COMMERZBANK AKTIENGESELLSCHAFT

Frankfurt am Main · Federal Republic of Germany

Registration Document

pursuant to Articles 5 and 12 paragraph 1 sentence 3 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*)

COMMERZBANK

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A. RESPONSIBILITY STATEMENT

COMMERZBANK Aktiengesellschaft (hereinafter also referred to as "**COMMERZBANK**", the "**Bank**" or the "**Issuer**" and together with its consolidated subsidiaries and affiliated companies the "**COMMERZBANK Group**" or the "**Group**"), Frankfurt am Main, Federal Republic of Germany, assumes responsibility for the information contained in this Registration Document. The Issuer hereby declares that the information contained in this Registration Document is, to the best of its knowledge, in accordance with the facts and contains no material omission. The Issuer has taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

B. THIRD PARTY INFORMATION

Where information has been sourced from a third party, COMMERZBANK confirms that this information has been accurately reproduced and that so far as COMMERZBANK is aware and able to ascertain from information published by such third party no facts have been omitted which would render the reproduced information inaccurate or misleading.

C. APPROVAL AND VALIDITY OF THE REGISTRATION DOCUMENT

This Registration Document has been approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**") following examination for completeness, including the coherence and comprehensibility of the information provided therein in accordance with Article 13 para. 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*)

This Registration Document reflects the status only as of its date of approval. It is valid for a period of twelve months from the date of its approval provided that it will be supplemented pursuant to Article 16 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*).

This Registration Document constitutes neither an offer nor a solicitation of an offer to subscribe for or purchase of any securities of COMMERZBANK. It should not be considered as a recommendation by COMMERZBANK that any recipient of this Registration Document should subscribe for or purchase any securities COMMERZBANK may issue. No person has been authorized by COMMERZBANK to give any information or to make any representation other than those contained in this document or consistent with this document. If given or made, any such information or representation should not be relied upon as having been authorized by COMMERZBANK.

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D. RISK FACTORS RELATING TO THE COMMERZBANK GROUP

Potential investors should read carefully and take into consideration the risk factors described below and other information contained in this Registration Document before making a decision on the acquisition of securities from COMMERZBANK Aktiengesellschaft. The onset of one or several of these risks, in isolation or in combination with other factors, can seriously affect the business operations of the Group and have material adverse effects on the net assets, financial standing and profitability of the Group or on the price of securities of COMMERZBANK. The risks described below are possibly not the only risks to which the Group is exposed. Other risks, which are currently not known to the Bank or are considered unimportant at present, may also affect the business operations of the Group and have serious adverse effects on the business activity and the net assets, financial standing and profitability of the Group. The selected order is neither a statement of the probability of realization nor the extent of the economic effects or the significance of the risk factors mentioned below.

Market and Company-related risks

The macroeconomic environment prevailing over the past few years continues to negatively affect the Group's results, and the Group's heavy dependence on the economic environment, particularly in Germany, may result in further substantial negative effects in the event of a possible renewed economic downturn.

The Group's results of operations are currently being adversely affected by the macroeconomic environment that has prevailed since the outbreak of the financial crisis, which is characterized by low interest rates, a high level of volatility in the capital markets and a high level of uncertainty both in the capital markets and in the real economy. While global economic growth, and particularly the situation on the financial markets, somewhat improved at the beginning of 2012, the sovereign debt crisis continues to weigh down the economy, the confidence of financial market participants and the activity levels of customers in the banking business within the Eurozone. Restrictive fiscal policies and overall high unemployment rates are having a negative impact on the Eurozone. The debt reduction process initiated by many states and households will initially lead to weak credit demand and increase the pressure on the deposit business.

The Group's increased focus on its customer-oriented businesses in the Core Bank (see risk factor: "*There is a risk that the Group may not be able to implement its Strategic Agenda or may be able to do so only in part or at a higher cost than planned, and that the implementation of planned measures may not lead to the achievement of the strategic objectives sought to be obtained*") heightens the role that the demand for credit, investment and banking products and the overall interest rate environment play as key factors in determining the Group's revenue streams. The ongoing historically low interest rate levels have led to low margins, particularly in the Group's deposit business in the Private Customers and Mittelstandsbank segments. An increase in interest rates is not currently foreseeable. The uncertainty in the financial markets has led to hesitance on the part of customers and consequently to a decline in earnings from the volume-dependent securities business. Due to the negative developments in many national economies and the rather cautious or even negative outlook, among other things, demand for loans in the Mittelstandsbank segment may remain below expectations. Furthermore, while the easing of the sovereign debt crisis seen since the summer of 2012 has largely restored liquidity to the markets, one effect of this has been that some of the Group's customers, particularly in the Mittelstandsbank, increasingly have the opportunity to finance themselves directly through the capital markets (to the extent that they have an need for funding at all), further driving down demand for bank loans. In an unfavorable interest rate environment, a level of credit demand that is too low in proportion to the level of COMMERZBANK's deposits could have an adverse effect on the Group's net interest income. The uncertainty in the financial markets has also led to considerable caution with regard to higher-risk and long-term capital investments in the Private Customers segment. This has resulted in customers turning to less risky forms of investment, the sales of which generally generate only lower commissions. Likewise, widespread uncertainty in the capital markets may lead to a significant decline in customer activities in the Corporates & Markets segment, which may put a strain on the segment's operating results.

International trade volumes were severely negatively affected by the financial crisis. Although total volume in 2010 had returned to the pre-crisis level of 2007, trade growth has since leveled off, with the World Trade Organization estimating modest growth of 3,3% in 2013 (source: World Trade Organization, Press Release dated April 10, 2013). As an export-oriented country, Germany is highly dependent upon international trade. A prolonged period of weak growth, a stagnation or a fall in

international trade volumes could have material adverse effects on COMMERZBANK, particularly its SME business, which is highly dependent on the German export market. Additionally, such a development in international trade could exacerbate the already difficult situation in the shipping industry, which in turn could have material adverse effects on COMMERZBANK and its ship finance portfolio (see risk factor: "*The run-down of the ship finance portfolio is exposed to considerable risks in view of the current difficult market environment and the volatility of ship prices and the default risk (credit risk) affected thereby, as well as the risk of substantial changes in the value of ships held as collateral and directly owned*").

The further development of these and other macroeconomic conditions is subject to considerable uncertainty. A renewed recession, particularly in the United States where the automatic budget cuts (sequester) effective as of March 1, 2013 may jeopardize the nascent economic recovery, or a substantial decline in growth in China, combined with a downturn in international trade (including as a result of protectionist tendencies), would have a disproportionately high impact on export-oriented countries like Germany. This, in turn, could have material adverse effects on COMMERZBANK and particularly its SME business. At the same time a recession could in turn contribute to an escalation of the financial market and sovereign debt crises and thereby magnify their impact.

The massive amount of liquidity provided to national economies by central banks in order to stabilize the financial system in the wake of the sovereign debt crisis, in particular at the end of 2011 and in the first quarter of 2012, could trigger a rise in inflation (see risk factor: "*The global financial crisis and the sovereign debt crisis, particularly in the Eurozone, have had a significant material adverse effect on the Group's net assets, financial position and results of operations. There can be no assurance that the Group will not suffer further material adverse effects in the future as well, particularly in the event of a renewed escalation of the crisis. Any further escalation of the crisis within the European Monetary Union may have material adverse effects on the Group, which, under certain circumstances, may even threaten the Group's existence*"). This may have material adverse effects on economic growth, not least due to central banks limiting the supply of liquidity and taking measures to increase interest rates in order to fight inflation, thereby slowing economic growth.

Negative developments in the macroeconomic environment may, in particular, lead to the need to increase loan loss provisions and the incurrence of losses from defaults on loans, as corporate insolvencies and therefore loan defaults become more likely, and interest and amortization payments could remain outstanding for a longer period in some cases. This may have a material adverse effect on the Group's net assets, financial position and results of operations. Given economic developments, the Group expects that loan loss provisions will continue to increase in the current financial year (see also risk factor: "*The Group is exposed to default risk (credit risk), including in respect of large individual commitments, large loans and commitments concentrated in individual sectors, referred to as "cluster" risk, as well as loans to debtors that may be particularly affected by the Sovereign Debt Crisis*"). Furthermore, in addition to low interest rates, weak or negative economic growth (in Germany and Poland in particular) may place a strain on the Group's results of operations and profitability, as demand for its products (such as loans from the Mittelstandsbank or the Polish BRE Bank SA ("**BRE Bank**"), the Corporates & Markets segment's products and the Private Customers segment's investment products) may decline.

Due to the European sovereign debt crisis, COMMERZBANK expects economic growth to remain muted in the Central and Eastern European region in 2013. It is expected that falling infrastructure investment and weak private consumption will continue to weaken the Polish economy in 2013. The monetary policy committee in Poland already began easing monetary policy in 2012, and continued this policy in the first half of 2013. This interest rate environment and the economic environment more generally could lead to pressure on the development of the local banking sector's results of operations. Any of these factors may impair the business operations of BRE Bank in Poland, and thereby have an adverse effect on the COMMERZBANK Group's net assets, financial position and results of operations.

Due to the large portion of COMMERZBANK's business activities in Germany, a recession in this market would have substantial material adverse effects on the Group's net assets, financial position and results of operations. In the event of a deep recession lasting several years, this may even pose a threat to the Group's existence. Moreover, since the Polish economy is significantly influenced by the state of the German economy, such a recession could also have material adverse effects on the business operations of BRE Bank in Poland, which could lead to further significant material adverse effects on the Group's net assets, financial position and results of operations.

The global financial crisis and the sovereign debt crisis, particularly in the Eurozone, have had a significant material adverse effect on the Group's net assets, financial position and results of

operations. There can be no assurance that the Group will not suffer further material adverse effects in the future as well, particularly in the event of a renewed escalation of the crisis. Any further escalation of the crisis within the European Monetary Union may have material adverse effects on the Group, which, under certain circumstances, may even threaten the Group's existence.

Since the middle of 2007, international financial markets and financial institutions have been suffering from the severe negative effects of the global financial crisis. The financial crisis had a material adverse effect on the Group's net assets, financial position and results of operations, with the result that COMMERZBANK – like many of its international competitors – was forced to call upon state support at the end of 2008. After a widespread stabilization of financial markets in 2010 and at the beginning of 2011, markets have again come under severe pressure since the middle of 2011 as a result of a deterioration in the credit ratings of a number of countries (particularly within the Eurozone). These negative developments raised serious doubts as to the ability of those national economies to meet their sovereign debt obligations (the "**Sovereign Debt Crisis**").

This development was accompanied by a series of ratings downgrades, some considerable, of the countries concerned by Standard & Poor's Financial Services LLC ("**Standard & Poor's**"), Moody's Investors Service, Inc. ("**Moody's**") and Fitch Ratings, Inc. ("**Fitch**"). In comparison to the very good ratings that were still in place at the beginning of 2010, by the end of July 2013, the ratings of Italy had been downgraded by up to six notches and Spain by up to nine notches. The ratings downgrades also affected sovereign bonds, the market value of which had not previously declined, or had declined only to small extent. Downgrades can, in addition to other factors, bring about a further widening of spreads or a reduction in the market price of outstanding bonds issued by public-sector entities ("**Sovereign Debt**"). Consequently, they can bring about an increase in the cost of financing for certain states, as certain investors must (due, in part, to applicable laws or internal rules) sell financial instruments when a rating falls below a certain level.

Greece, Portugal and Ireland became partly unable to refinance their maturing Sovereign Debt and ongoing financing needs on the capital markets as early as 2010, requiring the European Union, other countries in the Eurozone and the International Monetary Fund to provide support. For this purpose, the member states of the European Union, together with the International Monetary Fund to some extent, established a "Bailout" package, i.e., a set of mechanisms enabling the countries concerned to be supported through the granting of loans. However, the Bailout has not been able to dispel the doubts regarding the stability of the affected countries on a sustainable basis. Despite successive increases, the fear remains that its volume will not be sufficient if the crisis spreads to other large European countries (particularly Italy and Spain). This is the case because, in particular, European governments have disagreed to some extent as to the consequences to be drawn from the Sovereign Debt Crisis for the economic and financial policy of Europe and the Eurozone, and corresponding doubts remain as to whether policy-makers will react decisively enough in the event of a renewed escalation of the crisis.

The Sovereign Debt Crisis has thereby led to the affected states' existing bonds suffering substantial losses in value. Greek bonds were the most severely affected, with their market value declining to less than 30% of their nominal value during the course of 2011. In March 2012, Greek bonds were exchanged, or were required to be exchanged, by private bondholders (among them COMMERZBANK) for new bonds with a substantially reduced nominal value, longer terms and a reduced interest rate. In addition, the market values of the bonds of a number of other states in the Eurozone, particularly Italy, Spain, Portugal and Ireland, also declined considerably in 2010 and 2011. Countries outside the Eurozone, particularly in Eastern Europe (especially Hungary), have also been affected. At the same time, the trading liquidity of all affected Sovereign Debt has decreased, in some cases substantially. Despite the restructuring of Greece's debt in March 2012 and a measure of easing after the stabilization of the value of Italian and Spanish Sovereign Debt, in particular due to the verbal intervention of the European Central Bank ("**ECB**") in the summer of 2012, there remains a substantial risk that the crisis will intensify and spread to other countries. Public demonstrations, election results and the resulting changes in government in certain countries could influence those countries' willingness to agree to austerity measures and reforms tied to rescue packages, thereby increasing the likelihood of a renewed escalation in the Sovereign Debt Crisis. In addition, the continued uncertainty, with positive developments repeatedly followed by setbacks, has resulted in a general aversion to risk on the part of many market participants, with volumes in many businesses in which COMMERZBANK engages dropping to and remaining at levels consistently below pre-crisis levels.

European banks in particular, including COMMERZBANK, sustained substantial losses due to the impairments on Greek Sovereign Debt and in the course of the restructuring, which has led to a weakening of their capital bases (see also risk factor: "*The Group holds substantial volumes of*

Sovereign Debt. Impairments and revaluations of such Sovereign Debt to lower fair values have had material adverse effects on the Group's net assets, financial position and results of operations in the past, and may have further adverse effects in the future"). The risk of sustaining further losses on the Sovereign Debt of other countries has also triggered doubts as to the stability of some banks that hold sizeable portfolios of such Sovereign Debt. As in the financial crisis, this has resulted in a considerable strain on the interbank lending market and a widespread loss of confidence, making it more difficult and expensive for banks to obtaining funding. The limited ability to recoup these losses through volume business in traditionally less volatile areas of the banking business has made the situation worse.

The effects of the financial crisis and the Sovereign Debt Crisis and the resulting deterioration in the business environment have had a material adverse effect on the Group's net assets, financial position and results of operations. Among the most important adverse effects have been: an increased need for loan loss provisions and impairments in relation to net investment income, net trading losses and increases in financing costs as well as declining income. It can be assumed that material adverse consequences may also result for the Group in the future, particularly in the event of a renewed escalation of the crises. At the same time, it is to some extent not possible, or only possible with great difficulty, for the Group to hedge against risks related to the financial crisis and the Sovereign Debt Crisis (see also risk factor: "*The Group's hedging strategies may prove to be ineffective, result in costs and entail risks*").

If further member states of the European Union ("**EU**") were to experience payment problems or even become insolvent, the risks relating to the Sovereign Debt Crisis would be significantly greater, even threatening the Group's existence under certain circumstances. The exit of individual countries from the European Monetary Union, in particular the exit of one of the major economic powers such as Germany, Italy, Spain or France, or the complete break-up of the European Monetary Union, would have extremely far-reaching consequences for financial markets and the real economy. Furthermore, potential funding restrictions imposed by local central banks could in this case lead to funding shortfalls and additional foreign currency risks (see also risk factor: "*The Group is exposed to currency risks*"). It can be assumed that such a scenario would have extremely significant material adverse effects on the Group's net assets, financial position and results of operations, and could even threaten the Group's existence under certain circumstances.

The Group holds substantial volumes of Sovereign Debt. Impairments and revaluations of such Sovereign Debt to lower fair values have had material adverse effects on the Group's net assets, financial position and results of operations in the past, and may have further adverse effects in the future.

The Group holds substantial volumes of Sovereign Debt, i.e., bonds issued by a state or other public-sector entities, largely through its Hypothekenbank Frankfurt AG ("**Hypothekenbank Frankfurt**") subsidiary, formerly Eurohypo Aktiengesellschaft. These include bonds issued by Italy, Spain and Portugal, and, until the first half of 2012, also by Greece. Adverse developments prompted the Group to reduce its holdings of such Sovereign Debt during the 2010, 2011 and 2012 financial years and accept losses as a consequence. As of June 30, 2013, the Group's exposure at default ("**EaD**") to public-sector entities was €47 billion. Of this amount, Italy accounted for €9.4 billion, Spain for €2.6 billion and Portugal for €0.8 billion, thereby totaling €12.8 billion. For securities in the Public Finance portfolio, EaD is equal to the nominal value of those securities. These EaD values take into account hedging through the Group's acquisition of Credit Default Swaps ("**CDSs**"), *i.e.*, the EaD values have been reduced by the hedged amount. Since it is not assured in every case that CDSs will effectively hedge against the risks from Sovereign Debt, the Group's exposure to the risks from Sovereign Debt may be higher than those indicated by the EaD values (see risk factor: "*Credit default swaps (CDSs) on Sovereign Debt acquired by the Group could fail to fulfill their hedging purpose. Furthermore, the Group has issued CDSs on Sovereign Debt, thereby assuming the default risk of the Sovereign Debt held by third parties. The risk from CDSs the Group has issued may materialize even if CDSs the Group has acquired fail to fulfill their hedging purpose at the same time*").

Sovereign Debt is assigned to two separate categories in the COMMERZBANK Group depending, among other factors, on the availability of liquid markets. A large portion of the Sovereign Debt (with a nominal value of €19.6 billion as of June 30, 2013) is recognized in the Loans and Receivables ("**LaR**") category. The rest (with a nominal value of €17.9 billion as of June 30, 2013) is recognized in the Available for Sale ("**AfS**") category. Sovereign Debt is reported in accordance with the IAS 39 categories. The portion that became illiquid in 2008 and 2009 is assigned to the LaR category and reported at amortized cost; once illiquidity has been determined, the previous changes in fair value are frozen, or as the case may be, released by maturity. Even if markets again become liquid, bonds in the

LaR category may not be adjusted for changes in their fair value; an impairment (recognized through profit or loss) only takes place if certain objective circumstances exist. In the case of securities assigned to the AfS category, the carrying values are adjusted to fair value by recording an adjusting entry (which may be positive if the fair value increases or negative if the fair value decreases) on the asset side of the balance sheet and reclassifying this amount to the revaluation reserve, thus changing reported equity accordingly. The revaluation of securities assigned to the AfS category is generally not recognized through profit or loss. However, impairments (for both LaR Sovereign Debt and AfS Sovereign Debt) are recognized through profit or loss if objective evidence of an impairment resulting from loss events exists that results in a decrease in the expected cash flows from the Sovereign Debt. Additionally, the Group has largely hedged its Sovereign Debt against interest rate and inflation risks through derivative instruments. A fall in the value of the Sovereign Debt can have a corresponding adverse impact on the value of these hedging instruments, leading to further significant adverse effects on results of operations (see risk factor: "*The Group's hedging strategies may prove to be ineffective, result in costs and entail risks*").

Other than in respect of Greek Sovereign Debt (in 2012, all Greek Sovereign Debt was exchanged for new Greek Sovereign Debt and sold) and municipal bonds, in particular of the City of Detroit, no impairments have been made to date, as COMMERZBANK did not believe that the conditions that required the impairment of the Greek Sovereign Debt and the Detroit municipal bonds, namely objective evidence of a decrease in the expected cash flows of the respective debt instruments, existed in respect of the Sovereign Debt of other countries as of June 30, 2013. The revaluation reserve with regard to Sovereign Debt, i.e., the difference between the Sovereign Debt held as AfS and the fair value, amounted to €0.9 billion as of June 30, 2013. The difference between the Sovereign Debt held as LaR and the fair value, to the extent lower than the respective carrying value, amounted to €3.2 billion as of June 30, 2013 (referred to as hidden liabilities).

As can be seen from the high negative revaluation reserve and the high hidden liabilities in respect of Sovereign Debt as of June 30, 2013, market participants no longer believe that it will be possible to recover the full value of various Sovereign Debt, in particular that of Italy, Spain and Portugal, but also that of a number of United States municipalities, and not all of this is fully reflected in the COMMERZBANK Group's key financial figures. Should the view of market participants be confirmed, the Sovereign Debt held by the COMMERZBANK Group would be subject to significant impairments, and further negative valuation effects from the interest and inflation hedging instruments would need to be booked through profit or loss. This would have material adverse effects on the Group's net assets, financial position and results of operations.

On the other hand, the Group's options for reducing the risks arising out of its Sovereign Debt holdings, whether through sales or other measures, are limited or would require the acceptance of considerable losses. This is because market values lie in some cases very considerably below carrying values, the ability and the willingness of the market to absorb Sovereign Debt is limited and many market participants, particularly banks, are attempting to sell such debt. The downward spiral generated thereby may lead to further material adverse effects on the Group's net assets, financial position and results of operations.

Credit default swaps (CDSs) on Sovereign Debt acquired by the Group could fail to fulfill their hedging purpose. Furthermore, the Group has issued CDSs on Sovereign Debt, thereby assuming the default risk of the Sovereign Debt held by third parties. The risk from CDSs the Group has issued may materialize even if CDSs the Group has acquired fail to fulfill their hedging purpose at the same time.

As of June 30, 2013, the Group had acquired a total of €1.6 billion in CDSs for the Sovereign Debt of Italy, Spain and Portugal, as well as a total of €0.9 billion in CDSs for the Sovereign Debt of other countries. Italy accounted for €1.0 billion thereof, Spain for €0.4 billion and Portugal for €0.2 billion. At the same time, the Group has issued a total volume of €1.6 billion in CDSs for the Sovereign Debt of Italy, Spain and Portugal (in addition to a total volume of €0.9 billion in CDSs for the Sovereign Debt of other countries), thereby assuming the credit risk of the hedged Sovereign Debt of its counterparties to that extent. Italy accounted for €1.2 billion thereof, Spain for €0.3 billion and Portugal for €0.2 billion.

However, the value of the acquired CDSs depends on the respective counterparty's ability to pay. This ability to pay may be impaired if the counterparties fail to hedge their own risk positions effectively or if other substantial risks arising from Sovereign Debt materialize, particularly in the event of a sovereign insolvency. In addition, the contractual terms of the hedging instruments may not cover the particular event triggering the debtor's non-payment. In other circumstances, it may however be the case that the hedging provided by the CDSs fails to fulfill its purpose, therefore exposing the Group to risks that it believed it had hedged.

Furthermore, in respect of several countries, the CDSs issued by the Group do not provide the same coverage in terms of amounts and contractual arrangements (e.g., with respect to currencies and terms) as the CDSs acquired by the Group. Therefore, even in the case of full performance of the CDSs by the counterparty, the acquired CDSs would not fully offset the risk arising from the issued CDSs (see also risk factor: "*The Group's hedging strategies may prove to be ineffective, result in costs and entail risks*").

A payment default by even just one of the countries whose Sovereign Debt is the subject of CDS coverage provided by the Group or whose Sovereign Debt positions held by the Group are hedged against through CDSs may have material adverse effects on the Group's net assets, financial position and results of operations, in addition to the adverse effects based on the Sovereign Debt of these countries directly held by the Group.

There is a risk that the Group may not be able to implement its Strategic Agenda or may be able to do so only in part or at a higher cost than planned, and that the implementation of planned measures may not lead to the achievement of the strategic objectives sought to be obtained.

COMMERZBANK is planning to further adapt its business model to the changing conditions in the financial industry in the coming years, and the targets it is pursuing as part of its Strategic Agenda 2016 include the following: COMMERZBANK intends to invest more than €2.0 billion by 2016 in the profitability of its core business in the Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe segments (the Core Bank). In the Private Customers segment, COMMERZBANK plans to invest approximately €1.0 billion by 2016 in platforms, the product and service offering, the advisory process and the qualification of employees in order to increase average revenue per customer and increase the number of customers by one million. Moreover, additional efficiency measures are intended to keep costs stable and further improve capital resources. The target thereby is to achieve a return on equity (RoE) of more than 10% and to reduce the cost/income ratio (CIR) to approximately 60% in the Core Bank by 2016. COMMERZBANK is aiming to achieve a Common Equity Tier 1 ratio, under fully phased-in Basel 3 rules expected to be in effect only as of 2019, of 9% as early as the end of 2014. Lastly, the Public Finance, Commercial Real Estate (CRE) and Ship Finance portfolios bundled in the Non-Core Assets ("**NCA**") segment are intended to be reduced, mainly without divestments and in a value-optimizing manner, by approximately 40%, from EaD of €151 billion as of December 31, 2012 to EaD of under €90 billion by December 31, 2016.

Internal structures for managing cost-reduction programs have been implemented in order to adjust the cost base, and the implementation of the respective measures has been initiated in all units. COMMERZBANK and the employee committees have agreed on a reduction of 5,200 full-time equivalents through the year 2016. In the first quarter of 2013, restructuring expenses in the amount of €493 million were booked for these personnel measures. These expenses will largely accrue to the Private Customers segment and to the service and Group management units.

The materialization of any number of macroeconomic risks, including, for example, continuing low interest rates, continuing reluctance of customers to invest in securities or procure loans, high volatility and general uncertainty in the markets, a slowing of global economic growth (particularly in Germany and Poland), and a re-escalation of the financial market or sovereign debt crises, could prevent COMMERZBANK from attaining some or all of the targets set forth in its Strategic Agenda. See also risk factor: "*The macroeconomic environment prevailing over the past few years continues to negatively affect the Group's results, and the Group's heavy dependence on the economic environment, particularly in Germany, may result in further substantial negative effects in the event of a possible renewed economic downturn*", and risk factor: "*The global financial crisis and the sovereign debt crisis, particularly in the Eurozone, have had a significant material adverse effect on the Group's net assets, financial position and results of operations. There can be no assurance that the Group will not suffer further material adverse effects in the future as well, particularly in the event of a renewed escalation of the crisis. Any further escalation of the crisis within the European Monetary Union may have material adverse effects on the Group, which, under certain circumstances, may even threaten the Group's existence*", as well as risk factor: "*The Group's income and profit from its brokerage business and other commission-based or fee-based business may decrease further*".

Additionally, the Group is exposed to the risk that key assumptions underlying the success of the Strategic Agenda may prove to be partly or fully incorrect and therefore that some or all of the targets may not be reached. For example, it is possible that one or more of the Private Customers, Mittelstandsbank and Central & Eastern Europe segments will not achieve the desired growth in customer volume due, in particular, to heavy competition (see risk factor: "*The markets in which the Group is active, particularly the German market (and, in particular, the private and corporate customer*

business and investment banking activities) and the Polish market, are characterized by intense competition on price and on transaction terms, which results in considerable pressure on margins"). Without an increase in the customer base and business volume, it would be difficult for COMMERZBANK to achieve the Strategic Agenda's targets.

Furthermore, the Group is exposed to the risk that the planned investment of over €2.0 billion cannot be implemented successfully or, if implemented, will not be successful in achieving the strategic targets sought. It is possible, for example, that there will be little customer demand for the new products and services in which COMMERZBANK is investing or that customers will remain reluctant to take advantage of banking products and services in general, and therefore the expected increases in income do not occur. It is also possible that, despite the additional investment made, COMMERZBANK will be unable to attract the appropriately qualified personnel it requires in its growth areas (see also risk factor: "*The Group may be unable to attract and retain qualified staff in the future*").

The Group is also exposed to the risk that the amount of financial resources and/or time allocated for implementing the Strategic Agenda will be insufficient or that, despite a successful implementation of the measures planned, its targets cannot be achieved. The more than €2.0 billion earmarked for carrying out the Strategic Agenda may prove insufficient to bring the plan to fruition. Implementation of the Strategic Agenda may also take longer than expected, with its targets being achieved only after 2016 or not at all. For example, the plan is to run down the non-core activities transferred to the NCA segment over the course of time, mainly without divestments and in a value-optimizing manner. In accordance with its overall downsizing strategy, however, the Company will consider divestments of sub-portfolios or individual exposures even if losses will be realized (in particular cases not insubstantial) if the specific transaction is expected to result in capital relief (despite a loss on the income statement) or for the purpose of avoiding a foreseeable deterioration of the risk situation in respect of the relevant sub-portfolios or individual exposures. For example, in July 2013, a Commercial Real Estate portfolio in the United Kingdom was sold to a consortium comprising Wells Fargo and Lone Star Funds. The transaction encompasses commercial real estate loans totaling €5.0 billion including the relevant interest-rate and currency hedging derivatives, as well as the entire operational business of Hypothekenbank Frankfurt in the United Kingdom. COMMERZBANK expects that the overall result in 2013 will see charges of €179 million as a consequence of the transaction (€134 million in the second quarter of 2013; approximately €45 million in the second half of 2013). It cannot be excluded that the expected portfolio sales and the implementation of the run-down of the NCA portfolios will not succeed, will succeed only partially or will succeed only later than planned.

Furthermore, the Group is exposed to the risk that certain factors that could undermine the Strategic Agenda's success have been underestimated, or that unexpected circumstances could prevent the Group from reaching its stated targets. Operational risks may materialize in implementing the Strategic Plan, which could cause the plan to fail for reasons completely unrelated to its original underlying assumptions. Additionally, it is possible that the Group's future results could be negatively affected by one-time or special effects or developments that offset the positive effects of the Strategic Agenda. For example, certain assets in the NCA portfolio may require significant future write-downs that were not foreseen in the planning process.

In addition, the Group is exposed to the risk that the cost-saving measures may not be achieved. For example, it is possible that the intended reduction of 5,200 full-time equivalents could be delayed in its implementation and/or result in higher costs than initially anticipated. In the event that the planned cost-saving measures cannot be realized, the Strategic Agenda's targets may not be reached.

Regulatory requirements (both existing and future requirements), particularly with respect to capital adequacy, may also impede or frustrate the achievement of the strategic goals (see also risk factor: *"Ever stricter regulatory capital and liquidity standards and procedural and reporting requirements may call into question the business model of a number of the Group's activities, adversely affect the Group's competitive position, or make the raising of additional equity capital necessary*").

The implementation of the Strategic Agenda is also complicated by limitations based on conditions attached to stabilization assistance granted to the Group by the Financial Market Stabilization Fund (*Sonderfonds zur Finanzmarktstabilisierung*) ("**SoFFin**") (see risk factor: *"The Group may be unable to fulfill the requirements imposed by the European Commission in connection with its utilization of the state stabilization measures on time or to a sufficient degree, and it may suffer economic disadvantages in connection with the fulfillment of these requirements*"). These conditions can impair the Group's strategic plans and goals, in particular the envisioned medium-term growth in the Core Bank.

If the Group does not succeed or only partially succeeds in implementing its Strategic Agenda, or if the costs associated with implementing these plans are higher than expected, or if the implementation of planned measures does not lead to achieving the desired targets, this may have material adverse effects on the Group's net assets, financial position and results of operations.

The Group's results fluctuate significantly and are heavily influenced by volatile individual items and special effects. As a result, results for any period can serve as indications of results for subsequent periods to only a limited extent.

The Group's results are extremely volatile and are heavily influenced by special effects. The main drivers of results in the recent past have been loan loss provisions, net investment income, in particular write-downs and sales of bonds issued by public-sector entities (see also risk factor: *"The Group holds substantial volumes of Sovereign Debt. Impairments and revaluations of such Sovereign Debt to lower fair values have had material adverse effects on the Group's net assets, financial position and results of operations in the past, and may have further adverse effects in the future*"), net trading income (e.g., structured finance transactions, valuation of own credit spread) and tax expenses (e.g., from write-downs/write-ups of deferred tax assets).

The following special effects in the past should also be particularly noted:

- Restructuring expenses and integration costs arise largely through shifts in strategy and organizational changes. However, restructuring expenses tend to be one-time expenses in the period in which the restructurings are communicated. Integration costs (e.g., increased write-downs, conclusion of part-time working agreements for older employees, advertising, investment in the new strategy) are incurred during the restructuring period and booked as an expense over several periods. For example, in the first half of 2013, COMMERZBANK reported restructuring expenses in the amount of €493 million for its current strategy.
- The valuation of the Company's own credit spread arises from the market valuation of the Company's own liabilities for which the fair value option was applied (for the prevention or significant reduction of recognition and measurement congruencies). As of December 31, 2012, these showed a total book value of €5.4 billion (comprising €0.2 billion in liabilities to banks, €1.8 billion in liabilities to customers, and €3.4 billion in securitized liabilities). Due to external market forces, the valuation of the Company's own credit spread is subject to substantial fluctuations that are reflected directly in net trading income. In the first half of 2013, an income of €46 million was recorded. In 2012, it was necessary to report a charge of €332 million in net trading income, while in 2011 income of €293 million was recorded.
- Impairments on deferred tax assets arise largely from reductions in future taxable income, which in turn is determined by the planning figures. Thus, in 2012 it was necessary to book an impairment of €673 million for the COMMERZBANK Group, while in 2011 and 2010 write-ups of €500 million and €244 million, respectively, were carried out.

