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CREDIT OPINION
2 May 2024

Update

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RATINGS

Commerzbank AG

Domicile	Frankfurt am Main, Germany
Long Term CRR	A1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	A2
Type	Senior Unsecured - Fgn Curr
Outlook	Positive
Long Term Deposit	A1
Type	LT Bank Deposits - Fgn Curr
Outlook	Positive

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Commerzbank AG

Update following outlook change to positive

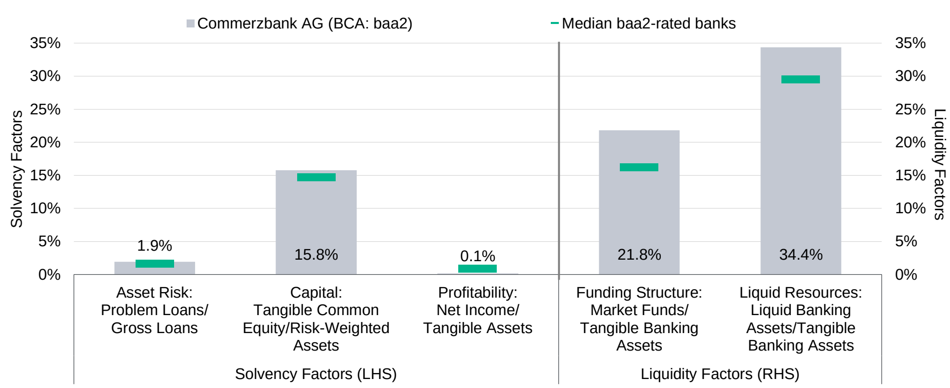
Summary

On 24 April 2024, we affirmed Commerzbank AG's (Commerzbank) A1 deposit and A2 senior unsecured debt and issuer ratings as well as its baa2 Baseline Credit Assessment (BCA). The outlook on the ratings has been changed to positive from stable.

The ratings reflect the bank's baa2 BCA and the application of our Advanced Loss Given Failure (LGF) analysis to its liabilities, which results in three notches of rating uplift for the deposit ratings and two notches for the senior unsecured debt ratings. We further incorporate a one-notch rating uplift resulting from government support, because of Commerzbank's domestic relevance for Germany's financial system owing to its considerable market share and high interconnectedness.

Commerzbank's baa2 BCA reflects the bank's continued sound and resilient fundamental credit profile, supported by diversified businesses in Germany and Poland, including retail and corporate banking. The bank's improved risk-adjusted profitability has successfully helped mitigate extraordinarily high legal provisions in Poland. Interest-rate hikes have improved the prospects for higher returns within the bank's core lending businesses conducted in its retail and corporate banking segments. The baa2 BCA also takes account of Commerzbank's solid capitalisation levels and its only moderate reliance on market funding and a high quality deposit base. Although Commerzbank remains exposed to certain risk pockets such as commercial real estate (CRE) and certain more vulnerable sectors[1], the bank's prudent and well-controlled risk appetite coupled with strong reserve coverage is likely to result in a relatively stable asset quality through the cycle.

Rating Scorecard - Commerzbank AG - Key financial ratios



Source: Moody's Financial Metrics

Credit strengths

» Sound asset quality and solid coverage ratio, including unresolved litigation (legal) risks at its Polish subsidiary

» Solid capital buffers over regulatory minima

» Substantial pool of high-quality liquid assets significantly reduces refinancing risks

Credit challenges

» Sustain a track record of improved risk-adjusted profitability according to the bank's medium-term plan

» Maintain low levels of problems loans and loan loss charges in a highly uncertain macroeconomic environment

» Keep market funding dependence moderate by sizeable and growing deposits

Outlook

» The positive outlook reflects the possibility that Commerzbank's continued progress in executing on its strategic plan could result in a sustainably improved financial profile, that in time would support consideration of an upward rating shift.

Factors that could lead to an upgrade

» Commerzbank's long-term ratings could be upgraded as result of an upgrade of its BCA. The bank's senior unsecured and lower-ranking instrument classes could also be upgraded in case of material additional volumes of bail-in-able instruments being issued, such that it results in additional rating uplift from our Advanced LGF analysis.

» The BCA could be upgraded if the bank makes further progress towards its medium-term targets, such that it at least maintains its current intrinsic financial strength.

Factors that could lead to a downgrade

» Commerzbank's ratings could be downgraded as a result of a downgrade of its BCA, or fewer notches of rating uplift from our Advanced LGF analysis. The BCA could be downgraded if Commerzbank suffers a sudden and sharp reversal in moving towards meeting its strategic milestones, particularly if it suffers a pronounced weakening in its solvency.

» Downward rating pressure on instruments ranking above subordinated debt could also result from a sustained decrease in the volume of bail-inable debt relative to the bank's tangible banking assets, leading to a higher loss severity of Commerzbank's various liability classes at failure and potentially resulting in a lower rating uplift as a result of our Advanced LGF analysis.

