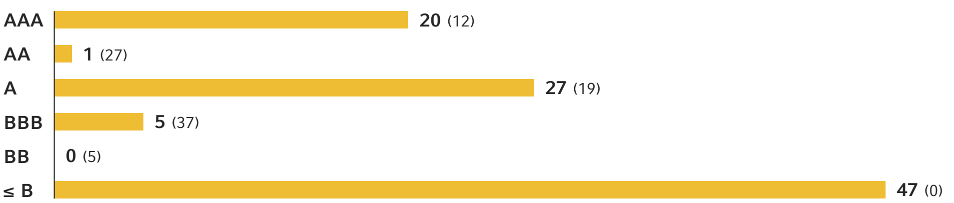


Values in parentheses: December 2007

Vintages
Based on market values | in %



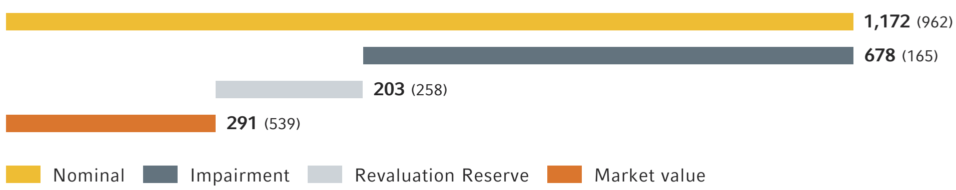
Rating structure
Based on market values, underlying RMBS | in %



Values in parentheses: December 2007

Non-prime RMBS portfolio The performance and valuation of the RMBS non-prime portfolio is a function of both premature (unscheduled) repayments and the default trends in the underlying loans. In spite of the rise in defaults having since slowed down somewhat, losses in the portfolios are rising steadily due to the rise in forced disposals by institutions. Unscheduled repayments, which were at an unusually high level for several years before the collapse, have now fallen below their historic lows, as the chances of refinancing in the US real estate market are virtually non-existent at the moment. Consequently we have written down the US non-prime RMBS portfolio with a nominal volume of €1.2bn to a residual value of €0.3bn (€0.7bn from impairments and a further €0.2bn from the revaluation reserve). Because of steadily worsening fundamental data for the US economy, we are expecting additional impairments in 2009 and market values will likely continue to decline.

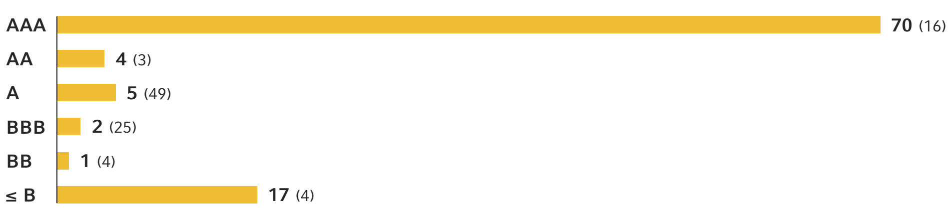
Changes in market values
in € m



Values in parentheses: December 2007

Vintages
Based on market values | in %

Rating structure
Based on market values | in %

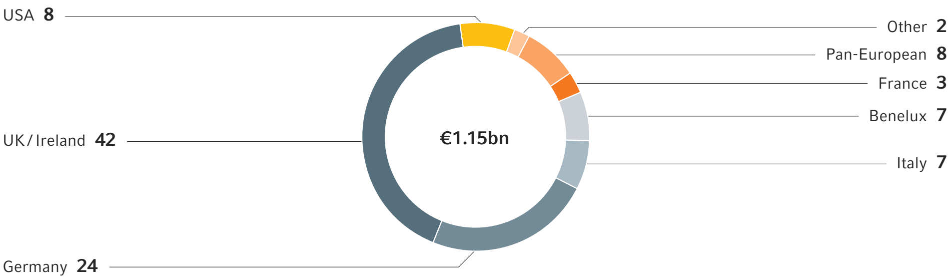


Values in parentheses: December 2007

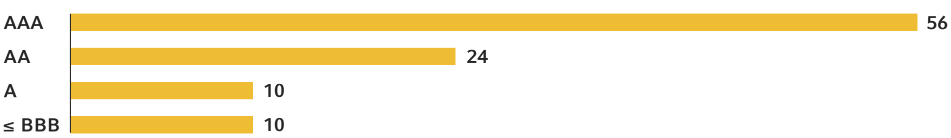
Commercial mortgage-backed securities (CMBSs)
The CMBS portfolio of Commerzbank Group had a market value of €1.15bn as of December 31 (of which €0.4bn in the trading book). In 2008 we had to take impairments in this subportfolio for the first time because of a spill over of the crisis in the US housing market,

which is now affecting the commercial real estate segment. We expect more impairments and write-downs through a charge to the revaluation reserve in 2009.

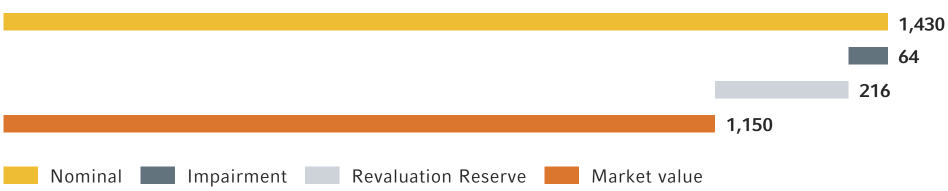
Breakdown by region
in %



Rating structure
Based on market values | in %



Changes in market values
in € m



1.2) ABS positions structured by Commerzbank

Originator positions In the last few years, Commerzbank and Eurohypo have securitized receivables totalling around €23bn (current volume: €17.5bn), largely for reasons of capital management. Just under €9.0bn still remained on our own books as of the end of December 2008. The first loss pieces of these transactions have a risk weighting of 1.250 % and are directly deducted from equity (half each from Tier I and Tier II).

			Commerzbank volume		
Securitization pool in € m	Maturity	Total volume	Senior	Mezzanine	First loss piece
Corporates	2013 – 2027	8,183	7,302	140	156
CMBS	2010 – 2084	8,628	1,250	76	18
RMBS	2048	466	1	18	0
MezzCap	2036	178	13	8	9
Total		**17,455**	**8,566**	**242**	**183**

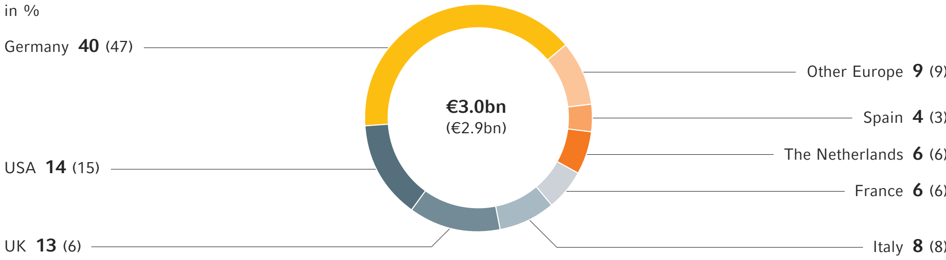
Sponsor positions Commerzbank has made liquidity lines available for its own conduits totalling €1.1bn; a total of €0.6bn had been drawn on these lines as of the reporting date. In addition, Commerzbank has purchased commercial paper totalling €292m in connection with the Kaiserplatz program. Liquidity lines for conduits of other banks total €0.2bn, but had not been drawn on as of the reporting date.

Own conduits | in € m	liquidity line	thereof drawn lines
Kaiserplatz	532	135
KP Avalon	245	244
MidCABS	223	172
Aspire	83	69
Sub-Holding-Wide-Program-Enh.	48	0
Total	**1,131**	**620**

2) Leveraged acquisition finance

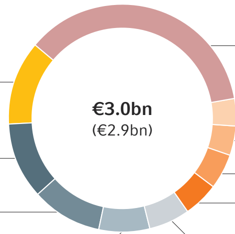
The Commerzbank LBO portfolio stood at €3.0bn as of December 2008 (only acquisition tranches, including €0.3bn assets for the CLO warehouse – this programme was discontinued at the end of September 2008) (December 2007: €2.9bn) and has a regional focus on Europe (86 %). In 2008 this well-structured portfolio (average lot size about €30m) only reported an impairment of some €11m for a single position. Our maximum portfolio limit of 1 % of the Commerzbank Group's EaD plus the portfolio guidelines that were significantly tightened in September have proved successful in the current environment. Given the market environment, proactive LBO portfolio management via the secondary market is only possible to a very limited extent at the moment, if at all.

Breakdown by region
in %



Values in parentheses: December 2007

Breakdown by sector
in %



Values in parentheses: December 2007
*) 19 other sectors with shares of < 4%

3) Financial Institutions

After the massive upheaval in the third quarter culminating in the failures of Lehman Brothers and the Icelandic banks and the nationalization of Fannie Mae, Freddie Mac and AIG, the situation for financial institutions stabilized in the fourth quarter. Despite the relentless economic pressure on financial institutions, the massive state bail-outs began to take effect, thus averting further collapses. The lessons learned from the Lehman Brothers bankruptcy helped greatly in increasing governments' willingness to provide support.

As part of our anticipatory risk management approach we examined our Financial Institutions portfolio for asset classes in danger of default as far back as 2007. The task force investigated banks with a conspicuous risk profile in the following areas: (i) subprime / ABS, (ii) real estate exposure in overheated markets, (iii) refinancing largely by way of wholesale funding, and (iv) mismatching maturities. We then adjusted our credit risk strategies to the new situation and implemented additional risk-minimizing and risk-eliminating measures.

Our countermeasures enabled us to substantially reduce the risks in the FI portfolio whenever market liquidity allowed. Our Financial Institutions portfolio has been reduced by more than €60bn since the beginning of 2007, and in the above categories in danger of default exposure was reduced by more than €5bn.

However, our plans to continue to reduce critical risk assets have been severely hampered by the illiquidity of the global capital markets since the third quarter of 2007. We have nevertheless implemented risk-minimizing measures in the portfolios we have identified as critical. In this difficult situation, the following risk-mitigating measures have helped to improve our risk profile:

- Strengthening collateral agreements with daily margining,
- Shortening maturities,
- Stricter documentation,
- Risk-adequate pricing,
- (Portfolio) hedges.

In spite of the early identification and reduction of critical parts of the portfolio, we were unable to avoid being affected by the failures of Lehman Brothers, Washington Mutual and the division of Icelandic banks into "Good and Bad Banks." The early implementation of countermeasures meant that we successfully managed to halve our Iceland portfolio since 2006, but the risks could not be eliminated entirely when markets became more difficult. In the case of Lehman Brothers we were also encouraged by the US Treasury Department's rescue of Bear Stearns and for too long shared the market's mistaken belief that Lehman was "too big to fail."

Another burden which we did not expect to be quite so heavy was the severe market turbulence experienced during the re-hedging process and realization of collateral for the positions affected by Lehman's failure. During our subsequent analysis of the situation and the lessons learned we redefined the risk parameters for bulk risks and risk correlations that apply to our main trading partners.

The EaD of the Financial Institutions portfolio as of December 31, 2008 stood at €144bn (September 30: €140bn). The rise in EaD was mainly attributable to special effects (the Hypo Real Estate (HRE) support package plus an increased willingness to grant loans to our subsidiaries). Without these effects, EaD would have fallen substantially. The risks come from banks, investment banks, insurance companies and (hedge) funds:

	Exposure at Default in € bn	Expected Loss in € m
Banks	115	68
NBFI	27	28
Insurances	2	<1
Total	**144**	**97**

Breakdown by rating class as of December 31, 2008:

PD Rating	Exposure at Default in € bn	Expected Loss in € m	CVaR in € m
1.0 – 1.8	98	5	64
2.0 – 2.8	29	22	156
3.0 – 3.8	13	26	159
4.0 – 4.8	2	18	100
> 4.8	2	26	37
Total	**144**	**97**	**516**

The portfolio is dominated by investments by our mortgage subsidiaries in bonds from issuers with a good credit rating, counterparty risks arising from trading transactions, and commercial real estate financing, mainly secured through land charges, for funds managed by banks. Collateral agreements are used for proactive risk management of derivatives business, and the portfolio's level of coverage by these instruments is being continuously increased as part of our active exposure management approach.

Breakdown by region as of December 31, 2008:

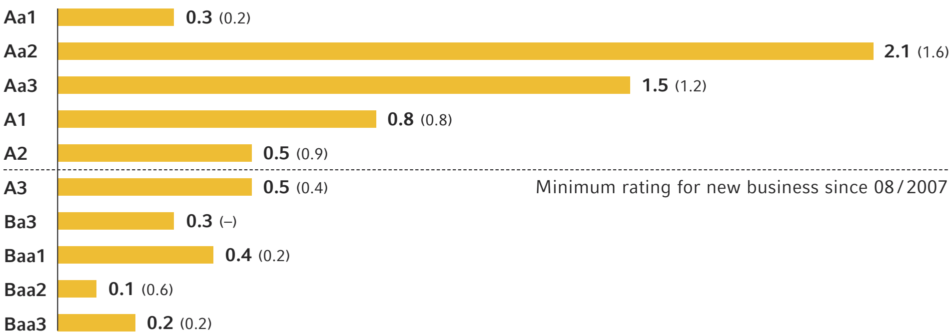
	Exposure at Default in € bn	Expected Loss in € m	CVaR in € m
Africa	2	4	15
Asia / Pacific	10	19	66
Germany	52	13	115
North America	14	7	40
Eastern Europe	7	17	90
Scandinavia	3	1	8
Central and South America	1	4	16
Western Europe	55	32	166
Total	**144**	**97**	**516**

A large component of this business consists of OECD countries with good ratings. The proportion of emerging market regions is primarily the result of processing foreign trade of German Mittelstand companies. The current bank rating system is being reviewed in the light of the lessons learned from the financial market crisis and will be redefined to enable an even more accurate selection of risk.

4) North American municipal bonds

Public Finance has securities investments in the banking book guaranteed by monoline insurers worth approximately €6.6bn (12 / 2007: €6.2bn). The rise was attributable to exchange rate fluctuations. Due to our selective portfolio choices, the underlying ratings (excluding monoliner guarantees) are primarily rated A or better. We have again carefully analyzed the underlying assets, and in the case of the municipal bonds we still do not see any need for impairment as the credit quality is good.

Exposure by underlying rating
in € bn



Values in parentheses: December 2007

5) CDS portfolio

The nominal volume traded on CDS markets rose to more than USD 62,000bn by the end of 2007. As a result of the financial crisis, this volume had fallen by end of June 2008 to almost USD 55,000bn. Since the nominal volumes of CDS transactions by our Bank were kept at a constant €160bn during the past few years, our market share has fallen from around 3% in 2004 to less than 0.5%, which underlines our conservative approach to these markets.

To reduce the systematic risk that derives from counterparty risk in credit derivatives, the financial industry is working hard to establish central clearing houses. These initiatives are quite advanced, particularly in North America. The plans are also making good progress in Europe. In October last year, the EU Commission launched an initiative for introducing new regulations for the derivatives market. The European banking industry and Commerzbank expressly support the establishment of central clearing houses for CDSs.

Counterparty and underlying credit quality

The chart shows our CDS long positions as a combination of counterparty and underlying risk. The greatest risk arises when both risks are sub-investment grade; our share here rose only marginally to 1.8 %, due to rating migrations.

in %	Counterparty		
Underlying	**Investment Grade**	**Sub Investment Grade**	**Total**
Investment Grade	77.3	6.7	84.0
Sub Investment Grade	14.2	1.8	16.0
Total	91.5	8.5	100.0

VI. Operational and other risks

1) Operational risk

Operational risk is defined in the Solvency Regulations (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; it does not cover reputational risks or strategic risks.

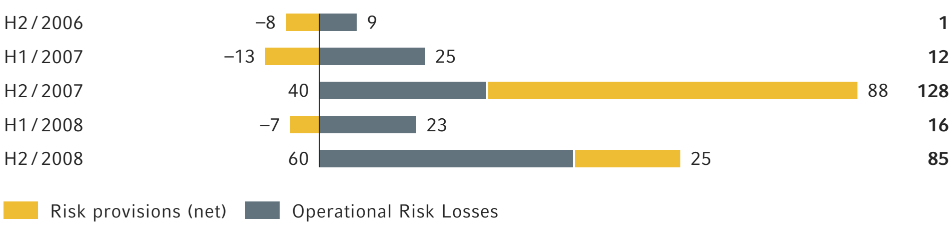
Key trends in 2008

The financial industry's experiences of OpRisk events in the reporting year showed that significant losses due to weaknesses in control processes, an inadequate management overview or fraudulent activities are much more likely to occur in periods of extreme market volatility. We therefore focused on monitoring and continually improving control processes in investment banking and implemented measures to limit the constant residual risk of human error or fraudulent actions. This involved, for example, implementing measures as part of IT security, for the reconciliation process of business confirmations and for monitoring trader portfolios. Activities still outstanding are being implemented for the new Commerzbank's target structure as part of the Dresdner Bank integration.

We also continually upgraded the internal models and methods used to manage operational risk. Another area of focus was implementation of the MaRisk requirements for bank outsourcing and inclusion of outsourced activities into Commerzbank's risk control process.

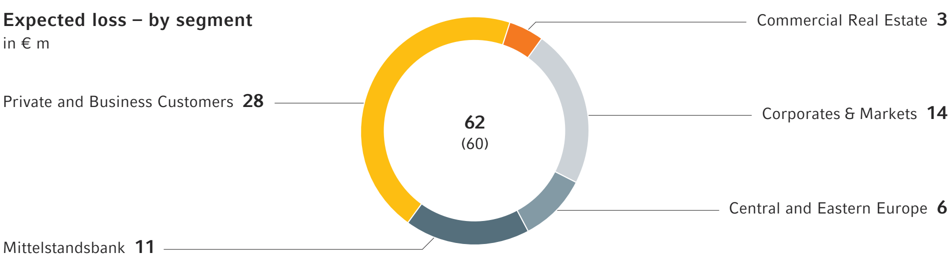
OpRisk losses of €83m were reported in 2008 (2007: €65m), and in addition the provisions for operational risk and ongoing litigation had to be increased by €18m (2007: €75m). The positive trend of losses for the first nine months ended in the fourth quarter, including in particular a €31m loss from the settlement of a trading position with disputed agreements. Nonetheless, the total charge arising from operational risk of €101m was significantly less than the prior year figure (2007: €140m).

Operational Risk Losses
in € m



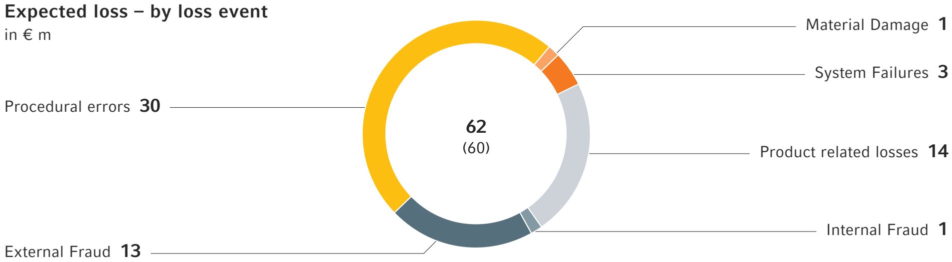
The increased operational risk losses also had an impact on the expected loss, which increased accordingly from €60m in 2007 to €62m in 2008.

Expected loss – by segment
in € m



Values in parentheses: December 2007

Expected loss – by loss event
in € m



Values in parentheses: December 2007

The regulatory capital backing for operational risk according to the advanced measurement approach (AMA) was €760m in 2008. Of this amount, Corporates and Markets, Mittelstandsbank and Private and Business Customers accounted for about 80 %, an amount that has been relatively stable over time. Loss data provided by the Operational Risk Data eXchange Association (ORX), which we regularly use for benchmarking analyses, show comparable risk profiles.

Risk management and limitation

Limiting operational risks differs systematically from limiting market and credit risk, since the portfolio is not made up of individual clients or positions but internal processes. Possibilities for transferring risk via the traditional insurance market are currently available to only a limited degree, and measures to be taken when limits are exceeded are therefore only effective after a certain time lag. The focus for this type of risk must therefore be more on anticipatory management by the segments and cross-divisional units.

The following measures were defined as qualitative goals to further optimize the OpRisk profile in Commerzbank Group:

- Improving the scoring for qualitative OpRisk components of the bonus-and-penalty model and thereby reducing capital adequacy requirement.
- Implementing new governance structures to support proactive risk management in the segments.

Risk-strategic areas were defined in our operational risk strategy for 2009. These included:

- Greater analysis of OpRisk in connection with the financial crisis
- Operational risk in connection with the integration of Dresdner Bank
- Upgrading the OpRisk early warning system
- Analysis and management of risks from product liability

Outsourcing

In 2007 Commerzbank strengthened measures for controlling its outsourcing activities. The revised version of MaRisk that was issued on October 30, 2007 requires banks to carry out risk assessments of their outsourcing arrangements. Banks must form their own view on the materiality of outsourcing measures. Implementing these new requirements was the focus of our efforts in 2008. To this end, an IT-supported application for continuous monitoring of outsourcing-specific risks was implemented as part of a project.

Legal risk

Legal risks are included in operational risk modelling. Management of the Commerzbank Group's legal risks on a worldwide basis is handled by Legal Services (ZRA). The main function of ZRA is to recognize potential losses from legal risks at an early stage, devise solutions for reducing, restricting or avoiding such risks and create the necessary provisions. In the area of legal risk, increasing product complexity has led to an increase in potential losses.

Deposit insurance fund

Commerzbank is a member of the deposit insurance fund of the German Banking Association. Special contributions to this compensation scheme cannot be ruled out at the present time in view of a large loss in 2008.

2) Business risk

Business risk covers the risk of losses due to the negative deviation of income (essentially commissions) and expenses from the budgeted figures and is therefore primarily impacted by basic conditions in market environment, customer behaviour or technological development that have changed relative to the assumptions made for planning purposes.

Business risk is managed by means of clear targets for specific business areas as regards returns as well as cost/income ratios and continuously flexible cost management in the event of non-performance.

3) Other risks

MaRisk requires a holistic view of risk in order to meet the Pillar 2 requirements of the new Basel framework, and hence requires that unquantifiable risk categories which are subject to qualitative management and controlling processes must be also be taken into consideration.

Personnel risks

As in MaRisk, Commerzbank defines four categories of personnel risks:

- Aptitude risk: employees and those standing in for them must have the required knowledge and experience appropriate to their duties, authority and responsibilities. Appropriate training and continuing education programs must be offered to ensure that the level of employee qualifications keeps pace with the current state of development.
- Motivation risk: pay and incentive systems must be designed so that they do not lead to conflicts of interest or inappropriate incentives, especially in the case of senior managers.
- Departure risk: the company must ensure that the absence or departure of employees will not result in long-term disruptions to operations. The criteria governing appointments to managerial staff positions in particular must be defined.
- Bottleneck risk: the quantitative and qualitative staffing of the Bank must be based on internal operating requirements, business activities, strategy and the risk situation.

Strategic risk

Strategic risk is the risk of negative impacts on the achievement of Commerzbank's strategic goals as the result of changes in the market and competitive environment, capital market requirements, regulations or politics, inadequate implementation of Group strategy or inconsistent development of segments and business areas.

Responsibility for strategic corporate management lies with the Board of Managing Directors, which is supported by Strategy and Controlling (ZKE) for strategic issues. Some business policy decisions (acquisition and disposal of equity holdings exceeding 1% of equity) also require the approval of the Risk Committee of the Supervisory Board. In addition, all major investments are subject to careful review by the Investment Resources Allocation Committee (IRC). On the basis of ongoing observation of the market and competitive environment, both German and international, and of the requirements imposed by the regulatory authorities and the capital markets, key changes and developments are continuously analyzed to determine the action that needs to be taken to ensure long-term corporate success.

Reputational risk

We define reputational risk as the risk of losses, falling revenues or reduced corporate value due to business events that erode the confidence of the public, clients, 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 risks arising from their particular activity. Reputational risks may also stem from other types of risk and even intensify those risks. The responsibility of Group Communications (ZKK) for controlling reputational risk ensures that Commerzbank will be 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 environmental and social risks. Major credit decisions are voted on individually with regard to reputational risk. These votes may result in transactions being declined.

Compliance risk

The success of Commerzbank Group depends largely on the trust and confidence of our clients, our present and future shareholders, our staff and the public in the capacity and potential and especially the integrity of our group. This confidence is based particularly on compliance with applicable statutory, regulatory and internal regulations and conformity with customary market standards and codes of conduct in the global business activities of the Group. The Board of Managing Directors has primary responsibility for compliance and has assigned the function to Group Compliance (ZGC). The goal is to identify early on any compliance risks that could call into question the integrity and therefore the success of Commerzbank Group, to prevent such risks if possible, and control them or resolve them properly in the interest of those involved.

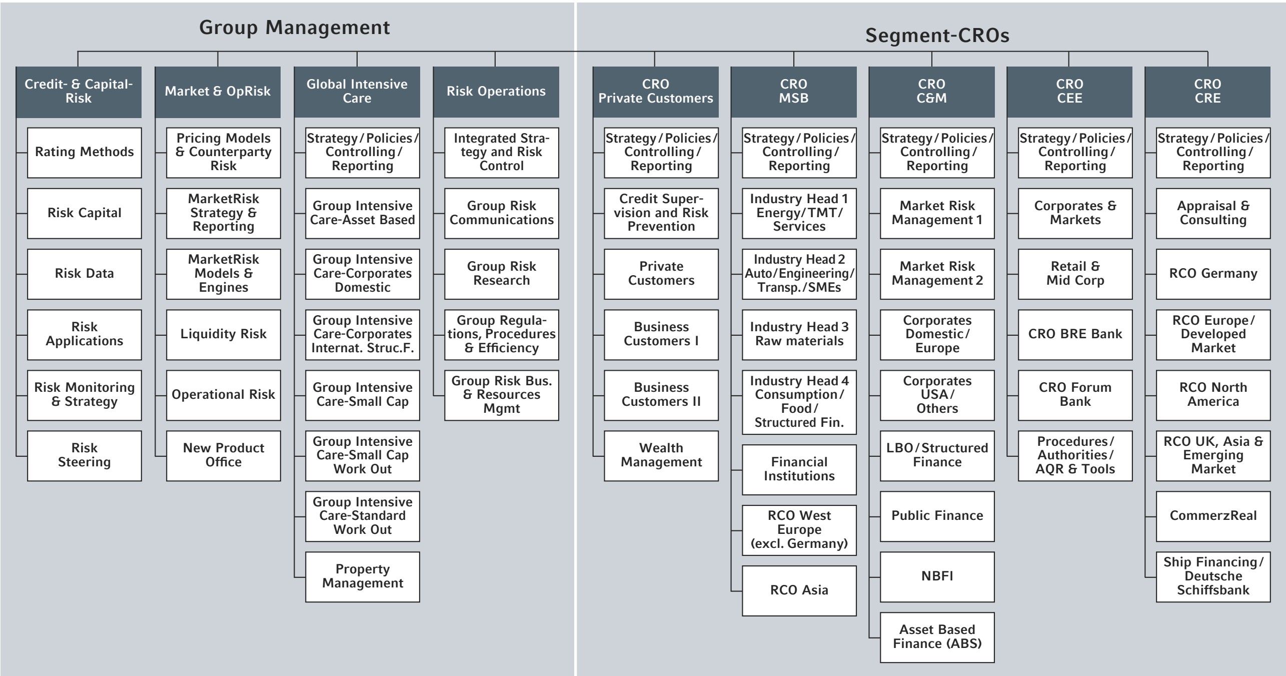
VII. Summary outlook for the new Commerzbank

Restructuring the risk function / risk integration project

The new Commerzbank attaches great importance to a resilient business model and strong risk management procedures. It follows a consistent derisking strategy and will strengthen its risk management process during the restructuring phase. The risk function is spread across nine areas, of which five will carry out this function for the CRO segment and accept responsibility for all quantifiable risks in this segment.

Of the four Corporate Center risk functions, one handles credit risks, while another takes charge of the market and operational risks of the Commerzbank Group; these two teams ensure that the Group applies uniform methods and controlling procedures. Another Corporate Center function is responsible for intensive care management and workouts for all segments. Risk Operations oversees all the Group's risk functions. It implements a uniform risk strategy, carries out macroeconomic risk research, ensures uniform target group-focused use of language in all internal and external risk reports, puts forward proposals for more efficient and cost-effective processes, monitors the budgets, takes charge of cross-segment staff training and qualification, and coordinates all these measures with the banking supervisory authority.

All nine risk functions are headed by the CRO and the Risk Management Board, who is responsible for timely reporting, cost-efficient and proactive risk controlling and management, a uniform risk culture and compliance with all regulatory provisions.



By merging the methods, models, competencies and the risk strategies for the homogenous sub-portfolios of the new Commerzbank, we are well on our way in our preparations for integration. We are aware that the integration of Dresdner Bank into the new Commerzbank presents an enormous challenge for the risk management functions, particularly the downsizing of the portfolios of ABSs / conduits, leverage acquisition finance and CDSs, which have grown considerably due to the incorporation of Dresdner Bank. However, we are well equipped to master these challenges with strength and can rely on a motivated and effective team made up of staff from both banks.

Risk-taking capability

In 2008 we fundamentally reviewed and enhanced our existing economic credit risk capital model. The new Merton model that we began using in January 2009 has led to a much higher CVaR in the Group. We had previously reflected this long-anticipated development through tougher stress scenarios. Significant features of the new model are:

- Improved, more conservative modelling of correlations and bulk risks
- A risk factor model specially designed for the new Commerzbank portfolio
- A module with loss waterfall simulation for structured products.

With the introduction of this new credit risk model we also had to change our risk-taking capability approach to an assessment of economic and regulatory risk weighted assets (RWA). In future, the key reference for analyzing risk-taking capability will be solely the regulatory definition of capital, for both economic and regulatory capital purposes. This will give us a conceptual comparability that is lacking when using a different economic definition of capital available to cover risk. Comparing the RWA with available capital produces regulatory and economic core capital and capital adequacy ratios that also reflect the application of economic stress scenarios. The capital buffer comprises the existing excess cover of the capital requirement under Basel II and the economic capital model. Regulatory and economic management measures are largely harmonized through the new risk-taking capability approach.

We expect the economic conditions to significantly strengthen the procyclical effect of Basel II in 2009 and 2010. This means that the initial savings arising from the Basel II changeover should be fully absorbed, and we do not rule out the possibility of the progressive approach coming under further pressure, even compared to less sophisticated ones. Overall, we consider that an RWA rise of 10 – 20 % would be realistic for the new Commerzbank. In view of this, we are in close exchange with regulators at national and international level to avoid economic trends being intensified as a result of regulation.

Further developments in the management of default risks

Another important pre-requisite for creating a consistent risk management process as quickly as possible in the new Commerzbank is to harmonize our rating platform in such a way that there is just one procedure throughout the Group for every asset class. To do this, all selection decisions have already been taken and the basic procedure agreed with BaFin. The projected plans, including recalibration on common data histories, should be implemented by the end of 2009. Full IT implementation is scheduled to be completed by the end of 2010.

Portfolio	Target Rating method derived from existing rating method
Private customers, freelancers, companies without financial statement	Commerzbank
companies with financial statement	Commerzbank
NBFI	Dresdner Bank
Banks	Enhancement based on Dresdner Bank method with some features of Commerzbank Ratings
Souvereigns	Dresdner Bank
Local authorities	Commerzbank
Commercial Real Estate	Commerzbank
Ship Financing	Deutsche Schiffsbank
Project Finance, Renewable Energies, Leveraged Finance, Infrastructure	Commerzbank
Transfer risk	Dresdner Bank
ABS	Dresdner Bank

In view of the current crisis, a number of procedures have been fundamentally revised as part of this consolidation (e.g. bank ratings). The focus is also on the closer integration of early warning indicators and market data into rating systems. In particular, this means ensuring that future estimates given by our experts (based on the credit analysis of individual cases) are incorporated into the rating result with a sufficient weighting, in addition to available quantitative information (e.g. annual financial statements, account management etc.).

Commerzbank's master scale will be used in Dresdner Bank from 2009, even before the merger. The harmonization of rating nomenclature is a key condition for the integration and establishment of a consistent policy framework.

We will also retain the previous methodical basis of the EL limit at Group and segmental level in 2009. However, extreme market trends and much greater equity capital expectations from external market participants, investors and rating agencies will also be included when the Board of Managing Directors determines the final EL. With a view to the transfer of Dresdner Bank's portfolios into the new Commerzbank, we have decided to wait until the database is standardized before determining the firmly defined EL limit, as we will then have a uniform controlling platform.

Bulk risk limitation and monitoring will be even more important for the new Commerzbank following the integration of Dresdner Bank. We have fundamentally revised the bulk definition for 2009 and adjusted it to the new balance sheet ratios because of the introduction of the new portfolio model, the newly defined risk-taking capability concept and the new Commerzbank portfolio composition. We have also defined upper limits which clearly govern the maximum amounts not to be exceeded for lending limits, uncovered risk and CVaR for individual commitments.

Banks

The impact of the financial market crisis and the worldwide downturn in financial institutions' income and capital position intensified in the fourth quarter of 2008 and will have a significant negative effect on their financial situation in 2009. However, the bank rescue packages and firm commitment shown by the governments and central banks of the industrialized nations to support the financial system have helped ease the situation in the developed markets. We therefore do not expect any further defaults by large market players important to the stability of the system, but further defaults and restructuring are likely with smaller financial institutions. Aside from the direct financial impact of the crisis, the questions surrounding business models that have been in place for a long time encourage us to continue steadily with our policy of reducing risk in accordance with risk/return principles.

Banks in emerging markets, especially local ones, are most at risk of default. Particular pressure is expected to come here in 2009 from a high need to refinance external funding, the recession spilling over into the emerging markets and the impact of currency depreciation in various countries. While countries rich in commodities such as Russia were able to accumulate foreign currency reserves in the boom period and are willing to use these funds to prop up their banking systems, we believe that the situation is critical for banks in countries that do not have this option and are burdened by high budget and current account deficits. This is confirmed by the current crisis in Ukraine.

However, prolonged low commodity prices will also increase default risk in countries that previously had good crisis management, so that we also see greater risk potential there during the year.

For the past few months we have already proactively been reducing our risks in selected emerging markets, and we will continue with this strategy. Generally speaking, our business in emerging markets focuses on low-risk commercial bank-to-bank transactions to promote the import/export activities of our corporate customers.

Non-bank financial institutions

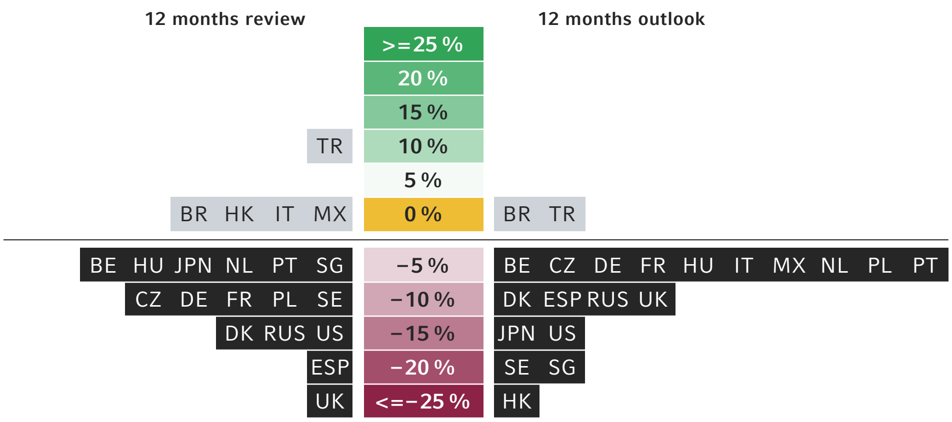
Our insurance portfolio, which was small owing to our strict portfolio selection, has grown considerably through the addition of Dresdner Bank and favours developed markets. We assume that insurance companies are also likely to benefit from the positive effects of the support given to financial markets in the industrialized countries. But smaller insurance companies and niche providers could be quickly deprived of their business foundations if there is a serious dip in profits. We are in particular keeping a critical eye on the effects of the financial crisis on insurance companies' investment portfolios.

The hedge fund industry will also remain under pressure in 2009. Negative factors such as weak performance, limited access to liquidity and high investor redemptions will force the liquidation of more funds during the year. This will not just be limited to small funds; after the Madoff scandal, the overall sector's image has been tarnished even more. There has been no shock to the system yet from these negative developments, as was feared, but this could definitely still occur, as the liquidation of collateral and positions could create a downward spiral with a momentum of its own. Our hedge fund portfolio, including Dresdner Bank, is straightforward, generally well secured, widely diversified and based on funds of funds, so we do not expect any exceptional charges in this area.

Commercial Real Estate

The real estate markets have deteriorated even more sharply with the worsening of the financial market crisis and the recessionary growth prospects for the world's large economies, and this is expected to continue until 2010/2011. Global investment activity practically came to a standstill at the end of 2008. Market values are continuing to fall, driven by rising yields and falling rents. Having slumped in the past twelve months, market

Changes in market values



values are expected to fall by up to another 30 % in the forthcoming year (Spain and UK –10 %, USA –15 %). In the three critical markets, we therefore expect more covenant breaches, and LTVs and ICRs to continue deteriorating. In spite of the quality of the properties in our portfolio and the risk reducing measures that have already been implemented, we expect the number of sub-standard and problem loans to increase further, particularly abroad. However, we believe that our many years of experience in finding workout solutions gives us a competitive edge in coping with the impact of the financial market crisis on the real estate markets.

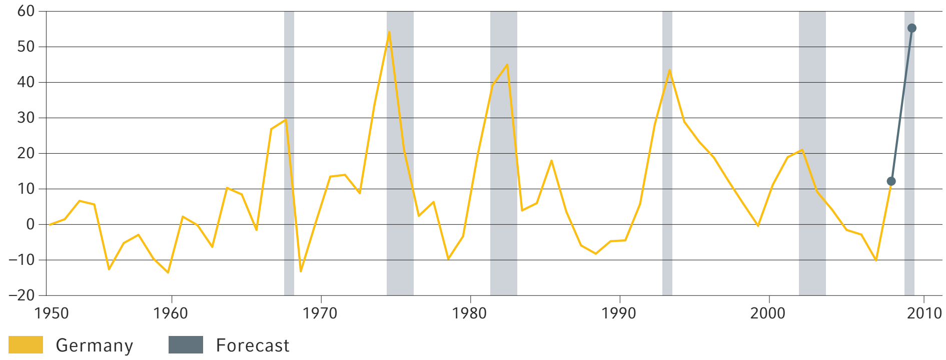
Shipping

The acquisition of Dresdner Bank means that Commerzbank and Dresdner Bank together own 80 % of Deutsche Schiffsbank. The portfolios of all three banks together show a total EaD volume of some €26bn. The portfolio in the new Commerzbank's ship finance segment is regularly reviewed in the quarterly risk report. An analysis of all commitments has taken place. Every individual ship financing package was classified for its risk content by means of a traffic light system, with a focus on weaker elements of the portfolios. Since mid-2008, there has been a significant decline in ship values and charter rates, mainly in the bulk goods and container carrier markets. Continuing over-capacity from ship deliveries as a result of high order book levels has also been a contributory factor, in addition to general world economic developments. As a result, we believe there will be numerous restructurings and increasing defaults.

Corporates

As various analyses have recently shown, the trend in corporate insolvencies has reversed, in that they went up again for the first time in 2008. As the effects of the financial crisis on the real economy are expected to intensify in 2009, the supply of capital for corporates will become more difficult, and as a result the number of insolvencies will rise. Based on past experience, our economists are predicting a rise of around 50 %. Taking credit spread trends of the sub-investment grade as a starting point, the default rate in the next two years in this sector could even reach double-digit figures.

Insolvencies



Change in relation to the previous year in %. Shaded areas mark recessions.

ABS / Conduits / LAF

The new Commerzbank's ABS and LAF portfolio represents the greatest challenge for limiting charges against earnings. For this reason, responsibility for this portfolio in the Corporates & Markets segment was bundled together with other portfolio sections from Public Finance into a Divisional Restructuring Unit (DRU). We will keep a close eye on these toxic portfolios.

	Dec 08			Dec 08	
in € bn	Notional	Market value		Notional	Market value
Commerzbank			**Dresdner Bank**		
CDO of ABS & RMBS (thereof US-Non Prime)	3,6 (1,5)	2,1 (0,3)	CDO of ABS & RMBS (thereof US-Non Prime)	6,1 (5,6)	2,9 (2,6)
Conduits	1,1	1,1	Conduits	10,0	10,0
Leveraged Acquisition Finance	3,0	3,0	Leveraged Acquisition Finance	7,6	7,6
Gov. wrapped Student Loans/ABS	5,9	5,7	Monoline hedges and non-monoline hedges	13,7	10,3
Corporate CDO	1,6	1,0	SIV „K2“	4,7	4,7
CMBS/ CRE CDO	1,4	1,2	Other ABS incl. term structures	3,9	3,2
Other	1,6	1,4	CIRC	1,1	1,2
Total Commerzbank	**18,2**	**15,5**	**Total Dresdner Bank**	**47,1**	**39,9**

Market risk

As part of the integration, Commerzbank will be changing over its market risk analysis by the end of 2009 to Dresdner Bank's internal model, also approved by BaFin, known as the delta gamma model.

The Basel II requirements on the incremental risk charge which come into force from 2011 will also be implemented at the same time. We are continuing to model the default and migration risk (credit quality deterioration) of trading positions based on the project launched by Commerzbank in 2008. This involves incorporating the newly defined regulatory requirements (such as eliminating rules for securitizations, and changes in equity prices) which will be implemented in a solution for the new Commerzbank as part of the integration process.

From the market perspective, credit spreads for Commerzbank's positions are still expected to be the main negative factor in 2009, for which developments in Southern and Eastern Europe in particular will be crucial. While in Southern Europe sharply rising government borrowing will place a sustained burden on budgets as a result of government bail-out and stimulus packages and drive up refinancing costs, and therefore the yield premiums for countries such as Italy, Spain, Greece and Portugal, the problems in Eastern Europe are low energy prices, weaker demand from Western Europe and partially home-grown economic or political difficulties. Furthermore, Dresdner Bank's ABS portfolio which has since been consolidated in a special restructuring area, will create additional charges when it is reduced.

Operational risks

We expect charges, including legal risks, to stay high in 2009. Firstly, we anticipate an increasingly difficult environment due to the current financial market crisis and economic recession which, judging by experience, can lead to a rise in actions against the Bank and to a greater likelihood of fraudulent activity. Equally, charges will rise, albeit temporarily, through the acquisition of Dresdner Bank, until both banks' business processes and IT systems have been fully consolidated.

We began harmonizing the Dresdner Bank and Commerzbank advanced measurement and management approach to operational risk at the end of the reporting year. We will continue to use the principles of Commerzbank's existing model and take account of findings from Dresdner Bank's scenario approach. We assume that the transfer to a standardized methodological management concept will be completed during 2009.

IIF Principles of Conduct and Best Practice Recommendations

We take very seriously our share of the responsibility for ensuring that the financial market works well. As such, we welcome the fact that under pressure from the financial market crisis, the Institute of International Finance (IIF) drew up a package of Principles of Conduct in July 2008, which represent a general and binding code of conduct for IIF members, including Commerzbank and Eurohypo, in six areas (risk management, compensation, liquidity, valuation, securitization, disclosure). This code is formalized through Best Practice Recommendations which members are urgently advised to implement, taking account of their structure and business model. The aim of these measures is to avoid in the future the errors that have led to the current financial market crisis.

Together with our auditors, we carried out a gap analysis and checked internal regulations to see which areas of Commerzbank Group require action to comply with the IIF code of conduct and recommendations. In doing so, we also incorporated the requirements of the Counterparty Risk Management Policy Group (the Corrigan report).

The result of the gap analysis showed that the Commerzbank Group already meets most of the requirements. Those which it does not have been consolidated into areas for action and measures drafted to ensure compliance. These are expected to be implemented by the end of 2009.

Future financial market regulation

The international regulation initiatives that began in the wake of the financial market crisis will be continued in 2009. In this regard, the collapse of Lehman Brothers has created a stronger dynamic.

The Basel Committee for Banking Supervision is currently improving identified weaknesses in the Basel framework. Apart from aspects of all three pillars, this includes a stronger capital adequacy requirement for resecuritizations, liquidity lines to conduits, and risks in the trading book compared to the banking book (incremental risk charge). There will be additional burdens on banks, particularly in terms of regulatory market risk measurement.

The Capital Requirements Directive is also being revised at the same time at European level. The changes include in particular securitization, large exposure, transparency and core capital regulations and the Consolidating Supervisor (cooperation between European supervisors).

The 2008 recommendations of the Financial Stability Forum are also of major importance. Germany has undertaken to implement them nationally. The first step involves the amendments to the Minimum Requirements for Risk Management (MaRisk) published for consultation in February 2009. These relate to areas such as stress tests, concentration risks, risk management at Group level, trading transactions, valuation of illiquid positions, liquidity risk management, appropriate involvement of the supervisory body and remuneration systems.

Commerzbank welcomes all regulatory measures that help increase the stability of the financial system, and sees these as complementing its own efforts as described here for effective risk management.

Charges against earnings

For 2009 it is important to note that economic developments and therefore the outlook should be seen as very critical for credit risk provisions in Central and Eastern Europe and in Commercial Real Estate (including the shipping portfolio) and more critical than previously in the Mittelstandsbank. Nonetheless, we expect risk provisions to be slightly below 2008 levels, despite large structural shifts at the new Commerzbank, as we no longer anticipate large financial institutions incurring comparable charges. That said, downside scenarios in the insecure and extremely volatile environment are highly likely to occur; we should not exclude the possibility therefore of risk provisions rising considerably for the new Commerzbank, particularly if significant bulk or event risks occur.

We need to harmonize the methods of determining risk provisions following the integration of Dresdner Bank. For example, uniform LIP factors throughout the Group are being introduced to determine the general loan loss provision, which could result in increases because of the changeover.

In terms of impairment charges arising from available-for-sale holdings and defaults in the trading book, we currently assume that we reached the peak for the new Commerzbank in 2008. We are expecting a large reduction for this area in 2009 under our realistic-case scenario.

In the revaluation reserve, charges against the new Commerzbank's capital base should be well below the €4.6bn total for 2008.

Net risk provisions

For net risk provisions, there will be significant portfolio shifts in addition to a moderate fall. We expect a rise in the Private and Business Customers segment, largely due to adjustments in method and a significant decline in amounts received on claims written off at Dresdner

Bank. As the financial market crisis also reached the real economy, we expect a large rise in insolvencies and restructurings in 2009, and therefore in net risk provisions in the Mittelstandsbank. In Central and Eastern Europe, we expect a significant year-on-year rise in net risk provisions, with Russia, Ukraine and Poland being affected in equal measure. After the exceptionally high charges in the Corporates & Markets segment in 2008, we see risk provisions more than halving in 2009, although they should still be high in the LAF portfolio at Dresdner Bank. For Financial Institutions however, we expect a significant improvement, as state intervention in this area has provided stability. In the CRE & Shipping estimate, we expect more defaults and bulk risks; additionally, the negative effect on earnings from shipping financing and the first-time full consolidation of Schiffsbank needs to be taken into account.

Portfolios in the new Commerzbank's risk focus

Portfolio	EaD[1] Coba/Dreba (in € bn)	Up to year end 2009	business environment
Structured Finance: ABS: **LBO:**	11/32[2] 3/6	Significant burdens expected above all for ABS, Monoliner Structures and LBOs of Dresdner Bank	red
Financial Institutions:	61/46	Support programmes of sovereign states and central banks will have positive effects on systemic banks (yellow); challenges for regional banks (red)	red / yellow
NBFI:	17/17	Higher risks due to illiquidity of markets; deleveraging process is running	red
Corporates: Germany: **Foreign:**	67/31 29/16	Clear increase of insolvencies for SMEs and bulk risks. USA with higher risks (red) compared to other international markets and Germany (yellow)	red / yellow
Central and Eastern Europe:	27/0	Economic downturn, primarily in Russia, Ukraine and Hungary	red
Commercial Real Estate:	86/0	Further decrease in market values in all regions and property types. Apart from the hot spots Spain, USA and UK other markets are affected (e.g. France, Italy)	red
Shipping:	9/2[3]	Clear reduction in ship values and freight rates for bulk and container markets. Continued overcapacity	red
Private and business customers:	62/41	Sound risk situation since 2006. Higher unemployment rate, but stable development since 2009. Traffic light: Private home financing (green), business customers (yellow)	yellow / green

- Loan loss provisions for the new Commerzbank at the level of 2008 in a market with significant structural changes
- Moderate reduction in burdens from AfS impairments and defaults in the trading book

Total charges against earnings in 2009 in realistic case some 25% below the level of 2008 and in downside case slightly higher than the 2008 level

[1] values based on internal models in each case
[2] ABS Portfolio: market values
[3] without Schiffsbank EaD = €14bn

The above overview shows that in 2009 nearly all portfolios are suffering from the stress caused by market conditions, which is why the Bank's results will be strongly affected by charges against earnings. In times such as these, proactive and robust risk management has a significant impact on the Bank's overall results. We believe that there will be significant easing of risk by 2011 at the latest.

Lessons learned from the financial market crisis

We have learned all kinds of lessons from the financial crisis, beginning with sub-prime, and the impact on value seen so far has highlighted the need for a rethink in many areas. We have therefore concentrated on analyzing the core problems of the crisis as a matter or urgency. As part of integration preparations, we have incorporated our findings into the Bank's revised procedures (risk strategies, credit authority regulations, policies etc.) and into the new Commerzbank's organizational structure (establishing our own Group risk research, making segment CROs responsible for all quantifiable risks, strengthening the market risk function within C&M, etc.).

With the amalgamation of the Dresdner Bank and Commerzbank lending portfolios, the new Commerzbank's bulk risks will also rise both at individual level (borrower units) and portfolio level (portfolios with high default correlations). Apart from the value impact of structured secondary market products, individual bulk risks are the main source for unexpected loss and for the failure of planned risk results. Apart from correlation-oriented portfolio supervision, bulk risk management also aims to supervise individual commitments where there is deemed to be a particularly high individual risk.

For the new Commerzbank, bulk risk management, which was previously based on CVaR, has been revised and expanded by the management parameters LaD and EaD. At the same time, the entry and upper limits of individual bulk risks have been revised, with a clear orientation towards the new Commerzbank's risk-taking capability.

Group Financial Statements

Our Group accounts are drawn up in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS), and their respective interpretation by the Standing Interpretations Committee and the International Financial Reporting Interpretation Committee. We have taken account here of all the standards and interpretations that are binding in the European Union for the business year 2008.

Financial Statements of the Commerzbank Group as of December 31, 2008

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Income statement

€ m	Notes	1.1.–31.12.2008	1.1.–31.12.2007	Change in %
Interest received		21,372	21,925	–2.5
Interest paid		16,643	17,918	–7.1
Net interest income	(30)	4,729	4,007	18.0
Provision for possible loan losses	(31, 46)	–1,855	–479	.
Net interest income after provisioning		2,874	3,528	–18.5
Commissions received		3,529	3,832	–7.9
Commissions paid		683	682	0.1
Net commission income	(32)	2,846	3,150	–9.7
Trading profit	(33)	–450	879	.
Net investment income	(34)	–665	126	.
Other result	(35)	–27	196	.
Operating expenses	(36)	4,956	5,366	–7.6
Operating profit		**–378**	**2,513**	.
Restructuring expenses	(37)	25	8	.
Profit from ordinary activities/ Pre-tax profit		**–403**	**2,505**	.
Taxes on income	(38)	–465	580	.
Consolidated surplus	**(39)**	**62**	**1,925**	**–96.8**
Consolidated surplus attributable to minority interests		59	8	.
Consolidated surplus attributable to Commerzbank shareholders		3	1,917	–99.8

Appropriation of profit | € m	Notes	2008	2007	Change in %
Consolidated surplus attributable to Commerzbank shareholders	(39)	3	1,917	–99.8
Proceeds from SoFFin silent participation		–2	–	.
Allocation to retained earnings		–1	–1,260	–99.9
Consolidated profit		**0**	**657**	.

The Special Fund for Financial Market Stabilization (SoFFin) provided Commerzbank Aktiengesellschaft with a silent participation of €8.2bn as at December 31, 2008. Accepting this participation obliges Commerzbank Aktiengesellschaft not to pay any dividend in 2009 or 2010 for the preceding financial years. Last year, a dividend payment of €1.00 per share was made (total distribution: €657m).

Earnings per share | €	Notes	2008	2007	Change in %
Earnings per share	(39)	0.00	2.92	.

The calculation of the earnings per share according to IAS 33 is based on the consolidated surplus attributable to Commerzbank shareholders. In the past financial year and on December 31, 2008, no conversion or option rights were outstanding. No diluted earnings per share are therefore reported.

Balance sheet

Assets | € m	Notes	**31.12.2008**	**31.12.2007**	Change in %
Cash reserve	(8, 42)	6,566	5,157	27.3
Claims on banks	(9, 10, 11, 43, 45, 46, 72)	62,969	74,043	–15.0
Claims on customers	(9, 10, 11, 44, 45, 46, 72)	284,815	283,469	0.5
Positive fair values attributable to derivative hedging instruments	(12, 47)	10,528	8,970	17.4
Assets held for trading purposes	(13, 48, 72)	118,569	97,599	21.5
Financial investments	(14, 49, 52, 72)	127,450	132,192	–3.6
Intangible assets	(15, 50, 52)	1,336	1,265	5.6
Fixed assets	(16, 51, 52)	1,240	1,293	–4.1
Tax assets	(25, 53)	6,698	6,439	4.0
Other assets	(17,18, 54)	5,025	6,047	–16.9
Total		**625,196**	**616,474**	**1.4**

Liabilities and equity | € m	Notes	**31.12.2008**	**31.12.2007**	Change in %
Liabilities to banks	(11, 19, 55, 72)	128,492	125,120	2.7
Liabilities to customers	(11, 19, 56, 72)	170,203	159,187	6.9
Securitized liabilities	(19, 57, 72)	165,827	205,649	–19.4
Negative fair values attributable to derivative hedging instruments	(20, 58)	21,463	14,823	44.8
Liabilities from trading activities	(21, 59)	96,208	70,293	36.9
Provisions	(22, 23, 60)	2,030	2,919	–30.5
Tax liabilities	(25, 61)	3,161	4,945	–36.1
Other liabilities	(18, 62)	2,914	2,946	–1.1
Subordinated capital	(26, 63, 72)	11,836	11,046	7.2
Hybrid capital	(26, 64, 72)	3,158	3,414	–7.5
Equity	(29, 65, 66, 67)	19,904	16,132	23.4
Subscribed capital	(65)	1,877	1,708	9.9
Capital reserve	(65)	6,619	5,709	15.9
Retained earnings	(65)	5,904	6,158	–4.1
SoFFin silent participation	(65)	8,200	–	.
Revaluation reserve	(14, 65)	–2,221	903	.
Valuation of cash flow hedges	(5, 65)	–872	34	.
Reserve from currency translation	(6, 65)	–260	–34	.
Consolidated profit	(65)	–	657	.
Total before minority interests		19,247	15,135	27.2
Minority interests	(65)	657	997	–34.1
Total		**625,196**	**616,474**	**1.4**

Statement of changes in equity

€ m	Sub-scribed	Capital reserve	Retained earnings capital	SoFFin silent participa-tion	Revalu-ation reserve[1]	Valu-ation of cash flow hedges	Reserve from currency translation	Consoli-dated profit	Total before minority-interests	Minority interests	Equity
Equity as of 1.1.2007	**1,705**	**5,676**	**5,139**		**1,746**	**–381**	**–143**	**493**	**14,235**	**1,023**	**15,258**
Consolidated surplus								1,917	1,917	8	1,925
Allocation to retained earnings			1,260					–1,260	–		–
Changes in revaluation reserve					–829				–829	–201	–1,030
Changes arising from cash flow hedges						415			415	118	533
Changes in currency reserve							17		17	7	24
Comprehensive income 2007	**–**	**–**	**1,260**	**–**	**–829**	**415**	**17**	**657**	**1,520**	**–68**	**1,452**
Capital increases									–	24	24
Issue of shares to employees									–		–
Profits/losses in previous year									–	–191	–191
Allocation of profits (minority interests)									–	98	98
Dividend								–493	–493		–493
Changes in holdings in affiliated and other companies			–206						–206		–206
Changes in companies included in consolidation and other changes[2)]	3	33	–35		–14		92		79	111	190
Equity as of 31.12.2007	**1,708**	**5,709**	**6,158**	**–**	**903**	**34**	**–34**	**657**	**15,135**	**997**	**16,132**
Consolidated surplus								3	3	59	62
Changes in revaluation reserve					–3,120				–3,120	–183	–3,303
Changes arising from cash flow hedges						–906			–906	–14	–920
Changes in currency reserve							–255		–255	–69	–324
Comprehensive income 2008	**–**	**–**	**–**	**–**	**–3,120**	**–906**	**–255**	**3**	**–4,278**	**–207**	**–4,485**
Capital increases	170	924							1,094		1,094
Issue of shares to employees									–		–
Allocation to retained earnings			1					–1	–		–
Proceeds from SoFFin silent participation								–2	–2		–2
Profits/losses in previous year									–	–8	–8
Allocation of profits (minority interests)									–	53	53
Dividend								–657	–657		–657
Changes in holdings in affiliated and other companies			–223						–223		–223
Changes in companies included in consolidation and other changes[2]	–1	–14	–32	8,200	–4		29		8,178	–178	8,000
Equity as of 31.12.2008	**1,877**	**6,619**	**5,904**	**8,200**	**–2,221**	**–872**	**–260**	**–**	**19,247**	**657**	**19,904**

[1] As of December 31, 2008 this included €0.5m of revaluation reserves of assets held for sale;
[2] including change in treasury shares, change in own derivative equity instruments and proceeds from SoFFin silent participation.

As of December 31, 2008, the subscribed capital of Commerzbank Aktiengesellschaft pursuant to the Bank's Articles of Association stood at €1,879m; it was divided into 722,553,156 no-par-value shares (accounting par value per share: €2.60). After the 224,941 treasury shares held by the Bank on December 31, 2008, are deducted, its subscribed capital amounts to €1,878m.

The Bank made use of the authorization resolved by the Annual General Meeting of May 15, 2008 to purchase its own shares for the purpose of securities trading, pursuant to Art. 71(1) no. 7 of the German Stock Corporation Act (AktG). Gains and losses from trading in the Bank's own shares have no effect on the net profit.

Use was made in the 2008 financial year of the resolution of the Annual General Meeting of May 15, 2008, authorizing the Bank to repurchase its own shares pursuant to Art. 71(1) no. 8 of the German Stock Corporation Act (AktG), for purposes other than securities trading. The purchase was for the purpose of issuing employee shares to staff at selected companies in the Commerzbank group.

Other changes in retained earnings, the revaluation reserve and the valuation of cash flow hedges relate to changes in equity at associated companies which, in accordance with IAS 28, have to be shown on a pro-rata basis with no effect on the net profit.

Cash flow statement

€ m	2008	2007
Consolidated surplus	**62**	**1,925**
Non-cash positions in net profit and adjustments to reconcile net profit with net cash provided by operating activities:		
Write-downs, depreciation, adjustments, write-ups to fixed and other assets, changes in provisions and net changes due to hedge accounting	520	–156
Change in other non-cash positions	–899	–1,929
Profit/loss from the sale of assets	665	–126
Profit from the sale of fixed assets	6	2
Other adjustments (net interest income)	–4,729	–4,007
Sub-total	**–4,375**	**–4,291**
Change in assets and liabilities from operating activities after correction for non-cash components:		
Claims on banks	10,823	1,124
Claims on customers	–739	5,062
Securities held for trading purposes	9,757	669
Other assets from operating activities	4,629	–2,093
Liabilities to banks	3,372	–705
Liabilities to customers	11,016	17,973
Securitized liabilities	–39,822	–23,104
Other liabilities from operating activities	–9,346	–1,072
Interest and dividends received (see Note 30)	21,372	21,925
Interest paid	–16,643	–17,918
Income tax paid	–255	–236
Net cash provided by operating activities	**–10,211**	**–2,666**
Proceeds from the sale of:		
Financial investments	2,999	2,874
Fixed assets	293	467
Payments for the acquisition of:		
Financial investments	–4	–385
Fixed assets	–624	–275
Effects of changes in the group of companies included in the consolidation		
Payments from the acquisition of subsidiaries	–71	0
Net cash used by investing activities	**2,593**	**2,681**
Proceeds from capital increases	1,079	0
Dividends paid	–657	–493
Other financing activities (subordinated capital)	8,734	–318
Net cash provided by financing activities	**9,156**	**–811**
Cash and cash equivalents at the end of the previous period	**5,157**	**5,967**
Net cash provided by operating activities	–10,211	–2,666
Net cash used by investing activities	2,593	2,681
Net cash provided by financing activities	9,156	–811
Effects of exchange-rate changes on cash and cash equivalents	–70	–6
Effects of minority interests	–59	–8
Cash and cash equivalents at the end of the period	**6,566**	**5,157**
of which: Cash on hand	892	893
Balances with central banks	5,294	4,069
Debt issued by public-sector borrowers and bills of exchange rediscountable at central banks	380	195

Cash and cash equivalents as at December 31, 2008 include €83m from companies consolidated for the first time.

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.

Under net cash provided by operating activities, payments (inflows and outflows) from claims on banks and customers and also securities from the trading portfolio and other assets are shown. Additions to and disposals from 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 the net cash provided by operating activities.

The net cash used by investing activities shows payments for the financial investments, the intangible assets as well as for fixed assets and payments for the acquisition of subsidiaries. The effects of changes in the list of consolidated companies are also recognized under this item.

The net cash provided by financing activities covers the proceeds from capital increases as well as payments received and made with regard to subordinated and hybrid capital. Distributed dividends are also shown here.

We consider cash and cash equivalents to be the cash reserve (see Note 42), consisting of cash on hand, balances held at central banks and also 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.

As far as banks are concerned, the cash flow statement can be considered not very informative. For us,the cash flow statement replaces neither liquidity planning nor financial planning, nor do we look upon it as a management tool.

Notes

Consolidated accounting principles

Our consolidated financial statements as of December 31, 2008 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 Accounting Standards (IAS) – and the International Financial Reporting Standards (IFRS) – approved and published by the International Accounting Standards Board (IASB) and with their interpretation by the Standing Interpretations Committee (SIC) and International Financial Reporting Interpretation Committee (IFRIC). All valid standards and interpretations required in the EU for the financial year 2008 have been applied.

We have not taken into consideration prematurely applying standards and interpretations which are to be implemented only as from January 1, 2009 or later (IFRS 8, revised IFRS 1, 2, 3, 6; IAS 1, 16, 19, 23, 27, 31, 32, 39 and 40; amendments arising from the IASB's annual process of improvement; IFRIC 13, 15, 16, 17). However, we do not expect these to lead to any material effects on accounting or measurement.

The standards and interpretations to be applied for the first time in the 2008 financial year (IFRIC 11 and 14) had no material effect on the consolidated financial statements. IFRIC 12, which has not yet been transposed into European law, also had no material effect on the consolidated financial statements.

In addition to the consolidated balance sheet and the consolidated income statement, 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 41 and Notes 75 to 83 respectively).

The consolidated management report, including a separate report on the opportunities and risks related to future developments (risk report) pursuant to Art. 315 of the German Commercial Code (HGB), appears on pages 124 to 184 of our annual report. Unless otherwise indicated, all the 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. Income and expenses are recognized on a pro-rata temporis basis; they are shown in the income statement for the period to which they may be assigned in economic terms.

