COMMERZBANK

Interim financial information as at 31 March

2024

The bank at your side

Key figures

Income statement	1.1.–31.3.2024	1.1.–31.3.2023
Operating profit (€m)	1,084	875
Operating profit per share (€)	0.90	0.70
Consolidated profit or loss attributable to Commerzbank shareholders and investors in additional equity components (€m)	747	580
Consolidated profit or loss attributable to Commerzbank shareholders (€m)	747	580
Earnings per share (€)	0.62	0.46
Operating return on equity based on CET1[1] (%)	16.9	14.6
Return on equity of consolidated profit or loss[1,2] (%)	10.5	8.3
Cost income ratio in operating business (excl. compulsory contributions) (%)	54.5	54.9
Cost income ratio in operating business (incl. compulsory contributions) (%)	57.8	64.6

Balance sheet	31.3.2024	31.12.2023
Total assets (€bn)	552.0	517.2
Risk-weighted assets (€bn)	173.1	175.1
Equity as shown in balance sheet (€bn)	33.2	33.0
Total capital as shown in balance sheet (€bn)	39.8	39.7

Regulatory key figures	31.3.2024	31.12.2023
Tier 1 capital ratio (%)	16.7	16.5
Common Equity Tier 1 ratio[3] (%)	14.9	14.7
Total capital ratio (%)	19.5	19.3
Leverage ratio (%)	4.6	4.9

Full-time personnel	31.3.2024	31.12.2023
Germany	25,287	25,552
Abroad	13,226	13,013
Total	38,513	38,565

Ratings[4]	31.3.2024	31.12.2023
Moody’s Investors Service, New York[5]	A1/A2/P-1	A1/A2/P-1
S&P Global, New York[6]	A/A-/A-2	A-/A-/A-2

[1] Annualised.
[2] Ratio of net income attributable to Commerzbank shareholders after deduction of pay-out accrual and potential (fully discretionary) AT-1-Coupons and average IFRS equity before minority after deduction of goodwill and other intangible assets without additional equity components and non-controlling interests.
[3] The Common Equity Tier 1 ratio is the ratio of Common Equity Tier 1 capital (CET1) (mainly subscribed capital, reserves and deduction items) to risk-weighted assets.
[4] Further information can be found online at www.commerzbank.de/group/.
[5] Counterparty rating and deposit rating/issuer credit rating/short-term liabilities.
[6] Counterparty rating/deposit rating and issuer credit rating/short-term liabilities.

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

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Performance highlights
1 January to 31 March 2024

Key statements

Commerzbank has made a very good start to the 2024 financial year. In the first three months of the current year, Commerzbank achieved its best consolidated profit for more than ten years. This was mainly driven by strong customer business and the as yet favourable interest rate environment. The Bank is continuing to make good progress in implementing its strategy programme up to 2027. On the income side in particular, its customer-centric business model is proving to be sustainable even in a difficult economic environment.

The key figures for the Bank's business performance in the first three months of 2024 are shown below:

- Overall, Commerzbank significantly improved its operating profit to €1,084m in the period under review, an increase of €209m compared with the prior-year period.

  The Group risk result was reported at €–76m, compared with €–68m in the prior-year period. The top-level adjustment (TLA) for secondary effects remained in place and decreased slightly to €423m compared to the end of 2023 as a result of recalculations in both customer segments. The non-performing exposure (NPE) ratio was 0.8%.

  Administrative expenses increased slightly (by 2.2%) to €1,496m compared to the prior-year period due to higher costs at mBank as a result of its continued business growth and the effects of currency translation. At €91m, compulsory contributions (which are reported separately) were around 65% lower than in the prior-year period, mainly due to the European bank levy being significantly reduced.

- The consolidated profit attributable to Commerzbank shareholders and investors in additional equity components was €747m, compared with €580m in the prior-year period.

- The Common Equity Tier 1 ratio was higher as at 31 March 2024 at 14.9%, while the leverage ratio was 4.6%.

- The operating return on equity was 16.9%, compared with 14.6% in the prior-year period. The return on equity based on consolidated profit or loss (less intangible assets and AT1-related items) was 10.5%, compared with 8.3% in the previous year. The cost income ratio was 54.5% excluding compulsory contributions and 57.8% including compulsory contributions. The corresponding figures for the previous year were 54.9% and 64.6% respectively.

Important staffing and business policy events after the end of the previous reporting period

Commerzbank successfully completes share buyback programme worth €600m

Commerzbank Aktiengesellschaft successfully completed its second share buyback programme at the beginning of March 2024. The Bank launched this share buyback programme on 10 January 2024. The Bank then bought back a total of 55,554,320 of its own shares, with a value of around €600m, at an average price of around €10.80 per share. That equates to 4.48% of the Bank's share capital. The repurchased shares will be cancelled.

This second completed share buyback programme supplemented the dividend payment of €0.35 per share for the 2023 financial year, which was approved by the Annual General Meeting on 30 April 2024. The Bank has thereby returned around €1bn to its shareholders. This corresponds to 50% of consolidated profit 2023 after deduction of AT1 coupon payments. The Bank is seeking to achieve a payout ratio for the 2024 financial year of at least 70%, subject to a maximum of the consolidated profit after deduction of AT1 coupon payments.

Supervisory Board appoints Christiane Vorspel-Rüter as new Chief Operating Officer (COO)

At its meeting on 13 March 2024, the Supervisory Board of Commerzbank appointed Christiane Vorspel-Rüter to the Board of Managing Directors in the capacity of COO. She is succeeding Jörg Oliveri del Castillo-Schulz, who has been COO and responsible for banking IT and digital transformation, among other things, since the beginning of 2022. He agreed with the Supervisory Board in February not to extend his contract, which expires at the end of September this year. This change is to be completed by 1 October 2024 at the latest.

Christiane Vorspel-Rüter comes from Landesbank Baden-Württemberg, where she has been responsible for IT, as an executive management board member, since 2018. Her appointment to the Board of Managing Directors marks her return to Commerzbank, where she previously worked for more than 20 years in various management positions in its IT function in Germany and abroad, including as Chief Information Officer for investment and commercial banking. Her appointment to the Board of Managing Directors is subject to the supervisory authority's approval.

Financial performance, assets, liabilities and financial position

For a description of the accounting and measurement methods applied as at 31 March 2024, see “Additional information” on page 20.

Income statement of the Commerzbank Group

Despite significantly higher charges from provisions in connection with mortgage loans issued in foreign currencies at mBank compared with the prior-year period, Commerzbank recorded a consolidated profit attributable to Commerzbank shareholders and investors in additional equity components of €747m in the first three months of 2024, compared with €580m in the prior-year period. The operating profit was €1,084m in the reporting period, compared with €875m in the prior-year period.

