

Press release

For business desks
13 July 2017

Commerzbank and employee representative committees agree framework for personnel reductions

- **Binding outline reconciliation of interests and outline social plan agreed on**
- **Bettina Orlopp: “Our common goal, as ever, is to ensure that the restructuring is handled as socially responsibly as possible. We have now laid the foundations for this.”**

Commerzbank has agreed an outline reconciliation of interests and outline social plan with the employee representative committees in Germany. The binding agreements form the basis for the personnel reductions announced by the Bank in autumn 2016 as part of the “Commerzbank 4.0” strategy.

Commerzbank and German employee representatives have agreed that operational redundancies will be used only as a last resort in implementing the personnel reductions. The numerous other options included in the set of measures specified in the outline reconciliation of interests must first be exhausted. Both sides agreed on the outline social plan designed to compensate for or lessen the financial disadvantages for the employees affected.

The parties to the negotiations had already agreed, in spring 2017, on an age-related part-time working scheme which would come into effect first. Now the other measures have been set out. These include provisions for older employees such as early retirement and the “56plus” severance scheme, termination agreements with a severance package, and voluntary individual reductions in working hours.

Large-scale staff transfers are planned as part of the restructuring. To soften the impact on the employees affected, the Bank will provide salary safeguards, commuter grants, opportunities to gain qualifications, and assistance with finding new positions.

Details of the personnel reductions in the individual Group divisions in Germany will be worked out, based on the agreements, over the coming months and set out in partial reconciliations of interest. The aim is to complete the negotiations by the end of this year.

Bettina Orlopp, Executive Board Member responsible for Compliance, Human Resources and Legal, said: “The personnel reductions are painful for the Bank and those affected. However, they are necessary in order

to make the Bank fit for the future, and are an important step in the implementation of our Commerzbank 4.0 strategy. We want to ensure that the restructuring is handled as socially responsibly as possible. We have laid the foundations for this with the outline reconciliation of interests and the outline social plan.”

Uwe Tschäge, Chairman of the General and Group Works Council, stated: “Our aim is to avoid operational redundancies and to cushion the impact of the personnel reductions, as well as to maintain decent jobs for the remaining employees going forward. We are heading in the right direction with the agreements we have struck, and will build on this in our further negotiations.”

Commerzbank wants to sustainably increase its profitability by the end of 2020. As part of its “Commerzbank 4.0 strategy”, it is systematically focussing on its core businesses and wants to digitalise 80 percent of relevant processes. The reorientation makes significant personnel reductions inevitable. The Bank plans to have a core workforce of around 36,000 full-time positions by 2020, compared with around 43,000 full-time positions at the end of 2015.

As already announced, the Commerzbank will book restructuring expenses of around €810 million in the second quarter of 2017 for the personnel reductions. The Bank had previously forecast restructuring provisions of €550 million for 2017 and 2018 respectively. The lower charge is due to the personnel reductions already implemented, staff turnover and expected efficiencies in staff transfers and replacements.

Press contact

Alexander Cordes	+49 69 136-42764
Karsten Swoboda	+49 69 136-22339
Erik Nebel	+49 69 136-44986

About Commerzbank

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business customers, as well as more than 60,000 corporate clients, multinationals, financial service providers, and institutional clients. The Bank, which was founded in 1870, is represented at all the world's major stock exchanges. In 2016, it generated gross revenues of €9.4 billion with approximately 49,900 employees.

Disclaimer

This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts. In this release, these statements concern inter alia the expected future business of Commerzbank, efficiency gains and expected synergies, expected growth prospects and other opportunities for an increase in value of Commerzbank as well as expected future financial results, restructuring costs and other financial developments and information. These forward-looking statements are based on the management's current plans, expectations, estimates and projections. They are subject to a number of assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from any future results and developments expressed or implied by such forward-looking statements. Such factors include the conditions in the financial markets in Germany, in Europe, in the USA and other regions from which Commerzbank derives a substantial portion of its revenues and in which Commerzbank holds a substantial portion of its assets, the development of asset prices and market volatility, especially due to the ongoing European debt crisis, potential defaults of borrowers or trading counterparties, the implementation of its strategic initiatives to improve its business model, the reliability of its risk management policies, procedures and methods, risks arising as a result of regulatory change and other risks. Forward-looking statements therefore speak only as of the date they are made. Commerzbank has no obligation to update or release any revisions to the forward-looking statements contained in this release to reflect events or circumstances after the date of this release.