Third Supplement dated
9 April 2014
to the Registration Document
dated 6 November 2013

COMMERZBANK AKTIENGESELLSCHAFT

Frankfurt am Main · Federal Republic of Germany

Third Supplement to the Registration Document dated 6 November 2013

pursuant to Article 16 paragraph 1 and 3, Article 9 paragraph 4 and Article 12 paragraph 1 sentence 3 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*)

This third supplement (the "**Third Supplement**") to the Registration Document dated 6 November 2013 (the "**Registration Document**") constitutes a supplement for the purposes of *Article 16 of the German Securities Prospectus Act (Wertpapierprospektgesetz, WpPG)* and is prepared in connection with the Registration Document of COMMERZBANK Aktiengesellschaft ("**COMMERZBANK**", the "**Issuer**" or the "**Bank**", together with its consolidated subsidiaries and affiliated companies "**COMMERZBANK Group**" or the "**Group**"). Unless otherwise defined herein, expressions defined in the Registration Document shall have the same meaning when used in this Third Supplement.

This Third Supplement is supplemental to, and should be read in conjunction with, the Registration Document and the supplements thereto dated 14 November 2013 and 21 February 2014 (the "**Supplements**").

This Third Supplement is available for viewing in electronic form together with the Registration Document and the Supplements thereto 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.

Investors, who have already agreed to purchase or subscribe for the securities before this Third Supplement is published, have the right, exercisable within two working days after the publication of this Third Supplement, to withdraw their acceptances, provided that the new factor arose before the final closing of the offer to the public and the delivery of the securities.

The withdrawal must be addressed to the vendor of the securities. If COMMERZBANK Aktiengesellschaft was the counterparty in the purchase, the withdrawal shall be addressed to COMMERZBANK Aktiengesellschaft, GS-MO 3.1.7 New Issues& SSD Lifecycle Services, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Federal Republic of Germany.

COMMERZBANK

On 21 March 2014 the Financial Statements and Management Report of COMMERZBANK Aktiengesellschaft and the COMMERZBANK Group Annual Report for the financial year 2013 were published. Therefore, the following amendments to the Registration Document shall be made:

In section "**E. DESCRIPTION OF COMMERZBANK"** sub-section "***Historical Financial Information***" on page 58 of the Registration Document shall be deleted and repalced by the following:

"Historical Financial Information

The audited annual financial statements of COMMERZBANK for the financial year ended December 31, 2013 and the audited consolidated annual financial statements of COMMERZBANK for the financial years ended December 31, 2012 and December 31, 2013 are incorporated by reference into, and form part of, this Registration Document (see "Documents Incorporated by Reference")."

In section "**E. DESCRIPTION OF COMMERZBANK"** the follwowing sub-sections shall be added after sub-section "***Historical Financial Information***" on page 58 of the Registration Document:

"Trend Information

There has been no material adverse change in the prospects of the COMMERZBANK Group since 31 December 2013.

Significant Change in the Financial Position

Since 31 December 2013 no significant change in the financial position of the COMMERZBANK Group has occurred."

In section "**E. DESCRIPTION OF COMMERZBANK"** sub-section "***Interim Financial Information***" on page 58 of the Registration Document shall be deleted entirely.

In section "**E. DESCRIPTION OF COMMERZBANK"** sub-section "***Auditors***" on page 58 of the Registration Document shall be deleted and replaced by the following:

"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 2012 and 2013 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 2013 financial year, which were prepared in accordance with German generally accepted accounting principles and issued an unqualified auditors' report in each case. PwC is a member of the German *Wirtschaftsprüferkammer* (Chamber of Public Accountants)."

In section "**E. DESCRIPTION OF COMMERZBANK"** sub-section "***Recent developments and outlook***" on pages 71 to 73 of the Registration Document shall be deleted entirely.

Section "**F. DOCUMENTS ON DISPLAY"** on page 74 of the Registration Document shall be deleted and replaced by the following:

"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 2013; and
- the Annual Reports of the COMMERZBANK Group for the financial years 2012 and 2013."

Section "**G. DOCUMENTS INCORPORATED BY REFERENCE"** on page 75 of the Registration Document shall be deleted and replaced by the following:

"G. DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been filed with the *Commission de Surveillance du Secteur Financier*, shall be incorporated by reference in, and form part of this Registration Document:

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 Annual Report 2013 (English version)

Group management report	p. 47 – p. 96
Group risk report	p. 97 – p. 132
Statement of comprehensive income	p. 135 – p. 137
Balance sheet	p. 138 – p. 139
Statement of changes in equity	p. 140 – p. 142
Cash flow statement	p. 143 – p. 144
Notes	p. 145 – p. 322
Independent auditors' report	p. 323 – p. 324
Disclaimer (reservation regarding forward-looking statements)	p. 338

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).

The following section shall be added thereafter:

"**H. FINANCIAL STATEMENTS AND MANAGEMENT REPORT 2013 OF COMMERZBANK AKTIENGESELLSCHAFT**

Management report	F-1 – F-29
Risk report	F-30 – F-59
Income statement	F-60
Balance sheet	F-61 – F-64
Notes	F-65 – F-105
Independent auditors' report	F-106 – F-107
Disclaimer (reservation regarding forward-looking statements)	F-108

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Management report of Commerzbank Aktiengesellschaft

Structure and organisation

Commerzbank Aktiengesellschaft is Germany's second largest bank and one of its leading banks for private and corporate customers. Our customers have one of the densest networks of any private-sector bank in Germany at their disposal. Commerzbank serves a total of around 15 million private customers and 1 million business and corporate customers worldwide. Commerzbank aims to continue strengthening its position as market leader in the private and corporate customer segments in Germany.

The focus of our activities is on the four core segments: Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe. The Bank has merged all activities in commercial real estate and ship financing, in addition to public financing, into the new Non-Core Assets (NCA) run-off segment. The core segments are each overseen by a member of the Board of Managing Directors; responsibility for NCA was reallocated in mid-November to two Board members.

All staff and management functions are contained in Group Management: Group Audit, Group Communications, Group Compliance, Group Development & Strategy, Group Finance, Group Human Resources, Group Investor Relations, Group Legal, Group Treasury and central risk functions.

The support functions are provided by Group Services. These include Group Banking Operations, Group Markets Operations, Group Information Technology, Group Organisation & Security, Group Delivery Centre and Group Excellence & Support. The staff, management and support functions are combined in the Others and Consolidation division for reporting purposes.

On the domestic market, Commerzbank Aktiengesellschaft is headquartered in Frankfurt am Main, from where it manages a nationwide branch network through which all customer groups are served. Its major German subsidiaries are comdirect bank AG, Commerz Real AG and Hypothekenbank Frankfurt AG. Outside of Germany, the Bank has 7 material subsidiaries, 23 operational foreign branches and 35 representative offices in 53 countries and is represented in all major financial centres, such as London, New York, Tokyo, Hong Kong and Singapore. However, the focus of the Bank's international activities is in Europe. The financial year is the calendar year.

Corporate Responsibility

Commerzbank remains fully committed to its corporate responsibility, as it demonstrated once again in 2013. The "Corporate Responsibility Report 2013" describes how the many wide-ranging areas of the Bank are living up to and promoting environmental, social and ethical considerations. In matters as diverse as corporate leadership, specific product and service offerings in the market segments, the certified environmental management system, sustainable procurement, varied employee benefits and social engagement, the Bank makes it clear in all it does that it takes its new positioning as a fair and competent partner to its customers very seriously. The report bears the title "Responsibility. Trust. Confidence.", because through its commitment to responsibility, the Bank aims to rebuild trust and inspire confidence.

The Corporate Responsibility Report 2013 was produced in accordance with the Global Reporting Initiative (GRI) guidelines. The GRI has confirmed its highest-possible rating "A" for the report. It also fulfils the requirements of a Communication on Progress (COP) regarding implementation of the ten principles of the UN Global Compact, which Commerzbank joined in 2006.

Reputation risk management

All financial arrangements, products and customer relations in which sustainability plays a significant role – or which relate to sensitive areas – are closely scrutinised by the Commerzbank Reputation Risk Management department and if necessary either rejected or accepted with conditions attached. These sensitive areas include armaments, power generation and commodities extraction. In 2013, Reputation Risk Management received around 2,800 requests, which it analysed and issued a written opinion on. This further rise in the number of requests reflects both greater awareness among Bank employees and increased public attention to these issues. Approximately 10% of these requests received a negative evaluation on the grounds of social, environmental or ethical concerns.

Internal training is regularly held in Germany and abroad to raise Commerzbank employees' awareness of reputational topics.

Compliance

The confidence of our customers, shareholders and business partners in Commerzbank's proper and legitimate actions forms the fundament of our business activities. Our primary aim is therefore to avoid any risks that might jeopardise trust in the Group's integrity. Compliance with the applicable laws, directives and market standards underpins all that we do and is an integral part of our activities as a financial services provider operating around the world. Breaches of laws and regulations can not only lead to legal disputes and financial penalties, but also have repercussions for the Group's reputation and stability. Our compliance activities are focused on preventing and combating money laundering, the financing of terrorism, insider trading, market abuse, breaches of customer interests in securities transactions, corruption, other criminal offences and breaches of sanctions within our activities. In order to take account of the ever-growing complexity of national and international laws and regulations, we are constantly developing and adapting our management of compliance risk and making adjustments to reflect current developments and challenges. One such example in 2013 was the implementation of the compliance function in relation to the German Minimum Requirements for Risk Management (MaRisk).

Market and customers

Commerzbank can only achieve long-term success if its customers are happy with its performance and feel that Commerzbank is indeed "The bank at your side". As such, our product and service offering is geared to the interests of our customers, and customer satisfaction is one of the most important measures in evaluating our operational success. Fairness and competence are therefore at the heart of our new brand positioning. Commerzbank wants to be perceived as a bank that deals with its customers fairly and professionally and impresses them with its high level of competence in all aspects of finance. The new positioning is not just window-dressing; it is applied in practice in advisory services – in the branches and online. Commerzbank has therefore discontinued products and business areas that no longer fit the performance promise and has introduced new products and services. In the private customer business, these include free current and business accounts with satisfaction guarantees, independent retail mortgage financing and free 30-day trials for consumer loans.

Given the pivotal role that the Mittelstand plays in employment and the economy, we have a particular responsibility as the leading Mittelstandsbank in Germany. Fairness and competence, and the customer satisfaction that derives from these, are guiding principles here every bit as much as in private customer business. This means, for example, that we avoid particularly risky investment opportunities when acting on our customers' behalf. It also means that we support our customers in their financial management, leaving them free to concentrate fully on operating their business. In this way, we use the means at our disposal to protect them against risks and help them at times of crisis.

Another area of activity is the promotion of renewable energies. This has been pursued for over 25 years, with the Mittelstandsbank taking entrepreneurial responsibility. Via its Renewable Energies Centre of Competence (CoC RE), Commerzbank is one of the world's largest funders of renewable energies. Alongside support for companies working in this sector, the core business of the CoC RE encompasses in particular funding for wind farms and solar parks (non-recourse project financing) in Germany and abroad, operated by institutional investors, municipal utilities, energy groups or private investors. For large-scale infrastructure projects, we offer institutional investors such as insurance companies and pension funds the opportunity to participate in financing via portfolio or individual transaction models. One such innovative model is the Green Loan Fund platform, which was introduced in 2013 with a volume of €87m and is earmarked for future expansion. Our commitment to renewable energy was a major factor in Commerzbank securing its first-ever ranking in Bloomberg's top 20 of the World's Greenest Banks in 2013.

Environment

As climate change advances and energy costs rise, it is becoming ever-more important to take responsibility for protecting the climate and resources. Commerzbank has committed to working towards becoming as close to climate-neutral as possible over the long term. With this in mind, we reformulated our climate target again at the start of 2013, making it significantly more challenging. The original target was for a 30% reduction in CO_2 emissions across the Group between the 2007 base and 2011. We achieved this ahead of schedule and had far exceeded it by the end of 2012, with a CO_2 reduction of 57%. The gradual switchover to environmentally friendly electricity made a major contribution to this.

Since 1 January 2013, Commerzbank Aktiengesellschaft's 1,300 or so buildings in Germany have been supplied exclusively with green electricity. Our new target is to cut our total greenhouse gas emissions by 70% versus 2007 levels by 2020. The climate target and associated measures constitute the operational side of Commerzbank's climate strategy. Other elements are aimed at gearing the core business even more towards sustainability and developing more products and services relevant to climate protection. We also want to raise awareness of the issue of climate change and encourage our employees, customers and the general public – wherever possible – to actively engage in climate protection.

Society

Commerzbank once again lived up to its social responsibility in 2013 through an extensive programme of foundation and charity activities and various other initiatives. At the heart of our activities is the ambition to make a measurable contribution to greater educational equality in Germany. With the new educational mentoring programme which was launched in 2013, Commerzbank is setting new standards in supporting young people in need of extra assistance in making the transition from school to work. Commerzbank supports its employees in their voluntary involvement with this and other initiatives: for the second Malteser Social Day Week in 2013, we released around 500 employees across Germany to take part in a total of 46 social projects in 18 locations nationwide. A new intranet platform also helps make connections between employees who would like to volunteer their time or are looking for support on voluntary projects. We also continued our programme of environmental internships in 2013. Through this project, which has been recognised by UNESCO under the latter's Decade of Education for Sustainable Development, Commerzbank has been supporting national parks, country parks and biosphere reserves in Germany for almost 25 years.

Our employees

Through their commitment and skills, our employees play a crucial role in successfully implementing Commerzbank's strategic agenda for the period to 2016. They advise our customers locally, provide support to their businesses around the world, create innovative products and services and ensure that operations run professionally and seamlessly. In short, motivated employees with the right qualifications in the right roles safeguard Commerzbank's long-term economic success. Because our HR approach takes account of the different phases of life, we create the best possible environment for employees to develop and skill up, and to achieve an even better balance between their private and professional interests. At the same time, we cultivate an appreciative and performance-oriented corporate culture that shapes how we relate to our customers, investors and business partners.

The number of employees at Commerzbank Aktiengesellschaft decreased by 1,799 (4.3%) year-on-year to 39,579 as at 31 December 2013.

Creating prospects: Commerzbank Academy and new appointment process

In summer 2013, Commerzbank started its "Creating prospects" initiative. Its purpose is to connect and improve all processes and offers relating to personnel development, training and appointments throughout the Bank in a consistent way. We aim to give our employees prospects through systematic life-long learning. For example, our employees have the opportunity to play an even more active role in shaping their future career in the Commerzbank Group and take control of their own development, in conjunction with their line manager. The first step was bringing all Commerzbank's training and development offers under the umbrella of Commerzbank Academy. The Academy offers access to some 1,500 training measures, covering the entire spectrum from basic knowledge for entrants to highly specialised offers for staff in all disciplines. The reporting year also saw us complete Commerzbank's career model. In addition to management and project careers, we offer the more than 30,000 specialists clearly defined development opportunities in their discipline. Another measure is the new appointment process, which contains two significant innovations. We have introduced a modern and powerful job portal, called Jonas, which every staff member and external applicant can use to quickly and simply find out about job descriptions and vacancies and submit applications. We also engage recruitment specialists to accompany and advise managers through the process from publication of the vacancy to the signing of the contract.

Actively recruiting young talent remains a priority

Commerzbank continued to invest in the recruitment of young talent in 2013. In schools, it has continued strategic cooperations with the START Foundation, which offers young people from immigrant backgrounds the chance to go on to higher education, and the "Joblinge" scheme. It is also pursuing its target school programme throughout Germany. Through "business@school", it has positioned itself in the schoolchildren target group, awarding an inaugural service prize, and with more than 40 advisors is one of the largest cooperation partners. Schoolchildren can gain an insight into day-to-day work by logging on to the interactive platform www.probier-dich-aus.de. In the academic sector, the success of Commerzbank's "Management meets Campus" has continued, and this university marketing concept now operates in 34 universities in Germany and elsewhere in Europe. Schoolchildren and students can also find important information about joining Commerzbank on the social media platforms of "Commerzbank Career".

Diversity within the Bank: active networks and the first Diversity Day

We are strengthening diversity within the Bank by supporting forums for exchanging experiences, such as the Bank's employee networks, which were the focus of Commerzbank's first Diversity Day in November 2013. Various networks – Arco (gay, bisexual and transsexual), Cross Culture (intercultural), Courage (women's network), Focus on Fathers, Horizont (dealing with the issue of burnout), Kulturwerk (culture) and the future Pflege (care) network – organised workshops and informed participants about their activities and mission via presentations, discussions and practical exercises. The day also featured other events such as a fair at which the Global Diversity Management team within Group Human Resources, the works council and individual segments presented their activities.

Promoting women in management positions: many things have changed

A great deal has been achieved since the "Women in management positions" project was launched four years ago. By the end of 2013, around 27% of management positions throughout the Group were occupied by women. Participation rates in selection processes for management positions have risen to a high level. Measures such as "Career days" and "Mentoring" have established themselves with great success. Some 560 mentees of both sexes took part in the second wave of the mentoring programme in 2013. The 30% quota of women on the Supervisory Board has already been reached. Promoting women in management positions also serves the purpose of helping staff combine family and career more easily. We are constantly expanding our already extensive offering of crèche and kindergarten places. In 2013, the third primary school year group started receiving after-school care in Frankfurt am Main. An evaluation conducted during the year showed that this can ease the burden on families and increase staff loyalty.

Caring for family members

In addition to childcare, demographic change means that caring for family members is becoming increasingly important. As part of a pilot project, Commerzbank is the first company in Germany to offer emergency care, daycare and a "care check-up" to employees with family members in need of care. The check-up involves doctors running tests and checking things like medication. The service, which is offered in conjunction with project partners PME-Familienservice and Agaplesion Group, was launched on 1 April 2013 at the head office in Frankfurt, with the Bank bearing the administrative costs. Employees are also paid a subsidy if their family members use the daycare facilities. This offering makes us a pioneer among Germany companies. We were also one of the first signatories to the Hessen Care Charter, a clear indication that we are making a conscious effort to rise to the challenges of demographic change.

Health management now certified by TÜV

At Commerzbank, we place particular value on promoting the health of our employees, who enjoy a broad range of services from corporate sport to the Employee Assistance Programme. This is one of the ways we can help them to stay capable and motivated and to feel comfortable in their place of work. Commerzbank has four areas of focus within its diverse range of services: nutrition, movement, prevention of addictions and stress management. In February 2013, our occupational health management service became the first such programme of a company in Germany to receive certification from TÜV-Süd. This is recognition of the Bank's systematic and sustainable approach to maintaining the health of its employees.

Advanced remuneration and other benefits

Commerzbank's remuneration and benefits package is particularly broad. As part of total remuneration, we offer our employees an extensive range of corporate benefits. This includes pension provision, employee recognition, mobility, technology and risk insurance. For example, we lease high-value IT equipment for private use at attractive rates. The Bank deducts the leasing instalments directly from the employee's gross salary. Commerzbank is the first DAX company to offer IT leasing for private use.

Staff-oriented corporate governance

Commerzbank Monitor 2013 is an internal survey of employees' commitment and their views on important topical issues affecting the Bank. Part of our open and respectful corporate culture, it is conducted at regular intervals. Some 27,000 employees took part in the year under review. The focus of the survey was "employee commitment". Since the last survey in 2011, this had risen by four points to 66, which is close to the sector average of 69. In the Private Customers segment the score was up to 71 points, which is a particularly positive development. Participation was up sharply on 2011, by 10 percentage points to 68%. Managers and employees base follow-up actions in their areas on the results. We also count on the involvement of our employees in the company's operations with WikIdee, an online platform where suggestions for improvement are submitted and discussed. A total of 3,655 ideas were presented in 2013. In March 2013, WikIdee was awarded "Best ideas management 2013" in the banking and insurance sector by Zentrum Ideenmanagement of Deutsches Institut für Ideen- und Innovationsmanagement. In December, Commerzbank's ideas platform received the Excellence Award from the specialist magazine Human Resources Manager.

Constructive committee negotiations

In June 2013, Commerzbank and employee representatives reached an agreement on implementing the strategic agenda for the period to 2016. The core objective was to adapt the business model, organisation and cost structure to the changed market conditions and customer requirements. The agreements with the employee representatives covered operational changes and the related human resources tools. All parties wish to avoid compulsory redundancies where possible. To this end, a range of measures has been developed to achieve the required job cuts in a socially responsible manner. Since September 2013, for example, HR-MOVE-Center has been providing employees at Commerzbank AG in Germany who are willing to change with advice on new career paths. The objective is to work with the employee to find a suitable solution within the Bank or, where necessary, to show them external opportunities for new careers, with the help of a specialist new placement advisory service. In addition to this, the "Creating prospects" initiative is helping employees to make better use of the opportunities in the internal job market. We also provide employees throughout the Bank with new prospects by means of the overarching training programmes and transparent development paths offered by Commerzbank Academy.

Remuneration

As a result of the increased significance arising from greater regulatory requirements, employee remuneration is disclosed in the form of a separate report. This is published on the Commerzbank website www.commerzbank.de every year.

Remuneration Report

This report follows the recommendations of the German Corporate Governance Code and complies with the requirements of the German Commercial Code (HGB).

Board of Managing Directors

Main features of the remuneration system

The remuneration system includes a fixed basic annual salary plus variable remuneration components in the form of a Short Term Incentive (STI) and a Long Term Incentive (LTI). The Annual General Meeting in 2010 approved the main features of variable remuneration and the fixed basic annual salary of members of the Board of Managing Directors pursuant to Art. 120 (4) of the German Stock Corporation Act (AktG).

In August 2011, the Supervisory Board resolved to amend this system to meet the requirements of the Banking Remuneration Regulation (Instituts-Vergütungsverordnung). The amendment was subsequently implemented at a contractual level. In addition, at the end of 2011, the Supervisory Board decided to change the pension arrangements for the members of the Board of Managing Directors to a contribution-based defined benefit scheme, with retrospective effect from 1 January 2011.

Fixed remuneration components (fixed basic annual salary)

The fixed remuneration components include the basic annual salary and non-monetary elements.

The fixed basic annual salary, which is paid in equal monthly amounts, is €750,000[1]. The appropriateness of the fixed basic annual salary is checked at regular two-year intervals.

The non-monetary elements mainly consist of the use of a company car with driver, security measures and insurance contributions (accident insurance), as well as tax and social security contributions thereon.

Performance-related remuneration (variable remuneration)

The remuneration system includes performance-related variable remuneration components in the form of a Short Term Incentive worth €400,000 in total and a Long Term Incentive worth €600,000 in total per member. The target value of the variable remuneration components for a member of the Board of Managing Directors therefore totals €1m. The maximum goal achievement is 200%, which totals €800,000 for the Short Term Incentive and €1,200,000 for the Long Term Incentive[2]. The minimum total value is €0 in each case.

[1] The fixed basic annual salary for the Chairman of the Board of Managing Directors is €1,312,500, which is 1.75 times the amount specified.
[2] The target values for the Chairman of the Board of Managing Directors are 1.75 times the amounts specified.

Short Term Incentive (STI) The STI runs for one year. It consists of two equally weighted components: one linked to the STI performance component and one based on the economic value added (EVA)[1]. Entitlement to receive a payment for the STI is suspended pending the approval of the annual financial statements for the year in question and confirmation of the achievement of the STI goals for the member of the Board of Managing Directors by the Supervisory Board. Thereafter, 50% of the STI payments fall due and are payable in cash, with the remaining 50% payable in Commerzbank shares (or a cash sum based on the value of the shares) at the end of a further 12-month waiting period. The overall STI target is €400,000, and the targets for the individual components are €200,000 each. Goal achievement can in principle vary between 0% and 200%.

› **STI EVA component** For the STI EVA component, the Supervisory Board sets a target amount for the Group EVA after tax prior to the beginning of the financial year; this amount corresponds to a goal achievement of 100%. It also stipulates the EVA values which correspond to goal achievement of 0% and 200%. As a rule, investors' capital is incorporated into the basis for calculating EVA.

› **STI performance component** The individual performance of each member of the Board of Managing Directors is assessed from an overall perspective using criteria determined by the Supervisory Board prior to the beginning of the financial year in question.

Long Term Incentive (LTI) The LTI runs for four years. It consists of two equally weighted components: one linked to economic value added (EVA) (the LTI EVA component) and the other based on stock performance (the LTI equity component). Entitlement to receive a payment for the LTI is suspended pending the approval of the annual financial statements for the last year of the four-year term of the LTI in question and confirmation of the achievement of the LTI goals by the Supervisory Board. Thereafter, 50% of the LTI payments fall due and are payable in cash, with the remaining 50% payable in Commerzbank shares (or a cash sum based on the value of the shares) at the end of a further 12-month waiting period. The overall LTI target is €600,000, and the targets for the individual components are €300,000 each. Goal achievement can range between 0% and 200%; each of the two components can therefore range between €0 and €600,000. The provisional LTI payout sum of both LTI components will be increased or reduced by half the percentage by which the goals for the STI performance component are over- or underachieved in the first year of the four-year LTI term (goal achievement = 100%). This adjustment cannot exceed +/-20% of the target for the LTI component in question. A prerequisite for the LTI is that the individual member of the Board of Managing Directors makes a long-term personal investment in Commerzbank shares of €350,000. Up until the personal investment target has been reached, 50% of net payments from the LTI must be invested in Commerzbank shares.

› **LTI equity component** The provisional payout sum of the LTI equity component is calculated based firstly on the relative total shareholder return (TSR) performance of Commerzbank (compared with the TSR performance of other banks in the Dow Jones EURO STOXX Banks Index) and secondly on the absolute price performance of Commerzbank shares. Prior to the commencement of the LTI term, the Supervisory Board specifies the number of Commerzbank shares that the member of the Board of Managing Directors will receive upon 100% goal achievement following the end of the four-year LTI term. The Board also defines which TSR-related ranking of Commerzbank (compared with the other relevant banks) corresponds to which goal achievements. The relative TSR performance thus determines the number of virtually assigned shares; their value is determined by the absolute price performance of Commerzbank during the LTI term.

› **LTI EVA component** The target figures of the EVA-based LTI component are set by the Supervisory Board in advance for the entire LTI term and may differ for the individual years over the term. The Supervisory Board also determines which EVA amounts correspond to which goal achievements. The goal achievement is set each year during the four-year LTI term; as a rule, the goal achievement for the individual years can lie between -100% and +200%. After the end of the four-year LTI term, the Supervisory Board determines average goal achievement, which can range between 0% and 200%, and the resulting provisional payout sum.

In the event of exceptional developments that may have a considerable impact on the achievability of the STI or LTI target figures, the Supervisory Board can neutralise any positive or negative impact by adjusting the targets.

Remuneration of the Chairman of the Board of Managing Directors

The fixed basic annual salary and the target figures for the variable remuneration components for the Chairman of the Board of Managing Directors are set at 1.75 times the amounts specified for members of the Board.

Remuneration for serving on the boards of affiliated companies

The remuneration accruing to an individual member of the Board of Managing Directors from serving on the boards of affiliated companies counts towards the total remuneration paid to that member of the Board of Managing Directors. Any offsetting takes place on the designated payment date following the Annual General Meeting that approves the financial statements for the finan-

[1] EVA is the consolidated surplus after tax and non-controlling interests less the Bank's capital costs (product of investors' capital excluding minority interests and capital cost rate after tax).

cial year in which the member of the Board of Managing Directors received payments arising from Group mandates.

Partial waiver by members of the Board of Managing Directors relating to requirements applicable from 2014

With regard to the legal requirements applicable from 1 January 2014, the members of the Board of Managing Directors have waived their variable remuneration for 2014 where this exceeds a ratio of fixed to variable remuneration of 1:1.

Pensions

The occupational pension scheme adopted in 2011 by the Supervisory Board for members of the Board of Managing Directors contains a contribution-based defined benefit.

Each member of the Bank's Board of Managing Directors receives a credit of a pension module to their pension account every year until the end of their appointment as such. The pension module for a calendar year is calculated by converting the relevant annual contribution into an entitlement to a retirement, disability and surviving dependants' pension. When the new remuneration system was introduced in 2010, the level of pension benefits was not adjusted. When the new pension scheme was introduced in 2011, the initial module and the pension modules were set so as to achieve equivalence to the commitments previously made to the members of the Board of Managing Directors.

Specifically, the member of the Board of Managing Directors is entitled to receive pension benefits in the form of a life-long pension when one of the following pensions is due:

- a retirement pension if employment ends on or after the Board member reaches the age of 65, or
- an early retirement pension if employment ends on or after the Board member reaches the age of 62, or after the Board member has served at least 10 years on the Board of Managing Directors and has reached the age of 58, or has served at least 15 years on the Board of Managing Directors, or
- a disability pension if the Board member is permanently unable to work.

If a member of the Board of Managing Directors leaves the Bank before the pension benefits become due, any entitlement to vested benefits that they have already accrued is retained.

The monthly amount of the retirement pension is calculated as a twelfth of the amount in the pension account when the pension benefits start.

When calculating the early retirement pension, the pension will be reduced to reflect the fact that the payments are starting earlier.

If the disability pension is taken before the age of 55, the monthly amount is supplemented by an additional amount.

If they retire after reaching the age of 62, members of the Board of Managing Directors can elect to receive a lump-sum payment or nine annual instalments instead of an ongoing pension. In this case, the amount paid out is calculated using a capitalisation rate based on the age of the Board member.

Instead of their pension, members of the Board of Managing Directors will continue to receive their pro-rata basic salary for six months as a form of transitional pay if they leave the Board on or after celebrating their 62nd birthday or they are permanently unable to work. If a member of the Board receives an early retirement pension before reaching the age of 62, half of any income received from other activities will be set off against the pension entitlements until this age is reached.

As under the previous scheme, the widow's pension amounts to 66 2/3% of the pension entitlement of the member of the Board of Managing Directors. If no widow's pension is paid, minors or children still in full-time education are entitled to an orphan's pension amounting to 25% each of the pension entitlement of the member of the Board of Managing Directors, subject to a maximum overall limit of the widow's pension.

Rules for Board members who were appointed after the new provisions Pension provision for newly appointed members of the Board of Managing Directors was defined according to the Commerzbank capital plan for company pension benefits and approved by the Supervisory Board on 2 December 2011. Under this agreement, a retirement pension in the form of a capital payment is paid out if the member of the Board of Managing Directors leaves the Bank:

- on or after reaching the age of 65 (retirement capital), or
- on or after reaching the age of 62 (early retirement capital), or
- is permanently unable to work before their 62nd birthday.

If a member of the Board of Managing Directors leaves the Bank before any of these pension benefits become due, their entitlement to vested benefits is retained.

For each calendar year during the current employment relationship until pension benefits start to be paid out, each member of the Board of Managing Directors is credited an annual module equating to 40% of the fixed basic annual salary (annual contribution), multiplied by an age-dependent conversion factor. Until the member of the Board of Managing Directors leaves, the annual modules are managed in a pension account. Upon reaching their 61st birthday, an additional 2.5% of the amount in the pension account at 31 December of the previous year is credited to the member of the Board of Managing Directors on an annual basis until the pension benefits start to be paid out.

A portion of the annual contribution – determined by the age of the member of the Board of Managing Directors – is placed in investment funds and maintained in a virtual custody account.

The retirement capital or the early retirement capital will correspond to the amount in the virtual custody account or the amount in the pension account when the pension benefits start to be paid out, whichever is higher.

For the first two months after the pension benefits become due, the member of the Board of Managing Directors will receive transitional pay of one twelfth of their fixed basic annual salary per month.

If a member of the Board of Managing Directors dies before the pension benefits become due, their dependants are entitled to receive the dependants' capital, which corresponds to the amount in the virtual custody account on the value date or the sum of the amount in the pension account and any additional amount, whichever is higher. An additional amount is payable if, at the time when pension benefits became due through inability to work or at the time of death, the Board member had served at least five consecutive years on the Bank's Board of Managing Directors and had not yet reached their 55th birthday.

The following table shows for active members of the Board of Directors the annual pension entitlements at pensionable age of 62 on 31 December 2013, the actuarial net present values on 31 December 2013, the interest rate-adjusted changes in the settlement amounts for 2013, and comparable amounts for the previous year:

€1.000		Pension entitlements projected annual pension at pensionable age of 62 As at 31.12.	Cash values of pension entitlements As at 31.12.	Interest rate-adjusted changes in the settlement amount
Martin Blessing	2013	269	3,704	144
	2012	240	3,265	269
Frank Annuscheit	2013	133	1,766	232
	2012	107	1,403	300
Markus Beumer	2013	124	1,557	207
	2012	99	1,231	301
Stephan Engels	2013	40[1]	540	285
	2012	18[1]	242	242[2]
Jochen Klösges	2013	109	1,135	53
	2012	83	989	317
Michael Reuther	2013	165	2,532	255
	2012	140	2,098	297
Dr. Stefan Schmittmann	2013	169	2,662	414
	2012	135	2,076	549
Ulrich Sieber	2013	105	1,050	36
	2012	79	927	306
Martin Zielke	2013	97	1,209	330
	2012	67	798	400
Total	**2013**		**16,155**	**1,956**
	2012		**13,029**	**2,981**

[1] Capital sum annuitised.
[2] Pro-rata for nine months.

The assets backing these pension obligations have been transferred under a contractual trust arrangement to Commerzbank Pension-Trust e.V. These pension assets covered the majority of Commerzbank Aktiengesellschaft's pension obligations to the members of its Board of Managing directors as at 31 December 2013, so that in numerical terms only an insignificant portion of the provisions formed for pension obligations relates to current members of the Board.

As at 31 December 2013, pension obligations for current members of the Commerzbank Aktiengesellschaft Board of Managing Directors on the reporting date amounted to a total of €16m (previous year: €13m; see table detailing individual entitlements) before offsetting pension assets.

Rules for termination of office

If the term of office of a member of the Board of Managing Directors is effectively terminated, the following applies:

If appointment to the Board of Managing Directors ends prematurely, the employment contract usually expires six months after the Board member's appointment ends (linking clause). In this case, the Board member continues to receive the fixed basic annual salary, STIs and LTIs – subject to Art. 615 (2) of the German Civil Code (offsetting of remuneration otherwise acquired) – until the end of the original term of office.

If, in the case of premature termination of appointment to the Board of Managing Directors, the contract of employment ends for reasons other than the linking clause described above, the fixed basic annual salary will continue to be paid – on a pro-rata basis where applicable – until the end of the contract of employment. The STIs and LTIs awarded for financial years prior to the termination of the contract of employment remain unaffected. The STI and LTI payments for the final year in office are reduced on a pro-rata basis where applicable.

If the contract of employment is not extended upon expiry of the current term of office, without there being good cause in accordance with Art. 626 of the German Civil Code, or if the contract of employment ends as a result of a linking clause as described above, the Board member will continue to receive his or her fixed basic salary for a period of six months after the end of the original term of office. This payment ceases as soon as the Board member starts to receive pension payments.

In all these cases, the specified payments for the time after the effective termination of the term of office may not exceed two years' annual remuneration[1] (cap).

If the Bank terminates the term of office prematurely or does not extend the appointment at the end of the term of office due to circumstances that fulfil the requirements of Art. 626 of the German Civil Code, entitlement to STIs and LTIs awarded for the financial year in which the term of office was terminated will be forfeited without compensation and no further STIs and LTIs will be awarded if the employment contract ends at any later date.

Other

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

Commerzbank capital measures in 2013

The capital measures carried out by Commerzbank in April/May 2013 (reverse stock split through the merger of shares in a 10:1 ratio and subsequent capital increase) impacted the share-based STI remuneration that had not yet been paid for 2012 and the share-based LTI remuneration for 2012 and 2013. Due to the reverse stock split, the number of (virtual) shares was reduced to 10% of the original number. To take account of the subsequent capital increase, the subscription rights on the number of shares calculated in this way were also settled in the form of additional (virtual) shares.

Summary

Remuneration of the individual members of the Board of Managing Directors for 2013, along with the comparative figures from 2012, is shown in the following table.

The table shows the amounts under DRS 17, which specifies the requirements with regard to reporting the remuneration of the Board of Managing Directors. Under DRS 17, share-based amounts or amounts settled in STI and LTI shares must be shown at their original value at the time they were granted at the beginning of 2013, regardless of their actual change in value. They therefore reflect the remuneration for the goal achievement expected at this point in time, which for "EVA-related STI and LTI components" with settlement in shares is based on the multi-year planning for 2013-2016. All other share-based components or components with settlement in shares reflect remuneration at 100% goal achievement. With respect to these components, the table accordingly shows theoretical values or payments, which can vary considerably from the actual benefits. As part of his special responsibility as Chairman of the Board of Managing Directors, Martin Blessing informed the Supervisory Board that he would forego his entitlement to performance-related variable remuneration for 2013.

[1] The cap is calculated with reference to the remuneration for the last financial year ending before the term of office was terminated.

Remuneration of the individual members of the Board of Managing Directors for 2013 and in comparison with 2012

		Fixed components				Performance-related components with short-term incentive (STI)			
€1,000		Basic salary	Remuneration for serving as a director[2]	Offsetting of payments arising from Group mandates in the following year[2]	Other[3]	Variable remuneration in cash[4]: dependent on EVA target achievement	Variable remuneration in cash[4]: dependent on achievement of individual targets	Variable remuneration with settlement in shares[5]: dependent on EVA target achievement	Variable remuneration with settlement in shares[5]: dependent on achievement of individual targets
Martin Blessing	2013	1,313	–	–	68	–	–	–	–
	2012	1,313	–	–	79	–	–	–	–
Frank Annuscheit	2013	750	–	–	50	32	120	22	100
	2012	750	–	–	47	–	50	–	100
Markus Beumer	2013	750	–	–	40	32	100	22	100
	2012	750	–	–	39	–	65	–	100
Stephan Engels	2013	750	41	−41	66	32	100	22	100
	2012[1]	563	32	−32	1,515	–	41	–	75
Jochen Klösges	2013	750	–	–	36	32	113	22	100
	2012	750	–	–	36	–	40	–	100
Michael Reuther	2013	750	–	–	71	32	120	22	100
	2012	750	–	–	69	–	50	–	100
Dr. Stefan Schmittmann	2013	750	–	–	50	32	110	22	100
	2012	750	–	–	49	–	45	–	100
Ulrich Sieber	2013	750	36	−36	54	32	113	22	100
	2012	750	50	−50	59	–	50	–	100
Dr. Eric Strutz	2013	–	–	–	–	–	–	–	–
	2012[1]	187	10	−10	15	–	13	–	25
Martin Zielke	2013	750	–	–	59	32	130	22	100
	2012	750	–	–	62	–	45	–	100
Total	**2013**	**7,313**	**77**	**−77**	**494**	**256**	**906**	**176**	**800**
	2012	**7,313**	**92**	**−92**	**1,970**	**–**	**399**	**–**	**800**

[1] Pro rata temporis from the date of appointment or up to the date of departure from the Board.
[2] The remuneration accruing to an individual member of the Board of Managing Directors arising from Group mandates are netted against the total remuneration paid to that member of the Board of Managing Directors in the following year.
[3] The heading "Other" includes non-monetary benefits granted in the year under review, tax due on non-monetary benefits and employer contributions to the BVV occupational retirement fund. In the previous year, this also showed the compensation paid to Mr Engels for the loss of his phantom Daimler shares as a result of moving to Commerzbank Aktiengesellschaft (€1,266,000).
[4] Payable in the subsequent year upon approval of the annual financial statements for the financial year just ended. "EVA target achievement" describes the level of achievement of an economic value added target set by the Supervisory Board for the Commerzbank Group before the start of the financial year. As a rule, investors' capital is incorporated into the basis for calculating EVA.
[5] Variable remuneration settled in shares and share-based payments settled in cash are initially calculated as provisional payout sums. Other than in the case of cash settlement, the number of shares to be granted is then calculated by dividing this by a future average share price. Under DRS 17, these remuneration components are presented irrespective of their actual performance at the target achievement originally expected when they were granted at the beginning of 2013.

