COMMERZBANK
Finance & Covered Bond S.A.

COMMERZBANK
Group

Interim Report as at June 30, 2020

Content

Interim Management Report by the Board of Directors as at June 30, 2020

Economic conditions

Overall economic situation

The measures to contain the corona pandemic have plunged the global economy into the worst recession in the post-war period. However, the low point should have been passed in the meantime. With the easing of restrictions, economic activity has also picked up again.

In China, the economy was largely able to make up for the slump in the first three months in the second quarter of 2020. Many sectors are already back to the high capacity utilisation levels seen before the crisis. In the eurozone, the economy slumped even more sharply in March/April than originally feared. In May, production increased significantly again. Nevertheless, the economy is likely to have contracted by around 10% in the second quarter compared with the first three months of this year. The slump was probably not quite as severe in Germany. In the USA, the data available to date point to a major decline in overall economic production in the second quarter.

To cushion the downturn, central banks around the world have greatly eased their monetary policy. The European Central Bank (ECB) increased the volume of bond purchases under the Pandemic Emergency Purchase Programme (PEPP) by a further €600bn to €1,350bn at the beginning of June. In addition, the major industrial nations have put together unprecedented assistance packages to support their economies.

Outlook and opportunities report

Future macroeconomic situation

The trend in the second half of 2020 will depend significantly on the further course of the corona pandemic. Even if there is no major second wave of infection, the economy in the eurozone will not return to its pre-crisis level so quickly.

On the one hand, it takes time to reorganise the supply chains. On the other, global demand continues to be held back by the ongoing fight against the spread of the virus. Our parent company, Commerzbank, has lowered its growth forecast for 2020 as a whole to -7%. In Germany, there is likely to be a slightly weaker decline of 5.5%. No V-shaped upswing is expected in the USA either, especially since the number of new infections has again risen significantly in some states. The dramatic increase in unemployment will slow down the recovery of private consumption. Correspondingly, gross domestic product is likely to decline by 4.5%.

In the event of a second wave of infection, it is unlikely that restrictions will be as comprehensive as in March and April. But the economic recovery would be delayed and the return to pre-crisis levels would be postponed further into the future. In such an environment, there will always be setbacks on the markets too. However, a renewed slump, as at the beginning of the crisis, is unlikely due to the much better level of information available today – and the corresponding reduction in uncertainty.

Future situation in the banking sector

The impact of the corona pandemic on the economy and banks remains serious. Planning uncertainties and risks in particular have increased enormously. For the global economy, a further increase in infection rates is the central forecasting risk for the coming months. Banks around the world are currently facing completely new challenges, particularly with regard to expected earnings as well as risk provisioning and capital requirements.

At present, the banking sector appears to be in a robust position given the large capital buffers. This also applies to the financial centre of Luxembourg. However, banks will have to expect more loan defaults and a rising number of corporate and personal insolvencies in general in the coming quarters. Among other things, this is due to the suspension of the obligation to file for insolvency within a three-week period until the end of September 2020 if the over-indebtedness or insolvency is due to the consequences of the corona pandemic. However, due to the capital strengthening measures that have been implemented for some time, the banking sector should be able to cope with higher default rates.

The net interest margins in the banking sector remain under considerable pressure throughout Europe. Credit growth is strong, but is exceeded by the growth in deposits from households and non-financial corporations. At the same time, the costs of market refinancing have risen. Government loan programmes also narrow margins, even though the respective credit risk at the non-government banks is noticeably reduced or even completely eliminated. All in all, this leaves little scope for banks to improve their margins on the liabilities side.

Even before the corona pandemic, the prospect of prolonged low interest rates was considered a key challenge for the banking sector. In view of the far-reaching economic effects of the pandemic and the reactions of the central banks in the form of the major expansion of bond purchase programmes, zero interest rate policy and extensive provision of liquidity, capital market interest rates will remain very low for the foreseeable future. Even the implementation of a two-tier system for interest on reserve assets agreed by the ECB, which frees part of banks' excess liquidity from the negative deposit rate, does little to change the negative consequences of the low-interest-rate environment.

The turbulence in major indices observed in the first half of the year had only a limited impact on the Bank's financial performance, given the financial instruments and measurement principles used. However, the slump in economic activity is expected to weigh on the gross domestic product of many economies and will therefore affect credit risk in the medium term. In addition, the uncertainty associated with market fluctuations may continue to produce higher interest rate volatility and affect financial performance.

It is also currently impossible to conclusively assess the impact on our business and on our net assets and financial position due to the dynamically developing situation described above. However, the agreement on the EU's Pandemic Emergency Purchase Programme (PEPP) has so far led to a marked improvement in the credit spreads of the EU countries most affected by the pandemic.

Events in the first half of 2020

Lending business

The Bank's lending volume (bonds and other fixed-income securities, claims on customers and certain claims on banks with the character of loans) has declined since 31. December 2019 by €145.3m from a nominal €6,269.9m (carrying amount €7,436.1m) to a nominal €6,124.6m (carrying amount €7,435.1m). The reduction in the credit volume includes nominal €69.1m (carrying amount €70.7m) in scheduled maturities, nominal €84.8m (carrying amount €74.4m) in partial repayments, and nominal €1.1m (carrying amount €1.1m) from active portfolio reduction. The portfolio value of securities for which no partial repayments were made generated a positive counter-effect to the portfolio reduction at a nominal value of €9.7m due to currency fluctuations (EUR vs. USD or GBP). After the reporting date of June 30, 2020, the Republic of Italy was sold for a nominal amount of US$117.6m (carrying amount US$139.5m) for the purpose of portfolio reduction in July 2020, and US$9.0m (carrying amount US$13.5m) was returned to the Italian region of Lazio in a tender offer.

As at June 30, 2020, the Bank had an exposure of a nominal €897.0m (carrying amount €1,275.0m) (14.6% of total exposure) in Italy (31 December 2019: €923.0m (carrying amount €1,299.9m)), nominal €356.4m (carrying amount €544.2m) (5.8%) in Spain (31 December 2019: €367.8m (carrying amount €543.9m)) and nominal €229.0m (carrying amount €375.2m) (3.7%) in Portugal (31 December 2019: €232.0m (carrying amount €364.6m)).

The internal rating of Italy (2.8) and Spain (2.2) remained unchanged between 30 June 2019 and June 30, 2020. Portugal's internal rating has also remained unchanged since the rating improvement in June 2019, from PD 2.8 to PD 2.4.

