



COMMERZBANK

Interim financial information as at 30 September

2023



The bank at your side

Key figures

Income statement	1.1.-30.9.2023	1.1.-30.9.2022
Operating profit (€m)	2,879	1,571
Operating profit per share (€)	2.31	1.25
Consolidated profit or loss attributable to Commerzbank shareholders and investors in additional equity components (€m)	1,829	963
Consolidated profit or loss attributable to Commerzbank shareholders (€m)	1,635	773
Earnings per share (€)	1.31	0.62
Operating return on equity based on CET1 ¹ (%)	15.5	8.7
Return on equity of consolidated profit or loss ^{1,2} (%)	8.6	4.3
Cost/income ratio in operating business (excl. compulsory contributions) (%)	55.3	60.4
Cost/income ratio in operating business (incl. compulsory contributions) (%)	59.7	68.7
Balance sheet	30.9.2023	31.12.2022
Total assets (€bn)	509.9	477.4
Risk-weighted assets (€bn)	173.6	168.7
Equity as shown in balance sheet (€bn)	32.7	30.9
Total capital as shown in balance sheet (€bn)	38.9	37.8
Regulatory key figures	30.9.2023	31.12.2022
Tier 1 capital ratio (%)	16.5	16.0
Common Equity Tier 1 ratio ³ (%)	14.6	14.1
Total capital ratio (%)	19.2	18.9
Leverage ratio (%)	4.9	4.9
Full-time personnel	30.9.2023	31.12.2022
Germany	25,508	25,734
Abroad	12,799	12,118
Total	38,307	37,852
Ratings ⁴	30.9.2023	31.12.2022
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-/BBB+/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.com.

⁵ Counterparty rating and deposit rating/issuer credit rating/short-term liabilities.

⁶ Counterparty rating/deposit rating and issuer credit rating/short-term liabilities.

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Performance highlights

1 January to 30 September 2023

Key statements

Commerzbank maintained its solid business performance in the third quarter of 2023, almost doubling its consolidated profit after the first nine months compared to the prior-year period. The Bank benefited from the interest rate environment, from a low risk result despite economic weakness and from its consistently high level of cost discipline. This means that the Bank has already almost attained the core objectives of its “Strategy 2024” programme and thereby created a firm basis for the higher distributions it seeks to achieve.

The key figures for the Bank’s business performance in the first nine months of 2023 are shown below:

- Overall, Commerzbank significantly improved its operating profit to €2,879m in the period under review, a significant increase of 83.3% compared with the prior-year period.
- The Group risk result was at a low level of €–367m despite the challenging economic environment. The top-level adjustment (TLA) for secondary effects remained in place and stood at €435m. The non-performing exposure (NPE) ratio was 1.0%.
- Total Costs decreased by €67m to an overall of €4,806m compared to the first nine months 2022. While operating expenses rose by 3.7% year on year to €4,449m – mainly due to accruals for performance-related variable remuneration, compulsory contributions, which are reported separately, were around 39% lower than in the prior-year period at €357m.
- The consolidated profit attributable to Commerzbank shareholders and investors in additional equity components was €1,829m, compared with €963m in the prior-year period.
- The Common Equity Tier 1 ratio was higher as at 30 September 2023 at 14.6%, while the leverage ratio was 4.9%.

The return on equity based on consolidated profit or loss (less intangible assets and AT-1-related items) was 8.6%, compared with 4.3% in the previous year. The cost/income ratio was 55.3% with compulsory contributions excluded and 59.7% including compulsory contributions. The corresponding figures for the previous year were 60.4% and 68.7% respectively.

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

Supervisory Board appoints Bernd Spalt as Chief Risk Officer of Commerzbank

At its meeting on 11 September 2023, the Supervisory Board of Commerzbank appointed Bernd Spalt to the Board of Managing Directors of the institution as Chief Risk Officer with effect from 1 January 2024. Bernd Spalt succeeds Dr. Marcus Chromik, who will be leaving Commerzbank at the end of this year – as already announced in July 2022. The appointment is still subject to the usual approval from the supervisory authority.

As a former member of the Management Board of Erste Group and Erste Bank Austria, Bernd Spalt has many years of experience in all areas of risk management. He was also Chief Executive Officer of Erste Group Bank AG from 2020 to 2022.

Commerzbank joins the Partnership for Carbon Accounting Financials (PCAF)

Commerzbank has been a new member of the Partnership for Carbon Accounting Financials (PCAF) – an initiative of more than 400 financial institutions worldwide – since mid-September 2023. PCAF members are committed to reporting the CO₂ emissions associated with loans and investments across the industry using a consistent methodology. These financed emissions are a crucial part of the carbon footprint of banks. The PCAF approach enables stakeholders to compare this carbon footprint of banks with each other. This makes reduction targets and progress more transparent.

The PCAF complements Commerzbank's steering elements, through which it aims to steer its sector portfolios towards the Paris climate target. For example, the Bank relies on science-based reduction targets in accordance with the Science-based Targets initiative (SBTi). These reduction paths were validated by SBTi in March this year – an important milestone for Commerzbank on its way to achieving net zero CO₂ emissions by 2050 at the latest, also in the credit and investment portfolio.

Strategy update until 2027

When publishing its figures for the first nine months of 2023 on 8 November 2023, Commerzbank also set out its strategic plan up to 2027.

Through its "Strategy 2024", Commerzbank has largely successfully implemented a tough but necessary restructuring programme. A new business model was established, and Commerzbank was put back on the road to success. The strategy programme up to 2027 builds on this: we will enlarge our earnings base, further improve the cost/income ratio, and increase our return on equity. In this way, we will create value for our shareholders and extend our position as a formative force in the German banking market.

The aim is to increase net income to €3.4bn by 2027 and to improve the return on equity ratio (RoTE) to more than 11%. In this way the Bank will earn its cost of capital. The intention is for an increase in net commission income to contribute to this in particular, while net interest income is expected to rise moderately from an already high level. Financial management will continue to be based on the cost/income ratio, which is expected to improve to around 55% by 2027.

