

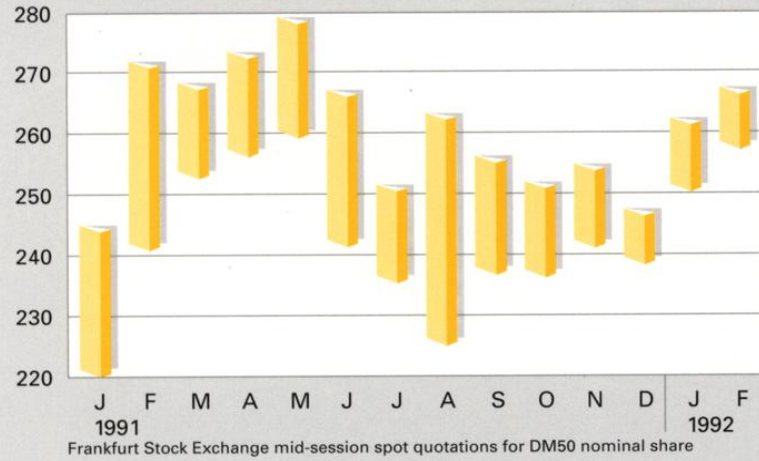


Our shares are officially quoted on all eight German and on the following foreign stock exchanges:

Austria	Vienna (since 1972)
Belgium	Antwerp, Brussels (since 1973)
France	Paris (since 1971)
Italy	Milan (in preparation)
Japan	Tokyo (since 1986)
Luxembourg	Luxembourg (since 1974)
Netherlands	Amsterdam (since 1974)
Spain	Barcelona, Madrid (since 1990)
Switzerland	Basle, Berne, Geneva, Zurich (since 1973)
United Kingdom	London (since 1962)
USA	Sponsored ADR program (since 1989)

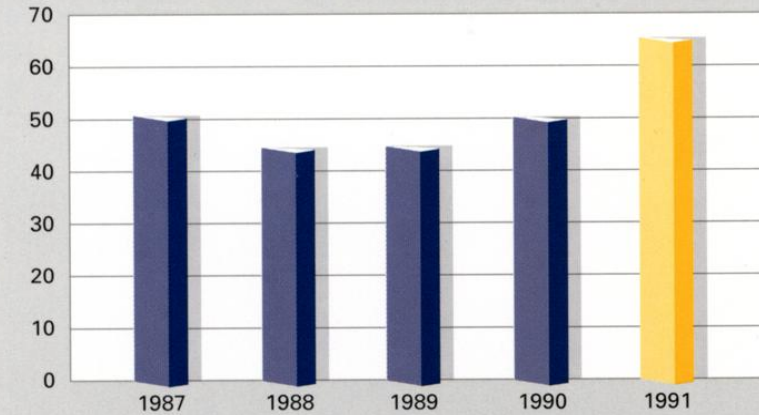
Performance of the Commerzbank share

monthly highs and lows, in DM



Group's partial operating result* per share

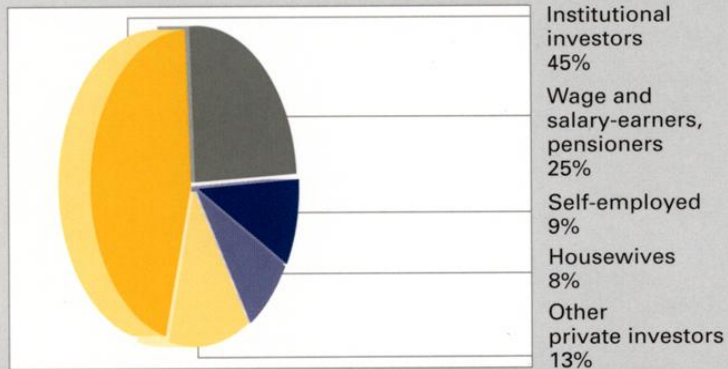
in DM



* adjusted for distributions to the holders of profit-sharing certificates

Commerzbank AG's 210,000 shareholders

Percentage share in capital



Subscribed capital: DM1,291m*

* 38% of which is held abroad

HIGHLIGHTS

Commerzbank Group

in DM m. at year-end

Assets	1991	1990
Cash reserves	6,654	6,652
Cheques, collection items	603	748
Bills of exchange	981	1,415
Claims on banks	49,002	59,603
Treasury bills	860	978
Bonds and notes	17,364	13,831
Shares	1,808	1,536
Loans and advances to customers	139,320	122,357
a) at agreed periods of less than four years	(57,295)	(48,732)
b) at agreed periods of four years or more	(82,025)	(73,625)
Investments	3,663	2,985
Land and buildings	1,095	999
Other assets	5,301	4,850
Total Assets	226,651	215,954
Net income for the year	547	557
Branches	973	956
Customers	3,551,500	3,359,400
Staff	29,515	28,450 ⁴⁾

in DM m. at year-end

Liabilities and Shareholders' Equity	1991	1990
Liabilities to banks	47,723	54,231
Customers' deposits	111,770	98,714
a) demand deposits	(24,112)	(22,371)
b) time deposits	(68,440)	(58,977)
c) savings deposits	(19,218)	(17,366)
Bonds outstanding	51,563	48,344
Other liabilities	6,825	6,692
Capital and reserves ¹⁾	8,303	7,556
a) subscribed capital	(1,291)	(1,286)
b) reserves	(4,171)	(4,001)
c) profit-sharing certificates outstanding	(1,704)	(1,205)
d) reserve arising from consolidation ²⁾	(1,080)	(1,019)
e) minority interests ³⁾	(57)	(45)
Consolidated profit	467	417
Total Liabilities and Shareholders' Equity	226,651	215,954
Endorsement liabilities	2,364	1,992
Business volume	229,015	217,946
Guarantees	18,921	17,154

Commerzbank AG⁵⁾

at year-end

	1991	1990
Total assets	DM152,865m	DM145,440m
Total lending	DM 96,461m	DM 84,173m
Capital and reserves	DM 6,886m	DM 6,213m
Dividend paid per DM50 nominal share	DM10.00	DM10.00
Tax credit (in addition to cash dividend)	DM5.63	DM5.63

¹⁾ 1991: DM8,393m (1990: DM7,576m) after allocation of funds decided upon at 1991 (1990) AGMs of consolidated companies;

²⁾ in accordance with Section 331 (1) 3 of the German Stock Corporation Act – AktG (former version, valid up to Dec. 31, 1986);

³⁾ excluding attributable share of profits;

⁴⁾ new definition;

⁵⁾ for Parent Bank's complete Annual Accounts see pages 50 to 53.

Headquarters

Frankfurt am Main

Neue Mainzer Strasse 32–36
D-6000 Frankfurt am Main 1
Telephone (069) 1 36 20
Telex 4 152 530
Telefax (0 69) 28 53 89

Highlights of Commerzbank's history

1870:
Founded as "Commerz- und
Disconto-Bank in Hamburg",
Hamburg.

January 1, 1952:
Balance sheet date for first
DM accounts to be published
by the Bank's regional post-war
successor institutions.

July 1, 1958:
Post-war successor institutions
re-merged in Düsseldorf into
Commerzbank AG.

Since 1970:
Centralization of all depart-
ments in Frankfurt am Main.

1990:
Legal seat transferred from
Düsseldorf to Frankfurt am Main.

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	Commerzbank (Nederland) N.V., Amsterdam	86
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As in previous years, our Annual Report is available in German, English, French, and Spanish. In addition, we can supply our Report in all four languages in microfiche form. If you wish to receive it like this, please contact us under the address given opposite (att. Research and Corporate Communication Dept.). ISSN 0414-0443
 Note: throughout this Report, the term "billion" (bn) represents "1,000 million" (m).
 This report has been printed on 100 % chlorine-free paper.

To our shareholders

Last year, we were able to improve Commerzbank's position even further in many respects. The encouraging development of the Bank was reflected in the 33.5% expansion in the Group's operating result, which secured for us a prominent position among German credit institutions.

The first few months of the current business year have also seen the positive earnings trend continue. Despite the economic slowdown in Germany and the rather hesitant recovery in various foreign markets, we believe that Commerzbank possesses further growth potential. In order to make the most of it and to ensure that our earnings-oriented growth is maintained, we are proposing that at this year's AGM shareholders extend our scope for taking measures to raise the Bank's equity capital. This will enable us to tap the capital market in a flexible manner, which we intend to do in our shareholders' interest in order to enhance Commerzbank's earnings power. At the same time, a stronger capital base will help us to comply with the higher equity requirements in the future.

We believe that Commerzbank is well-equipped to face the years that lie ahead – and our view is shared by many financial analysts as well. It is therefore no surprise for us that our shareholders have increased in number by 20,000 since 1989 to total roughly 210,000. A survey of custody accounts which we carried out at the start of this year also shows that the proportion of the Bank's share capital held abroad has risen slightly to 38% while that held by institutional investors has climbed to 45% (see chart inside front cover). These figures underline the growth of investors' confidence in Commerzbank.

We invite our shareholders to the Festhalle of the Trade Fair in Frankfurt am Main for our Annual General Meeting on May 27, 1992. Please note the dates for the next AGMs as well: May 7, 1993 in Bremen, May 18, 1994 in Frankfurt am Main and, in the year of the Bank's 125th anniversary, on May, 17, 1995 in Hamburg, the city in which it was founded.

March 1992



Chairman of the Board
of Managing Directors



Chairman of the
Supervisory Board



We made more information available to investors last year in the form of investor relations advertisements, which appeared both in Germany and abroad.

BUSINESS PROGRESS

Business Progress of Commerzbank Group, 1968-1991

	Total assets DM bn	Total lending DM bn	Savings deposits, savings bonds DM m	Taxes paid DM m	Allocation to reserves from profit ¹⁾ DM m	Capital and reserves ¹⁾²⁾ DM m	Staff ³⁾	Branches
31-12-1968	16.5	10.6	3,838	64.9	31.5	676	14,689	691
31-12-1973	39.1	26.4	6,091	76.7	18.0	1,284	18,187	826
31-12-1978	88.0	57.6	11,097	247.3	99.5	2,370	20,982	875
31-12-1981	101.3	75.4	11,638	102.5	25.3	2,766	21,130	878
31-12-1982	108.2	81.7	12,400	169.7	85.7	2,770	21,393	877
31-12-1983	113.2	84.6	12,984	237.3	121.8	2,917	22,047	884
31-12-1984	122.7	90.3	14,441	275.4	152.3	3,143	22,801	882
31-12-1985	137.2	94.4	15,279	321.6	175.0	3,860	24,154	882
31-12-1986	148.2	102.7	17,427	330.6	156.9	4,908	25,653	881
31-12-1987	161.7	109.0	18,567	328.5	175.6	5,078	26,640	882
31-12-1988	180.4	120.6	18,075	376.3	235.0	5,647	27,320	888
31-12-1989	191.6	126.5	18,484	493.7	281.0	6,572	27,631	897
31-12-1990	216.0	146.5	20,532	482.5	219.8	7,576	28,450	956
31-12-1991	226.7	157.9	22,359	541.0	234.9	8,393	29,515	973

Business Progress of Parent Bank, 1952-1991

	Total assets DM bn	Total lending DM bn	Savings deposits, savings bonds DM m	Taxes paid DM m	Annual dividend DM per share	Total amount of dividend paid DM m	Allocation to reserves from profit DM m	Capital and reserves ⁴⁾ DM m	Staff ⁵⁾	Branches
1- 1-1952	1.6	1.3	75	-	-	-	-	55	4,812	108
31-12-1955	3.7	3.0	387	32.9	5.00	8.1	15.7	152	7,160	149
31-12-1960	6.9	4.5	930	62.1	8.00	28.8	22.0	360	9,465	266
31-12-1965	10.3	6.9	2,154	54.0	8.00	36.0	20.0	520	11,402	436
31-12-1970	19.7	13.8	4,182	47.1	8.50	59.5	10.0	850	15,441	719
31-12-1975	38.5	22.3	8,005	129.6	9.00	95.5	50.0	1,548	17,328	782
31-12-1980	64.7	45.5	11,793	38.3	-	-	-	2,478	19,023	805
31-12-1981	64.3	46.1	11,638	40.6	-	-	-	2,478	18,895	802
31-12-1982	66.2	47.1	12,400	109.3 ¹⁾	-	-	50.0 ¹⁾	2,528 ¹⁾	18,988	798
31-12-1983	66.9	46.1	12,984	178.4	6.00	101.2	50.0	2,578	19,368	796
31-12-1984	72.8	48.8	13,139	207.1	6.00	101.2	60.0	2,711	20,016	794
31-12-1985	82.6	50.3	13,872	233.2	8.00	142.0	60.0	3,336	21,204	793
31-12-1986	90.8	55.1	15,885	243.8	9.00	186.8	60.0	4,297	22,539	792
31-12-1987	101.1	58.4	16,837	239.6	9.00	187.2	60.0	4,368	23,324	793
31-12-1988	115.3	67.9	16,282	301.3	9.00	203.5	100.0	4,796	23,793	795
31-12-1989	125.0	72.6	16,640	442.9	9.00	225.5	100.0	5,273	24,067	802
31-12-1990	145.4	84.2	18,370	395.0	10.00	257.3	130.1	6,213	24,330	849
31-12-1991	152.9	96.5	20,161	449.3	10.00	258.2	100.0	6,886	25,044	859

¹⁾ including amounts approved by AGMs;

²⁾ since 1985 including DM425m of profit-sharing certificates outstanding;
since 1989 including DM705m of profit-sharing certificates outstanding;
since 1990 including DM1,205m of profit-sharing certificates outstanding;
since 1991 including DM1,704m of profit-sharing certificates outstanding;

³⁾ as from 1990, using new definition;

⁴⁾ since 1985 including DM425m of profit-sharing certificates outstanding;
since 1990 including DM925m of profit-sharing certificates outstanding;
since 1991 including DM1,424m of profit-sharing certificates outstanding;

⁵⁾ calculated as full-time staff; new definition used as from 1990.

Supervisory Board

Honorary Chairman
PAUL LICHTENBERG
Königstein

DR. WALTER SEIPP
Frankfurt am Main
Chairman
since May 29, 1991

DR. RABAN FREIHERR v. SPIEGEL
Frankfurt am Main
Chairman
until May 29, 1991

HANS-GEORG JURKAT
Cologne
Commerzbank AG
Deputy Chairman

HERBERT BAYER
Frankfurt am Main
Secretary for Banking Section
Commercial, Banking and
Insurance Workers' Union (HBV)
Frankfurt am Main Regional
Administration

REINHOLD BORCHERT
Bonn
Commerzbank AG

ERHARD BOUILLON
Bad Soden
Member of the Supervisory Board
Hoechst AG

HUGO EBERHARD
Hamburg
Commerzbank AG

PROFESSOR
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Leverkusen
Chairman of the Supervisory Board
Bayer AG

DR. CARL H. HAHN
Wolfsburg
Chairman of the Board of
Managing Directors
Volkswagen AG

GERALD HERRMANN
Hamburg
Banks, Savings Banks and
Insurances Section
Sub-section: Banks,
National Executive Committee of
Salaried Employees' Union (DAG)

GÖTZ KNAPPERTSBUSCH
Düsseldorf

DR. HANS-JÜRGEN KNAUER
Mülheim (Ruhr)
Chairman of the Board of
Managing Directors
Stinnes AG,
Member of the Board of
Managing Directors
VEBA AG

PETER KRETSCHMER
Hamburg
Commerzbank AG

DR. HEINZ KRIWET
Düsseldorf
Chairman of the Board of
Managing Directors
Thyssen AG
vorm. August Thyssen-Hütte
since May 29, 1991

DR. TORSTEN LOCHER
Hamburg
Commerzbank AG

GABI LOCHER-TÖPEL
Frankfurt am Main
Commerzbank AG

HORST SAUER
Frankfurt am Main
Commerzbank AG

DR. RABAN FREIHERR v. SPIEGEL
Oberursel
since May 29, 1991

HANS-GEORG STRITTER
Düsseldorf
Member of the National
Executive Committee of the
Commercial, Banking and
Insurance Workers' Union (HBV)

DR.-ING. HANNS ARNT VOGELS
Munich
Member of the Supervisory Board
Deutsche Aerospace AG
until May 29, 1991

DIPL.-ING. HEINRICH WEISS
Hilchenbach and Düsseldorf
Chairman of the Board of
Managing Directors
SMS AG

WOLFGANG ZIEMANN
Essen
Member of the Board of
Managing Directors
RWE AG

Advisory Board

- KURT ALBERTS
Essen
Member of the Board of
Managing Directors
Karstadt AG
- JOSÉ MARIA AMUSÁTEGUI
Madrid
Presidente y Consejero Delegado
Banco Central
Hispanoamericano S.A.
since April 15, 1991
- DR.-ING. BURCKHARD BERGMANN
Essen
Member of the Board of
Managing Directors
Ruhrgas AG
- CLAUDIO BOADA VILALLONGA
Madrid
Presidente de Honor
Banco Central
Hispanoamericano S.A.
until April 15, 1991
- MANFRED BROSKA
Wiesbaden
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of Managing Directors
DBV Versicherungen
- RAINER GROHE
Bonn
Member of the Board of
Managing Directors
VIAG AG
since January 1, 1992
- DR.-ING. OTTO HAPPEL
Bochum
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GEA AG
- HANS-OLAF HENKEL
Stuttgart
Chairman of the Executive Board
IBM Deutschland GmbH
- DR. HEINZ HORN
Essen
Chairman of the Board of
Managing Directors
Ruhrkohle AG
- PROFESSOR
DR. CARL HEINRICH KRAUCH
Marl
Chairman of the Board of
Managing Directors
Hüls AG,
Member of the Board of
Managing Directors
VEBA AG
- DR. HEINZ KRIWET
Düsseldorf
Chairman of the Board of
Managing Directors
Thyssen AG
vorm. August Thyssen-Hütte
until May 29, 1991
- DR. WOLFGANG LAAF
Wetzlar
- ROLF LEISTEN
Cologne
Member of the Board of
Managing Directors
Kaufhof Holding AG
- DR. GERHARD LIENER
Stuttgart
Member of the Board of
Managing Directors
Daimler-Benz AG
- HONORARY SENATOR
DIPL.-ING. DR. HELMUT LOHR
Vaihingen
until May 23, 1991
- FRIEDRICH LÜRSSSEN
Bremen
Management Spokesman
Fr. Lürssen Werft (GmbH & Co.)
- DR. JÖRG MITTELSTEN SCHEID
Wuppertal
General Partner in Vorwerk + Co.
- RUDOLF AUGUST OETKER
Bielefeld
- DIPL.-ING.
DR.-ING. E. h. ENNO VOCKE
Essen
Chairman of the Board of
Managing Directors
HOCHTIEF
AG vorm. Gebr. Helfmann,
Member of the Board of
Managing Directors
RWE AG
- WILHELM WERHAHN
Neuss
Entrepreneur
since April 1, 1991

WALTER SEIPP
Frankfurt am Main
Chairman
until May 29, 1991

MARTIN KOHLHAUSSEN
Frankfurt am Main
Chairman
since May 29, 1991

ERICH COENEN
Düsseldorf

DIETRICH-KURT FROWEIN
Frankfurt am Main

PETER GLOYSTEIN
Düsseldorf

KURT HOCHHEUSER
Düsseldorf

KLAUS MÜLLER-GEBEL
Frankfurt am Main/Hamburg

JÜRGEN REIMNITZ
Frankfurt am Main

KURT RICHOLT
Frankfurt am Main

AXEL FREIHERR v.
RUEDORFFER
Frankfurt am Main

JÜRGEN TERRAHE
Frankfurt am Main

JÜRGEN LEMMER
Frankfurt am Main
Deputy Member
since May 1, 1991

KLAUS-PETER MÜLLER
Frankfurt am Main
Deputy Member

Board of Managing Directors

Executive Vice Presidents

JÜRGEN CARLSON
Frankfurt am Main

ALFRED KNÖR
Frankfurt am Main

PETER KROLL
Frankfurt am Main

WOLFGANG OTTO
Frankfurt am Main

HERBERT PETERS
Frankfurt am Main

Chief Legal Adviser

JOCHEN APPELL
Frankfurt am Main

LUTZ R. RAETTIG
Frankfurt am Main

ULRICH RAMM
Frankfurt am Main

HEINZ-LUDWIG WIEDELMANN
Frankfurt am Main

MANFRED WILSDORF
Frankfurt am Main

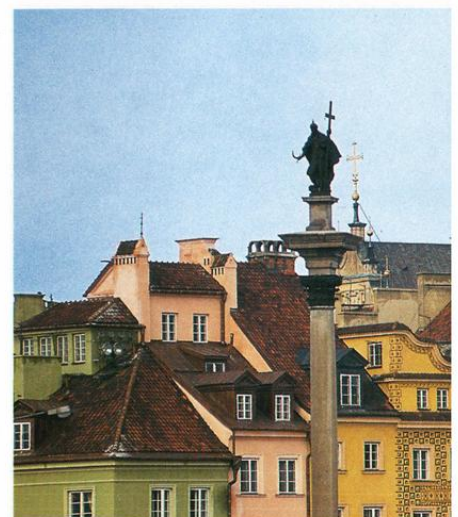
Executive Vice Presidents and Chief Legal Adviser

The 1991 banking year

The opening-up of Eastern Europe and the disintegration of the Soviet Union have given rise to radical political and economic changes. In the short run, the risks have become greater; over the long term, though, the opportunities and advantages created by this development should predominate. Although the market-economy system is emerging as the winner, it is not an easy option: it calls for flexibility and constant adjustment.

For banks which are used to competition, the changes in the East are in the final analysis challenges offering great opportunities; this holds especially true for German institutions with their favourable geographical situation. At the moment however, economic restructuring in the East is leading in some cases to impaired creditworthiness and a restricted ability to pay on the part of debtors. Consequently, enhanced country risks have to be provided for by means of loan loss reserves.

Nevertheless, German banks find themselves in a relatively positive situation. Their more solid financial environment stands in marked contrast to the occasional speculative excesses on stock exchanges or property markets abroad. For this reason, German banks were able to consolidate their international position even further in 1991.





Last year, we opened representative offices in Prague, Warsaw and Budapest. Further offices, but also operative bases, are planned in Central and Eastern Europe.



Commerzbank Group's general performance

All the companies which comprise the Commerzbank Group operated successfully last year. Especially strong efforts were made to develop and extend our branch network in eastern Germany and the eastern part of Berlin. At the same time, we achieved greater integration in our *Allfinanz* activities, added to our European outlets and strengthened the Bank's international position. Earnings performance was more dynamic than expected. We feel that 1991 was a satisfactory year.

Business volume up DM12.8bn

After expanding strongly in the previous year, the Group's broadly-defined business volume, with guarantees included, rose at a more modest rate in 1991, namely by 5.5% to DM247.9bn. This reflects an improvement in the structure of the balance sheet: we have considerably reduced our interbank business while substantially increasing our credit business at home and abroad. The Group's total lending went up by 7.8% to DM157.9bn, with a particularly marked rise of almost DM17bn being registered in our loans to customers.

Apart from the Parent Bank, Commerzbank AG, whose balance sheet total advanced by 5.1% to DM152.9bn, the Commerzbank Group consists primarily of the following institutions, summaries of whose annual reports and accounts appear on pages 84 to 89 of this Report:

		Balance sheet total
RHEINHYP Rheinische Hypothekenbank AG	Frankfurt am Main	DM42,356m
Berliner Commerzbank AG	Berlin	DM12,362m
Commerzbank International S.A.	Luxembourg	DM20,936m
Commerzbank (Nederland) N.V.	Amsterdam	DM 1,685m*)
Commerzbank (South East Asia) Ltd.	Singapore	DM 2,244m*)
Commerzbank (Switzerland) Ltd	Zurich	DM 592m*)

*) DM equivalent.

At end-1991, the banks affiliated within the Commerzbank Group were handling

practically 7 million accounts for roughly 3.6 million customers at 973 branches with a staff of 29,515.

Earnings power reinforced

Thanks to the improved balance sheet structure, we managed to raise the Bank's interest earnings much more strongly than the average business volume. The Group's net interest income went up by 22.3% to DM4.2bn. At just over DM1.3bn, net commission earnings remained at the high level of 1990. While encouraging growth rates were achieved in foreign commercial business and for the commissions on payments transactions, such earnings were down in securities business on account of lower turnover.

With the revenues from leasing business included, the sum of all the above-mentioned net income items was 16.2% higher at almost DM5.6bn.

Costs did not climb as strongly as earnings, despite the fact that expansion in eastern Germany in particular created high additional personnel and other operating costs. However, through further rationalization, we managed to keep the deployment of extra staff within narrow limits. Overall, personnel expenditure increased by 9.4% to DM2.5bn.

Given the need for large investments, other operating expenses advanced by 12.3% to DM1.0bn, while write-downs and depreciations on fixed assets went up by 17.0% to DM262m. Overall, therefore, the Bank's operating costs increased by 10.6% to DM3.8bn.

Higher operating result

The balance of all ordinary expenses and revenues – the Group partial operating result – once again registered a substantial increase, climbing 29.8% to DM1,800m. We were able to lift our full operating result, which also reflects the income from own-account transactions and non-profit-related taxes, by 33.5%. Our own-account securities dealings recorded an encouraging rise; the corresponding foreign-exchange transactions did not attain their year-ago level, though.

The Parent Bank's partial operating result added 22.0% to reach DM1,201m, or two-thirds of the corresponding Group result – a similar ratio to that existing between the balance sheet totals of Parent Bank and Group. The full operating result of the Parent Bank climbed by 25.5%.

Loan loss reserves increased

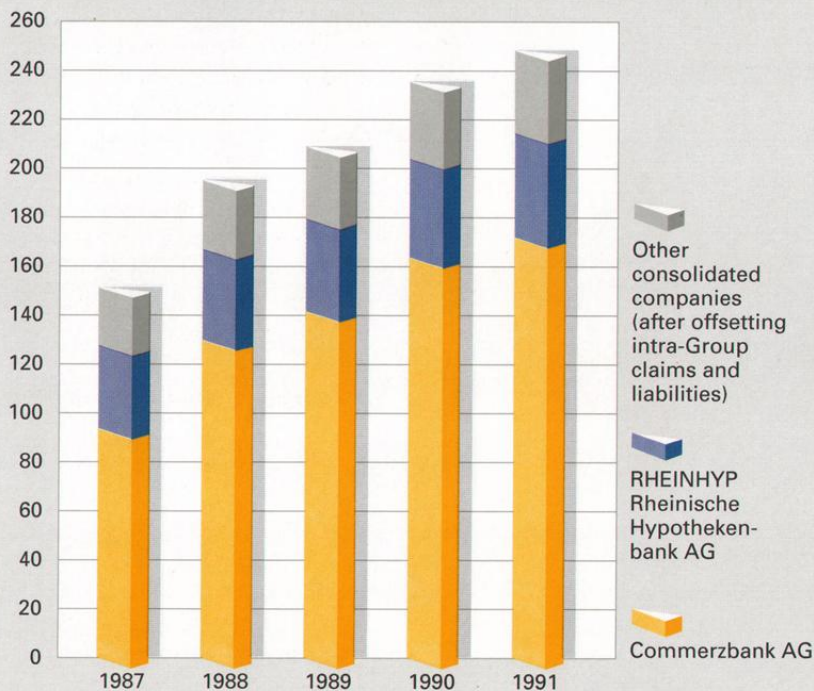
We covered the credit risks at home and abroad by forming the necessary loan loss reserves. For one thing, in view of the first signs of flagging economic performance, we were obliged to form larger global and individual loan loss reserves. For another, there was again an increase in the number of countries for which we deemed it necessary to make risk provisions given the deterioration in their ability to pay. One particular case here was the former Soviet Union.

Another dividend of DM10

From the Parent Bank's net income for the year, which expanded from DM436.8m to DM447.5m, DM100m (DM130m in 1990) have been allocated to its revenue reserves. We propose to the Annual General Meeting that an unchanged dividend of DM10 per share be paid; the total amount to

Commerzbank Group: business volume

in DM bn, incl. guarantees



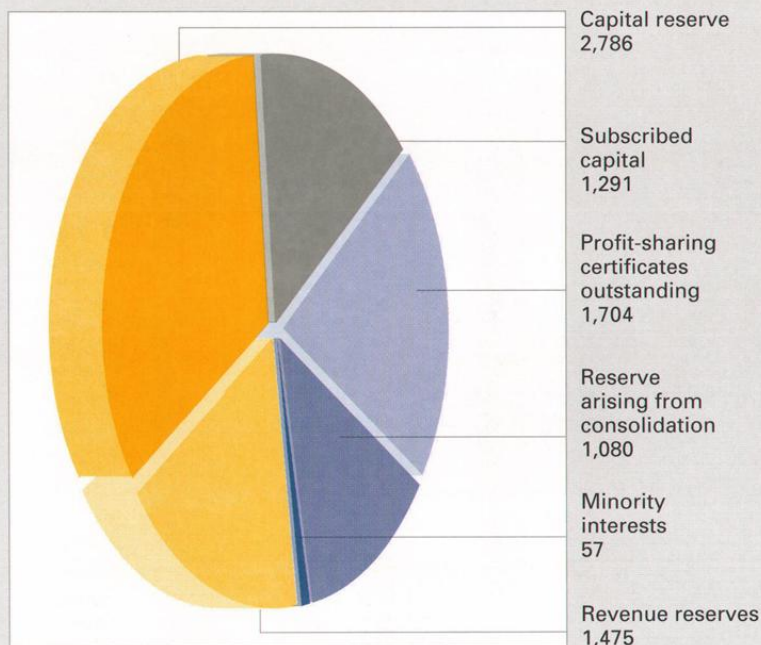
be distributed among shareholders will go up slightly to DM258.2m. Once this proposal is adopted, holders of Commerzbank's three separate issues of profit-sharing certificates will receive a payout of altogether DM90.4m.