Due to the global pandemic situation, the credit spreads of our public finance portfolio were considerably more volatile in the first half of the year than is usually the case.

Due to the re-pricing of public finance business as a result of the various crises, the hidden liabilities of €660m continue to result from the difference between the carrying amount and fair value of the portfolios measured at amortised cost.

Risk-weighted assets (RWA) stood at €2,256.6m as at June 30, 2020 (31 December 2019: €2,103.1m). No defaults or delays in payment occurred in the first half of the year.

The Bank applies the Commerzbank Group's internal certified rating procedure, which is subject to constant review, recalibration and validation. As at June 30, 2020, 93.49% of the assets were in the investment grade range. The proportion of assets with a rating of AA- or better was 51.31% (31 December 2019: 54.32%).

Refinancing

As at June 30, 2020, Commerzbank Finance & Covered Bond S.A. had an issuer rating of A1 (outlook stable) from Moody's.

The Bank did not redeem any of its own LdG (Lettres de gage) issues in the first half of 2020. On the liabilities side, the Bank reported an LdG portfolio of €1.680bn at the end of June 2020.

Earnings performance

At the end of the reporting period, net interest and commission income was €80.3m, after €76.7m in the previous year. Net interest income was €+77.2m (30 June 2019: €+73.3m). Net loan loss provisions under IFRS 9 as at June 30, 2020 were €+0.4m (30 June 2019: €+9.7m). Net commission income was €+3.1m, compared with €+3.4m the previous year. Net income from hedge accounting, which includes the net remeasurement gain or loss from using hedge accounting under IAS 39, rose to €+2.4m (30 June 2019: €+2.2m).

In the first half of 2020, the Bank reported expenditures of €83.0m (30 June 2019: €87.0m) under net income from financial assets and liabilities at fair value through profit and loss. Other net income from financial instruments stood at €0.0m (30 June 2019: €+8.0m). The Bank's operating expenses fell by -6.9% to €12.2m (30 June 2019: €13.1m).

The result before taxes was €–14.8m (30 June 2019: €–1.7m).

As at June 30, 2020, there was a loss after taxes of €–14.8m (30 June 2019: a profit of €+4.1m).

Financial and asset situation

No major investments were planned up to June 2020. The Bank had a comfortable liquidity position at all times during the first half of 2020. The cash flow statement and the comments on it are to be found in the notes. During the first half of the financial year, the Bank complied with its obligations to the Banque Centrale du Luxembourg (BCL) in respect of minimum reserves and the equity and liquidity requirements imposed by the banking supervisor. In addition, the Bank used the ECB's tiering system to invest excess liquidity.

Total assets

The bank's total assets increased compared to 31. December 2019 by €0.3bn (3.3%) from €9.7bn to €10.0bn.

Equity capital

As at June 30, 2020, the Bank's equity capital as required by Luxembourg regulations without the use of regulatory concessions amounted to €1,169m, made up of €1,159m in Tier 1 capital and €10m in Tier 2 capital, with a core capital ratio of 51.38%.

Internal governance

Commerzbank Finance & Covered Bond S.A. has complied with all the requirements imposed on it by the current version of circular CSSF 12/552, within the bounds of the proportionality principle. The qualification of the members of the Board of Directors and members of the Board of Managing Directors was examined and confirmed. The Board of Directors and management have drawn up guidelines to make the work of their key functions transparent and prevent conflicts of interest. The internal governance policy compiled by Commerzbank Finance & Covered Bond S.A. brings together the circulars of relevance to the Bank and prevents redundancies.

Declaration on corporate governance

Responsible corporate governance constitutes an essential element of how Commerzbank Finance & Covered Bond S.A. sees itself. That is why we expressly support the principles of good governance.

The Bank has the processes and control systems required to compile financial information. Accounting is outsourced under service level agreements to Commerzbank AG, Luxembourg branch, whose Finance department performs the relevant functions.

All necessary transactions are entered in the IT system on a daily basis. The required general ledgers and order books are maintained. The chart of accounts is designed to meet the Bank's requirements and enable accounts to be accurately allocated in accordance with the reporting templates for credit institutions. Internal accounts are reconciled regularly. Automated and standardised processes applied throughout the Group are used for most valuations.

In addition to daily closing balances, monthly balances are also generated, largely by automated processes but with manual adjustments in some areas.

Daily P&L reports and monthly reports are generated to keep the Board of Managing Directors informed about the Bank's financial position and earnings performance. These reports are based on the transaction data stored in the IT system and prepared in line with information requirements.

The Bank furthermore forms part of the Commerzbank Group, which is supervised by BaFin, Deutsche Bundesbank and the European Central Bank in its entirety and is therefore subject to the corporate governance requirements governing credit institutions. The declaration on corporate governance is included in the annual financial statements of the Commerzbank Group and published on the homepage of Commerzbank AG [1].

The internal control system

Commerzbank Finance & Covered Bond S.A.'s internal control system is based on the methodology of Commerzbank AG and hence derived from the international "COSO I" framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). It aims to ensure: a) the effectiveness and efficiency of business processes, b) compliance with laws and regulations currently in force and c) the reliability of financial reporting. It includes the three lines of defence required for an effective control system, as defined by the latest version of CSSF Circular 12/552.

Internal Audit reviews the appropriateness and efficiency of central administration, management and risk management. It supports the Board of Managing Directors in optimising business activities in order to minimise the associated risks.

It conducts regular audits as required by law and internal rules, examining

- compliance with laws, regulations and CSSF requirements
- the effectiveness and efficiency of internal controls
- the organisation of the administration and accounting functions
- the separation of functions and the conduct of business
- the recording of transactions and the accuracy and meaningfulness of financial statements
- the maintenance of liquidity reserves and capital adequacy
- appropriate risk management
- the efficiency of the compliance and risk control functions
- key functions

[1] https://www.commerzbank.de/de/hauptnavigation/aktionaere/governance_/corporate_governace_1.html

Appointments to the key functions of Chief Risk Officer, Chief Compliance Officer and Chief Internal Auditor are permanent and for an unlimited period. Commerzbank Finance & Covered Bond S.A. has outsourced the function of Chief Internal Auditor, while the two other functions remain in-house. All three function holders possess the required competences and enjoy direct access to the Board of Directors, the CSSF and the auditors and regularly, at least once a year, submit summary reports regarding their function and their activities.

