

# Remuneration Report

# 2021

pursuant to Section 16 of the German Remuneration Ordinance  
for Institutions (IVV) of 24 September 2021



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# 1. Introduction

The German banking sector continues to operate in a difficult environment, characterised by low interest rates, rigorous competition, margin pressure, and increasingly stringent regulatory requirements. It may be assumed that these general conditions will continue to prevail in the coming years. This situation was further exacerbated in the 2021 financial year by the ramifications of the Covid 19 pandemic and, since February 2022, by the effects of the Russian war of aggression in Ukraine. The scope and long-term impact of these events cannot yet be fully predicted. The Russia-Ukraine war has significantly clouded the economic outlook. Inflation risks have also increased further. In view of the high inflation, we welcome the turnaround in the interest rate policy of the European Central Bank.

Commerzbank is tackling the challenges of the market and, with its strategy programme "Strategy 2024", has initiated a far-reaching transformation process. In the 2021 financial year, the first year of the transformation, it already made extensive changes and achieved a lot. Commerzbank has lowered its ongoing costs as planned. The risk result was significantly lower in the second year of the pandemic. The Bank continues to push ahead with its strategic initiatives and is making good progress en route to becoming the digital advisory bank for Germany.

To successfully address the challenges, Commerzbank is also continually reviewing its remuneration strategy and structures. This relates both to the compensation model for employees, to which this Remuneration Report applies, as well as the Management Board compensation model, for which Commerzbank published the 2021 Remuneration Report separately in March 2022. 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 IVV, 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<sup>1</sup>.

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 (CRD)<sup>2</sup> and Capital Requirements Regulation (CRR)<sup>3</sup>, among other regulations, as amended from time to time.

At the national level, the requirements of CRD are implemented in German law through the German Remuneration Ordinance for Institutions 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 are anchored in national law.

With the "Guidelines on Sound Remuneration Policies under Directive 2013/36/EU" (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<sup>4</sup>. The EBA guidelines are implemented in German law through the German Remuneration Ordinance for Institutions as well as through the German Banking Act (Kreditwesengesetz).

This Remuneration Report summarises the employee remuneration systems applicable in Commerzbank AG and in the Group context for the 2021 financial year and provides supplementary information on subsidiaries included in the companies consolidated for regulatory purposes, which do not provide their own disclosures.

<sup>1</sup> For the definition of Risk Takers, see Chapter 4.5.1.

<sup>2</sup> Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013.

<sup>3</sup> Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013.

<sup>4</sup> As a result of the adjustments to Directive 2013/36/EU and Regulation (EU) No. 575/2013 already implemented, this Guideline replaced the "Guidelines on Sound Remuneration Policies and Disclosures" as of 31 December 2021.

# 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 and to satisfy the various regulatory requirements. 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, which is aligned to the Group's business and risk strategy, defines an operational framework and medium and long-term goals of HR work (strategic core issues). These core issues will contribute to the Bank's future viability.

Consequently, the HR strategy defines action areas through which material support can be provided to a culture that fosters the development of each individual employee and promotes respectful and digital collaboration in the Commerzbank Group. To harmonise these objectives with sustainable success, the Bank has set guidelines to provide all employees with orientation for appropriate actions and behaviour fully in compliance with legal and ethical standards.

The core HR policy issues are flanked by a remuneration strategy that is aligned to the HR policy operational framework. This remuneration strategy 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 (please see Chapter 3.3) for review and approval and then passed by the Board of Managing Directors of Commerzbank AG.

The remuneration strategy was first approved by the Board of Managing Directors of Commerzbank AG in the 2015 financial year and subsequently acknowledged by the Supervisory Board. Since then, it has been reviewed regularly and amended as needed, especially with regard to the continually changing regulatory requirements, an increased focus on results and performance in conjunction with employee behaviour crucial to the Bank's success, and possible options to optimise the remuneration structures from a business standpoint.

In December 2021 Commerzbank AG updated its remuneration strategy in response to the new "Strategy 2024" business strategy and the fourth version of the German Remuneration Ordinance for Institutions (IVV). In addition to the amendments required by the new version of the IVV, in particular with regard to retention periods and

the amended regulation regarding the Risk-Taker threshold (see Chapter 4.5.2), supplementary provisions were added especially in connection with the implementation of the strategy and the establishment of the principle of gender-neutral remuneration on a common Groupwide basis and also to reinforce sustainability aspects in the Group's remuneration systems. The updated remuneration strategy has been in effect in Commerzbank AG since the beginning of the 2022 financial year and is gradually being introduced in the subsidiaries of Commerzbank Group.

The remuneration strategy applies to Commerzbank AG and the subsidiaries of Commerzbank Group, i.e., the entities included in the companies consolidated for regulatory purposes and is implemented within those companies in accordance with their internal regulations (see Chapter 5). The business and risk strategy as well as the HR and remuneration strategy are accessible to all Bank employees via the company intranet.

The remuneration systems for the 2021 financial year supported the Bank in achieving its strategic goals in the period under review. At the same time, they ensure that the Bank will be able 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 oriented towards long-term business success and 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.

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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 geared to the company's success, the Bank seeks to place equal emphasis on the interests of shareholders and employees while supporting long-term corporate success.

In addition, the Bank grants further non-discretionary additional benefits for defined groups of employees.

- 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 overall remuneration, taking into account an appropriate balance of variable to fixed remuneration.

The continuous further development of the remuneration models continues to ensure employee conduct supportive of the Group's success in the context of changing regulatory requirements.

In accordance with sections 3 and 4 of the German Remuneration Transparency Act (German: Entgelttransparenzgesetz.), all remuneration and assessment structures at Commerzbank are consistently designed in a gender-neutral manner. In this context, Commerzbank supports the professional development of employees of all genders in equal measure, thereby enabling them to apply their qualifications to challenging specialist, project and management positions - irrespective of differing employment biographies and changing life circumstances.

Adequate and equal remuneration for equal activities irrespective of gender is one of the basic principles of the Bank's remuneration strategy.

Even beyond remuneration matters, Commerzbank does not tolerate people being disadvantaged in any way 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.

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.

In addition, a Decision Board (see Chapter 3.5) supports the Board of Managing Directors, among other things, in the context of the entitlement process with regard to the deferred components of the variable remuneration of Risk Takers.

Commerzbank's compensation governance structure ensures that compliance with all remuneration-related matters is decided and monitored appropriately.

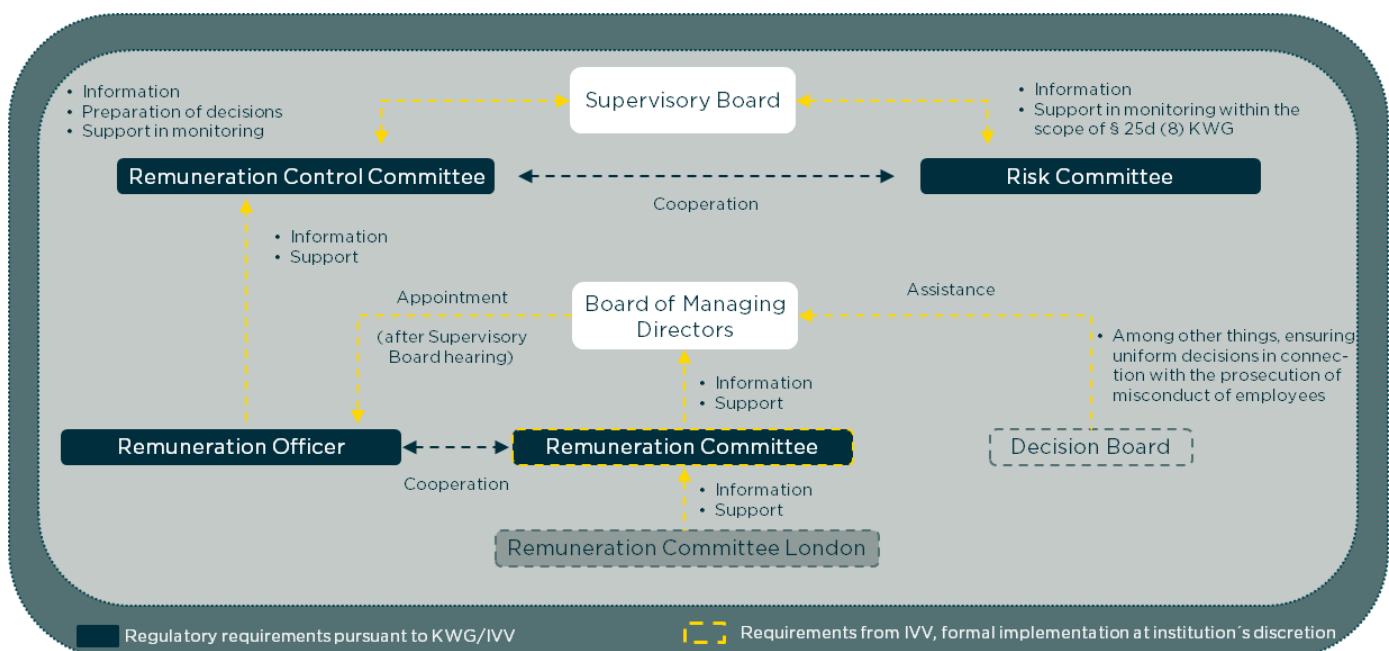


Figure 1: Overview of the compensation governance structure at Commerzbank

## 3.1. Remuneration Control Committee

Pursuant to Section 25d Paragraph 7 in conjunction with Paragraph 12 KWG, Commerzbank has set up a Remuneration Control Committee. Pursuant to Section 10a Paragraph 1 and 2 KWG, the Remuneration Control Committee<sup>5</sup> 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, two other shareholder representatives and one employee representative. 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. A member of the