Key indicators

Exhibit 2

Commerzbank AG (Consolidated Financials) [1]

	12-23[2]	12-22[2]	12-21[2]	12-20[2]	12-19[2]	CAGR/Avg.[3]
Total Assets (EUR Billion)	496.3	455.9	440.5	460.5	417.5	4.4[4]
Total Assets (USD Billion)	548.3	486.5	499.1	563.4	468.6	4.0[4]
Tangible Common Equity (EUR Billion)	27.6	25.7	23.8	22.8	24.9	2.6[4]
Tangible Common Equity (USD Billion)	30.5	27.4	27.0	27.9	28.0	2.2[4]
Problem Loans / Gross Loans (%)	1.9	2.2	1.7	2.0	1.6	1.9[5]
Tangible Common Equity / Risk Weighted Assets (%)	15.8	15.2	13.2	12.4	13.3	14.0[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	15.3	19.5	15.6	18.5	13.8	16.5[5]
Net Interest Margin (%)	1.7	1.3	1.0	1.1	1.2	1.3[5]
PPI / Average RWA (%)	2.3	1.7	1.3	0.9	0.9	1.4[6]
Net Income / Tangible Assets (%)	0.2	-0.1	0.3	-0.1	0.3	0.1[5]
Cost / Income Ratio (%)	62.3	68.4	72.6	79.5	80.4	72.6[5]
Market Funds / Tangible Banking Assets (%)	21.8	22.3	28.1	26.9	21.4	24.1[5]
Liquid Banking Assets / Tangible Banking Assets (%)	34.4	31.9	28.9	34.0	26.9	31.2[5]
Gross Loans / Due to Customers (%)	77.4	84.7	95.1	85.1	89.7	86.4[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Ratings and company filings

Profile

Commerzbank AG is one of Germany's largest commercial banks, serving approximately 16.7 million customers as well as around 26,000 corporate client groups in almost 40 countries through a network of around 400 branches and also operates a sizeable bank in the Polish financial markets through its subsidiary mBank S.A. (Baa1 positive, ba1[2]). As of 31 December 2023, Commerzbank reported consolidated assets of €517 billion (2022: €477 billion), representing around 5% of Germany's total banking system assets.

For more information, please see Commerzbank's Issuer Profile, the German Banking System Profile and the German Banking System Outlook.

Weighted Macro Profile of Strong+

Commerzbank's regional focus on Germany (Aaa stable) and Poland (A2 stable), where it holds a majority stake of 69.2% in mBank S.A., and other EU (EU) countries are key drivers for its Weighted Macro Profile of Strong+.

Detailed credit considerations

Leap forward in profitability supports credit positive restructuring

Commerzbank's assigned Profitability score is ba1, three notches above its initial score. Our assessment takes into account the achieved revenue and efficiency effects from the successful restructuring to date and also assumes Commerzbank will largely succeed in executing on its second phase of its transformation program, supported by persistently higher, but only slowly receding, interest rates and an only gradual and moderate increase in credit costs.

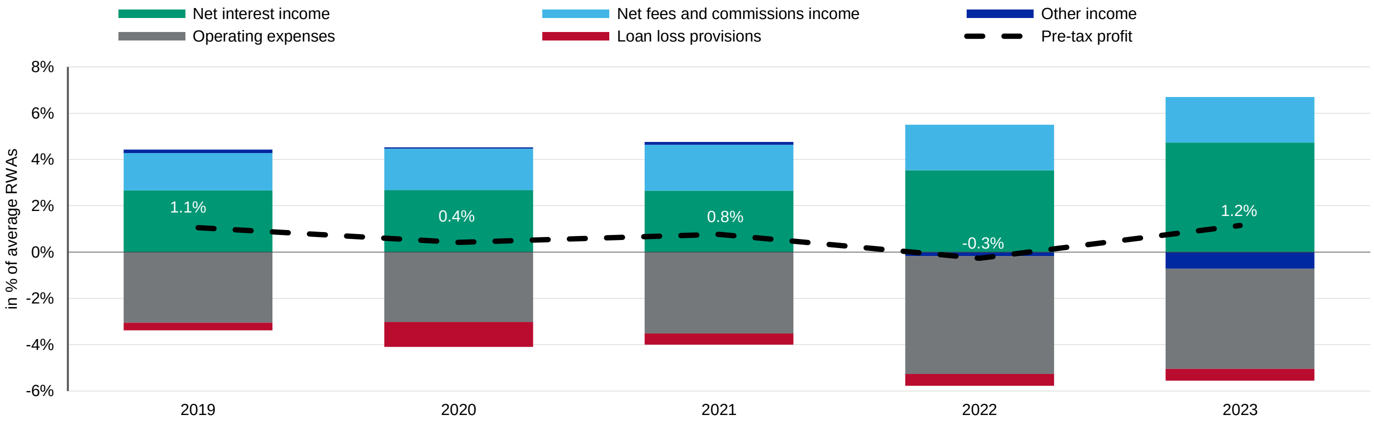
Under its revised three-year plan, Commerzbank aims to grow revenue to around €12.5 billion by 2027 from €11.6 billion in 2023[3], while containing costs at a higher-than-forecasted level of €6.8 billion[4]. We expect reaching the revenue targets will be ambitious, yet anticipate continued low loan losses to support the bank's thrive and get close to its net return on tangible equity (ROTE) target of 11.5% by 2027, compared with 7.7% in 2023[5].