Organisation

Both the Board of Directors and the Managing Directors of Commerzbank Finance & Covered Bond S.A. are responsible for the internal control and risk management system used in the financial reporting process.

The allocation of responsibilities is set out clearly in Commerzbank Finance & Covered Bond S.A.'s business allocation plan. The Board of Directors of Commerzbank Finance & Covered Bond S.A. oversees the accounting process and ensures it complies with current legislation, guidelines and regulations. Internal Audit reports in line with regulatory requirements and by means of summary reports, including during the year, on audit work and the material findings emerging from it. The Asset Liability Management, Credit Risk Management and Analytics & Regulatory Issues departments are permanent features of the Bank's structure. In the past, in the interests of ensuring operational stability, essential functionalities were outsourced to the Commerzbank Group underlaid by service level agreements. The work done is regularly reviewed and evaluated as part of outsourcing controlling. This process also considers any further cascading outsourcings. Where necessary, all organisational changes are agreed with the regulator.

Service level agreements are under continual development. The Bank has no subsidiaries or branches.

Commerzbank Finance & Covered Bond S.A., together with other Luxembourg entities belonging to the Commerzbank Group, has, since 2011, constituted a tax group for corporation and business tax purposes. The parent company is the Luxembourg branch of Commerzbank AG. No treasury shares were acquired during the financial year and Commerzbank Finance & Covered Bond S.A. held no treasury shares as at the reporting date.

Personnel report

As at June 30, 2020, Commerzbank Finance & Covered Bond S.A. had 10 employees, 5 of whom were female and 5 male.

Commerzbank Finance & Covered Bond S.A. has implemented CSSF Circular 2010/437 "Guidelines on remuneration policy in the financial sector". Allowing for the requirements of its organisational structure, the Bank has adopted in full the remuneration system of Commerzbank AG, which has been agreed with the German Federal Financial Supervisory Authority (BaFin) and the Financial Market Stabilisation Fund (SoFFin).

Acknowledgements

The Bank wishes to thank all employees, managers and governing bodies of Commerzbank Finance & Covered Bond S.A., not forgetting of course all the employees at Commerzbank Group who work for it. Their constructive and loyal cooperation has helped Commerzbank Finance & Covered Bond S.A. to achieve the demanding objectives set over the past six months.

Particularly under the extraordinary circumstances under which it finds itself, the Board of Directors does not take this sort of great dedication for granted.

Luxembourg, 19 August 2020
The Board of Directors

Interim Risk Report

Risk management organisation

The Bank defines risk as the danger of possible losses or profits foregone due to internal or external factors. In risk management, we normally distinguish between quantifiable and non-quantifiable types of risk. Quantifiable risks are those to which a value can normally be attached in financial statements or in regulatory capital requirements, while non-quantifiable risks include compliance and reputational risk.

As a wholly owned subsidiary, CFCB uses the classification of Commerzbank AG when classifying risk types as quantifiable or non-quantifiable. In this context, non-quantifiable risk types are subject to a qualitative management and controlling process.

Risk management at Commerzbank Finance & Covered Bond S.A. is closely integrated within the Commerzbank Group methodologically and organisationally. The various risks are managed using a Company-wide framework of guidelines, structured limits and a holistic risk management system. For the purpose of the quantitative measurement, monitoring and control of specific risks, the Group uses established systems and control mechanisms, which are regularly reviewed and adapted to current business trends.

Risk management operations are the direct responsibility of a member of the Bank's management who is at the same time a member of the Board of Directors. This manager is responsible for application of the risk policy principles adopted by the Board of Directors and reports to the Board of Directors on the Bank's overall risk position at least twice a year.

Due to the Bank's thorough integration in the Group risk functions, the decision-making with regard to management parameters, e.g. the limits, takes place in close consultation between Commerzbank Finance & Covered Bond S.A., its governing bodies and the governing bodies of the Commerzbank Group.

Risk-bearing capacity

The Bank has an Internal Capital Adequacy Assessment Process (ICAAP) through which it uses its own methodologies and processes to assess its own capacity to bear its material risks. In assessing its capital resources it uses the Commerzbank Group's own risk-bearing capacity concept. This measures risk-bearing capacity by comparing economic risk-bearing capacity (RBC) and economically required capital (ErC).

This procedure shows that Commerzbank Finance & Covered Bond S.A. had, as at June 30, 2020, and in an unstressed scenario, an economic risk-bearing capacity of €480m, as against economically required capital amounting to €1,193m. This results in an RBC ratio of +40% (31 December 2019: 71.12%). The minimum risk-bearing capacity is deemed to be met as long as the RBC ratio is higher than 100% and the risk coverage potential can economically cover the capital requirement.

As the economic capital requirement cannot at present be covered by the economic risk coverage potential, the Bank is relying on its regulatory risk-bearing capacity, which is assured. The shortfall in economic capacity is underwritten by the letter of comfort given by Commerzbank AG in respect of Commerzbank Finance & Covered Bond S.A.'s liabilities.

The Bank has taken various steps to restore its compliance with the economic risk-bearing capacity requirements. The Bank also determines risk-bearing capacity in terms of liquidity as part of the Internal Liquidity Adequacy Assessment Process (ILAAP). It does this using the liquidity gap profile (LGP), which measures compliance with the survival period. During the period under review, risk-bearing capacity in terms of liquidity was assured.

Credit risk

Default risk

Default risk refers to the risk of losses due to defaults by counterparties and to changes in this risk. Under the heading of default risk, Commerzbank Finance & Covered Bond S.A. lists not only credit default and third-party debtor risk but also counterparty, issuer, settlement and replacement risk, as well as country and transfer risk.

Counterparty risk management

Commerzbank Finance & Covered Bond S.A. is directly integrated in the Commerzbank Group's overall bank management concept. To manage and limit default risk, the following risk parameters are used: exposure at default (EaD), loss at default (LaD), expected loss (EL), risk density (EL/EaD), credit value at risk (CVaR = economically required capital for credit risk) with a holding period of one year and risk-weighted assets (RWA). The "All-in" approach is used for cluster risks. Stress scenarios are modelled on the basis of the credit value at risk (CVaR) of the loan portfolio model, both regularly and as and when required.

The deterioration in the macroeconomic situation as a result of the corona pandemic is also reflected in the ratings of some issuers. However, the ratings of most issuers remained unchanged for the time being. The winding down of the portfolio over recent years has also had the effect of changing the debtor structure.

