



Corporate Governance Roadshow

December 2023/January 2024



Agenda

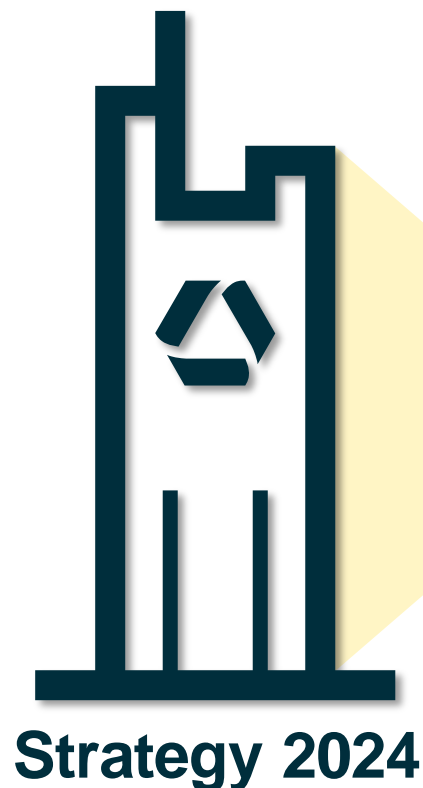
1. Strategy
2. Supervisory Board
3. Board of Managing Directors
4. Remuneration of the Board of Managing Directors
5. Sustainability





1. Strategy

We have delivered on Strategy 2024



Financials



On track to meet 2024 targets,
fueled by strong 9M 2023 result



Return to German
blue chip index DAX 40



Commerzbank now Single-A
rated by S&P and Moody's



New business model
in place



High customer loyalty and
less churn than expected



Significant improvement
on sustainability

Business Transformation

New business model in place



Private and Small Business Customers

Corporate Clients

Customer-centric

Two-brand strategy (Commerzbank & comdirect) to reflect different needs of ~11m customers

Digital

Increasing acceptance of enhanced digital solutions, further steps in implementation

Profitable

Lean branch network with 400 branches and advisory center at 12 locations

Sustainable

Increasing sustainable product offerings and volume



Established client & sector coverage models, locations in 43 countries covering relevant trade corridors

Continuously increased online usage to 2/3 of corporate clients

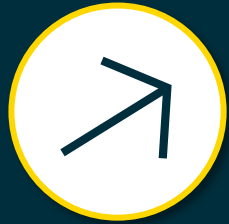
Value-oriented capital deployment with significantly improved RWA-efficiency

Strong support of clients in green transformation

Targets 2024 within reach

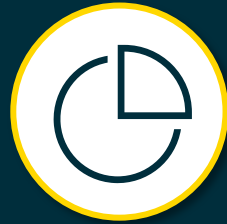


2023e → Targets 2024



~7.5% → ≥7.3%

Net
RoTE



~61% → 60%

CIR



~14.7% → 14.8%

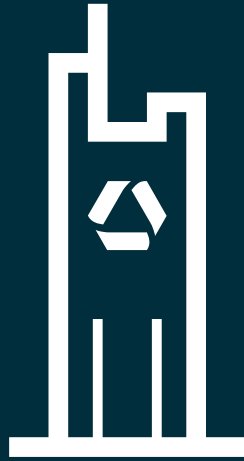
CET1 ratio



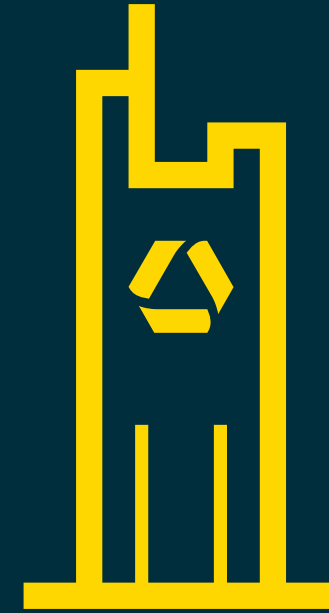
~9,700 → ~10,000

Gross
FTE reduction

Strategy update seamlessly follows previous plan



2021-2024
Strategy 2024



2024-2027
Moving Forward

Significant personnel reduction and restructuring of the bank
Streamlining and simplification of the organisation
Restoration of profitability and initiation of capital return

Customer focus with steady revenue growth
Shaping the digital and sustainable transformation
Earning cost of capital and increase capital return

Strategy programme until 2027: “Moving Forward”



GROWTH



EXCELLENCE



RESPONSIBILITY

Under the motto “Moving Forward”, which builds on our recent marketing campaign, we position ourselves as **the bank for Germany** – with a tradition of more than 150 years. **We are partners at the side of our customers in the sustainable and digital transformation.**

As part of the strategy up to 2027, we plan with annual investments of around €530 million of which more than half will be invested in customer business.