The main items in the income statement performed as follows in the period under review:

Net interest income increased significantly by 9.2% to €2,126m in the period under review. In the Private and Small-Business Customers segment in Germany, net interest income increased significantly – driven in particular by the deposit business – due to the rise in interest rates as well as interest rate model adjustments made in the fourth quarter of 2023 as part of the maturity transformation of deposits, with corresponding offsetting effects in the Others and Consolidation segment. mBank also recorded further strong growth in net interest income thanks to the persistently high level of interest rates. The Corporate Clients segment likewise recorded a substantial rise in net interest income compared with the prior-year period, also largely driven by an increase in deposit income.

Net commission income was solid overall compared with the prior-year quarters. At €920m, it was on a par with the strong result recorded for the first three months of 2023. The main reason for the decline in net commission income in the Private and Small-Business Customers segment was the exceptionally strong result of Commerz Real (the real estate subsidiary) in the first quarter of 2023, which was influenced by special effects, as well as a decline in the pension products business. Excluding Commerz Real’s contribution in the prior-year period, the portfolio-related securities business in Germany developed slightly positively compared with the prior-year quarter, while the turnover-driven securities business was stable due to the positive trend on the stock markets. Commission income from payment transactions remained stable compared with the first three months of the prior year. In contrast, mBank recorded an increase in net commission income compared with the prior-year period, mainly due to currency effects.

Net commission income in the Corporate Clients segment was encouragingly higher than the figure for the first three months of the prior year. The decrease in income from foreign currency business was more than offset by higher income from the loan syndication and bond issuance business.

Net income from financial assets and liabilities measured at fair value through profit or loss was €–53m in the reporting period, compared with €–72m in the prior-year period. The result for the reporting period includes both negative remeasurement effects and positive currency effects.

The other net income figure of €–287m includes provisions of €–318m in connection with retail mortgage loans issued in foreign currencies at mBank, compared to €–173m in the same period of the previous year.

At €–76m, the risk result was only slightly higher than in the same period last year, when €–68m was reported. In the Private and Small-Business Customers segment, the loan loss provision required for the first three months of 2024 was €–26m, compared with €–128m in the same quarter of the prior year, which included charges mainly due to further allocations resulting from the review of the secondary effects TLA as well as due to rating downgrades. In the Corporate Clients segment, the risk result was €–54m due to provisions for individual exposures, after a positive figure of €54m in the same period of the prior year. The secondary effects TLA decreased by €30m in the first quarter of 2024 and amounted to €423m as at 31 March 2024.

Operating expenses were €1,496m in the period under review. The slight increase in costs (by 2.2%) was mainly due to higher costs at mBank as a result of its continued business growth and the effects of currency translation. The 2.1% increase in personnel costs to €918m was mainly due to higher current wages and salaries. Operating expenses, including depreciation and amortisation of fixed assets and other intangible assets, rose by 2.2% to €578m, partly due to higher amortisation of software.

Compulsory contributions, which are reported separately, fell by €169m to €91m. The reduction by just under 65% was mainly due to a significantly lower European banking levy, because the European Single Resolution Fund reached its target level for the resolution of distressed banks during the year.

Restructuring expenses in connection with the implementation of strategic measures were €1m in the period under review, compared with €4m in the prior-year period.

The pre-tax profit was €1,083m, compared with €871m in the prior-year period. Tax expenses of €322m were reported for the period under review. This resulted mainly from taxation of the positive result in the first quarter of the current financial year. The profit after tax was €761m, compared with €592m in the prior-year period.

Net of non-controlling interests, a consolidated profit of €747m was attributable to Commerzbank shareholders and investors in additional equity components for the 2024 reporting period, compared with €580m in the prior year.

Operating profit per share was €0.90 and earnings per share €0.62. The comparable figures in the prior-year period were €0.70 and €0.46 respectively.

Balance sheet of the Commerzbank Group

Total assets of the Commerzbank Group as at 31 March 2024 were €552.0bn. This represented an increase of €34.8bn compared with the end of 2023. The growth of 6.7% was mainly attributable to the rise in sight deposits at central banks (due to the investment of liquidity from further inflows of deposits from private customers and financial service providers) and to an increase in collateralised repurchase agreements following the seasonal contraction driven by resource management at the end of the prior year.

Equity

The equity capital attributable to Commerzbank shareholders reported in the balance sheet as at 31 March 2024 was €29.1bn, an increase of €0.2bn compared with year-end 2023. Further information on the change in equity can be found on page 18 f.

Risk-weighted assets were €173.1bn as at 31 March 2024 and thus €2.0bn lower than at the end of 2023. This change was mainly attributable to a decrease in risk-weighted assets from credit and market risks. The lower credit risk was mainly due to decreases resulting from improved default probabilities for large corporate customers under new and revised ratings as well as from a reduced volume of securities repurchase transactions and derivatives. This was partly offset by the anticipation of initial effects from further model adjustments under the “IRB Repair” programme set up by the banking supervisory authorities. Lower risk assets from market risks mainly resulted from interest rate and CO_2 emissions business. Risk-weighted assets from operational risk were only slightly below their level at the end of 2023.

As at the reporting date, Common Equity Tier 1 capital was €25.8bn, compared with €25.7bn as at 31 December 2023. The increase in Common Equity Tier 1 capital was mainly attributable to positive developments in the currency and revaluation reserve and was partially offset by higher regulatory capital deductions. The Common Equity Tier 1 ratio was 14.9%, compared with 14.7% as at 31 December 2023. The Tier 1 ratio was 16.7% as at the reporting date, compared with 16.5% as at the end of 2023.

Tier 2 capital decreased by €0.1bn to €4.8bn compared with 31 December 2023 due to amortisation effects. The total capital ratio (with transitional provisions) was 19.5% as at the reporting date, compared with 19.3% as at the end of 2023. Own funds decreased by €0.1bn compared with 31 December 2023 and stood at €33.8bn as at the end of the reporting period.

The leverage ratio, which is equal to Tier 1 capital divided by leverage ratio exposure, was 4.6%.

Funding and liquidity

In the first quarter of 2024, the money and capital markets were in a stable and receptive state. Commerzbank’s liquidity and solvency were assured at all times. Furthermore, the Bank’s liquidity management is always able to respond promptly to new market circumstances.

The Commerzbank Group raised €4.7bn in long-term funding on the capital market in the first three months of 2024.

With respect to collateralised bonds, Commerzbank Aktiengesellschaft issued a total of three Pfandbrief benchmark transactions and one increase, with a total volume of €3.15bn and terms of between 3 and 10 years. The average re-offer spread was 33 basis points above the swap mid-rate.

With respect to uncollateralised bonds, Commerzbank issued a non-preferred senior bond with a volume of €750m. The bond has a term of 7 years with a call date in January 2030 and a coupon of 4.625% per annum. It also issued a €500m variable-interest preferred senior bond with a term of three years and callable after two years. It bears interest at 3-month Euribor plus 70 basis points.

Secured and unsecured private placements with a combined volume of around €300m were also issued.

At the end of the first quarter of 2024, Commerzbank repaid the remaining funds from the ECB’s targeted longer-term refinancing operations III programme (TLTRO III).

