COMMERZBANK

Interim financial information as at 30 September

2024

The bank at your side

Key figures

Income statement	1.1.–30.9.2024	1.1.–30.9.2023
Operating profit (€m)	2,841	2,879
Operating profit per share (€)	2.38	2.31
Pre-tax profit or loss (€m)	2,837	2,865
Consolidated profit or loss attributable to Commerzbank shareholders and investors in additional equity components (€m)	1,926	1,829
Consolidated profit or loss attributable to Commerzbank shareholders (€m)	1,732	1,635
Earnings per share (€)	1.45	1.31
Operating return on equity based on CET1[1] (%)	14.8	15.5
Return on equity of consolidated profit or loss[1,2] (%)	8.8	8.6
Cost/income ratio in operating business (excl. compulsory contributions) (%)	55.8	55.3
Cost/income ratio in operating business (incl. compulsory contributions) (%)	58.7	59.7

Balance sheet	30.9.2024	31.12.2023
Total assets (€bn)	565.3	517.2
Risk-weighted assets (€bn)	170.9	175.1
Equity as shown in balance sheet (€bn)	34.8	33.0
Total capital as shown in balance sheet (€bn)	42.0	39.7

Regulatory key figures	30.9.2024	31.12.2023
Tier 1 capital ratio (%)	16.7	16.5
Common Equity Tier 1 ratio[3] (%)	14.8	14.7
Total capital ratio (%)	19.8	19.3
Leverage ratio (%)	4.4	4.9

Full-time personnel	30.9.2024	31.12.2023
Germany	25,501	25,552
Abroad	13,589	13,013
Total	39,090	38,565

Ratings[4]	30.9.2024	31.12.2023
Moody' s Investors Service, New York[5]	A1/A2/P-1	A1/A2/P-1
S&P Global, New York[6]	A+/A/A-1	A/A-/A-2

[1] Annualised.
[2] Ratio of net income attributable to Commerzbank shareholders after deduction of pay-out accrual and potential (fully discretionary) AT-1-Coupons and average IFRS equity before minority after deduction of goodwill and other intangible assets without additional equity components and non-controlling interests.
[3] The Common Equity Tier 1 ratio is the ratio of Common Equity Tier 1 capital (CET1) (mainly subscribed capital, reserves and deduction items) to risk-weighted assets.
[4] Further information can be found online at www.commerzbank.de/group/.
[5] Counterparty rating and deposit rating/issuer credit rating/short-term liabilities.
[6] Counterparty rating/deposit rating and issuer credit rating/short-term liabilities.

Due to rounding, numbers and percentages in this report may not add up precisely to the totals provided.

Contents

4 Performance highlights
from 1 January to 30 September 2024

7 Financial performance, assets, liabilities and financial position

9 Segment performance

11 Outlook and opportunities report

13 Risk situation

17 Income statement

18 Condensed statement of comprehensive income

19 Balance sheet

20 Statement of changes in equity

22 Additional information

Performance highlights from 1 January to 30 September 2024

Key statements

Commerzbank has continued to advance the implementation of its strategic initiatives in the third quarter. A few weeks after the successful closing of the majority stake in Aquila Capital, the bank launched the distribution of Aquila products with the European Long-Term Investment Fund (ELTIF) “AC One Planet”. Additionally, the bank is expanding its offerings for high-net-worth clients and family offices. This underscores Commerzbank's growth ambitions in this dynamic market segment. The bank is also pursuing its strategic plans abroad. To further strengthen its technological development, Commerzbank has opened a new 'IT-Factory' in Malaysia. Commerzbank is also making good progress with its commitment to sustainability: the growth of the Green Infrastructure Finance division, which focuses on the project financing of renewable energies and other green infrastructure, has already surpassed the record year of 2023 after nine months. Overall, both in the customer business and in result development, it is evident that our growth initiatives are paying off.

The key figures for the Bank’s business performance in the first nine months of 2024 are shown below:

- Overall, Commerzbank posted an operating profit of €2,841m in the period under review, compared with €2,879m in the prior-year period. This is a pleasing result, particularly given the higher charges from provisions in connection with retail mortgage loans issued in foreign currencies and a reduction in income in mBank’s private real estate financing business due to interest and redemption deferrals, as well as provisions in connection with a legal case in Russia involving Commerzbank Eurasija.

- Income increased in both customer segments, supported by continued strength in the customer business. At €6,251m, net interest income reached the high level of the prior-year period, despite the recent cuts in policy rates. Net commission income developed very encouragingly, with both customer segments contributing to the 4.1% increase to €2,693m.

- The risk result rose to €–529m, compared to €–367m in the prior-year period, largely due to defaults by individual counterparties and loan loss provisions in the Corporate Clients segment. The top-level adjustment (TLA) at Group level amounted to €242m as at 30 September 2024, compared with €453m at the end of 2023. The non-performing exposure (NPE) ratio was 0.9%.

- Operating expenses increased by 2.3% to €4,550m compared with the prior-year period due to adjusted wages and salaries domestically and higher costs at mBank as a result of its continued business growth and the effects of currency translation. At €230m, compulsory contributions (which are reported separately) were around 35% lower than in the prior-year period, mainly due to the European bank levy being significantly reduced. The cost-income ratio was 55.8% excluding compulsory contributions and 58.7% including compulsory contributions. The corresponding figures for the prior year were 55.3% and 59.7% respectively.

- The consolidated profit attributable to Commerzbank shareholders and investors in additional equity components was €1,926m, compared with €1,829m in the prior-year period. The return on equity based on consolidated profit or loss (less intangible assets and AT1-related items) was 8.8%, compared with 8.6% in the prior year.
- The Common Equity Tier 1 ratio was 14.8% as at 30 September 2024, compared with 14.7% at year-end 2023. The leverage ratio was 4.4%, compared with 4.9% at the end of 2023.

Important staffing and business policy events after the end of the previous reporting period

Changes in the Board of Managing Directors of Commerzbank Aktiengesellschaft

Christiane Vorspel-Rüter took up her position on Commerzbank's Board of Managing Directors as Chief Operating Officer (COO) on 1 September 2024. She succeeds Dr. Jörg Oliveri del Castillo-Schulz, who agreed with the Supervisory Board in February 2024 not to extend his contract, which expires at the end of September this year.

On 10 September 2024, the Chairman of the Board of Managing Directors of Commerzbank Aktiengesellschaft, Dr. Manfred Knof, informed the Chairman of the Supervisory Board, Prof. Dr. Jens Weidmann, that he would fulfil his contract, which was due to run until the end of December 2025, but would not be available to Commerzbank Aktiengesellschaft after that date. At its meeting on 24 September 2024, the Supervisory Board of Commerzbank Aktiengesellschaft reorganised the responsibilities at the top of the Group and appointed Dr. Bettina Orlopp as Chair of the Board of Managing Directors and thus the successor to Dr. Manfred Knof, who had agreed with the Supervisory Board that he would leave the Bank early on 30 September 2024. In addition, Michael Kotzbauer, Head of Corporate Clients, was appointed Deputy Chairman of the Board of Managing Directors. The Supervisory Board has initiated an orderly selection process to fill the role of Chief Financial Officer (CFO). During the transition period, Dr. Bettina Orlopp will continue to perform the CFO role in addition to her other responsibilities.

Significant changes in Commerzbank's shareholder structure

At the beginning of September 2024, the German Finance Agency GmbH announced that it wished to gradually divest its shareholding in Commerzbank Aktiengesellschaft. It sold its first block of shares in Commerzbank Aktiengesellschaft on 11 September 2024. Of the 16.49% stake then held by the Financial Market Stabilisation Fund (FMS), 4.49% (around 53.1 million shares) was sold by way of a standard accelerated bookbuilding process. The entire package was allocated to UniCredit Group as a result of it significantly outbidding all other offers within the bookbuilding process. When aggregated with parallel acquisitions on the capital market, UniCredit Group's stake in Commerzbank thereby amounted to around 9.2%. On 25 September 2024, UniCredit Group announced that it had increased its stake to around 9.5% through further acquisitions and that it had secured an option through financial instruments to increase its stake to around 21%.

