

23.02.2012 / 07:07

Commerzbank: Net profit for 2011 EUR 638 m

- Operating profit EUR 507 m in 2011, loan loss provisions reduced by more than 40 % compared to 2010
- Operating profit at Core Bank increased to EUR 4.5 bn in 2011
- Operating expenses lowered by nearly EUR 800 m compared to 2010
- Total assets and RWA both reduced by 12 % in 2011, despite charges from Basel 2.5, Core Tier 1 ratio stable at 9.9 %
- Greek sovereign bond portfolio marked down to approximately 26 %
- EBA capital requirements already reduced to EUR 1.8 bn as of the end of 2011
- Blessing: 'Our customer-centric business model, which is firmly anchored in the real economy, has proved itself and is also successful in a challenging environment'

Despite a difficult market environment in the 2011 business year, Commerzbank increased the result of its Core Bank and considerably reduced risks. At the Core Bank, which encompasses the strategically significant customer-centric business of Commerzbank, it was possible to increase the operating profit substantially to EUR 4.5 billion (2010: EUR 2.0 billion). The revenues before loan loss provisions of the Core Bank increased by 14 % to EUR 12.4 billion (2010: EUR 10.9 billion) in the light of the stable economic situation in the core markets Germany and Poland. Despite the massive charges resulting from the European sovereign debt crisis, the Commerzbank Group attained a net profit of EUR 638 million. It was possible to lower the loan loss provisions in the Group significantly by more than 40 % to just less than EUR 1.4 billion (2010: EUR 2.5 billion), in particular due to a successful restructuring of loans.

The Private Customers segment has recovered considerably despite an ongoing difficult market environment. Mittelstandsbank again attained a very good operating profit of EUR 1.5 billion. Central & Eastern Europe was able to considerably improve its profit, in particular thanks to the record result at Poland's BRE Bank. In spite of difficult markets in the second half of 2011, Corporates & Markets attained a positive result in all four quarters.

In the typically weaker fourth quarter the Group was able to increase its net profit to EUR 316 million (2010: EUR 257 million). This includes a positive one-off effect from the repurchase of hybrid equity instruments in the amount of EUR 735 million, offset by a further write-down on Greek sovereign bonds in the amount of approximately EUR 0.7 billion and a negative effect due to the write-down of corresponding interest rate derivatives used for hedging.

'2011 was characterised for Commerzbank by a successful first six months and difficult market conditions in the second half of the year. The good operating profit of the Core Bank shows: Our customer-centric business model, which is firmly anchored in the real economy, has proved itself and is also successful in a challenging environment,' said Martin Blessing, Chairman of the Board of Managing Directors of Commerzbank. 'We also attained important strategic goals in 2011: With a capital measure we have rapidly and to a large extent reduced the silent participations of SoFFin by EUR 14.3 billion. Moreover, we have further improved our capital structure and prepared the Bank for the new regulatory environment. We have implemented the integration of Dresdner Bank more quickly than planned, with the effect that in the spring of 2011 we were able to conclude the integration project after just 1,000 days. I would like to thank our employees for their commitment.' The close partnership between Germany's

Mittelstand and Commerzbank remains a declared strategic goal of the Bank. Martin Blessing: 'We are aware of our responsibility for supplying the German economy with loans, and will continue to stand by our customers, and in particular SMEs, our large corporate customers and institutional clients, as a reliable partner.'

EBA capital requirements already reduced to EUR 1.8 billion as of the end of 2011

Commerzbank is making very good progress with the implementation of the package of measures presented in January of this year to strengthen the Core Tier 1 ratio. As early as the end of 2011 the additional capital requirement determined by the European Banking Authority (EBA) in December 2011 could be reduced from EUR 5.3 billion to approximately EUR 1.8 billion. The background to this lies in the additional positive effects from the efficient management of the capital structure in the fourth quarter of 2011, whereby the Core Tier 1 capital was increased by approximately EUR 400 million. In addition, the capital requirement was reduced by EUR 1.8 billion through the reduction of risk-weighted assets. The write-down on the Greek exposure has reduced the retained earnings in the fourth quarter of 2011 to approximately EUR 350 million. According to EBA and Bafin however, these additional impairments also reduce the capital buffer for the Greek exposure of Commerzbank (including a negative effect due to the write-down of corresponding interest rate derivatives used for hedging), which had been determined by the EBA in December 2011, by approximately EUR 942 million. The remaining capital requirement of EUR 2.3 billion for the first six months of 2012, as preliminary reported on January 19, 2012, could thus be further reduced on the basis of the final figures as of the end of 2011, and is currently approximately EUR 1.8 billion.