A target of 13.5% is set for the Core Tier 1 ratio. The Bank plans to return more capital to its shareholders: For 2025 to 2027, the aim is to attain a payout ratio of more than 50%, but not more than the consolidated profit after deduction of AT1 coupon payments. For the 2022 to 2024 financial years, the plan is still to distribute a total of €3bn to shareholders through dividends and share buybacks. For the current year, the Bank confirms its target to distribute 50% of its consolidated profit after deduction of AT1 coupon payments via a dividend payment and an applied-for share buyback of up to €600m. It is planned that this share buyback takes place prior to the Annual General Meeting in 2024. The respective payout ratios depend on the economic development and business opportunities. All share buybacks must be approved by the European Central Bank and the Finance Agency.

The strategy until 2027 is based on three pillars: growth, excellence and responsibility. The Bank intends to support its customers with relevant products and solutions and to further improve the customer experience across all channels, i.e. in branches, in the advisory centre, and via digital access points. The revenue base will be strengthened primarily through expanded fee business. To increase its efficiency, the Bank will focus on simplifying digital processes. The cost/income ratio is also to be improved on this basis. Sustainability continues to be a key component of the strategy. The Bank will continue to actively shape the sustainable transformation of the German economy. Employees are crucial for successfully implementing the strategy. Therefore, the Bank will strengthen its position as an attractive employer for its employees and talents.

Full details of the strategic programme up to 2027 can be found on the Commerzbank website at <https://investor-relations.commerzbank.com>.

Financial performance, assets, liabilities and financial position

For a description of the accounting and measurement methods applied as at 30 September 2023, see “Additional information” on page 22.

Income statement of the Commerzbank Group

Despite high charges from provisions in connection with retail 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 €1,829m in the first nine months of 2023, compared with €963m in the prior-year period. The operating profit was €2,879m in the reporting period, compared with €1,571m 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 38.7% to €6,242m in the period under review. In the Private and Small-Business Customers segment, there was a significant increase in net interest income due to the rise in interest rates both in Germany and at mBank – driven in particular by the deposit business. The Corporate Clients segment also recorded a substantial rise in net interest income compared with the prior-year period that was also largely driven by an increase in deposit income.

Net commission income in the reporting period did not match the solid figure from the previous year. At €2,587m, it was almost 5% lower than the extraordinarily strong result recorded for the first nine months of 2022. In the Private and Small-Business Customers segment in Germany, transaction-related securities business in particular declined in the period under review because of the turnaround in interest rates and lower market volatility compared with the prior-year period, which was reflected in a drop in commission income. This could not be fully offset by higher income from payment transactions in particular. mBank also recorded a fall in net commission income compared with the prior-year period. Net commission income in the Corporate Clients segment was on a par with the first nine months of the previous year. The decrease in income from international and foreign currency business was largely offset by higher income from syndication business.

Net income from financial assets and liabilities measured at fair value through profit or loss was €–157m in the period under review and thus significantly lower than the figure for the prior-year period. The fall was attributable to negative interest effects from banking book derivatives caused by the marked rise in interest rates – with a corresponding counter-effect on net interest income.

The other net income figure of €–712m includes provisions of €754m in connection with retail mortgage loans issued in Swiss francs at mBank.

The risk result for the first nine months of 2023 was €–367m, significantly lower than the prior-year figure of €–654m. The risk result in the Private and Small-Business Customers segment rose by €20m to €–271m. While the risk result in the Private and Small-Business Customers segment in Germany increased compared with the prior-year period, at mBank the risk result was level with the previous year. The Corporate Clients segment reported a risk result of €–119m for the first nine months of 2023, after charges of €–325m in the prior-year period. In the period under review the TLA for secondary effects was reduced by €47m to €435m in connection with reversals and utilisation as well as changed underlying macroeconomic assumptions – around €20m of this related to the third quarter.

Operating expenses amounted to €4,449m in the period under review, 3.7% higher than in the prior-year period despite the inflationary pressure. In the case of personnel costs, which at 2,684m euros were 5.9% above the previous year’s level, cost-increasing effects – in particular deferrals for profit-related variable remuneration as well as general salary adjustments – could only be partially compensated by effects from the reduction of full-time staff. On the other hand, operating expenses, including depreciation of fixed assets and amortisation of other intangible assets, were only slightly above the level recorded in the first nine months of the previous year at €1,766m. While advertising and travel expenses in particular increased compared with the prior-year period, scheduled amortisation of software and expenses connected with the streamlining of the branch network decreased.

Compulsory contributions, which are reported separately, fell by €226m to €357m. The reduction of 38.8% resulted in particular from a lower European banking levy due to the decision taken by the Single Resolution Fund of the Banking Union to reduce the target volume for 2023 because of slower growth as expected in European covered deposits, as well as the absence of the levy on mBank required in the previous year to be added to the Polish deposit protection scheme. In addition, the utilisation of irrevocable payment obligations for the European banking levy had a corresponding effect.

Restructuring expenses in connection with the implementation of the “Strategy 2024” programme were €14m in the period under review, compared with €54m in the prior-year period.

The pre-tax profit was €2,865m, compared with €1,517m in the prior-year period. Tax expenses of €1,022m were reported for the period under review. This resulted mainly from the taxation of the positive result in the period under review as well as provisions in connection with retail mortgage financing in Swiss francs at mBank, which were largely not deductible for tax purposes. The profit after tax was €1,843m, compared with €864m in the prior-year period.

Net of non-controlling interests, a consolidated profit of €1,829m was attributable to Commerzbank shareholders and investors in additional equity components for the reporting period, compared with €963m in the previous year.

Operating profit per share was €2.31 and earnings per share €1.31. The comparable figures in the prior-year period were €1.25 and €0.62 respectively.

Balance sheet of the Commerzbank Group

Total assets of the Commerzbank Group as at 30 September 2023 were €509.9bn. This represented an increase of €32.5bn compared with the end of 2022. The growth of 6.8% was attributable in particular to the rise in sight deposits at central banks – essentially from the investment of deposit inflows, to the growth of lending in the Corporate Clients segment and at mBank, and to an increase in collateralised repurchase agreements with banks and financial service providers following the seasonal contraction driven by resource management at the end of the previous year.

