ANNUAL REPORT 1995

COMMERZBANK

Key figures of Commerzbank Group

in DM m, at year-end	1993	1994	1995
Balance-sheet total	285,378	342,057	404,167
Total lending	181,320	220,412	260,273
Liable funds	16,037	18,812	21,207
Branches	1,006	1,027	1,060
Customers	3,439,800	3,533,800	3,579,000
Staff[1])	28,241	28,706	29,615

1) calculated on a full-time basis.

Earnings figures of Commerzbank Group

in DM m	1993	1994	1995
Net interest and dividend income[1])	4,847	5,160	5,216
Net commission income	1,960	1,827	1,922
Net income from financial transactions	550	105	455
Other operating income	234	159	275
Personnel expenses	2,957	2,973	3,286
Other administrative expenses[2])	1,609	1,756	2,043
Other operating expenses	121	175	207
Provision for possible loan losses	1,770	1,655	886
Operating result	**1,134**	**692**	**1,446**
Balance on financial investments and extraordinary account	60	1,017	-253
Pre-tax profit	**1,194**	**1,709**	**1,193**
Taxes	608	654	214
Net income for the year	**586**	**1,055**	**979**
Return on equity[3])	7.6%	11.2%	8.6%

1) including leasing transactions; 2) including depreciation on intangible and fixed assets; 3) including minority interests.

Key data for the Commerzbank share

in DM	1993	1994	1995
Operating result per share	39.40	20.70	37.50
Net income per share[1])	21.80	31.40	23.90
Dividend paid per DM50 Commerzbank share[2])	12.00	12.00 + 1.50	13.50
Tax credit in addition to cash dividend	5.14	5.79	5.79
Equity capital per share at year-end[3])	273.90	295.50	297.60
Share price at year-end[4])	386.00	326.50	340.50
Market capitalization at year-end	11.1bn	10.9bn	13.1bn
Number of dividend-bearing shares	28,812,622	33,492,227	38,505,380

1) less/plus minority interests; 2) 1995: proposal to the AGM; 3) calculated on the basis of DM50 nominal share, less minority interests and profit appropriation; 4) spot quotation on Frankfurt Stock Exchange.

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Commerzbank AG
Deputy Chairman

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Cologne
Commerzbank AG

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Bad Soden
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Düsseldorf
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Commercial, Banking and
Insurance Workers' Union (HBV)

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Insurances Section
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since October 1, 1995

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Banco Central Hispanoamericano S. A.

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General Manager
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Schweizerische Versicherungs-
Gesellschaft

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since July 1, 1995

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Managing Directors
RWE AG

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Stuttgart
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Bremen
Management Spokesman
Fr. Lürssen Werft (GmbH & Co.)

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Managing Directors
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General Partner
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BASF Aktiengesellschaft

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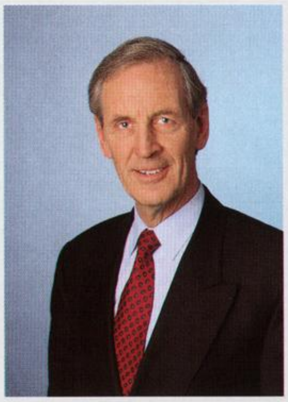
Berlin
Chairman of the Board of
Managing Directors
Schering AG

Wilhelm Werhahn
Neuss
Entrepreneur



Martin Kohlhaussen

Chairman of the
Board of Managing Directors

Staff departments

Accounting and Taxes
Corporate Communications
Strategy and Controlling

Dr. Erich Coenen

Banking department

Real Estate

Main branches

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Hanover

Dietrich-Kurt Frowein

Banking departments

Asset Management
Relationship Management

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Nuremberg

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Banking department

Private Banking

Main branches

Dresden, Düsseldorf,
Leipzig, Mainz

Dr. Kurt Hochheuser

Banking department

Corporate Banking

Main branches

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Essen, Wuppertal

Jürgen Lemmer

Banking department

Treasury

Regions abroad

United Kingdom
Ireland
Luxembourg
Far East
Middle East
North Africa

Klaus-Peter Müller

Banking department

International Bank Relations

Regions abroad

North and South America
Central and Eastern Europe

Klaus Müller-Gebel

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Human Resources-Group Management

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Kiel

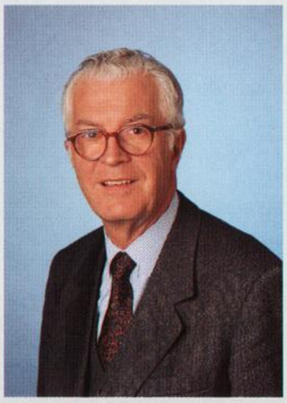
Dr. Axel Frhr. v. Ruedorffer

Staff departments

Credit Risk Management
Internal Auditing
Compliance and Security

Region abroad

Western Europe



Dr. Jürgen Terrahe

until March 31, 1996

Dr. Norbert Käsbeck

Deputy Member
since January 1, 1996

Staff departments

Organization/Construction Management

Service departments

Information Technology
Payments and Settlements

Main branches

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Klaus M. Patig

Deputy Member
since April 1, 1995

Banking departments

Corporate Finance
Global Bonds
Global Equities

Regions abroad

Southern Africa
Near East
South-East Asia
Australia/New Zealand

To our shareholders

While the sector index for German bank shares fell by 4.3% last year, Commerzbank's share price rose by 4.3%. This reflects the expectation of investors that our Bank would register above-average earnings performance. With an operating result that is 109% higher, we have fulfilled this expectation. In 1995, our share price fluctuated within a much narrower band than in previous years. The annual high was reached on May 15 at DM350, while the lowest spot quotation was DM315 on January 24. The Bank's market capitalization at end-1995 was DM13.1bn, up 20.2% on its year-earlier level.

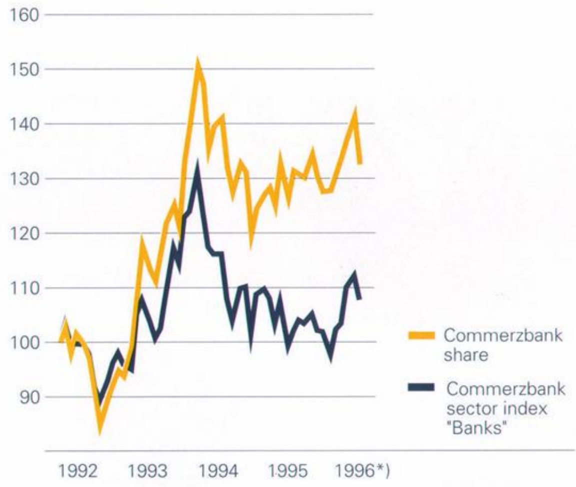
Not only did its share price outperform the sectoral average; the turnover in Commerzbank shares was also high relative to that of other listed banks. On all Germany's stock exchanges last year, it amounted to 119 million Commerzbank shares; this represented just over three times the equity capital issued by end-1995. In terms of stock-exchange turnover, the Commerzbank share occupied 14th place. It is therefore one of the German shares with the greatest liquidity.

Our share continues to be listed on all eight German stock exchanges and on 14 international stock exchanges. In addition, a sponsored ADR programme has existed in the United States since 1989. By far the most important foreign stock exchange in 1995 was London, where 16.4 million Commerzbank shares were traded, equivalent to 13.8% of our aggregate turnover on German bourses.

Commerzbank's shares are widely dispersed among 190,000 shareholders. To our knowledge, no shareholder was in possession of more than 3.6% of our capital at end-1995. The largest single shareholder remains Banco Central Hispanoamericano S.A., Madrid.

Performance relative to sector index

Month-end figures, January 1992=100
*) January und February

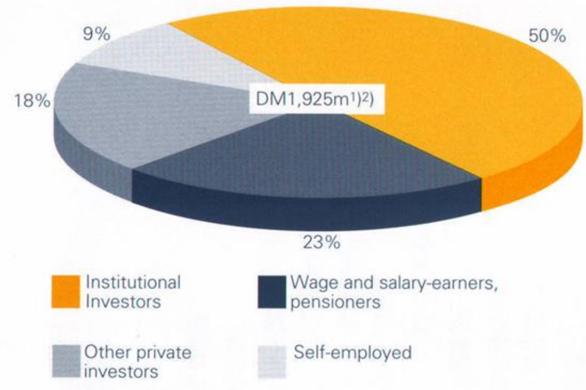


Capital increase well oversubscribed – foreign shareholder base expanded

Last November, we successfully effected our capital increase for which existing shareholders were not offered subscription rights. In this way, we have considerably increased our scope for realizing internal and external opportunities to expand. Demand was 2.4 times greater than the volume of shares offered.

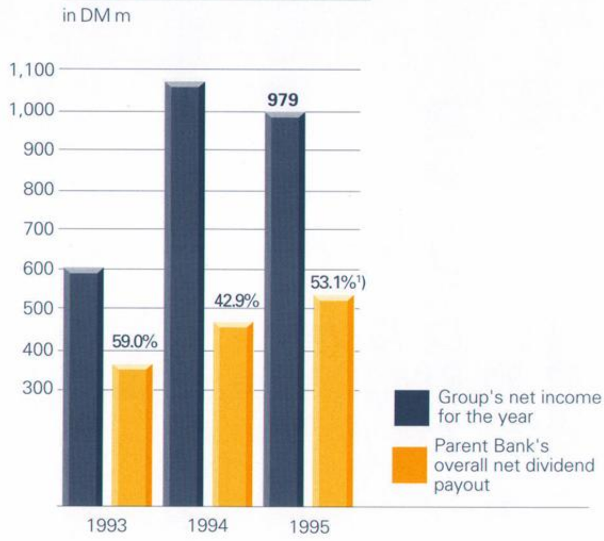
By means of the capital increase, we achieved our goal of broadening our foreign shareholder base; 45% of the new shares were acquired by investors abroad. Consequently, the participation of non-residents in the capital increase was disproportionately higher than their previous involvement. Our stock met with particular interest in Switzerland, the United Kingdom and the United States. Placement in the USA was on the basis of Rule 144A under the 1933 Securities Act. The offer was made solely to institutional investors.

Shareholder structure



1) subscribed capital, percentage shares in capital;
2) roughly 43% of capital is held by non-residents.

Appropriation of profits



1) payout ratio

Market position successfully strengthened

By restructuring our branch network and head office, we had already adopted measures in previous years to adapt our organization and management structure to changing market demands and thereby boost Commerzbank's earnings performance. In 1995, too, we further underpinned our competitiveness. In an environment characterized by keen rivalry, we managed to expand our market shares in both the corporate and retail customer segments – constantly examining the quality of the newly acquired business.

In the final analysis, all the activities of the Commerzbank Group are geared towards increasing the return on equity. Our medium-term goal is an after-tax return of at least 10%; we believe that this figure represents a realistic target. Over the longer term, however, we will not be content with it.

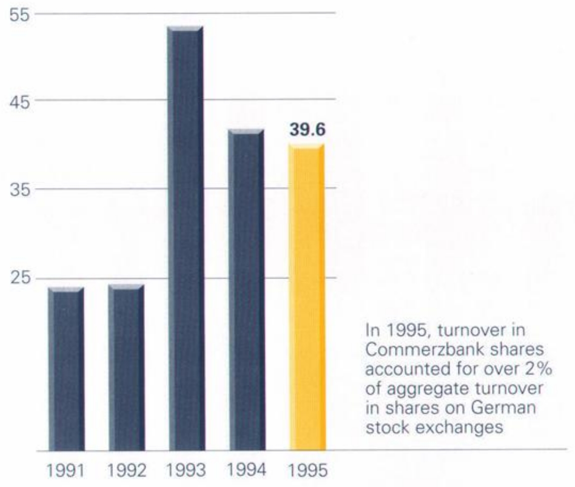
Greater transparency for shareholders

We see the main thrust of our investor relations activities in providing shareholders with ever deeper insight into the development of our business and earnings. In keeping with this maxim, we present in this report for the first time a breakdown of our operating result by corporate division and region.

Our demand for more transparency is also reflected in the present set of annual accounts; the information published here for the first time is intended to make it easier for our shareholders to compare the Bank with its international competitors. Now that financial analysts and representatives of the banks have agreed upon a standard formula, we are able to work out a methodologically comparable DVFA result for banks as well. In 1995, this was DM23.50 per share in Commerzbank's case.

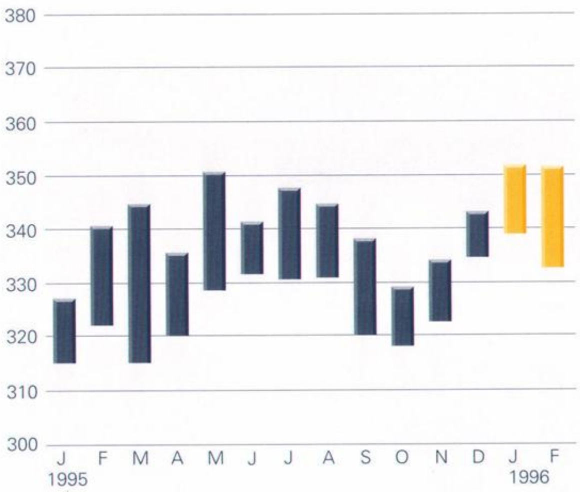
Turnover in Commerzbank shares

in DM bn



Performance of the Commerzbank share

monthly highs and lows, in DM;
Frankfurt Stock Exchange mid-session spot quotations



Switch to DM5 shares

Our 1996 AGM is being held on May 24 in Frankfurt am Main. One point on the agenda is the change in the face value of our share to DM5, for which we request your approval. We are thus joining the trend towards "lighter" quotations in order to ensure better compatibility, even though market hopes that equities would enjoy mounting popularity as a savings medium have so far not been fulfilled.

We should be very pleased to welcome you personally at our AGM. Should you be unable to attend, we urge you to have your shares represented by proxy. In the years ahead, our AGM will take place on May 30, 1997, May 29, 1998, May 21, 1999, and May 26, 2000, each time in Frankfurt am Main. Even at this early date, we cordially invite you to participate.

March 1996

Chairman of the Board of Managing Directors	Chairman of the Supervisory Board

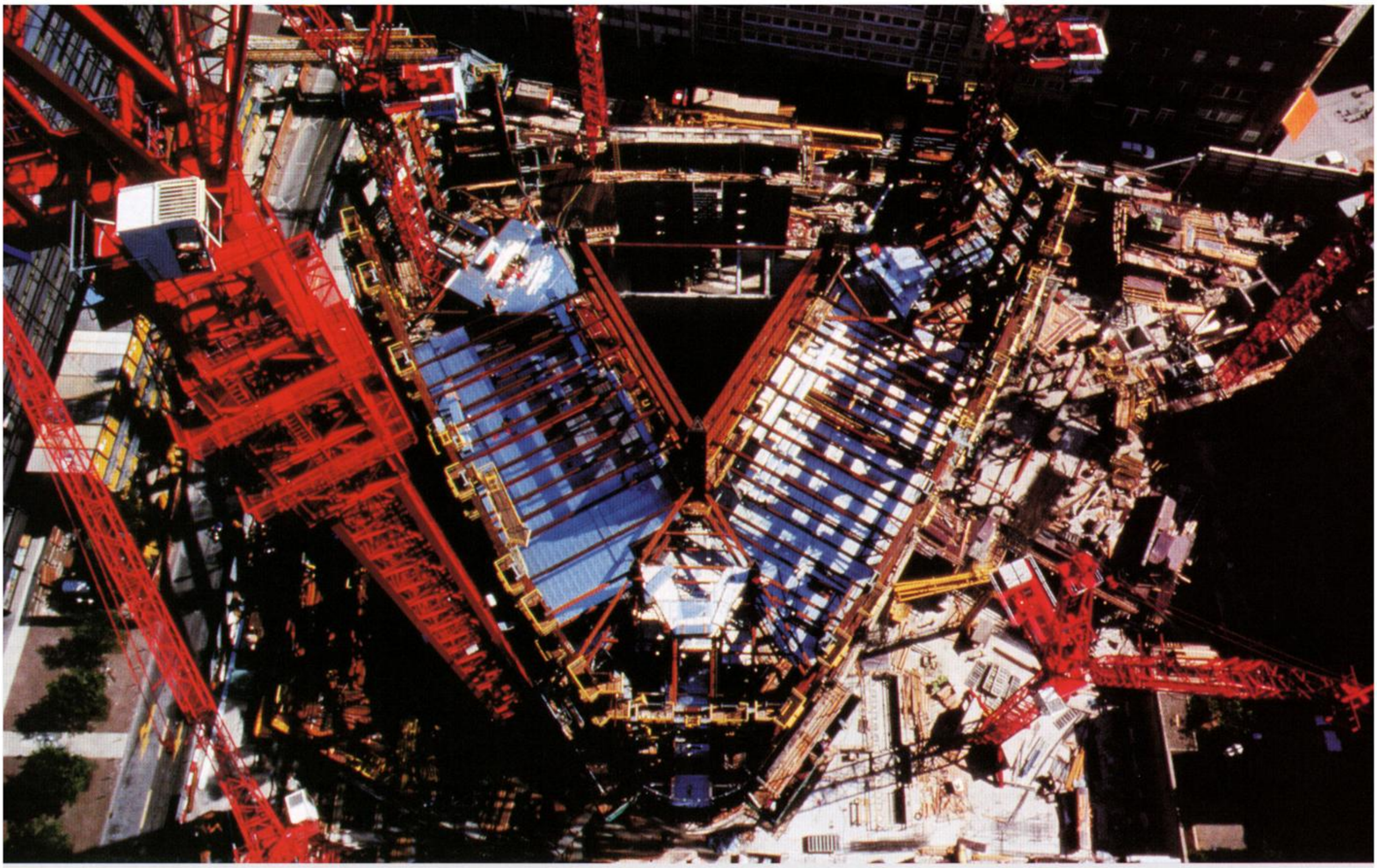
Business progress of Commerzbank Group 1968 - 1995*

	Business volume	Total lending	Customers' deposits	Taxes paid	Allocation to reserves from profit	Equity capital	Supple-mentary capital	Staff1)	Offices
	DM bn	DM bn	DM bn	DM m	DM m	DM m	DM m		
1968	16.7	10.6	12.9	64.9	31.5	676	–	14,689	691
1973	40.0	26.4	21.7	76.7	18.0	1,284	–	18,187	826
1978	88.6	57.6	39.2	247.3	99.5	2,370	–	20,982	875
1984	125.0	90.3	51.9	275.4	152.3	3,143	–	22,801	882
1985	139.6	94.4	54.8	321.6	175.0	3,435	425	24,154	882
1986	150.7	102.7	59.2	330.6	156.9	4,483	425	25,653	881
1987	163.9	109.0	65.6	328.5	175.6	4,653	425	26,640	882
1988	182.4	120.6	73.9	376.3	235.0	5,222	425	27,320	888
1989	193.8	126.5	85.0	493.7	281.0	5,867	705	27,631	897
1990	217.9	146.5	98.7	482.5	219.8	6,371	1,205	27,275	956
1991	229.0	157.9	111.8	541.0	234.9	6,689	1,704	28,226	973
1992	235.4	166.3	120.4	554.2	408.7	7,197	6,239	28,722	998
1993	287.8	181.3	133.3	607.9	281.5	8,273	7,764	28,241	1,006
1994	344.5	220.4	134.6	654.3	600.0	10,534	8,278	28,706	1,027
1995	**407.0**	**260.3**	**143.2**	**214.0**	**400.0**	**12,316**	**8,891**	**29,615**	**1,060**

Business progress of Parent Bank 1952 - 1995*

	Business volume	Total lending	Customers' deposits	Annual dividend	Total amount of dividend paid	Staff2)	Branches
	DM bn	DM bn	DM bn	DM per share	DM m		
1952	2.3	1.3	1.6	–	–	4,812	108
1955	4.2	3.0	3.0	5.00	8.1	7,160	149
1960	7.0	4.5	5.8	8.00	28.8	9,465	266
1965	10.6	6.9	8.9	8.00	36.0	11,402	436
1970	20.2	13.8	14.7	8.50	59.5	15,441	719
1975	38.8	22.3	25.1	9.00	95.5	17,328	782
1980	66.9	45.5	36.5	–	–	19,023	805
1985	84.8	50.3	50.6	8.00	142.0	21,204	793
1986	93.2	55.1	53.9	9.00	186.8	22,539	792
1987	103.1	58.4	60.1	9.00	187.2	23,324	793
1988	117.1	67.9	68.7	9.00	203.5	23,793	795
1989	127.2	72.6	77.4	9.00	225.5	24,067	802
1990	147.3	84.2	87.5	10.00	257.3	24,362	849
1991	155.1	96.5	100.1	10.00	258.2	25,044	859
1992	176.5	111.5	108.2	10.00	262.0	27,017	946
1993	202.7	113.0	117.9	12.00	345.8	26,251	947
1994	241.2	129.6	114.6	12.00 + 1.50	452.1	26,641	964
1995	**266.1**	**150.7**	**117.9**	**13.50**	**519.8**	**26,893**	**981**

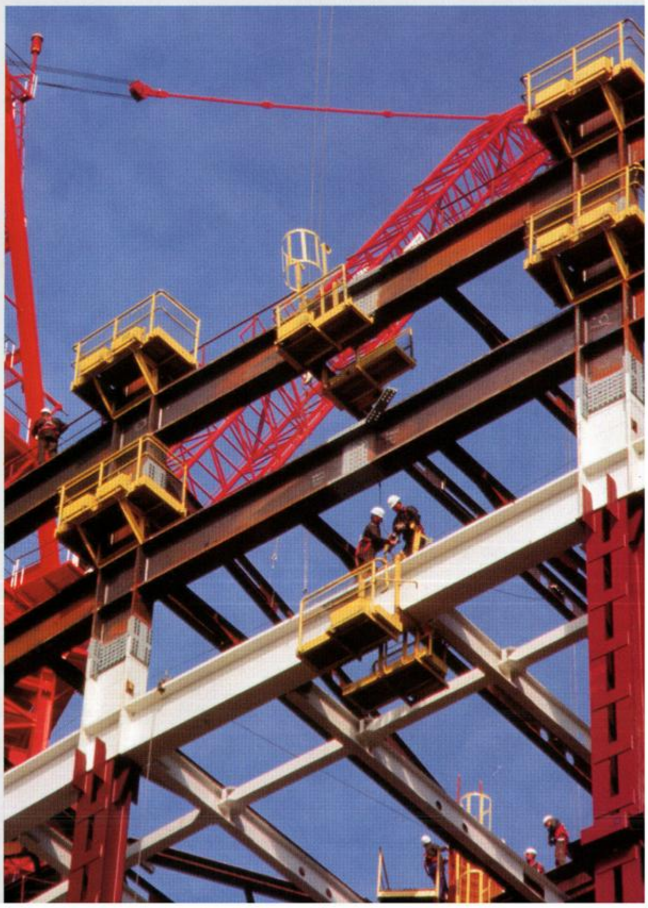
*) as from 1992 following new accounting principles;
1) as from 1990 based on new definition and calculated as full-time staff;
2) calculated as full-time staff; as from 1990 based on new definition.



Commerzbank's new head-office building in Frankfurt am Main takes shape

Our new tower, an impressive addition to Frankfurt's skyline, will be completely ready for use by May 1997. For us, this building is a symbol of innovation and the arrival of the next millennium; at the same time, it underscores our continuing efforts to secure Commerzbank's position as a major European bank. In addition, we are enhancing Frankfurt's image as a financial centre; the home of the Bundesbank, the European Monetary Institute and the future European central bank is where we see our business future.

Thanks to precise logistics, construction can go ahead according to plan despite the cramped building site. A bird's-eye perspective reveals the unusual triangular form.



State of progress on January 22, 1996

Commerzbank: Management report and Group management report

Last year, economic performance in the industrial countries, the most important environment for Commerzbank activities, was disappointing. Yet it is positive that inflation, at 2.5%, reached its lowest level since the 1960's. This was reflected in the bond markets, where worldwide prices climbed considerably in the course of the year. The robust condition of stock markets indicates that the upswing is not yet over.

In Western Europe, where recovery had not begun until 1994, turbulence in the currency markets early last year had an adverse impact. The fiscal consolidation course steered with a view to the planned European monetary union has held down demand and in some countries has triggered social tensions. If the goal of lower unemployment is to be attained, substantial progress still has to be made in adjusting to a sustained high level of price stability and to a changed world-economic setting - through a more liberal world trade regime and a marked increase in the competitiveness of many less developed and newly industrializing countries.

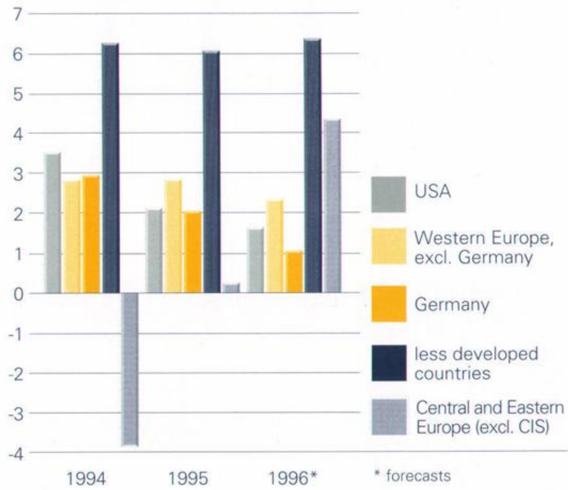
Lull in Germany's economic growth

Germany's economic growth, at just under 2%, was disappointingly weak in 1995; real GDP ceased to expand in the second half of the year. The situation in the labour market deteriorated accordingly. The problems caused by the D-mark's appreciation early in 1995 were exacerbated by unjustifiably high pay increases in some cases. Exports advanced much more slowly than in 1994; under these conditions, business investment failed to take off. Although the Bundesbank cut the discount rate three times, by 1.5 percentage points in all, this failed to compensate for the negative influences produced by hefty increases in taxes and social-security contributions. Moreover, towards year-end it became clear that German construction is on the verge of a serious adjustment. Consequently, expectations for 1996 are subdued. Even if activity picks up again in the spring, the growth rate will be below that in 1995.

All the same, the danger of a slide into recession in 1996 is very slight. This is mainly ruled out by the dynamic force of world trade – reflecting the solid growth in many transitional economies and LDCs – and a relaxed monetary policy. At the same time, the tax relief for private households and the healthy development of corporate profits will have a positive effect. Weak inflation is holding money-market rates at a low level, thereby providing a solid basis for the stock and bond markets.

International economic growth

GDP, real; percentage change on year



The ambitious goal of halving the jobless total by the year 2000 can only be achieved through joint efforts. Companies will continue to adjust to the changed world-economic setting through further rationalization and modernization. Unions must respond to the pronounced imbalance in the labour market by agreeing to settlements in line with productivity. Last but not least, the government must be bold as it deregulates and, by committing itself to sizeable cuts in taxes and compulsory contributions, it should maintain the pressure to reduce its spending.

Survey of the Commerzbank Group

In 1995, Commerzbank increased its market share further through innovative products and a customer-oriented approach. By means of major acquisitions and new operative units at home and abroad, the Group's business activities were extended and enhanced. This expansion made it necessary to strengthen the Bank's equity capital base, which was primarily achieved through November's successful placement of Commerzbank shares.

Thanks to a downward trend in interest rates, we were able to step up first our capital-market activities and then, in the second half of the year, our lending as well considerably. Despite fierce price competition, which was reflected in unrelenting pressure on margins, and a persistently high level of provision for possible loan losses, we managed to double our operating result. This has enabled us, on the one hand, to continue to build up the Bank's reserves and, on the other, to pay our shareholders a higher cash dividend of DM13.50.

Strong growth combined with strict risk orientation

For the third year in a row, the business volume of the Commerzbank Group – balance-sheet total and endorsement liabilities – registered strong double-digit growth. With strict attention paid to all types of risk, it went up by 18.2%, or DM62.5bn, to DM407.0bn; it was thus 73% higher than at end-1992. In part, this expansion was achieved through the especially brisk public-sector lending of our mortgage banks. At the Parent Bank, Commerzbank AG, the rise was concentrated on interbank transactions and claims on customers. The changes in the individual balance-sheet items are shown in the following table on the utilization of funds.

