

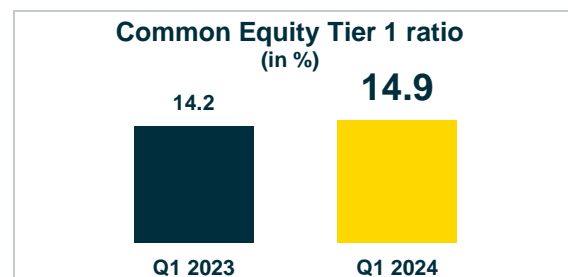
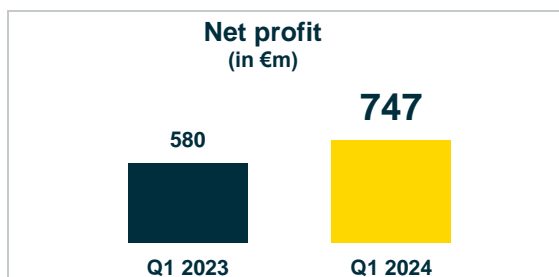
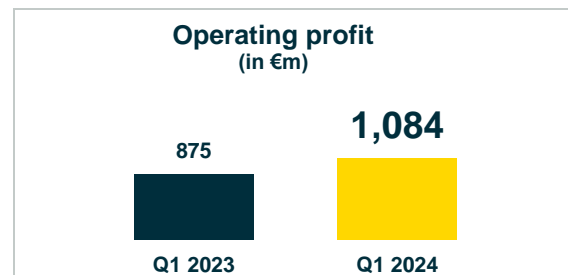
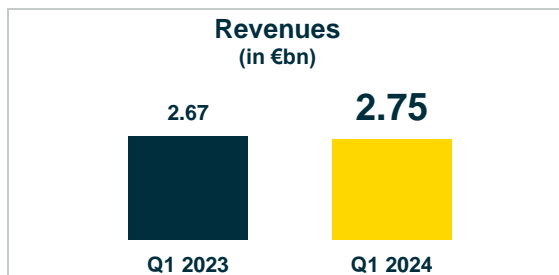
## Press Release

For business editors

15 May 2024

### Commerzbank with strong start to the year – best quarterly net result in more than 10 years

- Operating result significantly increased to €1.1 billion in first quarter (Q1 2023: €875 million) – net profit rose to €747 million (Q1 2023: €580 million)
- Revenues increased to €2.75 billion thanks to strong customer business and continued favourable interest environment (Q1 2023: €2.67 billion)
- Corporates Clients segment with a record quarter, Private and Small-Business Customers segment benefited from seasonally strong securities business and deposit growth
- Costs down to €1.6 billion (Q1 2023: €1.7 billion) – cost-income-ratio significantly improved to 58% (Q1 2023: 65%)
- Moderate risk result of minus €76 million proves high quality of loan book
- CET1 ratio further increased to 14.9% (end of Q4 2023: 14.7%)
- Outlook for net interest income in 2024 improved to around €8.1 billion; other targets for current financial year confirmed
- Bank confirms targeted pay-out ratio for 2024 of at least 70%



“We deliver on our promises. We got off to a very good start this year. Our goal is to increase profits in 2024.”

**Manfred Knof, CEO**

“The significantly improved earnings power and the high CET1 ratio underpin our plan to further increase the pay-out ratio.”

**Bettina Orlopp, CFO**

In the first quarter of 2024, Commerzbank achieved its best net result in more than ten years. The Bank increased its operating result by around 24% to €1.1 billion and improved its net profit by around 29% to €747 million. This was driven by a strong customer business and the continued favourable interest rate environment. At €2.1 billion, net interest income equalled that of the previous quarter and was close to the record result from the third quarter of 2023. Net commission income increased both year-on-year and quarter-on-quarter. Costs went down further in the first quarter. The risk result remained at a moderate level in a challenging economic environment.