Market price risk

Commerzbank Finance & Covered Bond S.A. defines market risk as the possibility of losses of economic value in its portfolio potentially resulting from changes to market prices. The main sub-risk types are general market risk (interest rates, exchange rates, basis risk, volatility) and specific market risk (credit spreads).

The Bank measures its market risk on the basis of the value at risk (VaR) concept, using Commerzbank AG's systems and methodologies. In addition, risks arising from extreme market conditions are simulated and limited using Group-wide market risk stress tests.

In the second quarter of 2020, the VaR limit for Commerzbank Finance & Covered Bond S.A. was raised from €3m to €4.5m (as at June 30, 2020) to take account of the increase in risk driven by higher market volatility in the course of the corona pandemic. During the first half of 2020, the utilisation of the VaR limit thus fluctuated between 51.6% and 87.8%.

The stress test limit for Commerzbank Finance & Covered Bond S.A. was unchanged at €120m as at June 30, 2020. In the course of the first half of 2020, the utilisation of the stress test limit thus fluctuated between 56.4% and 63.2%.

Liquidity risk

The Bank defines liquidity risk in a narrower sense as the risk of being unable to meet its payment obligations on a day-to-day basis. In a broader sense, it sees it as the risk that future payments cannot be funded for the full amount, in the required currency or at standard market conditions, as and when they are due.

Commerzbank Finance & Covered Bond S.A. is fully integrated into the Group-wide management and monitoring of liquidity risk and uses Commerzbank AG's liquidity risk system for the internal management of liquidity risk, which applies a liquidity gap profile. The liquidity gap profile is limited overall and in addition for each significant currency. In the first half of 2020 the relevant overall liquidity gap profile was within the set limit at all times.

Operational risk

The risk of losses resulting from the inappropriateness or failure of internal procedures and systems, the human element or external events is defined as operational risk. The definition also covers legal risk, but not reputational or strategic risk.

Commerzbank Finance & Covered Bond S.A. is integrated into Commerzbank AG's operational risk management system for the purpose of complying with the requirements of the Group and the regulator. This means it is also integrated into Commerzbank AG's system for collecting loss data and the other main elements of its operational risk management approach. All quantitative and qualitative requirements for managing operational risks, including the associated steering mechanisms, have been met.

Commerzbank Finance & Covered Bond S.A. calculates its capital adequacy using Commerzbank AG's advanced measurement approach (AMA) and an allocation formula.

The Bank has sustained no monetary losses as a result of trading activities in the first half of 2020. As at June 30, 2020, the capital allocated by the Bank to operational risk amounted to €1.23m (31 December 2019: €1.07m). The measures taken in the context of the corona pandemic (separating employees to work at home and other locations) did not result in any particular incidents at the operational level.

Public finance

Commerzbank Finance & Covered Bond S.A.'s public finance portfolio is made up of receivables and securities, most of which are assigned to category AC under IFRS 9 (financial assets – amortised cost). Public finance borrowers (nominal €3,485.1m) (carrying amount €4,709.0m) are states, regions, cities and local authorities. The remainder of the portfolio is made up of securitisations (nominal €197.0m (carrying amount €278.2m)) and financial institutions (nominal €2,429.4m (carrying amount €2,432.1m)), predominantly securities and loans covered by guarantees or other declarations of liability by public bodies.

Cover portfolio

The cover pool for the Lettres de gage (LdG) issued by Commerzbank Finance & Covered Bond S.A. in Luxembourg is based on lending to the public sector.

The Bank fully complies with the requirements of the Pfandbriefbank Act of 21 November 1997 as currently amended. The management of the cover pool is monitored and audited by the Trustees (KPMG). The cover pool report is sent to the CSSF on a monthly basis.

Commerzbank Finance & Covered Bond S.A.'s cover pool complies with local requirements. The Bank's LdG business is integrated into the Commerzbank Group's risk management system and is subject to regular and comprehensive internal and external audits. Full information on the Bank and its cover pool may be found on the internet at www.commerzbank-fcb.com.

Other risks

In terms of all other risks, whether quantifiable or not, there were no significant changes in the first half of 2020 compared with the position reported in the Annual Report 2019.

Disclaimer

The risk measurement methods and models used at Commerzbank Finance & Covered Bond S.A., which form the basis for the calculation of the figures shown, are state of the art and based on banking sector practice. The results produced by the risk models are suitable for managing the Bank. The measurement approaches are regularly reviewed by Risk Controlling and Internal Audit, external auditors and the supervisory authorities. Despite being carefully developed and regularly monitored, models cannot cover all the influencing factors that have an impact in reality or illustrate their complex behaviour and interactions. These limits to risk modelling apply particularly in extreme situations. Supplementary stress tests and scenario analyses can show only examples of the risks to which a portfolio may be exposed in extreme market situations; stress testing of all imaginable scenarios is not feasible. Stress tests cannot therefore offer a final estimate of the maximum loss should an extreme event occur.

Interim financial statements as at June 30, 2020

Unlike the annual report, the interim report is not attested by the auditor.

Due to rounding, slight deviations may occur in totals and calculations of percentages.

Statement of comprehensive income

in €000	**01.01.-30.06.2020**	**01.01.-30.06.2019**	**Change in €000**	**Change in %**
Interest income accounted for using the effective interest method	129,913	154,151	-24,238	-15.7
Interest income accounted for not using the effective interest method	0	3,557	-3,557	-100
Interest income	129,913	157,708	-27,796	-17.6
Interest expenses	52,717	84,424	-31,707	-37.6
Net interest income	**77,195**	**73,284**	**3,911**	**5.3**
Risk result/loan loss provisions	-411	-9,719	9,308	-95.8
Net interest income after loan loss provisions	**77,606**	**83,003**	**-5,397**	**-6.5**
Dividend income	10	0	10	n/a
Commission income	3,432	3,700	-268	-7.3
Commission expenses	302	325	-23	-7
Net commission income	3,130	3,376	-246	-7.3
Net income from hedge accounting	2,369	2,165	204	9.4
Net income from financial assets and liabilities measured at fair value through profit and loss	-83,009	-87,016	4,006	-4.6
Gain or loss on disposal of financial assets – amortised cost	0	-1,014	1,014	-100
Other sundry profit or loss on disposal of financial instruments	0	9,025	-9,025	-100
Other profit or loss from financial instruments/Net investment income	0	8,011	-8,011	-100
Operating expenses	12,160	13,058	-898	-6.9
Other net income	-2,697	1,786	-4,483	>-100
Operating profit/loss	**-14,751**	**-1,733**	**-13,018**	**>100**
Taxes on income	0	-5,842	5,842	-100
Surplus/shortfall for the year	**-14,751**	**4,109**	**-18,860**	**>-100**
Change from remeasurement of defined benefit plans not recognised in the income statement	147	-708	855	>-100
Items not recyclable through profit or loss	147	-708	855	>-100
Change in revaluation reserve	0	0	0	n/a
Items recyclable through profit or loss	0	0	0	n/a
Other comprehensive income	147	-708	855	>-100
Total comprehensive income	**-14,604**	**3,402**	**-18,006**	**>-100**