Group reserves strengthened by DM235m

Rather than posting a profit, our Luxembourg subsidiary has once again made further additions to its loan loss reserves. It was encouraging, however, that both RHEINHYP, our mortgage bank subsidiary, and Berliner Commerzbank were able to transfer larger amounts to reserves from their annual results. All told, the revenue reserves of the Commerzbank Group were raised by DM235m (DM219.8m in 1990) through allocations by the member companies.

Group's equity capital

in DM m, end-1991



Total: DM8,393m*

*after allocation of funds decided upon at AGMs of consolidated companies.

Equity capital now DM8.39bn

The Bank's reserves increased by another DM50m through the countervalue of the option rights issued and the additional earnings realized through the sale of fractional amounts of our profit-sharing certificates with warrants attached launched in 1991. Thanks to this DM500m issue, the Group now has DM1,704m of profit-sharing certificates outstanding.

By means of a capital increase, we once again made a highly successful share offer to our staff at a preferential price. This, combined with the fact that some conversion rights were exercised, added practically DM25m to our subscribed capital and capital reserve. All in all, the Commerzbank Group now has an equity base of DM8,393m, DM817m more than at end-1990.

We continue to exceed the equity ratios laid down by the Cooke Committee.

Investments extended

Notable changes occurred in our investments, which expanded by 22.7% to DM3.7bn at Group level. The rise was partly due to our participation in a capital increase by Karstadt. Together with other shareholders, we sold our 19.9% interest in Moto Meter AG to Bosch at mid-year. In September, we disposed of our 24% stake in Boge AG, which was taken over by Mannesmann. The latter company also acquired our holding of 8% of VDO's preference shares. We sold our interest in Kempinski to Lufthansa.

Schaltbau GmbH, which we acquired from the KM-kabelmetal group on July 1 and still appeared in our books at end-1991, has since been placed with Berliner Elektro Holding AG. We disposed of some of our 10% stake in Computer 2000 AG last year; the larger part, however, was sold during the first quarter of 1992.

In the meantime, we have lifted our interest in DBV Holding AG to 48.3%. However, the terms agreed in the basic contract between the two companies will continue to apply in the future as well. Among other things, this means that we do not intend to exercise the voting rights carried by the DBV shares which we hold in addition to our stake of 25% + 1 share. The increase in our interest will not become a permanent investment, but rather will be used strategically, taking into account the two companies' common business interests.

Business-policy considerations prompted us to sell our holding in Banco Hispano Americano, Madrid, to our Luxembourg subsidiary,

CISAL, in order to preserve the so-called "affiliation privilege" even after the merger of Banco Central and Banco Hispano Americano (see also page 43).

At end-1991, the overall market value of our holdings outside the banking sector stood at DM5.2bn, translating into roughly DM200 per Commerzbank share. In view of the much lower book value shown in our balance sheet, the reserves represented by this item are considerable.

Foreign outlets and international loans

Our subsidiaries and branches abroad had total assets amounting to DM71.6bn at end-1991, which represents 32% of the Group's balance sheet total. At 30%, the contribution of our foreign outlets to the Group's operating result was only marginally lower.

Our lending abroad called for greater provision against credit risks – as it did in Germany itself; this means that new individual loan loss reserves had to be formed. We continue to subject the credit standing of our borrowers to the closest scrutiny.

At end-1991, the overall volume of the Group's foreign assets – i.e. loans, short-term nostro balances and securities, minus domestic export credit and other guarantees, as well as loan loss reserves – stood at DM57.9bn, as against DM67.2bn a year previously. The change derives almost exclusively from the EC countries. The regional breakdown of our lending shows that, at 49% (56%), the main emphasis continues to fall on Europe, followed by North America, which claims 25% (20%). Latin America has a share of just over 8% (6%), Asia 13% (13%), and Africa 2% (2%), while Australia,

Parent Bank's shareholdings in the non-financial sector

Karstadt AG Essen 25.0%	Mercedes Aktiengesellschaft Holding Frankfurt am Main 6.3% ¹⁾	Linde AG Wiesbaden 10.3%
Hochtief AG Essen 2.5% ¹⁾	Thyssen AG Duisburg 5.0% ¹⁾	MAN AG Munich 6.3% ¹⁾
Heidelberger Druckmaschinen AG Heidelberg 13.8% ¹⁾	Linotype-Hell AG Eschborn 6.7% ¹⁾	Horten AG Düsseldorf 6.3% ¹⁾
Salamander AG Kornwestheim 10.9%	Aktiengesellschaft Kühnle, Kopp & Kausch Frankenthal 19.9%	Hannoversche Papierfabriken Alfeld-Gronau AG Alfeld 10.1%
SEMA GROUP Systems AG Wilhelmshaven 10.0%		

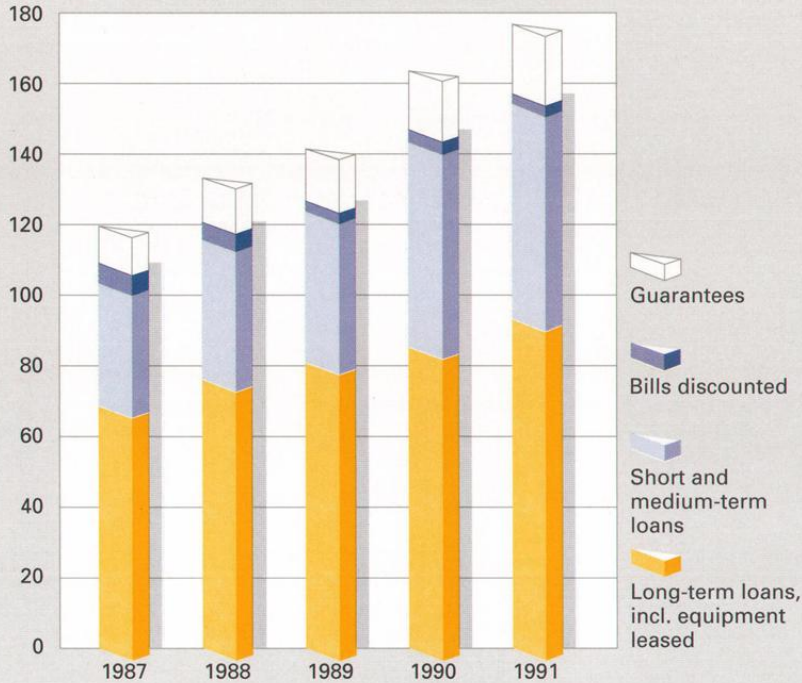
¹⁾ held indirectly

New Zealand and the international organizations make up the remaining 3% (3%).

The situation on the debt re-scheduling front has changed. After Poland had triggered the debt crisis in 1981/82, attention shifted to Latin America. Now another Eastern European state, the former Soviet Union, has become the focal point. The country's radical political upheavals combined with mounting economic and administrative problems have disrupted its debt servicing. Yet, given the huge resources of the

Group's total lending

in DM bn



At the balance sheet date, our Group exposure to countries in which we detect enhanced risks totalled practically DM6.2bn. Thanks to the loan loss reserves formed over the past few years and substantially added to again in 1991, just over 60% of these risks have been covered at both Parent Bank and Group level.

New structure for branch network

The reform of the structure of our branch system, principally affecting the Bank's domestic outlets, is proceeding according to plan. After a pilot phase, the overall conception required only minor changes; otherwise, its necessity and feasibility were underlined. In future, our internal organization and also the range of products and services we offer will be geared to the three key customer groups: business, individual and retail customers. It is our aim to achieve a closer relationship with our clients, thereby providing them with a more intensive service. At the same time, we seek to operate with greater cost-efficiency and more economically.

Our branch network now has a three-tier structure: sixteen main branches in western Germany form the apex of the pyramid; below them are the 139 regional branches, in whose respective areas a further 630 or so normal branch offices operate. The main branches in eastern Germany – Leipzig, Dresden and Erfurt – and Berliner Commerzbank are involved in the reform in that they are being developed with identical structures, while our Berlin subsidiary is to be gradually integrated into the branch network of the Parent Bank.

principal successor states to the USSR, an orderly servicing of debts should be resumed over the medium term. All the same, solutions must be found which will enable them to mobilize their natural resources, primarily oil and gas, in order to earn foreign exchange.

As the largest group of creditors, German banks have a strong interest in such a solution – as does the Federal Republic, the most important sovereign creditor and a close neighbour in the West. If the reform efforts were to founder, the world economy would automatically suffer.

Board of Managing Directors

Banking Departments

International Commercial Banking and Export Finance	Corporate Banking
Global Trading and Sales	Investment Banking
Loan Management	Private Banking

Management Services

Controlling and Planning	General Services
EDP	Personnel
Accounting	Legal Matters and Taxes
Internal Auditing	Research and Corporate Communications

Domestic Branches, Subsidiaries, and Holdings

825 Branch Offices
controlled by **19 Main Branches**

More than 50 Subsidiaries and Holdings
including:

Berliner Commerzbank AG Berlin	RHEINHYP Rheinische Hypothekenbank AG Frankfurt am Main
Commerzbank Investment Management GmbH Frankfurt am Main	Commerz-Credit-Bank AG Europartner Saarbrücken
Commerz International Capital Management GmbH Frankfurt am Main	Commerz Finanz-Management GmbH Frankfurt am Main
Commerz- und Industrie-Leasing GmbH Frankfurt am Main	PMC Personal Management Consult GmbH Frankfurt am Main
ADIG-Investment GmbH Munich/ Frankfurt am Main	Commerz Immobilien GmbH Frankfurt am Main
DBV Holding AG Wiesbaden	Deutsche Immobilien Leasing GmbH Düsseldorf
	Leonberger Bausparkasse AG Leonberg

Foreign Branches, Subsidiaries, and Holdings

15 Branch Offices
23 Representative Offices
5 Subsidiaries:

Commerzbank International S.A. Luxembourg	Commerzbank (Nederland) N.V. Amsterdam with branch office in Rotterdam
Commerzbank (South East Asia) Ltd. Singapore	Commerzbank (Switzerland) Ltd Zurich with branch office in Geneva
Commerzbank Capital Markets Corporation New York	
Some 30 Holdings including:	
Commerz Securities (Japan) Co. Ltd. Hong Kong/Tokyo	Hispano Commerzbank (Gibraltar) Ltd. Gibraltar
Korea International Merchant Bank Seoul	Unibanco – União de Bancos Brasileiros S.A. São Paulo

Serving our business customers

Lending business, which had already been extremely buoyant in previous years, expanded across the board once again in 1991. The growth in volume was largely due to book credits: in the first half of the year, the focus was on short-term loans; as the pattern of interest rates changed, long-term financing began to expand more strongly. Medium-term lending was far more subdued.

Apart from the renewed popularity of overdrafts, our success is primarily attributable to the short-term credit on a FIBOR basis offered since the start of 1991. In our long-term business, we achieved excellent results through recourse to government-subsidized loan schemes, and mainly funds from Kreditanstalt für Wiederaufbau (Reconstruction Loan Corporation). The overall volume of our bill discounting maintained its year-earlier level, with demand persistently brisk.

The Bank's guarantee transactions with corporate customers again registered notable growth.

With German export business more sluggish, the increase was strongest for domestic guarantees. All told, the volume of guarantees and L/Cs at Group level rose by 10.3% to DM18.9bn.

Our branches in eastern Germany also contributed to the positive development. Alongside liquidity aid for manufacturing industry, lending to the construction sector was a significant factor. Business investment in the east was largely funded from western Germany.

Leasing and real estate: a growth market

Both Deutsche Immobilien Leasing GmbH (DIL), in which we hold a 50% interest, and our subsidiary Commerz- und Industrie-Leasing GmbH (CIL) operated successfully last year. CIL, which is involved in the leasing of moveable goods, raised the number of transactions concluded by more than 50% – thanks not least to its business expansion in eastern Germany.

In the course of this year, we are to merge our holding in DIL with CIL, which will then, under the name of CIL Commerz Investitions-Leasing GmbH, handle the leasing of both real estate and moveable goods. We intend to use this merger to step up our activities in the leasing sector and considerably expand our business.

Commerz Immobilien GmbH (CIMO) is active in the purchase, brokerage and development of commercial real estate. CIMO's performance was encouraging last year, against the background of a turbulent market. In eastern Germany in particular, it became involved in a number of long-term projects with great potential. Moreover, collaboration with the real-estate brokerage firm Müller International, in which CIMO holds a stake, generated further synergy effects.

Lending by Parent Bank*)

	31-12-1991	31-12-1990
Energy and mining	1.1%	0.5%
Chemical and oil-refining industries	2.9%	2.2%
Plastics and rubber production, non-metallic minerals, fine ceramics and glass	2.6%	2.3%
Metal production and processing, steel construction, mechanical engineering, automotive industry, office equipment and DP	7.4%	7.0%
Electrical and precision engineering, optical products, metal manufacturing, musical instruments, sports equipment, jewellery	6.7%	6.6%
Wood, paper, and printing	4.0%	3.2%
Textiles, clothing, shoe and leather industries	2.3%	2.1%
Food, drink, and tobacco	2.9%	2.6%
Building and civil engineering	3.4%	3.0%
Industry, overall	33.3%	29.5%
Commerce	10.7%	10.8%
Transport and communications	2.2%	2.5%
Other services, including the professions	27.1%	27.3%
Individual customers other than self-employed	26.7%	29.9%
	100.0%	100.0%

*) to domestic private and business customers

Strong growth in electronic banking

Our business customers are showing ever greater interest in securing for themselves the advantages of rationalization through recourse to our electronic banking products. Once again, this is reflected in the high growth rates achieved in this sector. Apart from the paperless electronic handling of payments transactions, products for the active management of company finances are in demand.

Similarly, a steadily growing number of corporate clients in the retail trade are availing themselves of the opportunity, through participation in the "electronic cash" system, of reducing the amount of cash and cheque payments handled by their cashiers. By rapidly building up our counselling capacity in eastern Germany, we have done a great deal to help companies make the technological switch to more sophisticated electronic payments systems.

In the field of "Information Banking", we have added to our range of services by introducing COSCREEN, an online currency and foreign-exchange information system. Smaller businesses in particular are thus able to procure the latest information on what is happening in the financial centres of the world.

Medium and long-term export finance

Foreign demand for German capital goods remained on a high level last year. The former Comecon states as well as the Opec and less developed countries also imported large amounts of durable goods from Germany.

The volume of export financing witnessed an extraordinary expansion thanks to eastern Germany's



Our business approach

To ensure that our Bank can operate and develop further in a constantly changing environment, we have made it our goal to improve earnings performance and growth over the long term. A consistently steady, high earnings level and a reinforcement of the Bank's capital base as a result are prerequisites for steady expansion. Our company's entire value added — spending on personnel, taxes and profits — is also a contribution to society as a whole. One consequence of entrepreneurial activity is that ill-founded judgements may occasionally give rise to wrong decisions. Everyone has to learn from these, however. Mistakes should not be covered up at the company's cost.

Extracts from "Basic principles of the Commerzbank Group"

deliveries of goods to the USSR and its successor states. Above all, this was made possible by the use of special arrangements involving cover by HERMES, the German export credit insurance scheme. Despite tough competition, we managed to raise our business volume substantially above last year's level. As expected, insured business predominated.

We continued to rely heavily on general loan facility agreements with major importing countries and we also worked closely together with AKA Ausfuhrkreditgesellschaft, the German banks' joint export credit vehicle. We cooperated with other banks in order to tackle major projects. Once again, our export-oriented clients made use of the low-interest funds provided by AKA under scheme B.

Foreign commercial business stronger

The volume of foreign commercial transactions handled by the Bank on behalf of its business clients was again greater than in the previous year, the growth rate somewhat exceeding the increase in German external trade as a whole. For exporters, 1991 proved to be a really difficult year. Here the more sluggish economic performance in some parts of Western Europe and North America made itself felt, as did the restructuring problems in Eastern Europe and the hostilities in the Gulf. Nevertheless, it was gratifying to note the extent of our involvement in export transactions. Overall, import business was stronger, though, mainly due to the surge of demand in eastern Germany.

In the current year, we expect higher growth rates for exports, but weaker expansion of imports. Thanks to the streamlining of work procedures and the more intensive use of our DP technology, we are in

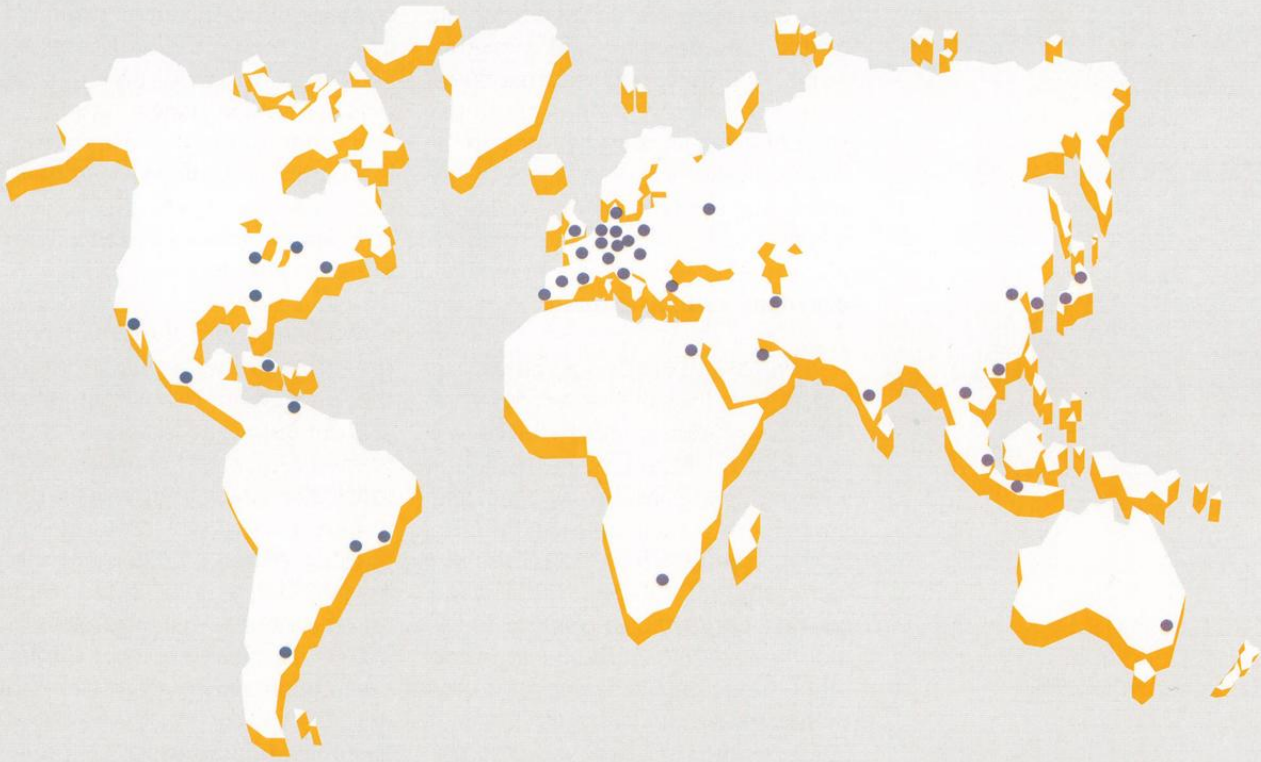
a position to improve further the profitability of our foreign commercial business.

Counselling services extended

Stronger demand from smaller business clients in particular for information and counselling has prompted us to extend our product range in this area once again. Drawing upon individual research, our new service "CB-infobank" provides detailed answers to customers' questions about sectors and markets, products, or various companies at home and abroad. For this purpose, we carry out research online on a worldwide basis in all the key data banks as well as in our own extensive documentation services. As a result, CB-infobank represents a reasonably-priced alternative for small and medium-sized firms to maintaining management services and archives of their own.

Since last year, we have also offered smaller companies special counselling services under the heading "European desk". A team of our Bank's experts is given the job of assisting German business clients with their European strategy, from the initial conception right up to the implementation of their plans. Conversely, foreign customers intending to begin operations in Germany also receive our support.

We have extended our palette of consultancy services by setting up a subsidiary called PMC Personal Management Consult GmbH. PMC, which ideally complements our cooperation with Karl Baumgartner + Partner Consulting, concentrates on corporate strategy, personnel management and executive training.



Foreign branches

Antwerp
 Atlanta (agency)
 Barcelona
 Brussels
 Chicago
 Grand Cayman
 Hong Kong
 London
 Los Angeles
 Madrid
 New York
 Osaka (office)
 Paris
 Singapore
 Tokyo

Representative offices abroad

Bahrain
 Bangkok
 Beijing
 Bombay
 Budapest
 Buenos Aires
 Cairo
 Caracas
 Copenhagen
 Istanbul
 Jakarta
 Johannesburg
 Mexico
 Milan
 Moscow
 Prague
 Rio de Janeiro
 São Paulo
 Seoul
 Sydney
 Tehran
 Toronto
 Warsaw

Foreign subsidiaries and holdings

Commerzbank International S.A., Luxembourg
 Commerzbank (Nederland) N.V., Amsterdam and Rotterdam
 Commerzbank (South East Asia) Ltd., Singapore
 Commerzbank (Switzerland) Ltd, Zurich and Geneva
 Commerzbank Capital Markets Corporation, New York
 Commerz Securities (Japan) Co. Ltd., Hong Kong/Tokyo
 Hispano Commerzbank (Gibraltar) Ltd., Gibraltar
 Korea International Merchant Bank, Seoul
 Unibanco – União de Bancos Brasileiros S.A., São Paulo

Worldwide, Commerzbank has approximately 80 outlets and holdings in roughly 30 countries.

Serving our private customers

Our retail customer business once again made an encouraging contribution to the Bank's overall result. In future, this segment will focus not only on *Allfinanz* but also on providing all-round professional counselling for every aspect of asset accumulation and management.

Allfinanz gaining ground

We were successful last year in our efforts to sell the products of the companies with which we cooperate. Life insurance business totalling over DM1bn was passed on to DBV, our insurance partner; for Leonberger Bausparkasse, we were able to procure home loan savings contracts amounting to altogether DM700m. Business in the other direction, i.e. sales of Commerzbank products by the staff of our partners, still fell short of our expectations. Thanks to further training and more intensive contacts, however, we are well on the way to achieving better results soon in this respect. Cooperation with the real-estate brokerage firm of Aufina, which began in 1991, is also developing in an encouraging way.

Last year, we founded *Commerz Finanz-Management Gesellschaft für Finanzplanung und Vermögensverwaltung mbH (CFM)*. The products and services offered by this new subsidiary – personal asset planning for specific target groups – will be made available to customers through our branches. The local client counsellors will implement the strategy recommended by CFM.

More intensive catering to our customers' needs implies that advisers have the support of specialists for certain products. Yet this only makes commercial sense if the

branches in question can offer the corresponding client potential. For this reason, we merged smaller offices to form larger units last year as well, which mostly entailed an upgrading of the premises affected. Despite the opening of one new office, therefore, our network in western Germany was reduced by 16 branches.

Closer contact with customers, greater efficiency in the larger units, the dedication of our employees, and an improved counselling environment have all helped us to reinforce the links with existing customers and to win new ones. The number of retail customers served by the Parent Bank is thus not far off the three million mark; over 200,000 of these are looked after by our branches in eastern Germany.

Encouraging trend in eastern Germany

Owing to major obstacles at times in our search for suitable business premises, we were unable to realize our expansion in eastern Germany exactly as planned. At year-end, the Group had 81 branches there. In 1992 as well, priority will go to extending our network, with care constantly being taken to raise steadily the percentage of staff recruited in eastern Germany.

As expected, the emphasis in our retail customer business at our eastern German branches has been on deposits and the accumulation of financial assets; by comparison, consumer loans are relatively insignificant. However, as housing is transferred to the private sector in the near future, demand for loans to finance the purchase, renovation and modernization of residential property should increase.

Trend towards self-service

Having already put the finishing touches to our nationwide network of account statement printers in the previous year, we mainly concentrated on installing cash dispensers in 1991; this year, too, we are making rapid progress. By end-1991, almost 300 machines of this type were in use throughout the Group, roughly double the number a year earlier. What is more, self-service devices with extended functions are being tested at present in several branches to gauge the response of our customers.

Credit cards still in demand

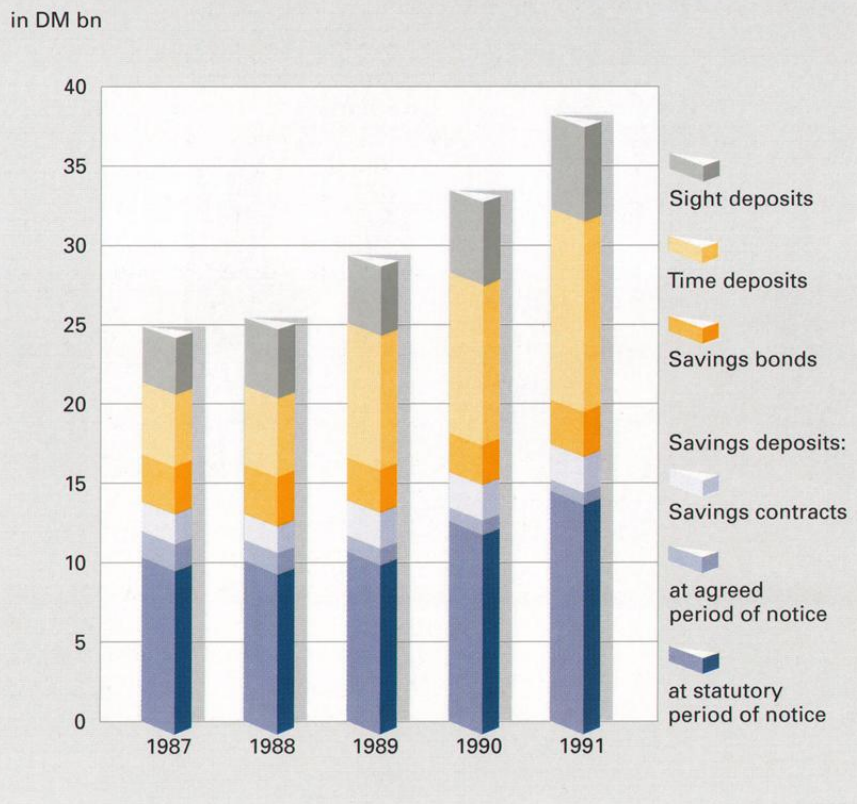
More and more customers are turning to our service package Co-Plus, which offers at a fixed price payments transactions and a euro-cheque or service card. If so desired, the package may be expanded to include the Commerzbank Eurocard, whose distribution increased by roughly a third last year to over 180,000 cards. Since mid-1991, the DBV Eurocard has been marketed – the first credit card which we have developed in conjunction with a partner of ours. Further co-branding negotiations are in progress.

Focus on home loans

Lending to retail customers was predominant in western Germany last year. At year-end, the home loans outstanding had advanced by 7.7% to DM34.5bn; 54% had been provided by the Group's commercial banks and 46% by RHEINHYP. As the future interest trend was hard to predict, customers showed an especially strong preference for conditions involving an interest cap.

All in all, lending to retail customers in Germany went up by 8% to reach DM48.2bn.

Private customers: deposits and savings bonds



Deposits up again

Within the Group, private customers' deposits rose by a sixth to DM41.7bn, representing 53% (52%) of all the deposits of the Bank's domestic customers.

The growth of savings deposits by almost 11% to DM19.2bn outstripped the market average in 1991 as well, thanks not least to our customers in eastern Germany. Once again, there was sizeable demand for fixed-interest savings instruments, which we offer with maturities of between 1 and 3 years.



A partner for our customers

Our corporate strategies and conceptions are focused on our customers. The prime goal is to provide them with a service in line with their needs at a reasonable price. We are supported in our endeavours by our high level of counselling and use of the latest technology. By adopting this approach, we are also able in the final analysis to offer Commerzbank employees secure and interesting jobs and Commerzbank shareholders an appropriate rate of return on their investment. Trust, fair partnership and reliability form the prerequisites for our business relations. This attitude is expressed in our German advertising slogan "*Die Bank an Ihrer Seite*" – the Bank at your side; it underlies all our actions.

Extracts from "Basic principles of the Commerzbank Group"

Time deposits continue to be very popular with our private customers; their volume increased by roughly a quarter to DM14.5bn. For one thing, this was attributable to the current inverse interest structure – with its high short-term rates – and, for another, it reflects the cautious approach of many investors as regards German and international equities.

Another rise in bond sales

Last year, our customers mainly invested in fixed-income issues. With fresh sales of bonds in general exceeding even the previous year's record level, the volume of these securities which we placed with our customers was also higher. All told, despite lower turnover in equities, earnings from securities transactions concluded on behalf of our customers almost maintained their year-ago level.

