

Press Release

For business editors

28 July 2023

EBA stress test proves Commerzbank's high resilience

- **CET 1 ratio of 9.5% (2021: 8.2%) in the adverse scenario, despite significantly tougher assumptions**
- **Stress effect reduced to 464 basis points**
- **Chief Risk Officer Marcus Chromik: "Through our 'Strategy 2024', we have sustainably strengthened the Bank's profitability and thus improved our resilience even further."**

In this year's stress test conducted by the European Banking Authority (EBA) and the European Central Bank (ECB), Commerzbank has once again demonstrated its resilience and has significantly improved its results despite further tightened conditions. In the so-called adverse stress test scenario, which simulates a severe economic crisis, the Common Equity Tier 1 ratio (CET1 ratio) reaches 9.5% at the end of the stress test horizon in 2025. In light of further tightened assumptions, for example regarding a massive and long economic downturn in Germany and an environment of sharply rising interest rates, Commerzbank's CET1 ratio decreased by 464 basis points over the stress period. In the 2021 stress test, the CET1 ratio had fallen by 502 basis points to 8.2%.

"Through our 'Strategy 2024', we have sustainably strengthened the Bank's profitability and thus improved our resilience even further. This is now also evident in the EBA stress test. Despite massively tightened scenarios, we have significantly improved our results this year," said Marcus Chromik, Chief Risk Officer. "Thanks to our very healthy risk profile and increased profitability, we are now even better prepared to buffer extraordinary burdens and crises to protect our capital base. For our customers, this means that they can rely on us even in challenging environments. In recent years, we have already demonstrated this during times of real stress such as the Covid-19 pandemic and the consequences of the Russia-Ukraine war."

For Germany, the adverse scenario is based on an exceptionally strong recession with high unemployment, sharply rising inflation, and significant interest rate hikes, which lead to a cumulative decline in the gross domestic product of 6.4% (stress test 2021: -3.9%, stress test 2018: -3.3%). In the baseline scenario of this year's EBA exercise, which is based on the economic forecasts of the national central banks in Europe and assumes at least slight economic growth for both 2024 and 2025, Commerzbank's CET1 ratio is up to 15.2% in 2025.

The stress test is based on Commerzbank's CET1 ratio of 14.1% at the end of the financial year on 31 December 2022. By the end of March 2023, it had increased to 14.2%.

The stress test assumed a static balance sheet based on the 2022 financial year and therefore did not take account of any current or future business strategies and management initiatives. It is also

not a forecast of Commerzbank's profits. The results of the stress test feed into the Supervisory Review and Evaluation Process (SREP).

You can find more information on the publication of the EBA on 28 July 2023 [here](#).

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About Commerzbank

Commerzbank is the leading bank for the German Mittelstand and a strong partner for around 26,000 corporate client groups and almost 11 million private and small-business customers in Germany. The Bank's two Business Segments – Private and Small-Business Customers and Corporate Clients – offer a comprehensive portfolio of financial services. Commerzbank transacts approximately 30 per cent of Germany's foreign trade and is present internationally in almost 40 countries in the corporate clients' business. The Bank focusses on the German Mittelstand, large corporates, and institutional clients. As part of its international business, Commerzbank supports clients with German connectivity and companies operating in selected future-oriented industries. In the Private and Small-Business Customers segment, the Bank is at the side of its customers with its brands Commerzbank and comdirect: online and mobile, in the advisory centre, and personally in its branches. Its Polish subsidiary mBank S.A. is an innovative digital bank that serves approximately 5.7 million private and corporate customers, predominantly in Poland, as well as in the Czech Republic and Slovakia.

Disclaimer

This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts. In this release, these statements concern inter alia the expected future business of Commerzbank, efficiency gains and expected synergies, expected growth prospects and other opportunities for an increase in value of Commerzbank as well as expected future financial results, restructuring costs and other financial developments and information. These forward-looking statements are based on the management's current plans, expectations, estimates and projections. They are subject to a number of assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from any future results and developments expressed or implied by such forward-looking statements. Such factors include the conditions in the financial markets in Germany, in Europe, in the USA and other regions from which Commerzbank derives a substantial portion of its

revenues and in which Commerzbank holds a substantial portion of its assets, the development of asset prices and market volatility, especially due to the ongoing European debt crisis, potential defaults of borrowers or trading counterparties, the implementation of its strategic initiatives to improve its business model, the reliability of its risk management policies, procedures and methods, risks arising as a result of regulatory change and other risks. Forward-looking statements therefore speak only as of the date they are made. Commerzbank has no obligation to update or release any revisions to the forward-looking statements contained in this release to reflect events or circumstances after the date of this release.