Due to volatility, the result for the financial year cannot be extrapolated from the result generated in any one quarter. A large number of external and macroeconomic factors such as the development of the global and national economies and gross domestic product, the development in base rates and the development of the equity and other securities markets (i.e., factors over which the Group has very little or no control) have an effect on the COMMERZBANK Group's results. Negative developments among these factors may have material adverse effects on the Group's net assets, financial position and results of operations.

The Group is exposed to default risk (credit risk), including in respect of large individual commitments, large loans and commitments concentrated in individual sectors, referred to as "cluster" risk, as well as loans to debtors that may be particularly affected by the Sovereign Debt Crisis.

The Group is exposed to default risk (credit risk) in connection with its lending business with customers and credit institutions (primarily comprised of loans to private and corporate customers, real estate finance and ship finance, as well as loans and advances to banks, insurance companies, financial service providers, states and public-sector entities), its substitute credit business (i.e., structured credit products), the financial instruments in its investment portfolio (e.g., bonds issued by industrial companies, banks, insurance companies and sovereigns), other financial instruments, derivatives and transactions with central counterparties. The Group defines credit risk as the risk associated with possible losses in value that may be caused by changes in credit ratings or the inability of a counterparty to make payments (for example, due to insolvency). In addition to credit rating risk and default risk, other subcategories of credit risk include settlement risk, counterparty risk

and country risk. A worsening of a borrower's economic circumstances, payment defaults and impairments in the value of posted collateral could result in a need to increase loan loss provisions to cover acute and latent credit default risk, or in an increase in the Group's capital charge due to an increase in risk-weighted assets. Although loan loss provisions decreased from €2.50 billion in the 2010 financial year to €1.39 billion in the 2011 financial year, they increased to €1.66 billion in the 2012 financial year, primarily in connection with the sub-portfolios sensitive to economic growth. Loan loss provisions in the first half of 2013 amounted to €804 million.

The Group's loan portfolio exhibits concentration risk in certain sectors. As of June 30, 2013, the EaD of Public Finance still accounted for 16% of the Group's loan portfolio, even after the substantial write-downs in this portfolio in the 2011 financial year, the losses arising on exchange and disposal in the first half of 2012 and a significant reduction in exposure over the course of 2012 and the first half of 2013. Of this percentage, Financial Institutions accounted for 31% and sovereigns for 66%, with the Private Finance Initiative portfolio accounting for the remaining 4%. As of June 30, 2013, the Public Finance portfolio was subdivided as follows (in each case, EaD): Germany €23 billion, the remainder of Western Europe €33 billion (thereof Italy, Spain, Portugal and Ireland €16 billion in total); Central and Eastern Europe €2 billion, North America €11 billion and Other €2 billion. For specific risks concerning commitments with public-sector entities and financial institutions, see also risk factor: *"The Group holds substantial volumes of Sovereign Debt. Impairments and revaluations of such Sovereign Debt to lower fair values have had material adverse effects on the Group's net assets, financial position and results of operations in the past, and may have further adverse effects in the future*". There are additional positions relating to financial institutions in addition to those in Public Finance mentioned above, largely in the Mittelstandsbank and Corporates & Markets segments, as well as in Treasury. As of June 30, 2013, the total Financial Institutions portfolio made up 16% of the Group's loan portfolio.

Commercial Real Estate finance accounted for 9% of the total loan portfolio as of June 30, 2013, with Spain, the United Kingdom and the United States together accounting for 22% of the Commercial Real Estate portfolio. The Deutsche Schiffsbank portfolio accounted for 3% of the total loan portfolio as of June 30, 2013, with approximately 21% of the Deutsche Schiffsbank's total portfolio concentrated among the ten largest borrowers.

In light of the continuing uncertainty on the financial markets and the increasing regulatory burdens, COMMERZBANK decided in June 2012 to accelerate its strategy of focusing on customer-driven and profitable core business, minimizing risks and reducing complexity and to completely wind down Commercial Real Estate, Deutsche Schiffsbank and Public Finance Group over time. These portfolios were therefore transferred in their entirety to the NCA segment. For the specific risks relating to the ship finance portfolio, see also risk factor: *"The run-down of the ship finance portfolio is exposed to considerable risks in view of the current difficult market environment and the volatility of ship prices and the default risk (credit risk) affected thereby, as well as the risk of substantial changes in the value of ships held as collateral and directly owned*". For the specific risks relating to commitments in Commercial Real Estate finance, see also risk factor: *"The run-down of the Commercial Real Estate finance portfolio is exposed to particular risks in view of the current difficult market environment in many markets and volatility of real estate prices and the default risk (credit risk) affected thereby, as well as the risk of substantial changes in the values of directly-owned real estate and private and commercial real estate held as collateral*".

Further exacerbating the risks described above are risk concentrations in respect of individual large borrowers or counterparties. These risk concentrations are attributable on the one hand to "large loans" as defined in and determined pursuant to statutory regulations (Section 13b of the German Banking Act), and on the other hand to the following "cluster risks" as defined in and determined pursuant to the Group's internal rules.

The Group has extended a considerable number of large loans within the meaning of Section 13b of the German Banking Act. Under the German Banking Act, an aggregate large loan exposure exists if the total loans to a single borrower reach or exceed 10% of own capital. Four such large loans existed as of December 31, 2011 and three existed as of December 31, 2012. The largest chargeable amount of these loans was €5.2 billion as of December 31, 2011 and €4.8 billion as of December 31, 2012, corresponding to 20% of core capital as of December 31, 2011 and 17.5% of core capital as of December 31, 2012. Together, the amount of these large exposures to be charged against the large exposure limit amounted to €10.3 billion as of December 31, 2011 and €5.6 billion as of December 31, 2012, corresponding to 39.3% of core capital as of December 31, 2011 and 20.7% of core capital as of December 31, 2012. The materialization of default risk (credit risk) in respect of any one of these large exposures would have material adverse effects on the Group's Tier 1 capital (core capital) and

regulatory capital ratios, as well as on the Group's net assets, financial position and results of operations.

Since the beginning of 2011, cluster risks have been monitored through a standardized definition based on the "all-in" concept. The "all-in" concept encompasses all of the credit lines granted to an individual customer by the Group in their full amount, irrespective of the amount currently drawn. Furthermore, the definition is not dependent on the use of statistically modeled parameters and thus better reflects the maximum potential for loss arising out of credit risk in respect of the customer in question than the previous criteria. However, it is to be noted that settlement risks, analogous to their treatment in EaD, are not included, while reverse repos, derivatives, etc. are included in the "all-in" concept only after appropriate netting.

The "all-in" entry threshold (Group) in respect of cluster risk has been set at €1 billion and applies across all segments, product categories and accounting items. However, so-called "exceptional debtors" (such as central banks and supranational financial institutions) are excluded from this analysis. On the basis of this definition, EaD in respect of cluster risk amounted to €79 billion, or 17% of total Group EaD as of June 30, 2013. The establishment or, as the case may be, prolongation of a position exceeding the cluster risk threshold requires the approval of the full Board of Managing Directors. As of June 30, 2013, the cluster risks were focused in the Financial Institutions (approximately 42% of cluster exposure) and Public Finance (approximately 31% of cluster exposure) portfolios. Two very large commitments, or 4% of the cluster exposure as of June 30, 2013, are attributable to the industrial, specifically the automotive, sector. The materialization of default risk in respect of one or more of the borrowers, issuers or counterparties of high-volume financial instruments could have material adverse effects on the Group.

Finally, the Group is exposed to credit risks related to financial institutions and companies particularly affected by the financial market and sovereign debt crises, for example because they are located in, or have operations focusing on, countries with high levels of debt such as Greece, Italy, Spain, Portugal or Ireland, because they have a high level of credit exposure to highly indebted countries or because they have issued a substantial amount of CDSs relating to the Sovereign Debt of these countries (see risk factor: "*The global financial crisis and the sovereign debt crisis, particularly in the Eurozone, have had a significant material adverse effect on the Group's net assets, financial position and results of operations. There can be no assurance that the Group will not suffer further material adverse effects in the future as well, particularly in the event of a renewed escalation of the crisis. Any further escalation of the crisis within the European Monetary Union may have material adverse effects on the Group, which, under certain circumstances, may even threaten the Group's existence*").

A worsening of the economic environment or an escalation of the financial market and sovereign debt crises, in particular, may call into question the continued economic viability of some of these counterparties. A possible worsening could acutely affect financial institutions in particular, as they are affected by higher defaults on loans or write-downs of securities or because, in the case of a material worsening of the economic environment, a substantial need for impairments in respect of real estate loan portfolios may occur or a substantial volume of customer deposits may be withdrawn. If the confidence in the creditworthiness of these financial institutions falls because of these factors, then their ability to refinance themselves through the market may be impaired, threatening their liquidity. As a result, affected financial institutions would be more heavily dependent on the refinancing facilities or other monetary policy support instruments of central banks, or would have to be supported through governmental stabilization measures at a national or European level. Should such measures prove to be unachievable or insufficiently effective, this could lead to the collapse of those financial institutions and thereby indirect economic harm for COMMERZBANK.

The materialization of one or more of the risks described above could have material adverse effects on the Group's net assets, financial position and results of operations.

The run-down of the ship finance portfolio is exposed to considerable risks in view of the current difficult market environment and the volatility of ship prices and the default risk (credit risk) affected thereby, as well as the risk of substantial changes in the value of ships held as collateral and directly owned.

Deutsche Schiffsbank includes the loan portfolios and ship finance activities of COMMERZBANK, the former Dresdner Bank AG and the former Deutsche Schiffsbank AG, and is contained (together with Commercial Real Estate and Public Finance) in the NCA segment. The goal of Deutsche Schiffsbank, as for all Group divisions within the NCA segment, is the value-optimizing run-down of the segment's assets, irrespective of the current risk level of the individual financings. The exposure to ship financing in the Deutsche Schiffsbank portfolio was reduced from €21 billion as of December 31, 2011 to

€19 billion as of December 31, 2012, and to €17 billion as of June 30, 2013 (EaD including Default Portfolio).

The ships furnished as collateral to the Group in connection with its ship financing activities as well as ships that are directly owned are subject to structural value fluctuations. The ships' value is influenced on the one hand by their features (type, age, technology, size) and, on the other, particularly by their capacity utilization and the charter rates realized. Capacity utilization and charter rates are in turn dependent on the performance of international trade and the related state of the supply of and demand for transportation capacity (see also risk factor: *"The macroeconomic environment prevailing over the past few years continues to negatively affect the Group's results, and the Group's heavy dependence on the economic environment, particularly in Germany, may result in further substantial negative effects in the event of a possible renewed economic downturn*"). The significant decline in charter rates resulting from intense competitive pressures on the supply side (increased transportation capacity) and significantly higher bunker costs led to charter shipping companies suffering losses and significant liquidity outflows in 2011. The increase in capacity in 2011 significantly exceeded the increase in international trade, which weakened significantly in the second half of 2011 and in 2012, particularly as a result of the deteriorating economy. Market developments in 2012 were characterized by a further escalation of the shipping crisis, which manifested itself in a further sharp decline in charter rates. This resulted in significant declines in the value of ships, which in some cases, depending on the shipping segment, fell below the nominal amount of the loan extended against them. Even if the situation on the shipping market were to improve in the future, it is possible that certain ship types (such as smaller container ships) would not benefit from this. The rising insolvency rates observed in 2012 and in the first half of 2013 will likely continue due to the persistently low level of charter rates expected. Against the background of the ongoing shipping crisis and its associated effects on the ship finance business, in November 2012, the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**") established a focal point for review pursuant to Section 30 of the German Banking Act for the annual audits of various German banks, including that of COMMERZBANK. The focal point for review related to testing the recoverability of claims and collateral in the ship finance portfolio. The Company cannot currently predict whether BaFin will consider taking further regulatory steps based on the results that are available to it. A worsening of the Sovereign Debt Crisis or the financial crisis, and the negative economic development that would accompany it, would have additional material adverse effects on charter rates, capacity utilization and, consequently, on ship values. See also risk factor: "*The global financial crisis and the sovereign debt crisis, particularly in the Eurozone, have had a significant material adverse effect on the Group's net assets, financial position and results of operations. There can be no assurance that the Group will not suffer further material adverse effects in the future as well, particularly in the event of a renewed escalation of the crisis. Any further escalation of the crisis within the European Monetary Union may have material adverse effects on the Group, which, under certain circumstances, may even threaten the Group's existence*".

An adverse change in ship values can lead to a devaluation of the ships directly owned by the Group. This risk also applies to ships that the Group intends to operate with partners through a self-generated restructuring platform on a temporary basis in the future. Additionally, with regard to ships that it owns directly, the Group is potentially exposed to further risks, including liability risk, relating to any damage events. Each of these risks may have material adverse effects on the Group's net assets, financial position and results of operations.

The prolonged shipping crisis led to a marked increase in loan loss provisions and the amount allocated to the default portfolio (the "**Default Portfolio**") in COMMERZBANK's ship finance business in 2012 and in the first half of 2013. Loan loss provisions in the ship finance business amounted to €741 million in the 2012 financial year, compared to €232 million in the 2011 financial year. This result was partly attributable to a sharp increase in portfolio valuation adjustments due to the effects of adjusting and recalibrating the parameters for calculating loan loss provisions. It is possible that additional parameter adjustments may be required in the future, which could result in the need to increase loan losses provisions in COMMERZBANK's ship finance business. Additionally, a further rise in liquidations, or in individual liquidations with considerable volumes may lead to significantly higher loan loss provisions. In turn, these higher losses may have a negative impact on the parameters for calculating loan loss provisions and capital. See also risk factor: "*The Group may be exposed to risks that are either not identified or inadequately assessed by its existing risk management*". Loan loss provisions in the first half of 2013 amounted to €248 million. Moreover, it can be expected that loan loss provisions will remain at a high level if the economic situation does not change.

Due to the economic reasons described above, the collateral posted for the loan portfolios of the ship finance business are subject to considerable fluctuations in value. Impairments in respect of collateral may on the one hand necessitate an increase in loan loss provisions to cover acute and latent credit default risk. This may also, however, lead to the collateral no longer being adequate to cover the outstanding loan volume in the event it is realized. Such a case would require valuation adjustments. All this may have material adverse effects on the Group's net assets, financial position and results of operations.

The run-down of the Commercial Real Estate finance portfolio is exposed to particular risks in view of the current difficult market environment in many markets and volatility of real estate prices and the default risk (credit risk) affected thereby, as well as the risk of substantial changes in the values of directly-owned real estate and private and commercial real estate held as collateral.

Success in reducing the Group's Commercial Real Estate finance portfolio depends to a large extent on the performance of real estate markets, which have been marked by considerable uncertainty in recent years. In addition to these risks, the profitability of real estate and the price developments in the affected segment of the real estate sector, credit risk in respect of real estate finance also depends on the general state of the economy. As a result of the financial crisis and the economic downturn, the market values of many real estate properties have been subject to substantial fluctuations for a prolonged period and in some cases have declined sharply. This has had a correspondingly negative impact on the Group's activities. Real estate prices in key markets, particularly Spain, the United Kingdom and the United States, declined significantly between 2007 and 2010. While most real estate markets (with the exception of the EU countries in southern Europe) stabilized or in a few cases even showed signs of a modest recovery during the course of the 2011 financial year, there has been no obvious recovery in real estate markets, in particular due to the Sovereign Debt Crisis, corrections to the housing markets and consolidation in the banking sector. Although the uncertainties linked to the Sovereign Debt Crisis continued to abate in 2012 and in the first half of 2013, the persistent recession in the Eurozone is still weighing heavily on real estate markets, above all in the southern peripheral countries. The development of market values for real estate in these countries in particular has remained clearly negative, the more so as rental markets continue to slump. The solid demand for high-value real estate is supporting price levels. However, only liquid markets are able to profit from this. Lower-value properties, in contrast, are much harder to sell in the market. Factors that may have a long-lasting influence on the real estate market include, in particular, the relationship between the supply of commercial real estate and demand, tenants' ability to pay and/or availability, the investment behavior of investors, refinancing possibilities and general cyclical fluctuations in the real estate market.

Due to the economic reasons described above, the value of directly-owned real estate as well as the collateral posted for the loan portfolios of the Commercial Real Estate finance business are subject to considerable fluctuations in value. Impairments in respect of collateral may on the one hand necessitate an increase in loan loss provisions to cover acute and latent credit default risk. This may also lead, on the other hand, to the result that the collateral may no longer be adequate to cover the outstanding loan volume in the event of that it is realized. Such a case would require additional valuation adjustments. See also risk factor: "*There is a risk that the Group may not be able to implement its Strategic Agenda or may be able to do so only in part or at a higher cost than planned, and that the implementation of planned measures may not lead to the achievement of the strategic objectives sought to be obtained*". All this may have material adverse effects on the Group's net assets, financial position and results of operations.

The Group has a substantial number of non-performing loans in its portfolio, and these defaults may not be sufficiently covered by collateral or by write-downs and provisions previously taken.

As of June 30, 2013, the outstanding loans and advances assigned to the Group's Default Portfolio amounted to €17.8 billion (based on EaD). The Mittelstandsbank segment accounted for €2.6 billion thereof, the Corporates & Markets segment for €1.4 billion, the Central & Eastern Europe segment for €1.0 billion and the Private Customers segment for €1.0 billion. The NCA segment accounted for €11.7 billion (Public Finance: €0.0 billion, Commercial Real Estate: €7.1 billion and Deutsche Schiffsbank: €4.6 billion). On a Group-wide basis these loans and advances are covered to an average of 48% by collateral valued on the basis of realization criteria, and a further 45% by write-downs conducted as part of the recognition of loan loss provisions (including General Loan Loss Provisions). For the loan volume not covered in this regard, predominantly in the Corporates & Markets segment, the Group expects to be able to generate further revenue from the positions in the

Default Portfolio, for example because successful debt restructuring can still be effected or because some collateral having value could not be taken into consideration under the principles of Basel II or Basel III. It is possible that the assumptions made in this regard may in retrospect prove to be inaccurate or no longer congruent with future developments, such that the quality of the collateral does not meet current estimations. This could be the case, for example, if macroeconomic developments continue to deteriorate and restructurings were to fail. In that event the Group could be faced with further significant losses from the Default Portfolio, which may have a material adverse effect on its net assets, financial position and results of operations.

The Group continues to hold a substantial portfolio of securities that are characterized by poor liquidity, low, volatile or unavailable market prices and uncertainty regarding their value, and that the Group plans to reduce. It is possible that in the future the Group may have to further significantly impair these securities or sustain further significant losses in the downsizing of such portfolios.

The Group holds portfolios of structured financial instruments, some of which are highly complex, which declined considerably in value during the financial crisis that began in the second half of 2007 (and more severely in 2008). Since then, liquid trading in these instruments has taken place only to a limited extent or in phases.

In recent years, the Group has experienced both negative effects on profit (in terms of impairments and/or loan loss provisions as well as losses in net trading income) and additional charges to the revaluation reserve in relation to these securities. Until June 2012, the majority of these products were held by the Portfolio Restructuring Unit ("**PRU**") segment, the task of which was the active and transparent management and downsizing of such portfolios and positions. As of July 1, 2012, the PRU segment was dissolved as an independent segment and the remaining portfolio (with a nominal volume of €16.5 billion and total assets of €9.1 billion) was transferred to the Corporates & Markets segment. The public infrastructure financing sub-portfolio (nominal volume €4.1 billion and total assets €1.5 billion) was excluded from the transfer and is now assigned to the NCA segment.

As of December 31, 2011, the nominal volume of such financial instruments in the former PRU segment amounted to €23.5 billion and total assets were €9.6 billion. As of June 30, 2013, the nominal volume amounted to €9.9 billion and total assets stood at €6.2 billion (in each case in the Corporates & Markets segment). In addition, COMMERZBANK holds an additional small amount of such financial instruments in other segments.

To the extent that structured financial instruments are secured by real estate mortgages, the risk (among others) of impairments of the performance of the obligations thereunder has increased, as real estate prices in some markets have fallen considerably in recent years and no lasting improvement in the state of such real estate markets is in sight (see risk factor: "*The run-down of the Commercial Real Estate finance portfolio is exposed to particular risks in view of the current difficult market environment in many markets and volatility of real estate prices and the default risk (credit risk) affected thereby, as well as the risk of substantial changes in the values of directly-owned real estate and private and commercial real estate held as collateral*"). As a result, borrowers may not be in a position to completely, or even partially, refinance loans secured by real estate mortgages when they fall due. Consequently, loans underlying structured financial instruments may become non-performing. This situation could be aggravated by the fact that a large number of loans secured by real estate mortgages will mature in the next few years.

The Group is exposed to the risk of further reductions in value and losses in relation to the aforementioned financial instruments. This risk persists despite some phases of market recovery. A further increase of these risks is possible, particularly in the case of a renewed escalation of the financial market and sovereign debt crises, as, following the reductions carried out in the past, those financial instruments that remain can for the most part only be disposed of with greater difficulty or by incurring larger losses in comparison to the already reduced positions. At the same time, increasing numbers of market participants, in particular other banks, are also attempting to sell these kinds of financial instruments. In addition to the risks and value developments of the respective instruments over their full term, the Group has, since the fourth quarter of 2011, also taken into account the regulatory capital tied up by the positions to be reduced. Therefore, losses realized upon disposition may be tolerated if capital is freed up.

Further losses in value on any of the structured financial instruments held by the Group may have material adverse effects on the Group's net assets, financial position and results of operations.

The Group is exposed to the risk of changes in the fair value of the financial instruments it holds.

A considerable portion of the Group's assets and liabilities consists of financial instruments that must be reported at fair value in the Company's consolidated financial statements. This includes U.S. subprime and other structured financial instruments (see risk factor: "*The Group continues to hold a substantial portfolio of securities that are characterized by poor liquidity, low, volatile or unavailable market prices and uncertainty regarding their value, and that the Group plans to reduce. It is possible that in the future the Group may have to further significantly impair these securities or sustain further significant losses in the downsizing of such portfolios*"). For some of these financial instruments reported at fair value there are no objective market prices. In these cases, fair value is determined using appropriate valuation methods for these instruments.

The carrying value of the financial instruments held by the Group whose fair value is determined using factors not based on observable market data (Level 3 assets under IFRS 7.27A(c)) was €3.4 billion as of June 30, 2013. The carrying value of the financial instruments held by the Group whose fair value is determined using factors observable either directly or indirectly (Level 2 assets under IFRS 7.27A(b)) was €197.8 billion as of June 30, 2013.

The use of valuation methods employing non-observable market data for determining fair value requires making assumptions and estimates that depend on the characteristics of the relevant instrument and the complexity and liquidity of the underlying market. Decisions must be made in the selection of the modeling process and the model parameters, for example. If individual assumptions and estimates change as a result of negative market developments or for other reasons, revaluations of the relevant instruments may lead to significant changes in fair value, potentially resulting in substantial losses.

This also includes the risk that previously recorded write-downs may not suffice to cover later defaults on amortization and interest payments. In determining the fair value of the relevant financial instruments based on the actual market prices or indicative values that may be available in the future, considerably lower fair values may result if the market prices should turn out to be substantially below the level of the model prices. This may lead to a corresponding loss and a charge to the revaluation reserve. Sales of portfolios of structured products at a very high discount to market values may also lead to price formation at very low levels.

Furthermore, it is important to note that any loss in connection with fair value adjustments to an asset or a liability will be netted against any profits from related risk-hedging transactions. However, such profits are not realized until the settlement of the transaction, and it is possible that in future periods, stated profits may be offset in full or in part by losses, for example, due to a deterioration in the credit rating of the counterparty. Even if these losses are not necessarily caused by changes in the fair value of the underlying asset, they can nonetheless have material adverse effects on the Group's net assets, financial position and results of operations.

The materialization of one or more of the risks described above may have material adverse effects on the Group's net assets, financial position and results of operations.

Changes in the classification of assets, relevant accounting standards, the regulatory environment or ratings from rating agencies may lead to changes in the value of the Group's assets, which could have an adverse affect on the Group's net assets, financial position and results of operations.

Assets are valued on the basis of differing criteria depending on their classification. For example, financial instruments are reported on the balance sheet either at amortized cost or at fair value, depending on the category to which they are assigned. Changes in the categorization or reclassifications of assets may therefore lead to a revaluation and, consequently, also to a valuation adjustment or to a valuation at amortized cost, depending on the circumstances. A change in the relevant accounting standards may also prompt a reclassification or a change to the valuation of assets. As has been made clear by the requirements of the European Banking Authority ("**EBA**") regarding the provision of a capital buffer for Sovereign Debt, regulatory changes may also make a revaluation necessary. If there are changes in relevant accounting standards, the regulatory environment or rating agencies' criteria or their interpretation, the Group may be required to recalibrate the valuation of its assets, the amount of its loan loss provisions or the models used to value them. For example, the Group may have to change its existing models for valuing U.S. subprime products, other structured financial instruments and other financial assets and its accounting of financial instruments in inactive markets, and accordingly may also have to change their fair value. Negative changes in the

values of the aforementioned assets can have a decisive effect on the profitability of some of the Group's business divisions and therefore have material adverse effects on the Group's net assets, financial position and results of operations.

Contracts with bond and credit insurers, particularly monoline insurers, are exposed to a significant risk of default as these insurance companies are threatened by insolvency.

The Group is exposed to the default risk associated with OTC derivatives (non-standardized derivatives that are not traded on a stock exchange, but "over the counter") vis-à-vis bond and credit insurers, including monoline insurers and Credit Derivative Product Companies ("CDPCs"). Some of these OTC derivatives are CDSs. These are reported in the balance sheet at fair value. Factors affecting the fair value of CDSs include the expected default risk of the financial instrument underlying the hedge and that of the party issuing the CDSs (see also risk factor: "*Credit default swaps (CDSs) on Sovereign Debt acquired by the Group could fail to fulfill their hedging purpose. Furthermore, the Group has issued CDSs on Sovereign Debt, thereby assuming the default risk of the Sovereign Debt held by third parties. The risk from CDSs the Group has issued may materialize even if CDSs the Group has acquired fail to fulfill their hedging purpose at the same time*").

The financial crisis adversely affected the risk-bearing capacity of the monoline insurers and the CDPCs that are also active in this segment. The Group took this occasion to revalue the CDSs entered into with monoline insurers and CDPCs as well as the receivables from similar transactions. The condition of monoline insurers and CDPCs continues to remain critical owing to rating downgradings, their need to raise fresh capital in the market, and potential legal and regulatory changes. In the event of a continuing deterioration in the financial condition of bond and credit insurers in general, and that of monoline insurers and CDPCs in particular, the Group may be forced to make further adjustments to the values of the CDSs entered into with these companies and the receivables from similar transactions. This may have material adverse effects on the Group's net assets, financial position and results of operations.

Moreover, the entire hedging transaction may also be revalued and terminated, as has already occurred in the past with respect to a particular monoliner that was assessed to be in especially critical condition. As a result, in addition to the loss resulting from the write-offs, the Group would be fully exposed to the risks of the underlying transactions that no longer benefited from third-party hedging. This may have material adverse effects on the Group's net assets, financial position and results of operations.

The Group is exposed to credit risk related to reductions in the value of collateral that is not real property, particularly in the case of financial instruments.

The Group engages significantly in the repo and derivatives business, primarily with financial institutions. The value of the collateral posted in connection therewith may fluctuate unexpectedly and, in the event of a simultaneous default by the borrower, lead to unexpected losses, particularly if the valuation of the securities underlying the transactions correlates to the borrower's credit rating. Such a loss may have a material adverse effect on the Group's net assets, financial position and results of operations.

In general, the value of the collateral provided to the Group for hedging against credit risk is subject to fluctuations under certain circumstances. This applies to collateral that is not real property, and in particular to securities the values of which are subject to significant fluctuations in volatile markets. Write-downs on collateral provided may necessitate an increase in loan loss provisions to cover acute and latent loan default risks, or an increase in risk-weighted assets may increase the Group's capital charge, which may have a material adverse effect on its net assets, financial position and results of operations.

In addition to its traditional lending business, the Group is also exposed to credit risk extending significantly beyond the risks from traditional bank lending.

The Group conducts business exposing it to the risk that third parties who owe money, securities or other assets to companies of the COMMERZBANK Group may not meet their obligations. In addition, the Group is also exposed to credit risk in many business areas outside the traditional banking business activities of deposit-taking and lending.

In particular, many of the Group's divisions in which the Group is active within the Corporates & Markets segment engage in credit transactions that are often entered into to supplement other transactions. Credit risk outside the traditional lending business may arise, for example, from holding securities for third parties or entering into swap agreements or other derivative transactions in which counterparties have payment obligations to the Group. Other examples are futures, currency and

commodity transactions that are not settled at the agreed time due to the counterparty's non-performance or due to the realization of a settlement risk, i.e., due to system malfunctions on the part of a clearing agent or stock markets, clearing houses or other financial intermediaries. The granting of loans within the framework of other agreements is a further example.

As is the case for counterparties to trading transactions, the parties to these contracts may fail to meet their obligations to the Group as a result of insolvency, political and economic events, liquidity shortages, operational failures or for other reasons. This may have an adverse effect on the Group's net assets, financial position and results of operations.

Credit risk outside the traditional banking business also exists for the Group in the field of derivative transactions. Many of the Group's derivative transactions are negotiated on an individual basis and are not standardized. This may complicate the winding-up, transfer or settlement of the resulting positions. Certain credit derivatives require the Group to deliver the underlying security, loan or other liability to the counterparty in order to receive payment. In some cases, the Group may not hold the underlying asset or may be unable to procure it. This may result in the Group not receiving the payments owed to it or at least in a delay in settling the transaction, which may in turn have a negative impact on the Group's reputation and limit its ability to enter into future transactions. As a result, the Group may also incur increased costs, which may also have material adverse effects on the Group's net assets, financial position and results of operations.

The Group is exposed to market risk in the valuation of equities and investment fund units.

Despite the improved market situation following the amelioration of the Sovereign Debt Crisis at some points during 2012, there remains a significant risk that a renewed flare-up of the crisis could occur, accompanied by corresponding negative developments on the financial markets. Share prices and prices of investment fund units may also be heavily affected, which could lead to a decline in the value of the equities and investment fund units held in the Group's investment and/or trading portfolios, and could have material adverse effects on the Group's net assets, financial position and results of operations.

The Group is exposed to market risk in the form of interest rate risks.

The Group is exposed to the risk of a change in interest rates when the amount or type of interest (fixed/variable) on assets and liabilities in individual maturity brackets do not match, thereby creating open interest rate positions in assets and in liabilities. In the case of open fixed interest rate liability positions, falling market interest rates lead to a decline in the market values of the liabilities and a potential decline in the interest rate spread. In the case of open fixed interest rate asset positions, rising market interest rates lead to a decline in the market values of the assets and a potential decline in the interest spread due to the possible increase in the price of refinancing on the liabilities side. There is no market value risk from interest rate changes for products with variable interest rates, but a change in market interest rates does lead to a change in interest expense or income. Risks can also arise if there are fixed and variable interest rate items in the same maturity brackets, as this may result in open interest rate positions on either the asset or liability side. If the Group is not successful in efficiently controlling its open interest rate position in line with market developments and within prescribed limits, this may have significant effects on the Group's profitability, its risk-bearing capacity, its core capital and its equity ratios. Alongside its own interest risk, the Group is also exposed to model risks from the internal deposit base models for the deposit taking business underlying the management of interest risk. These models model the extent to which customer deposits are available to the Group over and beyond the contractual term. The model risk is the risk that deposits are withdrawn in greater volumes than expected.

Changes in market interest rates may lead to a flat or even inverse yield curve. This can generally impair a bank's ability to generate positive net interest income from term transformations by refinancing long-term assets using short-term liabilities, referred to as a structural contribution. Whether and to what extent this risk materializes depends on the actual term transformation position of the bank in question. A flat or inverse yield curve, particularly over an extended period, may have a material adverse effect on the Group's interest margin and profitability. The Group is also exposed to basis risk resulting from differing time point or frequency determinations, as the case may be, in respect of variable interest rates in a currency (tenor basis risk). The materialization of one or more of the risks described above may have material adverse effects on the Group's net assets, financial position and results of operations.