Equity

The equity capital attributable to Commerzbank shareholders reported in the balance sheet as at 30 September 2023 was €28.6bn, an increase of €1.7bn compared with year-end 2022. Further information on the change in equity can be found on page 20 f.

Risk-weighted assets were €173.6bn as at 30 September 2023 and were thus €4.9bn higher than at year-end 2022. This change was primarily attributable to an increase in risk-weighted assets from credit risks. The higher credit risk was mainly attributable to increases from the anticipation of effects from model adjustments under the “IRB Repair” programme set up by the banking supervisory authority and to higher volumes in the corporate portfolio and in derivatives and repos. Two new securitisation transactions in the first and third quarter of the current year had a countervailing effect to an extent. Higher risk-weighted assets from market risk resulted mainly from increased currency risks from tighter regulation in the context of correlated currencies and from position changes. Risk-weighted assets from operational risk were slightly below the level at the end of 2022.

As at the reporting date, Common Equity Tier 1 capital was €25.4bn, compared with €23.9bn as at 31 December 2022. The increase was mainly due to the consolidated profit recorded, taking into account accruals for payouts and potential AT1 coupons. Furthermore, the improvement in other comprehensive income and the reduction in regulatory deductions led to an increase in Common Equity Tier 1 capital. The Common Equity Tier 1 ratio was 14.6% as at the end of the reporting period, compared with 14.1% as at the end of 2022. The Tier 1 ratio was 16.5% as at 30 September 2023, compared with 16.0% as at the end of 2022. Tier 2 capital increased by €0.7bn due to new issues, while amortisation, maturity and currency effects reduced Tier 2 capital by €0.8bn. The total capital ratio (with transitional provisions) was 19.2% as at the reporting date, compared with 18.9% as at the end of 2022. Own funds increased by €1.4bn compared with 31 December 2022 to €33.4bn as at 30 September 2023.

The leverage ratio, which is equal to Tier 1 capital divided by leverage ratio exposure, was 4.9%.

Funding and liquidity

During the reporting period, the money and capital markets were particularly influenced by the Russia-Ukraine war, continuing economic uncertainties, still high inflation and rising interest rates. 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 a total of €9.4bn in long-term funding on the capital market in the first nine months.

Commerzbank Aktiengesellschaft issued a total of five Pfandbrief benchmark transactions with a total volume of €5bn and terms of between 2.5 and 10 years. The average re-offer spread was eight basis points above the swap mid-rate.

In the unsecured segment, Commerzbank issued its fourth own green bond for €600m as a non-preferred senior bond in September. The final order book had a volume of more than €5bn and was largely placed with sustainability-oriented investors. The bond has a term of 5.5 years with a call date in March 2028 and a coupon of 5.25% per annum. Furthermore, the Bank issued a non-preferred senior bond with a volume of €750m and a term of seven years. The bond is callable after six years, and the re-offer spread is 240 basis points above the swap mid-rate. A further two bonds with a total volume of CHF 325m were also issued. In addition, Commerzbank issued two subordinated Tier 2 bonds: a bond with a volume of 300m Singapore dollars maturing in May 2033 with a call option from February to May 2028 and a fixed interest rate of 5.7% until the final call redemption date in May 2028; and a bond with a volume of €500m maturing in October 2033, a call option from July to October 2028 and a fixed interest rate of 6.75% until the final call redemption date in October 2028.

Secured and unsecured private placements with a combined volume of around €1.1bn were also issued.

As at the end of September 2023, Commerzbank still had €3.5bn in funds from the Targeted Longer-Term Refinancing Operations III programme (TLTRO III).

At the beginning of September, mBank issued a €750m green non-preferred senior bond with a term of four years and a call date in September 2026. The bond bears interest at 8.375% per annum. In addition, a credit-linked note was issued for the equivalent of approximately €160m.

Deposits in September 2023 compared with December 2022 on the basis of the monthly average show a positive or stable trend. In September 2023, private and small-business customers had deposits of €193bn (December 2022: €186 billion), with more than 90% of domestic deposits protected. In the Corporate Clients segment, deposits amounted to €94bn in September 2023 (December 2022: €94 billion); more than 60% of them were protected.

As at the reporting date, the Bank had a liquidity reserve of €117.0bn 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.

At 137.3% (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 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 nine months of 2023 are based on the segment structure described on pages 75 and 262 ff. of the Annual Report 2022.

Overviews of the segments' results can be found under "Additional information" on page 24 f.

Private and Small-Business Customers

The Private and Small-Business Customers segment made further improvements to both its profitability and cost efficiency in the first nine months of 2023 compared with the prior-year period. Despite significant charges in connection with retail mortgage financing in Swiss francs at mBank as well as increased risk result expenses and higher total operating expenses, both the operating profit and the pre-tax profit increased by €387m to €1,063m compared with the same period in 2022.

Income before risk result increased by €373m to €4,171m in the period under review, driven largely by very strong net interest income, which was up by a significant €553m year on year to €3,369m. This growth in income was mainly attributable to mBank. In Poland, the significant rise in policy rates had a particularly positive effect. Accordingly, deposit business was the key factor in mBank's net interest income, which rose considerably by €406m. Interest-bearing business in Germany also recorded a positive performance. In Germany, net interest income increased by €147m, despite the absence of seasonal one-off income due to special repayments of retail mortgage loans posted in the prior-year period, and driven in particular by the deposit business.

Net commission income decreased by €122m to €1,638m in the first nine months of 2023 compared with the prior-year period. In Germany, transaction-related securities business in particular declined in the period under review because of the turnaround in interest rates and lower market volatility compared with the prior-year period, which was reflected in a drop in commission income. This could not be fully offset by higher income from payment transactions in particular. mBank also recorded a fall in net commission income compared with the prior-year period.

Other income items totalled €-835m, compared with €-779m in the first nine months of the previous year. The significant drop in income was mainly attributable to significantly higher provisions for legal risk in connection with retail mortgage loans issued in Swiss francs at mBank compared with the prior-year period and to a negative fair value result.