€1,000		Performance-related components with long-term incentive (LTI): Variable remuneration in cash[6]	Variable remuneration[5]: Cash-settled share-based remuneration	With settlement in shares		Total remuneration under DRS 17[7]
		dependent on EVA target achievement in the four-year period	dependent on share price and TSR performance in the four-year period	dependent on EVA target achievement in the four-year period	dependent on share price and TSR performance in the four-year period	
Martin Blessing	2013	–	–	–	–	**1,381**
	2012	–	–	–	–	**1,392**
Frank Annuscheit	2013	–	150	118	150	**1,492**
	2012	–	150	–	150	**1,247**
Markus Beumer	2013	–	150	118	150	**1,462**
	2012	–	150	–	150	**1,254**
Stephan Engels	2013	–	150	118	150	**1,488**
	2012[1]	–	113	–	113	**2,420**
Jochen Klösges	2013	–	150	118	150	**1,471**
	2012	–	150	–	150	**1,226**
Michael Reuther	2013	–	150	118	150	**1,513**
	2012	–	150	–	150	**1,269**
Dr. Stefan Schmittmann	2013	–	150	118	150	**1,482**
	2012	–	150	–	150	**1,244**
Ulrich Sieber	2013	–	150	118	150	**1,489**
	2012	–	150	–	150	**1,259**
Dr. Eric Strutz	2013	–	–	–	–	**–**
	2012[1]	–	37	–	37	**314**
Martin Zielke	2013	–	150	118	150	**1,511**
	2012	–	150	–	150	**1,257**
Total	**2013**	**–**	**1,200**	**944**	**1,200**	**13,289**
	2012	**–**	**1,200**	**–**	**1,200**	**12,882**

[6] The payments depend in particular on how economic value added (EVA) performs over a four-year period and are made subject to approval of the annual financial statements for the final year of this four-year period in the subsequent year; e.g. for financial year 2013 and the four-year period 2013-2016, this will take place in 2017.
The possible payout ranges for financial year 2013 are between €0 and €300,000 for a member of the Board of Managing Directors and between €0 and €525,000 for the Chairman of the Board of Managing Directors. In reality, no payments will be made to Mr Blessing as he has waived his entitlement for financial year 2013.
As a consequence of the limiting of Board of Managing Directors' remuneration in 2010 and 2011 and the waiving by members of the Board of Managing Directors of their entitlement to EVA-based components for financial year 2012, no payments in respect of these components will be made before 2017.
[7] Total payments pursuant to DRS 17 include share-based remuneration components and remuneration components settled in shares in the event that the target achievement expected at the time of grant materialises. By contrast, total payments pursuant to DRS 17 do not include possible long-term variable remuneration paid in cash, only actual payments received (see footnote 6).

The appointments of Mr Klösges and Mr Sieber as members of the Board of Managing Directors ended on 31 December 2013. They both qualify for the payments described in the paragraph "Rules for termination of office" after the termination of their roles.

Loans to members of the Board of Managing Directors

Members of the Board of Managing Directors have been granted cash advances and loans with terms ranging from on demand to a due date of 2042 and at interest rates ranging between 2.1% and 5.5%, and for amounts overdrawn in certain cases up to 11.9%. Loans are secured on a normal market basis, if necessary through land charges and rights of lien.

As at the reporting date, the aggregate amount of loans granted to members of the Board of Managing Directors was €3,822,000 compared with €4,008,000 in the previous year. With the exception of rental guarantees, Commerzbank Aktiengesellschaft did not enter into any contingent liabilities in favour of members of the Board of Managing Directors in the year under review.

Supervisory Board

Principles of the remuneration system and remuneration for financial year 2013

The remuneration of the Supervisory Board is regulated in Art. 15 of the Articles of Association; the current version was approved by the AGM on 16 May 2007. This grants members of the Supervisory Board basic remuneration for each financial year, in addition to compensation for out-of-pocket expenses, comprising:

- fixed remuneration of €40,000 per year and
- a variable bonus of €3,000 per year for each €0.05 of dividend in excess of a dividend of €0.10 per share distributed to shareholders for the financial year just ended.

The Chairman receives triple and the Deputy Chairman double the aforementioned basic remuneration. For membership of a committee of the Supervisory Board, which meets at least twice in any calendar year, the committee chairman receives additional remuneration in the amount of the basic remuneration and each committee member in the amount of half the basic remuneration; this additional remuneration is paid for a maximum of three committee appointments. In addition, each member of the Supervisory Board receives an attendance fee of €1,500 for every meeting of the Supervisory Board or one of its committees. The fixed remuneration and attendance fees are payable at the end of each financial year and the variable remuneration after the Annual General Meeting that passes a resolution approving the actions of the Supervisory Board for the financial year concerned. The value added tax payable on the remuneration is reimbursed by the Bank.

As Commerzbank will not pay a dividend in 2013, variable remuneration is not payable for financial year 2013. The members of the Supervisory Board therefore received total net remuneration of €1,686,000 for financial year 2013 (previous year: €1,640,000). Of this figure, the basic remuneration and remuneration for serving on committees amounted to €1,290,000 (previous year: €1,251,000) and attendance fees to €396,000 (previous year: €389,000). The value added tax (currently 19%) payable on the remuneration of the members of the Supervisory Board resident in Germany is reimbursed by Commerzbank Aktiengesellschaft.

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

€1,000		Fixed remuneration	Variable remuneration	Attendance fee	Total
Klaus-Peter Müller	2013	200.0	–	36.0	236.0
	2012	200.0	–	37.5	237.5
Uwe Tschäge	2013	100.0	–	24.0	124.0
	2012	100.0	–	27.0	127.0
Hans-Hermann Altenschmidt	2013	80.0	–	34.5	114.5
	2012	80.0	–	36.0	116.0
Dott. Sergio Balbinot (until 23 May 2012)[1]	2013	–	–	–	–
	2012	–	–	–	–
Dr.-Ing. Burckhard Bergmann (until 19 April 2013	2013	12.0	–	4.5	16.5
	2012	40.0	–	13.5	53.5
Dr. Nikolaus von Bomhard	2013	40.0	–	13.5	53.5
	2012	40.0	–	12.0	52.0
Karin van Brummelen (until 19 April 2013)	2013	18.0	–	10.5	28.5
	2012	60.0	–	25.5	85.5
Gunnar de Buhr (since 19 April 2013)	2013	42.0	–	13.5	55.5
	2012	–	–	–	–
Stefan Burghardt (since 19 April 2013)	2013	28.0	–	10.5	38.5
	2012	–	–	–	–
Karl-Heinz Flöther (since 19 April 2013)	2013	46.3	–	15.0	61.3
	2012	–	–	–	–
Uwe Foullong (until 19 April 2013)	2013	12.0	–	3.0	15.0
	2012	40.0	–	12.0	52.0
Daniel Hampel (until 19 April 2013)	2013	12.0	–	6.0	18.0
	2012	40.0	–	13.5	53.5
Dr.-Ing. Otto Happel (until 19 April 2013)	2013	12.0	–	1.5	13.5
	2012	60.0	–	13.5	73.5
Beate Hoffmann (until 19 April 2013)	2013	12.0	–	6.0	18.0
	2012	40.0	–	10.5	50.5
Prof. Dr.-Ing. Dr.-Ing. E. h. Hans-Peter Keitel	2013	60.0	–	16.5	76.5
	2012	60.0	–	22.5	82.5
Dr. Markus Kerber (until 19 April 2013)	2013	56.0	–	15.0	71.0
	2012	–	–	–	–
Alexandra Krieger	2013	40.0	–	15.0	55.0
	2012	40.0	–	13.5	53.5
Oliver Leiberich (since 19 April 2013)	2013	28.0	–	9.0	37.0
	2012	–	–	–	–
Dr. h. c. Edgar Meister (until 19 April 2013)	2013	24.0	–	12.0	36.0
	2012	80.0	–	33.0	113.0
Beate Mensch (since 19 April 2013)	2013	28.0	–	4.5	32.5
	2012	–	–	–	–
Prof. h. c. (CHN) Dr. rer. oec. Ulrich Middelmann (until 2 Juli 2013)	2013	30.2	–	13.5	43.7
	2012	60.0	–	22.5	82.5
Dr. Roger Müller (since 3 July 2013)	2013	19.8	–	7.5	27.3
	2012	–	–	–	–
Dr. Helmut Perlet	2013	100.0	–	25.5	125.5
	2012	100.0	–	28.5	128.5
Barbara Priester	2013	40.0	–	15.0	55.0
	2012	40.0	–	13.5	53.5

€1,000		Fixed remuneration	Variable remuneration	Attendance fee	Total
Mark Roach	2013	40.0	–	15.0	55.0
	2012	40.0	–	12.0	52.0
Petra Schadeberg-Herrmann (since 19 April 2013)	2013	42.0	–	10.5	52.5
	2012	–	–	–	–
Dr. Marcus Schenck (until 10 September 2013	2013	41.5	–	9.0	50.5
	2012	60.0	–	18.0	78.0
Margit Schoffer (since 19 April 2013)	2013	42.0	–	13.5	55.5
	2012	–	–	–	–
Astrid Schubert (formerly Evers; until 19 April 2013)	2013	12.0	–	6.0	18.0
	2012	40.0	–	13.5	53.5
Dr. Gertrude Tumpel-Gugerell (since 1 June 2012)	2013	60.0	–	25.5	85.5
	2012	31.3	–	10.5	41.8
Solms U. Wittig (since 11 September 2013)	2013	12.2	–	4.5	16.7
	2012	–	–	–	–
Total	**2013**	**1,290.0**	**–**	**396.0**	**1,686.0**
	2012	**1,251.3**	**–**	**388.5**	**1,639.8**

[1] Dott. Balbinot renounced his remuneration in the 2011 and 2012 financial years.

Members of the Supervisory Board once again provided no advisory, intermediary or other personal services in 2013. Accordingly, no additional remuneration was paid.

Loans to members of the Supervisory Board

Members of the Supervisory Board have been granted loans with terms ranging from on demand up to a due date of 2047 and at interest rates ranging between 2.3% and 5.1%, and on amounts overdrawn in certain cases up to 11.9%. Collateral security is provided on normal market terms, if necessary through land charges or rights of lien.

As at the reporting date, the aggregate amount of loans granted to members of the Supervisory Board was €592,000; in the previous year, the figure was €605,000. Commerzbank Aktiengesellschaft did not enter into any contingent liabilities in favour of members of the Supervisory Board in the year under review.

Other details

D&O liability insurance

There is a Directors and Officers (D&O) liability insurance policy for members of the Board of Managing Directors and the Supervisory Board. The excess for members of the Supervisory Board and the Board of Managing Directors is set at 10% of the claim up to a maximum of 150% of the fixed annual remuneration for all insurance claims made within a single year.

Purchase and sale of the Company's shares

Under Art. 15 a of the German Securities Trading Act, transactions by executives of listed companies and their families must be disclosed and published. Accordingly, purchases and disposals of shares and financial instruments relating to Commerzbank to the value of €5,000 per annum and upwards must be reported immediately and for the duration of one month. The Bank applies this reporting requirement to the Board of Managing Directors and the Supervisory Board in line with BaFin's recommendations in the Guide for Issuers.

In 2013, members of Commerzbank's Board of Managing Directors (BMD) and Supervisory Board (SB) reported directors' dealings in Commerzbank shares or derivatives thereon:[1]

[1] The directors' dealings were published on Commerzbank's website under "Directors' Dealings" during the year under review.

Date	Disclosing party	Relation	Participant	Purchase/ Sale	Amount	Price €	Transaction volume I €
13.3.2013	Engels, Stephan		Member of BMD	Purchase	20,000.00	1.2950	25,900.00
14.3.2013	Blessing, Martin		Member of BMD	Purchase	100,000.00	1.2090	120,900.00
18.3.2013	Hampel, Daniel		Member of SB	Purchase	2,000.00	1.1890	2,378.00
19.3.2013	Klösges, Jochen		Member of BMD	Purchase	44,310.00	1.2180	53,969.58
26.3.2013	Blessing, Martin		Member of BMD	Purchase	100,000.00	1.1745	117,450.30
17.5.2013	Beumer, Markus		Member of BMD	Purchase[1]	0.75	2.8800	2.16
20.5.2013	Engels, Stephan		Member of BMD	Purchase[1]	2,200.00	3.3900	7,458.00
21.5.2013	Reuther, Michael		Member of BMD	Purchase[1]	100.00	3.3100	331.00
21.5.2013	Blessing, Martin		Member of BMD	Sale[1]	0.25	3.3100	0.83
21.5.2013	Burghardt, Stefan		Member of SB	Sale[1]	2.00	1.4700	2.94
22.5.2013	Annuscheit, Frank		Member of BMD	Purchase[1]	0.90	3.3200	2.99
22.5.2013	Annuscheit, Harriet for Frank Annuscheit	x	Member of BMD	Purchase[1]	0.60	3.3200	1.99
22.5.2013	Schoffer, Margit		Member of SB	Sale[1]	545.00	3.3200	1,809.40
22.5.2013	Klösges, Jochen		Member of BMD	Sale[1]	4,996.00	3.3200	16,586.72
22.5.2013	Müller, Klaus-Peter		Member of SB	Purchase[1]	0.10	3.3200	0.33
23.5.2013	Zielke, Martin		Member of BMD	Purchase[1]	0.30	3.2100	0.96
23.5.2013	Sieber, Ulrich		Member of BMD	Purchase[1]	0.85	3.2100	2.73
23.5.2013	Sulmana GmbH for Dr. Hans-Peter Keitel	x	Member of SB	Sale[1]	2,566.00	3.3100	8,493.46
24.5.2013	Flöther, Karl-Heinz		Member of SB	Sale[1]	0.05	2.7800	0.14
24.5.2013	Altenschmidt, Hans-Hermann		Member of SB	Sale[1]	953.60	2.7800	2,651.01
24.5.2013	Priester, Barbara		Member of SB	Sale[1]	51.00	2.7800	141.78
24.5.2013	Tschäge, Uwe		Member of SB	Sale[1]	279.00	2.7800	775.62
24.5.2013	Tschäge, Silke for Uwe Tschäge	x	Member of SB	Sale[1]	112.00	2.7800	311.36
28.5.2013	Annuscheit, Harriet for Frank Annuscheit	x	Member of BMD	Purchase[2]	32.00	4.5000	144.00
28.5.2013	Annuscheit, Frank		Member of BMD	Purchase[2]	2,518.00	4.5000	11,331.00
28.5.2013	Beumer, Markus		Member of BMD	Purchase[2]	1,715.00	4.5000	7,717.50
28.5.2013	Blessing, Martin		Member of BMD	Purchase[2]	37,775.00	4.5000	169,987.50
28.5.2013	Engels, Stephan		Member of BMD	Purchase[2]	4,000.00	4.5000	18,000.00
28.5.2013	Klösges, Jochen		Member of BMD	Purchase[2]	4,880.00	4.5000	21,960.00
28.5.2013	Reuther, Michael		Member of BMD	Purchase[2]	2,000.00	4.5000	9,000.00
28.5.2013	Sieber, Ulrich		Member of BMD	Purchase[2]	3,817.00	4.5000	17,176.50
28.5.2013	Zielke, Martin		Member of BMD	Purchase[2]	4,726.00	4.5000	21,267.00
28.5.2013	Altenschmidt, Hans-Hermann		Member of SB	Purchase[2]	608.00	4.5000	2,736.00
28.5.2013	Burghardt, Stefan		Member of SB	Purchase[2]	441.00	4.5000	1,984.50
28.5.2013	Leiberich, Oliver		Member of SB	Purchase[2]	720.00	4.5000	3,240.00
28.5.2013	Müller, Klaus-Peter		Member of SB	Purchase[2]	26,182.00	4.5000	117,819.00
28.5.2013	Flöther, Karl-Heinz		Member of SB	Purchase[2]	7,619.00	4.5000	34,285.50
7.6.2013	Flöther, Karl-Heinz		Member of SB	Purchase	10,000.00	7.6370	76,370.00
8.8.2013	de Buhr, Gunnar		Member of SB	Purchase	500.00	7.4790	3,739.50
14.8.2013	Engels, Stephan		Member of BMD	Purchase	2,500.00	7.9830	19,957.50
11.11.2013	Engels, Stephan		Member of BMD	Purchase	2,500.00	10.3950	25,987.50
13.12.2013	Burghardt, Stefan		Member of SB	Sale	134.00	10.8000	1,447.20
16.12.2013	Burghardt, Stefan		Member of SB	Purchase	500.00	10.8350	5,417.50

[1] Regulation of subscription rights in connection with the capital increase.
[2] Purchase of shares in connection with the capital increase.

Overall, the Board of Managing Directors and Supervisory Board together held no more than 1% of the issued shares and option rights of Commerzbank Aktiengesellschaft on 31 December 2013.

Details pursuant to Art. 289 of the German Commercial Code (HGB)

Information under takeover law required pursuant to Art. 289 (4) of the German Commercial Code and Explanatory Report

Share capital structure

Commerzbank has issued only ordinary shares, the rights and duties attached to which arise from statutory provisions, in particular Arts.12, 53 a et seq., 118 et seq. and 186 of the German Stock Corporation Act. The share capital of the company totalled €1,138,506,941.00 at the end of the financial year. It is divided into 1,138,506,941 no-par-value shares. The shares are issued in bearer form.

Appointment and replacement of the members of the Board of Managing Directors and amendments to the Articles of Association

The members of the Board of Managing Directors are appointed and replaced by the Supervisory Board pursuant to Art. 84 of the German Stock Corporation Act and Art. 6 (2) of the Articles of Association. Pursuant to Art. 6 (1) of the Articles of Association, the Board of Managing Directors comprises a minimum of two people; in all other respects the Supervisory Board defines the number of members on the Board of Managing Directors in accordance with Art. 6 (2) of the Articles of Association. If there is a vacancy on the Board of Managing Directors for a required member and the Supervisory Board has not appointed a replacement, in urgent cases one will be appointed by a court pursuant to Art. 85 of the German Stock Corporation Act. Any amendment to the Articles of Association requires a resolution of the Annual General Meeting under Art. 179 (1) sentence 1 of the German Stock Corporation Act. Unless the law mandates a majority, a simple majority of the share capital represented is adequate to pass resolutions (Art. 19 (3) sentence 2 of the Articles of Association). The authority to amend the Articles of Association, provided such amendments affect merely the wording of an article with no change in substance, has been transferred to the Supervisory Board under Art. 10 (3) of the Articles of Association in compliance with Art. 179 (1) sentence 2 of the German Stock Corporation Act.

Powers of the Board of Managing Directors

The Board of Managing Directors, with the approval of the Supervisory Board, is authorised to increase the share capital by a total of €1,462,936,397.00 by issuing new shares under Art. 4 (3) (Authorised Capital 2011) and by a total of €1,150,000,000.00 by issuing new shares under Art. 4 (5) (Authorised Capital 2012/I) of the Articles of Association applicable on 31 December 2013. The Board of Managing Directors is authorised, with the approval of the Supervisory Board, to exclude subscription rights in certain cases, in particular to increase the share capital for non-cash contributions.

Moreover, the Annual General Meeting on 23 May 2012 gave the Board of Managing Directors the authority to issue convertible bonds or bonds with warrants or profit-sharing certificates (both with and without conversion or option rights) against a cash or non-cash contribution for a total nominal value of up to €8,400,000,000.00. Conditional capital of up to €2,750,000,000.00 is available for this purpose according to Art. 4 (4) of the Articles of Association (Conditional Capital 2012/I). The Board of Managing Directors is authorised, with the approval of the Supervisory Board, to exclude subscription rights in certain cases, in particular where the financial instruments are issued for non-cash contributions.

On the basis of the undertaking declared under agenda item 10 of the invitation to the Annual General Meeting of 19 April 2013, the Board of Managing Directors will make use of the above-mentioned approved capital and the conditional capital 2012/I during their terms and with the consent of the Supervisory Board only up to a maximum of 50% of the above-mentioned share capital.

For details of the authorised capital increase and conditional capital increase, particularly regarding maturities and terms and conditions of exercise, please refer to the explanations in Notes 29 and 30.

The authority of the Board of Managing Directors to increase share capital from authorised and conditional capital and to issue convertible bonds or bonds with warrants or profit-sharing certificates allows the Bank to respond appropriately and promptly to changed capital needs.

On 19 May 2010, the Annual General Meeting authorised Commerzbank Aktiengesellschaft to purchase and sell its own shares for the purpose of securities trading, pursuant to Art. 71 (1) No. 7 of the German Stock Corporation Act (AktG) until 18 May 2015. The aggregate amount of shares to be acquired for this purpose may not exceed 5% of the share capital of Commerzbank Aktiengesellschaft at the end of any given day. The price at which own shares are purchased may not be more than 10% lower or higher than the average share price (closing auction prices or similar successor prices for Commerzbank shares in Xetra trading or a similar successor system to the Xetra system on the Frankfurt Stock Exchange) on the three trading days preceding the purchase.

Material agreements in the event of a change of control following a takeover bid

In the event of a change of control at Commerzbank, an extraordinary right of termination in favour of certain contract parties has been negotiated by Commerzbank under ISDA master agreements. In general, the right of termination is also conditional upon a material deterioration in Commerzbank's credit standing. In the event of this type of termination, the individual agreements signed under these master agreements would have to be settled at market, which can be determined on any stock exchange trading day. The possibility cannot however be excluded that, if an individual customer with an especially large volume of business terminates a contract, Commerzbank's net assets, financial position and operating results could nevertheless be heavily impacted due to the Bank's potential payment obligations.

Equity holdings that exceed 10% of the voting rights

The Financial Market Stabilisation Fund holds a stake of 17.15% in the voting capital of Commerzbank AG.

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

Details pursuant to Art. 289 (5) of the German Commercial Code (HGB)

The aim of the internal control and risk management system in respect of financial reporting is to ensure that the annual financial statements of Commerzbank Aktiengesellschaft and the Commerzbank Group provide a true and fair view of the net assets, financial position and results of operations in accordance with the applicable accounting standards under the German Commercial Code and IFRS. The internal control system and the risk management system at Commerzbank are integrated in respect of financial reporting. In the following, we shall therefore use the term ICS (internal control system). Details of the risk management system can be found in the risk report on pages 34 f.

The objective of proper financial reporting is endangered by the risks to which it is exposed. Risks are deemed to be the possibility that the objective stated above might not be attained and material information in the financial reporting might be inaccurate, regardless of whether this arises from a single matter or a combination of several.

Risks to financial reporting may arise from errors in business processes. Fraudulent behaviour can also result in the inaccurate reporting of information. The Bank therefore has to ensure it minimises the risks of incorrect statement, measurement or presentation of financial reporting information.

The Commerzbank ICS seeks to provide sufficient certainty that it complies with the relevant legal requirements, that business is conducted in a proper and cost-effective manner and that financial reporting is complete and accurate. It is important to note that despite all measures the Bank may take, the ICS methods and procedures used cannot entirely rule out errors or fraud, and as such offer sufficient certainty but never absolute certainty.

Legal basis and guidelines

Art. 289 (5) of the German Commercial Code requires companies to describe the material features of their ICS in the management report. Commerzbank follows the principles for bank-specific organisation of the internal control system set out in the Minimum Requirements for Risk Management (MaRisk).

The Bank's internal control system is structured in line with the internationally recognised framework developed by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). Commerzbank derives the following objectives from this:

- That business processes be effective and efficient;
- That applicable laws and regulations be observed;
- That financial reporting be reliable.

As regards the risk assessment of the reporting process required by COSO in respect of the reliability of financial reporting (for example, ensuring that all transactions are fully and correctly recognised in the financial statements), the Bank follows the recommendations of the International Standards of Auditing and Quality Control, No. 315, 2009 Edition (hereinafter referred to as ISA number 315).

Organisation

A detailed governance framework forms a sound basis for good corporate governance that provides strategic direction for the Group as a whole while taking account of risk elements.

The governance framework sets uniform and binding minimum standards for all units with regard to their organisational structure in respect of maintaining documentation and keeping it updated. The primary feature is the principle of clear allocation of responsibility, starting with the schedule of business responsibilities for the Board of Managing Directors and ending with the individual approval authorities of each employee. The scope and structure of the governance framework follows both the legal and regulatory requirements and also the "Commerzbank corporate constitution" approved by the Board of Managing Directors. The governance framework translates the main guiding principles of the corporate constitution into practical rules and contains the following elements:

- Plan for allocating the business responsibilities for the Board of Managing Directors
- Rules of procedure
- Organisation charts
- Business remits of the units
- Schedule of approval authorities

Where tasks in the Bank by their nature cannot be combined, they are organised into different areas applying the principle of separation of functions. Strict checks are also carried out using the dual-control principle to minimise risks in financial reporting.

In accordance with the Minimum Requirements for Risk Management (MaRisk), responsibility for implementing, executing, applying, refining and reviewing the Bank's ICS lies primarily with the Board of Managing Directors; while the CFO is responsible for the reporting process. The Board of Managing Directors is responsible for structuring the ICS throughout the Bank and demonstrating that it is appropriate, while the CFO is responsible for structuring the ICS and ensuring that it is effective for financial reporting. He is responsible for designing the ICS through appropriate and effective control steps and for embedding these into the various processes. The CFO is responsible for ensuring that the annual and consolidated financial statements are properly prepared.

The Supervisory Board oversees financial reporting, mainly through the Audit Committee set up for this purpose. The responsibilities of the Audit Committee also include ensuring that the auditor is independent, appointing the auditor, setting the focus of the audit and agreeing the fee. During the year Group Audit reports to the Supervisory Board and its appointed committees about the work it has carried out and its material findings.

Group Management Finance (GM-F), which reports directly to the CFO, is responsible for ensuring that the financial statements are drawn up in compliance with the relevant laws and internal and external guidelines.

Within GM-F, the Accounting Policies & Guidelines department is responsible for making the Group-wide accounting guidelines available over the intranet. Implementation of these accounting guidelines supports consistent and correct reporting across the Group.

GM-F is supported in producing financial statements by other corporate divisions. Of particular importance here is Group Information Technology, which is responsible for providing and upgrading the accounting IT systems used.

Controls to minimise risk

Controls at the Bank are integrated directly into operating processes, either technically or manually (i.e. by means of organisation). Technical controls are used in the IT systems employed and consist, for example, of check sums and verification digits. Technical controls are often complemented by manual controls such as screen approvals carried out by the responsible employees. Data quality on initial entry into systems is ensured by organisational measures such as the dual-control principle, delegation of powers of approval and the separation of functions, and by technical measures such as issuing IT approval authorities. Additional controls during further processing guarantee that the data entered and used is complete and accurate.

Monitoring by Group Audit

Group Audit (GM-A) provides auditing and advisory services for the Board of Managing Directors independently, objectively and in a risk-oriented manner so as to evaluate the compliance, security and cost-effectiveness of Commerzbank's business processes and flag up potential for optimisation. GM-A supports the Board of Managing Directors by evaluating the appropriateness and effectiveness of the internal control system and risk management, providing support on key projects in an internal auditing capacity and issuing recommendations. In doing so, it contributes to the security of business processes and assets.

GM-A is directly accountable to the Board of Managing Directors and reports to that body. It performs its functions autonomously and independently. With regard to reporting and the assessment of audit results, it is not subject to any directives. Based on MaRisk, Group Audit's auditing activities, underpinned by the principle of risk-oriented auditing, extend to all of the Group's activities and processes, regardless of whether these take place within the Group or are outsourced. GM-A's activities complement the work of the subsidiaries' audit departments within the framework of Group risk management. The task of auditing the appropriateness and effectiveness of the ICS covers the risk management and controlling systems, reporting, information systems and financial reporting. In performing its duties, GM-A has an unrestricted right to information.

GM-A promptly prepares a written report on each audit; the responsible members of the Board of Managing Directors are among the recipients of the report. On the basis of these audit reports, GM-A oversees and documents the steps taken to remedy the deficiencies identified within the specified time. If such deficiencies are ignored, an escalation process comes into effect. In addition, GM-A prepares an annual report on the audits that it has carried out during the course of the financial year, the material deficiencies identified and the measures taken, and presents this report to the Board of Managing Directors.

The financial reporting process

The financial reporting procedures at Commerzbank are supported by IT systems integrated into each process. As part of the input process for financial reporting, all information relevant for drawing up the financial statements of Commerzbank Group under IFRS and Commerzbank Aktiengesellschaft under the German Commercial Code is submitted to GM-F by the reporting units (Commerzbank Aktiengesellschaft Germany, subsidiaries and foreign branches). Data is transmitted via an online data entry functionality directly into SAP EC-CS consolidation software, which has been adapted to meet the Bank's requirements. Subsidiaries generally submit IFRS data; German and foreign branches also submit data under the German Commercial Code. Data is automatically checked for consistency before transmission to GM-F. Once the plausibility checks have been successfully completed, the individual reports can be finalised. Further plausibility checks are carried out using this data in GM-F. After these controls have been successfully completed, the Commerzbank Aktiengesellschaft parent company financial statements are drawn up and all the necessary steps taken to produce the consolidated Commerzbank Group financial statements. Drawing up the Group financial statements involves various individual steps (e.g. consolidating equity, liabilities, income and expenses), currency translation and the elimination of intra-Group profits.

Segment reporting is done on a separate IT system. This involves reconciliation with the data from accounting.

Measures to further enhance the ICS as regards financial reporting

The ICS has been adapted to meet the needs of the Commerzbank Group as regards financial reporting, and it is further enhanced on an ongoing basis. To this end, the internal Control Environment Initiative (CEI) has been permanently implemented at GM-F. The aim of CEI is to manage all risk-related processes by applying a uniform method to report and assess risk. In addition, it strengthens the ICS in the area of financial reporting by means of regular assessments of the effectiveness and efficiency of controls and regular checks on how controls are implemented.

The CEI is based on the GM-F "process map". This is a top-down representation of all key processes, which is refined with descriptions of procedures and in which the risks in relation to the reliability of financial reporting are determined, applying the COSO framework. The Bank also follows the recommendations of ISA 315. This involves checking whether a risk can be assigned to one of the following three categories and their various aspects:

- Statements on types of business transaction: their occurrence, completeness, accuracy, allocation to the correct period and the correct account;
- Statements on account balances at the reporting date: availability, rights and obligations, completeness, measurement and allocation;
- Statements on presentation in the financial statements and on the information contained in the financial statements: occurrence, rights and duties, completeness, reporting and comprehensibility, accuracy and measurement.

Suitable controls are implemented to minimise the risks identified, and these in turn are also assigned to the ISA 315 categories and their various aspects. For the effectiveness of the ICS, it is the way the controls are structured into appropriate steps and embedded into each process, and the way they are performed at the operating level, that is the decisive factor in minimising risk. This procedure ensures that risks are identified, minimised and any faulty developments on the operational side avoided.

Other

No material changes have been made to the financial reporting ICS since the balance sheet date.

Information pursuant to Art. 289 a HGB

Information pursuant to Art. 289 a of the German Commercial Code, "Declaration on corporate governance", is publicly accessible on the website of Commerzbank Aktiengesellschaft at www.commerzbank.de.

Business and overall conditions

Economic environment

The world economy grew by 3% in 2013, less than in most recent years. One reason for this, as in 2012, was weaker growth in emerging markets. The economies in these countries once again significantly outperformed industrialised countries, but the 4.7% growth was well short of the rates seen in 2010 and 2011. This applies not only to China, but also to most other emerging economies.

The US, too, was weaker than the previous year, up some 1.9%, with growth slowed by the significant spending cuts and tax hikes that came into effect at the start of 2013. However, as their impact faded in the second half, the economy picked up again, since the excesses of the past – the housing bubble and the high level of household debt – have now been corrected and are no longer weighing on the economy.

The labour market also continued to improve, with unemployment back below 7% at the year end. Against this background, the Federal Reserve began to scale back its bond purchases in December.

The eurozone economy, by contrast, picked up slightly on the previous year. Even though GDP for the year was down once again, by just under 0.5%, by the end of 2013 all countries had emerged from the persistent recession. The easing of the sovereign debt crisis was the key factor. This boosted companies' planning certainty, stimulating capital expenditure. Financial policy in the peripheral countries was also not as tight as it had been in previous years. In some countries, such as Portugal and Spain, the reforms of recent years are gradually having an effect. Despite these somewhat better economic conditions, the ECB cut its refinancing rate to a new all-time low of 0.25%.

The German economy emerged from its temporary weakness back in the spring. Average growth for the year was 0.4%, putting it well ahead of most other eurozone countries once again. The decisive factor that continues to set Germany apart from many other eurozone countries is that it did not have any excesses in the real estate market or private-sector debt to correct. The German economy is also still benefiting from its improvement in competitiveness in recent years.

Financial markets were once again dominated in 2013 by the extremely loose monetary policies pursued by the leading central banks in industrialised countries. This triggered a hunt for yield that particularly helped riskier assets, such as equities, corporate bonds and peripheral country government bonds. The discussion about Federal Reserve tapering, which actually began in December, interrupted this trend temporarily but failed to end it. The same applies to the gradual appreciation of the euro against the dollar. Only top-quality government bonds such as US Treasuries and German Bunds came under slight pressure, with the latter also affected by the easing of the sovereign debt crisis.

Sector environment

The European sovereign debt crisis had a much milder impact in 2013 than in 2012. Market perception is that the risk of the crisis escalating has fallen further as a result of unusually extensive monetary policy steps, rescue mechanisms that are now almost completely in place, initial fundamental reform successes in the crisis countries and a return to at least moderate growth in the eurozone countries. Data from the European Central Bank (ECB) show that systemic tensions on the key financial markets have latterly dropped to their lowest level for six years. Risk premiums and the price of credit default swaps on affected government bonds have decreased sharply, and there has been a clear slowdown in the flight of capital and deposits from these countries. The increasing signs that the sovereign debt crisis is easing restored investor confidence in European banks during the second half of the year: the sector saw risk premiums on bonds and the price of credit default swaps fall, while stock prices rose.

However, this relaxation in the crisis was only reflected in banking profits to a lesser extent in 2013. Overall, bank profitability remained under pressure from structural trends (regulation and stiff competition), plus the ongoing low level of interest rates. Persistently low rates, combined with the expectation of new capital and liquidity rules, resulted in little improvement in banks' basic earnings power. Ultimately, the piecemeal pace of economic recovery proved too little for some borrowers in industries already having problems. It also failed to produce a noticeable recovery in lending. In fact, book credits in the eurozone fell at the fastest annual rate since the start of currency union, so companies in the real economy are actually tending to run down their bank liabilities. Nevertheless, the German banking system became even more resilient last year thanks to significantly lower exposure to the crisis-hit countries, a noticeable increase in core capital ratios and lower levels of debt; the ECB takes the view that bank balance sheets have become more robust. Against this backdrop, the funding costs of banks in the eurozone fell last year, and access to funding resources has continued to improve.

Important business policy events

Commerzbank made good progress in implementing its strategic agenda in 2013. The capital measure approved at the Annual General Meeting in April 2013 was used to pay back the SoFFin and Allianz silent participations in full. The liquidity raised from the European Central Bank was also repaid well before maturity. Successes also came from a further rundown in the non-strategic portfolio. In addition, contractual agreement was reached last year for the planned sale of Commerzbank's "Depotbank" business. Implementation of the Group strategy will involve adapting staffing levels, and the Supervisory Board has approved a reduction in the size of the Board of Managing Directors.

Commerzbank repays funds from the European Central Bank's three-year tender

At the end of February 2013, funds of approximately €6bn taken in the second three-year ECB tender (LTRO II) were paid back in full. In February 2012, entities of the Bank had participated in the tender to reduce the need for internal funding and refinance the Bank's holding of European government bonds directly in foreign units of Commerzbank.

Given the stabilising actions of the ECB, the Bank as announced repaid these funds well before maturity.

Commerzbank successfully concludes capital increase to repay the silent participations of SoFFin and Allianz in full

At the end of May 2013, Commerzbank successfully concluded the capital increase approved by the Annual General Meeting on 19 April 2013 to repay the silent participations of the Financial Market Stabilisation Fund (SoFFin) and Allianz early and in full. During the subscription period, around €2.5bn (gross) was raised as planned. This sum was used to repay the SoFFin silent participations of around €1.6bn and the Allianz silent participation of €750m. Commerzbank has thus repaid early all the constituent parts of the government aid that it is able to redeem by itself. At the same time, SoFFin reduced its stake in the Bank from 25% to about 17% as a result of this transaction, as previously announced. The successful completion of the capital increase thus marks the beginning of the end of the Federal Government's engagement in Commerzbank.

In total, Commerzbank issued 555,555,556 new shares under the terms of the capital increase with subscription rights which ran from 15 May to 28 May 2013. The subscription price was €4.50 per share. 99.7% of the subscription rights were exercised. The unsubscribed 1,678,801 new shares and the fraction of 363,761 new shares excluded from the subscription right were sold on the market.

New stand-alone platform to support restructuring of shipping portfolio

At the end of May 2013 Commerzbank founded a stand-alone restructuring platform for ships, called "Hanseatic Ship Asset Management GmbH". The aim of the company, which is based in Hamburg and is a 100% subsidiary of Commerzbank Aktiengesellschaft, is to assist with managing the ship financing portfolio while preserving value. The new company acquires individual ships that have potential, removes them from their existing, impaired credit relationships, operates them on the new platform and sells them when the market recovers. The ships are operated by experienced, professional external partners (shipping companies). The Bank is thus giving itself more room for manoeuvre and creating an additional restructuring instrument in the Deutsche Schiffsbank group division.

Commerzbank and employee representative committees achieve reconciliation of interests in respect of planned staff reduction

As part of its implementation of the strategic agenda announced in November 2012, the Commerzbank Group is to eliminate around 5,200 full-time posts by 2016. In 2012 the decision was made to delete 800 full-time posts, with a particular focus on the Non-Core Assets segment. In addition, 500 full-time posts are being cut abroad and in the German subsidiaries. The elimination of the other 3,900 full-time posts was agreed with the works council of Commerzbank Aktiengesellschaft Germany in mid-June 2013. Of these, around 1,800 full-time posts are in the Private Customer business, as announced in February 2013. On the other hand, plans are in the pipeline to create up to 1,000 full-time posts within the Group through investments to implement the strategic agenda. The agreements reached with the works council for the employees of Commerzbank Aktiengesellschaft Germany propose that the exclusion period for compulsory redundancies, which was originally due to continue up to the end of 2014, will be extended to 2016 as soon as the agreed staff reduction targets have been met.

The result for the first quarter of 2013 already included restructuring costs of the order of €473m in connection with the job cuts.

Supervisory Board decides to reduce the size of the Board of Managing Directors

The Supervisory Board of Commerzbank resolved in a meeting on 6 November 2013 to make changes to the Board of Managing Directors. It accepted the request of Jochen Klösges to step down as at 31 December 2013. The Supervisory Board also decided to terminate the appointment of Ulrich Sieber with effect from 31 December 2013.

This means that the Commerzbank Board of Managing Directors has now shrunk from nine to seven members, as resolved by the Supervisory Board at its meeting on 7 August 2013. The reduction in the size of the Board of Managing Directors is a consequence of the Group strategy it approved in November 2012.

Following these staffing decisions, the Board of Managing Directors of Commerzbank decided to reallocate business responsibilities as follows with effect from 16 November 2013: Responsibility for Non-Core Assets is divided: Michael Reuther will be in charge of Public Finance, while Commercial Real Estate and Deutsche Schiffsbank will come under Markus Beumer.

At its meeting on 12 December 2013, the Supervisory Board put Frank Annuscheit in charge of HR at Commerzbank.

Changes in the Supervisory Board

On 2 July 2013 our long-standing Supervisory Board member Prof. h. c. (CHN) Dr. rer. oec. Ulrich Middelmann died suddenly after a short illness. With effect from 3 July, Dr. Roger Müller, the substitute member elected at the AGM on 19 April 2013, therefore became a member of the Commerzbank Supervisory Board.

Dr. Markus Schenk stepped down from the Supervisory Board on 10 September 2013 when his term of office expired. With effect from 11 September 2013, Solms U. Wittig, a substitute member elected at the AGM on 19 April 2013, therefore became a member of the Commerzbank Supervisory Board.

Commerzbank closes sale of its "Depotbank" business to BNP Paribas Securities Services

The sale of the "Depotbank" business agreed between Commerzbank and BNP Paribas in mid-July was contractually closed on 31 October 2013. The "Depotbank" business offers services for investment companies (mutual and special funds in the securities and real estate sectors) and institutional investors, such as the settlement of securities transactions, the administration and safekeeping of assets as well as the control of fund administration. 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 deal.

Commerzbank sells 14 chemical tankers to a fund managed by Oaktree Capital Management L.P.

In mid-December 2013 Commerzbank signed an agreement to sell a loan portfolio comprising 14 chemical tankers to a fund managed by Oaktree Capital Management L.P. The total volume of the transaction, which only includes problem loans, is approximately €280m. The parties have agreed to maintain confidentiality about the other details of the contract.

