COMMERZBANK

Disclosure Report as at 31 March

2024

in accordance with the Capital Requirements Regulation (CRR)

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Contents

Due to rounding, numbers and percentages presented throughout this report may not add up precisely to the totals provided.

Introduction

Objective of the Disclosure Report

In this report Commerzbank Aktiengesellschaft as the ultimate parent company of the regulated banking group is complying with the disclosure requirements of Articles 431 – 455 of regulation (EU) 2019/876 (CRR II) of the European parliament and of the Council of 20 May 2019 amending the Regulation (EU) No. 575/2013 (CRR I) as of 31 March 2024. The regulation is supplemented by the final draft implementing technical standards EBA EBA/ITS/2020/04 from 24 June 2020, which specify the tables integrated in the report. The names of the predefined tables are indicated by the table names provided with the prefix EU.

Scope

This Disclosure Report is based on the group of companies consolidated for regulatory purposes. The companies consolidated for regulatory purposes only include those carrying out banking and other financial business. The consolidated group consists of a domestic parent company and its affiliated companies. The aim of regulatory consolidation is to prevent multiple use of capital that in fact exists only once by subsidiary companies in the financial sector. The companies consolidated under IFRS, by contrast, comprise all the companies controlled by the ultimate parent company.

Commerzbank is a large institution in accordance with Article 4 (1) Nr 146 CRR, thus implementing the frequency requirements of Article 433a CRR.

A detailed description of Commerzbank Group is given in the Annual Report 2023.

Equity capital, capital requirements and RWA

Key metrics

In order to facilitate market participants' access to the most important equity and liquidity ratios of the institutions, Table KM1 with key metrics has been introduced in June 2021.

The table shows the information required by Articles 447(a) to (g) and 438(b) CRR. In particular, these include the available own funds, risk-weighted exposure amounts, capital ratios, combined capital buffers, leverage ratio and liquidity ratios, as well as some additional own funds requirements in order to obtain an overall overview of Commerzbank.

As of the reporting date, Common Equity Tier 1 capital amounted to €25.8bn compared to €25.7bn as of 31 December 2023.

The increase in Common Equity Tier 1 capital was mainly due to positive developments in the currency and revaluation reserve and was partially offset by higher regulatory capital deductions.

The Common Equity Tier 1 capital ratio was 14.9 % at the reporting date, compared with 14.7 % on 31 December 2023. The Tier 1 capital ratio was 16.7 % at the reporting date, compared with 16.5 % at the end of 2023.

The total capital ratio was 19.5 % as of the reporting date, down 0.2 percentage points compared to the previous quarter. Compared to December 31, 2023, own funds decreased by € 0.1 bn and amounted to € 33.8 bn as of the reporting date.

The additional own funds requirement for risks other than the risk of excessive leverage (P2R) increased slightly in 2024 by 25 basis points to 2.25 % of the total capital, of which at least 1.27 % must be covered by Common Equity Tier 1 capital.

The leverage ratio (LR) shows the ratio of Tier 1 capital to leverage ratio exposure, consisting of the non risk-weighted assets plus off-balance sheet positions.

The way in which exposure to derivatives, securities financing transactions and off-balance sheet positions is calculated is laid down by regulators. As a non risk-sensitive figure the leverage ratio is intended to supplement risk-based measures of capital adequacy.

The leverage ratio was 4,6 % as of 31 March 2024. The decrease is due to higher leverage ratio exposure, which was mainly caused by increased cash reserve and an increase in the balance sheet volume due to securities financing transactions (SFT).

For 2024, the ECB set for the first time a requirement to maintain additional own funds for the leverage ratio (SREP P2R-LR) of 0.1 %, so that the requirement for the total leverage ratio rises slightly to 3.1 %.

At 138,3 % (average of the last 12 month-end values), Commerzbank was well above the minimum 100% level required for the Liquidity Coverage Ratio (LCR). Commerzbank's liquidity situation as at the end of the quarter was therefore comfortable given its conservative and forward-looking funding strategy.

