Creditreform Bank Rating
Commerzbank AG (Group)

Creditreform Rating

Rating Object	Rating Information	
Commerzbank AG (Group) Creditreform ID: 6070065784	Long Term Issuer Rating / Outlook: **A / stable** Type: Update / Unsolicited	Short Term: **L2**
Rating Date: **20 June 2024** Monitoring until: withdrawal of the rating Rating Methodology: CRA “Bank Ratings v.3.3” CRA “Rating of Bank Capital and Unsecured Debt Instruments v.2.2” CRA “Environmental, Social and Governance Score for Banks v.1.1” CRA “Rating Criteria and Definitions v.1.3” Rating History: www.creditreform-rating.de	Rating of Bank Capital and Unsecured Debt Instruments: Preferred Senior Unsecured (PSU): Non-Preferred Senior Unsecured (NPS): Tier 2 (T2): Additional Tier 1 (AT1):	 **A** **A-** **BBB** **BB+**

Rating Action

Creditreform Rating upgrades Commerzbank AG’s (Group) Long-Term Issuer Rating to A (Outlook: stable)

Creditreform Rating (CRA) upgrades Commerzbank AG’s (Group) Long-Term Issuer Rating to A. The rating outlook is stable.

CRA upgrades Commerzbank AG’s Preferred Senior Unsecured Debt to A, Non-Preferred Senior Unsecured Debt to A-, Tier 2 Capital to BBB and AT1 Capital to BB+.

Please find a complete list of rating actions regarding the bank at the end of this rating update.

Key Rating Drivers

- One of Germany's leading major banks with a diversified business model and broad customer base as well as market leader in German SME financing
- The "Strategy 2024", which focused on restructuring the organizational structure and digitalization, was successfully implemented and is now being systematically continued as part of the "Strategy 2027"
- Significant improvement in profitability due to increased interest income, which is attributable to the changed interest rate environment
- Asset quality remains very good
- The capital ratios improved only slightly and are still more in the average range
- Excellent start to the 2024 financial year with the highest quarterly result in the last ten years

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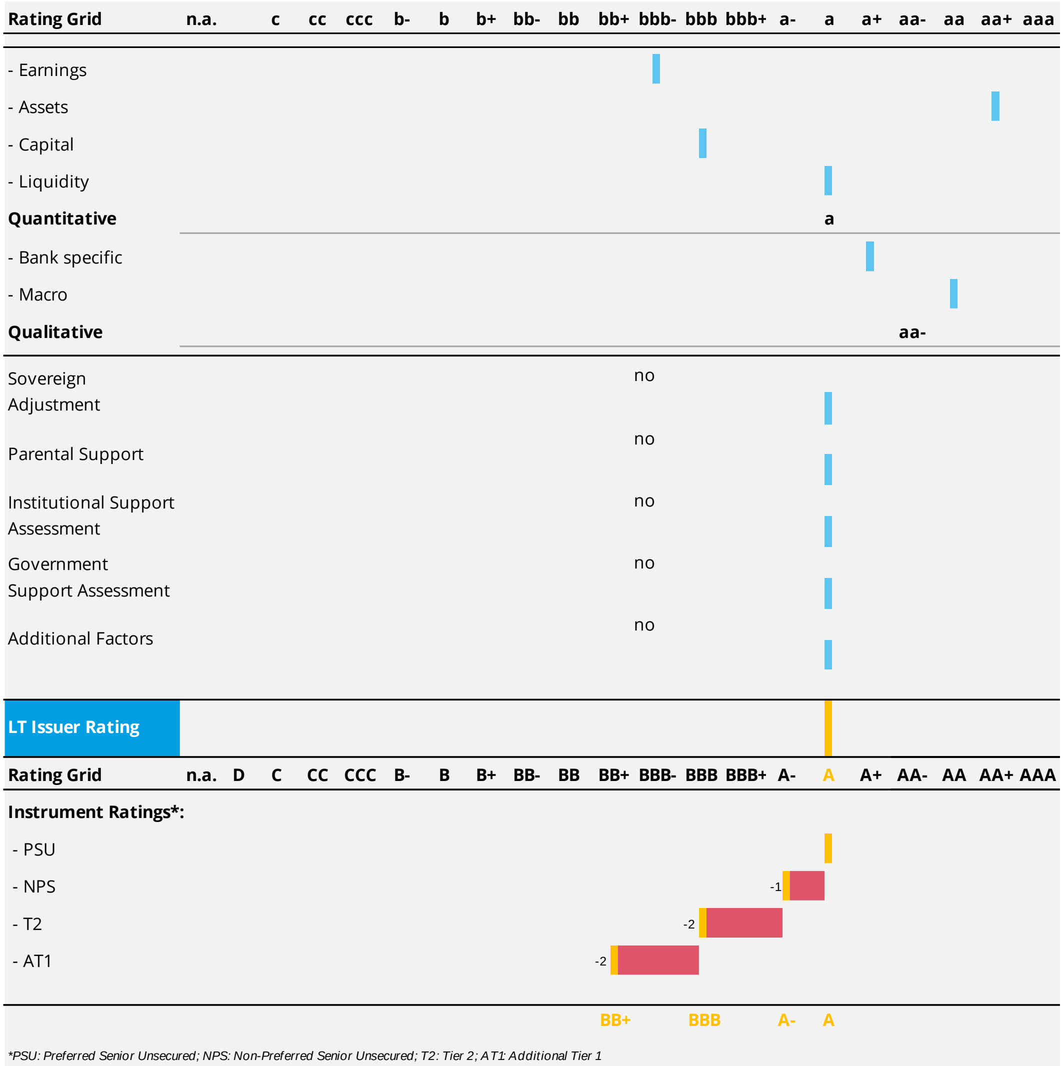
Executive Summary



The rating of Commerzbank AG (in the following: Commerzbank) is prepared on the basis of group consolidated accounts.

