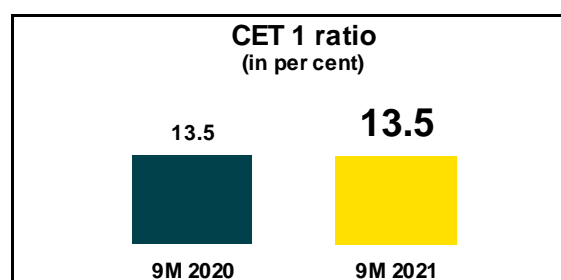
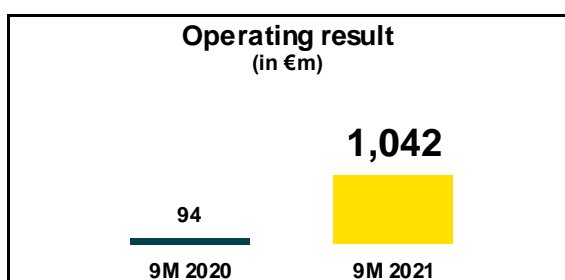
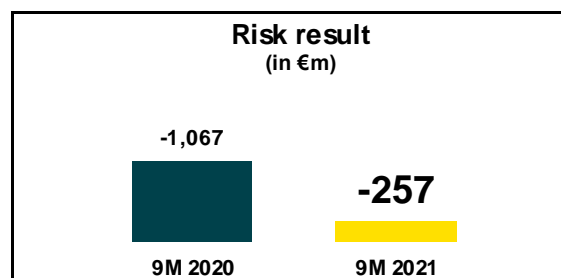
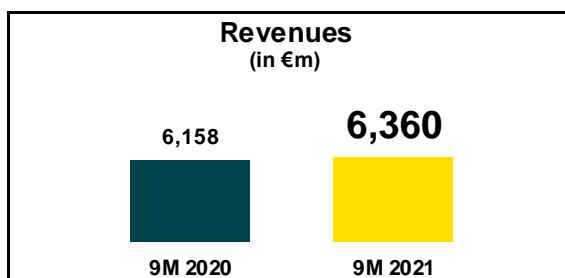


Press Release

For business editors
4 November 2021

Commerzbank with operating result of more than €1bn after nine months – Positive net result expected for the full year

- Strong third quarter with operating result of €472m and net result of €403m
- Revenues after nine months at €6.36bn (9M 2020: €6.16bn)
- Risk result of minus €257m (9M 2020: minus €1.1bn)
- Net result of €9m after nine months despite restructuring expenses of €1.05bn (9M 2020: minus €168m)
- Comfortable capital base with Common Equity Tier 1 ratio of 13.5%



“The implementation of our strategy is proceeding according to plan and the operating business is also developing well. Despite the restructuring expenses, we are anticipating a positive net result for the full year.”

Manfred Knof, CEO

“The figures for the third quarter are very encouraging. We achieved solid revenues while risk provisions remained at a low level, and we have our costs under control. Our capital ratio stays strong. This progress is giving us a tailwind.”

Bettina Orlopp, CFO

After a strong third quarter, Commerzbank expects a positive net result for the full year. The operating result for the third quarter amounted to €472 million and has consequently increased almost threefold compared with the previous-year quarter. Over the first nine months, the Bank generated an operating profit of more than €1 billion. With a Common Equity Tier 1 ratio (CET 1 ratio) of 13.5%, the Bank continues to have a solid foundation for the transformation.

Commerzbank made further progress in implementing its “Strategy 2024”, most importantly with the transformation to become a digital advisory bank. In October, the first centralised advisory centres started operating. By the end of the year, around 750,000 customers from closed branches are to receive advisory services from the three locations in Berlin, Quickborn, and Düsseldorf. A digital signature was launched in the Corporate Clients segment and is now being gradually expanded. Furthermore, Commerzbank was recently awarded the title of Germany’s most secure online bank.

Commerzbank confirmed its strong customer focus, being ranked once again as the leading trade finance bank for German companies. The Bank also continued to make progress with its sustainability targets. New business for green mortgage loans amounted to around €1.2 billion in the third quarter, meaning that they accounted for more than one quarter of business volume for new mortgages.

