COMMERZBANK

Disclosure Report as at 31 March

2023

in accordance with the Capital Requirements Regulation (CRR)

The bank at your side

Contents

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

Introduction

Objective of the Disclosure Report

In this report Commerzbank Aktiengesellschaft as the ultimate parent company of the regulated banking group is complying with the disclosure requirements of Articles 431 – 455 of regulation (EU) 2019/876 (CRR II) of the European parliament and of the Council of 20 May 2019 amending the Regulation (EU) No. 575/2013 (CRR I) as of 31 March 2023. The regulation is supplemented by the final draft implementing technical standards EBA EBA/ITS/2020/04 from 24 June 2020, which specify the tables integrated in the report. The names of the predefined tables are indicated by the table names provided with the prefix EU.

Scope

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

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

A detailed description of Commerzbank Group is given in the Annual Report 2022.

Equity capital, capital requirements and RWA

Key metrics

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

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

As of the reporting date, Common Equity Tier 1 capital amounted to €24.4bn compared to €23.9bn as of 31 December 2022. The increase was mainly due to the group result of the first three months of 2023 (taking into account the accruals for dividend and AT 1 interest rates), an increase in actuarial gains and a positive development in the revaluation reserve.

The Common Equity Tier 1 ratio was 14.2% compared to 14.1% at the end of 2022. The Tier 1 ratio at the reporting date was 16.1% compared to 16.0% at the end of 2022. The Tier 2 capital increased by €0.2bn due to a new issue, while amortization and currency effects reduced the Tier 2 capital by €0.2bn.

The total capital ratio at the reporting date was 18.9% and did not change compared to 31 December 2022. Own funds increased by €0.6bn compared to the previous year's result and amounted to €32.5bn as of 31 March 2023 Euro.

The leverage ratio (LR) shows the ratio of Tier 1 capital to leverage ratio exposure, consisting of the non risk-weighted assets plus off-balance sheet positions. The way in which exposure to derivatives, securities financing transactions and off-balance sheet positions is calculated is laid down by regulators. As a non risk-sensitive figure the leverage ratio is intended to supplement risk-based measures of capital adequacy.

The leverage ratio was 4.8% as of 31 March 2023. The slight decrease is due to higher leverage ratio exposure, which was mainly caused by increased cash reserve and an increase in the balance sheet volume due to securities financing transactions (SFT).

At 141.3% (average of the last 12 month-end values), Commerzbank was well above the minimum 100% level required for the Liquidity Coverage Ratio (LCR). Commerzbank's liquidity situation as at the end of the quarter was therefore comfortable given its conservative and forward-looking funding strategy.

The Net Stable Funding Ratio (NSFR) as of 31 March 2023 underlines the solid funding position of Commerzbank Group. It reflects the customer-focused business model of Commerzbank Group with a high contribution to the available stable funding (ASF) from customer deposits. The main share of the required stable funding (RSF) results from the loan business, and the main share of the ASF results from customer deposits.

The NSFR decreased slightly from 128.3% to 127.2% in the first quarter of 2023. The reason for this are securities finance transactions.

Details of the issued capital instruments of Commerzbank Group according to Article 437 b) and c) CRR and using the EU CCA table in Annex VII of the Regulation of Implementation (EU) 2021/637 are given in Annex 5 of the disclosure report as of 31 December 2022 and on the Commerzbank website in the section debt holder information/capital instruments. Commerzbank Group is not required to disclose in accordance with Article 437a CRR (eligible liabilities).

We have received approval from the supervisor for the application of the transitional provisions to IFRS 9 in accordance with Article 473a CRR. For the Commerzbank Group, this transitional provision will not apply as of 31 March 2023.