The Group is exposed to market risk in the form of credit spread risks.

The uncertainty in the financial markets initiated by the financial crisis in 2008 and aggravated by the worsening of the Sovereign Debt Crisis in the second half of 2011 and the shortage of liquidity have led to a sharp increase in spreads, i.e., the difference in yield over investments viewed as risk-free. Since the beginning of 2012, however, spreads have narrowed again, particularly as a result of the successful implementation of the Greek debt restructuring and the ECB's two 3-year Longer Term Refinancing Operations ("**3y-LTRO**"). However, there still remains the risk of a default on the Sovereign Debt of one or more countries within the Eurozone, in particular in southern Europe (see also in each case risk factor: "*The global financial crisis and the sovereign debt crisis, particularly in the Eurozone, have had a significant material adverse effect on the Group's net assets, financial position and results of operations. There can be no assurance that the Group will not suffer further material adverse effects in the future as well, particularly in the event of a renewed escalation of the crisis. Any further escalation of the crisis within the European Monetary Union may have material adverse effects on the Group, which, under certain circumstances, may even threaten the Group's existence*"). Sovereign debt generally cannot be viewed as risk free.

If spreads on Sovereign Debt or other instruments should widen again, this would lead to a renewed decline in market values and thus to a loss in the cash value of outstanding bonds in the event of divestment and a corresponding negative impact on results. Furthermore, negative income statement effects may also result from fair value revaluations of securities held in the trading portfolio, and balance sheet effects may result from fair value revaluations of AfS securities through the revaluation reserve and the effects of write-downs of both LaR and AfS securities. With respect to the effects that have already occurred in respect of Sovereign Debt and other public-sector entity bonds in the 2012 financial year, see risk factor: "*The Group holds substantial volumes of Sovereign Debt. Impairments and revaluations of such Sovereign Debt to lower fair values have had material adverse effects on the Group's net assets, financial position and results of operations in the past, and may have further adverse effects in the future*". All of the above may have material adverse effects on the Group's net assets, financial position and results of operations.

The Group is exposed to currency risks.

Group subsidiary companies based outside the Eurozone prepare their individual financial statements in foreign currencies. Currency fluctuations between the euro and the respective local currencies (in particular the U.S. dollar (USD), British pound sterling (GBP), Polish zloty (PLN), and Russian ruble (RUB)) may result in the exchange rates used to convert non-euro items in the individual entities' financial statements for the purpose of preparing the consolidated financial statements differing from those used in previous reporting periods. These translation differences may have an adverse effect on the Group's equity through the income statement and the currency translation reserve. In addition, the Company and other Group companies located in the Eurozone enter into transactions in currencies other than the euro, for example ship financings, which are generally denominated in USD. A relative appreciation or depreciation of the respective foreign currency against the euro may result in correspondingly higher expenses or lower income from the foreign-currency transactions. If this risk is not hedged, this can result in a material adverse effect on the Group's net assets, financial position and results of operations. Moreover, an increase in currencies in which the Group holds risk positions can lead to an increase in risk-weighted assets ("**RWA**") and consequently to an increase in the need for regulatory capital.

Consumers in many Central and Eastern European countries have taken out a substantial number of loans in foreign currencies, particularly in Swiss francs. The Group has also extended such loans. Due to the relative decline of the currencies of these countries, some of these loans are now nonperforming or are on the verge of becoming so. This situation may be aggravated if these currencies continue to decline.

There is a particular danger of such currency fluctuations occurring if the Sovereign Debt Crisis worsens (see risk factor: "*The global financial crisis and the sovereign debt crisis, particularly in the Eurozone, have had a significant material adverse effect on the Group's net assets, financial position and results of operations. There can be no assurance that the Group will not suffer further material adverse effects in the future as well, particularly in the event of a renewed escalation of the crisis. Any further escalation of the crisis within the European Monetary Union may have material adverse effects on the Group, which, under certain circumstances, may even threaten the Group's existence*").

The onset of one or more of the risks described above may have material adverse effects on the Group's net assets, financial position and results of operations.

The Group is exposed to market risk in the form of volatility and correlation risks.

The Group engages in the structuring and trading of financial derivatives. Derivatives are subject to price fluctuations caused by changes in the volatility in the prices of the underlying assets (for example, shares, currencies, interest rates and commodities). To the extent that derivatives are based on two underlying assets or a portfolio of underlying assets (for example, two currencies or an equity portfolio), the prices of these derivatives are subject to what is referred to as "correlation fluctuations". Correlation is a statistical measure for the linear interaction of two underlying assets – the higher the correlation coefficient, the more the two assets move in unison. To the extent that derivative items are not against changes in volatility or correlation fluctuations or cannot be hedged against such factors (as is the case for the PRDC portfolio because of its long term), losses may arise that could have material adverse effects on the Group's net assets, financial position and results of operations. Such losses have occurred in the past in the PRDC portfolio. While the portfolio caused a lower loss in 2012 than in the prior year, higher losses could also materialize in the future if the U.S. dollar and the Australian dollar do not improve sustainably against the Japanese yen, or if they worsen again.

In the 2011 financial year the valuation models for interest rate hedging transactions were refined, leading to greater volatility in the valuation of interest-rate and cross-currency and similar hedging derivatives.

Each of these effects may have material adverse effects on the Group's net assets, financial position and results of operations.

The Group is exposed to market risk in the form of commodity price risks.

In its operating business, the Group is exposed to market risk in the trading of commodity-related derivatives, certificates and spot transactions. The underlying commodities are generally precious metals, industrial metals, energy and agricultural commodities. The prices of these financial instruments may rise or fall due to a number of factors, including the general state of the economy, market trends, exchange rate trends and changes in legal and political conditions. To the extent that items are not fully hedged against these risks, losses may arise that may have a material adverse effect on the Group's net assets, financial position and results of operations.

The Group's hedging strategies may prove to be ineffective, result in costs and entail risks.

The Group utilizes a range of instruments and strategies to hedge risks. If these instruments and strategies prove to be partly or entirely ineffective, the Group may sustain losses that were actually intended to have been hedged. In addition, hedging strategies incur costs and may give rise to additional risks.

Unforeseen market developments, such as the financial market and sovereign debt crises, may have a significant impact on the effectiveness of hedging measures adopted by the Group. Gains and losses from ineffective risk-hedging measures can increase the volatility of the income generated by the Group, which may result in material adverse effects on its net assets, financial position and results of operations.

The terms and conditions of a hedging instrument may not cover the specific trigger for the materialization of the risk. There is also a risk that the counterparty to a hedging transaction becomes insolvent or is otherwise unable to make payments that become due. In such cases, the hedges do not fulfill their purpose and the Group is exposed to risks that it assumed had been hedged. The Group incurs such risks particularly with instruments that are meant to hedge the risks arising out of the Sovereign Debt held by the Group (see also risk factor: "*The Group holds substantial volumes of Sovereign Debt. Impairments and revaluations of such Sovereign Debt to lower fair values have had material adverse effects on the Group's net assets, financial position and results of operations in the past, and may have further adverse effects in the future*". and risk factor: "*Credit default swaps (CDSs) on Sovereign Debt acquired by the Group could fail to fulfill their hedging purpose. Furthermore, the Group has issued CDSs on Sovereign Debt, thereby assuming the default risk of the Sovereign Debt held by third parties. The risk from CDSs the Group has issued may materialize even if CDSs the Group has acquired fail to fulfill their hedging purpose at the same time*").

Instruments used to hedge interest, currency and inflation risks can result in losses if the underlying financial instruments are sold or if valuation adjustments must be undertaken because of doubts about the debtor's creditworthiness. Where hedging transactions are linked to financial instruments in a documented hedge relationship (hedge accounting), a valuation adjustment must also be implemented in hedge accounting in parallel to the valuation adjustments in the underlying transaction.

Results may also be negatively affected when, in the event of a positive development in the credit rating of a debtor of financial instruments, the resulting increase in value of these financial instruments

is booked only in the revaluation reserves, while the corresponding loss in value of interest rate hedges causes a loss in the income statement.

Finally, the Group is, in some cases, able to hedge against risks related to the financial market and sovereign debt crises only with difficulty or inadequately. The effects of the crises on different counterparties and the assessment of those counterparties by the markets also depend on psychological factors. These assessments may to some extent vary sharply within a short period of time, thereby leading to fluctuations in market values, liquidity of instruments and risks. This may have material adverse effects on the Group's net assets, financial position and results of operations.

The Group's income and profit from its brokerage business and other commission-based or fee-based business may decrease further.

The developments of recent years may result in a further decrease in the Group's income and profit from its brokerage business and other commission-based and fee-based business. The continuing uncertainty concerning the further course of the financial crisis, the Sovereign Debt Crisis and the slowdown in economic growth prospects have led to a decline in the number and volume of transactions that the Group executes for its customers. Non-interest income has fallen as a result. Fees earned by the Group for managing securities portfolios depend primarily on the value and performance of the holdings being managed. The market situation and a change in investor behavior may reduce the value of these securities portfolios. This may lead to a drop in income generated by the securities business in the Private Customers segment. A negative or weak performance by the Group's investment funds may also result in lower income from the securities business.

At the same time, the statutory requirements for investment advisory services have risen, mainly in the Private Customers segment. For example, the requirement to complete consultation logs requires additional time and effort, sometimes quite considerable, and also involves increased compliance risks. It is possible that the Group will not succeed in passing on the associated costs or offsetting these costs in the brokerage area through other additional income over the long term. It is also possible that competition will force the Group to introduce a flat-fee model in the brokerage business in the future, pursuant to which no transaction-based costs are payable but payments are based solely on the amount held in a securities deposit account. A fee-paying consultation service could also be introduced. Each of these potential changes may have lasting adverse effects on the results from this business, which in turn could have material adverse effects on the Group's net assets, financial position and results of operations.

The Group may incorrectly assess the size of its customer base and therefore base its planning and risk assessments on inaccurate assumptions.

The Group does not yet have an information technology ("**IT**") infrastructure in place for all Group companies that enables it to consolidate customer numbers throughout the Group and thereby avoid double counting. In particular, it is not possible to electronically compare the pool of customers of comdirect bank Aktiengesellschaft ("**comdirect bank**") with COMMERZBANK's pool of customers without error. Therefore, it is possible that the existing estimates of customer figures are incorrect as a result of double counting. The Group's budgeting may therefore be based on inaccurate assumptions and the economic targets may turn out to be unrealistic. In addition, it cannot be ruled out that the Group may fail to recognize or may incorrectly assess connections between customers or interdependencies between customers or risk clusters, as the case may be. Both of these may have material adverse effects on the Group's net assets, financial position and results of operations.

There is a risk that products developed by the Group cannot be placed in the market, that the products that are placed do not perform as expected and that investments made in these products therefore prove to have been wasted, or that liability risks or financing commitments result therefrom.

The Group develops a variety of products such as funds and certificates. Developing these types of products involves costs. Considerable expenses are sometimes incurred in advance of the launch of the product, for example, for the purchase of assets that are to be combined in a fund. If the product cannot then be placed, for example due to a change in market conditions, these expenses may prove to have been wasted. This can lead to the result that the assets can be disposed of only at a lower price or must be written off.

In other cases a product which is developed by the Group or a third party but marketed and placed by the Group may over the course of time perform differently than expected. If the entire product is not placed in the market, then the Group is exposed to the corresponding risks from the remaining portion held by it. In respect of the portion that is placed, the negative performance of the product may lead to

claims by investors against the Group. The negative performance of the product may also lead to draw downs of commitments (e.g., capital or liquidity guarantees) made by the Group with respect to the product.

The materialization of any of the aforementioned risks may have material adverse effects on the Group's net assets, financial position and results of operations.

The sales partnership between Allianz and the Group regarding asset management and insurance products may not yield the expected benefits, and may result in financial burdens.

As part of the acquisition of Dresdner Bank from Allianz SE (together with its consolidated subsidiaries, "**Allianz**"), and the sale of cominvest Asset Management GmbH, cominvest Asset Management S.A., Münchener Kapitalanlage Aktiengesellschaft and MK LUXINVEST S.A. (referred to collectively as the "**cominvest Group**") to the Allianz Group, a long-term sales partnership was entered into between the Group and Allianz regarding sales of asset management and insurance products. Structural changes in customer demand along with regulatory and tax changes that alter the relative attractiveness of investment and retirement products may have an adverse effect on the sales of asset management and insurance products, such that the actual business development and the targeted commission income fall behind plan. Should certain contractually determined targets not be met, the Company could additionally be obligated to make compensation payments to Allianz. The materialization of any of these risks could have material adverse effects on the Group's net assets, financial position and results of operations.

The markets in which the Group is active, particularly the German market (and, in particular, the private and corporate customer business and investment banking activities) and the Polish market, are characterized by intense competition on price and on transaction terms, which results in considerable pressure on margins.

The German banking sector is characterized by intense competition – significantly more intense, for example, than in the other EU member states. It is often conducted under conditions that result in margins that are economically unattractive or are not commensurate with the associated risks.

The private customers business is subject to pressures on income that may further intensify in the future as many competitors are placing a stronger focus on retail banking as their core business as a result of the financial crisis. In addition, banks are seeking to reduce their dependency on the interbank market by refinancing themselves to a greater extent through deposits from private customers. This could also increase the intensity of competition even further. Competitors are increasingly seeking to attract new customers with very favorable conditions (in particular high interest on deposit accounts) for limited introductory periods. Competition on terms in respect of existing customers may, however, also intensify further due to the effects of customers becoming accustomed to these terms.

German banks are competing with a range of foreign providers in the corporate customer business and also in the field of investment banking. Some of these providers have considerably increased their presence in the German market in recent years. Therefore, there is a risk that the intensity of competition will increase even further. The Group believes that some competitors do not always adequately take into consideration the default risk associated with the extension of credit (risk-adjusted pricing). As a result of this intense competition, attractive margins and commissions are hard to achieve in individual market segments or sub-segments.

The banking sector in Poland is also characterized by intense competition and the resulting pressure on margins. Additionally, since the Polish economy is significantly influenced by the state of the German economy, an economic downturn in Germany could have material adverse effects on BRE Bank's business operations in Poland, which could adversely affect the Group's net assets, financial position and results of operations.

If another economic downturn were to occur, competitive pressures may increase even further, for example through increased pressure on pricing and lower business volumes. See risk factor: "*There is a risk that the Group may not be able to implement its Strategic Agenda or may be able to do so only in part or at a higher cost than planned, and that the implementation of planned measures may not lead to the achievement of the strategic objectives sought to be obtained*".

If the Group does not succeed in providing its products and services on competitive terms and in achieving margins that at least compensate for the costs and risks associated with its business activities, this may have a material adverse effect on the Group's net assets, financial position and results of operations.

Measures by governments and central banks to combat the financial crisis and the Sovereign Debt Crisis have a significant impact on the competitive environment.

As a response to the financial crisis and the Sovereign Debt Crisis, governments and central banks intervened in the financial sector to a considerable extent. These intervention measures included making direct investments in individual financial institutions, in particular in Germany, the United States, the United Kingdom, the Netherlands, Belgium and Switzerland, supplying other forms of equity capital, assuming liability guarantees or acquiring non-performing assets from financial institutions and the long-term provision of liquidity on very favorable terms. In some cases, individual financial institutions were nationalized. Such measures influence the competitive environment. Irrespective of the fact that COMMERZBANK itself was also the recipient of state stabilization measures, if the Group's competitors receive state stabilization measures, the Group may have to compete in various business areas and regions with financial service providers that, under certain circumstances, including as a result of state stabilization measures, are sometimes larger and better capitalized than the Group. If the Group does not succeed in providing products and services in these areas on competitive terms and thereby achieve profitable margins, this may have material adverse effects on the Group's net assets, financial position and results of operations.

The Group is dependent on the regular supply of liquidity, and a market-wide or company-specific liquidity shortage could have material adverse effects on the Group's net assets, financial position and results of operations. Currently, the liquidity supply for banks and other players in the financial markets is heavily dependent on extensive central bank measures.

The Group regularly requires liquidity in order to refinance its business activities and is therefore generally subject to liquidity risk, i.e., the risk that it is unable meet its current and future payment commitments at all or in a timely manner, or that it can only refinance itself at exorbitantly high costs.

As a bank located in the Eurozone, COMMERZBANK obtains medium and long-term refinancing funds predominantly in the euro capital markets. Any required refinancing funds in other currencies is obtained either directly, by tapping the respective currency markets, or indirectly, by tapping the euro capital markets and subsequently converting by way of suitable currency derivatives (e.g., cross currency swaps).

Liquidity risk can take various forms. For example, the Group may be unable to meet its payment obligations from its own liquid funds on a particular day and may have to obtain liquidity from the markets at short notice and on expensive terms, or may even fail to obtain liquidity. Furthermore, deposits may be withdrawn or lending commitments unexpectedly drawn down. A market-wide or company-specific liquidity shortage may have a material adverse effect on the Group's business activities and thus the Group's net assets, financial position and results of operations.

A resurgence of the financial market and sovereign debt crises may result in downward pressure on the share prices and creditworthiness of financial institutions, oftentimes without respect to their financial strength, and of other capital markets participants, and impair their ability to refinance themselves through the capital markets at favorable conditions in the short, medium and long-term. To a significant extent, banks in the Eurozone are still continuing to make use of the liquidity supplied by the ECB through the Longer-Term Refinancing Operations (LTRO) launched in 2011 and 2012.

European banks were thus provided with a large volume of liquidity in connection with the 3y-LTRO. This allowed participating banks to post lower quality collateral than in past refinancing operations. Consequently, in the event of an escalation in the Sovereign Debt Crisis, there is a risk that the ECB may suffer losses on its 3y-LTRO positions, or that it may consider itself forced to conduct further measures to support the banks in order to avoid losses of its own. This in turn may have a negative impact on the competitive environment (see risk factor9: "*Measures by governments and central banks to combat the financial crisis and the Sovereign Debt Crisis have a significant impact on the competitive environment*").

The COMMERZBANK Group has fully repaid the funds provided to it from the 3y-LTRO.

In addition, banks and other financial market participants are currently generating a significant volume of liquidity in the context of repo transactions by employing the same assets (including Sovereign Debt) from multiple market participants as collateral on multiple levels (re-hypothecation). If these collateral chains were to be broken as a result of potential decreases in the value of these assets, liquidity could thereby be lost on multiple levels at the same time. If liquidity supplies cannot be secured elsewhere, in particular through central banks, the very existence of the participants in these collateral chains could be threatened. The materialization of this risk may have material adverse effects on the Group's net assets, financial position and results of operations.

In the event of refinancing difficulties, the Group could be forced to dispose of assets held by it for less than their book values and to limit its business activities. Measures of this nature may have material adverse effects on the Group's net assets, financial position and results of operations.

A downgrade in the rating of COMMERZBANK and its subsidiaries may make refinancing more difficult or more expensive and entitle counterparties to terminate derivative transactions or demand additional collateral.

The rating agencies Standard & Poor's, Moody's and Fitch perform creditworthiness assessments to determine whether a potential borrower will be in a position to meet its contractually agreed credit obligations in the future. A key element of the assigned rating is the assessment of the borrower's net assets, financial position and results of operations. A downgrade of COMMERZBANK's rating would have a negative impact on the cost of the Group's equity and debt capital and could result in the materialization of new liabilities or the acceleration of repayment obligations under existing liabilities that depend on the maintenance of a specific rating. In addition, COMMERZBANK's rating is also an important comparative element in competition with other banks. It also has a considerable influence on the ratings of COMMERZBANK's significant subsidiaries. A downgrade or the mere possibility of a downgrade of COMMERZBANK's rating or the rating of one of its subsidiaries may have a detrimental effect on the respective company's customer relationships and sales of products and services. A downgrade may also have a negative impact on the availability and cost of COMMERZBANK's refinancing.

Rating agencies' assessments depend on a number of factors that are driven in particular by franchise value (revenue potential), capitalization, risk positioning, profitability and by refinancing opportunities or liquidity. In light of the existing government shareholding and the national systemic relevance of COMMERZBANK, different rating agencies at present also assume, to COMMERZBANK's benefit, an elevated willingness of the German government to rescue the Company in the event of a crisis. If this factor were not taken into consideration, COMMERZBANK's rating would be lower. Irrespective of any continuation of the government's shareholding, it is possible that future ratings will not place such a significant emphasis on government support, which in COMMERZBANK's case could have a negative impact on its rating. A dilution of SoFFin's current 17% share in the Company's share capital could lead to a further downgrade in COMMERZBANK's rating.

On May 28, 2013, Standard & Poor's downgraded COMMERZBANK's senior unsecured debt rating one notch to "A-" with a negative outlook and its nondeferrable senior subordinated debt rating two notches to "BB+" with a negative outlook. Standard & Poor's expects a deterioration in German and European economic conditions which could, through the existing portfolios in COMMERZBANK's Non-Core Assets segment (in particular in Commercial Real Estate and Ship Finance), lead to negative effects on future results.

On April 23, 2013, Moody's downgraded COMMERZBANK's long-term senior debt and deposit rating from "A3" to "Baa1" with a stable outlook and its senior subordinated debt rating from "Ba1" to "Ba2" with a stable outlook. As the basis for the downgrade, Moody's pointed to the ongoing challenging environment in the German market for private customers and, in Moody's view, the continued high risks of COMMERZBANK relating to commercial real estate, ship finance and the Sovereign Debt of peripheral countries in southern Europe.

Furthermore, it is possible that, following any further downgrade, the Group might be required to furnish additional collateral in connection with rating-dependent collateral agreements for derivative transactions or would no longer be considered as a counterparty for derivative transactions. Should the rating of COMMERZBANK or one of its subsidiaries be downgraded to a rating below the four highest rating levels (investment grade), this could significantly impair the operating businesses of COMMERZBANK or of the subsidiary concerned and, consequently, also the funding costs for all Group companies (see risk factor: *"The Group is dependent on the regular supply of liquidity, and a market-wide or company-specific liquidity shortage could have material adverse effects on the Group's net assets, financial position and results of operations. Currently, the liquidity supply for banks and other players in the financial markets is heavily dependent on extensive central bank measures*").

Any of the aforementioned risks may have material adverse effects on the Group's net assets, financial position and results of operations.

The Group is exposed to a large number of operational risks, including the risk that employees will enter into excessive risks on behalf of the Group or violate compliance-relevant regulations in connection with the conduct of business activities and thereby cause considerable losses to appear suddenly, which may also lead indirectly to an increase in regulatory capital requirements.

As part of its normal business activities, the Group conducts a large number of complex transactions in a wide range of jurisdictions and is exposed to a variety of related operational risks. These risks include, in particular, the possibility of inadequate or erroneous internal and external workflows and systems, regulatory problems, violations of compliance-relevant regulations and provisions in connection with the conduct of its business activities, human error and deliberate violations of law, such as fraud. The compliance-relevant regulations and provisions include, among other things, conduct, organization and transparency obligations in respect of securities services. Violations of these obligations may lead to regulatory investigations and corresponding sanctions. Furthermore, these also include regulations for the prevention of money laundering and the financing of terrorism in various countries. Purported violations of such regulations may lead to criminal investigations and, as a result, to financial penalties.

The New York County Attorney General, the U.S. Department of Justice and other agencies are currently investigating whether the Group and other banks might have violated U.S. sanctions (in particular against Iran) and in connection therewith, whether false or incomplete books and records were kept (see also risk factor: "*Proceedings brought by regulators, supervisory authorities and prosecutors may have material adverse effects on the Group*"). The European Commission has initiated an antitrust investigation against COMMERZBANK (see also risk factor: "*The European Commission is investigating several companies in the financial sector as part of an antitrust investigation relating to the market for financial information on credit default swaps*").

As several spectacular cases relating to competitors have illustrated, banks can suffer significant sudden losses if employees take on excessive risks with the intent to cause damage or in circumvention of internal rules and controls, and these risks materialize. Such risks and losses may sometimes be recognized only after a delay of several years. It cannot be ruled out that the Group will also be affected by such risks or losses. Internal regulations and control and safety mechanisms for the prevention of such incidents may prove to be insufficient in this respect or may be intentionally circumvented. More recently, cases of suspected manipulation relating to the determination of reference rates such as LIBOR and EURIBOR have led to regulatory investigations and, in some cases, substantial financial penalties and reputational damage among competitors. COMMERZBANK is one of the approximately 40 panel banks participating in the determination of EURIBOR. To COMMERZBANK's knowledge, its employees are not currently subject to any specific suspicions of manipulation relating to the determination of EURIBOR. However, it cannot be excluded that ongoing or future investigations into suspicions of manipulation relating to reference rates may be conducted against COMMERZBANK employees or that such suspicions may be confirmed, which may also lead to considerable reputational damage for the Group.

It is also conceivable that external events such as natural disasters, terrorist attacks, wars, pandemics or other states of emergency may significantly impair the environment in which the Group is active and thus indirectly affect the Group's internal processes. Such events may result in the Group incurring substantial losses, as well as reputational damage. Furthermore, the Group may be forced to dismiss staff, which could also have a detrimental impact on the Group's business. The Group endeavors to hedge operational risks by implementing appropriate control processes tailored to its business and the market and regulatory environment in which it operates. Nevertheless, it is possible that these measures will prove to be ineffective in relation to particular or even all operational risks to which the Group is exposed. While the Group endeavors to insure itself against the most significant operational risks, it is not possible to obtain insurance coverage on the market for all operational risks at commercially acceptable terms.

For modeling the "fat tail" of the loss distribution – i.e., the financial risks of rare major loss events – external loss data from Operational Riskdata eXchange Association, Zurich (ORX), a data consortium of international banks, are used in addition to internal data. In this respect, individual major loss events incurred by other participating banks may result in an increase in COMMERZBANK's regulatory capital requirements for operational risks.

Should certain or all of the aforementioned risks materialize, this may have a material adverse effect on the Group's net assets, financial position and results of operations.

The Group is highly dependent on complex IT systems whose ability to function may be impaired by internal and external circumstances.

The Group's extensive institutional banking operations are highly exposed to dangers and risks such as, for example, computer viruses, damage, other external threats, operational errors and software or hardware errors. Furthermore, regular enhancements are required for all IT systems to meet the demands imposed by constant changes in business, accounting and regulatory requirements. In

particular, compliance with Basel II regulations made substantial demands on the functionality of the Group's IT systems and will continue to do so, just as COMMERZBANK anticipates that Basel III will again increase the demands made on IT systems. The onset of any of these risks may have a material adverse effect on the Group's net assets, financial position and results of operations.

The Group is required to make significant investments in order to ensure a competitive IT landscape in the short and medium term. There can be no assurance that new IT systems will function properly or that the targeted IT competitiveness can be achieved through investments.

Not least as a result of the focus of IT capacity on the integration of Dresdner Bank and its IT systems, there is a rather substantial need in several of the Group's segments to catch up in order to ensure a competitive IT landscape for the short and medium term. This applies, for example, to the Private Customers segment's online banking business, the Mittelstandsbank's transaction banking, and the Corporates & Markets segment's individual electronic trading platforms. These investment needs alone may have material adverse effects on the Group's net assets, financial position and results of operations.

There can be no assurance that new or updated IT systems will function properly in every case. Likewise, there can be no assurance that these new or updated IT systems will meet the particular requirements and that the desired competitiveness of the IT systems can thereby be achieved.

Each of the aforementioned risks may have material adverse effects on the Group's net assets, financial position and results of operations.

The growing significance of electronic trading platforms and new technologies may have an adverse effect on the Group's business operations.

The employment of modern technologies is of central importance for the banking sector and the Group's business. Continuous growth in electronic trading and the introduction of related technologies are changing the manner in which banking business is conducted and are giving rise to new challenges. Securities, futures and options trading is increasingly carried out electronically. Some of the electronic trading platforms through which these transactions are carried out compete with the systems currently used by the Group, and it is foreseeable that the further encroachment of electronic trading platforms that is expected will intensify this competition in the future. In addition, the increasing use of low-cost electronic trading platforms by the Group's customers offering them direct access to trading markets could lead to a reduction in the brokerage commissions and margins generated by the Group, which may have material adverse effects on the Group's net assets, financial position and results of operations.

COMMERZBANK is exposed to particular risks in respect of the value and management of equity investments in listed and unlisted companies.

The Group holds a number of equity investments in listed and unlisted companies. The efficient management of a portfolio of listed and unlisted companies entails corresponding refinancing costs, which may not be offset, in whole or in part, by the dividends obtainable from these investments. To the extent that the Group has only minority shareholdings, it may be more difficult to promptly procure the information necessary to counteract potential undesirable developments due to the fact that the shareholding is a minority one. Even where the Group holds a majority stake, minority shareholders can block important decisions under certain circumstances. It cannot be ruled out that further impairments will need to be made with respect to the Group's investment portfolio in the future. In addition, COMMERZBANK continues to aim to dispose of non-strategic investments. Here too, it cannot be ruled out that the Group may be unsuccessful in disposing of its equity investments on the stock market or off-market at adequate prices. Losses and risks with regard to equity investments and unfavorable business or market conditions, in particular low liquidity, could make it more difficult to obtain an adequate price from the sale of these assets. They may also prevent such a sale altogether.

In addition, an investment in another company may not prove to be recoverable, may not under certain circumstances generate the anticipated return, or may force certain further investments whose economic success is not foreseeable, or the participation may in other ways demand substantial management resources.

Each of these risks may have material adverse effects on the Group's net assets, financial position and results of operations.

It is possible that the goodwill reported in the Group's consolidated financial statements will have to be fully or partly written down as a result of impairment tests.

As of June 30, 2013, the goodwill reported in the consolidated financial statements amounted to €2.1 billion, of which €1.7 billion was accounted for by goodwill related to the acquisition of Dresdner Bank. The expected future economic benefits of these assets are reassessed at the level of the individual underlying cash-generating units on at least each balance sheet date. In this process, the carrying among of the cash-generating units (including the attributed goodwill) is compared with its recoverable amount. The recoverable amount is the higher of the value in use and fair value less costs to sell, and is based on the expected cash flows from the unit in accordance with the business plan, discounted using a risk-adjusted interest rate. If there are objective indications that the economic benefits originally identified may no longer be realized, an impairment charge will have to be taken. The "Dresdner Bank" brand was fully written off on a straight-line basis to the end of the second quarter of 2010. No further need for impairments to goodwill were identified in the 2010, 2011 and 2012 financial years or to brand names in the 2010 and 2011 financial years. In connection with the divestment of the Public Joint Stock Company "Bank Forum", Kiev, Ukraine ("**Bank Forum**"), an impairment to the brand name in the amount of €9 million was recorded in 2012. The next regularly scheduled full impairment test is scheduled for the end of 2013. As of June 30, 2013, COMMERZBANK conducted a high level impairment test (IAS 30, 90) and sees no necessity for any impairment of goodwill. If an impairment review on a future balance sheet date results in a significant impairment of the goodwill or trademark rights recognized in the balance sheet, this may have material adverse effects on the Group's net assets, financial position and results of operations.

COMMERZBANK is subject to risks arising out of the possibility that claims may be made under letters of support it has issued.

COMMERZBANK has issued letters of support for a number of its subsidiaries. Depending on the formulation in the letter of support these may give rise to claims from creditors of these subsidiaries and, under certain circumstances, against COMMERZBANK directly. Should creditors of subsidiaries enforce such claims, this may have material adverse effects on COMMERZBANK's net assets, financial position and results of operations.

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

COMMERZBANK and its subsidiaries have various direct and indirect pension obligations towards their current and former staff. These obligations constitute uncertain liabilities for accounting purposes, as the precise timing and duration of the payment obligation is not fixed. These obligations therefore entail various risks. In issuing a commitment to grant direct pension payments, the Group assumes risks that are similar to those of a life insurance company (for example, fluctuation risks, balance sheet valuation risks, longevity risks, administrative risks, inflationary risk). The assets set aside to meet future pension payments (so-called plan assets) are subject to risks typically associated with a capital investment. The magnitude of existing pension provisions may increase on account of judicial rulings and legislation (for example with reference to factors such as equal treatment, adjustment, non-forfeitability and the pensionable age). Balance sheet risks may also arise as a result of accounting changes and changes in the discount rate. For example, the change in accounting for pension provisions under the German Commercial Code ("**HGB**") resulted in a substantial increase in the pension obligations recorded in COMMERZBANK's HGB financial statements for the 2010 financial year. In the 2012 financial year, there was a reduction in "unrecognized actuarial profits/losses" in the consolidated financial statements in the amount of €5 million due to amortization. Obligations similar to pensions (such as obligations in respect of early retirement, part-time employment for older employees and long-service anniversaries) are subject to similar risks. Each of these risks may have materially adverse effects on the Group's net assets, financial position and results of operations.