The risk result in the Private and Small-Business Customers segment was €–271m, which was €20m lower than in the prior-year period. While the risk result in Germany increased compared with the first nine months of the previous year, the risk result at mBank was at the previous year's level.

Operating expenses increased by a total of €122m in the period under review to €2,592m. Personnel expenses, which were 4.7% higher than in the same period of the previous year, higher accruals for performance-related variable remuneration in Germany were offset by effects of the staff reductions implemented at the beginning of the year. At mBank, personnel expenses increased significantly compared with the first nine months of the previous year because of adjustments to salaries and wages. The segment's operating expenses rose by a total of 8.2%, in particular due to inflation.

Compared with the same period of the previous year, the expense for compulsory contributions decreased significantly by €155m to €246m, which resulted in particular from the absence of the levy on mBank required in the previous year to be added to the Polish deposit protection scheme as well as a lower European banking levy.

Corporate Clients

Business performance in the Corporate Clients segment continued to be very positive in the reporting period, despite persistently difficult general conditions. In particular, the still high inflation, uncertainties regarding stable supply chains as well as strongly fluctuating energy and commodity prices are causing uncertainty among companies. In this environment, we are assisting our corporate clients with all the challenges they face as well as with the opportunities that arise.

The Corporate Clients segment recorded an operating profit as well as a pre-tax profit of €1,634m in the period under review, compared with €853m in the prior-year period. All of the segment's operating customer areas contributed to the increase of €781m.

The Mittelstand division recorded significantly positive income growth compared with the prior-year period. While income from lending business decreased, the Cash Management and Financial Markets divisions benefited 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 both from deposit business and from lending and bond issuing business. The income reported in the Others division, which was primarily attributable to hedging and remeasurement effects, contracted significantly.

Income before risk result was €3,375m in the first nine months, €546m higher than in the prior-year period. At €2,038m, net interest income was up €604m on the prior-year level, while net commission income remained stable compared with the prior-year period at €983m. The decrease in income from international and foreign currency business was largely offset by higher income from syndication business.

Other income items totalled €354m, compared with €405m in the previous year. While net income from financial assets and liabilities measured at fair value through profit or loss was on a level with the prior-year period at €389m, other net income, which amounted to €–38m, included charges from the deconsolidation of Commerzbank Brasil S.A.

The segment recorded a risk result of €–119m for the first nine months of 2023, after charges of €–325m in the prior-year period.

At €1,551m, operating expenses were slightly higher than the previous year's figure. While cost allocations from the service and operating units remained stable compared to the previous year, personnel costs increased by 5.6% in connection with a higher accrual for performance-related variable remuneration. The €46m decrease in reported compulsory contributions compared with the prior-year period to €72m was primarily due to a reduction in the 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.

The Others and Consolidation segment reported an operating profit of €182m for the first nine months of 2023, compared with €42m in the prior-year period. The increase was based in particular on higher positive net income at Group Treasury, mainly due to the change in fair value compensation payments for special repayments of retail mortgage loans by customers in the Private and Small-Business Customers segment.

Whereas the significant increase in interest rates in the previous year resulted in a compensation payment from Group Treasury to the segment, the segment made compensation payments to Group Treasury in the first nine months of 2023. Profits from the interest rate risk management carried out by Group Treasury for the operating segments as well as positive effects from repayments of non-strategic municipal loans to the bank also had a positive impact on the result. In addition, lower loan loss provisions and a reduced charge for the European banking levy played their part in the increase in net income at Group Treasury. In the rest of the Others and Consolidation segment, the absence of the negative impact on earnings from residual portfolios recorded in the previous year – essentially in the risk result – also contributed to the increase in net income. This was offset by lower net remeasurement effects, a net burden from the creation and release of provisions and the discontinuation of income from targeted longer-term refinancing operations with the European Central Bank.

Others and Consolidation recorded a pre-tax profit of €168m for the period under review. This figure included restructuring expenses of €14m in connection with the implementation of the “Strategy 2024” programme.

Outlook and opportunities report

Future economic situation

For the rest of the year we continue to expect that the considerable tightening in monetary policy, including in the USA, will slow economic activity down considerably. However, this will probably only become visible at the beginning of 2024. In the euro area, by contrast, the slump in sentiment indicators points to a decline in economic performance in the winter half-year 2023/2024.

The escalation in the Middle East has added another factor of uncertainty. However, provided the conflict does not escalate and the oil price does not rise significantly, the impact on inflation and growth is likely to be limited.

Inflation rates should continue to fall until the end of the year. We assume that, like the ECB, which has already confirmed this, the US Federal Reserve will desist from raising its policy rates any further for the time being. The end of the process of raising interest rates along with falling inflation rates suggest that bond yields will decline in the course of the first half of 2024. The euro is likely to appreciate somewhat against the US dollar if specific indications of interest rate cuts become apparent in the USA.

Anticipated liquidity trends

The short-term repo market in high-quality securities (high-quality liquid assets or HQLA) such as government bonds, agency securities (issued by quasi-governmental US issuers) and Pfandbriefe continues to play an important role in servicing the bond markets and financing portfolios.

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 the TLTRO maturity at the end of June 2023 continues. Commerzbank’s liquidity situation allows it to meet this increased demand and has led to an expansion of business in this area.

In addition to the good LCR ratio, Commerzbank has a high position in cash and demand deposits – mainly with central banks. This amounted to €87.5bn 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 and existing business relationships in cash management and professional deposit business on the other.

Due to the only slow winding down of the securities lending programme for holdings under the Asset Purchase Programme as a result of the lack of re-investments as well as the continued re-investment of the Pandemic Emergency Purchase Programme in contrast, we expect a continuing high 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 and by the evolution of risk-weighted assets. With the long-term refinancing funds raised in the first nine months in the amount of €9.4bn, we are exactly in line with the Funding Plan 2023, which envisages a volume of between €8bn and €10bn.

