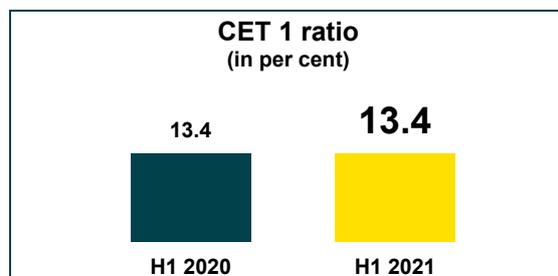
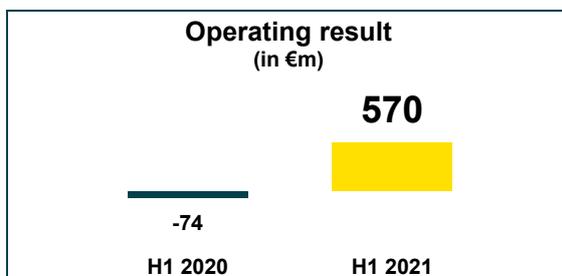
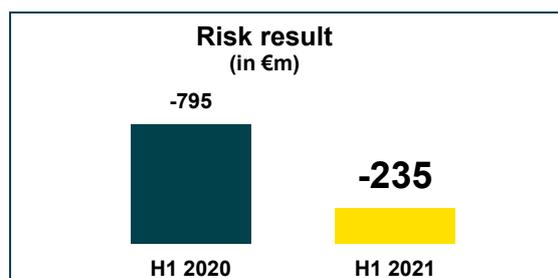
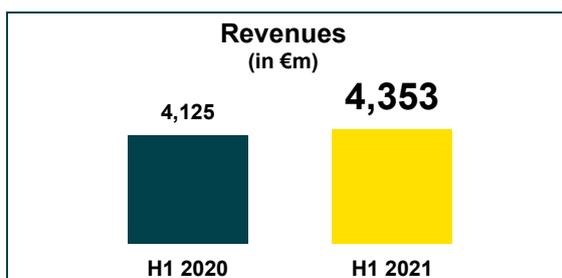


## IR Release

4 August 2021

### Commerzbank achieves operating result of €570m in first half year – transformation making good progress

- Revenues in first half year of €4.35bn (H1 2020: €4.12bn) reflect robust customer business
- Low risk result of minus €235m in H1 2021 (H1 2020: minus €795m)
- H1 operating result at €570m (H1 2020: minus €74m)
- Net result of minus €394m (H1 2020: minus €107m) includes restructuring charges in the amount of €976m for “Strategy 2024”
- Strong Common Equity Tier 1 ratio of 13.4%



“We have achieved a solid operating result in the first half of the year. The implementation of the strategy is right on track. We are driving all strategic initiatives forward and we are also ready to make tough decisions if necessary.”

**Manfred Knof, CEO**

“In the second quarter, we have kept our Common Equity Tier 1 ratio stable despite the high one-time effects and restructuring expenses. This again proves that we have a very strong basis for the transformation.”

**Bettina Orlopp, CFO**

In the second quarter, Commerzbank again generated a positive operating result and achieved a solid operating profit of €570 million in the first half of the year. The Bank benefited from a robust customer business and a low risk result. This contrasted with high one-time charges in the second quarter. Despite these exceptional effects and the booking of a further €511 million restructuring expenses in the second quarter, the Common Equity Tier 1 ratio (CET 1 ratio) remained strong at 13.4% and is even more significantly above the regulatory requirement (MDA).

On the journey to a sustainably more profitable bank, Commerzbank reached further milestones. The business model of the digital advisory bank is beginning to gather pace with the initiated launch of the remote advisory centres and the accelerated adjustment of the branch network. Furthermore, the selection process for the future second management level was concluded on schedule, and the voluntary programme for personnel reduction announced this spring got underway successfully. In line with the requirements of the German Federal Court of Justice, the Bank has also started to actively obtain the consent of their customers relating to price adjustments.

The Bank made further progress on digitalisation. Customers of Commerzbank are now able to conclude securities savings plans in the banking app directly with their smartphone alongside with the purchase and sale of traditional securities. Since the second quarter, foreign currency transactions have also been possible in the Cash Management App, the mobile assistant for Corporate Clients and Small-Business Customers.

The high level of customer orientation of the Bank is reflected in the sustained good customer feedback. All customer groups are very satisfied with the advisory services and the banking apps provided by the Bank.