Consolidated balance sheet: changes on year

Assets	in DM m
Cash reserves	461
Public-sector debt securities and bills of exchange*)	704
Claims on banks	
a) demand	- 509
b) time	16,941
Claims on customers	
a) less than four years	8,194
b) four years or more	27,637
Bonds, notes and other fixed-income securities	
a) money-market paper	-134
b) bonds and notes	81
c) bonds and notes issued by the Group	3,852
Shares and other variable-yield securities	3,719
Investments, holdings in associated companies and investments in affiliated companies	-191
Fixed assets	220
Sundries	1,135
Increase in total assets	**62,110**

*) rediscountable at central banks

Liabilities	in DM m
Liabilities to banks	
a) payable on demand	4,502
b) with agreed periods or periods of notice	20,365
Customers' deposits	
a) payable on demand	4,410
b) with agreed periods or periods of notice	4,413
c) savings deposits	-288
Securitized liabilities	
a) bonds and notes issued	20,388
b) others	4,544
Provisions	505
Subordinated liabilities	585
Capital and reserves, profit-sharing certificates outstanding	1,588
Minority interests	153
Consolidated profit	68
Sundries	877
Increase in total liabilities	**62,110**

Changes in Group's lending

	31.12.1995		31.12.1994		Change	
	DM m	%	DM m	%	DM m	%
Claims on customers						
short and medium-term	74,396	28.6	66,202	30.0	8,194	12.4
long-term (four years or more)	81,282	31.2	67,768	30.7	13,514	19.9
long-term loans in mortgage bank business	68,330	26.3	54,207	24.7	14,123	26.1
	224,008	**86.1**	**188,177**	**85.4**	**35,831**	**19.0**
Bills discounted	**4,712**	**1.8**	**3,787**	**1.7**	**925**	**24.4**
Loans to banks						
short and medium-term	11,054	4.2	6,677	3.0	4,377	65.6
long-term (four years or more)	5,427	2.1	6,202	2.8	-775	-12.5
long-term loans in mortgage bank business	14,663	5.6	15,051	6.9	-388	-2.6
	31,144	**11.9**	**27,930**	**12.7**	**3,214**	**11.5**
Leased equipment	**409**	**0.2**	**518**	**0.2**	**-109**	**-21.0**
Total lending	**260,273**	**100.0**	**220,412**	**100.0**	**39,861**	**18.1**

Low interest rates spur lending

The decline in long-term interest rates to a historical low in the course of the year provided an appreciable boost for credit demand, with the focus falling on the long-term bracket, including mortgages and public-sector loans. But there was an encouragingly strong rise of 12.4% in short and medium-term claims on customers as well. We increased our bill discounting, a facility made available to smaller businesses in particular, by 24.4% to DM4.7bn. All in all, the total lending of the Commerzbank Group was 18.1% higher, at DM260.3bn.

Liabilities from guarantees and indemnity agreements rose by DM4.8bn, or 19.1%, to DM29.8bn. The credit equivalent of our off-balance-sheet derivatives business calculated on the basis of its gross volume in accordance with Principle I of the German Banking Act – KWG was DM4.8bn, compared with DM3.4bn at end-1994.

More securitized liabilities and interbank business

The rise in our interbank borrowing, at 29.4%, was even stronger than that of our lending to other banks (up 19.0%). Alongside this increase in our interbank activities, we raised our securitized liabilities by a sizeable 26.2%, especially through bonds issued by our mortgage subsidiaries.

By contrast, customers' deposits, advancing 6.3%, registered below-average growth; partly, this reflects the greater variety of alternative investments. While savings deposits just about maintained their year-ago level, demand deposits expanded by 14.1%. In order to fund our long-term loans at matching maturities, we raised time deposits with terms of four years or more by a hefty 15.2% to practically DM30bn.

Further increase in securities portfolio

At DM47.2bn (up 8.8%), bonds, notes and other fixed-income securities form the core of our securities holdings. We doubled our portfolio of shares and other variable-yield securities; they are shown at DM7.4bn. The most significant addition was the purchase of 15.38% of Thyssen shares from the Counts Zichy-Thyssen; however, we plan to place these paper again soon. This has already happened to some extent. We hold blocks of shares in the case of Alno (27.6%) and Friatec (10.2%). We have disposed of our shareholding in Mineralbrunnen Überkingen AG and some of our Möbel Walther interest.

The item "Investments" is shown at DM2.0bn, 16.5% lower than a year previously. This decline is largely due to the dissolution of Stella Automobil Beteiligungs GmbH; without affecting our net income, we have transferred the Daimler-Benz shares which we had previously held indirectly via this holding to the securities we hold for liquidity purposes. The most important addition was the purchase of 21% of the shares of Poland's Bank Rozwoju Eksportu, Warsaw.

Of the affiliated companies, Blue Jay Investments, Ice Diver Investments, Colymbus Investments and Strix Investments, all of which were investment funds with the legal form of incorporated enterprises, domiciled in Dublin, have been dissolved.

Group operating result more than doubled

As in previous years, we applied strict standards in providing for possible loan losses. Nonetheless, we managed to lift our Group operating result by 109% last year to DM1,446m, following a decline in 1994. Our operative units abroad and our mortgage subsidiaries were particularly successful. By contrast, the contribution of domestic branch business to the Bank's results fell short of our projections.

The regional breakdown of our operating result, which we present for the first time in this report (see page 70), shows that 34.4% of it was generated in Germany. At the after-tax level, the share of domestic business is down to only 19.0%. The breakdown of the Group's operating result by corporate division reveals the following pattern:

Group Management	- DM324m
Domestic Branch Banking	DM476m
International Finance	DM1,031m
Investment Banking	DM263m

The figure for Domestic Branch Banking also includes the mortgage banks.

The figure for Group Management also covers costs which, although initiated by other corporate divisions, cannot simply be assigned to them. However, the costs of service departments are passed on in full, reflecting the extent to which services were used.

Changes in Group's borrowing

	31.12.1995		31.12.1994		Change	
	DM m	%	DM m	%	DM m	%
Liabilities to banks						
demand deposits	16,422	4.4	11,920	3.8	4,502	37.8
time deposits	93,029	25.0	72,664	23.1	20,365	28.0
	109,451	**29.4**	**84,584**	**26.9**	**24,867**	**29.4**
Customers' deposits						
demand deposits	35,577	9.5	31,167	9.9	4,410	14.1
time deposits	84,925	22.8	80,512	25.6	4,413	5.5
savings deposits	22,667	6.1	22,955	7.3	-288	-1.3
	143,169	**38.4**	**134,634**	**42.8**	**8,535**	**6.3**
Securitized liabilities						
bonds issued						
by commercial banks within the Group	25,523	6.8	21,595	6.9	3,928	18.2
by mortgage banks within the Group	66,825	17.9	50,365	16.0	16,460	32.7
money-market paper	26,361	7.1	21,367	6.8	4,994	23.4
acceptances outstanding	1,532	0.4	1,982	0.6	- 450	-22.7
	120,241	**32.2**	**95,309**	**30.3**	**24,932**	**26.2**
Total deposits and borrowed funds	**372,861**	**100.0**	**314,527**	**100.0**	**58,334**	**18.5**

Operating result: income of DM7.9bn and expenses of DM6.4bn

As the pattern of our balance sheet has been altered by the increased shares of both interbank business as well as mortgage and public-sector lending, our average interest margin of 1.78% in 1994 receded to 1.45%. Our distinctly risk-oriented approach is now also exerting a stronger influence on this margin; this means that the information value of average margins before risk costs is steadily decreasing. We managed to raise our net interest and dividend income by 1.1% to DM5,216m.

After declining in the preceding year, our net commission income was higher in virtually all areas, climbing by 5.2% overall to DM1,922m.

We more than trebled the net income from financial transactions to DM455m, compared with DM105m in 1994, thus taking it closer to the outstanding 1993 result. Proprietary trading in securities contributed DM10m to this fine result, foreign-exchange dealings DM186m and interest-rate futures DM259m.

Despite strict cost control, the continuing expansion of our business pushed operating expenses up by 12.7% to DM5,329m. Wages and salaries rose by 7.7% to DM2,543m; this is due to both the increase in collectively negotiated salaries and the larger number of staff, as well as to the inclusion of new companies in the consolidation. Social-security contributions, which were lower in 1994 because of a special factor, namely the reorganization of company pensions, climbed partly due to a basis effect by 21.6% to DM743m. Rents, high investment in DP equipment and the start-up costs for new companies lifted other administrative expenses by 16.3% to DM2,043m.

In 1994, we booked strong income from the disposal of shareholdings under the balance of financial investments and extraordinary account. Last

Parent Bank's shareholdings in the non-financial sector

5% of capital and above; as of December 31, 1995

Alno AG	Pfullendorf	**27.6%**
Buderus AG	Wetzlar	**13.7%**
Friatec AG	Mannheim	**10.2%**
Heidelberger Druckmaschinen AG	Heidelberg	**13.8%**[1]
Karstadt AG	Essen	**10.5%**
Kaufring AG	Düsseldorf	**12.5%**[1]
Kolbenschmidt AG	Neckarsulm	**24.9%**
Aktiengesellschaft Kühnle, Kopp & Kausch	Frankenthal	**20.0%**
Linde AG	Wiesbaden	**10.4%**
Linotype-Hell AG	Eschborn	**6.7%**[1]
MAN AG	Munich	**6.5%**[1]
Phoenix AG	Hamburg	**9.8%**
Salamander AG	Kornwestheim	**10.7%**
Schweizer Electronic AG	Schramberg	**10.0%**
Thyssen AG	Duisburg	**18.1%**[2]

1) held indirectly
2) incl. 5.8% held indirectly

year, we incurred expenses of altogether DM252m, mainly in connection with the Bank's 125th anniversary celebrations and the retroactive change in the booking at acquisition fees by Leonberger Bausparkasse.

German bankruptcies still high

The unabatingly large number of bankruptcy and composition proceedings in Germany shows that we are well advised to pay close attention to providing for our lending risks. However, unlike in 1994, we did not have to cope with the problem of security-price risks. All told, a net amount of DM886m was allocated to loan-loss reserves – after write-backs had been deducted and the result from the securities held for liquidity purposes had been set off; this was 46.5% less than in 1994.

Tax expenditure was down from DM654m to DM214m. The Group's tax ratio – i.e. tax expenditure as a percentage of pre-tax profits – stands at 18%, as against 38% in 1994. The decline is attributable to the appreciably larger share of foreign earnings and the tax refund claims of Leonberger Bausparkasse.

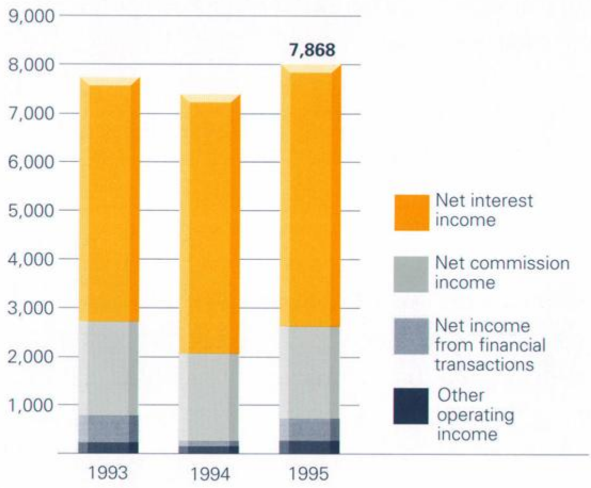
Equity base broadened by DM1.8bn

One important precondition for future expansion combined with strong earnings is an adequate capital base. In November, we effected our first capital increase from which shareholders' subscription rights were excluded. For this form of fund-raising, which was made possible by an amendment to Section 186 of the German Stock Corporation Act – AktG, we used the approval to issue a nominal DM160m which we received at last year's AGM; thanks to the exceptionally good response at the bookbuilding stage, this amount was completely used up. The new shares were placed in Germany and abroad at a price of DM320; the overall volume of the capital increase was therefore just over a billion D-marks.

Through the issue of shares to our staff at a preferential price and due to the exercising of conversion and option rights, our capital was raised by an ex-

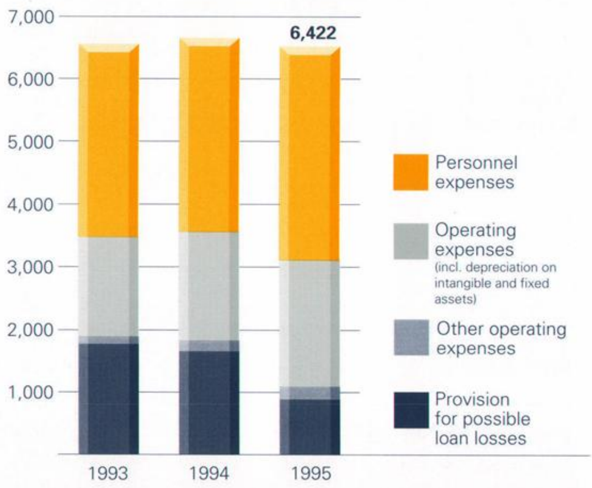
Income

Commerzbank Group, in DM m



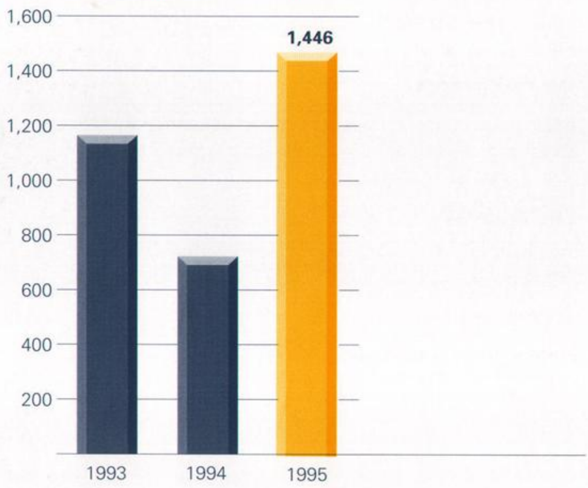
Expenses

Commerzbank Group, in DM m



Operating result

Commerzbank Group, in DM m



tra DM162m. In addition, the subscription period of the warrants from the 1991 issue of profit-sharing certificates ended at the start of October; this raised our equity capital by another DM400m.

Hypothekenbank in Essen issued DM25m of profit-sharing certificates. As a result, the Group's profit-sharing rights outstanding went up by a marginal 0.7% to DM3.8bn, despite the exercising of conversion rights. We raised subordinated liabilities by 13.0% to DM5.1bn. At end-1995, the Commerzbank Group's liable funds were shown at altogether DM21.2bn, compared with DM18.8bn at end-1994.

Dividend increased to DM13.50 – DM400m to Group reserves

Commerzbank shareholders are to benefit from the good result achieved in the 1995 financial year not only through the positive performance of the Bank's share relative to the rest of the sector, but also through a further increase in the dividend. The DM1.50 bonus paid with respect to 1994 to celebrate the Bank's 125th anniversary is now being added to the basic dividend, which accordingly rises to DM13.50. We propose to the Annual General Meeting that an overall amount of DM519.8m be distributed as a dividend payment; this represents a 15.0% increase on the previous year.

Consolidated profit and loss account

	1995	1994	Change	
	DM m	DM m	DM m	%
Interest income[1]	23,823	19,016	4,807	25.3
Current income[2]	465	582	-117	- 20.1
Interest paid[3]	19,072	14,438	4,634	32.1
Net interest and dividend income	5,216	5,160	56	1.1
Commissions received	2,055	1,946	109	5.6
Commissions paid	133	119	14	11.8
Net commission income	1,922	1,827	95	5.2
Net income from financial transactions	455	105	350	333.3
Total income	**7,593**	**7,092**	**501**	**7.1**
Wages and salaries	2,543	2,362	181	7.7
Social-security contributions[4]	743	611	132	21.6
Personnel expenses	3,286	2,973	313	10.5
Other operating expenses	1,613	1,405	208	14.8
Depreciation on intangible and fixed assets	430	351	79	22.5
Total expenses	**5,329**	**4,729**	**600**	**12.7**
Other operating income	275	159	116	73.0
Other operating expenses	207	175	32	18.3
Provision for possible loan losses	- 886	-1,655	769	- 46.5
Operating result	**1,446**	**692**	**754**	**109.0**
Balance on financial investments and extraordinary account	-252	1,013	-1,265	.
Balance on allocation to/writing-back of special items with partial reserve character	-1	4	-5	.
Pre-tax profit	**1,193**	**1,709**	**- 516**	**- 30.2**
Taxes on income	120	598	- 478	-79.9
Other taxes	94	56	38	67.9
Total tax expenditure	214	654	- 440	- 67.3
Net income for the year	**979**	**1,055**	**- 76**	**- 7.2**

1) from lending and money-market transactions, fixed-income securities and government-inscribed debt; 2) from shares, other variable-yield securities, investments, investments in affiliated companies (incl. profit-transfer agreements), leasing transactions and also from the result of holdings in associated companies; 3) incl. expenses and normal depreciation in leasing business; 4) incl. expenses for pensions and other employee benefits.

Risk-weighted assets and capital ratios (as defined by Principle I, KWG)

as of Dec. 31, 1995

in DM m	Risk weighting						
Risk-weighted assets	100%	70%	50%	20%	10%	4%	Total
Balance-sheet business	140,543	1,387	24,118	21,843	–	–	187,891
Traditional off-balance-sheet business	5,910	–	18,061	836	431	71	25,309
Derivatives business	–	–	1,546	3,246	–	–	4,792
Total	146,453	1,387	43,725	25,925	431	71	217,992

Core capital*	DM11,769m
Core capital ratio	5.4%

*) based on different definition of equity capital from those presented below.

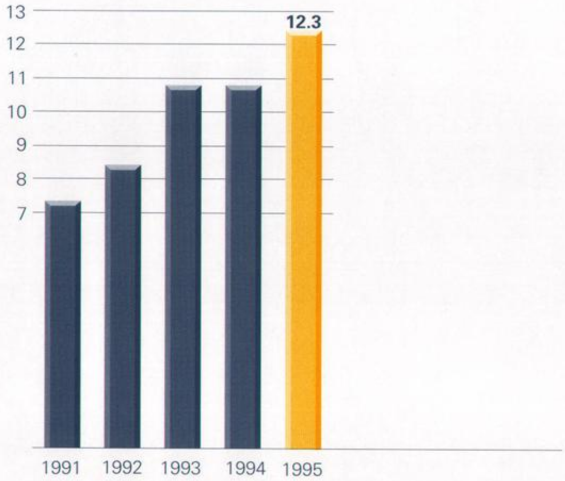
Aggregate equity capital*	DM19,543m
Aggregate equity capital ratio	9.0%
BIS equity capital ratio	9.0%

With the DM5.79 tax credit for shareholders who have unlimited tax liability in Germany included, the gross amount they are to receive per DM50 share is DM19.29. The holders of Commerzbank's profit-sharing certificates whose interest payment is linked to the dividend of the Commerzbank share will also receive a correspondingly higher payout. This recommendation acknowledges our shareholders' justified claim to receive an adequate return on their investment.

At the same time, DM100m of the Parent Bank's net income for the year is to be allocated to revenue reserves in order to strengthen the Bank from within. These funds derive exclusively from profits generated abroad. Within the Group as a whole, DM400m is to be transferred to reserves (DM600m in the previous year).

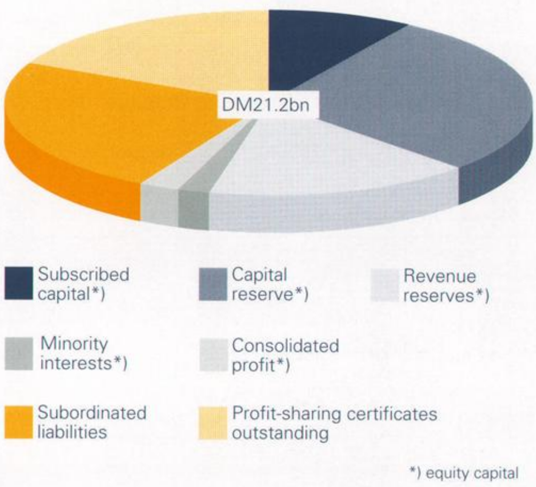
Equity capital

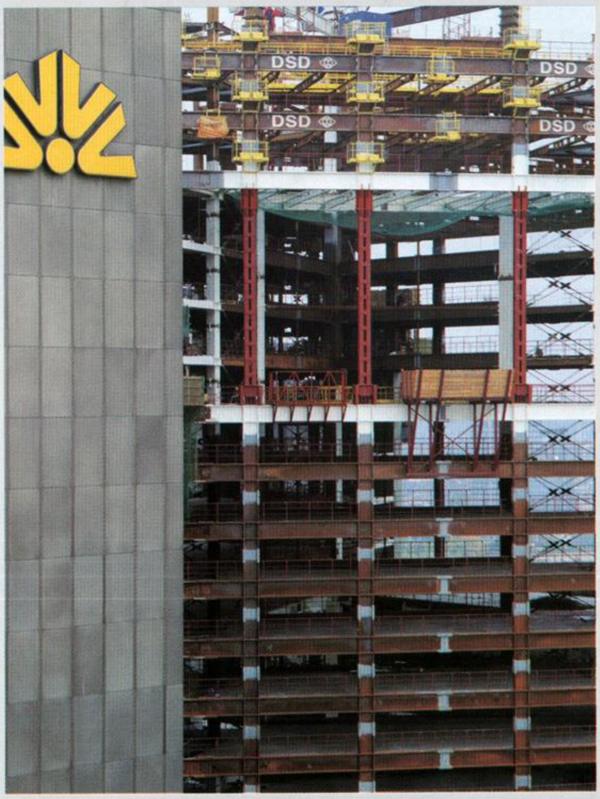
Commerzbank Group, in DM bn



Liable funds

Commerzbank Group, end-1995

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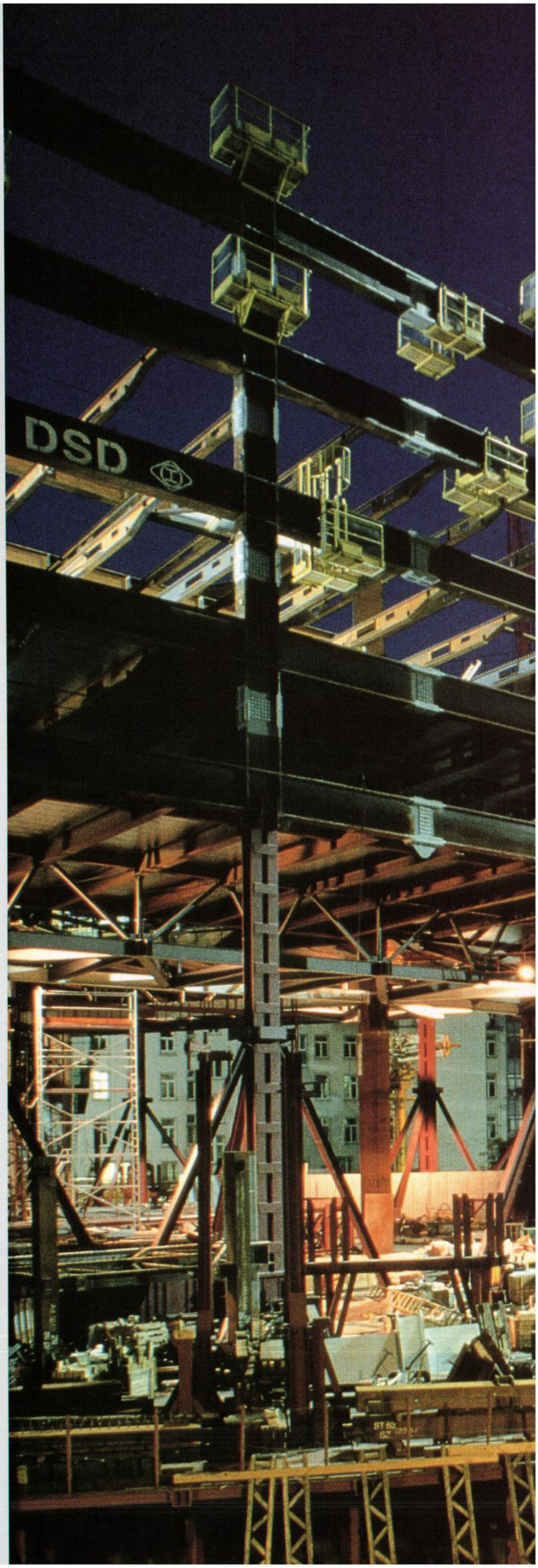
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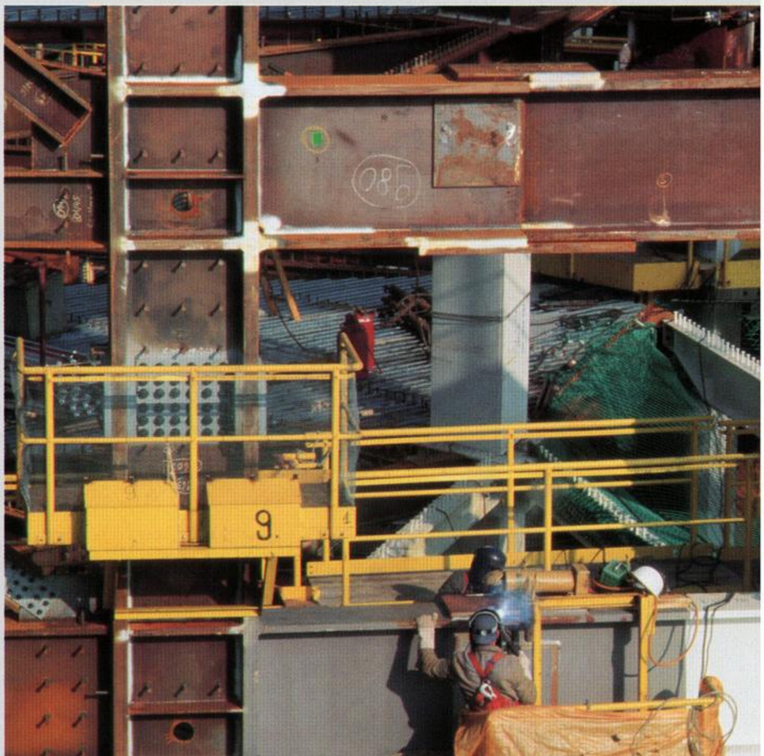
New to Europe: the steel frame

On May 26, 1994, the first shovelful of earth marked the start of the construction phase. Work on the foundations took roughly a year, after which the tower began to rise. The target was two new floors per week, adding another 7.5 metres at a time. This summer, the completed superstructure will stand 258.74 metres high.

The short construction phase was made possible by the first use in a European tower project of the steel-frame method that is typical of America and Asia. The frame consists of 18,800 tonnes of steel. By way of comparison: 7,500 tonnes were needed for the Eiffel Tower.



Group management and services

The corporate division Group Management encompasses the Bank's central staff and management functions; all the fundamental policy and strategic decisions for the Commerzbank Group are drawn up here. Its most important responsibilities are corporate planning, risk management and risk control.

Group-wide risk control

Commerzbank manages the risks which arise in connection with its business activity on a Group-wide basis. Market and credit risks as well as business risks and others are all taken into account. Market risks – in trading and asset/liability management – relate to changes in share prices and exchange rates and also to volatility, basis and spread risks. Credit risks represent the traditional default exposure attached to the loan portfolio, but also the danger of trading losses, including derivatives, which can result on account of impaired credit standings. Such risks are managed by the respective banking and staff departments.