As already announced, Commerzbank plans to substantially lower the need for Core Tier 1 capital through a number of measures in the first six months of 2012. In accordance with the current planning, the EBA capital requirements can thus be reduced by a further EUR 2.9 billion. In this respect, consistent RWA management is to contribute an effect of approximately EUR 1.3 billion. A further increase of approximately EUR 400 million in the Core Tier 1 capital can be achieved by paying most of the non-pay-scale employees' individual variable compensation entitlements using Commerzbank shares and by reducing regulatory capital deductions. On the basis of the current planning and in accordance with the EBA calculation, Commerzbank also targets to post retained earnings of some EUR 1.2 billion for the first six months of 2012.

Through these measures, and on the basis of the current planning, Commerzbank expects to fulfil the EBA requirements by the cut-off date June 30, 2012 in reliance on its own strengths. Martin Blessing: 'We have presented a strong and sustainable package of measures so as to fulfil the EBA capital requirements, and we are right on course with the implementation of these measures.'

Further measure to additionally improve capital structure and strengthen Core Tier 1 capital

Commerzbank has also taken the decision to carry out a further transaction to improve its capital structure. Execution of the transaction is expected to lead to a gain in the consolidated results of the Bank pursuant to IFRS in the first quarter 2012. If the transaction is completed to the full extent, Commerzbank's Core Tier 1 capital would be increased by more than EUR 1 billion. The transaction is not part of the measures announced on January 19, 2012 to fulfil the additional capital requirements of the European Banking Authority (EBA), nor is the transaction necessary to achieve this goal. However, execution of the transaction will support Commerzbank in reducing the capital requirements set by EBA more quickly. With execution of the transaction the already significantly reduced EBA capital requirements of 1.8 billion Euro as of year end 2011 could be further reduced to less than EUR 0.8 billion. As a result, if the transaction is completed to the full extent the Bank would have already reduced the EBA capital requirements, originally EUR 5.3 billion, by approximately 85 %.

Successful cost management

In a year-on-year comparison the operating expenses were lowered substantially, by just less than EUR 800 million to approximately EUR 8 billion (2010: EUR 8.8 billion). Thus the strategic costs target set in 2009 has been attained. A positive impact in this respect was made in 2011 by the cost synergies of EUR 1.8 billion that have already been realised from the take-over of Dresdner Bank. Additional cost synergies of approximately EUR 300 million are targeted in 2012.

Consistent asset and risk reduction, Core Tier 1 ratio at a sound level
Commerzbank continued to consistently implement its strategy for the reduction of risks and non-strategic assets in 2011. The total assets were reduced in a year-on-year comparison, by 12 % to EUR 662 billion (2010: EUR 754 billion). The risk-weighted assets could be reduced by a further 12 %, to EUR 237 billion (2010: EUR 268 billion), despite the charges from Basel 2.5. The asset reduction also has a positive effect on the capital base of Commerzbank. The Core Tier 1 ratio as of the end of December 2011 was stable at 9.9 %. 'Commerzbank has lowered its costs and further reduced risks. This is further testimony to the successful strategic orientation of the Bank,' said Eric Strutz, Chief Financial Officer of Commerzbank.

Comfortable funding position, negative financial statements to HGB

The funding position of Commerzbank remains very comfortable. Due to asset reduction and deposit growth the Bank as of today has no further need for capital market funding in 2012. However, the Bank remains receptive to investment needs of its client franchise and opportunities to diversify the funding base. Thus, in February of this year Commerzbank became the first German bank to utilise the favourable market environment to place an unsecured benchmark bond with a volume of EUR 1 billion with both domestic and international investors.

In contrast to the positive Group operating profit pursuant to IFRS, the individual financial statements for Commerzbank AG prepared in accordance with the provisions of the German Commercial Code (HGB) show a net loss for the year of EUR 3.6 billion in 2011. This is due, primarily, to the following effects:

The one-off payment of just over EUR 1 billion in the framework of the repayment of the silent participations to the Financial Market Stabilisation Fund (SoFFin) had a negative impact on the HGB result. In addition, the worsening of the sovereign debt crisis and the higher regulatory capital requirements led to write-downs of EUR 2.1 billion, primarily, this is due to a write-down on the book value of the subsidiary Eurohypo. Furthermore, the repurchase of hybrid equity instruments in the past year had no impact on the HGB financial statements, while it had a positive effect of EUR 1.1 billion on the consolidated IFRS result. Pursuant to accounting standards the negative HGB result means that the remaining silent participations of SoFFin in the amount of EUR 1.9 billion cannot be serviced. Likewise, dividend payments are not possible for 2011 either.