The Long-Term Issuer Rating and all Debt and Bank Capital Ratings of Commerzbank are upgraded by one notch (except Tier 2: +2 notch) each.

The upgrade of the LT Issuer Rating of Commerzbank and the associated ratings of Bank Capital and Unsecured Debt reflects the successful implementation of Strategy 2024 and the already adopted ambitious Strategy 2027. The 2023 financial year and especially the record start to the 2024 financial year show that Commerzbank's ambitious targets are achievable. The uninterrupted growth in lending and the improved interest rate conditions underpin our view that Commerzbank can achieve its targets. These developments, together with continued very good asset quality and virtually unchanged capital ratios, form the basis for the rating upgrade.

Company Overview

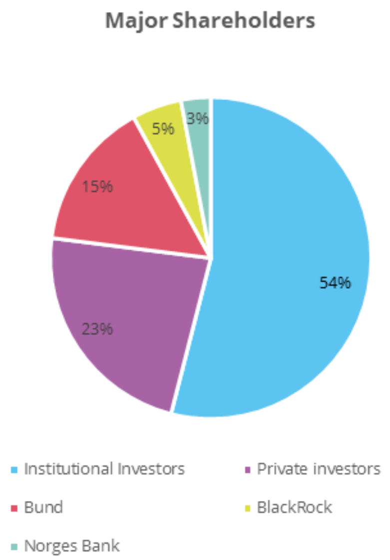
Commerzbank AG (hereinafter referred to as Commerzbank or the bank) and is one of the largest banks in Germany in terms of total assets. With around 11mn private and corporate customers and around 26k corporate customers, Commerzbank is one of the leading banks for private customers. Commerzbank is also active in Poland, the Czech Republic and Slovakia through its Polish subsidiary mBank, which has around 5.7mn private and corporate customers.

Commerzbank focuses on German SME financing, large companies and institutional clients. Following the merger of comdirect Bank AG into Commerzbank AG in 2020, Commerz Real AG is the most important domestic subsidiary. In international business, it supports clients with a business connection to Germany and companies from selected future-oriented sectors. Outside Germany, Commerzbank is represented by four main subsidiaries, 16 operational foreign branches and 26 representative offices in almost 40 countries, with the focus of international activities on Europe. Operationally, Commerzbank is divided into two segments: *Private and Small Business Customers* and *Corporate Clients*.

In the 2023 financial year, Commerzbank adopted its new "Strategy 2027", which is closely linked to the previous strategy. Until 2027 Commerzbank is aiming for a return on equity (RoE) higher than 11%. The CIR is to be reduced towards 55%. Net result are to increase to EUR 3.4bn, and the Common Equity Tier 1 capital target is set to 13.5%.

The Federal Republic of Germany continues to hold more than 15% share capital of Commerzbank AG. Otherwise there were no significant changes in the shareholder structure. The shareholder structure of Commerzbank AG is currently as follows:

Chart 1: Major Shareholders of Commerzbank AG| Source: Website of Annual Report 2023 Commerzbank AG



Business Development

Profitability

Creditreform Rating AG follows a structural approach in the presentation of the income statement and balance sheet as well as in the calculation of key ratios. The presentation may therefore differ from that of the bank. Creditreform Rating pursues the goal of making financial statements of different banks as well as within the scope of consolidation as comparable as possible. Certain key ratios are also taken or calculated from the Bank's Pillar III Report for reasons of comparability. Balance sheet and income statement figures are taken from the consolidated financial statements of the respective years. One-off or exceptional items are, where possible, relegated to the line items non-recurring revenue and expense.