The Bank's central strategic risk management unit is located in the staff department Strategy and Controlling; its job is to quantify the Group's aggregate risks, applying a uniform approach. These largely derive from the annualized market risks and the credit risk. By simulating various extreme situations, additional risks are computed which may arise as a result of unexpected events, such as the insolvency of a major customer, a sharp increase in loan losses or sudden interest-rate changes. The results of such calculations to quantify risk, together with the recommendations derived from them, are presented each month to the full Board of Managing Directors.

As part of the aggregate risk calcualtion, the market-price risks are quantified using a historical simulation model, based on the value-at-risk (VaR) approach, such as the BIS*, for example, accepts as the yardstick for determining the amount of equity capital needed to back market-price risks in trading as from January 1, 1998. The key feature of the procedure that is used in the trading area is its focus on the individual transaction as the point from which the values at risk for the operational units, the risk types and product categories can all be derived. At the same time, the overall risk relating to trading is determined, taking into account all the interdependences between these types of risk or between operational units.

In the internal computation of market-price risks with the aid of the historical simulation model, the following parameters are regularly used: an observation period based on the past 250 trading days, a one-day holding period, equal weighting for the observed data and a confidence interval of 97.5%. The findings are incorporated into the overall analysis of risks.

*) Bank for International Settlements, Basle

Value at risk (VaR) of the trading portfolio

Commerzbank Group, in DM m, as of Dec. 31, 1995

Portfolio	Holding period	VaR at confidence interval of				Capital for stress scenarios	
		95%	97.5%	99%	Average 1995 value at 99%	Scenario I	Scenario II
Overall portfolio	10 days	217.8	270.1	336.8	224.7	370.6	205.9
Investment instruments	10 days	120.8	189.6	228.7	168.8	212.7	271.2
Forex instruments	10 days	58.8	79.4	93.1	123.5	102.1	101.4
Equity instruments	10 days	142.0	164.2	241.7	121.4	276.4	196.1

To back this up, the model's sensitivity to differing parameters is regularly tested for overall and partial portfolios. This also includes the quantification of crisis situations in the form of so-called stress tests.

The risk position of the Group's trading portfolio per December 31, 1995 is shown in the adjacent table, taking into account both balance-sheet and off-balance-sheet transactions. With confidence intervals of 95% and 99%, the values at risk show the losses which might occur with a probability of 5% to 1%, based on movements in the market prices over the past 250 trading days. For the largest confidence interval of 99%, the annual averages have been presented in addition to the year-end situation. On the same basis, the capital for stress scenarios shows the potential extra loss, given a fivefold standard deviation (scenario I) and the greatest possible extra loss for the historical 250-day period (scenario II).

The Group's credit risk is quantified by recourse to a method similar to that used for measuring market-price risks, whereby we mainly rely on the data provided by the historical default rates of the market in question. Here we primarily differentiate according to customer group, region and rating.

Our figures also reflect the risks of Commerz Financial Products GmbH (CFP), where the Group's derivatives trading activities are concentrated. CFP activities that are exposed to risk are monitored not only by the subsidiary's own risk control group but also by the banking department to which CFP belongs and by the Bank's central strategic risk management unit. In 1995, "backtesting" – comparison of the value-at-risk figures with the trading results on a day-to-day basis – revealed that on every trading day the actual result lay within the computed value at risk.

Using the risk figures as a basis, the Group manages the market risks relating to trading primarily by setting limits for all its operative units. The activities and the management of positions are constantly monitored at head office.

Germany's Federal Banking Supervisory Office has introduced minimum requirements for trading activities which have to be fully implemented by December 31, 1996. The Parent Bank and its subsidiaries already meet these for the most part. Steps that still need to be taken will follow shortly. Further regulations which have recently become effective require institutions to back market-price risks in trading with equity capital as from December 31, 1997. The relevant EC directive (capital adequacy directive), which prescribes equity-capital backing for the same purpose, has still not been translated into German supervisory legislation. We are prepared for this as well.

In the case of the credit risk for derivatives in particular, not only current exposure has to be considered, which is determined by the present positive mark-to-market values, but also potential exposure as well. This takes into account the size of the possible loss, given certain assumptions about future market movements. These risks are substantially reduced by the regular conclusion of contracts under bilateral master agreements, which are normal in the respective markets and include legally recognized netting agreements in the case of default; these typically take the form of close-out netting. Independently of this, balance-sheet and off-balance-sheet transactions with a counterparty are viewed as a unit and are set against the individual limits approved for this counterparty.

The following structural analyses present the credit standing of CFP's portfolio. Current exposure is shown as the mark-to-market costs, taking into consideration valid netting clauses without the deduction of collateral. The portfolio's breakdown in terms of Commerzbank's internal ratings reveals that all the counterparties are of impeccable standing.

Internal rating	Current exposure	Potential exposure
	in %	in %
1	64	56
2	25	33
3	8	7
4 to 6	0	0
not rated	3	4

If the available Moody's ratings are applied, and –with the internal ratings serving as a starting point – the remaining counterparties are translated into these external ratings, business is seen to be concentrated on investment-grade counterparties.

Equivalent Moody's ratings	Current exposure	Potential exposure
	in %	in %
Aaa	15	17
Aa	55	47
A	28	34
Baa	2	2
other ratings or not rated	–	–

Of the 20 largest contracting parties, measured in terms of current exposure, 18 have a long-term rating by Moody's. The country risk which this portfolio entails breaks down as follows between the various Moody's rating categories:

Moody's rating	Current exposure	Potential exposure
	in %	in %
Aaa	93.4	93.7
Aa	6.1	4.8
A	0.3	1.4
other ratings or not rated	0.2	0.1
OECD states	99.7	98.7
non-OECD-states	0.3	1.3

No country accounts for more than 25% of CFP's current exposure.

Loan portfolio management

Lending involves risks which can lead to loan losses. Prime responsibility for managing such risks for the Bank as a whole rests with the staff department Credit Risk Management. In order to ensure that a uniform lending policy is pursued, the Bank has detailed guidelines, which regulate the analysis of credit standing, the handling and monitoring of credits, the authority to grant loans, the treatment of problem cases and the prevention of outright losses, and quantitative restrictions on loan approval powers. The credit risk borne by CFP and other trading activities is managed on a client-related basis by the staff department Credit Risk Management. Together with all the other loans, it is subjected to a case-by-case examination and monitoring of creditworthiness.

On the basis of credit ratings and standing, the loan approval powers, the intervals between examinations, and the periods for which credits may be prolonged are established for all regional branches in Germany and for operative units abroad. At the start of this year, we selectively increased the loan approval powers of our operative units and head office in order to reinforce the decentralized and customer-oriented character of our lending, and also to promote business with sound borrowers and to speed up decisions. In addition, our operative bases abroad have been placed on an equal footing with our domestic branches through their basic integration into the set of rules for rating-oriented loan approval powers. This underlines the role of our operative bases as centres of competence for their respective region. The development of a graduated system of risk-related loan approval powers is designed to produce better collaboration between those responsible for risk management.

Risk-oriented spread of country exposure

As our business is becoming ever more international, we have to ensure that our country lending is balanced and risk-oriented. Our foreign loans are mainly to low-risk industrial nations. For the most part, the Group decides whether to make value adjustments to country risks on the basis of secondary-market prices for credits, minus an additional risk margin. Although developments in some newly industrialized countries remain critical, we were able to reduce the need for value adjustments to foreign loans. Given a stronger globalization of markets, analysis of sectoral risks is also becoming more important.

Risk management for Group commitments

With regard to Group commitments in particular, we note that the unitary corporate group is receding more into the background. Current developments indicate that in the future the focus must fall to a greater extent on how joint liability is defined. The shareholder value approach might compel the management of major public companies to provide support for weak subsidiaries only if legally binding declarations exist.

It is difficult to decide to what extent a parent company will come to the assistance of the individual subsidiary in the future. The answer will vary from case to case. Insofar as action is deemed necessary, other solutions are conceivable rather than the firm letters of comfort, guarantees, credit-extending instructions, and joint liability, which have all been called for.

The cost of credit risks

In view of the difficult domestic economic setting, we considered there was considerable need to provide for possible loan losses in 1995. Nevertheless, thanks among other things to the marked rise in the amounts written back, we were able to reduce our net value adjustments slightly for domestic branch business.

In our corporate customer business, we provided for risks to the same degree as in 1994. We believe that the need is not so much to provide for large-scale risks as to concentrate precautionary measures on smaller businesses. The emphasis here lay in manufacturing, construction and real estate.

Despite the more negative trend for the labour market, we managed to cut the amount required to provide for retail lending by 20%. It was disturbing to note that the rise in the provisions required for eastern Germany was disproportionately high relative to total lending. In view of the more relaxed economic situation worldwide, the risk position of our operative bases abroad was positive last year.

The gloomier situation in the commercial property market is reflected in an increase in the net provision for lending risks at our domestic real-estate subsidiaries.

All told, while the Group's total lending expanded by almost DM40bn, the provisioning ratio fell from 0.62% to 0.47% of customer loans.

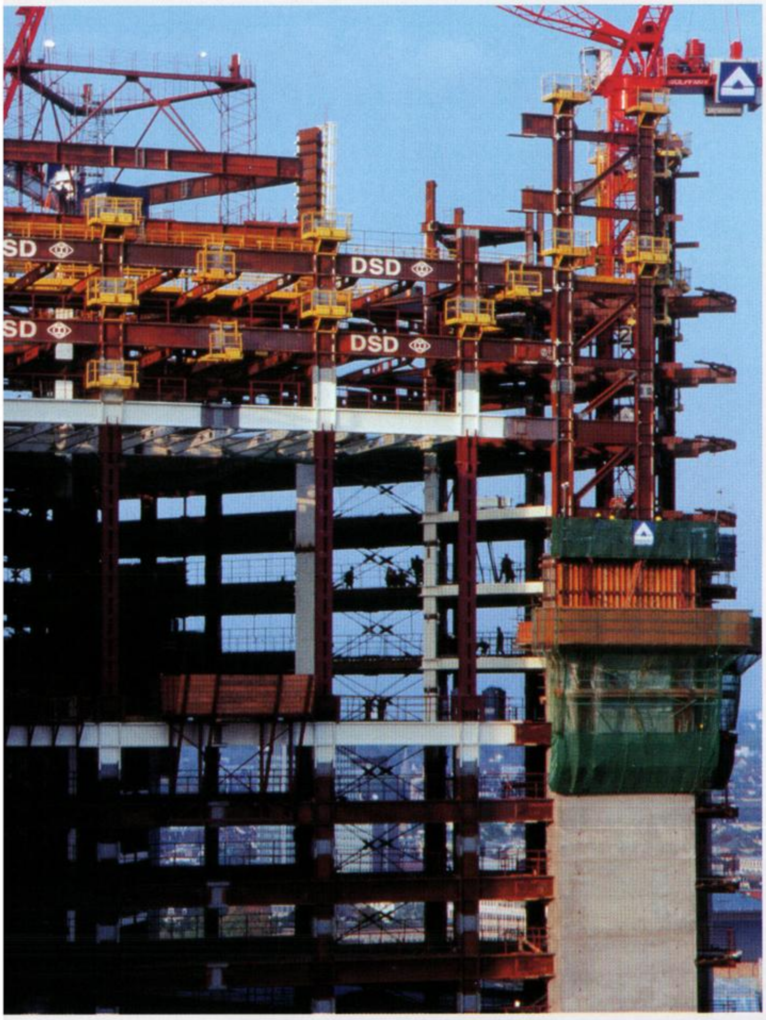
First eco-audit at branch level

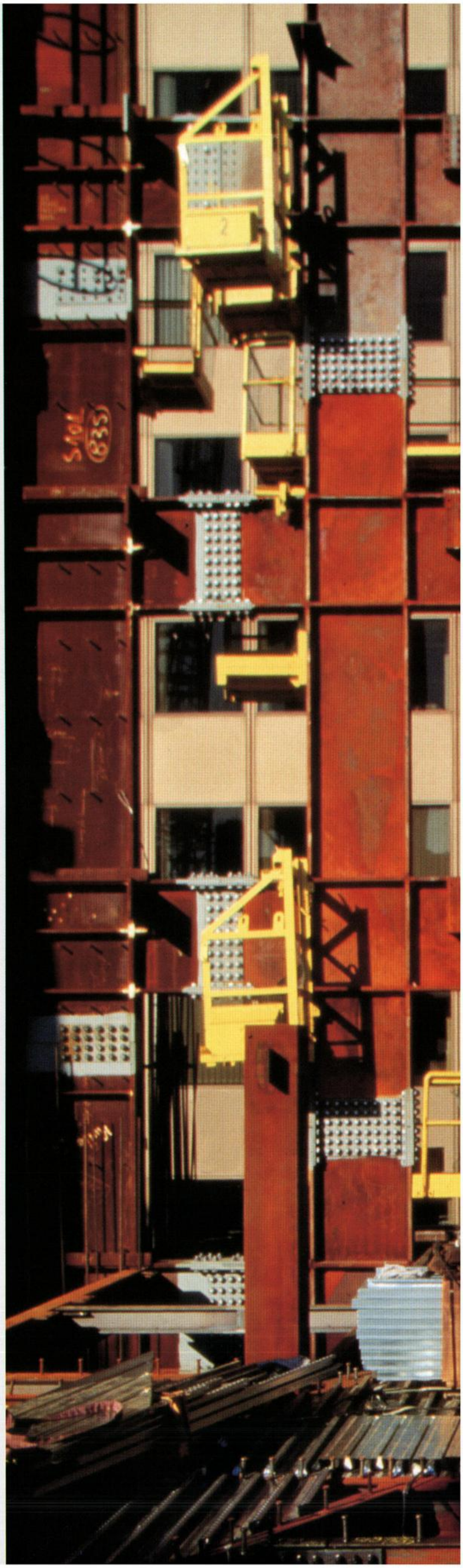
For many years now, Commerzbank has supported environmental protection measures. Since last summer, we have been preparing our first eco-audit. The aim is to discover ecological weak points in order to take selective steps to reduce appreciably any damage that might be inflicted on the environment. In this way, we are meeting our social responsibility to conduct our business operations such that the environment suffers as little harm as possible. In addition, ecologically sound measures – such as reduced energy and water consumption – can lower the cost burden considerably.

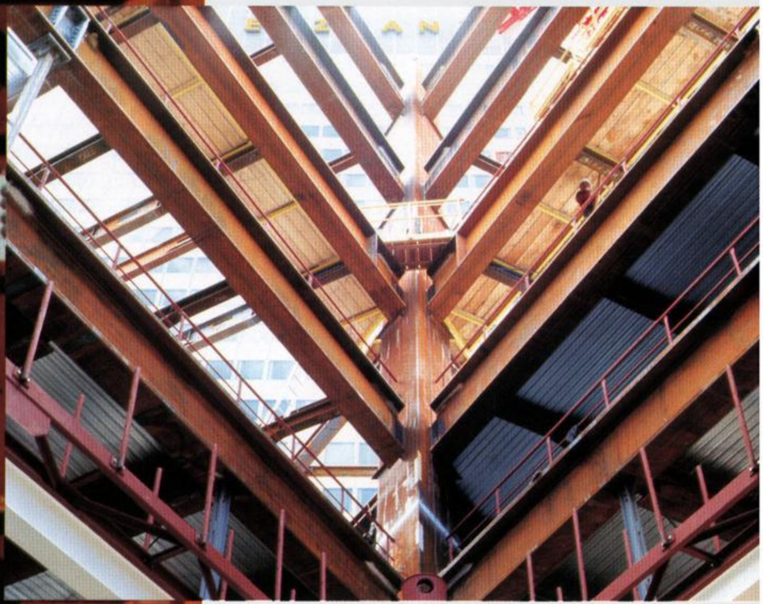
We also support the environmental-protection efforts of our business clients. For example, the EC eco-audit is drawing upon the Bank's experience in this area. Environmental aspects have become an important factor in assessing a prospective borrower's credit standing.

Transparency

With a height of 259 metres, the new Commerzbank head office will be Europe's tallest office building. But this was never a priority for us at the planning stage. The important thing was to create the necessary floor space. At the same time, though, we were determined right from the start not to create a cold and unfriendly glass structure, but rather a building which symbolizes openness and transparency – and thus reflects our corporate culture.







The spirit of a company determines its architecture. The steel-frame construction creates greater transparency and makes it possible to incorporate a central light-filled atrium as well as nine column-free gardens.

Domestic branch banking

The corporate division Domestic Branch Banking is made up of the banking departments Private Banking, Corporate Banking, and Real Estate.

Innovative bank for retail customers

Thanks to an intensive focus on our customers, we achieved further improvement in the quality of the advice and services we offer. This was also recognized by the public. In a test run by a leading German business magazine, we were awarded first place for the quality of the advice provided by our branches. Analysis and evaluation by a prominent German consumer survey also showed that we are moving in the right direction as far as the satisfaction of our customers is concerned.

At the same time, we were keen to achieve higher profitability. In this respect, we have made good progress by means of innovative product design, stronger recourse to different sales channels, and systematic cost management.

Our anniversary offer: "The Eurocard that also earns money"

At the start of our anniversary year, we became the first of Germany's Big Three banks to offer customers an interest-bearing Eurocard account. Daily access is possible to the credit balances on such accounts and the interest paid on them is in line with money-market rates. By end-1995, more than 20,000 new customers had availed themselves of this offer; all told, the credit balances registered on card accounts exceeded DM300m. We were able, therefore, to almost treble our new sales of Eurocards in a year-on-year comparison, thereby lifting our market share again.

New creative investment instruments meet with lively response

Newly developed forms of investment, such as Corex, Comax and Variomax, aroused widespread interest. Offering attractive returns, they entail a much lower price risk than that of a direct investment in equities or bonds.

In August 1994, we became the first German bank to market DM money-market funds. In 1995, we managed to remain the market leader in this segment, with a share of over 25%. At its peak, the volume of funds reached practically DM13bn. Moody's, one of the foremost international rating agencies, awarded us a "best quality Aaa" for our "CB Geldmarkt Deutschland I" fund. The distribution at the start of last December of more than DM500m fully realized the expectations of our clients, who were looking for a high-earning, flexible yet also safe investment in the short-term range.

Lending and deposit-taking held at high level

Although the decline in construction investment became ever more marked as the year progressed, our new home loan business practically reached its year-earlier level. Towards end-1995 in particular, we registered exceptionally strong demand as customers attempted to beat imminent tax changes. On the deposits side, our business was made difficult by the low interest level and keener competition. Nevertheless, we were able to keep the deposits of our retail customers virtually stable.

Allfinanz cooperation ventures – a successful approach

The encouraging trend in the sales of our *Allfinanz* products persisted in 1995. Through our branch network, we managed to sell more than DM1.2bn of life insurances and home-loan savings contracts totalling almost DM800m. This generated commission income of DM43.7m, compared with DM39.9m in 1994.

Conversely, our home loan savings partner Leonberger Bausparkasse passed on to us banking business worth over DM800m; DBV, our insurance partner, even managed to raise the volume of the business it passed on to practically DM900m.

comdirect already has 42,000 customers

We were the first of the major German banks to set up a direct bank: comdirect bank GmbH. Since February 1995, its customers, who now total 42,000, have access to a demand investment account and discount brokerage services. Since October, comdirect has also offered an investment account with variable maturities of up to five years. The range of products will be extended further; in 1996, a payments account is being added, including an attractive home-banking option, as well as eurocheque and credit card facilities.

The operating result is in line with planning targets. As expected, sizeable investments in DP infrastructure and winning customers have caused comdirect to show a loss.

CFM – market leader in private financial planning

Thanks to higher turnover and unit sales, Commerz Finanz-Management (CFM) was able to enhance its position as market leader. For the years ahead, too, CFM expects demand from high-income private clients and high net-worth individuals to rise further. Through an integrated analysis of the various types of asset, private financial planning creates a basis for recommending investment opportunities or for reorganizing existing asset structure. In view of its long experience and sophisticated methods of analysis, our subsidiary will continue to play a leading role in this market.

Higher market share in domestic corporate business

Last year, domestic corporate banking business was hit by the unexpected weakness of the economy. In a difficult environment, we managed nonetheless to raise our market share further. Short-term loans expanded more than medium and long-term credits, due not least to the initially strong expectation that long-term interest rates would decline further.

When financing capital investments, we concentrated on offering more customized models incorporating derivative instruments. We were also keen to explore business openings at the local government level and made systematic use of public-sector funding incentives.

Under the lead management of Commerzbank, private funds of more than DM1bn were made available in eastern Germany for redeveloping and refurbishing hospitals. Our subsidiary Commerz Financial Products devised a suitable interest-hedging package, which for one thing meets the wish for a secure planning basis and, for another, allows great scope for flexibility in investments.

Attractive investment opportunities for corporate clients

Last year, we added the "Commerzbank Money Market Fund US Dollar" to our product range, thereby improving our leading position as regards money-market funds in the corporate customer segment as well.

We also managed to intensify and develop our securities business with corporate clients through successful sales of structured bonds.

Market share of almost 13% in foreign commercial business

In 1995, we again raised our share of the financing of German external trade, from 12.3% to 12.8%. Foreign commercial business with the transitional economies of Central and Eastern Europe, especially the Czech Republic, Hungary, Poland and Slovakia, registered above-average growth.

We believe that the steady expansion of world trade will provide a stimulus for Germany's external trade, enabling us to develop further business openings.

Strong demand for electronic banking

Encouraged by the strong demand, we added to our electronic banking services again in 1995. In addition to the use of products for domestic and international payments, the focus is on cash management applications that can be used throughout Europe.

Due to the growing opportunities for using the eurocheque card at retail outlets and for services, there was an increase in the volume of payments which our business clients effected through us by means of electronic cash technology. The introduction of the chip card and the electronic purse will provide an extra boost for this trend.

Growing importance of Real Estate department

As of January 1, 1995, Commerz Immobilien GmbH, hitherto based in Frankfurt and responsible for project development, was transferred to CommerzLeasing GmbH, Düsseldorf, which was subsequently re-named CommerzLeasing und Immobilien GmbH. Together with Commerz Grundbesitz-Investmentgesellschaft mbH (CGI), it now forms the banking department Real Estate.

Last year, aggregate new business amounted to roughly DM2.6bn; of this, more than DM450m derived from the leasing of moveable goods. The overall stock of contracts had risen to DM21bn by year-end. One focal point was business involving enterprises linked to local governments; an investment employing an innovative funding model in a power station run by the Leipzig municipal authorities attracted special attention. Transactions involving large moveable goods are also becoming more significant; last year, we made our first aircraft investments through recourse to fund-based leasing. In close-end funds, CommerzLeasing und Immobilien, together with its subsidiary CFB Commerz Fonds Beteiligungsgesellschaft mbH, is one of Germany's market leaders.

In project development, we are active in the commercial segment, but also in residential construction, primarily in Berlin, Frankfurt, Hamburg, Düsseldorf and Leipzig. The more difficult situation in the property market is increasingly shifting the focus to the service character of our activities.

Above-average sales at Haus-Invest

The open-ended property fund Haus-Invest, administered by Commerz Grundbesitz-Investment GmbH, registered a net inflow of DM849m last year; as a result, the assets managed rose by 23.4% to just over DM4.7bn. The number of investors climbed by 30% to almost 100,000, roughly half of whom were new to the Commerzbank Group .

Parallel to the fund's volume growth, CGI acquired six properties and disposed of two. All told, the fund's assets were invested in 54 properties worth DM2.8bn at year-end. The fund made its first acquisition outside Germany in the United Kingdom, where it invested DM981m in real estate.

International finance

The corporate division International Finance comprises Treasury and Commerzbank's foreign commercial banking activities. This enables us to bundle together the groups of products that large companies need in their day-to-day business; among these are instruments for managing interest-rate and currency risks, including derivatives. Another important area consists of our transactions with correspondent banks and our loan products for other banks.

Brisk forex trading

In 1995 as well, foreign-exchange trading on the Bank's account and on behalf of our clients made a solid contribution to overall results. Worldwide, we remain one of the major market players. In order to achieve greater earnings stability, we have increased the number of quoted currencies in our spot exchange dealings. Complementing our trading in all the Western European currencies, the US dollar and the yen, this above all underscores our involvement in the emerging markets; in future, we intend to offer Eastern European currencies as well.

The volume of pending transactions in forward dealings remained high. We continue to provide quotations for all the major currencies with long maturity periods of up to ten years. By restructuring our trading on behalf of customers to make it even more strongly geared to their requirements, we were able to improve our position further.

Our Treasury department, which is responsible for the Bank's money-market activities as well as its asset/liability management, can also look back on a successful year. In order to regulate liquidity, it has recourse inter alia to its own medium-term note programme, which had been tapped to the tune of DM1.4bn by end-1995. The issuing volume for the Bank's own certificates of deposit, which are placed with institutional clients and companies in lot sizes of DM5m and upwards, now amounts to DM4.5bn. The purchasers are mainly money-market funds.

CFP well established

Our subsidiary for financial derivatives, Commerz Financial Products, gained a firm market footing even during its first full year of business. At end-1995, it had a staff of 250 and offshoots in Paris and New York.

CFP now has one of the most efficient trader teams in Europe for currency and interest-rate options and also currency swaps between D-marks and French francs. Its novel bond constructions such as Corex and Comax attracted a great deal of attention, as did its stock-index certificates which exclude currency risks and its guarantee funds. These underline the considerable innovative potential and high quality standards of this company which is unique in Germany up to now.

Among its most important tasks in 1995 were the development of a modern infrastructure and an efficient system of risk control. The latter is split between two groups for market and client risks. It has its own independent access to all trading data, monitors and reports daily on the extent to which the limits set for markets and clients have been utilized, and works closely together with Commerzbank's central risk management and controlling teams.

Commerzbank Group's organization abroad

All told, Commerzbank's foreign network today comprises more than 50 outlets of its own in 40 countries. At the same time, a number of clients in neighbouring countries are served by our bases abroad. Last year, we expanded our presence above all in the world's up-and-coming regions.

Central and Eastern Europe

Last May, we reinforced our strong position in Central and Eastern Europe by opening a representative office in Bratislava, the Slovakian capital. As the first German bank there, we are primarily helping to promote German-Slovakian business relations as well as looking after international clients.

We have maintained operative units in Prague and Budapest since 1992 and 1993, respectively. Our Prague branch has become the largest foreign bank in the Czech Republic, and Commerzbank (Budapest) Rt. is also one of Hungary's leading foreign banks. In Warsaw, we have had a representative office since 1991; in addition, we hold a 21% interest in Poland's Bank Rozwoju Eksportu (BRE). In the meantime, five corporate customer advisers from Commerzbank work at BRE's most important branches and three delegates are in the Warsaw head office. 1995 was a successful business year for BRE. While its balance-sheet total expanded by 83% to 2.6bn zlotys, it reported an after-tax profit of 105m zlotys. (100 zlotys = DM58.18)

In the CIS republics, we have representative offices in Moscow, St. Petersburg and Novosibirsk (Russia), Kiev (Ukraine), Almaty (Kazakhstan) and Minsk (Belarus). As everywhere else in the world, we now maintain a closely-knit network of correspondent banks there as well.

Southern Africa and Asia

In May of last year, we transformed our Johannesburg representative office, which we had maintained since 1958, into an operative unit. Through this branch, the first to be opened by a German bank in South Africa, we are seeking to seize more economic opportunities in the region. In Beirut, we have re-opened the representative office that we closed in 1980 due to hostilities.

Against the background of South-East Asia's unabatingly dynamic economic development, we have also stepped up our presence in India. At end-1995, we opened a branch in Bombay, where we had previously had only a representative office. This means that Commerzbank now has five branches, three subsidiaries and four representative offices in the Asia-Pacific region. In addition, its network of outlets in Asia also includes two significant holdings in local banks:

With a 20.3% stake, we are the largest foreign shareholder in Korea International Merchant Bank (KIMB) in Seoul, where we are also represented on the management board. In the first nine months of the current financial year (April 1, 1995 to March 31, 1996), its business volume grew by 34% to over DM7bn. However, due to fiercer competition and continuing pressure on margins, the growth rate of its after-tax profit was slightly lower.

