

Volkswirtschaft und Information

**COMMERZBANK**  
AKTIENGESELLSCHAFT

**1971**



International Partners  
BANCO DI ROMA · CRÉDIT LYONNAIS



# COMMERZBANK

AKTIENGESELLSCHAFT

	1970	1971
Dividend paid per DM 50.- nominal share . . . . .	DM 8.50	DM 8.50
Total of dividends paid . . . . .	DM 59.5 m	DM 61.6 m
Allocation from year's earnings to published reserves	DM 10.0 m	DM 15.0 m
Capital and reserves at year-end . . . . .	DM 850.0 m	DM 990.0 m

## COMMERZBANK GROUP\*)

Year-end, 1971, in DM m

### ASSETS

Cash reserve . . . . .	2,481
Bills of exchange . . . . .	3,307
Claims on credit institutions . . . . .	4,542
Treasury bills . . . . .	5
Bonds and notes . . . . .	1,161
Shares . . . . .	640
Claims on customers . . . . .	16,819
of which:	
for agreed periods of less than four years . . . . .	(8,553)
for agreed periods of four years or more . . . . .	(8,266)
Participations . . . . .	182
Land and buildings . . . . .	301
Own bonds, held by the Group . . . . .	122
Other assets . . . . .	670
<b>Total Assets . . . . .</b>	<b>30,230</b>

### LIABILITIES

Liabilities to credit institutions . . . . .	5,873
Liabilities to customers . . . . .	18,045
of which:	
sight deposits . . . . .	(4,971)
time deposits . . . . .	(7,823)
savings deposits . . . . .	(5,251)
Bonds in circulation . . . . .	4,507
Own acceptances outstanding . . . . .	77
Other liabilities . . . . .	598
Capital and reserves . . . . .	1,058
of which:	
share capital . . . . .	(400)
published reserves . . . . .	(590)
so-called "difference"***) . . . . .	(26)
interests held by third parties***) . . . . .	(42)
Consolidated profit . . . . .	72
<b>Total Liabilities . . . . .</b>	<b>30,230</b>
Endorsement liabilities . . . . .	788
Guaranties . . . . .	2,120

Branches . . . . .	800
Clients . . . . .	2,219,600
Staff . . . . .	17,533

\*) full balance sheet see pages 100/101    \*\*) pursuant to Article 331, paragraph 1, item 3, of the Companies Law (AktG)    \*\*\*) excluding attributable share of profits



**COMMERZBANK**  
AKTIENGESELLSCHAFT



**REPORT**  
**FOR THE YEAR 1971**







## CONTENTS

	Page
Agenda of the Annual General Meeting . . . . .	5
Supervisory Board and Board of Management . . . . .	8/9
Assistant General Managers and Chief Legal Adviser . . . . .	10
 <b>Report of the Board of Management</b>	
The Economic Situation . . . . .	11
The Bank's Progress . . . . .	31
Report on Staff and Welfare Matters . . . . .	49
Close Links with Mortgage Banks . . . . .	53
Co-operation Well Under Way . . . . .	55
Outlook . . . . .	59
 <b>Annual Accounts 1971</b>	
Explanatory Notes on the Annual Accounts . . . . .	61
Assets . . . . .	61
Liabilities . . . . .	64
Profit and Loss Account . . . . .	65
Affiliates . . . . .	68
The Four Largest Affiliated Banks in 1971 . . . . .	72
Holdings in Enterprises (exceeding 25%) . . . . .	80
Diagram: Associated Companies . . . . .	81
Report of the Supervisory Board . . . . .	85
Balance Sheet as at December 31, 1971 . . . . .	86
Profit and Loss Account for the Year 1971 . . . . .	88
Comparison of Balance Sheets as at December 31, 1971 and 1970 . . . . .	90
Business Progress from January 1, 1952, to December 31, 1971 . . . . .	92
 <b>Consolidated Annual Accounts 1971</b>	
Report for the Year . . . . .	95
Balance Sheet as at December 31, 1971 . . . . .	100
Profit and Loss Account for the Year 1971 . . . . .	102
 <b>Appendices</b>	
Major Syndicate Transactions in 1971 . . . . .	104
Advisory Councils	
Central Council . . . . .	108
Board of Trustees of Commerzbank Foundation . . . . .	109
List of Branches, Affiliated Banks, Representative Offices Abroad, and Participations in Foreign Financial Institutions . . . . .	111

As in previous years, our Report is available in German, English, and French.

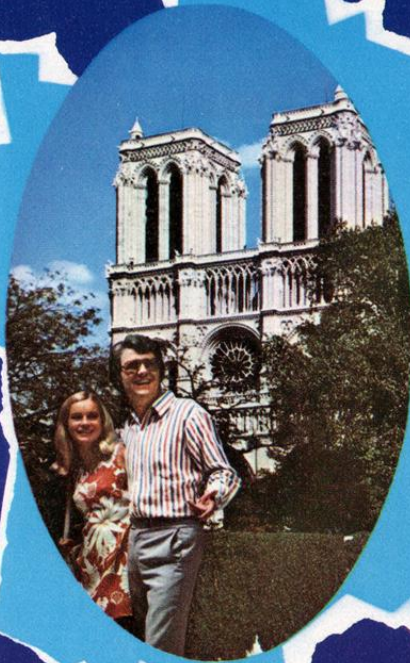
Responsible for English edition: L. Launhardt



*During the very first year we co-operated on an international basis, our clients enjoyed tangible advantages—to mention but the arrangement for simplified outpayments, or joint credit arrangements for our clients in trade and industry.*

*These initiatives again back up our slogan:*

*"In France our name is Crédit Lyonnais—in Italy it's Banco di Roma."*

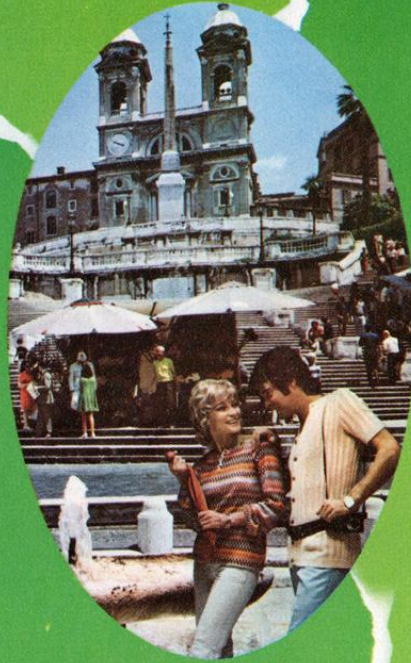


In Frankreich heißen wir

**CRÉDIT LYONNAIS**

Damit ist Ihr DM-Konto in Frankreich ein Franc-Konto

**COMMERZBANK**



In Italien heißen wir

**BANCO DI ROMA**

Damit ist Ihr DM-Konto in Italien ein Lire-Konto

**COMMERZBANK**



# Twentieth Ordinary General Meeting of Shareholders

on Wednesday, May 3, 1972, at 10 a. m.

at the Gesellschaftshaus of the Palmengarten at Palmengartenstrasse, Frankfurt a. M.

## AGENDA

**1. To receive the established Annual Statement of Accounts, the Report of the Board of Management and the Report of the Supervisory Board, as well as the Consolidated Annual Accounts and the Group Report for the year 1971.**

**2. To resolve on the appropriation of the profit.**

The Board of Management and the Supervisory Board propose that the net profit of DM 61,625,000.– for the year 1971 be used to pay a dividend of DM 8.50 per share of DM 50.– nominal.

**3. To resolve on the discharge of the Board of Management and the Supervisory Board from responsibility for the year 1971.**

It is proposed that such discharge from responsibility be granted.

**4. To authorize the Board of Management to increase the share capital and to change the Articles of Association.**

The Board of Management and the Supervisory Board propose as follows:

a) The Board of Management shall be authorized to increase the Company's share capital by May 3, 1977, subject to approval by the Supervisory Board, by one or more issues of new shares for cash, up to a total not exceeding DM 50,000,000.– nominal, with shareholders' subscription rights suspended if need be; the Supervisory Board shall be authorized to change Section 4 of the Articles of Association in accordance with the utilization from time to time of the authorized capital.

b) Section 4 of the Articles of Association shall contain the following new fourth paragraph:

"The Board of Management shall be authorized to increase the Company's share capital by May 3, 1977, subject to approval by the Supervisory Board, by one or more issues of new shares for cash, up to a total not exceeding DM 50,000,000.– nominal, and to decide on the suspension of shareholders' subscription rights."



**5. To authorize the Board of Management to issue a convertible bond loan, to resolve on the conditional increase in the share capital and on the change in the Articles of Association.**

The Board of Management and the Supervisory Board propose as follows:

a) The Board of Management shall be authorized to issue 5½% convertible bonds with a total nominal value of DM 160,000,000.—, interest to be payable annually in arrears. Shareholders will be offered these convertible bonds at par on a 2 for 5 basis in accordance with their equity holding.

Holders of the convertible bonds shall have the inalienable right to convert their convertible bonds into shares of the loan debtor during the period November 10 to 30 of the years 1973 to 1982 on a 1 for 4 basis, such shares to rank for dividend from January 1 of the year of issue. Conversion in 1973 shall be effected without any additional payment being required. For conversions in the years 1974 to 1982 an additional payment will be required, which has been fixed at DM 20.— per new share of DM 50.— in 1974 and which will increase by DM 20.— a year up to an additional payment of DM 140.— for the years 1980 to 1982. The conversion price per new DM 50.— nominal share shall be DM 200.— in convertible bonds plus the respective additional payment required as from 1974.

In the event of possible future capital increases or the issue of further convertible bonds, the conversion price shall be reduced in accordance with the value of the subscription rights, unless holders of convertible bonds are granted subscription rights corresponding to those granted to shareholders.

All convertible bonds which have not been presented for conversion into shares by November 30, 1982, shall fall due for repayment at par on December 31, 1982.

The Company shall be entitled to give six months' notice of redemption of the convertible bonds with effect from January 2 of the years 1978 to 1982, respectively, redemption to be effected at a premium over and above the nominal value, such premium to amount to 5 per cent initially and to be reduced by 1 per cent a year.

The Board of Management shall be entitled to determine all further details of the issue and terms of the convertible bonds and of the process of conversion.

b) The Company's share capital shall be increased conditionally by DM 40,000,000.— through the issue of 800,000 new shares of DM 50.— nominal each for the purpose of granting conversion rights to holders of the 1972 convertible bonds.

The Board of Management shall be authorized to determine all further details of carrying out the conditional capital increase; the Supervisory Board shall be authorized to alter Section 4 of the Articles of Association in accordance with the issue from time to time of new shares.

c) Section 4 of the Articles of Association shall include the following fifth paragraph:

"The share capital shall be increased conditionally by DM 40,000,000.—. The conditional capital increase shall be effected to such an extent only as holders of the 1972 5½% convertible bonds exercise their rights of conversion."

**6. To elect the Auditors for 1972.**

The Supervisory Board proposes that Deutsche Revisions- und Treuhand-Aktiengesellschaft Treuarbeit, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Düsseldorf, be elected.





*The shares of Commerzbank, admitted to the London Stock Exchange as early as 1962, were the first German bank shares to be also introduced at the Paris Stock Exchange in early March, 1971. On this occasion the French Economics and Finance Minister, M. Giscard d'Estaing, welcomed the members of the Board of Management of Commerzbank. From right to left: Valéry Giscard d'Estaing; interpreter; Paul Lichtenberg, Commerzbank; Maurice Schlogel, Crédit Lyonnais; Robert Dhom, Commerzbank.*



## Aufsichtsrat (Supervisory Board)

DR. HANNS DEUSS, Düsseldorf

*Chairman*

KONSUL DR. FRANZ HILGER, Düsseldorf

Industrialist

*Deputy Chairman*

HELMUT LORENZ-MEYER, Hamburg

Personally Liable Partner, Theodor Wille

*Deputy Chairman*

GENERALKONSUL PROFESSOR DR. DR. h. c. PHILIPP MÖHRING, Karlsruhe

Lawyer

*Deputy Chairman*

PROFESSOR DR. DR. h. c. mult. DR. E. h. mult. OTTO BAYER, Leverkusen

Chairman of the Supervisory Board of Farbenfabriken Bayer AG

ROLF BECKMANN, Düsseldorf

Commerzbank AG

KARIN BEHRENS, Berlin, since May 13, 1971

Berliner Commerzbank AG

EWALD FAJKUS, Frankfurt a. M.

Commerzbank AG

URSULA FAMERS, Essen, since May 13, 1971

Commerzbank AG

GENERALKONSUL DR. HANS GERLING, Köln (*Cologne*)

Chairman of the Board of Management of Gerling-Konzern

Versicherungs-Gesellschaften

EHRENSENATOR DR.-ING. E. h. FRANZ GRABOWSKI, Wetzlar

GERD GREUEL, Hamburg, until May 13, 1971

Commerzbank AG

HEINZ GRÜSSEN, Düsseldorf, until May 13, 1971

Commerzbank AG

ROLF KANNEGIESSER, Wuppertal-Elberfeld, until May 13, 1971

Bankhaus von der Heydt-Kersten & Söhne

DR. KARL-HEINZ KÜRTEEN, Oberhausen, since May 13, 1971

Chairman of the Board of Management of Thyssen Niederrhein AG

Hütten- und Walzwerke,

and Member of the Board of Management of August Thyssen-Hütte AG

RUDOLF AUGUST OETKER, Bielefeld

Owner, Dr. August Oetker

HANS REINTGES, Frankfurt a. M.-Höchst

Member of the Board of Management of Farbwerke Hoechst AG

vormals Meister Lucius & Brüning

EHRENSENATOR HUGO RUPF, Heidenheim (Brenz)

Chief Executive, J. M. Voith GmbH



TONI SCHMÜCKER, Essen  
Chairman of the Board of Management of Rheinstahl AG

LOTHAR SCHRÖDER, Hamburg, until May 13, 1971  
Commerzbank AG

DR. HANS KARL VELLGUTH, Düsseldorf, until May 13, 1971  
Steel Mill Director

ERNST VOSSEN, Düsseldorf, since May 13, 1971  
Commerzbank AG

HELMUT WEINERT, Frankfurt a. M., since May 13, 1971  
Commerzbank AG

HERIBERT WERHAHN, Neuss  
Partner, Wilh. Werhahn

LISELOTTE WÖHRLE, Stuttgart, since May 13, 1971  
Commerzbank AG

DR. GERD WOLLBURG, Augsburg  
Member of the Board of Management of Maschinenfabrik  
Augsburg-Nürnberg AG

HARRY ZATER, Hamburg, until May 13, 1971  
Commerzbank AG

## Vorstand (Board of Management)

DR. RUDOLF BEHRENBECK, Frankfurt a. M.

DR. HELMUT BRANDS, Düsseldorf

ROBERT DHOM, Frankfurt a. M.

DR. WOLFGANG JAHN, Düsseldorf

PAUL LICHTENBERG, Frankfurt a. M./Düsseldorf

HEINZ NIEDERSTE-OSTHOLT, Düsseldorf

ARMIN RECKEL, Hamburg

ERNST RIECHE, Frankfurt a. M.

DR. RABAN FRHR. v. SPIEGEL, Hamburg

DR. PETER DEUSS, Hamburg, *Deputy Member*

GÖTZ KNAPPERTSBUSCH, Frankfurt a. M., *Deputy Member*

DR. JÜRGEN TERRAHE, Düsseldorf, *Deputy Member*



## **Direktoren mit Generalvollmacht** **(Assistant General Managers)**

HEINZ ALBRECHT, Munich

ENGELBERT DICKEN, Frankfurt a. M.

KLAAS-PETER JACOBS, New York

JÜRGEN REIMNITZ, Frankfurt a. M.

HORST SÄUBERLICH, Düsseldorf

HANS VOLLBACH, Frankfurt a. M.

HERBERT WOLF, Frankfurt a. M.

## **Chefjustitiar der Bank (Chief Legal Adviser)**

DR. HELMUT BECKER, Düsseldorf



## Report of the Board of Management

### I.

Politically 1971 was characterized by world-wide efforts at détente; economically the decisive event was the shock to the international monetary system. Whilst the change of atmosphere in world politics was most clearly reflected in new Berlin agreements and in the admission of the People's Republic of China into the United Nations, international trade and payments suffered dangerous upheavals. Trade barriers imposed by governments, floating exchange rates and manifold restrictions on the convertibility of currencies seriously jeopardized the international monetary and economic system. The Washington Agreement of December 18 on a realignment of the most important currencies did not solve the basic problems, it is true, but it overcame the acute crisis and thus averted the danger of a spread of protectionist tendencies.

World trade at constant prices, after an increase of 8 per cent in the year before, expanded by as little as approximately 5 per cent in 1971. This was mainly due to an economic downturn in major countries, particularly in the United States, but, surprisingly, in Japan as well. The GNP of all Western industrial countries only grew by about 3½ per cent in real terms, i.e. hardly faster than in 1970.

Slow recovery of world economy

The US economy is generally expected to move forward in the current year, as had already been anticipated in 1971, whilst economic activity in Europe is likely to slacken. The upswing in the United States is being assisted by a record budget deficit as well as an energetically pursued easy money policy. It is doubtful, however, whether the adjustment of exchange rates resulting in an average devaluation of about 12 per cent for the US dollar against the currencies of the leading industrial countries will by itself be sufficient to restore American competitiveness. The world economy will not be able to regain a solid basis unless and until the American balance of payments, and with it the dollar, are out of danger.

Interest rates in international money markets continued to fall drastically in 1971. Most central banks were forced to follow the American policy of increasing liquidity, although this was often in conflict with their own domestic objectives. The dollar glut, coupled with a number of cuts in discount rates, led to a noticeable fall in short-term rates in nearly every country in Europe and in the Euromarket as well. Interest rates for long-term loans, however, have up to now followed only slowly in view of the high demand for funding: in previous years, many borrowers all over the world had initially financed their investments with short-term money because of the increase in interest rates. The necessary consolidation was reflected in capital markets both in the United States and in the EEC by record figures of new issues during 1971.

Capital markets marked by cuts in interest rates



Common concern:  
price stability

The worsening economic situation has led to a growing concern about full employment in many countries. Nevertheless we still consider the curbing of inflationary tendencies an objective equally important at least. Experience in the last ten years confirms that price stability is not inconsistent with full employment and economic expansion; on the contrary it creates the very conditions needed for the purpose in the long run. On the other hand, the very recent past has shown how badly inflation and growth go together.

Third world also  
harmed by inflation

The gap in prosperity between industrial and developing countries widened yet again. This was partly due to fresh conflicts in the Third World, in particular on the Indian subcontinent. Moreover, development aid from leading industrial countries—including the Federal Republic of Germany—remained below the levels agreed earlier. World-wide inflation had a particularly adverse effect. As a result, the developing countries had to content with considerably higher import prices while their exports of raw materials continued to suffer from the presence of excess supplies. Accordingly, their indebtedness grew again.

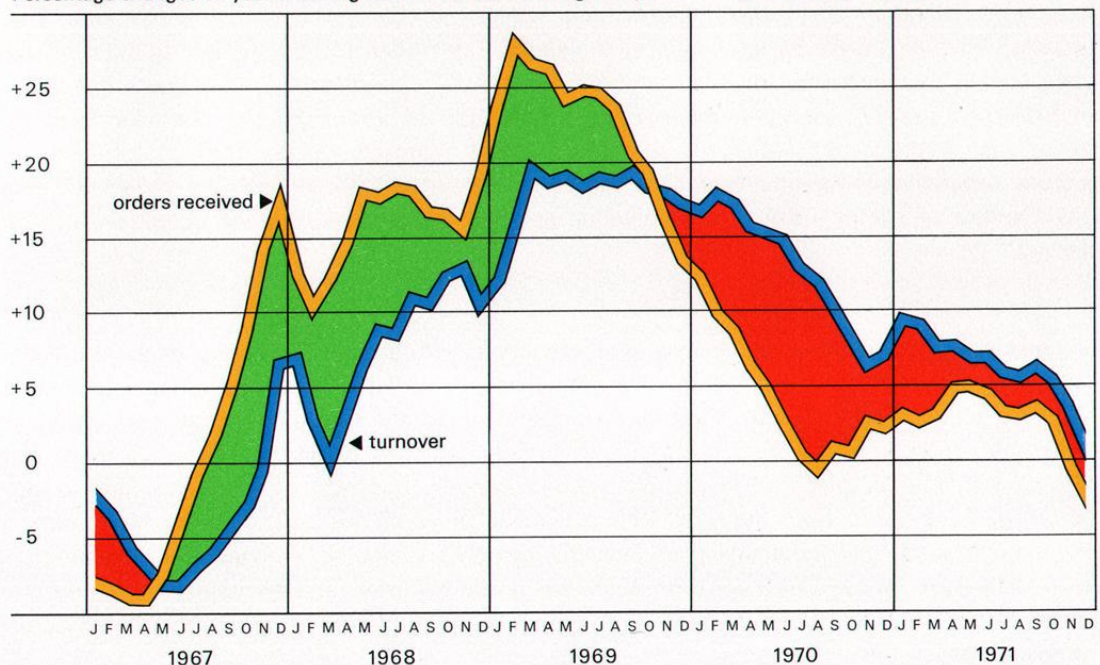
We still believe that co-operation based on the principles of private enterprise is the best way of winning over the Third World to entrepreneurial ways of thinking. Joint ventures, in which companies from industrial countries take a major interest, are likely to be the most suitable vehicles for passing on technological know-how and organizational experience. However, such direct investments in developing countries will only be readily undertaken if the protection of private property is fully guaranteed.

1972—a European  
year

In terms of business activity, the EEC is not likely, if anything, to find itself on the upturn in 1972. We are still confident, however, that the stimulus provided by the enlargement of the Community will help Western Europe before long to regain its dynamic force as a focal point of world trade.