The Net Stable Funding Ratio (NSFR) as of 31 March 2024 underlines the solid funding position of Commerzbank Group. It reflects the customer-focused business model of Commerzbank Group with a high contribution to the available stable funding (ASF) from customer deposits. The main share of the required stable funding (RSF) results from the loan business, and the main share of the ASF results from customer deposits.

NSFR increased from 130.2 % to 131.5 % in the first quarter of 2024 due to higher ASF. The reason for this is the increase in retail customer deposits.

Details of the issued capital instruments of Commerzbank Group according to Article 437(b) and (c) CRR and using the EU CCA table in Annex VII of the Regulation of Implementation (EU) 2021/637 are given in Annex 6 of the disclosure report as of 31 December 2023 and on the Commerzbank website in the section debt holder information/capital instruments. Commerzbank Group is not required to disclose in accordance with Article 437a CRR (eligible liabilities).

We have received approval from the supervisor for the application of the transitional provisions to IFRS 9 in accordance with Article 473a CRR. For the Commerzbank Group, this transitional provision will not apply as of 31 March 2024.

EU KM1: Key metrics

		a	b	c	d	e
Line	€m | %	31.3.2024	31.12.2023	30.9.2023	30.6.2023	31.3.2023
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	25,769	25,720	25,369	25,116	24,368
2	Tier 1 capital	28,981	28,926	28,585	28,336	27,592
3	Total capital	33,782	33,859	33,369	33,093	32,487
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	173,081	175,114	173,626	173,977	171,528
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	14.89	14.69	14.61	14.44	14.21
6	Tier 1 ratio (%)	16.74	16.52	16.46	16.29	16.09
7	Total capital ratio (%)	19.52	19.34	19.22	19.02	18.94
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.25	2.00	2.00	2.00	2.00
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.27	1.13	1.13	1.13	1.13
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.69	1.50	1.50	1.50	1.50
EU 7d	Total SREP own funds requirements (%)	10.25	10.00	10.00	10.00	10.00
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50	2.50	2.50	2.50	2.50
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	–	–	–	–	–
9	Institution specific countercyclical capital buffer (%)	0.66	0.64	0.63	0.58	0.54
EU 9a	Systemic risk buffer (%)	0.10	0.10	0.10	0.10	0.10
10	Global Systemically Important Institution buffer (%)	–	–	–	–	–
EU 10a	Other Systemically Important Institution buffer (%)	1.25	1.25	1.25	1.25	1.25
11	Combined buffer requirement (%)	4.51	4.49	4.48	4.43	4.39
EU 11a	Overall capital requirements (%)	14.76	14.49	14.48	14.43	14.39
12	CET1 available after meeting the total SREP own funds requirements (%)	9.06	9.02	8.96	8.79	8.58
Leverage ratio						
13	Total exposure measure	630,827	592,257	585,843	580,420	571,883
14	Leverage ratio (%)	4.59	4.88	4.88	4.88	4.82
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.10	–	–	–	–
EU 14b	of which: to be made up of CET1 capital (percentage points)	–	–	–	–	–
EU 14c	Total SREP leverage ratio requirements (%)	3.10	3.00	3.00	3.00	3.00
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	–	–	–	–	–
EU 14e	Overall leverage ratio requirements (%)	3.10	3.00	3.00	3.00	3.00

		a	b	c	d	e
Line	€m | %	31.3.2024	31.12.2023	30.9.2023	30.6.2023	31.3.2023
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	128,577	122,676	120,163	120,430	118,336
EU 16a	Cash outflows - Total weighted value	114,594	110,761	107,932	107,052	105,924
EU 16b	Cash inflows - Total weighted value	21,756	20,731	20,330	20,305	22,198
16	Total net cash outflows (adjusted value)	92,838	90,030	87,602	86,748	83,727
17	Liquidity Coverage Ratio (%)	138.3	136.2	137.3	138.8	141.3
Net Stable Funding Ratio						
18	Total available stable funding	350,311	340,083	327,819	323,369	314,701
19	Total required stable funding	266,422	261,246	258,070	257,865	247,500
20	NSFR ratio (%)	131.5	130.2	127.0	125.4	127.2

Capital requirements and RWA

The capital requirements set out below relate to the Commerzbank Group and the figures are the same with regard to content as in the capital adequacy reports submitted to the Deutsche Bundesbank under Basel 3 Pillar 1.