By regularly reviewing and adjusting the assumptions used for liquidity management and the long-term funding requirement, Commerzbank will continue to respond actively to changes in the market environment and business performance in order to secure a comfortable liquidity cushion and an appropriate funding structure.

Anticipated performance of the Commerzbank Group

In view of the consistently positive performance recorded in the first nine months of the current year, we have once again produced more specific detail on our statements made in the 2023 half-year report on the anticipated earnings performance of the Commerzbank Group for the 2023 financial year for individual components of these earnings.

Given the changes in interest rates and the earnings performance in interest-bearing business in the course of the year so far, the Bank expects an increase in net interest income to more than €8.1bn – with partially countervailing effects reflected in net income from financial assets and liabilities measured at fair value through profit or loss. With regard to net commission income, we are sticking to our expectation that for the full year 2023 this will be slightly below the level recorded in the full year 2022. Revenues are expected to increase to around €10.6bn.

Despite high inflation, the Bank continues to strive for a reduction in operating expenses including compulsory contributions, but anticipates higher variable remuneration due to solid profits, so that total costs are expected to be €6.4bn. However, the key control variable remains the cost/income ratio with a target of around 61% for 2023.

In terms of risk result, the Bank expects charges of less than -700m euros for the full year, before possible use of the TLA. A Common Equity Tier 1 ratio ratio of around 14.7% is anticipated at the end of 2023. Overall for the 2023 financial year, we now expect to achieve a consolidated profit attributable to Commerzbank shareholders and investors in additional equity components of around €2.2bn. The return on equity is expected to be 7.5%.

For the current year, the Bank confirms its target to distribute 50% of its consolidated profit after deduction of AT1 coupon payments via a dividend payment and an applied-for share buyback of up to €600m. It is planned that this share buyback takes place prior to the Annual General Meeting in 2024. All share buybacks must be approved by the European Central Bank and the Finance Agency.

Risk situation

Risk-bearing capacity (RBC) is monitored and managed monthly at Group level. Risk-bearing capacity is deemed to be assured as long as the RBC ratio is higher than 100%. In the first nine months of 2023, the RBC ratio was consistently above 100% and stood at 180% as at 30 September 2023. The increase in the economic risk coverage potential reflects the development of earnings and the market-induced decline in hidden liabilities. The RBC ratio is still well above the minimum requirement.

Risk-bearing capacity Group €bn	30.9.2023	31.12.2022
Economic risk coverage potential	24	22
Economically required capital ¹	13	13
thereof for default risk ²	8	8
thereof for market risk ³	4	4
thereof for operational risk	2	2
thereof diversification effects	-2	-2
RBC ratio (%)⁴	180	163

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 planned changes in methods.

³ Including deposit model risk.

⁴ RBC ratio = economic risk coverage potential/economically required capital (including risk buffer). Change in the ratio as at 31 December 2022 due to changes in market risk figures.

Default risk

In the 2023 financial year, it was still deemed necessary to recognise a top-level adjustment (TLA) to the IFRS 9 ECL model result because the parameters used in the associated models do not fully reflect expected developments arising from the various crises and from economic uncertainty. This still reflects the continuing economic uncertainties and the secondary effects of the Russian war of aggression against Ukraine, in particular, supply chain problems, rising energy prices, and the further development of interest rates and inflation.

The credit risk parameters in the rating classes 1.0 to 5.8 were as follows as at 30 September 2023:

Credit risk parameters	30.9.2023				31.12.2022			
	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	207	453	22	2 031	204	431	21	2 088
Corporate Clients	179	381	21	4 479	177	378	21	4 299
Others and Consolidation ¹	147	64	4	1 239	137	65	5	1 184
Group	532	898	17	7 749	517	874	17	7 571

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.

Rating breakdown EaD %	30.9.2023					31.12.2022				
	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	55	11	2	1	30	56	11	2	1
Corporate Clients	20	61	14	4	2	19	61	14	4	2
Others and Consolidation	79	19	1	0	0	77	22	2	0	0
Group	40	47	9	2	1	38	49	10	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.

Group portfolio by region	30.9.2023			31.12.2022		
	Exposure at default €bn	Expected loss €m	Risk density bp	Exposure at default €bn	Expected loss €m	Risk density bp
Germany	319	397	12	312	390	12
Western Europe	86	158	18	85	133	16
Central and Eastern Europe	52	250	48	53	261	49
North America	45	31	7	40	38	10
Asia	19	23	12	16	22	14
Other	12	38	31	11	30	27
Group	532	898	17	517	874	17

Risk result The risk result relating to the Group's lending business as at 30 September 2023 was €-367m (prior-year period: €-654m). The high charges in the same period last year resulted from special effects of the Russia-Ukraine war. The result is mainly driven by charges in the private and small-business customers segment. Just under half of the risk result in this segment derives from mBank. In addition to the special effect in the second quarter of 2023 from the anticipation of charges from the expected adjustment of the models (Future of IRB), there is a special effect in the third quarter from the

introduction of the 3-fold PD (PD – Probability of Default) as an additional Stage 2 backstop indicator at Commerzbank in the amount of €35m.

The secondary effects TLA at Group level amounts to €435m as at 30 September 2023 and is thus only slightly below the magnitude as at 30 June 2023. The methodology used for determining the need for adjustments to the ECL model result corresponds to the methodology of the previous quarter.

Risk result €m	1.1.-30.9.2023					1.1.-30.9.2022				
	Stage 1	Stage 2	Stage 3	POCI ¹	Total	Stage 1	Stage 2	Stage 3	POCI ¹	Total
Private and Small-Business Customers	-3	-54	-219	5	-271	-4	-51	-195	-1	-251
Corporate Clients	11	-57	-77	4	-119	6	-49	-285	2	-325
Others and Consolidation	15	9	-1	0	23	2	43	-124	0	-78
Group	23	-102	-297	9	-367	5	-56	-603	1	-654

¹ POCI – purchased or originated credit-impaired.

Default portfolio The Group's default portfolio fell by €418m in the first nine months of 2023 and stood at €5,240m as at 30 September 2023.

