

Disclosure Report as at 30 June

2021

in accordance with the Capital Requirements Regulation (CRR)



The bank at your side

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

Introduction

Commerzbank

Commerzbank is the leading bank for the German Mittelstand and a strong partner for around 30,000 corporate client groups and around 11 million private and small-business customers in Germany. The Bank's two Business Segments – Private and Small-Business Customers and Corporate Clients – offer a comprehensive portfolio of financial services.

Commerzbank transacts approximately 30 per cent of Germany's foreign trade and is present internationally in almost 40 countries in the corporate clients' business. The Bank focusses on the German Mittelstand, large corporates, and institutional clients. As part of its international business, Commerzbank supports clients with German connectivity and companies operating in selected future-oriented industries. Following the integration of Comdirect, private and small-business customers benefit from the services offered by one of Germany's most advanced online banks combined with personal advisory support on site. Its Polish subsidiary mBank S.A. is an innovative digital bank that serves approximately 5.5 million private and corporate customers, predominantly in Poland, but also in the Czech Republic and Slovakia.

A detailed description of Commerzbank Group is given in the Annual Report 2020.

Objective of the Disclosure Report

In this report Commerzbank Aktiengesellschaft as the ultimate parent company of the regulated banking group is complying with the disclosure requirements of Articles 431 – 455 of regulation (EU) 2019/876 (CRR II) of the European parliament and of the Council of

20 May 2019 amending the Regulation (EU) No. (CRR I) – as of June 30, 2021. The regulation is supplemented by the final draft implementing technical standards EBA EBA/ITS/2020/04 from 24 June 2020, which specify the tables integrated in the report. The names of the predefined tables are indicated by the table names provided with the prefix EU.

The EBA has published the final 'Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis' (EBA/GL/2020/07) on 2 June 2020. The disclosure of the tables required therein is to be made every six months during the reference period 30 June 2020 to 31 December 2021. The tables included in the report are identified by the given table names with the prefix COV.

Scope

This Disclosure Report is based on the group of companies consolidated for regulatory purposes. The companies consolidated for regulatory purposes only include those carrying out banking and other financial business. The consolidated group consists of a domestic parent company and its affiliated companies. The aim of regulatory consolidation is to prevent multiple use of capital that in fact exists only once by subsidiary companies in the financial sector. The companies consolidated under IFRS, by contrast, comprise all the companies controlled by the ultimate parent company.

Commerzbank is a large institution in accordance with Article 4(a) xv) 146 CRR, thus implementing the frequency requirements of Article 433a CRR.

Equity capital, capital requirement and RWA

Key metrics

In order to facilitate market participants' access to the most important equity and liquidity ratios of the institutions, Table KM1 with key parameters will be introduced from June 2021.

The table shows the information required by Articles 447(a) to (g) and 438 (b) CRR. In particular, these include the available own funds, risk-weighted exposure amounts, capital ratios, combined capital buffers, leverage ratio and liquidity ratios, as well as some additional own funds requirements in order to obtain an overall overview of Commerzbank.

The decline in Common Equity Tier 1 capital (€m -259) compared with 31 March 2021 (€m 23,968) is mainly due to the balance sheet loss generated in Q2 and the higher regulatory deduction items, which are partly compensated by the positive capital effect of the actuarial gains. The Common Equity Tier 1 capital ratio is unchanged compared to 31 March 2021 (13.4%), due to the offsetting development of risk-weighted assets (€m -883).

The increase in Tier 1 capital (€m +249) compared to 31 March 2021 (€m 26,938) is essentially due to the issue of a new AT1 bond (nominal: €m 500), which is responsible for the increase in the Tier 1 capital ratio (+20 bp) compared to 31 March 2021 (15.1%).

EU KM1 : Key metrics

Line	€m %	30.06.2021
Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	23,709
2	Tier 1 capital	27,187
3	Total capital	31,806
Risk-weighted exposure amounts		
4	Total risk-weighted exposure amount	177,588
Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	13.35
6	Tier 1 ratio (%)	15.31
7	Total capital ratio (%)	17.91
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)		
EU 7a	Additional CET1 SREP requirements (%)	2.00
EU 7b	Additional AT1 SREP requirements (%)	1.13
EU 7c	Additional T2 SREP requirements (%)	1.50
EU 7d	Total SREP own funds requirements (%)	10.00
Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.50
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-
9	Institution specific countercyclical capital buffer (%)	0.02
EU 9a	Systemic risk buffer (%)	-
10	Global Systemically Important Institution buffer (%)	-
EU 10a	Other Systemically Important Institution buffer	1.25
11	Combined buffer requirement (%)	3.77
EU 11a	Overall capital requirements (%)	13.77
12	CET1 available after meeting the total SREP own funds requirements (%)	7.73
Leverage ratio		
13	Leverage ratio total exposure measure	589,160
14	Leverage ratio	4.58
14	Leverage ratio with transitional provisions (%)	4.61
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)		
EU 14a	Additional CET1 leverage ratio requirements (%)	-
EU 14b	Additional AT1 leverage ratio requirements (%)	-
EU 14c	Additional T2 leverage ratio requirements (%)	3.00
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)		
EU 14d	Applicable leverage buffer	-
EU 14e	Overall leverage ratio requirements (%)	3.00
Liquidity Coverage Ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	108,733
EU 16a	Cash outflows - Total weighted value	97,655
EU 16b	Cash inflows - Total weighted value	21,384
16	Total net cash outflows (adjusted value)	76,229
17	Liquidity coverage ratio (%)	143.0
Net Stable Funding Ratio		
18	Total available stable funding	348,133
19	Total required stable funding	257,133
20	NSFR ratio (%)	135.0%

Capital structure

The evaluations in the tables below comprehensively illustrate the total own funds available for the entire Commerzbank Group. These own funds are also the basis for the calculation of the equity capital adequacy as reported to the Bundesbank.

Further information on the composition of Commerzbank's equity capital is provided in the 2020 disclosure report and in the notes to the 2020 Annual Report.

Details of the issued capital instruments of Commerzbank Group according to Article 437 (1) b) and c) CRR are given on the Commerzbank website in the section Debt holder information/ Capital

instruments. For the Commerzbank Group, the transitional provisions laid down in Article 468 CRR and Article 473a shall not apply. We have received approval from the supervisor for the application of the transitional regime to IFRS 9 in accordance with Article 473a CRR. However, the effects from the application are so marginal that we do not take these into account as of 30 June 2021.

Information on equity capital, capital ratios and the leverage ratio reflect the full impact of the IFRS 9 introduction.

Table EU CC1 shows the composition of regulatory own funds and the capital ratios as defined in Article 437(a), (d), (e) and (f) CRR as at 30 June 2021:

EU CC1: Composition of regulatory own funds

€m Line		(a) Amounts	(b) Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	12,736	j+k
1a	of which: subscribed capital	1,252	j
1b	of which: Share premium	11,484	k
2	Retained earnings	12,442	l
3	Accumulated other comprehensive income (and other reserves)	221	n
EU-3a	Funds for general banking risk	0	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	0	
5	Minority interests (amount allowed in consolidated CET1)	717	q
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0	m
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	26,116	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	-210	
8	Intangible assets (net of related tax liability) (negative amount)	-416	a+d
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-317	c
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-9	o
12	Negative amounts resulting from the calculation of expected loss amounts	-188	
13	Any increase in equity that results from securitised assets (negative amount)	0	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	87	
15	Defined-benefit pension fund assets (negative amount)	-389	f+e
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-2	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-191	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	0	
EU-20c	of which: securitisation positions (negative amount)	-191	
EU-20d	of which: free deliveries (negative amount)	0	

€m Line	(a) Amounts	(b) Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
21	-172	b
22	0	
23	0	
25	0	
EU-25a	-432	m
EU-25b	0	
27	0	
27a	-167	
28	-2,406	
29	23,709	
Additional Tier 1 (AT1) capital: instruments		
30	3,114	p
31	3,114	p
32	0	
33	226	h
EU-33a	0	
EU-33b	0	
34	137	
35	0	
36	3,478	
Additional Tier 1 (AT1) capital: regulatory adjustments		
37	0	
38	0	
39	0	
40	0	
42	0	
42a	0	
43	0	
44	3,477	
45	27,187	
Tier 2 (T2) capital: instruments		
46	3,981	g+i
47	76	h

€m Line		(a) Amounts	(b) Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	0	
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	269	h
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	324	
49	of which: instruments issued by subsidiaries subject to phase out	0	
50	Credit risk adjustments	0	
51	Tier 2 (T2) capital before regulatory adjustments	4,649	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-30	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	0	
EU-56b	Other regulatory adjustments to T2 capital	0	
57	Total regulatory adjustments to Tier 2 (T2) capital	-30	
58	Tier 2 (T2) capital	4,619	
59	Total capital (TC = T1 + T2)	31,806	
60	Total risk exposure amount	177,588	
Capital ratios and requirements including buffers (%)			
61	Common Equity Tier 1 capital	13.35	
62	Tier 1 capital	15.31	
63	Total capital	17.91	
64	Institution CET1 overall capital requirements	9.40	
65	of which: capital conservation buffer requirement	2.50	
66	of which: countercyclical capital buffer requirement	0.02	
67	of which: systemic risk buffer requirement	-	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	1.25	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.13	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	7.73	
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	368	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	227	

€m Line	(a) Amounts	(b) Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
75	2,388	
Applicable caps on the inclusion of provisions in Tier 2		
76	0	
77	252	
78	0	
79	692	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
80	0	
81	0	
82	226	
83	-437	h
84	76	
85	-361	h

Connection between balance-sheet and regulatory positions

In accordance with Article 437(a) CRR and the Implementing Regulation (EU) 2021/637, Table EU CC2 shows a comparison of the published balance sheet (column a) with the carrying amounts under the regulatory scope of consolidation (column b) and a reference (column c) of the balance sheet items to regulatory own funds shown in Table EU CC1.

As of June 30, 2021, there is in total an immaterial difference of €43m between the carrying values according to the group of consolidated companies reported in the balance sheet and the carrying values according to the regulatory group of consolidated companies. This difference results from the different scopes of consolidation and consolidation methods for accounting and regulatory purposes. The companies where the consolidation methods for accounting and regulatory purposes differ are listed entity by entity in table EU LI3 in the Disclosure Report 2020.

EU CC2: Reconciliation of regulatory own funds to balance sheet in the audited financial statements

		a	b	c
		As reported in published financial statements	Under the regulatory scope of consolidation	Reference
		30.06.2021	30.06.2021	
Assets €m				
1	Cash on hand and cash on demand	106,075	106,074	
2	Financial assets - Amortised Cost	294,870	294,863	
3	Financial assets - Fair Value OCI	41,366	41,347	
4	Financial assets - Fair Value Option	0	0	
5	Financial Assets - Mandatorily Fair Value P&L	38,456	38,430	
6	Financial Assets - Held for Trading	49,250	49,250	
7	Value adjustment on portfolio fair value hedges	765	765	
8	Positive fair values of derivative hedging instruments	903	903	
9	Holdings in companies accounted for using the equity method	170	170	
10	Intangible assets	1,211	1,208	a
11	Fixed assets	3,017	3,016	
12	Investment properties	41	41	
13	Non-current assets held for sale and disposal groups	1,809	1,809	
14	Current tax assets	224	224	
15	Deferred tax assets	2,715	2,712	
16	of which: deferred tax assets arising from temporary differences	2,561	2,560	b
17	of which: deferred tax assets do not arise from temporary differences	317	317	c
18	of which: deferred tax liabilities arising from intangible assets	-132	-132	d
19	of which: deferred tax liabilities arising from defined benefit pension fund assets	-34	-34	e
20	Other assets	2,771	2,787	
21	of which: asset surplus of pension plan assets	423	423	f
22	Total assets	543,643	543,600	

		a	b	c
		As reported in published financial statements	Under the regulatory scope of consolidation	Refe- rence
		30.06.2021	30.06.2021	
Liabilities €m				
23	Financial Liabilities - Amortised Cost	425,695	425,664	
24	of which: eligible Tier 2 issuances	4,154	4,154	g
25	of which: eligible AT1 and Tier 2 issuances subject to transitional provisions	1,148	1,148	h
26	Financial Liabilities - Fair Value Option	35,688	35,688	
27	of which: eligible Tier 2 issuances	1,052	1,052	i
28	Financial Liabilities - Held for Trading	35,146	35,146	
29	Value adjustment on portfolio fair value hedges	852	852	
30	Negative fair values of derivative hedging instruments	5,471	5,471	
31	Provisions	3,952	3,949	
32	Current tax liabilities	628	631	
33	Deferred tax liabilities	27	25	
34	Liabilities of disposal groups	1,847	1,847	
35	Other Liabilities	5,088	5,084	
36	Total liabilities	514,394	514,357	
37	Subscribed capital	1,252	1,252	j
38	Capital reserve	11,484	11,484	k
39	Retained earnings	13,102	13,092	l
40	Distributable profit/loss from current year	-394	-394	m
41	Accumulated other comprehensive income and other reserves	-439	-430	n
42	thereof Valuation of cash flow hedges	9	9	o
43	Additional equity components	3,114	3,114	
44	thereof eligible AT1 issues	3,114	3,114	p
45	Non-controlling interests	1,129	1,124	q
46	Total equity	29,249	29,243	
47	Total liabilities	543,643	543,600	

Capital requirement and RWA

The capital requirements set out below relate to the Commerzbank Group and the figures are the same with regard to content as in the capital adequacy reports submitted to the Deutsche Bundesbank under Basel 3 Pillar 1.

The countercyclical capital buffer (CCyB) is part of a set of macroprudential instruments, designed to help counteract procyclicality of the financial system. Capital should be accumulated when cyclical systemic risk is considered to be rising, creating buffers that increase the resilience of the banking sector during periods of stress when losses materialise. This will help maintain the credit supply and dampen the downturn of the financial cycle. The CCyB can also help dampen excessive credit growth during the upswing of the financial cycle.

Table EU CCyB1 shows the geographical distribution of the exposures relevant for the calculation of the countercyclical buffer, as defined in Article 440 (a) CRR. The credit risk, market risk and securitisations are highlighted separately.

The countries listed below cover more than 99% of Commerzbank's own funds requirements. The further breakdown of the countries listed under line 035 "Other" is omitted for reasons of materiality.