Average deposit volumes in the first quarter of 2024 showed a positive or stable trend compared to the fourth quarter of 2023. The average volume of deposits from private and small-business customers amounted to €208bn (fourth quarter of 2023: €198bn), with more than 90% of domestic deposits protected. In the Corporate Clients segment, the average deposit volume in the first three months of 2024 was €96bn (fourth quarter of 2023: €95bn); more than 55% of them were protected.

As at the reporting date, the Bank had a liquidity reserve of €140.6bn in the form of highly liquid assets. The liquidity reserve portfolio works as a buffer in stress situations. It is funded in line with the liquidity risk appetite to ensure that it is kept at the required size throughout the entire reserve period stipulated by the Board of Managing Directors.

Part of this liquidity reserve is held in a separate stress liquidity reserve portfolio managed by Group Treasury to cover liquidity outflows should a stress event occur and to ensure solvency at all times. The Bank also holds an intraday liquidity reserve portfolio. As at the reporting date, the total value of this portfolio was €6.2bn. With 144.9% as at the reporting date, Commerzbank was well above the minimum 100% level required for the liquidity coverage ratio (LCR). At 138.3%, the average of the last 12 month-end values was also well above the minimum ratio. Commerzbank's liquidity situation as at the end of the reporting period was therefore comfortable given its conservative and forward-looking funding strategy and complied with internal and external limits and applicable regulatory requirements.

Segment performance

The comments on the segments' results for the first three months of 2024 are based on the segment structure described on pages 185 and 369 ff. of the Annual Report 2023.

Overviews of the segments' results can be found under “Additional information” on page 22 f.

Private and Small-Business Customers

The Private and Small-Business Customers segment increased both the operating profit and the pre-tax profit in the first quarter of 2024 by €116m to €505m compared with the same quarter of 2023, despite increased provisions in connection with mortgage loans issued in foreign currencies at mBank.

Income before risk result amounted to €1,508m in the period under review, the same level as in the previous year.

Net interest income rose by a significant €153m year on year to €1,244m. In Germany, net interest income increased significantly – driven in particular by the deposit business – due to the rise in interest rates as well as interest rate model adjustments made in the fourth quarter of 2023 as part of the maturity transformation of deposits, and this led in turn to a decline in net interest income in the Others and Consolidation segment. mBank also recorded further strong growth in net interest income thanks to the unchanged very positive conditions in the deposit business.

Net commission income decreased by 3.2% to €573m in the first three months of 2024 compared with the prior-year period. This was mainly due to the exceptionally strong result of Commerz Real (the real estate subsidiary) influenced by special effects in the first quarter of 2023 and a decline in the pension products business. Excluding Commerz Real's contribution in the prior-year period, the portfolio-related securities business in Germany developed slightly positively compared with the prior-year quarter, while the turnover-driven securities business was stable due to the positive trend on the stock markets. Commission income from payment transactions remained stable compared with the first three months of the prior year. In contrast, mBank's net commission income increased compared with the prior-year period, mainly due to currency effects.

Other income items totalled €–310m, compared with €–181m in the prior year. The drop in income in the period under review was mainly attributable to provisions in connection with retail mortgage loans issued in foreign currencies at mBank and to a negative fair value result.

The risk result in the Private and Small-Business Customers segment was €–26m, an easing of €102m compared with the prior-year quarter. In Germany, the risk result decreased significantly compared to the prior-year quarter. The previous year's risk result included charges that resulted mainly from additions following a review of the secondary effects TLA but also from rating downgrades. mBank also recorded lower risk costs in the first three months of 2024 than in the corresponding prior-year period.

Operating expenses increased by a total of €40m in the period under review to €886m. The increase resulted in particular from mBank, where operating expenses were higher than in the same quarter of the prior year due to investments in its future business growth and the effects of currency translation. While personnel expenses in Germany fell slightly, business-related expenses have increased, among other things, as a result of increased expenses in connection with the acquisition of new customers. The cost of compulsory contributions fell by €49m compared with the first three months of 2023 to €91m, owing in particular to a lower European banking levy.

Corporate Clients

The Corporate Clients segment achieved a positive performance in the first three months of 2024, despite a volatile market environment.

The Corporate Clients segment recorded an operating profit as well as a pre-tax profit of €661m in the period under review, compared with €541m in the prior-year period.

The Mittelstand division recorded significantly positive income growth compared with the prior-year period. Income from lending business increased compared to the prior-year period. The division benefited in cash management and financial markets from a marked rise in deposit income. The International Corporates division recorded higher income from lending and deposit business in particular. The Institutionals division posted significant income growth from both deposit and bond issue business. The income reported in the Others division, which was primarily attributable to hedging and remeasurement effects, was on a par with the prior-year period.

Income before risk result was €1,224m in the first three months of 2024, €145m higher than in the prior-year period. All of the segment's operating customer areas contributed to the 13.4% increase in income. At €713m, net interest income was €86m higher than in the first three months of 2023. Net commission income rose by €26m year on year to €361m. The decrease in income from foreign currency business was more than offset by higher income from the loan syndication and bond issuance business. Net income from financial assets and liabilities measured at fair value through profit or loss also improved, rising by 14.8% year on year to €152m.

For the first quarter of 2024, the risk result was €–54m due to provisions for individual exposures, after a positive figure of €54m in the same period of the prior year.

Operating expenses were €508m, €6m below the corresponding prior-year figure. This slight decrease resulted mainly from lower cost allocations from the staff, management and support functions, while personnel costs increased. The €78m decrease in reported compulsory contributions compared with the prior-year period to €0.5m was primarily due to a lower European banking levy.

Others and Consolidation

The Others and Consolidation segment contains the income and expenses which are not attributable to the two business segments. Others covers, for example, Group Treasury, equity holdings not allocated to the business segments and overarching matters such as expenditure on regulatory fees. Consolidation reconciles the figures shown in segment reporting with the Group financial statements in accordance with International Financial Reporting Standards (IFRS). Others and Consolidation also covers the costs of staff, management and support functions, which are then charged to the segments. In addition, restructuring expenses for the Group are reported centrally in this segment.

Others and Consolidation reported an operating loss of €–82m for the first quarter of 2024, compared with €–54m in the prior year. This decline in earnings was primarily due to lower earnings at Group Treasury, resulting mainly from a decrease in net interest income following interest model adjustments made in the fourth quarter of 2023 as part of the maturity transformation of deposits in the Private and Small-Business Customers segment, which in turn led to an increase in net interest income in the Private and Small-Business Customers segment. In addition, there was a reduction in earnings due to interest not being earned on the ECB minimum reserve and due to residual valuation effects in the banking book after applying hedge accounting in Group Treasury. On the other hand, earnings were boosted by a decrease in the burden of the European banking levy on Group Treasury and, in the Others and Consolidation segment, a lower net charge from the recognition and reversal of provisions and an increase in income from remeasurement effects.

Others and Consolidation recorded a pre-tax loss of €–83m for the first quarter of 2024. This figure included minor restructuring expenses of €1m in connection with the implementation of the "Strategy 2024" programme.