Balance sheet

Assets in €000	30.06.2020	31.12.2019	Change in €000	Change in %
Cash reserve	16,493	71,392	-54,899	-76.9
Financial assets – amortised cost	8,934,625	8,713,091	221,534	2.5
Financial assets – mandatorily fair value P&L	16,301	20,005	-3,704	-18.5
Financial assets – held for trading	521,789	408,818	112,971	27.6
Positive fair values of derivative hedging instruments	547,499	498,479	49,020	9.8
Intangible assets	1,671	3,341	-1,671	-50.0
Fixed assets	303	371	-68	-18.4
Other assets	702	912	-210	-23.0
Total	**10,039,383**	**9,716,410**	**322,973**	**3.3**

Liabilities in €000	30.06.2020	31.12.2019	Change in €000	Change in %
Financial liabilities – amortised cost	6,783,259	6,749,252	34,007	0.5
Financial liabilities – held for trading	718,579	596,018	122,561	20.6
Negative fair values of derivative hedging instruments	1,360,467	1,181,719	178,747	15.1
Provisions	13,713	11,255	2,459	21.8
Current tax liabilities	0	0	0	n/a
Other liabilities	1,065	1,263	-197	-15.6
Equity	1,162,300	1,176,904	-14,604	-1.2
Subscribed capital	235,000	235,000	0	0.0
Capital reserve	1,859,000	1,859,000	0	0.0
Retained earnings	-916,949	-900,788	-16,161	1.8
Surplus/shortfall for the year	-14,751	-16,308	1,557	-9.5
Total	**10,039,383**	**9,716,410**	**322,973**	**3.3**

Statement of changes in equity

in €000	Subscribed capital	Capital reserve	Retained earnings	IAS 19 reserve	Surplus/ shortfall for the year	Total
Balance as at 01.01.2019	**235,000**	**1,859,000**	**-961,390**	**-2,145**	**64,463**	**1,194,928**
Net income for the year					4,109	4,109
Capital allocation						0
Withdrawal from retained earnings			64,463		-64,463	0
Change in IAS 19 reserve				-708		-708
Balance as at 30.06.2019	**235,000**	**1,859,000**	**-896,927**	**-2,853**	**4,109**	**1,198,330**
Balance as at 01.01.2020	**235,000**	**1,859,000**	**-896,927**	**-3,862**	**-16,308**	**1,176,904**
Net income for the year					-14,751	-14,751
Capital allocation						0
Transfer to retained earnings			-16,308		16,308	0
Change in IAS 19 reserve				147		147
Balance as at 30.06.2020	**235,000**	**1,859,000**	**-913,235**	**-3,714**	**-14,751**	**1,162,300**

Cash flow statement

in €000	30.06.2020	31.12.2019
Surplus/shortfall for the year	**-14,751**	**-16,308**
Non-cash positions in net income for the year and reconciliation with cash flow from operating activities:		
Write-downs, depreciation, write-ups on financial assets, intangible assets, changes in provisions and net changes due to hedge accounting	1,360	-6,596
Change in other non-cash positions	-12,489	17,477
Net gain or loss on the sale of financial assets and liabilities	0	-5,195
Sub-total	**-25,879**	**-10,622**
Changes to assets and liabilities from operating activities after adjustment for non-cash positions:		
Financial assets – amortised cost	-86,975	150,769
Financial assets – mandatorily fair value P&L	3,261	2,577,680
Other assets from operating activities	1,481	47,500
Financial liabilities – amortised cost	48,415	-1,718,902
Other liabilities from operating activities	0	-985,759
Interest received	143,781	302,540
Interest paid	-138,982	-288,297
Income taxes received		
Income taxes paid	0	-8,779
Cash flow from operating activities	**-54,899**	**66,129**
Cash and cash equivalents as at 01.01.	**71,392**	**5,263**
Cash flow from operating activities	-54,899	66,129
Cash and cash equivalents as at 30.06.	**16,493**	**71,392**

The cash flow statement shows the changes in cash and cash equivalents for Commerzbank Finance & Covered Bond S.A.

Cash and cash equivalents are narrowly defined as only the cash reserve, which is made up of credit balances with central banks. Claims on banks which are due on demand are not included.

The cash flow statement is not very informative with regard to Commerzbank Finance & Covered Bond S.A. The cash flow statement replaces neither liquidity nor financial planning, nor is it employed as a management tool.

Notes

Legal background

Commerzbank Finance & Covered Bond S.A. (hereinafter also referred to as CFCB or Bank) was established as a "Europäische Hypothekenbank der Deutschen Bank" (European mortgage bank of Deutsche Bank) on 24 April 1989 according to deed no. 529/89, as announced on 20 July 1989 in the public gazette of the Grand Duchy of Luxembourg under C, number 200, and is recorded as a "Société Anonyme" in the Commercial Register of Luxembourg District Court under register number B 30.469. The Bank was granted a special banking licence (no. 356/99) by the Luxembourg Ministry of Finance on 23 September 1999 to issue covered bonds under Luxembourg law. As at 31 August 2012 the Bank was renamed Hypothekenbank Frankfurt International S.A.

Commerzbank AG as the ultimate parent holds 100% of the shares in the Bank, which was established on 1 September 2014 – with retroactive effect in accounting terms to 1 January 2014 – by the merger of Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg (EEPK) with Hypothekenbank Frankfurt International S.A. (HFI) while retaining its name, EEPK.

As part of the reorientation of Commerzbank's operations in Luxembourg, EEPK was renamed as Commerzbank Finance & Covered Bond S.A. with legal effect on 15 February 2016. Publication took place in the public gazette of the Grand Duchy of Luxembourg on 8 February 2016 under C, number 342 and on 31 May 2016 under C, number 1559.