Core Bank again with a strong result

In a year-on-year comparison the Core Bank of Commerzbank more than doubled its operating profit in 2011, to EUR 4.5 billion. This includes one-off effects in the amount of approximately EUR 1.1 billion from the repurchase of hybrid equity instruments. Even without these effects, however, the Core Bank would also have been able to clearly surpass the result seen in the previous year.

The Private Customers segment made a clear recovery in 2011 in spite of the ongoing difficult market environment. The operating profit increased substantially in a year-on-year comparison to EUR 375 million (2010: EUR 47 million), the best figure ever since the start of the integration. Thanks to the good economic situation in Germany and the low rate of unemployment, loan loss provisions developed positively, and were reduced by just less than EUR 200 million to EUR 57 million. The operating expenses in the fourth quarter were lowered by approximately 6 % in a year-on-year comparison. The securities business, in contrast, was impacted by the ongoing difficult environment on the capital markets. In the fourth quarter

the segment posted an operating profit of EUR 109 million (2010: minus EUR 13 million).

Mittelstandsbank again posted a very strong operating profit of EUR 1.5 billion, which is at around the same level as the record figure attained in the previous year (2010: EUR 1.6 billion). In this respect the corporate customer business of Commerzbank profited from the strong economy in Germany and the fact that the Bank is firmly anchored in the Mittelstand. In a year-on-year comparison it was once again possible to reduce the loan loss provisions substantially, to EUR 188 million (2010: EUR 279 million). In a market-driven challenging fourth quarter of 2011 the segment's operating profit was EUR 270 million. The loan loss provisions in the final quarter of 2011 increased to EUR 154 million as a consequence of a few single cases. In a year-on-year comparison the operating expenses were lowered by 11 %.

Central & Eastern Europe improved its operating profit considerably in 2011, to EUR 483 million (2010: EUR 53 million). The record result at Poland's BRE Bank made a particular contribution to the success of the segment. The result is a clear illustration of the significance of Poland as the second core market of Commerzbank. Thanks to consistent risk management at BRE Bank and at Bank Forum in the Ukraine, the loan loss provisions were reduced significantly over the previous year, by approximately EUR 270 million to EUR 89 million. In a year-on-year comparison it was again possible to increase the number of customers in the region, by more than 265,000 to almost 4.5 million. In the fourth quarter the segment posted an operating profit of EUR 214 million, which includes a positive one-off effect of EUR 154 million.

In spite of very difficult markets in the second half of 2011, Corporates & Markets posted a positive operating profit in all four quarters of the past business year. The sovereign debt crisis triggered considerable market volatility, however, and above all in the third and fourth quarter, which in turn led to a decline in trading activity on the part of customers. The segment closed with an operating profit of EUR 583 million (2010: EUR 786 million). In 2011 the costs were successfully lowered by 8 % compared to 2010.

ABF sees charges from mark-down of Greek bonds and risk reduction, PRU with change of strategy

In the Asset Based Finance (ABF) segment impairments on Greek sovereign bonds and the additional risk reduction in Public Finance led to an operating profit of minus EUR 3.9 billion (2010: EUR 1.3 billion). In 2011 the value of the Greek sovereign bonds was written down to approximately 26 %. The entire sovereign bond exposure in the GIIPS countries was reduced by EUR 4.5 billion in 2011, to EUR 12.3 billion (exposure at default). The total volume of the Public Finance portfolio was thus lowered by 18 % to EUR 89 billion (exposure at default), the volume in Commercial Real Estate was reduced by 19 % to EUR 57 billion (exposure at default). The Portfolio Restructuring Unit (PRU) closed the 2011 business year with an operating profit of minus EUR 130 million (2010: EUR 675 million). In particular in the second half of the year the volatile markets in the wake of the European sovereign debt crisis posed a burden for the segment. This illustrates the market driven valuation approach of the assets. The change in the segment strategy – with a move from a value maximisation approach towards greater capital optimization – led to marginal charges on results from portfolio reduction. PRU assets were further reduced, from EUR 14.1 billion in 2010 by EUR 2.1 billion to EUR 11.9 billion as of the end of December 2011.

