



## Commerzbank acquires Dresdner Bank

Seizing the unique consolidation opportunity

Frankfurt / September 1, 2008

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## Seizing the unique consolidation opportunity

1. Creating a new German banking champion
2. Enhanced platform for profitable growth
3. Balanced business mix with focus on retail and SME/corporate banking
4. Prudent risk policies and sound capitalization
5. Significant value creation for our shareholders

## Agenda

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- 1. Creating a German banking champion**
2. Key transaction terms
3. Business model
4. Synergies and integration
5. Financial stability and risk management
6. Commitment

## Strategic rationale

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### Growth

- › Strong growth prospects in attractive German market
- › Significantly enlarged distribution platform
- › Enhanced product capabilities and cross selling potential
- › Attractive prospects in CEE



### Efficiency

- › Significant scale benefits and efficiency gains
- › Franchise leverage through brand unification
- › Capital release from balance sheet reduction

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### Profitable business mix

- › Balanced business portfolio
- Growth-oriented culture and strategy
- › Reducing risk profile
- › Capital allocation to profitable growth



**Considerable leap through milestone transaction**

## Financial rationale

### Targeted operating synergies and capital release

- › €5bn targeted synergies (NPV)
  - €3.6bn operating synergies (NPV)
  - €1.4bn capital release (NPV)
- › Efficiency gains targeted to be fully achieved by 2012

### Targeted EPS & RoE enhancement

- › EPS accretion expected from 2011 onwards
- › Mid-term target net RoE of at least 15%
- › All business units on profit enhancement path

### Investment attractions

- › Earnings power and stability
- › Lean and powerful operating platform
- › Sound capitalization
- › Pro-forma Tier 1 ratio of ca. 7.6% expected at step 1
- › Mid-term Tier 1 target ratio 7.0% - 8.0%
- › Future capital optimization, e.g. through potential share buy-back



**Significant value creation for our shareholders**

## Agenda

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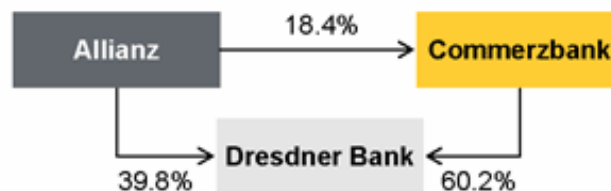
1. Creating a German banking champion
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## Transaction overview

- › Purchase price of €8.817bn<sup>1)</sup>; additional contingent deferred consideration of up to €975m
- › Price to book value of ~1.0<sup>2)</sup>
- › Transaction in two steps, which achieves immediate control while preserving capital strength

### Step 1

#### Acquisition of 60.2% of Dresdner Bank

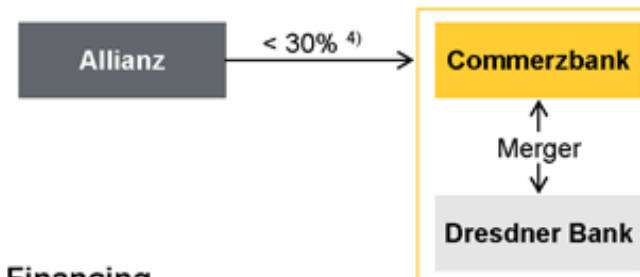


#### Financing

- › €1.57bn in cash
  - financed through a non-preemptive equity offering of ca. 65.4m shares<sup>3)</sup>, and debt
  - Transfer of cominvest to Allianz for €0.7bn<sup>5)</sup>
- › 163.5 m shares to Allianz as contribution in-kind

### Step 2

#### Full merger



#### Financing

- › Dresdner to be merged into Commerzbank, with Allianz receiving further shares (subject to EGM approval)
- › Expected merger exchange ratio of shares Commerzbank:Dresdner ranges from 1:1.29 to 1:1.56 (resp. value ratio 66:34 to 61:39)

Note: all share components at Commerzbank share price of €20.80 (one month volume weighted average price)

1) Based on value ratio of 63.3%:36.7% per step 1 contributions, merger exchange ratio to be determined in step 2

2) Dresdner Bank stated book value of €8.7bn as of June 30, 2008. Adjustments to book value at closing of step 1 are likely to include, inter alia, a negative adjustment of €1.2bn due to the loss of deferred tax assets at Dresdner Bank from change of control and a negative adjustment of €0.2bn in respect of existing goodwill at Dresdner Bank.

3) Timing prior to closing step 1 subject to market conditions

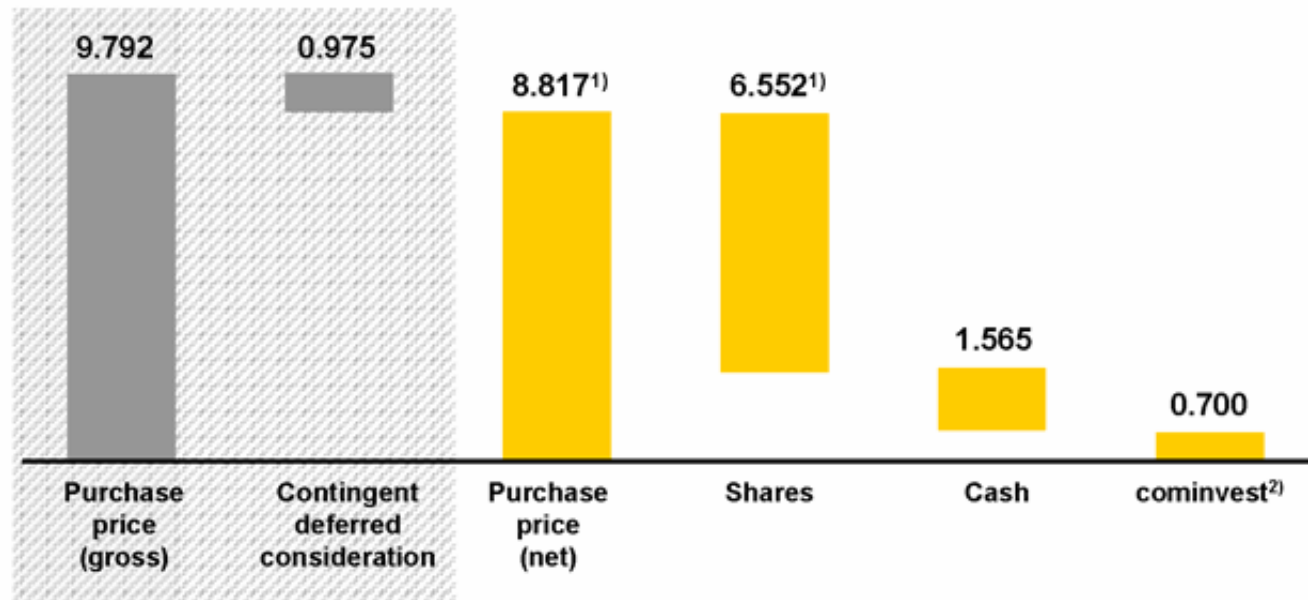
4) Expected pro-forma stake of 29.3% - 30.4%. Allianz committed not to exceed 30%


