COMMERZBANK

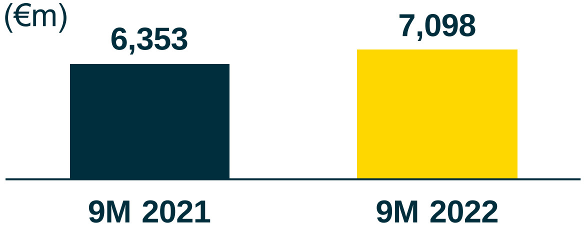
# Strong business performance – key targets confirmed

Analyst conference – Q3 2022

# Manfred Knof
# CEO

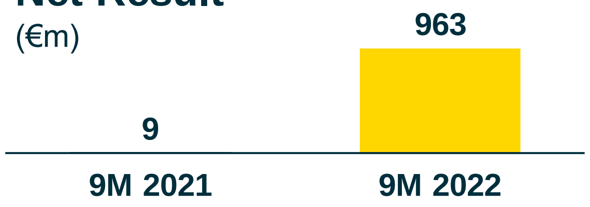
# On track to reach FY 2022 targets

**Revenues**
(€m)




**Operating Result**
(€m)


**Net Result**
(€m)




Strong customer business and rising rates lift revenues by 12% – compensating burdens in Poland

Cost reduction on track, however, inflationary pressure continues to increase – 9M CIR of 69%

Good asset quality and strong CET1 ratio of 13.8%

Main uncertainties remain potential gas rationing, recession and Russia

Committed to > €1bn net result target and 30% pay-out

# Consolidation phase of Strategy 2024 almost finished

## Restructuring

With ~8,350 FTE contracted mainly in Germany and further ~1,100 FTE being related to agreed site closures and optimisation of our international network, 10k gross FTE reduction largely accomplished

Target for branch reduction achieved faster than expected – further optimisation to ~400 in 2023

Complexity reduction on track and remains ongoing focus in operations

## Business model set up

All 12 advisory center locations in PSBC live – run-up of staffing and client migration to be finished by end of November

6,000 Mittelstand customers will be fully migrated to CC's direct bank by end of November

ESG strategy successfully established: €185bn sustainable products in 9M 2022

# Now switch to focus on client business in target model

**2021 / 2022**

Restructuring and business model set up

**Strategy 2024: Commerzbank becoming the digital advisory bank for Germany**

Making consistent use of the advantages of the PSBC two-brand strategy

- Serve 8 million retail customers out of 12 advisory centers
- Strengthen comdirect for digital banking
- Focus relationship banking on wealthy clients

Leverage leading position with German Mittelstand

- Serve 7,000 corporate clients out of Germany's first true direct bank for corporates with fully fledged product offering
- Ensure presence along changing trade corridors as leading trade finance bank for Germany

Further increase cost efficiency and RWA efficiency

| RoTE | Reliable capital | CIR |
|---|---|---|
| >7.3% | distribution | 60% |

# Key take-aways

- Continued delivery of strong financial performance in turbulent times
- Confirmation of our 2022 targets with full year outlook of > €1bn net result
- After successful consolidation entering into next phase of Strategy 2024 execution with strong focus on client business

# Bettina Orlopp
# CFO

# Q3: good underlying profitability compensates burdens

Operating result of €282m burdened by -€270m from credit holidays and -€477m for provisions for CHF loans in Poland

Excluding these burdens operating result of €1,029m based on good underlying customer business

Net result of €195m

Strong increase in underlying NII to €1,617m – up 41% YoY

Underlying NCI at €849m – lower 3% YoY

Costs of €1,520m – higher inflation pressure and compulsory contributions compensated so far

Low risk result of -€84m

Total available TLA of €500m

NPE ratio at low 0.9%

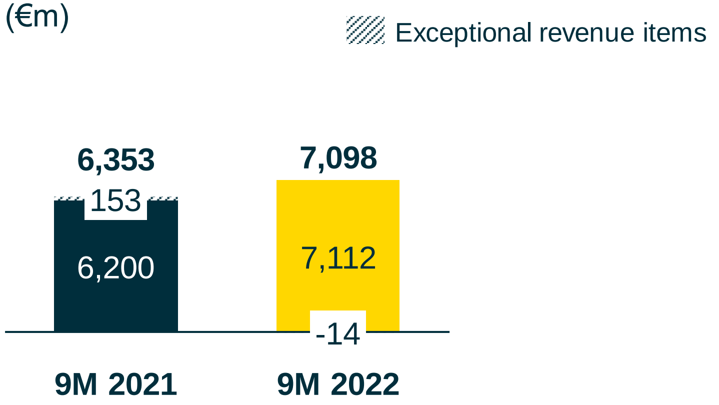
CET1 ratio at 13.8%

Buffer to MDA of 435bps

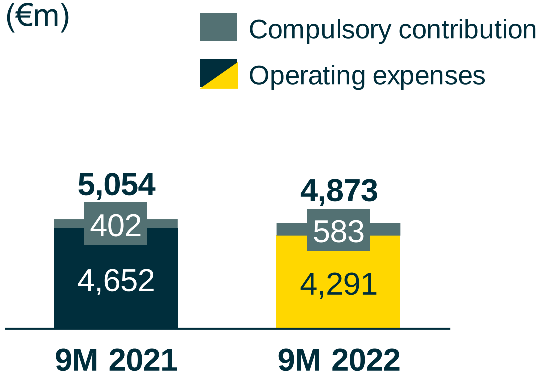
Continued accrual for 30% pay-out

# Strong operating performance driven by higher revenues

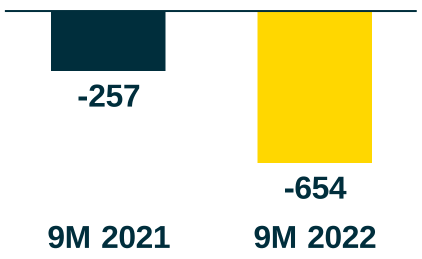
## Revenues
(€m)



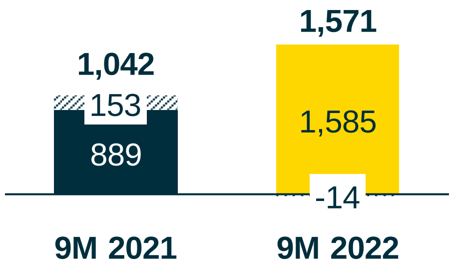

## Costs
(€m)



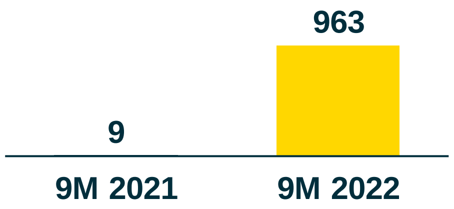

## Risk result
(€m)



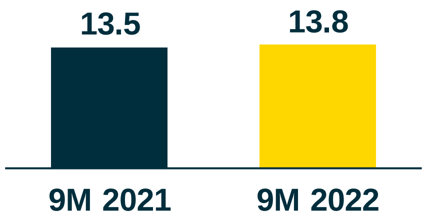

## Operating result
(€m)




## 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

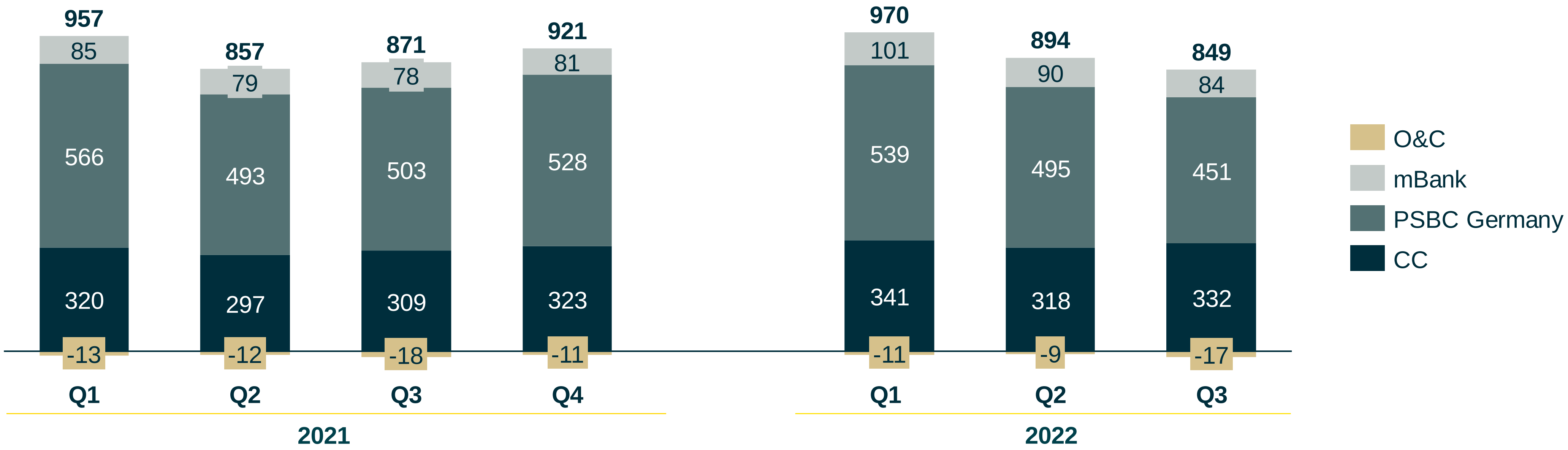
# Exceptional items dominated by credit holidays in Q3

| **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 accounts (PSBC) | -66 | |
| **Q3** | Hedging & valuation adjustments | 32 | **-9** |
| | PPA Consumer Finance (PSBC) | -8 | |
| | Prov. re judgement on pricing of accounts (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** |

| **2022** (€m) | | | **Revenues** |
|---|---|---|---|
| **Q1** | Hedging & valuation adjustments | 17 | **56** |
| | PPA Consumer Finance (PSBC) | -6 | |
| | TLTRO benefit (O&C) | 45 | |
| **Q2** | Hedging & valuation adjustments | 48 | **111** |
| | PPA Consumer Finance (PSBC) | -5 | |
| | TLTRO benefit (O&C) | 42 | |
| | Prov. re judgement on pricing of accounts (PSBC) | 27 | |
| **Q3** | Hedging & valuation adjustments | 84 | **-181** |
| | PPA Consumer Finance (PSBC) | -5 | |
| | TLTRO benefit (O&C) | 9 | |
| | Credit holidays in Poland (PSBC) | -270 | |
| **9M** | | | **-14** |

# NCI reflects lower fees from securities business

## Underlying net commission income
(€m)



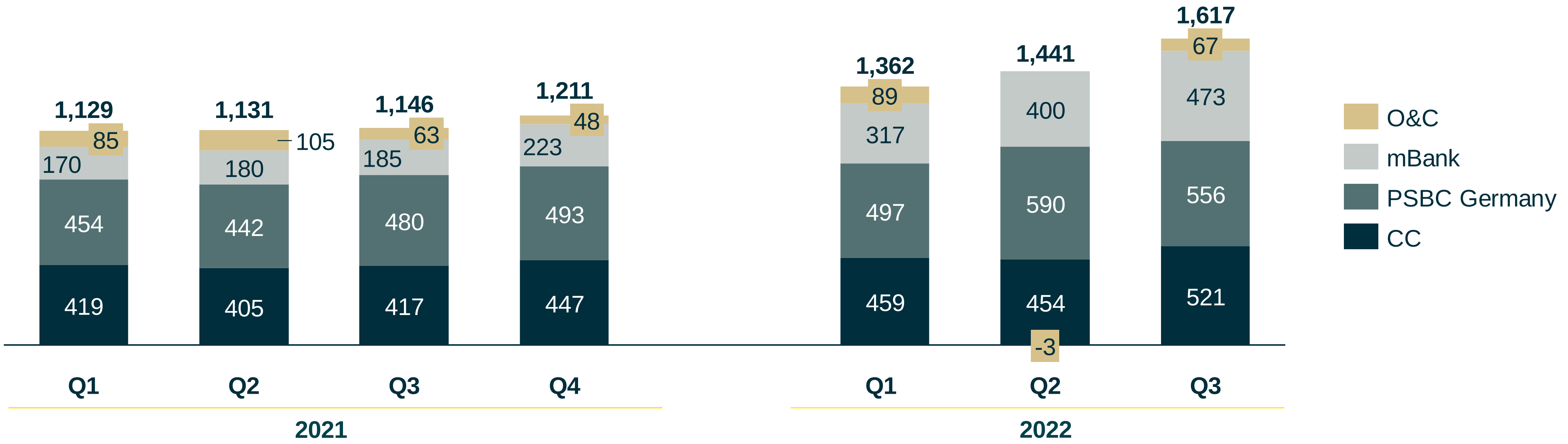

**Highlights Q3**

NCI in PSBC Germany lower QoQ due to lower market values of securities held by customers

QoQ better commission income in CC mainly from strong customer FX business

# Significant growth in underlying NII

**Underlying net interest income (ex TLTRO)**
(€m)




**Highlights Q3**

Continued growth in mBank following further increases of Polish reference rate to 6.75%

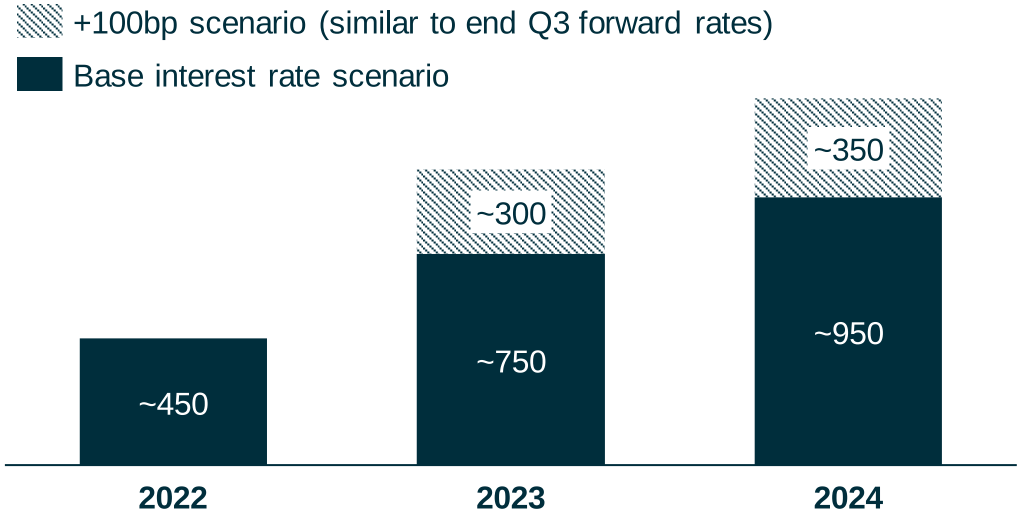
PSBC Germany lower QoQ despite benefits from higher rates as Q2 was supported by ~€90m close-out benefits from early mortgage repayments

Stable revenue contribution from mortgage business so far

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

# High NII potential from rising rates depending on behaviour of customers and competition

**Scenario for change in NII vs. 2021 from deposits at CC and PSBC Germany**
(€m)




Scenario based on planned deposit volume and expected interest rates[1]

In 2023 deposit beta[2] of ~30% assumed

In 2024 deposit beta[2] of ~35% assumed

In +100bp scenario unchanged beta and volumes assumed – however, potentially higher beta at higher rates

## Additional comments

In 2022, NII consists of benefits from deposit pricing in H1 and first interest rate effects

Change of +/- 1 percentage point in deposit beta[2] leads to ~ +/- €45m change in NII

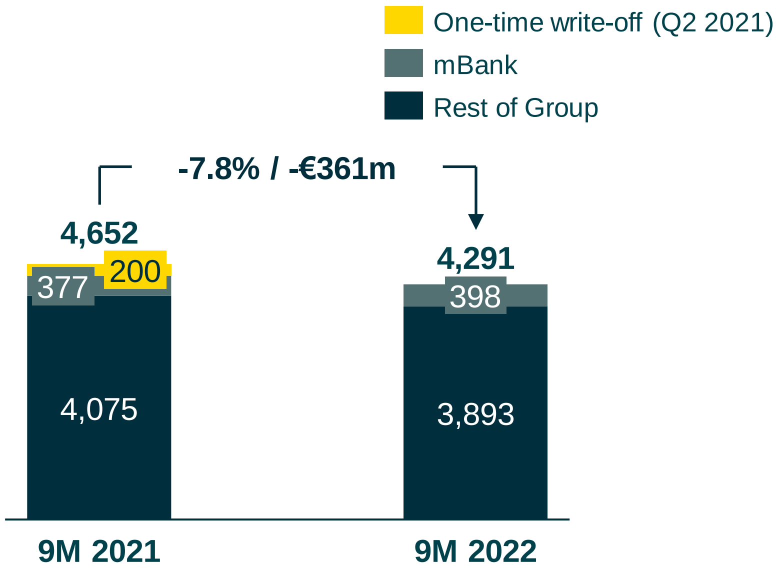
Scenario only simulates development of NII from deposits

Potential effects of higher rates on loan volumes and margins not covered

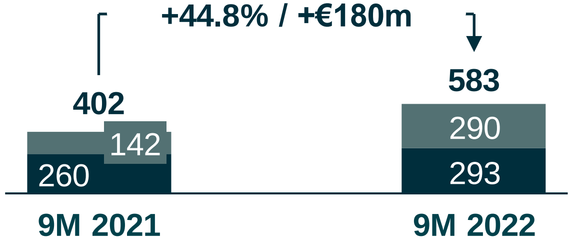
1) Calculation based on consensus data with average ECB rates of 1.75% in 2023 and 2.00% in 2024 and 5y swap rates of 2.35% in 2023 and 2.28% in 2024
2) Deposit beta is the average interest pass-through rate to customers across interest bearing and non interest bearing deposit products

# Operating cost reduction on track – offset by levies

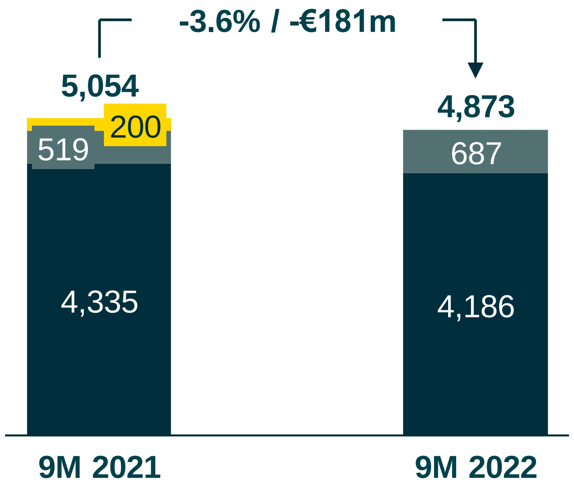
## Operating expenses
(€m)




## Compulsory contributions
(€m)




## Total expenses
(€m)




**Highlights**

Operating expenses benefit from a 2,046 net FTE reduction YoY to 36,386 (partly offset by higher accruals for variable compensation) as well as from decreased expenses for consulting, depreciation and occupancy, following branch closures

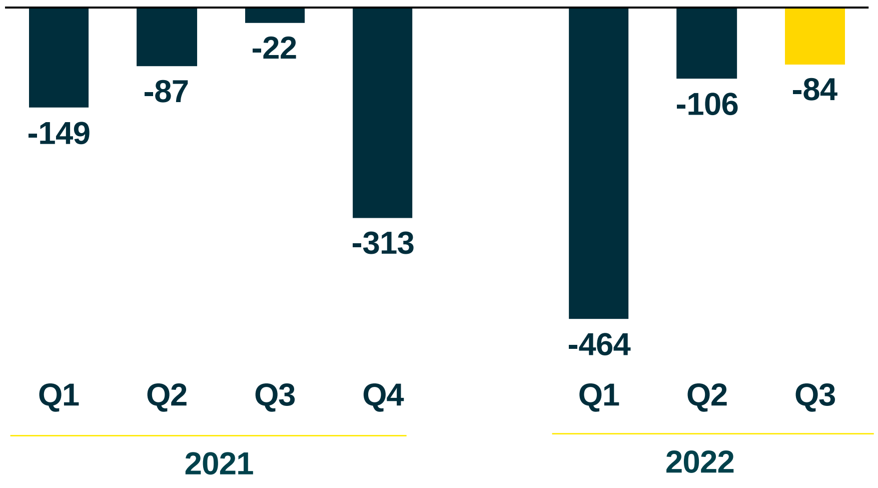
New IPS (Institutional Protection Scheme, €91m) and BSF (Borrower Support Fund, €39m) in Poland in 2022

Increased European bank levy due to higher charges of the single resolution fund driven by deposit growth in Europe – partly offset by usage of payment commitments

Cost target of €6.4bn for FY 2022 maintained with higher compulsory contribution, energy prices and other inflationary effects so far compensated by cost management. However, pressure from inflation continues to increase

# Risk result of -€84m reflecting low number of defaults

## Risk result
(€m)




## Risk result divisional split

| Risk Result (€m) | Q3 2021 | Q2 2022 | Q3 2022 | 9M 2021 | 9M 2022 |
|---|---|---|---|---|---|
| Private and Small-Business Customers Germany | 41 | -46 | -52 | -2 | -116 |
| mBank | -41 | -41 | -38 | -124 | -135 |
| Corporate Clients | -29 | -52 | 13 | -68 | -325 |
| Others & Consolidation | 6 | 34 | -6 | -63 | -78 |
| **Group** | **-22** | **-106** | **-84** | **-257** | **-654** |
| **NPE (€bn)** | | | | | |
| Private and Small-Business Customers Germany | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| mBank | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Private and Small-Business Customers | 1.9 | 1.8 | 1.8 | 1.9 | 1.8 |
| Corporate Clients | 2.2 | 2.4 | 2.4 | 2.2 | 2.4 |
| Others & Consolidation | 0.2 | 0.7 | 0.6 | 0.2 | 0.6 |
| **Group** | **4.3** | **4.8** | **4.9** | **4.3** | **4.9** |
| Group NPE ratio (in %) | 0.8 | 0.8 | 0.9 | 0.8 | 0.9 |
| Group CoR (bps) (year-to-date) | 7 | 24 | 15 | 7 | 15 |
| Group CoR on Loans (CoRL) (bps) (year-to-date) | 13 | 42 | 32 | 13 | 32 |

