

Press Release

13 February 2025

Commerzbank delivers record profit – strong momentum for accelerated growth and transformation – targeting 15% return on tangible equity by 2028

Financial results for 2024:

- 2024 targets exceeded: net result increased by 20% to around €2.7 bn – operating result improved by 12% to €3.8 bn
- Revenues up 6% to €11.1 bn driven by strong customer business
- Net commission income up 7% to €3.6 bn; materially better than forecast – net interest income remains strong at €8.3 bn despite interest rate cuts
- Risk result at minus €743 m demonstrates resilience of loan portfolio
- Cost-income ratio improved to 59%
- 9.2% return on tangible equity much higher than target of at least 8%
- Capital return for 2024 increased to around €1.73 bn – dividend of 65 cents per share planned

Strategy upgrade until 2028 – Commerzbank leverages strong momentum:

- Bank will further accelerate its profitable growth – strategic focus on expanding business in asset and wealth management – Corporate Clients segment primarily focussing on stronger client penetration and capital efficiency
- Continual revenue growth expected despite further interest rate cuts – net commission income expected to increase by around 7% on average
- Digitalisation, artificial intelligence, and increased use of international shoring locations create greater efficiency gains
- In 2025 net result target of €2.4 bn after and €2.8 bn before restructuring charges for transformation
- Cost-income ratio expected to improve to around 50% in 2028
- Net result target of €4.2 bn and return on tangible equity target of 15% for 2028

Attractive capital return until 2028:

- For 2025 planned payout ratio of 100% of net result after deduction of AT 1 coupons and before restructuring charges for transformation
- For 2026 to 2028, payout ratio of 100% of net result after deduction of AT 1 coupons planned – subject to successful strategy implementation and macroeconomic environment



“We have built a strong foundation and can now leverage market opportunities and technological advancements. With this momentum, we are

accelerating our profitable growth and consistently driving forward our transformation. This makes Commerzbank stronger and better.”

Bettina Orlopp, CEO



“Commerzbank has what it takes to increase returns for shareholders in the years to come. Continually raising revenues, strict cost discipline, and a dynamic

capital return provide the foundation for reliably increasing the Bank’s profitability.”

Carsten Schmitt, designated CFO

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Commerzbank continued to develop dynamically in the financial year 2024 and exceeded its ambitious targets, which were raised during the year. Net result increased to around €2.7 bn, which is higher than the recently targeted €2.4 bn. This means that the Bank increased its result by around 20% compared to the previous year. At the same time, it achieved its highest profit ever. Its revenues were the main driver: thanks to strong customer business, revenues rose by around 6% to €11.1 bn compared to the previous year and also exceeded the target set in autumn 2024. Despite inflation and slightly higher costs related to investments, the cost-income ratio improved to 59%, placing it below the original target of 60%. The return on tangible equity increased to 9.2%, significantly exceeding the target of at least 8%. The Bank has created a strong starting point with a series of excellent results in recent years. Commerzbank is now using this momentum to accelerate its profitable growth and to continue to advance the transformation by executing its upgraded strategy for the coming years.

Commerzbank's CEO Bettina Orlopp said: "We have delivered again. With yet another record result, we have shown that we are creating substantial added value for our shareholders, customers, and employees. We have significantly increased our profitability, expanded our fee business as previously announced, continued to improve our cost-income ratio, and are an even more attractive employer. This provides us with a strong basis for the years to come."

Successful business development in 2024 creates a strong starting point for upgraded strategy

In the financial year 2024, revenues increased to €11,106 m (2023: €10,461 m). The growth was driven by the strong fee business. Net commission income increased by 7% to €3,638 m (2023: €3,386 m) thanks to the dynamic securities business and positive development in asset management. It exceeded the growth target, which was raised to more than 5% in September. Net interest income remained at a high level at €8,331 m (2023: €8,368 m). The ongoing growth in deposits and adjustments in the replication portfolio for the long-term stabilisation of net interest income compensated for the impact of interest rate cuts by the European Central Bank (ECB).

Total costs for the 2024 financial year were slightly higher at €6,526 m (2023: €6,422 m), primarily caused by increased administrative expenses, which rose to €6,244 m (2023: €6,006 m). This was mainly due to investments in the growth of mBank and higher personnel expenses. The consolidation of Aquila Capital effective since June had an impact, alongside salary increases. The Bank was able to partly compensate for these through active cost management and cost savings. Compulsory contributions decreased to €283 m for the full year (2023: €415 m), mainly because the European bank levy was significantly lower, as the Single Resolution Fund's target volume was achieved. The cost-income ratio improved to 59% (2023: 61%).