Commerzbank has successfully completed its capital return for the 2023 financial year. At the Annual General Meeting on 30 April 2024, the shareholders voted in favour of the proposed dividend of €0.35 per share. As promised, the Bank has returned a total of around €1 billion to its shareholders, which comprises the dividend payment of around €415 million and the second share buyback programme with a volume of around €600 million which was completed in March.

“We deliver on our promises. We got off to a very good start this year. The strong customer business and the excellent result in the first quarter support our goal of increasing our profit in 2024,” said Commerzbank CEO Manfred Knof. “We are continuing to make good progress in implementing our strategic plan until 2027. Particularly in terms of revenue, it’s becoming increasingly clear that our customer-centric business model is bearing fruit even in a challenging economic environment. In this regard, the most recent acquisitions in Asset Management and in the payment transaction business will start to contribute to commission income over the course of the year.”

Commerz Globalpay GmbH, the joint venture between Commerzbank and Global Payments, received regulatory approval at the end of April. Commerzbank’s participation was completed at the beginning of May. Sales activities of the joint offering of digital payment products are about to start soon. Commerz Globalpay GmbH will offer small-business customers, among other services, the opportunity to accept mobile payments without an additional card reader using the smartphone-based app “GP tom”.

On its way to achieving its strategic goals, Commerzbank reached an important milestone regarding IT consolidation in its Corporate Clients business in the first quarter. By completing the migration of its booking platform for currencies and commodities, the Bank has significantly simplified its IT infrastructure. Since 2020, Commerzbank has reduced the total number of IT applications for capital market trading by 40% leading to reduced complexity and improved usability. The saved costs will be reinvested to improve price and product offerings for clients even more in the future.

As *the* bank for Germany, Commerzbank aims at offering every customer the right product for their individual financial needs. This is underlined by the Bank’s new Germany-wide brand campaign, which was launched today.

**Performance in the first quarter: Strong customer business boosts revenues**

In the first quarter of the year, Commerzbank increased its revenues by 3% to €2,747 million (Q1 2023: €2,668 million), benefiting from a continued strong customer business and the ongoing favourable interest rate environment. This enabled Commerzbank to more than compensate for the new provisions for legal risks from foreign currency (FX) loans at mBank totalling €318 million (Q1 2023: €173 million). At €2,126 million, net interest income was 9% higher year-on-year (Q1 2023: €1,947 million) and on the same level as in the previous quarter (Q4 2023: €2,126 million). Driven by the seasonally strong securities business, Commerzbank increased its net commission income to €920 million year-on-year as well as quarter-on-quarter (Q1 2023: €915 million, Q4 2023: €798 million).

The Bank is keeping costs on track despite ongoing inflationary pressure. Total costs declined by around 8% to €1,588 million in the first quarter of 2024 (Q1 2023: €1,724 million). The main driver was the decrease in compulsory contributions to €91 million (Q1 2023: €260 million). This is mainly due to the significantly lower European banking levy, as the target volume of the European Single Resolution Fund was reached last year. At the same time, operating expenses rose slightly to €1,496 million (Q1 2023: €1,464 million). However, this is largely attributable to higher costs at mBank resulting from investments for future business growth and foreign currency effects. Operating expenses excluding mBank were nearly on the same level as in the previous year's first quarter. General salary increases were offset by active cost management. The cost-income-ratio decreased considerably to 58% in the first quarter (Q1 2023: 65%) being below the target of around 60% for the full year 2024.

The Bank's risk result once again remained at a moderate level at minus €76 million in the first quarter, despite the challenging economic environment (Q1 2023: minus €68 million). It was driven by few single cases and releases, which proves the high quality of the loan book. This is also reflected in the consistently low non-performing exposure ratio (NPE ratio) of only 0.8%. The Bank's exposure in Russia was further reduced. The Top-Level Adjustment (TLA) slightly decreased quarter-on-quarter due to recalculations in both customer segments. A total of €423 million (Q4 2023: €453 million) continues to be available for secondary effects from supply chains, uncertainties from inflation, and the impact of the current restrictive monetary policy.