## Highlights Q3

PSBC: risk result driven by mBank, adjustment of macroeconomic parameters and increased TLA for PSBC Germany

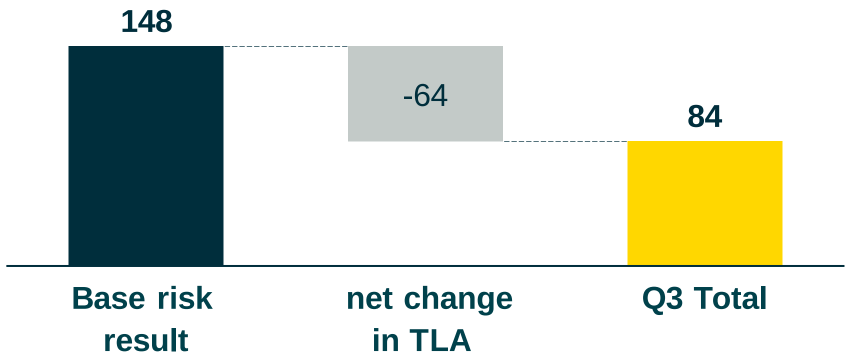
CC: risk result mainly driven by releases of TLA due to reduced Russia portfolio

NPE ratio remains on low level of 0.9%

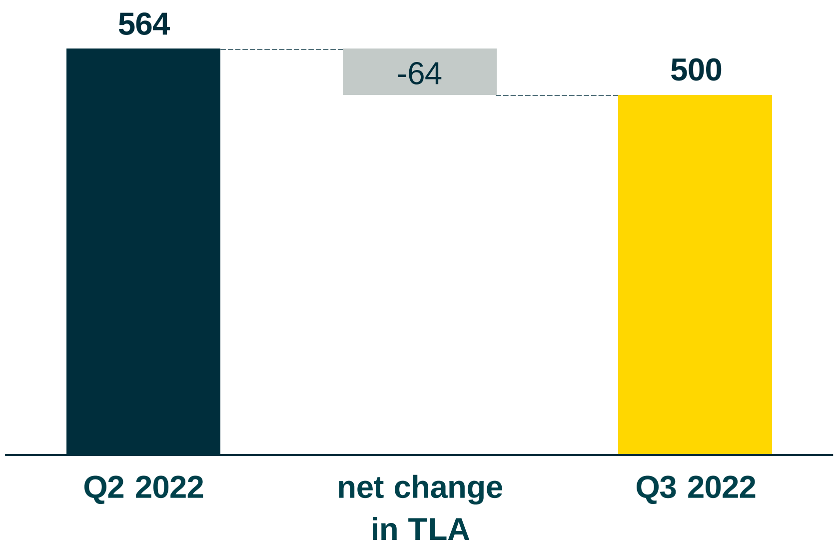
CoRL of 32bps reflects TLA booked in 2022

# €500m top level adjustment still available

## Risk result
(€m)




## Top level adjustment (TLA)
(€m)




**Highlights Q3**

Base risk result on a normalised level based on good portfolio quality – risk result supported by TLA releases

Remaining TLA of €500m available to cover potential Russia direct effects as well as secondary effects like supply chain disruptions, higher energy prices and economic slowdown

Overall TLA increased by €16m to €118m in PSBC and reduced by €81m to €374m in CC. TLA of O&C unchanged at €9m

# Potential effects of a gas rationing scenario on risk provisions – no booking in Q3

## Current situation

- Natural gas storage facilities in Germany are filled at more than 95%
- Higher gas imports from countries like Norway, the Netherlands, or Belgium
- Additional consumption reduction of approximately 25% required to avoid gas shortage during the winter session 2022/23
- Package of measures including gas price brakes is being adopted by the federal government to help private and corporate customers but keeps incentives to reduce consumption in place

## Gas rationing scenario

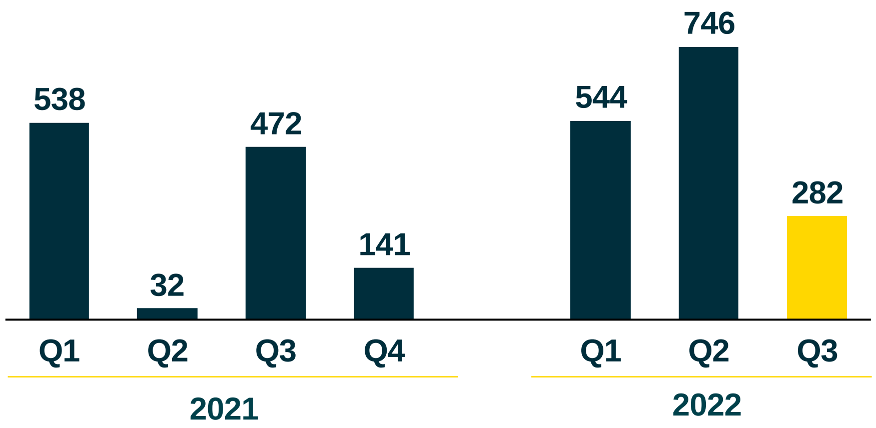
- Substitutions and drastically reduced gas consumption are not sufficient to mitigate the energy shortage in Europe
- For corporate clients the scenario assumes that shortages hit industry sectors that are using gas as input factor in the production process in particular
- Companies experience production difficulties due to ongoing difficulties in global supply chains, slowing down the economic momentum and leading into a recession
- We assume that the measures by the German government are effective

## Potential effects

- The analysis shows an additional negative effect of €0.5bn to €0.6bn for this stress scenario
- The potential effect is calculated as an additional TLA requirement to the existing TLA using the same methodology applied to the secondary effects TLA
- The effect is distributed among all segments and covers German and international corporates as well as private customers and banks

# Operating result reflects one-off burdens in Poland

## Group operating result
(€m)




| | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 |
|---|---|---|---|---|---|---|---|
| Group excluding mBank | 443 | -7 | 463 | 471 | 410 | 643 | 810 |
| mBank | 95 | 40 | 9 | -330 | 134 | 103 | -528 |

## Group P&L

| €m | Q3 2021 | Q2 2022 | Q3 2022 | 9M 2021 | 9M 2022 |
|---|---|---|---|---|---|
| Revenues | 2,004 | 2,420 | 1,886 | 6,353 | 7,098 |
| Exceptional items | -9 | 111 | -181 | 153 | -14 |
| ***Revenues excl. exceptional items*** | ***2,013*** | ***2,309*** | ***2,066*** | ***6,200*** | ***7,112*** |
| *o/w Net interest income* | *1,146* | *1,441* | *1,617* | *3,406* | *4,421* |
| *o/w Net commission income* | *871* | *894* | *849* | *2,685* | *2,714* |
| *o/w Net fair value result* | *129* | *21* | *87* | *537* | *444* |
| *o/w Other income* | *-132* | *-48* | *-487* | *-428* | *-466* |
| Risk result | -22 | -106 | -84 | -257 | -654 |
| Personnel expenses | 886 | 825 | 851 | 2,602 | 2,535 |
| Administrative expenses | 597 | 598 | 579 | 2,050 | 1,756 |
| Operating expenses | 1,483 | 1,423 | 1,429 | 4,652 | 4,291 |
| Compulsory contributions | 27 | 144 | 91 | 402 | 583 |
| **Operating result** | **472** | **746** | **282** | **1,042** | **1,571** |
| Restructuring expenses | 76 | 25 | 14 | 1,052 | 54 |
| **Pre-tax profit Commerzbank Group** | **396** | **721** | **267** | **-10** | **1,517** |
| Taxes on income | -6 | 226 | 228 | -49 | 653 |
| Minority interests | -1 | 25 | -155 | 30 | -98 |
| **Net result** | **403** | **470** | **195** | **9** | **963** |
| CIR (excl. compulsory contributions) (%) | 74.0 | 58.8 | 75.8 | 73.2 | 60.4 |
| CIR (incl. compulsory contributions) (%) | 75.4 | 64.8 | 80.6 | 79.6 | 68.7 |
| Net RoTE (%) | 5.8 | 6.7 | 2.2 | -0.7 | 4.3 |
| Operating RoCET (%) | 7.9 | 12.4 | 4.7 | 5.8 | 8.7 |

## Highlights Q3

YoY strong customer revenue growth and lower operating expenses improve operating result in Germany and Poland

Other income reflects increased provisions for CHF mortgages

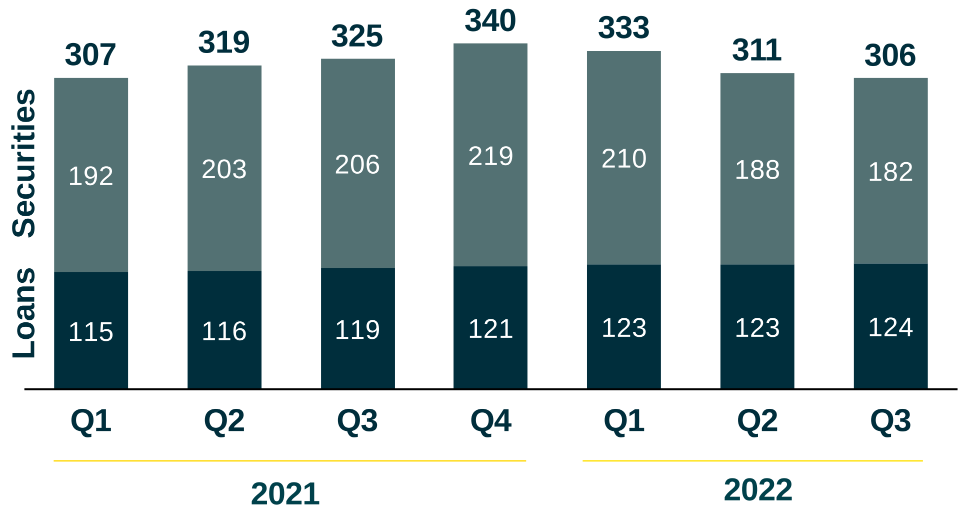
YtD net RoTE of 4.3% and CIR of 69% reached

High tax rate as provisions for CHF mortgages in Poland are not tax deductible

# PSBC: moderate increase in loan and deposit volumes

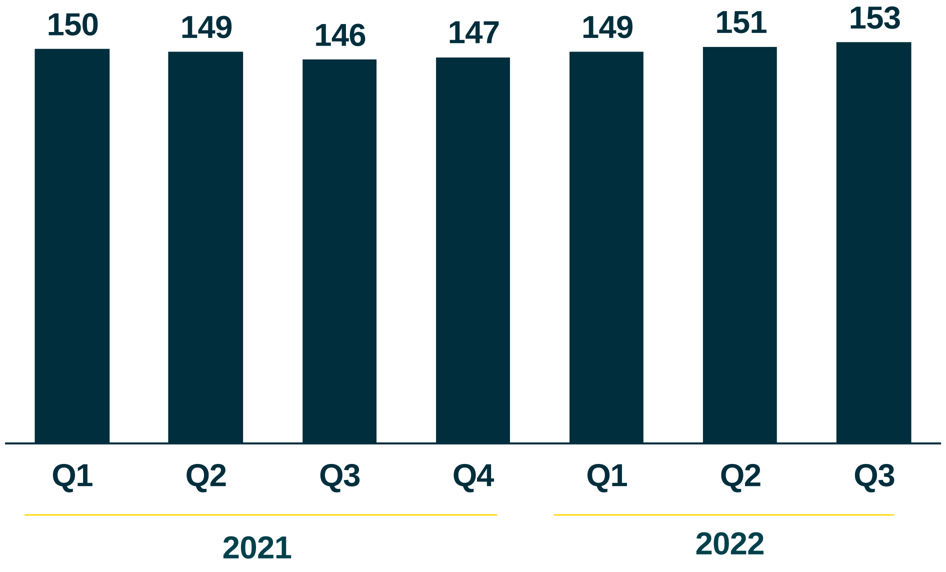
## Loan and securities volumes (Germany)

(€bn | eop)




## Deposits (Germany)

(€bn | eop)




**Highlights Q3**

Decrease in securities volume by €6bn QoQ due to market moves – inflow of net €0.6bn new money

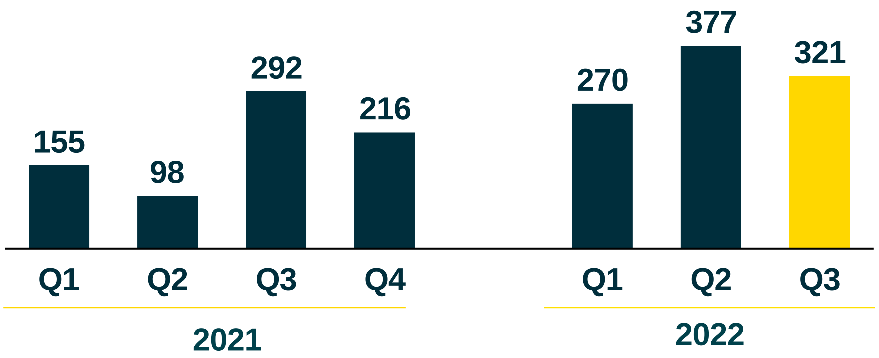
German mortgage business still stable at €94bn as market-related decline in new business not yet reflected in back-book

Consumer finance book stable at €3.7bn

Increase of deposit volume by €2bn to €153bn – no further deposit pricing in Q3

# Good result of PSBC Germany

## Operating result PSBC Germany
(€m)




**Total PSBC operating result including mBank**

| Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 |
|---|---|---|---|---|---|---|
| 250 | 137 | 301 | -113 | 403 | 481 | -207 |

## Segmental P&L PSBC Germany

| €m | Q3 2021 | Q2 2022 | Q3 2022 | 9M 2021 | 9M 2022 |
|---|---|---|---|---|---|
| Revenues | 956 | 1,139 | 1,071 | 2,842 | 3,269 |
| Exceptional items | -41 | 22 | -5 | -124 | 11 |
| ***Revenues excl. exceptional items*** | ***996*** | ***1,117*** | ***1,075*** | ***2,966*** | ***3,258*** |
| o/w Private Customers | 735 | 806 | 772 | 2,192 | 2,361 |
| o/w Small Business Customers | 210 | 234 | 218 | 620 | 669 |
| o/w Commerz Real | 51 | 76 | 85 | 155 | 227 |
| Risk result | 41 | -46 | -52 | -2 | -116 |
| Operating expenses | 717 | 692 | 693 | 2,184 | 2,073 |
| Compulsory contributions | -13 | 23 | 4 | 112 | 112 |
| **Operating result** | **292** | **377** | **321** | **545** | **968** |
| RWA (end of period in €bn) | 30.4 | 32.1 | 32.1 | 30.4 | 32.1 |
| CIR (excl. compulsory contributions) (%) | 75.1 | 60.7 | 64.7 | 76.9 | 63.4 |
| CIR (incl. compulsory contributions) (%) | 73.7 | 62.8 | 65.1 | 80.8 | 66.8 |
| Operating return on equity (%) | 32.3 | 37.3 | 32.0 | 20.5 | 32.5 |

## Highlights Q3

YoY 8% increase in underlying revenues in the German operations – Q2 was supported by ~€90m close-out benefits from early mortgage repayments

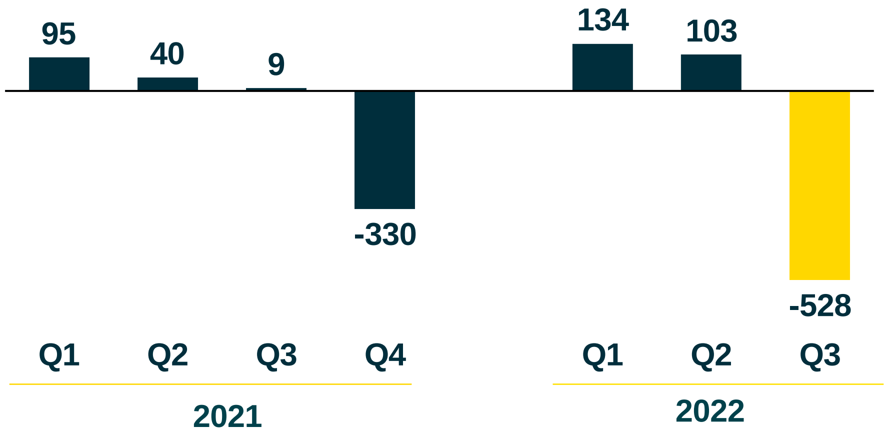
Underlying NII up €75m YoY benefits from increased interest rates

NCI -€52m YoY mainly due to lower market values of securities held in custody

Net reduction of customer base in Germany by 207k in Q3 driven by termination of inactive client relationships – revenue churn well below expectations

# mBank – strong revenues offset by burdens

## Operating result mBank
(€m)




**…excluding provisions for CHF loans and credit holidays**

| 109 | 94 | 103 | 107 | 175 | 143 | 219 |
|---|---|---|---|---|---|---|

## Segmental P&L mBank

| €m | Q3 2021 | Q2 2022 | Q3 2022 | 9M 2021 | 9M 2022 |
|---|---|---|---|---|---|
| Revenues | 220 | 402 | -278 | 786 | 532 |
| Exceptional items | -2 | -1 | -271 | 1 | -272 |
| ***Revenues excl. exceptional items*** | ***223*** | ***402*** | ***-7*** | ***786*** | ***804*** |
| Risk result | -41 | -41 | -38 | -124 | -135 |
| Operating expenses | 131 | 138 | 129 | 377 | 398 |
| Compulsory contributions | 40 | 119 | 83 | 142 | 290 |
| **Operating result** | **9** | **103** | **-528** | **143** | **-291** |
| RWA (end of period in €bn) | 23.1 | 22.0 | 21.2 | 23.1 | 21.2 |
| CIR (excl. compulsory contributions) (%) | 59.5 | 34.3 | n/a | 47.9 | 74.8 |
| CIR (incl. compulsory contributions) (%) | 77.6 | 64.0 | n/a | 66.0 | 129.3 |
| Operating return on equity (%) | 1.3 | 14.8 | -77.7 | 7.5 | -14.0 |
| Provisions for CHF loans of mBank | -95 | -40 | -477 | -164 | -559 |
| Credit holidays in Poland | - | - | -270 | - | -270 |

## Highlights Q3

Revenues reflect burden from Polish credit holidays (-€270m) and provisions for CHF loans (-€477m)

Revenues excluding these burdens €469m – up 49% (€155m) YoY

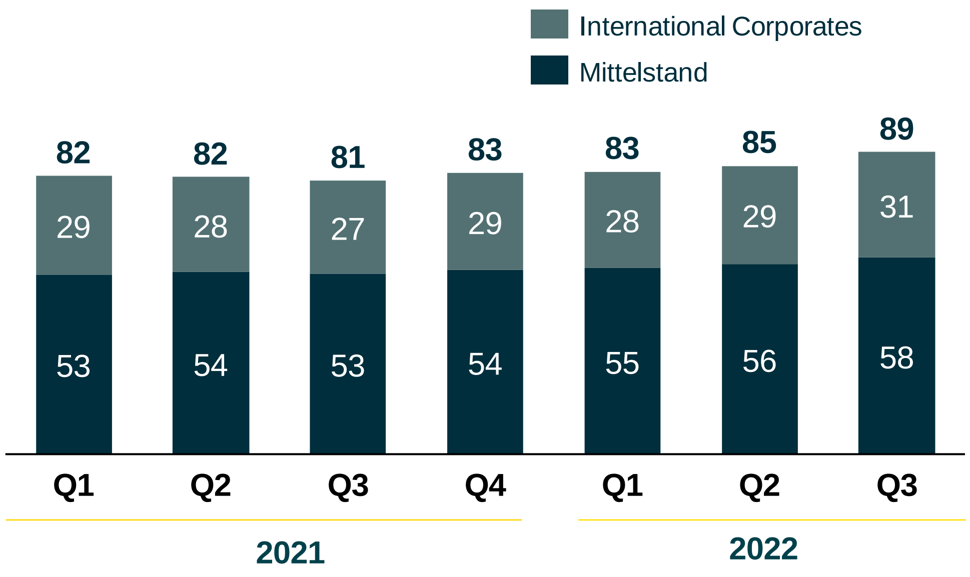
€83m compulsory contributions include additional €39m for the Borrower Support Fund

Volume of CHF loans before deductions at €2.7bn; provisions of €1.4bn – net volume €1.4bn and coverage ratio of 52%

# CC: continued growth in deposit volumes

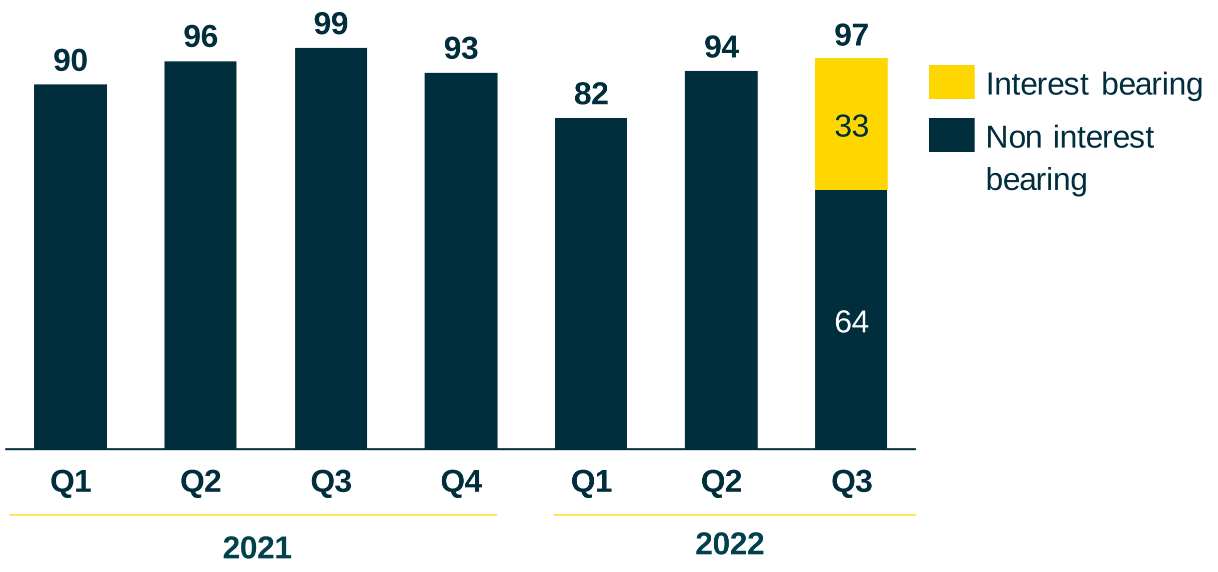
## Loan volume Corporates

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




## Deposits

(€bn | quarterly avg.)