The sale of the chemical tanker portfolio improves the risk profile of Deutsche Schiffsbank, part of the Non-Core Assets segment. The entire portfolio is being transferred to the buyer, with no loans being retained by Commerzbank.

Earnings performance, assets and financial position

Income statement

Commerzbank Aktiengesellschaft made a net profit of €166m in 2013 following a net profit of €102m in the previous year.

The changes in the individual earnings components are set out below.

Net interest income, which is the balance of interest income less interest expense – including current income from equities, equity holdings and holdings in affiliated companies and subsidiaries with profit and loss transfer agreements – fell 6.8% year-on-year to €5,092m. It was impacted by income from profit-pooling and full or partial profit-transfer agreements, which fell by €1,451m to €161m, because of the prior year's high base due to intra-group adjustments to the holding structure. In contrast, net interest income rose by just under €1bn. Please note that in 2013, we changed how net interest income from trading activities is reported, which resulted in a reclassification from net trading income to net interest income. Expenses were also reduced by the repayment of silent participations.

Net commission income decreased slightly year-on-year, by 1.3% to €2,558m. Commission income was on a par with the previous year, whereas commission expense increased.

Net trading income amounted to €–289m in 2013, compared with €1,460m in 2012, mainly because of the above-mentioned reclassification of interest components to net interest income.

The balance of other operating income and expenses for the reporting period was €–119m, compared with €553m in 2012. The negative figure in the year under review was mainly attributable to higher allocations to provisions, in particular for recourse risks. This was offset by the release of restructuring provisions for the "Growing Together" measure. In 2012, Commerzbank Aktiengesellschaft received net income of €685m from the capital structure optimisation measures carried out.

Operating expenses contracted by 1.7% to €5,520m, with personnel expenses falling by 4.1% to €3,229m. This was partly due to the reduced number of employees, which counterbalanced pay increases, and partly to lower pension expenses. Other operating expenses were up slightly, by 1.9% to €2,291m, partly due to an increase in advertising.

Depreciation, amortisation and impairments of intangible and fixed assets decreased by 3.4% to €201m in the year under review, in particular due to lower scheduled depreciation and amortisation of office furniture and equipment.

Write-downs and valuation allowances on receivables and certain securities and allocations to provisions in lending business amounted to €–401m in the year under review, compared with €–1,567m in the previous year. There were two reasons for this: net income from our securities liquidity portfolio rose due to gains on the disposal of debt instruments, and loan loss provisions fell.

Write-downs and valuation allowances on equity holdings, holdings in affiliated companies and securities treated as fixed assets totalled €–193m in the year under review. In the previous year, income from write-ups on equity holdings, holdings in affiliated companies and securities treated as fixed assets was €181m. The change was due to lower gains on disposals and to impairments on affiliated companies.

The cost of assuming subsidiaries' losses under profit and loss transfer agreements increased from €29m to €170m. A major factor in this figure in the year under review was the loss compensation at Commerzbank Inlandsbanken Holding GmbH, caused primarily by the assumption of the loss at our subsidiary Hypothekenbank Frankfurt AG.

As a result of the income statement items described above, Commerzbank Aktiengesellschaft posted a profit on ordinary business activities of €757m in 2013, compared with €2,769m in 2012. The extraordinary loss of €–519m was primarily attributable to the restructuring expenses for the planned adjustments to personnel capacity. This compares with €–148m in the previous year.

Tax expense for 2013 was €–72m, down from €–2,519m, of which €–2,094m was caused by the fact that we are no longer exercising the option under Art. 274 (2) sentence 1 HGB. This had caused the amount blocked from distribution in the previous year to fall significantly, to €825m. The amount blocked from distribution at end-2013 was €569m.

Commerzbank Aktiengesellschaft made a net profit of €166m in 2013 after €102m in the previous year. Half of the net profit for the year under review, i.e. €83m, was allocated to Other retained earnings, leaving a net profit of €83m. No dividend will be paid out for 2013.

Balance sheet

Total assets of Commerzbank Aktiengesellschaft fell 11.0% or €58.2bn year-on-year to €469.3bn.

On the assets side, the cash reserve decreased by €3.8bn to €9.6bn. This was mainly due to a decline in the credit balance at Deutsche Bundesbank on the balance sheet date. Claims on banks increased by €3.8bn year-on-year to €124.3bn. This was due to a sharp rise in collateralised money market transactions in the form of reverse repos, which significantly outstripped the fall in claims from money market transactions. In contrast, claims on customers fell 5.6% year-on-year to €171.1bn, due essentially to a reduction in both reverse repos and property and mortgage loans. Bonds, notes and other fixed income securities shrank by €1.8bn to €32.3bn. This 5.2% decline was mainly due to reductions in holdings of bonds and notes – by €1.4bn – and in own bonds. The trading portfolio posted a volume of €115.6bn. This 27.5% fall was attributable in particular to a sharp reduction in the fair values of derivative financial instruments – mainly interest rate derivatives – and lower bonds and fixed income securities, both German and foreign. Holdings in affiliated companies fell by 11.2% compared with 31 December 2012 to €9.1bn.

On the liabilities side, there was a large decrease of 20.9% to €85.8bn in liabilities to banks. Just over half of this was due to a decline in time deposits and money market transactions, while collateralised money market transactions (cash collaterals) fell by €5.9bn. Liabilities to customers rose by €11.3bn. The 5.2% increase to €229.9bn was attributable to higher short-term deposits and higher collateralised money market transactions, such as repos, which more than offset a fall in savings deposits and bonds and notes. Securitised liabilities edged up by 1.6% year-on-year to €34.8bn. The maturity-related reduction in bonds and notes issued contrasted with a rise in money market instruments. Trading portfolio liabilities recorded a volume of €72.6bn, compared to €118.5bn in the previous year. This sharp volume decrease mainly resulted from a decline in negative fair values attributable to derivative interest rate and currency instruments. Subordinated liabilities totalled €10.9bn, which was €0.4bn higher year-on-year. At €0.8bn, profit-sharing certificates were stable compared with the same period last year. Equity capital was 1.7% higher year-on-year at €17.7bn.

The picture for off balance sheet liabilities was mixed compared with the previous year, with contingent liabilities down slightly, by €0.8bn to €34.1bn, and irrevocable lending commitments €1.5bn higher at €49.3bn.

Capital and reserves

Commerzbank Aktiengesellschaft's reported equity as at 31 December 2013 was €0.3bn higher compared with year-end 2012, at €17.7bn.

While the capital reserve increased significantly compared with the end of 2012, rising by 82.5% to €15.9bn due to the capital reduction in connection with the capital measure, the subscribed capital decreased by €7.1bn to €1.6bn. As planned, around €2.5bn gross was raised in the capital increase approved by the AGM on 19 April 2013. This sum was used to repay the SoFFin silent participations of around €1.6bn and the Allianz silent participation of €750m. Information about the capital increase is given in the interim financial statements on page 79.

Since 2007, the Bank has made use of the waiver rule of Art. 2 a of the German Banking Act (KWG), which means it only reports risk-weighted assets and capital ratios for the financial institution group to the supervisory authority.

Risk-weighted assets were down by €17.5bn at 31 December 2013 to €190.6bn, mainly due to the decline in risk-weighted assets in market and credit risks. Regulatory Tier 1 capital decreased by €1.5bn compared with the end of 2012 to €25.7bn. In conjunction with the lower level of risk-weighted assets, the Tier 1 ratio came to 13.5%. Core Tier 1 capital came to €24.9bn, a ratio of 13.1%. The total capital ratio was 19.2% on the reporting date. The leverage ratio under the Basel 3 Capital Requirements Directive (CRD 4 "phased-in"), which compares regulatory capital to total assets, was 4.3% on the reporting date.

Summary of 2013 business position

The 2013 financial year – which we regarded as transitional – was dominated by the implementation of our strategic agenda. The measures we have brought in will over the coming years align our business model with the altered operating environment in the financial sector. We have made progress – faster than planned in some areas – on all three of our strategic focuses: "investing in the earnings power of the core business", "rigorous cost management" and "optimising the capital base", and we have hit some key milestones.

Two objectives have even been exceeded: we have made much more rapid progress in winding down the NCA portfolio and we have raised the Basel 3 core Tier 1 ratio to 9% a year earlier than planned. We have also fully repaid the silent participations held by the government and Allianz and continued to strengthen the Bank's capital base. The growth measures launched are having an effect, and the reorientation of the private customer business is ahead of schedule. Both loans and customer numbers grew in the Core Bank last year, and income in the operating segments was up overall.

Commerzbank Aktiengesellschaft's performance in 2013 was affected by the persistently difficult market environment. Against this backdrop – as we predicted – we made a net profit of €166m in the year under review, compared with €102m in the previous year. This figure already takes account of payments for servicing the hybrid instruments.

Report on events after the reporting period

There have been no events of particular significance since the end of 2013.

Outlook and opportunities report

Future economic situation

The global economy is set to grow somewhat faster in the coming year at about 3.5%, although still not matching the growth rates seen in 2010 and 2011. Industrial nations will be some of the main improvers. At just under 3%, gross GDP in the US is likely to rise as strongly as in 2012, i.e. at pre-monetary tightening levels. Given this backdrop, the Federal Reserve will probably continue cutting back its bond purchases during the year, and reduce them to zero in the autumn. Interest rate hikes are not expected until mid 2015, however.

The eurozone economy is set to post annual growth for the first time since 2011. However, this will continue to be very sluggish at just under 1%, since in many countries – unlike the US – past excesses relating to the real estate market and debt have not yet been corrected. In addition, financial policy remains restrictive. As Germany does not have these limiting factors, its economy should outperform the eurozone average with 1.7% growth. Given the major structural problems still dogging the eurozone and the fact that the economy is recovering only slowly and inflation remains very low, the ECB is unlikely to reverse monetary policy for a long time, and will probably even take further expansionary measures.

Real gross domestic product Change from previous year	2013	2014[1]	2015[1]
USA	1.7%	2.8%	3.0%
Eurozone	–0.4%	0.9%	1.0%
Germany	0.4%	1.7%	2.0%
Central and Eastern Europe	1.7%	2.7%	3.1%
Poland	1.4%	3.2%	3.5%

[1] The figures for 2014 and 2015 are all Commerzbank forecasts.

Although emerging markets will probably continue to grow faster than industrial nations, the pace of growth will rise minimally as some countries have tightened monetary policy to prevent their local currency coming under heavier pressure in light of Fed tapering. This trend is set to continue in the coming months, offsetting most of the positive effect of improving economies in industrial nations.

Even though a number of central banks in industrial nations are preparing to reverse monetary policy, overall these economies are likely to remain highly expansive for the time being. As a knock-on, the hunt for yield should also continue, benefiting, as before, risky investment types like equities. The discussion to be expected about the Fed's first rate hikes will cause outbursts of unrest, but change nothing in the basic trend. Yields on top-quality government bonds are set to further increase, though this will be more pronounced with US Treasuries than German Bunds because of divergent trends in monetary policy either side of the pond. This will likely leave its mark on the euro/US dollar exchange rate, too, with the euro expected to depreciate considerably against the greenback in the medium term.

Exchange rates	31.12.2013	31.12.2014[1]	31.12.2015[1]
Euro/US-dollar	1.37	1.28	1.21
Euro/Sterling	0.84	0.80	0.77
Euro/Zloty	4.18	3.95	3.70

[1] The figures for 2014 and 2015 are all Commerzbank forecasts.

Future situation in the banking sector

Our views regarding the expected development of the banking sector over the medium term have not changed significantly since the statements published in the Interim Report for the third quarter of 2013.

The banking environment has brightened noticeably thanks to the good to very good performance of major financial markets, continuing investor confidence, the healthy state of the German economy and the long-anticipated end of the recession in the eurozone. It is still too soon to sound the all-clear, however, since the euro crisis – with its complex interplay between government debt and financial and structural factors – is not so easily overcome and the European and global economies remain highly susceptible. Although the interventions and announcements by the ECB and European politicians are still having a stabilising effect, they are nevertheless impairing the role of market prices as a reliable risk measure. The eurozone's recovery in real economic terms will be slow, and the international financial arena remains susceptible to setbacks. Although the budget restructuring and improvements to competitiveness made by crisis-ridden states are reaping their first rewards, their funding environment remains difficult. The ECB's bank balance sheet review at the start of 2014 and the subsequent bank stress test, combined with further negotiations on banking union, harbour potential for temporary jitters in the banking environment.

A further reduction in debt levels and an improvement in asset quality remain key preconditions if the bank sector is to meet the tougher requirements of the regulators and fulfil investor expectations. Bank earnings could shortly receive a modest boost from the yield curve, which is expected to steepen on the back of a slight rise in long-term rates. This is particularly significant for German banks, given the relatively high proportion of interest income in their total revenue. However, the regulatory processes already under way and the persistently fierce competition are continuing to hurt earnings. Opportunities to use the still ample supply of liquidity from central bank funds on the assets side of the Bank's balance sheet are restricted because of the requirement to reduce risks.

The pressure for renewal in the banking sector has strengthened as a result of regulation, structural transformation and competition, and this will be more difficult to deal with because major profit drivers of the past, such as lending growth and falling credit default rates, will be less evident. Loan loss provisions will not – despite Germany's expected economic growth in 2014 – fall noticeably, thereby adversely affecting earnings growth in the corporate customer business. As such, the corporate sector could be due for aftershocks of the debt crisis, and some firms might lack the cash flow to fund the preparatory work needed for the upswing. This year and next, corporate investment should gradually start boosting credit demand, but increased use of internal and alternative external funding sources is impeding a strong revival in lending to corporate customers. Additionally, according to Kreditanstalt für Wiederaufbau (KfW), recent loan demand has tended to come from small SMEs, and this small ticket borrowing means new business volumes and earnings are limited.

The expected revival in German foreign trade will be positive for corporate customer business. In retail banking, given customers' astonishingly constant preference for low-income, highly liquid investment types, commission income will grow only slightly, especially as the outlook for additional price gains on the equity markets are shrouded in uncertainty and the bond markets face price falls. Impulses for the sector are coming from employment, which is at an all-time high, and strong growth in household disposable income this year and next. But stiff price competition (particularly for deposits) and historically low interest rates, together with increasing price sensitivity on the part of customers and tougher competition from online banks, are a fundamental hindrance to the expansion of earnings potential. In investment banking, we see no major recovery given further restrained activity, particularly in fixed income & currency products; we are expecting markets to adjust across the board and smaller participants to focus on their core competencies and respective home region.

The outlook for banking in our second core market, Poland, remains relatively good. The economy will grow faster in the next two years than in 2013, and the size of the domestic market makes the country an attractive place to invest and sell goods.

In general, the financial crisis will leave its mark in the shape of low interest rates, moderate growth in lending, and caution and a preference for cash among customers. Against this background, competition will intensify further, both in terms of deposits, which are the main way of refinancing independently of the interbank market, and as regards internationally active corporate customers and German SMEs, which are becoming increasingly attractive because they are regarded as comparatively crisis-proof customers. For the time being there will be no change in the fragmented market structure, which in some cases is also characterised by overcapacities. This will limit the potential for generating capital from retained profit. Overall, the outlook – especially in the core business areas – will still be largely dependent on the extent to which it proves possible to regain the customer confidence that has been lost, while keeping costs under control.

Managing opportunities at Commerzbank

Commerzbank reacts to the persistently challenging conditions, such as tighter regulation, low interest rates and altered customer behaviour (as discussed in "Future situation in the banking sector"), by optimising its capital base and continuing its policy of strict cost management, while at the same time investing in the profitability of its core activities. By consistently orienting its business model to the needs of its customers and the real economy, the Bank should be able to utilise the expected further easing of the sovereign debt crisis and the cyclical recovery in the world economy, and particularly the economic upswing expected in Germany this year, to increase its profitability. This should enable Commerzbank to reinforce its position as a leading bank for private and corporate customers in Germany and Poland, even though the environment remains challenging.

Because the Bank is freeing up capital, winding down portfolios while preserving value, and keeping costs steady, it can invest in new products and services and further stabilise its earnings power. In doing so, it focuses on the needs of its customers and on its traditional values.

In the private customer business, it is reacting to the persistently challenging conditions described above by building a modern multi-channel bank with the emphasis on customer satisfaction and developing its successful product offering, for example in the retail mortgage financing business.

The Mittelstand business will continue its successful business model and invest in expanding its international presence.

The Central & Eastern Europe business area will continue its successful organic growth path and build on the proven universal bank model.

In Corporates & Markets, the Bank has opportunities from the expansion of its position as an internationally leading niche provider and from closely interlinking its capital market orientation and customer relationship approach in corporate customer relationship management.

At the same time, the Bank expects the planned reduction of non-strategic portfolios to release more net capital in due course, as this went faster and better than planned in 2013.

Anticipated performance of Commerzbank Aktiengesellschaft

As part of its strategic realignment, Commerzbank laid foundations last year as planned to achieve a sustainably higher level of profitability by 2016 through growth initiatives and cost-cutting programmes. We are working on making further progress on refining our business model in 2014. We assume business volumes in the Core Bank will rise again. However, income is likely to still be affected by low interest rates and corporate reluctance to invest. Should the anticipated economic upturn in Germany and Europe in 2014 prove only modest, as forecast, this is likely to limit the targeted expansion of customer business volume and profit growth. Particularly important this year will be the ECB's comprehensive assessment, started in 2013 as preparation for taking over supervisory responsibility for large parts of the European banking sector. Uncertainty about the outcome of this process, which will not be completed until the autumn, may result in a temporary increase in capital market volatility. Essentially, though, the comprehensive assessment offers an opportunity to permanently boost confidence in the resilience of the European banking system.

As the Bank is managed via its segments, the information in the following sections of the outlook and opportunities report is geared towards the performance of the Commerzbank Group as a whole. We expect to see the following developments in 2014 in this regard:

Anticipated performance of individual earnings components

Net interest income will again be largely determined by the persistently low level of interest rates and ongoing modest demand for credit in 2014. We aim to counter these negative factors by, for example, changing the terms on deposit rates. Commerzbank also anticipates that lending in the private and corporate customer business will grow slightly faster than the market, especially in private real estate financing and SME loans, thanks to the strong market positioning and the measures in the strategic agenda. Profit, in contrast, is expected to weaken significantly in the Non-Core Assets segment as the portfolio is run down. We anticipate an increasing burden on net interest income, but will make up for some of the decline by raising margins when loans are rolled over.

Income from asset/liability management will not recover until the yield curve steepens, which is not our current assumption. Overall for the current year, we expect net interest income in the Core Bank to increase slightly from last year. At Group level, however, this rise will be more or less offset by charges from the continued reduction in non-strategic portfolios.

With regard to net commission income, we expect the positive impact of restructuring our advisory approach to focus more closely on customers to take root in the private customer business. Assuming the global economy grows slightly faster again, commission income from SMEs, including for foreign business and cash management, should rise. In the absence of any unexpected and excessive volatility on the capital markets, customer securities activity, which has been significantly reduced since the financial crisis, should slowly recover. All in all we expect net commission income to increase slightly in 2014.

It is difficult to forecast the trading result because of the unpredictability of developments on the global financial markets. However, Commerzbank will maintain its risk-oriented approach in future and refrain from proprietary trading.

Loan loss provisions are likely to be slightly lower in 2014 than in the previous year. In the Core Bank, we expect loan loss provisions to normalise after unrepeatable net reversals of impairments in the Corporates & Markets segment in 2013. By contrast, a much lower loan loss provision charge is expected in the NCA segment compared with 2013, thanks in particular to the marked reduction in the commercial real estate financing portfolio. In ship financing, we see no overall improvement in the difficult environment before the year end, so loan loss provisions are likely to remain unchanged.

Commerzbank will continue to manage operating expenses closely. This should allow us to limit the cost growth arising from investments to boost future profitability. Overall we expect that operating expense will be higher this year than in 2013, but will not exceed €7.0bn.

Anticipated segment performance

In the current financial year, Commerzbank is again focusing on developing and optimising its business model.

In the Private Customer segment we will adapt our service model to add new service and advisory functions for private and business customers. The range of products and services for business customers is to be significantly improved, while the modernisation of the Bank will also be driven forwards.

By the end of 2014 Commerzbank is aiming to be the first branch network bank that is compatible with direct banking – a key step on the way to becoming a multi-channel bank. We want to use this competitive advantage, along with greater penetration of the existing customer base with new products, to expand the profit base by steadily improving market share and achieve a similar level of growth in net new customers to 2013. In terms of lending, we are aiming particularly to grow real estate financing. Overall, we expect a small increase in operating profit in this segment compared to last year. We expect a material improvement in the operating return on equity in the current year. In view of the forecast growth in income, the cost/income ratio is expected to fall sharply again.

In the Mittelstandsbank, given our strong positioning in the relevant market segments and customer relationships established over several market cycles, we are confident that we will be able to achieve our ambitious growth objectives in Germany and abroad. In the current year we will continue to focus our activities on acquiring new customers, above all smaller SMEs, working more closely with existing customers and expanding our international business. From 2014 Commerzbank will have six locations in Switzerland and will be looking to significantly expand local corporate customer business with Swiss companies. Against this backdrop, we assume that 2014 operating profit will be more or less in line with last year. It should be noted that the positive one-off effects from the early repayment of a corporate loan last year will not be repeated. We expect both the operating return on equity and the cost/income ratio to be stable this year compared to last year.

In the Central & Eastern Europe segment, we see further scope for profitable growth in the medium term due to our special expertise in direct banking compared to the competition. In addition, the economic upturn will have a positive effect on income for the Polish banking sector and lead to a rise in credit demand. Corporate loans are expected to be a main growth driver, but positive developments are also expected in the retail segment. Last year we beat our 2016 target for the loans/deposits ratio early, and plan a further slight improvement on this in 2014. Overall, we expect a small increase in operating profit compared to last year, which will translate into a slightly higher operating return on equity and a correspondingly lower cost/income ratio.

In the absence of any unexpected and excessive volatility on the capital markets, the higher level of primary and secondary market activity by customers in Corporates & Markets last year should consolidate. It should be noted that the positive one-off effects from the early repayment of a corporate loan in 2013 will not be repeated in 2014. In addition, the positive remeasurement effects included in 2013 income are difficult to predict for the current year. Against this backdrop, with costs stable and loan loss provisions returning to normal, we expect both income and operating profit to be slightly lower than in 2013. Due to a higher equity allocation in implementing Basel 3, this year's operating return on equity will be well below what it was last year. In view of the forecast earnings performance, the cost/income ratio is expected to rise slightly. There are considerable imponderables that could substantially affect this forecast, however, given that regulatory changes are extremely difficult to plan for.

In the Non-Core Assets segment, having achieved the reduction in volume and risks ahead of schedule in 2013, we are trimming our downsizing target up to the end of 2016 – measured by exposure at default (including NPLs) – by a considerable amount, from €93bn to around €75bn. Overall, we expect little change in operating profit compared to last year, although this forecast is shrouded in uncertainty. For one thing, large portfolio transactions, like the complete sale of our UK commercial real estate financing activities in 2013, cannot be planned, and they can have a major impact on current and future earnings and the risk profile in NCA.

General statement on the outlook for the Group

Overall, we expect consolidated profit in 2014 to be considerably higher than in 2013. Operating return on equity should be slightly higher and the cost/income ratio slightly lower. For the Core Bank in 2014 – due to the planned internal allocation of equity as a result of the sharp reduction in non-strategic portfolios – operating return on equity should be on a par with last year and the cost/income ratio slightly lower.

Given the progress we have made in refining our business model, Commerzbank's consolidated profit in 2014 should be considerably higher, both pre-tax and after tax, since the restructuring provisions necessitated by the strategic agenda were fully booked in the first quarter of 2013 and we are not currently expecting to have to top these up.

Based on our current estimates, we anticipate a net profit in Commerzbank Aktiengesellschaft's parent company financial statements in 2014, which – subject to a further strengthening of reserves – will be significantly higher than in the previous year.

Following the improvement of 140 basis points in the Basel 3 core Tier 1 equity ratio last year to 9% (on a "fully phased-in" basis, i.e. according to our interpretation of the rules that will apply from 2019), we are aiming to achieve a ratio of over 10% by the end of 2016. We cannot rule out fluctuations in this ratio on the way to this target. Changes in the interpretation of existing rules and the precise form of Basel 3 rules that have not yet been finalised may have a major impact on the equity ratios to be reported. We cannot rule out effects on capital adequacy from the ECB comprehensive assessment, which includes a stress test. However, we do not expect this to result in any material deviation from our forecast. The specific details of how the relevant regulatory capital ratios are to be calculated will only emerge during the course of this year.

Risk report

Risk reporting takes place according to the internal risk management of Commerzbank at the Group and segment level. The basis for this is formed by the financial figures according to IFRS as well as the key risk parameters according to the regulatory requirements. The financial data and key risk parameters of the Private Customers, Mittelstandsbank and Corporates & Markets segments as well as of the sub-segment Deutsche Schiffsbank (part of Non-Core Assets segment – NCA) relate mainly to Commerzbank Aktiengesellschaft. The key figures of the segment Central & Eastern Europe relate mainly to mBank in Poland, while the key figures of the sub-segments Commercial Real Estate and Public Finance of the NCA segment relate mostly to Hypothekenbank Frankfurt AG.

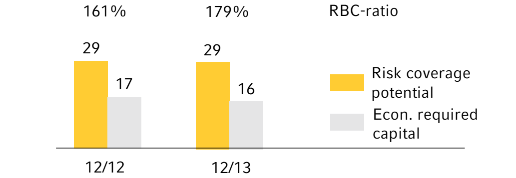
Executive summary 2013

Solid capitalisation and significantly improved risk-bearing capacity

- Risk coverage potential was kept stable at €29bn.
- The risk-bearing capacity ratio was improved from 161% to 179%.

Risk-bearing capacity

€bn

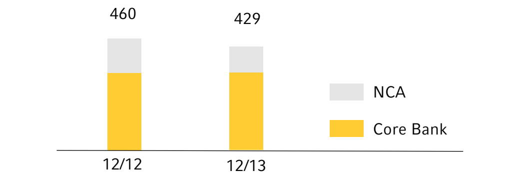


Significant exposure reduction in Non-Core Assets

- NCA exposure in the performing loan book was reduced by €32bn to €107bn during the year.
- Exposure in the Core Bank was increased from €321bn to €323bn.

EaD

€bn

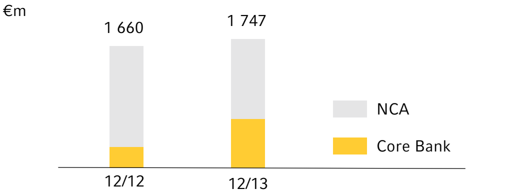


Loan loss provisions for the Group increased as expected to reach €1,747m

- Loan loss provisions in NCA were significantly reduced, particularly in CRE.
- Rise within the Core Bank due to normalisation of loan loss provisioning, particularly in the Mittelstandsbank.

Loan loss provisions

€m

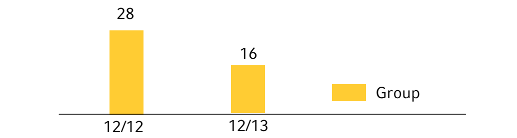


Market risk in the trading book significantly reduced again in 2013

- VaR in the trading book significantly reduced by over two-thirds since the end of 2011 (€59m).
- Trend shows significant fall in interest rate risks, other risk types stable year-on-year.

VaR

€m

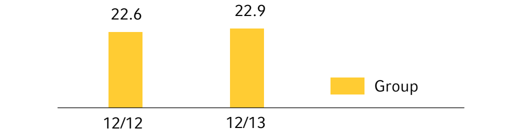


Operational risks almost unchanged year-on-year

- Only a slight rise in risk-weighted assets from operational risk, from €22.6bn to €22.9bn.
- Economically required capital for OpRisk accordingly at previous year's level of €1.9bn.

Risk-weighted assets from operational risk

€bn



The Risk Report is also part of the Management Report. Due to rounding, numbers and percentages may not add up precisely to the totals provided.

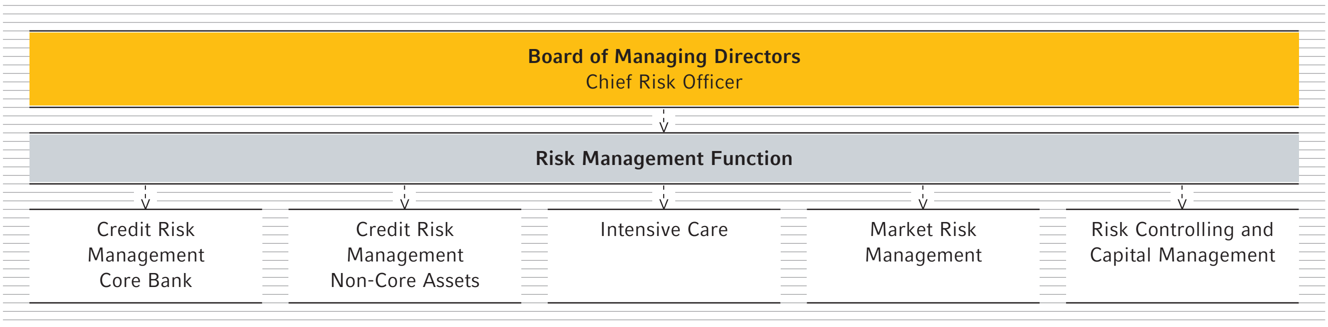
Risk-oriented overall bank management

Commerzbank defines risk as the danger of losses or profits foregone due to internal or external factors. In risk management, we normally distinguish between quantifiable and non-quantifiable types of risk. Quantifiable risks are those to which a value can normally be attached in financial statements or in regulatory capital requirements, while non-quantifiable types of risk include reputational and compliance risk.

Risk management organisation

The Chief Risk Officer (CRO) is responsible for implementing the Group's risk policy guidelines for quantifiable risks laid down by the Board of Managing Directors. The CRO regularly reports to the Board of Managing Directors and the Risk Committee of the Supervisory Board on the overall risk situation within the Group.

Risk management activities are split between Credit Risk Management Core Bank, Credit Risk Management Non-Core Assets (NCA), Intensive Care, Market Risk Management and Risk Controlling and Capital Management. In the Core Bank segments, credit risk management is separated into a performing loan area and Intensive Care, while in the NCA segment it has been merged into a single unit across all rating classes. All divisions have a direct reporting line to the CRO. The heads of these five risk management divisions together with the CRO make up the Risk Management Board within Group Management.



The Board of Managing Directors has sole responsibility for fundamental strategic decisions. The Board of Managing Directors has delegated the operational risk management to committees. Under the relevant rules of procedure these are the Group Credit Committee, the Group Market Risk Committee, the Group OpRisk Committee and the Group Strategic Risk Committee, which decides on risk issues of an overarching nature. The CRO chairs all these committees and has the right of veto. In addition the CRO is a member of the Asset Liability Committee.

The **Supervisory Board's Risk Committee** comprises the Chairman of the Supervisory Board and at least four further Supervisory Board members. The Risk Committee is charged, among other tasks, with monitoring the risk management system and dealing with all risks, particularly with regard to market, credit, operational risk as well as reputational risk.

The **Risk Management Board** deals with important current risk topics as a discussion and decision-making committee within the risk function. In particular, it makes decisions on strategic and organisational developments for the risk function and is responsible for creating and maintaining a consistent risk culture.

The **Group Credit Committee** is the decision-making committee for operational credit risk management below the Board of Managing Directors, comprising two representatives each from the back office and front office. It is chaired by the CRO or his deputy. The Group Credit Committee operates on the basis of the credit risk strategy. It takes decisions in line with the competencies delegated to it by the Board of Managing Directors.

The **Group Market Risk Committee** monitors market risk throughout the Group and manages limit requirements in line with risk-bearing capacity. To do this, all market risks from the trading and banking book are analysed to identify risks early and for active risk management purposes. In addition to minimising risk and avoiding losses, the focus here is on optimising the risk/return profile at an aggregated level.

The **Group OpRisk Committee** (OpRiskCo) is responsible for managing operational risks within the Group and in this regard acts as the highest escalation and decision-making committee below the Board of Managing Directors. The OpRiskCo also addresses all important regulatory issues that arise in connection with the management of operational risks and the implementation of the advanced measurement approach (AMA) within the Group. In addition, it deals with standards on governance and assessing the functioning of the Internal Control System (ICS) within the Commerzbank Group.

The **Group Strategic Risk Committee** acts as the discussion and decision-making committee for all types of risk, and its main objective is to monitor and manage risks at portfolio level. This covers risk measurement, risk transparency and risk management.

The central **Asset Liability Committee** is the Commerzbank Group committee responsible for the Group-wide and integrated management of financial resources, namely capital, liquidity and balance sheet structure as well as interest surplus, in accordance with the regulatory framework. The central Asset Liability Committee monitors in particular the Group's risk-bearing capacity and, as such, plays an important part in our Internal Capital Adequacy Assessment Process (ICAAP).

The Chairman of the Board of Managing Directors (CEO) bears responsibility for controlling risks related to the Bank's business strategy and reputational risks. The Chief Financial Officer (CFO) assumes responsibility for controlling compliance risk with particular regard to investor protection, insider trading guidelines and money laundering.

Risk strategy and risk management

The overall risk strategy, together with the business strategy, defines the strategic risk management guidelines for the development of Commerzbank's investment portfolio. Furthermore, the risk appetite is set as the maximum risk that the Bank is prepared and able to accept while following its business objectives without exposing itself to existential threats over and above the risks inherent in the business. The guiding idea is to ensure that the Group holds sufficient liquidity and capital. Based on these requirements, suitable limits for the capital and liquidity reserve available to the Group are defined. The overarching limits of the overall risk strategy are consistent with the recovery indicators of the recovery plan. The group-wide recovery plan was adopted at the end of 2013 and put into effect from January 2014 onwards.

Banks' core functions as transformers of liquidity and risk result in inevitable threats that can in extreme cases endanger the continued existence of the institution. For Commerzbank, in view of its business model, these inherent existential threats include the default of Germany, Poland, one or more of the other major EU countries (France, Italy, Spain or the UK) or the long-term default of the USA. Others include a deep recession lasting several years with serious repercussions for the German economy or the collapse of the financial markets. These existential threats are taken deliberately in the pursuit of the business targets. It may be necessary to adjust the business model and hence the business and risk strategies if the Board of Managing Directors' assessment of these threats to Commerzbank changes for an extended period of time.

The overall risk strategy covers all material risks to which Commerzbank is exposed. It is detailed further in the form of sub-risk strategies for the risk types which are material. These are then specified and made operational through policies, regulations and instructions/guidelines. By means of the risk inventory process – which is to be carried out annually or on an ad hoc basis as required – we ensure that all risks of relevance to the Group are identified and their materiality assessed. The assessment of the materiality of a risk is based on whether its occurrence could have a major direct or indirect impact on the Bank's risk-bearing capacity.

As part of the planning process, the Board of Managing Directors decides the extent to which the risk coverage potential of the Group should be utilised. On that basis, individual types of risk are limited in a second stage. A capital framework is allocated to the management-relevant units through the planning process. Compliance with limits and guidelines is monitored during the year and management impulse given where required. In addition, further qualitative and quantitative early warning indicators are established in the overall risk strategy and recovery plan. Potential negative developments can be identified at an early stage with the help of these indicators.

One of the primary tasks of risk management is the avoidance of risk concentrations. These can arise from the synchronous movement of risk positions both within a single risk type (intra-risk concentrations) and across different risk types (inter-risk concentrations). The latter result from a common risk driver or from interactions between different risk drivers of different risk types.

By establishing adequate risk management and controlling processes, we provide for the identification, assessment, management, monitoring and communication of substantial risks and related risk concentrations. Therefore we ensure that all Commerzbank-specific risk concentrations are adequately taken into account. A major objective is to ensure early transparency regarding risk concentrations, and thus to reduce the potential risk of losses. We use a combination of portfolio and scenario analyses to manage and deal with Commerzbank-specific inter-risk concentrations. Stress tests are used to deepen the analysis of risk concentrations and, where necessary, to identify new drivers of risk concentrations. Management is regularly informed about the results of the analyses.

Under the three lines of defence principle, protecting against adverse risks is an activity that goes beyond the risk function. The front office represents the first line of defence and has to take risk aspects into account in business decisions. The second line of defence is the risk function whose most basic task is to manage, limit and monitor risk. The third line of defence is made up of internal and external control bodies (internal auditors, the Supervisory Board, external auditors, supervisory authorities).

Employees who have a major impact on Commerzbank's overall risk profile (so-called risk takers) are also identified under the remuneration process regulations. Due to their particular importance for the Bank's overall results, special regulations apply to these employees for measuring their performance and determining their variable remuneration. These notably include compliance with the Code of Conduct, the sustainability of the underlying performance and the risk taker's risk behaviour. But collective criteria in terms of Group profit and liquidity risk can also result in the entitlement to salary components paid out over the long term being fully or partially clawed back.

Risk ratios

Commerzbank uses a comprehensive system of ratios and procedures for measuring, managing and limiting various types of risk. The most important of these are listed below:

Economically required capital (ErC) is the amount that corresponding to a high confidence level (currently 99.91% at Commerzbank) will cover unexpected losses arising from risk positions.

The **risk-bearing capacity ratio (RBC ratio)** indicates the excess coverage of the economically required capital by the risk coverage potential. Risk-bearing capacity is deemed to be assured as long as the RBC ratio is higher than 100%.

Exposure at default (EaD) is the expected exposure amount taking into account a potential (partial) drawing of open lines and contingent liabilities that will adversely affect risk-bearing capacity in the event of default. For Public Finance securities, the nominal is reported as EaD.

Expected loss (EL) measures the potential loss on a loan portfolio that can be expected within one year on the basis of historical loss data.

Risk density is the ratio of expected loss to exposure at default and thus represents the relative risk content of an exposure or a portfolio.

Value at risk (VaR) is a methodology for quantifying risk. It involves setting a holding period (such as one day) and a confidence level (such as 97.5%). The VaR value then denotes the relevant loss threshold that will not be exceeded within the holding period with a probability in line with the confidence level.

Credit value at risk (CVaR) is the economic capital requirement for credit risk with a confidence level of 99.91%. The term results from the application of the value at risk concept to credit risk measurement. Credit VaR is an estimate of the amount by which losses from credit risks could potentially exceed expected loss within a single year, i.e. unexpected loss. The idea behind this approach is that expected loss simply represents the long-term average of lending losses, but this may vary (positively or negatively) from actual credit losses for the current business year.

In relation to bulk risk, the **"all-in" concept** comprises all customer credit lines by the Bank in their full amount – irrespective of the loan utilisation to date. It is independent of statistically modelled parameters and comprises internal as well as external credit lines.

Risk-bearing capacity and stress testing

The risk-bearing capacity analysis is a key part of overall bank management and Commerzbank's Internal Capital Adequacy Assessment Process (ICAAP). The purpose is to ensure that sufficient capital is held for the risk profile of the Commerzbank Group at all times.

Commerzbank monitors risk-bearing capacity using a gone concern approach which seeks primarily to protect unsubordinated lenders. This objective should be achieved even in the event of extraordinarily high losses from an unlikely extreme event. The gone concern analysis is supplemented here by elements aimed at ensuring the institution's continuing existence (going concern perspective).

When determining the economically required capital, allowance is made for potential unexpected fluctuations in value. Where such fluctuations exceed forecasts, they must be covered by available economic capital in order to absorb unexpected losses (capital available for risk coverage). The quantification of capital available for risk coverage is based on a differentiated view on the accounting values of assets and liabilities and involves economic valuations of certain balance sheet items.

The capital requirement for the risks taken is quantified using the internal economic capital model. When assessing the economic capital required, allowance is made for all the types of risk at Commerzbank Group that are classified as material in the annual risk inventory. The economic risk approach therefore also comprises risk types that are not included in the regulatory requirements for banks' capital adequacy. In addition it and also reflects the effect of portfolio-specific interrelationships. The confidence level of 99.91% in the economic capital model is in line with the underlying gone concern assumptions and ensures the economic risk-bearing capacity concept is internally consistent. The results of the risk-bearing capacity analysis are shown using the risk-bearing capacity ratio (RBC ratio), indicating the excess of the risk coverage potential in relation to the economically required capital.

The results of the annual validation of the risk-bearing capacity concept were implemented at the beginning of 2013. Besides the regular updates of the economic capital model's risk parameters it also incorporated the results of the annual Group Risk Inventory. This in turn included the remodelling of the property value change risk, arrived at on the basis of changes in the values of property (especially real estate).

