COMMERZBANK

# Strategy and credit update

Fixed Income Presentation

# Disclaimer

This presentation contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include, inter alia, statements about Commerzbank's beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates, projections and targets as they are currently available to the management of Commerzbank. Forward-looking statements therefore speak only as of the date they are made, and Commerzbank undertakes no obligation to update any of them in light of new information or future events. By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, among others, the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which Commerzbank derives a substantial portion of its revenues and in which it hold a substantial portion of its assets, the development of asset prices and market volatility, potential defaults of borrowers or trading counterparties, the implementation of its strategic initiatives and the reliability of its risk management policies.

In addition, this presentation contains financial and other information which has been derived from publicly available information disclosed by persons other than Commerzbank ("external data"). In particular, external data has been derived from industry and customer-related data and other calculations taken or derived from industry reports published by third parties, market research reports and commercial publications. Commercial publications generally state that the information they contain has originated from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the calculations contained therein are based on a series of assumptions. The external data has not been independently verified by Commerzbank. Therefore, Commerzbank cannot assume any responsibility for the accuracy of the external data taken or derived from public sources.

Copies of this document are available upon request or can be downloaded from https://www.commerzbank.de/en/hauptnavigation/aktionaere/investor_relations.html

# Russia exposure 0.4% of Group EaD

## Russia exposure

- Exposure at Default (EaD) ~€1.3bn net of ~€0.4bn ECA coverage, thereof
  - ~€0.6bn to corporates of which €0.4bn are Russian customers and €0.2bn European customers
  - ~€0.5bn to banks (mainly trade finance)
  - ~€0.1bn to sovereign at Eurasija
- Above includes ~€0.3bn undrawn lines
- Above includes ~€0.6bn Commerzbank Eurasija in Moscow (100% subsidiary, balance sheet €0.8bn, 135 employees)
- The exposure is largely short-term (<1Y)
- Additional ~€0.6bn Russia related exposures, mostly pre-export financing of commodities

## Ukraine and Belarus exposure

- Below €0.1bn net exposure both in Ukraine and Belarus

# Strategy 2024

# Strategy 2024 paves the way for sustainable success

## CEO Key Messages

→ We have a clear target business model with focus on efficient and value oriented client coverage

→ Our transformation is well on track and we delivered in 2021

→ In 2022, we finalize the client facing set up and largely lock in the redundancy programme

→ We have set clear KPIs to measure the progress of the transformation in 2022

→ Sustainability has become an integral part of our strategy

→ We are committed to our 2024 targets and have decided on a capital return policy

# Clear target business model

**Focus on efficient, value oriented client coverage and sustainability**

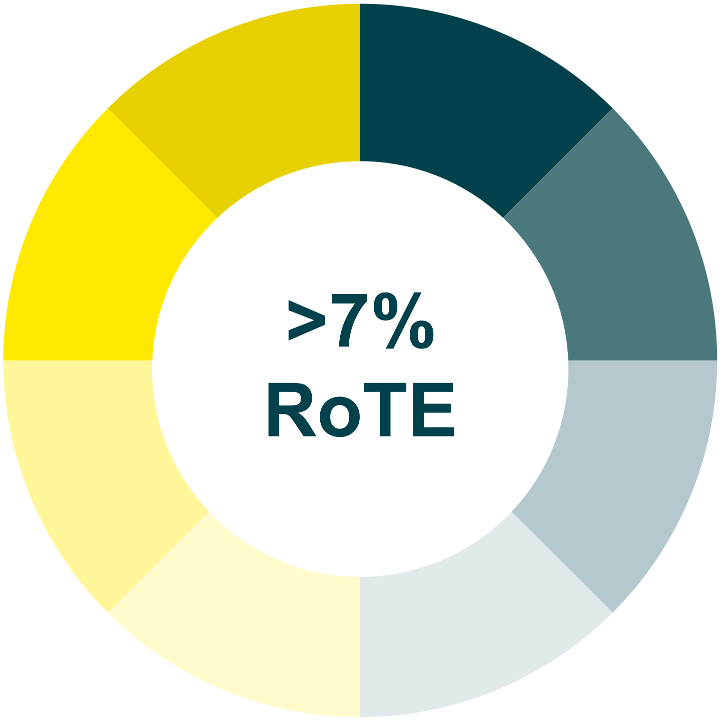
## Private & Small Business Customers

**Customer-centric**
Advisory focus on premium clients out of 220 premium branches

**Digital**
Full blown digital banking and brokerage offering

**Profitable**
Lean service network with 450 branches and remote advisory centers

**Sustainable**
Distribution of broad range of sustainable banking products and services




## Corporate Clients

**Customer-centric**
Extend leadership in banking for Mittelstand including German trade corridors abroad

**Digital**
Germany's first true direct bank for Corporates

**Profitable**
Value-oriented steering of business to meet cost of capital

**Sustainable**
Supporting customers' sustainable transition as a valued partner

# Transformation well on track

**2021**

| Group | Private & Small Business Customers | Corporate Clients |
| --- | --- | --- |
| Positive net result despite nearly €2bn one-time charges | Good momentum in client business with +9% in fee income | Stable revenues despite €7bn RWA reduction |
| >6,000 FTE reduction of ~10,000 FTE target already locked-in | First 3 advisory centers operational and reduction of ~250 branches | Start of direct bank coverage model in Germany and closure of 6 international locations |

# Client-facing setup to be completed in 2022

2022

## Private & Small Business Customers

- Strengthening of business with premium clients
- Go live of 12 advisory centers
- Target setup of ~450 branches

## Corporate Clients

- Direct bank for 7,000 clients
- Focused coverage model for the Mittelstandsbank
- 10 international locations closed

## Aspiration

**>€1bn**
Net result

**€6.3bn**
Cost base

**>13.0%**
CET1 ratio

# Clear plan for sustainability in 2022

## Key achievements

### Environmental

→ **Clear target setting**
- Banking operations Net Zero by 2040
- Customer portfolio Net Zero by 2050
- €300bn sustainable business volume

→ Sustainability anchored in **strategy** & **governance**

→ Issuance of **new policy** for **fossil fuels** to support coal phase out 2030

### Social

→ >**1,500** employees engage in different networks (e.g. female, LGBTQ and fathers network)

→ **34%** women in management positions

→ **Inclusion: 75%** of branches barrier-free

## Future milestones

→ **Achievement** of **€207bn** sustainable business volume in 2022

→ **ESG portfolio steering** according to **SBTi**
- Definition of roadmap for reduction of **$CO_2$e-emissions**
- Start with first sectors**: energy** portfolio by **>75%** and **automotive** portfolio by **>45%** until **2030**

→ Improved, solid **regulatory and reporting** setup considering EU taxonomy & TCFD

→ **40%** women in management positions by 2030

# Full commitment to targets

## Targets 2024

**€0.6bn**

Revenue increase
(vs. 2021)

**€1.3bn**

Cost reductions
(vs. 2021)

**~10,000**

Gross FTE reduction

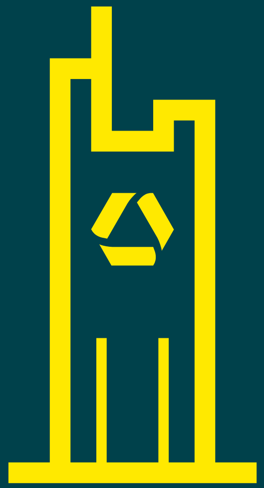
**>7%**

Group RoTE

**€3-5bn**

Potential for capital return

# PSBC: On track to achieve 2024 targets



2024

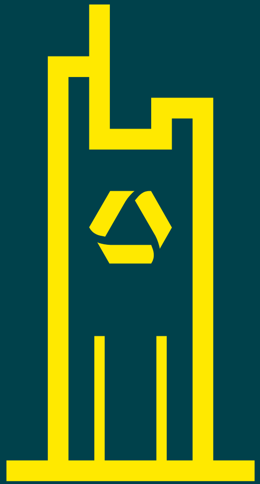
- **New sales model fully in place**
- **Active digital banking users: 73% (+7pp vs. 2020)**
- **Loan and securities volumes (GER): >€390bn (+€100bn vs. 2020)**
- **Mobile/online channels as well as self-service fully established**

# PSBC: Improve CIR further to 61% in 2024

## 2024 excl. mBank

| | Revenues | Costs incl. allocations | RWA | FTE | CIR | RoCET before tax |
|---|---|---|---|---|---|---|
| 2024 excl. mBank | €4.1bn | €2.5bn | €37bn | 7.3k | 61% | ~31% |
| 2021 | €4.0bn | €3.1bn | €31bn | 9.1k | 78% | ~21% |
| △ 2020 | +€0.2bn ✓ | -€0.1bn ✓ | +€2bn ✓ | -1.7k ✓ | -7pp ✓ | +13pp ✓ |
| 2020 | €3.8bn | €3.2bn | €28bn | 10.8k | 85% | ~9% |

# CC: Ambitious targets for 2024



**2024**

- **All MSB clients** transferred to **new coverage model**
- **100% digital banking users**
- **International footprint** streamlined: **15 locations** closed
- **Infrastructure further consolidated** – number of applications reduced by 40%
- Full impact from **profitability and headcount reduction measures** realized
- **22% of risk exposure with RWA-E <3%**

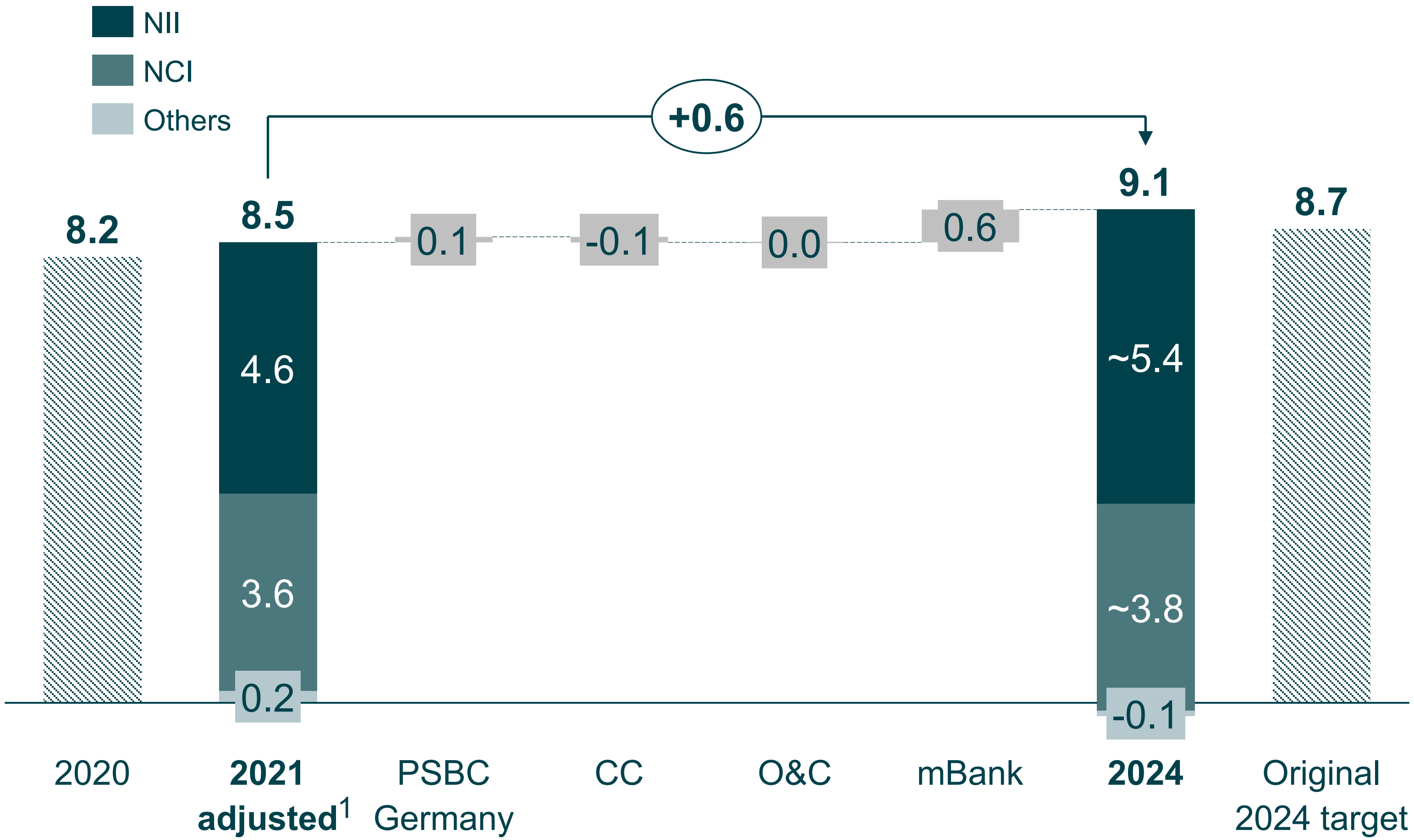
# CC: On track to reach ~10% RoCET in 2024

| | Revenues | Costs incl. allocations | RWA | FTE | CIR | RoCET before tax |
|---|---|---|---|---|---|---|
| 2024 | €3.0bn | €1.8bn | €82bn | 2.5k | 59% | ~ 10% |
| 2021 | €3.2bn | €2.4bn | €81bn | 3.1k | 75% | ~ 7% |
| ∆ 2020 | +€0.1bn ✓ | -€0.1bn ✓ | -€9bn ✓ | -450 ✓ | -5pp ✓ | +11pp ✓ |
| 2020 | €3.1bn | €2.5bn | €90bn | 3.5k | 80% | ~ - 4% |

# Improved revenue growth

## Revenues 2021 vs. 2024 incl. mBank

(€bn)



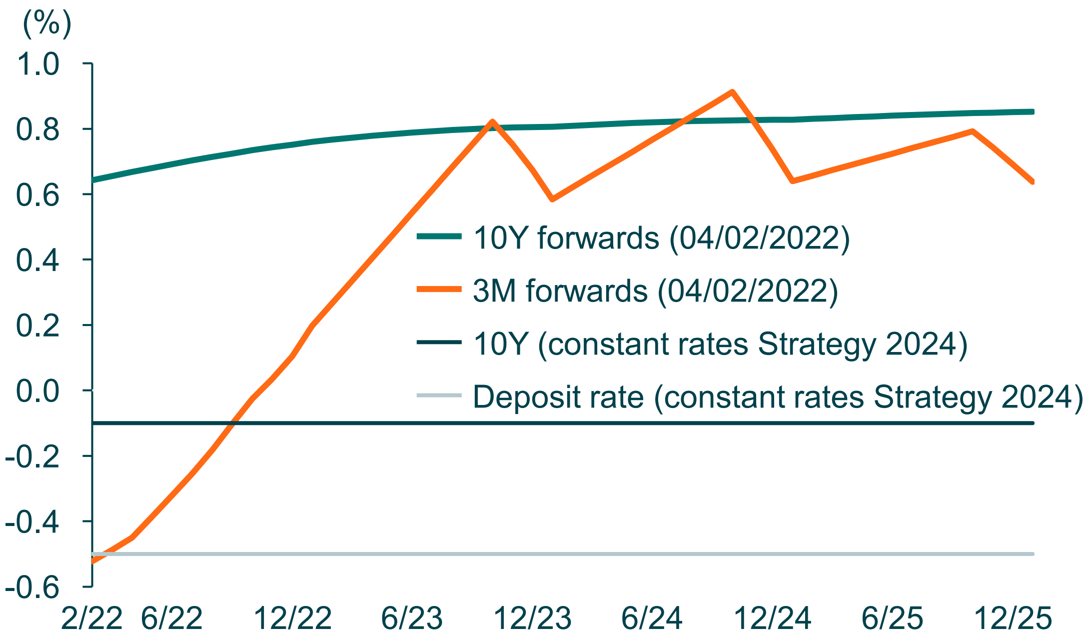

## Additional upside potential

- Rate increases Eurozone
- Less churn
- Additional growth
- VC investments

1) Revenues adjusted by exceptional revenue items, CommerzVentures contributions and reserves for CHF loans at mBank

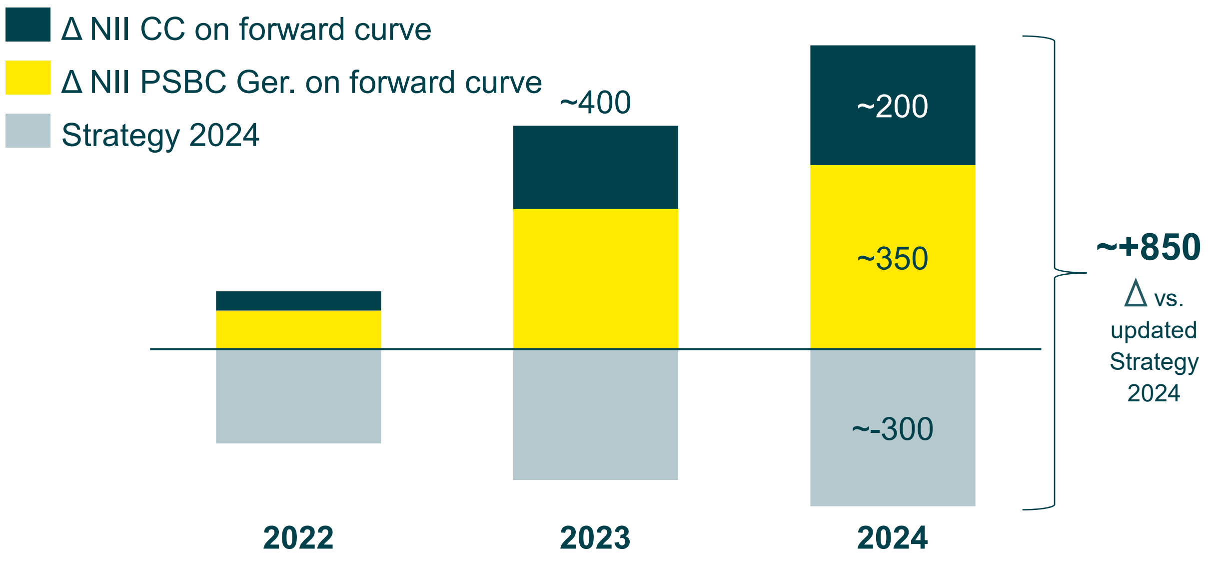
# Upside potential from higher interest rates