#### Orders received and turnover in industry

Percentage changes on year of sliding scale 3-month index figures (1962 = 100), seasonally adjusted



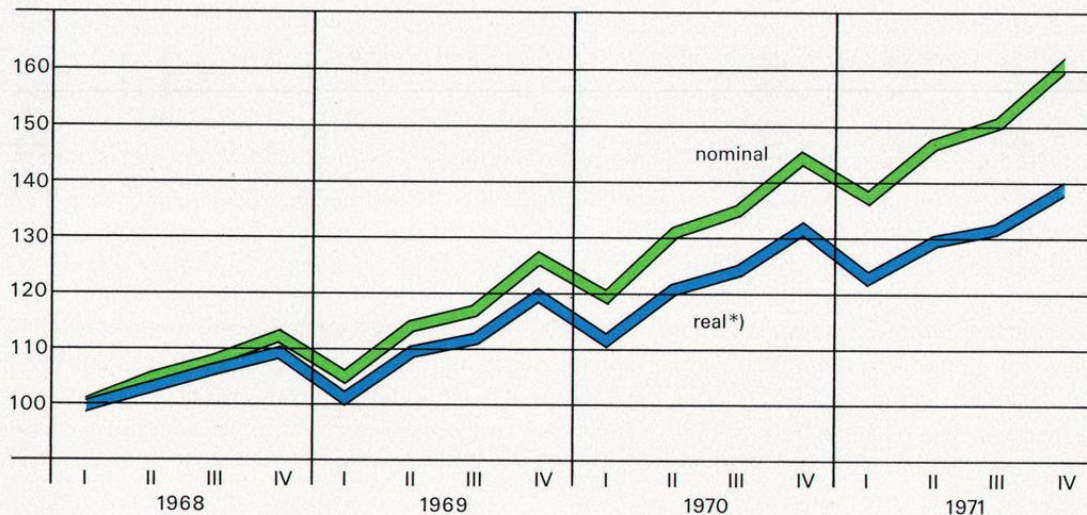


## II.

In 1971 the German economy had to pay dearly for the most vigorous and extended boom of the post-war period—the price being the largest cost inflation so far. This inflationary development was foreshadowed in 1970, when action to curb the trend was neither resolute nor early enough. Moreover, public statements “guaranteeing employment” encouraged high wage demands.

After sharp rise  
in costs ...

Gross wages and salaries per employed person  
1967=100



\*) adjusted for increases in cost of living

We agree with many observers that the overheating was largely “home-made”, even though foreign trade had its share in this development. Moreover, continuing uncertainty about international economic trends may have prevented a resolute restrictive policy being adopted.

It was only in the autumn that the inflationary climate slowly began to cool off, and this holds especially true for prices in the manufacturing industry. Nevertheless any slowing down of the rise in the cost of living is likely to be a very gradual one only, all the more so in view of the pent-up demand for higher wages by employees in the public sector.

Economic activity has been slowing down since the middle of 1971, as shown by unutilized capacities, cutbacks in planned capital spending, and falling employment in industry. Accordingly GNP in real terms, after reaching an unexpected “interim peak” with a 5–6 per cent rise during the first four months of 1971, has hardly shown any further increase since the summer.

... pronounced  
slow-down of  
growth

For the whole of 1971, the real growth rate, at no more than approximately 3 per cent, about halved in comparison with the previous year. In terms of current prices, however, GNP rose by almost 11 per cent to DM 756,000 m, reflecting an unprecedented divergence between real and nominal increases.



Change from previous year	1968	1969	1970	1971 <sup>1)</sup>
Gross national product nominal	+ 9.0%	+ 11.7%	+ 13.0%	+ 10.9%
real . . . . .	+ 7.3%	+ 8.0%	+ 5.3%	+ 2.9%
Industrial production . . . . .	+ 11.8%	+ 12.2%	+ 6.1%	+ 1.6%
Mass income (net) . . . . .	+ 5.3%	+ 9.7%	+ 12.6%	+ 11.0%
Cost of living <sup>2)</sup> . . . . .	+ 1.6%	+ 2.7%	+ 3.8%	+ 5.2%

<sup>1)</sup> preliminary; <sup>2)</sup> index for all private households, yearly average

Growing reluctance  
to invest . . .

Whilst the vigorous rise in consumption more than anything else was responsible for stimulating the economy, and while demand from abroad fell less sharply than had been feared in view of the monetary difficulties, trade and industry showed appreciably less inclination to invest. Starting as early as the autumn of 1970, some sectors of industry drastically cut and deferred their projects of expansion, a development which very soon led to falling orders for capital goods. This negative tendency was increased by the deterioration of the business outlook, which had become more and more pronounced during the course of 1971.

Although an "investment pause" is not regarded as particularly encouraging in a shorter term view it need not necessarily impair long-term growth prospects as long as it represents merely a temporary reaction to exceptionally high increases. In fact, by 1971 trade and industry had increased their regular expenditure on equipment by two thirds in real terms from the low it had reached in 1967. Indeed, since prices of capital goods showed a particularly marked increase, actual expenditure almost doubled during that period.

. . . not least in  
view of the higher  
risks involved

At a time when the pace of technological progress is getting faster and faster, investments have to be planned with particular care; equipment obsolescence is much more rapid and the risks inherent in new plant correspondingly greater. Moreover, profit margins tend to narrow as a result of higher wages and increased competition with the resources for self-financing falling off accordingly. For this reason trade and industry have already had to suffer a deterioration in their balance sheet structure: they now have to pay interest on correspondingly larger borrowed funds, and at higher rates at that. They face additional risks on the political front, in particular from the threat of reduced profitability through capital redistribution and profit sharing schemes, evolved on social grounds but economically unsound.

Patchy progress in  
the building sector

In the building industry a slight fall in demand by trade and industry was more than offset by a steep increase in the provision of housing. In this way many people are trying not only to forestall further price rises—the cost of housing has increased by close on 30 per cent during the past two years!—but also to beat inflation by creating material assets. The interest shown in owner-occupied dwellings was at times excessive and of a speculative nature.

The boom in housing contrasted with a pronounced lack of orders in the civil engineering field, so that progress in the building sector as a whole is likely to remain very patchy during the remainder of the current year.

Policy on wages—  
the great  
disappointment

As far as wages are concerned, far more was claimed and conceded than could have been distributed if costs were to be kept stable. Labour costs in the public sector increased particularly sharply. An acceptable agreement on new wage scales in the metal industry was reached only after a bitter struggle.



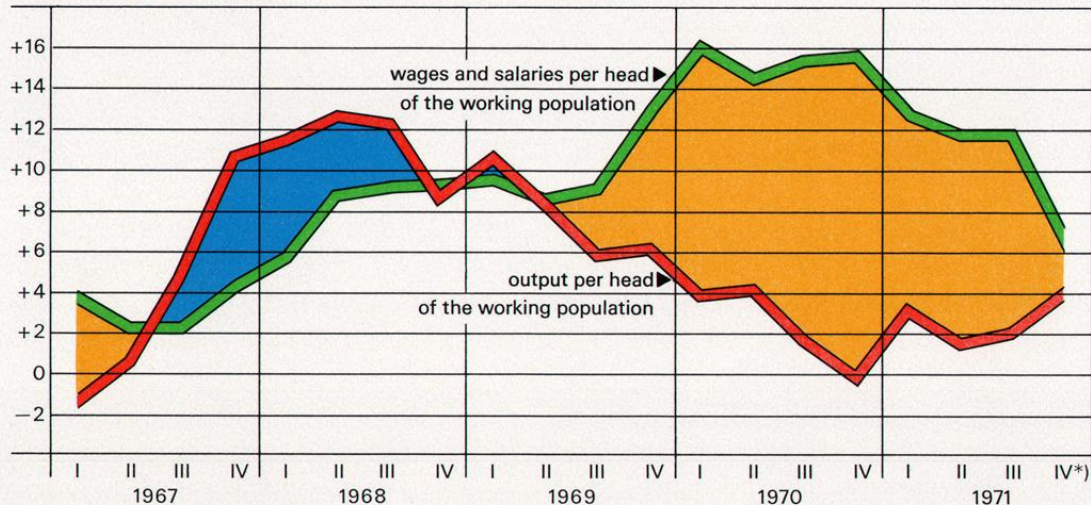
In general, agreements on new wages and salaries went considerably beyond the—only very modest—increase in productivity, the price level rising accordingly. Only since the autumn has the gap between productivity and wages, which had become dangerously wide, been closing again slowly.

In the climate of keen competition prevailing in the Federal Republic, trade and industry could pass on only some of their greatly increased costs of labour and materials, all the more so as competition from imports had grown even stronger following the changes in exchange rates during the past year. In foreign markets, where international price movements had at first allowed a relatively flexible policy, export prices could no longer be kept in line with cost increases once the old dollar parity had been suspended.

Serious fall in industrial profits

This development is reflected in a serious drop in profits. National accounts for 1971, which show a 4 per cent increase in earnings from business and in return on capital, give but a global figure, thus presenting too favourable a picture of industry. True, investment income and earnings in the service industries showed an increase, but some industrial profits have been declining considerably, in particular in businesses with a large export trade which rather frequently even had to put up with drastic cuts in earnings in order to protect their position in foreign markets.

Changes per quarter in per cent compared with the previous year



\*) fourth quarter, 1971, estimated

A number of small companies in industry, mostly run by their owners, evidently did much better than many a joint stock company, by adroitly finding a niche for themselves in the market and resorting to specialized production. This uneven profit trend is evident from tax revenue statistics which record an increase in income tax as against a further fall in corporation tax. These figures refute prejudiced opinions that in general allow the small independent businessman only limited chances of survival.

Medium-sized and small companies did better

We note that many medium-sized companies, which are particularly numerous amongst our customers, did comparatively better in absorbing higher costs, while there were no possibilities for such flexible policies on the transparent markets for mass-produced articles. In trade and commerce, efficiency has obviously been further improved as a result of keen competition.



On a critical note we find that planning and costing are often still underdeveloped in small and medium-sized firms, with up-to-date evaluation of business data in particular being often lacking.

The perils of seeking after publicity

Looking back over the year under review, we are particularly struck by unusually violent changes of mood in the business community. They were due in part to sometimes dramatic developments on the international monetary front, though socio-political currents were also responsible. A flood of plans and programmes, official statements and semi-official pronouncements has served to create uncertainty among German businessmen. All too often insufficiently backed opinions were put forward polemically and vociferously, without the character of the remark being clearly recognizable, be it private or official.

The perils inherent in such seeking after publicity are magnified by the wide variety of modern information media. Governments, political parties, trade unions, and employers bear a correspondingly heavy responsibility for the publications and statements made by their chosen spokesmen. Only when all sides realize their responsibility will it be possible to overcome the alienation between politicians and businessmen.

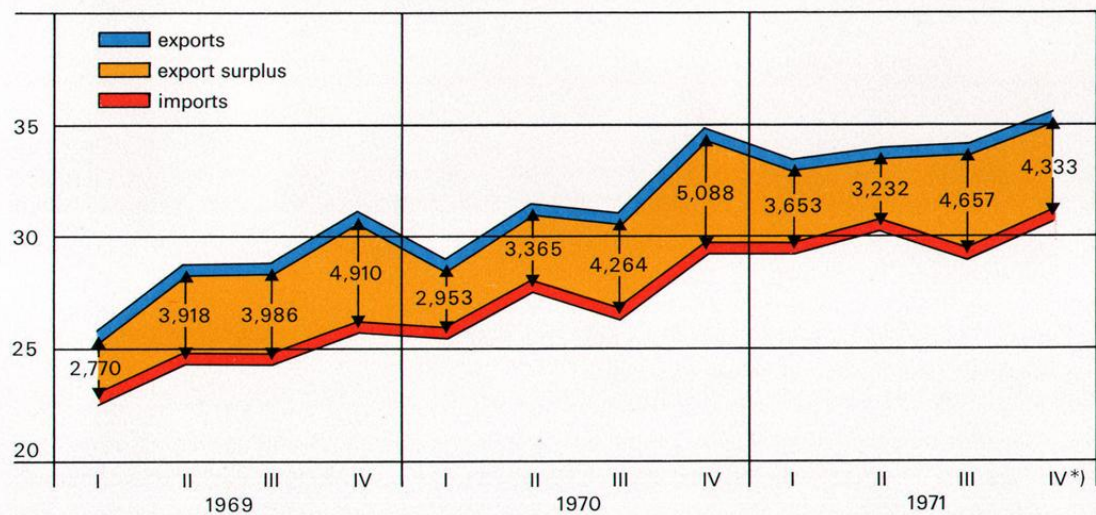
### III.

Intensified competition abroad

The German economy's close foreign links in trade and finance were even more marked in 1971 than in previous years.

Contrary to expectations the export surplus in 1971 remained at just on DM 16,000 m, largely on account of falling import prices and rising export prices. At constant prices, the surplus in the balance of trade would have been reduced by about DM 3,000 m.

Foreign trade of the Federal Republic of Germany (in DM m)



\*) provisional





*Plastics conquer everyday life. (We have treated this growth sector of the chemical industry in a special report.) The roof under construction shown above, which has become the architectural symbol of the Olympic Games in Munich this summer, would hardly have been possible without plastics.*



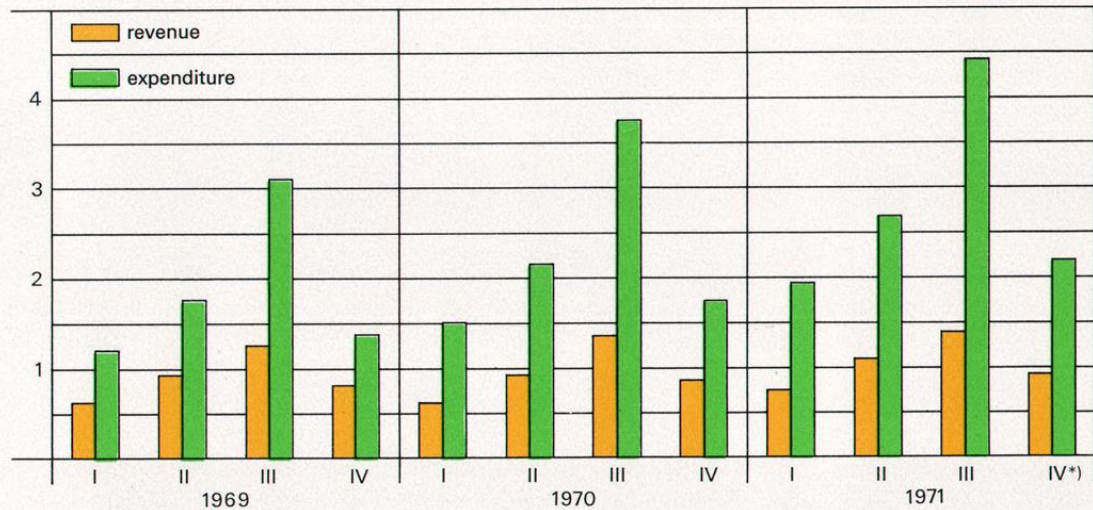
The very great difficulties faced by exporters during the period of floating exchange rates have left little trace in the foreign trade statistics so far, since contracts for exports during 1971 had mainly been placed before the currency crisis. Exports of capital goods were affected by the world-wide lull in investments. Even today, following the agreement on new parities, exporters of capital goods are faced with the problem of devising terms of payment which are acceptable to both sides. By agreement with her EEC partners, the Federal Republic has by now provided for the incorporation of the longer-term exchange risks in the government export credit insurance scheme, although only on conditions less favourable than in other member countries.

The fall in export orders during the past months makes it doubtful whether the Federal Republic's share of world exports which, contrary to the trend of American exports, had been steadily rising from 11 to 13 per cent since the mid-sixties, will continue to rise in 1972. A cyclical fall in imports may yet lead to a further increase of the export surplus.

Balanced position on current account

The surplus in the 1971 balance of trade was virtually absorbed by deficits in the field of services and transfers. On balance tourist expenditure accounted for almost DM 7,000 m (+ 33%), whilst remittances by foreign workers totalled approximately DM 5,500 m (+ 22%). The Federal Republic's position on current account was accordingly in balance once again, following a surplus of close on DM 30,000 m accumulated during the past four years.

Tourist revenue and expenditure (in DM 'm)



\*) fourth quarter, 1971, estimated

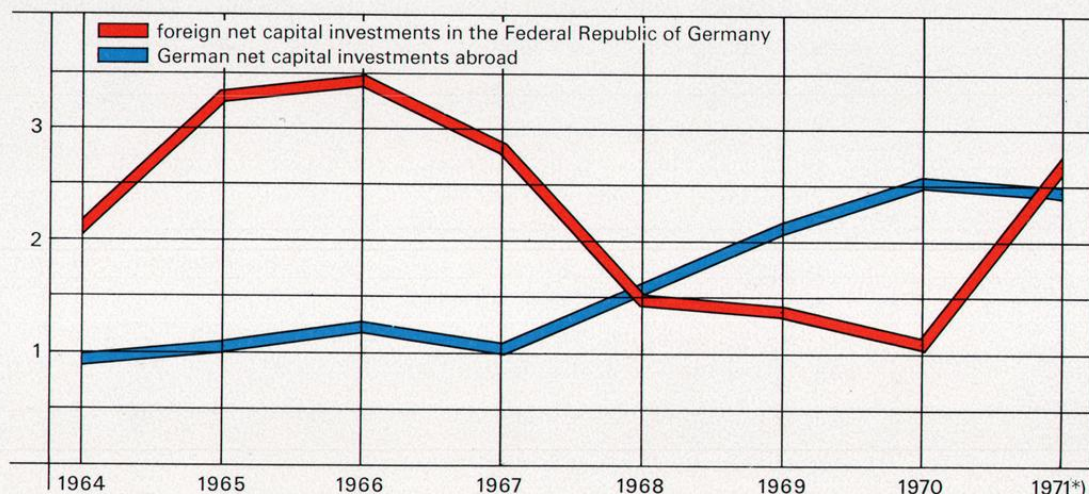
Rise in money and capital imports—foreign subsidiaries contribute profits

International movements of capital reached huge proportions at times because of interest and liquidity differentials as well as speculation about new parities. For the first time since 1965, even in the long-term field the Federal Republic imported more capital than she exported, mainly by borrowing abroad.

In 1971, German companies made direct investments abroad totalling approximately DM 2,300 m. The volume of investments by foreign companies in the Federal Republic was even larger, thus showing a marked increase over the average of the last three years, when there were heavy cuts in foreign industrial investments. In a year of monetary



Direct investments (in DM 'm)



\*) 1971 estimated

upheavals German industry has come to appreciate especially the great advantages of foreign-based production. For the first time the foreign subsidiaries of a number of large German multinational companies have made major contributions to group earnings and thus offset at least some of the losses suffered at home. This experience might well strengthen the trend towards industrial investments abroad which is desired in principle.

## Economic Calendar

1971

- January 2 Cut in German "investment tax" from 6 to 4 per cent.
- during January *Further cuts in discount rate in United States (to 5 per cent), France (to 6½ per cent), and Japan (to 5¾ per cent).*
- February 1 Declining balance depreciation returns in Federal Republic (after suspension lasting seven months).
- February 9 EEC Council of Ministers agrees on 10-year plan in stages to create an economic and monetary union (on the basis of the "Werner Plan").
- March 31 Cut in German discount rate from 6 to 5 per cent, and in the lombard rate (for secured advances) from 7½ to 6½ per cent, with a reduction in rediscount quotas by 10 per cent (as from April 1).
- during April *Cuts in discount rates in UK (to 6 per cent), Italy (to 5 per cent), and Netherlands (to 5½ per cent).*
- in early April *US Congress extends US interest equalization tax by two years to March 31, 1973.*
- mid-April Reduction of basic interest rate on savings from 5 to 4½ per cent in Federal Republic.
- May 3 German economic research institutes in a joint diagnosis recommend floating the D-Mark.