Outlook and opportunities report

Future economic situation

Contrary to our published forecasts at the beginning of the year, the global economic outlook has slightly improved.

The eurozone is showing some signs of economic recovery. Its economy returned to growth in the first quarter of 2024. However, we still do not expect a strong upturn. The European Central Bank will probably ease its policy interest rates, but only moderately in view of the continued high level of inflation. In addition, the economy is continuing to suffer from structural problems and persistently high energy prices.

The German economy also recovered somewhat during the final quarter of 2023. We no longer expect a decline in economic output for the current year on an annual average compared to 2023. However, we continue to expect only a moderate recovery in the second half of the year.

Economic growth indeed appears to be slowing in the USA. But the US Federal Reserve is now likely to cut interest rates later than we previously expected, because the US labour market remains tight and inflation remains significantly elevated. We now expect that the first interest rate cut – by 25 basis points – will be in December of this year and that the cuts will total 75 basis points by the summer of next year.

In China, the economic indicators at the beginning of the year were mostly more positive than we had expected. But its economy still faces major challenges. These include the collapse of its real estate market and the heavy indebtedness of its developers and local authorities. However, in view of its good start to the year, we expect it to grow by 4.7% in 2024 – slightly more than we forecast in the Annual Report 2023.

In the financial markets, the moderate interest rate turnaround that we expected from the major central banks has now largely been factored into bond prices. We expect the yield on 10-year German government bonds to be 2.4% by the end of 2024 – slightly higher than we previously forecast.

Anticipated liquidity trends

The Bank's liquidity position remains strong, meaning that it has no need to refinance its own portfolios. As such, Commerzbank is active in the repo market as a cash provider and also opportunistically as a collateral provider. The increased demand for refinancing in the repo market since mid-2023 is continuing. Commerzbank's liquidity situation allows it to meet this increased demand and has led to an expansion of business in this area.

Commerzbank has a high position in cash and demand deposits – mainly with central banks. This amounted to €109.1bn at the end of the reporting period. This portfolio is the result of the still high excess liquidity in the Eurosystem on the one hand and the broadly diversified customer base, the existing business relationships in cash management and the professional deposit business on the other. Due to the only slow winding down of holdings under the Asset Purchase Programme (APP) as a result of the lack of re-investments as well as the continued re-investments under the Pandemic Emergency Purchase Programme, we expect a still sufficient level of surplus liquidity and thus a supporting effect with respect to Commerzbank's liquidity situation.

Commerzbank's borrowing on the capital market is influenced by its business performance and planning as well as the evolution of risk-weighted assets. The funding plan for 2024 envisages a volume of around €10bn, half of which will consist of Pfandbriefe. Around half of the funding plan had been implemented by the end of the first quarter.

We regularly review and adjust the assumptions we have made for liquidity management and our long-term refinancing requirement. In this way, Commerzbank is continuing to take account of changes in the market environment and business development and is ensuring that its liquidity position is comfortable and its refinancing structure is appropriate.

Anticipated performance of the Commerzbank Group

We stand by the guidance we gave in the Annual Report 2023 regarding the Commerzbank Group's anticipated earnings performance in 2024.

Due to developments in the first quarter of 2024 and the European Central Bank's announcement that it will probably not adjust policy interest rates until the second half of the year, the Bank now expects net interest income of around €8.1bn for 2024 as a whole. We still expect net commission income for the current year to be 4% higher than for the prior year. The Bank aims for a risk result below €–800m for the full year assuming usage of TLA. Operating expenses, including compulsory contributions, are being managed strictly in line with the cost-income ratio. The target for the cost-income ratio in 2024 is around 60%.

Commerzbank is still expecting a Common Equity Tier 1 ratio of more than 14% for 2024. This target already takes into account a planned distribution of at least 70% of net income after deduction of fully discretionary AT1 coupons for the 2024 financial year.

Overall, in view of the results in the first quarter of 2024 and our expectations for the rest of the year, we continue to assume that the consolidated profit attributable to Commerzbank shareholders and investors in additional equity components for the 2024 financial year will significantly exceed that of the prior year.

Our expectations depend on the future development of the provisions in connection with retail mortgage loans issued in foreign currencies at mBank.

Risk situation

Risk-bearing capacity (RBC) is monitored and managed monthly at Group level. As at 31 March 2024, the RBC ratio was 200%. The increase in the risk coverage potential compared to December 2023 is mainly due to the decline in economic capital deductions in the risk coverage potential. The decline in the economically required capital for default risk is mainly due to changes in the portfolio. The main driver for the increase in operational risk is a change in the model with regard to the Swiss franc issue. The RBC ratio remains at a high level.

Risk-bearing capacity Group | €bn	31.3.2024	31.12.2023
Economic risk coverage potential	**25**	**24**
Economically required capital[1]	**12**	**13**
thereof for default risk[2]	8	9
thereof for market risk[3]	3	3
thereof for operational risk[4]	3	2
thereof diversification effects	– 2	– 2
RBC ratio (%)[5]	**200**	**191**

[1] Including physical asset risk, risk of unlisted investments and the risk buffer for reserve risk, for the quantification of potential fluctuations in value of intangibles and for environmental risks.
[2] Including buffers (for example, for planned changes in methods).
[3] Including deposit model risk.
[4] Including cyber and compliance risk.
[5] RBC ratio = economic risk coverage potential/economically required capital (including risk buffer).

Default risk

An adjustment to the results of the IFRS 9 ECL model by means of a top-level adjustment (TLA) was also deemed necessary in the first quarter of 2024. A high level of crisis-related economic uncertainty still prevails in connection with geopolitical tensions. The model-based inputs used for calculating loan loss provisions do not yet fully reflect these effects.

The credit risk parameters in the rating classes 1.0 to 5.8 were as follows as at 31 March 2024:

	31.3.2024				31.12.2023			
Credit risk parameters	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp	**CVaR** €m	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp	**CVaR** €m
Private and Small-Business Customers	210	503	24	2 138	211	468	22	2 095
Corporate Clients	178	376	21	4 270	176	406	23	4 470
Others and Consolidation[1]	174	224	13	1 584	149	236	16	1 716
Group	**562**	**1 103**	**20**	**7 992**	**536**	**1 110**	**21**	**8 281**

[1] Mainly liquidity portfolios of Treasury.

When broken down on the basis of PD ratings, 88% of the Group's portfolio is in the internal rating classes 1 and 2, which comprise investment grade.

	31.3.2024					31.12.2023				
Rating breakdown EaD | %	**1.0-1.8**	**2.0-2.8**	**3.0-3.8**	**4.0-4.8**	**5.0-5.8**	**1.0-1.8**	**2.0-2.8**	**3.0-3.8**	**4.0-4.8**	**5.0-5.8**
Private and Small-Business Customers	31	54	11	3	1	31	55	11	3	1
Corporate Clients	24	57	14	3	1	20	60	14	4	1
Others and Consolidation	83	15	1	0	0	77	21	1	0	0
Group	**45**	**43**	**9**	**2**	**1**	**40**	**47**	**9**	**2**	**1**

The regional breakdown of the exposure corresponds to the Bank's strategic direction and reflects the main areas of its global business activities.