Commerzbank's Supervisory Board and Executive Board confirm strategy

During the annual strategy dialog at the end of September 2024 with the Board of Managing Directors, the Supervisory Board of Commerzbank unanimously confirmed its support for its strategy, which aims to achieve a reliable and sustainable increase in value. The strategic priority remains profitable growth, while maintaining strict cost discipline and customer orientation. The implementation of Strategy until 2027 is progressing rapidly and on schedule, and Commerzbank is reliably delivering the announced progress.

In addition to the original plans, the Bank's profitability is to be improved even more in the coming years. By tapping into additional revenue potentials, such as in corporate banking, asset management, and its Polish subsidiary mBank, as well as achieving further efficiency gains, the bank will enhance its profitability more significantly than originally planned. The management board anticipates a rise in net income to well over €3bn by 2027 and an increase in return on equity to more than 12% by 2027.

Overall, Commerzbank is continuously evolving its robust growth story, which is based on very solid assumptions, and is sharpening its financial targets. The bank expects to be able to return even more capital to its shareholders and, as in the past years, reliably create value for all its shareholders in the future.

Financial performance, assets, liabilities and financial position

For a description of the accounting and measurement methods applied as at 30 September 2024, see “Additional information” on page 22.

Income statement of the Commerzbank Group

Commerzbank recorded a consolidated profit attributable to its shareholders and investors in additional equity components of €1,926m in the first nine months of 2024, compared with €1,829m in the prior-year period. The operating profit was €2,841m in the reporting period, compared with €2,879m in the prior-year period. This includes charges from provisions in connection with retail mortgage loans issued in foreign currencies, a reduction in income due to interest and redemption deferrals in mBank’s private real estate financing transactions (renewal of credit holidays), and provisions in connection with a legal case in Russia involving Commerzbank Eurasija.

The main items in the income statement performed as follows in the period under review:

At €6,251m, net interest income in the first nine months of 2024 was on a par with the prior-year period, although the development of the two customer segments differed. The increase in net interest income in business with private and small-business customers resulted primarily from a strong increase in net interest income at mBank due to the continued very positive conditions in the deposit business. In Germany, net interest income in the first nine months was on a par with the prior-year period. Despite interest rates declining somewhat since the middle of the year, slight increases were achieved in the deposit business compared with the prior-year period. In addition, the interest rate model adjustments made in the fourth quarter of 2023 as part of the maturity transformation of deposits in turn led to a decline in net interest income in the Others and Consolidation segment. Net interest income in business with corporate clients was slightly below the level of the prior-year period due to lower deposit income.

Net commission income was solid overall for the period under review. At €2,693m, it was 4.1% higher than the strong result recorded for the first nine months of 2023.

In the private and small-business customer business in Germany, the positive stock market trends brought encouraging growth compared to the prior-year period in both the portfolio-related securities business and the turnover-driven securities business due to higher transaction volumes and other factors. The consolidation of Aquila Capital in the second quarter of the current year also had a positive effect. mBank recorded higher net commission income compared to the prior-year period, mainly due to the effects of currency translation. In the Corporate Clients segment, increased earnings from loan syndications and bond issuances more than compensated for the decline in foreign exchange earnings compared to the very strong previous year.

Net income from financial assets and liabilities measured at fair value through profit or loss was €–124m in the reporting period, compared with €–157m in the prior-year period. The result for the reporting period includes both negative remeasurement effects and positive currency effects.

The other net income figure of €–805m includes provisions of €–785m in connection with retail mortgage loans issued in foreign currencies at mBank and provisions of €–96m in connection with a legal case in Russia involving Commerzbank Eurasija.

Other net income from financial instruments of €88m for the period under review includes a €–35m reduction in income due to interest and redemption deferrals in mBank’s private real estate financing transactions (renewal of credit holidays).

The risk result of €–529m was 44.4% above the prior-year period. The risk result was driven predominantly by defaults by individual counterparties and increases in loan loss provisions in the Corporate Clients segment, which also benefited from reversals of loan loss provisions due to disposals. In addition, the risk result includes €–97m for the collective stage 2 allocation for customers with higher climate exposure. The top-level adjustment (TLA) at Group level was €242m as at 30 September 2024, compared with €453m as at 31 December 2023. For further information about the TLA, see “Risk situation” on page 14.

Operating expenses were €4,550m in the period under review. The 2.3% increase in costs was mainly due to higher costs at mBank as a result of its investments in its future business growth and the effects of currency translation. The 3.2% increase in personnel costs to €2,770m was mainly due to an adjustment of current wages and salaries. Administrative expenses, including depreciation of fixed assets and amortisation of other intangible assets, were on a par with the prior-year period at €1,780m.

Compulsory contributions, which are reported separately, fell by €126m to €230m. The reduction by around 35% was mainly due to a significantly lower European banking levy, because the European Single Resolution Fund had already reached its target level for the resolution of distressed banks.

Restructuring expenses in connection with the implementation of strategic measures were €4m in the period under review, compared with €14m in the prior-year period.

The pre-tax profit was €2,837m, compared with €2,865m in the prior-year period. Tax expenses of €807m were reported for the period under review. This resulted mainly from taxation of the positive result for the first nine months of 2024.

The profit after tax was €2,030m, compared with €1,843m in the prior-year period.

Net of non-controlling interests, a consolidated profit of €1,926m was attributable to Commerzbank shareholders and investors in additional equity components for the reporting period, compared with €1,829m in the prior year.

Operating profit per share was €2.38 and earnings per share €1.45. The comparable figures in the prior-year period were €2.31 and €1.31 respectively.

Balance sheet of the Commerzbank Group

Total assets of the Commerzbank Group as at 30 September 2024 were €565.3bn. This represented a significant increase of €48.2bn compared with the end of 2023. The 9.3% increase was primarily due to a sharp rise in secured securities repurchase transactions and robust deposit inflows in the Private and Small-Business Customers segment and in the Corporate Clients segment.

The loan business also performed well – particularly at mBank and in the Mittelstand division of the Corporate Clients segment.

Equity

The equity capital attributable to Commerzbank shareholders reported in the balance sheet as at 30 September 2024 was €29.8bn, an increase of €0.9bn compared with year-end 2023. Further information about the change in equity can be found on page 20 f.

Risk-weighted assets were €170.9bn as at 30 September 2024 and thus €4.2bn lower than at the end of 2023. This change was mainly attributable to a decrease in risk-weighted assets from credit and market risks. The lower credit risk was mainly attributable to declines in the Counterparty & Credit Risk Portfolio – resulting primarily from exposure reductions due to a model change approved by the ECB, further volume and parameter effects, and reductions in deferred tax assets. These were partially offset by increases resulting from mBank's positions.

Lower risk-weighted assets from market risks resulted mainly from the absence of relevant loss scenarios from the regulatory value at risk time series and from the reduced capital adequacy requirements for credit valuation adjustment risk due to the change in the model for calculating counterparty and credit risk exposure. Risk-weighted assets from operational risk were only slightly below their level at the end of 2023.

Common Equity Tier 1 capital decreased by €0.4bn to €25.3bn as at the reporting date, compared with €25.7bn as at 31 December 2023. The positive developments in the IAS 19 effect as well as in the currency and revaluation reserve were more than offset by higher regulatory capital deductions, which mainly resulted from the initial consolidation of Aquila Capital in the second quarter of 2024, as well as from assets valued at fair value and the increased IRB Expected Loss shortfall. The Common Equity Tier 1 ratio rose slightly to 14.8% (excluding consolidated profit for the first nine months of 2024), compared with 14.7% as at 31 December 2023. The Tier 1 ratio also rose slightly to 16.7% as at the reporting date, compared with 16.5% as at the end of 2023. Supplementary capital increased by €0.4bn to €5.4bn compared to 31 December 2023, mainly due to a new issue in the second quarter of 2024. The total capital ratio (with transitional provisions) was 19.8% as at the reporting date, compared with 19.3% as at the end of 2023. Eligible equity remained unchanged at €33.9bn compared to 31 December 2023 as at the end of the reporting period.

