

Corporate governance report and declaration on corporate governance

Commerzbank has always attached great importance to corporate governance, in the sense of responsible and transparent management and control aimed at sustainable value creation. That is why we – the Supervisory Board and the Board of Managing Directors – expressly support the German Corporate Governance Code and the goals and objectives it pursues. Even at the time of publication of the German Corporate Governance Code, Commerzbank's Articles of Association and the rules of procedure for the Board of Managing Directors and Supervisory Board largely complied with its requirements. Wherever this was not yet the case, we have continuously adjusted them to meet the regulations of the German Corporate Governance Code. The Articles of Association and the rules of procedure are available on the Internet.

Commerzbank's corporate governance officer is Günter Hugger, Divisional Board Member Group Legal. He is the point of contact for all corporate governance issues and has the task of advising the Board of Managing Directors and the Supervisory Board on the implementation of the German Corporate Governance Code and reporting on its implementation by the Bank.

In accordance with section 3.10 of the German Corporate Governance Code, we report below on corporate governance as practised at Commerzbank. This report also includes the declaration on corporate governance in accordance with Art. 289a of the German Commercial Code (HGB).

Recommendations of the German Corporate Governance Code

The Bank declares every year whether the recommendations of the Commission regarding conduct have been and are being complied with, and explains which recommendations are not being implemented and the reasons why. This declaration of compliance by the Board of Managing Directors and the Supervisory Board is published on the Commerzbank website (www.commerzbank.de). There is also an archive of all the declarations of compliance made since 2002. The current declaration was made on November 4, 2010.

Commerzbank complies with virtually all of the recommendations of the German Corporate Governance Code; it deviates from them in only a few points:

- Section 4.2.1 of the Code recommends that rules of procedure should regulate the activities of the Board of Managing Directors, including the allocation of responsibilities to its members. The Board of Managing Directors has adopted rules of procedure with the approval of the Supervisory Board. However, the Board of Managing Directors determines the allocation of duties among the individual Board members itself, outside of the rules of

procedure. This provides it with the requisite flexibility if changes are needed, thus ensuring an efficient division of responsibilities. The Supervisory Board is informed of all changes, and is thus included in the process. The rules of procedure for the Board of Managing Directors and the specific responsibilities of the various members of the Board of Managing Directors are published on the Commerzbank website.

- The Code recommends that when concluding contracts to appoint members of the Board of Managing Directors, these should include severance pay caps in the event of premature termination of the contract of a member of the Board of Managing Directors without serious cause (section 4.2.3 (4)), as well as in the event of premature termination of the contract of a member of the Board of Managing Directors due to a change of control (section 4.2.3 (5)). The contracts of employment of members of the Board of Managing Directors provide for a severance pay cap pursuant to section 4.2.3 (4). The employment contracts of some members of the Board of Managing Directors still contain change of control clauses without a severance pay cap pursuant to section 4.2.3 (5). Insofar as change of control clauses are included in the employment contracts of members of the Board of Managing Directors, these become invalid at the end of the current term of office of the member concerned.
- According to section 5.3.2 of the Code, the Audit Committee should deal not only with accounting issues and the audit of the annual financial statements, but also with issues related to risk management. Since risk management is particularly important for banks, the Supervisory Board decided a number of years ago to exceed the requirements of the Code by forming an independent Risk Committee, which focuses on management of the Bank's credit, market and operational risks. Since the chairman of the Audit Committee is also a member of the Risk Committee, the Audit Committee receives ample information on issues relating to risk management.

Within the scope of their respective responsibilities, the Board of Managing Directors and Supervisory Board of Commerzbank will ensure that greater attention is paid to diversity, and particularly to efforts to achieve an appropriate degree of female representation, in the composition of the Board of Managing Directors, appointments to managerial positions at the Bank and with respect to proposals for the election of members of the Supervisory Board (sections 4.1.5, 5.1.2 and 5.4.1 of the Code), as well as the composition of other committees.

The Board of Managing Directors initiated the "Women in management positions" project. The aim is to ensure a strong management team for Commerzbank and harness all the talent available. In-depth analyses produced a detailed picture of the initial situation. Specific measures were then developed and implemented on an ongoing basis with the aim of increasing the proportion of women in management positions. The Board of Managing Directors is informed every six months of progress made in implementing these measures and changes in the number of women in management positions. The long-term, compulsory implementation of the measures is being supported by including them in the individual target agreements of senior managers. In the long run, the "Women in management positions" project should eventually contribute to increasing the proportion of women appointed to the Board of Managing Directors of Commerzbank.

In addition, Commerzbank is helping staff combine family life with a career by providing company-sponsored childcare and the "Comeback Plus" programme to help people return to work after parental leave. Commerzbank offers a comprehensive range of assistance with childcare, consisting of an advisory service, childcare places and childcare allowances. The

“Kids & Co.” day care centre in Frankfurt has been open since June 1, 2005. “Kids & Co.” has a crèche (for children aged 9 weeks to 3 years) and a kindergarten (age 3 to school entry). Since 2010, staff have also been able to use crèches at 20 different childcare facilities throughout Germany. Commerzbank Aktiengesellschaft makes a significant financial commitment to supporting these arrangements. Emergency childcare available at various sites throughout the country is also part of the service offered.