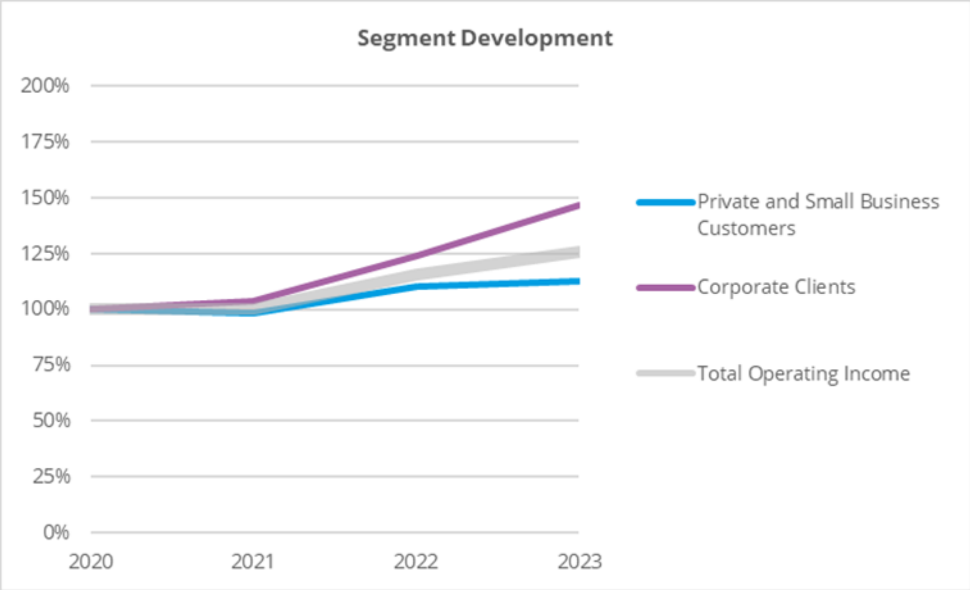
Net interest income remained the main earnings driver in the 2023 financial year at around EUR 8.4bn, which corresponds to just over 70% of operating income. Both interest income and interest expenses increased significantly in the 2023 financial year. Overall, net interest income increased by 29.6% compared to the previous year. The increase in interest income is primarily due to the higher interest rate environment and customer growth in Poland, as well as in Europe as a whole. Net commission income fell slightly by 3.8% compared to the previous year. This was due to a reduction in the volume of securities due to the high interest rates. Furthermore, net trading income fell significantly to a negative result which is attributable to interest rate effects in the area of banking book derivatives.

Commerzbank's operating expenses rose by just under 1.9% in the 2023 financial year. This is partly due to higher personnel expenses as a result of inflation adjustments and variable remuneration. IT expenses continued to decline due to the reduction in the branch network.

Risk costs, which amounted to EUR 876bn in the previous year due to the Russia-Ukraine conflict, fell to EUR 618mn. The Net Profit increased by more than 58% to around EUR 2.2bn in 2023 due to the increase in operating income and the reduction in operating expenses.

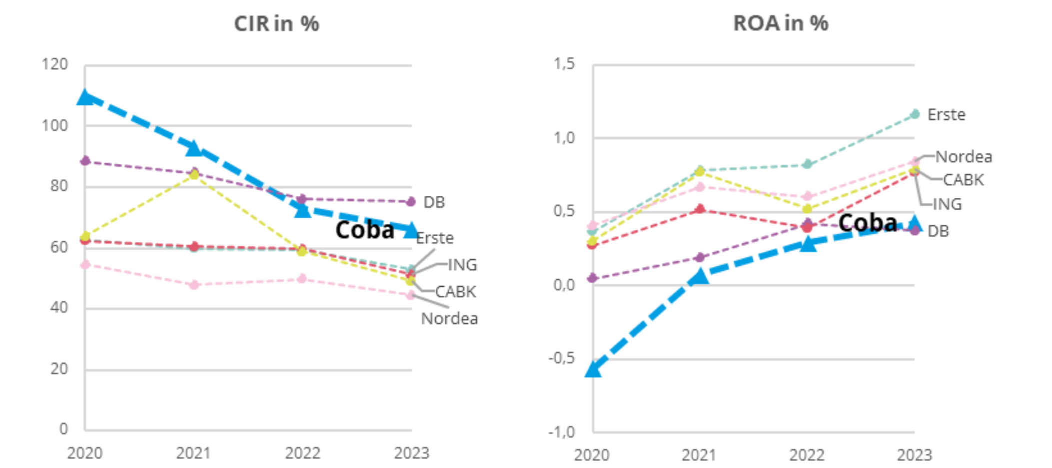
The development of income in the individual segments over the last four years reflects Commerzbank's strategy. Expertise in the *Corporate Clients* segment has been a key growth driver for Commerzbank in recent years, while income from *Private and Small-Business Customers*, which has also increased but to a lesser extent, will continue to rise in future due to the higher interest rate environment and would be able to compensate for declining corporate customer loans.

Chart 2: Segment Income Development of Commerzbank AG | Source: Annual Report 2023 Commerzbank AG



In a peer group comparison, Commerzbank has a comparatively high cost/income ratio (CIR), although this has been continuously reduced since 2020. At 66.1% in 2023, it is significantly below the level of 110.0% in 2020, which illustrates the positive effects of the digitalization strategy and the ongoing cost reduction. ROA has also shown a similarly positive trend. Both key figures make it clear that Commerzbank must continue to work on its cost structure in order to catch up with its peer group. In our quantitative assessment of the individual sub-areas, the bank's earnings profile remains the worst-rated sub-area in 2023 despite a significant improvement on 2022.

Chart 3: CIR and ROA of Commerzbank AG in comparison to the peer group | Source: eValueRate / CRA



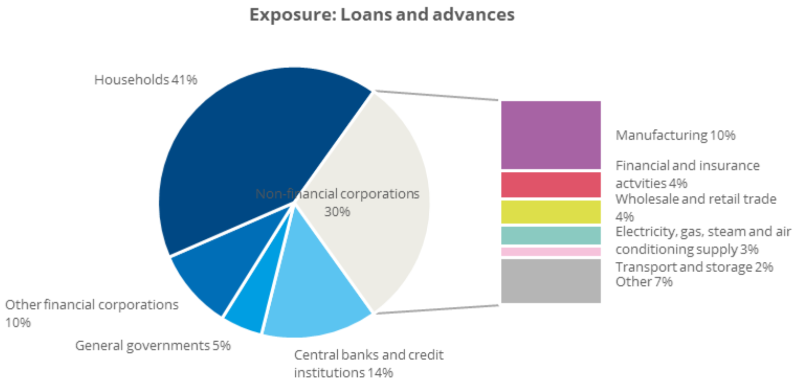
Based on the Q1-24 figures and the development of the interest rate environment, we expect Commerzbank's positive financial performance to continue. This development is also due to declining costs in Q1-24. In addition, significantly lower risk costs are expected for 2024 based on the Q1-24 figures.