Object of the Bank

The object of the company is to conduct all such business as is permitted to a Pfandbrief bank by Art. 12-1 to 12-12 of the Law on the Financial Sector of 5 April 1993 as most recently amended. The Bank is thus authorised to issue Lettres de gage (covered bonds under Luxembourg law) and conduct related secondary and ancillary business.

Summary of accounting and measurement methods

Basis on which the interim report has been prepared

The IFRS interim financial statements as at June 30, 2020 include the additional national requirements specified by the Law of 17 June 1992 (as currently amended) on the financial statements of banks subject to Luxembourg law. This report takes particular account of the requirements of IAS 34 relating to interim financial reporting. The interim financial statements comprise the statement of comprehensive income, the balance sheet, the cash flow statement, the statement of changes in equity and selected notes. They are to be read in conjunction with the Bank's audited annual financial statements as at 31 December 2019.

The internal evaluations carried out by the Board of Directors and the Managing Directors do not consider individual segments. Commerzbank Finance & Covered Bond S.A. is an independent bank within the Commerzbank Group, which is assigned to Group Management Treasury (GM-T).

Financial assets and liabilities are generally measured at amortised cost, unless a different form of measurement is required by IFRS. This applies in particular to those financial instruments that, under IFRS 13, are measured at fair value. The accounting treatment and measurement assume that the Bank is a going concern. Income and expenses are accounted for on an accrual basis; they are recorded and recognised for the period to which they are attributable in economic terms. Interest from all contractual agreements relating to financial assets or liabilities is reported in net interest income on an accrual basis, or, where it originates from trading transactions, in trading income.

The Bank recognises commission income and expenses in net commission income based on the accounting treatment of the associated financial instruments and the nature of the activity. Commission income for services which are performed over a certain period is recognised over the period in which the service is performed. Fees which are associated with the completion of a particular service are recognised at the time the service is completed in full. Performance-related fees are recognised when the performance criteria are met. The Bank recognises commission from trading transactions under net trading income.

Assets and liabilities are generally reported on a gross basis in the balance sheet, i.e. without netting. In accordance with IAS 32.42, financial assets and liabilities relating to the same counterparty are offset and shown in the balance sheet on a net basis if there is a legally enforceable right to offset the amounts and the transactions are settled on a net basis or the asset is realised simultaneously with the settlement of the liability. The Bank avails itself of this option when netting positive and negative market values from derivatives and the margin payments relating to them.

The estimates and judgements required in IFRS accounting are reached in accordance with the relevant standard, are regularly reviewed and are based on experience and on other factors, including expectations of future events that appear reasonable under the given circumstances. Where estimates had to be wider in scope, the material assumptions underlying them are set out. The estimates and judgements themselves and the underlying estimation methods and judgement factors are reviewed and compared with actual events.

Commerzbank Finance & Covered Bond S.A. regards the parameters used as reasonable and appropriate. Areas in which estimates may be uncertain include the calculation of pension obligations. Pension obligations are measured based on the projected unit credit method for defined benefit pension plans. In measuring these obligations, a number of assumptions have to be made, notably as regards long-term salary and pension trends and average life expectancy. Changes in the underlying assumptions from year to year and divergences from the actual effects each year are reported under actuarial gains and losses. Uncertainties remain in the estimation of deferred tax assets, loan loss provisions, the determination of fair value using measurement models, and in the measurement of financial instruments. Further information on risk provisions may be found in the Bank's Risk Report. The assumptions and parameters underlying the estimates we have made are based on the exercise of appropriate judgement by management. This applies in particular to the appropriate selection and use of parameters, assumptions and modelling techniques when valuing financial instruments for which there are no market prices and no comparative parameters observable on the market. Where differing valuation models lead to a range of different potential values, management uses its judgement to determine the choice of the model to be used. Changes to estimates are taken into consideration only where they relate to only one period, and then only in that period and, where the change relates to both the present period and those following it, correspondingly in this and subsequent periods. The reporting currency in the financial statements is the euro. Unless otherwise indicated, all amounts are shown in thousands of euros.

General classification and measurement

The application of IFRS 9 requires the reporting entity to classify all assets and liabilities defined as financial instruments under IAS 32. This classification aims to enable the user of the financial statements to make a better assessment of the amount, timing and uncertainty of future cash flows. Fundamentally, all financial instruments must be recognised at their fair value on the date of acquisition. This acquisition principle applies regardless of the financial instrument's classification.

IFRS 9 sets out four types of subsequent measurement, which depend on the respective business model and the fulfilment of the SPPI criterion (solely payment of principal and interest):

- measurement at amortised cost (AC)
- measurement at fair value OCI with recycling (FVOCI with recycling)
- measurement at fair value OCI without recycling (FVOCI without recycling)
- measurement at fair value through P&L (FVPL) subdivided into mandatorily fair value through P&L (mFVPL) and held for trading (HFT).

Financial assets are allocated to one of the following business models on management level:

This is based on how financial assets are managed to generate cash flows:

- "hold" business model: receipt of contractual cash flows with only rare or immaterial sales activities;
- "hold-and-sell" business model: receipt of cash flows through holding and also through sales;
- residual business model: all portfolios that are not allocated to the "hold" or "hold-and-sell" business model. These include primarily trading portfolios and portfolios managed on a fair-value basis. The receipt of contractually agreed cash flows is of minor importance; the main objective is instead to maximise cash flows through purchases and sales.

The second criterion for classifying financial assets is the characteristics of their cash flows. When assessing these cash flows, the crucial consideration is whether they are solely unleveraged interest and principal payments on the outstanding capital, i.e. the SPPI criterion. In principle, a financial instrument is SPPI-compliant only if its contractual cash flows are equivalent to those of a simple loan, i.e. a basic lending arrangement.

The allocation to the business model can be made on a portfolio basis, whereas the SPPI criterion must always be assessed for each individual financial instrument that was allocated to the "hold" or "hold-and-sell" business model.

Measurement at amortised cost (AC) requires that the financial asset has cash flows which correspond to the SPPI criterion and that it has been allocated to a portfolio with the "hold-to-collect" business model.