Private and Small-Business Customers

With a holistic approach and our two brands, Commerzbank and comdirect, we will meet all customer needs – be it online or mobile, in the advisory centre, or in existing around 400 branches.

Corporate Clients

As the leading German Mittelstandsbank, Commerzbank will continue to closely accompany its corporate clients. The Bank will drive forward its previous strategy in corporate banking through targeted investments in products and digital solutions until 2027.

Targets 2027



>11%

Net RoTE



13.5%

CET 1 Ratio



55%

Cost-Income Ratio



€3.4bn

Net Result

Clear capital return plan with prudent capital buffer



Capital return 2022-24

Capital return 2022-2024 based on increasing pay-out ratios leading to a capital return of ~€3bn¹

2022: 30% (€0.4bn)

2023: 50% (~€0.9bn)²

2024: 70% + X%

2024 return consists of share buy-back³ applied for after H1 2024 results and dividend approved at AGM in 2025



Capital return 2025-27

2025-2027 capital return with a pay-out ratio well above 50% but not more than the net result¹; pay-out is depending on economic development and business opportunities

Return consists of share buy-back³ and dividend approved at AGM of following year

Commerzbank aims for a steady development of the dividend with increasing results. Share buy-backs will be applied for remaining capital to be returned within the pay-out ratio



CET1 ratio

Reaching and maintaining prudent CET1 ratio of 13.5%

CET1 ratio of at least 250bps above MDA after distribution prerequisite for dividend payment

Additional prerequisite for a share buy-back is a CET1 ratio of at least 13.5% after distribution³

1) Pay-out ratio based on net result after potential (fully discretionary) AT1 coupon payments

2) Subject to final net result 2023

3) Subject to approval of ECB and German Finance Agency



2. Supervisory Board

Collaboration between the Supervisory Board and the Management Board in the German “Two-tier Board System”



Two-tier Board System

A company leadership structure of a company in certain European countries, such as Germany, that comprises two tiers:

- › a **Supervisory Board (Aufsichtsrat)**, on which representatives of shareholders (and if applicable employees) are represented
- › a **Management Board (Board of Managing Directors or Executive Board)** that is concerned with the day-to-day running of the business.

Two-tier System

One-tier System

Executive Level

Management Board

Control Level

Supervisory Board

Ownership Level

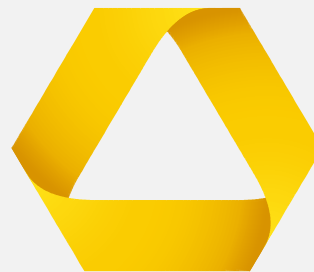
Shareholders

Board (Chair & CEO)

Shareholders

Supervisory Board

- › The Supervisory Board appoints the Management Board and ensures the effective composition of the Managing Directors team.
- › The Supervisory Board supervises and advises the Management Board and holds a joint discussion of the strategy.
- › The Supervisory Board oversees the remuneration system of the Board of Managing Directors.



Management Board

- › The Management Board is responsible for independently managing the enterprise.
- › It is obliged to act in the bank's best interest.
- › The Management Board is responsible for the development and execution of the bank's strategy.
- › The Management Board is responsible for the operating business and takes all related decisions.

Shareholders' representatives in the Supervisory Board



>> New shareholders' representatives since the last shareholders' meeting 2023



Prof. Dr. Jens Weidmann

Profound experience in the supervision and regulation of banks through long-time work as President of the Deutsche Bundesbank and member of the ECB Governing Council as well as member of the Financial Stability Board.

Extensive experience in the financial sector, in financial and economic politics at both national and international level, also as a representative of Germany in the G-20.

A long-standing career in the international financial environment, in particular international financial institutions through the work as Chairman of the Board of Directors of the Bank for International Settlements and German Governor at the International Monetary Fund.



Harald Christ 

Profound knowledge in the support, monitoring and implementation of business, restructuring and consolidation programmes; development of positioning and access strategies for new business and cooperation targets. Bank, building society and insurance expertise in management and control responsibility.

Many years of experience in supervisory boards of various industries.