**Highlights Q3**

Loan volume increase in Mittelstand mainly from working capital and investment loans

Increase in International Corporates reflects strong USD

Ongoing increase of customer deposits with currently low deposit beta

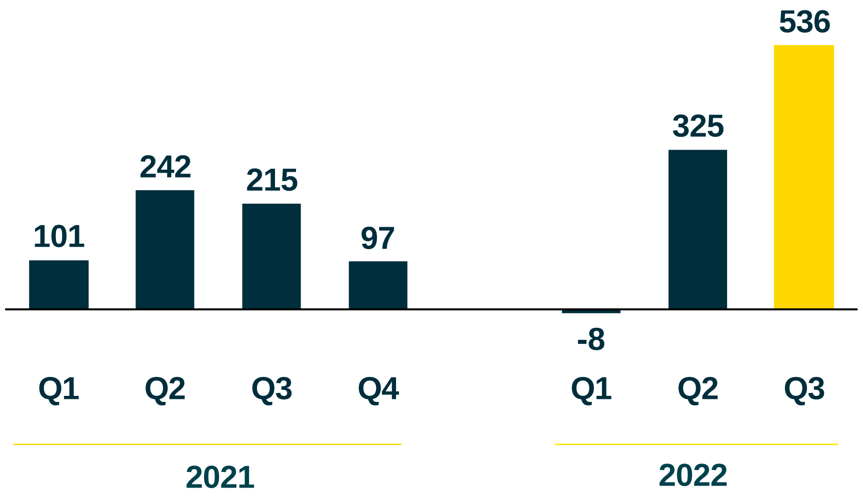
Following ECB decision on 21 July deposit charging ended in July 2022

Average RWA efficiency of corporates portfolio further improved to 5.7% (5.5% in Q2)

Approval of model change leading to RWA increase in CC largely offset by reductions in O&C, effective in Q4

# CC: strong operating result – best quarter since Q1 2015

## Operating result
(€m)




## Segmental P&L CC

| €m | Q3 2021 | Q2 2022 | Q3 2022 | 9M 2021 | 9M 2022 |
|---|---|---|---|---|---|
| Revenues | 775 | 882 | 1,021 | 2,374 | 2,829 |
| Exceptional items | 15 | -18 | 15 | 43 | -1 |
| ***Revenues excl. exceptional items*** | ***760*** | ***900*** | ***1,006*** | ***2,330*** | ***2,830*** |
| o/w Mittelstand | 434 | 471 | 524 | 1,303 | 1,484 |
| o/w International Corporates | 196 | 233 | 244 | 607 | 704 |
| o/w Institutionals | 136 | 143 | 146 | 376 | 425 |
| o/w others | -7 | 53 | 92 | 45 | 217 |
| Risk result | -29 | -52 | 13 | -68 | -325 |
| Operating expenses | 531 | 504 | 496 | 1,652 | 1,533 |
| Compulsory contributions | - | 1 | 2 | 95 | 118 |
| **Operating result** | **215** | **325** | **536** | **558** | **853** |
| RWA (end of period in €bn) | 79.2 | 78.8 | 81.0 | 79.2 | 81.0 |
| CIR (excl. compulsory contributions) (%) | 68.5 | 57.2 | 48.6 | 69.6 | 54.2 |
| CIR (incl. compulsory contributions) (%) | 68.5 | 57.3 | 48.8 | 73.6 | 58.4 |
| Operating return on equity (%) | 8.8 | 13.0 | 21.5 | 7.5 | 11.4 |

## Highlights Q3

Strong performance in all customer segments and all product types (lending, transaction banking and capital markets)

Underlying NII up 25% YoY additionally supported by deposit pricing continuing in July

Underlying NCI up 7% YoY largely due to good customer FX business

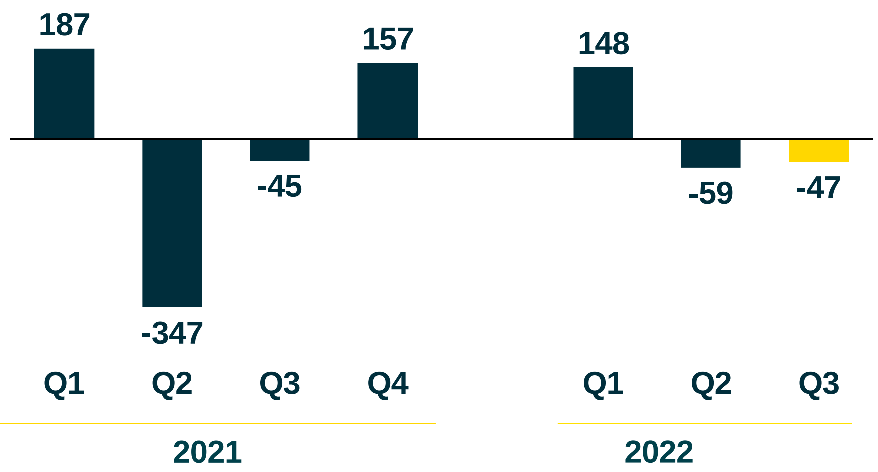
Underlying NFV of €154m benefits from good capital markets business

Pre-provision result doubled YoY based on 32% higher underlying revenues

# O&C result driven by valuation effects

## Operating result

(€m)




## Segmental P&L O&C

| €m | Q3 2021 | Q2 2022 | Q3 2022 | 9M 2021 | 9M 2022 |
|---|---|---|---|---|---|
| Revenues | 53 | -3 | 72 | 351 | 469 |
| Exceptional items | 19 | 108 | 80 | 232 | 249 |
| ***Revenues excl. exceptional items*** | ***35*** | ***-111*** | ***-8*** | ***118*** | ***220*** |
| *o/w Net interest income* | *63* | *-3* | *67* | *253* | *154* |
| *o/w Net commission income* | *-18* | *-9* | *-17* | *-43* | *-38* |
| *o/w Net fair value result* | *46* | *-54* | *-29* | *180* | *84* |
| *o/w Other income* | *-56* | *-45* | *-29* | *-271* | *20* |
| Risk result | 6 | 34 | -6 | -63 | -78 |
| Operating expenses | 104 | 90 | 112 | 439 | 287 |
| Compulsory contribution | - | 1 | 1 | 53 | 63 |
| **Operating result** | **-45** | **-59** | **-47** | **-205** | **41** |
| | | | | | |
| RWA (end of period in €bn) | 42.6 | 42.2 | 40.2 | 42.6 | 40.2 |

## Highlights Q3

Operating result supported by valuation effects in exceptional items

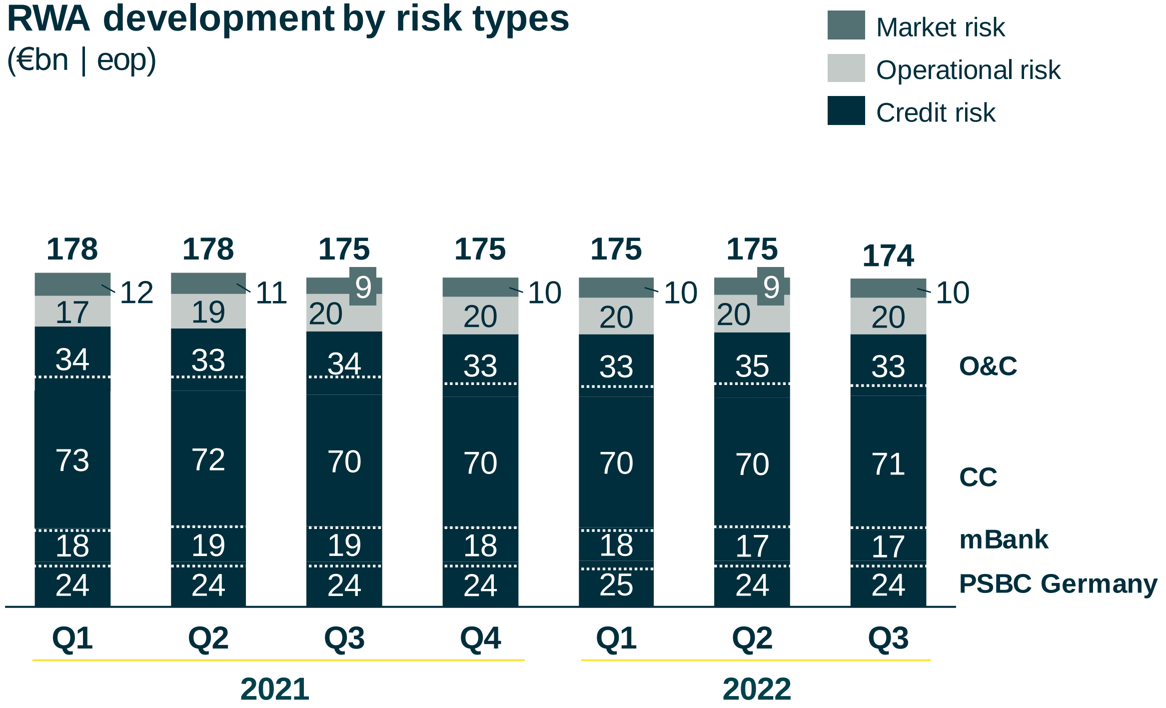
Q2 NII lower due to close-out payments to PSBC from early repayment of mortgages

Valuation effects of -€6m from CommerzVentures

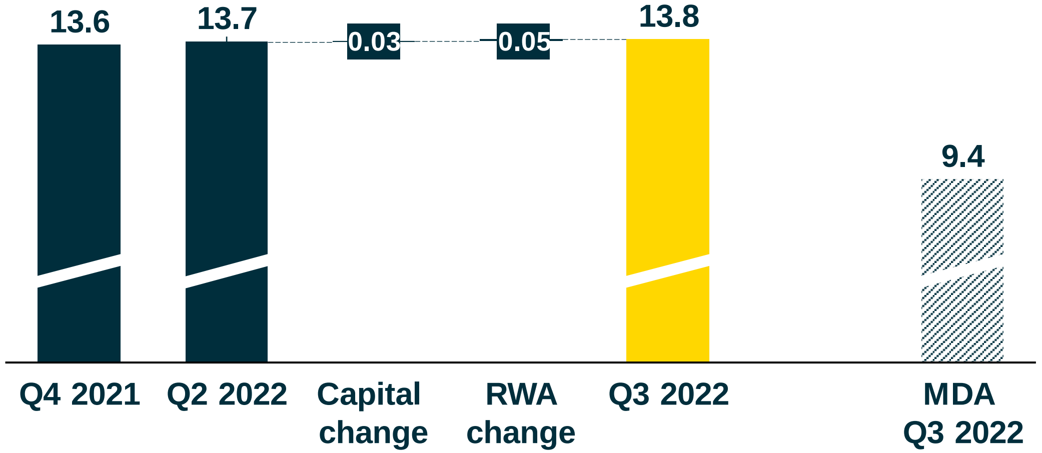
Reduction in RWA resulting from securities positions

# CET1 ratio of 13.8% and buffer to MDA of 435bps

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




## Transition of CET1 ratio
(%)




**Highlights Q3**

Credit risk RWA decrease of €1bn mainly due to securities positions in O&C

Capital slightly increased – positive effect from net result partly offset mainly by AT1 and dividend accruals

# Objectives and expectations for 2022

We expect NII > €6bn and NCI slightly below previous year

Total cost target of €6.4bn maintained although pressure from inflation increases

We aim for a risk result around -€700m assuming usage of TLA

We expect a CET1 ratio > 13.5%

We expect a net result of > €1bn with a pay-out ratio of 30%[1]

**Expectations are based on the assumption that there is no severe deterioration of the economic environment, e.g. due to a natural gas shortage**

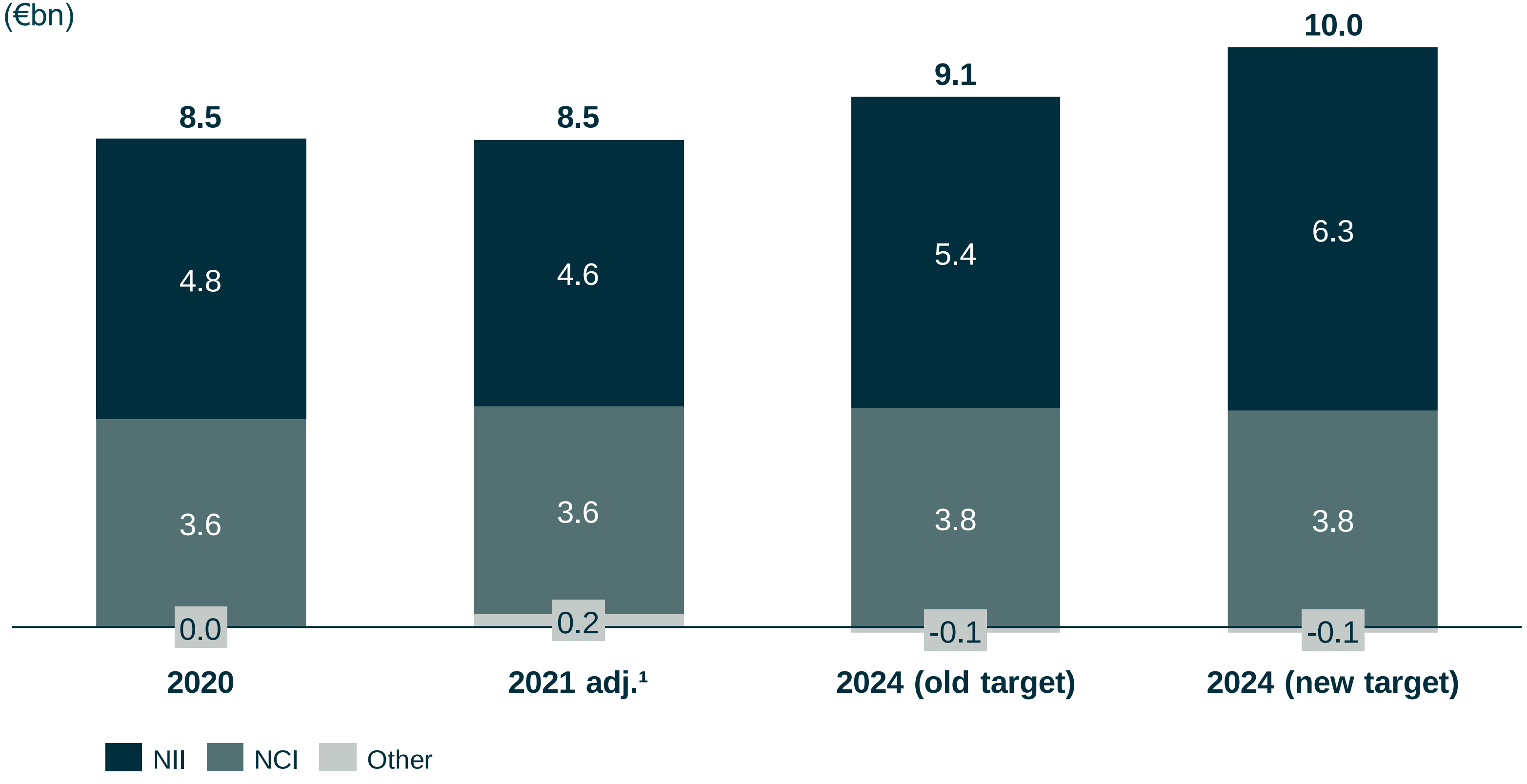
1) Pay-out ratio based on net result after potential (fully discretionary) AT1 coupon payments

# Update
# Strategy 2024

# Strategy 2024: Improved revenue growth targets

## Revenues 2021 vs. 2024 incl. mBank

(€bn)




### Net interest income (NII)

- Increased target based on conservative Euro rates assumptions and deposit beta
- Net no material change in loan volumes and margins assumed
- mBank targets unchanged – NII expected ~€0.2bn below 2022 level

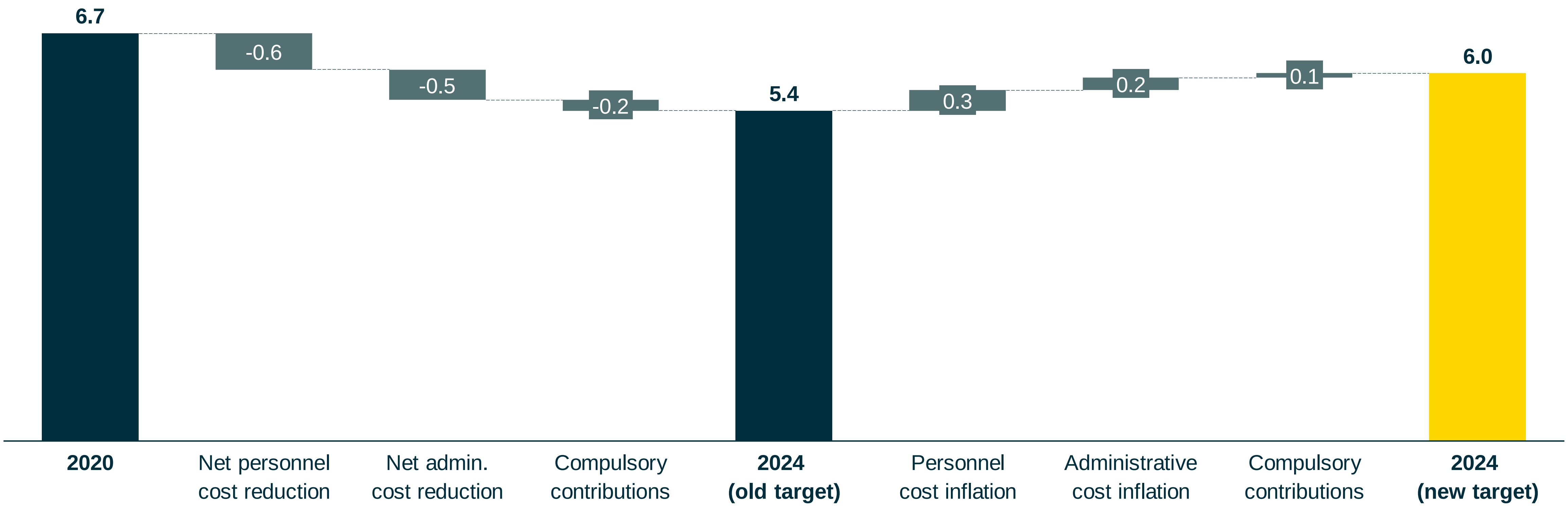
### Net commission income (NCI)

- No material change in assumptions

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

# Strategy 2024: cost reduction partially offset by inflation

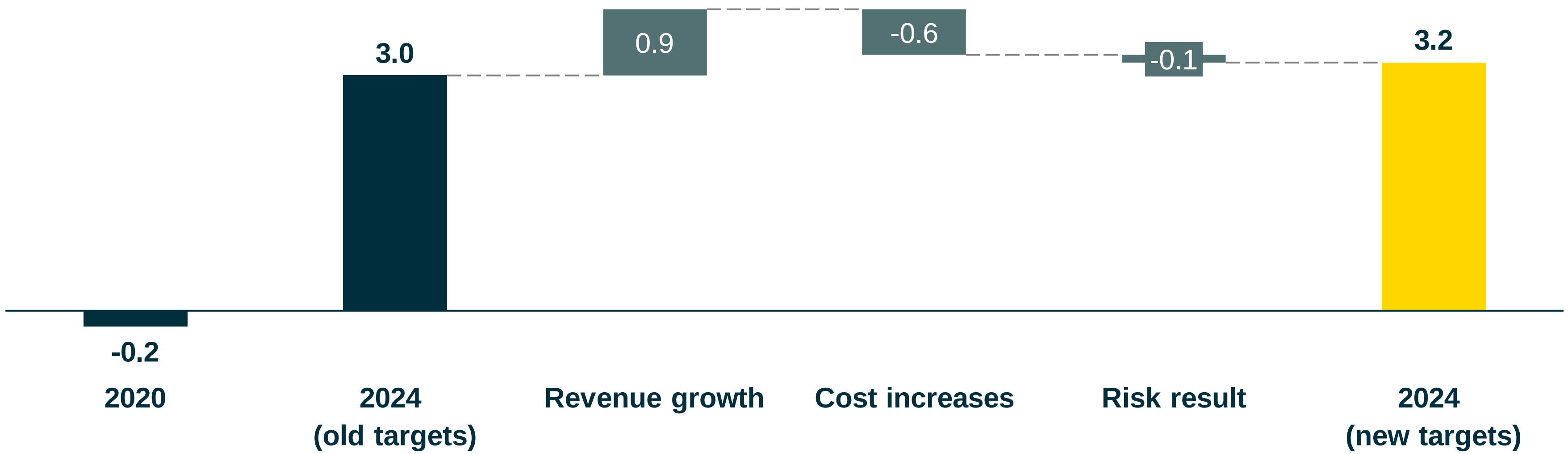
**Costs incl. compulsory contributions**
(€bn)




