

## Press release

For business desks  
12 March 2015

### **Commerzbank Announces Agreements with U.S. Authorities Regarding Sanctions and Money Laundering Violations**

- **Settlements regarding sanctions and money laundering (AML) total USD 1,452 m (EUR 1,196 m)**
- **Additional one-time charge of EUR 338 m in Q4 2014**

Commerzbank has reached settlements with the Department of Justice (“DoJ”), the Treasury Department’s Office of Foreign Assets Control, the New York County District Attorney’s Office, the Board of Governors of the Federal Reserve (“the Federal Reserve”) and New York’s Department of Financial Services (“NYDFS”) regarding U.S. sanctions and New York State business records violations that occurred between 2002 and 2008.

The Bank has also reached settlements with the DoJ, the Federal Reserve and the NYDFS regarding violations arising from its failure between 2008 and 2013 to maintain adequate policies, procedures and practices for detecting and reporting potential money laundering activities.

Commerzbank built adequate reserves as discussions with the authorities progressed. On 12 February 2015, the Bank announced that a further increase in legal provisions was possible and could be reflected in the final annual financial statements for 2014. Further to the amount already reserved, the Bank will book an additional one-off charge of EUR 338 million in Q4 2014 for these settlements, to be reflected in the final annual financial statements for 2014.

The Bank’s net result and operating result for 2014 will be adjusted to EUR 264 million (preliminarily reported net result EUR 602 million) and EUR 684 million (preliminarily reported operating result EUR 1,022 million), respectively. Under the full application of Basel 3, Commerzbank’s Common Equity Tier 1 ratio (CET 1) stands at 9.3% as of the end of 2014, up from 9.0% at the end of December 2013. The final net result of EUR 282 million in the individual financial statements of Commerzbank AG pursuant to the German Commercial Code (HGB) for 2014 also takes into account the settlements with the US authorities.

Commerzbank has been cooperating with U.S. and New York authorities for a number of years, making available extensive documentation as well as the results of various internal investigations that the Bank commissioned. The Bank has also tolled the statute of limitations during these lengthy investigations.

Over the past several years, the Bank has improved its compliance function and has implemented remedial steps to address the conduct underlying these enforcement actions. Since 2013, the Bank has also made changes in senior compliance personnel and plans to more than double US-based compliance staff by 2016. Efforts are underway to continue the introduction of more comprehensive global compliance policies around the world.

Martin Blessing, CEO at Commerzbank AG, said: “We take these violations very seriously and deeply regret the actions that led to today’s announcements. Today’s settlement concludes a long and arduous process for all involved. Our focus now is on addressing the underlying issues and maintaining the trust of all of our stakeholders – our clients, our shareholders, our regulators and our employees. We have made, and will continue to make, changes to our systems, training and personnel to address the deficiencies identified by U.S. and New York authorities. The U.S. dollar business remains a central component of our product suite to companies and financial institutions worldwide. As an international bank, we have a keen interest in maintaining the highest industry standards everywhere we do business.”

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#### **About Commerzbank**

Commerzbank is a leading international commercial bank with branches and offices in more than 50 countries. The core markets of Commerzbank are Germany and Poland. With the business areas Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe, its private customers and corporate clients, as well as institutional investors, profit from a comprehensive portfolio of banking and capital market services. Commerzbank finances more than 30 per cent of Germany’s foreign trade and is the unchallenged leader in financing for SMEs. With its subsidiaries comdirect and Poland’s mBank it owns two of the world’s most innovative online banks. With approximately 1,100 branches and approximately 90 advisory centres for business customers Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank boasts approximately 15 million private customers, as well as 1 million business and corporate clients. The Bank, which was founded in 1870, is represented at all the world’s major stock exchanges. In 2014, it generated gross revenues of almost EUR 9 billion with an average of approximately 52,000 employees.

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## **Disclaimer**

This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts. In this release, these statements concern inter alia the expected future business of Commerzbank, efficiency gains and expected synergies, expected growth prospects and other opportunities for an increase in value of Commerzbank as well as expected future financial results, restructuring costs and other financial developments and information. These forward-looking statements are based on the management's current plans, expectations, estimates and projections. They are subject to a number of assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from any future results and developments expressed or implied by such forward-looking statements. Such factors include the conditions in the financial markets in Germany, in Europe, in the USA and other regions from which Commerzbank derives a substantial portion of its revenues and in which Commerzbank holds a substantial portion of its assets, the development of asset prices and market volatility, especially due to the ongoing European debt crisis, potential defaults of borrowers or trading counterparties, the implementation of its strategic initiatives to improve its business model, particularly to reduce its NCA portfolio, the reliability of its risk management policies, procedures and methods, risks arising as a result of regulatory change and other risks. Forward-looking statements therefore speak only as of the date they are made. Commerzbank has no obligation to update or release any revisions to the forward-looking statements contained in this release to reflect events or circumstances after the date of this release.