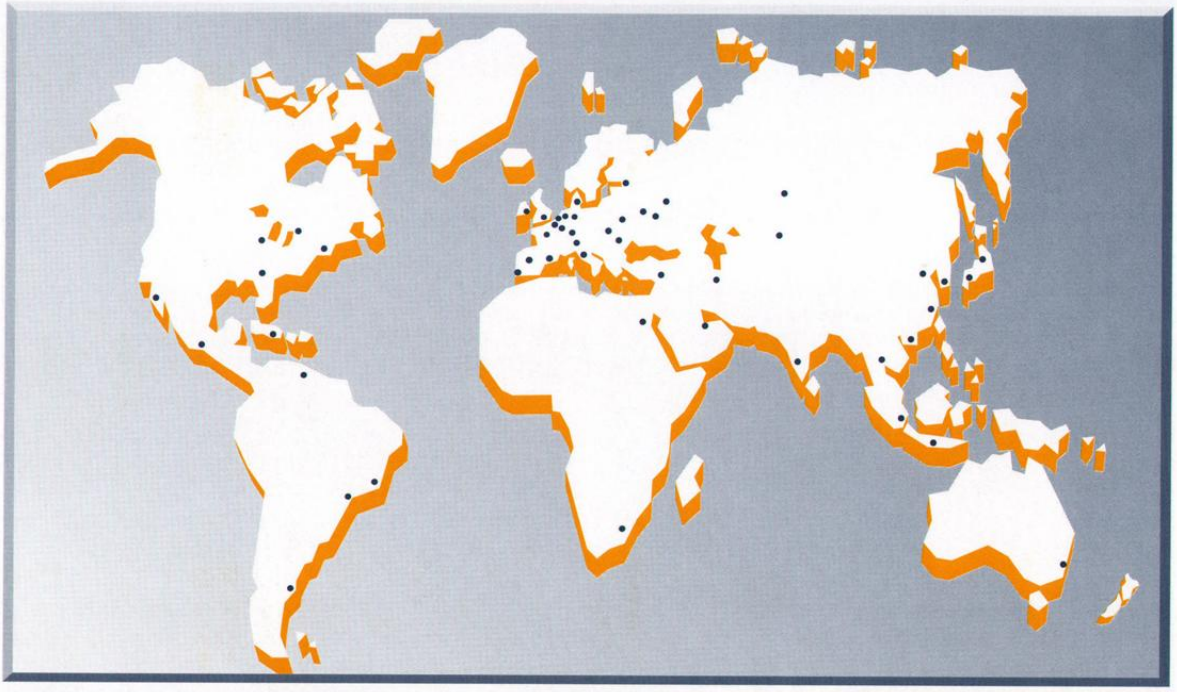
A Commerzbank delegate is also active on the management board of PT. Bank Finconesia in Jakarta, in which we hold a 20% interest. Last year, the Indonesian bank managed to lift its balance-sheet total by 51% and its total lending by 59%. This business expansion caused after-tax profits to climb to Rp4.6bn, 153% higher than in 1994. (Rp1,000 = DM0.628)

Expansion in Brazil

In Brazil, we hold a 7.5% interest in Unibanco – União de Bancos Brasileiros S.A., São Paulo. Last year, Unibanco took over the activities of Banco Nacional S.A. through the issue of new shares; this created Brazil's third-largest private-sector bank with 809 branches and 2.1 million customers. The takeover also caused the bank's foreign presence to expand considerably.

The consolidated annual accounts show liable funds of just over US$2bn, a year-on-year increase of 70.3%. After-tax profits totalled US$157.7m.

Commerzbank worldwide



Foreign branches

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

Representative offices

Almaty
Bahrain
Bangkok
Beijing
Beirut
Bratislava
Brussels (EU liaison office)
Buenos Aires
Cairo
Caracas
Copenhagen
Istanbul
Jakarta
Kiev
Mexico City
Milan
Minsk
Moscow
Novosibirsk
Rio de Janeiro
St. Petersburg
São Paulo
Seoul
Sydney
Tehran
Toronto
Warsaw

Foreign holdings

Commerzbank (Budapest) Rt., Budapest

Commerzbank Europe (Ireland) Unltd., Dublin

Commerzbank International S.A., Luxembourg

Commerzbank (Nederland) N.V., Amsterdam

Commerzbank (South East Asia) Ltd., Singapore

Commerzbank (Switzerland) Ltd, Zurich and Geneva

Commerzbank Capital Markets Corporation, New York

Caisse Centrale de Réescompte, S.A., Paris

Jupiter International Group PLC, London

Commerz Futures Corp., Chicago

Commerz Securities (Japan) Co. Ltd., Hong Kong/Tokyo

Hispano Commerzbank (Gibraltar) Ltd., Gibraltar

Bank Rozwoju Eksportu SA, Warsaw

Korea International Merchant Bank, Seoul

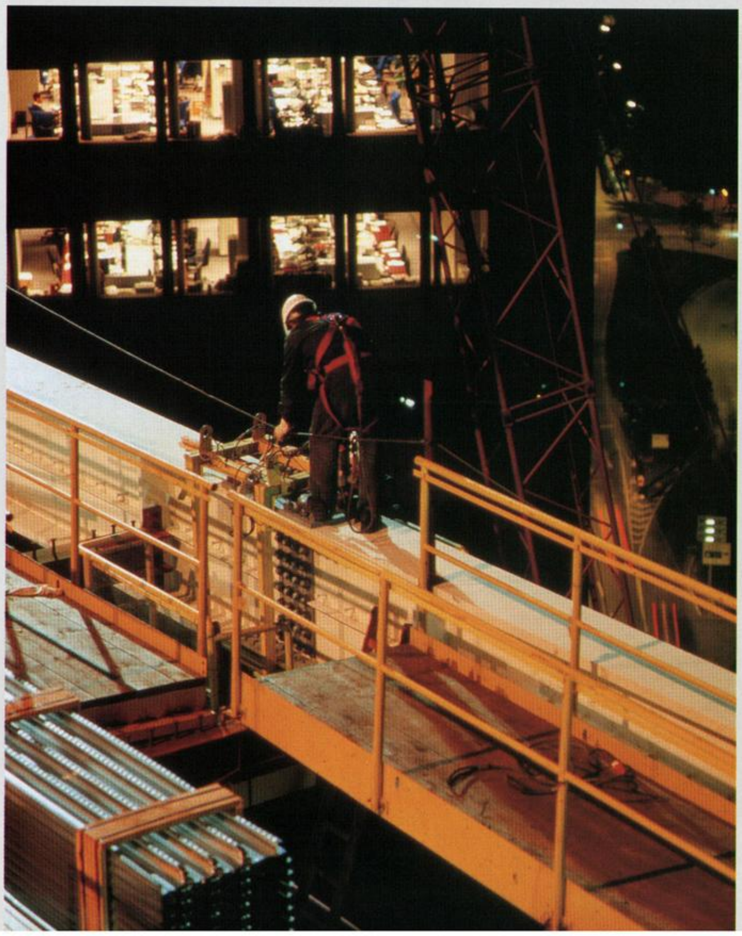
P.T. Bank Finconesia, Jakarta

Unibanco – União de Bancos Brasileiros S.A., São Paulo


ERZBANK

Focus on environmental aspects

The building's conception not only incorporates the best technological solutions, but also takes environmental considerations into account. The tower under construction will be as energy-saving as is possible today; its users will have the greatest possible direct influence over their immediate environment. All in all, the compact construction and the optimal use of daylight and natural ventilation, together with high-quality external insulation, ensure that the building will achieve high energy efficiency; at the same time, these factors will make employees feel more comfortable.



Despite the use of the latest technology and logistics, the energy, courage and experience of experts are still needed. From morning to evening, 350 specialists are at work building the 200,000-tonne tower of steel, glass and concrete.

Investment banking

In order to reflect the growing importance of investment banking more adequately at the organizational level, we expanded the existing corporate division Asset Management to form the corporate division Investment Banking as of February 1, 1996. It now draws together under one roof the Commerzbank Group's worldwide institutional securities business. The Bank's combined strengths in corporate finance as well as in equity, bond and asset management business have been complemented by the inclusion of relationship management. This enables us to approach clients selectively, offering them the entire product range; our aim is to strengthen substantially the Bank's position in investment banking. This holds especially true for the equities segment, which has now been given its own banking department, Global Equities. At the same time, bond-market activities have been concentrated in the banking department Global Bonds.

Lower interest rates boost bond transactions

The decline in German bond interest rates from 7.7% to 5.5% was a key factor behind new DM-denominated issues in 1995. Given an ample supply of liquidity and the very attractive D-mark, international DM bonds were placed to the tune of roughly DM180bn – more than twice the amount in the previous year.

Once again, German borrowers predominated, accounting for 65% of all the new issues by international consortia that were placed worldwide. Within a very short time, the new jumbo mortgage bond segment with issues of DM1bn and upwards by a single mortgage bank assumed a prominent role. The consortia for such offerings mostly consist of three or four large banks. With more than DM50bn of paper already outstanding, the German mortgage bond has established itself as an interesting alternative to public-sector bonds for international investors as well.

In 1995, Commerzbank was again the undisputed number 1 among all the underwriting houses for DM offerings and mortgage bonds issued by German borrowers. In the case of mortgage bond jumbos in particular, we were the pioneers; here we have a market share of almost a quarter. If all the new bond issues by German and foreign borrowers are added together, Commerzbank claims second place in the DM segment, with a share of over 11%.

Last year's most important DM transactions which were lead-managed by Commerzbank included a global bond issue for the Province of Quebec and a bond offering by the Korean Export-Import Bank. The Bank also helped Turkey and Venezuela to return to the German market, following lengthy gaps since their last issues.

In the area of foreign currencies, we focused above all on the new market in Czech korunas, which developed rapidly after the introduction of convertibility last October. Since then, foreign borrowers have launched no less than seven bond issues in Czech korunas; for three of these we served as lead managers – namely for the World Bank, International Finance Corporation and Österreichische Kontrollbank.

Trading in bonds also benefitted from the brisk issuing activity in fixed-income securities. The development was particularly encouraging in instruments related to the money market, namely floating-rate notes and commercial paper. In line with the issue of numerous mortgage bond jumbos, turnover in such paper registered a dynamic increase.

Growing complexity of corporate finance

Commerzbank's Corporate Finance department provides all the services connected with the raising of equity capital and the arranging of syndicated loans and project finance. Its clients include both

German and foreign companies as well as government bodies. It is our strategic goal to gain a stronger footing abroad, too, and to assist major enterprises there with their efforts to raise equity capital.

In the German capital market, 1995 was the year of going public. 20 companies with an overall placing volume of DM8.3bn sought a stock-exchange listing. We played a prominent role in the two large-scale issues for Merck and Adidas, and served as lead manager for Alno, the kitchens manufacturer, and Friatec, the ceramics and plastics producer. In addition, we were involved in six other issues. Banco Comercial Português became the first Portuguese company to receive an official listing on the Frankfurt Stock Exchange when we introduced its shares onto the German market.

Contrary to the extremely brisk issuing activity among bourse newcomers, the demand of already quoted companies for equity capital was subdued. We were involved in 25 capital increases in an amount of DM6.2bn; this was only about half the previous year's total.

Commerzbank was particularly successful in the area of "structured finance", with both syndicated Eurocredits as well as project and external trade finance. Outside Germany, we participated in more than 220 transactions; in just under 40% of these we served as lead manager. Our newly opened branch in Johannesburg provided a good basis for financing transactions in South Africa.

Our main project finance ventures were the Midal/Stegal gas pipeline for Russia's Gazprom and Wintershall and Hungary's M5 motorway. At DM1.3bn, the first-mentioned is the largest project finance venture to date involving Russian firms without recourse to government guarantees and export insurance. For this venture, Commerzbank assembled a consortium of 27 national and international banks. Together with the European Bank for Reconstruction and Development, we arranged the largest private-sector financing to date for the construction and running of Hungary's M5 motorway; the project is worth Ecu344m.

Creative external trade financing

Eastern Europe's sizeable investment needs have made new forms of external-trade financing necessary. They focus primarily on the ability of these countries to meet their payment commitments by delivering goods that can be sold on world markets. For the Chelyabinsk region in Russia, for instance, we have agreed to structure a large credit facility, under which a consortium of German banks, with Hermes cover, will provide the individual financing for imports of capital goods into this region. Goods marketable in the West serve as security for the payment commitments.

In aircraft financing, we were involved in several major transactions by international airlines; in some cases, the "tax-lease" model was used. For the Belgian company SABENA, we provided our first 100% financing, incorporating a fund-based solution for its equity capital.

Active role in participation management

Several large investment transactions, which largely came about on the initiative of Commerzbank, also belong within the area of corporate finance. Our acquisition of 15.38% of Thyssen AG from the Counts Zichy-Thyssen met with special interest. In the course of the year, these shares will be sold to private and institutional investors.

In cooperation with our local branches, the Relationship Management department takes care of our business relations with multinational companies. This holds true for both day-to-day business and special client-oriented transactions involving currencies or interest rates, as well as in the field of investment banking.

Investment banks in Tokyo...

One of the main activities of our outlet Commerz Securities (Japan) is capital-market business. Here the bank was able to serve as lead manager or co-lead manager for a number of issues, including Japan's largest state-guaranteed DM bond offering to date for the EXIM bank.

In the first half of 1995, Japan's recession, banking crisis and various bouts of turbulence caused domestic and foreign institutional investors to be more reticent, which had a corresponding impact on ComSec's commission-earning transactions. In the latter half of the year, however, commission income rose perceptibly. This was due, for one thing, to the gradual improvement in the economic setting; for another, it reflected an increase in the number of customers and a broader palette of products.

...and in New York

After a difficult year in 1994, Commerzbank Capital Markets Corporation (CCMC), our New York investment bank, managed to continue its previously successful development. Thanks above all to the cheerful mood on US stock exchanges, its proprietary trading and commission business registered solid results. All told, CCMC, which now has an equity capital of US$54m after a capital increase in October, achieved a positive operating result. A year earlier, it had incurred a loss.

At both units, a lot still remains to be done before they are able to fulfil the expectations we place in them.

Asset management dynamic

The banking department Asset Management, which encompasses all the Commerzbank Group's worldwide asset management activities for private and institutional investors, has continued to expand strongly. In the course of the past year, assets under management exceeded the DM100bn level for the first time; at end-1995, they stood at DM110bn and were thus about 23% higher than a year previously.

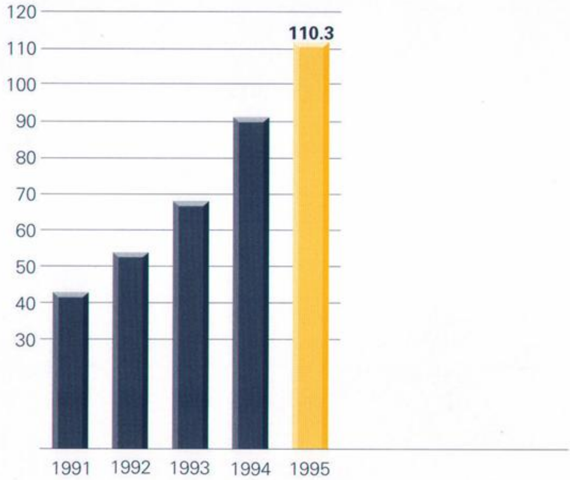
Two acquisitions abroad were very important in this respect: the purchase of the British asset-management company Jupiter International Group PLC in April, and that of the American Martingale Asset Management L.P. in September. Jupiter International focuses on looking after the assets of institutional clients and raised its funds under management by 27% to DM11.6bn last year. Its earnings registered above-average growth. Jupiter's special expertise relates to the administration of international equity funds, with an emphasis on the emerging markets of Eastern Europe and South-East Asia. This acquisition has secured for us a prominent position in the most important European asset-management market.

The acquisition of Martingale primarily serves to extend the product range of the Commerzbank Group. The company has long years of experience in managing US equities, using the latest portfolio management methods. We intend to make this know-how available to our customers outside the USA as well.

Allgemeine Deutsche Investment Gesellschaft mbH (ADIG), in which Commerzbank holds a sizeable interest, maintained its position well in a difficult market environment. With a volume of funds managed totalling DM47bn at end-1995, the ADIG group was again Germany's third-largest company for retail investment funds. With inflows of over DM1.5bn, bond-based funds offering tax advantages proved to be the best-sellers. One event with significance for the future was the founding last August of ADIG Investment Service-Gesellschaft S.A. (ASSA) in Luxembourg. Its brief is to extend the range of innovative services on offer.

Customers' assets under management

Commerzbank Group, in DM bn



Commerzbank Investment Management GmbH for German institutional investors can look back on another successful year. The volume of funds which it administers rose by almost a quarter to DM20.1bn. At end-December, Commerzinvest was managing 223 non-publicly-offered funds and 10 retail funds; 20 new funds were launched with a volume of DM1.1bn. A further DM1.3bn derived from additions to existing portfolios. In view of the attractive performance achieved, we expect inflows to remain high in 1996.

Commerz International Capital Management GmbH (CICM) was also able to secure its market position. It now manages assets totalling roughly DM8bn for large foreign investors. Last year was marked by extensive investments in the strategic development of both its international activities and its product range. Of special significance was the establishment of a subsidiary in Singapore, Commerzbank Asset Management Asia (Limited), which is to look after the investments of local and international clients in the Asian capital markets outside Japan. At the same time, CICM has increased its capacities in Tokyo, enabling it to offer investment products on the spot for all the major regions of Asia.

In Dublin, Commerzbank Europe (Ireland), which possesses a full banking licence, is now operating alongside Commerz International Capital Management's two subsidiaries – CICM (Ireland) and CICM Fund Management. Even during its first financial year, its development was positive; at end-1995, its business volume exceeded DM1.2bn. Commerzbank Europe concentrates on international financings for prime corporate borrowers and government bodies.

Our French subsidiary Caisse Centrale de Réescompte also posted an encouraging result. This was attributable to both the positive development of its banking business and the strong 26.5% rise to DM9.2bn in its assets under management.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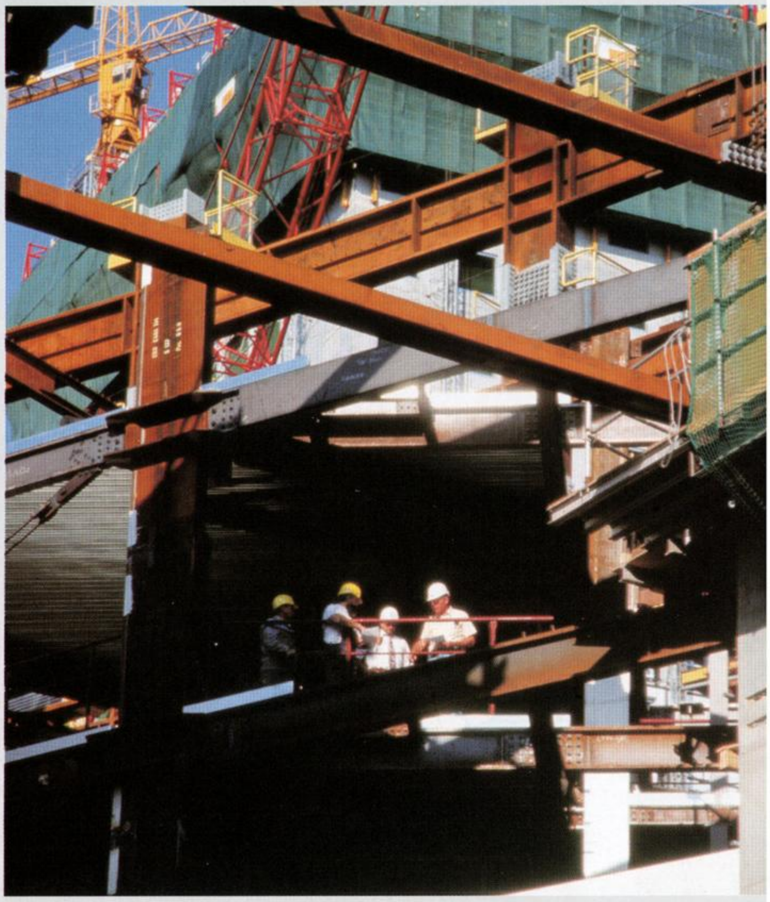
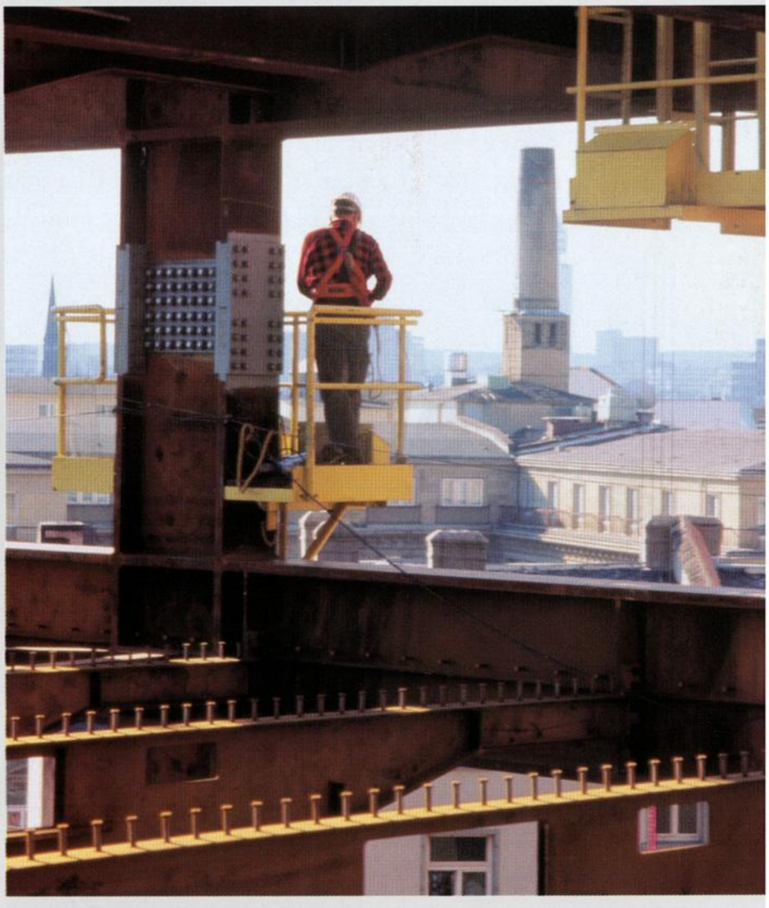


Communication and team work

The many various possibilities for designing offices, ranging from individual offices to team rooms, will be decisive in promoting communication and cooperation in the new building. In the corridor areas, small corners for group discussions are to be created and in the gardens meeting-places for recreation periods as well. This architecture, with its gradual transition from working to rest areas, ensures an optimized work environment.



Building activity calls for the greatest precision: in lifting one of the 23-tonne mega-columns, installing metal ceilings, or fixing screws into metal elements at great height.

Staff and welfare report

Last year, the Commerzbank Group's total workforce expanded further; calculated in terms of full-time staff, it increased by 3.2% to 29,615 compared with end-1994. This advance reflects various developments. On the one hand, thanks to greater efficiency and also tighter organizational structures and work patterns, we managed to reduce the number of jobs. Here further potential for cuts exists. On the other hand, new permanent positions were created in areas of business which generate strong earnings and promise future growth, as well as in the ever more important DP area. In the years ahead, this development will continue in the investment banking section as well.

However, the rise in the Group's total personnel was principally triggered by the acquisition or founding of new Group companies and also by the opening of our Johannesburg and Bombay branches.

125 years of Commerzbank – what did it mean for our staff?

To commemorate the Bank's 125th anniversary, all the Commerzbank Group's employees received a special payment of a net DM1,200 in February 1995. In addition, depending on their length of service, they were able to purchase up to 15 staff shares at a preferential price of DM213 each. Just over 70% of the Bank's personnel took up this attractive offer – marking the absolute record in 30 years. The level of participation was roughly 20% higher than in 1994.

A special highlight was the central celebration held on June 10, 1995 in the Frankfurt Waldstadion and attended by more than 22,000 employees of the Commerzbank Group. The day provided impressive evidence that our Bank is a young, modern and forward-looking company, which remains nonetheless aware of its long tradition and knows how to celebrate it.

New salary models

In 1995, a plan for linking remuneration to performance was agreed upon in the corporate division Domestic Branch Banking. Since January, it is being tested at two regional branches. The model is to be extended to all staff in this corporate division.

One key factor in assessing performance is team success. In addition, so-called structural components, such as external or internal customer satisfaction, are to be taken into account later. The individual contribution to team success is determined on the basis of agreed targets and by the extent to which these have been realized.

We hope that the introduction of this system will have a positive impact on the Bank and are convinced that the emphasis on performance, which the overwhelming majority of our personnel wants, will considerably boost our competitiveness. A new bonus scheme which is being worked out for trading in the corporate divisions International Finance and Investment Banking points in the same direction; here, too, annual remuneration is to reflect business success more than it has in the past.

Permanent staff of the Commerzbank Group

– calculated on a full-time basis –

	end-1995	end-1994	Change
Domestic branches	17,651	17,664	- 13
Foreign branches	1,177	1,022	+ 155
Head office	4,406	4,290	+ 116
Domestic subsidiaries	1,595	1,252	+ 343
Foreign subsidiaries	997	741	+ 256
Total permanent staff	**25,826**	**24,969**	**+ 857**

Data on Commerzbank's personnel*)

	1995	1994	Change in %
Total staff (Group)[1]	**29,615**	**28,706**	**+3.2**
Permanent staff (Group)[2]	**25,826**	**24,969**	**+3.4**
Total staff (Parent Bank)[1]	**26,893**	**26,641**	**+0.9**
– incl.: based abroad	1,255	1,112	+12.9
– incl.: apprentices	1,822	1,872	- 2.7
Permanent staff (Parent Bank)[2]	**23,234**	**22,976**	**+1.1**
Ratio of apprentices to permanent staff[3]	**6.8%**	**7.2%**	
Years of service			
– more than 10	43.8%	44.4%	
– more than 20	20.6%	21.2%	
Staff turnover[4]	**3.9%**	**4.2%**	
Total pensioners and surviving dependents	**7,860**	**7,571**	**+3.8**
– incl.: those retiring during the year	393	363	+8.3
Total entering early retirement during the year	320	350	- 8.6

*) Full-time staff; 1) incl. cleaning and kitchen personnel, excluding staff on maternity leave and long-term sick; 2) employees excl. apprentices, junior executive staff, temporary staff, volunteers, cleaning and kitchen personnel, staff on maternity leave, long-term sich; 3) annual average; 4) due to staff giving notice.

Another innovation in our system of remuneration is the "deferred compensation" scheme, a self-financed company provision for old age made available to the Bank's managerial staff. Under this scheme, parts of the annual bonus are transformed into pension funds. In future, members of the target group may decide prior to the payment of the annual bonus whether and to what extent they wish to avail themselves of the possibility of a "deferred compensation". This new remuneration variant closes the gap between the last salary and the pension entitlement, for surviving dependants as well, and right from the start it helps provide cover against occupational and general disability.

Personnel work continues to focus on development of managerial staff

It is a goal of our personnel policy to fill most management positions from within the Bank. We are realizing it primarily with the aid of management circles. Now that management circle B is successfully established and is preparing its members to take over a second-rank management function, management circle C will be introduced in the current year.

Here employees who demonstrate the required potential during the selection procedure will be systematically prepared for a first management post within the Group. In addition to successfully fulfilling the function allocated to them, they will receive selective support in line with the Bank's needs in the form of seminars, workshops and project work; throughout, they will benefit from the assistance of their experienced mentors.