5) Exchange for 9.2% stake in Dresdner Bank



## Purchase price components

in € bn



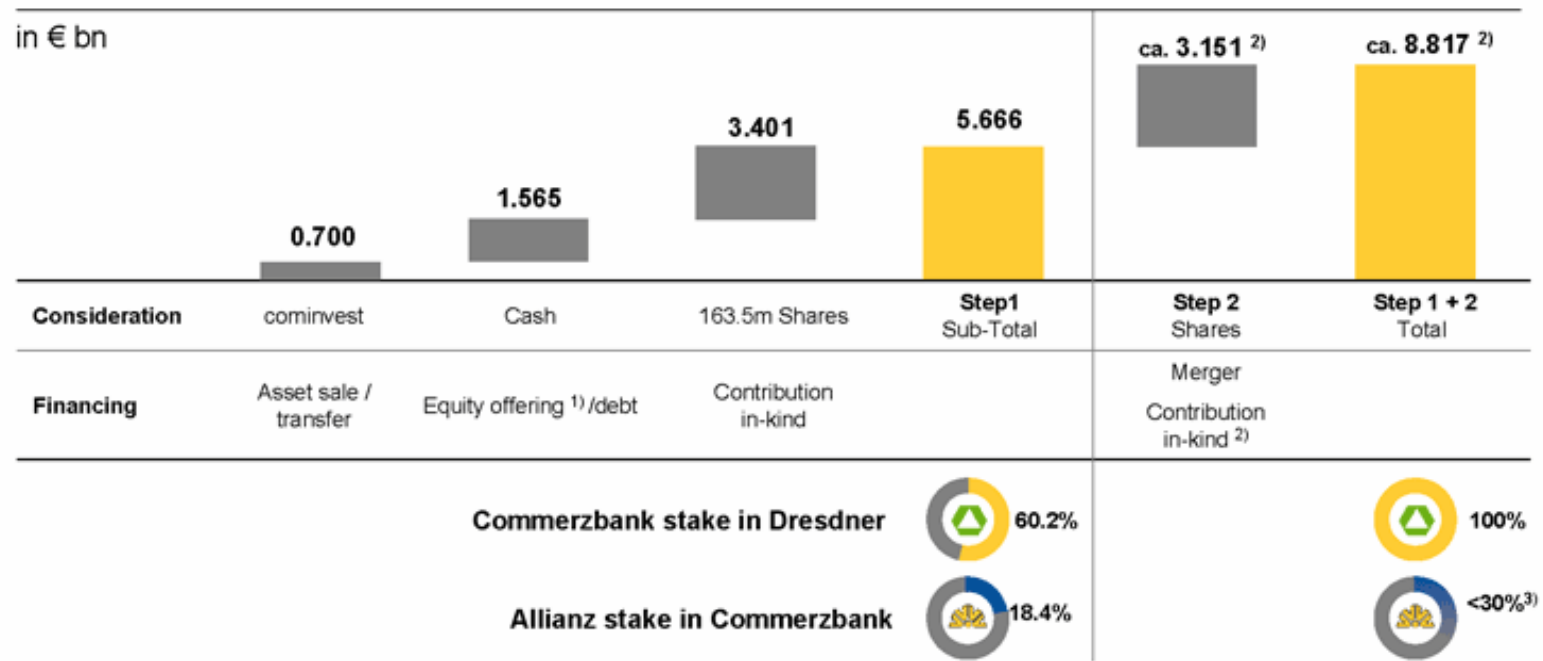
 Purchase price for Dresdner Bank of €8.817bn (Commerzbank perspective)

Note: All share components at Commerzbank share price of €20.80 per share (one month volume weighted average price)

1) Based on value ratio of 63.3% : 36.7% per step 1 contributions, merger exchange ratio to be determined in step 2

2) Transfer of following assets: cominvest AM GmbH, cominvest S.A., Münchener KAG, MK Lux Invest S.A.; traded for 9.2% stake in Dresdner Bank

## Purchase price / financing



Note: All share components at Commerzbank share price of €20.80 per share (one month volume weighted average price)

1) Non-preemptive offering of ca. 65.4m shares. Timing prior to closing step 1 subject to market conditions

2) Based on value ratio of 63.3% : 36.7% per step 1 contributions, merger exchange ratio to be determined in step 2

3) Expected pro-forma stake of 29.3% - 30.4%. Allianz committed not to exceed 30%

## Clear transaction timeline

Timeline	Transaction
31/08/2008	Announcement of transaction
By January 2009	Closing step 1
February 2009	Merger-EGM <sup>1)</sup>
Second half 2009	Closing step 2

<sup>1)</sup> invitation after closing of step 1

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## Our business model

Estimates

	<b>New Commerzbank</b>				
	Private & Business Customers	Mittelstands-bank	Central and Eastern Europe	Corporates & Markets	Commercial Real Estate
<b>Revenues before LLPs 2007<sup>1), 2)</sup></b>	~€5.6bn	~€2.8bn	~0.7bn	~€2.3bn	~€1.1bn
<b>RWA 2007<sup>2), 3)</sup></b>	~€71bn	~€89bn	~€13bn	~€89bn	~€76bn
<b>Revenue growth</b>	↗	↗	↗	↘	↗
<b>Profit trend</b>	↗	↗	↗	↗	↗
<b>IT and Backoffice</b> Consolidation of IT- and service-platform					