Throughout the Commerzbank Group, uniform accounting and measurement methods are used in preparing the financial statements, as explained in the following notes. All material fully consolidated companies prepared their financial statements as of December 31, 2008.

The consolidated financial statements include values which are determined on the basis of estimates and assessments as permitted. The estimates and assessments used are based on past experience and other factors, such as planning and – from the present standpoint – likely expectations and forecasts of future events. Estimates are subject to uncertainties in determining pension obligations and goodwill. Pension obligations are measured based on the projected-unit-credit method for performance-based pension plans. In measuring such obligations, assumptions have to be made in particular regarding long-term trends for salaries, pensions and average life expectancy. Changes in the estimates from year to year and differences from the actual effects each year are shown under actuarial profits and losses. 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. Estimates are also subject to uncertainties regarding deferred taxes, provisions for possible loan losses and when determining fair value, especially when measuring the value of CDOs/RMBSs.

An asset is recognized in the balance sheet if it is probable that there will be future economic benefits for the company, and if its purchase or production costs or another value can be reliably assigned a value.

A liability is recognized in the balance sheet if it is probable that there will be a direct outflow of resources with economic benefits as a result of a present obligation and that the amount to be paid can be reliably assigned a value.

(2) Adjustments to the accounting policies

Basically, we have employed the same accounting policies as for the consolidated financial statements as of December 31, 2007.

In the income statement, income and expenses from operating leases for which the Bank is the lessor were previously recognized under net interest income. Starting in financial year 2008, they are now being recognized under other result. We have adjusted the previous year's figures accordingly. The reclassification for financial year 2007 amounts to €13m.

(3) Consolidated companies

Besides the parent bank, the consolidated financial statements include 167 subsidiaries (2007: 159) in which Commerzbank Aktiengesellschaft directly or indirectly holds more than 50% of the voting rights or exercises control. Of these, 110 have their registered offices in Germany (2007: 101) and 57 elsewhere (2007: 58).

607 subsidiaries and associated companies of minor significance for the Group's asset and financial position and earnings performance have not been included; instead, they have been shown under the financial investments as holdings in subsidiaries or investments. These companies account for less than 0.1% (2007: 0.1%) of the Group's total assets. In the year under review, 28 subsidiaries were included in the consolidation for the first time. The most significant additions and disposals are listed below:

Additions

- Commerzbank Auslandsbanken Holding Nova GmbH, Frankfurt am Main
- Joint Stock Commercial Bank „Forum", Kiev

Disposals

Name	Reason for withdrawal
Caisse Centrale de Réescompte, S.A., Paris	sold
CCR Actions, Paris	sold
CCR Chevrillon-Philippe, Paris	sold
CCR Gestion, Paris	sold
PTE Skarbiec – Emerytura SA, Warschau	sold

We also reported 21 disposals and the merger of Hypothekenbank in Essen AG and Eurohypo Aktiengesellschaft in the year under review.

In addition to the 167 subsidiaries, we fully consolidated in the 2008 financial year 31 special-purpose entities and 17 non-publicly-offered funds in our consolidated financial statements in accordance with IAS 27 and SIC 12; 13 special-purpose entities and non-publicly-offered funds have been included in the consolidation for the first time:

- cominvest ABS active, Luxembourg
- cominvest ABS Opportunity S.A., Luxembourg
- ComStage ETF Commerzbank EONIA INDEX TR, Luxembourg
- ComStage ETF DAX® TR, Luxembourg
- ComStage ETF Dow Jones EURO STOXX® Select Dividend 30 TR, Luxembourg
- ComStage ETF Dow Jones EURO STOXX 50® TR, Luxembourg
- ComStage ETF Dow Jones INDUSTRIAL AVERAGE™, Luxembourg
- ComStage ETF Dow Jones STOXX® 600 TR, Luxembourg
- ComStage ETF MSCI World TRN, Luxembourg
- CoSMO Finance 2008-1 Ltd., Dublin
- ILSP Mutual Fund AG & Co. KG, Vaduz, Liechtenstein
- Semper Finance 2006-1 Ltd., St. Helier/Jersey
- TS Lago One GmbH, Frankfurt am Main

Twelve (2007: eleven) material associated companies – seven of them based in Germany (2007: seven) – are measured using the equity method. Two associated companies were newly included:

- 36th Street Co-Investment, L.P., New York
- KaiserKarree S.a.r.l., Luxembourg

The following company has been removed from the list of associated companies:

- Prospect Poland UK, L.P. St. Helier/Jersey

A full list of all holdings of the Commerzbank Group is published as part of the Notes in the Federal Gazette (elektronischer Bundesanzeiger) and can also be accessed in the electronic company register. It can furthermore be found under our internet address: www.commerzbank.de/InvestorRelations/Unternehmensberichtserstattung

(4) Principles of consolidation

Subsidiaries are companies in which Commerzbank Aktiengesellschaft directly or indirectly holds the majority of the voting rights or where it determines their financial and business policies and is accordingly able to exercise control over them in order to benefit 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 the capital accounts, we value the assets and liabilities of subsidiaries completely afresh, regardless of the percentage share of the equity which we held at the time of acquisition. With deferred taxes taken into consideration, the revalued assets and liabilities are included in the consolidated balance sheet; the realized hidden reserves and built-in losses which have been identified are treated in accordance with the standards which have to be applied in subsequent reporting periods. If a positive difference remains after revaluation, this is shown as goodwill.

All companies where Commerzbank AG has a significant direct or indirect influence appear in the balance sheet as associated companies. A significant influence is assumed with a share in the voting rights of between 20 % and 50 %. Additional criteria for judging the level of influence include substantial business transactions with the company in question, membership in a management or supervisory board, or involvement in setting the company's business policies.

Associated companies are valued according to the equity method and are shown as holdings in associated companies under the financial investments. The purchase cost of these investments including goodwill are determined at the time of their first inclusion in the consolidated financial statements, applying by analogy the same rules as for subsidiaries. For material associated companies, the equity book value which is carried and appears either in profit or loss or in the revaluation reserve is based on the auxiliary calculations of the associated companies, prepared and audited in accordance with our instructions, with IFRS rules applied.

Holdings in subsidiaries not consolidated because of their minor importance and investments are shown at their fair value, or if this cannot be reliably established, at cost under the financial investments.

Consolidation of subsidiaries ends on the date that the Bank loses its control over them. Valuation of associated companies according to the equity method ends on the date that the share in the voting rights falls below 20 %.

The obligation to consolidate special purpose entities under certain circumstances derives from the interpretation of SIC-12. This states that consolidation is required if, in substance,

- the special purpose entity's activities are oriented towards the needs of the company and the latter obtains benefits from this;
- the company is able to decide to obtain the majority of the benefits of the activities of the special purpose entity;
- the company has rights to obtain the majority of the benefits of the activities of the special purpose entity;
- the company retains most of the risks and opportunities.

Within the Commerzbank Group, when special purpose entities are created they are examined to determine if there is an obligation to consolidate them; in addition, a regular review is performed as to the necessity of consolidating the entity. The list of all consolidated special purpose entities is part of the list of holdings.

All receivables and liabilities as well as income and expenses based on business relationships between companies within the Group are eliminated when liabilities and income and expenses are consolidated. Intra-Group book gains or losses registered during the financial year are deducted unless they are of minor importance.

(5) Financial instruments: recognition and measurement (IAS 39)

In accordance with IAS 39, all financial assets and liabilities – which also includes derivative financial instruments – have to be recognized in the balance sheet and valued in accordance with their assigned category. A financial instrument is a contract which automatically produces a financial asset for the one company and a financial liability or equity instrument for the other. Depending on their respective category, financial instruments are recognized in the balance sheet 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 on an active market (mark-to-market). 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 remarks present an overview of how the rules of IAS 39, in the currently valid version, have been applied within our Group:

a) Categorization of financial assets and liabilities and their valuation

- Loans and receivables:
  Non-derivative financial instruments with fixed or determinable payment claims for which no active market exists 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 regularly made available, for example, by a stock exchange or broker, and these prices are representative for current transactions between remote third parties. Valuation is at amortized cost. In the event of an impairment, this will be recognized through the income statement when calculating amortized cost. Premiums and discounts are recognized under net interest income and over the entire lifetime to maturity.

- Held-to-maturity financial assets:
  Non-derivative financial assets with fixed or determinable payments and also a fixed maturity may be included in this category if an active market exists for them and both the intent and the ability exist to hold them to final maturity. Valuation is at amortized cost. In the event of an impairment, this will be recognized through the income statement when calculating amortized cost. Premiums and discounts are recognized under net interest income and over the entire lifetime to maturity. In the 2008 financial year Commerzbank Group has again made no use of the category of held-to-maturity financial assets.

- Financial assets or financial liabilities at fair value through profit or loss:

  This category is made up of two sub-categories:

  – Financial assets or liabilities held for trading:
  This category includes financial assets and financial liabilities held for trading purposes (assets held for and liabilities from trading). Financial assets held for trading purposes include original financial instruments (especially interest-bearing securities, equities and promissory notes), precious metals and derivative financial instruments with a positive fair value. Financial liabilities from trading include, in particular, derivative financial instruments with a negative fair value and delivery commitments arising from the short-selling of securities.

  Derivative financial instruments used for hedging purposes are only reported under ssets held for trading/liabilities held for trading insofar as they do not meet the conditions for the application of hedge accounting rules (see below in this note). Otherwise, they are shown as fair values attributable to hedging instruments.

  Assets held for trading purposes and liabilities from trading activities are valued at their fair value on each balance-sheet date. The results of this valuation appear under trading profit in the income statement.

  The Commerzbank Group has undertaken transactions where the fair value was established using a valuation method 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 1 profit or loss. The day 1 profit 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 on an active market or the main input parameters are based on observable market data, the deferred day 1 profit or loss is directly recognized in the income statement.

  – Designated at fair value through profit or loss:
  Under the fair value option it is permissible to voluntarily value 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 has to be made on the 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 at their fair value in the appropriate balance-sheet item for their respective category. The results of such measurement appear under trading profit in the income statement.

Further details on how and to what extent the fair value option is used in the Commerzbank-Group can be found in Note 74.

- 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 valued at fair value. If the fair value of equity instruments cannot be reliably determined, measurement is at amortized cost. After deferred taxes have been taken into consideration, measured gains and losses are recognized with no effect on the income statement in a separate equity item (revaluation reserve). Premiums and discounts are recognized under net interest income over the entire lifetime to maturity. If the financial asset is sold, the cumulative valuation previously recognized in the revaluation reserve is released and appears in the income statement. Should the asset's value be impaired, the revaluation reserve has to be adjusted for the impairment, and the amount has to be reflected in the income statement. With write-ups, we distinguish between equity and debt instruments in the available-for-sale portfolio. While equity instruments are written up without affecting income, write-ups for debt instruments are recognized at up to no more than their amortized costs on the income statement.

  Reclassification
  In its press release of October 13, 2008, the IASB issued an amendment for the reclassification of financial instruments. In accordance with the amendment, securities in the Public Finance portfolio for which there is no active market are to be reclassified from the IAS 39 Available for Sale (AfS) category to the IAS 39 Loans and Receivables (LaR) category. For the reclassified portfolio, we intend and are able to hold the securities for the foreseeable future or until maturity. The fair value at the time of the reclassification will be recognized as the new carrying amount of the securities holdings. 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 Commerzbank Group has not taken advantage of the opportunity to carry out a retrospective reclassification. The trading portfolio (investment banking business) is not affected by this measure.

- Other financial liabilities:
  All financial liabilities that are not classified as held-for-trading and to which the fair-value option was not applied fall under the category of other financial liabilities.This category includes liabilities to banks and customers and also securitized liabilities. Valuation is at amortized cost. Premiums and discounts are recognized under net interest income over the entire lifetime to maturity.

Net gains or losses include impairments, write-ups, gains realized on disposals, and subsequent recoveries on financial instruments written down in the IAS 39-categories described above. The components are detailed in the notes on net interest income, provision for possible loan losses or net investment income, depending on IAS 39-category.

b) Financial Guarantee contracts

According to IAS 39, a financial guarantee is a contract under which the guarantor is obligated to make certain payments that compensate the party to whom the guarantee is issued for a loss arising in the event a particular debtor does not meet payment obligations on time as stipulated in the original or amended terms of a debt instrument. If Commerzbank is the party to whom the guarantee is issued, the financial guarantee is not recorded in the accounts and only recognized upon determining an impairment to the value of a collateralized asset. As guarantor, the Commerzbank Group recognizes the liability arising from a financial guarantee as soon as it is signed. Initial valuation is at fair value at the time of recognition. Viewed overall, the fair value of a financial guarantee at the time of signature is zero because for fair market contracts the value of the premium agreed generally corresponds to the value of the guarantee obligation. A check is performed for subsequent valuations to determine whether a risk provision is necessary.

Insofar as a financial guarantee is a component of a financing commitment where there is an intention to trade, the financial guarantee also has to be categorized as held for trading. Such financial guarantees are then treated in accordance with the rules for the held-for-trading category (see Note 5a).

c) Embedded derivatives

IAS 39 also regulates the treatment of derivatives embedded in original financial instruments (embedded derivatives). Such financial instruments are also termed as hybrid financial instruments. These include, for example, reverse convertible bonds (bonds with a right to repayment in the form of equities) or bonds with index related interest payments. According to IAS 39, under certain conditions the embedded derivative must be shown separately from the original host contract as a stand-alone derivative. Such separation has to be made if the three following conditions are met:

- the characteristics and risks of the embedded derivative are not closely related to those of the original host contract
- the separately shown embedded derivative fulfils the definition of a derivative according to IAS 39; and
- the original host contract is not measured at fair value with changes in fair value recognized in profit or loss.

In this case, the separately shown embedded derivative has to be regarded as part of the trading portfolio and recognized at its fair value. Changes on revaluation have to be shown under the net result on the valuation of derivative financial instruments in the trading profit. The host contract is accounted for and valued 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 is valued as a whole in accordance with the general provisions of the category to which the financial instrument is assigned.

d) 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 transactions (assets held for trading purposes or liabilities from trading activities) and are valued at their fair value. The result of such valuation is shown under trading profit.

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. For the most part, two forms of hedge accounting are distinguished:

- 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 the securities portfolio for liquidity management, insofar as these are fixed-income securities, that are subject to this fair value risk. Primarily, interest-rate and interest-rate/currency swaps are used to hedge these risks.
  In line with the regulations for fair value hedge accounting, the derivative financial instruments used for hedging purposes are shown at fair value as fair values attributable to derivative hedging instruments. Changes upon revaluation appear as profit or loss in the income statement under net result on hedge accounting as part of the trading profit. Any changes in the fair value of the hedged asset or hedged liability resulting from the hedged risk have to be recognized and similarly shown in the income statement under net result on hedge accounting. Given a perfect hedge, the changes upon revaluation recognized in the income statement for the hedge and the hedged transaction will balance one another out.

- 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. A cash flow-risk exists in particular for floating-rate loans, securities and liabilities and for forecast transactions (for example, forecast fund-raising or financial investments). Within the Commerzbank Group, the interest-rate risks in asset/liability management are largely covered by means of cash flow hedges. Primarily, interest-rate and interest-rate/currency swaps are used for hedging purposes.

Derivative financial instruments used in cash flow hedge accounting are carried at fair value as fair values attributable to derivative hedging instruments. Reporting of the gain or loss has to be divided into an effective and an ineffective part. The effective valuation result is that part of the change in the fair value of the hedging derivative that represents an effective hedge against the cash flow-risk arising from the hedged underlying transaction and, after deferred taxes have been taken into consideration, valuation gains and losses are recognized with no effect on the income statement in a separate equity item (valuation result from cash flow hedges). By contrast, the ineffective portion is shown as net result from hedge accounting under trading profit in the income statement. There is no change in the general accounting rules described above for 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 hedge and also to its effectiveness.

The hedge has to be documented at the time it is established. Documentation must include in particular the identification of the hedging instrument and the underlying hedged transaction and also details of the hedged risk and the method employed to determine the effectiveness of the hedge. Documentation for an underlying transaction hedged with a derivative may relate either to an individual asset, liability, pending business or forecast transaction or to a portfolio of such items which are given similar accounting treatment. It is not sufficient, however, to document a net risk position to be hedged.

In addition to documentation, IAS 39 calls for evidence of an effective hedge in order for hedge accounting rules to be applied. Effectiveness in this connection means the relationship between the change in fair value or the cash flow resulting from the hedged underlying transaction and the change in fair value or the cash flow resulting from the hedge. If these changes almost entirely balance one another, 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 this 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 the cash flow lies between 0.8 and 1.25. The methods used for determining effectiveness must be disclosed.

(6) Currency translation

Monetary assets and liabilities denominated in foreign currencies and outstanding spot foreign-exchange transactions, are translated at the spot rates, and foreign-exchange forward contracts at the forward rate on the balance-sheet date. Expenses and income are always translated at the average exchange rates for the period. Non-monetary items such as holdings in consolidated subsidiaries are always translated at historic rates. Translation gains and losses from the consolidation of the capital accounts appear in the balance sheet under equity. On the date such assets are sold, the translation gains or losses are recognized on the income statement under net investment income.

As a result of their economically independent business activity, the financial statements of our consolidated units abroad that are prepared in foreign currencies are translated at the spot rates of the balance-sheet date.

The expenses and income generated by the translation of balance-sheet items are recognized under net result on trading. Hedged expenses and income are translated at the hedging rate.

The following translation rates applied for the currencies that are most important to the Commerzbank Group as of December 31. (amount per €1 in the respective currency):

	2008	2007
USD	1.3917	1.4721
GBP	0.9525	0.73334
CHF	1.4850	1.6547
PLN	4.1535	3.5935

(7) Offsetting

We set liabilities off against claims if these relate to the same counterparty, are due at call, and agreement has been reached with the contractual partner that interest and commissions be calculated as if only a single account existed.

(8) 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 appear at their nominal value.

(9) 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 shown at amortized cost. Premiums and discounts are recognized in net interest income over the lifetime of the investment or security. The carrying amounts of claims to which 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 appear at their fair value.

(10) Provision for possible loan losses

We account for the particular default risks arising from the lending business by forming specific and portfolio valuation allowances.

In order to cover the lending risks represented by claims on customers and banks, we have formed specific valuation allowances according to uniform Group standards. Valuation allowances have to be formed for a loan if it is probable that not all the interest payments and repayments of principal can be made as agreed. The valuation allowance corresponds to the difference between the book value of the loan less the present value of the expected future cash flow.

In addition, we cover 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 in 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 lending risks.

Unrecoverable accounts for which no specific valuation allowances have been formed are written down immediately. Amounts received on written-down claims appear 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 down immediately if they are unrecoverable.

(11) Genuine 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) still appear, and are valued, in the consolidated balance sheet as part of the securities portfolio. According to counterparty, the inflow of liquidity from the repo transaction is shown in the balance sheet as a liability to either banks or customers. The agreed interest payments, if they are not the result of trading transactions, are booked as interest paid, reflecting the respective maturities.

The outflows of liquidity caused by reverse repos appear as claims on banks or customers and are recognized and valued accordingly. The securities bought under repurchase agreements and on which the financial transaction is based (spot purchase) are not carried in the balance sheet, nor are they valued. The agreed interest payments from reverse repos, if they are not the result of trading transactions, are counted as interest income, reflecting the respective maturities. Claims arising from reverse repos are not netted against liabilities from repos involving the same counterparty.

We show securities-lending transactions in a similar manner to securities in genuine repurchase agreements. Lent securities remain in our securities portfolio and are valued according to the rules of IAS 39. Borrowed securities do not appear in our 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.

(12) Positive fair values attributable to derivative hedging instruments

Derivative financial instruments used for hedging which qualify for hedge accounting and have a positive value appear under this item. The hedging instruments are valued at fair value.

Listed hedging instruments are measured at market prices; unlisted ones are measured by means of comparable prices and internal valuation models (net present value or option pricing models). The hedge accounting results for fair value hedges appear in the income statement under net result on hedge accounting as part of the trading profit. By contrast, effective portions of the gains and losses on cash flow hedges are recognized under valuation of cash flow hedges in equity.

(13) Assets held for trading purposes

Financial instruments (including precious metals) held for trading purposes, appear 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 are also included under this item.

For listed products, market prices are used; for unlisted products, comparable prices, indicative prices of pricing-service providers or other banks (lead managers) or internal valuation models (net present value or option pricing models) are used.

All the realized gains and losses and also the net valuation changes which are not realized appear as part of the trading profit in the income statement. Interest and dividend income from trading portfolios are also shown under this item, as well as the expense of funding them.

(14) Financial investments

Financial investments covers financial instruments that are not allocated to any other balance sheet item. Our financial investments comprises all the bonds, notes and other interest-rate-related securities, shares and other equity-related securities and all the investments and holdings in associated companies, as well as holdings in non-consolidated subsidiaries unless they must be treated as assets held for sale as defined in IFRS 5.

Financial instruments from the loans and receivables category under this balance sheet item are measured at amortized cost.

Investments in associated companies are reported according to the equity method.

Portfolio items categorized as available for sale are reported 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 (lead managers) or internal valuation models (net present value or option pricing models). If, exceptionally, the fair value of equity instruments cannot be reliably determined, they are reported at historic cost less any necessary impairment.

Net changes for portfolio items categorized as available for sale – after deferred taxes have been taken into consideration – are shown in the revaluation reserve under equity. Realized gains and losses are only recognized in the income statement under net investment income when the holdings are sold or in the event of impairment.

Premiums and discounts are recognized in net interest income over the lifetime of the investment or security. Net interest income also shows interest income from bonds, dividends on shares including shares in un-consolidated 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 the trading profit under the net result on hedge accounting. Changes in the fair values of financial investments to which the fair value option has been applied are recognized under net result from applying the fair value option, which is also part of the trading profit.

For financial instruments reported under financial investments, it is necessary to check whether there are any indications according to IAS 39.59 (such as breach of contract, loss event, increased likelikhood of bankruptcy proceedings or insolvency) of a loss incurred after the date of recognition that involve a reduction in the cash flow arising from them. There is an impairment if the net present value of the expected cash flow 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.

With equity instruments, impairment can pertain when fair value is either significantly or persistently lower than historic cost.

In the Commerzbank Group, equity instruments in the AfS portfolio are written down if their fair value is lower than their historical cost either to a significant degree (≥30%) or for a considerable time (at least nine months). Besides these quantitative trigger events, the qualitative trigger events under to IAS 39.59 are also reviewed.

No write-ups through the income statement may be made for equity instruments categorized as available for sale; instead they should be booked directly to the revaluation reserve. Accordingly, the income statement is only affected in the event of impairment or disposal. With unlisted equity instruments for which it is not possible to regularly determine a fair value and that are therefore recognized at their historical cost less any necessary impairment, no write-ups may ever be made.

If any qualitative trigger events exist (IAS 39.59), debt instruments in the AfS portfolio are individually checked for impairments and, if necessary, restated. To make qualitative trigger events operative, additional indicators for writing down assets have been developed in the Commerzbank Group. For example, debt instruments in the AfS portfolio generally must be written down if the debtor's rating is CCC or lower (see Note 78; S&P rating) and the fair value is lower than amortized cost.

If the reasons for an impairment of debt instruments categorized as available for sale cease to apply, the debt instruments are written up, by a maximum of the amortized costs. The amount exceeding amortized cost must be recognized in the revaluation reserve.

(15) Intangible assets

Under intangible assets, we mainly recognize software, acquired brand names, customer relationships and goodwill. Valuation is at amortized cost.

All goodwill and brand names are allocated at the time of acquisition to the cash-generating units. These assets are then examined no less frequently than on each balance-sheet date with a view to their future economic utility on the basis of cash-generating units. On each balance-sheet date, all goodwill and brand names are examined with a view to their future economic utility on the basis of cash-generating units. The carrying value of the cash-generating units (including any amount allocated for goodwill) is compared with their recoverable value. The recoverable value is the higher of an item's value in use and fair value less cost to sell; it is based on the unit's expected cash flows in accordance with the business plan discounted at a rate of interest reflecting the risk involved. If there are objective indications that the usage originally identified will no longer be achieved, a valuation allowance must initially be made on the unit's goodwill. Any requirement to make a valuation allowance in excess of this amount is distributed pro rata over the unit's other assets.

The intention is that brand names acquired for consideration will be carried forward indefinitely. There are no business or economic reasons why they may not be used indefinitely. The legal protection of the brands can be continued. In addition, the brands are being maintained and expanded by continual marketing efforts. It is therefore reasonable to assume they will make a permanent contribution to the success of the company and to apply an unlimited length of use.

We depreciate acquired customer relationships over a period of two to ten years.

Software is depreciated on a straight-line basis over its foreseeable useful economic life of two to five years under Operating expenses. Software includes both software that has been developed in-house and that has been acquired.

Where the reason for making a valuation allowance in previous financial years ceases to apply, the intangible assets are written up to the maximum of amortized cost/cost of production. Write-ups 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 in which the book value exceeds the higher value of fair value minus disposal costs and the utilization value of the asset.

Where the reason for making a valuation allowance in previous financial years ceases to apply, the assets are written up to the maximum of amortized cost / cost of production.

In determining the useful life, the likely physical wear and tear, technical obsolescence and also 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:

	Probable useful life in years
Buildings	30 – 50
Office furniture and equipment	2 – 10

In line with the materiality principle, purchases of low-value fixed assets are 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 that are incident to ownership. By contrast, finance leases are defined as agreements where the risks and rewards are substantially transferred to the lessee.

The Group as lessor

- Operating Leasing

  If the risks and rewards of ownership remain substantially with the lessor (operating lease), the item will continue to be reported. Leased objects appear in the consolidated balance sheet under other assets, shown at cost or production cost, less regular depreciation over their useful economic lives or if their value is impaired. Unless a different distribution suggests itself in individual cases, the proceeds from leasing transactions are recognized on a straight-line basis over the lifetime of the agreement and are shown under other result.

  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 rented vehicles are structured as partially amortizing agreements without a right to tender.

- Finance leases

  If virtually all the risks and rewards relating to the leased property are transferred to the lessee (finance leases), the Commerzbank Group recognizes a claim on the lessee. The claim is shown at its net investment value at the inception of the agreement. Leasing payments received are divided into an interest portion, which appears as interest income, and a repayment portion. The income is recognized as interest income 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, photocopiers) are structured as partially amortizing agreements with a right to tender 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 depreciated.

  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 in a linear manner over the life of the leasing agreement and reported under operating expenses. Financing lease agreements where the Commerzbank Group is a lessee are of minor significance.

(18) Investment properties and assets and disposal groups held for sale

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 essentially holds properties acquired as a result of the realization of collateral.

Investment properties are valued when recognized using acquisition or production cost, including directly attributable transaction costs, in accordance with IAS 40. The fair value model is used for the subsequent valuation of property held as a financial investment. Fair value is essentially determined based on annually updated valuations conducted by internal experts and on currently achievable market prices. Properties used for commercial purposes are usually valued based on capitalized earnings; individual apartment buildings are generally valued using tangible or comparative value. 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.

Non-current assets and disposal groups that can be sold in their current condition and whose sale is probable must be classified as held for sale. These assets must be valued at fair value less sale costs in cases where this is lower than book value.

In view of their minor significance for the Commerzbank Group, these two categories are shown under other assets and other liabilities.

(19) Liabilities to banks and customers and securitized liabilities

Financial liabilities are recognized at amortized cost. The derivatives embedded in liabilities have been separated from their host debt instrument where this is required, valued at fair value and shown under either assets held for trading purposes or liabilities from trading activities. As part of hedge accounting, hedged liabilities were adjusted for the fair value attributable to the hedged risk. Liabilities for which the fair value option is used are recognized at their fair value.

(20) Negative fair values attributable to derivative 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. Hedging instruments are recognized at their fair value. Listed hedging instruments are recognized at their market prices; unlisted ones are recognized on the basis of comparable prices and internal valuation models (net present value or option pricing models). Under the terms of fair value hedges, changes in fair value of hedging instruments are reported as the net result of hedge accounting under trading profit in the income statement. By contrast, we show the effective portions of the gains or losses on cash flow hedges as valuation changes under equity.

(21) Liabilities from trading activities

Derivative financial instruments and lending commitments in the trading book which have a negative fair value, and delivery obligations from short sales of securities, are shown as liabilities from trading activities. Liabilities held for trading are recorded at fair value through profit and loss.

Market prices are applied for listed financial instruments; for unlisted products, comparable prices or internal valuation models (net present value or option pricing models) are used. All realized gains or losses and any unrealized valuation gains or losses form part of trading profit in the income statement. Trading profit also includes interest and dividend income from trading portfolios, less the cost of funding them.

(22) 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 uncertain amount to third parties and anticipated losses arising from pending transactions in the amount of the claims expected. 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 the effect of discounting is material.

The different types of provisions are allocated via various items in the income statement. Provisions in the 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.

(23) 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, is based on a number of benefit schemes (both defined-benefit and defined contribution plans). Firstly, employees obtain an entitlement to benefits based on an indirect pension commitment (a defined contribution plan). To finance this, the Group, together with its current employees, pays a fixed amount to external pension providers (including the Versicherungsverein des Bankgewerbes a.G. (BVV), Berlin and Versorgungskasse des Bankgewerbes e.V., Berlin).

The amount of current and future pension payments is determined by contributions paid and the related income on the assets. For these indirect systems the accounting standards laid down in 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.

Secondly, there are obligations arising from pension entitlements and current payments due to a direct pension commitment on the part of Commerzbank where the amount of the pension payment is fixed and dependent on factors such as age, remuneration and length of service (a defined benefit plan).

For employees entitled to pension benefits who joined Commerzbank AG and other consolidated companies before December 31, 2004 the direct pension claims are based on the rules found in the Commerzbank modular plan for pension benefits, known as CBA. The amount of the benefits under CBA is determined from an initial module for the period up to December 31, 2004, and from 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 been given a commitment under the Commerzbank capital plan for company pension benefits, known as CKA. The amount of the payments under the Commerzbank company pension scheme (CKA) are composed 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. IAS 19 accounting principles for defined-benefit pension plans are applied to this benefit system, which means that provisions are formed.

In order to meet direct pension liabilities, cover assets were transferred to a legally independent trustee, Commerzbank Pension-Trust e.V. (CPT).

The trust assets held by CPT qualified as plan assets within the meaning of IAS 19.7. Pursuant to IAS 19.54 the transferred assets are to be netted with pension provisions, which leads to a corresponding reduction in pension provisions within the Group.

The pension expenses reported under personnel expenses for the direct pension commitments consist of several components: the service costs, representing the claims earned by members during the financial year; and the interest cost on the net 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 the pension expenses. Moreover, the level of pension expenses continues to be affected by the amortization of actuarial gains or losses not previously recognized in the income statement. If the direct pension commitments are changed and this leads to a change in the payment obligation, a retroactively calculated service cost or income has to be reported.

The size of the provision in accordance with IAS 19.54 is therefore as follows:

Cash value of the defined-benefit obligation for direct commitments (DBO)
less fair value of plan assets
less/plus unrecognized actuarial losses or gains
less/plus a not yet recorded service cost to be offset retrospectively, if applicable
= size of the pension provision

For defined-benefit plans the pension provisions and similar obligations (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 top-quality 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 et seq., 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 or fall below the corridor of 10% of the greater of DBO or the fair value of the plan assets at the beginning of the period. Only that part comprising the amount that falls outside of the corridor divided by the average expected remaining working lives of the employees covered by the plan has to be charged as an expense.

(24) Staff remuneration plans

a) Commerzbank AG

For managers and other selected employees, the Group sets up long-term performance plans (LTPs) every year. In financial year 2008, payments of €8.0m were made under the LTP for 2005. In the previous year, a total of €18,3m was paid out for the LTPs for 2004. The plans still outstanding (LTPs 2006 to 2008) provide remuneration geared to the performance of the share price and the index. Those entitled to participate include employees of Commerzbank Aktiengesellschaft, various domestic companies and selected operating units abroad.

In order to participate in the LTPs those eligible have to invest in Commerzbank shares. The scale of this investment for staff below the level of Board of Managing Directors depends on function group (the possible amount ranges between 100 and 1,200 shares). At least one of the following conditions must be met for payments to be made under the LTPs:

- The following applies for 50% of the staff member's own investment: Commerzbank shares must outperform the Dow Jones Euro Stoxx® banks index. For each one percentage point of outperformance a payment of €10 will be made, up to a maximum of €100 per share.
- The following applies for 50% of the staff member's own investment: Commerzbank shares must rise in absolute terms. For a 25% rise in the share price a payment of €10 will be made; for each additional 3 percentage points an additional €10 will be paid, up to a maximum of €100 per share.

Eligible participants receive a maximum of €100 per share paid out in cash.

Payment of the LTP is dependent upon Commerzbank Aktiengesellschaft paying a dividend in the financial year in which the payment takes place.

The base price of the index for the performance comparison and the base price of the Commerzbank share is determined at the end of March of each issuing year.

- The base price for Commerzbank shares is the average of the daily Xetra closing prices in the 1st quarter of the issuing year, subsequently adjusted for corporate actions.
- The base price for the index is the average of the daily closing prices of the Dow Jones Euro Stoxx® banks index (price index) in the 1st quarter of the issuing year.

After three years, the base prices of the issuing year are compared with the data for the 1st quarter of the year under review to determined whether outperformance of at least one percentage point compared to the Dow Jones Euro Stoxx® banks index was achieved and/or the Commerzbank share price rose by at least 25% compared to the base price.

In the event that 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 will terminated. On each occasion that payments are made, members of the Board of Managing Directors invest 50% of the gross payment in Commerzbank shares.

b) Eurohypo AG

Eurohypo managers have a separate long-term incentive plan (LFI) from the financial year 2005. No new LFIs have been launched since 2006. Instead, the members of the Board of Managing Directors of Eurohypo have been eligible to participate in the Commerzbank AG since 2006, and all managers of Eurohypo since 2007. Staff had the right under the LFI to purchase Eurohypo shares if the target variable of pre-tax return on equity reached a certain value. If the targeted value is exceeded or not achieved, the number of shares increases or decreases by 25% per percentage point of the outperformance or the underperformance. The calculation of shares eligible for suscription is based on the average Eurohypo share price in the 2003 financial year. In 2006, the entitlements to shares of Eurohypo gained in 2004 and 2005 were converted on a one-to-one basis into entitlements to Commerzbank AG shares. The 2004 LFI was paid out in cash to all eligible employees in June 2008 at a total of €2m. The basis for this was the price of Commerzbank shares (€23.52 per share) at the end of Commerzbank AG's Annual General Meeting held in May 2008. The earliest payout date for the 2005 LFI will be at the end of the Annual General Meeting of Commerzbank AG at which the appropriation of profit for financial year 2008 will be approved. The long-term incentive plans 2005 will be paid out in shares or cash at Eurohypo's discretion.

c) 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 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, subscription of Commerzbank shares is determined each year by their price within the last 30 days of their respective subscription dates. Both plans are to be viewed as share-based remuneration payments settled in the form of equity instruments.

d) Other consolidated companies

In addition, it is possible for selected employees at other consolidated companies (e. g. comdirect bank AG) to participate through private equity 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 to shares or paid in cash. The observance of blocking periods and agreements for later repurchase determine whether additional income is received.

e) Accounting and measurement

The staff remuneration plans described here are treated according to 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 are classified and recognized 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 has to be recognized as personnel expenses and reflected accordingly in equity (capital reserve). The fair value at the time the awards are granted – with the exception of the effect of non-market-based exercise conditions – has to be determined and recognized as expense on a straight-line basis over the time during which the employee acquires irrevocable claims to the awards. The amount recognized as expenses may only be adjusted if the estimates made by the Bank regarding the number of equity instruments which will finally be issued change.

  If rights cannot be exercised because the conditions for exercise (e.g. a performance target) are not met, no change is made to the amounts already recognized in equity.

- Cash-settled share-based payment transactions

  The portion of the fair value of share-based payments settled in cash that relates to services performed up to the date of measurement is recognized as personnel expenses, accompanied by its recognition as a provision. The fair value is calculated afresh for 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 has to correspond as closely as possible to the amount paid to the eligible employees.

- Valuation models

  In order to calculate the fair values of the staff remuneration plans that exist within Commerzbank Group, we have engaged external actuaries. 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 remuneration 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 contained in the plans, which are linked to the after-tax profit of the companies in question.

(25) 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 expected to increase or reduce future taxes on income and there is no rule against disclosing them. In addition, deferred taxes are shown 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 enacted at December 31, 2008 and applicable in the event of 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 the same taxable entity will generate tax results in the foreseeable future with respect to the same fiscal authority.

Deferred tax assets and liabilities are recognized and carried – 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.

The definitions of current and deferred tax assets as well as of current and deferred tax liabilities are set out in Notes 53 and 61.

(26) 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 entire lifetime to maturity.

(27) Trust transactions at third-party risk

Trust 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.

(28) 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 issue guarantees or acceptances.

Provisioning for possible loan losses from contingent liabilities and irrevocable lending commitments is shown as a provision for risks in the lending business.

(29) Treasury shares

Treasury shares held by Commerzbank Aktiengesellschaft in its portfolio on the balance-sheet date are deducted directly from equity. Gains and losses resulting from the Bank's own shares are set off against one another, with no effect on profit or loss.

Acquisition / sale of the majority interest in other companies

On September 18, 2007 Commerzbank Aktiengesellschaft signed an agreement to purchase 60% plus one share in Bank Forum, Ukraine. The purchase was completed and fully consolidated on March 6, 2008. At the time of the initial consolidation the company had assets of €1.85bn and liabilities of €1.65bn. The purchase price amounted to €438m and was fully paid up in cash. For the shares purchased we have within the framework of purchase price allocation booked the difference (€356m) between acquisition cost and the pro-rata equity capital so far as possible to balance-sheet assets and other individually identifiable values (client relationships, brand name; €24m). The remaining amount (€332m) was treated as goodwill. In financial year 2008 Bank Forum contributed €–0.2m to the consolidated surplus.

The following subsidiaries, funds and special purpose entities were also consolidated for the first time in 2008:

- Commerz Systems GmbH (formerly SOLTRX Solutions for Financial Business GmbH), Frankfurt am Main
- cominvest ABS active, Frankfurt am Main
- Cominvest ABS Opportunity S.A., Luxembourg
- Semper Finance 2006-1 Ltd., St. Helier/Jersey
- ComStage ETF Dax, Luxembourg
- ComStage ETF Comm.B. Eonia Index, Luxembourg
- ComStage ETF DJ Euro Stoxx 50, Luxembourg
- ComStage ETF DJ Euro Select Dividend 30, Luxembourg
- ComStage ETF DJ Industrial Average, Luxembourg
- ComStage ETF DJ Stoxx 600, Luxembourg
- ComStage ETF MSCI World TRN, Luxembourg
- ILSP Mutual Fund AG & Co.KG, Vaduz (Liechtenstein)

These companies have assets of €18.1bn and liabilities of €15.9bn. The purchase costs amounted to €2.8bn in total. A differential amount did not arise.

We also signed an agreement on October 23, 2007 for the sale of our subsidiary Caisse Centrale de Réescompte, S.A., Paris. We sold the company on February 1, 2008. The net income from deconsolidation amounts to €0.2bn.

Special Fund for Financial Market Stabilization (SoFFin)

The Special Fund for Financial Market Stabilization (SoFFin) provided Commerzbank with a silent participation of €8.2bn as at December 31, 2008. Details on this participation may be found in Note 65.

SoFFin is also granting the Commerzbank Group a guarantee for bonds up to a maximum of €15bn. In return, the Bank will pay a commitment fee of 0.1% p.a. of the amount of the guarantee that is not used. A fee of 0.5% p.a. will be charged on guaranteed bonds issued with a maturity of up to 12 months. Maturities of over one year will be subject to a rate of around 0.95%. Bonds guaranteed by SoFFin have a maximum maturity of 36 months.

Notes to the income statement

(30) Net interest income

€ m	2008	2007	Change in %
Interest income from lending and money-market transactions and also from available-for-sale securities portfolio	21,040	21,578	–2.5
Early repayment penalties	35	14	.
Gains from the sale of loans and receivables	–	134	.
Dividends from securities	104	64	62.5
Current result on investments and subsidiaries	66	66	0.0
Current result on investments in associated companies	40	36	11.1
Current income from assets held for sale or as investments	87	33	.
Interest income	21,372	21,925	–2.5
of which:			
Interest income from applying the fair value option	169	173	–2.3
Interest income from investment properties	70	19	.
Interest paid on subordinated and hybrid capital	792	787	0.6
Interest paid on securitized liabilities	7,210	8,364	–13.8
Interest paid on other liabilities	8,585	8,733	–1.7
Losses from the sale of loans and receivables	2	6	–66.7
Current expenses from assets held for sale or as investments	54	28	92.9
Interest expenses	16,643	17,918	–7.1
of which:			
Interest expenses from applying the fair value option	37	56	–33,9
Interest expenses from investment properties	44	12	.
Total	**4,729**	**4,007**	**18.0**

The unwinding effect amounted to €131m in 2008.

Interest margin: The interest margin, based on the average risk-weighted assets in commercial business according to BIS, was 2.83% (previous year: 2.04%).

(31) Provision for possible loan losses

Provision for possible loan losses appears as follows in the consolidated income statement:

€ m	2008	2007	Change in %
Allocation to provisions	–2,839	–1,551	83.0
Reversals of provisions	1,580	1,272	24.2
Direct write-downs	–639	–228	.
Income received on written-down claims	43	28	53.6
Total	**–1,855**	**–479**	**.**

(32) Net commission income

€ m	2008	2007	Change in %
Securities transactions	947	1,155	–18.0
Asset management	544	861	–36.8
Payment transactions and foreign commercial business	607	530	14.5
Real-estate business	412	380	8.4
Guarantees	358	219	63.5
Income from syndicated business	131	123	6.5
Trust transactions at third-party risk	3	6	–50.0
Other income	527	558	–5.6
Commissions received	**3,529**	**3,832**	**–7.9**
Securities transactions	67	70	–4.3
Asset management	142	219	–35.2
Payment transactions and foreign commercial business	64	51	25.5
Real-estate business	81	69	17.4
Guarantees	150	45	.
Income from syndicated business	8	8	0.0
Trust transactions at third-party risk	0	3	.
Other expenses	171	217	–21.2
Commissions paid	**683**	**682**	**0.1**
Net commission income			
Securities transactions	880	1,085	–18.9
Asset management	402	642	–37.4
Payment transactions and foreign commercial business	543	479	13.4
Real-estate business	331	311	6.4
Guarantees	208	174	19.5
Income from syndicated business	123	115	7.0
Trust transactions at third-party risk	3	3	0.0
Other net commission income	356	341	4.4
Total	**2,846**	**3,150**	**–9.7**

Commissions received includes €209m (previous year: €182m) of income and commissions paid include €140m (previous year: €158m) of expenses resulting from transactions with financial instruments that are not recorded at fair value through profit and loss.

The decrease in the asset management item is mainly a result of the deconsolidation of Jupiter International Group and Caisse Centrale de Réescompte.

(33) Trading profit

Trading profit has been split into four components:

- Net result on trading in securities, promissory notes, precious metals and derivative instruments.
- Net result on the valuation of derivative financial instruments which do not form part of the trading book and do not qualify for hedge accounting.
- Net result on hedge accounting.
- Net result from applying the fair value option.

All financial instruments held for trading purposes are valued at their fair value. We use market prices to value listed products, while internal price models (primarily net-present-value and option-price models) are used in determining the current value of non-listed trading transactions. Apart from the realized and unrealized gains and losses attributable to trading activities, trading profit also includes the interest and dividend income related to such transactions and their funding expenses.

€ m	2008	2007	Change in %
Net result on trading	738	988	–25.3
Realizations	–136	498	.
Net valuation result	–22	–52	–57.7
Net interest income	896	542	65.3
Net result on the valuation of derivative financial instruments	–1.007	–105	.
Net result on hedge accounting	56	–10	.
Net result from applying the fair value option	–237	6	.
Realizations	–120	19	.
Net valuation result	–117	–13	.
Total	**–450**	**879**	**.**

Net interest income from trading is made up of €5,896m in interest income (previous year: €5,004m) and €5,000m in interest expense (previous year: €4,462m) for funding trading transactions.

The day 1 profit or loss (the difference between the transaction price and the fair value assigned by the model) that was included in the net result on trading changed as follows in the year under review:

€ m	2008
Value as of January 1	–
Allocations recognized on income statement	7
Reversals recognized on income statement	3
Value as of December 31	4

The net result on hedge accounting reflects the gains and losses attributable to the valuation impact of effective hedges in connection with fair value hedge accounting. The net result of hedge accounting also includes the ineffective part of the fair value measurement arising from effective cash flow hedges.

It is broken down as follows:

€ m	2008	2007	Change in %
Fair value hedge Net result on derivatives used as hedging instruments	–4,340	763	.
Net result on hedged items	4,396	–773	.
Cash flow hedge Result of effectively hedged cash flow hedges (ineffective part only)	–	–	.
Total	**56**	**–10**	**.**

(34) Net investment income

Under the net investment income, we show the disposal proceeds the gains and losses (impairments) on available-for- sale securities, investments, holdings in associated companies and holdings in subsidiaries which have not been consolidated.

€ m	2008	2007	Change in %
Net result from interest-bearing business	**–777**	**–480**	**61.9**
in the available-for-sale category	–18	116	.
Gains on disposals (rebooking from the revaluation reserve)[1]	286	343	–16.6
Losses on disposals (rebooking from the revaluation reserve)[1]	–304	–227	33.9
in the loans and receivables category	–34	–6	.
Gains on disposals	4	19	–78.9
Losses on disposals	–38	–25	52.0
Net valuation result	–725	–590	22.9
Net result from equity instruments	**112**	**606**	**–81.5**
in the available-for-sale category	194	281	–31.0
Gains on disposals (rebooking from the revaluation reserve)[1]	263	291	–9.6
Losses on disposals (rebooking from the revaluation reserve)[1]	–69	–10	.
in the available-for-sale category, valued at cost of acquisition	264	410	–35.6
Net valuation result	–346	–85	.
Net result on disposals and valuation of holdings in associated companies	–	–	.
Total	**–665**	**126**	**.**

[1] This includes €–114m of rebookings from the revaluation reserve which relate to the financial year 2008 (previous year: €88m).

The total volume of subprime underlyings in the Commerzbank Group was €1.3bn in nominal terms as at December 31, 2008, of which 34% were held primarily in the form of collateralized debt obligations (CDOs) at Commerzbank AG in New York and London and at CB Europe in Dublin; the rest consisted of Residential Mortgage Backed Securities (RMBSs) at Eurohypo New York.

In financial year 2008 there was a valuation loss of €501m before tax (previous year: €583m) for these subprime-related portfolios.

(35) Other result

The other result primarily comprises allocations to and reversals of provisions, income and expenses from operating leases as well as interim expenses and income attributable to hire-purchase agreements. Expenses and income arising from building and architects' fees occur in connection with the construction management of our sub-group Commerz Real AG. Other taxes are also included in this item.

€ m	2008	2007	Change in %
Material other expenses	**376**	**423**	**–11.1**
Expenses from operating leases	175	178	–1.7
Expenses arising from building and architects' services	47	83	–43.4
Allocations to provisions	126	135	–6.7
Hire-purchase expenses and interim costs	28	27	3.7
Material other income	**435**	**589**	**–26.1**
Income from operating leases	182	191	–4.7
Reversals of provisions	134	265	–49.4
Hire-purchase proceeds and interim income	37	36	2.8
Income from building and architects' services	55	91	–39.6
Income from disposal of fixed assets	27	6	.
Balance of sundry other expenses/income	–86	30	.
Other result	**–27**	**196**	**.**

(36) Operating expenses

The Group's operating expenses of €4,956m consist of personnel expenses of €2,499m, other expenses of €2,149m, and depreciation on office furniture and equipment, property, and on other intangible assets of €308m. The expenses break down as follows:

Personnel expenses:

€ m	2008	2007	Change in %
Wages and salaries	2,366	2,867	–17.5
Expenses for pensions and other employee benefits	133	215	–38.1
of which:			
Contributions to BVV and Versorgungskasse des Bankgewerbes	58	55	5.5
Company pension scheme	75	160	–53.1
Total	**2,499**	**3,082**	**–18.9**

Personnel expenses include €322m expenses for social-security contributions (previous year: €324m).

Other expenses:

€ m	2008	2007	Change in %
Expenses for office space	557	521	6.9
IT expenses	484	423	14.4
Compulsory contributions, consulting, other operating and company-law expenses	448	418	7.2
Advertising, PR and promotional expenses, consulting	250	234	6.8
Workplace expenses	197	188	4.8
Sundry expenses	213	184	15.8
Total	**2,149**	**1,968**	**9.2**

The auditors' fee (excluding VAT) of €20.8m, recognized as expenses in Germany in the financial year, breaks down as follows:

€ 1,000	2008	2007	Change in %
Audit of financial statements	11,905	10,149	17.3
Provision of other certificates or assessments	6,468	2,660	.
Tax consulting services	224	326	–31.3
Other services	2,156	599	.
Total	**20,753**	**13,734**	**51.1**

Depreciation of office furniture and equipment, property and other intangible assets:

€ m	2008	2007	Change in %
Office furniture and equipment	135	175	–22.9
Property	39	43	–9.3
Other intangible assets	134	98	36.7
Total	**308**	**316**	**–2.5**

The depreciation of property includes a decrease in value of €8m (previous year: €19m).

(37) Restructuring expenses

€ m	2008	2007	Change in %
Expenses for restructuring measures introduced	25	8	.
Total	**25**	**8**	**.**

The restructuring expenses of €25m are related to the integration of Hypothekenbank in Essen AG into Eurohypo AG. The most important cost factors are in relation to the IT and personnel areas.

(38) Taxes on income

Income-tax expenses break down as follows:

€ m	2008	2007	Change in %
Current taxes on income	242	503	–51.9
Tax expenses/income for the current year	236	461	–48.8
Tax expenses/income for the previous year	6	42	–85.7
Deferred taxes on income	–707	77	.
Tax expenses/income due to change in temporary differences and loss carryforwards	–142	253	.
Tax rate differences	–158	24	.
Tax income from previously unrecognized tax carryforwards	–407	–200	.
Total	**–465**	**580**	**.**

The combined income tax rate applicable to Commerzbank Aktiengesellschaft and its German subsidiaries was 30.9%.

In light of the takeover of Dresdner Bank AG which was completed on January 12, 2009 and the funding provided by the Special Fund for Financial Market Stabilization (SoFFin), the time horizon for operational planning has been substantially extended, with restructuring expenses and synergy effects as well as interest and principal payments to SoFFin being taken into account. This has led to a corresponding extension of the tax-planning time horizon for measuring deferred tax claims and in turn a change in accounting estimates as defined in IAS 8. The result has been a retroactive capitalization of deferred tax claims on tax loss carryforwards in the consolidated domestic companies amounting to €407m.

Deferred tax liabilities include €45m for the release of deferred taxes arising from loss carryforwards of foreign Group units which were utilized in the past financial year.

In financial year 2008, as part of the agreement on the Dresdner Bank takeover, it was decided that the cominvest Group would be sold. The tax expenses for the subsidiaries held for sale at December 31, 2008 is €0.03m in relation to the sale of the shareholdings and €9.7m in relation to ordinary activities.

The following reconciliation shows the connection between net pre-tax profit according to IFRS and taxes on in-come 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 earnings tax. The German income-tax rate is roughly 30.9%.

Income tax effects result from discrepancies between the tax rates valid for foreign units. Tax rates outside Germany ranged between 0% (Dubai) and 46% (New York).

As at December 31, 2008 the Group tax ratio was 115.4% (2007: 23.2%).

€ m	2008	2007
Net pre-tax profit according to IFRS	**–403**	**2,505**
Group's income-tax rate (%)	30.9	39.4
Calculated income-tax payments in financial year	**–124**	**987**
Effects due to differing tax rates affecting income during periods in question	–158	–179
Impact of 2008 tax reform	–	203
Impact of the recognition of deferred taxes on loss carryforwards due to updated long-term planning	–407	–200
Effects from non-deductible operating expenses and tax-exempt income	180	–315
Deferred tax assets not recognized	34	67
Effects of additions and deductions for trade earnings tax	20	3
Other effects	–10	14
Taxes on income	**–465**	**580**

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	31.12.2008	31.12.2007	Change in %
Current taxes on income	36	9	.
Deferred taxes on income	1,605	351	.
Valuation differences from cash flow hedges	585	165	.
Revaluation reserve	1,071	713	50.2
Other	–51	–527	–90.3
Total	**1,641**	**360**	**.**

(39) Basic earnings per share

	31.12.2008	31.12.2007	Change in %
Operating profit (€ m)	–378	2,513	.
Consolidated surplus attributable to Commerzbank shareholders (€ m)	3	1,917	–99.8
Average number of ordinary shares issued (units)	677,026,389	656,626,962	3.1
Operating profit per share (€)	–0,56	3.83	.
Earnings per share (€)	0,00	2.92	.

The earnings per share, calculated in accordance with IAS 33, are based on the consolidated surplus attributable to Commerzbank shareholders.

In the past financial year and on December 31, 2008, no conversion or option rights were outstanding. It was not necessary to calculate diluted earnings.

(40) Cost/income ratio

	2008 in %	2007 in %	Change in % points
Cost/income ratio before restructuring expenses	77.0	64.2	12.8

The cost/income ratio represents the quotient formed by operating expenses and income before provisioning.

(41) Segment reporting

Segment reporting reflects the results of the operational business lines within the Commerzbank Group. It is based on our internal management information, which is compiled every month in accordance with IFRS rules.

Commerzbank changed its structure in financial year 2008. From that point onwards "Public Finance and Treasury" ceased to exist as a separate segment. The Public Finance business has now been allocated to the Corporates & Markets segment for segment reporting purposes.

The previous year's figures were restated in line with the new reporting.

In our segment reporting, we report on six segments:

- "Private and Business Customers" includes branch business with private individuals, professional and commercial clients, private banking, the activities of comdirect bank, the retail banking of Eurohypo and the Asset Management department (cominvest).
- "Mittelstandsbank" presents the results of corporate banking in Germany, the Asian region and the Financial Institutions department.
- The segment "Central and Eastern Europe" comprises the operations of our subsidiaries and branches in the "Central and Eastern Europe" region.
- "Corporates & Markets" comprises equity and bond-trading activities, trading in derivative instruments, interest-rate and currency management, as well as corporate finance. In addition, this segment is responsible for business involving multinational companies. The branches and subsidiaries in Western Europe, America and Africa are also included in this segment. The Public Finance business which forms part of this segment includes Erste Europäische Pfandbrief- und Kommunalkreditbank in Luxembourg, the public-sector lending business of Eurohypo and Group Treasury.
- "Commercial Real Estate" presents the results of Commerz Real and Eurohypo's commercial real-estate activities.
- "Others and Consolidation" registers the income and expenses which do not fall within the area of responsibility of the operational business lines. Also included here are the income and expenses required to reconcile the internal accounting control variables used in the segment reporting of the operational business lines to the relevant external accounting data. In addition, this segment covers equity participations which are not assigned to the operational business lines as well as the international asset management activities (Commerzbank Europe Ireland and CAM Asia Pacific).

The result generated by each individual segment is measured in terms of the operating profit and the pre-tax profit, as well as the return on equity and the cost/income ratio. Through the presentation of pre-tax profits, minority interests are included in both the result and the average equity tied up. All the revenue for which a segment is responsible is thus reflected in the pre-tax profit.

The return on equity is calculated from the ratio between the operating profit (operating or pre-tax) and the average amount of equity that is tied up. It shows the return on the equity that is invested in a given segment. The cost/income ratio in operating business reflects the cost efficiency of the various segments. It represents the quotient formed by operating expenses and income before provisioning.

Income and expenses are shown such that they reflect the originating unit and appear at market prices, with the market interest rate applied in the case of interest-rate instruments. Net interest income reflects the actual funding costs of the equity participations, which are assigned to the respective segments according to their specific business orientation. The investment yield achieved by the Group on its equity is assigned to the net interest income of the various segments such that it reflects the average amount of equity that is tied up.

The interest rate corresponds to that of a risk-free investment in the long-term capital market. The average amount of equity tied up is worked out in 2008 using the Basel II system, based on the established average amount of 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 capital backing for risk-weighted assets which we assume for segment reporting purposes is 6%.

Direct and indirect expenditure form the operating expenses which are shown in the operating profit. They consist of personnel costs, other expenses and depreciation of fixed assets and other intangible assets. Restructuring expenses appear below the operating profit in the pre-tax profit. Operating expenses are assigned to the individual segments on the basis of the causation principle. The indirect expenses arising in connection with internal services are charged to the beneficiary or credited to the segment performing the service.

Breakdown, by segment

2008 financial year | € m	**Private and Business Customers**	**Mittelstandsbank**	**Central & Eastern Europe**	**Corporates & Markets**	**Commercial Real Estate**	**Others and Consolidation**	**Total**
Net interest income	1,382	1,266	661	473	827	120	4,729
Provision for possible loan losses	–162	–179	–190	–676	–618	–30	–1,855
Net interest income after provisioning	1,220	1,087	471	–203	209	90	2,874
Net commission income	1,460	610	197	164	418	–3	2,846
Trading profit	–1	5	93	–457	–17	–73	–450
Net investment income	–37	–7	69	–374	–473	157	–665
Other result	–16	–87	29	116	–81	12	–27
Revenue before provisioning	*2,788*	*1,787*	*1,049*	*–78*	*674*	*213*	*6,433*
Revenue after provisioning	*2,626*	*1,608*	*859*	*–754*	*56*	*183*	*4,578*
Operating expenses	2,075	740	555	934	480	172	4,956
Operating profit	**551**	**868**	**304**	**–1,688**	**–424**	**11**	**–378**
Restructuring expenses	–	–	–	25	–	–	25
Pre-tax profit	**551**	**868**	**304**	**–1,713**	**–424**	**11**	**–403**
Average equity tied up	**1,554**	**2,869**	**1,595**	**3,388**	**3,577**	**1,785**	**14,768**
Operating return on equity (%)	**35.5**	**30.3**	**19.1**	**–49.8**	**–11.9**	**.**	**–2.6**
Cost/income ratio in operating business (%)	**74.4**	**41.4**	**52.9**	**–1,197.4**	**71.2**	**.**	**77.0**
Return on equity of pre-tax profit (%)	**35.5**	**30.3**	**19.1**	**–50.6**	**–11.9**	**.**	**–2.7**
Staff (average no.)	11,980	4,359	9,538	2,360	1,624	9,378	39,239

Breakdown, by segment

2007 financial year | € m	**Private and Business Customers**	**Mittelstandsbank**	**Central & Eastern Europe**	**Corporates & Markets**	**Commercial Real Estate**	**Others and Consolidation**	**Total**
Net interest income	1,296	1,082	395	371	845	18	4,007
Provision for possible loan losses	–240	68	–56	–131	–115	–5	–479
Net interest income after provisioning	1,056	1,150	339	240	730	13	3,528
Net commission income	1,575	645	172	162	411	185	3,150
Trading profit	4	1	94	730	33	17	879
Net investment income	–8	–18	25	–176	–194	497	126
Other result	–24	–30	12	61	31	146	196
Revenue before provisioning	*2,843*	*1,680*	*698*	*1,148*	*1,126*	*863*	*8,358*
Revenue after provisioning	*2,603*	*1,748*	*642*	*1,017*	*1,011*	*858*	*7,879*
Operating expenses	2,202	768	370	1,084	564	378	5,366
Operating profit	**401**	**980**	**272**	**–67**	**447**	**480**	**2,513**
Restructuring expenses	–	–	–	8	–	–	8
Pre-tax profit	**401**	**980**	**272**	**–75**	**447**	**480**	**2,505**
Average equity tied up	**2,478**	**2,331**	**865**	**3,470**	**4,267**	**31**	**13,442**
Operating return on equity (%)	**16.2**	**42.0**	**31.4**	**–1.9**	**10.5**	**.**	**18.7**
Cost/income ratio in operating business (%)	**77.5**	**45.7**	**53.0**	**94.4**	**50.1**	**.**	**64.2**
Return on equity of pre-tax profit (%)	**16.2**	**42.0**	**31.4**	**–2.2**	**10.5**	**.**	**18.6**
Staff (average no.)	11,711	4,181	5,437	2,212	1,610	9,645	34,796

Quarterly results, by segment

1st quarter 2008 | € m	**Private and Business Customers**	**Mittel-standsbank**	**Central & Eastern Europe**	**Corporates & Markets**	**Commercial Real Estate**	**Others and Conso-lidation**	**Total**
Net interest income	329	289	121	56	204	20	1,019
Provision for possible loan losses	–40	–11	–17	–57	–50	–	–175
Net interest income after provisioning	289	278	104	–1	154	20	844
Net commission income	395	145	47	39	108	–2	732
Trading profit	–1	5	34	137	2	–4	173
Net investment income	–4	–2	39	–103	–84	128	–26
Other result	–	–	4	17	–2	15	34
Revenue	*679*	*426*	*228*	*89*	*178*	*157*	*1,757*
Operating expenses	532	194	105	283	121	87	1,322
Operating profit	**147**	**232**	**123**	**–194**	**57**	**70**	**435**
Restructuring expenses	–	–	–	25	–	–	25
Pre-tax profit	**147**	**232**	**123**	**–219**	**57**	**70**	**410**

2nd quarter 2008 | € m	**Private and Business Customers**	**Mittel-standsbank**	**Central & Eastern Europe**	**Corporates & Markets**	**Commercial Real Estate**	**Others and Conso-lidation**	**Total**
Net interest income	343	299	150	124	209	49	1,174
Provision for possible loan losses	–40	–8	–26	–42	–298	–	–414
Net interest income after provisioning	303	291	124	82	–89	49	760
Net commission income	405	144	56	31	95	–14	717
Trading profit	–4	–2	35	343	0	3	375
Net investment income	–5	–3	21	14	–119	6	–86
Other result	–	8	2	16	26	39	91
Revenue	*699*	*438*	*238*	*486*	*–87*	*83*	*1,857*
Operating expenses	542	193	146	328	135	29	1,373
Operating profit	**157**	**245**	**92**	**158**	**–222**	**54**	**484**
Restructuring expenses	–	–	–	–	–	–	–
Pre-tax profit	**157**	**245**	**92**	**158**	**–222**	**54**	**484**

Quarterly results, by segment

3rd quarter 2008 | € m	**Private and Business Customers**	**Mittel-standsbank**	**Central & Eastern Europe**	**Corporates & Markets**	**Commercial Real Estate**	**Others and Conso-lidation**	**Total**
Net interest income	346	324	206	84	213	38	1,211
Provision for possible loan losses	–43	–12	–71	–382	–92	–28	–628
Net interest income after provisioning	303	312	135	–298	121	10	583
Net commission income	346	150	49	56	121	–2	720
Trading profit	2	–5	30	–263	–1	–60	–297
Net investment income	–4	–	1	–209	–143	126	–229
Other result	–2	3	–1	7	–15	–7	–15
Revenue	*645*	*460*	*214*	*–707*	*83*	*67*	*762*
Operating expenses	527	197	144	191	139	39	1,237
Operating profit	**118**	**263**	**70**	**–898**	**–56**	**28**	**–475**
Restructuring expenses	–	–	–	–	–	–	–
Pre-tax profit	**118**	**263**	**70**	**–898**	**–56**	**28**	**–475**

4th quarter 2008 | € m	**Private and Business Customers**	**Mittel-standsbank**	**Central & Eastern Europe**	**Corporates & Markets**	**Commercial Real Estate**	**Others and Conso-lidation**	**Total**
Net interest income	364	354	184	209	201	13	1,325
Provision for possible loan losses	–39	–148	–76	–195	–178	–2	–638
Net interest income after provisioning	325	206	108	14	23	11	687
Net commission income	314	171	45	38	94	15	677
Trading profit	2	7	–6	–674	–18	–12	–701
Net investment income	–24	–2	8	–76	–127	–103	–324
Other result	–14	–98	24	76	–90	–35	–137
Revenue	*603*	*284*	*179*	*–622*	*–118*	*–124*	*202*
Operating expenses	474	156	160	132	85	17	1,024
Operating profit	**129**	**128**	**19**	**–754**	**–203**	**–141**	**–822**
Restructuring expenses	–	–	–	–	–	–	–
Pre-tax profit	**129**	**128**	**19**	**–754**	**–203**	**–141**	**–822**

Results, by geographical market

Assignment to the respective segments on the basis of the location of the branch or consolidated company produces the following breakdown:

2008 financial year | € m	Europe including Germany	America	Asia	Other countries	Total
Net interest income	4,267	385	76	1	4,729
Provision for possible loan losses	–1,439	–379	–39	2	–1,855
Net interest income after provisioning	2,828	6	37	3	2,874
Net commission income	2,851	–32	26	1	2,846
Trading profit	–320	–153	21	2	–450
Net investment income	–93	–573	1	–	–665
Other result	–52	–	25	–	–27
Revenue	*5,214*	*–752*	*110*	*6*	*4,578*
Operating expenses	4,772	109	69	6	4,956
Operating profit	**442**	**–861**	**41**	**0**	**–378**
Risk-weighted assets	193,625	9,709	3,955	148	207,437

In the previous year, we achieved the following results in the geographical markets:

2007 financial year | € m	Europe including Germany	America	Asia	Other countries	Total
Net interest income	3,665	278	56	8	4,007
Provision for possible loan losses	–387	–99	5	2	–479
Net interest income after provisioning	3,278	179	61	10	3,528
Net commission income	3,052	73	26	–1	3,150
Trading profit	851	8	13	7	879
Net investment income	691	–543	–22	–	126
Other result	183	3	10	–	196
Revenue	*8,055*	*–280*	*88*	*16*	*7,879*
Operating expenses	5,145	153	61	7	5,366
Operating profit	**2,910**	**–433**	**27**	**9**	**2,513**
Risk-weighted assets according to BIS[1)]	**223,744**	**7,419**	**2,774**	**639**	**234,576**

[1)] excluding market risk

Notes to the balance sheet

(42) Cash reserve

We include the following items in the cash reserve:

€ m	31.12.2008	31.12.2007	Change in %
Cash on hand	892	893	–0.1
Balances with central banks	5,294	4,069	30.1
Debt issued by public-sector borrowers and bills of exchange rediscountable at central banks	380	195	94.9
Total	**6,566**	**5,157**	**27.3**

The balances with central banks include claims on the Bundesbank totalling €4,136m (previous year: €3,108m). The average minimum reserve requirement for the period December 2008 to January 2009 amounted to €3,161m (previous year: €2,933m). Minimum reserve requirements are measured against average credit balances, so there were no restrictions on access to balances held at the Deutsche Bundesbank.