The risk result for the financial year 2024 totalled minus €743 m (2023: minus €618 m), mainly driven by single cases. The loan book continued to prove its overall resilience in a challenging macroeconomic environment. At the end of the year, the non-performing exposure (NPE) ratio was 1.1% (Q3 2024: 0.9%; Q4 2023: 0.8%). The top-level adjustment (TLA) was reduced by €14 m due to reassessment in the fourth quarter. Therefore, the Bank continues to have €228 m (Q3 2024: €242 m; Q4 2023: €453 m) mainly available to cover expected secondary effects from geopolitical crises and uncertainties from inflation.

The Bank's operating result increased by 12% to €3,837 m (2023: €3,421 m) in the financial year 2024. Net result after taxes and minority interests also rose significantly compared to the previous year: it increased by 20% to €2,667 m (2023: €2,224 m).

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The CET 1 ratio rose to a comfortable 15.1% as of 31 December 2024, which underpins the Bank's very high potential for returning capital to its shareholders (Q3 2024: 14.8%; Q4 2023: 14.7%). The current buffer to the regulatory minimum requirement (MDA threshold) of around 10.3% is therefore 485 basis points. The return on tangible equity (RoTE) continued to significantly improve, reaching 9.2% in the financial year 2024 (2023: 7.7%). This means that the Bank clearly exceeded its aims to achieve a return on tangible equity of at least 8% for the full year.

Based on its strong results, Commerzbank will give back a total of around €1.73 bn – 71% of its net result after deduction of AT 1 coupons – to its shareholders for the financial year 2024. Part of the capital return is the Bank's third share buyback programme. In January this year, the Bank concluded the buyback of the first tranche, which it began in 2024, with a volume of around €600 m. The ECB and the German Finance Agency have already approved a second tranche of up to €400 m. The share buyback will start after the reporting for the 2024 financial year and is expected to be completed by the Annual General Meeting at the latest. Furthermore, the Board of Managing Directors and the Supervisory Board intend to propose a dividend of 65 cents per share (previous year: 35 cents per share) at the Annual General Meeting on 15 May 2025. The Bank will return around €3.1 bn to its shareholders in total for the years 2022 to 2024, which is more than originally announced.

Designated CFO, Carsten Schmitt, explained: "Commerzbank has what it takes to increase returns for shareholders in the years to come. Continually raising revenues, strict cost discipline, and a dynamic capital return provide the foundation for reliably increasing the Bank's profitability."

Segment development: loan volumes continue to rise in Corporate Clients segment

The Corporate Clients segment increased its revenues in the financial year 2024 by a total of 5% across all client groups to €4,724 m (2023: €4,486 m). Net commission income climbed by around 7% to €1,379 m (2023: €1,284 m). The main drivers were increased business activity in loan syndications and bond issuance. Growth in foreign trade and the financing of green infrastructure projects for renewable energies (CoC GIF) also had a positive impact. However, as expected, net interest income was slightly lower at €2,670 m (2023: €2,782 m) due to the downward trend of interest rates on deposits. Despite the challenging economic environment in the final quarter, loan volume growth continued: the loan volume rose by a further €4 bn compared to the third quarter to a total of €104 bn at the end of the year (Q4 2023: €95 bn). The increase is largely attributed to investment loans for the green transformation, the public sector and institutional clients. At €2,060 m, operating result was slightly below the previous year (2023: €2,147 m).

Significantly improved result in Private and Small-Business Customers segment

The Private and Small-Business Customers segment in Germany generated revenues of €4,440 m in the financial year 2024, a 7% increase compared to the previous year (2023: €4,134 m). Thanks to higher contribution from the deposit business, net interest income climbed by around 8% to €2,384 m (2023: €2,208 m) despite interest rate cuts by the ECB. Net commission income rose by 7% to €1,964 m (2023: €1,833 m), with strong performance in the securities business, supported by the positive market development and strategic initiatives in asset management, contributing significantly to the growth. Additionally, the segment saw strong growth in savings plans. The segment's operating result for the full year improved by 56% to €1,362 m (2023: €873 m).

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In 2024, the securities volume rose significantly to €243 bn as per the end of December (Q4 2023: €215 bn), as a result of the strong market development. Loan volume averaged €125 bn in the final quarter, which is equal to the level of the previous quarter (Q4 2023: €125 bn); the average mortgage volume for the fourth quarter was €96 bn (Q4 2023: €95 bn). The Bank also gained customer deposits in the past financial year; the average deposit volume rose to €173 bn in the fourth quarter compared to the same quarter of the previous year (Q4 2023: €156 bn).