Sales of the investment certificates of ADIG, in which we hold an interest of just over 37%, were somewhat more buoyant last year. Due above all to demand for the new closed-end fund with a fixed maturity, the inflows which we were able to pass on to ADIG doubled in a year-on-year comparison. We continue to serve as depository bank for eleven publicly-offered ADIG funds.

The positive trend of the second half of 1990 was maintained last year at the open-ended property fund "Haus-Invest". All told, the assets managed increased by 7% to total DM1.4bn.

We partially reorganized our investment banking activities in the early part of 1991. While the Investment Banking Department retains responsibility for the corporate finance and capital markets segments, radical changes have occurred in our securities business. Previously, a distinction had existed at head office between a customer-group orientation and a focus on specific products. In order to remove this distinction, we dissolved the former Securities Department, transferring part of the customer-related securities business to the Private Banking Department. The Bank's trading activities – in securities, precious metals, money-market, foreign-exchange and derivative products – were all incorporated into the new Global Trading and Sales Department.

We believe that this bold new organization will boost our commission-earning transactions with customers – through the all-round investment counselling offered – and also that we can thus better integrate all our trading activities with a view to further improving our own-account earnings. At the same time, our move reflects the greater integration in the markets and the ever stronger interdependence of the various segments. Experience to date bears out our expectations.

Fewer public-sector bonds

Once the Gulf war was over, the German capital market came to life again. Measured against the Commerzbank Share Index, stock prices were 6% higher at year-end than twelve months previously; bond yields receded on average from 9.1% to 8.4%. This decline in interest rates, which became more marked in early 1992, shows that the state's enormous borrowing requirements as a result of German unification could be met fairly smoothly. All three levels of government again proved very flexible

in the use of their assorted funding instruments. Most popular were loans against borrower's note alongside shorter to medium-term Treasury notes. However, public-sector borrowers issued fewer new bonds than they did the year before. We were involved in 13 domestic issues with a total volume of DM63bn, just over half of which was raised by the Federal Government.

Record in foreign DM bonds

The ever stronger focus worldwide on DM investments, spurred by the firming of the D-mark and the high interest level, gave rise to a new record for foreign DM issues of just over DM32bn. Roughly a quarter of this amount was raised by Japanese borrowers by means of bonds with warrants attached and convertible bonds. Once again, investors were greatly attracted to bonds bearing an interest rate well above the market average, including the paper launched by Commerzbank for the Republic of Turkey and the Hungarian National Bank. Offerings with an innovative character also met with keen interest.

Investment banking

Cooperation in underwriting syndicates

Year	Capital increases through rights issues*)	Domestic bond issues	Foreign DM bond issues
1982	20 totalling DM 2.0bn	20 totalling DM21.9bn	102 totalling DM12.1bn
1983	18 totalling DM 2.6bn	24 totalling DM23.4bn	103 totalling DM14.6bn
1984	16 totalling DM 1.9bn	21 totalling DM23.9bn	109 totalling DM17.0bn
1985	18 totalling DM 4.7bn	29 totalling DM32.5bn	126 totalling DM24.7bn
1986	31 totalling DM 9.2bn	31 totalling DM46.3bn	126 totalling DM25.1bn
1987	19 totalling DM 5.7bn	29 totalling DM50.2bn	98 totalling DM19.7bn
1988	11 totalling DM 1.5bn	16 totalling DM41.7bn	125 totalling DM29.1bn
1989	50 totalling DM10.2bn	14 totalling DM37.5bn	96 totalling DM22.4bn
1990	44 totalling DM12.7bn	17 totalling DM85.0bn	64 totalling DM18.1bn
1991	39 totalling DM 4.4bn	13 totalling DM63.0bn	104 totalling DM19.8bn

*) cash proceeds

In addition, we helped place 2,830 foreign-currency bond issues between 1982 and 1991.



Communication and organization

In line with overall strategic planning, the Bank's Board of Managing Directors follows a uniform approach in running the Group. The Bank's head office delegates responsibility to the Group's operative units on the basis of well-defined patterns of decision-making and accountability. This is possible thanks to the existence of clear-cut responsibilities and consistent principles of management. Each unit of the Bank — from the branch office to the subsidiary — is run as a profit centre. Modern and innovative techniques for processing information lend support to entrepreneurial actions, customer-oriented service and the rational handling of banking business.

Extracts from "Basic principles of the Commerzbank Group"

All told, we acted as lead manager for 13 foreign DM bond issues in an overall amount of DM3bn. Commerzbank thus attained a market share of almost 10%, securing for itself third place among the German banks. For another 91 issues, we served as co-manager. We were also active as both lead and co-manager in the market for foreign-currency bonds.

Improved margins for Eurocredits

The healthy condition of the international bond market was mirrored in the Eurocredit market last year. The involuntary restraint shown by Japanese and US banks in particular supported the trend towards improved margins and stronger differentiation in terms of risks. This presented us with good opportunities which we seized to increase our commission and interest earnings. All in all, we managed 19 international individual or syndicated loans.

A new market: DM commercial paper

The abolition of the stock exchange turnover tax on January 1, 1991 laid the foundation for the successful development of a new short-term market segment in Germany: the DM commercial paper market. Within the space of a year, no less than 29 programmes, with a volume of practically DM17bn, were issued. Commerzbank arranged two such offerings: for Alusuisse-Lonza GmbH and Gesellschaft für Nebenbetriebe der Bundesautobahnen. We also helped to place another six programmes.

Active in corporate finance

Despite the weakness of the stock market in the autumn, we successfully assisted several smaller firms to go public. Altogether, we received a mandate from three companies seeking access to the organized capital market: Kögel Fahrzeugwerke, the Hessian furniture store Möbel Walther, and Friedrich Grohe, the well-known manufacturer of sanitary fittings. Demand for the shares of all three bourse newcomers was lively, making the placements a success both at home and abroad. With a total of 15 stock-exchange introductions and an issuing volume of DM3.6bn between 1987 and 1991, we were able to assert our position as market leader in this area.

In addition to the three German companies, we brought the Swiss firm COS Computer Systems and Kirin Brewery of Japan to the Frankfurt Stock Exchange. We also introduced the shares of the investment fund Energy International N.V., Curaçao, to the Regulated Market.

Considerably less equity capital was raised via the stock exchange last year. As a result, we were involved in no more than 39 capital increases by German companies totalling DM4.4bn.

Our corporate finance activities have now extended to cover eastern Germany. We are playing an active role in the privatization and restructuring of local firms, and also in M & A activities there. We have used the advantage of our international contacts in assisting Western European investors to acquire firms in eastern Germany or in selling such enterprises to foreign buyers

on behalf of Treuhandanstalt. In this way, we have helped make the eastern German economy more international. In future, we intend to promote counselling and M & A business in Czechoslovakia and Hungary by means of our new representative offices in the two countries.

European initiative

The object of the "European Initiative for Eastern Germany" launched by the Europartners banks was also to attract foreign investors to the former GDR. It met with brisk interest in 1991 as well. In addition to providing information and arranging business contacts, activities were focused on mounting presentations in Rome, Paris, Brussels, Milan, London and New York. For company delegations from the home countries of the other Europartners banks, information-gathering trips to eastern Germany were arranged.

Stronger trading result

Overall, the Bank's own-account transactions produced a much stronger result than in 1990. The increase was due to the turnover on own-account securities business; the corresponding foreign-exchange dealings did not quite repeat 1990's high level.

Above all, spot transactions in foreign currencies had to be effected in a more difficult environment given the unpredictable political developments in Central and Eastern Europe. We succeeded in strengthening our leading position in both forward foreign-exchange transactions and own-account trading in options. One notable feature last year was the revival of the Ecu



Social responsibility

We are committed to achieving progress that is socially acceptable and does not harm the environment. In our international operations, we do our best to take into consideration the culture of other peoples. We want to be able at all times to justify to the general public the influence we have over economic affairs. This also holds true for those of our activities that are typical of universal banks, such as the exercising of safe-custody proxy voting rights on behalf of customers, the purchase and sale of investments in non-financial companies, or the presence of our top executives on the supervisory and advisory boards of such enterprises. We enhance our social credibility by thus providing the advice and cooperation expected of us. As a major bank, we help ensure the functioning of the money, capital and foreign-exchange markets, both nationally and internationally.

*Extracts from "Basic principles
of the Commerzbank Group"*

market, especially in the run-up to the EC summit in Maastricht. We have now concentrated our swap activities into a single unit and extended the range of applications.

Drawing support from the decline in yields, bond trading produced substantially higher revenues. At the same time, we stepped up our efforts to sell to institutional clients. A marked rise in turnover was achieved above all in the business conducted with foreign institutional investors.

Our own-account share transactions also produced good results. We are one of the key participants in IBIS, the Frankfurt Stock Exchange's integrated bourse trading information system, used since April 1991 for the computer-based trading of blue-chip equities and several bonds. By year-end, 14% of the aggregate turnover in German shares was being handled via IBIS.

The development of the "derivative products" segment gave us similar cause for satisfaction, confirming that our decision to become closely involved in options and futures business was the correct one. We see even greater potential in this area. As a member of Deutsche Terminbörse (DTB), we have continued to do all we can to bring Germany's futures and options exchange up to the high standard of its international counterparts.

Successful subsidiaries

Our subsidiaries at home and abroad specializing in securities business also benefitted from the more cheerful mood in most financial markets. Commerzbank Investment Management GmbH in-

creased the number of funds administered for institutional investors to 180, raising the assets managed by 10% to DM10.1bn. Funds which accept smaller investments from DM500,000 upwards are becoming more popular. The joint venture launched in 1990 with the WM Company of Scotland, one of the world's leading companies in measuring portfolio performance, has met with great interest on the part of institutional investors.

Commerz International Capital Management GmbH, our subsidiary for international portfolio management, continues to expand. At end-1991, it was managing assets to the value of DM4.3bn and had won new clients in North America, Europe and Asia. Having successfully established an outlet in the USA, CICM has enhanced its global presence by opening a subsidiary in Tokyo. In addition, it has established CICM Fund Management Ltd. in Dublin to complement CICM (Ireland) Ltd. The object of the new venture is to manage specialized investment funds on the basis of the EC's directive on investment companies.

Our New York investment bank subsidiary, Commerzbank Capital Markets Corporation, can look back on a good year. The firmer dollar at times, the decline in interest rates as well as the climb in share prices on Wall Street all led to stronger demand on the part of foreign investors for US securities, and made high trading profits possible, too. CCMC was also active again as an underwriter of US equity and bond issues. At year-end, it had a staff of 58.

Commerz Securities (Japan) Company Ltd. in Tokyo found itself in a more difficult situation. Its commission income from securities business was adversely affected by the protracted fall of Japanese share prices and the fact that the German stock market was not very attractive for Japanese investors either. However, in the primary market, "ComSec" was able – despite stiff competition – to act once again as lead manager for several Japanese borrowers; this led to a slight improvement in its overall result.

International activities

The emphasis in our business strategy is not only on strengthening our position in the domestic market and on developing our *Allfinanz* cooperation. We also seek to create a broader basis in Europe and to extend our business activities under a global perspective.

Our international organization

The opportunities which exist, despite all the problems, in Eastern Europe and in the successor states of the Soviet Union have prompted us to extend our international presence. In the meantime, we have opened representative offices in Budapest, Warsaw and Prague; we intend to transform our outlets in Prague and Budapest into operative units as soon as possible.

They will then become primarily involved in foreign commercial business and the related short-term financing transactions; they will also assist with the large-scale privatization and restructuring of companies. A great deal of the work performed by our representative offices is devoted to advising firms from eastern Germany which seek to maintain and extend their traditional business links with Eastern Europe under a market-economy system.

We intend to set up bases in St. Petersburg and Kiev; the legal framework permitting, we would also consider establishing fully operative units there. We believe that the region will produce the growth markets of the future, and that even now it merits our close attention.

Otherwise, we have rounded off our Western European network by opening a new bank in Gibraltar in conjunction with Banco Central Hispanoamericano. Hispano Commerzbank (Gibraltar) Ltd. will primarily offer investment counselling and portfolio management, making use of the special status of the British crown colony for the benefit of our business activities.

All told, we now have practically 50 direct outlets in over 30 countries, enabling us to serve customers in an even far greater number of neighbouring countries.

Outside Europe, too, we have extended our business activities – with the branches in the United States, but also in the Far East, worthy of special mention in this respect.

Successful in Korea and Brazil

Korea International Merchant Bank (KIMB), Seoul, in which we are the largest foreign shareholder with an interest of roughly 21% and on whose management board we are represented, maintained its dynamic performance, its earning power increasing once again. It now occupies the leading position in Korea among institutions of that type.

In the first nine months of the current business year (April 1, 1991 to March 31, 1992), its business volume advanced by 15% to the equivalent of about DM3.3bn. Particularly noteworthy were short-term lending, which jumped by 79%, and leasing claims in Korean won and foreign currencies, which went up by 29%.

The mounting interest of Korean firms in investing in Western Europe caused M & A activities to expand.

On account of its extensive new business, KIMB had stronger recourse to the international capital market in 1991; among other things, it made three floating-rate note (FRN) issues with Commerzbank AG and Korea Exchange Bank serving as lead managers.

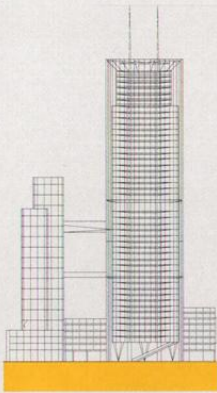
Unibanco – União de Bancos Brasileiros S.A., São Paulo, in which we have a 10.2% interest, asserted its position well, despite a difficult economic setting. The “German desk” set up at Unibanco in mid-1991 and run by a Commerzbank delegate already looks after more than 50 Brazilian subsidiaries of German firms.



The company, its tradition and its goals

Continuing the cosmopolitan tradition of our Bank, we feel a partner-like commitment to our customers. We derive both strength and self-assurance from this long and successful cooperation. We are a leading universal, or all-purpose, bank with a closely-knit branch network in Germany, where we serve all possible types of customer – and especially those who make sophisticated demands on their bank. Yet we also think European and see ourselves in these terms; we aim to play a leading role in the new Europe. As a bank with global operations, we set great store by international know-how and by establishing a presence in all the world's major economic zones and financial centres.

Extracts from "Basic principles of the Commerzbank Group"



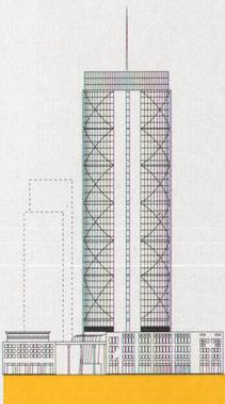
Commerzbank's new headquarters – a fresh accent for Frankfurt's city centre

Last year, Commerzbank organized a competition to find the best conception for the planned extension of its head office premises in Frankfurt am Main. The new multi-storey building is intended to complement the existing one which was erected in 1972. At the same time, the Bank is seeking to bring together its central administration under one roof, as the strong expansion of recent years has meant that 30 units could no longer be housed in the main building.

"We are committed to achieving progress that does not harm the environment." This statement, taken from the "Basic Principles of the Commerzbank Group", was very much to the fore when the terms of the competition were being drawn up. Even at the conception stage, the environmental aspect had to be incorporated as far as possible into the internal and external planning of the new building.

City-planning considerations also played a key role. The new building should be imposing and yet harmonize well with its immediate setting and the Frankfurt skyline. Right from the outset, therefore, it was decided to include shops, restaurants and apartments on the perimeter of the complex.

At the end of last June, the jury – comprising external experts, city officials, members of our management board and the Bank's Building Department – reached their decision: the first prize was awarded to the London architects Sir Norman Foster & Partners. After further development, the prize-win-



Commerzbank's new
headquarters in model form

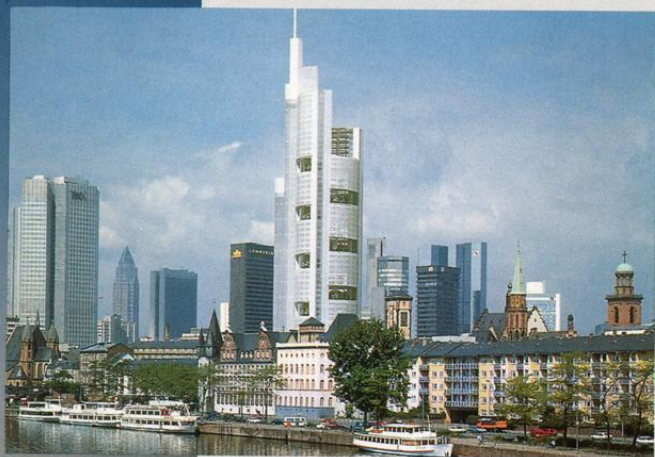
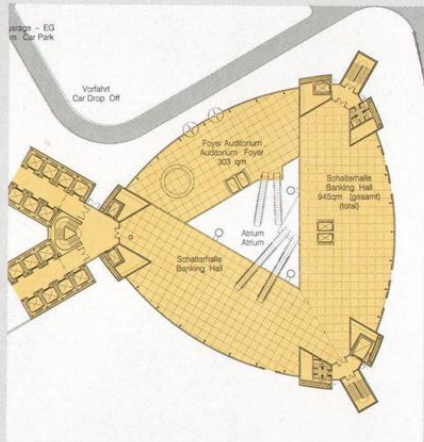
ning design now complies with the stipulations made by the city and will be translated into reality.

Successful major projects in Hong Kong, London and Tokyo have given Sir Norman and his team an international reputation for innovative design. The plans offer simple, elegant proposals; at the same time, they bear witness to the skill of the team from London in integrating its design into a specific urban setting.

Our project called for especially great skill and understanding in this respect; what we needed was more than a conception for an office tower all by itself. The existing edifice had to be incorporated into the overall plan, as did a number of historically significant buildings on the Kaiserplatz, a square near to the city centre. An entire complex of office, business and residential premises as well as open spaces had to be designed, therefore, and Sir Norman presented a highly convincing solution.

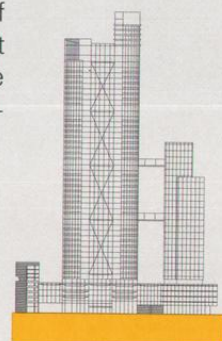
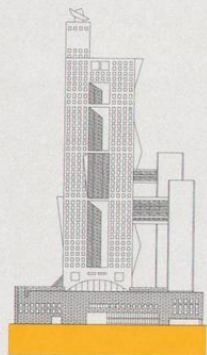
The new design also meets Commerzbank's requirement that working conditions in the building should be as environment-friendly as possible. Natural ventilation, as much daylight as possible and areas of greenery implementing a novel design, so-called "gardens in the air", will help secure an agreeable working climate.

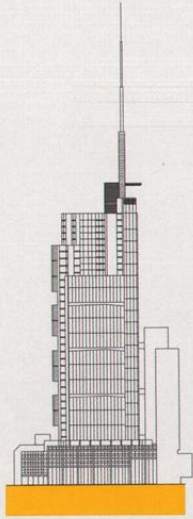
If the project goes ahead as planned, the first departments can move into our new headquarters by end-1996. At 210 metres, the Commerzbank tower will be one of Frankfurt's tallest buildings. It should become a milestone on the road towards functional, ecologically-oriented office architecture.



Frankfurt's future skyline – seen from the River Main

“The architecture also shapes the image of a company”





Four questions for Sir Norman

Question: What unusual challenges do banks present an architect?

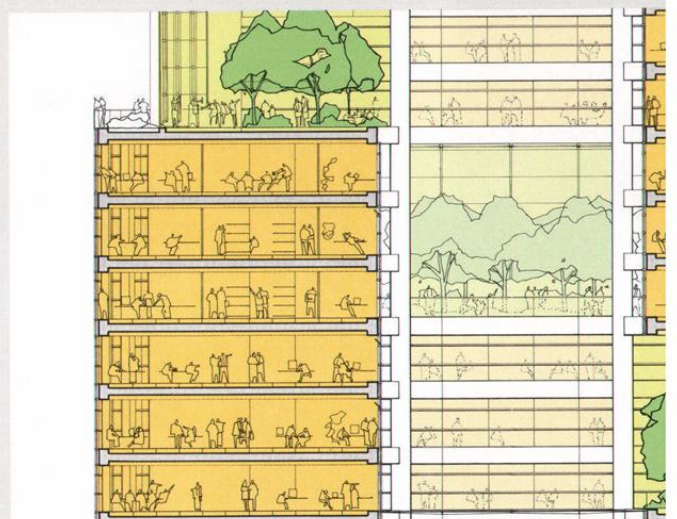
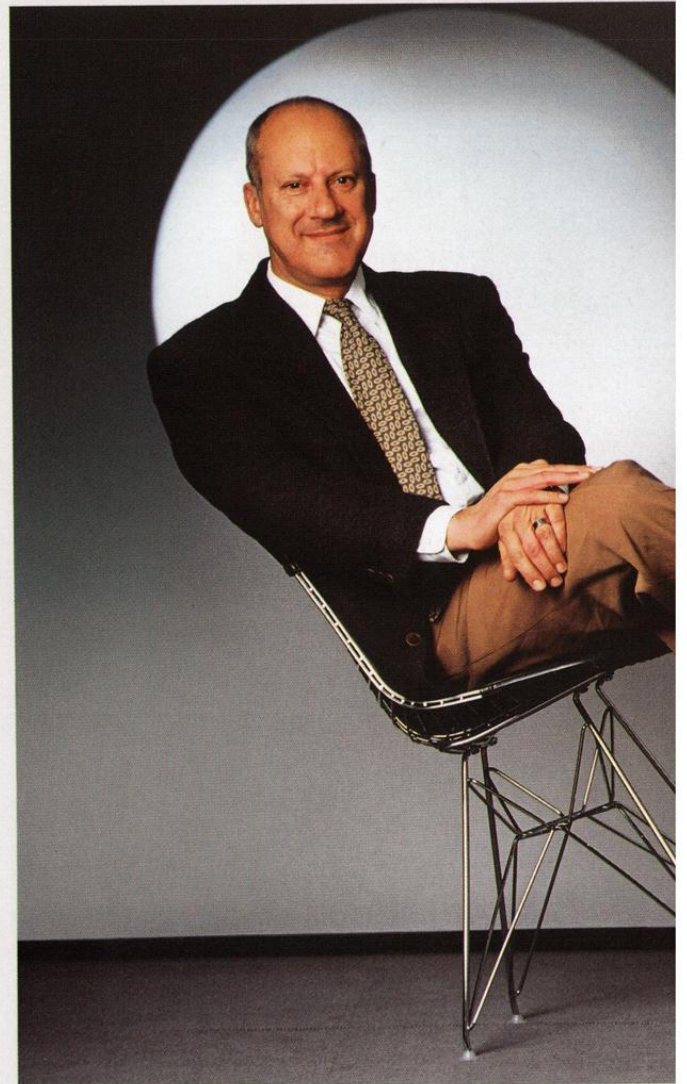
Sir Norman: Every sector influences architecture in its own way. We try to pick out the special features and reflect them in the design. As banks are a symbol of the nation's economic health and power, designing their office towers is a special challenge for every architect.

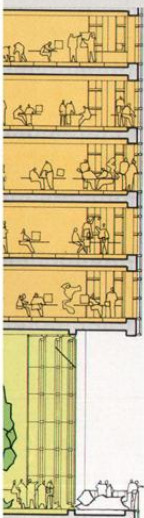
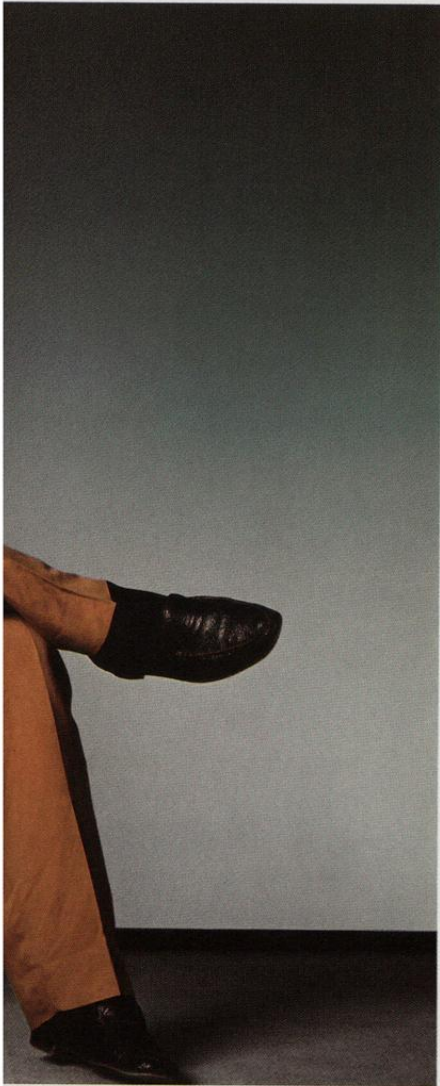
Question: How did the setting in the centre of Frankfurt influence your design?

Sir Norman: The site is fairly small and therefore the relationship of the new building to the existing tower is an important consideration. One of the challenges of the design was to produce a solution which reduced the apparent mass of the building by introducing gardens in the sky. These break the tower down into a sequence of clearly articulated village units.

Equally important, at the base of the building, is the response to the immediate surroundings. The tower sits in an internal courtyard, which means that the perimeter buildings are especially important. They have to blend in as well as possible with the City's fabric.

Question: What was the underlying concept for this building?





Sir Norman Foster – one of the world's leading architects

Sir Norman: A key ingredient of the Bank's brief during the competition was the emphasis placed on environmental and ecological issues. The design is very energy-efficient and introduces new concepts for the internal office environment.

Offices either look out over the City or look onto the green landscaped gardens which rotate around the tower, creating a more socially friendly and ecologically conscious building. Another important consideration was the creation of a very flexible office floor to allow for developments in the future.

Question: What do you particularly like about this Commerzbank building?

Sir Norman: The design will avoid the cold anonymity of the traditional tower. It will be possible to integrate customers, the Bank and the public through the creation at ground level of a major public plaza with possibilities for public dining and shopping as well as banking.

The building concept represents a radical departure from the normal office building. The gardens and the gently curved form of the building create a new, more friendly alternative to the hard, anonymous and more hostile forms of many of the tower buildings around the world today.

Frankfurt is rapidly becoming a new European capital and this tower will provide the modern skyline of the city with a fresh, attractive accent.

Commerzbank's architectural design competition

Main criteria of the competition brief

Function

- Centralize head-office departments
- Maximize use of site and secure scope for future development
- Ensure flexible use of space
- Optimize working environment

Design

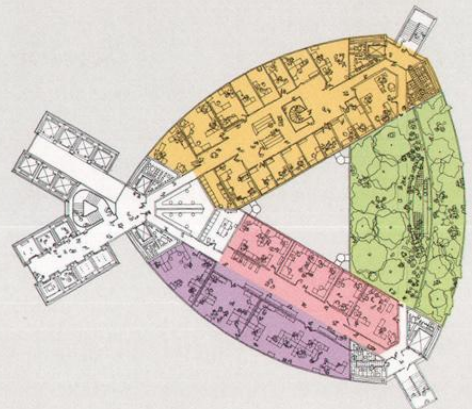
- Striking, timeless architecture (Corporate Identity)
- Improvement of the urban environment
- Attractive interiors

Environment/Energy

- Energy-saving
- Natural ventilation
- Ecologically sound construction
- Green surroundings

Economic viability of project

- Highly efficient use of space
- Reasonable capital outlays and operating costs
- Rapid implementation
- Minimal negative impact on neighbourhood/existing bank building



Staff and welfare report

Since the beginning of 1991, we have tightened up the organization of our domestic branch network by placing it under the control of 19 main branches; we have now substantially reformed the structure of the branches themselves. The package of measures aimed at further improving the Bank's profitability is envisaged as a medium-term scheme; however, it is being realized smoothly and according to schedule. The consequences of these reforms for our staff and for the Bank's personnel work are outlined on pages 38/39.

Progress in eastern Germany

Last year, the total number of employees at the Parent Bank rose by 682, or 2.8%, to 25,044. Most of the new recruitments were in eastern Germany, where we had 72 branches by end-1991. At this time, the Bank had 1,640 employees in eastern Germany, of whom nearly a thousand had been recruited locally; 196 young people from eastern Germany are training as bank clerks with Commerzbank.

Under the Bank's scheme to prepare staff rapidly and in practical terms for their new jobs in our eastern German branches, 998 people were selected in 1991, from some 6,000 applications, to participate in our crash training programme. Of these, 737 are already on the job, and 261 are receiving specialized training in branches throughout Germany. We are thus able to replace gradually staff from the west temporarily seconded to eastern Germany and are already building up a core of permanent staff in our new branches.

So far, over 80 university graduates from eastern Germany have taken part in our junior executive programme. By early 1992, the first few of these had taken up their posts. During the course of this year, over 40 more of them, most of whom are still receiving training in western Germany, will be returning to responsible jobs in eastern Germany. Ten of them are training as branch managers, and will assume this function as soon as their period of training is finished.

We plan to continue selecting primarily graduates from the east for subsequent management duties in eastern Germany; for this reason, we are maintaining close contacts with local universities and student bodies.