- May 5 Bundesbank ceases to intervene in the foreign exchange market. Official foreign exchange markets close in the Federal Republic (following an influx of foreign funds equivalent to DM 8,000 m in two days).
- May 9 German Federal Government decides  
 a) in order to safeguard country against external influences:  
 to float D-Mark until further notice, and to ban payment of interest on deposits of funds from abroad;  
 b) in order to curb domestic demand:  
 to apply certain budget freezes, to increase anti-cyclical reserves, and to cut borrowing by public authorities.  
*Netherlands also float guilder; Swiss franc is revalued by 7.07 per cent, and Austrian schilling by 5.05 per cent.*
- May 10 Official foreign exchange markets re-open in Federal Republic.
- May 13 Merger of German Federal Ministries of Economics and Finance.
- June 2 Increase in German minimum reserve ratios (by 15 per cent) in order to reduce liquidity inflated by influx of foreign exchange; some DM 6,000 m taken out of economy.
- June 30 End of German 10 per cent anti-cyclical surcharge on income and corporation taxes (since August, 1970, a total of almost DM 6,000 m had been frozen with the Bundesbank).
- July 21 German Federal Government decides on cash deposits on funds borrowed abroad by German companies.
- mid-July *Discount rate in United States raised from 4¼ to 5 per cent.*
- August 15 *President Nixon announces stabilization programme for US with the following measures to take effect immediately:*  
 a) *foreign trade and payments:*  
*suspension of gold convertibility for dollar; 10 per cent import surcharge affecting about 50 per cent of all imports;*  
 b) *national economy:*  
*90-day wage and price freeze; investment tax credit (for US made capital goods); lifting of 7 per cent excise tax on automobiles; budget cuts.*
- August 16 Official foreign exchange markets close in Federal Republic *and in all Western countries except Japan.*
- August 21 *France decides on two-tier foreign exchange market (trade franc and financial franc).*
- August 23 Official foreign exchange markets re-open in Federal Republic; *Benelux countries tie foreign exchange rates among themselves and allow them to fluctuate against other currencies.*
- August 28 *Japan floats yen (following an influx of about \$ 4,500 m in August).*
- September 2 *UK cuts discount rate from 6 to 5 per cent.*
- October 13 Bundesbank cuts discount rate from 5 to 4½ per cent, and lombard rate from 6½ to 5½ per cent. Minimum reserve ratios also cut by 10 per cent as from Nov. 1; some DM 3,000 m put back into economy.
- October 28 *British parliament approves entry of UK into EEC (as from Jan. 1, 1973).*
- mid-November *Cut in US discount rate from 5 to 4¼ per cent.*



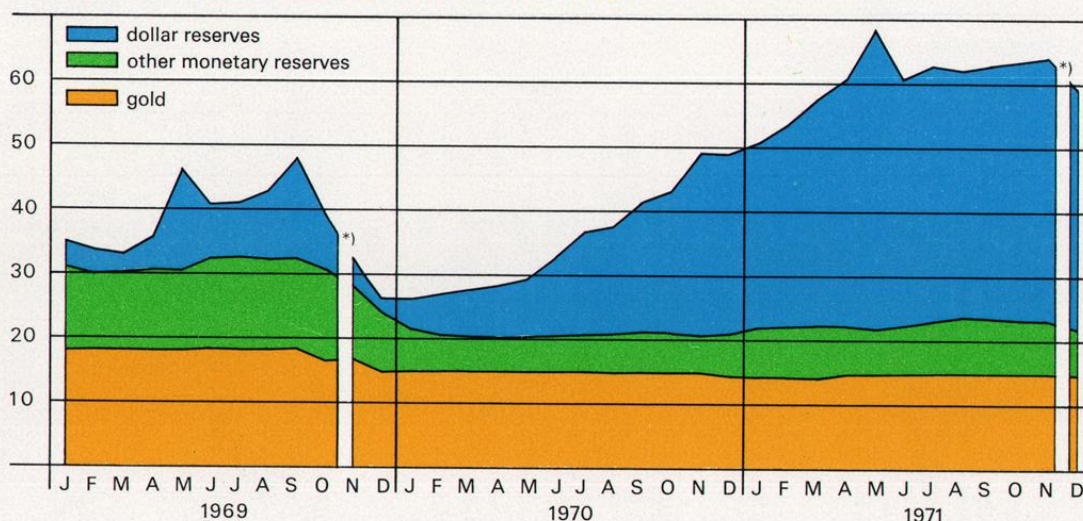
- December 17/18 Group of Ten agrees on new central rates: dollar devalued by 7.9 per cent; D-Mark and yen revalued against gold by 4.6 per cent and 7.7 per cent, respectively. Sterling and French franc retain their gold parities. Widening of margins to 2.25 per cent above and below parity.
- December 23 Bundesbank cuts discount rate from 4½ to 4 per cent, and lombard rate from 5½ to 5 per cent. A 10 per cent cut in minimum reserve ratios releases around DM 3,000 m, as from Jan. 1, 1972.
- January 22, 1972 *Treaty of Accession to EEC signed by UK, Ireland, Norway, and Denmark.*
- February 9, 1972 German Central Credit Committee considers cut in interest rates on savings deposits by about ½ per cent to be justified by market conditions, corresponding cuts generally implemented since March 1, 1972.
- February 24, 1972 German discount rate cut from 4 to 3 per cent, and lombard rate cut from 5 to 4 per cent, with a reduction in rediscount quotas by 10 per cent (as from March 1, 1972); implementation of regulation governing cash deposits on funds borrowed abroad is announced.
- March 1, 1972 Initial cash deposit ratio of 40 per cent implemented.

IV.

Up to the autumn of 1971 the Bundesbank continued its attempts to curb wage and price inflation by restrictive monetary policies. But the credit brakes did not begin to bite until after it suspended its obligation to buy dollars. Between June and December, 1970, as much as DM 20,000 m had already poured into the Federal Republic, followed by a further DM 11,000 m during the first four months of 1971. The speculative wave of early May, brought about by pleas for flexible rates of exchange, served to attract another flood of DM 8,000 m into the Federal Republic in just two days.

National credit policy . . .

Monetary instability as reflected by German monetary reserves (in DM 'm)



\*) adjustments of value of gold and foreign exchange holdings for changes in parities



in DM m	Change					Position
	1967	1968	1969	1970	1971 <sup>4)</sup>	on 31-12-71 <sup>4)</sup>
Monetary reserves <sup>1)</sup> . . . .	- 140	+ 7,009	- 13,921	+ 22,647	+ 10,327	+ 59,345
Banks' foreign position <sup>2)</sup> . .	+ 4,823	- 2,428	- 4,888	- 8,659	- 1,180	- 13,785
Overall exchange position . . .	+ 4,683	+ 4,581	- 18,809	+ 13,988	+ 9,147	+ 45,560
Basic balance <sup>3)</sup> . . . . .	+ 6,256	- 587	- 16,692	- 1,518	+ 6,024	—

<sup>1)</sup> of Deutsche Bundesbank, including special drawing rights and reserve position in IMF; in 1969 and 1971, losses of DM 4,099 m and DM 5,996 m resulting from revaluation have been allowed for, respectively; <sup>2)</sup> balance of short-term assets and liabilities; <sup>3)</sup> current items and long-term capital transactions; <sup>4)</sup> preliminary

... hampered by dollar glut

This meant that the Bundesbank's monetary reserves had more than doubled within one year; dollar balances alone which by the end of 1969—i.e. shortly after the second revaluation of the D-Mark—had shrunk to about DM 2,000 m, reached the equivalent of DM 47,000 m in May, 1971. These wild fluctuations were also in part the result of large amounts of highly volatile funds which had accumulated in the Euromarket. As the United States had returned to an easy money policy as early as 1970, more dollars were available in the Euromarket, waiting to pour into countries with more favourable rates of interest and a more desirable currency.

Liquidity shortage at home ...

In any case the Bundesbank succeeded in keeping the banks short of liquid funds after complementing an increase in minimum reserve ratios with a cut in rediscount quotas. The money supply was further throttled back by freezing the anti-cyclical reserves and putting surcharges on taxes. As a result the banks' free liquid reserves reached only 8 to 9 per cent of their deposits even as late as in the spring, as against an earlier 12 to 15 per cent in most cases.

... leads to trade and industry tapping foreign sources

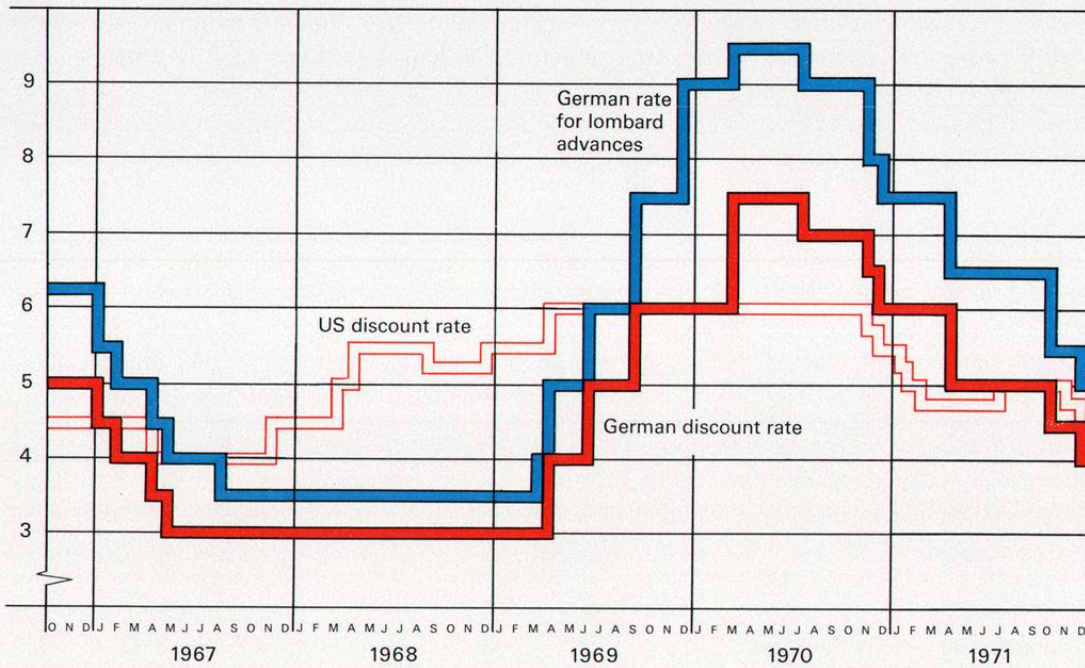
Yet even this partial success of the credit squeeze had hardly any effect on the economy as a whole, for with domestic funds short and dear, industry took increasingly to borrowing cheaper money abroad, either by directly taking up financial credits or by varying the terms of payment.

Discount rate and money market interest rates in 1971 (monthly averages)





Rates for discounts and lombard advances (in per cent)



The fact that such by-passes were mainly open to export-oriented firms, and usually the larger ones, gives rise to misgivings on basic economic considerations. On the other hand we agree with the Bundesbank that a policy of high interest rates was appropriate in order to curb the inflation-minded mentality generally evident, and particularly so in the building industry.

Once the central bank had suspended its obligation to buy dollars, the banking system lost DM 14,000 m in free liquid reserves in June alone, in particular through a sharp increase in minimum reserves, but also through dollar sales of the Bundesbank; the liquidity ratio of financial institutions was thus forced down to the record low rate of 6 per cent.

Floating lends fresh bite to restrictions . . .

The restrictive forces remained dominant during the second half of the year, too. Some psychological relief was brought about though by cuts in the discount rate in the fourth quarter which lowered it to 4\*) per cent in two stages, and practical relief was given in November by the first across-the-board reduction in minimum reserves for two years. There was a further cut on January 1, 1972, so that average minimum reserves deposited by the major banks, which at 13.7 per cent of total deposits had reached their postwar peak in June, dropped again to below 11 per cent.

\*) since February 25, 1972, the discount rate is down to 3 per cent

		Minimum reserve requirement	Rediscounting at the Bundesbank	Free liquidity reserves
in DM 'm		monthly average		at end of month
December	1970	25.7	19.3	25.4
May	1971	28.1	12.1	34.5
June	1971	34.5	20.1	20.3
November	1971	30.7	19.1	24.3



... and puts pressure on the money market

If there was ever any justification for talking about "blowing hot and cold" on the money market, it certainly referred to the abnormal conditions of 1971. This development is suitably illustrated by the day-to-day money rate which leapt from only ¼ per cent at times in May to almost 10 per cent in June and again to more than 9 per cent in October. To a very large extent the banks had to have recourse to the Bundesbank at times, i.e. virtually to get back their frozen minimum reserves, with correspondingly adverse effects on their profits.

Credit expansion mirrors foreign indebtedness

The foreign indebtedness of companies liable to file returns, which had been around DM 10,000 m at the end of 1969, doubled in the course of 1970, and reached close on DM 35,000 m by July, 1971. Even at the end of the year it still amounted to DM 28,000 m, not counting some DM 10,000 m of additional funds secured by varying the terms of payment.

Change in DM 'm	at short and medium term			at long term (4 years or more)		
	1969	1970	1971	1969	1970	1971
Bank lendings*) to:						
Business and private customers . .	+ 25.1	+ 21.3	+ 30.3	+ 24.8	+ 21.8	+ 29.1
Public authorities . . . . .	- 6.1	+ 1.2	+ 1.6	+ 7.4	+ 7.2	+ 9.3
Domestic non-banks, total **) . . .	+ 19.1	+ 22.4	+ 31.9	+ 32.2	+ 29.0	+ 38.4

\*) incl. purchases of Treasury bills; \*\*) deviations in total amounts due to rounding of figures

The demand for credits from German banks mirrored this trend: after having been low during the first four months of the year, it became stormy during the late summer and autumn, when the after-effects of the boom coincided with the impending obligatory cash deposits on funds borrowed abroad, and with a reduction in short-term foreign debts. Housing, too, made greater financial demands during the second half of the year.

During the whole of 1971, the sector "Trade, Industry and Private Individuals", which in the credit statistics also includes the Federal Railways and the Federal Post Office with their extremely high financing requirements, borrowed over one third more from the banks than in the previous year. Public authorities contented themselves with increasing their direct borrowing by a good quarter only, but raised more on the capital market instead.

Cash Deposit Act—snags in the details

The Cash Deposit Act of December 23, 1971, was intended to restrain German industry from borrowing abroad by freezing at the Bundesbank part of the amounts involved, without interest, in order to offset the cost advantage over domestic credits. We agree with the legislature that such a flexible arrangement would fit into a free enterprise system more easily than an outright ban on foreign credits; but the snags of this seemingly elegant solution lie in the details of the Act: take for instance the difficulty to determine the proper ratio of funds to be frozen in each case, or the delicate task to distinguish between commercial or financial transactions. The list of exceptions announced on March 1, 1972, which is supposed to allow for such differentiations, is regarded by trade and industry as leaving to narrow a scope only.



## V.

The formation of monetary capital was favoured by the rise in incomes. In spite of the general price inflation the savings ratio—the proportion of private savings to disposable incomes—remained at its high level of 12–13 per cent. We put the total of such funds accumulated by private households, which had reached DM 50,000 m for the first time in 1970, at not less than DM 55,000 m for the year under review.

“Comeback” of the savings book

Economic uncertainty obviously served to encourage wage and salary earners to accumulate liquid reserves. Account saving consequently experienced a new boom: net deposits on savings accounts for the first time exceeded the DM 15,000 m mark, following a total of only DM 9,000 m in the previous year. The aggregate amount of interest credited increased to DM 11,000 m.

Other forms of private saving also benefited from the rise in mass incomes. The trend towards owner-occupation further served to stimulate saving with building and loan associations, high yields again made the bond market attractive, and investment in securities found support in savings plans.

Widespread interest in investment in property shares is of a more recent date. Besides the shares of open-end property funds, shares in “depreciation” projects were also more widely in demand. After open-end funds had already been subjected to official supervision, general regulations which would also supervise closed-end funds and similar set-ups are urgently called for in the interest of protecting savers. Only in this way will it be possible to separate the wheat from the chaff, as has been the case in investment saving. In the meantime the investor is particularly dependent on the advice of trustworthy and expert bankers.

Protection of savers called for

The question of saver protection, though from a different angle, was also the subject of discussion in the bond market, following heavy price falls particularly in low interest, long-term mortgage bonds as a result of the rise in interest rates during 1969 and 1970. Meanwhile market forces have brought about terms more favourable to the saver: without the need for interference by the legislature, the life of new issues was shortened, thus narrowing the margin for price fluctuations. On the other hand mortgagors more often have to accept variable interest rate clauses.

New image for mortgage bonds

In the interest of mortgage bond holders we also welcome the fixed redemption arrangements which increasingly predominate, and may help to restore to mortgage bonds their previous popularity. At the same time mortgage banks have started to redeem, ahead of maturity, substantial amounts of older issues at low interest rates. Thus, in this case as well, legislation will not be needed.

The best protection for investment savers is, of course, balanced economic growth without inflation that makes severe restrictions unnecessary; issuers, however, cannot be held responsible for the lack of such conditions.

More than ever before the capital market in 1971 reflected the financing needs of industry. Despite the tone in stock markets, very unfavourable at times, according to Commerzbank stock market statistics new shares issued by quoted companies reached their highest effective total since the war. Subscription prices were higher, just as in other European countries, with the average issue price exceeding a 100 per cent premium for the first time.

News records in issues of shares . . .



... and fixed-interest-bearing securities

In the bond market, too, substantial funds could at last be mobilized again for the private sector: industrial debentures experienced a renaissance, and at the same time the banks managed to arrange a substantial number of loans against borrower's note ("Schuldschein-darlehen"). Public authorities also had more recourse to the capital market than in the years before.

The bond market as a whole also showed a record result, in spite of depressive factors resulting in a "second interest peak". We feel that this development is due in no small measure to the balancing influence of the Central Capital Market Committee. The fact that the volume of foreign D-Mark loans was more heavily restricted than in previous years was another favourable factor. Moreover, many domestic investors reacted to the yield differential distorted by the coupon tax by switching from foreign to German bonds with higher yields. The coupon tax, originally only intended to curb capital imports, thus turned out to be a brake on capital exports as well.

DM 200,000 m bonds now in circulation

It was mostly financial institutions that accounted for the increase in bond sales. By contrast, purchases by private investors remained just below the figure of the previous year.

Including foreign D-Mark loans worth DM 23,000 m, the total volume of D-Mark bonds in circulation at the end of the year passed the DM 200,000 m mark.

in DM m	1969	1970	1971	Change	
				from 1969 to 1970	from 1970 to 1971
Growth of savings deposits <sup>1)</sup> . . . . .	21,590	20,739	28,928	- 3.9%	+ 39.5%
Bond sales (net) <sup>2)</sup> . . . . .	18,620	13,241	14,450	- 28.9%	+ 9.1%
Share sales in the market					
German shares <sup>3)</sup> . . . . .	1,054	1,112	1,834	+ 5.5%	+ 64.9%
Foreign shares <sup>4)</sup> . . . . .	1,861	961	918	- 48.4%	- 4.5%
Investment saving					
German investment trusts . . . . .	3,375	1,508	1,780	- 55.3%	+ 18.1%
Foreign investment trusts . . . . .	2,136	18	- 266	- 99.2%	—

<sup>1)</sup> institutions reporting monthly; including savings bonds and interest credited; <sup>2)</sup> net sales of domestic and foreign bonds to domestic buyers, market price, excluding medium-term bonds; <sup>3)</sup> actual amounts according to Commerzbank issue statistics, less portfolio investments by foreigners; <sup>4)</sup> changes in German portfolio investments

Confident forecast for 1972

Thanks to the continuing propensity to save shown by private householders, the German capital market has meanwhile gained remarkable strength. Its regenerative capacity has also increased. Redemption of fixed-interest-bearing securities in 1971 for the first time totalled almost DM 10,000 m. Interest payments on German bonds have by now reached between DM 11,000 m and 12,000 m, and a high proportion of these funds is available for reinvestment.

This is one more reason why we feel justified in forecasting a favourable 1972 for the capital market. However, existing trends towards lower interest rates will have limited effect only as public authorities, industry and housing put pressure on the market with massive new issue plans, with the yield for new issues having already come down to 7¼ per cent by February of this year.



## VI.

Public authorities on the whole behaved with more awareness of the economic situation than in earlier periods of expansion, although the high ideal of a downright anticyclical fiscal policy as formulated in the Stability Law has not been realized everywhere. Local authorities in particular got into difficulties, faced as they were with the double effect of higher personnel expenditure and rising building costs. The much-quoted "public poverty", which is often said to stem from an inadequate taxation ratio, is therefore to a very large extent attributable to the erosion of the value of money, too.

"Public poverty"—  
partly caused by  
inflation

A critical look at the way public finances were conducted during the last economic cycle regrettably shows that precisely during the 1967 downturn and again now, in 1972, indirect taxes have been raised; and yet during the upturn only limited use was made of the possibility of raising taxes.

We are still waiting for the reform of public finances which is to make sure of a long-term balancing of the interests of the three "tiers" of public authorities, thus in particular still further strengthening the financial position of the local authorities. The major tax reform announced so many times is also still dragging its feet. It is disappointing, we feel, that the two changes in tax legislation which we consider to be most urgent have obviously been pushed into the background: cutting the trade tax, a step also urgently needed in terms of EEC harmonization, on the one hand, and the introduction of a system of deductibility applied to corporation tax desirable in the interest of a widely based formation of wealth, on the other hand. Without such improvements in the tax system the term "major tax reform" would hardly be justified.

Cutting the trade  
tax and establishing  
a system of  
deductibility—two  
corner stones of  
tax reform

Generally speaking, we believe that trade and industry cannot bear much more in the way of taxation. Both the Federal Government and the local authorities will therefore have to resort to the capital market even more than in the past to finance the urgent backlog of public investments. In view of the comparatively low level of the Federal and the Länder Governments' indebtedness more borrowing by them would be quite acceptable, whereas indebtedness of the cities has in many cases reached critical levels. We are concerned, however, lest increased demand on the part of public authorities, which are not so sensitive to changes in interest rates, create an upward trend in the cost of money.

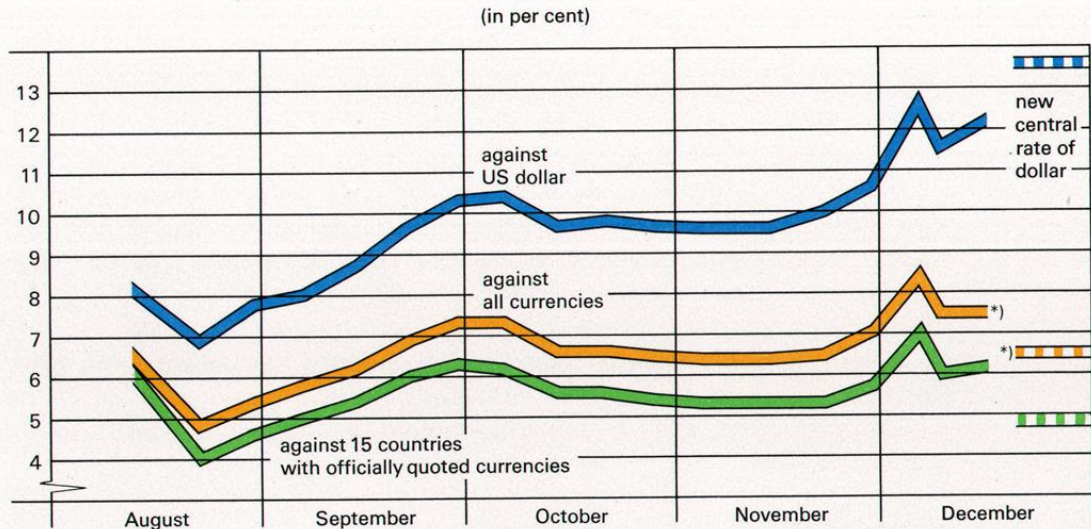
## VII.

