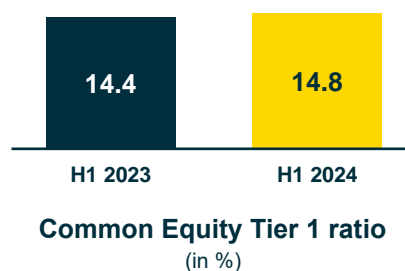
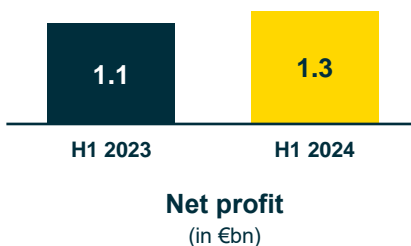
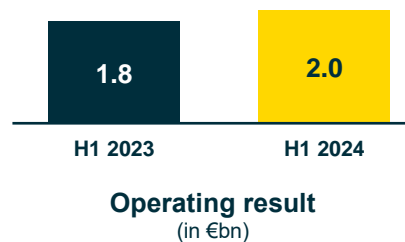
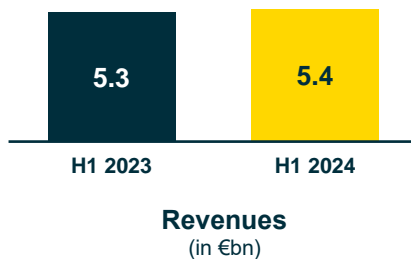


Press Release

7 August 2024

Commerzbank with best half-year in 15 years – outlook confirmed

- Operating result up by 11% to €2.0 billion in H1 – at €870 million in Q2 (Q2 2023: €888 million)
- Half-year profit up by 12% to €1.3 billion – net profit at €538 million in Q2 (Q2 2023: €565 million)
- Q2 revenues improved to €2.7 billion with strong contributions from customer business (Q2 2023: €2.6 billion)
- Q2 net commission income improved by 5% to €879 million – net interest income at €2.1 billion (Q2 2023: €2.1 billion)
- Costs reduced by 2% to €3.2 billion in H1 (H1 2023: €3.3 billion) – cost-income ratio at 59% (H1 2023: 61%)
- Q2 risk result stable with minus €199 million (Q2 2023: minus €208 million)
- CET1 ratio at 14.8% after consolidation of acquisition (H1 2023: 14.4%)
- Net profit for full year 2024 still targeted to be higher than 2023
- Third share buyback: applied for approval of first tranche totalling €600 million to ECB and German Finance Agency



“Our customer business continues to develop positively. The first half of the year was our best in 15 years. Companies increasingly requested investment loans and private customers had been more active in the securities business. That’s good news for Commerzbank.”

Manfred Knof, CEO

“Our very good business performance and comfortable CET1 ratio are encouraging us in our intention to return more and more capital to our shareholders. We have applied to the ECB and the German Finance Agency for a third share buyback.”

Bettina Orlopp, CFO

Commerzbank continued its upward trend. Driven by strong customer business, revenues increased further in all customer segments in the second quarter. In total, the operating result improved by 11% to around €2.0 billion in the first six months. The Bank earned around €1.3 billion, achieving its highest half-year profit in 15 years – despite burdens in Poland and Russia. In the first half of the year, costs decreased, and the cost-income ratio improved to 59%. The quality of the loan book continues to be high, and the risk result remained stable.

In the second quarter Commerzbank made further progress in the implementation of its strategic plan until 2027: in June, the Bank successfully completed the acquisition of a majority stake in Aquila Capital Investmentgesellschaft, expanding its sustainable asset management services. From the second half of the year, the acquisition will make a positive contribution to the Bank's revenues. The "Sustainable Asset Management" product line of Commerzbank, which factors in particularly strict Environment, Social, and Governance (ESG) criteria when making investment decisions, reached an important milestone in May: the volume of assets under management exceeded the €1 billion threshold for the first time, supported by continued new client growth.