The Polish subsidiary mBank continued its strong growth in customer business in 2024. It increased its revenues by 38% to €1,702 m (2023: €1,235 m). Net commission income increased by 11% to €348 m (2023: €313 m) and net interest income rose by 9% to €2,382 m (2023: €2,176 m). This allowed mBank to compensate for provisions for legal risks for foreign currency loans (FX) totalling €1,002 m (2023: €1,094 m). mBank contributed €599 m to the Group's operating result in the 2024 financial year, more than four times as much as in the previous year (2023: €146 m). Without the impact of provisions for legal risks associated with foreign currency loans and "credit holidays", it would have contributed an even higher amount of €1,636 m in 2024 (2023: €1,228 m).

"We have built a strong foundation and can now leverage market opportunities and technological advancements. With this momentum, we are accelerating our profitable growth and consistently driving forward our transformation," said CEO Bettina Orlopp. "This makes Commerzbank stronger and better."

Strategy "Momentum": significant increase in financial targets until 2028

With its upgraded strategy "Momentum", Commerzbank has set significantly more ambitious targets than before. The RoTE is expected to improve to 15% by 2028. This means that the Bank will earn significantly more than its cost of capital and be a well-established player amongst the successful banks in Europe. It is aiming to increase its net result to €4.2 bn by 2028. With only a moderate rise in costs, revenues are expected to increase significantly: The Bank anticipates a compound annual growth rate (CAGR) of 4% excluding provisions for legal risks for FX loans at mBank to €14.2 bn by 2028. The main driver will be net commission income, while a moderate increase in net interest income is expected despite ongoing interest rate cuts. The Bank plans to continue to significantly improve its cost-income ratio to around 50% – an internationally competitive level.

Commerzbank's revised financial targets, which were published in September 2024, initially extended until the year 2027. These targets are now anticipated to be partially exceeded as early as 2027 on the way to reaching the more ambitious targets by the end of 2028. The Bank aimed for a net result target of €3.6 bn in 2027. Based on its "Momentum" strategy, the Bank now forecasts a net result of €3.8 bn for 2027. Revenues are projected to rise to €13.6 bn instead of the previously expected €13.3 bn, and the Bank is targeting a return on equity of 13.6% rather than the previous target of 12.3%. In September 2024, the Bank's cost-income ratio target was 54%. Its new target for 2027 is 53%.

Commerzbank focusses on growth potential and strengthens its digital distribution channels

To achieve the targets of its upgraded strategy by 2028 and to accelerate its profitable growth, Commerzbank will continue to leverage further potential from its business model over the coming years. In doing so, the Bank will focus on its acknowledged strengths in the business with private and small-business customers, including its asset and wealth management, which is expected to continue to grow following recent acquisitions, the further expansion of its market leadership position in the Mittelstand, and the growth

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of mBank. In all business segments, the Bank will, in addition, consistently advance its offering of digital processes, solutions, and product offerings, including through the expansion of sales partnerships.

In the Private and Small-Business Customers segment, the Bank will sharpen its two-brand strategy with stronger price and product differentiation. The Commerzbank brand will continue to stand for access to a branch network with a comprehensive range of services and personal advice, in addition to extensive digital offerings. Under the brand comdirect, the Bank offers all core services as a digital primary bank and, as a performance broker, solutions for saving, investing, and securities trading.

Furthermore, the Bank aims to expand its new loan volume with private and small-business customers. It will also modernise its payment business and further strengthen its omnichannel approach. Already today, more than 90% of customer contacts are digital. More than 50% of product sales in the Commerzbank brand are concluded digitally. In addition to the various online and mobile offerings as well as the established remote advisory centre, branches remain an important sales channel that will be structurally strengthened by an adjusted advisory model. Customer areas and sales structures will be reorganised to free up more time for qualified customer advisory services at the locations. The model will be implemented in the fourth quarter of 2025. In this context, the Bank will also strengthen personal advice in Private Banking and Wealth Management.

In the Corporate Clients segment, Commerzbank will focus on an even stronger penetration of its clients in the Mittelstand and large client groups. To this end, the Mittelstandsbank Direkt team will be staffed up to ensure more active client support. Moreover, Commerzbank is strengthening its financing solutions offerings, particularly for large corporate clients, and supports Mittelstand businesses in the area of succession financing. Both advisory and financing also play an important role regarding strategic sustainability topics such as decarbonisation and the establishment of reporting around the dimensions of environment, social, and governance (ESG).