The risk-bearing capacity is monitored and managed monthly at Group level. Risk-bearing capacity is deemed to be assured as long as the RBC ratio is higher than 100%. In 2013, the RBC ratio was consistently well above 100% and was 179% as of 31 December 2013. The rise in the RBC ratio over the course of the year largely reflects the calmer mood on the financial markets and the easing of the European sovereign debt crisis. It goes hand in hand with a decline in market risk and with a decline in credit risk in response to the successful reduction of the NCA portfolio.

Risk-bearing capacity Group | €bn	31.12.2013	31.12.2012
Economic risk coverage potential[1]	**29**	**29**
Economically required capital[2]	**16**	**17**
thereof for default risk	12	13
thereof for market risk	4	4
thereof for operational risk	2	2
thereof diversification between risk types	−2	−2
RBC-ratio[3]	**179%**	**161%**

[1] Business risk, defined as a potential loss that results from discrepancies between actual income (negative deviation) and expense (positive deviation) and the respective budgeted figures, is accounted for in the risk coverage potential.
[2] Including property value change risk and risk of unlisted investments.
[3] RBC ratio = economic risk coverage potential/economically required capital (including risk buffer).

We use macroeconomic stress tests to review the risk-bearing capacity in the event of assumed adverse changes in the economic environment. The scenarios on which they are based take into account the interdependence in development between the real and financial economies and extend over a time horizon of at least two years. They are updated quarterly and approved by the Asset Liability Committee (ALCO). The scenarios describe an extraordinary but credible adverse development in the economy, focusing in particular on portfolio priorities and business strategies of relevance to Commerzbank. The simulation is run monthly using the input parameters of the economic capital requirements for all material risk types. It reflects the forecast macroeconomic situation. In addition to the capital required, the economic capital for risk coverage is also subjected to a stress test based on the macroeconomic scenarios. Based on this, changes in the capital available for risk coverage are simulated. In the same way as the RBC ratio is incorporated into Commerzbank's limit system, explicit limits on risk tolerance are set as an early warning system in the stressed environment. The ongoing monitoring of the limit for the unstressed and stressed RBC ratio is a key part of internal reporting. Defined escalations are triggered if the limit is breached.

In addition to the regular stress tests, so-called reverse stress tests are implemented annually at Group level. Unlike regular stress testing, the result of the simulation – a sustained threat to the business model – is determined in advance. The aim of this analysis process in the reverse stress test is to improve the transparency of Bank-specific risk potential and interactions of risk by identifying and assessing extreme scenarios and events. By doing this, for example, action fields in risk management including the regular stress tests, can be identified and taken into account in the efforts at continuing development.

In 2013, the risk-weighted assets arising from Commerzbank's business activities were reduced from €208bn to €191bn. This was mainly due to the reduction in default risk in the NCA segment and to decreases in market risks.

The following table gives an overview of the distribution of risk-weighted assets, broken down by segment and risk type:

Risk-weighted assets as at 31.12.2013 | €bn	Default risk	Market risk	Operational risk	Total
Core Bank	**107**	**9**	**22**	**137**
Private Customers	17	0	10	27
Mittelstandsbank	54	0	4	58
Central & Eastern Europe	13	1	1	14
Corporates & Markets	18	5	5	28
Others and Consolidation	5	3	3	11
Non-Core Assets	**52**	**0**	**1**	**54**
Commercial Real Estate	21	0	1	22
Deutsche Schiffsbank	15	0	0	15
Public Finance	16	0	0	16
Group	**159**	**9**	**23**	**191**

Regulatory environment

With Basel 3, the Basel Committee on Banking Supervision published among other things comprehensive rules on the components of shareholders' equity and the management of liquidity risk. The European implementation was finalised with the Capital Requirements Directive (CRD) IV package of measures in summer 2013. The EU directive is transposed into German law through the CRD IV Implementation Law. The obligation to apply the regulations began on 1 January 2014, with the introduction of more stringent capital requirements to be phased in. Commerzbank has prepared itself to comply with these more stringent requirements by taking a number of steps to optimise its capital base.

As part of the liquidity requirements, the reporting expectations of supervisory authorities will include two international liquidity ratios, namely the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). These will be made mandatory and will gradually become more stringent following an observation period. Commerzbank has established internal LCR requirements and is conducting a project to develop calculation methods that will help in the active management of the LCR. As the Basel Committee intends to thoroughly overhaul the existing regulations, it is still not clear what form the final requirements will take.

As at 14 December 2012 the German Federal Financial Supervisory Authority (BaFin) has published the fourth amendment to the Minimum Requirements for Risk Management (MaRisk). These entered into force with effect from 1 January 2013 and were basically to be implemented by 31 December 2013. At Commerzbank they are implemented within the deadlines specified by the supervisory authorities.

Under an EU directive, new requirements for establishing a framework for the recovery and resolution of banks and securities firms (Banking Recovery and Resolution Directive, BRRD) are being discussed. The German Banking Act (KWG) regulations introduced under the German Separate Banks Act (Deutsches Trennbankengesetz) have since August 2013 required all systemically relevant banks to draw up and implement recovery plans. Negotiations are also underway in Brussels over the Single Resolution Mechanism (SRM) and the form that it should take. Our Group-wide recovery plan, which came into effect in January 2014, will be the basis for the resolution plan to be drawn up for Commerzbank by the relevant supervisory or resolution authority. In the recovery plan, we describe in detail for instance the courses of action and recovery potential available to the Bank in the event of a crisis and which specific recovery measures, in various stress scenarios, will enable the Bank to complete its recovery. As the European and German regulations and requirements are finalised, we will further develop our recovery plan accordingly.

In addition, with the German Separate Banks Act (Deutsches Trennbankengesetz) and the draft EU regulations on the structural reform of banks in the EU, new regulations are being established for the separation of transactions classified as high-risk both in Germany and probably also throughout the EU. The binding regulations planned to be introduced EU-wide will not come into force before the end of 2014. We are constantly evaluating their implications and are monitoring the ongoing legislative process.

In autumn 2014, the European Central Bank (ECB) will take full responsibility for banking supervision under the Single Supervisory Mechanism. In preparation, the ECB is currently carrying out comprehensive analyses of banks' balance sheets. This affects Commerzbank among others. In addition to the comprehensive data analyses carried out since the fourth quarter of 2013, we are expecting an on-site assessment of the quality of our assets (asset quality review, AQR) to be conducted in the first quarter of 2014. This will be followed by a stress test in the second half of 2014. The results of AQRs and stress tests are due to be communicated in November 2014, which may give rise to an additional capital requirement for certain banks.

At the beginning of 2013, the Basel Committee on Banking Supervision published risk data aggregation and internal risk reporting principles to be followed by banks and supervisory authorities. Alongside risk data aggregation and risk reporting, these principles also relate to governance and infrastructure. Banks of global systemic relevance, along with certain other selected banks, will be obliged to comply fully with these principles from the beginning of 2016. Here, too, Commerzbank launched a Group-wide project in 2013 to implement the requirements in question.

The Enhanced Disclosure Task Force (EDTF) has published a number of fundamental principles and recommendations for improved reporting across all areas of risk management. Commerzbank has largely taken these recommendations into account in this Annual Report 2013 and in the Disclosure Report 2013. The scope and timing of implementation are still being reviewed for certain areas.

Commerzbank operates in markets subject to national and supranational regulation. In addition, it is subject to the overarching requirements imposed by accounting standards. Changes in regulatory requirements and accounting standards, which have grown increasingly frequent and material in recent years, may have lasting implications for – and even threaten the survival of – the financial industry in general and Commerzbank's business model in particular. Commerzbank participates actively and at an early stage in the consultation processes aimed at preparing for the constant changes in the operating environment.

Default risk

Default risk refers to the risk of losses due to defaults by counterparties as well as to changes in this risk. For Commerzbank, the concept of default risk embraces not only the risks associated with defaults on loans and with third-party debtors, but also counterparty and issuer risks and country/ transfer risk.

Strategy and organisation

The credit risk strategy is derived from the overall risk strategy and is the partial risk strategy for default risks. It is embedded in the ICAAP process of the Commerzbank Group and therefore contributes to ensuring risk-bearing capacity.

It describes the strategic areas of action and gives an overview of the important management concepts in credit risk management – particularly for the management of the most important risk concentrations (groups, countries, sectors).

The credit risk strategy is a link between the Bank's overall risk management across all risk types and the operationalisation of default risk management. It relies on quantitative and qualitative management tools that take account of the specific requirements of Core Bank and run-off portfolios.

Quantitative management is carried out using clearly defined (economic and regulatory) key figures at Group, segment and subsegment level, with the aim of ensuring an adequate portfolio quality and granularity in addition to risk-bearing capacity.

Qualitative management guidelines in the form of credit policies define the target business of the Bank. At the level of individual transactions, they regulate the transaction type with which the risk resources provided are to be used. These credit policies are firmly embedded in the credit process: transactions which do not meet the requirements are escalated through a fixed competence regulation.

In organisational terms, credit risk management in the Core Bank differs from risk management in the NCA segment. In the Core Bank, based on the separation of responsibility by the performing loan area on the one hand and Intensive Care on the other, discrete back-office areas are responsible for operational credit risk management on a portfolio and an individual case basis.

All credit decisions in the performing loan area are risk/return decisions. The front and back office take joint responsibility for risk and return from an exposure, with the back office having primary responsibility for the risk, and the front office for the return. Accordingly, neither office can be overruled in its primary responsibility in the lending process.

Higher-risk Core Bank customers are handled by specialist Intensive Care areas. The customers are moved to these areas as soon as they meet defined transfer criteria. The principal reasons for transfer to Intensive Care areas are criteria relating to number of days overdrawn, together with event-related criteria such as rating, insolvency, third-party enforcement measures or credit fraud. This ensures that higher-risk customers can continue to be managed promptly by specialists in defined standardised processes.

For loans in Intensive Care, various restructuring and reorganisation strategies are used. Appropriate steps are taken depending on the specific problem. Customers are given close support with their loans to ensure that they adhere to any agreements made (planned repayments/ongoing amortisation). This is aimed at securing the customer's recovery and return to the performing loan area. Measures on deferments and restructurings/reorganisations for customers may include:

- Tolerance of temporary overdrafts; provided that the reason for the overdraft as well as the nature and date of settlement are transparent and foreseeable.
- Repayment agreements: unpaid loan instalments that result in an overdrawn current account are set aside as a separate amount and repaid monthly under a repayment agreement.
- Restructuring of existing credits/loans: customers' credits/loans are refinanced in order to reduce the ongoing burden for the customer. This may also be accompanied by, for example, a change in amortisation methods and/or the loan structure/term.
- Restructuring/granting of new loans: financial support in the restructuring process of a company in crisis aimed at sustainable recovery. As a rule, this means fundamental intervention in funding structures and contingent liabilities. It may also result in a capital repayment waiver, a change in the collateral positions or the application of a restructuring interest rate that is below standard market conditions.

In the NCA segment, by contrast, there is no separation of responsibilities between the performing loan area and Intensive Care. Credit risk management here has been merged into one unit across all rating classes.

The aim is to fully wind down all the assets grouped in this segment in a way that preserves value. To this end, EaD-based guidelines have been established and an asset management has been implemented. This is carried out through regular asset planning and is based on a risk matrix for Commercial Real Estate and Deutsche Schiffsbank. The parts of the portfolio shown within the risk matrix serve as a guideline for differentiated risk management within the overarching portfolio reduction mandate. The main aim here is to prioritise the winding down or mitigation of those parts of the portfolio and individual loans for which the capital requirement is particularly high. Opportunities for selling sub-portfolios in a way that preserves value may also be used to free up capital as part of the systematic portfolio reduction.

For business in Public Finance, the reduction is primarily through regular maturities of assets. Market opportunities that arise are used in a targeted way for the sale of individual assets.

Risk management

Commerzbank manages default risk using a comprehensive risk management system comprising an organisational structure, methods and models, a risk strategy with quantitative and qualitative management tools and regulations and processes. The risk management system ensures that the entire portfolio and the subportfolios, right down to individual exposure level, are managed consistently and thoroughly on a top-down basis.

The ratios and measures required for the operational process of risk management are based on overarching Group objectives. They are enhanced at downstream levels by sub-portfolio and product specifics. Risk-based credit approval regulations focus management attention in the highest decision-making bodies on issues such as risk concentrations or deviations from the risk strategy.

Operational credit risk management still aims to preserve appropriate portfolio quality. In addition to the reduction of concentration risks, management of the effects of the euro and sovereign debt crisis and the reduction of risks in non-investment grade, the focus is also on supporting attractive new business in our growth segments. We also carry out continual checks of our credit processes to identify possible improvement measures.

Commerzbank's rating and scoring methods, which are used for all key credit portfolios, form the basis for measuring default risks. Both the calibration of the probabilities of default assigned to individual counterparties or loans and the calculation of loss ratios are based on an analysis of historical data from the Commerzbank portfolio. An annual recalibration of the methods is carried out on this basis.

Country risk management is based on the definition of risk limits as well as country-specific strategies for achieving a desired target portfolio.

Back-office activities in domestic corporate customer business are organised by industry sector, which makes it possible to directly identify issues at total and sub-portfolio level, track them down to the individual loan level and implement appropriate measures. This has led to major progress in terms of the speed and efficiency of preventative measures and forecasting quality in respect of the development of risk.

Critical events and constantly changing regulatory requirements make flexible credit portfolio management essential and ensuring that the credit portfolio is highly flexible remains, therefore, one of our key strategic action fields in credit risk management.

Overview of management instruments and levels

	Risk strategies and policies	Limit and guideline systems	Portfolio monitoring and reporting	Structures of organisation and committees
Group	Overall risk strategy plus sub-risk strategies for significant risk types Establishment of a general risk understanding and creation of a uniform risk culture	Definition of Group limits (across all risk types) for capital and liquidity management Additional definition of guidelines as key points of the aspired target portfolio	Group Risk & Capital Monitor plus risk type specific Group formats (including flash reporting) Uniform, consolidated data repository as basis for Group reporting	Ensuring exchange of information and networking in committees that operate across all risk types Retaining qualified staff in line with progressive product innovation or regulatory adjustments
Sub-portfolios	Clear formulation of risk policy in guidelines (portfolios, asset classes, etc.) Differenciated credit authorities based on compliance of transactions with the Bank's risk policy	Performance metrics on level of risk categories and sub-portfolios Expansion of Group-wide performance metrics using sub-portfolio-specific indicators	Portfolio batches as per established portfolio calendar Asset quality review and analysis of High Attention Parts (HAP)[1] Trigger monitoring with clear escalation and reporting lines	Interdisciplinary composition of segment committees Ensuring uniform economic opinions
Individual exposures	Rating-dependent and bulk-sensitive credit authority regulations with clear escalation processes	Limitation of bulk risk and uniform management according to model-independent all-in definition	Limit monitoring at individual exposure level Monthly report to the Board of Managing Directors on the development of bulk risks Review of individual customers/exposures resulting from asset quality review or HAP analyses[1]	Deal team structures Institutionalized exchange within the risk function, also taking account of economic developments Sector-wise organization of domestic corporate business

[1] Description refers to Core Bank; analogue procedure based on a specific risk matrix used in NCA segment.

Management of economic capital commitment

Economic capital commitment is managed in order to ensure that the Commerzbank Group holds sufficient capital. With this object in view, all risk types in the overall risk strategy for economically required capital (ErC) are given limits on a Group-wide basis to ensure proper capital adequacy levels for Commerzbank Group, with, in particular, a CVaR limit being specified. Due to the systematically restricted options for reducing default risk on a short-term basis, it is important to take account of expected trends in credit risk (medium-term and long-term) in order to remain within limits. For this reason, medium-term forecast values of capital ratios play a key role in ongoing management. When updating forecasts, it has to be ensured that limits are met as a result of keeping to forecast. At segment and business area level, deviations from the forecast are monitored and adjustments made when necessary. There is no cascaded limit concept for credit risk below Group level, i.e. no allocation of the Group credit limit to segments/business areas.

Expected loss (EL) plays a crucial part in capital management for default risk. It consolidates key input factors of the CVaR to a meaningful ratio which has long been in established use in risk management.

Rating classification

The Commerzbank rating method comprises 25 rating classes for loans not in default (1.0 to 5.8) and five default classes (6.1 to 6.5). The Commerzbank master scale allocates a non-overlapping range of probabilities of default that are stable over time to each rating class. The rating methods are validated and recalibrated annually so that they reflect the latest projection based on all actual observed defaults. The default ranges assigned to the ratings are the same for all portfolios and remain stable over time. This ensures internal comparability consistent with the master scale method. For the purpose of guidance, the Commerzbank master scale also shows external ratings. However, a direct reconciliation is not possible, because external ratings of different portfolios show fluctuating default rates from year to year.

The credit approval authorities of both individual staff and the committees (Board of Managing Directors, credit committee, credit sub-committees) are graduated by size of exposure and rating class. The most important control variable for default risk is expected loss (EL) as derived from the ratings. The credit risk strategy sets target values for individual sub-portfolios. This ensures that the expected level of provisioning is kept in line with the strategic objectives of the Bank, such as the target rating from rating agencies or the target portfolio quality and structure.

Commerzbank master scale

Commerzbank AG rating	PD and EL mid-point %	PD and EL range %	S&P		
1.0	0	0	AAA	AAA	Investment grade
1.2	0.01	0–0.02			
1.4	0.02	0.02–0.03	AA+	AA	
1.6	0.04	0.03–0.05	AA, AA–		
1.8	0.07	0.05–0.08	A+, A	A	
2.0	0.11	0.08–0.13	A–		
2.2	0.17	0.13–0.21	BBB+	BBB	
2.4	0.26	0.21–0.31	BBB		
2.6	0.39	0.31–0.47			
2.8	0.57	0.47–0.68	BBB–		
3.0	0.81	0.68–0.96	BB+	BB	Non-investment grade
3.2	1.14	0.96–1.34	BB		
3.4	1.56	1.34–1.81			
3.6	2.10	1.81–2.40	BB–		
3.8	2.74	2.40–3.10	B+	B	
4.0	3.50	3.10–3.90			
4.2	4.35	3.90–4.86	B		
4.4	5.42	4.86–6.04			
4.6	6.74	6.04–7.52			
4.8	8.39	7.52–9.35	B–		
5.0	10.43	9.35–11.64			
5.2	12.98	11.64–14.48	CCC+	CCC	
5.4	16.15	14.48–18.01			
5.6	20.09	18.01–22.41	CCC to CC–		
5.8	47.34	22.41–99.99			
6.1		>90 days past due	C, D-I, D-II		Default
6.2		Imminent insolvency			
6.3	100	Restructuring with recapitalisation			
6.4		Termination without insolvency			
6.5		Insolvency			

Management of risk concentrations

The avoidance of risk concentrations is a core strategy of risk management. Risk concentrations are actively managed in order to identify at an early stage and to contain the increased potential for loss in the synchronous movement of risk positions. In addition to exposure-related credit risk concentrations (bulk risks), default risk also includes, among others, country and sector concentrations. Segment-specific features are taken into account here.

A uniform definition based on "all-in" is used to manage bulk risk. The all-in concept comprises all customer credit lines approved by the Bank in their full amount – irrespective of the loan utilisation to date.

Management and the Supervisory Board's Risk Committee are regularly informed about the results of the analyses.

Risk mitigation
The collateral taken into account in risk management is mostly assigned to portfolios at Commerzbank Aktiengesellschaft and Hypothekenbank Frankfurt AG. It totals around €100bn for the exposures in the performing book and over €7bn in the default portfolio. In the Private Customers segment, the collateral predominantly consists of mortgages on owner-occupied and buy-to-let residential property. In Mittelstandsbank and in Corporates & Markets, collateral is spread over various types of security. These mainly relate to mortgages on commercial properties and various forms of guarantees. The portfolio in the Central & Eastern Europe segment is mainly secured by mortgages, in both the retail and commercial sectors. In the Non-Core Assets segment, collateral in the Commercial Real Estate sub-segment mainly relates to commercial land charges and also to charges on owner-occupied and buy-to-let properties. The ship finance portfolio is mostly backed by ship mortgages.

Commerzbank Group

In view of the continued uncertainty on financial markets and increasing regulatory requirements, Commerzbank decided, in June 2012, to step up the pace in focusing on client-driven and profitable core business, minimising risks and reducing complexity. It also decided that the Commercial Real Estate, Deutsche Schiffsbank and Public Finance divisions should be completely and gradually wound down. As a result, these areas were transferred in their entirety to the new Non-Core Assets (NCA) run-off segment. The Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe segments remain in the Core Bank.

To describe Commerzbank Group, we will go into more detail on credit risk ratios, the breakdown of the portfolio by region, loan loss provisions in the credit business, the default portfolio and on overdrafts in the performing book.

Credit risk parameters The credit risk parameters in the Commerzbank Group are distributed in the rating classes 1.0 to 5.8 as follows over the Core Bank and Non-Core Assets:

Credit risk parameters as at 31.12.2013	Exposure at default €bn	Expected loss €m	Risk density bp	CVaR €m
Core Bank	323	931	29	7,171
Non-Core Assets	107	749	70	4,880
Group	**429**	**1,680**	**39**	**12,051**

When broken down on the basis of PD ratings, 77% of the Group's portfolio is in the internal rating classes 1 and 2.

Rating breakdown as at 31.12.2013 EaD | %	1.0 –1.8	2.0 –2.8	3.0 –3.8	4.0 –4.8	5.0 –5.8
Core Bank	29	50	16	4	2
Non-Core Assets	31	41	15	9	5
Group	**29**	**48**	**15**	**5**	**2**

The Group's country risk calculation records both transfer risks and region-specific event risks defined by political and economic events which impact on the individual economic entities of a country. Country risks are managed and limited on the basis of loss at default at country level. Country exposures which are significant for Commerzbank due to their size and exposures in countries in which Commerzbank holds significant investments in comparison to the GDP of those countries are handled by the Strategic Risk Committee on a separate basis.

The regional breakdown of the exposure corresponds to the Bank's strategic direction and reflects the main areas of its global business activities.

Around half of the Bank's exposure relates to Germany, another third to other countries in Europe and 6% to North America. The rest is broadly diversified and is split between a large number of countries where we serve German exporters in particular or where Commerzbank has a local presence. A main driver of the expected loss in the region "Other" is ship finance.

Group portfolio by region as at 31.12.2013	Exposure at default €bn	Expected loss €m	Risk density bp
Germany	217	580	27
Western Europe	101	393	39
Central and Eastern Europe	42	219	53
North America	26	42	16
Other	44	447	101
Group	**429**	**1,680**	**39**

The following table shows the exposure to Greece, Ireland, Italy, Portugal and Spain based on the member state where the head office or the asset is located.

	31.12.2013					31.12.2012
EaD[1] €bn	**Sovereign[2]**	**Banks**	**CRE**	**Corporates/ Other**	**Total**	**Total**
Greece	0.0	0.0	0.1	0.1	0.3	0.2
Ireland	0.0	0.4	0.0	1.2	1.7	1.6
Italy	9.1	0.7	1.9	2.1	13.7	14.2
Portugal	0.8	0.4	1.3	0.2	2.8	3.0
Spain	2.4	3.5	3.0	2.4	11.3	12.8

[1] Excluding exposure from ship finance.
[2] Including sub-sovereigns.

Loan loss provisions The loan loss provisions relating to the Group's credit business in 2013 amounted to €1,747m and thus were €87m higher than in the previous year. This amount includes a one-off expenditure of €70m net relating to the review and update of parameters. Write-downs on securities are not considered as risk provisions but as income from financial assets.

For 2014 we expect loan loss provisions for the Group to be slightly below the 2013 level, with loan loss provisions in Deutsche Schiffsbank anticipated to remain unchanged.

	2013					2012				
Loan loss provisions | €m	**Total**	**Q4**	**Q3**	**Q2**	**Q1**	**Total**	**Q4**	**Q3**	**Q2**	**Q1**
Core Bank	665	134	249	190	92	283	102	47	116	18
Non-Core Assets	1,082	317	243	347	175	1,374	512	383	301	178
Group[1]	**1,747**	**451**	**492**	**537**	**267**	**1,660**	**614**	**430**	**404**	**212**

[1] Including the PRU's provisions for loan losses of a total €3 m in 2012.

The risks related to the macroeconomic framework are still high. Should there be a massive economic downturn or defaults at financial institutions due to the impact of the continuing sovereign debt crisis on the real economy, significantly higher loan loss provisions may become necessary under certain circumstances.

Default portfolio The default volume was reduced by a total of €3.4bn year-on-year as at the end of 2013. In the NCA segment, it was cut by €2.6bn thanks to successful reduction measures. In the Core Bank, too, the default volume was reduced by €0.8bn. The default volume is equivalent to claims that are in default in the category LaR and to the claims that are in default that it has been decided should be sold off (IFRS 5).

	31.12.2013			31.12.2012		
Default portfolio category LaR | €m	**Group**	**Core Bank**	**NCA**	**Group**	**Core Bank**	**NCA**
Default volume	15,563	6,024	9,540	18,926	6,799	12,128
Loan loss provisions	6,241	3,066	3,175	7,148	3,264	3,884
GLLP	933	523	410	887	470	417
Collaterals	7,407	1,308	6,100	9,296	1,451	7,845
Coverage ratio excluding GLLP (%)[1]	88	73	97	87	69	97
Coverage ratio including GLLP (%)[1]	94	81	102	92	76	100
NPL ratio (%)[2]	3.5	1.8	8.2	4.0	2.1	8.1

[1] Coverage ratio: total loan loss provisions, collateral (and GLLP) as a proportion of the default volume.
[2] NPL ratio: default volume (non-performing loans – NPL) as a proportion of total exposure (EaD including NPL).

The default portfolio is divided into five classes based on the nature of the default:

- Rating class 6.1: over 90 days past due.
- Rating classes 6.2/6.3: Imminent insolvency, or the Bank is assisting in financial rescue/restructuring measures at the customer with restructuring contributions.
- Rating classes 6.4/6.5: The Bank recalls the loan and the customer has become insolvent respectively.

The following table shows the breakdown of the default portfolio based on the five default classes:

Rating classification as at 31.12.2013 | €m	6.1	6.2/6.3	6.4/6.5	Group
Default volume	2,370	7,645	5,548	15,563
Loan loss provisions	295	2,976	2,970	6,241
Collaterals	1,756	3,587	2,064	7,407
Coverage ratio excl. GLLP (%)	87	86	91	88

Overdrafts in the performing loan book In order to avoid an increase in the default portfolio, overdrafts are closely monitored at Commerzbank. In addition to the 90 days-past-due trigger event, IT-based management of overdrafts starts on the first day the account is overdrawn. The following table shows overdrafts outside the default portfolio based on the exposure at default as at end of December 2013.

EaD €m	> 0 ≤ 30 days	> 30 ≤ 60 days	> 60 ≤ 90 days	> 90 days	Total
Core Bank	2,167	264	105	33	2,569
Non-Core Assets	717	49	183	9	958
Group	**2,884**	**313**	**288**	**42**	**3,527**

In 2013, total foreclosed assets decreased year-on-year by €13m to €103m (additions €49m, disposals €51m, cumulative change from valuation €-11m). At year-end all of these assets of around €103m related mortgages of our subsidiary Hypothekenbank Frankfurt. The properties are serviced and managed in companies in which Hypothekenbank Frankfurt owns a majority stake through subsidiaries. This is normally HF Estate Management GmbH. The aim is to increase the value and performance of the commercially-focused real estate portfolio through HF Estate's property expertise so that the properties can be placed on the market again in the short to medium term.

In 2013, Commerzbank founded a stand-alone restructuring platform for ships, called "Hanseatic Ship Asset Management GmbH". The new company will acquire individual ships that have potential, remove them from their existing, impaired credit relationships, operate them on the new platform and sell them when the market recovers. As at the end of 2013, the volume of ships recognised as self-operated ships in the Bank's tangible assets was €58m.

Core Bank

The Core Bank comprises the segments Private Customers, Mittelstandsbank, Central & Eastern Europe, Corporates & Markets and Others and Consolidation.

Credit risk parameters The Core Bank's exposure in the rating classes 1.0 to 5.8 increased to €323bn as at 31 December 2013 (31 December 2012: €321bn), while risk density increased from 27 to 29 basis points.

Credit risk parameters as at 31.12.2013	Exposure at default €bn	Expected loss €m	Risk density bp	CVaR €m
Private Customers	82	203	25	1,005
Mittelstandsbank	120	369	31	3,150
Central & Eastern Europe	27	143	53	651
Corporates & Markets	59	184	31	1,736
Others and Consolidation[1]	35	32	9	629
Core Bank	**323**	**931**	**29**	**7,171**

[1] Mainly Treasury positions.

Some 79% of the Core Bank's portfolio belongs to the investment-grade area, corresponding, on the basis of PD ratings, to our internal rating classes 1.0 to 2.8.

Rating breakdown as at 31.12.2013 EaD | %	1.0–1.8	2.0–2.8	3.0–3.8	4.0–4.8	5.0–5.8
Private Customers	30	49	16	3	2
Mittelstandsbank	14	59	21	5	2
Central & Eastern Europe	7	59	23	9	2
Corporates & Markets	47	40	9	2	2
Core Bank[1]	**29**	**50**	**16**	**4**	**2**

[1] Including Others and Consolidation.

Loan loss provisions Loan loss provisions in the Core Bank amounted to €665m in 2013. The charge was therefore €382m higher than in the previous year. 2013 was dominated by the recognition of new provisions for a number of larger individual cases in the corporate portfolio. It should also be taken into account that loan loss provisions in 2012 benefited strongly from reversals in the Mittelstandsbank segment.

	2013					2012				
Loan loss provisions | €m	**Total**	**Q4**	**Q3**	**Q2**	**Q1**	**Total**	**Q4**	**Q3**	**Q2**	**Q1**
Private Customers	108	15	31	27	35	95	16	45	26	8
Mittelstandsbank	470	139	106	147	78	30	42	–9	32	–35
Central & Eastern Europe	119	36	41	36	6	105	24	28	35	18
Corporates & Markets	–57	–55	43	–19	–26	52	19	–17	23	27
Others and Consolidation	25	–1	28	–1	–1	1	1	0	0	0
Core Bank	**665**	**134**	**249**	**190**	**92**	**283**	**102**	**47**	**116**	**18**

Default portfolio The Core Bank's default portfolio benefited from substantial outflows due to successful restructurings and repayments and was reduced from the previous year's level, especially in the Corporates & Markets segment.

Default portfolio Core Bank | €m	31.12.2013	31.12.2012
Default volume	6,024	6,799
Loan loss provisions	3,066	3,264
GLLP	523	470
Collaterals	1,308	1,451
Coverage ratios excluding GLLP (%)	73	69
Coverage ratios including GLLP (%)	81	76
NPL ratio (%)	1.8	2.1

Overdrafts in the performing loan book The following table shows overdrafts outside the default portfolio by segment based on exposure at default as at end of December 2013:

EaD €m	> 0 ≤ 30 days	> 30 ≤ 60 days	> 60 ≤ 90 days	> 90 days	Total
Private Customers	517	53	38	3	611
Mittelstandsbank	1,305	129	50	5	1,489
Central & Eastern Europe	301	82	18	25	426
Corporates & Markets	27	0	0	0	27
Core Bank[1]	**2,167**	**264**	**105**	**33**	**2,569**

[1] Including Others and Consolidation.

Private Customers

The Private Customers segment comprises the Private Customers, Direct Banking and Commerz Real divisions. Private Customers also includes Commerzbank's branch business in Germany for private and business customers as well as Wealth Management.

The risks in private customer business depend mainly on the economic environment, trends in unemployment levels and real estate prices. Amongst others we manage risks by the use of defined lending standards, active monitoring of new business, close observation of the real property and EDP-based overdraft management. We also identify any irregularities in loans by using selected triggers. These loans are dealt with in our area of early risks identification.

Credit risk parameters as at 31.12.2013	Exposure at default €bn	Expected loss €m	Risk density bp
Residential mortgage loans	47	94	20
Investment properties	5	10	19
Individual loans	12	40	33
Consumer and instalment loans/credit cards	9	35	37
Domestic subsidiaries	3	7	26
Foreign subsidiaries and other	5	17	30
Private Customers	**82**	**203**	**25**

We meet the financing needs of our customers with a broad and modern product range. The focus of the portfolio is on traditional owner-occupied home financing and the financing of real estate capital investments (residential mortgage loans and investment properties with a total EaD of €52bn). We provide our business customers with credit in the form of individual loans with a volume of €12bn. In addition, we meet our customers' day-to-day demand for credit with consumer loans (consumer and instalment loans, credit cards to a total of €9bn).

There was continued growth in the private customer business, particularly in residential mortgage loans, while risk density remained stable. In 2013, holdings were more actively managed, and this helped to reduce risks. Risk density was reduced to 25 basis points after 27 basis points at year-end 2012.

Loan loss provisions for private customer business were €13m higher year-on-year. Adjusted for parameter updating in the fourth quarter of 2012, loan loss provisions were at the previous year's level.

The default portfolio in the Private Customers segment was reduced by around €0.2bn in 2013.

Default portfolio Private Customers | €m	31.12.2013	31.12.2012
Default volume	943	1,135
Loan loss provisions	311	392
GLLP	121	128
Collaterals	445	527
Coverage ratios excluding GLLP (%)	80	81
Coverage ratios including GLLP (%)	93	92
NPL ratio (%)	1.1	1.5

Mittelstandsbank

This segment comprises all the Group's activities with mainly mid-size corporate customers, the public sector and institutional customers, where they are not assigned to other segments. The segment is also responsible for the Group's relationships with banks and financial institutions in Germany and abroad, as well as with central banks. We are seeking further growth in German corporate customers and international corporate customers connected to Germany through their core business. Thus we are investing in certain new markets. The risk appetite is oriented towards the assessment of the relevant sector, but also towards a company's economic and competitive conditions. For each and every exposure, we analyse the future viability of the company's business model, its strategic direction and its creditworthiness.

Credit risk parameters as at 31.12.2013	Exposure at default €bn	Expected loss €m	Risk density bp
Corporates Domestic	81	244	30
Corporates International	15	50	33
Financial Institutions	24	74	31
Mittelstandsbank	**120**	**369**	**31**

The demand for credit revived slightly last year. Thus, the EaD in the Mittelstandsbank segment could be increased by €9bn to €120bn. The economic environment in Germany remains stable, and this is reflected in the Corporates Domestic sub-portfolio's risk parameters, which remain good. The risk density in this area was at a comparatively low 30 basis points as at 31 December 2013. In Corporates International, EaD totalled €15bn at 31 December 2013, and risk density was 33 basis points. For details of developments in the Financial Institutions portfolio please see page 54.

Loan loss provisions in Mittelstandsbank were €470m, a figure markedly higher than the preceding year's of €30m. This increase was largely attributable to a number of significant individual cases. By contrast, the previous year was marked by reversals.

The Mittelstandsbank's default portfolio was almost unchanged year-on-year.

Default portfolio Mittelstandsbank | €m	31.12.2013	31.12.2012
Default volume	2,655	2,632
Loan loss provisions	1,487	1,439
GLLP	265	232
Collaterals	387	482
Coverage ratios excluding GLLP (%)	71	73
Coverage ratios including GLLP (%)	81	82
NPL ratio (%)	2.2	2.3

Central & Eastern Europe

Now that its restructuring has been completed, the Central & Eastern Europe segment covers mainly the operations of mBank in Poland, Commerzbank's second core market. The mBank Group's main areas of business are the private customer business, especially through the direct bank units in Poland, the Czech Republic and Slovakia, and the corporate customers business. mBank offers its corporate customers a broad range of modern products ranging from corporate finance and corporate treasury sales to leasing and factoring services. The Central & Eastern Europe segment's strategic focus lies on organic growth in Polish small and medium-sized businesses and private customer business in mBank's core markets.

Credit risk parameters as at 31.12.2013	Exposure at default €bn	Expected loss €m	Risk density bp
Central & Eastern Europe	**27**	**143**	**53**

Following the slowdown in economic growth in Poland in the first half of the year, the economic indicators have improved again throughout the rest of the year and lead us to expect a further recovery of the Polish economy, with moderate growth in 2014. Last year's monetary easing should further stimulate domestic demand. The central bank is not expecting any significant inflationary pressure in the coming quarters.

Risk density in the Central & Eastern Europe segment fell to 53 basis points, representing a further decrease year-on-year (end of 2012: 59 basis points).

In 2013, loan loss provisions rose by €14m to €119m. The default volume increased by €57m year-on-year.

Default portfolio Central & Eastern Europe | €m	31.12.2013	31.12.2012
Default volume	1,126	1,069
Loan loss provisions	517	579
GLLP	71	54
Collaterals	463	383
Coverage ratios excluding GLLP (%)	87	90
Coverage ratios including GLLP (%)	93	95
NPL ratio (%)	4.0	4.0

Corporates & Markets

This segment covers client-driven capital market activities (Markets) and commercial business with multinationals, institutional clients and selected large corporate customers (Corporates) of Commerzbank Group.

The regional focus of our activities in this segment is on Germany and Western Europe, which account for just under three-quarters of exposure, while North America accounted for around 12% at the end of December 2013. EaD as at the end of December 2013 was €59bn, around €9bn below the figure as at the end of December 2012.

Credit risk parameters as at 31.12.2013	Exposure at default €bn	Expected loss €m	Risk density bp
Germany	20	79	39
Western Europe	23	71	31
Central and Eastern Europe	1	5	47
North America	7	18	25
Other	7	11	17
Corporates & Markets	**59**	**184**	**31**

Corporates & Markets provides its customers with long-term support in all financial matters, especially through its underwriting and issuances services (e.g. of equities, bonds, or syndicated loans), with stringent guidelines and defined limits keeping the underwriting risk for all product types under control. The positions that remain on the Bank's books through its activity as lead arranger or market maker are closely monitored from market and credit risk perspectives as well as at counterparty and portfolio level.

There is also a focus on close monitoring of counterparties (such as banks) in critical countries. There has been closer scrutiny of risk management in relation to stock exchanges and clearing houses due to the changes in regulatory requirements on derivatives.

During 2013, the nominal volume of the structured credit subportfolio decreased by €3.6bn to €7.2bn, and risk values[1] almost halved by €2.3bn to €3.1bn (including the default portfolio in each case). The decrease was mainly the result of amortisations and repayments.

A large part of the portfolio is still made up of collateralised debt obligations (CDO). These largely securitise US subprime RMBSs (CDOs of ABSs) and corporate loans in the USA and Europe (CLOs). Residential mortgage-backed securities (RMBSs) are instruments that securitise private, largely European, real estate loans.

Our risk assessment took account of negative impacts on the performance of the underlying loan portfolios resulting from macro-economic crises, especially in Southern Europe; these are occurring as expected. Moreover, the long period that has now passed since the structures were launched enables an increasingly reliable basis for the assessment of the future performance of the portfolio. In addition, further appreciations in value are expected over the residual life of the ABS portfolio, although these are only likely to be slight.

	31.12.2013			31.12.2012		
Structured credit portfolio	**Nominal values** €bn	**Risk values** €bn	**Markdown ratio**[1] %	**Nominal values** €bn	**Risk values** €bn	**Markdown ratio**[1] %
RMBS	1.3	1.0	26	1.6	1.1	30
CMBS	0.1	0.1	45	0.2	0.1	51
CDO	2.4	1.4	42	4.5	3.1	30
Other ABS	0.8	0.7	17	1.3	1.1	20
Further structured credit exposure	2.5	0.0		3.2	0.0	
Total	**7.2**	**3.1**		**10.8**	**5.4**	

[1] Markdown ratio = 1 – (risk value/nominal value).

[1] Risk value is the balance sheet value of cash instruments. For long CDS positions it comprises the nominal value of the reference instrument less the net present value of the credit derivative.

Loan loss provisions in the Corporates & Markets segment were strongly influenced by movements in individual exposures and benefited from successful restructuring measures that resulted in the net release of €57m in loan loss provisions. Net loan loss provisions were therefore sharply down year-on-year, falling by €109m.

The Corporates & Markets default portfolio was reduced by €738m, or 38%. This represents a very significant reduction, also attributable to successful restructuring measures.

Default portfolio Corporates & Markets | €m	31.12.2013	31.12.2012
Default volume	1,223	1,961
Loan loss provisions	722	853
GLLP	64	54
Collaterals	14	59
Coverage ratios excluding GLLP (%)	60	47
Coverage ratios including GLLP (%)	65	49
NPL ratio (%)	2.0	2.8

Non-Core Assets

Commercial Real Estate (CRE), Deutsche Schiffsbank (DSB) and Public Finance are bundled in the Non-Core Assets run-off segment. The intention is that all these portfolios should be completely wound down over time.