EU CCyB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

Line	Countries €m %	a		b		c		d	e	f	g			h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures		Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Own fund requirements weights	Own fund requirements weights (%)	Counter-cyclical buffer rate (%)				
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Own fund requirements weights	Own fund requirements weights (%)	Counter-cyclical buffer rate (%)					
001	DE (Germany)	11,073	219,053	0	105	14,471	244,702	5,153	9	414	5,577	69,706	53.8	–					
002	PL (Poland)	4,768	23,956	0	0	0	28,724	1,302	0	0	1,302	16,277	12.6	–					
003	GB (United Kingdom of Great Britain and Northern Ireland)	5,620	12,081	0	165	1,494	19,360	803	4	23	830	10,380	8.0	–					
004	US (United States of America)	1,131	11,305	0	88	6,506	19,031	577	2	122	701	8,763	6.8	–					
005	FR (France)	13	6,114	0	100	0	6,226	287	6	0	293	3,661	2.8	–					
006	NL (Netherlands)	102	4,517	0	46	219	4,885	195	1	2	198	2,475	1.9	–					
007	LU (Luxembourg)	79	3,668	0	1	195	3,943	167	1	3	171	2,140	1.7	0.5					
008	CH (Switzerland)	10	4,456	0	23	0	4,489	150	0	0	151	1,884	1.5	–					
009	CZ (Czechia)	1,433	1,536	0	0	0	2,969	112	0	0	112	1,397	1.1	0.5					
010	ES (Spain)	2	2,346	0	25	89	2,461	91	1	1	93	1,163	0.9	–					
011	IT (Italy)	0	2,095	0	10	182	2,288	79	1	3	83	1,037	0.8	–					
012	AT (Austria)	15	1,982	0	6	0	2,003	68	0	0	68	853	0.7	–					
013	CN (China)	0	1,746	0	0	0	1,746	61	0	0	61	757	0.6	–					
014	BE (Belgium)	8	1,391	0	118	110	1,627	57	1	1	58	729	0.6	–					
015	SK (Slovakia)	604	343	0	0	0	947	53	0	0	53	660	0.5	1.0					
016	IE (Ireland)	126	928	0	3	0	1,058	49	1	0	50	625	0.5	–					
017	RU (Russian Federation)	48	1,173	0	5	0	1,226	46	0	0	46	573	0.4	–					
018	JP (Japan)	1	1,454	0	0	0	1,455	45	0	0	45	562	0.4	–					
019	KY (Cayman Isl.)	11	597	0	0	0	608	36	0	0	36	447	0.3	–					
020	MF (St Martin dutch part)	0	0	0	0	2,170	2,170	0	0	35	35	434	0.3	–					
021	BA (Bosnia Herz.)	0	391	0	0	0	391	35	0	0	35	433	0.3	–					
022	SG (Singapore)	11	984	0	0	0	994	32	0	0	32	405	0.3	–					
023	SE (Sweden)	7	903	0	24	0	933	32	0	0	32	405	0.3	–					

Line	Countries €m %	a		b	c		d	e	f	g			h	i	j	k	l	m
		General credit exposures		Exposure value under the IRB approach	Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements			Own fund requirements weights	Own fund requirements weights (%)	Counter-cyclical buffer rate (%)				
Exposure value under the standardised approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Relevant credit risk exposures - Credit risk		Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book			Total									
024	HU (Hungary)	14	917	0	0	0	930	31	0	0	31	394	0.3	–				
025	DK (Denmark)	0	461	0	6	0	468	24	0	0	24	303	0.2	–				
026	CA (Canada)	609	1,250	0	2	0	1,861	23	0	0	23	288	0.2	–				
027	FI (Finland)	0	518	0	12	0	530	22	1	0	23	283	0.2	–				
028	HK (Hong Kong)	3	482	0	0	0	485	22	0	0	22	280	0.2	1.0				
029	BR (Brazil)	80	280	0	0	0	360	19	0	0	19	239	0.2	–				
030	BM (Bermuda)	0	409	0	0	0	409	14	0	0	14	180	0.1	–				
031	PT (Portugal)	108	265	0	6	0	380	13	1	0	14	175	0.1	–				
032	JE (Jersey)	0	200	0	7	0	207	6	7	0	12	154	0.1	–				
033	LR (Liberia)	0	285	0	0	0	285	11	0	0	11	133	0.1	–				
034	NO (Norway)	0	212	0	12	0	224	10	0	0	10	126	0.1	1.0				
035	Other	92	3,859	0	69	0	4,020	94	0	0	94	1,176	0.9	0.5				
036	Total	25,970	312,157	0	832	25,437	364,396	9,718	37	604	10,360	129,497	100.0					

Table EU CCyB2 shows the countercyclical capital buffer according to article 440 (b) CRR.

EU CCyB2: Amount of institution-specific countercyclical capital buffer

€m	30.06.2021
Total risk exposure amount	177,588
Institution specific countercyclical capital buffer rate	0.022
Institution specific countercyclical capital buffer requirement	38.86

Capital requirements by risk type

As required by Article 438(d), Table EU OV1 shows an overview of risk-weighted assets (RWA) and the associated capital requirements by risk type.

Of the overall capital requirement 74.4% relates to credit risk positions (excluding counterparty credit risk). Commerzbank uses the Advanced Internal Ratings Based Approach (advanced IRBA; in the following referred to as IRBA) to determine the regulatory capital required. Article 150 CRR gives the option of partial use. The Standardised Approach to Credit Risk (SACR) may be used for part of the portfolios.

Commerzbank Group and accordingly the group companies included in the disclosure are, as IRBA banks as defined in Article 147 CRR, generally obliged to value investments in accordance with the IRBA rules. The CRR allows items to be permanently exempted from the IRBA. Commerzbank applies Article 150 CRR and values all investment positions using the permanent partial use according to the SACR, provided that the individual equity position is not measured in the SACR anyway. Investments that are linked to particularly high risks as defined in Article 128 CRR, such as private equity investments or venture capital exposures, are shown in the corresponding SACR exposure class.

Of the overall capital requirement 8.4% relates to counterparty credit risk. Based on the EBA requirements, credit value adjustments (CVAs) are also assigned to this credit risk category.

Securitised positions in the banking book are also shown as a separate credit risk category subject to a capital requirement in the table EU OV1 below (2.6% of total capital requirement). Commerzbank treats these positions in accordance with the recognition hierarchy according to the change in own funds requirements (Regulation (EU) No 2017/2401). Capital deduction items of securitisations directly reduce the liable equity and thus are not included in the capital requirements.

Pursuant to Article 92 (3) b) and c) CRR, adequate capital must be set aside for market risk positions. As at 30 June 2021, capital requirements here are 4.1% of total requirements. Commerzbank uses an internal market risk model to calculate the regulatory capital requirement. This affects both the equity price and interest rate-related risk positions in the trading book as well as the total of currency positions and commodity positions. The standardized approaches are applied for smaller units in Commerzbank Group in accordance with the partial use option.

To calculate the capital adequacy requirement for operational risks, Commerzbank uses the advanced measurement approach (AMA). This risk category accounts for 10.4% of the total capital requirements.

EU OV1: Overview of risk weighted exposure amounts

€m		a		b	c
		Risk weighted exposure amounts (RWEAs)		Total own funds requirements	
		30.06.2021	31.03.2021	30.06.2021	
1	Credit risk (excluding CCR)	132,201	136,351	10,576	
2	thereof: standard approach	20,765	19,971	1,661	
3	thereof: the foundation IRB (FIRB) approach	0	0	0	
4	thereof: slotting approach	1,495	1,664	120	
EU 4a	thereof: equities under the simple risk weighted approach	0	0	0	
5	thereof: the advanced IRB (AIRB) approach	109,941	114,716	8,795	
6	Counterparty credit risk - CCR	14,885	10,808	1,191	
7	thereof: standard approach	1,720	0	138	
	thereof: market evaluation method	0	2,169	0	
8	thereof: internal model method (IMM)	8,406	5,504	672	
EU 8a	thereof: exposures to a CCP	271	21	22	
EU 8b	thereof: credit valuation adjustment - CVA	3,493	3,113	279	
9	thereof: other CCR	995	0	80	
15	Settlement risk	1	0	0	
16	Securitisation exposures in the non-trading book (after the cap)	4,589	4,722	367	
17	thereof: SEC-IRBA	1,765	1,869	141	
18	thereof SEC-ERBA (incl. IAA)	2,386	2,406	191	
19	thereof: SEC-SA	438	447	35	
EU 19a	thereof: 1250% / deduction (for information)	2,383	2,387	191	
20	Position, foreign exchange and commodities risks (Market risk)	7,357	9,354	589	
21	thereof: standard approach	453	794	36	
22	thereof: IMA	6,904	8,560	552	
EU 22a	Large exposures	0	0	0	
23	Operational risk	18,555	16,690	1,484	
EU 23a	thereof: basic indicator approach	0	0	0	
EU 23b	thereof: standard approach	0	0	0	
EU 23c	thereof: advanced measurement approach	18,555	16,690	1,484	
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)	654	546	52	
29	Total	177,588	178,471	14,207	

Risk-weighted assets were €177.6bn as at 30 June 2021. Compared to the previous quarter, there was a slight decline of €0.9bn. For the individual risk types, there was a decrease in RWA from credit risks mainly due to a reduction in the portfolio and the expiration of remaining maturities. The main drivers for the increase in RWA from counterparty default risks were model updates due to the new CRR, which, among other things, requires a modified fallback approach for derivative business (SA-CCR). In addition, a new internal model (IMM) was taken productively. The decline in RWA from market risks is mainly due to the fact that the extreme scenarios from March of the previous year no longer affect the time series for the Var calculation. The development of external loss data is a major driver of the increase in RWA from operational risks.

The overviews of the development of risk-weighted assets (RWA) by main drivers EU CR8: RWA flow statements of credit risk exposures under the IRB approach, EU CCR7: RWA flow statements of CCR exposures under the IMM as well as EU MR2-B: RWA flow statements of market risk exposures under the IMA are given in the chapters on the respective risk types

Leverage Ratio

The leverage ratio (LR) shows the ratio of Tier 1 capital to leverage ratio exposure, consisting of the non risk-weighted assets plus off-balance sheet positions. The way in which exposure to derivatives, securities financing transactions and off-balance sheet positions is calculated is laid down by regulators. As a non risk-sensitive figure the leverage ratio is intended to supplement risk-based measures of capital adequacy. It was 4.6% on the basis of the CRD IV/CRR regulation in force on the reporting date (with transitional provisions).

Table EU LR1 shows the summary reconciliation of accounting assets and leverage ratio exposures in accordance with Article 451 (1) (b) CRR. Where the value "Total assets as per published financial statements" corresponds to total assets according to Table EU CC2, line 22, column a. After all discretionary margins have been disclosed in the assessment according to the balance sheet or risk view, the leverage ratio total exposure measure is shown in line 13.

EU LR1: LRSum – Summary reconciliation of accounting assets and leverage ratio exposures

€m		a
		Applicable amount
1	Total assets as per published financial statements	543,643
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-43
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	0
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	0
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of Article 429a(1) CRR)	0
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-831
7	Adjustment for eligible cash pooling transactions	690
8	Adjustments for derivative financial instruments	-10,042
9	Adjustment for securities financing transactions (SFTs)	4,434
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	55,055
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	0
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0
EU-11-b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)	0
12	Other adjustments	-3,746
13	Leverage ratio total exposure measure	589,160

Table EU LR2 shows the individual components for the calculation the leverage ratio referred to in Article 451 CRR:

EU LR2: LRCom – Leverage ratio common disclosure

		CRR leverage ratio exposures
		a
€m %		30.06.2021
On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	484,500
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	–
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	14,131
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	–
5	(General credit risk adjustments to on-balance sheet items)	–
6	(Asset amounts deducted in determining Tier 1 capital)	1,684
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	468,685
Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	15,135
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	–
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	17,507
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	–
EU-9b	Exposure determined under Original Exposure Method	–
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	4,767
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	–
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	–
11	Adjusted effective notional amount of written credit derivatives	10,526
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	8,178
13	Total derivatives exposures	30,224
Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	58,810
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	25,033
16	Counterparty credit risk exposure for SFT assets	4,434
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	–
17	Agent transaction exposures	–
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	–
18	Total securities financing transaction exposures	38,212
Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	181,579
20	(Adjustments for conversion to credit equivalent amounts)	126,524
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	–
22	Off-balance sheet exposures	55,055

		CRR leverage ratio exposures
		a
€m %		30.06.2021
Excluded exposures		
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	–
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	–
EU-22c	(-) Excluded exposures of public development banks - Public sector investments	–
EU-22d	(Excluded promotional loans of public development banks: - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	–
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	–
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	3,015
EU-22g	(Excluded excess collateral deposited at triparty agents)	–
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	–
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	–
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	–
EU-22k	(Total exempted exposures)	3,015
Capital and total exposure measure		
23	Tier 1 capital	26,961
23	Tier 1 capital with transitional provisions	27,187
24	Leverage ratio total exposure measure	589,160
Leverage ratio		
25	Leverage ratio	4.58
25	Leverage ratio with transitional provisions	4.61
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	4.61
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	4.61
26	Regulatory minimum leverage ratio requirement (%)	3.00
EU-26a	Additional leverage ratio requirements (%)	–
EU-26b	thereof: in the form of Common Equity Tier 1 (CET1) capital	–
27	Required leverage buffer (%)	–
EU-27a	Total leverage ratio requirements (%)	–
Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Applying the transitional arrangements and fully loaded

Table EU LR3 shows the split up of on-balance exposures in trading and banking book according to Article 451 (1) (b) CRR.

EU LR3: LRSpl – Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

€m		CRR leverage ratio exposures	
		a	
		30.06.2021	
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:		483,465
EU-2	Trading book exposures		37,872
EU-3	Banking book exposures, of which:		445,593
EU-4	Covered bonds		6,775
EU-5	Exposures treated as sovereigns		147,633
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns		9,241
EU-7	Institutions		17,266
EU-8	Secured by mortgages of immovable properties		76,541
EU-9	Retail exposures		59,414
EU-10	Corporate		76,243
EU-11	Exposures in default		2,015
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)		50,464

A. Credit risk (CR)

Credit risk (default risk from credit risk, CR) is defined as the risk of losses sustained or profits foregone due to the default of a counterparty. It is a quantifiable material risk and includes the material sub-risk types of credit default risk, issuer risk, country and transfer risk, dilution risk and reserve risk. The default risk from counterparty credit risk is shown separately in the section on counterparty credit risk in this report.

Credit risk and credit risk mitigation in the SACR

This chapter presents the effects of the credit risk mitigation on the Commerzbank Group's SACR portfolio, divided by exposure classes and the risk weight used.

The portfolios currently excluded from the IRBA are measured in accordance with SACR regulations as permitted under partial use provisions. In contrast to the IRBA, the SACR is largely based on a flat risk weighting or external ratings. Commerzbank has nominated the rating agencies Standard & Poor's Rating Services, Moody's Investors Service and FitchRatings for the use of external ratings.

Where an external credit rating is available for a position, that external rating is used to determine the risk weighting. Here, Commerzbank uses the standard mapping of external credit assessments to the relevant credit quality steps as published by the EBA in accordance with Article 136 CRR. Where two or more external

credit ratings are available for one position, the risk weighting is assigned in accordance with the provisions of Article 138 CRR.

For unrated positions, if the conditions set out in Articles 139 and 140 CRR are met, a risk weighting is calculated based on a derived credit rating. In all other cases, the position is treated as an un-rated exposure.

Under the SACR, guarantees are treated according to the substitution principle. This means that the borrower's risk weighting is re-placed by that of the guarantor.

Consequently, the guaranteed amount is transferred from the borrower's exposure class to that of the guarantor. This is why the exposure before CRM for assets guaranteed by central governments and central banks, for example, is less than after CRM. However, a transfer only takes place if the risk weighting of the guarantor is lower than that of the borrower. This can be seen in table EU CR4.

This table also shows the impact of the credit risk mitigation techniques used in the SACR portfolio in accordance with Chapter 4 of Title II of Part Three CRR and the conversion factors used in accordance with Article 111 CRR. Table EU CR4 contains the information in accordance with Articles 444 (e) and 453 (g), (h) and (i) CRR.

For the reported SACR exposure value, unlike the IRBA, the valuation allowances based on each of the positions are deducted. Table EU CR5 shows the distribution of exposure values after credit risk mitigation and conversion factors by exposure class and risk weight in accordance with Article 444 (e) CRR.