For 2023, Commerzbank reported another strong set of results, boosted by net interest income rising 30% year-over-year to €8.4 billion. Overall adjusted revenue rose 11% or €1.0 billion absolute to €11.5 billion, offsetting an additional €1.1 billion of litigation charges and provisions related to mBank's Swiss franc mortgage exposures in Poland. Going forward, we expect these provisions to be significantly lower, raising the earnings contribution of mBank to about one third of Commerzbank's group earnings in coming years, thereby providing additional earnings diversification owing to the different interest-rate environment in Poland as well as the Polish bank's strong efficiency metrics.

Loan loss charges stood at 23 basis points (bps) of gross loans or €618 million (2022: €876 million or 33 bps), while operating expenses[6] remained well contained at €6.0 billion (2022: €5.9 million, both figures including restructuring charges), declining 1.2% year-over-year. This helped lift pretax profit for the year to €3.4 billion, up 70% from the prior year, and resulting in a net income of €2.2 billion, up 55% year-over-year, equivalent to a net ROTE of 7.7%.

Exhibit 3

Commerzbank's leap forward in profitability helps offset restructuring charges, banking levies and extraordinary legal provisions
Data in % of average RWAs



Source: Company reports and Moody's Ratings

The bank's loan book is well diversified, with moderate risk concentrations

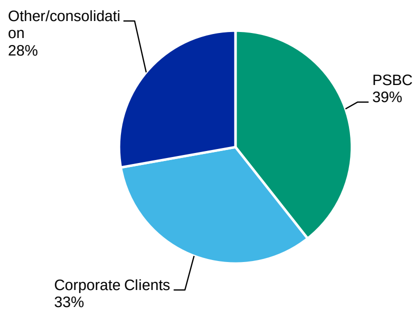
We assign a baa1 Asset Risk score to Commerzbank, three notches below the a1 initial score. The adjustment mainly captures the bank's moderate risk concentrations towards industries that are structurally challenged[7]– such as automotive, machinery, energy/utilities, construction/paper, chemicals/plastics, and metals – within the bank's corporate portfolio, as well as the bank's moderate exposures to commercial real estate as well as remaining litigation and legal risks in Poland.

During the 2024-27 outlook period, Commerzbank anticipates loan loss charges to stay at around 25 basis points of gross loans, which is a realistic target in light of its solid customer base and favourable loan book split. More than 80% of Commerzbank's gross loan balances stem from its home domicile of Germany, where corporate debt was 72% of GDP and household debt was 55% at the end of 2022[8], among the lowest levels in Europe.

Although CRE is no longer considered a strategic asset class and Commerzbank holds only 3.5% of total gross loans in CRE as of year-end 2023, meaningfully lower than the EU banks' average of 7.5%, the sharp increase in interest rates created challenges for CRE property market values, making refinancing more difficult and is likely to erode asset quality in coming years. However, we believe resulting risks are manageable[9].

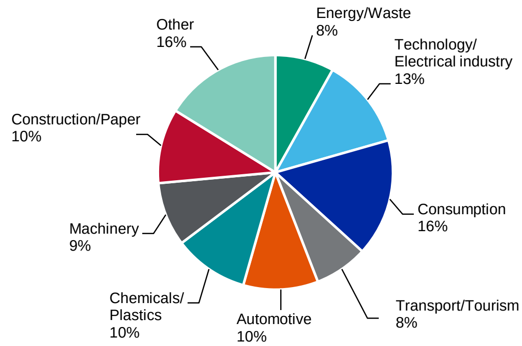
Commerzbank continues to face unresolved litigation risk from Swiss franc-denominated mortgages at mBank, which has repeatedly burdened the bank's consolidated earnings because it had to build significant legal reserves. However, the bank has increased provisions to a coverage ratio of almost 100% of its remaining €1.9 billion exposure to Swiss franc-denominated mortgages, one of the highest coverage ratios in Poland.

Exhibit 4
Commerzbank's total exposures are evenly split among its two main segments
Data in percent as of 31 December 2023



Source: Company reports, Moody's Ratings

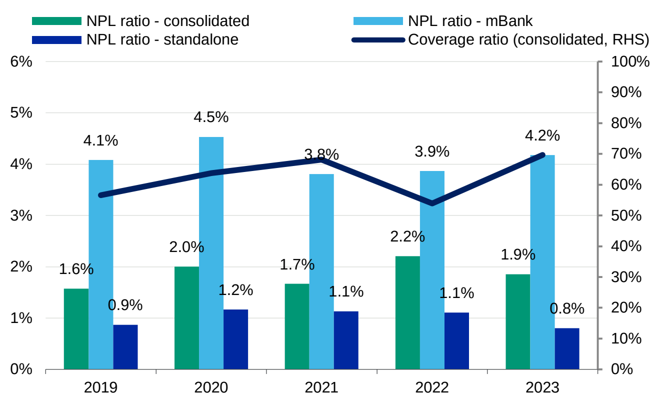
Exhibit 5
Commerzbank's well-diversified corporate exposures by sectors (Germany only)
Data in percent as of 31 December 2023