(43) Claims on banks

	total			due on demand		other claims	
€ m	31.12.2008	31.12.2007	Change in %	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Banks in Germany	29,504	32,362	–8.8	8,524	6,648	20,980	25,714
Banks outside Germany	33,731	41,696	–19.1	10,516	16,663	23,215	25,033
Total	**63,235**	**74,058**	**–14.6**	**19,040**	**23,311**	**44,195**	**50,747**
of which relate to the category: Loans and receivables	63,235	74,058	–14.6				
Available-for-sale financial assets	–	–	.				
Applying the fair value option	–	–	.				

The claims on banks include €13,981m (previous year: €19,599m) of loans to municipalities extended by the mortgage banks.

Claims on banks after provisions for possible loan losses amount to €62,969m (previous year: €74,043m).

(44) Claims on customers

The claims on customers break down as follows:

€ m	31.12.2008	31.12.2007	Change in %
Claims on customers in Germany	180,121	192,384	–6.4
Claims on customers outside Germany	110,027	97,025	13.4
Total	**290,148**	**289,409**	**0.3**
of which relate to the category: Loans and receivables	286,030	286,740	–0.2
Available-for-sale financial assets	–	–	.
Applying the fair value option	4,118	2,669	54.3

Loans collateralized by real estate (loans with an LTV of up to 60%) and mortgage loans in an amount of €117,035m (previous year: €116,974m) as well as public sector loans of the mortgage banks in an amount of €51,304m (previous year: €57,421m) are included in claims on customers.

Claims on customers after provisions for possible loan losses were €284,815m (previous year: €283,469m).

(45) Total lending

€ m	31.12.2008	31.12.2007	Change in %
Loans to banks	30,089	33,770	–10.9
Loans to customers	283,564	282,792	0.3
Total	**313,653**	**316,562**	**–0.9**

We distinguish loans from claims on banks and customers such that only those claims are shown as loans for which special loan agreements have been concluded with the borrowers. Therefore, interbank money-market transactions and repo transactions, for example, are not shown as loans. Acceptance credits are also included in loans to customers.

(46) Provision for possible loan losses

Provision for possible loan losses is made in accordance with rules that apply Group-wide and covers all discernible creditworthiness risks. For loan losses which have already occurred but have not yet come to our attention, portfolio valuation allowances were calculated in line with procedures derived from the Basel II system.

	Valuation allowances and provisions for specific risks		Valuation allowances an provisions for portfolio risks		Total		
€ m	2008	2007	2008	2007	2008	2007	Change in %
As of 1.1.	**5,434**	**7,066**	**973**	**852**	**6,407**	**7,918**	**–19.1**
Allocations	2,483	1,317	356	234	2,839	1,551	83.0
Deductions	2,850	2,971	280	110	3,130	3,081	1.6
of which: utilized	1,550	1,806	–	3	1,550	1,809	–14.3
of which: reversals	1,300	1,165	280	107	1,580	1,272	24.2
Changes in consolidated companies	31	–4	–	–	31	–4	.
Exchange-rate changes/transfers[1]	–87	26	–15	–3	–102	23	.
Provision for possible loan losses as of 31.12.	**5,011**	**5,434**	**1,034**	**973**	**6,045**	**6,407**	**–5.7**

[1] As of this year we are allocating portfolio valuation allowances for smaller exposures acutely vulnerable to default, to specific rather than portfolio valuation allowances. As a result we have adjusted the previous year's figures and reallocated €43m from portfolio to specific valuation allowances.

With direct write-downs, write-ups and income received on previously written-down claims taken into account, the allocations and reversals reflected in the income statement gave rise to a provision of €1,855m (previous year: €479m). The provision for possible loan losses in 2008 includes an unwinding effect amounting to €131m.

Provision for possible risks was formed for:

€ m	31.12.2008	31.12.2007	Change in %
Claims on banks	266	15	.
Claims on customers	5,333	5,940	–10.2
Provision to cover balance-sheet items	**5,599**	**5,955**	**–6.0**
Provisions for specific risks from lending business	232	252	–7.9
Provisions for portfolio risks from lending business	214	200	7.0
Provision to cover off-balance-sheet items	**446**	**452**	**–1.3**
Total	**6,045**	**6,407**	**–5.7**

The provision for credit risk by customer group breaks down as follows:

€ m	Specific valuation allowances and provisions for lending business	Loan losses[1] in 2008	Net allocation[2] to valuation allowances and provisions in lending business
Customers in Germany	3,650	1,832	220
Companies and self-employed	3,023	1,466	99
Manufacturing	682	188	166
Construction	250	157	–7
Distributive trades	264	163	40
Services, incl. professions, and others	1,827	958	–100
Other retail customers	627	366	121
Customers outside Germany	**1,128**	**324**	**733**
Corporate and retail customers	1,128	324	733
Public sector	–	–	–
Provision for customer credit risk	**4,778**	**2,156**	**953**
Banks in Germany	14	1	14
Banks outside Germany	219	32	216
Provision for bank credit risk	**233**	**33**	**230**
Total	**5,011**	**2,189**	**1,183**

[1] Direct write-downs, utilized valuation allowances and utilized provisions in lending business.
[2] Allocation less reversals and less write-ups.

Data on provision for credit risk:

in %	**2008**	**2007**
Allocation ratio[3]	0.59	0.15
Write-off ratio[4]	0.68	0.63
Cover ratio[5]	1.92	2.02

[3] Net provisioning (new provisions less reversals of valuation allowances and provisions in lending business, plus the balance of direct write-downs, write-ups and income received on previously written-down claims) as a percentage of total lending.
[4] Defaults (utilized valuation allowances and provision for commercial loans, plus the balance of direct write-downs, write-ups and income received on previously written-down claims) as a percentage of total lending.
[5] Existing provisions (level of valuation allowances and provisions in lending business) as a percentage of total lending.

Total lending = claims arising from special loan agreements with borrowers (Note 45)

(47) Positive fair values attributable to derivative hedging instruments

Derivative instruments used for hedging purposes while qualifying for hedge accounting and also showing a positive fair value appear under this item in the balance sheet.

These instruments are valued at their fair value. For the most part, interest-rate and interest-rate/currency swaps are used as hedging instruments.

€ m	31.12.2008	31.12.2007	Change in %
Positive fair values from effective fair value hedges	5,680	4,602	23.4
Positive fair values from effective cash flow hedges	4,848	4,368	11.0
Total	**10,528**	**8,970**	**17.4**

(48) Assets held for trading purposes

The Group's trading activities include trading in bonds, notes and other interest-rate-related securities, shares and other equity-related securities, promissory notes, foreign exchange, precious metals and derivative financial instruments and lending commitments.

All the items in the trading portfolio are shown at their fair value.

The positive fair values also include financial instruments which cannot be used as hedging instruments in hedge accounting.

€ m	31.12.2008	31.12.2007	Change in %
Bonds, notes and other interest-rate-related securities	17,352	21,118	–17.8
Money-market instruments	1,132	1,143	–1.0
issued by public-sector borrowers	235	10	.
issued by other borrowers	897	1,133	–20.8
Bonds and notes	16,220	19,975	–18.8
issued by public-sector borrowers	3,117	4,383	–28.9
issued by other borrowers	13,103	15,592	–16.0
Promissory notes	1,110	1,144	–3.0
Loans and positive market values of lending commitments	1,650	1,023	.
Shares and other equity-related securities	5,475	10,265	–46.7
Positive fair values attributable to derivative financial instruments	92,982	64,049	45.2
Currency-related transactions	17,382	6,680	.
Interest-rate-related transactions	63,159	50,235	25.7
Other transactions	12,441	7,134	74.4
Total	**118,569**	**97,599**	**21.5**

€19,535m (previous year: €26,713m) of the bonds, notes and other interest-rate-related securities and also shares and other equity-related securities were listed securities.

Financial assets and liabilities are netted and the net amount recognized in the balance sheet where there is a legally enforceable netting right and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

(49) Financial investments

The financial investments represent financial instruments not assigned to any other category. They include all bonds, notes and other interest-rate-related securities, shares and other equity-related securities not held for trading purposes, investments, holdings in associated companies valued at equity and holdings in subsidiaries not included in the consolidation.

€ m	31.12.2008	31.12.2007	Change in %
Bonds, notes and other interest-rate-related securities	123,938	127,109	–2.5
Money-market instruments	7,685	1,068	.
issued by public-sector borrowers	0	471	.
issued by other borrowers	7,685	597	.
Bonds and notes	116,253	126,041	–7.8
issued by public-sector borrowers	57,814	65,819	–12.2
issued by other borrowers	58,439	60,222	–3.0
Shares and other equity-related securities	1,999	2,757	–27.5
Investments	1,093	1,876	–41.7
of which: in banks	318	330	–3.6
Holdings in associated companies	296	308	–3.9
of which: in banks	227	250	–9.2
Holdings in subsidiaries	124	142	–12.7
of which: in banks	3	6	.
Total	**127,450**	**132,192**	**–3.6**
of which: at equity participations in associated companies	296	308	–3.9
of which relate to the category: Loans and receivables	83,563	–	.
Available-for-sale financial assets	41,534	131,060	–68.3
of which: valued at amortized cost	576	578	–0.3
Applying the fair value option	2,057	824	.

Fair values of listed financial investments:

€ m	31.12.2008	31.12.2007	Change in %
Bonds, notes and other interest-rate-related securities	97,347	109,558	–11.1
Shares and other equity-related securities	999	1,845	–45.9
Investments	641	1,440	–55.5
Total	**98,987**	**112,843**	**–12.3**

We applied the IASB amendment dated October 13, 2008 (see note 5) in financial year 2008 as follows:

On September 30 and November 30, 2008, securities from the Public Finance portfolio previously classified as "Available for Sale" were reclassified as "Loans and Receivables".

On the reclassification dates, the nominal value of the selected holdings was €45bn and €32bn respectively, and the fair value €44bn and €34bn respectively. The revaluation reserve for the reclassified securities after deferred taxes was €–1.1bn, compared with €–0.4bn as at December 31, 2007. This negative figure will stay in the revaluation reserve and be reversed over the remaining term of maturity of the reclassified securities. If this reclassification had not been carried out, there would have been a revaluation reserve after deferred taxes of €–1.3bn for these holdings as at December 31, 2008; as at December 31, 2008, the carrying amount was €79,9bn and the fair value €79,5bn.

The creation of a general loan loss provision (GLLP) results in a one-off effect of €25m in the income statement for the financial year 2008.

The transactions have average effective yields of between 1.0% and 16.9% and are expected to generate an in-flow of funds of €107bn.

(50) Intangible assets

€ m	31.12.2008	31.12.2007	Change in %
Goodwill	1,006	894	12.5
Assets developed in-house (software)	55	50	10.0
Other intangible assets	275	321	–14.3
Total	**1,336**	**1,265**	**5.6**

Goodwill arising from companies shown at equity is contained in holdings in associated companies (€3m). The year-on-year increase in goodwill is mainly due to our purchase of Joint Stock Commercial Bank Forum, Kiev.

Other intangible assets include €153m (previous year: €168m) for software and €122m (previous year: €153m) for customer relationships and brand names. We wrote down Eurohypo's brand name by €40m.

(51) Fixed assets

€ m	31.12.2008	31.12.2007	Change in %
Land and buildings	786	799	–1.6
Office furniture and equipment	454	494	–8.1
Total	**1,240**	**1,293**	**–4.1**

(52) Changes in book value of fixed assets and investments

The following changes were registered for intangible and fixed assets, and also for investments, holdings in associated companies and subsidiaries in the past financial year:

	Intangible assets			Fixed assets	
€ m	**Goodwill**	**Assets developed in-house (software)**	**Other intangible assets**	**Land and buildings**	**Office furniture and equipment**
Book value as of 1.1.2007	**1,287**	**59**	**334**	**836**	**552**
Cost of acquisition / production as of 1.1.2007	2,097	227	884	1,236	2,976
Additions in 2007	–	13	79	43	134
Disposals in 2007	1,032	2	34	49	101
Transfers / changes in consolidated companies	–30	2	10	–12	–32
Cost of acquisition / production as of 31.12.2007	1,035	240	939	1,218	2,977
Write-ups in 2007	–	–	–	–	–
Cumulative write-downs as of 1.1.2007	810	168	550	400	2,424
Changes in exchange rates	–	–	3	–7	6
Additions in 2007	–	23	75	43	175
Disposals in 2007	650	1	13	14	91
Transfers / changes in consolidated companies	–19	–	3	–3	–31
Cumulative write-downs as of 31.12.2007	141	190	618	419	2,483
Book value as of 31.12.2007	**894**	**50**	**321**	**799**	**494**
Cost of acquisition / production as of 1.1.2008	1,035	240	939	1,218	2,977
Changes in exchange rates	–87	–2	–23	–50	–22
Additions in 2008	340	22	85	55	122
Disposals in 2008	2	–	167	34	294
Transfers / changes in consolidated companies	–200	–1	613	22	–602
Cost of acquisition / production as of 31.12.2008	1,086	259	1,447	1,211	2,181
Write-ups in 2008	–	–	–	–	–
Cumulative write-downs as of 1.1.2008	141	190	618	419	2,483
Changes in exchange rates	–	–2	–12	–32	–18
Additions in 2008	–	17	116	39	135
of which: unscheduled	–	–	40	6	15
Disposals in 2008	–	–	136	1	261
Transfers / changes in consolidated companies	–61	–1	586	–	–612
Cumulative write-downs as of 31.12.2008	80	204	1,172	425	1,727
Book value as of 31.12.2008	**1,006**	**55**	**275**	**786**	**454**

€ m	Investments	Holdings in associated companies	Holdings in subsidiaries
Cost of acquisition as of 1.1.2007	1,349	147	225
Additions in 2007	361	–	34
Disposals in 2007	192	8	30
Transfers/changes in consolidated companies	–	–	55
Cost of acquisition as of 31.12.2007	1,518	139	284
Write-ups in 2007	–	–	–
Cumulative write-downs as of 1.1.2007	362	4	93
Additions in 2007	73	–	2
Disposals in 2007	8	4	4
Transfers/changes in consolidated companies/changes in exchange rates	9	–	52
Cumulative write-downs as of 31.12.2007	436	–	143
Cumulative changes from the fair value or at equity valuation	794	169	1
Fair value as of 1.1.2007	**1,850**	**298**	**133**
Fair value as of 31.12.2007	**1,876**	**308**	**142**
Cost of acquisition as of 1.1.2008	1,518	139	284
Additions in 2008	59	16	21
Disposals in 2008	89	3	43
Transfers/changes in consolidated companies	–9	8	–14
Cost of acquisition as of 31.12.2008	1,479	160	248
Write-ups in 2008	–	–	–
Cumulative write-downs as of 1.1.2008	436	–	143
Additions in 2008	89	–	11
of which: unscheduled	89	–	11
Disposals in 2008	9	–	31
Transfers/changes in consolidated companies/changes in exchange rates	3	–	2
Cumulative write-downs as of 31.12.2008	519	–	125
Cumulative changes from the fair value or at equity valuation	133	136	1
Fair value as of 1.1.2008	**1,876**	**308**	**142**
Fair value as of 31.12.2008	**1,093**	**296**	**124**

(53) Tax assets

€ m	31.12.2008	31.12.2007	Change in %
Current tax assets	**684**	**985**	**–30.6**
in Germany	642	944	–32.0
Abroad	42	41	2.4
Deferred tax claims	**6,014**	**5,454**	**10.3**
tax claims affecting net income	2,686	3,457	–22.3
tax claims not affecting net income	3,328	1,997	66.6
Total	**6,698**	**6,439**	**4.0**

Deferred taxes represent the potential income-tax relief 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 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, 2008 due to the limited planning horizon and the resulting insufficient probability of their being utilized.

Tax loss carryforwards | € m	31.12.2008	31.12.2007	Change in %
Corporation tax/Federal tax	**387**	**2,777**	**–86.1**
Can be carried forward within an unlimited period	304	2,777	–89.1
Can be carried forward within a limited period	83	–	.
of which: expire in the subsequent reporting period	–	–	.
Trade earnings tax/Local tax	**246**	**2,463**	**–90.0**
Can be carried forward within an unlimited period	242	2,463	–90.2
Can be carried forward within a limited period	4	–	.
of which: expire in the subsequent reporting period	–	–	.

We view the deferred tax claims on tax loss carryforwards of Commerzbank's New York branch (€179m) and Eurohypo's New York branch (€183m) as having retained their value despite the losses incurred in 2007 and 2008 as the losses were mainly a result of the financial market crisis that started in 2007. We assume that these branches will once again achieve operating profits when the US economy recovers, enabling them to utilize the loss carryforwards within the planning horizon. German Group companies (deferred tax claims amounting to €734m) and other Group units (€105m) also incurred tax losses in 2008 from the financial market crisis that can be utilized within the planning horizon.

Deferred tax as assets were formed in connection with the following balance-sheet items:

€ m	31.12.2008	31.12.2007	Change in %
Fair values of derivative hedging instruments	2,216	1,844	20.2
Assets held for trading purposes and liabilities from trading activities	313	738	–57.6
Claims on banks and customers	268	495	–45.9
Financial investments	1,104	845	30.7
Provisions	135	201	–32.8
Liabilities to banks and customers	25	65	–61.5
Sundry balance-sheet items	715	795	–10.1
Tax loss carry-forwards	1,238	471	.
Total	**6,014**	**5,454**	**10.3**

(54) Other assets

Other assets mainly comprise the following items:

€ m	31.12.2008	31.12.2007	Change in %
Collection items	764	958	–20.3
Precious metals	815	991	–17.8
Leased equipment	358	291	23.0
Assets held for sale	684	2,346	–70.8
Investment properties	909	266	.
Sundry assets, including deferred items	1,495	1,195	25.1
Total	**5,025**	**6,047**	**–16.9**

Held-for-sale assets as of December 31, 2008 broke down as follows:

€ m	31.12.2008	31.12.2007	Change in %
Claims on banks	38	568	–93.3
Claims on customers	2	353	–99.4
Assets held for trading purposes	0	27	.
Financial investments	179	1,127	–84.1
Fixed assets	290	2	.
Other assets	175	269	–34.9
Total	**684**	**2,346**	**–70.8**

Changes in the leased equipment and in assets held for sale and as a financial investment break down as follows:

€ m	Leased equipment	Assets held for sale	Investment properties
Cost of acquisition/production as of 1.1.2007	326	282	305
Changes in exchange rates	–	–	–
Additions in 2007	136	951	28
Disposals in 2007	86	79	61
Transfers/changes in consolidated companies	2	1,294	1
Cost of acquisition/production as of 31.12.2007	378	2,448	273
Cumulative write-downs as of 1.1.2007	67	122	–
Changes in exchange rates	–	–	–
Additions in 2007	56	–	–
Disposals in 2007	36	12	–
Transfers/changes in consolidated companies	–	–	–
Cumulative write-downs as of 31.12.2007	87	110	–
Cumulative changes from the fair value valuation	–	8	–7
Fair value as of 1.1.2007	**259**	**160**	**289**
Fair value as of 31.12.2007	**291**	**2,346**	**266**
Cost of acquisition/production as of 1.1.2007	378	2,448	273
Changes in exchange rates	–3	–13	–
Additions in 2008	150	238	17
Disposals in 2008	18	1,585	107
Transfers/changes in consolidated companies	–3	–364	814
Cost of acquisition/production as of 31.12.2008	504	724	997
Cumulative write-downs as of 1.1.2008	87	110	–
Changes in exchange rates	–	–	–
Additions in 2008	64	40	–
of which: unscheduled	4	–	–
Disposals in 2008	2	110	–
Transfers/changes in consolidated companies	–3	–	–
Cumulative write-downs as of 31.12.2008	146	40	–
Cumulative changes from the fair value valuation	–	–	–88
Fair value as of 1.1.2008	**291**	**2,346**	**266**
Fair value as of 31.12.2008	**358**	**684**	**909**

(55) Liabilities to banks

€ m	total 31.12.2008	31.12.2007	Change in %
Banks in Germany	62,817	67,075	–6.3
Banks outside Germany	65,675	58,045	13.1
Total	**128,492**	**125,120**	**.**
of which relate to the category:			
Liabilities measured at amortized cost	128,479	125,110	2.7
Applying the fair value option	13	10	.

of which:	due on demand		other liabilities	
€ m	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Banks in Germany	6,097	11,971	56,720	55,104
Banks outside Germany	13,797	13,842	51,878	44,203
Total	**19,894**	**25,813**	**108,598**	**99,307**

(56) Liabilities to customers

Liabilities to customers consist of savings deposits, demand deposits and time deposits, including savings certificates.

€ m	total 31.12.2008	31.12.2007	Change in %
Customers in Germany	139,133	128,160	8.6
Corporate customers	84,753	82,549	2.7
Retail customers and others	47,894	38,569	24.2
Public sector	6,486	7,042	–7.9
Customers outside Germany	31,070	31,027	0.1
Corporate and retail customers	29,080	28,923	0.5
Public sector	1,990	2,104	–5.4
Total	**170,203**	**159,187**	**6.9**
of which relate to the category:			
Liabilities measured at amortized cost	169,848	159,003	6.8
Applying the fair value option	355	184	.

	Savings deposits		Other liabilities			
			due on demand		with agreed lifetime or period of notice	
€ m	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Customers in Germany	**7,658**	**9,030**	**44,137**	**40,860**	**87,338**	**78,270**
Corporate customers	67	56	23,523	23,388	61,163	59,105
Retail customers and others	7,591	8,971	19,897	16,356	20,406	13,242
Public sector	0	3	716	1,116	5,770	5,923
Customers outside Germany	**2,163**	**1,297**	**13,746**	**14,413**	**15,161**	**15,317**
Corporate and retail customers	2,162	1,296	13,424	13,789	13,494	13,838
Public sector	1	1	323	624	1,666	1,479
Total	**9,821**	**10,327**	**57,883**	**55,273**	**102,499**	**93,587**

Savings deposits break down as follows:

€ m	31.12.2008	31.12.2007	Change in %
Savings deposits with agreed period of notice of three months	9,131	9,639	–5.3
Savings deposits with agreed period of notice of more than three months	690	688	0.3
Total	**9,821**	**10,327**	**–4.9**

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

The nominal interest paid on money-market paper ranges from 0.05% to 11.00% (previous year: 0.54% to 59.9%); for bonds and notes, from 0.03% to 15.11% (previous year: 0.01% to 60.0%). The original maturity periods for money-market paper are up to one year. €124bn (previous year: €148bn) of the bonds and notes have an original lifetime of more than four years. Mortgage Pfandbriefe in an amount of €30,953m (previous year: €31,926m) and public-sector Pfandbriefe in an amount of €88,695m (previous year: €110,457m) are included in securitized liabilities.

	total		of which: issued by mortgage banks	
€ m	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Bonds and notes issued	154,801	191,882	130,026	162,129
Money-market instruments issued	10,923	13,621	–	2,988
Own acceptances and promissory notes outstanding	103	146	79	136
Total	**165,827**	**205,649**	**130,105**	**165,253**
of which relate to the category: Liabilities measured at amortized cost	164,560	204,555	130,105	165,253
Applying the fair value option	1,267	1,094	–	–

The following table presents the most important bonds and notes issued in the 2008 financial year:

Equivalent € m	Currency	Issuer	Interest rate %	Maturity date
1,000	EUR	Eurohypo Aktiengesellschaft	4.750	2018
1,000	EUR	Eurohypo Aktiengesellschaft	4.500	2013
1,000	EUR	Eurohypo Aktiengesellschaft	4.142	2011
1,000	EUR	Eurohypo Aktiengesellschaft	3.292	2011
1,000	EUR	Eurohypo Aktiengesellschaft	3.292	2010

(58) Negative fair values attributable to derivative hedging instruments

Derivative instruments not serving trading purposes but used for effective hedging and showing a negative fair value appear under this item in the balance sheet.

These financial instruments are valued at their fair value. For the most part, interest-rate and interest-rate/currency swaps are used as hedging instruments.

€ m	31.12.2008	31.12.2007	Change in %
Negative fair values from effective fair value hedges	14,787	9,870	49.8
Negative fair values from effective cash flow hedges	6,676	4,953	34.8
Total	**21,463**	**14,823**	**44.8**

(59) Liabilities from trading activities

Liabilities from trading activities show the negative fair values of financial instruments not employed as hedging instruments in connection with hedge accounting as well as lending commitments with negative market values. Delivery commitments arising from short sales of securities are also included under liabilities from trading activities.

€ m	31.12.2008	31.12.2007	Change in %
Currency-related transactions	15,707	5,602	.
Interest-rate-related transactions	63,351	50,674	25.0
Delivery commitments arising from short sales of securities and negative market values of lending commitments	4,414	4,742	–6.9
Sundry transactions	12,736	9,275	37.3
Total	**96,208**	**70,293**	**36.9**

Financial assets and liabilities are netted and the net amount recognized in the balance sheet where there is a legally enforceable netting right and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

(60) Provisions

Provisions break down as follows:

€ m	31.12.2008	31.12.2007	Change in %
Provisions for pensions and similar commitments	195	538	–63.8
Other provisions	1,835	2,381	–22.9
Total	**2,030**	**2,919**	**–30.5**

a) Provisions for pensions and similar commitments

Pension obligations are calculated out annually by independent actuaries, applying the projected unit credit method. The calculations are based on the following assumptions:

in %	31.12.2008	31.12.2007
Calculatory interest rate	6.00	5.50
Change in salaries	2.50	2.50
Adjustment to pensions	1.60	1.60
Expected returns from plan assets	5.50	4.50

Based on these assumptions the pension obligations changed as follows:

€ m	2008	2007	2006	2005	2004
Pension obligations as of January 1	**2,331**	**2,513**	**2,078**	**1,797**	**1,644**
Allocation to provisions for pensions	182	218	206	190	149
Service cost	42	51	45	32	29
Interest cost	117	96	98	84	71
Cost of early retirement and part-time scheme for older staff	19	37	23	29	16
Amortization of actuarial losses	4	34	40	45	33
Pension payments	–153	–139	–141	–115	–110
Actuarial gains/losses	–112	–387	–51	193	82
Other changes (exchange rates, transfers, consolidated companies, contractual terms)	19	126	421	13	32
Pension obligations as of December 31	**2,267**	**2,331**	**2,513**	**2,078**	**1,797**
of which: completely or partially funded by plan assets	2,108	1,907	2,030	2,007	1,717
of which: not funded by plan assets	159	424	483	71	80

Pension costs in the year under review amount to €75m (previous year: €160m), of which €68m relates to the allocation to provisions for pensions (previous year: €142m). The amount of €68m represents the balance of the allocations to pension provisions (€182m) less income expected from plan assets (€114m).

The expected return on plan assets is based on long-term yields in the capital market at the balance sheet date for fixed-interest securities and on past market performance for other investments.

The plan assets changed as follows:

€ m	2008	2007	2006	2005	2004
Fair value as of January 1	**1,864**	**1,650**	**140**	**147**	**139**
Allocation / withdrawal	277	203	1,423	–9	3
Expected income from plan assets	114	76	38	5	5
Difference between expected and current income	–183	–65	49	–3	–
Pension payments	–	–	–	–	–
Fair value as of Dezember 31	**2,072**	**1,864**	**1,650**	**140**	**147**
Current income from plan assets	–69	11	87	2	5

No allocation to plan assets in 2009 was planned at the time these statements were prepared.

The breakdown of plan assets is as follows:

in %	31.12.2008	31.12.2007
Liquid assets	8.5	9.8
Equities	10.0	20.3
Fixed-income securities	67.5	68.0
Investment funds	0.0	0.5
Other	14.0	1.4

The pension provisions changed as follows in the past financial year:

€ m	as of 1.1.2008	Pension payments	Additions	Change in plan assets[1]	Transfers / changes in consolidated companies	as of 31.12.2008
Pension entitlements of active and former employees and Pension entitlements of pensioners	442	111	152	388	17	**112**
Early retirement	86	24	12	–	1	**75**
Part-time scheme for older staff	10	18	18	3	1	**8**
Total	**538**	**153**	**182**	**391**	**19**	**195**

[1] As far as taken into account within the framework of determining provisions.

The pension provisions changed as follows in the past financial year:

€ m	2008	2007	2006	2005	2004
Pension obligations (projected unit credit)	**2,267**	**2,331**	**2,513**	**2,078**	**1,797**
Less fair value from plan assets	2,072	1,864	1,650	140	147
Unrecognized actuarial gains/losses (–) and service income/cost (–) to be recalculated	–	71	–251	–351	–155
Provisions for pensions	**195**	**538**	**612**	**1,587**	**1,495**

b) Other provisions

Changes in other provisions:

€ m	as of 1.1.2008	Allocation	Utilization	Reversals	Transfers/ changes in consolidated companies	as of 31.12.2008
Personnel area	**983**	275	689	104	–58	**407**
Restructuring measures	**258**	25	98	15	2	**172**
Specific risks in lending business	**252**	147	12	117	–38	**232**
Portfolio risks in lending business	**200**	163	–	144	–5	**214**
Bonuses for special savings schemes	**91**	46	51	1	–	**85**
Legal proceedings and recourse claims	**236**	149	36	50	29	**328**
Sundry items	**361**	196	141	39	20	**397**
Total	**2,381**	**1,001**	**1,027**	**470**	**–50**	**1,835**

The provisions in the personnel area include provisions for anniversaries, which by nature are long-term and are utilized gradually over the following reporting periods. The provisions formed to cover restructuring measures have an average remaining term to maturity of two years and are expected to be utilized by 2010. Most of the other provisions listed here have a remaining term of maturity of up to one year.

(61) Tax liabilities

€ m	31.12.2008	31.12.2007	Change in %
Current income-tax liabilities	**627**	**944**	**–33.6**
Income-tax liabilities to tax authorities	128	390	–67.2
Provisions for income taxes	499	554	–9.9
Deferred income-tax liabilities	**2,534**	**4,001**	**–36.7**
Tax liabilities affecting net income	811	2,357	–65.6
Tax liabilities not affecting net income	1,723	1,644	4.8
Total	**3,161**	**4,945**	**–36.1**

Provisions for taxes on income are possible tax liabilities for which no final formal assessment notes have been received or for risks involved in tax audits. The liabilities to tax authorities represent payment obligations from current taxes towards German and foreign tax authorities. Deferred taxes represent the potential income-tax burden 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.

Deferred income-tax liabilities were formed in connection with the following items:

€ m	31.12.2008	31.12.2007	Change in %
Assets held for trading purposes and liabilities from trading activities	278	103	.
Fair values of derivative hedging instruments	1,636	1,952	–16.2
Financial investments	33	132	–75.0
Claims on banks and customers	76	89	–14.6
Liabilities to banks and customers	184	258	–28.7
Securitized liabilities	–	489	.
Sundry balance-sheet items	327	978	–66.6
Total	**2,534**	**4,001**	**–36.7**

(62) Other liabilities

Other liabilities of €2,914m (previous year: €2,946m) include obligations arising from still outstanding invoices, deductions from salaries to be passed on and deferred liabilities. In addition, this item includes liabilities in the amount of €329m (previous year: €1,423m) which stand in relation to assets yet to be disposed of as well as borrowed funds from minority interests amounting to €675m.

Liabilities relating to held-for-sale assets as of December 31, 2008 broke down as follows:

€ m	31.12.2008	31.12.2007	Change in %
Liabilities to banks	2	135	.
Liabilities to customers	–	574	.
Securitized liabilities	–	307	.
Subordinated and hybrid capital	5	54	.
Other liabilities	322	353	–8.8
Total	**329**	**1,423**	**–76.9**

(63) Subordinated capital

Subordinated capital breaks down as follows:

€ m	31.12.2008	31.12.2007	Change in %
Subordinated liabilities	**10,006**	**9,478**	**5.6**
of which: Tier-III capital as defined in Art. 10(7), KWG	25	100	–75.0
of which: maturing within two years	2,366	1,771	33.6
Profit-sharing certificates outstanding	**1,124**	**1,341**	**–16.2**
of which: maturing within two years	652	502	29.9
Deferred interest, including discounts	225	244	–7.8
Valuation effects	481	–17	.
Total	**11,836**	**11,046**	**7.2**
of which relate to the category: Liabilities measured at amortized cost	11,836	11,046	7.2
Applying the fair value option	–	–	.

Subordinated liabilities are own funds as defined in Art. 10 (5a), KWG. The claims of creditors to repayment of these liabilities are subordinate to those of other creditors. The issuer cannot be obliged to make premature repayment. In the event of insolvency or winding-up, subordinated liabilities may only be repaid after the claims of all senior creditors have been met.

At end-2008, the following major subordinated liabilities were outstanding:

Start of maturity	€ m	Currency in m	Issuer	Interest rate	Maturity date
2006	1,250	1,250 EUR	Commerzbank AG	4.125	2016
2007	750	750 EUR	Commerzbank AG	5.625	2017
2000	600	600 EUR	Commerzbank AG	6.500	2010
1999	550	550 EUR	Commerzbank AG	4.750	2009
2001	500	500 EUR	Commerzbank AG	6.125	2011
2008	500	500 EUR	Commerzbank AG	6.250	2014
1999	300	300 EUR	Commerzbank AG	6.250	2009
2001	250	250 EUR	Commerzbank AG	5.900	2011
2003	250	250 EUR	Eurohypo AG	5.000	2016
2003	220	220 EUR	Eurohypo AG	5.000	2014
2006	177	300 CAD	Commerzbank AG	4.500	2016
1999	157	150 GBP	Commerzbank AG	6.625	2019
2002	150	150 EUR	Eurohypo AG	5.750	2012

In the year under review, the interest paid by the Group for subordinated liabilities totalled €528m (previous year: €486m). Deferred interest expenses for interest due but not yet paid are shown at €226m (previous year: €212m).

Profit-sharing certificates outstanding form part of the Bank's liable equity capital in accordance with the provisions of the German Banking Act (Art. 10(5), KWG). They are directly affected by current losses. Interest payments are made only if the issuing institution achieves a distributable profit. The claims of holders of profit-sharing certificates to a repayment of principal are subordinate to those of other creditors.

At end-2008, the following major profit-sharing certificates were outstanding:

Start of maturity	€ m	Issuer	Interest rate	Maturity date
2000	320	Commerzbank AG	6.375	2010
1996	256	Commerzbank AG	7.900	2008[1]
1999	150	Commerzbank AG	6.375	2009

[1] Repayment takes place in 2009

Interest to be paid for the 2008 financial year on the profit-sharing certificates outstanding amounts to €90m (previous year: €117m). Deferred interest expenses for interest due but not yet paid are shown at €78m (previous year: €110m).

(64) Hybrid capital

€ m	31.12.2008	31.12.2007	Change in %
Hybrid capital	3,038	3,281	−7.4
Deferred interest, including discounts	107	117	−8.5
Valuation effects	13	16	−18.8
Total	**3,158**	**3,414**	**−7.5**
of which relate to the category: Liabilities measured at amortized cost	3,158	3,414	−7.5
Applying the fair value option	–	–	.

At end-2008, the following material hybrid capital instruments were outstanding:

Start of maturity	€ m	Currency in m	Issuer	Interest rate	Maturity date
2006	1,000	1,000 EUR	Commerzbank Capital Funding Trust I	5.012	unlimited lifetime
2006	840	800 GBP	Commerzbank Capital Funding Trust II	5.905	unlimited lifetime
2003	600	600 EUR	Eurohypo Capital Funding Trust I	6.445	unlimited lifetime
2006	300	300 EUR	Commerzbank Capital Funding Trust III	5.250	unlimited lifetime
2005	300	300 EUR	Eurohypo Capital Funding Trust II	4.482	unlimited lifetime

In the 2008 financial year, interest payable on hybrid capital in an amount of €174m accrued (previous year: €184m).

(65) Equity structure

€ m	31.12.2008	31.12.2007	Change in %
a) Subscribed capital	1,877	1,708	9.9
b) Capital reserve	6,619	5,709	15.9
c) Retained earnings	5,904	6,158	–4.1
d) SoFFin silent participation	8,200	–	.
e) Revaluation reserve	–2,221	903	.
f) Valuation of cash flow hedges	–872	34	.
g) Reserve from currency translation	–260	–34	.
h) Consolidated profit	–	657	.
Total before minority interests	**19,247**	**15,135**	**27.2**
Minority interests	657	997	–34.1
Equity	**19,904**	**16,132**	**23.4**

a) Subscribed capital

The subscribed capital (share capital) of Commerzbank Aktiengesellschaft consists of no-par-value shares, each with a calculated par value of €2.60. The shares are issued in the form of bearer shares.

	Units
Number of shares outstanding on 1.1.2008	**656,931,150**
plus: treasury shares on 31.12. of the previous year	237,391
Issue of new shares (including shares issued to employees)	65,384,615
Number of shares issued on 31.12.2008	**722,553,156**
less: treasury shares on balance-sheet date	224,941
Number of shares outstanding on 31.12.2008	**722,328,215**

Before treasury shares are deducted, the subscribed capital stands at €1,879m.

No preferential rights or restrictions on the payment of dividends exist at Commerzbank Aktiengesellschaft. All the issued shares have been fully paid up.

The value of issued, outstanding and authorized shares is as follows:

	31.12.2008		31.12.2007	
	€ m	1,000 units	€ m	1,000 units
Shares issued	1,879	722,553	1,709	657,168
·/. Treasury shares	1	225	1	237
= Shares outstanding (subscribed capital)	1,878	722,328	1,708	656,931
+ Shares not yet issued from authorized capital	662	254,615	832	320,000
Total	**2,540**	**976,943**	**2,540**	**976,931**

The number of authorized shares is 977,168 thousand units (previous year: 977,169 thousand units). The accounting par value of the authorized shares is €2,541m (previous year: €2,541m).

As of December 31, 2008, 6,178 thousand shares (previous year: 2,886 thousand shares) had been pledged with the Group as collateral. This represents 0,9% (previous year: 0.4%) 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 (AktG)

	Number of shares in units	Accounting[1] par value in €1,000	Percentage of share capital
Portfolio on 31.12.2008	224,941	585	0.03
Largest total acquired during the financial year	6,809,285	17,704	0.94
Total shares pledged by customers as collateral on 31.12.2008	6,177,602	16,062	0.85
Shares acquired during the financial year	282,279,168	733,926	–
Shares disposed of during the financial year	282,291,618	733,958	–

[1] accounting par value per share €2.60

The Bank is obliged in accordance with the Financial Market Stabilization Fund, represented by the Financial Market Stabilization Authority, that neither itself nor any of its affiliated companies will buy back shares or other components of its liable equity capital (except as specified under Art. nos. 2, 4 (commission on purchase) or Art. 7 of the German Stock Corporation Act (AktG)).

b) Capital reserve

The capital reserve shows, in addition to premiums from the issue of shares, fair values of share-based remuneration transactions in equity instruments that have not yet been exercised. In addition, the capital reserve contains amounts realized for conversion and option rights entitling holders to purchase shares when bonds and notes were issued.

c) Retained earnings

Retained earnings consist of the legal reserve and other reserves. The legal reserve contains those reserves which have to be formed in accordance with national law; in the parent company financial statements the amounts assigned to this reserve may not be distributed. The overall amount of retained earnings shown in the balance sheet consists of €3m of legal reserves (previous year: €3m) and €5,901m (previous year: €6,155m) of other revenue reserves.

d) SoFFin silent participation

The participation by the silent partner, the Financial Market Stabilization Fund, represented by the Financial Market Stabilization Authority, in the amount of €8.2bn was paid in as at December 31, 2008. This silent participation is based on the agreement dated December 19, 2008 on forming a silent participation between the Financial Market Stabilization Fund, represented by the Financial Market Stabilization Authority, and Commerzbank Aktiengesellschaft. Commerzbank Aktiengesellschaft is obliged in accordance with the Financial Market Stabilization Fund, represented by the Financial Market Stabilization Authority, not to pay any dividend for the preceding year in the financial years from January 1, 2009 to December 31, 2009 and from January 1, 2010 to December 31, 2010. Interest of 9% p.a. will be paid with a coupon on the silent participation, which will be 100% eligible for Tier 1 capital. Redemption of the silent participation will be at nominal value. In 2009 and 2010, the bank will not pay a dividend for the previous respective financial year. In years when a dividend is paid, the interest rate applicable to the silent participation will increase. The interest premium to be paid in such a case will be based on the total amount of the cash dividend paid out. For every (approximately) €4.4m cash dividend paid, the interest rate will rise by 0.01 percentage points. In accordance with IFRS the silent participation will be recognized separately under equity, and the remuneration paid to SoFFin will be directly set off against equity without affecting the income statement. The costs for 2008 amount to €2m.

e) Revaluation reserve

The results of revaluing the financial investments at fair value, with deferred taxes taken into consideration, appear under this equity item. Gains or losses appear in the income statement only when the asset has been disposed of or impaired.

f) Valuation of cash flow hedges

The net result of measuring the effective part of hedges used in cash flow hedges, after deferred taxes have been taken into consideration, appears under this equity item.

g) Reserve from currency translation

The reserve from currency translation relates to translation gains and losses arising through the consolidation of capital accounts. Exchange-rate differences that arise through the consolidation of subsidiaries and associated companies are included here.

(66) 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.

Changes in the Bank's conditional capital:

€ m	Conditional capital 1.1.2008	Additions	Expiring/ used	Conditional capital 31.12.2008	of which: used conditional capital	of which: available lines
Convertible bonds/bonds with warrants/profit-sharing rights	403	832	403	832	–	–
Total	**403**	**832**	**403**	**832**	**–**	**–**

As resolved by the AGM of May 15, 2008, the Bank's share capital has been conditionally increased by up to €416,000,000.00 divided into 160,000,000 no-par-value bearer shares (Conditional Capital 2008/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 by May 14, 2013 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 – Aktiengesetz) on the basis of the AGM's authorization of May 15, 2008 (Authorization 2008/I) exercise their conversion or option rights or meet their related obligation to exercise their conversion rights and to the extent that the conditional capital is required under the terms and conditions of the bonds or profit-sharing rights (with conversion or option rights).

As resolved by the AGM of May 15, 2008, the Bank's share capital has been conditionally increased by up to €416,000,000.00 divided into 160,000,000 no-par-value bearer shares (Conditional Capital 2008/II). 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 by May 14, 2013 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 – Aktiengesetz) on the basis of the AGM's authorization of May 15, 2008 (Authorization 2008/II) exercise their conversion or option rights or meet their related obligation to exercise their conversion rights and to the extent that the conditional capital is required under the terms and conditions of the bonds or profit-sharing rights (with conversion or option rights).

The conditional capital increase in accordance with the authorization by the AGM of May 30, 2003 of up to €403,000,000.00 expired as at May 30, 2008.

(67) Authorized capital

Date of AGM resolution	Original amount € m	Used in previous years for capital increases € m	Used in 2008 for capital increases € m	Authorization expired € m	Remaining amount € m	Date of expiry
12.05.2004	225	–	–	–	225	30.04.2009
12.05.2004	225	–	–	–	225	30.04.2009
17.05.2006	170	–	170	–	0	30.04.2011
17.05.2006	200	–	–	–	200	30.04.2011
17.05.2006	12	–	–	–	12	30.04.2011
Total	**832**	**–**	**170**	**–**	**662**	

The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the Company's share capital by April 30, 2009, through the issue of new no-par-value shares against cash, in either one or several tranches, but by a maximum amount of €225,000,000 (authorized capital 2004/I). On principle, shareholders are to be offered subscription rights; however, the Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights 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) of the German Companies Act – Aktiengesetz), subscription rights to the extent to which they would be entitled after they have exercised their conversion or option rights. In addition, any fractional amounts of shares may be excluded from shareholders' subscription rights.

The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the Company's share capital by April 30, 2009 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 €225,000,000 (authorized capital 2004/II). On principle, shareholders are to be offered subscription rights; however, the Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights 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) of the German Companies Act – Aktiengesetz), subscription rights to the extent to which they would be entitled after they have exercised their conversion or option rights. In addition, any fractional amounts of shares may be excluded from shareholders' subscription rights. Furthermore, the Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights insofar as the capital increase is made against contributions in kind for the purpose of acquiring companies or interests in companies.

The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the Company's share capital by April 30, 2011, through the issue of new no-par-value shares against cash, in either one or several tranches, but by a maximum amount of €1.00 (authorized capital 2006/I). The Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights if the issue price of the new shares is not substantially lower than that of already listed shares offering the same conditions.

The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the Company's share capital by April 30, 2011, 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 €200,000,000.00 (authorized capital 2006/II). On principle, shareholders are to be offered subscription rights; however, the Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights 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) of the German Companies Act – Aktiengesetz), subscription rights to the extent to which they would be entitled after they have exercised their conversion or option rights. In addition, any fractional amounts of shares may be excluded from shareholders' subscription rights. Furthermore, the Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights provided the capital increase is made against contributions in kind for the purpose of acquiring companies or investments in companies.

The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the Company's share capital by April 30, 2011, through the issue of new no-par-value shares against cash, in one or several tranches, but by a maximum amount of €12,000,000.00 (authorized capital 2006/III) and thus exclude shareholders' subscription rights for the purpose of issuing employee shares to staff of the Commerzbank Aktiengesellschaft and to companies in which the Commerzbank Aktiengesellschaft directly or indirectly holds an interest (group companies as defined in Art. 18(1) of the German Companies Act – Aktiengesetz).

In financial year 2008, the authorization resolved by the Annual General Meeting held on May 17, 2006 (Art. 4(7) of the Articles of Association of Commerzbank Aktiengesellschaft) to increase the share capital by issuing new no-par-value shares against cash was (partially) utilized to raise authorized capital in the amount of €169,999,999.00.

(68) The Bank's foreign-currency position

On December 31, 2008, the Commerzbank Group had the following foreign-currency assets and liabilities (excluding fair values of derivatives):

			31.12.2008			31.12.2007	Change
m €	USD	PLN	GBP	Others	**Total**	**Total**	in %
Cash reserve	384	587	10	405	1,386	1,113	24.5
Claims on banks	16,220	484	6,259	5,614	28,577	16,901	69.1
Claims on customers	36,552	4,772	9,397	18,069	68,790	58,290	18.0
Assets held for trading purposes	5,549	2,513	499	1,187	9,748	9,496	2.7
Financial investments	25,079	1,852	2,287	4,500	33,718	29,834	13.0
Other balance-sheet items	3,927	315	592	1,456	6,290	5,307	18.5
Foreign-currency assets	**87,711**	**10,523**	**19,044**	**31,231**	**148,509**	**120,941**	**22.8**
Liabilities to banks	30,935	1,205	8,932	8,866	49,938	35,696	39.9
Liabilities to customers	13,170	7,149	983	5,210	26,512	21,027	26.1
Securitized liabilities	20,729	14	2,325	8,271	31,339	34,674	-9.6
Liabilities from trading activities	408	1,221	75	552	2,256	1,542	46.3
Other balance-sheet items	2,994	250	1,619	1,695	6,558	8,634	-24.0
Foreign-currency liabilities	**68,236**	**9,839**	**13,934**	**24,594**	**116,603**	**101,573**	**14.8**

Due to exchange-rate changes the consolidated balance-sheet total expanded in the 2008 financial year by €5bn (previous year: decline of €13bn). Total lending decreased by €3bn (previous year: decline of €7bn).

The open balance-sheet positions are matched by foreign-exchange forward contracts and currency swaps of congruent maturity.

Notes to financial instruments

(69) 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 latter may be, for example, an interest rate, a commodity price, a share price, a currency rate or a bond price.

Most derivatives transactions involve OTC derivatives, whose nominal amount, maturity and price are agreed individually between the Bank and its counter-parties. 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 specifies the business volume traded by the Bank. On the other hand, the positive or negative fair values appearing in the tables are the expenses which would be incurred by the Bank or the counterparty in order to replace the originally concluded contracts with business having the same 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 (reduce) both the economic and the regulatory credit risk arising from these instruments, our Legal Services department concludes master agreements (bilateral netting agreements) with our business associates (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-reducing techniques only if we consider them enforceable under the jurisdiction in question, should the counterparty become insolvent. In order to check enforceability, we avail ourselves of legal opinions from various international law firms.

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 collateral). As a rule, this collateral management reduces credit risk by means of prompt – mostly daily or weekly – measurement and adjustment of the customer commitment.

On average, we achieve a credit-risk mitigation of 79.5% of the exposure for the derivatives contracts and collateral covered by the process of risk-reducing techniques.

The following overview 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. Fair values appear as the sum totals of the positive and negative amounts per contract, from which no pledged collateral has been deducted and no possible netting agreements have been taken into consideration because these affect all products. By definition, no positive fair values exist for options sold. The nominal amount represents the gross volume of all sales and purchases. The maturity dates listed for the transactions are based on the remaining period to maturity, taking the maturity of the contract and not the maturity of the underlying.

31.12.2008	Nominal amount Remaining lifetimes				Fair value	
€ m	under 1 year	1–5 years	more than 5 years	total	positive	negative
Foreign-currency-based forward transactions						
OTC products	320,079	137,066	56,581	513,726	17,856	16,294
Foreign-exchange spot and forward contracts	202,694	23,075	405	226,174	7,693	5,638
Interest-rate and currency swaps	51,465	96,684	52,719	200,868	8,135	8,794
Currency call options	31,299	7,859	1,722	40,880	1,955	–
Currency put options	33,420	9,237	700	43,357	–	1,759
Other foreign-exchange contracts	1,201	211	1,035	2,447	73	103
Products traded on a stock exchange	1,270	13	–	1,283	–	–
Currency futures	1,270	13	–	1,283	–	–
Currency options	–	–	–	–	–	–
Total	**321,349**	**137,079**	**56,581**	**515,009**	**17,856**	**16,294**
Interest-based forward transactions						
OTC products	1,664,086	2,084,115	2,143,295	5,891,496	72,020	84,151
Forward-rate agreements	462,651	6,504	–	469,155	1,095	991
Interest-rate swaps	1,166,959	2,008,008	2,069,764	5,244,731	67,418	79,052
Call options on interest-rate futures	18,194	32,346	32,337	82,877	3,264	–
Put options on interest-rate futures	14,978	32,806	38,757	86,541	–	3,535
Other interest-rate contracts	1,304	4,451	2,437	8,192	243	573
Products traded on a stock exchange	71,760	4,212	721	76,693	–	–
Interest-rate futures	70,427	4,176	633	75,236	–	–
Interest-rate options	1,333	36	88	1,457	–	–
Total	**1,735,846**	**2,088,327**	**2,144,016**	**5,968,189**	**72,020**	**84,151**
Other forward transactions						
OTC products	63,258	114,051	24,715	202,024	13,634	12,812
Structured equity/index products	6,718	9,997	2,348	19,063	3,483	2,126
Equity call options	9,585	5,406	570	15,561	4,022	–
Equity put options	10,119	5,289	426	15,834	–	4,918
Credit derivatives	27,316	92,263	21,371	140,950	5,402	5,184
Precious metal contracts	8,656	446	–	9,102	256	343
Other transactions	864	650	–	1,514	471	241
Products traded on a stock exchange	40,855	22,916	1,615	65,386	–	–
Equity futures	2,597	–	–	2,597	–	–
Equity options	37,333	22,427	1,615	61,375	–	–
Other futures	556	269	–	825	–	–
Other options	369	220	–	589	–	–
Total	**104,113**	**136,967**	**26,330**	**267,410**	**13,634**	**12,812**
Total immatured forward transactions						
OTC products	2,047,423	2,335,232	2,224,591	6,607,246	103,510	113,257
Products traded on a stock exchange	113,885	27,141	2,336	143,362	–	–
Total	**2,161,308**	**2,362,373**	**2,226,927**	**6,750,608**	**103,510**	**113,257**

31.12.2007	Nominal amount Remaining lifetimes				Fair value	
€ m	under 1 year	1–5 years	more than 5 years	total	positive	negative
Foreign-currency-based forward transactions						
OTC products	349,005	127,046	60,858	536,909	7,492	6,607
Foreign-exchange spot and forward contracts	201,480	15,900	354	217,734	2,264	2,230
Interest-rate and currency swaps	46,864	90,207	56,954	194,025	4,218	3,423
Currency call options	50,153	9,566	2,139	61,858	992	–
Currency put options	49,381	11,271	396	61,048	–	895
Other foreign-exchange contracts	1,127	102	1,015	2,244	18	59
Products traded on a stock exchange	1,147	60	–	1,207	–	–
Currency futures	1,147	60	–	1,207	–	–
Currency options	–	–	–	–	–	–
Total	**350,152**	**127,106**	**60,858**	**538,116**	**7,492**	**6,607**
Interest-based forward transactions						
OTC products	1,565,969	1,992,914	2,134,394	5,693,277	58,297	64,433
Forward-rate agreements	226,666	6,538	–	233,204	119	120
Interest-rate swaps	1,297,161	1,907,036	2,052,323	5,256,520	56,115	62,018
Call options on interest-rate futures	18,424	36,754	32,629	87,807	1,649	–
Put options on interest-rate futures	15,122	38,207	41,332	94,661	–	2,014
Other interest-rate contracts	8,596	4,379	8,110	21,085	414	281
Products traded on a stock exchange	89,728	5,248	2,134	97,110	–	–
Interest-rate futures	66,888	4,364	1,307	72,559	–	–
Interest-rate options	22,840	884	827	24,551	–	–
Total	**1,655,697**	**1,998,162**	**2,136,528**	**5,790,387**	**58,297**	**64,433**
Other forward transactions						
OTC products	83,850	148,283	26,499	258,632	7,230	9,334
Structured equity/index products	14,463	12,768	2,965	30,196	1,642	3,608
Equity call options	17,566	15,111	1,259	33,936	4,219	–
Equity put options	19,433	16,652	873	36,958	–	4,427
Credit derivatives	24,822	102,692	21,402	148,916	856	859
Precious metal contracts	7,304	727	–	8,031	353	296
Other transactions	262	333	–	595	160	144
Products traded on a stock exchange	76,270	52,269	2,605	131,144	–	–
Equity futures	5,608	–	–	5,608	–	–
Equity options	70,236	51,937	2,605	124,778	–	–
Other futures	310	211	–	521	–	–
Other options	116	121	–	237	–	–
Total	**160,120**	**200,552**	**29,104**	**389,776**	**7,230**	**9,334**
Total immatured forward transactions						
OTC products	1,998,824	2,268,243	2,221,751	6,488,818	73,019	80,374
Products traded on a stock exchange	167,145	57,577	4,739	229,461	–	–
Total	**2,165,969**	**2,325,820**	**2,226,490**	**6,718,279**	**73,019**	**80,374**

Breakdown of derivatives business, by borrower group: The following table shows the positive and negative fair values of the Commerzbank Group's derivative business broken down by the respective 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.

	31.12.2008		31.12.2007	
	Fair value		Fair value	
€ m	positive	negative	positive	negative
OECD central governments	351	169	173	81
OECD banks	93,700	105,777	45,915	51,864
OECD financial institutions	1,679	3,277	24,610	25,722
Other companies, private individuals	7,343	3,708	1,992	2,468
Non-OECD banks	437	326	329	239
Total	**103,510**	**113,257**	**73,019**	**80,374**

We have reduced the volume of credit derivatives by 5.4% compared to the previous year. Consequently the volume where the Commerzbank Group is a buyer of protection or a seller of protection amounts to €72,659m or €68,291m 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:

	31.12.2008		31.12.2007	
	Nominal		Nominal	
€ m	Buyer of protection	Seller of protection	Buyer of protection	Seller of protection
OECD central governments	3,957	6,389	2,557	8,470
OECD banks	4,789	4,875	4,938	5,361
OECD financial institutions	7,798	6,798	8,782	7,894
Other companies, private individuals	55,134	49,814	56,986	53,508
Non-OECD banks	981	415	252	168
Total	**72,659**	**68,291**	**73,515**	**75,401**

(70) Use made of derivative financial instruments

€ m	31.12.2008 Fair value positive	31.12.2008 Fair value negative	31.12.2007 Fair value positive	31.12.2007 Fair value negative
Derivative financial instruments used for trading purposes	79,053	77,579	58,582	59,969
Hedging derivatives that cannot be used for hedge accounting	13,929	14,215	5,467	5,582
Derivatives used as hedging instruments	10,528	21,463	8,970	14,823
for fair value hedge accounting	5,680	14,787	4,602	9,870
for cash flow hedge accounting	4,848	6,676	4,368	4,953
Total	**103,510**	**113,257**	**73,019**	**80,374**

In the above table, we show the use made of our derivative financial instruments. We use derivatives for both trading and hedging purposes. In Notes 5, 12, 13, 20 and 21, we have described the above-mentioned criteria.

(71) Assets pledged as collateral

Assets in the amounts shown below were pledged as collateral for the following liabilities:

€ m	31.12.2008	31.12.2007	Change in %
Liabilities to banks	64,279	73,844	–13.0
Liabilities to customers	7,999	4,589	74.3
Securitized liabilities	355	1,378	–74.2
Liabilities from trading activities	–	1,499	.
Total	**72,633**	**81,310**	**–10.7**

The following assets were pledged as collateral for the above-mentioned liabilities:

€ m	31.12.2008	31.12.2007	Change in %
Claims on banks and customers	18,727	18,895	–0.9
Assets held for trading purposes and financial investments	57,248	64,710	–11.5
Other assets	5	–	
Total	**75.980**	**83,605**	**–9.1**

The furnishing of collateral in order to borrow funds took the form of genuine securities repurchase agreements (repos). At the same time, collateral was furnished for funds borrowed for specific purposes and securities-lending transactions. The transactions were carried out at the normal standard terms for security lending and repurchase transactions.

(72) Maturities, by remaining lifetime

	Remaining lifetimes as of 31.12.2008				
€ m	due on demand and unlimited lifetime	up to 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Claims on banks	19,040	18,964	8,916	10,148	6,167
Claims on customers	20,454	46,306	27,275	98,238	97,875
Bonds, notes and other interest-rate-related securities and promissory notes from assets held for trading purposes	–	1,691	2,096	8,344	6,331
Bonds, notes and other interest-rate-related securities held in financial investments	–	12,903	5,384	34,682	70,969
Total	**39,494**	**79,864**	**43,671**	**151,412**	**181,342**
Liabilities to banks	19,894	70,252	13,677	11,398	13,271
Liabilities to customers	57,883	55,056	18,517	12,826	25,921
Securitized liabilities	218	23,823	29,848	84,576	27,362
Subordinated and hybrid capital [1]	–	396	1,556	3,832	8,384
Total	**77,995**	**149,527**	**63,598**	**112,632**	**74,938**

[1] excl. deferred interest and discounts (€332m) and valuation effects (€494m)

	Remaining lifetimes as of 31.12.2007				
€ m	due on demand and unlimited lifetime	up to 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Claims on banks	23,311	17,733	11,437	13,609	7,968
Claims on customers	21,058	47,377	28,060	93,516	99,398
Bonds, notes and other interest-rate-related securities and promissory notes from assets held for trading purposes	–	1,529	2,057	9,659	9,017
Bonds, notes and other interest-rate-related securities held in financial investments	–	7,028	9,527	39,077	71,477
Total	**44,369**	**73,667**	**51,081**	**155,861**	**187,860**
Liabilities to banks	25,813	68,059	6,902	10,031	14,315
Liabilities to customers	55,273	55,454	8,952	14,336	25,172
Securitized liabilities	134	25,184	39,536	107,013	33,782
Subordinated and hybrid capital [1]	–	82	1,011	5,006	8,001
Total	**81,220**	**148,779**	**56,401**	**136,386**	**81,270**

[1] excl. deferred interest and discounts (€361m) and valuation effects (€–1m)

The remaining lifetime is defined as the period between the balance-sheet date and the contractual maturity of the financial instruments. In the case of financial instruments which are paid in partial amounts, the remaining lifetime has been recognized for each partial amount.

(73) Fair value of financial instruments

The table below compares the fair values of the balance-sheet items with their book values. Fair value is the amount at which financial instruments may be sold or purchased at fair terms on the balance-sheet date. Where market prices are available for a financial instrument, these are used to measure them. If there are no market prices, we apply measurement methods to such instruments. These mainly comprise option pricing models and net present value methods.

Specific balance sheet items are measured at the Commerzbank Group as follows:

We recognize face value as the fair value of the cash reserve. As there are frequently no market prices available for claims on banks their fair value has to be determined with valuation models. A major portion of the claims on banks has an original term of less than one year. For simplicity's sake, the balance sheet figure is taken as the fair value in these cases.

As market prices are also frequently unavailable for determining the fair value for claims on customers valuation methods are employed here as well. Usually the net present value method is used. It determines the fair value by assigning a net present value to a financial instrument by discounting its contractual cash flows. The discount rate takes both the yield curve (free of risk) and the credit spread specific to the claim in question into account. If no market data are available for the credit spreads, the spreads are determined on the basis of internal ratings, taking into account any collateral provided, so that separate spreads are used for each transaction. The discount rate is also adjusted by a flat premium that takes the costs of administration and risk capital into account.