In total, the Bank increased its operating result by around 24% to €1,084 million in the first three months of 2024 (Q1 2023: €875 million). Net profit after taxes and minority interests also rose significantly to €747 million (Q1 2023: €580 million), marking the best quarter for the Bank in more than ten years. The last time net profit had been higher was in the first quarter of the 2011 financial year.

The Bank's Common Equity Tier 1 ratio (CET1 ratio) rose to 14.9% as of 31 March 2024 (31 December 2023: 14.7%, 31 March 2023: 14.2%). This gives Commerzbank a very comfortable buffer of 455 basis points to the regulatory minimum requirement (MDA threshold), which is currently around 10.3%. The return on tangible equity (RoTE) improved to 10.5% (Q1 2023: 8.3%)

due to the seasonally strong quarter. This puts the Bank well on track to achieve its target of at least 8% for the full year.

“The significantly improved earnings power and the high CET1 ratio underpin our plan to further increase the pay-out ratio,” said CFO Bettina Orlopp. “We will continue to focus on a combination of dividend payments and share buybacks. If the second quarter develops as expected, we plan to apply to the ECB and the German Finance Agency for the next share buyback on the basis of the first half-year results.”

### **Segment development: Continued strong performance in both customer segments**

The Corporate Clients segment once again performed very well across all client groups in the first quarter. It boosted its revenues by around 13% to a record of €1,224 million (Q1 2023: €1,079 million). Net commission income increased by around 8% to €361 million. (Q1 2023: €334 million). At €713 million, net interest income was around 14% higher year-on-year (Q1 2023: €627 million). However, due to the ongoing shift from sight to term and call deposits, it was below the previous quarter (Q4 2023: €741 million) while the deposit volume remained stable. The segment's operating result reached a record of €661 million (Q1 2023: €541 million, Q4 2023: €508 million), benefiting from the continued low risk result and a decrease in costs.

The Private and Small-Business Customers segment increased its revenues in Germany to €1,166 million in the first quarter (Q1 2023: €1,146 million), benefiting from the seasonally strong securities business, continued deposit growth, and the positive effect from, at Group level neutral, adjustment of deposit models in the fourth quarter of 2023. Net interest income rose by around 10% to €661 million (Q1 2023: €603 million). At €489 million, net commission income was around 12% higher than in the previous quarter (Q4 2023: €438 million) but remained slightly below that of the first quarter of 2023 (Q1 2023: €511 million). This was due to one-off effects at the real asset subsidiary Commerz Real in the first quarter of 2023. Excluding these one-off effects, Commerz Real's earnings remained almost stable at €47 million in the first quarter of this year. Overall, the segment's operating result in Germany improved significantly by 46% to €423 million (Q1 2023: €289 million).

Customer deposits in the segment in Germany rose to €166 billion on a quarterly average (Q1 2023: €150 billion) totalling growth of around €9 billion in the first three months of the year (Q4 2023: €157 billion). The shift of funds into interest-bearing products continued. The lending volume was stable year-on-year at €125 billion and the average mortgage volume also remained almost unchanged at €95 billion in the first quarter. New business showed a positive trend compared to the end of 2023: New contracts picked up significantly in the first three months of the year. The securities portfolio rose to a volume of €230 billion at the end of the quarter (Q1 2023: €202 billion) due to the strong stock market performance.

The Polish subsidiary mBank again showed a strong operating performance in the first quarter. Despite provisions for legal risks from FX loans of €318 million (Q1 2023: €173 million), mBank

generated revenues of €341 million (Q1 2023: €356 million). In total, mBank contributed €82 million to the operating result of the Group (Q1 2023: €100 million). The main driver was the strong net interest income, which was up by around 19% to €583 million (Q1 2023: €488 million). Excluding the burdens from the provisions for legal risks from FX loans, mBank would have further increased its operating result to €400 million in the first quarter (Q1 2023: €273 million). This would have been the best result in its history.