The exposure at default of the segment's performing loan book totalled €107bn at the end of 2013, which is €32bn less than the comparative figure for the NCA portfolio at the end of 2012.

Loan loss provisions were €1,082m, down €292m year-on-year.

Credit risk parameters as at 31.12.2013	Exposure at Default €bn	Expected loss €m	Risk density bp	CVaR €m
Commercial Real Estate	30	206	69	
Deutsche Schiffsbank	10	388	370	
Public Finance	66	155	23	
Non-Core Assets	**107**	**749**	**70**	**4,880**

	2013					2012				
Loan loss provisions | €m	**Total**	**Q4**	**Q3**	**Q2**	**Q1**	**Total**	**Q4**	**Q3**	**Q2**	**Q1**
Commercial Real Estate	491	139	73	240	38	623	222	213	131	57
Deutsche Schiffsbank	596	177	170	110	138	743	299	160	170	114
Public Finance	−5	0	0	−3	−2	8	−9	10	0	7
Non-Core Assets	**1,082**	**317**	**243**	**347**	**175**	**1,374**	**512**	**383**	**301**	**178**

The default volume fell sharply compared with the previous year, down €2.6bn.

Default portfolio NCA category LaR | €m	31.12.2013	31.12.2012
Default volume	9,540	12,128
Loan loss provisions	3,175	3,884
GLLP	410	417
Collaterals	6,100	7,845
Coverage ratio excluding GLLP (%)	97	97
Coverage ratio including GLLP (%)	102	100
NPL ratio (%)	8.2	8.1

Commercial Real Estate

In 2013, holdings were reduced in line with strategy, primarily at Hypothekenbank Frankfurt AG. The EaD in the performing loan book decreased by €17bn to €30bn over the course of the year. The relative portfolio composition by type of uses remains unchanged. The main components of exposure are the sub-portfolios office (€10bn), retail (€10bn) and residential real estate (€6bn). The fall in exposure during 2013 is due to the repayment of loans, the successful sale of a UK portfolio worth €4bn and to transfers to the default portfolio.

The current promising outlook for economic growth, which is helping to banish the uncertainty resulting from the sovereign debt crisis, is leading to a gradual recovery in the CRE markets. This situation is benefiting not only the German investment centres, but also, in particular, Paris and New York, as well as periphery countries such as Spain and Portugal. In the countries of Southern Europe, the process of devaluation in market values has slowed considerably as a result. However, increases in value remain limited in most CRE markets, as the recovery in rental markets is modest, while the potential for yield-driven value increases in fast-growing investment centres has been exhausted.

CRE portfolio by region EaD | €bn	31.12.2013	31.12.2012
Germany	15	22
Western Europe	10	18
Central and Eastern Europe	3	4
North America	1	2
Other	1	1
Commercial Real Estate	**30**	**47**

Loan loss provisions in Commercial Real Estate were down slightly year-on-year in 2013, falling by €132m to €491m, although this still represents a high level.

The default portfolio for Commercial Real Estate fell significantly against the previous year, down by €2.0bn. In addition to the sale of the portfolio in the UK, restructuring measures and exit solutions contributed widely to this reduction.

	31.12.2013				31.12.2012
Default portfolio CRE by country | €m	**Germany**	**Spain**	**US**	**Total**	**Total**
Default volume	2,371	1,796	283	5,662	7,643
Loan loss provisions	662	718	55	1,882	2,672
GLLP	30	18	5	119	130
Collaterals	1,692	1,101	257	3,847	5,056
Coverage ratio excluding GLLP (%)	99	101	110	101	101
Coverage ratio including GLLP (%)	101	102	112	103	103
NPL ratio (%)	13.5	37.1	23.5	15.9	14.0

Deutsche Schiffsbank

Compared with 31 December 2012, exposure to ship finance in the performing loan book fell from €14bn to €10bn as a result of our asset reduction strategy.

Our portfolio is mainly made up of financings of the following three standard types of ship: containers (€4bn), tankers (€3bn) and bulkers (€2bn). The rest of the portfolio consists of various special tonnages which are well diversified across the various ship segments.

The period from January to September 2013 saw the markets for container ships, bulkers and tankers still dominated by excess capacity, which caused further falls in charter rates. There was a noticeable upturn in bulkers and tankers in the fourth quarter of the year. Based on the given low level, the market for container ships recently experienced a slight upward trend, which is likely to persist in 2014. However, we do not expect a lasting market recovery across all asset classes in 2014 yet. In line with our strategy of reduction while preserving value, we are continuing to steadily reduce risks in this portfolio.

Risk provisions in the Deutsche Schiffsbank division stood at €596m in 2013, which was a fall of €147m on the previous year. The 2013 figure includes a one-off effect in the amount of €70m relating to the adjustment of parameters for calculating loan loss provisions.

The default portfolio volume fell by €612m year-on-year thanks to a range of risk management activities.

	31.12.2013				31.12.2012
Default portfolio DSB by ship type | €m	**Container**	**Tanker**	**Bulker**	**Total**	**Total**
Default volume	1,956	788	581	3,871	4,482
Loan loss provisions	668	256	150	1,291	1,211
GLLP	178	58	32	281	272
Collaterals	1,106	486	374	2,252	2,789
Coverage ratio excluding GLLP (%)	91	94	90	92	89
Coverage ratio including GLLP (%)	100	102	96	99	95
NPL ratio (%)	34.6	23.0	21.3	27.0	23.7

Public Finance

In its NCA segment, Commerzbank brings together public finance and secured and unsecured bond issues/loans from banks, held available particularly as substitute cover for Pfandbrief issues. The receivables and securities in the Public Finance portfolio are largely held in our subsidiaries Hypothekenbank Frankfurt and Erste Europäische Pfandbrief- und Kommunalkreditbank (EEPK).

The borrowers in the Public Finance business in NCA (€45bn EaD) are sovereigns, federal states, regions, cities and local authorities as well as supranational institutions. The main exposure is in Germany and Western Europe.

The remaining Public Finance portfolio in NCA is accounted for by banks (€19bn EaD), with the focus likewise on Germany and Western Europe. Most of the bank portfolio comprises securities and 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 division also includes the private finance initiative (PFI) portfolio. This business comprises the long-term financing of public sector facilities and services, such as hospitals and water utilities. 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 Public Finance portfolio was further run down by €11bn in 2013, split almost equally between public finance and bank exposures. This means that EaD has been almost halved since 2010, from €129bn to €66bn. This has been achieved largely by the use of maturities but also through active portfolio measures. By the end of 2016 a further reduction to €48bn is expected

Loan loss provisions in Public Finance decreased from €8m to −€5m year-on-year. Write-downs on securities carried out for US municipalities in 2013 are not recognised in loan loss provisions but in net investment income.

The Public Finance default portfolio increased by €5m to €6m year-on-year.

Further portfolio analyses

The analyses below should be understood to be independent of the existing segment allocation. The positions shown are already contained in full in the Group and segment presentations above.

Corporates portfolio by sector

A breakdown of the corporates exposure by sector is shown below:

	31.12.2013			31.12.2012		
Corporates portfolio by sector	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp
Energy/Environment	16	93	59	16	98	62
Consumption	13	43	33	10	41	39
Transport/Tourism	11	23	22	11	22	20
Wholesale	10	46	45	11	44	40
Basic materials/Metals	9	33	35	10	32	33
Technology/Electrical industry	8	28	34	9	25	27
Chemicals/Plastics	8	50	62	7	41	54
Mechanical engineering	8	19	25	8	20	26
Automotive	8	23	30	9	21	23
Services/Media	8	29	38	8	29	35
Construction	4	54	125	4	17	39
Pharma/Healthcare	4	6	18	4	7	20
Other	10	31	30	15	34	23
Total	**117**	**480**	**41**	**122**	**430**	**35**

Financial Institutions portfolio

In 2013, the focus for the Financial Institutions (FI) sub-portfolio continued to be on the reduction of risks, especially in Public Finance business. In taking on new business, we are selective and give preference to clients with a good credit rating. Here we would highlight the trade finance activities performed on behalf of our corporate customers in Mittelstandsbank or through capital market activities in Corporates & Markets.

	31.12.2013			31.12.2012		
FI portfolio by region[1]	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp
Germany	14	8	5	14	8	6
Western Europe	26	62	24	28	49	18
Central and Eastern Europe	9	28	33	9	22	25
North America	1	1	7	1	< 1	3
Asia	12	29	24	7	19	27
Other	7	26	37	6	21	35
Total	**69**	**154**	**22**	**65**	**121**	**19**

[1] Excluding exceptional debtors.

Non-Bank Financial Institutions portfolio

Commerzbank is concentrating on the further optimisation of its Non-Bank Financial Institutions (NBFI) portfolio and on attractive new business with clients with good credit ratings. These are, on the whole, insurance companies, asset managers and regulated funds, with a regional focus on clients in Germany and Western Europe.

	31.12.2013			31.12.2012		
NBFI portfolio by region	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp
Germany	9	16	18	11	24	22
Western Europe	15	35	23	18	41	23
Central and Eastern Europe	2	3	15	1	4	27
North America	8	17	23	8	22	29
Other	2	3	13	2	4	23
Total	**36**	**74**	**20**	**40**	**96**	**24**

Originator positions

In addition to the secondary market positions discussed above, Commerzbank and Eurohypo have in recent years securitised receivables from loans to the Bank's customers with a current volume of €7.5bn, primarily for capital management purposes. Of these, risk exposures with a value of €5.2bn were retained as at 31 December, 2013. By far the largest portion of these positions is accounted for by €5.0bn of senior tranches, which are nearly all rated good or very good.

		Commerzbank volume[1]				
Securitisation pool €bn	**Maturity**	**Senior**	**Mezzanine**	**First loss piece**	**Total volume[1] 31.12.2013**	**Total volume[1] 31.12.2012**
Corporates[2]	2020–2036	4.5	0.1	< 0.1	5.0	5.1
Banks	2015–2021	0.3	< 0.1	< 0.1	0.4	0.0
RMBS	2048	0.1	< 0.1	< 0.1	0.1	0.1
CMBS	2014–2084	0.1	< 0.1	< 0.1	2.0	2.3
Total		**5.0**	**0.1**	**0.1**	**7.5**	**7.5**

[1] Tranches/retentions (nominal): Investment and trading book.
[2] Including MezzCAP transaction.

Conduit exposure and other asset-backed exposures

Commerzbank is the sponsor of the multiseller asset-backed commercial paper conduit Silver Tower. It uses it to securitise receivables from customers in the Mittelstandsbank and Corporates & Markets segments, mainly from trade and leasing. The transactions are financed either through the issue of asset-backed commercial papers (ABCPs) or through the drawing of credit lines (liquidity lines). As a result of new business, the volume in the Silver Tower conduit rose by €0.5bn, from €3.1bn at 31 December 2012 to €3.6bn by the end of 2013. The risk values also increased by €0.5bn, from €3.1bn at 31 December 2012 to €3.6bn.

The other asset-backed exposures comprise mainly government-guaranteed ABSs issued by Hypothekenbank Frankfurt in the Public Finance area and Commerz Europe (Ireland). Their volume fell from €5.5bn to €4.7bn and the risk values from €5.4bn to €4.5bn.

Market risk

Market risk is the risk of financial losses due to changes in market prices (interest rates, commodities, credit spreads, exchange rates and equity prices) or in parameters that affect prices such as volatilities and correlations. Losses may impact profit or loss directly, e.g. in the case of trading book positions. However, for banking book positions they would be reflected in the revaluation reserve or in hidden liabilities/reserves.

Strategy and organisation

Commerzbank's market risk strategy is derived from its overall risk strategy and the business strategies of the individual segments. It sets targets for market risk management in relation to Commerzbank's main business activities. Its core tasks are the identification of all key market risks and drivers of market risk for the Group and the independent measurement and evaluation of these. These results and estimates serve as the basis for Commerzbank Group's risk/return-oriented management.

The Board of Managing Directors of Commerzbank is responsible for ensuring the effective management of market risk throughout the Group. Specific levels of authority and responsibility in relation to market risk management have been assigned to the appropriate market risk committees.

Within the Bank, various market risk committees have been established. Segment representatives discuss current risk positioning issues and management measures with the risk function and the finance function and decide on appropriate action. Chaired by the risk function, the Group Market Risk Committee, which meets monthly, deals with the Group's market risk position. Discussions centre on the monthly market risk report which is also presented to the Board of Managing Directors for their consideration. The report summarises the latest developments on financial markets, the Bank's positioning and subsequent risk ratios. The Segment Market Risk Committee, which focuses on the trading-intensive Corporates & Markets and Treasury segments, meets once a week. This committee also manages market risks arising from non-core activities and assets.

The risk management process involves the identification, measurement, management, and monitoring of risks and reporting on them. It is the responsibility in functional terms of market risk management, which is independent of trading activities. Central market risk management is complemented by decentralised market risk management units at segment level and for regional units and subsidiaries. The close integration of central and local risk management with the business units means that the risk management process starts in the trading areas themselves. The trading units are responsible in particular for the active management of market risk positions, e.g. reduction measures or hedging.

Risk management

Commerzbank uses a wide range of quantitative and qualitative tools to manage and monitor market risk. Quantitative limits for sensitivities, value at risk, stress tests, scenario analyses and data on economic capital limit the market risk. Our comprehensive rulebook, in the form of market risk policies and guidelines as well as restrictions on portfolio structure, new products, maturities or minimum ratings establish the qualitative framework for market risk management. The market risk strategy lays down the weighting of figures in each segment by reference to their relevance. Thereby allowance is made for the varying impact of the parameters for the management of the segments in line with the business strategy.

Market risk is managed internally at Group level, segment level and in the segment's reporting units. A comprehensive internal limit system broken down to portfolio level is implemented and forms a core part of internal market risk management.

The quantitative and qualitative factors limiting market price risk are determined by the market risk committees by reference to the Group's management of economic capital. The utilisation of these limits, together with the relevant net income figures, is reported daily to the Board of Managing Directors and the responsible heads of the business segments. Based on qualitative analyses and quantitative ratios, the market risk function identifies potential future risks, anticipates, in collaboration with the finance function, potential financial losses, and draws up proposals for further action, which are discussed with the market units. Voting on the proposed measures or risk positions takes place in the market risk committees and is subsequently submitted to the Board of Managing Directors for approval.

Risk concentrations are restricted directly with specific limits or are indirectly avoided, for example, using stress test limits. In addition, the combination of various conventional risk measures (for example, VaR, sensitivities) ensures the appropriate management of concentration risks. Furthermore, risk drivers are analysed on a regular basis in order to identify concentrations. The risk management of existing concentrations is also reviewed using situation-driven analyses and, where necessary, supplemented by targeted measures, such as limits.

A standardised value at risk model incorporating all positions is used for the internal management of market risk. The VaR quantifies the potential loss from financial instruments as a result of changed market conditions over a predefined time horizon and with a specific probability. For internal management purposes, a confidence level of 97.5% and a holding period of 1 day are assumed. The value at risk concept makes it possible to compare risks over a variety of business areas. It enables many positions to be aggregated, taking account of correlations between different assets. This ensures a uniform view of market risk at all times. A 10-day holding period and confidence level of 99% are used for regulatory capital adequacy requirements. These assumptions meet the requirements of the Basel Committee and other international market risk management standards. For certain evaluations, such as backtesting and disclosure, the VaR is also calculated on the basis of a 1-day holding period. In order to provide for a consistent presentation of the risk parameters in this report, all figures relating to VaR are based on a confidence level of 99% and a holding period of 1 day.

In the internal management, all positions relevant to market risk are covered and trading and banking book positions are jointly managed. For regulatory purposes an additional stand-alone management of the trading book is carried out (that is in accordance with regulatory requirements, including currency and commodity risks in the banking book). VaR fell year-on-year, both for the overall portfolio and for the trading book. The main reason for this is that the VaR calculation is no longer affected by crisis days from 2012, as these occurred over a year ago and therefore fall outside the model time series. The changed positions of Corporates & Markets and Treasury delivered additional improvement.

VaR contribution[1] | €m	31.12.2013	31.12.2012
Trading book	16	28
Overall book	**80**	**138**

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

Trading book

VaR in the trading book was €16m as at the reporting date compared with €28m at the year-end 2012. The main reason for the fall is that – as mentioned with reference to the overall book – the VaR calculation is no longer affected by crisis days from 2012. The smaller positions in Corporates & Markets and Treasury also reduced the risk in the trading book.

VaR of portfolios in the trading book[1] €m	2013	2012
Minimum	13	21
Mean	21	39
Maximum	34	70
Year-end figure	**16**	**28**

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

The market risk profile is diversified across all asset classes, with credit spread risk being the dominant asset class, followed by interest risk and currency risk. Interest rate risk also contains basis and inflation risk. Basis risk arises if, for example, positions are closed through hedging transactions with a different type of price setting than the underlying transaction.

The VaR trend in 2013 shows a marked decline in interest rate risks. This, too, is attributable to the lapse of crisis days from the model time series, as well as to a changed risk position. Commerzbank has also improved the allocation to the interest and credit spreads risk classes in the loan portfolio as part of adjustments to the model. Compared with the preceding year, the other risk types have remained stable.

VaR contribution by risk type in the trading book[1] | €m	31.12.2013	31.12.2012
Credit spreads	7	7
Interest rates	3	15
Equities	2	2
FX	3	3
Commodities	1	1
Total	**16**	**28**

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

Further risk ratios are being calculated for regulatory capital adequacy as part of Basel 2.5 reporting. This includes in particular the calculation of stressed VaR. On the basis of the VaR method described above, stressed VaR measures the present position in the trading book by reference to market movements from a specified crisis period in the past. Stressed VaR on the reporting date was €25m, representing a decrease of €10m compared with year-end 2012. The crisis observation period used for this is checked regularly through model validation and approval processes and adjusted where necessary.

In addition, the incremental risk charge and the equity event VaR ratios quantify the risk of deterioration in creditworthiness and event risks in trading book positions.

The reliability of the internal model is monitored by backtesting on a daily basis. The VaR calculated is set against actually occurring profits and losses. The process draws a distinction between "clean P&L" and "dirty P&L"-backtesting. In the former, exactly the same positions are used in the P&L-calculation as were used for calculating the VaR, so that the profits and losses result only from the price changes that occurred on the market. In dirty P&L-backtesting, by contrast, profits and losses from newly-concluded and expired transactions from the day under consideration are included. If the resulting loss exceeds the VaR, it is described as a negative backtesting outlier.

Analysing the results of backtesting provides important guidance for checking parameters and for improving the market risk model. Backtesting is also used by the supervisory authorities for evaluating internal risk models. Negative outliers are classified by means of a traffic-light system laid down by the supervisory authorities. All negative backtesting outliers on group level (from both clean P&L and dirty P&L) must be reported to the supervisory authorities, citing their extent and cause. In 2013, we saw no negative outliers in clean P&L-backtesting and found only one in the dirty P&L process. As such, the results are in line with statistical expectations and confirm the quality of the VaR model.

As the VaR concept predicts potential losses based on the assumption of normal market conditions, it is supplemented by so-called stress tests. These stress tests measure the risk to which Commerzbank is exposed, based on unlikely but still plausible events. These events may be simulated using extreme movements on various financial markets. The key scenarios relate to major changes in credit spreads, interest rates and yield curves, exchange rates, share prices and commodities prices. Extensive Group-wide stress tests and scenario analyses are carried out as part of risk monitoring.

The VaR and stress test models are validated regularly. In 2013, model adjustments were implemented that further improved the accuracy of risk measurement. In particular, the depiction of interest rate risks when recording tenor-specific basic risk and collateral-specific discounting (OIS) was refined.

Banking book

The key drivers of market risk in the banking book are the credit spread risks in the area of Non-Core Assets – Public Finance, including the positions held by the subsidiaries Hypothekenbank Frankfurt and Erste Europäische Pfandbrief und Kommunalkreditbank (EEPK). We are continuing systematically with the downsizing strategy that we have followed rigorously in this area for many years. The Treasury portfolios with their credit spread risk, interest rate risk, and basis risk also influence the market risk in the banking book.

The diagram below documents the development of credit spread sensitivities for all securities and derivative positions (excluding loans) in the Commerzbank Group's banking book. Credit spread sensitivities fell slightly in 2013 to €52m at the end of the year. A good 70% of credit spread sensitivities relate to securities positions classified as loans and receivables (LaR). Changes in credit spreads have no impact on the revaluation reserve or the income statement for these portfolios.

Credit spread sensitivities
Downshift 1 bp | €m

The impact of an interest rate shock on the economic value of the Group's banking books is simulated monthly in compliance with regulatory requirements. In accordance with the Banking Directive, the Federal Financial Supervisory Authority has prescribed two uniform, sudden and unexpected changes in interest rates (+/−200 basis points) to be used by all banks, which have to report on the results of this stress test every quarter.

On this basis, the interest rate shift of +200 basis points would give a potential loss of €1,488m, and the shift of −200 basis points a potential gain of €514m as at 31 December 2013. These figures include the exposures of Commerzbank Aktiengesellschaft and significant subsidiaries. The numbers represent a clear undershooting of the allowed maximum value for a potential reduction in equity capital.

Pension fund risk is also part of market risk in the banking book. Our pension fund portfolio comprises a well diversified investment section and the section of insurance technical liabilities. Due to the extremely long duration of the liabilities (cash outflows modelled over almost 90 years), the main portion of the overall portfolio's present value risk is in maturities of 15 and more years. Main risk drivers are long-term euro interest rates, credit spreads and expected euro inflation due to anticipated dynamics in pensions. Equity, volatility and currency risk also need to be taken into consideration. Diversification effects between individual risks reduce overall risk. The extremely long maturities of these liabilities represent the greatest challenge, particularly for hedging credit spread risk. This is because there is insufficient liquidity in the market for corresponding hedging products.

Market liquidity risk

Market liquidity risk is the risk of the Bank not being able to liquidate or hedge risky positions in a timely manner, to the desired extent and on acceptable terms as a result of insufficient liquidity in the market.

We start calculating market liquidity risk by initially creating a liquidation profile for each and every portfolio, so that the portfolios can be classified in terms of their convertibility into cash using a market liquidity factor. The market risk based on a one-year view is weighted with the market liquidity factor to calculate the market liquidity risk.

At the end of 2013 Commerzbank earmarked €0.2bn in economic capital to cover market liquidity risk in the trading and banking book. Asset-backed securities in particular have a higher market liquidity risk.

Liquidity risk

In a narrower sense, Commerzbank defines liquidity risk as the risk that the Group will be unable to meet its daily payment obligations. In a broader sense, liquidity risk describes the risk that future payments cannot be funded to the full amount, in the required currency and at standard market conditions, as and when they are due.

Strategy and organisation

The global framework for liquidity risk management is the liquidity risk strategy derived from the Bank's business and risk strategy and approved by the Board of Managing Directors. It contains guidelines for liquidity risk management and risk tolerance. It also takes the increasing regulatory requirements for liquidity risk management into account. As the ability to meet payment obligations at all times is an existential requirement, liquidity risk management focuses on a combination of liquidity provisioning and risk limitation. The guidelines of the liquidity risk strategy are supplemented by regulations such as the Liquidity Risk Policy, the Model Validation Policy, the Model Change Policy and the Limit Policy. These four documents have been incorporated into the Bank's recovery plan.

Group Treasury is responsible for the Group's liquidity management. Group Treasury is represented in all major locations of the Group in Germany and abroad and has reporting lines into all subsidiaries. Additional information on this subject can be found in the section "Funding and Liquidity of Commerzbank Group" in the Group Management Report. Liquidity risks occurring over the course of the year are monitored by the independent risk function using an internal liquidity risk model.

Key decisions on liquidity risk management and monitoring are taken by the central Asset Liability Committee, subject to confirmation by the Board of Managing Directors. This includes, for example, the determination of liquidity risk limits and the definition of the liquidity reserve. There are further sub-committees at the operational level, which consider liquidity risk issues at the local level as well as methodological issues of lesser significance for the Group.

As part of contingency planning, the central Asset Liability Committee can decide upon different measures to secure liquidity. This contingency plan is based on an integrated process which consists of the liquidity risk contingency plan and the supplementary liquidity contingency measures of the Treasury. This concept enables a clear allocation of responsibility for the processes to be followed in emergency situations as well as the adequate definition of any action that may need to be taken.

Risk management

The limit concept in place ensures that the Bank can identify an emerging liquidity bottleneck at the earliest possible stage and take appropriate steps to correct it in time. Under the limit concept, liquidity risk limits for the Commerzbank Group are specified using the risk tolerance, which is defined in the liquidity risk strategy. These limits are then broken down into the individual Group entities, both for individual currencies and through all currencies. In addition to liquidity limits for the time horizon of up to one year, the Bank has defined a target corridor for structural long-term liquidity risk.

In 2013, while the recovery plan was being drafted, liquidity risk management was expanded by the addition of so-called early warning indicators. This enables the Bank in due time to set in motion a range of suitable measures to secure its long-term financial solidity.

Quantification and stress testing

Our Bank's own liquidity risk model calculates the available net liquidity (ANL) for the next 12 months based on various scenarios at a specified reference date. Commerzbank's available net liquidity is calculated for various stress scenarios using the following three components: deterministic, i.e. contractually agreed cash flows, statistically expected economic cash flows for the relevant scenario, and the realisable assets in the relevant scenario.

Liquidity risk management is handled centrally, taking into account the existing liquidity risk limit structure and liquidity risk tolerance. The stress scenario underlying the model which is relevant for management purposes allows for the impact of both a bank-specific stress event and a broader market crisis.

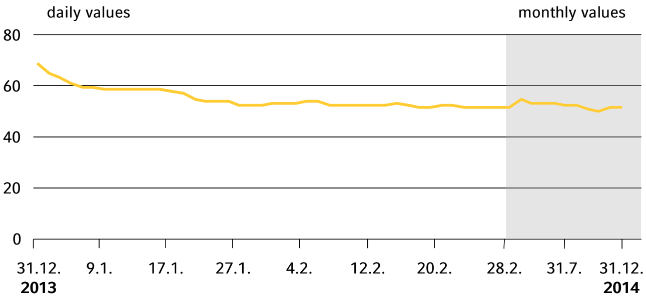
Risk concentrations can lead to increased outflows of liquidity, particularly in a stress situation, and thus to increased liquidity risk. They can, for example, occur with regard to maturities, large individual creditors or currencies. By means of ongoing monitoring and reporting, risk concentrations in funding can be recognised in a timely manner.

Additional components of liquidity risk management are a survival period calculation in terms of MaRisk and the supplementary analysis of additional inverse stress scenarios.

The stress scenarios relevant for management in the ANL model are run daily and reported to management. The underlying assumptions and the limits set are checked regularly and adjusted to reflect changed market conditions as necessary. The described stress scenarios also serve as the basis for the detailed emergency planning described above.

In the stress scenario calculated at the end of December 2013, a comfortable liquidity surplus existed throughout the period under consideration.

Available net liquidity in the combined stress scenario of the internal liquidity risk model
€bn



In 2013, Commerzbank's internal liquidity risk ratios were once again always significantly higher than the limit set by the Board of Managing Directors. The same was true of compliance with the external regulatory German Liquidity Regulation and the survival period calculation set down by MaRisk.

In this respect we continue to benefit from our core business activities in retail and corporate banking. Our funding base is widely diversified in terms of products, regions and investors in the money and capital markets. In order to hedge in particular against sudden unexpected payment obligations, the Treasury maintains a portfolio of disposable liquid securities which are held by the central bank. This liquidity reserve was up significantly on the previous year, increasing by €21.3bn from the prior-year figure of €83.4bn, and was €104.7bn at year-end. It is analysed regularly to establish the quality of the assets contained in it and the appropriateness of its diversification.

The internal ANL model with a time horizon of up to one year is supplemented by the stable funding concept with a considered horizon of more than one year. This means that the structural liquidity requirement for the Bank's core lending business is compared with the liabilities available long-term to the Bank, including core customer deposit bases. The stable funding concept forms the basis for the internal offsetting of liquidity costs and is used when planning issues on the capital markets.

Commerzbank is implementing a project to improve its liquidity management processes and infrastructure. The core elements of the project are a revision of the way that liquidity risk is measured, an improvement in the offsetting of liquidity costs taking into account requirements under MaRisk, and the integration of the liquidity coverage ratio (LCR) into liquidity management. In this way, Commerzbank intends to further optimise its liquidity management taking into account the latest regulatory requirements.

Operational risk

Operational risk (OpRisk) at Commerzbank is based on the German Solvency Regulation and is defined as the risk of loss resulting from the inadequacy or failure of internal processes, systems and people or from external events. This definition includes legal risks; it does not cover reputational or strategic risks.

Strategy and organisation

Within Commerzbank, OpRisk and governance issues of the Internal Control System (ICS) are closely connected in terms of both organisational structure and methodology. This is because many OpRisk cases are closely linked with failures in the control mechanisms. It follows that a properly functioning ICS helps to reduce or avoid losses from operational risks. Conversely, the operational risk management systems enable the ICS to adapt itself consistently to them. The reinforcement of the ICS structure is an essential aspect of the proactive reduction /prevention of operational risks.

Chaired by the CRO, the Group OpRisk Committee meets four times a year and deals with the management of operational risks within Commerzbank Group. It also acts as the escalation and decision-making committee for key OpRisk topics that span all areas. The Segment OpRisk Committees deal with the management of operational risk in the relevant units. They conduct structured analyses of all OpRisk issues that affect them, such as loss events, and define subsequent measures or recommend action.

Commerzbank's OpRisk strategy is approved on an annual basis by the Board of Managing Directors after it has been discussed and voted upon in the Group OpRisk Committee. It describes Commerzbank's risk profile, key elements of the desired risk culture (including risk limit), its management framework and measures to be taken by the Bank in respect of operational risk.

Implementation of the OpRisk strategy is intended to prevent major OpRisk losses before they materialise using proactive measures and therefore to protect the Bank against serious negative effects. It also enables potential problem areas in the process organisation to be identified, thus providing a basis for optimisation.

As such, OpRisk management is based on three consecutive levels (three lines of defence) which, when taken together, are crucial for reaching the given strategic aims.

The segments and the management/service units form the first line of defence. They have direct responsibility for identifying and managing operational risk in their areas of responsibility and provide effective and prompt risk management.

The OpRisk & ICS area as the second line of defence provides uniform and binding methods and systems to the Bank's units to help to identify, evaluate and monitor operational risk. These are used throughout the Group, supplemented by tools and regulations of other monitoring functions and used to mitigate operational risk.

Internal and external control bodies, such as the internal auditors, are the third line of defence. They are entrusted with the independent auditing of OpRisk and ICS methodologies and their implementation at Commerzbank.

Risk management

Commerzbank takes a pro-active approach to managing operational risk, based on a Group-wide uniform framework and aiming to systematically identify OpRisk profiles and risk concentrations and to define, prioritise and implement risk mitigation measures. Operational risks are managed pre-emptively by the segments and cross-sectional units on the basis of an overarching risk strategy for them.

The systematic approach adopted in doing so differs from that adopted in dealing with credit or market risks. OpRisk management is neither client- nor position- nor portfolio-based but holistic and applicable to all business processes.

It includes an annual evaluation of the Bank's ICS and of the risk scenario assessments and OpRisk loss events are subjected to ongoing analysis and to backtesting in the ICS if necessary. Where loss events involve ≥€1m, lessons learned activities are carried out. External OpRisk events at competitors are also systematically evaluated.

OpRisk ratios at Group level are managed through economically required capital (ErC) and regulatory capital (risk-weighted assets, RWA). The risk-weighted assets for operational risks using the advanced measurement approach (AMA) amounted to €22.9bn as at the end of 2013 (31 December 2012: €22.6bn).

A structured, centralised and decentralised reporting system ensures that the management of the Bank and its segments, members of the OpRisk Committees and the supervisory bodies are informed regularly, promptly and fully about operational risk. OpRisk reports are prepared on a monthly and quarterly basis and form part of the risk reporting process to the Board of Managing Directors and to the Risk Committee of the Supervisory Board. They contain the latest risk assessments of the segments, their main loss events, current risk analyses, changes in the capital requirement and the status of measures implemented.

Other risks

To meet the requirements of pillar 2 of the Basel framework, MaRisk insists on an integrated approach to risk that also includes unquantifiable risk categories. In Commerzbank these are subjected to a qualitative management and control process. The following risks are outside the responsibility of the CRO.

Human resources risk

Human resources risk falls within the definition of operational risk in section 269 (1) SolvV. The internal management interpretation of this definition at Commerzbank includes the following elements in human resources risk:

Adjustment risk: We offer selected internal and external training, continuing education and change programmes to ensure that the level of employee qualifications keeps pace with the current state of developments, structural changes are supported accordingly and our employees can fulfil their duties and responsibilities.

Motivation risk: Employee surveys enable us to respond as quickly as possible to potential changes in our employees' level of corporate loyalty and to initiate adequate measures.

Departure risk: We take great care to ensure that the absence or departure of employees does not result in long-term disruptions to our operations. We also regularly monitor both quantitative and qualitative measures of staff turnover.

Supply risk: Our quantitative and qualitative staffing aims to ensure that the internal operating requirements, business activities, and Commerzbank's strategy can be implemented.

Employees are a key resource for Commerzbank. Our success is based on the specialist knowledge, skills, abilities and motivation of our employees. Human resources risk is systematically managed by Group Human Resources with the aim of identifying risks as early as possible and assessing and managing them by applying selected personnel tools, for instance. In addition, the piloting of a scheme for systematic and strategic personnel planning is helping to put the management of medium- and long-term human resources risks on a more professional footing. A decision is due to be taken in 2014 on the Bank-wide introduction of regular strategic human resources planning. The Board of Managing Directors is regularly informed about human resources risks.

Business strategy risk

Business strategy risk is the medium to long-term risk of negative influences on the achievement of Commerzbank's strategic goals, for example, as a result of changes in market conditions, or the inadequate implementation of the Group strategy.

Group strategy is developed further in a process that takes into account both external and internal factors. On the basis of these factors, the Board of Managing Directors sets out a sustainable business strategy describing the major business activities and steps required to meet the targets. To ensure proper implementation of the Group strategy to achieve the business targets, strategic controls are carried out through regular monitoring of quantitative and qualitative targets in the Group and segments.

Responsibility for strategic corporate management lies with the Board of Managing Directors. Specific business policy decisions (acquisition and sale of equity holdings representing >1% of equity capital) also require the authorisation of the Risk Committee of the Supervisory Board. All major investments are subject to careful review by the Board of Managing Directors.

Reputational risk

Reputational risk is the risk that stakeholder groups may lose confidence in Commerzbank or that its reputation may be damaged as a result of negative events in its business activities. Stakeholder groups include the public and the media, employees and customers, rating agencies, shareholders and business partners. Therefore reputational risk goes hand in hand with communication risk.

The operational divisions, branches and subsidiaries bear direct responsibility, within the scope of their business operations, for reputational risk arising from their particular activity. Reputational risk may also stem from other types of risk and even amplify such risks. A special department in Group Communications is responsible for the management of reputational risk in an overall Bank context. Its tasks include the timely monitoring, recognition and response to internal and external reputational risks (early warning function).

For this reason, relevant measures and activities relating to business policy are subjected to careful scrutiny. In particular, Commerzbank avoids business policy measures and transactions which entail significant tax or legal risks, and also ethical, ecological and social risks. Any products, transactions or customer relationships that might do so are closely examined with regard to any potential reputational risk associated with them and then put to the vote. Depending on the outcome of the vote, they may be assessed unfavourably or have conditions imposed on them, or even be rejected outright.

Compliance risk

The confidence of our customers, shareholders and business partners in Commerzbank's proper and legitimate actions underpins our business activities. Compliance means conforming with the provisions of the law and with regulatory requirements as well as maintaining other, largely ethical, standards and commitments.

Losses that might potentially result from failure to comply with these requirements are termed compliance risks.

Compliance risks may be either quantifiable or non-quantifiable risks.

Where non-compliance can result in financial losses arising from litigation or financial penalties, the risks are quantifiable. They are included under the heading of operational risks. Where confidence in the company's integrity might be impaired, we speak of reputational risks, which are non-quantifiable.

In our cross-divisional and Group-wide approach to risk management, we aim to detect at an early stage any risks that could undermine the integrity and therefore the success of Commerzbank, and to manage these risks appropriately.

Legal risk

Commerzbank Aktiengesellschaft and its subsidiaries are involved in a variety of court cases, claims and official investigations (legal proceedings) in connection with a broad range of issues. They include, for example, allegations of wrong or defective advice, supposed ineffective provision and/or realisation of collateral, disputes concerning the payment of variable elements of remuneration and possible entitlements to occupational pensions, allegedly false accounting and incorrect financial statements, tax claims and cases brought by shareholders and other investors. In most of these court cases, claimants are asking for the payment of compensation or the reversal of agreements already entered into. If the courts were to find in favour of certain or several of the claimants in these cases, Commerzbank could be liable to pay substantial compensation or could incur the expense of reversing agreements or of other cost-intensive measures. Some of these cases could also have an impact on the reputation of Commerzbank and/or of its subsidiaries. The Group builds up reserves for such proceedings if and insofar as liabilities are likely to result from them and the amounts to which it is likely to be liable can be sufficiently accurately determined. As such proceedings entail considerable uncertainties, the possibility remains that some of the reserves created for them prove to be inadequate once the courts' final rulings are known. As a result, substantial additional expense may be incurred. This is true also in the case of proceedings for which the Group did not consider it necessary to create reserves. Although the eventual outcome of some legal proceedings might have an impact on Commerzbank's results and cashflow in a specified reporting period, we do not believe that the liabilities that might result from them will have any long-term impact on Commerzbank's earnings performance, assets and financial position.

Disclaimer Commerzbank's internal risk measurement methods and models which form the basis for the calculation of the figures shown in this report are state-of-the-art and based on banking sector practice. The risk models produce results appropriate to the management of the Bank. The measurement approaches are regularly reviewed by risk control and internal audit, external auditors and the German supervisory authorities. Despite being carefully developed and regularly monitored, models cannot cover all the influencing factors that have an impact in reality or illustrate their complex behaviour and interactions. These limits to risk modelling apply particularly in extreme situations. Supplementary stress tests and scenario analyses can only show examples of the risks to which a portfolio may be exposed in extreme market situations. They cannot offer a final estimate of the maximum loss should an extreme event occur.