Section 5.4.1 (2) of the Code recommends that the Supervisory Board should set concrete objectives regarding its composition which, whilst taking into consideration the specific situation at the company, take into account the international activities of the company, potential conflicts of interest, an specified age limit for members of the Supervisory Board and diversity. These concrete objectives should, in particular, stipulate an appropriate degree of female representation. The Supervisory Board of Commerzbank has approved the following concrete objectives:

- Increasing the proportion of women on the Supervisory Board through appropriate proposals of candidates at the 2013 Annual General Meeting.
- Retaining at least one international representative.
- Appointing members with expertise and knowledge of the Bank.
- Appointing members with particular knowledge and experience of the application of accounting principles and internal control procedures.
- Ensuring the independence of the members of the Supervisory Board and avoidance of conflicts of interest.
- Complying with the age limit of 72 years.

The Supervisory Board of Commerzbank consists of 20 members, including one international representative and five women at present. Ms Sonja Kasischke is to resign from the Supervisory Board at the Annual General Meeting in 2011. The reserve member, Ms Beate Hoffmann, is to take up a position on the Supervisory Board at the Annual General Meeting in 2011, so the proportion of women on the Supervisory Board will remain the same after this change. The members of the Supervisory Board will be newly appointed at the Annual General Meeting in 2013. The Supervisory Board will suggest nominations complying with the above-mentioned objectives to the Annual General Meeting in 2013. The Supervisory Board’s nominations for the election of Supervisory Board members will always be geared towards the good of the Bank.

Suggestions of the German Corporate Governance Code

Commerzbank also largely complies with the suggestions of the German Corporate Governance Code, deviating from them in only a few points:

- In derogation of section 2.3.3, the proxy can only be reached up to the day prior to the Annual General Meeting. However, shareholders present or represented at the Annual General Meeting are able to give their proxy instructions at the meeting itself as well.

- In section 2.3.4, it is suggested that the Annual General Meeting be broadcast in its entirety on the Internet. Commerzbank broadcasts the speeches of the Chairman of the Supervisory Board and the Chairman of the Board of Managing Directors, but not the general debate. For one thing, a complete broadcast seems inappropriate given the length of annual general meetings; for another, a speaker's personal rights have to be considered.
- Section 3.6 of the German Corporate Governance Code suggests that separate preparatory meetings should be held regularly with shareholders and employees. Commerzbank arranges such preparatory meetings where the need arises.
- Finally, it is suggested in section 5.4.6 of the Code that the variable remuneration of Supervisory Board members should also be related to the long-term performance of the enterprise. At Commerzbank, the variable remuneration of Supervisory Board members is related to the dividend. We consider this to be a transparent and readily understandable system.

Commerzbank supports, as suggested in section 5.4.1 of the Code, the training and professional development of the members of the Supervisory Board. In addition to the professional development opportunities available internally, Supervisory Board members may also participate in external training and development. Commerzbank reimburses any reasonable costs involved.

Board of Managing Directors

The Commerzbank Board of Managing Directors is responsible for independently managing the Bank in the Bank's best interest. In so doing, it must take into account the interests of shareholders, customers, employees and other stakeholders, with the objective of sustainable value creation. It develops the company's strategy, agrees it with the Supervisory Board and ensures its implementation. In addition, it sees that efficient risk management and risk control measures are in place. The Board of Managing Directors conducts Commerzbank's business activities in accordance with the law, the Articles of Association, its rules of procedure, internal guidelines and the relevant employment contracts. It cooperates on a basis of trust with Commerzbank's other corporate bodies and with employee representatives.

The composition of the Board of Managing Directors and the responsibilities of its individual members are presented on pages 26 to 27 of this annual report. The work of the Board of Managing Directors is specified in greater detail in its rules of procedure, which may be viewed on Commerzbank's website at www.commerzbank.de.

Pursuant to Art. 9 (2) of the rules of procedure of the Board of Managing Directors, each member of the Board of Managing Directors must disclose any conflicts of interest pursuant to section 4.3.4 of the German Corporate Governance Code. No member of the Board of Managing Directors disclosed a conflict of interest in the year under review.

Extensive details of the remuneration paid to the members of the Board of Managing Directors are given in the Remuneration Report on pages 51 to 59.

Supervisory Board

The Supervisory Board advises and supervises the Board of Managing Directors in its management of the Bank. It appoints and dismisses members of the Board of Managing Directors and, together with the Board of Managing Directors, ensures that there is long-term succession planning. The Supervisory Board conducts its business activities in accordance with legal requirements, the Articles of Association and its rules of procedure; it cooperates closely and on a basis of trust with the Board of Managing Directors.

The composition of the Supervisory Board and its committees is presented on pages 34 to 37 of this annual report. Information on the work of this body, its structure and its control function is provided by the report of the Supervisory Board on pages 28 to 33. Further details of how the Supervisory Board and its committees conduct their work are set out in the rules of procedure of the Supervisory Board, which may be viewed on Commerzbank's website at www.commerzbank.de.