**CIR target of 60% confirmed – continued cost improvement remains a top priority**

# Strategy 2024: higher revenues drive profitability targets

**Transition of operating result**
(€bn)




| | | | |
|---|---|---|---|
| **CIR** (%, incl. compulsory contributions) | 82 | 60 | 60 |
| **Net RoTE** (%, with 30%/50% pay-out ratio) | -11.7 | 7.3 | >7.3 |

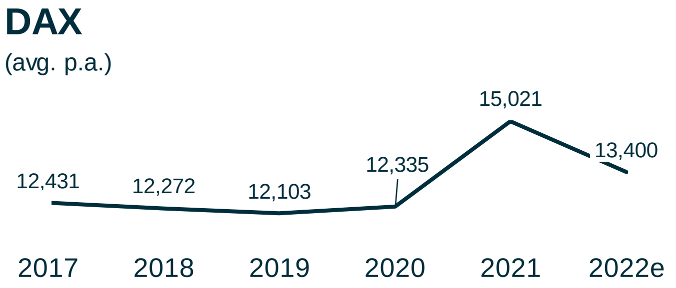
# Appendix

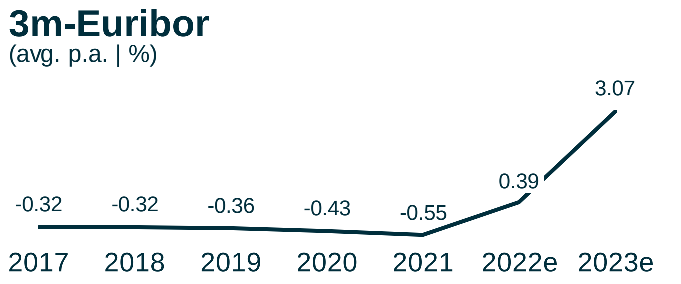
# 2022 strategy KPIs

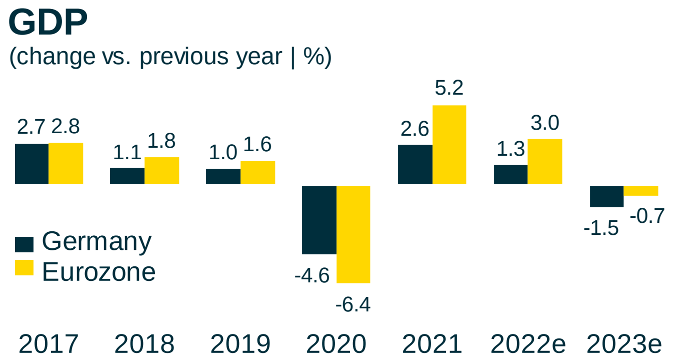
| | KPI | Q4 2020 | YE 2021 | H1 2022 | 9M 2022 | Target 2022 |
|---|---|---|---|---|---|---|
| PSBC | Domestic locations (#) | ~800 | ~550 | ~450 | ~450 | 450 |
| | Active digital banking users (%) | 66 | 70 | 70 | 70 | 71 |
| | Loan and securities volumes (GER \| €bn) | 290 | 340 | 311 | 306 | 360 |
| | Net FTE reduction[1] vs. YE 2020 (#) | - | 1,728 | 1,766 | 2,034 | 3,000 |
| CC | International locations exited (#) | - | 6 | 6 | 7 | 10 |
| | Digital banking users activated (%) | - | 24 | 30 | 35 | 40 |
| | Portfolio with RWA efficiency < 3% (%) | 34 | 29 | 28 | 26 | 31 |
| | Net FTE reduction[1] vs. YE 2020 (#) | - | 451 | 592 | 678 | 700 |
| Operations & Head Office | IT capacity in nearshoring locations (%) | 14 | 20 | 22 | 24 | 24 |
| | Apps on cloud (%) | 32 | 41 | 50 | 58 | 60 |
| | Reduction of external staff (#) | Reduction starts 2023 | | | | |
| | Net FTE reduction[1] vs. YE 2020 (#) | - | 585 | 331 | 364 | 600 |

1) FTE numbers shown for YE 2021 are as of 1 January 2022

# German economy 2022 – winter recession




**Current development**

The German economy has probably been sliding into recession since September, given the slump of leading indicators. Global demand has weakened significantly and increased energy prices are burdening consumers and businesses, hence, slowing down private consumption and investment. Particularly energy-intensive companies have already cut their production.

In addition, manufacturing continues to be held back due to problems in the supply chains. While those seem to have eased somewhat recently, still almost two-thirds of manufacturing companies continue to complain about shortages of raw materials and intermediate products. That said, there are huge differences between sectors.

Also because of these supply bottlenecks, but mainly driven by sky rocketing energy prices the inflation rate has risen sharply in recent months. In September, it has reached 10.0%, a level which is only comparable to the 1950s.

The situation on the labor market is still good but the improvement came to a halt. Employment has peaked in July and did not increase further in August. At the same time, the unemployment rate slightly increased in recent months to 5.5% in September.

Against the backdrop of marked interest rate hikes by the Federal Reserve and the ECB, stock markets have come under pressure.

**Our expectation for 2022/23**

The German economy will experience a recession in the winter half 2022/23. Global demand will remain weak: the Fed's expected further rate hikes will drive the US economy into recession; China's growth will remain sluggish; several EM economies will also suffer from higher interest rates.

In our scenario of a "moderate recession" we assume that the German economy will roughly be able to manage the Russian gas stop as European gas stocks are well filled up to now. However, the weather will be decisive and whether households and companies will be able to further save around 20% of energy over the coming months.

In H2 2023, the German economy should manage to leave recession behind, but no significant recovery is expected as the further rate hikes by the ECB combating inflation will pose a drag on the economy.

The headline inflation rate should start to ease from spring onwards – as energy prices should not increase as strongly as over the past months. Also, the ECB's policy should have a dampening effect. By contrast, underlying inflation pressure should remain high as unions will push through marked wage increases.

We expect the ECB to raise rates further to a first peak of 3% by spring 2023 – and a rate hike pause thereafter.

Stock markets should turn around when markets gain expectation of first rate cuts by the Federal Reserve towards the end of 2023.

# Russia net exposure reduced by 51% since 18 February

## Russia exposure

| Net exposure (€m) | 18 Feb 2022 | 29 Apr 2022 | 15 Jul 2022 | 30 Sep 2022 |
|---|---|---|---|---|
| Corporates | 621 | 580 | 398 | 322 |
| – thereof at Eurasija | 392 | 374 | 182 | 98 |
| Banks | 528 | 78 | 75 | 61 |
| Sovereign (at Eurasija) | 127 | 137 | 182 | 161 |
| Pre-export finance | 590 | 396 | 362 | 369 |
| **Total** | **1,866** | **1,191** | **1,017** | **913** |

Group exposure net of ECA and cash held at Commerzbank reduced to €913m

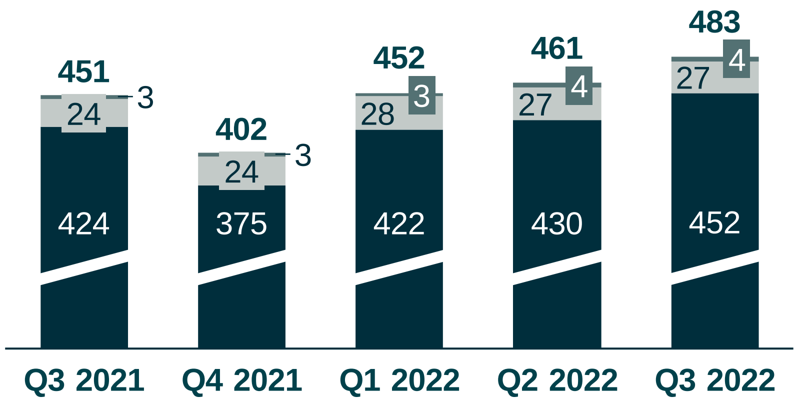
Additionally, Eurasija holds domestic RUB deposits of ~€1.1bn at Russian Central Bank/Moscow Currency Exchange

**We continue to reduce exposures while supporting existing clients in compliance with all sanctions regulations**

# Overall risk provisions nearly unchanged

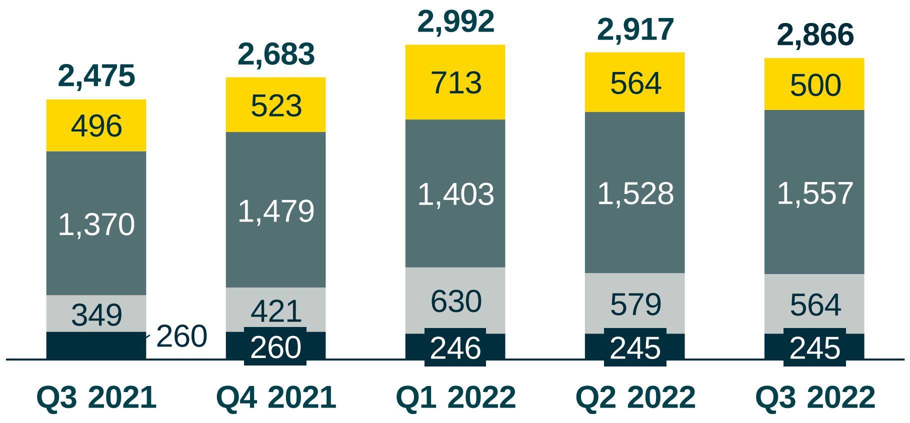
## Exposure[1]

(€bn | excluding mBank)




## Risk provisions

(€m | excluding mBank)




| Coverage[2] | | | | | |
|---|---|---|---|---|---|
| Stage 3 | 44.0% | 49.4% | 50.3% | 38.4% | 34.9% |
| Stage 2 | 1.5% | 1.7% | 2.3% | 2.1% | 2.1% |
| Stage 1 | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% |

## Highlights Q3

Previous quarters adjusted for deposits at central banks (mainly Deutsche Bundesbank)

Overall level of risk provisions nearly unchanged, decrease of stage 3 coverage due to volatile central bank exposure

Overall level of TLA decreased to €500m

TLA increases the effective coverage of our credit portfolio mainly in stage 2

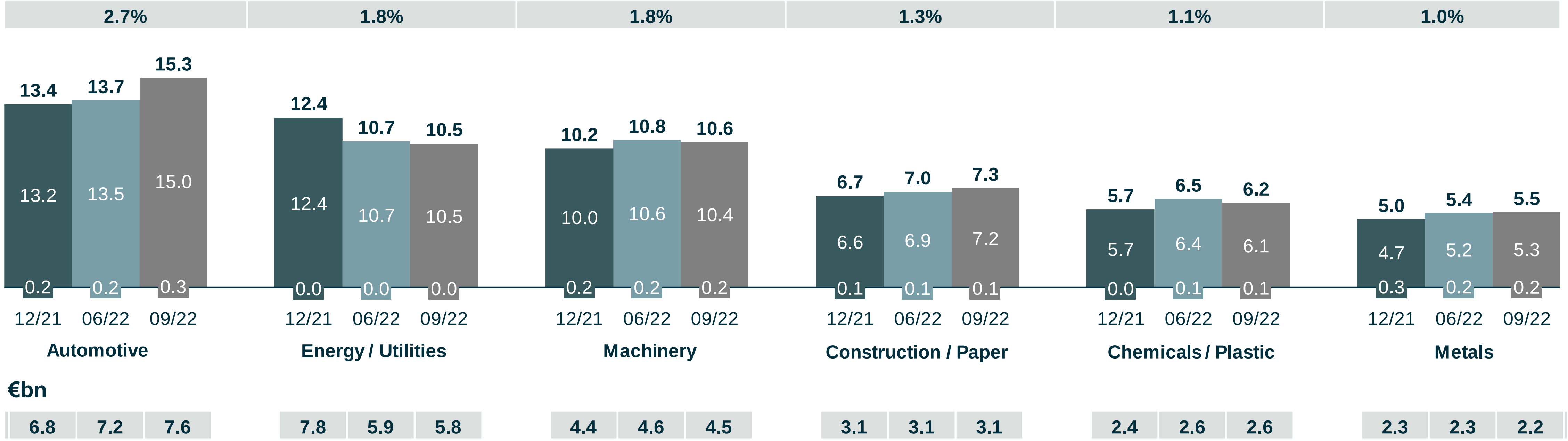
1) Exposure at Default relevant for IFRS 9 accounting (on- and off-balance exposures in the accounting categories AC and FVOCI)
2) Note: TLA is not assigned to stages, hence it is not included in the coverage

# Vulnerable sectors

## Corporates sectors

(€bn | EaD)

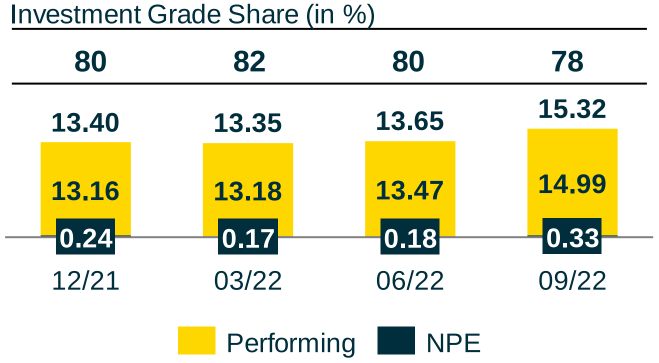
**Share within Commerzbank's portfolio 09/2022**



# Automotive

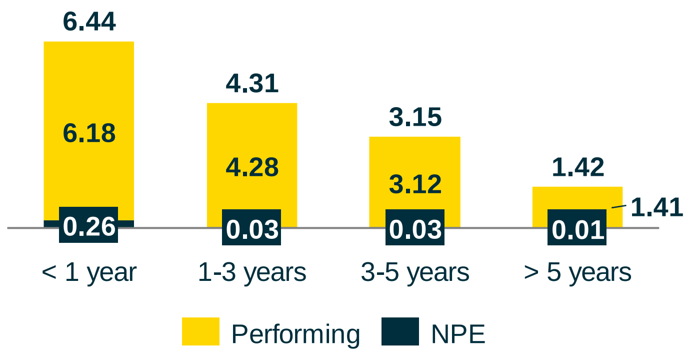
## Portfolio development

(€bn | EaD)



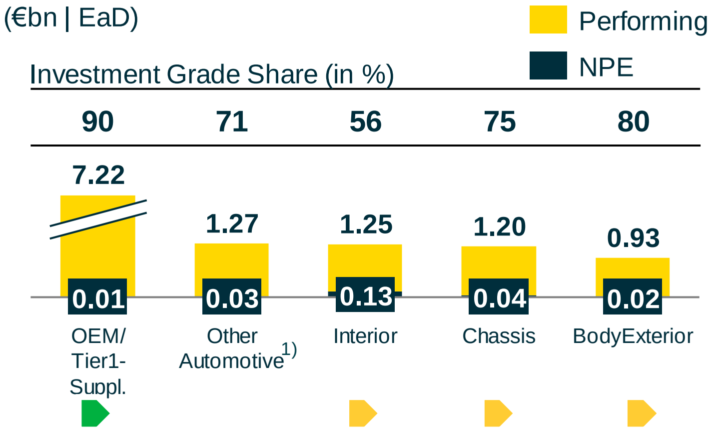

## Maturities

(€bn | EaD)




## Top 5 subportfolios 09/22

(€bn | EaD)




## Portfolio comments / sector outlook

- EaD increase influenced by derivative exposure with OEMs/Mega-suppliers due to market movements (e.g. USD/EUR)
- Portfolio driven by OEM/Tier1-supplier, which we generally assess to emerge from current challenges fundamentally intact. So far, especially by focusing on higher-value vehicles
- Economic slowdown has a negative impact on the demand side and reinforces the previous supply crisis (chip shortage, existing supply chain vulnerability in raw materials/components). Upcoming margin deterioration at automotive suppliers due to strong rise in materials/energy/logistics prices. Burden of disruptive and dynamic transformation remains unchanged. In addition, the planned ramp-up of electromobility is delayed/counterbalanced by additional shortages of specific raw materials
- Further rating migrations and increased risk density expected. Clients with pre-existing credit weaknesses or increasing cost bases that cannot be passed through, expected to see the largest rating shifts
- Increased volume managed in intensive care driven by individual cases. Usual reasons triggering a transfer include short term liquidity needs or complex refinancing situations. A further increase of intensive care cases must be expected. Commerzbank is in the process of mitigating respective risks by increasing structural protections and consult early on with the intensive care department

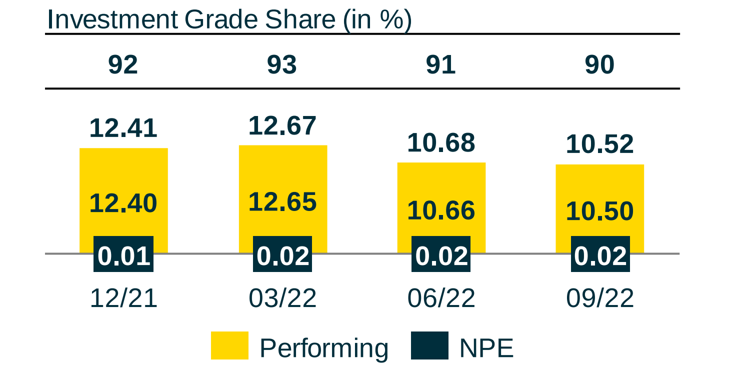
Sector portfolio based on BSS (Industry Control Key)

Sector Outlook

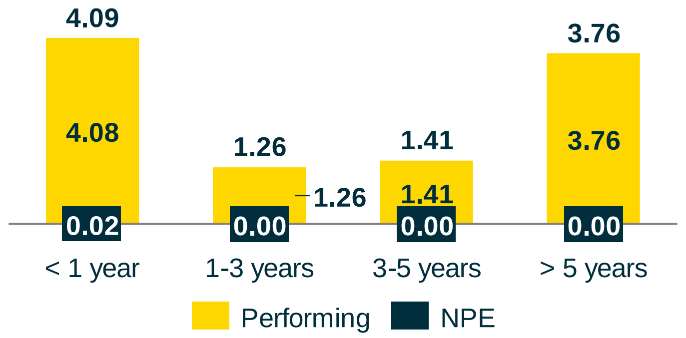
1) "Other" subportfolio generally includes individual major exposures that carry out business activities in various subsectors and are not allocated to a subportfolio. Due to the diversification of these clients, no uniform sector outlook can be given.

# Energy / Utilities

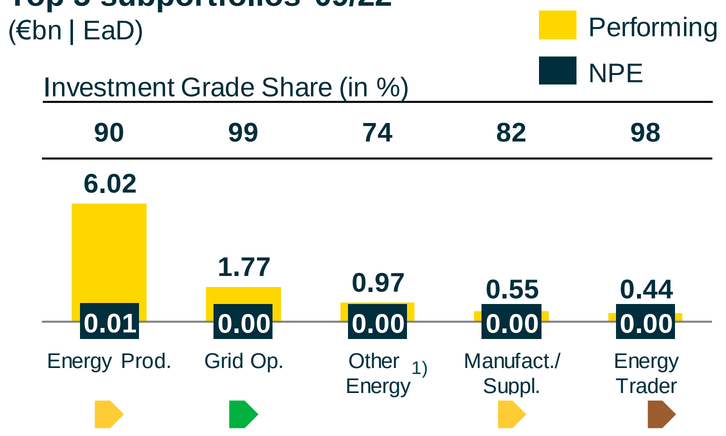
## Portfolio development
(€bn | EaD)




## Maturities
(€bn | EaD)




## Top 5 subportfolios 09/22
(€bn | EaD)




## Portfolio comments / sector outlook

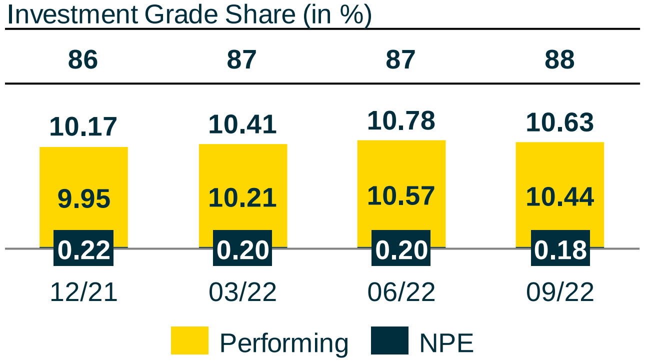
- Utilities sector worldwide: As part of the critical infrastructure, the utilities sector is fundamentally stable, albeit strongly affected by the erratic price developments of fossil fuels, especially gas. We observe high liquidity reserves by our clients, nevertheless some gas importers are highly effected by stopped gas imports from Russia. Rising energy prices affect industrial demand and have a negative impact. Furthermore the reduced OPEC+ production further increases the price pressure on oil. Overall, the financial effects should be manageable through the other business areas of trading, generation, storage and grid
- Utilities sector Europe: Missing oil supplies out of Russia should be largely compensated for on the world market by the end of the year. A complete loss of Russian gas supplies cannot be compensated for in Europe, especially in Germany, Austria and Italy, in the short to medium term
- In Germany emergency level 2 has been in effect since 06/2022. Currently improved gas reserves (95%) might still be insufficient for the upcoming winter, so that gas rationing for non-system-relevant industries cannot be ruled out. Domestic gas importers and related energy providers are forced to ask the government for support. Current recommendation for a state support for the industry/private households (focus on gas and heat) is a combination of a short-term relief from the high gas prices (December 22) and a gas price cap 2023/24 with a price cap for 70-80% of the average consumption quantity in the gas sector. Both components will be fully financed by the state. Further support schemes are announced (e.g. electricity)

Sector portfolio based on BSS (Industry Control Key) Sector Outlook

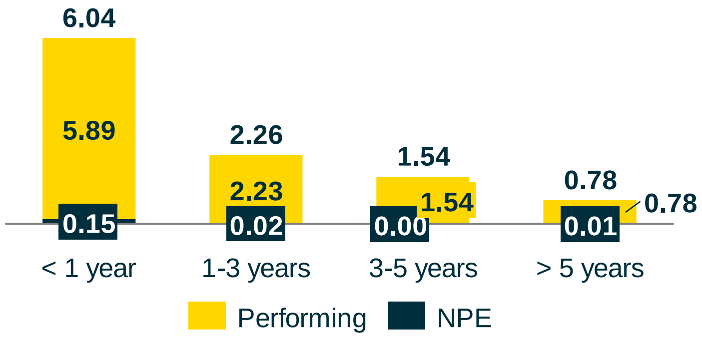
1) "Other" subportfolio generally includes individual major exposures that carry out business activities in various subsectors and are not allocated to a subportfolio. Due to the diversification of these clients, no uniform sector outlook can be given.