<sup>5</sup> See the Rules of Procedure of the Remuneration Control Committee on the Commerzbank website

([https://www.commerzbank.de/de/hauptnavigation/aktionaere/governance/\\_aufsichtsrat\\_1/Aufsichtsrat.html](https://www.commerzbank.de/de/hauptnavigation/aktionaere/governance/_aufsichtsrat_1/Aufsichtsrat.html)).

Remuneration Control Committee (not necessarily the same member) should also be a member of the Risk Committee and the ESG Committee (Environment, Social, Governance). 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. 10 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 Takers.

It supports the Supervisory Board in the monitoring and proper inclusion of the internal control and all other areas relevant to the structuring of 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 any proposed resolutions pursuant to Section 25a Paragraph 5 Sentence 6 KWG.

The Remuneration Control Committee cooperates with the Risk Committee and is to obtain advice from persons who are independent of the Board of Managing Directors.

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

In the 2021 financial year, the Remuneration Control Committee of Commerzbank convened six times, including one joint meeting with the Presiding and Nominating Committee of the Supervisory Board. Among other topics, the Remuneration Control Committee addressed the appropriate structuring of the remuneration systems of Commerzbank AG. No changes were made to the employee remuneration systems.

### **3.2. Remuneration Officer**

As a major institution pursuant to Section 1 Paragraph 3c 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 internal 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 employee remuneration systems and the related internal regulations

and processes in particular with regard to the IVV. A particular focus is placed on the requirements for remuneration systems for Risk Takers.

In this context 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 in accordance with Section 25a (5b) KWG and Group Risk Takers in accordance with Section 27 Paragraph 2 sentence 1 and Paragraph 4 IVV within Commerzbank Group pursuant to Section 3 Paragraph 3 IVV.

For this reason, the control units as defined in Section 2 Paragraph 11 IVV<sup>6</sup> along with the divisions Group Human Resources, Group Finance and Group Legal have permanent representatives on the Remuneration Committee. The Remuneration Committee is chaired by Group Human Resources. The Remuneration Officer is a non-voting participant in the Remuneration Committee.

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 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 2021 financial year, the Remuneration Committee convened four times and, in addition, was kept up to date on current issues by means of the circulation procedure.

### **3.4. London Branch Remuneration Committee**

In the context of Brexit, Commerzbank worked with external consultants to assess whether the London branch would be subject to UK regulations supplementing or deviating from the provisions of the IVV after the end of the Brexit transition period. In this context, the Bank concluded that the London Branch, due to its classification through the British Prudential Regulation Authority (PRA) and the resulting expectations of the supervisory authority, will be required to set up a separate, local remuneration committee for additional oversight of remuneration-related topics at the branch on the basis of the PRA regulations.

Consequently, the Commerzbank AG Remuneration Committee approved the establishment of a separate committee from the 2022 financial year onward. The rules of procedure for the London Remuneration Committee were approved by the Board of Managing Directors of

<sup>6</sup> In Commerzbank the Group Risk Management, Group Compliance and Group Audit divisions are considered control units. Group Audit sends a non-voting representative to the Remuneration Committee. Under the

IVV of April 15 2019, the Group Human Resources division was also considered a control unit until the fourth version of the IVV came into force on 25 September 2021.



Commerzbank AG. The composition of the committee is similar to that of the Remuneration Committee of Commerzbank AG, with the branch director and head of Human Resources in London participating as non-voting members.

The London Remuneration Committee can be consulted on the structuring of the remuneration systems of Commerzbank AG when decisions affect the London branch, in particular in the Risk Taker identification process and when setting the remuneration of local Risk Takers.

In addition, the committee is responsible for structuring the remuneration systems, guidelines, processes and procedures for the London Branch. This relates in particular to the identification and classification of Risk Takers at the branch, possible (appropriate) adjustments to the variable remuneration pool of the branch and ensuring that remuneration guidelines and procedures are in place for compliance with the British regulations (PRA/FCA).

If the committee determines that adjustments are needed, it will submit proposals to the Remuneration Committee of Commerzbank AG. Within the framework of its tasks, it must also make note of possible adverse developments.

The London Remuneration Committee conducts an annual review of the remuneration systems at the branch, taking into account the provisions of British law pursuant to the PRA/FCA guidelines and informs the Remuneration Committee of Commerzbank AG of the results.

### **3.5. Decision Board**

The sustainable entrenchment of the Culture of Integrity is of essential importance at Commerzbank not only in the wake of increasing regulation but is also one of the fundamental pillars of its corporate values, thereby forming part of the Bank's self-conception.

In order to ensure fundamentally uniform decisions in connection with the sanctioning of misconduct by employees and managers, the full Board of Managing Directors of Commerzbank AG established a cross-segment Decision Board in addition to the central publication of all of the Bank's rules and regulations and the creation of an Evidence Office as a central control and documentation office in the 2018 financial year.

In this context, the Decision Board is to contribute towards strengthening the Culture of Integrity, and guaranteeing sustainable consequence management, which, in turn,

supports compliance with the Code of Conduct and the corporate values, and promotes these sustainably.

In the context of the remuneration policy, the following matters are presented to the Decision Board:

- All cases in which the manager proposes a (percentage) reduction in variable remuneration due to identified incidents of misconduct
- All negligent or grossly negligent violations of known rules and regulations as well as statutory or regulatory provisions that result in major/significant damage and/or pose a potential threat to the company's existence
- All deliberate/intentional violations of known rules and regulations and legal or regulatory provisions that result in medium or extensive/significant damage and/or pose a significant or existential risk potential

In addition, the Decision Board supports the full Board of Managing Directors of Commerzbank AG as well as the management and supervisory or advisory boards of subsidiaries in the context of the entitlement process with regard to the deferred components of the variable remuneration of Risk Takers in Germany and abroad. It ensures consistent and uniform assessment of the violations and claims identified.

In these cases, the Decision Board also examines whether the conditions for a reduction of the deferred variable remuneration up to the complete loss of the same, or the conditions for the clawback of a variable remuneration already paid out within the meaning of Section 20 Paragraph 6 IVV are met. The final decision in this regard rests with the Board of Managing Directors of Commerzbank AG or the management board or supervisory board of the subsidiary in question.

# 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 of Commerzbank AG in Germany, 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 (Commap 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 takes into consideration the Group's and the various segments' contributions to overall success. In the case of Risk Takers and all employees abroad, their individual performance contributions are also taken into account when determining their variable remuneration.

In the 2021 financial year, the following remuneration models were applied:

- Pay-scale remuneration: for all pay-scale employees at Commerzbank Germany
- Non-pay-scale (NPS) model: for all non-pay-scale employees
- Board of Managing Directors model: for all members of the Board of Managing Directors of Commerzbank AG<sup>7</sup>

With a view to minimising remuneration-induced risks, the various remuneration models are aligned to the respectively applicable regulatory requirements and harmonised as far as possible.

This applies 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 is transparent and understandable for all groups of employees. To achieve this

objective, following the amendments to the German Remuneration Ordinance for Institutions of 2017, the various NPS remuneration models were harmonised and finally merged into a single model. The goal of the harmonisation was, inter alia, to allow managers to focus more on their actual management and sales responsibilities and to increase employee satisfaction. In this context, the guidelines for severance payments have also been adapted in line with the provisions of the German Remuneration Ordinance for Institutions.