## EUR interest rates




## Δ NII vs. 2021 from EUR deposits at CC and PSBC Germany

(€m – based on forward curves as of 4 Feb. 2022)



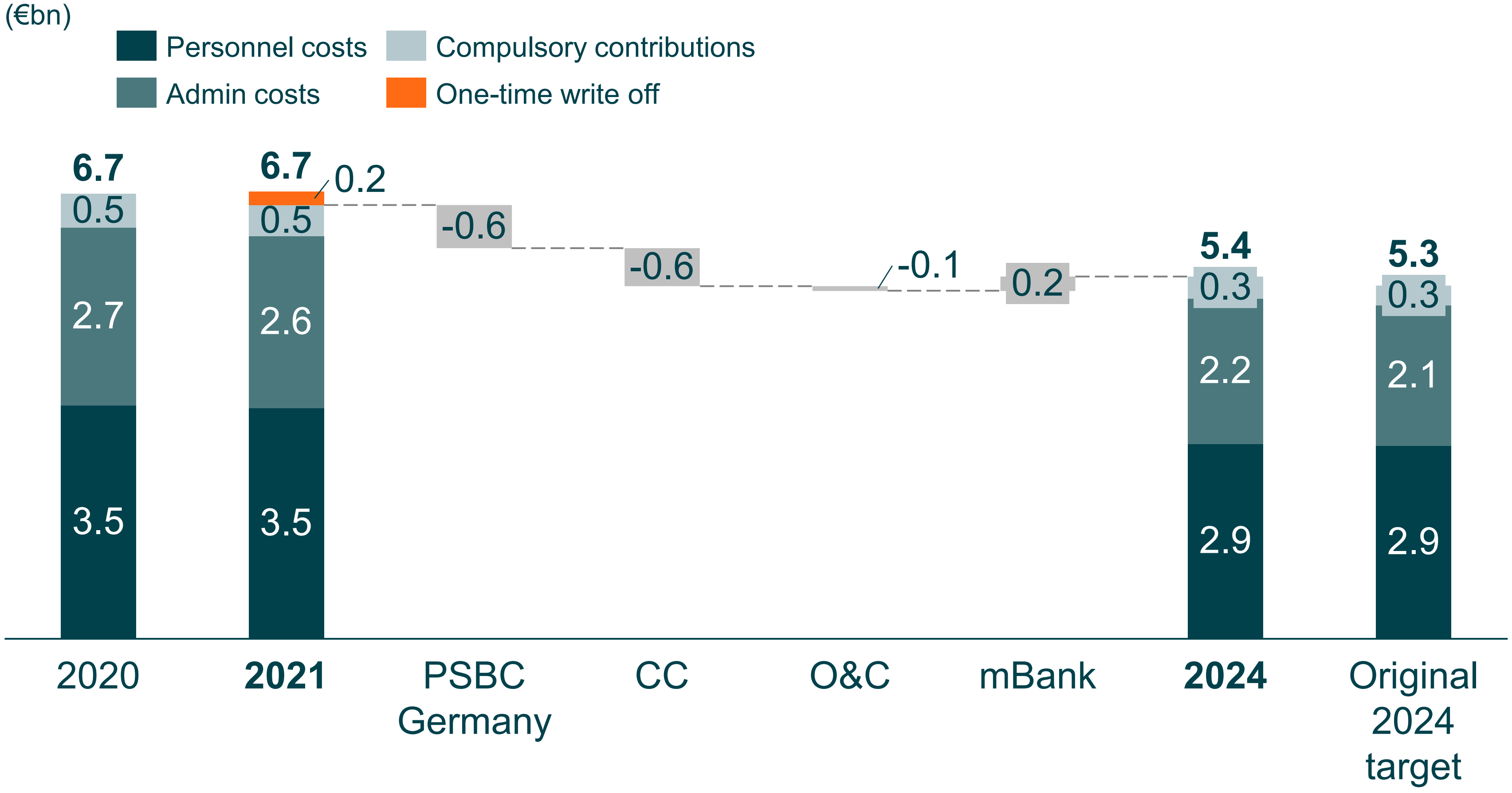

**Assumptions:**

In EUR constant deposit volumes and no deposit beta after leaving negative rates in scenario calculation

Priced EUR deposits volumes constant – charging reduced in line with rates level

# Cost savings identified and validated

## Cost reduction by segment

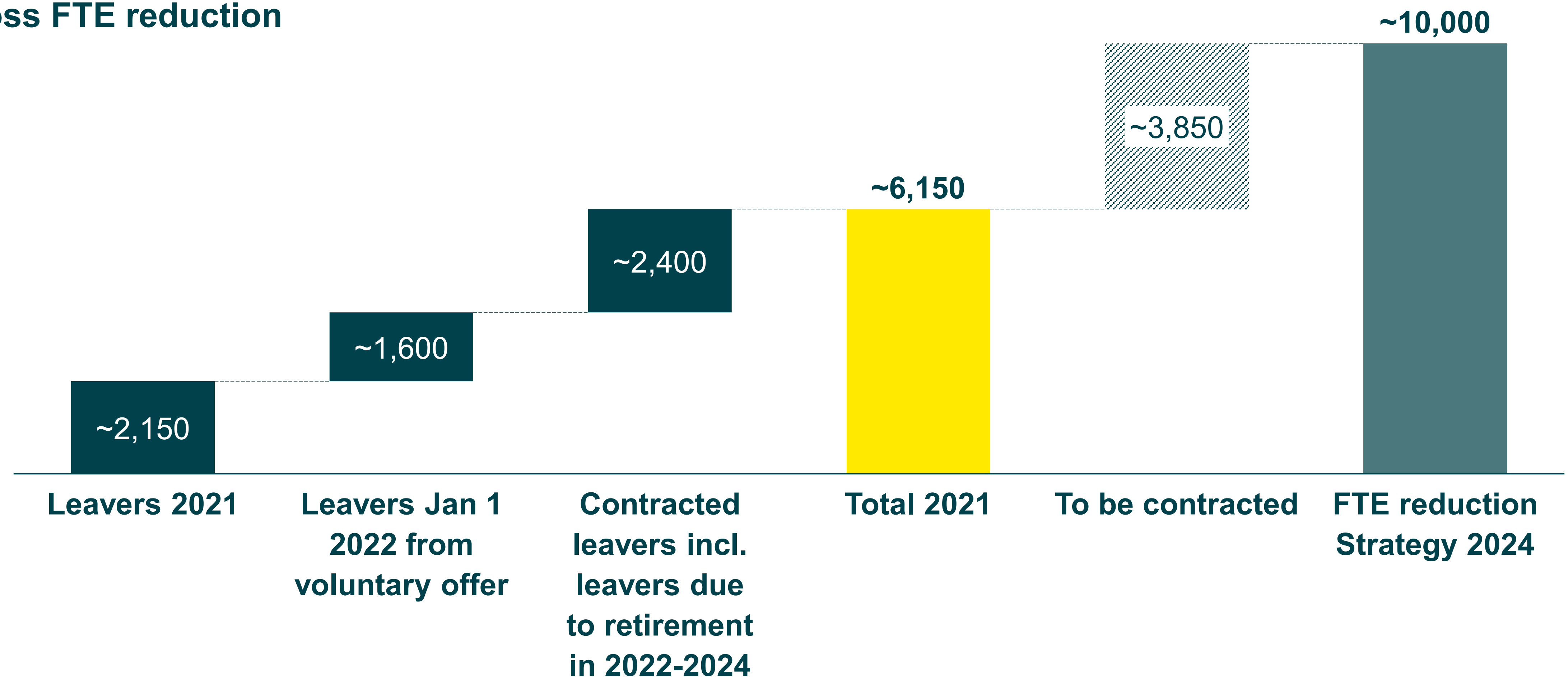



Higher costs expected at mBank due to growth case and inflation at CIR of ~40-50%

Downside potential from higher inflation in Germany (wage negotiations ongoing)

# Well on track to reach 10,000 FTE reduction target

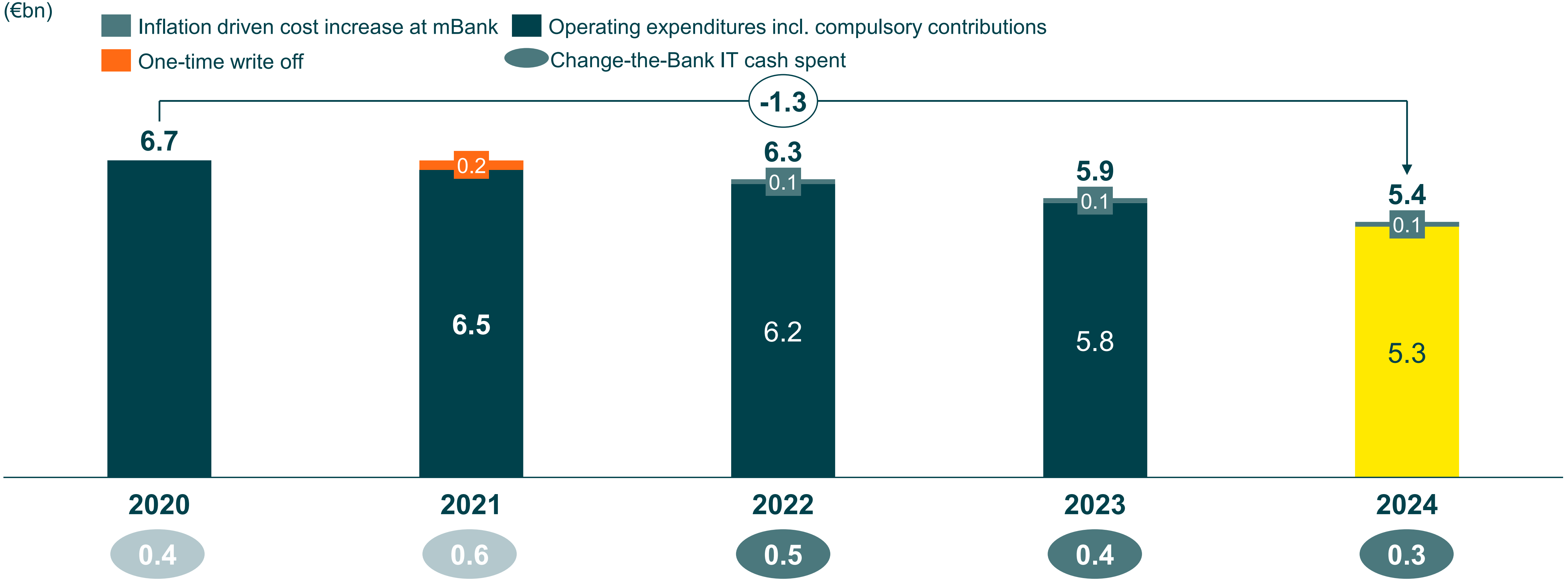
## Gross FTE reduction




**>60% of gross reduction of ~10,000 FTE already ensured in a socially responsible way**

# 1/3 of savings to be realized by 2022

## Costs incl. compulsory contributions




**IT investment 2021-2024 unchanged at €1.7bn**

# Risk result at normalised level expected

## Risk result 2020-2024

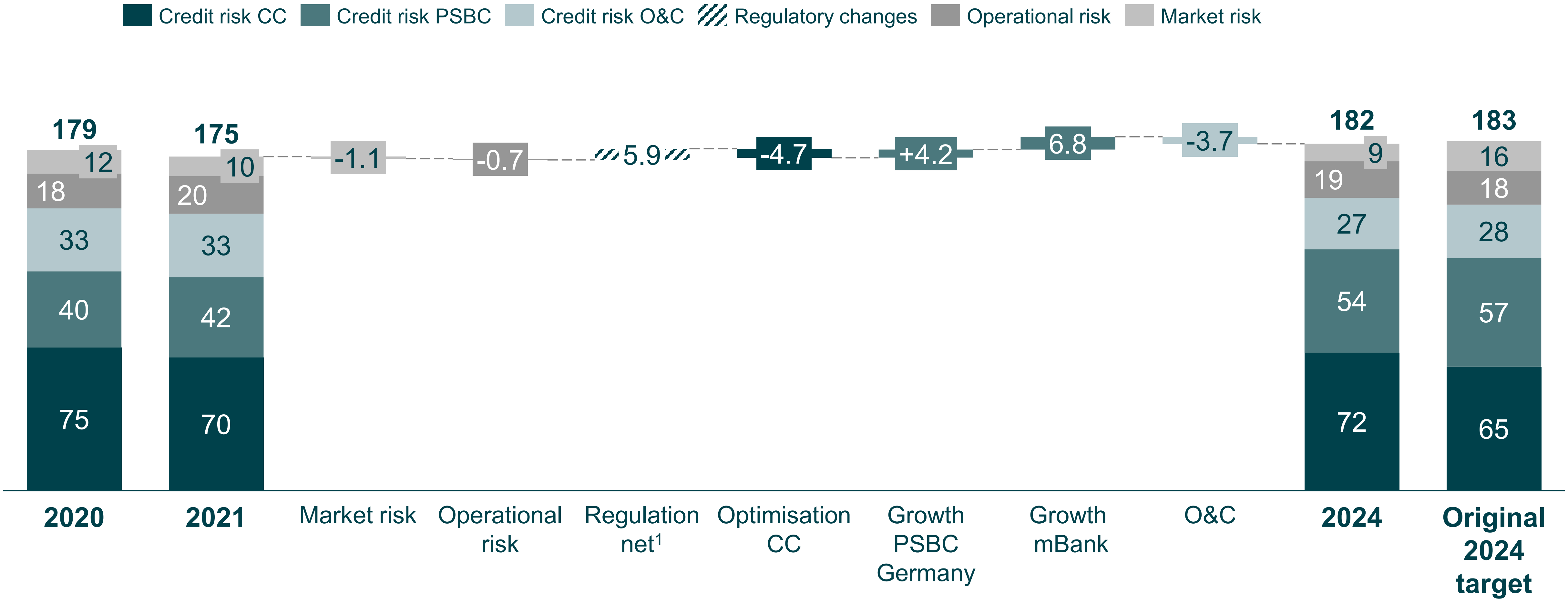
(€bn, CoRL in bps)


**Assumption that TLA is used up by COVID-19 related effects**

# RWA reallocation to support growth

## Development of RWA 2021 vs. 2024

(€bn)




1) ~ €7.0bn Credit risk CC, ~ €1.2bn Credit risk PSBC, ~ -€2.3bn Credit risk O&C

# Capital return policy with attractive future pay-outs

## Key elements

**Dividend payment of 30% of net profits in 2022 intended**

**30% to 50% pay-out of net profits thereafter**

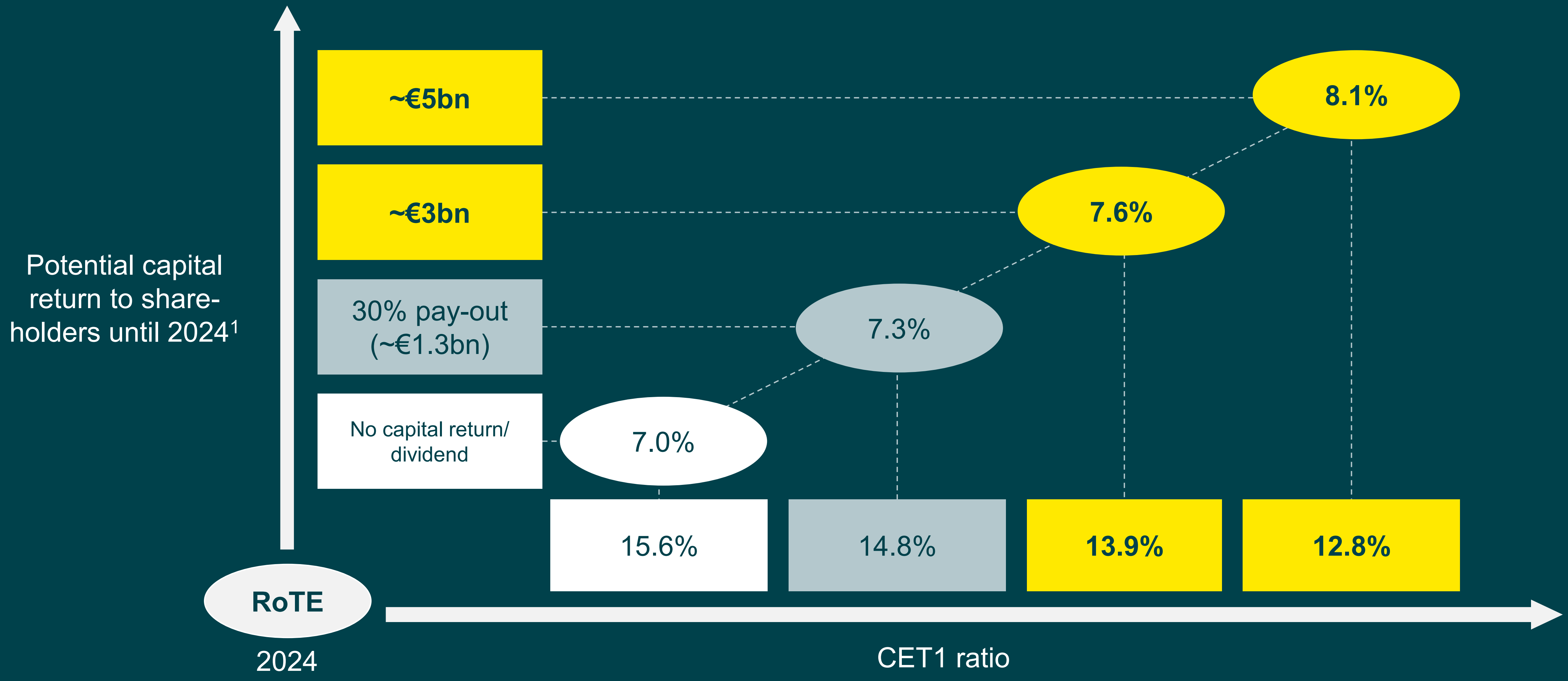
**Share buyback considered as part of pay-out ratio or additional payment**

### Capital Return Policy

- Commerzbank intends to propose the payment of a dividend with a pay-out ratio of 30% to 50% of the IFRS net profits*.
- If the targets for the financial year 2022 are achieved, Commerzbank intends to propose a dividend payment of 30% of the IFRS net profits* already for 2022.
- Prerequisite for a dividend is a CET1 ratio that is at least 200 basis points above the MDA after dividend payment.
- Subject to the further successful execution of Strategy 2024 and a regulatory approval, share buybacks can be considered as part of the pay-out ratio or as an additional payment.
- The dividend policy reflects the current targets of the management board and the supervisory board and may be amended in future. Every year, a prerequisite for a dividend payment is a corresponding proposal by the managing board and the supervisory board.
- A dividend needs the approval of the shareholders at the Annual General Meeting (AGM). Buy-backs can be implemented within the framework that has been approved by the AGM.