**A well-balanced and profitable business mix**

- 1) adjusted by subprime effects, additional revenues of €1.5bn in Others & Consolidation
- 2) according to preliminary target structure
- 3) RWAs according to Basel I

**Note:** See page 29 of the appendix for detailed pro-forma calculation. The figures shown above reflect a simple aggregation of the relevant figures of Commerzbank and Dresdner Bank, which, in each case, have been derived from the relevant entity's audited consolidated financial statements. The figures do not reflect any pro-forma adjustments and have not been prepared on the basis of the general principles of the Institut der Wirtschaftsprüfer in Deutschland e.V. (German Institute for Public Auditors) (IDW) regarding the preparation of pro-forma financial information (IDW Accounting Practice Statement: Preparation of Pro-Forma Financial Information (IDW AcPS AAB 1.004) (IDW Rechnungslegungshinweis: Erstellung von Pro-Forma-Finanzinformationen (IDW RH HFA 1.004)).

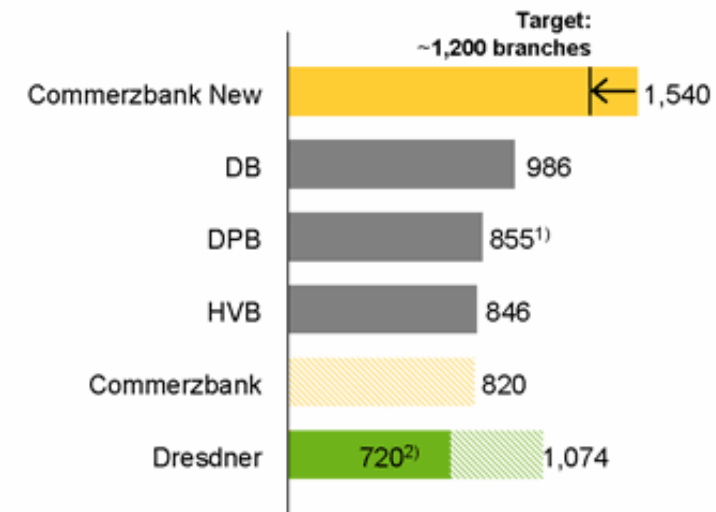
## Private & Business Customers: Leading German retail and private bank in expansion mode

### Clear No. 1 in German retail banking

#### Creating the No. 1 Retail bank and the No. 2 Private Wealth Manager in Germany

- › 11 million private clients in Germany
- › Comprehensive nationwide branch network
- › Franchise benefits through Allianz partnership
- › Funding stability from larger deposit base
- › High quality earnings stream from stronger position in wealth management

### Largest German branch network



<sup>1)</sup> Center branches  
<sup>2)</sup> Ex OLB, ex Allianz Banking branches



Enhanced platform provides further leverage to focus on client growth

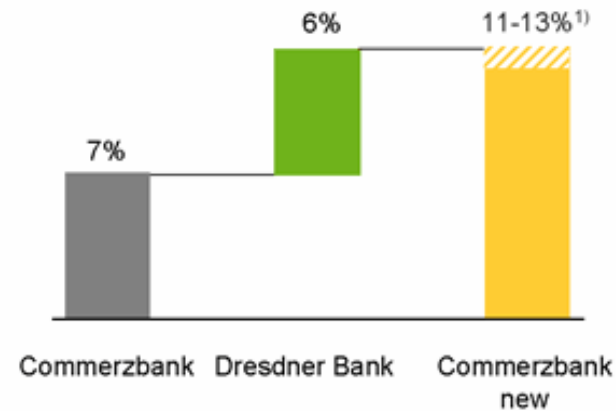
## Mittelstandsbank: Germany's leading Mittelstand bank leveraging the successful franchise

Clear No. 1 SME bank in Germany

Market share leader in Germany

Strongest customer franchise in Germany

- › More quality relationships to German corporates than any other bank
- › Full integration of highly complementary domestic customer bases
- › Dresdner Bank foreign activities enhance international capabilities
- › Excellent cultural fit



1) range due to double counting



Business model based on successful Commerzbank strategy

## Corporates & Markets: Strictly client-centric business model – right sizing strategy

### Clear strategy for repositioning


Leading investment banking provider to German corporates and institutions


- › Focus on products relevant to client base
- › Strong reduction of prop trading activities
- › Considerable reduction of balance sheet
- › Significant cost reduction and capital release mitigates lower revenues
- › Integrating existing Public Finance activities
- › Proven and successful right-sizing track-record
- › Transfer of corporate and relevant retail activities of DKIB into respective business units

### Activities tailored around core client base

Premium provider of selected products and services including

- › Equity Derivatives
- › Corporate Finance
- › Debt Products
- › Corporate Risk Advisory

 13.7 m private clients

 >100,000 corporate & institutional clients



**Focused and de-risked business committed to profitability**



## Cooperation with Allianz: No. 1 provider of insurance products in Germany and a leader in Asset Management

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- Bancassurance**
- › Allianz exclusive insurance partner with long term cooperation agreement
  - › Commerzbank contract with Generali not to be extended
  - › Partnership benefiting from Allianz's broad expertise in bancassurance
  - › Access to 11m private clients in Germany
  - › Clear production targets and fee agreements for life and P&C insurance

- Asset Management**
- › Allianz Global Investors preferred partner for AM products
  - › Allianz acquires cominvest as part of the transaction
  - › Continued commitment to open architecture

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## Targeted synergies: value creation ~ €5bn (NPV)

Synergies create compelling deal logic

€ m p.a., pre tax, fully phased	Key insights	Costs synergies	Revenue dis-synergies	NPV
<b>Commercial Banking (incl. back Office)</b>	<ul style="list-style-type: none"> <li>› Clear synergy case in commercial banking</li> </ul>	Front office 350 Back office 500	0	Synergies incl. restructuring € 4.5 bn
<b>Investment Banking (incl. back Office)</b>	<ul style="list-style-type: none"> <li>› Restructuring case: rightsizing / closure of unattractive business lines</li> <li>› Capital release of €1.7bn (€1.4bn NPV) due to de-risking</li> </ul>	Front office 650 Back office 400	-1,080	Synergies incl. restructuring € -0.9 bn Capital € 1.4 bn <hr/> Total € 0.5 bn
		<b>€1,900m</b>	<b>€-1,080m</b>	<b>€5.0bn</b>

Note: total restructuring charges pre tax ~€2bn

Net €820m pre-tax p.a.