The Supervisory Board had previously examined the efficiency of its activities every two years by means of a detailed questionnaire. Since a comprehensive survey was conducted on this basis at the end of 2007 and a number of members of the Supervisory Board were only elected in May 2008, a shorter examination was carried out in 2008. For 2009, an external consulting company was mandated for the first time to conduct an efficiency audit of the Supervisory Board's activities. The findings of the audit showed that the work of the Supervisory Board at Commerzbank is professional, and the division of labour between the full Supervisory Board and its committees is appropriate and efficient. Suggestions from members of the Supervisory Board are brought into plenary discussions, and those that receive majority approval are taken into account for future activities. No efficiency audit was carried out in 2010.

Pursuant to Art. 3 (6) of the rules of procedure of the Supervisory Board, each member of the Supervisory Board must disclose any conflicts of interest pursuant to section 5.5 of the German Corporate Governance Code. No member of the Supervisory Board disclosed a conflict of interest in the year under review.

Details of the remuneration paid to the members of the Supervisory Board are given in the Remuneration Report on pages 59 to 61.

Accounting

Accounting at the Commerzbank Group gives a true and fair view of the net assets, financial position and earnings performance of the Group. It applies International Financial Reporting Standards (IFRS), while the parent company financial statements of Commerzbank Aktiengesellschaft are prepared under the rules of the German Commercial Code (HGB). The consolidated financial statements and the financial statements of the parent bank are prepared by the Board of Managing Directors and approved by the Supervisory Board. The audit is performed by the auditors elected by the Annual General Meeting.

The annual financial statements also include a detailed risk report, providing information on the Bank's responsible handling of the various types of risk. This appears on pages 163 to 198 of this annual report.

Shareholders and third parties receive additional information on the course of business during the financial year in the form of the semi-annual report as well as in two quarterly reports. These interim reports are also prepared in accordance with applicable international accounting standards.

Shareholder relations, transparency and communication

The Annual General Meeting of shareholders takes place once a year. It decides upon the appropriation of distributable profit (as reported) and approves the actions of the Board of Managing Directors and the Supervisory Board, the appointment of the auditors and any amendments to the Articles of Association. If necessary, it authorizes the Board of Managing Directors to undertake capital-raising measures and approves the signing of profit-and-loss transfer agreements. Each share entitles the holder to one vote.

In the year under review, and in accordance with the suggestion contained in section 2.2.1 (2) p. 2 of the Code, the Board of Managing Directors, as is permitted under Art. 120 (4) of the German Stock Corporation Act, gave the Annual General Meeting the opportunity to vote on the approval of the remuneration system for members of the Board of Managing Directors. The Annual General Meeting approved the remuneration system for members of the Board of Managing Directors.

The Bank's shareholders may submit recommendations or other statements by letter or e-mail, or may present them in person. The Bank's head-office quality management unit is responsible for dealing with written communication. At the Annual General Meeting, the Board of Managing Directors or the Supervisory Board comment or reply directly. At the same time, shareholders may influence the course of the Annual General Meeting by means of counter-motions or supplementary motions to the agenda. Shareholders may also apply for an Extraordinary General Meeting to be convened. The reports and documents required by law for the Annual General Meeting, including the annual report may be downloaded from the Internet, and the same applies to the agenda for the Annual General Meeting and any counter- or supplementary motions.

Commerzbank informs the public – and consequently shareholders as well – about the Bank's financial position and earnings performance four times a year. Further corporate news items that may affect the share price are published in the form of ad hoc releases. This ensures that all shareholders are treated equally. The Board of Managing Directors reports on the annual financial statements and the quarterly results in press conferences and analysts' meetings. Commerzbank increasingly uses the possibilities offered by the Internet for reporting purposes, offering a wealth of additional information about the Commerzbank Group at www.commerzbank.com. The financial calendar for the current and the forthcoming year is also published in the annual report and on the Internet. This contains the dates of all significant financial communications and the date of the Annual General Meeting.

We are committed to communicating in an open and transparent manner with our shareholders and all other stakeholders, and we intend to maintain this commitment in future.

Remuneration Report

The following Remuneration Report is also part of the Group Management Report.

The report follows the recommendations of the German Corporate Governance Code and complies with the requirements of IFRS.

Board of Managing Directors

Principles of the remuneration system

The Supervisory Board approved a new remuneration system for the Board of Managing Directors which was introduced retroactively to January 1, 2010, in accordance with Art. 120 (4) of the German Stock Corporation Act (AktG), following approval by the 2010 Annual General Meeting.

The core components of the new remuneration system include a fixed basic annual salary as well as a Short Term Incentive (STI) and a Long Term Incentive (LTI) as variable remuneration components. In line with regulatory requirements, the short-term variable component (STI) was significantly reduced compared with the existing salary model for the Board of Managing Directors. Meanwhile, the fixed salary component and, in particular, the long-term variable component were increased. The long-term component (LTI) is only paid after four years and is reduced in the event of negative performance during this period (penalty or “malus”).

The pension arrangements for the members of the Board of Managing Directors, which comprise another remuneration component, remained unchanged in the new remuneration system.