EU CR4: Standardised approach – Credit risk exposure and CRM effects

Exposure classes €m	a		b		c		d		e		f	
	Exposures				Exposures				RWAs and RWA density			
	before CCF and CRM				post CCF and CRM				RWAs		RWA density	
	On-balance- sheet amount	Off-balance- sheet amount	On-balance- sheet amount	Off-balance- sheet amount	On-balance- sheet amount	Off-balance- sheet amount	RWAs	RWA density				
1 Central governments or central banks	108,490	5	112,351	267	640	0.6%						
2 Regional government or local authorities	16,779	643	17,578	56	436	2.5%						
3 Public sector entities	4,744	364	6,958	206	150	2.1%						
4 Multilateral development banks	1,194	0	1,194	0	0	0.0%						
5 International organisations	633	0	633	0	0	0.0%						
6 Institutions	1,756	10	1,792	7	377	21.0%						
7 Corporates	5,569	2,189	5,119	723	5,021	85.9%						
8 Retail	5,928	3,923	5,656	247	4,404	74.6%						
9 Secured by mortgages on immovable property	2,771	9	2,771	4	983	35.4%						
10 Exposures in default	225	7	220	1	274	124.4%						
11 Exposures associated with particularly high risk	496	0	496	0	744	150.0%						
12 Covered bonds	0	0	0	0	0	-						
13 Institutions and corporates with a short-term credit assessment	10	0	10	0	2	20.0%						
14 Collective investment undertakings	2,380	0	2,380	0	803	33.7%						
15 Equity	811	0	811	0	1,131	139.5%						
16 Other items	2,769	0	2,769	0	5,800	209.4%						
17 Total	154,556	7,150	160,737	1,512	20,765	12.8%						

EU CR5: Standardised approach

Exposure classes €m	a	b	c	d	e	f	g	Risk weight								o	p	q
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Total	Of which unrated	
Central governments or central banks	112,217	0	0	0	0	0	181	0	0	0	0	220	0	0	0	112,618	100,571	
Regional government or local authorities	16,048	0	0	0	1,190	0	397	0	0	0	0	0	0	0	0	17,634	15,365	
Public sector entities	6,422	0	0	0	737	0	4	0	0	1	0	0	0	0	0	7,164	6,427	
Multilateral development banks	1,194	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,194	243	
International organisations	633	0	0	0	0	0	0	0	0	0	0	0	0	0	0	633	633	
Institutions	283	57	0	0	1,206	0	235	0	0	17	0	0	0	0	0	1,798	698	
Corporates	0	0	0	0	77	0	1,370	0	0	4,387	8	0	0	0	0	5,843	3,830	
Retail	0	0	0	0	0	0	0	0	5,903	0	0	0	0	0	0	5,903	5,902	
Secured by mortgages on immovable property	0	0	0	0	0	2,705	67	0	0	0	2	0	0	0	0	2,775	2,775	
Exposures in default	0	0	0	0	0	0	0	0	0	113	107	0	0	0	0	221	221	
Exposures associated with particularly high risk	0	0	0	0	0	0	0	0	0	0	496	0	0	0	0	496	495	
Covered bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Institutions and corporates with a short-term credit assessment	0	0	0	0	10	0	0	0	0	0	0	0	0	0	0	10	0	
Collective investment undertakings	1,093	0	0	0	0	0	0	0	0	82	63	0	0	5	1,138	2,380	2,321	
Equity	0	0	0	0	0	0	0	0	0	597	0	213	0	0	0	811	657	
Other items	220	0	0	0	0	0	0	0	0	382	0	2,167	0	0	0	2,769	2,369	
Total	138,110	57	0	0	3,221	2,706	2,253	0	5,903	5,580	677	2,600	0	5	1,138	162,249	142,507	

Credit risk and credit risk mitigation in the IRBA

The credit risk of the Commerzbank Group's IRBA portfolio divided into the relevant IRBA asset classes and PD ranges is shown below. The information in table EU CR6 on on-balance-sheet gross receivables refers to the risk exposure values to be determined according to Article 166 CRR. These represent the expected amounts of the IRBA positions that will be exposed to a risk of loss. The off-balance-sheet claims are shown before considering credit risk adjustments and conversion factors. Exposure at default (regulatory EaD) shows the exposure values after considering credit risk mitigation. The risk parameters CCF, PD and LGD are calculated as EaD-weighted averages. The IRBA default definition is also used for internal purposes.

The companies in Commerzbank Group use the IRBA approach. Hence, they may use internal estimates of credit conversion factors (CCFs) for regulatory purposes, too. CCFs are necessary for off-balance-sheet transactions in order to assess the likely exposure in the event of a possible default on commitments that have not yet been drawn.

Tables EU CR6, EU CR7 and EU CR7-A show only portfolios which fall within the scope of IRBA and are rated with a rating process that has been approved by the supervisory authority. Positions in the risk exposure class "Other non-loan-related assets" are not listed in table EU CR6. These assets amount to € 5.3bn and do not have any creditworthiness risks and thus are not relevant for the management of default risks. Table EU CR6 also does not include mBank S.A. positions of €1.9bn which are subject to the IRBA slotting approach in accordance with Article 153 (5) CRR and are shown in table EU CR10. Investment positions with a fixed risk weighting according to Article 155 (2) CRR are not relevant in Commerzbank Group as at 30 June 2021 and are therefore not part of table EU CR10.

Securitisation exposures in the IRBA are shown in the section Securitisation of this report. Counterparty default risks are shown in the section Counterparty credit risk in this report.

The impact of credit derivatives used for credit risk mitigation on the amount of RWA of credit risk in the IRBA portfolio at 30 June 2021 comes to 0.3% (see the next table EU CR7).

The risk exposure values shown in this section generally differ from the EaD values in the Annual Report (economic EaD) due to the following:

- According to the EBA's requirement for disclosure, credit risk and counterparty credit risk are presented separately in the Disclosure Report.
- Some transactions are not included in risk-weighted assets (RWA) for regulatory purposes but are included in the EaD of the Annual Report and Risk Report, respectively.
- The figures shown in this Disclosure Report refer to the regulatory scope of consolidation. By contrast, the figures in the Annual Report refer to the IFRS scope of consolidation

Table EU CR6 contains the information described above in accordance with Article 452(g) CRR as of 30 June 2021 for the AIRB portfolio. As Commerzbank does not have any F-IRB positions, a corresponding list is not required.

EU CR6_part 1: IRB approach – Credit risk exposures by exposure class and PD range

	a	b	c	d	e	f	g	h	i	j	k	l	m
A-IRB	PD scale	On-balance sheet exposures €m	Off-balance sheet exposures pre-CCF €m	Exposure weighted average CCF %	Exposure post CCF and post CRM €m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after supporting factors €m	Density of risk weighted exposure amount %	Expected loss amount €m	Value adjustments and provisions €m
Central governments or central banks	0.00 to < 0.15	13,486	824	0.44	13,850	0.03	679	26.65	0.7	531	0.04	0.9	-0.1
	0.00 bis <0.10	11,848	782	0.44	12,194	0.01	518	26.01	0.7	291	0.02	0.4	-0.1
	0.10 bis <0.15	1,638	42	0.42	1,656	0.12	161	31.38	1.1	240	0.15	0.5	0.0
	0.15 to < 0.25	4,807	82	0.39	4,839	0.17	207	31.15	0.4	735	0.15	2.5	-0.1
	0.25 to < 0.50	226	122	0.37	271	0.30	90	76.92	1.4	229	0.84	0.6	0.0
	0.50 to < 0.75	507	140	0.22	539	0.56	72	53.79	4.5	568	1.06	1.4	-0.6
	0.75 to < 2.50	85	41	0.44	103	1.15	26	90.91	1.2	171	1.66	1.0	0.0
	0.75 bis <1.75	72	34	0.45	87	0.98	17	89.31	1.3	135	1.54	0.7	0.0
	1.75 bis <2.50	13	7	0.43	16	2.05	9	99.66	1.0	36	2.26	0.3	0.0
	2.50 to 10.00	417	323	0.24	496	4.34	54	33.64	3.2	286	0.58	4.0	-1.4
	2.5 bis <5	257	218	0.22	306	2.68	22	32.63	3.6	139	0.46	1.2	-0.4
	5 bis <10	160	106	0.29	190	7.01	32	35.26	2.7	146	0.77	2.7	-1.0
	10.00 to < 100.00	521	669	0.18	645	15.28	47	24.14	1.7	364	0.56	10.6	-1.0
	10 bis <20	499	600	0.18	604	13.90	31	24.02	1.7	348	0.58	9.2	-0.8
	20 bis <30	22	14	0.45	28	22.33	1	27.92	2.7	2	0.08	0.1	-0.1
30 bis <100	0	55	0.22	13	66.19	15	21.32	2.0	13	1.03	1.4	0.0	
100.00 (default)	39	0	0.00	39	100.00	2	18.84	3.5	0	0.00	0.2	-1.0	
Subtotal		20,089	2,201	0.31	20,782	0.85	1,177	29.45	0.8	2,884	0.14	21.2	-4.1
Institutions	0.00 to < 0.15	15,096	3,306	0.67	17,300	0.07	665	27.98	3.1	3,254	0.19	3.3	-2.1
	0.00 bis <0.10	10,882	2,986	0.69	12,948	0.06	519	29.03	3.2	2,375	0.18	2.0	-1.2
	0.10 bis <0.15	4,214	320	0.43	4,352	0.12	146	24.86	2.6	878	0.20	1.3	-0.9
	0.15 to < 0.25	3,045	684	0.44	3,343	0.18	200	33.87	2.9	1,137	0.34	2.0	-1.6
	0.25 to < 0.50	3,847	1,446	0.43	4,462	0.33	340	31.36	2.2	1,836	0.41	4.6	-2.4
	0.50 to < 0.75	2,942	723	0.45	3,265	0.59	188	38.04	3.4	2,333	0.71	6.4	-5.1
	0.75 to < 2.50	2,121	1,375	0.43	2,719	1.34	612	36.69	1.3	1,792	0.66	11.1	-20.0
	0.75 bis <1.75	1,770	1,108	0.43	2,250	1.15	532	36.98	1.4	1,538	0.68	8.7	-16.8
	1.75 bis <2.50	351	267	0.44	468	2.23	80	35.33	0.7	254	0.54	2.3	-3.3
	2.50 to 10.00	2,160	2,134	0.45	3,126	3.91	330	30.12	1.3	1,447	0.46	17.1	-21.2
	2.5 bis <5	1,855	1,407	0.45	2,483	3.16	221	32.05	1.5	1,146	0.46	11.9	-14.1
	5 bis <10	305	727	0.46	643	6.83	109	22.67	0.9	300	0.47	5.2	-7.1
	10.00 to < 100.00	317	340	0.47	475	29.82	66	22.14	1.9	143	0.30	8.8	-11.2
	10 bis <20	112	157	0.48	188	11.82	18	20.95	1.9	43	0.23	1.1	-2.9
	20 bis <30	103	1	0.45	104	20.19	6	30.31	3.5	17	0.16	0.3	-1.0
30 bis <100	101	181	0.46	183	53.72	42	18.73	0.9	84	0.46	7.5	-7.4	
100.00 (default)	7	1	0.45	8	100.00	10	67.00	0.8	4	0.45	4.7	-3.3	
Subtotal		29,535	10,009	0.52	34,698	1.04	2,411	30.73	2.7	11,945	0.34	57.9	-66.9

EU CR6_part 2: IRB approach – Credit risk exposures by exposure class and PD range

	a	b	c	d	e	f	g	h	i	j	k	l	m
A-IRB	PD scale	On-balance sheet exposures €m	Off-balance sheet exposures pre-CCF €m	Exposure weighted average CCF %	Exposure post CCF and post CRM €m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after supporting factors €m	Density of risk weighted exposure amount %	Expected loss amount €m	Value adjustments and provisions €m
Corporates, thereof SMEs	0.00 to < 0.15	634	377	0.46	806	0.10	491	41.71	2.8	154	0.19	0.3	-0.3
	0.00 bis <0.10	279	218	0.48	385	0.07	276	42.99	2.6	61	0.16	0.1	-0.1
	0.10 bis <0.15	354	159	0.42	421	0.13	215	40.54	3.0	93	0.22	0.2	-0.1
	0.15 to < 0.25	1,934	338	0.47	2,092	0.18	542	30.26	3.4	459	0.22	1.0	-0.6
	0.25 to < 0.50	1,392	663	0.39	1,650	0.35	1,347	39.12	2.6	593	0.36	2.1	-1.1
	0.50 to < 0.75	743	374	0.47	920	0.62	959	37.38	2.4	366	0.40	1.9	-1.1
	0.75 to < 2.50	2,152	1,106	0.46	2,662	1.39	4,382	37.95	2.1	1,464	0.55	12.8	-8.3
	0.75 bis <1.75	1,602	809	0.46	1,977	1.16	3,213	38.07	2.2	1,039	0.53	8.0	-5.1
	1.75 bis <2.50	551	298	0.45	686	2.07	1,169	37.59	2.1	425	0.62	4.8	-3.2
	2.50 to 10.00	1,164	435	0.47	1,367	4.51	1,907	36.37	2.1	992	0.73	20.5	-12.6
	2.5 bis <5	808	336	0.48	967	3.57	1,532	35.84	2.2	657	0.68	11.2	-6.9
	5 bis <10	357	99	0.43	400	6.81	375	37.65	1.9	335	0.84	9.4	-5.8
	10.00 to < 100.00	213	104	0.28	242	21.32	220	41.92	1.8	303	1.25	19.5	-12.9
	10 bis <20	123	68	0.27	141	13.08	138	41.73	1.8	173	1.23	7.3	-5.3
	20 bis <30	55	25	0.28	62	22.88	28	41.58	2.0	67	1.09	4.0	-2.8
	30 bis <100	35	11	0.33	39	48.81	54	43.17	1.3	62	1.59	8.2	-4.8
100.00 (default)	413	35	0.32	424	100.00	279	68.75	1.3	292	0.69	263.2	-246.9	
Subtotal	8,643	3,433	0.44	10,163	5.81	10,127	37.97	2.5	4,623	0.45	321.4	-283.8	
Corporates, thereof specialised lending	0.00 to < 0.15	6,657	671	0.53	7,012	0.05	1,083	37.69	4.2	1,339	0.19	1.3	-1.0
	0.00 bis <0.10	5,909	555	0.56	6,221	0.04	814	37.80	4.2	1,118	0.18	0.9	-0.7
	0.10 bis <0.15	747	116	0.38	791	0.11	269	36.83	4.2	221	0.28	0.3	-0.4
	0.15 to < 0.25	1,582	229	0.34	1,659	0.21	615	29.87	3.8	457	0.28	1.4	-0.8
	0.25 to < 0.50	3,212	487	0.60	3,502	0.34	2,060	32.05	3.6	1,345	0.38	3.8	-4.8
	0.50 to < 0.75	1,029	384	0.69	1,293	0.62	1,182	41.50	3.5	746	0.58	3.3	-3.3
	0.75 to < 2.50	1,452	458	0.60	1,727	1.34	1,095	38.19	3.6	1,257	0.73	8.0	-15.2
	0.75 bis <1.75	886	269	0.62	1,053	0.99	870	41.89	3.5	693	0.66	4.0	-4.5
	1.75 bis <2.50	567	188	0.57	674	1.90	225	32.41	3.9	564	0.84	4.1	-10.7
	2.50 to 10.00	443	397	0.47	630	5.12	337	35.36	3.0	644	1.02	10.3	-20.7
	2.5 bis <5	270	162	0.51	353	3.41	250	37.74	3.4	323	0.92	4.3	-7.1
	5 bis <10	173	236	0.44	278	7.30	87	32.34	2.5	321	1.16	6.0	-13.7
	10.00 to < 100.00	601	769	0.37	882	59.98	115	10.66	2.3	381	0.43	42.8	-34.9
	10 bis <20	103	130	0.33	147	14.03	24	16.11	2.6	118	0.80	3.2	-5.4
	20 bis <30	102	59	0.50	131	26.48	11	15.48	2.2	110	0.84	5.0	-5.8
	30 bis <100	395	579	0.36	604	78.44	80	8.28	2.3	154	0.26	34.6	-23.6
100.00 (default)	527	1	0.24	527	100.00	44	72.83	2.0	0	0.00	384.1	-138.4	
Subtotal	15,504	3,395	0.51	17,233	6.61	6,531	35.73	3.7	6,169	0.36	455.0	-219.1	