Market risk

The VaR in the trading book rose from €13m as at December 2022 to €14m at the end of the third quarter of 2023.

Stressed VaR decreased to €24m at the end of the third quarter of 2023 from €25m as at December 2022.

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 €2,721m as at 30 September

2023 (31 December 2022: €2,062m potential economic loss) was determined, and in the scenario -200 basis points a potential economic profit of €1,064m (31 December 2022: €1,133m potential economic profit).

The interest rate sensitivity of the overall banking book (excluding pension funds) amounted to €2.4m as at 30 September 2023 (31 December 2022: €2.4m) 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 September 2023, for the one-month and

three-month periods, the combined stress scenario leaves net liquidity of €24.2bn and €22.0bn respectively. As at the end of the third quarter of 2023, the Bank had a liquidity reserve of €117.0bn in the form of highly liquid assets.

The Bank also holds an intraday liquidity reserve portfolio. As at the 2023 reporting date, the total value of this portfolio was €6.2bn.

In the first three quarters of 2023, Commerzbank significantly exceeded the minimum ratio for the liquidity ratio (LCR) of 100% on every reporting date. As at the end of the third quarter of 2023, the average month-end value of the LCR over the last twelve months was 137.3%.

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. Risk-weighted assets for operational risks on this basis came to €20.8bn at the end of the third quarter of 2023 (31 December 2022: €21.2bn). The economically required capital was €1.7bn (31 December 2022: €2.3bn). The internal model used for this continues to be based on the methodology for the advanced measurement approach (AMA).

The total charge for OpRisk events as at the end of the third quarter of 2023 was around €817m (full-year 2022: €951m). 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 at mBank.

Other risks

As regards all other risks, there were no significant changes in the third quarter of 2023 compared with the position reported in the Annual Report 2022 and Interim Risk Report as at 30 June 2023, with the exception of the details set out below on 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 (CHF).

In the class action lawsuit pending against mBank, the court dismissed the claim in the first quarter of 2022; the plaintiffs lodged an appeal. Independently of this, numerous borrowers have also filed individual lawsuits for the same reasons. In addition to the

class action, 21,590 individual proceedings were pending as at 30 September 2023 (31 December 2022: 17,627). mBank has contested these claims. As at 30 September 2023, there were 3,646 final rulings in individual proceedings against mBank, of which 110 were decided in favour of mBank and 3,536 were decided against mBank.

In a preliminary ruling concerning mBank (C-139/22), the ECJ ruled on 21 September 2023, inter alia, that a contractual term can be considered unfair if it corresponds to a term contained in the national register of prohibited terms.

The limitation period for the Bank’s claim for restitution is at issue, among other things, in another request by a Polish court to the ECJ for a preliminary ruling in a case concerning mBank (C-140/22). A date for the hearing or pronouncement of a decision has not yet been set.

There are further referral questions pending before the ECJ, also in proceedings concerning mBank, including whether the Bank can demand compensation (valorisation) in respect of the loss in value of the capital it transferred, to the extent that it has no claim to remuneration for the transfer. Decisions could still be issued in 2023 insofar as the ECJ discontinues individual proceedings with reference to its decision of 15 June 2023 (C-520/21). Otherwise, decisions are expected in the course of 2024. It cannot be ruled out that future events, such as ECJ decisions, may have a significant negative impact in the future on the estimation of the legal risk connected with mortgage loans denominated in CHF.

Starting in the fourth quarter of 2022, mBank launched a programme in which customers are offered the option of converting their loans into 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 €82m for the settlement programme as at the reporting date.

As at 30 September 2023, the portfolio of loans denominated in CHF that had not been fully repaid had a carrying amount of 2.8bn Polish zlotys; the portfolio that had already been repaid amounted to 9bn Polish zlotys when it was disbursed. Overall, as at 30 September 2023, the Group recognised a provision of €1.8bn for the risks arising from the matter, including potential settlement payments and the class action lawsuit (31 December 2022: €1.4bn). 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.

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	30.9.2023	30.9.2022	Change in %
Interest income accounted for using the effective interest method	11,189	5,652	98.0
Interest income accounted for not using the effective interest method	1,877	1,060	77.1
Interest income	13,065	6,712	94.7
Interest expenses	6,823	2,211	.
Net interest income	6,242	4,500	38.7
Dividend income	12	21	-41.0
Risk result	-367	-654	-43.9
Commission income	3,103	3,204	-3.1
Commission expenses	516	490	5.3
Net commission income	2,587	2,714	-4.7
Net income from financial assets and liabilities measured at fair value through profit or loss	-157	594	.
Net income from hedge accounting	-1	-80	-99.1
Other sundry realised profit or loss from financial instruments	-22	-302	-92.6
Gain or loss on disposal of financial assets – Amortised cost	99	21	.
Other net income from financial instruments	77	-282	.
Current net income from companies accounted for using the equity method	3	9	-63.3
Other net income	-712	-377	89.1
Operating expenses	4,449	4,291	3.7
Compulsory contributions	357	583	-38.8
Restructuring expenses	14	54	-73.9
Pre-tax profit or loss from continuing operations	2,865	1,517	88.8
Taxes on income	1,022	653	56.6
Consolidated profit or loss	1,843	864	.
Consolidated profit or loss attributable to non-controlling interests	14	-98	.
Consolidated profit or loss attributable to Commerzbank shareholders and investors in additional equity components	1,829	963	90.0
€	30.9.2023	30.9.2022	Change in %
Earnings per share	1.31	0.62	.