The Bank also made further progress in the digitalisation of its product and service offering. Customer satisfaction is increasing, as demonstrated by several awards granted in the second quarter: "FINANCE magazine" recognised Commerzbank as the bank with the strongest ties to the German Mittelstand and as the leading bank in the digitalisation of its corporate client business. For example, clients can now easily manage their term deposits online. This means, companies are now able to independently invest or extend their call and term deposits via the Corporate Clients portal. As a result, in the first half of 2024, the number of online term deposits increased more than twofold compared to the same period last year. The range of services offered in the Private and Small-Business Customers segment achieved top scores in the comparative study "Digital Service 2024" by "FOCUS MONEY", here Commerzbank was recognised as the best branch based bank and comdirect as the best direct bank. In May, Commerz Globalpay GmbH, the joint venture between Commerzbank and Global Payments, was launched. Commerz Globalpay GmbH offers modern digital payment products for small-business customers. The smartphone-based app "GP tom" enables mobile payments without an additional card reader.

"Our customer business continues to develop positively. The first half of the year was our best in 15 years. Companies increasingly requested investment loans and private customers had been more active in the securities business. That's good news for Commerzbank," said Commerzbank CEO Manfred Knof. "With our diversified, customer-driven business model and improved earnings power, we are also able to fully cover burdens outside of the ongoing business."

Business performance in the second quarter: Strong customer business compensates for burdens

Growth in the Bank's customer business continued to be strong despite new provisions totalling €395 million and revenues increased to €2,668 million (Q2 2023: €2,629 million). In addition to the "Credit Holidays" and legal risks from foreign currency (FX) loans at mBank in Poland, also a court case in Russia caused burdens. Although the European Central Bank (ECB) cut the key interest rate by 25 basis points in June, net interest income fell only slightly to €2,078 million in the second quarter due to the continued growth in deposits (Q2 2023: €2,130 million). Net commission income increased by around 5% to €879 million (Q2 2023: €841 million). This puts the Bank on track to achieve its target of 4% growth in net commission income for the full year.

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At €1,599 million in the second quarter, the Bank's costs were on target (Q2 2023: €1,533 million). Compulsory contributions rose slightly to €75 million (Q2 2023: €52 million). While the European bank levy was lower than in the previous year, contributions to the Deposit Insurance Fund increased due to the rise in covered deposits. Operating expenses were also slightly higher in the second quarter at €1,524 million (Q2 2023: €1,481 million). The main drivers were increased costs at mBank due to investments for future business growth and foreign currency effects. General salary increases were partially offset by active cost management. The cost-income ratio was at 60% (Q2 2023: 58%). In the first half of 2024, Commerzbank reduced its costs by 2% to €3,187 million (H1 2023: €3,257 million); the cost-income ratio improved to 59% (H1 2023: 61%).

Commerzbank's risk result remained stable at minus €199 million despite the continued challenging economic environment (Q2 2023: minus €208 million). As at the beginning of the year, the figures were mainly influenced by single cases, which demonstrates the overall high quality of the loan book. The non-performing exposure ratio (NPE ratio) remained stable at just 0.8% (Q1 2024: 0.8%). After reduction of Top-Level Adjustment (TLA), the Bank now has €336 million (Q1 2024: €423 million) available for expected secondary effects from geopolitical crises and uncertainties due to inflation and the impact of the current restrictive monetary policy.

Commerzbank's operating result totalled €870 million in the second quarter (Q2 2023: €888 million). For the first half of the year, this represents an increase of 11% to €1,954 million (H1 2023: €1,764 million). Net profit after taxes and minority interests totalled €538 million in the second quarter (Q2 2023: €565 million). In the first six months of the year net profit improved by 12% to €1,285 million (H1 2023: €1,145 million) – the best result in 15 years.

The Common Equity Tier 1 ratio (CET1 ratio) was 14.8% as of 30 June 2024 (30 June 2023: 14.4%, 31 March 2024: 14.9%) including the acquisition of the majority stake in Aquila Capital Investmentgesellschaft, which was finalised in June. Commerzbank continues to have a very comfortable buffer of 442 basis points to the regulatory minimum requirement (MDA threshold), which currently is around 10.3%. The return on tangible equity (RoTE) was 7.3% in the second quarter (Q2 2023: 7.9%) and 8.9% overall in the first half of the year (H1 2023: 8.1%). The Bank is making good progress in achieving its target of at least 8% for the full year 2024.

