



GM-HR – Group Human Resources

2019 Remuneration Report

pursuant to Section 16 of the German Remuneration Ordinance for Institutions (IVV) of 15 April 2019



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For the sake of improved readability, we refrain from any linguistic differentiation between gender forms. Instead, we adopt the masculine form, but understand the use of this form and our gender policy explicitly and completely as gender-neutral.

1 Introduction

For years, the German banking sector has been acting in a difficult environment, characterised by low interest rates, margin pressure, and increasingly stringent regulatory requirements. In September 2019, Commerzbank reacted to these facts with its strategy “Commerzbank 5.0”. The core of “Commerzbank 5.0” is the continuing development of the business model, accelerating digitalisation, and thus increasing efficiency.

In the Private and Small-Business Customers segment, the focus is on expanding the mobile channel and the integration of Comdirect bank into Commerzbank. In the Corporate Clients segment, the Bank intends to extend its leading position, in particular in the Mittelstandsbank. To support further implementation of this strategic programme, investments will be needed above all in the core business and accelerated digitalisation. At the same time, cost reduction efforts must continue. Nevertheless, the Bank remains committed to its corporate social responsibility.

The prevailing low interest rates can be expected to last for an extended period. The pressure on margins in the fiercely competitive German market amid further increases in regulatory requirements will also continue. On top of these factors, we are faced with the coronavirus pandemic. It represents a stress test for the world and our economic system on a scale not seen since the Second World War. One thing is clear: Even in coronavirus times, Commerzbank is there for its customers. But the Bank will also continue developing its business model, having to take into account the experiences gained from the crisis. However, it is difficult to provide a concrete outlook given the uncertainty regarding further developments of the pandemic.

To successfully address these conditions, Commerzbank is also continually reviewing its remuneration strategy and structures. We need to recruit and retain committed and qualified employees for the digital transformation of the Bank. Along with an attractive and modern working environment, this requires competitive salaries – which we must provide while maintaining tight cost discipline. However, the regulatory requirements for remuneration systems in the banking sector limit our freedom in structuring the remuneration of employees.

As a major institution, Commerzbank is obliged, pursuant to Section 16 Paragraph 1 of the German Remuneration Ordinance for Institutions (German: *Institutsvergütungsverordnung*), IVV, in conjunction with Art. 450 of Regulation (EU) No. 575/2013, to disclose information on its

remuneration structures and, pursuant to Section 27 Paragraph 1 Sentence 3, further information in the Group context. Along with information on its remuneration policy in general, this disclosure includes in particular explanations on the remuneration systems, remuneration governance, and quantitative information on the overall amount of all remuneration, and in particular on the remuneration of Risk Takers.

In recent years, the statutory requirements for remuneration systems in the banking sector have been repeatedly tightened – most recently with the third version of the German Remuneration Ordinance for Institutions (IVV).

At the European level, the remuneration regulations for banks and financial institutions have been laid down in such EU legislation as the Capital Requirements Directive IV (CRD IV)¹ and Capital Requirements Regulation (CRR)², among other regulations.

At the national level, the requirements of CRD IV are implemented in German law through the IVV and the German Banking Act (*Kreditwesengesetz*, KWG). As the final stage in a three-stage implementation process, they ensure that the principles and standards of the Financial Stability Board (FSB) and the compensation-related regulations of CRD IV are anchored in national law.

With the “Guidelines on Sound Remuneration Policies and Disclosures” (from the European Banking Authority, EBA), the European-level provisions fixed in CRD IV are defined more concretely in order to harmonise the sometimes heterogeneous legislation implementing CRD IV in the various EU states. The EBA guidelines were finally implemented in German law through the third version of the IVV.

This Remuneration Report is based on the German Remuneration Ordinance for Institutions of 15 April 2019, which was applicable to the 2019 financial year. It summarises the remuneration systems applicable in Commerzbank for the 2019 financial year.

¹ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013.

² Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013.

2 Remuneration strategy

The remuneration strategy sets the guidelines for the remuneration policy within Commerzbank Group in order to ensure competitive remuneration of employees in line with their performance. The remuneration strategy is derived from the human resources strategy and is in harmony with the business strategy and risk strategy of Commerzbank Group. It is generally applicable to the entire Group.

In a challenging regulatory and economic environment, the human resources strategy defines an operational framework and core strategic issues that contribute to the Bank's future viability.

The remuneration strategy of Commerzbank is developed under the auspices of the Human Resources (HR) Division and coordinated with the experts and managers responsible for the HR strategy. The remuneration strategy is submitted to the Remuneration Committee for review and approval. To the extent that a review of the remuneration strategy will result in substantial changes to the strategic approach, the core issues of the strategy are also discussed in advance with selected subsidiaries.

The remuneration strategy was first approved by the Board of Managing Directors in the 2015 financial year and subsequently acknowledged by the Supervisory Board. Since then, it has been reviewed regularly and, when necessary, has been adjusted to changing conditions as required. The Remuneration Strategy was last updated in December 2018 and approved by the Board of Managing Directors of Commerzbank AG. In the course of the "Commerzbank 5.0" strategy process, the remuneration strategy was assessed in the 2019 financial year in terms of its future viability. The remuneration strategy applies to Commerzbank AG and the subsidiaries included in the companies consolidated for regulatory purposes (referred to below as the "regulatory group" or "Commerzbank Group") and is implemented within those companies in accordance with their internal regulations (see Chapter 5). The business strategy and remuneration strategy are accessible to all Bank employees via the company intranet.

The remuneration systems for the 2019 financial year supported the Bank in achieving its strategic goals in the period under review. At the same time, they ensure a remuneration level that will enable the Bank to attract and retain sufficient numbers of qualified employees in a dynamic market environment. In that regard, the Bank ensures at all times that both the remuneration models and parameters and the remuneration components are sustainable, i.e. that they are geared to long-term business success and are structured transparently.

In particular, the remuneration strategy and systems help to avoid false incentives that run counter to fair and competent advice and to the needs of customers.

In line with the objectives of the remuneration strategy, overall remuneration at Commerzbank consists of several components:

- With **competitive remuneration based on results and performance**, primarily oriented towards the company's success, the Bank seeks to place equal emphasis on the interests of shareholders and employees while supporting long-term corporate success.
- With **voluntary fringe benefits**, the Bank also creates a working environment that encourages performance, offers recognition to employees, and supports them beyond the immediate workplace.
- In addition to statutory and private pension schemes, the Bank offers its employees a **company pension scheme** with various implementation options. This company pension scheme helps to ensure that employees can retire with a high level of security.

The various remuneration components result in competitive remuneration for employees, taking into account an appropriate balance of variable to fixed remuneration.

In the ongoing development of its remuneration models, the Bank fosters employee behaviour which supports corporate success while complying with changing regulatory requirements.

Commerzbank does not tolerate people being disadvantaged in any way in connection with remuneration matters – or in any other area – for reasons pertaining to gender, ethnic background, religion, faith, or world views, disability, age, or sexual orientation.

3 Compensation governance structure

Pursuant to Section 15 IVV, Commerzbank established a Remuneration Control Committee as a committee of the Supervisory Board, and, pursuant to Section 23 et. seq. IVV, a Remuneration Officer and a deputy were appointed.

Moreover, the Remuneration Committee ensures the proper involvement of control units in the structuring and monitoring of the employee remuneration systems as required in Section 3 Paragraph 3 IVV.