	31.3.2024			31.12.2023		
Group portfolio by region	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp
Germany	341	436	13	314	401	13
Western Europe	84	172	21	86	180	21
Central and Eastern Europe	57	400	70	61	416	68
North America	50	33	7	46	45	10
Asia	19	24	12	18	25	14
Other	12	38	33	11	43	38
Group	**562**	**1 103**	**20**	**536**	**1 110**	**21**

Risk result The risk result relating to the Group's lending business as at 31 March 2024 was €–76m (prior-year period: €–68m). The result was driven predominantly by defaults by individual counterparties and increases in loan loss provisions, particularly in the Corporate Clients segment, which also benefited from reversals of loan loss provisions as a consequence of disposals.

The secondary effects TLA decreased by €30m at Group level in the first quarter of 2024 and amounted to €423m as at 31 March 2024. The methodology used for determining the need for adjustments to the ECL model result corresponds to the methodology of the previous quarter.

	31.3.2024					31.3.2023				
Risk result | €m	**Stage 1**	**Stage 2**	**Stage 3**	**POCI[1]**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI[1]**	**Total**
Private and Small-Business Customers	– 57	90	– 58	0	– 26	– 2	– 58	– 72	4	– 128
Corporate Clients	– 6	51	– 130	31	– 54	– 5	54	– 25	31	54
Others and Consolidation	1	2	1	1	5	6	1	– 2	1	6
Group	**– 62**	**143**	**– 187**	**31**	**– 76**	**– 1**	**– 3**	**– 99**	**35**	**– 68**

[1] POCI – purchased or originated credit-impaired.

Default portfolio The Group's default portfolio increased by €168m in the first three months of 2024 and stood at €4,924m as at 31 March 2024.

Market risk

The VaR in the trading book fell from €14m as at December 2023 to €7m at the end of the first quarter of 2024. This was because the crisis scenarios from March 2023 were absent from the calculation time series.

Stressed VaR rose from €21m as at December 2023 to €22m at the end of the first quarter of 2024.

The impact of an interest rate shock on the economic value of the Group's banking book is simulated monthly in compliance with regulatory requirements. As a result of the scenario +200 basis points, a potential economic loss of €2,339m as at 31 March 2024 (31 December 2023: €2,061m potential economic loss) was determined, and in the scenario –200 basis points a potential economic profit of €1,165m (31 December 2023: €1,169m potential economic profit).

The interest rate sensitivity of the overall banking book (excluding pension funds) amounted to €3.3m as at 31 March 2024 (31 December 2023: €2.0m) per basis point of interest rate decline.

Liquidity risk

The stress scenarios within the Bank that underlie the liquidity risk model and are relevant for management purposes allow for the impact of both a bank-specific stress event and a broader market crisis. As at the end of March 2024, at the one-month and three-month points, the combined stress scenario leaves net liquidity of €30.0bn and €28.6bn respectively. The Bank had a liquidity reserve of €140.6bn in the form of highly liquid assets as at the end of March 2024.

The Bank also holds an intraday liquidity reserve portfolio. As at the end of the first quarter of 2024, the total value of this portfolio was €6.2bn.

With 144.9% as at the reporting date, Commerzbank was well above the minimum 100% level required for the liquidity coverage ratio (LCR). At 138.3%, the average of the last 12 month-end values was also well above the minimum ratio.

Operational risk

Since the fourth quarter of 2021 Commerzbank has measured regulatory capital using the standardised approach (SA), while economic capital for operational risks continues to be measured using a dedicated internal model (OpRisk ErC model, based on the previous AMA (advanced measurement approach)). Risk-weighted assets for operational risks on this basis came to €22.6bn as at the end of the first quarter of 2024 (31 December 2023: €22.8bn).

The economically required capital was €2.6bn (31 December 2023: €2.2bn). The internal model used for this continues to be based on the methodology for the advanced measurement approach.

The total charge for OpRisk events as at the end of the first quarter of 2024 was approximately €300m (full-year 2023: €1,176m). The events mainly related to losses in the "Products and business practices" category and were significantly influenced by the loss event of the loan agreements in Swiss francs and other foreign currencies at mBank.

Sub-risk types of operational risk

There were no significant changes in the first quarter of 2024 compared to the position reported in the Annual Report as at 31 December 2023, with the exception of the details set out below on current developments in respect of legal risks.

Current developments in respect of legal risks mBank is subject to numerous individual legal cases relating to the alleged ineffectiveness of index clauses in loan agreements in Swiss francs or other foreign currencies.

In the class action lawsuit pending against mBank, the court of appeal referred the action back to the court of first instance on 29 January 2024 (the court of first instance having dismissed the claim in the first quarter of 2022). Independently of this, numerous borrowers have also filed individual lawsuits for the same reasons. In addition to the class action, 22,953 individual proceedings were pending as at 31 March 2024 relating to loans indexed in foreign currencies (31 December 2023: 22,602). mBank has contested these claims.

As at 31 March 2024, there were 5,288 final rulings relating to loans indexed in foreign currencies in individual proceedings against mBank, of which 109 were decided in favour of mBank and 5,179 were decided against mBank.

On 25 April 2024, the Polish Supreme Court decided, among other things, that the limitation period for a bank's claim for repayment generally begins when the borrower asserts invalidity. In some cases, this may result in the bank's claim for repayment of the capital being time-barred.

The written reasoning for the judgement is not available yet. mBank will monitor the evolution of the case law following the decision of the Polish Supreme Court, the further course of the discussion on the interpretation of the decision, as well as a possible legislative initiative, and will continue to examine possible implications for the provisions.

It cannot be ruled out that future events, such as decisions of the Polish Supreme Court or the ECJ, may have a significant negative impact in the future on the estimation of the legal risk connected with mortgage loans denominated in Swiss francs or other foreign currencies.

Starting in the fourth quarter of 2022, mBank launched a programme in which customers are offered the option of converting their Swiss franc loans into Polish zloty loans with a fixed or variable interest rate and of waiving an individually negotiated portion of the outstanding loan value. mBank has made a provision of €246m for the settlement programme as at the reporting date.

As at 31 March 2024, the portfolio of loans indexed in foreign currencies that have not been fully repaid had a carrying amount of 2.9bn Polish zloty; the portfolio of fully repaid loans and loans for which a settlement had been reached or a final ruling had been issued amounted to 11.9bn Polish zloty at the time of disbursement. Overall, the Group recognised a provision of €1.9bn for the risks arising from the matter, including potential settlement payments and the class action lawsuit, as at 31 March 2024 (31 December 2023: €1.9bn). The methodology used to calculate the provision is based on parameters that are varied, discretionary and in some cases associated with considerable uncertainty. In particular, rulings of the Polish courts and the ECJ may mean that the amount of the provision has to be adjusted significantly in the future.