Source: Company reports, Moody's Ratings

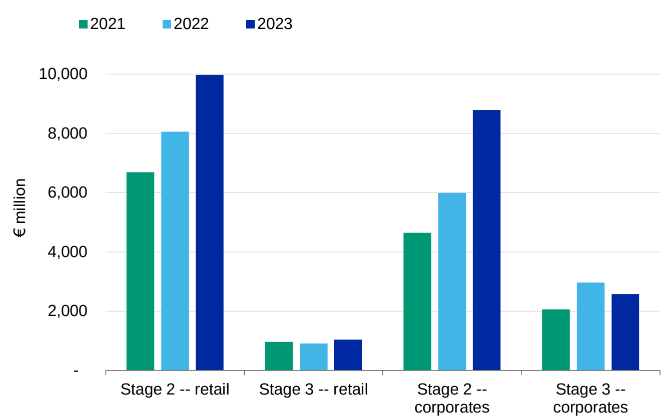
We believe Commerzbank will be able to withstand an expected moderate asset quality deterioration because of its now stronger operating performance. The bank has also continued to conservatively build provisions for performing loans and has only been releasing smaller portions of forward-looking provisions built since the onset of the coronavirus pandemic in 2019 (as of the end of 2023 its top level adjustment was €453 million), which will continue to provide a substantial buffer against unexpected shocks.

Exhibit 6
Moderately weakening asset quality is driven by corporate lending, balanced by solid coverage for problem loans
Data in %



Source: Company reports, Moody's Ratings

Exhibit 7
Stage 2 exposures are rising, while impaired (Stage 3) exposures remain stable
Data in € million



Source: Company reports, Moody's Ratings

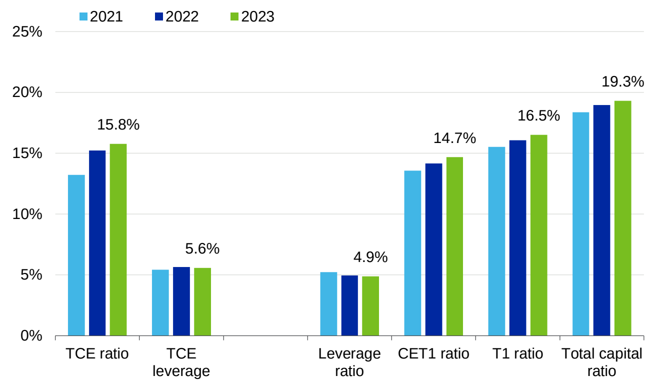
Solid capital buffers over regulatory minima will be maintained

We assign a Capital score of a2, two notches below the initial score. The negative adjustment reflects our expectation of negative risk migration leading to slightly higher risk-weighted assets (RWAs) over time as well as the bank's only moderate earnings retention in coming years.

Commerzbank's Common Equity Tier 1 (CET1) capital ratio was 14.7% as of the end of 2023, about 200 basis points higher than the 2019 level when it initiated its restructuring programme 'Commerzbank 5.0'. Management intends to keep a capital buffer of at least 250 basis points over its regulatory requirements[10], safeguarding its capital position well above the ECB's regulatory requirements (see Exhibit 9).

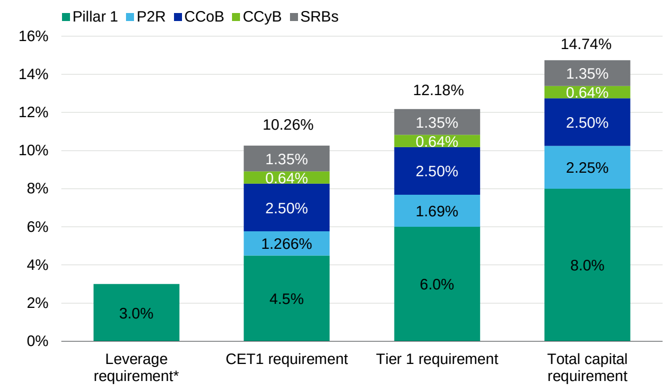
Following capital strengthening in prior years and the recovery in the bank's profitability, capital distribution will increase meaningfully. However, Commerzbank and targets to limit the anticipated total payout such that it would always maintain a CET1 capital ratio of at least 13.5%, a credit positive.

Exhibit 8
Commerzbank's capital ratios, grouped by Moody's versus regulatory view



Note: TCE = Tangible Common Equity, CET1 = Common Equity Tier 1 capital. *The TCE leverage ratio compares TCE to tangible banking assets.
Source: Company reports, Moody's Ratings