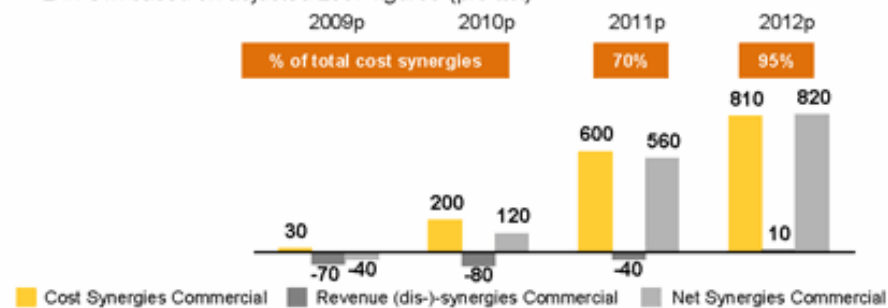
## Realisation of targeted synergies over time: Cost reduction expected to be largely achieved in 2011

### Retail & Corporate Banking

- › Quick phasing of €850m run-rate p.a. cost synergies: 70% realized by 2011
- › Revenues broadly flat in fully phased state, slight dis-synergies in 2009 to 2011
- › Restructuring charges of €1.25bn

### Synergies in Private & Corporate Clients

Δ in € m based on adjusted 2007 figures (pre tax)

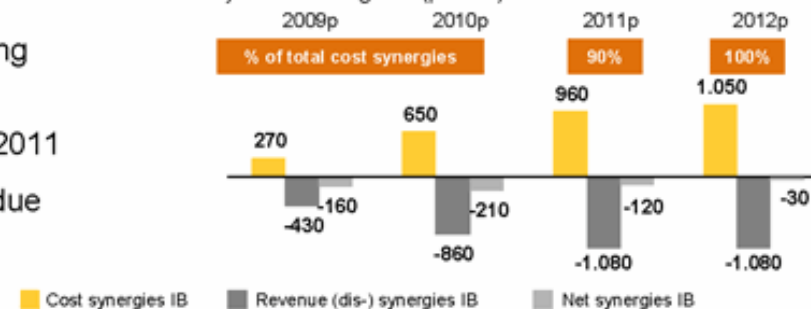


### Investment Banking

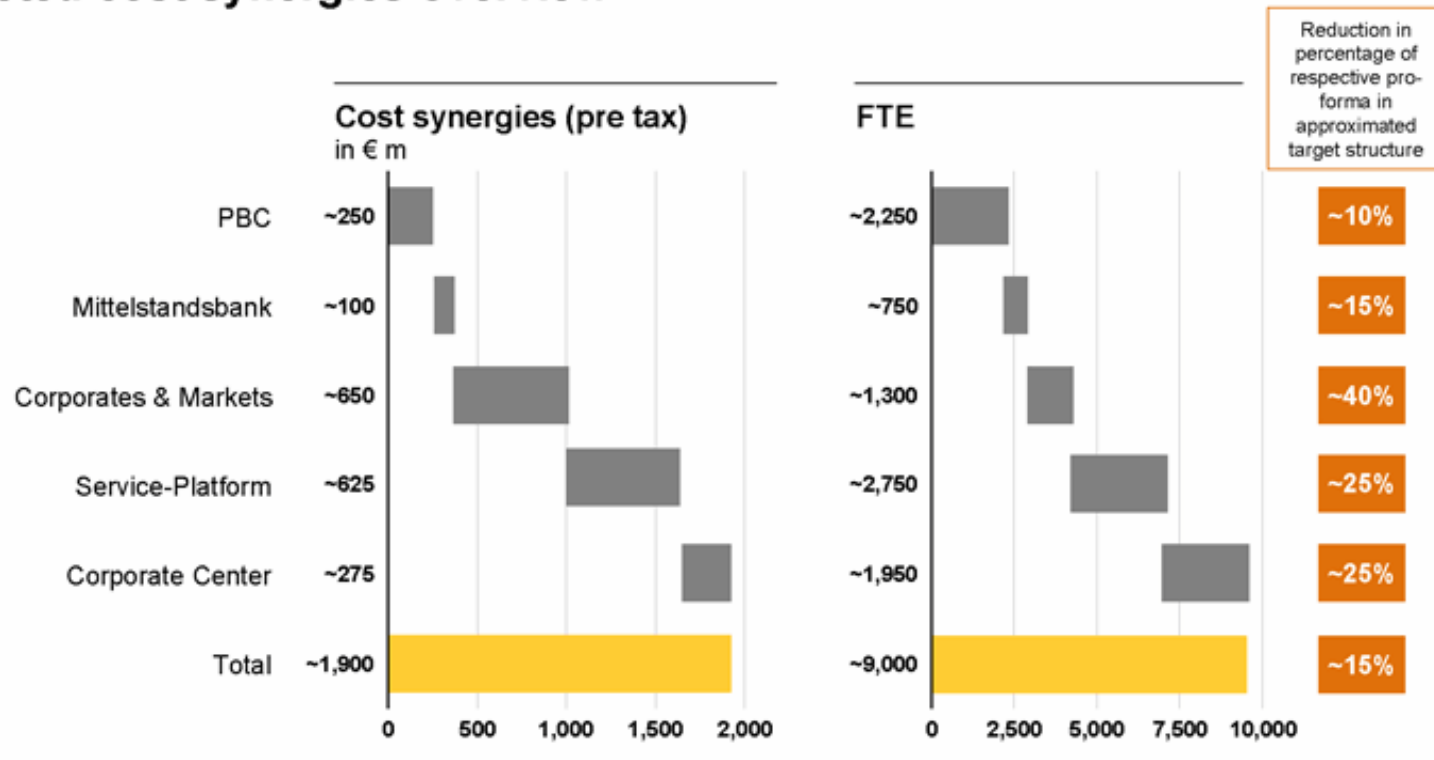
- › Restructuring case: deliberate reduction of revenues in IB following rightsizing / de-risking strategy
- › 90%-phasing of cost reduction achieved by 2011
- › Capital release of €1.7bn as a clear benefit due to de-risking
- › Restructuring charges of €0.75bn