Income statement of Commerzbank Aktiengesellschaft for the period from 1 January to 31 December 2013

€m				2013	2012
Interest income from					
a) Lending and money market transactions		9,220			9,020
b) Fixed-income securities and debt register claims		1,141			828
			10,361		9,848
Interest expenses			– 5,643		– 6,105
				4,718	**3,743**
Current income from					
a) Equities and other non-fixed-income securities			7		2
b) Equity holdings			11		15
c) Holdings in affiliated companies			195		91
				213	**108**
Income from profit-pooling and from partial or full profit-transfer agreements				**161**	**1,612**
Commission income			3,082		3,079
Commission expenses			– 524		– 487
				2,558	**2,592**
Net trading income/expense				**– 289**	**1,460**
of which: allocation pursuant to Art. 340e (4) HGB	–				– 162
Other operating income				**699**	**2,300**
General operating expenses					
a) Personnel expense					
aa) Wages and salaries		– 2,698			– 2,742
ab) Compulsory social-security contributions, expenses forpensions and other employee benefits		– 531			– 626
of which: for pensions	– 132				– 214
			– 3,229		– 3,368
b) Other administrative expenses			– 2,291		– 2,249
				– 5,520	**– 5,617**
Depreciation, amortisation and write-downs of intangible and fixed assets				**– 201**	**– 208**
Expense for the replenishment of profit-sharing certificates				**–**	**– 104**
Other operating expenses				**– 818**	**– 1,747**
Write-downs and valuation allowances on loans and certain securities and allocations to provisions in lending business				**– 401**	**– 1,567**
Income from write-ups on loans and certain securities and from the release of provisions in lending business				**–**	**–**
Write-downs and valuation allowances on equity holdings, holdings in affiliated companies and securities accounted for as fixed assets				**– 193**	**–**
Income from write-ups on equity holdings, holdings in affiliated companies and securities accounted for as fixed assets				**–**	**181**
Expenses from the transfer of losses				**– 170**	**– 29**
Income from release of fund for general banking risks				**–**	**45**
Profit or loss on ordinary activities				**757**	**2,769**
Extraordinary profit or loss				**– 519**	**– 148**
Taxes on income			– 48		– 2,516
of which: changes in deferred taxes	–				– 2,546
Other taxes			– 24		– 3
				– 72	**– 2,519**
Net profit				**166**	**102**
Transfer to other retained earnings				**– 83**	**– 17**
Net loss from trading in treasury shares				**–**	**– 19**
Replenishment of silent participations				**–**	**– 66**
Distributable profit				**83**	**–**

Balance sheet of Commerzbank Aktiengesellschaft as at 31 December 2013

Assets | €m				31.12.2013	31.12.2012
Cash reserve					
a) Cash on hand			977		1,631
b) Balances with central banks			8,577		11,750
of which: with Deutsche Bundesbank		1,770			5,080
				9,554	**13,381**
Debt issued by public-sector borrowers, and bills of exchange rediscountable at central banks					
a) Treasury bills and discountable treasury notes, as well as similar debt issues by public-sector borrowers			581		390
				581	**390**
Claims on banks					
a) Payable on demand			19,304		24,412
b) Other claims			105,002		96,053
of which: public-sector loans		326			188
				124,306	**120,465**
Claims on customers				**171,065**	**181,277**
of which: secured by mortgages on real estate		28,531			31,342
public-sector loans		5,318			5,054
Bonds and other fixed-income securities					
a) Money market instruments					
aa) Issued by public-sector borrowers		87			474
of which: rediscountable at Deutsche Bundesbank	–				474
ab) Issued by other borrowers		400			–
of which: rediscountable at Deutsche Bundesbank	400				–
			487		474
b) Bonds and notes					
ba) Issued by public-sector borrowers		7,962			8,255
of which: rediscountable at Deutsche Bundesbank	7,609				7,670
bb) Issued by other borrowers		23,170			24,306
of which: rediscountable at Deutsche Bundesbank	18,956				19,448
			31,132		32,561
c) Own bonds			672		1,036
Nominal amount €670m					
				32,291	**34,071**

Assets | €m			31.12.2013	31.12.2012
Equities and other non-fixed-income securities			**881**	**829**
Trading assets			**115,593**	**159,403**
Equity holdings			**457**	**435**
of which: investments in banks	318			302
investments in financial services companies	2			2
Holdings in affiliated companies			**9,117**	**10,267**
of which: investments in banks	2,806			2,806
investments in financial services companies	495			495
Fiduciary assets			**1,020**	**628**
of which: loans at third-party risk	516			570
Intangible assets				
a) Proprietary intellectual property rights and similar rights and assets		437		278
b) Purchased concessions, industrial property rights and similar rights and assets as well as licences relating to such rights and assets		122		64
			559	**342**
Fixed assets			**410**	**600**
Other assets			**2,499**	**4,196**
Accrued and deferred items				
a) From issuing and lending business		213		284
b) Other accrued and deferred items		199		282
			412	**566**
Excess of plan assets over liabilities			**518**	**603**
Total assets			**469,263**	**527,453**

Balance sheet of Commerzbank Aktiengesellschaft as at 31 December 2013

Liabilities and Shareholders' Equity | €m			31.12.2013	31.12.2012
Liabilities to banks				
a) Payable on demand		32,345		45,749
b) With agreed term or notice period		53,472		62,773
of which: issued registered public Pfandbriefe	5			–
issued registered ship Pfandbriefe	104			104
			85,817	**108,522**
Liabilities to customers				
a) Savings deposits				
aa) With agreed notice period of three months	6,191			9,920
ab) With agreed notice period of more than three months	90			128
		6,281		10,048
b) Other liabilities				
ba) Payable on demand	140,129			129,428
bb) With agreed term or notice period	83,518			79,133
		223,647		208,561
of which: issued registered public Pfandbriefe	866			886
issued registered ship Pfandbriefe	1,600			1,744
			229,928	**218,609**
Securitised liabilities				
a) Bonds and notes issued		31,478		33,919
aa) Mortgage Pfandbriefe	1,003			–
ab) Public Pfandbriefe	669			167
ac) Ship Pfandbriefe	1,048			1,539
ad) Other bonds	28,758			32,213
b) Other securitised liabilities		3,281		289
ba) Money market instruments	3,265			279
bb) Own acceptances and promissory notes outstanding	16			10
			34,759	**34,208**
Trading liabilities			**72,641**	**118,512**
Fiduciary liabilities			**1,020**	**628**
of which: loans at third-party risk	516			570
Other liabilities			**11,476**	**14,272**
Accrued and deferred items				
a) From issuing and lending business		39		48
b) Other accrued and deferred items		280		364
			319	**412**

Liabilities and Shareholders' Equity | €m				31.12.2013	31.12.2012
Provisions					
a) Provisions for pensions and similar commitments			35		141
b) Provisions for taxes			202		208
c) Other provisions			3,077		2,612
				3,314	**2,961**
Subordinated liabilities				**10,934**	**10,568**
Profit-sharing certificates outstanding				**842**	**842**
of which: maturing in less than two years		75			–
Fund for general banking risks				**476**	**476**
Equity					
a) Subscribed capital					
aa) Share capital	1,139				5,829
Treasury shares	–				– 1
(conditional capital €2,750m)		1,139			5,828
ab) Silent participations		491			2,868
			1,630		8,696
b) Capital reserve			15,928		8,730
c) Retained earnings					
ca) Statutory reserve		–			–
cb) Other retained earnings		96			17
			96		17
d) Distributable profit			83		–
				17,737	**17,443**
Liabilities and Shareholders' Equity				**469,263**	**527,453**
1. Contingent liabilities					
a) Contingent liabilities from rediscounted bills of exchange credited to borrowers			6		5
b) Liabilities from guarantees and indemnity agreements			34,077		34,868
				34,083	**34,873**
2. Other commitments					
a) Irrevocable lending commitments				**49,252**	**47,759**

Notes

General information

(1) Basis of preparation

The financial statements of Commerzbank Aktiengesellschaft as at 31 December 2013 have been prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch, HGB) and the Regulation on the Accounting of Credit Institutions and Financial Services Institutions (RechKredV) and in accordance with the provisions of the German Stock Corporation Act (Aktiengesetz, AktG) and the German Pfandbrief Act (Pfandbriefgesetz, PfandBG).

In addition to the financial statements – consisting of the income statement, the balance sheet and the notes – a management report has been prepared in accordance with Art. 289 HGB.

Unless otherwise indicated, all amounts are shown in millions of euros. In the income statement and balance sheet, amounts under €500,000.00 are shown as €0m; where an item is €0.00, this is denoted by a dash. In all other cases both amounts rounded down to €0m and zero items are indicated by a dash.

(2) Accounting and measurement policies

The cash reserve is stated at nominal value. Debt issued by public-sector borrowers is shown at net present value. Claims on banks and customers are reported at their nominal value, less any valuation allowances that have been recognised. Differences between the acquisition cost and the nominal amount with interest-like characteristics are reported in accrued and deferred items and recognised successively over their lifetime in net interest income.

Loan loss provisions are calculated for all on-balance-sheet claims and off-balance-sheet transactions at individual transaction level and on a portfolio basis using internal parameters and models. In doing so we distinguish between significant and non-significant exposures. Provision is also made for country risks in these calculations. The level of the provision for each individual default risk is based on the difference between the carrying amount of the claim and the net present value of the expected future cash inflows on the claim, calculated using the discounted cash flow method and allowing for any collateral held. General loan loss provisions are estimated using models. The regular reversal of loan loss provisions as a result of an increase in net present value is shown under interest income in the income statement.

Ship mortgage loans also included construction loans where the registration of the ship mortgage is scheduled to take place at a later date.

Securities in the liquidity reserve are shown according to the rules for current assets at the lower of acquisition cost or fair value with the strict lower-of-cost-or-market principle applied, unless they are reported as a hedge relationship. Securities held as fixed assets are treated in accordance with the modified lower of cost or market principle.

Equity holdings and holdings in affiliated companies are carried at amortised cost, in accordance with the rules for fixed assets. If the impairment of a holding is expected to be permanent, the carrying amount of the asset is written down. If the reasons for an impairment cease to exist, the asset is written up to a maximum of the amortised cost.

Write-downs and valuation allowances are shown net of write-ups. In the case of securities in the liquidity reserve, they are reported under write-downs and valuation allowances on loans and certain securities and allocations to provisions in lending business. In the case of securities held as long-term investments they are reported under write-downs and valuation allowances on equity holdings, holdings in affiliated companies and securities accounted for as fixed assets.

Derivative financial instruments are used both to hedge balance sheet items and for trading purposes and are measured individually as of the reporting date. Hedge relationships including derivative hedging transactions are recognised in accordance with the principles of Art. 254 HGB. The gross hedge presentation method is used for the hedge accounting of micro hedges in the liquidity reserve. The underlying and hedging transactions in micro hedges on the liabilities side are recognised in accordance with the fixed valuation method. Portfolio hedges are recognised using the net hedge presentation method. Internal transactions are accounted for using the arm's length principle.

We measure the trading portfolio at fair value minus a risk charge in accordance with Art. 340e (3) HGB. In accordance with Art. 255 (4) HGB the fair value corresponds to the market price. For listed products market prices are used; for unlisted products comparable prices and indicative prices from pricing service providers or other banks are used. The risk discount is calculated on the basis of the regulatory value-at-risk approach in such a way that the anticipated maximum loss from the trading books will not be exceeded with a 99% probability over a holding period of

10 days. A historical observation period of one year is used. The value-at-risk is calculated centrally for the entire portfolio and deducted from trading assets on the balance sheet. Commerzbank Aktiengesellschaft offsets positive and negative fair values including margin payments with central counterparties.

The fair value of securities and derivative financial instruments is based either on prices available on a market (e.g. stock market quotations) or valuation models. If fair value cannot be determined, the acquisition cost is used in accordance with Art. 255 (4) HGB. If mathematical valuation models are used to determine fair value, we use parameters available on the market as far as possible (for example yield curves, volatilities and spreads), including further discounts and premiums to take into account risk, liquidity and administrative costs and the cost of capital.

The fair value of derivative financial instruments is closely linked to the performance of the underlying instruments. The underlying instruments for derivatives are in particular shares, bonds, foreign currencies, precious metals and commodities as well as indices and interest rates. Future expected fluctuations in value of the underlying and the term of the derivative itself also have an impact on the fair value.

Where no market prices are available on an active market, fair value is determined by various methods including valuation models. Both the valuation models selected and the parameters used depend on the individual product and are in line with market standards.

The fair value for forward transactions and swaps is determined using discounted cash flow methodology based on the yield curve for the relevant currency.

Standardised and digital options are generally priced using the Black-Scholes model. Binomial approaches and Monte Carlo simulations are used for more complex options. Monte Carlo simulations are also used for other structured derivatives.

Variation margins payable and due are offset against other assets and other liabilities.

For non-exchange-traded derivatives held in the trading portfolio counterparty default risk is accounted for by recognising credit valuation adjustments (CVA), with Commerzbank Aktiengesellschaft's non-performance risk accounted for by recognising debit valuation adjustments (DVA). CVAs and DVAs are based on observable market data (for example credit default swap spreads) where available. For liabilities in the trading portfolio the Bank's own credit spread is also accounted for at fair value. Changes in the fair value of the trading portfolio are netted and shown in net trading income. Own issues which have been bought back in the trading portfolio and own bonds are shown net where there is no longer a debt outstanding.

Repurchase agreements are stated in accordance with the regulations of Art. 340b HGB. In the case of securities lending transactions, securities lent continue to be recognised on the balance sheet of Commerzbank Aktiengesellschaft as long as the title is retained.

Fixed assets are stated at acquisition or production cost, less depreciation if applicable. The depreciation rates are based on the useful economic lives of the asset. If an asset is permanently impaired, it is written down to the impaired value.

Intangible assets developed in-house are recognised at the value of development costs incurred. Low-value assets are recognised in accordance with the relevant local tax simplification rules.

Liabilities are stated at their settlement amount. We recognise differences between the amount to be repaid and the amount paid out as accrued and deferred items and recognise them through profit or loss over the lifetime of the liability. Non-current discounted liabilities (zero bonds) are recognised at net present value.

Pension provisions are calculated annually by independent actuaries using the projected unit credit method. The calculation parameters can be found in the note on provisions. Plan assets to cover pension obligations are measured at fair value and netted against the provisions created for this purpose in accordance with Art. 246 (2) sentence 2 HGB. In the case of obligations for part-time working for older employees, the plan assets are netted against the payment arrears in accordance with the pronouncement IDW RS HFA3 published by the Institute of Public Auditors in Germany. If an asset surplus arises from offsetting plan assets against the provisions for pensions and part-time working obligations for older employees, this is shown on the balance sheet under excess of plan assets over liabilities. The contribution required under Art. 67 (1) EGHGB will be provided no later than 31 December 2024.

Provisions for taxes and other provisions are recognised at the settlement amount estimated as necessary using reasonable commercial judgement; provisions with a residual term of more than one year are discounted to their present value.

The interest-rate-based financial instruments outside the trading book (i.e. in the banking book) are tested annually in their entirety for an excess liability using a net present value approach. As in previous years this valuation did not give rise to any need to establish a provision for impending losses.

Deferred taxes are recognised for temporary differences between the accounting values of assets, debts and accrued and deferred items and their tax values, as well as for tax loss carryforwards. Deferred tax liabilities arising from the differences between the accounting value and tax value of the trading book, other liabilities and fixed assets were netted against deferred tax assets arising from differences between the accounting and tax value of claims on banks, provisions and tax loss carryforwards. Deferred tax assets remaining after this netting process are not reported, in accordance with the option set out in Art. 274 (1) sentence 2 HGB.

Commerzbank Aktiengesellschaft values the deferred taxes on the basis of the tax rates applying to each individual entity. The income tax rate of the domestic entities is 31.2% (previous year: 31.2%). This is made up of the German corporate income tax rate of 15.0%, plus the solidarity surcharge of 5.5% and an average rate of 15.4% for trade tax. Deferred taxes in the foreign branches are measured using the tax rates applicable in these countries, which range from 0% to 46%.

(3) Currency translation

Foreign currencies are translated into euro in accordance with the provisions of Articles 256a and 340h HGB. We translate assets and liabilities and income and expenses denominated in foreign currencies and pending spot market transactions at the spot mid rate on the balance sheet date. This also applies to the translation of the principal amounts in cross-currency swaps outside the trading book. Currency-related forward transactions in the trading book are measured at fair value. Due to the special cover in the same currency, profits and losses from currency translation are recognised through profit or loss. The financial statements of our branches abroad which are denominated in foreign currencies are translated into the reporting currency at the spot mid rate on the balance sheet date. Banknote and coin holdings are translated using the exchange rate effective on the balance sheet date.

(4) Changes in accounting policies

In order to show only gains and losses on disposal and remeasurement in net trading income in future, Commerzbank Aktiengesellschaft is reporting interest income and expenses as well as dividends on equity swaps deriving from trading activities in net interest income rather than in net trading income/expense from the financial year 2013. In order to report interest income and expenses on a uniform basis we have also decided to report interest items relating to pensions in interest expenses, rather than in operating expenses as previously.

We have changed the treatment of share-based remuneration compared with last year from immediate to pro-rata recognition of the provision. This takes account of the changed legal framework deriving in particular from the Banking Remuneration Regulation (Institutsvergütungsverordnung) and also provides a more accurate picture of the Bank's net assets, financial position and operating results. Since the financial year 2013 the counterparty default risk for derivatives in the trading book with positive fair values has been accounted for by recognising credit valuation adjustments (CVA) instead of by recognising counterparty default adjustments as previously. For derivative exposures with negative fair values we account for the risk of the Bank's own non-performance by recognising debit valuation adjustments (DVA). In addition the methodology for determining the adjustment factor for the bid-offer spread was brought into line with market practice in 2013. Overall the changes in accounting policies had a positive impact of €67m on the income statement.

Notes to the income statement

(5) Breakdown of revenues by geographic markets

€m	2013	2012
Europe including Germany	13,652	16,368
America	230	199
Asia	184	228
Africa	–	–
Total	**14,066**	**16,795**

The total amount includes the items interest income, current income from equities and other non-fixed-income securities, equity holdings, holdings in affiliated companies, commission income, net trading income and other operating income.

(6) Auditors' fee

We have exercised the option permitted by Art. 285 (17) HGB to report the auditors' fee in the consolidated financial statements.

(7) Other operating income

Other operating income of €699m (previous year: €2,300m) primarily contained €278m (previous year: €218m) from the release of provisions.

(8) Other operating expenses

Other operating expenses of €818m (previous year: €1,747m) included €352m (previous year: €345m) in allocations and other expenses relating to provisions for litigation and recourse risks as well as one-off payments of €89m (previous year: –) for the early repayment of the silent participations of Allianz SE and the Financial Market Stabilisation Fund (SoFFin).

(9) Extraordinary expense

The extraordinary expense of €519m (previous year: €148m) contains the restructuring expense of €473m (previous year: –) for planned adjustments of personnel capacities as well as the required allocation of €46m (previous year: €46m) to pension provisions.

(10) Administrative and agency services

The following material administrative and agency services were provided for third parties:

- Custody account administration
- Agency services for insurance and home loan savings plans
- Asset management
- Management of fiduciary assets
- Securities commission business
- Investment business
- Processing of payment transactions
- Agency services for mortgage loans

Notes to the balance sheet

(11) Maturity structure of claims and liabilities

€m	31.12.2013	31.12.2012
Other claims on banks	**105,002**	**96,053**
with a residual term of		
less than three months	68,133	51,116
more than three months, but less than one year	19,555	16,951
more than one year, but less than five years	14,522	23,016
more than five years	2,792	4,970
Claims on customers	**171,065**	**181,277**
with an indefinite term	18,053	21,125
with a residual term of		
less than three months	34,803	35,421
more than three months, but less than one year	21,272	25,197
more than one year, but less than five years	44,091	45,115
more than five years	52,846	54,419

€m	31.12.2013	31.12.2012
Liabilities to banks		
with an agreed term or notice period	**53,472**	**62,773**
with a residual term of		
less than three months	16,651	21,445
more than three months, but less than one year	7,516	6,788
more than one year, but less than five years	18,098	21,481
more than five years	11,207	13,059
Savings deposits		
with an agreed notice period of more than three months	**90**	**128**
with a residual term of		
less than three months	20	22
more than three months, but less than one year	32	46
more than one year, but less than five years	29	49
more than five years	9	11
Other liabilities to customers		
with an agreed term or notice period	**83,518**	**79,133**
with a residual term of		
less than three months	51,581	48,327
more than three months, but less than one year	17,031	12,796
more than one year, but less than five years	7,214	8,831
more than five years	7,692	9,179
Other securitised liabilities	**3,281**	**289**
with a residual term of		
less than three months	1,683	191
more than three months, but less than one year	1,598	98
more than one year, but less than five years	–	–
more than five years	–	–

Of the €31,478m of bonds and notes issued (previous year: €33,919m), €10,852m will fall due in 2014.

(12) Cover assets for bonds issued by the Bank

€m	31.12.2013	31.12.2012
Claims on banks	453	195
Claims on customers	7,507	4,694
Bonds and other fixed-income securities	478	616
Total	**8,438**	**5,505**

(13) Securities

As at 31 December 2013 the breakdown of marketable securities was as follows:

	Listed on a stock exchange		Not listed	
€m	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Bonds and other fixed-income securities	22,652	23,147	9,639	10,924
Equities and other non-fixed-income securities	421	258	448	558
Equity holdings	–	3	29	29
Holdings in affiliated companies	2,377	2,377	–	–

Of the bonds and other fixed-income securities amounting to €32,291m (previous year: €34,071m), €4,097m will fall due in 2014.

Write-downs of €2m resulting from the modified lower of cost or market principle were not recognised on the bonds and other fixed-income securities as the impairment is only temporary.

In 2013 Commerzbank Aktiengesellschaft sold bonds in the liquidity portfolio for a gain of €169m. The hedging derivatives with a positive fair value relating to these bonds were closed. This gave rise to a gain of €511m.

Both amounts were recognised in the income statement in the item write-downs and valuation allowances on loans and certain securities and allocations to provisions in lending business.

(14) Trading securities

The criteria laid down within the Bank for the inclusion of financial instruments in the trading portfolio did not change during the financial year.

Commerzbank Aktiengesellschaft did not transfer any amounts from net trading income/expense to the fund for general banking risks in accordance with Art. 340e (4) HGB in 2013 (previous year: €162m).

€m	31.12.2013	31.12.2012
Trading assets	**115,593**	**159,403**
Derivative financial instruments	71,170	111,214
Claims	477	2,718
Bonds and other fixed-income securities	21,642	25,072
Equities and other non-fixed-income securities	22,353	20,488
Risk charge value at risk	– 49	– 89

€m	31.12.2013	31.12.2012
Trading liabilities	**72,641**	**118,512**
Derivative financial instruments	64,665	108,523
Liabilities	7,976	9,989

(15) Hedge relationships

To balance contrary changes in value, micro and portfolio hedge relationships are created to hedge the resultant risks.

Micro hedge relationships created for securities in the liquidity reserve mainly hedge against the general risk of a change in interest rates. Interest-rate-induced changes in the value of the securities are almost entirely compensated by the change in the value of the associated hedges. In addition there are micro hedge relationships for assets with embedded equity risks which are completely offset by being combined into a hedge relationship with liabilities to customers. Micro hedge relationships created for own issues not held for trading are fully hedged against interest rate, currency and other market risks. In all cases, the terms of each of the hedging instruments almost fully match the terms of the hedged portfolios. Depending on the hedge this may, for example, be the volume, the maturity or the payment dates.

The prospective and retrospective effectiveness of the hedge relationships for securities in the liquidity reserve is demonstrated using regression analysis. The average term to maturity of these micro hedge relationships is four years (previous year: four years). The effectiveness of the micro hedge relationships for equity risks is measured on the basis of the dollar offset method. The effectiveness of hedge relationships for own issues in the non-trading portfolio is measured using a simplified test based on a portfolio-based sensitivity analysis or a qualitative comparison of the characteristics of the hedged transaction and the hedging instrument. The average term to maturity of these hedge relationships is four years (previous year: four years).

Portfolio hedge relationships are created to hedge against interest rate risks in securities in the liquidity reserve. Thus the overall interest rate of a portfolio containing a number of similar transactions is hedged. The effectiveness is demonstrated by analysing interest rate sensitivity. The average term of the portfolio hedge relationships is two years (previous year: two years).

The carrying amount of all hedged assets amounted to €22,606m on the reporting date (previous year: €17,057m), and the carrying amount of hedged liabilities amounted to €61,523m (previous year: €56,958m). The nominal volume of all hedge relationships on the assets side amounted to €22,149m on the reporting date (previous year: €16,770m), and the nominal volume of all hedge relationships on the liabilities side amounted to €62,926m (previous year: €58,293m).

(16) Relationships with affiliated companies and equity holdings

	Affiliated companies		Equity holdings	
€m	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Claims on banks	50,169	51,066	83	172
Claims on customers	12,037	9,723	431	620
Bonds and other fixed-income securities	8,835	10,288	–	–
Trading assets	2,359	2,724	20	28
Liabilities to banks	16,335	17,504	14	17
Liabilities to customers	13,025	11,050	656	623
Securitised liabilities	1,539	1,580	–	–
Trading liabilities	–	–	2	–
Subordinated liabilities	1,287	1,341	–	–

Transactions with affiliated companies are carried out on normal market terms and conditions. Relationships with related parties are set out in the note on remuneration and loans to board members, and in the remuneration report.

(17) Fiduciary transactions

€m		31.12.2013	31.12.2012
Claims on customers		516	570
Bonds and other fixed-income securities		–	–
Other fiduciary assets		440	–
Commerzbank Foundation		64	58
of which:	cash at bank – current accounts	–	1
	securities	63	57
	Other assets	1	–
Fiduciary assets		**1,020**	**628**
of which: loans at third-party risk		516	570
Liabilities to banks		16	13
Liabilities to customers		500	557
Other fiduciary liabilities		440	–
Commerzbank Foundation		64	58
of which:	capital and reserves	63	57
	liabilities	1	1
	foundation net profit or loss	–	–
Fiduciary liabilities		**1,020**	**628**
of which:	loans at third-party risk	516	570

(18) Changes in book value of fixed assets

€m		Intangible assets	Fixed assets	Securities held as fixed assets	Equity holdings[1]	Holdings in affiliated companies[1]
Cost of acquisition/production as at 1.1.2013		**1,452**	**2,408**	**894**		
Additions in 2013		306	77	78		
Disposals in 2013		391	761	139		
Transfers		0	–	–		
Exchange rate changes		– 2	– 6	– 16		
Cost of acquisition/production as at 31.12.2013		**1,365**	**1,718**	**817**		
Cumulative write-downs		806	1,308	503		
of which:	Write-downs in 2013	87	114	10		
	Write-ups in 2013	–	–	–		
Residual book values as at 31.12.2013		**559**	**410**	**314**	**457**	**9,117**
Residual book values as at 31.12.2012		**342**	**600**	**390**	**435**	**10,267**

[1] Use was made of the option to present an aggregate figure pursuant to Art. 34 (3) RechKredV.

Of the land and buildings with an overall book value of €50m (previous year: €190m), properties amounting to €36m (previous year: €179m) are used by Commerzbank Aktiengesellschaft. Office furniture and equipment amounting to €360m (previous year: €410m) was included in the fixed assets. As at 31 December 2013 development costs of €437m (previous year: €278m) for intangible assets developed in-house were capitalised. Commerzbank Aktiengesellschaft does not undertake research in connection with the in-house development of intangible assets.

(19) Other assets

Other assets of €2,499m (previous year: €4,196m) primarily contained income tax due from tax authorities of €795m (previous year: €753m), precious metals in the non-trading portfolio of €209m (previous year: €590m), amounts owed under profit transfer agreements of €161m (previous year: €1,612m) as well as accrued and deferred interest on non-trading derivatives of €269m (previous year: €280m) and margin due on exchange-traded futures transactions of €192m (previous year: €296m).

(20) Subordinated assets

€m	31.12.2013	31.12.2012
Claims on banks	124,306	120,465
of which: subordinated	792	804
Claims on customers	171,065	181,277
of which: subordinated	497	527
Bonds and other fixed-income securities	32,291	34,071
a) Bonds and notes issued by other borrowers	23,170	24,306
of which: subordinated	–	179
b) Own bonds	672	1,036
of which: subordinated	7	–
Equities and other non-fixed-income securities	881	829
of which: subordinated	421	257
Trading assets[1]	115,593	159,403
of which: subordinated	218	236
Total	**1,935**	**2,003**

[1] Measured at fair value.

(21) Repurchase agreements

The carrying amount recorded in the balance sheet for assets transferred under repurchase agreements amounted to €2,849m (previous year: €10,683m).

(22) The Bank's foreign currency position

As at 31 December 2013 foreign currency assets amounted to €171,240m (previous year: €134,478m) and foreign currency liabilities amounted to €140,029m (previous year: €100,849m).

(23) Collateral pledged for own liabilities

€m	31.12.2013	31.12.2012
Liabilities to banks	57,444	50,126
Liabilities to customers	42,405	37,158
Securitised liabilities	500	–
Other commitments	7,791	9,159
Total	**108,140**	**96,443**

Assets of matching amounts were pledged as collateral for the liabilities listed above. Collateral is provided to borrow funds under securities repurchase agreements, for funds borrowed for specific purposes and in connection with open market transactions in the Eurosystem.

In addition bonds to the value of €610m issued by the Bank (previous year: –) are backed by collateral which, although legally sold, remains under the beneficial ownership of Commerzbank.

(24) Other liabilities

Other liabilities amounting to €11,476m (previous year: €14,272m) contained liabilities attributable to film funds amounting to €1,690m (previous year: €1,915m) and liabilities under securitisation transactions of €7,932m (previous year: €9,272m).

(25) Provisions

a) Provisions for pensions and similar commitments

Pension provisions are calculated on the basis of actuarial principles using a discount rate set by Deutsche Bundesbank of 4.89% (previous year: 5.05%), applying the projected unit credit method on the basis of the Heubeck 2005 G mortality tables. This assumes an expected general salary and wage increase including assumed career trends of 2.50% p.a. (previous year: 2.50% p.a.); for pension increases we assume an interest rate of 1.80% p.a. (previous year: 1.80% p.a.). An increase of 2.00% p.a. (previous year: 2.00% p.a.) is assumed for the income threshold for assessing social security contributions. The shortfall due to unrecognised pension obligations within the meaning of Art. 28 (2) EGHGB amounts to €20m (previous year: €19m).

In accordance with the option under Art. 67 (1) sentence 1 EGHGB, Commerzbank Aktiengesellschaft is increasing the provisions for the difference which has arisen due to the change in pension valuations following the German Accounting Law Modernisation Act (BilMoG) from 1 January 2010 on a pro rata basis, so a deficit of €313m (previous year: €359m) remained at year-end. The transfer was recorded in extraordinary expenses.

In accordance with Art. 246 (2) sentence 2 HGB, the plan assets held to cover pension obligations are netted against the provisions created for this purpose.

As at 31 December 2013, the following values were recorded for these items before offsetting:

€m	31.12.2013	31.12.2012
Fair value of the plan assets	4,861	5,021
Amount to be paid	4,705	4,841

Prior to offsetting, the imputed interest expense for provisions for pensions which are safeguarded by plan assets amounted to €329m (previous year: €236m). Income from plan assets before offsetting amounted to €33m (previous year: €547m). The historic cost of the plan assets amounted to €4,729m (previous year: €4,474m).

Plan assets are mainly invested in institutional funds focusing on fixed income securities, equities and derivatives. They also contain private equity investments, capitalisation products, exchange-traded funds and credit balances on bank accounts. Recognised quoted or market prices have been obtained for the institutional and retail funds. Private equity investments are measured according to values provided by the relevant fund. The asset value of the capitalisation product is calculated by the insurance company according to recognised actuarial principles and comprises contributions paid, guaranteed interest accrued to date and surpluses allocated less costs. Credit balances on bank accounts are recognised at nominal value.

b) Other provisions

Other provisions mainly include provisions for restructuring, litigation and recourse risks, and issues relating to personnel (including part-time working for older employees and early retirement). The restructuring provisions for the planned adjustment of personnel capacities amounted to €566m (previous year: €344m). The expense from imputed interest on other provisions amounted to €51m for the financial year (previous year: €49m) and is reported under interest expense in accordance with Art. 277 (5) HGB.

(26) Subordinated liabilities

In the event of insolvency or winding-up the subordinated liabilities of €10,934m (previous year: €10,568m) may only be repaid after the claims of all non-subordinated creditors have been satisfied. There is no obligation to repay the liabilities or right to claim interest until this condition has been met.

The obligations arising from the bonds and notes are subordinated obligations of the issuer which rank pari passu with all the issuer's other subordinated liabilities. The bearer may not put bonds and notes. The terms and conditions for subordinated liabilities apply. Conversion into equity or another form of debt is not stipulated in the contractual agreements.

In the financial year, interest paid on subordinated liabilities amounted to €574m (previous year: €526m). The following borrowings exceeded 10% of the total amount of this item as at 31 December 2013:

German securities identification no. (WKN)	Currency	€m	Interest rate	Due date
WKN CB83CE	EUR	1,254	6.38	22.3.2019
WKN CB83CF	EUR	1,250	7.75	16.3.2021

(27) Profit-sharing certificates

Of the profit-sharing certificates recorded in the balance sheet €763m (previous year: €840m) qualified as liable equity capital as defined in Art. 10 (5) German Banking Act (KWG).

Under the conditions of the profit-sharing certificates, the servicing of interest and repayment claims arising from the profit-sharing rights is linked to the Bank's net profit (not dividend payments). In the event of insolvency, claims arising from profit-sharing certificates are subordinate to all other non-subordinated creditors, but rank above shareholders. The table below shows the outstanding profit-sharing certificates at the end of the financial year 2013:

German securities identification no. (WKN)	Currency	€m	Interest rate	Maturing on 31.12.
Profit-sharing certificate WKN DR2U70	EUR	662	5.39	2015
Profit-sharing certificate WKN A0D4TQ9	EUR	50	4.70	2020
Profit-sharing certificate WKN A0HGNA3	EUR	30	4.70	2020
Registered profit-sharing certificate WKN 422785	EUR	50	7.53	2014
Registered profit-sharing certificate WKN 422720	EUR	25	7.56	2014
Registered profit-sharing certificate WKN 901008000A	EUR	10	5.38	2017
Registered profit-sharing certificate WKN 901008000B	EUR	10	5.38	2017
Registered profit-sharing certificate WKN 901008100	EUR	5	5.37	2017
		842		

(28) Equity

€	31.12.2013		31.12.2012	
Equity		**17,736,822,492.90**		**17,442,959,785.97**
a) Subscribed capital		1,629,891,941.00		8,695,866,839.47
Share capital	1,138,506,941.00		5,829,513,857.00	
Silent participations	491,385,000.00		2,867,546,335.47	
Less treasury shares held	–		– 1,193,353.00	
b) Capital reserve		15,927,943,159.47		8,730,050,517.82
c) Retained earnings		95,931,187.90		17,042,428.68
Statutory reserve	–		–	
Reserves under articles of association	–		–	
Other retained earnings	95,931,187.90		17,042,428.68	
d) Distributable profit		83,056,204.53		–

a) Subscribed capital

As at 31 December 2013, the share capital of Commerzbank Aktiengesellschaft amounted to €1,1bn and was divided into 1,138,506,941 no-par-value shares, each with an accounting par value of €1.00.

In preparation for a subsequent reverse stock split the AGM on 19 April 2013 resolved to cancel seven shares and to increase the capital reserve by the same amount. In the course of the subsequent capital reduction by means of the reverse stock split, the number of shares was reduced to 582,951,385. Every ten no-par-value shares were consolidated into one no-par-value share. The AGM also resolved to increase the company's share capital by up to €2,272,727,272 in exchange for cash contributions and the partial contribution of the silent participation entered into by the Financial Market Stabilisation Fund (SoFFin) by issuing up to 2,272,727,272 no-par-value shares.

On the basis of the AGM resolution to increase the company's share capital, which was recorded in the Commercial Register on 22 April 2013, 555,555,556 no-par-value shares were issued on 28 May 2013 for a subscription price of €4.50.

The Financial Market Stabilisation Fund (SoFFin) exercised its pre-emptive rights in the capital increase in full and converted silent participations of €625m into new no-par-value bearer shares in proportion to its stake in Commerzbank of 25% plus 1 share. At the same time 89,227,252 shares previously held by SoFFin were placed with investors by a banking consortium at the beginning of the subscription period. SoFFin's stake in Commerzbank Aktiengesellschaft fell to around 17% as a result of these capital measures.

The completion of the capital increase was recorded in the Commercial Register on 28 May 2013. The total issue volume of the capital increase amounted to €2,5bn. Subscribed capital rose by €556m and the capital reserve by €1,951m. Costs of €73m were incurred in the capital increase.

SoFFin's silent participations were based on the agreement dated 19 December 2008, most recently amended on 29 June 2012, and the supplementary agreement dated 3 June 2009 on the establishment of a silent partnership concluded between the Financial Market Stabilisation Fund, represented by the Financial Market Stabilisation Authority (FMSA), and Commerzbank Aktiengesellschaft. SoFFin's remaining silent participation of €1,002m was repaid early and in full on 31 May 2013 out of the issuance proceeds of the cash capital increase. A one-off compensation payment of €60,5m before tax was made for this early repayment.

Furthermore, Commerzbank Aktiengesellschaft and Allianz SE concluded an agreement on 3 June 2009 on the establishment of a silent partnership, on the basis of which Allianz SE, through a subsidiary, provided Commerzbank Aktiengesellschaft with a silent participation of €750,000,000.00. This silent participation was repaid early and in full on 31 May 2013 out of the issuance proceeds of the cash capital increase. A one-off compensation payment of €27,9m was made for this early repayment.

On the reporting date the silent participations of HT1 Funding GmbH of €415,885,000 and a number of other silent participations totalling €75,500,000.00 remained in place.

b) Capital reserve

€	
As at 31.12.2012	**8,730,050,517.82**
Addition to capital reserve	7,197,892,641.65
of which: allocation to capital reserve from capital reduction	5,246,562,472.00
As at 31.12.2013	**15,927,943,159.47**

In the capital reserve, premiums from the issue of Commerzbank Aktiengesellschaft shares are shown. Additional cash payments from the issue of conversion and option rights entitling holders to purchase Commerzbank Aktiengesellschaft shares are also recognised here.

c) Retained earnings

€	Total	Statutory reserve	Other retained earnings
As at 31.12.2012	17,042,428.68	–	17,042,428.68
Loss from trading in treasury shares	–4,167,445.30	–	–4,167,445.30
Addition to other retained earnings	83,056,204.52	–	83,056,204.52
As at 31.12.2013	**95,931,187.90**	–	**95,931,187.90**

(29) Authorised capital

Date of AGM resolution	Original authorised capital €m	Remaining authorised capital €	Date of expiry	Pursuant to the articles of association
2011	2,000	1,462,936,397.00	5.5.2016	Art. 4 (3)[1]
2012	1,150	1,150,000,000.00	22.5.2017	Art. 4 (3)[2]
As at 31.12.2013	**3,150**	**2,612,936,397.00**		

[1] Previous issue.
[2] Current issue.

The conditions for capital increases from authorised capital for the individual capital items as at 31 December 2013 are given in the Articles of Association of Commerzbank Aktiengesellschaft dated 29 May 2013 and by the undertaking declared under agenda item 10 of the AGM of 19 April 2013.

The Board of Managing Directors is authorised, with the approval of the Supervisory Board, to increase the Company's share capital during the period up to 5 May 2016 through the issue of new no-par-value shares for cash or non-cash contributions, in either one or several tranches, by a maximum of €1,462,936,397.00 (Authorised Capital 2011 in accordance with Art. 4 (3) of the Articles of Association). In principle, shareholders are to be offered subscription rights; the mandatory pre-emptive right may also be granted in such a manner that the new shares are underwritten by a bank or a syndicate of banks under an obligation to offer them for subscription to shareholders of Commerzbank Aktiengesellschaft. However, the Board of Managing Directors is authorised to exclude pre-emptive rights, with the approval of the Supervisory Board, in the following cases: In order to exclude fractional amounts from subscription rights;

- To the extent necessary to grant the holders of conversion or option rights, either already issued or still to be issued by Commerzbank Aktiengesellschaft or by companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (Group companies as defined in Art. 18 (1) of the German Stock Corporation Act), subscription rights in the amount to which they would be entitled after exercising their conversion or option rights or fulfilling their conversion or option obligations;
- In order to issue shares up to the amount of €20,000,000.00 to employees of Commerzbank Aktiengesellschaft or of companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (Group companies as defined in Art. 18 (1) of the German Stock Corporation Act);

- In order to increase the share capital in exchange for contributions in kind;
- In the event of capital increases for cash, if the issue price of the new shares is not significantly lower than the market price for identical shares of the Company at the time the issue price is determined. The shares issued with the exclusion of subscription rights pursuant to Art. 203 (1), Art. 186 (3) sentence 4 German Stock Corporation Act on the basis of this authorisation may not exceed a total of 10% of the share capital of the Company at the time the authorisation becomes effective or at the time the authorisation is exercised, whichever amount is lower. The upper limit of 10% of the share capital is reduced by the proportional amount of share capital corresponding to those of the Company's own shares that are sold during the period of validity of Authorised Capital 2011 while excluding shareholders' subscription rights in accordance with Art. 71 (1) no. 8 sentence 5 and Art. 186 (3) sentence 4 of the German Stock Corporation Act. The upper limit is further reduced by the pro-rata amount of share capital corresponding to those shares that must be issued to service options and convertible bonds with option or conversion rights or with option or conversion obligations, provided such bonds are issued during the period of validity of Authorised Capital 2011 while excluding pre-emptive rights subject to appropriate application of Art. 186 (3) sentence 4 of the German Stock Corporation Act.

The Board of Managing Directors is authorised to specify the other details of the capital increase and its execution.