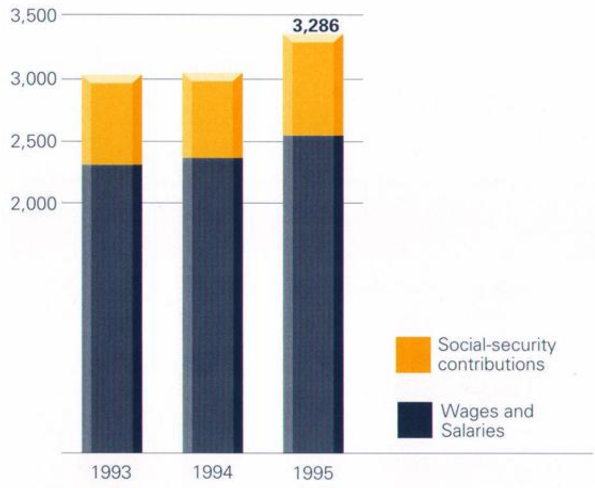
By means of this programme, we are securing and enhancing the management quality of our Bank and are creating, with motivated staff, a management culture in line with the basic principles of the Commerzbank Group.

Is cooperation between men and women still a problem?

As part of our 6-year-old project "Women in modern banking", we organized a symposium last year for interested members of staff under the heading "Come together".

Personnel expenses

in DM m



In workshops, the following topics were dealt with:

- Combining career and family – not only for mothers?
- Male superiors/female superiors
- Male customer/female adviser – or vice versa
- Typical man? Typical woman?
- What personal plans do you have?

A résumé of the event shows that:

Many of the topics dealt with appeal to men and women alike; the theme of the project is increasingly becoming "People in modern banking".

While it has been made much easier to combine a career with having a family, e.g. through company assistance with childcare, there is still great need for more flexible working times, which encourage the integration of family and career.

Clichés and prejudices remain a problem. They can play a major part in preventing mutual acceptance and cooperation. Employees still need a fresh approach and imagination in organizing their daily work schedule.

Cooperation with employee representatives

All the major aspects of business and personnel policy were the subject of detailed discussions and negotiations with employee representatives. Cooperation with the central staff council and in the economic committee was generally constructive. It is obvious that the speed of the changes with which banks – and hence Commerzbank as well – find themselves confronted is making ever greater demands on our employee representatives in terms of the quality of their involvement and the time they invest in order to safeguard the company's interests.

We should like to thank our employees for their efforts last year and for their exemplary dedication. Once again, they played a key role in underscoring Commerzbank's reputation as an innovative company. Our thanks are also extended to all those employees who retired last year, many of them after several decades of serving the company.

The Parent Bank and its affiliated companies

Companies affiliated to the Parent Bank, Commerzbank AG, are listed in the Notes on the Bank's Annual Accounts (p.80ff), where it is also indicated which companies were included in the consolidation for the first time in 1995.

Early last year, we acquired the British Jupiter Tyndall Group, which is now re-named Jupiter International Group PLC. It was included in the Commerzbank Group balance sheet for the first time at end-1995, but only from January 1, 1996 onwards has it been integrated into the consolidated profit and loss account.

Commerzbank AG, Frankfurt am Main

With balance-sheet expansion of almost DM25bn to DM263.2bn, the Parent Bank's total lending increased by 16.3% to DM150.7bn; this reflects encouragingly solid demand for book credits, which advanced 14.6% to DM137.5bn. Interbank lending rose by no more than 4.1% to DM73.2bn, while borrowing from other banks expanded by a stronger 19.1% to DM93.1bn.

Customers' deposits went up by 2.9% to DM117.9bn; securitized liabilities were raised by 15.5% to DM27.6bn. At end-1995, the Bank's equity capital was shown at DM10.7bn, representing an increase of 19%, or DM1.7bn.

The Parent Bank's annual accounts together with its profit and loss account per December 31, 1995, appear in detail on pages 56 to 58. The net income for the year of DM620m will be used to make a higher dividend payment of DM13.50 to shareholders and also to allocate DM100m to revenue reserves.

Apart from the Parent Bank, the major subsidiaries described below were the main contributors to the Group's strong expansion.

RHEINHYP Rheinische Hypothekenbank AG, Frankfurt am Main

In 1995, RHEINHYP made new lending commitments of more than DM16bn. Of this total, DM5.3bn were mortgage credits, and DM10.9bn public-sector loans. With the credits included which were prolonged after renegotiation of their interest charges, RHEINHYP's total new lending amounted to DM20.1bn, as against DM14.2bn the year before. This translates into a 42% increase. Of the new mortgage commitments, DM2.3bn, or 44%, represent finance for properties in eastern Germany, including Berlin.

The total amount of loans outstanding rose by DM7.5bn to DM64.8bn. Due not least to the brisk business transacted with the public sector last year, the balance tilted towards loans to this group of borrowers, which, at DM34.7bn, accounted for more than half the credit portfolio. RHEINHYP's

The Parent Bank and important subsidiaries

	Balance-sheet total		Operating result
in DM m	1995	1994	1995
Commerzbank AG	263,234	238,758	874.5
RHEINHYP Rheinische Hypothekenbank AG	70,411	60,954	279.2
Hypothekenbank in Essen AG	34,684	22,376	82.1
Commerzbank (Budapest) Rt.	606	506	8.5
Commerzbank International S.A.	29,337	30,427	391.8
Commerzbank (Nederland) N.V.	3,185	2,518	15.7
Commerzbank (South East Asia) Ltd.	1,859	1,915	32.2
Commerzbank (Switzerland) Ltd	1,024	870	31.3
Caisse Centrale de Réescompte, S.A.*)	5,486	5,941	27.5

Currency translation at year-end rates; *) see page 39 of this report.

balance-sheet total expanded by DM9.5bn, or 15.5%, to DM70.4bn.

To fund its lending in 1995, RHEINHYP issued DM5.1bn of mortgage bonds, DM10.7bn of public-sector mortgage bonds and DM1.8bn of bonds not requiring cover.

Last year, net interest income rose by DM69.2m, or 15.3%, to DM522m. The operating result was raised by 19.0% to DM279.2m. After taxes are deducted, net income for the year totals DM151.7m, compared with DM109.1m in 1994.

For the 1995 financial year, RHEINHYP intends to employ the so-called distribute-recapture procedure. Here the bank refrains from forming reserves – which would attract a higher tax liability – from its net income; instead, it will effect a capital increase equal in amount to an extra distribution, on which the tax paid is lower. For this reason, shareholders at the Annual General Meeting on May 2, 1996, will be asked to approve not only an unchanged dividend of DM17 per DM50 share, but also an extra distribution of DM49 per share of the dividend-bearing share capital of DM114.95m. In connection with the extra distribution, the AGM is also being asked to resolve a DM9.6m nominal capital increase on a one-for-twelve basis at an issue price of DM588 per DM50 share. Once these proposals have been accepted, RHEINHYP will have liable funds of DM2.19bn, including DM410m in the form of profit-sharing certificates outstanding and subordinated liabilities of DM482m.

Hypothekenbank in Essen AG, Essen

In 1995, the balance-sheet total of Hypothekenbank in Essen expanded by 55% to DM34.7bn. In public-sector lending (including securities issued by third parties), on which the bank focuses, new commitments attained a record volume of DM22.4bn, as against DM6.9bn a year earlier. New mortgage loan commitments totalled DM0.6bn (DM0.3bn).

Due to its great need for funds, the bank issued its first two jumbo bonds, with volumes of DM1.5bn and DM1bn, respectively. All told, it placed mortgage bonds and other bonds and notes to the tune of DM21.4bn in the capital market.

Net interest and commission income climbed by 52% in a year-on-year comparison to DM145.4m; the operating result was raised by 76% to DM82.1m. Thanks to a DM85m nominal capital increase and additions to the bank's supplementary capital, its liable funds reached DM867m, as against DM443m at end-1994.

The proposal was made to the Annual General Meeting to pay a dividend of 15% (14% in 1995) from the net income of DM40m on the bank's dividend-bearing share capital of DM200m and to allocate DM10m to reserves.

Commerzbank (Budapest) Rt., Budapest

The second full business year also proved to be successful for Commerzbank (Budapest) Rt. The number of business clients grew steadily; the increasing privatization of state-owned companies has made it easier to forge and develop relationships with enterprises of Hungarian origin.

Its balance-sheet total, in which interbank activities continue to claim a fairly high share, expanded by a good 60% to Ft58bn; claims on customers were also up by 60% to Ft16bn, while customers' deposits rose by 40% to Ft14bn. (Ft100=DM1.0445)

Last year, the operating result registered strong growth to Ft818m, compared with Ft316m in 1994. After taxes, a profit of Ft672m remains. Of this amount, Ft546m will be allocated to reserves and Ft126m will be carried forward to new account. With the profit carried forward included, liable funds stand at Ft6.1bn, compared with Ft4.9bn a year previously.

Commerzbank International S.A., Luxembourg

Commerzbank International S.A. (CISAL) is involved in all the standard Euromarket trading and credit business. At the same time, it looks after customers from all over the world.

Whereas its balance-sheet total, at DM29.3bn, was virtually unchanged on end-1994, total lending was raised by a good 20% to DM8.9bn. The bank again relied on interbank borrowing for the most part to finance its credits; customers' deposits climbed from DM4.6bn to DM5.5bn.

Earnings performance was satisfactory in all business segments. It was possible to provide adequately for all discernible risks. The distributable profit, which as in the previous year amounted to DM375m, has been transferred to the Parent Bank. Following a capital increase, CISAL's liable funds now total DM1.9bn.

Commerzbank (Nederland) N.V., Amsterdam

Commerzbank (Nederland) N.V. which serves Dutch and multinational firms, is especially active in providing and handling project and export finance. Its range of products also includes lending and foreign commercial business, as well as money-market and foreign-exchange transactions.

Thanks to the systematic development of its business, claims on customers were up 58% on the year, to Dfl1.6bn; the balance-sheet total grew by 26.5% to Dfl3.6bn. (Dfl100=DM89.335)

1995 was a successful year for the bank; earnings performance was good. In view of the expansion in lending, provision for possible credit risks was raised from Dfl4.0m in 1994 to Dfl7.5m. Once again, the net income of Dfl14.1m is to be allocated in its entirety to reserves; it was 16.5% higher than in 1994. The bank's equity capital will then stand at Dfl251.4m.

Commerzbank (South East Asia) Ltd., Singapore

Commerzbank (South East Asia) Ltd. in Singapore – COSEA – has managed not only to secure but also to improve its market position further. Expansion occurred in both its capital-market transactions and its syndicated loans. Private customer business was affected by the volatility of local stock markets. Nevertheless, the sizeable assets entrusted to the bank by private customers were held at their year-earlier level. Due to the unabating strength of the Singapore dollar, its balance-sheet total expanded by a mere 1.5% to S$1.8bn. (S$100=DM101.50)

Despite adverse currency trends and an unbroken decline in margins in Asian markets, the bank posted a S$1m higher profit of S$30m, all of which will be allocated to reserves. As a result, its equity capital will total S$164m.

Commerzbank (Switzerland) Ltd, Zurich

As a specialized institution, Commerzbank (Switzerland) Ltd concentrates its business activities on serving international private clients. It is also involved in lending and trades in money-market instruments, foreign exchange, securities and precious metals. Last year, it expanded its business further. Both the number of customers and the volume of assets under management increased once again.

This positive development is reflected above all in net commission income, which was 12.5% higher. Whereas net interest income and securities trading also produced stronger results, the profit from foreign-exchange transactions was lower.

After adequate provision for all discernible risks, net income for 1995 is shown at Sfr19.5m (Sfr16.3m in 1994), which is to be allocated entirely to reserves. This will raise the bank's liable funds to Sfr129.5m. (Sfr100=DM124.54)

Major financial holdings of Commerzbank AG

At home

		Capital	
RHEINHYP Rheinische Hypothekenbank AG	Frankfurt am Main	DM1.3bn	**97.6%**
Hypothekenbank in Essen AG	Essen	DM548.0m	**51.0%**
Bankhaus Bauer AG	Stuttgart	DM12.0m	**83.7%**2)
comdirect bank GmbH	Quickborn	DM25.0m	**100.0%**
Deutsche Schiffsbank AG	Bremen/Hamburg	DM263.4m	**40.0%**
Leonberger Bausparkasse AG	Leonberg	DM391.3m	**40.1%**
DBV Holding AG	Wiesbaden	DM818.1m	**12.5%**1)

Leasing and holding companies

		Capital	
CommerzLeasing und Immobilien GmbH	Düsseldorf	DM94.1m	**100.0%**
Commerz Beteiligungsgesellschaft mbH	Bad Homburg v.d.H.	DM1.0m	**100.0%**
Commerz Unternehmensbeteiligungs-AG	Frankfurt am Main	DM126.5m	**45.0%**

Asset management companies

		Capital	
ADIG Allgemeine Deutsche Investment-Gesellschaft mbH	Munich/ Frankfurt am Main	DM144.4m	**41.7%**2)
Commerzbank Investment Management GmbH	Frankfurt am Main	DM11.8m	**100.0%**
Commerz Grundbesitz-Investmentgesellschaft mbH	Wiesbaden	DM22.5m	**75.0%**
Commerz International Capital Management GmbH	Frankfurt am Main	DM23.0m	**100.0%**

Consulting and brokerage companies

		Capital	
Commerz Financial Products GmbH	Frankfurt am Main	DM45.0m	**80.0%**
Commerz Finanz-Management GmbH	Frankfurt am Main	DM0.6m	**100.0%**
PMC Personal Management Consult GmbH	Frankfurt am Main	DM0.5m	**100.0%**
Karl Baumgartner+Partner Consulting GmbH & Co. KG	Sindelfingen	DM0.8m	**50.0%**
MIPA Müller Verwaltungs-GmbH	Düsseldorf	DM5.8m	**31.3%**1)

Capital = equity capital
1) indirect; 2) partly indirect; 3) registered office: Boston; 4) registered office: New York; 5) registered office: Chicago

Abroad

Commerzbank (Budapest) Rt.	Budapest	Capital: Ft5.0bn	**100.0%**
Commerzbank Europe (Ireland) Unltd.	Dublin	Capital: DM421.5m	**100.0%**
Commerzbank International S.A.	Luxembourg	Capital: DM2.3bn	**100.0%**
Commerzbank (Nederland) N.V.	Amsterdam	Capital: Dfl251.4m	**100.0%**
Commerzbank (South East Asia) Ltd.	Singapore	Capital: S$163.9m	**100.0%**
Commerzbank (Switzerland) Ltd	Zurich	Capital: Sfr129.5m	**100.0%**
Commerzbank Capital Markets Corporation	New York	Capital: US$53.7m	**100.0%**
Commerz (East Asia) Ltd.	Hong Kong	Capital: HK$482.1m	**100.0%**[1])
Commerz Securities (Japan) Company Ltd.	Hong Kong/Tokyo	Capital: DM21.8m	**60.0%**
Hispano Commerzbank (Gibraltar) Ltd.	Gibraltar	Capital: £5.9m	**49.9%**
Banca Commerciale Italiana SpA	Milan	Capital: Lit8,172.5bn	**3.0%**[1])
Banco Central Hispano-americano S.A.	Madrid	Capital: Ptas444.2bn	**4.9%**[1])
Bank Rozwoju Eksportu SA	Warsaw	Capital: 422.6m (new) zlotys	**21.0%**
Korea International Merchant Bank	Seoul	Capital: ₩170.3bn	**20.3%**
P.T. Bank Finconesia	Jakarta	Capital: Rp60.9bn	**20.0%**
Unibanco – União de Bancos Brasileiros S.A.	São Paulo	Capital: R$2,122.4m	**7.5%**[1])

Asset management companies

Caisse Centrale de Réescompte, S.A.	Paris	Capital: Ffr543.0m	**96.4%**
Commerz Asset Management Asia Ltd.	Singapore	Capital: S$1.0m	**100.0%**[1])
CICM Fund Management Ltd.	Dublin	Capital: DM4.2m	**100.0%**[1])
Commerz International Capital Management (Japan) Ltd.	Tokyo	Capital: ¥175.1m	**100.0%**[1])
Jupiter International Group PLC	London	Capital: £45.3m	**97.2%**[1])
Martingale Asset Management, L.P.	Wilmington/Delaware[3])	Capital: US$1.8m	**60.0%**[1])
A.L.S.A. ADIG-Investment Luxemburg S.A.	Luxembourg	Capital: DM157.4m	**37.5%**
Capital Investment Trust Corporation	Taipeh	Capital: T$286.2m	**20.0%**

Financing and other specialized companies

CB Finance Company B.V.	Amsterdam	Capital: Dfl50.7m	**100.0%**
Commerzbank Overseas Finance N.V.	Curaçao	Capital: DM13.6m	**100.0%**[1])
Commerzbank U.S. Finance, Inc.	Wilmington/Delaware[4])	Capital: US$0.2m	**100.0%**
Commerz Futures Corporation	Wilmington/Delaware[5])	Capital: US$9.9m	**100.0%**

Outlook: Earnings-oriented expansion at home and abroad

We do not fear that the German economy is about to slide into recession; rather, we expect that the forces of expansion will predominate again as the year progresses. Nonetheless, the risks in banking business will hardly recede to any notable extent. In order to improve the Bank's cost/earnings ratio in domestic branch business in particular, we intend to win even larger market shares in segments that are important to us. In this connection, our risk management, which has been refined considerably over the past few years, will help promote qualitative growth. The Bank's planning for 1996 envisages an increase of between 7% and 8% in our risk-weighted assets. Having prepared the Commerzbank Group in recent years for future challenges by means of substantial restructuring measures, we are confident that we will manage to realize our ambitious earnings targets.

In our retail business segment, we launched a sales initiative at the start of this year principally designed to step up our cross-selling activities with existing customers. In addition, we are seeking to secure Commerzbank's market position with the aid of innovative products.

At the international level, our efforts are focused on investment banking activities, which we intend to intensify in London, New York and Singapore in particular, with Frankfurt the centre of competence. In our own-account trading as well, we are confident that, building upon the solid basis established last year, we can improve our results further.

We are countering the rise in administrative costs by strict cost management. All the same, the necessary investments and higher staff numbers are producing another marked climb in administrative expenses; however, this should fall short of last year's growth rate. All told, we believe that we can raise our operating result once again in 1996.

Consolidated balance sheet as of December 31, 1995

pages 52/53

Consolidated profit and loss account

page 54

Consolidated balance sheet as of December 31, 1995

Assets (in DM m)					Dec. 31,1994
Cash reserve					
a) cash on hand			1,284		1,417
b) balances with central banks			4,973		4,379
including: with Deutsche Bundesbank	4,908				
c) balances on postal giro accounts			1		1
				6,258	5,797
Debt issued by public-sector borrowers, and bills of exchange rediscountable at central banks					
a) treasury bills and discountable treasury notes, as well as similar debt issues by public-sector borrowers			878		663
including: rediscountable at Deutsche Bundesbank	0				
b) bills of exchange			1,849		1,360
				2,727	2,023
including: rediscountable at Deutsche Bundesbank	1,813				
Claims on banks					
a) payable on demand			6,816		7,325
b) other claims			98,249		81,308
				105,065	88,633
Claims on customers				224,008	188,177
including: secured by mortgages on real estate	49,694				
communal loans	52,774				
Bonds and other fixed-income securities					
a) money-market instruments					
aa) issued by public-sector borrowers		338			
ab) issued by other borrowers		4,598	4,936		5,070
b) bonds and notes					
ba) issued by public-sector borrowers		19,357			
bb) issued by other borrowers		16,268	35,625		35,544
including: eligible as collateral for Deutsche Bundesbank advances	16,129				
c) bonds and notes issued by Commerzbank Group			6,613		2,761
nominal amount	6,530			47,174	43,375
Shares and other variable-yield securities				7,433	3,714
Investments				1,954	2,340
including: in banks	737				
Investments in associated companies				656	229
Holdings in affiliated companies				22	254
including: in banks	0				
Assets held on a trust basis				801	230
including: loans at third-party risk	800				
Recovery claims on federal and Länder authorities under post-war currency reform acts including bonds in exchange for the former				197	199
Intangible assets				8	9
Fixed assets				2,908	2,688
Other assets				3,312	2,834
Deferred items					
a) unamortized debt discount (difference in accordance with Section 250 (3) of the German Commercial Code – HGB)			637		992
b) other			1,007		563
				1,644	1,555
			Total Assets	**404,167**	**342,057**

Liabilities and Shareholders' Equity (in DM m)

					Dec. 31,1994
Liabilities to banks					
a) payable on demand			16,422		11,920
b) with agreed periods or periods of notice			93,029		72,664
				109,451	84,584
Liabilities to customers					
a) savings deposits					
aa) with agreed period of notice of three months		17,459			
ab) with agreed period of notice of more than three months		5,208	22,667		22,955
b) other liabilities					
ba) payable on demand		35,577			
bb) with agreed periods or periods of notice		84,925	120,502		111,679
				143,169	134,634
Securitized liabilities					
a) bonds and notes issued			92,348		71,960
b) other securitized liabilities			27,893		23,349
				120,241	95,309
including: ba) money-market instruments	26,361				
bb) own acceptances and promissory notes outstanding	1,532				
Liabilities on a trust basis				801	230
including: loans at third-party risk	800				
Other liabilities				2,731	2,126
Deferred items					
a) difference arising from consolidation in accordance with Section 340e (2) of the German Commercial Code – HGB			835		1,273
b) other			1,226		1,098
				2,061	2,371
Provisions					
a) provisions for pensions and similar commitments			1,794		1,687
b) provisions for taxation			772		754
c) other provisions			1,795		1,415
				4,361	3,856
Special items with partial reserve character					
b) in accordance with Section 6b, German Income Tax Act – EStG				122	121
Foundations				23	13
Subordinated liabilities				5,088	4,503
Profit-sharing certificates outstanding				3,803	3,776
including: maturing in less than two years	425				
Capital and reserves					
a) subscribed capital			1,925		1,675
unissued conditional capital DM402m (31. 12. 1994: DM555m)					
b) capital reserve			6,017		4,724
c) revenue reserves					
ca) legal reserve		6			6
cd) other revenue reserves		3,509			3,491
			3,515		
d) minority interests			339		186
e) consolidated profit			520		452
				12,316	10,534
			Total Liabilities and Shareholders' Equity	**404,167**	**342,057**
Contingent liabilities					
a) contingent liabilities from rediscounted bills of exchange credited to borrowers				2,863	2,428
b) liabilities from guarantees and indemnity agreements				29,776	24,997
Other commitments					
a) repurchase commitments arising from non-genuine securities repurchase agreements				0	59
b) placing and underwriting commitments				723	707
c) irrevocable lending commitments				44,981	42,645

Consolidated profit and loss account for the period from January 1 to December 31, 1995

in DM m					1994
Interest income from					
a) lending and money-market transactions		21,755			17,265
b) fixed-income securities and government-inscribed debt		2,068			1,751
			23,823		19,016
Interest paid			–18,980		–14,288
				4,843	4,728
Current income from					
a) shares and other variable-yield securities			146		137
b) investments (subsidiaries, associated companies, and trade investments)			124		215
c) holdings in affiliated companies			35		9
d) investments in associated companies			29		10
				334	371
Income from profit-pooling and from partial or full profit-transfer agreements				3	0
Commissions received			2,055		1,946
Commissions paid			–133		–119
				1,922	1,827
Net income from financial transactions				455	105
Other operating income				407	372
Income from the writing-back of special items with partial reserve character				0	4
General operating expenses					
a) personnel expenses					
aa) wages and salaries		–2,543			
ab) compulsory social-security contributions, expenses for pensions and other employee benefits		–743	–3,286		–2,973
of which: for pensions	–333				
b) other administrative expenses			–1,613		–1,405
				–4,899	–4,378
Depreciation on and value adjustments to intangible and fixed assets				–522	–501
Other operating expenses				–207	–175
Write-downs of and value adjustments to claims and certain securities, and additions to provisions for possible loan losses				–2,758	–3,305
Income from write-ups to claims and certain securities, and also from the writing-back of provisions for possible loan losses				1,872	1,650
Write-downs of and value adjustments to investments, holdings in affiliated companies and securities treated as fixed assets				–55	–27
Income from additions to investments, holdings in affiliated companies and securities treated as fixed assets				2	1,040
Charges for losses assumed under profit-and-loss transfer agreements				–4	–2
Allocations to special items with partial reserve character				–1	0
Result arising from normal business activity				**1,392**	**1,709**
Extraordinary income			0		0
Extraordinary expenses			–199		0
Extraordinary result				**–199**	**0**
Taxes on income			–120		–598
Other taxes unless already shown under "Other operating expenses"			–94		–56
				–214	–654
Net income for the year				**979**	**1,055**
Allocations to revenue reserves					
d) to other revenue reserves				–400	–600
Profit attributable to minority interests				–59	–6
Loss attributable to minority interests				0	3
Distributable profit				**520**	**452**

Balance sheet (Parent Bank) as of December 31, 1995

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Profit and loss account (Parent Bank)

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Parent Bank's balance sheet as of December 31, 1995

Assets (in DM m)					Dec. 31, 1994
Cash reserve					
a) cash on hand			1,272		1,411
b) balances with central banks			4,846		4,118
				6,118	5,529
including: with Deutsche Bundesbank	4,793				
Debt issued by public-sector borrowers, and bills of exchange rediscountable at central banks					
a) treasury bills and discountable treasury notes, as well as similar debt issues by public-sector borrowers			716		468
including: rediscountable at Deutsche Bundesbank	—				
b) bills of exchange			1,848		1,359
including: rediscountable at Deutsche Bundesbank	1,812			2,564	1,827
Claims on banks					
a) payable on demand			7,632		8,996
b) other claims			65,573		61,331
				73,205	70,327
Claims on customers				137,529	120,011
including: secured by mortgages on real estate	19,606				
communal loans	7,861				
Bonds and other fixed-income securities					
a) money-market instruments					
aa) issued by public-sector borrowers		149			
ab) issued by other borrowers		701	850		1,336
b) bonds and notes					
ba) issued by public-sector borrowers		13,020			
bb) issued by other borrowers		13,562	26,582		27,237
including: eligible as collateral for Deutsche Bundesbank advances	10,918				
c) bonds and notes issued by Commerzbank			40		23
nominal amount	39			27,472	28,596
Shares and other variable-yield securities				5,307	2,432
Subsidiaries, associated companies, and trade investments (investments)				1,623	1,592
including: investments in banks	423				
Holdings in affiliated companies				3,852	3,512
including: in banks	3,249				
Assets held on a trust basis				109	120
including: loans at third-party risk	109				
Recovery claims on federal and Länder authorities under post-war currency reform acts including bonds in exchange for the former				177	178
Fixed assets				1,736	1,684
Other assets				2,876	2,224
Deferred items					
a) difference arising from consolidation in accordance with Section 250 (3) of the German Commercial Code – HGB			352		410
b) other			314		316
				666	726
			Total Assets	**263,234**	**238,758**

Liabilities and Shareholders' Equity (in DM m)

					Dec. 31,1994
Liabilities to banks					
a) payable on demand			14,447		9,326
b) with agreed periods or periods of notice			78,657		68,825
				93,104	78,151
Liabilities to customers					
a) savings deposits					
aa) with agreed period of notice of three months		17,378			
ab) with agreed period of notice of more than three months		2,752	20,130		20,421
b) other liabilities					
ba) payable on demand		34,600			
bb) with agreed periods or periods of notice		63,206	97,806		94,174
				117,936	114,595
Securitized liabilities					
a) bonds and notes issued			11,427		9,043
b) other securitized liabilities			16,213		14,894
				27,640	23,937
including: ba) money-market instruments	14,684				
bb) own acceptances and promissory notes outstanding	1,529				
Liabilities on a trust basis				109	120
including: loans at third-party risk	109				
Other liabilities				2,227	1,733
Deferred items					
a) difference arising from consolidation in accordance with Section 340e (2) of the German Commercial Code – HGB			680		703
b) other			148		127
				828	830
Provisions					
a) provisions for pensions and similar commitments			1,666		1,567
b) provisions for taxation			556		559
c) other provisions			1,227		954
				3,449	3,080
Special items with partial reserve character in accordance with Section 6b, German Income Tax Act – EStG				120	120
Commerzbank Foundation				22	12
Subordinated liabilities				3,875	3,959
Profit-sharing certificates outstanding				3,228	3,236
including: maturing in less than two years	425				
Capital and reserves					
a) subscribed capital			1,925		1,675
unissued conditional capital DM402m (31. 12. 1994: DM555m)					
b) capital reserve			6,017		4,724
c) revenue reserves					
ca) legal reserve		6			6
cd) other revenue reserves		2,228			2,128
			2,234		
d) distributable profit			520		452
				10,696	8,985
Total Liabilities and Shareholders' Equity				**263,234**	**238,758**
Contingent liabilities					
a) contingent liabilities from rediscounted bills of exchange credited to borrowers				2,860	2,419
b) liabilities from guarantees and indemnity agreements				25,006	21,051
Other commitments					
b) placing and underwriting commitments				—	185
c) irrevocable lending commitments				37,179	35,976

Parent Bank's profit and loss account for the period from January 1 to December 31, 1995

in DM m					1994
Interest income from					
a) lending and money-market transactions		13,302			11,380
b) fixed-income securities and government-inscribed debt		1,263			1,249
			14,565		12,629
Interest paid			–10,813		–8,865
				3,752	3,764
Current income from					
a) shares and other variable-yield securities			101		89
b) investments (subsidiaries, associated companies, and trade investments)			97		200
c) holdings in affiliated companies			515		289
				713	578
Income from profit-pooling and from partial or full profit-transfer agreements				30	88
Commissions received			1,708		1,641
Commissions paid			–73		–62
				1,635	1,579
Net income from financial transactions				206	1
Other operating income				187	127
General operating expenses					
a) personnel expenses					
aa) wages and salaries		–2,236			–2,132
ab) compulsory social-security contributions, expenses for pensions and other employee benefits		–674			–559
			–2,910		–2,691
of which: for pensions	–307				
b) other administrative expenses			–1,443		–1,292
				–4,353	–3,983
Depreciation on and value adjustments to intangible and fixed assets				–337	–308
Other operating expenses				–70	–64
Write-downs of and value adjustments to claims and certain securities, and additions to provisions for possible loan losses			–2,343		–2,898
Income from write-ups to claims and certain securities, and also from the writing-back of provisions for possible loan losses			1,453		1,344
				–890	–1,554
Write-downs of and value adjustments to investments, holdings in affiliated companies and securities treated as fixed assets			–51		–117
Income from additions to investments, holdings in affiliated companies and securities treated as fixed assets			—		1,040
				–51	923
Charges for losses assumed under profit-and-loss transfer agreements				–48	–7
Result arising from normal business activity				**774**	**1,144**
Extraordinary income			—		24
Extraordinary expenses			–99		—
Extraordinary result				**–99**	**24**
Taxes on income			—		–437
Other taxes unless already shown under "Other operating expenses"			–55		–29
				–55	–466
Net income for the year				**620**	**702**
Allocations to revenue reserves					
d) to other revenue reserves				–100	–250
Distributable profit				**520**	**452**

Notes on the Bank's Annual Accounts

Accounting and valuation methods

The annual accounts and financial statement for both the Commerzbank Group and the Parent Bank are drawn up in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG) and also in accordance with the regulation for the presentation of the annual accounts of German banks.