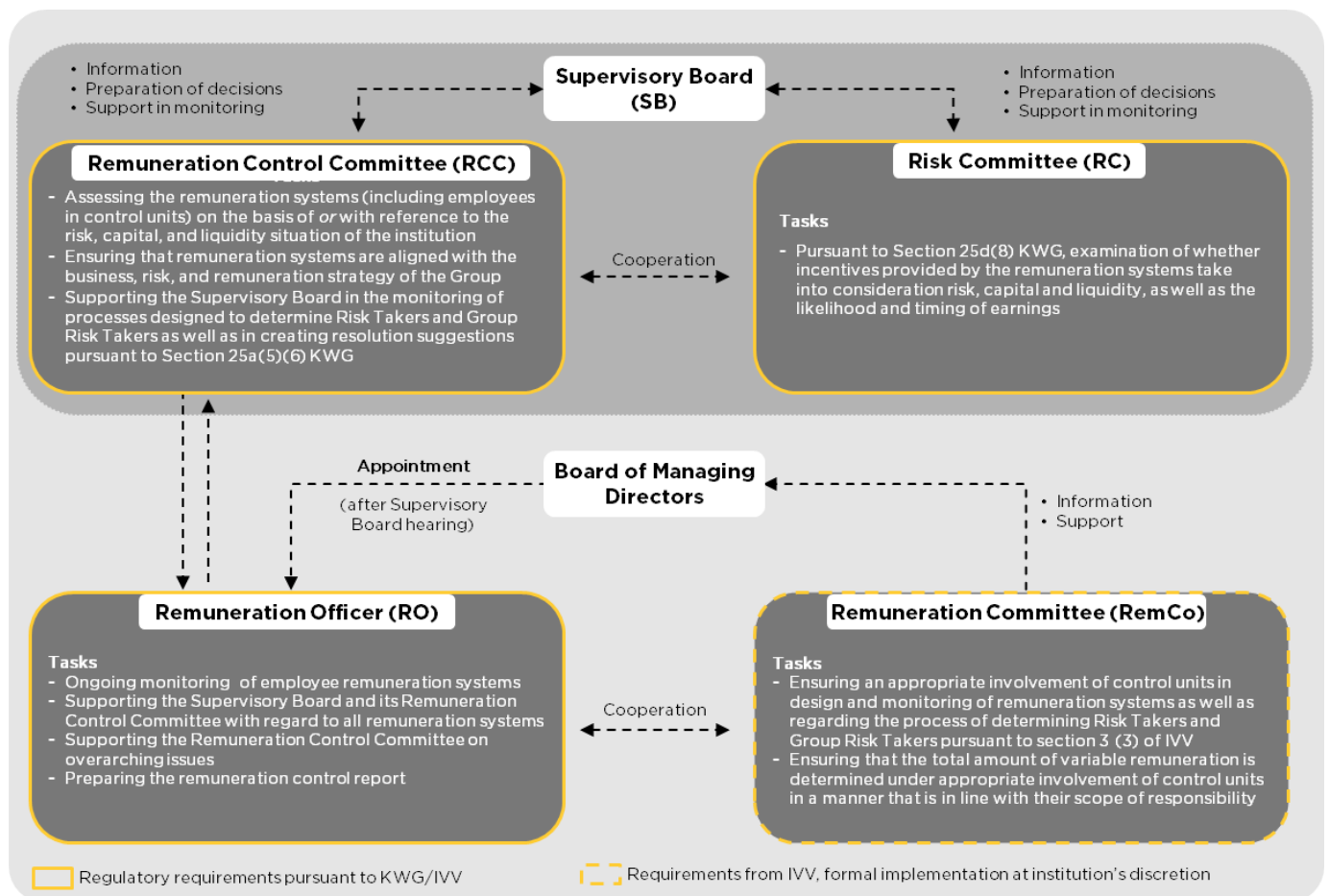


Figure 1: Overview of the compensation governance structure at Commerzbank

3.1 Remuneration Control Committee

Pursuant to Section 25d Paragraph 12 in conjunction with Paragraph 7 KWG, Commerzbank has set up a Remuneration Control Committee. Pursuant to Section 10a Paragraph 1 – 3 KWG, the Remuneration Control Committee³ can, in principle, perform the function of the Remuneration Control Committee as defined in Section 25d Paragraph 7 in conjunction with Paragraph 12 KWG for other institutes in the Commerzbank Group.

The Remuneration Control Committee is made up of the Chairman of the Supervisory Board, its Deputy Chairman pursuant to Section 27 Paragraph 1 of the Codetermination Act and one member each from the shareholder and employee representatives, respectively. At least one member of the Remuneration Control Committee must have sufficient knowledge and professional experience in the area of risk management and risk controlling, in particular with regard to the mechanisms governing the alignment of the remuneration systems with the Company's risk appetite and risk strategy and its capital resources. The Remuneration Control Committee and the Supervisory Board are supported by the Remuneration Officer in performing their monitoring and structuring duties with regard to the remuneration systems.

The Remuneration Control Committee supports the Supervisory Board in appropriately structuring the remuneration systems of the Board of Managing Directors. To this end, it prepares the resolutions of the Supervisory Board on the remuneration of the members of the Board of Managing Directors and on the determination of the total amount of variable remuneration pursuant to Section 45(2) Sentence 1 No. 5a KWG, taking into account the provisions of Section 7 IVV. It also prepares the resolutions to set appropriate remuneration parameters, performance contributions, performance and deferral periods, including the criteria for complete cancellation or partial reduction of deferred variable remuneration, or the clawback of variable remuneration amounts after disbursement. In performing those tasks, it considers in particular the effects of the resolutions on the company's risks and the risk management and takes into account the long-term interests of the shareholders, investors, other stakeholders, and the public.

It conducts regular reviews, at least once a year, of whether the resolutions are still appropriate. In case deficiencies are

identified, a set of measures is drawn up without undue delay to eliminate them.

The Remuneration Control Committee also supports the Supervisory Board in monitoring the appropriate structure of the remuneration systems for employees who are not executive managers. In particular, it checks on a regular basis, and at least once a year, whether the total amount of variable remuneration for the employees has also been determined in accordance with the regulatory requirements and whether the principles for determining remuneration parameters, performance contributions, disbursement and deferral periods are appropriate. It checks whether the criteria for the complete cancellation or partial reduction of the variable remuneration and the remuneration systems for the employees in control units meet the regulatory requirements, focussing in particular on the remuneration systems for the heads of risk controlling and the compliance function and the employees with a material influence on the Bank's overall risk profile. In addition, the Remuneration Control Committee supports the Supervisory Board in monitoring the process for determining Risk Takers and Group Risk Takers⁴.

It supports the Supervisory Board in monitoring the proper inclusion of the internal control units and all other important units in structuring the remuneration systems. This includes, inter alia, checking whether the remuneration systems for the employees in control units meet the regulatory requirements and assessing the effects of the remuneration systems on the risk, capital, and liquidity situation. In this context, the Committee ensures that the remuneration strategy and systems are geared to achieving the goals fixed in the Bank's business and risk strategies.

In addition, the Remuneration Control Committee supports the Supervisory Board in compiling proposed resolutions pursuant to Section 25a Paragraph 5 Sentence 6 KWG.

The tasks of the Remuneration Control Committee are set out in the Rules of Procedure of the Supervisory Board, which are published on the Commerzbank AG websites.

In the 2019 financial year, the Remuneration Control Committee of Commerzbank convened seven times, including one joint meeting with the Presiding Committee of the Supervisory Board.

³ See p.8 et. seq. of the Rules of Procedure of the Supervisory Board of 5 September 2018 on the Commerzbank website (https://www.commerzbank.de/media/de/konzern_1/konzerninfo/aufsicht/geschäftsordnung_aufsichtsrat.pdf).

⁴ For a definition of Risk Takers, see Chapter 4.5.1.

3.2 Remuneration Officer

As a major institution pursuant to Section 25n KWG, Commerzbank AG is required, pursuant to Section 23 IVV, to appoint a remuneration officer and a deputy (referred to below as "Remuneration Officer") in order to ensure appropriate, ongoing, and effective monitoring of the employee remuneration systems

The tasks of the Remuneration Officer are defined in Section 24 IVV and are published in the Bank's organisational guidelines. The Remuneration Officer has the necessary authority and adequate material and staff resources, both in terms of quantity and quality, to perform his monitoring activities effectively and independently, and he takes part in training activities on a regular basis.

The Remuneration Officer monitors the appropriateness of the employee remuneration systems and the related internal regulations and processes in accordance with the requirements of the laws and regulations governing remuneration. A particular focus is placed on the requirements for remuneration systems for Risk Takers. In addition, he coordinates remuneration-related requests of with the regulatory authorities.

The Remuneration Officer is involved in the conceptual development of new and existing employee remuneration systems for Commerzbank AG and in their ongoing processes. He supports the chairman of the Remuneration Control Committee and the committee in the performance of their monitoring duties with regard to the employee remuneration systems.

To support the Remuneration Control Committee, the Remuneration Officer checks, inter alia, whether the total amount of variable remuneration for employees for the financial year in question was set taking into account Section 7 IVV. Moreover, he reviews, for example, whether the principles for assessing remuneration parameters, performance contributions, and the performance and deferral periods as well as for defining the criteria for complete cancellation or partial reduction of variable remuneration of the employees are in line with the regulatory requirements.