The Bank consistently pursued the strategic goal of higher profitability and achieved additional milestones in this process. After the successful implementation of the voluntary programme, more than half of the necessary personnel reduction has already been achieved in a socially responsible way. On the journey to a sustainably profitable bank, around 10,000 full-time positions are to be cut by 2024. In order to cushion the effects of the low-interest environment, the Bank reduced the allowance for pricing of high deposits from €100,000 to €50,000.

“The implementation of our strategy is proceeding according to plan and the operating business is also developing well. Despite the restructuring expenses, we are anticipating a positive net result for the full year,” said Manfred Knof, Chairman of the Board of Managing Directors of Commerzbank.

In the third quarter, Commerzbank generated solid revenues amounting to €2,006 million (Q3 2020: €2,033 million). Underlying net commission income rose by around 7% to €873 million. The main factors contributing to this were the securities business of Private and Small-Business Customers as well as the trade finance and payments businesses of Corporate Clients. Underlying net interest income decreased to €1,146 million (Q3 2020: €1,226 million). However, in the Private Customers business in Germany, net interest income increased by more than 2%, as higher contributions from lending business and the expansion of pricing for high deposits had a positive effect.

In the third quarter, the risk result of only minus €22 million was at a significantly lower level than in the previous year (Q3 2020: minus €272 million). The ratio of non-performing exposure (NPE ratio) remained unchanged at the low level of 0.8% (end of June 2021: 0.8%). Both values confirm the high quality of the Bank's loan portfolio. The additional provision booked for the expected effects of the coronavirus pandemic in the past year – the top-level adjustment – amounted to €496 million at the end of September. Overall, it remained on an almost unchanged level in comparison with the previous quarter.

The Bank reduced total costs in the third quarter by around 5% year-on-year. In the first nine months, the costs amounted to €5,061 million (9M 2020: €4,996 million). These included a one-time write-off in the second quarter for the termination of the outsourcing project for securities settlement amounting to €200 million. Despite additional investments in digitalisation, IT, infrastructure and regulatory issues, the Bank managed to reduce operating costs, excluding the one-time write-off, by 2% to €4.458 billion in the first nine months. The compulsory contributions at €402 million were also lower year-on-year (9M 2020: €445 million).

The operating profit went up in the third quarter to €472 million (Q3 2020: €168 million). After deduction of restructuring expenses totalling €76 million and after taxes and minority interests, the consolidated profit attributable to Commerzbank shareholders amounted to €403 million (Q3 2020: minus €60 million).

The Common Equity Tier 1 ratio (CET 1 ratio) increased slightly and was 13.5% at the end of September 2021 (end of June 2021: 13.4%). The buffer to the regulatory requirement (MDA threshold) of currently 9.4 % increased to around 410 basis points. At the end of September, the risk-weighted assets came down to around €175 billion (end of June 2021: €178 billion). RWA efficiency continued to improve.

“The figures for the third quarter are very encouraging. We achieved solid revenues while risk provisions remained at a low level, and we have our costs under control. Our capital ratio stays strong. This progress is giving us a tailwind,” commented Bettina Orlopp, Chief Financial Officer of Commerzbank.

Development of the segments

The Private and Small-Business Customers segment posted further growth in loans and securities in the third quarter. The year-on-year volume in Germany increased further, by around 20% to the current total of €325 billion. The growth in securities of around €3.6 billion compared with the previous quarter was almost entirely attributable to inflows of €3 billion net new money. The development of the mortgage business continued to be strong and grew by 7% to around €90 billion year-on-year. As a result of this, the loan volume increased by more than €2 billion to

€119 billion compared with the previous quarter. The introduction of pricing on high deposits continued. Private customer deposits amounting to €16 billion have already been priced.

Overall, the Private and Small-Business Customers segment succeeded in increasing its underlying revenues by 5% to €1,219 million (Q3 2020: €1,163 million) in the third quarter. Business with private customers in Germany posted a year-on-year increase in revenues of 8% in the third quarter. Additional provisions of mBank amounting to €95 million for the Swiss francs loan portfolio had a negative impact. Supported by a risk result of €1 million, the operating result for the segment increased to €299 million in the third quarter (Q3 2020: €83 million).