EU KM1: Key metrics

		a	b	c	d	e
Line	€m | %	31.3.2023	31.12.2022	30.9.2022	30.6.2022	31.3.2022
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	24,368	23,854	24,065	24,015	23,715
2	Tier 1 capital	27,592	27,074	27,292	27,247	26,949
3	Total capital	32,487	31,928	31,985	31,612	31,574
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	171,528	168,731	174,464	175,047	175,106
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	14.21	14.14	13.79	13.72	13.54
6	Tier 1 ratio (%)	16.09	16.05	15.64	15.57	15.39
7	Total capital ratio (%)	18.94	18.92	18.33	18.06	18.03
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.00	2.00	2.00	2.00	2.00
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.13	1.13	1.13	1.13	1.13
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.50	1.50	1.50	1.50	1.50
EU 7d	Total SREP own funds requirements (%)	10.00	10.00	10.00	10.00	10.00
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50	2.50	2.50	2.50	2.50
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	–	–	–	–	–
9	Institution specific countercyclical capital buffer (%)	0.54	0.10	0.04	0.02	0.02
EU 9a	Systemic risk buffer (%)	0.10	–	–	–	–
10	Global Systemically Important Institution buffer (%)	–	–	–	–	–
EU 10a	Other Systemically Important Institution buffer (%)	1.25	1.25	1.25	1.25	1.25
11	Combined buffer requirement (%)	4.39	3.85	3.79	3.77	3.77
EU 11a	Overall capital requirements (%)	14.39	13.85	13.79	13.77	13.77
12	CET1 available after meeting the total SREP own funds requirements (%)	8.58	8.51	8.14	8.06	7.89
Leverage ratio						
13	Total exposure measure	571,883	547,702	609,853	588,651	577,634
14	Leverage ratio[1] (%)	4.82	4.94	4.48	4.63	4.67
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	–	–	–	–	–
EU 14b	of which: to be made up of CET1 capital (percentage points)	–	–	–	–	–
EU 14c	Total SREP leverage ratio requirements (%)	3.00	3.00	3.00	3.00	3.00
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	–	–	–	–	–
EU 14e	Overall leverage ratio requirements (%)	3.00	3.00	3.00	3.00	3.00

[1] No differences between LR fully loaded and LR with transitional provisions, as transitional agreements for Tier 1 capital expired end of 2021.

		a	b	c	d	e
Line	€m | %	31.3.2023	31.12.2022	30.9.2022	30.6.2022	31.3.2022
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	118,336	113,227	104,144	103,158	105,654
EU 16a	Cash outflows - Total weighted value	105,924	104,222	100,203	97,817	96,370
EU 16b	Cash inflows - Total weighted value	22,198	24,089	24,985	25,059	22,955
16	Total net cash outflows (adjusted value)	83,727	80,133	75,218	72,757	73,415
17	Liquidity Coverage Ratio (%)	141.3	141.1	138.0	141.2	143.1
Net Stable Funding Ratio						
18	Total available stable funding	314,701	314,538	328,699	310,223	339,837
19	Total required stable funding	247,500	245,063	254,863	237,978	257,016
20	NSFR ratio (%)	127.2	128.3	129.0	130.4	132.2

Capital requirements and RWA

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

Capital requirements by risk type

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

Of the overall capital requirement 73.4% relates to credit risk positions (excluding counterparty credit risk). Commerzbank uses the Advanced Internal Ratings Based Approach (advanced IRBA; in the following referred to as IRBA) to determine the regulatory capital required. Article 150 CRR gives the option of partial use. The Standardised Approach to Credit Risk (SACR) may be used for part of the portfolios.

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

Of the overall capital requirement 8.2% relates to counterparty credit risk. Based on the EBA requirements, credit value adjustments (CVAs) are also assigned to this credit risk category.

Securitised positions in the banking book are also shown as a separate credit risk category subject to a capital requirement in the table EU OV1 below (2.8% of overall capital requirement). Commerzbank treats these positions in accordance with the recognition hierarchy according to the change in own funds requirements (Regulation (EU) No 2017/2401). Capital deduction items of securitisations directly reduce the liable equity and thus are not included in the capital requirements.

Pursuant to Article 92 (3) b) and c) CRR, adequate capital must be set aside for market risk positions. As of 31 March 2023, capital requirements here are 3.3% of total requirements. Commerzbank uses an internal market risk model to calculate the regulatory capital requirement. This affects both the equity price and interest rate-related risk positions in the trading book as well as the total of currency positions and commodity positions. The standardized approaches are applied for smaller units in Commerzbank Group in accordance with the partial use option.