EU CR6_part 3: IRB approach – Credit risk exposures by exposure class and PD range

	a	b	c	d	e	f	g	h	i	j	k	l	m
A-IRB	PD scale	On-balance sheet exposures €m	Off-balance sheet exposures pre-CCF €m	Exposure weighted average CCF %	Exposure post CCF and post CRM €m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after supporting factors €m	Density of risk weighted exposure amount %	Expected loss amount €m	Value adjustments and provisions €m
Corporates, thereof other	0.00 to < 0.15	8,245	28,257	0.40	19,612	0.10	4,915	42.26	2.2	4,956	0.25	8.1	-5.3
	0.00 bis <0.10	4,704	13,119	0.38	9,739	0.07	2,314	42.16	2.0	1,795	0.18	2.7	-1.7
	0.10 bis <0.15	3,541	15,138	0.42	9,873	0.13	2,601	42.37	2.4	3,160	0.32	5.4	-3.5
	0.15 to < 0.25	11,840	27,920	0.41	23,310	0.19	6,929	45.90	2.6	11,810	0.51	21.3	-13.1
	0.25 to < 0.50	13,280	30,975	0.39	25,347	0.35	13,463	39.93	2.1	13,740	0.54	41.7	-21.5
	0.50 to < 0.75	6,668	13,769	0.40	12,238	0.60	10,217	39.84	2.1	8,193	0.67	31.8	-14.8
	0.75 to < 2.50	9,687	10,789	0.37	13,673	1.35	18,524	37.24	1.9	9,001	0.66	64.1	-32.1
	0.75 bis <1.75	6,461	8,040	0.39	9,614	1.11	14,654	35.61	2.2	6,726	0.70	44.6	-22.3
	1.75 bis <2.50	3,226	2,750	0.30	4,059	1.91	3,871	41.11	1.3	2,275	0.56	19.5	-9.8
	2.50 to 10.00	4,058	3,617	0.38	5,428	4.66	6,452	34.95	2.1	5,178	0.95	103.2	-52.1
	2.5 bis <5	2,552	2,464	0.38	3,486	3.35	5,193	35.16	2.0	3,013	0.86	48.4	-22.1
	5 bis <10	1,505	1,153	0.38	1,942	7.01	1,259	34.58	2.1	2,165	1.11	54.9	-30.0
	10.00 to < 100.00	1,090	485	0.41	1,290	14.57	1,710	37.76	2.9	1,732	1.34	168.9	-499.0
	10 bis <20	1,026	406	0.42	1,198	12.72	639	37.24	3.0	1,549	1.29	59.2	-23.7
	20 bis <30	54	36	0.25	63	22.20	196	47.94	1.9	154	2.43	14.5	-3.9
	30 bis <100	10	43	0.44	29	75.01	875	36.71	1.3	28	0.99	95.2	-471.4
100.00 (default)	1,506	515	0.28	1,651	100.00	949	64.46	1.3	987	0.60	1,044.1	-1,106.0	
Subtotal	56,372	116,327	0.40	102,549	2.44	63,159	41.47	2.2	55,594	0.54	1,483.3	-1,744.0	
Retail secured by mortgages / SMEs	0.00 to < 0.15	6,145	168	1.00	6,312	0.06	25,937	15.93		135	0.02	0.7	-0.6
	0.00 bis <0.10	5,026	123	1.00	5,149	0.05	21,708	15.48		88	0.02	0.4	-0.3
	0.10 bis <0.15	1,118	44	1.00	1,163	0.12	4,229	17.94		47	0.04	0.3	-0.2
	0.15 to < 0.25	1,880	72	0.99	1,951	0.20	10,076	16.94		108	0.06	0.7	-0.6
	0.25 to < 0.50	3,163	94	0.98	3,255	0.37	14,860	16.89		278	0.09	2.0	-2.1
	0.50 to < 0.75	1,555	78	1.00	1,633	0.61	6,761	17.58		209	0.13	1.8	-1.8
	0.75 to < 2.50	1,735	115	1.08	1,859	1.24	7,519	19.80		422	0.23	4.5	-7.1
	0.75 bis <1.75	1,471	103	1.07	1,582	1.10	6,370	19.93		336	0.21	3.4	-4.9
	1.75 bis <2.50	264	12	1.18	277	2.07	1,149	19.06		86	0.31	1.1	-2.2
	2.50 to 10.00	402	8	1.28	412	4.19	1,695	20.65		200	0.48	3.5	-5.9
	2.5 bis <5	307	6	1.36	315	3.28	1,164	21.24		142	0.45	2.2	-4.0
	5 bis <10	95	2	1.06	97	7.13	531	18.74		58	0.59	1.3	-1.9
	10.00 to < 100.00	82	2	1.38	84	21.00	567	17.65		64	0.77	3.1	-3.3
	10 bis <20	46	1	1.41	48	14.19	302	17.54		35	0.73	1.2	-1.5
	20 bis <30	22	0	0.00	22	23.48	149	17.52		18	0.82	0.9	-0.9
	30 bis <100	13	0	1.04	13	41.28	116	18.28		11	0.82	1.0	-0.8
100.00 (default)	110	0	0.72	110	100.00	731	39.36		168	1.52	30.8	-22.5	
Subtotal	15,071	536	1.02	15,617	1.27	68,146	17.19		1,582	0.10	47.0	-43.9	

EU CR6_part 4: IRB approach – Credit risk exposures by exposure class and PD range

	a	b	c	d	e	f	g	h	i	j	k	l	m
A-IRB	PD scale	On-balance sheet exposures €m	Off-balance sheet exposures pre-CCF €m	Exposure weighted average CCF %	Exposure post CCF and post CRM €m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after supporting factors €m	Density of risk weighted exposure amount %	Expected loss amount €m	Value adjustments and provisions €m
Retail secured by mortgages / non-SMEs	0.00 to < 0.15	34,661	1,352	0.94	35,934	0.06	276,644	18.22		1,091	0.03	3.9	-3.2
	0.00 bis <0.10	29,602	1,103	0.94	30,644	0.05	226,700	17.90		772	0.03	2.6	-2.0
	0.10 bis <0.15	5,059	249	0.93	5,290	0.12	49,944	20.05		319	0.06	1.3	-1.2
	0.15 to < 0.25	13,073	411	0.97	13,472	0.20	117,728	17.09		990	0.07	4.6	-3.8
	0.25 to < 0.50	16,634	667	0.99	17,292	0.35	110,530	18.04		2,021	0.12	11.1	-10.5
	0.50 to < 0.75	5,083	347	0.99	5,428	0.60	31,016	19.76		1,008	0.19	6.4	-8.0
	0.75 to < 2.50	3,480	155	1.00	3,635	1.17	22,073	19.98		1,057	0.29	8.5	-19.5
	0.75 bis <1.75	3,054	144	1.00	3,199	1.05	19,159	20.06		877	0.27	6.7	-14.8
	1.75 bis <2.50	426	11	1.01	437	2.07	2,914	19.39		180	0.41	1.8	-4.7
	2.50 to 10.00	867	16	0.98	883	4.84	6,834	19.01		563	0.64	8.1	-16.7
	2.5 bis <5	533	12	0.98	545	3.45	3,948	19.04		297	0.55	3.6	-9.0
	5 bis <10	333	4	0.99	337	7.09	2,886	18.96		266	0.79	4.5	-7.7
	10.00 to < 100.00	373	2	1.03	375	22.84	3,665	20.65		440	1.17	18.3	-15.9
	10 bis <20	199	1	1.19	199	13.83	1,967	20.22		221	1.11	5.6	-6.6
	20 bis <30	100	0	0.96	100	23.70	967	19.00		118	1.18	4.5	-4.5
	30 bis <100	74	1	0.96	75	45.68	731	24.01		101	1.35	8.2	-4.8
100.00 (default)	342	1	0.86	343	100.00	3,317	44.63		336	0.98	131.1	-108.5	
Subtotal	74,512	2,951	0.97	77,361	0.85	571,807	18.31		7,507	0.10	192.2	-185.9	
Retail qualifying revolving	0.00 to < 0.15	201	11,490	0.77	9,012	0.04	1,649,838	65.45		185	0.02	2.4	-1.4
	0.00 bis <0.10	169	11,001	0.77	8,604	0.04	1,542,761	65.49		159	0.02	2.1	-1.1
	0.10 bis <0.15	32	489	0.77	408	0.12	107,077	64.51		27	0.07	0.4	-0.3
	0.15 to < 0.25	42	449	0.77	389	0.19	110,654	64.28		49	0.12	0.6	-0.4
	0.25 to < 0.50	75	413	0.77	393	0.36	116,664	64.59		112	0.28	1.9	-0.8
	0.50 to < 0.75	49	165	0.76	174	0.62	54,633	64.91		92	0.53	2.4	-0.7
	0.75 to < 2.50	164	286	0.76	381	1.36	122,540	65.62		286	0.75	12.5	-3.8
	0.75 bis <1.75	117	231	0.76	292	1.15	95,291	65.57		207	0.71	8.4	-2.4
	1.75 bis <2.50	47	55	0.77	89	2.07	27,249	65.78		79	0.88	4.1	-1.4
	2.50 to 10.00	94	77	0.76	153	4.60	54,373	66.47		193	1.26	16.6	-5.1
	2.5 bis <5	60	59	0.76	105	3.47	36,432	66.09		110	1.05	7.6	-2.6
	5 bis <10	34	18	0.76	48	7.06	17,941	67.31		83	1.72	9.0	-2.5
	10.00 to < 100.00	25	13	0.75	35	23.22	19,039	68.06		82	2.36	26.6	-3.6
	10 bis <20	16	7	0.76	21	13.20	10,097	68.25		48	2.28	7.7	-1.6
	20 bis <30	5	1	0.75	6	24.19	3,113	68.24		14	2.40	9.9	-0.6
	30 bis <100	4	5	0.73	8	49.74	5,829	67.41		20	2.55	9.0	-1.4
100.00 (default)	17	3	0.76	19	100.00	8,197	72.48		12	0.63	31.5	-10.9	
Subtotal	667	12,895	0.77	10,557	0.44	2,135,938	65.41		1,010	0.10	94.6	-26.6	

EU CR6_part 5: IRB approach – Credit risk exposures by exposure class and PD range

	a	b	c	d	e	f	g	h	i	j	k	l	m
A-IRB	PD scale	On-balance sheet exposures €m	Off-balance sheet exposures pre-CCF €m	Exposure weighted average CCF %	Exposure post CCF and post CRM €m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after supporting factors €m	Density of risk weighted exposure amount %	Expected loss amount €m	Value adjustments and provisions €m
Retail other / SME	0.00 to < 0.15	2,732	3,704	0.65	5,142	0.08	116,020	36.88		302	0.06	1.4	-1.2
	0.00 bis <0.10	1,830	2,728	0.66	3,625	0.06	92,726	36.44		170	0.05	0.7	-0.6
	0.10 bis <0.15	902	975	0.63	1,518	0.13	23,294	37.93		132	0.09	0.7	-0.6
	0.15 to < 0.25	1,345	2,491	0.54	2,690	0.20	38,515	43.71		366	0.14	2.2	-1.5
	0.25 to < 0.50	2,293	3,155	0.54	4,010	0.36	76,358	44.47		818	0.20	6.1	-4.3
	0.50 to < 0.75	1,482	1,412	0.57	2,292	0.61	38,555	43.13		621	0.27	5.6	-3.9
	0.75 to < 2.50	3,223	2,157	0.60	4,525	1.29	92,711	44.83		1,769	0.39	24.7	-22.0
	0.75 bis <1.75	2,567	1,911	0.59	3,699	1.11	71,124	45.33		1,394	0.38	17.6	-15.0
	1.75 bis <2.50	656	246	0.69	827	2.08	21,587	42.57		375	0.45	7.1	-7.0
	2.50 to 10.00	1,653	433	0.62	1,924	4.73	61,245	43.85		1,031	0.54	39.0	-38.6
	2.5 bis <5	1,035	296	0.65	1,227	3.46	38,200	43.17		621	0.51	17.7	-17.1
	5 bis <10	619	136	0.57	697	6.95	23,045	45.05		410	0.59	21.2	-21.5
	10.00 to < 100.00	418	47	0.56	444	20.80	20,484	41.37		342	0.77	37.0	-35.7
	10 bis <20	248	35	0.53	266	13.96	11,046	43.77		191	0.72	15.5	-16.8
	20 bis <30	109	6	0.75	113	23.27	5,653	34.39		88	0.78	9.0	-8.5
	30 bis <100	62	7	0.53	65	44.34	3,785	43.68		62	0.95	12.6	-10.4
100.00 (default)	400	44	0.42	418	100.00	18,481	71.96		296	0.71	262.7	-226.6	
Subtotal	13,546	13,443	0.59	21,446	3.25	462,369	42.90		5,544	0.26	378.8	-333.6	
Retail other / non-SME	0.00 to < 0.15	5,900	2,840	0.89	8,440	0.06	202,904	34.24		496	0.06	1.7	-1.8
	0.00 bis <0.10	5,049	2,470	0.89	7,253	0.05	156,382	34.08		367	0.05	1.2	-1.3
	0.10 bis <0.15	852	371	0.90	1,187	0.12	46,522	35.18		129	0.11	0.5	-0.5
	0.15 to < 0.25	2,151	1,210	0.92	3,262	0.20	133,313	41.66		597	0.18	2.8	-2.3
	0.25 to < 0.50	3,454	3,455	0.86	6,417	0.36	194,584	48.90		1,835	0.29	11.0	-9.4
	0.50 to < 0.75	1,490	1,533	0.95	2,944	0.61	90,568	49.44		1,225	0.42	8.8	-7.4
	0.75 to < 2.50	2,439	899	0.91	3,259	1.30	298,399	48.63		1,870	0.57	20.6	-24.8
	0.75 bis <1.75	1,925	800	0.92	2,658	1.12	221,148	47.77		1,421	0.53	14.0	-17.4
	1.75 bis <2.50	514	99	0.89	601	2.09	77,251	52.47		449	0.75	6.6	-7.4
	2.50 to 10.00	1,231	116	0.91	1,336	4.53	204,885	55.17		1,180	0.88	33.8	-44.6
	2.5 bis <5	843	91	0.90	926	3.60	151,547	53.96		781	0.84	18.1	-20.6
	5 bis <10	388	25	0.92	410	6.62	53,338	57.91		400	0.97	15.7	-24.0
	10.00 to < 100.00	245	13	0.92	257	23.21	54,564	53.96		322	1.25	31.1	-30.7
	10 bis <20	138	7	0.90	145	13.45	34,237	55.72		165	1.14	10.8	-13.4
	20 bis <30	50	3	0.97	53	24.49	9,612	53.67		75	1.40	7.0	-6.9
	30 bis <100	57	3	0.89	60	45.75	10,715	49.97		82	1.37	13.3	-10.5
100.00 (default)	356	6	0.34	358	100.00	52,221	68.76		333	0.93	224.1	-214.2	
Subtotal	17,266	10,071	0.89	26,273	2.18	1,231,438	43.96		7,858	0.30	333.9	-335.2	

Table EU CR7 shows the effect of credit derivatives used as CRM techniques on RWA per exposure class as per Article 453 (j) CRR as of 30 June 2021. The table shows that Commerzbank does not hold any exposures with a FIRB approach.

EU CR7: IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques:

€m	a	b
	Pre-credit derivatives risk weighted exposure amount	Actual risk weighted exposure amount
1	0	0
Exposures under FIRB		
2	0	0
Central governments or central banks		
3	0	0
Institutions		
4	0	0
Corporates		
4.1	0	0
thereof SMEs		
4.2	0	0
thereof specialised lending		
5	106,502	106,186
Exposures under AIRB		
6	3,359	3,359
Central governments or central banks		
7	12,028	12,130
Institutions		
8	67,602	67,184
Corporates		
8.1	4,437	4,437
thereof SMEs		
8.2	7,613	7,613
thereof specialised lending		
9	23,513	23,513
Retail		
9.1	1,582	1,582
thereof secured by mortgages / SMEs		
9.2	7,507	7,507
thereof secured by mortgages / non-SMEs		
9.3	1,010	1,010
thereof qualifying revolving		
9.4	5,537	5,537
thereof other / SME		
9.5	7,876	7,876
thereof other / non-SMEs		
10	106,502	106,186
Total		

Table EU CR7-A shows pro rata the various hedges of the total risk position by exposure classes according to Article 453(g) CRR as of

30 June 2021 for the AIRB portfolio. As Commerzbank does not have any F-IRB positions, a corresponding list is not required.