* after deduction of AT1 coupon payments and minority interests

# Significant potential for capital return




1) Share buy backs are subject to receiving the prior permission of the ECB

# Financial Results 2021

# Q4 with good operating performance

Operating result of €141m in Q4 and €1,183m FY

Q4 net result of €421m includes tax gain of €199m

FY net result €430m

Increase in underlying NII by 5% YoY

Increase in underlying NCI by 10% YoY

CommerzVentures contributed €135m in Q4

Increase in provisions for CHF loans by €436m – total provisions at €899m

Q4 costs of €1,646m and FY costs of €6,706m in line with target excluding Q2 one-off

Q4 risk result of €313m and FY €570m

Overall level of Top Level Adjustment (TLA) increased slightly to €523m

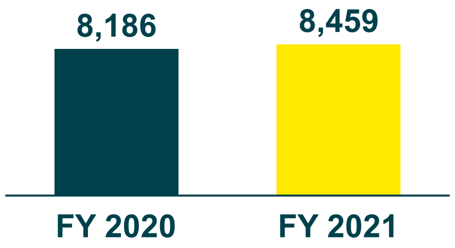
NPE ratio at low 0.9%

CET1 ratio further strengthened to 13.6%

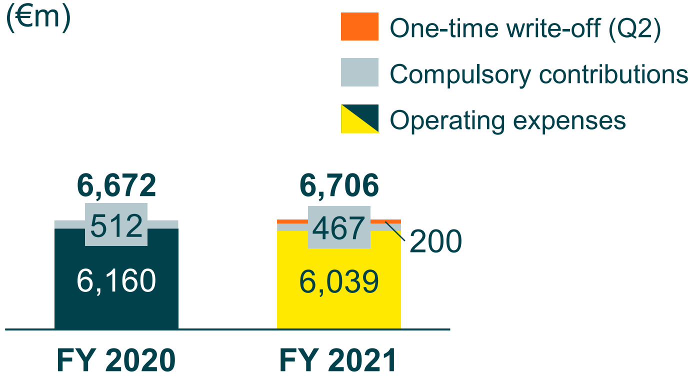
Buffer to MDA further increased to ~420bp

# Strong operating result and CET1 ratio in 2021

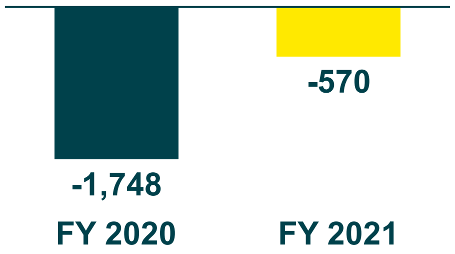
## Revenues
(€m)



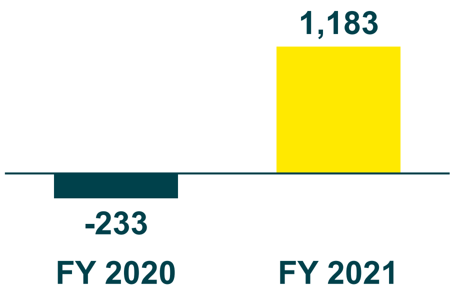

## Costs
(€m)



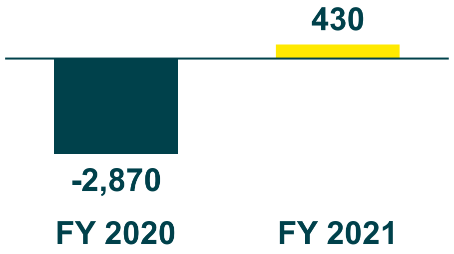

## Risk result
(€m)



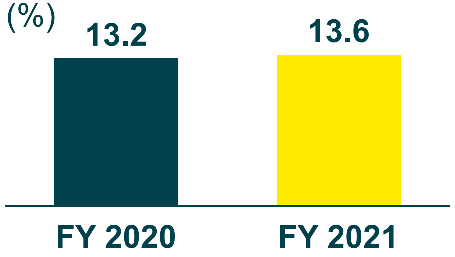

## Operating result
(€m)




## Net result[1]
(€m)



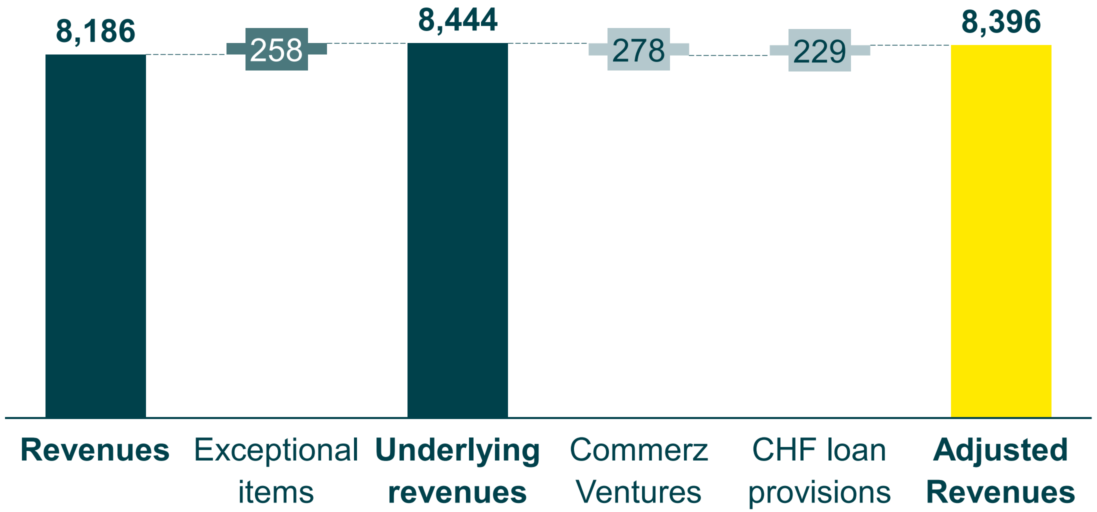

## CET1 ratio[2]
(%)



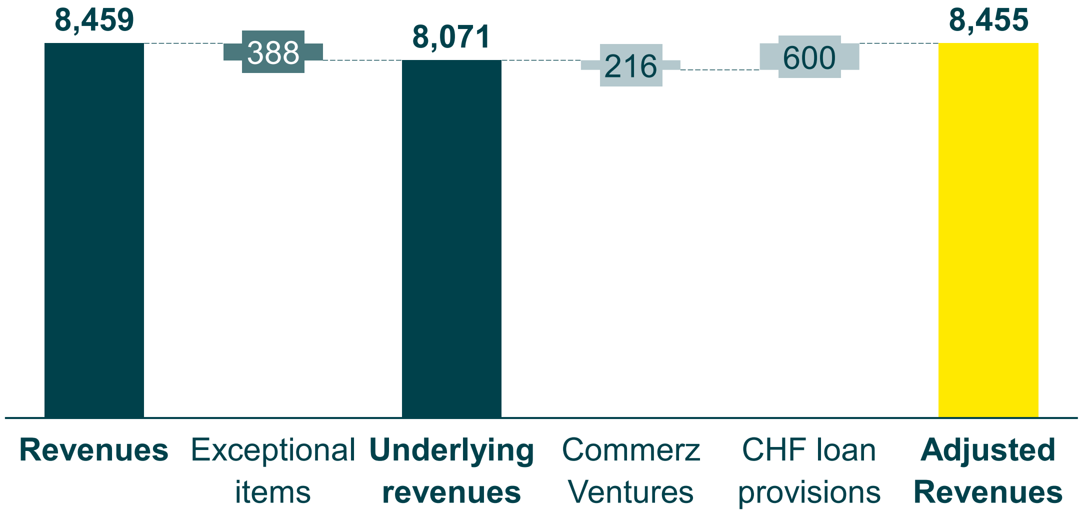

1) Consolidated result attributable to Commerzbank shareholders and investors in additional equity components
2) Includes net result reduced by dividend accrual if applicable and potential (fully discretionary) AT1 coupons

# Revenues and adjusted revenues above 2020 level

**Revenues 2020**
(€m)




**Revenues 2021**
(€m)




**Highlights**

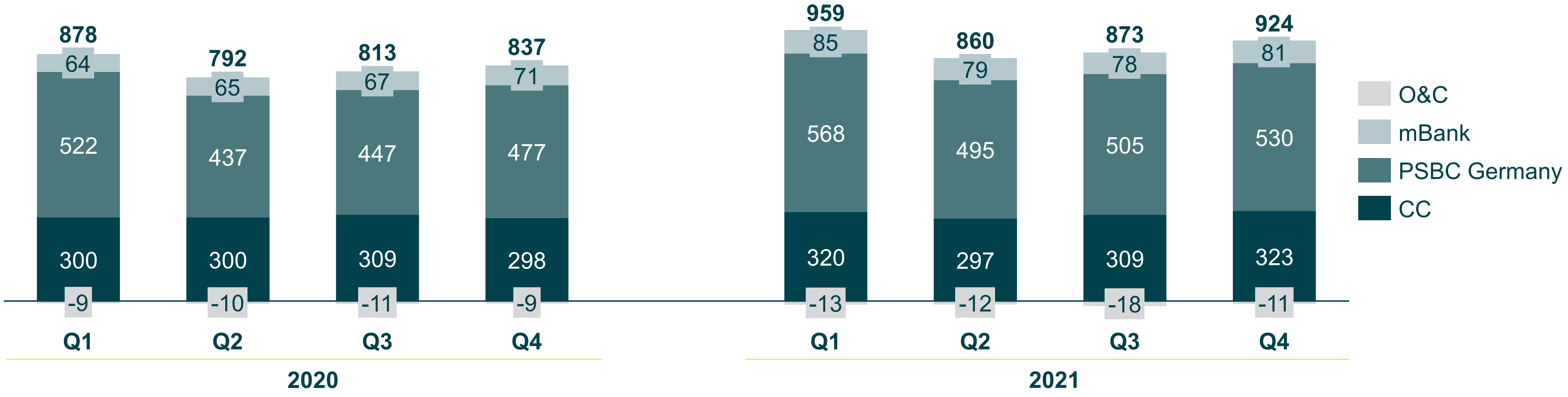
Positive trend in underlying customer business in 2021 drives improved adjusted revenues

CommerzVentures with second year of strong contributions (main contributions in 2021 from investments in Marqeta, Bought By Many and Mambu)

Significant increase of provisions for CHF loans at mBank – total provisions stand at €899m

# Strong NCI from securities business

**Underlying net commission income**
(€m)

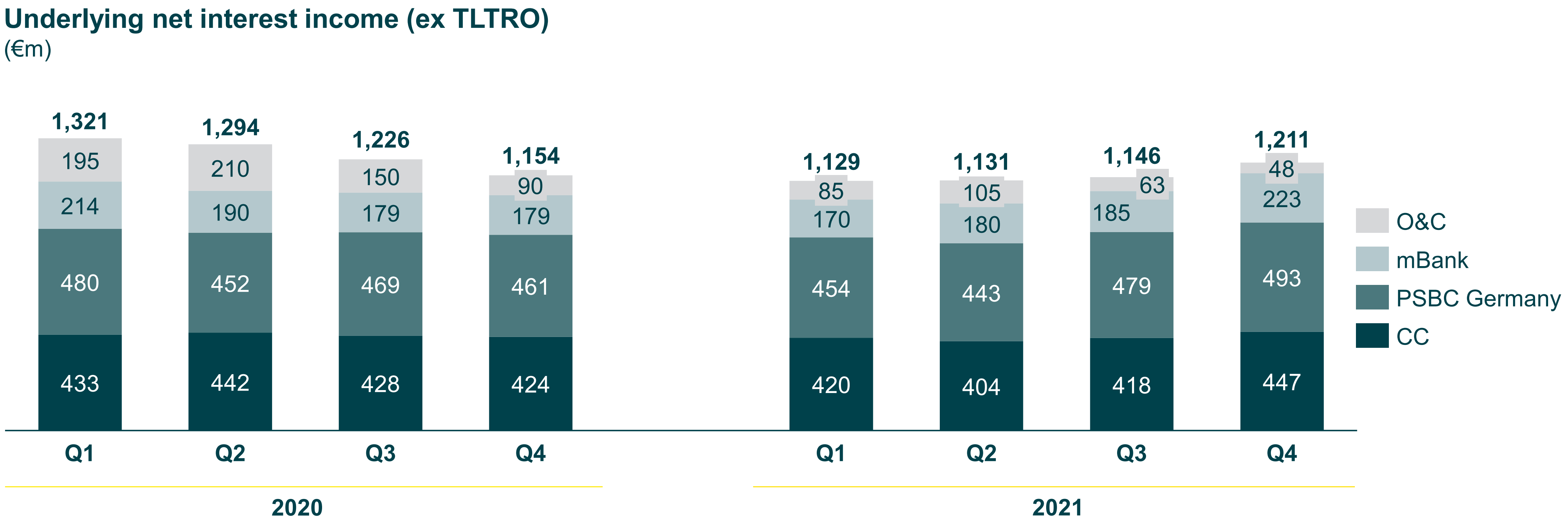



**Highlights Q4**

NCI in PSBC (+12% YoY) reflects strong securities business in Germany continuing to benefit from increased securities volume in custody

Commission income in CC reflects increased contribution from payments and FX business

# Increased underlying net interest income in Q4




**Highlights Q4**

Increased NII in PSBC Germany with higher contributions from the loan business and also deposits due to increased deposit pricing

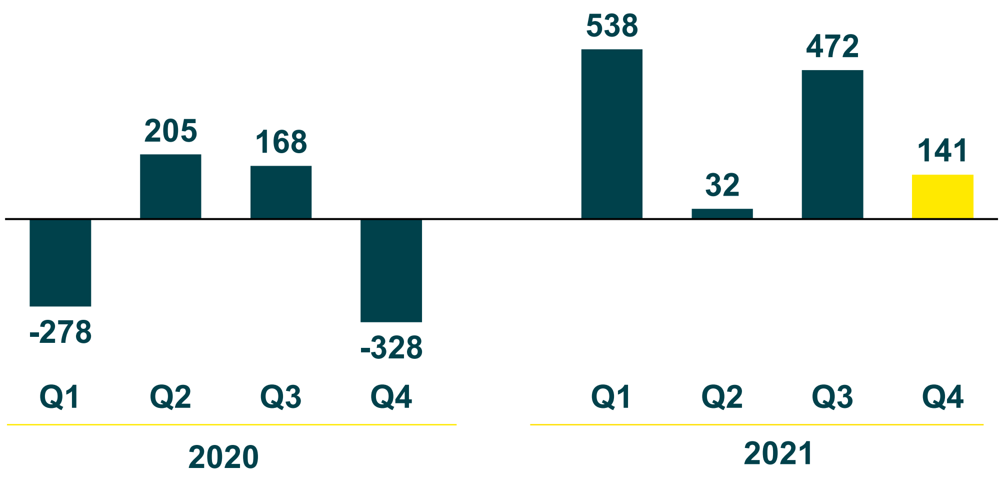
mBank benefits from increased interest rates in Poland

Better NII in CC with higher contributions from deposits and stable contributions from loans

TLTRO benefits (€126m in Q1, €42m in Q2, €95m in Q4) reported as exceptional revenue items

# Group with good results in Q4 and FY 2021

## Group operating result
(€m)




## Group P&L

| in €m | Q4 2020 | Q3 2021 | Q4 2021 | FY 2020 | FY 2021 |
|---|---|---|---|---|---|
| Revenues | 2,029 | 2,006 | 2,099 | 8,186 | 8,459 |
| Exceptional items | -19 | -9 | 235 | -258 | 388 |
| ***Revenues excl. exceptional items*** | ***2,047*** | ***2,015*** | ***1,864*** | ***8,444*** | ***8,071*** |
| *o/w Net interest income* | *1,154* | *1,146* | *1,211* | *4,996* | *4,617* |
| *o/w Net commission income* | *837* | *873* | *924* | *3,320* | *3,616* |
| *o/w Net fair value result* | *196* | *129* | *188* | *342* | *725* |
| *o/w Other income* | *-140* | *-132* | *-459* | *-213* | *-886* |
| Risk result | -681 | -22 | -313 | -1,748 | -570 |
| Operating expenses | 1,609 | 1,485 | 1,581 | 6,160 | 6,239 |
| Compulsory contributions | 67 | 27 | 65 | 512 | 467 |
| **Operating result** | **-328** | **472** | **141** | **-233** | **1,183** |
| Impairments on goodwill and other intangible assets | 1,578 | - | - | 1,578 | - |
| Restructuring expenses | 614 | 76 | 26 | 814 | 1,078 |
| **Pre-tax profit discontinued operations** | **-10** | **-** | **-** | **30** | **-** |
| **Pre-tax profit Commerzbank Group** | **-2,530** | **396** | **115** | **-2,597** | **105** |
| Taxes on income | 199 | -6 | -199 | 264 | -248 |
| Minority interests | -26 | -1 | -107 | 9 | -77 |
| **Net result** | **-2,702** | **403** | **421** | **-2,870** | **430** |
| CIR (excl. compulsory contributions) (%) | 79.3 | 74.0 | 75.3 | 75.2 | 73.8 |
| CIR (incl. compulsory contributions) (%) | 82.6 | 75.4 | 78.4 | 81.5 | 79.3 |
| Net RoTE (%) | -44.0 | 5.8 | 6.0 | -11.7 | 1.0 |
| Operating RoCET (%) | -5.4 | 7.9 | 2.4 | -1.0 | 5.0 |