>> Further shareholders' representatives



Dr. Frank Czichowski



Sabine U. Dietrich



Dr. Jutta Dönges 



Burkhard Keese



Daniela Mattheus




Caroline Seifert



Dr. Gertrude
Tumpel-Gugerell



Frank Westhoff

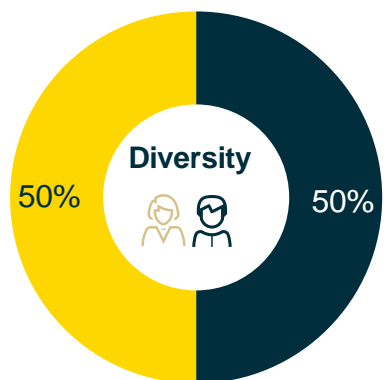
 = Representative of the Federal Government

General information on the composition of the Supervisory Board

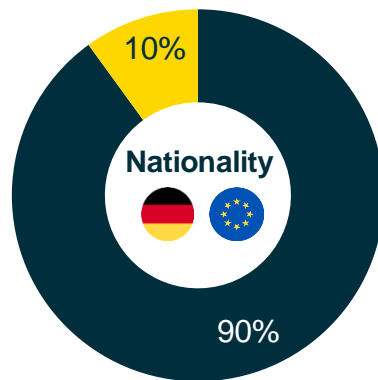


The **Supervisory Board of Commerzbank** consists of a total of **20 members** of which **ten members** are elected by the bank's **employees** in accordance with the German Co-determination Act – the remaining **ten representatives** are elected by **Commerzbank's shareholders**.

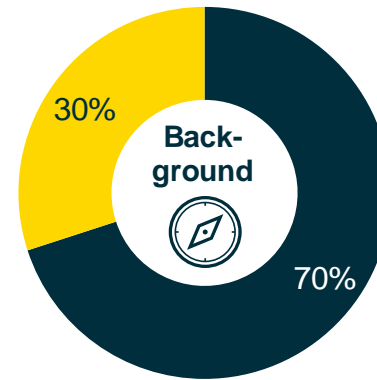
Composition of the shareholders' representatives in the Supervisory Board



Women Men



Other (EU / Non-EU) Germany



Industrials and Services Banking



Average age of members of the Supervisory Board:

~54 years



Average period of being a board member:

~4 years



AGM 2023: election of two shareholder representatives in the Supervisory Board

Independence of the Supervisory Board



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

Composition of the Supervisory Board



Compensation Control Committee

Dr. Jens Weidmann (Chairman)
Dr. Jutta A. Dönges
Uwe Tschäge
Frank Westhoff
Stefan Wittmann

Presiding and Nomination Committee

Dr. Jens Weidmann (Chairman)
Dr. Gertrude Tumpel-Gugerell
Dr. Jutta A. Dönges
Uwe Tschäge
Sascha Uebel

Audit Committee

Burkhard Keese (Chairman)
Dr. Frank Czichowski
Gunnar de Buhr
Harald Christ
Sandra Persiehl
Sascha Uebel
Dr. Jens Weidmann
Frank Westhoff

Risk Committee

Frank Westhoff (Chairman)
Dr. Frank Czichowski
Dr. Jutta A. Dönges
Burkhard Keese
Michael Schramm
Dr. Jens Weidmann

Environmental, Social and Governance Committee (ESG)