A financial asset is measured at fair value through other comprehensive income with recycling (FVOCI with recycling) if its cash flows also correspond to the SPPI criterion and it has been allocated to a portfolio with the "hold-and-sell" business model. The subsequent measurement at fair value with recognition of the value fluctuation in the income statement (FVPL) is required if either the financial instrument has been allocated to a portfolio that is part of the residual business model or its cash flows are not SPPI-compliant. This measurement category is therefore subsidiary in nature, i.e. if the asset cannot be clearly allocated to one of the two other measurement categories, it must be measured according to this category. A reporting distinction is made in this measurement category between financial instruments held for trading (HFT) purposes and other financial instruments requiring recognition at fair value with the resulting value fluctuation being recorded in the income statement (mandatorily fair value P&L/mFVPL). Besides the fair value option (FVO), there is also the possibility of voluntarily allocating financial assets on acquisition to the mFVPL category if accounting mismatches can be avoided.

The methodology for measuring financial assets is based on the allocation of the asset to one of the following three groups:

- **Derivatives**
  As derivatives do not have fixed redemption amounts, subsequent measurement at amortised cost is not possible. They must always be measured at fair value, with the fluctuation in value being recorded in the income statement. If derivatives are not used for hedge accounting, they must always be allocated to the trading portfolio (HFT). Under IFRS 9, financial assets are assessed in their entirety. As a result, the host contract is not separated from the embedded derivative. Instead, financial assets are classified based on the business model and their contractual terms and conditions.

- **Equity instruments**
  This category includes financial instruments which correspond to the definition of equity under IAS 32 for the issuing entity. As equity instruments do not involve fixed redemption amounts and instead represent only a proportional right, the SPPI criterion is not fulfilled and measurement at AC or FVOCI with recycling is precluded. However, an irrevocable decision can be made when the equity instrument is acquired to instead measure the instrument based on the FVOCI without recycling method. All value fluctuations are recognised in other comprehensive income and are not reported in the income statement upon the disposal of the financial instrument (without recycling). This option is not available for financial instruments that have been acquired for trading purposes or as conditional payment for the acquisition of a company. These must be measured at FVPL.

- **Debt instruments**
  All financial instruments not considered to be derivatives as defined in IFRS 9 or equity as defined under IAS 32 are measured based on the business model and SPPI criteria described above, or in the case of an accounting mismatch using the fair value option.

Debt instruments on the asset side of the balance sheet may thus subsequently be accounted for in one of the following ways:

- Subsequent measurement at amortised cost is required if the financial instrument is held only to realise the contractually agreed cash flows ("hold-to-collect" business model) and, in addition, the contractually agreed cash flows are exclusively interest and principal payments as defined under IFRS 9 (SPPI-compliant).

- Subsequent measurement at fair value with recognition of the change in value in other comprehensive income with recycling (FVOCI with recycling) is required if the financial instrument is allocated to a portfolio with the "hold-and-sell" business model and, in addition, the contractually agreed cash flows are solely payments of principal and interest. The financial instrument is thus SPPI-compliant.

- Upon disposal of the financial instrument, the cumulative valuation fluctuations that have been recognised in other comprehensive income are then recognised in the income statement (with recycling).

- Subsequent measurement at fair value with recognition of the value fluctuation in the income statement (FVPL) is required if the financial asset has been allocated to a portfolio with the residual business model. This is also applicable in the case of non-SPPI-compliant cash flows and when exercising the fair value option.

As a rule, financial liabilities must be measured at amortised cost. In addition, the possibility exists of applying the fair value option. The remeasurement effect for financial liabilities designated in the fair value option resulting from own credit risk is recognised in other comprehensive income without effect on income. Financial liabilities held for trading and all derivatives must be reported in the balance sheet in a separate line item and measured at fair value through profit or loss.

Impairment

IFRS 9 stipulates that an impairment must be recognised in the amount of the expected credit losses (ECLs) for all loans, off-balance-sheet items and financial guarantees that are not measured at fair value through profit or loss. A risk provision must be created for financial assets (debt instruments) to be measured at amortised cost or at fair value and booked to equity. The expected loss for one year must be booked as a loan loss provision upon initial recognition. If the borrower's credit risk increases significantly, but the borrower is not yet in default, a provision must be recognised for the full lifetime expected credit losses. If an instrument is in default, a provision must be recognised for the lifetime expected loss on the basis of the estimated cash flows that can still be expected. However, a portfolio loan loss provision is recognised for insignificant defaulted claims using internal parameters.

Hedge accounting

The improvements for hedge accounting contained in IFRS 9 aim to achieve further harmonisation between the accounting treatment of hedging relationships and (economic) risk management. We have utilised the option provided in the standard and have continued to apply the previous IAS 39 regulations.

The Board of Directors has allocated the financial assets to a business model based on how the financial assets are managed to generate cash flows.

The object of the Bank is to conduct all such business as is permitted to a Pfandbrief bank by the Law on the Financial Sector of 5 April 1993 as most recently amended. The Bank focuses on the public finance and public sector lending business with loans and promissory note loans to public borrowers in countries in the EEA and OECD. As a rule, subjecting its assets to a buy-and-hold strategy is intrinsic to the business model of a covered bond bank.

Fair value of financial instruments as at June 30, 2020 and December 31, 2019

	Fair Value		Carrying amount	
Assets in €000	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Cash reserve	**16,493**	**71,392**	**16,493**	**71,392**
Financial assets – amortised cost	**8,275,028**	**8,211,895**	**8,934,625**	**8,713,091**
Loans and receivables	1,593,093	1,387,854	1,593,858	1,387,222
Securitised debt instruments	6,681,935	6,824,041	7,340,767	7,325,869
Financial assets – mandatorily fair value P&L	**16,301**	**20,005**	**16,301**	**20,005**
Securitised debt instruments	16,301	20,005	16,301	20,005
Financial assets – held for trading	**521,789**	**408,818**	**521,789**	**408,818**
Derivatives	521,789	408,818	521,789	408,818
Positive fair values of derivative hedging instruments	**547,499**	**498,479**	**547,499**	**498,479**

	Fair Value		Carrying amount	
Liabilities in €000	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Financial liabilities – amortised cost	**6,631,670**	**6,580,378**	**6,783,259**	**6,749,252**
Deposits	5,807,307	5,620,974	5,894,391	5,728,233
Securitised liabilities	824,363	959,404	888,868	1,021,019
Financial liabilities – held for trading	**718,579**	**596,018**	**718,579**	**596,018**
Derivatives	718,579	596,018	718,579	596,018
Negative fair values of derivative hedging instruments	**1,360,467**	**1,181,719**	**1,360,467**	**1,181,719**

When netted, the difference between the carrying amount and fair value across all items as at June 30, 2020 is €–508.0m (31 December 2019: €–332.3m).