## Highlights Q4

YoY increase in operating result driven by solid customer revenues and lower risk result

QoQ lower operating result due to risk result and increase of provisions for CHF loans in Poland

Underlying NII increased by 5% and underlying NCI by 10% YoY based on strong customer business

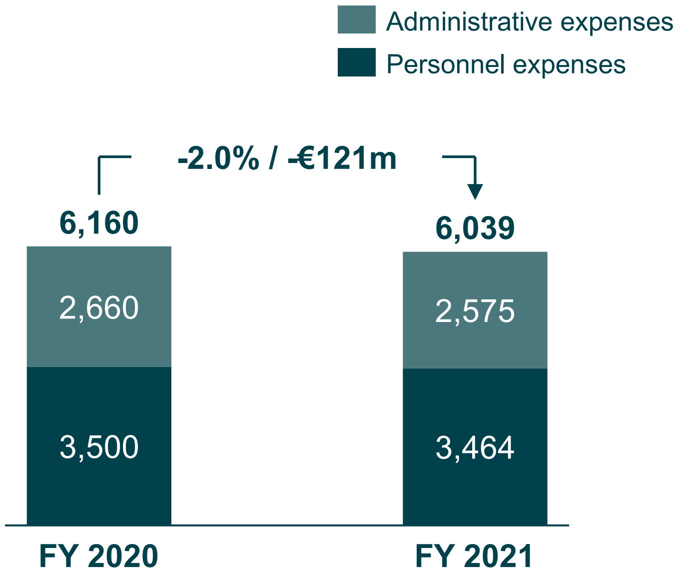
Other income mainly reflects provisions for CHF loans in Poland

NFV result benefits from investment valuations of CommerzVentures

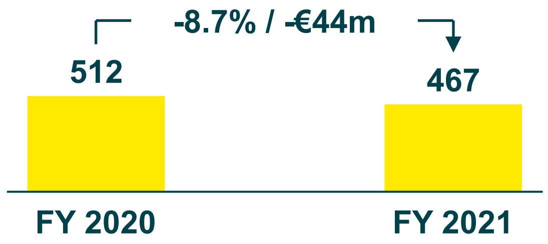
Positive tax mainly due to improved outlook and respective DTAs

# Strict cost management

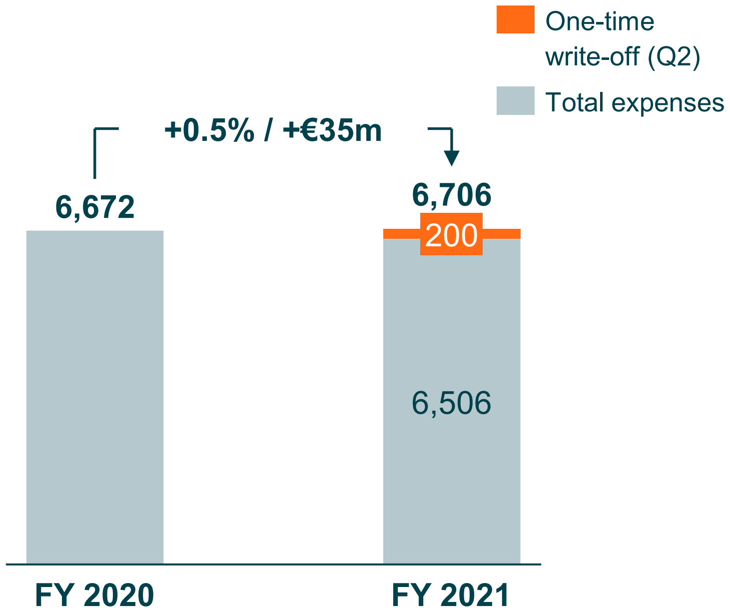
## Operating expenses (excl. Q2 one-off)
(€m)




## Compulsory contributions
(€m)




## Total expenses
(€m)




**Highlights**

Personnel expenses benefit from a ~1,200 net FTE reduction YoY to 38,298 – partly offset by wage adjustments and higher variable compensation. In addition, ~1,600 FTE left the bank on 1 January 2022 via voluntary programs

Decrease in administrative expenses for advertising, regular depreciation and travel

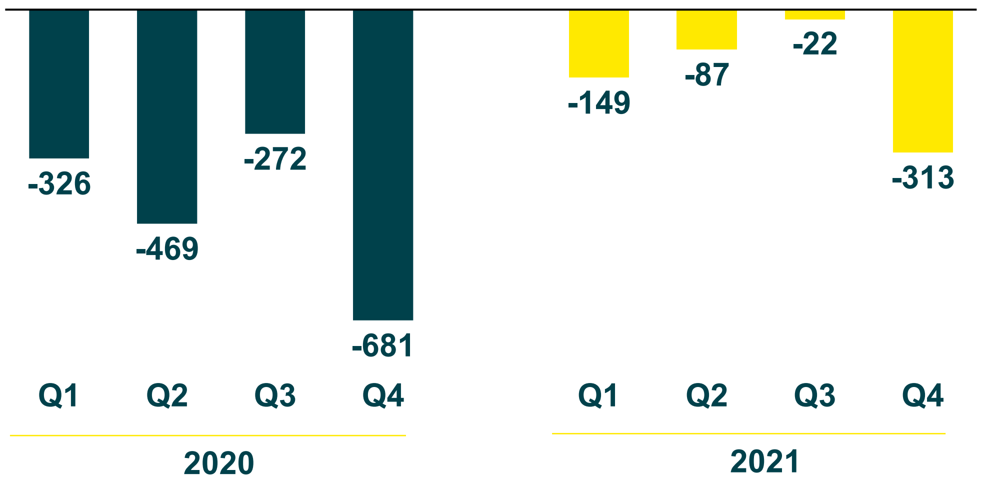
Reduced compulsory contributions due to usage of payment commitments

~€570m investment spending on digitalisation, IT infrastructure and regulatory topics

Total expenses burdened by one-time write-off for the discontinuation of securities outsourcing project in Q2

# Risk result of €570m significantly below previous year

## Risk result
(€m)




## Risk result divisional split

| Risk Result in €m | Q4 2020 | Q3 2021 | Q4 2021 | FY 2020 | FY 2021 |
|---|---|---|---|---|---|
| Private and Small Business Customers | -118 | 1 | -194 | -562 | -319 |
| Corporate Clients | -505 | -29 | -81 | -1,081 | -149 |
| Others & Consolidation | -57 | 6 | -38 | -106 | -101 |
| **Group** | **-681** | **-22** | **-313** | **-1,748** | **-570** |
| **NPE in €bn** | | | | | |
| Private and Small Business Customers | 2.0 | 1.9 | 1.8 | 2.0 | 1.8 |
| Corporate Clients | 2.3 | 2.2 | 2.1 | 2.3 | 2.1 |
| Others & Consolidation | 0.4 | 0.2 | 0.2 | 0.4 | 0.2 |
| **Group** | **4.8** | **4.3** | **4.2** | **4.8** | **4.2** |
| Group NPE ratio (in %) | 1.0 | 0.8 | 0.9 | 1.0 | 0.9 |
| Group CoR (bps) | 37 | 7 | 12 | 37 | 12 |
| Group CoR on Loans (CoRL) (bps) | 68 | 13 | 22 | 68 | 22 |

## Highlights Q4

Q4 risk result of €313m includes €99m IFRS9 parameter update and net €27m increase of Top Level Adjustment (TLA)

€187m risk result excluding these effects

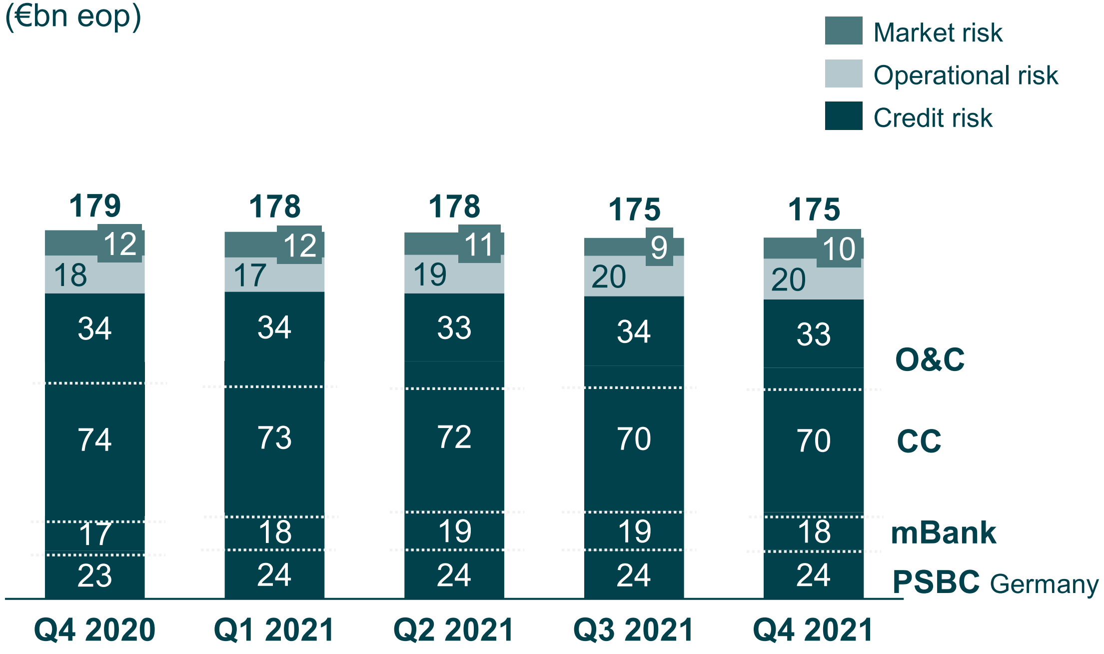
TLA increased by €42m in PSBC and reduced by €14m in CC – in total €523m TLA available to cover future effects of pandemic

IFRS9 parameter update effect of €59m in PSBC, €21m in CC and €19m in O&C

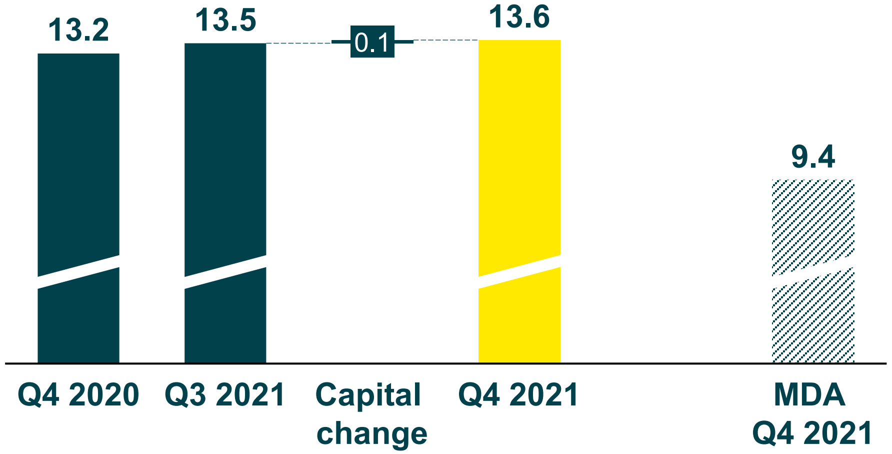
Remaining risk result (excluding TLA and IFRS9 effects) of €74m in CC due to a few single cases – €93m in PSBC mainly due to mBank (€78m)

# Robust CET1 ratio of 13.6% and buffer to MDA of ~420bp

## RWA development by risk types
(€bn eop)




## Transition of CET1 ratio
(%)




**Highlights**

Credit RWA €1.5bn lower QoQ driven by reduced volumes

YoY RWA reduction was driven by strategy related €4bn decrease in credit RWAs of CC

Increased capital in Q4 – positive contribution from net result partly offset by decreased other comprehensive income and increased capital deductions

# Objectives and expectations for 2022

- Despite potential churn, we expect underlying NII and NCI to increase due to higher NII in mBank from rates increases in Poland
- We target costs of €6.3bn due to inflation driven costs at mBank while sticking to the cost reduction path in Germany
- We expect a risk result below €700m
- We expect a CET1 ratio >13%
- We expect a net result of >€1bn and aim to pay a dividend with pay-out ratio of 30%[1]

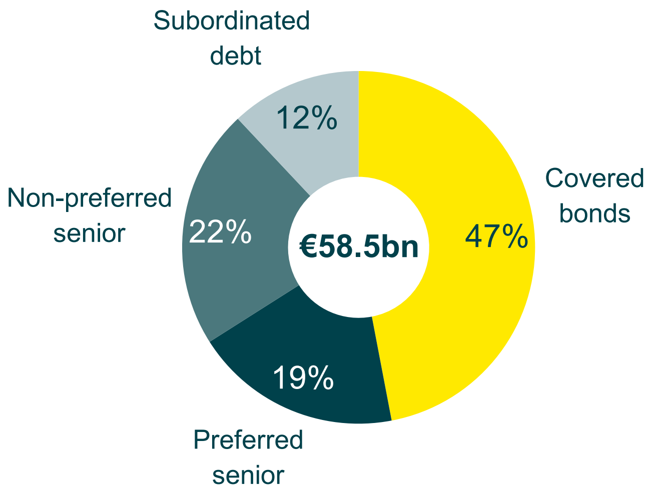
**Note: Expectations are based on the assumption that there are no material additional provisions for the CHF loan portfolio at mBank in 2022**

1) Pay-out ratio based on net result after potential (fully discretionary) AT1 coupon payments

# Funding

# Capital markets funding – €3.6bn issued in 2021

**Funding structure[1]**
(as of 31 December 2021)

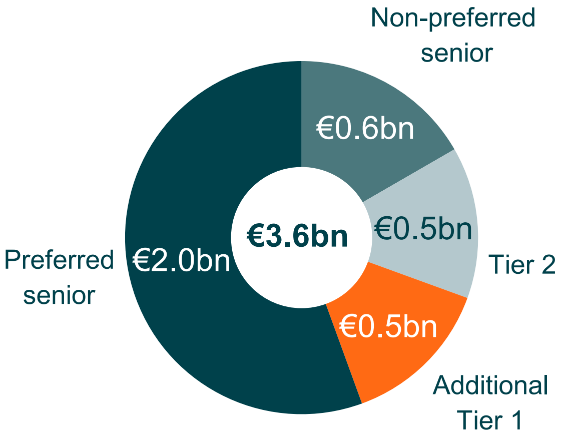



**Highlights**

- Additional Tier 1 capital: €500m perp non-call April 2028 (call period starts October 2027) with 4.25% p.a. coupon
- Tier 2: €500m benchmark transaction 1,375% p.a. 10.25 years non-call 5.25 years (call period starts September 2026)
- Preferred senior: €750m benchmark transaction with maturity September 2025; €700m Floating rate note with maturity November 2023 and inaugural GBP 250m 3 years issuance
- mBank: €500m non-preferred senior green benchmark transaction 6 years non-call 5 years
- Funding requirements in 2022 impacted by ECB's TLTRO III and RWA optimization

**Funding plan 2022 below €5bn**

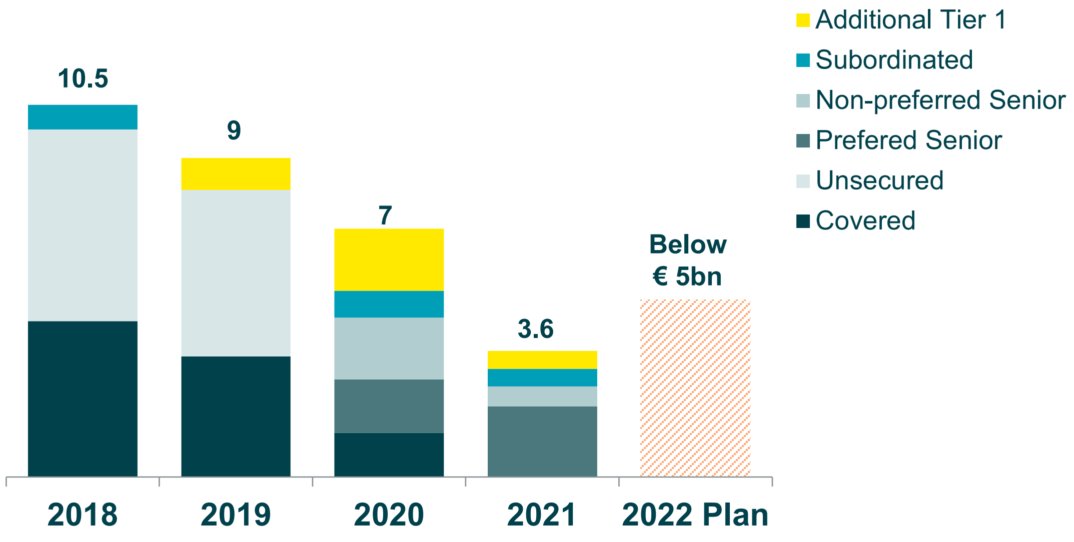
**Group issuance activities 2021**
(nominal values)