As of June 30, 2013, the pension obligations in COMMERZBANK's consolidated financial statements amounted to €6.95 billion (December 31, 2012: €7.27 billion) and provisions for pensions and similar obligations amounted to €831 million (December 31, 2012 (published): €210 million) (see "*Presentation and Analysis of the Net Assets, Financial Position and Results of Operations—Significant accounting policies—Provisions for pensions*"). The pension obligations are backed by plan assets (liquid funds, shares, fixed income securities, fund units and other assets) with a fair value of €6.37 billion as of June 30, 2013 (December 31, 2012: €6.49 billion).

The amended rules (IAS 19) to be applied as of January 1, 2013 require the abolition of the corridor method for valuing pension obligations and a direct offsetting with equity capital (including regulatory capital). This will result in a decrease in equity capital (including regulatory capital) and, consequently, to higher volatility, mainly as a result of the discount rate for the pension obligations and the change in

the market value of the plan assets. With respect to risks relating to insufficient regulatory equity capital, see risk factor: "*Ever stricter regulatory capital and liquidity standards and procedural and reporting requirements may call into question the business model of a number of the Group's activities, adversely affect the Group's competitive position, or make the raising of additional equity capital necessary*".

Any change in value of pension obligations or plan assets and the modified accounting regulations may have material adverse effects on COMMERZBANK's net assets, financial position and results of operations.

A further increase in the contributions to the German Pensions Protection Fund would put considerable strain on the Group's financial position and results of operations.

In the case of the insolvency of a company, the German Pensions Protection Fund will, subject to certain conditions, assume the obligations arising out of existing occupational pension schemes. It is financed through annual contributions aligned to the losses arising from insolvencies in a given year. An increasing number of corporate insolvencies in Germany has recently led to a considerable increase in these contributions. A further increase in the number of corporate insolvencies could lead to further considerable increases in contributions, particularly for large companies. Such an increase would also have a very significant adverse effect on COMMERZBANK and its German subsidiaries. The resulting burdens may have materially adverse effects on the Group's net assets, financial position and results of operations.

The Group may be unable to attract and retain qualified staff in the future.

Across all its business divisions, the Group needs to attract and retain highly qualified staff. The Group endeavors to counteract the risk of losing know-how as a result of the departure of key employees through various measures, in particular through talent, management and career development measures. Despite these measures, the Group may not succeed in attracting or retaining highly qualified employees in the future. This risk is further increased by the Group's current plan to downsize its workforce (see risk factor: "*There is a risk that the Group may not be able to implement its Strategic Agenda or may be able to do so only in part or at a higher cost than planned, and that the implementation of planned measures may not lead to the achievement of the strategic objectives sought to be obtained*"). In addition, there are plans at the EU level to legally limit the level of variable compensation payable to employees of European banks in the future. Pursuant to these plans, variable compensation would not be permitted to exceed the amount of the fixed salary unless the respective bank's Annual General Meeting expressly consents to a higher share of variable compensation. Even though the expected future restriction on variable compensation will affect the entire banking industry in the EU, it cannot be excluded that it may ultimately increase the risk that the Group will be unable to attract and/or retain highly qualified staff.

The risk of being unable to retain staff applies in particular with respect to employees in the NCA segment. As the NCA segment is dedicated to running down the portfolios transferred to it without entering into any new business, it is possible that the Group will face difficulties in retaining qualified staff in this segment, as talented employees may perceive their opportunities for advancement within the COMMERZBANK Group as very limited due to the cessation of their businesses.

If the Group's efforts to attract and/or retain employees should fail, this may have a material adverse effect on the Group's net assets, financial position and results of operations.

The Group is exposed to various reputational risks.

The financial crisis, the Sovereign Debt Crisis and the currently prevailing political and public sentiment in respect of financial institutions in general, and COMMERZBANK in particular, the development in COMMERZBANK's share price, the need for refinancing and a possible need for further state support, have resulted in a considerable amount of negative reporting in the media and in negative statements from regulatory authorities and politicians.

These negative reports and other public statements may unsettle customers, lenders and investors and affect the morale and motivation of COMMERZBANK's employees. Moreover, the Group's plan to further reduce its workforce could exacerbate this risk (see risk factor: "*There is a risk that the Group may not be able to implement its Strategic Agenda or may be able to do so only in part or at a higher cost than planned, and that the implementation of planned measures may not lead to the achievement of the strategic objectives sought to be obtained*"). Each of these risks may have material adverse effects on the Group's net assets, financial position and results of operations.

Negative reporting and other public statements asserting legal violations of any kind often lead to investigations by regulatory authorities or even court proceedings, regardless of the actual basis for these allegations. Irrespective of the outcome of these proceedings, defending and responding to such investigations and proceedings is time-consuming and expensive, and may occupy the time and attention of the COMMERZBANK management team, diverting them from their actual duties. Negative media reporting and investigative and court proceedings may have a negative effect on COMMERZBANK's reputation and on the morale and performance of the Group's employees, which in turn may have a material adverse effect on the Group's net assets, financial position and results of operations.

Reputational risks are also present in respect of all business incidents that lower confidence in the Group from the public, customers, business partners, investors or rating agencies (see also risk factor: "*The Group is exposed to a large number of operational risks, including the risk that employees will enter into excessive risks on behalf of the Group or violate compliance-relevant regulations in connection with the conduct of business activities and thereby cause considerable losses to appear suddenly, which may also lead indirectly to an increase in regulatory capital requirements*"). In general, each of the risks described above entails reputational risks. As is the case for other non-quantifiable risks, the Group has therefore established processes and responsibilities intended to enable it to identify reputational risks at an early stage and to react to them. However, these procedures may prove to be ineffective. Should this lead to the materialization of such risks, this could have materially adverse effects on the Group's net assets, financial position and results of operations.

The Group may be exposed to risks that are either not identified or inadequately assessed by its existing risk management.

The Group has developed and implemented principles, procedures and evaluation methods for the monitoring and identification of risks. Nevertheless, the establishment of these monitoring systems cannot fully prevent the Group from being exposed to various types of risks that it fails to identify or predict. Some of the quantitative measurement methods and categories in risk management are based empirical values gained from COMMERZBANK's experience of historical market developments. Statistical and other methods are applied to these empirical values in order to quantify the risks to which the Group is exposed. These measurement methods and categories were unable to predict some of the losses sustained in the volatile market environment of the financial market and sovereign debt crises. In this respect, insufficient data quality, in particular, may result in misjudgments. This could also be the case in relation to significant future risks. In addition, the quantitative risk management model does not take all risks into consideration and makes numerous assumptions in respect of the market environment that are not based on concrete events. The application of models outside their defined scope of application may result in inaccurate estimation. As a result, risks have arisen from factors which were not foreseen by the statistical models applied or which were not appropriately assessed, and these risks could also continue to arise. This has impaired the ability of COMMERZBANK to monitor risks and could lead to further impairments. Therefore, the losses sustained were, and in the future could also be, considerably higher than those indicated by historical data.

Models are used extensively in COMMERZBANK's risk management not only for the measurement of risks, but also for the calculation of risk-bearing capacity. These models could in hindsight prove to be faulty and they could significantly overestimate or underestimate risks. This applies to liquidity risk, for example. Accordingly, model assumptions with respect to the interest rate sensitivity of depositors or with respect to their deposit behavior could prove to be inaccurate.

Further, COMMERZBANK's predominantly qualitative approach to the management of those risks that are not covered by quantitative methods could prove to be inadequate, which could result in considerable unforeseen losses. Should current or future customers or business partners consider COMMERZBANK's risk management to be inadequate, there is a risk that business will be lost to other banks or that transactions will be limited. This could impair both the reputation of COMMERZBANK and its income and profits.

COMMERZBANK is also exposed to a so-called "tail risk" in relation to the management of risks. Tail risk describes, as an example, the form of market risk that arises if the possibility that a portfolio of assets will deviate more than three standard deviations from the mean is greater than that which corresponds to a normal distribution. Should COMMERZBANK underestimate the tail risk in its portfolios, it would be exposed to higher losses than forecast by its portfolio models.

Each of these risks could have a material adverse effect on the Group's net assets, financial position and results of operations.

Risks arising from bank-specific regulation

Ever stricter regulatory capital and liquidity standards and procedural and reporting requirements may call into question the business model of a number of the Group's activities, adversely affect the Group's competitive position, or make the raising of additional equity capital necessary.

The national and international regulations of various legislators, supervisory authorities and standard-setting bodies (e.g., the European Commission, the German legislature, BaFin, the Basel Committee on Banking Supervision and the EBA) have made regulatory capital and liquidity standards as well as procedural and reporting requirements for financial institutions increasingly stricter in recent years. In some cases, this took place in close cooperation with the affected institutions over suitably long implementation periods. In other cases, it took place without consultation and over very short implementation periods. It can be expected that such measures may also be carried out with longer or shorter implementation periods in the future.

The business volumes and business activities of the Group's various business divisions are materially affected by the regulatory capital requirements, which are based on the relationship between particular capital components and RWA (a measure of default risk, market risk and operational risk relevant for regulatory purposes, which must be backed with regulatory capital). The same applies to rules on liquidity management in respect of guidelines for liquidity buffers and, once effective, any non-risk-based maximum leverage ratio.

In addition to the recommendation on the preservation of capital of the EBA from July 2013, various rules to strengthen regulatory capital and liquidity standards are under discussion or are already being implemented. This is particularly applicable to the "Basel III" framework, which will be implemented at a European level through the "CRD IV" package. The CRD IV package comprises Regulation (EU) No 575/2013 and Directive 2013/36/EU, each dated June 26, 2013 and published in the Official Journal of the EU on June 27, 2013. The CRD IV package will enter into force on January 1, 2014. It will replace, among other things, the regulatory capital and bank directives currently in force. The regulation will be directly applicable to institutions in the European Union and need not be implemented into national law, whereas the directive must be implemented into national law in each EU member state. The CRD IV package contains detailed rules on regulatory capital, stricter liquidity standards, the introduction of a non-risk-based leverage ratio, stricter capital requirements for counterparty credit risk and revised large exposure limits. According to these rules, banks must hold 6.0% instead of 4.0% of their RWA as Tier 1 capital as of January 1, 2015. Instead of the previous 2% of RWA, 4.5% thereof must comprise Common Equity Tier 1 capital. For 2014, the CRD IV package provides for certain transitional rules with regard to the required percentage. The current total minimum capital ratio remains unchanged at 8% of RWA. However, Tier 3 capital will no longer be creditable. In addition, hybrid capital instruments will no longer be recognized as core capital, or will be recognized only for a transitional period. Further adjustments to regulatory capital are also being made, such as, for example, the deduction of certain deferred tax assets or a negative revaluation reserve. At the same time, stricter risk-weighting rules will lead to an increase in RWA. The introduction of additional capital buffers in the form of Common Equity Tier 1 capital is regulated in the directive and, consequently, must be implemented into national law. If a bank does not meet its obligation to maintain these capital buffers to the full extent, dividend payments and share buybacks, discretionary payments on other Tier 1 capital instruments and discretionary bonuses to bank employees are no longer permitted, or are permitted only to a limited extent. In the future, banks will be required to maintain a "capital conservation buffer" in the amount of 2.5% of RWA above the minimum as a permanent capital buffer. Additionally, each member state may establish a "countercyclical buffer" of up to 2.5% of RWA in order to prevent overheating of the economy and excessive lending growth. Furthermore, member states may establish a "systemic buffer" for their banks of between 1% and 3% of RWA (or up to 5% of RWA with respect to domestic and third-country exposures) in order to counteract non-cyclical or systemic risks to the financial system or the real economy. Member states may set an even higher "systemic buffer" with the consent of the European Commission. Further capital buffers may be established for banks with global systemic importance or other systemically important banks (see also risk factor: "*COMMERZBANK's qualification as a "domestic systemically important financial institution" could have negative effects on the Group's business operations or have consequences for the Group's structure*").

Pursuant to the CRD IV package, member states may under certain conditions also establish stricter regulatory requirements for banks under their supervision for up to two years, in order to counteract increased risks to the stability of the financial system. These stricter requirements may apply in particular to regulatory capital requirements, liquidity requirements, large exposure limits, the capital conservation buffer and banks' public disclosure requirements. Finally, the CRD IV package sets out a

non-risk-based maximum leverage ratio. The details of the leverage ratio remain to be determined following an observation phase lasting until December 31, 2016. The ratio is to apply from January 1, 2018 in the form of a binding minimum requirement. The introduction of such a non-risk-based maximum leverage ratio may affect COMMERZBANK's ability to grow in the future or even require COMMERZBANK to reduce its business volumes.

The 2013 EBA recommendation on the preservation of capital replaces the short-term requirements issued by EBA in December 2011. In particular, the new recommendation proposes that the relevant national authorities ensure that the banks they oversee maintain a capital floor in terms of a nominal amount corresponding to the amount of capital needed to meet the requirements set in the December 2011 recommendation (*i.e.*, 9% core Tier 1 capital calculated as of June 30, 2012). The recommendation applies since July 22, 2013. Further, EBA recommends that national authorities require financial institutions to submit their capital plans and monitoring templates to the national authority by November 29, 2013.

New supervisory regulations could require greater deductions from regulatory capital than currently planned. In this respect, capital deductions arising from securitization positions, the negative revaluation reserve and deferred tax assets are particularly relevant for COMMERZBANK.

As various relevant regulations required to implement the CRD IV package currently exist in draft form only, revisions may be made during the ongoing implementation process. Consequently, COMMERZBANK cannot at present make any definitive statements in respect of a need for the additional regulatory capital. Based on preliminary estimates, however, COMMERZBANK expects that additional RWA of between €25 and 30 billion will arise at the Group level as a result of new regulatory regulations, even taking into account appropriate countermeasures. This increase in RWA increases the amount of capital necessary to meet the stricter regulatory requirements concerning the amount and composition of own capital.

Since COMMERZBANK's different business operations generate risk assets and use equity and liquidity to varying degrees, stricter own capital and liquidity requirements could force COMMERZBANK to cease potentially profitable but disproportionately capital-intensive business operations and to switch to potentially less profitable areas. It cannot be excluded that overall business volumes may have to be reduced as a result of new regulations. In addition to regulatory provisions, the market could require financial institutions such as COMMERZBANK to maintain capital levels above the regulatory minimum, which could exacerbate the aforementioned effects on COMMERZBANK or, should COMMERZBANK not increase its capital to the level demanded, lead to the perception in the market that it is generally undercapitalized in comparison to its competitors. To the extent that COMMERZBANK does not succeed in implementing stricter regulatory requirements within the potentially short transition periods allocated by establishing a sufficient amount of capital, it may be forced to reduce the RWA it holds beyond its current plans. This could lead to a deterioration in the Group's results of operations. Moreover, the requirements to increase capital ratios could force COMMERZBANK to pursue a strategy that is focused on capital conservation and raising instead of generating revenue and profit growth, and that would entail a further reduction of profitable RWA.

COMMERZBANK could also be forced to raise additional equity capital, or Tier 1 capital, through capital measures. This could lead to the dilution of shareholders. Additionally, the market's willingness to participate in such capital raising measures may be limited, for example if COMMERZBANK's competitors carry out similar capital raising measures at the same time in order to comply with the stricter regulatory capital requirements, or because COMMERZBANK has already carried out capital measures on numerous occasions in the past. Should COMMERZBANK not succeed in improving its capital ratios by raising fresh capital or by some other means, this could have repercussions for the Group's business model and/or its net assets, financial position and results of operations.

Further planned regulations relate to liquidity management and guidelines on necessary liquidity buffers for banks. COMMERZBANK could be forced to adapt its financing structure and business model to comply with the modified regulations in this respect. The requirement to hold additional liquidity is likely to be tied to higher financing costs.

The materialization of one or more of the aforementioned risks may have material adverse effects on the Group's net assets, financial position and results of operations.

Other regulatory reforms proposed in the wake of the financial crisis – for example, requirements such as the bank levy, a possible financial transaction tax, the separation of proprietary trading from the deposit-taking business, or stricter disclosure and organizational obligations – may materially influence the Group's business model and competitive environment.

The financial crisis prompted German and foreign governments, regulators and other authorities to propose a variety of reforms of the regulatory framework governing the financial sector. In an effort to improve the ability of the financial sector to withstand future crises, some of these proposals go beyond stricter regulatory capital and liquidity requirements. Alongside restrictions on remuneration policy, the range of additional legislative proposals includes restrictions on proprietary trading (such as, for example, its separation from the deposit-taking business in accordance with the Act on the Separation of Risks and on Recovery and Resolution Planning for Credit Institutions and Banking Groups from January 31, 2014 onwards) (*Gesetz zur Abschirmung von Risiken und zur Planung der Sanierung und Abwicklung von Kreditinstituten und Finanzgruppen*) (the "**Bank Separation Act**"), registration obligations and operational requirements and disclosure and clearing obligations for derivative transactions, an extension of the powers of supervisory authorities, the banning of deposit-taking for certain business areas, in addition to very far-reaching interventions such as a financial transaction tax, the statutory separation of the classic banking business from investment banking in order to make the traditional credit and deposit business independent from investment banking, the splitting up of financial institutions that supervisory authorities consider too big to fail in order to reduce the risk of their collapse, or even the nationalizing of banks.

In the USA, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") was enacted in July 2010. The Dodd-Frank Act contains numerous provisions that would have substantial extraterritorial effects according to the implementing proposals of the relevant U.S. agencies. Those extraterritorial effects would include considerable compliance efforts that must be met by non-U.S. banks even outside of the USA in order to verify that they comply with the so-called "Volcker Rule". In the EU, the Regulation on OTC derivatives, central counterparties and trade repositories ("**EMIR**") entered into force on August 16, 2012. Although some of the particular effects of the legal changes brought about by the Dodd-Frank Act and the EMIR may not yet be foreseeable, many elements of this new legislation could lead to changes which would affect the profitability of the Group's business activities, require it to adjust its commercial practices or increase its costs (including compliance costs). This also applies to the stricter disclosure and organizational obligations of the U.S. Foreign Account Tax Compliance Act (FATCA) for the prevention of tax evasion by bank clients. Furthermore, implementing the necessary changes could also take up management's attention and resources to a significant extent.

On February 14, 2013, following the request of eleven member states (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain), the European Commission proposed a draft directive to implement a financial transaction tax due to come into force on January 1, 2014. On July 3, 2013, the European Parliament passed a non-binding resolution proposing further amendments to the draft directive. In view of the fact that the directive is still at the draft stage, the specific scope and scale of the planned financial transaction tax is uncertain. Moreover, the United Kingdom has filed a legal challenge against the planned financial transaction tax. Depending on the outcome of the legal challenge and the definitive regulations, if any, the planned financial transaction tax may have a material adverse effect on the Group's net assets, financial position and results of operations, in particular in respect of implementation costs and possible market reaction.

Other proposals, in particular those aiming at farther-reaching reform, are still being discussed at the political level. However, it is currently still unclear in many cases which of these potential proposals will be implemented into law and, if they are, to what extent and on what conditions. The effects of these regulatory changes or new levies or tax burdens on COMMERZBANK may be limited to additional administrative expenses or the implementation and observation of new regulations. They may, however, also adversely affect the profitability of the COMMERZBANK Group or lead to higher financing or capital costs, or even to limitations of the businesses which COMMERZBANK is permitted to conduct.

Should proposals that would require COMMERZBANK to substantially change its business model be adopted, the resulting changes may impair the Group's business and therefore have a material adverse effect on the Group's net assets, financial position and results of operations.

Initial measures have already been implemented in various countries, for example the Restructuring Act in Germany providing new possibilities for bank restructurings. The Restructuring Act also provides

for the restructuring fund to be financed by a bank levy in the form of mandatory annual contributions, which may lead to a considerable financial burden for COMMERZBANK.

COMMERZBANK's qualification as a "domestic systemically important financial institution" could have negative effects on the Group's business operations or have consequences for the Group's structure.

On November 4, 2011, the Financial Stability Board published a list of banks, including COMMERZBANK, classified as globally systemically important. On November 1, 2012, the Financial Stability Board updated this list of global systemically important banks. According to the current list, COMMERZBANK is no longer classed as globally systemically important. The Financial Stability Board will update this list again in November 2013. However, COMMERZBANK does fall into the domestic systemically important bank category.

In respect of systemically important banks, the CRD IV package will differentiate between global systemically important institutions ("**G-SIIs**") and other systemically important institutions ("**O-SIIs**", systemically important for the European Union or individual member states). G-SIIs must maintain a capital buffer of between 1% and 3.5% of RWA. The specific level of this capital buffer will be determined for each bank based on a scoring system to establish its systemic relevance. For O-SIIs, member states can prescribe capital buffers of up to 2% of RWA. It cannot be excluded that COMMERZBANK may have to build up a further capital buffer as a result of being categorized as systemically important on a domestic level. This would also apply if the Financial Stability Board designates COMMERZBANK as a G-SII in its yearly update to the list of global systemically important banks.

Domestic systemically important banks could be made subject to further regulatory measures, in particular relating to crisis management and the winding up of these financial institutions in a crisis situation.

For example, BaFin has called upon COMMERZBANK to draw up and implement emergency plans for recovery in a crisis. Currently, the European legislative plans to regulate the restructuring and winding up of financial institutions have not yet been concluded. At the start of June 2012, the European Commission published its proposal for a Directive establishing a framework for the recovery and resolution of credit institutions and investment firms (see also risk factor: "*The European Commission's proposal for a Directive establishing a framework for the recovery and resolution of credit institutions and investment firms may result in regulatory consequences that could limit COMMERZBANK's business operations and lead to higher refinancing costs*"). Furthermore, on May 17, 2013 the German Parliament, and on June 7, 2013 the German Federal Council, adopted the Bank Separation Act, which became effective, in relevant part, after publication in the German Federal Gazette (*Bundesanzeiger*) on August 12, 2013. In addition to the obligation for COMMERZBANK to draw up restructuring plans and for BaFin to draw up resolution plans, the Bank Separation Act grants BaFin additional powers to limit COMMERZBANK's business operations under certain circumstances. Such limitations could have a material adverse effect on COMMERZBANK's net assets, financial position and results of operations.

Depending on the extent of the future regulation of domestic systemically important banks and those regarding crisis management and the winding up of banks, it is possible that these regulations will have consequences for the Group's business operations or structure, which could lead to a material adverse effect on the Group's net assets, financial position and results of operations.

COMMERZBANK is subject to stress tests, the results of which may have adverse effects on the Group when published.

Stress tests analyzing the robustness of the banking sector are regularly carried out and published by national and supranational supervisory authorities (for example, the EBA). An announcement by a supervisory authority that it will perform a stress test can increase uncertainty in the banking sector and lead to a loss of confidence in individual institutions or in the entire banking sector.

COMMERZBANK will be subject to future stress tests that will be based on new regulations, such as those that will be applicable following the implementation of Basel III. It cannot be ruled out that future stress tests may result in COMMERZBANK having to build up additional or higher capital buffers. Such requirements may have a negative impact on COMMERZBANK's results of operations. In particular, it is expected that the EBA will carry out further EU-wide stress tests in the future.

The publication of the results of regulatory stress tests, their evaluation by financial market participants and the market's general impression that a stress test is not strict enough, may have a negative impact on the external assessment of the capital position, refinancing costs and, consequently, also

the net assets, financial position and results of operations of the participating institutions (such as COMMERZBANK). In particular, it cannot be excluded that COMMERZBANK's funding costs may increase as a result of a stress test. Capital adequacy requirements may also increase, which would lead to an increase in the need for capital or a greater reduction in RWA, which in turn may result in adverse effects on the COMMERZBANK Group's long-term profitability.

The materialization of one or all of the risks described above may have a material adverse effect on the Group's net assets, financial position and results of operations.

The Group's regulatory capital also includes instruments that may cease to qualify as regulatory capital, which could result in its business operations being restricted.

The qualification of certain instruments as regulatory capital may change as a result of both amendments to supervisory regulations and actions by the Group. Under the CRD IV package, the recognition of regulatory capital instruments that will no longer be included in Tier 1 capital or Tier 2 capital (such as trust preferred securities, profit participation certificates and silent participations, which fail to meet the new requirements for regulatory capital) will be gradually phased out over an eight-year period, due to begin as of January 1, 2014. From 2014, the grandfathered amount (as determined on the basis of a one-time calculation) of those regulatory capital instruments that may be recognized will be reduced in steps of 10% per annum from 80% (in 2014) to 10% (in 2021), with the grandfathering to end at the beginning of 2022.

There is a risk that the trust preferred securities issued by the Eurohypo Capital Funding Trusts will no longer qualify as hybrid Tier 1 capital, as interest was paid on them in 2009 for the 2008 financial year despite the loss recorded by Hypothekenbank Frankfurt. Should this risk materialize, it would lead to a reduction in the Group's regulatory capital by €0.3 billion so that the total capital ratio would be reduced from 17.6% to 17.5% (calculated as of June 30, 2013).

Should the Group, contrary to its view of the legal position, be required to pay interest on the trust preferred securities issued by COMMERZBANK subsidiaries (see also risk factor: "*Payment and restoration of value claims have been asserted against COMMERZBANK and its subsidiaries, in some cases also in court, in connection with profit participation certificates and trust preferred securities they have issued. The outcome of such proceedings may have material adverse effects on the Group that go beyond the claims asserted in each case*"), these trust preferred securities would as a consequence also no longer qualify as hybrid Tier 1 capital. Together with the risk described in the previous paragraph, this would lead to a reduction in the Group's regulatory capital of €0.8 billion and in turn a decrease in the total capital ratio from 17.6% to 17.3% (calculated as of June 30, 2013). In this regard, see also risk factor: "*Ever stricter regulatory capital and liquidity standards and procedural and reporting requirements may call into question the business model of a number of the Group's activities, adversely affect the Group's competitive position, or make the raising of additional equity capital necessary*". The materialization of one or more of the aforementioned risks may have an adverse effect on the Group's net assets, financial position and results of operations.

The European Commission's proposal for a Directive establishing a framework for the recovery and resolution of credit institutions and investment firms may result in regulatory consequences that could limit COMMERZBANK's business operations and lead to higher refinancing costs.

On the basis of the announcement of a new framework for crisis management in the financial sector (IP/10/1353) on October 20, 2010, the European Commission presented a consultation paper on January 6, 2011 that included the technical details of the proposed regulations and published a further discussion paper at the beginning of April. At the start of June 2012, the European Commission published its proposal for a Directive establishing a framework for the recovery and resolution of credit institutions and investment firms. Since then, the European Council and the European Parliament have published a number of compromise proposals and the ECOFIN published an agreed approach on a general approach on the Directive, which is dated June 28, 2013.

In accordance with the "Key Attributes of Effective Resolution Regimes for Financial Institutions" published by the Financial Stability Board and approved by the G20, the legal framework to be implemented into national law by member states by the end of 2014 is intended to ensure on an EU-wide basis that in the future, credit institutions, investment firms, financial holding companies and branches of institutions that have their head offices outside the EU can be restructured, and if necessary wound up, without risks for financial stability.

To that end, the proposed Directive includes provisions granting additional competences and powers to supervisory authorities, imposing additional organizational and reporting duties on banks and

providing for the possible participation in losses by bondholders, as well as considerations for the financing of a bank restructuring fund. As a result, COMMERZBANK may, for example, be required to conduct stress tests ordered by the resolution authority, the results of which could restrict COMMERZBANK's business activity and could have an adverse effect on its net assets, financial position and results of operations. The proposed Directive also includes rules stipulating that institutions must have sufficient funds obtained through the issuance of debt instruments that provide for loss participation on the part of unsecured external creditors and conversion into equity (referred to as "bail-in"). The "bail-in" tool will give resolution authorities the power to write down, including to zero, or convert into equity the claims of certain unsecured creditors (including the Noteholders) of institutions that are failing or likely to fail. To that end, the application of the "bail-in" tool may result in an unequal treatment of other non-subordinated creditors of COMMERZBANK which may be exempt from the application of the "bail-in" tool in accordance with the Directive. In addition, resolution authorities may write down, including to zero, or convert into equity, outstanding amounts of interest, or amend or alter the maturity of debt instruments or amend the amount of interest payable on such instruments. Finally, any resolution actions taken by the resolution authorities must not entitle creditors of the affected institution to accelerate or terminate their debt. The transposition period for the "bail-in" tool is currently under discussion, with proposals ranging from early 2016 to early 2018. In addition, the current proposals also provide for the power of resolution authorities to write down, including to zero, or convert into equity, any instruments that qualify as Additional Tier 1 or Tier 2 capital under the CRD IV package (such as the Subordinated Notes). Such power, if the proposed Directive is adopted within the timeframe currently expected, would be available to the competent resolution authorities as early as 2015. Should the "bail-in" tool result in an obligation on the part of COMMERZBANK to issue debt instruments with bail-in provisions, an increase in refinancing costs is to be expected, which could have an adverse effect on the Group's profitability. The scale of any increased refinancing costs cannot be estimated at the present time. Furthermore, it is not currently possible to predict whether and in what form a liquid market for such debt instruments will develop, or whether there is sufficient market capacity to absorb both bail-in instruments and other forms of contingent capital (i.e., bonds that are mandatorily convertible to equity), the issuance of which may be required under Basel III regulations.

The proposed Directive also includes rules for setting up a European system of financing arrangements that provide for deposit protection schemes to be drawn upon in the context of a resolution. The extent to which such a European system of financing arrangements would result in a change to COMMERZBANK's contribution obligations for the deposit protection scheme or the bank restructuring fund is currently unclear. See also risk factor: "*There is a risk that the Group will be negatively affected by increased contributions to the Deposit Protection Fund or that, irrespective of the Deposit Protection Fund, it will be required to contribute to the rescue of banks that find themselves in economic difficulties. The planned reform of the EU Directive on Deposit Guarantee Schemes would negatively affect the Group in the form of significant contribution payments, which possibly cannot be passed on to the market*".

Should the aforementioned developments lead to adverse effects and strains for the Group, this may have a material adverse effect on the Group's net assets, financial position and results of operations.

The Group may be unable to fulfill the requirements imposed by the European Commission in connection with its utilization of the state stabilization measures on time or to a sufficient degree, and it may suffer economic disadvantages in connection with the fulfillment of these requirements.

On May 7, 2009, the European Commission declared the stabilization measures utilized by the Group to be compatible in principle with the state aid regulations of the EC Treaty. For reasons of competition law, the Federal Republic of Germany committed itself to ensuring that COMMERZBANK complies with a number of requirements – requirements that COMMERZBANK has contractually undertaken to comply with vis-à-vis SoFFin and the German government. Some of these requirements were later modified through a supplementary agreement with SoFFin. On March 30, 2012, at the request of the German government, the European Commission decided to convert the condition requiring COMMERZBANK to sell Hypothekenbank Frankfurt by no later than the end of 2014 into a condition to wind it down. In exchange, the Federal Republic of Germany committed itself to ensure that COMMERZBANK complies with the conditions set forth in the state-aid decisions.

Currently, the conditions (partially modified by the European Commission on March 30, 2012) include, in particular, (1) the reduction of the Commercial Real Estate finance portfolios to certain target customers and target products in the target markets of Germany, the United Kingdom, France and Poland, capping the portfolio volume at €25 billion until December 31, 2013, and maintaining this

product-related, regional and volume-based restriction (including the cap on permitted new business) until December 31, 2015, (2) the continuation of the downsizing of the Public Finance portfolio and the run down of the part of Hypothekenbank Frankfurt's Commercial Real Estate financing business included among non-core activities, (3) the setting of a ceiling of €600 billion for the Group's total balance sheet assets until December 31, 2014 (though non-core activities of Hypothekenbank Frankfurt, comprising the public finance portfolio and a majority of the Commercial Real Estate finance portfolios, are not counted towards the ceiling), (4) the ban on the acquisition of other companies until March 31, 2014, and (5) the commitment to offer German SMEs loans on normal market terms in a volume corresponding at least to the level of RWA as of the end of 2007.

Pursuant to the European Commission's modified conditions, the non-core activities of Hypothekenbank Frankfurt are to be organizationally separated and ultimately wound down. At the end of June 2012, in addition to these non-core activities, COMMERZBANK also decided to completely wind down Commercial Real Estate and Ship Finance and to transfer them to the NCA segment for that purpose. This decision took effect as of August 9, 2012. In legal terms, Hypothekenbank Frankfurt retained both the Commercial Real Estate finance portfolio and the Public Finance portfolio as planned.

