



**Letter from the Chairman of the  
Supervisory Board**  
Frankfurt/Main, April 2023

*Dear shareholders,*

As we convene our 2023 Annual General Meeting, I would like to inform you in my capacity as Chairman of the Supervisory Board about the areas we are focusing on and invite you to take part in our dialogue.

Commerzbank can look back on a year that was as intense as it was successful. It ended with our best results since the financial crisis, and we fared significantly better than originally budgeted. Operating profit came in at €2.1bn, and consolidated net profit was €1.4bn. Commerzbank achieved all this despite the impacts of Russia's ongoing war of aggression against Ukraine and the energy crisis, plus high exceptional charges at our Polish mBank subsidiary. We cut the cost/income ratio significantly last year, from 79% to 69%, making considerable progress towards the medium-term target of 60%. Commerzbank's progress on income and its cost structure has also created the conditions for capital distributions to shareholders. I am very pleased that we can propose to you a distribution of around €250m for 2022, in the form of a dividend of €0.20 per share. Furthermore, in line with our policy on returning capital, Commerzbank has applied to the European Central Bank and the German Finance Agency for a share repurchase programme with a volume of €122m. A total return of capital to shareholders of €372m is thus envisaged, corresponding to 30% of consolidated net profit after deduction of the AT1 coupons. Another cause for celebration is that Commerzbank has succeeded in returning to the DAX. All of this shows that Commerzbank is back! On behalf of the entire Supervisory Board, I would like to express my sincere thanks to the Board of Managing Directors and the employees of Commerzbank for their achievements in the past year.

**Composition of the Board of Managing Directors and Supervisory Board**

The Supervisory Board has made new appointments to key positions on the Board of Managing Directors in the last few years. Sabine Mlnarsky has been appointed to the Board of Managing Directors to replace Sabine Schmittroth, the previous Chief Human Resources Officer and Labour Relations Director, who departed at the end of December 2022. We are confident that Sabine Mlnarsky, who is an experienced HR expert, will provide significant fresh impetus and raise Commerzbank's profile as an attractive employer for high-performing employees. The extension of Michael Kotzbauer's contract ensures continuity in the Corporate Clients segment, which performed very well again last year. The Board of Managing Directors is thus strongly

positioned in all specialist areas, with a dedicated team that is committed to Commerzbank as a German commercial bank that will remain independent and successful in the long term.

The term of office of all members of the Supervisory Board is scheduled to expire at the end of the 2023 Annual General Meeting. In view of my age, I have come to the decision not to stand for a further term of office as a member of the Supervisory Board or its Chairman. By initiating the succession process in a timely manner, we have been able to attract Dr. Jens Weidmann – former president of the Bundesbank and a highly respected figure in international financial circles – to stand for election to the Supervisory Board and as its Chairman, which I am very pleased about. Harald Christ will also be proposed as a new candidate for election to the Supervisory Board. He was nominated alongside Dr. Jutta A. Dönges at the suggestion of the Financial Market Stabilisation Fund, represented by the Federal Republic of Germany – Finanzagentur GmbH. Robin Stalker will step down from the Supervisory Board when his term of office expires at the end of the Annual General Meeting. Dr. Frank Czichowski, Sabine U. Dietrich, Dr. Jutta A. Dönges, Burkhard Keese, Daniela Mattheus, Caroline Seifert, Dr. Gertrude Tumpel-Gugerell and Frank Westhoff are standing for re-election to the Supervisory Board. In this way, we are ensuring stability and continuity on the Supervisory Board.

There are also changes on the employee representative side. Alexander Boursanoff, Stefan Burghardt, Monika Fink, Stefan Jennes and Alexandra Krieger will step down when their terms of office expire at the end of the 2023 Annual General Meeting. Maxi Leuchters, Nina Olderdissen, Sandra Persiehl, Michael Schramm and Sascha Uebel have been elected to succeed them. Uwe Tschäge, Heike Anscheit, Gunnar de Buhr, Kerstin Jerchel and Stefan Wittmann have also been re-elected.

The Supervisory Board will remain very well-positioned in its future composition. It is made up of highly capable individuals with complementary skillsets and a broad range of experience – and not least provides good diversity. You can find full details in the Supervisory Board's qualification matrix, published at <https://investor-relations.commerzbank.com/annual-general-meeting>. All Supervisory Board members have always worked together constructively and demonstrated strong commitment, which is also reflected in the high meeting attendance figures (also published at <https://investor-relations.commerzbank.com/annual-general-meeting>) and the intensive work by the committees. I am very confident that this will remain the case with the board's future composition.

