



Corporate Governance Roadshow 2021



- 1. Corporate Governance**
- 2. Sustainability**
- 3. Appendix**



Agenda



Corporate Governance at Commerzbank

A solid governance structure as basis for economic
success

Collaboration between the Supervisory Board and the Board of Managing Directors in the German “Two-tier Board System”



Supervisory Board

- › The Supervisory Board appoints the Board of Managing Directors and ensures the effective composition of the Managing Directors team.
- › The Supervisory Board supervises and advises the Board of Managing Directors and has discussions about the strategy.
- › The Supervisory Board supervises the Board of Managing Directors in particular with regard to compliance with the applicable banking supervisory regulations and devotes sufficient time to the strategies and risks.
- › The Supervisory Board is responsible for the remuneration system of the Board of Managing Directors.



Board of Managing Directors

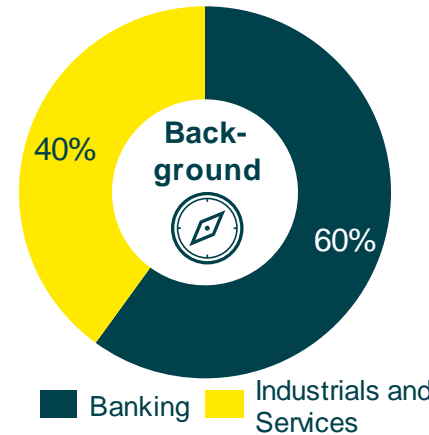
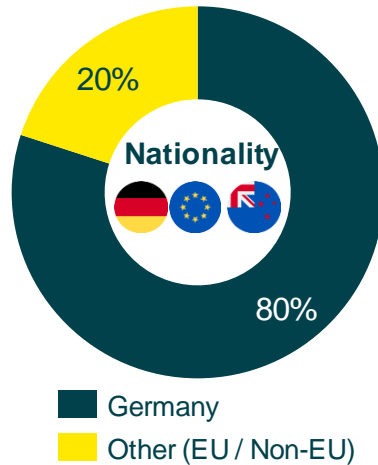
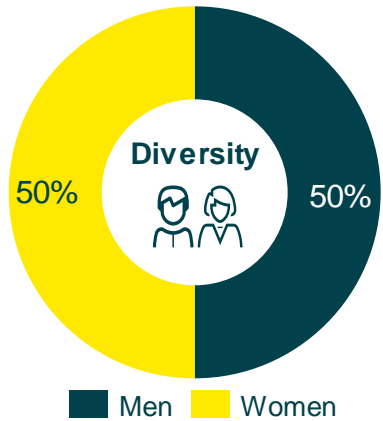
- › The Board of Managing Directors is responsible for independently managing the enterprise.
- › It is obliged to act in the bank’s best interest and undertakes to increase the enterprise value of the bank sustainably.
- › The Board of Managing Directors is responsible for the development and execution of the bank’s strategy.
- › The Board of Managing Directors is responsible for the operating business and takes all related decisions.

General information on the composition of the Supervisory Board



➤ The **Supervisory Board of Commerzbank** consists of a total of **20 members** of which **ten members** are elected by the bank's **employees** in accordance with the German law on co-determination – the remaining **ten representatives** are elected by **Commerzbank's shareholders**.

Composition of the Supervisory Board¹⁾



Average age of members of the Supervisory Board:

59 years



Average period of being a board member:

2 years

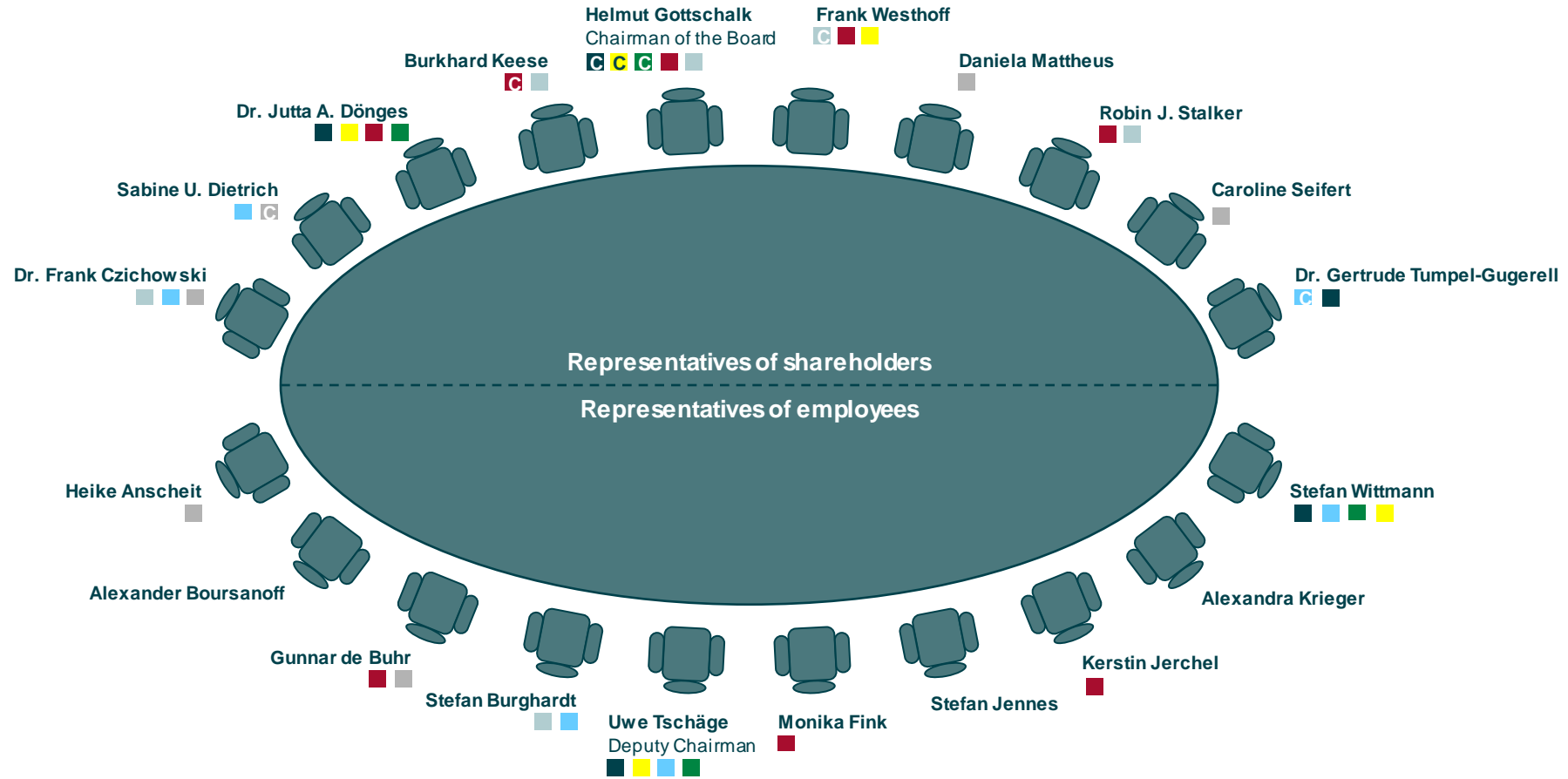
Independence of the Supervisory Board



According to the **German Corporate Governance Code**, all representatives elected by the bank's shareholders have **no personal or business relationship with the bank**, its corporate bodies, a controlling shareholder or a company affiliated with the controlling shareholder that could lead to a significant, not temporary conflict of interest.

1) Overview only includes shareholder representatives

Composition of the Supervisory Board and its committees



■ Presiding and Nomination Committee
 ■ Compensation Control Committee
 ■ Audit Committee
 ■ Risk Committee
 ■ Social Welfare Committee
 ■ Mediation Committee
 ■ Committee for Digitalisation and Technology
C indicates the Chairperson of the respective Committee



Sustainability

Insights from Commerzbank's Sustainability Strategy

Management view and core beliefs



With the new strategy sustainability is where it belongs: at CEO level



”Sustainability is a central building block of a strong and, above all, future-proof Commerzbank. [...] Commerzbank already has many examples that show the importance of the topic for our Bank.” (Dr. Manfred Knof at Capital Markets Day, February 2021)