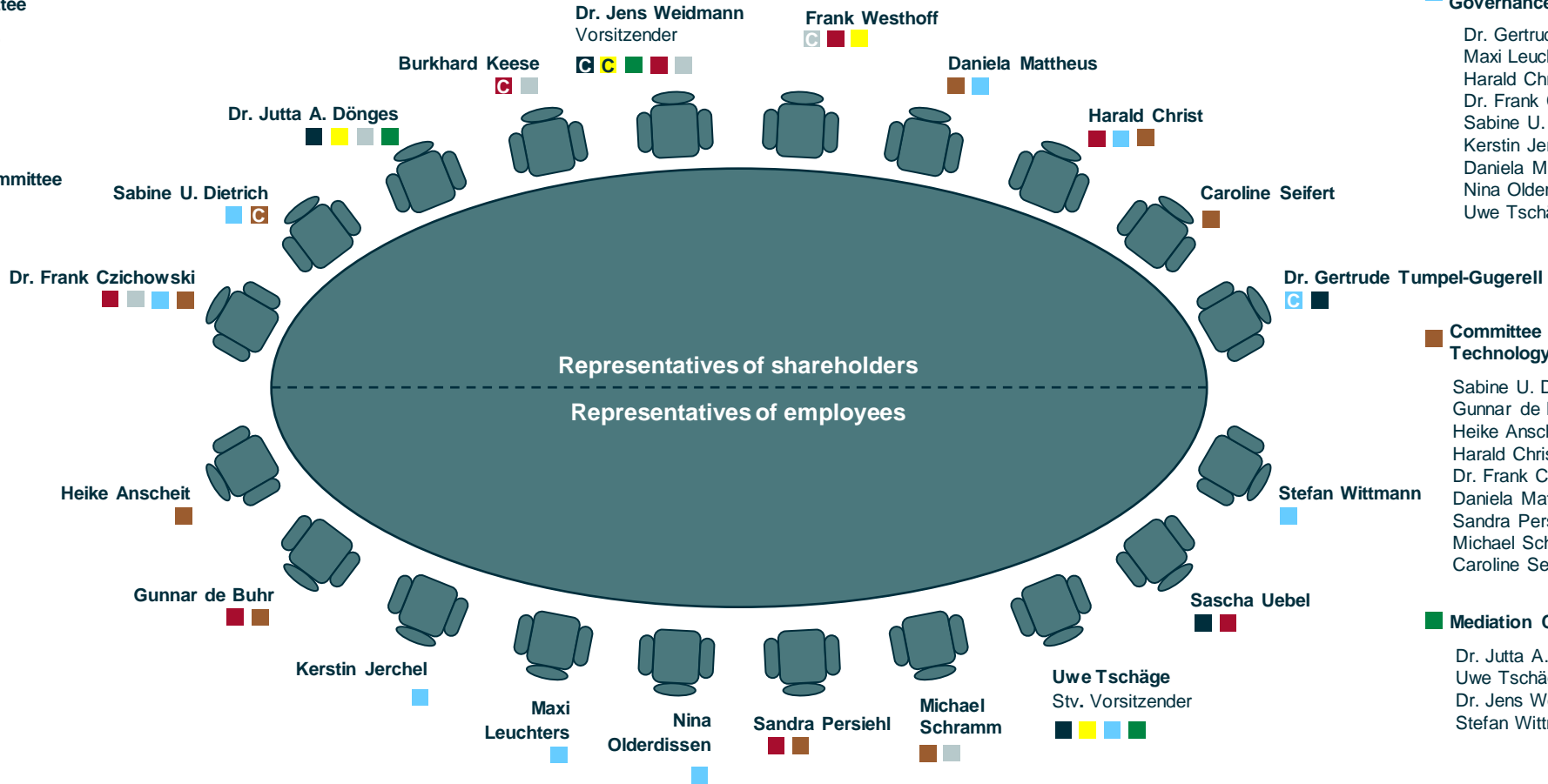
Dr. Gertrude Tumpel-Gugerell (Chairwoman)
Maxi Leuchters
Harald Christ
Dr. Frank Czichowski
Sabine U. Dietrich
Kerstin Jerchel
Daniela Mattheus
Nina Olderdissen
Uwe Tschäge

Committee for Digitalisation and Technology

Sabine U. Dietrich (Chairwoman)
Gunnar de Buhr
Heike Anscheit
Harald Christ
Dr. Frank Czichowski
Daniela Mattheus
Sandra Persiehl
Michael Schramm
Caroline Seifert

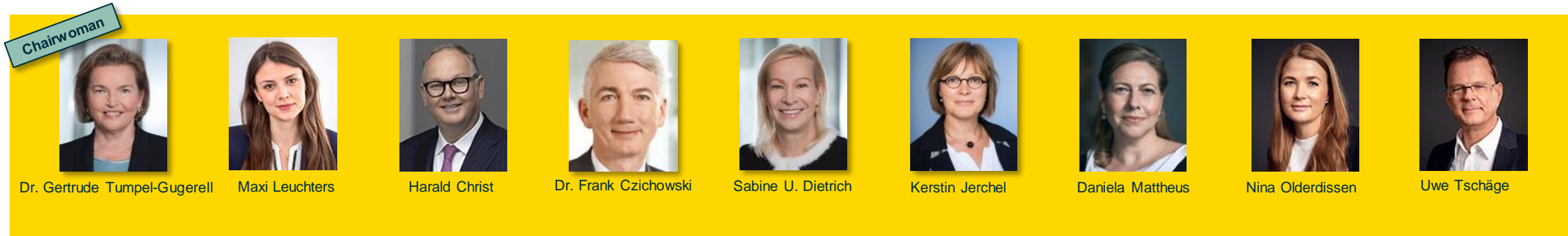
Mediation Committee

Dr. Jutta A. Dönges
Uwe Tschäge
Dr. Jens Weidmann
Stefan Wittmann



C indicates the Chairperson of the respective Committee

Environmental, Social and Governance (ESG) Committee



Tasks

- Formerly Social Welfare Committee, since 2022 developed into the ESG Committee
- Supports the Supervisory Board in the areas of sustainability, social affairs and good corporate governance
- Supervises and advises the Management Board on ESG issues.