3.3 Remuneration Committee

The Remuneration Committee was set up in order to involve the Bank's control units appropriately in the structuring and monitoring of the remuneration systems as well as in the process for determining Risk Takers and Group Risk Takers

within Commerzbank Group pursuant to Section 3 Paragraph 3 IVV. For this reason, the control units as defined in Section 2 Paragraph 11 IVV along with the divisions Group Finance and Group Legal have permanent representatives on the Remuneration Committee. Group Audit and the Remuneration Officer are non-voting participants of the Remuneration Committee.

The Remuneration Committee is involved to an appropriate extent in the structuring and monitoring of the remuneration systems of Commerzbank Group. It is also appropriately involved in the process, pursuant to Section 3 Paragraph 3 IVV, of identifying the Risk Takers as defined in Section 25a Paragraph 5b KWG and the Group Risk Takers as defined in Section 27 Paragraph 2 Sentence 1 IVV. This includes in particular being provided with detailed information and having its views heard when remuneration systems are designed, changed, developed, or withdrawn from use. In these cases, the Remuneration Committee is involved prior to the decision in question being implemented.

In that context, the Remuneration Committee assesses whether the remuneration systems are compatible with the Bank's business, risk, and personnel strategy, and whether they must be adjusted or changed in case of changes to the above-mentioned internal standards.

In addition, the Remuneration Committee is involved, giving due regard to the functions of its members, when the total bonus pool is determined. It also performs the appropriateness assessment pursuant to Section 12 IVV.

Section 12 IVV notwithstanding, the Remuneration Committee is obliged to inform the Full Board of Managing Directors of Commerzbank AG of any adverse developments and, if applicable, to suggest possible courses of action to correct them.

The tasks, composition, and regulations on passing resolutions and the organisation of the Remuneration Committee are set forth in Rules of Procedure, which are published on the Bank's intranet.

In the 2019 financial year, the Remuneration Committee convened twice and, in addition, was kept up to date on current issues by means of the circulation procedure.

4 Remuneration system

For the employees of Commerzbank the fixed remuneration constitutes the main part of their remuneration. The fixed remuneration is based primarily on the employee's qualifications and competencies and the requirements of the function exercised by him. For **pay-scale employees**, the remuneration is set in accordance with the criteria of the Framework Collective Agreement for the Private Banking Sector. For **non-pay-scale employees** and **employees abroad**, the requirements are described in successive career levels. Through the career levels, the Bank's non-pay-scale functions are structured in ascending order in relation to their internal importance. For this purpose, the Bank has defined a remuneration bandwidth for each career level on the basis of external market comparisons.

The fixed remuneration may be supplemented by variable remuneration. Along with fixed, market-oriented remuneration on all levels, this guarantees a performance-oriented variable remuneration which – apart from the Group's and the various segments' contributions to overall success – also takes into consideration the employee's individual performance contribution for Risk Takers and employees abroad.

In 2019, the remuneration models of Commerzbank were geared to the various employee groups, depending on the Bank's business model. The following remuneration models were applied:

- Pay-scale remuneration: for all pay-scale employees at Commerzbank Germany
- Non-pay-scale (NPS) model: for non-pay-scale employees not covered by the Investment Banking model
- Investment Banking model: in 2019, for all non-pay-scale employees in the Equity Markets & Commodities division within the Corporate Clients segment
- Board of Managing Directors model: for all members of the Board of Managing Directors of Commerzbank AG⁵

The remuneration models for employees and managers were revised already in the 2014 financial year, when the IVV was amended, with the aim of minimising remuneration-induced risks. In addition to the regulatory adjustments required, the non-pay-scale models were harmonised to a greater extent.

This applied in particular with regard to the remuneration parameters, budgeting, the pool proviso pursuant to

Section 7 IVV, and the individual distribution. As a result of this, the remuneration system became more transparent and understandable for all groups of employees. Through the amendments to the IVV of 25 July 2017, the various remuneration models – the Management, NPS, and Investment Banking models – were made more consistent and finally merged into a single model.⁶ The goal of the further harmonisation was, inter alia, to allow managers to focus more on their actual management and sales responsibilities and to increase employee satisfaction.

The harmonised NPS model distinguishes for purposes of bonus distribution between Germany and the international locations and between Risk Takers and employees without a material influence on the Bank's risk profile. It takes into account both market practices in the Anglo-Saxon countries, among others, and the special requirements IVV with regard to the remuneration of Risk Takers. The new NPS model has been in effect at Commerzbank AG since the 2019 financial year.

The former Investment Banking model remained in effect in the financial year only for executives in Equity Markets & Commodities who remained with Commerzbank AG. In addition, the guidelines for severance payments have been adapted in line with the provisions of the new IVV.

Should the Bank decide to pay other variable remuneration components such as retention bonuses, guarantees, or buyouts, these payments would be entirely subject to the provisions IVV with regard to the conditions for granting the payments as well as the vesting of claims and the disbursement.

The sections below describe the remuneration parameters and models in effect in the 2019 period under review. For details on the sustainability components of the remuneration models, please refer to Chapter 4.5.2 .

⁵ For detailed information on the Board of Managing Directors remuneration system, please refer to the 2019 Annual Report of Commerzbank (p. 29 et. seq.).

⁶ An exception applies to the employees in Equity Markets & Commodities who remain with Commerzbank AG following the sale of that business segment in the

2019 financial year. For these employees, the Investment Banking model will apply until further notice.

4.1 Remuneration parameters

Prior to each financial year, the Commerzbank Board of Managing Directors decides upon guidelines for targets within Commerzbank Group. The control units play an essential role in defining these guidelines. They ensure that the employees' targets are geared to the business and risk strategy as well as to the HR strategy of Commerzbank Group. The strategic targets of the multi-year planning and other project and/or line-related targets as well as the corporate culture are taken into consideration in addition to the segment-specific and division-specific targets of the Group.

A new remuneration model was introduced at Commerzbank for the 2019 financial year. In this model, the variable remuneration for employees in Germany not classified as Risk Takers is determined exclusively on the basis of Group and segment performance. Consequently, it is not necessary to agree on individual targets for these employees. For all other employees outside Germany and for all Risk Takers at Commerzbank Group, it is ensured that the targets for managers and employees are set on the basis of uniform criteria and in consideration of the target guidelines. In sales units, additional regulatory objectives are taken into account.⁷ Consequently, when setting the targets in those units, particular consideration is given to the targets "customer satisfaction" and "customer orientation".

The above-mentioned approach ensures that the employees' individual targets agreed upon at the beginning of each financial year are in line with the Bank's strategic targets. When it comes to setting the individual targets, particular attention is paid to the fact that the remuneration-related targets are sufficiently ambitious, make an effective and sustainable contribution to achieving the company targets, and create no incentive to take inappropriately high risks. The target agreement contains, in principle, quantitative and qualitative targets.

Furthermore, the Board of Managing Directors defines so-called performance curves⁸ for the Group and its individual segments as well as the Group Treasury unit at the beginning of the financial year. These are geared to the Bank's long-term strategy and serve as a basis for calculating a target for Economic Value Added (EVA) and the volume for variable remuneration.

4.2 Determination of the disbursement volume for variable remuneration

At the end of each financial year, the disbursement volume for variable remuneration will be calculated on the basis of the targets and parameters defined at the beginning of the year. In this context, the Group result is allocated a weighting of 40 per cent for the calculation of the disbursement budget; the respective segment result⁹ or the result of the Group Treasury unit is allocated a weighting of 60 per cent. In case of extraordinary conditions beyond the influence of the Bank, the Board of Managing Directors can raise or lower the funding quota for the Group by up to 20 percentage points in order to neutralise positive or negative effects on the Group funding quota to an appropriate extent. Such an adjustment is permitted only if

- there is an unforeseeable change in the economic environment that can neither be influenced nor controlled and
- it was entirely the result of the change in the economic environment and not the fault of the Group or actions taken by it (for example through a decrease in earnings due to damage to the reputation of the entire industry through a scandal involving a competitor or extreme natural catastrophes) that the Group target was not achieved, or that the target was achieved in full or even exceeded ("windfall profits").

Independent of the budget calculation described, an assessment is made under a formalised, transparent, and readily understandable process as set out in Section 45 Paragraph 2 Sentence 1 No. 5a KWG to determine whether a certain volume of funds can be made available for the disbursement of variable remuneration.