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	1.1.-30.9.2023	1.1.-30.9.2022	Change in %
Consolidated profit or loss	1,843	864	.
Change from remeasurement of defined benefit plans not recognised in income statement	210	133	58.2
Change in own credit spreads (OCS) of liabilities FVO not recognised in income statement	-30	216	.
Change in revaluation of land and buildings not recognised in income statement	-	-	.
Items not recyclable through profit or loss	181	348	-48.2
Change in revaluation of debt securities (FVOCI _{mR})			
Reclassified to income statement	15	40	-64.0
Change in value not recognised in income statement	177	-515	.
Change in cash flow hedge reserve			
Reclassified to income statement	1	1	-42.1
Change in value not recognised in income statement	89	-73	.
Change in currency translation reserve			
Reclassified to income statement	21	-0	.
Change in value not recognised in income statement	-2	217	.
Valuation effect from net investment hedge			
Reclassified to income statement	-	-	.
Change in value not recognised in income statement	-6	-18	.
Change in companies accounted for using the equity method	-0	-3	-85.9
Items recyclable through profit or loss	294	-350	.
Other comprehensive income	474	-2	.
Total comprehensive income	2,317	862	.
Comprehensive income attributable to non-controlling interests	85	-193	.
Comprehensive income attributable to Commerzbank shareholders and investors in additional equity components	2,232	1,056	.

Balance sheet

Assets €m	30.9.2023	31.12.2022 ¹	Change in %
Cash on hand and cash on demand	87,549	75,233	16.4
Financial assets – Amortised cost	303,619	296,192	2.5
of which: pledged as collateral	2,809	3,282	-14.4
Financial assets – Fair value OCI	38,121	34,887	9.3
of which: pledged as collateral	8,474	5,335	58.8
Financial assets – Mandatorily fair value P&L	41,824	29,912	39.8
of which: pledged as collateral	–	–	.
Financial assets – Held for trading	31,631	33,573	-5.8
of which: pledged as collateral	3,310	1,325	.
Value adjustment on portfolio fair value hedges	-4,172	-3,935	6.0
Positive fair values of derivative hedging instruments	2,026	1,729	17.2
Holdings in companies accounted for using the equity method	153	182	-15.7
Intangible assets	1,346	1,289	4.5
Fixed assets	2,313	2,426	-4.7
Investment properties	58	57	0.6
Non-current assets held for sale	139	156	-10.9
Current tax assets	130	178	-26.8
Deferred tax assets	2,424	3,113	-22.1
Other assets	2,723	2,436	11.8
Total	509,885	477,428	6.8

¹ Prior-year figures adjusted due to restatements (see adjustments in accordance with IAS 8).

Liabilities and equity €m	30.9.2023	31.12.2022 ¹	Change in %
Financial liabilities – Amortised cost	408,112	390,385	4.5
Financial liabilities – Fair value option	40,294	25,018	61.1
Financial liabilities – Held for trading	21,570	24,759	-12.9
Value adjustment on portfolio fair value hedges	-4,215	-4,840	-12.9
Negative fair values of derivative hedging instruments	3,016	3,113	-3.1
Provisions	3,459	3,479	-0.6
Current tax liabilities	565	826	-31.6
Deferred tax liabilities	5	6	-23.9
Other liabilities	4,398	3,749	17.3
Equity	32,681	30,934	5.6
Subscribed capital	1,240	1,252	-1.0
Capital reserve	10,075	10,075	–
Retained earnings	17,945	16,495	8.8
Other reserves (with recycling)	-668	-891	-25.0
Equity attributable to Commerzbank shareholders	28,592	26,931	6.2
Additional equity components	3,114	3,114	–
Non-controlling interests	975	888	9.8
Total	509,885	477,428	6.8

¹ Prior-year figures adjusted due to restatements (see adjustments in accordance with IAS 8).

Statement of changes in equity

€m	Subs- cribed capital	Capital reserve	Retained earnings ¹	Other reserves			Equity attribu- table to Commerz- bank share- holders ¹	Additional equity compo- nents ²	Non- controll- ing interests	Equity ¹
				Revalu- ation reserve	Cash flow hedge reserve	Currency translation reserve				
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	-	-	2,010	159	63	1	2,232	-	85	2,317
Consolidated profit or loss			1,829				1,829		14	1,843
Change in own credit spread (OCS) of liabilities FVO			-30				-30		-	-30
Change from remeasurement of defined benefit plans			210				210		-0	210
Change in revaluation of land and buildings not recognised in income statement							-		-	-
Change in revaluation of debt securities (FVOCIImR)				159			159		33	192
Change in cash flow hedge reserve					63		63		27	90
Change in currency translation reserve						8	8		11	18
Valuation effect from net investment hedge						-6	-6		-	-6
Change from non-current assets held for sale							-		-	-
Change in companies accounted for using the equity method						-0	-0		-	-0
Increase of capital							-		-	-
Decrease of capital							-		-	-
Share buyback	-12		-110				-122		-	-122
Dividend paid on shares			-250				-250		-0	-251
Payments to instruments of Additional Tier 1 capital			-194				-194		-	-194
Changes in ownership interests			-2				-2		2	-
Other changes			-3				-3		1	-2
Equity as at 30.9.2023	1,240	10,075	17,945	-288	-54	-326	28,592	3,114	975	32,681

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.

€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 31.12.2021 (before correction according to IAS 8)	1,252	10,075	14,979	-86	-88	-396	25,738	3,114	975	29,827
Change due to restatements	-	-	28	-	-	-	28	-	-	28
Equity as at 1.1.2022	1,252	10,075	15,008	-86	-88	-396	25,766	3,114	975	29,855
Total comprehensive income	-	-	1,311	-457	-47	250	1,056	-	-193	862
Consolidated profit or loss			963				963		-98	864
Change in own credit spread (OCS) of liabilities FVO			216				216		-	216
Change from remeasurement of defined benefit plans			132				132		0	133
Change in revaluation of land and buildings not recognised in income statement							-		-	-
Change in revaluation of debt securities (FVOCI _{mR})				-457			-457		-17	-475
Change in cash flow hedge reserve					-47		-47		-25	-72
Change in currency translation reserve						271	271		-54	217
Valuation effect from net investment hedge						-18	-18		-	-18
Change from non-current assets held for sale							-		-	-
Change in companies accounted for using the equity method						-3	-3		-	-3
Dividend paid on shares							-		-5	-5
Payments to instruments of Additional Tier 1 capital			-190				-190		-	-190
Changes in ownership interests			-1				-1		2	0
Other changes			12				12		1	13
Equity as at 30.9.2022	1,252	10,075	16,139	-543	-135	-146	26,642	3,114	779	30,535

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 30 September 2023 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 6 November 2023.