The leverage ratio, which is equal to Tier 1 capital divided by leverage ratio exposure, was 4.4%.

Funding and liquidity

The money and capital markets remained stable and very receptive in the last three months of the period under review. Commerzbank's liquidity and solvency were assured at all times. Furthermore, the Bank's liquidity management is always able to respond promptly to new market circumstances.

The Commerzbank Group raised €10.2bn in long-term funding on the capital market in the first nine months of 2024.

With respect to collateralised bonds, Commerzbank Aktiengesellschaft issued Pfandbrief benchmark transactions, including increases, with a total volume of €4.6bn and terms of between three and ten years. The average re-offer spread for the Pfandbrief benchmark transactions was 31 basis points above the swap mid-rate.

With respect to uncollateralised bonds, Commerzbank has issued a €500m variable-interest preferred senior bond with a term of three years and callable after two years.

It bears interest at three-month Euribor plus 70 basis points. The Bank issued non-preferred senior bonds with a volume of €750m, a term of seven years, a call date in January 2030 and a coupon of 4.625% per year. Alongside this, it issued a €750m bond in July with a term of eight years and a call date in July 2031. Furthermore, the Bank issued a €750m subordinated Tier 2 bond, which is due in October 2034 and has a call option from July to October 2029 and a fixed interest rate of 4.875%. It also issued an AT1 bond under its issuance programme for Additional Tier 1 capital, with a volume of €750m and a fixed coupon of 7.875% per annum. This bond has a perpetual maturity and its first call date is in the period from October 2031 to April 2032. The bond terms for the issue provide for a temporary write-down in the event that the Bank's Common Equity Tier 1 ratio (CET1 ratio) drops below 5.125%. With the issue of the bonds, Commerzbank is further strengthening and optimising its capital structure.

Secured and unsecured private placements with a combined volume of around €1.4bn were also issued.

In September, mBank issued a green preferred senior bond with a volume of €500m and a term of six years, which is callable after five years. The re-offer spread was 175 basis points above the swap midpoint.

Average deposit volumes in the third quarter of 2024 showed a positive and almost stable trend compared to the second quarter of 2024. The average volume of deposits from private and small-business customers amounted to €219bn (second quarter of 2024: €217bn), with more than 95% of the German deposits protected. In the Corporate Clients segment, the average volume of deposits in the third quarter of 2024 was €94bn (second quarter of 2024: €96bn), with almost 60% of the deposits protected.

As at the reporting date, the Bank had a liquidity reserve of €137.9bn in the form of highly liquid assets. The liquidity reserve portfolio works as a buffer in stress situations. It is funded in line with the liquidity risk appetite to ensure that it is kept at the required size throughout the entire reserve period stipulated by the Board of Managing Directors. Part of this liquidity reserve is held in a separate stress liquidity reserve portfolio managed by Group Treasury to cover liquidity outflows should a stress event occur and to ensure solvency at all times.

The Bank also holds an intraday liquidity reserve portfolio. As at the reporting date, the total value of this portfolio was €6.2bn. With 140.3% as at the reporting date, Commerzbank was well above the minimum 100% level required for the liquidity coverage ratio (LCR).

At 144.3%, the average of the last 12 month-end values was also well above the minimum ratio. Commerzbank's liquidity situation as at the end of the reporting period was therefore comfortable given its conservative and forward-looking funding strategy and complied with internal and external limits and applicable regulatory requirements.

Segment performance

The comments on the segments' results for the first nine months of 2024 are based on the segment structure described on pages 185 and 369 ff. of the Annual Report 2023.

Overviews of the segments' results can be found under "Additional information" on page 24 f.

Private and Small-Business Customers

The Private and Small-Business Customers segment increased both the operating profit and the pre-tax profit in the first nine months of 2024 by €357m to €1,417m compared with the same period of 2023, despite persistently high provisions in connection with retail mortgage loans issued in foreign currencies and, to a significantly smaller extent, a reduction in income in mBank's private real estate financing business due to interest and redemption deferrals.

Income before risk result amounted to €4,515m in the period under review, which was significantly higher than in the prior-year period. Net interest income increased by €200m to €3,566m year on year. This 5.9% increase resulted primarily from strong growth in net interest income at mBank due to the continued very positive conditions in the deposit business. In Germany, net interest income in the first nine months was on a par with the prior-year period. Despite interest rates declining somewhat since the middle of the year, slight increases were achieved in the deposit business compared with the prior-year period. In addition, the interest rate model adjustments made in the fourth quarter of 2023 as part of the maturity transformation of deposits in turn led to a decline in net interest income in the Others and Consolidation segment.

At €1,697m, net commission income in the first nine months of 2024 was about 4% higher than the previous year's figure. In Germany, the positive stock market trends brought encouraging growth compared to the prior-year period in both the portfolio-related securities business and the turnover-driven securities business due to higher transaction volumes and other factors. The consolidation of Aquila Capital in the second quarter of the current year also had a positive effect. mBank recorded higher net commission income compared to the prior-year period, mainly due to the effects of currency translation.

Other income items totalled €–748m, compared with €–835m in the prior year. The impact on earnings in the period under review was mainly due to provisions in connection with retail mortgage loans issued in foreign currencies and, to a significantly smaller extent, a reduction in income in mBank's private real estate financing business due to interest and redemption deferrals (renewal of credit holidays). However, the negative impact of the fair value result has decreased significantly compared with the first nine months of the prior year.

At €–152m, the risk result of the Private and Small-Business Customers segment was €119m lower compared to the same period of the prior year. The decline was mainly due to significantly lower provisioning charges in Germany and at mBank.

Operating expenses increased by a total of €127m in the period under review to €2,719m. The increase resulted in particular from mBank, where operating expenses were significantly higher than in the prior-year period due to investments in its future business growth and the effects of currency translation. There was a slight increase in costs in Germany due, among other things, to increased expenses in connection with the acquisition of new customers, salary adjustments (which were partially offset by savings from staff reductions) and the consolidation of Aquila Capital. The cost of compulsory contributions fell by €18m compared with the first nine months of 2023 to €228m, owing in particular to a lower European banking levy.

Corporate Clients

The Corporate Clients segment achieved a stable performance in the first nine months of 2024, despite the persistently volatile and highly competitive market environment and difficult economic conditions. This segment recorded an operating profit as well as a pre-tax profit of €1,623m in the period under review, compared with €1,637m in the prior-year period.

The Mittelstand division recorded significantly positive income growth compared with the prior-year period. Income from lending business increased compared to the prior-year period.

In Capital Markets, the segment benefited from significantly increased deposit income from term and overnight deposits and from the business with credit syndications. The International Corporates segment showed stable development in the core business with weaker currency trading, which was more than compensated by a stronger syndicated lending business. In the Institutionals segment, the substantial increase in profits was driven by a strong bond issuance business. The income reported in the Others division, which was primarily attributable to hedging and remeasurement effects, was on a par with the prior-year period.

Income before risk result was €3,541m in the first nine months of 2024, €163m higher than in the prior-year period. All of the segment's operating customer areas contributed to the 4.8% increase in income. At €2,018m, net interest income was slightly below the level of the first nine months of 2023. Net commission income rose by a pleasing €53m year on year to €1,036m. The decrease in income from foreign currency business was more than offset by higher income from the loan syndication and bond issuance business, compared with the very strong prior year. Net income from financial assets and liabilities measured at fair value through profit or loss also improved, rising by 20.9% year on year to €470m.

The risk result in the reporting period was €–362m, compared with €–119m in the prior-year period. The significant increase in the segment's value adjustments was driven mainly by defaults of individual exposures and increases in loss provisions for defaulted individual exposures. At the same time, the segment benefited from reversals of loan loss provisions as a consequence of disposals.

Operating expenses were €1,554m, on a par with the corresponding figure from the previous year. The €70m decrease in reported compulsory contributions compared with the prior-year period to €2m was primarily due to the absence of the European banking levy.