In June 2023, the Bank was sued for payment in a Russian court by the beneficiary of a guarantee that the Bank had issued on behalf of a customer in Germany. The applicable sanctions regime is preventing the Bank from performing its obligations under the guarantee. Commerzbank is defending itself against the action.

In March 2024, a Russian court of first instance issued a judgement ordering Commerzbank and its Russian subsidiary, Commerzbank (Eurasija) AO, to pay damages. The plaintiff is not a customer of Commerzbank or its subsidiary, but a customer of a Commerzbank account holder. Due to the applicable sanctions, the plaintiff cannot access the account balances. Commerzbank is defending itself against the action. Additional legal proceedings have been commenced in Russia regarding similar matters.

The proceedings in Russia are subject to considerable uncertainties, and these could have a significant economic impact on the subsidiary and indirectly on Commerzbank.

Other material risks

In the first quarter of 2024, there were no significant changes in the other material risks compared to the position reported in the Annual Report as at 31 December 2023, with the exception of the details set out below on current developments in respect of compliance risks.

Current developments in respect of compliance risks Overall, there continues to be an increased focus on ensuring the implementation of sanctions requirements and the prosecution of possible sanction violations.

Political and regulatory attention remains firmly fixed on Russia-related sanctions, as shown in particular by the 12th and now 13th EU sanctions package and other US sanctions measures. Current geopolitical developments, as well as the evolving expectations of regulators with regard to the implementation of sanctions requirements, are continuously monitored in order to be able to react promptly to changes.

Recently, export control requirements in particular have become a focal point with respect to achieving the objectives of the sanctions. Accordingly, Commerzbank has established enhanced screening routines, particularly in the trade finance business, in order to fulfil the requirements. In addition, emphasis is placed on detecting possible transactions aimed at evading sanctions.

Final publication of the legal texts of the AML package, which were decided in the EU trilogue negotiations, is expected in May 2024. However, they will only become effective in mid-2027. Detailed specifications (regulatory technical standards) are successsively published for individual topics. At the same time, the Bank analyses possible effects and measures in dealing with these future regulatory requirements.

The level of external fraud-related attacks increased significantly in 2023. The level of attacks is expected to continue to rise, particularly through “fraud as a service” in which fraudsters make use of generative artificial intelligence. Group Compliance will therefore continue to focus on fraud prevention in 2024.

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 Controlling and Internal Audit as well as by German and European supervisory authorities. Despite being carefully developed and regularly checked, 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 in particular 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; stress-testing all imaginable scenarios is not feasible. They cannot definitively estimate the maximum loss should an extreme event occur.

Income statement

€m	31.3.2024	31.3.2023	Change in %
Interest income accounted for using the effective interest method	4,375	3,340	31.0
Interest income accounted for not using the effective interest method	950	451	.
Interest income	5,325	3,791	40.5
Interest expenses	3,199	1,845	73.4
Net interest income	2,126	1,947	9.2
Dividend income	8	– 0	.
Risk result	– 76	– 68	10.8
Commission income	1,103	1,073	2.8
Commission expenses	183	158	16.0
Net commission income	920	915	0.5
Net income from financial assets and liabilities measured at fair value through profit or loss	– 53	– 72	– 26.2
Net income from hedge accounting	– 12	– 3	.
Other sundry realised profit or loss from financial instruments	– 5	– 7	– 25.3
Gain or loss on disposal of financial assets – Amortised cost	51	10	.
Other net income from financial instruments	45	3	.
Current net income from companies accounted for using the equity method	– 0	1	.
Other net income	– 287	– 123	.
Operating expenses	1,496	1,464	2.2
Compulsory contributions	91	260	– 64.9
Restructuring expenses	1	4	– 86.2
Pre-tax profit or loss	**1,083**	**871**	**24.4**
Taxes on income	322	279	15.5
Consolidated profit or loss	**761**	**592**	**28.5**
Consolidated profit or loss attributable to non-controlling interests	14	12	16.9
Consolidated profit or loss attributable to Commerzbank shareholders and investors in additional equity components	747	580	28.8

€	31.3.2024[1]	31.3.2023	Change in %
Earnings per share	0.62	0.46	33.6

[1] Weighted average of ordinary shares after share buyback program in the first quarter of 2024 (see also statement of changes in equity).

The earnings per share, calculated in accordance with IAS 33, are based on the consolidated profit or loss attributable to Commerzbank shareholders.

No conversion or option rights were outstanding either in the previous or current financial year. The figure for diluted earnings per share was therefore identical to the undiluted figure.

Condensed statement of comprehensive income

€m	31.3.2024	31.3.2023	Change in %
Consolidated profit or loss	**761**	**592**	**28.5**
Change from remeasurement of defined benefit plans not recognised in income statement	– 4	118	.
Change in own credit spreads (OCS) of liabilities FVO not recognised in income statement	– 67	30	.
Change in revaluation of land and buildings not recognised in income statement	–	–	.
Items not recyclable through profit or loss	**– 71**	**148**	**.**
Change in revaluation of debt securities (FVOCImR)			
Reclassified to income statement	6	5	27.3
Change in value not recognised in income statement	31	119	– 74.0
Change in cash flow hedge reserve			
Reclassified to income statement	0	0	– 53.0
Change in value not recognised in income statement	10	30	– 65.0
Change in currency translation reserve			
Reclassified to income statement	–	–	.
Change in value not recognised in income statement	70	–60	.
Valuation effect from net investment hedge	–	–	
Reclassified to income statement	–	–	
Change in value not recognised in income statement	3	–2	
Change in companies accounted for using the equity method	– 1	1	.
Items recyclable through profit or loss	**120**	**92**	**31.0**
Other comprehensive income	49	239	– 79.4
Total comprehensive income	**810**	**831**	**– 2.5**
Comprehensive income attributable to non-controlling interests	26	41	– 38.2
Comprehensive income attributable to Commerzbank shareholders and investors in additional equity components	785	790	– 0.6

Balance sheet

Assets | €m	**31.3.2024**	**31.12.2023**	**Change in %**
Cash on hand and cash on demand	109,084	93,126	17.1
Financial assets – Amortised cost	304,280	298,689	1.9
of which: pledged as collateral	3,558	3,791	– 6.1
Financial assets – Fair value OCI	43,582	40,143	8.6
of which: pledged as collateral	14,529	9,651	50.5
Financial assets – Mandatorily fair value P&L	58,790	48,359	21.6
of which: pledged as collateral	–	–	.
Financial assets – Held for trading	27,389	28,334	– 3.3
of which: pledged as collateral	2,725	1,618	68.4
Value adjustment on portfolio fair value hedges	– 2,286	– 2,305	– 0.8
Positive fair values of derivative hedging instruments	1,595	1,497	6.6
Holdings in companies accounted for using the equity method	178	142	25.8
Intangible assets	1,425	1,394	2.2
Fixed assets	2,326	2,352	– 1.1
Investment properties	219	53	.
Non-current assets held for sale	62	62	–
Current tax assets	164	138	19.1
Deferred tax assets	2,269	2,505	– 9.4
Other assets	2,899	2,677	8.3
Total	**551,977**	**517,166**	**6.7**