Exhibit 9
Commerzbank comfortably exceeds its regulatory minimum requirements*



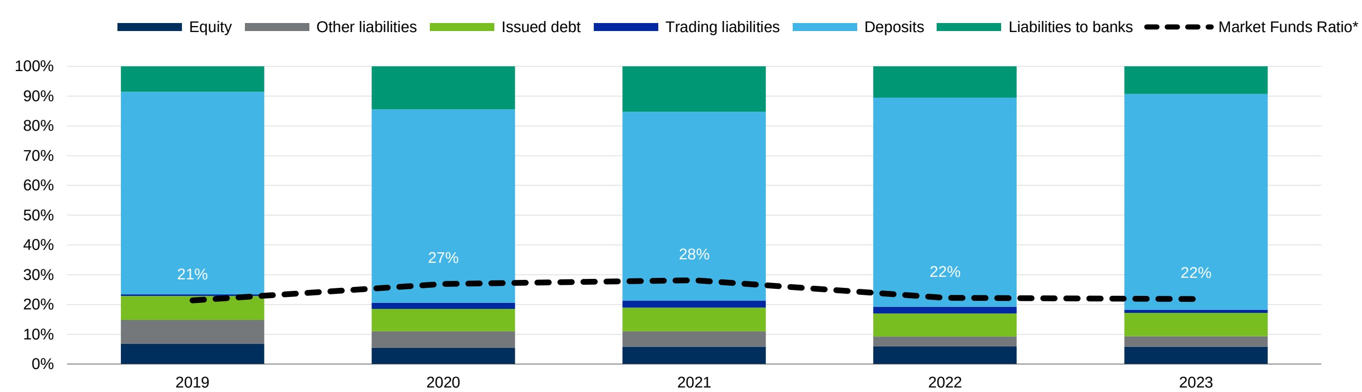
Note: *As of 31 December 2023, Commerzbank had a buffer of 436 bps over its Pillar 2 minimum CET1 requirement. P2R = Pillar 2 Requirement; CCoB = Capital Conservation Buffer; CCyB = Countercyclical Buffer; SRBs = Systemic Risk Buffers
Source: Company reports, Moody's Ratings

Moderate market funding dependence reflects sizeable and growing deposits

Commerzbank's assigned Funding Structure score is baa1, in line with the initial score, capturing our expectation of an unchanged moderate market funding dependence over the next 12-18 months.

Over the last couple of years, Commerzbank has significantly reduced refinancing risks, as demonstrated by an improved share of deposits[11] making up 58% of total liabilities as of year-end 2023, compared with 49% in 2015. Over the same period, our Market Funds ratio also improved to 21.8% in 2023 (2015: 28.3%), despite the temporary uplift in the ratio owing to the bank's participation in the ECB's targeted longer-term refinancing operations (TLTRO III) program, which has meanwhile been fully repaid.

Exhibit 10
Moderate market funding dependence benefits from continued deposit inflows
Liabilities in percent of tangible banking assets



Note: *Market Funds Ratio = Market funds/tangible banking assets.
Source: Company reports, Moody's Ratings

At the end of 2023, Commerzbank's funding benefited from around €308 billion of customer deposits[12], up 23% year-over-year. At the end of 2023, these deposits largely consisted of €202 billion of granular retail deposits (2022: €148 billion) and €98 billion of corporate deposits (2022: €97 billion). Additionally, the bank reported €81 billion of deposits from financial institutions and the public sector.

Further, as of the end of 2023, Commerzbank comfortably exceeded its minimum requirements for own funds and eligible liabilities (MREL). The bank's overall MREL ratio of 31.5% (based on RWA) stood well above the requirement of 27.46%, and it also exceeded its subordination requirement of 17.99% by a wide margin. Similarly, the bank's MREL leverage ratio of 9.4% was well above the requirement of 6.52% at the same time.

Substantial pool of high-quality liquid assets significantly reduces refinancing risks

Commerzbank's assigned Liquid Resources score is a3, one notch below the initial score. The downward adjustment considers our assessment of the bank's moderate asset encumbrance as a result of securities lending.

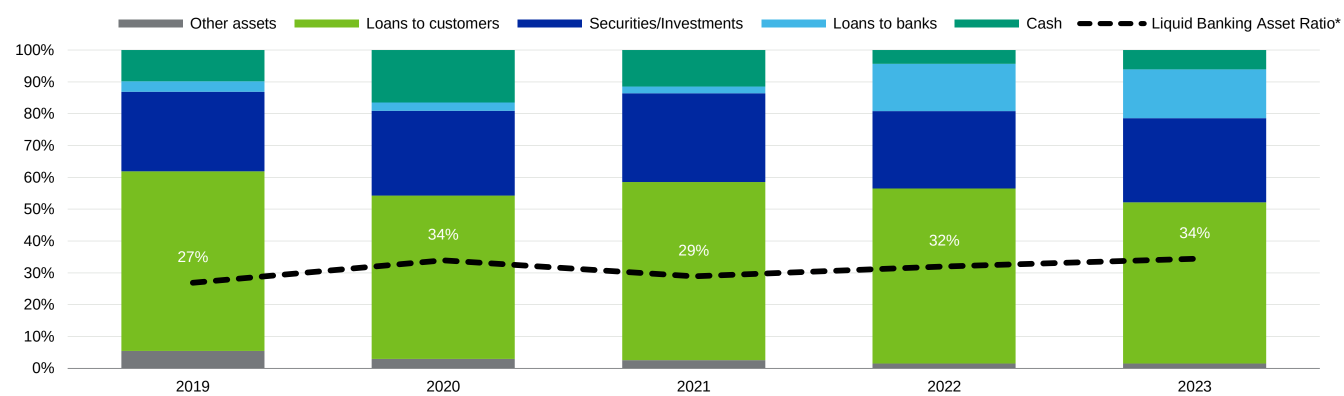
Nevertheless, high balance-sheet liquidity remains a credit-positive strength of Commerzbank. The bank's €134 billion high-quality liquidity reserve in Q4 2023 was well above requirements stipulated by the liquidity coverage ratio, which was 145%. The bank's liquidity further benefits from a moderate gross loan-to-deposit ratio of 77.4% as of 31 December 2023 compared with 84.7% in 2022. We do not expect the bank to reduce its liquidity buffers substantially following the payback of the remaining €3.5 billion of TLTRO funding in March 2024.