The 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 of the German Remuneration Ordinance for Institutions with regard to the remuneration of Risk Takers. The NPS model has been in effect at Commerzbank AG since the 2019 financial year.

Since the 2021 financial year, variable remuneration of all those employees who were previously under the Investment Banking model has also been governed by the NPS model.

Commerzbank AG has not engaged the services of external consultants for the implementation of the remuneration regulatory requirements under IVV in its employee remuneration systems. To examine the post-Brexit requirements with regard to the Commerzbank London Branch, the Bank engaged the services of a consulting firm.

The sections below describe the remuneration parameters and models in effect for the employees of Commerzbank AG in the 2021 period under review. For details on the sustainability components of the remuneration models, please refer to Chapter 4.5.2.

Further information on remuneration systems in subsidiaries of the Commerzbank Group is provided in Chapter 5.

## 4.1. Remuneration parameters

The remuneration parameters relevant to the remuneration system are derived from the strategic objectives of

<sup>7</sup> For detailed information on the Board of Managing Directors remuneration system, please refer to the Remuneration Report pursuant to Section 162 of the German Stock Company Act on the Commerzbank website.

Commerzbank and take the Bank's risk strategy into account. In particular, they ensure that the targets are sufficiently ambitious, can provide an effective and sustainable contribution to the business objectives and do not create incentives to incur excessive risks. The remuneration system supports the sustainable development of the group strategy of Commerzbank. It is geared to the strategic objectives and the overall risk strategy and is aligned with the Bank's risk, capital and liquidity structure.

Prior to each financial year, the Commerzbank Board of Managing Directors decides upon guidelines for the targets of employees within Commerzbank Group. Along with the strategic units, the control units play an essential role in defining these guidelines, inter alia, within the scope of their involvement in the Remuneration Committee. These target guidelines 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.

Under the NPS model, which applies to all non-pay-scale employees of Commerzbank AG, the variable remuneration of non-Risk Takers in Germany is determined exclusively on the basis of Group and segment performance and the achievement of qualitative targets. It is not necessary to set individual targets for these employees.

For all other employees outside Germany and for all Risk Takers at Commerzbank Group, it is ensured that the individual 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.<sup>8</sup> 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 curves<sup>9</sup> 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.

Starting in the 2021 financial year, in addition to the quantitative targets relating to economic value added, further qualitative targets have been used to determine the bonus volume. For the 2021 financial year, these were the continuation of customer satisfaction at a high level, the entrenchment of sustainability in the Bank's self-conception, the observance of integrity, and progress in the restructuring of the business models.

#### **4.2. Determination of the disbursement volume for variable remuneration**

After the end of the financial year the Board of Managing Directors determines the success of the Group and the segments / Group Treasury business unit on the basis of the quantitative and qualitative targets and parameters set at the beginning of the year. For calculating the volume of variable remuneration, a weighting of 40 percent is allocated to Group performance and 60 percent to the respective segment result<sup>10</sup> or the result of the Group Treasury unit. This weighted target achievement factor is then multiplied by the factor reflecting the achievement of the qualitative targets.

In case of extraordinary conditions beyond the influence of the Bank, the Bank is entitled, pursuant to the Interpretative Guideline on Section 19 IVV, to 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

<sup>8</sup> Inter alia, minimum compliance requirements, special Section 8 (MaComp-BT8) of the Directive on credit agreements for consumers relating to residential immovable property (Wohnimmobilienkreditrichtlinie), Dodd-Frank Act (so-called Volcker Rule).

<sup>9</sup> Performance curves were also defined for the subgroup mBank, Commerzbank (Eurasija) AO, CommerzFactoring GmbH and Commerz Real Group.

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

- 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 at all, or that the target was achieved in full or even exceeded ("windfall profits").

When determining the payment volume for the variable remuneration, it must be examined within the meaning of Section 7 IVV whether and in what amount a total amount for the variable remuneration can be determined (so-called pool proviso). The variable remuneration can be reduced or cancelled entirely if defined regulatory or economic factors are not achieved.

Within the scope of the **economic factors**, sufficient consideration is given to risk-bearing capacity, multi-year capital planning and the earnings situation. In the remuneration models of Commerzbank Group, EVA is generally used as a quantitative benchmark when setting disbursement volumes for variable remuneration. This 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.

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 reported on a regular basis to the internal Asset Liability Committee.

In this process the underlying requirements are considered separately and evaluated accordingly. When determining the disbursement volume for variable remuneration, consideration must be given to the Bank's risk-bearing capacity, multi-year capital planning and the earnings situation as well as the Bank's ability to maintain or regain adequate capital cover and liquidity and meet the combined capital buffer requirements pursuant to Section 10i of the German Banking Act in the long term.

If one or more basic thresholds (limits defined at the beginning of the year) of the above-mentioned factors or requirements is breached ("pool reservation check"), a possibly reduced variable remuneration budget can be set

aside only if deemed appropriate after an overall assessment ("positive overall assessment").

If variable remuneration is paid, the Board of Managing Directors determines the final pools for the segments, the Group Treasury business area, and the group management and services units on the basis of the performance determined in each case. In this process, the control units must be involved inter alia within the framework of their participation in the Remuneration Committee.

The Bank conducts a review pursuant to Section 7 IVV several times a year. This ensures that, in addition to determining an overall variable remuneration volume for a financial year, full compliance with the provisions of Section 7 IVV is also ensured for interim commitments, for instance guaranteed payments.

A positive pool review is also a prerequisite for the disbursement for deferred variable remuneration components of Risk Takers (see Chapter 4.5.2).

### 4.3. Profit sharing for pay-scale employees

In addition to the 13<sup>th</sup> 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. The profit share of pay-scale employees is 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 unethical conduct or conduct contrary to duties that would justify a warning or dismissal. 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 2021 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”)<sup>11</sup>. In addition, the Bank has possibilities to reduce or cancel bonuses in case of unethical conduct or conduct contrary to duties that would justify a warning or dismissal. For the 2021 financial year, a total of 25,695 employees in Commerzbank Group received variable remuneration.

##### 4.4.1. NPS model

The NPS model in its current form has been in effect since the 2019 financial year. With the sale of the Equity Markets & Commodities division in the Corporate Clients segment and the expiry of the transitional regulations for employees of that division remaining with Commerzbank, the NPS model has applied to all non-pay-scale employees of Commerzbank AG since 2021.

As a basis for the subsequent calculation of the variable remuneration, the Board of Managing Directors defines targets for the Group, each segment, and the Group Treasury unit using a parameter (currently EVA) 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 reached in full.

Commap	1	2	3	4	5	6
Non Risk Taker	n/a	1.0	1.5	2.0	2.5	n/a
Risk Taker	n/a	n/a	3.0	3.0	4.0	5.0

With the transition to the NPS remuneration model, depending on the original target amount, variable remuneration components were converted to fixed remuneration, resulting in an overall reduction in the 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.

Commap	1	2	3	4	5	6
Non Risk Taker	2.0	2.5	3.0	3.5	4.0	n/a
Risk Taker	n/a	n/a	4.0	5.0	6.0	7.0

<sup>11</sup> For the specifics regarding control units, please see Chapter 4.4.3.

The disbursement volume in the NPS model is generated after the end of the financial year on the basis of the results of the Group, as well as the individual segments, and the Group Treasury unit, on the basis of the achievement of the EVA targets. 40% of the funding quota determined in this manner is based on the target achievement of the Group and 60% on the target achievement of the segment where the individual is employed.<sup>12</sup> (see Chapter 4.2)

As of the 2021 financial year, qualitative targets will also be set in addition to EVA to determine the disbursement volume made available. The achievement (performance) of these non-financial targets will be included as a multiplier in the funding quota and thus in the determination of the segment-specific disbursement volumes.

When determining the individual disbursement amounts, the Bank distinguishes between Risk Takers and employees with no material influence on the risk profile of the institution (non-Risk-Takers) 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 multiplied by the respectively applicable funding quota.

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.