# Machinery

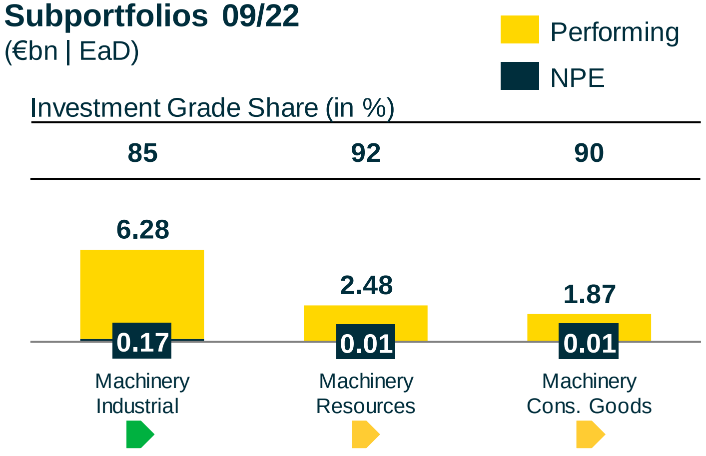
## Portfolio development
(€bn | EaD)




## Maturities
(€bn | EaD)




## Subportfolios 09/22
(€bn | EaD)



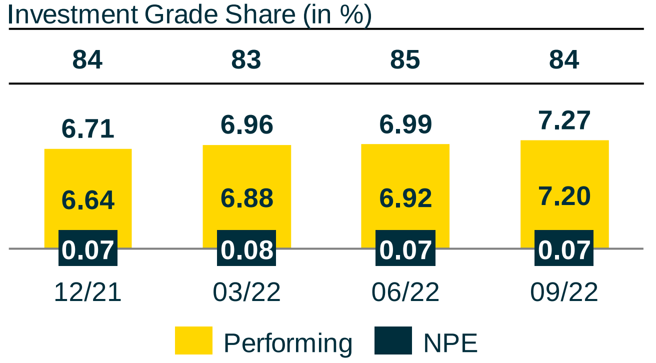

## Portfolio comments / sector outlook

- Overall stable sector due to internationalization and very high diversification within the portfolio
- The sub-segments are affected to varying degrees by various trouble spots
- Persisting Supply chain issues (delays, shortages, esp. critical parts) and price increases for materials and services as a result of the pandemic and the war in Ukraine were partially offset by appropriate measures
- Delays in transport routes, unless local sourcing are in place
- Rising energy prices have less effects of engineering part of machinery but burdening effects on producers. Therefore the manufacturers have started changing their processes. Should there be a gap and rationing of energy in the upcoming winter, the negative impact on the suppliers will be stronger, which could lead to delays and standstills in production
- Delivery capabilities: Finding new suppliers, adapting products to increase flexibility of material use, helping OEMs with procurement on projects important to OEMs
- Prices: Even companies that previously had no price escalator clauses were able to renegotiate prices with customers (enormous importance of mechanical and plant engineering for end customers)

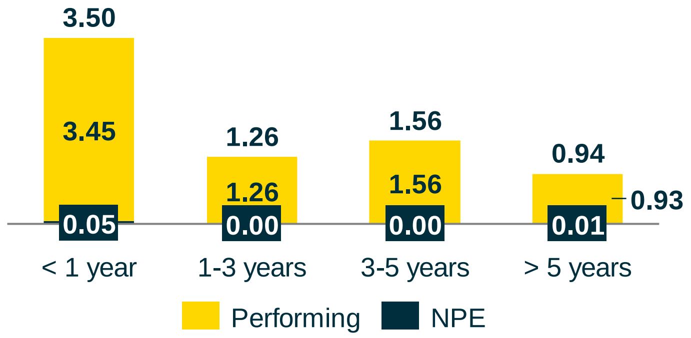
Sector portfolio based on BSS (Industry Control Key) Sector Outlook

# Construction / Paper

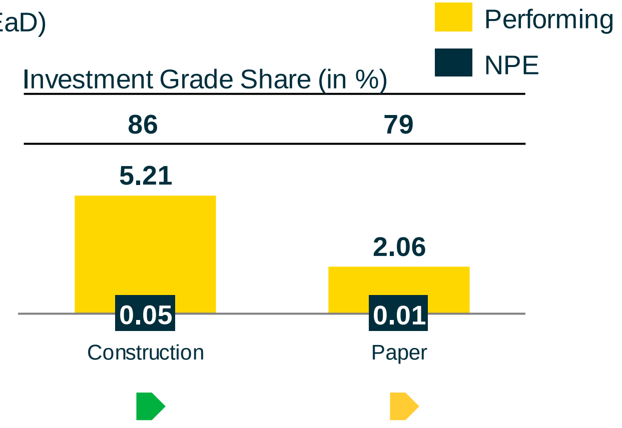
## Portfolio development
(€bn | EaD)




## Maturities
(€bn | EaD)




## Subportfolios 09/22
(€bn | EaD)



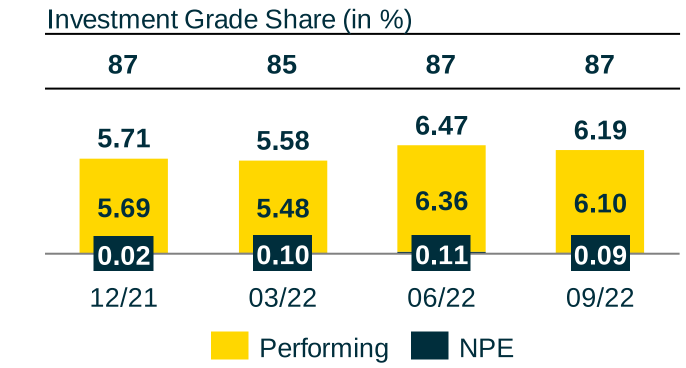

## Portfolio comments / sector outlook

- The construction portfolio is diversified with a high proportion of borrowers with investment-grade ratings. Bigger customers are international companies in Europe. The financing focus lies in the short-term and guarantee business
- The industry still has well-stocked order books for 2022 and was able to pass on increases in material and energy costs to customers. But due to the sharp rise in energy costs, the rise in interest rates and the accelerating inflation consumers experience a significant loss of purchasing power. This has already led to a noticeable decline of incoming orders mainly from the private sector in Germany. An opposite effect could come from additional investments to reduce energy consumption
- Due to investments in production plants the portfolio in the paper sector has a higher share of mid- and longterm credit facilities. The credit exposure increased continuously over the last months
- The Paper industry is highly affected by the increasing energy and production costs. It becomes more and more difficult to pass on these costs to customers
- Therefore, we see more rating shifts from investment grade into sub-investment grade. However, the larger companies have broader opportunities to face the current challenges

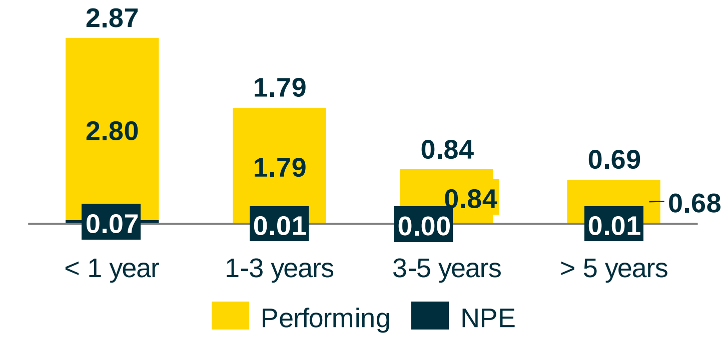
Sector portfolio based on BSS (Industry Control Key) Sector Outlook

# Chemicals / Plastic

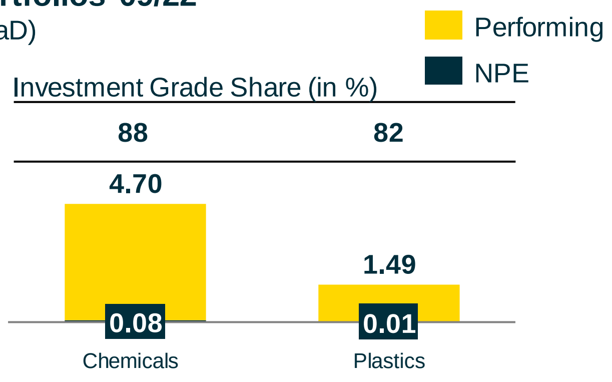
## Portfolio development
(€bn | EaD)




## Maturities
(€bn | EaD)




## Subportfolios 09/22
(€bn | EaD)



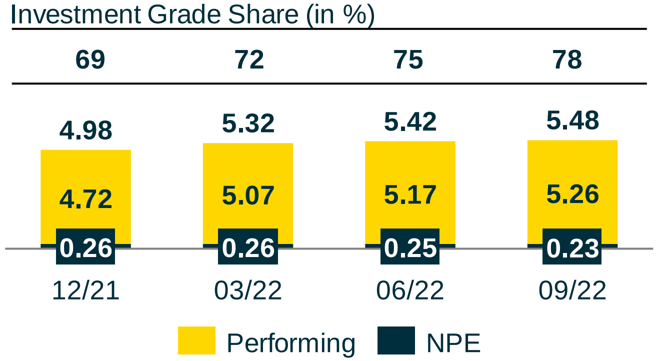

## Portfolio comments / sector outlook

- Despite the pandemic and the current energy crisis, the risk profile of the portfolio is stable and satisfactory with 87% investment grade. 75% of the loans have a maturity within 3y. Outlook: SMEs risk profile will temporarily weaken; large caps and global players are well diversified (products + geographic) with robust financials and (product-related) pricing power. No major rating shifts expected. Due to high gas dependency of nitrogen fertilizer producers, the major market participants reduced production and are awaiting the government's decision to cap gas prices
- Basic industry: Gas serves as a raw material/primary energy source in the production process. Gas reduction triggers a plant shutdown if the required minimum utilization is not reached. The rise in energy costs leads to margin erosion and less attractive production in Germany. Companies are taking measures like cost-cutting, price increases (price escalation clauses), investment reduction, plant refitting to oil, reactivation of coal-fired power plants and increased use of renewable energies. Some companies are considering to transfer unprofitable production sites to other countries (domestic de-industrialization)
- Global player with production sites in less affected countries (e.g. in America, Asia) can temporarily balance out adverse effects in individual locations. The chemical industry is often at the beginning of the value chain and can trigger a chain reaction with unforeseeable consequences if gas quantities are missing or the energy prices continue to rise. The German government's energy price brake is expected in the near term and will improve the current situation on both the producer and demand sides. The future use of LNG and the well-filled gas storage facilities will help next winter. Thus, we do not expect any gas rationing measures

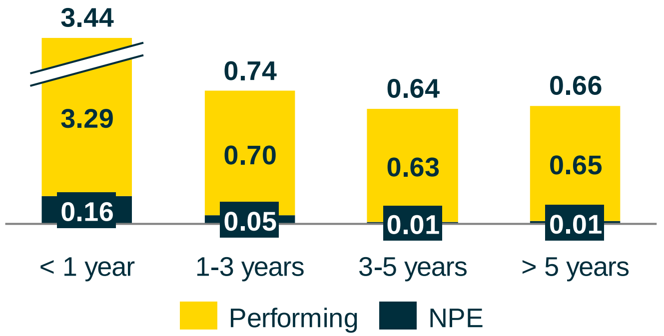
Sector portfolio based on BSS (Industry Control Key) Sector Outlook

# Metals

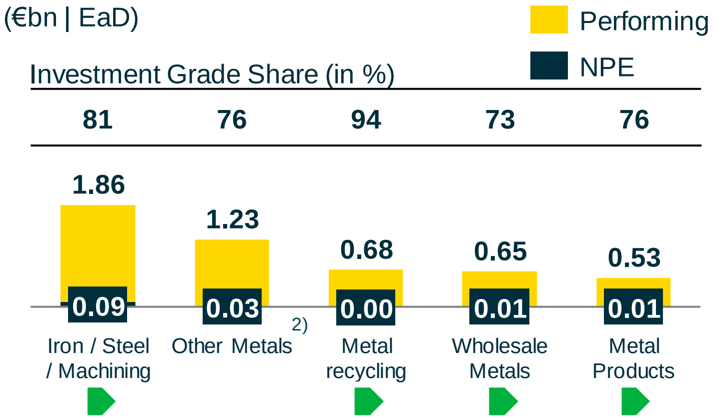
## Portfolio development
(€bn | EaD)




## Maturities
(€bn | EaD)




## Top 5 subportfolios 09/22[1]
(€bn | EaD)




## Portfolio comments / sector outlook

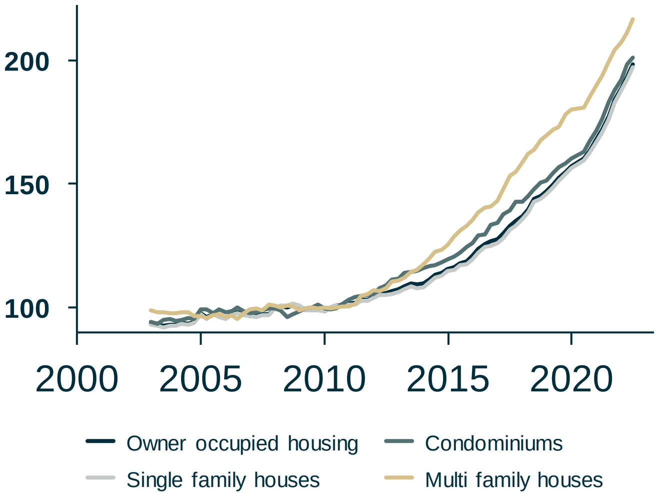
- The metals portfolio is diversified with a high share of borrowers with investment grade ratings. The portfolio is also regionally diversified with a high share of international exposures. The focus is primarily on short and mid term business. Against this background, the portfolio is well-prepared for a recession scenario. However, sector strategy is still on hold due to the ongoing structural challenges
- Metal production and processing are highly affected by the energy and gas crisis. Gas serves both as a process component and a primary energy source in the production process. The metal industry is often at the beginning of the value chain and can trigger a knock-on effect with considerable consequences for the buying industries, especially automotive, machinery and construction. Global positioning protects some groups with diversified locations. Production sites in America, Asia and parts of Europe outside the primarily affected countries can temporarily balance out negative influences in individual locations. Moreover, many players have fixed energy contracts for the next years (usually until 2024) to mitigate the bulk of the energy price risk. However, first groups started to cut production because of the high energy prices
- The metal industry had a strong year 2021 and still a good development in the first half of 2022 as they were still in the position to pass on rising costs to their customers. It is likely that this will come to an end in the second half of 2022. While 2022 should still end with acceptable results. For 2023 significantly weaker operating results are expected. However, producers are entering this downturn with lower leverage than in previous periods. The main problems are yet to materialize in terms of weaker gas deliveries and rising energy costs. Therefore, the sector's overall outlook is negative

Sector portfolio based on BSS (Industry Control Key) Sector Outlook

1) Foundries, Pipe Manufacturing and Cold Rolling Mills with yellow sector outlook but not part of top 5 subportfolios
2) "Other" subportfolio generally includes individual major exposures that carry out business activities in various subsectors and are not allocated to a subportfolio. Due to the diversification of these clients, no uniform sector outlook can be given.

# Residential mortgage business and property prices

## German residential properties
(index values)




Prices of houses and flats, existing stock and newly constructed dwellings, averages

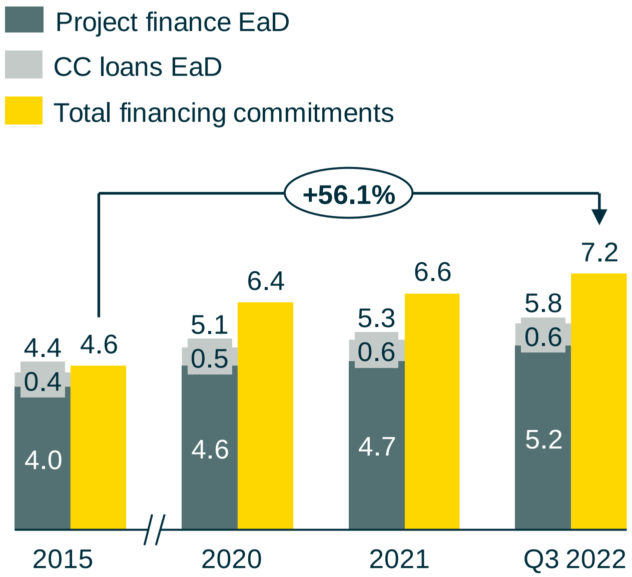
## Overall mortgage portfolio

- In Q3 growth of mortgage volume stopped – risk quality remained stable so far:
  - 12/17: EaD €75.2bn – RD 9bps
  - 12/18: EaD €81.0bn – RD 9bps
  - 12/19: EaD €86.6bn – RD 8bps
  - 12/20: EaD €95.1bn – RD 7bps
  - 12/21: EaD €102.0bn – RD 7bps
  - 09/22: EaD €104.0bn – RD 7bps
- Rating profile with a share of 92.5% in investment grade ratings; poor rating classes 4.x/5.x with 1.3% share only
- Vintages of recent years developed more favorably so far; NPE-ratio remains at a low level of less than 0.3% (coverage 87%)
- Due to the deteriorated environment new business was significantly smaller in the last months (Q3/22: new business of €2.4bn – down by 45% versus Q3/21)
- While PD (0.49%) and average loan-to-collateral value (81.0%) remained stable, repayment rates declined due to interest rates rising to 2.92%
- Portfolio guidelines and observations for PD, LtCV and repayment rates are continuously monitored
- The increased costs of living are adequately taken into account in the application process
- Average “Beleihungsauslauf” (BLA) in new business of 81% in Q3 2022. German BLA is more conservative than the internationally used LtV definition due to the application of the strict German Pfandbrief law

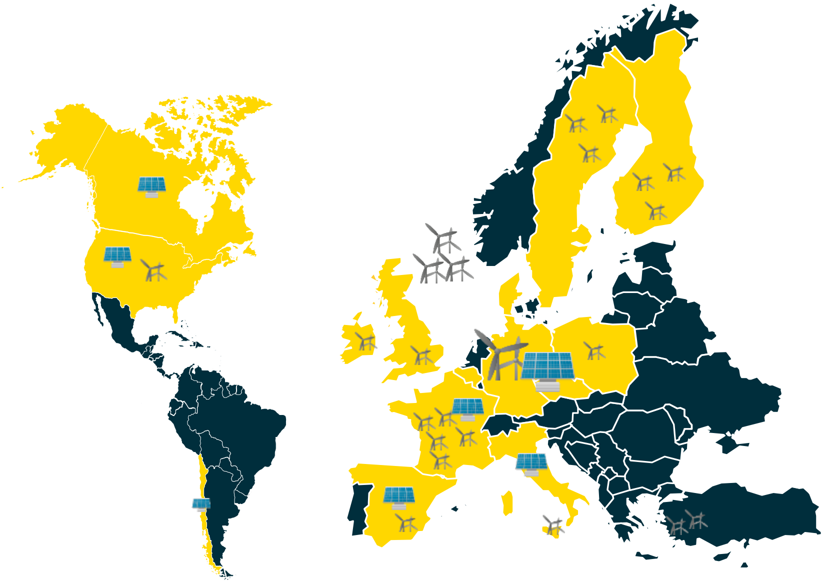
**Risk parameters unchanged, but economic environment of rising interest rates, inflation and recession is challenging – however, we do not expect significant price declines in the German real estate market within the next months**