Capital requirements by risk type

As required by Article 438(d) CRR, Table EU OV1 shows an overview of risk-weighted assets (RWA) and the associated capital requirements by risk type.

Of the overall capital requirement 73.8 % relates to credit risk positions (excluding counterparty credit risk) as at the reporting date. Commerzbank uses the Advanced Internal Ratings Based Approach (advanced IRBA; in the following referred to as IRBA) to determine the regulatory capital required. Article 150 CRR gives the option of partial use. The Standardised Approach to Credit Risk (SACR) may be used for part of the portfolios.

Commerzbank Group and accordingly the group companies included in the disclosure are, as IRBA banks as defined in Article 147 CRR, generally obliged to value investments in accordance with the IRBA rules. The CRR allows items to be permanently exempted from the IRBA. Commerzbank applies Article 150 CRR and values all investment positions using the permanent partial use according to the SACR, provided that the individual equity position is not measured in the SACR anyway. Investments that are linked to particularly high risks as defined in Article 128 CRR, such as private equity investments or venture capital exposures, are shown in the corresponding SACR exposure class.

Of the overall capital requirement 7.1 % relates to counterparty credit risk. Based on the EBA requirements, credit value adjustments (CVAs) are also assigned to this credit risk category.

Securitised positions in the banking book are also shown as a separate credit risk category subject to a capital requirement in the table EU OV1 below (2.8 % of overall capital requirement).

Pursuant to Article 92(3) (b) and (c) CRR, adequate capital must be set aside for market risk positions. As at the reporting date, capital requirements here are 3.3 % of total requirements. Commerzbank uses an internal market risk model to calculate the regulatory capital requirement. This affects both the equity price and interest rate-related risk positions in the trading book as well as the total of currency positions and commodity positions. The standardized approaches are applied for smaller units in Commerzbank Group in accordance with the partial use option.

Commerzbank uses the standard approach (SA) to calculate the capital requirements for operational risks. This risk category accounts for 13.0 % of the total capital requirements.

EU OV1: Overview of risk-weighted exposure amounts

		a	b	c
		Risk-weighted exposure amounts		Total own funds requirements
	€m	31.3.2024	31.12.2023	31.3.2024
1	Credit risk (excluding CCR)	127,759	128,723	10,221
2	thereof: standard approach	30,976	31,453	2,478
3	thereof: the foundation IRB (F-IRB) approach	–	–	–
4	thereof: slotting approach	1,023	985	82
EU 4a	thereof: equities under the simple risk weighted approach	–	–	–
5	thereof: the advanced IRB (A-IRB) approach	95,760	96,285	7,661
6	Counterparty credit risk - CCR	12,266	12,450	981
7	thereof: standard approach	1,122	1,229	90
8	thereof: internal model method (IMM)	8,345	8,216	668
EU 8a	thereof: exposures to a CCP	316	293	25
EU 8b	thereof: credit valuation adjustment - CVA	2,119	1,975	169
9	thereof: other CCR	364	738	29
15	Settlement risk	0	2	0
16	Securitisation exposures in the non-trading book (after the cap)	4,832	4,844	387
17	thereof: SEC-IRBA	1,687	1,754	135
18	thereof SEC-ERBA (incl. IAA)	2,348	2,370	188
19	thereof: SEC-SA	796	721	64
EU 19a	thereof: 1250% / deduction (for information)	1,373	1,458	110
20	Position, foreign exchange and commodities risks (Market risk)	5,647	6,306	452
21	thereof: standard approach	810	1,021	65
22	thereof: IMA	4,837	5,285	387
EU 22a	Large exposures	–	–	–
23	Operational risk	22,576	22,790	1,806
EU 23a	thereof: basic indicator approach	–	–	–
EU 23b	thereof: standard approach	22,576	22,790	1,806
EU 23c	thereof: advanced measurement approach	–	–	–
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)	6,533	7,060	523
29	**Total**	**173,081**	**175,114**	**13,846**