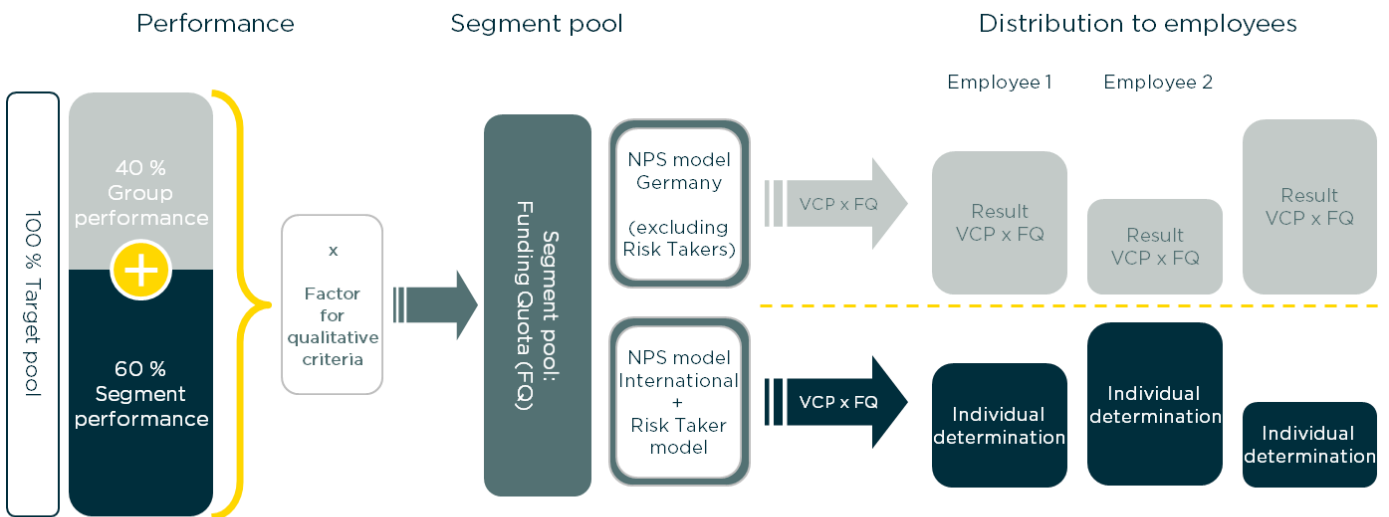


Figure 2: Overview of Commerzbank NPS model for financial year 2021

<sup>12</sup> For employees working in a group management, services or cluster unit, the average of all segments is taken as the basis for assessment.

#### 4.4.2. Employees in control units

In the 2021 financial year, the divisions Group Risk Management, Group Compliance, Group Audit, and Group Human Resources were 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 remuneration, 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 and of the qualitative targets. For employees in control units for whom an individual target agreement is required (see Chapter 4.4.1), possible conflicts of interest are avoided when performing the monitoring function through target agreements with the employees of these units.

Depending on their function, the employees in the control units were subject to the rules of the pay-scale or NPS models in 2021.

#### 4.4.3. 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 2021 Remuneration Report pursuant to Section 162 of the German Stock Corporate Act and can be found there. Chapter 6 of 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

While the amount of variable remuneration is based on the regulations of the remuneration model in conjunction with the Risk Taker or Non-Risk Taker status, the specific disbursement arrangements depend on whether an employee is classified as a Risk Taker I or Risk Taker II.

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 (please see Chapter 4.5.2).

##### 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 (institution Risk Taker) or the group (group Risk Taker).

The applicable qualitative and quantitative criteria are set out for the 2021 financial year in the Regulatory Technical Standards (RTS) of the Delegated Commission Regulation (EU) No. 2021/923 of 25 March 2021, supplementing Article 92 Paragraph 3 of Directive 2013/36/EU (CRD and the provisions of the German Banking Act, inter alia Section 1 Par. 21)

To date, Commerzbank has not utilised the exemption option for identifying Risk Takers pursuant to Art. 6 Paragraph 2 in conjunction with Paragraphs 3 and 4 of the Delegated Regulation (EU) No. 2021/923.

The details of the Risk Taker identification were documented in a risk analysis. In addition to the Risk Taker identification on the institute level, all major institutes of Commerzbank Group<sup>13</sup> 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.

At Commerzbank, the criteria by means of which Risk Takers are identified are differentiated on the basis of

<sup>13</sup> In the Commerzbank Group alongside Commerzbank AG, the Polish institution mBank S.A is considered a major institution.

management responsibility, risk responsibility, and remuneration.

- Management responsibility: all employees on the first and second management levels of the Group, heads of material business units<sup>14</sup>, their direct reports (with management responsibility)
- 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 and 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 following additional employee groups are classified accordingly as Risk Takers:

- Employees on the third management level in certain units of the Corporate Clients segment.
- Managers of Risk Takers
- Special functions in Finance, Compliance and Treasury
- Employees in the Corporate Clients segment with total remuneration of EUR 250,000 or more.

If an employee was identified as a Risk Taker for at least 90 days in 2021, then the employee's entire variable remuneration for the financial year was subject to the special entitlement and disbursement modalities for Risk Takers (please see Chapter 4.5.2). The number of employees who were identified at Commerzbank Group on a consolidated level as "Risk Takers" or "Group Risk Takers",

including the Commerzbank AG Board of Managing Directors and Supervisory Board as well as one local Risk Taker, was 1,253 (1,194 full-time equivalents (FTEs)), as compared to 1,339 in 2020 (1,299 FTEs).<sup>15</sup>

#### 4.5.2. 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 AG 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 group companies subject to the provisions of the Alternative Investment Fund Manager Directive (AIFMD). All other Risk Takers are classified as Risk Takers II.

For Risk Takers whose variable remuneration does not exceed €50,000 or one third of their total remuneration<sup>16</sup>, the total variable remuneration for the previous financial year in a single lump sum payment.

For the 2021 financial year, 679 Risk Takers or Group Risk Takers with overall fixed remuneration of approx. €110 million and variable remuneration of approx. €20 million benefited from the exception pursuant to Article 94 Par. 3 b) of Directive 2013/36/EU because their variable remuneration did not exceed €50,000.

If the variable remuneration of a Risk Taker exceeds the exemption limit, the entire variable remuneration for the financial year in question is divided into two components: a Short-Term Incentive (STI) and a Long-Term Incentive

<sup>14</sup> Material business unit: A business unit within the meaning of Article 142 Paragraph 1 No. 3 of Regulation (EU) 575/2013, to which internal capital as defined in Article 73 of Directive 2013/36/EU representing at least 2 per cent of the internal capital of the institution is allocated.

<sup>15</sup> Due to the different definitions used in the Implementing Technical Standards on public disclosures by institutions of the information referred to in Titles II and III of part eight of Regulation (EU) NO 575/2013 of 20 June 2020, the data for the financial years are comparable only to a limited extent.

<sup>16</sup> 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 18 Paragraph 1 IVV. The supplementary regulation from the fourth version of the IVV, under which the variable remuneration of Risk Takers can be split into a short-term and long-term component (STI and LTI) if the variable remuneration does not exceed €50,000 but exceeds one-third of the employee's total remuneration, will be applied in Commerzbank from the 2022 financial year onward.



(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). The cash component is disbursed within a short time. 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 or 40 per cent for Risk Takers II. It is determined on an indicative basis after the end of the financial year (n). The LTI claim is vested only after a deferral period has elapsed. For Risk Takers II this is three years with respect to the 2021 financial year and four years for all financial years from 2022 onward. For Risk Takers I the deferral period is five years. The equity-based share of the LTI is subject to an additional retention period of at least 12 months subsequent to the deferral period.

An employee can acquire a claim to the LTI only if there are no impediments that would entirely or partially prevent the claim from vesting when the deferral period ends (see Chapter 4.5.3). 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. Currently, Commerzbank has set this threshold at €180,000.

Variable remuneration determined for the financial year (n) 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) (from the 2022 financial year onward, in November of the fifth year (n + 5) for LTI Cash and in October of the sixth year (n + 6) for LTI Equity).