Commerzbank's sound liquidity is expressed in our Liquid Banking Assets ratio (see Exhibit 11), which increased to 34.4% as of the end of 2023 from 31.9% in 2022, including reported cash and interbank facilities of around €110 billion compared with €92 billion in 2022 and €69 billion of investment securities compared with €63 billion in 2022.

Exhibit 11

Commerzbank's liquidity has improved despite the almost full repayment of central bank funding, reflecting deposit inflows and reduced client appetite for loans

Asset composition, in percent of tangible banking assets

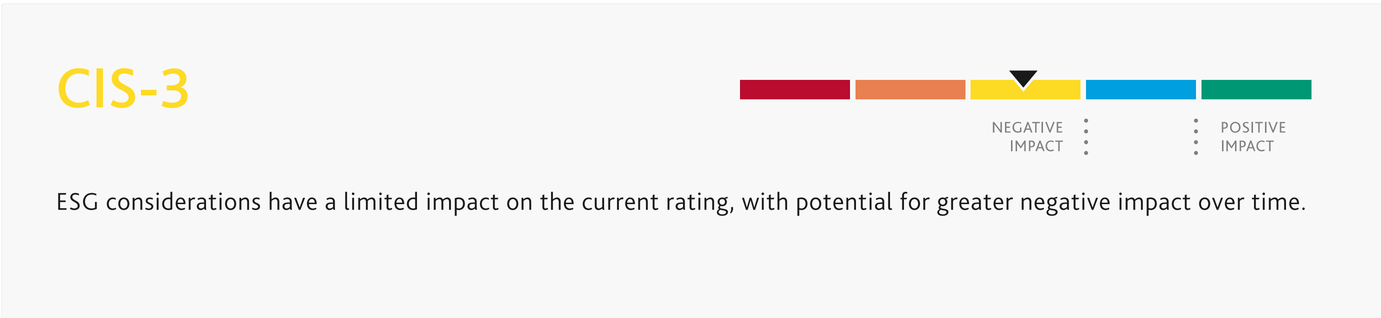


Note: *Liquid Banking Assets Ratio = Liquid assets/tangible banking assets.
Source: Company reports, Moody's Ratings

ESG considerations

Commerzbank AG's ESG credit impact score is CIS-3

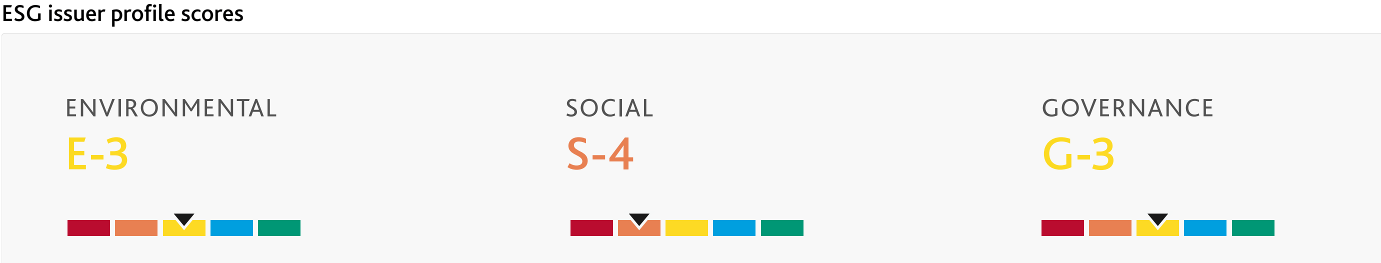
Exhibit 12
ESG credit impact score



Source: Moody's Ratings

Commerzbank's **CIS-3** indicates limited impact of ESG considerations on the ratings to date with potential for greater negative impact over time, mainly due to high social and related governance risks arising from the bank's Polish operations. The latter risk will likely be supported by the bank's successful transformation and progress towards building up a track record of sustained higher profitability post restructuring. The bank's **CIS-3** further reflects the limited credit impact of environmental risk factors on the rating to date.

Exhibit 13
ESG issuer profile scores



Source: Moody's Ratings

Environmental

Commerzbank faces moderate exposure to environmental risks primarily because of its portfolio exposure to carbon transition risk as one of Germany's largest universal banks. In line with its peers, Commerzbank is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. In response, Commerzbank has set a number of specific targets to transform its lending book. The bank in engaging in integrating climate considerations in its credit risk assessment and supporting customers to facilitate their carbon transition.

Social

Commerzbank's exposure to social risks is high, mainly stemming from customer relations and associated regulatory as well as legal and litigation risks, largely owing to its majority ownership of mBank S.A. in Poland. In relation to its legacy Swiss franc retail mortgages, the subsidiary continues to be subject to litigation and related high legal costs. Commerzbank also faces high compliance standards as well as risks related to the distribution of financial products which are mitigated by the bank's developed policies and procedures. Data security and customer privacy are critical for banks, particularly in the retail segment because they access large amounts of personal data. Cyber and personal data risks are mitigated by the bank's IT framework and cyber security, and by continued investment in digitalization.