Risk weighted assets were € 173.1 bn as of March 31, 2024, down 1.2% from the previous quarter. This decline is mainly due to RWA from credit and market risks.

The decline in credit risk is mainly due to improved ratings in the corporate client portfolio. The lower RWA from market risk can be explained mainly by a lower stressed VaR due to changes in position in the Corporate Clients segment.

Detailed overviews of the development of risk-weighted assets by main drivers EU CR8: RWA flow statements of credit risk exposures under the IRB approach, EU CCR7: RWA flow statements of CCR exposures under the IMM as well as EU MR2-B: RWA flow statements of market risk exposures under the IMA are given in the chapters on the respective risk types.

Table EU CR8 below shows the changes in the RWA of credit risk exposures in the IRBA portfolio of Commerzbank Group between 31 December 2023 and 31 March 2024.

The decrease of credit risk in the first quarter of 2024 results mainly from lower RWA in the corporate clients portfolio driven by improved ratings. Opposite effects are primarily due to higher RWA from expected impact of model adjustments in the context of 'Future of IRB' and from reallocation of real estate secured exposure (according to CRR Art. 153(3)) as well as a higher asset size.

Table EU CR8 shows the information according to Article 438(h) CRR as of 31 March 2024:

EU CR8: RWA flow statements of credit risk exposures under the IRB approach

		a
	€m	**Risk-weighted exposure amount (RWA)**
1	**RWA as at the end of the previous reporting period**	**97,270**
2	Asset size	733
3	Asset quality	–2,825
4	Model updates	–
5	Methodology and policy	1,560
6	Acquisitions and disposals	–
7	Foreign exchange movements	279
8	Other	–233
9	**RWA as at the end of the current reporting period**	**96,783**

The following table EU CCR7 shows the development of RWA by main driver of counterparty credit risk according to the internal model method (IMM) in the first quarter of 2024 in accordance with Article 438(h) CRR.

The slight increase in RWA in the first quarter of 2024 was mainly due to volume increases. In the reporting quarter, the volume of securities financing transactions was increased, and a model adjustment achieved higher coverage of these transactions in the IMM. In contrast, there are declines from rating improvements, especially for corporates and currency-related reductions in the USD.

EU CCR7: RWA flow statements of CCR exposures under the IMM

		a
	€m	**Risk-weighted assets (RWA)**
1	**RWA as at the end of the previous reporting period**	**8,216**
2	Asset size	447
3	Credit quality of counterparties	–279
4	Model updates (IMM only)	258
5	Methodology and policy (IMM only)	–
6	Acquisitions and disposals	–
7	Foreign exchange movements	–270
8	Other	–26
9	**RWA as at the end of the current reporting period**	**8,345**

The table EU MR2-B below shows the development of RWA by main market risk drivers according to the internal model-based approach (IMA) in the first quarter of 2024 according to Article 438(h) CRR.

The decrease in RWA in the first quarter of 2024 is primarily due to the Stressed VaR. This is caused by changes in position in the Corporate Clients segment.

