

## Press release

For business editors  
7 May 2021

### Commerzbank and employee representatives agree on headcount reduction

- **Framework arrangements concluded for announced headcount reduction by end of 2024**
- **Remaining provisions for the headcount reduction to be booked in Q2 2021**
- **Manfred Knof: “We engaged in some very intensive negotiations and have achieved a result that will enable the fast implementation of the transformation. I would like to express my thanks to all the participants for the disciplined and constructive cooperation, despite the differing interests.”**
- **Sabine Schmittroth: “We have found solutions for our employees that are fair, comprehensible and socially responsible. The settlement of interests and social plan form the framework which enables us to bring the negotiations to a conclusion by the end of the year.”**

Commerzbank and the employee representatives have today agreed on a framework settlement of interests and a framework social plan for AG Germany. The binding agreements form the platform for a maximally socially responsible headcount reduction within the framework of the “Strategy 2024” adopted in February. The Bank intends to implement the headcount reduction primarily through retirement arrangements, such as partial retirement or early retirement. As part of this arrangement, the Bank has extended the offer of early retirement to seven years. Furthermore, termination agreements and support for employees with perspectives inside and outside the Bank have been agreed.

The Bank will book provisions for additional restructuring expenses of around 225 million euros for retirement arrangements that were expanded beyond the scope of the original plan. “This money is well invested as it enhances our planning certainty for the implementation of the headcount reduction,” commented Manfred Knof, Chairman of the Board of Managing Directors of Commerzbank. “We engaged in some very intensive negotiations and have achieved a result that will enable the fast implementation of the transformation. I would like to express my thanks to all the participants for the disciplined and constructive cooperation, despite all the differing interests.”

Overall, the Bank is now projecting total restructuring expenses amounting to slightly above two billion euros. Out of these expenses, more than 900 million euros were already booked in the last two business years. At the beginning of April, the Bank set aside further provisions in the amount of around 470 million euros for the first quarter of 2021. These are intended for a number of initiatives including a voluntary programme. Employees who make use of this offer will leave the

Bank by the end of 2021 at the latest, so that savings will already be effective from the coming year. The remaining expenses for the headcount reduction will be booked in the second quarter.

Over the coming months, the details of the headcount reduction in the individual Group divisions are to be discussed based on the framework agreements reached and arranged in partial settlements of interests. The aim is to complete these negotiations by the end of this year.

The bank intends to carry out a review on the status of the agreed headcount reduction in 2023. If it emerges that the measures have proved inadequate, the Bank will discuss necessary additional measures with the employee representatives in the first quarter of 2023. These include collective reductions in working hours or compulsory redundancies as a last resort. Both sides have agreed the social plan to compensate for or ameliorate the economic disadvantages for affected employees.

“We have found solutions for our employees that are fair, comprehensible and socially responsible. The settlement of interests and social plan form the framework for being able to bring the negotiations to a conclusion by the end of the year,” said Sabine Schmittroth, Member of the Board of Managing Directors responsible for Human Resources.

Uwe Tschäge, Chairman of the Central and Group Works Council, stated: “A top priority for us is to take appropriate account of the interests of the employees. These encompass the interests of those employees who remain with the Bank and the interests of colleagues who leave the Bank. A step like this can only happen with a socially responsible structure for the headcount reduction. We have made good progress with the agreements reached and we will expand on these in further negotiations.”

As part of its “Strategy 2024”, Commerzbank launched a comprehensive transformation. The aim of the restructuring is to combine the advantages of a fully digitalised bank with personal advisory services, a consistent customer focus and sustainability. Costs are to be substantially reduced and profitability significantly increased by 2024. This will permit Commerzbank to create the enablers to reinforce its leading position as the Bank for the German Mittelstand and a strong partner for around eleven million Private and Small-Business Customers. The realignment makes a significant headcount reduction inevitable. The Bank is planning to reduce the number of full-time positions by around 10,000 in gross terms by 2024. This compares with an increase of around 2,500 full-time equivalents. This will reduce the costs for external service providers alongside other benefits. Overall, it will result in a net reduction of around 7,500 positions.

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**About Commerzbank**

Commerzbank is the leading bank for the German Mittelstand and a strong partner for around 30,000 corporate client groups and around 11 million private and small-business customers in Germany. The Bank's two Business Segments – Private and Small-Business Customers and Corporate Clients – offer a comprehensive portfolio of financial services. Commerzbank transacts approximately 30 per cent of Germany's foreign trade and is present internationally in almost 40 countries in the corporate clients' business. The Bank focusses on the German Mittelstand, large corporates, and institutional clients. As part of its international business, Commerzbank supports clients with German connectivity and companies operating in selected future-oriented industries. Following the integration of Comdirect, private and small-business customers benefit from the services offered by one of Germany's most advanced online banks combined with personal advisory support on site. Its Polish subsidiary mBank S.A. is an innovative digital bank that serves approximately 5.5 million private and corporate customers, predominantly in Poland, but also in the Czech Republic and Slovakia. In 2020, Commerzbank generated gross revenues of some €8.2 billion with almost 48,000 employees.

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