The ESG Committee supports the Supervisory Board especially in the following tasks:



Supervises how the Management Boards exercises Commerzbank's responsibility for its internal and external stakeholders (Corporate Social Responsibility).



Monitors

- how ecological and social sustainability is reflected in Commerzbank's strategic direction,
- that strategic and operational plans include financial and sustainability-related objectives.



Monitors the Management Board regarding the implementation of the sustainability strategy and the related developments in sustainable banking.

Interaction with other Committees & Rights

- ESG Committee, Risk Committee, Compensation Control Committee, Audit Committee and Digital Transformation Committee coordinate their activities and consult with each other regularly.
- Chairwoman of ESG Committee is entitled to obtain information directly from the heads of the organizational units responsible for ESG issues.
- ESG Committee may seek the advice of external experts.



3. Board of Managing Directors

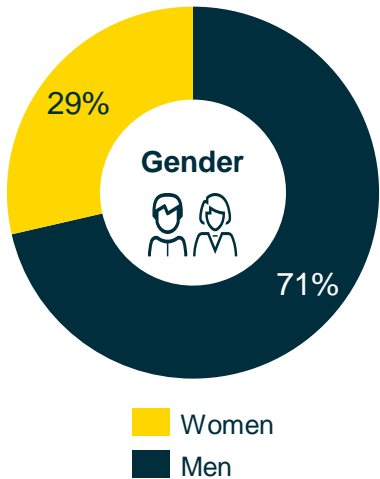
General information on the composition of the Board of Managing Directors



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

Dr. Manfred Knof	Dr. Bettina Orlopp	Dr. Marcus Chromik (until 31.12.2023)	Bernd Spalt (as of 01.01.2024)
Michael Kotzbauer	Sabine Minarsky	Dr. Jörg Oliveri del Castillo-Schulz	Thomas Schaufler


Composition of the Board of Managing Directors



 **Average age of members of the Board of Managing Directors:**
~54 years

 **Average period of being a board member:**
~4 years (December 2023)
~2 years (January 2024)

Female quota on the Board of Managing Directors

 **Commerzbank's target quota:**
at least **1 woman**

 **Commerzbank's actual quota:**
2 women

Composition of the Board of Managing Directors



Dr. Manfred Knof
CEO, Board Member
since 01.01.2021



Dr. Bettina Orlopp
CFO, (deputy chair-
woman), Board Member
since 01.11.2017



Michael Kotzbauer
Board Member
since 14.01.2021



Thomas Schaufler
Board Member
since 01.12.2021



Sabine Mlnarsky
CHRO, Board Member
since 01.01.2023



Responsibilities

Strategy, Transformation & Sustainability

Audit

Communications

Legal

Research

Finance

Tax

Investor Relations

Treasury

Corporate Clients

Private and Small-Business Customers

Human Resources

Previous Commerzbank positions

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

› General Representative responsible for Compliance, Human Resources and Legal

› Divisional Board Member Development & Strategy

› Divisional Board Member Large Corporates South/East

› Regional Board Member Asia

› Divisional Board Member Mittelstandsbank

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

› Sabine Mlnarsky was directly appointed as Board Member when she joined the Executive Board

Former employers

› Allianz SE

› Deutsche Bank AG

› Dresdner Bank AG

› McKinsey & Company

› Michael Kotzbauer started his career 1990 at Commerzbank

› Erste Group Bank AG

› Erste Group Bank AG

› Austrian Airlines

Composition of the Board of Managing Directors



Dr. Marcus Chromik

CRO, Board Member
since 01.01.2016
(until 31.12.2023)



Bernd Spalt

CRO, Board Member
as of 01.01.2024



**Dr. Jörg Oliveri del
Castillo-Schulz**

COO, Board Member
since 20.01.2022



Responsibilities

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

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

- Digital Transformation
- Technology Foundations
- Operations
- Projects & Processes
- Organisation & Security
- Cross Functions

**Previous
Commerzbank
positions**

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

- › Bernd Spalt was directly
appointed as Board
Member when he joined
the Executive Board