The suspension of the IMF parities by nearly every important country offered a chance to test the controversial case for freely floating exchange rates on a world-wide basis. Admittedly foreign exchange markets left to themselves have proved their flexibility, but "true" balanced rates of exchange have not been established in this way either, plausible though it seems in theory. The sceptics have thus been proved right: especially where currencies of the leading industrial countries are concerned, supply and demand have now come to be affected far more deeply by ephemeral movements of money and capital rather than by trade and services. Only massive and co-ordinated intervention by the central banks could hope to neutralize them. In this particular instance, however, co-operation between the central banks proved unable to withstand the pressures of opposing national interests.

Floating:  
no ideal solution

Much as we welcome a more flexible policy on exchange rates, we feel that, after the experiences of the period of floating, the new band margin of 4½ per cent is close to the limit of what exporters and importers can still bear.





\*) estimated

Special drawing rights instead of gold/dollar standard

The events of 1971 have made it clear that national currencies are limited in their use as international reserve media. By suspending the gold convertibility of the dollar the United States has put paid to the gold/dollar standard of the Bretton Woods system.

Special drawing rights are now to take over the function of a reserve currency to a growing extent. They have all the advantages and disadvantages of a manipulated medium. We feel that there is a latent danger in the possibility of their volume being expanded excessively, say, under the pretext of meeting a threatened international lack of liquidity, thus giving new life to inflationary tendencies. At least for the lengthy transition period ahead of us we therefore advocate retaining close links with gold, met as it is with special confidence throughout the world. One problem still waiting to be solved is the pressing question of how to consolidate the large stocks of dollars which have accumulated, particularly with the central banks of Western Europe and Japan.

Dollar remains trade currency

In spite of the continuing precarious state of the American balance of payments we expect the dollar, based on the enormous economic strength of the United States, to retain its central position as the international currency of intervention and trade. Only gradually will a common European currency be able to join the dollar in its function as a world-wide medium of payment.

### VIII.

A domestic market of 250 million consumers

Since the end of 1971, the entry of four new members has been the focus of attention in the European Community. It will create a domestic market of 250 million consumers. Its economic potential will reach about two thirds of the GNP of the US.

This Bank which, by co-operating with its two international partner banks, is steering a straight European course, wholeheartedly welcomes this development. We hope for a "healthy dash" of pragmatism from the new EEC partners which should help to facilitate co-operation in the Community organs and thus to overcome the inevitable complications resulting from the increase from six to ten full members and from a growing network of association agreements.





*Karstadt and Kaufhof, the two department store groups, had recourse to the capital market in 1971/72 with bond issues and capital increases. Commerzbank played a leading part in placing these issues.—  
The above photo was taken at Düsseldorf, in Schadowstrasse/Am Wehrhahn.*



No monetary union  
without political  
consensus

The danger that regional expansion might weaken the Community cannot be dismissed. 1971 in particular has shown how necessary but also how difficult it was to reach agreement on economic aims and methods even in the Europe of the Six. Determined efforts will be even more essential in the enlarged Community if national interests are to be reconciled with common needs. Only then can there be a break-through towards a monetary union. The long way traced in the Werner Plan, from reducing band margins of exchange rates to the final goal of a common European currency, requires each partner to forgo some of his sovereignty.

Discussions about the expansion of the EEC were increasingly dominated last year by the question whether monetary union should come at the beginning or at the end of the process of integration. We feel the solution lies not in a dogmatic "either-or" but in a flexible parallel development. It is encouraging that the political authorities seem to show an increasing awareness of the need to co-ordinate economic and monetary policies. One problem still awaiting solution is in our view the fact that individual partner countries attach different priorities to monetary stability and to economic growth.

European initiatives  
in the private sector

Private initiative has in some instances anticipated economic union. We regard cases of European industrial integration like the planned Hoesch/Hoogovens merger, or co-operation across the border, as an important contribution to further completing the EEC.

More than two fifths  
of world trade

In 1971, the Community has been very active in the field of trade policy. Since July 1, the associated African states can export their products to the EEC free of duty and without limitations; at the same time common development aid was stepped up. This preferential treatment of Africa is historically justified, it is true, but access to the Common Market should also be facilitated for countries in other continents.

The Europe of the Ten will account for more than two fifths of world trade, a fact which makes it incumbent upon the Community to steer a particularly liberal course.



## The Bank's Progress

In 1971 the Bank had to maintain its position in a market which, as explained in the General Part of this Report, was subjected to abrupt changes by monetary measures and external economic influences. At the same time competition in German capital markets intensified yet again. We succeeded nevertheless in further consolidating our position.

General  
performance

The balance sheet total increased by around one eighth. In absolute figures the increase was similar in size to those achieved during the three preceding years. The balance sheet total thus doubled during the past five years.

The volume of business, including bills rediscounted, totalled DM 22,800 m, 16 per cent up on annual average on 1970.

The growth of the balance sheet was marked by increased lendings, especially since June, 1971. We had prepared for this not unexpected development by taking in more deposits earlier, when the demand for credit was slack. As a result we were in a position to meet our clients' new credit requirements even during the worst periods of the general shortage of bank liquidity.

Balance sheet

Salient figures of the balance sheet include:

- Balance sheet total DM 22,100 m
- Deposits DM 20,500 m
- Volume of credit DM 15,600 m

Our activity during the year under review was centred around:

Focal points in 1971

- Strengthening our collaboration with Banco di Roma and Crédit Lyonnais (see also pages 55–58: "Co-operation Well Under Way");
- Establishment of a New York branch as the first direct branch of a German bank in the United States (see page 42);
- Close links with Rheinische Hypothekenbank and Westdeutsche Bodenkreditanstalt (see also pages 53–54: "Close Links with Mortgage Banks").



Commerzbank  
Group

Following the acquisition of a majority holding in Westdeutsche Bodenkreditanstalt, the Commerzbank Group now comprises the following major banks:

Commerzbank	balance sheet total DM 22,100 m
Berliner Commerzbank	balance sheet total DM 1,200 m
Commerzbank International S.A.	balance sheet total DM 1,400 m
Rheinische Hypothekenbank	balance sheet total DM 3,500 m
Westdeutsche Bodenkreditanstalt	balance sheet total DM 2,000 m

Including the other affiliated institutions, the Commerzbank Group's consolidated balance sheet total at Dec. 31, 1971, amounted to DM 30,200 m.

At the turn of 1971/72 the banks affiliated in the Commerzbank Group

- through 800 branches
- with 17,500 employees
- looked after some 2.2 million clients who
- maintain some 3.4 million accounts.

The last  
twenty years

In presenting the annual statement of accounts for 1971 we can look back on twenty years of post-war activity, since the opening balance sheets for the then successor banks had been drawn up on January 1, 1952. These two decades represent the most successful period in the more than one hundred years of the Bank's history.

During the past twenty years Commerzbank took full advantage of the opportunities of expansion existing in the home market by enlarging its German branch network from 108 to 730 offices. The number of employees rose from about 4,800 to around 16,000 as part of the growth process\*).

The success of the joint efforts by management, employees and shareholders is reflected in

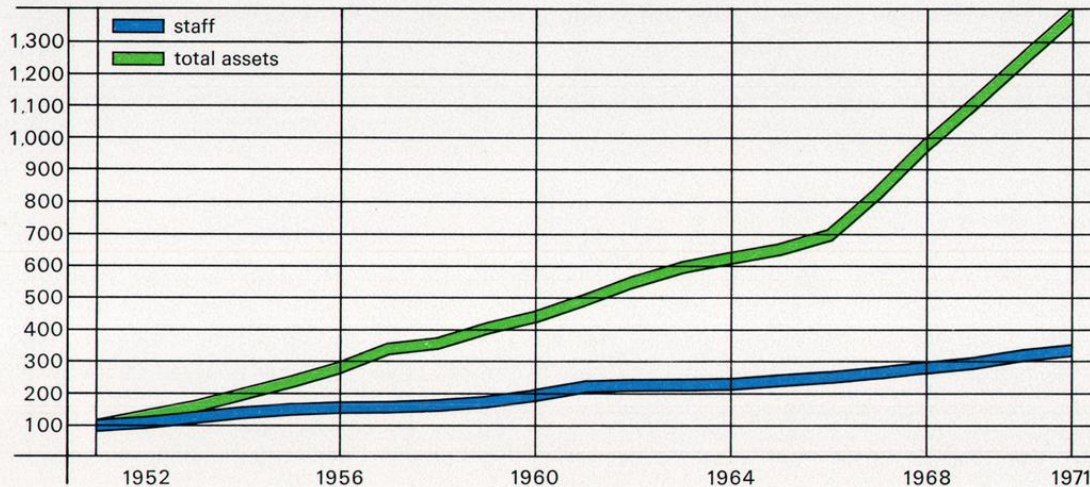
- a 14fold increase of the balance sheet total
- an 18fold increase of capital resources
- a more than 60fold increase of the initial volume of savings deposited with us:

in DM m	Balance sheet total	Total lendings	Capital resources	Savings deposits
Jan. 1, 1952	1,581	1,282	55	75
Dec. 31, 1971	22,102	15,641	990	4,840

\*) For a review of business progress year by year during 1952/71 see page 92 of this Report.



Total assets and staff at year-end (Jan. 1, 1952 = 100)



From the earnings achieved during these twenty years

- DM 599.8 m dividends have been distributed to our shareholders
- DM 370.5 m has been allocated to the published reserves
- DM 934.4 m taxes have been paid out.

The number of shareholders has quadrupled to reach some 100,000.

In 1971 as in previous years, earnings did not keep pace with business expansion. The interest margin showed a clear downward trend, mainly because rates charged to borrowers fell faster than deposit rates owing to the cuts in the discount rate, and to cheaper foreign credits. In addition, the increase in minimum reserve ratios clearly affected interest margins; the minimum reserves we were obliged to hold during the year under review were up on average by DM 650 m compared with 1970.

Earnings position in 1971

The interest surplus did not therefore exceed the level of the previous year, even after elimination of all special factors. On the other hand, commissions received were substantially higher mainly thanks to a vigorous increase in turnover in the issue and stock market business as well as in our extensive foreign business. The latter produced higher earnings in foreign exchange transactions, too.

The shift in earnings from interest to services, a sector subject to wider fluctuations, accordingly continued. This is, however, partly the result of our own business policy—to make maximum use of the growth prospects inherent in securities dealings and foreign business.

Depreciation of the Bank's security portfolio was considerably lower than in the two previous years. Overall, the balance between "sundry receipts" and "depreciation and valuation reserves" has again shown a noticeable improvement.



Personnel costs and expenditure on materials again rose appreciably, although there had been non-recurring special expenditure in connection with the Bank's centenary in 1971.

Total profit before taxes on a comparable basis showed a slight increase over the preceding year.

**Policy on charges**

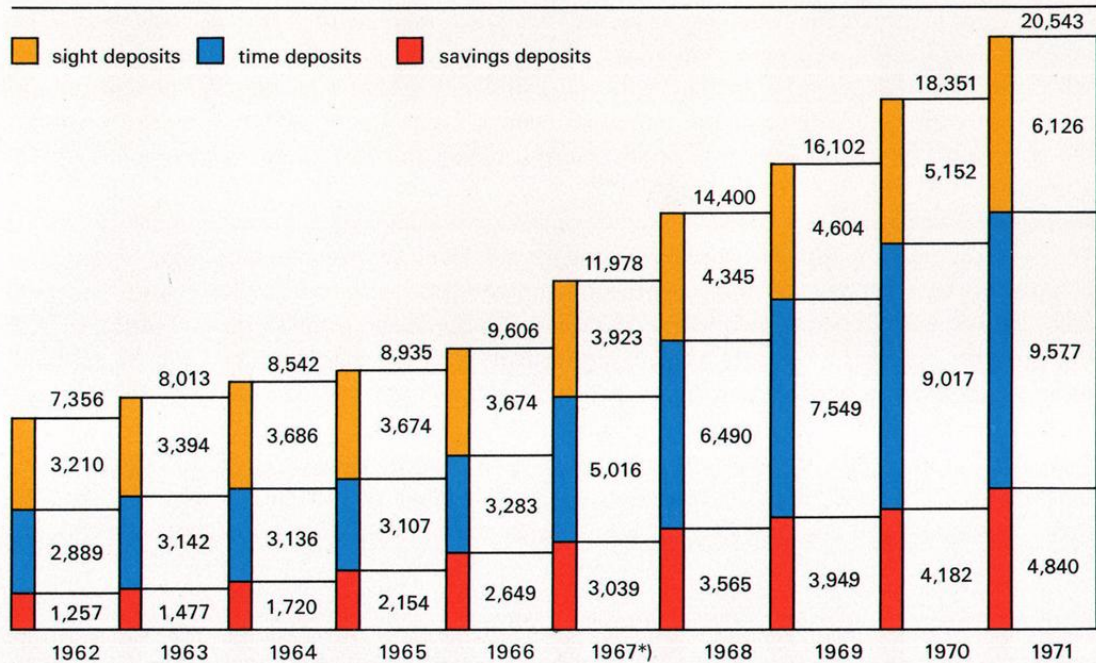
The increasing discrepancy between the growth of commission receipts and the steep rise in the costs of services which has become apparent in the course of the last few years has led us to re-examine our policy on charges. We believe we have found a fair solution, with a charge per ledger entry for private Commerzbank accounts which is made only over and above a certain number of free entries. This solution has the additional advantage of being easy to put into practice. However, only part of the effective costs are covered in this way.

We very much regret in this connection that the Federal Post Office, while pursuing a profit-making policy in those sectors of its business in which it holds a monopoly, is evidently still prepared to work below cost in the money transfer services, where it competes with the entire commercial banking system. For the banks this means, paradoxically, that in making as they do extensive use of the telecommunication facilities offered by the postal system, they contribute appreciably to those surpluses which in turn are injected into the post office giro and savings services.

**Growth of deposits**

Deposits from non-bank clients were up by a total of 12.9 per cent at the end of the year under review, as compared with the end of 1970; balances kept with us by other banks rose by 8.1 per cent. Clients' short-term deposits showed a further pronounced increase. Expecting as we did a fall in interest rates, we gave priority to this type of deposits during the closing weeks of 1971 by varying our terms accordingly.

Deposits at year-end (in DM m)



\*) owing to new regulations governing the drawing up of balance sheets, the data from 1967 on are not fully comparable with earlier figures





*Our building and rebuilding programme is going according to schedule.  
The photo shows the new premises of our Bielefeld branch.*



Size of savings accounts	Number of accounts	Amount in DM m
up to DM 1,000 . . . . .	964,054	231.6
from DM 1,000 to DM 10,000 . . . . .	494,612	1,637.2
from DM 10,000 to DM 50,000 . . . . .	96,485	1,631.9
over DM 50,000 . . . . .	8,853	1,339.5
	1,564,004	4,840.2

**Account saving** Our savings business made encouraging progress, although many investors once again switched to high-interest-bearing new issues during the year. Overall we registered purchases of securities totalling DM 608 m at the expense of savings deposits.

The number of savings accounts kept with our branches rose by more than one tenth to over 1.5 million. Savings deposits increased by DM 660 m, the highest annual increase ever recorded, with savings deposits eligible for bonus payments showing a more than average increase. Apart from this, however, the trend towards longer-term deposits, and thus higher interest rates, did not continue; both categories—i.e. deposits with legal and with agreed periods of notice—rather grew at about the same rate.

**Savings schemes** Our "Combi-Sparen (combined saving) with Commerzbank Savings Bonus" scheme, which continued to enjoy great popularity, contributed in no small measure to the growth in savings. Nearly 30,000 of these saving plans involving DM 145 m were newly started with us and our Berlin subsidiary. The turn of 1971/72 thus marks two important events—the total number of such contracts concluded now exceeds 100,000 and the amount covered by these contracts totals over DM 500 m. The larger part of the new contracts was again effected within the scope of the Formation of Assets Law and the Savings Bonus Law. Just on DM 200 m of the savings deposits with an agreed period of notice are balances on "combined saving" accounts. Our efforts to win our clients over to security investments through saving plans have also been successful (see page 46).

**Utilization of funds in 1971**

Source of Funds	DM m	Application of Funds	DM m
<b>Inflow of deposits</b>		<b>Increase in lendings</b>	
Bank deposits . . . . .	298	Credits to credit institutions . . . . .	129
Customers' deposits . . . . .	1,894	Bills discounted . . . . .	127
	2,192	Claims on customers . . . . .	1,583
			1,839
		Increase in securities portfolio . . . . .	32
Increase in rediscounted bills . . . . .	196	Increase in participations . . . . .	95
Increase in other liabilities . . . . .	225	<b>Increase in liquid funds</b>	
Reduction of		Cash reserve . . . . .	560
Treasury bills and notes . . . . .	336	Nostro balances . . . . .	393
Reduction of other assets . . . . .	33	Increase in other assets . . . . .	53
		Reduction of liabilities . . . . .	10
<b>Total</b>	<b>2,982</b>	<b>Total</b>	<b>2,982</b>



We expanded our volume of business (including bills rediscounted) by DM 2,603 m in 1971. This increase enabled us to satisfy the demand for credits, very lively as it was at times, without neglecting the requirements of constant liquidity.

Investment policy

Among the free liquid reserves we favoured balances with other banks which rose by 21.5 per cent. On the other hand, we decreased our holdings of Treasury bills and notes the terms of which were no longer satisfactory. The increase in the cash reserve was due in no small measure to the more stringent minimum reserve requirements; at the end of the year we were obliged to keep DM 308 m more in minimum reserves with the central bank than at the end of 1970.

As we did not replace medium-term bonds reaching maturity, our holding of such paper fell noticeably; whereas our long-term bond portfolio declined only slightly.

Securities portfolio and participations

We enlarged our share portfolio. This resulted in an increasing number of participations subject to disclosure. We took the opportunity for example to enlarge our holding in Hochtief up to the 25 per cent tax-privileged minimum.

We substantially increased our participations in other banks, especially by purchasing a qualified majority in Westboden, by increasing our interest in Rheinische Hypothekenbank, by raising our ADIG holding to 27 per cent, and by stepping up our participations on an international level (see page 41).

We feel that the demand for credit, buoyant at times, made by industry on its own banks at home once the D-Mark had been floated, represents the after-effects of the investment boom which extended far into 1971: New investments had become noticeably dearer and, as profit margins narrowed, companies were forced to switch to borrowing to a larger extent than had originally been envisaged in their financial plans. There was also a relatively high need for funding, following frequent cases of initial financing of investments with short-term funds during the 1969/70 peak interest period in order to avoid the permanent burden of extremely high credit charges.

Lending

At the same time borrowing abroad had become more risky after the floating of exchange rates. The threatened cash deposits on funds borrowed abroad also led many companies to take the precaution of applying for lines of credit at home in order to be able to repay foreign debts at any time; major industrial companies in particular pursued such a prudent policy in regard to liquidity.

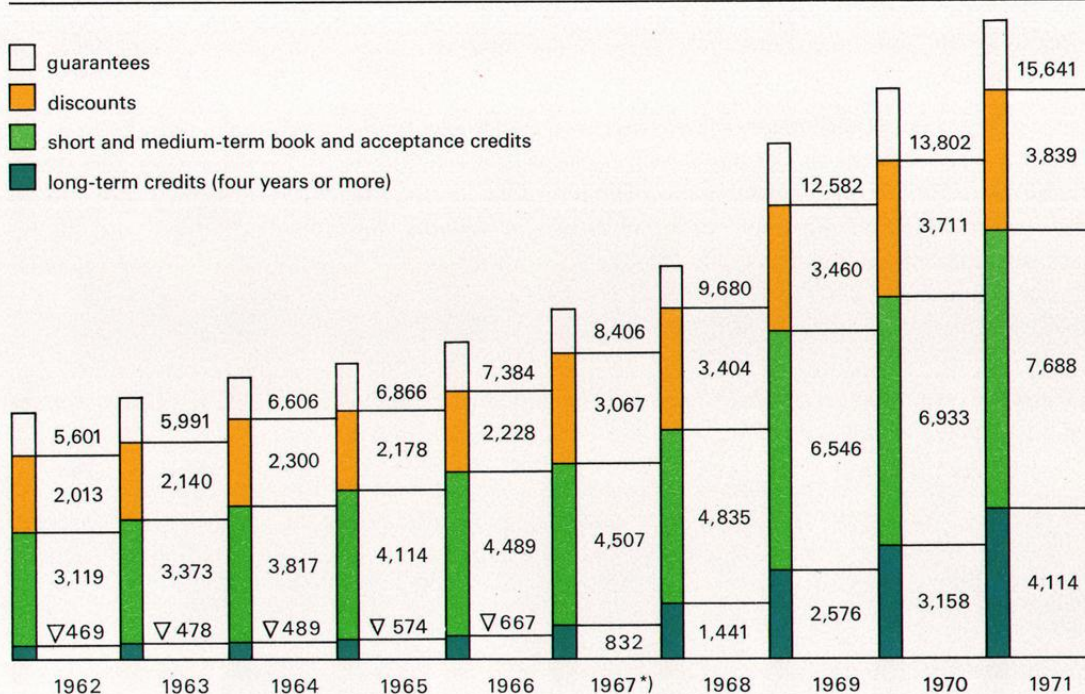
The demand for long-term loans was particularly brisk. We increased the volume of credits with a minimum life of four years by more than 30 per cent.

Long-term finance

A substantial part of these credits represented earlier commitments now being honoured. We expect the long-term credit business to grow at a slower pace in the immediate future, all the more so as demand for finance for new investments in industry is stagnating because of the "investment pause". Moreover, industry displays an increasing readiness to take advantage of the lower interest rates on the capital market by floating new issues or taking up loans against borrower's note (Schuldscheindarlehen).