### **Strategy and sustainability**

By rigorously implementing Strategy 2024, Commerzbank has created a good economic basis for the lasting success of its transformation. In addition, work is also being carried out this year on further developing Strategy 2024, with the aim of earning the cost of capital in the medium term.

The Supervisory Board will closely support this strategic development process. It also continuously monitored the status of the Bank's strategy implementation and strategic transformation last year. In addition, it discussed the Bank's strategic direction in depth with the Board of Managing Directors at its strategy meeting in September.

Sustainability is a core element of Commerzbank's Strategy 2024. It is tremendously important to the Bank, and this importance will grow even further going forward. Environmental, social and ethical criteria are important for successful corporate governance. Commerzbank has set itself the ambitious goal of steering its loan and investment portfolio to achieve net zero by 2050 at the latest. We want to reach net zero in our own banking operations by 2040, from which point we will only work with climate-neutral suppliers. The Bank also presented a new ESG framework last year, which includes a description of the criteria for sustainable lending and the reduction targets for CO<sub>2</sub>-intensive sectors. This year, the Bank intends to further expand its ESG offering and thus establish a sustainable ecosystem for Commerzbank customers.

The Supervisory Board also attaches great importance to the topic of sustainability. The ESG Committee, which evolved from the Social Committee at the beginning of 2022, has performed its new tasks with great commitment. In particular, it has assisted the Supervisory Board in assessing whether the Board of Managing Directors is ensuring the economically viable and sustainable performance of the Bank while also observing the principles of responsible corporate governance, fulfilling the Bank's social responsibility and at the same time conserving natural resources. Besides the ESG Committee, the Risk Committee also monitors and assesses the Bank's ESG risks.

#### **Corporate governance roadshow**

At the corporate governance roadshow in late 2022/early 2023, I enjoyed a constructive dialogue with investors and proxy advisors about Commerzbank and the work of the Supervisory Board. We have already embraced many of the suggestions and tips that emerged as a result of these discussions. For example, we have incorporated ESG objectives more firmly into the targets for the variable remuneration of members of the Board of Managing Directors as part of the Group target, underlining the importance of sustainable corporate governance for Commerzbank. We have also implemented the Board of Managing Directors' remuneration system that was approved by the last Annual General Meeting, and a share ownership directive for the Board of Managing Directors.

#### **Remuneration report**

We have thoroughly addressed the suggestions and expectations of our shareholders and investors with regard to the remuneration report and implemented them in the 2022 remuneration report. This means that rather than giving a descriptive presentation of the targets, the specific targets for the members of the Board of Managing Directors for the past financial year are now set out. The weightings of the individual targets are also indicated. Finally, any special arrangements relating to the application of the remuneration system in the reporting year – for example if a member of the Board of Managing Directors departs early or a special remuneration agreement is reached when appointing new members of the Board of Managing Directors – these will be explained in detail so that third parties can readily understand the decisions of the Supervisory Board.

#### **Annual General Meeting**

Last year, legislators permanently enshrined the virtual general meeting in the German Stock Corporation Act as equivalent to a physical meeting. The Board of Managing Directors, with the approval of the Supervisory Board, has in this light decided to hold this year's Annual General Meeting in virtual form again, so as to reach as many shareholders as possible and to take due account of sustainability and cost considerations. It is particularly important to us that shareholders' rights are comprehensively safeguarded in the same way as at the physical meetings. The live speech facility and right to ask questions ensure active dialogue with our shareholders. Going forward, the Board of Managing Directors will decide on the AGM format annually based on relevant, objective criteria, if you authorise it to do so by passing the proposed amendment to the Articles of Association. We have initially limited the authorisation in the Articles of Association to hold a virtual Annual General Meeting to just two years, so that you will be able to decide on the format again in light of the experiences gained.

I am already looking forward to exchanging ideas with you at this year's Annual General Meeting on 31 May 2023, which will also be my last in this post. Without wanting to pre-empt my comments there, I would like to take this chance to express how delighted I am to be handing over the chairmanship of the Supervisory Board at a time when we can say with confidence that Commerzbank is on the right track and that I have been able to make my contribution to this.

*Yours  
Helmut Grottel*

**Helmut Grottel**  
Chairman of the Supervisory Board