Asset Situation and Asset Quality

The net customer loan volume increased slightly by 3.4% in the 2023 financial year. The increase was mainly due to the expansion of loans to corporate customers in Germany, but also in Poland in particular. The volume of loans to banks remained stable compared to the previous year. At 41%, loans to private customers account for the largest share of customer loans, followed by loans to corporate customers at 30%. Otherwise, there were no significant changes on the assets side of the balance sheet.

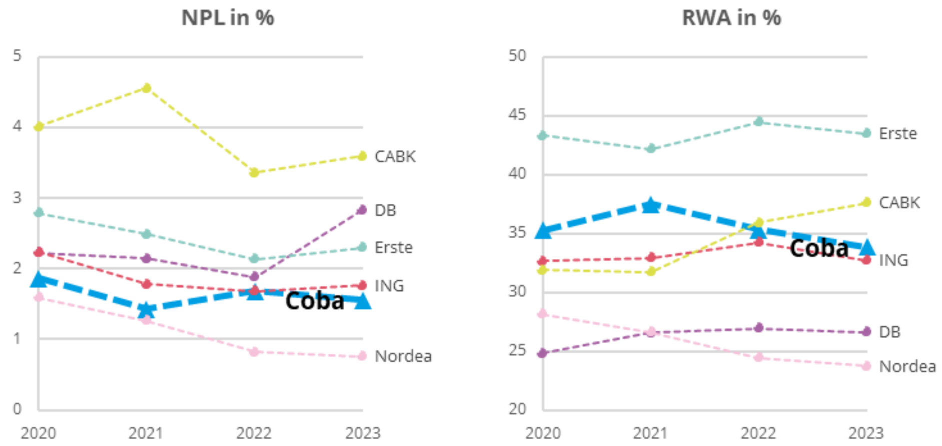
Commerzbank's asset quality remained at a similar level to the previous year. While the NPL ratio (stage 3) declined slightly, the ratio of potential problem loans (stage 2 loans in relation to net loans to customers) increased. The NPL ratio fell to 1.56% and the proportion of potential problem loans rose to 8.09% (1.68% respectively 5,95% in 2022). However, both ratios are still above average and reflect the high quality of the loan portfolio. Even though the balance sheet was expanded and the RWA volume increased slightly, the RWA ratio was reduced to just under 33.9%. We consider the level of the RWA ratio to be positive. However, there is still room for improvement compared to the peer group. A key aspect of the average RWA ratio is the high proportion of loans in the manufacturing and production industry. The total loans granted in this sector significantly exceeded the Bank's common equity tier 1 capital (without taking into account any collateral). Otherwise, Commerzbank's loan portfolio is very well diversified, both due to the high proportion of households and the good sector mix of corporate customer loans (see chart below).

Chart 4: Exposure Loans and Advances of Commerzbank AG | Source: Pillar III 2023 Commerzbank AG



Commerzbank's very high asset quality is also evident from the following peer group comparisons. As already mentioned, the NPL ratio and the RWA ratio were down on the previous year. The comparison with the peer group shows that not every bank was able to achieve this and that Commerzbank was able to further expand its good positioning. The other asset quality indicators show a similarly positive development, making the asset quality profile by far the best-rated sub-area in the quantitative analysis. Based on the Q1-24 figures, we do not see any deterioration in Commerzbank's asset quality.

Chart 5: NPL and RWA ratios of Commerzbank AG in comparison to the peer group | Source: eValueRate / CRA

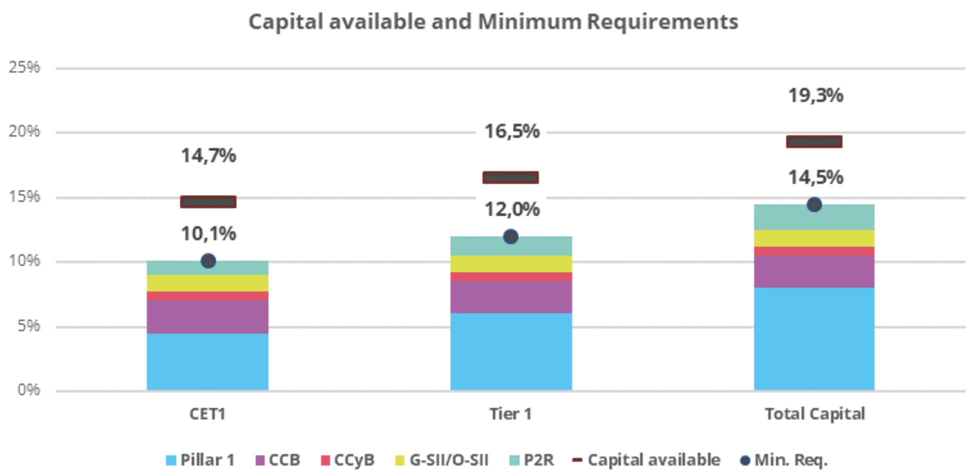


The very good asset quality can also be seen in a peer group comparison. In terms of the NPL ratio, the bank is in a very good second place behind Nordea. In terms of the RWA ratio, however, the bank is in the middle of its peer group.

