PETRUSADVISERS

Commerzbank AG
Martin Zielke, CEO
Kaiserplatz, 60261 Frankfurt

London, 27 February 2018

Dear Mr. Zielke,

since September 2017, Petrus Advisers have significantly increased our qualified minority stake in comdirect. You have chosen to ignore our letter and our published materials showing the unexploited potential of comdirect. Your comdirect management team boast of successes that do not exist. The comdirect stock has underperformed peers and competitors by a staggering 60-75% during the past 12 months. This value destruction is shocking for shareholders of both comdirect and Commerzbank. The reasons are apparent:

Lack of Focus

comdirect cannot match the growth and innovation of its competitors. Using only modest means, Fintech has gained a 15-20%[1] market share in comdirect's core market for online-trading. In addition, Fintech has created growth and value by offering intelligent products and solutions to institutional clients. Since 2012, the number of customers has grown nearly 3x faster than at comdirect and Assets under Management more than 2x faster.

Lack of Efficiency & High Cost

comdirect's high cost / income ratio (75%) has not yet been addressed. Fintech and ING-Diba have more efficient cost structures, particularly lower overhead costs. Also, marketing dollars are used more effectively resulting in a payback on customer acquisition costs that is dramatically lower than comdirect's 9 (!) years[2]. Equally, the increase of cost per comdirect employee of ca. €4 thousand per year since 2014 appears extremely high. mBank has a cost / income ratio that is 30-35% (!) lower than at comdirect demonstrating that it is possible to operate profitably when not forced to be integrated into Commerzbank. Despite being the market leader, profitability at comdirect has deteriorated over the last 6 years. Management points to the low interest rate environment but has no ideas for self-help measures or growth initiatives.

e-base Remains Orphaned

There is no solution for e-base yet. No synergies with the core business exist. In fact, e-base dilutes comdirect's growth profile. Management lacks intelligent ideas in this respect.

Capital Adequacy and Dividend Policy

Management lauds comdirect as a high dividend paying stock. Reality deviates once more: comdirect's 2.2% dividend yield is substantially below the peer average of 3.5%[3]. The payout ratio has continuously shrunk from 100% in 2008 to 50% today. Capitalisation remains an opaque area as comdirect does not report its Tier 1 Capital Ratio; which in turn bewilders analysts. According to our estimates comdirect's capitalisation is excellent which should enable higher dividend payments.

We feel you owe it to us and the capital market to not simply 'forward' our analytical work to your staff. The time has come to focus and create value by means of intelligent initiatives. As we have stressed before, we see numerous potential conflicts of interest between Commerzbank and comdirect and we remain concerned regarding the development of comdirect. We therefore ask you once more to treat us minority shareholders in a fair manner.

Yours sincerely,

Klaus Umek
Managing Partner

Till Hufnagel
Partner

[1] Based on Petrus Advisers estimates. Berenberg Research recently estimated 25% market share.
[2] Payback for customer acquisition costs at Fintech is 0.7 years and at ING-Diba 2.6 years.
[3] Current dividend yield per analyst consensus for FY 2017 for dividends paid out in 2018. Average only includes those peers paying dividends (Avanza, BinckBank, Fineco, Hargreaves Lansdown, IG Group, Plus 500, Renta4, Swissquote).