



COMMERZBANK AG

I am writing to set out the principles that are driving UniCredit Group's investment in Commerzbank.

As I have repeatedly said, I would like to sit around a table and discuss this matter face-to-face as I believe it is important for all concerned to proceed on the basis of facts rather than hearsay. Ahead of such a meeting, I thought it would be helpful to restate our position as the basis of any future conversation.

At present, UniCredit Group is a significant investor in Commerzbank with the necessary approvals to acquire and consolidate a stake of 29.9%. This means that, like you, we are fully invested in the bank's success – just as we are in Germany's success, having served the German market for nearly 20 years and turned HypoVereinsbank (HVB) into the most profitable, efficient and best capitalised bank in the country. At present, we have decided, in full coordination with our shareholders to remain simply as an investor, soon in a position to exercise all the rights attached to our stake in order to protect our investment. We will do this whilst observing how Commerzbank evolves and executes its strategic plan. In the future other options may remain open to us such as, but not only, going further and making an offer to merge Commerzbank with HVB to create a new banking powerhouse for Germany.

It remains our view that there would be a lot of benefit – economically, socially and politically – in bringing Commerzbank and HVB closer together. It would bring enormous advantages to German businesses (especially the Mittelstand), retail customers, and their communities. It would benefit workers on both sides, with more investment, training and opportunities to grow. And it would create a new national banking champion for Germany – an institution dedicated to supporting the revitalisation of the German economy that is at the heart of the new government's agenda.

We note that some question the value of such a combination, fearing that 1+1 might equal less than 2. In light of past in-market consolidation cases in Germany, some initial scepticism may be understandable but we believe our case to be different. This is not consolidation for its own sake – it is about creating a more capable, more stable and more ambitious German bank.

A merger would not reduce but strengthen competition in the banking market, fostering improved financial services and greater choice for customers across Germany – a situation where 1+1 can be significantly greater than 2.

UniCredit S.p.A.

Registered Office and
Head Office

Piazza Gae Aulenti 3
Tower A
20154 Milan

Share capital Euro €21,453,835,025.48 fully paid in -
Registered in the Register of Banking Groups and Parent
Company of the UniCredit Banking Group, with cod.
02008.1 - Cod. ABI 02008.1 - Fiscal Code, VAT number
and Registration number with the Company Register of
Milan-Monza-Brianza-Lodi: 00348170101 - Member of
the National Interbank Deposit Guarantee Fund and of
the National Compensation Fund - Stamp duty paid
virtually, if due - Auth. Agenzia delle Entrate, Ufficio di
Roma 1 no. 143106/07 of 21.12.2007.



The complementary nature of HVB and Commerzbank means there is limited overlap in geographic presence or client segments – a point validated by anti-trust analysis. This complementarity would translate into an expanded, not reduced, reach. Together, we can create a bank with a balanced and capillary retail network covering the entire country. It would have a superior and unmatched product offering, it will enable the new entity to enhance customer service, expand digital and branch capabilities, and offer a wider range of savings and investment products.

This will help German savers make their money work harder for them, benefiting families and communities. In short, it is a 'win win'.

Through the combination with Commerzbank, German corporate clients – and especially those in the Mittelstand – would gain access to: a broader and deeper international product suite across Trade Finance, FX, Rates and Commodity hedging, M&A, ESG advisory, and risk solutions; enhanced cross-border banking capabilities through UniCredit's pan-European presence; access to best-in-class global partners and solutions that might otherwise be out of reach; a superior balance sheet and solidity to support lending capacity. Crucially, this expanded offer will also serve as a strategic counterweight to large non-EU banks which represent a real and growing competitive threat, with the scale, product depth, and capital strength to capture significant market share in the Mittelstand segment if left unchallenged.

We acknowledge concerns around potential impacts on the branch network and workforce in the event of a merger. Once again, this caution is understandable given recent M&A experiences across Europe. However, we believe our case stands apart as does our proven commitment to protecting the network. A commitment made easier to uphold due to HVB and Commerzbank having highly complementary physical footprints: HVB is firmly rooted in Bavaria and Hamburg, while Commerzbank has a broader presence across central Germany.

UniCredit has already demonstrated its role as a stabilizing force during crises – as HVB did during the energy crisis, supporting German firms with effective commodity risk hedging when others scaled back. HVB has always been a reliable partner for growth for all German corporates, and especially for Mittelstand where HVB enjoys the highest NPS.

The merits of this combination have long been recognised by investors and analysts who see the need for Commerzbank to embrace a new direction and recognise the impact a combined entity might have. Even with its new strategy in place, Commerzbank is not coming even close to the levels of performance that HVB currently enjoys. Putting the two organisations together would create a banking powerhouse and help Commerzbank reach its full potential, which is an ambition I believe we share.

If a merger was to go forward, it would involve a constructive discussion around some core fundamentals.