Since the fourth quarter of 2021, Commerzbank has used the standard approach (SA) to calculate the capital adequacy for operational risks. As of 31 March, 2023 12.3% of the total capital requirement is attributable to this risk category.

EU OV1: Overview of risk-weighted exposure amounts

		a	b	c
		Risk-weighted exposure amounts		Total own funds requirements
	€m	31.3.2023	31.12.2022	31.3.2023
1	Credit risk (excluding CCR)	125,975	126,151	10,078
2	thereof: standard approach	32,359	32,443	2,589
3	thereof: the foundation IRB (FIRB) approach	0	0	0
4	thereof: slotting approach	926	916	74
EU 4a	thereof: equities under the simple riskweighted approach	0	0	0
5	thereof: the advanced IRB (AIRB) approach	92,689	92,793	7,415
6	Counterparty credit risk - CCR	14,066	11,778	1,125
7	thereof: standard approach	1,435	1,505	115
8	thereof: internal model method (IMM)	9,836	7,544	787
EU 8a	thereof: exposures to a CCP	168	128	13
EU 8b	thereof: credit valuation adjustment - CVA	1,975	1,994	158
9	thereof: other CCR	652	607	52
15	Settlement risk	0	0	0
16	Securitisation exposures in the non-trading book (after the cap)	4,801	4,538	384
17	thereof: SEC-IRBA	1,986	1,839	159
18	thereof SEC-ERBA (incl. IAA)	2,167	2,157	173
19	thereof: SEC-SA	647	541	52
EU 19a	thereof: 1250% / deduction (for information)	1,531	1,617	122
20	Position, foreign exchange and commodities risks (Market risk)	5,613	5,066	449
21	thereof: standard approach	325	291	26
22	thereof: IMA	5,288	4,775	423
EU 22a	Large exposures	0	0	0
23	Operational risk	21,074	21,199	1,686
EU 23a	thereof: basic indicator approach	0	0	0
EU 23b	thereof: standard approach	21,074	21,199	1,686
EU 23c	thereof: advanced measurement approach	0	0	0
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)	6,696	6,650	536
29	**Total**	**171,528**	**168,731**	**13,722**

Risk assets at 31 March 2023 were with €171.5bn slightly higher than in the previous quarter. There were greater increases in counterparty credit risk as a result of higher volumes in derivatives and repo transactions as well as in securitisations resulting from the securitisation transaction CoCoFinance II-4.

The increase in RWA from market risks is mainly due to changes in position in the Corporate Clients division.

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

Table EU CR8 below shows the changes in the RWA of credit risk exposures in the IRBA portfolio of Commerzbank Group between 31 December 2022 and 31 March 2023.

Credit risk RWA remained almost stable in the first quarter of 2023 due to the following adverse effects: An increase from anticipated expected effects of model adjustments in the context of the „IRB Repair“ program established by the Banking Authority is mainly compensated by a new securisation transaction (shown in ‘Asset size’), a better quality of the portfolio (shown in ‘Asset quality’) as well as reducing FX effects (mainly USD).

Table EU CR8 shows the information according to Article 438 (h) CRR as of 31 March 2023:

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

		a
	€m	Risk-weighted exposure amount (RWA)
1	**RWA as at the end of the previous reporting period**	**93,708**
2	Asset size	–1,305
3	Asset quality	–844
4	Model updates	0
5	Methodology and policy	2,300
6	Acquisitions and disposals	0
7	Foreign exchange movements	–207
8	Other	–37
9	**RWA as at the end of the current reporting period**	**93,615**

The following table EU CCR7 shows the development of RWA by main driver of counterparty credit risk according to the internal model method (IMM) in the first quarter of 2023 in accordance with Article 438 (h) CRR.

The increase in RWA from counterparty credit risks (CCR) in the first quarter of 2023 can mainly be attributed to an expansion in business activities, including securities finance transactions and derivatives (‘Asset size’ category), as well as the regulatory required change in the stress period for the IMM (‘Model updates’ category).

