

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 (<http://www.commerzbank.com>). There is also an archive of all the declarations of compliance made since 2002. The current declaration was made on November 3, 2011.

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



› German Corporate Governance Code

www.corporate-governance-code.com



› Declaration of Compliance

www.commerzbank.com > Investor Relations > Corporate Governance

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.

- In relation to the remuneration of the Board of Managing Directors, section 4.2.3 (3) sentence 3 of the Code recommends that there should be no subsequent changes to goals or the parameters for determining the variable remuneration components. In implementation of legal provisions giving the Board of Managing Directors or the Supervisory Board the opportunity to agree measures to limit variable remuneration in the event of extraordinary developments, the Commerzbank Supervisory Board is entitled to adjust the goals and other parameters for determining variable remuneration components in the case of extraordinary developments, to reasonably neutralise any positive or negative repercussions on the achievability of the goals. It is not possible to implement limiting measures as envisaged by the legal provisions when it comes to goal achievement at Commerzbank, because the predominantly mathematical basis for determining goal achievement largely excludes any adjustment. Moreover, since the assessment period for the variable remuneration component of the Board of Managing Directors lasts up to four years and the goals for this period must be determined in advance, the established method by which the Supervisory Board can adjust these goals is appropriate for this purpose.
- Section 4.2.3 of the Code recommends that any agreed payments in the event of premature termination of the contract of a member of the Board of Managing Directors due to a change of control must not exceed 150% of a severance pay cap (equal to two annual salaries, including additional benefits). The employment contract of one member of the Board of Managing Directors still contain a change of control clause without a severance pay cap pursuant to section 4.2.3 (5). This change of control clause will 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. The “Women in management positions” project aims, among other things, to increase the proportion of women in senior management positions, thereby providing greater opportunity for women to be promoted to the Board of Managing Directors.

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), and an after-school club was introduced in 2011. 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, and currently offers a total of around 250 childcare places. The aim is to increase this to 340 places by 2013. 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:

- Maintaining the proportion of women on the Supervisory Board at 25% until new shareholder representatives are elected in 2013, as well as increasing the proportion of women on the Supervisory Board at the next regular elections for shareholder representatives to at least 30%, on condition that the current proportion of female employee representatives is also maintained in the future.
- 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. The Supervisory Board has decided to recommend to the Annual General Meeting in May 2012 that Dr. Gertrude Tumpel-Gugerell should be chosen to succeed Dott. Balbinot on the Supervisory Board. 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.

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 16 and 17 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 <http://www.commerzbank.com>.



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 43 to 51.



› **Remuneration Report**
Page 43 ff.

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 26 to 29 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 18 to 25. 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 <http://www.commerzbank.com>.



› **Members of the Supervisory Board of Commerzbank Aktiengesellschaft**
Page 26 ff.

› **Report of the Supervisory Board**
Page 18 ff.

The Supervisory Board examines 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 appointed 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. In 2011, an efficiency audit was performed by means of a detailed questionnaire. The result of the audit was entirely positive.

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 52 to 55.



› **Remuneration Report**
Page 52 ff.

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



› Group Risk Report
Page 155 ff.

the Board of Managing Directors and approved by the Supervisory Board. The audit is performed by the auditor 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 155 to 196 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 authorises 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 2010, and in accordance with the suggestion contained in section 2.2.1 (2) sentence 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 2010 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 feel an obligation to communicate openly and transparently with our shareholders and all other stakeholders. We intend to continue to meet this obligation in the future as well.



› IR news
www.commerzbank.com > Investor
Relations > Publications and events

Remuneration Report

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

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

Board of Managing Directors

Main features of the remuneration system

The new remuneration system in place since January 1, 2010 includes a fixed basic annual salary plus a Short Term Incentive (STI) and a Long Term Incentive (LTI) as variable remuneration components.

On August 9, 2011 the Supervisory Board resolved to amend this system to meet the requirements of the Banking Remuneration Regulation (Instituts-Vergütungsverordnung). The amendment was subsequently implemented at a contractual level.