The former Eurohypo Aktiengesellschaft was renamed "Hypothekenbank Frankfurt AG" as of August 31, 2012. In doing so, COMMERZBANK fulfilled a condition of the European Commission that was part of the requirement to wind up the portfolios of Hypothekenbank Frankfurt. The Commerz Real Group division (without Warehouse) as well as Hypothekenbank Frankfurt's core business with private customers (private construction finance) were integrated into the Private Customers segment of the Core Bank. On July 15, 2013 Hypothekenbank Frankfurt entered into an agreement to sell its commercial real estate portfolio in the United Kingdom and has thus continued downsizing its portfolio. The sale was completed on August 2, 2013.

It cannot be excluded that the Group will not be able to fulfill the remaining conditions imposed by the European Commission on time, or will not be able to do so to a sufficient degree. In particular, there is a risk that the European Commission or other authorities will find the ongoing strategic restructuring of individual business areas to be impermissible in light of the state aid decision, contrary to COMMERZBANK's assessment. Non-compliance with the relevant conditions are sanctioned in part through contractual penalties. There is also a risk that the Group may experience other economic disadvantages in connection with fulfilling these requirements. In the event of a breach of the European Commission's conditions, the Group could be obliged to repay, at least in part, the government funds it has received or be exposed to contractual claims by SoFFin, for example recourse claims in respect of penalty payments and fines by the EU.

Each of these risks may have a material adverse effect on the Group's net assets, financial position and results of operations.

The regulatory and banking supervisory frameworks for the Group in those jurisdictions outside of Germany in which it operates may change at any time, and non-compliance with regulatory provisions there may result in the imposition of penalties and other disadvantages, including the loss of official licenses.

The Group's business activities outside Germany are regulated and supervised by the central banks and regulatory authorities of those countries in which it operates. In each of these countries, a banking license or at least notification to the national regulatory authorities is required for COMMERZBANK, its subsidiaries and sometimes its branches as well, and in some cases for the Group in its entirety. Additional requirements may be imposed on the regulated entities in the event of changes to the regulatory provisions in one or more countries, which may occur at any time. This could hamper their ability to operate in certain business areas or even bar them from such business areas completely. In addition, infringement of provisions which do not fall directly within the scope of bank supervision law may also have regulatory consequences (see also risk factor: "*Proceedings brought by regulators, supervisory authorities and prosecutors may have material adverse effects on the Group*"). In addition, complying with amended regulatory requirements may entail a material increase in the Group's administrative expense. Each of these risks may have a material adverse effect on the Group's net assets, financial position and results of operations.

There is a risk that the Group will be negatively affected by increased contributions to the Deposit Protection Fund or that, irrespective of the Deposit Protection Fund, it will be required to contribute to the rescue of banks that find themselves in economic difficulties. The planned reform of the EU Directive on Deposit Guarantee Schemes would negatively affect the Group in

the form of significant contribution payments, which possibly cannot be passed on to the market.

The Deposit Protection Fund is funded by an annual contribution from each of the participating institutions. The Board of Directors of the Association of German Banks (*Bundesverband deutscher Banken e.V.*) may resolve to impose a surcharge in the amount of half of the annual contribution, or a special contribution of up to half of the annual contribution for each financial year if the funds in the Deposit Protection Fund are not sufficient or if otherwise required to carry out the tasks of the Deposit Protection Fund. Such an increase would have material adverse effects on the Group's net assets, financial position and results of operations.

In addition, there is the risk that the Group will be required to contribute to the rescue of banks that find themselves in economic difficulties, possibly in the form of posting collateral and similar efforts. This may have material adverse effects on the Group's net assets, financial position and results of operations.

The various European Commission, European Council and European Parliament proposals on the reform of the EU Directive on Deposit Guarantee Schemes could lead to a considerable increase in the Group's deposit protection contributions. In addition, the proposed EU directive on establishing a framework for the recovery and resolution of credit institutions and investment firms and the proposed reforms to establish a single supervisory mechanism as well as a single resolution mechanism for banks including a European bank resolution fund may affect the proposed reform of the EU Directive on Deposit Guarantee Schemes, although this is not yet clear. It is also not yet clear whether the EU may set up an EU-wide deposit guarantee scheme instead of the current Member State deposit guarantee schemes based upon EU law. Due to the existing price competition, it might not be possible to pass on the Group's additional expenses to the market. The implementation of the reform proposals as they currently stand would have material adverse effects on the Group's net assets, financial position and results of operations. Moreover, the introduction of a European deposit protection scheme as part of a European banking union that has been discussed at the European level may lead to further increased statutory deposit protection contributions for COMMERZBANK in the long run. This may also result in material adverse effects on the Group's net assets, financial position and results of operations.

Legal risks

Legal disputes may arise in connection with COMMERZBANK's business activities, the outcomes of which are uncertain and which entail risks for the Group. For example, claims for damages on the grounds of flawed investment advice have led to substantial liabilities for the Group and may also lead to further substantial liabilities for the Group in the future.

The COMMERZBANK Group is involved, particularly in the Private Customers segment, in giving investment advice on financial instruments (securities, investment funds, derivatives and company shareholdings). The requirements imposed by lawmakers and the judiciary with respect to suitable product and investor advice have been made considerably more stringent, including retroactively, in recent years. COMMERZBANK and its subsidiaries therefore have been and are involved in a number of disputes, some of them in court, in which investors are claiming allegedly flawed investment advice and are demanding damages. In the more recent past, this has already led to material adverse effects on the Group's net assets, financial position and results of operations. Corresponding effects may also result from such claims in the future.

Furthermore, the German Federal Court of Justice (*Bundesgerichtshof*) found in 2006 and 2009 that banks, and therefore also COMMERZBANK, must disclose to their customers the sales commissions that they receive for the sale of participations in closed-end funds and investment funds. In the absence of such information, even where the advice was otherwise proper, the customer is entitled to demand that the investment be unwound at the original price and to transfer the investment, e.g., the shareholding, to the Bank. The customer is also entitled to claim damages for any additional financial or tax losses. In a case ruled upon by the German Federal Court of Justice in July 2011, COMMERZBANK was obligated to pay damages for failing to give such disclosure. The term "sales commissions" was very broadly defined by the German Federal Court of Justice. The German Federal Court of Justice's ruling is significant for a number of other cases, some of which are already pending, in addition to the proceedings in question. This includes both proceedings relating to closed-end funds like those that were the subject of the legal dispute before the German Federal Court of Justice and proceedings that concern numerous other capital investments, in particular closed-end funds arranged by COMMERZBANK or its legal predecessors. In addition to the already existing provisions, a provision taking into account the new situation was recognized in the 2011 financial year for the funds

that were the subject of the dispute before the German Federal Court of Justice. Provisions have also been and continue to be recognized for claims brought as part of lawsuits. If the Group is required to pay damages for a significant portion of the financial instruments sold by it or to unwind these transactions at the original price, there is the risk of a material adverse effect on the Group's net assets, financial position and results of operations.

Beyond the issues mentioned above, COMMERZBANK and its subsidiaries are regularly parties to a variety of court and arbitration proceedings in Germany and a number of other jurisdictions, in particular in damages, warranty and rescission cases. These proceedings are characterized by a large number of uncertainties and it is not possible to predict their outcome with certainty. Consequently, risks associated with such proceedings may in certain cases be difficult to quantify, or may not be quantifiable at all. It is therefore possible that losses resulting from pending or potential proceedings will exceed the provisions recognized for them, which may have material adverse effects on the Group's net assets, financial position and results of operations.

Payment and restoration of value claims have been asserted against COMMERZBANK and its subsidiaries, in some cases also in court, in connection with profit participation certificates and trust preferred securities they have issued. The outcome of such proceedings may have material adverse effects on the Group that go beyond the claims asserted in each case.

COMMERZBANK and its subsidiaries (particularly Hypothekenbank Frankfurt and its legal predecessors) and Dresdner Bank and its subsidiaries have issued profit participation certificates and other hybrid financial instruments, including trust preferred securities in particular. These instruments are generally structured so that they are recognized for regulatory purposes as equity. In some cases, there is an obligation to pay interest only where distributable profit has been realized, or only insofar as the payment of interest does not lead to a net loss, and some types of instruments are structured so that in the case of losses, the redemption amount of the instruments can be reduced (loss participation).

Due to losses incurred in the 2009, 2010, 2011 and 2012 financial years, no interest was paid for those financial years on profit participation certificates and trust preferred securities issued by Hypothekenbank Frankfurt, its legal predecessors and its subsidiaries. In addition, the losses had reduced the principal amount payable on redemption of the profit participation certificates due to their participation in losses.

Various investors have filed suit in Germany in respect of the reduction of the principal amount payable on redemption and the non-servicing of the profit participation certificates. On May 28, 2013 the German Federal Court of Justice decided adversely to COMMERZBANK in two cases, holding that, because the forecast in respect of the earnings development of Hypothekenbank Frankfurt was positive at the time the control and profit transfer agreement was entered into, the distributions provided for under the profit participation certificates are to be made in full and the principal amount payable on redemption may not be reduced, irrespective of the financial condition of Hypothekenbank Frankfurt. On July 1, 2013, Hypothekenbank Frankfurt effected the decision of the German Federal Court of Justice through a reversal of the reduction and payments of interest to the holders of the profit participation certificates.

Investors in the trust preferred securities issued by Eurohypo Capital Funding Trust I and Eurohypo Capital Funding Trust II have filed suit in Germany and the United States of America in respect of the non-servicing of the trust preferred securities. It cannot be ruled out that more claims will be made or lawsuits filed. Should COMMERZBANK in case of a negative ruling be required to satisfy the claims arising out of the trust preferred securities this would result in a total charge at Group level of approximately €60 million (as of September 30, 2013).

No interest was paid for the 2009, 2010 and 2011 financial years on some trust preferred securities issued by a number of COMMERZBANK subsidiaries, due to the economic situation in these financial years. The terms and conditions of these trust preferred securities contain parity treatment clauses under which there is an obligation to pay interest on these trust preferred securities in the event that interest is paid on other comparable instruments. On the basis of these parity treatment clauses, investors have also asserted claims for the non-payment of interest, including in some cases in U.S. courts, and have demanded that these trust preferred securities be restructured as subordinated instruments in the event of an insolvency. In one of the two cases pending in Delaware, the Delaware Supreme Court issued an opinion, under which the previous judgment of the Court of Chancery in favor of the Bank was vacated, and the case remanded with instructions to the Court of Chancery to enter final judgment in favor of the claimants. The Supreme Court also stipulated that the Court of Chancery should make its decision consistent with the holdings of the opinion. In summary, the

Supreme Court took the following position: Interest payments that had not been made must be made because payments on other comparable instruments were made in the relevant years; moreover, there is an obligation to restructure those trust preferred securities that are the subject of the litigation into subordinated instruments in the event of an insolvency. The final judgment taking into account the Supreme Court's opinion was released on July 16, 2013. The other court case pending in Delaware in respect of the failure to make payments on trust preferred securities issued by another subsidiary of COMMERZBANK is currently still suspended. At the end of July 2013, COMMERZBANK effected the final judgment through payments of interest to the holders of the COMMERZBANK trust preferred securities.

Furthermore, payments on or servicing hybrid financial instruments, such as the early repayment of silent participations or related servicing or repurchases of hybrid financial instruments, may result in investors who have invested in other profit participation certificates or other hybrid financial instruments bringing claims for the payment of interest that has not been made or for the write-up of the principal amount payable on redemption. If claims are made in such cases and payments become necessary even if COMMERZBANK considers them to be without merit, corresponding charges at Group level would be incurred (for further consequences see also risk factor: "*The Group's regulatory capital also includes instruments that may cease to qualify as regulatory capital, which could result in its business operations being restricted*").

Each of these risks may have material adverse effects on the Group's net assets, financial position and results of operations.

Lawsuits brought against Group companies for non-payment of variable remuneration for the 2008 financial year, or payment of less than the allegedly promised amount, may have adverse effects on the Group.

A large number of former employees of the former Dresdner Bank group have filed suit against Group companies in Germany and various locations abroad for non-payment, or payment of less than the allegedly promised amount, of variable remuneration for the 2008 financial year. In May 2012, a court of first instance in London ruled in favor of the former employees of Dresdner Kleinwort Investmentbank ("**DKIB**") and ordered COMMERZBANK to pay the bonus claims asserted. On appeal, the High Court confirmed the decision of the court of first instance on April 26, 2013. The claims based on this judgment amount to approximately GBP 72 million. Additionally, claims by additional claimants in the amount of GBP 7 million are possible. Provisions have already been recognized to cover the claims from the judgment. A number of such proceedings are also pending in Germany. In several cases, decisions have already been handed down, including final decisions against, but also in favor of, COMMERZBANK. The outcome of proceedings that have not yet been conclusively decided cannot be predicted. Ultimately, it cannot be excluded that further suits will be filed. It is therefore possible that the losses resulting from pending or threatened proceedings may exceed the provisions recognized for them, which may have material adverse effects on the Group's net assets, financial position and results of operations.

Proceedings brought by regulators, supervisory authorities and prosecutors may have material adverse effects on the Group.

COMMERZBANK and its subsidiaries operate in numerous jurisdictions with in part, differing legal and regulatory requirements. Violations of legal and regulatory provisions in individual cases have been detected in the past and may be detected in the future, and any such violations have been and could be pursued by regulatory authorities and institutions. The Group is also currently involved in a number of such proceedings.

The New York County District Attorney, the U.S. Department of Justice and a number of other agencies are currently investigating whether the Group violated U.S. sanctions, particularly against Iran, Sudan, North Korea, Myanmar and Cuba. COMMERZBANK's New York branch has also received subpoenas from these U.S. authorities in this connection, in response to which it has made available extensive documentation and the results of internal investigations. The outcome of these matters is not currently foreseeable. The U.S. authorities may impose civil and criminal penalties on COMMERZBANK, including substantial fines. In similar matters involving other banks, settlements were reached, some involving the imposition of substantial fines. The outcome of these matters cannot be predicted. The Group might also settle such matters.

In addition, the Group has voluntarily disclosed to the U.S. Office of Foreign Assets Control certain incoming payments to and outgoing payments from customers of COMMERZBANK and subsidiaries of COMMERZBANK, including payments made through the Company's New York branch, in relation

to transactions that may have involved payors or payees located in a number of U.S.-sanctioned countries. The outcome of these matters is not yet foreseeable.

The financial effects of any actual or alleged violations of legal and regulatory provisions and their respective resolutions cannot be predicted and may exceed the value of any provisions established in any individual case, which may have material adverse effects on the Group's net assets, financial position and results of operations.

Divestments may also result in payment obligations and reputational harm.

In recent years, the Group has disposed of a number of subsidiaries and other domestic and foreign holdings. In addition, several larger pieces of real estate formerly belonging to the COMMERZBANK Group have been sold. The corresponding sale and purchase agreements contain various warranties and financing obligations. In some cases, alleged violations of these warranties have been asserted, some of which relate to the loan loss provisions recognized by the divested subsidiaries or to violations of compliance provisions by the divested subsidiaries. These have also resulted in the investigation of these divested subsidiaries by regulatory authorities. Should the claims in this respect be successfully asserted against COMMERZBANK and the provisions (if any) recognized in relation thereto be inadequate, or should the Group's reputation be harmed, this may have materially adverse effects on the Group's net assets, financial position and results of operations.

The measures that the Group has taken for the purposes of data protection and to ensure data confidentiality could prove to be inadequate and result in reputational or other damage.

Data used by the Group in connection with its business activities is subject to data protection and information security regulations. The Group has taken a series of measures to protect the data it processes and administers in the course of its business activities against misuse. However, it cannot be excluded that these measures may prove to be inadequate and, for example, the confidentiality of customer data could be infringed by employees of the Group or third parties who circumvent the Group's security systems and obtain unauthorized access to this data. This may trigger liability for damages for the Group or negatively affect the Group's reputation, both of which may have material adverse effects on the Group's net assets, financial position and results of operations.

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

The Group maintains contractual relationships with a large number of customers. In all business areas and Group divisions, the administration of such a large number of legal relationships necessitates the use of general terms and conditions, standard contracts and forms. The standardization that accompanies this may result in an increased level of risk arising if there are ambiguities or errors in the formulation or application of individual terms and conditions, standard contracts or forms given their frequent usage. In light of the continually changing legal framework through new laws and judicial rulings and the increasing influence of European legislation on national law, it is conceivable that not all of the Group's general terms and conditions, standard contracts and forms will fully comply with applicable legal requirements at all times. If application problems or errors arise, or if individual contractual provisions or even entire contracts prove to be invalid, a large number of customer relationships could be affected, resulting in substantial claims for damages or other negative legal consequences for the Group, and thus have materially adverse effects on the Group's net assets, financial position and results of operations.

The outcome of legal disputes to which the Group is not a party can have adverse consequences for the Group for various reasons, including the contesting of practices and clauses used throughout the entire industry.

Judicial or regulatory decisions against other banks may also have effects on the Group, even where the Group is not party to the proceedings. This may be the case, for example, where a practice or a contractual clause used throughout the entire industry is challenged and found to be unlawful. Examples of this are decisions against individual clauses contained in general terms and conditions, amortization schedules for annuity loans, certain investment products (e.g., certain swap transactions) or advisory practices in respect of "kick-back" agreements. This may also be the case even where a decision relates only to the particular circumstances of the individual case if the outcome is then used by customers against the Group, and the Group considers itself forced to change its practices or pay compensation in order to avoid reputational damage. Such decisions may have materially adverse effects on the Group's net assets, financial position and results of operations.

The Group is subject to risks associated with tax audits; changes to tax legislation or jurisprudence may have an adverse effect on its net assets, financial position and results of operations. Changes in the planning of expected future income may lead to substantial fluctuations in deferred tax assets.

COMMERZBANK's business operations are assessed for tax purposes on the basis of current tax legislation and in light of current case law and administrative practice. Where there is uncertainty in the tax law with respect to the question of how such business operations are to be assessed, COMMERZBANK generally takes a risk-averse position. However, should considerable additional tax charges be assessed, this may have material adverse effects on the Group's net assets, financial position and results of operations.

The Group is subject to regular audits by tax authorities in Germany and abroad. In Germany, COMMERZBANK is currently being audited with respect to the period from 2002 to 2011. This audit could result in changes to assessments for COMMERZBANK and its subsidiaries and give rise to additional tax charges. Given the long period of the continuing audits, there is an increased risk that additional tax payments will have to be made. COMMERZBANK establishes corresponding provisions for tax risks that are recognizable in the course of or up to completion of the audits. Should in the future additional tax charges be identified that considerably exceed the provisions that have been established, or have yet to be established, on the balance sheets of the affected companies, this may have material adverse effects on the Group's net assets, financial position and results of operations.

In addition, should there be a change in the view of tax authorities, tax legislation or case law in respect of taxation matters, this may also have a material adverse effect on the Group's net assets, financial position and results of operations.

As of June 30, 2013, COMMERZBANK had tax loss carry-forwards in the amount of €5.3 billion. In connection therewith, deferred tax assets in the amount of €1.7 billion have been accrued in the Group's consolidated financial statements. The extent to which the deferred tax assets may be recognized on the balance sheet depends on the expected future operating results of the Group (which are documented in the multi-year plan). Should expected results decrease over several planning periods (5-year assessment periods) because of, for example, a deterioration in external factors such as the economic environment, the extent to which deferred tax assets on tax loss carry-forwards may be recognized on the balance sheet must also be reduced. This leads to a corresponding reduction in equity on the balance sheet. If the strategic plan is not achieved, this could lead to further impairments of deferred tax assets. This could have material adverse effects on the Group's net assets, financial position and results of operations.

The European Commission is investigating several companies in the financial sector as part of an antitrust investigation relating to the market for financial information on credit default swaps.

The European Commission has launched an antitrust investigation into 17 companies in the financial sector, including COMMERZBANK, pursuant to which it is investigating their actions in passing on trading data regarding CDS transactions to financial information providers. The Commission is examining whether this supply of data resulted in restrictions on competition within the meaning of Articles 101 and 102 of the Treaty on the Functioning of the European Union ("**TFEU**"). Culpable violations of Articles 101 and 102 of the TFEU may be penalized through the imposition of a monetary fine. The fine imposed on each company found to have taken part in an infringement may not exceed 10% of its total revenue for the previous financial year. On February 21, 2013, COMMERZBANK took part in a state-of-play discussion at the European Commission. During this discussion, the European Commission informed COMMERZBANK that it would no longer be investigating COMMERZBANK until further notice. However, if COMMERZBANK is negatively implicated in the course of the European Commission's investigations of other companies within the financial sector, the investigation of COMMERZBANK may be resumed. At the beginning of July 2013, the EU Commission initiated an official proceeding against 13 investment banks, a derivatives association and a provider of financial information. COMMERZBANK was not among those subject to the proceeding. Nonetheless, should the investigation of COMMERZBANK be resumed and fines imposed on COMMERZBANK, this could have material adverse effects on the Group's net assets, financial position and results of operations.

E. DESCRIPTION OF COMMERZBANK AKTIENGESELLSCHAFT

Bank name, registered office, corporate purpose and financial year

COMMERZBANK was founded in Hamburg as “Commerz- und Disconto-Bank” in 1870. Following a temporary decentralization, COMMERZBANK was re-established on July 1, 1958 after a re-merger of the successor institutions created as part of the post-war breakup in 1952. COMMERZBANK’s registered office is in Frankfurt am Main and its head office is at Kaiserstrasse 16 (Kaiserplatz), 60311 Frankfurt am Main, Germany, Tel. +49-69-136-20. It is entered in the commercial register of the Local Court of Frankfurt am Main under the number HRB 32000. The Bank’s legal name is COMMERZBANK Aktiengesellschaft. In its business dealings, the Bank uses the name COMMERZBANK. The Bank was established under German law for an indefinite period.

In accordance with Article 2 of the Articles of Association, COMMERZBANK’s corporate purpose is to engage in banking transactions and to offer all types of financial services and other related services and transactions, including acquiring, holding and disposing of interests in other entities. The Bank may realize its corporate purpose itself, through affiliated companies and equity participations or through the conclusion of affiliation and cooperation agreements with third parties. It is entitled to have recourse to all transactions and measures which are suitable for promoting its corporate purpose, in particular the establishment of branches in Germany and abroad and the acquisition, management and disposal of interests in other enterprises.

COMMERZBANK’s financial year is the calendar year.

Description of the COMMERZBANK Group’s Business Activities

Overview

Based on total assets as of June 30, 2013, the COMMERZBANK Group believes that it is the second-largest bank in Germany. At present it has approximately 1,200 branches, one of the most extensive branch networks of all private German banks, serving customers from every customer group. The focus of its activities is on the provision of a wide range of financial services to private, small and medium-sized corporate and institutional customers in Germany, including account administration, payment transactions, lending, savings and investment products, securities services, and capital market and investment banking products and services. As part of its comprehensive financial services strategy, the Group also offers other financial services in association with cooperation partners, particularly building savings loans, asset management and insurance. The Group is continuing to expand its position as one of the most important German export financiers. Alongside its business in Germany, the Group is also active through its subsidiaries, branches and investments, particularly in Europe. Outside of Germany, the COMMERZBANK Group is also represented through 23 operational foreign branches, 35 representative offices and seven significant subsidiaries in 53 countries as of June 30, 2013. The focus of its international activities lies in Poland and on the goal of providing comprehensive services to German SME customers in Western Europe, Central and Eastern Europe and Asia. Since the completion of the acquisition of Dresdner Bank in 2009, COMMERZBANK has integrated its business divisions with those of Dresdner Bank. The bank-wide integration project has been largely completed. As of June 30, 2013, the COMMERZBANK Group employed a total of 53,543 employees, 41,653 of which are in Germany and 11,890 of which are abroad.

The COMMERZBANK Group is divided into five operating segments – Private Customers, Mittelstandsbank, Central & Eastern Europe, Corporates & Markets and Non-Core Assets (NCA) – and Others and Consolidation. The Private Customers, Mittelstandsbank, Central & Eastern Europe and Corporates & Markets segments form the COMMERZBANK Group’s Core Bank, together with Others and Consolidation. The Group divisions contained within the NCA segment are to be completely run down over time.

With total assets of €635.9 billion as of December 31, 2012 (December 31, 2011: €661.8 billion), the COMMERZBANK Group achieved income before provisions of €9.9 billion (2011: €9.9 billion), operating profit of €1,216 million (2011: €507 million) and consolidated profit attributable to COMMERZBANK shareholders of €6 million (2011: €638 million) in the 2012 financial year. In the 2012 financial year, the Core Bank achieved income before provisions of €9.5 billion (2011:

€12.6 billion), operating profit of €2.6 billion (2011: €4.7 billion) and a pre-tax profit of €2.3 billion (2011: €4.7 billion). In the NCA segment, income before provisions in the 2012 financial year amounted to €225 million (2011: €–2.7 billion), the operating loss amounted to €–1.5 billion (2011: €–4.0 billion) and the pre-tax loss amounted to €–1.6 billion (2011: €–4.0 billion). In the former Portfolio Restructuring Unit (PRU) segment, which was dissolved as of July 1, 2012, but the results of which for the first half of 2012 were still reported in the 2012 year-end consolidated financial statements, income before provisions amounted to €216 million (2011: €–62 million), operating profit to €184 million (2011: €–130 million) and pre-tax profit to €184 million (2011: €–130 million) in 2012.

In the six-month period ended June 30, 2013, the COMMERZBANK Group achieved a pre-tax profit of €54 million, a decrease of €835 million compared with the same period in 2011, and had total assets of €637.0 billion as of June 30, 2013.

In response to the financial crisis, SoFFin contributed silent participations to COMMERZBANK (initially in the total amount of €16.4 billion) in December 2008 and June 2009, and in May 2009 acquired a stake of 25% plus one share in COMMERZBANK (see "*—Material agreements—Utilization of the SoFFin stabilization measures by COMMERZBANK*"). As result of the capital measures implemented by COMMERZBANK in the second quarter of 2011, in March 2012 and in June 2012, the silent participations had already been largely directly repaid and, to a lesser extent, exchanged for shares in COMMERZBANK. On March 13, 2013, COMMERZBANK announced that it intended to fully repay the silent participations of SoFFin before their due date by means of a capital increase against cash and contributions in kind. On April 19, 2013, COMMERZBANK's Annual General Meeting passed a resolution for a capital increase with subscription rights. The relevant subscription offer lasted from May 15, 2013 to May 28, 2013. Upon completion of the transaction, SoFFin's shareholding in COMMERZBANK fell to 17.15%. On May 31, 2013 COMMERZBANK fully repaid the silent participations of SoFFin and Allianz.

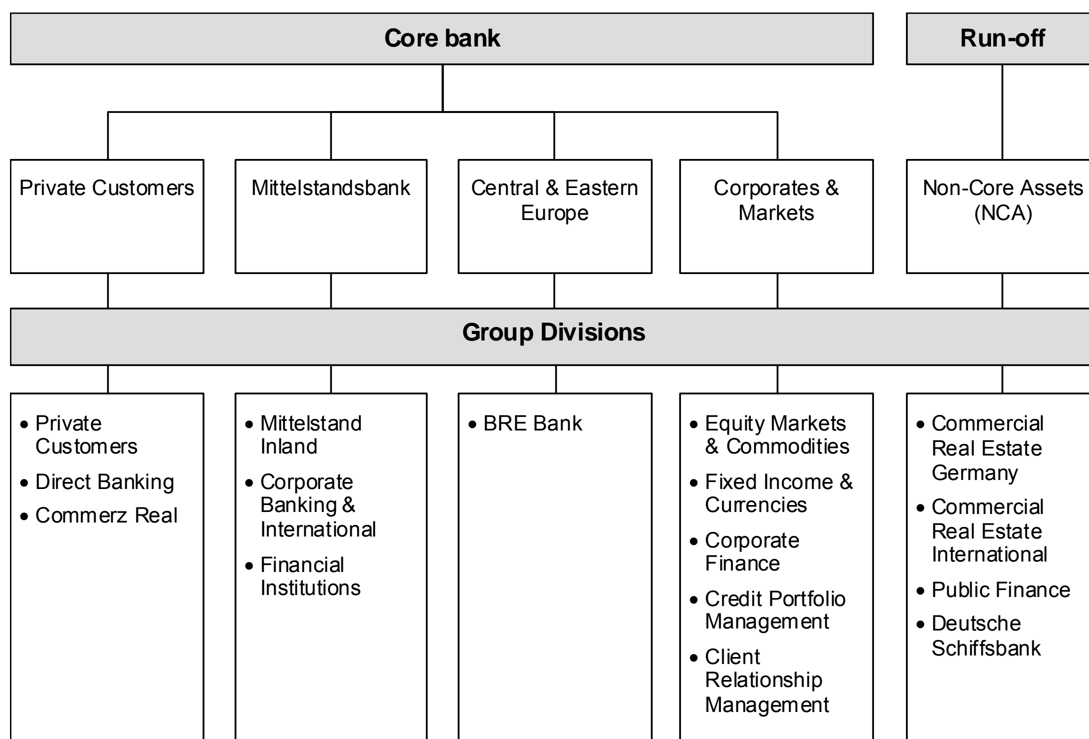
Segments

Overview

The COMMERZBANK Group is divided into five operating segments – Private Customers, Mittelstandsbank, Central & Eastern Europe, Corporates & Markets and Non-Core Assets (NCA) – and Others and Consolidation.

The Private Customers, Mittelstandsbank, Central & Eastern Europe and Corporates & Markets segments form the COMMERZBANK Group's Core Bank, together with Others and Consolidation.

The NCA segment is the COMMERZBANK Group's run-off segment, having been established as part of the new segment structure adopted as of July 1, 2012. This segment includes, in particular, the German and international Commercial Real Estate (CRE) portfolio, the Public Finance (PF) portfolio and the entire ship financing portfolio (Deutsche Schiffsbank, DSB). The Group divisions contained within the NCA segment are to be completely run down over time. Another of the changes to the segment structure as of July 1, 2012 was the dissolution of the Portfolio Restructuring Unit (PRU) as an independent segment.The structure of the Group as of the date of this Registration Document is presented below:



Private Customers segment

Overview

The Private Customers segment was restructured during the course of the 2012 financial year. It comprises the Private Customers, Direct Banking and Commerz Real (formerly Asset Management and Leasing) Group divisions. The former Credit Group division has been transferred in part to the Private Customers Group division and in part to the Group Services unit in Others and Consolidation. This transfer serves to continue the merger of the back office service units as a separate unit of Group Banking Operations under the Group Services unit. As part of the changes to the segment structure as of July 1, 2012, the Commerz Real Group division was integrated into the Private Customers segment. In addition, the private real estate sub-portfolio from Hypothekenbank Frankfurt AG's (formerly: Eurohypo AG) private customer portfolio is part of the Private Customers Group division.

Private Customers Group division

The Private Customers Group division comprises the German branch operations of COMMERZBANK for private and business customers as well as Wealth Management.

The Private Customers Group division develops products for private and business customers and is responsible for centrally managing sales. Traditional branch operations with private and business customers are bundled within the Private Customers Group division. The range of products and services offered to customers includes various current account models with a full range of payment services, and a varied range of deposit and credit products. The focus in the investment business is on individual securities advice taking into account risk and return aspects, and on professional wealth management and asset management products. In addition to its approximately 1,200 branches, COMMERZBANK has 43 advisory centers for wealth management customers and 65 advisory centers for business customers. The Private Customers Group division also includes the call center services of Commerz Direktservice GmbH, a wholly-owned subsidiary of COMMERZBANK, for the German branch network. Commerz Direktservice GmbH offers the Group division's customers a range of services covering call center activities, telephone banking, technical hotlines and quality management services. The joint venture Commerz Finanz, which is focused on consumer lending, is also managed centrally by the Private Customers Group division.

COMMERZBANK offers its customers a wide range of banking and financial services in the areas of securities and investment, real estate financing and lending, pensions, liquidity management and deposits, as well as accounts and payment transactions. The open architecture for real estate

financing was integrated into the lending business in August 2012, *i.e.*, since then the buildings savings products of approximately 250 other financial services providers can be contracted in COMMERZBANK branches via the "CobaHyp" real estate financing platform (a sales cooperation with the internet mortgage broker Interhyp). Customers are also offered an open architecture in the investment business. In addition, COMMERZBANK offers its customers products of Allianz SE, Allianz Global Investors Kapitalanlagegesellschaft mbH ("**AGI**") and Wüstenrot Bausparkasse. These include funds, insurance and building savings products, which supplement its own product range. The choice of products on offer is completed by products from other strategic partners, particularly funds and certificates.