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

		a
	€m	Risk-weighted assets (RWA)
1	**RWA as at the end of the previous reporting period**	**7,544**
2	Asset size	1,337
3	Credit quality of counterparties	213
4	Model updates (IMM only)	739
5	Methodology and policy (IMM only)	0
6	Acquisitions and disposals	0
7	Foreign exchange movements	10
8	Other	–7
9	**RWA as at the end of the current reporting period**	**9,836**

The table EU MR2-B below shows the development of RWA by main market risk drivers according to the internal model-based approach (IMA) in the first quarter of 2023 according to Article 438(h) CRR.

The increase in RWA from the regulatory VaR is due to changes in position in the Corporate Clients and Treasury divisions. The increase in SVaR and IRC-related RWA is due to the changes in position in the Corporate Clients division..

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

		a	b	c	d	e	f	g
	€m	VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWA	Total capital requirements
1	**RWA as at the end of the previous reporting period**	**1,179**	**3,023**	**573**	**0**	**0**	**4,775**	**382**
1a	Regulatory adjustment	0	0	0	0	0	0	0
1b	RWA as at the end of the previous reporting period (end of the day)	1,179	3,023	573	0	0	4,775	382
2	Movement in risk levels	195	213	120	0	0	529	42
3	Model updates/changes	0	0	– 16	0	0	– 16	– 1
4	Methodology and policy	0	0	0	0	0	0	0
5	Acquisitions and disposals	0	0	0	0	0	0	0
6	Foreign exchange movements[1]	0	0	0	0	0	0	0
7	Other	0	0	0	0	0	0	0
8a	RWA at the end of the reporting period (end of the day)	1,375	3,236	677	0	0	5,288	423
8b	Regulatory adjustment	0	0	0	0	0	0	0
8	**RWA as at the end of the current reporting period**	**1,375**	**3,236**	**677**	**0**	**0**	**5,288**	**423**

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

Liquidity risk

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

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

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

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

Further information about the liquidity risk management and the internal models can be found in the Group Management Report of the Annual Report 2022 in the chapter “Funding and liquidity of the Commerzbank Group” from page 87 and in the "Liquidity risks" section of the risk report of the 2022 Annual Report.

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

As required by Article 451a (2) CRR, Table EU LIQ1 shows the liquid assets and their cash inflows and outflows and finally the liquidity buffer and the liquidity coverage ratio as of 31 March 2023.

EU LIQ1 Quantitative information of LCR – unweighted

		a	b	c	d
	€m | %	Total unweighted value (average)			
EU 1a	Quarter ending on	30.6.2022	30.9.2022	31.12.2022	31.3.2023
EU 1b	Number of data points used in the calculation of averages	12	12	12	12
High-quality liquid assets					
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61				
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	157,586	158,327	159,821	161,284
3	Stable deposits	111,403	110,667	110,456	110,362
4	Less stable deposits	38,530	40,021	41,611	42,620
5	Unsecured wholesale funding	126,447	127,572	131,996	134,255
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	42,112	41,841	42,262	41,198
7	Non-operational deposits (all counterparties)	83,906	85,201	89,258	92,670
8	Unsecured debt	429	530	476	387
9	Secured wholesale funding				
10	Additional requirements	87,908	87,523	87,060	86,848
11	Outflows related to derivative exposures and other collateral requirements	6,181	6,280	6,390	6,517
12	Outflows related to loss of funding on debt products	142	204	115	193
13	Credit and liquidity facilities	81,586	81,038	80,555	80,138
14	Other contractual funding obligations	2,346	2,605	2,776	2,822
15	Other contingent funding obligations	102,400	102,912	104,148	104,981
16	Total cash outflows				
Cash Inflows					
17	Secured lending (e.g. reverse repos)	37,587	37,282	38,702	40,852
18	Inflows from fully performing exposures	20,683	21,772	22,894	23,000
19	Other cash inflows	8,629	8,640	7,134	5,130
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)				
EU-19b	(Excess inflows from a related specialised credit institution)				
20	Total cash inflows	66,899	67,695	68,728	68,982
EU-20a	Fully exempt inflows	0	0	0	0
EU-20b	Inflows subject to 90% cap	0	0	0	0
EU-20c	Inflows subject to 75% cap	64,163	64,834	65,756	65,745
Total Adjusted Value					
EU-21	Liquidity buffer				
22	Total net cash outflows				
23	Liquidity coverage ratio (%)				