**Total lendings at year-end (in DM m)**



\*) owing to new regulations governing the drawing up of balance sheets, the data from 1967 on are not fully comparable with earlier figures

**Total lendings**

We raised our total lendings, which include claims on other banks (excluding balances with other banks), by altogether 13.3 per cent to DM 15,600 m, as compared with the previous year. The growth was chiefly based on higher book credits to non-bank clients, which were up by 17.0 per cent and thus for the first time passed the DM 10,000 m mark. Short and medium-term book and acceptance credits to non-banks, which we combine under the head of "claims on customers", rose by 10.9 per cent compared with the previous year, the proportion of medium-term lendings with a life of more than 12 months rising to 15.7 per cent.

Discount credits, on the other hand, were up by only 3.4 per cent at the closing date compared with the previous year. During the summer period we exercised considerable caution in buying bills of exchange since, in view of the high deposit rates, we regarded the terms as unsatisfactory. It was only when the money market eased somewhat during the fourth quarter that we increased our bill portfolio.

The total of guarantees, which had grown particularly steeply during the previous year, remained substantially unchanged.

**Size of lendings**

Our lendings were spread over some 395,000 borrowers:

Size of credits	1970	1971
359,442 credits up to DM 20,000 . . . . .	91.2%	91.1%
23,403 credits from DM 20,000 to DM 100,000 . . . . .	5.7%	5.9%
	96.9%	97.0%
9,213 credits from DM 100,000 to DM 1,000,000 . . . . .	2.4%	2.3%
2,570 credits over DM 1,000,000 . . . . .	0.7%	0.7%
	100.0%	100.0%





*Public utilities showed particular interest in long-term finance during 1971 in order to carry out their huge investment projects. We placed several large loans against borrower's note for them, and doubled or own credit commitments into the bargain. The photo shows work on the nuclear power station at Biblis/Rhine.*



Breakdown of lendings to business and private customers*)	31-12-1970	31-12-1971
Mining and public utilities . . . . .	2.0%	3.8%
Chemical industry . . . . .	8.4%	10.0%
Electrical engineering, precision instruments, optical goods, metal products, and plastics . . . . .	13.1%	13.4%
Production of iron, steel, and other metals; foundries . . . . .	6.0%	7.1%
Steel construction, mechanical engineering, vehicle and shipbuilding . . . . .	14.9%	13.7%
Building . . . . .	3.0%	2.8%
Foodstuffs, luxury foods, and animal feeding stuffs . . . . .	4.1%	4.2%
Textiles, clothing, and leather . . . . .	5.7%	4.9%
Wood, paper, and printing . . . . .	3.7%	3.4%
Commerce . . . . .	16.9%	13.9%
Other borrowers <sup>1)</sup> . . . . .	22.2%	22.8%
including instalment credits . . . . .	(5.3%)	(5.1%)
	100.0%	100.0%

\*) Excluding guarantees, but including transmitted credits (on a trust basis); <sup>1)</sup> especially private customers

Breakdown  
of lendings

The shifts in our lendings to different industries mirror the differences in investment trends. Higher investments in power stations for example are reflected in double the amount of money lent to public utilities as compared with the previous year.

Generally speaking we felt it necessary to increasingly examine our credit commitments with special care in 1971, particularly in view of cyclical risks peculiar to individual industries but also because of the general deterioration in profit and balance sheets structures.

Private  
credit schemes

Keen interest by private customers in capital investment during the year under review went hand in hand with a certain drop in demand for instalment credits. We expanded the former personal loans of a comparatively small size into "purchase loans" with a limit of DM 4,000. "Procurement loans" made available by us up to a ceiling of DM 20,000 are in demand not only by consumers but also by small traders and professional people. Purchase loans and procurement loans as a whole amounted to DM 624 m at the closing date, 10 per cent up on the previous year.

Private loans secured by mortgages on real estate averaged about DM 35,000, and were in lively demand again in 1971 without being specially pushed. They reached a total of DM 165 m.

Total lendings under our credit schemes for private customers, including overdraft facilities which have been widely used, have meanwhile reached almost one thousand million D-Marks.

Guarantees

After having steeply increased in 1970, the total of guarantees assumed by us did not show any significant change in the year under review, as we resigned ourselves to granting credit guarantees to cover foreign borrowings of German companies.

Instalment credits  
and leasing

We continued to provide instalment credit finance through Bank für Teilzahlungskredit. This subsidiary, which had increased its share of the market appreciably in the previous year, managed to maintain its volume of credit in 1971 despite falling demand for investment finance.

Following clarification of essential tax problems, the affiliated Commerz- und Industrie-Leasing GmbH is now in a position to step up its activities.



In order to make available capital resources to clients not in a position to issue securities, we acquired a 50 per cent holding in Beteiligungsgesellschaft für Industrie und Handel mbH-BETINDUS. We regard participations through this neutral finance company as constructive contributions to strengthening medium-sized industry on a private enterprise basis. BETINDUS is to take up longer-term minority interests in industry and trade. We are fully aware that this method of financing presupposes a high return on capital, and cannot therefore be effective except to a limited extent, but we felt it would logically complement our range of services.

Procurement  
of capital resources

For German exporters and importers 1971 was a year with a multitude of adverse factors: International competitive strength was affected not only by wage inflation, monetary uncertainties and parity changes but also by the high cost of credit caused by the Bundesbank's discount and lombard rates policy. The enormous administrative impediments erected by the Federal Government and the Bundesbank to deter the flood of money from abroad created an interest differential of a size which made it advisable for us to adopt a particularly flexible business policy. On a number of occasions, therefore, we provided finance in third countries through our Luxembourg subsidiary.

Providing  
finance abroad

We continued to play a major role in providing long-term export finance for German industry. The change in the competitive situation led us to find new ways in this sector as well. In appropriate cases we helped our customers with special finance, a great deal of which again coming from our own resources. We expect banks to fall back on their own liquid funds to a growing extent. Co-operation with AKA Ausfuhrkredit-Gesellschaft mbH proved itself once again. Its credit ceilings still represent the relevant basis for long-term finance for German exporters.

Long-term  
export finance

We again assisted interested clients by arranging for factoring their foreign receivables. This helps to improve their balance sheet position, a relief which is often desirable, and leaves scope for new export contracts.

Our organization abroad was strengthened in agreement and close co-operation with our international partner banks (see page 55).

Foreign bases

International Commercial Bank Ltd. (ICB) has continued to operate successfully. This London-based bank, which specializes in the provision of medium-term funds in the international credit business, also played a major part in financing German exports. ICB's balance sheet total averaged some £ 300 m in 1971. As part of the process of reorganization which takes account of the newly formed international groupings of leading European banks, the National Westminster Bank ceased to be a shareholder in ICB, and each one of our two international partner banks is now on the point of acquiring an interest. On the other hand, Commerzbank withdrew from Société Financière pour les Pays d'Outre-Mer S.A. (SFOM), for the very same reasons.

ICB

The development opportunities we see in Australia have led us to take up a participation in Australian United Corporation (AUC), Melbourne, a leading Australian investment bank. We also opened a representative office in Sydney jointly with our two partner banks.

AUC



We attach particular importance to the branch we opened in New York last year. Apart from our Luxembourg subsidiary, Commerzbank International S.A. (on the business progress of which we report on page 74) and our holding in International Commercial Bank, London, the New York branch is now one of our most important foreign bases. This office—the first direct branch of a German bank in the United States and at the same time our first foreign branch since 1945—is active both in the field of financing and in the money and foreign exchange markets.

The opening of our New York branch logically complements our growing engagement in international capital markets. The supreme importance of the US dollar as the international

NEW YORK TIMES, FRIDAY, SEPTEMBER 24, 1971 L 65

**LES SURGED DAY PERIOD**

From Page 57

es this week, automotive News, a nation, climbed to 00, which is more the strike-curtailed year.

hurt by 'Phase 1' Sept. 23, (Reuters)—United States economies are hardly affected—foreign cars in the US, the Japan Auto-manufacturers Association.

to an unofficial re-association's New imported cars were to hold their share and States auto market be in a stronger position after the was lifted.

was forecast that cent import sur-ht reduce United imports from this ated 1,600,000 units) or 1,500,000 units

estimates indicated s in 1972 would be 000.

esents 16 per cent ted States market, said. It added that for imported cars to 20 per cent in

# Commerzbank ist jetzt ein New Yorker.

(Commerzbank is now a New Yorker.)

Commerzbank started out in Hamburg, founded on February 26, 1870, to help Hanseatic merchants finance and expand their multinational trade.

Commerzbank now becomes a New Yorker as it opens a full-service branch in the city—the first by a German bank in the United States.

Commerzbank-New York is offering a complete range of banking services—a multinational bank for multinational companies. A network of more than 800 branches in West Germany and Berlin, 11 Representative Offices and participations in 40 financial institutions all over the globe, back up the New York operations.

Commerzbank is part of the tripod of cooperation with Banco di Roma of Italy and Credit Lyonnais of France, adding up to a combined network of 3,000 branches in the core of the Common Market, as well as overseas.

Commerzbank-New York Branch is located at 55 Broad Street, New York, Telephone: 248-1400, Telex: 127488.

**Age**

71

**ER COUNTRIES**

\$1.12 an Australian dollar.

1.155 1.155 1.148

value par value established

98.32 98.47 98.11

99.09 98.57 98.27

-\$1.12 a New Zealand dollar.

1.71

30 1.1585 1.1580 1.1179

-\$1.40 a rand. (1.3880)

**FAR EAST**

1.8110 1.4170 1.3950

1.5 cents a Hong Kong dollar.

40.

17.15 17.15 16.50

16.5 16.50 (15.20-15.60)

13.47 13.47 13.25

value par value established

25 0.2677 0.2655 0.2298

1 cents a rupee. (20.70)

21.70 21.70 20.95

15.80 15.80 15.80

**ITIN AMERICA**

30.

30.30 30.30 25.50

11.80 11.80 21.40

3.70 3.70 7.10

4.97 4.97 5.37

cents per peso. (7.9550)

8.01 8.01 8.01

2.35 2.35 2.35

710 0.2710 0.2710 0.406

22.30 22.30 22.30

quotations above the listing in dollars and cents of a constant level, and low support levels, in an official position.



International Head Office: Frankfurt/Main.

International Partners  
BANCO DI ROMA • CREDIT LYONNAIS

## Crédit Lyonnais has come to the U.S.A.

Announcing the opening—in New York—of a branch office representing one of the largest full-service banks in France

*The first branch to be opened by a German bank in New York introduced itself to the American business world under the motto "Commerzbank is now a New Yorker".*



*After having gained a footing in New York in 1967 by establishing a representative office there we opened a branch on 55 Broad Street, downtown Manhattan, in 1971. Apart from its credit operations it is particularly active in the money and foreign exchange markets.*



financing currency makes the opening of a representative office in its home market an obvious move. From New York we are at the same time in a better position to look after the growing interest of German industry in investments in the United States. Conversely we are now also well prepared to offer a comprehensive service to US companies with European offices. Full integration of the branch in our computer system has served to facilitate the technical handling and to keep down costs.

With effect from the current year the branch has taken over the business of our former New York representative office.

The volume of export and import transactions effected through us rose by approximately 15 per cent in both directions during the year under review. Dealings in foreign exchange were very hectic at times, with the overall turnover rising steeply. We were successful in offering our foreign trade customers cover against the exchange risks, high at times, even during the difficult period of flexible exchange rates.

Commercial  
foreign trade

Co-operation with business friends abroad was complicated by restrictions imposed by the monetary authorities, in particular by the ban on interest payments and the additional minimum reserve requirements for foreign deposits.



**Foreign position** The Bank's foreign position again showed a favourable balance in 1971. These assets—credit balances abroad, lendings to foreign debtors and, to a lesser extent, foreign securities and participations—exceeded one tenth of our balance sheet total. Funds employed which required exchange guarantees were always protected by forward cover so that we did not suffer any losses from the realignment of parities.

**Issues** The issue business in 1971 was at last characterized once again by increased efforts to provide funds for industry and trade (see also page 25). We frequently acted as leading underwriters for capital increases and debenture issues in favour of German companies as well as for foreign D-Mark bond loans.

We regard it as an important future task to clear the way to the stock exchange for eligible companies which can no longer bear the restrictions of a family business. This would diversify the list of German shares quoted after many an interesting name had been lost through take-overs and mergers during the past few years.

**Loans against borrower's note** Interest in finance by loans against borrower's note grew considerably in 1971. We placed several such loans up to amounts of DM 100 m, mainly in favour of the particularly capital-intensive public utilities. Demand for this form of finance from manufacturers is also increasing, however.

**Foreign D-Mark loans** We succeeded in strengthening still further our position in the international issue business. We acted as leading underwriters, partly together with Crédit Lyonnais, in placing six foreign D-Mark bond loans, including issues for New Zealand, or for the American companies Firestone and Tenneco. We also acted as co-managers in 18 international bond loans totalling an equivalent of more than DM 1,700 m, and in some of them jointly with our two international partner banks. Six of these issues were denominated in D-Mark, ten in US dollars, one in units of account (UA), and finally one in European currency units (ECU), heralding a future European currency in the capital market.

#### Co-operation in underwriting syndicates

Year	Domestic loans (incl. convertible bond loans)	Foreign DM loans (incl. convertible bond loans)	Capital increases through rights issues*)
1965	25 totalling DM 3,800 m	13 totalling DM 1,300 m	43 totalling DM 2,200 m
1966	9 totalling DM 900 m	7 totalling DM 700 m	21 totalling DM 1,300 m
1967	32 totalling DM 4,200 m	8 totalling DM 700 m	21 totalling DM 400 m
1968	25 totalling DM 3,900 m	44 totalling DM 4,600 m	16 totalling DM 1,300 m
1969	9 totalling DM 1,800 m	54 totalling DM 6,000 m	28 totalling DM 700 m
1970	19 totalling DM 4,600 m	29 totalling DM 2,700 m	37 totalling DM 1,800 m
1971	40 totalling DM 6,800 m	36 totalling DM 3,600 m	28 totalling DM 1,800 m

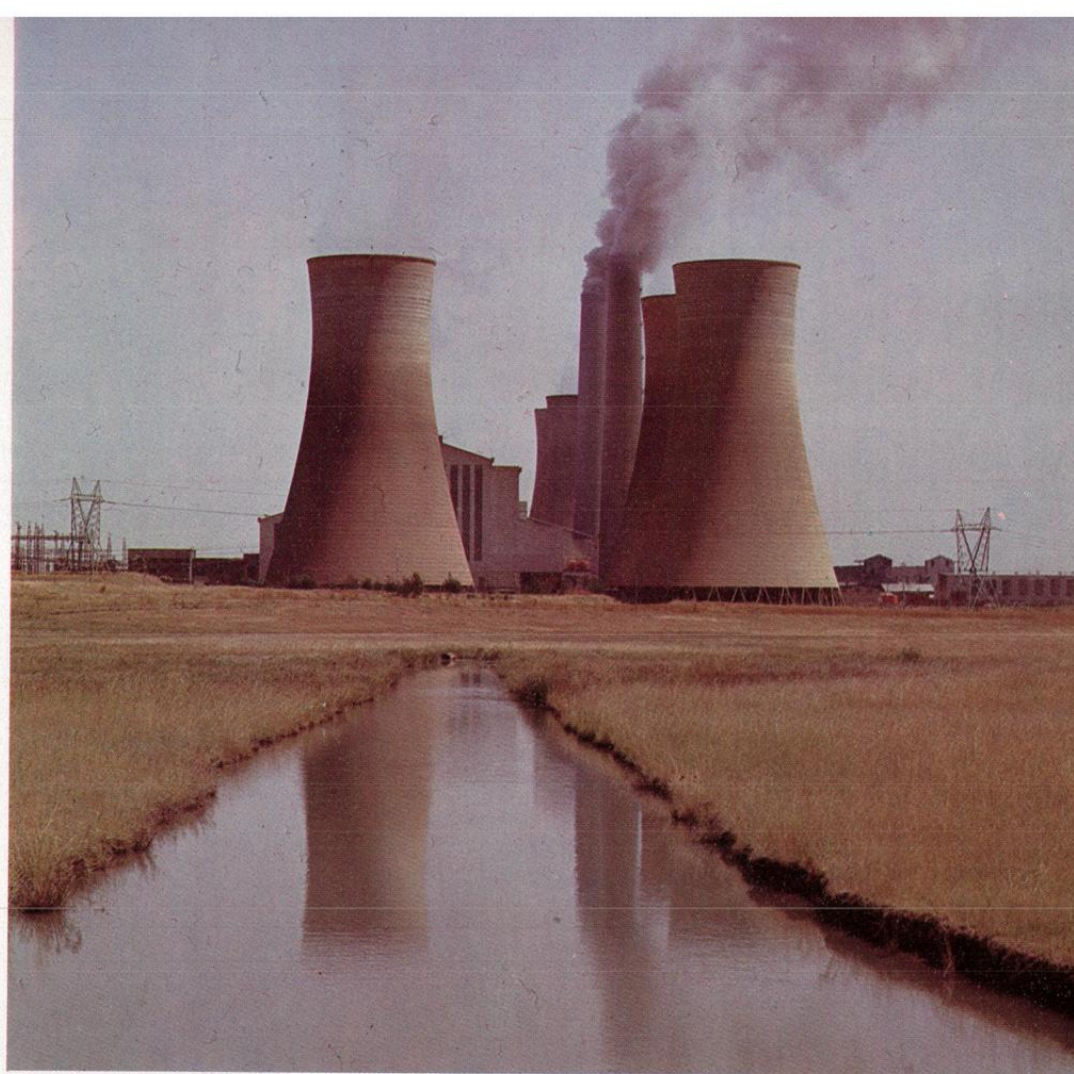
In addition we joined in placing 484 foreign currency loans from 1965 to 1971.

\*) final amount

**Euro-capital market** The Euro-capital market set a new record in issues in 1971, although the monetary chaos at times paralyzed the market, particularly in the field of dollar issues. Even more clearly than in previous years the emphasis was on securities with maturities of from 11 to 15 years.



*In the issue business we again acted as underwriters for a number of foreign loans. We thus led the syndicate for an issue of Escom, the South African public utility company, which again came to the German capital market.*



*Europistas, The Spanish motorway company, raised two D-Mark loans in 1971/72, with Commerzbank acting as leading underwriter.*



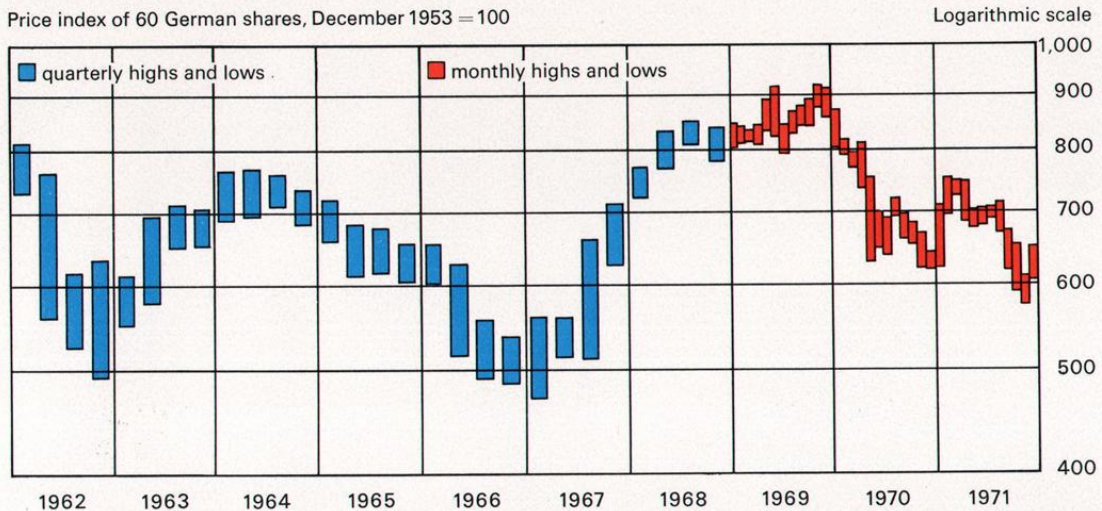
Altogether we participated in underwriting and placing 106 foreign currency bond loans; this was a record also in terms of the amounts involved.

Stock exchange business

The stock exchange business was livelier on the whole than during the preceding year, largely because of higher turnover in the bond market. Our private clients were particularly interested in high-interest-bearing new issues.

The share market was heavily depressed at times during 1971. Nevertheless the Commerzbank share index, which covers the price movements of 60 leading stocks, at the end of the year at 648.6 was 4 per cent up on the previous year. The year's low had been reached on November 8 with an index figure of 573.4.

Commerzbank share index



We continued to pay special attention to investment prospects in foreign securities. The advantages of spreading risks internationally became obvious during the period under review. Operations in American security markets were greatly facilitated by close co-operation with EuroPartners Securities Corporation, joint New York subsidiary of the Banco di Roma/Commerzbank/Crédit Lyonnais group.

Security deposits

The number of security deposits kept with the Bank rose only slightly as we managed to convince many owners of small deposits that "ADIG accumulation accounts" were a more suitable form of investment, and cheaper in the long run as well (see below).

Our stock market information system, which is now linked to some 400 branches, facilitates fast decisions, providing as it does access not only to relevant stock market and company data but also to details of clients' safe custody accounts.

Investment in securities

The investment trusts of ADIG Allgemeine Deutsche Investmentgesellschaft, in which we now have a 27 per cent interest, again did quite well in 1971. This is particularly true for the ADIVERBA specialized fund, for which together with three other ADIG funds the Bank acts as trustee. All nine funds managed by ADIG stood at DM 1,700 m at the end of 1971. ADIG continues to promote investment trust saving schemes. The number of such accumulation accounts and plans newly started through our branches more than doubled in 1971. Altogether the number of accumulation accounts handled by ADIG now exceeds 100,000.



Our new specialized "investment scheme for physicians" based on a combination of several investment trusts is becoming increasingly popular.

We feel that property investment has very good future prospects. We have therefore acquired 25 per cent holdings each in Deutsche Grundbesitz-Anlagegesellschaft mbH (DGA) and Deutsche Grundbesitz-Investmentgesellschaft mbH (DGI), both in Cologne. Our partners in both these companies, which are organizationally integrated, are Bausparkasse GdF Wüstenrot and Deutsche Bank. DGA issues closed-end funds that are of particular interest for tax considerations. DGI which is subject to bank supervision specializes in open-end investment trusts.