### Outlook: Annual targets for 2024 confirmed

Commerzbank maintains its outlook for the 2024 financial year. The Bank's target is to have a net profit above the previous year, which is, however, subject to the future development of Swiss franc loan burdens at mBank. Regarding net interest income, the Bank now targets around €8.1 billion for the full year. The aim for net commission is 4% growth. Commerzbank targets a cost-income-ratio of around 60% for the current year. The Bank aims for a risk result below minus €800 million for the full year assuming usage of TLA. The CET 1 ratio will be higher than 14%.

The Bank intends to further increase the pay-out ratio. Having used a total of 50% of the net profit for the 2023 financial year for dividend payments and share buybacks, Commerzbank's target is to return at least 70% of the profit to its shareholders for the current financial year but no more than the net profit after deduction of AT1 coupon payments in accordance with its capital return policy.

### Financial figures at a glance

in €m	Q1 2024	Q1 2023	Q1 24 vs. Q1 23 in %	Q4 2023	Q1 24 vs. Q4 23 in %	FY 2023
Net interest income	2,126	1,947	+9.2	2,126	+0.0	8,368
Net commission income	920	915	+0.5	798	+15.3	3,386
Net fair value <sup>1</sup>	-53	-72	+26.2	-202	+73.6	-359
Other income	-246	-122		-313	+21.3	-933
<b>Total revenues</b>	<b>2,747</b>	<b>2,668</b>	<b>+3.0</b>	<b>2,409</b>	<b>+14.0</b>	<b>10,461</b>
<i>Revenues excl. exceptional items</i>	<i>2,719</i>	<i>2,655</i>	<i>+2.4</i>	<i>2,434</i>	<i>+11.7</i>	<i>10,438</i>
Risk result	-76	-68	-10.8	-252	+70.0	-618
Operating expenses	1,496	1,464	+2.2	1,557	-3.9	6,006
Compulsory contributions	91	260	-64.9	59	+55.2	415
<b>Operating profit or loss</b>	<b>1,084</b>	<b>875</b>	<b>+23.8</b>	<b>542</b>	<b>+100.0</b>	<b>3,421</b>
Restructuring costs	1	4	-86.2	4	-86.9	18
<b>Pre-tax profit or loss</b>	<b>1,083</b>	<b>871</b>	<b>+24.4</b>	<b>537</b>		<b>3,403</b>

in €m	Q1 2024	Q1 2023	Q1 24 vs. Q1 23 in %	Q4 2023	Q1 24 vs. Q4 23 in %	FY 2023
Taxes	322	279	+ 15.5	166	+ 94.1	1,188
Minorities	14	12	+ 16.9	-24		- 10
<b>Consolidated profit or loss<sup>2</sup></b>	<b>747</b>	<b>580</b>	<b>+ 28.8</b>	<b>395</b>	<b>+ 89.0</b>	<b>2,224</b>
Cost-income-ratio in operating business excl. compulsory contributions (%)	54.5	54.9		64.6		57.4
Cost-income-ratio in operating business incl. compulsory contributions (%)	57.8	64.6		67.1		61.4
Operating RoTE (%)	14.1	11.8		7.0		11.3
Net RoTE (%) <sup>3</sup>	10.5	8.3		5.2		7.7
Net RoE (%)	10.1	8.0		5.0		7.4
CET1 ratio (%) <sup>3</sup>	14.9	14.2		14.7		14.7
Leverage ratio	4.6	4.8		4.9		4.9
Total assets (€bn)	552	497		517		517

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

<sup>2</sup> Net profit attributable to Commerzbank shareholders and investors in additional equity components.

<sup>3</sup> 2023 reduced by pay-out accrual and potential (fully discretionary) AT1 coupons – Q1 2024 excluding net profit.

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### About Commerzbank

Commerzbank is the leading bank for the German Mittelstand. In addition, the Bank is 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

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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.