SoFFin made the granting of stabilization measures conditional upon the remuneration of the members of the Bank's boards not exceeding €500,000 per annum per member for the financial years January 1, 2008 to December 31, 2008 and January 1, 2009 to December 31, 2009 in respect of the duties they carried out for the Group (SoFFin cap). The Supervisory Board decided that this cap will continue to apply in 2010 to the total monetary remuneration of the individual members of the Board of Managing Directors, i.e. their fixed basic annual salaries, short-term incentives and long-term incentives, if the fixed interest payment on the profit participation rights attaching to SoFFin's silent participations is not paid in full in 2010. Pension entitlements are not subject to this cap, nor are non-monetary elements, provided they are of the same type and not greater than they were prior to November 1, 2008, and that the total remuneration is not inappropriate.

Fixed remuneration components

The fixed remuneration components include the basic annual salary and non-monetary elements.

The fixed basic annual salary, which is paid in twelve equal monthly amounts, is €750,000. The appropriateness of the fixed basic annual salary is checked at regular two-year intervals. Since the fixed interest payment on the profit participation rights attaching to SoFFin's silent participations was not paid in 2010, the basic annual salary for the year 2010 was limited to €500,000.

The non-monetary elements mainly consist of the use of a company car with driver, security measures and insurance contributions, as well as tax and social security contributions thereon.

Performance-related remuneration

The new remuneration system includes performance-related variable remuneration components in the form of a Short Term Incentive (STI) and a Long Term Incentive (LTI).

Since the total monetary remuneration of members of the Board of Managing Directors for 2010 has been capped at €500,000 per year, the performance-related variable remuneration components for 2010 will not be paid.

Short Term Incentive (STI)

The STI runs for one year. It consists of two equally weighted components: one linked to economic value added (EVA)¹ (STI EVA component) and one based on the individual performance of the member of the Board of Managing Directors (STI performance component). The overall STI target is €250,000, and the targets for the individual components €125,000 each. The target figures are paid out in each case when 100% of goals have been achieved; goal achievement can range from 0% to 200%. The payment is made at the end of the one-year period and can range from €0 to €250,000 for each of the two components.

STI EVA component

For the STI EVA component, the Supervisory Board sets a target amount for the Group EVA after tax prior to the beginning of the financial year; this amount corresponds to a goal achievement of 100%. The Supervisory Board also determines which EVA amounts correspond to which goal achievements. As a rule, investors' capital is incorporated into the basis for calculating EVA. This component will first be used in 2012.

STI performance component

The individual performance of each member of the Board of Managing Directors is assessed from an overall perspective using criteria determined by the Supervisory Board prior to the beginning of the financial year in question. Until the end of 2011, this qualitative STI performance component is the sole element used as the basis for measurement; until then, its target is €250,000 per annum.

Long Term Incentive (LTI)

The LTI runs for four years. It consists of two equally weighted components: one linked to economic value added (EVA) (LTI EVA component) and the other based on stock performance (LTI equity component). The overall LTI target is €750,000, and the targets for the individual components are €375,000 each. The target figures are paid out in each case when goals have been 100% achieved. The target achievement may range between 0% and 200%; hence payment for each of the two components lies between €0 and €750,000. The LTI EVA component includes a penalty or "malus" clause. A prerequisite for the LTI is that the individual member of the Board of Managing Directors makes a long-term personal investment in Commerzbank shares of €350,000. Up until the personal investment target has been reached, 50% of net payments from the LTI must be invested in Commerzbank shares.

¹ EVA is the consolidated surplus after tax less the bank's capital costs (product of investors' capital excluding minority interests and capital cost rate after tax).

LTI equity component

The payout sum of the LTI equity component is calculated based firstly on the relative total shareholder return (TSR) performance of Commerzbank (compared with the TSR performance of other banks in the EURO STOXX Banks Index) and secondly on the absolute price performance of Commerzbank shares. Prior to the commencement of the LTI term, the Supervisory Board specifies the number of Commerzbank shares for which the market value is paid out upon 100% goal achievement following the end of the four-year LTI term. The Board also defines which TSR-related ranking of Commerzbank (compared with the other relevant banks) corresponds to which goal achievements. The relative TSR performance thus determines the number of virtually assigned shares; the absolute price performance of Commerzbank shares during the LTI term determines their value, which is paid out in cash after four years.

LTI EVA component

The target figures of the EVA-based LTI component are set by the Supervisory Board in advance for the entire LTI term and may differ for the individual years of the term. The Supervisory Board also defines in advance which EVA amounts correspond to which goal achievements. The goal achievement is set each year during the four-year LTI term; the goal achievement for the individual years can generally lie between -100% and +200%; the goal achievement until the end of 2011 can fluctuate between 0% and 200%. The Supervisory Board calculates the average goal achievement and resulting payment following the end of the four-year LTI term. Due to the potentially negative goal achievement in the individual years of the LTI term, the model includes a penalty element.

The achievement of goals is measured on a straight-line basis in the STI and LTI. In the event of exceptional developments at the bank that may have a considerable impact on the achievability of STI or LTI target figures, the Supervisory Board can neutralize any positive or negative impact by adjusting the targets.

Long-term performance plans

Members of the Board of Managing Directors and other executives and selected staff of the Group used to be able to participate in long-term performance plans (LTPs). These are virtual stock option plans that until 2008 were offered each year and pay out in the event that the Commerzbank share price outperforms the EURO STOXX Banks Index over three, four or five years and/or the Commerzbank share price gains at least 25% in absolute terms. If these thresholds are not reached after five years, the option lapses. If payments are made, members of the Board of Managing Directors must each invest 50% of the gross amount paid out in Commerzbank shares. Participation in the LTPs thus involves a personal investment in Commerzbank shares. Members of the Board of Managing Directors were able to participate by acquiring up to 2,500 shares, and the Chairman of the Board of Managing Directors up to 5,000 shares.