### Restructuring Investment Banking

Δ in € m based on adjusted 2007 figures (pre tax)



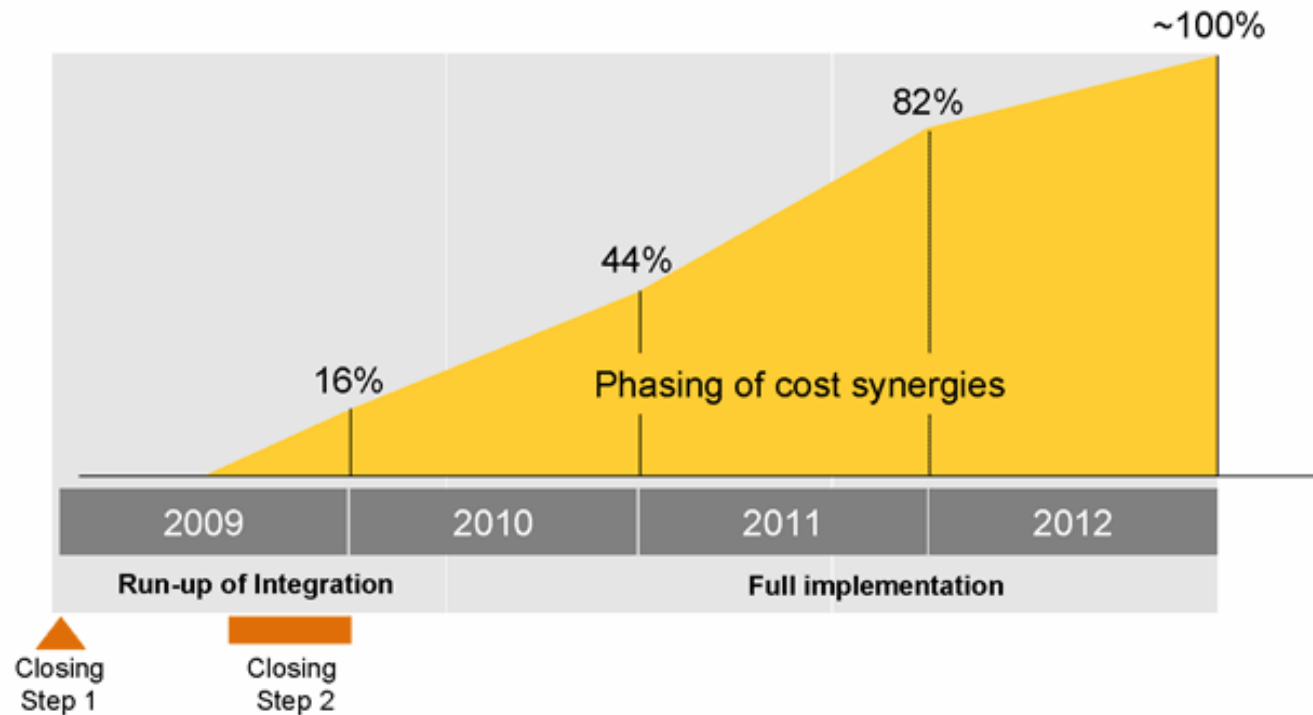
## Targeted cost synergies overview



› Personnel cost ~50% of cost synergies; other operating costs ~50% of total cost synergies

Note: preliminary calculation

## Targeted integration process: rapid phasing of targeted synergies



➔ After restructuring and downsizing-measures target CIR ~60% by 2011

## Agenda

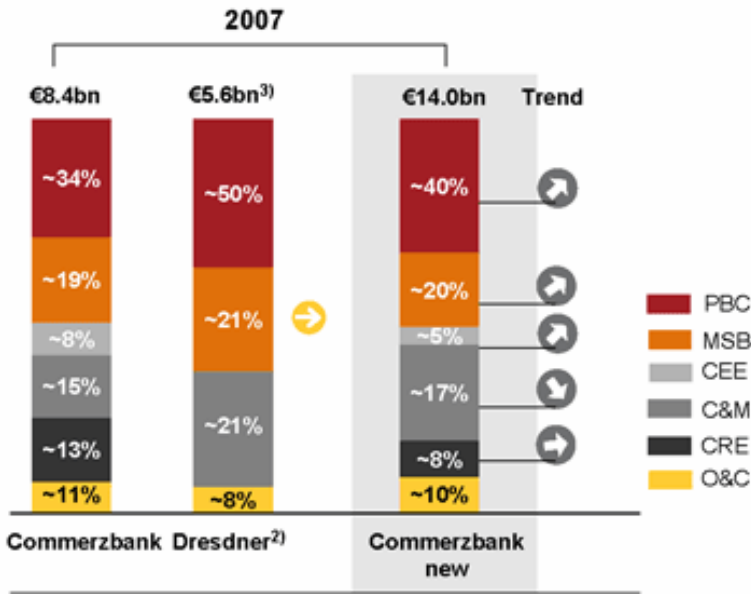
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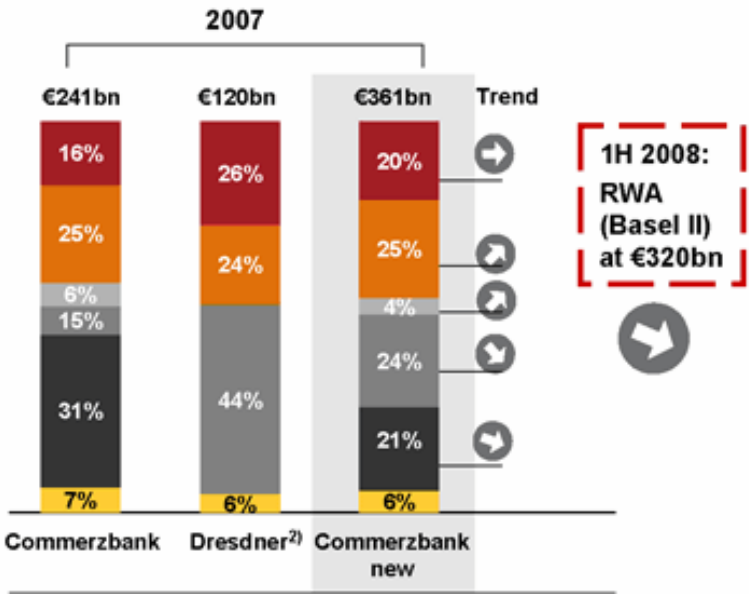
# Well-balanced business portfolio with PBC and MSB as most important pillars