Governance

Commerzbank faces moderate governance risks, in part owing to high social and governance risks inherent in its Polish operations, which the group has managed to largely overcome given its stronger core earnings generation and conservative provisioning policies. The assessment further takes account of the bank's efforts and progress in re-establishing a track record of sustainable higher profitability. The bank's risk management framework and corporate governance are in line with industry practices. Commerzbank is partly owned by the federal government of Germany, which is reflected in the composition of its supervisory board. Germany's developed institutional framework mitigates associated governance risks.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure (LGF) analysis

Commerzbank is subject to the EU Bank Recovery and Resolution Directive (BRRD), which we consider an operational resolution regime. Therefore, we apply our Advanced LGF analysis, where we consider the risks faced by the different debt and deposit classes across the liability structure should the bank enter resolution[13].

The results of our Advanced LGF analysis are as follows:

» For Commerzbank's deposits, our LGF analysis indicates an extremely low loss given failure, leading to three notches of rating uplift from the bank's baa2 Adjusted BCA.

» For senior unsecured debt, our LGF analysis indicates a very low loss given failure, leading to two notches of rating uplift from the bank's baa2 Adjusted BCA.

» For junior senior unsecured debt, our LGF analysis indicates a moderate loss given failure, leading to the ratings of this debt class being positioned in line with the bank's baa2 Adjusted BCA.

» For subordinated debt, our LGF analysis indicates a high loss given failure, leading to a one-notch deduction from the bank's baa2 Adjusted BCA.

Additional notching for junior subordinated and hybrid instruments

For Commerzbank's more junior debt classes, our Advanced LGF analysis indicates a high loss given failure, given the limited volume of debt and limited protection from more subordinated instruments and residual equity. This leads to a one-notch deduction from the bank's Adjusted BCA. We further incorporate additional notching for junior subordinated and hybrid debt instruments, reflecting the instrument's individual features:

» The Tier 1 instruments (Dated Silent Partnership Certificates) issued by Dresdner Funding Trust I (ISIN: US26156FAB94 or XS0097772965) are rated Baa3(hyb), one notch below the Adjusted BCA[14].

» Commerzbank's €3 billion AT1 debt program rating is rated (P)Ba2[15], reflecting the issued instruments' undated deeply subordinated claims in liquidation, as well as the securities' non-cumulative coupon deferral features, leading to a positioning of three notches below Commerzbank's baa2 Adjusted BCA.

Government support considerations

We assume a moderate probability of government support for both deposits and senior unsecured debt of Commerzbank, which we consider a domestic systemically important financial institution, resulting in one notch of additional rating uplift. For junior senior unsecured debt, subordinated debt and hybrid instruments, we believe the potential for government support is low and these ratings, therefore, do not benefit from any government support uplift.

A1/P-1 Counterparty Risk Ratings (CRRs)

The bank's CRRs are positioned four notches above the baa2 Adjusted BCA, reflecting the extremely low loss given failure from the high volume of instruments, primarily junior senior unsecured debt, which are subordinated to CRR liabilities as well as our moderate assumption of government support leading to one additional notch of rating uplift, in line with our support assumptions on deposits and senior unsecured debt.

A1(cr)/P-1(cr) Counterparty Risk (CR) Assessment

The bank's CR Assessment[16] is positioned four notches above the baa2 Adjusted BCA, based on the substantial buffer against default provided by more subordinated instruments, primarily junior senior unsecured debt, to the senior obligations represented by the CR Assessment and also benefiting from one further notch of rating uplift provided by government support.

Methodology and scorecard

The principal methodology we use in rating Commerzbank AG is the Banks Methodology, published in March 2024.

About Moody's Bank Scorecard

Our Bank Scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 14
Commerzbank AG

Macro Factors						
Weighted Macro Profile	**Strong +**	**100%**				

Factor	**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	1.9%	a1	↔	baa1	Sector concentration	Quality of assets
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	15.8%	aa3	↓	a2	Expected trend	Capital retention
Profitability						
Net Income / Tangible Assets	0.2%	b1	↑↑	ba1	Return on assets	Expected trend
Combined Solvency Score		a3		baa1		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	21.8%	baa1	↔	baa1	Extent of market funding reliance	Expected trend
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	34.4%	a2	↔	a3	Stock of liquid assets	Asset encumbrance
Combined Liquidity Score		a3		baa1		
Financial Profile				baa1		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aaa		
BCA Scorecard-indicated Outcome - Range				a3 - baa2		
Assigned BCA				baa2		
Affiliate Support notching				0		
Adjusted BCA				baa2		

Balance Sheet is not applicable.