Others and Consolidation

The Others and Consolidation segment contains the income and expenses which are not attributable to the two business segments. Others includes the results of Group Treasury, equity holdings not allocated to the business segments and overarching matters such as expenditure on regulatory fees. Consolidation reconciles the figures shown in segment reporting with the Group financial statements in accordance with International Financial Reporting Standards (IFRS). Others and Consolidation also covers the costs of staff, management and support functions, which are then charged to the segments. In addition, restructuring expenses for the Group are reported centrally in this segment.

The Others and Consolidation segment reported an operating profit of €–199m for the first nine months of 2024, compared with €183m in the prior year. This decline was primarily due to lower earnings at Group Treasury, resulting mainly from a decrease in net interest income following interest model adjustments as part of the maturity transformation of deposits in the Private and Small-Business Customers segment, which in turn led to an increase in net interest income in the Private and Small-Business Customers segment. In addition, there was a reduction in earnings due to interest not being earned on the ECB minimum reserve and due to residual valuation effects in the banking book after applying hedge accounting in Group Treasury. There were also higher net charges from remeasurement effects from the recognition and reversal of provisions in the rest of the Others and Consolidation segment, partly due to provisions for a legal case in Russia involving Commerzbank Eurasija. In contrast, the rest of the Others and Consolidation segment benefited from a net positive effect from consolidation adjustments. The entire Others and Consolidation segment also saw an improvement in earnings due to the absence of the European banking levy.

Others and Consolidation recorded a pre-tax profit of €–203m for the first nine months of 2024. This figure included restructuring expenses of €4m in connection with the implementation of the "Strategy 2024" programme.

Outlook and opportunities report

Future economic situation

In view of the continued poor sentiment among companies, the eurozone's economy is unlikely to pick up in the coming months. However, we expect somewhat stronger growth again in the coming year. This is because the negative impact of the high interest rates is likely to decrease, especially because the European Central Bank (ECB) is likely to cut key interest rates by a further 125 basis points in the coming months. However, growth is likely to remain very modest as a result of the numerous structural problems.

This is especially true for Germany, where the economy is expected to slightly shrink this year. Next year, the economy is likely to emerge from stagnation due to the waning headwinds of monetary policy. However, growth of more than a low 0.2% is not expected for the coming year either.

This is partly because we expect demand from China, one of Germany's most important foreign markets, to remain weak. While its government and central bank have recently announced a number of measures to boost its economy, we doubt that these will be enough to offset the negative effects of the bursting real estate bubble and the loss of investor confidence as a result of the change in economic policy. At 4%, the Chinese economy is also likely to grow less than the government is aiming for in the coming year.

In the US, economic growth has slowed somewhat, but we still do not expect a recession. However, the weaker economy and the falling inflation prompted the US Federal Reserve to cut its key interest rate by an initial 50 basis points in September. By the summer of 2025, the interest rate cuts are likely to total 200 basis points, which will boost the economy following some delay.

In the financial markets, the anticipated further interest rate cuts by the major central banks are largely priced into bond prices. We expect the yield on ten-year German government bonds to be around 2% by the end of 2024. It is likely to rise again somewhat in the coming year, as the interest rate cuts come to an end. Since the US Federal Reserve is likely to cut interest rates similarly to the ECB, the euro is expected to be similarly strong against the US dollar in the coming months as it is currently. By the end of the year, 1 euro is expected to be worth 1.09 US dollars, which is unlikely to change much in the coming year either

Anticipated liquidity trends

The Bank's liquidity position remains strong, meaning that it has no need to refinance its own portfolios. As such, Commerzbank is active in the repo market as a cash provider and also opportunistically as a collateral provider. The increased demand for refinancing in the repo market since mid-2023 is continuing. Commerzbank's liquidity situation allows it to meet this increased demand and has led to an expansion of business in this area.

Commerzbank has a high position in cash and demand deposits – mainly with central banks. This amounted to €95.2bn as at the end of the reporting period. This portfolio is the result of the still high excess liquidity in the Eurosystem on the one hand and the broadly diversified customer base, the existing business relationships in cash management and the professional deposit business on the other.

Despite the slow winding down of holdings under the Asset Purchase Programme due to the lack of re-investments and despite the reduction of the Pandemic Emergency Purchase Programme that began in mid-2024, we expect a still sufficient level of surplus liquidity and thus a supporting effect with respect to Commerzbank's liquidity situation. The ECB launched its new operational framework in mid-September 2024. It is already using the instruments in this framework to hedge against potential future volatility in the supply of liquidity to the banking system.

Commerzbank's borrowing on the capital market is influenced by its business performance and planning as well as the evolution of risk-weighted assets. The funding plan for 2024 envisages a volume of around €10bn, which had already been achieved by the end of the third quarter. A US dollar 750m Additional Tier 1 bond and a €750m non-preferred senior bond were issued in October.

We regularly review and adjust the assumptions we have made for liquidity management and our long-term refinancing requirement. In this way, Commerzbank is continuing to take account of changes in the market environment and business development and is ensuring that its liquidity position is comfortable, and its refinancing structure is appropriate.

Anticipated performance of the Commerzbank Group

In view of the income and expense trends that we have seen so far this year, we stand by the statements that we made in our Annual Report 2023 regarding the expected earnings performance of the Commerzbank Group in the 2024 financial year and slightly adjusted at the halfway point in 2024, but have raised our expectations for net interest and net commission income.

Despite the recent cuts in the key interest rate, the Bank expects net interest income of around €8.2bn for 2024 as a whole in view of the persistently high deposit volumes. It expects net commission income for the current year to be more than 5% higher than in the previous year due to the encouraging progress it has made in developing its commission-bearing business. On this basis, the Bank assumes revenues totalling €10.9bn. It continues to aim for a risk result below €–800m for the full year assuming usage of TLA. It is managing its operating expenses, including compulsory contributions, strictly in line with the cost-income ratio. The target for the cost-income ratio in 2024 is around 60%.

Commerzbank now expects a Common Equity Tier 1 ratio of about 15% for 2024. This target already takes into account a planned distribution of at least 70% of net income after deduction of fully discretionary AT1 coupons for the 2024 financial year. The Bank received approval at the end of October for the first tranche of around €600m of its planned share buyback. As announced, Commerzbank is applying for the second tranche of up to €400m based on the third quarter results to the ECB and the Finance Agency.

Overall, in view of our results in the first nine months of 2024 and our expectations for the rest of the year, we continue to assume that the consolidated profit attributable to Commerzbank shareholders and investors in additional equity components of around €2.4bn for the 2024 financial year.

Our expectations depend on the development of provisions in connection with retail mortgage loans issued in foreign currencies at mBank and the development of burdens from Russia.

Risk situation

Risk-bearing capacity (RBC) is monitored and managed monthly at Group level. As at 30 September 2024, the RBC ratio was 200%. The increase in the risk coverage potential compared to December 2023 is mainly due to the decline in economic capital deductions in the risk coverage potential. The decline in the economically required capital for default risk is mainly the result of rating and volume changes in the customer portfolio and of the regular update to the parameters used in the credit risk model. The main driver for the increase in operational risk is a more conservative consideration of the Swiss franc issue. The RBC ratio remains at a high level.

Risk-bearing capacity Group I €bn	30.9.2024	31.12.2023
Economic risk coverage potential	**25**	**24**
Economically required capital[1]	**13**	**13**
thereof for default risk[2]	8	9
thereof for market risk[3]	3	3
thereof for operational risk[4]	3	2
thereof diversification effects	−2	−2
RBC ratio (%)[5]	**200**	**191**

[1] Including physical asset risk, risk of unlisted investments and the risk buffer for reserve risk, for the quantification of potential fluctuations in value of intangibles, for goodwill and for environmental risks.
[2] Including buffers (for example, for planned changes in methods).
[3] Including deposit model risk.
[4] Including cyber and compliance risk.
[5] RBC ratio = economic risk coverage potential/economically required capital (including risk buffer).