In addition, at the meetings on November 3, 2011, December 2, 2011 and February 22, 2012, the Supervisory Board decided to amend the pension plan arrangements for the members of the Board of Managing Directors and approved the corresponding sample contracts. In particular, the new provisions contain a defined-contribution benefit scheme. Pension entitlement also now normally begins on the employee reaches the age of 65.

In continuation of the agreement originally reached with SoFFin for 2008 and 2009 limiting monetary remuneration for members of the Board of Managing Directors to €500,000 gross per member per year for their work for the Group (the SoFFin cap), the Supervisory Board initially decided for 2010, before later extending this to 2011, that the SoFFin cap would apply if the fixed interest payment on the profit participation rights attaching to SoFFin's silent participations were not paid in full. Following the entry into force of the German Restructuring Act (Restrukturierungsgesetz) on December 31, 2010, the Supervisory Board is also entitled by the provisions of the Act to limit remuneration to €500,000 from 2012 onwards if the Bank does not repay at least half of the recapitalisation undertaken or if interest on the capital injection is not paid in full.

The SoFFin cap does not apply to pension entitlements or non-monetary elements, as long as these do not exceed the amount received prior to November 1, 2008 and do not result on total remuneration becoming disproportionate.

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 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 2011, the basic annual salary for 2011 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 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 2011 has been capped at €500,000 per year, the performance-related variable remuneration components for 2011 will not be paid.

Short Term Incentive (STI)

The STI runs for one year. Up until now, it has been calculated on the basis of the individual performance of the member of the Board of Managing Directors (STI performance component); from 2012, it will consist of two equally weighted components: one linked to the STI performance component and one based on the economic value added (EVA)¹. Entitlement to receive a payment for the STI is suspended pending the approval of the annual financial statements for the year in question and confirmation of the achievement of the STI goals for the member of the Board of Managing Directors by the Supervisory Board. Thereafter, 50% of the STI payments fall due and are payable in cash, with the remaining 50% payable in Commerzbank shares (or a cash sum based on the value of the shares) at the end of a further 12-month waiting period. The total target value of the STI is €400,000, and from 2012 onwards the target value of the individual components will be €200,000 each. Goal achievement can in principle vary between 0 and 200%.

STI EVA components

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%. It is also decided which EVA value corresponds to which degree of achievement. As a rule, investors' capital is used as the basis for calculating EVA. This component will be used from 2012 onwards.

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. For 2011, the target for this component is €400,000 per year. From 2012, the target will be €200,000 per year.

Long Term Incentive (LTI)

The LTI runs for four years. It consists of two equally weighted components: one linked to economic value added (EVA) (the LTI EVA component) and the other based on stock performance (the LTI equity component). Entitlement to receive a payment for the LTI is suspended pending the approval of the annual financial statements for the final year of the four-year term of the LTI in question and confirmation of the achievement of the LTI goals by the Supervisory Board. Thereafter, 50% of the LTI payments fall due and are payable in cash, with the remaining 50% payable in Commerzbank shares (or a cash sum based on the value of the shares) at the end of a further 12-month waiting period. The overall LTI target is €600,000, and the targets for the individual components are €300,000 each.

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

Goal achievement can range between 0 and 200%; each of the two components can therefore range between €0 and €600,000. The provisional LTI payout sum will be increased or reduced by the same percentage as the 100% goal for the STI performance component is over- or underachieved in the first year of the LTI term. This adjustment cannot exceed $\pm 20\%$ of the original target for the LTI components. It is a condition of 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.

LTI equity component

The provisional 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 the other banks in the Dow Jones 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 that the member of the Board of Managing Directors will receive 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 shares virtually assigned; the absolute price performance of Commerzbank shares during the LTI term determines their value, which can be paid out in cash in place of a transfer of shares.

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 over the term. The Supervisory Board also determines which EVA amounts correspond to which goal achievements. The goal achievement is set each year during the four-year LTI term; as a rule, the goal achievement for the individual years can lie between -100 and $+200\%$ from 2012 onwards. After the end of the four-year LTI term, the Supervisory Board determines average goal achievement, which can range between 0 and 200%, and the resulting provisional payout sum.