The Corporate Clients segment will also focus on international growth and strengthen its business with German clients in the USA and Asia. The Bank also plans to intensify business relationships with North American and Asian companies in selected sectors. Additional revenue potential will be gained through the acquisition of new corporate clients with increased RWA (risk-weighted assets) efficiency. On the product side, the range of services for foreign exchange, interest rate, and commodity products, and transaction banking, especially for payment transactions and foreign trade business, will be specifically strengthened. Commerzbank will also significantly increase its capital efficiency and utilise securitisation to free up even more capital.

Measures to accelerate organic growth will be complemented with targeted acquisitions. Alongside this, Commerzbank aims to pursue further strategic partnerships, especially with a focus on developing innovative products, distribution channels, and IT services. Visa will become strategic partner of Commerzbank for payment cards. The two companies agreed on a long-term partnership. It supports Commerzbank's strategic direction in payments and ensures the Bank's access to future payment innovations. Commerzbank customers will preferentially receive debit and credit cards from Visa in the future.

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Extensive investments in digitalisation and artificial intelligence increase efficiency

In addition to accelerating profitable growth, the consistent continuation of its own transformation is at the core of the Bank's upgraded strategy. These measures aim to reduce the complexity of processes and make Commerzbank on the whole even leaner and more efficient.

The Bank will further increase its productivity, particularly by modernising and efficiently utilising technologies. This includes accelerating digitalisation activities, for example, by using modern technologies, such as artificial intelligence (AI). It will also invest in consistently modernising and streamlining its IT infrastructure.

As part of this, the Bank has already signed strategic partnerships with Google Cloud and Microsoft. The target is to significantly accelerate the transformation of the digital landscape by collaborating closely in the AI and Cloud space and by bringing skills and resources together.

For a competitive cost base, the Bank will also focus on scaling shoring and sourcing activities within the group and reducing its dependency on external service providers. The Bank will utilise international locations as well as nearshore and offshore subsidiaries to a greater extent than before, which should increase access to skilled specialists.

The efficiency gains from digitalisation, as well as the increased use of international locations, will be accompanied by further job reductions. In total, around 3,900 full-time equivalent (FTE) positions are expected to be cut by 2028. With approximately 3,300 FTEs this affects mainly central staff functions and Operations in Germany. At the same time, there will be an increase in staffing in selected areas, such as the international locations and at mBank. Ultimately, the number of employees in the Commerzbank Group is expected to remain constant at 36,700 FTEs worldwide.

To make the transformation process socially acceptable, Commerzbank will rely primarily on demographic change and natural fluctuations. For instance, the Bank will be offering an early partial retirement programme this year. The Bank has already agreed on these key principles in a joint transformation agreement with the employee unions. The Bank estimates restructuring charges of around €700 m before tax effects in 2025. The specific design of personnel measures will be subject of upcoming negotiations with employee unions.

Commerzbank will continue to ensure its attractiveness as an employer and to further raise the motivation and performance of its employees through extensive measures. For instance, the Bank is focussing on a modern, flexible workplace concept for its employees. Another planned measure is the introduction of an employee share programme to increasingly involve its employees in the Bank's future success.

Outlook for 2025: Higher net result targeted again thanks to "Momentum"

In 2025, Commerzbank will make significant progress towards achieving its financial targets by the end of 2028. The Bank aims for a net result of €2.8 bn before restructuring charges for the transformation of the Bank, while expecting a net result of €2.4 bn after restructuring charges. The outlook remains subject to the future development of burdens from Russia and FX loans at mBank. The Bank expects a net interest income between €7.7 bn and €7.9 bn, depending on the interest rate development and the related fair value movement between €0.4 bn and €0.3 bn, leading to a combined contribution of €8.1 to €8.2 bn. Net commission income is planned to increase by around 7%. The Bank is targeting a cost-income ratio of 57%.

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The risk result is expected around minus €850 m for the full year assuming usage of TLA. Commerzbank expects its CET 1 ratio to be at least 14% after the planned capital return and restructuring charges.