Default risk

A noticeable, albeit reduced, level of crisis-related economic uncertainty still prevails in connection with geopolitical tensions. The model-based inputs used for calculating loan loss provisions do not yet fully reflect these effects. An adjustment to the results of the IFRS 9 ECL model by means of a top-level adjustment (TLA) was therefore deemed necessary in the third quarter of 2024.

In addition, as in the second quarter of 2024, a collective transfer to Stage 2 was also considered necessary in the third quarter for customers with yellow (manageable risks) or red sector traffic lights (significant risks). The color setting of the traffic lights at the reporting date is carried out at sub-portfolio level as part of strategic portfolio planning.

In the third quarter of 2024, for the first time, customers who had been assigned to categories F to H (on a scale from A to H) pursuant to a climate-related credit risk assessment were collectively transferred to Stage 2. For residential properties, the loan-to-value ratio was included in addition to the energy efficiency class.

The credit risk parameters in the rating classes 1.0 to 5.8 were as follows as at 30 September 2024:

	30.9.2024				31.12.2023			
Credit risk parameters	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp	**CVaR** €m	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp	**CVaR** €m
Private and Small-Business Customers	211	521	25	1,924	211	468	22	2,095
Corporate Clients	181	396	22	3,901	176	406	23	4,470
Others and Consolidation[1]	164	201	12	1,734	149	236	16	1,716
Group	**556**	**1,118**	**20**	**7,559**	**536**	**1,110**	**21**	**8,281**

[1] Mainly liquidity portfolios of Group Treasury.

When broken down on the basis of PD ratings, 89% of the Group's portfolio is in the internal rating classes 1 and 2, which comprise investment grade.

	30.9.2024					31.12.2023				
Rating breakdown EaD I %	**1.0-1.8**	**2.0-2.8**	**3.0-3.8**	**4.0-4.8**	**5.0-5.8**	**1.0-1.8**	**2.0-2.8**	**3.0-3.8**	**4.0-4.8**	**5.0-5.8**
Private and Small-Business Customers	31	54	11	3	1	31	55	11	3	1
Corporate Clients	27	57	12	3	2	20	60	14	4	1
Others and Consolidation	79	19	1	0	1	77	21	1	0	0
Group	**44**	**44**	**8**	**2**	**1**	**40**	**47**	**9**	**2**	**1**

The regional breakdown of the exposure corresponds to the Bank's strategic direction and reflects the main areas of its global business activities.

	30.9.2024			31.12.2023		
Group portfolio by region	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp	**Exposure at default** €bn	**Expected loss** €m	**Risk density** bp
Germany	328	469	14	314	401	13
Western Europe	91	189	21	86	180	21
Central and Eastern Europe	59	355	60	61	416	68
North America	46	35	8	46	45	10
Asia	19	25	13	18	25	14
Other	13	45	35	11	43	38
Group	**556**	**1,118**	**20**	**536**	**1,110**	**21**

Risk result The risk result relating to the Group's lending business as at 30 September 2024 was €–529m (prior-year period: €–367m). The result was driven predominantly by defaults by individual counterparties and increases in loan loss provisions, particularly in the Corporate Clients segment, which also benefited from reversals of loan loss provisions as a consequence of disposals.

The TLA decreased by €211m at Group level in the first nine months of the year and amounted to €242m as at 30 September 2024. The TLA essentially covers secondary effects resulting from geopolitical tensions and the resulting economic crisis-related uncertainties. The methodology used for determining the need for adjustments to the ECL model result for secondary effects corresponds to the methodology of the previous quarter.

The risk result as of September 2024 included an additional €–24m due to the collective allocation to Stage 2 of customers with yellow or red sector traffic lights, as well as a further €–97m for the collective Stage 2 allocation of customers with a higher climate impact.

	30.9.2024					30.9.2023				
Risk result | €m	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**[1]	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**[1]	**Total**
Private and Small-Business Customers	–9	125	–263	–5	–152	–3	–54	–219	5	–271
Corporate Clients	38	6	–481	75	–362	11	–57	–77	4	–119
Others and Consolidation	–3	–18	5	1	–15	15	9	–1	0	23
Group	**27**	**113**	**–739**	**70**	**–529**	**23**	**–102**	**–297**	**9**	**–367**

[1] POCI – purchased or originated credit-impaired.

Default portfolio The Group's default portfolio increased by €360m in the first nine months of 2024 and stood at €5,117m as at 30 September 2024.

Market risk

The value at risk (VaR) in the trading book fell from €14m as at December 2023 to €6m at the end of the third quarter of 2024.

This was because the crisis scenarios from March 2023 were absent from the calculation time series. The scenarios arose in the context of tensions surrounding Silicon Valley Bank and Credit Suisse.

The stressed VaR remained stable at €21m at the end of the third quarter of 2024.

The impact of an interest rate shock on the economic value of the Group's banking book is simulated monthly in compliance with regulatory requirements. As a result of the scenario +200 basis points, a potential economic loss of €2,447m as at 30 September 2024 (31 December 2023: €2,061m potential economic loss) was determined, and in the scenario –200 basis points a potential economic profit of €1,220m (31 December 2023: €1,169m potential economic profit). Changed regulatory requirements regarding interest rate shock scenarios have applied since July 2024. Now, only the currency-specific interest rate scenarios defined by the Basel Commission are used to assess whether an institution is exposed to increased interest rate risk.

The economic loss from the Basel parallel shock up scenario amounted to €2,617m as of 30 September 2024 (31 December 2023: €2,132m). The result of the Basel parallel shock down scenario was €1,474m as of 30 September 2024 (31 December 2023: €1,306m).

In addition, Commerzbank calculates and reports the ΔNII (net interest income) according to the regulatory requirements.

In future, it will report the prescribed Basel scenarios on interest rate shocks.

The interest rate sensitivity of the overall banking book (excluding pension funds) amounted to €4.6m as at 30 September 2024 (31 December 2023: €2.0m) per basis point of interest rate decline. The increase is due to an expanded interest rate position in Group Treasury's banking book and the development of a Pfandbrief portfolio.

Liquidity risk

The stress scenarios within the Bank that underlie the liquidity risk model and are relevant for management purposes allow for the impact of both a bank-specific stress event and a broader market crisis. As at the end of September 2024, at the one-month and three-month points, the combined stress scenario leaves net liquidity of €25.0bn and €28.3bn respectively. As at the end of September 2024, the Bank had a liquidity reserve of €137.9bn in the form of highly liquid assets.

The Bank also holds an intraday liquidity reserve portfolio. As at the end of September 2024, the total value of this portfolio was €6.2bn.

With 140.3% as at the reporting date, Commerzbank was well above the minimum 100% level required for the liquidity coverage ratio (LCR). At 144.3%, the average of the last 12 month-end values was also well above the minimum ratio.

Operational risk

Since the fourth quarter of 2021, Commerzbank has measured regulatory capital using the standardised approach (SA), while economic capital for operational risks is measured using a dedicated internal model (OpRisk ErC model, based on the previous AMA (advanced measurement approach)).

Risk-weighted assets for operational risks on this basis came to €22.6bn at the end of the third quarter of 2024 (31 December 2023: €22.8bn).

The economically required capital was €2.7bn (31 December 2023: €2.2bn).

The total charge for OpRisk events as at the end of the third quarter of 2024 was approximately €910m (full-year 2023: €1,176m). The events mainly related to losses in the "Products and business practices" category. The key events were the losses in connection with mBank's loans indexed to Swiss francs and other foreign currencies and the guarantees provided by Commerzbank (Eurasija) for a German customer as a result of the sanctions imposed on Russia.

Sub-risk types of operational risk

There were no significant changes in the first nine months of 2024 compared to the position reported as at 31 December 2023 in the Annual Report or in the Interim Report as at 30 June 2024, with the exception of the details set out below on current developments in respect of legal risks.

Current developments in respect of legal risks mBank is subject to numerous individual legal cases relating to the alleged ineffectiveness of index clauses in loan agreements in Swiss francs and other foreign currencies.