The Board of Managing Directors is authorised, with the approval of the Supervisory Board, to increase the Company's share capital until 22 May 2017 through the issuance of new shares with no par value for cash or contributions in kind, in either one or several tranches, but not exceeding a maximum amount of €1,150,000,000.00 (Authorised Capital 2012/I in accordance with Art. 4 (5) of the Articles of Association). In principle, shareholders shall be offered subscription rights. The statutory subscription right may also be granted in such a manner that the new shares are underwritten by a bank or a syndicate of banks under an obligation to offer them for subscription to shareholders of Commerzbank Aktiengesellschaft. However, the Board of Managing Directors is authorised to exclude pre-emptive rights, with the approval of the Supervisory Board, in the following cases:

- To exclude fractional amounts from subscription rights;
- To the extent necessary to grant the holders of conversion or option rights, either already issued or still to be issued by Commerzbank Aktiengesellschaft or by companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18 (1) of the German Stock Corporation Act), subscription rights in the amount to which they would be entitled after exercising their conversion or option rights or fulfilling their conversion or option obligations;
- in order to issue shares to the Board of Managing Directors, members of management or the employees of Commerzbank Aktiengesellschaft or of companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18 (1) of the German Stock Corporation Act) in exchange for contributions in kind through contribution of claims to variable remuneration components, bonuses or similar claims against the Company or group companies;
- In order to increase the share capital for non-cash contributions.

The Board of Managing Directors will only make use of the above-mentioned approved capital during its terms up to a maximum of 50% of the share capital available after completion of the capital increase registered on 28 March 2013 and with the consent of the Supervisory Board. Furthermore, the Board of Managing Directors will use its authority to undertake capital-raising measures, excluding shareholders' pre-emptive rights, only up to a total maximum of 20% of the existing share capital as at 31 December 2013 and – insofar as the exclusion of pre-emptive rights serves the purpose of issuing shares to members of the Board of Managing Directors, members of management or employees of Commerzbank Aktiengesellschaft or of companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest – not exceed the upper limit of 5% of the existing share capital as at 31 December 2013. These restrictions on utilisation may only be lifted by resolution of the AGM. Art. 4 (7) in last year's version of the Articles of Association was cancelled by resolution of the AGM on 19 April 2013.

€	Remaining authorised capital 31.12.2012	Added in financial year	Used in financial year	Expired in financial year	Remaining authorised capital 31.12.2013
Total	**5,067,936,397.00**	**–**	**–**	**2,455,000,000**	**2,612,936,397.00**

(30) Conditional capital

€	Conditional capital 31.12.2012	Added in financial year	Used in financial year	Expired in financial year	Conditional capital 31.12.2013	of which: used conditional capital	of which: still available
Total	**4,394,312,132.00**	**–**	**–**	**1,644,312,132.00**	**2,750,000,000.00**	**-**	**2,750,000,000.00**

As resolved at the AGM on 23 May 2012, the Company's share capital shall be conditionally increased by up to €2,750,000,000.00, divided into 2,750,000,000 no-par-value bearer shares (Conditional Capital 2012/I in accordance with Art. 4 (4) of the Articles of Association). The conditional capital increase will only be carried out to the extent that the holders or creditors of convertible bonds or convertible profit-sharing certificates or warrants attached to bonds or profit-sharing certificates with warrants issued or guaranteed by Commerzbank or by companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest (group companies as defined in Art. 18 (1) of the German Stock Corporation Act) exercise, in the period up to 22 May 2017, their conversion/option rights or fulfil their related conversion or option obligations on the basis of the authorisation resolved by the Annual General Meeting on 23 May 2012 (Authorisation 2012) and other forms of performance in satisfaction thereof are not chosen.

The Board of Managing Directors is authorised to determine the further details of the capital increases and their execution.

The Board of Managing Directors will only make use of the above-mentioned conditional capital during its term with the consent of the Supervisory Board up to a maximum of 50% of the existing share capital as at 31 December 2013. Furthermore, the Board of Managing Directors will only use its authorisation to undertake capital-raising measures up to a maximum of 20% of the existing share capital and – if the exclusion of pre-emptive rights is for the purpose of issuing shares to members of the Board of Managing Directors, members of management or employees of Commerzbank Aktiengesellschaft or of companies in which Commerzbank Aktiengesellschaft directly or indirectly holds a majority interest – will not exceed the upper limit of 5% of the existing share capital as at 31 December 2013. These restrictions on utilisation may only be lifted by resolution of the AGM.

Art. 4 (5) and (8) in last year's version of the Articles of Association were cancelled by resolution of the AGM on 19 April 2013. The previous Art. 4 (6) in the Articles of Association has now become Art. 4 (5).

(31) Non-distributable amounts

The table below shows the non-distributable amounts as at 31 December 2013.

€m	31.12.2013	31.12.2012
In-house developed intangible assets	437	278
Difference arising from the capitalisation of plan assets at fair value	132	547
Non-distributable amount	**569**	**825**

(32) Significant shareholder voting rights

As at 31 December 2013 Commerzbank Aktiengesellschaft has received the following notifications of voting rights in accordance with Art. 21 (1) German Securities Trading Act:

Company required to report	Registered office	Total[1] %	Report date
Federal Republic of Germany Financial Market Stabilisation Fund	Berlin	17.15	31.5.2013
BlackRock Group	New York	5.23	15.8.2013
The Capital Group Companies, Inc.	Los Angeles	5.06	25.7.2013

[1] Voting rights held directly and indirectly.

(33) Treasury shares

	Number of shares[1] units	Accounting par value [1] €1,000	Percentage of share capital
Treasury shares as at 31.12.2013	–	–	–
Largest number acquired during the financial year	536,807	537	0.05
Shares pledged by customers as collateral as at 31.12.2013	4,287,593	4,288	0.38
Shares acquired during the financial year	6,072,771	6,073	–
Shares disposed of during the financial year	6,192,106	6,192	–

[1] Accounting par value per share €1.00.

The AGM on 19 May 2010 authorised Commerzbank Aktiengesellschaft to purchase and sell its treasury shares for the purpose of securities trading, pursuant to Art. 71 (1) no. 7 German Stock Corporation Act. This authorisation is valid until 18 May 2015. The aggregate amount of shares to be acquired for this purpose may not exceed 5% of the share capital of Commerzbank Aktiengesellschaft at the end of any given day. Together with the Company's treasury shares purchased for other reasons and held by Commerzbank Aktiengesellschaft or attributable to it pursuant to Articles 71d f. German Stock Corporation Act, the shares purchased on the basis of this authorisation may at no time exceed 10% of the share capital of Commerzbank Aktiengesellschaft. The lowest price at which treasury shares may be purchased may not be more than 10% lower or higher than the average share price on the three trading days preceding the purchase. Treasury shares may not be purchased at prices more than 10% higher than this level.

The average purchase price in the past financial year was €1,73 (previous year: €1,52) and the average selling price was €1,70 (previous year: €1,50). If the Bank holds treasury shares it has bought back, the accounting par value is deducted from subscribed capital. The loss from trading in treasury shares during the reporting year was offset against retained earnings.

The Bank has given an undertaking to the Financial Market Stabilisation Fund (SoFFin), represented by the Financial Market Stabilisation Authority (FMSA), that neither it nor any of its affiliated companies will buy back shares or other components of its liable equity capital (except as specified under Art. 71 (1) no. 2 and no. 4 (purchase on behalf of another party) or no. 7 of the German Stock Corporation Act).

Other notes

(34) Off-balance-sheet transactions

a) Contingent liabilities

€m	31.12.2013	31.12.2012
Contingent liabilities from rediscounted bills of exchange credited to borrowers	6	5
Liabilities from guarantees and indemnity agreements[1]	34,077	34,868
Credit guarantees	2,657	2,450
Other guarantees	24,749	24,529
Letters of credit	6,671	7,890
Total	**34,083**	**34,873**

[1] See note 34 e) Letter of comfort.

Contingent liabilities from guarantees and indemnity agreements are mainly related to retail banking with customers which generates commission income. Commerzbank Aktiengesellschaft runs the risk that a claim will be made under its contractual obligations due to the deteriorating credit quality of the borrower. Credit risks are reflected in the balance sheet by creating provisions. The risk of a claim under contingent liabilities is estimated on the basis of credit risk parameters implemented in accordance with the German Solvency Regulation.

b) Other commitments

€m	31.12.2013	31.12.2012
Irrevocable lending commitments	**49,252**	**47,759**
Loans to customers	47,210	45,629
Loans to banks	1,050	1,069
Guarantees/acceptance credits/letters of credit	992	1,061

Irrevocable lending commitments are part of Commerzbank Aktiengesellschaft's lending business and are reported outside the balance sheet. Risks may arise due to the deterioration of a customer's credit quality, for which a corresponding provision is created on the balance sheet.

Commerzbank Aktiengesellschaft arranges securitisations of the Bank's own receivables as well as of customers' receivables portfolios via special purpose entities. The transactions serve to procure liquidity or to tap new sources of funding for customers or for Commerzbank Aktiengesellschaft.

The liquidity facilities and back-up credit lines provided to the securitisation vehicles are also shown under irrevocable lending commitments. Liquidity or back-up lines may be used if the risks relating to the underlying financial instruments increase or the securitised paper can no longer be sold on the market as planned.

c) Other financial commitments

In the context of operating lease agreements where Commerzbank is the lessee, economic ownership is retained by the lessor and is therefore not shown in the balance sheet of Commerzbank Aktiengesellschaft. Commerzbank Aktiengesellschaft's liabilities under operating leases are mainly related to buildings, office furniture and equipment. As at 31 December 2013, existing commitments from rental, tenancy and leasing agreements amounted to €3,400m for the following years (previous year: €3,346m); of which €1,321m to affiliated companies (previous year: €1,225m).

Payment commitments for shares, shareholdings in limited companies and other shareholdings amounted to €22m on the reporting date (previous year: €23m). Due to our participation in Liquiditäts-Konsortialbank GmbH, Frankfurt/Main, the Bank has an additional funding obligation of €96m (previous year: €96m) in accordance with Art. 26 of the German Limited Liability Companies Act (GmbHG).

Commerzbank Aktiengesellschaft has given an undertaking to the Polish Financial Supervision Authority that it will provide its affiliated companies mBank S.A., Warsaw and mBank Hipoteczny S.A., Warsaw with sufficient liquidity and capital to ensure that they are in a position to meet their financial obligations at all times.

In accordance with Art. 5 (10) of the statutes of the German Deposit Protection Fund, we have undertaken to indemnify the Association of German Banks for any losses incurred through support provided for banks in which Commerzbank Aktiengesellschaft holds a majority interest.

Under the German Restructuring Fund Ordinance (RstruktFV), Commerzbank Aktiengesellschaft is obliged to contribute to a bank levy. An additional funding obligation for back payments for past years could potentially arise as a result of net profits earned by the Bank in future.

Securities with a book value of €6,606m (previous year: €7,519m) have been deposited as collateral to meet obligations to futures and options exchanges and clearing houses.

d) Securities lending transactions

Commerzbank Aktiengesellschaft carries out securities lending transactions with the aim of ensuring that its securities trading operations are able to meet delivery obligations and generate income from lending securities held in our trading portfolios. Securities borrowed are not recognised in the balance sheet; securities lent continue to be recognised on the balance sheet as long as the title is retained. The risk arising from these transactions is the hedging risk. It can be defined as the difference between the fair value of the underlying securities and the value of the collateral that we have provided to others or which has been provided to us. A key benefit for Commerzbank Aktiengesellschaft is the additional income generated by lending our securities holdings. At the reporting date, the fair value of securities lent amounted to €27,646m (previous year: €15,561m) and the fair value of securities borrowed amounted to €37,203m (previous year: €26,375m). As part of these securities transactions, collateral for securities lent amounted to €19,456m (previous year: €17,292m) and to €37,444m (previous year: €26,399m) for securities borrowed.

e) Letter of comfort

In respect of the subsidiaries listed below and included in the consolidated financial statements, Commerzbank Aktiengesellschaft is obliged to ensure that, except in the case of political risks, they are able to meet their contractual liabilities.

Name	Registered office
comdirect bank Aktiengesellschaft	Quickborn
Commerzbank (Eurasija) SAO	Moscow
Commerzbank Inlandsbanken Holding GmbH	Frankfurt/Main
Commerzbank International S.A.	Luxembourg
CommerzTrust GmbH	Frankfurt/Main
Commerz Markets LLC	New York
Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg	Luxembourg
Hypothekenbank Frankfurt Aktiengesellschaft	Eschborn
Hypothekenbank Frankfurt International S.A.	Luxembourg

(35) Forward transactions

31.12.2013			Nominal Values Residual terms				Fair value	
€m	due on demand	up to 3 months	3 months to 1 year	1 year to 5 years	more than 5 years	Total	Positive	Negative
Foreign-currency-based forward transactions								
OTC products	–	234,604	145,927	183,334	123,096	686,961	11,863	11,799
Foreign exchange spot and forward contracts	–	188,049	71,637	18,098	782	278,566	3,479	3,887
Interest rate and currency swaps	–	15,658	43,875	149,031	116,901	325,465	6,843	6,489
Currency call options	–	13,922	12,750	7,131	2,305	36,108	1,301	–
Currency put options	–	16,702	16,427	8,559	2,190	43,878	–	1,321
Other foreign exchange contracts	–	273	1,238	515	918	2,944	240	102
Exchange-traded products	–	324	52	–	–	376	–	–
Currency futures	–	321	7	–	–	328	–	–
Currency options	–	3	45	–	–	48	–	–
Total	**–**	**234,928**	**145,979**	**183,334**	**123,096**	**687,337**	**11,863**	**11,799**
of which: trading securities	–	233,620	143,858	181,258	122,172	680,908	11,795	11,661
Interest-based forward transactions								
OTC products	5	536,373	1,966,599	1,831,521	1,589,564	5,924,062	157,418	149,719
Forward rate agreements	–	165,807	1,320,321	5	–	1,486,133	221	229
Interest rate swaps	–	365,687	604,210	1,725,219	1,400,341	4,095,457	150,838	143,237
Interest rate call options	–	2,536	22,666	50,220	84,075	159,497	6,051	–
Interest rate put options	–	1,445	17,999	52,661	102,942	175,047	–	5,988
Other interest rate contracts	5	898	1,403	3,416	2,206	7,928	308	265
Exchange-traded products	–	321	34,661	6,630	8,894	50,506	–	–
Interest rate futures	–	303	20,658	6,405	7,927	35,293	–	–
Interest rate options	–	18	14,003	225	967	15,213	–	–
Total	**5**	**536,694**	**2,001,260**	**1,838,151**	**1,598,458**	**5,974,568**	**157,418**	**149,719**
of which: trading securities	5	535,757	1,991,796	1,822,141	1,581,180	5,930,879	155,683	149,012
Other forward transactions								
OTC products	2,169	17,099	40,153	99,960	17,508	176,889	4,342	5,605
Structured equity/ index products	1,769	10,148	13,090	15,956	2,239	43,202	889	2,257
Equity call options	–	1,474	4,613	3,117	112	9,316	928	–
Equity put options	–	1,776	7,276	9,388	1,078	19,518	–	1,159
Credit derivatives	–	2,565	13,853	69,196	14,065	99,679	2,053	1,843
Precious metal contracts	1	474	580	884	–	1,939	121	185
Other transactions	399	662	741	1,419	14	3,235	351	161
Exchange-traded products	–	39,759	28,509	15,422	469	84,159	–	–
Equity futures	–	18,204	316	28	–	18,548	–	–
Equity options	–	15,723	21,324	13,761	469	51,277	–	–
Other futures	–	4,535	2,999	866	–	8,400	–	–
Other options	–	1,297	3,870	767	–	5,934	–	–
Total	**2,169**	**56,858**	**68,662**	**115,382**	**17,977**	**261,048**	**4,342**	**5,605**
of which: trading securities	1,774	48,392	65,646	113,099	17,826	246,737	4,170	5,559
Total pending forward transactions								
OTC products	2,174	788,076	2,152,679	2,114,815	1,730,168	6,787,912	173,622	167,123
Exchange-traded products	–	40,404	63,222	22,052	9,363	135,041	–	–
Total	**2,174**	**828,480**	**2,215,901**	**2,136,867**	**1,739,531**	**6,922,953**	**173,622**	**167,123**

A provision for impending losses of €133m (previous year: €140m) was created for derivative financial instruments in the non-trading portfolio in accordance with Art. 249 (1) HGB.

(36) Employees

On average over the year, Commerzbank Aktiengesellschaft had 38,294 (previous year: 39,770) employees. The figures for full-time equivalent (FTE) staff include part-time staff with their time actually worked.

The average time worked by part-time staff was 62% (previous year: 62%). Part-time staff are included in full in the employees figure.

	Total		Male		Female	
	FTE	Empl.	FTE	Empl.	FTE	Empl.
Germany						
2013	31,520	34,741	15,413	16,988	16,107	17,753
2012	32,935	36,074	17,587	17,784	15,348	18,290
Outside of Germany						
2013	3,482	3,553	2,263	2,310	1,219	1,243
2012	3,607	3,696	2,327	2,384	1,280	1,312
Total						
2013	35,002	38,294	17,676	19,298	17,326	18,996
2012	36,542	39,770	19,914	20,168	16,628	19,602

Trainees are not included.

Trainees	Total	Male	Female
2013	1,978	999	979
2012	2,060	1,077	983

(37) Remuneration and loans to board members

A detailed description of the remuneration system as well as individual remuneration details for the members of the Board of Managing Directors and the members of the Supervisory Board are provided in the remuneration report (p. 6 ff.). Excluding the interest-rate-adjusted change in the net present value of pension entitlements included in the calculation of pension liabilities, the total remuneration of the members of the Board of Managing Directors and Supervisory Board in accordance with Art. 285 no. 9 HGB was as follows:

Tsd. €	31.12.2013	31.12.2012
Board of Managing Directors	13,289	12,882
Supervisory Board	1,686	1,640
Total	**14,975**	**14,522**

Remuneration of the Board of Managing Directors includes standard non-monetary benefits (chiefly use of company cars and insurance plus the tax due on these, and employer contributions to the BVV occupational retirement fund).

Board of Managing Directors. The assets backing the Bank's retirement benefit plan for present and former members of the Board of Managing Directors or their surviving dependants have been transferred to Commerzbank Pensions-Trust e.V. as part of a contractual trust arrangement.

The present value of the pension entitlements for active members of the Board of Managing Directors was €16.2m (previous year: €13.0m). The amounts are calculated considering the current term of appointment of the individual board members and assume that the board members will normally begin to collect their pension on reaching the age of 62 (except in a potential case of incapacity to work) and that they will remain on the board until such time.

Payments to former members of the Board of Managing Directors of Commerzbank Aktiengesellschaft and their surviving dependants came to €6,526 thousand in the financial year 2013 (previous year: €6,100 thousand). The pension liabilities for these persons amounted to €72.7m (previous year: €73.2m). Payments to former board members of merged companies and their surviving dependants were €14.346m (previous year: €14.731m). There were also outstanding pension liabilities of €143.8m (previous year: €146.7m) to these persons. Commerzbank Aktiengesellschaft has recognised provisions for all of the above pension obligations.

Supervisory Board. Remuneration for the members of the Supervisory Board is regulated in Art. 15 of the Articles of Association of Commerzbank Aktiengesellschaft. Members of the Supervisory Board received total net remuneration for financial year 2013 of €1,686 thousand (previous year: €1,640 thousand). Of this figure, the basic remuneration and remuneration for serving on committees amounted to €1,290 thousand (previous year: €1,251 thousand) and attendance fees to €396 thousand (previous year: €389 thousand). Attendance fees were paid for participating in the meetings of the Supervisory Board and its six committees (Presiding, Audit, Risk, Nomination, Conciliation and Social Welfare Committees) which met in the year under review. The value added tax (currently 19%) payable on the remuneration of the members of the Supervisory Board resident in Germany was reimbursed by the Bank. No value added tax is payable for members of the Supervisory Board resident outside Germany.

The members of the Board of Managing Directors and Supervisory Board held no more than 1% in total (previous year: less than 1%) of the issued shares and option rights of Commerzbank Aktiengesellschaft as at 31 December 2013.

Security for the cash advances and loans to members of the Board of Managing Directors and the Supervisory Board is provided on normal market terms, if necessary through land charges or rights of lien. The claims on these persons were as follows:

	31.12.2013		31.12.2012	
	Board of Managing Directors	Supervisory Board	Board of Managing Directors	Supervisory Board
Claims (€1,000)	3,822	592	4,008	605
Last due date[1]	2042	2047	2042	2038
Range of interest rates used (%)[2]	2.09– 5.5	2.28– 5.1	2.09 – 7.56	2.45 – 6.3

[1] As well as loans with fixed repayment dates, loans were also extended with "on demand" terms.
[2] In individual cases up to 11.9% for overdrafts (previous year: 13.2%).

(38) Corporate Governance Code

We have issued our declaration of compliance with the German Corporate Governance Code pursuant to Art. 161, German Stock Corporation Act (Aktiengesetz). It forms part of the corporate governance declaration in the management report, and is also available on the internet at www.commerzbank.de.

(39) Investment funds

The disclosable investment fund units are included in the liquidity reserve and the trading portfolio and are measured at fair value. The fair value therefore corresponds to the carrying amount. In some cases restrictions may apply to daily redemptions. The table below shows the value of investment funds in which Commerzbank Aktiengesellschaft has a holding of more than 10% by category as at 31 December 2013:

	Fair value		Distributions	
€m	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Index funds	2,528	3,245	1	3
Balanced funds	640	854	–	–
Life insurance funds	–	–	–	–
Bonds and other fixed-income funds	82	79	–	3
Hedge funds	–	9	–	–
Equities and equity funds	27	31	–	–
Other	38	12	–	–
Total	**3,315**	**4,230**	**1**	**6**

(40) Cover calculation for Pfandbriefe

€m	31.12.2013			31.12.2012		
	Nominal value	Net present value	Risk-adjusted net present value	Nominal value	Net present value	Risk-adjusted net present value
Mortgage Pfandbriefe						
Pfandbriefe outstanding	1,000.0	1,004.7	1,093.6	–	–	–
Cover assets	2,547.9	2,851.4	3,039.1	–	–	–
of which: cover loans	2,511.9	2,815.3	3,003.0	–	–	–
of which: cover assets Art. 19 (1) no. 2, 3 PfandBG	36.0	36.1	36.1	–	–	–
of which: derivatives	–	–	–	–	–	–
Cover surplus	**1,547.9**	**1,846.7**	**1,945.5**	**–**	**–**	**–**
Public Pfandbriefe						
Pfandbriefe outstanding	1,536.3	1,764.3	1,898.2	1,032.7	1,323.0	1,443.8
Cover assets	2,241.8	2,400.3	2,451.5	1,294.9	1,468.1	1,532.4
of which: cover loans	1,196.3	1,235.7	1,226.9	847.6	990.7	1,045.6
of which: cover assets Art. 20 (2) PfandBG	–	–	–	100.0	103.9	104.2
of which: derivatives	–	–	–	–	–	–
Cover surplus	**705.5**	**636.0**	**553.3**	**262.2**	**145.1**	**88.6**
Ship Pfandbriefe						
Liabilities to be covered	2,716.1	2,989.1	3,074.1	3,440.0	3,840.4	3,932.4
of which: Pfandbriefe outstanding	2,716.1	2,964.2	3,049.4	3,348.6	3,723.0	3,814.1
of which: derivatives[1]	–	24.9	24.7	91.4	117.5	118.3
Cover assets	3,044.7	3,224.5	3,230.1	4,237.7	4,501.0	4,511.3
of which: cover loans	2,964.0	3,128.5	3,133.7	4,031.7	4,271.4	4,277.4
of which: cover assets Art. 26 PfandBG	75.0	75.4	75.4	106.0	115.0	115.9
of which: derivatives[1]	5.7	20.6	21.0	–	8.2	8.1
Risk-adjusted net present value after interest rate stress test			156.0			578.9
Loss from currency stress test			–27.4			–58.0
Cover surplus	**328.6**	**235.4**	**128.6**	**797.7**	**660.6**	**520.9**

[1] Exclusively to hedge currency risks.

(41) Cover calculation for Pfandbriefe

€m	31.12.2013	31.12.2012
Mortgage Pfandbriefe outstanding with a residual term of		
up to 1 year	–	–
more than 1 year up to 2 years	–	–
more than 2 years up to 3 years	–	–
more than 3 years up to 4 years	–	–
more than 4 years up to 5 years	–	–
more than 5 years up to 10 years	1,000.0	–
more than 10 years	–	–
Total	**1,000.0**	**–**
Cover assets Mortgage Pfandbriefe with a residual fixed interest period of		
up to 1 year	76.9	–
more than 1 year up to 2 years	106.1	–
more than 2 years up to 3 years	144.2	–
more than 3 years up to 4 years	164.6	–
more than 4 years up to 5 years	123.7	–
more than 5 years up to 10 years	1,843.7	–
more than 10 years	88.7	–
Total	**2,547.9**	**–**
Public Pfandbriefe outstanding with a residual term of		
up to 1 year	32.0	– 3.6
more than 1 year up to 2 years	125.0	28.3
more than 2 years up to 3 years	43.0	121.1
more than 3 years up to 4 years	85.5	38.9
more than 4 years up to 5 years	510.0	81.2
more than 5 years up to 10 years	262.5	198.3
more than 10 years	478.3	568.5
Total	**1,536.3**	**1,032.7**
Cover assets Public Pfandbriefe with a residual fixed interest period of		
up to 1 year	437.1	487.6
more than 1 year up to 2 years	401.6	166.7
more than 2 years up to 3 years	186.4	48.7
more than 3 years up to 4 years	209.9	54.8
more than 4 years up to 5 years	192.9	75.6
more than 5 years up to 10 years	512.4	246.5
more than 10 years	301.5	215.0
Total	**2,241.8**	**1,294.9**
Ship Pfandbriefe outstanding with a residual term of		
up to 1 year	370.2	320.4
more than 1 year up to 2 years	361.8	367.3
more than 2 years up to 3 years	828.6	426.8
more than 3 years up to 4 years	398.6	1,028.6
more than 4 years up to 5 years	76.6	398.6
more than 5 years up to 10 years	538.4	606.1
more than 10 years	141.9	200.8
Total	**2,716.1**	**3,348.6**
Cover assets Ship Pfandbriefe with a residual fixed interest period of		
up to 1 year	3,018.4	4,064.7
more than 1 year up to 2 years	18.7	47.8
more than 2 years up to 3 years	7.6	58.1
more than 3 years up to 4 years	–	12.1
more than 4 years up to 5 years	–	5.0
more than 5 years up to 10 years	–	50.0
more than 10 years	–	–
Total	**3,044.7**	**4,237.7**

(42) Receivables to cover for mortgage Pfandbriefe

Commerzbank Aktiengesellschaft issued mortgage Pfandbriefe for the first time in October 2013 and the prior-year figures are therefore 0€.

Size categories | €m	**31.12.2013**
Up to €300,000	2,122.6
More than €300,000 up to €5m	384.3
More than €5m	5.0
Total	**2,511.9**

The mortgaged properties are located in Germany. The breakdown of the cover assets for the mortgaged properties by usage type is as follows:

Claims used as cover for mortgage pfandbriefe by region in which mortgaged real estate is based | €m	**31.12.2013**	
	Commercial	**Residential**
Flats	–	573.4
Single family house	–	1,305.1
Multi-dwellings	–	632.6
Office buildings	0.1	–
Retail buildings	0.2	–
Industrial buildings	–	–
Other commercially used real estate	–	–
Unfinished new buildings not yet generating income	–	–
Building sites	–	0.5
Total	**0.3**	**2,511.6**

Payments in arrears and interest in arrears

There were no payments in arrears or interest in arrears (by at least 90 days) in 2013.

Foreclosure sales

There were no foreclosure sales in 2013. There are currently no pending foreclosures.

Acquisition of properties

No properties were acquired as a loss prevention measure in 2013.

(43) Receivables to cover for public Pfandbriefe

Registered office of borrowers or guarantors | €m	31.12.2013	31.12.2012
Countries	**1,196.3**	**–**
Germany	1,196.3	–
Regional authorities	**637.0**	**797.6**
Germany	637.0	797.6
Other borrowers with registered office in	**408.5**	**497.3**
Germany	303.5	339.6
France	–	20.0
Netherlands	–	10.0
Austria	60.0	100.0
Supranational organisations[1]	45.0	26.0
USA	–	1.7
Total	**2,241.8**	**1,294.9**

[1] Cover assets involving European institutions (classified in Luxembourg in prior year).

Payments in arrears

As in the prior year, there were no payments in arrears (by at least 90 days).

(44) Receivables to cover for ship Pfandbriefe

Size categories | €m	31.12.2013	31.12.2012
Up to €500,000	5.2	4.9
More than €500,000 up to €5m	1,054.1	1,192.3
More than €5m	1,985.4	3,040.5
Total	**3,044.7**	**4,237.7**

Country in which the mortgaged vessel or vessel under construction is registered | €m	31.12.2013	31.12.2012
Ocean going vessels	2,964.0	4,031.7
Antigua and Barbuda	7.8	9.5
Bahamas	147.9	178.8
Germany	1,204.7	1,619.5
Gibraltar	1.1	1.8
Greece	221.5	402.1
Great Britain	31.6	52.5
Hong Kong	110.8	180.1
Isle of Man	50.5	55.5
Italy	68.9	125.0
Liberia	264.2	324.7
Malta	228.9	298.7
Marshall Islands	290.9	317.3
Netherlands	46.3	54.6
Norway	39.3	58.4
Panama	97.4	139.2
Singapore	25.9	34.5
Turkey	7.0	12.8
Cyprus	119.3	166.7
Inland waterway vessels	–	–
Total	**2,964.0**	**4,031.7**

Foreclosure sales | Number	2013			2012		
	Inland waterway vessels	Ocean going vessels	Total	Inland waterway vessels	Ocean going vessels	Total
Completed	–	1	1	–	8	8
Pending	–	–	–	–	2	2

Acquisition of vessels or vessels under construction

As in the previous year, Commerzbank Aktiengesellschaft did not acquire any ships as a loss prevention measure.

Interest arrears

There were arrears of €0.5m (previous year: €0.8m) for interest payable by borrowers (due dates up to 30 September of the year under review). The arrears relate to ocean-going vessels.

(45) Holdings in affiliated and other companies

We provide the following information pursuant to Art. 285 no. 11 and 11a HGB. Footnotes and comments on the tables below appear at the end of this note.

a) Affiliated companies

Name	Registered office	Share of capital held %	Currency	Equity 1,000	Net profit or loss 1,000	
ADMERA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	EUR	23	–	
AGV Allgemeine Grundstücksverwaltungs- und -verwertungsgesellschaft mit beschränkter Haftung	Eschborn, Germany	100.0	EUR	47	–	*)
ALDUNA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	EUR	–8,542	1,634	
ALTEREGO Beteiligungsgesellschaft mbH i.L.	Düsseldorf, Germany	100.0	EUR	134	–338	
ASBERGIA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	EUR	4,354	–15,668	
Aspiro S.A.	Lódz, Poland	100.0	PLN	139,614	209	
ASTUTIA Beteiligungsgesellschaft mbH	Düsseldorf, Germany	100.0	EUR	3,825	37	*)
Atlas Vermögensverwaltungsgesellschaft mbH	Frankfurt/Main, Germany	100.0	EUR	243,238	–	*)
BDH Development Sp. z o.o.	Warsaw, Poland	100.0	PLN	102,557	–232	1)
BERGA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG	Grünwald, Germany	100.0	EUR	–1,449	–70	
Brafero-Sociedade Imobiliária, S.A.	Lisbon, Portugal	100.0	EUR	26,849	1,471	
BRE Agent Ubezpieczeniowy Sp. z.o.o.	Warsaw, Poland	100.0	PLN	9,090	9,040	
BRE Finance France S.A.	Levallois Perret, France	100.0	EUR	165	27	
BRE Ubezpieczenia Sp. z.o.o.	Warsaw, Poland	100.0	PLN	22,556	16,556	
BRE Ubezpieczenia Towarzystwo Ubezpieczen i Reasekuracji S.A.	Warsaw, Poland	100.0	PLN	177,637	90,709	
Bridge Re Limited	Hamilton, Bermuda	100.0	USD	626	–70	
Brussels Urban Invest S.A.	Brussels, Belgium	100.0	EUR	–730	–2,478	
CB Building Kirchberg GmbH	Düsseldorf, Germany	100.0	EUR	5,166	1,084	
CB Leasing Summer AB	Stockholm, Sweden	100.0	GBP	104	54	
CBG Commerz Beteiligungsgesellschaft Holding mbH	Frankfurt/Main, Germany	100.0	EUR	7,264	–	*)
CBG Commerz Beteiligungskapital GmbH & Co. KG	Frankfurt/Main, Germany	100.0	EUR	54,871	4,491	
CFB-Fonds Transfair GmbH	Düsseldorf, Germany	100.0	EUR	125	–	*)
CG NL Holding B.V.	Amsterdam, Netherlands	100.0	EUR	41	27	
CG Real Estate Master FCP-SIF S.A.R.L.	Luxembourg, Luxembourg	55.4	EUR	73,295	73,363	
CGM Lux 1 S.à.r.l.	Luxembourg, Luxembourg	100.0	EUR	–156,755	–5,645	
CGM Lux 2 S.à.r.l.	Luxembourg, Luxembourg	100.0	EUR	–59,058	2,019	
CGM Lux 3 S.à.r.l.	Luxembourg, Luxembourg	100.0	EUR	–100,120	7,524	
Coba Vermögensverwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	EUR	26	–	*)
comdirect bank Aktiengesellschaft	Quickborn, Germany	81.1	EUR	452,884	51,089	
Commerz (East Asia) Limited	Hong Kong, HongKong	100.0	EUR	2,496	–4	
Commerz Asset Management Asia Pacific Pte Ltd	Singapore, Singapore	100.0	SGD	30,353	2,298	
Commerz Bankenholding Nova GmbH	Frankfurt/Main, Germany	100.0	EUR	1,566,617	–	*)

Name	Registered office	Share of capital held %	Currency	Equity 1,000	Net profit or loss 1,000	
Commerz Business Consulting GmbH	Frankfurt/Main, Germany	100.0	EUR	66	–	*)
Commerz Direktservice GmbH	Duisburg, Germany	100.0	EUR	1,178	–	*)
Commerz Equipment Leasing Limited	London, United Kingdom	100.0	GBP	–	–	2)
Commerz Europe (Ireland)	Dublin, Ireland	100.0	EUR	343,470	– 5,639	
Commerz Funds Solutions S.A.	Luxembourg, Luxembourg	100.0	EUR	9,218	3,327	
Commerz Grundbesitz Beteiligungsgesellschaft mbH & Co. KG	Frankfurt/Main, Germany	90.0	EUR	14,378	403	
Commerz Japan Real Estate Finance Corporation	Tokyo, Japan	100.0	JPY	5,640	1,212	
Commerz Markets LLC	Wilmington, Delaware, USA	100.0	USD	434,548	21,293	
Commerz Pearl Limited	London, United Kingdom	100.0	GBP	–	–	
Commerz Property GmbH & Co. Hamburg KG	Frankfurt/Main, Germany	100.0	EUR	70,513	1,583	
Commerz Real AG	Eschborn, Germany	100.0	EUR	408,394	–	*)
Commerz Real Asset Verwaltungsgesellschaft mbH	Grünwald, Germany	100.0	EUR	25	–	*)
Commerz Real Baumanagement GmbH (formerly Commerz Real Baucontract GmbH)	Düsseldorf, Germany	100.0	EUR	4,238	–	*)
Commerz Real Fonds Beteiligungsgesellschaft mbH	Düsseldorf, Germany	100.0	EUR	151	–	*)
Commerz Real Immobilien GmbH	Düsseldorf, Germany	100.0	EUR	12,936	–	*)
Commerz Real Investmentgesellschaft mbH	Wiesbaden, Germany	100.0	EUR	21,968	–	*)
Commerz Real IT-Leasing GmbH	Düsseldorf, Germany	100.0	EUR	1,954	–	*)
Commerz Real Kapitalverwaltungsgesellschaft mbH	Düsseldorf, Germany	100.0	EUR	5,000	–	*)
Commerz Real Mobilienleasing GmbH	Düsseldorf, Germany	100.0	EUR	5,310	7,971	*)
Commerz Real Verwaltung und Treuhand GmbH	Düsseldorf, Germany	100.0	EUR	26	–	*)
Commerz Securities Hong Kong Limited	Hong Kong, Hong Kong	100.0	EUR	19,610	–777	
Commerz Services Holding GmbH	Frankfurt/Main, Germany	100.0	EUR	28,262	–	*)
Commerz Systems GmbH	Frankfurt/Main, Germany	100.0	EUR	6,464	–	*)
Commerz Transaction Services Mitte GmbH	Erfurt, Germany	100.0	EUR	2,960	–	*)
Commerz Transaction Services Nord GmbH	Magdeburg, Germany	100.0	EUR	1,436	–	*)
Commerz Transaction Services Ost GmbH	Halle (Saale), Germany	100.0	EUR	1,550	–	*)
Commerz Transaction Services West GmbH	Hamm, Germany	100.0	EUR	1,234	–	*)
Commerzbank (Eurasija) SAO	Moscow, Russia	100.0	RUB	12,826,394	1,381,037	
Commerzbank Asset Management Asia Ltd.	Singapore, Singapore	100.0	SGD	2,054	25	
Commerzbank Auslandsbanken Holding AG	Frankfurt/Main, Germany	100.0	EUR	183,000	–	*)
Commerzbank Capital Funding LLC I	Wilmington, Delaware, USA	100.0	EUR	1	–	
Commerzbank Capital Funding LLC II	Wilmington, Delaware, USA	100.0	GBP	1	–	
Commerzbank Capital Funding LLC III	Wilmington, Delaware, USA	100.0	EUR	1	–	
Commerzbank Capital Funding Trust I	Newark, Delaware, USA	100.0	EUR	1	–	
Commerzbank Capital Funding Trust II	Newark, Delaware, USA	100.0	GBP	1	–	
Commerzbank Capital Funding Trust III	Newark, Delaware, USA	100.0	EUR	1	–	
Commerzbank Capital Investment Company Limited	London, United Kingdom	100.0	GBP	–	–	
Commerzbank Finance 2 S.à.r.l.	Luxembourg, Luxembourg	100.0	EUR	349	–23	
Commerzbank Finance 3 S.à.r.l.	Luxembourg, Luxembourg	100.0	EUR	802	140	
Commerzbank Finance BV	Amsterdam, Netherlands	100.0	EUR	1,282	–62	
Commerzbank Holdings (UK) Limited	London, United Kingdom	100.0	GBP	504,093	1,584	