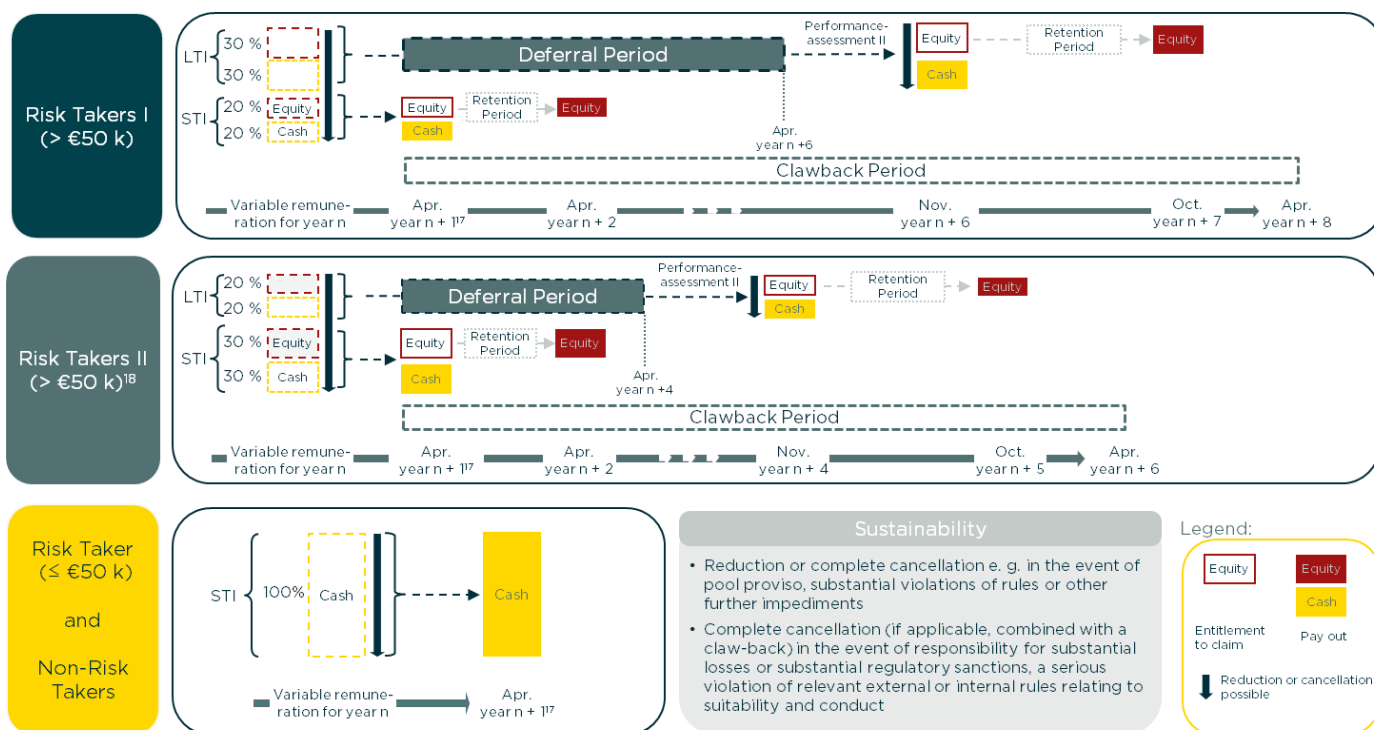


Figure 3: Disbursement procedures and sustainability components based on variable remuneration for 2021

<sup>17</sup> Exception: some international locations (disbursement already in March of year n + 1).

<sup>18</sup> If the threshold pursuant to Section 20 Par.3 IVV is exceeded, the variable remuneration is split into STI and LTI as in the case of Risk Takers I.

### 4.5.3. Performance assessment for Risk Takers

For all employees whose individual performance serves as the basis for setting the personal variable remuneration, the performance will be assessed on the basis of individual quantitative and qualitative targets at the end of a financial year. This Performance Assessment I forms the basis for setting the amount of individual variable compensation and thus establishes the claim to the STI. In the case of Risk Takers whose variable remuneration for a financial year exceeds the exemption limit, the calculation of the LTI is merely indicative, i. e. there is no direct vested claim or entitlement to the LTI.

The variable compensation may be cancelled in whole or in part in the event of a negative deviation in performance from the targets agreed upon. In this respect, unethical conduct or conduct contrary to duties within the meaning of the German Remuneration Ordinance for Institutions in the respective financial year (n) cannot be offset through positive individual performance contributions. Instead, such conduct must lead to the variable compensation being reduced or, under certain circumstances, completely eliminated for the financial year (n) in question, regardless of the individual target achievement quota.

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, significant regulatory penalties or a material supervisory measure.

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 or, 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 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 for a full cancellation is generally deemed to be met.

In the aforementioned cases, the Bank is entitled, within a period beginning with the disbursement of the cash component of the STI for the relevant financial year (n) and ending two years after the vesting of the LTI share for the relevant financial year (n), to claw back any variable remuneration already disbursed to the Risk Taker concerned on the basis of Section 20 Paragraph 6 IVV. This applies equally to the STI and the LTI.

In order to be able to take a decision on a Risk Taker's entitlement to the LTI component, additional individual and collective risk reviews are conducted in each year of the deferral period as well as for up to two subsequent years at an individual level to determine whether causes have arisen in the meantime that may justify the cancellation or reduction of claims to LTI components (malus).

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.

After the expiry of the deferral period, Performance assessment II reviews Performance assessment I and the employee's conduct 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, a negative performance deviation from the targets agreed upon, 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

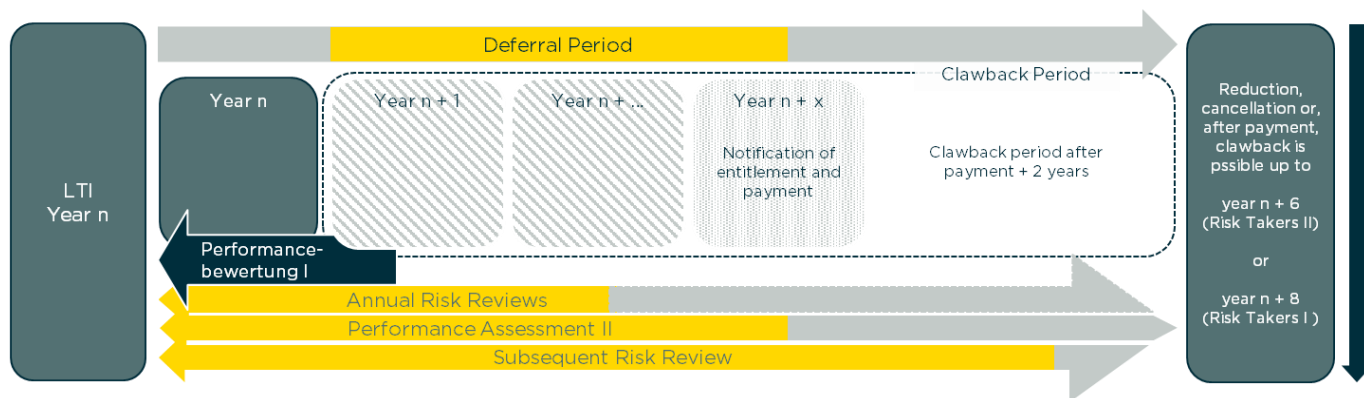


Figure 4: Schematic illustration of the performance assessment for risk takers at Commerzbank for the deferred compensation components

component being reduced or cancelled entirely, or, in the cases outlined above, in the clawback of the entire variable remuneration already paid out.

The decision on the vested claim to the LTIs is supported by the "Decision Board" (see Chapter 3.5), which ensures a systematic and uniform assessment of the risk reviews and Performance assessment II in case these show abnormalities.

#### 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 required 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

The Decision Board also examines whether the conditions for a clawback of variable remuneration already paid out have been met. The final decision on this rests with the full Board of Managing Directors. The Decision Board supports the Board's decision in these cases by recommending appropriate measures, taking into account all available information.

serious breach of relevant contractual obligations which will result in the loss of the employee's individual variable compensation claims.

#### 4.6. Other remuneration regulations

If the Bank makes commitments to grant other variable remuneration components to an employee such as **retention bonuses** or – at the beginning of an employment relationship – **guarantees**, sign-on bonuses or **buy-outs**, these are fully subject to the provisions of the IVV with regard to the conditions for granting the payments, the vesting of claims and disbursement.

In general, no retention bonuses are paid in Commerzbank AG or the Commerzbank Group. In strategic projects or during restructuring, however, it may prove necessary to grant retention bonuses, for example to prevent the departure of employees who are needed to achieve the

project objectives, comply with regulatory standards or maintaining business operations.

For this reason, in the course of implementing Strategy 2024, Commerzbank AG has granted retention bonuses for selected international locations of Commerzbank AG and recommended that selected foreign subsidiaries grant them as well. The Board of Managing Directors has set a target volume for these payments for the locations concerned.

Individual amounts have been agreed with selected employees as a result. These amounts were determined on a discretionary basis under uniform rules, taking into account the admissible cap on variable remuneration and in compliance with regulatory standards. The rules outlined in Chapter 4.5 also apply.