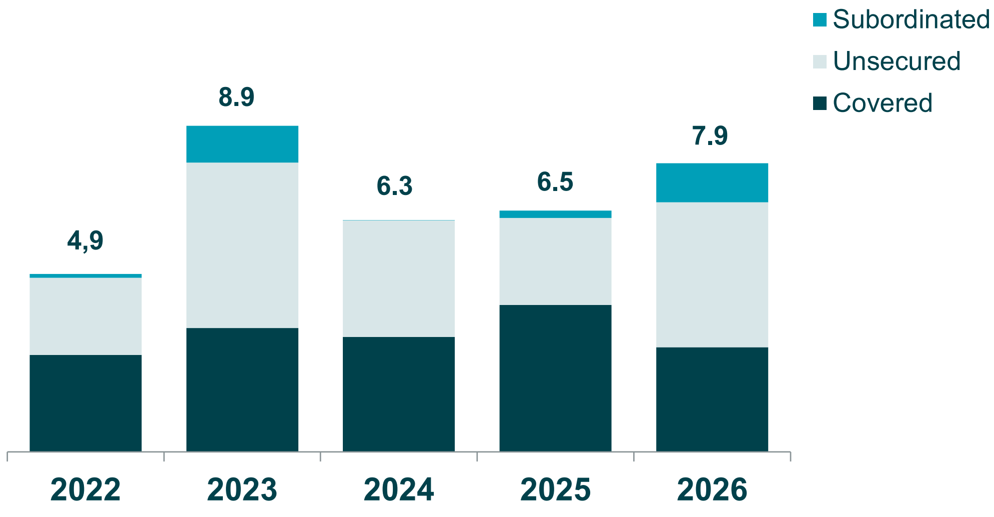

1) Based on balance sheet figures

# Capital markets funding plan 2022 below € 5bn

**New issues activities**[1]
(€bn)




**Maturities until 2026**[2;]
(€bn)




**Details**

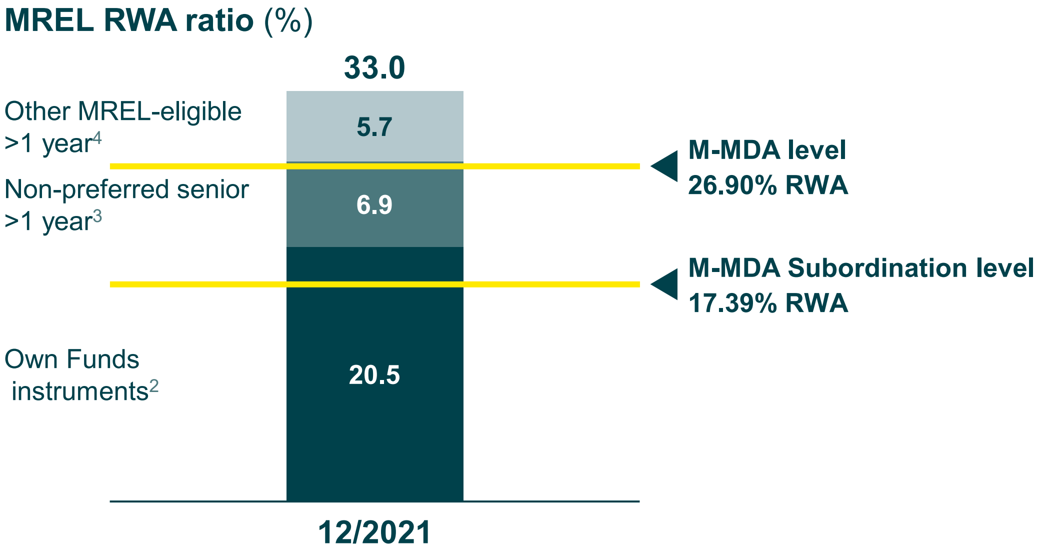
- Funding requirements influenced by participation in ECB's TLTRO III and RWA optimisation under new strategy
- Continued focus on diversification of funding
- Well balanced maturity profile

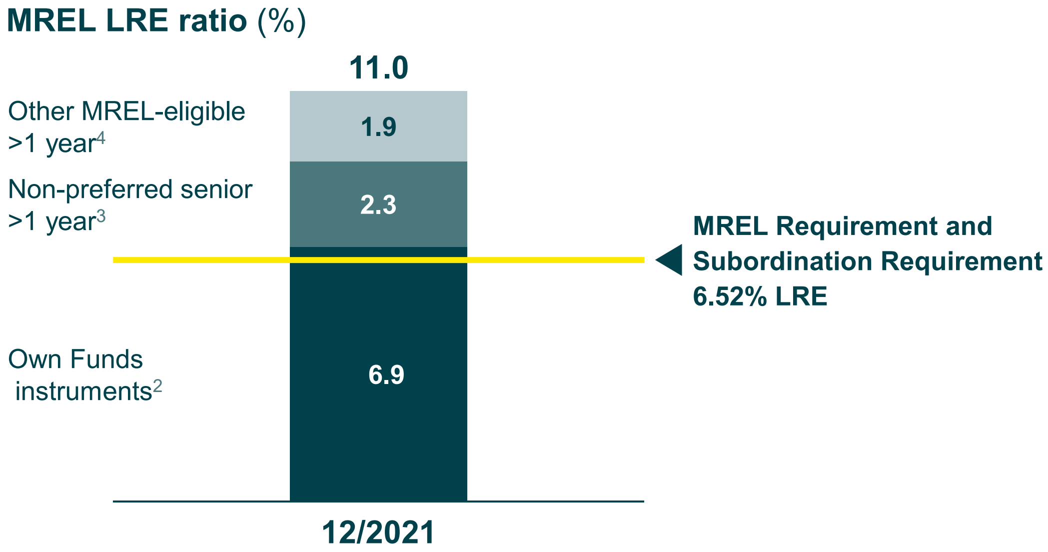
1) Nominal value
2) Based on balance sheet figures; senior unsecured bonds includes preferred and non-preferred senior bonds

# Comfortable fulfilment of RWA and LRE MREL requirements

**MREL Requirements and M-MDA**

- Based on data as of 31 December 2021, Commerzbank fulfils the MREL RWA requirement[1] of 23.13% plus the Combined Buffer Requirement (CBR) of 3.77% with a MREL ratio of 33.0% and the MREL subordination requirement of 13.62% plus CBR of 3.77% with a ratio of 27.4% of RWA
- Both the MREL LRE ratio of 11.0% and MREL Subordination LRE ratio of 9.2% comfortably meet the requirement of 6.52%, each as of 31 December 2021
- The issuance strategy is consistent with both RWA and LRE based MPE MREL requirements
- A new MREL requirement is expected within the next review cycle (H1 2022)

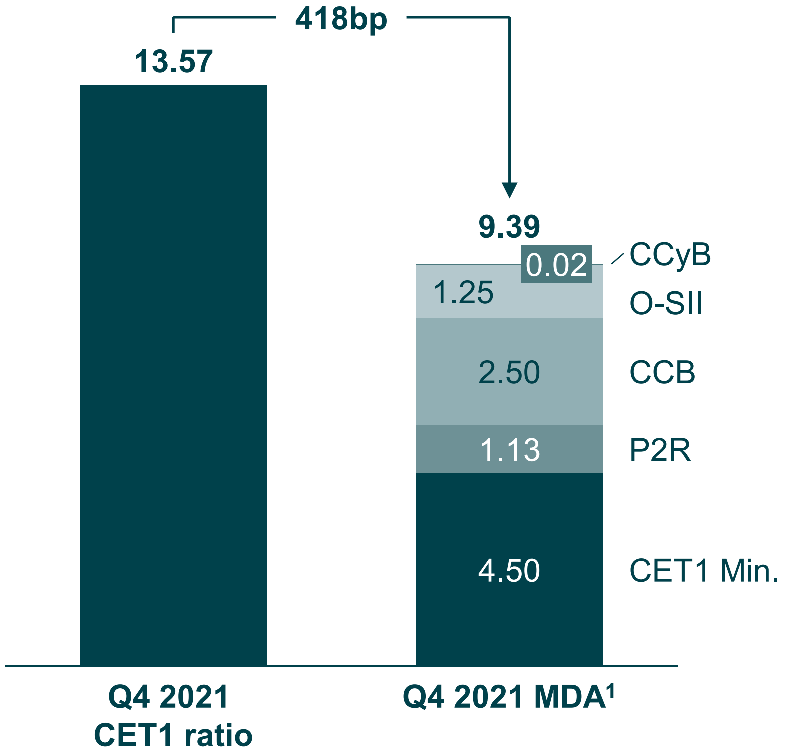



[1] In December 2021, Commerzbank AG received its current MREL requirement calibrated based on data as of 31 Dec. 2019. The resolution approach is a multiple point of entry (MPE) with two separate resolution groups (resolution group A: Commerzbank Group without mBank subgroup; resolution group B: mBank subgroup). The legally binding MREL (subordination) requirement is defined as a percentage of risk-weighted assets (RWA) and leverage ratio exposure (LRE)
[2] Includes amortized amount (regulatory) of Tier 2 instruments with maturity > 1 year
[3] According to §46f KWG or Non-Preferred Senior by contract
[4] Non-Covered / Non-Preferred deposits; Preferred Senior Unsecured
Due to rounding figures shown above do not necessarily add up exactly to the respective totals or subtotals. Presented and aggregated percentages may therefore differ from the percentages shown above

# Commerzbank's current MDA

**Distance to MDA based on SREP requirement (transitional) for Q4 2021**
(%)




## Highlights

418bp distance to MDA based on Q4 2021 CET1 ratio of 13.57% and SREP requirement for 2021

Further regulatory comments:

- Regulatory phase-out of remaining €226m grandfathered AT1 completed at the beginning of 2022
- Tier 2 with moderate maturities and issuance needs in 2022
- Well prepared for upcoming MDA increase due to an activation of CCyBs in UK (Dec 2022 – impact on institution-specific CCyB ~9bp) and Germany (Feb 2023 – impact on institution-specific CCyB ~40bp)
- Potential introduction of a 2% sectoral systemic risk buffer (sSyRB) on RWA from exposure secured by residential properties in Germany would lead to an institution-specific sSyRB of up to ~20bp

AT1 issuance strategy continues in light of economical decisions and in relation to distance to MDA while goal for the Tier 2 layer is ≥ 2.5%

1) Based on RWAs of €175.2bn as of Q4 2021. AT1 requirement of 1.875% and Tier 2 requirement of 2.5%

# Rating overview Commerzbank

## As of 17 February 2022

| Bank Ratings | S&P | Moody's |
|---|---|---|
| Counterparty Rating/Assessment[1] | A- | A1/ A1 (cr) |
| Deposit Rating[2] | BBB+ negative | A1 stable |
| Issuer Credit Rating (long-term debt) | BBB+ negative | A1 negative |
| Stand-alone Rating (financial strength) | bbb | baa2 |
| Short-term debt | A-2 | P-1 |
| **Product Ratings (unsecured issuances)** | | |
| Preferred senior unsecured debt | BBB+ negative | A1 negative |
| Non-preferred senior unsecured debt | BBB- | Baa2 |
| Subordinated debt (Tier 2) | BB+ | Baa3 |
| Additional Tier 1 (AT1) | BB- | Ba2 |
| **Sustainability assessments** | | |
| Environment, Social, Governance | 2, 2, 2 | 3, 4, 3 |
| Credit impact score | - | 3 |

### Last rating events

**S&P**:

Ratings have been confirmed in January 2022

Introduction of ESG factors in the classic rating approach in January 2022. Commerzbank received a "2" in each of the individual scores

**Moody´s:**

Introduction of ESG factors in the classic rating approach in December 2021. Commerzbank received an overall score of "CIS-3"

1) Includes parts of client business (i.e. counterparty for derivatives)
2) Includes corporate and institutional deposits

# Above-average ESG ratings prove that we are on the right track

CCC B BB BBB A **AA** AAA

MSCI

## ESG Rating

- Double A rated in the upper part of the MSCI ESG rating scale
- Above-average positions in terms of private & data security, financial product safety, human capital and financing environmental impact

Severe High **Medium** Low Negligible

SUSTAINALYTICS

## ESG Risk Rating

- Commerzbank is at medium risk of experiencing material financial impacts from ESG factors (score of 24.1 / 100 with 0 being the best)
- Very well positioned above industry average on the 1st quantile

D- D D+ C- **C** C+ B- B B+ A- A A+

ISS ESG

## ESG Corporate Rating

- Rated in the ISS ESG Prime Segment – top 10% of industry group
- Excellent ratings especially in the categories environmental management, social, governance and business ethics

Corporate ESG Performance Prime RATED BY ISS ESG

10 9 8 7 6 5 4 **3** **2** **1**

ISS

## ESG QualityScores

- Commerzbank assigned with low ESG risks by ISS ESG QualityScores
- Social QualityScore 1, Environmental Score 2, Governance QualityScore 3

ISS QualityScore SOCIAL 1 Highest Rating By INSTITUTIONAL SHAREHOLDER SERVICES

E D C **B** A

CDP

## Climate Change Rating

- Commerzbank's rating is above-average of the financial sector (C)
- Positioned as "Sector Leader Financials" in DACH region (ranked top 15% of financials in Germany, Austria and Switzerland)

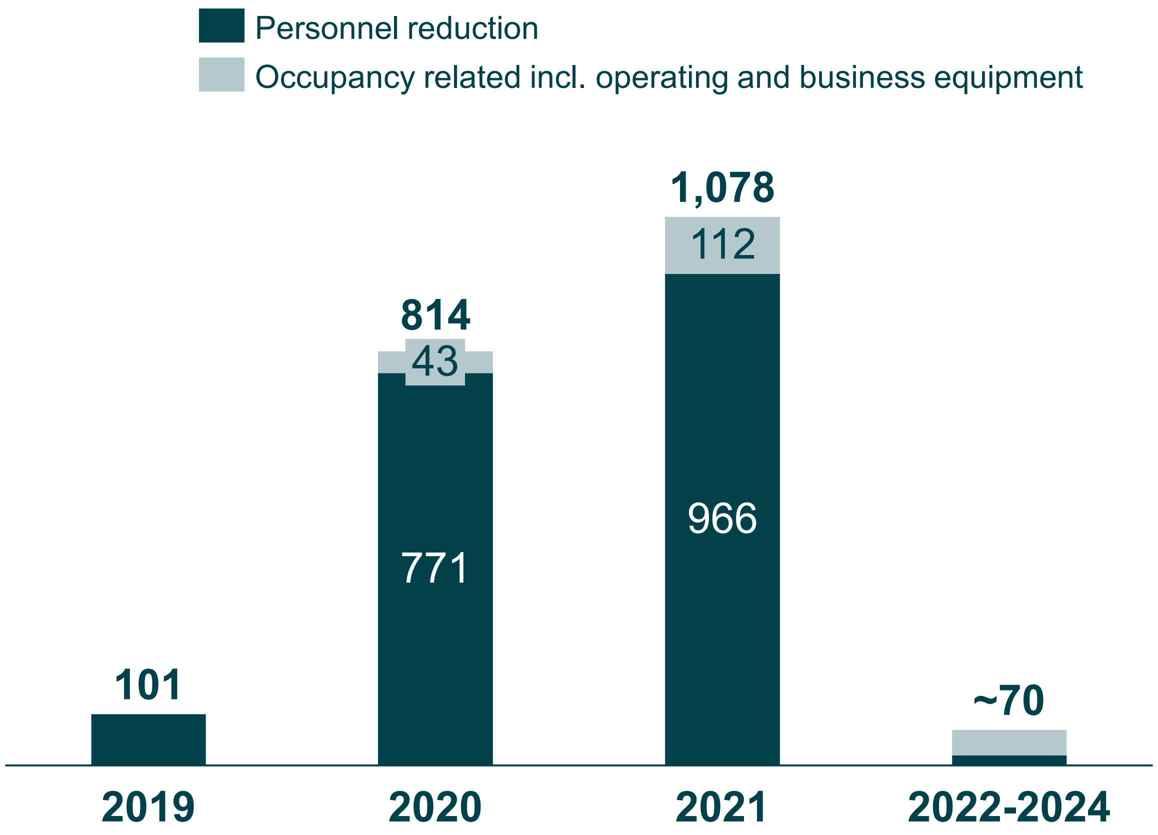
# Appendix

# Dashboard for 2022

| | KPI | YE 2020 | YE 2021 | Target 2022 | Target 2024 |
|---|---|---|---|---|---|
| **Private & Small Business Customers** | Domestic locations (#) | 800 | 550 | 450 | 450 |
| | Active digital banking users (%) | 66 | 70 | 71 | 73 |
| | Loan and securities volumes (GER \| €bn) | 290 | 340 | 360 | >390 |
| | Net FTE reduction vs. YE 2020 (#) | - | 1,700 | 3,000 | 3,100 |
| **Corporate Clients** | International locations exited (#) | - | 6 | 10 | 15 |
| | Digital banking users activated (%) | - | 24 | 40 | 100 |
| | Portfolio with RWA efficiency <3% (%) | 34 | 29 | 31 | 22 |
| | Net FTE reduction vs. YE 2020 (#) | - | 450 | 700 | 900 |
| **Operations & Head Office** | IT capacity in nearshoring locations (%) | 14 | 20 | 24 | 26 |
| | Apps on cloud (%) | 32 | 41 | 60 | 85 |
| | Reduction of external staff (#) | - | - | - | 1,300 |
| | Net FTE reduction vs. YE 2020 (#) | - | 580 | 600 | 3,100 |

# €2bn restructuring charges nearly fully booked

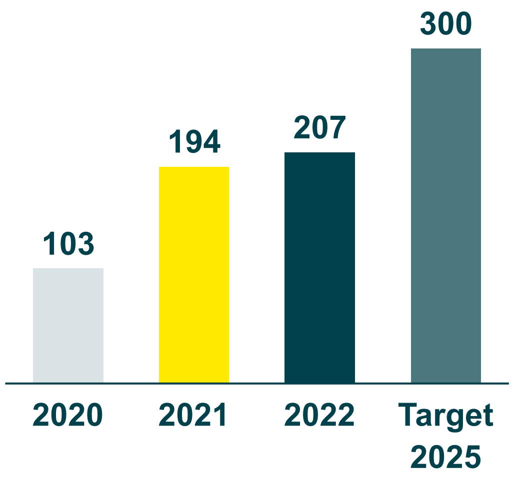
## Restructuring charges
(€m)