The members of the Board of Managing Directors now participate only in the ongoing LTPs for 2006 and 2007. The potential remuneration stemming from participation in the LTPs may differ considerably from the fair values stated in the notes or could even be zero as the final payout amounts are not fixed until the end of the term of each LTP. Potential remuneration from the 2006 and 2007 LTPs are not offset against the SoFFin cap, as the LTPs are paid out for performance in the year in which they were issued.

No LTP payments were made in the year under review.

Remuneration of the Chairman of the Board of Managing Directors

Under the new remuneration system, the fixed basic annual salary and the target figures for the variable remuneration components for the Chairman of the Board of Managing Directors are set at 1.75 times the amounts specified for members of the Board. At the request of the Chairman of the Board of Managing Directors, this rule is not being applied until the end of his current term of office on October 31, 2011.

Remuneration for serving on the boards of consolidated companies

The remuneration accruing to an individual member of the Board of Managing Directors from serving on the boards of consolidated companies counts towards the total remuneration paid to that member of the Board of Managing Directors. This offsetting takes place on the designated payment date following the Annual General Meeting that approves the financial statements for the financial year in which the member of the Board of Managing Directors received the Group payments.

Remuneration for serving on the boards of consolidated companies paid in any given financial year will count in full against the SoFFin cap of the previous year. For this reason, this remuneration is allocated to the previous year in the table under "Summary". If the remuneration for serving on the boards of consolidated companies results in a member of the Board of Managing Directors receiving total monetary remuneration in excess of €500,000, it is transferred to Commerzbank.

Pensions

The rules governing pensions for the members of the Board of Managing Directors have remained unchanged by the new remuneration system and in 2010 will continue to pertain to the basic salary for the 2009 financial year.

According to these rules, the Bank provides members and former members of the Board of Managing Directors or their surviving dependants with a pension. A pension is paid if, upon leaving the Bank, members of the Board of Managing Directors

- have celebrated their 62nd birthday
- are permanently unable to work
- end their employment contract with the Bank after celebrating their 58th birthday having been a member of the Board of Managing Directors for at least 10 years, or
- have been a member of the Board of Managing Directors for at least 15 years.

The pension consists of 30% of €480,000 or €760,000 for the Chairman of the Board of Managing Directors (the basic salary before the introduction of the new remuneration system) after the first term of office, 40% after the second and 60% after the third term of office. The pensions are reduced in line with the statutory provisions on company pensions if members of the Board of Managing Directors leave the Board before their 62nd birthday. Vesting of pension rights is also based on the statutory provisions on company pensions.

Instead of their pension, members of the Board of Managing Directors will continue to receive their pro-rata basic salary for six months as a form of transitional pay if they leave the Board after celebrating their 62nd birthday or they are permanently unable to work. If members of the Board of Managing Directors receive a pension before their 62nd birthday without being unable to work, the pension will be reduced to reflect the fact that the payments are starting earlier. Up to this age, half of any income received from other activities will be set off against the pension entitlements.

Pension payments to members of the Board of Managing Directors are raised by 1% per annum. Under certain circumstances an increase in excess of this level will be considered, but there is no automatic right to any such increase.

The following table lists the pension entitlements of the active members of the Board of Managing Directors in the financial year 2010:

€1,000	Pension entitlements Projected annual pension at pensionable age as at Dec 31, 2010 ¹	Cash value of pension entitlements as at Dec 31, 2010 ¹
Martin Blessing	456	2,630
Frank Annuscheit	288	808
Markus Beumer	288	681
Dr. Achim Kassow	288	1,406
Jochen Klösiges	288	427
Michael Reuther	288	1,418
Dr. Stefan Schmittmann	288	1,010
Ulrich Sieber	288	372
Dr. Eric Strutz	288	1,540
Martin Zielke	288	57
Total		10,349

¹ The amounts take account of the current term of appointment of the individual board members and assume that the pension, except in cases of incapacity to work, will not be drawn until a member's 62nd birthday and that the member will remain on the board until the pension is due.

The pension entitlements of members of the Board of Managing Directors are not subject to the SoFFin cap.

The surviving dependant's pension for a spouse amounts to 66⅔% of the pension entitlement of the member of the Board of Managing Directors. If no widow's pension is paid, minors or children still in full-time education are entitled to an orphan's pension amounting to 25% each of the pension entitlement of the member of the Board of Managing Directors, subject to the maximum overall limit of the widow's pension.

The assets backing these pension obligations have been transferred under a contractual trust arrangement to Commerzbank Pension Trust e.V. In the year under review, no assets were transferred to Commerzbank Pension-Trust e.V.

As of December 31, 2010, defined benefit obligations for active members of the Commerzbank Aktiengesellschaft Board of Managing Directors amounted in total to €10.3m (previous year: €7.0m; see table detailing individual entitlements). After deduction of plan assets transferred and after allowing for actuarial gains and losses, the provisions for pension obligations in respect of active members of the Board of Managing Directors amounted to €0.5m on December 31, 2010 (previous year: nil).