Outlook: Solid operating profit expected in the Core Bank in 2012

'In 2011 we continued to concentrate on our strengths in our core business and were able to increase the profitability of the Core Bank by a considerable margin,' said CFO Eric Strutz. 'Commerzbank has a firm grip on its costs. In the current year we intend to stabilise the loan loss provisions and aim at a low level of less than EUR 1.7 billion for the year as a whole. On the costs side we are continuing along a consistent path, and we are targeting a further reduction to less than EUR 7.6 billion in 2012. In this respect we are increasingly benefitting from the integration

of Dresdner Bank. For 2012 we therefore strive to realise additional cost synergies of EUR 300 million. From 2014 onwards we expect to realize the full synergy potential of EUR 2.4 billion per annum. Moreover, thanks to our strategy of proactive and efficient improvement of the capital structure, we are already very well prepared for the new regulatory capital ratio requirements of Basel III,' added Strutz.

CEO Martin Blessing: 'Commerzbank is on track and is strategically well positioned. The past year is testimony to the strength of our customer-centric business model, which is firmly anchored in the real economy. Also in 2012 we intend to continually improve our operating profitability and further reduce risks. The high degree of uncertainty associated with the European sovereign debt crisis will, however, continue to pose challenges for us. With our weatherproof and sustainable business model, with its focus on the core markets Germany and Poland, we are well prepared to meet these challenges. For this reason, we assume that the Core Bank will again post a solid operating profit in 2012.'

Excerpt from the consolidated profit and loss statement

In EUR m	2011	2010	Q4 2011	Q3 2011	Q4 2010
Net interest income	6,724	7,054	1,618	1,589	1,682
Provisions for loan losses	-1,390	-2,499	-381	-413	-595
Net commission income	3,495	3,647	703	844	875
Net trading income	1,986	1,958	538	353	384
Net investment income	-3,611	108	-1,402	-1,267	191
Current income on companies accounted for at equity	42	35	13	16	32
Other income	1,253	-131	846	59	-149
Operating expenses	7,992	8,786	1,772	2,036	2,164
Operating profit	507	1,386	163	-855	256
Impairments of goodwill	-	-	-	-	-
Restructuring expenses	-	33	-	-	-
Taxes	-240	-136	-186	-191	-21
Consolidated profit attributable to Commerzbank shareholders	638	1,430	316	-687	257
Cost/income ratio in operating business (%)	80.8	69.3	76.5	127.7	71.8

From 7:30 a.m. on February 23, 2012 you will be able to access broadcast-quality video and audio material, including statements from Martin Blessing and Eric Strutz, at www.tvservicebox.de or www.getaudio.de.

The video with statements can be accessed via smart phones.

Statements Martin Blessing:

http://cbvideo.commerzbank.de/2011/Blessing_en/index.php

Statements Eric Strutz:

http://cbvideo.commerzbank.de/2011/Strutz_en/index.php

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About Commerzbank

Commerzbank is a leading bank for private and corporate customers in Germany. With the segments Private Customers, Mittelstandsbank, Corporates & Markets, Central & Eastern Europe as well as Asset Based Finance, the Bank offers its customers an attractive product portfolio, and is a strong partner for the export-oriented SME sector in Germany and worldwide. With a future total of some 1,200 branches, Commerzbank has one of the densest

networks of branches among German private banks. It has around 60 sites in 52 countries and serves more than 14 million private clients as well as 1 million business and corporate clients worldwide. In 2011, it posted gross revenues of EUR 9.9 billion with 58,160 employees.

Disclaimer

This release contains statements concerning the expected future business of Commerzbank, efficiency gains and expected synergies, expected growth prospects and other opportunities for an increase in value of the company as well as expected future net income per share, restructuring costs and other financial developments and information. These forward-looking statements are based on the management's current expectations, estimates and projections. They are subject to a number of assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from any future results and developments expressed or implied by such forward-looking statements. Commerzbank has no obligation to periodically update or release any revisions to the forward-looking statements contained in this release to reflect events or circumstances after the date of this release.

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Language:	English
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Listed:	Regulierter Markt in Berlin, Düsseldorf, Frankfurt (Prime Standard), Hamburg, Hannover, München, Stuttgart; Terminbörse EUREX; London, SIX
Category Code:	FR
LSE Ticker:	CZB
Sequence Number:	998
Time of Receipt:	Feb 23, 2012 07:01:47

End of News DGAP News-Service

157763 23.02.2012