The fair value of hedging instruments (for both assets and liabilities) is determined using either net present value or option pricing models. The input parameters used for these models are the relevant market data observed on the reporting date.

The fair values are also determined for the derivative financial instruments included in trading assets/liabilities using net present value or option pricing models and relevant market data observed on the reporting date. To determine the fair value of non-derivative financial instruments the price quoted on the stock exchange is used whenever possible. If there are no prices available on the stock exchange, the instruments are valued applying normal market procedures (valuation methods) based on instrument-specific market parameters. The net present value method is used most often.

To determine the fair value of financial investments, market prices are also used. If these are not available, the net present value method is used. For shares in private companies and in private companies not listed, for which no reliable valuation can be undertaken, we have in exceptional cases used the purchase price.

Usually valuation models are used to determine the fair value of liabilities to customers and banks as there are generally no market prices available. As with the claims, many of the liabilities to banks have an original term of less than one year, so that, for simplicity's sake, the balance sheet figure is considered to be the fair value in these cases.

Most of the time for securitized liabilities there is a market price available which can be taken to determine the fair value. If there is no market price, the net present value method is usually used.

Whenever possible, market prices are used to determine the fair value of subordinated and hybrid capital. If there are no market prices, valuation models are employed.

	Fair value		Book value		Difference	
€ bn	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Assets						
Cash reserve	6.6	5.2	6.6	5.2	–	–
Claims on banks	63.0	73.9	63.0	74.0	0.0	–0.1
Claims on customers	284.2	281.3	284.8	283.5	–0.6	–2.2
Hedging instruments	10.5	9.0	10.5	9.0	–	–
Assets held for trading purposes	118.6	97.6	118.6	97.6	–	–
Financial investments	126.9	132.2	127.5	132.2	–0.6	–
Liabilities						
Liabilities to banks	127.1	124.9	128.5	125.1	–1.4	–0.2
Liabilities to customers	169.4	158.3	170.2	159.2	–0.8	–0.9
Securitized liabilities	164.0	205.0	165.8	205.6	–1.8	–0.6
Hedging instruments	21.5	14.8	21.5	14.8	–	–
Liabilities from trading activities	96.2	70.3	96.2	70.3	–	–
Subordinated and hybrid capital	11.9	14.2	15.0	14.5	–3.1	–0.3

In net terms, the difference between the book value and fair value amounted for all items to €5.9bn as of December 31, 2008 (previous year: €–0.3bn).

The valuation models used for determining fair value are usually based on observable market data. In some cases, however, not all of the required parameters can be observed on the markets, so internal estimates must be used as well. This also affects financial instruments that are recognized at fair value in the balance sheet. The internal estimates used in the valuation models are carefully selected from the range of available alternative assumptions that could also be used as acceptable parameters.

If the valuation of the financial instruments recognized in the balance sheet at fair value as at December 31, 2008 was carried out using figures at the extreme end of the aforementioned range of alternative assumptions, this would mean an increase of €173m or decrease of €214m in the fair value in the income statement.

Owing to unrealized changes in the valuation of financial instruments, for whose valuation non-observable parameters were used, a loss of €119m was shown in the income statement for financial year 2008. This change in fair value is not based solely on changes to internal estimates but also on changes in observable market data which are also included in the model.

(74) Information on financial assets and financial liabilities, for which the fair value option is applied

In the Commerzbank Group, the fair value option is primarily used to avoid accounting mismatches arising from securities and loans hedged with interest-rate or credit derivatives. This also applies to structured debt instruments we have issued which have been hedged with interest-rate or foreign-currency derivatives. It 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 produces the following values as broken down by balance sheet item:

€ m	31.12.2008	31.12.2007	Change in %
Claims on customers	4,118	2,669	54.3
Financial investments	2,057	824	.
Assets, total	**6,175**	**3,493**	**76.8**
Liabilities to banks	13	10	30.0
Liabilities to customers	355	184	92.9
Securitized liabilities	1,267	1,094	15.8
Liabilities, total	**1,635**	**1,288**	**26.9**

All told, the result of the measurement from applying the fair value option amounts to €–237m (previous year: €6m; see Note 33).

Of the total claims of €4,118m measured at fair value, €3,451m (previous year: €2,493) was hedged by credit derivatives. In the past financial year, the amount of the change to the fair value of the claims brought about as a result of changes in default risk was €–507m (previous year: €–43m) and cumulatively amounted to €–545m (previous year: €–38m); the change in the fair value of the related risk-limiting credit derivatives during the financial year 2008 amounted to €381m (previous year: €47m) and accumulated €424m (previous year: €43m).

For liabilities to which the fair value option was applied the change in fair value for credit-risk reasons was €–176m for the 2008 financial year (previous year: €–18m). The cumulative change was €–191m (previous year: €–15m). The repayment amount for the financial liabilities measured at their fair value is €1,776m (previous year: €1,359m).

The credit risk-specific changes in the fair value of the claims and liabilities are essentially calculated as changes to the fair values less the value changes resulting from market conditions.

Risk management

(75) Risk management

The Commerzbank Group's value-based overall bank management involves taking on risks in a targeted manner and managing them professionally. The core functions of Commerzbank risk management are therefore to identify all key risks for the Group, measure these risks as accurately as possible and manage the risk positions based on these results.

Commerzbank defines risk as the danger of possible losses or profits foregone, which may be caused by internal or external factors. A basic distinction is made in risk management between quantifiable, or measurable, and unquantifiable types of risk.

The Bank's Board of Managing Directors sets risk-policy guidelines for the Group as part of the annually reviewed overall risk strategy it has established, consisting of various sub-strategies for the key types of risk. The overall risk strategy is based on the business strategy, also defined by the Board of Managing Directors, which ensures that the strategic orientation of the Group is in line with its risk management policy.

At Board level the Chief Risk Officer (CRO) is responsible for controlling all of the quantifiable risks (especially credit, market, liquidity and operational risk) of the Commerzbank Group, and for establishing and implementing the overall risk strategy. As part of his responsibility at Group level for the operative credit function, the CRO also assumes the management function for all credit risks.

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 (investor protection, insider guidelines, money laundering, etc.).

The Board of Managing Directors and the Supervisory Board are informed promptly about the Bank's risk situation by means of comprehensive, objective reports.

(76) Group risk strategy

The Group risk strategy, which has to be reviewed annually, determines how the Group deals with all quantifiable and unquantifiable risks, codified in detail in the sub-risk strategies.

The unquantifiable risks are subjected to strict qualitative monitoring in line with Pillar II of the Basel Accord and the MaRisk minimum requirements.

The individual quantifiable risks are managed by specifying target values or defining limits. The central management variables for Commerzbank Group are:

Expected Loss (EL)

This is determined for default and operational risks and is based on the risk parameters standard under Basel II: the probability of default by the counterparty (PD), the collateral held (LGD – loss given default) and the likely amount of the claim at the time of default (EaD – exposure at default). The expected loss corresponds to the average loss expected from portfolio defaults within a year, and is hence reflected in the risk provisioning across the economic cycle.

Value at risk (VaR)

Unlike loan defaults and losses arising from operational risks, changes in market prices and business risks can affect the Bank both positively and negatively. There is therefore no expected loss. Instead, the risk is that negative price changes have a certain probability of occurring, thus resulting in losses. We restrict this risk by setting VaR limits in order to avoid holding positions that may lead to losses equal to or greater than the VaR with a certain probability (confidence level).

Economic capital

Economic capital is the term used to describe the amount of capital required with a probability of 99.95% to cover all unexpected losses arising from risk positions. Economic capital is made up of default risk, market risk (including investment and real-estate risk), operational risks and business risk. It takes into account correlations and diversification effects both within and between the types of risk. It is calculated for all types of risk at a uniform confidence level of 99.95% (which corresponds to the Commerzbank target rating of A+) and a holding period of one year.

(77) Risk-taking capability, expected and unexpected loss

Risk-taking capability

Risk-taking capability is monitored by comparing the Commerzbank Group's aggregate bank-wide risk (measured as economic capital at a confidence level of 99.95% and a holding period of one year) with the capital available to cover risk (primarily equity components). The goal of this comparison is to establish which potential unexpected losses can be covered from the Bank's own funds without serious negative business consequences, and to understand and manage the dependencies of individual risk drivers.

In the base case, the available capital for risk coverage must be at least 20% higher than the economic capital (without taking account of the diversification effects between risk categories). As part of the Bank's overall risk strategy, the capital buffer requirement is broken down into specific sub-targets for individual portfolios. By making this strategy an essential part of business operations, any management measures that may be required can be implemented at an early stage. The buffer target at Group level was met throughout the reporting period.

In addition, by way of a dynamic approach, various risk-specific and multi-risk stress and scenario analyses are performed. In particular, negative economic and market developments are identified along with their impact on the relevant risk drivers and parameters, and the consequences for Commerzbank's portfolios are analyzed and action plans determined. The aim of this analysis is to guarantee Commerzbank's risk-taking capability even in cases of stress. In other words, consumption of economic capital must never exceed the available capital for risk coverage, even in a stress situation; if this is not the case, suitable measures must be taken. In addition, the restriction of risk appetite based on the medium-term (over 5 years) profitability of the segments plays a key role in determining the risk parameters, especially the EL and VaR limits.

Expected loss by type of risk and segment

The expected loss (EL) for a transaction at risk of default is based on the forecast loss at default (LAD) and probability of default (PD) for the transaction, which are in turn derived from the rating given to the customer in question. Input parameters used in determining the LAD include, in addition to the claims still to be repaid, credit lines expected to be drawn and forecast collateral proceeds and recovery rates. Technically speaking the expected loss is the product of PD and LAD and is equal to the statistical loss that can be expected on the basis of the reference date within a one-year period. The expected loss is taken into account in the calculation as standard risk costs and hence reflected in risk provisioning.

The expected loss from operational risk is calculated on the basis of the average statistical losses to be expected, taking into account the amount of those losses.

Unlike loan losses and losses arising from operational risks, market price risks and business risks basically have the same effect in both directions. An expected profit or loss cannot therefore be assumed. The gains or losses produced by uncertain future changes in market prices – such as changes in commission-earning business – are therefore defined as entirely unexpected.

The following table shows the expected loss for the various types of risk, by segment of the Commerzbank Group.

	Default risk		Market risk		Operational risk		Business risk		**Total**	
€ m	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Private and Business Customers	227	246	–	–	28	26	–	–	255	272
Mittelstandsbank	268	241	–	–	11	10	–	–	279	251
Central and Eastern Europe	185	117	–	–	6	6	–	–	191	123
Corporates & Markets	187	191	–	–	14	16	–	–	201	207
Commercial Real Estate	274	239	–	–	3	2	–	–	277	241
Others and Consolidation	4	13	–	–	–	–	–	–	4	13
Group	**1,145**	**1,047**	**–**	**–**	**62**	**60**	**–**	**–**	**1,207**	**1,107**

Unexpected loss by type of risk and segment

Management of the expected losses (ELs) is supplemented by limits for unexpected losses (ULs). Unexpected losses are determined at the level of the Group as a whole and at segment level for all types of risk using an internal economic capital model and gives the amount of the loss that will not be exceeded with a probability of 99.95%. Commerzbank calculates the unexpected loss at a confidence level of 99.95% that is derived from the probability of default for Commerzbank's target rating of A1 (Moody's).

The unexpected loss specified in the table takes into account diversification and concentration effects within each type of risk but not between the types of risk.

	Default risk		Market risk		Operational risk		Business risk		**Total**	
€ m	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Private and Business Customers	574	738	158	66	430	384	138	168	1,300	1,356
Mittelstandsbank	1,151	964	36	27	201	230	71	98	1,459	1,319
Central and Eastern Europe	589	407	27	17	146	143	30	31	792	598
Corporates & Markets	1,092	1,053	1,586	679	314	400	109	91	3,101	2,223
Commercial Real Estate	1,640	1,564	43	17	85	73	43	34	1,811	1,688
Others and Consolidation	18	57	1,707	1,762	1	11	175	154	1,901	1,984
Group	**5,064**	**4,783**	**3,557**	**2,568**	**1,177**	**1,241**	**566**	**576**	**10,364**	**9,168**

(78) Default risks

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 the individual counterparties or loans and the evaluation of collateral are based on analysis of historical data from the Commerzbank portfolio. The basis for the annual recalibration of the methods is the experience of the current year.

Rating distribution

The Commerzbank rating method comprises 25 rating levels for loans not in default (1.0 to 5.8) and five default classes (6.1 to 6.5). The CB master scale assigns each rating category exactly one range of probabilities of default, which is stable over time and free of overlap. The percentages of the groups in each rating category were calculated with respect to exposure at default (EaD).

The rating methods are subject to an annual validation and recalibration so that they reflect the latest projection bearing in mind all actual observed defaults.

Commerzbank AG rating	PD and EL mid-point as percentage	PD and EL range as percentage	S&P	S&P	IFD scale*	
1.0	0	0	AAA	AAA		
1.2	0.01	0 – 0.02				
1.4	0.02	0.02 – 0.03	AA+	AA		Investment grade
1.6	0.04	0.03 – 0.05	AA, AA-		I	
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+			
2.4	0.26	0.21 – 0.31	BBB	BBB		
2.6	0.39	0.31 – 0.47			II	
2.8	0.57	0.47 – 0.68	BBB-			
3.0	0.81	0.68 – 0.96	BB+			
3.2	1.14	0.96 – 1.34	BB	BB	III	
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+		IV	
4.0	3.50	3.10 – 3.90				
4.2	4.35	3.90 – 4.86				Non-investment grade
4.4	5.42	4.86 – 6.04	B	B	V	
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+			
5.4	16.15	14.48 – 18.01		CCC	VI	
5.6	20.09	18.01 – 22.41	CCC to CC-			
5.8	47.34	22.41 – 99.99				
6.1	100	Imminent insolvency	C, D-I, D-II			Default
6.2		Restructuring				
6.3		Restructuring with recapitalization/ partial waiving of claims				
6.4		Cancellation without insolvency				
6.5		Insolvency				

* IFD = Initiative Finanzstandort Deutschland; Source: Commerzbank

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). For better orientation, external ratings are shown as well. 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.

in %	Private and Business Customers 31.12.2008	Mittelstandsbank 31.12.2008	Central and Eastern Europe[1] 31.12.2008	Corporates & Markets 31.12.2008	Commercial Real Estate 31.12.2008
R 1	58.7	44.6	18.2	81.6	45.6
R 2	31.1	43.7	60.1	12.6	43.3
R 3	6.3	10.2	19.7	3.0	9.7
R 4	1.8	0.7	0.2	0.2	1.3
R 5	0.6	0.3	0.0	0.0	0.1
No rating	1.5	0.5	1.8	2.6	0.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

[1] excl. BRE Bank and Bank Forum

The authority to grant credit of individual employees and committees (Board of Managing Directors, credit committee, subcredit committee) are graduated by rating group. The most important control variables for the default risk are the expected losses (EL) derived from the ratings.

The credit risk strategy sets target values for individual subportfolios. This ensures that the expected risk provision is kept in line with the strategic orientation of the Bank, for example as regards the target rating from rating agencies or the target portfolio quality and structure.

Expected and unexpected loss for credit risks by segment

Credit risks are calculated at the portfolio level with the aid of the internal credit portfolio model. Using the model enables us to state the probability of possible losses in the lending business and in turn prepare key data for managing and monitoring risk. A major output from this model is for example the unexpected loss (UL), which estimates the amount of unexpected losses under extremely adverse economic scenarios and accordingly provides a key figure in addition to the expected loss (EL) for monitoring risk. Besides the quantitative statements that can be made with the aid of this model about the loan portfolio as a whole, the most important output that the credit portfolio model gives us is the ability to allocate the total risk on specific transactions, customers and business lines to the originating units.

Many data and parameters closely linked to the Basel II requirements are included in the credit portfolio model. These are, first, the transaction and customer data on the amount of the commitment, the credit rating and business sector involved and, second, pure model parameters, too, which provide information on the correlation and, accordingly, the potential diversification effects between various sectors and countries.

Besides the probability of default (PD) for each borrower, the most important figure is the expected exposure at default (EaD) for all of that borrower's transactions. The factors for calculating the EaD include, besides the pure volume of credit, open lines, guarantees and letters of credit and the credit calculation factors (CCFs) for the various types of credit. By taking collateral and guarantees into account and applying recovery factors to the unsecured portions, it is possible to determine the loss given default (LGD) for each transaction. The expected loss for each transaction is ultimately the product of PD, LGD and EaD.

	EaD (€ bn)		Expected Loss (€ m)		Unexpected Loss (€ m)	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Private and Business Customers	61	62	227	246	574	738
Mittelstandsbank	86	80	268	241	1,151	964
Central and Eastern Europe	27	19	185	117	589	407
Corporates & Markets	267	301	187	191	1,092	1,053
Commercial Real Estate	86	86	274	239	1,640	1,564
Others and Consolidation	6	10	4	13	18	57
Group	**533**	**558**	**1,145**	**1,047**	**5,064**	**4,783**

(79) Market risk

Market price risks (market risks) cover 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 equity risk beyond VaR, such as the insolvency of the issuer) also represent market risks. We also consider 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/return-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 the business segments.

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 constantly being adapted to the changing environment.

The overall market risk is calculated on the basis of a historical simulation while the specific interest-rate risk (specific market risk) is calculated by means of the variance-covariance method. At the parent bank, its foreign branches and the Luxembourg subsidiary Commerzbank International S.A., Luxembourg, we use an internal model to calculate the underlying capital requirements for the general and specific market risk.

The reliability of the internal model is checked on a regular basis by carrying out backtesting. The aim is to meet supervisory requirements and to assess and steadily improve forecasting quality. The total number of significant deviations provides the basis for the evaluation of the internal risk model by the supervisory authorities.

The table below shows the market risk of the Group's trading portfolio, broken down by the segments where proprietary trading is conducted. 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 (excl. investments)	
€ m	**2008**	**2007**
Minimum	26.9	21.5
Median	43.5	33.2
Maximum	150.9	69.6
Year-end figure	**96.3**	**35.6**

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 per 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 investment category (e.g. hypothetical interest-rate, equity, foreign-exchange and credit-spread scenarios).

The impact of an interest-rate shock on the economic value of the Group's banking book is simulated every month. In accordance with the Banking Directive, the German 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. The maximum fall as a result of these changes in interest rates as at year-end amounts to €570m. This translates into a decline in equity of 2.3%, which is well below the limit of 20% defined for so-called outlier banks.

(80) Operational risk

Operational risk is the risk of losses occurring as a consequence of the inappropriateness or failure of internal procedures or systems or people or from external events. Analogous to the definition under the Solvency Regulation (SolvV), this also covers legal risks, e.g. risks from unsatisfactory contractual agreements or changes to the legal framework.

The Operational Risk Committee is kept regularly informed on 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 point of view 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 the Bank with the aim of recognizing risks in a timely manner. The Operational Risk Committee also deals with anything relating to the implementation of AMA (the Advanced Management Approach) in the the Group and arising from MaRisk (the Minimum Requirements for Risk Management) for OpRisk. It is in particular responsible for the implementation of the guidelines under section 280 SolvV, which is the operational responsibility of Risk Strategy/Market and Operational Risk Control (ZMO).

The Global Operational Risk Forum, as a sub-committee of the Operational Risk Committee, acts as a discussion platform for OpRisk managers in the Group on all technical issues related to operational risks. Responsibility for managing the operational risks rests with the individual Group entities while ZMO is in charge of controlling.

The Group's operational risk profile, expressed in terms of the expected loss per event category under section 287 SolvV, shows that around 72% of the expected loss falls into the two event categories of "Product-related losses" and "Procedural errors". With the product-related losses, losses arising from advisory work in particular have increased significantly. ZMO conducts regular benchmarking of values to data from the operational risk data exchange ORX and public data; these show comparable distributions.

		2008		2007[1]	
		in € m	in %	in € m	in %
Internal fraud	Internal theft and fraud	4.1	5	4.2	6
External fraud	External theft and fraud	7.0	8	4.1	6
System failures	Technical and system failures	0.4	1	0.8	1
Material damage	Wilful destruction and terrorism	0.0	0	0.0	0
	Disasters and other events	0.1	0	0.0	0
	Accidents and public safety	0.1	0	0.1	0
Product-related losses					
	Appropriateness, disclosure and fiduciary duties	1.8	2	16.6	25
	Illegal business or market practices	1.7	2	2.5	4
	Product errors	1.2	1	0.6	1
	Advisory function	15.3	18	7.4	11
	Customer selection, lending and customer limit	0.0	0	0.1	0
	Customer error	0.0	0	0.4	1
Procedural errors					
	Entering, processing & managing transactions	48.8	59	25.7	39
	Customer acquisition and documentation	0.1	0	1.1	2
	Customer account management	0.1	0	0.7	1
	Monitoring and reporting	2.7	3	0.7	1
Errors relating to employment conditions					
	Events occurring within the context of employee conditions	0.0	0	0.1	0
	Safety of work environment	0.0	0	0.0	0
	Discrimination and exclusion at workplace	0.0	0	0.3	1
Group		**83.4**	**100**	**65.4**	**100**

[1] In 2008 additional events emerged which affected financial year 2007 but had no impact on the 2007 income statement.

(81) 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 steer them are included in the measurement of interest-rate risk.

The interest-rate risk of the banking book is measured on the basis of a net present value approach, applying the historical simulation method:

31.12.2008	Holding period	Confidence level: 99%		Overall
Portfolio		Banking book	Trading book	interest-rate risk
		€ m	€ m	€ m
Group	10 days	97.3	43.3	101.2

31.12.2007	Holding period	Confidence level: 99%		Overall
Portfolio		Banking book	Trading book	interest-rate risk
		€ m	€ m	€ m
Group	10 days	70.3	20.3	71.9

(82) 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 event of the default or insolvency of that customer.

In terms of book values, the credit risks relating to the claims on customers were as follows on December 31, 2008:

	Claims	
€ m	**31.12.2008**	**31.12.2007**
Customers in Germany	**180,121**	**192,384**
Companies and self-employed	73,920	73,651
Manufacturing	14,778	12,960
Construction	2,203	1,247
Distributive trades	6,003	6,091
Services incl. professions and others	50,936	53,353
Public sector	45,917	51,341
Other retail customers	60,284	67,392
Customers outside Germany	**110,027**	**97,025**
Corporate and private customers	98,431	84,686
Public sector	11,596	12,339
Sub-total	**290,148**	**289,409**
less valuation allowances	–5,333	–5,940
Total	**284,815**	**283,469**

In terms of book values, the credit risks relating to contingent liabilities and irrevocable lending commitments were as follows on December 31, 2008:

	Contingent liabilities, irrevocable lending commitments	
€ m	31.12.2008	31.12.2007
Customers in Germany	**35,023**	**30,662**
Banks	597	171
Companies and self-employed	33,028	28,706
Manufacturing	10,785	7,514
Construction	1,911	612
Distributive trades	3,347	3,318
Services incl. professions and others	16,985	17,262
Public sector	388	387
Other retail customers	1,010	1,398
Customers outside Germany	**48,249**	**50,735**
Banks	7,844	5,201
Corporate and private customers	39,604	44,536
Public sector	801	998
Sub-total	**83,272**	**81,397**
less provisions	–364	–380
Total	**82,908**	**81,017**

(83) Liquidity ratio of Commerzbank Aktiengesellschaft

Since January 2008 Commerzbank Aktiengesellschaft's liquidity ratio has been determined on the basis of the Liquidity Regulation (LiqV). LiqV replaces the previously applicable Principle II and specifies the liquidity required of banks for payment purposes under section 11 KWG. The liquidity of a bank is considered adequate if the liquidity ratio determined 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 concept under LiqV implemented as the standard approach was applied in 2008 in Commerzbank Aktiengesellschaft.

As of December 31, 2008, the liquidity ratio worked out by Commerzbank Aktiengesellschaft was 1.14 (previous year: 1.18). Excess liquidity from the first maturity bracket reached €19.5bn (previous year: €21.8bn).

Liquidity ratios of Commerzbank Aktiengesellschaft in 2008:

	Month-end level		Month-end level
January	1.21	July	1.21
February	1.17	August	1.13
March	1.14	September	1.13
April	1.17	October	1.06
May	1.16	November	1.07
June	1.21	December	1.14

Other notes

(84) Subordinated assets

The following subordinated assets are included in the assets shown in the balance sheet:

a€ m	31.12.2008	31.12.2007	Change in %
Claims on banks	112	112	0.0
Claims on customers	229	157	45.9
Bonds and notes	653	537	21.6
Other equity-related securities	–	41	.
Total	**994**	**847**	**17.4**
of which: banks in which an equity investment exists	–	–	.

Assets are considered to be subordinated if the claims they represent may not be met before those of other creditors in the case of the liquidation or insolvency of the issuer.

(85) Contingent liabilities and irrevocable lending commitments

€ m	31.12.2008	31.12.2007	Change in %
Contingent liabilities	**33,035**	**29,459**	**12.1**
from rediscounted bills of exchange credited to borrowers	2	8	–75.0
from guarantees and indemnity agreements	32,695	29,129	12.2
Credit guarantees	4,166	3,497	19.1
Other guarantees	20,949	19,581	7.0
Letters of credit	7,517	5,997	25.3
Guarantees for ABS securitizations	13	–	.
Other warranties	50	54	–7.4
Other commitments	338	322	5.0
Irrevocable lending commitments	**49,873**	**51,558**	**–3.3**
Book credits to banks	1,403	1,149	22.1
Book credits to customers	46,358	48,993	–5.4
Credits by way of guarantee	1,872	1,100	70.2
Letters of credit	240	316	–24.1

Remaining lifetimes of contingent liabilities andirrevocable lending commitments

€ m	31.12.2008	31.12.2007	Change in %
Total	**82,908**	**81,017**	**2.3**
due on demand	2,460	3,062	–19.7
less than three months	24,082	24,165	–0.3
more than three months, but less than one year	14,511	12,665	14.6
more than one year, but less than five years	35,290	34,306	2.9
more than five years	6,565	6,819	–3.7

In this tables, provision for risks arising from these liabilities has been deducted from the respective items.

(86) Volume of managed funds

By type of managed fund, the assets which we manage break down as follows:

	31.12.2008		31.12.2007	
	Number of funds	Fund assets € bn	Number of funds	Fund assets € bn
Retail investment funds	369	23.5	397	35.5
Equity-based and balanced funds	170	6.3	208	14.6
Bond-based funds	73	3.9	95	6.7
Money-market funds	29	6.9	19	10.6
Other[1]	97	6.4	75	3.6
Special funds	234	16.9	245	18.6
Property-based funds	2	0.0	1	0.0
Total	**605**	**40.4**	**643**	**54.1**

[1] includes fund-of-funds and retirement funds

The regional breakdown of the funds launched is shown in the following chart:

	31.12.2008		31.12.2007	
	Number of funds	Fund assets € bn	Number of funds	Fund assets € bn
Germany	326	25.6	331	30.5
United Kingdom	1	0.0	–	–
Other European countries	278	14.8	312	23.6
Total	**605**	**40.4**	**643**	**54.1**

(87) Genuine repurchase agreements (repo and reverse repo transactions) and cash collaterals

Under its genuine repurchase agreements, the Commerzbank Group sells or purchases securities with the obligation to repurchase or return them. The money equivalent deriving from repurchase agreements in which the Commerzbank Group is a borrower (has obligation to take the securities back) is shown in the balance sheet as a liability to banks or customers.

In securities-lending transactions, the counterparty may provide collateral in the form of, for example, liquidity, so the Group avoids the credit risk. 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 out is provided as collateral in connection with derivative transactions.

The genuine repurchase agreements concluded up to the balance-sheet date and the cash collaterals break down as follows:

€ m	31.12.2008	31.12.2007	Change in %
Genuine repurchase agreements as a borrower (repo agreements)			
Liabilities to banks	26,244	30,463	−13.8
Liabilities to customers	7,989	5,230	52.8
Cash collateral in			
Liabilities to banks	4,764	9,084	−47.6
Liabilities to customers	955	1,985	−51.9
Total	**39,952**	**46,762**	**−14.6**
Genuine repurchase agreements as a lender (reverse repo agreements)			
Claims on banks	8,978	12,725	−29.4
Claims on customers	6,586	6,632	−0.7
Cash collateral out			
Claims to banks	13,779	8,150	69.1
Claims to customers	2,534	1,891	34.0
Total	**31,877**	**29,398**	**8.4**

The carrying amount of securities covered by repurchase agreements as of December 31, 2008, was €33,867m (previous year: €34,478m). The carrying value of the associated liabilities (collateral) was €34,233m (previous year: €35,693m).

(88) Securities-lending transactions

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.

€ m	31.12.2008	31.12.2007	Change in %
Lent securities	1,097	8,646	–87.3
Borrowed securities	1,699	3,795	–55.2

The carrying value of securities lent out was €1,097m (prior year: €8,646m), compared to associated liabilities (collateral) of €5,719m (prior year: €11,069m).

(89) Collateral received

Collateral received for which there is a right to sell on or pledge even where the provider does not default is broken down as follows:

€ m	31.12.2008	31.12.2007	Change in %
Total amount of collateral received	17,724	21,635	–18.1
of which: Sold on or pledged again	7	76	–90.8
of which: Subject to an obligation to return	–	–	.

The transactions were carried out at the normal standard terms for security lending and repurchase transactions and loan transactions.

(90) Trust transactions at third-party risk

Trust transactions which do not have to be shown in the balance sheet amounted to the following on the balance-sheet date:

€ m	31.12.2008	31.12.2007	Change in %
Claims on banks	1	9	–88.9
Claims on customers	95	108	–12.0
Other assets	435	658	–33.9
Assets on a trust basis at third-party risk	**531**	**775**	**–31.5**
Liabilities to banks	13	30	–56.7
Liabilities to customers	518	745	–30.5
Liabilities on a trust basis at third-party risk	**531**	**775**	**–31.5**

(91) Risk-weighted assets and capital ratios as defined by the Basel capital accord (BIS)

Like other internationally active banks, the Commerzbank Group has committed itself to meeting the capital adequacy requirements contained of the Basel accord. This imposes on banks a minimum requirement of 8% of own funds to risk-weighted assets (own funds ratio). A minimum requirement of 4% applies universally for the ratio between core capital and risk-weighted assets (core capital ratio).

Own funds comprise liable capital that is made up of core and supplementary capital, plus Tier III capital. Core capital mainly consists of subscribed capital plus reserves and hybrid capital and minority interests, less deduction items such as goodwill, equity investments and intangible assets. Supplementary capital comprises outstanding 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 Group companies
- Provision of sufficient reserves to guarantee the bank's freedom of action at all times
- Strategic allocation of Tier 1 capital to business segments and divisions in order to exploit growth opportunities

The key capital ratio monitored by Commerzbank is the core capital ratio. The Bank's specifications for the capital ratio far exceed the minimum statutory requirements. The Bank's risk appetite and market expectations play an important role in determining the capital ratio target. The Bank has defined a comfort zone for Tier 1 capital, which is currently 6.5 – 7.5%. It has also defined a comfort zone for the equity ratio as a supplementary back-up condition; this is currently 10.5 – 11.5%.

The Tier 1 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 statutory minimum capital requirements at all times.

The structure of the Commerzbank Group's capital yields the following picture:

€ m	31.12.2008	31.12.2007	Change in %
Core capital (Tier I)			
Subscribed capital	1,877	1,708	9.9
Reserves, minority interests, treasury shares	9,920	11,736	–15.5
SoFFin silent participation	8,200	0	.
Hybrid capital	3,038	3,079	–1.3
Other	–535	–190	.
Total	**22,500**	**16,333**	**37.8**
Supplementary capital (Tier II)			
Hybrid capital	–	202	.
Profit-sharing rights	467	1,330	–64.9
Reserves in securities (amount reported: 45%)	–	315	.
Subordinated liabilities	8,424	6,485	29.9
Other	–534	807	.
Total	**8,357**	**9,139**	**–8.6**
Tier III capital	**25**	**102**	**–75.5**
Eligible equity	**30,882**	**25,574**	**20.8**

as of 31.12.2008 | according to Basel II		**Capital charges in %**		**Total**
€ m	**<20**	**from 20 to under 100**	**100 and more**	
Commercial business	12,327	83,817	98,543	194,687
Derivatives business	2,118	3,880	6,753	12,751
Risk-weighted assets, total	**14,445**	**87,697**	**105,296**	**207,438**
Risk-weighted market-risk position multiplied by 12.5				4,891
Risk-weighted market-risk position for operational risk multiplied by 12.5				9,495
Total items to be risk-weighted				221,824
Eligible own funds				30,882
Core capital ratio				10.1
Own funds ratio				13.9

as of 31.12.2008 | according to BIS		**Capital charges in %**		**Total**
€ m	**<20**	**from 20 to under 100**	**100 and more**	
Commercial business	19,202	43,018	165,181	227,401
Derivatives business	4,617	2,558	–[1]	7,175
Risk-weighted assets, total	**23,819**	**45,576**	**165,181**	**234,576**
Risk-weighted market-risk position multiplied by 12.5				2,850
Risk-weighted market-risk position for operational risk multiplied by 12.5				–
Total items to be risk-weighted				237,426
Eligible own funds				25,574
Core capital ratio				6.9
Own funds ratio				10.8

[1] Pursuant to section 13 in conjunction with section 4 Principle I the maximum risk weighting is 50%.

Reconciliation of reported capital with eligible equity

31.12.2008 | € m	Core capital/ Equity	Supplementary/ subordinated capital	Tier III capital	**Total**
Reported in balance sheet	19,904	11,811	25	31,740
Revaluation reserve	36			36
Valuation of cash flow hedges	872			872
Consolidated profit	–			–
Minority interests not to be shown in core capital (incl. revaluation reserve, valuation of cash flow hedges) and changes in consolidated companies and goodwill	–442			–442
Hybrid capital non-innovative	600			600
Hybrid capital innovative	2,438	–		2,438
Parts of subordinated capital not eligible due to limited remaining lifetime		–2,219		–2,219
Reallocation to Tier III capital				–
Latent revaluation reserves for securities		–		–
General provisions/ reserves for defaults		–		–
Other differences	–908	–1,235	–	–2,143
Eligible equity	**22,500**	**8,357**	**25**	**30,882**

(92) 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, whereby 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 (CLN). We can hereby achieve three important goals:

1. risk diversification (reduction of credit risks in the portfolio, especially bulk risks),
2. easing the burden on equity capital (through the transfer of credit risks to investors a reduction in the regulatory equity capital requirements according to the Solvency Regulation) and
3. funding (use of securitizations as an alternative funding instrument to senior bearer bonds).

By the end of the 2008 financial year, 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. All told, credits to customers of €10.2bn had been covered by end-December 2008. This eased the burden on the Bank’s risk-weighted assets by €3.4bn.

Name of transaction	Buyer of protection	Year transacted	Duration of transaction in years	Type of claim	Volume of credit	Reduction of risk-weighted assets
					€ m	€ m
CoCo Finance 2006-1	Commerzbank AG, Commerzbank International S.A., Commerzbank (Eurasija) SAO	2006	10	National and international larger corporates	4,456	1,194
CoSMO Finance 2007-1	Commerzbank AG	2007	20	Mittelstand customers	1,996	687
CoSMO Finance 2008-1	Commerzbank AG	2008	14	Mittelstand customers	1,493	552
Provide GEMS 2002-1 PLC	Eurohypo AG	2002	45	Residential real-estate portfolio	491	133
Semper Finance 2006-1	Eurohypo AG	2006	76	Project Castle – commercial real-estate portfolio	1,019	398
Semper Finance 2007-1	Eurohypo AG	2007	36	Commercial real-estate portfolio	710	429
					10,165	**3,393**

(93) Average number of staff employed by the Bank during the year

	2008			2007		
	Total	male	female	total	male	female
Group	39,239	21,436	17,803	34,796	18,585	16,211
in Germany	26,661	13,197	13,464	26,292	13,015	13,277
outside Germany	12,578	8,239	4,339	8,504	5,570	2,934

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 60% (previous year: 60%) of the standard working time.

	Total		male		female	
	2008	2007	2008	2007	2008	2007
Trainees	1,293	1,241	534	513	759	728

(94) Related party transactions

a) Business relationships

As part of its normal business Commerzbank AG and/or its consolidated companies do business with related persons and companies. They include parties that are controlled but not consolidated for reasons of materality, associated companies, external service providers of occupational pensions for Commerzbank AG employees, key management personnel and their dependants as well as companies controlled by people in this group. Key management personnel refers exclusively to members of Commerzbank AG's Board of Managing Directors and Supervisory Board.

Assets and liabilities and off-balance-sheet items in connection with related parties changed as follows in the year under review:

€ m	01.01.2008	Additions	Disposals	Changes in consolidated companies	31.12.2008
Claims on banks	**–**	**622**	**–**	**–**	**622**
Subsidiaries	–	–	–	–	–
Associated companies and companies in which an equity investment exists	–	622	–	–	622
Claims on customers	**274**	**343**	**402**	**670**	**885**
Subsidiaries	166	288	289	163	328
Associated companies and companies in which an equity investment exists	102	52	111	506	549
Key management personnel	6	3	2	–	7
Other related persons/companies	–	–	–	1	1
Assets held for trading purposes	**11**	**393**	**363**	**–**	**41**
Subsidiaries	–	384	363	–	21
Associated companies and companies in which an equity investment exists	11	9	–	–	20
Financial investmens	**94**	**12**	**67**	**–2**	**37**
Subsidiaries	44	12	15	–5	36
Associated companies and companies in which an equity investment exists	50	–	50	–	–
Other related persons/companies	–	–	2	3	1
Total	**379**	**1,370**	**832**	**668**	**1,585**
Liabilities to banks	**26**	**231**	**1**	**–**	**256**
Subsidiaries	–	–	–	–	–
Associated companies and companies in which an equity investment exists	26	231	1	–	256
Liabilities to customers	**619**	**1,982**	**700**	**–16**	**1,885**
Subsidiaries	109	419	408	–12	108
Associated companies and companies in which an equity investment exists	35	170	180	63	88
Key management personnel	126	29	111	–8	36
Other related persons/companies	349	1,364	1	–59	1,653
Total	**645**	**2,213**	**701**	**–16**	**2,141**
Guarantees and collateral granted to	**380**	**–**	**56**	**–2**	**322**
Subsidiaries	2	–	–	–2	–
associated companies and companies with	–	–	–	–	–
Key management personnel	–	–	–	–	–
other related persons/companies	378	–	56	–	322
Guarantees and collateral received from	**–**	**93**	**83**	**–**	**10**
Subsidiaries	–	90	81	–	9
associated companies and companies with	–	3	2	–	1
Key management personnel	–	–	–	–	–
other related persons/companies	–	–	–	–	–

Liabilities to customers include €1.2bn for external pension providers under other related companies.

The following income and expenses arose from loan agreements with deposits from and services provided in connection with related parties:

2008 | € m	**Expenses**	**Income**
Unconsolidated subsidiaries		
Interest	1	19
Commission income	1	11
Trade	10	1
Write-downs/Impairments	–	–
Associated companies and companies in which an equity investment exists		
Interest	2	39
Commission income	6	–
Trade	11	2
Write-downs/Impairments	1	–
Key management personnel		
Interest	4	–
Commission income	–	–
Trade	–	–
Write-downs/Impairments	–	–
Other related persons or companies		
Interest	81	–
Commission income	–	1
Trade	–	–
Write-downs/Impairments	–	–
Totals		
Interest	88	58
Commission income	7	12
Trade	21	3
Write-downs/Impairments	1	–

On the balance sheet date, the aggregate amount of loans and contingent liabilities granted to key management personnel was as follows:

€ 1,000	01.01.2008	Additions	Disposals	Changes in consolidated companies	31.12.2008
Board of Managing Directors	5,198	2,257	889	–210	6,356
Supervisory Board	809	76	144	–427	314
Claims on customers	**6,007**	**2,333**	**1,033**	**–637**	**6,670**

Members of the Board of Managing Directors have been granted cash advances and loans with terms ranging from on demand up to a final due date of 2032 and at interest rates ranging between 4.3% and 5.5%, and in selected instances overdrafts at rates up to 10.0%. Collateral security is provided on normal market terms, if necessary through land charges or rights of lien.

The loans and advances to members of the Supervisory Board – including those to employee representatives on this body – were granted with lifetimes ranging between until further notice and a final due date of 2030 and at interest rates ranging between 5.0% and 5.4%. 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 and the Supervisory Board in the year under review.

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. This forms part of the management report and appears on pages 31 ff of the annual report for the year ending December 31, 2008.

The total remuneration for the members of the Board of Managing Directors and the Supervisory Board is as follows:

€ 1,000	31.12.2008	31.12.2007
Board of Managing Directors	12,207	17,612
Supervisory Board	1,962	3,031

The total remuneration for the Board of Managing Directors includes amongst others remuneration in kind granted within the standard scope (essentially remuneration in kind from vehicle use and insurance taxes and social security contributions). For the financial year 2008 no variable remuneration was granted.

The following table shows the remuneration in the form of basic salary, variable remuneration, remuneration for serving on the boards of consolidated companies included in the consolidated financial statements of Commerzbank AG, pay-outs from long-term performance plans (LTPs) and other remuneration of the individual members of the Board of Managing Directors. The variable remuneration is shown subject to the annual financial statements of Commerzbank Aktiengesellschaft for the 2008 financial year being approved in their present form.

€ 1,000		Basic salary[2]	Variable Remuneration[3]	Remuneration for serving on boards	Payouts of share-based remuneration plans[4]	Other[5]	Total
Klaus-Peter Müller	2008[1]	317	–	119	200	35	671
	2007	760	1,709	167	500	84	3,220
Martin Blessing	2008	500	–	43	100	86	729
	2007	480	1,155	79	250	82	2,046
Frank Annuscheit	2008	480	–	23	40	51	594
	2007[1]	–	–	–	–	–	–
Markus Beumer	2008	480	–	18	–	365	863
	2007[1]	–	–	–	–	–	–
Wolfgang Hartmann	2008	480	–	77	100	112	769
	2007	480	794	80	250	111	1,715
Dr. Achim Kassow	2008	480	–	246	100	277	1,103
	2007	480	862	270	–	45	1,657
Bernd Knobloch	2008[1]	360	–	20	615	4,137	5,132
	2007	480	864	10	–	72	1,426
Klaus M. Patig	2008	–	–	–	–	–	–
	2007[6]	40	–	–	–	2,307	2,347
Michael Reuther	2008	480	–	78	–	71	629
	2007	480	1,072	8	–	71	1,631
Dr. Stefan Schmittmann	2008[1]	80	–	8	–	7	95
	2007	–	–	–	–	–	–
Dr. Eric Strutz	2008	480	–	95	100	41	716
	2007	480	988	92	250	42	1,852
Nicholas Teller	2008[1]	200	–	14	100	592	906
	2007	480	813	61	250	114	1,718
Total	**2008**	**4,337**	**–**	**741**	**1,355**	**5,774**	**12,207**
	2007	**4,160**	**8,257**	**767**	**1,500**	**2,928**	**17,612**

[1] Pro rata for the period since being appointed or up to the date of departure from the Board
[2] Owing to the participation of the Special Fund for Financial Market Stabilization (SoFFin), the maximum limit for the remuneration of all members of the Board of Managing Directors active as at the reporting date and Mr Müller was €500 thousand. In the case of Mr Müller, his remuneration as a member of the Supervisory Board of €148 thousand (excl. VAT) also has to be taken into account.
[3] Payable in the following year subject to approval of the annual financial statements. In 2007 the variable remuneration included €767 thousand of payments already received for serving on the boards of consolidated companies. For purposes of better comparison, remuneration for serving on boards is now stated separately.
[4] The LTP 2004 was paid out in 2007 and the LTP 2005 and Eurohypo AG's Longterm Incentive Plan 2004 were paid out in 2008, the year under review.
[5] The heading Other covers payment in kind in the year under review. In the year under review Mr Knobloch received €4,040 thousand and Mr Teller €548 thousand, which was promised to them under their severance agreements. Mr Beumer and Mr Kassow received assistance with moving expenses.
[6] Mr Patig left the Board of Managing Directors at the end of January 2007.

The active members of the Board of Managing Directors had and have participated in the long-term performance plans (LTPs) which are described in detail in Note 24 and represent a share-based form of remuneration. In order to take part in the various plans, the members of the Board of Managing Directors on the basis of their individual decisions have invested in up to 2,500 shares of Commerzbank Aktiengesellschaft and the Chairman in up to 5,000 shares of Commerzbank Aktiengesellschaft per plan at current market prices.

The following table shows the number of shares (corresponding to a "virtual" option per share) per individual active member of the Board and per respective current LTP, as well as the fair values at the time the share-based payment was granted and the fair values as of the valuation date, December 31, 2008. Provisions for the LTPs 2006 to 2008 amounting to €42 thousand have been formed pro-rata for possible future payment obligations to members of the Board on the basis of the fair values as of December 31, 2008. In financial year 2008 provisions of €137 thousand for the LTP were reversed.

Current long-term performance plans

	LTP	Number of participating shares	Attributable fair value when the shares were granted in € 1,000	Attributable fair value as of 31.12.2008 in € 1,000	pro rata provisions as of 31.12.2008 in € 1,000
Martin Blessing	2008	5,000	173	44	6.4
	2006	2,500	79	10	2.9
	2006	2,500	87	–	–
Frank Annuscheit	2008	2,500	87	22	3.2
	2007	1,200	38	5	1.4
	2006	1,200	42	–	–
Markus Beumer	2008	2,500	87	22	3.2
	2007	–	–	–	–
	2006	–	–	–	–
Wolfgang Hartmann	2008	2,500	87	22	3.2
	2007	2,500	79	10	2.9
	2006	2,500	87	–	–
Dr. Achim Kassow	2008	2,500	87	22	3.2
	2007	2,500	79	10	2.9
	2006	2,500	87	–	–
Michael Reuther	2008	2,500	87	22	3.2
	2007	2,500	79	10	2.9
	2006	–	–	–	–
Dr. Stefan Schmittmann	2008	–	–	–	–
	2007	–	–	–	–
	2006	–	–	–	–
Dr. Eric Strutz	2008	2,500	87	22	3.2
	2007	2,500	79	10	2.9
	2006	2,500	87	–	–
Sum	**2008**	**20,000**	**695**	**176**	**25.6**
	2007	**13,700**	**433**	**55**	**15.9**
	2006	**11,200**	**390**	**–**	**–**
Total		**44,900**	**1,518**	**231**	**41.5**

The potential remuneration stemming from participation in the LTPs 2006 to 2008 could deviate considerably from the figures shown in the table above or could even be completely released, because the final pay-out amounts are not fixed until the end of the term of each LTP (please refer to Note 24 concerning terms of payout). In February 2009 the members of the Board of Managing Directors renounced all the shares under the LTP 2008 and can therefore no longer receive any payments from this plan. Further details are available in the management report.

The first pay-out for the LTP 2005, which were based on the values of the first quarter of 2008, resulted in a payment obligation for the amount achieved under the terms of the plan. The LTP 2005 was terminated in June 2008 by means of a cash payment of €40 per participating share. The payments made to members of the Board of Managing Directors, who had participated in this plan are listed below. The payments are contained in the total remuneration amount above.

Paid out long-term performance plan

LTP 2005	Number of participating shares	Amount in € 1,000
Klaus-Peter Müller	5,000	200
Martin Blessing	2,500	100
Frank Annuscheit	1,000	40
Wolfgang Hartmann	2,500	100
Dr. Achim Kassow	2,500	100
Dr. Eric Strutz	2,500	100
Nicholas Teller	2,500	100
Total	**18,500**	**740**

Mr Knobloch also received a payment of €615 thousand in the year under review from entitlements under Eurohypo's Longterm Incentive Plan 2004, which had been granted to him in 2004 for his work as Chairman of the Board of Managing Directors of Eurohypo Aktiengesellschaft.

Payments to former members of the Board of Managing Directors and their surviving dependents amounted to €6,533 thousand in the year under review (previous year: €5,410 thousand).

For present and former members of the Board of Managing Directors or their surviving dependents the Bank has established a retirement benefit plan: assets to hedge this were transferred to Commerzbank Pensions-Trust e.V. as part of a contractual trust arrangement. As at December 31, 2008, the defined benefit obligations for active members of the Board of Managing Directors amounted to €8.1m (previous year: €21.0m) and for former members of the Board of Managing Directors or their surviving dependants €69.4m (previous year: €59.1m).

After deducting the plan assets and taking account of actuarial gains and losses, the provisions for pension obligations (defined benefit liabilities) as at December 31, 2008 amounted to €0.2m (previous year: €1.0m) for active members of the Board of Managing Directors and €1.6m (previous year: €2.8m) for former members of the Board of Managing Directors or their surviving dependants.

We refer to the section headed Other Regulations in the remuneration report for information on regulations for payments stemming from termination of employment for the active members of the Board of Managing Directors.

Remuneration for members of the Supervisory Board is regulated in Art. 15 of the Articles of Association of Commerzbank Aktiengesellschaft. Members of the Supervisory Board will receive total remuneration for financial year 2008 of €1,677 thousand net (previous year: €2,547 thousand). Of this figure, the basic remuneration and the remuneration for serving on committees amounts to €1,240 thousand (previous year: €2,307 thousand) and attendance fees to €437 thousand (previous year: €240 thousand). Attendance fees are 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. VAT of €285 thousand (previous year: €484 thousand) to be paid on the overall remuneration of the members of the Supervisory Board is refunded by Commerzbank Aktiengesellschaft. Accordingly the total remuneration of members of the Supervisory Board amounted to €1,962 thousand (previous year: €3,031 thousand).

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, 2008.

(95) Share-based payments plans

In financial year 2008 we reversed provisions for share-based remuneration plans and in turn booked income of €8m (previous year: expense of €27m). For cash-settled plans we recognized income of €12m (previous year: expense of €27m). For plans settled with equity instruments, by contrast, there was an expense of €3m (previous year: €0m). As at December 31, 2008, the share-based payments reserve in equity amounted to €2m (previous year: €1m) and the provision that was formed €8m (previous year: €49m).

The following provides more information on Commerzbank AG's share-based long-term performance plan (LTPs) and Eurohypo's long-term incentive plan (LFI).

Further companies also offer their staff share-based remuneration plans which are settled with cash and equity instruments. The expense for these plans in 2008 was €6m (previous year: €15m). Of this amount, €5m was for new remuneration plans launched by BRE Bank S.A. in the year under review. For the other consolidated companies €2m was recognized as provisions (previous year: €11m) and €2m (previous year: €1m) as a reserve in equity as at 31 December 2008. The decrease in provisions is a result of the payout of remuneration plans after the CCR Group was sold.

Long-term performance plans of Commerzbank AG

As at December 31, 2008 the provision for the LTP was €1m (previous year: €21m). Due to poor development of the performance criteria which are linked to LTP payouts, a total of €11m of the provisions were reversed in the year under review (previous year: an expense of €12m). In addition, the provision for the payout under the 2005 LTP was utilized (€8m).

More details and conditions on the LTP are available in Note 24 of this annual report. In accordance with IFRS 2, all LTPs are recognized as cash-settled remuneration plans.

The estimated fair values as of December 31, 2008 and the change in the number of rights under the LTPs during the year are shown in the tables below:

LTP	Date of grant	Fair value per award as of	
in €		31.12.2008	31.12.2007
2005	April 1, 2005	–	81.12
2006	April 1, 2006	–	18.53
2007	April 1, 2007	3.90	20.55
2008	May 1, 2008	8.87	–

Number of awards | in units	2008	2007
Outstanding at beginning of year	**886,300**	**738,400**
Granted during the year	434,250	370,050
Forfeited during the year	82,850	39,600
Exercised during the year	204,200	182,550
Expired during the year	–	–
Outstanding at year-end	**1,033,500**	**886,300**

The expected remaining lifetimes of the awards outstanding at year-end vary from 39 months to 40 months.

The fair values of the LTPs awards are calculated using the Monte Carlo model. The inputs into the model were as follows:

	31.12.2008	31.12.2007
Volatility of the Commerzbank share price	54%–56%	31%–47%
Volatility of the Euro Stoxx Banks Index	32%–33%	17%–30%
Correlation of Commerzbank share price to index	83%–84%	80%–88%
Commerzbank dividend yield	0.9%	2.9%–3.5%
Dividend yield of DJ Euro Stoxx Banks Index	2.0%	3.3%
Risk-free interest rate	2.2%	4.0%–4.6%
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.

Eurohypo AG's long-term incentive plan (LFI)

As at December 31, 2008 the provision for the LFI was €5m (previous year: €17m). Due to poor development of the performance criteria which are linked to LFI payouts, a total of €3m of the provisions were released in the year under review (previous year: provisions of €0m).

The reduction in provisions is also due to their being utilized to pay out the LFI (€4m) and being offset with hedges (€5m). More details and conditions on the LFI are explained in Note 24 of this annual report. In accordance with IFRS 2, the LFI has to be recognized as a cash-settled remuneration plan.

(96) Other commitments

Uncalled payment commitments on shares towards Group external entities and non consolidated entities amount to €4.9m (previous year: €0.4m).

The Bank is responsible for the payment of assessments of up to €173m to Liquiditäts-Konsortialbank (Liko) GmbH, Frankfurt am Main. The individual banking associations have also declared themselves responsible for the payment of assessments to Liko. To cover such assessments, Group companies have pledged to Liko that they will meet any payment in favour of their respective associations.

Under 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 through support provided for banks in which Commerzbank holds a majority interest.

Obligations towards futures and options exchanges and also towards clearing centres, for which securities have been deposited as collateral, amount to €5,351m (previous year: €1,556m).

Our subsidiaries Caisse Centrale de Réescompte S.A., Paris, and cominvest Asset Management S.A., Luxembourg, have provided performance guarantees for selected funds.

(97) Lessor and lessee figures

Lessor figures – operating leasing –

Commerzbank is a lessor on operating leases. The leases include, in particular, real estate and vehicles rented out as of the balance-sheet date.

The following minimum leasing payments stemming from noncallable leases will accrue to the Commerzbank Group over the next few years from operating leases granted:

Due date | € m	**31.12.2008**	**31.12.2007**
In under 1 year	184	127
In 1 to 5 years	689	401
In more than 5 years	410	318
Total	**1,283**	**846**

No conditional leasing installments have been agreed in the leasing agreements.

Lessor figures – finance leasing –

Commerzbank is a lessor on finance leases. The leases include, in particular, real estate and office furniture and equipment (e.g. vehicles, copying machines) rented as of the balance-sheet date.

€ m	**31.12.2008**	**31.12.2007**
Outstanding leasing payments	1,823	1,238
+ guaranteed residual values	28	82
= minimum leasing payments	1,851	1,320
+ non-guaranteed residual values	21	13
= gross investments	1,872	1,333
– unrealized financial income	207	156
= net investments	1,665	1,177
– net present value of non-guaranteed residual values	16	11
= net present value of minimum leasing payments	1,649	1,166

The minimum leasing payments include the total leasing installments to be paid by the lessee from the leasing agreement plus the guaranteed residual value. The non-guaranteed residual value is estimated at the beginning of the leasing agreement and reviewed as of the effective date on a regular basis. The unrealized financial income is equivalent to the interest implicit in the leasing agreement between the effective date and the end of the contract.

The gross total rental payments and net present values of the minimum leasing payments from noncallable finance leasing agreements are broken down as follows:

Remaining lifetimes as of 31.12.	Gross investments		Net present value of minimum leasing payments	
€ m	**2008**	**2007**	**2008**	**2007**
In under 1 year	590	471	504	397
In 1 to 5 years	1,140	809	1,021	715
In more than 5 years	142	53	124	54
Total	**1,872**	**1,333**	**1,649**	**1,166**

Lessee figures – operating leasing –

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 2008 to expenses of €338m (previous year: €283m). Of this amount €36m relates to rental and leasing agreements that can be terminated. For rental and leasing agreements that cannot be terminated, the following expenses are forecast for future years:

Due date | € m	**31.12.2008**	**31.12.2007**
In under 1 year	346	478
In 1 to 5 years	1,139	1,801
In more than 5 years	1,075	1,277
Total	**2,560**	**3,556**

Subletting agreements have been signed for buildings no longer in use in the Commerzbank Group. These leases are of noncallable duration. The following income will accrue to the Commerzbank Group in the next few years from these leases:

Due date | € m	**31.12.2008**	**31.12.2007**
In under 1 year	24	17
In 1 to 5 years	50	48
In more than 5 years	10	8
Total	**84**	**73**

(98) Letter of comfort

In respect of the subsidiaries listed below and included in the consolidated financial statements of our Bank, we 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 am Main
BRE Bank Hipoteczny SA	Warsaw
BRE Bank SA	Warsaw
BRE Leasing Sp. z o.o.	Warsaw
comdirect bank Aktiengesellschaft	Quickborn
Commerz (East Asia) Ltd.	Hong Kong
Commerzbank (Eurasija) SAO	Moscow
Commerzbank (Switzerland) AG	Zurich
Commerzbank (South East Asia) Ltd.	Singapore
Commerzbank Asset Management Asia Ltd.	Singapore
Commerzbank Capital Markets Corporation	New York
Commerzbank Europe (Ireland)	Dublin
Commerzbank Europe Finance (Ireland) plc	Dublin
Commerzbank Inlandsbanken Holding GmbH	Frankfurt am Main
Commerzbank International S.A.	Luxembourg
Commerzbank Zrt.	Budapest
CommerzTrust GmbH	Frankfurt am Main
Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg	Luxembourg
Eurohypo Aktiengesellschaft	Eschborn
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Jupiter KG	Düsseldorf
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Luna KG	Düsseldorf
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Neptun KG	Düsseldorf
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Pluto KG	Düsseldorf
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Uranus KG	Düsseldorf
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Venus KG	Düsseldorf

(99) Corporate Governance Code

We have issued our declaration of compliance with the German Corporate Governance Code pursuant to Art. 161 of the German Stock Corporation Act (AktG) and made it available to shareholders on the internet (www.commerzbank.com).

Boards of Commerzbank Aktiengesellschaft

Supervisory Board

Dr. h.c. Martin Kohlhaussen
Chairman (until May 15, 2008)

Klaus-Peter Müller
Chairman (since May 15, 2008)

Uwe Tschäge*
Deputy Chairman

Hans-Hermann Altenschmidt*

Dott. Sergio Balbinot

Dr.-Ing. Burckhardt Bergmann
(since May 15, 2008)

Herbert Bludau-Hoffmann*

Karin van Brummelen*
(since May 15, 2008)

Astrid Evers*

Uwe Foullong*

Daniel Hampel*

Dr.-Ing. Otto Happel

Dr. jur. Heiner Hasford
(until May 15, 2008)

Sonja Kasischke*

Prof. Dr.-Ing. Dr.-Ing. E.h. Hans-Peter Keitel
(since May 15, 2008)

Wolfgang Kirsch*
(until May 15, 2008)

Alexandra Krieger*
(since May 15, 2008)

Friedrich Lürßen

Werner Malkhoff*
(until May 15, 2008)

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

Klaus Müller-Gebel

Dr. Sabine Reiner*
(until May 15, 2008)

Barbara Priester*
(since May 15, 2008)

Dr. Marcus Schenk
(since May 15, 2008)

Prof. Dr. Jürgen Strube
(until May 15, 2008)

Dr. Klaus Sturany
(until May 15, 2008)

Dr.-Ing. E.h. Heinrich Weiss

Dr. Walter Seipp
Honorary Chairman

*) elected by the Bank's employees

Board of Managing Directors

Klaus-Peter Müller
Chairman (until May 15, 2008)

Martin Blessing
Chairman (since May 15, 2008)

Frank Annuscheit

Markus Beumer

Wolfgang Hartmann

Dr. Achim Kassow

Bernd Knobloch
(until September 30, 2008)

Michael Reuther

Dr. Stefan Schmittmann
(since November 01, 2008)

Dr. Eric Strutz

Nicholas Teller
(until May 31, 2008)

Responsibility statement by the Management Board

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 assets, liabilities, financial position and profit and loss 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 am Main, March 10, 2009
The Board of Managing Directors

Martin Blessing
Frank Annuscheit
Markus Beumer
Wolfgang Hartmann
Achim Kassow
Michael Reuther
Stefan Schmittmann
Eric Strutz

Group Auditors' report[1]

We have audited the consolidated financial statements prepared by the Commerzbank Aktiengesellschaft, Frankfurt am Main, comprising the balance sheet, the income statement, 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, 2008. 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 § 315a Abs. [paragraph] 1 HGB are the responsibility of the parent company's management. 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 management, 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 IFRSs as adopted by the EU, 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 11, 2009

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

sgd. Lothar Schreiber	**sgd. Clemens Koch**
(Wirtschaftsprüfer)	(Wirtschaftsprüfer)
(German Public Auditor)	(German Public Auditor)

[1] Translation of the auditors' report issued in German language on the consolidated financial statements prepared in German language by the management of Commerzbank Aktiengesellschaft, Frankfurt am Main.