EU MR2-B: RWA flow statements of market risk exposures under the IMA

		a	b	c	d	e	f	g
	€m	**VaR**	**SVaR**	**IRC**	**Comprehensive risk measure**	**Other**	**Total RWA**	**Total capital requirements**
1	**RWA as at the end of the previous reporting period**	**1,363**	**2,862**	**1,060**	**–**	**–**	**5,285**	**423**
1a	Regulatory adjustment	–	–	–	–	–	–	–
1b	RWA as at the end of the previous reporting period (end of the day)	1,363	2,862	1,060	–	–	5,285	423
2	Movement in risk levels	−11	−399	37	–	3	−371	−30
3	Model updates/changes	−36	−33	−8	–	–	−77	−6
4	Methodology and policy	–	–	–	–	–	–	–
5	Acquisitions and disposals	–	–	–	–	–	–	–
6	Foreign exchange movements[1]	–	–	–	–	–	–	–
7	Other	–	–	–	–	–	–	–
8a	RWA at the end of the reporting period (end of the day)	1,316	2,430	1,089	–	3	4,837	387
8b	Regulatory adjustment	–	–	–	–	–	–	–
8	**RWA as at the end of the current reporting period**	**1,316**	**2,430**	**1,089**	**–**	**3**	**4,837**	**387**

[1] Changes of RWA which are due to foreign exchange movements are reported under „Movement in risk levels“.

Liquidity risk

The liquidity coverage ratio (LCR) is the regulatory minimum liquidity ratio. It is a measure of the near-term solvency of the Bank under a predetermined stress scenario. Based on the requirements of the Basel Committee, the EU Commission set out the legal foundation for the LCR in the Capital Requirements Regulation (CRR), Regulation (EU) No. 575/2013, in conjunction with Delegated Regulation EU/2015/61 (D-REG).

The ratio itself is defined as the relationship between high quality liquid assets (HQLA) and net liquidity outflows (NLOs) within a 30-day period. Commerzbank monitors the LCR as part of its daily liquidity risk calculation.

The Bank has established internal early warning indicators for the purpose of managing liquidity risk. These ensure that appropriate steps can be taken in good time to secure long-term financial solidity. Risk concentrations can lead to increased outflows of liquidity, particularly in a stress situation. They can, for example, occur with regard to maturities, large individual creditors or currencies. By means of ongoing monitoring and reporting, emerging risk concentrations in funding can be recognised in a timely manner and mitigated through suitable measures. This also applies to payment obligations in foreign currencies. The Bank also mitigates concentrations through the continuous use of the broadly diversified sources of funding available to it, particularly in the form of diverse customer deposits and capital market instruments.

Commerzbank manages its global liquidity centrally using cash pooling. This approach ensures liquidity resources are used efficiently across all time zones, as Commerzbank Treasury units are located in Frankfurt, London, New York and Singapore.

Further information about the liquidity risk management and the internal models can be found in the Group Management Report of the Annual Report 2023 in the chapter “Funding and liquidity of the Commerzbank Group” from page 197 and in the "Liquidity risks" section of the risk report starting on page 245 of the Annual Report 2023.

The calculation of the LCR for the last reporting year is shown below. The averages of the 12 previous month-end values are calculated for each quarter. The resulting values are shown in the table below. The values are rounded to a full-million amount in euros and are presented on a consolidated basis for the Commerzbank Group.

As required by Article 451a (2) CRR, Table EU LIQ1 shows the liquid assets and their cash inflows and outflows and finally the liquidity buffer and the liquidity coverage ratio as of 31 March 2024.