In a class action lawsuit pending against mBank, the plaintiffs had appealed against the judgement of the court of first instance dismissing their case. In January 2024, the court of appeal referred the case back to the court of first instance for a new hearing. A date for the delivery of the judgment is scheduled for 6 November 2024. Independently of this, numerous borrowers have also filed individual lawsuits for the same reasons. In addition to the class action, 22,010 individual proceedings were pending as at 30 September 2024 relating to loans indexed in foreign currencies (31 December 2023: 22,602). mBank has contested these claims.

As at 30 September 2024, there were 7,475 final rulings relating to loans indexed in foreign currencies in individual proceedings against mBank, of which 118 were decided in favour of mBank and 7,357 were decided against mBank.

mBank will continue to monitor how the case law (especially that of the Polish Supreme Court and the ECJ) develops and whether there is any move to change the law; it will also continue to examine any possible implications for the provisions.

It cannot be ruled out that future events, such as decisions of the Polish Supreme Court or the ECJ, may have a significant negative impact in the future on the estimation of the legal risk connected with mortgage loans denominated in Swiss francs or other foreign currencies.

Starting in the fourth quarter of 2022, mBank launched a settlement programme in which customers are offered the option of converting their Swiss franc loans into Polish zloty loans with a fixed or variable interest rate and of waiving an individually negotiated portion of the outstanding loan value. mBank has made a provision of €436m for the settlement programme as at the reporting date.

mBank reviews the implications of the case law on an ongoing basis and adjusts the model's parameters, including the number of borrowers who are still expected to sue, the nature of the judgements that are expected, the amount of the Bank's loss in the event of a judgement and the acceptance rate for settlements, as necessary. The methodology used to calculate the provision is based on parameters that are varied, discretionary and in some cases associated with considerable uncertainty. In particular, rulings of the Polish courts and the ECJ may mean that the amount of the provision has to be adjusted significantly in the future.

As at 30 September 2024, the portfolio of loans indexed in foreign currencies that have not been fully repaid had a carrying amount of 2.1bn Polish zloty; the portfolio of fully repaid loans and loans for which a settlement had been reached or a final ruling had been issued amounted to 13.6bn Polish zloty at the time of disbursement. Overall, as at 30 September 2024, the Group recognised a provision of €1.9bn for the risks arising from the matter, including potential settlement payments and the class action lawsuit (31 December 2023: €1.9bn). In the case of loans that have not yet been fully repaid, the legal risks are taken into account in the gross carrying amounts of the receivables directly when estimating the cash flows.

In June 2023, the Bank was sued in a Russian court by the beneficiary of a guarantee that the Bank had issued on behalf of a customer in Germany. The Bank had issued a performance guarantee in 2021 in favour of a Russian company to secure the customer's obligations under a construction contract. The applicable sanctions regime prevented the customer from performing its obligations. The Russian company then demanded payment from the Bank under the guarantee. The sanctions regime is now preventing the Bank from performing its obligations under the guarantee.

In June 2024, the Russian court ordered the Bank and two of its Russian subsidiaries jointly and severally to pay the guaranteed amount plus interest. The Bank has appealed the judgement. The Russian court had already ordered the seizure of assets belonging to the Bank and one of the subsidiaries, Commerzbank (Eurasija), in May 2024. The Bank has commenced an arbitration at the International Court of Arbitration seeking a declaration that it is not obliged to pay under the guarantee, but the decision is still pending. The Bank has also obtained an injunction from a London court prohibiting the Russian company from continuing the proceedings in Russia because they are in breach of an arbitration provision in the guarantee.

Commerzbank and its Russian subsidiary Commerzbank (Eurasija) have been sued in Russia by customers of a Russian central securities depository. The latter maintains an account at Commerzbank in Germany, which allegedly holds, among other things, funds that belong to the claimants. The central securities depository and its assets (including the credit balance on the account) are subject to the current sanctions. The claimants are therefore unable to access their funds at the central securities depository and are instead demanding damages from Commerzbank and Commerzbank (Eurasija) in Russia. In some cases, the courts have ordered Commerzbank and Commerzbank (Eurasija) to pay damages. Commerzbank and Commerzbank (Eurasija) have either appealed or will appeal in the various proceedings. The courts have ordered seizures against Commerzbank (Eurasija) in some of the proceedings. Commerzbank (Eurasija) is defending itself against them. Commerzbank and Commerzbank (Eurasija) are defending themselves against all of the claims.

The proceedings in Russia are subject to considerable uncertainty and it cannot be ruled out that further assets belonging to the Bank or Commerzbank (Eurasija) will be seized. Nor can it be ruled out that additional proceedings may be initiated on the basis of further claims and/or that further costs may be incurred in this connection, leading to significantly higher losses.

Other material risks

There were no material changes in other material risks in the first nine months of 2024 compared to the status presented in the Annual Report as at 31 December 2023 or the Interim Risk Report as at 30 June 2024.

Disclaimer Commerzbank's internal risk measurement methods and models, which form the basis for the calculation of the figures shown in this report, are state-of-the-art and based on banking sector practice. The risk models produce results appropriate to the management of the Bank. The measurement approaches are regularly reviewed by Risk Controlling and Internal Audit as well as by German and European supervisory authorities. Despite being carefully developed and regularly checked, models cannot cover all the influencing factors that have an impact in reality or illustrate their complex behaviour and interactions. These limits to risk modelling apply in particular in extreme situations. Supplementary stress tests and scenario analyses can only show examples of the risks to which a portfolio may be exposed in extreme market situations; stress-testing all imaginable scenarios is not feasible. They cannot definitively estimate the maximum loss should an extreme event occur.

Income statement

€m	1.1.-30.9.2024	1.1.-30.9.2023	Change in %
Interest income accounted for using the effective interest method	13,090	11,189	17.0
Interest income accounted for not using the effective interest method	3,012	1,877	60.5
Interest income	16,102	13,065	23.2
Interest expenses	9,851	6,823	44.4
Net interest income	6,251	6,242	0.1
Dividend income	28	12	.
Risk result	– 529	– 367	44.4
Commission income	3,295	3,103	6.2
Commission expenses	602	516	16.6
Net commission income	2,693	2,587	4.1
Net income from financial assets and liabilities measured at fair value through profit or loss	– 124	– 157	– 20.8
Net income from hedge accounting	18	– 1	.
Other sundry realised profit or loss from financial instruments	– 32	– 22	45.1
Gain or loss on disposal of financial assets – Amortised cost	120	99	21.1
Other net income from financial instruments	88	77	14.2
Current net income from companies accounted for using the equity method	1	3	– 78.0
Other net income	– 805	– 712	13.0
Operating expenses	4,550	4,449	2.3
Compulsory contributions	230	357	– 35.5
Restructuring expenses	4	14	– 74.7
Pre-tax profit or loss	**2,837**	**2,865**	**– 1.0**
Taxes on income	807	1,022	– 21.0
Consolidated profit or loss	**2,030**	**1,843**	**10.1**
Consolidated profit or loss attributable to non-controlling interests	103	14	.
Consolidated profit or loss attributable to Commerzbank shareholders and investors in additional equity components	1,926	1,829	5.3

€	1.1.-30.9.2024	1.1.-30.9.2023	Change in %
Earnings per share[1]	1.45	1.31	10.9

[1] Weighted average of ordinary shares after each share buyback programme (see also statement of changes in equity).

The earnings per share, calculated in accordance with IAS 33, are based on the consolidated profit or loss attributable to Commerzbank shareholders.

No conversion or option rights were outstanding either in the previous or current financial year. The figure for diluted earnings per share was therefore identical to the undiluted figure.