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	-	-	-	-	-	-	-	3	0	a2
Counterparty Risk Assessment	-	-	-	-	-	-	-	3	0	a2 (cr)
Deposits	-	-	-	-	-	-	-	3	0	a2
Senior unsecured bank debt	-	-	-	-	-	-	-	2	0	a3
Junior senior unsecured bank debt	-	-	-	-	-	-	-	0	0	baa2
Dated subordinated bank debt	-	-	-	-	-	-	-	-1	0	baa3
Non-cumulative bank preference shares	-	-	-	-	-	-	-	-1	-2	ba2

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	a2	1	A1	A1
Counterparty Risk Assessment	3	0	a2 (cr)	1	A1(cr)	
Deposits	3	0	a2	1	A1	A1
Senior unsecured bank debt	2	0	a3	1	A2	A2
Junior senior unsecured bank debt	0	0	baa2	0	Baa2	Baa2
Dated subordinated bank debt	-1	0	baa3	0	Baa3	Baa3
Non-cumulative bank preference shares	-1	-2	ba2	0	Ba2 (hyb)	Ba2 (hyb)

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Disclaimer

The volume of in-scope liabilities per instrument class is currently not displayed owing to the limited public disclosure regarding the nominal volume and tenure of some of Commerzbank's loss-absorbing debt instruments.

Ratings

Exhibit 15

Category	Moody's Rating
COMMERZBANK AG	
Outlook	Positive
Counterparty Risk Rating	A1/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	A1(cr)/P-1(cr)
Issuer Rating	A2
Senior Unsecured	A2
Junior Senior Unsecured	Baa2
Junior Senior Unsecured MTN	(P)Baa2
Subordinate	Baa3
Pref. Stock Non-cumulative	Ba2 (hyb)
Commercial Paper -Dom Curr	P-1
Other Short Term	(P)P-1
COMMERZBANK FINANCE & COVERED BOND S.A.	
Outlook	Positive
Counterparty Risk Rating	A1/P-1
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	A1(cr)/P-1(cr)
Issuer Rating -Dom Curr	A2
MBANK S.A.	
Outlook	Positive
Counterparty Risk Rating	A3/P-2

Bank Deposits	Baa1/P-2
Baseline Credit Assessment	ba1
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment	A3(cr)/P-2(cr)
COMMERZBANK AG, NEW YORK BRANCH	
Outlook	Positive
Counterparty Risk Rating	A1/P-1
Counterparty Risk Assessment	A1(cr)/P-1(cr)
Senior Unsecured MTN	(P)A2
Subordinate MTN	(P)Baa3
Other Short Term	(P)P-1

Source: Moody's Investors Service

Endnotes

1 As defined by Commerzbank: Automotive; machinery; energy/utilities; construction/paper; chemicals/plastics; and metals.

2 The rating shown is mBank's deposit rating and outlook, and its Baseline Credit Assessment.

3 Excludes mBank's €1.1 billion legal charges in 2023 related to legacy Swiss franc mortgages.

4 The strategic plan Commerzbank 5.0 announced in December 2019 aimed at lower operating expenses to below €6.3 billion by 2023.

5 Excludes mBank's legal charges.

6 These exclude bank levy and deposit insurance fees which decreased to €415 million from €642 million in 2022.

7 Total share of EaD stood at 9.5% of the bank's total EaD as of 31 December 2023 and at 13.5% of the bank's risk-weighted assets as of the same date.

8 IMF data. Total stock of loans and debt securities of households as a share of GDP.

9 The CRE portfolio is almost exclusively in Germany (99%) with around 60% in prime locations (so-called A-cities), an average loan-to-value of 51% and low problem loans of around 4% at the end of 2023. In addition, nearly 50% of the portfolio has full or partial recourse to the sponsor or borrower.

10 Maximum Distributable Amount (MDA) requirement of 10.34% and resulting buffer of 435 basis points as of 1 January 2024.

11 At amortised costs within PSBC and CC segments, as of 31 December 2023.

12 At amortised costs within PSBC and CC segments, as of 31 December 2023.

13 We assume a residual TCE of 3%, post-failure losses of 8% of tangible banking assets, a 26% proportion of junior deposits, a 25% run-off of these before failure and a 5% run-off in preferred deposits. These metrics are in line with our standard assumptions.

14 Following the revisions to Germany's insolvency legislation for banks, effective 9 December 2020, the instruments' derecognition from regulatory capital, effective 1 January 2022, has changed their legal rank in insolvency, now placing them above Common Equity Tier 1 (CET1), Additional Tier 1 (AT1), as well as above Tier 2 capital instruments according to Article 46f(7a) of the German Banking Act (Kreditwesengesetz). Our assessment also reflects the fact that the coupon-skip triggers (4% Tier 1 ratio and 8% total capital ratio) of these non-cumulative instruments are unlikely to be breached. We expect these instruments to be continuously serviced in the foreseeable future.

15 Since its launch on 26 May 2020, Commerzbank has issued three notes with a combined volume of €2.25 billion (ISINs: XS2189784288, DE000CB94MF6 and DE000CZ45WA7). The low-trigger AT1 securities support the bank's regulatory capital and help to optimise its capital structure. In addition, Commerzbank has issued 1 billion USD-denominated low-trigger AT1 securities ('Undated Non-Cumulative Fixed to Reset Rate Additional Tier 1 notes' of 2019, XS2024502960.

16 The CR Assessment is an opinion on the likelihood of a default by an issuer on certain senior operating obligations and other contractual commitments.

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