Women in the Bank: quality before quotas

In May 1991, 60 female members of staff, from various regions and different departments, were chosen from over 800 applicants to attend a seminar at our training centre in Glashütten near Frankfurt. The purpose was to take stock of their position in the Bank, together with our coordination team established to deal with the subject of

Data on Commerzbank's personnel*)

	1991	1990	Change in %
Total staff (Group)	28,226	27,275**)	+ 3.5
Total staff (Parent Bank) ¹⁾	25,044	24,362**)	+ 2.8
– incl.: based abroad	984	973	+ 1.1
– incl.: apprentices	1,949	2,052	– 5.0
– incl.: junior executives	465	478	– 2.7
Permanent staff ²⁾	22,160	21,272**)	+ 4.2
Ratio of apprentices to permanent staff ³⁾	8.8%	9.5%	–
Years of service			
– more than 10	41.2%	43.6%	–
– more than 20	17.3%	16.9%	–
Staff turnover ⁴⁾	6.7%	6.6%	–
Total pensioners and surviving dependents	6,414	6,133	+ 4.6
– incl.: those retiring during the year	371	356	+ 4.2
Total entering early retirement	200	226	– 11.5

*) Full-time staff; **) to facilitate comparison, now based on new definition; ¹⁾ as from 1991, including cleaning and kitchen personnel, excluding staff on maternity leave and long-term sick; ²⁾ employees excluding apprentices, junior executive staff, temporary staff, volunteers, cleaning and kitchen personnel, female staff on maternity leave and, as from 1991, excluding long-term sick; ³⁾ in terms of permanent staff, as from 1991, including staff based abroad; ⁴⁾ due to staff giving notice

"women in modern banking". The question of career prospects for female members of staff was also to be discussed. To this end, five workshops covering the following topics were held:

- women in management positions
- women as customers of the Bank
- combining career and family
- further training for female staff
- women in advertising and PR.

Great interest was shown in women's perception of themselves in managerial positions and in their role as working mothers, and also in the related topics of flexibility in working hours and childcare facilities provided by employers. The majority felt that as far as equal opportunity is concerned, women should not be given special preference but should be treated on an equal footing with men. This consensus was seen as a particularly positive conclusion to the meeting.

Following amendments to the legislation relating to maternity leave, talks were held towards the end of last year with the aim of revising our scheme for re-entry into the workforce, which has been operating successfully since 1990. A number of useful ideas had arisen at the above-mentioned seminar. Our back-to-work scheme offers two options; either the maternity leave can be extended for a further year, or work can be resumed during this period on a part-time basis.

Cooperation with staff representatives

The structural reform of our branch network played a major role in our cooperation with the central staff council and with staff representatives at local level. While a provisional arrangement was

Personnel costs and welfare benefits

in DM m	1991	1990	Change in %
Personnel costs	2,201.4	2,019.4	+ 9.0
- incl.: wages and salaries	1,713.5	1,574.8	+ 8.8
- incl.: social insurance contributions	254.8	229.8	+ 10.9
- incl.: pensions, pension fund contributions and benefits	233.1	214.8	+ 8.5
Employer's contributions to <i>Beamtenversicherungsverein</i> *)	69.1	63.1	+ 9.5
Expenditure			
- on special payments for long and faithful service	9.4	7.1	+ 32.4
- on issue of Commerzbank shares to our staff	8.8	7.7	+ 14.3

*) A supplementary pension fund of the private-sector banks

reached with the central staff council at the beginning of February 1991 regarding implementation of the reform of the main branches, the final provisions for both parts of the overall reform were agreed on in early May. These consist of the basic principles to be observed in carrying out the reforms and the rules for compensating employees for any financial disadvantage which might arise as a result of the reorganization. Constructive discussions were also held on various new developments, most of which resulted from the Bank's structural reforms.

Cooperation with the senior staff spokesmen's committee was again positive as in previous years. Particular attention was devoted to the structural reform of the branch network and to a new system regulating payment and titles in the Bank.

Our thanks

1991 was an eventful and successful year for the Bank. We should like to express our particular thanks and appreciation to all our staff for their dedication to their work. The extraordinary efforts involved in establishing our network of branches in eastern Germany is an achievement which deserves special mention. Our thanks are also extended to all those employees who retired last year, most after long years of service.

We shall always honour the memory of those employees who died during the past year.

**Meeting the challenge of changing times**

We are facing more changes today than ever before. The market requires new developments in many fields. The structural reform of our branch network is one response. In line with the basic principles of this reform, namely:

- to concentrate resources
- to make the Bank more customer-oriented
- to operate more efficiently
- to achieve more successful management.

some of Bank's most important activities have been reorganized and in part redefined. For many of our staff, this has meant adapting themselves to new circumstances or obtaining further qualifications in their own field. A number of our central departments, which were the subject of efficiency studies last year, are now also operating with new organizational structures and redefined responsibilities.

New demands on employees

Following the reform of the Bank's branch network, many of our employees will find their careers taking a very different course. The trend towards more exacting requirements and higher rewards is unbroken, as is clearly reflected in the new job specifications. These were reached in consultation with people at the practical and managerial levels in the various areas. At the same time, we have attempted to illustrate more clearly to our staff the wide range of career opportunities open to them.

New titles structure in the Bank

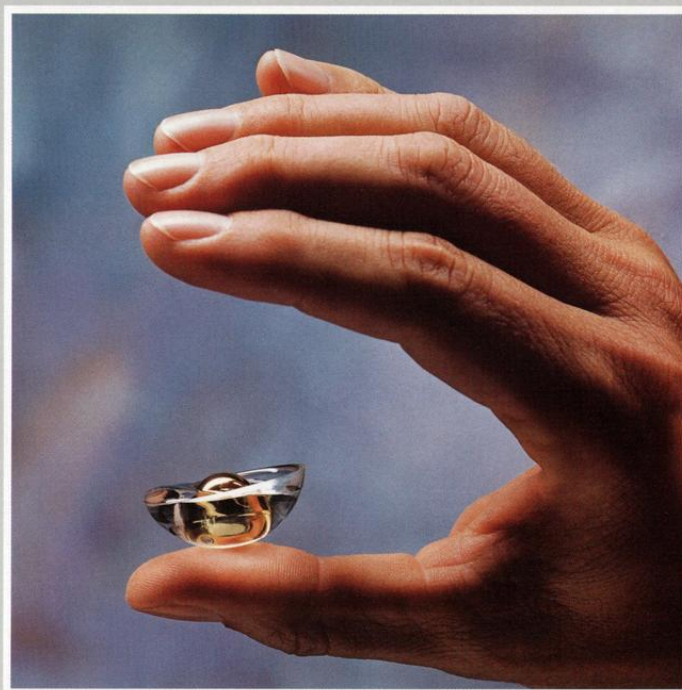
Greater clarity should also result from the new system of grading and remuneration which we started to implement in January this year – first of all in our branches, to be followed by our central departments. The core of the new system is the function to be performed by a member of our managerial staff. The various functions of this kind throughout the branch network are now assessed according to a uniform system so that valid comparisons can be made. Positions in our head-office departments are to be evaluated along parallel lines in order to achieve a more transparent structure. Specific titles and overlapping pay categories have been laid down for various management levels and functions. We are also reducing the number of titles from eight to five.

The new pay structures, which still have to be worked out, will cover both basic salary and fringe benefits. All in all, they allow adequate scope for differentiating salaries by function, performance and market conditions.

New accents in basic and advanced training

The scale of reorganization and the new responsibilities facing our branch staff led us to initiate an extensive advanced training campaign. The preparations for this were made last year and it was launched at the beginning of 1992.

The reform of our branch network was a response to changing market requirements; as a result, the Bank can offer modern workplaces with good future prospects. In an atmosphere of partnership and team spirit, we provide our staff with opportunities for advancement; Commerzbank is justified, therefore, in presenting itself as an attractive employer. This was reflected in our 1991 personnel image campaign bearing the motto "The opportunities of change".



Leadership and cooperation

Through their efforts, our employees make a crucial contribution to the success of our Bank. Within the scope of the decision-making powers allotted to them, our executives behave like entrepreneurs, assuming responsibility for their actions. By setting an example and demonstrating their powers of persuasion, they provide leadership for their staff according to our basic principles. Our employees are dedicated, are alert to the needs of our customers, act unbureaucratically and develop initiative of their own to serve the common cause. They are highly motivated and willing to explore bold solutions; they are tenacious and have the necessary self-confidence, without being overbearing. We respect individuality and encourage a broad spectrum of opinions, which provides the basis for a fruitful dialogue.

Extracts from "Basic principles of the Commerzbank Group"

Report on the Bank's Performance

The Group

Commerzbank AG, the Parent Bank, works closely together with the companies affiliated with it in the Commerzbank Group. Particular importance attaches to the role played by the domestic and foreign credit institutions and by the financial consultancy and leasing firms among its members. Details of the activities and performance of Group companies are given in the Notes on the Parent Bank's Annual Accounts as well as in the Group's Report, Accounts and Financial Statement. At end-1991, the Group's business volume (balance sheet total plus endorsement liabilities) stood at DM229.0bn, an increase of DM11.1bn, or 5.1%, on the year-earlier level of DM217.9bn.

The consolidated balance sheet total went up by 5.0% in 1991 to DM226.7bn. The Parent Bank accounted for approximately 62% of the gross assets before elimination of intra-Group balances. The latter's aggregate lending was up 7.8% at DM157.9bn, and the overall volume of its borrowed funds expanded by 4.6% to reach DM213.0bn.

Parent Bank's business volume

The business volume of the Parent Bank reached DM155,059m at the balance sheet date (December 31, 1991), up 5.3% on the end-1990 level of DM147,271m. On average over the year, the business volume amounted to DM147,299m in 1991, 9.7% higher than the 1990 average of DM134,228m. Of the 1991 year-end total, DM48,165m was contributed by the foreign branches, which thus had a share of 31.1%, as against 32.9% at end-1990.

The Parent Bank's total assets increased by DM7,425m, or 5.1%, to DM152,865m in the year under review. Expressed in D-marks, the changes in the utilization of new funds that were instrumental in bringing about such expansion are illustrated in the table on the opposite page.

Liquidity

Another year of strong demand for longer-term funds led us to step up our funding again at the long end. Here we also made use of the possibilities offered by the international capital markets and entered into interest and currency swap agreements on a reasonable scale. To cover its domestic short-term liquidity needs, the Bank can have recourse either to the German money market or to the funds made available by the Bundesbank; and to secure its solvency abroad, at any time and also in foreign currencies, standby credit lines are maintained with a number of foreign banks on a mutual basis.

Lending

Total lending to banks and non-banks (excluding loans on a trust basis and guarantees) rose by DM12,288m, or 14.6%, since end-1990.

The overall amount breaks down as follows:

Total lending				
	1991		1990	
Loans to customers				
a) short and medium-term	DM49,648m =	51.5%	DM42,197m =	50.1%
b) long-term	DM40,086m =	41.5%	DM34,946m =	41.5%
	DM89,734m =	93.0%	DM77,143m =	91.6%
Loans to banks				
a) short and medium-term	DM 1,897m =	2.0%	DM 1,584m =	1.9%
b) long-term	DM 1,810m =	1.9%	DM 2,360m =	2.8%
	DM 3,707m =	3.9%	DM 3,944m =	4.7%
Book and acceptance credits	DM93,441m =	96.9%	DM81,087m =	96.3%
Bills discounted	DM 3,020m =	3.1%	DM 3,086m =	3.7%
	DM96,461m =	100.0%	DM84,173m =	100.0%

In the year under review, the share of short and medium-term loans in the Bank's overall lending expanded further, from 52.0% at end-1990, to total 53.5%. All told, long-term loans increased by DM4,590m, or 12.3%; their relative share was reduced to 43.4% from 44.3% at end-1990. Funds extended at longer terms were, inter alia, financed through bonds issued by the Parent Bank with maturities of more than four years amounting to DM2,152m and through DM27,033m in longer-term borrowings, mainly from banks – among them Kreditanstalt für Wiederaufbau (Reconstruction Loan Corporation) – and from public authorities, but also including the D-mark equivalent of the proceeds of foreign-currency bonds issued by members of the Commerzbank Group. Where so provided for in the agreements with the respective original lenders, funds were passed on to the final borrower on the terms set by the former.

Book and acceptance credits showed a rise of DM12,591m, or 16.3%, in loans to customers, with lending to banks falling by DM237m, or 6.0%.

Utilization of new funds in 1991				
	in DM m		in DM m	
Source of funds			Application of funds	
<i>Increase in liabilities</i>	(14,291)		<i>Increase in assets</i>	(16,541)
a) customers' deposits	12,630		a) bonds	2,493
b) bonds and notes	530		b) shares	277
c) provisions	288		c) short and medium-term loans to customers	7,451
d) equity capital	672		d) long-term loans to customers	5,140
e) other liabilities	171		e) investments (subsidiaries, associated companies, and trade investments)	779
<i>Reduction of assets</i>	(8,987)		f) fixed assets	
a) cash reserves and cheques	157		fa) land and buildings	62
b) bills of exchange	429		fb) office furniture and equipment	254
c) claims on banks	237		g) other assets	85
d) nostro balances	7,915		<i>Reduction of liabilities</i>	(6,962)
e) treasury bills	162		a) bank deposits	6,580
f) other assets	87		b) own acceptances	365
<i>Depreciation on fixed assets</i>	(225)		c) other liabilities	17
	23,503			23,503

Bill discounts decreased by DM66m, or 2.1%, to DM3,020m. This includes DM2,194m of rediscounted bills representing 72.6% of our total bill portfolio at year-end.

Bills discounted by our foreign branches plus book and acceptance credits extended by them reached DM26,839m, or 27.8% of aggregate lending of this type, compared with DM24,857m, or 29.5%, at end-1990.

In structuring our lending according to loan size, we avoid too great an overall weight of individual large-volume loans because of the risks involved.

Last year as well, our lending called for additional loan loss reserves. We earmarked a higher amount than in the previous year to cover risks relating to changes in the standing of borrowers. The customary caution was applied in providing for such risks. The situation of the countries which we consider to represent heightened lending risks does not reveal any uniform trend. On the one hand, we detect some signs of improvement among South American countries. On the other, sizeable credit risks, for which further provision had to be made at Group level, have arisen due to events in Eastern Europe and the former Soviet Union. We have loan loss reserves which continue to represent more than 60% of our exposure in countries we consider problematic. This includes our claims on the former Soviet Union.

In 1991, we considerably reduced both our claims on and liabilities to other banks in a year-on-year comparison. At end-1991, we had a net interbank borrower position of DM1.1bn, as against a net lender position of DM0.5bn twelve months previously.

Borrowed funds		
	1991	1990
Liabilities to banks		
a) demand	DM 4,937m = 3.5%	DM 6,451m = 4.7%
b) time	DM 28,579m = 20.1%	DM 33,645m = 24.8%
	DM 33,516m = 23.6%	DM 40,096m = 29.5%
Customers' deposits		
a) demand	DM 21,646m = 15.2%	DM 20,179m = 14.9%
b) time	DM 60,999m = 43.0%	DM 51,589m = 38.0%
c) savings deposits	DM 17,474m = 12.3%	DM 15,721m = 11.6%
	DM100,119m = 70.5%	DM 87,489m = 64.5%
Bonds issued	DM 6,375m = 4.5%	DM 5,845m = 4.3%
Acceptances outstanding	DM 1,931m = 1.4%	DM 2,296m = 1.7%
Total borrowed funds	DM141,941m = 100.0%	DM135,726m = 100.0%

The above table shows that the Bank improved its overall deposit structure by taking in an additional DM12.6bn of customers' deposits; time deposits in particular went up by DM9.4bn. Savings deposits climbed steadily in 1991; they advanced by DM1,753m, or 11.2% altogether. All

told, our own bonds in circulation rose by DM530m, those at short and medium term increasing by DM185m, with longer-term bonds up by DM345m. The volume of our own acceptances outstanding was down by DM365m on end-1990.

At end-December 1991, long-term funds at our disposal broke down as follows:

	DM m
Term deposits from other banks	10,911
Term deposits from customers	16,122
Savings deposits at 4-year period of notice	243
Bonds outstanding	2,152
	29,428

In addition, a total of DM2.3bn of funds was deposited with us under the various savings plans we offer.

Investments as shown in the balance sheet

Of the investments as shown in the balance sheet, DM1,922m represent holdings in credit institutions and DM2,444m in non-banks. As required by Section 285 (11) of the German Commercial Code (HGB), companies in which we or affiliates of ours have a one-fifth minimum stake are listed in the Notes on the Parent Bank's Annual Accounts. Details on the DM779m rise in the book value of our holdings and investments are also given there.

DM526m of this change stems from investments in non-banks and DM253m from our interests in credit institutions. DM91m of the increase in our non-bank holdings relates to new acquisitions and DM573m to additions to existing interests. Stakes with a book value of DM136m were disposed of and DM2m was written down. The significant new acquisition is a 99.5% share in Schaltbau GmbH, Munich. We disposed of this interest again at the start of 1992. Among the additions to existing holdings in non-banks, the increase to just over 48% of our interest in DBV Holding AG, Wiesbaden, should be mentioned. Proportional to the share of the company's capital which we hold, we also participated in the capital increase of Karstadt AG, Essen. We have sold our stakes in Boge AG, Eitorf, VDO Adolf Schindling AG, Frankfurt am Main, and also Rossmas Beteiligungsgesellschaft mbH, Frankfurt am Main. Similarly, we disposed of our interest in FGH Frankfurter Gesellschaft für Hotelwerte mbH, Frankfurt am Main. Write-downs entail five individual items. The change in our investments in credit institutions basically reflects the transfer of our existing minority holding of a good 10% in Banco Hispano Americano S.A., Madrid, to our subsidiary Commerzbank International S.A., Luxembourg. In the course of the 1991 business year, it became evident that Banco Hispano Americano S.A. would merge with Banco Central S.A. before year-end, thus lowering our stake in the new institution, Banco Central Hispanoamericano S.A., to less than 10%. For this reason, we sold our interest to our

Luxembourg subsidiary, prior to the merger, at the going market rate in order to preserve the "affiliation privilege", as the tax situation in Luxembourg is more favourable in this respect. We provided Commerzbank International S.A. with equity capital to enable it to acquire this holding; the domestic book gain which resulted was eliminated in the Group's annual accounts. Of the overall increase in our investments, DM8m relates to new acquisitions, and DM465m to additions to existing interests. The new purchases consist of three items, namely a joint venture with Banco Hispano Americano, Hispano Commerzbank (Gibraltar) Ltd., Gibraltar, and two stakes in guarantee banks in eastern Germany. As already mentioned, we increased the equity capital of Commerzbank International S.A., Luxembourg. In addition, we participated on a fairly small scale in the capital increases of two foreign banks and of Bürgschaftsbank Sachsen GmbH, Dresden.

Syndicate and securities business

Syndicate and securities business in 1991 was adversely affected at the start of the year by the Gulf war. Once hostilities ceased, share prices recovered; measured against the Commerzbank Share Index, they were 6% higher at year-end than twelve months previously. Despite the state's enormous borrowing requirements, not least as a result of German unification, bond yields receded on average from 9.1% to 8.4%. During the year under review, public-sector borrowers showed a preference for loans against borrower's note alongside various types of Treasury notes. However, fewer new bonds were issued than in the year before. We were involved in 13 domestic issues with a total volume of DM63bn, just over half of which was raised by the Federal Government. The relative strength of the D-mark and the high interest level in Germany drew attention worldwide to DM investments. After stagnating in 1990, the market for foreign DM offerings achieved a record high for new issues of just over DM32bn. High-interest bonds were also in demand, including the issues by the Republic of Turkey and the Hungarian National Bank, both lead-managed by Commerzbank. All told, we acted as lead manager for 13 foreign DM bond issues in an overall amount of DM3bn. Commerzbank thus attained a market share of almost 10%, securing for itself third place among German banks. For another 91 issues, we served as co-manager. The Eurocredit market also displayed a healthy condition last year. The marked restraint shown by Japanese and US banks in particular presented us with good opportunities which we seized to increase our interest and commission earnings. All in all, we managed 19 international individual or syndicated loans. With the abolition of the stock exchange turnover tax on January 1, 1991, a new market for commercial paper developed in Germany. Within the space of a year, no less than 29 programmes, with a volume of practically DM17bn, were issued. Commerzbank arranged two such offerings: DM100m for Alusuisse-Lonza GmbH and DM200m for Gesellschaft für Nebenbetriebe der Bundesautobahnen. We also helped to place another six programmes.

In 1991, we led the banking syndicate for three German and four foreign companies seeking to go public. This involved the placing of prefe-

rence shares of Friedrich Grohe AG, Hemer (total amount placed: DM327m), preference shares of Möbel Walther AG, Gründau-Lieblos (DM 94m), preference shares of Kögel Fahrzeugwerke AG, Ulm/Danube (DM70m) as well as bearer shares of Rémy Cointreau S.A., Cognac, France (Ffr3bn nominal), registered shares of Kirin Brewery Company Ltd., Tokyo, Japan (¥57bn nominal), bearer shares of COS Computer Systems AG Baden, Baden, Switzerland (Sfr29m nominal) and bearer shares of Energy International N.V., Curaçao, Netherlands Antilles (US\$2m nominal). Demand for the shares was lively, making the placements a success both at home and abroad. All in all, considerably less equity capital was raised via the stock exchange last year. As a result, we were involved in no more than 39 capital increases by German companies totalling DM4.4bn.

We are playing an active role in the privatization and restructuring of firms in eastern Germany and are assisting investors in their acquisition of local firms.

International activities

In 1991 as well, the Bank's foreign commercial business was able to make an encouraging contribution to the overall result; commission earnings in this area grew by 14.4%, as against 7.5% in 1990. We detect opportunities for the future in Eastern Europe and the states of the former Soviet Union. This has prompted us to extend our international organization. We have representative offices in Budapest, Prague and Warsaw; in Budapest and Prague, we want to transform them into operative units as soon as possible. We intend to establish new outlets in Kiev and St. Petersburg, as we believe that the growth markets of the future will develop there. In order to round off our network in Western Europe, we have opened a new bank in Gibraltar in conjunction with what is now Banco Central Hispanoamericano. All told, we now have practically 50 direct outlets in over 30 countries. The activities of the foreign banks in which we have larger interests and to which we also delegate personnel were once again successful in 1991. With our stake of 21%, we are the largest foreign shareholder in Korea International Merchant Bank, Seoul, on whose management board we are represented. Unibanco – União de Bancos Brasileiros S.A., São Paulo, in which we have an unchanged shareholding of 10.2%, has asserted its position well, despite a difficult economic setting. Since mid-1991, a Commerzbank delegate has been running a "German desk", and currently looks after more than 50 Brazilian subsidiaries of German companies.

In 1991 as well, our foreign branches recorded a positive trend; the reduction in interbank lending and borrowing caused their business volume to contract by 0.6% altogether. At the same time, their customers' deposits expanded by just over 23%, their total lending by a good 6%, and their operating results by more than 26%.

Our banking subsidiaries abroad also operated successfully last year. The relations which we maintain with our foreign correspondent banks were further intensified.

Earnings performance

In the year under review, our earnings performance was positive. At DM1,201m, the Parent Bank's partial operating result – which is arrived at by subtracting personnel and other operating expenses and the current depreciation on fixed assets and equipment from the sum total of net interest, dividend, and commission income – was DM216m, or 22.0%, higher than in 1990. The overall operating result – which, in addition, includes own-account transactions as well as other current income and expenditure items – was 25.5% higher than a year earlier.

Net interest and dividend income – which is the balance of interest from lending and money-market transactions plus current income from bonds, other securities, and "investments" as well as income from profit-transfer agreements, minus total interest expenses and charges for losses assumed under profit and loss transfer agreements – amounted to DM3,333m; this represents a rise of 19.8%. The average interest margin for the year widened, from 2.07% in 1990 to 2.26% last year, while the average business volume expanded by 9.7%. Net commission income, at DM1,207m, did not quite reach the high year-ago figure, which was boosted by non-recurrent earnings; it was DM27m, or 2.2%, lower. The commissions from account management and other charges, and also those earned in our foreign commercial business, expanded, while commission income from our securities and syndicate operations declined.

Total operating expenditure went up by altogether DM308m, or 10.2%, with the strongest increase accounted for by personnel costs, rising DM182m, or 9.0%, to DM2,201m. Other operating expenses amounted to DM913m, representing an advance of DM95m, or 11.6%. Depreciation on fixed assets and equipment climbed by 16.1% to DM225m. The rise in operating expenses indicates that once again considerable costs were incurred through the extension of our branch network in eastern Germany.

In 1991, the profits on our own-account securities transactions were higher than in the preceding year, whereas the income from the corresponding foreign-exchange dealings fell short of its 1990 level. The revenues from our own-account transactions taken as a whole, however, were a good two-thirds higher. The write-downs on securities, which followed the lower-of-cost-or-market principle, amounted to just over half the amount charged a year earlier. They were practically offset by non-recurrent earnings from the sale of holdings – not including the Banco Hispano Americano S.A. transaction – and also from shares and the redemption of bonds.

As hitherto, we have adequately provided for all discernible risks. We have made full use of the possibility of setting off earnings from the lending business and profits on securities transactions against write-downs on securities and value adjustments to credits as well as additions to loan loss reserves.

The increase in the Group's operating result was stronger than that of the Parent Bank's. It exceeded its year-ago level by a good third.

Proposal on appropriation of profit

After the withdrawal of DM1,145,500 from the reserve for the Bank's own shares and the allocation of DM100,000,000 to other revenue reserves, the remaining, distributable profit is

DM348,599,878.

Commerzbank herewith proposes to its shareholders that DM258,224,790 of this amount be used for the distribution of a dividend of DM10 per DM50 nominal share.

With the DM5.63 tax credit for shareholders who have unlimited tax liability in Germany included, the gross amount they are to receive per DM50 share rises to DM15.63.

Provided that the AGM decides to support our proposal regarding the appropriation of this part of the distributable profit, a further

DM90,375,088

will remain for distribution to the holders of the profit-sharing certificates outstanding.

Pursuant to section 23 (2) of the Bank's statutes in conjunction with the conditions for profit-sharing certificates, the holders of the profit-sharing certificates issued in 1985 in an aggregate nominal amount of DM425,000,000 are thus entitled to a distribution from the Bank's distributable profit in an aggregate amount of DM43,562,500 for the 1991 financial year. This translates into a basic payment of 8.25% of the certificates' face value plus an additional amount, for 1991, of 2.0% of the certificates' face value.

Pursuant to section 23 (2) of the Bank's statutes in conjunction with the conditions for profit-sharing certificates, holders of the convertible profit-sharing certificates issued in 1990 in an aggregate nominal amount of DM499,108,400, after conversions, are thus entitled to an aggregate amount of DM34,937,588 from the Bank's distributable profit for the 1991 business year. This translates into an interest payment equal to 1.4 times the dividend paid on a DM50 nominal Commerzbank share for each DM200 nominal of convertible profit-sharing certificates, i.e. DM14 or 7%.

Pursuant to section 23 (2) of the Bank's statutes in conjunction with the conditions for profit-sharing certificates, holders of the profit-sharing certificates with option rights attached issued in 1991 in an aggregate nominal amount of DM500,000,000 are entitled to $\frac{1}{4}$ of a year's distribution, or an aggregate amount of DM11,875,000, from the Bank's distributable profit for the period from October 1 to December 31, 1991, which falls due on June 30, 1992. This translates into a payment of 9.50% per annum.

Equity capital

Following the allocation of altogether DM100.0m to revenue reserves from the net income for the past business year, the Bank's equity capital amounts to DM6,886m, up from DM6,213m at end-1990; this corresponds

to 4.5% and 4.3%, respectively, of the balance sheet totals for either year. Details of the Bank's equity capital structure and the changes that occurred in it over the year under review are given in the Notes on the Parent Bank's Annual Accounts, as required by Section 264 (1) of the German Commercial Code (HGB).

Perspectives

We are confident that we will be able to maintain the positive development of the Bank in 1992 as well. Despite the forecasts, which suggest that economic performance will tend to be rather subdued, we detect a favourable market outlook for our Bank, not least due to the consolidation achieved in the German unification process. Thanks to the new organizational structure of our branch network and the concentration of our trading activities at head office, both of which were introduced in the course of last year, we expect to be able to exploit market openings even better and that control over costs will be tighter still.