Change of control

The new remuneration system for the Board of Managing Directors for 2010 contains no change of control clauses. In cases where the previous contracts of employment of individual members of the Board of Managing Directors still contained change of control clauses, the latter expire at the end of the current term of office of the member concerned.

Where change of control clauses still apply, the member of the Board of Managing Directors is entitled to terminate his or her contract of employment. If the member of the Board of Managing Directors utilizes this right to terminate his or her contract, they are entitled to compensation for the remainder of their term of office equal to 75% of their average total annual pay plus a severance payment equal to their average total annual remuneration for two to four years. The compensation and severance payment taken together may not exceed the average total annual remuneration for five years or the average total annual remuneration for the period up to the board member's 65th birthday. Following his or her term of office, the board member has pension entitlements. The termination of the contract of employment is only effective if the Supervisory Board agrees, except if there is grave cause for termination. Furthermore, there is no entitlement to severance pay if members of the Board of Managing Directors receive payments in connection with a change of control from the majority shareholder, the controlling company or – in the event of a merger or acquisition – the new legal entity.

The contracts of employment of Mr. Klösger, Mr. Reuther, Mr. Sieber and Mr. Zielke contain no change of control clauses; in the case of Mr. Annuscheit and Mr. Beumer, these clauses expired on December 31, 2010 at the end of their most recent term of office. For Dr. Schmittmann, the compensation and severance payment taken together may not exceed either the average total annual remuneration for the last three years or 150% of the total remuneration due for the residual term of office at the date of the termination of the employment contract.

Other regulations

If the appointment to the Board of Managing Directors ends prematurely, the employment contract usually expires six months after the board member's appointment ends (linked clause). In this case, the board member continues to receive the fixed basic annual salary, STIs and LTIs – subject to Art. 615 (2) of the German Civil Code – until the end of the original term of office.

If the contract of employment is not extended upon expiry of the current term of office, without there being good cause in accordance with Art. 626 of the German Civil Code, or if the contract of employment ends as a result of a linked clause as described above, the board member will also continue to receive his or her fixed basic salary for a period of six months after the end of the original term of office (transitional pay). This continuation of salary ceases, in all cases, as soon as the board member starts to receive pension payments.

If the contract of employment is terminated for reasons other than the linked clause described above, the fixed basic annual salary will continue to be paid – on a pro-rata basis where applicable – until the end of the contract of employment. The STIs and LTIs awarded for financial years prior to the termination of the contract of employment remain unaffected. The STI and LTI payments for the final year in office, to be calculated at the end of the term, are reduced on a pro-rata basis.

If the Bank terminates the term in office prematurely or does not extend the appointment at the end of the term in office due to circumstances that fulfil the requirements of Art. 626 of the German Civil Code, there is no longer any entitlement to STIs and LTIs awarded for the financial year in which the term of office was terminated, and no STIs or LTIs will be paid.

Any amounts paid for the time after the effective termination of the term of office may not exceed two years' annual remuneration (cap). Payments relating to STIs and LTIs awarded for the financial year in which the term of office was terminated also count towards the cap on a pro-rata basis.

45 Corporate governance report

51 Remuneration Report

62 Information pursuant to Art. 315 of the German Commercial Code

71 Corporate Responsibility

No members of the Board of Managing Directors received payments or promises of payment from third parties in the past financial year in respect of their work as a member of the Board of Managing Directors; the same applies to payments or promises of payment from companies with which the Commerzbank Group has a significant business relationship.

Summary

Total remuneration of the individual members of the Board of Managing Directors for 2010 is shown below, along with the comparative figures from 2009. Contrary to last year, we also show the post-employment benefit expense of the Bank.

€1,000		Short-term remuneration	Remuneration upon termination of employment	Payout under share-based remuneration plans ⁴	Total remuneration	Post-employment benefit expense ⁵
Martin Blessing	2010	617		–	617	283
	2009	572		–	572	216
Frank Annuscheit	2010	603		–	603	259
	2009	545		–	545	212
Markus Beumer	2010	547		–	547	218
	2009	602		–	602	176
Wolfgang Hartmann	2010 ²	–		–	–	–
	2009 ¹	232		–	232	130
Dr. Achim Kassow	2010	572		–	572	154
	2009	564		–	564	119
Jochen Klösiges	2010	566		–	566	262
	2009 ¹	298		–	298	–
Bernd Knobloch	2010 ²	–	–	–	–	–
	2009 ^{2, 3}	–	1,113	–	1,113	–
Michael Reuther	2010	575		–	575	336
	2009	575		–	575	269
Dr. Stefan Schmittmann	2010	555		–	555	454
	2009	535		–	535	405
Ulrich Sieber	2010	563		–	563	228
	2009 ¹	308		–	308	–
Dr. Eric Strutz	2010	595		–	595	168
	2009	521		–	521	124
Martin Zielke	2010 ¹	82		–	82	–
	2009 ²	–		–	–	–
Total	2010	5,275	–	–	5,275	2,362
	2009	4,752	1,113	–	5,865	1,651

¹ Pro rata temporis from the date of appointment or up to the date of departure from the Board.

² Not members of the Board during the years shown.