Refinancing, Capital Quality and Liquidity

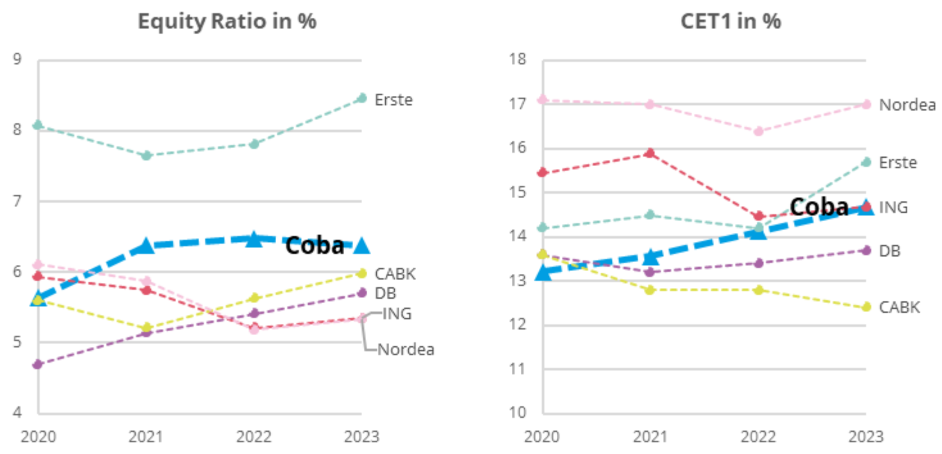
As overall balance sheet growth in the 2023 financial year was stronger than equity growth, the balance sheet equity ratio, which remains average, fell to around 6.4%. The regulatory capital ratios increased compared to the previous year. The CET1 ratio rose to 14.7%, the T1 ratio to 16.5% and the total capital ratio to 19.3%. This is due to the significant reduction in RWA exposure. However, with a CET1 ratio of 14.7%, the bank is still comfortably above the regulatory minimum ratio of 10.1%. Overall, the capital base has improved marginally. The following chart shows the capital ratio requirements for Commerzbank and the actual current capital ratios. Accordingly, Commerzbank had no problems meeting the minimum requirements. Due to rising net income and the high retention ratio, we continue to expect a comfortable capital base.

Chart 6: Regulatory Capital Ratios and Minimum Requirements as per Q4-23| Source: Pillar III 2023 Commerzbank AG



The comparison with the peer group in terms of capital adequacy reflects our assessment of Commerzbank's comfortable and solid capital buffer. In balance sheet terms, Commerzbank's capital adequacy is only surpassed by Erste Group; in terms of the regulatory CET1ratio, Commerzbank is in the upper midfield, with a strong upward trend.

Chart7: Equity and CET1 ratios of Commerzbank AG in comparison to the peer group | Source: eValueRate / CRA



With regard to the liquidity situation, this remains sufficiently comfortable with a liquidity coverage ratio of 145.4%, which is slightly above the previous year's level, and a slightly above-average NSFR of 130.2%.

In Q1-24 there were no significant changes in the field of Refinancing, Capital Quality and Liquidity.

Due to Commerzbank's bank capital and debt structure, as well as its status as a G-SIB, the Group's Preferred Senior Unsecured Debt instruments are not notched down in comparison to the Long-Term Issuer Rating. Due to the seniority structure, Commerzbank's Non-Preferred Senior Unsecured debt is rated A-. Commerzbank's Tier 2 Capital is rated BBB based on the Commerzbank's capital structure and seniority in accordance with our rating methodology. Additional Tier 1 Capital is rated BB+, reflecting the capital structure, seniority and a high bail-in risk in the event of resolution.

Environmental, Social and Governance (ESG) Score Card

Commerzbank AG has one significant and two moderate ESG rating drivers

• Corporate Governance is identified as a highly significant rating driver. The relevance for the credit rating results from the impact of the Corporate Governance factor on all other ESG factors and the overall well-being of the bank. This sub-factor is rated positive.

• Corporate Behaviour and Green Financing / Promoting are identified as moderate rating driver. While Green Financing / Promoting is rated neutral due to relatively low amount of green bonds, Coporate Behaviour is rated neutral.