**Balance sheet
as at December 31, 1991**

**Profit and loss account
for the year ended
December 31, 1991**

BALANCE SHEET AS AT DECEMBER 31, 1991

Dec 31, 1990

Assets	DM	DM	DM	DM1,000
Cash on hand			831,196,263.34	738,294
Balance with Deutsche Bundesbank			5,281,630,241.34	5,352,193
Balances on postal giro accounts			7,368,249.33	20,255
Cheques, matured bonds, interest and dividend coupons, items received for collection			529,761,991.98	696,904
Bills of exchange			826,389,252.12	1,255,202
incl.: a) rediscountable at Deutsche Bundesbank	381,292,436.22			
b) own drawings	23,350,645.12			
Claims on banks				
a) payable on demand		7,448,511,031.42		3,468,899
b) with original periods or periods of notice of				
ba) less than three months		8,214,431,742.27		15,418,361
bb) at least three months, but less than four years		14,520,591,066.84		18,640,539
bc) four years or more		2,235,472,330.55		3,043,363
			32,419,006,171.08	40,571,162
Treasury bills and discountable Treasury notes, issued by				
a) the Federal and Länder Governments		17,140,542.06		105,885
b) others		593,286,360.56		667,434
			610,426,902.62	773,319
Bonds and notes				
a) with a life of up to four years, issued by				
aa) the Federal and Länder Governments	142,920,114.39			
ab) banks	2,466,312,888.31			
ac) others	767,966,487.88	3,377,199,490.58		1,210,105
incl.: eligible as collateral for Deutsche Bundesbank advances valued as fixed assets	2,566,253,906.13			
30,495,579.61				
b) with a life of more than four years, issued by				
ba) the Federal and Länder Governments	2,011,809,359.72			
bb) banks	2,320,408,046.52			
bc) others	5,225,163,956.98	9,557,381,363.22		9,231,634
incl.: eligible as collateral for Deutsche Bundesbank advances valued as fixed assets	3,461,690,624.48			
3,356,256,986.20			12,934,580,853.80	10,441,739
Securities not to be shown elsewhere				
a) shares marketable on a stock exchange and investment fund certificates		1,672,584,320.10		1,386,434
b) other		13,854,219.83		23,835
			1,686,438,539.93	1,410,269
incl.: holdings of more than one-tenth of the shares of a joint-stock or mining company, unless shown as investments	307,455,307.22			
Claims on customers, with original periods or periods of notice of				
a) less than four years		49,648,200,551.44		42,197,355
b) four years or more		40,085,983,912.48		34,946,013
			89,734,184,463.92	77,143,368
incl.: ba) secured by mortgages on real estate	9,071,719,321.94			
bb) communal loans	4,587,596,419.89			
Recovery claims on Federal and Länder authorities under post-war currency reform acts			18,255,629.73	22,917
Loans on a trust basis at third party risk			438,415,356.81	342,420
Subsidiaries, associated companies, and trade investments (investments)			4,366,342,000.00	3,587,103
incl.: investments in banks	1,921,841,000.00			
Land and buildings			805,499,000.00	764,265
Office furniture and equipment			831,353,000.00	781,547
Bank's holding of its own shares			—	749
nominal amount				
Bonds and notes issued by Commerzbank			173,244,418.84	189,725
nominal amount	169,927,000.00			
Other assets			769,784,702.45	833,753
Deferred items				
a) unamortized debt discount (difference according to Section 250 (3) of the German Commercial Code – HGB)		529,971,617.44		418,706
b) other		71,422,320.61		96,556
			601,393,938.05	515,262
Total Assets			152,865,270,975.34	145,440,446
Total Assets and the rights of recourse accruing to the Bank in respect of the contingent liabilities shown below the line on the liabilities side include				
a) claims on affiliated companies			5,560,462,807.22	4,131,227
b) claims arising from loans falling under Section 15 (1) 1-6 and (2) of the German Banking Act (KWG), unless included under a)			351,971,526.96	326,028

Dec 31, 1990

Liabilities and Shareholders' Equity	DM	DM	DM	DM1,000
Liabilities to banks				
a) payable on demand		4,936,472,207.67		6,451,379
b) with original periods or periods of notice of				
ba) less than three months	7,627,628,179.18			
bb) at least three months, but less than four years	10,030,338,325.47			
bc) four years or more	10,911,239,495.97	28,569,206,000.62		33,641,668
incl.: due in less than four years	6,625,400,755.17			
c) customers' drawings on other banks		10,192,593.63		3,070
			33,515,870,801.92	40,096,117
Liabilities to customers (customers' deposits)				
a) payable on demand		21,646,517,626.05		20,179,028
b) with original periods or periods of notice of				
ba) less than three months	30,522,709,547.87			
bb) at least three months, but less than four years	14,353,566,120.02			
bc) four years or more	16,122,500,488.51	60,998,776,156.40		51,588,614
incl.: due in less than four years	10,607,670,837.82			
c) savings deposits				
ca) subject to legal period of notice	15,032,843,001.83			15,721,179
cb) other	2,441,313,990.71	17,474,156,992.54		87,488,821
			100,119,450,774.99	
Bonds and notes with a life of				
a) up to four years		4,223,146,516.69		4,038,532
b) more than four years		2,151,384,380.29		1,806,907
			6,374,530,896.98	5,845,439
incl.: maturing in less than four years	1,011,616,031.39			
Acceptances and promissory notes outstanding			1,930,774,912.77	2,296,738
Loans on a trust basis at third party risk			438,415,356.81	342,420
Provisions				
a) for pensions		1,298,000,000.00		1,196,555
b) other		1,361,720,000.00		1,174,905
			2,659,720,000.00	2,371,460
Other liabilities			443,979,498.71	319,575
Deferred items			137,129,691.48	154,193
Profit-sharing certificates outstanding			1,424,108,400.00	925,000
incl.: maturing in less than two years	—			
Subscribed capital			1,291,123,950.00	1,286,460
(authorized but unissued conditional capital: 544,777,100.00)	544,777,100.00			
			2,786,280,948.76	2,716,203
Capital reserve				
Revenue reserves				
a) legal reserve		6,000,000.00		6,000
b) reserve for the Bank's own shares		—		1,145
d) other revenue reserves		1,378,003,000.00		1,278,003
			1,384,003,000.00	1,285,148
Commerzbank Foundation			11,282,864.92	6,184
Distributable profit			348,599,878.00	306,688
Total Liabilities and Shareholders' Equity			152,865,270,975.34	145,440,446
Endorsement liabilities on rediscounted bills of exchange			2,194,333,459.78	1,830,870
Contingent liabilities from guarantees, including guarantees for bills and cheques, and from indemnity agreements			17,104,187,134.19	16,240,695
Commitments under repurchase agreements, not included in liabilities			58,200,000.00	—
Total Liabilities, together with contingent liabilities and other commitments shown below the line, include liabilities to affiliated companies in the amount of			12,871,793,169.06	8,815,861

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1991

Expenses	DM	DM	1990 DM1,000
Interest and similar expenses		8,669,296,218.78	8,304,516
Commissions and similar service charges paid		49,789,364.72	44,973
Write-downs of and adjustments to claims and securities, and additions to provisions for possible loan losses		644,500,037.00	—
Salaries and wages		1,713,516,412.15	1,574,817
Compulsory social security contributions		254,781,906.62	229,845
Expenses for pensions and other employee benefits		233,145,960.81	214,767
Other operating expenses		912,749,214.52	817,727
Depreciation on and adjustments to land and buildings, office furniture and equipment		224,786,714.23	193,570
Write-downs of and adjustments to investments (subsidiaries, associated companies, and trade investments)		1,643,138.45	5,040
Taxes			
a) on income and assets	441,811,086.76		385,634
b) other	7,525,628.57		9,322
		449,336,715.33	394,956
Charges for losses assumed under profit and loss transfer agreements		14,408,159.22	907,080
Other expenses		153,499,937.79	173,462
Net income for the year		447,454,378.00	436,836
	Total Expenses	13,768,908,157.62	13,297,589

	DM	1990 DM1,000
Net income for the year	447,454,378.00	436,836
Withdrawals from revenue reserves from reserve for the Bank's own shares	1,145,500.00	—
Allocation to revenue reserves		
b) to reserve for the Bank's own shares	—	1,145
d) to other revenue reserves	100,000,000.00	129,003
Distributable profit	100,000,000.00	130,148
	348,599,878.00	306,688

Income	DM	DM	1990 DM1,000
Interest and similar income from lending and money-market transactions		10,669,875,799.33	9,934,298
Current income from			
a) fixed-interest securities and Government-inscribed debt	899,764,272.55		766,857
b) other securities	112,130,781.97		87,244
c) investments (subsidiaries, associated companies, and trade investments)	285,610,250.19		277,904
		1,297,505,304.71	1,132,005
Commissions and other service charges received		1,256,896,556.28	1,279,230
Other income, including income from the writing back of provisions for possible loan losses		464,472,557.47	821,243
Income from profit-pooling and from partial or full profit-transfer agreements		49,310,768.18	26,444
Income from the writing back of provisions, unless it has to be shown under other income		30,847,171.65	24,335
Income from the writing back of special item with partial reserve character		—	80,034
	Total Income	13,768,908,157.62	13,297,589

Notes on the Parent Bank's Annual Accounts

Changes in book value of fixed assets and investments

	Invest- ments*)	(incl.: in banks)	Land and buildings	Office fur- niture and equipment	(incl.: intangible assets)
	in DM m	in DM m	in DM m	in DM m	in DM m
Book value as of Jan. 1, 1991	3,587.1	1,668.7	764.3	781.5	6.4
Additions	1,137.5	473.3	65.1	260.0	5.0
Write-ups	49.8	49.8	–	–	–
Disposals	406.5	270.0	4.0	5.8	–
Write-downs/ depreciation	1.6	–	19.9	204.3	3.0
Book value as of Dec. 31, 1991	4,366.3	1,921.8	805.5	831.4	8.4

*) subsidiaries, associated companies, and trade investments.

In respect of companies included in the consolidated annual accounts, Commerzbank AG, in proportion to its equity share, ensures that – except with regard to political risks – they are able to meet their liabilities.

Both the additions to and the depreciation on office furniture and equipment include minor-value items bought in 1991 worth DM16.4m.

The Bank's own shares

In order to offer shares for subscription to our staff, the Bank's share capital in the year under review was increased by DM4,441,300 nominal through the issue of DM50 nominal shares at a price of DM265.50 each. In addition, we purchased 2,352 of our own shares at an average price of DM253.10 per DM50 nominal share. We sold altogether 91,178 of our own shares to employees of the Bank and its subsidiaries at a preferential price of DM160 per DM50 nominal share.

Of the difference between the subscription price and the cost to the Bank shown under personnel costs, DM8.8m was borne by the Parent Bank and DM0.8m by other Group companies.

As part of our securities transactions subject to disclosure in this Report which serve to ensure orderly market conditions for trading in our own shares, in accordance with Section 71 (1) 1 of the German Stock Corporation Act (AktG),

2,375,781 Commerzbank shares of DM50 nominal each were bought and sold again by us,

and

8,283 Commerzbank shares of DM50 nominal each were bought and 7,283 Commerzbank shares sold again by companies controlled or majority-owned by the Bank. All transactions were effected at market price at various times during the year. The weighted average buying price of these shares for the Group was DM247.75; they were sold at an average resale price of DM249.42, computed in the same way.

At end-1991, 1,000 Commerzbank shares or a nominal DM50,000, representing less than 0.01% of the Bank's share capital, were in our pos-

session, for which we formed a reserve item equalling their book value of DM247,500, in accordance with Section 272 (4) of the German Commercial Code (HGB).

The proceeds from these transactions were reallocated to working funds. The highest number of Commerzbank shares in our possession on one specific day in 1991 was 112,114 – of a total nominal value of DM5,605,700 – representing 0.44% of our share capital at that date.

At end-1991, collateral furnished by borrowers as security included:

304,069 Commerzbank shares of DM50 nominal each, pledged to us, and

21,978 Commerzbank shares of DM50 nominal each, pledged to companies controlled or majority-owned by the Bank.

The total pledged represented 1.3% of the Bank's share capital.

Capital and reserves

Profit-sharing certificates outstanding

At end-1991, the volume of profit-sharing certificates outstanding totalled DM1,424.1m. This includes our 1985 issue in an unchanged amount of DM425.0m. The profit-sharing certificates are bearer paper, issued as follows:

50,000 certificates of DM100 nominal,
40,000 certificates of DM1,000 nominal,
38,000 certificates of DM10,000 nominal.

The holders of profit-sharing certificates will be served before Commerzbank shareholders from the Bank's distributable profit, receiving an annual payment which is computed as follows:

- a payment of 8.25% of the face value of the profit-sharing certificates
- plus an additional amount corresponding to 0.25% of the face value of the profit-sharing certificates for each DM0.50 of dividend paid on the Bank's DM50 nominal shares over and above an amount of DM6.

If the distributable profit is not large enough for the basic payment to be made, the distribution will be scaled down accordingly. The Bank is under no obligation to make back payments.

Payment in respect of the preceding business year falls due on the first normal banking day after the Commerzbank AGM at which the accounts for the previous business year were presented and a resolution was passed with regard to the appropriation of the distributable profit. The holders of the convertible profit-sharing certificates participate directly in current losses (loss for the year) in that their claims to repayment are reduced according to the ratio between such claims and the Bank's equity capital – including profit-sharing certificates outstanding – as shown in the balance sheet. The life of these profit-sharing certificates is to end with the close of the 1995 financial year.

Using the authorization given by the AGM of May 26, 1988, the Bank issued profit-sharing certificates on November 1, 1990 in accordance with Section 10 (5) of the German Banking Act (KWG) in an aggregate nominal amount of DM500.0m combined with conversion rights for Commerzbank shares (convertible profit-sharing certificates).

The convertible profit-sharing certificates are bearer paper and were originally issued as follows:

60,000 certificates of DM200 nominal
 60,000 certificates of DM1,000 nominal
 42,800 certificates of DM10,000 nominal.

The holders of the convertible profit-sharing certificates receive a payment from the Bank's distributable profit which is computed as follows:

Each DM200 of convertible profit-sharing certificates entitles the holder to receive a payment corresponding to 1.4 times the dividend paid on a DM50 nominal Commerzbank share and at least 6% of the nominal value of the certificates. The minimum payment will take priority over serving shareholders from the Bank's distributable profit. If the latter is not large enough for this minimum payment to be made, the distribution will be scaled down. The differing claims to such a minimum payment on the part of the holders of these certificates and of those issued previously will then be reflected in the reduced payment made to either group. This also applies as regards any profit-sharing certificates to be issued in the future, insofar as their conditions contain a corresponding stipulation. The Bank is under no obligation to make back payments.

Payment in respect of the preceding business year falls due on the first normal banking day after the Commerzbank AGM at which the accounts for the previous business year were presented and a resolution was passed with regard to the appropriation of the distributable profit. If the conversion right is exercised in accordance with section 3 of the terms and conditions, the holder is entitled to an interest payment up to the end of the year prior to conversion.

The holders of convertible profit-sharing certificates have the irrevocable right to exchange their certificates on a one-for-four basis for Commerzbank shares. Each DM200 nominal profit-sharing certificate may be swapped for one DM50 nominal Commerzbank share upon payment of an additional DM50. This corresponds to a conversion price of DM250 for a DM50 nominal share. On principle, the conversion right may be exercised annually from 1991 to 1998, between June 15 and December 15. The convertible profit-sharing certificates will expire at the end of the 2000 business year. The holders of the convertible profit-sharing certificates participate directly in current losses (loss for the year) in that their claims to repayment are reduced according to the ratio between such claims and the Bank's equity capital – including profit-sharing certificates outstanding – as shown in the balance sheet.

In 1991, holders of profit-sharing certificates converted DM891,600 of such certificates into 4,458 Commerzbank shares in accordance with the conditions relating to profit-sharing certificates.

Using the authorization given by the AGM of May 29, 1991, the Bank issued profit-sharing certificates on October 1, 1991 in accordance with

Section 10 (5) of the German Banking Act (KWG) in an aggregate nominal amount of DM500.0m combined with option rights to subscribe to Commerzbank shares (profit-sharing certificates with option rights). The profit-sharing certificates with option rights are bearer paper, issued as follows:

50,000 certificates of DM1,000 nominal
45,000 certificates of DM10,000 nominal.

The holders of profit-sharing certificates will be served before Commerzbank shareholders from the Bank's distributable profit, receiving an annual payment of 9.5% of the face value of the profit-sharing certificates. If the distributable profit is not large enough for the payment to be made, the distribution will be scaled down. The differing claims to such a minimum payment on the part of the holders of these certificates and of those issued previously will then be reflected in the reduced payment made to either group. This also applies as regards any profit-sharing certificates to be issued in the future, insofar as their conditions contain a corresponding stipulation. The Bank is under no obligation to make back payments.

Payment in respect of the preceding business year falls due on June 30 of the following year. The profit-sharing certificates rank for payment as of October 1, 1991, i.e. for a quarter of the 1991 business year. These profit-sharing certificates will expire at the end of the 2003 financial year. The holders of the profit-sharing certificates participate directly in current losses (loss for the year) in that their claims to repayment are reduced according to the ratio between such claims and the Bank's equity capital – including profit-sharing certificates outstanding – as shown in the balance sheet.

Each profit-sharing certificate with a face value of DM1,000 was issued with two bearer warrants attached, entitling the holder to subscribe to one and two – in all, therefore, three – Commerzbank DM50 nominal bearer shares in accordance with the option terms. Each profit-sharing certificate with a face value of DM10,000 was issued with a warrant attached, entitling the holder to subscribe to 30 Commerzbank DM50 nominal bearer shares. As from October 1, 1991, the warrants could be detached from the profit-sharing certificates and assigned individually; in the case of such detachment, all the warrants have to be detached from the profit-sharing certificate in question. The option-based subscription price for a DM50 nominal share is DM280.

In accordance with Section 272 (2) 2 of the German Commercial Code (HGB), we have allocated the equivalent of the option rights, DM46.5m, to the Bank's capital reserve. This amount results from the difference between the yield of the profit-sharing certificates with option rights and a notional comparable yield of a profit-sharing certificate issued without an option right but otherwise identical terms. In accordance with Section 250 (3) of the German Commercial Code, we have shown the difference under "Deferred items" on the assets side of the balance sheet.

Share capital

At end-1990, the share capital (subscribed capital) amounted to DM1,286.5m; the following changes occurred in 1991:

Using an authorization by the Annual General Meeting of May 18, 1990 to increase its capital by DM30.0m in order to issue shares to the

staff, the Bank, with the agreement of the Supervisory Board, augmented its share capital in June 1991 by 88,826 DM50 nominal shares at a price of DM265.50 each.

By end-1991, holders of the convertible profit-sharing certificates issued by the Bank in 1990 had converted DM891,600 of this issue upon payment of an additional DM50 per share in accordance with the issuing conditions of these certificates into 4,458 shares.

On December 31, 1991, Commerzbank's share capital amounted to DM1,291,123,950; it was issued in the form of bearer shares as follows:

193,000 shares of DM1,000 nominal,
320,000 shares of DM100 nominal, and
21,322,479 shares of DM50 nominal.

Authorized capital increases

At the balance sheet date, authorizations still existed to increase the Bank's share capital by DM361.8m on the basis of the following AGM resolutions:

May 22, 1987: DM200,000,000; to be issued by April 30, 1992. As a matter of principle, shareholders are to be offered subscription rights. These may only be excluded in the case of fractional amounts of shares resulting from the subscription ratio and in order to provide holders of warrants with such subscription rights.

May 18, 1990: a remaining amount of DM140,000,000; to be issued by April 30, 1995. The subscription rights of shareholders may be excluded in order to enable the Bank to introduce its shares on foreign stock exchanges and to acquire interests in other companies – among other things, through the issue of shares. Insofar as the authorized capital increase is used to offer shares for subscription to our shareholders, their subscription rights may only be excluded for fractional amounts and in order to offer such rights to the holders of option and conversion rights.

May 18, 1990: a remaining amount of DM21,786,400; to be issued by April 30, 1995. This conditional capital increase is earmarked for making shares available to the Bank's employees.

Conditionally authorized capital increases

Shown in the balance sheet is an aggregate amount of DM544.8m conditionally authorized for increases of the Bank's share capital; it breaks down as follows:

DM50,000,000 of Commerzbank shares, to be issued by April 30, 1993, for which conversion or option rights can be granted if convertible bonds or bonds with warrants attached are issued by Commerzbank or one of its subsidiaries abroad.

DM124,777,100 of Commerzbank shares in order to serve the subscription rights of the holders of the DM500m of 1990/2000 convertible profit-sharing certificates.

DM96,000,000 of Commerzbank shares, to be issued by April 30, 1993, for which option rights can be granted if foreign subsidiaries of the Bank issue bonds with warrants attached.

A remaining DM24,000,000 of Commerzbank shares, which, after the exercising or expiry of the option rights on DM44m shares, are reserved for the holders of the warrants attaching to the DM170m bond issue by Commerzbank Overseas Finance N.V., Curaçao.

DM100,000,000 of Commerzbank shares, to be issued by April 30, 1995, for which option rights can be granted if bonds with warrants attached are issued by foreign subsidiaries of the Bank.

DM75,000,000 of Commerzbank shares, in order to serve the option rights of the holders of the warrants attached to the DM500m of 1991/2003 profit-sharing certificates with option rights.

DM75,000,000 of Commerzbank shares, for which no authorization exists for serving further option or conversion rights, after the issue of the DM500m of 1991/2003 profit-sharing certificates with option rights.

At end-1991, the following bond with warrants was outstanding:

7⁵/₈% DM60,000,000 bond with warrants issued by Commerzbank Overseas Finance N.V. in 1989; each DM5,000 tranche bears option rights entitling the holder to subscribe to a total of 40 DM50 nominal Commerzbank shares at an option price of DM304.40 each. The option period ends on October 14, 1994.

Reserves

During the year under review, a total amount of DM70.1m was added to the capital reserve. This was made up of the following individual amounts:

- DM46,488,824.46 premium from the issue of profit-sharing certificates with option rights.
- DM3,555,717.80 proceeds realized through the sale of fractional amounts in connection with the issue of profit-sharing certificates with option rights.
- DM19,142,003.00 premium from the capital increase in order to offer shares for subscription to our staff.
- DM891,600.00 premium from the capital increase deriving from the exercising of 1990 convertible profit-sharing rights of Commerzbank Aktiengesellschaft.

In 1991, we wrote back the reserve for the Bank's own shares of DM1,145,500. From the net income achieved in the past financial year, we transferred DM100,000,000 to other revenue reserves.

Including these additions to reserves, the Bank's equity capital at end-1991 was made up as follows:

in DM m	1991	1990
Profit-sharing certificates outstanding	1,424.108	925.000
Subscribed capital	1,291.124	1,286.460
Capital reserve	2,786.281	2,716.203
Revenue reserves		
a) legal reserve	6.000	6.000
b) reserve for Bank's own shares	-	1.145
c) other revenue reserves	1,378.003	1,278.003
Total	6,885.516	6,212.811

Contingent liabilities not revealed in balance sheet

Commitments for uncalled payments on shares in stock corporations (AG) and in private limited liability companies (GmbH) issued but not fully paid amounted to DM26.5m, while similar liabilities for shares in cooperatives were DM0.5m. In addition, the Bank has liabilities under Section 24 of the German Private Limited Liability Companies Act (GmbHG).

In respect of its holding in Liquiditäts-Konsortialbank GmbH, Frankfurt am Main, the "lifeboat" institution of the German banking industry, the Bank is responsible for the payment of assessments of up to DM33.9m. Moreover, the Bank has a contingent liability on a proportional basis for meeting the assessments payable by those shareholders who are member banks of Bundesverband deutscher Banken e.V. (Federation of German Banks).

Under Section 5 (10) of the statutes of the German banks' Deposit Insurance Fund, the Bank undertook to relieve the Federation of German Banks of any losses it might incur in respect of actions taken for the benefit of domestic banks in which Commerzbank holds a majority interest.

At end-1991, DM3.1bn of our securities holdings were pledged as collateral in short-term fund-raising operations, primarily under repurchase agreements with the Deutsche Bundesbank.

The Bank's foreign operations make it necessary under the laws of and the practices followed in certain countries to furnish government bodies with security; this meant that a further DM3.4bn of the Bank's assets were tied by liens held.

The Boards of the Parent Bank

Supervisory Board

Dr. Walter Seipp Chairman <i>since May 29, 1991</i>	Dr. Hans-Jürgen Knauer Peter Kretschmer Dr. Heinz Kriwet <i>since May 29, 1991</i>
Hans-Georg Jurkat Deputy Chairman	Dr. Torsten Locher Gabi Locher-Töpel
Herbert Bayer Reinhold Borchert Erhard Bouillon Hugo Eberhard Professor Dr. Herbert Grünewald Dr. Carl H. Hahn Gerald Herrmann Götz Knappertsbusch	Horst Sauer Dr. Raban Freiherr von Spiegel (Chairman <i>until May 29, 1991</i>) Hans-Georg Stritter Dr.-Ing. Hanns Arnt Vogels <i>until May 29, 1991</i> Heinrich Weiss Wolfgang Ziemann

Board of Managing Directors

Walter Seipp Chairman <i>until May 29, 1991</i>	Jürgen Reimnitz
Martin Kohlhaussen (Chairman <i>since May 29, 1991</i>)	Kurt Richolt
Erich Coenen	Axel Freiherr von Ruedorffer
Dietrich-Kurt Frowein	Jürgen Terrahe
Peter Gloystein	Deputy Members:
Kurt Hochheuser	Jürgen Lemmer <i>since May 1, 1991</i>
Klaus Müller-Gebel	Klaus-Peter Müller

Remuneration of Board and Council members

For 1991, the remuneration paid to the Bank's Managing Directors amounted to DM11,023,081.74. Retired Managing Directors or their surviving dependents received altogether DM6,596,004.85. Payments to members of the Supervisory Board totalled DM1,603,296, and those to members of the Central Advisory Board DM490,428. Members of the Regional Advisory Committees were paid DM1,256,220.

At end-1991, provisions for pensions for retired Managing Directors and their surviving dependents totalled DM54,727,860; this amount fully covers our pension commitments towards this group.

Average number of staff employed by Parent Bank during respective year

Full-time figures*)	1991			1990		
	total	male	female	total	male	female
in Germany	21,856	11,189	10,667	21,133	11,123	10,010
abroad	965	530	435	982	525	457
	22,821	11,719	11,102	22,115	11,648	10,467

*) including the part-time workers listed below, at a rate of 58% of the standard working time that corresponds to the average time actually worked by them during the year.