Property investment

When acquiring these holdings we felt that the two specialized companies already operating successfully on a national basis had a thorough knowledge of the market, and as a result were in a position to choose their projects with particular care. DGI is introducing a new fund called "Haus-Invest" the shares of which are for sale through Commerzbank and other ADIG partners.



*We were the first German bank to introduce the screen terminal and the telex network into the field of individual investment advice. The securities information system based hereupon gives our securities consultants and their clients direct access to centrally stored stock exchange and company data, and to the state of their security deposits as well.*



Organization We extended our German network by seven new branches and five further sub-branches to a total of 730 offices.

Additional fields were incorporated in our computer system. To the extent that the individual business sectors are integrated in the EDP system our management information system is improved. The New York branch is connected to our Frankfurt data centre through a direct line—the first computer link between bank branches across the Atlantic.

The growing use of computers has enabled us to increase our productivity appreciably: the Bank's measurable volume of work increased by 110 per cent during the past five years, whereas the number of hours worked—in spite of more extensive consultancy work—rose by 24 per cent only.

eurocheque A new phase in payments between countries started at the beginning of 1972 with the introduction of the standard eurocheque, guaranteed by the issuing bank up to an amount (or equivalent) of DM 300. Our customers are now in a position to draw cash against their eurocheque card in some 30 European countries.

Customers and accounts During the year under review we gained 150,000 new customers. We now have more than 1.9 million clients for whom we handle about 3 million accounts. In 1971 the largest increase was registered in savings accounts.

Shareholders A large majority of Commerzbank shareholders, who now number around 100,000, took up the new shares resulting from the 1971 capital increase.



## Report on Staff and Welfare Matters

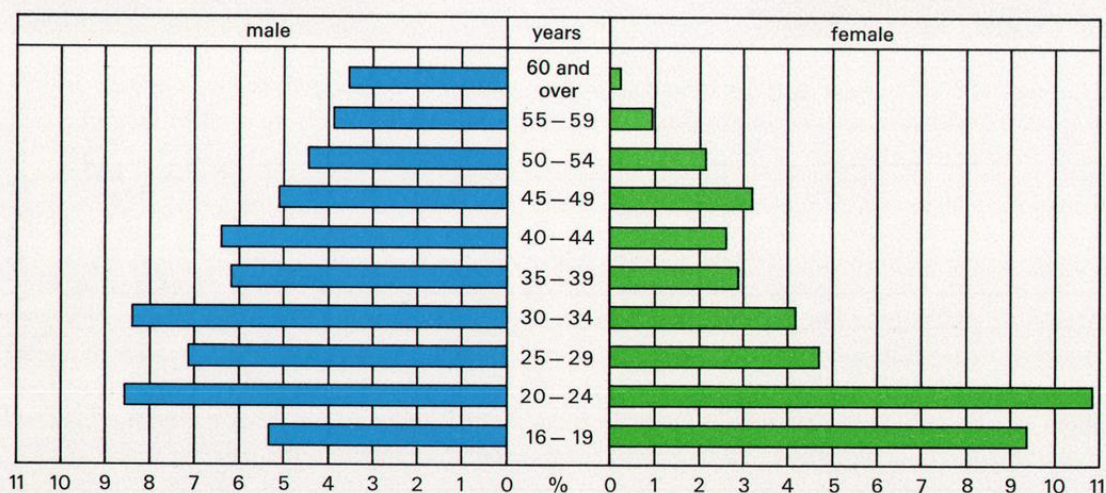
The extension of our branch network, the growth of the volume of business and the necessary expansion of the staff departments again entailed the engagement of additional employees during the year under review. A total of 15,952 full-time staff (including 1,540 part-time employees on a pro-rata basis) was employed at the closing date, an increase of 3.3 per cent over the previous year.

Size of staff

We employed a total of 16,722 people at the end of the year under review, including 187 called up for national service, with the number of people being trained (what used to be called apprentices and trainees) showing a further rise to 1,846.

The average age of the staff as a whole fell slightly to 34 years. At the same time the proportion of female employees rose further, from 43.3 to 45.5 per cent.

Age structure at Commerzbank in per cent



118 employees retired during the year. At the end of 1971 we were looking after 2,592 pensioners and widows.

At the end of the year under review seven employees could look back on 50 years of service with Commerzbank; 21 employees completed 40 years and 26 employees 25 years of service with us.

We mourn the passing of 30 employees and 68 pensioners during the year.





*Our central staff college and regional training courses offer our employees an opportunity not only of expanding their professional knowledge but also of exchanging information with their colleagues.*

**Scale salaries**

Scale salaries were raised by 7.9 per cent (by a minimum of DM 72 in any case) as from March 1, 1971. In addition, the employer's contribution to promote assets formation was doubled to DM 26 a month from the beginning of 1971. The level of remuneration covered by collective agreements thus rose altogether by more than 9 per cent. Holiday regulations were improved at the same time. Voluntary bonuses at Christmas and after the annual general meeting were paid as before to all members of the staff employed on the basis of scale salaries.

**Personnel costs**

An average of 15,499 full-time staff was employed during the year. Total cost of salaries, wages, and social securities payments amounted to DM 389.1 m.

Pension reserves for our employees were strengthened by DM 15.4 m to DM 171.5 m in 1971. Altogether a total of DM 38.3 m was spent on pensions and social benefits, an increase of 17.5 per cent over the previous year.

**Staff shares**

Once again we offered Commerzbank shares on preferential terms to our staff and to the employees of our subsidiaries, buying the shares required in the market as in previous years. Acquisition of the shares was mainly effected through using the employer's contributions to promote assets formation. More than 10,000 of our employees and pensioners are now



*The female element is becoming increasingly prominent with our staff.  
The photo shows the information desk in the rebuilt banking hall in Hanover.*





shareholders of Commerzbank AG as well. Most of those employees who had already bought Commerzbank shares in previous years took the opportunity of the capital increase carried out in 1971 to subscribe for new shares.

**Training** Undiminished attention is being paid to staff training and further education. Language tuition was made available on a substantially wider scale. We have extended the general syllabus in our central staff college, and in regional seminars as well, to include management courses, specialized courses for all important sections, and training in sales psychology. We take a special interest in promoting the training of junior managerial staff.

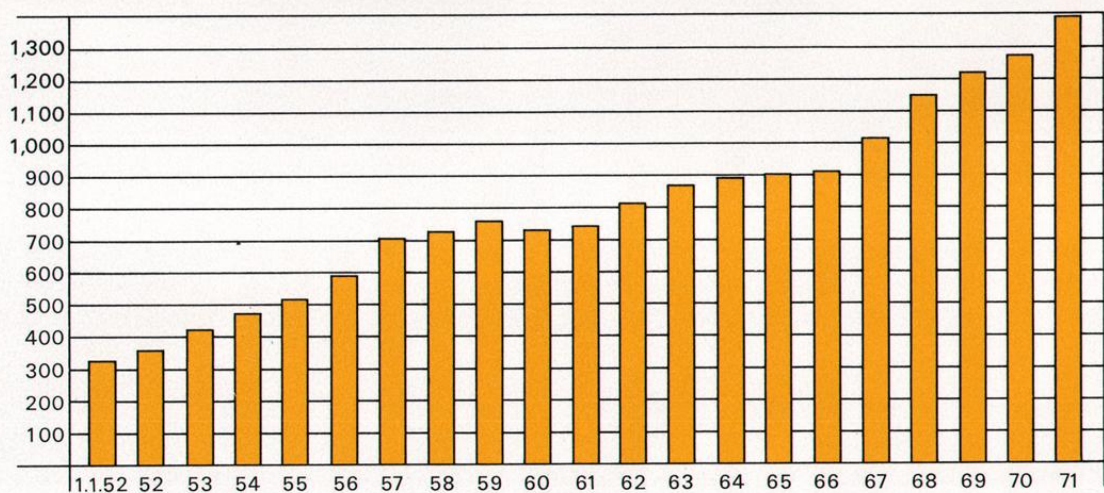
Personnel exchanges with foreign banking friends were continued. This applies in particular to our two partner banks (as for our co-operation with them in staff matters see page 57).

**General staff council** Co-operation between the Bank's management and the general staff council continued in an atmosphere of objectiveness and open-mindedness during the year under review.

\*

In 1971 we were forced once again to make increased demands on the devotion to duty of our employees. We should like to express our appreciation and our thanks to all those who, by their initiative and hard work, contributed to the successes achieved in the business year.

**Total assets per employee** at year-end (in DM 1,000)





## Close links with mortgage banks

The trend towards all-purpose banks is gaining strength all over the world because of the growing demand for finance, and in the Federal Republic even more so as a result of keen competition involving in particular both private banks and the strong savings banks organization as well as the co-operative banks which are currently engaged in reorganization.

The big German credit banks have long represented all-purpose banks to a comparatively large extent. There was one important exception, however: unlike their competitors in the public credit sector they could not as a matter of principle raise funds through mortgage bonds and communal bonds. To finance their lendings they had to rely almost exclusively on the shorter-



*In 1971, its centenary year, Rheinische Hypothekenbank introduced a new type of mortgage bond. The terms of this "Centenary Mortgage Bond"—a rising rate of interest during the ten years of its life and obligatory redemption at fixed prices—were warmly welcomed by private investors.*



term deposit business. Long-term credits could not therefore be granted except to a limited extent in terms of both amount and period of repayment. True, this gap could be bridged through co-operation with specialized institutions which the banks maintained business relations with, in particular the private mortgage banks, but these loose links proved unsatisfactory in the long run.

The 1970/71  
regrouping  
of holdings

Convinced that long-term finance will increase in importance, the big banks started to strengthen their links with mortgage banks at the turn of 1970/71. This development might be said to parallel the international regrouping which took place at about the same time, and in the course of which the previous principle of "everybody with anybody" was replaced by especially close links with individual partners.

As part of this regrouping of holdings, the Bank became the majority shareholder in two mortgage banks of long standing: Rheinische Hypothekenbank of Mannheim, which celebrated its centenary during the period under review, and Westdeutsche Bodenkreditanstalt, an institution active in Cologne since 1893. Both banks work on a national basis and have joint financial resources of DM 5,500 m. Commerzbank has meanwhile acquired a qualified majority holding of more than 75 per cent of the share capital of both these institutions.

Advantages  
to both sides

We believe that very close co-operation of this kind will result in advantages to both sides. The mortgage banks will be able to sell their mortgage and communal bonds more efficiently through the extensive network of Commerzbank branches. At the same time the parent bank's wide circle of clients represents potential borrowers for the mortgage banks. On the other hand, thanks to the financial strength of the mortgage banks, Commerzbank will be able to extend its credit terms to periods which would have been beyond its reach on the basis of its deposit business alone.

Co-operation  
in practice

Intensive co-operation has meanwhile started in the credit sector. An overall housing finance scheme is under way as a special service. Moreover, we have initiated joint activities in the field of public and publicly guaranteed loans, including large-scale credit arrangements based on the provision of funds through communal bonds. Joint financial action in relation to the property investment trusts the creation of which we have participated in, and the shares of which we are helping to issue, would be another obvious choice.

Future prospects:  
town planning

All in all we believe that close co-operation with the two mortgage banks of the Commerzbank Group will give us an opportunity of taking a larger share in financing public projects for the community.

In the long term we can see particularly interesting opportunities to co-operate in the fields of slum clearance and town planning. What we have in mind here is to increasingly encourage investments with property investment trusts. Thus, several important targets may be achieved at the same time: the capital needed will be raised privately, with the savings of many investors collectively providing the large amounts required. At the same time the private investor has a chance to acquire property in interchangeable form, even in small amounts; he can thus spread his investments according to those classic principles which had previously been open to the rich only.

\*

For a report on the progress of the two associated mortgage banks during the business year 1971 see pages 76/78.



## Co-operation Well Under Way

Banco di Roma, Commerzbank and Crédit Lyonnais made a point of further strengthening the close and comprehensive co-operation agreed upon in 1970/71.

The establishment of joint offices overseas has met with particular public attention. The New York investment bank "EuroPartners Securities Corporation", which is mainly active in the field of issues, represents the first joint base of the three banks. Five joint representative offices are also in business by now, some of them previously offices of the individual partner banks, others newly established: whilst the Singapore office continues the work carried out by the former Commerzbank agency, and while the former Mexico representation of Crédit Lyonnais has been absorbed by the joint representative office set up there, the joint offices at Tokyo and Johannesburg were established by merging the separate agencies of Commerzbank and Crédit Lyonnais. The Sydney joint representative office, on the other hand, has been expressly set up for the purpose. Three representatives, one for each of the three partner banks, are in charge of each one of the joint offices, with efficiency being increased because of sharing both work and costs.

Public attention  
focused on overseas  
activities . . .

In the US, however, the partner banks had to go their own separate ways because of the local laws and regulations governing the commercial banking business there: Thus Commerz-

*The Chairmen of the Supervisory Boards of Banco di Roma, Commerzbank, and Crédit Lyonnais: Vittorio Veronese (right), Hanns Deuss (left), and François Bloch-Lainé (middle).*





bank and Crédit Lyonnais opened separate branches in New York in September 1971, and Banco di Roma established an "agency" in San Francisco.

... but Europe remains the focal point

The focal point of its co-operation is felt by the group to be Europe, however. In the original EEC countries except the Netherlands, a closely knit network of branches gives the three banks practically full coverage. Crédit Lyonnais has some 2,000 branches and sub-branches in France, whilst Commerzbank operates through almost 800 branches in the Federal Republic and West Berlin, and Banco di Roma has about 250 branches in Italy. Furthermore, there are a number of direct branches or participations in the rest of Europe (see world map on page 118).

Credit links across the frontiers

By means of a general agreement the three banks have ensured that for instance German companies with business interests in France or Italy can solve all their financing problems through Commerzbank alone. Other European countries like Belgium, where Crédit Lyonnais operates thirteen branches, also form part of the joint credit network. In this way checking procedures for lendings to foreign branches and associated companies can be greatly facilitated. In an important sector, the Three have thus put the idea of a coherent European banking system into practice for the first time.

Moreover, not only the business world but also the public at large benefit from a simplified system of outpayments in transfers between countries. German clients in particular, who are not subject to any currency restrictions, can draw freely and without fuss on their own accounts in any one of the partner countries, and in a number of other places in Europe as well. This system already proved itself during the 1971 holiday season.

*Joint pavilion, Frankfurt International Fair*







*Jointly operated tourist counter on Königsallee, Düsseldorf*

In tourist centres the partner banks have opened joint counters for foreign tourists. The group also appears with joint stands at trade fairs and exhibitions, especially in the EEC, but also on occasion in other countries.

The arrangements on co-operation also envisage the exchange of qualified personnel not only within the three partner countries but also including other important centres. In 1971, for example, Commerzbank sent experts to the Crédit Lyonnais offices in London and Brussels. At the beginning of 1972 a "German desk" of this kind was also set up in Barcelona. Commerzbank sends its experienced employees abroad to do two things: On the one hand to assist German companies interested in foreign trade, and on the other to give effective help to foreign companies with interests in Germany.

"Commerzbank desk" abroad

The first impressive proof of their co-operation had been given by the three banks through their joint activities in international underwriting syndicates. This path was followed successfully in 1971. Whenever possible the partner banks appeared in "tandem formation" or indeed as a "triple alliance" in international underwriting syndicates. They also played a major role in providing large-scale international credits. The list of issuers and borrowers for whom the group acted as leading underwriters ranges from New Zealand, or international industrial concerns like Firestone and Alfa Romeo, to the Comecon Bank.

Co-operation in underwriting syndicates



ADIG Allgemeine Deutsche Investment-Gesellschaft and Rominvest Fund act as the main channels for investment saving within the Group. Crédit Lyonnais had acquired a holding in ADIG as early as 1970, whilst Banco di Roma is to take up a participation shortly. Commerzbank and Crédit Lyonnais, on the other hand, have become partners in Rominvest S.A.

Exchange of  
personnel, and joint  
publications

The three banks realize that in the long run such close and comprehensive co-operation cannot flourish without joint successes and more particularly without mutual understanding. The partner banks therefore attach great importance to personal contacts at all levels, not only among their top level managers.

Priority has been given to the exchange of personnel. Apart from the experts seconded to the staff of the partner banks on a long-term basis, a systematic short-term exchange rota has been introduced to include both branch personnel and central administrative staff. At the present time some 20 Commerzbank employees work with the partner banks on a temporary or secondment basis. A start has also been made on joint courses for branch managers, mainly for the purpose of clarifying differences in banking practice existing in the countries concerned.

Joint publications help to stress the particularly close form of co-operation. We were the first European group of banks to publish a "Joint Report" in 1971, with information in four languages about the partner banks and the objects of our co-operation. Publications on economic subjects have also been prepared jointly in the meantime.

Joint financial  
resources of some  
DM 100 thousand  
million

The three institutions are backed by financial resources of nearly DM 100,000 m, representing the equivalent of the group's joint balance sheet totals at the beginning of 1972, but excluding their respective subsidiaries (see also table at the inside back cover of this Report).

The partner banks believe that the object of a comprehensive European banking group can be achieved even without the loss of legal and financial independence; they do consider it just as necessary, however, for business policy to be harmonized to a large extent—subject to such differences as may still exist in the relevant legal provisions—as it is for the solution of organizational problems to be mutually agreed. To have come close to reaching these goals in the very first year of co-operation is, the group feels, a substantial achievement.



## Outlook

We could not but let the problem of the lost stability of prices run like a thread through our report for 1971. This underlines the major importance we attach to regaining a sound climate of prices. Price inflation has largely been due to higher costs. Greater stability cannot be achieved without improving productivity and without curbing wage inflation. Demand must also be kept down, however, if the fight against inflation is to have lasting success.

The economy:  
need for a pause  
in growth

We therefore look with scepticism upon plans to initiate a new economic upswing already in the near future by putting the funds frozen at the Bundesbank back into the economy and by mobilizing budgetary contingency funds. Such action might prematurely put an end to the pause in growth which we regard as a badly needed respite and a necessary period of consolidation.

Even without a government boost to the economy, 1972 is likely to see economic growth of the order of 2 per cent in real terms. Following the recent boom this target should be enough. More ambitious plans would soon again lead to an excessive demand on production capacities.

The recession has shown up flaws in the structure of the German economy which result from changes in international competition. Although we think it an exaggeration to generalize about the German industry as being largely dependent on exports, companies in many a field of production would no doubt benefit from a reappraisal of their location and their production programmes in terms of their foreign business. In future, production abroad will become a realistic alternative for more and more sectors of the economy. Such a concept would be more in line with the principles of a division of labour in the world economy than the increasing use of foreign labour at home.

Structural problems

The financial stability of the German economy continues to be threatened not only from the inside but also from the outside. For this reason alone the stabilization of the international monetary system in a short time is of vital importance to the Federal Republic.

International  
economic  
responsibilities  
of the US

The monetary crisis of 1971 was a dollar crisis. The first few weeks of the current year have shown that the open flames may have been extinguished but that the ashes are still smouldering. The outlines of the new monetary order envisaged are still blurred. A lasting solution presupposes the restoration of the American balance of payments. The economic problems of the United States have thus become the problems of the whole Western world.

The US faces the dilemma of high unemployment and only very slow economic recovery, with the balance of payments showing a large deficit. The domestic economy accordingly demands a policy of deficit spending and cheap money, whilst the external situation requires the opposite. Europe, and the Federal Republic in particular, have shown great understanding for the problems facing the US when fixing the new parities. This justifies an appeal to the United States to show more awareness of their responsibilities in the world economy. The interest differential in particular ought to be reversed and widened to a point where it helps to harden the dollar.



Free enterprise  
economy and  
public needs.

The free enterprise economy is being threatened in many countries today, as is evidenced by the resort to price and wage freezes. In the Federal Republic, too, the principles of the free enterprise system are more often called into question today than in the years of reconstruction, when they were instrumental in producing the "German economic miracle". The attacks are directed against both the "compulsions" of a competitive society and business profits which are condemned as "profiteering".

We are convinced that the free enterprise system is in the best interest of the community despite the weaknesses inherent in any free system. If public needs are disregarded in the process, this should not be blamed on the system. Rather is it the responsibility of the politicians to ensure that public investments keep abreast of the general growth. During the last few years this has been done with no more than indifferent success. We feel this is the root of an unease which has also made itself felt in other highly developed countries, however.

We believe that the government can only solve the great tasks of today and tomorrow on a joint basis with trade and industry. The vital problems of environmental protection for example demand close co-operation between the public authorities and industry. This is particularly true in the case of town planning and slum clearance.—Where the formation of assets is concerned, the advice and experience of the banks should be utilized.

Financing the major tasks ahead of us—education, public health, town and country planning, environmental protection and transport—will make immense demands on the public authorities and on capital markets. This presupposes a realistic overall programme with priorities meeting economic criteria.

Such an overall plan should also include a policy of spreading the ownership of the means of production more widely. However, too ambitious projects of assets formation as advocated in many different quarters particularly in 1971 have served a basically good idea badly. Against this a balanced policy of building up wealth, forming part of a long-term programme and respecting the basic principles of our system of private ownership, and also offering a sound alternative to the "redistribution battle", is fully supported by us.

Commerzbank  
in 1972

The upward trend continued in all important sectors of the Bank's business during the first few weeks of the current year, with security transactions and underwriting showing an especially favourable development. On the other hand, personnel and material costs continued to rise.

The increasingly close cooperation with our international partner banks and with the associated mortgage banks will enable us to offer our clients an even more comprehensive and efficient banking service. For our private clients in particular we are planning a wider range of investment and credit facilities.