Sustainability as a business opportunity

- Every client is affected by transformation – we offer innovative products and services to support our clients in the best way
- Customers expect sustainable banking – only if we offer credible products and solutions we will sustain
- Digitization and sustainability go hand in hand – we want to use those synergies

Sustainability has to be approached holistically

- We understand sustainability across all dimensions
- Sustainability affects all segments of our bank – operations, product offering, risk management

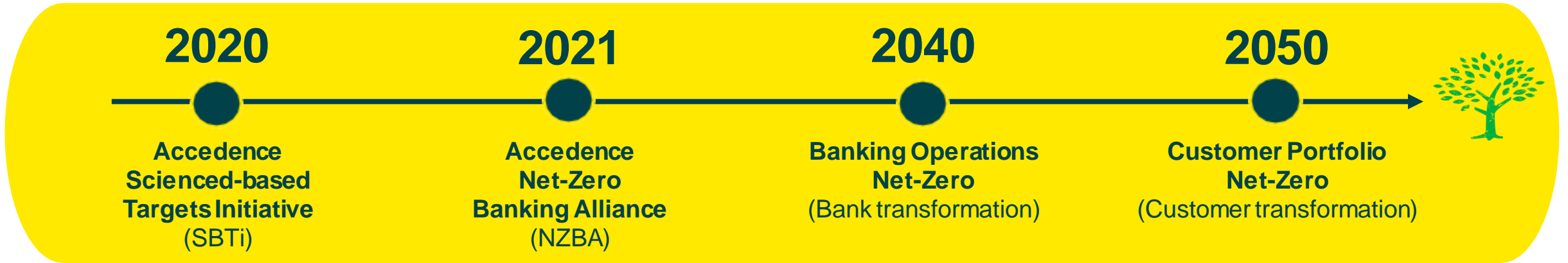
Sustainability needs to be managed consequently

- Climate and ESG related risks are potential risks for our clients and for us – we identify, monitor and manage these risks consequently
- Customer relationships which are not sharing our core beliefs will be carefully looked at

Status Quo

- Since Dr. Manfred Knof took over as CEO in 2021, sustainability is **directly within his responsibilities**, establishment of **Group Sustainability Management**
- **Sustainability** is besides **customer-centricity**, **digitization** and **profitability** an integral cornerstone of our new strategy program for 2024
- Commerzbank recognizes sustainability not only as a trend but also as a **duty for our customers, society and future generations**
- There are **sustainable finance experts** serving on the supervisory board to ensure a holistic anchoring of the topic within management body

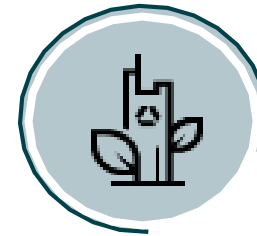
Implementation and goals of the sustainability strategy



- Joined in **September 2020**
- SBTi is committed to reducing greenhouse gases base on **scientifically** calculated targets
- Used to calculate and reduce **CO2 emissions** associated with its **credit portfolio**



- Joined in **April 2021**
- One of the first **Net Zero-Banks** in Germany
- **Sustainability framework:** implementation of sustainable KPI's, internal and external transformation goals and ESG control matrix to monitor transformation



- Commerzbank aims to reduce CO2 emissions to zero by **2040** for its own **banking operations**



- For its entire **lending and investment portfolio** the bank aims to reduce the CO2 balance sheet to net zero by **2050** at the latest

“It is our aim to actively shape environmental change. We empower our clients in their sustainable transformation and accelerate the bank transformation at the same time!”