ESG Bank Grade
3,4 / 5

Grade Guidance	
> 4,25	Outstanding
>3,5 - 4,25	Above-average
>2,5 - 3,5	Average
>1,75 - 2,5	Substandard
< = 1,75	Poor

	Sub-Factor	Consideration	Relevance Scale 2022	Eval.
Environmental	1.1 Green Financing / Promoting	The sub-factor "Green Financing/Promoting" has a moderate relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	3	( )
	1.2 Exposure to Environ-mental Factors	The sub-factor "Exposure to Environmental Factors" has a low relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	2	( )
	1.3 Resource Efficiency	The sub-factor "Resource Efficiency" has no significant relevance for the credit rating.	1	(+)
Social	2.1 Human Capital	The sub-factor "Human Capital" has low relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	2	( )
	2.2 Social Responsibility	The sub-factor "Social Responsibility" has no significant relevance for the credit rating.	1	( )
Governance	3.1 Corporate Governance	The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated positive in terms of the CRA ESG criteria.	4	(+)
	3.2 Corporate Behaviour	The sub-factor "Corporate Behaviour" has a moderate relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	3	( )
	3.3 Corporate Transparency	The sub-factor "Corporate Transparency" has no significant relevance for the credit rating.	1	(+ +)

ESG Relevance Scale	
5	Highest Relevance
4	High Relevance
3	Moderate Relevance
2	Low Relevance
1	No significant Relevance

ESG Evaluation Guidance	
(+ +)	Strong positive
(+)	Positive
( )	Neutral
(-)	Negative
(- -)	Strong negativ

The ESG Grade is based on the Methodology "Environmental, Social and Governance Grade of Banken (Version 1.0)" of Creditreform Rating AG, which is available on our homepage https://creditreform-rating.de/en/about-us/regulatory-requirements.html. In addition, we refer to CRA's position paper "Consodering the Impact of ESG Factors".

Outlook

The outlook for Commerzbank's long-term issuer rating is stable. In the medium term, CRA expects Commerzbank to continue to benefit from the higher interest rate environment, even if the key interest rate is lowered further in the course of the year. The well-diversified business model and the focus on digitalization/cost efficiency will keep net income at least constant. The increased Stage 2 loans indicate a slightly higher default rate, but Commerzbank benefits from a very good starting position, so we do not expect any significant deterioration in asset quality. The equity base should also remain at least constant over the next few years due to higher profits.

Scenario Analysis

Best-case scenario: AA-

Worst-case scenario: A-

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

In a scenario analysis, the bank can achieve a long-term issuer rating of AA- in the "best-case scenario" and a long-term issuer rating of A- in the "worst-case scenario". The Bank Capital and Senior Unsecured Debt ratings would react similarly based on our rating methodology. These ratings are particularly sensitive to changes in total capital and to the bank's capital and debt structure in general.

We could upgrade Commerzbank's Long-Term Issuer Rating as well as the ratings for Bank Capital and Senior Unsecured Debt due to a sustained high net income, which strengthens equity with a similarly high retention ratio.

However, Commerzbank's long-term issuer rating and the ratings for bank capital and senior unsecured debt could be downgraded due to rising credit defaults from the increased Stage 2 loans.

Appendix

Bank ratings Commerzbank AG

The bank ratings are dependent on a host of quantitative and qualitative factors. An improvement in either sub-category may result in a higher rating score.

Long-Term Issuer / Outlook / Short-Term **A / L2 / stable**

Bank Capital and Debt Instruments Ratings Commerzbank AG

The ratings for bank capital and debt instruments are inter alia dependent on subordination and relative size of the instrument class, based on the long-term issuer rating of the bank.

Preferred Senior Unsecured (PSU): **A**
Non-Preferred Senior Unsecured (NPS): **A-**
Tier 2 (T2): **BBB**
Additional Tier 1 (AT1): **BB+**

Rating History

Please consult our website www.creditreform-rating.de for additional information regarding the dates of publication.

Figure 1: Rating History

Long-Term Issuer Rating	Rating Date	Result
Initialrating	27.01.2017	BBB+ / stabil / L2
Rating Update	10.08.2017	BBB+ / negativ / L2
Rating Update	01.02.2018	BBB+ / negativ / L2
Rating Update	25.09.2018	BBB+ / stabil / L2
Rating Update	29.11.2019	BBB+ / stabil / L2
Monitoring	24.03.2020	BBB+ / stabil / L2 (NEW)
Rating Update	26.11.2020	BBB+ / negativ / L2
Rating Update	24.11.2021	BBB+ / stabil / L2
Rating Update	29.04.2022	BBB+ / positiv / L2
Rating Update	07.09.2023	A- / stabil / L2
Rating Update	20.06.2024	A / stabil / L2
Bank Capital and Debt Instruments	**Rating Date**	**Result**
Senior Unsecured / T2 / AT1 (Initial)	01.02.2018	BBB+ / BB / BB-
Senior Unsecured / T2 / AT1	25.09.2018	BBB+ / BB / BB-
PSU / NPS / T2 / AT1	29.11.2019	BBB+ / BBB / BB / BB-
PSU / NPS / T2 / AT1	24.03.2020	BBB+ / BBB / BB / BB- (NEW)
PSU / NPS / T2 / AT1	26.11.2020	BBB+ / BBB / BB / BB-
PSU / NPS / T2 / AT1	24.11.2021	BBB+ / BBB / BB / BB-
PSU / NPS / T2 / AT1	29.04.2022	BBB+ / BBB / BB / BB-