Holdings in affiliated and other companies

pursuant to Art. 313 (2) German Commercial Code (HGB) for the consolidated financial statements and pursuant to Art. 285 No. 11 German Commercial Code (HGB) for the financial statements of Commerzbank AG including information pursuant to Art. 285 No. 11a German Commercial Code (HGB)

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Affiliated companies

included in the consolidation

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity in 1,000	Result in 1,000
Atlas-Vermögensverwaltungs-Gesellschaft mit beschränkter Haftung	Bad Homburg v.d.H.	100.0	100.0	EUR	1,339,038	– [2]
TOMO Vermögensverwaltungsgesellschaft mbH	Frankfurt am Main	100.0	100.0	EUR	22,778	– [2]
CB Building Kirchberg GmbH	Düsseldorf	100.0	100.0	EUR	822	539
Commerz (East Asia) Ltd.	Hong Kong	100.0	100.0	EUR	5,208	642
Commerz Asset Management Holding GmbH	Frankfurt am Main	100.0	100.0	EUR	415,000	– [2]
cominvest Asset Management GmbH	Frankfurt am Main	100.0	100.0	EUR	47,000	– [2]
cominvest Asset Management S.A.	Luxembourg	100.0	100.0	EUR	69,341	16,696
Commerz Asset Management Asia Pacific Pte Ltd.	Singapore	100.0	100.0	SGD	86,627	–1,804
Commerzbank Asset Management Asia Ltd.	Singapore	100.0	100.0	SGD	7,789	1,754
European Bank for Fund Services GmbH (ebase)	Haar near Munich	100.0	100.0	EUR	21,391	2,073
Münchner Kapitalanlage Aktiengesellschaft	Munich	25.5	51.0	EUR	6,466	188
MK LUXINVEST S.A.	Luxembourg	100.0	100.0	EUR	2,575	1,069
CBG Commerz Beteiligungsgesellschaft Holding mbH	Bad Homburg v.d.H.	100.0	100.0	EUR	6,137	– [2]
CBG Commerz Beteiligungsgesellschaft mbH	Frankfurt am Main	100.0	100.0	EUR	13,199	–30
CBG Commerz Beteiligungskapital GmbH	Frankfurt am Main	100.0	100.0	EUR	944	926
Commerz Business Consulting GmbH	Frankfurt am Main	100.0	100.0	EUR	50	– [2]
Commerz Grundbesitz Beteiligungsgesellschaft mbH & Co. KG	Frankfurt am Main	90.0	90.0	EUR	13,448	1,184
Commerz Service Gesellschaft für Kundenbetreuung mbH	Quickborn	100.0	100.0	EUR	26	– [2]
Commerz Services Holding GmbH*	Frankfurt am Main	100.0	100.0	EUR	12,554	– [2]
Commerz Transaction Services Mitte GmbH	Erfurt	100.0	100.0	EUR	2,714	– [2]
Commerz Transaction Services Nord GmbH	Magdeburg	100.0	100.0	EUR	1,492	– [2]
Commerz Transaction Services West GmbH	Hamm	100.0	100.0	EUR	1,256	– [2]
Commerz Systems GmbH	Frankfurt am Main	100.0	100.0	EUR	8,521	2,138 [1]
Commerzbank (Eurasija) SAO	Moscow	100.0	100.0	RUB	7,842,131	732,544
Commerzbank (South East Asia) Ltd.	Singapore	100.0	100.0	EUR	71,294	12,754
Commerzbank Auslandsbanken Holding AG	Frankfurt am Main	100.0	100.0	EUR	1,533,374	– [2]
BRE Bank SA	Warsaw	69.8	69.8	PLN	3,624,147	829,531
BRE Bank Hipoteczny SA	Warsaw	100.0	100.0	PLN	312,563	43,063
BRE Finance France SA	Levallois Perret	100.0	100.0	EUR	210	18
BRE Leasing Sp. z o.o.	Warsaw	100.0	100.0	PLN	96,656	26,046
Dom Inwestycyjny BRE Banku SA	Warsaw	100.0	100.0	PLN	56,249	20,624
Intermarket Bank AG	Vienna	56.2	56.2	EUR	39,594	6,368
Magyar Factor Zrt.	Budapest	100.0	100.0	HUF	1,746,230	215,322
Polfactor SA	Warsaw	100.0	100.0	PLN	40,122	9,420
Transfinance a.s.	Prague	100.0	100.0	CZK	293,063	11,481
Commerzbank Zrt.	Budapest	100.0	100.0	HUF	24,650,553	1,102,296
Joint Stock Commercial Bank „Forum"	Kiev	63.0	63.0	UAH	1,899,426	10,271 [1]
Commerzbank Auslandsbanken Holding Nova GmbH	Frankfurt am Main	100.0	100.0	EUR	866,359	– [1]+[2]
Commerzbank (Switzerland) Ltd	Zurich	100.0	100.0	CHF	213,547	23,496
Commerzbank (Schweiz) AG Private Banking	Vienna	100.0	100.0	EUR	8,069	–960
Commerzbank International S.A.	Luxembourg	100.0	100.0	EUR	435,723	2,387

* Renamed: „Dritte Umbra Vermögensverwaltungsgesellschaft mbH" has been transformed into „Commerz Services Holding GmbH"

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity in 1,000	Result in 1,000	
Max Lease S.à.r.l. & Cie. Secs	Luxembourg	100.0	100.0	EUR	921	445	
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 Markets Corporation	New York	100.0	100.0	USD	160,076	39,987	
Commerzbank Europe (Ireland)	Dublin	54.7	54.7	EUR	315,122	–26,330	
Commerzbank Europe Finance (Ireland) plc	Dublin	100.0	100.0	EUR	52	1	
Commerzbank Immobilien- und Vermögens-verwaltungsgesellschaft mbH	Frankfurt am Main	100.0	100.0	EUR	364,317	–	[2]
CommerzFactoring GmbH	Mainz	50.1	50.1	EUR	1,099	–	[2]
Commerz Real AG	Eschborn	100.0	100.0	EUR	245,710	–	[2]
ABORONUM Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin KG	Düsseldorf	60.0	85.0	EUR	19	9	[1]
ADENARA Flugzeug-Leasinggesellschaft mbH & Co. Erste A319 KG	Karlsruhe	75.0	56.0	EUR	–2,300	–2,321	[1]
AJUNTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0	EUR	–1,882	–977	
ALMURUS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0	EUR	9,173	148	
H 47 GmbH & Co. KG	Düsseldorf	100.0	100.0	EUR	–892	–491	
ALTEREGO Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0	EUR	7,429	–24	[1]
ASCARA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0	EUR	122	–348	
ASSERTA Flugzeug-Leasinggesellschaft mbH & Co. Zweite A319 KG	Karlsruhe	75.0	56.0	EUR	–2,300	–2,321	[1]
CG Real Estate Master FCP-SIF	Luxembourg	58.0	58.0	EUR	256,846	–29,992	
BRAFERO – Sociedade Imobiliária, S.A.	Lisbon	58.0	58.0	EUR	116,984	–1,843	[1]
CG NL Holding B.V.	Amsterdam	58.0	58.0	EUR	11,421	–28	[1]
CGM Lux 1 S.à.r.l.	Luxembourg	58.0	58.0	EUR	51	40	[1]
CGM Lux 2 S.à.r.l.	Luxembourg	58.0	58.0	EUR	5,652	4,461	[1]
CGM Lux 3 S.à.r.l.	Luxembourg	58.0	58.0	EUR	4,152	4,247	[1]
Espacio León PropCo. S.L.	Madrid	58.0	58.0	EUR	–1,319	–12,746	[1]
Forum Almada – Gestao de Centro Comercial Sociedade Unipessoal, Lda.	Lisbon	58.0	58.0	EUR	–10,919	–9,667	[1]
Forum Almada – Gestao de Centro Comercial Sociedade Unipessoal, Lda. II & Comandita	Lisbon	58.0	58.0	EUR	243,823	–9,392	[1]
Forum Montijo – Gestao de Centro Comercial Sociedade Unipessoal, Lda.	Lisbon	58.0	58.0	EUR	5,344	–6,139	[1]
Commerz Real Asset Verwaltungsgesellschaft mbH	Grünwald (Munich)	100.0	100.0	EUR	25	–	[2]
Commerz Real Baucontract GmbH	Düsseldorf	100.0	100.0	EUR	52	–	[2]
Commerz Real Baumanagement GmbH	Düsseldorf	100.0	100.0	EUR	52	–	[2]
Commerz Real Fonds Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0	EUR	26	–	[2]
Commerz Real Immobilien GmbH	Düsseldorf	100.0	100.0	EUR	12,936	–	[2]
Commerz Real Investmentgesellschaft mbH *	Wiesbaden	100.0	100.0	EUR	21,968	–	[2]

* Renamed: „Commerz Grundbesitz-Investmentgesellschaft mbH" has been transformed into „Commerz Real Investmentgesellschaft mbH"

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity in 1,000	Result in 1,000
Commerz Real Mobilienleasing GmbH	Düsseldorf	100.0	100.0	EUR	–3,464	– [2]
Commerz Real Mietkauf GmbH	Düsseldorf	100.0	100.0	EUR	26	– [2]
Hansa Automobil Leasing GmbH	Hamburg	100.0	100.0	EUR	7,488	– [2]
Hansa Automobil Leasing GmbH & Co. KG	Hamburg	100.0	100.0	EUR	89	–211
ComSystems GmbH	Düsseldorf	100.0	100.0	EUR	2,085	839
Commerz Real Spezialfondsgesellschaft mbH *	Wiesbaden	100.0	100.0	EUR	5,948	– [2]
Commerz Real Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0	EUR	25	– [2]
LAUREA MOLARIS GVG mbH & Co. Objekt Berlin Anthropolis KG	Ludwigshafen	94.5	94.4	EUR	–5,914	1,277
LAUREA MOLARIS GVG mbH & Co. Objekt Berlin Grindelwaldweg KG	Ludwigshafen	93.5	94.3	EUR	–8,193	3,047
COBA Vermögensverwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0	EUR	26	– [2]
CR Beteiligungsgesellschaft mbH	Düsseldorf	94.0	94.0	EUR	–141	94 [1]
BONITAS Vermietungsgesellschaft mbH & Co. Objekt Bötzingen KG	Grünwald	94.0	56.0	EUR	–112	97 [1]
TASKABANA erste Mobilien- Vermietungs-gesellschaft mbH & Co. Objekt Marl KG	Grünwald	94.0	56.0	EUR	965	142 [1]
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Neustadt-Schwaig KG	Grünwald	94.0	56.0	EUR	–3,505	460 [1]
FABA Vermietungsgesellschaft mbH	Düsseldorf	95.0	75.0	EUR	–537	85
FM LeasingPartner GmbH	Bissendorf (Kr. Osnabrück)	50.4	50.4	EUR	564	496 [1]
GO German Office AG **	Wiesbaden	100.0	100.0	EUR	–8,374	–14,889
CG New Venture 1 Verwaltungsgesellschaft mbH	Wiesbaden	100.0	100.0	EUR	25	0 [1]
CG New Venture 2 Verwaltungsgesellschaft mbH	Wiesbaden	100.0	100.0	EUR	109	84 [1]
CG New Venture 2 GmbH & Co. KG	Wiesbaden	99.9	94.5	EUR	–3,020	–3,542
CG New Venture 3 GmbH & Co. KG	Wiesbaden	99.9	94.5	EUR	–6,841	–7,867
CG New Venture 4 GmbH & Co. KG	Wiesbaden	99.9	94.5	EUR	–14,287	–15,429
LUGO Photovoltaik Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0	EUR	–310	–337 [1]
NAUMOSA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0	EUR	6	–19 [1]
NAUPEUS Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0	EUR	–9	–34 [1]
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lampertheim KG	Düsseldorf	100.0	100.0	EUR	–222	198
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte Plön und Preetz KG	Düsseldorf	90.0	65.0	EUR	–674	69
NOVELLA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0	EUR	8,960	– [2]
REFUGIUM Beteiligungsgesellschaft mbH	Grünwald (Munich)	100.0	100.0	EUR	6,363	4,383
SECUNDO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0	EUR	–5,811	– [2]
Commerzbank Inlandsbanken Holding GmbH	Frankfurt am Main	100.0	100.0	EUR	7,835,128	– [2]
AFÖG GmbH & Co. KG	Frankfurt am Main	100.0	100.0	EUR	291,101	–108,521
comdirect bank Aktiengesellschaft	Quickborn	80.5	80.5	EUR	447,981	57,901
comdirect private finance AG	Quickborn	100.0	100.0	EUR	5,044	– [2]
Eurohypo Aktiengesellschaft	Eschborn	100.0	100.0	EUR	5,654,012	– [2]

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** Renamed: „CG New Venture Aktiengesellschaft" has been transformed into „GO German Office AG"

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity in 1,000	Result in 1,000	
AGV Allgemeine Grundstücksverwaltungs- und Verwertungsgesellschaft mbH	Eschborn	100.0	100.0	EUR	40	–	2)
GVG Gesellschaft zur Verwertung von Grundbesitz mbH	Eschborn	100.0	100.0	EUR	26	–	2)
IVV Immobilien-Verwaltungs- und Verwertungsgesellschaft mbH	Eschborn	100.0	100.0	EUR	26	–	2)
BACUL Immobiliengesellschaft mbH	Eschborn	100.0	100.0	EUR	13	–3	
EH Estate Management GmbH	Eschborn	100.0	100.0	EUR	26	–	2)
FORUM Immobiliengesellschaft mbH	Eschborn	100.0	100.0	EUR	–8,239	–	2)
FUTURA Hochhausprojektgesellschaft mbH	Eschborn	100.0	100.0	EUR	–1,282	–	2)
UNICA Immobiliengesellschaft mbH	Eschborn	100.0	100.0	EUR	43	–	2)
EHY Real Estate Fund I LLC	New York	100.0	100.0	USD	–97	–94	
EHY Sub Asset LLC	Wilmington/Delaware	100.0	100.0	USD	–83	–129	
Eurohypo Capital Funding LLC I	Wilmington/Delaware	100.0	100.0	EUR	1	0	
Eurohypo Capital Funding LLC II	Wilmington/Delaware	100.0	100.0	EUR	1	2	
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.	Luxembourg	100.0	100.0	EUR	336,945	46,296	
Eurohypo (Japan) Corporation	Tokyo	100.0	100.0	JPY	2,974,278	239,456	
Eurohypo Representacoes Ltd.	São Paulo, Brazil	100.0	100.0	BRL	483	–86	1)
Frankfurter Gesellschaft für Vermögensanlagen mit beschränkter Haftung	Eschborn	100.0	100.0	EUR	52	–	2)
FHB Immobilienprojekte GmbH	Eschborn	100.0	100.0	EUR	52	–	2)
FI Pro-City Immobilien GmbH	Eschborn	100.0	100.0	EUR	26	–	2)
GBG Verwaltungs- und Verwertungsgesellschaft für Grundbesitz mbH	Eschborn	100.0	100.0	EUR	312	–	2)
KENSTONE GmbH	Eschborn	100.0	100.0	EUR	26	–	2)
Messestadt Riem „Office am See I" GmbH	Eschborn	94.0	94.0	EUR	–2,088	–	2)
Messestadt Riem „Office am See II" GmbH	Eschborn	94.0	94.0	EUR	–1,515	–	2)
Messestadt Riem „Office am See III" GmbH	Eschborn	94.0	94.0	EUR	–1,954	–	2)
Nordboden Immobilien- und Handelsgesellschaft mbH	Eschborn	100.0	100.0	EUR	315	–	2)
SB-Bauträger GmbH	Eschborn	100.0	100.0	EUR	55	–	2)
SB-Bauträger GmbH & Co. Urbis Hochhaus-KG	Frankfurt am Main	100.0	100.0	EUR	315	–1,271	
SB-Bauträger GmbH & Co. Urbis Verwaltungs-KG	Frankfurt am Main	100.0	100.0	EUR	257	–12	
WESTBODEN-Bau- und Verwaltungsgesellschaft mbH	Eschborn	100.0	100.0	EUR	55	–	2)
Westend Grundstücksgesellschaft mbH	Eschborn	100.0	100.0	EUR	260	–	2)
G-G-B Gebäude- und Grundbesitz GmbH	Eschborn	100.0	100.0	EUR	256	–	2)
gr Grundstücks GmbH Objekt Corvus	Frankfurt am Main	100.0	100.0	EUR	56	–1	
gr Grundstücks GmbH Objekt Corvus & Co. Sossenheim KG	Frankfurt am Main	100.0	100.0	EUR	456	–520	
Grundbesitzgesellschaft Berlin Rungestr. 22-24 mbH	Essen	94.0	94.0	EUR	–23,258	–1,831	1)
Property Invest GmbH	Eschborn	100.0	100.0	EUR	–125	–153	
TARA Immobilienprojekte GmbH	Eschborn	100.0	100.0	EUR	25	–	1)+2)

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Wohnbau-Beteiligungsgesellschaft mbH	Eschborn	90.0	90.0	EUR	318	–11
Commerzbank U.S. Finance, Inc.	Wilmington/Delaware	100.0	100.0	USD	712	–74
Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg	Luxembourg	75.0	75.0	EUR	67,325	–10,103
Hibernia Gamma Beteiligungsgesellschaft mbH	Frankfurt am Main	60.6	60.6	EUR	161,910	–7,199
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co., Objekt Jupiter KG	Düsseldorf	100.0	51.0	EUR	16,998	2,154
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co., Objekt Luna KG	Düsseldorf	100.0	51.0	EUR	1,845	337
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co., Objekt Neptun KG	Düsseldorf	100.0	51.0	EUR	11,000	1,659
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co., Objekt Pluto KG	Düsseldorf	100.0	51.0	EUR	19,251	1,530
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co., Objekt Uranus KG	Düsseldorf	100.0	51.0	EUR	30,897	2,608
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co., Objekt Venus KG	Düsseldorf	100.0	51.0	EUR	16,223	1,780
Service-Center Inkasso GmbH Düsseldorf	Düsseldorf	100.0	100.0	EUR	128	– [2)]
South East Asia Properties Limited	London	100.0	100.0	GBP	2,370	–5,411
Real Estate Holdings Limited	Bermuda	100.0	100.0	USD	70,084	15,172
New Asian Land Funds Holdings Limited	Bermuda	100.0	100.0	USD	16,557	–7,564
The New Asian Property Fund Limited	Bermuda	100.0	100.0	USD	19,337	–6,395
Stampen S.A.	Brussels	100.0	100.0	EUR	11,408	227
TIGNATO Beteiligungsgesellschaft mbH & Co. KölnTurm MediaPark KG	Essen	100.0	100.0	EUR	–1,191	–10,759

Affiliated companies

not included in the consolidation due to their minor importance [3]

Name	Registered office	Share of capital held in %	Voting rights in %
1. 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
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
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
ABACUSA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ABANTITIM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ABANTUM Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ABECUM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ABELA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ABELASSA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ABENDA 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
ABULA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ACARINA Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ACCESSA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ACCORIA Vermietungsgesellschaft mbH	Frankfurt am Main	100.0	100.0
Achte Umbra Beteiligungsgesellschaft mbH	Frankfurt am Main	100.0	100.0
ACINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ACOLA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ACONITA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Niederrad KG	Frankfurt am Main	0.0	89.9
ACRATA 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
ACTERUM Grundstücks-Vermietungsgesellschaft 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
ADELKA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ADENARA Flugzeug-Leasinggesellschaft mbH	Düsseldorf	100.0	100.0
ADMERA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ADOLA Grundtüstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0

Name	Registered office	Share of capital held in %	Voting rights in %
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	99.4	99.4
AFÖG Vermögensverwaltungsgesellschaft mbH	Frankfurt am 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
AHERA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AJOLA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AKANDIS Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AKERA Grundtsücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AKUSTIA Verwaltung und Treuhand GmbH	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
ALBIMA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALBOLA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
ALCARDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALCREDO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALDANZA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALDENGA 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
ALDUNA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALEMANTA Photovoltaik Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALEMONA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALFRIDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALFUMA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALFUTURA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALIBORA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
ALIDA Photovoltaik-Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALIVERA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALKANTA Grundstücks-Vermietungsgesellschaft 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
ALORA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALOSINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALSANTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALSANTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt RiCö KG	Düsseldorf	0.0	85.0
ALSEMPA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALSENNA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALSTRUCTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ALTEREGO Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0

Name	Registered office	Share of capital held in %	Voting rights in %
Alternative Asset Management S.A.	Luxembourg	100.0	100.0
ALTINUM Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	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 Grundstücks-Vermietungsgesellschaft mbH	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 Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AMITEA Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
AMITICULA Photovoltaik-Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
AMITICULA Photovoltaik-Beteiligungsgesellschaft mbH & Co. Objekte Solar KG	Düsseldorf	100.0	65.0
AMOLERA Grundstücks-Vermietungsgesellschaft 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	Düsseldorf	100.0	100.0
ANBANA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ANCAVA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ANCAVA Vermietungsgesellschaft mbH & Co. Objekt Stuttgart KG	Düsseldorf	47.2	52.6
ANCAVA Vermietungsgesellschaft mbH & Co. Objekt Weilimdorf KG	Düsseldorf	47.2	52.6
ANEA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ANOTARA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ANSELMA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ARAFINA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AREBA Verwaltung und Treuhand GmbH	Düsseldorf	100.0	100.0
ARISA Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
AROSA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
ARQUATUS Grundstücks-Vermietungsgesellschaft mbH	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	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
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
ASSUNTA Managementgesellschaft mbH	Düsseldorf	100.0	100.0
ASTRELLA Grundstücks-Vermietungsgesellschaft mbH	Berlin	100.0	100.0
ASTRIFA Mobilien-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0

Name	Registered office	Share of capital held in %	Voting rights in %
ASTUTIA Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ATERNA Mobilien-Vermietungsgesellschaft mbH	Berlin	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
Bankowy Dom Hipoteczny Sp. z o.o.	Warsaw	100.0	100.0
BELUS Immobilien- und Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
Beteiligungsgesellschaft für Industrie und Handel mbH	Frankfurt am Main	100.0	100.0
BONITAS Mobilien-Vermietungsgesellschaft mbH	Düsseldorf	94.0	94.0
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Alzenau KG	Düsseldorf	94.0	94.0
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Bottrop KG	Düsseldorf	94.0	94.0
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Lüdingshausen KG	Düsseldorf	94.0	94.0
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Ochsenfurt KG	Düsseldorf	94.0	94.0
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Peguform Weiden KG	Grünwald	94.0	56.0
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Singen KG	Düsseldorf	94.0	94.0
BONITAS Mobilien-Vermietungsgesellschaft mbH & Co. Objekt Weiding KG	Düsseldorf	94.0	94.0
BRE Corporate Finance SA	Warsaw	100.0	100.0
BRE Holding Sp. z.o.o.	Warsaw	100.0	100.0
BRE Systems Sp. z o.o.	Warsaw	100.0	100.0
BRE Ubezpieczenia Towarzystwo Ubezpieczen S.A.	Warsaw	100.0	100.0
BRE Wealth Management SA	Warsaw	100.0	100.0
BRE.locum S.A.	Lódz	80.0	80.0
BREL-APEX Sp. z o.o.	Warsaw	100.0	100.0
BREL-AURUM 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-FINANCE 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-MAR Sp. z o.o.	Warsaw	100.0	100.0
BREL-MIG Sp. z o.o.	Warsaw	100.0	100.0
BREL-POL Sp. z o.o.	Warsaw	100.0	100.0
BREL-STAR Sp. z o.o.	Warsaw	100.0	100.0
BRELINVEST Sp. z o.o.	Warsaw	100.0	100.0
BRELINVEST Sp. z o.o. Fly 2 Sp. komandytowa	Warsaw	99.8	99.8
CAP Kiel Betriebs GmbH	Kiel	51.0	51.0
CB Euregio GmbH*	Frankfurt am Main	100.0	100.0

* Renamed: „Grundstücksgesellschaft CORECD Gamma mbH" has been transformed into „CB Euregio GmbH"

Name	Sitz	Kapitalanteil in %	Stimmanteil in %	
CB Lux Kirchberg GmbH	Frankfurt am Main	100.0	100.0	
CCR Courtage i.L.	Paris	100.0	100.0	
Centrum Rozliczen i Informacji CERI Sp. z o.o.	Aleksandrów Lódzki	100.0	100.0	
CETERA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Weinheim KG	Düsseldorf	5.0	66.7	
CFB-Fonds Transfair GmbH	Düsseldorf	100.0	100.0	
CG Japan GmbH	Wiesbaden	100.0	100.0	
CG New Venture 5 GmbH & Co. KG	Wiesbaden	99.9	99.9	
CG New Venture 6 GmbH & Co. KG	Wiesbaden	99.9	99.9	
CG New Venture 7 GmbH & Co. KG	Wiesbaden	99.9	99.9	
CG New Venture 8 GmbH & Co. KG	Wiesbaden	99.9	99.9	
CG New Venture 9 GmbH & Co. KG	Wiesbaden	99.9	99.9	
CG New Venture 10 GmbH & Co. KG	Wiesbaden	99.9	99.9	
CG New Venture 11 GmbH & Co. KG	Wiesbaden	99.9	99.9	
CG New Venture 12 GmbH & Co. KG	Wiesbaden	99.9	99.9	
CG New Venture 13 GmbH & Co. KG	Wiesbaden	99.9	99.9	
CG New Venture 14 GmbH & Co. KG	Wiesbaden	99.9	99.9	
CG Real Estate Luxemburg S.à.r.l.	Luxembourg	100.0	100.0	
CGG Canada Grundbesitz GmbH	Wiesbaden	100.0	100.0	
CGI Victoria Square Limited	London	100.0	100.0	
CGI Stadtgalerie Schweinfurt Verwaltungs-GmbH	Wiesbaden	100.0	100.0	
Cherry Creek Denver, L.P.	Wilmington/Delaware	80.0	80.0	
CIV Alpha GmbH **	Frankfurt am Main	100.0	100.0	
CIV Beta GmbH ***	Frankfurt am Main	100.0	100.0	
COLLEGIUM GLASHÜTTEN Zentrum für Kommunikation GmbH	Glashütten	100.0	100.0	2)
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 Centros Comercials 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 Autoleasing GmbH	Grünwald	100.0	100.0	
Commerz Real Benelux GmbH	Wiesbaden	100.0	100.0	
Commerz Real Beteiligungsgesellschaft mbH	Düsseldorf	94.0	94.0	
Commerz Real Direkt GmbH	Düsseldorf	100.0	100.0	2)
Commerz Real France GmbH	Wiesbaden	100.0	100.0	
Commerz Real Partner Hannover GmbH	Düsseldorf	64.8	64.8	
Commerz Real Partner Nord GmbH	Düsseldorf	65.0	65.0	
Commerz Real Partner Süd GmbH	Düsseldorf	65.0	65.0	
Commerz Real Projektconsult GmbH	Düsseldorf	100.0	100.0	
Commerz Real Vertrieb GmbH	Düsseldorf	100.0	100.0	
Commerz Securities (Japan) Company Ltd. i.L.	Hong Kong	100.0	100.0	
Commerz U.S. Financial Corporation	Wilmington/Delaware	100.0	100.0	

* Renamed: „Immobilienverwaltungsgesellschaft Altwismar GmbH" has been transformed into „CIV Alpha GmbH"
** Renamed: „Grundstücksgesellschaft CORECD Beta mbH" has been transformed into „CIV Beta GmbH"

Name	Registered office	Share of capital held in %	Voting rights in %
Commerz U.S. Holding, Inc.	Wilmington/Delaware	100.0	100.0
Commerz (Nederland) N.V.	Amsterdam	100.0	100.0
Commerzbank (Properties South Africa) (Proprietary) Limited	Johannesburg	100.0	100.0
Commerzbank International Trust (Jersey) Ltd.	St. Helier/Jersey	100.0	100.0
Commerzbank International Trust (Singapore) Ltd.	Singapore	100.0	100.0
Commerzbank Representative Office Nigeria Limited	Lagos	100.0	100.0
Commerzbank Representative Office Panama, S.A.	City of Panama	100.0	100.0
Commerzbank São Paulo Servicos Ltda.	São Paulo	100.0	100.0
CommerzKommunalbau GmbH	Düsseldorf	100.0	100.0
Commerz Real Ceska republika s.r.o.	Prague	100.0	100.0
CommerzLeasing GmbH	Düsseldorf	100.0	100.0
CommerzLeasing Nederland B.V.	Capelle a/d Ijssel	100.0	100.0
CommerzTrust GmbH	Frankfurt am Main	100.0	100.0
CR KaiserKarree Holding	Luxembourg	100.0	100.0
CSK Sp. z o.o.	Lódz	80.0	80.0
Czwarty Polski Fundusz Rozwoju Sp. z o.o.	Krakow	80.0	80.0
Delphi I Eurohypo LLC	Wilmington/Delaware	100.0	100.0
Delphi Immobilien I GmbH	Frankfurt am Main	100.0	100.0
Delphi Immobilien II GmbH	Frankfurt am Main	100.0	100.0
Delphi Immobilien III GmbH	Frankfurt am Main	100.0	100.0
Delphi Immobilien IV GmbH	Frankfurt am Main	100.0	100.0
DOMINO Projektentwicklungsgesellschaft mbH & Co Objekt Neue Mainzer Straße KG	Frankfurt am Main	100.0	100.0
DOMINO Projektentwicklungsgesellschaft mbH & Co Objekt Taunustor KG	Frankfurt am Main	100.0	100.0
dozent.it Vermögensverwaltungsgesellschaft mbH	Frankfurt am Main	100.0	100.0
Elfte Umbra Vermögensverwaltungsgesellschaft mbH	Frankfurt am Main	100.0	100.0 [2)]
emFinanse Sp. z o.o.	Lódz	100.0	100.0
Erste StorCom AG	Frankfurt am 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
Eurologistik 1 Leasehold General Partner bvba	Brussels	100.0	100.0
Fernwärmenetz Leipzig GmbH	Leipzig	100.0	100.0
Fonds d'Investissements Proudreed SCI	Paris	100.0	100.0
Forum Algarve – Gestao de Centros Comercials Sociedade Unipessoal, Lda.	Lisbon	100.0	100.0
Frega Vermögensverwaltungsgesellschaft mbH	Frankfurt am Main	100.0	100.0
Garbary Sp. z o.o.	Poznan	100.0	100.0
Grundstücks- und Vermögensverwaltungsgesellschaft Geretsried mbH	Düsseldorf	100.0	100.0
H 47 Verwaltungsgesellschaft mbH	Düsseldorf	94.0	94.0
HAJOTARA Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
Haus am Kai 2 O.O.O.	Moscow	100.0	100.0
HDW Grundstücks-Vermietungsgesellschaft mbH	Frankfurt am Main	100.0	100.0
HVI Handels- und Verwertungsgesellschaft für Immobilien mbH	Düsseldorf	94.0	94.0
Immobiliengesellschaft Markt Leipzig GmbH	Leipzig	75.0	75.0

Name	Registered office	Share of capital held in %	Voting rights in %
Immobiliengesellschaft Ost Hägle spol.s.r.o.	Prague	100.0	100.0
Immobilien-Vermietungsgesellschaft Reeder & Co. Objekt Airport Bürocenter Dresden KG	Düsseldorf	91.5	91.5
Immobilienverwaltungs- und Vertriebsgesellschaft Villen am Glienicker Horn mbH	Berlin	100.0	100.0
Immobilienverwaltungsgesellschaft Grammophon Büropark mbH	Berlin	100.0	100.0
Immobilienverwaltungsgesellschaft Kampffmeyer Villa mbH	Berlin	100.0	100.0
Immobilienverwaltungsgesellschaft Schlachthof Offenbach mbH	Berlin	100.0	100.0
L.I.A. Leasinggesellschaft für Immobilien und Anlagegüter mbH	Düsseldorf	100.0	100.0
LAUREA MOLARIS Grundstücks-Vermietungsgesellschaft mbH	Ludwigshafen	94.0	94.0
LOUISENA Vermietungsgesellschaft mbH	Grünwald (Munich)	100.0	100.0
LUGO Photovoltaik-Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
LUGO Photovoltaik-Beteiligungsgesellschaft mbH & Co. Objekt El Baldio 1 KG	Düsseldorf	100.0	85.0
MARBANA Vermietungsgesellschaft mbH & Co. Objekt Hallenbad Flensburg KG	Flensburg	99.0	65.0
Max Lease S.à.r.l.	Luxembourg	100.0	100.0
Mobilien Vermietungsgesellschaft Nederland B.V.	Capelle a/d Ijssel	77.0	77.0
MOLBINA Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf Ludwig-Erhard-Allee KG	Düsseldorf	94.3	94.3
MOLBRIELA Vermietungsgesellschaft mbH	Düsseldorf	94.0	94.0
MOLGRADO Vermietungsgesellschaft Objekt Göttingen und Oldenburg mbH	Grünwald (Munich)	100.0	100.0
MOLMOSA Vermietungsgesellschaft mbH	Berlin	94.0	94.0
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
NAURANTO Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
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

Name	Registered office	Share of capital held in %	Voting rights in %
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
NAVIPOS Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVIRENA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVIROSSA Schiffsbetriebsgesellschaft mbH	Hamburg	100.0	100.0
NAVISTA Schiffsbetriebsgesellschaft mbH	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
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 Landau KG	Düsseldorf	5.0	55.0
NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Wiemelhausen KG	Düsseldorf	100.0	100.0
Neuma Vermögensverwaltungsgesellschaft mbH	Hamburg	69.0	69.0
Newincco 308 Limited	London	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
NUMERIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0
NURUS Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
OFFICINA Grundstücks-Vermietungsgesellschaft mbH i.L.	Düsseldorf	100.0	100.0
ORBITA Kraftwerk-Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
ORNAS Grundstücks-Vermietungsgesellschaft mbH i. L.	Düsseldorf	100.0	100.0
OSKAR Medienbeteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0
PAREO Kraftwerk-Beteiligungsgesellschaft mbH	Leipzig	100.0	100.0

Name	Registered office	Share of capital held in %	Voting rights in %	
Proudreed Investment Fund S.a.r.l.	Paris	100.0	100.0	
RAMONIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0	
RAPIDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0	
RAVENNA Kraków Sp. z o.o.	Warsaw	100.0	100.0	
RAVENNA Szczecin Sp. z o.o.	Warsaw	100.0	100.0	
RECURSA Grundstücks-Vermietungsgesellschaft mbH	Frankfurt am Main	100.0	100.0	
RECURSA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Deutsche Börse KG	Frankfurt am Main	78.2	78.2	
RECURSA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt START AMADEUS KG	Frankfurt am Main	89.5	89.4	
Regensburg Arcaden Verwaltungs-GmbH	Wiesbaden	100.0	100.0	
Registra Securita Trust GmbH	Frankfurt am Main	100.0	100.0	
REGULA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	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	
SOLTRX Transaction Services GmbH	Düsseldorf	100.0	100.0	2)
StiftungsTrust GmbH	Frankfurt am Main	100.0	100.0	
TARA Immobiliengesellschaft mbH	Eschborn	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	
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	Essen	100.0	100.0	
Transfactor Slovakia, a.s.	Bratislava	100.0	100.0	
TRANSFERIA Managementgesellschaft mbH	Dortmund	100.0	100.0	
Vartimex s.r.o.	Prague	100.0	100.0	
Vierte Commercium Vermögensverwaltungsgesellschaft mbH	Bad Soden am Taunus	100.0	100.0	
Vierte Umbra Vermögensverwaltungsgesellschaft mbH i.L.	Frankfurt am Main	100.0	100.0	
Wijkertunnel Beheer III B.V.	Amsterdam	100.0	100.0	
Winning Partners Limited	Hong Kong	100.0	100.0	
WST-Broker-GmbH	Frankfurt am Main	90.0	90.0	
Zweite Umbra Vermögensverwaltungsgesellschaft mbH	Frankfurt am Main	100.0	100.0	2)

Associated companies

included in the consolidated balance sheet at equity

Name	Registered office	Share of capital held in %	Voting rights in %	Currency	Equity in 1,000	Result in 1,000	
36th Street Co-Investment, L.P.	New York	49.0	49.0	USD	13 664	–3 952	1)
Capital Investment Trust Corporation	Taipei/Taiwan	24.0	24.0	TWD	2 033 414	712 566	
Commerz Unternehmensbeteiligungs-Aktiengesellschaft	Frankfurt am Main	40.0	40.0	EUR	110 286	8 746	
COMUNITHY Immobilien GmbH	Düsseldorf	49.9	49.9	EUR	–9 504	–1 028	
Delphi I LLC	Wilmington/Delaware	33.3	32.3	EUR	–188 331	–78 277	
Deutsche Schiffsbank AG	Bremen/Hamburg	40.0	40.0	EUR	582 787	52 408	
Exploitatiemaatschappij Wijkertunnel C.V.	Amsterdam	33.3	33.3	EUR	9 883	5 267	
ILV Immobilien-Leasing Verwaltungs-gesellschaft Düsseldorf mbH	Düsseldorf	50.0	50.0	EUR	37 812	9 688	
KaiserKarree S.a.r.l.	Luxembourg	50.0	50.0	EUR	–8 725	–9 737	1)
Reederei MS „E.R. INDIA" Beteiligungs-gesellschaft mbH & Co.KG	Hamburg	26.1	26.1	EUR	11 232	215	
Servicing Advisors Deutschland GmbH	Frankfurt am Main	50.0	50.0	EUR	2 107	–4 368	
Urbanitas Grundbesitzgesellschaft mbH	Berlin	50.0	50.0	EUR	–9 364	1 696	

Associated companies

not included in the consolidated balance sheet at equity due to their minor importance

Name	Registered office	Share of capital held in %, total	Voting rights in %, total
121 KHS Limited	London	25.0	25.0
229 W. 36th Street Partnership LP	Wilmington/Delaware	49.0	49.0
ABELASSA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Witt Weiden KG	Düsseldorf	0.0	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
ADAMANTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Elbphilharmonie KG	Düsseldorf	50.0	50.0
ALFUTURA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte Hessen KG	Düsseldorf	0.0	50.0
ALONGA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bayerstraße 33 KG	Düsseldorf	0.0	50.0
ALUTA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
Ampton B.V.	Amsterdam	50.0	50.0
Argor-Heraeus S.A.	Mendrisio	26.5	26.5
ARMANDA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
ASTIRA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
ATISHA Verwaltungsgesellschaft mbH	Düsseldorf	0.0	50.0
AV America Grundbesitzverwaltungsgesellschaft mbH	Frankfurt am Main	25.0	25.0
AVENDO Beteiligungsgesellschaft mbH & Co. Objekt Fernwärmenetz Cottbus KG	Stuttgart	0.0	50.0
Bonitos GmbH & Co. KG	Frankfurt am Main	50.0	50.0
Bonitos Verwaltungs GmbH	Frankfurt am Main	50.0	50.0
BONUS Vermietungsgesellschaft mbH	Düsseldorf	30.0	30.0
Carolina & Gerogia Immobilienfonds I. L.P.	Atlanta	0.0	49.0
CHRISTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rottweil KG	Düsseldorf	2.0	33.3
Commerz Cherry Creek Realty, LLC	New York	49.0	49.0
Commerz GOA Realty Associates, LLC	Atlanta	49.0	50.0
Commerz GOA Realty Management, LLC	Atlanta	49.0	33.0
COMMERZ PARTNER Beratungsgesellschaft für Vorsorge- und Finanzprodukte mbH	Frankfurt am Main	50.0	50.0
Commerz Realty Associates GP V, LLC	Wilmington/Delaware	49.0	49.0
Compania de Factoring S.A.	Bucharest	50.0	50.0
COMPAT Immobilien GmbH	Düsseldorf	49.9	49.9
Deutsche Gesellschaft für Immobilienanlagen „America" mbH i.L.	Bad Homburg v.d.H.	25.0	25.0
Dr. Gubelt Immobilien Vermietungs-Gesellschaft mbH & Co. Objekt Bochum KG	Düsseldorf	0.0	50.0
edding AG & Co. Grundstücksverwaltung OHG	Düsseldorf	0.0	50.0
FORNAX Kraftwerk-Beteiligungsgesellschaft mbH	Düsseldorf	50.0	50.0
FOSSUM Beteiligungsgesellschaft mbH	Düsseldorf	24.8	25.0
FUGA Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
FUNGOR Vermietungsgesellschaft mbH	Düsseldorf	43.6	43.6
Gesellschaft für Kreditsicherung mbH	Berlin	26.7	26.7
GMF German Mittelstand Fund GmbH	Frankfurt am Main	23.5	23.5
GoA Realty Management I, L.L.C.	Atlanta	49.0	49.0
GOPA Gesellschaft für Organisation, Planung und Ausbildung mbH	Bad Homburg v.d.H.	24.8	24.8
GRADARA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRALANA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRAMEDA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0

Name	Registered office	Share of capital held in %, total	Voting rights in %, total
GRAMINA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRAMOLINDA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRANOS Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRASSANO Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRATNOMA Grundstücks-Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRENADA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRETANA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GREZANA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRISLEVA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GRONDOLA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
GROSINA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
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
GZ Verwaltungsgesellschaft für Transportmittel GmbH	Munich	50.0	50.0
HAJOMINA Beteiligungsgesellschaft mbH & Co. Objekt Düsseldorf KG	Düsseldorf	57.1	50.0
Hibernia Beta Beteiligungsgesellschaft mbH	Frankfurt am Main	21.4	21.4
Hibernia Eta Beteiligungsgesellschaft mbH	Frankfurt am Main	45.0	45.0
Hibernia Sigma Beteiligungsgesellschaft mbH	Frankfurt am Main	25.0	25.0
Immobilien-Vermietungsgesellschaft Etzenhausen Dr. Rühl & Co.KG	Düsseldorf	47.2	46.6
Immobilien-Vermietungsgesellschaft Dr. Rühl & Co. Objekt Stutensee KG	Düsseldorf	3.5	23.8
Immobilien-Vermietungsgesellschaft Objekt Eindhoven B.V.	Capelle a/d Ijssel	30.0	30.0
Immobilien-Vermietungsgesellschaft Objekt Stopera B.V.	Capelle a/d Ijssel	30.0	30.0
IWP International West Pictures Zweite Verwaltungs GmbH i.L.	Düsseldorf	50.0	50.0
Kapelaansdijk I BV.	Amsterdam	25.0	25.0
Koppelenweg I BV	Hoevelaken	33.3	33.3
LOUISENA Vermietungsgesellschaft mbH & Co. Objekt Königstein KG	Grünwald (Munich)	0.0	42.5
MAECENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dortmund KG	Düsseldorf	49.7	49.7
MAHO Grundstücks-Vermietungsgesellschaft mbH	Schönefeld (Krs. Dahme-Spreewald)	50.0	50.0
MANICA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Neutraubling KG	Düsseldorf	49.7	50.0
Marie Lease S.à.r.l.	Luxembourg	49.0	49.0
MARIUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hannover KG	Düsseldorf	21.0	40.0
MITEC engine.tec gmbh & Co. Objekt Krauthausen KG	Eisenach	0.5	45.0
MOLARIS Beteiligungsgesellschaft mbH & Co. Objekt Kurhaus KG	Düsseldorf	100.0	49.0
MOLCASA Vermietungsgesellschaft Objekt Smart mbH	Grünwald (Munich)	50.0	50.0
MOLSURA Vermietungsgesellschaft mbH	Düsseldorf	50.0	50.0
MOLWANKUM Vermietungsgesellschaft mbH & Co. Objekt Landkreis Hildburghausen KG	Düsseldorf	6.0	31.0
MOLWARGA Vermietungsgesellschaft mbH & Co. Objekt Aue KG	Düsseldorf	5.1	31.0
Montrada GmbH	Bad Vilbel	50.0	50.0
MS „Meta" Stefan Patjens GmbH & Co KG	Drochtersen	30.5	30.5

Name	Registered office	Share of capital held in %, total	Voting rights in %, total
NASTO Schiffsbetriebsgesellschaft mbH & Co. MS „GABRIEL SCHULTE" KG	Hamburg	0.0	50.0
NAULUMO Schiffsbetriebsgesellschaft mbH & Co. MS „MAERSK NOTTINGHAM" KG	Hamburg	0.0	50.0
NAURATA Schiffsbetriebsgesellschaft mbH & Co. MS „NEDLLOYD VALENTINA" KG	Hamburg	0.0	50.0
NAUTLUS Schiffsbetriebsgesellschaft mbH & Co. MS „NEDLLOYD ADRIANA" KG	Hamburg	0.0	50.0
NAVALIS Schiffsbetriebsgesellschaft mbH & Co. MS „NEDLLOYD JULIANA" KG	Hamburg	0.0	50.0
NAVITONI Schiffsbetriebsgesellschaft mbH & Co. MS „MONACO" KG	Hamburg	0.0	43.5
NAVITOSA Schiffsbetriebsgesellschaft mbH & Co. MS „MONTPELLIER" KG	Hamburg	0.0	43.5
NAVO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin KG	Düsseldorf	10.0	50.0
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 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 Hamburg KG	Düsseldorf	0.0	45.0
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 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
ORBITA Kraftwerk-Beteiligungsgesellschaft mbH & Co. Objekt Kraftwerk Hessen KG	Düsseldorf	0.0	50.0
ORNATUS Grundstücks-Vermietungsgesellschaft mbH	Schönefeld (Krs. Dahme-Spreewald)	50.0	50.0
Patella Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fernwärmetrasse Lutherstadt Wittenberg KG	Berlin	94.0	38.0
ProCredit Bank S.A., Romania	Bucharest	21.0	21.0
ProCredit Bank Sh.A.	Tirana	20.0	20.0
PRUNA Betreiber GmbH	Grünwald (Munich)	49.0	49.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bad Dürrheim KG	Düsseldorf	0.0	50.0
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dauchingen 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

Name	Registered office	Share of capital held in %, total	Voting rights in %, total
RAMONIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Stuttgart-Feuerbach KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Areal Solvay 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	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt CAP Kiel KG	Düsseldorf	94.0	40.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dettingen KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fischerwerke KG	Düsseldorf	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Frechen KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Friedrichsdorf KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gerlingen KG	Düsseldorf	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gutenbergstraße KG	Düsseldorf	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gymnasium Buchholz KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hagen KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hamm KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hannover KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Haßfurt KG	Düsseldorf	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Holzstraße KG	Düsseldorf	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kahl KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lechfeld KG	Düsseldorf	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lüdenscheid KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Mainz KG	Düsseldorf	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Moers KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Münchner Hof KG	Düsseldorf	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Neckarkanal KG	Düsseldorf	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ochsenfurt KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Pforzheim KG	Düsseldorf	0.5	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Recklinghausen KG	Düsseldorf	0.0	25.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Singen KG	Düsseldorf	0.0	50.0
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte topwert KG	Düsseldorf	0.0	25.0
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 FINOVA KG	Düsseldorf	0.0	50.0
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 Offenbach KG	Düsseldorf	0.0	50.0
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Östringen KG	Düsseldorf	0.0	50.0

Name	Registered office	Share of capital held in %, total	Voting rights in %, total
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Entwicklungs-KG für Hotels	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Bad Salzuflen KG	Düsseldorf	0.0	50.0
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	45.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ellwangen 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 Gründau-Lieblos KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hüttenheim KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ingelheim 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 Neckarsulm 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 Podelwitz KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Puma 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 Reime 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	35.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Schweinfurt KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Ulm-Himmelweiler KG	Düsseldorf	0.0	50.0
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Veldhoven KG	Düsseldorf	0.0	35.0
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	0.0	50.0
ROSINTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Haus der Schiffahrt KG	Düsseldorf	0.0	50.0
ROSINTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kürnach KG	Düsseldorf	0.0	50.0
ROSINTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Möbel Wallach Celle KG	Düsseldorf	0.0	50.0
ROSINTA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Nürnberg KG	Düsseldorf	0.0	50.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Airporthotel München-Halbergmoos 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

Name	Registered office	Share of capital held in %, total	Voting rights in %, total
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Hafenhaus Lübeck KG	Düsseldorf	0.0	50.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heddernheim KG	Düsseldorf	0.0	50.0
ROSOLA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lünen/Soest KG	Düsseldorf	0.0	50.0
S.E.A. Hotels Investment AB	Danderyd	50.0	50.0
SOMENTEC Software AG	Langen	35.7	35.7
S-Factoring factoring druzba d.d.	Ljubljana	40.0	40.0
TAMOLDINA Vermietungsgesellschaft mbH	Grünwald (Munich)	50.0	50.0
TAMOLTEMPA Vermietungsgesellschaft mbH	Munich	50.0	50.0
TAMOLTESSA Vermietungsgesellschaft mbH	Munich	50.0	50.0
The World Markets Company GmbH i.L.	Frankfurt am Main	25.2	25.2
U.S. Residential I GP, L.L.C.	Wilmington/Delaware	49.0	49.0
Windsor Asset Management GP LtP.	Toronto	49.0	49.0
Xtrade SA	Warsaw	24.9	24.9

Special-purpose entities and non-publicly-offered funds

Special-purpose entities included in the consolidation pursuant to IAS 27 and SIC-12

Name	Registered office / Registered office of management company	Share of capital held in %	Currency	Equity in 1,000	
Al Shorouq 1 Limited	St. Helier / Jersey	0.00	GBP	0	
CB Mezzanine Capital Limited Partnership	St. Helier / Jersey	0.00	EUR	0	
CB MezzCAP Limited Partnership	St. Helier / Jersey	0.00	EUR	0	
CoCo Finance 2006-1 plc	Dublin	0.00	EUR	38	
CoSMO Finance 2007-1 Ltd.	Dublin	0.00	EUR	0	
CoSMO Finance 2008-1 Ltd.	Dublin	0.00	EUR	0	1)
Hanging Gardens 1 Limited	Grand Cayman	0.00	EUR	1	
Kaiserplatz Gesellschaften:					
Asset Securitisation Programme for Insured Receivables Ltd. (ASPIRE)	Dublin	0.00	EUR	0	
Kaiserplatz Holdings Incorporated	Wilmington / Delaware	0.00	EUR	0	
Kaiserplatz Funding (Delaware) LLC	Wilmington / Delaware	0.00	EUR	0	
Kaiserplatz Holdings Limited	St. Helier / Jersey	0.00	EUR	0	
Kaiserplatz Funding Limited	St. Helier / Jersey	0.00	EUR	0	
Kaiserplatz Sub-Holdings Limited	St. Helier / Jersey	0.00	EUR	0	
Kaiserplatz Purchaser No. 5 Limited	St. Helier / Jersey	0.00	EUR	0	
Kaiserplatz Purchaser No. 6 Limited	St. Helier / Jersey	0.00	EUR	0	
Kaiserplatz Purchaser No. 8 Limited	St. Helier / Jersey	0.00	EUR	0	
Kaiserplatz Purchaser No. 15 Limited	St. Helier / Jersey	0.00	EUR	0	
Kaiserplatz Purchaser No. 16 Limited	St. Helier / Jersey	0.00	EUR	0	
Kaiserplatz Purchaser No. 17 Limited	St. Helier / Jersey	0.00	EUR	0	
Kaiserplatz Purchaser No. 18 Limited	St. Helier / Jersey	0.00	EUR	0	
MidCABS Limited	St. Helier / Jersey	0.00	EUR	0	
KP Avalon Ltd.	Dublin	0.00	EUR	0	
KREATIV 1 Limited	St. Helier / Jersey	0.00	EUR	0	
Plymouth Capital Limited	St. Helier / Jersey	0.00	EUR	0	
Portland Capital Limited	St. Helier / Jersey	0.00	EUR	0	
Ryder Square Limited	St. Helier / Jersey	0.00	GBP	0	
Semper Finance 2006-1 Ltd.	St. Helier / Jersey	0.00	GBP	1	1)
Semper Finance 2007-1 GmbH	Frankfurt am Main	0.00	EUR	25	
Shannon Capital plc	Dublin	0.00	EUR	10	
TS Co. mit One GmbH	Frankfurt am Main	0.00	EUR	25	
TS Lago One GmbH	Frankfurt am Main	0.00	EUR	25	1)

Special-purpose entities and non-publicly-offered funds

Non-publicly-offered funds included in the consolidation pursuant to IAS 27 and SIC-12

Name	Registered office / Registered office of management company	Share of investor in fund in %	Currency	Fund's assets in 1,000	
CDBS-Cofonds	Frankfurt am Main	100.00	EUR	91,911	
CDBS-Cofonds II	Frankfurt am Main	100.00	EUR	91,704	
CDBS-Cofonds III	Frankfurt am Main	100.00	EUR	92,674	
CDBS-Cofonds IV	Frankfurt am Main	100.00	EUR	90,844	
CICO-Fonds I	Frankfurt am Main	100.00	EUR	163,355	
cominvest ABS active	Luxembourg	100.00	EUR	366,340	1)
cominvest ABS Opportunity S.A.	Luxembourg	100.00	EUR	15,210	1)
ComStage ETF Commerzbank EONIA INDEX TR	Luxembourg	99.70	EUR	202,576	1)
ComStage ETF DAX® TR	Luxembourg	85.20	EUR	227,176	1)
ComStage ETF Dow Jones EURO STOXX® Select Dividend 30 TR	Luxembourg	96.40	EUR	92,608	1)
ComStage ETF Dow Jones EURO STOXX 50® TR	Luxembourg	98.40	EUR	220,132	1)
ComStage ETF Dow Jones INDUSTRIAL AVERAGE™	Luxembourg	95.20	EUR	149,296	1)
ComStage ETF Dow Jones STOXX® 600 TR	Luxembourg	96.80	EUR	137,979	1)
ComStage ETF MSCI World TRN	Luxembourg	100.00	EUR	221,095	1)
ILSP Mutual Fund AG & Co. KG	Vaduz, Liechtenstein	85.00	EUR	512,969	1)
OP-Fonds CDBS V	Frankfurt am Main	100.00	EUR	81,756	
SUK-Cofonds	Frankfurt am Main	100.00	EUR	584,406	

Holdings in major incorporated companies exceeding 5 % of voting rights

Name	Registered office	Share of capital held in %, total	Voting rights in % total
ConCardis GmbH	Frankfurt am Main	6.0	6.0
EURO Kartensysteme Gesellschaft mit beschränkter Haftung	Frankfurt am Main	6.0	6.0
Linde Aktiengesellschaft	Munich	7.5	7.5
Open Joint-Stock Company Promsvyazbank	Moscow	15.3	15.3

Notes

[1] Included in the consolidation for the first time in the financial year
[2] Profit-and-loss transfer agreement
[3] Information pursuant to Art. 285 No. 11a German Commercial Code (HGB) is not disclosed due to its minor importance pursuant to Art. 286 (3) No. 1 German Commercial Code (HGB)

Foreign-exchange rates for €1 as of December 31, 2008:		
Czech Republic	CZK	26.87500
Hungary	HUF	266.70000
Japan	JPY	126.14000
Poland	PLN	4.15350
Russia	RUB	41.28300
Singapore	SGD	2.00400
Switzerland	CHF	1.48500
Taiwan	TWD	45.82000
Ukraine	UAH	10.69200
United Kingdom	GBP	0.95250
USA	USD	1.39170

"Pro-Forma" accounts of Commerzbank for the 2008 financial year

In accordance with IFRS 3 all of Dresdner Bank's assets and liabilities are stated with their fair value at closing. The balance is set off against Dresdner Bank's equity capital (purchase price allocation). The "Pro-Forma" accounts also take into account the business relations between the two companies, changes in consolidated entities (full consolidation of Schiffsbank, sale of cominvest and Oldenburgische Landesbank) and the sale of a portfolio of collateralized debt obligations to Allianz.

As per closing, the purchase price for Dresdner Bank is around EUR 4.7 billion. This takes into account that the price is partially paid with new shares in Commerzbank. Based on the closing price of the Commerzbank share as at January 12, 2009 (closing date) of EUR 4.56, the corresponding 163.5 million shares had a total value of approximately EUR 0.7 billion.

The equity capital of Dresdner Bank in the pro forma accounts totals around EUR 3.9 billion, resulting in a goodwill of about EUR 0.8 billion. The core capital ratio (Tier 1) of the new Commerzbank in the "Pro –Forma" accounts is about 10%. Not accounting for the 2009 agreements with the Financial Market Stabilization Fund (Sonderfonds Finanzmarktstabilisierung, SoFFin) and Allianz, the core capital ratio (Tier 1) is around 7%.

In the 2008 financial year, the operating profit was at minus EUR 5.4 billion. The loan loss provisions in the year under review were minus EUR 3.6 billion. A moderate decrease in the loan loss provision is expected in 2009. EUR 4.6 billion was charged against the revaluation reserve in 2008.

According to IFRS 3 the "Pro-Forma" accounts may be subject to adjustments for a period of up to 12 months following the closing date. As a result, the "Pro-Forma" figures calculated on the basis of the 2008 income statements and the respective balance sheets of Commerzbank and Dresdner Bank are provisional.

Extract from the "Pro–Forma" accounts for the 2008 financial year

in € m	**Commerzbank**	**Dresdner Bank**	**Transitional effects**	**Pro forma figures for the new Commerzbank**
Net interest income	4,729	3,017	-421	7,325
Provision for possible Loan losses	-1,855	-1,671	-27	3,553
Net commission income	2,846	2,162	-332	4,676
Trading profit	-450	-4,313	80	-4,683
Net investment income	-665	731	15	81
Other results	-27	-68	-36	-131
Operating expenses	4,956	4,519	-306	9,169
Operating profit	**-378**	**-4,661**	**-415**	**-5,454**
Restructuring expenses	25	0	-13	12
Taxes on income	-465	1,535	-138	932
Consolidated surplus attributable to Commerzbank shareholders	**3**	**-6,279**	**-276**	**-6,570**
Equity	19,904	4,494	-1,580	22,818
Minority interests	657	1,736	160	2,552
TOTAL	**625,196**	**420,961**	**-578**	**1,045,579**

Note: All figures are as of January 12, 2009 (closing date for takeover).

EU Commission gives go-ahead for injection of equity capital

- **Silent participation of EUR 8.2 billion by SoFFin, stake of 25% plus one share planned**

- **Key points: Eurohypo disposal, balance sheet reduction, no acquisitions until April 2012**

On May 7, 2009 the EU Commission has given the go-ahead for the implementation of the understanding reached in January 2009 between Commerzbank and the Finanzmarktstabilisierungsfonds (Financial Market Stabilization Fund, SoFFin). Commerzbank has finalised its agreement with SoFFin on June 3, 2009. SoFFin has acquired 295,338,233 shares resulting from the capital increase approved by the Annual General Meeting on May 15/16, 2009 at EUR 6 per share and thus holds a stake of 25% plus one share in Commerzbank. The capital increase was registered in the commercial register on June 5, 2009. Commerzbank received a total of around EUR 1.8 billion from the increase in its share capital. In addition, it has now received the second SoFFin silent participation of EUR 8.2 billion.

Interest of 9% p.a. will be paid on the EUR 8.2 billion silent participation. It will be redeemed at face value. In years in which a dividend is paid out, the interest rate will increase by 0.01 percentage points for every EUR 5.9 million cash dividend paid.

As part of the agreements, Commerzbank will dispose of Eurohypo within the next five years. In addition, the Bank plans to divest Kleinwort Benson Private Bank, Dresdner Van Moer Courtens S.A., Dresdner VPV NV, Privatinvest Bank AG, Reuschel & Co. KG and Allianz Dresdner Bauspar AG by the end of 2011. The Bank will not undertake any acquisitions over the course of the three years to come. Additionally, Commerzbank will reduce its total assets. As of December 31, 2008, balance sheet total (including Dresdner Bank) stood at around EUR 1,100 billion. Until 2012, the balance sheet total will be reduced to EUR 900 billion and, following the divestment of Eurohypo, to approximately EUR 600 billion. Furthermore, general competitive requirements are tied in to the EU's decision approval, including a "no price leadership commitment".

In line with the agreement already made with SoFFin, Commerzbank will not pay out any dividends for the fiscal year 2009. For the fiscal years 2009 and 2010, respectively, Commerzbank will only grant profit-related payments, if any, to equity related instruments such as silent participations, hybrids and profit-participation certificates if Commerzbank is obliged to do so without reversing accruals or special reserves (Sonderposten according to § 340g German Commercial Code). This principle also applies to its subsidiaries. If necessary and permitted by law, Commerzbank will liquidate reserves for the fiscal years 2009 and 2010 in order to prevent a reduction in the book value of its equity related instruments. The same applies for special reserves (Sonderposten according to § 340g German Commercial Code).

Personnel changes on the board of management of Commerzbank

On May 7, 2009 the Supervisory Board of Commerzbank appointed Martin Blessing, spokesperson for the board of management, as the chairman of the board of management. In addition, the Supervisory Board appointed Ulrich Sieber and Jochen Klösges as at June 1, 2009 as new members of the board. Ulrich Sieber will at the same time be the Chief Human Resources Officer of the bank. Finally, the Supervisory Board decided that Wolfgang Hartmann is to leave the board of management. His successor with immediate effect as Chief Risk Officer will be Dr. Stefan Schmittmann, to date responsible on the board for the areas Commercial Real Estate and Central & Eastern Europe (CEE).

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The aforesaid contains statements concerning the expected future business of Commerzbank and other financial data. These forward-looking statements are based on management's current expectations, estimates and projections. They are subject to a number of assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from any future results and developments expressed or implied by such forward-looking statements. Commerzbank undertakes no obligation to revise our forward-looking statements in the light of either new information or unexpected events.

Interim Report as of March 31, 2009

Dear Shareholders,

This is my first report to you on Commerzbank's performance in a quarter that also covers Dresdner Bank. I am pleased to report that we succeeded in securing more than half of the funds required for the whole year in the first quarter. In addition, Mittelstandsbank once again reported a good result and the performance at Private Customers was satisfactory considering the ongoing difficult market conditions. On the other hand, the Central and Eastern Europe division felt the force of the severe recession in the region and had to increase its loan loss provisions. The Commercial Real Estate segment also reported an operating loss due to write-downs on securities and high loan loss provisions. The segment by far the hardest hit by the financial crisis was, however, Corporates & Markets. So the first-quarter results were disappointing.

We expect the EU Commission to approve the second assistance package by the Special Fund for Financial Market Stabilization (SoFFin) at the beginning of May, specifically on condition that we reduce our total assets and spin off Eurohypo in the next few years. This will allow SoFFin to provide Commerzbank with the second silent participation of some €8.2bn and also take a stake of 25 % plus one share in the new Commerzbank. As the issue of new shares to SoFFin against cash contributions is of vital interest to Commerzbank and thus to you as its shareholders, we are arranging for it to be voted on at the forthcoming Annual General Meeting.

We are making good progress with the integration of Dresdner Bank. It was only recently, earlier than planned, that we were able to achieve an agreement with employee representatives on the integration of the group headquarters in Frankfurt.

We also decided at the beginning of May to give Commerzbank a new group structure according to which the Group will be divided into three areas: the customer bank, the asset-based lending business (Real Estate and Public Finance) and the cutback portfolio. The customer bank, as the heart of the new Commerzbank, will bundle together all our customer-related core business. Specifically, this includes the four segments, Private Customers, Mittelstandsbank, Corporates & Markets and Central and Eastern Europe.

Contents

The segment Asset-Based Lending comprises Commercial Real Estate, Public Finance and Ship Finance. We will use the cutback portfolio to move portfolios that we no longer want into a single separate unit. This includes troubled assets as well as positions that are valuable but no longer match our business model since they lack a focus on customer relationships. The aim of our new format is an even stronger focus on customers at the same time as strict cost discipline and efficient risk management. We are at the same time counting on our strength as main bank for private and corporate customers in Germany.

Dear Shareholders, we know that this is not going to be a walk in the park: conditions are going to remain tough and we are facing a hard ride. But we have clear ideas about where we are headed and precisely how we intend to get there; each of the steps on the way has been clearly defined. That is why we are firmly convinced that we shall succeed in getting through this low patch. Given a positive market development, repayment of the SoFFin silent participations could begin already from 2011 onwards. We expect to achieve our medium-term goal of a 12 % return on equity after tax by 2012.

Commerzbank shares continue to be under pressure in the first quarter

The first quarter of 2009 again saw a great deal of uncertainty on the financial markets, which led to further significant spread widenings of many financial instruments in February in particular. What is more, economic forecasts for the euro zone and especially Germany were downgraded yet further. The depth of the recession and its attendant problems also became increasingly apparent in Central and Eastern European countries. This deterioration in the environment for equities had a negative impact on the DAX, and hit financial stocks in Germany and the euro zone even harder – with Commerzbank being no exception. As of March 31, 2009, Commerzbank shares were quoted at €4.02, well below their value at the end of 2008 (€6.64).

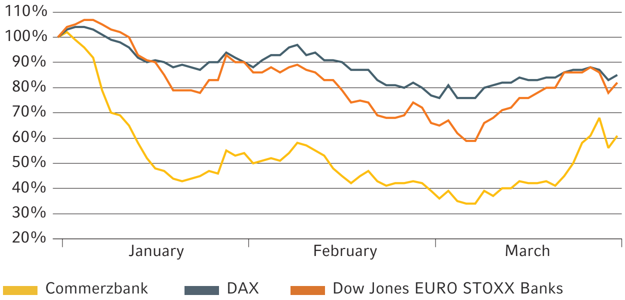
On news of SoFFin's second capital injection package on January 8 – which involved an additional silent participation in the volume of €8.2bn and a stake in the Bank of 25 % plus one share – the Commerzbank share price came under additional pressure and shed over 23 % within two days. The stock subsequently lost further ground, more or less in line with comparable shares represented in the Dow Jones EURO STOXX Banks index. Punctuated by minor intermittent corrections, this general decline on the equity markets continued for some two months, hitting a low on March 6, when Commerzbank shares were valued at €2.22. The DAX and the Dow Jones EURO STOXX Banks index also reached their lowest levels so far in 2009 on this date.

Highlights of the Commerzbank share

	1.1.-31.3.2009	1.1.-31.3.2008
Shares outstanding as of 31.3. in million units	886.0	657.2
Xetra intraday prices in €		
High	6.84	26.53
Low	2.22	16.40
as of 31.3.	4.02	19.80
Daily turnover[1] in million units		
High	48.6	24.8
Low	2.7	3.6
Average	15.0	10.5
Earnings per share (EPS) in €	–1.02	0.43
Book value per share[2] in € as of 31.3.	21.72	21.33
Market value / Book value as of 31.3.	0.19	0.93

[1] Total German Stock Exchanges; [2] excl. cash flow hedges and minority interests.