For **severance payments**, binding regulations apply in Commerzbank AG that define criteria for determining the amounts of the payments as well as upper limits. The binding severance regulations are set out in writing and in electronic form and apply to all employees of Commerzbank AG in Germany and abroad and for employees of subsidiaries within the regulatory group of Commerzbank AG pursuant to Section 10a of the German Banking Act.

In addition, the master severance scheme agreed with the employee representatives to implement the Strategy 2024 program is applicable in Commerzbank AG in Germany.

The master severance scheme is a severance scheme in accordance with Section 112 Par.1 of the Works Constitution Act and also defines binding rules for severance payments for its scope of application.

The severance payments granted under the severance regulations and the master severance scheme must be documented appropriately. Commerzbank AG is of the opinion that all severance payments granted in accordance with the severance regulations and the master severance scheme are in compliance with Section 5 Par. 6 sentence 5 IVV.

# 5. Group-wide implementation

## 5.1. Group-wide remuneration strategy

A group's superordinated companies are, pursuant to Section 27 Paragraph 1 and 2 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 and the requirements pursuant to Section 25a Par. 5 KWG and with regard to Group Risk Takers and of Section 18 Par. 1 and 3–5 and Par. 19–22 IVV. This applies in principle to all companies included in Commerzbank's regulatory group within the meaning of Section 10a Paragraph 1 and 2 KWG.

Commerzbank AG'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 AG 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 Section 1 (1b) and Section 53 (1) KWG to which Section 25 a KWG is applicable, and thus fall directly within the scope of application of Section 1 IVV. Such companies must therefore directly fulfil the requirements of the German Remuneration Ordinance for Institutions at the stand-alone level. For companies outside Germany, it shall be verified as to whether they are financial institutions to which comparable local regulations apply (regulatory group).

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

As a result, 32 subsidiaries<sup>19</sup> in Germany and at the international level, in addition to Commerzbank, met the criteria of the German Remuneration Ordinance for Institutions in the 2021 financial year. Of these subsidiaries, 14 fell within the immediate scope of the IVV or other sector-based or local legal regulations. The other 18 subsidiaries met the requirements only on the basis of the regulatory group as defined pursuant to Section 10a Par. 1 and 2 KWG in conjunction with Section 27 IVV.

The remuneration strategy and the requirements of the German Remuneration Ordinance for Institutions 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 for Commerzbank Group, implement the remuneration strategy within Commerzbank Group, and define regulations for the employee remuneration systems.

These two policies thus serve jointly to implement Commerzbank Group's remuneration policy at a global level as well as at further Group companies. 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 AG, its branches in Germany and at the international locations, and to subsidiaries belonging to the regulatory group to which the provisions of IVV apply. In addition, it serves to provide guidance to other subsidiaries and can be applied by them in whole or in part.

In conjunction with the amendments to the German Remuneration Ordinance for Institutions, which came into force on 24 September 2021, the Group-wide remuneration strategy was revised and adopted by the Board of

<sup>19</sup> Commerz Real AG; CommerzFactoring GmbH; Commerz Real Mobilien-leasing GmbH; mBank S.A.; Commerzbank Finance & Covered Bond S.A.; Commerzbank Zrt.; mBank Hipoteczny S.A.; mFaktoring S.A.; mLeasing Sp. z o.o.; Commerz Real Investmentges. mbH; Commerz Real KVG mbH; Commerz Markets LLC; Commerzbank Eurasija AO; Commerzbank Brasil S.A. - Banco Multiplio; 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; CERI International Sp. z o.o.; mFinanse S.A.; Kenstone GmbH.

Managing Directors of Commerzbank AG. It will gradually succeed the old version in the companies of the regulatory group.

## 5.2. Remuneration systems of affiliated institutions

The subsidiaries of Commerzbank Group's companies consolidated for regulatory purposes have introduced the Group-wide remuneration strategy applicable to the 2021 financial year without exception (see Chapter 5.1) in accordance with Section 27 Paragraph 1 IVV. It formed the basis for implementing the requirements of the IVV in the 14 Group institutions in the year under review as well as in the other companies in the regulatory group.<sup>20</sup>

Those Group institutions that do not publish their own information on their remuneration systems in accordance with Section 16 IVV or Article 450 (EU) No. 575/2013 are generally required to disclose further information on the remuneration systems. Institutions that did not issue their own disclosure in the period under review were Commerz Factoring GmbH, Commerzbank Finance & Covered Bond S.A., Commerz Markets LLC, Commerzbank (Eurasija) AO and Commerzbank Brasil S.A. – Banco Multiplo. With the exception of Commerzbank (Eurasija) AO, all Group institutions applied the systems described in this remuneration report in the 2021 financial year, so that further disclosure is required only for Commerzbank (Eurasija) AO.

Since CommerzFactoring GmbH does not publish its own remuneration report, it refers to the report of Commerzbank AG on its website.<sup>21</sup> Commerzbank Finance & Covered Bond S.A. also refers to the analogous application of the remuneration systems of Commerzbank AG in its annual report<sup>22</sup>, as do Commerz Markets LLC<sup>23</sup>,

based in New York, and Commerzbank Brasil S.A – Banco Multiplo.<sup>24</sup> in São Paulo.

The quantitative disclosure, i. e. the disclosure of the companies' remuneration data, is complied with at the consolidated level through the disclosure in Chapter 6 of this Report.

### 5.2.1. Commerzbank (Eurasija) AO

Commerzbank (Eurasija) AO, like all other Commerzbank Group companies, has introduced the Groupwide remuneration strategy and, with regard to its remuneration systems, is aligned with the Groupwide standards to the extent that this is possible under Russian regulations. In that respect, the bank's remuneration systems have a number of special characteristics.

When setting the total amount available for variable remuneration, the bank takes the Group and segment results into account along with the performance of Commerzbank (Eurasija) AO itself. On the individual level, the NPS model described in Chapter 4.4.1 is generally applied to all bank employees. In addition to the regulations under the model described there, the performance of Risk Takers is not assessed solely on the basis of the previous year, but also over a three-year period. In accordance with Russian regulations, the variable remuneration for Risk Takers is paid out in cash. Payouts in stock or other financial instruments are not permitted.

As in Commerzbank AG, the variable remuneration of employees in control units in Commerzbank (Eurasija) AO is determined independently of the revenue targets of the monitored units. The performance of these units is determined on the basis of qualitative indicators with which the effectiveness and functionality of the internal control units are evaluated. However, the individual target achievement of employees cannot exceed 100%.

<sup>20</sup> Further information on the remuneration regulations of Commerzbank Group can be found in the company-related disclosures of the respective subsidiary. Commerz Real AG discloses information on the remuneration regulations of Commerz Real Group in a separate annual report and remuneration report. Information on the remuneration arrangements of mBank and the mBank Group can be found in the Annual Report as well as the 'Disclosures regarding capital adequacy of mBank S.A. Group, the Report of mBank S.A. on Remuneration of the Management Board Members and Supervisory Board Members and the 'Remuneration policy for employees having a material impact on the risk profile of mBank S.A.'. Information on the remuneration systems of Commerzbank (Eurasija) AO (not published for the 2021 financial year) and Commerzbank Zrt. can be

found in the 'Annual financial statements of "Commerzbank (Eurasija) AO' and the reports available exclusively in Hungarian 'Commerzbank Zrt. javadalmazási politikájával kapcsolatos információk közzététele' and 'A Commerzbank Zrt. re vonatkozó információk nyilvánosságra hozatala a 2021. évre vonatkozóan' to read. All reports can be viewed on the websites of the respective companies. The publication dates of the companies differ in part from those of Commerzbank AG.

<sup>21</sup> [https://www.commerzfactoring.de/portal/de/cf/cbg-metanavigation/cf-recht/cf\\_recht.html](https://www.commerzfactoring.de/portal/de/cf/cbg-metanavigation/cf-recht/cf_recht.html)

<sup>22</sup> Annual Report 2021 of Commerzbank Finance & Covered Bond S.A..'

<sup>23</sup> 'Statement of Financial Conditions'

<sup>24</sup> Annual Report of Commerzbank Brasil S.S. – Banco Multiplo.

## 5.2.2. Commerzbank Zrt.

Commerzbank Zrt. publishes its disclosure report<sup>25</sup> only in Hungarian. The few distinguishing features of that institution's remuneration model are therefore outlined briefly here.

The company has also generally implemented the remuneration models of Commerzbank AG on an individual institution level. Due to the requirements of the Hungarian regulatory framework, however, there is one deviation from the regulations described in this Report.