EU CR7-A: IRB approach – Disclosure of the extent of the use of CRM techniques

A-IRB	€m	a	b	c	d	e	f						g		h		i		j		k		l		m		n	
		Total exposures	Credit risk Mitigation techniques																		Credit risk Mitigation methods in the calculation of RWEAs							
			Funded credit Protection (FCP)												Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)										
			Part of exposures covered by Fin. Coll. (%)	Part of exposures covered by Other eligible collaterals (%)			Part of exposures covered by Other funded credit protection (%)			Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	Part of exposures covered by Cash on deposit (%)		Part of exposures covered by Life insurance policies (%)		Part of exposures covered by Instruments held by a third party (%)												
Part of ex- posures covered by Imm. property Coll. (%)	Part of ex- posures covered by Receivables (%)	Part of ex- posures covered by Other physi- cal coll. (%)		Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)																						
1	Central governments or central banks	23,783	2.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,614	3,359		
2	Institutions	34,121	7.27	0.22	0.05	0.04	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,839	12,130		
3	Corporates	123,171	1.65	8.41	6.42	0.47	1.52	0.07	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	77,495	67,184			
3.1	thereof SMEs	8,415	2.61	11.87	8.85	1.42	1.60	0.40	0.00	0.40	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,188	4,437		
3.2	thereof specialised lending	19,063	0.80	28.93	28.93	0.00	0.00	0.12	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,766	7,613		
3.3	thereof other	95,693	1.74	4.02	1.72	0.48	1.82	0.03	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63,540	55,134		
4	Retail	150,668	1.89	45.66	45.57	0.05	0.04	0.54	0.00	0.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,934	23,513		
4.1	thereof secured by mortgages / SMEs	15,611	1.39	63.47	63.47	0.00	0.00	1.16	0.00	1.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,579	1,582		
4.2	thereof secured by mortgages / non-SMEs	77,361	1.43	66.30	66.30	0.00	0.00	0.54	0.00	0.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,520	7,507		
4.3	thereof qualifying revolving	10,557	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,010	1,010		
4.4	thereof other / SME	20,834	3.45	14.76	14.09	0.39	0.28	0.60	0.00	0.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,817	5,537		
4.5	thereof other / non-SMEs	26,306	3.03	17.20	17.20	0.00	0.00	0.35	0.00	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,007	7,876		
5	Total	331,744	2.41	23.88	23.08	0.20	0.60	0.27	0.00	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	119,882	106,186		

Table EU CR8 below shows the changes in the RWA of credit risk exposures in the IRBA portfolio of Commerzbank Group between 31 March 2021 and 30 June 2021. The decrease in RWA in the second quarter of 2021 is mainly due to reduction of Portfolio volume ('asset size'), a change in the quality of the portfolio ('asset quality'), model changes (essentially valuation of sovereign positions) and RWA relief due to expiration of maturities (part of 'Others'). On the other hand, there is a slight increase in the RWA due to movements in exchange rates ('foreign exchange movements').

Table EU CR8 shows the information according to Article 438 (h) CRR as at 30 June 2021:

EU CR8: RWA flow statements of credit risk exposures under the IRB approach

€m		a
		Risk weighted exposure amount (RWA)
1	RWA at previous quarter end	116,380
2	Asset size	-3,178
3	Asset quality	-226
4	Model updates	-474
5	Methodology and policy	0
6	Acquisitions and disposals	0
7	Foreign exchange movements	79
8	Others	-1,145
9	RWA at end of the reporting period	111,436

In the following we show the portfolios with the simple risk-weight approach. The technical implementation standards provide for a subdivision into Specialised lending: Project finance (slotting approach), Income-producing real estate and high volatility commercial real estate (slotting approach), object finance (slotting approach) as well as commodities finance (slotting approach) and

equity exposures under the simple risk-weighted approach. For Commerzbank only the special financing of real estate is relevant as part of the slotting approach, so only Table EU CR10.2 is shown.

Table EU CR10.2 shows the information referred to in Article 438(e) CRR as of 30 June 2021:

EU CR10.2: Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)

Regulatory categories €m	Remaining maturity	a		b	c	d	e	f
		On-balance-sheet amount	Off-balance-sheet amount	Risk weight	Exposure amount	RWAs	Expected loss	
Category 1	Less than 2.5 years	37	13	0.5	41	20	0	
	Equal to or more than 2.5 years	52	4	0.7	54	32	0	
Category 2	Less than 2.5 years	331	127	0.7	373	235	1	
	Equal to or more than 2.5 years	1,021	25	0.9	1,027	861	8	
Category 3	Less than 2.5 years	109	20	1.15	115	119	3	
	Equal to or more than 2.5 years	213	0	1.15	213	222	6	
Category 4	Less than 2.5 years	0	0	2.5	0	0	0	
	Equal to or more than 2.5 years	2	0	2.5	2	6	0	
Category 5	Less than 2.5 years	61	1	-	62	0	31	
	Equal to or more than 2.5 years	63	0	-	63	0	31	
Total	Less than 2.5 years	539	162		590	374	36	
	Equal to or more than 2.5 years	1,351	29		1,359	1,121	46	

Loan loss provisions for default risks

The tables on loan loss provisions below show the gross carrying values of all risk positions in default and not in default in the IFRS categories AC and FVOCI, including the associated stock of credit risk adjustments, the credit risk adjustment charges in the first half of 2021 and the relevant write-offs.

The gross carrying values for risk positions not in default also include loans that are past due by at least one day up to 90 days but are not defined as in default by virtue of the minimum threshold (1.0% of the limit or €100 in the retail business and €500 in the individual business).

Commerzbank's criterion for the definition of defaulted (impaired) claims is the definition of a default in accordance with article 178 CRR in connection with the corresponding EBA guideline and ECB directive. Pursuant to section 315a.1 of the German Commercial Code, Commerzbank Group issues consolidated financial statements based on International Financial Reporting Standards (IFRS). Credit risk mitigation techniques applicable to mitigate risks for the purpose of determining the capital requirement are not relevant for the determination of the claim amount in terms of accounting.

The following information is mainly broken down by risk position classes. The breakdown by country and industries is shown in tables CQ4 and CQ5. The following definitions are used:

- Pursuant to the criteria of the EBA (most recently confirmed in EBA/OP/2017/02), specific credit risk adjustments include the following positions:
 - The sum of Lifetime Expected Credit Loss (LECL) for significant claims in default, determined on the basis of individual cash flow estimates, taking into account various possible scenarios (loan loss provision stage 3 on-balance and off-balance, significant).

- LECL for non-significant exposures in default, transaction-based determined on the basis of statistical risk parameters (stage 3 on balance and off balance, non-significant)
- LECL for on- and off-balance exposures not in default showing a significant increase in credit risk as according to IFRS9 (stage 2 on- and off-balance) and ECL for on- and off-balance exposures not in default and not showing a significant increase in credit risk as according to IFRS9 (stage 1 on- and off-balance).
- There are no general credit risk adjustments pursuant to the EBA's definition mentioned above.
- The column accumulated write-offs is the balance of write-ups and write-downs

The gross carrying value of the defaulted risk positions is at €4.5bn as at 30 June 2021 (December 2020: €5.1bn). Further information on this is given in the Interim Report as of 30 June 2021 in the chapter "Default risk". In addition to the loan loss provisions presented in the tables, the gross carrying values are also offset by collateral, which is taken into account accordingly in the calculation of the expected credit loss (specific credit risk adjustments).

The breakdown by gross carrying values reflects the Commerzbank Group's focus on Germany and selected markets throughout Europe. This means that the vast majority of the expected credit loss and the loan loss provisions, respectively, are attributable to borrowers based in these regions.

Commerzbank does not display table CQ7 on foreclosed assets, which is also required in the above-mentioned EBA guidelines, as it currently has no foreclosed assets in stock.

The tables COV1 to COV3 are requirements from the 'Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis' (EBA/GL/2020/07) published by the EBA on 2 June 2020. They provide an overview of the loans and advances granted by Commerzbank in conjunction with the EBA-compliant moratoria, COVID-19 forbore measures and the newly applicable public guarantee systems.

The following table EU CR1 shows the risk positions divided into performing and non-performing exposures, separated by the type of debt securities (Cash balances at central banks and other demand deposits, loans and advances, debt securities and off-balance-

sheet exposure) and their counterparties as defined in Article 442 (c) and (f) CRR as at 30 June 2021:

EU CR1: Performing and non-performing exposures and related provisions

€m	Gross carrying amount / nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-offs	Collaterals and financial guarantees received		
	Performing Portfolio			Non-performing Portfolio			Performing Portfolio - accumulated impairment and provisions			Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures	
	thereof Stage 1	thereof Stage 2		thereof Stage 2	thereof Stage 3		thereof Stage 1	thereof Stage 2		thereof Stage 2	thereof Stage 3					
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o		
005	Cash balances at central banks and other demand deposits	96,923	96,923	0	0	0	0	0	0	0	0	0	0		0	0
010	Loans and advances	293,876	247,151	13,949	3,991	0	3,311	-980	-266	-701	-2,017	0	-1,822	-636	143,029	962
020	Central banks	7,890	1,671	14	0	0	0	-1	-1	0	0	0	0	0	7,464	0
030	Central governments	17,116	16,936	181	39	0	39	-3	-2	-1	-1	0	-1	0	693	38
040	Credit institutions	26,201	17,175	1,291	7	0	4	-24	-10	-14	-3	0	-3	0	11,343	1
050	Other financial corporations	30,580	12,985	65	27	0	15	-7	-4	-3	-12	0	-12	-3	19,322	1
060	Non-financial corporations	90,108	83,143	5,833	2,868	0	2,260	-580	-166	-399	-1,541	0	-1,358	-406	31,484	622
070	thereof SMEs	24,442	22,413	1,830	880	0	778	-125	-60	-66	-473	0	-449	-233	10,962	188
080	Households	121,980	115,241	6,565	1,051	0	993	-367	-85	-283	-461	0	-449	-226	72,724	301

€m	Gross carrying amount / nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-offs	Collaterals and financial guarantees received	
	Performing Portfolio			Non-performing Portfolio			Performing Portfolio - accumulated impairment and provisions			Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
	thereof Stage 1	thereof Stage 2		thereof Stage 2	thereof Stage 3		thereof Stage 1	thereof Stage 2		thereof Stage 2	thereof Stage 3				
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
090 Debt securities	79,082	73,499	673	0	0	0	-54	-34	-20	0	0	0	0	0	0
100 Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
110 Central governments	37,489	33,428	482	0	0	0	-40	-21	-19	0	0	0	0	0	0
120 Credit institutions	18,156	17,784	191	0	0	0	-4	-3	-1	0	0	0	0	0	0
130 Other financial corporations	15,934	14,837	0	0	0	0	-2	-2	0	0	0	0	0	0	0
140 Non-financial corporations	7,504	7,450	0	0	0	0	-8	-8	0	0	0	0	0	0	0
150 Off-balance-sheet exposures	186,513	140,946	3,778	551	0	180	367	106	175	158	0	34		7,769	34
160 Central banks	0	0	0	0	0	0	0	0	0	0	0	0		479	0
170 Central governments	1,191	961	100	0	0	0	0	0	0	0	0	0		33	0
180 Credit institutions	9,662	1,901	74	2	0	2	32	1	0	0	0	0		2,195	0
190 Other financial corporations	8,931	6,399	53	0	0	0	3	2	0	0	0	0		396	0
200 Non-financial corporations	132,212	98,080	2,805	531	0	165	282	83	145	153	0	31		2,859	33
210 Households	34,517	33,605	745	17	0	13	50	20	30	4	0	3		1,808	1
220 Total	656,394	558,518	18,399	4,542	0	3,491	-1,401	-406	-895	-2,175	0	-1,856	-636	150,798	996

In accordance with the EBA risk Dash Board's guidance, Commerzbank's NPE rate as of June 2021 was 0.8%.

In Table EU CR1-A, the net exposure value for loans and advances and debt securities is broken down by maturity according to Article 442 (g) CRR as at 30 June 2021.

EU CR1-A: Maturity of exposures

		a	b	c		d	e	f
€m		On demand	≤ 1 year	Net exposure values		No specified maturity	Total	
				> 1 year ≤ 5 years	> 5 years			
1	Loans and advances	11,542	87,345	41,814	140,361	0	281,061	
2	Debt securities	2,483	8,179	21,293	40,525	0	72,480	
3	Total	14,025	95,524	63,107	180,886	0	353,541	

Table EU CR2 shows the development of the stock of non-performing loans and advances required under Article 442 (f) CRR as at 30 June 2021.

EU CR2: Changes in the stock of non-performing loans and advances

Mio. €		a
		Gross carrying amount
010	Initial stock of non-performing loans and advances	4,956
020	Inflows to non-performing portfolios	566
030	Outflows from non-performing portfolios	-135
040	Outflows due to write-offs	-294
050	Outflow due to other situations	-415
060	Final stock of non-performing loans and advances	4,678

The following table EU CQ1 shows the credit quality of forborne exposures according to Article 442 (c) CRR as at 30 June 2021, broken down by the type of debt instruments and its counterparties. The quality is assessed based on the measures initiated – shown for

performing, defaulted and impaired exposures, as well as the provisions and the collateral, provide information on the quality of the forborne portfolio.

EU CQ1 Credit quality of forborne exposures

€m	Gross carrying value of positions with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals and financial guarantees received on forborne exposures		
	a	b	c	d	e	f	g	h	
	Performing Portfolio	Non-performing Portfolio			On performing exposures with forbearance measures	On non-performing exposures with forbearance measures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
			Of which defaulted	Of which impaired					
005	Cash balances at central banks and other demand deposits	0	0	0	0	0	0	0	
010	Loans and advances	2,035	1,346	1,346	1,213	- 44	- 550	1,175	477
020	Central banks	0	0	0	0	0	0	0	
030	Central governments	0	33	33	33	0	-1	32	32
040	Credit institutions	4	1	1	1	0	0	3	0
050	Other financial corporations	0	7	7	7	0	-4	1	1
060	Non-financial corporations	1,644	1,052	1,052	920	-35	-470	831	353
070	Households	387	253	253	252	-8	-75	309	91
080	Debt securities	0	0	0	0	0	0	0	0
090	Loan commitments given	395	230	230	230	4	54	16	2
100	Total	2,430	1,576	1,576	1,443	- 39	- 497	1,191	480

Table EU CQ4 shows the quality of the non-performing exposures by geography according to Article 442(c) and (e) CRR as of 30 June 2021. The countries listed in the table account for more than 90% of Commerzbank's total exposure (both balance and off-balance sheet). The remaining countries are summarized in the line "others".

EU CQ4: Quality of non-performing exposures by geography

€m		a		c	e	f	g
		Gross carrying/Nominal amount	Of which defaulted	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures	
010	On balance sheet exposures	521,883	3,991	-2,907		-144	
020	Germany	283,038	2,036	-1,574		0	
030	United Kingdom	42,133	1	-35		0	
040	Poland	39,090	1,040	-773		-49	
050	United States of America	29,571	1	-19		0	
060	Italy	14,327	0	-26		0	
070	France	10,162	76	-25		0	
080	Cayman Islands	8,315	14	-5		0	
090	Ireland	8,235	0	-1		0	
100	Luxembourg	7,116	7	-11		0	
110	Japan	6,835	34	-18		0	
120	Spain	6,222	10	-14		0	
130	Czechia	5,635	74	-52		0	
140	Netherlands	5,087	2	-21		0	
150	China	4,825	1	-2		0	
160	Switzerland	4,745	63	-25		0	
170	Others	46,548	632	-305		-96	
180	Off balance sheet exposures	187,064	551		525		
190	Germany	109,782	425		352		
200	United States of America	15,091	0		18		
210	France	9,082	24		4		
220	Poland	7,610	66		44		
230	United Kingdom	6,475	0		7		
240	Switzerland	5,115	17		2		
250	Netherlands	4,607	0		36		
260	Spain	2,784	2		1		
270	Austria	2,634	0		2		
280	Luxembourg	2,413	1		4		
290	Belgium	2,185	0		1		
300	Italy	1,943	0		3		
310	China	1,509	0		2		
320	Ireland	1,486	0		0		
330	Sweden	1,108	0		1		
340	Others ¹	13,239	15		48		
350	Total	708,947	4,542	-2,907	525	-144	

¹ The countries listed in the table cover more than 90% of Commerzbank's total exposure (both balance sheet and off-balance sheet). The following countries are located in the lines "others": Egypt, Australia, the Bahamas, Bangladesh, Belgium, Bermuda, Brazil, Denmark, Ecuador, Ivory Coast, Finland, Greece, Hong Kong, India, Indonesia, Canada, Qatar, Liechtenstein, Norway, Austria, Portugal, Russia, Sweden, Singapore, Slovakia, South Korea, Czech Republic, Turkey, Turkmenistan, Hungary, Other international organizations. The remaining countries, each with less than 0.1% of the total exposure, are not listed here for reasons of materiality.