Persons on part-time	1991			1990		
	total	male	female	total	male	female
in Germany	2,452	99	2,353	2,053	109	1,944
abroad	20	–	20	13	–	13
	2,472	99	2,373	2,066	109	1,957

Not included in the full-time figures as shown above are the apprentices trained by us on average during both years:

Apprentices	1991			1990		
	total	male	female	total	male	female
	1,800	879	921	1,883	945	938

**Holdings in affiliated and other companies
(pursuant to Section 285 (11) of the German Commercial Code – HGB)**

Affiliated companies (pursuant to Section 271 (2) of the German Commercial Code – HGB)

Name of company	Domicile	Share of capital held by Commerzbank in %		Equity capital in 1,000 of stated currency	Result in 1,000
Companies included in the consolidation					
RHEINHYP Rheinische Hypothekbank Aktiengesellschaft	Frankfurt am Main	97.2	DM	1,219,374	127,350
Berliner Commerzbank Aktiengesellschaft	Berlin	100.0	DM	547,950	72,900
Commerz-Credit-Bank Aktiengesellschaft Europartner	Saarbrücken	65.0	DM	55,960	1,755
von der Heydt-Kersten & Söhne	Wuppertal-Elberfeld	100.0	DM	10,000	1,937
C. Portmann	Frankfurt am Main	100.0	DM	1,500	102
Commerzbank International S.A.**)	Luxembourg	100.0	DM	1,028,400	–
Commerzbank (Nederland) N.V.	Amsterdam	100.0	Dfl	108,471	5,313
Commerzbank (South East Asia) Ltd.	Singapore	100.0	S\$	85,028	2,506
Commerzbank (Switzerland) Ltd	Zurich	100.0	Sfr	68,550	2,927
Commerzbank Capital Markets Corporation	New York	100.0	US\$	20,016	2,617
CB Finance Company B.V.	Amsterdam	100.0	Dfl	17,607	11,861
Commerzbank Overseas Finance N.V.***)	Curaçao	100.0	DM	13,668	11,354
Commerzbank U.S. Finance, Inc.	Wilmington/Delaware	100.0	US\$	86	44
Atlas-Vermögensverwaltungs-Gesellschaft m.b.H.	Düsseldorf	100.0	DM	184	45,831*
Aussenhandel-Förderungsgesellschaft mbH	Düsseldorf	100.0	DM	102	1
Berliner Commerz Beteiligungsgesellschaft mbH****)	Berlin	100.0	DM	2,000	4,174*
Berliner Commerz Grundstücks- und Verwaltungsgesellschaft mbH****)	Berlin	100.0	DM	500	826*
Blue Jay Investments Ltd.***)	Dublin	100.0	DM	143,818	136
Casia Grundstücks-Vermietungs- und Verwaltungsgesellschaft mbH****)	Düsseldorf	97.2	DM	52	1
CB Clearing, Inc.	Wilmington/Delaware	62.5	US\$	200	– 169
CICM (Ireland) Ltd.***)	Dublin	75.0	DM	1,591	4,724
Colymbus Investments Ltd.***)	Dublin	65.0	DM	27,244	1,750
Commerzbank Investment Management GmbH	Frankfurt am Main	100.0	DM	7,200	600
Commerz Beteiligungsgesellschaft mbH	Bad Homburg v. d. H.	100.0	DM	5,014	4,013
Commerz Finanz-Management Gesellschaft für Finanzplanung und Vermögensverwaltung mbH	Frankfurt am Main	96.0	DM	606	406
Commerz Immobilien GmbH	Frankfurt am Main	100.0	DM	3,025	3,151*
Commerz International Capital Management Gesellschaft mbH	Frankfurt am Main	100.0	DM	10,779	28
Commerz- und Industrie-Leasing GmbH	Frankfurt am Main	100.0	DM	10,200	– 14,009'
Commerz- und Industrie-Leasing Berlin GmbH****)	Berlin	100.0	DM	550	179'
GERAP Grundbesitz- und Verwaltungsgesellschaft mbH	Frankfurt am Main	95.0	DM	28	86'
Hamburgische Grundstücks Gesellschaft m.b.H.	Hamburg	100.0	DM	147	4
Immobiliengesellschaft Nord Hägle & Co. KG**)	Frankfurt am Main	100.0	DM	100	16
Immobiliengesellschaft Süd Hägle & Co. KG**)	Frankfurt am Main	100.0	DM	100	–3
Immobiliengesellschaft Ost Hägle & Co. KG**)	Frankfurt am Main	100.0	DM	100	6
Immobiliengesellschaft West Hägle & Co. KG**)	Frankfurt am Main	100.0	DM	100	8
Immobiliengesellschaft Mitte Hägle & Co. KG**)	Frankfurt am Main	100.0	DM	100	6

Affiliated companies (pursuant to Section 271 (2) of the German Commercial Code – HGB)

Name of company	Domicile	Share of capital held by Commerzbank in %		Equity capital in 1,000 of stated currency	Result in 1,000
L.I.A. Leasinggesellschaft für Immobilien und Anlagegüter mbH**)	Frankfurt am Main	100.0	DM	1,510	239*)
Norddeutsche Immobilien- und Verwaltungs-GmbH	Hamburg	100.0	DM	50	0*)
PMC Personal Management Consult GmbH	Frankfurt am Main	100.0	DM	500	-399*)
Strix Investments Ltd.***)	Dublin	97.2	DM	108,103	8,103
Westboden Bau- und Verwaltungsgesellschaft mbH***)	Frankfurt am Main	97.2	DM	202	92

Companies not included in the consolidation

CB German Index Management Company S.A.***)	Luxembourg	100.0	lfr	6,269	457 ³⁾
CGY Reifenhandel GmbH***)	Cologne	66.7	DM	97	-3 ⁴⁾
CICM Fund Management Ltd.***)	Dublin	75.0	DM	550	-
Daub Backofenbau GmbH***)	Hamburg	75.2	DM	69	7 ³⁾
Franz Daub u. Söhne (GmbH u. Co.)***)	Hamburg	75.1	DM	1,183	705 ³⁾
Handelsgest S.A.R.L.**)	Luxembourg	100.0	DM	11,906	496 ³⁾
Indugest S.A.R.L.**)	Luxembourg	100.0	DM	27,997	2,359 ³⁾
Kommanditgesellschaft TRAVE Cruise I Schiffahrtsgesellschaft mbH & Co.***)	Hamburg	69.0	DM	30	-
Kommanditgesellschaft TRAVE Cruise II Schiffahrtsgesellschaft mbH & Co.***)	Hamburg	69.0	DM	30	-
LTP Schiffsbeteiligungs GmbH***)	Hamburg	69.0	DM	45	-5
Neuma Vermögensverwaltungsgesellschaft mbH	Frankfurt am Main	69.0	DM	50	2
Schaltbau Gesellschaft mbH	Munich	99.5	DM	36,293	12,470
Schunk GmbH***)	Heuchelheim	51.0	DM	51	-136 ³⁾ *)
TRAVE Cruise I Schiffahrtsgesellschaft mbH	Hamburg	69.0	DM	73	2
TRAVE Cruise II Schiffahrtsgesellschaft mbH	Hamburg	69.0	DM	50	0
UNIT Beteiligungsgesellschaft mbH***)	Frankfurt am Main	69.0	DM	49	-1

Further holdings in German financial institutions

Name of company	Domicile	Share of capital held by Commerzbank in %		Equity capital in 1,000 of stated currency	Result in 1,000
ADIG Allgemeine Deutsche Investment-Gesellschaft mbH**)	Munich/ Frankfurt am Main	37.1	DM	82,704	17,508
Deutsche Grundbesitz-Investmentgesellschaft mbH	Frankfurt am Main	30.0	DM	25,670	2,654
Deutsche Schiffsbank Aktiengesellschaft	Bremen/Hamburg	40.0	DM	164,480	19,480
Leonberger Bausparkasse Aktiengesellschaft	Leonberg	39.9	DM	310,078	16,374 ³⁾

Further holdings in other German companies

Name of company	Domicile	Share of capital held by Commerzbank in %		Equity capital in 1,000 of stated currency	Result in 1,000
Almüco Vermögensverwaltungsgesellschaft mbH – has holding of at least 20% in Francommerz Vermögensverwaltungs- gesellschaft mbH, Frankfurt am Main, and Heidelberger Druckmaschinen AG, Heidelberg –	Munich	25.0	DM	163,150	13,902 ³⁾
ALSTER Beteiligungsgesellschaft mbH & Co. KG	Frankfurt am Main	20.0		-	-
AV America Grundbesitzverwaltungsgesellschaft mbH	Frankfurt am Main	25.0	DM	120	20 ³⁾

Further holdings in other German companies

Name of company	Domicile	Share of capital held by Commerzbank in %		Equity capital in 1,000 of stated currency	Result in 1,000
Karl Baumgartner + Partner Consulting KG	Sindelfingen	35.1		–	–
CGT Canada Grundbesitz Treuhand GmbH	Frankfurt am Main	20.0	DM	103	0 ¹⁾
Codema International GmbH***)	Frankfurt am Main	50.0	DM	4,269	3,114 ³⁾
Commerzbank Aktiengesellschaft von 1870 ⁺)	Hamburg	37.9	RM	–	0
Commerz Unternehmensbeteiligungs-Aktiengesellschaft	Frankfurt am Main	50.0	DM	62,375	1,734
DBV Holding Aktiengesellschaft	Wiesbaden	48.3	DM	728,291	12,753 ³⁾
Deutsche Canada-Grundbesitz-verwaltungsgesellschaft mbH	Frankfurt am Main	20.0	DM	129	8 ²⁾
Deutsche Gesellschaft für Anlageverwaltung mbH – has holding of at least 20% in Horten AG, Düsseldorf –	Frankfurt am Main	25.0	DM	195,786	3,817 ³⁾
Deutsche Gesellschaft für Immobilienanlagen „America“ mbH	Bad Homburg v. d. H.	25.0	DM	504	20 ³⁾
Deutsche Grundbesitz-Anlagegesellschaft mbH	Frankfurt am Main	30.0	DM	3,469	96
Deutsche Immobilien Leasing GmbH	Düsseldorf	50.0	DM	36,252	10,009 ³⁾
DSD Dillinger Stahlbau GmbH***)	Saarlouis	30.0	DM	133,000	4,555
Eisen-Rieg Aktiengesellschaft***)	Darmstadt	23.8	DM	7,833	26 ³⁾
Frega Vermögensverwaltungsgesellschaft mbH	Frankfurt am Main	40.0	DM	203,925	5,174
GADES Grundstücks-Vermietungsgesellschaft mbH & Co. KG	Düsseldorf	49.0		–	–
Gesellschaft für Kreditsicherung mbH	Cologne	26.7	DM	431	131 ³⁾
GKN Deutschland GmbH***)	Siegburg	24.9	DM	204,725	10,388 ³⁾
Hostra Beteiligungsgesellschaft mbH – has holding of at least 20% in IKB Deutsche Industriebank AG, Düsseldorf/Berlin –	Düsseldorf	33.3	DM	259,167	13,823
Karstadt Aktiengesellschaft	Essen	25.0	DM	1,647,800	172,800 ³⁾
Kautex-Bayern GmbH, Kunststoffwerk***)	Mallersdorf	40.0	DM	3,243	1,083 ¹⁾
Kautex Werke Reinold Hagen AG***)	Bonn	40.0	DM	50,080	662 [*]
KVH Kreditverwaltungsgesellschaft Hamburg mbH	Halstenbek	40.0	DM	2,709	2,596 ³⁾
Lincas Electro Vertriebs-Gesellschaft mbH***)	Hamburg	25.0	DM	8,220	405 ³⁾
MIPA Müller Verwaltungs-GmbH**)	Düsseldorf	31.3	DM	5,471	355 ³⁾
Partner Immobiliendienst GmbH***)	Wiesbaden	24.0	DM	5,965	89 ³⁾
Regina Verwaltungsgesellschaft mbH – has holding of at least 20% in MAN AG, Munich –	Munich	25.0	DM	697,608	68,723 ³⁾
Stella Automobil-Beteiligungsgesellschaft mbH – has holding of at least 20% in Mercedes Aktiengesellschaft Holding, Frankfurt am Main –	Munich	25.0	DM	647,696	342
The World Markets Company GmbH ^{o)})	Frankfurt am Main	25.2	DM	50	–
Vermietungsgesellschaft SÜD für SEL-Kommunikationsanlagen mbH	Stuttgart	50.0	DM	3,445	345 ³⁾
Willi Vogel Beteiligungsgesellschaft mbH***)	Berlin	22.5	DM	63,497	13,490 ³⁾
Hans Wiebe Textil Aktiengesellschaft***)	Berlin	20.9	DM	45,219	2,909 ³⁾
Wirtschaftspartner Beteiligungsgesellschaft mbH**)	Berlin	20.9	DM	37,028	3,390

Further holdings in foreign financial institutions and in other companies abroad

Name of company	Domicile	Share of capital held by Commerzbank in %		Equity capital in 1,000 of stated currency	Result in 1,000
ADIG-Investment Luxemburg S.A.	Luxembourg	37.5	DM	28,045	11,605 ³⁾
Commerz Securities (Japan) Company Ltd.	Hong Kong/Tokyo	50.0	DM	33,513	–7,398

Further holdings in foreign financial institutions and in other companies abroad

Name of company	Domicile	Share of capital held by Commerzbank in %		Equity capital in 1,000 of stated currency	Result in 1,000
Hispano Commerzbank (Gibraltar) Ltd. °)	Gibraltar	49.9	£	5,000	–
Internationale Leasing-Gesellschaft S.A.***)	Luxembourg	50.0	Lfr	15,397	– 194 ³⁾
Korea International Merchant Bank	Seoul	20.9	won	75,472,132	8,210,017
UBAE Arab German Bank S.A.	Luxembourg/ Frankfurt am Main	25.1	DM	55,000	0 ³⁾
Commerz Obligatie Fonds IV N.V.***)	Amsterdam	49.9	Dfl	209,448	9,294 ³⁾
Europartners Holding S.A.**)	Luxembourg	33.3	Lfr	59,009	7,591 ³⁾
Kaufhof Tourism Holdings B.V.***)	Amsterdam	37.5	Dfl	92,503	3,211 ²⁾
Reifenhauser-Van Dorn Co.***)	Danvers	35.5	US\$	2,191	474

*) result before transfer of profit or loss;

***) held in part indirectly;

***) held wholly indirectly;

+) in liquidation.

¹⁾ latest available annual statement as of Sept. 30, 1990;

²⁾ latest available annual statement as of Oct. 31, 1990;

³⁾ latest available annual statement as of Dec. 31, 1990;

⁴⁾ latest available annual statement as of Dec. 31, 1989.

°) founded in 1991.

Unless otherwise indicated, 1991 figures are used.

The Board of Managing Directors

Frankfurt am Main, March 10, 1992



Auditors' Certificate

The accounting and the annual financial statements, which we have audited in accordance with professional standards, comply with the German legal provisions. With due regard to the generally accepted accounting principles, the annual financial statements give a true and fair view of the company's assets, liabilities, financial position and profit or loss. The management report is consistent with the annual financial statements.

Frankfurt am Main, March 11, 1992

TREUARBEIT
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Windmüller
Wirtschaftsprüfer
(German public accountant)

Patt
Wirtschaftsprüfer
(German public accountant)

Report of the Supervisory Board

In 1991, the Supervisory Board carried out its duties under the law and the Bank's statutes, supervising the conduct of the Bank's affairs. The Chairman as well as other members of the Supervisory Board assisted the Board of Managing Directors in an advisory capacity.

The Supervisory Board fulfilled its duties both in full session and through its committees. Full-session meetings were primarily devoted to discussing basic questions of business policy, the Bank's progress in eastern Germany, as well as its balance sheet and earnings performance. The Presiding Committee of the Supervisory Board received regular reports on the progress of the Bank's business, taking up items of significance with the Board of Managing Directors. The Loans Committee dealt with all lending commitments for which their approval is required by law and by the Bank's statutes, as well as those involving an enhanced degree of risk. The Social Welfare Committee concentrated on key issues concerning the employees.

The Parent Bank's Annual Accounts, Financial Statement, and Legally Prescribed Report, together with the books of account for the period from January 1 to December 31, 1991, have been examined by the auditors, Treuarbeit Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Berlin/Frankfurt am Main, and certified without qualification. The Supervisory Board has signified its agreement with the results of the audit. It has examined the Bank's Annual Accounts, Financial Statement, and Legally Prescribed Report, and the proposal of the Board of Managing Directors as to the appropriation of the distributable profit, and has found no cause for objection.

The Supervisory Board has approved the Annual Accounts and the Financial Statement presented by the Board of Managing Directors which accordingly may be regarded as adopted. It concurs with the latter's proposal as to the profit appropriation.

It has also reviewed the Consolidated Accounts, Financial Statement and Report, and the report of the Group's auditors which carries their unqualified, legally prescribed certification.

At the end of our 1991 AGM, Dr.-Ing. Hanns Arnt Vogels resigned from the Supervisory Board. We wish to thank him for his assistance over a period of more than ten years. As reported last year, Dr. Uwe Haasen ceased to be a member of our Supervisory Board at the end of 1990.

For the remaining term of office of the two former members, the AGM elected Dr. Heinz Kriwet and Dr. Walter Seipp to the Supervisory Board on May 29, 1991. Subsequently, the Supervisory Board elected Dr. Seipp to be its Chairman. For three years prior to that, Dr. Raban Freiherr von Spiegel had been its Chairman. We should like to express our gratitude to him for serving in this capacity on the Board, of which he remains a member.

Frankfurt am Main, April 6, 1992

The Supervisory Board



Chairman

While business volume expanded by 7.0% on average, the partial operating result of the Commerzbank Group achieved a much stronger growth rate of 29.8% during the year under review. The full operating result, climbing by 33.5%, even exceeded the development for the partial operating result, as the earnings on own-account transactions involving securities, foreign exchange and financial innovations were much higher than in the preceding year. The large operating income enabled us to make another substantial increase in the cover for risks relating to problem countries. To the extent deemed necessary, we have made write-downs on securities which were not included among the Bank's fixed assets in the previous year, applying the lower-of-cost-or-market principle. Compared with 1990, a larger amount had to be added to reserves for possible losses on specific doubtful credits. The income realized by the Parent Bank through the transfer of our interest in Banco Hispano Americano S.A., Madrid, to our Luxembourg subsidiary, Commerzbank International S.A., Luxembourg (see page 43 of this Report) was eliminated in the Group's annual accounts. At DM547m, the consolidated net income for the year, left after taxes on income, almost equalled the previous year's figure of DM557m. From the Group's operating income, as well as from the proposed allocations to reserves by the AGMs of Group companies, a total of DM235m will be allocated to its revenue reserves, as against DM220m in the previous year.

Notes on the Consolidated Annual Accounts

The Group ended 1991 with a balance sheet total of DM226.7bn and a business volume – including endorsement liabilities on rediscounted bills – of DM229.0bn. This represents respective growth figures of DM10.7bn and DM11.1bn, or of 5% in either case. Berliner Commerzbank AG contributed to the rise in the Group's business volume with expansion of 19%, Commerzbank International S.A., Luxembourg, 8%, and the Parent Bank – Commerzbank AG – and RHEINHYP Rheinische Hypothekbank AG 5% each.

The Group's more broadly defined business volume, which also comprises contingent liabilities from guarantees – including those for bills and cheques – and from indemnity agreements, was up by DM12.8bn, or 5%, to DM247.9bn.

Companies affiliated to Commerzbank Aktiengesellschaft in accordance with Section 15 of the German Stock Corporation Act (AktG) are listed in a table included in the Notes on the Parent Bank's Annual Accounts. The list of companies included in the consolidation was extended in 1991 to cover the following that were founded or acquired in the year under review:

Commerz Finanz-Management Gesellschaft für Finanzplanung und Vermögensverwaltung mbH, Frankfurt am Main,
PMC Personal Management Consult GmbH, Frankfurt am Main, and
CB Clearing Incorporation, Wilmington/Delaware.

On pages 84 to 89 of this Report – i.e. following the consolidated profit and loss statement – we report on the business objectives, the performance and the capital resources of our major subsidiaries, namely:

RHEINHYP Rheinische Hypothekenbank AG, Frankfurt am Main,
Berliner Commerzbank AG, Berlin,
Commerzbank International S.A., Luxembourg,
Commerzbank (South East Asia) Ltd., Singapore,
Commerzbank (Nederland) N.V., Amsterdam,
Commerzbank (Switzerland) Ltd, Zurich.

Given the weight that the above companies have within the Group, these short reports have been supplemented by abridged versions of their balance sheets and their profit and loss accounts.

On the other companies included in the consolidation, we report as follows:

Commerz-Credit-Bank Aktiengesellschaft
Europartner, Saarbrücken,

closed the year under review with a 3.1% larger balance sheet total of DM1,515m. On account of the country risks to be provided for, no allocation was made to revenue reserves. The bank's liable equity now amounts to DM54m, with the share capital unchanged at DM14m. Shareholders will again receive a 14% dividend.

CB Finance Company B.V., Amsterdam, and
Commerzbank Overseas Finance N.V., Curaçao,

finance their lending by raising medium and long-term funds in the Euromarkets and in other foreign capital markets. At the closing date, these two companies had launched bonds and notes equivalent to altogether DM6.7bn, proceeds from which were deposited with the Parent Bank, Commerzbank International S.A. and Commerzbank (South East Asia) Ltd. By ceding to fiduciary trustees the claims arising to them from the funds passed on, the two financing companies provided the creditors of some of the issues with collateral. In the case of the other issues, the Parent Bank acted as guarantor. Fiduciary trustees were brought in to protect the rights of the creditors even for such issues as had guarantee cover.

Commerzbank U.S. Finance, Inc., Wilmington,

serves the Parent Bank as a funding arm in the US money markets and had, by end-1991, passed on to it the equivalent of DM4.9bn raised through the issue of commercial paper. The subsidiary's obligations are fully guaranteed by the Parent Bank.

The operations of the limited partnership

von der Heydt-Kersten & Söhne, Wuppertal-Elberfeld,

are technically fully integrated into the Commerzbank branch network, the managing partners of the bank retaining their decision-making powers.

C. Portmann, Frankfurt am Main,

is a bank confining its activities to the administration of its assets.

Commerz- und Industrie-Leasing GmbH, Frankfurt am Main, and
Commerz- und Industrie-Leasing Berlin GmbH, Berlin,

who are engaged in the leasing of moveable goods, both saw the volume of their business increase slightly in the year under review. The loss of DM14m incurred by the Frankfurt-based company was taken over by the Parent Bank. The loss is due to start-up costs typical for leasing business, in particular declining balance depreciation. Given linear leasing rates, earnings are thus postponed to some point in the future.

CIL, Berlin, transferred a profit of almost DM0.2m to its parent company, Berliner Commerzbank AG.

L.I.A. Leasinggesellschaft für Immobilien und
Anlagegüter mbH, Frankfurt am Main,

has no commercial activity as such. The property-holding companies it owns, together with GERAP Grundbesitz- und Verwaltungsgesellschaft mbH, Frankfurt am Main, are managed under fiduciary agreements by DIL Deutsche Immobilien Leasing GmbH, Düsseldorf, a company in which Commerzbank has a 50% interest.

Endowed with a share capital of US\$20m,

Commerzbank Capital Markets Corporation, New York,

is engaged in securities trading and investment banking operations, chiefly looking after non-American investors. In 1991, the company registered a profit of US\$2.6m, which led to a reduction in the loss carried forward.

Commerzbank Investment Management Gesellschaft mbH,
Frankfurt am Main,

acts as a management company for special-purpose investment funds. At the balance sheet date, their total number reached 180, with aggregate assets of DM10.1bn. The company is to pay a 10% dividend on its DM6m share capital.

Commerz Beteiligungsgesellschaft mbH, Bad Homburg v.d.H.,

and Berliner Commerz Beteiligungsgesellschaft mbH, maintained locally by our Berlin subsidiary, both acquire stakes in small and medium-sized companies. They thus provide these firms with the share capital needed to strengthen their equity base in order to raise turnover, carry out planned investments, and cope with the withdrawal of shareholders or partners, or prepare for a stock exchange introduction. In financial 1991, the Berlin company transferred a profit of DM4m to Berliner Commerzbank AG. Between the Parent Bank and Commerz Beteiligungsgesellschaft mbH, Bad Homburg v.d.H., a profit and loss transfer agreement was concluded in 1991, which still has to be approved by the Parent Bank's AGM. Last year, a profit of DM4m was achieved.

Commerz International Capital Management Gesellschaft mbH,
Frankfurt am Main,

looks after international institutional investors by providing asset management services. It produced a satisfactory result in the year under review.

CICM (Ireland) Ltd., Dublin,

launches and administers special-purpose investment funds under Irish law. In the year under review, it achieved a profit equivalent to DM5m. It looks after Blue Jay Investments Ltd., Strix Investments Ltd. and Colymbus Investments Ltd., all located in Dublin.

Blue Jay Investments Ltd. is a subsidiary of Berliner Commerzbank AG, and is endowed with a share capital of DM140m. Strix Investments Ltd. is a subsidiary of RHEINHYP Rheinische Hypothekenbank AG with a paid-in capital of DM100m. Colymbus Investments Ltd. is a subsidiary of Commerz-Credit-Bank AG Europartner; after an increase of DM7m in 1991, its capital now stands at DM27m. All the companies are responsible for investing the funds entrusted to them in securities and other interest-bearing assets. The results achieved were satisfactory.

The five Hägle & Co. KG real-estate companies, with the regional designations central, north, east, south and west contained in their German names, were set up at end-1990. Their business objective is to purchase and administer real estate which the Bank wishes to use. Recourse to these affiliated companies is intended to make administration of the Bank's real property holdings more efficient. By end-1991, land and buildings worth DM83m had been purchased.

Commerz Immobilien GmbH looks after Commerzbank's interests in the property market and, for this purpose, holds a stake in MIPA Müller-Verwaltungs-GmbH. With its capital unchanged at DM5m, the company achieved a profit of DM3m.

Commerz Finanz-Management Gesellschaft für Finanzplanung und Vermögensverwaltung mbH, Frankfurt am Main, acquired in April 1991, has a share capital of DM0.2m. The company's business objective is basically to help private clients plan their finances and to advise companies as regards financial planning and questions of remuneration.

The business objective of PMC Personal Management Consult GmbH, established in 1991, is to provide extensive counselling services in all personnel and management questions. The company was set up with a share capital of DM0.5m.

CB Clearing Incorporation, Wilmington/Delaware, in which we hold a 62.5% interest, was founded in 1991 with a capital of US\$0.2m. As it is still awaiting approval by the authorities, the company has not yet begun business operations.

Other consolidated companies that are included in the list appearing at the end of the Notes on the Parent Bank's Annual Accounts and financial statement but not separately reported on here are engaged in activities indicated by their company names.

The unconsolidated affiliated companies which are listed in the Notes on the Parent Bank's Annual Accounts either have their seat abroad or, insofar as they are domiciled in Germany, pursue activities which lie outside the banking sector. For this reason, they have not been included in the consolidation, in accordance with Section 329 of the German Stock Corporation Act (AktG) in its former version (valid up to end-1986).

Principles of consolidation

Commerzbank's consolidated annual accounts and financial statement as at December 31, 1991 were still drawn up pursuant to Sections 329ff. of the German Stock Corporation Act (AktG) in its former version (valid up to December 31, 1986). Structuring of the consolidated accounts has been effected in accordance with the format for the presentation of the annual accounts of German banks as laid down in the revised version of September 14, 1987 of the respective regulation of December 20, 1967. Having included a mortgage bank in the consolidation, we use an amplified version of the standard format to present our balance sheet.

With three exceptions, the financial years coincide with the calendar year for all companies included in the consolidation. The accounts of the foreign members of the Group in Amsterdam, New York, Singapore, Wilmington and Zurich, which are drawn up in local currency, have been converted at the official year-end Frankfurt middle rates. All other – domestic and foreign – companies included in the consolidation have drawn up their accounts in D-marks. Assets and liabilities throughout the Group have been valued on a uniform basis in accordance with commercial-law principles.

For the consolidation of the capital accounts, the book values of "Investments" as shown in the balance sheet have been offset against the values of the related equity as shown in the books of the subsidiaries and affiliated companies concerned. Hence investments as shown in the consolidated balance sheet represent only the book values of holdings in non-consolidated companies.

Intra-Group balances included in any of the asset and liability items have been eliminated in the consolidated balance sheet, as have similar income and expenses in the Group's profit and loss account and intra-Group book gains that occurred over the year.

Investment income from consolidated companies received in 1991 in respect of 1990 has been included in the profit brought forward, while tax credits received have been deducted from investment income and from the Group's tax expenditure. The profit brought forward was reduced due to the elimination of intra-Group profits from the consolidation in previous years.

Consolidated balance sheet total

At DM226,651m, the end-1991 consolidated balance sheet total was DM10,698m up on the preceding year's figure, exceeding the total assets of the Parent Bank by DM73,786m (1990: by DM70,513m).

Consolidated balance sheet: changes on the year

Assets	in DM m	Liabilities	in DM m
Cash reserves, cheques, and collection items	- 143	Liabilities to banks	- 6,508
Bills of exchange	- 433	a) demand	(- 1,416)
Claims on banks	- 10,601	b) time	(- 5,092)
a) demand	(+ 3,931)	Customers' deposits	+ 13,056
b) time	(- 14,532)	a) demand	(+ 1,741)
Treasury bills	- 118	b) time	(+ 9,463)
Bonds, notes, other securities (incl. issued by Group members)	+ 4,046	c) savings deposits	(+ 1,852)
Loans and advances to customers	+ 16,963	Bonds outstanding	+ 3,219
a) less than four years	(+ 8,563)	Acceptances outstanding	- 363
b) four years or more	(+ 8,400)	Provisions	+ 317
Investments	+ 678	Capital and reserves, profit-sharing certificates outstanding	+ 673
Land and buildings, office furniture and equipment	+ 164	Reserve arising from consolidation, in accordance with Section 331 (1) 3 of the German Stock Corporation Act (AktG)*)	+ 61
Leased equipment	+ 4	Minority interests	+ 15
Sundries (including loans on a trust basis)	+ 138	Consolidated profit	+ 50
Total Assets	+ 10,698	Sundries (including loans on a trust basis)	+ 178
		Total Liabilities	+ 10,698

*) former version, valid up to end-1986.

The Group's balance sheet total before elimination of intra-Group balances reached DM248,194m at end-1991. 61.6% of this was accounted for by assets of the Parent Bank, as compared with 62.5% in the previous year, and 15.5%, as compared with 15.0% in 1990, by those of the consolidated commercial banks. A further 17.1% relates to the mortgage lending subsidiary, RHEINHYP Rheinische Hypothekenbank AG, and 5.8% to other companies.

Assets

Liquidity

While each member of the Commerzbank Group is responsible for meeting its own liquidity needs, the overall availability of liquid funds within the Group is supervised by the Parent Bank. The latter, enjoying the highest standing of all Group members in both the national and the international financial markets, is able to provide its banking subsidiaries, if need be, with the liquid resources they may require. Solvency at any time is assured through sufficient holdings of both funds easily liquidizable and the necessary volumes of bills of exchange and of other securities eligible as collateral to obtain Lombard advances from the Bundesbank.

In order to be able to cope with possible liquidity shortages in foreign currencies, too, standby credit lines were arranged with major foreign banks, mostly on a mutual basis. These agreements make up for the recourse we lack abroad on the respective central banks or monetary authorities for obtaining liquidity.

Treasury notes, other securities

Securities holdings within the Group expanded by DM4,046m to DM20,375m. The combined volume of Treasury bills and discountable Treasury notes was reduced by DM118m to DM860m.

The volume of bonds and notes held by the Group and issued by both Group members and others registered a DM3,776m increase. Of this total, paper issued by non-Group members went up by DM3,533m, bonds with an original life of under four years expanding substantially by DM3,776m, while those in the four-years-and-over bracket fell by DM243m. Bonds and notes issued by Group members are shown in the consolidated balance sheet at DM1,204m – DM242m more than in the previous year. We have counted bonds and notes in an amount of DM3,687m as fixed assets, as we regard these holdings as a permanent investment. They have either been financed through funds with matching maturities or secured by means of interest swaps. Divestments have reduced the overall portfolio by DM581m.

Holdings of other securities expanded by DM271m to DM1,808m.

For a total of DM0.2m of our own shares, we have formed a corresponding reserve item.

Lending

The Group stepped up its lending to other banks and to customers (excluding both loans on a trust basis and guarantees) by DM11,403m to DM157,879m in 1991. This represents a rise of 7.8%, as against 15.8% in 1990. To an above-average extent, the expansion was provided by the Parent Bank, whose loan volume went up by 14.6%. After expanding by 7.1% in 1990, the credits of our mortgage bank subsidiary went up marginally last year, by 2.8%. Due to a reduction in short and medium-term interbank lending, there was a slight decline at our foreign subsidiaries.