Increase in sustainable business volume



100 billion euros
sustainable business volume

2020

2025

Sustainable volume
Q3 2021: ~ €170bn



300 billion euros

sustainable business volume



Doubling of **renewable energy portfolio** to above **10 €bn**



Support the **emission of debt capital instruments** of nearly **200 €bn**



Tenfold increase of **green mortgage** to over **12 €bn**



Complete **private wealth management** will become „green“

Diversity at Commerzbank



“We believe that having a diverse and inclusive organization is integral to the success of Commerzbank”



Employee Demographics

- The average age in Commerzbank is 45.6 years*
- In 2020 average number of hours for training per employee per year was 18.18 hours
- Part-time working model (30%) of which 87% women, 13% men



International Employees

- **1,269 non-German** employees from **84 nations**
- Employees from **119 nations** work in Commerzbank Group
- The largest foreign locations are Warschau (mBank), London, Prague, Singapore, New York, Lodz, Sofia



Disabilities

- With **1,742 jobs** filled by severely disabled employees
- **5.65%** of all jobs at Commerzbank AG (exceeded requirement of 5% for the sixth year in a row)



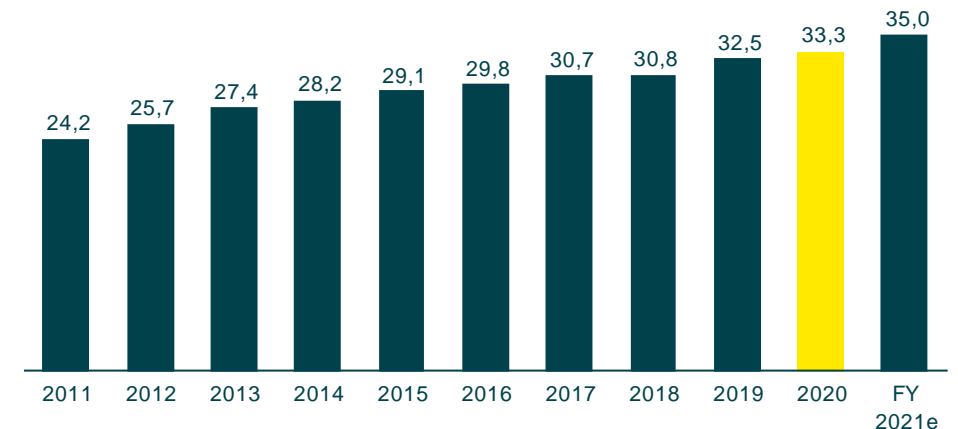
Women in management positions

- The **target** is to staff **35%** of all management positions with women until end of **2021** and **40%** until **2030**
- The female share on the **bank's supervisory board** is **45%**
- **Two** women on the seven-member **executive board**



Women and Equality

Development of **women** in management positions in (%)





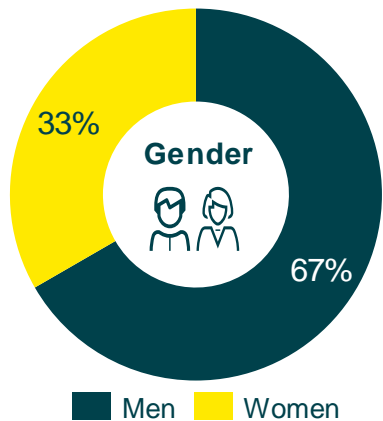
Appendix

General information on the composition of the Board of Managing Directors



The Board of Managing Directors consists of a total of seven members, including one Chair and one Deputy Chair.

Composition of the Board of Managing Directors



Average age of members of the Board of Managing Directors:

53 years



Average period of being a board member:

2 years

Female quota on the Board of Managing Directors



Commerzbank's target quota:

at least **1 woman**








Commerzbank's actual quota:

2 women

Composition of the Board of Managing Directors



<p>Dr. Manfred Knof CEO 01.01.2021</p> 	<p>Dr. Bettina Orlopp¹⁾ CFO 01.11.2017</p> 	<p>Dr. Marcus Chromik CRO 01.01.2016</p> 	<p>Sabine Schmittroth CHRO 01.01.2020</p> 	<p>Dr. Jörg Oliveri del Castillo-Schulz COO 01.10.2021</p> 
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Responsibilities

- Strategy, Transformation & Sustainability
- Audit
- Communications
- Legal
- Research

- Finance
- Tax
- Investor Relations
- Treasury

- Credit Risk Management
- Risk Control
- Big Data & Advanced Analytics
- Credit
- Cyber Risk & Information Sec.
- Compliance

- Human Resources

- Digital Transformation
- Technology Foundations
- Banking & Markets Operations
- Operations Credit
- Organisation & Security
- Delivery Center
- Business Platform
- client.data
- CC Platforms