# Development of renewable energy portfolio

## Renewable energy portfolio
(€bn | eop)




## Global footprint of renewable energy financing

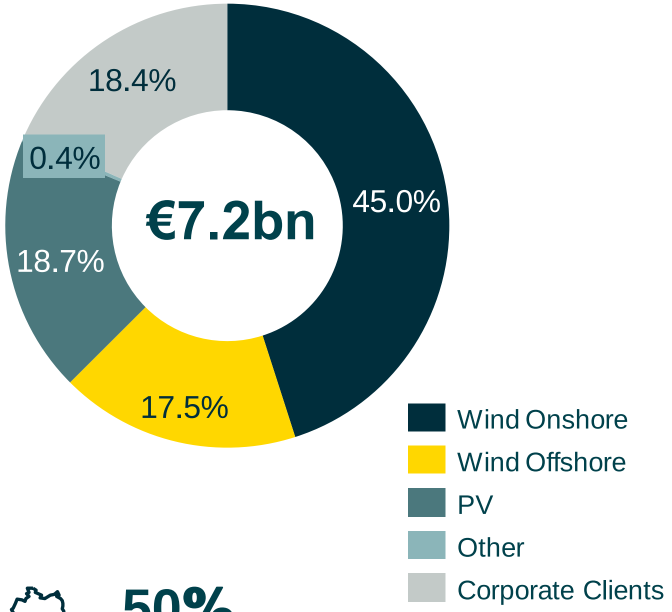


**Offshore:**
Commerzbank active globally as MLA[1] and lender with offshore projects in Germany, France, Belgium, UK and Taiwan

**International RE project finance:**
amongst others UK, France, Spain, US, Italy and Chile

**Core market Germany:**
approx. 50% of portfolio in Germany

## Renewable energy portfolio
(€bn | financing commitments eop)




**50%**
invested in Germany

**50%**
invested globally

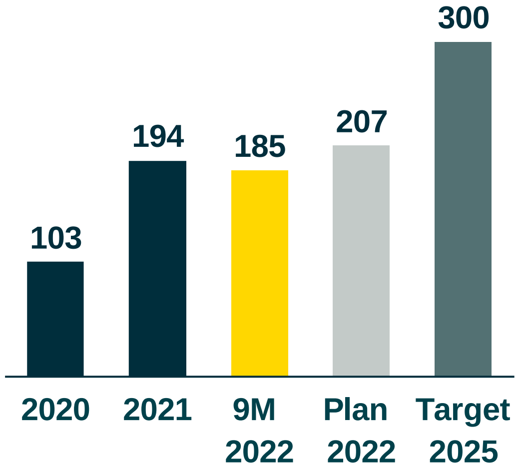
1) MLA = Mandated Lead Arranger

# Good development of sustainable products in 2022

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

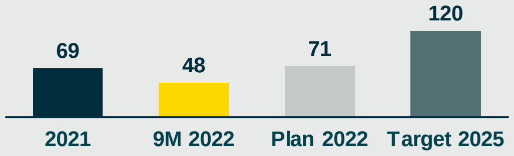
**Loan products**
(with balance sheet impact, €bn)

## Sustainable products
(€bn)

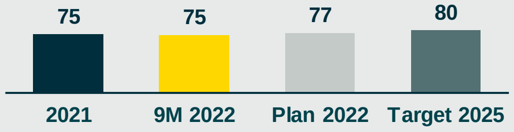



## Corporate Clients

- Accompanied ESG bond transactions (e.g. green and social bonds)*
- Sustainable investment solutions for Corporate Clients**

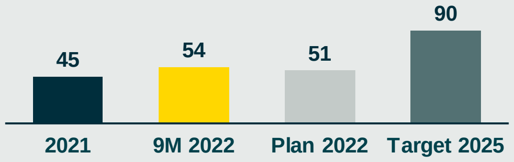



- Renewable energy loan portfolio**
- Sustainability linked loans*
- KfW sustainability linked programmes*

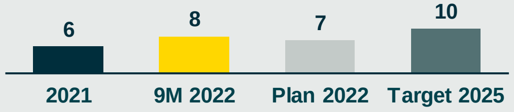



## Private & Small-Business Customers[1]

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




- Green mortgages**
- KfW programmes**




1) 2021 and 9M 2022 numbers based on different method of calculation due to broader scope of included advisory products. * Flow value / ** Stock value

# 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, governance 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 21.3 / 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 staff & suppliers, environmental management, corporate 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 QualityScore 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)
- Supplier engagement leader rating: A

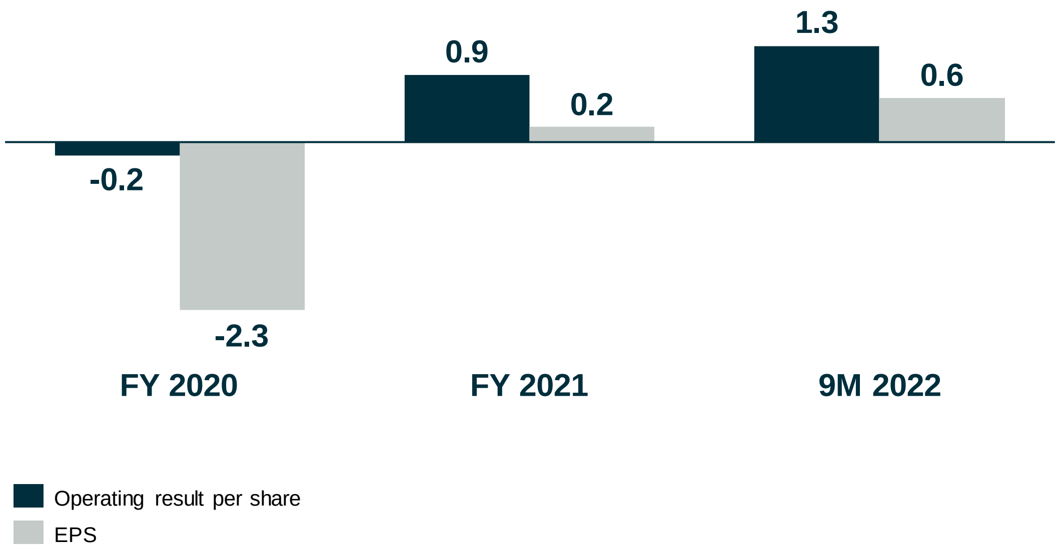
# Commerzbank financials at a glance

| Group | | Q3 2021 | Q2 2022 | Q3 2022 | 9M 2021 | 9M 2022 |
|---|---|---|---|---|---|---|
| Total revenues | €m | 2,004 | 2,420 | 1,886 | 6,353 | 7,098 |
| Risk result | €m | -22 | -106 | -84 | -257 | -654 |
| Personnel expenses | €m | 886 | 825 | 851 | 2,602 | 2,535 |
| Administrative expenses (excl. depreciation) | €m | 377 | 393 | 377 | 1,186 | 1,144 |
| Depreciation | €m | 220 | 206 | 202 | 863 | 612 |
| Compulsory contributions | €m | 27 | 144 | 91 | 402 | 583 |
| **Operating result** | **€m** | **472** | **746** | **282** | **1,042** | **1,571** |
| Net result | €m | 403 | 470 | 195 | 9 | 963 |
| Cost/income ratio (excl. compulsory contributions) | % | 74.0 | 58.8 | 75.8 | 73.2 | 60.4 |
| Cost/income ratio (incl. compulsory contributions) | % | 75.4 | 64.8 | 80.6 | 79.6 | 68.7 |
| Accrual for potential AT1 coupon distribution current year | €m | -49 | -50 | -53 | -133 | -151 |
| Net RoE | % | 5.6 | 6.5 | 2.2 | -0.7 | 4.2 |
| Net RoTE | % | 5.8 | 6.7 | 2.2 | -0.7 | 4.3 |
| Total assets | €bn | 541 | 535 | 543 | 541 | 543 |
| Loans and advances (amortised cost) | €bn | 262 | 273 | 276 | 262 | 276 |
| RWA | €bn | 175 | 175 | 174 | 175 | 174 |
| CET1 ratio[1] | % | 13.5 | 13.7 | 13.8 | 13.5 | 13.8 |
| Total capital ratio (with transitional provisions)[1] | % | 18.4 | 18.1 | 18.3 | 18.4 | 18.3 |
| Leverage ratio (with transitional provisions)[1] | % | 4.6 | 4.6 | 4.5 | 4.6 | 4.5 |
| NPE ratio | % | 0.8 | 0.8 | 0.9 | 0.8 | 0.9 |
| Group CoR (year-to-date) | bps | 7 | 24 | 15 | 7 | 15 |
| Group CoR on Loans (CoRL) (year-to-date) | bps | 13 | 42 | 32 | 13 | 32 |
| Full-time equivalents excl. junior staff (end of period) | | 38,432 | 36,773 | 36,386 | 38,432 | 36,386 |

1) Capital reduced by dividend accrual if applicable and potential (fully discretionary) AT1 coupons

# Key figures Commerzbank share

## Figures per share
(€)

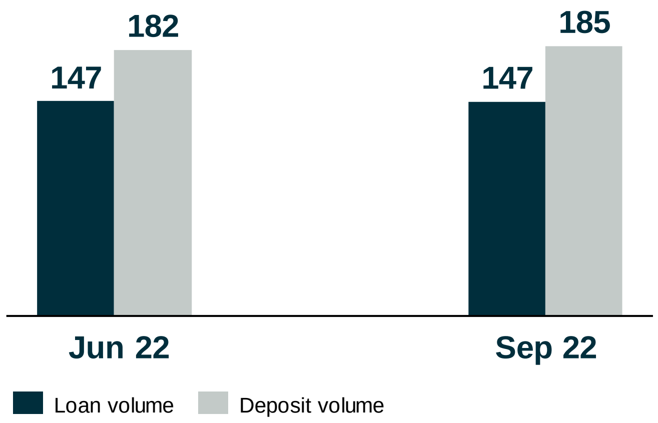



| | FY 2020 | FY 2021 | 9M 2022 |
|---|---|---|---|
| Number of shares issued (m) | 1,252.40 | 1,252.40 | 1,252.40 |
| Market capitalisation (€bn) | 6.6 | 8.4 | 9.2 |
| Net asset value per share (€) | 19.80[1] | 20.48 | 21.36 |
| Low/high Xetra intraday prices (€) | 2.80/6.83 | 4.70/7.19 | 5.17/9.51 |

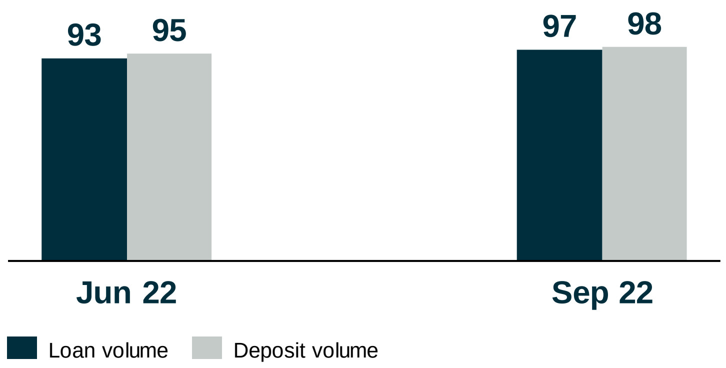
1) Adjustments due to restatements

# Loan and deposit development

## PSBC
(€bn | monthly average)




## Corporate Clients
(€bn | monthly average)




**Highlights**

Loan volume slightly down in PSBC, driven by mBank

Increase in deposit volume in both sub-segments, PSBC Germany and mBank

Increase of CC loan volumes in all client groups

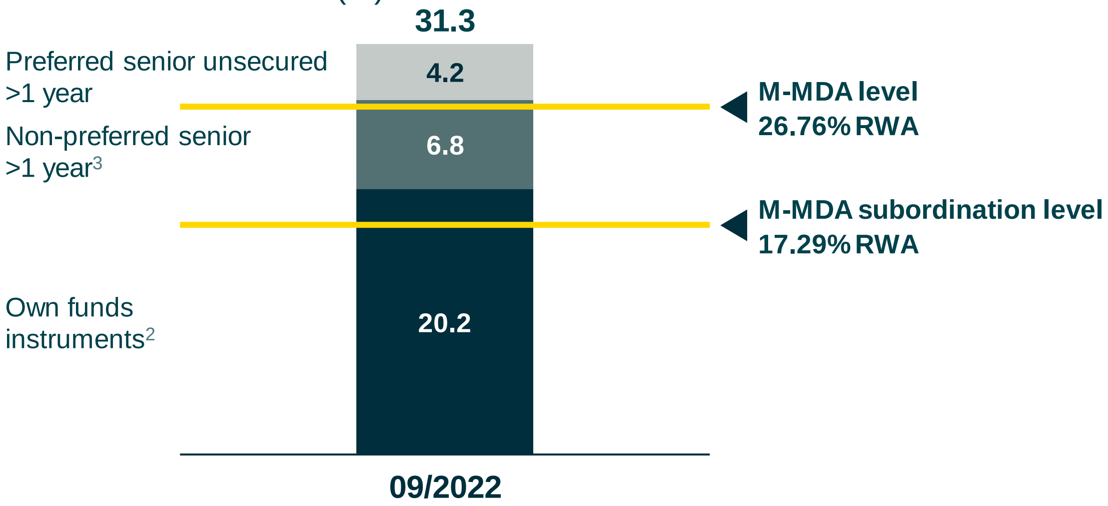
Deposit volumes with further growth mainly in Mittelstand

# Comfortable fulfilment of RWA and LRE MREL requirements

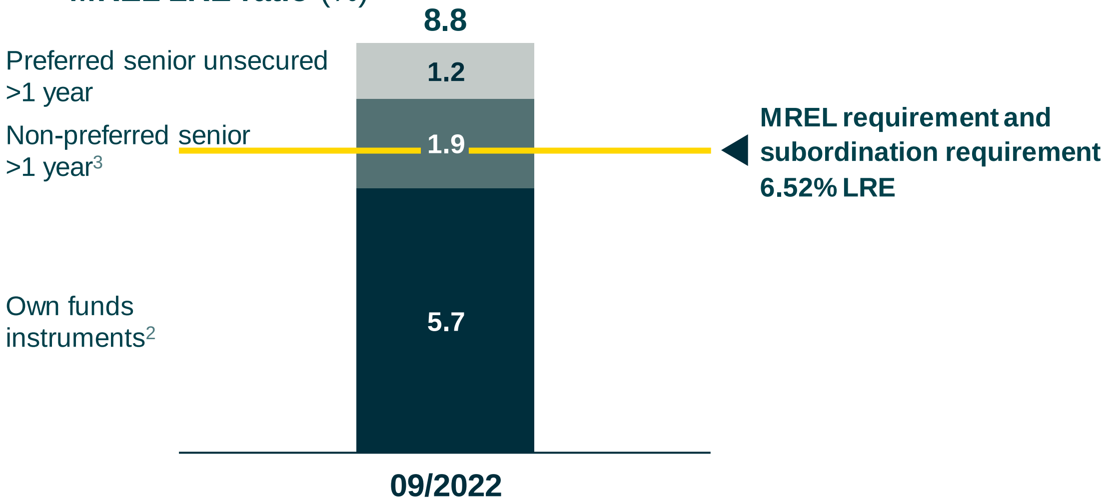
**MREL Requirements and M-MDA**

- Commerzbank received a new MREL requirement on 31 May 2022[1]
- Based on data as of 30 September 2022, Commerzbank fulfils its new MREL RWA requirement of 22.97% plus the combined buffer requirement (CBR) of 3.79% with an MREL ratio of 31.3% and the MREL subordination requirement of 13.5% plus CBR of 3.79% with a ratio of 27.1% of RWA
- Both the MREL LRE ratio of 8.8% and MREL subordination LRE ratio of 7.6% comfortably meet the unchanged requirement of 6.52%, each as of 30 September 2022
- The issuance strategy is consistent with both RWA and LRE based MPE MREL requirements

**MREL RWA ratio** (%)




**MREL LRE ratio** (%)

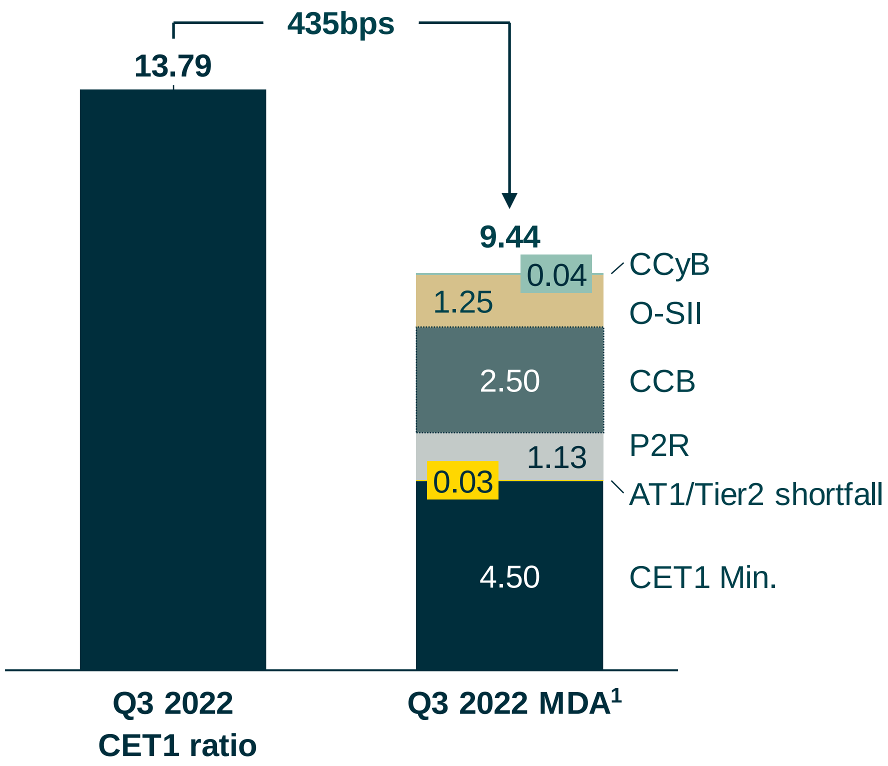



1) In May 2022, Commerzbank AG received its current MREL requirement calibrated based on data as of 31 Dec 2020. The resolution approach is a multiple point of entry (MPE) with two separate resolution groups (resolution group A: Commerzbank Group without mBank subgroup; resolution group B: mBank subgroup). 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

# Commerzbank’s current MDA

## Distance to MDA based on SREP requirement (transitional) for Q3 2022

(%)




## Highlights

435bps distance to MDA based on Q3 2022 CET1 ratio of 13.79% and SREP requirement for 2022

Further regulatory comments:

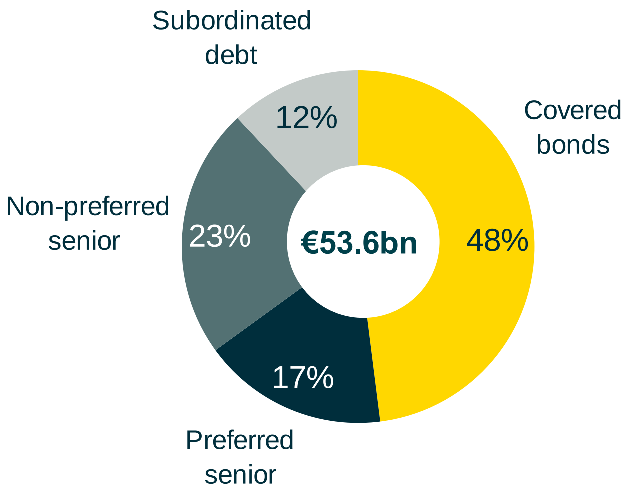
- AT1 shortfall of 3bps due to phase-out of remaining €226m grandfathered AT1
- Tier 2 with moderate maturities and issuance needs in 2022
- Well prepared for upcoming MDA increase due to an activation of CCyB in UK (Dec 2022 – impact on institution-specific CCyB ~9bps) and Germany (Feb 2023 – impact on institution-specific CCyB ~40bps)
- Activation of a 2% sectoral systemic risk buffer (sSyRB) on RWA from exposure secured by residential properties in Germany will lead to an institution-specific sSyRB of up to ~15bps

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 €174bn as of Q3 2022. AT1 requirement of 1.875% and Tier 2 requirement of 2.5%

# Capital markets funding – funding plan well on track €5.9bn issued in volatile markets

## Funding structure[1]
(as of 30 September 2022)

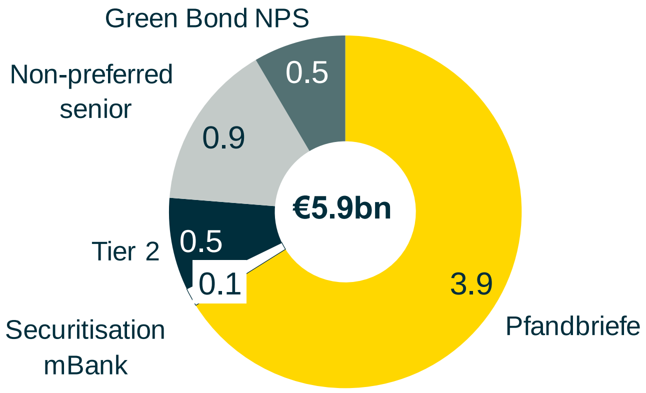



## Highlights

- 0.5bn 10.25NC5.25 year Tier 2 issuance
- €0.5bn 5.25NC4.25 year Green Bond via non-preferred senior issuance
- €0.6bn 5.5NC4.5 year non-preferred senior transaction
- In total €3.5bn mortgage-Pfandbrief benchmark transactions with 5 and 10 years maturity
- In October[2] €0.75bn 6 year mortgage-Pfandbrief transaction

**Funding plan 2022 of around €7.5bn**

## Group issuance activities 9M 2022
(€bn | nominal values)




1) Based on balance sheet figures; senior unsecured bonds includes preferred and non-preferred senior bonds
2) Not included in figures