Capital return until 2028: payout ratio of 100% targeted

As the CET 1 ratio increased to 15.1% at the end of 2024 and anticipating significantly increasing results, there is an even higher potential for capital return in the coming years than previously forecast. For 2025, the Bank plans a payout ratio of more than 100% of its net result after restructuring charges and deduction of AT 1 coupon payments. Before restructuring charges, the payout ratio amounts to 100% of the net result after deduction of AT 1 coupon payments. In the years 2026 to 2028, it aims for a payout ratio of 100% after deduction of AT 1 coupon payments – subject to the successful implementation of the strategy and the macroeconomic environment. As a result, the CET 1 ratio up to 2028 will approach the target level of 13.5%.

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Financial figures at a glance

in €m	2024	2023	2024 vs 2023 (in %)	Q4 2024	Q4 2023	Q4 2024 vs Q4 2023 (in %)	Q3 2024
Net interest income	8,331	8,368	-0.4	2,080	2,126	-2.2	2,048
Net commission income	3,638	3,386	+7.4	945	798	+18.3	894
Net fair value result ¹	-46	-359	+87.3	79	-202		-67
Other income	-817	-933	+12.4	-148	-313	+52.8	-140
Total revenues	11,106	10,461	+6.2	2,956	2,409	+22.7	2,735
<i>Revenues excl. exceptional items</i>	11,160	10,438	+6.9	2,874	2,434	+18.0	2,753
Risk result	-743	-618	+20.2	-214	-252	-15.1	-255
Operating expenses	6,244	6,006	+4.0	1,693	1,557	+8.8	1,530
Compulsory contributions	283	415	-31.9	53	59	-10.6	64
Operating result	3,837	3,421	+12.1	996	542	+83.8	886
Restructuring costs	3	18	-82.6		4		2
Pre-tax result	3,833	3,403	+12.7	996	537	+85.3	885
Taxes	989	1,188	-16.8	181	166	+9.2	197
Minorities	168	-10		64	-24		46
Consolidated result²	2,677	2,224	+20.3	750	395	+89.9	642
Cost-income ratio in operating business excl. compulsory contributions (%)	56.2	57.4		57.3	64.6		55.9
Cost-income ratio in operating business incl. compulsory contributions (%)	58.8	61.4		59.1	67.1		58.3
Operating RoTE (%)	12.3	11.3		12.5	7.0		11.3
Net RoTE (%) ³	9.2	7.7		10.1	5.2		8.7
Net RoE (%)	8.8	7.4		9.7	5.0		8.3
CET 1 ratio (%) ³	15.1	14.7		15.1	14.7		14.8
Leverage ratio	4.8	4.9		4.8	4.9		4.4
Total assets (€bn)	555	517		555	517		565

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

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

³ Reduced by payout accrual and potential (fully discretionary) AT 1 coupons – Q3 2024 excluding net result.

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Selected figures for the 2024 financial year had already been published by Commerzbank in a release on 31 January 2025.

The figures for 2024 contained in this press release are **provisional** and **unaudited**.

The events of the day at a glance:

- 9.00 a.m. CET: [Online conference call for analysts](#) on the Q4 2024 results (“listen-only”, in English)
- 10.30 a.m. CET: [Broadcast of the annual press conference](#) on the 2024 business figures and the key content of the “Momentum” strategy upgrade available on our [website](#)
- 2.30 p.m. CET: [Broadcast of the Capital Markets Day](#) with detailed information on the “Momentum” strategy upgrade (in English)

The documents relating to the business results and the Capital Markets Day are available via our [website](#).

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About Commerzbank

With its two business segments – Corporate Clients and Private and Small-Business Customers –, Commerzbank, as a full-service bank, offers a comprehensive portfolio of financial services. It is the leading bank for the German Mittelstand and a strong partner for around 24,000 corporate client groups. Commerzbank transacts approximately 30% of Germany's foreign trade financing. The Bank is present internationally in more than 40 countries in the corporate clients' business – wherever its Mittelstand clients, large corporates, and institutional clients need it. In addition, Commerzbank supports its international clients with a business relationship to Germany, Austria, or Switzerland and companies operating in selected future-oriented industries. With more than €400 bn assets under management, Commerzbank is also one of the leading banks for private and small-business customers in Germany. Under the brand Commerzbank, it offers a wide range of products and services with an omni-channel approach: online and mobile, via phone or video in the remote advisory centre, and personally in its around 400 branches. Under the brand comdirect, it offers all core services as a digital primary bank 24/7 and, as a performance broker, solutions for saving, investing, and securities trading. Its Polish subsidiary mBank S.A. is an innovative digital bank that serves approximately 5.8 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

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developments to differ materially from any future results and developments expressed or implied by such forward-looking statements. Such factors include, amongst others, 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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