The changing needs of customers as a result of the continuing uncertainty in the international financial markets and the consequences of the global financial crisis remains one of the main topics in the investment business. COMMERZBANK has met the resulting need for financial advice with a structured advisory process. Since the summer of 2012, advisors have been using the "CustomerCompass", an IT-supported application that ensures a standardized and structured advisory service, in their sessions with customers.

Investment products are subject to a comprehensive centralized research and analysis process. Sales are focused on asset management products, which provide customers with tailored investments through various investment options.

The primary distribution channel is the Group's branch network with approximately 1,200 branches at present. Additional distribution channels are available through COMMERZBANK's internet presence and the various smartphone and tablet applications that enable everyday banking services to be transacted.

Wealth Management serves affluent private customers with liquid assets of over €1 million and/or customers who require special solutions due to the complexity of their assets. These customers are offered specialized advice and a broad portfolio of products and services. The products range from simple securities accounts to the management of complex asset structures. Customers are also offered a wide range of services (including securities, real estate and credit management, asset management, family office solutions, and inheritance and trust management) as well as innovative products tailored to their individual financial circumstances. As a result of cooperation with the Mittelstandsbank segment, COMMERZBANK is able to offer customized wealth solutions to entrepreneurs that give equal weight to personal and business investment issues. At the Company's competence centers, customers have access to specialists in securities, real estate and loans, in addition to a relationship manager who functions as the customer's permanent personal contact. In addition, COMMERZBANK has specialists based at the head office who can advise customers on asset management, inheritance and trust management. The main focus outside of Germany is on Commerzbank International S.A. in Luxembourg, which acts as the hub for the international wealth management business.

Direct Banking Group division

The Direct Banking Group division bundles the activities of the comdirect group, which comprises comdirect bank and ebase.

With approximately 2.8 million customers, 1.7 million securities accounts and 18 million securities transactions carried out in 2012, COMMERZBANK considers the comdirect group the market leader in the online securities business and one of the leading direct banks in Germany. comdirect bank is a full-service bank with three areas of expertise: brokerage, banking and advisory. It offers its customers low-cost securities trading as well as products suited to short-, medium- and long-term investments. The banking products of comdirect bank enable daily cash transactions to be carried out quickly and easily.

In the banking area of expertise, comdirect bank focuses on advisory models compatible with direct banking in the form of the "Anlageberatung PLUS" and "Baufinanzierung PLUS" products. As a direct bank, comdirect bank offers its products and services primarily via the internet as well as by telephone.

COMMERZBANK believes that ebase has emerged as one of the leading B2B direct banks. Financial services distributors, insurers, banks, asset managers and companies use ebase's multi-client solutions (*i.e.*, IT systems that provide services to several customers without any of them being able to gain access to the data of the others) for managing investment accounts on behalf of their customers as well as the range of products in wealth creation, pensions and investment. The subsidiary of comdirect bank AG is a full-service bank.

Commerz Real Group division

One of the main areas of focus of the Commerz Real Group division is on the offering of investment products to private investors, in particular the open-ended real estate fund hausInvest. The portfolio's assets have a widely dispersed geographic spread. The focus of investments is on the office, retail and logistics sectors.

The Commerz Real Group division, via Commerz Real AG and its subsidiary Commerz Real Mobilienleasing GmbH, is also the competence center for the equipment leasing business within the COMMERZBANK Group, offering an alternative to traditional financing, particularly to SMEs.

The Structured Investments unit of the Group division combines the activities of real estate leasing, large-scale plant and equipment leasing (such as industrial plants, power plants and transmission networks) and structured finance.

The Commerz Real Group division makes use of various distribution methods depending on the sector. Distribution takes place first and foremost via COMMERZBANK and its Private Customers and Mittelstandsbank segments, but also via third-party channels for fund products whose target groups are private customers.

Mittelstandsbank segment

Overview

This segment comprises the three Group divisions of Mittelstand Germany, Corporate Banking & International and Financial Institutions.

Mittelstand Germany and Corporate Banking & International Group divisions

The Mittelstand Germany Group division bundles the business with SME customers, the public sector and institutional customers in Germany.

The Corporate Banking & International Group division focuses on providing services to corporate customer groups with sales revenues of over €500 million, unless they are managed as multinational corporates under the auspices of Client Relationship Management in the Corporates & Markets segment. Smaller firms active in the capital markets and those with significant international activities are also advised here. Moreover, the Renewable Energies Center of Competence is located in the Corporate Banking & International Group division. Through its foreign branches, the Corporate Banking & International Group division aims to operate as a strategic partner – both for the international activities of German and Polish corporate customers and for international companies with subsidiaries in the German and Polish markets.

SME customers on the one hand (Mittelstand Germany Group division) and corporate customers on the other (Corporate Banking & International Group division) are classified and separated from one another by COMMERZBANK according to sales and customer needs as follows:

- *Small SMEs:* Companies registered in the commercial register with annual sales of between €2.5 million and €12.5 million.
- *Large SMEs:* Companies registered in the commercial register with annual sales of between €12.5 million and €250 million and companies with annual sales of between €250 million and €500 million that are not active in the capital markets (companies with annual sales over €250 million that are active in the capital markets or engage in significant international activities are advised by the Corporate Banking & International Group division).
- *Large corporates*: Companies registered in the commercial register with annual sales of €500 million or more (unless managed as multinational corporates under the auspices of Client Relationship Management in the Corporates & Markets segment) and companies with annual sales of €250 million or more provided that they use capital market products or pursue significant international activities.

Public sector customers include municipalities, municipally-owned corporations and public sector bodies. The most important institutional customers are social security funds, pension plans and pension funds, occupational pension schemes, churches, foundations and business federations.

The product ranges of the Mittelstand Germany and Corporate Banking & International Group divisions comprise risk management, investment advice, financing, transaction management, assistance with foreign trade transactions and investment banking activities for large corporates. In the area of risk management, the Group divisions offer hedging transactions for commodity price, interest

rate and currency fluctuations. In the field of investment advice, the services offered include money market, mutual and special funds, money and capital market products such as variable and fixed deposits, shares, bonds, structured products and securities lending and advice on occupational pensions and working time accounts. In the field of financing, COMMERZBANK aims to make available the required funds after an assessment of the customer's overall situation as well as its plans and requirements. In addition, CommerzFactoring GmbH, a joint venture with GE Capital Bank AG, offers an extensive range of receivables financing services integrated into the banking business. Support services in the area of transaction management include the provision of appropriate cash levels and the updating of account information several times a day through to automatic cash management systems for companies with numerous branches or establishments requiring their own accounts locally. To support foreign trade, customers are offered processing services for their payment transactions with foreign countries and export financing products combined with comprehensive advice. Customers are advised on expanding their market position and developing new markets, and are offered support in assessing new developments abroad. The product portfolio for large corporates is rounded off with a comprehensive range of investment banking advisory services.

The services available to public sector customers include a broad range of financing services, ranging from loans to municipalities, corporate finance and revenue forfaiting through to project finance, as well as investments and derivatives, debt management and payment transaction solutions.

As of January 1, 2012, Commerzbank (Eurasija) SAO in Russia, Commerzbank Zrt. in Hungary and the COMMERZBANK branches in the Czech Republic and Slovakia within the COMMERZBANK Group were transferred from the Central & Eastern Europe segment to the Mittelstandsbank segment. The aim of this measure was to position these locations in such a way that they could gain even more strongly from the growing business potential of German and Polish companies in cross-border business and the business model of Mittelstandsbank in international business.

Mittelstandsbank aims to have a distribution model tailored to the needs of its customers. Client advisors are specialized in the Group division's core customer segments. If necessary, client advisors can call on additional product specialists from the Corporates & Markets segment for corporate and investment banking products.

Financial Institutions Group division

The Financial Institutions Group division is responsible for the Group's relationships with foreign and domestic banks, and with central banks. The Group division offers these customers comprehensive advice and support, with a strategic focus on facilitating foreign trade. The Group division also uses a worldwide network of correspondent banks together with business relationships in emerging markets to promote the Group's foreign trade activities throughout the world. It also assists other Group divisions with their international activities.

The Group division works on the basis of a global service approach, in which customer advisors based centrally at COMMERZBANK's head office work together with a worldwide network of representative offices and local Financial Institution units.

Central & Eastern Europe segment

Overview

Following the disposal by COMMERZBANK of its stake in the Russian Promsvyazbank to the latter's majority shareholder, Promsvyaz Capital B.V., in June 2012 and the subsequent completion of the sale of the Ukrainian Bank Forum to the Ukrainian Smart Group in October 2012, the Central & Eastern Europe segment primarily consists of BRE Bank, a COMMERZBANK subsidiary with its registered office in Poland. The geographical focus of business activities is therefore centered on Poland, the Czech Republic and Slovakia.

The customers of the Central & Eastern Europe segment are private and corporate customers of BRE Bank in Poland. In addition, direct banking customers of BRE Bank in the Czech Republic and Slovakia are managed under the mBank brand.

As a universal bank, the aim of BRE Bank is to be able to offer its customers tailored products and services. In the corporate customer business, this is focused on SMEs and large corporate customers. BRE Bank also focuses on the individual needs of entrepreneurs and small companies. It also has an extensive range of products and services for private customers operating under its mBank and MultiBank brands. While MultiBank concentrates primarily on private customers seeking advisory services, mBank is focused mainly on active users of internet banking in Poland, the Czech Republic and Slovakia, via its direct banking platform.

Distribution within the Central & Eastern Europe segment is mainly via the internet as well as the branches of BRE Bank. In the corporate customer business, BRE Bank is represented in a total of 47 locations in Poland's major economic regions. In the private customer business, BRE Bank offers its products under the mBank brand, mainly via the internet as well as through a total of 90 locations throughout Poland and 35 locations in the Czech Republic and Slovakia. Distribution via the MultiBank brand takes place principally via 133 financial service centers and partner outlets in Poland (status as of June 30, 2013 in each case).

Corporates & Markets segment

Overview

The Corporates & Markets segment includes the COMMERZBANK Group's investment banking activities and services to customers who require capital market products. The segment comprises the Equity Markets & Commodities, Fixed Income & Currencies, Corporate Finance, Credit Portfolio Management and Client Relationship Management Group divisions. Research activities and the New York and London branches also belong to this segment. Through its trading centers in Frankfurt, London, New York, Hong Kong and Singapore, Corporates & Markets is available to its customers around the clock for hedging and investment transactions in all asset classes. Significant portions of the remaining portfolio from the former Portfolio Restructuring Unit (PRU) segment, which has been dissolved as an independent segment, were reclassified in a separate business unit within the Credit Portfolio Management Group division – Structured Credit Legacy – as of July 1, 2012. In 2009, the structured credit portfolios were transferred to the former PRU segment in order to be gradually reduced. Risks from non-structured credit portfolios continued to be managed by the Corporates & Markets segment. For further information on the former PRU portfolio, see *"Presentation and Analysis of the Net Assets, Financial Position and Results of Operations—Structured credit legacy and PFI Portfolios (former PRU portfolios)".*

The investment banking activities of the COMMERZBANK Group use a wide range of distribution channels both inside and outside the Group in all customer segments. Support is provided to large corporate customers through the Group's own branch network in Germany and abroad, sales specialists for major customers branch-wide and at head office, as well as the staff of the Client Relationship Management Group division. Institutional customers are primarily served by sales teams in Frankfurt and London, as well as, to a lesser extent, in New York, Singapore and Hong Kong. Private customers are served by the Group's own branch network in Germany. Other significant distribution channels for this segment include a broad network of international private banks, the distribution networks of universal banks (financial intermediaries), German and European stock exchanges (public distribution), and electronic trading platforms.

Equity Markets & Commodities Group division

The Equity Markets & Commodities Group division offers a widely diversified product range in shares and commodities as well as derivative products linked to shares and commodities in the form of risk management solutions and as investment products for institutional clients and the Group's corporate and private customers.

Fixed Income & Currencies Group division

The Fixed Income & Currencies Group division provides solutions for corporate customers, but also institutional investors and private customers, in the interest rate, currencies and credit asset classes. The product offering is comprehensive and ranges from standard transactions through to tailored structured solutions. In currency and bond trading, customers can conduct all conventional currency and currency option transactions via an electronic platform. Group-wide distribution channels also make the products available to clients in the Mittelstandsbank and Private Customers segments.

Corporate Finance Group division

The Corporate Finance Group division offers corporate customers a comprehensive range of financing solutions and advisory services for equity and debt instruments. The main products are syndicated corporate bonds and loans, bond and covered bond issues, equity issues, leveraged buy-outs and project finance. In addition, the division advises on mergers and acquisitions.

Credit Portfolio Management Group division

The Credit Portfolio Management Group division was separated from the Corporate Finance Group division as of April 1, 2012 and established as an independent Group division. Its main activities are managing the Corporates & Markets credit portfolio, together with its risks, integrating and further

expanding counterparty risk management, managing selected concentration risks of Mittelstandsbank and continuing with the reduction of the remaining portfolios of the former Portfolio Restructuring Unit, which were integrated into this division as of July 1, 2012.

Client Relationship Management Group division

The Client Relationship Management Group division focuses on serving German multinational DAX and MDAX companies, selected German family businesses in all key industrial sectors, German and international insurance companies, leading private equity investors, and sovereign wealth funds and the public sector. The product range comprises all of the Group's commercial and investment banking products. In order to offer customers customized solutions, the Group division works closely with the relevant product specialists, for example from the Corporate Finance, Fixed Income & Currencies and Equity Markets & Commodities Group divisions.

Non-Core Assets (NCA) segment

Overview

The NCA segment was created as of July 1, 2012, replacing the former Asset Based Finance segment. The NCA segment bundles the portfolios of Commercial Real Estate (CRE), Public Finance and Deutsche Schiffsbank (DSB), which comprises the entire ship financing portfolio, as separate Group divisions. The non-core sections of the retail banking business from Hypothekenbank Frankfurt as well as assets and participations without current placement options belonging to Commerz Real are also incorporated in the NCA segment, together with other infrastructure portfolios from COMMERZBANK's former Portfolio Restructuring Unit (PRU) segment.

The task of the NCA segment is to run down the individual segment portfolios systematically and in a way that preserves value and minimizes risk, and to optimize the associated refinancing. COMMERZBANK intends to make the capital released through the reduction available to higher-yield, lower-risk business units within the Group, thus opening up new prospects for growth.

The individual Group divisions of the NCA segment do not engage in new business, with the exception of prolongations (*i.e.*, adjusting the terms and conditions of loans, particularly interest terms and conditions).

During the first half of 2013 the earnings situation of the NCA segment was substantially influenced by active measures to accelerate the portfolio reduction program and improve the risk profile, especially in the area of commercial real estate loans.

Average capital employed stood at €9.9 billion.

Exposure at default for the segment in the performing loan book totaled €124 billion as of June 30, 2013, €15 billion less than the end of 2012.

Commercial Real Estate (CRE) Group division

The CRE portfolio is being continued primarily through Hypothekenbank Frankfurt AG. The balance sheet value of the CRE portfolio amounted to €55.7 billion as of December 31, 2012 (December 31, 2011: €67.6 billion). In the 2012 financial year, German and international holdings of commercial real estate financing were reduced from an EaD (including Default Portfolio) of €68 billion to an EaD of €55 billion. Of the €13 billion reduction in volume, around half related to Germany and the rest to the international business. The reduction in the portfolio has been achieved primarily through restrictive prolongation management and proactive refinancing support for customers. The portfolio composition is differentiated by type of use. The main components of the exposure are the office, retail and residential real estate sub-portfolios. In Germany, the portfolio has been reduced largely without losses, not least thanks to the positive economic environment, whereas in some international markets the reduction continued to take place against a backdrop of difficult macroeconomic conditions.

Public Finance

COMMERZBANK's NCA segment comprises government financing plus, in particular, secured and unsecured bond issues/loans from banks held available as substitute cover for Pfandbrief issues. The Public Finance portfolio contains receivables and securities largely held in our subsidiaries Hypothekenbank Frankfurt and Erste Europäische Pfandbrief- und Kommunalkreditbank (EEPK).

The Private Finance Initiative (PFI) portfolio was transferred to the NCA segment from the Portfolio Restructuring Unit (PRU) in the third quarter of 2012. It comprises the long-term financing of public sector facilities and services, such as hospitals and water utilities in the United Kingdom. Most of the

PFI portfolio is secured, and in accordance with NCA strategy is set to be wound down over time in a value-preserving manner.

The borrowers in Public Finance in NCA (€47 billion EaD as of June 30, 2013) are sovereigns, federal states, regions, cities and local authorities as well as supranational institutions. The main exposure is in Germany and Western Europe. The remaining Public Finance portfolio in NCA is accounted for by banks (€22 billion EaD as of as of June 30, 2013), where the focus is again on Germany and Western Europe (approximately 93%). Most of the bank portfolio comprises securities/loans which to a large extent are covered by guarantee/maintenance obligations or other public guarantees, or were issued in the form of covered bonds.The Public Finance EaD, cut by €52 billion to €77 billion in the period from 2010 to 2012, largely by using maturities but also through active portfolio reduction, was further reduced to €71 billion as of June 30, 2013. It is planned to reduce the portfolio to around €55 billion by the end of 2016.

As in the first half of 2012, loan loss provisions in Public Finance were driven almost solely by portfolio loan loss provisions in the first half of 2013. With net reversals of €5 million in the first half of 2013, loan loss provisions were €12 million lower than the respective previous year's figure. Write-downs on securities are not considered as risk provisions but as income from financial assets.

Deutsche Schiffsbank

Deutsche Schiffsbank AG, a wholly-owned subsidiary of COMMERZBANK AG since November 2011, was merged into COMMERZBANK AG in May 2012. The previous Ship Finance business area was renamed Deutsche Schiffsbank during this process. Exposure to Ship Finance in the Performing Portfolio fell from €14 billion as of December 31, 2012 to €12 billion as of June 30, 2013.

The exposure is mainly divided into three standard types of ship, i.e. containers (€4 billion as of June 30, 2013), tankers (€3 billion as of June 30, 2013) and bulkers (€3 billion as of June 30, 2013). The rest of the portfolio consists of various special tonnages which are well diversified across the various ship segments.

In the first half of 2013 market trends in the container, tanker and bulker segment were still dominated by excess capacity, putting pressure on and causing declines in charter rates.

The continued systematic reduction in risk in the existing portfolio is once again the focus of COMMERZBANK's activities in 2013, in line with the defined strategy of value-preserving reduction. A recovery of the shipping markets for the year 2013 is not foreseeable.

Loan loss provisions at Deutsche Schiffsbank stood at €248 million in the first half of 2013 (first half of 2012: €284 million). Hence loan loss provisions in the shipping portfolio remain at a high level. Given the ongoing difficult market conditions, further defaults and associated loan loss provisions are expected in subsequent quarters.

The Default Portfolio, at €4,570 billion as of June 30, 2013, remained almost stable compared to December 31, 2012 (€4,482 billion).

Others and Consolidation

Revenues and expenses of the COMMERZBANK Group not falling within the areas of responsibility of the operating segments are attributed to the Others and Consolidation division.

"Other" comprises those holdings not assigned to the operating segments. The costs of all support functions (*i.e.*, Information Technology, Organization, Banking Operations, Markets Operations, Security as well as Support and Group Services Commerzbank Excellence) are also reported here. The support functions are combined in the Group Services unit. With the exception of integration and restructuring costs, the costs of the Group Services units are charged in full to the operating segments. With the exception of integration and restructuring costs, which remain under Others, the allocation of the Group Services units' costs occurs through the cost allocation process.

"Consolidation" primarily includes expenses and income that represent the reconciliation of internal management reporting figures shown in segment reporting with the consolidated financial statements in accordance with IFRS. The costs of all staff and management functions are also included here (*i.e.*, Development & Strategy, Communications, Legal, Finance, Investor Relations, Finance Architecture, Compliance, Audit, Human Resources, Integration and Group Management Excellence as well as Group Risk Management). The staff and management functions are combined in the Group management unit. With the exception of integration and restructuring costs, which are presented under Others, the costs of the Group management units are also charged in full to the operating segments.

Furthermore, the Others and Consolidation division also includes the integration and restructuring costs of the business support service units.

Trademark rights

COMMERZBANK holds various German trademarks, Community trademarks and international registrations. The “COMMERZBANK” trademark in particular is protected in Germany and several other countries for financial services and associated goods and services, among others.

COMMERZBANK has had the Internet domains that it regards as important for its business activities in Germany and abroad registered on its behalf. In particular, the domains “commerzbank.de” and “commerzbank.com” are in particular are protected.

Group structure and corporate investments

The following table provides an overview of the main subsidiaries held by the Bank, both directly and indirectly as of the date of this Registration Document:

Company	**Registered office**
Atlas-Vermögensverwaltungs-Gesellschaft mit beschränkter Haftung	Frankfurt am Main
comdirect bank Aktiengesellschaft	Quickborn
Commerz Real AG	Eschborn
Hypothekenbank Frankfurt AG[1)]	Eschborn
BRE Bank SA	Warsaw
Commerzbank Holdings (UK) Limited[2)]	London
Commerz Markets LLC[3)]	Wilmington, Delaware
Commerzbank (Eurasija) SAO	Moscow
Commerz Europe (Ireland)	Dublin
Commerzbank International S.A.	Luxembourg
Commerzbank Zrt	Budapest
Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg	Luxembourg

1) Formerly Eurohypo AG.
2) Formerly Dresdner Kleinwort Group Limited.
3) Formerly Dresdner Kleinwort Securities LLC.

Rating

The following table shows the Bank's long-term and short-term ratings as of the date of this Registration Document:

Rating agency	**Long-term rating**	**Short-term rating**
Moody’s Investors Service, Inc.	Baa1	P-2
Standard & Poor’s Financial Services LLC	A-	A-2
Fitch Ratings, Inc.	A+	F1+

The rating agencies define the ratings as follows:

Moody's: Baa: Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Rating categories defined by Moody's rank from "Aaa" (highest category) to "C" (lowest category). Moody’s appends numerical modifiers 1, 2, and 3 to each generic rating classification from "Aa" through "Caa". The modifier "1" indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

P-2: Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

* Moody's categorises issuers according to their relative ability to repay debt obligations in the rating categories "P-1" (superior) to "P-3" (acceptable).

S&P: A: An obligor rated "A" has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

Rating categories defined by S&P rank from "AAA" (highest category) to "D" (default). The ratings form "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show the relative standing within the major rating categories.

A-2: An obligor rated "A-2" has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category.

Rating categories defined by S&P rank from "A-1" (highest category) to "D" (default)..

Fitch: A*: High credit quality. "A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

Rating categories defined by Fitch rank from "AAA" (highest category) to "D" (default). The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

F1: Highest short-term credit quality. Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

Rating categories defined by Fitch rank from "F-1" (highest category) to "D" (default). The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

The ratings were prepared by subsidiaries of these rating agencies. These subsidiaries, Standard & Poor's Credit Market Services Europe Ltd. (German branch) with its registered office in Frnakfurt am Main, Moody's Deutschland GmbH with its registered office in Frankfurt am Main and FitchRatings Ltd. with its registered office in London, United Kingdom, are registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 and are included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at http://www.esma.europe.eu./page/List-registered-and-certified-CRAs.

Each agency rating reflects the opinion of the particular rating agency at the given reported point in time. Investors should consider each rating individually and obtain additional information and a more detailed understanding of the significance of the respective credit rating information provided by the respective rating agency. Rating agencies may change their ratings at any time if specific circumstances require such a change in their opinion. Investors should not buy, hold or sell securities based on the long-term rating recommendation.

Administrative, Management and Supervisory Board

Board of Managing Directors

The Board of Managing Directors currently consists of nine members. At its meeting on August 7, 2013, the Supervisory Board resolved to reduce the size of the Board of Managing Directors from nine members to seven at an as-yet undetermined date in the foreseeable future. The reduction in the size of the Board of Managing Directors is a consequence of the Group strategy adopted by the Board of

Managing Directors in November 2012. Part of this strategy is a further significant reduction in costs, and accordingly headcount reductions at all levels.

The following table shows the members of the Board of Managing Directors of COMMERZBANK and their responsibilities:

Name	**Responsibilities**
Martin Blessing, *Chairman of the Board*	Group Management: Group Communications, Group Development & Strategy, Group Legal; Central & Eastern Europe Segment: BRE Bank
Frank Annuscheit.........................	Group Services: Group Information Technology, Group Organisation & Security, Group Banking Operations, Group Markets Operations, Group Markets Operations, Exzellenz & Group Support
Markus Beumer	Mittelstandsbank Segment: Corporate Banking, Strategy and Projects, Sales Small and Medium Enterprises, Sales Large Corporates, Sales Corporates International, Financial Institutions
Stephan Engels	Group Management: Group Audit, Group Compliance, Group Finance, Group Investor Relations
Jochen Klösges	Non-Core Assets Segment: Commercial Real Estate, Public Finance, Deutsche Schiffsbank
Michael Reuther	Group Management: Group Treasury; Corporates & Markets Segment: Corporate Finance, Equity Markets & Commodities, Fixed Income & Currencies, Credit Portfolio Management, Client Relationship Management, Research, New York, COO
Dr. Stefan Schmittmann	Group Management: Group Credit Risk Management Core, Group Credit Risk Management Non-Core, Group Risk Controlling & Capital Management, Group Market Risk Management, Group Intensive Care
Ulrich Sieber	Group Management: Group Human Recources, Group Management Commerzbank Exzellenz
Martin Zielke	Private Customers Segment: Private Customers, Sales Retail and Business Customers, Sales Wealth Management, Direct Banking, Commerz Real

The members of the Board of Managing Directors have currently the following administration responsibilities or posts as Managing Directors or Supervisory Board members, on comparable controlling bodies or the position as a partner in enterprises and companies, outside the COMMERZBANK Group.

Name	**External mandates**
Martin Blessing	None.
Frank Annuscheit.........	None.
Markus Beumer	● Member of the Supervisory Board of ABB Deutschland AG ● Member of the Advisory Board of Deutsche Amphibolin-Werke von Robert Murjahn Stiftung & Co KG, Ober-Ramstadt
Stefan Engels	● Member of the Supervisory Board of ABB Deutschland AG ● Member of the Advisory Board of Deutsche Amphibolin-Werke von Robert Murjahn Stiftung & Co KG, Ober-Ramstadt

Jochen Klösges	None.
Michael Reuther	• Member of the Supervisory Board of RWE Power AG, Essen • Member of the Advisory Board of Verlagsbeteiligungs- und Verwaltungsgesellschaft mit beschränkter Haftung, Frankfurt am Main • Member of the Stock Exchange Council of the Frankfurt Stock Exchange, Frankfurt am Main • Member of the Stock Exchange Council of EUREX Deutschland, Eschborn • Board Member of the American Chamber of Commerce, Berlin
Dr. Stefan Schmittmann ..	● Member of the Supervisory Board of Schaltbau Holding AG, Munich
Ulrich Sieber	● Deputy Chairman of the Supervisory Board of BVV Pensionsfonds des Bankgewerbes AG, Berlin ● Deputy Chairman of the Supervisory Board of BVV Versorgungskasse des Bankgewerbes e.V., Berlin ● Deputy Chairman of the Supervisory Board of BVV Versicherungsvereins des Bankgewerbes a.G., Berlin ● Chairman of the Board of Managing Directors of the Arbeitgeberverbands des privaten Bankgewerbes e.V., Berlin ● Member of the Board of Managing Directors and Executive Board of the Bundesvereinigung der Deutschen Arbeitgeberverbände, Berlin ● Member of the Executive Committee of the Committee on Eastern European Economic Relations, Berlin
Martin Zielke	None.

The Members of the Board of Managing Directors may be reached at the Bank's business address: Kaiserstrasse 16 (Kaiserplatz), 60311 Frankfurt am Main, Germany.

Supervisory Board

In accordance with the Articles of Association, the Supervisory Board comprises twenty members.

The following overview shows the members of the Bank's Supervisory Board together with their other administrative, management and supervisory board mandates and mandates on similar supervisory bodies both in Germany and abroad or their partnership stakes in enterprises and companies outside the COMMERZBANK Group:

Name	Main function	Other administrative, management or supervisory board mandates and
Klaus-Peter Müller...........	*Chairman of the Supervisory Board of COMMERZBANK*	– Member of the Supervisory Board of Fresenius SE & Co. KGaA (formerly: Fresenius SE) – Member of the Supervisory Board of Fresenius Management SE – Member of the Supervisory Board of Linde AG – Member of the Board of Administration of Landwirtschaftliche Rentenbank – Member of the Supervisory Board of Parker Hannifin Corporation
Uwe Tschäge	*Employee of COMMERZBANK (works council member) and Chairman of the Central Works Council of COMMERZBANK*	None.

Name	Principal activities	Other board memberships
Hans-Hermann Altenschmidt	*Deputy Chairman of the Supervisory Board* *Employee of COMMERZBANK (works council member)*	– Member of the Supervisory Board of BVV Pensionsfonds des Bankgewerbes AG – Member of the Supervisory Board of BVV Versicherungsverein des Bankgewerbes a.G. – Member of the Supervisory Board of BVV Versorgungskasse des Bankgewerbes e.V.
Dr. Nikolaus von Bomhard	*Chairman of the Board of Administration of Münchener Rückversicherungs-Gesellschaft AG*	– Chairman of the Supervisory Board of ERGO Versicherungsgruppe AG – Chairman of the Supervisory Board of Munich Health Holding AG (formerly DKV International Health Holding AG) – Member of the Administration Board of the International Association for the Study of Insurance Economics (AIEEA, "Geneva Association") – Chairman of the Management Board of Munich Financial Group GmbH
Gunnar de Buhr	*Employee of COMMERZBANK (works council member)*	None.
Stefan Burghardt	*Chairman of the Board of Managing Directors of COMMERZBANK's Mittelstandsbank Bremen*	None.
Karl-Heinz Flöther	*Independent management consultant*	Member of the Supervisory Board of Deutsche Börse AG
Prof. Dr.-Ing. Dr.-Ing. E.h. Hans-Peter Keitel	*Vice president of the Federation of German Industries (Bundesverband der Deutschen Industrie e.V.)*	– Member of the Supervisory Board of National-Bank AG – Member of the Investment Committee at EQT Infrastructure Ltd. – Member of the Supervisory Board of ThyssenKrupp AG – Member of the Advisory Board of Heitkamp & Thumann Group – Member of the Shareholder Committee of the Supervisory Board of Voith GmbH – Member of the Supervisory Board of EADS Deutschland GmbH – Member of the Board of Directors of EADS N.V. – Member of the Supervisory Board of RWE AG
Dr. Markus Kerber	*Chief Executive Officer of the Federation of German Industries (Bundesverband der Deutschen Industrie e.V.)*	– Member of the Board of Supervisory Directors of KfW-Bankengruppe (the exercise of the mandate is on hold until further notice) – Non-Executive Director of Computershare Limited, Melbourne
Alexandra Krieger	*Head of Business Administration/Corporate Strategies Department Mining, Chemicals and Energy Trade Union (Industriegewerkschaft Bergbau, Chemie, Energie)*	– Member of the Supervisory Board of ABBVIE Komplementär GmbH
Oliver Leiberich	*Employee of COMMERZBANK (works council member)*	None.
Beate Mensch	*Member of the national administration of the Vereinte*	None.

	Dienstleistungsgewerkschaft (ver.di) trade union	
Dr. Roger Müller.............	*Managing Director and General Counsel of Deutsche Börse AG*	None.
Dr. Helmut Perlet............	*Chairman of the Supervisory Board of Allianz SE*	– Member of the Supervisory Board of GEA Group AG
Barbara Priester.............	*COMMERZBANK employee*	None.
Mark Roach.....................	*Secretary of the ver.di Trade Union National Administration*	– Member of the Supervisory Board of Fiducia IT AG
Petra Schadeberg-Herrmann	*Managing Partner or Managing Director of various companies in the Family Office Schadeberg and the Krombacher corporate group*	– Member of the Supervisory Board of Krones AG – Member of the Board of Administration of HSBC Trinkaus & Burkhardt AG
Margit Schoffer................	*COMMERZBANK employee (works council member)*	None.
Dr. Gertrude Tumpel-Gugerell..........................	*Former Member of the Executive Board of the ECB*	– Member of the University Council of the Montanuniversität Leoben – Chairman of the Supervisory Board of Österreichische Forschungsförderungsgesellschaft mbH – Member of the Supervisory Board of Österreichische Bundesbahnen Holding AG – Member of the Supervisory Board of Finanzmarktbeteiligung Aktiengesellschaft des Bundes – Member of the Supervisory Board of Wien Holding GmbH – Member of the Supervisory Board of Vereins zur Förderung der BBRZ Gruppe – Member of the Supervisory Board of Vienna Insurance Group
Solms U. Wittig	*Attorney at Law* *Chief Legal Officer & Chief Compliance Officer at Linde AG*	None.