EU LIQ1 Quantitative information of LCR – unweighted

		a	b	c	d
	€m | %	Total unweighted value (average)			
EU 1a	Quarter ending on	30.6.2023	30.9.2023	31.12.2023	31.3.2024
EU 1b	Number of data points used in the calculation of averages	12	12	12	12
High-quality liquid assets					
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61				
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	162,137	163,643	165,612	169,302
3	Stable deposits	110,553	111,705	113,321	115,927
4	Less stable deposits	42,386	41,886	41,544	42,348
5	Unsecured wholesale funding	134,917	135,531	138,229	141,718
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	39,799	38,064	35,167	30,916
7	Non-operational deposits (all counterparties)	94,805	96,930	102,494	110,208
8	Unsecured debt	313	537	568	593
9	Secured wholesale funding				
10	Additional requirements	86,013	85,324	84,598	83,506
11	Outflows related to derivative exposures and other collateral requirements	6,414	6,420	6,289	5,997
12	Outflows related to loss of funding on debt products	197	223	347	257
13	Credit and liquidity facilities	79,402	78,680	77,962	77,253
14	Other contractual funding obligations	2,764	2,493	2,648	3,133
15	Other contingent funding obligations	105,977	106,611	107,630	108,533
16	Total cash outflows				
Cash Inflows					
17	Secured lending (e.g. reverse repos)	42,025	44,255	47,945	51,097
18	Inflows from fully performing exposures	22,604	22,021	22,012	22,828
19	Other cash inflows	3,221	3,157	3,244	3,406
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)				
EU-19b	(Excess inflows from a related specialised credit institution)				
20	Total cash inflows	67,850	69,433	73,200	77,330
EU-20a	Fully exempt inflows	0	0	0	0
EU-20b	Inflows subject to 90% cap	0	0	0	0
EU-20c	Inflows subject to 75% cap	64,136	65,087	68,144	71,815
Total Adjusted Value					
EU-21	Liquidity buffer				
22	Total net cash outflows				
23	Liquidity coverage ratio (%)				

EU LIQ1 Quantitative information of LCR – weighted

		a	b	c	d
	€m | %	Total weighted value (average)			
EU 1a	Quarter ending on	30.6.2023	30.9.2023	31.12.2023	31.3.2024
EU 1b	Number of data points used in the calculation of averages	12	12	12	12
High-quality liquid assets					
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61	120,430	120,163	122,676	128,577
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	10,303	10,428	10,553	10,827
3	Stable deposits	5,528	5,585	5,666	5,796
4	Less stable deposits	4,775	4,843	4,887	5,030
5	Unsecured wholesale funding	67,792	67,672	68,736	71,107
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	9,927	9,494	8,770	7,709
7	Non-operational deposits (all counterparties)	57,551	57,641	59,398	62,805
8	Unsecured debt	313	537	568	593
9	Secured wholesale funding	5,508	7,031	8,664	9,441
10	Additional requirements	16,898	16,869	17,041	16,863
11	Outflows related to derivative exposures and other collateral requirements	5,795	5,842	5,774	5,517
12	Outflows related to loss of funding on debt products	197	223	347	257
13	Credit and liquidity facilities	10,905	10,803	10,920	11,090
14	Other contractual funding obligations	2,137	1,870	2,000	2,470
15	Other contingent funding obligations	4,415	4,063	3,767	3,887
16	Total cash outflows	107,052	107,932	110,761	114,594
Cash Inflows					
17	Secured lending (e.g. reverse repos)	1,319	1,610	1,835	2,133
18	Inflows from fully performing exposures	15,786	15,589	15,679	16,248
19	Other cash inflows	3,200	3,130	3,216	3,375
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)	0	0	0	0
EU-19b	(Excess inflows from a related specialised credit institution)	0	0	0	0
20	Total cash inflows	20,305	20,330	20,731	21,756
EU-20a	Fully exempt inflows	0	0	0	0
EU-20b	Inflows subject to 90% cap	0	0	0	0
EU-20c	Inflows subject to 75% cap	20,305	20,330	20,731	21,756
Total Adjusted Value					
EU-21	Liquidity buffer	120,430	120,163	122,676	128,577
22	Total net cash outflows	86,748	87,602	90,030	92,838
23	Liquidity coverage ratio (%)	138.8%	137.3%	136.2%	138.3%

The average quarterly LCR values have been consistently high. As at each of the reporting dates, Commerzbank considerably surpassed the required minimum ratio of 100%.