- Booking of **restructuring charges** nearly **completed in 2021**
- **~€50m real estate related restructuring charges** for reduction of branch network, foreign locations and reduced central functions outstanding
- **~€20m** restructuring charges for **personnel reduction** in foreign locations to be booked in 2022

# Sustainable products in 2022

## Sustainable products
(€bn)



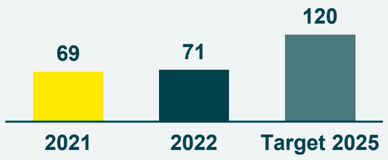

### Advisory products
(no balance sheet impact, €bn)

### Loan products
(with balance sheet impact, €bn)

## Corporate Clients

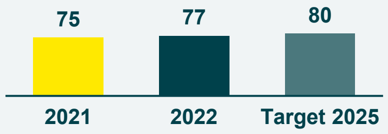
**Advisory products**

- Accompanied ESG bond transactions (e.g. Green and Social Bonds)
- Sustainable investment solutions for Corporate Clients




**Loan products**

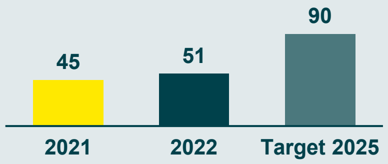
- Renewable energy loan portfolio
- Accompanied sustainability linked loans
- KfW sustainability linked programmes




## Private & Small Business Customers

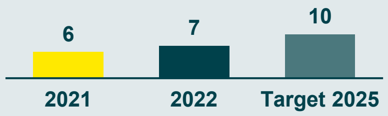
**Advisory products**

- Asset management, securities advisory and brokerage
- Commerz Real products
- Retirement solutions



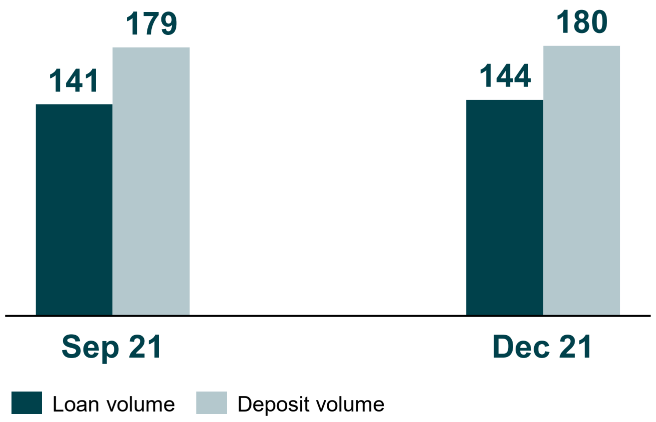

**Loan products**

- Green mortgages
- Instalment loans
- KfW programmes

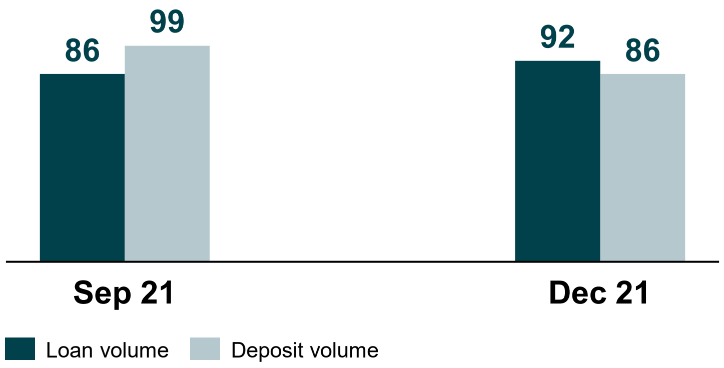


# Loan and deposit development

## PSBC
(monthly average €bn)




## Corporate Clients
(monthly average €bn)




**Highlights**

Loan growth in PSBC driven by residential mortgage business and investment loans in Germany

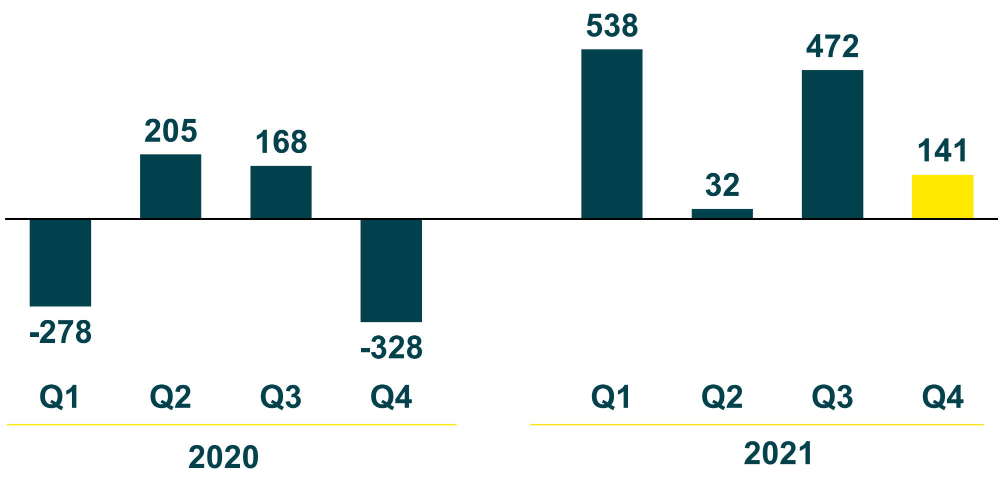
No significant changes in deposit base in Germany while mBank shows slight increase

Increased loan volumes in CC across all sub-segments

Decrease in deposits mainly driven by Institutionals and Mittelstand

# Group with good results in Q4 and FY 2021

## Group operating result
(€m)




## Group P&L

| in €m | Q4 2020 | Q3 2021 | Q4 2021 | FY 2020 | FY 2021 |
|---|---|---|---|---|---|
| Revenues | 2,029 | 2,006 | 2,099 | 8,186 | 8,459 |
| Exceptional items | -19 | -9 | 235 | -258 | 388 |
| ***Revenues excl. exceptional items*** | ***2,047*** | ***2,015*** | ***1,864*** | ***8,444*** | ***8,071*** |
| *o/w Net interest income* | *1,154* | *1,146* | *1,211* | *4,996* | *4,617* |
| *o/w Net commission income* | *837* | *873* | *924* | *3,320* | *3,616* |
| *o/w Net fair value result* | *196* | *129* | *188* | *342* | *725* |
| *o/w Other income* | *-140* | *-132* | *-459* | *-213* | *-886* |
| Risk result | -681 | -22 | -313 | -1,748 | -570 |
| Operating expenses | 1,609 | 1,485 | 1,581 | 6,160 | 6,239 |
| Compulsory contributions | 67 | 27 | 65 | 512 | 467 |
| **Operating result** | **-328** | **472** | **141** | **-233** | **1,183** |
| Impairments on goodwill and other intangible assets | 1,578 | - | - | 1,578 | - |
| Restructuring expenses | 614 | 76 | 26 | 814 | 1,078 |
| **Pre-tax profit discontinued operations** | **-10** | **-** | **-** | **30** | **-** |
| **Pre-tax profit Commerzbank Group** | **-2,530** | **396** | **115** | **-2,597** | **105** |
| Taxes on income | 199 | -6 | -199 | 264 | -248 |
| Minority interests | -26 | -1 | -107 | 9 | -77 |
| **Net result** | **-2,702** | **403** | **421** | **-2,870** | **430** |
| CIR (excl. compulsory contributions) (%) | 79.3 | 74.0 | 75.3 | 75.2 | 73.8 |
| CIR (incl. compulsory contributions) (%) | 82.6 | 75.4 | 78.4 | 81.5 | 79.3 |
| Net RoTE (%) | -44.0 | 5.8 | 6.0 | -11.7 | 1.0 |
| Operating RoCET (%) | -5.4 | 7.9 | 2.4 | -1.0 | 5.0 |

## Highlights Q4

YoY increase in operating result driven by solid customer revenues and lower risk result

QoQ lower operating result due to risk result and increase of provisions for CHF loans in Poland

Underlying NII increased by 5% and underlying NCI by 10% YoY based on strong customer business

Other income mainly reflects provisions for CHF loans in Poland

NFV result benefits from investment valuations of CommerzVentures

Positive tax mainly due to improved outlook and respective DTAs

# Exceptional revenue items reflect TLTRO & participation

| **2020** (€m) | | | **Revenues** |
|---|---|---|---|
| **Q1** | Hedging & valuation adjustments | -160 | **-172** |
| | PPA Consumer Finance (PSBC) | -13 | |
| **Q2** | Hedging & valuation adjustments | 49 | **-5** |
| | PPA Consumer Finance (PSBC) | -12 | |
| | Fine UK Financial Conduct Auth. (CC) | -41 | |
| **Q3** | Hedging & valuation adjustments | -51 | **-62** |
| | PPA Consumer Finance (PSBC) | -11 | |
| **Q4** | Hedging & valuation adjustments | -9 | **-19** |
| | PPA Consumer Finance (PSBC) | -10 | |
| **FY** | | | **-258** |

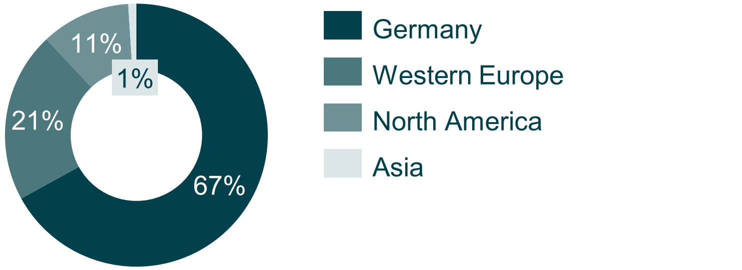
| **2021** (€m) | | | **Revenues** |
|---|---|---|---|
| **Q1** | Hedging & valuation adjustments | 67 | **184** |
| | PPA Consumer Finance (PSBC) | -9 | |
| | TLTRO benefit (O&C) | 126 | |
| **Q2** | Hedging & valuation adjustments | 10 | **-22** |
| | PPA Consumer Finance (PSBC) | -8 | |
| | TLTRO benefit (O&C) | 42 | |
| | Prov. re judgement on pricing of acc. (PSBC) | -66 | |
| **Q3** | Hedging & valuation adjustments | 32 | **-9** |
| | PPA Consumer Finance (PSBC) | -8 | |
| | Prov. re judgement on pricing of acc. (PSBC) | -33 | |
| **Q4** | Hedging & valuation adjustments | 31 | **235** |
| | PPA Consumer Finance (PSBC) | -7 | |
| | TLTRO benefit (O&C) | 95 | |
| | Valuation of participation (PSBC) | 116 | |
| **FY** | | | **388** |

# Retail industry

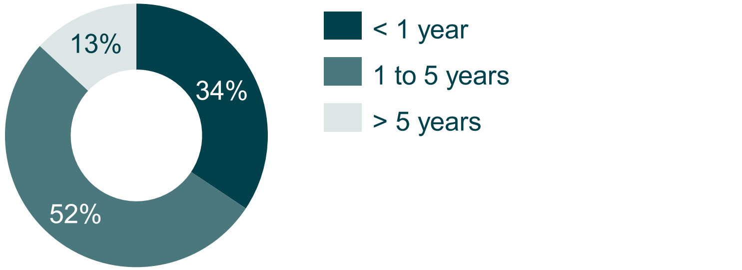
## Portfolio increased by €1.2bn in Q4 – share of 1.6% of overall portfolio

**by sub-portfolios**
(€bn)


**by region**




**by maturity**

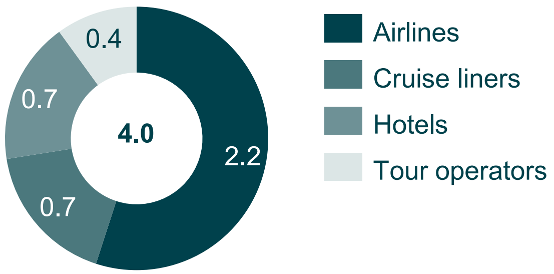



- Overall stable sector due to high proportion of food retailing and drugstores (food retailing with 10-15% non food revenues). Top 10 borrower units represent 59% of sector EaD
- Retail industry: fierce predatory competition in all segments by price and investments in shop modernisation. Online is gaining market share at the expense of the stationary retailer. Since we seethe customers of the future as “hybrid”, omnichannel can be the answer to the concept question
- In the current Omicron crisis situation: food retailing still winner due to stay-at-home effect and access restrictions of competitors in non food. Fashion: most severely affected. Winter and Christmas business were again affected in December. Due to 2G (plus) rules, shops remain open but the frequency decreases. For this reason sales decreases. Costs continue unchanged. Still home improvement/DIY/consumer electronics/sports benefit from “cocooning impact”, shift in consumer preferences and working from home
- Liquidity: still satisfactory
- Future risks are rising prices for raw materials, energy and logistics costs; interruption of the supply chain and cyber risk attacks

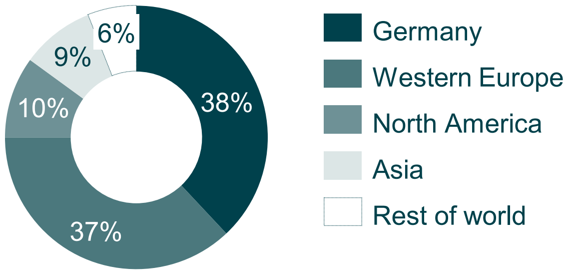
# Travel related industries

## Portfolio slightly increased by €0.1bn in Q4 – share of only 0.9% of overall portfolio

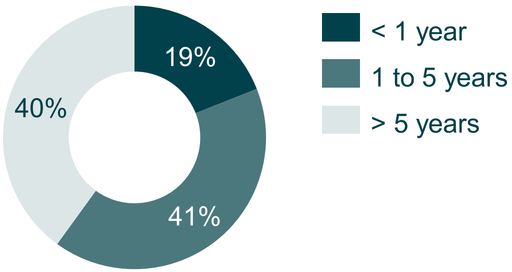
### by sub-portfolios
(€bn)




### by region




### by maturity

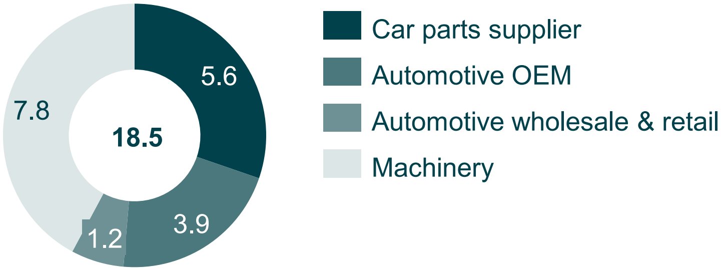



- **Airlines (€ 2.2bn):** Portfolio consists of €1.8bn secured aircraft financing and €0.4bn corporate exposure. Corona has hit the airline industry in an unprecedented extent. The crisis has a sustainable impact, but signs of recovery in 2021 show that the general global trend for travel and mobility should be intact once the situation has improved. Full rebound is uncertain, but currently expected to take until 2024
- **Cruise liners (€0.7bn):** The cruise industry just restarted operations in summer 2021 from US ports with signs of quick recovery. However, the spread of Omicron resulted in headwinds for the industry. The three major cruise lines experience a slight drop in short term bookings, while bookings for Q2/2022 onwards appear to be unaffected and remain strong on pre-pandemic levels. Another no-sail order by the CDC is not to be expected. Though, single destinations in the Caribbean restricted their access for cruise ships. Cruise lines are rescheduling their itineraries accordingly. Cancellations occurred in some cases, mostly if an increased number of crew members got infected. However, cases on board remain a minority
- **Hotels (€0.7bn):** Most hotels have reopened since lift of lockdown. Recovery is expected through the implementation of 2G/3G-concepts and increasing vaccination rates. From Q2/Q3 return to pre-Corona level seems realistic for leisure hotels, while business hotels will suffer longer from negative Corona impact and existing project pipeline (oversupply)
- **Tour operators (€0.4bn):** High Corona impact, however partly mitigated by strong support from the state through KfW loans and non-repayable bridging aid. We are currently seeing a recovery in the market, which will nevertheless depend on the further course of the pandemic. Reaching the pre-Corona level is not expected until 2023 at the earliest

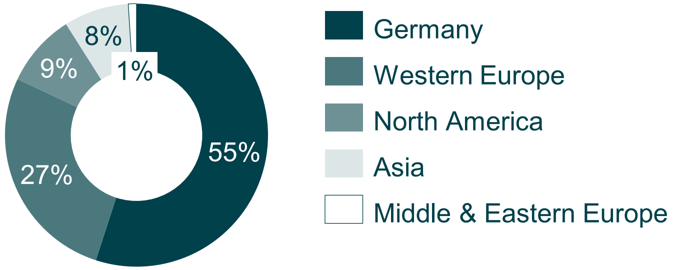
# Automotive & mechanical engineering

## Portfolio unchanged at €18.5bn – share of 3.9% of overall portfolio

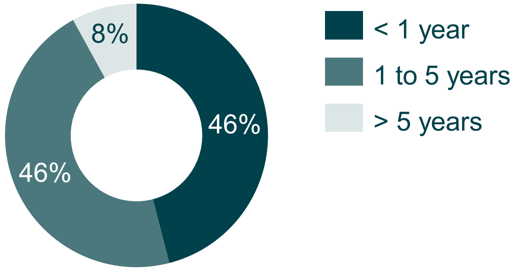
### by sub-portfolios
(€bn)