Commerzbank share vs. performance indices in the first quarter 2009 | Daily figures, 30.12.2008 = 100



Triggered by positive statements by big international banks regarding the performance of their businesses in the first quarter, financial stocks and – to a lesser extent – the DAX moved up again thereafter. US Treasury Secretary Geithner's plan to buy up toxic assets, concerted action by key central banks and pledges by major governments to support key banks further encouraged this rebound. By the end of the first quarter, Commerzbank shares in particular had recovered significantly and were quoted at €4.02 on March 31 – 81 % up from their lowest level. Both Commerzbank shares and other European financial stocks continued this upward trend in April, beyond the period under review.

Trading in the Commerzbank share increased considerably in the first three months of 2009, with the average daily turnover of 15.0 million shares 43 % higher than in the prior-year period. Very high turnover levels were seen in January and at the end of March in particular, with a peak total of 48.6 million Commerzbank shares being traded on German stock exchanges on January 9. At the end of the first quarter of 2009, Commerzbank's market capitalization stood at €3.6bn.

Upon completion of the Dresdner Bank takeover in mid-January, Allianz received some 163.5 million new Commerzbank shares – representing a component of the purchase price – from a capital increase against non-cash contributions. Commerzbank subsequently became the sole shareholder of Dresdner Bank, and the number of Commerzbank shares outstanding rose to 886.0 million.

In connection with the equity component of SoFFin's abovementioned second capital injection package, a further increase in share capital of 25 % plus one share is planned via the issue of new shares against cash to SoFFin.

Around 295 million ordinary shares will be issued at a price of €6 per share. Since this capital increase is of key interest to Commerzbank and thus to its shareholders, it will be subject to a vote at the Annual General Meeting in mid-May. If approved, the number of shares outstanding will increase to 1,181.4 million.

We provide our shareholders with comprehensive information. For data on Commerzbank's shares as well as current news, publications and presentations, visit our website at www.ir.commerzbank.de.

Interim Management Report as of March 31, 2009

Business and economy

Overall economic situation

The global economic crisis persisted in the first few months of 2009. Economic activity in the industrialized nations is estimated to have contracted at least as much as it did in the final quarter of 2008. The downturn in Germany was once again more pronounced than average due to the economy's strong focus on exports and the significance of the automobile and capital goods sectors. The crisis is continuing to spread to emerging markets. This is particularly true of the countries in Central and Eastern Europe, which are in recession, some of them deeply, and which have sharply depreciating currencies. There are even fears in the markets that individual governments will become insolvent.

Inflation rates worldwide have fallen considerably, due primarily to lower energy prices, but general price pressure has also abated in light of weak demand.

Developments in the financial markets continued to be shaped by the financial market and economic crisis. In March the equity markets reached their lowest levels for several years, and yields on long-dated government bonds also fell significantly. The latter was due to bad economic newsflow as well as central bank policies. Central banks have further reduced key interest rates – wherever there was still scope to do so – and it became increasingly clear that they are ready to take other accommodative policy action. The British and American central banks have announced plans to buy government bonds, which would result in a massive slide in yields.

Commerzbank Group continues to feel impact of financial crisis

As a result of the ongoing difficulties in the financial markets and the recessions in Germany as well as other industrialized nations, Commerzbank recorded another loss in the first quarter of 2009. Although the Mittelstandsbank achieved a good result and the Private Customers segment delivered a satisfactory result given the current environment, the Central and Eastern European segment posted a loss despite stable income because of significant increases in risk-provisioning expenses. The Commercial Real Estate segment also reported an operating loss due to subprime write-downs and high-risk provisions. The segment hit by far the hardest by the financial crisis was, however, Corporates & Markets. Substantial negative valuation effects and a considerable increase in risk provisions generated a massive loss in the first quarter.

The most important event in business policy in the first quarter was the completion of the Dresdner Bank takeover in mid-January. Under the terms of the transaction, Allianz received around 163.5 million new Commerzbank shares from a capital increase for non-cash contributions and the capital increase was entered in the Commercial Register. Commerzbank is now the sole shareholder of Dresdner Bank. Ahead of the merger of Dresdner Bank with Commerzbank planned for May 11, major changes already took place in Dresdner Bank's Board of Managing Directors in January 2009. While many former members left the Board, seven members of Commerzbank's Board of Managing Directors were appointed to it.

Since then further important steps were taken in the integration. For example, Commerzbank reached an agreement with employee representatives on integrating the head offices of Commerzbank, Dresdner Bank and Dresdner Kleinwort in Frankfurt. Following this, the head offices of Dresdner Bank will be integrated into the Commerzbank head office. As a result, the number of full-time positions in the areas covered by the agreement will be reduced overall from some 11,400 to around 9,200.

At the beginning of January, before the takeover was completed, the Special Fund for Financial Market Stabilization (SoFFin), Allianz and Commerzbank declared their intention to strengthen Dresdner and Commerzbank's equity capital so that the new Commerzbank will be able to meet the substantially higher capital adequacy levels now required of banks as a result of the worsening financial crisis. SoFFin will provide the new Commerzbank with additional equity in the amount of €10bn. The equity will be provided in the form of an additional silent participation of around €8.2bn and through the issue of around 295 million ordinary shares at a price of €6 per share. After the transaction, SoFFin will hold 25 % plus one share in the new Commerzbank. As the issue of new shares to SoFFin against cash contributions is of vital interest to Commerzbank and thus to its shareholders, it will be voted on at the Annual General Meeting in mid-May.

In addition, Allianz strengthened equity at Dresdner Bank on completion of the takeover by acquiring asset-backed securities with a nominal value of €2bn for a purchase price of €1.1bn. Based on Basel II, this reduces the new Commerzbank's risk-weighted assets by €17.5bn. Allianz will also subscribe a silent participation in the amount of €750m.

Over the course of the first quarter the tense situation in the financial markets further impacted capital at Dresdner Bank. To secure the bank's full ability to act until the planned merger, Commerzbank granted Dresdner Bank a capital injection of €4bn in the form of a payment to the reserves under § 272 (2) No. 4 HGB.

Earnings performance, assets and financial position

When examining the income statement of the Commerzbank Group, it should be noted that Dresdner Bank has only been fully consolidated since January 12, 2009. In acquiring Dresdner Bank on January 12 for a total purchase price of €4.7bn, we also indirectly acquired another 40 % in Deutsche Schiffsbank AG. As we now hold a total of 80 % in the latter, it is fully consolidated for the first time. In contrast, the cominvest companies that were sold as a condition of the takeover of Dresdner Bank are no longer consolidated. Further information on the changes to the list of consolidated companies and details on the resulting valuation effects pursuant to IFRS 3 and, in particular, on the purchase price allocation can be found on pages 382 to 384 of this report.

At the end of the first quarter the balance sheet and income statement still present a mixed picture. On the one hand, the Commerzbank Group still has a solid capital base and comfortable level of liquidity and is continuing to reduce its risk exposure. In addition, the trend in both net interest income and operating expenses was favourable. However, as a result of the financial crisis and global recessionary trends, our income statement came under significant pressure due to a trading loss and a sharp increase in loan loss provisions. In addition, we posted the first restructuring expenses for the integration of Dresdner Bank.

Operating results still troubled

Net interest income rose sharply in the first quarter of 2009, up 66.0 % year-on-year to €1.69bn. The inclusion of Dresdner Bank made a particularly strong impact. In addition, the Mittelstandsbank and Central and Eastern Europe segments reported a healthy level of net interest income, as did Group Treasury as a result of the steeper yield curve.

In view of the weak global economy, we boosted loan loss provisions by €844m (net), compared to €175m in the previous year. Loan loss provisions rose particularly sharply in Corporates & Markets, especially for structured products and LBOs. In the Central and Eastern Europe segment, we increased loan loss provisions to take account of the region's poor economic situation. Commercial Real Estate came under pressure from individual cases outside Germany.

Net commission income for the quarter rose by 16.1 % year-on-year to €850m as a result of consolidating Dresdner Bank. Adjusted for this effect, net commission income would have been much lower due to the ongoing market dislocation. In the current market conditions, customers in all segments treated securities transactions very cautiously. The sharp drop in new business in Commercial Real Estate also led to lower net commission income. This was compounded by the fact that the earnings of the cominvest companies are no longer included in Group results following their sale to Allianz as a condition of the Dresdner Bank takeover.

The trading result in the first quarter was €–523m, which is €696m lower year-on-year but €178m higher quarter-on-quarter. Our customer-driven Sales and Trading business performed well, but further substantial impairments were necessitated by the ongoing upheaval on the financial markets, particularly in the ABS portfolio in Corporates & Markets. Public Finance, however, turned its previous year's trading loss into a profit. In particular, the total return swap on US municipal bonds, which generated losses of around €500m in 2008, was closed out with a one-off gain of €90m.

Net investment income was €412m higher year-on-year at €386m. Income from the sale of investments was offset by further impairments in our ABS book.

First-quarter operating expenses rose 57.4 % year-on-year to €2.08bn. Adjusted for Dresdner Bank, costs would have been lower, mainly because of lower provisions for variable performance remuneration.

Restructuring expenses amounted to €289m in the first quarter.

First-quarter operating earnings still under pressure

Operating earnings in the first quarter stood at €–591m, compared to €–822m in the previous quarter and €435m in the year-earlier quarter. Adjusted for restructuring expenses of €289m for the integration of Dresdner Bank, earnings before tax came to €–880m. After taxes of €8m, there was a consolidated loss of €888m. Of this consolidated loss, €27m is attributable to minority interests and €861 to Commerzbank shareholders.

Operating earnings per share amounted to €–0.70 and earnings per share to €–1.02 (year-earlier quarter: €0.66 and €0.43 respectively).

Total assets just over €1 trillion

Due to the first-time consolidation of Dresdner Bank on January 12, the Commerzbank Group's total assets were 61.8 % higher than at the 2008 year-end, at €1,011.5bn. This rise is reflected in almost all of the balance sheet items. Claims on banks grew by 73.7 % to €109.4bn. Claims on customers increased by 43.5 % to €408.8bn. Fair value gains attributable to derivative hedging instruments increased by 44.2 % to €15.2bn. Assets held for trading rose by €181.8bn to €300.4bn, with fair value gains attributable to derivative hedging instruments €158.1bn higher at €251.1bn. At €145.4bn, financial investments were 14.1 % up on the year-end figure, mainly as a result of a 14.8 % increase in bonds, notes and other interest-rate-related securities.

On the liabilities side, liabilities to banks increased by 39.1 % to €178.7bn. Customer deposits rose by 82.3 % to €310.2bn, with sight deposits significantly higher, up €84.3bn to €142.2bn. Securitized liabilities grew a modest 7.8 % to €178.8bn. Within this item, the volume of public-sector Pfandbriefe dropped by a further 10.5 % to €79.4bn, in line with the planned reduction in Public Finance business, while total bonds and notes issued increased by 7.3 % to €166.2bn. Fair value losses attributable to derivative hedging instruments were 8.3 % higher at €23.2bn. Liabilities from trading activities rose sharply, by €165.1bn to €261.3bn, with interest-rate-related transactions significantly higher, up from €63.4bn at the year-end to €162.0bn at the end of the first quarter.

Subordinated capital rose against the end of December by 49.7 % to €17.7bn. The main reasons for this were the 34.2 % rise in subordinated liabilities to €13.4bn and the €2.1bn increase in profit-sharing certificates to €3.2bn. During the same period, hybrid capital rose by 47.1 % to €4.6bn.

Equity is €18.7bn

Equity declined by 6.1 % to €18.7bn. Subscribed capital rose by 22.7 % to €2,303m and capital reserves by 5.0 % to €6,947m. Retained earnings were virtually unchanged at €5,913m. SoFFin's silent participation remains at €8,200m. The financial crisis is still clearly evident in the revaluation reserve, which declined from €–2,221m as of the year-end to €–2,852m. The realization of positive revaluation reserves relating to the equity and investment portfolios accounted for the main movement in this reserve. Overall, however, the contribution of the equity and investment portfolios to the revaluation reserve remains positive, while the fixed-income portfolio had a negative impact as a result of being marked to market. This figure was also affected by the reclassifications made since the third quarter pursuant to the amendment issued by the IASB on October 13, 2008. On January 31, under IAS 39 categorization rules, we reclassified additional securities in the Public Finance portfolio for which there is no active market from Available for Sale (AfS) to Loans and Receivables (LaR). The Bank has the intention and ability to hold these securities for the foreseeable future or until maturity. The new carrying amount of the reclassified securities is their fair value as at the reclassification date, which was €2.5bn. The revaluation reserve for the securities reclassified as at January 31, 2009, after deferred taxes, is €–0.2bn, compared with €–0.4bn as at December 31, 2008. The nominal volume of this sub-portfolio is €2.6bn. The securities concerned are primarily issued by public sector borrowers in Europe. The cash flow hedge reserve fell by 33.4 % to €–1,163m. The currency translation reserve dropped by 60 % to €–416m.

Despite our ongoing strategy aimed at reducing risks, risk-weighted assets rose as a result of consolidating Dresdner Bank, by 42.3 % to €315.7bn. The core capital ratio fell to 6.8 % and the own funds ratio to 10.9 %.

Segment reporting

As already announced in the annual report, as of the first quarter Group Treasury has been moved from the Corporates & Markets segment to Others and Consolidation. We have moved Shipping from the Mittelstandsbank segment to Commercial Real Estate and renamed Private and Business Customers as Private Customers. To ensure comparability, the figures for the previous year have been restated.

Details on the composition of the segments and the principles of our segment reporting are set out on pages 394 to 398 of this report.

Solid result and further growth in customer numbers in Private Customers

Private Customers achieved a solid result, despite the difficult market conditions. Having taken on Dresdner Bank's customers and branches, Commerzbank is now Germany's biggest retail bank with around 11 million customers. Organic growth in the number of customers continued in the first quarter. As a result of consolidating Dresdner Bank and with customer deposits stable, net interest income of €594m was significantly higher than the year-earlier figure of €326m. However, the margin earned on deposits was – due to the interest rate level prevailing – down sharply and the scheduled reduction in Eurohypo's loan portfolio is continuing. Loan loss provisions rose as a result of consolidation by 62.5 % year-on-year to €65m. The effects of the current recession on this item have so far been minimal. Net commission income increased by 46.4 % to €502m, but came under pressure from the ongoing contraction in securities business. Operating expenses rose as a result of the consolidation of Dresdner Bank by €485m to €981m, but strict cost management was maintained.

Given the difficult overall conditions, operating earnings fell to €48m from €127m in the year-earlier period. Against a 95.2 % increase in the amount of capital employed to €2.7bn, operating return on equity was 7.1 %. The cost/income ratio increased from 74.8 % to 89.7 %.

Mittelstandsbank makes a stable contribution to the Group's results

Mittelstandsbank performed well, despite the difficult market conditions. Due to the consolidation of Dresdner Bank and increased volume and margins in the lending business, net interest income rose from €287m in the first three months of 2008 to €573m. In view of the current overall conditions, loan loss provisions were substantially increased, from €8m in the first quarter of 2008 to €90m. Net commission income rose as a result of the consolidation by 101.7 % to €238m. Thanks to our strict cost discipline, operating expenses only rose by €114m to €328m, despite the inclusion of Dresdner Bank.

With an operating profit of €339m, Mittelstandsbank made the biggest positive contribution to the Commerzbank Group's results. With equity 102 % higher at €5.3bn, operating return on equity was 25.4 %, compared to 28.6 % in the first quarter of 2008. The cost/income ratio improved from 52.1 % to 43.3 %.

Difficult market conditions in Central and Eastern Europe

Earnings in the Central and Eastern Europe segment were negatively impacted by the overall market conditions, in particular by higher loan loss provisions. However, the positive trend seen in new customer numbers in the preceding quarters at both BRE Bank and Bank Forum continued. Net interest income benefited from BRE Bank's positive earnings performance, rising by 38.0 % year-on-year to €167m. Owing to the economic situation, first-quarter loan loss provisions at BRE Bank and Bank Forum, as well as in the rest of the segment, were raised sharply, from €17m to €173m. Net commission income fell from €47m to €33m, with the securities business at BRE the main drag. Operating expenses in the first three months of 2009 were virtually unchanged year-on-year at €115m (2008: €105m). Bank Forum had not yet been consolidated in the first quarter of 2008.

Owing to the higher loan loss provisions, we are reporting an operating loss of €58m compared to a profit of €123m for the first quarter of 2008. With capital employed up 24.5 % at €1.7bn, operating return on equity was –13.7 %, compared to 36.3 % in the previous year. The cost/income ratio increased from 42.9 % to 50.0 %.

Corporates & Markets hit hard by financial crisis

The result for Corporates & Markets includes for the first time the business of Dresdner Kleinwort (DKIB). Since January 2009, Group Treasury has been moved from Corporates & Markets to Others and Consolidation. Another new component in Corporates & Markets is the Portfolio Restructuring Unit (PRU), which was created in January. The unit's task is to proactively and transparently manage and reduce those portfolios and structured bonds within Corporates & Markets that have been earmarked for downsizing.

The performance of Corporates & Markets in the first quarter of 2009 carried on from the second half of 2008; only Public Finance succeeded in bucking the negative trend of the preceding quarters and making a positive first-quarter contribution to earnings. As part of our strategy to reorient Public Finance and protect earnings, we continued to cut back the size of its portfolio. We are aiming to reduce it to €100bn by the end of 2010.

Net interest income in the first quarter of 2009 rose by €114m to €219m year-on-year. The negative impact of structured loan commitments is reflected in the loan loss provisions. Total loan loss provisions rose by €268m year-on-year to €327m. Despite Dresdner Bank's consolidation, net commission income only increased by 45.8 % to €86m. This was partly due to the closure of the Cash Equities unit at Dresdner Kleinwort.

The trading result fell sharply, down €571m on the first quarter of 2008 to €–447m. This was mainly due to further write-downs on the ABS portfolio, above all on the ABS hedge book. However, we were able to close out the aforementioned total return swap on US municipal bonds in Public Finance with a one-off gain of €90m in the first quarter.

Net investment income deteriorated from €–114m to €–134m, mainly as a result of write-downs on the ABS portfolio. Owing to the consolidation of Dresdner Bank, operating expenses increased by €294m to €552m.

Operating earnings fell by €1,038m to €–1,164m. The average amount of capital employed was €7,122m. Against an operating loss of €1,164, operating return on equity came to –65.4 %, compared to –15.6 % in the previous year. The cost/income ratio fell from 135.1 % to –193.7 %.

Commercial Real Estate still affected by financial crisis

The Commercial Real Estate segment also had a difficult first quarter, particularly because it remains hampered by the difficult operating conditions, and was forced to make additional write-downs on subprime RMBS in the amount of €55m.

Net interest income dipped by 3.5 % year-on-year to €221m in the first quarter. Loan loss provisions were roughly the same as the previous quarter at €189m, but were €138m higher year-on-year. This was mainly due to impairments on loans outside Germany. In view of the recession in industrialized countries, we deliberately restricted the amount of new business in the first quarter of 2009 to €182m. Net commission income dropped as a result of this very selective approach by 39.5 % to €69m. Operating income increased by 3.3 % to €126m, above all as a result of the full consolidation of Deutsche Schiffsbank AG. Operating earnings stood at €–54m compared to €86m in the same quarter in 2008. Against a 66.5 % increase in capital employed to €6.2bn, operating return on equity was –3.5 %. The cost/income ratio rose marginally, from 47.1 % to 48.3%.

Others and Consolidation

The Others and Consolidation segment contains income and expenses which are not attributable to the operational business areas. These also include those expenses and income items that are transferred from the internal management reporting figures shown in the segment reports to the Group financial statements in accordance with IFRS. This segment also covers equity participations which are not assigned to the operational segments, international asset management activities and, since the first quarter, Group Treasury. Operating earnings in Others and Consolidation rose from €36m in the first quarter of 2008 to €298m.

Key figures of the Commerzbank Group

The Commerzbank Group's overall operating return on equity in the first quarter was –10.0 %, compared to 12.0 % in the year-earlier quarter. Return on equity based on consolidated profit/loss – i.e. the ratio of consolidated profit/loss to the average amount of capital employed, as attributable to Commerzbank shareholders in each case – fell from 8.4 % to –15.1 %. The cost/income ratio – i.e. the ratio of operating expenses to total earnings before deduction of loan loss provisions – rose from 68.4 % to 89.2 %.

Forecast

The following comments should always be read in conjunction with the Business and Economy section of this interim report as well as the Outlook section of the 2008 annual report.

Future economic situation

Although leading economic indicators have recently provided the odd glimmer of hope, a full-fledged recovery of the global economy is not yet in sight. Economic activity in the industrialized nations is thus likely to shrink further, at least until mid-year. In the second half of the year the situation should stabilize, due in part to the extensive economic stimulus programmes being implemented worldwide. In the coming year the economy should gradually pick up as the effects of interest rate cuts by central banks begin to unfold, but the after-effects of the financial market crisis are likely to limit the dimensions of any upturn.

Future situation in the financial industry

The business environment for banks remains very critical. According to a Bloomberg analysis dated April 21, 2009, losses suffered by banks worldwide as a result of the financial crisis amount to USD 947bn. To offset the erosion in equity and accommodate the higher expectations in the market in regard to capital adequacy, banks have to date carried out capital increases of some USD 898bn. These include conventional capital increases and private placements as well as capital injections from the government.

In the meantime a crisis in the real economy has arisen alongside the financial crisis. For 2009 Commerzbank expects a decline of 4.5 % in the eurozone's gross domestic product. This recession will lead to a significant increase in the banks' credit risk provisions, while the corporate sector will become less willing to invest. The low level of interest rates could also exert pressure on bank margins; the steeper yield curve and the anticipated tightening in the supply of credit have the potential to widen margins in banking.

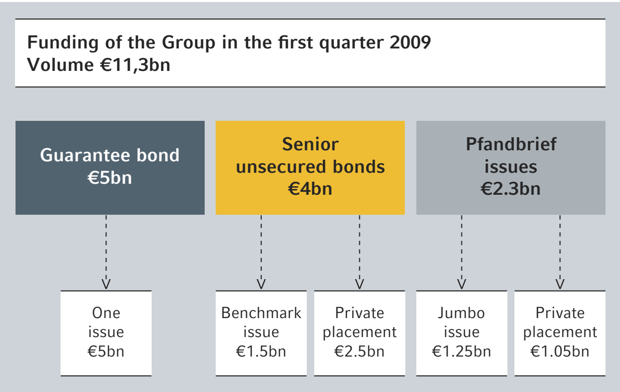
The comprehensive bank aid packages from the government are designed to rebuild trust between banks and stabilize investors' confidence in the banking system. These rescue packages will mitigate the negative effects of the recession and in turn help keep loan defaults at the banks in check.

The banking industry is going through a fundamental reorganization. Various business models, particularly in investment banking, are being subjected to critical review. Regulatory changes are expected in this area as well. In many cases a tendency to refocus on core business is also emerging. In all areas of the banking business, business margins will need to return to levels that are more commensurate with the risks of the exposures taken on. On the financing side the banks will reduce their dependence on the interbank market.

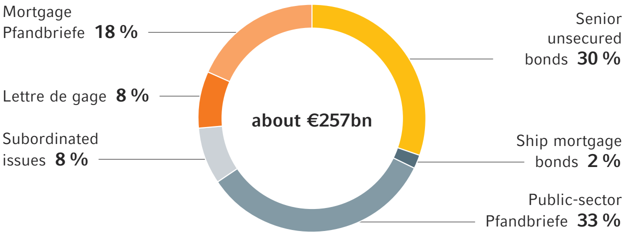
Financial outlook for the Commerzbank Group

Financing plans

We continue to expect a difficult capital market environment in 2009 with correspondingly high funding costs. Following the takeover of Dresdner Bank, we plan to raise around €20bn in the capital markets in 2009. Of this amount, roughly half will be through secured issues – Pfandbriefe and lettres de gage – and the other half through unsecured issues.



Issue profile
as of March 31, 2009



For these issues we can also count on the support provided by the Financial Market Stabilization Act and the Special Fund for Financial Market Stabilization (SoFFin). Commerzbank has received guarantee commitments of €15bn from SoFFin. The guarantees have been available for use since the approval of the Financial Market Stabilization (Supplementary) Act (FMStErgG) for the issuance of bonds with extended maturities of up to five years.

In January 2009 Commerzbank was the first German bank to issue a three-year bond with a SoFFin guarantee. The issue, which had a volume of €5bn, was very well received in the market. This transaction helped Commerzbank to acquire many new investors. In addition Commerzbank successfully placed an unguaranteed senior benchmark bond with a volume of €1.5bn and a maturity of five years on the capital market. Over €2.5bn took the form of private placements in the unsecured segment – primarily with Commerzbank's institutional and private customers.

If suitable windows of opportunity in the market present themselves, the possibility of further large-volume bond issues in the institutional segment (benchmarks) may be considered along with the issuance of further state-guaranteed bonds.

In the secured segment, Commerzbank successfully issued a five-year mortgage Pfandbrief with a volume of €1.25bn via its subsidiary Eurohypo, thus demonstrating its capability as a Pfandbrief issuer even in a challenging market environment. Apart from this the main focus was on long-dated registered Pfandbriefe.

In the first quarter Commerzbank placed three benchmark issues in three segments (state-guaranteed, unsecured and Pfandbrief). Including the private placements, this means that over 50 % of the funding needs for the entire year have already been covered.

The funds which SoFFin has provided or has agreed to provide to Commerzbank – a silent participation of €8.2bn from the first tranche, a silent participation of €8.2bn still outstanding from the second tranche and an increase in share capital of around €1.8bn – are available to the bank without restrictions, thus strengthening Commerzbank's long-term funding profile.

Planned investments

Given the current market situation, the priority for the Central and Eastern European segment is the structural development of its business. We are focusing on profitable core business and improvements in efficiency while also pursuing rigorous cost management and optimization of the portfolios. At BRE Bank in Poland this objective will be achieved in customer business by expanding cross-selling and product innovations as well as by strict cost management. The successful mBank business model in Poland, as well as the Czech Republic and Slovakia, will be continued. We shall pursue the integration project at Bank Forum in the Ukraine and continue to optimize the branch and sales network.

In addition, with respect to planned investments there are no significant changes from the plans announced in the 2008 annual report.

Liquidity outlook

The uncertainty in the markets triggered by the bankruptcy of Lehman Brothers persisted into the first quarter of 2009, although some calm was restored as a result of the support measures introduced by governments and central banks. The Euribor-Eonia spread remained at a high level despite the ECB's interest rate cuts but did not reach the record highs observed in the fourth quarter of 2008.

If interest rates in the money markets recede as anticipated, we expect the Euribor-Eonia spread to narrow further over the course of 2009 but still remain high.

The interbank market for time deposits has eased somewhat, particularly for maturities of up to three months. A contributing factor was the ECB's decision in March to continue the unlimited allocation in the main refinancing transactions plus extraordinary, special and long-term refinancing transactions at a fixed interest rate for as long as necessary, but in any case, beyond 2009. This substantially improved the banks' liquidity situation.

Despite the ongoing turbulence in the financial markets, we still do not expect any negative effects on our own liquidity situation – partly because of our stable deposit business and adjustments to new business planning.

We have access to sufficient short-term liquidity in the interbank market and have proven our funding capability through various capital market issues in the secured and unsecured segments. Taking advantage of assistance from the Financial Market Stabilization Fund (SoFFin) has also strengthened the Bank's liquidity situation.

Our detailed liquidity management is based on an internal risk-management model, based on assumptions that are constantly monitored and regularly adjusted to prevailing market conditions.

Key liquidity under the standardized approach of the Liquidity Regulation – known until the end of 2007 as Principle II – was stable at a comfortable level in the first quarter of 2009, as it was throughout 2008. Our target corridor for Commerzbank's key liquidity is between 1.08 and 1.15. The actual figure at the end of the first quarter of 2009 was 1.16.

General statement on the outlook for the Group

Due to the ongoing market turbulence and the generally volatile environment in which we operate, it is currently impossible for us to make any precise forecasts for the 2009 results. The year will however be marked in particular by the continuing difficult market environment and the integration of Dresdner Bank. The costs for the integration are likely to amount to around €2bn in 2009. The provision for possible loan losses in 2009 should be at the level of the combined figures for Commerzbank and Dresdner Bank for 2008 despite large structural shifts. We expect that charges against earnings from the financial market crisis will most probably be below the combined figures for 2008. Overall we expect a negative result for the 2009 financial year.

Given a positive market development, repayment of the SoFFin silent participation could begin already from 2011 onwards. We expect to achieve our medium-term goal of a 12 % return on equity after taxes by 2012.

Report on post-balance sheet date events

We expect the EU Commission to approve the second assistance package by the Special Fund for Financial Market Stabilization (SoFFin) at the beginning of May, specifically on the condition that we reduce our total assets and spin off Eurohypo in the next few years. This will allow SoFFin to provide Commerzbank with the agreed second silent participation of approximately €8.2 billion. In addition, Commerzbank will carry out a capital increase by issuing roughly 295 million ordinary shares at a price of €6 per share. After the transaction, SoFFin will hold 25 % plus one share in the new Commerzbank. As the issue of new shares to SoFFin against cash contributions is of vital interest to Commerzbank and thus to its shareholders, it will be voted on at the Annual General Meeting in mid-May.

At the beginning of May, the Commerzbank Board of Managing Directors also decided upon a new Group structure, according to which the Group will be divided into three areas: the customer bank, the asset-based lending business (Real Estate and Public Finance) and the cutback portfolio. Beginning in the second quarter of 2009, the customer bank will group together Commerzbank's customer-focused core business activities. Specifically, this includes the four segments, Private Customers, Mittelstandsbank, Corporates & Markets and Central and Eastern Europe. The segment Asset-Based Lending comprises Commercial Real Estate, Public Finance and Ship Finance. We will use the cutback portfolio to move portfolios that we no longer wish to retain into a single separate unit. This includes troubled assets as well as positions that are valuable but no longer match our business model since they lack a focus on customer relationships.

There were no other material business events.

Risk Report

I. Risk-oriented overall bank management

1. Risk management organization

The financial crisis has demonstrated that setting professional risk limits and managing risks in the banking industry are critical factors in our business success. Essential prerequisites for successful risk management are the identification of all significant risks and risk drivers, the independent measurement and assessment of these risks in an evolving macroeconomic environment with changing portfolio-specific conditions, and the risk/return-oriented management of risks based on these assessments as part of a forward-looking risk strategy. We have made considerable progress in this area in the past few years, and our efforts in this area must now demonstrate their effectiveness in a dramatically deteriorating environment.

Commerzbank defines risk as the danger of possible losses or profits foregone due to internal or external factors. Risk management distinguishes between quantifiable risks – those for which a value can normally be given in the annual financial statements or in determining capital requirements – and non-quantifiable risks such as reputational and compliance risks.

For a more detailed explanation of Commerzbank's risk management organization please refer to our 2008 Annual Report, which provides a summary outlook of the planned restructuring of the risk function being implemented as part of the risk integration project.

2. Risk-taking capability

Risk-taking capacity is monitored by comparing the Commerzbank Group's aggregate capital requirement with the Tier 1 core capital available to cover risk. For the sake of greater transparency and ease of comparison we have replaced our Bank-specific definition of the equity available to cover risk with the legally defined term of Tier 1 core capital. Beyond the calculation of regulatory capital requirements (specified by SolvV) in the form of risk-weighted assets (RWA), since the start of 2009 economic RWA have been determined using internal models with a confidence level of 99.95 % and a holding period of one year.

Since January the Dresdner Bank risk positions have been incorporated on a consolidated basis into the calculation of risk-taking capability. On the reporting date, credit, market, operational and business risk was calculated for the first time on the basis of integrated models in accordance with uniform standards. The biggest change relates to the calculation of credit risk in the internal portfolio model (credit VaR). The new risk factor model that was especially designed for the new Commerzbank portfolio, which we began using in January 2009, produces a much higher credit VaR in the Group, the result primarily of an improved, more conservative modelling of correlations and bulk risks.

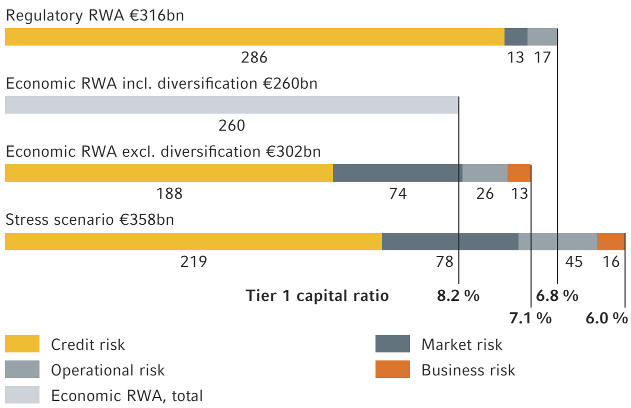
Converting the economic capital requirements into RWA equivalents allows for direct comparison with the regulatory requirements as well as for their representation as capital ratios. On the reporting date the new Commerzbank has committed RWA of €316bn, which corresponds to a regulatory Tier 1 capital ratio of 6.8 %. By contrast, the economic capital requirement for all quantifiable types of risk, calculated using our internal models, came to €260bn (economic Tier 1 capital ratio of 8.2 %).

In an additional step, we analyse the scenario whereby all potential losses stemming from the individual types of risk were to occur simultaneously (full correlation between the types of risk). In this scenario, the economic RWA would increase to €302bn (economic Tier 1 capital ratio of 7.1 %).

In addition, we quantify the impact of macroeconomic stress scenarios on the economic RWA. In this scenario the capital requirement would rise to €358bn, an increase of almost €100bn compared with the basic scenario.

The stressed economic RWA should not exceed a specific maximum limit, calculated in relation to the available Tier 1 core capital, so that the bank can continue to operate even during a stress scenario (going-concern principle). At present, this limit is set at 16.7 times Tier 1 capital, corresponding to a Tier 1 capital ratio of 6 %, meaning that the RWA would also fall narrowly within the existing limit even in a stress scenario (not including the second SoFFin tranche). The risk taking capability was maintained at all times during the period under review. Taking account of the portfolio and capital measures and strategic initiatives which have already been introduced, we expect a risk buffer in excess of this amount to be created next quarter.

Risk-taking capability in the Commerzbank Group
in € bn as at March 2009



II. Default risk

Our management process is based on two parameters: unexpected loss (UL) and expected loss (EL = PD*EaD*LGD). While the analyses of risk-taking capability (stress on equity) and risk appetite (stress on the income statement) based on unexpected loss (= economic capital consumption) determine strategic orientation and also serve to limit concentrations of risk, operational implementation of risk management is based on expected loss limits. In addition, the EaD and rating migration are closely monitored. These limits are easy to implement in day-to-day operations, and EL is also the key parameter for systematic risk-return-adjusted pricing.

31.12.2008	Exposure at Default in € bn	Risk density in bp	Expected Loss in € m
Commerzbank	533	21	1,145
Dresdner Bank credit portfolio	121	28	339
Dresdner Bank trading portfolio	110	n. a.	n. a.

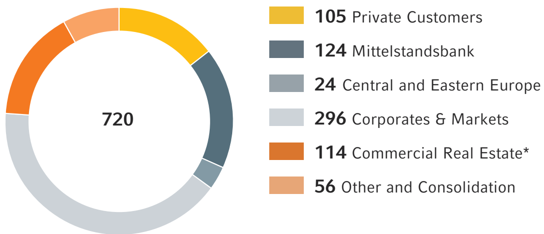
The following charts each contain the key risk figures (banking and trading book without default portfolio) for the new Commerzbank as of March 31, 2009, i.e. it includes the key risk figures of Dresdner Bank and Deutsche Schiffsbank. It must be noted that when the analysis of the key risk figures was performed the harmonization of the differences in methods and models was already at an advanced stage (e.g. the expected loss of the Dresdner Bank trading portfolio is included for the first time) but had not yet been completed. The final allocation of individual credit assets to the segments was also not concluded. As a result we expect adjustment effects in the following quarters. The EaD was €720bn as at March 31, 2009 with a credit volume amounting to €427bn.

31.03.2009	Exposure at Default in € bn	Risk density in bp	Expected Loss in € m
Private Customers	105	32	333
Mittelstandsbank	124	39	476
Central and Eastern Europe	24	70	170
Corporates & Markets	296	20	595
Commercial Real Estate[1]	114	34	383
Other and Consolidation	56	4	25
Group	**720**	**28**	**1,983**

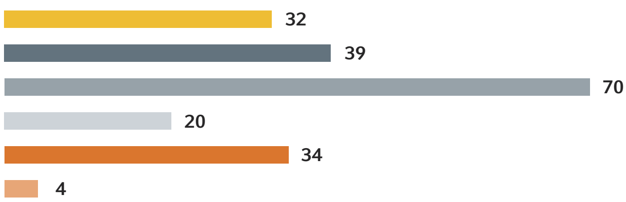
[1] incl. Shipping

1. Commerzbank Group

Exposure at Default
in € bn

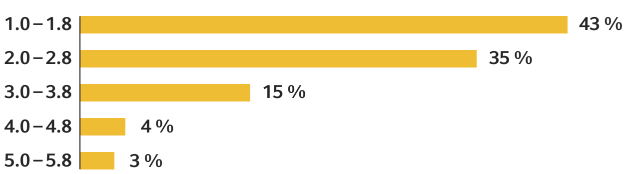


Risk density (trading and banking book)
in bp



Commerzbank Group 28 bp
* incl. Shipping

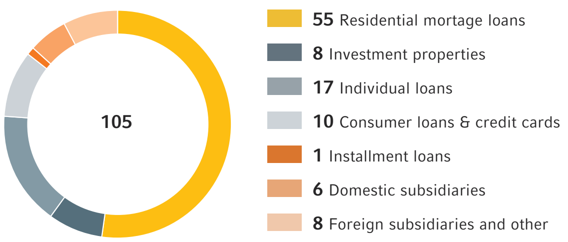
Rating breakdown



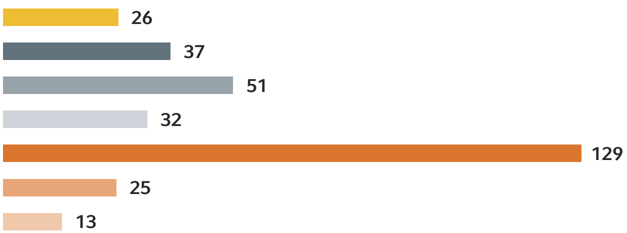
The EaD for Commerzbank's trading and banking book, including the portfolios of Dresdner Bank and Schiffsbank, was €720bn as at March 31, 2009. Within the scope of the integration project, a few changes were made in segment allocation, although Corporates & Markets remains the largest segment by far with a 40 % share of EaD. By allocating Treasury to the Others and Consolidation area, the risk density of the Corporates & Markets segment increases to 20 bp. On the whole, the deterioration of the overall economic situation is also leading to rating downgrades in Commerzbank's portfolio such that the risk density at the Group level has increased to 28 bp.

2. Private Customers

Exposure at Default
in € bn

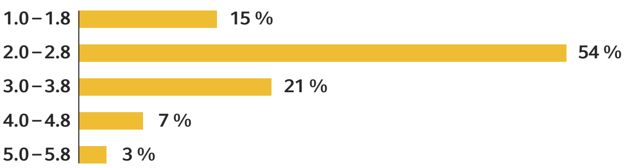


Risk density
in bp



Private Customers 32 bp

Rating breakdown



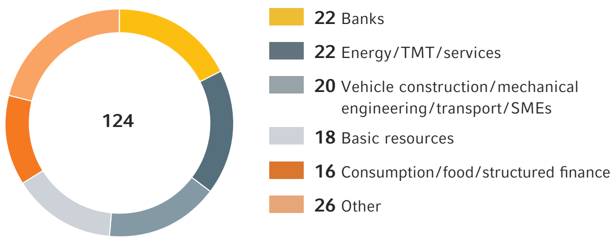
The marked signs of an economic downturn in Germany (mainly the sharp drop in GDP growth and an incipient rise in unemployment figures) did not generate any tangible impact in the first quarter of 2009 due to the lag effects typical for retail portfolios.

The structure of the Private Customer portfolio of the new Commerzbank remains essentially unchanged in comparison with the old Commerzbank: The customer group profiles and product profiles of Commerzbank and Dresdner Bank are basically comparable. The risk structure in all subportfolios improved slightly in the first quarter of 2009. The strict risk / return-oriented focus on value creation in new business based on the AIRB regulatory capital approach led to a reduction in the real estate financing portfolio during the first quarter of 2009 which will continue over the course of the year.

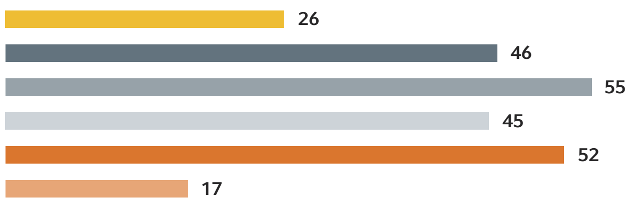
To limit risk, measures were introduced for the existing portfolio and new business. However, even given the current economic crisis, there are no grounds from a risk point of view to fundamentally recast the segment's business policy with regard to its risk strategy in 2009.

3. Mittelstandsbank

Exposure at Default
in € bn

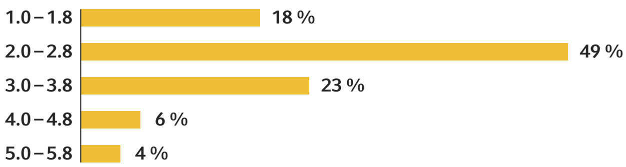


Risk density
in bp



Mittelstandsbank 39 bp

Rating breakdown



In the first quarter of the year the Mittelstandsbank segment had an EaD of €124bn and a risk density of 39 bp. With an EaD of €102bn and 82 % of the portfolio, Corporate Banking in Germany as well as in Western Europe and Asia remained the core business in the segment. The banks have an EaD of €22bn, which is 18 % of the total portfolio of Mittelstandsbank.

The global recession is clearly impacting the German economy and already left its mark on the Corporates Germany core portfolio during the first few months of the year. The fiscal policy measures introduced by the government have so far only been able to counteract the negative trend in specific areas. The rating migrations are therefore clearly negative due to credit downgrades for borrowers. As a result we anticipate a rising need for restructuring and an increasing number of insolvencies. As a result, a larger percentage of the credit margin will be consumed by risk costs, thus creating a need for higher gross margins.

We will continue to apply the risk reduction measures initiated earlier to our new and existing business (incl. increasing our collateral) in order to mitigate risks resulting from the economic downturn as far as possible without significantly reducing our willingness to lend to our core target group. Sound planning will become an even more important factor in our rating assessments. In light of the current crisis we are asking our customers to supply us regularly with up-to-date information on current business performance and to provide comprehensive information regarding expected cash flows and dynamic debt trends (net debt to EBITDA). In this way, we can ensure our continued ability to find individual ways of optimizing the financial situation of our customers even in a recessionary environment.

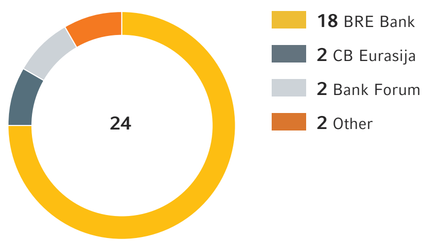
We will continue with the forward-looking sector risk management approach introduced with the integration of Dresdner Bank, and rating systems will also be further developed incorporating the experiences gleaned from the current financial market crisis. In addition we will raise the competence level further in our advisory services by reorganising the credit function no longer along regional lines but by sectors so that we can provide more skilled support to the regional corporate client relationship managers. To ensure our proximity to customers, we will continue to apply the regional principle in our client care philosophy.

Since the start of 2009 the Mittelstandsbank segment also includes the Corporates area in Western Europe and Asia in addition to the Corporates Germany core portfolio. These areas were previously assigned to the Corporates & Markets segment.

Due to the deteriorating economic conditions in Western Europe and Asia, in Western Europe in particular in the markets of the UK and Spain, we anticipate a larger volume of negative rating migrations following individual downgrades of credit ratings. We are meeting the expected increase in financial restructuring transactions and insolvencies – which are likely to lead to a higher risk density – with a more anticipatory, cash flow-oriented analysis, paired with an even closer proximity to customers.

4. Central and Eastern Europe (CEE)

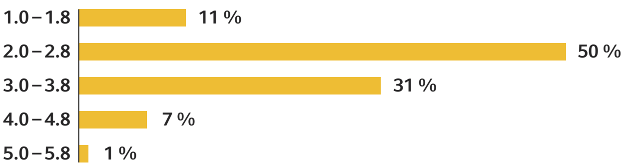
Exposure at Default
in € bn



Risk density
in bp

Central and Eastern Europe 70 bp

Rating breakdown



The eastern European activities of Commerzbank have been combined in one segment with its own risk function for one year now. This specialization allows targeted development and processing of regional market segments in CEE. We are invested exclusively in the real economy – a result of our franchise with the core business of BRE Bank in Poland, followed by Bank Forum in Ukraine and the Commerzbank units in Russia, Hungary, the Czech Republic and Slovakia. The business activities of Dresdner Bank in eastern Europe were not centralized in one business area. During the transition to Commerzbank its lending exposures in CEE, particularly from the Moscow, London and Luxembourg units, will gradually being transferred to the Central and Eastern Europe segment.

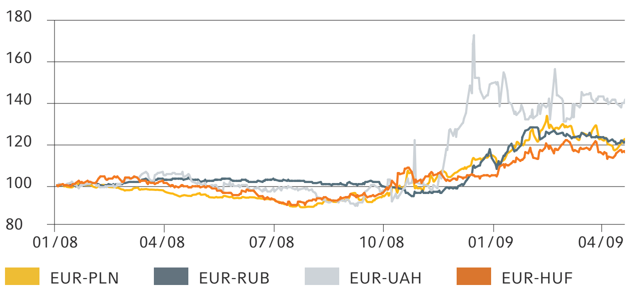
The impact of the financial crisis on the development of the national economies is varied; common to all countries is a deterioration in portfolio quality, a significant reduction in the supply of liquidity and the negative influence of parity between the national currency and the second currency in which many CEE loans are denominated.

To account for the increased risk we are taking measures to restructure the portfolios, including a reduction in volumes and a generally stricter approach to portfolio management and controlling. The processes will be adapted to Commerzbank standards and lending conditions were tightened. The EaD of €24bn in CEE declined €3bn compared with the end of 2008 mainly due to currency fluctuations and reduction measures while the risk density remained at the same level. At €170m the EL remains at a high level due to market conditions but by comparison accounts for only 9% of the Group’s EL. Our goal is to optimize the portfolio quality while taking risk/return aspects into account and to remain a sustainable lender, if also a more selective one, in terms of sector and customer type.

We are feeling the impact of the global financial crisis in particular in Ukraine and to a lesser extent in Russia, i.e. only a small percentage of our entire CEE portfolio: Bank Forum 7 %, CB Eurasija Moskau 10 %. In EU countries such as Poland, the Czech Republic, Slovakia and to a limited extent Hungary, we view the development in credit quality more positively.

Ukraine is suffering adverse effects from the sharp decline of the Ukrainian hryvnia against the US dollar, the preferred debt currency of corporate and retail borrowers for long-term investments. There are similarities here to the Asia crisis of 1997 in regard to the market’s weak supply of liquidity and the expected default level. Our loan book for Russia – wholesale and pre-export finance activities – shows high maturities in 2009 and the need to extend credit based on the measurable commodity collateral at prices which are expected to rise again. As a member of international consortiums we are required to stay in the market and to adapt the credit conditions in individual cases as necessary.

Currency rate development
in %

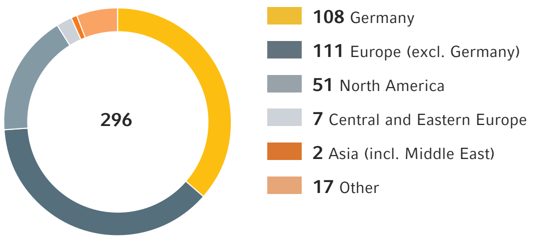


01.01.2008 = 100%

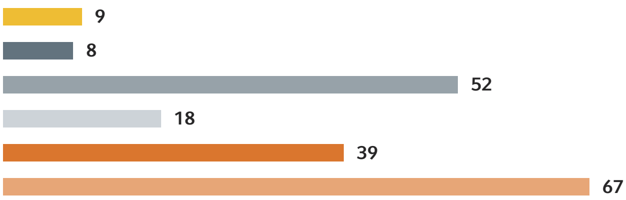
5. Corporates & Markets

The Corporates & Markets segment of Commerzbank comprises five business segments. Client Relationship Management serves high-volume multinational investment banking customers. Corporate Finance mainly covers leverage finance transactions, syndications and conduits. The Equity Markets and Commodities business segment combines the business with equity and commodity derivatives businesses. Fixed Income and Currencies comprises bond trading activities as well as interest, currency and credit derivatives (incl. ABSs and CDOs). Public Finance includes public finance and infrastructure financing, funded mainly by Pfandbrief issues. The Western Europe business segment, which was assigned to Corporates & Markets until the end of 2008 will now come under Mittelstandsbank.

Exposure at Default
in € bn

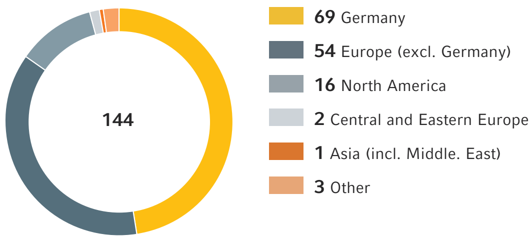


Risk density
in bp

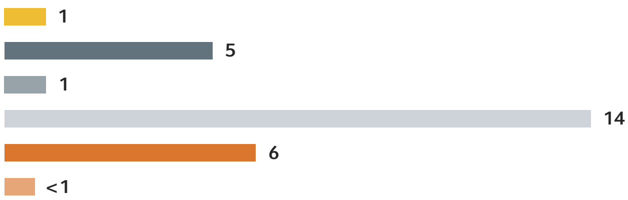


Corporates & Markets 20 bp

Exposure at Default
in € bn

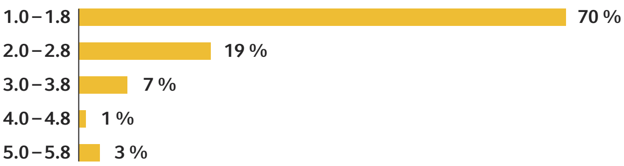


Risk density
in bp



Public Finance 3 bp

Rating breakdown



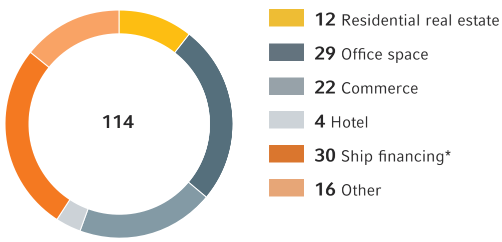
The EaD volume as of March 2009 was €296bn, with a risk density of 20 bp. The first quarter was shaped by the preparatory work for the integration of Dresdner Bank, particularly the preparations for data migration and the implementation of the new organizational structures. Extensive analyses were made to identify the critical portfolios in the new Commerzbank and the first risk-mitigating measures have already been taken.

In the Public Finance business segment the focus continues to be on reducing portfolio volume while protecting earnings, with the goal of minimizing potential negative changes in the revaluation reserve. In the first three months of the year the EaD declined from €156bn to €144bn. Overall we are aiming for a reduction to €100bn.

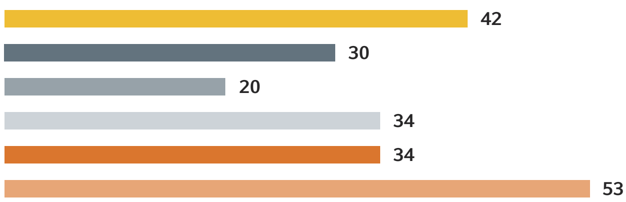
For the remaining Corporates & Markets segment the EaD fell to €152bn as a result of the reduction in trading exposure.

6. Commercial Real Estate

Exposure at Default
in € bn

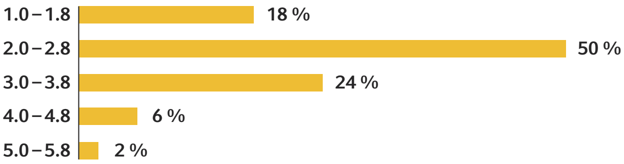


Risk density
in bp



Commercial Real Estate 34 bp
*incl. €5bn bank and public sector financing of Dt. Schiffsbank

Rating breakdown

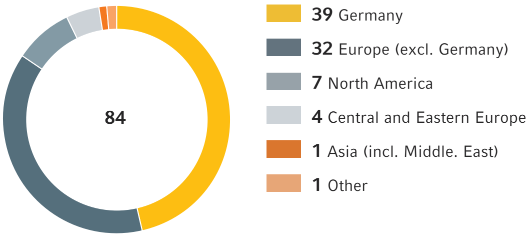


a) Commercial Real Estate (CRE)

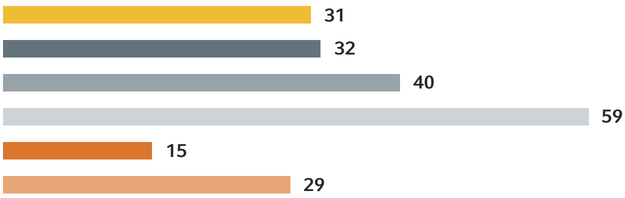
The EaD for commercial real estate financing, with Eurohypo as the main lender, was €84bn as of the reporting date.

The ongoing global economic and financial crisis continues to affect the national and international real estate markets and an improvement in market conditions is not expected this year. At the start of 2009 investment activity remained very modest across the board and virtually came to a standstill. The current high risk awareness and the still limited availability of credit require a selective, carefully calculated lending approach. The ongoing difference between the price expectations of potential buyers and those of sellers is also adversely impacting portfolio transactions. The volume of new commitments for commercial real estate financing in the first quarter was only €0.2bn, down significantly from March 2008 (€5bn). This drop in volume is the result of the critical market situation and the bank's restrictive lending approach, which concentrated on a few selected transactions.

Exposure at Default
in € bn



Risk density
in bp



Commercial Real Estate 34 bp

The core of our strategic orientation is exclusively the acquisition of new business in newly defined domestic and foreign target markets with an emphasis on creating value and taking adequate account of risks. It was for this purpose that the Board of Managing Directors of Eurohypo introduced the "Focus" project at the end of 2008 with the aim of repositioning the real estate business and redefining its strategic orientation. In the meantime the concept phase of the project has been completed and the preparatory work for implementing the adjusted business model is proceeding according to plan.

The current modestly available business opportunities – as far as our core portfolios are concerned – are only being used selectively and on the whole show a more advantageous risk/return profile than one year ago. For each transaction (new or existing business) a "look-through" approach is being systematically applied, regardless of product type, region and/or asset class. A perceptible short-term improvement in the liquidity of the securitization markets is not anticipated during the course of this year.

The investment grade share in the reduced performing portfolio (./. €0.6bn) remains nearly unchanged and is still at 89 %. However, the continuing weakness of the "hot spot markets" US, UK, Spain and Italy is leading to a further contraction in the investment grade share to 87 % (US), 83 % (UK), 81 % (Spain) and 83 % (Italy).

Due to market conditions further significant inflows to the default portfolio were recorded. We are working resolutely under uniform Group management and direction to substantially reduce the risks.

The difficult capital market environment and the sharpening downturn in the user markets continues to negatively impact price movements. Declining market values can be seen in all markets to varying extents (both in established and emerging markets) and will persist in the coming 12 months. While the potential for further setbacks is gradually decreasing as a result of the significant write-downs already made, particularly in the UK, substantial impairment losses are expected in the coming 12 months, especially for the highly cyclical Asian markets. Given the economic developments in our domestic market and the significant reduction in investment activity we view the outlook for Germany a similarly critical. The ongoing erosion of market values continues to be a fundamental driver of the noticeable rise in risk density.

Changes in market values:

12 months review		12 months outlook
	>=25 %	
	20 %	
	15 %	
	10 %	
	5 %	
TR	0 %	
BE BR HU IT NL PT	−5 %	BE CZ DE HU IT NL PL PT UK
CZ DE DK FR HK MX PL SG	−10 %	BR DK FR MX TR US
	−15 %	ESP RUS
ESP JPN RUS SE US	−20 %	JPN SE
UK	<=−20 %	HK SG

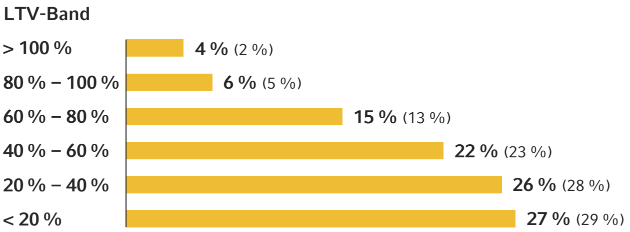
We are submitting all regional sub-portfolios to quarterly scenario analysis for risk density, based on expected rating migration and market value forecasts for specific uses. The current developments in the market pose significant challenges for us as property lenders. We are countering these developments with much stricter lending standards, both for new business and for external renewals.

Against this market backdrop, we are focusing primarily on portfolio management. Depending on the legal situation in the various jurisdictions, we are taking every available opportunity (maturities or covenant testing) to restructure and improve the risk/return ratio of our portfolios. This has enabled us to create substantial improvements in our risk position for a range of exposures.

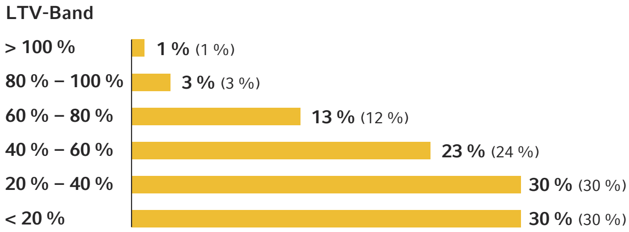
The loans in our portfolio that are secured by a property charge or mortgage still show resilient loan-to-value ratios (LTVs). Despite this, further declines in market values resulted in higher expiries in our existing portfolio during the first quarter of 2009 as well. 75 % of all real estate appraisals of our portfolio are less than 12 months old. In the foreign portfolio the percentage is 87 %.

In the United States, for example, LTVs in secured lending business are largely moderate, but no more than 75 %. In the UK and Spain and our core business in Germany, LTVs mostly range between 65 % and 75 %.

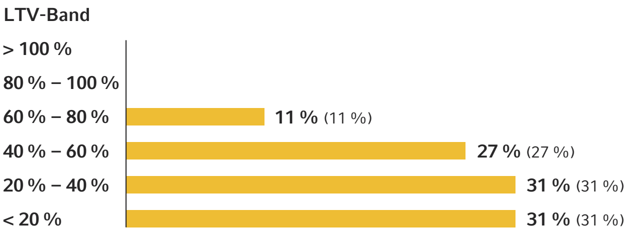
Loan to Value – UK [1), 2), 3)]
stratified representation



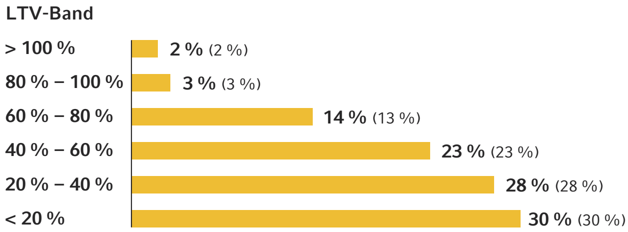
Loan to Value – Spain [1), 2), 3)]
stratified representation



Loan to Value – USA [1), 2), 3)]
stratified representation



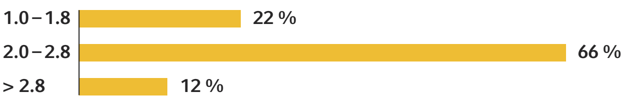
Loan to Value – CRE total [1), 2), 3)]
stratified representation



Values in parentheses: December 2008
[1)] LTVs based on market values
[2)] Excl. margin lines and corporate loans
[3)] Additional collateral not taken into account

The volume of corporate loans in the CRE segment – the unsecured loans (i.e. without mortgages) that are extended on large real estate portfolios (e.g. REITS, funds, etc.) against financial covenants or pledged shares – was €4.1bn as of the reporting date (December 2008: €4.2bn). The United States accounts for €2.5bn (primarily REITs), while the UK accounts for €0.6bn and Spain for €0.3bn. All corporate loans were classified as "out of policy" in the middle of last year, and the portfolio is being managed down gradually.

Rating breakdown of Commercial Real Estate corporate loans (performing loans only)

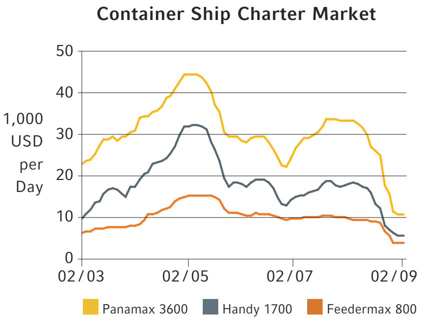


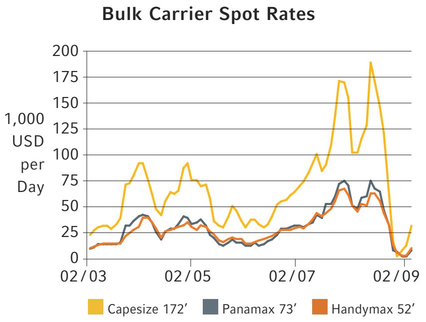
b) Shipping

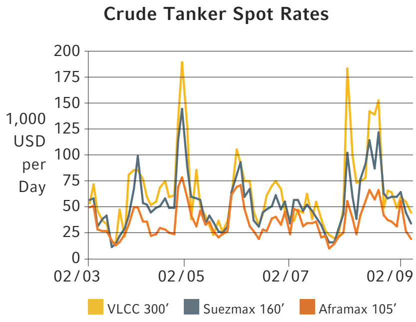
The global economy is in deep crisis, with recession spreading throughout all the major economies and a noticeable reduction in economic growth in the emerging markets.

The sharp drop in consumer and commodity demand, the stockpiling of commodities, the knock-on effects of the financial crisis and – from today's perspective – an excessive volume of new builds, some of which will soon be ready for delivery, are having a noticeable detrimental effect on the shipping markets and producing overcapacities and an increased number of idle ships. This has been accompanied by a sharp fall in freight/charter rates and a drop in ship values, especially in the case of so-called standard tonnage carriers (container ships, bulk goods carriers and now also tankers).

Performance of short-term charter rates (spot rate)

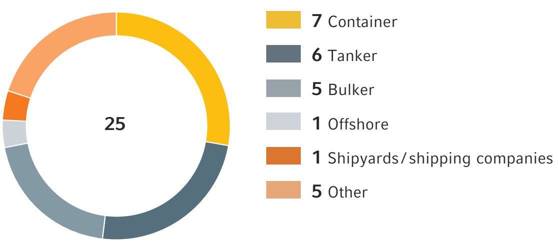




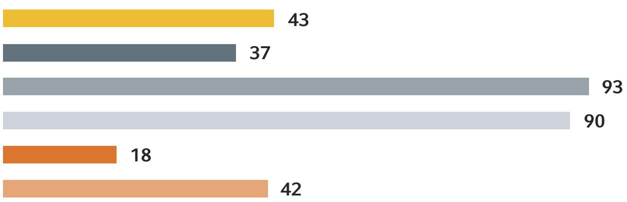


The latest developments in the market pose significant challenges for us as one of the leading shipping finance banks. We are countering these developments with much stricter lending standards, both for new business and for external renewals. Against this background of market developments, we are focusing primarily on portfolio management; depending on the legal situation in the various jurisdictions, we are taking every available opportunity (maturities or covenant testing) to restructure and to improve the risk/return ratio in our portfolios. This has enabled us to create substantial improvements in our risk position for a range of exposures.