The Members of the Supervisory Board may be reached at the Bank's business address: Kaiserstrasse 16 (Kaiserplatz), 60311 Frankfurt am Main, Germany.

Potential Conflict of Interest

With respect to potential conflicts of interest between the obligations of the members of the Board of Managing Directors or the Supervisory Board to the Bank and their private interests or outside obligations, it is to be noted that members of the Board of Managing Directors and the Supervisory Board currently hold shares of the Bank. Altogether, these shares amount to a holding of less than 1% of the issued shares of COMMERZBANK.

In the context of the conditions for participation in the still ongoing Long Term Performance Plans (LTP), there is a restriction on divestiture of the shares of the Bank held by the members of the Managing Board of Directors in that a reduction in the number of the allocated shares to a number divisible by 50 is, up to the minimum number of 1,000 shares per LTP Plan year designated for the Managing Board of Directors, possible at any time; a re-increase, however, is not. In case the number falls below the minimum, the respective member of the Board of Managing Directors is eliminated from

the LTP for the year.

Beyond this, there are no conflicts of interest or potential conflicts of interest between the obligations of the members of the Board of Managing Directors or the Supervisory Board to the Bank on the one hand, and their private interests or outside obligations on the other.

Major Shareholders

Based on the shareholders disclosure pursuant to sections 21 et seq. of the German Securities Trading Act (WpHG) COMMERZBANK has received, the following shareholders own more than 3% of COMMERZBANK's ordinary shares as of the date of this Registration Document:

	Percentage of voting rights[1]		
Shareholder	**Direct[2]**	**Attributed[2]**	**Total**
		(in %)	
Financial Market Stabilization Fund (*Finanzmarktstabilisierungsfonds*) (SoFFin)/ Federal Republic of Germany	17.15	0	**17.15**
BlackRock Group	5.23	5.23	**5.23**
The Capital Group Companies, Inc.	0	5.06[3]	**5.06**

1) The percentages have been rounded.

2) Based on the last voting rights notification dated May 28, 2013 (SoFFin), July 22, 2013 (The Capital Group Companies), August 15, 2013 (BlackRock Group).

3) Of which 5.06% is attributed via Capital Research and Management Company and 4.62% thereof via EuroPacific Growth Fund.

COMMERZBANK has not submitted its management to any other company or person, for example on the basis of a domination agreement, nor is it controlled by any other company or any other person within the meaning of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*).

Historical Financial Information

The audited annual financial statements of COMMERZBANK for the financial year ended December 31, 2012 and the audited consolidated annual financial statements of COMMERZBANK for the financial years ended December 31, 2011 and December 31, 2012 are incorporated by reference into, and form part of, this Registration Document (see "Documents Incorporated by Reference").

Interim Financial Information

The COMMERZBANK Group's interim report as of June 30, 2013 (reviewed) is incorporated by reference into, and forms part of, this Registration Document (see "Documents Incorporated by Reference").

Auditors

The Bank's auditors are PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("**PwC**"), Friedrich-Ebert-Anlage 35-37, 60327 Frankfurt am Main, Germany. PwC audited the consolidated financial statements for the 2011 and 2012 financial years, which were prepared in accordance with the International Financial Report Standards ("**IFRS**") and the additional accounting requirements under Section 315a(1) of the German Commercial Code (HGB), and also audited the annual financial statements for the 2012 financial year, which were prepared in accordance with German generally accepted accounting principles, and issued an unqualified auditors' report in each case. COMMERZBANK's condensed IFRS consolidated interim financial statements as of June 30, 2013 have been subject to an auditor review by PwC and provided with an auditor review report. PwC is a member of the German *Wirtschaftsprüferkammer* (Chamber of Public Accountants).

Material agreements

The following presentation of material agreements is not ordered according to materiality, but rather according to the groups, (i) agreements with Allianz, (ii) utilization of the SoFFin stabilization measures by COMMERZBANK and (iii) other material agreements.

Agreements with Allianz

Establishment of a silent partnership between Allianz and COMMERZBANK on June 4, 2009

On June 4, 2009 COMMERZBANK and AZ-Arges Vermögensverwaltungsgesellschaft mbH ("**AZ-Arges**"), an Allianz company, entered into an agreement on the creation of a silent partnership in the amount of €750 million (the "**Allianz Participation Agreement**"). The Allianz Participation Agreement was concluded as part of the SoFFin stabilization measures described under "*—Utilization of the SoFFin stabilization measures by COMMERZBANK*". With the exception of a conversion right granted to SoFFin, it was agreed that Allianz would be treated equally to SoFFin in respect of its silent participations (specifically in respect of regular payments from the profit participation and any repayments of silent participations). In particular, as consideration for the contribution of the silent participation, it was agreed that Allianz would be granted a profit participation consisting of a fixed interest payment of 9% p.a. on the nominal value of the participation plus an additional dividend-linked sum of 0.01% p.a. for each full €5,906,764 cash dividend paid.

Repayment and termination agreement of the silent partnership between Allianz and COMMERZBANK

On March 12, 2013, AZ-Arges and COMMERZBANK entered into an agreement on the full termination of the silent partnership with COMMERZBANK and the mutual cancellation of the Allianz Participation Agreement of June 4, 2009 in connection with the full repayment of Allianz's silent participation (see "*—Recent developments and outlook—Recent developments*"). Under this agreement, the Company agreed to repay Allianz's silent participation from the proceeds of the capital increase implemented in the second quarter of 2013. In addition, Allianz received a one-time payment of approximately €28 million from the Company in connection with the repayment of the silent participation.

Framework agreement on the cooperation between Allianz Beratungs- und Vertriebs-AG, COMMERZBANK and Dresdner Bank of August 31, 2008

On August 31, 2008 Allianz Beratungs- und Vertriebs-AG ("**Allianz BVAG**"), COMMERZBANK and Dresdner Bank concluded a framework agreement on cooperation in the distribution of insurance, investment and banking products, and building savings and loan products (the "**Distribution Framework Agreement**") in implementation of the transaction agreement in bancassurance and assurbanking.

The agreement provides that (1) COMMERZBANK and Dresdner Bank will sell insurance exclusively on behalf of Allianz BVAG as secondary agents under Section 92b of the German Commercial Code; (2) the exclusive agents chosen by Allianz BVAG will, within the framework of the assurbanking distribution agreement, sell financial instruments as defined by Section 2(10) of the German Banking Act solely on behalf and at the risk of Dresdner Bank and (3) Allianz and its exclusive agents will sell the building savings and loan contracts provided by Allianz Dresdner Bauspar AG solely on behalf of the COMMERZBANK Group.

COMMERZBANK and Dresdner Bank will be paid commission and bonus payments for their activities as sales agents upon achieving their defined targets. Allianz BVAG will also be paid commission and incentive fees for its activity as a sales agent and the provision of agency capacities upon achieving its defined targets.

The Distribution Framework Agreement and the distribution agreements concluded based on it have been concluded for an indefinite term and can be terminated independently of one another by giving twelve months' notice prior to the end of a calendar year, for the first time on December 31, 2023.

The agreement of August 31, 2008 between Allianz BVAG and Dresdner Bank regarding the distribution of certain financial instruments and banking products ended upon the transfer of the Allianz Banking division from Dresdner Bank AG to Oldenburgische Landesbank AG on May 31, 2009. The Distribution Framework Agreement was partially amended in connection with this. The cooperation relating to the distribution of building savings and loan products, which was initially continued under the Distribution Framework Agreement, ended on July 9, 2010 upon completion of

the sale of Allianz Dresdner Bauspar AG. The Distribution Framework Agreement was amended to take account of the termination of cooperation in this area.

Agreement between Allianz BVAG, COMMERZBANK, Dresdner Bank and Reuschel & Co. Kommanditgesellschaft regarding the sale of insurance products of August 31, 2008

On August 31, 2008 Allianz BVAG, COMMERZBANK, Dresdner Bank and Reuschel & Co. Kommanditgesellschaft ("**Reuschel**"), at that time a subsidiary of COMMERZBANK, entered into an agreement regarding the sale of insurance products in implementation of the Distribution Framework Agreement with respect to the sale of property, life, pension and health insurance as well as credit insurance and fidelity bonds (bancassurance) on behalf of Allianz BVAG in Germany. Due to the completion of the sale of Reuschel, a first supplement to the agreement dated October 30, 2009 provided that Reuschel would withdraw as a party and that the agreement would end with regard to Reuschel.

COMMERZBANK sells liability and accident insurance, including credit, life and health insurance as a secondary agent as defined by Section 92b of the German Commercial Code exclusively on behalf of Allianz BVAG and distributes these insurance policies through bank employees in all its domestic branches, teams and other sales units in the private and corporate customer business.

COMMERZBANK is paid a fixed contractual amount for the sale of the insurance contracts, consisting of commissions, trailer fees, management fees and bonus payments.

Distribution agreement between Allianz Global Investors Kapitalanlagegesellschaft mbH, COMMERZBANK and Dresdner Bank of August 31, 2008

On August 31, 2008 Allianz Global Investors Kapitalanlagegesellschaft mbH ("**AGI**"), COMMERZBANK and Dresdner Company entered into a distribution agreement for the distribution of AGI investment products and those of its affiliated investment management companies.

Under this agreement, COMMERZBANK also distributes shares in AGI funds via its foreign and domestic subsidiaries involved in the distribution of financial instruments. In addition to the products under this distribution agreement, COMMERZBANK may also distribute the products of other asset management companies in parallel with this distribution agreement.

AGI pays a proportion of the fixed management fee actually collected as sales commission on holdings of AGI funds held at the distribution companies.

COMMERZBANK and AGI have agreed a preferred partnership for the distribution of mutual and special funds and for asset management solutions in the private and corporate customer business via COMMERZBANK's branch network in Germany and in the private customer business in Luxembourg.

Utilization of the SoFFin stabilization measures by COMMERZBANK

On November 2, 2008 and January 7, 2009 the Bank applied to SoFFin to use the stabilization measures under the German Financial Market Stabilization Fund Act. The terms and conditions of these measures were set out in detail in the framework agreement of December 19, 2008 and the supplementary agreement of May 14, 2009 between the Company and SoFFin.

On May 7, 2009 the European Commission declared the stabilization measures used by the Company to be compatible in principle with the state aid regulations of the EC treaty. For reasons of competition law, the Federal Republic of Germany committed itself to ensuring that COMMERZBANK complies with a number of requirements. These originally included, in particular:

- reducing the Group's total assets to €900 billion by December 31, 2012, and – after the sale of Eurohypo Aktiengesellschaft (now: Hypothekenbank Frankfurt) – to approximately €600 billion (including separate requirements to reduce total assets in Investment Banking); reducing the number of branches in the Private & Business Customers Group division; reducing the risk-weighted assets in the Western European business in the Mittelstandsbank segment by 25% by December 31, 2012; reducing the market presence in Investment Banking; reducing the portfolio volume in the Commercial Real Estate Group division to €60 billion by December 31, 2012; and reducing selected country portfolios in the Central and Eastern Europe segment;
- a reduction in the total assets of Public Finance by €60 billion to €100 billion by December 31, 2012 (with new business limited to the amount required for the cover funds for covered bonds);
- stabilizing the business model by comprehensive de-risking combined with a focus on the customer business and by de-leveraging, in particular by reducing the volume of the Commercial Real Estate portfolio and the committed capital in the Corporates & Markets segment (excluding

Public Finance) by one fifth compared with the aggregated value of the COMMERZBANK Group and Dresdner Bank Group as of June 30, 2008;

- the sale of Eurohypo Aktiengesellschaft (now Hypothekenbank Frankfurt) by 2014 and of Kleinwort Benson Channel Islands Holdings Ltd, Kleinwort Benson Private Bank Ltd, Dresdner Van Moer Courtens S.A., Dresdner VPV NV, Privatinvest Bank AG, Reuschel & Co. Kommanditgesellschaft and Allianz Dresdner Bauspar AG by 2011;
- no payment of dividends for the 2008 and 2009 financial years and payment of coupons on equity instruments for the 2009 and 2010 financial years only if there is mandatory legal obligation to do so, and a ban on releasing reserves to make such payments possible;
- a ban up to and including April 2012 on acquiring financial companies or other companies that are potential competitors of COMMERZBANK; and
- an obligation on COMMERZBANK applicable until December 31, 2012 at the latest not to offer its products and services (specifically in the private and corporate customer business) at more favorable prices than the three competitors offering the most favorable prices unless COMMERZBANK has an insignificant market position by market share (less than 5%) in the relevant product market.

The requirements were incorporated in detail in the Framework Agreement on the Granting of Stabilization Measures between SoFFin and COMMERZBANK as obligations of COMMERZBANK (see the description in the following section) and have been already met in part by COMMERZBANK and in some cases modified through a further agreement. The shares in Reuschel were sold to Conrad Hinrich Donner Bank AG in November 2009. The shares in Kleinwort Benson Channel Islands Holdings Ltd and Kleinwort Benson Private Bank Ltd were sold to RHJ International SA in July 2010. The shares in Privatinvest Bank AG were sold to Zürcher Kantonalbank and Dresdner VPV in February 2010 pursuant to a management buyout. The shares in Dresdner Van Moer Courtens S.A. were sold in March 2010 pursuant to a management buyout. The shares in Allianz Dresdner Bauspar were sold to Wüstenrot Bauspar AG in July 2010.

In respect of the condition requiring the sale of Eurohypo Aktiengesellschaft (now: Hypothekenbank Frankfurt) by December 31, 2014, the federal government and COMMERZBANK mutually agreed that a sale to a private investor or via the stock exchange by the end of 2014 did not seem realistic given the market environment and the structural changes in the refinancing markets and banking regulation. In light of this, the Federal Republic of Germany applied to the European Commission at COMMERZBANK's request to amend the condition requiring the sale of Eurohypo Aktiengesellschaft (now: Hypothekenbank Frankfurt) in return for substitute conditions. The European Commission granted this request in its decision of March 30, 2012. The substitute requirements include, in particular:

- extension until March 31, 2014 of the ban, originally in place until April 2012, on acquiring financial companies or other companies that are potential competitors of COMMERZBANK, as well as its extension to all companies regardless of the sector in which they operate (with the exception of companies in which COMMERZBANK already holds more than a 50% stake and except debt-to-equity swaps);
- organizational and transparent segregation of core activities and non-core activities within Eurohypo Aktiengesellschaft (now: Hypothekenbank Frankfurt). The non-core activities relate to Public Finance and all real estate financing departments of Eurohypo Aktiengesellschaft (now: Hypothekenbank Frankfurt) which do not form part of the core activities. The core activities are defined by target markets, target customers and target properties;
- maintenance of the agreed reduction of the Group's total assets to approximately €600 billion by the end of 2014, whereby the portfolios which rank among the non-core activities described above are not included in the calculation of the total assets;
- reduction of the Group-wide Commercial Real Estate portfolio with defined clients and products in the Germany, United Kingdom, France and Poland target markets (core activities) to a total of €25 billion by the end of 2013 and limitation of this Commercial Real Estate core portfolio including net new business to this portfolio volume by the end of 2015;
- limitation of the Group-wide net new business volume in the Commercial Real Estate division to a maximum of €5 billion a year by the end of 2015;
- continuation of the reduction strategy in the Public Finance portfolio and dismantling of the non-core activities portion of the Commercial Real Estate business; and
- discontinuation of the "Eurohypo" brand.

The remaining business-related requirements not affected by these substitute requirements remain in place.

Framework agreement between SoFFin and COMMERZBANK on the granting of stabilization measures of December 19, 2008 together with the supplementary agreement of May 14, 2009

In implementation of the outline agreement of November 3, 2008, SoFFin, represented by the German Financial Market Stabilization Authority, and COMMERZBANK signed a framework agreement on December 19, 2008 on the granting of stabilization measures, which was amended and restated by a supplementary agreement of May 14, 2009 for the purpose of granting further capital assistance (the "**Framework Agreement**"). In this Framework Agreement the parties agreed on the general conditions for the stabilization measures granted by SoFFin to the Company and the conditions and requirements for their utilization.

Specifically, SoFFin granted the following stabilization measures to the Company under Participation Agreement 1, Participation Agreement 2, the Guarantee Agreement and the Share Acquisition Agreement (each as defined below):

- first SoFFin silent participation in the initial amount of €8.2 billion;
- second SoFFin silent participation in the initial amount of €8.2 billion;
- guarantee credit facility worth €15 billion; and
- SoFFin stake of 25% plus one share in the Company's share capital (which originally corresponded to 295,338,233 new ordinary shares from the capital increase resolved by the Annual General Meeting on May 16, 2009 which were issued against a cash contribution at an issue price of €6.00 per share based on the participation agreement of June 3, 2009).

In return, the Bank undertook to ensure that it is adequately capitalized and to conduct its business on a cautious, sound and sustainable basis through de-risking (reducing risk positions), de-leveraging (reducing the use of debt capital in comparison with equity by reducing balance sheet assets) and reducing its commercial real estate portfolio. In particular, COMMERZBANK undertook (whereby a number of the following points were modified due to the substitute requirements described above) to reduce the Group's total assets to €900 billion by December 31, 2012 and after the sale of Eurohypo Aktiengesellschaft (now: Hypothekenbank Frankfurt) to approximately €600 billion (according to the substitute requirements the total assets , with the exception of non-core activities, may not exceed the amount of €600 billion from the end of 2012 to the end of 2014); to reduce total assets in Investment Banking by €200 billion and in the Public Finance portfolio by €60 billion by December 31, 2012 (according to the substitute requirements, as a non-core activity, the Public Finance portfolio must be entirely run down); to reduce the number of branches in the Private & Business Customers Group division , the risk-weighted assets in the Western Europe business by 25% by December 31, 2012, the market presence in the Investment Banking Group division, the portfolio volume in the Commercial Real Estate Group division to €60 billion by December 31, 2012 (according to the substitute requirements, certain non-core activities of the Commercial Real Estate business must be entirely run down and the portfolio volume, including new business limited to a maximum of €5 billion by December 13, 2013, must be reduced to a maximum of €25 billion and this amount must not be exceeded before December 31, 2015) and selected country portfolios in the Central & Eastern Europe segment.

Furthermore, the stabilization measures are subject to particular conditions that require the Company to

- provide German SMEs with loans on standard market terms corresponding to a volume of a minimum of €40 billion RWA, to the extent that there is a demand for loans and to the extent that the application of the Company's credit-rating criteria and its level of liable equity capital allow it to do so;
- establish a special (loan) fund (special loan program) for German SMEs with a new lending volume of €2.5 billion;
- align its remuneration systems for management and members of its boards to the sustainable long-term performance and profitability of the Group;
- ensure that the monetary remuneration of the members of its boards does not exceed a gross amount of €500,000 per member for each of the 2008 and 2009 financial years in respect of the duties they carry out for the Group;
- adjust and restructure its remuneration systems for the members of its boards to eliminate any compensation in case of premature termination of service contracts existing at the time the

Framework Agreement was concluded and, provided that this is not prohibited contractually or by law and/or for service contracts concluded after the execution of the Framework Agreement, to refrain from including such compensation arrangements in the event of premature termination or change of control;

- not pay a dividend in either of the 2009 and 2010 financial years for the respective previous financial year;
- not reduce its capital except for restructuring purposes and not buy back any shares or other components of the Company's liable equity capital;
- only pay interest and profit participations on profit-linked equity instruments such as silent participations, hybrid capital and profit participation certificates in the 2009 and 2010 financial years if it is obliged to do so without releasing any reserves or special reserves in accordance with Section 340g of the German Commercial Code; the same generally applies to the Company's subsidiaries; where necessary and legally permitted under Section 150 of the German Stock Corporation Act, the Company will release reserves in the 2009 and 2010 financial years to avoid the book value of its equity instruments from being reduced, the same applies to special reserves under Section 340g of the German Commercial Code;
- refrain from repayments or redemptions of other equity instruments not required by law until the silent participations are fully repaid and/or the book value of the silent participations and other equity instruments has been reduced and/or cumulative profit distributions or interest on such instruments has been fully paid; however, it is permissible to terminate or repay other equity instruments due to the fact that the relevant instrument as a component of COMMERZBANK equity for which it was created is no longer recognized, as is the replacement of another existing equity instrument by a new instrument with at least the same equity category, amount and maturity;
- take all actions necessary within the scope of what is legally possible to ensure that two of the persons nominated by the German Financial Market Stabilization Authority are appointed members of the Company's Supervisory Board and that at least one of the Supervisory Board members proposed by the German Financial Market Stabilization Authority is represented on the Presiding, Audit and Nomination Committees of the Supervisory Board (and on any other committees set up); and
- comply with agreed auditing, reporting and disclosure obligations vis-à-vis SoFFin.

In the event of a breach of these obligations and conditions, the Company will be subject to a contractual penalty.

SoFFin is entitled to terminate the Framework Agreement prospectively, *i.e.*, without affecting capital already provided or guarantees already granted, (1) at any time with a reasonable period of notice if the European Commission revokes its state aid authorization for the stabilization measures provided for in the German Financial Market Stabilization Fund Act or amends the authorization in such a way as to prevent the German Federal Government from continuing to provide the stabilization measures under this Framework Agreement and, (2) at any time without notice if the Company breaches any of the provisions of the Framework Agreement or for cause.

Compliance with the provisions of the Framework Agreement is audited every six months, most recently as of December 31, 2012, by an audit firm in accordance with the contractual provisions. The report by the auditors found that the conditions of the framework agreement were complied with in 2012 against the background of the measures planned and initiated by the Company.

Termination agreement of May 31, 2013 relating to the agreement between SoFFin and COMMERZBANK on the establishment of a silent partnership dated December 19, 2008 / June 3, 2009, as amended

On December 19, 2008, SoFFin and COMMERZBANK entered into an agreement on the establishment of a silent partnership for an amount of €8.2 billion ("**Participation Agreement 1**"). The agreement was amended several times. On March 12, 2013, SoFFin and COMMERZBANK entered into an agreement under which SoFFin, among other things, permitted COMMERZBANK to repay the outstanding amount of the silent participation amounting to €1.63 billion out of the proceeds of the capital increase implemented in the second quarter of 2013 and agreed to terminate the silent participation upon repayment of the outstanding amount by COMMERZBANK. For further details, see *"—Material Agreements—Utilization of the SoFFin stabilization measures by COMMERZBANK—Special approval of March 12, 2013*" below. In connection with the capital increase in May 2013, the

silent participation was repaid in full. Pursuant to a repayment and termination agreement dated May 31, 2013, the Participation Agreement 1 was then terminated.

Termination agreement of June 5, 2011 relating to the agreement between SoFFin and COMMERZBANK on the establishment of a silent partnership dated June 3, 2009

As part of COMMERZBANK's measures implemented in the second quarter of 2011 for the partial repayment of the silent participations, the silent participation that originally amounted to €8.2 billion based on the agreement between SoFFin and COMMERZBANK of June 3, 2009 ("**Participation Agreement 2**") was repaid in full. By termination agreement of June 5, 2011, Participation Agreement 2 was then terminated.

Agreement between SoFFin and COMMERZBANK on the provision of guarantees dated December 30, 2008

On December 30, 2008, SoFFin as guarantor and COMMERZBANK as guarantee holder entered into an agreement on the provision of a €15 billion guarantee credit facility (the "**Guarantee Agreement**") in respect of certain bearer bonds.

The guarantee credit facility in the amount of €10 billion was returned to SoFFin unused in two tranches of €5 billion each on August 13, 2009 and September 17, 2009. A note guaranteed by SoFFin dated January 8, 2009 was repaid on time in January 2012. The guarantee credit facility can no longer newly be drawn upon because it has expired.

Special approval of April 6, 2011 and implementation agreements

On April 6, 2011 SoFFin and COMMERZBANK concluded an "Agreement on the Waiver of Compliance with Certain Provisions of the Framework Agreement with Respect to the Granting of Stabilization Measures" (the "**Special Approval**") in connection with the implementation of COMMERZBANK's measures to partially repay the silent participations in the second quarter of 2011. Pursuant to the Special Approval, SoFFin waived, under various conditions, individual provisions of the Framework Agreement including the ban on COMMERZBANK performing capital reductions for reasons other than restructuring purposes. Moreover, SoFFin and COMMERZBANK undertook to enter into various agreements for the purpose of technically implementing the partial conversion of the silent participations and ensuring that SoFFin's stake of 25% plus one share in the share capital of COMMERZBANK would be maintained even after the implementation of the overall capital increase transaction. In addition to the measures taken as part of the overall capital increase transaction (partial conversion into shares and repayment from the proceeds), COMMERZBANK agreed to employ an amount of €3.27 billion out of free regulatory capital toward the repayment of the silent participations. Pursuant to the contractual provisions, the silent participations that were repaid early had no further claims to be serviced in 2011. Against this background, the Company and SoFFin agreed upon a one-time compensation payment of €1.03 billion in connection with the overall capital increase transaction, which was paid to SoFFin at the beginning of June 2011. Due to the transaction-related partial conversion of the silent participations into shares and the partial repayment of the silent participations from the proceeds of that transaction and free regulatory capital in the amount of €3.27 billion, a mutual full premature termination of Participation Agreement 2 was agreed on June 5, 2011 and a partial premature termination of Participation Agreement 1 on June 9, 2011.

Special approval of March 12, 2013

On March 12, 2013, SoFFin and COMMERZBANK concluded an Agreement on the Waiver of Compliance with Certain Provisions of the Framework Agreement with Respect to the Granting of Stabilization Measures (the "**Special Approval**") in connection with the full repayment of SoFFin's silent participation (see "*—Recent developments and outlook—Recent developments*"). SoFFin waived, under various conditions, individual provisions of the Framework Agreement including the ban on COMMERZBANK performing capital reductions for reasons other than restructuring purposes. However, the other regulations of the Framework Agreement remain unaffected by the Special Approval. For example COMMERZBANK must continue to ensure as far as is legally possible that two individuals named by the German Financial Market Stabilization Authority are appointed as members of the Company's Supervisory Board. In addition, SoFFin agreed to fully exercise its subscription rights and to contribute to the Company, part of its silent participation in the amount of €625 million as part of a contribution in kind in accordance with a transfer agreement dated as of May 14, 2013. In the Special Approval, the Company undertook to SoFFin to repay the remaining amount of the silent participation from the proceeds of the capital increase implemented in the second quarter of 2013 pursuant to a repayment and termination agreement dated as of May 31, 2013. In connection with the repayment of the silent participation, the Company also made a one-time payment of approximately €61 million to SoFFin from the proceeds.

Other material agreements

Cooperation agreement between COMMERZBANK, Wüstenrot Bausparkasse AG and Allianz Dresdner Bauspar AG of April 21, 2010

On April 21, 2010, COMMERZBANK, Wüstenrot Bausparkasse AG and Allianz Dresdner Bauspar AG entered into a cooperation agreement regarding the sale by COMMERZBANK of savings and loan and construction financing products. The agreement provides for COMMERZBANK, as a secondary agent within the meaning of Sections 84 and 92 of the German Commercial Code, to offer and sell exclusively the products of Wüstenrot Bausparkasse AG and Allianz Dresdner Bauspar AG to its customers in the Federal Republic of Germany.

COMMERZBANK receives commissions on reaching goals for selling building savings and loan and construction financing products together with other fees.

The cooperation agreement was concluded for an indefinite term and can be terminated by giving 12-months' notice, on December 31, 2020 at the earliest and subsequently at the end of each successive three-year period.

Silent participation by HT1 Funding GmbH

Effective with the merger of Dresdner Bank and COMMERZBANK the silent participation in Dresdner Bank of originally €1 billion held by HT1 Funding GmbH since July 20, 2006 was transferred to COMMERZBANK. For financial years ending on or before December 31, 2016, COMMERZBANK is obliged to pay HT1 Funding GmbH a share of COMMERZBANK's net income as reported in its annual financial statements in accordance with the German Commercial Code of 6.932% p.a. of the capital loaned; for all financial years ending after December 31, 2016, COMMERZBANK is obliged to pay HT1 Funding GmbH an amount on the capital loaned at a rate equal to the 12-month EURIBOR plus 2.580%. The payment obligation is subordinated to the claims of all present and future creditors of COMMERZBANK, other funds in the supplementary capital and other subordinated liabilities. No profit participation is permitted (1) if and to the extent that there is not enough distributable profit to make such payment in the financial year concerned, (2) if there has been a reduction and the silent participation has not yet been fully credited written up, (3) if an application has been made to initiate insolvency proceedings with respect to the assets of COMMERZBANK or BaFin has exercised its authority under Sections 45, 46, 46a or 47 of the German Banking Act or (4) if COMMERZBANK's total capital ratio at the company or Group level is less than 9% and payment would result in a net loss for the year.

The silent participation is granted for an indefinite period and cannot be terminated by HT1 Funding GmbH. COMMERZBANK may terminate the underlying participation agreement under certain conditions by giving notice of ordinary termination of two years, but not prior to December 31, 2016. Under an amendment agreement dated April 15, 2009, COMMERZBANK is further entitled on payment of compensation to reduce the nominal amount of the participation by transferring certain securities with a total nominal value of €1 billion to HT1 Funding GmbH which the latter had issued in 2006 to refinance the participation. In this event HT1 Funding GmbH is obliged under the amendment agreement to redeem these securities.

Using this option, COMMERZBANK transferred a total of 584,115 securities, each with a nominal value of €1,000.00 to HT1 Funding GmbH in the second quarter of 2012 on the basis of an Agreement on the Partial Unwinding of Tier 1 Funding Structure concluded between COMMERZBANK and HT1 Funding GmbH on February 22, 2012. COMMERZBANK had acquired these securities as part of a measure to strengthen the regulatory capital implemented in the first quarter of 2012. As a result of the transfer, the nominal value of the silent participation now amounts to €415,885,000.00.

Merger of Deutsche Schiffsbank with COMMERZBANK

In an agreement dated April 5, 2012 (the "**Merger Agreement**"), COMMERZBANK and Deutsche Schiffsbank Aktiengesellschaft ("**Deutsche Schiffsbank**") agreed to transfer the assets of Deutsche Schiffsbank as a whole to COMMERZBANK (merger by acquisition). Pursuant to the Merger Agreement, the acquisition of the assets of Deutsche Schiffsbank took effect retroactively as of January 1, 2012. No payment was agreed. The merger became effective by registration in COMMERZBANK's commercial register on May 22, 2012. Under the Merger Agreement, COMMERZBANK agreed, in particular, to grant holders of profit participation certificates in Deutsche Schiffsbank profit participation rights in COMMERZBANK of the same value on the transfer of the participation rights at the time the merger became effective. Moreover, COMMERZBANK agreed to grant silent partners of Deutsche Schiffsbank a silent participation in COMMERZBANK of the same

value with a corresponding payment obligation on the transfer of the silent participation at the time the merger became effective.

Legal disputes

The companies in the Group are involved as defendant, plaintiff or in another capacity in court, arbitration and regulatory proceedings in both Germany and other countries (including the United States). There are also other legal disputes in which the Company or its subsidiaries are not directly involved, but which could have an impact on the Group due to their fundamental importance for the banking industry. The Group recognizes provisions for potential losses from contingent liabilities in accordance with the relevant accounting rules if the potential loss is probable and can be estimated. Provisions for court, arbitration and regulatory proceedings are generally recognized at a flat rate of 50% of the amount at issue where this is less than €0.5 million, and on a case-by-case basis where the amount at issue exceeds €0.5 million, based on the estimate of the probable loss taking into account the course of the proceedings, the Group's experience and third-party experience in comparable cases, lawyers' opinions and other factors. In addition, provisions are recognized for all foreseeable litigation costs for proceedings in Germany. In foreign proceedings, provisions are recognized only for the Group's own foreseeable litigation costs and the costs eligible for reimbursement in the relevant jurisdiction. However, the Group's actual final liability may differ from the recognized provisions, since assessing the probability and valuing the contingent liabilities from such legal proceedings requires extensive valuation and estimation which may prove to be incorrect in the further course of the proceedings in question.

Apart from proceedings described below, the Company is not currently aware of any government interventions or investigations, or lawsuits, or arbitration, administrative or other proceedings which have arisen or been concluded in the past twelve months (including proceedings which to the Company's knowledge are pending or could be initiated) in which the Company or one of its subsidiaries is involved as defendant or in any other capacity and which are currently having or have recently had a material impact on the financial position or profitability of the Company and/or the Group or which in the Company's current estimation could have such effect in the future. With regard to each one of the proceedings described below, some of which cover several disputes, the probable losses in excess of the provisions are in the Group's opinion either insignificant or cannot be estimated.