The achievement of goals is measured on a straight-line basis in the STI and LTI. In the event of exceptional developments that may have a considerable impact on the achievability of STI or LTI target figures, the Supervisory Board can neutralise 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 were last offered in 2008 and pay out in the event that the Commerzbank share price outperforms the Dow Jones 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 options lapse. 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 with up to 2,500 shares, and the Chairman of the Board of Managing Directors with up to 5,000 shares.

The members of the Board of Managing Directors renounced all the shares acquired under the 2008 LTP in February 2009. Since the 2006 LTP expired in the first quarter of 2011 without any payments being made, members of the Board of Managing Directors are currently participating only in the 2007 LTP, which is still ongoing. The potential remuneration stemming from participation in the LTP 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 the LTP. Potential remuneration from the 2007 LTP is not offset against the SoFFin cap, as the LTP is paid out for performance in the year in which it was issued.

No LTP payments were made in the year under review.

Remuneration of the Chairman of the Board of Managing Directors

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 was not applied until the end of his current term of office on October 31, 2011. In addition, the SoFFin cap also applied to the Chairman of the Board of Managing Directors.

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. Any 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 were changed by the remuneration system introduced on January 1, 2010 so that they continue to pertain to the basic salary for the 2009 financial year.

Under 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 or
- are permanently unable to work or
- 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
- 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.

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 because 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 widow's pension for a spouse amounts to 66% 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 a maximum overall limit of the widow's pension.

At its meetings on August 9, and November 3, 2011, the Supervisory Board decided to adopt a new pension scheme for members of the Board of Managing Directors. The new provisions now contain a defined-contribution benefit scheme.

On February 22, 2012, the Supervisory Board approved the sample pension agreement to implement these new rules for serving members of the Board of Managing Directors.

In the new pension agreement, the previous pension commitment has been converted into a defined-contribution benefit commitment based on the Commerzbank modular plan for pension benefits (CBA).

Under the new modular system, each member of the Board of Managing Directors is assigned an initial module for the time served on the Bank's Board of Managing Directors prior to the conversion date of January 1, 2011. This module is posted to a pension account. In the time between the conversion date and the end of the appointment as a member of the Bank's Board of Managing Directors, the initial module is automatically adjusted.

For the period between the conversion date and the end of the appointment as a member of the Bank's Board of Managing Directors, a pension module is credited to the pension account each year. The pension module for a calendar year is calculated by converting the relevant annual contribution into an entitlement to a retirement, disability and surviving dependants' pension using a conversion table.

Specifically, the member of the Board of Managing Directors is entitled to receive pension benefits in the form of a lifetime pension when one of the following pensions is due:

- a retirement pension if employment ends on or after the board member reaches the age of 65, or
- an early retirement pension if employment ends on or after the board member reaches the age of 62, or after the board member has served at least 10 years on the Board of Managing Directors and has reached the age of 58, or has served at least 15 years on the Board of Managing Directors, or
- a disability pension, if the board member is permanently unable to work.

The monthly amount of the retirement pension is calculated as a twelfth of the amount in the pension account when the pension benefits start.

When calculating the early retirement pension, the pension will be reduced to reflect the fact that the payments are starting earlier.

If the disability pension is taken before the age of 55, the monthly amount is supplemented by an additional amount.

Instead of an ongoing pension, members of the Board of Managing Directors can elect to receive a lump-sum payment or nine annual instalments if they retire after reaching the age of 62. In this case, the amount paid out is calculated using a capitalisation rate based on the age of the board member.

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 because they are permanently unable to work. If a member of the Board of Managing Directors receives an early retirement pension before reaching the age of 62, half of any income received from other activities will be set off against the pension entitlements.

As under the previous scheme, the widow's pension amounts to 66% 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 a maximum overall limit of the widow's pension.

The pension agreement for newly appointed members of the Board of Managing Directors, which differs from that of current board members for system-related reasons, was approved by the Supervisory Board on December 2, 2011.

Under these rules, a retirement pension in the form of a capital payment is paid out if the member of the Board of Managing Directors leaves the Bank:

- on or after their 65th birthday (retirement capital)
- on or after their 62nd birthday (early retirement capital) or
- before their 62nd birthday because they are permanently unable to work.