Estimates

Revenue before LLPs split by segments



RWA<sup>1)</sup> split by segments



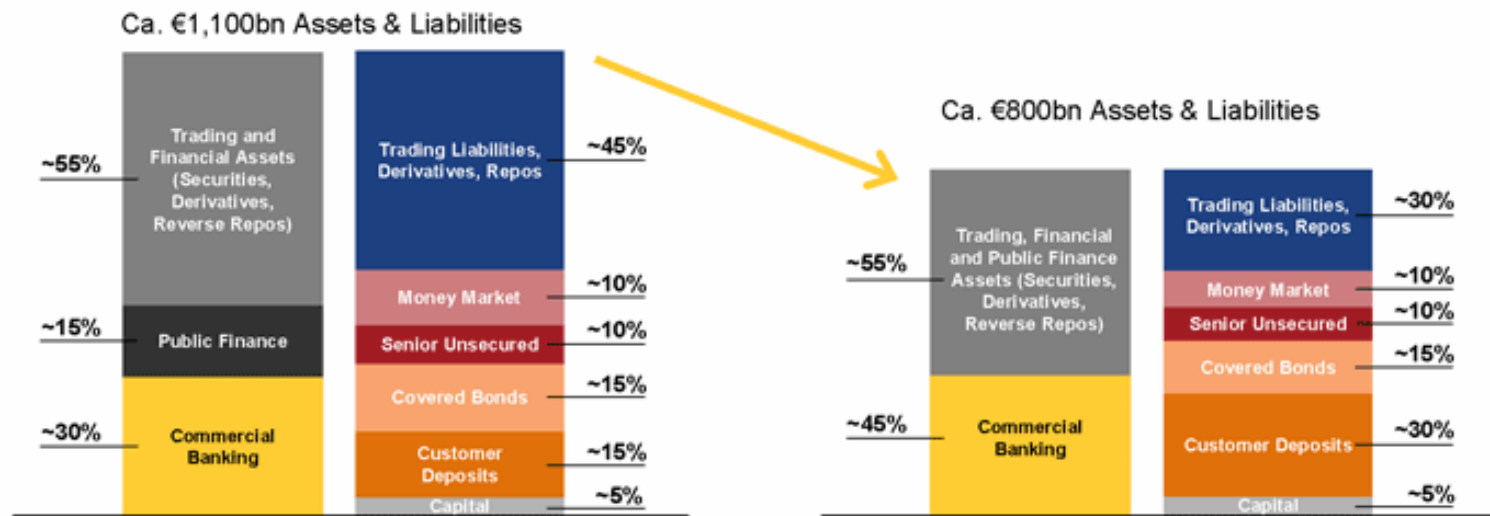
1) RWAs according to Basel I  
 2) Dresdner adjusted to Commerzbank preliminary target structure  
 3) As stated, including subprime effects



## Significant decrease of non-core assets by 2011

Pro forma post acquisition (based on 2007)

Target 2011



- › Pro-forma Tier 1 ratio of ca. 7.6% expected at step 1
- › Pro-forma core Tier 1 ratio of ca. 6.0% expected at step 1

- › Mid-term Tier 1 target range 7.0% – to 8.0%
- › Less dependence on wholesale funding

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## Risk clearly identified and deemed manageable

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**Credit books** › Dresdner's credit books (retail and customer clients) comparable following successful portfolio realignment by Institutional Restructuring Unit (IRU)

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**Main focus of DD** › Investment banking, i.e. primarily ABS (monoline), SIV/ conduits and LBO  
 › Market risks

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**Contingent deferred consideration** › Focus on critical sub-portfolios "Structured ABS" and "Monoline" in the amount of approx. notional €4.9bn via a "trustee-model" (cash deposit)  
 – First loss-piece of Commerzbank = €275m  
 – Second Loss-piece of Allianz = €975m  
 › Subject to portfolio performance

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**Overall assessment** › Overall risks appear manageable  
 › De-risking- / rightsizing-strategy for sub-portfolios (IB and CRE)  
 › With its risk know-how and track record, Commerzbank is well-prepared for the acquisition

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## Our commitment

1. The acquisition will deliver considerable value to our shareholders
2. We have set a clear roadmap for integration
3. We will continue to focus on our clients and gaining market share
4. We will continue our conservative risk management strategy
5. Our corporate culture based on respect and integrity will guide our behaviour of bringing the two organizations together