- › Dr. Jörg Oliveri del Castillo-
Schulz started as general
representative on 01.10.21

Former employers

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

- › Österreichische Post AG
- › Erste Group Bank AG

- › IKB Deutsche
Industriebank AG
- › Deutsche Bank AG

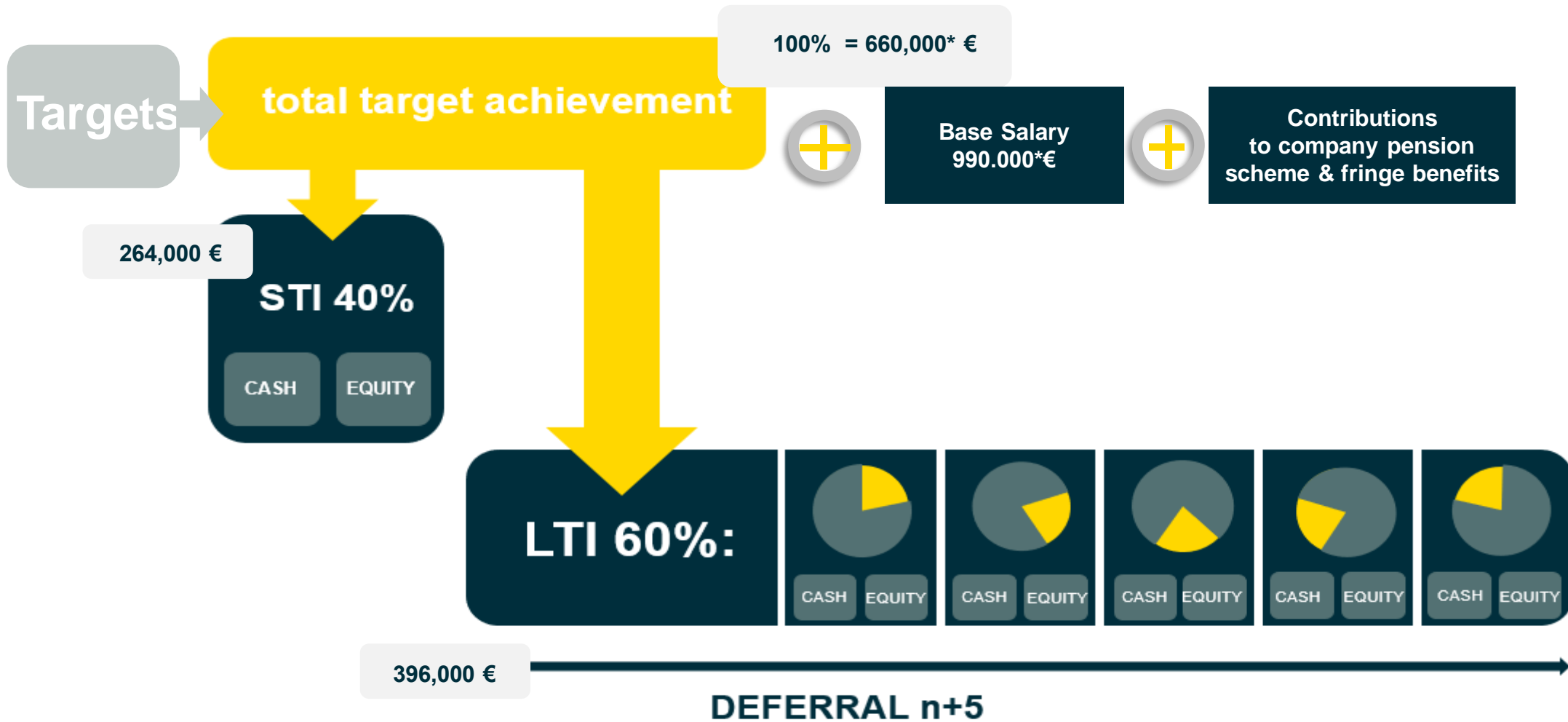


4. Remuneration of the Board of Managing Directors

Overview: Remuneration system for the BoMD - System



Remuneration system for the BoMD – payout variable remuneration



*ordinary board members

5 years DEFERRAL PERIOD (pro-rata-vesting),
+ 1 year additional RETENTION PERIOD for equity tranches

Commerzbank AG, Investor Relations



5. Sustainability

Our ESG framework offers a structured overview of our sustainability approach and activities



ESG framework by Commerzbank



Our Motivation

Foreword by the Chairman of the Board of Managing Directors

Transformation: our three performance indicators

Customer transformation	1	0 kg	Net-zero CO ₂ emissions from financing in the entire portfolio by 2030
We empower our customers to drive sustainable transformation	2	€300bn	Volume of sustainable products by 2030
Bank transformation	3	0 kg	Net-zero CO ₂ emissions from banking across the entire footprint by 2030
We are led by example			

1.4 Our portfolio approach

To achieve our net-zero target with the following questions:

- Which companies/investments we believe
- And which companies/for sustainable business?