In accordance with the Hungarian legal regulations<sup>26</sup>, Commerzbank Zrt. is authorised, subject to the satisfaction of certain criteria, to disburse variable remuneration entirely in cash instead of pro rata remuneration in financial instruments. If disbursement takes place entirely in cash, the satisfaction of the conditions underlying this cash payment is documented.

If the conditions pursuant to Section 4 of the government regulation and Section 119 Par. 5 of the Law No. CCXXXVII on credit institutions and financial companies, which are prerequisites for full disbursement in cash, are not fulfilled, then Risk Takers will receive half of their variable remuneration in cash and the remainder in Commerzbank AG shares.

The disclosure of the remuneration data of Commerzbank Zrt. is also complied with on a consolidated level by the disclosure in Chapter 6 of this Report.

<sup>25</sup> "Commerzbank Zrt. javadalmazási politikájával kapcsolatos információk közzététele"; "A Commerzbank Zrt.-re vonatkozó információk nyilvánosságra hozatala a 2021. évre vonatkozóan".

<sup>26</sup> Law No. CCXXXVII on Credit Institutions and Financial Companies, Government Regulation No. 131/2011 (VII. 18.)

# 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 disclosed in this Remuneration Report if the institution does not publish the remuneration data of the local Risk Takers

itself. For the 2021 financial year, this did not affect any of the Commerzbank Group companies consolidated for regulatory purposes.

In addition, this Report discloses the remuneration information of one local Risk Taker of Commerzbank Zrt. who was identified as a Risk Taker at the level of Commerzbank Zrt., and not at Group level because for confidentiality reasons this information was not disclosed in the company's remuneration report but only in its reporting to the supervisory authority.<sup>27</sup>

## 6.1. Quantitative information on remuneration by business area

Pursuant to Section 16 Paragraph 1 No. 3 IVV, the quantitative information on the aggregate remuneration of

all employees must be broken down by business area.

Segment	Supervisory Board of Commerzbank AG	Board of Managing Directors of Commerzbank AG	Private and Small-Business Customers	Corporate Clients (excl. Investment Banking)	Investment banking <sup>31</sup>	Asset Management	Corporate Functions	Independent Control Functions <sup>32</sup>	Group Total
No. of Managing Directors/ Supervisory Board Members <sup>28</sup>	20	7							27
No. of Employees <sup>28</sup>			21,004	1,758	1,671	706	14,987	4,112	44,238
No. of Employees in full time equivalents (FTEs)			16,911	1,648	1,611	665	13,806	3,844	38,486
<b>Total remuneration in Euro</b>	<b>2,957,000</b>	<b>15,782,821</b>	<b>1,166,131,096</b>	<b>220,709,967</b>	<b>330,851,486</b>	<b>82,781,081</b>	<b>1,220,720,847</b>	<b>448,279,939</b>	<b>3,488,214,236</b>
<b>Fixed remuneration (incl. pension benefits)<sup>29</sup></b>	<b>2,957,000</b>	<b>11,567,129</b>	<b>1,091,349,319</b>	<b>198,484,420</b>	<b>290,298,973</b>	<b>72,170,956</b>	<b>1,143,140,296</b>	<b>411,861,238</b>	<b>3,221,829,331</b>
Base salary and allowances	2,957,000	7,738,635	1,016,930,034	182,589,368	273,063,128	68,046,505	1,056,080,065	381,905,707	2,989,310,442
Pension benefits		3,828,494	74,419,285	15,895,052	17,235,846	4,124,451	87,060,230	29,955,532	232,518,889
<b>Variable remuneration<sup>30</sup></b>	<b>-</b>	<b>4,215,691</b>	<b>74,781,777</b>	<b>22,225,547</b>	<b>40,552,512</b>	<b>10,610,125</b>	<b>77,580,552</b>	<b>36,418,701</b>	<b>266,384,905</b>

<sup>27</sup> The presentation of remuneration data in Chapter 6.2 follows the sample tables in the Implementing Technical Standards on public disclosures by institutions of the information referred to in Titles II and III of part eight of Regulation (EU) NO 575/2013 of 20 June 2020 and therefore deviates from the disclosures in previous years. Update chapter 6.1 as of 06.04.2023 (after technical correction)

<sup>28</sup> Natural persons.

<sup>29</sup> In addition to the base salary, "fixed remuneration" includes bonuses and pension benefits pursuant to the International Financial Reporting Standards (IFRS).

<sup>30</sup> 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.

<sup>31</sup> Including Group Treasury.

<sup>32</sup> Until the amended version of the IVV came into force on 25 September 2021, Group Human Resources, Group Compliance, Group Risk Management, and Group Audit were deemed control units at Commerzbank within the meaning of Section 2 Paragraph 11 IVV. The Bank applied this definition for the entire 2021 financial year.



## 6.2. Quantitative information on remuneration of Risk Takers

In accordance with Regulation Art. 450 (EU) 575/2013 Par.1 g and h, aggregate quantitative information on remuneration, broken down by senior management (Supervisory Board and Board of Managing Directors) and

members of staff whose actions have a material impact on the risk profile of the institution ("Risk Takers") is shown here. This information is also broken down by business area in Chapter 6.2.4.

### 6.2.1 Remuneration paid for the 2021 financial year

Pursuant to i and ii in Art. 450 Par.1 h of Regulation (EU) 575/2013, the remuneration amounts for the 2021 financial year are disclosed, split into fixed and variable remunera-

tion, the number of beneficiaries and the amounts and forms of variable remuneration, split into cash, shares, share-linked instruments and any other types.

	Supervisory Board of Commerzbank AG	Board of Managing Directors of Commerzbank AG	Other senior management <sup>36</sup>	Other identified staff <sup>37</sup>	
Fixed remuneration	Number of identified staff <sup>33</sup>	20	7	45	1,122
	Total fixed remuneration in Euro	2,957,000	11,567,129	21,742,517	221,539,727
	Of which: cash-based <sup>34</sup>	2,957,000	7,738,635	18,713,586	201,496,724
	Of which: shares or equivalent ownership interests	-	-	-	-
	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
	Of which: other instruments	-	-	-	-
	Of which: other forms <sup>35</sup>	-	3,828,494	3,028,931	20,043,003

<sup>33</sup> Persons who received remuneration amounts listed in this table (Supervisory Board and Board of Managing Directors in natural persons; other identified employees in FTEs). Update as of 06.04.2023 (after technical correction)

<sup>34</sup> Supervisory function including committee remuneration and attendance fees.

<sup>35</sup> Pension benefits pursuant to the International Financial Reporting Standards (IFRS).

<sup>36</sup> 'Other senior management' is defined as the management level below the Board of Managing Directors of Commerzbank AG.

<sup>37</sup> 'Other identified employees' include inter alia the advisory boards and executives of companies of Commerzbank.

	Supervisory Board of Commerzbank AG	Board of Managing Directors of Commerzbank AG	Other senior management <sup>40</sup>	Other identified staff <sup>41</sup>	
Variable remuneration	Number of identified staff <sup>38</sup>	-	6	43	941
	<b>Total variable remuneration in Euro</b>	-	<b>4,215,691</b>	<b>7,880,474</b>	<b>55,403,897</b>
	Of which: cash-based	-	2,107,846	3,203,640	31,694,774
	Of which: deferred	-	1,342,107	1,837,276	4,694,152
	Of which: shares or equivalent ownership interests	-	-	-	135,748
	Of which: deferred	-	-	-	54,299
	Of which: share-linked instruments or equivalent non-cash instruments	-	2,107,846	3,062,126	12,324,782
	Of which: deferred	-	1,342,107	1,837,276	5,420,064
	Of which: other instruments	-	-	-	-
	Of which: deferred	-	-	-	-
	Of which: other forms <sup>39</sup>	-	-	1,614,708	11,248,593
	Of which: deferred	-	-	-	-
<b>Total fixed and variable remuneration</b>	<b>2,957,000</b>	<b>15,782,821</b>	<b>26,419,352</b>	<b>276,943,624</b>	

<sup>38</sup> Persons who received remuneration amounts listed in this table (Supervisory Board and Board of Managing Directors in natural persons; other identified employees in FTEs).

<sup>39</sup> Compensation in connection with the early termination of employment.

<sup>40</sup> 'Other senior management' is defined as the management level below the Board of Managing Directors of Commerzbank AG. Update as of 06.04.2023 (after technical correction)

<sup>41</sup> 'Other identified employees' include inter alia the advisory boards and executives of companies of Commerzbank Group.