Condensed statement of comprehensive income

€m	1.1.-30.9.2024	1.1.-30.9.2023	Change in %
Consolidated profit or loss	**2,030**	**1,843**	**10.1**
Change from remeasurement of defined benefit plans not recognised in income statement	79	210	– 62.5
Change in own credit spreads (OCS) of liabilities FVO not recognised in income statement	– 82	– 30	.
Items not recyclable through profit or loss	**– 3**	**181**	**.**
Change in revaluation of debt securities (FVOCImR)			
Reclassified to income statement	6	15	– 56.9
Change in value not recognised in income statement	128	177	– 28.0
Change in cash flow hedge reserve			
Reclassified to income statement	0	1	– 47.1
Change in value not recognised in income statement	33	89	– 63.5
Change in currency translation reserve			
Reclassified to income statement	–	21	.
Change in value not recognised in income statement	29	– 2	.
Valuation effect from net investment hedge			
Reclassified to income statement	–	–	
Change in value not recognised in income statement	3	– 6	
Change in companies accounted for using the equity method	– 1	– 0	.
Items recyclable through profit or loss	**197**	**294**	**– 32.8**
Other comprehensive income	194	474	– 59.1
Total comprehensive income	**2,224**	**2,317**	**– 4.0**
Comprehensive income attributable to non-controlling interests	141	85	66.3
Comprehensive income attributable to Commerzbank shareholders and investors in additional equity components	2,083	2,232	– 6.7

Balance sheet

Assets | €m	30.9.2024	31.12.2023	Change in %
Cash on hand and cash on demand	95,230	93,126	2.3
Financial assets – Amortised cost	310,729	298,689	4.0
of which: pledged as collateral	3,326	3,791	– 12.3
Financial assets – Fair value OCI	50,270	40,143	25.2
of which: pledged as collateral	16,219	9,651	68.0
Financial assets – Mandatorily fair value P&L	68,084	48,359	40.8
of which: pledged as collateral	–	–	.
Financial assets – Held for trading	31,702	28,334	11.9
of which: pledged as collateral	3,255	1,618	.
Value adjustment on portfolio fair value hedges	– 1,586	– 2,305	– 31.2
Positive fair values of derivative hedging instruments	1,451	1,497	– 3.0
Holdings in companies accounted for using the equity method	166	142	17.0
Intangible assets	1,728	1,394	23.9
Fixed assets	2,232	2,352	– 5.1
Investment properties	226	53	.
Non-current assets held for sale	53	62	– 13.7
Current tax assets	155	138	12.1
Deferred tax assets	1,965	2,505	– 21.6
Other assets	2,926	2,677	9.3
Total	**565,332**	**517,166**	**9.3**

Liabilities and equity | €m	30.9.2024	31.12.2023	Change in %
Financial liabilities – Amortised cost	436,824	419,809	4.1
Financial liabilities – Fair value option	66,393	36,941	79.7
Financial liabilities – Held for trading	18,300	18,927	– 3.3
Value adjustment on portfolio fair value hedges	– 2,401	– 3,311	– 27.5
Negative fair values of derivative hedging instruments	2,844	3,100	– 8.3
Provisions	3,695	3,553	4.0
Current tax liabilities	509	535	– 4.8
Deferred tax liabilities	45	3	.
Other liabilities	4,323	4,599	– 6.0
Equity	34,799	33,009	5.4
Subscribed capital	1,185	1,240	– 4.5
Capital reserve	10,143	10,087	0.6
Retained earnings	18,741	18,026	4.0
Other reserves (with recycling)	– 315	– 475	– 33.6
Equity attributable to Commerzbank shareholders	29,753	28,878	3.0
Additional equity components	3,859	3,114	23.9
Non-controlling interests	1,187	1,016	16.8
Total	**565,332**	**517,166**	**9.3**

Statement of changes in equity

€m	Subscribed capital	Capital reserve	Retained earnings	Other reserves: Revaluation reserve	Other reserves: Cash-flow hedge reserve	Other reserves: Currency translation reserve	Equity attributable to Commerzbank shareholders	Additional equity components[1]	Non-controlling interests	Equity
Equity as at 1.1.2024	**1,240**	**10,087**	**18,026**	**– 145**	**– 52**	**– 278**	**28,878**	**3,114**	**1,016**	**33,009**
Total comprehensive income	–	–	1,923	121	23	16	2,083	–	141	2,224
Consolidated profit or loss			1,926				1,926		103	2,030
Change in own credit spread (OCS) of liabilities FVO			– 82				– 82		–	– 82
Change from remeasurement of defined benefit plans			79				79		–	79
Change in revaluation of debt securities (FVOCImR)				121			121		13	134
Change in cash flow hedge reserve					23		23		10	33
Change in currency translation reserve						15	15		15	29
Valuation effect from net investment hedge						3	3		–	3
Change in companies accounted for using the equity method						– 1	– 1		–	– 1
Share buyback	– 56	56	– 600				– 600		–	– 600
Dividend paid on shares			– 415				– 415		– 1	– 415
Distributions to Additional Tier 1 instruments			– 195				– 195		–	– 195
Changes in ownership interests							–		–	–
Other changes			1				1	744	31	776
Equity as at 30.9.2024	**1,185**	**10,143**	**18,741**	**– 24**	**– 29**	**– 262**	**29,753**	**3,859**	**1,187**	**34,799**

[1] Includes the Additional Tier 1 bonds (AT-1-bond), which are unsecured subordinated bonds classified as equity under IFRS. There were no repurchases.

€m	Subscribed capital	Capital reserve	Retained earnings[1]	Other reserves			Equity attributable to Commerzbank shareholders[1]	Additional equity components[2]	Non-controlling interests	Equity[1]
				Revaluation reserve	Cash flow hedge reserve	Currency translation reserve				
Equity as at 31.12.2022 (before adjustments in accordance with IAS 8)	**1,252**	**10,075**	**16,466**	**– 447**	**– 117**	**– 327**	**26,903**	**3,114**	**888**	**30,905**
Change due to retrospective restatements	–	–	28	–	–	–	28	–	–	28
Equity as at 1.1.2023	**1,252**	**10,075**	**16,495**	**– 447**	**– 117**	**– 327**	**26,931**	**3,114**	**888**	**30,934**
Total comprehensive income	–	–	2,010	159	63	1	2,232	–	85	2,317
Consolidated profit or loss			1,829				1,829		14	1,843
Change in own credit spread (OCS) of liabilities FVO			– 30				– 30		–	– 30
Change from remeasurement of defined benefit plans			210				210		– 0	210
Change in revaluation of debt securities (FVOCImR)				159			159		33	192
Change in cash flow hedge reserve					63		63		27	90
Change in currency translation reserve						8	8		11	18
Valuation effect from net investment hedge						– 6	– 6		–	– 6
Change in companies accounted for using the equity method						– 0	– 0		–	– 0
Share buyback	– 12		– 110				– 122		–	– 122
Dividend paid on shares			– 250				– 250		– 0	– 251
Distributions to Additional Tier 1 instruments			– 194				– 194		–	– 194
Changes in ownership interests			– 2				– 2		2	–
Other changes			– 3				– 3		1	– 2
Equity as at 30.9.2023	**1,240**	**10,075**	**17,945**	**– 288**	**– 54**	**– 326**	**28,592**	**3,114**	**975**	**32,681**

[1] Prior-year figures adjusted due to restatements (see adjustments in accordance with IAS 8).
[2] Includes the Additional Tier 1 bonds (AT-1-bond), which are unsecured subordinated bonds classified as equity under IFRS. There were no repurchases.

Additional information

Accounting principles

The subject of this Group financial information as at 30 September 2024 is Commerzbank Aktiengesellschaft and its subsidiaries. The components income statement, statement of comprehensive income, balance sheet and statement of changes in equity were prepared in accordance with the applicable IFRS accounting, measurement and consolidation principles as published by the IASB and applicable in the EU. The interim financial information does not constitute a complete set of interim financial statements in accordance with IFRS for interim financial reporting. In interim reporting periods, income tax expenses are calculated on the basis of Commerzbank's currently expected effective tax rate for the year as a whole. The Board of Managing Directors released the interim financial information for publication on 4 November 2024.

New and amended standards
There were no new or amended standards of material significance for the Commerzbank Group in the third quarter of 2024. For further information on new and amended standards please refer to page 276 of our Annual Report 2023 and to page 44 of our Interim Report June 2024.