The answer to the first question is: such as those set out in support companies or firms (in chapter 2).

All companies/investments form the **transformation fit** that will be subject to climate transformation and the We actively support them in SBTi-CO₂ reduction targets.

2.1 Sector delineation

To ensure the most specific stewardship possible in CO₂ intensive sectors, the SDA is the most suitable approach. The focus is on those parts of the sector's value chain that generate high CO₂ emissions or that cause high CO₂ emissions downstream, as highlighted in the figure below. These delineated portfolios are assigned sector-specific CO₂ reduction pathways.

Segments of the value chain considered when setting SBTi targets	Power generation	Refining	Chemicals	Electricity off-takers
Power	Upstream	Trading	Midstream	Storage
Power Fuel: Oil and Gas	Upstream	Refining	Midstream	Storage
Power Fuel: Coal	Upstream	Refining	Midstream	Storage
Commercial Real Estate	Suppliers	Construction	Owners	Recycling
Residential Mortgage	Suppliers	Construction	Owners	Recycling
Connect	Suppliers	Production	Producers	Recycling
Steel	Suppliers	Production	Producers	Recycling
Automotive	Suppliers	Production	Producers	Recycling
Airline	Suppliers	Production	Producers	Recycling

Source: Adapted based on ICACTA (2020) ICACTA for Banks Methodology Document, page 23.

Commerzbank can manage all asset classes and sectors obligated under SBTi with a particular focus on the emissions-intensive parts of the value chain with the respective SDA. This currently includes the credit portfolio in the following sectors:

- Power Generation
- Commercial real estate finance
- Automotive manufacturing
- Aviation
- Cement
- Iron and steel

The project finance portfolio for power generation as well as the private construction finance portfolio, which is optional under SBTi, is also covered in full.

Contents

- ESG as a governance framework
- Transformation Finance
- Sustainable Finance
- Sustainable Operations
- Stakeholder Management

Ongoing progress in ESG according to plan



Main achievements 2022/ 2023

€201bn

sustainable finance
volume mobilised
as per Q3 2023



ESG-
Framework
published



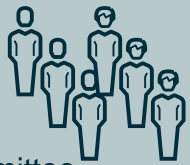
SCIENCE
BASED
TARGETS

SBTi targets set
and validated



Driving forward our
net zero- strategy
e.g. Launch of impact
solutions platform for
corporate clients

Appointment Chief
Environmental Risk Officer
„CERO“ incl. department



ESG Committee
in Supervisory
Board implemented

External
Sustainability
Advisory Board
established

Employee training:
sustainability basics



... besides others:



initiative
joined!

Targets 2023

Sustainable finance
volume of

€257bn



Development and
launch of new
ESG products

Screening und steering of
additional ESG-related
topics such as biodiversity
and social sustainability



Employee training
started:
advanced sustainability



We continue to work diligently and drive our sustainability strategy forward

Sustainable portfolio management is based on SBTi-reduction paths for CO₂-intensive sectors