The composition of the highly liquid assets available to cover the liquidity outflows in the reporting period is set out below:

addLIQ: Highly liquid assets in accordance with EU/2015/61

Average of the last 12 month-end values €m	30.6.2023	30.9.2023	31.12.2023	31.3.2024
Total	**120,430**	**120,163**	**122,676**	**128,577**
thereof: Level 1	114,182	113,226	114,921	119,666
thereof: Level 2A	5,911	6,571	7,362	8,328
thereof: Level 2B	336	366	392	583

Commerzbank also reports the LCR in US dollars and Polish zloty (PLN), as these are deemed to be significant foreign currencies under the CRR. In addition, the Bank ensures that foreign-exchange risk is monitored as well as limited and managed using an internal model.

When calculating the LCR, the Bank takes into account the liquidity inflows and outflows for derivatives over the next 30 days. When standardised master agreements are involved, the liquidity inflows and outflows are calculated on a net basis. Commerzbank also takes into account further items that could lead to additional outflows of liquidity. These items include variation margins for changes in the value of securities pledged as collateral and, in the event of a possible deterioration in credit rating, additional collateral furnished because of adverse market scenarios for derivatives transactions. For other contingent liabilities, since June 2019 Commerzbank has used additional outflows in accordance with Article 23 of Commission Delegated Regulation (EU) 2015/61.

In addition, there are no other items in the LCR calculation in Commerzbank that are not included in the LCR disclosure template but are considered relevant to the liquidity profile.

Appendix

List of abbreviations

A-IRB	Advanced Internal Ratings Based Approach
ASF	Available Stable Funding
AT1	Additional Tier 1
CCP	Central counterparty
CCR	Counterparty credit risk
CET1	Common Equity Tier 1
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CVA	Credit Value Adjustments
EBA	European Banking Authority
ECB	European Central Bank
ERBA	External Ratings-Based Approach
EU	European Union
F-IRB	Foundation IRB
HQLA	High-quality liquid asset
IFRS	International Financial Reporting Standards
IMA	Internal Model Approach
IMM	Internal Model Method
IRBA	Internal Ratings Based Approach
IRC	Incremental Risk Charge
ITS	Implementing technical standards
LCR	Liquidity Coverage Ratio
LR	Leverage Ratio
NLO	Net liquidity outflows
NSFR	Net stable funding ratio
P2R	Pillar-2-Requirement
RSF	Required Stable Funding
RWA	Risk-Weighted Assets
SA	Standard Approach
SACR	Standardised Approach to Credit Risk
SREP	Supervisory Review and Evaluation Process
sVaR	stressed Value-at-Risk
VaR	Value-at-Risk

Disclaimer

Commerzbank's internal risk measurement methods and models which form the basis for the calculation of the figures shown in this report are state-of-the-art and based on banking sector practice. The risk models produce results appropriate to the management of the Bank. The measurement approaches are regularly reviewed by risk control and internal audit, external auditors and the German and European supervisory authorities. Despite being carefully developed and regularly monitored, models cannot cover all the influencing factors that have an impact in reality or illustrate their complex behaviour and interactions. These limits to risk modelling apply particularly in extreme situations. Supplementary stress tests and scenario analyses can only show examples of the risks to which a portfolio may be exposed in extreme market situations. However, stress testing all imaginable scenarios is not feasible. Stress tests cannot offer a final estimate of the maximum loss should an extreme event occur.

The interpretations with regard to CRR/CRD rules are still ongoing. Therefore, requirements for adjustment may occur due, for example, to modified interpretations in the course of the Q&A-process with EBA or due to new binding Technical Standards or guidelines. Against this background we will continue to refine our methods and models in line with the interpretation of the rules. Thus, our measures may not be comparable with previously published measures and our competitors' measures published may differ from ours.

The German version of this Disclosure Report is the authoritative version.

For ease of reading only the masculine form is used to refer to people. This always refers to people of any gender identity.

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