Changes in accounting and measurement methods and estimates
In this interim financial information, we apply the same accounting and measurement methods as our Group financial statements as at 31 December 2023 (see Annual Report 2023 page 277 ff.).

Adjustments in accordance with IAS 8
About the adjustment in connection with a change in method for valuation allowances was last reported in the annual report as per 31 December 2023 (see note 4, page 279).

Selected regulatory disclosures

The following chart shows the composition of the Commerzbank Group's own funds and risk-weighted assets together with its own funds ratios in accordance with the Capital Requirements Regulation (CRR), including the transitional provisions applied.

	30.9.2024	31.12.2023	Change in %
Common Equity Tier (€bn)	25.3	25.7	– 1.6
Tier 1 capital (€bn)	28.5	28.9	– 1.4
Equity (€bn)	33.9	33.9	0.1
Risk-weighted assets (€bn)	170.9	175.1	– 2.4
of which: credit risk	141.3	144.0	– 1.9
of which: market risk[1]	7.0	8.3	– 15.1
of which: operational risk	22.6	22.8	– 0.9
Common Equity Tier 1 ratio (%)	14.8	14.7	0.9
Equity Tier 1 ratio (%)	16.7	16.5	1.1
Total capital ratio (%)	19.8	19.3	2.6

[1] Includes credit valuation adjustment risk.

The leverage ratio shows the ratio of Tier 1 capital to leverage ratio exposure, consisting of the non-risk-weighted assets plus off-balance-sheet positions, in accordance with CRR.

	30.9.2024	31.12.2023	Change in %
Leverage ratio exposure (€bn)	643	592	8.5
Leverage ratio (%)	4.4	4.9	– 9.1

The NPE ratio is the ratio of non-performing exposures to total exposures according to the EBA Risk Dashboard.

	30.9.2024	31.12.2023	Change in %
NPE ratio (%)	0.9	0.8	1.5

As a bank, Commerzbank Aktiengesellschaft is required to prepare a quarterly disclosure report in accordance with CRR. For capital management and further information on equity, see the most recent disclosure report in accordance with CRR.

Segment reporting

1.1.-30.9.2024 | €m	Private and Small Business Customers	Corporate Clients	Others and Consolidation	Group
Net interest income	3,566	2,018	667	6,251
Dividend income	28	2	– 2	28
Risk result	– 152	– 362	– 15	– 529
Net commission income	1,697	1,036	– 40	2,693
Net income from financial assets and liabilities measured at fair value through profit or loss	– 27	470	– 567	– 124
Net income from hedge accounting	1	0	17	18
Other net income from financial instruments	– 27	4	111	88
Current net income from companies accounted for using the equity method	– 2	3	0	1
Other net income	– 720	8	– 93	– 805
Income before risk result	**4,515**	**3,541**	**94**	**8,150**
Income after risk result	**4,364**	**3,179**	**79**	**7,621**
Operating expenses	2,719	1,554	278	4,550
Compulsory contributions	228	2	0	230
Operating profit or loss	**1,417**	**1,623**	**– 199**	**2,841**
Restructuring expenses	–	–	4	4
Pre-tax profit or loss	**1,417**	**1,623**	**– 203**	**2,837**
Assets	**184,386**	**143,059**	**237,887**	**565,332**
Liabilities	**241,897**	**174,162**	**149,272**	**565,332**
Carrying amount of companies accounted for using the equity method	**47**	**119**	**–**	**166**
Average capital employed[1]	**6,943**	**10,213**	**8,456**	**25,612**
Operating return on equity (%)[2]	**27.2**	**21.2**		**14.8**
Cost/income ratio in operating business (excl. compulsory contributions) (%)	**60.2**	**43.9**		**55.8**
Cost/income ratio in operating business (incl. compulsory contributions) (%)	**65.3**	**43.9**		**58.7**

[1] Average CET1 capital. Reconciliation carried out in Others and Consolidation.
[2] Annualised.

1.1.-30.9.2023[1] | €m	Private and Small Business Customers	Corporate Clients	Others and Consolidation	Group
Net interest income	3,366	2,041	835	6,242
Dividend income	11	3	– 1	12
Risk result	– 271	– 119	23	– 367
Net commission income	1,638	983	– 34	2,587
Net income from financial assets and liabilities measured at fair value through profit or loss	– 144	389	– 402	– 157
Net income from hedge accounting	2	– 2	– 1	– 1
Other net income from financial instruments	– 16	– 1	94	77
Current net income from companies accounted for using the equity method	– 1	4	0	3
Other net income	– 688	– 38	14	– 712
Income before risk result	**4,169**	**3,378**	**505**	**8,052**
Income after risk result	**3,898**	**3,259**	**528**	**7,685**
Operating expenses	2,592	1,551	307	4,449
Compulsory contributions	246	72	39	357
Operating profit or loss	**1,060**	**1,637**	**183**	**2,879**
Restructuring expenses	–	–	14	14
Pre-tax profit or loss	**1,060**	**1,637**	**169**	**2,865**
Assets	**176,152**	**139,461**	**194,272**	**509,885**
Liabilities	**215,700**	**170,815**	**123,370**	**509,885**
Carrying amount of companies accounted for using the equity method	**20**	**134**	**–**	**153**
Average capital employed[2]	**6,784**	**10,474**	**7,451**	**24,708**
Operating return on equity (%)[3]	**20.8**	**20.8**		**15.5**
Cost/income ratio in operating business (excl. compulsory contributions) (%)	**62.2**	**45.9**		**55.3**
Cost/income ratio in operating business (incl. compulsory contributions) (%)	**68.1**	**48.0**		**59.7**

[1] Prior-year figures adjusted due to IFRS 8.29.
[2] Average CET1 capital. Reconciliation carried out in Others and Consolidation.
[3] Annualised.

Significant Group companies

Germany
Commerz Real AG, Wiesbaden

Abroad
Commerzbank (Eurasija) AO, Moscow
Commerzbank Finance & Covered Bond S.A., Luxembourg
Commerz Markets LLC, New York
mBank S.A., Warsaw

Operative foreign branches
Amsterdam, Beijing, Brno (office), London, Madrid, Milan, New York, Paris, Prague, Shanghai, Singapore, Tokyo, Vienna, Zurich

Representative Offices and Financial Institutions Desks
Abidjan, Addis Abeba, Almaty, Amman, Ashgabat, Bangkok, Beijing (FI Desk), Brussels (Liaison Office to the European Union), Buenos Aires, Cairo, Casablanca, Dhaka, Dubai, Ho Chi Minh City, Istanbul, Johannesburg, Kiev, Lagos, Luanda, Melbourne, Moscow (FI Desk), Mumbai, New York (FI Desk), Panama City, São Paulo, Seoul, Shanghai (FI Desk), Singapore (FI Desk), Taipei, Tashkent, Tokyo (FI Desk), Zagreb

The German version of this Interim Report is the authoritative version.

Disclaimer

Reservation regarding forward-looking statements
This interim financial information contains forward-looking statements on Commerzbank's business and earnings performance, which are based upon our current plans, estimates, forecasts and expectations. The statements entail risks and uncertainties, as there are a variety of factors which influence our business and to a great extent lie beyond our sphere of influence. Above all, these include the economic situation, the state of the financial markets worldwide and possible loan losses. Actual results and developments may, therefore, diverge considerably from our current assumptions, which, for this reason, are valid only at the time of publication. We undertake no obligation to revise our forward-looking statements in the light of either new information or unexpected events.

COMMERZBANK

2025 Financial calendar	
13 February 2025	Annual Results Press Conference
Mid-March 2025	Annual Report 2024
9 May 2025	Interim financial information as at 31 March 2025
15 May 2025	Annual General Meeting
6 August 2025	Interim Report as at 30 June 2025
6 November 2025	Interim financial information as at 30 September 2025

Commerzbank AG
Head Office
Kaiserplatz
Frankfurt am Main
www.commerzbank.de/group/

Postal address
60261 Frankfurt am Main
info@commerzbank.com

Investor Relations
www.investor-relations.commerzbank.com
ir@commerzbank.com