Exposure at Default
in € bn



Risk density
in bp



Shipping 53 bp

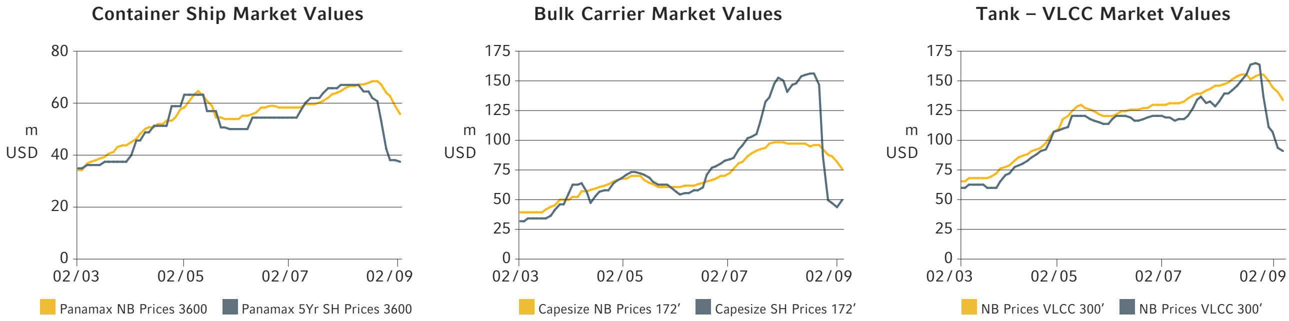
Even distribution to a large extent among the standard asset classes, principally with reference to container ships (29 %), tankers (25 %) and bulkers (21 %), the result primarily of the merger of the portfolios (DSB is strong on the tanker market, while CB/DB focuses on the container market).

35 % of the working fleet are on long-term assignments of more than 3 years. Pooling, company use and short-term charters of less then 3 years are not taken into account. Around 25 % of the overall portfolio constitutes construction financing, of which some 51 % of new builds with delivery dates up to 2011 have no or only short-term assignments (high risk).

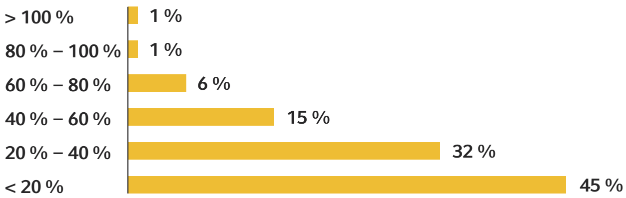
The investment grade share in the performing portfolio fell noticeably during the year to its current rate of 51 % of EaD as per the PD rating.

The volume of the account managed in the intensive care area was €481m as at March 2009. In the default portfolio we are working systematically to reduce risks under uniform Group management and direction. In line with the market situation, the exit pipelines are largely exploited.

Changes in market values



Loan to Value (stratified)



Market values are continuing to fall, driven by rising capacities and an increasing decline in earnings. The large falls in market value already seen over the past 12 months will continue in 2009 and are the main reason for the sharp rise in risk densities.

7. Charges against earnings

As expected, the profound deterioration in the economic environment and the still-tense situation in the financial markets resulted in significant charges against earnings in the first quarter of 2009. As the following table shows, these charges total €2.02bn, while the revaluation reserve fell to €0.63bn.

in € bn	Dec 2008	Q1 2009
LaR credit risk provision	3.6	0.84
Impairments AfS / Defaults trading book	4.3	0.70
CDA charges		
Monoliner	1.2	0.53
CDPD	0.3	0.03
Other	0.2	–0.09
Charges against earnings, total	**9.6**	**2.02**
Revaluation reserve	4.6	0.63
Charges against risk capital total	**14.2**	**2.65**

a) LaR credit risk provisions

Group net credit risk provisions amounted to €844m, of which €319m related to the integration of the Dresdner Bank portfolios.

Group net risk provisions contain unwinding effects of €38m, principally in the CRE segment.

The distribution of the risk provisions among segments is as follows:

in € m	Q1 2008	Q2 2008	Q3 2008	Q4 2008	2008 total	Q1 2009	2009 total
Private Customers	45	55	57	55	212	65	65
Mittelstandsbank	10	34	88	424	555	90	90
Central and Eastern Europe	17	25	71	76	189	173	173
Corporates & Markets	65	63	547	1,241	1,916	327	327
Commercial Real Estate	62	309	103	192	666	189	189
Other	–7	2	31	–12	14		
Group	**191**	**488**	**898**	**1,976**	**3,553**	**844**	**844**

In the Private Customers segment the economic downturn in Germany produced no noticeable rise in risk provisions in the first quarter of 2009 due to the lag effects typical for retail portfolios. Only the decline in amounts recovered on written-down assets in Dresdner Bank's books (which has already been factored into planning) led to a slight increase in risk provisions. We expect to see the first effects over the course of the year, primarily on corporate financing and consumer credit, while the negative impact on private real estate financing will essentially be limited to an increase in EL.

Compared with the very good first quarter of 2008, the risk provisions of the Mittelstandbank segment rose sharply in the first three months of 2009. As expected, the difficult economic environment is leading to an increased number of insolvencies and to ensuing cases of restructuring and liquidation. Although the result is far below that of Q4 2008, which was affected by one bulk risk, we see no sign of easing for this segment. We expect a much higher risk provision for 2009 compared with the previous year.

The markets in Central and Eastern Europe are being hit particularly hard by the financial crisis, as reflected in a much worse risk result for the Central and Eastern Europe segment than in the same quarter of the previous year. Firstly, there was an increased number of defaults resulting from currency depreciation as well as granular business, and, in addition, there was the one-off effect of a single case of €54m (Russia). Overall, we expect risk provisions to be well in excess of the year-earlier level.

The financial crisis resulted in considerable charges in the Corporates & Markets segment in the final two quarters of 2008. Risk provisions were affected by a few major concentrations of risk in the first quarter of 2009 as well, which primarily hit the Dresdner Bank portfolio, although these by no means matched the levels reached in the fourth quarter. For the year as a whole, we expect the charges to be lower than in 2008, as we foresee no further defaults by major financial borrowers of the kind that impacted the previous year's first-quarter result.

Risk provisions in the CRE portfolio were again affected by concentrations of risk overseas (US, Spain). The quarterly result is thus at the same level as it was in the fourth quarter of 2008. For the first time this figure includes charges from the shipping portfolio. We assume that the continuing difficult real estate market conditions, particularly for the foreign portfolios, will result in further charges against the segment results. Moreover, net risk provisions will increase as a result of the consolidation of the shipping portfolios. As things stand at the moment, the segment risk result will be higher than the 2008 value.

Against the backdrop of the large structural shifts between segments, we expect overall credit risk provisions for 2009 to be at the level of the consolidated individual results for Commerzbank and Dresdner Bank for 2008.

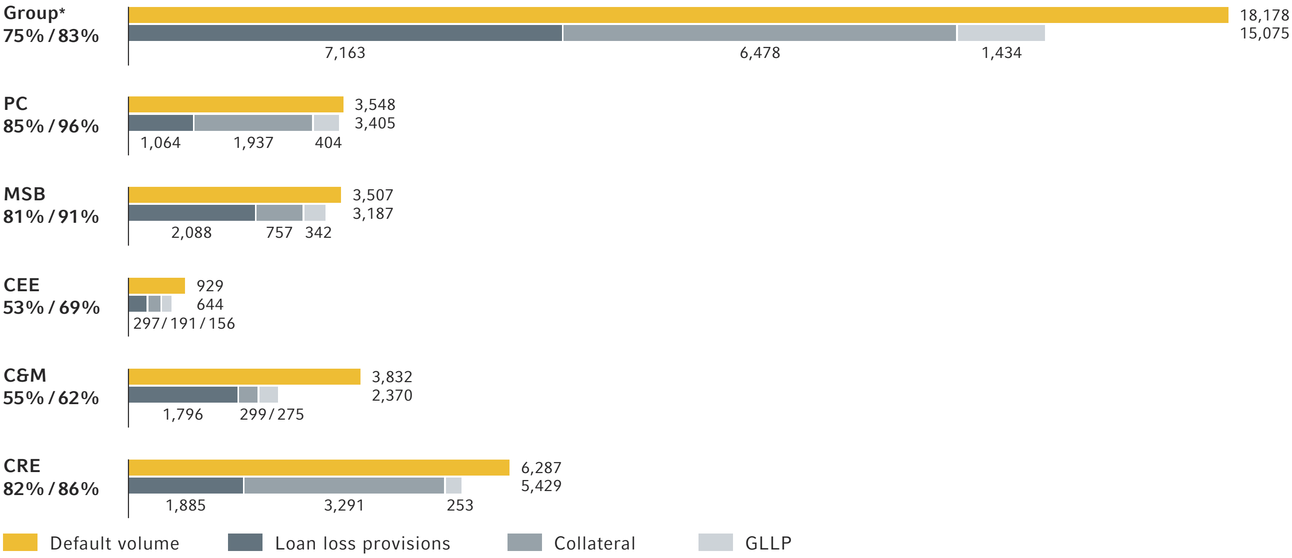
The trend towards increased charges for risk concentrations, already discernible in 2008, continued in the first quarter of 2009:

Year	Individual cases < €10m	≥ €10m < €20m		≥ €20m < €50m		≥ €50m		Individual cases ≥ €10m in total		Net RP total in € m
	Net RP in € m	Net RP in € m	Number of commitments	Net RP in € m	Number of commitments	Net RP in € m	Number of commitments	Net RP in € m	Number of commitments	
2008	**1,091**	326	28	412	14	1,724	11	**2,462**	**53**	**3,553**
1st quarter 2009	**196**	104	8	180	5	364	4	**648**	**17**	**844**

In total, more than three-quarters of net risk provisions relate to exposures with specific provision requirements of > €10m, while a charge against earnings of €364m resulted from just four individual cases in the CEE, C&M and CRE segments. We predict that risk provisions in 2009 will similarly be affected by large individual cases.

Following the integration of Dresdner Bank, the Group default portfolio at the end of the quarter amounted to €18.2bn. The breakdown by segment is as follows:

Performance of default portfolio
(€ m) – excl. / incl. GLLP



*incl. Other and Consolidation

The increase in default volume in the Private Customers segment can be explained exclusively by the first-time inclusion of Dresdner Bank. The impact of the worsening economic conditions is emerging with a lag, which means that we only expect a very moderate increase in volume in 2009.

In the Mittelstandbank the bulk of the increase is also attributable to the integration. As in the fourth quarter of 2008, however, there has also been an increased number of new cases resulting from the economic crisis. We are countering the increased inflow with forward-looking loan workout concepts and by processing as efficiently as possible. In the current environment, customized, case-specific solutions are a key success factor. Over the course of the year, we expect to see a noticeable increase in the segment default portfolio.

The increase in volume in the Central and Eastern Europe segment is affected by one large single case (Russia). The increased inflow from granular business was partly compensated for by the countervailing currency depreciations. Overall, however, we expect to see a significant increase in this segment in 2009.

The Corporates & Markets default portfolio is affected by the integration of Dresdner Bank, which accounts for more than €3bn. In the first quarter developments in this segment were shaped by large individual cases, primarily from the Dresdner Bank portfolio. As the situation stands at the moment, the difficult conditions on the national and international market will also have a negative impact on the performance of the default portfolio in the coming quarters.

In our view, the CRE segment is in a similar situation. At present, there is still no sign of easing on the real estate markets. The continued slide in market values has largely eaten up the equity buffer, which not only increases the number of new defaults but also makes it harder to realise properties. Furthermore, the first-time consolidation of Deutsche Schiffsbank has increased volume in the CRE segment in the first quarter.

b) Available for Sale (AfS) & Trading Book (HfT) Impairments

Charges against net investment income of €256m and charges against trading results of €913m (including CDA) from AfS and HfT positions were made in the first quarter. The amounts relate exclusively to the ABS book, driven by the Dresdner Bank portfolios. Compared with the extremely difficult fourth quarter of 2008, the charges, although still considerable, have nevertheless decreased significantly. We assume that the losses from the ABS books peaked in 2008. Given the lack of market liquidity, the net present value (NPV) is often higher than the market price achieved. Forced sales would therefore lead to value destruction in the current environment, which is why we are taking a cautious approach to reducing our portfolio and always base any such decisions on the NPV.

in € m	2008	1st quarter 2009
AfS	1,223	256
HfT	4,797	913
Total (incl. CDA)	**6,020**	**1,169**

More details on the ABS and Financial Institutions portfolios can be found in section IV.

c) Counterparty default adjustments (CDAs)

When the counterparty defaults, replacement costs are incurred for derivative and repo positions that have a positive market value after offsetting and collateral agreements are taken into account. These potential replacement costs must be factored in when determining the fair value of trading positions. Dresdner Bank makes counterparty default adjustments (CDAs) for this purpose. The CDAs corresponds to the fair value of the counterparty risk entered into by both contracting parties. Changes in CDAs are recognized in profit or loss under trading results. The main drivers of the CDAs are the amount of the potential replacement costs and the probability of default of the relevant counterparty.

In the first quarter of 2009 the volume of counterparty default adjustments rose significantly from €1,811m as at December 31, 2008 to €2,283m of as of March 31, 2009. This was primarily due to write-downs on asset positions that were hedged by the Bank with credit default swaps. 90 % of CDAs were attributable to monoline insurers and credit derivative product companies (CDPCs); the old Commerzbank did not, however, hedge any positions with monoliners and CDPCs in the ABS area.

in € m	Dec 2008			Mar 2009		
	Market value	CDA	CDA Ratio	Market value	CDA	CDA Ratio
Monoliner	2,561	1,224	48 %	3,318	1,750	53 %
CDPC	642	326	51 %	615	357	58 %
Other	23,385	261	1 %	20,765	176	1 %
Total	**26,588**	**1,811**	**7 %**	**24,698**	**2,283**	**9 %**

8. Country risk management

When calculating country risk, Commerzbank measures both transfer risks and the region-specific event risks determined by politics and economics that affect a country's individual economic assets.

Country risk management includes all the decisions, measures and processes that – drawing upon the information provided by risk quantification – aim at influencing the country portfolio structure with a view to achieving business and return targets.

With the consolidation of the Dresdner Bank portfolio (provisionally excluding Schiffsbank) the limit countries were reviewed and reorganized. The limit countries portfolio remains clearly orientated towards Europe and the Mittelstandsbank segment. The risks of the current difficult market environment were countered by means of a deliberately selective approach in the countries hardest hit by the financial crisis.

Exposure to emerging markets countries (country rating ≥ 2.0) by segment:

Business segment NC	Exposure at Default (in € bn)	Risk density (in bp)	Expected Loss (in € m)	Loss at Default (in € bn)
	31.03.2009	31.03.2009	31.03.2009	31.03.2009
Mittelstandsbank	17.7	39	68.9	5.2
Central and Eastern Europe	4.7	142	67.0	2.4
Corporates & Markets	11.3	28	31.9	3.3
Commercial Real Estate	6.0	49	29.5	2.4
Group (segments managed in country risk management)	**39.7**	**50**	**197.3**	**13.3**

Most emerging market economies are now in a deep recession. While exports served to boost the economy in earlier crises, this time round foreign sales have also fallen sharply as a result of the weak demand in the industrialized countries. While the situation in the international financial markets has eased somewhat since mid-February, companies and banks in emerging markets are still unable to raise sufficient amounts of foreign currency, with local banks being also less willing to grant credit. Loan defaults (chain insolvencies) are to be expected among companies and banks, in particular, but also, in some cases, among private households, whereas we consider sovereign defaults unlikely. Firstly, government debt in most countries is low. Moreover, the IMF and other international organizations make finance available in emergencies. In addition to the impact of the international financial crisis, a number of emerging markets are suffering as a result of the speculative bubbles on the local real estate markets bursting and the drop in commodity prices.

Performance by emerging markets countries (country rating ≥ 2.0) by region:

Regions NC	Exposure at Default (in € bn)	Risk density (in bp)	Expected Loss (in € m)	Loss at Default (in € bn)
	31.03.2009	31.03.2009	31.03.2009	31.03.2009
Europa (including Turkey)	23.2	59	136.3	8.2
Asia (including Middle East)	10.6	35	37.1	3.3
Africa	2.5	65	16.2	0.8
Central / South America	3.4	22	7.7	1.0
Emerging Markets, total	**39.7**	**50**	**197.3**	**13.3**

III. Market and liquidity risk

1. Market risk

Market price risk includes the risk of losses due to changes in market prices (interest rates, commodities, spreads, exchange rates, share prices, etc.) or in parameters that affect prices such as volatility and correlations. We also monitor market liquidity risk, which measures the time it takes to close or hedge risk positions to the extent desired.

Market price risks – measured on the basis of the value at risk – remained at a comparatively high level in the first quarter of 2009 due to the continued high volatility in financial markets in the wake of the financial crisis and the global recession. The situation is still characterized by high risk premiums, very wide bid/offer spreads and sharp distortions between the derivative and spot markets, particularly in the bond and credit derivative market.

Based on knowledge gained from the financial crisis, the market risk model was adapted with a view to the risks from ABS positions and structured credit derivatives This model change caused the value-at-risk figures to rise in both the trading book and the bank book.

Market risk was reported on a consolidated basis for Commerzbank and Dresdner Bank for the first time on March 31, 2009. Monitoring will occur daily by means of value at risk and stress test limits. The credit spread and interest rate risks are also subject to monitoring and sensitivity limits.

Market risk in the trading book

For the purposes of regulatory reporting we calculate a value at risk (VaR) with a confidence level of 99 % and a holding period of ten days for the trading books.

The VaR in Commerzbank's trading book as at March 31, 2009 is dominated in particular by credit spread risks (see table). The main reasons for the increase in credit spread risks in the first quarter of 2009 were widening spreads (not least among monoline insurers) but also in particular the model adjustment indicated above. The aim is to systematically reduce risk, a task which has become significantly more difficult in the current market environment due to the high risk premiums and lack of liquidity in the markets.

In the case of the other asset classes (interest rates, equities, foreign currencies), consolidating Commerzbank and Dresdner Bank's positions led to substantial portfolio effects.

The equity and interest rate risks in the Commerzbank trading book will be reduced in 2009 by a gradual de-risking of existing exposures in interest rate and equity derivatives trading.

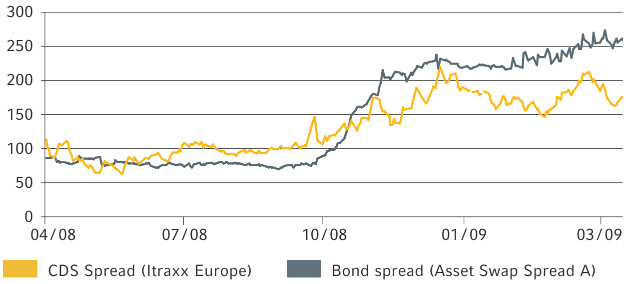
VaR contribution by risk type

in € m	31.03.2009	31.12.2008	
	Commerz-bank (new)	Commerz-bank (old)	Dresdner Bank
Credit spreads	120.8	20.1	33.4
Interest Rate	48.2	32.6	35.3
Equity	36.7	35.5	25.0
FX	11.3	7.1	12.5
Commodities	8.6	1.0	0.9
Total	**225.7**	**96.3**	**107.1**

As an additional consequence of the difficult situation in the financial markets, mark-to-market valuation methods can only be used to a limited extent, which is why mark-to-model approaches are used here for measuring the risk exposures. Value adjustments on ABS and other credit spread risk exposures had a particularly negative effect in the first quarter.

Market risk in the banking book

Spreads (Eurozone)



By far the largest share of Commerzbank's market risk exposures is in the banking books. The key drivers are the positions of the Eurohypo and EEPK subsidiaries in Public Finance, the Treasury portfolios and the equity investments portfolio.

The reduction in the Public Finance portfolio will be systematically continued as part of the de-risking strategy to a nominal volume of around €100bn by the end of 2010.

The risk in the investment portfolio remained largely stable. The impact of the high market volatility was offset by existing hedge positions and further sales.

Credit spread sensitivities
(downshift 1 bp) | in € m

The graph shown here documents the development of credit spread sensitivities for Commerzbank up to and including the first quarter of 2009. The credit spread sensitivities are dominated by the banking books, in particular Public Finance. The decline in the first quarter of 2009 is attributable not only to the reduction measures but also to the narrowing credit spreads since the end of the year.

2. Liquidity risk

Liquidity risk in a narrower sense is the risk that Commerzbank will be unable to meet its current and future payment obligations as and when they fall due. In the wider sense it includes the risk that in the event of a liquidity crisis funds can only be borrowed at very high market rates (refinancing risk) or that assets can only be liquidated at a discount to market rates (market liquidity risk) and the risk of limited access to funding sources such as the capital market, money market and deposits. The liquidity risk is shown in quantitative terms but is not underpinned by capital either for regulatory purposes or internally.

Ensuring the Commerzbank Group's ability to meet its payment obligations is monitored on the basis of two interlinked concepts:

- The Available Net Liquidity concept (up to one year, quantification using available net liquidity – ANL)
- The stable funding concept (> 1 year, quantification using the stable funding ratio)

The basis for liquidity management and reporting to the Board of Managing Directors is Commerzbank's internal liquidity risk model. With the internally developed liquidity risk measurement approach, available net liquidity (ANL) for the next twelve months is calculated on the basis of contractual and economic cash flows and compared with liquid assets. The results are then used to produce forecasts for trends in liquidity at various aggregation levels such as currencies, products or business units.

One important component of the internal liquidity risk model is stress testing, which shows the impact of unplanned developments on the liquidity situation and also provides information on possible countermeasures for contingency planning. The stress scenarios apply to both bank-specific and market-specific crises and account for the impact of a rating downgrade, the withdrawal of customer deposits or lower liquidity of assets. Outflows of liquidity as a result of contingent liabilities are also taken into account, such as increased drawing of agreed credit lines or claims under guarantees. In particular it anticipates impending illiquidity in the money, capital and repo markets. During the current crisis in particular the internal liquidity risk model has proven to be a risk-sensitive and reliable tool for monitoring and managing liquidity.

Commerzbank's liquidity and solvency were adequate at all times during the period under review – even under the assumptions of the stress scenarios – and the regulatory provisions of the Liquidity Regulation were observed.

Liquidity management is the responsibility of Group Treasury (ZGT), and the setting and monitoring of risk limits, the validation of applied procedures and reporting are managed functionally and organizationally by the Market & OpRisk (ZMO) unit, separate from ZGT, within the risk function. Setting ANL, as well as the currency limits for individual units and for the entire Commerzbank Group, prevents liquidity risks from being entered into over a period of up to one year that cannot be closed out in good time. The strategic decisions on liquidity risk are made in close cooperation with the market side in the Asset Liability Committee and on the back-office side in the Market Risk Committee. This includes, for example, the annual review of the Liquidity Risk Manuals, which sets out the principles of liquidity management and liquidity risk limits (including an escalation process when a limit is exceeded) and a contingency plan.

The banks' ability to gain access to funding in the money and capital markets following the financial crisis was additionally reduced by the insolvency of the investment bank Lehman Brothers and did not significantly improve during the first few months of 2009. Although the central banks succeeded in providing the market with sufficient money market liquidity through their accommodative monetary policy, they were not yet able to bring about a normalization in interbank trading and in capital market dealings. Commerzbank improved its liquidity profile, keeping it within the liquidity limits by means of measures such as the additional acquisition of customer deposits and an issue of a state-guaranteed bond for €5bn.

The liquidity risks from Dresdner Bank's business volume were transferred to the Commerzbank liquidity model in an initial step at the end of the first quarter of 2009. As a result a consolidated view of the liquidity risk including Dresdner Bank exposures is already available for liquidity monitoring and management. This tactical solution, which is partially subject to limitations, will be gradually replaced by the strategic migration of the transactions into Commerzbank's front-office and booking systems. In this process the existing model parameters will be validated and adjusted as necessary in the context of the new Commerzbank business model.

The Commerzbank Group's short-term and medium-term funding relies on an appropriately broad diversification in terms of investor groups, regions and products. Liquidity management regularly analyses the structure of the various sources of funding for our liabilities in order to be in a position to actively manage the funding profile.

Long-term funding is mainly secured by means of structured and non-structured capital market products that may or may not be collateralized, as well as customer deposits. The basis for planning issues in the capital markets is provided by the results of the calculations of our stable funding concept. 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). The aim is to finance the Bank's illiquid assets and core business in terms of volume and maturity as far as possible with long-term liabilities.

IV. Special portfolios with special risk content

1. Asset-backed securities (ABS)

Following the takeover of Dresdner Bank the volume of ABS exposures has risen significantly. Due to the focus of DKIB's business activities on the structuring, arranging and proprietary trading of complex transactions, the fair value of these instruments in this segment rose versus December 12, 2008, on a pro-forma basis from €12.5bn (incl. conduits) for the old Commerzbank to €41.5bn for the new Commerzbank.

In the first quarter of the current financial year the following charges resulted on an aggregated basis: P&L charges from fair value remeasurement and from impairments in the amount of €1.2bn and charges to the revaluation reserve for not-yet-impaired positions in the banking book in the amount of €0.2bn. Key drivers here were US CDOs of ABS and US non-prime RMBS from the unhedged and the monoline-hedged ABS holdings.

The 2009 financial year will bring further high charges in Commerzbank's ABS portfolio as the very poor performance of US non-prime RMBSs and US CDOs of ABS has spread to other asset classes such as CMBSs, RMBSs and CDO Corporates due to the worsening recession in the US and the major European economies. The crisis will no longer be confined to the financial markets but will have an increasing impact on the real economy.

The ongoing tight liquidity situation in the secondary markets for ABS is presenting great challenges to our planned €29.5bn reduction of those ABS portfolios identified as critical (critical within this context means that we expect further losses in market value or – in the case of conduit investments, which have yet to post a loss – we cannot exclude the possibility of losses as time goes by). Given this environment we do not expect a quick reduction of this exposure in 2009.

in € bn	Dec 2008		Mar 2009	
	Nominal	Market values	Nominal	Market values
Secondary market ABS	23.9	17.3	22.4	15.0
thereof critical portfolios	18.0	11.5	16.4	9.2
thereof government guaranteed	5.9	5.8	6.0	5.8
Conduits	11.1	11.1	10.6	10.6
thereof critical conduits	4.7	4.7	4.5	4.5
thereof other conduits	6.4	6.4	6.1	6.1
ABS hedge book	13.7	10.3	14.7	11.2
SIV – K2	4.7	4.7	3.2	3.2
CIRC	1.1	1.2	0.8	0.9
Other	0.2	0.2	0.6	0.6
New Commerzbank	**54.7**	**44.8**	**52.4**	**41.5**
thereof critical portfolios	**42.4**	**32.6**	**40.3**	**29.5**
therof other ABS positions	**12.3**	**12.2**	**12.1**	**12.0**

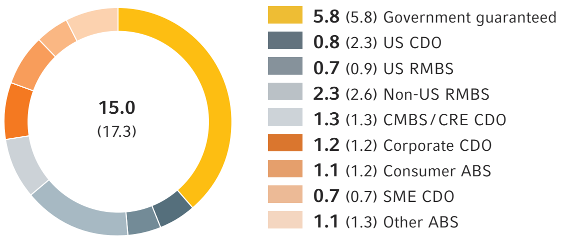
The rating structures for the individual sub-portfolios listed in this section of the risk report are based on the ratings valid as at March 31, 2009; they also represent the ratings relevant for Basel II.

a) Secondary market ABS
These are investments in ABS securities that were made by Commerzbank as part of its replacement credit business or in its function as arranger and market maker in these products. Of a total of €15.0bn, €10.3bn of these positions are allocated to the banking book. As a result of DKIB's focus on investment banking, however, the remaining €4.7bn are attributable to the trading book. Within the secondary market ABS, government-guaranteed paper represents the largest share with €5.8bn, of which about €4.2bn are attributable to US government guaranteed student loans. The bulk of the remaining exposure is from ABS tranches guaranteed by the European Investment Bank (EIB) which are based on portfolios of loans to SMEs. Guarantors in this case are European countries and the European Investment Bank (EIB).

US CDOs of ABS and US RMBSs, the latter of which include both prime and non-prime RMBSs, will also have a negative impact in 2009 as on the one hand a slowdown in the growth of past due mortgage loans is evident, and on the other hand a very high number of foreclosures of US real estate are still taking place. Both these enforcement measures and the rising unemployment rate in the US will continue to lead to declining house prices in the US in the short term.

In the first quarter of the current financial year the following charges resulted on an aggregated basis for the ABS secondary market: P&L charges from fair value remeasurement and from impairments in the amount of €0.6bn and charges to the revaluation reserve for not-yet-impaired positions in the banking book in the amount of €0.2bn. Key drivers were US RMBSs, US CDOs of ABS, CDOs of corporates, CMBS/CRE CDOs and non-US RMBSs.

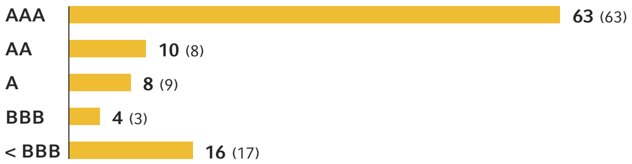
Portfolio breakdown of secondary market ABS
underlying assets by product, market value in € bn



Values in parentheses: December 2008

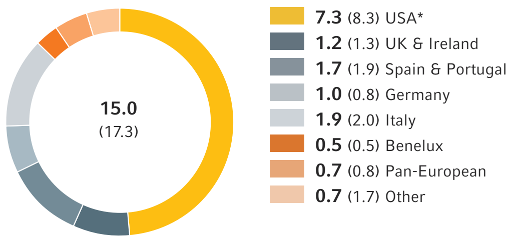
The substantial decline in US CDOs of ABS is due to the sale of positions to Allianz SE effective as from the beginning of the year with a nominal volume of €2.0bn and a market value of €1.6bn as at December 31, 2008.

Rating breakdown for secondary market ABS (trading and banking book)
Based on market values | in %



Values in parentheses: December 2008

Breakdown of underlying assets by region
Market values in € bn



Values in parentheses: December 2008
* mainly government-guaranteed

Detailed overview of US non-prime portfolio

This sub-segment includes US non-prime RMBSs and US CDOs of ABS, whose portfolios are made up of tranches of US non-prime RMBS securitizations. A high percentage of the positions are written down, although further value adjustments in the current financial year are to be expected. For some of the transactions we currently receive ongoing repayments due to the seniority of our investments in the waterfall, but the future amount of these repayments depends on the continued performance of the critical US non-prime RMBS sector.

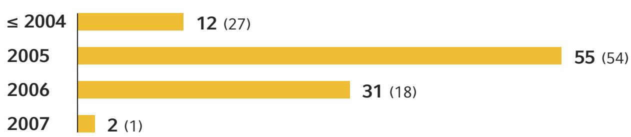
The losses in the US non-prime RMBS portfolios so far, particularly the critical 2006 and 2007 vintages, are already on average far above the level of the accumulated overall losses of earlier vintages. Assuming that the delinquencies for these vintages rise on average on a cumulative basis to more than 40 % per portfolio and the loss severity is now more than 60 % due to severe market price erosion in real estate in the meantime, the total default rate for most portfolios must be estimated at 25 % or more. This is equivalent to a total loss of capital for all RMBS tranches rated AA or lower and a total loss of capital for mezzanine CDOs, including their AAA tranches (the ratings are always based on the original ratings at the time the transactions were issued). Fair values for these positions are determined only by the interest payments which are still expected.

In the first quarter of the current financial year the following effects resulted: P&L charges from fair value remeasurement and from impairments in the amount of €0.3bn, and an offsetting positive change in the revaluation reserve for not-yet-impaired positions in the banking book in the amount of €0.1bn.

Non-prime CDO portfolio All positions in this sub-segment which were not assigned highest seniority in the waterfall of their respective transaction structure have in the meantime been almost completely written down. In light of the previous comments on the US non-prime RMBSs this is because CDOs are securitizations of securitizations (“two-storey structures”), the majority of which have US non-prime RMBS tranches as their underlying assets and consequently have an even higher leverage. As previously detailed, we only currently receive exposure reductions from ongoing repayments for investments which have highest seniority in their respective waterfall structure.

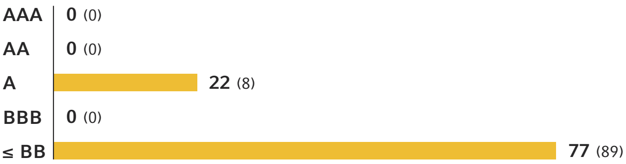
In the first quarter of the current financial year the following charges resulted on an aggregated basis: P&L charges from fair value remeasurement and from impairments in the amount of €0.2bn. The revaluation reserve remained virtually unchanged with a reduction of merely €1 m.

Vintages
Based on market values | in %



Values in parentheses: December 2008

Rating structure
Based on market values, underlying RMBS | in %



Values in parentheses: December 2008

Rating structure
Based on market values | in %

Values in parentheses: December 2008

The large decline in US CDOs of ABS is due to a sale of positions to Allianz SE that took place at the beginning of the year with a nominal volume of €2.0bn and a market value of €1.6bn as at December 31, 2008.

Non-prime RMBS portfolio As described previously, on the one hand a slowdown in the growth of past due loans can be seen, and on the other hand there is still a substantial number of foreclosures taking place in US real estate. These enforcement measures are leading to increasing accumulated losses in the RMBS portfolios and in turn to write-downs on RMBS securities held by Commerzbank. The performance of these transactions is also being hampered by the historical low in loan prepayments, which prior to the crisis had climbed to unprecedented heights fuelled by a combination of rising real estate prices and low interest rates. This development is explained by the fact that the chances of refinancing even a properly served mortgage loan in the US market are virtually non-existent at the moment.

In the first quarter of the current financial year the following charges resulted on an aggregated basis: P&L charges from fair value remeasurement and from impairments in the amount of €0.1bn and an offsetting positive change in the revaluation reserve for assets in the investment portfolio in the amount of €0.1bn.

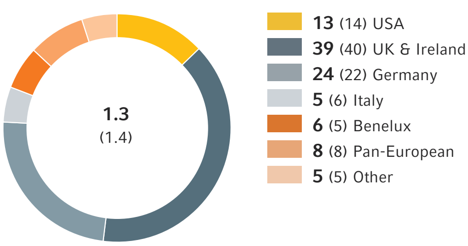
Vintages
Based on market values | in %

Values in parentheses: December 2008

Commercial mortgage-backed securities (CMBSs)
With the spread of the financial market crisis to the real economy since the end of last year, a rising rate of arrears from renter defaults and increasing vacancy rates in the ABS segment of the commercial mortgage-backed securities can be observed. This affects both US and European securitizations. The rating agencies have already responded by making the relevant downgrades, some of which involve several notches of various tranches of a CMBS structure. Spread widenings in CMBS tranches were already seen in the second half of 2008. They increased near the end of 2008 and are likely to rise even further due to the downgrades which have been made and those that are still expected to occur. Realized losses on CMBS deals have until now appeared in only a limited scope, although a significant increase is anticipated. In contrast to US non-prime RMBSs, the portfolio development here depends on the performance of a few high-volume loans.

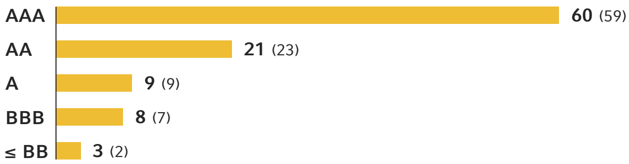
In the first quarter of the current financial year the following charges resulted on an aggregated basis: P&L charges from fair value remeasurement and from impairments in the amount of €0.1bn and charges to the revaluation reserve for not-yet-impaired positions in the investment portfolio in the amount of €0.1bn.

Breakdown by region
Market values in € bn



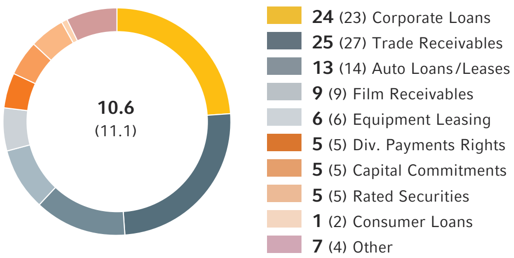
Values in parentheses: December 2008

Rating structure
Based on market values | in %



Values in parentheses: December 2008

Sub-segment breakdown
Market values in € bn



Values in parentheses: December 2008

b) Conduits

The new Commerzbank arranges securitizations via special purpose entities of both receivables portfolios of and for customers and – to a lesser extent – of in-house loan receivables as part of its active risk management. The securitization of customer receivables portfolios (e.g. leasing and trading receivables) is a key component of the banking product range for structured financing transactions. Commerzbank's resulting securitization positions based on the banking supervisory definition (SolvV) consist largely of securitizations of receivables through the sale of receivables without recourse, funded via the asset-backed commercial paper (ABCP) programmes (conduits) that Commerzbank and Dresdner Bank arrange. Both banks only participate to a limited extent in programmes which are administered by other banks.

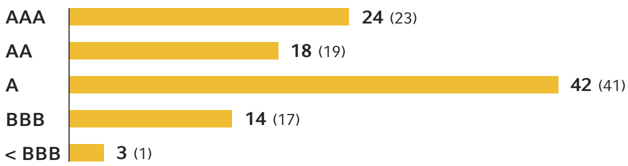
The positions of Commerzbank and Dresdner Bank (incl. their own securitizations) included in the ABCP conduit business amounted to €10.6bn at the end of the period under review. The majority of these are made up of liquidity facilities/back-up lines granted to the conduits administered by Commerzbank/Dresdner Bank.

The underlying receivables of the ABCP programmes of both banks are strongly diversified and reflect the various business strategies of the sellers of receivables or customers (see following overview). The receivables portfolios securitized via ABCP conduits did not contain any US non-prime RMBS units.

To date, no losses have been recorded as a result of any of these transactions.

The risk assessment is performed independently of the securitized class of receivables, based on the Bank's own BaFin-certified ABS rating procedure and taking into account the individual risk profile of the securitization positions held. The rating structure as at March 31, 2009 is shown below:

Rating structure
Based on market values | in %



Values in parentheses: December 2008

Silver Tower

The volume of the ABS structures issued by Silver Tower was €5.6bn as of March 31, 2009. Most of this volume is from the securitization of receivables portfolios of and for customers but also includes senior exposures from the securitization of in-house loan receivables (Silver Tower 125, volume €2.0bn) which are securitized as part of our active credit risk management. The Silver Tower portfolio includes a CLO transaction with a volume of €0.5bn which is not subject to the franchise character of the new Commerzbank and which we also classify as critical.

With a view to the previous performance of ABS transactions contained in Silver Tower and the existing enhancements in the relevant structure, no losses have been recorded to date. We do not currently see any need for loan loss provisions for the liquidity facilities/back-up lines classified under the IFRS category "Loans and Receivables" and provided by Dresdner Bank.

Beethoven

The volume of the ABS structures issued by Beethoven was €3.3bn (thereof €1bn non-utilized ABS volume) as of March 31, 2009. Given that all the risks (primarily arising from the US) of the ABS transactions issued via this vehicle are no longer in line with the franchise character of the new Commerzbank, the aim is to completely eliminate these positions (some of which are judged to be critical) over time.

With a view to the previous performance of ABS transactions in Beethoven and the existing enhancements in the relevant structure, no losses have been recorded to date. We do not currently see any need for loan loss provisions for the liquidity facilities / back-up lines classified under the IFRS category "Loans and Receivables" and provided by Dresdner Bank.

Kaiserplatz

The volume of the ABS structures issued by Kaiserplatz was €1.2bn as of March 31, 2009. It consists almost exclusively of securitizations of receivables portfolios of and for customers. We have classified €0.3bn of this as critical.

With a view to the previous performance of the ABS transactions issued via Kaiserplatz and the existing enhancements in the relevant structure, no losses have been recorded to date. We do not currently see any need for loan loss provisions for the liquidity facilities / back-up lines classified under the IFRS category "Loans and Receivables" and provided by Commerzbank.

Other bank conduits

The volume from other bank conduits was €0.5bn as at March 31, 2009, the lion's share of which we have classified as critical. These are exclusively liquidity lines.

With a view to the previous performance and the existing enhancements in the relevant structure, no losses have been recorded to date. We do not currently see any need for loan loss provisions for the liquidity facilities / back-up lines classified under the IFRS category "Loans and Receivables" and provided by Commerzbank / Dresdner Bank.

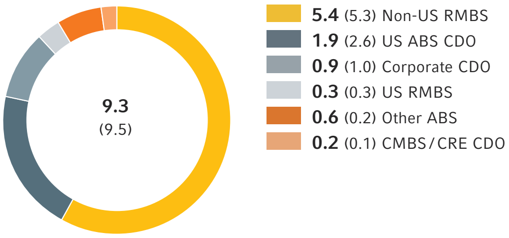
c) ABS hedge book

This portfolio includes all the ABS positions of Dresdner Bank which are backed by credit default swaps. During the financial market crisis, credit insurers (known as monoliners) who are specialized in hedging default risks from both normal but in particular structured credit exposures have been under increasing pressure. This was due to the (threat of) defaults from structured credit risks (especially CDOs of ABSs with US non-prime RMBS exposure), which led to sharp downgrades of monoline insurers, partially into the non-investment grade segment.

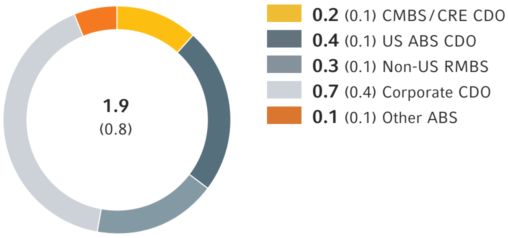
As there has been no change in the negative outlook for the sector for the monoliner industry, Dresdner Bank is currently conducting negotiations regarding the dissolution (known as "commutation") of monoline-hedged positions. We are expecting further substantial charges in this area over and above CDAs. As of March 31, 2009 Dresdner Bank had insured ABS positions with a nominal value of €14.7bn (market volume of €11.2bn). Of the fair value volume of the hedged positions, €9.3bn was insured by monoline companies and €1.9bn by other counterparties.

The mark-to-market valuation of the trading book transactions with monoline insurers was €3.3bn as of March 31, 2009. Including the add-ons for potential market fluctuations which must be taken into account from a risk point of view, the risk exposure is €4.2bn. To cover the potential default risk from these transactions there are counterparty default adjustments (CDAs) of €1.8bn available. In addition the risk with monoline insurers is backed by additional securing measures for a nominal volume of €0.4bn. In the event that monoline companies are restructured, these securing measures will not provide for a compensation payment as they only cover an actual default of the monoliners.

Monoline asset classes
Market values in € bn



Non-monoline asset classes
Market values in € bn



Values in parentheses: December 2008

Monoline asset ratings
Based on market values | in %

Non-monoline asset ratings
Based on market values | in %

Values in parentheses: December 2008

In addition to the hedges for ABS securities Dresdner Bank also nominally concluded hedges of €5.0bn with monoline insurers, the majority of which were issued for private funding of public infrastructure projects such as schools, roads and utility companies.

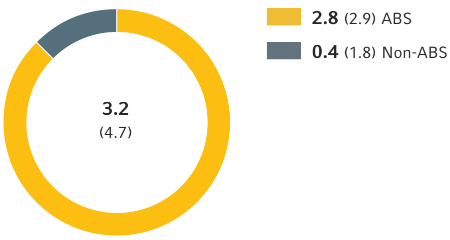
Dresdner Bank also concluded hedges with credit derivatives product companies (CDPCs) as the credit insurers. Through rating downgrades and defaults of insured loans the liquidity and capital situation of the CDPCs during the financial market crisis has considerably worsened so that the insolvency of a few CDPCs cannot be ruled out.

As of March 31, 2009, a nominal volume of €2.5bn was insured at two CDPCs. The fair value of the hedges was €0.6bn as of the reporting date. CDAs of €0.4bn were made for the possible default of CDPCs.

d) Structured Investment Vehicle (SIV) – K2

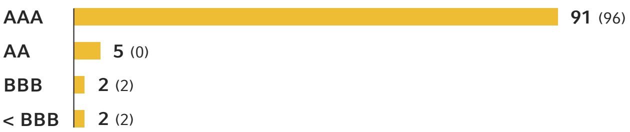
In connection with the set-up of various facilities for the benefit of the K2 structured investment vehicle, Dresdner Bank included this vehicle in the group of consolidated companies on March 18, 2008. As of the reporting date the total volume of K2, after a further reduction in the portfolio of some €0.5bn since the end of 2008 as well as the netting of CDS positions, was around €3.2bn, of which €2.8bn were ABS securities. After the collapse of Lehman Brothers the market for ABS securities came to a virtual standstill so that Dresdner Bank did not make any additional sales in the last quarter of 2008. In this way it avoided realizing any further mark-to-market losses which significantly exceeded the expected losses. The following charts show the investment structure in detail:

Portfolio details
Market values in € bn



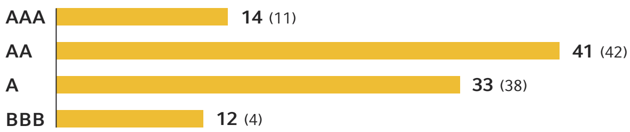
Values in parentheses: December 2008

Ratings of ABS structures
Based on market values | in %



Values in parentheses: December 2008

Ratings of other investments
Based on market values | in %



Although the default risk of the K2 portfolio can be assessed as low due to the stable and good to very good rating structure, the price pressure produced by forced liquidations by other market participants in the SIV market, particularly in the last quarter of 2008, had a negative impact on the value of the portfolio. This development persisted into the first quarter of the current financial year at a significantly lower level, so that further charges against earnings of €64 m were recorded to date in the first quarter.

A further reduction of the K2 portfolio is planned with a view to avoiding further losses from the forced liquidation of positions.

e) Credit enhancements to ABS portfolios – CIRC

As part of its structured lending business Dresdner Bank assumes a subordinated liability (second loss position) for credit investment related conduits (CIRCs) for a securities portfolio, thereby providing counterparties under this type of structure with a credit enhancement, since the counterparty must bear the cost of any losses realized up to the amount of the first loss piece provided plus any top-up payments made under margin calls. Any losses exceeding these amounts would have to be borne by Dresdner Bank. If the value of the portfolio falls below a contractually stipulated percentage within the first loss position, Dresdner Bank has the right to sell the portfolio in the market. Alternatively the holder of the first loss position is requested via a margin call to increase the amount of the first loss position that it holds.

As of the reporting date of March 31, 2009, we had reduced the exposure under both BS-CIRC structures based on the values at the end of 2008 from the nominal amount of €1.6bn to €1.3bn. After deducting cumulative first loss positions and margin calls paid to date, the net nominal position was €0.8bn.

f) Originator positions

In addition to the ABS positions shown in the table on page 367, Commerzbank, Dresdner Bank and Eurohypo have in the past few years securitized receivables with a current volume of €14.5bn, primarily for capital management purposes, of which risk exposures with a nominal value of €8.8bn were retained as at March 31, 2009.

The exposures stemming from the role of originator reflect the perspective of statutory reporting. 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 securitized in the sense of a tradable security.

Due to the integration of Dresdner Bank, the first loss pieces are €49 m higher than in the previous quarter. The reason for this is the transaction Promise-K 2006-1.

			Commerzbank volume		
Securitization pool | in € m	Maturity	Total volume	Senior	Mezzanine	First Loss piece
Corporates	2012 – 2027	8,351	7,303	121	205
MezzCap	2036	178	12	8	9
RMBS	2048	439	1	16	0
CMBS	2010 – 2084	5,567	1,059	62	18
Total		**14,535**	**8,375**	**207**	**232**

2) Leveraged acquisition finance (LAF)

Following the takeover of Dresdner Bank the portfolio in the area of leveraged acquisition finance (LAF) of €3bn rose to €7.2bn (as at December 2008). Owing to low market activity and a very strict risk selection no new transactions were carried out.

Due to the difference in the business strategies of the two banks the portfolio is now divided into four sub-portfolios: LAF Final Hold (€3.8bn), LAF Underwriting (€1bn) and, as indirect LAF business, the sub-portfolios of MtM Leveraged Loans CIRCs (€0.8bn) and Non-MtM portfolio financing (€1.6bn).

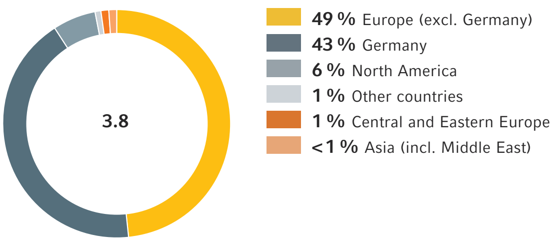
The portfolio guideline which was tightened considerably in September 2008 was revised and more conservatively adjusted as part of the preparations for integration. It includes a clear focus on the core market of Germany and the care of German relationship customers abroad as well as a reduction of the underwriting limits. The indirect LAF business will be classified in the future as a discontinued business.

a) LAF Final Hold Portfolio

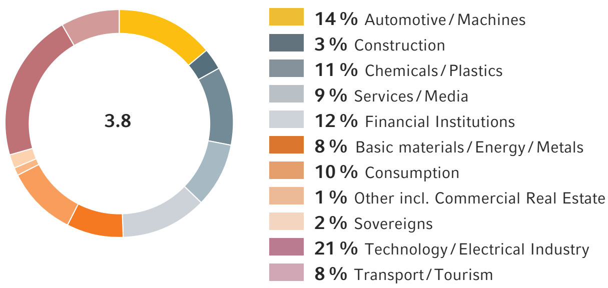
The combined LAF Final Hold portfolio has a high granularity (average lot size of around €30m). Its geographic focus is in Europe (92 %) with a particular focus on Germany (43 %).

The companies in this portfolio are more vulnerable to recession because of their typically high debt-to-equity ratio. This can be seen in the increase in requested adjustments of loan agreement terms and a negative rating drift. Through active risk management and closer customer contact we were able to keep the specific valuation adjustments to this portfolio in check during Q1 2009. However, additional charges against earnings are expected as the recession persists or worsens, especially as a proactive portfolio management with recourse to the secondary market is only possible on a very limited level, if at all. The risks in the automotive, chemicals and mechanical engineering sectors appear particularly critical.

EaD by region
in € bn



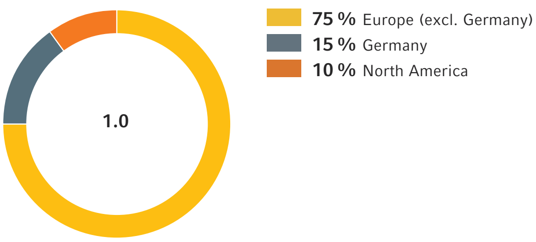
EaD by sector
in € bn



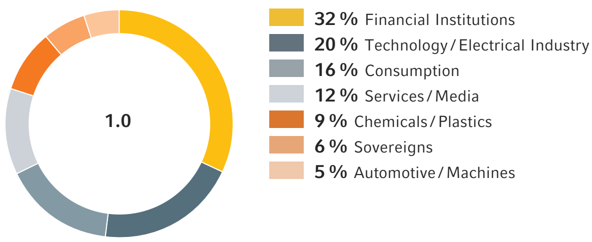
b) LAF Underwriting portfolio

The combined LAF Underwriting portfolio contains some concentrations of risk from syndication targets that were not achieved. These concentrations of risk cannot be reduced in the current market environment via the secondary market. Specific valuation adjustments of €660m were made on this sub-portfolio in 2008. There were no further specific valuation adjustments in Q1 2009. Further charges against earnings are anticipated in this sub-portfolio as the recession persists or worsens.

EaD by region
in € bn



EaD by sector
in € bn



c) Indirect LAF exposure – MTM leveraged loans CIRCs

The customer finances a portfolio of leveraged loans – essentially senior loans – with up to 80 % borrowed funds (known as the Bank's second loss position). The bank can reverse the transaction if the market value of the reference portfolio declines to a certain level (trigger level). The portfolio structure and diversification criteria are contractually agreed. The Bank has full access to the underlying portfolios (cross-collateralization / portfolio effect).

In 2008 the MTM CIRCs came under significant pressure due to the price drop in the secondary market for leveraged loans and the lack of liquidity. As a result the Bank implemented a de-risking strategy in Q3 2008 in order to reduce the exposure through additional customer equity and asset sales. In Q1 2009 the secondary market stabilized at a low level, thus easing the tense situation for the MTM CIRCs somewhat.

Compared with the beginning of the year, as of March 2009 the EaD had been reduced by around €2bn to €0.8bn. This is largely due to the settlement of one transaction and the restructuring and transfer of one other transaction in the Non-MTM portfolio. The exposure was also reduced through asset sales and limit cuts. There are currently six active MTM CIRC transactions.

No rating changes were made during the first quarter. With the exception of one transaction (€357m), the second loss positions were assigned to the rating categories of 1.2 to 1.4.

Except for one MTM loss of €10m on two settled transactions, the MTM loss at the end of 2008 was €34m for one active transaction. This loss had been reduced to €24m as at the end of March 2009. The risk of further losses from other transactions is assessed as low, although another increase in MTM losses cannot be ruled out given the volatile secondary markets.

d) Indirect LAF exposure – Non-MTM portfolio financing

For non-MTM portfolio financing the bank provides the customer with a loan to allow for the purchase of a leveraged loan portfolio (both senior and mezzanine debt portfolios). The financing is provided on a second loss basis with comprehensive portfolio / loan selection criteria and also covenants based on cash flows, for example. The Bank has full access to the relevant underlying portfolio (cross-collateralization / portfolio effect). There is no mark-to-market valuation of the portfolio. Typically the maximum debt-to-equity ratio is 55% – the rest is funded by customer equity (first loss).

A former mark-to-market position was restructured and transferred to the non-mark-to-market portfolio, which now consists of seven transactions. Due to the exposure reduction along with the restructuring the total exposure of the portfolio could be stabilized at previous year's level. Therefore the EaD-volume of the portfolio as of March 31, 2009 still accounts for €1.6bn.

As a result of the downturn in the economic situation the portfolio quality for the mezzanine debt portfolios (four transactions, around 40 % of the total portfolio) has deteriorated, with defaults also occurring within the portfolios themselves. This led to rating downgrades for the junior tranches for two transactions (approx. €37m) and to a covenant breach (overcollateralization covenant) for one of them. The cash flow covenants were observed with an acceptable margin. The senior debt portfolios (three transactions; 60 % of the total portfolio) remained stable.

Currently there is no acute default risk for the Bank's positions; however, due to the ongoing recession we expect further defaults of leveraged loans, particularly within the mezzanine portfolios. The Bank's position may be negatively impacted as a result.

3. Financial Institutions

a) Financial Institutions (Banks)

Following the massive upheaval in the second half of 2008, in which the financial crisis reached its peak due to the defaults of Lehman Brothers and Icelandic banks and various nationalization measures, the situation for Financial Institutions in the first quarter of this year restabilized somewhat. The quarter was shaped by further government support measures on a previously unseen scale and further nationalization procedures for entire banks (particularly in the UK). Based on previous experience the first quarter is usually characterized by high earnings on the part of banks. It will not be evident whether this trend also appears in 2009 until solid figures are published. Despite the slowdown in the overall economic situation and the resulting increase in pressure on Financial Institutions, massive government rescue packages have started to have an impact. Further collapses can be avoided, but the return of a fully functional capital market is currently still far off in the future. One core element for stabilizing the bank sector in 2009 will be access to funding sources.

As part of our proactive risk management approach we have been examining our Financial Institutions portfolio for asset classes in danger of default for two years now, ever since the start of the turmoil in the subprime segment. The task force investigated banks with a conspicuous risk profile in the following areas: (i) structured investments, (ii) real estate exposure in overheated markets and markets in which price drops have been seen, (iii) refinancing largely by way of wholesale funding, (iv) mismatching maturities and (v) weaknesses in the business model.

In addition we adjusted our credit risk strategy to the current situation in the first quarter of this year and defined it in the form of risk guidelines. They were expanded with additional risk-minimizing and risk-eliminating measures. To improve the collateral situation for repo transactions we developed a pre-approved collateral matrix which favours the acceptance of securities with a good credit rating.

However, our continued active reduction of critical risk assets has been severely hampered by the illiquidity of the global capital markets since the third quarter of 2007. In many cases a risk reduction is only possible if we are prepared to accept considerable losses which will affect the income statement. We have nevertheless implemented risk-minimizing measures in the portfolios we have identified as critical. In this difficult situation, the following risk-mitigating measures have helped to improve our risk profile:

- Strengthening collateral agreements with daily margining,
- Revising approved securities for repo transactions,
- Shortening maturities,
- Stricter documentation,
- Risk-adequate pricing,
- (Portfolio) hedges.
- Security sales.

After being affected at the end of 2008 by the defaults of Lehman Brothers, Washington Mutual and Icelandic banks, we also continued to pursue an active reduction in the portfolio and minimizing risks in the first quarter. However, due to the fact that the markets are still not yet fully functional, this process remained difficult and complicated re-hedging and realization of collateral following the Lehman Brothers' default.

As at March 31, 2009 the EaD of Financial Institutions (banks) portfolios was €152bn. The increase in the EaD is essentially a result of the integration of Dresdner Bank. Without these effects, EaD would have continued falling substantially.

	Exposure at Default in € bn	Expected Loss in € m
Mittelstandsbank	22	57
Central and Eastern Europe	3	2
Corporates & Markets	90	28
Commercial Real Estate	0	0
Others and Consolidation	37	4
Total	**152**	**91**

The portfolio is primarily dominated by prime quality bond investments of our mortgage subsidiaries and by counterparty risks from trading transactions. Collateral agreements are used for proactive risk management of derivatives business, and the portfolio's level of coverage by these instruments is being continuously increased as part of our active exposure management approach.

Breakdown by region as at March 31, 2009

	Exposure at Default in € bn	Expected Loss in € m
Africa	1	5
Asia (incl. Middle East)	7	17
Germany	63	9
Europe (excl. Germany)	54	17
Central and South America (incl. Antilles)	2	4
North America	8	2
Central and Eastern Europe	8	30
Other countries	8	7
Total	**152**	**91**

A large component of this business consists of OECD countries with good ratings. The proportion of emerging market regions is primarily the result of processing foreign trade of German Mittelstand companies.

The current bank rating system is being reviewed in the light of the lessons learned from the financial market crisis and will be redefined to enable an even more accurate selection of risk. Due the current situation the impact of government support mechanisms will also be taken into account.

b) Non-bank financial institutions (NBFI)

by segments	Exposure at Default in € bn	Expected Loss in € m
Mittelstandsbank	10	16
Central and Eastern Europe	1	2
Corporates & Markets	52	334
Commercial Real Estate	<1	<1
Others and Consolidation	5	7
Total	**69**	**359**

The exposure to NBFIs rose significantly as a result of the takeover of Dresdner Bank. DKIB's business-related focus on capital market-related transactions led as expected to an increase in the risk profile in relation to transactions with monoline insurance and hedge funds.

Because of our very negative sector outlook for monoline insurers, negotiations are currently taking place regarding the commutation of transactions concluded in the past. A charge against earnings cannot be ruled out.

The hedge fund industry will also remain under pressure in 2009. Negative factors such as weak performance, limited access to liquidity and high investor redemptions will force the liquidation of more funds during the year. This will not just be limited to small funds; after the Madoff scandal, the overall sector's image has been tarnished even more.

There has been no shock to the system yet from these negative developments, as was feared, but this could definitely still occur, as the liquidation of collateral and positions could create a downward spiral with a momentum of its own. In general Commerzbank's business with hedge funds is sufficiently secured. For one and a half years a systematic reduction in risks has been taking place via increased collateral requirements and termination of transactions. Due to conservative selection criteria and a professional due diligence process, no significant charges against earnings have appeared in relation to the hedge fund portfolio.

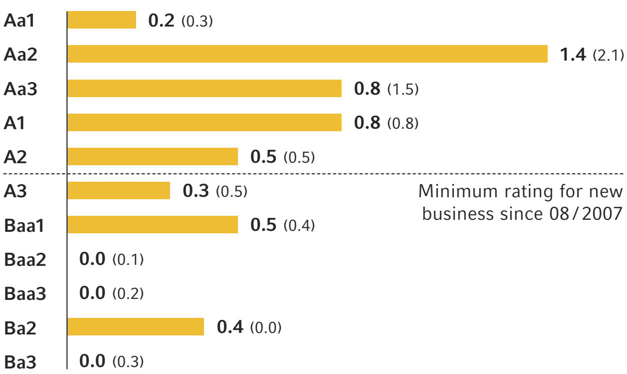
The largest sub-portfolio, Insurance (without monoline insurers), is focused on developed markets. However, we still see a risk that it will be negatively impacted by the financial crisis. We are critically monitoring in particular the impact of the financial market crisis on the investment portfolios and the related effects on the capitalization and liquidity of insurance companies. We continue to believe that system-relevant insurers will benefit from the support given to the financial markets in the industrialized nations, whereas smaller insurance companies and niche providers could soon lose the ground under their feet if there is a serious dip in profits. The exposure to the insurance sector was reduced to an acceptable risk level.

Due to its heterogeneous structure, the rest of the NBFI portfolio is split into various sub- portfolios (such as broker / dealer, regulated funds, stock exchanges, leasing / factoring, consumer finance, etc.). The largest exposure among these is by far to the regulated fund sector and to stock exchanges/clearing houses in the European Union (EU). We have a less critical view of both sub-portfolios due to the strict regulations in the EU (regulated funds) and the status of "central counterparty" (exchanges). The exposure of the remaining sub-portfolios is characterized by securitization and hedging measures and reductions in volume so that we can assume an acceptable risk profile for them.

The new concetrations of risk which have arisen from the takeover of Dresdner Bank are primarily associated with the top players of the insurance sector. Currently strategies are being worked out for reducing commitments which are identified as being permanently too high.

4. North American municipals with monoliner guarantees
Public Finance has securities issued by North American municipals with a nominal value of around €4.9bn (12/2008: €6.6bn) in the banking book which are also guaranteed by monoliners. The positions could be reduced by €1.7bn in the previous quarter through active portfolio management measures. The chart below shows that the underlying ratings continue to be predominantly in the A range or better despite economic problems in the US and some current rating downgrades.We have carefully analysed the underlying assets, and in the case of the municipal bonds we still do not see any need for impairment as the credit quality is good.

Exposure by underlying rating
in € bn



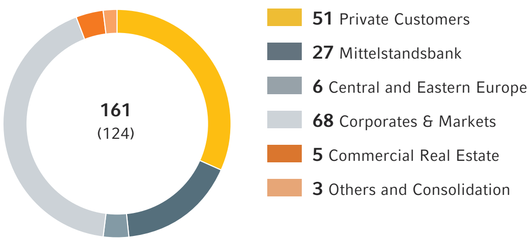
Values in parentheses: December 2008

V. Operational and other risks

1. Operational risks
Operational risk is defined in the Solvency Regulations (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; it does not cover reputational risks or strategic risks.

As part of the integration projects which were a large component of our work in the first quarter, the focus was on a prompt consolidation of data and processes with the aim of ensuring OpRisk analytic capability for the new Commerzbank.

Expected Loss – by segment
in € m



In Q1 2009 an integrated internal model was applied for the first time to all segments of the new Commerzbank. Compared to the total of the individual figures for both banks determined separately for the external Draft Solvency Regulation (SolvV) report, the integrated capital calculation would result in €1.9bn fewer risk assets for operational risks. The official implementation of the joint model for supervisory purposes is currently being discussed with the supervisory authorities.