PSU / NPS / T2 / AT1	07.09.2023	A- / BBB+- / BB+ / BB
PSU / NPS / T2 / AT1	20.06.2024	A / A- / BBB- / BB+
Subsidiaries of the Bank	**Rating Date**	**Result**
Commerzbank Finance & Covered Bond SA		
Initialrating	25.09.2018	BBB+ / stabil / L2
Rating Update	29.11.2019	BBB+ / stabil / L2
Monitoring	24.03.2020	BBB+ / stabil / L2 (NEW)
Rating Update	26.11.2020	BBB+ / negativ / L2
Rating Update	24.11.2021	BBB+ / stabil / L2
Rating Update	29.04.2022	BBB+ / positiv / L2
Rating Update	07.09.2023	A- / stabil / L2
Rating Update	20.06.2024	A / stabil / L2

Tables Group (if applicable)

Figure 2: Income statement[1] | Source: eValueRate / CRA

Income Statement (EUR m)	2023	%	2022	2021	2020
Income					
Net Interest Income	8.368	+29,6	6.459	4.849	4.975
Net Fee & Commission Income	3.386	-3,8	3.519	3.607	3.317
Net Insurance Income	-	-	-	-	-
Net Trading & Fair Value Income	-263	< -100	65	920	178
Equity Accounted Results	-1	< -100	30	22	20
Dividends from Equity Instruments	15	-16,7	18	9	18
Other Income	326	-23,8	428	259	285
Operating Income	**11.831**	**+12,5**	**10.519**	**9.666**	**8.793**
Expense					
Depreciation and Amortisation	794	-3,2	820	1.089	2.526
Personnel Expense	3.562	+4,3	3.415	3.464	3.500
Tech & Communications Expense	774	+2,0	759	821	815
Marketing and Promotion Expense	197	+18,0	167	145	169
Other Provisions	230	> +100	43	291	262
Other Expense	2.265	-8,3	2.470	3.184	2.401
Operating Expense	**7.822**	**+1,9**	**7.674**	**8.994**	**9.673**
Operating Profit & Impairment					
Operating Profit	**4.009**	**+40,9**	**2.845**	**672**	**-880**
Cost of Risk / Impairment	618	-29,5	876	570	1.748
Net Income					
Non-Recurring Income	12	-68,4	38	8	3
Non-Recurring Expense	1	-50,0	2	4	2
Pre-tax Profit	**3.402**	**+69,7**	**2.005**	**106**	**-2.627**
Income Tax Expense	1.188	+94,1	612	-248	264
Discontinued Operations	-	-	-	0	30
Net Profit	**2.214**	**+58,9**	**1.393**	**354**	**-2.861**
Attributable to minority interest (non-controlling interest)	-10	-76,2	-42	-77	9
Attributable to owners of the parent	2.224	+55,0	1.435	430	-2.870

Figure 3: Key earnings figures| Source: eValueRate / CRA and Pillar III

Income Ratios (%)	2023	%	2022	2021	2020
Cost Income Ratio (CIR)	66,11	-6,84	72,95	93,05	110,01
Cost Income Ratio ex. Trading (CIRex)	64,68	-8,73	73,41	102,84	112,28
Return on Assets (ROA)	0,43	+0,14	0,29	0,08	-0,56
Return on Equity (ROE)	6,71	+2,20	4,50	1,19	-10,01
Return on Assets before Taxes (ROAbT)	0,66	+0,24	0,42	0,02	-0,52
Return on Equity before Taxes (ROEbT)	10,31	+3,82	6,48	0,36	-9,19
Return on Risk-Weighted Assets (RORWA)	1,26	+0,44	0,83	0,20	-1,60
Return on Risk-Weighted Assets before Taxes (RORWAbT)	1,94	+0,75	1,19	0,06	-1,47
Net Financial Margin (NFM)	1,60	+0,20	1,40	1,26	1,04
Pre-Impairment Operating Profit / Assets	0,78	+0,18	0,60	0,14	-0,17

Change in %- Points

[1] Data by our data provider eValueRate, which is standardized for analytical reasons. Thus, the used data and the resulting figures do not have necessary to match the presentation of the bank, which refers to this and all subsequent tables and figures.

Figure 4: Development of assets | Source: eValueRate / CRA

Assets (EUR m)	2023	%	2022	2021	2020
Cash and Balances with Central Banks	102.692	+18,5	86.647	60.207	81.212
Net Loans to Banks	34.419	+50,9	22.807	22.935	28.124
Net Loans to Customers	270.219	+3,4	261.411	257.315	251.277
Total Securities	78.831	+11,8	70.536	82.272	83.801
Total Derivative Assets	19.680	-18,4	24.115	30.479	49.154
Other Financial Assets	2.001	-3,8	2.080	3.541	1.524
Financial Assets	**507.842**	**+8,6**	**467.596**	**456.749**	**495.092**
Equity Accounted Investments	142	-22,0	182	175	169
Other Investments	53	-7,0	57	41	13
Insurance Assets	-	-	-	-	-
Non-current Assets & Discontinued Ops	62	-60,3	156	830	2.040
Tangible and Intangible Assets	3.746	+0,8	3.715	4.124	4.628
Tax Assets	2.643	-19,7	3.291	3.352	2.823
Total Other Assets	2.678	+10,2	2.431	2.138	1.848
Total Assets	**517.166**	**+8,3**	**477.428**	**467.409**	**506.613**