“We are on track to achieve our targets for 2024. Our very good business performance and comfortable CET1 ratio are encouraging us in our intention to return more and more capital to our shareholders,” said CFO Bettina Orlopp. “We have applied to the ECB and the German Finance Agency for a third share buyback with a first tranche totalling €600 million.”

Segment development: Credit demand in the Corporate Clients segment is picking up

The Corporate Clients segment continued its strong business performance in the second quarter. Revenues increased by around 6% to €1,199 million (Q2 2023: €1,127 million). The segment's success was once again based on a broad foundation: all client groups contributed to the strong result. After the challenging economic environment had dampened loan demand in recent quarters, the lending volume of the Corporate Clients segment rose to €99 billion in the second quarter (Q2 2023: €94 billion; Q1 2024: €96 billion). Demand for investment loans in particular picked up again. As expected, net interest income fell slightly to €678 million (Q2 2023: €696 million) because of the rising deposit beta against the backdrop of stable volumes, while net commission income increased by around 3% to €330 million (Q2 2023: €321 million).

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At minus €121 million, the risk result was lower (Q2 2023: minus €169 million). The cost-income ratio improved further to 44% (Q2 2023: 45%). The segment's operating result increased by around 22% to €551 million in the second quarter (Q2 2023: €450 million). The half-year result also increased significantly to €1,211 million (H1 2023: €992 million).

The Private and Small-Business Customers segment in Germany generated revenues of €1,067 million in the second quarter (Q2 2023: €1,050 million). Supported by the segment's strong deposit business, net interest income rose slightly to €581 million (Q2 2023: €571 million). The segment benefited from the adjustment of the deposit models (replication portfolio) at the end of last year. Compared to the previous quarter, the inflows in call money partially offset the increased deposit beta. Additionally, early repayments of mortgage loans and the day count effect, which are neutral at Group level, led to lower net interest income. Overall, net interest income declined compared to the previous quarter (Q1 2024: €661 million). Net commission income increased significantly in the second quarter, improving by around 5% to €475 million (Q2 2023: €450 million). This was largely driven by the strong securities business. The volume of securities and the number of transactions both increased. Overall, the segment's operating result in Germany improved by 4% to €311 million (Q2 2023: €299 million).

In Germany, the securities volume of our customers rose by a further €3 billion in the second quarter to €233 billion at the end of June (end of March: €230 billion). The net new money totalled €1.1 billion. The segment's deposit volume increased to a quarterly average of €174 billion (Q1 2024: €166 billion). This was mainly due to the inflow of call money as a result of continued attractive offers, while the shift from sight deposits to interest-bearing products slowed. The lending volume was stable at €125 billion (Q1 2024: €125 billion). At €96 billion, the volume of mortgage loans also remained almost stable on the previous quarter (Q1 2024: €95 billion). New business in the second quarter exceeded last year's figure by 23%. Coming from low levels, Commerzbank's growth in mortgage business was above the market average.

The Polish subsidiary mBank continued its excellent development. Revenues increased by more than 80% to €413 million in the second quarter (Q2 2023: €226 million). Despite further burdens from provisions for legal risks from FX loans and the "Credit Holidays" totalling €300 million, mBank contributed €147 million (Q2 2023: minus €14 million) to the operating result. Both net interest income and net commission income continued to grow in the second quarter. Fuelled by the strong deposit business, net interest income increased to €596 million (Q2 2023: €547 million). Driven by strong customer business and currency effects, net commission income rose by around 9% to €87 million (Q2 2023: €80 million). Without the special burdens, the operating result would have climbed to a new record of €447 million in the second quarter (Q2 2023: €335 million).

