Floor Research

Commerzbank

Issuer View • 02 October 2025

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Ratings

Commerzbank AG

	Rating	Outlook
Fitch	-	-
Moody's	Aa3	Stable
S&P	A	Stable

Homepage

www.commerzbank.de

Commerzbank (Coba), headquartered in Frankfurt am Main, is one of the largest banks in Germany in terms of assets (H1/2025: EUR 581.8bn). It serves almost 11m private and small business customers as well as around 24,000 corporate customers in around 400 branches and is internationally active in over 40 countries. UniCredit is Coba's largest shareholder with more than 25% (August 2025), followed by the federal republic of Germany with over 12%. In the future, UniCredit plans to take over Commerzbank completely. Coba reports in the three business segments "Private and Small Business Customers" (H1/2025: 64.2% of pre-tax profit; PAC), "Corporate customers" (59.1%; CC) and "Other and Consolidation" (-23.3%; OC). In the PAC segment, Coba bundles the domestic branch business, the activities under the comdirect brand and the businesses of the subsidiaries Commerz Real and mBank Group. The CC division comprises all medium-sized and large corporate customers from Germany and abroad as well as domestic and foreign institutional customers. The OC segment includes Group Treasury and investments that cannot be subsumed under the two segments. Coba's loan portfolio (excluding mBank) consists mainly of mortgage loans to private customers and small businesses (H1/2025: 41.8%) and loans to medium-sized companies (11.9%). The Bank's funding mix consists mainly of deposits (H1/2025: 71.8% of liabilities) and issued bonds (11.9%), including Pfandbriefe with a volume of EUR 27.7bn. Coba has a green asset ratio measured by turnover of 3.3% (FY/2024).

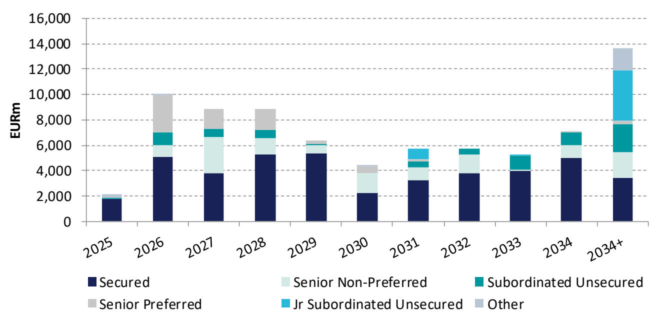
Balance Sheet

(EURm)	2023Y	2024Y	2025H1
Net Loans to Customers	270,219	291,805	-
Total Securities	100,558	128,018	137,083
Total Deposits	349,195	366,977	-
Tier 1 Common Capital	25,720	26,212	25,642
Total Assets	517,166	554,646	581,818
Total Risk-weighted Assets	175,114	173,378	176,124

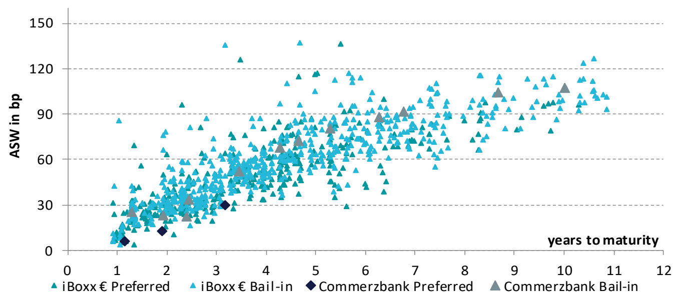
Income Statement

(EURm)	2023Y	2024Y	2025H1
Net Interest Income	8,368	8,331	4,133
Net Fee & Commission Inc.	3,386	3,762	2,015
Net Trading Income	-275	-86	327
Operating Expense	6,415	6,530	3,930
Credit Commit. Impairment	621	742	303
Pre-tax Profit	3,403	3,833	1,862

Redemption Profile



Senior Unsecured Bonds (EUR BMK)



Company Ratios

	2023Y	2024Y	2025H1
Net Interest Margin	1.70	1.53	1.47
ROAE	6.90	8.38	7.84
Cost-to-Income	61.60	58.51	63.27
Core Tier 1 Ratio	14.69	15.12	14.56