³ In 2009 Mr Knobloch received €1,113,000 on the basis of the severance agreement concluded with him.

⁴ No LTP was paid out in the financial year 2010.

⁵ Service cost and the employer's contributions to BVV retirement fund and the state pension; there were no other long-term benefits pursuant to IAS 24.

Total remuneration of the members of the Board of Managing Directors including the post-employment benefit expense of the Bank was €7,637,000 (previous year: €7,516,000).

The following table shows the components of short-term benefits. These comprise basic salary, variable remuneration, remuneration for serving as a director at companies consolidated in the group financial statements of Commerzbank Aktiengesellschaft and other remuneration of individual members of the Board of Managing Directors. The “Other” column includes the usual non-monetary benefits (chiefly use of company cars and insurance plus the tax and social security payments due on these).

No variable remuneration was paid for 2009 or 2010.

€1,000		Basic salary	Variable remuneration ³	Remuneration for serving as a director ⁴	Repaid in accordance with the SoFFin cap ⁴	Total monetary remuneration	Other ⁵	Total short-term benefits
Martin Blessing	2010	500	–	–	–	500	117	617
	2009	500	–	–	–	500	72	572
Frank Annuscheit	2010	500	–	–	–	500	103	603
	2009	480	–	23	–3	500	45	545
Markus Beumer	2010	500	–	–	–	500	47	547
	2009	480	–	12	–	492	110	602
Wolfgang Hartmann	2010 ²	–	–	–	–	–	–	–
	2009 ¹	200	–	–	–	200	32	232
Dr. Achim Kassow	2010	500	–	–	–	500	72	572
	2009	480	–	124	–104	500	64	564
Jochen Klösches	2010	500	–	–	–	500	66	566
	2009 ¹	280	–	–	–	280	18	298
Bernd Knobloch	2010 ²	–	–	–	–	–	–	–
	2009 ²	–	–	–	–	–	–	–
Michael Reuther	2010	500	–	–	–	500	75	575
	2009	480	–	21	–1	500	75	575
Dr. Stefan Schmittmann	2010	500	–	–	–	500	55	555
	2009	480	–	–	–	480	55	535
Ulrich Sieber	2010	500	–	–	–	500	63	563
	2009 ¹	280	–	–	–	280	28	308
Dr. Eric Strutz	2010	500	–	–	–	500	95	595
	2009	480	–	2	–	482	39	521
Martin Zielke	2010 ¹	78	–	–	–	78	4	82
	2009 ²	–	–	–	–	–	–	–
Total	2010	4,578	–	182	–108	4,578	697	5,275
	2009	4,140	–	182	–108	4,214	538	4,752

¹ Pro rata temporis from the date of appointment or up to the date of departure from the Board.

² Not members of the Board during the years shown.

³ Payable in the following year subject to approval of the annual financial statements.

⁴ Remuneration for serving on the boards of Group companies paid in the financial years 2009 and 2010 will be offset in full against the SoFFin cap of the previous year and has therefore been allocated to the previous year in the table.

⁵ The heading “Other” includes non-monetary benefits granted in the year under review and employer’s social security contributions, plus tax due on non-monetary benefits.

Loans to members of the Board of Managing Directors

Members of the Board of Managing Directors have been granted cash advances and loans with terms ranging from on demand to a due date of 2038 and at interest rates ranging between 2.8% and 5.5%, and in selected instances overdrafts at rates up to 10.7%. Loans are secured in line with normal market practice, if necessary through land charges and rights of lien.

As at the reporting date, the aggregate amount of loans granted to members of the Board of Managing Directors was €2,647,000 compared with €2,304,000 in the previous year. With the exception of rental guarantees, the companies of the Commerzbank Group did not have any contingent liabilities relating to members of the Board of Managing Directors in the year under review.

Supervisory Board

Principles of the remuneration system and remuneration for financial year 2010

The remuneration of the Supervisory Board is regulated in Art. 15 of the Articles of Association; the current version was approved by a resolution of the Annual General Meeting on May 16, 2007. This grants members of the Supervisory Board basic remuneration for each financial year, in addition to compensation for out-of-pocket expenses, comprising:

- fixed remuneration of €40,000 per year and
- a variable bonus of €3,000 per year for each €0.05 of dividend in excess of a dividend of €0.10 per share distributed to shareholders for the financial year just ended.

The Chairman receives triple and the Deputy Chairman double the aforementioned basic remuneration. For membership of a committee of the Supervisory Board which meets at least twice in any calendar year, the committee chairman receives additional remuneration in the amount of the basic remuneration and each committee member in the amount of half the basic remuneration; this additional remuneration is paid for a maximum of three committee appointments. In addition, each member of the Supervisory Board receives an attendance fee of €1,500 for every meeting of the Supervisory Board or one of its committees. The fixed remuneration and attendance fees are payable at the end of each financial year and the variable remuneration after the Annual General Meeting that passes a resolution approving the actions of the Supervisory Board for the financial year concerned. The value-added tax payable on the remuneration is reimbursed by the Bank.