# Rating overview Commerzbank

## As of 9 November 2022

| Bank Ratings | S&P | Moody's |
|---|---|---|
| Counterparty Rating/Assessment[1] | A- | A1/ A1 (cr) |
| Deposit Rating[2] | BBB+ stable | A1 stable |
| Issuer Credit Rating (long-term debt) | BBB+ stable | A2 stable |
| Stand-alone Rating (financial strength) | bbb | baa2 |
| Short-term debt | A-2 | P-1 |
| **Product Ratings (unsecured issuances)** | | |
| Preferred senior unsecured debt | BBB+ stable | A2 stable |
| Non-preferred senior unsecured debt | BBB- | Baa2 |
| Subordinated debt (Tier 2) | BB+ | Baa3 |
| Additional Tier 1 (AT1) | BB- | Ba2 |
| **Sustainability assessments** | | |
| Environment, Social, Governance[3] | 2, 2, 2 | 3, 4, 3 |
| Credit impact score[3] | - | 3 |

### Last rating events

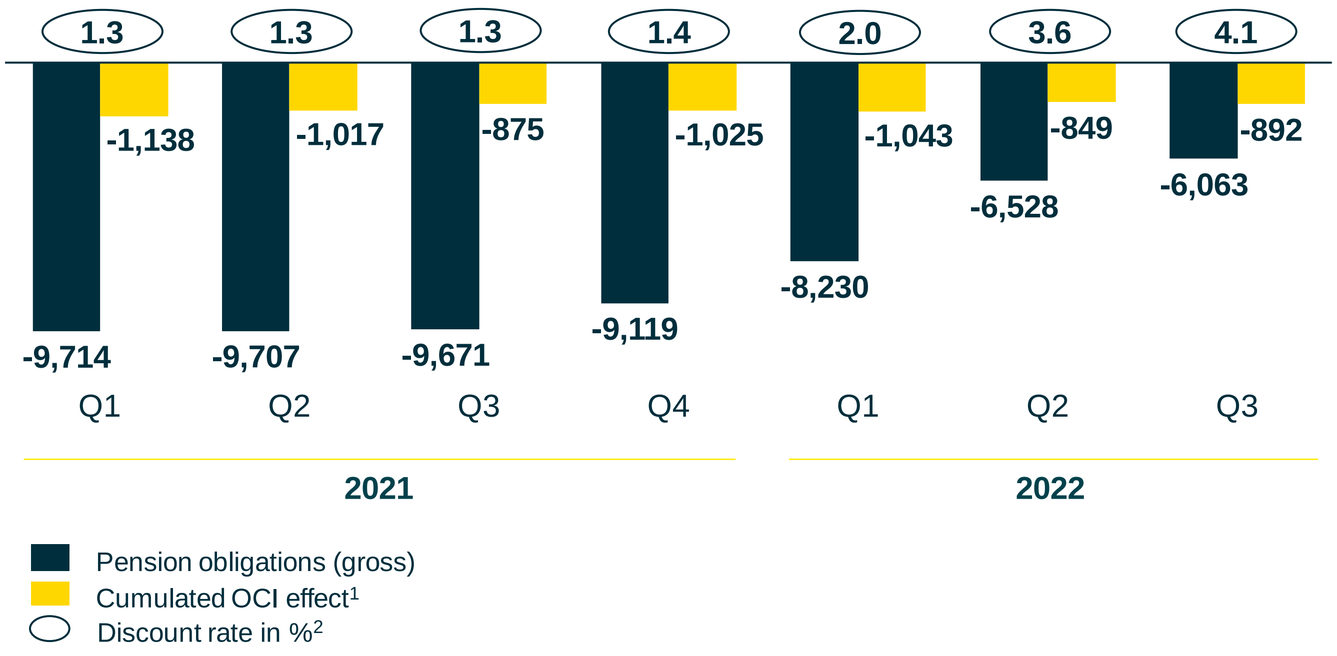
- No rating events in the past quarter
- Moody's change in the outlook for the German banking system to negative had no immediate impact on Commerzbank's ratings/outlook

1) Includes parts of client business (i.e. counterparty for derivatives)
2) Includes corporate and institutional deposits
3) Scale of 1-5

# IAS 19: Development of pension obligations

## Cumulated actuarial gains and losses

(€m)




## Explanation

The IAS19 discount rate increased significantly versus year-end 2021, mostly due to rising market swap rates. This produced a significant decrease in present-valued pension obligations (DBO) and, correspondingly, a significant valuation gain in OCI

However, the rising market swap rates also produced a significant decrease in the market value of plan assets and, correspondingly, a significant valuation loss in OCI

Netting the liability gain with the asset loss leads to a YtD OCI effect of +€132m (after tax) on Group level

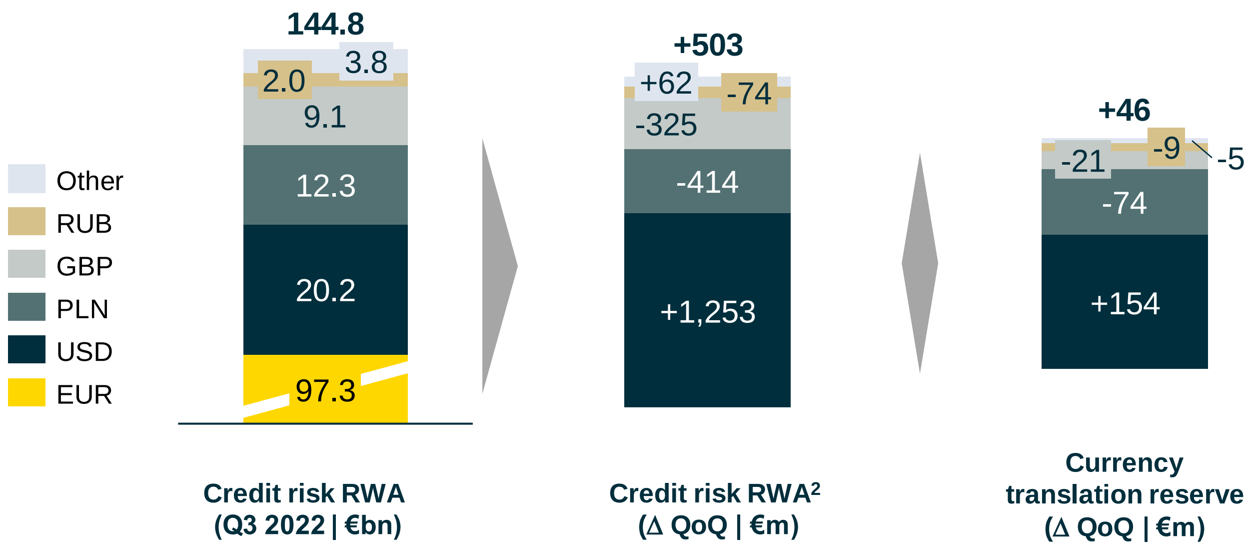
The discount rate is derived from an AA rated government bond basket, re-calibrated on corporate bond level, with average duration of 18 years

Funding ratio (plan assets vs. pension obligations) is 109% across all Group plans

1) OCI effect driven by development of plan assets versus pension obligations, after tax, without minorities; cumulated since 1/1/2013 (new IAS19 standard) including possible restatements
2) Discount rate for pension plans in Germany (represents 96% of total pension obligations)

# FX impact on CET1 ratio

## QoQ change in FX capital position




## Explanation

Slight impact on CET1 ratio[1]: Higher FX driven credit risk RWA mostly offset by the increasing effect of currency translation reserve

Increase in credit risk RWA from FX effects mainly due to stronger USD (+€1,253m), partly compensated by PLN (-€414m) and GBP (-€325m)

Higher currency translation reserve mainly due to increase from USD (+€154m), partly compensated by PLN (-€74m) and GBP (-€21m)

| FX rates[3] | 06/22 | 09/22 |
|---|---|---|
| EUR / GBP | 0.858 | 0.883 |
| EUR / PLN | 4.690 | 4.848 |
| EUR / USD | 1.039 | 0.975 |
| EUR / RUB | 56.550 | 59.384 |

1) Based on current CET1 ratio
2) Change in credit risk RWA solely based on FX not on possible volume effects since 06/22
3) FX rates of main currencies only

# Group equity composition

| | Capital Q2 2022 EoP €bn | Capital Q3 2022 EoP €bn | Capital Q3 2022 Average €bn |
|---|---|---|---|
| **Common equity tier 1 capital** | **24.0** | **24.1** | **24.1** [1] |
| DTA | 0.5 | 0.4 | |
| Minority interests | 0.4 | 0.1 | |
| Prudent Valuation | 0.5 | 0.4 | |
| Defined Benefit pension fund assets | 0.6 | 0.6 | |
| Instruments that are given recognition in AT1 Capital | 3.1 | 3.1 | |
| Other regulatory adjustments | 0.1 | 0.4 | |
| **Tangible equity** | **29.2** | **29.2** | **29.3** [1] |
| Goodwill and other intangible assets (net of tax) | 1.0 | 1.0 | 1.0 |
| **IFRS capital** | **30.2** | **30.2** | **30.3** [1] |
| Subscribed capital | 1.3 | 1.3 | |
| Capital reserve | 10.1 | 10.1 | |
| Retained earnings | 15.7 | 15.8 | |
| t/o consolidated P&L | 0.8 | 1.0 | |
| t/o cumulated accrual for dividend and potential AT1 coupons | -0.2 | -0.3 | |
| Currency translation reserve | -0.2 | -0.1 | |
| Revaluation reserve | -0.5 | -0.5 | |
| Cash flow hedges | -0.2 | -0.1 | |
| **IFRS capital attributable to Commerzbank shareholders** | **26.2** | **26.3** | **26.3** [1] |
| **Tangible equity attributable to Commerzbank shareholders** | **25.2** | **25.3** | **25.4** [1] |
| **Additional equity components** | **3.1** | **3.1** | **0.7** |
| **Non-controlling interests** | **0.9** | **0.8** | **1.0** |

| | P&L Q2 2022 €m | P&L Q3 2022 €m | | Ratios Q3 2022 % |
|---|---|---|---|---|
| **Operating Result** | **746** | **282** | → **Op. RoCET** | **4.7%** |
| **Operating Result** | **746** | **282** | → **Op. RoTE** | **3.8%** |
| **Consolidated P&L** | **470** | **195** | | |
| ./. accrual for potential AT1 coupon distribution current year | -50 | -53 | | |
| **Consolidated P&L adjusted for RoE/RoTE** | **420** | **142** | → **Net RoE** | **2.2%** |
| | | | → **Net RoTE** | **2.2%** |

1) Includes consolidated P&L reduced by dividend accrual if applicable, accrual for potential (fully discretionary) AT1 coupons

# Commerzbank Group

| €m | Q1 2021 | Q2 2021 | Q3 2021 | 9M 2021 | Q4 2021 | FY 2021 | Q1 2022 | Q2 2022 | Q3 2022 | 9M 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total underlying revenues | 2,306 | 1,881 | 2,013 | 6,200 | 1,862 | 8,062 | 2,737 | 2,309 | 2,066 | 7,112 |
| Exceptional items | 184 | -22 | -9 | 153 | 235 | 388 | 56 | 111 | -181 | -14 |
| Total revenues | 2,490 | 1,859 | 2,004 | 6,353 | 2,097 | 8,450 | 2,793 | 2,420 | 1,886 | 7,098 |
| o/w Net interest income | 1,254 | 1,173 | 1,122 | 3,549 | 1,300 | 4,849 | 1,401 | 1,478 | 1,621 | 4,500 |
| o/w Net commission income | 949 | 849 | 887 | 2,685 | 921 | 3,607 | 970 | 894 | 849 | 2,714 |
| o/w Net fair value result | 360 | 125 | 160 | 645 | 334 | 980 | 353 | 69 | 172 | 594 |
| o/w Other income | -73 | -288 | -165 | -527 | -459 | -985 | 69 | -22 | -757 | -709 |
| o/w Dividend income | 1 | 6 | 3 | 10 | 11 | 22 | - | 8 | 13 | 21 |
| o/w Net income from hedge accounting | -48 | -4 | -32 | -84 | -12 | -96 | 13 | -55 | -39 | -80 |
| o/w Other financial result | 19 | -2 | 5 | 21 | 6 | 27 | 26 | -24 | -284 | -282 |
| o/w At equity result | - | 2 | 2 | 4 | 2 | 6 | - | 4 | 5 | 9 |
| o/w Other net income | -45 | -290 | -143 | -478 | -466 | -944 | 30 | 45 | -452 | -377 |
| Risk result | -149 | -87 | -22 | -257 | -313 | -570 | -464 | -106 | -84 | -654 |
| Operating expenses | 1,467 | 1,702 | 1,483 | 4,652 | 1,578 | 6,230 | 1,438 | 1,423 | 1,429 | 4,291 |
| Compulsory contributions | 336 | 39 | 27 | 402 | 65 | 467 | 347 | 144 | 91 | 583 |
| **Operating result** | **538** | **32** | **472** | **1,042** | **141** | **1,183** | **544** | **746** | **282** | **1,571** |
| Restructuring expenses | 465 | 511 | 76 | 1,052 | 26 | 1,078 | 15 | 25 | 14 | 54 |
| **Pre-tax result Commerzbank Group** | **73** | **-478** | **396** | **-10** | **115** | **105** | **529** | **721** | **267** | **1,517** |
| Taxes on income | -83 | 40 | -6 | -49 | -199 | -248 | 199 | 226 | 228 | 653 |
| Minority Interests | 23 | 8 | -1 | 30 | -107 | -77 | 32 | 25 | -155 | -98 |
| **Consolidated Result attributable to Commerzbank shareholders and investors in additional equity components** | **133** | **-527** | **403** | **9** | **421** | **430** | **298** | **470** | **195** | **963** |
| Total Assets | 537,778 | 543,643 | 541,258 | 541,258 | 473,044 | 473,044 | 525,591 | 535,049 | 543,368 | 543,368 |
| o/w Discontinued operations | 2,143 | 1,809 | 1,368 | 1,368 | 62 | 62 | - | - | - | - |
| Average capital employed | 23,684 | 23,800 | 23,813 | 23,751 | 23,839 | 23,785 | 23,755 | 23,988 | 24,102 | 23,965 |
| RWA credit risk (end of period) | 149,314 | 148,183 | 146,691 | 146,691 | 145,209 | 145,209 | 144,783 | 146,222 | 144,789 | 144,789 |
| RWA market risk (end of period) | 12,467 | 10,850 | 8,731 | 8,731 | 10,180 | 10,180 | 10,432 | 8,934 | 9,784 | 9,784 |
| RWA operational risk (end of period) | 16,690 | 18,555 | 19,795 | 19,795 | 19,799 | 19,799 | 19,891 | 19,891 | 19,891 | 19,891 |
| **RWA (end of period)** | **178,471** | **177,588** | **175,217** | **175,217** | **175,188** | **175,188** | **175,106** | **175,047** | **174,464** | **174,464** |
| Cost/income ratio (excl. compulsory contributions) (%) | 58.9% | 91.5% | 74.0% | 73.2% | 75.3% | 73.7% | 51.5% | 58.8% | 75.8% | 60.4% |
| Cost/income ratio (incl. compulsory contributions) (%) | 72.4% | 93.6% | 75.4% | 79.6% | 78.4% | 79.3% | 63.9% | 64.8% | 80.6% | 68.7% |
| Operating return on CET1 (RoCET) (%) | 9.1% | 0.5% | 7.9% | 5.8% | 2.4% | 5.0% | 9.2% | 12.4% | 4.7% | 8.7% |
| Operating return on tangible equity (%) | 7.8% | 0.5% | 6.6% | 4.9% | 2.0% | 4.2% | 7.6% | 10.3% | 3.8% | 7.2% |
| Return on equity of net result (%) | 1.5% | -8.9% | 5.6% | -0.7% | 5.8% | 1.0% | 3.9% | 6.5% | 2.2% | 4.2% |
| Net return on tangible equity (%) | 1.5% | -9.3% | 5.8% | -0.7% | 6.0% | 1.0% | 4.0% | 6.7% | 2.2% | 4.3% |

# Private and Small-Business Customers

| €m | Q1 2021 | Q2 2021 | Q3 2021 | 9M 2021 | Q4 2021 | FY 2021 | Q1 2022 | Q2 2022 | Q3 2022 | 9M 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total underlying revenues | 1,335 | 1,197 | 1,219 | 3,751 | 948 | 4,699 | 1,474 | 1,520 | 1,068 | 4,062 |
| Exceptional items | -9 | -71 | -43 | -123 | 109 | -14 | -7 | 21 | -275 | -261 |
| Total revenues | 1,326 | 1,126 | 1,176 | 3,628 | 1,057 | 4,685 | 1,467 | 1,541 | 793 | 3,800 |
| o/w Net interest income | 615 | 613 | 658 | 1,887 | 710 | 2,596 | 808 | 985 | 1,024 | 2,817 |
| o/w Net commission income | 650 | 572 | 581 | 1,803 | 610 | 2,413 | 640 | 586 | 535 | 1,761 |
| o/w Net fair value result | 58 | 69 | 55 | 183 | 184 | 367 | 55 | -47 | -38 | -30 |
| o/w Other income | 2 | -129 | -118 | -244 | -446 | -691 | -36 | 16 | -728 | -747 |
| o/w Dividend income | 1 | 4 | 3 | 7 | 2 | 10 | - | 5 | 13 | 19 |
| o/w Net income from hedge accounting | -2 | - | -2 | -3 | 1 | -2 | - | 1 | -12 | -12 |
| o/w Other financial result | 19 | - | - | 20 | 1 | 20 | -5 | -5 | -270 | -280 |
| o/w At equity result | - | - | - | - | 1 | 1 | -1 | -1 | 3 | 2 |
| o/w Other net income | -17 | -133 | -119 | -269 | -451 | -720 | -30 | 16 | -462 | -476 |
| Risk result | -64 | -62 | 1 | -125 | -194 | -319 | -72 | -88 | -90 | -251 |
| Operating expenses | 849 | 864 | 848 | 2,561 | 912 | 3,473 | 820 | 829 | 821 | 2,471 |
| Compulsory contributions | 163 | 63 | 27 | 254 | 64 | 318 | 171 | 143 | 88 | 401 |
| **Operating result** | **250** | **137** | **301** | **688** | **-113** | **575** | **403** | **481** | **-207** | **677** |
| Total Assets | 158,318 | 161,641 | 165,238 | 165,238 | 165,929 | 165,929 | 168,321 | 168,145 | 169,140 | 169,140 |
| Liabilities | 200,420 | 202,304 | 201,140 | 201,140 | 200,884 | 200,884 | 203,034 | 204,423 | 206,340 | 206,340 |
| Average capital employed | 5,828 | 6,185 | 6,371 | 6,106 | 6,408 | 6,175 | 6,661 | 6,844 | 6,737 | 6,740 |
| RWA credit risk (end of period) | 41,759 | 42,687 | 42,820 | 42,820 | 42,087 | 42,087 | 42,157 | 41,586 | 40,862 | 40,862 |
| RWA market risk (end of period) | 1,180 | 1,116 | 929 | 929 | 965 | 965 | 908 | 802 | 850 | 850 |
| RWA operational risk (end of period) | 7,852 | 9,348 | 9,756 | 9,756 | 10,346 | 10,346 | 11,465 | 11,644 | 11,577 | 11,577 |
| **RWA (end of period)** | **50,791** | **53,151** | **53,504** | **53,504** | **53,398** | **53,398** | **54,529** | **54,033** | **53,289** | **53,289** |
| Cost/income ratio (excl. compulsory contributions) (%) | 64.0% | 76.7% | 72.1% | 70.6% | 86.3% | 74.1% | 55.9% | 53.8% | 103.6% | 65.0% |
| Cost/income ratio (incl. compulsory contributions) (%) | 76.3% | 82.3% | 74.5% | 77.6% | 92.4% | 80.9% | 67.6% | 63.1% | 114.7% | 75.6% |
| Operating return on CET1 (RoCET) (%) | 17.1% | 8.9% | 18.9% | 15.0% | -7.1% | 9.3% | 24.2% | 28.1% | -12.3% | 13.4% |
| Operating return on tangible equity (%) | 17.1% | 8.8% | 18.6% | 14.9% | -6.8% | 9.1% | 22.9% | 26.3% | -11.5% | 12.6% |
| Provisions for CHF loans of mBank | -14 | -55 | -95 | -164 | -436 | -600 | -41 | -40 | -477 | -559 |
| Operating result ex legal provisions on CHF loans | 264 | 192 | 396 | 852 | 323 | 1,175 | 445 | 520 | 271 | 1,236 |