To meet the regulatory requirements, the budget for variable remuneration is reviewed, taking various factors into account as well as the regulatory requirements. A budget is set aside only in case of a positive overall assessment. The underlying requirements are considered separately and evaluated accordingly. The process takes into account economic factors – in particular risk-bearing capacity, multi-year planning, and the profit position of the Group – as well as regulatory factors such as the ability to regain appropriate capital and liquidity resources or maintain them in the long term. The process ensures that the Bank's ability to maintain or regain compliance with the combined capital buffer requirements pursuant to Section

⁷ Inter alia, minimum compliance requirements, special Section 8 (MaCompBT8) of the Directive on credit agreements for consumers relating to residential immovable property (Wohnimmobilienkreditrichtlinie), Dodd-Frank Act (so-called Volcker Rule).

⁸ Performance curves are also defined for the subsidiaries mBank TK, comdirect AG, Commerzbank (Eurasija) AO, and CommerzFactoring GmbH.

⁹ For employees working in a group management or services unit, the average of all segments is taken as the basis for assessment.

10i of the German Banking Act (KWG) is not impaired. It also ensures, in case of a negative overall assessment, in particular if this involves a decrease in company value, that it is generally not permissible to set aside a budget for variable remuneration (pool proviso).

The **economic factors** pursuant to Section 7 Paragraph 1 Sentence 3 IVV are fulfilled through the use of Economic Value Added (EVA) based on the definition applied by Commerzbank. EVA is generally used in the remuneration models of Commerzbank Group when setting budgets for variable remuneration. It takes into account the operating profit and the capital costs by deducting the capital costs from the operating profit of the unit under consideration. The capital costs are calculated as the product of capital and the capital cost rate. As a result, EVA meets all regulatory requirements.

An assessment is also made to ensure compliance with the **regulatory requirements** for capital and liquidity resources and the combined capital buffer requirements. These are reviewed on a regular basis by the internal Asset Liability Committee.

Within the framework of an overall assessment, all parameters of the pool assessment are also evaluated in the general context prior to determining the variable remuneration. This includes an examination of the influence and effects of the variable remuneration and extraordinary events, among other factors, with reference to the balance sheet, on the current and future situation of the Bank as a whole. In case of a **negative overall assessment**, the budget for variable remuneration payments will generally be cancelled or reduced.

4.3 Profit sharing for pay-scale employees

In addition to the 13th monthly salary payment stipulated in the Framework Collective Agreement for the private banking sector, pay-scale employees at Commerzbank in Germany can receive a profit share as a variable remuneration component. Starting in the 2016 financial year, the profit share of pay-scale employees has been calculated on the basis of EVA in line with the other remuneration models. In general, in the case of a Group target achievement below a defined threshold, no budget will be made available for disbursement.

If a budget is made available for disbursement, it will be disbursed to the employees, according to their individual performance, applying the respective segment performance and the individual pro-rata monthly salary, whereby

the Bank is entitled to reduce or cancel any disbursements in the case of non-compliant behaviour. In addition to the rule laid out above, the pool proviso in accordance with Chapter 4.2 also applies to profit sharing for pay-scale employees.

For the 2019 financial year, the defined threshold for payment of a profit share to pay-scale employees was not reached. As a result, no profit share was paid to pay-scale employees.

4.4 Variable remuneration for non-pay-scale employees

In addition to the annual fixed salary, generally paid out in the form of 12 monthly salary payments, non-pay-scale employees can receive variable remuneration. To this end, credit institutions are obliged to determine an upper limit for an appropriate relation between the variable and fixed remuneration of their employees pursuant to Section 25 a Paragraph 5 KWG. Commerzbank implemented this by defining upper limits, differentiated by career level, for the variable remuneration of its non-pay-scale remuneration systems. Independent of these upper limits and subject to a resolution to the contrary being passed by the Annual General Meeting, the variable remuneration of individual employees is not allowed to exceed 100 per cent of their individual annual fixed remuneration ("bonus cap"). In addition, for all remuneration models, the Bank has possibilities to reduce or cancel bonuses in case of non-compliant conduct.

The main features of the different variable remuneration models for non-pay-scale employees are set out below.

4.4.1 NPS model

The NPS model in its current form has been in effect for all non-pay-scale employees of Commerzbank AG since the 2019 financial year, with the exception of executives in Equity Markets & Commodities still employed by Commerzbank in 2019.

As a basis for the subsequent calculation of the variable remuneration, the Board of Managing Directors defines a target for the Group, each segment, and the Group Treasury unit using a parameter (currently EVA - Economic Value Added) and a target volume corresponding to the expected earnings. This consists of the sum of the variable

compensation potential (VCP) values, which serve as orientation values for the individual variable remuneration of the employees.

It is calculated using the individual gross monthly salary, multiplied by a factor based on the employee's individual career level and Risk Taker status. The variable remuneration potential indicates the potential amount of variable remuneration for the financial year in question if the targets set by the Bank for the Group and the segments are achieved in full.

With the transition to the new NPS remuneration model, depending on the original target amount, variable remuneration components can be converted to fixed remuneration, resulting in an overall reduction in the risk-oriented variable remuneration. In defining the amounts, the Bank took local remuneration levels into account by distinguishing between employment in Germany or at an international location when setting the factors for determining the variable remuneration potential. As a result, the variable remuneration component generally represents a larger share of remuneration at international locations than in Germany.

The disbursement volume in the new NPS model is generated at the end of the financial year on the basis of the results of the Group, the individual segments, and the Group Treasury unit, exclusively on the basis of the achievement of the EVA targets. The main features of this approach are described in Chapters 4.1 and 4.2.

When determining the disbursement amounts, the Bank distinguishes between Risk Takers and employees with no material influence on the risk profile of the institution and between employees who work in Germany or at international locations.

For employees in Germany who are not Risk Takers, the disbursement amount of variable remuneration is non-discretionary and is determined exclusively on the basis of the individual variable remuneration potential and the so-called funding quota. The funding quota is a weighted average of the target achievement of the Group (40 per cent) and the target achievement of the segment where the individual is employed (60 per cent)¹⁰.

The variable remuneration for Risk Takers and employees at the international locations is determined at the reasonably exercised discretion of the executive, taking

into account the employee's individual contribution to performance.

The amount of the individual variable remuneration in the NPS model is limited to 200 per cent of the variable compensation potential (VCP). Independently of this restriction, the Bank ensures that the variable remuneration does not exceed the amount of the individual annual fixed remuneration. In addition, the NPS model is also subject to the cross-model provisions stipulated in Chapter 4.5.

¹⁰ For employees working in a group management or services unit, the average of all segments is taken as the basis for assessment.

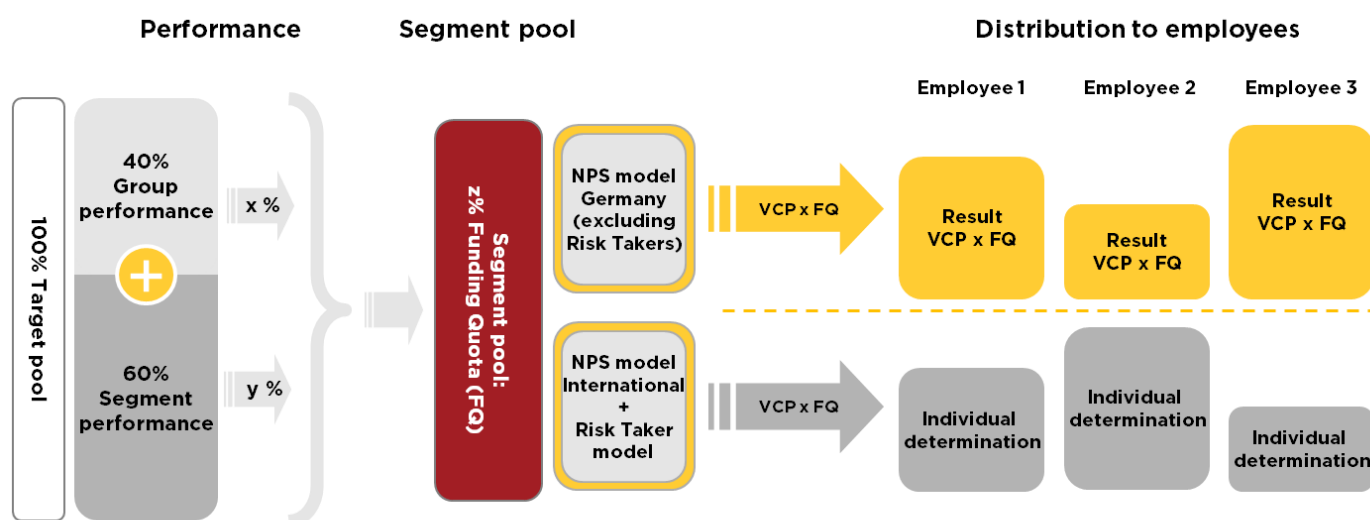


Figure 2: Overview of how Commerzbank's NPS model for financial year 2019 works

4.4.2 Investment Banking (IB) model

The Investment Banking model remained in effect in 2019 only for the non-pay-scale employees in the Equity Markets & Commodities division in the Corporate Clients segment.