Data migration was initiated in connection with the integration project and the capital model was recalibrated. This results in an increase in expected losses of about 30 %, which now also better reflects the changed risk situation of the new Commerzbank (influenced by the financial market crisis and the integration project).

In addition, reporting was consolidated and changed to a combined reporting for the respective segments and the Group. The integration of further components of the OpRisk framework is proceeding according to plan.

In the current financial year losses (without litigation risk provisions) of €27m were recorded as at the end of March 2009 in the new Commerzbank (figure for 2008 as a whole for Commerzbank and Dresdner Bank: €138m). In addition loss events from previous years of €54m were reported. Most of these events are the result of procedural errors and errors in trading.

The approach to establishing provisions for litigation risks and the way that these are reported at new Commerzbank have also been harmonized to a significant degree. This resulted in an increase of €117m on balance compared with the amount reported at the end of 2008. Due to special effects, it is not possible to perform an extrapolation or draw a comparison with the expected loss from operational risks. Thus the quarterly average relating to provision changes for the new Commerzbank was approx. €16.5m in 2008.

For the coming quarters the focus will continue to be on harmonizing internal methods and models and solidifying the OpRisk culture in the new Commerzbank.

2. Other risks

In terms of all other quantifiable and non-quantifiable risks, there were no significant changes in the first quarter of 2009 compared with the position reported in detail in the 2008 annual report.

VI. Summary outlook

Private Customers

Over the period up to 2010 we forecast a significant increase in insolvencies and an accelerated rise in the unemployment rate. We expect to see the first effects in the Private Customers segment in 2009, in particular with regard to lending to corporate customers and consumer loans. In private real estate financing the negative impact in 2009 will essentially be limited to an increase in the expected loss. Despite the risk-limiting measures that have already been introduced, we expect a significant increase in provisions for possible loan losses on this portfolio as well in 2010 due to the lag effects already mentioned. Our current medium-term planning has taken this into account for the segment.

Mittelstandsbank

The global recession is leaving its mark on the German economy and has already had an impact during the first few months of the year on our Corporates Germany portfolio. The fiscal policy measures introduced by the government have so far only been able to counteract the negative trend in individual areas. The rating migrations are clearly negative due to credit downgrades for borrowers. We therefore anticipate a rising need for restructuring and an increasing number of insolvencies. In turn a larger percentage of the credit margin will be consumed by risk costs and this will place higher demands on the gross margin.

Central and Eastern Europe

We believe that the crisis will reach its peak in Central and Eastern Europe in 2009. In the medium term the region remains an attractive growth market. The expected medium-term growth rates of GDP in the CEE countries will be higher than those of western Europe. An upturn in the real economy will prompt a renewed recovery in our loan books.

Corporates & Markets

For 2009 as a whole we continue to see prospects of a clear negative trend globally in the real economy and a related increase in risk densities. Due to the ongoing illiquidity in secondary markets we will face considerable challenges in reducing the portfolios we have identified as critical.

Commercial Real Estate

The difficult capital market environment and the sharpening downturn in user markets continues to negatively impact price movements. Declines in market value – on differing scales – can be seen in all markets (both established and emerging markets) and will persist in the coming 12 months. While the potential for further setbacks is gradually decreasing as a result of the significant write-downs already made, particularly in the UK, substantial write-downs are expected in the coming 12 months, especially for the highly cyclical Asian markets. Given the economic development presenting itself in the domestic market and the significant reduction in investment activity, the outlook for Germany also looks critical.

Shipping

Beginning mid-year, increased deliveries of newly built ships will create an additional burden on the market segments for standard ships, which are already suffering from overcapacities. A relaxation/stabilization of the ship markets for standard ships is not expected until the economies of the industrialized nations show a sustainable recovery. The markets for special ships (e.g. offshore units for oil and gas exploration, project/heavy cargo shipping, vehicle transporters and cruise ships) will also be increasingly affected by the economic slowdown while smaller order books will in part have an alleviating effect. The risks from this market crisis are expected to be felt into the year 2011 (and possibly 2012).

Growing employment and procurement risk, increased requests for deferral of payment (if necessary including interest), covenant breaches and requests for additional financing are to be expected.

In spite of the quality of our portfolios and the risk-reducing measures already implemented, we expect further growth in the number of sub-standard and problem loans, particularly in the area of container ships. However, we believe that the expertise gained by consolidating portfolios and our many years of experience provide us with a competitive advantage in coping with the shipping-related effects of the financial market crisis.

Market risks

Persistent high volatility from the worsening recession and the very unstable macroeconomic environment are likely to set the tone for 2009 as well. In this difficult market environment, priority will be given to consistently reducing credit-spead sensitive exposures (especially Public Finance) and DRU and limiting risk for all portfolios.

Liquidity risks

Commerzbank's liquidity risk model has been approved as suitable in principle and ready for certification during the Phase I review by the Bundesbank on behalf of BaFin. Due to the delayed integration of Eurohypo into the Group-wide model for liquidity risk measurement the final certification has not yet taken place. Given the integration of Dresdner Bank the timeline for certification is currently being coordinated with BaFin and the Bundesbank.

Asset-backed securities

The 2009 financial year will again bring high charges in the ABS portfolio of Commerzbank, although we expect the very poor performance in the US non-prime RMBS and US CDOs of ABS to spread to other asset classes such as for example CMBSs and RMBSs due to the worsening recession in the US and in important European economies.

The unchanged illiquidity in the secondary markets for ABS is presenting great challenges to our planned €29.5bn reduction of those ABS portfolios identified as critical. Given this environment we do not expect a quick reduction of exposures in 2009.

Leveraged acquisition finance

The economic situation of the corporate sector remains tense and will lead to increasing defaults on leveraged loans. In addition falling enterprise values are hampering the prospects of recovery. Therefore we do not anticipate a significant rebound in secondary market prices this year. As 2009 continues, we expect continuing pressure on the entire LAF portfolio. In the direct LAF business this will lead to further charges against earnings for specific value adjustments. Although no significant recovery in the fair values of the MtM CIRCs is expected in the LAF portfolios, the potential loss is very limited due to the de-risking measures. We also do not expect an improvement in the situation for the Non-MtM portfolio loans. Rating downgrades, restructuring and losses on individual transactions cannot be ruled out.

Intensive Care

For net risk provisions, in the most realistic case we expect a charge against earnings at the same level seen in 2008 coupled with significant portfolio shifts. We expect a rise in the Private & Corporate Customers segment, largely due to adjustments in method and a significant decline in amounts recovered on claims written off at Dresdner Bank. As the financial crisis has also reached the real economy, we expect a considerable rise in insolvencies and restructurings in 2009, and therefore in net risk provisions in the Mittelstandsbank. In Central and Eastern Europe, we expect a significant year-on-year rise in net risk provisions, with Russia, Ukraine and Poland being affected in equal measure. After the exceptionally high charges in the Corporates & Markets segment in 2008, we see risk provisions halving in 2009, although they should still be high in the LAF portfolio at Dresdner Bank. For Financial Institutions however, we expect a significant improvement, as state intervention in this area has provided stability. In the CRE & Shipping estimate, we expect more defaults and concentrations of risk; additionally, the negative effect on earnings from shipping financing and the first-time full consolidation of Schiffsbank needs to be taken into account.

Unchanged risk assessment for the portfolios in the risk focus

Portfolio	by year end 2009
Private Customers	Solid risk situation since 2006. Higher unemployment rate but overall stable development in 2009
Corporates	Significant increase in insolvency rate for Mittelstand and bulk risks. USA with higher risks than other international markets and Germany
Central and Eastern Europe	Economic downturn primarily in Russia, Ukraine and Hungary
Financial Institutions	Support programmes of sovereign states and central banks will have positive effects on systemic banks; challenges for regional banks
CRE	Further decrease in market values in all regions and property types. Apart from the hot spots Spain, USA and UK other markets are affected (e. g. France, Italy)
Shipping	Clear reduction in ship values and freight rates for bulk and container markets. Continued overcapacity.
Structured Finance	Significant burdens expected above all for ABS, Monoliner Structures and LBOs of Dresdner Bank

- **Risk provisions** for the new Commerzbank in 2009 slightly below the 2008 level despite large structural shifts
- In relation to **impairments in the Available for Sale portfolio and defaults in the trading book**, we are assuming that we have seen the peak in 2008. We are expecting a reduction in the extraordinary charges in the „realistic case“ scenario.

Declaration of compliance with the International Financial Reporting Standards (IFRS) – Accounting principles and consolidated companies –

Accounting principles

Our interim financial statements as of March 31, 2009, 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 Accounting Standards (IAS) and 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 consolidated financial statements as of December 31, 2008 (see page 195 ff. of our 2008 annual report). This interim report takes into account the standards and interpretations that must be applied from January 1, 2009 in the EU.

In its press release of October 13, 2008, the IASB issued an amendment for the reclassification of financial instruments. In accordance with the amendment, securities in the Public Finance portfolio for which there is no active market are to be reclassified from the IAS 39 Available for Sale (AfS) category to the IAS 39 Loans and Receivables (LaR) category. In respect of the holdings reclassified as at January 31, 2009, the intent and ability exist for the securities to be held for the foreseeable future or to final maturity. The fair value of the reclassified securities as at the reclassification date is €2.5bn and is recognized as the new carrying amount of the securities holdings. The revaluation reserve after deferred taxes in respect of the securities reclassified as at January 31, 2009, stands at €–0.2bn, in comparison to €–0.4bn as at December 31, 2008. The nominal volume of this sub-portfolio is €2.6bn. The securities concerned are primarily issued by public sector borrowers in Europe. The transactions have average effective yields of between 2.1 % and 5.1 % and we expect them to generate an inflow of funds of €5.3bn.

Consolidated companies

As of January 12, 2009 (acquisition date), we acquired 100 % of the equity shares and voting rights of Dresdner Bank AG for a purchase price of €4.7bn. The purchase price consists of several components: the cash purchase price of €3.2bn, the equivalent of €0.8bn from a capital increase for non-cash contributions of 163,461,537 shares issued to Allianz (valuation as per Xetra closing price on January 12, 2009) and the four asset management companies exchanged (cominvest Asset Management GmbH, Frankfurt; cominvest Asset Management S.A., Luxembourg; Münchener Kapitalanlage Aktiengesellschaft, Munich; MK LUXINVEST S.A., Luxembourg), which are valued at €0.7bn.

In accordance with the preliminary assessment of the fair value of the assets, liabilities and contingent liabilities of Dresdner Bank as of the acquisition date, the difference of €2.4bn was booked between acquisition cost and the equity capital (€2.3bn) so far as possible to balance sheet assets (€0.3bn unrealized losses), other individually identifiable values (customer relationships, brand names; €0.8bn) and liabilities and contingent liabilities (€1.1bn hidden reserves). After allocating the hidden reserves and liabilities and taking into account the contingent liabilities, equity capital attributable to Commerzbank stands at €3.9bn. There is a residual goodwill amount of €0.8bn. This goodwill amount is based in particular on the application of employee and bank know-how, the development of additional future market potential and expected cost savings from the exploitation of economies of scale. Given the complexity of the transaction, it has not been possible to definitively ascertain the valuation parameters and the assumptions for planning purposes; as a result, the purchase price allocation is provisional. The company is exercising its right to the 12-month period permitted under IFRS 3 for determining fair value; as a result, it will not allocate the provisional goodwill figure to the cash-generating units (CGUs) until this period is underway.

The following table shows the book value immediately before the acquisition date and the provisional fair value, liabilities and contingent liabilities of the Dresdner Bank Group immediately after the acquisition date.

Asset side in € m	Assets 12.1.2009	Fair value adjustment	Assets incl. fair value adjustment
Cash reserve	18,642	–	18,642
Claims on banks and customers	183,079	–195	182,884
Assets held for trading purposes and positive fair values attributable to derivative hedging instruments	190,717	–	190,717
Financial investments	23,448	132	23,580
Intangible assets and fixed assets	1,409	595	2,004
Other assets	2,941	–2	2,939
Total assets	**420,236**	**530**	**420,766**

Liabilities side in € m	Liabilities 12.1.2009	Fair value adjustment	Liabilities incl. fair value adjustment
Liabilities to banks and customers	210,398	–424	209,974
Liabilities from trading activities and negative fair values attributable to derivative hedging instruments	164,892	–	164,892
Provisions/ contingent liabilities	2,332	1,488	3,820
Other liabilities	31,205	–54	31,151
Subordinated capital and hybrids	7,422	–375	7,047
Equity	3,987	–105	3,882
Total liabilities	**420,236**	**530**	**420,766**

The contribution made to Group results by Dresdner Bank for the first quarter of 2009 since the full consolidation on January 12, 2009, was –€1.6bn. Had the consolidation been completed as of January 1, 2009, the Group result would have been €0.7bn lower.

In acquiring Dresdner Bank AG on January 12, 2009, we indirectly acquired an additional 40 % of the equity shares and voting rights of Deutsche Schiffsbank AG, Bremen/Hamburg, for which no additional purchase price was paid; as a result, we now hold a total of 80 % of shares and thus include Deutsche Schiffsbank AG in the full consolidation given the 40 % at equity valuation.

In accordance with the preliminary assessment of the fair value of the assets, liabilities and contingent liabilities of Deutsche Schiffsbank AG as of the acquisition date, a total of €56m of unrealized losses were included in the assets and €297m of hidden reserves in the liabilities. The remaining sum of €49m is shown as a goodwill amount. The fair value calculation shows total assets of €16,775m, liabilities of €16,026m and equity capital of €749m. Given the complexity of the transaction[1], the company is exercising its right to the 12-month period permitted under IFRS for determining fair value. The contribution made to Group results by Deutsche Schiffsbank AG for the first quarter of 2009 since the full consolidation was €26m.

[1] see the corresponding comments on the acquisition of Dresdner Bank on page 382

The following table shows the book value immediately before the acquisition date and the provisional fair value of the material assets, liabilities and contingent liabilities of Deutsche Schiffsbank AG immediately after the acquisition date:

Asset side in € m	Assets 12.1.2009	Fair value adjustment	Assets incl. fair value adjustment
Cash reserve	40	–	40
Claims on banks and customers	13,502	–34	13,468
Assets held for trading purposes and financial investments	3,207	–	3,207
Other assets	82	–22	60
Total assets	**16,831**	**–56**	**16,775**

Liabilities side in € m	Liabilities 12.1.2009	Fair value adjustment	Liabilities incl. fair value adjustment
Liabilities to banks and customers	11,428	–283	11,145
Provisions/ contingent liabilities	34	–	34
Liabilities from trading activities/ Other liabilities	4,247	62	4,309
Subordinated capital and hybrids	614	–76	538
Equity	508	241	749
Total liabilities	**16,831**	**–56**	**16,775**

In addition, the following subsidiaries were also included in the consolidation for the first time in 2009

- Hibernia Sigma Beteiligungsgesellschaft mbH, Frankfurt am Main

The company has assets of €50.2m and liabilities of €0.1m. The acquisition cost for 85% of the equity shares and voting rights was €42.8m. A differential amount did not arise.

The following funds, subsidiary and special purpose companies were sold, liquidated or exchanged as part of the Dresdner Bank acquisition and are therefore no longer included in the consolidation:

Sold
- Stampen S.A., Brussels

Liquidated
- CICO-Fonds I, Frankfurt am Main

Exchanged
- cominvest Asset Management GmbH, Frankfurt am Main
- cominvest Asset Management S.A., Luxembourg
- Münchener Kapitalanlage Aktiengesellschaft, Munich
- MK LUXINVEST S.A., Luxembourg

The net income from deconsolidation of the exchanged companies amounts to €0.45bn.

Overall results

Consolidated income statement

in € m	Notes	1.1.–31.3.2009	1.1.–31.3.2008	Change in %
Net interest income	(1)	1,692	1,019	66.0
Provision for possible loan losses	(2)	–844	–175	.
Net interest income after provisioning		848	844	0.5
Net commission income	(3)	850	732	16.1
Trading profit	(4)	–523	173	.
Net investment income	(5)	386	–26	.
Other result	(6)	–71	34	.
Operating expenses	(7)	2,081	1,322	57.4
Operating profit		**–591**	**435**	**.**
Restructuring expenses	(8)	289	25	.
Pre-tax profit		**–880**	**410**	**.**
Taxes on income	(9)	8	80	–90.0
Consolidated surplus		**–888**	**330**	**.**
attributable to minority interests		–27	50	.
attributable to Commerzbank shareholders		–861	280	.

Earnings per share	1.1.–31.3.2009	1.1.–31.3.2008	Change in %
Operating profit (€ m)	–591	435	.
Consolidated surplus attributable to Commerzbank shareholders (€ m)	–861	280	.
Average number of ordinary shares issued (units)	844,492,869	656,905,220	28.6
Operating profit per share (€)	–0.70	0.66	.
Basic earnings per share (€)	–1.02	0.43	.

The basic earnings per share, calculated in accordance with IAS 33, are based on the consolidated surplus attributable to Commerzbank shareholders.

Summary of overall results

in € m	1.1.–31.3.2009	1.1.–31.3.2008	Change in %
Consolidated surplus	–888	330	.
Changes in revaluation reserve	–618	–1,236	–50.0
Changes in reserve from cash flow hedges	–296	–273	8.4
Changes in reserve from currency translation	–179	14	.
Other result	–1,093	–1,495	–26.9
Total result	**–1,981**	**–1,165**	**70.0**
attributable to minority interests	–42	–1	.
attributable to Commerzbank sharesholders	–1,939	–1,164	66.6

Other result | in € m	1.1.–31.3.2009			1.1.–31.3.2008		
	pre-tax	tax	after tax	pre-tax	tax	after tax
Changes in revaluation reserve	–673	55	–618	–1,593	357	–1,236
Changes in reserve from cash flow hedges	–424	128	–296	–393	120	–273
Changes in reserve from currency translation	–179	–	–179	14	–	14
Other result	**–1,276**	**183**	**–1,093**	**–1,972**	**477**	**–1,495**

Consolidated income statement (quarter-on-quarter comparison)

in € m	2009	2008			
	1st quarter	4th quarter	3rd quarter	2nd quarter	1st quarter
Net interest income	1,692	1,325	1,211	1,174	1,019
Provision for possible loan losses	–844	–638	–628	–414	–175
Net interest income after provisioning	848	687	583	760	844
Net commission income	850	677	720	717	732
Trading profit	–523	–701	–297	375	173
Net investment income	386	–324	–229	–86	–26
Other result	–71	–137	–15	91	34
Operating expenses	2,081	1,024	1,237	1,373	1,322
Operating profit	**–591**	**–822**	**–475**	**484**	**435**
Restructuring expenses	289	–	–	–	25
Pre-tax profit	**–880**	**–822**	**–475**	**484**	**410**
Taxes on income	8	43	–202	–386	80
Consolidated surplus	**–888**	**–865**	**–273**	**870**	**330**
attributable to minority interests	–27	–56	12	53	50
attributable to Commerzbank shareholders	–861	–809	–285	817	280

Consolidated balance sheet

Assets | in € m	Notes	**31.3.2009**	**31.12.2008**	Change in %
Cash reserve		10,299	6,566	56.9
Claims on banks	(11, 13, 14)	109,364	62,969	73.7
Claims on customers	(12, 13, 14)	408,802	284,815	43.5
Positive fair values attributable to derivative hedging instruments		15,180	10,528	44.2
Assets held for trading purposes	(15)	300,392	118,569	.
Financial investments	(16)	145,425	127,450	14.1
Intangible assets	(17)	3,171	1,336	.
Fixed assets	(18)	2,190	1,240	76.6
Tax assets		10,360	6,698	54.7
Other assets	(19)	6,352	5,025	26.4
Total		**1,011,535**	**625,196**	**61.8**

Liabilities and equity | in € m	Notes	**31.3.2009**	**31.12.2008**	Change in %
Liabilities to banks	(20)	178,738	128,492	39.1
Liabilities to customers	(21)	310,231	170,203	82.3
Securitized liabilities	(22)	178,753	165,827	7.8
Negative fair values attributable to derivative hedging instruments		23,246	21,463	8.3
Liabilities from trading activities	(23)	261,333	96,208	.
Provisions	(24)	4,411	2,030	.
Tax liabilities		6,907	3,161	.
Other liabilities	(25)	6,875	2,914	.
Subordinated capital	(26)	17,713	11,836	49.7
Hybrid capital	(27)	4,644	3,158	47.1
Equity of Commerzbank Group		18,684	19,904	–6.1
Subscribed capital		2,303	1,877	22.7
Capital reserve		6,947	6,619	5.0
Retained earnings		5,913	5,904	0.2
SoFFin silent participation		8,200	8,200	0.0
Revaluation reserve		–2,852	–2,221	28.4
Reserve from cash flow hedges		–1,163	–872	33.4
Reserve from currency translation		–416	–260	60.0
2008 consolidated profit [1]		–	–	.
Consolidated surplus 1.1.–31.3.2009 [2]		–861	–	.
Total before minority interests		18,071	19,247	–6.1
Minority interests		613	657	–6.7
Total		**1,011,535**	**625,196**	**61.8**

[1] after allocation to retained earnings; [2] insofar as attributable to Commerzbank shareholders

Statement of changes in equity

The changes in the Commerzbank Group's equity were as follows during the first three months:

in € m	Subscribed capital	Capital reserve	Retained earnings	SoFFin silent participation	Revaluation reserve	Reserve from Cash Flow Hedges	Reserve from currency translation	Consolidated profit	Total before minority interests	Minority interests	Equity
Equity as of 1.1.2008	**1,708**	**5,709**	**6,158**	**–**	**903**	**34**	**–34**	**657**	**15,135**	**997**	**16,132**
Consolidated surplus								3	3	59	62
Allocation to retained earnings			1					–1	–		–
Distribution from SoFFin silent participation								–2	–2		–2
Other result					–3,120	–906	–255		–4,281	–266	–4,547
Capital increases	170	924							1,094		1,094
Profits/losses in previous year									–	–8	–8
Allocation to retained earnings (minority interests)									–	53	53
Dividend								–657	–657		–657
Changes in holdings in affiliated and other companies			–223						–223		–223
Changes in companies included in consolidation and other changes [1]	–1	–14	–32	8,200	–4		29		8,178	–178	8,000
Equity as of 31.12.2008	**1,877**	**6,619**	**5,904**	**8,200**	**–2,221**	**–872**	**–260**	**–**	**19,247**	**657**	**19,904**
Consolidated surplus								–861	–861	–27	–888
Allocation to retained earnings									–		–
Distribution from SoFFin silent participation									–		–
Other result					–631	–291	–156		–1,078	–15	–1,093
Capital increases	425	320							745		745
Profits/losses in previous year									–	–34	–34
Allocation to retained earnings (minority interests)									–	58	58
Dividend									–		–
Changes in holdings in affiliated and other companies			–2						–2		–2
Changes in companies included in consolidation and other changes [1]	1	8	11						20	–26	–6
Equity as of 31.3.2009	**2,303**	**6,947**	**5,913**	**8,200**	**–2,852**	**–1,163**	**–416**	**–861**	**18,071**	**613**	**18,684**

[1] including change in treasury shares, change in own derivative equity instruments and proceeds from SoFFin silent participation.

NB: statement of changes in equity from 1.1. to 31.3.2008

in € m	Subscribed capital	Capital reserve	Retained earnings	SoFFin silent participation	Revaluation reserve	Reserve from Cash Flow Hedges	Reserve from currency translation	Consolidated profit	Total before minority interests	Minority interests	Equity
Equity as of 1.1.2008	**1,708**	**5,709**	**6,158**	**–**	**903**	**34**	**–34**	**657**	**15,135**	**997**	**16,132**
Consolidated surplus								280	280	50	330
Allocation to retained earnings									–		–
Other result					–1,179	–269	4		–1,444	–51	–1,495
Capital increases									–		–
Issue of shares to employees									–		–
Profits/losses in previous year									–	12	12
Allocation to retained earnings (minority interests)									–	46	46
Dividend									–		–
Changes in holdings in affiliated and other companies			–189						–189		–189
Changes in companies included in consolidation and other changes [1]					–4				–4	136	132
Equity as of 31.3.2008	**1,708**	**5,709**	**5,969**	**–**	**–280**	**–235**	**–30**	**937**	**13,778**	**1,190**	**14,968**

[1] including change in treasury shares

Cash flow statement (short version)

in € m	2009	2008
Cash and cash equivalents as of 1.1.	**6,566**	**5,157**
Net cash provided by operating activities	10,842	–283
Net cash used by investing activities	–15,205	2,383
Net cash provided by financing activities	8,117	120
Total cash flow	**3,754**	**2,220**
Effects of exchange-rate changes	–48	–6
Effects of minority interests	27	–50
Cash and cash equivalents as of 31.3.	**10,299**	**7,321**

The cash flow statement shows the changes in cash and cash equivalents in the Commerzbank Group. These are represented by the cash reserve item, which is made up of cash on hand, balances with central banks, as well as debt issued by public sector borrowers and bills of exchange discountable at central banks.

Notes to the income statement

(1) Net interest income

in € m	1.1.–31.3.2009	1.1.–31.3.2008	Change in %
Interest income from lending and money-market transactions and also from financial investments securities portfolio[1]	5,709	5,320	7.3
Gains from the sale of loans and receivables	2	18	–88.9
Dividends from securities	3	9	–66.7
Current result on investments, investments in associated companies and holdings in subsidiaries	19	33	–42.4
Current income from assets and debt held for sale as well as from investment properties	23	22	4.5
Interest income	*5,756*	*5,402*	*6.6*
of which: Interest income from applying the fair value option	*74*	*32*	*.*
Interest paid on subordinated and hybrid capital and also on securitized and other liabilities	4,046	4,370	–7.4
Losses from the sale of loans and receivables	8	–	.
Current expenses from assets and debt held for sale as well as from investment properties	10	13	–23.1
Interest expenses	*4,064*	*4,383*	*–7.3*
of which: Interest expenses from applying the fair value option	*146*	*20*	*.*
Total	**1,692**	**1,019**	**66.0**

* Herein €10m (previous year: €4m) are included in the current business year from prepayment penalty fees.

The unwinding effect for the first three months of 2009 is €38m.

(2) Provision for possible loan losses

in € m	1.1.–31.3.2009	1.1.–31.3.2008	Change in %
Allocation to provisions	–1,339	–237	.
Reversals of provisions	536	119	.
Balance of direct write-downs, write-ups and amounts received on written-down claims	–41	–57	–28.1
Total	**–844**	**–175**	**.**

(3) Net commission income

in € m	1.1.–31.3.2009	1.1.–31.3.2008	Change in %
Securities transactions	289	253	14.2
Asset management	59	113	–47.8
Payment transactions and foreign commercial business	202	125	61.6
Real-estate lending business	45	82	–45.1
Guarantees	61	49	24.5
Income from syndicated business	68	24	.
Trust transactions at third-party risk	1	1	0.0
Other net commission income	125	85	47.1
Total	**850**	**732**	**16.1**

Net commission income includes €192m (previous year: €158m) of commissions paid. Additionally €60m (previous year: €–3m) result from transactions in financial instruments that are not valued at current market value with effect on net income.

(4) Trading profit

in € m	1.1.–31.3.2009	1.1.–31.3.2008	Change in %
Net result on trading	–1,590	235	.
Net result on the valuation of derivative financial instruments	756	–97	.
Net result on hedge accounting	40	26	53.8
Net result from applying the fair value option	271	9	.
Total	**–523**	**173**	**.**

(5) Net investment income

in € m	1.1.–31.3.2009	1.1.–31.3.2008	Change in %
Net result from interest-bearing business	**–190**	**–128**	**48.4**
in the available-for-sale category	–49	7	.
Gains on disposals (rebooking from the revaluation reserve)[1]	96	18	.
Losses on disposals (rebooking from the revaluation reserve)[1]	–145	–11	.
in the loans and receivables category	2	–22	.
Gains on disposals	2	23	–91.3
Losses on disposals	–	–45	–100.0
Net valuation result[2]	–143	–113	26.5
Net result from equity instruments	**576**	**102**	**.**
in the available-for-sale category	322	46	.
Gains on disposal (rebooking from the revaluation reserve)[1]	420	47	.
Losses on disposals (rebooking from the revaluation reserve)[1]	–98	–1	.
in the available-for-sale category, valued at cost of acquisition	448	207	.
Net valuation result	–194	–151	28.5
Net result on disposals and valuation of holdings in associated companies	–	–	.
Total	**386**	**–26**	**.**

[1] This includes a net amount of €115m of rebookings from the revaluation reserve which relate to the financial year 2009.
[2] Herein are included portfolio valuation allowances of €20m (previous year: €0m) on investments in the loans and receivables category. The subprime-related valuation losses shown above for the CDO and RMBS portfolio amount to €64m (previous year: €109m).

(6) Other result

in € m	1.1.–31.3.2009	1.1.–31.3.2008	Change in %
Other income	140	146	–4.1
Other expenses	211	112	88.4
Total	**–71**	**34**	**.**

(7) Operating expenses

in € m	1.1.–31.3.2009	1.1.–31.3.2008	Change in %
Personnel expenses	1,156	756	52.9
Other expenses	810	488	66.0
Current depreciation on fixed assets and other intangible assets	115	78	47.4
Total	**2,081**	**1,322**	**57.4**

(8) Restructuring expenses

in € m	1.1.–31.3.2009	1.1.–31.3.2008	Change in %
Expenses for restructuring measures introduced	289	25	.
Total	**289**	**25**	**.**

Restructuring expenses of €289m relate to the integration of Dresdner Bank AG into Commerzbank AG and are largely attributable to the personnel area.

(9) Taxes on income

At March 31, 2009, the Group tax rate, i.e. the anticipated average tax rate on the basis of anticipated pre-tax profit, was –1 % for the year under review. We applied this rate to calculate tax liability for the first three months of 2009 totalling €8m. The tax-free exchange of the cominvest companies and non-recognition of deferred taxes on the tax losses of a UK subsidiary had a significant impact on the tax rate in the period under review.

(10) Segment reporting

The segment reporting reflects the results of the operating 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 system which is used by the "chief operating decision maker" to evaluate 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 five operational segments and the category of Others and Consolidation, which are arranged in accordance with the Commerzbank Group's organizational structure and form the basis for internal management reporting. The business segments are divided up on the basis of differences between products, services or customer target groups. Segment reporting reflects the new Group structure of Commerzbank AG, which was implemented on January 1, 2009. The addition of Group Treasury (formerly Corporates & Markets) to Others and Consolidation, the assignment of Mittelstandsbank to business in Western Europe (formerly Corporates & Markets), the new allocation of multinational customers between Mittelstandsbank and Corporates & Markets as well as the sale of cominvest (formerly Private Customers) are the most important changes compared with the structure which was in effect up to the end of 2008. The comparable values from the prior year were adapted to the new Group structure.

The segments of Dresdner Bank (Private & Corporate Clients, Investment Banking) were transferred to the new segment structure of Commerzbank. The business areas of Personal, Private & Business Banking and Private Wealth Management (both formerly Private & Corporate Clients) will be allocated to the new segment Private Clients. The business area of Corporate Banking (formerly Private & Corporate Clients), as well as business with certain multinational customers of Dresdner Kleinwort Investment Banking (DKIB) will be managed by Mittelstandsbank going forward. Both non-material activities of DKIB in Eastern Europe, and ship financing will be transferred to the segments of Central and Eastern Europe or Commercial Real Estate. The remaining activities of Dresdner Kleinwort Investment Banking – particularly the capital markets business and transactions with multinational customers not served by Mittelstandsbank – will be allocated to Corporates & Markets.

- Private Customers includes branch business with private individuals, professional and business people, wealth management, the activities of comdirect bank and the real estate financing business with the above customer groups.

- Mittelstandsbank presents the results of corporate banking in Germany, the Western Europe and Asia regions and the Financial Institutions business area.

- Central and Eastern Europe comprises the operations of our subsidiaries and branches in the Central and Eastern Europe region (particularly BRE Bank and Bank Forum).

- Corporates & Markets includes equity and bond-trading activities, trading in derivative instruments, interest rate and currency management, as well as corporate finance. In addition, this segment is responsible for business with multinational companies. It also looks after the branches and subsidiaries in America and Africa and public sector finance.

- Commercial Real Estate presents the results of the commercial real estate finance business and Shipping.

- Others and Consolidation contains the income and expenses which do not fall within the area of responsibility of the operational business lines. These also include those expenses and income items that are transferred from the internal management reporting figures shown in the segment reports to the Group financial statements in accordance with IFRS. In addition, this segment covers equity participations which are not assigned to the operational business lines as well as the international asset management activities and Group Treasury. The costs of service and Group controlling units are also depicted here which – aside from restructuring costs – will be charged in full to the segments.

The result generated by each segment is measured in terms of operating profit and pre-tax profit, as well as the return on equity and cost/income ratio. In the statement of pre-tax profits, minority interests are included in both the result and the average equity tied up. All the revenue for which a segment is responsible is thus reflected in pre-tax profit.

The return on equity is calculated from the ratio between operating profit (operating and pre-tax) and the average amount of equity that is tied up. It shows the return on the equity that is invested in a given segment. The cost/income ratio in operating business reflects the cost efficiency of the various segments and represents the quotient formed by operating expenses and income before provisioning.

Income and expenses are shown by originating unit and at market prices, with the market interest rate applied in the case of interest rate instruments. Net interest income reflects the actual funding costs of the equity holdings which have been assigned to the respective segments according to their specific business orientation. The investment return earned by the Group on its equity is assigned to the net interest income of the various segments in proportion to the average amount of equity that is tied up. The interest rate corresponds to that of a risk-free investment in the long-term capital market. The average amount of equity tied up is calculated in 2009 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 capital backing for risk-weighted assets which we assume for segment reporting purposes is 7 %.

The operating expenses shown in the operating result consist of personnel costs, other expenses and depreciation of fixed assets and other intangible assets. Restructuring expenses appear below operating profit in pre-tax profit. Operating expenses are attributed to the individual segments on the basis of cost causation. Indirect costs arising from the performance of internal services are charged to the user and credited to the segment performing the service. The provision of services is valued at market prices or at full cost.

On January 12, 2009, Commerzbank completed its takeover of Dresdner Bank and is now the sole shareholder. The figures for the first quarter of 2009 represent the new Commerzbank Group following the acquisition of Dresdner Bank. The figures for the first quarter of last year represent the contributions made by the business segments to the Group results prior to the acquisition of Dresdner Bank.

The following tables contain information on the segments for the first quarter of 2009 and the first quarter of 2008.

1.1.–31.3.2009 in € m	**Private Customers**	**Mittel-standsbank**	**Central and Eastern Europe**	**Corporates & Markets**	**Commercial Real Estate**	**Others and Con-solidation**	**Group**
Net interest income	594	573	167	219	221	–82	1,692
Provision for possible loan losses	–65	–90	–173	–327	–189	–	–844
Net interest income after provisioning	529	483	–6	–108	32	–82	848
Net commission income	502	238	33	86	69	–78	850
Trading profit	3	6	29	–447	31	–145	–523
Net investment income	–2	–7	–5	–134	–58	592	386
Other result	–3	–53	6	–9	–2	–10	–71
Revenue before provisioning	*1,094*	*757*	*230*	*–285*	*261*	*277*	*2,334*
Revenue after provisioning	*1,029*	*667*	*57*	*–612*	*72*	*277*	*1,490*
Operating expenses	981	328	115	552	126	–21	2,081
Operating profit	**48**	**339**	**–58**	**–1,164**	**–54**	**298**	**–591**
Restructuring expenses	51	17	–	65	–	156	289
Pre-tax profit	**–3**	**322**	**–58**	**–1,229**	**–54**	**142**	**–880**
Assets	**96,254**	**100,294**	**24,866**	**609,143**	**105,593**	**75,385**	**1,011,535**
Average equity tied up	**2,703**	**5,341**	**1,690**	**7,122**	**6,172**	**643**	**23,671**
Operating return on equity [1] (%)	**7.1**	**25.4**	**–13.7**	**–65.4**	**–3.5**	**.**	**–10.0**
Cost/income ratio in operating business (%)	**89.7**	**43.3**	**50.0**	**–193.7**	**48.3**	**.**	**89.2**
Return on equity of pre-tax profit [1] (%)	**–0.4**	**24.1**	**–13.7**	**–69.0**	**–3.5**	**.**	**–14.9**
Staff (average no.)	23,040	5,564	11,287	3,632	1,870	21,244	66,637

[1] annualized

1.1.–31.3.2008 in € m	Private Customers	Mittel-standsbank	Central and Eastern Europe	Corporates & Markets	Commercial Real Estate	Others and Con-solidation	Group
Net interest income	326	287	121	105	229	–49	1,019
Provision for possible loan losses	–40	–8	–17	–59	–51	–	–175
Net interest income after provisioning	286	279	104	46	178	–49	844
Net commission income	343	118	47	59	114	51	732
Trading profit	–1	11	34	124	2	3	173
Net investment income	–3	–5	39	–114	–84	141	–26
Other result	–2	–	4	17	–2	17	34
Revenue before provisioning	*663*	*411*	*245*	*191*	*259*	*163*	*1,932*
Revenue after provisioning	*623*	*403*	*228*	*132*	*208*	*163*	*1,757*
Operating expenses	496	214	105	258	122	127	1,322
Operating profit	**127**	**189**	**123**	**–126**	**86**	**36**	**435**
Restructuring expenses	–	–	–	25	–	–	25
Pre-tax profit	**127**	**189**	**123**	**–151**	**86**	**36**	**410**
Assets	**58,740**	**73,030**	**24,459**	**318,949**	**86,107**	**40,830**	**602,115**
Average equity tied up	**1,385**	**2,644**	**1,357**	**3,240**	**3,707**	**2,144**	**14,477**
Operating return on equity [1] (%)	**36.7**	**28.6**	**36.3**	**–15.6**	**9.3**	**.**	**12.0**
Cost/income ratio in operating business (%)	**74.8**	**52.1**	**42.9**	**135.1**	**47.1**	**.**	**68.4**
Return on equity of pre-tax profit [1] (%)	**36.7**	**28.6**	**36.3**	**–18.6**	**9.3**	**.**	**11.3**
Staff (average no.)	10,798	3,520	6,128	1,750	1,581	11,575	35,352

[1] annualized

Details "Others and Consolidation"

in € m	Q1 2009 Others	Q1 2009 Consoli-dation	Q1 2009 Others and Con-solidation	Q1 2008 Others	Q1 2008 Consoli-dation	Q1 2008 Others and Con-solidation
Provision for possible loan losses	–2	2	–	–	–	–
Revenue before provisioning	*364*	*–87*	*277*	*171*	*–8*	*163*
Revenue after provisioning	*362*	*–85*	*277*	*171*	*–8*	*163*
Operating expenses	–19	–2	–21	107	20	127
Operating profit	**384**	**–86**	**298**	**64**	**–28**	**36**
Restructuring expenses	66	90	156	–	–	–
Pre-tax profit	**318**	**–176**	**142**	**64**	**–28**	**36**
Assets	**75,385**	**–**	**75,385**	**40,830**	**–**	**40,830**

There are two notes on "Others and Consolidation":

- the market segments are depicted in their entirety for the period of January 1 - March 31, 2009. The difference from the Group result – which only pertains to the time period of January 13 to March 31, 2009 for Dresdner Bank – are listed under "Others and Consolidation"

- the allocation of data to "Others and Consolidation" is performed on the basis of the current structure. During 2009 it will be reviewed whether some of this data should be allocated to other segments on a case-by-case basis.

Due to the acquisition of Dresdner Bank, a breakdown of the Commerzbank Group's total earnings by products and services cannot be done until the product and service definitions have been harmonized in the new Commerzbank.

Notes to the balance sheet

(11) Claims on banks

in € m	31.3.2009	31.12.2008	Change in %
due on demand	39,185	19,040	.
other claims	70,685	44,195	59.9
with a remaining lifetime of			
less than three months	38,097	18,964	.
more than three months, but less than one year	12,999	8,916	45.8
more than one year, but less than five years	12,767	10,148	25.8
more than five years	6,822	6,167	10.6
Total	**109,870**	**63,235**	**73.7**
of which: reverse repos and cash collaterals	50,053	22,757	.
of which relate to the category:			
Loans and receivables	108,831	63,235	72.1
Available-for-sale financial assets	–	–	.
Applying the fair value option	1,039	–	.

Claims on banks after deduction of loan loss provisions were €109,364m (previous year: €62,969m).

(12) Claims on customers

in € m	31.3.2009	31.12.2008	Change in %
with indefinite remaining lifetime	32,421	20,454	58.5
other claims	383,963	269,694	42.4
with a remaining lifetime of			
less than three months	80,954	46,306	74.8
more than three months, but less than one year	44,041	27,275	61.5
more than one year, but less than five years	129,202	98,238	31.5
more than five years	129,766	97,875	32.6
Total	**416,384**	**290,148**	**43.5**
of which: reverse repos and cash collaterals	29,915	9,120	.
of which relate to the category:			
Loans and receivables	411,060	286,030	43.7
Available-for-sale financial assets	–	–	.
Applying the fair value option	5,324	4,118	29.3

Claims on customers after deduction of loan loss provisions were €408,802m (previous year: €284,815m).

(13) Total lending

in € m	31.3.2009	31.12.2008	Change in %
Loans to banks	35,096	30,089	16.6
Loans to customers	391,531	283,564	38.1
Total	**426,627**	**313,653**	**36.0**

We distinguish loans from claims on banks and customers such that only those claims are shown as loans for which special loan agreements have been concluded with the borrowers. Therefore, interbank money-market transactions and reverse repo transactions, for example, are not shown as loans. Acceptance credits are also included in loans to customers.

(14) Provision for possible loan losses

Development of provisioning | in € m	2009	2008	Change in %
As of 1.1.	**6,045**	**6,407**	**–5.7**
Allocations	1,339	237	.
Deductions	918	235	.
Utilized	382	116	.
Reversals	536	119	.
Changes in companies included in consolidation	2,177	48	.
Exchange-rate changes / transfers	49	–4	.
As of 31.3.	**8,692**	**6,453**	**34.7**

With direct write-downs, write-ups and income received on previously written-down claims taken into account, the allocations and reversals reflected in the income statement gave rise to a provision of €844m (previous year: €175m); see Note 2. The provisions for the first three months of 2009 contain an unwinding effect of €38m.

Level of provisioning | in € m	31.3.2009	31.12.2008	Change in %
Specific valuation allowances	6,912	4,779	44.6
Portfolio valuation allowances	1,176	820	43.4
Provision to cover balance-sheet items	**8,088**	**5,599**	**44.5**
Provisions in lending business (specific risks)	346	232	49.1
Provisions in lending business (portfolio risks)	258	214	20.6
Provision to cover off-balance-sheet items	**604**	**446**	**35.4**
Total	**8,692**	**6,045**	**43.8**

For claims on banks, provisions for possible loan losses as of March 31, 2009, amount to €506m and for claims on customers to €7,582m.

(15) Assets held for trading purposes

in € m	31.3.2009	31.12.2008	Change in %
Bonds, notes and other interest-rate-related securities	38,703	17,352	.
Shares and other equity-related securities	7,904	5,475	44.4
Promissory notes held for trading purposes	1,110	1,110	0.0
Loans and positive market values of lending commitments	1,625	1,650	–1.5
Positive fair values attributable to derivative financial instruments	251,050	92,982	.
Total	**300,392**	**118,569**	**.**

(16) Financial investments

in € m	31.3.2009	31.12.2008	Change in %
Bonds, notes and other interest-rate-related securities [1]	142,298	123,938	14.8
Shares and other equity-related securities	1,794	1,999	–10.3
Investments	867	1,093	–20.7
Investments in associated companies	332	296	12.2
Holdings in subsidiaries	134	124	8.1
Total	**145,425**	**127,450**	**14.1**
of which: at equity participations in associated companies	332	296	12.2
of which relate to the category:			
Loans and receivables [1]	85,689	83,563	2.5
Available-for-sale financial assets	48,573	41,534	16.9
of which: valued at amortized cost	474	576	–17.7
Applying the fair value option	10,831	2,057	.

[1] reduced by portfolio valuation allowances of €45m (previous year: €25m)

Securities from the Public Finance portfolio previously classified as “Available for Sale” were reclassified as “Loans and Receivables” in the 2008 and 2009 financial years. The revaluation reserve after deferred taxes for the reclassified securities was €–1.2bn as at March 31, 2009. If this reclassification had not been carried out, there would have been a revaluation reserve after deferred taxes of €–1.9bn for these holdings as at March 31, 2009; the book value on the balance sheet date was €80.0bn and the fair value €79.0bn.

(17) Intangible assets

in € m	31.3.2009	31.12.2008	Change in %
Goodwill	1,869	1,006	85.8
Other intangible assets	1,302	330	.
Total	**3,171**	**1,336**	**.**

In other intangible assets, acquired customer relationships are represented with €684m (previous year: €58m) and the acquired brand names with €185m (previous year: € 64m).

(18) Fixed assets

in € m	31.3.2009	31.12.2008	Change in %
Land and buildings	1,383	786	76.0
Office furniture and equipment	807	454	77.8
Total	**2,190**	**1,240**	**76.6**

(19) Other assets

in € m	31.3.2009	31.12.2008	Change in %
Collection items	119	764	–84.4
Precious metals	602	815	–26.1
Leased equipment	356	358	–0.6
Assets held for sale	291	684	–57.5
Assets held as financial investments	905	909	–0.4
Sundry assets, including deferred items	4,079	1,495	.
Total	**6,352**	**5,025**	**26.4**

(20) Liabilities to banks

in € m	31.3.2009	31.12.2008	Change in %
due on demand	48,669	19,894	.
with remaining lifetime of	130,069	108,598	19.8
less than three months	85,010	70,252	21.0
more than three months, but less than one year	11,734	13,677	–14.2
more than one year, but less than five years	18,171	11,398	59.4
more than five years	15,154	13,271	14.2
Total	**178,738**	**128,492**	**39.1**
of which: repos and cash collaterals	40,680	31,008	31.2
of which relate to the category:			
Liabilities measured at amortized cost	168,899	128,479	31.5
Applying the fair value option	9,839	13	.

(21) Liabilities to customers

in € m	31.3.2009	31.12.2008	Change in %
Savings deposits	8,434	9,821	–14.1
with agreed period of notice of			
three months	7,764	9,131	–15.0
more than three months	670	690	–2.9
Other liabilities to customers	301,797	160,382	88.2
due on demand	142,224	57,883	.
with agreed remaining lifetime of	159,573	102,499	55.7
less than three months	71,955	45,763	57.2
more than three months, but less than one year	35,572	18,290	94.5
more than one year, but less than five years	16,052	12,572	27.7
more than five years	35,994	25,874	39.1
Total	**310,231**	**170,203**	**82.3**
of which: repos and cash collaterals	24,444	8,944	.
of which relate to the category:			
Liabilities measured at amortized cost	306,717	169,848	80.6
Applying the fair value option	3,514	355	.

(22) Securitized liabilities

in € m	31.3.2009	31.12.2008	Change in %
Bonds and notes issued	166,159	154,801	7.3
of which: mortgage Pfandbriefe	33,352	30,953	7.8
public-sector Pfandbriefe	79,409	88,695	–10.5
Money-market instruments issued	12,509	10,923	14.5
Own acceptances and promissory notes outstanding	85	103	–17.5
Total	**178,753**	**165,827**	**7.8**
of which relate to the category:			
Liabilities measured at amortized cost	175,802	164,560	6.8
Applying the fair value option	2,951	1,267	.

Remaining lifetimes of securitized liabilities | in € m	31.3.2009	31.12.2008	Change in %
due on demand	320	218	46.8
with agreed remaining lifetime of	178,433	165,609	7.7
less than three months	24,593	23,823	3.2
more than three months, but less than one year	30,659	29,848	2.7
more than one year, but less than five years	94,692	84,576	12.0
more than five years	28,489	27,362	4.1
Total	**178,753**	**165,827**	**7.8**

In the first three months of financial year 2009 new bonds and notes amounting to €14.8bn were issued. In the same period the volume of repayments amounted to €0.5bn and the volume of bonds and notes maturing to €19.5bn.

(23) Liabilities from trading activities

in € m	31.3.2009	31.12.2008	Change in %
Currency-related transactions	31,233	15,707	98.8
Interest-rate-related transactions	162,002	63,351	.
Delivery commitments arising from short sales of securities, negative market values of lending commitments and other liabilities from trading activities	18,511	4,414	.
Sundry transactions	49,587	12,736	.
Total	**261,333**	**96,208**	**.**

(24) Provisions

in € m	31.3.2009	31.12.2008	Change in %
Provisions for pensions and similar commitments	950	195	.
Other provisions	3,461	1,835	88.6
Total	**4,411**	**2,030**	**.**

(25) Other liabilities

Other liabilities of €6,875m (31.12.2008: €2,914m) include obligations arising from still outstanding invoices, deductions from salaries to be passed on and deferred liabilities. In addition, this item includes liabilities of €268m (previous year: €329m) which relate to assets yet to be disposed of as well as borrowed funds from minority interests amounting to €1,004m (previous year: €675m).

(26) Subordinated capital

in € m	31.3.2009	31.12.2008	Change in %
Subordinated liabilities	13,424	10,006	34.2
Profit-sharing rights outstanding [1]	3,217	1,124	.
Deferred interest, including discounts	404	225	79.6
Valuation effects	668	481	38.9
Total	**17,713**	**11,836**	**49.7**
of which relate to the category:			
Liabilities measured at amortized cost	17,687	11,836	49.4
Applying the fair value option	26	–	.

[1] including €1.8bn of preference shares from the acquisition of Dresdner Bank

(27) Hybrid capital

in € m	31.3.2009	31.12.2008	Change in %
Hybrid capital	4,507	3,038	48.4
Deferred interest, including discounts	117	107	9.3
Valuation effects	20	13	53.8
Total	**4,644**	**3,158**	**47.1**
of which relate to the category:			
Liabilities measured at amortized cost	4,644	3,158	47.1
Applying the fair value option	–	–	.

Other notes

(28) Risk-weighted assets and capital ratios

in € m	31.3.2009	31.12.2008	Change in %
Core capital	21,346	22,500	–5.1
Supplementary capital	12,817	8,357	53.4
Tier III capital	315	25	.
Eligible own funds	**34,478**	**30,882**	**11.6**

as of 31.3.2009	Capital charges in %			Total
in € m	< 20	from 20 up to under 100	100 and more	
Commercial business	16,253	109,863	125,578	251,694
Derivative business	4,258	15,165	14,525	33,948
Risk-weighted assets, total	**20,511**	**125,028**	**140,103**	**285,642**
Risk-weighted market-risk position multiplied by 12.5				12,984
Risk-weighted market-risk position for operational risk multiplied by 12.5				17,116
Total items to be risk-weighted				315,742
Eligible own funds				34,478
Core capital ratio				6.8
Own funds ratio				10.9

as of 31.12.2008	Capital charges in %			Total
in € m	< 20	from 20 up to under 100	100 and more	
Commercial business	12,327	83,817	98,543	194,687
Derivative business	2,118	3,880	6,753	12,751
Risk-weighted assets, total	**14,445**	**87,697**	**105,296**	**207,438**
Risk-weighted market-risk position multiplied by 12.5				4,891
Risk-weighted market-risk position for operational risk multiplied by 12.5				9,495
Total items to be risk-weighted				221,824
Eligible own funds				30,882
Core capital ratio				10.1
Own funds ratio				13.9

(29) Contingent liabilities and irrevocable lending commitments

in € m	31.3.2009	31.12.2008	Change in %
Contingent liabilities	47,909	33,035	45.0
from rediscounted bills of exchange credited to borrowers	3	2	50.0
from guarantees and indemnity agreements	47,327	32,695	44.8
Other commitments	579	338	71.3
Irrevocable lending commitments	76,002	49,873	52.4

Provisioning for contingent liabilities and irrevocable lending commitments has been deducted from the respective items.

(30) Derivative transactions

Derivative transactions (investment and trading books) involved the following nominal amounts and fair values:

31.3.2009	Nominal amount, by remaining lifetime				Fair values	
in € m	less than one year	more than one year, but under five years	more than five years	Total	positive	negative
Foreign currency-based forward transactions	922,193	258,904	103,899	1,284,996	34,113	31,639
Interest-based forward transactions	3,065,797	4,381,413	3,871,707	11,318,917	323,104	330,174
Other forward transactions	486,948	814,092	134,385	1,435,425	86,524	81,766
Total	**4,474,938**	**5,454,409**	**4,109,991**	**14,039,338**	**443,741**	**443,579**
of which: traded on a stock exchange	*353,875*	*80,455*	*4,632*			
Net result in the balance sheet					**266,230**	**266,068**

31.12.2008	Nominal amount, by remaining lifetime				Fair values	
in € m	less than one year	more than one year, but under five years	more than five years	Total	positive	negative
Foreign currency-based forward transactions	321,349	137,079	56,581	515,009	17,856	16,294
Interest-based forward transactions	1,735,846	2,088,327	2,144,016	5,968,189	124,692	136,823
Other forward transactions	104,113	136,967	26,330	267,410	13,634	12,812
Total	**2,161,308**	**2,362,373**	**2,226,927**	**6,750,608**	**156,182**	**165,929**
of which: traded on a stock exchange	*113,885*	*27,141*	*2,336*			
Net result in the balance sheet					**103,510**	**113,257**

(31) Fair value of financial instruments

	Fair value		Book value		Difference	
in € bn	31.3.2009	31.12.2008	31.3.2009	31.12.2008	31.3.2009	31.12.2008
Assets						
Cash reserve	10.3	6.6	10.3	6.6	–	–
Claims on banks	109.4	63.0	109.4	63.0	0.0	0.0
Claims on customers	409.0	284.2	408.8	284.8	0.2	–0.6
Hedging instruments	15.2	10.5	15.2	10.5	–	–
Assets held for trading purposes	300.4	118.6	300.4	118.6	–	–
Financial investments	144.1	126.9	145.4	127.5	–1.3	–0.6
Liabilities						
Liabilities to banks	177.2	127.1	178.7	128.5	–1.5	–1.4
Liabilities to customers	309.5	169.4	310.2	170.2	–0.7	–0.8
Securitized liabilities	176.2	164.0	178.8	165.8	–2.6	–1.8
Hedging instruments	23.2	21.5	23.2	21.5	–	–
Liabilities from trading activities	261.3	96.2	261.3	96.2	–	–
Subordinated and hybrid capital	16.9	11.9	22.4	15.0	–5.5	–3.1

In net terms, the difference between the book value and fair value amounted for all items to €9.2bn as of March 31, 2009 (31.12.2008: €5.9bn).

(32) Treasury shares

	Number of shares[1] in units	Accounting par value in €1,000	Percentage of share capital
Portfolio on 31.3.2009	325,599	847	0.04
Largest total acquired during the financial year	7,046,727	18,321	0.80
Total shares pledged by customers as collateral on 31.3.2009	12,444,794	32,356	1.40
Shares acquired during the financial year	44,422,623	115,499	–
Shares disposed of during the financial year	44,321,965	115,237	–

[1] accounting par value per share: €2.60

(33) Dealings with related companies and persons

As part of its normal business, Commerzbank AG does business with related parties. This includes parties that are controlled but not consolidated for reasons of materiality, associated companies, external service providers of occupational pensions for Commerzbank AG employees, key management personnel and their dependants as well as companies controlled by people in this group. Key management personnel refers exclusively to members of Commerzbank AG's Board of Managing Directors and Supervisory Board.

In the first quarter of 2009 there were two major changes regarding related companies. First, Schiffsbank AG is no longer regarded as a related company, but rather as a subsidiary which is fully incorporated in the consolidated financial statements. As a consequence, business relationships between Commerzbank AG and Schiffsbank AG have been entirely eliminated from the consolidated financial statements. Second, the number of related companies was expanded due to the first-time consolidation of Dresdner Bank AG.

Assets and liabilities and off-balance-sheet items in connection with related parties changed as follows in the year under review:

in € m	1.1.2009	Additions	Disposals	Changes in consolidated companies	Changes in exchange rates	31.3.2009
Claims on banks	622	–	–	365	–	987
Claims on customers	885	243	52	–	–4	1,072
Assets held for trading purposes	41	–	–	–20	–3	18
Financial investments	37	3	4	–	–4	32
Total	**1,585**	**246**	**56**	**345**	**–11**	**2,109**
Liabilities to banks	256	6	6	–217	–	39
Liabilities to customers	1,885	12	18	–	–4	1,875
Total	**2,141**	**18**	**24**	**–217**	**–4**	**1,914**
Off-balance-sheet items						
Granted guarantees and collateral	322	–	–	–	–	322
Received guarantees and collateral	10	–	–	446	–1	455

The following income and expenses arose from loan agreements with, deposits from and services provided in connection with related parties:

1.1.-31.3.2009 | in € m	Expenses	Income
Interest	15	23
Commission income	5	2
Trade	7	4
Write-downs/impairments	–	–

Frankfurt am Main, May 5, 2009
The Board of Managing Directors

Martin Blessing	Frank Annuscheit	Markus Beumer
Wolfgang Hartmann	Achim Kassow	Michael Reuther
Stefan Schmittmann	Eric Strutz	

Boards of Commerzbank Aktiengesellschaft

Supervisory Board

Klaus-Peter Müller
Chairman

Uwe Tschäge*
Deputy Chairman

Hans-Hermann Altenschmidt*

Dott. Sergio Balbinot

Dr.-Ing. Burckhard Bergmann

Herbert Bludau-Hoffmann*

Karin van Brummelen*

Astrid Evers*

Uwe Foullong*

Daniel Hampel*

Dr.-Ing. Otto Happel

Sonja Kasischke*

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

Alexandra Krieger*

Friedrich Lürßen

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

Klaus Müller-Gebel

Barbara Priester*

Dr. Marcus Schenck

Dr.-Ing. E.h. Heinrich Weiss

Dr. Walter Seipp
Honorary Chairman

* elected by the Bank's employees

Board of Managing Directors

Martin Blessing
Chairman

Frank Annuscheit

Markus Beumer

Wolfgang Hartmann

Dr. Achim Kassow

Michael Reuther

Dr. Stefan Schmittmann

Dr. Eric Strutz

Report of the audit review

To Commerzbank Aktiengesellschaft,
Frankfurt am Main

We have reviewed the abridged version of the Group's interim financial statements – comprising the abridged balance sheet, the abridged overall results, the abridged cash flow statement, the abridged statement of changes in equity and selected Notes – as well as the Group interim report for Commerzbank Aktiengesellschaft, Frankfurt am Main, for the period from January 1 to March 31, 2009, which are components of the quarterly financial statement according to Art. 37 x, (3), of the German Securities Trading Act. The compilation of the abridged Group interim financial statements in accordance with the IFRS governing interim reporting as applicable in the EU, and the Group interim report in accordance with the applicable provisions of the German Securities Trading Act, are the responsibility of the Group's management. Our responsibility is to express an opinion on these abridged Group interim financial statements and the Group interim report based on our review.

We conducted our review of the abridged Group interim financial statements and the Group interim report in accordance with German generally accepted standards for the review of financial statements as promulgated by the Institut der Wirtschaftsprüfer or IDW (Institute of Public Auditors in Germany). Those standards require that we plan and perform the review to obtain reasonable assurance that the abridged Group interim financial statements are free of material misstatement as required by the IFRS governing interim reporting as applicable in the EU, and that the Group interim report is free of material misstatement as required by the provisions of the German Securities Trading Act concerning Group interim reports. An audit review is limited primarily to interviews with Group employees and to analytical assessments, and thus does not offer the level of security afforded by a full audit. Since we were not instructed to perform a full audit, we cannot issue an audit certificate.

Our review revealed nothing to suggest that the abridged Group interim financial statements were not prepared in accordance with the IFRS governing interim reporting as applicable in the EU, or that the Group interim report were not prepared in accordance with the provisions of the German Securities Trading Act concerning Group interim reports.

Frankfurt am Main, May 5, 2009

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Lothar Schreiber	Clemens Koch
Wirtschaftsprüfer	Wirtschaftsprüfer

Major Group companies and major holdings

Germany
Dresdner Bank AG, Frankfurt am Main
comdirect bank AG, Quickborn
Commerz Real AG, Eschborn
Eurohypo AG, Eschborn
CBG Commerz Beteiligungsgesellschaft Holding mbH, Bad Homburg v.d.H.
CommerzFactoring GmbH, Mainz
Reuschel & Co. Kommanditgesellschaft, Munich
Deutsche Schiffsbank AG, Bremen / Hamburg

Abroad
BRE Bank SA, Warsaw
Commerzbank Capital Markets Corporation, New York
Dresdner Kleinwort Securities LLC, Wilmington / Delaware
Commerzbank (Eurasija) SAO, Moscow
Commerzbank Europe (Ireland), Dublin
Commerzbank International S.A., Luxembourg
Dresdner Bank Luxembourg S. A., Luxembourg
Commerzbank (Switzerland) Ltd, Zurich
Dresdner Bank (Schweiz) AG, Zurich
Commerzbank (South East Asia) Ltd., Singapore
Commerzbank Zrt., Budapest
Dresdner Kleinwort Limited, London
Erste Europäische Pfandbrief- und Kommunalkreditbank AG, Luxembourg
Joint Stock Commercial Bank „Forum", Kiev

Foreign branches
Amsterdam, Atlanta (agency), Barcelona, Bratislava, Brno (office), Brussels, Chicago, Dubai, Hong Kong, Hradec Králové (office), Johannesburg, Košice (office), London, Los Angeles, Luxembourg, Madrid, Milan, New York, Ostrava (office), Paris, Plzeň (office), Prague, Shanghai, Singapore, Tokyo

Representative offices
Addis Ababa, Almaty, Ashgabat, Baku, Bangkok, Beijing, Beirut, Belgrade, Bucharest, Buenos Aires, Cairo, Caracas, Ho Chi Minh City, Istanbul, Jakarta, Kiev, Lagos, Minsk, Moscow, Mumbai, Novosibirsk, Panama City, São Paulo, Seoul, Taipei, Tashkent, Tehran, Zagreb

Disclaimer

Reservation regarding forward-looking statements
This interim report contains forward-looking statements on Commerzbank's business and earnings performance, which are based upon our current plans, estimates, forecasts and expectations. The statements entail risks and uncertainties, as there are a variety of factors which influence our business and to a great extent lie beyond our sphere of influence. 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 our current assumptions, which, for this reason, are valid only at the time of publication. We undertake no obligation to revise our forward-looking statements in the light of either new information or unexpected events.

Dresdner Bank and Commerzbank legally merged into the new Commerzbank

On May 11, 2009 the merger between Dresdner Bank and Commerzbank was registered in the commercial register of the lower regional court (*Amtsgericht*) of Frankfurt am Main.

Trend Information

Save as disclosed in the Supplement dated February 5, 2009 and herein, no material adverse change in the prospects nor in the financial position have occurred since the audited consolidated annual financial statements as of December 31, 2008 and the interim report as of March 31, 2009 (reviewed) were published.

PERSONS WHO ASSUME RESPONSIBILITY FOR THE SUPPLEMENT
in relation to Warrants which will be listed on Euronext Paris SA

To the best of our knowledge, after having taken all care to ensure that such is the case, we declare that the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import.

1 – On behalf of the Issuer

Dr Klaus KÜNZEL Senior Counsel, Central Legal Department Authorised Signature	Lilo FROMM Associate Director, Central Legal Department Authorised Signature

COMMERZBANK AKTIENGESELLSCHAFT

2 – On behalf of the Paris Listing Agent

Thibaud RENOULT Head of Public Distribution France, Belgium and Netherlands Authorised Signature	Thomas FONSEGRIVE Head of Marketing Warrants Authorised Signature

COMMERZBANK AG,
Succursale de Paris