Previous Commerzbank positions

- › Dr. Manfred Knof was directly appointed as Board Member when he joined the Executive Board

- › General Representative responsible for Compliance, Human Resources and Legal
- › Divisional Board Member Development & Strategy

- › Divisional Board Member Chief Credit Risk Officer
- › Divisional Board Member Chief Market Risk Officer

- › Divisional Board Member Private Customers
- › Executive Sales Management for Private Customers
- › Sales Management Branch Banking

- › Dr. Jörg Oliveri del Castillo-Schulz was directly appointed as Board Member when he joined the Executive Board²⁾

Former employers

- › Allianz SE
- › Deutsche Bank AG
- › Dresdner Bank AG

- › McKinsey & Company

- › Deutsche Postbank AG
- › McKinsey & Company
- › Munich University

- › Commerz Direktservice GmbH
- › Dresdner Bank AG

- › IKB Deutsche Industriebank AG
- › Deutsche Bank AG

1) Deputy Chairwoman
2) subject to final approval by the supervisory authorities and ECB accreditation is still pending

Composition of the Board of Managing Directors



Michael Kotzbauer
Board Member CC
01.01.2021



Thomas Schaufler
Board Member PSBC
01.12.2021



Responsibilities

- CC Development & Digitalisation
- Non-Financial Risk
- Mittelstandsbank
- International Corporates
- Institutionals
- Transaction Banking
- Capital Markets & Advisory
- Lending

- Small Business Customers
- Marketing & Digital Banking
- Wealth Management
- Private Customers
- comdirect bank
- mBank
- Commerz Real

Previous Commerzbank positions

- › Divisional Board Member Large Corporates South/East
- › Regional Board Member Asia
- › Divisional Board Member Mittelstandsbank

- › Thomas Schaufler was directly appointed as Board Member when he joined the Executive Board¹⁾

Former employers

- › Michael Kotzbauer started his career 1990 at Commerzbank

- › Erste Group Bank AG

1) subject to final approval by the supervisory authorities and ECB accreditation is still pending

Remuneration system of the Supervisory Board



Basic remuneration		+	Additional remuneration	
Basic remuneration (in €)			Additional remuneration (in €)	
Chairman of the Board	240,000		Chairman Audit/ Risk Committee	60,000
Deputy Chairman of the Board	160,000		Member Audit/ Risk Committee	30,000
Member of the Board	80,000		Chairman of all other Committees	40,000
			Members of all other Committees	20,000

- > The **additional remuneration for committee appointments** is **not linked or dependent on the long- or short-term performance** of Commerzbank.
- > **Additional remuneration is paid for a maximum of three committee appointments**, taking the figures for the three highest paid positions. In addition, **each member receives an attendance fee of €1,500** for each meeting or conference call of the Supervisory Board or one of its committees. The **attendance rate was ~99%** in 2020.
- > The **aggregate amount of loans granted to the members of the Supervisory Board** was **€1,719 thousand** by year-end 2020 (year-end 2019: €1,468 thousand). **Commerzbank Group companies did not enter any contingent liabilities in favor of members of the Supervisory Board.**