New and amended standards

There were no new or amended standards of material significance for the Commerzbank Group in the third quarter of 2023. For further information on new and amended standards please refer to page 163 f. of our Annual Report 2022.

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 2022 (see Annual Report 2022 page 165 ff.).

Adjustments in accordance with IAS 8

In connection with a change in method for valuation allowances (provisions) in prior years, there was an additional adjustment in accordance with IAS 8.41 of certain off-balance sheet items that do not represent financial guarantees within the meaning of IFRS 9. The general valuation allowance based on lifetime expected credit loss is replaced by the inclusion of these instruments in the IFRS 9 stage model. As a result of this adjustment, provisions fell by €38m and deferred tax assets decreased by €10m as at 1 January 2022. Retained earnings, on the other hand, increased by €28m. This had no impact on consolidated profit or loss, the statement of comprehensive income or the earnings per share. This adjustment was already reported in the interim financial information as at 31 March 2023 and the interim report as at 30 June 2023.

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.

	30.9.2023	31.12.2022	Change in %
Common Equity Tier ¹ (€bn)	25.4	23.9	6.4
Tier 1 capital ¹ (€bn)	28.6	27.1	5.6
Equity ¹ (€bn)	33.4	31.9	4.5
Risk-weighted assets (€bn)	173.6	168.7	2.9
of which credit risk ²	144.1	140.5	2.6
of which market risk ³	8.7	7.1	23.2
of which operational risk	20.8	21.2	-1.9
Common Equity Tier 1 ratio (%)	14.6	14.1	3.4
Equity Tier 1 ratio (%)	16.5	16.0	2.6
Total capital ratio (%)	19.2	18.9	1.6

¹ This information includes the consolidated profit attributable to Commerzbank shareholders for regulatory purposes.

² Includes settlement and delivery risks.

³ 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.

	30.9.2023	31.12.2022	Change in %
Leverage Ratio Exposure (€bn)	586	548	7.0
Leverage Ratio (%)	4.9	4.9	-1.3

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

	30.9.2023	31.12.2022	Change in %
NPE-ratio (%)	1.0	1.1	-13.5

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.-30.9.2023 €m	Private and Small Business Customers	Corporate Clients	Others and Consolidation	Group
Net interest income	3,369	2,038	835	6,242
Dividend income	11	3	-1	12
Risk result	-271	-119	23	-367
Net commission income	1,638	983	-34	2,587
Net income from financial assets and liabilities measured at fair value through profit or loss	-144	389	-402	-157
Net income from hedge accounting	2	-2	-1	-1
Other net income from financial instruments	-16	-1	94	77
Current net income from companies accounted for using the equity method	-1	4	0	3
Other net income	-688	-38	14	-712
Income before risk result	4,171	3,375	505	8,052
Income after risk result	3,901	3,257	528	7,685
Operating expenses	2,592	1,551	307	4,449
Compulsory contributions	246	72	39	357
Operating profit or loss	1,063	1,634	182	2,879
Restructuring expenses	-	-	14	14
Pre-tax profit or loss	1,063	1,634	168	2,865
Assets	176,152	139,461	194,272	509,885
Liabilities	215,969	170,727	123,190	509,885
Carrying amount of companies accounted for using the equity method	20	134	-	153
Average capital employed (based on CET1)¹	6,784	10,474	7,451	24,708
Operating return on equity (based on CET1) (%)²	20.9	20.8		15.5
Cost/income ratio in operating business (excl. compulsory contributions) (%)	62.1	45.9		55.3
Cost/income ratio in operating business (incl. compulsory contributions) (%)	68.0	48.1		59.7

¹ Average CET1 capital. Reconciliation carried out in Others and Consolidation.

² Annualised.

1.1.-30.9.2022 €m ¹	Private and Small Business Customers	Corporate Clients	Others and Consolidation	Group
Net interest income	2,816	1,435	250	4,500
Dividend income	17	3	0	21
Risk result	-251	-325	-78	-654
Net commission income	1,761	990	-37	2,714
Net income from financial assets and liabilities measured at fair value through profit or loss	-30	386	237	594
Net income from hedge accounting	-12	-17	-51	-80
Other net income from financial instruments	-280	-7	5	-282
Current net income from companies accounted for using the equity method	2	7	-0	9
Other net income	-476	32	67	-377
Income before risk result	3,798	2,829	471	7,098
Income after risk result	3,547	2,504	393	6,444
Operating expenses	2,470	1,533	288	4,291
Compulsory contributions	401	118	63	583
Operating profit or loss	676	853	42	1,571
Restructuring expenses	-	-	54	54
Pre-tax profit or loss	676	853	-12	1,517
Assets	169,140	144,601	221,904	535,645
Liabilities	206,146	173,605	155,894	535,645
Carrying amount of companies accounted for using the equity method	28	156	-	184
Average capital employed (based on CET1)²	6,740	9,992	7,233	23,965
Operating return on equity (based on CET1) (%)³	13.4	11.4	8.7	8.7
Cost/income ratio in operating business (excl. compulsory contributions) (%)	65.0	54.2	60.4	60.4
Cost/income ratio in operating business (incl. compulsory contributions) (%)	75.6	58.3	68.7	68.7

¹ Prior-year figures adjusted due to restatements (see adjustments in accordance with IAS 8 and note 4 in the Annual Report 2022).

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, Luxembourg, Madrid, Milan, New York, Paris, Prague, Shanghai, Singapore, Tokyo, Vienna, Zurich

Representative Offices and Financial Institutions Desks

Abidjan, Addis Abeba, Almaty, Ashgabat, Bangkok, Beijing (FI Desk), Beirut, Brussels (Liaison Office to the European Union), Buenos Aires, Cairo, Caracas, 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 information 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

15 February 2024	Annual Results Press Conference
Mid-March 2024	Annual Report 2023
30 April 2024	Annual General Meeting
15 May 2024	Interim financial information as at 31 March 2024
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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