Fair value hierarchy

Under IFRS 13, financial instruments are assigned to the three levels of the fair value hierarchy as follows:

Level 1: Financial instruments where the fair value is based on quoted prices for identical financial instruments in an active market.

Level 2: Financial instruments where no quoted prices are available for identical instruments in an active market and the fair value is established using valuation techniques which rely on observable market parameters.

Level 3: Financial instruments where valuation techniques are used that incorporate at least one material input for which there is insufficient observable market data and where at least this input has a more than insignificant impact on the fair value.

With respect to the methods of model-based measurements (Level 2 and Level 3) relevant for banks, IFRS 13 recognises the market approach and the income approach. The market approach relies on measurement methods that draw on information about identical or comparable assets and liabilities.

The income approach reflects current expectations about future cash flows, expenses and income. The income approach may also include option price models. These valuations are subject to the Board of Directors' judgement to a greater extent. Market data or third-party inputs are relied on to the greatest possible extent, and company-specific inputs to a limited degree.

Valuation models must be consistent with accepted economic methodologies for pricing financial instruments and must incorporate all factors that market participants would consider appropriate in setting a price. The fair values that can be realised at a later date may fundamentally deviate from the estimated fair values. All fair values are subject to the Commerzbank Group's internal controls and procedures, which set out the standards for independently verifying or validating fair values.

These controls and procedures are carried out and coordinated by the Independent Price Verification (IPV) Group within the finance function of Commerzbank AG. The models, inputs and resulting fair values are reviewed regularly by senior management and the risk function.

Financial assets in €000	Level I	Level II	Level III	Total 30.06.2020	Total 31.12.2019
Cash reserve	**0**	**16,493**	**0**	**16,493**	**71,393**
Financial assets – amortised cost	**1,161,792**	**7,113,236**	**0**	**8,275,028**	**8,211,895**
Loans and receivables	0	1,593,093	0	1,593,093	1,387,854
Securitised debt instruments	1,161,792	5,520,143	0	6,681,935	6,824,041
Positive fair values of derivative hedging instruments	**0**	**547,499**	**0**	**547,499**	**498,479**
Financial assets – held for trading	**0**	**521,789**	**0**	**521,789**	**408,818**
Derivatives	0	521,789	0	521,789	408,818
Financial assets – mandatorily fair value P&L	**0**	**16,301**	**0**	**16,301**	**20,005**
Securitised debt instruments	0	16,301	0	16,301	20,005
Total	**1,161,792**	**8,215,319**	**0**	**9,377,110**	**9,210,590**

Financial liabilities in €000	Level I	Level II	Level III	Total 30.06.2020	Total 31.12.2019
Financial liabilities – amortised cost	**0**	**6,631,670**	**0**	**6,631,670**	**6,580,378**
Deposits	0	5,807,307	0	5,807,307	5,620,974
Securitised liabilities	0	824,363	0	824,363	959,404
Negative fair values of derivative hedging instruments	**0**	**1,360,467**	**0**	**1,360,467**	**1,181,719**
Financial liabilities – held for trading	**0**	**718,579**	**0**	**718,579**	**596,018**
Derivatives	0	718,579	0	718,579	596,018
Total	**0**	**8,710,716**	**0**	**8,710,716**	**8,358,115**

Disclosure obligations

The respective disclosure requirements regarding these financial instruments are set out in IFRS 7 and IFRS 13. For example, they require explanatory statements on the valuation techniques applied and the inputs used for Levels 2 and 3, as well as quantitative disclosures on unobservable inputs (Level 3). The reporting entity must also provide the date of, reasons for and information about reclassifications between fair value hierarchy levels, reconciliations between the opening and closing balances for Level 3 portfolios as at the respective reporting dates, and unrealised gains and losses. In addition, sensitivities for the unobservable inputs (Level 3) are to be presented, and information on the day one profit or loss is to be provided.

Under IFRS 13, the fair value of an asset is the amount for which it could be sold between knowledgeable, willing, independent parties in an arm's length transaction. The fair value therefore represents an exit price. The fair value of a liability is defined as the price at which the debt could be transferred to a third party as part of an orderly transaction.

The measurement of liabilities must also take account of the Bank's own credit spread. If third parties provide security for our liabilities (e.g. guarantees), this security is not taken into account in the valuation of the liability, as the Bank's repayment obligation remains the same.

IFRS 9 requires that all financial instruments be measured at fair value upon initial recognition. This is usually the transaction price. If a portion relates to something other than the financial instrument being measured, fair value is estimated using a valuation method.

In the tables below, the financial instruments reported in the balance sheet at fair value are grouped according to the IFRS 9 measurement categories and by class.

A reclassification to a different level occurs where a financial instrument is reclassified from one level of the three-level valuation hierarchy to another. This may be caused, for example, by market changes that impact on the input factors used to value the financial instrument. In the first half of 2020, as in the same period of 2019, no reclassifications were carried out.

No Level 3 financial instruments were recognised at fair value in the present reporting period.

Responsibility statement by the Board of Managing Directors

To the best of our knowledge, the balance sheet and statement of comprehensive income, having been compiled in accordance with the reporting principles applicable in the Grand Duchy of Luxembourg, give a true and fair view of the financial position and financial performance of the Bank as at June 30, 2020, and the interim management report includes a fair review of the main events occurring in the first half of 2020 and of the material risks and the expected development of the business in the second half of 2020.

Luxembourg, 19 August 2020

Commerzbank Finance & Covered Bond S.A.
The Managing Directors

Gerard-Jan BAIS   Markus BLAES

Other disclosures

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Manfred BIER, Goergeshausen, Germany,
Deputy Chairman of the Board of Directors
Head of Group Treasury Investment Office (IO), Commerzbank AG, Frankfurt am Main

Gerard-Jan BAIS, Steinsel, Luxembourg
Member of the Board of Directors and Managing Director, Commerzbank Finance & Covered Bond S.A., Luxembourg

Markus BLAES, Freudenburg, Germany
Member of the Board of Directors and Managing Director, Commerzbank Finance & Covered Bond S.A., Luxembourg and Head of Treasury, Commerzbank AG, Luxembourg branch

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Member of the Board of Directors and Managing Director

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Typesetting: MEFA Medienfabrik, www.mefa-medienfabrik.com