At the beginning of the financial year, the Board of Managing Directors defined a target volume for the employees in that division. As is customary in the market, no individual target amounts were agreed.

The disbursement volume in the IB model was determined at the end of the 2019 financial year on the basis of Group and segment performance (in this case: the Corporate Clients segment). The main features of this approach are described in Chapters 4.1 and 4.2.

The distribution of the disbursement budget to the employees was then conducted on a discretionary basis according to uniform rules, taking into account the division's and the individual employee's contributions to the Bank's success.

For setting the individual variable remuneration, no remuneration bandwidths were defined. By setting a uniform upper limit, the Bank ensured, however, that the bonus cap amounting to a maximum of 50 per cent of total remuneration was adhered to. Furthermore, the cross-model provisions pursuant to Chapter 4.5 applied.

4.4.3 Employees in control functions

The divisions Group Risk Management, Group Compliance, Group Audit, and Group Human Resources are considered control units pursuant to Section 2 Paragraph 11 IVV.

Commerzbank has not implemented separate remuneration models for the control units. However, the employee remuneration systems are structured to ensure that they do not run counter to the monitoring function of those units. The remuneration systems ensure that the main focus of remuneration lies on the fixed salary component, so that employees in the Bank's control functions are also not dependent on receiving an additional variable remuneration. Commerzbank deems this "main focus" criterion to be fulfilled when the maximum variable remuneration achievable by employees in control units represents one third or less of their total remuneration.

The variable remuneration of the employees in control units is not calculated on the basis of the targets of the monitored segments, but on the basis of the Group result and the average target achievement of the segments. Possible conflicts of interest when performing the monitoring function are avoided through target agreements with the employees of the control units.

Depending on their function, the employees in the control units were subject to the rules of the pay-scale or NPS models in 2019.

4.4.4 Remuneration of the Board of Managing Directors

Remuneration of the members of the Board of Managing Directors is subject to a separate model. The details, including other remuneration information, were published in the 2019 Annual Report (p. 29 et. seq.) and can be found there. This Remuneration Report supplements the previous publication on the remuneration of the Board of Managing Directors with regard to the quantitative requirements pursuant to Section 16 IVV and Article 450 of EU Regulation No. 575/2013.

4.5 Variable remuneration regulations applicable to all models

Although the amount of variable remuneration is based on the regulations of the applicable remuneration model, the specific disbursement arrangements depend on whether an employee is classified as a Risk Taker.

For employees who are not Risk Takers, the variable remuneration is paid out as a lump sum after the end of a financial year. No other conditions apply. For those classified as Risk Takers, the disbursement of variable remuneration is subject to special conditions.

4.5.1 Risk Taker identification

Pursuant to Section 25a Paragraph 5b KWG, major financial institutions must conduct a risk analysis to identify employees with a material influence on the overall risk profile of the financial institution or the group.

The applicable qualitative and quantitative criteria are set out in the Regulatory Technical Standards (RTS) of Regulation (EU) No. 604/2014 of 4 March 2014, Article 94 Paragraph 2 of Directive 2013/36/EU (CRD IV), which was amended with Delegated Regulation (EU) No. 2016/861 of 18 February 2016. To date, Commerzbank has not utilised the exemption option for identifying Risk Takers pursuant to Art. 4 Paragraph 2 in conjunction with Paragraph 4 and 5 of the Delegated Regulation (EU) No. 604/2014.

In addition to the Risk Taker identification on the institute level, all major institutes of Commerzbank Group¹¹ were asked by Group Human Resources to carry out an internal risk analysis using the RTS criteria to check whether, from a Group perspective, any employees in the company have a

material influence on the risk profile of Commerzbank Group. The result of this check must be documented.

At Commerzbank, the criteria by means of which Risk Takers are identified are differentiated on the basis of management responsibility, risk responsibility, and remuneration. As a result, the following employee groups are classified as Risk Takers:

- Management responsibility: all employees on the first and second management levels of the Group, heads of material business units¹², their direct reports, and the managers of Risk Takers.
- Risk responsibility: Employees whose credit risk responsibility (all-in competency) per transaction amounts to at least 0.5 per cent of the Common Equity Tier 1 capital (CET 1) or whose market risk responsibility (value-at-risk limit) exceeds 5 per cent of the Group value-at-risk limit, or who are voting members of a permanent committee responsible for these risk categories or for risk categories within the meaning of EU Directive 2013/36/EU, Articles 79–87.
- Remuneration amount: the 0.3 per cent of employees with the highest total remuneration, i.e. all employees with remuneration of €500,000 or more.

In addition, other employees may be identified as Risk Takers based on an institute's own criteria. The details of the Risk Taker identification process were documented accordingly in a risk analysis.

If an employee was identified as a Risk Taker for at least 90 days in 2019, then, his entire variable remuneration for the financial year was subject to the Risk Taker regulations. The number of employees who were identified at Commerzbank Group on a consolidated level as "Risk Takers" or "Group Risk Takers" in 2019 was 1,371 employees (1,331 full-time equivalents (FTEs)) including the Commerzbank AG Board of Managing Directors and Supervisory Board, as compared to 1,427 in 2018 (1,283 FTEs).

¹¹ In addition to Commerzbank AG, comdirect bank AG and mBank S.A. were considered major institutions.

¹² Material business unit: A business unit within the meaning of Article 142 Paragraph 1 No. 3 of Regulation (EU) 575/2013, to whom internal capital representing at least 2 per cent of the internal capital of the institution is allocated in accordance with Article 73 of Directive 2013/36/EU.

4.5.2 Special remuneration rules for Risk Takers

Due to their importance for the Bank's overall risk profile, special rules apply when assessing the performance of Risk Takers and determining and disbursing their variable remuneration.

Commerzbank distinguishes between Risk Takers I and Risk Takers II, depending on the hierarchy level and the risk content of the employee's activities. All members of the first Group management level who report to the Board of Managing Directors of Commerzbank as well as any other employees who report to the top management of another major institution at Commerzbank Group are classified as Risk Takers I. Also classified as Risk Takers I are managing directors and direct reports in companies subject to the provisions of the Alternative Investment Fund Manager Directive (AIFMD). All other Risk Takers are classified as Risk Takers II.

If the variable remuneration of a Risk Taker exceeds €50,000¹³, the entire variable remuneration is divided into two components: a Short-Term Incentive (STI) and a Long-Term Incentive (LTI). The STI and LTI are both paid out in equal amounts of cash and shares.

The STI represents 40 per cent of variable compensation for Risk Takers I and 60 per cent for Risk Takers II. It is determined after the end of the financial year (n). It is disbursed within a short time; however, the equity-based share of the STI is paid out only after a retention period of at least 12 months.

The LTI represents 60 per cent of variable compensation for Risk Takers I and 40 per cent for Risk Takers II. It is determined on an indicative basis after the end of the financial year (n). The LTI is disbursed only after a defined period – consisting of a deferral period of at least three years for Risk Takers II or at least five years for Risk Takers I. The equity-based share of the LTI is subject to an additional retention period of at least 12 months subsequent to the deferral period.

Pursuant to Section 20 Paragraph 3 IVV, major institutions must define a threshold above which the share of the deferred variable remuneration for Risk Takers must amount to at least 60 per cent regardless of the Risk Taker status. Commerzbank has set this threshold at €180,000.