In the Corporate Clients segment, underlying revenues in the third quarter decreased to €766 million (Q3 2020: €794 million) in line with the strategic realignment. While the Mittelstand and Institutionals divisions succeeded in slightly increasing their underlying revenues, they slightly decreased in the International Corporates division. Overall, the segment improved its operating profit to €221 million (Q3 2020: €73 million). In addition to lower costs, the segment benefited from a low risk result of minus €29 million (Q3 2020: minus €120 million). The segment's risk-weighted assets (RWA) came down by €14 billion year-on-year and amounted to €79.5 billion at the end of September.

Outlook

The outlook for the full year continued to improve in the third quarter. Revenues in the full year 2021 will exceed the previous year's. The Bank is targeting operational costs of around €6.5 billion. The one-time write-off of €200 million in the second quarter is in addition to this. The Bank is now expecting a risk result of less than €700 million. Overall, the Bank expects a positive operating result and a net profit for the full year. The Common Equity Tier 1 ratio is expected to be around 13.5% at year end – well above the targeted buffer of 200 to 250 basis points above MDA. The expectations are based on the assumption that there will be no fundamental change affecting the Swiss francs loan portfolio at mBank.

Financial figures at a glance

in €m	Q3 2021	Q3 2020	Q3 21 vs Q3 20 in %	Q2 2021	9M 2021	9M 2020	9M 21 vs 9M 20 in %
Net interest income	1,122	1,226	-8.5	1,173	3,549	3,824	-7.2
Net commission income	889	812	+9.5	852	2,692	2,481	+8.5
Net fair-value result*	160	25	-	125	645	-116	-
Other income	-165	-30	-	-288	-527	-30	-
Revenues	2,006	2,033	-1.3	1,862	6,360	6,158	+3.3
<i>Revenues excl. exceptional items</i>	<i>2,018</i>	<i>2,095</i>	<i>-3.7</i>	<i>1,884</i>	<i>6,210</i>	<i>6,397</i>	<i>-2.9</i>
Risk result	-22	-272	-	-87	-257	-1,067	-
Operating expenses	1,485	1,521	-2.4	1,704	4,658	4,551	+2.4
Compulsory contributions	27	72	-61.8	39	402	445	-9.6
Operating profit or loss	472	168	-	32	1,042	94	-
Restructuring charges	76	201	-62.0	511	1,052	201	-
Pre-tax profit or loss (Discontinued Operations)	-	-11	-	-	-	40	-
Pre-tax profit or loss (Group)	396	-43	-	-478	-10	-67	-
Taxes	-6	3	-	40	-49	65	-
Minorities	-1	15	-	8	30	36	-15.6
Consolidated profit or loss**	403	-60	-	-527	9	-168	-
Cost-income ratio in operating business excl. compulsory contributions (%)	74.0	74.8	-	91.5	73.2	73.9	-
Cost-income ratio in operating business incl. compulsory contributions (%)	75.4	78.3	-	93.6	79.6	81.1	-
Operating RoTE (%)	6.6	2.3	-	0.5	4.9	0.4	-
Net RoTE (%)***	5.8	-1.5	-	-9.3	-0.7	-1.2	-

in €m	Q3 2021	Q3 2020	Q3 21 vs Q3 20 in %	Q2 2021	9M 2021	9M 2020	9M 21 vs 9M 20 in %
Net RoE (%)***	5.6	-1.3	-	-8.9	-0.7	-1.1	-
CET 1 ratio (%)***	13.5	13.5	-	13.4	13.5	13.5	-
Leverage ratio	4.6	4.9	-	4.6	4.6	4.9	-
Total assets (€bn)	541	544	-0.5	544	541	544	-0.5

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

** Consolidated profit or loss attributable to Commerzbank shareholders and investors in additional equity components.

*** Reduced by potential dividend accrual and potential (fully discretionary) AT 1 coupons.

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About Commerzbank

Commerzbank is the leading bank for the German Mittelstand and a strong partner for around 30,000 corporate client groups and around 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. Following the integration of Comdirect, private and small-business customers benefit from the services offered by one of Germany's most advanced online banks combined with personal advisory support on site. Its Polish subsidiary mBank S.A. is an innovative digital bank that serves approximately 5.5 million private and corporate customers, predominantly in Poland, but also in the Czech Republic and Slovakia. In 2020, Commerzbank generated gross revenues of some €8.2 billion with almost 48,000 employees.

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.