For each calendar year during the current employment relationship until pension benefits start to be paid out, each member of the Board of Managing Directors is credited an annual contribution equating to 40% of the fixed basic annual salary multiplied by an age-dependent conversion factor. Until the member of the Board of Managing Directors leaves the Bank, the annual contributions are managed in a pension account. Upon reaching their 61st birthday, an additional amount of 2.5% of the amount in the pension account at December 31 of the previous year is credited to the member of the Board of Managing Directors on an annual basis until the pension benefits start to be paid out.

A portion of the annual contribution – determined by the age of the member of the Board of Managing Directors – is invested in investment funds and maintained in a virtual custody account for the board member.

The retirement capital or the early retirement capital will correspond to the amount in the virtual custody account or the amount in the pension account when the pension benefits start to be paid out, whichever is higher.

For the first two months after the pension benefits become due, the member of the Board of Managing Directors will receive transitional pay of one twelfth of their fixed basic annual salary per month.

If a member of the Board of Managing Directors dies before the pension benefits become due, their dependants are entitled to receive the dependants' capital, which corresponds to the amount in the virtual custody account on the value date or the sum of the amount in the pension account and any additional amount, whichever is higher. An additional amount is payable if, at the time when pension benefits became due through inability to work or at the time of death, the board member had served at least five consecutive years on the Board of Managing Directors and had not yet reached their 55th birthday. This guarantees the same pension that the board member would have received if they had reached their 55th birthday.

The table below lists the pension entitlements of the members of the Board of Managing Directors in office at December 31, 2011, based on the previous system:

€1,000	Pension entitlements Projected annual pension at pensionable age of 62 As at 31.12.2011	Cash value of pension entitlements As at 31.12.2011 ¹
Martin Blessing	456	3,030
Frank Annuscheit	288	1,107
Markus Beumer	288	935
Jochen Klösches	288	674
Michael Reuther	288	1,801
Dr. Stefan Schmittmann	288	1,511
Ulrich Sieber	288	623
Dr. Eric Strutz	288	1,774
Martin Zielke	288	393
Total		11,848

¹ The amounts are calculated considering the current term of appointment of the individual board members, assuming the board members will not be incapable for work nor collect pensions before reaching the age of 62 and 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 assets backing these pension obligations have been transferred under a contractual trust arrangement to Commerzbank Pension Trust e.V.

As of December 31, 2011, defined benefit obligations for active members of the Commerzbank Aktiengesellschaft Board of Managing Directors amounted in total to €11.8m (previous year: €10.3m; 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 €0.2m on December 31, 2011 (previous year: €0.5m).

Change of control

The remuneration system for the Board of Managing Directors introduced in 2010 contains no change of control clauses. Only one member of the Board of Managing Directors still has an employment contract that contains a change of control clause, and this will expire at the end of his current term of office.

Where the change of control clause still applies, the member of the Board of Managing Directors is entitled to terminate his contract of employment. If the member of the Board of Managing Directors utilises this right to terminate their contract, he is entitled to compensation for the remainder of his term of office equal to 75% of average total annual pay plus a severance payment equal to his average total annual remuneration for two to four years. The compensation and severance payment taken together may not exceed either 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 their term of office, the board member has pension entitlements. The termination of the contract of employment is only effective if the Supervisory Board agrees that there is cause. Furthermore, there is no entitlement to severance pay if the member of the Board of Managing Directors receives 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.

Other arrangements

If appointment to the Board of Managing Directors ends prematurely, the employment contract usually expires six months after the board member's appointment ends (linking 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 linking 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 as soon as the board member starts to receive pension payments.

If the contract of employment is terminated for reasons other than the linking 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 determined 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.

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.

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 2011 is shown below, along with the comparative figures from 2010.