	2023Y	2024Y	2025H1
Liquidity Coverage Ratio	145.40	135.70	150.50
IFRS Tier 1 Leverage Ratio	5.15	4.94	4.56
NPL/Loans at Amortised Cost	1.88	2.10	-
Reserves/Loans at Amort. Cost	1.29	1.20	-

As of: 02 October 2025; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Floor Research

Strengths / Opportunities

- Capital buffer
- Asset quality

Risks / Weaknesses

- Uncertain macroeconomic environment
- High costs (litigation risks) of the subsidiary mBank

Covered Bonds

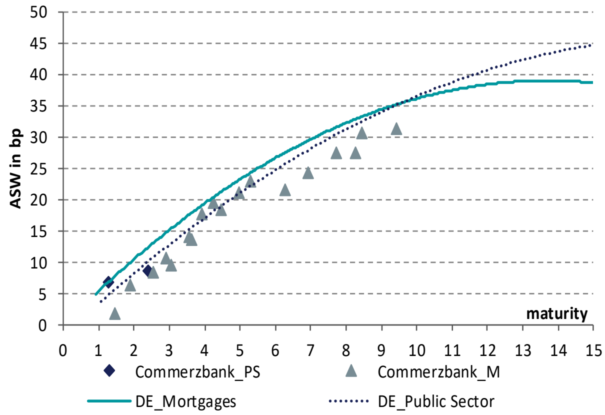
Public cover pool with a volume of EUR 22bn

As of the reporting date of 30 June 2025, Commerzbank's publicly secured cover pool had cover assets totalling EUR 21.6bn, compared with outstanding covered bonds of EUR 13.7bn, resulting in a notional overcollateralisation ratio of 57.5%. This consists of a statutory minimum requirement of 2.0% and a voluntary over-collateralisation of the issuer in the amount of 53.5%. In the September composition of the benchmark index iBoxx EUR Covered, the institution is represented by 21 issues, the total volume of which amounts to EUR 21.9bn. Four other EUR benchmark issues no longer fall under the criteria of the index due to the remaining maturity of less than one year.

Programme data

30 June 2025	Mortgage	Public Sector
Covered bonds outstanding	EUR 31,711m	EUR 13,731m
Cover pool volume	EUR 43,912m	EUR 21,623m
Current OC (nominal / legal)	38.4% / 2.0%	57.5% / 2.0%
Type primary cover	94.7% Commercial	45.8% Local authorities
Main country	100% Germany	84.7% Germany
Main region	39.8% NRW	20.3% NRW
Number of loans	319,174	2,914
Share top 10 exposures	1.7%	18.2%
NPL	0.0%	0.0%
Fixed interest (Cover Pool / CBs)	98.6% / 81.3%	81.5% / 47.3%
WAL (Cover Pool / CBs)	6.0y / 4.4y	8.1y / 5.1y
CB Rating (Fitch / Moody's / S&P)	- / Aaa / -	- / Aaa / -

Spread overview (BMK) – Germany



Source: Issuer, rating agencies, Bloomberg, NORD/LB Floor Research

The majority of loans in the public cover pool with a fixed interest rate

Commerzbank's public cover pool contains only primary cover assets. With 56.4% of the cover pool, the majority of assets are in the category "Local government", followed by "Central government" (16.0%) and "Regional authorities" (15.1%). As of 30 June 2025, the cover pool comprises a total of 2,914 loans, with the dominant share of financing being geographically located in Germany. At the level of the individual regions, the federal states of North Rhine-Westphalia (20.3%), Lower Saxony (12.6%) and Baden-Württemberg (11.3%) account for the largest shares. The average loan volume amounts to around EUR 7.4m and the cover pool does not include non-performing loans (NPLs).

Rating and regulatory treatment

The rating agency Moody's derives the top rating of Aaa for Commerzbank's covered bonds. The Moody's Collateral Score, which is regularly used to assess the quality of cover assets, is at a very low level of 1.9%, even by international standards, signalling high credit quality. Due to the rating characteristics, a risk weight of 10% in accordance with CRR is also decisive for covered bonds. In the context of LCR management, we believe the issuer's EUR benchmarks are suitable as Level 1 assets. In addition, Commerzbank's Pfandbriefe are suitable as collateral in the context of transactions with the ECB. Newly placed issues can also be marketed under the label "European Covered Bond (Premium)".

Appendix
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NORD/LB

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