Changes in Group's lending

	Year-end, 1991		Year-end, 1990		Change	
	DM m	%	DM m	%	DM m	%
Loans to customers						
a) short and medium-term	57,294	36.3	48,732	33.3	+ 8,562	+ 17.6
b) long-term (four years or more)	49,565	31.4	42,559	29.1	+ 7,006	+ 16.5
Sub-total	106,859	67.7	91,291	62.4	+ 15,568	+ 17.1
Long-term mortgage and communal loans of mortgage bank subsidiary						
a) to customers	32,460	20.6	31,066	21.2	+ 1,394	+ 4.5
b) to banks	4,796	3.0	5,160	3.5	- 364	- 7.1
Sub-total	37,256	23.6	36,226	24.7	+ 1,030	+ 2.8
Bills discounted	3,345	2.1	3,407	2.3	- 62	- 1.8
Claims on banks						
a) short and medium-term	4,155	2.6	8,953	6.1	- 4,798	- 53.6
b) long-term (four years or more)	5,575	3.6	5,914	4.0	- 339	- 5.7
Sub-total	9,730	6.2	14,867	10.1	- 5,137	- 34.6
Leased equipment	689	0.4	685	0.5	+ 4	+ 0.6
Total lending	157,879	100.0	146,476	100.0	+ 11,403	+ 7.8

Excluding lending by the mortgage bank subsidiary, credits to customers rose by DM15.6bn to DM106.9bn for the Group as a whole. Unlike in the previous year, when loans at short and medium term advanced more strongly than long-term credits, their growth rate in 1991, at 17.6%, was only marginally higher than the expansion of 16.5% registered by long-term lending. The Bank's short and medium-term claims on customers thus exceeded those at long term by DM7.7bn, DM1.6bn more than a year earlier.

At RHEINHYP Rheinische Hypothekenbank, longer-term lending went up by DM1.0bn to DM37.3bn in a year-on-year comparison. This reflects the 5.3% increase to DM20.2bn in mortgage loans and a growth of 1.4% to DM17.1bn in credits to local governments and authorities.

Interbank lending at Group level shrank by 34.6% to DM9.7bn. While our long-term lending declined by only 5.7%, short and medium-term interbank credits were more than halved. In a reversal of the development in 1990, the share of the longer-term credits of the Group's commercial banks increased from 33.1% to 35.0%, while the proportion of long-term mortgage loans went down to 23.6%. That of short and medium-term credits (including bills discounted) amounted to 41.0% at the balance sheet date, as against 41.7% at end-1990. Leasing operations which, in a broader sense, are also part of credit business accounted for 0.4%, or DM0.7bn, of the Group's total lending.

Fixed assets

After elimination of holdings in consolidated companies, the Group's fixed assets stand at DM5,690m (DM4,848m in 1990), comprising holdings in unconsolidated companies (investments) of DM3,663m, land and buildings at DM1,095m, and office furniture and equipment at DM932m.

Changes in "Investments" at the Parent Bank are outlined above in the Report on the Bank's Performance (cf. pages 43 to 44 of this Report). The subsidiaries acquired new investments in an actual amount of DM0.1bn. One significant addition at Atlas-Vermögensverwaltungs-Gesellschaft mbH was the stake in DSD Dillinger Stahlbau GmbH, Saarlouis.

Liabilities and shareholders' equity

Total deposits and borrowed funds

In 1991, the Group's total deposits and other borrowed funds increased by DM9,403m to DM213,015m. At year-end, they were made up as follows:

	Year-end, 1991		Year-end, 1990		Change	
	DM m	%	DM m	%	DM m	%
Liabilities to banks						
a) demand deposits	5,627	2.6	7,043	3.5	- 1,416	-20.1
b) time deposits	42,096	19.8	47,188	23.2	- 5,092	-10.8
Sub-total	47,723	22.4	54,231	26.7	- 6,508	-12.0
Customers' deposits						
a) demand deposits	24,112	11.3	22,371	11.0	+ 1,741	+ 7.8
b) time deposits	68,440	32.2	58,977	29.0	+ 9,463	+16.0
c) savings deposits	19,218	9.0	17,366	8.5	+ 1,852	+10.7
Sub-total	111,770	52.5	98,714	48.5	+13,056	+13.2
Acceptances outstanding	1,959	0.9	2,323	1.1	- 364	-15.7
Bonds issued by commercial banks within Group	14,851	7.0	14,141	6.9	+ 710	+ 5.0
Bonds issued by mortgage bank subsidiary	36,712	17.2	34,203	16.8	+ 2,509	+ 7.3
Sub-total	51,563	24.2	48,344	23.7	+ 3,219	+ 6.7
Total deposits and borrowed funds	213,015	100.0	203,612	100.0	+ 9,403	+ 4.6

There were marked year-on-year changes in the percentage shares registered by the different kinds of borrowed funds. Above-average growth of DM13.1bn occurred in customers' deposits, enabling us to lift their share in the total funds raised from 48.5% to 52.5%. While customers' deposits expanded, our liabilities to banks declined sharply by DM6.5bn. Their share of the Group's borrowing fell from 26.7% to 22.4%. The volume of bonds issued by Group members rose by DM3.2bn to DM51.6bn, thus increasing their share in the total funds raised by 0.5 percentage points to 24.2%. DM36.7bn of this amount was accounted for by paper issued by

our mortgage bank subsidiary, which included DM16.1bn of mortgage bonds and DM18.9bn of communal bonds. The aggregate funds deposited by customers are shown at DM111.8bn. Savings amounted to DM19.2bn, their overall share of the total remaining virtually stable at 17.2%, while that of time deposits expanded marginally from 59.7% to 61.2%. Savings deposits achieved a gain of DM1.9bn in the year under review to reach DM19.2bn. Sight deposits by customers increased by DM1.7bn.

Other liabilities

After total additions of DM317m, provisions reached DM3,020m.

Actuarial computation required a DM103m rise in provisions for pensions, which thus reached DM1,426m in the balance sheet at end-1991.

Provisions for other purposes, which are shown at DM1,594m, relate in the main to possible loan losses, to taxes, to year-end bonuses, to other liabilities of uncertain amount, and to such pension commitments as can be expected to fall due in the future – on the basis of the normal entry-age method – in the case of employees opting for early retirement under a scheme collectively agreed in 1984.

At end-1991 the "Special item with partial reserve character" still included a non-written-back amount of DM0.2m from the special item formed in 1982 pursuant to Section 52 (8) of the German Income Tax Act (EStG) to comply with the required write-backs of provisions for pensions. The special item with partial reserve character in accordance with Section 31 (3) of the Berlin Promotion Act (BerlFG), which still existed on December 31, 1990, was written back in the year under review.

Capital and reserves

The Parent Bank's share capital and its disclosed reserves rose to DM5,461m. Through the issue of shares to our staff as well as, to a lesser extent, the exercising of conversion rights carried by the convertible profit-sharing certificates issued in 1990, DM5m was added to the share capital and DM20m to the capital reserve. DM100m was allocated to other revenue reserves.

In 1991, the Parent Bank issued profit-sharing certificates with option rights to the tune of DM500m. The premium of DM46m, and also a further DM4m of proceeds realized through the sale of fractional amounts, were allocated to the Bank's capital reserve. Through conversions, the 1990 convertible profit-sharing certificates have been reduced by DM1m. As a result, the Bank's profit-sharing certificates outstanding, together with those issued by the Parent Bank in 1985 and 1990 and those issued in 1989 by both RHEINHYP Rheinische Hypothekenbank AG and Berliner Commerzbank AG, totalled DM1,704m at end-1991.

The consolidation difference as defined in Section 331 (1) 3 of the German Stock Corporation Act (AktG) in its former version (valid up to end-1986) corresponds to the excess of the book value of the consolidated companies' equity (including their disclosed reserves) over the book value

of the Parent Bank's investments therein; this item, representing equity and regarded as revenue reserves, rose by DM62m to DM1,081m in the year under review. The increase stems almost exclusively from allocations to other revenue reserves by subsidiary banks.

Including a total of DM90m (DM19m in the preceding year) of further allocations to the Group's reserves, subject to approval by the 1991 AGMs of consolidated subsidiaries, and also including minority shareholders' interests – the latter without the attributable share of profits – of DM57m (DM45m in 1990), the Group's equity capital at year-end stood at DM8,393m, as against DM7,576m at end-1990.

Contingent liabilities and commitments

Commitments for uncalled payments on shares in stock corporations (AG) and private limited liability companies (GmbH), issued but not fully paid, amounted to DM27m at the balance sheet date, while similar liabilities for shares in cooperatives were DM1m. Group members may, under Section 24 of the German Private Limited Liability Companies Act (GmbHG), also be held responsible for possible defaults on such calls by other shareholders. Our holding an interest in Liquiditäts-Konsortialbank GmbH may attract a liability for the payment of assessments of up to DM35m, the calling of which is, however, conditional on the passing of an appropriate resolution by the institution's shareholders. Moreover, contingent claims exist on a proportional basis for meeting the assessments payable by institutions which are members of Bundesverband deutscher Banken e.V., Cologne.

On the balance sheet date, DM4.6bn of the Group's securities holdings were pledged as collateral in short-term fund-raising operations, especially under repurchase agreements with the Deutsche Bundesbank. A further DM3.4bn of the Group's assets, used to provide such security as is legally required in some countries, were tied by liens held.

Consolidated profit and loss account

Net income

Interest and similar income from lending and from money-market transactions and current income from securities, Government-inscribed debt, and "Investments" as shown in the consolidated balance sheet increased by DM1,262m to DM17,770m. With interest expenditure rising less, namely by DM496m to DM13,571m, the Group's net interest and dividend earnings recorded a DM766m, or 22.3%, gain to reach DM4,199m. This figure exceeded current personnel and other operating expenses by DM699m, or 20%. The respective 1990 figures were DM257m and 8.1%.

The excess of commissions earned over those paid in respect of services went up by DM8m, or 0.6%, to DM1,344m.

Receipts from equipment leased are shown at DM366m, as against DM300m in the previous year, with write-downs on such equipment amounting to DM347m, as against DM282m in 1990.

After balancing other income and the income from the writing-back of both provisions and special items with partial reserve character against write-downs of and adjustments to claims and securities (including those relating to "Investments" as shown in the Group's balance sheet) and also allocations to special items with partial reserve character, there was a net shortfall of DM524m. In 1990, it had amounted to DM145m.

Expenditure

The Group's overall personnel expenditure was DM2,479m, while other operating expenses totalled DM1,021m. The increase in these costs thus amounted to DM324m, or 10.2%, as against DM279m, or 9.6%, in 1990.

Depreciation on and adjustments to land and buildings, office furniture and equipment were charged at DM262m (1990: DM224m).

Group taxation totalled DM541m, as against DM482m in the preceding year. This amount includes DM528m for taxes on income and assets, compared with DM471m in 1990.

Consolidated net income for the year and consolidated profit

At DM547m, the Group's net income for the year almost equalled that achieved in 1990 (DM557m); the profit brought forward from the previous year was DM69m. The amount of the profit accruing to minority shareholders is DM5m. After withdrawing DM1m, the Parent Bank will transfer DM100m to revenue reserves and the other Group companies DM46m. The remaining consolidated profit thus stands at DM467m. Subject to approval by the AGMs of three consolidated companies, a further DM90m is to be allocated to the latter's other revenue reserves from undistributed profits.

Frankfurt am Main, March 10, 1992

The Board of Managing Directors

Koblenz *Amey* *From* *MS*
Seiden *prüfbed* *permanis* *Dichos*
amell *Evabo* *funer* *Prin*

**Consolidated
balance sheet as
at December 31, 1991**

**Consolidated profit
and loss account
for the year ended
December 31, 1991**

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1991

Dec 31, 1990

Assets	DM	DM	DM	DM1,000
Cash on hand			940,772,672.36	838,245
Balance with Deutsche Bundesbank			5,682,533,886.11	5,767,854
Balances on postal giro accounts			30,906,504.15	46,359
Cheques, matured bonds, interest and dividend coupons, items received for collection			603,202,097.03	748,313
Bills of exchange			981,482,032.29	1,414,800
incl.: a) rediscountable at Deutsche Bundesbank	448,178,907.49			
b) own drawings	33,767,052.11			
Claims on banks				
a) payable on demand		7,310,099,200.66		3,378,653
b) with original periods or periods of notice of				
ba) less than three months		12,327,687,956.57		17,949,575
bb) at least three months, but less than four years		18,992,849,476.82		27,201,014
bc) four years or more		10,371,303,910.57		11,073,573
			49,001,940,544.62	59,602,815
Treasury bills and discountable Treasury notes, issued by				
a) the Federal and Länder Governments		76,675,305.95		105,886
b) others		783,110,702.97		871,966
			859,786,008.92	977,852
Bonds and notes				
a) with a life of up to four years, issued by				
aa) the Federal and Länder Governments	196,124,844.61			
ab) banks	4,121,426,513.37			
ac) others	950,711,904.40	5,268,263,262.38		1,492,556
incl.: eligible as collateral for Deutsche Bundesbank advances valued as fixed assets	4,341,142,733.37			
	30,495,579.61			
b) with a life of more than four years, issued by				
ba) the Federal and Länder Governments	2,604,505,991.23			
bb) banks	3,751,515,267.74			
bc) others	5,739,648,375.67	12,095,669,634.64		12,338,759
incl.: eligible as collateral for Deutsche Bundesbank advances valued as fixed assets	5,077,911,296.89			
	3,656,182,490.27		17,363,932,897.02	13,831,315
Securities not to be shown elsewhere				
a) shares marketable on a stock exchange and investment fund certificates		1,694,929,612.22		1,441,434
b) other		112,669,532.24		94,676
incl.: holdings of more than one-tenth of the shares of a joint-stock or mining company, unless shown as investments	372,377,434.73		1,807,599,144.46	1,536,110
Claims on customers, with original periods or periods of notice of				
a) less than four years		57,294,416,844.03		48,731,784
b) four years or more		82,025,306,489.13		73,625,321
incl.: ba) secured by mortgages on real estate	28,234,563,059.32		139,319,723,333.16	122,357,105
bb) communal loans	17,964,431,234.17			
Recovery claims on Federal and Länder authorities under post-war currency reform acts			24,916,353.15	31,747
Loans granted and shares held on a trust basis at third party risk			537,496,250.75	458,801
Subsidiaries, associated companies, and trade investments (investments)			3,662,936,212.55	2,985,205
incl.: investments in banks	632,303,406.23			
Land and buildings			1,094,536,708.47	999,409
Office furniture and equipment			932,073,648.86	863,353
Leased equipment			689,275,143.86	684,626
Bank's holding of its own shares			247,500.00	749
nominal amount	50,000.00			
Bonds and notes issued by the Group			1,203,698,460.95	961,348
nominal amount	1,242,163,968.42			
incl.: eligible as collateral for Deutsche Bundesbank advances	339,757,653.48			
Other assets			1,102,867,089.53	1,093,336
Deferred items				
a) unamortized debt discount (difference according to Section 250 (3) of the German Commercial Code – HGB)		612,011,391.02		484,405
b) other		199,122,375.85		269,808
			811,133,766.87	754,213
Total Assets			226,651,060,255.11	215,953,555
Total Assets and the rights of recourse accruing to the Bank in respect of the contingent liabilities shown below the line on the liabilities side include				
a) claims on affiliated companies			8,992,584.65	10,999
b) claims arising from loans falling under Section 15 (1) 1-6 and (2) of the German Banking Act (KWG), unless included under a)			462,996,112.56	609,405

Liabilities and Shareholders' Equity	DM	DM	DM	DM1,000
Liabilities to banks				
a) payable on demand		5,627,156,709.21		7,042,793
b) with original periods or periods of notice of				
ba) less than three months	12,029,928,032.63			
bb) at least three months, but less than four years	17,794,943,996.33			
bc) four years or more	12,270,877,127.04	42,095,749,156.00		47,185,473
incl.: due in less than four years	6,709,362,528.48			
c) customers' drawings on other banks		—		2,411
			47,722,905,865.21	54,230,677
Liabilities to customers (customers' deposits)				
a) payable on demand		24,111,452,838.28		22,370,856
b) with original periods or periods of notice of				
ba) less than three months	36,268,658,622.20			
bb) at least three months, but less than four years	18,440,602,191.20			
bc) four years or more	13,731,349,218.74	68,440,610,032.14		58,977,358
incl.: due in less than four years	6,312,319,091.63			
c) savings deposits				
ca) subject to legal period of notice	16,596,030,902.30			17,365,928
cb) other	2,621,711,649.17	19,217,742,551.47		98,714,142
			111,769,805,421.89	
Bonds and notes with a life of				
a) up to four years		10,773,403,726.78		9,433,076
b) more than four years		40,789,603,418.35		38,911,372
incl.: maturing in less than four years	22,986,148,469.47			48,344,448
Registered bonds issued by mortgage bank subsidiary	11,920,448,349.04			
			1,959,425,453.17	2,322,647
Acceptances and promissory notes outstanding				
			537,496,250.75	458,801
Loans granted on a trust basis at third party risk				
Provisions				
a) for pensions		1,425,679,936.35		1,322,408
b) other		1,594,372,411.45		1,380,534
			3,020,052,347.80	2,702,942
Other liabilities			711,813,020.41	625,630
Deferred items				
a) from Group members' new issues and lending		340,258,833.47		287,703
b) other		239,133,119.53		274,092
			579,391,953.00	561,795
Special item with partial reserve character				
a) in accordance with Section 52 (8) of German Income Tax Act (EStG)		217,758.00		1,023
c) pursuant to Section 31 (3) of Berlin Promotion Act (BerlFG)		—		8,305
			217,758.00	9,328
Profit-sharing certificates outstanding			1,704,108,400.00	1,205,000
incl.: maturing in less than two years:	—			
Subscribed capital			1,291,123,950.00	1,286,460
(authorized but unissued conditional capital: 544,777,100.00)				
Capital reserve			2,786,280,948.76	2,716,203
Revenue reserves				
a) legal reserve		6,000,000.00		6,000
b) reserve for the Bank's own shares		247,500.00		1,146
d) other revenue reserves		1,378,003,000.00		1,278,003
			1,384,250,500.00	1,285,149
Reserve arising from consolidation in accordance with Section 331 (1) 3 of the German Stock Corporation Act – AktG* (excess of book value of consolidated subsidiaries' equity over book value of corresponding investments in Parent Bank's accounts)			1,080,174,531.81	1,019,306
Minority interests			62,129,609.47	47,138
including: from profit	5,130,434.48			
from loss	95,837.19			
Foundations			12,341,112.17	7,208
Consolidated profit			466,535,987.54	416,681
Total Liabilities and Shareholders' Equity			226,651,060,255.11	215,953,555
Endorsement liabilities on rediscounted bills of exchange			2,363,556,945.82	1,992,059
Contingent liabilities from guarantees, including guarantees for bills and cheques, and from indemnity agreements			18,921,687,110.13	17,154,379
Commitments under repurchase agreements, not included in liabilities			58,200,000.00	—
Total Liabilities, together with contingent liabilities and other commitments shown below the line, include liabilities to affiliated companies in the amount of			66,030,685.43	77,626

* former version, valid up to Dec 31, 1986.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1991

Expenses	DM	DM	1990 DM1,000
Interest and similar expenses		13,571,193,689.06	13,074,926
Commissions and similar service charges paid		44,142,160.48	46,280
Write-downs of and adjustments to claims and securities, and additions to provisions for possible loan losses		1,050,686,358.59	1,163,662
Salaries and wages		1,937,718,391.81	1,772,079
Compulsory social security contributions		284,850,614.30	255,734
Expenses for pensions and other employee benefits		256,241,086.01	239,929
Other operating expenses		1,021,139,217.77	908,702
Depreciation on and adjustments to land and buildings, office furniture and equipment		262,312,414.04	223,717
Depreciation on leased equipment		346,746,189.87	281,984
Write-downs of and adjustments to investments (subsidiaries, associated companies, and trade investments)		1,811,772.41	5,040
Taxes			
a) on income and assets	527,681,510.91		470,691
b) other	13,351,874.30		11,773
		541,033,385.21	482,464
Allocations to special item with partial reserve character		—	8,305
Other expenses		187,985,930.66	203,123
Consolidated net income for the year		547,073,988.56	557,147
	Total Expenses	20,052,935,198.77	19,223,092

	DM	DM	1990 DM1,000
Consolidated net income for the year		547,073,988.56	557,147
Profit brought forward from the previous year		69,421,745.76	62,593
		616,495,734.32	619,740
Withdrawals from revenue reserves			
c) from reserve for the Bank's own shares		898,000.00	—
Allocations to revenue reserves			
a) to other revenue reserves			
Parent Bank	100,000,000.00		129,003
b) consolidated companies	45,823,149.49		70,619
c) for the Bank's own shares	—		1,146
		145,823,149.49	200,768
Profit attributable to minority interests	5,130,434.48		2,291
Loss incurred by minority interests	95,837.19		—
		5,034,597.29	2,291
Consolidated profit		466,535,987.54	416,681

Income	DM	DM	1990 DM1,000
Interest and similar income from lending and money-market transactions		16,155,665,790.98	15,150,214
Current income from			
a) fixed-interest securities and Government-inscribed debt	1,214,751,601.03		1,048,660
b) other securities	148,861,990.20		93,805
c) investments (subsidiaries, associated companies, and trade investments)	250,724,199.60		215,621
		1,614,337,790.83	1,358,086
Commissions and other service charges received		1,388,431,467.81	1,382,127
Income from leased equipment		365,593,502.06	300,347
Other income, including income from the writing back of provisions for possible loan losses		464,873,289.38	907,301
Income from the writing back of provisions, unless it has to be shown under other income		54,923,064.11	35,745
Income from the writing back of special item with partial reserve character		9,110,293.60	89,272
	Total Income	20,052,935,198.77	19,223,092

Frankfurt am Main, March 10, 1992

COMMERZBANK

AKTIENGESELLSCHAFT

THE BOARD OF MANAGING DIRECTORS

Kohlhaussen Coenen Frowein Gloystein Hochheuser Müller-Gebel Reimnitz
 Richolt Ruedorffer Terrahe Deputy Members: Lemmer Müller

The annual accounts, the financial statement and the report for the Group, which we have examined with due care, comply with German law.

Frankfurt am Main, March 11, 1992

TREUARBEIT
 Aktiengesellschaft
 Wirtschaftsprüfungsgesellschaft
 Steuerberatungsgesellschaft

Windmüller Patt
 Wirtschaftsprüfer Wirtschaftsprüfer
 (German public accountant) (German public accountant)

Berliner Commerzbank AG, Berlin

1991 proved to be a successful year for Berliner Commerzbank. Its network in the eastern part of the city was extended to nine branches, the number of customers served there rose by over 17,000.

The increase in customer business was a decisive factor behind the 19% expansion of the balance sheet total to DM12.4bn. The focus was mainly on short-term investments. In their borrowing as well, customers for the most part preferred interest rates fixed on a short-term basis. Once again, demand for home loans was brisk.

Securities business was buoyant, preference being given to bonds. There was strong demand for the broad range of products and services offered in connection with foreign commercial business, which raised commission earnings by a quarter.

At end-1991, the bank had a staff of 1,754 people, 188 more than a year previously.

Earnings

Thanks to a further improvement in the interest margin and an expansion in business volume, net interest income was up by more than 30%. Despite an unfavourable stock-market trend, overall net commission earnings were 13% higher than a year earlier. Due to expansion in the bank's business, personnel costs advanced by over 10%, other operating expenses climbing by a good 23%. In a year-on-year comparison, the operating result increased by more than a third, enabling the bank not only to pay an unchanged 20% dividend but also to allocate DM50m to reserves. Its equity capital now stands at DM525m, representing 4.2% of the balance sheet total.

Accounts

Assets	DM1,000
Cash reserves, cheques and collection items	530,372
Bills of exchange	57,212
Claims on banks	2,807,292
Bonds and notes	1,047,129
Other securities	61,535
Loans and advances to customers	7,401,177
Investments	146,371
Land and buildings	83,802
Office furniture and equipment	62,502
Deferred items	80,914
Other assets	84,154
Total Assets	12,362,460

Liabilities and Shareholders' Equity	DM1,000
Liabilities to banks	2,267,239
Liabilities to customers	8,238,094
Bonds outstanding	1,092,516
Acceptances outstanding	20,500
Provisions	153,256
Deferred items	23,755
Profit-sharing certificates outstanding	80,000
Share capital	82,500
Disclosed reserves	91,000
Revenue reserves	221,550
Other liabilities	19,150
Distributable profit	72,900
Total Liabilities and Shareholders' Equity	12,362,460
Endorsement liabilities	193,424
Guarantees	1,494,947

Profit and Loss Account

Expenses	DM1,000
Interest and commissions paid	667,754
Write-downs and adjustments	59,804
Personnel expenditure and other operating expenses	186,359
Depreciation on fixed assets	20,192
Taxes	33,630
Other expenses	5,435
Net income for the year	72,900
Total Expenses	1,046,074
Income	DM1,000
Interest and commissions received	912,202
Current income from securities and investments	110,865
Sundry income	4,614
Other income	18,393
Total Income	1,046,074

Within the overall strategy of the Commerzbank Group, Commerzbank International S.A. (CISAL) is engaged in all forms of trading and lending typical of the Euromarkets and is an active partner for its international private customers.

In its successful 1991 business year, CISAL's total assets rose to DM20.9bn from DM20.2bn in the previous year. Total lending reached DM11.2bn; the trend towards long-term loans persisted. Liabilities to other banks were once again the prime source of the bank's funding.

As part of the Group's overall planning, CISAL purchased the Parent Bank's interest in Banco Hispano Americano S.A., before its merger with Banco Central S.A., at the going market price; the transaction was financed by a capital increase on the same scale.

At year-end, the bank had 150 employees, compared with 147 in 1990.

Earnings

The earnings of the various business segments remained stable on a high plane. In own-account transactions, an improved result was achieved above all on the foreign-exchange side. The bank has used a substantial part of its operating result to cover country risks and has, therefore, not shown a profit. Provisions and valuation reserves now stand at DM2.1bn, as against DM1.8bn a year previously.

Commerzbank International S.A., Luxembourg

Accounts		Liabilities and Shareholders' Equity		Profit and Loss Account	
Assets	DM1,000		DM1,000	Expenses	DM1,000
Claims on banks	10,240,771	Liabilities to banks	11,135,420	Interest and commissions paid	1,400,547
Bills of exchange	232,343	Liabilities to customers	5,648,692	Personnel expenditure and other operating expenses	25,913
Loans and advances to customers	6,769,332	Bonds outstanding	329,130	Taxes	12,880
Securities	2,474,216	Subordinated loans and bonds	315,740	Write-downs and adjustments	256,729
Investments	468,437	Share capital	225,000	Depreciation	2,193
Land and buildings	26,946	Reserves	803,400	Other expenses	8,534
Office furniture and equipment	3,224	Provisions, write-downs and adjustments	2,056,302	Net income for the year	—
Deferred items	719,655	Deferred items	408,433	Total Expenses	1,706,796
Other assets	1,328	Other liabilities	14,135		
		Distributable profit	—	Income	DM1,000
				Interest and commissions received	1,540,775
				Other income	166,021
Total Assets	20,936,252	Total Liabilities and Shareholders' Equity	20,936,252	Total Income	1,706,796

Commerzbank (Nederland) N.V., Amsterdam

Commerzbank (Nederland) N.V., which in addition to its base in Amsterdam has a branch in Rotterdam, offers Dutch and multinational firms a broad range of products. It is involved in lending, money-market and foreign-exchange transactions and is especially active in the financing and handling of external trade.

The bank's balance sheet total expanded marginally from Dfl1.8bn to Dfl1.9bn in 1991. While interbank business remained almost unchanged, claims on customers advanced by an encouraging 21% to Dfl926m. The subordinated loan of Dfl39m was transformed into equity capital last year; Dfl10m was allocated to the bank's share capital and Dfl29m to its disclosed reserves.

At end-1991, the bank's personnel, calculated on a full-time basis, totalled 107.

Earnings

Earnings performance was again encouraging in 1991. In view of the strong expansion in the bank's lending business, a total of Dfl10m (Dfl7m in 1990) was transferred to the global loan loss reserves and Dfl5.3m (Dfl1.15m in 1990) to disclosed reserves. The bank's equity capital now stands at Dfl108.4m.

Accounts

Assets	Dfl1,000
Cash on hand	12
Bills of exchange	5,984
Claims on banks	844,138
Loans and advances to customers	925,895
Bonds and notes	34,265
Land and buildings	7,605
Office furniture and equipment	2,522
Deferred items	54,985
Other assets	23,320
Total Assets	1,898,726

Liabilities and Shareholders' Equity	Dfl1,000
Liabilities to banks	917,166
Liabilities to customers	772,037
Share capital	50,000
Disclosed reserves	58,413
Deferred items	52,134
Other liabilities	48,918
Distributable profit	58
Total Liabilities and Shareholders' Equity	1,898,726
Endorsement liabilities	18,867
Guarantees	305,645

Profit and Loss Account

Expenses	Dfl1,000
Interest and commissions paid	212,307
Write-downs and adjustments	10,000
Personnel expenditure and other operating expenses	14,378
Depreciation on fixed assets	1,837
Taxes	435
Net income for the year	5,312
Total Expenses	244,269

Income	Dfl1,000
Interest and commissions received	239,868
Current income from securities and investments	2,272
Other income	2,129
Total Income	244,269

Dfl100 = DM88.75

Commerzbank (Switzerland) Ltd, Zurich

Based in Zurich with a branch in Geneva, Commerzbank (Switzerland) Ltd concentrates its business activities on portfolio management and investment counselling for international private customers. It is also active in trading in money-market instruments, foreign exchange, securities and precious metals, as well as in lending and underwriting business.