Figure 5: Development of asset quality | Source: eValueRate / CRA and Pillar III

Asset Ratios (%)	2023	%	2022	2021	2020
Net Loans to Customers / Assets	52,25	-2,50	54,75	55,05	49,60
Risk-weighted Assets[1] / Assets	33,86	-1,48	35,34	37,48	0,00
NPL[2]/ Loans to Customers[3]	1,56	-0,13	1,68	1,43	1,87
NPL[2]/ Risk-weighted Assets[1]	2,28	-0,20	2,48	1,98	2,47
Potential Problem Loans[4]/ Loans to Customers[3]	8,09	+2,14	5,95	4,91	5,19
Reserves[5]/ NPL[2]	79,69	+5,99	73,70	77,02	71,75
Cost of Risk / Loans to Customers[3]	0,24	-0,11	0,35	0,23	0,74
Cost of Risk / Risk-weighted Assets[1]	0,35	-0,17	0,52	0,33	0,98
Cost of Risk / Total Assets	0,12	-0,06	0,18	0,12	0,35

Change in %-Points
1 RWA: Pillar 3, EU CR1
2 NPL: Gross; Non-Performing Loans of the categories Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1
3 Loans to Customers: Gross; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1
4 Potential Problem Loans: Stage 2; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1
5 Reserves: Impairment & Provisions and Collateral & Guarantees; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

Figure 6: Development of refinancing and capital adequacy | Source: eValueRate / CRA

Liabilities (EUR m)	2023	%	2022	2021	2020
Total Deposits from Banks	60.975	+0,5	60.695	79.519	80.559
Total Deposits from Customers	349.195	+11,7	312.652	272.280	293.201
Total Debt	47.601	+11,9	42.530	42.380	44.072
Derivative Liabilities	16.679	-22,7	21.589	32.966	49.734
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	1.016	+4,7	970	914	412
Total Financial Liabilities	**475.466**	**+8,4**	**438.436**	**428.059**	**467.978**
Insurance Liabilities	-	-	-	-	-
Non-current Liabilities & Discontinued Ops	-	-	0	730	2.051
Tax Liabilities	538	-35,3	832	562	458
Provisions	3.552	+2,1	3.479	3.752	3.119
Total Other Liabilities	4.602	+22,8	3.748	4.481	4.433
Total Liabilities	**484.158**	**+8,4**	**446.495**	**437.584**	**478.039**
Total Equity	**33.008**	**+6,7**	**30.933**	**29.825**	**28.574**
Total Liabilities and Equity	**517.166**	**+8,3**	**477.428**	**467.409**	**506.613**

Figure 7: Development of capital and liquidity ratios | Source: eValueRate / CRA and Pillar III

Capital Ratios and Liquidity (%)	2023	%	2022	2021	2020
Total Equity / Total Assets	6,38	-0,10	6,48	6,38	5,64
Leverage Ratio[1]	4,90	+0,00	4,90	5,23	4,90
Common Equity Tier 1 Ratio (CET1)[2]	14,69	+0,55	14,14	13,57	13,22
Tier 1 Ratio (CET1 + AT1)[2]	16,52	+0,47	16,05	15,53	15,00
Total Capital Ratio (CET1 + AT1 + T2)[2]	19,34	+0,41	18,92	18,37	17,70
CET1 Minimum Capital Requirements[1]	10,12	+0,64	9,48	9,40	9,40
Net Stable Funding Ratio (NSFR)[1]	130,18	+1,83	128,35	128,76	-
Liquidity Coverage Ratio (LCR)[1]	136,20	-4,90	141,10	145,10	135,67

Change in %- Points
1 Pillar 3 EU KM1
2 Regulatory Capital Ratios: Pillar 3 EU KM1

Regulatory

Creditreform Rating AG was neither commissioned by the rating object nor by any other third party for the rating. The analysis took place on a voluntary basis by Creditreform Rating AG and is to be described in the regulatory sense as an unsolicited rating. The following table clarifies the level of participation of the rated entity (rating object):

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	No
With Access to Internal Documents	No
With Access to Management	No

The rating is based on publicly available information and internal evaluation methods for the rated bank. The quantitative analysis is based mainly on the latest annual accounts, interim reports, other investor relations information of the bank, and calculated key figures by eValueRate / CRA.

The information and documents processed met the requirements of the rating system of Creditreform Rating AG as published on the website www.creditreform-rating.de. The rating was carried out on the basis of the following methodologies and Rating Criteria and Definitions (v1.3):

- Bank ratings (v3.3)
- Rating of bank capital and unsecured debt instruments (v2.2)
- Environmental, Social and Governance Score for Banks (v1.1)

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions are published on our homepage:

https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html

On 20 June 2024, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to Commerzbank AG, and the preliminary rating report was made available to the bank. There was no change in the rating.

The rating is valid until withdrawal and is subject to monitoring from the rating date (see cover page). The rating will be comprehensively reviewed at least once every year. Within this period, the rating can be updated.

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To prepare this credit rating, CRA has used following substantially material sources:

1. Aggregated data base by eValueRate

2. Annual Report and interim reports

3. Investors relations information and other publications

4. Website of the rated bank

5. Public and internal market analyses

6. Internet research

There are no other attributes and limitations of the credit rating or rating outlook other than displayed on the CRA website. Furthermore CRA considers satisfactory the quality and extent of information available on the rated entity. In regard to the rated entity Creditreform Rating AG regarded available historical data as sufficient.

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The "Basic data" information card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In case where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating and indicates how the different methodologies or these other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

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