Liabilities and equity | €m	**31.3.2024**	**31.12.2023**	**Change in %**
Financial liabilities – Amortised cost	433,700	419,809	3.3
Financial liabilities – Fair value option	59,895	36,941	62.1
Financial liabilities – Held for trading	16,686	18,927	– 11.8
Value adjustment on portfolio fair value hedges	– 3,277	– 3,311	– 1.0
Negative fair values of derivative hedging instruments	2,965	3,100	– 4.3
Provisions	3,640	3,553	2.4
Current tax liabilities	535	535	0.0
Deferred tax liabilities	4	3	16.6
Other liabilities	4,610	4,599	0.2
Equity	33,220	33,009	0.6
Subscribed capital	1,185	1,240	– 4.5
Capital reserve	10,087	10,087	–
Retained earnings	18,157	18,026	0.7
Other reserves (with recycling)	– 366	– 475	– 22.9
Equity attributable to Commerzbank shareholders	29,063	28,878	0.6
Additional equity components	3,114	3,114	–
Non-controlling interests	1,042	1,016	2.5
Total	**551,977**	**517,166**	**6.7**

Statement of changes in equity

€m	Subscribed capital	Capital reserve	Retained earnings	Other reserves: Revaluation reserve	Other reserves: Cash flow hedge reserve	Other reserves: Currency translation reserve	Equity attributable to Commerzbank shareholders	Additional equity components[1]	Non-controlling interests	Equity
Equity as at 1.1.2024	**1,240**	**10,087**	**18,026**	**– 145**	**– 52**	**– 278**	**28,878**	**3,114**	**1,016**	**33,009**
Total comprehensive income	–	–	676	35	8	66	785	–	26	810
Consolidated profit or loss			747				747		14	761
Change in own credit spread (OCS) of liabilities FVO			– 67				– 67		–	– 67
Change from remeasurement of defined benefit plans			– 4				– 4		–	– 4
Change in revaluation of land and buildings not recognised in income statement							–		–	–
Change in measurement of equity instruments (FVOCIoR)							–		–	–
Change in revaluation of debt securities (FVOCImR)				35			35		3	37
Change in cash flow hedge reserve					8		8		2	10
Change in currency translation reserve						64	64		6	70
Valuation effect from net investment hedge						3	3		–	3
Change in companies accounted for using the equity method						– 1	– 1		–	–1
Share buyback	– 56		– 544				– 600		–	– 600
Dividend paid on shares							–		–	–
Distributions to Additional Tier 1 instruments							–		–	–
Changes in ownership interests							–		–	–
Other changes			0				0		0	0
Equity as at 31.3.2024	**1,185**	**10,087**	**18,157**	**– 110**	**– 43**	**– 213**	**29,063**	**3,114**	**1,042**	**33,220**

[1] Includes the Additional Tier 1 bonds (AT1 bond), which are unsecured subordinated bonds classified as equity under IFRS. There were no repurchases.

€m	Subscribed capital	Capital reserve	Retained earnings[1]	Other reserves			Equity attributable to Commerzbank shareholders[1]	Additional equity components[2]	Non-controlling interests	Equity[1]
				Revaluation reserve	Cash flow hedge reserve	Currency translation reserve				
Equity as at 31.12.2022 (before correction according to IAS 8)	**1,252**	**10,075**	**16,466**	**– 447**	**– 117**	**– 327**	**26,903**	**3,114**	**888**	**30,905**
Change due to restatements	–	–	28	–	–	–	28	–	–	28
Equity as at 1.1.2023	**1,252**	**10,075**	**16,495**	**– 447**	**– 117**	**– 327**	**26,931**	**3,114**	**888**	**30,934**
Total comprehensive income	–	–	727	106	21	– 65	789	–	41	831
Consolidated profit or loss			580				580		12	592
Change in own credit spread (OCS) of liabilities FVO			30				30		–	30
Change from remeasurement of defined benefit plans			118				118		– 0	118
Change in revaluation of land and buildings not recognised in income statement							–		–	–
Change in measurement of equity instruments (FVOCIoR)							–		–	–
Change in revaluation of debt securities (FVOCImR)				106			106		17	124
Change in cash flow hedge reserve					21		21		9	30
Change in currency translation reserve						– 63	– 63		3	– 60
Valuation effect from net investment hedge						– 2	– 2		–	– 2
Change in companies accounted for using the equity method						–	–		–	–
Dividend paid on shares						1	1		–0	0
Distributions to Additional Tier 1 instruments							–		–	–
Changes in ownership interests							–		–	–
Other changes			1				1		0	1
Equity as at 31.3.2023	**1,252**	**10,075**	**17,223**	**– 341**	**– 96**	**– 391**	**27,722**	**3,114**	**929**	**31,766**

[1] Prior-year figures adjusted due to restatements (see adjustments in accordance with IAS 8).
[2] Includes the Additional Tier 1 bonds (AT1 bond), which are unsecured subordinated bonds classified as equity under IFRS. There were no repurchases.

Additional information

Accounting principles

The subject of this Group financial information as at 31 March 2024 is Commerzbank Aktiengesellschaft and its subsidiaries. The components income statement, statement of comprehensive income, balance sheet and statement of changes in equity were prepared in accordance with the applicable IFRS accounting, measurement and consolidation principles as published by the IASB and applicable in the EU. The interim financial information does not constitute a complete set of interim financial statements in accordance with IFRS for interim financial reporting. In interim reporting periods, income tax expenses are calculated on the basis of Commerzbank’s currently expected effective tax rate for the year as a whole. The Board of Managing Directors released the interim financial information for publication on 13 May 2024.

New and amended standards
There were no new or amended standards of material significance for the Commerzbank Group in the first quarter of 2024. For further information on new and amended standards please refer to page 276 ff. of our Annual Report 2023.

Changes in accounting and measurement methods and estimates
In this interim financial information, we apply the same accounting and measurement methods as our Group financial statements as at 31 December 2023 (see Annual Report 2023 page 277 ff.).

Adjustments in accordance with IAS 8
About the adjustment in connection with a change in method for valuation allowances was last reported in the annual report as per 31 December 2023 (see note 4 on page 279).

Report on events after the reporting period
A decree that the Polish President had signed on 6 May 2024, extending the “credit holidays” programme, was published on 7 May. Commerzbank expects this to result in expenses of around €80m and will recognise them in profit or loss in the second quarter of 2024.

Selected regulatory disclosures

The following chart shows the composition of the Commerzbank Group's own funds and risk-weighted assets together with its own funds ratios in accordance with the Capital Requirements Regulation (CRR), including the transitional provisions applied.