Although investors tended to adopt a more defensive approach due to the economic and political situation, the bank's retail activities proved successful last year as well. The number of customers and the volume of assets managed increased substantially.

Total assets advanced by 3% to Sfr528.9m. At year-end, the bank had a staff of 81.

Earnings

Both commission earnings (up 27%) and the revenue from foreign-exchange transactions (up 45%) expanded strongly. However, lower turnover meant that less income was generated by securities business.

After making greater provision for possible loan losses, the bank will post net after-tax income of Sfr2.9m for 1991 (Sfr2.2m in 1990). With 1990's profit brought forward included, it has Sfr3.3m at its disposal, enabling it to make an unchanged dividend payment of Sfr2m and transfer Sfr1m to the legal reserve. The remainder will be carried forward to new account. The bank's equity capital will thus increase to Sfr66.5m.

Accounts		Profit and Loss Account	
Assets	Sfr1,000	Liabilities and Shareholders' Equity	Sfr1,000
Cash, central bank and postal cheque balances	21,349	Liabilities to banks	369,192
Claims on banks	333,991	a) payable on demand	(4,443)
a) payable on demand	(2,836)	b) with agreed periods of notice	(364,749)
b) with agreed periods of notice	(331,155)	Liabilities to customers	61,315
Loans and advances to customers	64,102	a) payable on demand	(28,916)
Securities	87,029	b) with agreed periods of notice	(32,399)
Office furniture and equipment	4,908	Share capital	50,000
Deferred items	77	Legal reserve	16,200
Other assets	17,401	Deferred items	294
		Other liabilities	31,506
		Distributable profit/profit brought forward	350
		Total Liabilities and Shareholders' Equity	528,857
Total Assets	528,857		
		Expenses	Sfr1,000
		Interest and commissions paid	35,599
		Personnel expenditure and other operating expenses	16,839
		Taxes	424
		Write-downs, adjustments and additions to loanloss reserves	17,504
		Net income for the year	2,927
		Total Expenses	73,293
		Income	Sfr1,000
		Interest and commissions received	49,079
		Other income	24,214
		Total Income	73,293

Sfr100 = DM111.94

Despite high lending rates and a further rise in building and real property prices, RHEINHYP managed to increase its new mortgage business by a substantial 10.8% to DM2,393m. This was primarily due to its brisk commercial property loan business, which for the first time distinctly benefitted from financing transactions in eastern Germany. At DM4,303m (DM4,218m in 1990), credits to public authorities exceeded the previous year's high level. With the loans included which were prolonged during the year after renegotiation of their interest charges, the bank's new lending totalled DM7,729m (DM7,220m). Its portfolio of mortgage and communal loans expanded by DM1.6bn to DM39.1bn.

The bank funded its new and renegotiated business above all by issuing DM1.5bn of mortgage bonds, DM3.3bn of public-sector mortgage bonds and DM1.2bn of bonds not requiring cover.

Results for the year and equity capital

RHEINHYP's earnings performance was once again encouraging. Its partial operating result rose by 15.5% to DM244.1m. Net income for the year went up by DM32.1m to DM127.4m.

Holders of RHEINHYP profit-sharing certificates are to receive an 8% interest payment from the distributable profit. At the Annual General Meeting on May 11, 1992, shareholders will be asked to approve an unchanged dividend of DM14 plus a bonus of DM1 per DM50 share to be paid on the bank's share capital of DM104.5m. It is also planned to allocate DM80m (DM50m) to disclosed reserves, bringing the bank's equity capital up to DM1,172m.

RHEINHYP Rheinische Hypothekenbank AG, Frankfurt am Main

Accounts

Assets	DM1,000	Liabilities and Shareholders' Equity	DM1,000
Loans at agreed periods of four years or more of which:	37,255,788	Bonds issued	35,270,311
a) mortgage loans	(20,108,492)	Bonds to be delivered	251,225
b) communal loans	(17,062,945)	Loans taken up at a long term	2,642,928
Securities, bonds and notes	926,127	Liabilities to banks and to other creditors	935,893
Claims on banks and on other debtors	3,629,825	Accrued interest on bonds issued and on loans taken up	1,526,957
Own bonds (nominal value DM294,688,000)	249,024	Profit-sharing certificates outstanding	200,000
Investments	102,002	Subscribed capital	104,500
Land and buildings	39,323	Capital reserve	90,597
Office furniture and equipment	-8,552	Revenue reserves	736,927
Other assets	145,442	Other liabilities	509,395
		Distributable profit	87,350
Total Assets	42,356,083	Total Liabilities and Shareholders' Equity	42,356,083

Profit and Loss Account

Expenses	DM1,000	Income	DM1,000
Interest and non-recurrent expenses	2,811,412	Interest and similar income	3,133,161
Write-downs, adjustments and additions to loan loss reserves	36,252	Income from investments	7,846
Personnel expenditure and other operating expenses	81,510	Sundry income	13,428
Taxes	97,375	Income from the writing-back of special item with partial reserve character	96
Other expenses	5,550	Other income	4,918
Net income for the year	127,350	Total Income	3,159,449
Total Expenses	3,159,449		

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Managing Partner
IBENA Textilwerke
Beckmann GmbH & Co.
Bocholt
- DIPL.-ING. HUBERTUS BENTELER
Chairman of the Board of
Managing Directors
Benteler AG
Paderborn
- CHRISTIAN FÜRST ZU BENTHEIM UND
STEINFURT
Privat-Forstmeister
Steinfurt
- DR. FRITZ BERGMANN
Chairman of the Board of
Managing Directors
Ruhrverband
Essen
- DIPL.-BETRIEBSWIRT
DIPL.-RER. OEC. KLAUS BIERMANN
Member of the Boards of
Managing Directors
Signal Krankenversicherung a.G.,
Unfallversicherung a.G.,
Lebensversicherung AG
Dortmund
- DIPL.-KAUFMANN
DR. WOLFGANG BÖLLHOFF
Managing Partner
Wilhelm Böllhoff Beteiligungs-
gesellschaft GmbH & Co. KG
Bielefeld 14
- WILKO H. BÖRNER
Chairman of the Board of
Managing Directors
Aachener und Münchener
Lebensversicherung AG
Aachen
- DIPL.-ING. WILHELM BONSE-GEUKING
Member of the Board of
Managing Directors
VEBA OEL AG
Gelsenkirchen-Buer
- DR. HUBERT BRANDTS
Ministerialrat a. D.
Chief Manager
Bergbau-Berufsgenossenschaft
Bochum
- HARALD BREME
Chairman of the Board of
Managing Directors
Schumag AG
Aachen
- DIPL.-KAUFMANN
DR. HERMANN COBET
Member of the Board of
Managing Directors
Hochtief AG vorm. Gebr. Helfmann
Essen
- CHRISTIAN C. R. DAHMS
General Partner
Jauch & Hübener
Mülheim (Ruhr)
- DR. HANSJÖRG DÖPP
Chief Manager
Verband der Metall-
und Elektro-Industrie
Nordrhein-Westfalens e. V. and
Landesvereinigung der Arbeitgeber-
verbände Nordrhein-Westfalens e. V.
Düsseldorf
- KARL DOWIDAT
Managing Partner
GEDORE Werkzeugfabrik
Otto Dowidat
Remscheid 12
- DIPL.-KAUFMANN
DR. JOACHIM DREIER
Sole General Manager and Partner
GELCO Bekleidungswerk
GmbH & Co. KG
Gelsenkirchen
- DIPL.-ING. BERND FELDHAUS
General Manager
DAKO Werkzeugfabriken
David Kotthaus GmbH & Co. KG
Remscheid
- ADOLF FLÖRING
of the firm Roland Schuhe
GmbH & Co. Handels KG
Wermelskirchen
- DR. GÜNTER FLOHR
Member of the Board of
Managing Directors
Hoesch AG
Dortmund
- HEINZ FRÖMBLING
Managing Partner
"Ihr platz" GmbH & Co.
Osnabrück
- HANS GEHLE
Chairman of the Executive Board
VEGLA Vereinigte Glaswerke GmbH
Aachen
- DR. GERD GREVE
Executive Vice President
Rau Group
Hilter
- DR. HANS-ULRICH GÜNTHER
Member of the Executive Board
Deilmann-Montan GmbH
Bad Bentheim
- DR. GÜNTHER HALLERBACH
Member of the Board of
Managing Directors
Thyssen Wohnstätten AG
Oberhausen
- RUDOLF HALSTRICK
General Manager and Partner
Papierwerke Halstrick KGaA
Raubach
- ERIVAN KARL HAUB
Sole General Manager and Partner
Wilh. Schmitz-Scholl
and Tengelmann Waren-
handelsgesellschaft
Mülheim (Ruhr)-Speldorf
- FRIEDRICH-WILHELM HEMPEL
Managing Partner
F. W. Hempel & Co.
Erze und Metalle (GmbH & Co. KG)
Düsseldorf
- DR. EWALD HILGER
Lawyer
Higher Regional Court
Düsseldorf
- DIPL.-KAUFMANN DR. ERNST HÖFFKEN
Member of the Board of
Managing Directors
Thyssen Industrie AG
Essen
- BRUNO P. HÖNER
Proprietor
Musterring International
Josef Höner GmbH & Co. KG
Rheda-Wiedenbrück
- DIPL.-WIRTSCH.-ING.
HANS-DIETER HONSEL
Chairman of the Board of
Managing Directors and Partner
Honsel-Werke AG
Meschede
- HANS-DIETHER IMHOFF
Member of the Board of
Managing Directors
VEW Vereinigte Elektrizitätswerke
Westfalen AG
Dortmund
- PROFESSOR
DR.-ING. LOTHAR JAESCHKE
Chairman of the Executive Board
Uhde GmbH
Dortmund
- DIPL.-KAUFMANN ARNOLD JÖRGER
Member of the Board of
Managing Directors
Deutsche Renault AG
Brühl
- DR. VOLKMAR KAYSER
Krefeld
- HEINZ KERPEN
Managing Partner
Kerpen-Verwaltungsgesellschaft mbH
Stolberg
- DR. GÜNTHER KÖHLER
Member of the Boards of
Managing Directors
Victoria Versicherungs-
Gesellschaften
Düsseldorf

- DIPL.-KAUFMANN WALTER KÖHLER
Member of the Supervisory Board
BARMAG AG
Remscheid 11
- HANS KOMPERNASS
Chairman of the Board of
Managing Directors
HAKO AG
Bochum
- DIPL.-KAUFMANN HELMUT KOSTAL
General Manager
Leopold Kostal GmbH & Co. KG
Lüdenscheid
- CHRISTIAN PETER KOTZ
Managing General Partner
Bergische Achsenfabrik Fr. Kotz & Söhne
Wiehl
- DR. JÜRGEN KUCHENWALD
Member of the Board of
Managing Directors
Strabag Bau-AG
Cologne
- NORBERT KÜHNE
Member of the Board of
Managing Directors
Ford-Werke AG
Cologne
- GUSTAV-ADOLF KÜMPERS
General Partner
F. A. Kümpers and Kümpers & Co.
Rheine
- HANS-JOACHIM KÜPPER
Managing Partner
August Küpper GmbH & Co. KG
Heiligenhaus
- KURT KÜPPERS
Managing Partner
Hülskens & Co.
Wesel
- RICHARD KULOT
Chairman of the Executive Board
Ed. Scharwächter GmbH + Co. KG
Remscheid
- ASS. GEORG KUNZE
Chief Manager and Director
Maschinenbau- und Metall-
Berufsgenossenschaft, Düsseldorf,
Hütten- und Walzwerks-
Berufsgenossenschaft
Essen
- DR. KLAUS LAUBSCHER
General Manager
Ringsdorff-Werke GmbH
Bonn 2
- KLAUS-JÜRGEN MAACK
General Manager
ERCO Leuchten GmbH,
Majority Partner
Druckhaus Maack GmbH & Co. KG
Lüdenscheid
- UDO VAN MEETEREN
Düsseldorf
- DIPL.-KAUFMANN PAUL-JOSEF MEYER
Chairman of the Executive Board
Deutsche Kornbranntwein-
Verwertungsstelle GmbH
Münster
- DR. JAN G. MÜLLER
Chairman of the Executive Board
Deutsche FIBRIT Gesellschaft
Ebers & Dr. Müller mbH
Krefeld
- DIPL.-KAUFMANN
HEINZ NIEDERSTE-OSTHOLT
Düsseldorf
- ULRICH NÖLKE
Principal Partner
Nölke Group
Vermold
- ULRICH OTTO
General Partner
Gebr. Otto KG and
General Manager
Otto Beteiligungs- und
Verwaltungsgesellschaft mbH
Kreuztal
- HARALD PAULSEN
General Manager
August Bilstein GmbH & Co. KG
Ennepetal
- DR. CARL ULLRICH PEDDINGHAUS
General Partner
Paul Ferd. Peddinghaus
Gevelsberg
- DIPL.-ING. VOLKMAR PETERS
Wellkisten- und Papierfabriken
Peters & Co. KG
Moers 2
- DR. EGON K.-H. PREISSLER
Lawyer
Leitender Ministerialrat a. D.
Chairman of the Executive Board
Treuhandstelle für Bergmanns-
wohnstätten im rheinisch-westf.
Steinkohlenbezirk GmbH
Essen
- DIPL.-KAUFMANN
THOMAS RADEMACHER
Member of the Board of
Managing Directors
VERSEIDAG AG
Krefeld
- DPL.-KAUFMANN
ULRICH REIFENHÄUSER
Member of the Executive Board
Reifenhäuser GmbH & Co.
Maschinenfabrik
Troisdorf
- DIPL.-KAUFMANN
JOHANNES RICKEN
Chairman of the Board of
Managing Directors
Kautex-Werke Reinold Hagen AG
Bonn 3
- ROBERT RÖSELER
Chairman of the Board of
Managing Directors
ara Schuhfabriken AG
Langenfeld (Rhineland)
- DR. CARL-FRIEDRICH SCHADE
General Partner
Schade KG, Plettenberg,
Kunststoffwerk Voerde KG
Ennepetal-Voerde
- THEO SCHÄFER
Managing Partner
Schäfer Werke KG, Fabriken für
Metall- und Kunststoffverarbeitung
Neunkirchen/Siegerland
- HANS SCHAFSTALL
Managing Partner
Schafstall Warenhandels-
gesellschaft mbH & Co.
Mülheim/Ruhr
- GEORG SCHEEDER
Chairman of the Board of
Managing Directors
KM-kabelmetal AG
Osnabrück
- PETER-NIKOLAUS SCHMETZ
Managing Partner
Ferd. Schmetz GmbH Spezialfabrik
für Nähmaschinenadeln
Herzogenrath
- HEINZ G. SCHMIDT
Member of the Board of
Managing Directors
Douglas Holding AG
Hagen
- DR. MANFRED SCHOELLER
General Manager
Ewald Schoeller & Co GmbH & Cie KG
Langerwehe
- DIPL.-KAUFMANN
DR. ERNST F. SCHRÖDER
Executive Vice President
Dr. August Oetker KG,
Member of Group Management
Oetker Group
Bielefeld
- MICHAEL SCHRÖER
Chairman of the Supervisory Board
Langbein-Pfanhauser Werke AG
Düsseldorf
- DIPL.-BETRIEBSWIRT HORST SCHÜBEL
Member of the Executive Board
Miele & Cie. GmbH & Co.
Gütersloh
- DIPL.-ING.
DR.-ING. FRANZ SCHULENBERG
Deputy Chairman of
the Supervisory Board
GEA AG
Bochum
- GERD SEIDENSTICKER
General Partner
Textilkontor Walter Seidensticker KG
Bielefeld
- DIPL.-ING. WALTER SIEPMANN
Managing Partner
Siepmann-Werke GmbH & Co. KG
Warstein 2-Belecke
- EWALD SILLER
Brühl-Kierberg
- DIPL.-KAUFMANN KARL SINKOVIC
Member of the Board of
Managing Directors
Klöckner-Werke AG
Duisburg
- DIPL.-KAUFMANN HENDRIK SNOEK
Managing Partner
Ratio Handel GmbH & Co. KG
Münster
- DIPL.-KAUFMANN WALTER STUHLMANN
Member of the Board of
Managing Directors
GKN Automotive AG
Siegburg
- HERMANN WILH. THYWISSEN
Lawyer
General Partner
C. Thywissen
Neuss

PROFESSOR DR. HELMUT VÖLCKER
Member of the Board of
Managing Directors
STEAG AG
Essen

GUNTHER VOWINCKEL
General Manager
DEMINEX Deutsche Erdöl-
versorgungsgesellschaft mbH
Essen

DR. MICHAEL v. WALDTHAUSEN
General Manager
Sundwiger Eisenhütte
Maschinenfabrik GmbH & Co.
Hemer-Sundwig

DIPL.-ING. DR. WULF D. WARLITZ
Hennef

DIPL.-KAUFMANN HEINZ WIEZOREK
General Manager
Coca-Cola GmbH
Essen

DIPL.-KAUFMANN MICHAEL WIRTZ
Managing Partner
Grünenthal GmbH and Partner
Dalli-Werke Mäurer & Wirtz
GmbH & Co. KG
Stolberg (Rhineland)

RÜDIGER WISSEL
Chairman of the Executive Board
W. & O. Bergmann GmbH & Co. KG
Düsseldorf

DIPL.-KAUFMANN
HANS-WERNER ZAPP
General Partner
Robert Zapp
Düsseldorf

KLAUS WALTER ZIMMERMANN
Chairman of the Executive Board
Sony Deutschland GmbH
Cologne

● **Rhineland-Palatinate–Saar**

WOLFGANG ADOLPHS
Spokesman of the Board of
Managing Directors
Schott Glaswerke
Mainz

REINHARD ASBACH
Member of the Advisory Board
Asbach GmbH & Co.
Rüdesheim am Rhein

ERICH H. v. BAUMBACH
Chairman of the Supervisory Board
C. H. Boehringer Sohn
Ingelheim

DIPL.-KAUFMANN
WENDELIN VON BOCH-GALHAU
Member of the Board of
Managing Directors
Villeroy & Boch AG
Mettlach

DIPL.-KAUFMANN THOMAS BRUCH
General Manager
Globus Holding GmbH & Co. KG
St. Wendel

DIPL.-ING. HARALD FISSLER
Chairman of the Executive Board
VESTA AG, Luxembourg, and
VESTA AG & Co. oHG
Idar-Oberstein

DIPL.-ING. PETER FRIEDRICH
Deputy Chairman of the Board of
Managing Directors
Eckes AG
Nieder-Olm

DIPL.-KAUFMANN HARALD GRUNERT
Head of Finance Department
BASF AG
Ludwigshafen

PROFESSOR DR. FRANZ CARL LOCH
Sanitätsrat
President
Ärztelkammer des Saarlandes
Saarbrücken

DIPL.-KAUFMANN ARTHUR PLANKAR
Executive Vice President
Saarbergwerke AG
Saarbrücken

KARL HEINZ RÖTHEMEIER
General Manager
Mainzer Verlagsanstalt und Druckerei
Will & Rothe GmbH & Co. KG, Mainz,
Wiesbadener Kurier GmbH & Co.
Verlag und Druckerei KG, Wiesbaden
Mainz

DR. WOLFGANG SCHUPPLI
Lawyer
Wiesbaden

DIPL.-VOLKSWIRT RUDI SÖLCH
Administrative Director ZDF
Mainz

KILIAN VON DER TANN
Spokesman of the Board of
Managing Directors
KSB AG
Frankenthal (Palatinate)

DIPL.-VOLKSWIRT
DR. GÜNTER VEIGEL
Member of the Board of
Managing Directors
Pfalzwerke AG
Ludwigshafen

DIPL.-VOLKSWIRT DR. RICHARD WEBER
Managing Partner
Karlsberg Brauerei KG Weber
Homburg (Saar)

GEORG WEISWEILER
Lawyer
General Manager
Gerlach-Werke GmbH
Homburg (Saar)

HANS WELSCH
Honorary Chairman of the
Supervisory Board and Partner
DSD Dillinger Stahlbau GmbH
Saarlouis

● **Saxony**

DIPL.-KAUFMANN VOLKER BERNSTORFF
Member of the Board of
Managing Directors
Regionale Energie-Geschäftsbesorgung
Leipzig AG
Markkleeberg

DIPL.-ING.
ALBRECHT BOLZA-SCHÜNEMANN
Chairman of the Board of
Managing Directors
KBA-PLANETA AG
Radebeul

GERD G. HEUSS
General Manager
Volkswagen Sachsen GmbH,
Management Spokesman
Sächsische Automobilbau GmbH
Mosel

DR. KLAUS-EWALD HOLST
Chairman of the Board of
Managing Directors
Verbundnetz Gas AG
Böhlitz-Ehrenberg

● **Saxony-Anhalt**

DR. JÜRGEN DASSLER
Chairman of the Board of
Managing Directors
Leuna-Werke AG
Leuna

DIPL.-ING. WERNER NEDON
General Manager
MIDEWA GmbH
Halle

DIPL.-ING. OEC. PETER WIEGLEB
First General Manager
Hallesche Metall- und Stahlbau GmbH
Halle

DR. KLAUS VOGT
Member of the Board of
Managing Directors
SKET Maschinen- und Anlagenbau AG,
General Manager
SKET Schwermaschinenbau GmbH
Magdeburg

● **Schleswig-Holstein**

HEINZ ANNUSS
General Partner
Annuss Fleisch KG
Niebüll

DR. GERD BALKE
General Manager
Lego GmbH
Hohenwestedt

DR. HANS HEINRICH DRIFTMANN
General Partner
Peter Kölln, Köllnflückenwerke
Elmshorn

DR. RUDOLF HARTMANN
General Manager
Grace GmbH
Norderstedt

KAREL KLAISNER
Klaisner Consulting
Hamburg

DR. KLAUS MURMANN
Chairman of the Board of
Managing Directors
Sauer Getriebe AG
Neumünster

DR. LUTZ PETERS
Managing Partner
Schwartauer Werke GmbH & Co.
Bad Schwartau

HANS SCHART
Member of the Board of
Managing Directors
Schur International a/s
Horsens/Denmark

EUROPARTNERS HIGHLIGHTS¹⁾

BANCO CENTRAL HISPANOAMERICANO

	End-1991	End-1990	Change ³⁾
Balance Sheet Total	DM119,291 million	DM62,617 million	–
Deposits	DM 99,098 million	DM51,022 million	–
Capital and Reserves	DM 8,786 million	DM 4,074 million	–
Branches ²⁾	3,556	1,461	–
Number of Accounts ²⁾	7,431,900	3,467,700	–
Staff ²⁾	31,443	14,279	–

BANCO DI ROMA

	Mid-1991	Mid-1990	Change
Balance Sheet Total	DM87,887 million	DM83,794 million	+ 4.9%
Deposits	DM72,990 million	DM65,633 million	+11.2%
Capital and Reserves	DM 3,529 million	DM 3,442 million	+ 2.5%
Branches	383	377	+ 1.6%
Number of Accounts	1,768,000	1,566,000	+12.9%
Staff	13,419	13,584	– 1.2%

COMMERZBANK

	End-1991	End-1990	Change
Balance Sheet Total	DM226,651 million	DM215,954 million	+ 5.0%
Deposits	DM213,015 million	DM203,612 million	+ 4.6%
Capital and Reserves	DM 8,393 million	DM 7,576 million	+10.8%
Branches	973	956	+ 1.8%
Customers	3,551,500	3,359,400	+ 5.7%
Staff	29,515	28,450	+ 3.7%

CRÉDIT LYONNAIS

	Mid-1991	Mid-1990	Change
Balance Sheet Total	DM469,221 million	DM396,936 million	+18.2%
Deposits	DM370,882 million	DM337,125 million	+10.0%
Capital and Reserves	DM 19,767 million	DM 16,685 million	+18.5%
Branches ²⁾	2,388	2,366	+ 0.9%
Customers ²⁾	5,172,000	5,021,000	+ 3.0%
Staff ²⁾	43,863	43,790	+ 0.2%

EUROPARTNERS GROUP

	1991	1990	Change
Balance Sheets Total	DM903,050 million	DM759,301 million	+18.9%
Deposits	DM755,985 million	DM657,392 million	+15.0%
Capital and Reserves	DM 40,475 million	DM 31,777 million	+27.4%
Branches	7,300	5,160	+41.5%
Staff	118,240	100,103	+18.1%

¹⁾ figures for respective group (Banco di Roma: parent bank); partner banks' balance sheet data given in D-marks, converted according to the official middle rates of the respective closing days;

²⁾ figures for parent bank only;

³⁾ still Banco Hispano Americano in 1990; figures not comparable;

⁴⁾ new definition.

Commerzbank International S.A. Luxembourg Capital: DM1.0bn 100.0%	Commerzbank (Nederland) N.V. Amsterdam Capital: Dfl108.5m 100.0%	Commerzbank (South East Asia) Ltd. Singapore Capital: S\$85.0m 100.0%	Commerzbank (Switzerland) Ltd Zurich Capital: Sfr68.6m 100.0%
Commerzbank Capital Markets Corporation New York Capital: US\$20.0m 100.0%	Commerz Securities (Japan) Company Ltd. Hong Kong/Tokyo Capital: DM33.5m 50.0%	Banco Central Hispanoamericano S.A. Madrid Capital: ptas628.6bn 4.7% ²⁾	Korea International Merchant Bank Seoul Capital: won75.5bn 20.9%
UBAE Arab German Bank S.A. Luxembourg/ Frankfurt am Main Capital: DM55.0m 25.1%	Unibanco – União de Bancos Brasileiros S.A. São Paulo Capital: NCz\$567.5bn 10.2%		

Asset management companies

Commerz International Capital Management GmbH Frankfurt am Main Capital: DM10.8m 100.0%	CICM (Ireland) Ltd. Dublin Capital: DM1.6m 75.0%	Hispano Commerzbank (Gibraltar) Ltd. Gibraltar Capital: £5.0m 49.9%
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Financing companies

CB Finance Company B.V. Amsterdam Capital: Dfl17.6m 100.0%	Commerzbank Overseas Finance N.V. Curaçao Capital: DM13.7m 100.0%	Commerzbank U.S. Finance, Inc. Wilmington/Delaware Capital: US\$0.09m 100.0%
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MAJOR FINANCIAL HOLDINGS OF COMMERZBANK AG

RHEINHYP Rheinische
Hypothekenbank AG
Frankfurt am Main

Capital:
DM1.2bn 97.2%

Berliner Commerzbank AG
Berlin

Capital:
DM548.0m 100.0%

Commerz-Credit-Bank AG
Europartner
Saarbrücken

Capital:
DM56.0m 65.0%

Deutsche
Schiffsbank AG
Bremen/Hamburg

Capital:
DM164.5m 40.0%

Leonberger
Bausparkasse AG
Leonberg

Capital:
DM310.1m 39.9%

DBV Holding AG
Wiesbaden

Capital:
DM728.3m 48.3%

Asset management companies

ADIG Allgemeine Deutsche
Investment-Gesellschaft mbH
Munich/Frankfurt am Main

Capital:
DM82.7m 37.1%¹⁾

Commerzbank Investment
Management GmbH
Frankfurt am Main

Capital:
DM7.2m 100.0%

Commerz
Immobilien GmbH
Frankfurt am Main

Capital:
DM3.0m 100.0%

Deutsche Grundbesitz-
Anlagegesellschaft mbH
Frankfurt am Main

Capital:
DM3.5m 30.0%

Deutsche Grundbesitz-
Investmentgesellschaft mbH
Frankfurt am Main

Capital:
DM25.7m 30.0%

Leasing companies

Commerz- und Industrie-
Leasing GmbH
Frankfurt am Main

Capital:
DM10.2m 100.0%

Deutsche Immobilien
Leasing GmbH
Düsseldorf

Capital:
DM36.3m 50.0%

Holding companies

Commerz Beteiligungs-
gesellschaft mbH
Bad Homburg v.d.H.

Capital:
DM5.0m 100.0%

Commerz Unternehmens-
beteiligungs-AG
Frankfurt am Main

Capital:
DM62.4m 50.0%

Wirtschaftspartner
Beteiligungsgesellschaft mbH
Berlin

Capital:
DM37.0m 20.9%¹⁾

Tertiary-sector partners

Commerz Finanz-
Management GmbH
Frankfurt am Main

Capital:
DM0.6m 96.0%

PMC Personal Management
Consult GmbH
Frankfurt am Main

Capital:
DM0.5m 100.0%

Karl Baumgartner + Partner
Consulting KG
Sindelfingen

35.1%

MIPA Müller
Verwaltungs-GmbH
Düsseldorf

Capital:
DM5.5m 31.3%²⁾

Capital = equity capital ¹⁾ partly indirect ²⁾ indirect



EUROPARTNERS: BANCO CENTRAL HISPANOAMERICANO • BANCO DI ROMA • COMMERZBANK • CREDIT LYONNAIS