Table EU CQ5 shows the credit quality of loans and advances by industries according to Article 442 (c) and (e) CRR as at 30 June 2021:

EU CQ5: Credit quality of loans and advances by industry

€m	a	b	c	d	e	f
	Gross carrying amount	of which: non-performing	Of which defaulted	of which: loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010 Agriculture, forestry and fishing	475	7	7	473	-3	-0
020 Mining and quarrying	1,802	23	23	1,802	-15	-0
030 Manufacturing	30,037	934	934	29,393	-744	-2
040 Electricity, gas, steam and air conditioning supply	8,148	10	10	8,124	-29	-0
050 Water supply	1,618	6	6	1,603	-5	-0
060 Construction	2,844	96	96	2,786	-84	-21
070 Wholesale and retail trade	12,528	440	440	12,435	-341	-4
080 Transport and storage	5,886	142	142	5,840	-72	-21
090 Accommodation and food service activities	1,095	88	88	1,091	-54	-1
100 Information and communication	6,307	241	241	6,181	-227	-1
110 Financial and insurance activities	0	0	0	0	0	0
120 Real estate activities	12,430	674	674	12,220	-233	-80
130 Professional, scientific and technical activities	2,738	63	63	2,704	-51	-2
140 Administrative and support service activities	3,796	66	66	3,789	-45	-1
150 Public administration and defense, compulsory social security	4	0	0	4	-0	0
160 Education	131	6	6	129	-6	-0
170 Human health services and social work activities	963	7	7	958	-18	-0
180 Arts, entertainment and recreation	412	5	5	411	-6	-0
190 Other services	1,763	59	59	1,696	-54	-1
200 Total	92,976	2,868	2,868	91,639	-1,986	-135

Credit risk mitigation

At Commerzbank, risks are mitigated via a range of measures including collateral and netting.

The collateral mainly takes the form of mortgages, financial collateral, guarantees, indemnity letters, credit derivatives, life insurances, other registered liens and other real collateral. Within the scope of the IRBA assessments, this collateral was recognized by the regulator as eligible collateral.

The following Table EU CR3 provides an overview of the scope of use of credit risk mitigation techniques by asset class. Most of the positions in column c are secured by mortgage liens.

For details on the application of credit risk mitigation techniques in Commerzbank's IRBA and SACR portfolios please refer to the Disclosure Report as at 31 December 2020.

For the vast majority of its default risk positions from counterparty credit risk, Commerzbank Group uses the internal model

method (IMM) according to Article 283 CRR. Here, the credit equivalent amounts are determined as expected future exposure through the simulation of various market scenarios, taking netting and collateral into account.

For securities repurchase agreements, lending and comparable transactions involving securities or goods, the exposures are determined in accordance with Article 283 and Article 273 (2) CRR based on an internal model method, too. Guarantees and credit derivatives are considered via the substitution approach. The double-default procedure defined under Article 153 (3) CRR is applied.

Details on the use of credit risk mitigation techniques in default risks from counterparty credit risk are set out in the section on counterparty credit risk.

Table EU CR3 below shows the level of collateral in the portfolio, broken down by type of debt instruments. A distinction is made according to the type of collateral.

The table refers to in Article 453 (f) CRR as of 2021 June 30:

EU CR3: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

€m		a	b			d	e
			Exposures secured – Carrying amount				
Exposures unsecured – Carrying amount			b	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives	
				c	c		
1	Loans and advances	247,801	143,991	132,274	11,717	0	
2	Debt securities	79,136	0	0	0		
3	Total	326,937	143,991	132,274	11,717	0	
4	Of which non-performing	5,046	962	717	245	0	
EU-5	Of which defaulted	5,046	962				

The coronavirus pandemic has plunged the global economy into its deepest recession since the end of World War II. In 2020 the ongoing development of the coronavirus pandemic was considered in the calculation of default risk, primarily by means of a top-level adjustment (TLA) in the risk result as well as adjustments of models. The TLA amount included in the 2020 financial statements has been reviewed and remains adequate.

Around 99% of the previously forborne loans were recovered and continue to be serviced without any disruption. At this stage, we cannot identify any negative impact on the quality of our credit portfolio.

The following table provides an overview of the credit quality of loans and advances to which the moratoria on credit repayments apply in the context of the COVID-19 crisis.

COVID: Information on loans and advances subject to legislative and non-legislative moratoria

€m	Gross carrying values								Accumulated impairment, accumulated negative changes in fair value due to credit risk						Gross carrying values	
	Performing Portfolio				Non-performing Portfolio				Performing Portfolio			Non-performing Portfolio				
	Of which: exposures with forbearance measures		Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures		Of which: Unlikely to pay that are not past-due or past-due ≤ 90 days		Of which: exposures with forbearance measures		Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)	Of which: exposures with forbearance measures		Of which: Unlikely to pay that are not past-due or past-due ≤ 90 days		
	a	b	c	d	e	f	g	h	i	j	k	l	m	n		o
1	Loans and advances subject to moratorium															
	144	57	2	41	87	13	13	14	4	0	4	10	2	2	13	
2	of which: Households															
	6	5	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	of which: Collateralised by residential immovable property															
	4	4	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	of which: Non-financial corporations															
	138	52	2	41	86	13	13	14	4	0	4	10	2	2	13	
5	thereof SMEs															
	11	10	1	6	1	0	0	0	0	0	0	0	0	0	0	
6	of which: Collateralised by commercial immovable property															
	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	

More than half of the loans subject to moratoria are in the portfolio of mBank. Details of the loans granted there can be found in the mBank Pillar 3 Report as of 31 December 2020, on pages 66 - 70 and in the 'IFRS Condensed Financial Statements for the first half of 2021 on pages 21 - 28.

In the first half of 2020, the risk result included expenses totaling €-315m due to the coronavirus pandemic, of which €-154m was a top-level adjustment. An addition to the TLA was not required in the first half of 2021. For detailed information, see Note 27 and risk report page 21 in the Commerzbank Interim Report as of 30 June 2021.

The following table shows the breakdown of loans and advances by residual maturity of the moratorium, which is subject to a legislative and non-legislative moratorium.

Around 98% of loans and advances have now expired. For the remaining, the maturity of the moratorium is usually three to six months.

COV2: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

	a	b	c	d	e					h	i			
					Number of obligors	Of which: legislative moratoria	Of which: expired	Gross carrying values						
								Residual maturity of moratoria						
					<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year					
1	Loans and advances for which moratorium was offered	92,469	6,807											
2	Loans and advances subject to moratorium (granted)	92,240	6,786	546	6,642	4	138	0	1	0				
3	of which: Households		3,954	380	3,948	3	1	0	1	0				
4	of which: Collateralised by residential immovable property		3,098	309	3,094	2	1	0	1	0				
5	of which: Non-financial corporations		2,828	163	2,690	1	137	0	0	0				
6	thereof SMEs		1,241	29	1,230	1	11	0	0	0				
7	of which: Collateralised by commercial immovable property		1,076	78	1,076	1	0	0	0	0				

As can be seen from the table below, almost €3,4bn of new loans were granted, which are subject to a public guarantee scheme. More than 90% of these were allocated to corporate customers. Around 1% of the new loans are non-performing in line with the EBA definition.

Overall, the German industrial sectors are affected to varying degrees by the coronavirus pandemic and the independent fundamental structural challenges. It is clear that the negative impact of the crisis has lessened slightly in the first few months of the current year.

COV3: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

€m	a	b	c	d	
					Gross carrying values
		of which: forborne	Public guarantees received	Inflows to non-performing exposures	
1	Newly originated loans and advances subject to public guarantee schemes	3,358	86	2,204	39
2	of which: Households	219			1
3	of which: Collateralised by residential immovable property	5			0
4	of which: Non-financial corporations	3,132	85	2,180	39
5	thereof SMEs	1,347			7
6	of which: Collateralised by commercial immovable property	220			1

B. Credit Counterparty Risk

Counterparty credit risk (default risk from counterparty default risk) is defined as the risk of losses sustained or profits foregone due to the default of a counterparty in the context of a derivative or securities financing transaction. In addition to market price risks, derivative positions also give rise to default risks when a claim arises against the counterparty in the form of positive market values.

Although in a regulatory context wrong way risk is normally mentioned in connection with counterparty risk, Commerzbank also considers it in connection with issuer risk (e.g. between the issuer of a bond and the guarantor).

Commerzbank also looks at what is known as correlation risk (wrong way risk). This occurs when a counterparty's exposure and credit quality (rating) are negatively correlated. Wrong way risk is therefore an additional risk source, as the credit exposure is generally measured independently from the counterparty's

creditworthiness. Commerzbank has a clear definition of specific and general wrong way risk. There are guidelines to assist in identifying and quantifying wrong way risk. They also set out how the exposure must be adjusted to allow for the wrong way risk. In the case of secured transactions, the potential relationship between the performance of the collateral and the credit rating of the counterparty also has to be considered and captured according to the Commerzbank collateral matrix.¹

The derivative positions shown in the tables below do not include securitisation positions as defined in the CRR as these are shown in the securitisations chapter. This means that interest rate and currency swaps or credit derivative transactions entered into with special-purpose securitisation companies are not included.

Table EU CCR1 shows the credit counterparty risk by approach according to Article 439 (f), (g), (k) and (m) CRR as of 2021 June 30:

¹ Although in a regulatory context wrong way risk is normally mentioned in connection with counterparty risk, Commerzbank also considers it in connection with issuer risk (e.g. between the issuer of a bond and the guarantor).

EU CCR1 Analysis of CCR exposure by approach

		a	b	d	e	f	g	h	i
€m		Replace- ment cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposu- re value pre-CRM	Exposu- re value post- CRM	Exposu- re value	RWA
EU1	EU - Original Exposure Method (for derivatives)	0	0		1.4	0	0	0	0
EU2	EU - Simplified SA-CCR (for derivatives)	0	0		1.4	0	0	0	0
1	SA-CCR (for derivatives)	927	1.907		1.4	5.499	3.975	3.952	1.720
2	IMM (for derivatives and SFTs)			13.246	-	87.706	21.856	22.058	8.406
2a	Of which securities financing transactions netting sets			2.432		56.401	4.012	4.021	712
2b	Of which derivatives and long settlement transactions netting sets			10.814		31.305	17.843	18.038	7.694
2c	Of which from contractual cross-product netting sets			0		0	0	0	0
3	Financial collateral simple method (for SFTs)					0	0	0	0
4	Financial collateral comprehensive method (for SFTs)					17.158	5.779	6.256	995
5	VaR for SFTs					0	0	0	0
6	Total					110.362	31.610	32.267	11.122

Table EU CCR2 shows the own funds requirements for CVA risks, broken down by approach according to Article 439 (h) CRR as of 30 June 2021:

EU CCR2 Transactions subject to own funds requirements for CVA risk

		a	b
Mio. €		Exposure value	RWA
1	Total portfolios subject to the advanced method	5,644	2,412
2	(i) VaR component (including the 3x multiplier)		308
3	(ii) SVaR component (including the 3x multiplier)		2,104
4	All portfolios subject to the standardised method	2,703	1,081
EU4	Based on the original exposure method	0	0
5	Total subject to the CVA capital charge	8,347	3,493

Table EU CCR3 shows the allocation of credit counterparty risk in the standardized approach by exposure classes as defined in Articles 439 (l) and 444 (e) CRR as at 30 June 2021:

EU CCR3: Standardised approach – CCR exposures by regulatory exposure class and risk weights

Exposure classes €m	a	b	c	d	e	f	g	h	i	j	k	l
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Other	Total
1 Central governments or central banks	2,683	0	0	0	0	0	0	0	0	0	0	2,683
2 Regional governments or local authorities	1,185	0	0	0	1	0	0	0	0	0	0	1,185
3 Public sector entities	398	0	0	0	64	0	0	0	0	0	0	463
4 Multilateral development banks	0	0	0	0	0	0	0	0	0	0	0	0
5 International organisations	0	0	0	0	0	0	0	0	0	0	0	0
6 Institutions	2	820	164	0	30	226	0	0	34	0	0	1,276
7 Corporates	0	3,735	0	0	313	4	0	0	267	0	0	4,319
8 Retail	0	0	0	0	0	0	0	13	0	0	0	13
9 Institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0	0	0	0	0	0
10 Other items	0	0	0	0	0	0	0	0	0	0	0	0
11 Total	4,268	4,555	164	0	408	230	0	13	301	0	0	9,939

Information by regulatory risk-weighting approach

Table EU CCR4 shows the credit counterparty risk according to exposure classes and PD scale according to Articles 439 (l) and 452 (g) CRR as of 2021 June 30:

EU CCR4: IRB approach – CCR exposures by exposure class and PD scale

		a	b	c	d	e	f	g
	PD scale	Exposure value	Average PD	Number of obligors	Average LGD	Average maturity	RWAs	RWA density
		€m	%		%	years	€m	
Central governments or central banks	0.00 to < 0.15	4,330	0.11	114	31.34	1.0	511	11.8
	0.15 to < 0.25	4	0.25	20	100.00	1.0	0	1.5
	0.25 to < 0.50	117	0.30	10	38.69	0.4	42	35.5
	0.50 to < 0.75	6	0.58	10	50.23	0.1	2	42.3
	0.75 to < 2.50	19	1.04	8	100.00	0.5	31	160.4
	2.50 to < 10.00	1	4.45	11	100.00	1.1	3	297.4
	10.00 to < 100.00	2	38.35	7	100.00	0.8	7	411.6
	100.00 (Default)	0	0.00	0	0.00	0.0	0	0.0
	Subtotal	4,479	0.14	180	31.96	1.0	596	13.3
Institutions	0.00 to < 0.15	6,440	0.07	239	49.36	2.4	2,351	36.5
	0.15 to < 0.25	1,287	0.19	156	45.23	3.0	786	61.0
	0.25 to < 0.50	785	0.34	119	44.68	1.4	463	59.0
	0.50 to < 0.75	142	0.58	44	50.77	1.1	107	75.7
	0.75 to < 2.50	534	0.99	100	53.61	0.6	527	98.7
	2.50 to < 10.00	154	4.87	62	47.50	1.9	262	169.7
	10.00 to < 100.00	66	16.79	25	45.46	4.3	160	244.6
	100.00 (Default)	0	0.00	0	0.00	0.0	0	0.0
	Subtotal	9,407	0.36	745	48.61	2.3	4,656	49.5
Corporates	0.00 to < 0.15	3,389	0.20	1,477	138.59	5.9	678	20.0
	0.15 to < 0.25	5,891	0.58	953	126.03	4.8	1,951	33.1
	0.25 to < 0.50	1,965	0.89	1,190	142.30	6.6	1,142	58.1
	0.50 to < 0.75	629	1.86	827	132.79	4.6	395	62.8
	0.75 to < 2.50	842	3.55	1,261	146.38	5.9	778	92.5
	2.50 to < 10.00	211	12.79	615	116.41	4.0	271	128.3
	10.00 to < 100.00	51	92.62	97	104.33	6.2	111	217.1
	100.00 (Default)	27	300.00	44	198.70	8.7	7	26.5
	Subtotal	13,005	4.28	6,464	139.32	5.8	5,334	41.0
Retail	0.00 to < 0.15	104	0.09	1,542	98.46	2.1	6	6.2
	0.15 to < 0.25	18	0.40	239	103.30	2.2	4	20.8
	0.25 to < 0.50	12	0.70	388	98.42	2.3	4	29.8
	0.50 to < 0.75	4	1.10	240	104.86	2.2	2	41.8
	0.75 to < 2.50	6	2.89	396	108.38	2.1	4	66.7
	2.50 to < 10.00	11	8.99	456	107.82	2.1	9	80.2
	10.00 to < 100.00	0	72.62	41	111.07	2.0	1	164.6
	100.00 (Default)	0	200.00	14	102.17	2.1	0	62.5
	Subtotal	156	1.44	3,316	101.29	2.2	29	18.9
Total (all exposure classes)		27,047	0.45	10,705	42.06	1.8	10,616	39.3

Table EU CCR5 shows the composition of the collateral for the credit counterparty risk in accordance with Article 439 (e) CRR as of 30 June 2021.