Name	Registered office	Share of capital held %	Currency	Equity 1,000	Net profit or loss 1,000	
Commerzbank Holdings France	Paris, France	100.0	EUR	80,638	–1,167	
Commerzbank Immobilien- und Vermögensverwaltungsgesellschaft mbH	Frankfurt/Main, Germany	100.0	EUR	462,597	–	*)
Commerzbank Inlandsbanken Holding GmbH	Frankfurt/Main, Germany	100.0	EUR	1,598,385	–	*)
Commerzbank International S.A.	Luxembourg, Luxembourg	100.0	EUR	347,180	20,594	
Commerzbank Investments (UK) Limited	London, United Kingdom	100.0	GBP	834	86	
Commerzbank Leasing 1 S.à.r.l.	Luxembourg, Luxembourg	100.0	GBP	159	21	
Commerzbank Leasing 2 S.à.r.l.	Luxembourg, Luxembourg	100.0	GBP	32,182	9,158	
Commerzbank Leasing 4 S.à.r.l.	Luxembourg, Luxembourg	100.0	GBP	4,982	9	
Commerzbank Leasing 5 S.à r.l.	Luxembourg, Luxembourg	100.0	GBP	10,291	71	
Commerzbank Leasing 6 S.à.r.l.	Luxembourg, Luxembourg	100.0	GBP	93	–	
Commerzbank Leasing December (1) Limited	London, United Kingdom	100.0	GBP	339	6	
Commerzbank Leasing December (11)	London, United Kingdom	100.0	GBP	–	–	
Commerzbank Leasing December (12) Limited	London, United Kingdom	100.0	GBP	459	104	
Commerzbank Leasing December (13) Limited	London, United Kingdom	100.0	GBP	–	–	
Commerzbank Leasing December (17) Limited	London, United Kingdom	100.0	GBP	–	–	
Commerzbank Leasing December (19) Limited	London, United Kingdom	100.0	GBP	–	–	
Commerzbank Leasing December (20) Limited	London, United Kingdom	100.0	GBP	–	–	
Commerzbank Leasing December (22) Limited	London, United Kingdom	100.0	GBP	–	–	
Commerzbank Leasing December (23) Limited	London, United Kingdom	100.0	GBP	–	–	
Commerzbank Leasing December (24) Limited	London, United Kingdom	100.0	GBP	–	–	
Commerzbank Leasing December (26) Limited	London, United Kingdom	100.0	GBP	–	–	
Commerzbank Leasing December (3) Limited	London, United Kingdom	100.0	GBP	814	338	
Commerzbank Leasing December (9) Limited	London, United Kingdom	100.0	GBP	–	–	
Commerzbank Leasing Holdings Limited	London, United Kingdom	100.0	GBP	2,806	669	
Commerzbank Leasing Limited	London, United Kingdom	100.0	GBP	1,104	142	
Commerzbank Leasing March (3) Limited	London, United Kingdom	100.0	GBP	13	4	
Commerzbank Leasing September (5) Limited	London, United Kingdom	100.0	GBP	24	8	
Commerzbank Overseas Holdings Limited	London, United Kingdom	100.0	GBP	–	–	
Commerzbank Securities Ltd	London, United Kingdom	100.0	GBP	10	–	
Commerzbank Securities Nominees Limited	London, United Kingdom	100.0	GBP	–	–	
Commerzbank U.S. Finance, Inc.	Wilmington, Delaware, USA	100.0	USD	540	–65	
Commerzbank Zrt.	Budapest, Hungary	100.0	HUF	25,387	446	
CommerzFactoring GmbH	Mainz, Germany	50.1	EUR	1,099	–	*)
CR KaiserKarree Holding S.a.r.l.	Luxembourg, Luxembourg	100.0	EUR	–42,039	673	
Dom Maklerski mBanku S.A.	Warsaw, Poland	100.0	PLN	109,636	19,408	3)
Dresdner Capital LLC I	Wilmington, Delaware, USA	100.0	USD	1,707	42	
Dresdner Capital LLC IV	Wilmington, Delaware, USA	100.0	JPY	18,626	32	
Dresdner Kleinwort - Grantchester, Inc.	Wilmington, Delaware, USA	100.0	USD	27,844	–1	
Dresdner Kleinwort & Co. Holdings, Inc.	Wilmington, Delaware, USA	100.0	USD	231,314	–266	
Dresdner Kleinwort Capital Inc.	Wilmington, Delaware, USA	100.0	USD	10,234	5,208	
Dresdner Kleinwort do Brasil Limitada	Rio de Janeiro, Brazil	100.0	BRL	–18,985	4	
Dresdner Kleinwort EIV Manager, Inc.	Wilmington, Delaware, USA	100.0	USD	–18	–	
Dresdner Kleinwort Finance Inc.	Wilmington, Delaware, USA	100.0	USD	3,365	291	
Dresdner Kleinwort Flags Inc.	Wilmington, Delaware, USA	100.0	USD	140,479	–	
Dresdner Kleinwort Group Holdings, LLC	Wilmington, Delaware, USA	100.0	USD	170,916	–1	
Dresdner Kleinwort Group LLC	Wilmington, Delaware, USA	100.0	USD	394,740	–38	

Name	Registered office	Share of capital held %	Currency	Equity 1,000	Net profit or loss 1,000
Dresdner Kleinwort Holdings II, Inc.	Wilmington, Delaware, USA	100.0	USD	83,624	477
Dresdner Kleinwort Holdings LLC	Wilmington, Delaware, USA	100.0	USD	376,641	–
Dresdner Kleinwort Limited	London, United Kingdom	100.0	GBP	13,844	37,196
Dresdner Kleinwort LLC	Wilmington, Delaware, USA	100.0	USD	34,164	–1
Dresdner Kleinwort Luminary Inc.	Wilmington, Delaware, USA	100.0	USD	790,880	313
Dresdner Kleinwort Moon LLC	Wilmington, Delaware, USA	100.0	USD	21,349	–2,861
Dresdner Kleinwort Services (Guernsey) Limited	St. Peter Port, Guernsey	100.0	GBP	2	–
Dresdner Kleinwort Wasserstein Securities (India) Private Limited	Mumbai, India	75.0	INR	49,728	499
Dresdner Lateinamerika Aktiengesellschaft	Hamburg, Germany	100.0	EUR	32,109	– *)
DSB Vermögensverwaltungsgesellschaft mbH	Frankfurt/Main, Germany	100.0	EUR	25	– *)
EHY Real Estate Fund I, LLC	Wilmington, Delaware, USA	100.0	USD	–3,711	63
Entertainment Asset Holdings C.V.	Amsterdam, Netherlands	58.2	USD	–	–
Entertainment Asset Holdings GP B.V.	Amsterdam, Netherlands	100.0	USD	–	–
Erste Europäische Pfandbrief- und Kommunal-kreditbank Aktiengesellschaft in Luxemburg	Luxembourg, Luxembourg	100.0	EUR	476,413	31,451
Espacio Leon Propco S.L.U.	Madrid, Spanien	100.0	EUR	–22,971	–4,555
Eurohypo Capital Funding LLC I	Wilmington, Delaware, USA	100.0	EUR	1	–1
Eurohypo Capital Funding LLC II	Wilmington, Delaware, USA	100.0	EUR	3	–
Eurohypo Capital Funding Trust I	Wilmington, Delaware, USA	100.0	EUR	1	–
Eurohypo Capital Funding Trust II	Wilmington, Delaware, USA	100.0	EUR	1	–
European Bank for Financial Services GmbH (ebase)	Aschheim, Germany	100.0	EUR	32,835	5,999 4)
European Venture Partners (Holdings) Ltd	St. Helier, Jersey	85.0	GBP	–	–
FABA Vermietungsgesellschaft mbH	Düsseldorf, Germany	95.0	EUR	26	– *)
Felix (CI) Limited	George Town, Cayman Islands	100.0	GBP	26	–
FHB - Immobilienprojekte GmbH	Eschborn, Germany	100.0	EUR	26	– *)
Film Library Holdings LLC	Wilmington, Delaware, USA	51.0	USD	13,603	4,904
Forum Almada, Gestao de Centro Comercial, Sociedade Unipessoal Lda. II & Comandita	Lisbon, Portugal	100.0	EUR	37,442	4,227
Forum Almada-Gestao de Centro Commercial, Sociedade Unipessoal, Lda.	Lisbon, Portugal	100.0	EUR	–65,480	3,586
Forum Montijo, Gestao de Centro Comercial Sociedade Unipessoal, Lda	Lisbon, Portugal	100.0	EUR	–57,851	–7,432
Frankfurter Gesellschaft für Vermögensanlagen mit beschränkter Haftung	Eschborn, Germany	100.0	EUR	5,972	– *)
Garbary Sp. z.o.o.	Poznan, Poland	100.0	PLN	44,750	–2,739
General Leasing (No.16) Limited	London, United Kingdom	100.0	GBP	687	141
G-G-B Gebäude- und Grundbesitz GmbH	Eschborn, Germany	100.0	EUR	256	– *)
GO German Office GmbH	Wiesbaden, Germany	100.0	EUR	–12,431	– *)
gr Grundstücks GmbH Objekt Corvus	Frankfurt/Main, Germany	100.0	EUR	38	–4
gr Grundstücks GmbH Objekt Corvus & Co. Sossenheim KG	Frankfurt/Main, Germany	100.0	EUR	201	–171
GRAMOLINDA Vermietungsgesellschaft mbH	Grünwald, Germany	50.0	EUR	31	1
GRAMOLINDA Vermietungsgesellschaft mbH & Co. Objekt Frankfurt KG	Grünwald, Germany	94.0	EUR	–156	8
Greene Birch Ltd.	George Town, Cayman Islands	100.0	USD	238,895	38,895
Greene Elm Trading I LLC	Wilmington, Delaware, USA	100.0	USD	52,055	–47,945

Name	Registered office	Share of capital held %	Currency	Equity 1,000	Net profit or loss 1,000	
Greene Elm Trading II LLC	Wilmington, Delaware, USA	100.0	USD	91,918	–8,082	
Greene Elm Trading III LLC	Wilmington, Delaware, USA	100.0	USD	127,883	27,883	
Greene Elm Trading IV LLC	Wilmington, Delaware, USA	100.0	USD	87,044	–12,956	
Greene Oak LLC	Wilmington, Delaware, USA	100.0	USD	99,962	–38	
Gresham Leasing March (1) Limited	London, United Kingdom	100.0	GBP	–	–	
Gresham Leasing March (2) Limited	London, United Kingdom	25.0	GBP	2,426	34	
Groningen Urban Invest B.V.	Amsterdam, Netherlands	100.0	EUR	6,900	669	
Hanseatic Ship Asset Management GmbH	Hamburg, Germany	100.0	EUR	83,000	–1,571	
Herradura Ltd	London, United Kingdom	100.0	GBP	5	–	
HF Estate Management GmbH	Eschborn, Germany	100.0	EUR	3,280	–	*)
Hibernia Eta Beteiligungsgesellschaft mit beschränkter Haftung	Frankfurt/Main, Germany	85.0	EUR	31,041	–9	
Hibernia Gamma Beteiligungsgesellschaft mit beschränkter Haftung	Frankfurt/Main, Germany	60.6	EUR	102,626	–4	
Hurley Investments No.3 Limited	George Town, Cayman Islands	100.0	GBP	–	–	
Hypothekenbank Frankfurt AG	Eschborn, Germany	100.0	EUR	5,661,992	–	*)
Hypothekenbank Frankfurt International S.A.	Luxembourg, Luxembourg	100.0	EUR	235,402	–53,882	
KENSTONE GmbH	Eschborn, Germany	100.0	EUR	105	39	*)
Kommanditgesellschaft MS "CPO ALICANTE" Offen Reederei GmbH & Co.	Hamburg, Germany	90.0	EUR	11,586	7,950	
Kommanditgesellschaft MS "CPO ANCONA" Offen Reederei GmbH & Co.	Hamburg, Germany	77.3	EUR	30,270	11,199	
Kommanditgesellschaft MS "CPO BILBAO" Offen Reederei GmbH & Co.	Hamburg, Germany	90.0	EUR	8,318	6,417	
Kommanditgesellschaft MS "CPO MARSEILLE" Offen Reederei GmbH & Co.	Hamburg, Germany	77.3	EUR	30,930	12,021	
Kommanditgesellschaft MS "CPO PALERMO" Offen Reederei GmbH & Co.	Hamburg, Germany	73.9	EUR	33,071	12,875	
Kommanditgesellschaft MS "CPO TOULON" Offen Reederei GmbH & Co.	Hamburg, Germany	90.0	EUR	24,127	7,822	
Kommanditgesellschaft MS "CPO VALENCIA" Offen Reederei GmbH & Co.	Hamburg, Germany	90.0	EUR	7,447	–3,858	
LUGO Photovoltaik Beteiligungsgesellschaft mbH	Düsseldorf, Germany	100.0	EUR	–10,817	1,074	
Marylebone Commercial Finance (2)	London, United Kingdom	100.0	GBP	–	–	
mBank Hipoteczny S.A.	Warsaw, Poland	100.0	PLN	501,572	4,255	5)
mBank S.A.	Warsaw, Poland	69.6	PLN	9,644,877	1,051,074	6)
mCentrum Operacji Sp. z o.o.	Aleksandrów Lódzki, Poland	100.0	PLN	39,378	318	7)
MERKUR Grundstücks GmbH	Frankfurt/Main, Germany	100.0	EUR	7,642	–	*)
mFaktoring S.A.	Warsaw, Poland	100.0	PLN	70,743	14,793	8)
mLeasing Sp. z o.o.	Warsaw, Poland	100.0	PLN	196,862	54,448	9)
mLocum S.A.	Lódz, Poland	80.0	PLN	135,401	13,007	10)
MLV 45 Sp. z o.o. sp. k. (former BRE Holding Sp. z o.o.)	Warsaw, Poland	100.0	PLN	551,286	40,545	11)
MS "BEETHOVEN" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	99.9	EUR	23,096	–875	
MS "MOZART" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	99.9	EUR	17,810	–662	
MS "PAGANINI" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	100.0	EUR	10	–	
MS "PUCCINI" Schifffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	51.0	EUR	9,461	–1,444	
MS "PUCCINI" Verwaltungsgesellschaft mbH	Hamburg, Germany	51.0	EUR	25	–	
MS "PUGNANI" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	99.9	EUR	15,526	–526	
MS "ROSSINI" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	100.0	EUR	10	–	

Name	Registered office	Share of capital held %	Currency	Equity 1,000	Net profit or loss 1,000	
MS "SCHUBERT" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	100.0	EUR	10	–	
MS "STRAUSS" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	100.0	EUR	10	–	
MS "WAGNER" Schiffahrtsgesellschaft mbH & Co. KG	Hamburg, Germany	100.0	EUR	10	–	
mWealth Management S.A.	Warsaw, Poland	100.0	PLN	31,057	13,581	12)
NAVALIS Schiffsbetriebsgesellschaft mbH & Co. MS "NEDLLOYD JULIANA" KG	Hamburg, Germany	93.6	EUR	18,276	1,301	
NAVIPOS Schiffsbeteiligungsgesellschaft mbH	Hamburg, Germany	100.0	EUR	218	–13	
Netherlands Urban Invest B.V.	Amsterdam, Netherlands	100.0	EUR	11,500	165	
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lampertheim KG	Düsseldorf, Germany	100.0	EUR	–	46	
NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekte Plön und Preetz KG	Düsseldorf, Germany	90.0	EUR	–339	98	
NOVELLA Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	EUR	11,176	–	*)
Number X Bologna S.r.l.	Mailand, Italy	100.0	EUR	7,710	–906	
Number X Real Estate GmbH	Eschborn, Germany	100.0	EUR	11,819	–5,094	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Jupiter KG	Grünwald, Germany	100.0	EUR	29,647	2,095	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Luna KG	Grünwald, Germany	100.0	EUR	1,827	335	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Neptun KG	Grünwald, Germany	100.0	EUR	19,751	1,706	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Pluto KG	Grünwald, Germany	100.0	EUR	32,575	1,874	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Uranus KG	Grünwald, Germany	100.0	EUR	41,265	–2,915	
OLEANDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Venus KG	Grünwald, Germany	100.0	EUR	26,815	1,769	
Pisces Nominees Limited	London, United Kingdom	100.0	GBP	–	–	
Property Invest Ferdinando di Savoia S.r.l.	Mailand, Italy	100.0	EUR	12,639	–317	
Property Invest GmbH	Eschborn, Germany	100.0	EUR	24,871	–4,950	
Property Invest Italy S.r.l.	Mailand, Italy	100.0	EUR	37,371	–732	
Property Invest Roma S.r.l.	Mailand, Italy	100.0	EUR	1,232	–117	
Real Estate TOP TEGEL Drei GmbH	Eschborn, Germany	100.0	EUR	60	–	*)
Real Estate TOP TEGEL Eins GmbH	Eschborn, Germany	100.0	EUR	421	–	*)
Real Estate TOP TEGEL Sechs GmbH	Eschborn, Germany	100.0	EUR	129	–	*)
Real Estate TOP TEGEL Vier GmbH	Eschborn, Germany	100.0	EUR	60	–	*)
Real Estate TOP TEGEL Zwei GmbH	Eschborn, Germany	100.0	EUR	60	–	*)
REFUGIUM Beteiligungsgesellschaft mbH	Grünwald, Germany	100.0	EUR	8,522	13	
Rood Nominees Limited	London, United Kingdom	100.0	GBP	–	–	
Rook Finance LLC	Wilmington, Delaware, USA	100.0	USD	75,007	6	
SB-Bauträger GmbH & Co. Urbis Hochhaus-KG	Frankfurt/Main, Germany	100.0	EUR	204	–	
SECUNDO Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf, Germany	100.0	EUR	5,811	–	*)
Service-Center Inkasso GmbH Düsseldorf	Düsseldorf, Germany	100.0	EUR	154	–	*)
South East Asia Properties Limited	London, United Kingdom	100.0	GBP	16,419	530	
Space Park GmbH & Co. KG	Frankfurt/Main, Germany	90.0	EUR	93,154	–17	
Sterling Energy Holdings Inc.	Wilmington, Delaware, USA	76.2	USD	45,032	–1,240	
Sterling Energy II LLC	Wilmington, Delaware, USA	100.0	USD	63,735	5,873	
Sterling Energy LLC	Wilmington, Delaware, USA	100.0	USD	129,799	–848	

Name	Registered office	Share of capital held %	Currency	Equity 1,000	Net profit or loss 1,000	
TARA Immobilienprojekte GmbH	Eschborn, Germany	100.0	EUR	25	–	*)
Thurlaston Finance Limited	George Town, Cayman Islands	100.0	GBP	–	–	
TOMO Vermögensverwaltungsgesellschaft mbH	Frankfurt/Main, Germany	100.0	EUR	22,778	–	*)
Transfinance a.s.	Prague, Czech Republic	100.0	CZK	290,740	10,530	
Twins Financing LLC	Dover, Delaware, USA	60.0	USD	20,447	12,333	
U.S. Residential Investment I, L.P.	Wilmington, Delaware, USA	90.0	USD	19,562	171	
Urban Invest Holding GmbH	Eschborn, Germany	100.0	EUR	11,518	–20	13)
Watling Leasing March (1)	London, United Kingdom	100.0	GBP	–	–	
WebTek Software Private Limited	Bangalore, India	100.0	INR	215,295	10,432	
WESTBODEN - Bau- und Verwaltungsgesellschaft mit beschränkter Haftung	Eschborn, Germany	100.0	EUR	370	–	*)
Westend Grundstücksgesellschaft mbH	Eschborn, Germany	100.0	EUR	260	–	*)
Wohnbau-Beteiligungsgesellschaft mbH	Eschborn, Germany	90.0	EUR	288	–	
Yarra Finance Limited	George Town, Cayman Islands	100.0	GBP	–	–	
Zelos Luxembourg S.C.S.	Luxembourg, Luxembourg	100.0	EUR	–5,195	–4,881	

b) Associated companies

Name	Registered office	Share of capital held %	Currency	Equity 1,000	Net profit or loss 1,000
AKA Ausfuhrkredit-Gesellschaft mbH	Frankfurt/Main, Germany	31.6	EUR	183,872	11,425
Argor-Heraeus S.A.	Mendrisio, Schweiz	31.2	CHF	114,962	28,699
Capital Investment Trust Corporation	Taipei, Taiwan	24.0	TWD	3,260,711	485,063
Commerz Finanz GmbH	München, Germany	49.9	EUR	773,791	98,122
Commerz Unternehmensbeteiligungs-Aktiengesellschaft	Frankfurt/Main, Germany	40.0	EUR	95,001	7,804
COMUNITHY Immobilien GmbH	Düsseldorf, Germany	49.9	EUR	679	7,945
DTE Energy Center, LLC	Wilmington, Delaware, USA	50.0	USD	98,887	20,309
Exploitatiemaatschappij Wijkertunnel C.V.	Amsterdam, Netherlands	33.3	EUR	21,358	8,035
HAJOBANTA GmbH & Co. Asia Opportunity I KG	Düsseldorf, Germany	20.9	EUR	130,587	13,962
ILV Immobilien-Leasing Verwaltungs-gesellschaft Düsseldorf mbH	Düsseldorf, Germany	50.0	EUR	21,910	2,950
KGAL GmbH & Co. KG	Grünwald, Germany	40.5	EUR	68,688	−44,828
KGAL Verwaltungs-GmbH	Grünwald, Germany	45.0	EUR	7,162	2,055
MFG Flughafen-Grundstücksverwaltungs-gesellschaft mbH & Co. BETA KG	Grünwald, Germany	29.4	EUR	−63,291	–
RECAP/Commerz AMW Investment, L. P.	New York, New York, USA	50.0	EUR	5,404	−319

c) Jointly controlled entities

Name	Registered office	Share of capital held %	Currency	Equity 1,000	Net profit or loss 1,000
Carbon Trade & Finance SICAR S.A.	Senningerberg, Luxembourg	50.0	EUR	−6,672	−11,423
Delphi I LLC	Wilmington, Delaware, USA	33.3	EUR	−400,161	−28,993
FV Holding S.A.	Brussels, Belgium	60.0	EUR	13,082	−3,650
Kaiserkarree S.a.r.l.	Luxembourg, Luxembourg	50.0	EUR	44,726	106

d) Special purpose entities

Name	Registered office	Share of capital held %	Currency	Equity 1,000
Honeywell Grundbesitzverwaltungs-GmbH & Co. Vermietungs-KG	Grünwald, Germany	100.0	EUR	−15,949

e) Investments in large corporations where the investment exceeds 5% of the voting rights

Name	Registered office	Share of capital held %	Voting Rights (where different) %
ConCardis Gesellschaft mit beschränkter Haftung	Eschborn, Germany	13.9	
EURO Kartensysteme Gesellschaft mit beschränkter Haftung	Frankfurt/Main, Germany	13.9	
GEWOBA Aktiengesellschaft Wohnen und Bauen	Bremen, Germany	7.1	

Footnotes		
1)	Renamed:	Bankowy Dom Hipoteczny Sp. z. o.o. has been transformed to BDH Development Sp. z o.o.
2)	Renamed:	Commerzbank Leasing December (21) Limited has been transformed to Commerz Equipment Leasing Limited
3)	Renamed:	Dom Inwestycyjny BRE Banku S.A. has been transformed to Dom Maklerski mBanku S.A.
4)	Renamed:	European Bank for Fund Services Gesellschaft mit beschränkter Haftung (ebase) has been transformed to European Bank for Financial Services GmbH (ebase)
5)	Renamed:	BRE Bank Hipoteczny S.A. has been transformed to mBank Hipoteczny S.A.
6)	Renamed:	BRE Bank S.A. has been transformed to mBank S.A.
7)	Renamed:	BRE Centrum Operacji Sp. z o.o. has been transformed to mCentrum Operacji Sp. z o.o.
8)	Renamed:	BRE Faktoring S.A. has been transformed to mFaktoring S.A.
9)	Renamed:	BRE Leasing Sp. z o.o. has been transformed to mLeasing Sp. z o.o.
10)	Renamed:	BRE.locum S.A. has been transformed to mLocum S.A.
11)	Renamed:	BRE Holding Sp. z.o.o. has been transformed to MLV 45 Sp. z o.o. sp. k. (former BRE Holding Sp. z o.o.)
12)	Renamed:	BRE Wealth Management S.A. has been transformed to mWealth Management S.A.
13)	Renamed:	TARA Property-Management GmbH has been transformed to Urban Invest Holding GmbH

Comments and Explanations	
*)	Control or profit transfer agreement.
	No disclosures persuant to Art. 285 No.11a of the German Commercial Code (HGB) are provided due to their minor significance as defined in Art. 286 (3) No.1 HGB.

Foreign exchange rates for €1 as at 31 December 2013		
Brazil	BRL	3.2576
United Kingdom	GBP	0.8337
India	INR	85.3660
Japan	JPY	144.7200
Poland	PLN	4.1543
Russia	RUB	45.3246
Switzerland	CHF	1.2276
Singapore	SGD	1.7414
Taiwan	TWD	41.0517
Czech Republic	CZK	27.4270
Hungary	HUF	297.0400
USA	USD	1.3791

(46) Seats on supervisory boards and similar bodies

Members of the Board of Managing Directors of Commerzbank Aktiengesellschaft

Details pursuant to Art. 285 (10) HGB

a) Seats on other mandatory supervisory boards (in Germany)

b) Seats on similar bodies in Germany and abroad

Martin Blessing

b) mBank S.A.[1]
(formerly BRE Bank SA)
(since 11.4.2013)

Frank Annuscheit

a) comdirect bank Aktiengesellschaft[1]
Deputy Chairman

b) Commerz Services Holding GmbH[1]
Chairman
(since 13.12.2013)

Markus Beumer

a) ABB AG

Stephan Engels

a) Commerzbank Auslandsbanken Holding AG[1]
Deputy Chairman
(until 20.11.2013)

Hypothekenbank Frankfurt AG[1]
Deputy Chairman

b) mBank S.A.[1]
(formerly BRE Bank SA)

SdB – Sicherungseinrichtungsgesellschaft deutscher Banken mbH

Jochen Klösges
(until 31.12.2013)

a) Hypothekenbank Frankfurt AG[1]
(21.3.2013 – 15.11.2013)

Michael Reuther

a) EUREX Deutschland AöR

Frankfurter Wertpapierbörse AöR

RWE Power AG

b) Verlagsbeteiligungs- und Verwaltungsgesellschaft mit beschränkter Haftung

Dr. Stefan Schmittmann

a) Commerz Real AG[1]
Deputy Chairman
(until 24.5.2013)

Commerzbank Auslandsbanken Holding AG[1]
(until 20.11.2013)

Hypothekenbank Frankfurt AG[1]
Chairman

Schaltbau Holding AG

Verlagsgruppe Weltbild GmbH
(until 21.6.2013)

Ulrich Sieber
(until 31.12.2013)

a) BVV Pensionsfonds des Bankgewerbes AG
Deputy Chairman

BVV Versicherungsverein des Bankgewerbes a.G.
Deputy Chairman

Commerzbank Auslandsbanken Holding AG[1]
Chairman
(until 11.11.2013)

Hypothekenbank Frankfurt AG[1]
Chairman
(until 15.11.2013)

b) BVV Versorgungskasse des Bankgewerbes e.V.
Deputy Chairman

mBank S.A.[1]
(formerly BRE Bank SA)
(until 30.11.2013)

Martin Zielke

a) comdirect bank Aktiengesellschaft[1]
Chairman

Commerz Real AG[1]
Chairman

b) Commerz Real Investmentgesellschaft mbH[1]
Chairman

mBank S.A.[1]
(formerly BRE Bank SA)
Deputy Chairman
(until 12.12.2013)

Members of the Supervisory Board of Commerzbank Aktiengesellschaft

Details pursuant to Art. 285 (10) HGB

a) Seats on other mandatory supervisory boards (in Germany)

b) Seats on similar bodies in Germany and abroad

Klaus-Peter Müller

a) Fresenius Management SE

Fresenius SE & Co. KGaA

Linde Aktiengesellschaft

b) Landwirtschaftliche Rentenbank

Parker Hannifin Corporation

Uwe Tschäge

– –

Hans-Hermann Altenschmidt

a) BVV Pensionsfonds des Bankgewerbes AG

BVV Versicherungsverein des Bankgewerbes a.G.

b) BVV Versorgungskasse des Bankgewerbes e.V.

[1] Group mandate.

Dr.-Ing. Burckhard Bergmann
(until 19.4.2013)

a) Allianz Lebensversicherungs-AG
Deputy Chairman
(until 15.4.2013)

b) Accumulatorenwerke Hoppecke Carl Zoellner & Sohn GmbH

Jaeger Beteiligungsgesellschaft mbH & Co. KG
Chairman

Kuratorium RAG-Stiftung

OAO Novatek

Telenor

Dr. Nikolaus von Bomhard

a) ERGO Versicherungsgruppe AG[1]
Chairman

Munich Health Holding AG[1]
Chairman

Karin van Brummelen
(until 19.4.2013)

– –

Gunnar de Buhr
(since 19.4.2013)

– –

Stefan Burghardt
(since 19.4.2013)

– –

Karl-Heinz Flöther
(since 19.4.2013)

a) Deutsche Börse AG, Frankfurt/Main

Uwe Foullong
(until 19.4.2013)

– –

Daniel Hampel
(until 19.4.2013)

– –

Dr.-Ing. Otto Happel
(until 19.4.2013)

– –

Beate Hoffmann
(until 19.4.2013)

– –

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

a) Deutsche Messe AG
(until 30.4.2013)

EADS Deutschland GmbH
(since 1.2.2013)

National-Bank AG

RWE AG
(since 18.4.2013)

ThyssenKrupp AG

Voith GmbH
(since 9.2.2013)

b) EADS N.V.
(since 27.3.2013)

Dr. Markus Kerber
(since 19.4.2013)

a) KfW-Bankengruppe[2]

b) Computershare Limited, Melbourne

Alexandra Krieger

a) AbbVie Komplementär GmbH
(since 1.2.2013)

Oliver Leiberich
(since 19.4.2013)

– –

Beate Mensch
(since 19.4.2013)

– –

Dr. h. c. Edgar Meister
(until 19.4.2013)

b) DWS Investment GmbH

Standard & Poor's Credit Market Services Europe Limited

Prof. h. c. (CHN) Dr. rer. oec. Ulrich Middelmann
(until 2.7.2013)

a) Deutsche Telekom AG

LANXESS AG

LANXESS Deutschland GmbH

b) Hoberg & Driesch GmbH
Chairman

Dr. Roger Müller
(since 3.7.2013)

– –

Dr. Helmut Perlet

a) Allianz SE

GEA GROUP AG

Barbara Priester

– –

Mark Roach

a) Fiducia IT AG

Petra Schadeberg-Herrmann
(since 19.4.2013)

a) Krones AG

Dr. Marcus Schenck
(until 10.9.2013)

a) E.ON Energy Trading SE[1]
(until 30.9.2013)

E.ON IT GmbH[1]
(until 30.9.2013)

SMS GmbH
(until 31.3.2013)

b) AXA S.A.

Margit Schoffer
(since 19.4.2013)

– –

Astrid Schubert (vormals Evers)
(until 19.4.2013)

– –

[1] Group mandate.
[2] The mandate is not currently being exercised.

Dr. Gertrude Tumpel-Gugerell

b) Finanzmarktbeteiligung Aktiengesellschaft des Bundes, Vienna

Österreichische Bundesbahnen Holding AG, Vienna

Österreichische Forschungsförderungsgesellschaft mbH, Vienna

Verein zur Förderung der BBRZ Gruppe, Linz

Vienna Insurance Group AG, Vienna

Wien Holding GmbH, Vienna

Solms U. Wittig
(since 11.9.2013)

– –

Employees of Commerzbank Aktiengesellschaft

In accordance with Art. 340a (4) no. 1 HGB

Michael Bonacker
Commerz Real AG[1]

Dr. Marcus Chromik
VALOVIS BANK AG

Gerold Fahr
Stadtwerke Ratingen GmbH

Martin Fischedick
Borgers AG

Commerz Real AG[1]
Deputy Chairman

Bernd Förster
SE Spezial Electronic Aktiengesellschaft

Jörg van Geffen
Häfen und Güterverkehr Köln AG

NetCologne Gesellschaft für Telekommunikation mit beschränkter Haftung

Sven Gohlke
Bombardier Transportation GmbH

Bernd Grossmann
HOFTEX GROUP AG
(formerly Textilgruppe Hof AG)

Detlef Hermann
Kaiser's Tengelmann GmbH

Ritzenhoff AG

Jochen H. Ihler
Hüttenwerke Krupp Mannesmann GmbH

Thorsten Kanzler
Hypothekenbank Frankfurt AG[1]

Michael Kotzbauer
Goodyear Dunlop Tires Germany GmbH

Hypothekenbank Frankfurt AG[1]

Werner Lubeley
TNT Express GmbH

Michael Mandel
Commerz Real AG[1]

Schufa Holding AG

Dr. Annette Messemer
K+S Aktiengesellschaft

Sabine Schmittroth
comdirect bank Aktiengesellschaft[1]

Dirk Schuster
Commerz Real AG[1]

Rupert Winter
Klinikum Burgenlandkreis GmbH

Christoph Wortig
Commerz Real AG[1]

[1] Group mandate.

(47) Boards of Commerzbank Aktiengesellschaft

Supervisory Board

Klaus-Peter Müller
Chairman

Uwe Tschäge[1]
Deputy Chairman
Employee of
Commerzbank Aktiengesellschaft

Hans-Hermann Altenschmidt[1]
Employee of
Commerzbank Aktiengesellschaft

Dr.-Ing. Burckhard Bergmann
(until 19.4.2013)
Former Chairman of the
Board of Managing Directors
E.ON Ruhrgas AG

Dr. Nikolaus von Bomhard
Chairman of the
Board of Managing Directors
Münchener Rückversicherungs-
Gesellschaft AG

Karin van Brummelen[1]
(until 19.4.2013)
Employee of
Commerzbank Aktiengesellschaft

Gunnar de Buhr[1]
(since 19.4.2013)
Employee of
Commerzbank Aktiengesellschaft

Stefan Burghardt[1]
(since 19.4.2013)
Main Branch Manager of
Mittelstandsbank Bremen
Commerzbank Aktiengesellschaft

Karl-Heinz Flöther
(since 19.4.2013)
Independent consultant

Uwe Foullong[1]
(until 19.4.2013)
Secretary
ver.di Trade Union

Daniel Hampel[1]
(until 19.4.2013)
Employee of
Commerzbank Aktiengesellschaft

Dr.-Ing. Otto Happel
(until 19.4.2013)
Entrepreneur
Luserve AG

Beate Hoffmann[1]
(until 19.4.2013)
Employee of
Commerzbank Aktiengesellschaft

**Prof. Dr.-Ing. Dr.-Ing. E. h.
Hans-Peter Keitel**
Vice President of the Federation
of German Industries (BDI)

Dr. Markus Kerber
(since 19.4.2013)
General Manager of the
Federation of German
Industries (BDI)

Alexandra Krieger[1]
Head Business Economics/
Corporate Strategies
Industriegewerkschaft Bergbau,
Chemie, Energie

Oliver Leiberich[1]
(since 19.4.2013)
Employee of
Commerzbank Aktiengesellschaft

Dr. h. c. Edgar Meister
(until 19.4.2013)
Lawyer
Former member of the
Executive Board
Deutsche Bundesbank

Beate Mensch[1]
(since 19.4.2013)
Member of the
National Executive Committee,
ver.di Trade Union Director,
Financial Services Division

**Prof. h. c. (CHN) Dr. rer. oec.
Ulrich Middelmann**
(until 2.7.2013)
Former Deputy Chairman of the
Board of Managing Directors
ThyssenKrupp AG

Dr. Roger Müller
(since 3.7.2013)
General Counsel
Deutsche Börse AG

Dr. Helmut Perlet
Chairman of the Supervisory Board
Allianz SE

Barbara Priester[1]
Employee of
Commerzbank Aktiengesellschaft

Mark Roach[1]
Secretary, ver.di Trade Union
National Administration

Petra Schadeberg-Herrmann
(since 19.4.2013)
Managing Partner and Managing Director
of various companies within the Schadeberg
Family Office and the Krombacher Group

Dr. Marcus Schenck
(until 10.9.2013)
Head of Investment Banking Services EMEA
Goldman Sachs International, London

Margit Schoffer[1]
(since 19.4.2013)
Employee of
Commerzbank Aktiengesellschaft

Astrid Schubert (vormals Evers)[1]
(until 19.4.2013)
Employee of
Commerzbank Aktiengesellschaft

Dr. Gertrude Tumpel-Gugerell
Former member of the Executive Board
European Central Bank

Solms U. Wittig
(since 11.9.2013)
Chief Legal Officer &
Chief Compliance Officer
Linde AG

Dr. Walter Seipp
Honorary Chairman

[1] Elected by the Bank's employees.

Board of Managing Directors

Martin Blessing
Chairman

Frank Annuscheit

Markus Beumer

Stephan Engels

Jochen Klösges
(until 31.12.2013)

Michael Reuther

Dr. Stefan Schmittmann

Ulrich Sieber
(until 31.12.2013)

Martin Zielke

Responsibility statement by the Board of Managing Directors

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the net assets, financial position and results of operations of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Frankfurt/Main, 24 February 2014
The Board of Managing Directors

Martin Blessing

Frank Annuscheit

Markus Beumer

Stephan Engels

Michael Reuther

Stefan Schmittmann

Martin Zielke

Independent Auditors' Report[1]

To COMMERZBANK Aktiengesellschaft, Frankfurt/Main

Notes to the financial statements

We have audited the accompanying annual financial statements of COMMERZBANK Aktiengesellschaft, Frankfurt/Main, which comprise the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, for the business year from 1 January to 31 December 2013.

Board of Managing Directors' Responsibility for the Annual Financial Statements

The Board of Managing Directors of COMMERZBANK Aktiengesellschaft is responsible for the maintenance of the books and records and the preparation of these annual financial statements. This responsibility includes that these annual financial statements are prepared in accordance with German commercial law and that these annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The Board of Managing Directors is also responsible for the internal controls as the Board of Managing Directors determines are necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements, together with the bookkeeping system, based on our audit. We conducted our audit in accordance with § (Article) 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW) and additionally observed the International Standards on Auditing (ISA). Accordingly, we are required to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The selection of audit procedures depends on the auditor's professional judgment. This includes the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In assessing those risks, the auditor considers the internal control system relevant to the Company's preparation of annual financial statements that give a true and fair view. The aim of this is to plan and perform audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managing Directors, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

According to § 322 Abs. (paragraph) 3 Satz (sentence) 1 HGB, we state that our audit of the annual financial statements has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply, in all material respects, with the legal requirements and give a true and fair view of the net assets, financial position of the Company as at 31 December 2013 as well as the results of operations for the business year then ended, in accordance with (German) principles of proper accounting.

[1] Translation of the independent auditors' report issued in German language on the consolidated financial statements prepared in German language by the management of Commerzbank Aktiengesellschaft. The German language statements are decisive.

Report on the Management Report

We have audited the accompanying management report of COMMERZBANK Aktiengesellschaft for the business year from 1 January to 31 December 2013. The Board of Managing Directors of COMMERZBANK Aktiengesellschaft is responsible for the preparation of the management report in accordance with the German legal requirements. We conducted our audit in accordance with § 317 Abs. 2 HGB and German generally accepted standards for the audit of the management report promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Accordingly, we are required to plan and perform the audit of the management report to obtain reasonable assurance about whether the management report is consistent with the annual financial statements and the audit findings, as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

According to § 322 Abs. 3 Satz 1 HGB we state, that our audit of the management report has not led to any reservations.

In our opinion based on the findings of our audit of the annual financial statements and management report, the management report is consistent with the annual financial statements, as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Frankfurt/Main, 25 February 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Clemens Koch	Peter Goldschmidt
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Significant subsidiaries and associates

Germany
Atlas Vermögensverwaltungsgesellschaft mbH, Frankfurt am Main
comdirect bank AG, Quickborn
Commerz Real AG, Eschborn
Hypothekenbank Frankfurt AG, Eschborn

Abroad
Commerzbank (Eurasija) SAO, Moscow
Commerzbank International S.A., Luxembourg
Commerzbank Zrt., Budapest
Commerz Europe (Ireland), Dublin
Commerz Markets LLC, New York
Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg, Luxembourg
mBank S.A., Warsaw

Operative foreign branches
Amsterdam, Barcelona, Bratislava, Beijing, Brno (office), Brussels, Dubai, Hong Kong, London, Luxembourg, Madrid, Milan, New York, Ostrava (office), Paris, Plzeň (office), Prague, Shanghai, Singapore, Tianjin, Tokyo, Vienna, Zurich

Representative Offices and Financial Institutions Desks
Addis Ababa, Almaty, Ashgabat, Baku, Bangkok, Beijing (FI Desk), Beirut, Belgrade, Brussels (Liaison Office to the European Union), Bucharest, Buenos Aires, Cairo, Caracas, Dhaka, Dubai (FI Desk), Ho Chi Minh City, Hong Kong (FI Desk), Istanbul, Jakarta, Johannesburg, Kiev, Kuala Lumpur, Lagos, Luanda, Melbourne, Milan (FI Desk), Minsk, Moscow, Mumbai, New York (FI Desk), Novosibirsk, Panama City, Riga, Santiago de Chile, São Paulo, Seoul, Shanghai (FI Desk), Singapore (FI Desk), Taipei, Tashkent, Tblisi, Tokyo (FI Desk), Tripoli, Zagreb

Disclaimer

Reservation regarding forward-looking statements
This Financial Statements and Management Report contains forward-looking statements on Commerzbank's business and earnings performance, which are based upon our current plans, estimates, forecasts and expectations. The statements entail risks and uncertainties, as there are a variety of factors which influence our business and to a great extent lie beyond our sphere of influence. Above all, these include the economic situation, the state of the financial markets worldwide and possible loan losses. Actual results and developments may, therefore, diverge considerably from our current assumptions, which, for this reason, are valid only at the time of publication. We undertake no obligation to revise our forward-looking statements in the light of either new information or unexpected events.

The German version of this Financial Statements and Management Report is the authoritative version and only the German version of the Management Report and the Financial Statements were audited by the auditors.

Frankfurt am Main, 9 April 2014

COMMERZBANK
AKTIENGESELLSCHAFT

by: Kürschner	by: Gerhardt