# Appendix

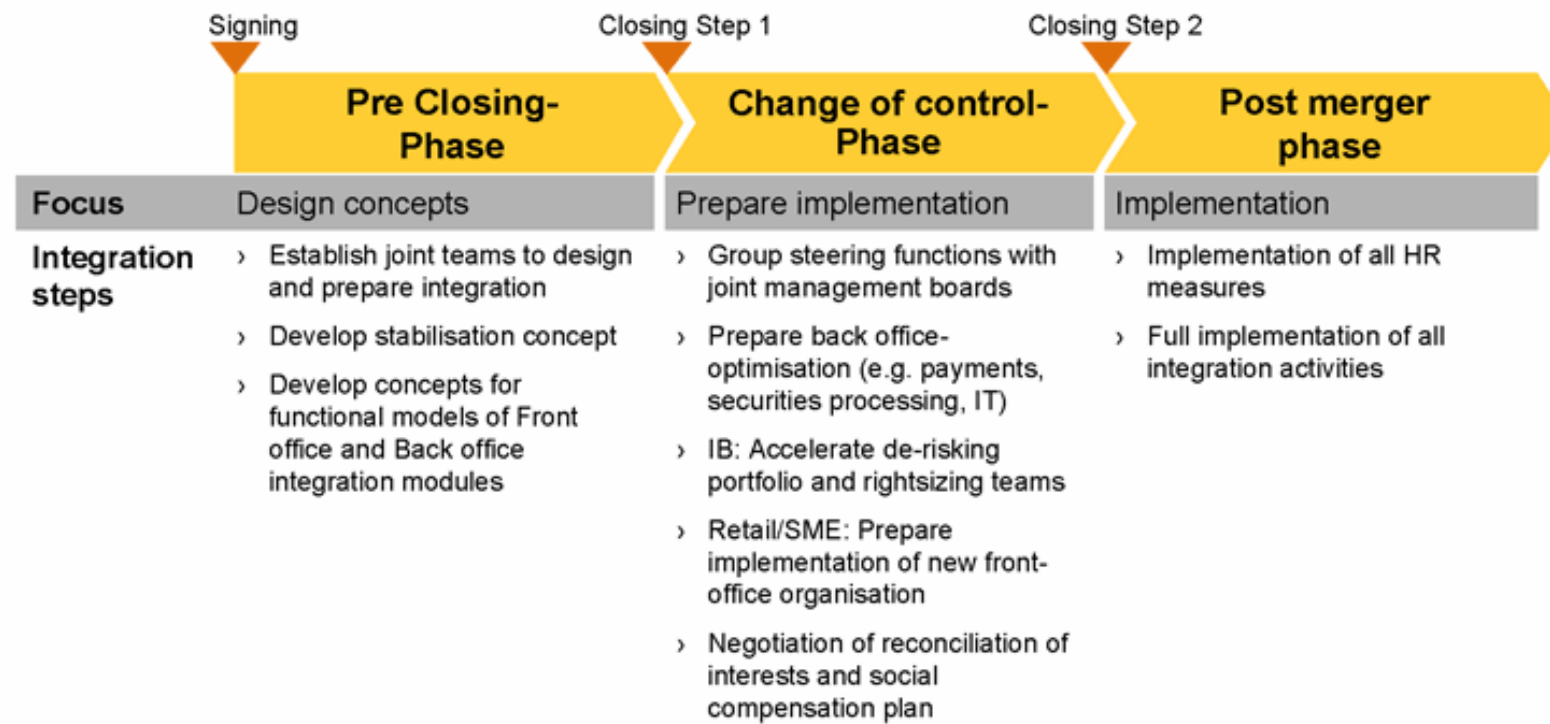
## Pro Forma Zahlen Konzern H1 2008

Group 1.1.-30.6.2008 in € m	Commerzbank old	Dresdner Bank	Commerzbank new
Net interest income	2.198	1.399	3.597
Provision for possible loan losses	-589	-76	-665
Net interest income after provisioning	1.609	1.323	2.932
Net commission income	1.449	1.162	2.611
Trading profit	548	-1.147	-599
Net investment income	-112	103	-9
Other income	120	0	120
<b>Revenues after provisioning</b>	<b>3.614</b>	<b>1.442</b>	<b>5.056</b>
<b>Operating expenses</b>	<b>2.695</b>	<b>2.303</b>	<b>4.998</b>
<b>Operating Result</b>	<b>919</b>	<b>-861</b>	<b>58</b>
Restructuring expenses	-25	15	-10
<b>Pre-tax profit</b>	<b>894</b>	<b>-846</b>	<b>48</b>
Taxes on income	-306	152	-154
<b>Consolidated surplus</b>	<b>1.200</b>	<b>-998</b>	<b>202</b>
attributable to minority interests	103	31	134
<b>attributable to Commerzbank shareholders</b>	<b>1.097</b>	<b>-1.029</b>	<b>68</b>
<b>Risk-weighted-assets (Basel II; EoP)</b>	<b>218,6</b>	<b>104,8</b>	<b>323,4</b>
<b>FTE (EoP)</b>	<b>35.931</b>	<b>25.362</b>	<b>61.293</b>

Note: as stated, without takeout of consolidation effects; including subprime effects at Commerzbank of €0.5bn and Dresdner Bank of €1.4bn

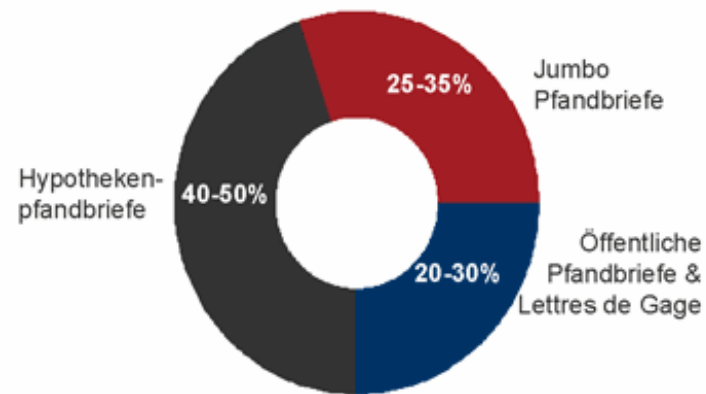
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## Integration process: 3-phase-model of integration to ensure synergy realization