EU CCR5 Composition of collateral for CCR exposures

€m		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		a	b	c	d	e	f	g	h
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	62	13,164	27	11,096	0	66	0	47
2	Cash – other currencies	70	1,535	85	5,140	0	59	0	154
3	Domestic sovereign debt	0	0	698	696	0	4	0	142
4	Other sovereign debt	18	304	764	1,069	0	18	1,848	8,446
5	Government agency debt	0	2	0	2	0	2	0	436
6	Corporate bonds	0	473	0	124	0	5,607	11	3,869
7	Equity securities	0	0	0	0	0	165	0	646
8	Other collateral	0	0	0	0	0	0	0	0
9	Total	150	15,477	1,574	18,127	0	5,922	1,860	13,740

Table EU CCR6 shows a summary of credit derivatives for hedging by product as per Article 439 (j) CRR as at 30 June 2021:

EU CCR6: Credit derivatives exposures

€m		a		b
		Credit derivative hedges		
		Protection bought	Protection sold	
Notionals				
1	Single-name credit default swaps	6,599		3,375
2	Index credit default swaps	6,773		6,962
3	Total return swaps	2,668		121
4	Credit options	0		38
5	Other credit derivatives	0		0
6	Total notionals	16,040		10,496
Fair value				
7	Positive fair value (asset)	67		241
8	Negative fair value (liability)	-705		-2

The following table EU CCR7 shows the development of RWA by main driver of credit counterparty risk according to the internal model method (IMM) in the second quarter of 2021 in accordance with Article 438 (h) CRR. The significant increase in RWA is mainly due to model updates. As of June 28, 2021, the new CRR II

regulation came into force, which requires, among other things, a revised fallback approach for derivative business (SA-CCR). At the same time, a new internal model (IMM) for credit counterparty risk was taken productively.

EU CCR7: RWA flow statements of CCR exposures under the IMM

€m		a	
		Risk weighted assets (RWAs)	
1	RWAs as at the end of the previous reporting period		5,504
2	Asset size		-467
3	Credit quality of counterparties		-179
4	Model updates (IMM only)		3,189
5	Methodology and policy (IMM only)		0
6	Acquisitions and disposals		0
7	Foreign exchange movements		-82
8	Other		442
9	RWAs as at the end of the reporting period		8,406

Table EU CCR8 shows the breakdown of risk positions by central counterparties as per Article 439 (i) CRR as of 2021 June 30:

EU CCR8 Exposures to CCPs

€m		a	b
		Exposure value	RWAs
1	Exposures to QCCPs (total)		270.8
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	4,719	97.7
3	(i) OTC derivatives	1,558	34.4
4	(ii) Exchange-traded derivatives	2,221	44.4
5	(iii) SFTs	940	18.8
6	(iv) Netting sets where cross-product netting has been approved	0	0.0
7	Segregated initial margin	82	
8	Non-segregated initial margin	0	0.0
9	Prefunded default fund contributions	571	173.1
10	Unfunded default fund contributions	0	0.0
11	Exposures for trades at non-QCCPs (total)		0.0
12	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	0	0.0
13	(i) OTC derivatives	0	0.0
14	(ii) Exchange-traded derivatives	0	0.0
15	(iii) SFTs	0	0.0
16	(iv) Netting sets where cross-product netting has been approved	0	0.0
17	Segregated initial margin	0	
18	Non-segregated initial margin	0	0.0
19	Prefunded default fund contributions	0	0.0
20	Unfunded default fund contributions	0	0.0

C. Securitisations (SEC)

In securitisation business Commerzbank performs the three roles provided for in regulatory legislation, namely originator, sponsor and investor.

Table EU SEC1 shows the securitisation exposures in the non-trading book, broken down by originator, sponsor and investor, according to Article 449 (j) CRR as of 30 June 2021.

In its role as sponsor of securitisation transactions, Commerzbank established special purpose vehicles (purchasing entities) to manage these assets. The ABS conduit Silver Tower established by the bank regularly acts as the purchasing entity. The refinancing of the purchases is primarily done through the issuance of short-term registered notes.

EU SEC1 Securitisation exposures in the non-trading book

€m	Institution acts as originator							Institution acts as sponsor				Institution acts as investor				
	Traditional		Non-STS		Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total	
	STS	of which SRT	Non-STS	of which SRT	of which SRT	STS		Non-STS	STS			Non-STS				
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o		
1	Total exposures	0	0	1	1	10,207	10,207	10,208	2,372	856	0	3,228	1,300	10,316	0	11,616
2	Retail (total)	0	0	0	0	0	0	0	0	0	0	0	1,185	2,990	0	4,175
3	residential mortgage	0	0	0	0	0	0	0	0	0	0	0	0	89	0	89
4	credit card	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	other retail exposures	0	0	0	0	0	0	0	0	0	0	0	1,185	2,901	0	4,085
6	re-securitisation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Wholesale (total)	0	0	1	1	10,207	10,207	10,208	2,372	856	0	3,228	115	7,326	0	7,441
8	loans to corporates	0	0	1	1	10,207	10,207	10,208	0	112	0	112	0	6,911	0	6,911
9	commercial mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	lease and receivables	0	0	0	0	0	0	0	820	0	0	820	0	213	0	213
11	other wholesale	0	0	0	0	0	0	0	1,552	744	0	2,296	115	201	0	316
12	re-securitisation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

According to Article 449(j) CRR, table EU SEC2 shows the securitisation positions in the trading book. As Commerzbank has no securitisation positions in the trading book as of 30 June 2021 that are relevant for supervisory reporting, the table is deleted.

Table EU SEC5 shows the amount of the specific credit risk adjustments and the exposures in default from originator and sponsor transactions according to Article 449(l) CRR as of 2021 June 30:

EU SEC5 Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

€m		a	b	c
		Total outstanding nominal amount	Of which exposures in default	Total amount of specific credit risk adjustments made during the period
Exposures securitised by the institution – Institution acts as originator or as sponsor				
1	Total exposures	13,436	0	0.05
2	Retail (total)	0	0	0.00
3	residential mortgage	0	0	0.00
4	credit card	0	0	0.00
5	other retail exposures	0	0	0.00
6	re-securitisation	0	0	0.00
7	Wholesale (total)	13,436	0	0.05
8	loans to corporates	10,320	0	0.00
9	commercial mortgage	0	0	0.00
10	lease and receivables	820	0	0.00
11	other wholesale	2,296	0	0.05
12	Re-securitisation	0	0	0.00

D. Market risk (MR)

Market risk is the risk of potential financial losses due to changes in market prices (interest rates, commodities, credit spreads, exchange rates and equity prices) or in parameters that affect prices such as volatilities and correlations. Losses may impact profit or loss directly, e.g. in the case of trading book positions. However, for banking book positions they are generally reflected in the revaluation reserve or in hidden liabilities/reserves.

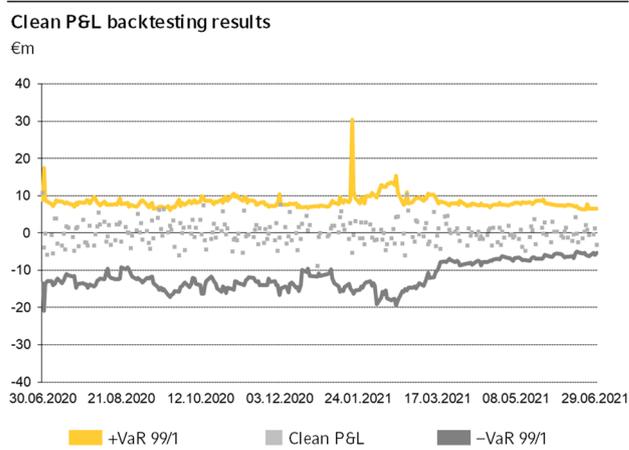
Details on risk management in the market risk area, in particular on strategy and organisation, risk control and fungibility and valuation of financial instruments, are given in Commerzbank's Disclosure Report as at 31 December 2020. Also, the internal model (historical simulation) which Commerzbank uses to perform VaR and stress test calculations, is described here.

The reliability of the internal model (historic simulation) is monitored in various ways, including by backtesting on a daily basis. The VaR calculated is set against actually occurring profits and losses. The process draws a distinction between "clean P&L" and "dirty P&L" backtesting. In the former, exactly the same positions in the income statement are used as were used for calculating the VaR. This means that the profits and losses result only from changes in market prices (hypothetical changes in the portfolio value). In dirty P&L backtesting, by contrast, profits and losses from newly concluded and expired transactions from the day under consideration are also included (actual profits and losses induced by portfolio value changes). Profits and losses from valuation adjustments and model reserves are factored into dirty and clean P&L according to the regulatory requirements.

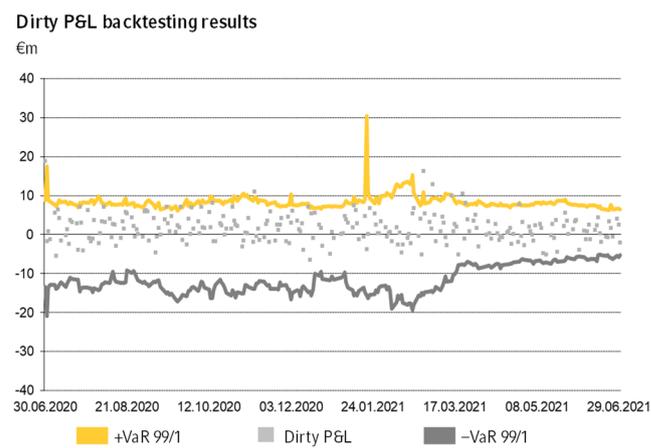
If the resulting loss exceeds the VaR, it is described as a negative backtesting outlier. Analysing the results of backtesting provides an informative basis for checking parameters and for potentially improving the market risk model. In the period from 30 June 2020 to 30 June 2021 no negative clean or dirty P&L outliers were recognized.

Backtesting is also used by the supervisory authorities for evaluating internal risk models. Negative outliers are classified by means of a traffic-light system laid down by the supervisory authorities. All negative backtesting outliers at Group level (from both clean P&L and dirty P&L) must be reported to the supervisory authorities, citing their extent and cause.

EU MR4: Comparison of VaR estimates with gains/losses (clean)



EU MR4: Comparison of VaR estimates with gains/losses (dirty)



Further information on the validation of the individual components of the internal model as well as on the further processing of the outcome in the respective committees are given in the Disclosure Report as at 31 December 2020.

Quantitative information on market risks

Pursuant to Article 92 (3) b) and c) CRR, adequate capital must be set aside for market risk positions. Commerzbank uses an internal market risk model to calculate the regulatory capital requirement. This affects both the equity price and interest rate-related risk positions in the trading book as well as the currency positions and commodity positions. The standardised approaches are applied for smaller units in the Commerzbank Group in accordance with the partial use option.

Development of market risk assets in the standard approach

The standard approach is essentially used to include the market risk positions of investments/subsidiaries in the calculation of capital requirements. The standardized approach represents 6% of total market risk weighted assets as of 30 June 2021. Risk weighted assets for market risk exposures in the standardized approach decreased by €262m to €453m in the first half of 2021.

Table EU MR1 contains the RWA for market risks as per Article 445 CRR as at 30 June 2021.

EU MR1 Market risk under the standardised approach

		a
		RWAs
€m		
Outright products		
1	Interest rate risk (general and specific)	452
2	Equity risk (general and specific)	0
3	Foreign exchange risk	0
4	Commodity risk	0
Options		
5	Simplified approach	0
6	Delta-plus method	0
7	Scenario approach	0
8	Securitisations (specific risk)	0
9	Collective investment undertakings	1
10	Total	453

Market risk in the internal model approach

The internal model accounted for 94% of total market risk weighted assets as of 30 June 2021. Risk weighted assets for market risk positions in the internal model declined by €1,154m to €6,904m in the second quarter of 2021. For information on the drivers of the RWA development, see table EU MR2-B.

The decrease in line 2a (VaR) is due to the fact that extreme scenarios from March of the previous year no longer affect the time series for the VaR calculation.

Table EU MR2-a contains the RWA for market risks based on internal models according to Article 455(e) CRR as of 30 June 2021:

EU MR2-A Market risk under the internal Model Approach (IMA)

		a		b
		€m	RWAs	Capital requirements
1	VaR (higher of values a) and b))		1,233	99
a)	Previous day's VaR (VaRt-1)			19
b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)			99
2	sVaR (higher of values a) and b))		5,065	405
a)	Latest available sVaR (SVaRt-1))			89
b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)			405
3	IRC (higher of values a) and b))		605	48
a)	Most recent IRC measure			40
b)	12 weeks average IRC measure			48
4	Comprehensive risk measure (higher of values a), b) and c))		0	0
a)	Most recent risk measure of comprehensive risk measure			0
b)	Durchschnittswert der Maßzahl für die Messung des Gesamtrisikos in den vorausgegangenen zwölf Wochen.			0
c)	Messung des Gesamtrisikos - Untergrenze.			0
5	Other		0	0
6	Total		6,904	552

The table EU MR2-B below shows the development of RWA by main market risk drivers according to the internal model-based approach (IMA) in the second quarter of 2021 according to Article 438(h) CRR.

The decrease in total RWA from market risks is mainly due to the regulatory VaR, where the extreme scenarios from March of the

previous year no longer affect the time series for the VaR calculation. The slight decline in Stressed VaR, on the other hand, was due to changes in the positions of the Treasury and corporate clients divisions.

EU MR2-B: RWA flow statements of market risk exposures under the IMA

€m	a	b	c	d	e	f	g
	VaR	SVaR	IRC	Comprehensive risk measure	Others	Total RWAs	Total capital requirement
1 RWAs at previous quarter end	2,704	5,290	566	0	0	8,560	685
1a Regulatory adjustment	0	0	0	0	0	0	0
1b RWAs at previous quarter end (end of day)	2,704	5,290	566	0	0	8,560	685
2 Movement in risk levels	-1,396	-327	30	0	0	-1,693	-135
3 Model updates/changes	19	102	9	0	0	130	10
4 Methodology and policy	0	0	0	0	0	0	0
5 Acquisitions and disposals	0	0	0	0	0	0	0
6 Foreign exchange movements ¹	-	-	-	-	-	-	-
7 Others	-94	0	0	0	0	-94	-8
8a RWAs at the end of the reporting period (end of day)	1,233	5,065	605	0	0	6,904	552
8b Regulatory adjustment	0	0	0	0	0	0	0
8 RWA at the end of the reporting period	1,233	5,065	605	0	0	6,904	552

¹ Die RWA-Veränderung auf Basis von Wechselkursschwankungen ist in der Rubrik „Entwicklungen in den Risikoniveaus“ enthalten.

Market risk in the trading book

Below, we show how the regulatory market risk ratios of the trading book portfolio developed. Most of Commerzbank's trading book positions derive from the Corporate Clients segment and Treasury division.

The value at risk (10 days 99%) decreased in the first half of 2021 from €38m to €18m. The reason for this is that extreme scenarios from March of the previous year no longer affect the time series for the VaR calculation.