In order to be ready for further growth, we are anxious to be flexible in matching our liable funds to the volume of business. For this purpose we propose to the annual general meeting two measures of raising capital: Firstly, we intend to make use of the instrument of the convertible bond, and secondly we feel that the time has come once again to create an "authorized capital". In principle the new shares resulting from the authorized capital are to be offered to shareholders, but we reserve the right to utilize marginal amounts to round off "odd" amounts of share capital which may result from the exercise of conversion rights. The convertible bond loan will also be offered to shareholders for subscription.



## Explanatory Notes on the Annual Accounts

During the business year 1971, the Bank's balance sheet total rose by DM 2,406.2 m to DM 22,101.9 m, equivalent to an increase of 12.2 per cent. Details of changes as compared with the previous year are as follows:

Balance sheet total

ASSETS	DM million	LIABILITIES	DM million
Cash reserve, cheques, items for collection, and bills . . . . .	+ 479.3	Liabilities to credit institutions	+ 297.7
Claims on credit institutions . . . . .	+ 521.5	a) demand . . . . .	+ 104.2
Treasury bills and discountable Treasury notes . . . . .	%/ 335.9	b) time . . . . .	+ 193.5
Bonds, notes, and securities . . . . .	+ 31.5	Other liabilities . . . . .	+ 1,893.8
Claims on customers . . . . .	+ 1,582.8	a) demand . . . . .	+ 869.5
Participations . . . . .	+ 95.5	b) time . . . . .	+ 366.5
Land and buildings, furniture and equipment . . . . .	+ 36.7	c) savings deposits . . . . .	+ 657.8
Sundries (including transmitted credits, on a trust basis) . . . . .	%/ 5.2	Provisions . . . . .	+ 24.7
	+ 2,406.2	Commerzbank Foundation . . . . .	+ 0.2
	+ 2,406.2	Special items with reserve element . . . . .	%/ 10.0
		Capital and reserves . . . . .	+ 140.0
		Sundries (including transmitted credits, on a trust basis) . . . . .	+ 59.8
			+ 2,406.2

### Assets

At the end of 1971, the cash reserve consisting of cash on hand, balances with Deutsche Bundesbank and on postal giro accounts, amounted to DM 2,336.3 m. This is equivalent to 11.3 per cent of our total liabilities to banks and other creditors plus our own acceptances in circulation.

Liquidity

Our total liquid assets in cash reserve, cheques, matured bonds, interest and dividend coupons as well as items received for collection, bills of exchange rediscountable at Deutsche Bundesbank, claims on credit institutions (for a period of less than three months), Treasury bills and discountable Treasury notes, as well as fixed-interest-bearing securities eligible as collateral for Deutsche Bundesbank advances, amounted to DM 7,183.3 m, i. e. 34.8 per cent of the total liabilities mentioned above, as against 36.9 per cent in the previous year.

We increased our credit balances with credit institutions by DM 521.5 m to DM 3,142.4 m during the year. This item comprises balances from clearings, money market investments and loans to German and foreign banks. It is broken down as follows:

Claims on credit institutions



in DM m	1971	1970
Money employed . . . . .	2,221.6	1,828.6
of which: demand . . . . .	( 842.6)	( 782.7)
time . . . . .	(1,379.0)	(1,045.9)
Lendings . . . . .	920.8	792.3
of which: long-term . . . . .	( 448.9)	( 367.7)
Total claims on credit institutions . . . . .	<u>3,142.4</u>	<u>2,620.9</u>

Securities Bonds and notes dropped by 8.5 per cent to DM 899.9 m, 71.7 per cent of this total being eligible as collateral for Deutsche Bundesbank advances.

The item "securities" covers such of our investments in quoted shares, investment trust shares and other securities as are not listed under different headings. At DM 632.2 m, they were up DM 115.5 m on the previous year.

All holdings of securities have been valued in the balance sheet on the lowest value principle as in the past.

Credit business The total of book credits, acceptance credits and discounts (excluding transmitted loans, on a trust basis) increased by DM 1,838.6 m in 1971, representing a credit expansion of 13.3 per cent. This includes:

	1971	1970
Claims on credit institutions . . . . .	DM 920.8 m = 5.9%	DM 792.3 m = 5.7%
customers . . . . .	DM 10,881.4 m = 69.6%	DM 9,298.6 m = 67.4%
Book and acceptance credits	DM 11,802.2 m = 75.5%	DM 10,090.9 m = 73.1%
Discounts . . . . .	DM 3,838.5 m = 24.5%	DM 3,711.2 m = 26.9%
Total lendings . . . . .	<u>DM 15,640.7 m = 100.0%</u>	<u>DM 13,802.1 m = 100.0%</u>

Adequate individual valuation reserves and provisions were made for all discernible risks in the credit business. In addition, the prescribed global valuation reserve was made to the extent permitted by tax regulations.

Trends in individual categories of the credit business were as follows during the financial year 1971:

At the end of 1970, we had loans in short and medium-term book and acceptance credits totalling DM 7,688.2 m outstanding, i. e. DM 755.5 m more than on December 31 of the previous year. Credits granted to non-bank customers increased by DM 708.1 m, whilst loans to credit institutions rose by DM 47.7 m.

Customers' demand for long-term finance also continued during 1971. This part of our credit business rose by DM 955.8 m, i. e. 30.3 per cent, to DM 4,114.0 m during the year under review. This included DM 448.9 m in loans to banks. In contrast there were DM 595.5 m in long-term liabilities resulting mainly from financing operations with Kreditanstalt für Wieder-



aufbau (Reconstruction Loan Corporation), as well as with other public agencies and banks. Where appropriate agreements had been made with the lenders, the funds concerned were advanced to borrowers on lenders' terms.

Discounts last year showed a rise of 3.4 per cent to DM 3,838.5 m. At the end of 1971, 80.5 per cent of the bills acquired had remained in the Bank's portfolio. Bills held comprised DM 210.9 m worth of bills purchased from banks to ensure the employment of our own funds.

Equalization claims declined by DM 2.2 m to DM 79.2 m; of this, DM 1.5 m represented repayments on schedule and DM 0.7 m repayments ahead of schedule.

Equalization and covering claims

Covering claims totalling DM 3.2 m were repaid on schedule.

We increased our participations by DM 95.5 m during the year under review. Changes include DM 108.0 m in new acquisitions and capital increases, the fulfilment of payment commitments and the reinforcement of holdings. A balance sheet value of DM 381.2 m resulted after book transfers of DM 9.2 m and disposals of DM 21.7 m. Depreciation at DM 34,380.41 was rather small.

Participations

We acquired the following new participations:

- Australian United Corporation, Melbourne
- Beteiligungsgesellschaft für Industrie, Handwerk, Handel und Verkehr mbH, Hamburg
- Beteiligungsgesellschaft für Industrie und Handel mbH, Frankfurt
- Deutsche Grundbesitz-Investmentgesellschaft mbH, Cologne
- Deutsche Grundbesitz-Anlagegesellschaft mbH, Cologne
- Société de Gestion du Rominvest International Fund S.A., Luxembourg
- Westdeutsche Bodenkreditanstalt, Cologne

Our participations are shown in a diagram on pages 81 and 82, with details on our share in the capital of each company.

Our affiliates and subsidiaries continued to do well in 1971. Our income from this source amounted to DM 15.3 m.

All the companies in which we hold more than 25 per cent of the nominal capital are separately listed on page 80. (These holdings are included in the balance sheet item "securities".)

Our property, as shown in the balance sheet, changed as follows during the year under review:

Land and buildings

	Bank premises	Other properties
Balance sheet value at December 31, 1970 . . . . .	DM 216.0 m	DM 16.0 m
Additions . . . . .	DM 41.3 m	DM 4.5 m
	DM 257.3 m	DM 20.5 m
Disposals . . . . .	—	—
Ordinary depreciation . . . . .	DM 7.0 m	DM 0.3 m
Special depreciation pursuant to Article 6, Income Tax Law (EStG) . . . . .	DM 10.0 m	—
Balance sheet value at December 31, 1971 . . . . .	DM 240.3 m	DM 20.2 m



The additions represent in the main purchases as well as new buildings and extensions at Bonn, Frankfurt a. M., Fürth, Leverkusen, Stuttgart, and Wuppertal.

**Furniture and equipment** The continuous replacement of our technical equipment for banking operations, measures of rationalization and the further expansion of our network of branches entailed the purchase of furniture and equipment totalling DM 35.0 m. After disposals amounting to DM 0.6 m and depreciation of DM 26.2 m as permitted by tax legislation the resulting book value amounted to DM 94.0 m.

**Sundry assets** Sundry assets as shown in the balance sheet include holdings of gold bars, gold coins and gold medals, as well as various debtors outside the scope of banking business.

#### Liabilities

**Liabilities** The liabilities to credit institutions and other creditors resulting from our banking business rose by 11.9 per cent to DM 20,542.8 m during the financial year 1971. The credit balances of our non-bank customers accounted for 86.4 per cent of the overall increase of DM 2,191.5 m.

The structure of our total liabilities is illustrated by the following table:

	1971	1970
<b>Liabilities to credit institutions:</b>		
demand . . . . .	DM 1,461.2 m = 7.1%	DM 1,357.0 m = 7.4%
time . . . . .	DM 2,458.7 m = 12.0%	DM 2,256.1 m = 12.3%
Customers' drawings on credits opened by us at other credit institutions . .	DM 45.0 m = 0.2%	DM 54.1 m = 0.3%
	DM 3,964.9 m = 19.3%	DM 3,667.2 m = 20.0%
<b>Banking liabilities to other creditors:</b>		
demand . . . . .	DM 4,664.6 m = 22.7%	DM 3,795.1 m = 20.7%
time . . . . .	DM 7,073.1 m = 34.4%	DM 6,706.6 m = 36.5%
savings deposits . . . . .	DM 4,840.2 m = 23.6%	DM 4,182.4 m = 22.8%
	DM 16,577.9 m = 80.7%	DM 14,684.1 m = 80.0%
<b>Total liabilities . . . . .</b>	<b>DM 20,542.8 m = 100.0%</b>	<b>DM 18,351.3 m = 100.0%</b>

**Own acceptances** Acceptance credits used by our customers declined from DM 203.5 m to DM 190.3 m. At the closing date, DM 76.9 m of our own acceptances were outstanding.

**Provisions** On the basis of actuarial calculations the present values of our pension commitments and expectancies amounted to DM 171.5 m on December 31, 1971. Our provisions for pensions have accordingly been increased by DM 15.4 m, as compared with the preceding year.



Other provisions were shown at DM 102.2 m. They include provisions for taxes and liabilities of uncertain size, as well as that portion of the global valuation reserves which is not deductible from assets in the balance sheet.

DM 10.0 m allocated in previous years to special reserve items under Article 6b, Income Tax Law (EStG), was written back and used for special depreciation of land and buildings.

Special reserve items

During the financial year 1971, we were required to write back a portion totalling DM 45,378.— of the reserve formed under Article 1, paragraph 1, item 2, Development Aid Tax Law.

The capital increase of up to DM 50 m, as authorized by the ordinary general meeting of shareholders on May 13, 1971, has been effected in the autumn of last year, after having been approved by the Supervisory Board.

Capital and reserves

The capital increase has been effected through the issue of new shares priced at DM 125.— per DM 50.— nominal share (i. e. at 250 per cent). The resulting premium totalling DM 75 m has been allocated to the statutory reserves.

DM 15.0 m from the year's earnings was allocated to other reserves.

The Bank's capital and reserves are now composed as follows:

	1971	1970
Capital . . . . .	DM 400 m	DM 350 m
Published reserves		
a) statutory reserve . . . . .	DM 226 m	DM 151 m
b) other reserves . . . . .	DM 364 m	DM 349 m
	<u>DM 990 m</u>	<u>DM 850 m</u>

Endorsement liabilities on bills rediscounted increased from DM 551.5 m to DM 748.0 m.

Notes on the balance sheet and other remarks

Liabilities arising from guarantees, including guarantees for bills of exchange and cheques, and from indemnity agreements, amounted to DM 2,026.4 m on the closing date. This was 1.4 per cent less than at the end of 1970.

Contingent liabilities in respect of possible calls on shares not fully paid-up and holdings in private limited companies amounted to DM 5.3 m at the closing date. There are additional liabilities pursuant to Article 24, Law on Private Limited Companies (GmbHG).

#### Profit and Loss Account

In spite of the decline in interest rates in connection with the discount rate cuts *interest and similar receipts from lending and money market transactions*, thanks to our expanded business volume, still amounted to DM 1,253.8 m, or DM 37.1 m less than the corresponding receipts of the previous year.



*Current receipt from fixed-interest-bearing securities, government inscribed stock, other securities and participations* rose only negligibly by DM 0.7 m to DM 120.5 m. This revenue of altogether DM 1,374.3 m is partly offset by *interest payments and similar expenditure* amounting to DM 887.2 m, as against DM 908.9 m in the year before.

The resulting net interest income totals DM 487.1 m, only DM 14.7 m or 2.9 per cent less than in 1970.

Interest earnings exempt from taxation or enjoying tax privileges amounted to DM 8.1 m. Dividend payments received from holdings were DM 37.0 m. Altogether these receipts showed but little change in comparison with the previous year.

*Commissions and other receipts from service transactions* together rose to DM 138.2 m, due to a larger turnover in securities dealings and in transactions with abroad as well as to a continuously growing volume of payments transactions.

We spent DM 6.5 m on *commissions and similar expenses in respect of service transactions*, leaving a surplus amounting to DM 131.7 m as compared with DM 108.3 m in 1970.

*Other receipts including those from provisions in the credit business written back* are shown at DM 108.2 m. This covers gains on foreign exchange dealings, rent derived from our properties and miscellaneous receipts. This item also covers that part of profits realized on our own dealings in securities, of payments received on claims written off, and of receipts from valuation reserves and provisions no longer required in the lending business which has not been set off against *depreciation of and valuation reserves for claims and securities, as well as allocations to provisions in the credit business*. After offsetting the amounts permitted by law, the balance remaining in this item of expenditure amounted to DM 13.3 m.

The Bank's total personnel costs comprised:

	1971	1970
<i>Salaries and wages</i> . . . . .	DM 317.6 m	DM 287.8 m
<i>Statutory social security contributions</i> . . . . .	DM 33.2 m	DM 24.8 m
<i>Expenditure on retirement pensions and other benefits</i> . . . . .	DM 38.3 m	DM 32.6 m
	DM 389.1 m	DM 345.2 m

The rise in personnel costs thus amounts to 12.7 per cent. If the non-recurring payments on the occasion of our centenary in 1971 are excluded, the increase amounts to 17.3 per cent.

The increase was due to the negotiated salary rise of March 1, 1970, becoming fully effective for the first time in 1971, to the further salary increase of March 1, 1971, and also to the slight increase in the number of our employees which became necessary despite continuing rationalization.



*Expenditure on equipment and materials for the banking business and sundry expenditure* rose by DM 17.7 m to a total of DM 161.2 m, compared with the previous year. This represents a rise of 12.3 per cent. The measures of rationalization introduced during the last few years now proved their worth.

*Depreciation of and valuation reserves for land and buildings as well as of or for furniture and equipment* were comprised as follows:

	1971	1970
Ordinary depreciation of		
land and buildings . . . . .	DM 7.3 m	DM 7.5 m
furniture and equipment (including low-value items) . . . . .	DM 26.2 m	DM 26.4 m
Total ordinary depreciation . . . . .	DM 33.5 m	DM 33.9 m
Special depreciation of land and buildings under Article 6 b		
Income Tax Law (EStG) . . . . .	DM 10.0 m	—
Total depreciation . . . . .	DM 43.5 m	DM 33.9 m

*Taxes* involved DM 57.1 m as against DM 47.1 m in the previous year. This increase mainly concerned taxes *on income, earnings and property*, which were shown at DM 50.3 m. *Other taxes* amounted to DM 6.8 m, including DM 3.1 m company capitalization tax which was to be paid in connection with the capital increase.

During the year under review the remuneration of members of the Board of Management amounted to DM 3,973,228.40, whilst pensions paid to former members of the Board and their surviving dependants totalled DM 1,855,381.—. DM 1,031,882.— was paid to members of the Supervisory Board and DM 347,996.— to those of the Central Advisory Council. The members of our Regional Advisory Councils received DM 930,567.50.

As part of the business in securities subject to the provision of returns

544,522 Commerzbank shares (bearer shares of DM 50.— nominal) with a nominal value of DM 27,226,100.—,

Dealings  
in own shares

were bought at current prices over the year and

companies under our control, or in which we have a majority interest, bought 9,592 Commerzbank shares with a nominal value of DM 479,600.—

at an average buying price of DM 226.11, these shares being subsequently resold at a similarly calculated average price of DM 224.50. The proceeds from these sales were reallocated to working funds. Neither we ourselves nor companies affiliated with us held shares of our own at the closing date.

We accepted 81,237 Commerzbank shares with a nominal value of DM 4,061,850.—, and companies under our control, or in which we have a majority interest, accepted 6,691 Commerzbank shares with a nominal value of DM 334,550.—

as collateral from borrowing customers.



Affiliates The following companies are affiliated with us:

Atlas Participations—France S.A.R.L., Paris  
Atlas-Vermögensverwaltungs-Gesellschaft m.b.H., Düsseldorf  
Aussenhandel-Förderungsgesellschaft mbH, Düsseldorf  
Bank für Teilzahlungskredit Gesellschaft mit beschränkter Haftung, Düsseldorf  
Berliner Commerzbank Aktiengesellschaft, Berlin  
Commercium Vermögensverwaltungs-GmbH, Hamburg  
Commerzbank Fonds-Verwaltungsgesellschaft mit beschränkter Haftung (COFO),  
Düsseldorf  
Commerzbank International S.A., Luxembourg  
Commerz- und Industrie-Leasing GmbH, Düsseldorf  
Ad. F. Dreyer, Hamburg  
Hamburgische Grundstücks Gesellschaft m.b.H., Hamburg  
von der Heydt-Kersten & Söhne, Wuppertal-Elberfeld  
Ilseder Bank, Sandow & Co., Peine  
Immobilien- und Wohnungs-Gesellschaft mbH, Hamburg  
Lübecker Flender-Werke Aktiengesellschaft, Lübeck  
H. Maihak Aktiengesellschaft, Hamburg  
Norddeutsche Immobilien- und Verwaltungs-GmbH, Hamburg  
C. Portmann, Frankfurt a. M.  
Rheinische Hypothekenbank, Mannheim  
Friedrich W. Thomas, Hamburg  
Westdeutsche Bodenkreditanstalt, Cologne

As for our legal and business relations with these affiliates, we report as follows:

*Atlas Participations—France S.A.R.L., Paris*

Together with our subsidiary, Atlas-Vermögensverwaltungs-Gesellschaft m.b.H., Düsseldorf, we hold part of the capital of Ffrs 9.0 m. The object of the company is to acquire and administer participations.

*Atlas-Vermögensverwaltungs-Gesellschaft m.b.H., Düsseldorf*

We hold the whole of the company's capital of DM 100,000.—. The object of the enterprise is to administer, acquire and realize assets of all kinds. We serve the company as far as customary banking transactions are concerned.

*Aussenhandel-Förderungsgesellschaft mbH, Düsseldorf*

We hold the whole of the company's capital of DM 100,000.—. This company is engaged in the promotion of foreign trade.

*Bank für Teilzahlungskredit Gesellschaft mit beschränkter Haftung, Düsseldorf*

The whole of the capital, which remains unchanged at DM 3.5 m, is held by us. The company channels its payments through us. It obtains credits to finance its business and keeps credit balances with us. A dividend increased from 14 to 16 per cent will be paid for the last business year.

This subsidiary has branches at Bielefeld, Düsseldorf, Duisburg-Hamborn, Duisburg-Hochfeld, Munich and Stuttgart.



*Berliner Commerzbank Aktiengesellschaft, Berlin*

Following a capital increase of DM 7.5 m at a premium of 100 per cent in December, 1971, the share capital of our Berlin subsidiary now amounts to DM 25.0 m, the whole of which is held by us. A 14 per cent dividend will once again be distributed out of the year's earnings on the old share capital of DM 17.5 m. The balance sheet total rose by DM 271.2 m to DM 1,205.9 m. Liabilities to credit institutions and other creditors rose by DM 254.3 m to DM 1,126.9 m, the growth of savings deposits by DM 61.5 m to DM 329.8 m being particularly noteworthy. The increase in liabilities is largely due to increased lendings to non-bank customers. The Bank maintains 46 branches in Berlin.

*Commercium Vermögensverwaltungs-GmbH, Hamburg*

The whole of the company's capital of DM 50,000.— is held by us. The object of this enterprise is to administer property of all kinds. We maintain a current account for the company, which is also doing business in securities with us on a commission basis.

*Commerzbank Fonds-Verwaltungsgesellschaft mit beschränkter Haftung (COFO), Düsseldorf*

We hold the whole of the company's capital of DM 1.0 m. The enterprise is an investment company and administers several investment trusts.

*Commerzbank International S.A., Luxembourg*

During the financial year the bank effected a capital increase of Lfrs 200 m, raising its share capital to Lfrs 425 m. The shares are held both by us and by some of our subsidiaries.

Apart from being active in the Euro-money market, the bank handles the entire range of international banking business. It is fully integrated with us in matters of both staff and organization.

The bank continued its growth during the year under review and achieved satisfactory results. After an allocation of Lfrs 16.1 m to the reserves, a 10 per cent dividend will be distributed on the increased share capital.

*Commerz- und Industrie-Leasing GmbH, Düsseldorf*

The DM 1,000,000.— (50 per cent paid up) capital of this company, which runs the leasing business in movable capital goods, is wholly owned by our subsidiary, Bank für Teilzahlungskredit Gesellschaft mit beschränkter Haftung, Düsseldorf. Its banking business is channelled exclusively through us.

*Ad. F. Dreyer, Hamburg*

The limited liability part of this bank's capital amounts to DM 50,000.— and is held by our subsidiary, Commercium Vermögensverwaltungs-GmbH, Hamburg. The company handles all kinds of banking business. Payments are effected exclusively through us.