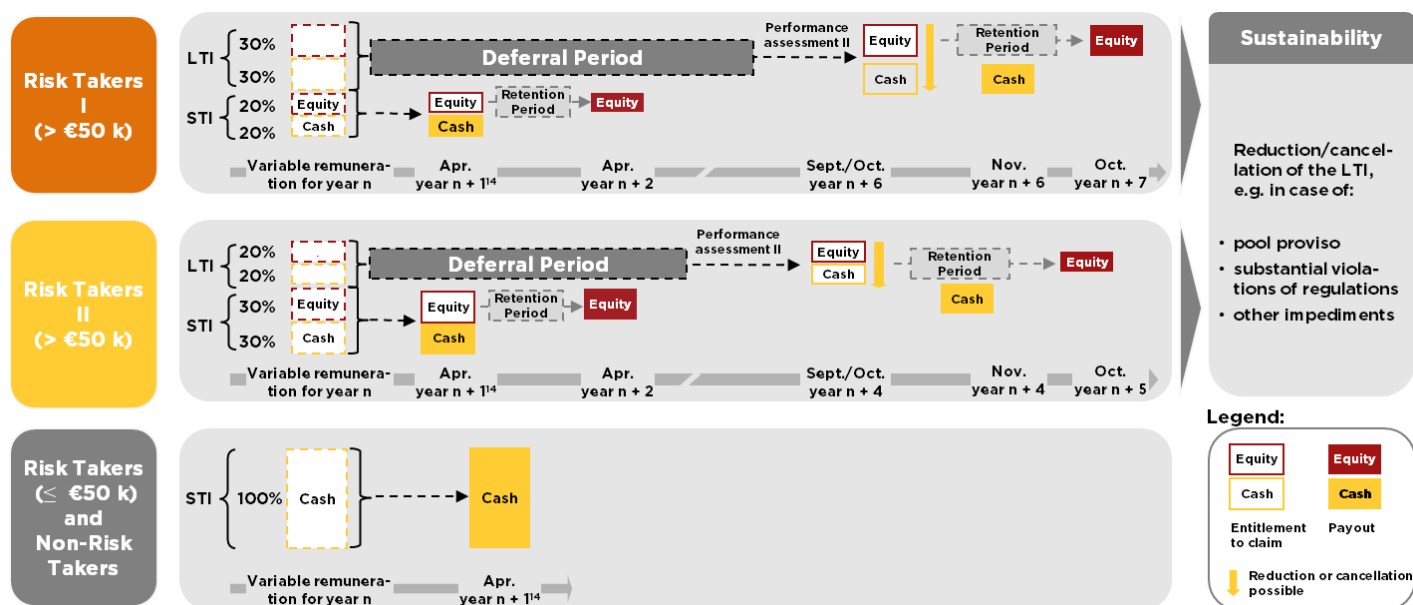


Figure 3: Disbursement procedures and sustainability components based on variable remuneration for 2019

¹³ Amount up to which the disbursement of the entire variable remuneration of Risk Takers for a financial year as a cash-only STI is permitted pursuant to Section 25a Paragraph 5b KWG.

¹⁴ Exception: Investment Banking model and some international locations (disbursement in March of year n + 1).

In accordance with the regulatory requirements, Risk Takers can acquire a claim to the LTI only after the deferral period has expired and only if there are no impediments to disbursement at that time that would partially or entirely prevent the claim from vesting (see Section 4.5.3).

Variable remuneration determined for the financial year 2019 will be disbursed after completion of the Performance assessment II for Risk Takers I in November of the sixth year (n + 6) for LTI Cash and in October of the seventh year (n + 7) for LTI Equity. For Risk Takers II, the LTI Cash component will be paid out in November of the fourth year (n + 4) and LTI Equity in October of the fifth year (n + 5).

4.5.3 Performance assessment for Risk Takers

After the end of a financial year, the performance of Risk Takers is assessed on the basis of individual quantitative and qualitative targets. This Performance Assessment I forms the basis for setting the amount of individual variable compensation and thus establishes the claim to the STI. With regard to the LTI, the calculation is merely indicative, i.e. there is no direct vested claim or entitlement to the LTI.

For Risk Takers, unethical conduct or conduct contrary to duties within the meaning of IVV in financial year (n) cannot be offset through positive individual performance contributions. Instead, such conduct must lead to the variable compensation being reduced or completely eliminated for the financial year in question, regardless of the target achievement quota. For employees who are not Risk Takers, unethical conduct or conduct contrary to duties that would justify a warning or dismissal may also result in the variable compensation for the financial year (n) being reduced or completely eliminated.

The complete cancellation of an employee's variable compensation for financial year (n) will occur in particular in case:

- the employee is materially involved in or responsible for conduct in financial year (n) resulting in substantial losses for the Bank or significant regulatory penalties.

An indication of a substantial loss is present, for example, when the amount is sufficient for the mere expectation of the loss to trigger a mandatory ad hoc disclosure or if the amount represents at least 1.0 per cent of the Bank's actual equity reserves.

Significant regulatory penalties include, for example, a measure imposed in case of a risk as defined in Section 46 of the German Banking Act (KWG), the dismissal of a

managing director as stipulated in Section 36 KWG, a fine and/or a financial penalty if the total amount is equal to or exceeds 1.0 per cent of the Bank's equity reserves.

The complete cancellation of an employee's variable compensation for financial year (n) will also occur in case of:

- serious breaches of external or internal regulations relevant to suitability and conduct in financial year (n) on the part of the employee.

"Relevant" regulations with regard to suitability and conduct include all those pertaining to the conduct and professional suitability of the employee which must be complied with to maintain a proper business organisation within the meaning of Section 25a Paragraph 1 Sentence 1 KWG.

For assessing when a breach of duties is "serious", the Bank conducts an overall assessment of the blameworthy actions and the extent of the actual damage caused or other consequences detrimental to the Bank. In case of gross negligence or intentional actions, the criterion is generally deemed to be met.

At the individual level, additional risk reviews are conducted in each year of the deferral period to determine whether causes have arisen in the meantime that may justify the cancellation or reduction of claims to LTI components. Causes may include: Violations of rules and guidelines (Code of Conduct), a lack of sustainability in the performance serving as the basis for the Performance Assessment I, or the employee's risk behaviour.

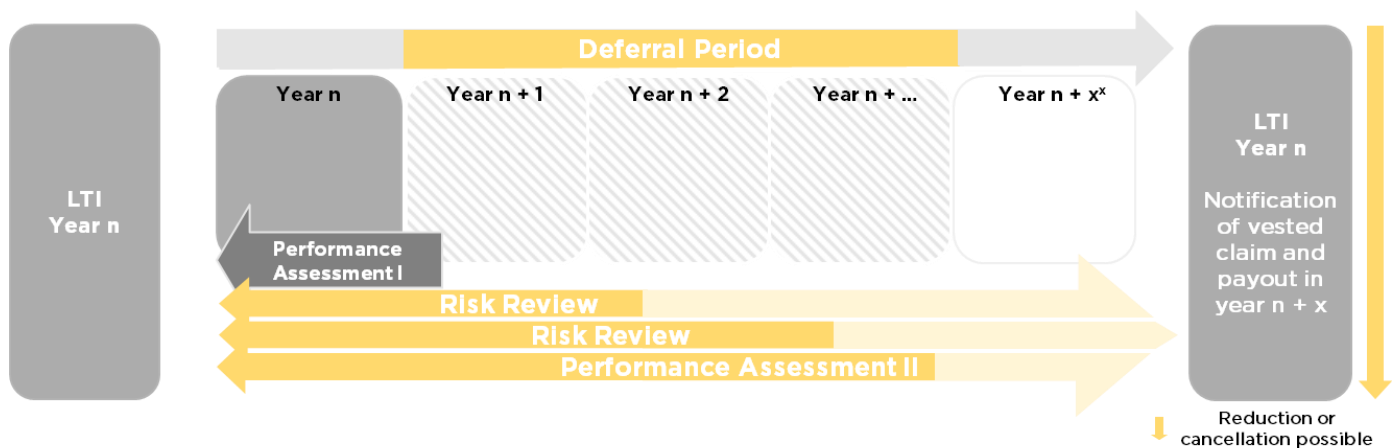


Figure 4: Schematic illustration of the performance assessment for Risk Takers at Commerzbank

To facilitate a decision on claims to LTI components for Risk Takers, other individual and collective reviews are carried out.