The Stressed VaR fell slightly in the first half of 2021, by €2m to €88m. The declines in VaR due to the fall out of Corona crisis scenarios from the previous year cannot be observed in Stressed VaR, as the Stressed VaR is calculated on market data of a constant historical crisis period.

The incremental risk charge increased from €20m to €24m in the first half of 2021.

Table EU MR3 shows the market risks in the trading book as per Article 455 (d) CRR as of 30 June 2021:

EU MR3 IMA values for trading portfolios

€m	a
VaR (10 day 99%)	
1 Maximum value	63
2 Average value	33
3 Minimum value	17
4 Period end	18
sVaR (10 day 99%)	
5 Maximum value	122
6 Average value	97
7 Minimum value	76
8 Period end	88
IRC (99.9%)	
9 Maximum value	47
10 Average value	26
11 Minimum value	17
12 Period end	24
Comprehensive risk measure (99.9%)	
13 Maximum value	-
14 Average value	-
15 Minimum value	-
16 Period end	-

Interest rate risk in the banking book

The impact of an interest rate shock on the economic value of the Group's banking books is simulated monthly in compliance with regulatory requirements (according to EBA Guideline 2018/02 article 113-115). In accordance with the Banking Directive, the Federal Financial Supervisory Authority (BaFin) and the European Central Bank (ECB) have prescribed – amongst others – six scenarios for sudden and unexpected changes in interest rates (parallel- as well as rotation scenarios under consideration of a lower interest rate limit) to be used by all banks, which have to report on the results of this stress test every quarter.

On this basis, the scenario „Parallel Up“ would give a potential loss of €2,824m and in the scenario „Parallel down“ a potential economic gain of €603m. In principle, Commerzbank should not be classified as an institution with an increased interest rate risk, as the negative changes present value in relation to the regulatory parameters do not exceed the regulatory limits.

In addition, Commerzbank calculates and reports the Δ NII (Net interest income) according to regulatory requirements in the standard scenarios \pm 200 basis points (also considering a lower interest rate limit).

EU IRBB1: Impact of supervisory interest rate shock scenarios

Supervisory shock scenarios €m		a		b		c		d	
		Changes of the economic value of equity				Changes of the net interest income			
		Current period		Last period		Current period		Last period	
1	Parallel up	-2,824				829			
2	Parallel down	603				-236			
3	Steeper	-843							
4	Flattener	6							
5	Short rates up	-867							
6	Short rates down	270							

E. Liquidity risk (LR)

Liquidity Coverage Ratio

The liquidity coverage ratio (LCR) is the regulatory minimum liquidity ratio. It is a measure of the near-term solvency of the Bank under a predetermined stress scenario. Based on the requirements of the Basel Committee, the EU Commission set out the legal foundation for the LCR in the Capital Requirements Regulation (CRR) and in Regulation (EU) No. 575/2013, in conjunction with Delegated Regulation EU/2015/61 (D-REG).

The ratio itself is defined as the relationship between high quality liquid assets (HQLA) and net liquidity outflows (NLOs) within a 30-day period. Commerzbank monitors the LCR as part of its daily liquidity risk calculation.

The Bank has established internal early warning indicators for the purpose of managing liquidity risk. These ensure that appropriate steps can be taken in good time to secure long-term financial solidity. Risk concentrations can lead to increased outflows of liquidity, particularly in a stress situation. They can, for example, occur with regard to maturities, large individual creditors or currencies. By means of ongoing monitoring and reporting, emerging risk concentrations in funding can be recognised in a timely manner and mitigated through suitable measures. This also applies to payment obligations in foreign currencies. The Bank also mitigates

concentrations through the continuous use of the broadly diversified sources of funding available to it, particularly in the form of diverse customer deposits and capital market instruments.

Commerzbank manages its global liquidity centrally using cash pooling. This approach ensures liquidity resources are used efficiently across all time zones, as Commerzbank Treasury units are located in Frankfurt, London, New York and Singapore.

Further information about liquidity risk management and the corresponding internal models, including those relating to the coronavirus crisis, can be found in the Management Report and in the liquidity risk section of the Risk Report of the Annual Report 2020.

The calculation of the LCR for the last reporting year is shown below. The averages of the 12 previous month-end values are calculated for each quarter. The resulting values are shown in the table below. The values are rounded to a full-million amount in euros and are presented on a consolidated basis for the Commerzbank Group.

Liquidity Requirements

As required by Article 451a (2) CRR, Table EU LIQ1 shows the liquid assets and their cash inflows and outflows and finally the liquidity buffer and the liquidity coverage ratio as at 30 June 2021.

EU LIQ1 Quantitative information of LCR – unweighted¹

		a	b	c	d
€m		Total unweighted value (average)			
EU 1a	Quarter ending on	30.09.2020	31.12.2020	31.03.2021	30.06.2021
EU 1b	Number of data points used in the calculation of averages	12	12	12	12
High-quality liquid assets					
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61				
Cash outflows					
2	retail deposits and deposits from small business customers, of which:	142,966	148,775	154,712	157,407
3	Stable deposits	98,301	100,639	103,764	107,002
4	Less stable deposits	40,954	42,508	43,456	42,795
5	Unsecured wholesale funding	113,647	115,875	119,010	122,762
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	38,381	39,180	40,197	41,133
7	Non-operational deposits (all counterparties)	74,737	76,174	78,175	81,052
8	Unsecured debt	529	521	638	577
9	Secured wholesale funding				
10	Additional requirements	86,309	88,230	90,296	91,319
11	Outflows related to derivative exposures and other collateral requirements	7,604	7,735	7,476	7,105
12	Outflows related to loss of funding on debt products	218	213	219	180
13	Credit and liquidity facilities	78,487	80,282	82,601	84,034
14	Other contractual funding obligations	3,368	3,021	3,597	3,626
15	Other contingent funding obligations	102,646	101,953	101,690	100,948
16	Total cash outflows				
Cash Inflows					
17	Secured lending (e.g. reverse repos)	49,325	38,270	37,407	36,474
18	Inflows from fully performing exposures	24,245	23,517	22,030	20,615
19	Other cash inflows	7,170	6,896	6,904	5,069
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)				
EU-19b	(Excess inflows from a related specialised credit institution)				
20	Total cash inflows	80,740	68,683	66,341	62,159
EU-20a	Fully exempt inflows	0	0	0	0
EU-20b	Inflows subject to 90% cap	0	0	0	0
EU-20c	Inflows subject to 75% cap	74,978	66,884	62,824	60,207
Total Adjusted Value					
EU-21	Liquidity buffer				
22	Total net cash outflows				
23	Liquidity coverage ratio				

¹ Due to a necessary correction, the data for the reporting dates 30 September 2020, 31 December 2020 and 31 March 2021 had to be adjusted retrospectively.

EU LIQ1 Quantitative information of LCR – weighted¹

		a	b	c	d
€m		Total weighted value (average)			
EU 1a	Quarter ending on	30.09.2020	31.12.2020	31.03.2021	30.06.2021
EU 1b	Number of data points used in the calculation of averages	12	12	12	12
High-quality liquid assets					
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61	90,217	95,389	102,093	108,733
Cash outflows					
2	retail deposits and deposits from small business customers, of which:	9,317	9,578	9,827	9,925
3	Stable deposits	4,915	5,032	5,188	5,350
4	Less stable deposits	4,402	4,546	4,639	4,575
5	Unsecured wholesale funding	55,705	56,272	57,094	58,162
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	9,563	9,769	10,027	10,260
7	Non-operational deposits (all counterparties)	45,614	45,982	46,429	47,325
8	Unsecured debt	529	521	638	577
9	Secured wholesale funding	6,725	6,221	5,280	4,203
10	Additional requirements	20,518	20,344	19,841	19,096
11	Outflows related to derivative exposures and other collateral requirements	7,233	7,444	7,251	6,914
12	Outflows related to loss of funding on debt products	218	213	219	180
13	Credit and liquidity facilities	13,067	12,687	12,370	12,002
14	Other contractual funding obligations	2,479	2,242	2,916	2,942
15	Other contingent funding obligations	4,250	3,824	3,507	3,328
16	Total cash outflows	98,993	98,481	98,465	97,655
Cash Inflows				0	0
17	Secured lending (e.g. reverse repos)	3,447	1,996	1,838	1,829
18	Inflows from fully performing exposures	17,142	16,610	15,503	14,582
19	Other cash inflows	6,952	6,716	6,791	4,973
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)	0	0	0	0
EU-19b	(Excess inflows from a related specialised credit institution)	0	0	0	0
20	Total cash inflows	27,540	25,322	24,132	21,384
EU-20a	Fully exempt inflows	0	0	0	0
EU-20b	Inflows subject to 90% cap	0	0	0	0
EU-20c	Inflows subject to 75% cap	26,550	24,271	22,893	21,426
Total Adjusted Value					
EU-21	Liquidity buffer	90,217	95,389	102,093	108,733
22	Total net cash outflows	72,443	74,210	75,572	76,229
23	Liquidity coverage ratio	124.5%	128.6%	135.3%	142.8%

¹ Due to a necessary correction, the data for the reporting dates 30 September 2020, 31 December 2020 and 31 March 2021 had to be adjusted retrospectively.

The average quarterly LCR values have been consistently high. As at each of the reporting dates, Commerzbank considerably surpassed the required minimum ratio of 100%. The composition of

the highly liquid assets available to cover the liquidity outflows in the reporting period is set out below:

EU LIQ2: Highly liquid assets in accordance with EU/2015/61

Average of the last 12 month-end values €m	Q2/2021	Q1/2021	Q4/2020	Q3/2020
Total	108,733	102,093	95,389	90,217
thereof: Level 1	97,319	88,033	79,429	74,492
thereof: Level 2A	10,639	13,506	15,397	15,043
thereof: Level 2B	774	554	563	682

In June 2021, Commerzbank also reports the LCR in US dollars and Polish zloty (PLN), as these are deemed to be significant foreign currencies under the CRR. In addition, the Bank ensures that foreign-exchange risk is monitored as well as limited and managed using an internal model.

When calculating the LCR, the bank takes into account the liquidity inflows and outflows for derivatives over the next 30 days. When standardised master agreements are involved, the liquidity inflows and outflows are calculated on a net basis. Commerzbank also considers further items that could lead to additional outflows of liquidity. These items include variation margins for changes in the value of securities pledged as collateral and, in the event of a possible deterioration in credit rating, additional collateral furnished because of adverse market scenarios for derivatives transactions. For other contingent liabilities, since June 2019 Commerzbank has used additional outflows in accordance with Article 23 of Commission Delegated Regulation (EU) 2015/61.

Net Stable Funding Ratio

Based on Regulation (EU) 2019/876 of 20 May 2019 (amendment of Regulation (EU) 575/2013) the Net stable funding ratio (NSFR) is

the regulatory defined Structural liquidity ratio and was introduced as of 30 June 2021.

It sets the requirement of stable refinancing as a ratio of the amount of the available stable refinancing and the amount of the required stable refinancing over a one-year horizon.

The quota itself is defined as the ratio of the weighted available stable refinancing and the necessary weighted stable refinancing. The minimum quota is 100%.

The NSFR as of June 30th underlines the solid funding position of Commerzbank Group. It reflects the customer-focused business model of Commerzbank Group with a high contribution to the ASF from customer deposits. The main share of the RSF results from the loan business, and the main share of the ASF results from customer deposits.

Table EU LIQ3 shows the information on the Net Stable Funding Ratio as of 30 June 2021 according to Article 451a (3) CRR. These include items of the available stable funding (ASF) as well as items of the required stable funding (RSF).

EU LIQ3 Net Stable Funding Ratio

€m		Unweighted value by residual maturity				Weighted value
		a No maturity	b < 6 months	c 6 months until < 1 year	d ≥ 1 year	
Available stable funding (ASF) Items						
1	Capital items and instruments	29,161	-	-	5,244	34,405
2	Own funds	29,161	-	-	4,649	33,810
3	Other capital instruments	-	-	-	595	595
4	Retail deposits	-	158,312	103	1,529	150,129
5	Stable deposits	-	120,467	48	1,232	115,722
6	Less stable deposits	-	37,845	55	297	34,407
7	Wholesale funding:	-	200,737	6,474	102,502	160,161
8	Operational deposits	-	40,469	-	-	1,651
9	Other wholesale funding	-	160,269	6,474	102,502	158,511

€m		Unweighted value by residual maturity				Weighted value
		a No maturity	b < 6 months	c 6 months until < 1 year	d ≥ 1 year	
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	470	14,384	165	3,356	3,438
12	NSFR derivative liabilities	470				
13	All other liabilities and capital instruments not included in the above categories		14,384	165	3,356	3,438
14	Total available stable funding (ASF)					348,133
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					27,174
EU-15a	Assets encumbered for more than 12m in cover pool		1	-	2,079	1,768
16	Deposits held at other financial institutions for operational purposes		417	-	-	208
17	Performing loans and securities:		99,219	16,356	208,211	200,326
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		39,209	955	1,403	1,880
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		16,352	1,883	5,135	7,424
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		34,386	9,035	87,189	163,099
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		1,475	325	12,187	70,953
22	Performing residential mortgages, of which:		3,151	2,629	84,591	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,749	2,273	78,358	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		6,121	1,855	29,893	27,922
25	Interdependent assets		-	-	-	-
26	Other assets:	-	28,832	120	15,121	22,409
27	Physical traded commodities				79	67
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		1,653	9	3,697	4,556
29	NSFR derivative assets		-			-
30	NSFR derivative liabilities before deduction of variation margin posted		17,288			864
31	All other assets not included in the above categories		16,726	111	12,777	16,922
32	Off-balance sheet items		106,360	15,984	66,990	5,457
33	Total RSF					257,341
34	Net Stable Funding Ratio (%)					135.0

Appendix

List of abbreviations

AMA	Advanced Measurement Approach/fortgeschrittener Messansatz	IMA	Internal Model Approach/Auf internen Modellen basierender Ansatz
AC	At Cost	IMM	Internal Model Method/Interne Modelle Methode
ASF	Available stable funding	IRBA	Internal Ratings Based Approach/auf internen Ratings basierender Ansatz
CCF	Credit Conversion Factor/Kreditkonversionsfaktor	KFW	Kreditanstalt für Wiederaufbau
CRD	Capital Requirements Directive	KMU	Kleine und mittlere Unternehmen
CRR	Capital Requirements Regulation	KSA	Kreditrisiko-Standardansatz
CVA	Credit Value Adjustments	LECL	Lifetime Expected Credit Loss
EaD	Exposure at Default	LGD	Loss Given Default/Verlustquote bei Ausfall
EBA	European Banking Authority	OCI	Other Comprehensive Income
ECL	Expected Credit Loss	PD	Probability of Default/Ausfallwahrscheinlichkeit
EEPE	Effective Expected Positive Exposure	RSF	Required stable funding
FVOCI	Fair Value through Other Comprehensive Income	RWA	Risk Weighted Assets/Risikogewichtete Aktiva
FVPL	Fair Value through Profit or Loss	SFT	Securities Financing Transactions/Wertpapier-finanzierungsgeschäfte
IRC	Incremental Risk Charge	sVaR	stressed Value-at-Risk
IAS	International Accounting Standards	VaR	Value-at-Risk
IFRS	International Financial Reporting Standards		

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

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 control and internal audit, external auditors and the German and European supervisory authorities. Despite being carefully developed and regularly monitored, 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 particularly 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. However, stress testing all imaginable scenarios is not feasible. Stress tests cannot offer a final estimate of the maximum loss should an extreme event occur.

The interpretations with regard to CRR/CRD IV rules are still ongoing. Therefore requirements for adjustment may occur due, for example, to modified interpretations in the course of the Q&A-process with EBA or due to new binding Technical Standards or guidelines. Against this background we will continue to refine our methods and models in line with the interpretation of the rules. Thus, our measures may not be comparable with previously published measures and our competitors' measures published may differ from ours.

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