## 6.2.2 Sign-on bonuses and guarantees granted or paid to Risk Takers

Pursuant to Regulation (EU) 575/2013 Art. 450 Par. 1 h) v – vii, the new sign-on payments paid during the financial year, and the number of beneficiaries of such payments, the amounts of severance payments for previous periods and

the new severance payments granted during the financial year, the numbers of beneficiaries of these payments, and the highest such award to a single person are disclosed.

	Supervisory Board of Commerzbank AG	Board of Managing Directors of Commerzbank AG	Other senior management <sup>43</sup>	Other identified staff <sup>44</sup>
<b>Guaranteed variable remuneration awards</b>	-			
Guaranteed variable remuneration awards - Number of identified staff <sup>42</sup>	-	1	-	-
Guaranteed variable remuneration awards - Total amount in Euro	-	387,000	-	-
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
<b>Severance payments awarded in previous periods, that have been paid out during the financial year</b>				
Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff <sup>42</sup>	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount in Euro	-	-	-	-
<b>Severance payments awarded during the financial year</b>				
Severance payments awarded during the financial year - Number of identified staff <sup>42</sup>	-	-	2	38
Severance payments awarded during the financial year - Total amount in Euro	-	-	1,614,708	11,248,593
Of which paid during the financial year	-	-	1,614,708	11,248,593
Of which deferred	-	-	-	-
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	1,614,708	11,248,593
Of which highest payment that has been awarded to a single person	-	-	1,573,907	1,705,793

<sup>42</sup> Persons who received remuneration amounts listed in this table (Supervisory Board and Board of Managing Directors in natural persons; other identified employees in FTEs).

<sup>43</sup> 'Other senior management' is defined as the management level below the Board of Managing Directors of Commerzbank AG.

<sup>44</sup> 'Other identified employees' include inter alia the advisory boards and executives of companies in the regulatory group of Commerzbank Group.

### 6.2.3 Outstanding and deferred variable remuneration from previous years

Pursuant to Regulation (EU) 575/2013 Art. 450 Par. 1 h) iii and iv, the amounts of outstanding deferred remuneration, split into vested and unvested portions, the amounts of deferred remuneration awarded during the financial year,

paid out and reduced through performance adjustments are disclosed in detail.

Deferred and retained remuneration amounts in Euro	Total amount of deferred remuneration awarded for previous performance periods <sup>45</sup>	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments) <sup>46</sup>	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
Supervisory Board of Commerzbank AG	-	-	-	-	-	-	-	-
Cash-based	-	-	-	-	-	-	-	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Board of Managing Directors of Commerzbank AG	13,694,383	3,931,237	9,763,146	-372,000	-	-590,610	1,779,619	1,189,008
Cash-based	6,847,191	1,965,619	4,881,573	-186,000	-	-	1,779,619	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	6,847,191	1,965,619	4,881,573	-186,000	-	-590,610	-	1,189,008
Other instruments	-	-	-	-	-	-	-	-

<sup>45</sup> The instruments shown in the retained remuneration amounts linked to shares or equivalent non-liquid instruments are disclosed at their value when the amounts are granted.

<sup>46</sup> Total amount of adjustments in the financial year due to anticipated subsequent adjustments (e.g., due to departures or other claims to deferred variable remuneration or the realisation of share price changes at the time of the allocation of shares).

Deferred and retained remuneration amounts in Euro	Total amount of deferred remuneration awarded for previous performance periods <sup>49</sup>	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to explicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments) <sup>50</sup>	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
Other forms	-	-	-	-	-	-	-	-
Other senior management <sup>47</sup>	8,657,355	4,487,848	4,169,507	-159,204	-	-1,428,129	2,131,570	768,945
Cash-based	4,196,087	2,242,440	1,953,646	-79,600	-	-133,915	2,028,925	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	4,461,268	2,245,408	2,215,860	-79,604	-	-1,294,214	102,645	768,945
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Other identified staff <sup>48</sup>	25,373,158	13,461,038	11,912,120	-	-	-5,083,209	5,653,782	2,724,046
Cash-based	12,149,820	6,777,314	5,372,506	-	-	-1,123,532	5,653,782	-
Shares or equivalent ownership interests	2,033,346	439,398	1,593,948	-	-	-	-	439,398
Share-linked instruments or equivalent non-cash instruments	11,189,992	6,244,326	4,945,666	-	-	-3,959,677	-	2,284,648
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
<b>Total amount</b>	<b>47,724,895</b>	<b>21,880,123</b>	<b>25,844,772</b>	<b>-531,204</b>	<b>-</b>	<b>-7,101,949</b>	<b>9,564,971</b>	<b>4,682,000</b>

<sup>47</sup> 'Other senior management' is defined as the management level below the Board of Managing Directors of Commerzbank AG.

<sup>48</sup> 'Other identified employees' include inter alia the advisory boards and executives of companies in the regulatory group of Commerzbank Group.

<sup>49</sup> The instruments shown in the retained remuneration amounts linked to shares or equivalent non-liquid instruments are disclosed at their value when the amounts are granted.

<sup>50</sup> Total amount of adjustments in the financial year due to anticipated subsequent adjustments (e.g., due to departures or other claims to deferred variable remuneration or the realisation of share price changes at the time of the allocation of shares).

## 6.2.4 Quantitative data on remuneration of Risk Takers broken down by business segment

Pursuant to Regulation (EU) 575/2013 Art. 450 Par. 1 g), aggregate quantitative information is disclosed on remuneration of Risk Takers, broken down by business segment.

Amounts in Euro	Supervisory Board of Commerzbank AG	Board of Managing Directors of Commerzbank AG	Total Management Body	Investment banking <sup>52</sup>	Corporate banking	Private Customers	Asset management	Corporate functions	Independent internal control functions <sup>53</sup>	Total
Total number of identified staff	20	7	27	312	203	207	27	226	192	1,194
Of which: members of the Management Body	20	7	27	-	-	-	-	-	-	27
Of which: other senior management <sup>51</sup>	-	-	-	5	7	6	-	19	7	45
Of which: other identified staff <sup>51</sup>	-	-	-	307	196	201	27	206	185	1,122
<b>Total remuneration of identified staff</b>	2,957,000	15,782,821	18,739,821	115,713,151	47,096,668	39,706,778	6,335,650	51,302,892	46,411,477	325,306,436
Of which: variable remuneration	-	4,215,691	4,215,691	21,661,061	9,708,389	7,601,678	3,011,270	10,357,991	10,943,982	67,500,062
Of which: fixed remuneration	2,957,000	11,567,129	14,524,129	94,052,090	37,388,279	32,105,100	3,324,379	40,944,901	35,467,495	257,806,373

<sup>51</sup> 'Other identified employees' include inter alia the advisory boards and executives of companies in the regulatory group of Commerzbank Group. Update as of 06.04.2023 (after technical correction)

<sup>52</sup> Including Group Treasury.

<sup>53</sup> Until the amended version of the IVV came into force on 25 September 2021, Group Human Resources, Group Compliance, Group Risk Management, and Group Audit were deemed control units at Commerzbank within the meaning of Section 2 Paragraph 11 IVV. The Bank applied this definition for the entire 2021 financial year.

### 6.3. Number of persons with high remuneration

Pursuant to Regulation Art. 450 (EU) 575/2013 Paragraph 1 i, the following table shows a breakdown of the number of Risk Takers of Commerzbank AG and Group Risk Takers whose remuneration exceeded €1 million in the 2021 financial year. For remuneration between EUR 1 million and

EUR 5 million, this is broken down into pay bands of EUR 500 000 and, for remuneration of EUR 5 million and above, into pay bands of EUR 1 million. This includes the costs for pension benefits based on years of service in accordance with IFRS.

Identified staff that are high earners as set out in Article 450(i) CRR<sup>54</sup>

1.000.000 bis 1.499.999 Euro	4
1.500.000 bis 1.999.999 Euro	4
2.000.000 bis 2.499.999 Euro	4
2.500.000 bis 2.999.999 Euro	
3.000.000 bis 3.499.999 Euro	
3.500.000 bis 3.999.999 Euro	
4.000.000 bis 4.499.999 Euro	
4.500.000 bis 4.999.999 Euro	
5.000.000 bis 5.999.999 Euro	1
6.000.000 bis 6.999.999 Euro	

Frankfurt/Main, October 2022

Commerzbank Aktiengesellschaft

<sup>54</sup> Including the Supervisory Board and Board of Managing Directors of Commerzbank AG (see Remuneration Report pursuant to Section 162 of

the German Stock Company Act). Including pension benefits pursuant to the IFRS.