€1,000		Basic salary	Variable remuneration ²	Remuneration for serving as a director ³	Repaid in accordance with the SoFFin cap ³	Share-based remuneration plans	Total monetary remuneration	Other ⁴	Total
Martin Blessing	2011	500	–	–	–	–	500	69	569
	2010	500	–	–	–	–	500	115	615
Frank Annuscheit	2011	500	–	–	–	–	500	50	550
	2010	500	–	23	–23	–	500	102	602
Markus Beumer	2011	500	–	–	–	–	500	59	559
	2010	500	–	10	–10	–	500	46	546
Dr. Achim Kassow	2011 ¹	292	–	–	–	–	292	44	336
	2010	500	–	113	–113	–	500	72	572
Jochen Klösiges	2011	500	–	–	–	–	500	39	539
	2010	500	–	–	–	–	500	65	565
Michael Reuther	2011	500	–	–	–	–	500	69	569
	2010	500	–	–	–	–	500	73	573
Dr. Stefan Schmittmann	2011	500	–	–	–	–	500	46	546
	2010	500	–	–	–	–	500	52	552
Ulrich Sieber	2011	500	–	–	–	–	500	68	568
	2010	500	–	22	–22	–	500	62	562
Dr. Eric Strutz	2011	500	–	–	–	–	500	33	533
	2010	500	–	36	–36	–	500	91	591
Martin Zielke	2011	500	–	–	–	–	500	74	574
	2010 ¹	78	–	14	–14	–	78	4	82
Total	2011	4,792	–	–	–	–	4,792	551	5,343
	2010	4,578	–	218	–218	–	4,578	682	5,260

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

² Payable in the following year subject to approval of the annual financial statements; no variable remuneration was paid for 2011 or 2010.

³ Remuneration for serving on the boards of Group companies paid in the financial years 2011 and 2010 is offset in full against the SoFFin cap of the previous year and has therefore been allocated to the previous year in the table.

⁴ The heading "Other" includes non-monetary benefits granted in the year under review, tax due on non-monetary benefits and employer contributions to the BVV occupational retirement fund.

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 2042 and at interest rates ranging between 3.2 and 8.3%, and in selected instances overdrafts at rates up to 10.9%. Loans are secured on a normal market basis, 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 €1,773,000 compared with €2,647,000 in the previous year. With the exception of rental guarantees, Commerzbank Group companies 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 2011

The remuneration of the Supervisory Board is regulated in Art. 15 of the Articles of Association; the current version was approved by the AGM 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 for 2011, variable remuneration is not payable for the financial year 2011. The members of the Supervisory Board therefore received total net remuneration of €1,619,000 for the financial year 2011 (previous year: €1,563,000). The fixed remuneration and remuneration for committee memberships accounted for €1,199,000 of this figure (previous year: €1,240,000) and attendance fees for €420,000 (previous year: €323,000). The value added tax (currently 19%) payable on the remuneration of the members of the Supervisory Board resident in Germany was reimbursed by Commerzbank Aktiengesellschaft.

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

2011 €1,000	Fixed remuneration	Variable remuneration	Attendance fee	Total
Klaus-Peter Müller	200	0	44	244
Uwe Tschäge	100	0	33	133
Hans-Hermann Altenschmidt	80	0	42	122
Dott. Sergio Balbinot ¹	0	0	0	0
Dr.-Ing. Burckhard Bergmann	40	0	13	53
Dr. Nikolaus von Bomhard	40	0	12	52
Karin van Brummelen	60	0	29	89
Astrid Evers	40	0	17	57
Uwe Foullong	40	0	15	55
Daniel Hampel	40	0	15	55
Dr.-Ing. Otto Happel	40	0	12	52
Beate Hoffmann (from May 6, 2011)	26	0	9	35
Sonja Kasischke (until May 6, 2011)	14	0	4	18
Prof. Dr.-Ing. Dr.-Ing. E. h. Hans-Peter Keitel	60	0	18	78
Alexandra Krieger	40	0	15	55
Dr. h. c. Edgar Meister	80	0	39	119
Prof. h. c. (CHN) Dr. rer. oec. Ulrich Middelman	60	0	24	84
Dr. Helmut Perlet	100	0	30	130
Barbara Priester	40	0	15	55
Mark Roach (from January 10, 2011)	39	0	16	55
Dr. Marcus Schenck	60	0	18	78
Total 2011	1,199	0	420	1,619
Total 2010	1,240	0	323	1,563

¹ Dott. Balbinot waived his remuneration in the 2011 financial year.