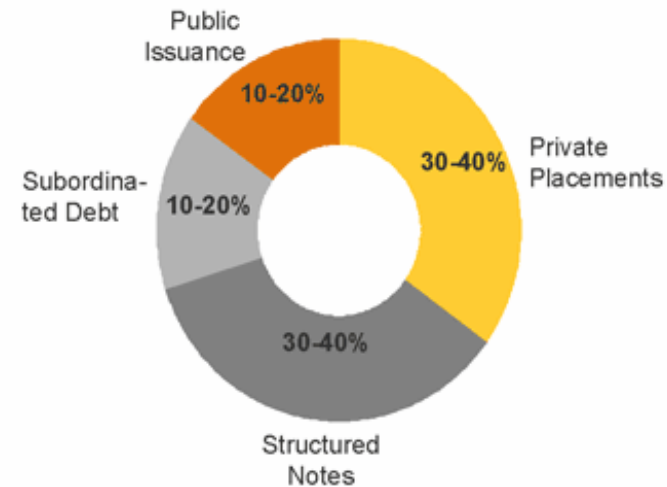
## Manageable funding plan 2009 – targeted volume approx. €25bn

### Covered Bonds ~50% (€11-13bn)



- › 2-3 Jumbo Pfandbriefe from Eurohypo
- › Focus on Mortgage Pfandbriefe
- › Continued utilization of domestic and registered Pfandbrief markets

### Unsecured ~50% (€10-14bn)



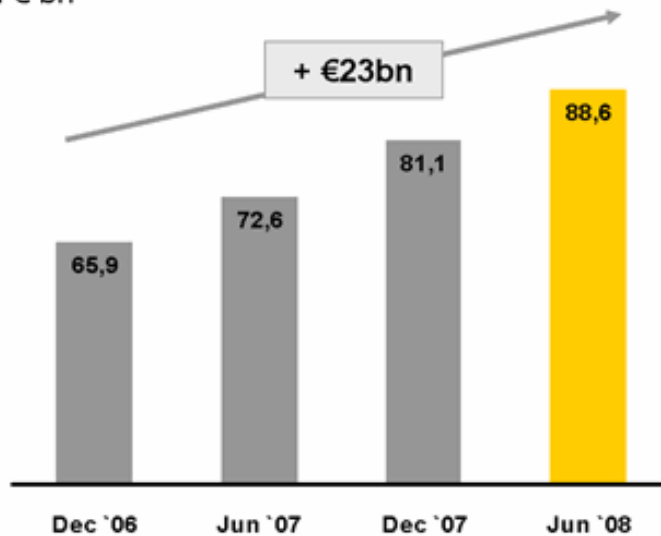
- › Limited public issuance required
- › Focus on private placements and structured notes
- › Capitalize on both banks' funding franchises



## Growth in client deposits = further strengthening of liquidity base

### Rapidly growing deposit base...

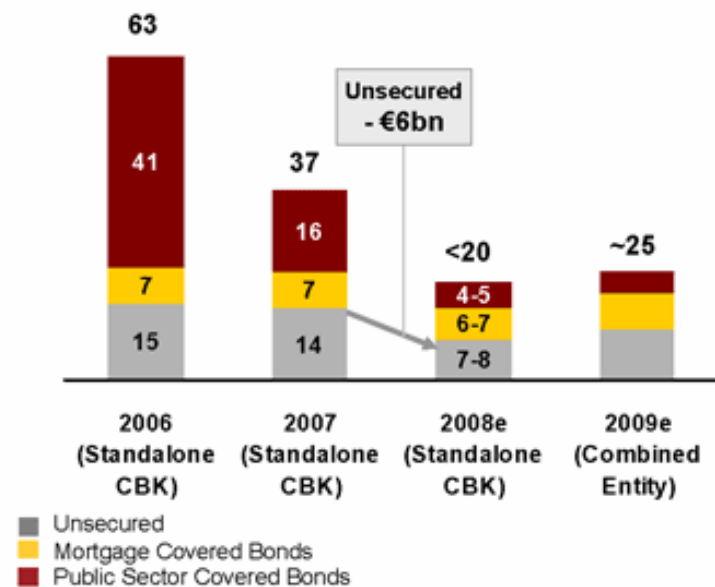
Deposit volume (Commerzbank Group)  
in € bn



>Number of retail clients +23% in same period

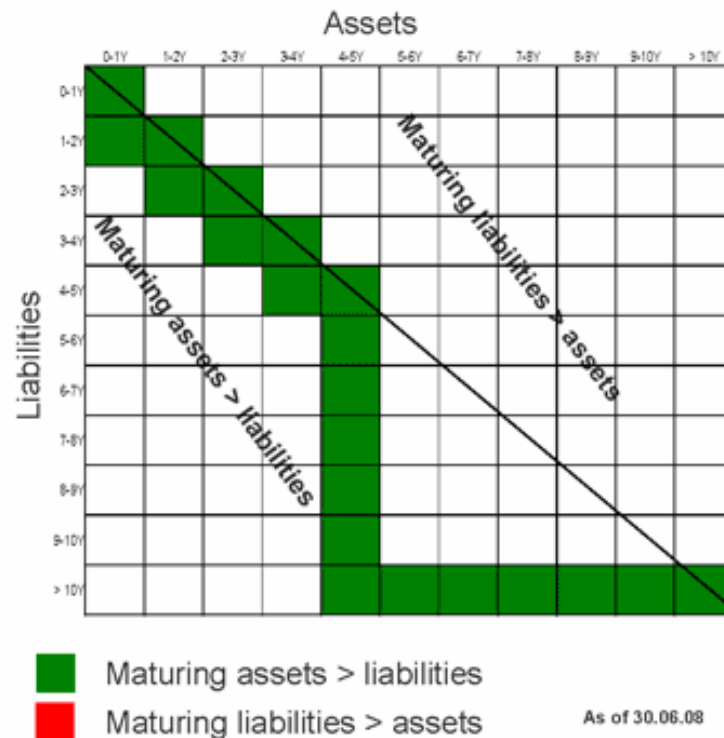
### ... only partially used for reduction of unsecured funding needs

Funding Plan  
in € bn



## Commerzbank enters transition period with strong funding and liquidity position

### Unsecured Funding Matrix CB Group



### Sound Funding & Liquidity Position

- › Sound funding structure in all maturity buckets – liability profile “longer” than asset profile
- › All franchise assets long-term funded
- › Substantial liquidity portfolio consisting of high quality assets
  - › 100% FED / ECB eligible, liquid repo market exists for majority of assets
  - › Dedicated funding structure
- › Incremental funding potential from institutional and client sources available
- › Well buttressed against liquidity stress scenarios

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