EU LIQ1 Quantitative information of LCR – weighted

		a	b	c	d
	€m | %	Total weighted value (average)			
EU 1a	Quarter ending on	30.6.2022	30.9.2022	31.12.2022	31.3.2023
EU 1b	Number of data points used in the calculation of averages	12	12	12	12
High-quality liquid assets					
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61	103,158	104,144	113,227	118,336
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	9,723	9,837	10,039	10,229
3	Stable deposits	5,570	5,533	5,523	5,518
4	Less stable deposits	4,153	4,303	4,516	4,711
5	Unsecured wholesale funding	60,707	62,526	66,050	67,555
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	10,502	10,435	10,541	10,276
7	Non-operational deposits (all counterparties)	49,776	51,561	55,032	56,893
8	Unsecured debt	429	530	476	387
9	Secured wholesale funding	4,352	3,868	3,782	4,057
10	Additional requirements	16,908	17,024	16,921	17,099
11	Outflows related to derivative exposures and other collateral requirements	5,737	5,766	5,812	5,900
12	Outflows related to loss of funding on debt products	142	204	115	193
13	Credit and liquidity facilities	11,029	11,053	10,994	11,005
14	Other contractual funding obligations	1,655	1,919	2,094	2,144
15	Other contingent funding obligations	4,473	5,030	5,338	4,841
16	Total cash outflows	97,817	100,203	104,222	105,924
Cash Inflows					
17	Secured lending (e.g. reverse repos)	1,545	1,019	1,009	1,081
18	Inflows from fully performing exposures	15,019	15,407	15,981	16,009
19	Other cash inflows	8,495	8,559	7,098	5,108
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)	0	0	0	0
EU-19b	(Excess inflows from a related specialised credit institution)	0	0	0	0
20	Total cash inflows	25,059	24,985	24,089	22,198
EU-20a	Fully exempt inflows	0	0	0	0
EU-20b	Inflows subject to 90% cap	0	0	0	0
EU-20c	Inflows subject to 75% cap	25,059	24,985	24,089	22,198
Total Adjusted Value					
EU-21	Liquidity buffer	103,158	104,144	113,227	118,336
22	Total net cash outflows	72,757	75,218	80,133	83,727
23	Liquidity coverage ratio (%)	141.2%	138.0%	141.1%	141.3%

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

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

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

Average of the last 12 month-end values €m	**30.6.2022**	**30.9.2022**	**31.12.2022**	**31.3.2023**
Total	**103,158**	**104,144**	**113,227**	**118,336**
thereof: Level 1	97,546	98,732	107,652	112,022
thereof: Level 2A	5,034	4,993	5,266	5,985
thereof: Level 2B	577	420	309	329

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

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

Appendix

List of abbreviations

A-IRB	Advanced Internal Ratings Based Approach
AT-1	Additional Tier 1
ASF	Available Stable Funding
CCP	Central counterparty
CCR	Counterparty credit risk
CET1	Common Equity Tier 1
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CVA	Credit Value Adjustments
EBA	European Banking Authority
ERBA	External Ratings-Based Approach
EU	European Union
F-IRB	Foundation IRB
HQLA	High-quality liquid asset
IRC	Incremental Risk Charge
IFRS	International Financial Reporting Standards
IMA	Internal Model Approach
IMM	Internal Model Method
IRBA	Internal Ratings Based Approach
ITS	Implementing technical standards
LCR	Liquidity Coverage Ratio
LR	Leverage Ratio
NLO	Net liquidity outflows
NSFR	Net stable funding ratio
RSF	Required Stable Funding
RWA	Risk-Weighted Assets
SACR	Standardised Approach to Credit Risk
SFT	Securities Financing Transactions
SREP	Supervisory Review and Evaluation Process
sVaR	stressed Value-at-Risk
T1	Tier 1 capital
VaR	Value-at-Risk

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

Disclaimer

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

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

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

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