	31.3.2024	31.12.2023	Change in %
Common Equity Tier (€bn)	25.8	25.7	0.2
Tier 1 capital (€bn)	29.0	28.9	0.2
Equity (€bn)	33.8	33.9	– 0.2
Risk-weighted assets (€bn)	173.1	175.1	– 1.2
of which: credit risk	142.7	144.0	– 0.9
of which: market risk[1]	7.8	8.3	– 6.2
of which: operational risk	22.6	22.8	– 0.9
Common Equity Tier 1 ratio (%)	14.9	14.7	1.4
Equity Tier 1 ratio (%)	16.7	16.5	1.4
Total capital ratio (%)	19.5	19.3	0.9

[1] Includes credit valuation adjustment risk.

The leverage ratio shows the ratio of Tier 1 capital to leverage ratio exposure, consisting of the non-risk-weighted assets plus off-balance-sheet positions, in accordance with CRR.

	31.3.2024	31.12.2023	Change in %
Leverage Ratio Exposure (€bn)	631	592	6.5
Leverage Ratio (%)	4.6	4.9	– 5.9

The NPE ratio is the ratio of non-performing exposures to total exposures according to the EBA Risk Dashboard.

	31.3.2024	31.12.2023	Change in %
NPE-ratio (%)	0.8	0.8	0.2

As a bank, Commerzbank Aktiengesellschaft is required to prepare a quarterly disclosure report in accordance with CRR. For capital management and further information on equity, see the most recent disclosure report in accordance with CRR.

Segment reporting

1.1.-31.3.2024 | €m	Private and Small Business Customers	Corporate Clients	Others and Consolidation	Group
Net interest income	1,244	713	169	2,126
Dividend income	10	0	– 2	8
Risk result	– 26	– 54	5	– 76
Net commission income	573	361	– 14	920
Net income from financial assets and liabilities measured at fair value through profit or loss	– 13	152	– 192	– 53
Net income from hedge accounting	1	– 0	– 13	– 12
Other net income from financial instruments	2	– 0	43	45
Current net income from companies accounted for using the equity method	– 1	0	0	– 0
Other net income	– 309	– 2	24	– 287
Income before risk result	**1,508**	**1,224**	**15**	**2,747**
Income after risk result	**1,482**	**1,170**	**20**	**2,671**
Operating expenses	886	508	102	1,496
Compulsory contributions	91	0	0	91
Operating profit or loss	**505**	**661**	**– 82**	**1,084**
Restructuring expenses	–	–	1	1
Pre-tax profit or loss	**505**	**661**	**– 83**	**1,083**
Assets	**178,399**	**134,392**	**239,185**	**551,977**
Liabilities	**236,522**	**174,731**	**140,724**	**551,977**
Carrying amount of companies accounted for using the equity method	**49**	**130**	**–**	**178**
Average capital employed (from continuing operations) (based on CET1)[1]	**6,891**	**10,378**	**8,424**	**25,694**
Operating return on equity (%)[2]	**29.3**	**25.5**		**16.9**
Cost income ratio in operating business (excl. compulsory contributions) (%)	**58.7**	**41.5**		**54.5**
Cost income ratio in operating business (incl. compulsory contributions) (%)	**64.8**	**41.6**		**57.8**

[1] Average CET1 capital. Reconciliation carried out in Others and Consolidation.
[2] Annualised.

1.1.-31.3.2023[1] | €m	Private and Small Business Customers	Corporate Clients	Others and Consolidation	Group
Net interest income	1,091	627	229	1,947
Dividend income	0	0	– 1	– 0
Risk result	– 128	54	6	– 68
Net commission income	592	334	– 11	915
Net income from financial assets and liabilities measured at fair value through profit or loss	– 34	132	– 170	– 72
Net income from hedge accounting	– 0	– 0	– 2	– 3
Other net income from financial instruments	– 12	– 2	16	3
Current net income from companies accounted for using the equity method	– 0	1	– 0	1
Other net income	– 134	– 14	26	– 123
Income before risk result	**1,502**	**1,079**	**86**	**2,668**
Income after risk result	**1,374**	**1,133**	**92**	**2,599**
Operating expenses	846	514	104	1,464
Compulsory contributions	140	78	42	260
Operating profit or loss	**389**	**541**	**– 54**	**875**
Restructuring expenses	–	–	4	4
Pre-tax profit or loss	**389**	**541**	**– 59**	**871**
Assets	**172,230**	**135,005**	**190,122**	**497,357**
Liabilities	**208,616**	**161,953**	**126,788**	**497,357**
Carrying amount of companies accounted for using the equity method	**31**	**137**	**–**	**167**
Average capital employed (from continuing operations) (based on CET1)[2]	**6,804**	**10,393**	**6,851**	**24,048**
Operating return on equity (%)[3]	**22.9**	**20.8**		**14.6**
Cost income ratio in operating business (excl. compulsory contributions) (%)	**56.3**	**47.6**		**54.9**
Cost income ratio in operating business (incl. compulsory contributions) (%)	**65.6**	**54.9**		**64.6**

[1] Prior-year figures adjusted due to IFRS 8.29.
[2] Average CET1 capital. Reconciliation carried out in Others and Consolidation.
[3] Annualised.

Significant Group companies

Germany
Commerz Real AG, Wiesbaden

Abroad
Commerzbank (Eurasija) AO, Moscow
Commerzbank Finance & Covered Bond S.A., Luxembourg
Commerz Markets LLC, New York
mBank S.A., Warsaw

Operative foreign branches
Amsterdam, Beijing, Brno (office), London, Madrid, Milan, New York, Paris, Prague, Shanghai, Singapore, Tokyo, Vienna, Zurich

Representative Offices and Financial Institutions Desks
Abidjan, Addis Abeba, Almaty, Amman, Ashgabat, Bangkok, Beijing (FI Desk), Brussels (Liaison Office to the European Union), Buenos Aires, Cairo, Casablanca, Dhaka, Dubai, Ho Chi Minh City, Istanbul, Johannesburg, Kiev, Lagos, Luanda, Melbourne, Moscow (FI Desk), Mumbai, New York (FI Desk), Panama City, São Paulo, Seoul, Shanghai (FI Desk), Singapore (FI Desk), Taipei, Tashkent, Tokyo (FI Desk), Zagreb

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

Disclaimer

Reservation regarding forward-looking statements
This interim financial informantion contains forward-looking statements on Commerzbank's business and earnings performance, which are based upon our current plans, estimates, forecasts and expectations. The statements entail risks and uncertainties, as there are a variety of factors which influence our business and to a great extent lie beyond our sphere of influence. Above all, these include the economic situation, the state of the financial markets worldwide and possible loan losses. Actual results and developments may, therefore, diverge considerably from our current assumptions, which, for this reason, are valid only at the time of publication. We undertake no obligation to revise our forward-looking statements in the light of either new information or unexpected events.

COMMERZBANK

2024 Financial calendar	
7 August 2024	Interim Report as at 30 June 2024
6 November 2024	Interim financial information as at 30 September 2024

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