Interim targets for 7 CO₂-intensive sectors incl. a choice of diagrams

Power generation - 74%

Iron & steel - 37%

Cement - 20%

Automotive production - 32%

Aviation - 22 %

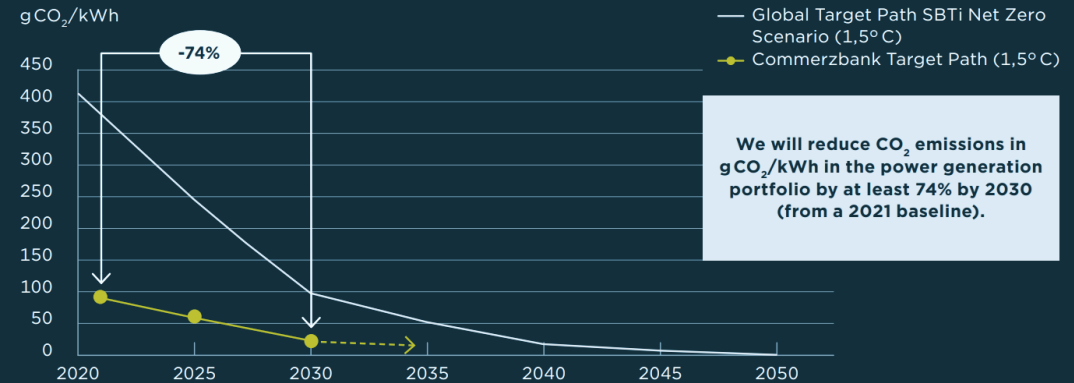
Resident. mortgages - 57%

Commercial real estate

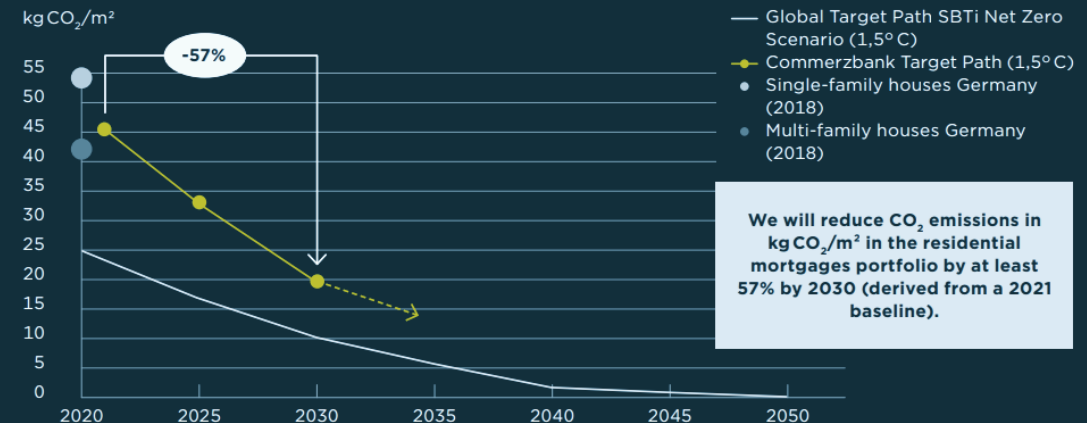
- Commercial use - 68%
- Residential use - 57%

The SBTi targets are part of the target agreement of the Board of Management Directors

Power generation: emission intensity and target



Residential mortgage: emission intensity and target



Visibility of sustainable strategic progress through three key KPIs¹

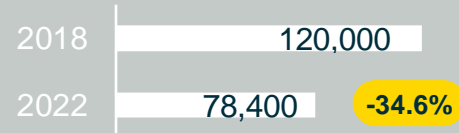


Strategic KPI 1: Net-zero in own banking operations by 2040



Interim target 2025: -30%

CO₂ in tons



- Residual CO₂ generation of ~30,000t CO₂
- Compensation by own CO₂ - negative measure, e.g. afforestation

Strategic KPI 2: Net-zero portfolio by 2050 at the latest



- ✓ ESG framework updated
- ✓ Reduction targets 2030 set for 7 CO₂-intensive portfolios²

- Paris Climate Agreement: Greenhouse gas emissions have to fall to net-zero by 2050 to limit global warming to 1.5°C
- Commitment to SBTi in September 2020, targets validated in March 2023

Strategic KPI 3: €300bn sustainable business volume by 2025



12/2022: €246bn

Target 2022: €207bn

Target 2023: €257bn

- Volume target for sustainable products in 2025 expresses our commitment
- Supporting the sustainable transformation of our customers

1) For more KPIs: [Non-financial Report](#)

2) According to SBTi (Science Based Target initiative) approach

Diversity & Inclusion: Living Diversity and Shaping Fair Cooperation



We take on social responsibility – which our employees, clients, and business partners benefit from



Identifying and fostering potential

35.5% women in management positions

Employees from 120 nations

6.3% employees with disabilities



Facilitating work-life balance

Keep in Touch/return guarantee

Child care offers/support for employees caring for relatives

Mobile working/flexible working time models/job sharing, Co-Leadership



Supporting commitment

D&I¹ events and awareness formats

D&I¹ learning formats via learning platform cliX

1,500 employees in 7 networks

¹ Diversity & Inclusion.



Our corporate culture includes everyone – irrespective of age, gender, provenance, disabilities, religion, or sexual orientation

We are committed beyond Commerzbank:

Signee and member of the



Co-founder and council of the foundation



Signee of the United Nations' Women's Empowerment Principles



For the inclusion of individuals with disabilities member of



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