Flawed investment advice

COMMERZBANK and its subsidiaries are involved, particularly in the Private Customers segment, in giving investment advice on financial instruments (securities, investment funds, derivatives and company shareholdings). The requirements imposed by lawmakers and the judiciary with respect to suitable product and investor advice have been made considerably more stringent, including retroactively, in recent years. COMMERZBANK and its subsidiaries therefore have been and are involved in a number of disputes, some of them in court, in which investors are claiming allegedly flawed investment advice and are demanding damages. In the more recent past, this has already led to material adverse effects on the Group's net assets, financial position and results of operations. Corresponding effects may also result from such claims in the future.

Furthermore, the German Federal Court of Justice (*Bundesgerichtshof*) found in 2006 and 2009 that banks, and therefore also COMMERZBANK, must disclose to their customers the sales commissions that they receive for the sale of participations in closed-end funds and investment funds. In the absence of such information, even where the advice was otherwise proper, the customer is entitled to demand that the investment be unwound at the original price and to transfer the investment, e.g., the shareholding, to the Bank. The customer is also entitled to claim damages for any additional financial or tax losses. In a case ruled upon by the German Federal Court of Justice in July 2011, COMMERZBANK was obligated to pay damages for failing to give such disclosure. The term "sales commissions" was very broadly defined by the German Federal Court of Justice. The German Federal Court of Justice's ruling is significant for a number of other cases, some of which are already pending, in addition to the proceedings in question. This includes both proceedings relating to closed-end funds like those that were the subject of the legal dispute before the German Federal Court of Justice and proceedings that concern numerous other capital investments, in particular closed-end funds arranged by COMMERZBANK or its legal predecessors. In addition to the already existing provisions, a provision taking into account the new situation was recognized in the 2011 financial year for the funds that were the subject of the dispute before the German Federal Court of Justice. Provisions have also been and continue to be recognized for claims brought as part of lawsuits.

The number of cases and the extent of damages claims brought against the Group change depending firstly on the presentation of new claims and also on the conclusion of those already filed.

If the COMMERZBANK Group is required to pay damages for a significant portion of the financial instruments sold by it or to unwind these transactions at the original price, there is the risk of a material adverse effect on the Group's net assets, financial position and results of operations.

Lehman investors' complaint

Following the bankruptcy of Lehman Brothers, a large number of the Group's customers claimed damages in relation to the sale by Dresdner Bank of certificates issued by Lehman Brothers. These customers based their claims in particular on the allegation of flawed investment advice. Court decisions in these proceedings have in some cases been in favor of the Group, while others have been against it. In its judgments of September 27, 2011, the German Federal Court of Justice for the first time ruled on the Lehman cases of another bank. The German Federal Court of Justice requires in this regard a general explanation of the so-called general issuer risk, i.e., the general dependence of the repayment of the invested amount on the credit rating of the issuer or guarantor. In its judgments of June 26, 2012 and thereafter, the German Federal Court of Justice ruled in favor of COMMERZBANK on a number of appeals brought by COMMERZBANK against Lehman decisions, thereby either overruling the judgments of the lower courts that had found in favor of the plaintiffs, or confirming the judgments of the lower courts that had ruled against the plaintiffs. The substance of these judgments does not differ from the principles of the judgments of September 2011. The chances of success of individual claims against the Group thus essentially depend on whether in an individual case an explanation that conforms to the requirements laid out by the German Federal Court of Justice has been provided and whether this can be proven. Given that in most cases the limitation period has already expired, COMMERZBANK believes that commencement of further substantial numbers of legal actions is unlikely. At the same time, the number of legal actions filed may still increase slightly, as the plaintiffs have conducted proceedings that toll the applicable statute of limitations.

Only one of the various foreign legal proceedings against a subsidiary of COMMERZBANK that acted as an underwriter for Lehman Brothers debt is still pending. The class actions that were pending in this dispute have been concluded by means of settlement confirmed by the courts. Other complaints brought by plaintiffs who did not participate in the settlement have been dismissed. In respect of the remaining proceeding, the parties are in settlement discussions. The risk arising for COMMERZBANK is likely to be between $1 million and $2 million.

Claims for payment and restoration of value in connection with issued profit participation certificates and trust preferred securities

COMMERZBANK and its subsidiaries (particularly Hypothekenbank Frankfurt and its legal predecessors) and Dresdner Bank and its subsidiaries have issued profit participation certificates and other hybrid financial instruments, including trust preferred securities in particular. These instruments are generally structured so that they are recognized for regulatory purposes as equity. In some cases, there is an obligation to pay interest only where distributable profit has been realized or only insofar as the payment of interest does not lead to a net loss, and some types of instruments are structured so that in the case of losses, the redemption amount of the instruments can be reduced.

Due to losses incurred in the 2009, 2010, 2011 and 2012 financial years, no interest was paid for those financial years on profit participation certificates and trust preferred securities issued by Hypothekenbank Frankfurt, its legal predecessors and its subsidiaries. In addition, the losses had reduced the principal amount payable on redemption of the profit participation certificates due to their participation in losses.

Various investors have filed suit in Germany in respect of the reduction of the principal amount payable on a redemption and the non-servicing of the profit participation certificates. On May 28, 2013 the German Federal Court of Justice decided adversely to COMMERZBANK in two cases, holding that, because the forecast in respect of the earnings development of Hypothekenbank Frankfurt was positive at the time the control and profit transfer agreement was entered into, the distributions provided for under the profit participation certificates are to be made in full and the principal amount payable on redemption may not be reduced, irrespective of the financial condition of Hypothekenbank Frankfurt. On July 1, 2013, Hypothekenbank Frankfurt effected the decision of the German Federal Court of Justice through a reversal of the reduction and payments of interest to the holders of the profit participation certificates.

Investors in the trust preferred securities issued by Eurohypo Capital Funding Trust I and Eurohypo Capital Funding Trust II have filed suit in Germany and the United States of America in respect of the non-servicing of the trust preferred securities. It cannot be ruled out that more claims will be made or lawsuits filed. Should COMMERZBANK in case of a negative ruling be required to satisfy the claims arising out of the trust preferred securities this would result in a total charge at Group level of approximately €60 million (as of September 30, 2013).

No interest was paid for the 2009, 2010 and 2011 financial years on some trust preferred securities issued by a number of COMMERZBANK subsidiaries, due to the economic situation in these financial years. The terms and conditions of these trust preferred securities contain parity treatment clauses under which there is an obligation to pay interest on these trust preferred securities in the event that interest is paid on other comparable instruments. On the basis of these parity treatment clauses, investors have also asserted claims for the non-payment of interest, including in some cases in U.S. courts, and have demanded that these trust preferred securities be restructured as subordinated instruments in the event of an insolvency. In one of the two cases pending in Delaware, the Delaware Supreme Court issued an opinion, under which the previous judgment of the Court of Chancery in favor of the Bank was vacated, and the case remanded with instructions to the Court of Chancery to enter final judgment in favor of the claimants. The Supreme Court also stipulated that the Court of Chancery should make its decision consistent with the holdings of the opinion. In summary, the Supreme Court took the following position: Interest payments that had not been made must be made because payments on other comparable instruments were made in the relevant years; moreover, there is an obligation to restructure those trust preferred securities that are the subject of the litigation into subordinated instruments in the event of an insolvency. The final judgment taking into account the Supreme Court's opinion was released on July 16, 2013. The other court case pending in Delaware in respect of the failure to make payments on trust preferred securities issued by another subsidiary of COMMERZBANK is currently still suspended. At the end of July 2013, COMMERZBANK effected the final judgment through payments of interest to the holders of the COMMERZBANK trust preferred securities.

Furthermore, payments on or servicing hybrid financial instruments, such as the early repayment of silent participations or related servicing or repurchases of hybrid financial instruments, may result in investors who have invested in other profit participation certificates or other hybrid financial instruments bringing claims for the payment of interest that has not been made or for the write-up of the principal amount payable on redemption. If claims are made in such cases and payments become necessary even if COMMERZBANK considers them to be without merit, corresponding charges at Group level would be incurred.

Variable remuneration 2008

Some employees of the former Dresdner Bank group have filed suit against Group companies in Germany and various locations abroad for non-payment of variable remuneration or for paying less than the allegedly promised amount for the 2008 financial year.

In Germany, the German Federal Labor Court has rejected claims by non-pay-scale employees and by employees from the DKIB investment banking division of the former Dresdner Bank. Claims brought by pay-scale employees, however, were successful. Consequently, in July 2012 COMMERZBANK paid compensation for the variable remuneration for the 2008 financial year to pay-scale employees who were employed at Dresdner Bank in Germany as of December 31, 2008 and still employed by the COMMERZBANK Group in July 2012. On the grounds of equal treatment, compensation was also paid to pay-scale employees employed at COMMERZBANK AG in the 2008 financial year and still employed by the COMMERZBANK Group in July 2012. The resulting expense was fully accounted for in the financial statements as of December 31, 2011. Any claims not yet brought by pay-scale employees will have become time-barred at the end of 2012, with the result that such claims will no longer be satisfied.

On May 1, 2012, a court of first instance in London ordered COMMERZBANK to pay bonus claims asserted. On appeal, the High Court confirmed the decision of the court of first instance on April 26, 2013. The claims based on this judgment amount to approximately GBP 72 million. Additionally, claims by additional claimants in the amount of GBP 7 million are possible. Provisions have already been recognized to cover the claims from the judgment. In addition, there are a number of other proceedings brought by employees pending worldwide, whose claims currently amount to a total of approximately €7.5 million.

The likely outcome of the proceedings varies and depends on the individual circumstances. The possibility that more claims will be filed also cannot be ruled out.

Claims against a subsidiary of COMMERZBANK, inter alia, in connection with former holdings in South American banks

A subsidiary of COMMERZBANK had holdings in two South American banks which have since gone into bankruptcy. In various lawsuits in Uruguay and Argentina, a number of investors and creditors of these banks have brought actions against the subsidiary and, in some cases, also COMMERZBANK for alleged shareholder liability and for alleged breaches of duty by individuals appointed by the subsidiary to the supervisory board of the banks. In addition, the subsidiary participated in two funds that acquired monies and allowed them to be managed by Bernhard L. Madoff. In a court proceeding in the United States, the liquidators of these funds are seeking the return of payments received by the subsidiary from the funds.

Lawsuit in connection with the insolvency of the Australian Bell Group

As legal successor to the former Dresdner Bank AG, COMMERZBANK, together with 18 other banks, is being sued for damages by the insolvency administrator of the Australian Bell Group on the grounds of allegedly unlawful demand and liquidation of collateral and payment of default interest since 1990. The plaintiff claims that the defendant banks should have identified the impending insolvency of the Bell Group and that the insolvency estate was deprived of significant assets as a result of the liquidation of collateral. In 2008, the court of first instance ordered the defendant banks to pay to the insolvency administrator the sums demanded as part of the collateral liquidation process. The court of first instance also ruled that interest of 1% below the Westpac indicator for lending transactions was payable on these sums from 1990 onwards. Based on COMMERZBANK's 4.15% share in the banking consortium, this judgment means a charge to COMMERZBANK of approximately €62 million. Both the plaintiff and the defendant banks (following a majority decision taken by the banking consortium) have appealed the first instance decision. In August 2012, the appeal court confirmed the judgment of the first instance court in the main proceedings and also ruled that interest of 1% above the Westpac indicator for lending transactions was payable by the defendant banks. As a result of the increase in the interest rate by 2 percentage points since 1990, there is an additional financial charge to COMMERZBANK of approximately €30 million. In October 2012, the banks applied to the Australian High Court for the admission of a further appeal against certain aspects of the appeal decision. In March 2013, the court granted this application, and a hearing before the Australian High Court is scheduled for September 11, 2013. As regards those aspects of the appeal decision that were not included in the application for admission of a further appeal, COMMERZBANK paid a sum equivalent to approximately €24 million to the plaintiff in December 2012. On June 25, 2013 a non-binding agreement was reached to settle the litigation, with the banks agreeing to pay €1.2 billion. COMMERZBANK's 4.15% share amounts to a payment of €48 million. A binding settlement agreement is currently being negotiated among the parties.

Prospectus liability suit

An investor is claiming damages from COMMERZBANK and other defendants because of an alleged defective prospectus in connection with an IPO by a company. The company's insolvency administrator is also filing recourse claims against the Company arising out of joint and several liability and other legal grounds. In the first instance, the Regional Court of Hamburg (*Landgericht*) dismissed the action against COMMERZBANK to the full extent. The plaintiffs have appealed against this decision. If, contrary to the expectations of COMMERZBANK, the plaintiffs should succeed in the second instance with their claim for relief, COMMERZBANK believes that it has recourse claims against other members of the underwriting syndicate and against third parties based on contractual agreements.

U.S. Department of Justice

In 2006 and 2007, the Group was served with subpoenas in the United States asking it to supply certain documents and information to the U.S. Department of Justice relating to customers who were active in the field of online gambling. The reason for this was that Dresdner Kleinwort Benson – the investment bank of Dresdner Bank – was accused of providing advisory services in connection with the financing of companies that had made it possible for U.S. citizens, in violation of the laws of the United States, to participate in online gambling. In the course of the proceedings, the U.S. Department of Justice proposed that COMMERZBANK enter into a non-prosecution agreement, which provides for payment of a fine in exchange for the termination of the proceedings. A draft of this non-prosecution agreement was prepared by the U.S. Department of Justice in December 2009 and comments thereon

were exchanged. The outcome of the proceedings is not yet foreseeable. There is a possibility that they could be settled by a sum in the lower tens of millions; a corresponding provision has been recognized for this purpose. The U.S. Department of Justice has not contacted COMMERZBANK further in this regard since May 2010.

Alleged violations of sanctions

At the beginning of March 2010, COMMERZBANK's Board of Managing Directors was requested by the New York County District Attorney to carry out an internal investigation into alleged violations of U.S. sanctions by the Group and to cooperate closely with the U.S. authorities in this regard. The New York County District Attorney, the U.S. Department of Justice and a number of other agencies are currently conducting a thorough investigation into whether the Group violated U.S. sanctions, particularly against Iran, Sudan, North Korea, Myanmar and Cuba. COMMERZBANK's New York branch has also received subpoenas from these U.S. authorities in this connection, in response to which it has made available extensive documentation and the results of internal investigations. The outcome of these matters is not currently foreseeable. The U.S. authorities may impose civil and criminal penalties on COMMERZBANK, including substantial fines. In similar matters involving other banks, settlements were reached, some involving the imposition of substantial civil and criminal penalties. In light of these matters, it cannot be excluded that COMMERZBANK will be required to settle these matters for a not inconsiderable amount.

In addition, the Group has voluntarily disclosed to the U.S. Office of Foreign Assets Control certain incoming payments to and outgoing payments from customers of COMMERZBANK and subsidiaries of COMMERZBANK, including payments made through the Company's New York branch, in relation to transactions that may have involved payors or payees located in a number of U.S.-sanctioned countries. The outcome of these matters is not yet foreseeable.

Settlement discussions with Internal Revenue Service

In 2011, COMMERZBANK agreed with the Internal Revenue Service (the "**IRS**") to settle a tax liability relating to an audit, mainly in respect of withholding taxes on securities borrowing and lending transactions. The outstanding liability was paid in the third quarter of 2011.

The IRS reopened the audit after COMMERZBANK hired, as head of its Tax Department, a former IRS employee who was involved in the audit. The employee was subsequently accused by the U.S. government of certain violations of law relating to his conduct as an IRS employee, his subsequent contacts with the IRS and certain related disclosures. COMMERZBANK was not accused of wrongdoing in connection therewith.

Since the audit was reopened, COMMERZBANK has undertaken additional remedial measures. As a result of these actions and on the basis of its discussions with the IRS, the Bank believes that the IRS is now in the process of finalizing the audit and that a general understanding of the settlement amount at which this matter could be closed has been reached. The Bank has therefore established a corresponding reserve at the end of the second quarter of 2013.

Shareholder challenge of Annual General Meeting resolutions regarding capital measures to largely repay the SoFFin's silent participations

A shareholder of COMMERZBANK has filed a rescission and annulment action against the resolutions of COMMERZBANK's Annual General Meeting of May 6, 2011 regarding capital measures to largely repay SoFFin's silent participations and the resolution of the same Annual General Meeting to formally approve (*entlasten*) the actions of the members of the Board of Managing Directors. The plaintiff has also filed an interlocutory petition for an order that the resolutions of the Board of Managing Directors and the Supervisory Board of April 6, 2011 approving the issue of Conditional Mandatory Exchangeable Notes be declared invalid because approval had not been obtained from the Annual General Meeting. The Regional Court (*Landgericht*) of Frankfurt dismissed the action in full in the first instance. The plaintiff lodged an appeal against this decision with the Higher Regional Court (*Oberlandesgericht*) of Frankfurt. The appeal was rejected. The Higher Regional Court has denied permission to appeal on a point of law (*Revision*). The plaintiff has filed a complaint against denial of leave to appeal with the German Federal Court of Justice.

If, contrary to the expectations of COMMERZBANK, the complaint against denial of leave to appeal and the shareholder rescission and annulment action should succeed, this would not have any effect on the validity of the capital measures registered in the Commercial Register. However, shareholders could then file damages claims against COMMERZBANK pursuant to Sections 7c sentence 4 of the Financial-Market Stabilization Acceleration Act (*FMStBG*) and 246a(4) of the German Stock Corporation Act. The plaintiff would bear the burden of proving the existence and amount of any

losses. The success of the interlocutory petition would also have no effect on the validity of the capital measures adopted by COMMERZBANK's Annual General Meeting of May 6, 2011. However, it cannot be ruled out that a positive ruling might form the basis for damages claims against COMMERZBANK. Here, too, the plaintiff would bear the burden of proving the existence and amount of any losses.

Antitrust investigation by the European Commission

In 2011, the European Commission launched an antitrust investigation into 17 companies in the financial sector, including COMMERZBANK, pursuant to which it is investigating their actions in passing on trading data regarding CDS transactions to financial information providers. The Commission is examining whether the supply of this data resulted in restrictions on competition within the meaning of Articles 101 and 102 of the Treaty on the Functioning of the European Union ("**TFEU**"). On February 21, 2013, COMMERZBANK took part in a state-of-play discussion with the European Commission. During this discussion, the European Commission informed COMMERZBANK that it would no longer be investigating COMMERZBANK until further notice. However, if COMMERZBANK is negatively implicated in the course of the European Commission's investigations of other companies within the financial sector, the investigation of COMMERZBANK may be resumed. At the beginning of July 2013, the EU Commission initiated an official proceeding against 13 investment banks, a derivatives association and a provider of financial information. COMMERZBANK was not among those subject to the proceeding.

Divestment of Bank Forum

In connection with the divestment of its stake in the Ukrainian Bank Forum completed in 2012, COMMERZBANK received notices from the acquirers stating that the acquirers are making a claim under the sale and purchase agreement and challenging the share and purchase agreement as such on grounds of bad faith. COMMERZBANK is currently investigating and assessing the notices submitted by the acquirers whether the accusation made is warranted. To date there is no evidence that the challenge is merited. Both parties have initiated arbitration proceedings on the basis of contractual arbitration agreements in order to formally enforce their claims. With respect to the acquirer these relate to the declaration of the invalidity of the share and purchase agreement, unwinding of the purchase and repayment of purchase price rates. With respect to COMMERZBANK these relate to the enforcement of claims arising from outstanding payments and guarantees.

Shareholder challenge of Annual General Meeting resolution regarding capital increase to repay the silent participations of SoFFin and Allianz in full

A shareholder of COMMERZBANK has filed a rescission and annulment action with the Regional Court (*Landgericht*) of Frankfurt against the resolution of COMMERZBANK's Annual General Meeting of April 19, 2013 regarding the capital increase to repay the silent participations of SoFFin and Allianz in full and the resolutions of the same Annual General Meeting to formally approve (*entlasten*) the actions of the members of the Board of Managing Directors and the Supervisory Board. If, contrary to the expectations of COMMERZBANK, the shareholder rescission and annulment action should succeed, this would not have any effect on the validity of the capital measures adopted by COMMERZBANK's Annual General Meeting of April 19, 2013 and registered in the Commercial Register. However, shareholders could then file damages claims against COMMERZBANK pursuant to Sections 7c sentence 4 of the Financial-Market Stabilization Acceleration Act (*FMStBG*) and 246a(4) of the German Stock Corporation Act. The plaintiff would bear the burden of proving the existence and amount of any losses.

Recent developments and outlook

The world economy has continued to recover in the 2013 financial year to date; however, as before, no general and strong upturn is discernible. Emerging markets continue to post the strongest growth rates, but growth rates still remain below those reached one or two years ago. This applies to China, and to the other "BRIC" countries (Brazil, Russia, India and China). The U.S. economy continued to gather pace despite the tax increases that came into effect at the beginning of the year. COMMERZBANK believes that there is an economic divide becoming increasingly apparent in that country. While it can be seen that the excesses of the past have now largely been corrected in sectors with a U.S. focus, there has recently been only a small increase in production for industries that are more integrated with the global economy.

In the Eurozone economy the recession appears to be gradually coming to an end. However, there were considerable differences among the individual countries. The German economy, for example,

grew noticeably. There were also green shoots in a number of periphery countries, where the economy is thought to have stabilized slightly in the second quarter, according to current information. On the other hand, in some core countries the effects of previous excesses are increasingly making themselves felt, thus hampering economic recovery and in some cases leading to a further decline in GDP.

The COMMERZBANK Group's operating profit amounted to €547 million in the first half of the 2013 financial year, compared to €1,018 million in the first half of 2012, a decrease of €471 million. In the first half of the 2013 financial year, restructuring expenses amounting to €493 million were reported for the COMMERZBANK Group. These expenses are principally intended for scheduled personnel measures in connection with the strategic Agenda 2016 and will be incurred mainly by the Private Customers segment and the Service and Group management units.

COMMERZBANK has made initial progress in respect of the goals communicated as part of its strategic Agenda 2016.

On March 13, 2013 the Company announced a capital increase with subscription rights in the amount of €2.5 billion in order to repay in full the silent participations of SoFFin and Allianz. The Company's Annual General Meeting resolved the announced capital increase on April 19, 2013. In accordance with a resolution by the Company's Board of Managing Directors of May 14, 2013 with the consent of its Supervisory Board of the same date, the new shares were offered to shareholders of the Company for subscription from May 15, 2013 through May 28, 2013. SoFFin supported the capital increase insofar as it exercised its subscription rights in full and contributed part of its silent participation in the Company, in the amount of approximately €625 million, by way of a contribution in kind. At the beginning of the subscription period for the offer, Company shares from SoFFin's holdings were placed with investors as part of a private placement (the "**SoFFin Placement**"). SoFFin's proceeds from the SoFFin Placement corresponded to the volume of the SoFFin silent participation used for the exercise of the subscription rights. In effect, SoFFin participated in the capital increase without investing new cash funds. On May 31, 2013 the Company fully repaid the remaining amount of the silent participations of SoFFin and Allianz from the proceeds of the capital increase.

As a result of the transaction, the COMMERZBANK Group's Common Equity Tier 1 ratio – assuming full application of Basel III – increased from 7.5% as of March 31, 2013 to 8.4% as of June 30, 2013.

On July 15, 2013 COMMERZBANK's subsidiary Hypothekenbank Frankfurt signed an agreement on the sale to a consortium of its commercial real estate financing portfolio in the United Kingdom. The transaction encompasses commercial real estate loans totalling €5.0 billion including the relevant interest-rate and currency hedging derivatives, as well as the entire operational business of Hypothekenbank Frankfurt in the United Kingdom. The employees are being transferred in the framework of their existing employment contracts to the purchasers. As this transaction is a complete risk transfer to the buyers, COMMERZBANK expects to attain its original reduction target of a remaining portfolio size of €93 billion in the Non-Core Assets (NCA) segment more quickly than planned. The Bank now assumes that the exposure at default (EaD, including non-performing loans) will be significantly less than €90 billion at the end of 2016. The Bank further expects that the overall result in 2013 will include charges of €179 million as a consequence of the transaction (€134 million in the second quarter of 2013; approximately €45 million in the second half of 2013). However, these charges will be largely compensated for by a positive equity capital effect totalling €133 million in the third quarter of 2013. Risk-weighted assets (RWA) were reduced by €1.5 billion as a result of the transaction.

At the end of July 2013, COMMERZBANK reached an agreement with BNP Paribas regarding the sale of COMMERZBANK's "Depotbank" business, which offers services for investment companies and institutional investors, such as settlement of securities transactions, the administration and safekeeping of assets and fund administration. The transaction is subject to the approval of the relevant supervisory authorities. The custody business for customers of COMMERZBANK, which provides a comprehensive custody service for the Bank's private, business and corporate customers as well as for institutional investors, and forms part of COMMERZBANK's core business, is not affected by the agreed disposition.

At its meeting on August 7, 2013, the Supervisory Board of COMMERZBANK resolved to reduce the size of the Board of Managing Directors from nine members to seven at an as-yet undetermined date in the foreseeable future. The reduction in the size of the Board of Managing Directors is a consequence of the Group strategy adopted by the Board of Managing Directors in November 2012. Part of this strategy is a further significant reduction in costs, and accordingly headcount reductions at all levels.

COMMERZBANK expects the global economy to recover further in the second half of 2013, while expanding somewhat faster than in the first half of this year. One risk for this outlook would be a new flare-up of the sovereign debt crisis, which appears to be contained at present by the verbal interventions of the ECB. The economy in the emerging markets should pick up speed and once again demonstrate significantly stronger growth than in the industrialized countries. COMMERZBANK also expects the United States to contribute to stronger global economic growth in the second half of 2013.The recession in the eurozone ended this spring, although a strong upturn does not appear to be likely. COMMERZBANK believes Germany to have the best outlook for the next few quarters. In the periphery countries, economies may stabilize, as fiscal policy is no longer so restrictive and some of these countries have become considerably more competitive in the past few years. Nevertheless strong growth appears unlikely for the time being.

For the rest of 2013, COMMERZBANK expects that the economic and capital market environment will remain challenging. COMMERZBANK believes that the factors adversely affecting its results of operations, particularly the low interest rate environment and the muted demand in the loan business, will for some time overshadow the successes of the strategic realignment started in the past year and the further development of the Group's business model. Accordingly, COMMERZBANK expects that the ongoing asset reduction and the low interest rates will keep pressure on revenues. COMMERZBANK expects higher loan loss provisions in the Group in 2013 as compared with 2012, because of the accelerated portfolio reduction in the NCA segment and the normalization of loan loss provisions in the Core Bank. Reversals of loan loss provisions in the Core Bank will not match last year's high levels, and the economic recovery is still hesitant. COMMERZBANK is confident that operating costs will not exceed €7 billion in the year as a whole. Overall, COMMERZBANK believes that the continued pressure on earnings, rising loan loss provisions and investment-related cost increase will have an impact on the 2013 operating profit compared to the prior year. The Group's pre-tax result for the 2013 financial year will be negatively impacted by the restructuring costs reported in the first quarter of 2013 in connection with the agreed efficiency optimization measures.

COMMERZBANK expects income in the Private Customers segment in the second half of the year to reach a similar level as in the first half, as the active countermeasures designed to offset the negative effects of the generally muted demand for credit and the low interest rate environment begin to bear fruit. This can be seen in the increase in residential mortgage loans. COMMERZBANK is also seeing an increase in customer activity in the securities business. COMMERZBANK expects lower reversals of valuation allowances and muted demand for loans from the corporate sector in 2013. It does not expect the Mittelstandsbank segment's operating profit for 2013 to reach the level of the prior year. For the Central & Eastern Europe segment, COMMERZBANK expects the results in the 2013 financial year to be slightly below the level achieved in 2012. Assuming that markets stabilize further and customer activity on primary and secondary markets increases – and if at the same time costs fall and loan loss provisions remain stable – COMMERZBANK expects a further improvement in the Corporates & Markets segment's operating profit in light of the moderate increase in income expected in this financial year. In the NCA segment, COMMERZBANK expects that the difference between the funds released by the run-down on the one hand, and the capital consumption resulting from the expected loss on the other, will be negative in the 2013 financial year. Furthermore, COMMERZBANK expects the burden arising from loan loss provisions to remain higher in the NCA segment due to the continuing crisis in the shipping market.

As part of its process of portfolio reduction, COMMERZBANK expects the Non-Core Assets segment to record cumulative operating losses totaling approximately €2.3 billion between 2013 and 2016. In the process, COMMERZBANK aims to reduce risk-weighted assets (RWA) by a total of €30 billion from the end of 2012 to the end of 2016. COMMERZBANK intends to make the capital released through the reduction available to higher-yield, lower-risk business units within the Group, thus opening up new growth prospects. Apart from continuing to run off assets, the focus is on improving the refinancing structure. The emphasis is on secured refinancing instruments such as Pfandbriefe and repo transactions. The need for unsecured funding is expected to continue to decline.

Save as disclosed in this section, there has been no material adverse change in the prospects of the COMMERZBANK Group since 31 December 2012.

Save as disclosed in this section, no significant change in the financial position of the COMMERZBANK Group has occurred since 30 June 2013.

F. DOCUMENTS ON DISPLAY

This Registration Document and supplements thereto (if any) is available for viewing in electronic form at the website of COMMERZBANK Aktiengesellschaft (www.commerzbank.com) and copies may be obtained from COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), D-60311 Frankfurt am Main.

Furthermore, for the period of twelve months from the date of approval of this Registration Document copies of the following documents are available for inspection at the specified office of the Issuer and for viewing in electronic form on the website www.commerzbank.com:

- the Articles of Association of the the Issuer;
- the Financial Statements and Management Report of COMMERZBANK Aktiengesellschaft for the financial year 2012;
- the Annual Reports of the COMMERZBANK Group for the financial years 2011 and 2012; and
- the Interim Report of the COMMERZBANK Group as at June 30, 2013.

G. DOCUMENTS INCORPORATED BY REFERENCE

The following document has been approved and filed with BaFin:

Third Supplement dated April 5, 2013 to the Registration Document dated December 12, 2012 of COMMERZBANK Aktiengesellschaft
Financial Statements and Management Report 2012 of COMMERZBANK

Management report	p. F-4 – p. F-47
Risk report	p. F-48 – p. F-88
Income statement	p. F-89
Balance sheet	p. F-90 – p. F-93
Notes	p. F-94 – p. F-136
Independent auditors' report	p. F-137 – p. F-138
Disclaimer(reservation regarding forward-looking statements)	p. F-139

The following documents have been filed with the Commission de Surveillance du Secteur Financier:

COMMERZBANK Group Annual Report 2011 (English version)

Group management report	p. 69 – p. 154
Group risk report	p. 155 – p. 196
Statement of comprehensive income	p. 202 – p. 203
Balance sheet	p. 204 – p. 205
Statement of changes in equity	p. 206 – p. 207
Cash flow statement	p. 208 – p. 209
Notes	p. 210 – p. 352
Independent auditors' report	p. 353 – p. 354
Disclaimer (reservation regarding forward-looking statements)	p. 370

COMMEZRBANK Group Annual Report 2012 (English version)

Group management report	p. 61 – p. 130
Group risk report	p. 131 – p. 178
Statement of comprehensive income	p. 181 – p. 183
Balance sheet	p. 184 – p. 185
Statement of changes in equity	p. 186 – p. 187
Cash flow statement	p. 188 – p. 189
Notes	p. 190 – p. 336
Independent auditors' report	p. 337 – p. 338
Disclaimer (reservation regarding forward-looking statements)	p. 352

COMMERZBANK Group Interim Report as at June 30, 2013 (English version)

Interim management report	p. 8 – p. 29
Interim risk report	p. 30 – p. 52
Statement of comprehensive income	p. 54 – 58
Balance sheet	p. 59 – p. 60
Statement of changes in equity	p. 61 – p. 64
Cash flow statement (condensed version)	p. 65
Selected Notes	p. 66 – p. 109
Review report	p. 110
Disclaimer (reservation regarding forward-looking statements)	p. 111

Information not listed above but included in the documents incorporated by reference is either of no relevance for an investor or covered elsewhere in this Registration Document.

Documents incorporated by reference have been published on the website of the Issuer (www.commerzbank.com).

H. SIGNATURE PAGE

Frankfurt am Main, November 6, 2013

COMMERZBANK
AKTIENGESELLSCHAFT

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by: Kürschner	by: Gerhardt