### by region




### by maturity




**Automotive (10.7bn)**: Dominating sub-sectors within portfolio are car parts suppliers (52% EAD) and original equipment manufacturers (OEM; 36% EAD). Major share of complete automotive EaD is rated investment grade (83%)

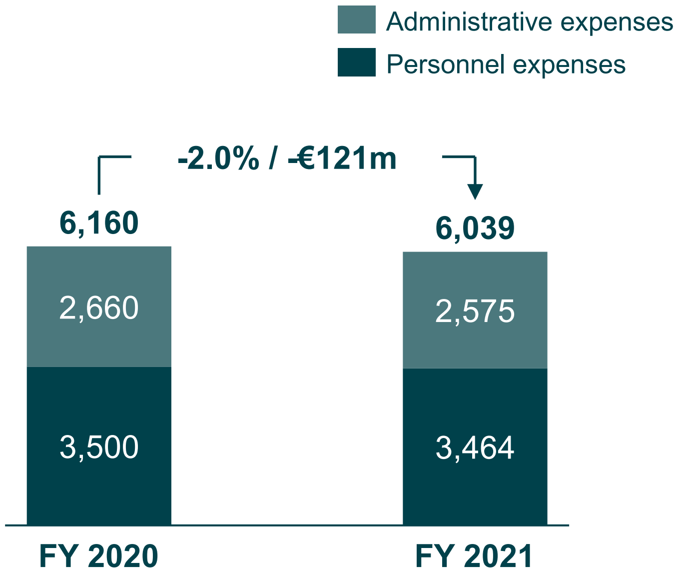
- Despite ongoing recovery of demand very challenging market environment, high backlog in vehicle production and temporary plant shutdowns, mainly due to global supply shortages for automotive semiconductors but also for other pre-products und raw materials (e.g. aluminum, magnesium, steel, copper and plastic derivatives), which leads to modified call-off orders
- Vulnerable supply chains, rising material prices, increased freight rates and also energy costs are hitting profitability with significant impact on liquidity, mainly at car part supplier side. Meanwhile, requirements caused by strong transformation process (switch from combustion engine to e-mobility), in which most of the market participants are in midst of, are remaining
- The overall disrupting impact on the whole production process threatens the recovery of the automotive sector, whose return to pre-crisis level is not expected before 2023

**Mechanical engineering**: Overall stable sector due to highly diversified portfolio with different impact of Corona induced crisis on portfolio subgroups. Biggest subgroup machine tools representing less than 10% of all client groups and top 10 clients approx. 20% of EaD

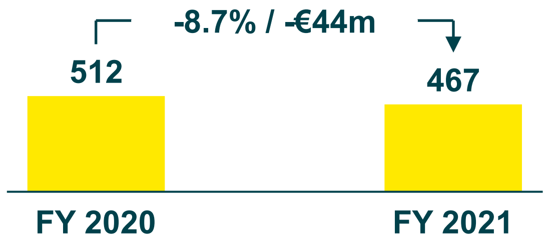
- Difficult market even before Corona in subsectors with high exposure to automotive sector but for sector as a whole no severe impact expected due to well-filled order books, improving order income in recent months and sufficient liquidity
- Market environment recovered from Q4/2020 onwards. However, shortage of raw materials are having a negative impact on the overall sector and threaten recovery

# Strict cost management

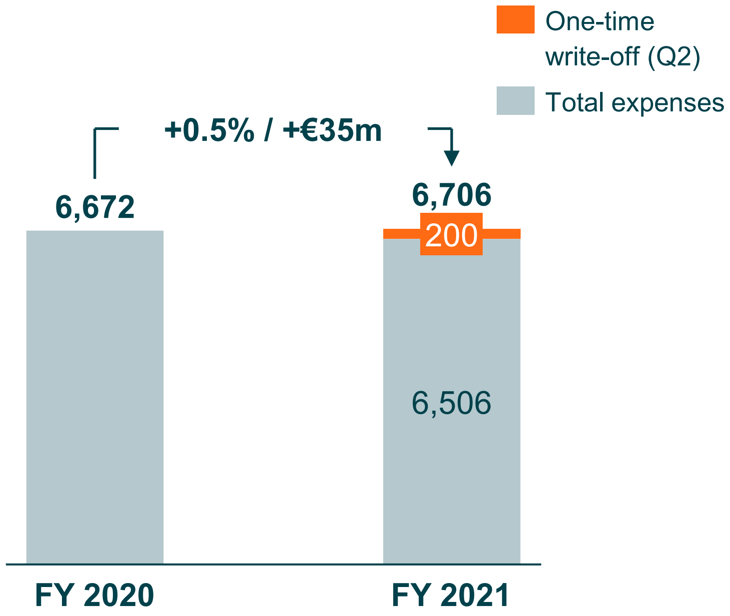
### Operating expenses (excl. Q2 one-off)
(€m)




### Compulsory contributions
(€m)




### Total expenses
(€m)




**Highlights**

Personnel expenses benefit from a ~1,200 net FTE reduction YoY to 38,298 – partly offset by wage adjustments and higher variable compensation. In addition, ~1,600 FTE left the bank on 1 January 2022 via voluntary programs

Decrease in administrative expenses for advertising, regular depreciation and travel

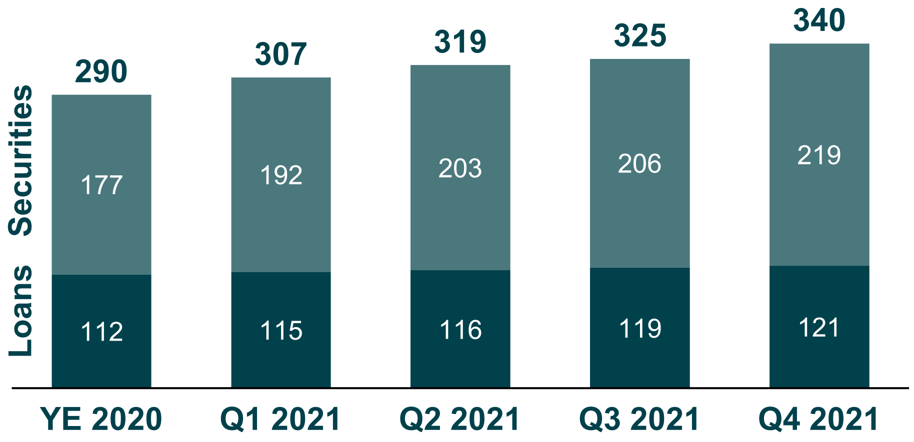
Reduced compulsory contributions due to usage of payment commitments

~€570m investment spending on digitalisation, IT infrastructure and regulatory topics

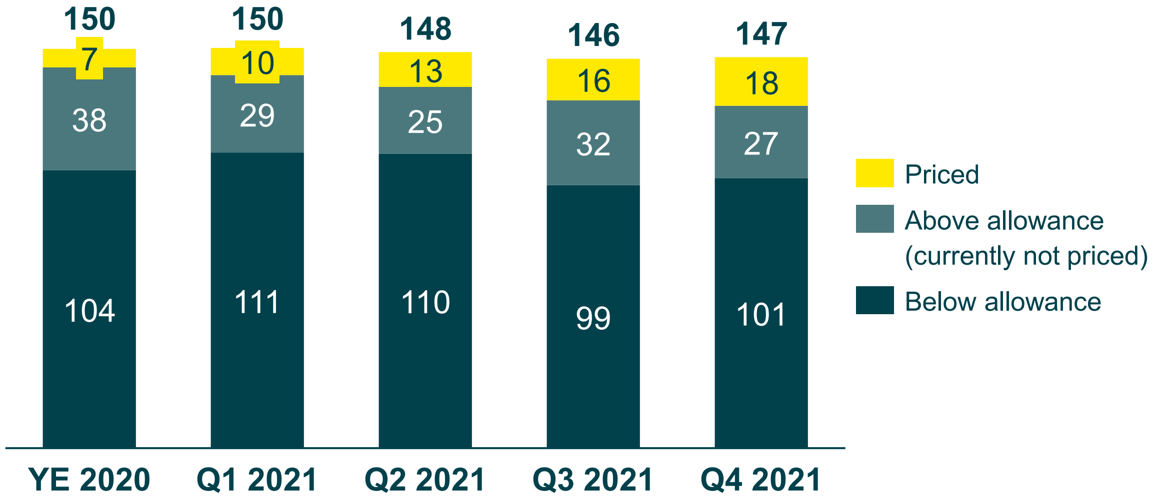
Total expenses burdened by one-time write-off for the discontinuation of securities outsourcing project in Q2

# PSBC: good growth & expansion of deposit pricing

## Loan and securities volumes (Germany)
(€bn eop)




## Deposits (Germany)
(€bn eop)




**Highlights Q4**

Increase in securities volume from inflow of €4bn net new money

Successful stabilisation of deposit volume at €147bn

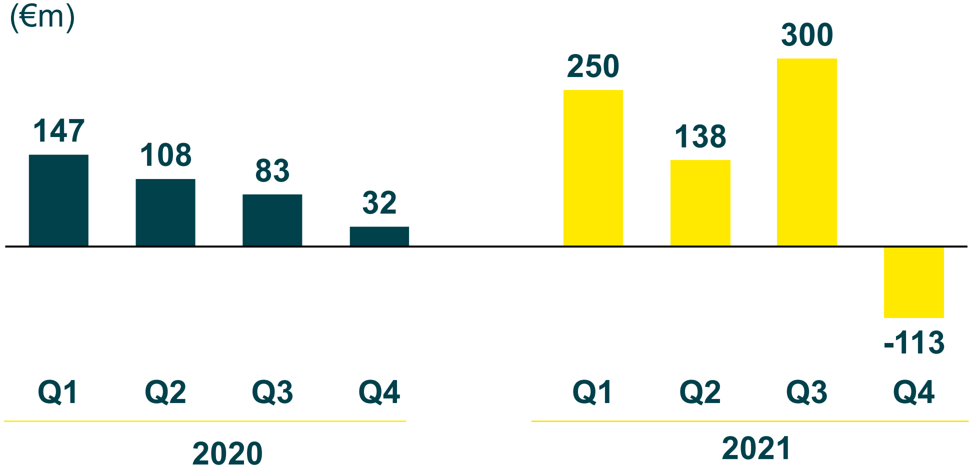
German mortgage business up 7% YoY to €92bn

Consumer finance book at €3.8bn

Continued increase of priced deposits to €18bn

# Increased revenues from customer business in PSBC

## Operating result
(€m)




… excluding provisions for CHF loans of mBank

| 2020 Q1 | 2020 Q2 | 2020 Q3 | 2020 Q4 | 2021 Q1 | 2021 Q2 | 2021 Q3 | 2021 Q4 |
|---|---|---|---|---|---|---|---|
| 150 | 150 | 154 | 145 | 264 | 193 | 395 | 323 |

## Segmental P&L PSBC

| in €m | Q4 2020 | Q3 2021 | Q4 2021 | FY 2020 | FY 2021 |
|---|---|---|---|---|---|
| Revenues | 1,133 | 1,177 | 1,059 | 4,778 | 4,694 |
| Exceptional items | -9 | -43 | 109 | -47 | -14 |
| ***Revenues excl. exceptional items*** | ***1,142*** | ***1,220*** | ***950*** | ***4,825*** | ***4,708*** |
| o/w Private Customers | 682 | 734 | 765 | 2,788 | 2,959 |
| o/w Small Business Customers | 203 | 212 | 217 | 824 | 840 |
| o/w mBank | 220 | 223 | -99 | 1,025 | 687 |
| o/w Commerz Real | 37 | 51 | 68 | 187 | 222 |
| Risk result | -118 | 1 | -194 | -562 | -319 |
| Operating expenses | 920 | 850 | 914 | 3,515 | 3,482 |
| Compulsory contributions | 63 | 27 | 64 | 331 | 318 |
| **Operating result** | **32** | **300** | **-113** | **370** | **575** |
| RWA (end of period in €bn) | 47.2 | 53.5 | 53.4 | 47.2 | 53.4 |
| CIR (excl. compulsory contributions) (%) | 81.2 | 72.3 | 86.4 | 73.6 | 74.2 |
| CIR (incl. compulsory contributions) (%) | 86.8 | 74.6 | 92.4 | 80.5 | 81.0 |
| Operating return on equity (%) | 2.2 | 18.8 | -7.1 | 6.5 | 9.3 |
| Provisions for CHF loans of mBank | -113 | -95 | -436 | -229 | -600 |
| **Operating result ex provisions for CHF loans** | **145** | **395** | **323** | **599** | **1,175** |

## Highlights Q4

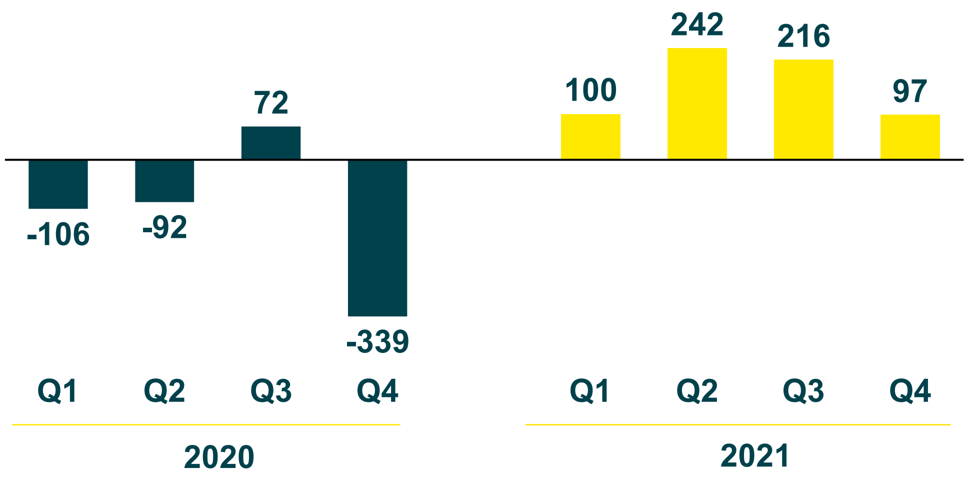
Excluding provisions for CHF loans, YoY 10% (€131m) increase in underlying revenues with 14% better revenues in the German operations due to strong securities business and loan growth

Net reduction of customer base in Germany by 67k in Q4 – customer and revenue churn below expectation

mBank YoY with strong growth in NCI (15%) and NII (25%) but burdened by high provisions for CHF loans – outstanding volume of CHF loans at €2.0bn and provisions at €899m

# CC with improved customer revenues

## Operating result
(€m)




## Segmental P&L CC

| in €m | Q4 2020 | Q3 2021 | Q4 2021 | FY 2020 | FY 2021 |
|---|---|---|---|---|---|
| Revenues | 759 | 776 | 795 | 3,056 | 3,168 |
| Exceptional items | 12 | 15 | 12 | -101 | 56 |
| ***Revenues excl. exceptional items*** | ***747*** | ***761*** | ***782*** | ***3,157*** | ***3,113*** |
| o/w Mittelstand | 415 | 437 | 462 | 1,717 | 1,771 |
| o/w International Corporates | 201 | 201 | 212 | 904 | 827 |
| o/w Institutionals | 132 | 135 | 130 | 526 | 511 |
| o/w others | -2 | -12 | -21 | 9 | 5 |
| Risk result | -505 | -29 | -81 | -1,081 | -149 |
| Operating expenses | 590 | 531 | 615 | 2,327 | 2,267 |
| Compulsory contributions | 2 | - | 1 | 113 | 96 |
| **Operating result** | **-339** | **216** | **97** | **-465** | **656** |
| RWA (end of period in €bn) | 88.5 | 79.2 | 81.0 | 88.5 | 81.0 |
| CIR (excl. compulsory contributions) (%) | 77.7 | 68.4 | 77.4 | 76.2 | 71.6 |
| CIR (incl. compulsory contributions) (%) | 78.1 | 68.4 | 77.6 | 79.8 | 74.6 |
| Operating return on equity (%) | -12.4 | 8.9 | 4.1 | -4.1 | 6.6 |

## Highlights Q4

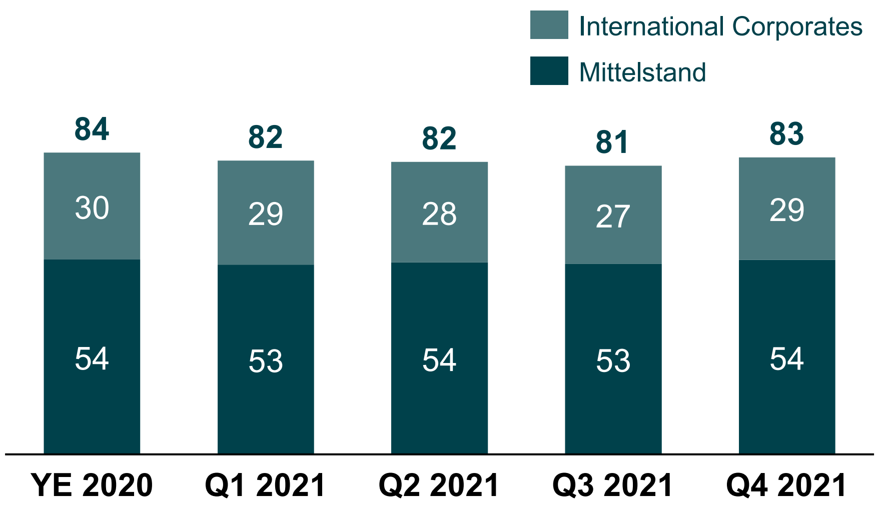
Mittelstand with improved revenues from lending, transaction banking and capital markets

International Corporates with improved transaction banking and capital markets revenues compensating reduced contributions from loan business in line with strategy