After the expiry of the deferral period, Performance assessment II reviews Performance assessment I and the employee's behaviour during the deferral period. In addition, the collective review also includes the review as described in Chapter 4.2 as regards the pool proviso for each year of the deferral period.

In summary, negative individual contributions to success, a negative result of the review as regards the pool proviso, or an order issued by the supervisory authorities may result in the claim to the LTI component being reduced or cancelled.

The decision on the vested claim to the LTIs is supported by the so-called "Decision Board", which ensures a systematic and uniform assessment of the risk reviews and Performance assessment II in case these show abnormalities.

This is always the case, for example, in the event that Performance Assessment I indicates a lack of sustainability in the employee's performance, or in case of poor risk behaviour or breaches of internal regulations or statutory or regulatory provisions resulting in major or significant damage and/or generating serious or real risk potential. As a result of these efforts it is necessary to reduce the variable remuneration or consider such a reduction.

The Decision Board supports the decision by the Full Board of Managing Directors in these cases by recommending appropriate measures, taking into account all available information.

4.5.4 Prohibition on hedging transactions

At Commerzbank, the prohibition on hedging transactions has been incorporated in the remuneration system pursuant to Section 8 IVV. The prohibition stipulates that employees are not permitted to take personal hedging measures or other counter-measures in order to limit or eliminate the risk adjustment of their variable remuneration. In particular, no instruments or methods may be applied which could be used to circumvent requirements of the IVV.

To ensure compliance with the prohibition on hedging, the Remuneration Officer conducts regular spot checks in cooperation with the Group Compliance Division. Employees are obliged to support the spot checks and provide the Bank with any requested information.

In case of a violation of the prohibition on hedging transactions or a persistent refusal by an employee to cooperate in the spot checks, the Bank is entitled to take disciplinary actions against the employee in accordance with labour law. Moreover, the Bank will regard this as a serious breach of relevant contractual obligations which will result in the loss of all variable compensation claims of the employee.

5 Group-wide implementation

A group's superordinated companies are, pursuant to Section 27 Paragraph 1 IVV, required to define a group-wide remuneration strategy to implement the regulatory requirements of Section 25a Paragraph 5 KWG and Sections 4 to 13 IVV regarding all employees of the companies within the Group. This applies to all companies included in Commerzbank's regulatory group within the meaning of Section 10a Paragraph 1 to 3 KWG, with the exception of companies that fall within the scope of Section 37 of the German Investment Code (KAGB).

Commerzbank Group's international locations and its subsidiaries in Germany and abroad included in the regulatory group are obliged to implement and abide by the guidelines of the Group-wide remuneration strategy, provided they are not subject to more stringent national regulations.

The identification of the companies within Commerzbank Group for which it is necessary to implement a Group-wide remuneration strategy pursuant to Section 27 IVV is carried out by Commerzbank in a multi-stage process. First, the companies not included in the regulatory group and the special purpose vehicles are ruled out. For the remaining companies, an assessment is made to determine which are institutions pursuant to KWG and thus fall directly within the scope of application of Section 1 IVV and must therefore directly fulfil the requirements of the IVV at the stand-alone level, and which are subject to comparable regulations as financial institutions outside Germany (regulatory group).

All other entities included in the regulatory group are subject to the requirements of the IVV under Section 27 Paragraph 1 exclusively at the consolidated level (personnel policy group).

As a result, 36 subsidiaries¹⁵ in Germany and at the international level, in addition to Commerzbank, met the criteria of the IVV in the 2019 financial year. For the companies that do not meet the regulatory group criteria, the result of the assessment was documented.

The remuneration strategy and the requirements of the IVV within Commerzbank Group are, in principle, implemented by means of the Compensation Policy in conjunction with the Benefit Policy. The Compensation Policy defines the general requirements for the structure of remuneration

systems in the Group. The Benefit Policy defines the requirements for the structuring of fringe benefits in the Group. The goal of both policies is to concretely define and implement the regulatory requirements of Sections 4 to 13 IVV for Commerzbank Group, implement the remuneration strategy within Commerzbank Group, and define regulations for the employee remuneration systems.¹⁶

These two policies thus serve jointly to implement Commerzbank Group's Compensation Policy at a global level. They are a part of the Group-wide remuneration strategy, which applies to the subsidiaries in the regulatory group. At the same time, the two policies are intended to further harmonise the Group-wide structuring of the remuneration policy and reinforce the sense of Group identity.

The remuneration strategy applies to Commerzbank, its branches in Germany and at the international locations, and to subsidiaries that belong to the regulatory group. In addition, it serves to provide guidance to subsidiaries that do not belong to the regulatory group and can be applied by them in whole or in part.

The Group-wide remuneration strategy adopted in the 2015 financial year was introduced and fully implemented in all subsidiaries in the regulatory and personnel policy group existing at that time. In conjunction with the amendments to the IVV, which came into force on 25 July 2017, the Group-wide remuneration strategy was revised and adopted by the Board of Managing Directors of Commerzbank AG. It succeeded the old version in the companies of the regulatory group.

¹⁵ comdirect bank AG; Commerz Real AG; CommerzFactoring GmbH; ebase GmbH (until the closing on 16 July 2019); Commerz Real Mobilienleasing GmbH; mBank S.A.; Commerzbank Finance & Covered Bond S.A.; Commerzbank Zrt.; mBank Hipoteczny S.A.; mFactoring S.A.; mFinance France S.A.; mLeasing Sp. z o.o.; Commerz Real Investmentges. mbH; Commerz Real KVG mbH; Commerz Markets LLC; Commerzbank Eurasija; Commerzbank Brasil; Commerz Business Consulting GmbH; Commerz Direktservice GmbH; ComTS Finance GmbH; ComTS Rhein Ruhr GmbH; ComTS Logistics GmbH; ComTS Mitte GmbH; ComTS Nord GmbH; ComTS Ost GmbH; ComTS West GmbH; Commerz Service-Center Intensive GmbH;

SOLTRX Transaction Services GmbH; Dresdner Lateinamerika AG; LSF Loan Solutions Frankfurt GmbH; CommerzVentures GmbH; Main Incubator GmbH; CERL International Sp. z o.o.; mCentrum Operacji Sp. z o.o.; mFinanse S.A.; Commerz Funds Solutions S.A. (Lux.) (until the closing on 26 May 2019).

¹⁶ Further information on the individual subsidiaries is available, among other sources, in the annual reports and remuneration reports of comdirect bank AG and Commerz Real AG for the 2019 financial year. Information on the remuneration regulations for the senior management of mBank is available in the annual report of mBank. All reports are available on the websites of the companies in question.

6 Remuneration information

The disclosure of remuneration data pursuant to Section 16 IVV in conjunction with Art. 450 of Regulation (EU) No. 575/2013 is carried out for Commerzbank's regulatory group. The information on Risk Takers in Chapter 6.2 includes remuneration information on Risk Takers of

Commerzbank AG and on senior managers of subsidiaries identified as so-called Group Risk Takers at the consolidated level. Risk Takers identified by the subsidiaries themselves, exclusively on the basis of local regulations, are not included in this Remuneration Report.

6.1 Quantitative information on remuneration by business area

Pursuant to Art. 16 Paragraph 1 No. 3 IVV, the quantitative information on remuneration must be broken down by business area.

Segment	Supervisory Function ²⁰	Managing Directors ²⁰	Private and Small-Business Customers	Corporate Clients (excl. Investment Banking)	Investment-banking ²¹	Corporate Functions	Independent Control Functions ²²	Group Total
Amounts in Euro million	Amount/number	Amount/number	Amount/number	Amount/number	Amount/number	Amount/number	Amount/number	Amount/number
No. of Managing Directors/Supervisory Board Members ¹⁷	191	93						284
No. of Employees ¹⁷			23,126	3,915	1,606	13,253	4,312	46,212
No. of Employees in full time equivalents (FTEs)			18,987.3	3,680.4	1,544.9	12,137.5	4,018.9	40,369.0
Total remuneration	4.3	36.0	1,336.4	447.1	326.5	1,005.4	466.6	3,622.4
Fixed remuneration ¹⁸	4.3	27.8	1,247.6	420.0	295.0	957.7	437.6	3,390.0
Variable remuneration ¹⁹	-	8.2	88.8	27.2	31.5	47.7	29.0	232.4
of which: severance payments	-	-	7.5	1.0	1.2	0.5	0.6	10.9

6.2 Quantitative information on remuneration of senior management and Risk Takers

Pursuant to Regulation Art. 450 (EU) 575/2013 Paragraph 1 Sentence h, the quantitative information on remuneration must be broken down according to senior management and employees with a material influence on the risk profile of the institution (so-called "Risk Takers") as shown in the following table.