Outlook: Targets for 2024 confirmed

Following the strong first half of the year, Commerzbank is confirming its targets for the financial year 2024: the Bank is still aiming for a net profit above the previous year, subject to the future development of burdens from Russia and FX loans at mBank. The Bank continues to target a net interest income of around €8.1 billion with upside potential for the full year 2024. The target for net commission income growth remains unchanged at 4%. Commerzbank targets a cost-income ratio of around 60%. It targets for a risk result below minus €800 million for the full year assuming usage of TLA. The CET1 ratio will be higher than 14%.

In accordance with its capital return policy, Commerzbank plans to return at least 70% of its profit for the current financial year to its shareholders, but no more than the net profit after deduction of AT1 coupon

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payments. The Bank will continue to rely on a combination of dividend payments and share buybacks. Based on the half-year results, the Bank has applied to the ECB and the German Finance Agency for a further share buyback with a first tranche totalling €600 million. The Bank plans to apply for a second tranche on the basis of the third-quarter results.

Financial figures at a glance

in €m	Q2 2024	Q2 2023	Q2 24 vs. Q2 23 (in %)	Q1 2024	H1 2024	H1 2023	H1 24 vs. H1 23 (in %)
Net interest income	2,078	2,130	-2.4	2,126	4,204	4,076	+3.1
Net commission income	879	841	+4.5	920	1,799	1,756	+2.4
Net fair value result ¹	-4	-17	+75.8	-53	-58	-90	+35.8
Other income	-284	-324	+12.2	-246	-530	-446	-18.9
Total revenues	2,668	2,629	+1.5	2,747	5,415	5,297	+2.2
<i>Revenues excl. exceptional items</i>	<i>2,815</i>	<i>2,621</i>	<i>+7.4</i>	<i>2,719</i>	<i>5,534</i>	<i>5,276</i>	<i>+4.9</i>
Risk result	-199	-208	-4.4	-76	-274	-276	-0.7
Operating expenses	1,524	1,481	+2.9	1,496	3,021	2,945	+2.6
Compulsory contributions	75	52	+43.3	91	166	312	-46.8
Operating profit or loss	870	888	-2.0	1,084	1,954	1,764	+10.8
Restructuring costs	1	4	-65.3	1	2	8	-76.6
Pre-tax profit or loss	869	885	-1.8	1,083	1,953	1,756	+11.2
Taxes	289	338	-14.7	322	611	617	-1.1
Minorities	42	-19		14	57	-6	
Consolidated profit or loss²	538	565	-4.8	747	1,285	1,145	+12.2
Cost-income ratio in operating business excl. compulsory contributions (%)	57.1	56.3		54.5	55.8	55.6	
Cost-income ratio in operating business incl. compulsory contributions (%)	59.9	58.3		57.8	58.8	61.5	
Operating RoTE (%)	11.3	11.8		14.1	12.7	11.8	
Net RoTE (%) ³	7.3	7.9		10.5	8.9	8.1	
Net RoE (%)	7.1	7.6		10.1	8.6	7.8	
CET1 ratio (%) ³	14.8	14.4		14.9	14.8	14.4	
Leverage ratio	4.5	4.9		4.6	4.5	4.9	
Total assets (€bn)	560	502		552	560	502	

¹ Net income from financial assets and liabilities measured at fair value through profit and loss.

² Net profit attributable to Commerzbank shareholders and investors in additional equity components.

³ 2023 reduced by pay-out accrual and potential (fully discretionary) AT1 coupons – 2024 excluding net profit.

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Journalists can dial in to the press conference call on the results of the second quarter, which begins at 10.30 a.m. CET today using the telephone number +49 30 233225775. From 9.00 a.m. CET, you can also follow the conference call for analysts in English live at <https://www.webcast-egs.com/registration/commerzbank-2024-q2>. The financial publications and the recording of the conference call for analysts are available at <https://investor-relations.commerzbank.com/quarterly-results/>.

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About Commerzbank

Commerzbank is the leading bank for the German Mittelstand and a strong partner for around 25,500 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% of Germany's foreign trade and is present internationally in more than 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 a business relationship to Germany, Austria, or Switzerland 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.

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