Fixed assets are capitalized at cost and depreciated to reflect their probable useful economic lives. In this connection, we consult the depreciation-rate tables published by the fiscal authorities. Extraordinary depreciation and write-offs are effected in the case of permanent declines in the economic usefulness of fixed assets. Minor-value items are written off immediately in the year of purchase. Special depreciation allowances and higher depreciations permissible under tax legislation are included in the legally prescribed financial statements; their influence on the overall result is insignificant.

The lower-of-cost-or-market principle is applied strictly in valuing claims and securities classified as current assets, whereby claims appear at their face value pursuant to Section 340e of the German Commercial Code. The difference between the amount actually paid out and the face value is shown as a deferred item. We fully provide for the particular risks associated with banking business by making both individual and global value adjustments and by forming loan-loss reserves pursuant to Section 340f of the German Commercial Code.

Liabilities are shown in the balance sheet at the respective amounts to be repaid. The difference between the nominal value and the issue price of liabilities is shown under Deferred items. For uncertain liabilities, provisions are made to cover the expected amount. Provisions for pension commitments are formed on the scale permitted under Section 6a of the German Income Tax Act (EStG) and comparable regulations abroad.

For the first time, when providing for possible risks, we did not make use of the possibility of setting off all expense and income items against one another (cross-compensation) pursuant to Section 340f of the German Commercial Code. All the realized expenses and income from claims and securities held for liquidity purposes, write-downs and write-ups on claims, write-downs on securities held for liquidity purposes, as well as expenses and income from the formation and writing-back of provisions for possible loan losses, are shown as gross amounts. The comparable figures for the previous year have been adjusted accordingly.

As a matter of principle, financial derivatives (swaps, forward rate agreements, financial futures and options) are valued individually at their market price, in accordance with both the realization and the imparity principle. To the extent permitted, separate groups of valuation items are formed in order to cover balance-sheet items and expenses and income, as well as in the Bank's own-account trading activities.

For a calculation of the Bank's own-account trading results, we set off the results of the valuation of each underlying risk in previously defined and documented portfolios against each other. The principle on which such offsetting is based is that risks from individual transactions are covered by corresponding hedging transactions. In accordance with the imparity principle, a positive balance is not taken into account, while a provision is formed for a negative balance.

The net result for financial investments also includes the realized gains or losses deriving from the disposal of financial investments. In the case of this item, expenses and income, and also the comparable year-ago figures, are shown as gross amounts.

Items in the balance sheet and the profit and loss account which are denominated in foreign currencies, as well as pending spot foreign-exchange transactions, are translated at the spot rate; pending forward foreign-exchange transactions are translated at the forward rate on the balance-sheet date into the respective currency used for accounting purposes. Currency translations for investments and holdings denominated in foreign currencies and interests in affiliated companies are effected at the rate prevailing on the date of purchase. Insofar as the annual accounts of our units abroad are drawn up in foreign currencies, they are translated into D-marks at the spot rate of the balance-sheet date.

Differences arising from currency translation appear in the profit and loss account, with both the lower-of-cost-or-market principle and the imparity principle being applied. This has the following consequences:

The gains and losses deriving from the translation of balance-sheet items are shown in the profit and loss account. The differences in interest rates between currencies resulting from the hedging of balance-sheet items are recognized on a pro-rata basis under net interest income. Hedged expense and income items are translated at the contractual forward rate.

Pursuant to Section 340h (2), of the German Commercial Code, gains and losses resulting from the valuation of individual items in authentic currency futures and currency options trading appear in the profit and loss account, insofar as the foreign-exchange transactions have been specifically covered by offsetting transactions and the overall position is closed. In accordance with the imparity principle, gains registered for open positions are not recognized. In view of the high turnover rate for the Bank's foreign-currency holdings, open positions arise very close to the balance-sheet date. The valuation of these open positions is not included in the results.

In swap arbitrage, the income and expenses arising from swaps are recognized on a pro-rata basis, residual amounts being valued for each foreign currency. Provisions are formed for any net expenses which emerge, while net income items are not taken into account. Spot-rate differences as well as swap-related accruals and deferrals from forward transactions for swap arbitrage purposes are recognized and shown as a net item under Other assets or Other liabilities.

Valuations in connection with pending spot transactions are treated in the same way as the residual amounts deriving from swap arbitrage transactions.

Fully consolidated subsidiaries and those consolidated on a pro-rata basis are included in the Group's annual accounts in accordance with the book-value method, pursuant to Section 301 (1), 1 of the German Commercial Code, using as a basis their valuation at the time they were first consolidated.

Investments in associated companies are included in the Group's annual accounts at their book value in accordance with Section 312 (1), 1 of the German Commercial Code. The valuation of investments and the differences arising from consolidation or goodwill were calculated on the basis of the first consolidation of the companies in question.

Insofar as differences or goodwill cannot be assigned to the value of the assets and debts of consolidated and associated companies, they are charged to Other revenue reserves in the Group's balance sheet or, insofar as they have been classified as retained profits from former years, they are allocated to these reserves.

The assets and debts of the companies included in the consolidation are computed in accordance with the accounting and valuation methods which are valid for the Parent Bank. With regard to associated companies, we have adopted their accounting and valuation procedures in order to calculate the pro-rata share of their equity capital held by Commerzbank.

Intra-Group book gains registered during the 1995 business year have been eliminated. In view of the disproportionately high expense or effort involved, such gains have not been eliminated in the case of own-account trading transactions.

Notes on the balance sheet and profit and loss account

Maturity pattern of selected balance-sheet items

in DM m	Group	Parent Bank
Other claims on banks	98,249	65,573
of which: with originally agreed periods of notice or periods of notice of		
less than three months	26,671	20,238
at least three months, but less than four years	51,488	41,078
four years or more	20,090	4,257
Claims on customers	224,008	137,529
of which: with originally agreed periods or periods of notice of		
less than four years	74,396	66,024
four years or more	149,612	71,505
Bonds and notes issued by public-sector borrowers	19,357	13,020
of which: with original periods of		
less than four years	4,458	3,501
four years or more	14,899	9,519
Bonds and notes issued by other borrowers	16,268	13,562
of which: with original periods of		
less than four years	5,018	3,660
four years or more	11,250	9,902
Liabilities to banks with agreed periods or periods of notice	93,029	78,657
of which: with originally agreed periods or periods of notice of		
less than three months	43,811	30,669
at least three months, but less than four years	36,852	29,041
four years or more	12,366	18,947
including: due in less than four years	4,754	9,577
Other liabilities to customers with agreed periods or periods of notice	84,925	63,206
of which: with originally agreed periods or periods of notice of		
less than three months	41,471	39,938
at least three months, but less than four years	13,446	12,536
four years or more	30,008	10,732
including: due in less than four years	12,309	5,243
Securitized liabilities	120,241	27,640
of which: with original periods of		
less than four years	58,139	23,880
four years or more	62,102	3,760
including: due in less than four years	30,298	2,069

The Bank's foreign-currency position

in DM m	Group	Parent Bank
Assets	113,764	86,078
Liabilities	119,929	92,200

Subordinated assets

in DM m	Group	Parent Bank
Other claims on banks	98,249	65,573
including: subordinated items	—	—
Claims on customers	224,008	137,529
including: subordinated items	126	104
Bonds and notes issued by other borrowers	16,268	13,562
including: subordinated items	224	148
Shares and other variable-yield securities	7,433	5,307
including: subordinated items	91	65

Financial relations with affiliated companies and other equity investments

in DM m	Group				Parent Bank			
	Affiliated companies	Previous year	Equity invest-ments	Previous year	Affiliated companies	Previous year	Equity invest-ments	Previous year
Claims on banks	–	–	63	47	7,848	16,797	63	47
Claims on customers	19	9	1,643	355	3,629	879	949	312
Bonds, notes and other fixed-income securities	–	–	–	5	1,743	561	–	5
Liabilities to banks	–	–	85	·	13,610	16,230	84	·
Liabilities to customers	4	31	24	121	7,543	6,730	13	75
Subordinated liabilities	–	–	–	–	502	655	–	–

Breakdown by balance-sheet item of trust transactions at third-party risk

in DM m	Group	Parent Bank
Claims on banks	9	8
Claims on customers	791	101
Bonds, notes and other fixed-income securities	–	–
Investments	1	–
Assets on a trust basis at third-party risk	**801**	**109**
Liabilities to banks	259	72
Liabilities to customers	542	37
Liabilities on a trust basis at third-party risk	**801**	**109**

Leasing business (Group)

(as reflected in individual items)

in DM m	
Balance sheet	
Other assets	409
Liabilities to banks	61
Liabilities to customers	8
Profit and loss account	
Write-downs of and adjustments to intangible and fixed assets	92
Other operating income	132

Other assets

in DM m	Group
Premiums for options, caps, floors and collars	981
Collection items	749
Claims on tax authorities	446
Leased items	409
Deferred item for foreign-currency trading, interest-rate futures and securities transactions	366
Other items	361
Total	**3,312**

Other liabilities

in DM m	Group
Premiums for options, caps, floors and collars	1,452
Deferred item for foreign-currency trading, interest-rate futures and securities transactions	339
Interest payments for profit-sharing certificates	334
Taxes and social-security contributions	241
Interest payments for subordinated liabilities	173
Other items	192
Total	**2,731**

Changes in book value of fixed assets and investments (Group)

in DM m

	Purchase price	Additions 1995	Disposals 1995	Write-ups 1995
	1	2	3	4
Investments	2,350	439	771	–
Holdings in associated companies	229	427	–	–
Investments in affiliated companies	254	–	232	–
Intangible assets	13	4	1	–
Fixed assets	3,373	895	243	–
including:				
land and buildings for the Bank's own use	–	–	–	–
office furniture and equipment	–	–	–	–

Changes in book value of fixed assets and investments (Parent Bank)

in DM m

	Purchase price	Additions 1995	Disposals 1995	Write-ups 1995
	1	2	3	4
Investments	1,600	386	305	–
Investments in affiliated companies	3,512	596	256	–
Fixed assets	2,201	556	196	0
including:				
land and buildings for the Bank's own use	–	–	–	–
office furniture and equipment	–	–	–	–

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

Securities and financial assets

in DM m

	Trading portfolio total	negotiable on a stock exchange	listed on a stock exchange	t
Bonds, notes and other fixed-income securities	10,961	10,961	10,554	36,
Shares and other variable-yield securities	4,416	4,350	4,328	3,
Investments	–	–	–	
Holdings in associated companies	–	–	–	
Investments in affiliated companies	–	–	–	

On the balance-sheet date, Group assets with a book value of DM2,959m (Parent Bank: DM2,931m) were pledged as collateral under sale and repurchase agreements. Basically these were genuine sale and repurchase agreements to raise short-term funds with other banks and open-market transactions conducted by the Bundesbank.

Total write-downs	Net book value Dec. 31, 1995	Net book value previous year	Write-downs 1995	Write-downs previous year
5	6	7	8	9
64	1,954	2,340	55	15
–	656	229	–	–
–	22	254	–	–
8	8	9	2	2
1,117	2,908	2,688	500	358
–	1,000	1,014	–	–
–	1,762	1,563	–	–

Total write-downs	Net book value Dec. 31, 1995	Net book value previous year	Write-downs 1995	Write-downs previous year
5	6	7	8	9
58	1,623	1,592	51	–
–	3,852	3,512	–	–
825	1,736	1,684	337	308
–	73	221	–	–
–	1,605	1,409	–	–

Group					Parent Bank		
d for liquidity purposes			Total				
negotiable on a stock exchange	listed on a stock exchange	total	negotiable on a stock exchange	listed on a stock exchange	total	negotiable on a stock exchange	listed on a stock exchange
36,213	25,335	47,174	47,174	35,889	27,472	27,472	20,634
2,140	2,121	7,433	6,490	6,449	5,307	4,619	4,592
–	–	1,954	1,412	1,024	1,623	776	343
–	–	656	434	116	–	–	–
–	–	22	0	0	3,852	2,569	368

Other provisions

in DM m	Group
Financial innovations	418
Personnel expenses	392
Bonus for savings deposits	289
Lending business	245
Legal proceedings and claims of recourse	102
Miscellaneous	349
Total	**1,795**

Commerzbank shares held by the Group

	Number of shares	Nominal amount in DM1,000	Percentage of share capital
Total number held at year-end	–	–	–
Highest number bought during business year	306,229	15,311	0.80
Commerzbank shares pledged to the Bank by customers, at year-end	16,573	829	0.04
Commerzbank shares bought during business year	5,680,270	284,014	
Commerzbank shares sold during business year	5,680,270	284,014	

Purchases and sales, effected at current prices throughout the year, served to ensure orderly market conditions for trading in Commerzbank shares. The average buying price was DM325.17, the average resale price DM325.18. The proceeds from the sale of shares were re-allocated to working funds.

Subordinated liabilities

In the year under review, the Group's interest expenditure totalled DM381m (Parent Bank: DM307m).

The issuers cannot be obliged to make premature repayment. In the event of bankruptcy or winding-up, subordinated liabilities may only be repaid after the claims of all senior creditors have been met. Such liabilities serve to reinforce the Bank's liable equity capital, in accordance with the provisions of the German Banking Akt–KWG.

Convertible profit-sharing certificates and similar securities outstanding

Year of issue	Nominal amount	Issuer	Interest payment	Expiry date	Special terms of issue
1993	DM200m	Commerzbank Overseas Finance N.V.	6.75%	1998	with option rights attached for subscription to Commerzbank AG shares
1995	DM100m	Commerzbank Overseas Finance N.V.	6.75%	2000	with option rights attached for subscription to Commerzbank AG shares

Profit-sharing certificates outstanding within the Commerzbank Group

Year of issue	Nominal amount	Issuer	Interest payment	Expiry date	Special terms of issue
1985	DM425m	Commerzbank AG	8.25%	1995	Additional interest payment linked to dividend
1989	DM80m	former Berliner Commerzbank AG	8.00%	1999	
1989	DM200m	RHEINHYP Rheinische Hypotheken-bank AG, Frankfurt	8.00%	1999	RHEINHYP has the right to call on Dec. 31, 1994 at the earliest, giving at least 2 years' notice
1990	DM500m –DM1m (converted 1991) –DM1m (converted 1993) –DM97m (converted 1994) –DM8m (converted 1995) DM393m	Commerzbank AG	6.00%	2000	Additional interest payment linked to dividend, right of conversion into Commerzbank AG shares
1991	DM500m	Commerzbank AG	9.50%	2003	With option rights attached for subscription to Commerzbank shares
1992	DM30m	former Berliner Commerzbank AG	9.25%	2001	
1992	DM500m	Commerzbank AG	9.15%	2004	
1992	DM210m	RHEINHYP Rheinische Hypotheken-bank AG, Frankfurt	9.00%	2004	RHEINHYP has the right to call on Dec. 31, 1997 at the earliest, giving at least 2 years' notice
1992	DM30m	Deutsche Schiffsbank AG, Bremen/Hamburg	10.00%	2004	
1992	DM20m	Hypothekenbank in Essen AG	8.40%	2002	
1992	DM10m	Hypothekenbank in Essen AG	9.15%	2004	
1993	DM800m	Commerzbank AG	7.25%	2005	With option rights attached for subscription to Commerzbank shares
1993	DM30m	Deutsche Schiffsbank AG, Bremen/Hamburg	6.75%	2006	
1993	DM30m	Hypothekenbank in Essen AG	7.00%	2005	
1993	DM10m	Hypothekenbank in Essen AG	7.50%	2004	
1994	DM500m	Commerzbank AG	8.00%	2006	With option rights attached for subscription to Commerzbank shares
1995	DM25m	Hypothekenbank in Essen AG	5.07%	2007	
1995	DM10m	Hypothekenbank in Essen AG	7.40%	2005	

Profit-sharing certificates serve to strengthen the Bank's liable equity capital in accordance with the provisions of the German Banking Act–KWG. They are affected directly by current losses. Interest payments are made solely within the scope of the existing distributable profit. The claims of holders of profit-sharing certificates to a repayment are subordinate to the claims of other creditors.

Subscribed capital

in DM m	
As of Dec. 31, 1994	1,675
From 1994's authorized capital increase in an original amount of DM30m (shares for issue to the Bank's staff) 278,440 shares at a price of DM325 per DM50 nominal share	14
From 1995's authorized capital increase in an original amount of DM160m 3,200,000 shares at a price of DM320 per DM50 nominal share	160
From 1988's conditionally authorized capital increase in an amount of DM125m (convertible profit-sharing certificates) 38,970 shares of DM50 nominal	2
From 1991's conditionally authorized capital increase in an original amount of DM75m (profit-sharing certificates with option rights) 1,492 shares of DM50 nominal	74
As of Dec. 31, 1995 issued as follows: 193,000 shares of nominal DM 1,000; 320,000 shares of nominal DM 100; 34,005,380 shares of nominal DM 50	1,925

Warrants on Commerzbank shares

German securities code nr.	Subscription ratio	Option price per share[1]	End of option period	Conditional capital increase at issue	at end-1995
803 335	2:1	DM260	December 10, 1996	DM50,000,000	DM49,999,000
803 367	2:1	DM300	December 15, 1997	DM80,000,000	DM79,650,550
803 626	2:1	DM340	December 12, 1999	DM75,000,000	DM74,999,100
–	1:1	DM340	December 1, 1999	DM24,000,000	DM23,921,250

[1]) of DM50 nominal.

Convertible profit-sharing certificates

German securities code nr.	Conversion right	Conversion period	Conditional capital increase at issue	at end-1995
803 250	One share[1]) for each DM200 nominal of profit-sharing certificates and additorial payment of DM45	From June 15 to December 15 of each business year up to and including 1998	DM125,000,000	DM98,267,000

[1]) of DM50 nominal.

Authorized capital

Year of AGM resolution	Original amount	Remaining amount	Authorization expires:	Conditions of issue
1992	DM400m	DM125m	1997	Shareholders' subscription rights may be excluded only for fractional amounts and to offer subscription rights to holders of conversion or option rights.
1994	DM400m	DM400m	1999	Shareholders' subscription rights may be excluded for fractional amounts and to offer subscription rights to holders of conversion or option rights.
1994	DM30m	DM16m	1999	The Board may, with the approval of the Supervisory Board, exclude shareholders' subscription rights for the purpose of issuing shares to the Bank's staff.

Changes in the Group's reserves

in DM m

	Carried forward on Jan. 1, 1995	Allocation from net income for the year	Allocation during the business year	Other change	As of Dec. 31, 1995
Capital reserve	4,724	–	1,293	–	6,017
Revenue reserves	3,497	400	–	– 382	3,515
Legal reserve	6	–	–	–	6
Other revenue reserves	3,491	400	–	– 382	3,509
Total	**8,221**	**400**	**1,293**	**– 382**	**9,532**

As a result of the first consolidation of certain subsidiaries, the other changes of – DM382m include a difference in amount of DM348m on the assets side and one of DM12m on the liabilities side. Investments valued at equity for the first time contain a net difference in amount of DM23m on the assets side. Due to the removal of certain companies from the consolidation, a net difference in amount of DM3m on the assets side from the previous year and one of DM2m on the liabilities side were withdrawn from the reserve arising from consolidation. Adjustment to accounting regulations which apply universally throughout the Group gave rise to a withdrawal of DM24m.

Changes in the Parent Bank's reserves

in DM m

	Carried forward on Jan. 1, 1995	Allocation from net income for the year	Allocation during the business year	As of Dec. 31, 1995
Capital reserve	4,724	–	1,293	6,017
Revenue reserves	2,134	100	–	2,234
Legal reserve	6	–	–	6
Other revenue reserves	2,128	100	–	2,228
Total	**6,858**	**100**	**1,293**	**8,251**

Contingent liabilities and other commitments

in DM m	Group	Parent Bank
Contingent liabilities on rediscounted bills of exchange	2,863	2,860
Liabilities from guarantees and indemnity agreements	29,776	25,006
Credit guarantees	2,646	1,506
Other guarantees	17,123	17,394
Letters of credit	6,197	6,106
Other items	3,810	–
Placement and underwriting commitments	723	–
Revolving underwriting facilities	14	–
Note issuance facilities	19	–
Other items	690	–
(Memo item: contingent liabilities actually drawn upon	–	–)
Irrevocable credit commitments	44,981	37,179
Book credits to customers	33,361	26,704
Book credits to banks	3,793	2,683
Credits by way of guarantee	6,517	6,482
Letters of credit	1,310	1,310

Assets pledged as security for the Bank's own liabilities

in DM m	Group	Parent Bank
Liabilities to banks	8,174	8,154
Liabilities to customers	3,187	2,387
Securitized liabilities	13	13
Total assets pledged as security	**11,374**	**10,554**

Geographical breakdown of Group's operating result

in DM m

	Germany	Europe (excluding Germany)	America	Asia	Africa	Intra-Group balances	Total
Interest income[1]	17,421	5,631	2,136	655	23	–2,043	23,823
Current income[2]	421	27	4	13	–	–	465
Interest paid[3]	13,443	5,178	1,960	528	21	–2,058	19,072
Net interest income	4,399	480	180	140	2	15	5,216
Commissions received	1,882	215	31	31	–	–104	2,055
Commissions paid	179	10	8	2	–	–66	133
Net commission income	1,703	205	23	29	–	–38	1,922
Net income from financial transactions	197	224	29	4	1	–	455
Wages and salaries	2,319	137	50	35	2	–	2,543
Social-security contributions[4]	701	29	8	5	–	–	743
Other administrative expenses[5]	1,789	162	58	55	2	–23	2,043
Operating expenses	4,809	328	116	95	4	–23	5,329
Other operating income	251	18	3	3	–	–	275
Other operating expenses	170	24	11	2	–	–	207
Provision for possible loan losses	–1,073	25	154	8	–	–	–886
Operating result	498	600	262	87	–1	–	1,446

[1]) from lending and money-market transactions, fixed-income securities and government-inscribed debt;
[2]) from shares, other variable-yield securities, investments, investments in affiliated companies (incl. profit-and-loss transfer agreements), leasing business, as well as the result deriving from holdings in associated companies; [3]) incl. expenses and normal depreciation in leasing business; [4]) incl. expenses for pensions and other employee benefits; [5]) incl. normal depreciation on fixed assets.

Geographical breakdown of Parent Bank's revenues

in DM m

	Germany	Europe (excluding Germany)	America	Asia	Africa	Total
Interest income	10,401	2,479	1,183	480	23	14,566
Current income from shares and other variable-yield securities, investments, and investments in affiliated companies, as well as income from profit-pooling and full or partial profit-and-loss transfer agreements	742	–	–	–	–	742
Commissions received	1,650	32	10	16	–	1,708
Net income from financial transactions	138	36	28	3	1	206
Other operating income	181	3	3	–	–	187

Administrative and brokerage services

The principal administrative and brokerage services supplied to third parties are: safe custody and administration of securities, asset management, brokerage services for insurance and home loan savings contracts.

Important individual items from the profit and loss account

in DM m	Group
Net commission income	
Securities business	661
Foreign commercial business	366
Payments transactions	302
Guarantee commissions	181
Other items	412
Total	**1,922**
Net income from financial transactions	
Proprietary securities trading	10
Foreign-exchange dealings	186
Interest futures	259
Total	**455**
Other operating expenses	
Allocation to provisions not relating to lending business	61
Losses arising from the disposal of fixed assets	31
Expenses arising from building and architects' services	29
Allocation to guarantee fund for building loan associations	12
Other items	74
Total	**207**
Other operating income	
Income from leasing transactions	132
Write-backs of provisions not relating to lending business	128
Rent received from third parties	53
Income from building and architects' services	34
Income from the disposal of fixed assets	26
Other items	34
Total	**407**
Provision for possible risks	
Individual borrower risks	–1,345
Country risks	161
Price risks for securities	308
Global provision	–10
Total	**–886**

Taxes on income

All taxes on income relate to the results deriving from normal business operations. Extraordinary expenses reduced tax expenditure.

Extraordinary expenses

Changes have been made to the legislation regulating the assignment of one-time payments of acquisition fees for home loan savings contracts to the proper accounting periods. Whereas previously, such payments were shown in the year that they were received, they will now be spread over the lifetime of the home loan savings contract. The spread principle has been applied retroactively to all currently outstanding contracts. This item shows all the expenses which accrued in the financial years up to 1995. At the same time, the expenses for the Parent Bank's 125th anniversary have also been shown here on roughly the same scale.