Members of the Supervisory Board once again provided no advisory, intermediary or other personal services in 2011. 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 of 2037 and at interest rates ranging between 2.6 and 6.3%, and, in individual instances, up to 10.9% for overdrafts. Collateral security is provided on normal market terms, if necessary through land charges or rights of lien.

As at the reporting date, the aggregate amount of loans granted to members of the Supervisory Board was €322,000 compared with €484,000 in the previous year. Commerzbank Group companies 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 2011, members of Commerzbank's Board of Managing Directors (BMD) and Supervisory Board (SB) reported the following directors' dealings in Commerzbank shares or derivatives thereon:²

Date	Disclosing party	Relation	Participant	Purchase/sale	Amount	Price €	Transaction volume €
11.4.2011	Ulrich Sieber		Member of BMD	Sale of purchase right	25,000	0.001	25.00
13.4.2011	Markus Beumer		Member of BMD	Purchase (subscription)	4,540	4.250	19,295.00
13.4.2011	Martin Blessing		Member of BMD	Purchase (subscription)	51,500	4.250	218,875.00
13.4.2011	Dr. Achim Kassow		Member of BMD	Purchase (subscription)	12,477	4.250	53,027.25
13.4.2011	Martin Zielke		Member of BMD	Purchase (subscription)	18,807	4.250	79,929.75
13.4.2011	Klaus-Peter Müller		Member of SB	Purchase (subscription)	72,000	4.250	306,000.00
13.4.2011	Michael Reuther		Member of BMD	Purchase (subscription)	5,000	4.250	21,250.00
13.4.2011	Jochen Klösges		Member of BMD	Purchase (subscription)	14,900	4.250	63,325.00
13.4.2011	Frank Annuscheit		Member of BMD	Purchase (subscription)	6,920	4.250	29,410.00
13.4.2011	Daniel Hampel		Member of SB	Purchase (subscription)	2,245	4.250	9,541.25
13.4.2011	Hans-Hermann Altenschmidt		Member of SB	Purchase (subscription)	750	4.250	3,187.50
24.5.2011	Martin Blessing		Member of BMD	Sale	0.40	0.720	0.29
24.5.2011	Markus Beumer		Member of BMD	Purchase	732.00	0.720	527.04
24.5.2011	Martin Zielke		Member of BMD	Sale	24,414.00	0.720	17,578.08
24.5.2011	Ulrich Sieber		Member of BMD	Sale	8,500.00	0.720	6,120.00
26.5.2011	Daniel Hampel		Member of SB	Sale	2,059.00	0.985	2,028.12
26.5.2011	Dr. Eric Strutz		Member of BMD	Purchase	0.40	0.980	0.39
27.5.2011	Beate Hoffmann		Member of SB	Sale	0.20	0.860	0.17
27.5.2011	Klaus Hoffmann (for Beate Hoffmann)	x	Member of SB	Sale	0.90	0.860	0.77
27.5.2011	Klaus-Peter Müller		Member of SB	Purchase	1.00	0.860	0.86
27.5.2011	Sulmana GmbH (for Prof. Dr.-Ing. Dr.-Ing. E. h. Hans-Peter Keitel)	x	Member of SB	Sale	3.00	0.900	2.70
27.5.2011	Hans-Hermann Altenschmidt		Member of SB	Sale	0.50	0.860	0.43
30.5.2011	Dr. Achim Kassow		Member of BMD	Purchase	0.30	0.800	0.24
30.5.2011	Michael Reuther		Member of BMD	Purchase	1,000.00	0.800	800.00

² The directors' dealings have been published on Commerzbank's website under "Directors' Dealings".