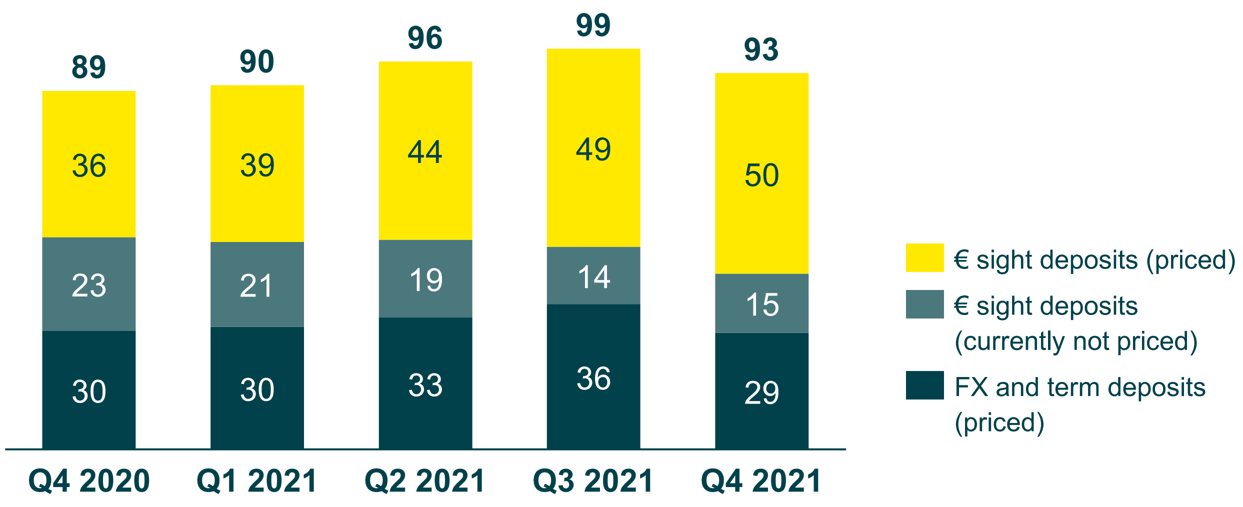
YoY €8bn lower RWA mainly driven by €4bn lower credit RWA and €2bn lower operational risk RWA

# CC: ongoing active deposit management

**Loan volume Corporates**
(quarterly avg. €bn | Mittelstand and International Corporates)




**Deposits**
(quarterly avg. €bn)




**Highlights Q4**

Quarterly average loan volume largely stable – increased demand for investment loans in Q4

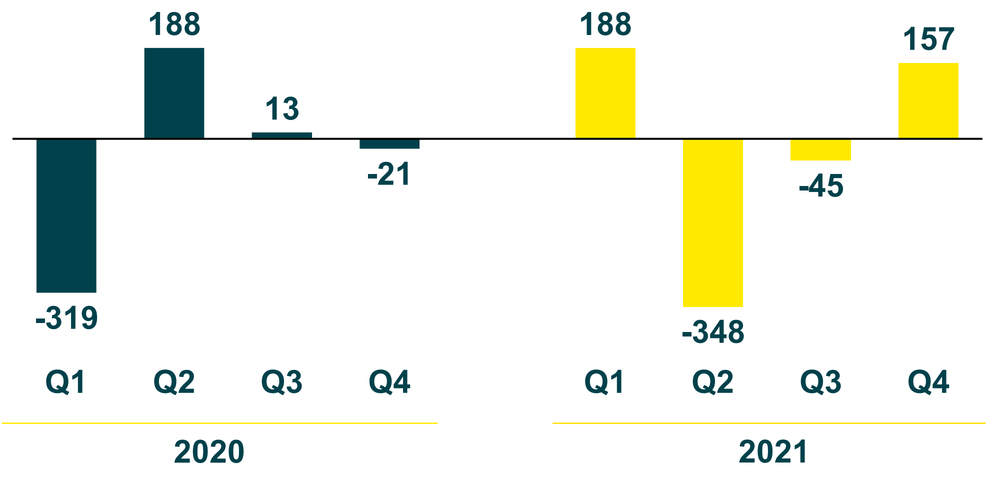
Significant deposits' reduction driven by active YE deposit management in Mittelstand and Institutionals – in particular for FX and term deposits

Average RWA efficiency of corporates portfolio further improved to 5.2% (4.6% 2020)

# O&C result in line with expectations

## Operating result

(€m)




## Segmental P&L O&C

| in €m | Q4 2020 | Q3 2021 | Q4 2021 | FY 2020 | FY 2021 |
|---|---|---|---|---|---|
| Revenues | 137 | 53 | 246 | 353 | 597 |
| Exceptional items | -22 | 19 | 114 | -110 | 346 |
| ***Revenues excl. exceptional items*** | ***158*** | ***34*** | ***132*** | ***463*** | ***250*** |
| *o/w Net interest income* | *90* | *63* | *48* | *645* | *301* |
| *o/w Net commission income* | *-9* | *-18* | *-11* | *-38* | *-55* |
| *o/w Net fair value result* | *85* | *46* | *93* | *-100* | *273* |
| *o/w Other income* | *-8* | *-56* | *3* | *-44* | *-269* |
| Risk result | -57 | 6 | -38 | -106 | -101 |
| Operating expenses | 99 | 104 | 51 | 317 | 490 |
| Compulsory contribution | 1 | - | - | 68 | 53 |
| **Operating result** | **-21** | **-45** | **157** | **-139** | **-48** |
| | | | | | |
| RWA (end of period in €bn) | 42.9 | 42.6 | 40.8 | 42.9 | 40.8 |

## Highlights Q4

Operating result driven by TLTRO and positive valuations at CommerzVentures

Lower underlying NII offset by better underlying NFV

# Commerzbank Group

| €m | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | FY 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | FY 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total underlying revenues | 2,024 | 2,278 | 2,095 | 2,047 | 8,444 | 2,308 | 1,884 | 2,015 | 1,864 | 8,071 |
| Exceptional items | -172 | -5 | -62 | -19 | -258 | 184 | -22 | -9 | 235 | 388 |
| Total revenues | 1,851 | 2,273 | 2,033 | 2,029 | 8,186 | 2,492 | 1,862 | 2,006 | 2,099 | 8,459 |
| o/w Net interest income | 1,320 | 1,277 | 1,226 | 1,151 | 4,975 | 1,254 | 1,173 | 1,122 | 1,300 | 4,849 |
| o/w Net commission income | 877 | 791 | 812 | 837 | 3,317 | 951 | 852 | 889 | 924 | 3,616 |
| o/w Net fair value result | -304 | 163 | 25 | 182 | 66 | 360 | 125 | 160 | 334 | 980 |
| o/w Other income | -42 | 42 | -30 | -142 | -172 | -73 | -288 | -165 | -459 | -985 |
| o/w Dividend income | 2 | 12 | 14 | 10 | 37 | 1 | 6 | 3 | 11 | 22 |
| o/w Net income from hedge accounting | -70 | 135 | 88 | 55 | 207 | -48 | -4 | -32 | -12 | -96 |
| o/w Other financial result | 13 | 2 | -39 | -41 | -65 | 19 | -2 | 5 | 6 | 27 |
| o/w At equity result | 2 | 3 | - | 2 | 6 | - | 2 | 2 | 2 | 6 |
| o/w Other net income | 12 | -109 | -94 | -167 | -357 | -45 | -290 | -143 | -466 | -944 |
| Risk result | -326 | -469 | -272 | -681 | -1,748 | -149 | -87 | -22 | -313 | -570 |
| Operating expenses | 1,503 | 1,526 | 1,521 | 1,609 | 6,160 | 1,469 | 1,704 | 1,485 | 1,581 | 6,239 |
| Compulsory contributions | 301 | 73 | 72 | 67 | 512 | 336 | 39 | 27 | 65 | 467 |
| **Operating result** | **-278** | **205** | **168** | **-328** | **-233** | **538** | **32** | **472** | **141** | **1,183** |
| Impairments on goodwill and other intangible assets | - | - | - | 1,578 | 1,578 | - | - | - | - | - |
| Restructuring expenses | - | - | 201 | 614 | 814 | 465 | 511 | 76 | 26 | 1,078 |
| **Pre-tax result discontinued operations** | **44** | **6** | **-11** | **-10** | **30** | **-** | **-** | **-** | **-** | **-** |
| **Pre-tax result Commerzbank Group** | **-234** | **211** | **-43** | **-2,530** | **-2,597** | **73** | **-478** | **396** | **115** | **105** |
| Taxes on income | 48 | 14 | 3 | 199 | 264 | -83 | 40 | -6 | -199 | -248 |
| Minority Interests | 8 | 13 | 15 | -26 | 9 | 23 | 8 | -1 | -107 | -77 |
| **Consolidated Result attributable to Commerzbank shareholders and investors in additional equity components** | **-291** | **183** | **-60** | **-2,702** | **-2,870** | **133** | **-527** | **403** | **421** | **430** |
| Total Assets | 516,958 | 550,366 | 544,030 | 506,613 | 506,613 | 537,778 | 543,643 | 541,258 | 473,044 | 473,044 |
| o/w Discontinued operations | 4,752 | 2,179 | 2,167 | 2,040 | 2,040 | 2,143 | 1,809 | 1,368 | 62 | 62 |
| Average capital employed | 24,269 | 24,577 | 24,974 | 24,318 | 24,499 | 23,684 | 23,800 | 23,813 | 23,839 | 23,785 |
| RWA credit risk (end of period) | 153,812 | 157,215 | 153,082 | 147,849 | 147,849 | 149,314 | 148,183 | 146,691 | 145,209 | 145,209 |
| RWA market risk (end of period) | 11,113 | 11,208 | 11,260 | 12,191 | 12,191 | 12,467 | 10,850 | 8,731 | 10,180 | 10,180 |
| RWA operational risk (end of period) | 18,178 | 18,056 | 18,732 | 18,287 | 18,287 | 16,690 | 18,555 | 19,795 | 19,799 | 19,799 |
| **RWA (end of period) continued operations** | **183,102** | **186,478** | **183,073** | **178,327** | **178,327** | **178,471** | **177,588** | **175,217** | **175,188** | **175,188** |
| **RWA (end of period) discontinued operations** | **690** | **574** | **263** | **253** | **253** | **-** | **-** | **-** | **-** | **-** |
| **RWA (end of period)** | **183,792** | **187,051** | **183,337** | **178,581** | **178,581** | **178,471** | **177,588** | **175,217** | **175,188** | **175,188** |
| Cost/income ratio (excl. compulsory contributions) (%) | 81.2% | 67.1% | 74.8% | 79.3% | 75.2% | 59.0% | 91.5% | 74.0% | 75.3% | 73.8% |
| Cost/income ratio (incl. compulsory contributions) (%) | 97.4% | 70.4% | 78.3% | 82.6% | 81.5% | 72.5% | 93.6% | 75.4% | 78.4% | 79.3% |
| Operating return on CET1 (RoCET) (%) | -4.6% | 3.3% | 2.7% | -5.4% | -1.0% | 9.1% | 0.5% | 7.9% | 2.4% | 5.0% |
| Operating return on tangible equity (%) | -4.1% | 2.9% | 2.3% | -4.6% | -0.8% | 7.8% | 0.5% | 6.6% | 1.9% | 4.2% |
| Return on equity of net result (%) | -4.4% | 2.3% | -1.3% | -40.5% | -10.7% | 1.5% | -8.9% | 5.6% | 5.8% | 1.0% |
| Net return on tangible equity (%) | -4.8% | 2.6% | -1.5% | -44.0% | -11.7% | 1.5% | -9.3% | 5.8% | 6.0% | 1.0% |

# Commerzbank financials at a glance

| Group | | Q4 2020 | Q3 2021 | Q4 2021 | FY 2020 | FY 2021 |
|---|---|---|---|---|---|---|
| Total revenues | €m | 2,029 | 2,006 | 2,099 | 8,186 | 8,459 |
| Risk result | €m | -681 | -22 | -313 | -1,748 | -570 |
| Personnel expenses | €m | 903 | 886 | 862 | 3,500 | 3,464 |
| Administrative expenses (excl. depreciation) | €m | 466 | 379 | 492 | 1,712 | 1,686 |
| Depreciation | €m | 240 | 220 | 226 | 948 | 1,089 |
| Compulsory contributions | €m | 67 | 27 | 65 | 512 | 467 |
| **Operating result** | **€m** | **-328** | **472** | **141** | **-233** | **1,183** |
| Net result | €m | -2,702 | 403 | 421 | -2,870 | 430 |
| Cost/income ratio (excl. compulsory contributions) | % | 79.3 | 74.0 | 75.3 | 75.2 | 73.8 |
| Cost/income ratio (incl. compulsory contributions) | % | 82.6 | 75.4 | 78.4 | 81.5 | 79.3 |
| Accrual for potential AT1 coupon distribution current year | €m | -40 | -49 | -49 | -108 | -182 |
| Net RoE | % | -40.5 | 5.6 | 5.8 | -10.7 | 1.0 |
| Net RoTE | % | -44.0 | 5.8 | 6.0 | -11.7 | 1.0 |
| Total assets | €bn | 507 | 541 | 473 | 507 | 473 |
| Loans and advances (amortised cost) | €bn | 261 | 265 | 268 | 261 | 268 |
| RWA | €bn | 179 | 175 | 175 | 179 | 175 |
| CET1 ratio[1] | % | 13.2 | 13.5 | 13.6 | 13.2 | 13.6 |
| Total capital ratio (with transitional provisions)[1] | % | 17.7 | 18.4 | 18.4 | 17.7 | 18.4 |
| Leverage ratio (with transitional provisions)[1] | % | 4.9 | 4.6 | 5.2 | 4.9 | 5.2 |
| NPE ratio | % | 1.0 | 0.8 | 0.9 | 1.0 | 0.9 |
| Group CoR | bps | 37 | 7 | 12 | 37 | 12 |
| Group CoR on Loans (CoRL) | bps | 68 | 13 | 22 | 68 | 22 |
| Full-time equivalents excl. junior staff (end of period)[2] | | 39,462 | 38,432 | 36,697 | 39,462 | 36,697 |

1) Capital reduced by dividend accrual if applicable and potential (fully discretionary) AT1 coupons
2) Q4 2021 and FY 2021: FTE numbers as of 1 January 2022

# Glossary – Key Ratios

| Key Ratio | Abbreviation | Calculated for | Numerator | Denominator | | |
|---|---|---|---|---|---|---|
| | | | | Group | Private and Small Business Customers and Corporate Clients | Others & Consolidation |
| **Cost/income ratio (excl. compulsory contributions) (%)** | **CIR (excl. compulsory contributions) (%)** | Group as well as segments PSBC and CC | Operating expenses | Total revenues | Total revenues | n/a |
| **Cost/income ratio (incl. compulsory contributions) (%)** | **CIR (incl. compulsory contributions) (%)** | Group as well as segments PSBC and CC | Operating expenses and compulsory contributions | Total revenues | Total revenues | n/a |
| **Operating return on CET1 (%)** | **Op. RoCET (%)** | Group and segments (excl. O&C) | Operating profit | Average CET1[1] | 12% [2] of the average RWAs (YTD: PSBC €51.5bn, CC €82.4bn) | n/a (note: O&C contains the reconciliation to Group CET1) |
| **Operating return on tangible equity (%)** | **Op. RoTE (%)** | Group and segments (excl. O&C) | Operating profit | Average IFRS capital after deduction of goodwill and other intangible assets [1] | 12% [2] of the average RWAs plus average regulatory capital deductions (excluding goodwill and other intangible assets) (YTD: PSBC €0.1bn, CC €0.7bn) | n/a (note: O&C contains the reconciliation to Group tangible equity) |
| **Return on equity of net result (%)** | **Net RoE (%)** | Group | Consolidated Result attributable to Commerzbank shareholders and investors in additional equity components after deduction of potential (fully discretionary) AT1 coupon | Average IFRS capital without non-controlling interests and without additional equity components [1] | n/a | n/a |
| **Net return on tangible equity (%)** | **Net RoTE (%)** | Group | Consolidated Result attributable to Commerzbank shareholders and investors in additional equity components after deduction of potential (fully discretionary) AT1 coupon | Average IFRS capital without non-controlling interests and without additional equity components after deduction of goodwill and other intangible assets (net of tax) [1] | n/a | n/a |
| **Non-Performing Exposure ratio (%)** | **NPE ratio (%)** | Group | Non-performing exposures | Total exposures according to EBA Risk Dashboard | n/a | n/a |
| **Cost of Risk (bps)** | **CoR (bps)** | Group | Risk Result | Exposure at Default | n/a | n/a |
| **Cost of Risk on Loans (bps)** | **CoRL (bps)** | Group | Risk Result | Loans and Advances [annual report note (25)] | n/a | n/a |

| Key Parameter | Calculated for | Calculation |
|---|---|---|
| **Total underlying revenues** | Group and segments | Total revenues excluding exceptional revenue items |
| **Underlying Operating Performance** | Group and segments | Operating result excluding exceptional revenue items and compulsory contributions |

1) reduced by potential dividend accrual and potential (fully discretionary) AT1 coupon
2) charge rate reflects current regulatory and market standard

# For more information, please contact our IR team


**Christoph Wortig**
Head of Investor Relations

P: +49 69 136 52668
M: christoph.wortig@ commerzbank.com

**Ansgar Herkert**
Head of IR Communications

P: +49 69 136 44083
M: ansgar.herkert@ commerzbank.com

**Investors and Financial Analysts**

**Michael H. Klein**

P: +49 69 136 24522
M: michael.klein@ commerzbank.com

**Jutta Madjlessi**

P: +49 69 136 28696
M: jutta.madjlessi@ commerzbank.com

**Rating Agency Relations**

**Patricia Novak**

P: +49 69 136 46442
M: patricia.novak@ commerzbank.com

**ESG**

**Yannik Meyer**

P: +49 69 136 25677
M: yannik.meyer@ commerzbank.com

Mail: ir@commerzbank.com / www.ir.commerzbank.com


**Financial calendar 2022**

| 1 March 2022 | 11 May 2022 | 12 May 2022 | 3 August 2022 | 9 November 2022 |
|---|---|---|---|---|
| CMD | AGM | Q1 2022 results | Q2 2022 results | Q3 2022 results |