Other details

Pending forward transactions

in DM m

	Nominal amount Remaining life under 1 year	1-5 years	more than 5 years	Total	Market value
Foreign currency-based forward transactions					
OTC products					
Foreign-exchange forward transactions	274,951	22,625	3,978	301,554	8,512
Currency swaps	1,288	10,424	3,823	15,535	712
Foreign-currency call options	101,680	2,051	–	103,731	2,916
Foreign-currency put options	109,997	2,207	–	112,204	
Other foreign-exchange contracts	–	–	–	–	–
Products traded on a stock exchange					
Currency futures	–	–	–	–	
Currency options	–	–	–	–	
Total	**487,916**	**37,307**	**7,801**	**533,024**	**12,140**
Interest-based futures transactions					
OTC products					
Future-rate agreements	87,886	9,090	–	96,976	115
Interest-rate swaps (same currency)	89,655	153,325	49,202	292,182	11,527
Call options on interest-rate futures	4,167	10,086	9,773	24,026	402
Put options on interest-rate futures	6,117	20,208	13,938	40,263	
Other interest contracts	9,967	1,153	97	11,217	31
Products traded on a stock exchange					
Interest-rate futures	66,341	12,822	–	79,163	
Interest-rate options	21,339	–	–	21,339	
Total	**285,472**	**206,684**	**73,010**	**565,166**	**12,075**
Other forward transactions					
OTC products					
Equity swaps	–	–	–	–	–
Equity call options	–	–	–	–	–
Equity put options	140	–	–	140	
Other equity contracts	–	–	–	–	–
Precious metal contracts	1,425	94	–	1,519	–
Other transactions	329	–	–	329	–
Products traded on a stock exchange					
Equity futures	5,070	–	–	5,070	
Equity options	5,837	925	–	6,762	
Other futures	–	–	–	–	
Other options	–	–	–	–	
Total	**12,801**	**1,019**	**–**	**13,820**	**–**
Total pending forward transactions					
OTC products	687,602	231,263	80,811	999,676	24,215
Products traded on a stock exchange	98,587	13,747		112,334	
Total	**786,189**	**245,010**	**80,811**	**1,112,010**	**24,215**

On the balance-sheet date, the immatured foreign-exchange, interest-related and other forward transactions shown opposite where outstanding. These entail merely a counter-party risk or currency, interest and/or other market-price risks.

Breakdown of derivatives business by customer group

in DM m	Market value
OECD central governments	9
OECD banks	17,607
OECD financial institutions	286
Other companies, private individuals	2,981
Non-OECD central governments	0
Non-OECD banks	3,269
Non-OECD financial institutions	63
Total	**24,215**

The market values are shown as the sum totals of the positive amounts per contract, from which no pledged security has been deducted and without taking into account any netting agreements. The negative amounts per contract have also not been deducted. As no counter-party risk exists, no market values are given for products traded on a stock exchange. By definition, no positive market values exist for options sold.

A substantial number of the transactions in the three specified categories are made in order to hedge the effects of fluctuations in interest rates, exchange rates and market prices. In addition, a substantial part is effected for trading purposes.

Average number of staff employed by the Bank during the year

	total		male		female	
Group	27,177	(28,336)	13,761	(13,862)	13,416	(14,474)
in Germany	25,207	(26,360)	12,611	(12,711)	12,596	(13,649)
abroad	1,970	(1,976)	1,150	(1,151)	820	(825)
Parent Bank	24,903	(26,062)	12,584	(12,685)	12,319	(13,377)
at companies included in the consolidation on a pro-rata basis, pursuant to Section 310 of the German Commercial Code (HGB)	1,000	(1,131)	530	(538)	470	(593)

The above figures include part-time workers with the time they actually worked. The time worked by this group is 61% of the standard working time. The figures in parentheses take the part-time staff fully into account.

Not included in the full-time figures are the average number of apprentices undergoing training within the Group:

	total	male	female
Apprentices	1,650	730	920

The boards of the Parent Bank

Supervisory Board

Dr. Walter Seipp
Chairman

Hans-Georg Jurkat
Deputy Chairman

Reinhold Borchert

Erhard Bouillon

Uwe Foullong

Dr. Carl H. Hahn

Dr.-Ing. Otto Happel

Gerald Herrmann

Detlef Kayser

Dieter Klinger

Dr. Hans-Jürgen Knauer

Peter Kretschmer

Dr. Heinz Kriwet

Horst Sauer

Wolfgang Schmelz

Dr. Raban Frhr. v. Spiegel

Dr. Rolf Stoffel

Hermann Josef Strenger

Heinrich Weiss

Wolfgang Ziemann

Board of Managing Directors

Martin Kohlhaussen
Chairman

Dr. Erich Coenen

Dietrich-Kurt Frowein

Dr. Peter Gloystein

Dr. Kurt Hochheuser

Jürgen Lemmer

Klaus-Peter Müller

Klaus Müller-Gebel

Jürgen Reimnitz (until May 17, 1995)

Dr. Axel Frhr. v. Ruedorffer

Dr. Jürgen Terrahe (until March 31, 1996)

Dr. Norbert Käsbeck
(deputy member since Jan. 1, 1996)

Klaus M. Patig
(deputy member since April 1, 1995)

Remuneration of board members

The following remuneration was paid in 1995:

in DM1,000	Group	Parent Bank
Board of Managing Directors	13,753	12,804
Supervisory Boards	2,264	2,264
Retired Managing Directors and their dependents	7,693	7,693

At end-1995, provisions for pensions for retired Managing Directors and their surviving dependents totalled DM68,001,000; this amount fully covers our pension commitments towards this group.

Loans to board members

At end-1995, the aggregate amount of advances and loans as well as contingent liabilities was as follows:

in DM1,000	Group	Parent Bank
Board of Managing Directors	10,808	8,805
Supervisory Boards	3,111	1,319

The mortgage banks included in the consolidation are reflected in the following items:

in DM m	end-1995	end-1994
Claims on banks		
mortgage loans	73	70
communal loans	20,235	19,116
Claims on customers		
mortgage loans	32,716	32,314
Deferred items (assets side)		
from issuing and lending business	652	583
other	4	7
Liabilities to banks		
registered mortgage bonds issued	390	600
registered public-sector mortgage bonds issued	1,446	1,111
including: given to lender as security for loans taken up:		
registered mortgage bonds	11	23
registered public-sector mortgage bonds	241	334
Liabilities to customers		
registered mortgage bonds issued	5,978	6,147
registered public-sector mortgage bonds issued	11,691	8,968
including: given to lender as security for loans taken up:		
registered mortgage bonds	359	388
registered public-sector mortgage bonds	720	709
Securitized liabilities		
mortgage bonds	15,992	13,696
public-sector mortgage bonds	46,656	34,443
Deferred items (liabilities side)		
from issuing and lending business	678	557
other	148	112

Leonberger Bausparkasse AG, which is included in the consolidation, is reflected in the following items on a pro-rata basis:

in DM m	end-1995	end-1994
Claims on banks		
Loans disbursed on building savings contracts	1	1
Claims on customers		
Allotted home loans (from building savings contracts)	1,578	1,493
for interim and bridging loans	1,049	1,097
Liabilities to banks		
Building loan savings deposits	12	11
Liabilities to customers		
Building loan savings deposits	2,433	2,413
including: on terminated contracts	9	7
on allotted contracts	32	29
Provisions		
Fund for covering disbursement commitments	73	61

in DM m	end-1995	end-1994
Interest income from lending and money-market transactions		
Loans disbursed on building savings contracts	82	78
Interim and bridging loans	82	91
Other home loans	1	1
Interest expenditure on building loan savings deposits	70	69
Commissions received		
from contracts concluded and business passed on	24	29
from arranging loans after allotment	12	8
from provision and processing of interim and bridging finance	3	3
Commissions paid		
for conclusion of contracts and business passed on	38	38

Types of cover used by mortgage banks included in the consolidation

in DM m	
Mortgage bonds	
Ordinary cover	
Claims on customers Mortgage loans	22,710
Fixed assets Land charges on own land and buildings	109
	22,819
Supplementary cover	
3.00% recovery claims on federal and Länder authorities	–
Bonds and other fixed-income securities	178
Total cover	**22,997**
Total mortgage bonds requiring cover	21,540
Surplus cover	**1,457**
Public-sector mortgage bonds	
Ordinary cover	
Claims on banks Communal loans	19,433
Claims on customers Mortgage loans	936
Communal loans	36,598
	56,967
Supplementary cover	
Other claims on banks	215
Bonds and other fixed-income securities	2,390
Recovery claims on federal and Länder authorities, incl. bonds received in exchange for them	19
Total cover	**59,591**
Total public-sector mortgage bonds requiring cover	58,374
Surplus cover	**1,217**

Information pursuant to Section 28 of the German Mortgage Bank Act – HBG relating to the mortgage banks which are included in the consolidation

Mortgages used as cover for mortgage bonds

Classified according to size	number	in DM m
up to DM 100,000	37,746	2,092
up to DM 1,000,000	44,360	9,134
more than DM 1,000,000	2,569	11,523
	84,675	**22,749**

Breakdown, by state

	number	in DM m
Baden-Württemberg	6,255	1,335
Bavaria	3,912	1,183
Berlin	2,604	2,401
Brandenburg	369	215
Bremen	1,110	288
Hamburg	2,968	1,017
Hesse	7,535	2,307
Lower Saxony	282	192
Mecklenburg-Western Pomerania	9,392	1,737
North Rhine-Westphalia	38,810	8,161
Rhineland-Palatinate	3,189	685
Saarland	1,043	135
Saxony	1,056	806
Saxony-Anhalt	562	403
Schleswig-Holstein	5,092	773
Thuringia	350	305
Domestic	**84,529**	**21,943**
States of the European Union	**146**	**806**
Total	**84,675**	**22,749**

The mortgages entered into the cover register for mortgage bonds relate to:

in DM m	
Land used for commercial purposes	7,957
Land used for residential purposes	14,311
Building plots	36
Unfinished new buildings, not yet generating earnings	445
	22,749

Compulsory sales/sequestrations

As of Dec. 31, 1995

	Commercial premises	Residential premises	Total
Properties subject to enforcement proceedings	71	376	447
of which: compulsory sales	17	222	239
sequestrations of property	7	10	17
compulsory sales and sequestrations	47	144	191
Compulsory sales effected in 1995	22	134	156

In the 1995 business year, the mortgage banks within the Commerzbank Group did not take possession of any property in order to avoid losses stemming from their lending.

Interest arrears:

Interest arrears on mortgage business totalled DM39m, of which DM7m relates to residential premises and DM32m to commercial premises.

in DM m

Repayments of mortgages	3,083
of which: scheduled repayments	1,656
extraordinary repayments	1,427

Information pursuant to Section 26 of the German Ship Bank Act for Deutsche Schiffsbank AG, which has been included in the consolidation (all DM figures on a pro-rata basis)

On the balance-sheet date, loans amounting to DM1,104m were entered into the cover register. They break down as follows:

	Total loans		Foreign loans	
	number	DM m	number	DM m
up to DM100,000	79	1	3	.
DM100,000 to DM1,000,000	183	37	18	4
more than DM1,000,000	517	1,066	175	486
	779	**1,104**	**196**	**490**
of which, secured by:				
vessels for inland waterways	102	9	–	–
coastal vessels	282	254	32	25
sea-going vessels	394	841	164	465
sea-going vessels under construction	1	.	–	–
	779	**1,104**	**196**	**490**

In the year under review, the bank was involved in eight compulsory sale proceedings:

	inland navigation	sea and coastal navigation	total
Completed proceedings	–	7	7
Pending proceedings	–	1	1

No vessels, either finished or under construction, were taken possession of in order to prevent losses. At end-1995, the ship communal loans outstanding, which totalled DM461m (each of them over DM1m), had all been entered into the cover register.

in DM m	
Repayments of ship mortgage loans	500
of which: scheduled repayments	276
extraordinary repayments	224

After precautionary write-downs of DM26,000, interest arrears of DM6,000 are shown as of end-1995.

Effects of including more companies in the consolidation

There has been an increase in the number of companies included in the consolidation.

This did not have any serious effect on items in the balance sheet. Without this increase, the most important items in the profit and loss account would appear as in the adjacent table.

in DM m	
Interest income	21,678
Interest paid	16,985
Operating expenses	4,874
Write-downs of and value adjustments to claims and certain securities, and addtitions to provisions for possible loan losses	2,681
Income from write-ups to claims and certain securities, and also from the writing-back of provisions for possible loan losses	1,766

Holdings in affiliated and other companies

Affiliated companies included in the consolidation

Company name	Domicile	Share of capital held, in %	of which indirectly, %		Equity capital in 1,000 of stated currency	Result in 1,000 of stated currency	
Atlas-Vermögensverwaltungs-Gesellschaft mbH	Düsseldorf	100.0		DM	350,184	0	2)
Bankhaus Bauer Aktiengesellschaft	Stuttgart	83.7	17.0	DM	11,982	3,130	
Berliner Commerz Beteiligungsgesellschaft mbH	Berlin	100.0		DM	22,000	0	2)
Berliner Commerz Grundstücks- und Verwaltungsgesellschaft mbH	Berlin	100.0		DM	3,300	0	2)
Caisse Centrale de Réescompte, S.A.	Paris	96.8		Ffr	542,983	75,670	
CCR-Gestion	Paris	99.5	99.5	Ffr	23,891	14,203	1)
CB Finance Company B.V.	Amsterdam	100.0		Dfl	50,672	14,676	
Commerzbank Overseas Finance N.V.	Curaçao	100.0	100.0	DM	13,630	11,590	
Collegium Glashütten Zentrum für Kommunikation GmbH i. Gr.	Glashütten	100.0		DM	1,500	0	1)2)
comdirect bank GmbH	Quickborn	100.0		DM	25,000	0	2)
Commerz Beteiligungsgesellschaft mbH	Bad Homburg v.d.H.	100.0		DM	1,001	0	2)
Commerz Financial Products GmbH	Frankfurt am Main	80.0		DM	45,000	22,792	
Commerz Financial Products S.A.	Paris	100.0	100.0	Ffr	35,001	4,522	
Commerz Financial Products Inc..	Wilmington/Delaware	100.0	100.0	US$	2,153	153	1)
Commerz Finanz-Management GmbH	Frankfurt am Main	100.0		DM	606	0	2)
Commerz Futures Corporation	Wilmington/Delaware	100.0		US$	9,914	–932	
Commerz Grundbesitz-Investmentgesellschaft mbH	Wiesbaden	75.0		DM	22,455	6,954	
Commerz International Capital Management GmbH	Frankfurt am Main	100.0		DM	23,004	–132	
CICM Fund Management Ltd.	Dublin	100.0	100.0	DM	4,161	3,429	
CICM (Ireland) Ltd.	Dublin	75.0	75.0	DM	4,293	3,821	
Commerz International Capital Management (Japan) Ltd.	Tokyo	100.0	100.0	¥	175,150	29,407	
Commerz Service Gesellschaft für Kundenbetreuung mbH	Frankfurt am Main	100.0		DM	50	0	1)2)
Commerzbank Capital Markets Corporation	New York	100.0		US$	53,678	1,510	
Commerzbank Europe (Ireland) Unlimited	Dublin	100.0		DM	421,473	21,451	
Commerzbank International S.A.	Luxembourg	100.0		DM	2,283,400	375,000	
Commerz Asset Management (UK) plc	London	97.2	97.2	£	177,988	11	1)
Jupiter International Group PLC (Sub-Group)	London	100.0	100.0	£	45,286	17,269	1)
Jupiter Asset Management Ltd.	London	100.0	100.0				
Jupiter Unit Trust Mgrs. Ltd.	London	100.0	100.0				

Affiliated companies included in the consolidation

Company name	Domicile	Share of capital held, in %	of which indirectly, %	Equity capital in 1,000 of stated currency		Result in 1,000 of stated currency
Capital Development Ltd.	Isle of Man	51.0	51.0			
Tyndall Holdings Ltd.	London	100.0	100.0			
Jupiter Tyndall Pension Trust Ltd.	London	100.0	100.0			
Jupiter Administration Services Ltd.	London	100.0	100.0			
Tyndall International Group Ltd.	Bermuda	100.0	100.0			
Jupiter Tyndall (Asia) Ltd.	Hong Kong	100.0	100.0			
Jupiter Tyndall (Bermuda) Ltd.	Bermuda	100.0	100.0			
Jupiter Tyndall (Jersey) Ltd.	Jersey	100.0	100.0			
Jupiter Tyndall (Luxembourg) Ltd.	Luxembourg	100.0	100.0			
KF Ltd.	Bermuda	61.3	61.3			
GVT Ltd.	Bermuda	55.0	55.0			
CI Management Ltd.	Bermuda	100.0	100.0			
TI Ltd.	Bermuda	100.0	100.0			
AF Ltd.	Bermuda	100.0	100.0			
IF Ltd.	Bermuda	75.0	75.0			
Tyndall Investment Ltd.	London	100.0	100.0			
Tyndall International Holdings Ltd.	Bermuda	100.0	100.0			
Tyndall Trust S.A. (i.L.)	Geneva	100.0	100.0			
Tyndall Trust International I.O.M. Ltd.	Isle of Man	100.0	100.0			
Commerzbank Investment Management GmbH	Frankfurt am Main	100.0		DM	11,800	4,000
Commerzbank U.S. Finance, Inc.	Wilmington/Delaware	100.0		US$	226	72
Commerzbank (Budapest) Rt.	Budapest	100.0		Ft	5,015,126	672,953
Commerzbank (Nederland) N.V.	Amsterdam	100.0		Dfl	251,361	14,038
Commerz (East Asia) Ltd.	Hong Kong	100.0	100.0	HK$	482,123	50,302
Commerzbank (South East Asia) Ltd.	Singapore	100.0		S$	163,943	29,286
Commerzbank (Switzerland) Ltd	Zurich	100.0		Sfr	129,542	19,466
CommerzLeasing und Immobilien GmbH (Sub-Group)	Düsseldorf	100.0		DM	94,141	0 2)
CFB Commerz Fonds Beteiligungsgesellschaft mbH	Düsseldorf	100.0	100.0			
CIL Mietkauf GmbH	Düsseldorf	100.0	100.0			
COBA Vermögensverwaltungsgesellschaft mbH	Düsseldorf	100.0	100.0			
Commerz Immobilien Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0			
Commerz- und Industrie-Leasing Berlin GmbH	Berlin	100.0	100.0			
Commerz- und Industrie-Leasing GmbH	Düsseldorf	100.0	100.0			
CommerzBaucontract GmbH	Düsseldorf	100.0	100.0			
CommerzBaumanagement GmbH	Düsseldorf	100.0	100.0			
Dr. Gubelt Immobilien-Vermietungsgesellschaft mbH & Co. Objekt Plön und Preetz KG	Düsseldorf	100.0	100.0			
GbR Leipziger Straße/Quartier 108	Berlin	95.0	95.0			
Immobiliengesellschaft von Burkersroda Objekt Zwei KG	Frankfurt am Main	100.0	100.0			
Immobiliengesellschaft Beta von Burkersroda KG	Frankfurt am Main	100.0	100.0			
Immobiliengesellschaft Gamma von Burkersroda KG	Frankfurt am Main	100.0	100.0			
Immobiliengesellschaft Markt Leipzig GmbH & Co. Projektentwicklungs KG	Leipzig	74.0	74.0			
NESTOR GVG mbH	Düsseldorf	100.0	100.0			
NESTOR GVG mbH & Co. Objekt Erlangen KG	Düsseldorf	100.0	100.0			

Affiliated companies included in the consolidation

Company name	Domicile	Share of capital held, in %	of which indirectly, %	Equity capital in 1,000 of stated currency		Result in 1,000 of stated currency	
NESTOR GVG mbH & Co. Objekt Hamme KG	Düsseldorf	100.0	100.0				
NESTOR GVG mbH & Co. Objekt Wiemelhausen KG	Düsseldorf	100.0	100.0				
NEUTRALIS GVG mbH	Düsseldorf	100.0	100.0				
NOLICA GVG mbH	Düsseldorf	100.0	100.0				
NORA GVG mbH	Düsseldorf	100.0	100.0				
NORA GVG mbH & Co. Objekt Düsseldorf KG	Düsseldorf	100.0	100.0				
NORA GVG mbH & Co. Objekt Koblenz KG	Düsseldorf	100.0	100.0				
NORA GVG mbH & Co. Objekt Lampertheim KG	Düsseldorf	100.0	100.0				
NOSCO GVG mbH	Düsseldorf	100.0	100.0				
NOSCO GVG mbH & Co. Objekt Alzey KG	Mainz	100.0	100.0				
NOTARIA GVG mbH	Düsseldorf	100.0	100.0				
NUMERIA GVG mbH	Düsseldorf	100.0	100.0				
NUMERIA GVG mbH & Co. Objekt Hückelhoven KG	Düsseldorf	100.0	100.0				
NUMERIA GVG mbH & Co. Objekt Waldkraiburg KG	Düsseldorf	100.0	100.0				
PLAVIS Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0				
RESIDO GVG mbH	Düsseldorf	100.0	100.0				
RESIDO GVG mbH & Co. Objekt Kopenhagen KG	Düsseldorf	100.0	100.0				
RESIDO GVG mbH & Co. Objekt Lissabon KG	Düsseldorf	100.0	100.0				
RESIDO GVG mbH & Co. Objekt Nice KG	Düsseldorf	100.0	100.0				
RESIDO GVG mbH & Co. Objekt Oslo KG	Düsseldorf	100.0	100.0				
ROTUNDA GVG mbH	Düsseldorf	100.0	100.0				
RUTULA GVG mbH	Düsseldorf	100.0	100.0				
SECUNDO GVG mbH	Düsseldorf	100.0	100.0				
TERTIO GVG mbH	Düsseldorf	100.0	100.0				
C. Portmann	Frankfurt am Main	100.0		DM	1,500	98	
Handelsgest S.A.R.L.	Luxembourg	100.0	25.0	DM	11,796	361	1)
Hildegund Ltd.	London	100.0		£	–2,894	–1,330	
Hypothekenbank in Essen AG	Essen	51.0		DM	548,005	40,000	
Immobiliengesellschaft Ost Hägle & Co. KG	Frankfurt am Main	100.0	0.1	DM	100	753	
Hägle Immobilien-Ost Ingatlanforgalmi KFT.	Budapest	100.0	100.0	Ft	–821,924	–761,129	
Immobiliengesellschaft Ost Hägle spol. s.r.o.	Prague	100.0	100.0	Kčs	–1,818	–408	
Indugest S.A.R.L.	Luxembourg	100.0	25.0	DM	28,785	2,184	1)
L.I.A. Leasinggesellschaft für Immobilien und Anlagegüter mbH (Sub-Group)	Düsseldorf	100.0	0.1	DM	1,513	0	2)
Actium Leasobjekt Gesellschaft mbH	Frankfurt am Main	100.0	100.0				
ALA Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0				
Albus Leasobjekt Gesellschaft mbH	Düsseldorf	100.0	100.0				
Emesia Leasobjekt Gesellschaft mbH	Düsseldorf	100.0	100.0				
Elimo Vermietungsgesellschaft mbH	Düsseldorf	100.0	100.0				
Rivus Leasobjekt Gesellschaft mbH	Düsseldorf	100.0	100.0				
OLEANDRA Grundstücksvermietungsgesellschaft mbH (Sub-Group)	Düsseldorf	100.0		DM	10,239	17,194	
OLEANDRA GVG mbH & Co., Objekt Jupiter KG	Düsseldorf	100.0	100.0				
OLEANDRA GVG mbH & Co., Objekt Luna KG	Düsseldorf	100.0	100.0				
OLEANDRA GVG mbH & Co., Objekt Neptun KG	Düsseldorf	100.0	100.0				

Affiliated companies included in the consolidation

Company name	Domicile	Share of capital held, in %	of which indirectly, %	Equity capital in 1,000 of stated currency	Result in 1,000 of stated currency
OLEANDRA GVG mbH & Co., Objekt Pluto KG	Düsseldorf	100.0	100.0		
OLEANDRA GVG mbH & Co., Objekt Venus KG	Düsseldorf	100.0	100.0		
OLEANDRA GVG mbH & Co., Objekt Uranus KG	Düsseldorf	100.0	100.0		
PMC Personal Management Consult GmbH	Frankfurt am Main	100.0		DM 500	0 2)
RHEINHYP Rheinische Hypothekenbank Aktiengesellschaft	Frankfurt am Main	97.6		DM 1,333,758	151,734
RHEINHYP BANK Europe plc	Dublin	100.0	100.0	DM 106,289	5,709
WESTBODEN-Bau- und Verwaltungsgesellschaft mbH	Frankfurt am Main	100.0	100.0	DM 711	0 2)
Sigurd EBS Ltd.	London	100.0		US$ –3,762	–953
Stampen S.A.	Brussels	99.4		Bfr 376,000	11,845
von der Heydt-Kersten & Söhne	Wuppertal-Elberfeld	100.0		DM 10,000	642

Companies included in the consolidation on a pro-rata basis

Company name	Domicile	Share of capital held, in %	of which indirectly, %	Equity capital in 1,000 of stated currency	Result in 1,000 of stated currency
Deutsche Schiffsbank Aktiengesellschaft	Bremen/Hamburg	40.0		DM 263,400	22,400 3)
Leonberger Bausparkasse Aktiengesellschaft	Leonberg	40.1		DM 391,314	21,546 3)

Associated companies included in the consolidation at equity

Company name	Domicile	Share of capital held, in %	of which indirectly, %	Equity capital in 1,000 of stated currency	Result in 1,000 of stated currency
ADIG Allgemeine Deutsche Investment-Gesellschaft mbH	Munich/ Frankfurt am Main	41.7	1.0	DM 144,426	15,839
ADIG-Investment Luxemburg S.A.	Luxembourg	37.5		DM 157,411	43,219
ADIG Servicegesellschaft S.A.	Luxembourg	50.0		DM 3,050	50 1)
Bank Rozwoju Eksportu S.A.	Warsaw	21.0		Zl 422,595	105,369 1)
Capital Investment Trust Corporation	Taipeh	20.0		T$ 286,199	–13,800 1)
Commerz Securities (Japan) Company Ltd.	Hong Kong/Tokyo	60.0		DM 21,774	–1,788
Commerz Unternehmensbeteiligungs-Aktiengesellschaft	Frankfurt am Main	45.0		DM 126,548	5,843
C + D Leasingservice GmbH	Düsseldorf	50.0	50.0	DM –785	–1,611
Europartners Holding S.A.	Luxembourg	50.0	1.3	Lfr 72,762	10,818
FABA Vermietungsgesellschaft mbH	Frankfurt am Main	40.0	40.0	DM 50	–7,813
GBB Gewerbebau-Beratung GmbH	Frankfurt am Main	45.0	45.0	DM 1,793	794
GbR Wohnungsbau Saarmund	Frankfurt am Main	50.0	50.0	DM 47	–3
Hispano Commerzbank (Gibraltar) Ltd.	Gibraltar	49.9		£ 5,857	218
ILV Immobilien-Leasing Verwaltungsgesellschaft Düsseldorf mbH	Düsseldorf	50.0		DM 55,002	0 2)
Karl Baumgartner + Partner Consulting GmbH & Co. KG	Sindelfingen	50.0		DM 813	–1,582
Korea International Merchant Bank Ltd.	Seoul	20.3		₩ 170,326,412	25,706,112
Liegenschaft Hainstraße GbR	Frankfurt am Main	50.0	50.0	DM 12,684	–29

Associated companies included in the consolidation at equity

Company name	Domicile	Share of capital held, in %	of which indirectly, %		Equity capital in 1,000 of stated currency	Result in 1,000 of stated currency	
MIPA Müller Verwaltungs-GmbH	Düsseldorf	31.3	31.3	DM	5,807	−100	
Partner Immobiliendienst-GmbH	Wiesbaden	24.0	24.0	DM	6,090	149	
PI Limited	Bermuda	33.3	33.3	£	7	94	1)
P.T. Bank Finconesia	Jakarta	20.0		Rp.	60,949,471	4,627,033	
WinCom Versicherungs-Holding Aktiengesellschaft	Wiesbaden	25.0		DM	971,861	12,650	1)
WLP Wilhelm-Leuschner-Platz Beteiligungs-GmbH	Düsseldorf	50.0	50.0	DM	42	−8	