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Date	Disclosing party	Relation	Participant	Purchase/ sale	Amount	Price €	Transaction volume €
30.5.2011	Frank Annuscheit		Member of BMD	Purchase	0.20	0.800	0.16
30.5.2011	Harriet Annuscheit (for Frank Annuscheit)	x	Member of BMD	Purchase	0.50	0.800	0.40
30.5.2011	Jochen Klösches		Member of BMD	Sale	1.00	0.800	0.80
31.5.2011	Astrid Evers		Member of SB	Sale	141.00	0.859	121.12
31.5.2011	Dr.-Ing. Burckhard Bergmann (e.on-Ruhrgas AG)		Member of SB	Sale	0.40	0.850	0.34
31.5.2011	Uwe Tschäge		Member of SB	Purchase	0.90	0.850	0.77
31.5.2011	Silke Tschäge (for Uwe Tschäge)	x	Member of SB	Purchase	0.80	0.850	0.68
31.5.2011	Karin van Brummelen		Member of SB	Sale	1,171.00	0.850	995.35
1.6.2011	Barbara Priester		Member of SB	Sale	511.00	0.830	424.13
1.6.2011	Jessica Strutz (for Dr. Eric Strutz)	x	Member of BMD	Sale	331.00	0.830	274.73
1.6.2011	Ulrich Sieber		Member of BMD	Sale	65.00	0.830	53.95
6.6.2011	Martin Blessing		Member of BMD	Purchase (subscription)	93,636	2.18	204,126.48
6.6.2011	Markus Beumer		Member of BMD	Purchase (subscription)	8,920	2.18	19,445.60
6.6.2011	Martin Zielke		Member of BMD	Purchase (subscription)	12,000	2.18	26,160.00
6.6.2011	Ulrich Sieber		Member of BMD	Purchase (subscription)	15,000	2.18	32,700.00
6.6.2011	Daniel Hampel		Member of SB	Purchase (subscription)	2,210	2.18	4,817.80
6.6.2011	Beate Hoffmann		Member of SB	Purchase (subscription)	778	2.18	1,696.04
6.6.2011	Klaus Hoffmann (for Beate Hoffmann)	x	Member of SB	Purchase (subscription)	581	2.18	1,266.58
6.6.2011	Klaus-Peter Müller		Member of SB	Purchase (subscription)	130,910	2.18	285,383.80
6.6.2011	Dr. Eric Strutz		Member of BMD	Purchase (subscription)	26,294	2.18	57,320.92
6.6.2011	Sulmana GmbH (for Prof. Dr.-Ing. Dr.-Ing. E. h. Hans-Peter Keitel)	x	Member of SB	Purchase (subscription)	12,170	2.18	26,530.60
6.6.2011	Hans-Hermann Altenschmidt		Member of SB	Purchase (subscription)	4,545	2.18	9,908.10
6.6.2011	Dr. Achim Kassow		Member of BMD	Purchase (subscription)	27,273	2.18	59,455.14
6.6.2011	Michael Reuther		Member of BMD	Purchase (subscription)	10,000	2.18	21,800.00
6.6.2011	Frank Annuscheit		Member of BMD	Purchase (subscription)	12,582	2.18	27,428.76
6.6.2011	Harriet Annuscheit (for Frank Annuscheit)	x	Member of BMD	Purchase (subscription)	155	2.18	337.90
6.6.2011	Jochen Klösches		Member of BMD	Purchase (subscription)	27,090	2.18	59,056.20
6.6.2011	Dr.-Ing. Burckhard Bergmann (e.on-Ruhrgas AG)		Member of SB	Purchase (subscription)	1,636	2.18	3,566.48
6.6.2011	Uwe Tschäge		Member of SB	Purchase (subscription)	1,329	2.18	2,897.22
6.6.2011	Silke Tschäge (for Uwe Tschäge)	x	Member of SB	Purchase (subscription)	538	2.18	1,172.84
19.8.2011	Daniel Hampel		Member of SB	Purchase	1,300	1,895	2,463.50
19.8.2011	Klaus Hoffmann (for Beate Hoffmann)	x	Member of SB	Purchase	1,000	1,860	1,860.00

Overall, the Board of Managing Directors and Supervisory Board together held no more than 1% of the issued shares and option rights of Commerzbank Aktiengesellschaft on December 31, 2011.

Frankfurt am Main

Commerzbank Aktiengesellschaft
The Board of Managing Directors

The Supervisory Board