As Commerzbank will not pay a dividend in 2010, variable remuneration is not payable for the financial year 2010. The members of the Supervisory Board therefore received total net remuneration of €1,563,000 for the financial year 2010 (previous year: €1,681,000). The fixed remuneration and remuneration for committee memberships accounted for €1,240,000 of this figure (previous year: €1,240,000) and attendance fees for €323,000 (previous year: €441,000). The value added tax of €278,000 (previous year: €293,000) payable on the remuneration of the members of the Supervisory Board is reimbursed by Commerzbank Aktiengesellschaft. The total remuneration of the members of the Supervisory Board was therefore €1,841,000 (previous year: €1,974,000).

The remuneration is divided between the individual members of the Supervisory Board as follows:

€1,000	Fixed remuneration	Variable remuneration	Total	Attendance fees	VAT ¹	Total
Klaus-Peter Müller	200.0	–	200.0	28.5	43.4	271.9
Uwe Tschäge	100.0	–	100.0	21.0	23.0	144.0
Hans-Hermann Altenschmidt	80.0	–	80.0	24.0	19.8	123.8
Dott. Sergio Balbinot	40.0	–	40.0	7.5	–	47.5
Dr.-Ing. Burckhard Bergmann	40.0	–	40.0	10.5	9.6	60.1
Herbert Bludau-Hoffmann	40.0	–	40.0	6.0	8.7	54.7
Dr. Nikolaus von Bomhard	40.0	–	40.0	9.0	9.3	58.3
Karin van Brummelen	60.0	–	60.0	24.0	16.0	100.0
Astrid Evers	40.0	–	40.0	12.0	9.9	61.9
Uwe Foullong	40.0	–	40.0	10.5	9.6	60.1
Daniel Hampel	40.0	–	40.0	12.0	9.9	61.9
Dr.-Ing. Otto Happel	40.0	–	40.0	10.5	–	50.5
Sonja Kasischke	40.0	–	40.0	10.5	9.6	60.1
Prof. Dr.-Ing. Dr.-Ing. E. h. Hans-Peter Keitel	60.0	–	60.0	21.0	15.4	96.4
Alexandra Krieger	40.0	–	40.0	12.0	9.9	61.9
Dr. h. c. Edgar Meister	80.0	–	80.0	27.0	20.3	127.3
Prof. h. c. (CHN) Dr. rer. oec. Ulrich Middelmann	60.0	–	60.0	21.0	15.4	96.4
Dr. Helmut Perlet	100.0	–	100.0	28.5	24.4	152.9
Barbara Priester	40.0	–	40.0	12.0	9.9	61.9
Dr. Marcus Schenck	60.0	–	60.0	15.0	14.2	89.2
Total 2010	1,240.0	–	1,240.0	322.5	278.3	1,840.8
Total 2009	1,240.0	–	1,240.0	441.0	292.8	1,973.8

¹ Because they are resident outside Germany VAT is not due for Dr. Happel and Dr. Balbinot and instead German income tax and solidarity surcharge is retained.

Members of the Supervisory Board once again provided no advisory, intermediary or other personal services in 2010. Accordingly, no additional remuneration was paid.

Loans to members of the Supervisory Board

Members of the Supervisory Board have been granted loans with terms ranging from on demand up to a due date in 2040 and at interest rates ranging between 3.8% and 7.7%, and, in individual instances, up to 10.7% for overdrafts. In line with market practice, some loans were granted without collateral such as land charges or rights of lien.

As at the reporting date, the aggregate amount of loans granted to members of the Supervisory Board was €484,000 compared with €650,000 in the previous year.

Commerzbank Aktiengesellschaft did not have any contingent liabilities relating to members of the Supervisory Board in the year under review.

Other details

D&O liability insurance

There is a Directors and Officers (D&O) liability insurance policy for members of the Board of Managing Directors and the Supervisory Board. The excess for members of the Supervisory Board and the Board of Managing Directors is set at 10% of the claim up to a maximum of 150% of the fixed annual remuneration for all insurance claims made within a single year.

Purchase and sale of the Company’s shares

Pursuant to Art. 15 a of the German Securities Trading Act, transactions by executives of listed companies and their families must be disclosed and published. Accordingly, purchases and disposals of shares and financial instruments relating to Commerzbank to the value of €5,000 per annum and upwards must be reported immediately and for the duration of one month. The Bank applies this reporting requirement to the Board of Managing Directors and the Supervisory Board, in line with the recommendations in the Guide for Issuers of the German Federal Financial Supervisory Authority (BaFin).

In 2010, no members of Commerzbank’s Board of Managing Directors and Supervisory Board reported directors’ dealings in Commerzbank shares or derivatives thereon, apart from the following disclosure²:

Date	Disclosing party	Relation	Parti- cipant	Purchase/ sale	Amount	Price €	Transaction volume €
24.2.2010	Sulmana Vermögens- verwaltung GmbH Person initiating the disclosure requirement: Prof. Dr.-Ing. Dr. Ing. E. h. Hans-Peter Keitel		Member of Supervisory Board	P	3,000	5.439	16,317.00

All told, the Board of Managing Directors and Supervisory Board held no more than 1% of the issued shares and option rights of Commerzbank Aktiengesellschaft on December 31, 2010.

Frankfurt am Main

Commerzbank Aktiengesellschaft
 The Board of Managing Directors

The Supervisory Board

² The directors’ dealings have been published on Commerzbank’s website under “Directors’ Dealings”.