Other prominent companies not included in the consolidation

Company name	Domicile	Share of capital held, in %	of which indirectly, %		Equity capital in 1,000 of stated currency	Result in 1,000 of stated currency	
Aktiengesellschaft Kühnle, Kopp & Kausch	Frankenthal	20.0		DM	17,703	−4,598	
Almüco Vermögensverwaltungsgesellschaft mbH	Munich	25.0		DM	257,826	28,583	
Alno AG	Pfullendorf	27.6		DM	65,111	35,891	
Buderus Aktiengesellschaft	Wetzlar	13.7		DM	85,635	11,271	
DBV Holding Aktiengesellschaft	Wiesbaden	12.5	12.5	DM	818,131	53,683	
DSD Dillinger Stahlbau GmbH	Saarlouis	30.0	30.0	DM	156,114	3,242	
Frega Vermögensverwaltungsgesellschaft mbH	Frankfurt am Main	40.0		DM	198,750	−4	
Linotype-Hell Aktiengesellschaft	Eschborn	6.7	6.7	DM	302,643	3,718	
Friatec AG	Mannheim	10.2		DM	103,027	41,701	
Hannover Rückversicherungs AG	Hannover	5.6		DM	508,048	49,434	
Karstadt Aktiengesellschaft	Essen	10.5		DM	2,333,357	144,200	
Kautex Werke Reinold Hagen AG	Bonn	40.0	40.0	DM	70,600	520	
Kolbenschmidt AG	Neckarsulm	24.9		DM	340,498	30,175	
Linde Aktiengesellschaft	Wiesbaden	10.4		DM	2,859,457	200,736	
Mädler-Passage Leipzig Grundstücksgesellschaft mbH & Co. KG	Leipzig	50.0		DM	17,548	−60,809	
Phoenix Aktiengesellschaft	Hamburg	9.8		DM	282,393	−3,500	
Regina Verwaltungsgesellschaft mbH	Munich	25.0		DM	666,682	37,796	
MAN Aktiengesellschaft	Munich	6.5	6.5	DM	2,834,395	166,487	
Salamander Aktiengesellschaft	Kornwestheim	10.7		DM	365,750	18,721	
Schweizer Electronic AG	Schramberg	10.0		DM	46,659	2,541	
Thyssen Aktiengesellschaft	Duisburg	18.1	5.8	DM	4,569,000	478,000	4)
Unibanco Holdings S.A.	São Paulo	14.1		CR$	388,321	30,826	

Less important affiliated companies not included in the consolidation

Company name	Domicile	Share of capital held, in %	of which indirectly, %
Atlas Participacões S/C Ltda.	São Paulo	100.0	100.0
Aussenhandel-Förderungsgesellschaft mbH	Düsseldorf	100.0	
B + P Vermögensverwaltungsgesellschaft mbH	Sindelfingen	50.0	
Beteiligungsgesellschaft für Industrie und Handel mbH	Frankfurt am Main	50.0	
BeVerwal Beteiligungs- und Verwaltungsgesellschaft mbH	Frankfurt am Main	75.0	
CASIA Grundstücks-Vermietungs- und Verwaltungsgesellschaft mbH	Düsseldorf	97.6	97.6
CB German Index Fund Management Company S.A.	Luxembourg	99.6	99.6
Centrale G	Paris	96.6	96.6
Centrale H	Paris	96.6	96.6
Commercium Vermögensverwaltungsgesellschaft m.b.H.	Hamburg	100.0	
Commerz S.A.	Panama	100.0	100.0
Commerzbank Asset Management Asia Ltd.	Singapore	100.0	100.0
Commerz Asset Management USA Corporation	Wilmington/Delaware	100.0	100.0
Martingale Asset Management, L.P.	Wilmington/Delaware	60.0	60.0
Martingale Investment Fund-1	Wilmington/Delaware	78.0	78.0
Commerzbank Properties South Africa Pty. Ltd.	Johannesburg	100.0	
Commerzbank Rio de Janeiro Serviços Ltda.	Rio de Janeiro	100.0	
Commerzbank São Paulo Serviços Ltda.	São Paulo	100.0	
Daub Backofenbau GmbH	Hamburg	75.2	75.2
Emptio I Beteiligungsgesellschaft GbR	Frankfurt am Main	50.0	50.0
Fides Trust Company Ltd.	Luxembourg	100.0	10.0
Franz Daub u. Söhne (GmbH u. Co.)	Hamburg	75.1	75.1
HBE Grundbesitzverwaltungs- und Verwertungsgesellschaft mbH	Essen	51.0	51.0
Hamburgische Grundstücks Gesellschaft m.b.H.	Hamburg	100.0	
Hibernia Alpha Beteiligungsgesellschaft mbH	Frankfurt am Main	100.0	
Hibernia Beta Beteiligungsgesellschaft mbH	Frankfurt am Main	100.0	
Hibernia Gamma Beteiligungsgesellschaft mbH	Frankfurt am Main	100.0	
Hibernia Delta Beteiligungsgesellschaft mbH	Frankfurt am Main	100.0	
Hibernia Eta Beteiligungsgesellschaft mbH	Frankfurt am Main	100.0	
Hibernia Zeta Beteiligungsgesellschaft mbH	Frankfurt am Main	100.0	
Hibernia Sigma Beteiligungsgesellschaft mbH	Frankfurt am Main	100.0	
Hibernia Omega Beteiligungsgesellschaft mbH	Frankfurt am Main	100.0	
Neuma Vermögensverwaltungsgesellschaft mbH	Hamburg	69.0	
Norddeutsche Immobilien- und Verwaltungs-GmbH	Hamburg	100.0	
Omega Vermögensverwaltungsgesellschaft mbH	Frankfurt am Main	100.0	1.0
Prima Property Trust Managers Ltd.	Johannesburg	51.0	
REGINA Finanz- und Versicherungsvermittlung GmbH	Berlin	51.0	51.0
Schunk GmbH	Heuchelheim	51.0	51.0
Sigma Vermögensverwaltungsgesellschaft mbH	Frankfurt am Main	100.0	
Wijkertunnel Beheer III B.V.	Amsterdam	100.0	
Winning Partners Limited	Hong Kong	100.0	

Less important associated companies not valued at equity in the Group balance sheet

Company name	Domicile	Share of capital held, in %	of which indirectly, %	
ABC Gestion	Paris	32.2	32.2	
AV America Grundbesitzverwaltungsgesellschaft mbH	Frankfurt am Main	25.0		
C C R – Titrisation	Paris	32.2	32.2	
CGT Canada Grundbesitz Treuhand GmbH	Frankfurt am Main	20.0		
Commerzbank Aktiengesellschaft von 1870 i.L.	Hamburg	37.9		
Deutsche Canada-Grundbesitz-Verwaltungsgesellschaft mbH i.L.	Frankfurt am Main	20.0		
Deutsche Gesellschaft für Immobilienanlagen „America" mbH	Bad Homburg v.d.H.	25.0		
DSD International Contractors S.A.R.L.	Esch	30.1	30.1	
DSD Lufttechnik und Anlagenbau AG	Schlieren	29.6	29.6	
Eisen-Rieg Aktiengesellschaft	Darmstadt	23.8	23.8	
Exploitatiemaatschappij Wijkertunnel C.V.	Amsterdam	33.3	33.3	
Filmkredittreuhand GmbH	Berlin	20.0		
Gesellschaft für Kreditsicherung mbH	Cologne	26.7		
GFW Gesellschaft zur Förderung von Wohneigentum mbH	Leipzig	40.1	40.1	
Hostra Beteiligungsgesellschaft mbH	Düsseldorf	33.3		
Immobilien-Vermietungsgesellschaft Borchert & Co., Objekt Aquarius KG	Düsseldorf	99.5		5)
Immobilien-Vermietungsgesellschaft Borchert & Co., Objekt Taurus KG	Düsseldorf	99.5		5)
Immobilien-Vermietungsgesellschaft Borchert & Co., Objekt Aries KG	Düsseldorf	99.5		5)
Immobilien-Vermietungsgesellschaft Borchert & Co., Objekt Hohe Straße KG	Düsseldorf	99.5		5)
Immobilien-Vermietungsgesellschaft Borchert & Co., Objekt Geminus KG	Düsseldorf	99.5		5)
Immobilien-Vermietungsgesellschaft Borchert & Co., Objekt Leonis KG	Düsseldorf	99.5		5)
Immobilien-Vermietungsgesellschaft Borchert & Co., Objekt Virgo KG	Düsseldorf	99.5		5)
Immobilien-Vermietungsgesellschaft Borchert & Co., Objekt Halle, Markt 11 KG	Düsseldorf	99.5		5)
Immobilien-Vermietungsgesellschaft Borchert & Co., Objekt Halle Riegel KG	Düsseldorf	99.5		5)
Immobilien-Vermietungsgesellschaft Dr. Gubelt & Co., Objekt Pforzheim KG	Düsseldorf	99.5		5)
Immobilien-Vermietungsgesellschaft Dr. Gubelt & Co., Objekt Köln Komödienstr. 34–40 KG	Düsseldorf	99.5		5)
Internationale Leasing-Gesellschaft	Luxembourg	50.0	50.0	
KVH Kreditverwaltungsgesellschaft Hamburg mbH	Hamburg	40.0		
Leonberger Immobilien GmbH	Leonberg	40.1	40.1	
Lincas Electro Vertriebs-Gesellschaft mbH	Hamburg	25.0		
NEB Shipping Co.	Monrovia	40.0	40.0	
Pan-Vermögensverwaltungsgesellschaft mbH	Munich	25.0		

Less important associated companies not valued at equity in the Group balance sheet

Company name	Domicile	Share of capital held, in %	of which indirectly, %
PIONEER Poland U.K. L.P.	Jersey	37.9	
Schiffsbetriebsgesellschaft Bremen mbH	Bremen	20.0	20.0
The World Markets Company GmbH	Frankfurt am Main	25.2	
UBAE Arab German Bank S.A. i.L.	Luxembourg	25.1	

[1]) First included in the Group's annual accounts in 1995;
[2]) Profit-and-loss transfer agreement;
[3]) Jointly managed with another company holding identical stake;
[4]) Indirect shareholding via Thyssen Beteiligungsverwaltungsgesellschaft mbH;
[5]) Less than 50% of voting rights held.

Translation rates (in DM for 100 units)

Bfr	4.8686	₩	0.1863
CR$	147.95	Lfr	4.8686
Sfr	124.54	Dfl	89.335
Kčs	5.39	S$	101.5
Ffr	29.253	US$	143.35
£	221.35	HK$	18.51
Ft	1.0445	T$	5.26
Rp.	0.0628	Zl	58.18
¥	1.3908		

Frankfurt am Main, March 5, 1996

The Board of Managing Directors

Auditors' Certificate

The accounting and the annual financial statements of both the Parent Bank and the Commerzbank Group, 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 of the Parent Bank and the Commerzbank Group give a true and fair view of the company's assets, liabilities, financial position and profit or loss. The report on the current situation of Commerzbank Aktiengesellschaft and the Commerzbank Group is consistent with both the Parent Bank's and the consolidated annual financial statements.

Frankfurt am Main, March 6, 1996

C&L Deutsche Revision
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Wagener	Rönnberg
Wirtschaftsprüfer	Wirtschaftsprüfer
(German public accountant)	(German public accountant)

Report of the Supervisory Board

In 1995, the Supervisory Board carried out its duties under the law and the Bank's statutes, supervising the conduct of the Bank's affairs.

The Board of Managing Directors provided the Supervisory Board with regular reports on the situation and development of both the Parent Bank and the Group, as well as on business policy and basic management issues.

The Supervisory Board fulfilled its duties in plenary sessions and through its committees. Plenary sessions were used above all to deal with business policy, including strategic aspects, and also the development of the Bank's balance sheet, earnings performance and equity capital base. The Presiding Committee of the Supervisory Board was kept regularly informed about the progress of the Bank's business; it received reports on the performance of the various corporate divisions and on the findings of the Bank's internal auditing. In addition, it monitored the Bank's derivatives business. With the Board of Managing Directors it discussed strategic goals, business performance and individual items of significance, indicating its approval wherever necessary.

The Loans Committee dealt with those lending commitments which it is required to review by law and by the Bank's statutes, as well as with credits involving an enhanced degree of risk, other problem items and special developments in the lending area. At the same time, it monitored the acquisition of and addition to investments, as the Presiding Committee also did to some extent. Insofar as is required by law and by the Bank's statutes, the Loans Committee also approved such transactions. The Social Welfare Committee focused on basic personnel and social welfare issues concerning the employees. The committees reported on their activities at the plenary sessions.

The Chairman of the Supervisory Board was constantly and promptly informed about all the important events within the Group. Among other things, he received the minutes of each meeting of the Board of Managing Directors along with the relevant documents and he arranged for important matters to be dealt with at the plenary and committee levels. In order to ensure a steady flow of information and an exchange of opinions between the Supervisory Board and the Board of Managing Directors, he held regular discussions with the Chairman of the latter.

The Bank's Annual Accounts, Financial Statement and the Report on both the Parent Bank's and the Group's Performance, together with the books of account, for the period from January 1 to December 31, 1995, have been examined by the auditors, C&L Deutsche Revision Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, and carry their unqualified legally prescribed certification. In good time for the relevant board meeting, all members of the Supervisory Board received the details of the annual accounts and the Annual Report. The auditors' reports were available for inspection by all members. The auditors took part in the meeting at which the Supervisory Board dealt with the accounts, commenting on the findings of the audit and answering the questions of individual members. The Supervisory Board has signified its agreement with the results of the audit. Within the scope of the legal provisions, it has examined the Annual Accounts and Financial Statement of both the Parent Bank and the Group, the Management Report, and the proposal of the Board of Managing Directors as to the appropriation of the distributable profit; it 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.

With effect from April 1, 1995 and January 1, 1996, respectively, the Supervisory Board appointed Klaus M. Patig and Dr. Norbert Käsbeck as deputy members of the Board of Managing Directors, for five years in either case. After more than 40 years spent serving the Bank, Jürgen Reimnitz retired from the Board of Managing Directors at the end of the Annual General Meeting on May 17, 1995. Dr. Jürgen Terrahe will enter retirement on March 31, 1996, when his appointment to the Board of Managing Directors expires.

At the close of the AGM on May 24, 1996, Dr. Carl H. Hahn is resigning from the Supervisory Board. We propose that the AGM elects Wilhelm Werhahn to the Supervisory Board to serve Dr. Hahn's remaining term of office.


Dr. Walter Seipp, Chairman of the Supervisory Board

Frankfurt am Main, March 25, 1996
The Supervisory Board

Chairman

Regional Advisory Committees

Baden-Württemberg

Dr. Reinhard Bauer
Chairman of the Board of Managing Directors
Paul Hartmann AG
Heidenheim (Brenz)

Heinz Georg Baus
Chairman of the Board of Directors
Bauhaus AG, Zurich
Mannheim

Dr. Kurt Bock
Head of Finance and Accounting Department
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Mülheim an der Ruhr
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Managing Partner
F. W. Hempel & Co.
Erze und Metalle (GmbH & Co.)
Düsseldorf
Reinhard Herrfeld
General Manager
a b z – Zentraleinkaufsagentur
für Bekleidung GmbH
Essen
Dr. Ewald Hilger
Lawyer
Düsseldorf Higher Regional Court
Düsseldorf
Bruno P. Höner
Proprietor
Musterring International
Josef Höner GmbH & Co. KG
Rheda-Wiedenbrück
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Managing Directors
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Meschede
Dr. Klaus-Christian Hübner
Chief Financial Officer
Fried. Krupp AG Hoesch-Krupp
Essen
Hans-Diether Imhoff
Deputy Chairman of the Board of
Managing Directors
VEW Vereinigte Elektrizitätswerke
Westfalen AG
Dortmund
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Member of the Board of
Managing Directors
Deutsche Renault AG
Brühl
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Chairman of the Board of
Managing Directors
Aachener und Münchener
Lebensversicherung AG
Aachen
Dr. Volkmar Kayser
Cologne

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European Gas Turbines GmbH
Essen
Heinz Kerpen
Managing Partner
Kerpen-Verwaltungsgesell-
schaft mbH
Stolberg
Dr. Gerhard Kinast
General Manager
DEMINEX-Deutsche Erdöl-
versorgungsgesellschaft mbH
Essen
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Member of the Board of
Managing Directors
Deutsche Babcock AG
Oberhausen
Götz Knappertsbusch
Düsseldorf
Dipl.-Kaufmann Helmut Kostal
General Manager
Leopold Kostal GmbH & Co. KG
Lüdenscheid
Christian Peter Kotz
Managing General Partner
BPW Bergische Achsen KG
Wiehl
Dr. Jürgen Kuchenwald
Member of the Board of
Managing Directors
Strabag AG
Cologne
Gustav-Adolf Kümpers
General Manager and Partner
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Kümpers GmbH & Co.
Rheine
Hans-Joachim Küpper
Principal Partner and Manager
Küpper Group
Velbert/Heiligenhaus
Kurt Küppers
Managing Partner
Hülskens GmbH & Co.
Wesel
Ass. Georg Kunze
Executive Manager and Director
Maschinenbau- und Metall-
Berufsgenossenschaft,
Hütten- und Walzwerks-
Berufsgenossenschaft
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Cologne
Klaus J. Maack
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ERCO Leuchten GmbH
Lüdenscheid
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Managing Directors
Madaus AG
Cologne
Heinz Dieter Mahlberg
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Landesversicherungsanstalt
Rheinprovinz
Düsseldorf
Udo van Meeteren
Düsseldorf
Helmut Meyer
General Manager
G. Siempelkamp GmbH & Co.
Krefeld

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Deutsche Kornbranntwein-
Verwertungsstelle GmbH
Münster
Dr. Jan G. Müller
Krefeld
Dipl.-Kaufmann Heinz Niederste-Ostholt
Düsseldorf
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Principal Partner
Nölke Group
Versmold
Ulrich Otto
General Partner
Gebr. Otto KG,
General Manager
Otto Beteiligungs- und
Verwaltungsgesellschaft mbH
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Managing Directors
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General Partner
Paul Ferd. Peddinghaus
Gevelsberg
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Wellkisten- und Papierfabriken
Fritz Peters & Co. KG
Moers
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Wuppertal
Dipl.-Kaufmann Ulrich Reifenhäuser
Managing Partner
Reifenhäuser GmbH & Co.
Maschinenfabrik
Troisdorf
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Managing Partner
H. & E. Reinert KG
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Management Spokesman
Schade KG
Plettenberg
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Managing Directors
ara Schuhfabriken AG
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Schafstall Holding GmbH & Co. KG
Mülheim an der Ruhr
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Proprietor and Executive Manager
Ferd. Schmetz GmbH Spezialfabrik
für Nähmaschinennadeln
Herzogenrath
Heinz G. Schmidt
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Managing Directors
Douglas Holding AG
Hagen
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Ewald Schoeller & Co
GmbH & Cie KG
Langerwehe

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General Partner
Dr. August Oetker
Bielefeld

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Langbein-Pfanhauser Werke AG
Düsseldorf

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Deputy General Manager
Miele & Cie. GmbH & Co.
Gütersloh

Heinz Schürmann
HS-Unternehmensberatung
Bielefeld

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GEA AG
Bochum

Dipl.-Kaufmann Peter Seeger
General Manager
Preussag Handel GmbH
Düsseldorf

Reinhold Semer
Public Accountant and
Tax Consultant
Co-partner
Hellweg Group
Die Profi-Baumärkte
Dortmund

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Managing Partner
Siepmann-Werke GmbH & Co. KG
Warstein

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Managing Directors
Deutsche Telekom AG
Bonn

Hans-Udo Steffen
General Manager
Johnson Controls GmbH
Wermelskirchen

Heinz Stickling
Managing Partner
Nobilia-Werke J. Stickling
GmbH & Co.
Verl

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Managing Directors
GKN Automotive AG
Lohmar

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Chairman of the Board of
Managing Directors
Kautex Werke AG
Bonn

Dr. Helmut Thoma
General Manager
RTL plus Deutschland
Fernsehen GmbH & Co. Betriebs-KG
Cologne

Hermann Wilh. Thywissen
Lawyer
General Partner
C. Thywissen
Neuss

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Ogden Corporation
New York

Gunther Vowinckel
Senior Banker
European Bank for Reconstruction
and Development
London

Stuart R. Walker
Member of the Board
RMC Group p.l.c.
Thorpe

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Chairman of the Executive Board
Pierburg GmbH
Neuss

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Member of the Supervisory Board
Coca-Cola GmbH
Essen

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Partner
Dalli-Werke Mäurer & Wirtz
GmbH & Co. KG
Stolberg (Rhineland)

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Managing Partner
Wortmann Schuh Holding
GmbH & Co.
Detmold

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Robert Zapp
Düsseldorf

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Managing Directors
Thyssen Industrie AG
Essen

Rhineland-Palatinate – Saar

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Managing Directors
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Ludwigshafen

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

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Spokesman of the Board
of Managing Directors
Schott Glaswerke
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VESTA AG & Co. oHG
Idar-Oberstein

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Chairman of the Board of
Managing Directors
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Nieder-Olm

Dipl.-Kaufmann Harald Grunert
Chief Financial Officer
BASF AG
Ludwigshafen

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Chairman of the Executive Board
Saarbrücker Zeitung
Verlag und Druckerei GmbH
Saarbrücken

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President
Ärztekammer des Saarlandes
Saarbrücken

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Spokesman of the Executive Board
Verlagsgruppe Rhein Main
GmbH & Co. KG
Mainz

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Managing Partner
C. H. Boehringer Sohn
Ingelheim

Dr. Wolfgang Schuppli
Lawyer
Wiesbaden

Dipl.-Volkswirt Rudi Sölch
Deputy Director of Programmes
Administrative Director
ZDF
Mainz

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Chairman of the Executive Board
DSD Dillinger Stahlbau GmbH
Saarlouis

Dipl.-Volkswirt Dr. Richard Weber
Managing Partner
Karlsberg Brauerei KG Weber
Homburg (Saar)

Georg Weisweiler
Lawyer
General Manager
Gerlach-Werke GmbH
Homburg (Saar)

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Managing Directors
Saarbergwerke AG
Saarbrücken

Saxony

Dipl.-Kaufmann Volker Bernstorff
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Westsächsische Energie AG
Markkleeberg

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Managing Directors
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Volkswagen Sachsen GmbH
Mosel

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Managing Directors
Verbundnetz Gas AG
Leipzig

Saxony-Anhalt

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Leuna-Werke
Standortservice GmbH
Leuna

Dipl.-Ing. Werner Nedon
General Manager
MIDEWA GmbH
Halle

Schleswig-Holstein

Heinz Annuss
General Partner
Annuss Fleisch KG
Niebüll

Dr. Gerd Balke
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LEGO GmbH
Hohenwestedt

Dr. Hans Heinrich Driftmann
General Partner
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Elmshorn

Dr. Rudolf Hartmann
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Grace GmbH
Norderstedt

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Chairman of the Board of
Managing Directors
Sauer-Sundstrand Group
Neumünster/Ames, Iowa

Carsten Dencker Nielsen
Managing Director
The East Asiatic Company Ltd. A/S
Copenhagen/Denmark

Henning Oldendorff
Managing Partner
Egon Oldendorff
Lübeck

Dr. Lutz Peters
Managing Partner
Schwartauer Werke GmbH & Co.
Bad Schwartau

Hans Wilhelm Schur
Chairman of the Supervisory Board
Schur International a/s
Horsens/Denmark

Dipl.-Math. Hans-Artur Wilker
Member of the Board of
Managing Directors
Howaldtswerke – Deutsche
Werft AG
Kiel

Thuringia

Josef Johr
General Manager
Metall Rohstoffe Thüringen GmbH
Erfurt

Klaus Lantzsch
Managing Partner
FER Fahrzeugelektrik GmbH
Eisenach

Friedhelm A. Talmeier
Spokesman of the Executive Board
Umformtechnik ERFURT GmbH
Erfurt

Eugeen Theunis
Managing Partner
Garant Türen- und Zargen
Produktions- und Handels GmbH
Ichtershausen/Thörey

Andreas Trautvetter
Minister of Finance
Free State of Thuringia
Erfurt

Heads of staff, banking and service departments

Executive Vice Presidents and Chief Legal Adviser

Jürgen Carlson
banking department
International Bank Relations

Dr. Rudolf Duttweiler
banking department Treasury

Wolfgang Hartmann
staff department
Credit Risk Management

Dr. Heinz-Josef Hockmann
banking department
Asset Management

Dr. Wolfgang Hönig
staff department
Accounting and Taxes

Alfred Knör
staff department
Strategy and Controlling

Peter Kroll
banking department
Corporate Banking

Ulrich Ramm
staff department
Corporate Communications

Dr. Gottfried-Wilhelm von Waldthausen
staff departments
Human Resources–
Group Management,
Human Resources–
Domestic Branches

Dr. Peter M. Weigert
service department
Information Technology

Heinz-Ludwig Wiedelmann
banking department
Private Banking

Jochen Appell
staff department Legal Services

Senior Vice Presidents of Commerzbank

Hermann Beyer
staff department
Compliance and Security

Joachim von Eiberg
staff department Organization
International Finance

Dr. Rüdiger von Eisenhart-Rothe
banking department
Relationship Management

Klaus-Peter Frohmüller
staff department
Organization Domestic Branches/
Construction Management

Dr. Horst Grüneis
staff department
Organization Domestic Branches/
Construction Management

Hans-Joachim Hahn
banking department
Real Estate

Dr. Bernhard Heye
staff department
Human Resources–
International Finance

Jürgen Karcher
banking department
Global Bonds

Lutz Kirchner
staff department
Internal Auditing

Gerhard A. Koning
banking department
Corporate Finance

Gustav-Adolf Schibbe
service department
Payments and Settlements

As of March 1, 1996

Structure of the Commerzbank Group

Board of Managing Directors

The corporate divisions at head office

Group Management	Domestic Branch Banking	International Finance	Investment Banking	Group Services

comprise the following banking, staff and service departments:

Group Management	Domestic Branch Banking	International Finance	Investment Banking	Group Services
Accounting and Taxes Compliance and Security Corporate Communications Credit Risk Management Human Resources Internal Auditing Legal Services Strategy and Controlling	Corporate Banking Private Banking Real Estate Organization/ Construction Management Human Resources	Treasury International Bank Relations Human Resources* Organization* *) for corporate divisions International Finance and Investment Banking	Asset Management Corporate Finance Global Bonds Global Equities Relationship Management	Information Technology Payments and Settlements

The corporate divisions also include:

Group Management	Domestic Branch Banking	International Finance	Investment Banking	Group Services
RHEINHYP Rheinische Hypothekenbank AG Hypothekenbank in Essen AG • PMC Personal Management Consult GmbH	20 Main Branches 162 Regional Branches 780 Branches • Commerz Finanz-Management GmbH comdirect bank GmbH CommerzLeasing und Immobilien GmbH Commerz Grundbesitz-Investment GmbH • *Allfinanz* partners	Commerz Financial Products GmbH Commerz Futures Corporation • Commercial banking activities at 19 Foreign Branch Offices Commerzbank (Budapest) Rt. Commerzbank International S.A. Commerzbank (Nederland) N.V. Commerzbank (South East Asia) Ltd. Bank Rozwoju Eksportu SA Korea International Merchant Bank P.T. Bank Finconesia Unibanco – União de Bancos Brasileiros S.A. • 27 Representative Offices	Investment banking activities at home and abroad – above all at the following operative units: ADIG Allgemeine Deutsche Investment-Gesellschaft mbH Commerzbank Investment Management GmbH ADIG-Investment Luxemburg S.A. Caisse Centrale de Réescompte Commerzbank Capital Markets Corporation Commerzbank Europe (Ireland) Unltd. Commerzbank (Switzerland) Ltd Commerz International Capital Management GmbH Commerz Securities (Japan) Co. Ltd. Hispano Commerzbank (Gibraltar) Ltd. Jupiter International Group PLC Martingale Asset Management, L.P.	

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