# PSBC Germany | Part of segment Private and Small-Business Customers

| €m | Q1 2021 | Q2 2021 | Q3 2021 | 9M 2021 | Q4 2021 | FY 2021 | Q1 2022 | Q2 2022 | Q3 2022 | 9M 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total underlying revenues | 1,026 | 943 | 996 | 2,966 | 1,047 | 4,013 | 1,065 | 1,117 | 1,075 | 3,258 |
| Exceptional items | -9 | -74 | -41 | -124 | 109 | -15 | -6 | 22 | -5 | 11 |
| Total revenues | 1,017 | 869 | 956 | 2,842 | 1,156 | 3,998 | 1,059 | 1,139 | 1,071 | 3,269 |
| o/w Net interest income | 445 | 434 | 473 | 1,351 | 486 | 1,838 | 491 | 585 | 551 | 1,626 |
| o/w Net commission income | 566 | 493 | 503 | 1,561 | 528 | 2,089 | 539 | 495 | 451 | 1,486 |
| o/w Net fair value result | 4 | 11 | 3 | 18 | 147 | 165 | 22 | 3 | 4 | 28 |
| o/w Other income | 3 | -69 | -23 | -89 | -5 | -94 | 7 | 56 | 65 | 128 |
| o/w Dividend income | 1 | 3 | 2 | 6 | 2 | 9 | - | 4 | 13 | 18 |
| o/w Net income from hedge accounting | - | - | - | - | - | - | - | - | - | - |
| o/w Other financial result | - | - | - | - | 1 | 2 | - | - | - | - |
| o/w At equity result | - | - | - | - | 1 | 1 | -1 | -1 | 3 | 2 |
| o/w Other net income | 2 | -72 | -25 | -95 | -10 | -105 | 8 | 52 | 48 | 109 |
| Risk result | -31 | -12 | 41 | -2 | -130 | -132 | -17 | -46 | -52 | -116 |
| Operating expenses | 733 | 734 | 717 | 2,184 | 786 | 2,970 | 689 | 692 | 693 | 2,073 |
| Compulsory contributions | 99 | 25 | -13 | 112 | 23 | 135 | 84 | 23 | 4 | 112 |
| **Operating result** | **155** | **98** | **292** | **545** | **216** | **761** | **270** | **377** | **321** | **968** |
| Total Assets | 116,920 | 118,438 | 121,028 | 121,028 | 123,183 | 123,183 | 124,960 | 125,571 | 126,975 | 126,975 |
| Liabilities | 160,689 | 160,209 | 157,811 | 157,811 | 158,819 | 158,819 | 160,355 | 162,230 | 164,301 | 164,301 |
| Average capital employed | 3,467 | 3,566 | 3,617 | 3,542 | 3,661 | 3,571 | 3,882 | 4,049 | 4,018 | 3,973 |
| RWA credit risk (end of period) | 23,705 | 23,751 | 23,919 | 23,919 | 23,827 | 23,827 | 24,584 | 24,146 | 24,257 | 24,257 |
| RWA market risk (end of period) | 752 | 608 | 493 | 493 | 525 | 525 | 449 | 466 | 492 | 492 |
| RWA operational risk (end of period) | 5,200 | 5,804 | 5,982 | 5,982 | 6,482 | 6,482 | 7,361 | 7,455 | 7,382 | 7,382 |
| **RWA (end of period)** | **29,657** | **30,163** | **30,393** | **30,393** | **30,833** | **30,833** | **32,394** | **32,067** | **32,131** | **32,131** |
| Cost/income ratio (excl. compulsory contributions) (%) | 72.0% | 84.5% | 75.1% | 76.9% | 68.0% | 74.3% | 65.0% | 60.7% | 64.7% | 63.4% |
| Cost/income ratio (incl. compulsory contributions) (%) | 81.8% | 87.4% | 73.7% | 80.8% | 70.0% | 77.7% | 73.0% | 62.8% | 65.1% | 66.8% |
| Operating return on CET1 (RoCET) (%) | 17.8% | 11.0% | 32.3% | 20.5% | 23.6% | 21.3% | 27.8% | 37.3% | 32.0% | 32.5% |
| Operating return on tangible equity (%) | 17.6% | 10.8% | 31.7% | 20.2% | 23.1% | 20.9% | 27.2% | 36.4% | 31.3% | 31.8% |

# mBank | Part of segment Private and Small-Business Customers

| €m | Q1 2021 | Q2 2021 | Q3 2021 | 9M 2021 | Q4 2021 | FY 2021 | Q1 2022 | Q2 2022 | Q3 2022 | 9M 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total underlying revenues | 309 | 254 | 223 | 786 | -99 | 687 | 409 | 402 | -7 | 804 |
| Exceptional items | - | 3 | -2 | 1 | - | 1 | -1 | -1 | -271 | -272 |
| Total revenues | 309 | 257 | 220 | 786 | -99 | 688 | 408 | 402 | -278 | 532 |
| o/w Net interest income | 170 | 180 | 185 | 535 | 223 | 759 | 317 | 400 | 473 | 1,190 |
| o/w Net commission income | 85 | 79 | 78 | 242 | 81 | 324 | 101 | 90 | 84 | 275 |
| o/w Net fair value result | 55 | 58 | 52 | 164 | 37 | 202 | 33 | -49 | -42 | -58 |
| o/w Other income | -1 | -60 | -95 | -156 | -441 | -597 | -44 | -40 | -792 | -876 |
| o/w Dividend income | - | 1 | - | 1 | - | 1 | - | 1 | - | 1 |
| o/w Net income from hedge accounting | -2 | - | -2 | -3 | 1 | -2 | - | 1 | -12 | -12 |
| o/w Other financial result | 19 | - | - | 20 | -1 | 19 | -5 | -5 | -270 | -280 |
| o/w At equity result | - | - | - | - | - | - | - | - | - | - |
| o/w Other net income | -19 | -61 | -93 | -173 | -442 | -615 | -38 | -36 | -510 | -585 |
| Risk result | -33 | -50 | -41 | -124 | -63 | -187 | -55 | -41 | -38 | -135 |
| Operating expenses | 116 | 130 | 131 | 377 | 127 | 503 | 132 | 138 | 129 | 398 |
| Compulsory contributions | 64 | 38 | 40 | 142 | 41 | 183 | 87 | 119 | 83 | 290 |
| **Operating result** | **95** | **40** | **9** | **143** | **-330** | **-186** | **134** | **103** | **-528** | **-291** |
| Total Assets | 41,398 | 43,203 | 44,210 | 44,210 | 42,746 | 42,746 | 43,361 | 42,574 | 42,164 | 42,164 |
| Liabilities | 39,731 | 42,094 | 43,329 | 43,329 | 42,064 | 42,064 | 42,679 | 42,193 | 42,039 | 42,039 |
| Average capital employed | 2,361 | 2,620 | 2,754 | 2,564 | 2,747 | 2,604 | 2,780 | 2,795 | 2,719 | 2,767 |
| RWA credit risk (end of period) | 18,054 | 18,936 | 18,901 | 18,901 | 18,260 | 18,260 | 17,572 | 17,441 | 16,604 | 16,604 |
| RWA market risk (end of period) | 428 | 508 | 437 | 437 | 440 | 440 | 459 | 336 | 358 | 358 |
| RWA operational risk (end of period) | 2,652 | 3,544 | 3,774 | 3,774 | 3,865 | 3,865 | 4,103 | 4,189 | 4,195 | 4,195 |
| **RWA (end of period)** | **21,134** | **22,988** | **23,111** | **23,111** | **22,565** | **22,565** | **22,134** | **21,965** | **21,158** | **21,158** |
| Cost/income ratio (excl. compulsory contributions) (%) | 37.6% | 50.5% | 59.5% | 47.9% | n/a | 73.2% | 32.3% | 34.3% | n/a | 74.8% |
| Cost/income ratio (incl. compulsory contributions) (%) | 58.4% | 65.3% | 77.6% | 66.0% | n/a | 99.9% | 53.6% | 64.0% | n/a | 129.3% |
| Operating return on CET1 (RoCET) (%) | 16.1% | 6.0% | 1.3% | 7.5% | -48.0% | -7.2% | 19.3% | 14.8% | -77.7% | -14.0% |
| Operating return on tangible equity (%) | 16.3% | 6.0% | 1.3% | 7.4% | -45.1% | -7.0% | 17.5% | 13.0% | -68.4% | -12.5% |

# Corporate Clients

| €m | Q1 2021 | Q2 2021 | Q3 2021 | 9M 2021 | Q4 2021 | FY 2021 | Q1 2022 | Q2 2022 | Q3 2022 | 9M 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total underlying revenues | 813 | 758 | 760 | 2,330 | 782 | 3,112 | 924 | 900 | 1,006 | 2,830 |
| Exceptional items | 17 | 11 | 15 | 43 | 12 | 56 | 2 | -18 | 15 | -1 |
| Total revenues | 830 | 769 | 775 | 2,374 | 794 | 3,168 | 926 | 882 | 1,021 | 2,829 |
| o/w Net interest income | 427 | 413 | 401 | 1,241 | 447 | 1,688 | 459 | 454 | 521 | 1,434 |
| o/w Net commission income | 312 | 289 | 325 | 926 | 323 | 1,249 | 341 | 318 | 332 | 990 |
| o/w Net fair value result | 105 | 72 | 40 | 218 | 39 | 257 | 115 | 103 | 168 | 386 |
| o/w Other income | -15 | -5 | 9 | -11 | -15 | -26 | 12 | 7 | -1 | 18 |
| o/w Dividend income | - | 3 | -1 | 2 | 3 | 5 | - | 3 | - | 3 |
| o/w Net income from hedge accounting | -5 | - | 1 | -4 | - | -4 | -9 | -7 | -2 | -17 |
| o/w Other financial result | -6 | 1 | -2 | -7 | - | -7 | -2 | -3 | -2 | -7 |
| o/w At equity result | - | 2 | 2 | 4 | 1 | 6 | 1 | 5 | 2 | 7 |
| o/w Other net income | -5 | -10 | 9 | -7 | -19 | -26 | 21 | 9 | 2 | 32 |
| Risk result | -52 | 13 | -29 | -68 | -81 | -149 | -286 | -52 | 13 | -325 |
| Operating expenses | 562 | 559 | 531 | 1,652 | 615 | 2,267 | 533 | 504 | 496 | 1,533 |
| Compulsory contributions | 114 | -19 | - | 95 | 1 | 96 | 115 | 1 | 2 | 118 |
| **Operating result** | **101** | **242** | **215** | **558** | **97** | **655** | **-8** | **325** | **536** | **853** |
| Total Assets | 161,850 | 152,251 | 150,067 | 150,067 | 146,748 | 146,748 | 143,956 | 150,505 | 152,314 | 152,314 |
| o/w Discontinued operations | 2,143 | 1,809 | 1,368 | 1,368 | 62 | 62 | - | - | - | - |
| Liabilities | 181,186 | 180,337 | 178,185 | 178,185 | 136,817 | 136,817 | 167,604 | 178,312 | 180,996 | 180,996 |
| o/w Discontinued operations | 2,162 | 1,847 | 1,432 | 1,432 | 108 | 108 | - | - | - | - |
| Average capital employed | 10,395 | 9,839 | 9,732 | 9,980 | 9,570 | 9,891 | 10,034 | 9,967 | 9,959 | 9,992 |
| RWA credit risk (end of period) | 73,081 | 72,203 | 70,050 | 70,050 | 69,917 | 69,917 | 69,768 | 69,570 | 71,285 | 71,285 |
| RWA market risk (end of period) | 6,599 | 6,685 | 5,229 | 5,229 | 6,184 | 6,184 | 6,462 | 4,980 | 5,409 | 5,409 |
| RWA operational risk (end of period) | 4,535 | 4,077 | 3,876 | 3,876 | 4,880 | 4,880 | 4,311 | 4,244 | 4,299 | 4,299 |
| **RWA (end of period) continued operations** | **84,214** | **82,964** | **79,155** | **79,155** | **80,981** | **80,981** | **80,541** | **78,795** | **80,994** | **80,994** |
| Cost/income ratio (excl. compulsory contributions) (%) | 67.8% | 72.7% | 68.5% | 69.6% | 77.4% | 71.6% | 57.5% | 57.2% | 48.6% | 54.2% |
| Cost/income ratio (incl. compulsory contributions) (%) | 81.5% | 70.2% | 68.5% | 73.6% | 77.6% | 74.6% | 69.9% | 57.3% | 48.8% | 58.4% |
| Operating return on CET1 (RoCET) (%) | 3.9% | 9.8% | 8.8% | 7.5% | 4.1% | 6.6% | -0.3% | 13.0% | 21.5% | 11.4% |
| Operating return on tangible equity (%) | 3.7% | 9.2% | 8.2% | 7.0% | 3.8% | 6.2% | -0.3% | 12.0% | 19.8% | 10.5% |

# Others & Consolidation

| €m | Q1 2021 | Q2 2021 | Q3 2021 | 9M 2021 | Q4 2021 | FY 2021 | Q1 2022 | Q2 2022 | Q3 2022 | 9M 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total underlying revenues | 158 | -74 | 35 | 118 | 132 | 251 | 339 | -111 | -8 | 220 |
| Exceptional items | 176 | 38 | 19 | 232 | 114 | 346 | 61 | 108 | 80 | 249 |
| Total revenues | 334 | -36 | 53 | 351 | 246 | 597 | 400 | -3 | 72 | 469 |
| o/w Net interest income | 211 | 147 | 63 | 421 | 143 | 565 | 134 | 39 | 76 | 250 |
| o/w Net commission income | -13 | -12 | -18 | -43 | -11 | -55 | -11 | -9 | -17 | -38 |
| o/w Net fair value result | 196 | -16 | 65 | 244 | 111 | 356 | 183 | 13 | 41 | 237 |
| o/w Other income | -60 | -155 | -56 | -271 | 3 | -269 | 94 | -45 | -29 | 20 |
| o/w Dividend income | - | - | 1 | - | 6 | 6 | - | - | - | -1 |
| o/w Net income from hedge accounting | -42 | -5 | -31 | -77 | -13 | -90 | 22 | -48 | -25 | -51 |
| o/w Other financial result | 5 | -3 | 6 | 8 | 5 | 14 | 33 | -16 | -12 | 5 |
| o/w At equity result | - | - | - | - | - | - | - | - | - | - |
| o/w Other net income | -23 | -147 | -33 | -203 | 4 | -199 | 39 | 20 | 8 | 67 |
| Risk result | -32 | -37 | 6 | -63 | -38 | -101 | -106 | 34 | -6 | -78 |
| Operating expenses | 56 | 279 | 104 | 439 | 51 | 490 | 85 | 90 | 112 | 287 |
| Compulsory contributions | 59 | -6 | - | 53 | - | 53 | 61 | 1 | 1 | 63 |
| **Operating result** | **187** | **-347** | **-45** | **-205** | **157** | **-47** | **148** | **-59** | **-47** | **41** |
| Restructuring expenses | 465 | 511 | 76 | 1,052 | 26 | 1,078 | 15 | 25 | 14 | 54 |
| **Pre-tax result** | **-278** | **-857** | **-121** | **-1,256** | **131** | **-1,125** | **133** | **-84** | **-62** | **-13** |
| | | | | | | | | | | |
| Total Assets | 217,610 | 229,751 | 225,953 | 225,953 | 160,367 | 160,367 | 213,314 | 216,400 | 221,914 | 221,914 |
| Liabilities | 156,172 | 161,003 | 161,933 | 161,933 | 135,343 | 135,343 | 154,953 | 152,314 | 156,031 | 156,031 |
| Average capital employed | 7,462 | 7,776 | 7,710 | 7,664 | 7,861 | 7,718 | 7,060 | 7,177 | 7,406 | 7,233 |
| RWA credit risk (end of period) | 34,474 | 33,293 | 33,822 | 33,822 | 33,205 | 33,205 | 32,858 | 35,066 | 32,642 | 32,642 |
| RWA market risk (end of period) | 4,688 | 3,049 | 2,573 | 2,573 | 3,031 | 3,031 | 3,063 | 3,152 | 3,525 | 3,525 |
| RWA operational risk (end of period) | 4,303 | 5,131 | 6,163 | 6,163 | 4,572 | 4,572 | 4,115 | 4,002 | 4,014 | 4,014 |
| **RWA (end of period)** | **43,466** | **41,473** | **42,557** | **42,557** | **40,808** | **40,808** | **40,036** | **42,220** | **40,181** | **40,181** |

# Commerzbank Group | Exceptional revenue items

| €m | Q1 2021 | Q2 2021 | Q3 2021 | 9M 2021 | Q4 2021 | FY 2021 | Q1 2022 | Q2 2022 | Q3 2022 | 9M 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Exceptional Revenue Items** | **184** | **-22** | **-9** | **153** | **235** | **388** | **56** | **111** | **-181** | **-14** |
| o/w Net interest income | 125 | 42 | -24 | 143 | 89 | 232 | 39 | 37 | 4 | 80 |
| o/w Net commission income | -8 | -8 | 16 | - | - | - | - | - | - | - |
| o/w Net fair value result | 67 | 10 | 32 | 109 | 146 | 255 | 17 | 48 | 84 | 149 |
| o/w Other income | - | -66 | -33 | -99 | - | -99 | - | 27 | -270 | -243 |
| o/w FVA, CVA / DVA, AT1 FX effect (NII, NCI, NFVR) | 67 | 10 | 32 | 109 | 31 | 139 | 17 | 48 | 84 | 149 |
| **PSBC** | **-9** | **-71** | **-43** | **-123** | **109** | **-14** | **-7** | **21** | **-275** | **-261** |
| o/w Net interest income | -9 | -8 | -8 | -25 | -7 | -32 | -6 | -5 | -5 | -16 |
| o/w Net commission income | - | - | - | - | - | - | - | - | - | - |
| o/w Net fair value result | - | 3 | -2 | 1 | 116 | 117 | -1 | - | -1 | -2 |
| o/w Other income | - | -66 | -33 | -99 | - | -99 | - | 27 | -270 | -243 |
| o/w FVA, CVA / DVA (NII, NFVR) | - | 3 | -2 | 1 | - | 1 | -1 | - | -1 | -2 |
| **PSBC Germany** | **-9** | **-74** | **-41** | **-124** | **109** | **-15** | **-6** | **22** | **-5** | **11** |
| o/w Net interest income | -9 | -8 | -8 | -25 | -7 | -32 | -6 | -5 | -5 | -16 |
| o/w Net commission income | - | - | - | - | - | - | - | - | - | - |
| o/w Net fair value result | - | - | - | - | 116 | 116 | - | 1 | - | 1 |
| o/w Other income | - | -66 | -33 | -99 | - | -99 | - | 27 | - | 27 |
| o/w FVA, CVA / DVA (NII, NFVR) | - | - | - | - | - | - | - | 1 | - | 1 |
| **mBank** | **-** | **3** | **-2** | **1** | **-** | **1** | **-1** | **-1** | **-271** | **-272** |
| o/w Net interest income | - | - | - | - | - | - | - | - | - | - |
| o/w Net commission income | - | - | - | - | - | - | - | - | - | - |
| o/w Net fair value result | - | 3 | -2 | 1 | - | 1 | -1 | -1 | -1 | -3 |
| o/w Other income | - | - | - | - | - | - | - | - | -270 | -270 |
| o/w FVA, CVA / DVA (NII, NFVR) | - | 3 | -2 | 1 | - | 1 | -1 | -1 | -1 | -3 |
| **CC** | **17** | **11** | **15** | **43** | **12** | **56** | **2** | **-18** | **15** | **-1** |
| o/w Net interest income | 8 | 8 | -16 | - | - | - | - | - | - | - |
| o/w Net commission income | -8 | -8 | 16 | - | - | - | - | - | - | - |
| o/w Net fair value result | 17 | 11 | 15 | 43 | 12 | 56 | 2 | -18 | 15 | -1 |
| o/w Other income | - | - | - | - | - | - | - | - | - | - |
| o/w FVA, CVA / DVA (NII, NFVR) | 17 | 11 | 15 | 43 | 12 | 56 | 2 | -18 | 15 | -1 |
| **O&C** | **176** | **38** | **19** | **232** | **114** | **346** | **61** | **108** | **80** | **249** |
| o/w Net interest income | 126 | 42 | - | 168 | 95 | 264 | 45 | 42 | 9 | 96 |
| o/w Net commission income | - | - | - | - | - | - | - | - | - | - |
| o/w Net fair value result | 50 | -4 | 19 | 64 | 18 | 83 | 16 | 66 | 70 | 153 |
| o/w Other income | - | - | - | - | - | - | - | - | - | - |
| o/w FVA, CVA / DVA, AT1 FX effect (NII, NCI, NFVR) | 50 | -4 | 19 | 64 | 18 | 83 | 16 | 66 | 70 | 153 |

**Description of Exceptional Revenue Items**

| 2021 | €m | 2021 | €m | 2022 | €m |
|---|---|---|---|---|---|
| Q1 PPA Consumer Finance (PSBC) | -9 | Q3 PPA Consumer Finance (PSBC) | -8 | Q1 PPA Consumer Finance (PSBC) | -6 |
| Q1 TLTRO benefit (O&C) | 126 | Q3 Prov. re judgement on pricing of accounts (PSBC) | -33 | Q1 TLTRO benefit (O&C) | 45 |
| Q1 NII change from consolidation of a securitisation (CC) | 8 | Q3 NII change from consolidation of a securitisation (CC) | -16 | Q2 PPA Consumer Finance (PSBC) | -5 |
| Q1 NCI change from consolidation of a securitisation (CC) | -8 | Q3 NCI change from consolidation of a securitisation (CC) | 16 | Q2 TLTRO benefit (O&C) | 42 |
| Q2 PPA Consumer Finance (PSBC) | -8 | Q4 PPA Consumer Finance (PSBC) | -7 | Q2 Prov. re judgement on pricing of accounts (PSBC) | 27 |
| Q2 TLTRO benefit (O&C) | 42 | Q4 TLTRO benefit (O&C) | 95 | Q3 PPA Consumer Finance (PSBC) | -5 |
| Q2 Prov. re judgement on pricing of accounts (PSBC) | -66 | Q4 Valuation of participation (PSBC) | 116 | Q3 TLTRO benefit (O&C) | 9 |
| Q2 NII change from consolidation of a securitisation (CC) | 8 | | | Q3 Credit holidays in Poland (PSBC) | -270 |
| Q2 NCI change from consolidation of a securitisation (CC) | -8 | | | | |

# 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] | 12.5% [2] of the average RWAs (YTD: PSBC Germany €31,9bn, mBank €22,2bn, CC €80,3bn) | 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] | 12.5% [2] of the average RWAs plus average regulatory capital deductions (excluding goodwill and other intangible assets) (YTD: PSBC Germany €0,1bn, mBank €0,3bn, CC €0,8bn) | 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 dividend accrual (if applicable) and 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 dividend accrual (if applicable) and 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

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**Financial calendar 2022/2023**

| Date | Event |
|---|---|
| 16 February 2023 | Q4 2022 press conference |
| 17 May 2023 | Q1 2023 results |
| 31 May 2023 | AGM |
| 4 August 2023 | Q2 2023 results |
| 8 November 2023 | Q3 2023 results |

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