The Bank is proceeding at pace in relation to its sustainability targets. The planned increase in the volume for sustainable financial products to €300 billion by 2025 at the latest has made good progress. The volume already increased to €141 billion in the first six months. The Bank has further set ambitious targets for its operating segments. The Corporate Clients segment is projected to contribute €200 billion and to thereby support the transformation of its customers. The Private and Small-Business Customers segment will deliver €100 billion in the form of sustainable product offerings.

“We have achieved a solid operating result in the first half of the year. The implementation of the strategy is right on track. We are driving all strategic initiatives forward and we are also ready to make tough decisions if necessary,” said Manfred Knof, Chief Executive Officer of Commerzbank.

In the second quarter of the year, Commerzbank generated revenues of €1,862 million (Q2 2020: €2,273 million). The year-on-year increase in underlying net commission income by more than 7% to €852 million (Q2 2020: €792 million) had a positive effect. Underlying net interest income remained nearly unchanged at €1,139 million compared with the first quarter thanks not least to the increased volume of priced deposits. The high one-time effects had an impact on revenues in the second quarter. CommerzVentures, the venture-capital fund of Commerzbank, delivered a positive contribution of around €100 million. A further €42 million came from Targeted Longer-Term Refinancing Operations (TLTRO) of the European Central Bank (ECB). Negative contributions came in particular from provisions of €66 million for the judgement of the Federal Court of Justice relating to price adjustment measures in the Private Customers business as well as provisions of further €55 million for the Swiss francs loan portfolio of mBank. Additional negative impacts resulted from ending the project of outsourcing securities settlement.

The risk result was minus €87 million and is therefore significantly lower year-on-year (Q2 2020: minus €469 million). The loan portfolio remained stable despite the ongoing coronavirus pandemic. This is also illustrated by the continuing low ratio of the non-performing exposure (NPE ratio) at 0.8% (end of March 2021: 0.9%). The additional provision booked last year for coronavirus effects anticipated for 2021 (“top-level adjustment”) was unchanged at €495 million at the end of June compared with the previous quarter.

Total costs in the first six months amounted to €3,548 million (H1 2020: €3,403 million). While compulsory contributions at €375 million remained virtually unchanged, the Bank was able to reduce operating costs by €56 million in the first half year. As announced, an exceptional write-off for ending the outsourcing project for securities settlement amounted to €200 million.

Total operating profit in the second quarter amounted to €32 million (Q2 2020: €205 million). Excluding one-off effects, the underlying operating profit was at €208 million. The consolidated profit attributable to Commerzbank shareholders amounted to minus €527 million (Q2 2020: €183 million). Without the booked restructuring expenses of €511 million, Commerzbank would have achieved a virtually balanced net result.

The CET 1 ratio recorded at the end of June 2021 was 13.4% despite the consolidated loss (end of March 2021: 13.4%). The buffer to the regulatory requirement (MDA threshold) of currently 9.4% increased to around 400 basis points due to the AT 1 issuance in June this year.

“In the second quarter, we have kept our Common Equity Tier 1 ratio stable despite the high one-time write-off and restructuring expenses. This again proves that we have a very strong basis for the transformation, and it demonstrates that we are also able to deal with exceptional charges on our way to a sustainably profitable future,” said Bettina Orlopp, Chief Financial Officer of Commerzbank.

## Development of the segments

The Private and Small-Business Customers segment continued its growth trajectory with loans and securities. The year-on-year volume in Germany increased by more than 20% to a total of €319 billion. The primary driver for this development was the securities volume, which increased by a further €11 billion compared with the previous quarter. Out of this, €3 billion were new net money. Thanks to the strong mortgage business, the loan volume also posted an increase of more than €1 billion to €116 billion since the last reporting period. The segment made additional progress with the introduction of deposit pricing, with which the Bank responds to the sustained negative interest environment. The volume of priced deposits rose by €3 billion to €13 billion in the second quarter. Total underlying revenues for the Private and Small-Business segment increased slightly to €1,200 million despite the sustained pressure on the deposit business and the consumer restraint on consumption as a result of the coronavirus pandemic (Q2 2020: €1,190 million). Net commission income in the segment rose by 14% on the back of the strong securities business. Despite the provision of €66 million for the judgement rendered by the Federal Court of Justice as well as provisions of €55 million for the Swiss francs loan portfolio of mBank, the segment generated an operating profit of €138 million (Q2 2020: €108 million). The segment benefited from the low risk result in the amount of minus €62 million (Q2 2020: minus €152).