¹⁷ Natural persons.

¹⁸ In addition to the base salary, "fixed remuneration" includes bonuses and pension benefits pursuant to the International Financial Reporting Standards (IFRS).

¹⁹ In addition to the performance-based variable remuneration as described in Chapter 4, "variable remuneration" includes other payments made on the occasion of the commencement or termination of the employment relationship (guarantees, sign-ons, buy-outs, and severance payments); including social insurance contributions and the reversal of provisions from past years.

²⁰ Including the Supervisory Board and senior managers of Commerzbank AG (see 2019 Annual Report, p. 29 et. seq.).

²¹ Including Group Treasury.

²² Group Human Resources, Group Compliance, Group Risk Management, and Group Audit are deemed control units at Commerzbank within the meaning of Section 2 Paragraph 11 IVV.

²³ Natural persons.

²⁴ In addition to the base salary, "fixed remuneration" includes bonuses and pension benefits pursuant to the International Financial Reporting Standards (IFRS).

²⁵ In addition to the performance-based variable remuneration as described in Chapter 4, "variable remuneration" includes other payments made at the beginning or end of the employment relationship (guarantees, sign-ons, buy-outs, and severance payments).

²⁶ Including the Supervisory Board and senior managers of Commerzbank AG (see 2019 Annual Report, p. 29 et. seq.).

²⁷ Including Group Treasury.

²⁸ Group Human Resources, Group Compliance, Group Risk Management, and Group Audit are deemed control units at Commerzbank within the meaning of Section 2 Paragraph 11 IVV.

Segment	Supervisory Function ²⁶	Managing Directors ²⁶	Private and Small-Business Customers	Corporate Clients (excl. Investment Banking)	Investment Banking ²⁷	Corporate Functions	Independent Control Functions ²⁸	Group Total
Amounts in Euro million	Amount/number	Amount/number	Amount/number	Amount/number	Amount/number	Amount/number	Amount/number	Amount/number
No. of Managing Directors/Supervisory Board Members ²³	191	86						277
No. of Risk Takers in headcount	-	-	166	204	287	217	220	1,094
No. of Risk Takers in full time equivalents (FTEs)	-	-	162.6	197.9	274.0	208.5	211.4	1,054.4
Number of Risk Takers belonging to the subordinate management level (according to FTEs)	-	-	9.0	7.0	5.9	13.8	8.0	43.7
Fixed remuneration ²⁴	4.3	26.8	27.2	49.8	86.1	42.1	39.0	275.3
of which: in Cash/Allocation to retirement provisions/non-cash benefits	4.3	26.8	27.2	49.8	86.1	42.1	39.0	275.3
of which: in shares or share-linked instruments	-	-	-	-	-	-	-	-
of which: in other financial instruments	-	-	-	-	-	-	-	-
Variable remuneration ²⁵	-	8.0	4.8	7.2	15.1	6.6	6.2	47.9
of which: variable in Cash/Allocation to retirement provisions/non-cash benefits	-	4.5	4.3	5.7	10.5	5.6	5.4	36.1
of which: variable in shares or share-linked instruments	-	3.5	0.4	1.4	4.6	1.1	0.8	11.8
of which: variable in other financial instruments	-	-	-	-	-	-	-	-
Share of deferred variable remuneration for 2019 (Deferral)	-	4.4	0.5	1.3	4.7	1.2	0.8	12.9
of which: deferred portion in cash	-	2.0	0.3	0.7	2.3	0.6	0.4	6.3
of which: deferred portion in shares or share-linked instruments	-	2.4	0.3	0.7	2.3	0.6	0.4	6.7
of which: deferred portion in other financial instruments	-	-	-	-	-	-	-	-

Segment	Supervisory Function ³¹	Managing Directors ³¹	Private and Small-Business Customers	Corporate Clients (excl. Investment Banking)	Investment Banking ³²	Corporate Functions	Independent Control Functions ³³	Group Total
Amounts in Euro million	Amount/number	Amount/number	Amount/number	Amount/number	Amount/number	Amount/number	Amount/number	Amount/number
Additional information regarding the amount of total variable remuneration								
Total amount of outstanding deferred remuneration from previous years ²⁹	-	20,4	3,6	5,4	37,2	9,1	6,9	82,5
of which: in 2019 earned amounts	-	4,1	1,3	2,2	18,8	4,9	3,0	34,3
of which: paid in 2019	-	5,8	1,3	2,2	18,8	4,9	3,0	36,0
of which: not earned amounts	-	14,6	2,3	3,2	18,3	4,2	3,9	46,5
Amount of explicit ex post performance adjustment for previously awarded remuneration in 2019	-	-	-	-	-	-	-	-
Number of beneficiaries of guaranteed variable remuneration ³⁰	-	-	-	n/s ³⁴	-	n/s ³⁴	n/s ³⁴	3
Total amount of guaranteed variable remuneration	-	-	-	n/s ³⁴	-	n/s ³⁴	n/s ³⁴	0,4
Number of beneficiaries of buyout/sign-on payments ³⁰ in 2019	-	-	-	n/s ³⁴	n/s ³⁴	n/s ³⁴	n/s ³⁴	5
Total amount of buyout/sign-on payments paid in 2019	-	-	-	n/s ³⁴	n/s ³⁴	n/s ³⁴	n/s ³⁴	0,5
Number of beneficiaries of severance payments awarded in 2019 ³⁰	-	-	n/s ³⁴	6,0	6,0	n/s ³⁴	n/s ³⁴	19
Total amount of severance payments awarded in 2019	-	-	n/s ³⁴	1,4	2,0	n/s ³⁴	n/s ³⁴	6,3
Highest severance payment to a single person	-	-	n/s ³⁴	0,5	1,1	n/s ³⁴	n/s ³⁴	1,1
Number of beneficiaries of severance payments paid in 2019 ³⁰	-	-	n/s ³⁴	7	7	4	5	25
Total amount of severance payments paid in 2019	-	-	n/s ³⁴	0,4	2,3	1,3	1,0	5,3
Number of beneficiaries of contributions to discretionary pension benefits in 2019 ³⁰	-	-	-	-	-	-	-	-
Total amount of contributions to discretionary pension benefits	-	-	-	-	-	-	-	-
Total amount of potential variable remuneration awarded for multi-year periods under programmes which are not revoked annually	-	-	-	-	-	-	-	-

²⁹ Update as of 01.04.2021 (after technical correction)

³⁰ Natural persons.

³¹ Including the Supervisory Board and senior managers of Commerzbank AG (see 2019 Annual Report, p. 29 et. seq.).

³² Including Group Treasury.

³³ Group Human Resources, Group Compliance, Group Risk Management and Group Audit are deemed control units in Commerzbank within the meaning of Section 2 Paragraph 11 IVV.

³⁴ Payments granted on the occasion of commencing or terminating an individual's employment relationship (guarantees, sign-ons, buy-outs and severance payments) are stated in aggregate form to protect confidentiality in case fewer than four people received the benefit in question.

6.3 Number of persons with high remuneration

Pursuant to Regulation Art. 450 (EU) 575/2013 Paragraph 1 Sentence i, the following table shows a breakdown of the number of persons whose remuneration exceeded €1 million in the 2019 financial year. The breakdown is based on remuneration increments of €500,000 and includes the service costs for pension benefits in accordance with IFRS.

Number of persons whose remuneration amounts to € 1 m or more ³⁵				
1.000.000	to	€	1.500.000	10
1.500.000	to	€	2.000.000	5
2.000.000	to	€	2.500.000	1
2.500.000	to	€	3.000.000	-
3.000.000	to	€	3.500.000	-
3.500.000	to	€	4.000.000	1
4.000.000	to	€	4.500.000	-
4.500.000	to	€	5.000.000	-
	>	€	5.000.000	-

Frankfurt/Main, August 2020

Commerzbank Aktiengesellschaft

³⁵ Including the Supervisory Board and senior managers of Commerzbank AG (see 2019 Annual Report, p. 29 et. seq.). Including pension benefits pursuant to the IFRS (Details can be found in the Annual Report, p. 36).

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