

**Commerzbank AG**

Commerzbank is Germany's second-largest private bank and a market leader in financing for small- and medium-sized enterprises (SMEs). It is one of the leading providers of capital market products and a key financier for corporate clients in Germany. Revenues declined 6% y/y to EUR1.9bn (adj.: +3% y/y; a 6% beat). Underlying NII grew 41% y/y to EUR1.6bn, mainly led by further interest rate hikes in Poland. Trading results rose 8% y/y to EUR172m. However, fee income fell 4% y/y to EUR849m (in line), owing largely to weak securities markets. The bank reported other loss of EUR757m (vs a EUR165m loss in Q3 2021), which included one-off charges reserved for credit holidays (EUR270m) and CHF mortgages (EUR477m) in Poland. Operating profits (after loan loss provisions [LLP]) fell 40% y/y to EUR282m on softer revenues, despite a 4% y/y fall in costs (in line). Meanwhile, LLPs of EUR84m (vs EUR22m in Q3 2021) were EUR49m better than cons. PBT fell 33% y/y to EUR267m on weak operating results, partly offset by lower restructuring costs (-81% y/y). Net profits of EUR195m (-52% y/y; RoTE: +2.2%) beat cons. by 67% on a 4% beat in NII and better LLPs. The common equity tier-1 (CET1) ratio improved 10bps q/q to 13.8%. TBVPS increased 0.6% q/q to EUR 21.36. Asset quality was benign, with the non-performing loan ratio at a low 0.9% (+10bps q/q). Net exposure to Russia/Ukraine was further reduced by EUR0.1bn since the end of July to EUR0.9bn. Management confirmed its 2022 guidance for net profits of above EUR1.0bn (vs cons. of EUR1.2bn) and reiterated all other targets (such as cost of risks of ca EUR0.7bn). Most importantly, management upgraded its 2024 targets, with RoTE now above 7.3% (before: 7.3%) based on a pre-tax operating result of EUR3.2bn (before: EUR3.0bn), driven by increased revenues of EUR0.9bn to EUR10bn (based on raised NII), ca 6% below cons., but based on defensive rate assumptions, such as an European Central Bank rate of 2.0% by 2024).

Corporate Ratings	Periodicity	Fiscal Quarterly	Currency	Default	Parent/Consolidated	C	Data	Adjusted (if Available)
S&P	BBB+							
Outlook	Stable							
Moody's	-							
Outlook	Stable							
Fitch	WD							
Outlook	-							
CDS Data								
5 YR CDS	88.10							
% 3 Months	-10.98							
% 6 Months	-9.32							
% 1 Year	94.07							
52 Week Low	42.96							
52 Week High	160.12							
Profitability								
EBIT	--							
Operating Margin	8.28							
Pretax Margin	8.37							
Return on Assets	0.14							
Return on Common Equity	2.89							
Return on Capital	0.22							
Asset turnover	0.02							
Structure								
Current Ratio	--							
Quick Ratio	--							
Total Debt to Total Assets	38.40							
Total Debt to Com Equity	783.97							
Acct Receivable Turnover	--							
Inventory Turnover	--							
Gross Margin	--							
EBIT / Total Inter	--							
Growth Potential								
Sales 1yr Growth	13.64							
Asset 1yr Growth	-6.63							
Capital 1yr Growth	-3.02							

  

Income Statement Summary	03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
Revenue	2,556.0	2,504.5	11,711.0	2,876.0	3,185.0	3,078.0	2,572.0	2,509.0	2,519.0	3,105.0	1,033.0
Operating Income	514.0	698.0	733.0	212.0	616.0	80.0	-175.0	213.0	-56.0	389.0	-2,083.0
Pretax Income	514.0	567.5	741.0	217.0	620.0	80.0	-176.0	215.0	-54.0	389.0	-2,077.0
Income bef XO Items	304.0	386.0	1,178.0	39.0	495.0	330.0	314.0	402.0	-519.0	156.0	-2,719.0
Net Income	--	370.5	752.7	160.0	399.3	-16.3	209.7	276.3	-229.5	354.2	-2,388.5
Basic EPS Before XO Items	--	--	0.60	0.13	0.32	-0.01	0.17	0.22	-0.18	0.29	-1.91
Basic EPS	0.18	0.37	--	0.16	0.48	--	0.34	0.36	-0.18	0.37	-0.39
Diluted EPS Before XO Items	--	--	0.60	0.13	0.32	-0.01	0.17	0.22	-0.18	0.29	-1.91
Diluted EPS	--	--	1.11	0.16	0.38	0.24	0.34	0.32	-0.42	0.11	-2.16
Dividends per Share	--	0.19	--	--	--	0.00	0.00	0.00	0.00	--	--
EBITDA	--	--	--	--	--	--	--	--	--	--	--
Return on Common Equity	--	4.6	5.3	5.3	6.2	2.3	1.7	-10.0	-11.9	-9.0	-10.8

  

Balance Sheet Summary	03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
Total Current Assets	--	--	--	--	--	--	--	--	--	--	--
Total Long-Term Assets	--	--	--	--	--	--	--	--	--	--	--
Total Assets	543,368.0	543,368.0	535,049.0	525,591.0	473,044.0	541,258.0	543,643.0	537,804.0	506,613.0	506,613.0	
Total Current Liabilities	--	--	--	--	--	--	--	--	--	--	--
Total Long-Term Liabilities	--	--	--	--	--	--	--	--	--	--	--
Total Liabilities	512,861.0	512,861.0	504,588.0	495,706.0	443,217.0	511,504.0	514,394.0	508,503.0	478,039.0	478,039.0	
Total Shareholders' Equity	30,507.0	30,507.0	30,461.0	29,885.0	29,827.0	29,754.0	29,249.0	29,301.0	28,574.0	28,574.0	
Shares Outstanding	1,252.4	1,252.4	1,252.4	1,252.4	1,252.4	1,252.4	1,252.4	1,252.4	1,252.4	1,252.4	
Book Value per Share	--	21.5	21.3	21.3	21.1	20.6	20.6	20.4	20.0	20.4	
Tangible Book Value / Sh	--	20.2	20.2	20.2	20.1	19.6	19.6	19.4	19.0	19.3	
Shareholder Equity/Total Liab	5.6	5.6	5.7	5.7	6.3	5.5	5.4	5.4	5.4	5.6	

  

Cash Flow Summary	03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
Net Income	304.0	386.0	1,384.0	195.0	470.0	298.0	421.0	403.0	-527.0	133.0	-2,702.0
Depreciation and Amortization	--	210.0	--	202.0	--	--	--	640.0	--	--	112.0
Change in Working Capital	--	--	--	--	--	--	--	--	--	--	--
Cash - Operating Activities	--	--	--	--	--	--	--	--	--	--	--
Capital Expenditures	--	--	--	--	--	--	--	--	--	--	--
Cash - Investing Activities	--	--	--	--	--	--	--	--	--	--	--
Cash - Financing Activities	--	--	--	--	--	--	--	--	--	--	--
Net Changes in Cash	--	--	--	--	--	--	--	--	--	--	--
Free Cash Flow	--	--	--	--	--	--	--	--	--	--	--

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