In the Corporate Clients segment underlying revenues slightly decreased to €758 million compared to the second quarter of last year which was defined by a strong capital market business (Q2 2020: €793 million). The Mittelstand division benefited from a slight increase in loan volumes. The International Corporates and Institutionals divisions reflect normalised capital market business and the strategic focus on capital-efficient business. Overall, the segment generated an operating profit of €244 million (Q2 2020: minus €91 million). In addition to lower costs, the main driver for this result was the positive risk result of plus €13 million (Q2 2020: minus €290 million).

## Outlook

Given the strong H1 results, revenues in 2021 should slightly exceed the previous year's. With the further progress of the transformation, the Bank targets operational costs of around €6.5 billion. Additional is the one-time write-off of €200 million. While uncertainty about the further development of the coronavirus pandemic remains, the Bank is now anticipating a risk result of less than €1 billion based on current observations. Overall, the Bank expects a positive operating result. On the basis of the first half year results, a CET 1 ratio of around 13% is likely – well above the targeted buffer of 200 to 250 basis points above the MDA. The expectations are based on the assumption that there is no fundamental change affecting the Swiss francs loan portfolio at mBank.

**Financial figures at a glance**

in €m	Q2 2021	Q2 2020	Q2 21 vs Q2 20 in %	Q1 2021	H1 2021	H1 2020	H1 21 vs H1 20 in %
Net interest income	1,173	1,277	-8.2	1,254	2,427	2,597	-6.6
Net commission income	852	791	+7.6	951	1,803	1,668	+8.1
Net fair value result*	125	163	-23.0	360	485	-141	-
Other income	-288	42	-	-73	-361	0	-
<b>Revenues</b>	<b>1,862</b>	<b>2,273</b>	<b>-18.1</b>	<b>2,492</b>	<b>4,353</b>	<b>4,125</b>	<b>+5.5</b>
<i>Revenues excl. exceptional items</i>	<i>1,884</i>	<i>2,278</i>	<i>-17.3</i>	<i>2,308</i>	<i>4,192</i>	<i>4,303</i>	<i>-2.6</i>
Risk result	-87	-469	+81.5	-149	-235	-795	+70.4
Operating expenses	1,704	1,526	+11.6	1,469	3,173	3,030	+4.7
Compulsory contributions	39	73	-47.1	336	375	374	+0.4
<b>Operating profit or loss</b>	<b>32</b>	<b>205</b>	<b>-84.2</b>	<b>538</b>	<b>570</b>	<b>-74</b>	<b>-</b>
Restructuring charges	511	-	-	465	976	-	-
Pre-tax profit or loss (discontinued operations)	-	6	-	-	-	50	-
<b>Pre-tax profit or loss (Group)</b>	<b>-478</b>	<b>211</b>	<b>-</b>	<b>73</b>	<b>-406</b>	<b>-24</b>	<b>-</b>
Taxes	40	14	-	-83	-43	62	-
Minorities	8	13	-40.3	23	31	21	+45.5
<b>Consolidated profit or loss**</b>	<b>-527</b>	<b>183</b>	<b>-</b>	<b>133</b>	<b>-394</b>	<b>-107</b>	<b>-</b>
Cost-income ratio in operating business excl. compulsory contributions (%)	91.5	67.1	-	59.0	72.9	73.5	-
Cost-income ratio in operating business incl. compulsory contributions (%)	93.6	70.4	-	72.5	81.5	82.5	-
Operating RoTE (%)	0.5	2.9	-	7.8	4.1	-0.5	-
Net RoTE (%)***	-9.3	2.6	-	1.5	-3.9	-1.1	-
Net RoE (%)	-8.9	2.3	-	1.5	-3.8	-1.0	-

in €m	Q2 2021	Q2 2020	Q2 21 vs Q2 20 in %	Q1 2021	H1 2021	H1 2020	H1 21 vs H1 20 in %
CET 1 ratio (%)***	13.4	13.4	-	13.4	13.4	13.4	-
Leverage ratio	4.6	4.8	-	4.7	4.6	4.8	-
Total assets (€bn)	544	550	-	538	544	550	-

\* 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.

### 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.