New established: Group Sustainability Board

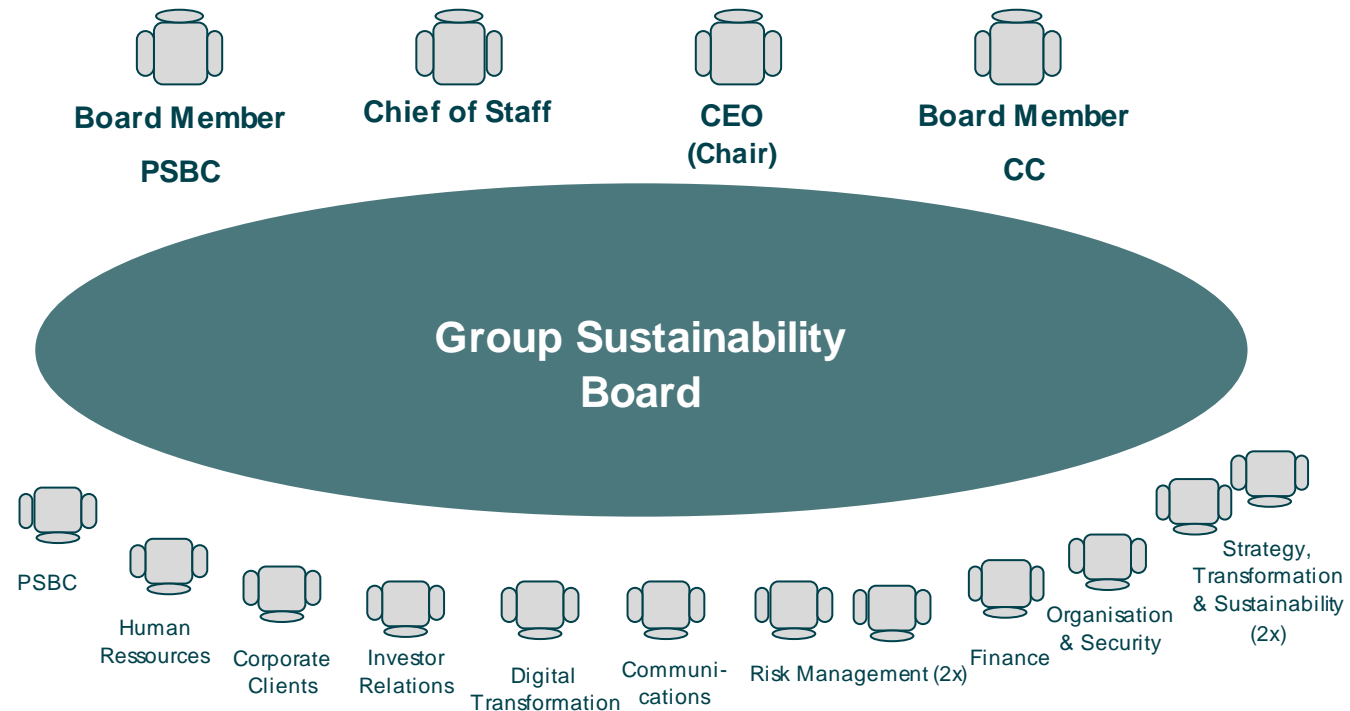


"Sustainability is not only playing an increasingly important role in the everyday lives of our customers – we as a bank are also convinced that sustainability is a central issue of our time and our future actions."

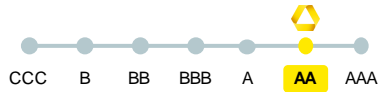
The Boards tasks:

- We commit ourselves to the Paris Agreement
- With the Group Sustainability Board, we anchor the entire topic of sustainability in our organization and want to develop a common understanding for it
- Defining the Bank's strategic SDGs and monitor the measures taken to implement and manage them
- Develop an ambitious sustainability strategy inline with our business strategy alongside attractive KPIs to measure our success

The Boards composition:



ESG ratings of Commerzbank



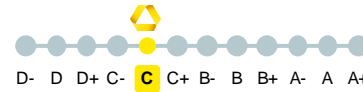
ESG Rating

- Double A rated in the upper part of the MSCI ESG rating scale
- Above-average positions in terms of private & data security, financial product safety, human capital and financing environmental impact



ESG Risk Rating

- Commerzbank is at medium risk of experiencing material financial impacts from ESG factors (score of 24.1 / 100 with 0 being the best)
- Very well positioned above industry average on the 1st quantile



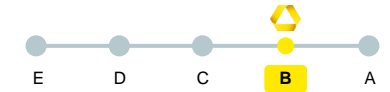
ESG Corporate Rating

- Rated in the ISS ESG Prime Segment – top 10% of industry group
- Excellent ratings especially in the categories environmental management, corporate governance and business ethics



ESG QualityScores

- Commerzbank assigned with low ESG risks by ISS ESG QualityScores
- Social QualityScore 1, Environmental Score 2, Governance QualityScore 3



Climate Change Rating

- Commerzbank's rating is above-average of the financial sector (C)
- Positioned as "Sector Leader Financials" in DACH region (ranked top 15% of financials in Germany, Austria and Switzerland)

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