It is of course not possible to offer a detailed proposal for a merger at this stage. Clearly this would need to be developed in consultation with multiple stakeholders through a process of discussion and discovery. But there are some key principles that drive my approach and which I think it is important to put on the record.

1. A focus on growth

The key focus of any merged entity would be to drive economic growth. This will come especially from the Mittelstand, which would benefit from increased access to our group's market leading products, comprehensive financing solutions and ability to tap into EU trade flows and markets. We are also committed to fostering Germany's ambitious startups. With 75% of Germany's 200 largest startups already banking with HVB, a partnership with Commerzbank would enable us to extend our support and help these exciting ventures thrive. This can only be good for economic growth.

2. Investing for the long-term

Over recent years, HVB has outperformed Commerzbank in revenue, fees, and capital efficiency, with nearly double the net profit growth. This success has been used to invest heavily in people, operations, and customer service, making HVB a stronger, more stable bank and a trusted partner for Germany's key sectors. This is the same investment philosophy we bring to any deal with Commerzbank. We would commit to a programme of investment to upgrade the bank's systems, technology and network in order to transform the customer experience over the coming years. The merged entity would benefit from UniCredit's advanced technology platform and superior investment capacity, effectively addressing one of Commerzbank's key structural weaknesses in the area of technology.

3. Strong attention to Talent and Network

The success of HVB and UniCredit's strategy over recent years is the result of our determination to back our people, our branches and our network. This is a hallmark of the way we work across all the markets in which we operate. While we would seek to find efficiencies in the corporate centre, we would maintain the branch network and invest heavily in the business and workforce as we have done in HVB.

Commerzbank's staff would benefit from UniCredit's successful professional development programs, including in digital and technology, equipping them with the skills and knowledge needed to excel – as well as the career opportunities offered through their membership of a successful pan-European group. It is worth noting that where workforce reductions have occurred in HVB, they have been handled responsibly – primarily through early retirements in coordination with employee representatives. We will not deviate from this approach: our people are and will always be the real engine of our organization and of our success.



4. Decisions about Germany, made in Germany

Critical decisions such as lending will continue to be made by local teams in Germany operating under German law and regulation and overseen by BaFin under the direction of the Ministry of Finance. This is a matter of legal fact, but it also reflects our group's unique federated structure which empowers local teams to make decisions that reflect the markets in which they work. HVB's success over the past three years shows the effectiveness of this approach. By allowing in-country leadership to make decisions based on client needs, we deliver the best outcomes for all stakeholders. The principle of local, market-centric decision-making is central to our culture and would continue to be guaranteed.

5. Standstill period, consultation commitment and phased approach

Any combination between HVB and Commerzbank would necessarily require a careful, phased approach over a multi-year timeframe. The two banks would therefore initially continue to operate independently after any tie-up to provide time and space to consult widely with all stakeholders and work through a detailed plan. Commerzbank and HVB would continue to operate under their existing brands throughout this period. In particular, we have consistently engaged respectfully with the Workers Council in Germany, focusing on mutually beneficial outcomes and open dialogue. We share their ambition for a thriving organisation that empowers employees to succeed and delivers for clients. We will include their voice in all future decision-making.

6. Headquarters

On the location of the German Headquarters, we fully recognise the sensitivities connected to this issue. As such we have made it clear on a number of occasions that should a combination be successful, the eventual location of a combined entity headquarters would be at the discretion of the German Government and respective Mayors, with the overriding driver behind any decision being whatever is better for Germany, German clients, employees and customers.

German businesses, workers and customers have much to gain from a tie-up between Commerzbank and HVB. It would be good for Germany and good for Europe. As I have argued for some time, we need bigger, more resilient banks to deliver the financial firepower Germany and the EU require to grow and remain internationally competitive. The multi-billion euro investment we have made in Germany is a vote of confidence in the future of the German economy, and an opportunity for Germany to play a leading role in shaping the future of Europe.

Germany deserves a national champion with European scale – one that is fully committed to its people, its businesses, and its economic future. We believe this combination can deliver exactly that.



This said, as of today there is no offer and no current intention to make one. We are content with our investment which has benefited from the inflation around Commerzbank's share price, which has risen significantly and well above fundamentals. Given this, there is currently no urgency or interest in transitioning from said investment to an offer. Nevertheless, in the same spirit of transparency with which we entered this process, I wanted to set out the principles of our approach both as an investor and potentially as something more and would welcome the opportunity to make this case in person. Equally, while we firmly believe a merger would be the optimal eventual direction of travel, should this not be feasible then there is still a need for us to sit together to find a mutually agreeable and positive solution that works for all parties.

I am ultimately optimistic about the possibilities here and hopeful that, by working together, the significant benefits I have outlined above can be realised in the months ahead.

We Europeans have often talked of the need for greater integration and financial firepower to take on the other major economic blocs. Together, I hope we can take this opportunity to turn that talk into action.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Andrea Orcel", with a stylized flourish at the end.

Andrea Orcel

Group CEO, UniCredit

Supervisory Board Chair of HVB