*Hamburgische Grundstücks Gesellschaft m.b.H., Hamburg*

The whole of the company's capital of DM 20,000.— is held by us. The object of the enterprise is to acquire, dispose of and administer real estate, and to handle the business thereby involved. We are at the company's disposal for the purpose of effecting bank payments.



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

The whole of this private bank's limited liability capital of DM 7.0 m is held by us. Apart from its head office at Wuppertal-Elberfeld, it has a branch at Wuppertal-Vohwinkel. Credit balances maintained with us are of a substantial size. Business progress was again satisfactory in 1971; the resulting profit has been transferred to us.

*Ilseder Bank, Sandow & Co., Peine*

We are the sole limited partner in this firm, which conducts banking business of all kinds, and have an interest amounting to DM 2.0 m. Organizationally the bank is fully integrated into our Bank's network of branches.

*Immobilien- und Wohnungs-Gesellschaft mbH, Hamburg*

We hold 90 per cent, or DM 45,000.— of this company's capital of DM 50,000.—. The balance of the capital is held by our subsidiary, Hamburgische Grundstücks Gesellschaft m.b.H. The company's object is to acquire and manage properties, and to build blocks of flats for rent.

*Lübecker Flender-Werke Aktiengesellschaft, Lübeck*

The capital of this major German shipyard, of which we hold 68.9 per cent, is shown at DM 20.0 m. We received a dividend of 6 per cent in the year under review. The accounts for 1971 are not yet available but we expect once again a satisfactory result.

*H. Maihak Aktiengesellschaft, Hamburg*

In the course of the business year we increased to 50.4 per cent our holding in the share capital of DM 3.00 m of this company operating successfully in the field of measuring and control engineering. For the business year 1970, a 15 per cent dividend has been paid to us. Results for 1971, which we again expect to be satisfactory, are not yet available.

*Norddeutsche Immobilien- und Verwaltungs-GmbH, Hamburg*

The company's capital of DM 20,000.— is held as to 75 per cent by Immobilien- und Wohnungs-Gesellschaft mbH, and as to 25 per cent by Hamburgische Grundstücks Gesellschaft m.b.H. The company confines itself to managing real estate and buildings. It channels its payments through us and obtained credits to finance its business during the year.

*C. Portmann, Frankfurt a. M.*

We are the sole limited partner in this private bank. Following a capital increase of DM 1.4 m effected during 1971, the limited liability capital now amounts to DM 1,500,000.—. Banking business is done exclusively through us.

*Rheinische Hypothekenbank, Mannheim*

At the end of 1971, our interest in the share capital of DM 20.0 m of this mortgage bank amounted to 72.5 per cent. After an allocation of DM 6.3 m from the year's earnings the published reserves are shown at DM 78.8 m. The bank now has capital resources totalling DM 98.8 m. DM 5.8 m from the net profit has been earmarked to further strengthen the reserves by an additional DM 1.7 m and to pay a dividend of 20 per cent.



With DM 2,700 m worth of bonds issued and DM 596 m in liabilities to credit institutions and other creditors, the bank reached a balance sheet total of DM 3,500 m at the end of 1971.

In addition to the head office in Mannheim, this bank maintains a branch in Berlin, offices in Düsseldorf, Frankfurt, Hanover, Mainz, Munich and Stuttgart, as well as a mortgage office in Dortmund.

*Friedrich W. Thomas, Hamburg*

This firm engages in all forms of banking, chiefly in the deposit, credit and securities business. Our limited liability holding amounts to DM 500,000. The bank channels its payments through us.

*Westdeutsche Bodenkreditanstalt, Cologne*

Following the regrouping in the private mortgage bank sector, we increased our holding in this bank to a qualified majority of 75.2 per cent of the share capital by buying additional shares in April, 1971.

The bank's share capital amounted to DM 14.0 m on December 31, 1971. Published reserves are shown in the balance sheet at DM 46.9 m, following an allocation of DM 3.9 m from the year's earnings. The bank's capital resources thus amount to DM 60.9 m.

The board will propose to the annual general meeting the allocation of a further DM 1.1 m to the published reserves, and the distribution of a dividend of 20 per cent out of the net profit.

The bank's balance sheet total at December, 1971, amounted to DM 2,000 m.

---

After allocating DM 15,000,000 to the published reserves, the net profit remaining amounts to

DM 61,625,000.

We propose that this amount be used for the payment of a dividend of DM 8.50 per DM 50 nominal share.

The share capital of DM 50,000,000 resulting from the capital increase in October, 1971, ranks for dividend as from October 1, 1971.

---

Düsseldorf, March 10, 1972

THE BOARD OF MANAGEMENT

Behrenbeck Brands Dhom Jahn Lichtenberg

Niederste-Ostholt Reckel Rieche

Deputy Members: Deuss Knappertsbusch Spiegel Terrahe



## Berliner Commerzbank AG, Berlin

Berliner Commerzbank, a wholly owned subsidiary of Commerzbank AG, does business as an all-purpose bank in Berlin and currently operates 48 branches.

### General performance in 1971

In the course of 1971 the balance sheet total for the first time exceeded the DM 1,000 m mark, reaching DM 1,206 m at the end of the year after an exceptional advance of 29 per cent. This success was due to increased activity in all banking sectors. The year's earnings could not be maintained at the level of the previous year, however, as a result of further substantial increases in costs and reduced interest margins.

### Capital increase

The rapid expansion of the deposit and lending business was matched by a capital increase in 1971. The liable funds were raised by DM 15 m to DM 52 m.

### Deposits

The systematic expansion of the branch network in West Berlin has been instrumental for many years in producing an above-average increase in savings deposits. The growth achieved in 1971 amounted to DM 62 m, an advance of 23 per cent compared with a 15 per cent average rate of increase in Berlin. Sight deposits and claims on credit institutions also showed a substantial rise, the latter again—as at the end of 1969—accounting for about one sixth of the balance sheet total.

### Lendings

Contrary to the general economic trend, the demand for credit by both the public and private sectors was very lively during the second half of 1971. After a small increase during the preceding year, the bank stepped up its volume of lendings by more than one third in 1971. The increase of close on 50 per cent in long-term loans was particularly marked. As the discount rate was cut, the bill of exchange regained its popularity as a means of financing. Following a slight fall in the previous year, discount credits rose by 34 per cent.

### Security dealings

Turnover and earnings in the security business advanced considerably, in step with the substantial increase in new issues of bonds and shares. Berliner Commerzbank participated in underwriting syndicates responsible for effecting 32 capital increases and for floating 77 D-Mark loans for German or foreign borrowers during 1971.

Business was sluggish during the year, and demand for loans enjoying tax advantages under sections 16 and 17 of the Berlin Promotion Act revived only towards the end of the year, especially on the part of West German investors. The bank acted as intermediary for such loans and also advised clients interested in limited-liability participations in Berlin.

### Organization and staff

Organizational efforts in 1971 were centred around rationalization, the expansion of the branch network and the extension of the head office building. Data tele-processing at the Frankfurt EDP centre of the parent bank via Federal Post Office lines is in preparation.

Following the opening of two branches, Berliner Commerzbank had a network of 46 offices at the end of 1971. Two further branches came into service during the first few weeks of the current year.



ASSETS	in DM 1,000
Cash . . . . .	116,469
Cheques and items received for collection . . . . .	17,381
Bills of exchange . . . . .	110,066
Claims on credit institutions . . . . .	145,445
Treasury bills and notes . . . . .	4,865
Bonds and notes . . . . .	116,100
Securities . . . . .	4,551
Claims on customers . . . . .	(652,148)
of which:	
a) with life of less than four years . . . . .	411,294
b) with life of four years or more . . . . .	240,854
Equalization and covering claims . . . . .	21,188
Transmitted credits . . . . .	334
Participations . . . . .	484
Land and buildings . . . . .	12,881
Furniture and equipment . . . . .	2,309
Other assets . . . . .	1,721
<b>Total Assets</b>	<b>1,205,942</b>

LIABILITIES	in DM 1,000
Liabilities to credit institutions . . . . .	(211,648)
of which:	
a) demand . . . . .	88,570
b) time . . . . .	123,078
Liabilities to other creditors . . . . .	(915,238)
of which:	
a) demand . . . . .	255,804
b) time . . . . .	329,589
c) savings deposits . . . . .	329,845
(Total of liabilities listed above)	(1,126,886)
Transmitted credits . . . . .	334
Provisions . . . . .	19,691
Other liabilities . . . . .	442
Deferred credits . . . . .	4,139
Capital . . . . .	25,000
Published reserves . . . . .	27,000
Net profit . . . . .	2,450
<b>Total Liabilities</b>	<b>1,205,942</b>

EXPENDITURE	in DM 1,000
Interest and similar expenditure . . . . .	42,335
Commissions . . . . .	141
Depreciation of and valuation reserves for claims and securities, and allocations to provisions in connection with lending business . . . . .	751
Expenditure on personnel . . . . .	25,108
Expenditure on materials . . . . .	8,942
Depreciation of fixed assets . . . . .	1,514
Taxes . . . . .	2,299
Other expenditure . . . . .	136
Year's earnings . . . . .	2,450
<b>Total Expenditure</b>	<b>83,676</b>

RECEIPTS	in DM 1,000
Interest and similar receipts . . . . .	63,319
Current receipts from	
a) fixed-interest securities and government inscribed stock . . . . .	7,716
b) other securities . . . . .	180
c) participations . . . . .	90
Commissions and other receipts from service transactions . . . . .	6,937
Other receipts, including those from writing back provisions in connection with lending business . . . . .	5,229
Receipts from writing back provisions, so far as they have not to be shown in "Other receipts" . . . . .	205
<b>Total Receipts</b>	<b>83,676</b>



## Commerzbank International S.A., Luxembourg

Commerzbank International S.A., mainly engaged in the short-term money and credit business in the Euro-finance market, was set up in 1969 as a joint-stock company incorporated under Luxembourg law, the capital being held by Commerzbank AG (99.9 per cent) and six Commerzbank subsidiaries. In its operations the Luxembourg bank closely follows the parent bank's policy.

Commerzbank International's business is to take the maximum advantage of the opportunities in the Euro-money and capital markets in the interest of the parent bank and its world-wide clientèle. The rapidly growing importance of Luxembourg as a banking centre offering complete freedom to international movements of money and capital makes it a particularly attractive base.

**Liabile funds** Following two capital increases as a result of the rapid expansion of business, the share capital now amounts to Lfrs 425 m (DM 31 m). After an allocation from the profit for 1971, reserves will amount to Lfrs 79 m (DM 5.8 m). In making global valuation reserves we took the fullest possible advantage of tax concessions.

**General performance in 1971** 1971, the second complete business year of our Luxembourg subsidiary, was characterized by wide fluctuations of interest rates and pronounced changes in liquidity in the Euro-money market. The international financing business was pursued in close co-operation with the parent bank and its European partners, Banco di Roma and Crédit Lyonnais.

The balance sheet total rose from Lfrs 8,900 m to Lfrs 19,300 m (= DM 1,410 m) in 1971, with current account credits expanding accordingly. Deposits by other banks remained the chief sources of finance, yet the share of clients' deposits rose from just on 8 per cent to about 19 per cent compared with the previous year.

**Services** Turnover in money and foreign exchange dealings was very lively in 1971. Business in securities was stepped up. The bank participated to an increasing extent in underwriting syndicates and in the placing of international bond loans.

**Earnings position** The bank's earnings position was fully satisfactory. Net profit realized allows payment of an initial dividend of 10 per cent.



ASSETS	in Lfrs 1,000
Claims on banks for periods of up to 30 days . . .	3,938,231
Claims on banks for periods of more than 30 days . . . . .	3,841,983
Bills of exchange . . . . .	309,875
Claims on customers . . . . .	10,284,939
Securities . . . . .	377,299
Trusteeship accounts . . . . .	312,774
Participations . . . . .	944
Furniture and equipment . . . . .	1,023
Other assets . . . . .	202,759

Total Assets 19,269,827

= DM 1,409.6 m

LIABILITIES	in Lfrs 1,000
Liabilities to banks for agreed periods of up to 30 days . . . . .	6,528,611
Liabilities to banks for agreed periods of more than 30 days . . . . .	8,122,891
Deposits of other creditors payable on demand, or for agreed periods of up to 30 days . . . . .	1,179,963
Deposits of other creditors for agreed periods of more than 30 days . . . . .	2,271,942
Trusteeship accounts . . . . .	312,774
Capital . . . . .	425,000
Reserves	
statutory reserve . . . . .	42,500
free reserves . . . . .	20,570
Provisions and valuation reserves . . . . .	101,159
Other liabilities . . . . .	205,779
Profit for the year . . . . .	58,638

Total Liabilities 19,269,827

= DM 1,409.6 m

EXPENDITURE	in Lfrs 1,000
Interest and commissions . . . . .	1,167,874
General expenses . . . . .	36,422
Provisions and valuation reserves . . . . .	75,231
Depreciation . . . . .	257
Profit for the year . . . . .	58,638
Total Expenditure	<u>1,338,422</u>

RECEIPTS	in Lfrs 1,000
Interest and commissions . . . . .	1,324,801
Other receipts . . . . .	13,621

Total Receipts 1,338,422

Lfrs 100 = DM 7.315



## Rheinische Hypothekenbank, Mannheim

Rheinische Hypothekenbank, Mannheim, was founded as a joint-stock company in 1871 and lends money on a national basis by way of both mortgage loans and communal bond loans to public authorities. Mortgage bonds and communal bonds represent the bank's chief source of finance. It operates one branch and seven other offices in the Federal Republic.

At the turn of 1970/71, Commerzbank AG increased its previous minority holding to a majority interest. This has meanwhile been raised to a qualified majority of 76.7 per cent of the share capital (as at February 15, 1972).

### General performance in 1971

During its centenary year, Rheinische Hypothekenbank again registered vigorous growth. More than during the preceding year, business was mainly concerned with housing finance. The balance sheet total rose by 18.9 per cent to DM 3,513 m, the volume of business thus doubling within six years. The year's earnings again allow for payment of a dividend of DM 10.— per share of DM 50.— nominal, and for allocating a total of DM 8.0 m to the reserves.

### Liable funds

The share capital amounted to DM 20 m at the closing date whilst the published reserves totalled DM 78.8 m. If the annual general meeting adopts the proposals put forward by the board, the published reserves will be increased by DM 1.7 m to reach DM 80.5 m, with capital and reserves thus amounting to DM 100.5 m. It is also proposed that the annual general meeting resolve upon an "authorized capital" of DM 5 m.

### Lending

Total loan commitments at DM 589 m were up by 83 per cent on 1970, with housing finance accounting for DM 401 m, commercial and other projects for DM 19 m, and loans to public authorities for DM 169 m. In the long-term business mortgages paid out totalled DM 198 m and paid-out loans to public authorities DM 172 m. In 1970, altogether DM 370 m in long-term loans had been paid out.

At Dec. 31, 1971, total long-term loans were DM 2,744 m, with mortgages accounting for DM 1,366 m, loans to public authorities for DM 1,366 m, and other loans for DM 12 m.

### Borrowing

Mortgage bonds and communal bonds of a total nominal value of DM 465 m were issued in 1971. Issues of mortgage bonds more than doubled to DM 284 m, whilst placings of communal bonds rose by 14 per cent to DM 181 m.

Most of the initial placing involved bonds with a life of up to 10½ years, all the more so as during the high-interest period the housing industry largely asked for bridging loans with special interest and prolongation clauses. In July 1971 our subsidiary was the first mortgage bank to offer a mortgage bond with a rising rate of interest and a guaranteed price: the issue sold so well that it was raised to DM 30 m, and was followed by a further issue of DM 20 m in December.

At the end of 1971 the total of bonds outstanding amounted to DM 2,742 m, with mortgage bonds accounting for 54 per cent and communal bonds for 46 per cent.

### Outlook for 1972

The current year has started satisfactorily. The lively demand for credit and a falling rate of interest in the bond market, in conjunction with a high level of loan agreements concluded in 1971, suggest further encouraging progress.



ASSETS	in DM 1,000
Loans with agreed periods of four years or more	
a) mortgage loans . . . . .	1,366,481
b) communal loans . . . . .	1,366,293
c) other . . . . .	11,649
Equalization and covering claims on public authorities . . . . .	27,749
Bonds . . . . .	49,633
Other securities . . . . .	90,059
Cash reserve and items received for collection . . . . .	1,236
Claims on credit institutions and on other debtors . . . . .	475,011
Own bonds . . . . .	47,801
nominal value DM 53,419,000	
Transmitted credits . . . . .	47,676
Participations . . . . .	585
Land and buildings . . . . .	10,034
Furniture and equipment . . . . .	387
Other assets . . . . .	18,848
	<u>3,513,442</u>
Total Assets	<u>3,513,442</u>

LIABILITIES	in DM 1,000
Bonds issued	
a) mortgage bonds . . . . .	1,473,638
b) communal bonds . . . . .	1,268,232
c) bonds drawn by lot and called for redemption . . . . .	258
Commitments to deliver bonds . . . . .	176,158
Loans taken up at long term . . . . .	118,426
Liabilities to credit institutions and to other creditors . . . . .	222,057
Interest on bonds issued and on loans taken up . . . . .	79,318
Transmitted credits . . . . .	47,676
Provisions, and valuation reserves . . . . .	15,783
Foundation . . . . .	1,021
Capital . . . . .	20,000
Published reserves	
a) statutory reserve . . . . .	48,000
b) other reserves (pursuant to Article 7 of the Mortgage Bank Law-HBG) . . . . .	30,750
Other liabilities . . . . .	5,858
Net profit . . . . .	6,267
	<u>3,513,442</u>
Total Liabilities	<u>3,513,442</u>

EXPENDITURE	in DM 1,000
Interest and similar expenditure	186,236
Non-recurrent expenditure on bonds issued and on loans granted . . . . .	13,100
Depreciation of and valuation reserves for claims and securities, and allocations to provisions in connection with lending business . . . . .	24
Expenditure on personnel . . . . .	6,392
Expenditure on materials . . . . .	3,716
Depreciation of and valuation reserves for fixed assets . . . . .	480
Taxes . . . . .	7,705
Other expenditure . . . . .	571
Year's earnings . . . . .	12,507
	<u>230,731</u>
Total Expenditure	<u>230,731</u>

RECEIPTS	in DM 1,000
Interest and similar receipts . . . . .	213,418
Non-recurrent receipts from bonds issued and from loans granted . . . . .	12,716
Receipts from participations . . . . .	10
Other receipts, including those from writing back provisions in connection with lending business . . . . .	4,532
Receipts from writing back provisions, so far as they have not to be shown in "Other receipts" . . . . .	55
	<u>230,731</u>
Total Receipts	<u>230,731</u>



## Westdeutsche Bodenkreditanstalt, Cologne

Westdeutsche Bodenkreditanstalt, or "Westboden", founded in Cologne as a joint-stock company in 1893, on a national basis lends money against real estate by way of both first mortgages and loans to public authorities. Mortgage bonds and communal bonds represent the bank's chief source of finance.

In 1971, Commerzbank AG increased its holding to a qualified majority. It now holds 88.1 per cent of the share capital of this mortgage bank (as at February 15, 1972).

### General performance in 1971

Westboden continued to expand steadily in 1971. More than ever before it was concerned with loans to the public sector. The balance sheet total rose by 15.4 per cent to DM 2,008 m, the volume of business thus doubling within six years. The year's earnings again allow for payment of a dividend of DM 10.— per share of DM 50.— nominal, and for allocating DM 5.0 m to the reserves.

### Liable funds

The share capital amounted to DM 14 m at the closing date, whilst the published reserves totalled DM 46.9 m. If the annual general meeting adopts the proposals put forward by the board, the published reserves will be increased by a further DM 1.1 m, to reach DM 48.0 m, with total liable funds thus amounting to DM 62.0 m. It is also proposed that the annual general meeting resolve upon an "authorized capital" of DM 6 m.

### Lending

Total loan commitments were up by 44 per cent to DM 312 m on 1970, with first mortgages accounting for DM 99 m and loans to public authorities for DM 213 m. Mortgages paid out amounted to DM 98 m, and paid-out loans to public authorities to DM 173 m. In 1970, a total of DM 213 m in long-term loans had been paid out.

At Dec. 31, 1971, long-term loans totalled DM 1,790 m, with mortgages accounting for DM 1,034 m, and loans to public authorities for DM 742 m, and other loans for DM 14 m.

### Borrowing

Mortgage bonds and communal bonds with a total nominal value of DM 281 m were issued in 1971. While issues of mortgage bonds fell by 9 per cent to DM 89 m compared with 1970, placings of communal bonds almost trebled to DM 192 m.

At the end of 1971, the total of bonds outstanding amounted to DM 1,765 m, with mortgage bonds accounting for 58 per cent and communal bonds for 42 per cent.

### Outlook for 1972

The current year has begun satisfactorily. The lively demand for credit and a falling rate of interest in the bond market, in conjunction with a high level of loan agreements concluded in 1971, suggest further encouraging progress.



ASSETS	in DM 1,000
Loans with agreed periods of four years or more	
a) mortgage loans . . . . .	1,033,989
b) communal loans . . . . .	742,006
c) other . . . . .	14,471
Equalization and covering claims on public authorities . . . . .	7,996
Bonds . . . . .	18,202
Other securities . . . . .	1,239
Cash reserve and items received for collection . . . . .	1,120
Claims on credit institutions and on other debtors . . . . .	132,748
Own bonds . . . . .	19,227
nominal value DM 22,781,000	
Transmitted credits . . . . .	14,066
Participations . . . . .	10
Land and buildings . . . . .	12,180
Furniture and equipment . . . . .	543
Other assets . . . . .	10,464
Total Assets	2,008,261

LIABILITIES	in DM 1,000
Bonds issued	
a) mortgage bonds . . . . .	1,018,184
b) communal bonds . . . . .	746,405
c) bonds drawn by lot and called for redemption . . . . .	47
Commitments to deliver bonds . . . . .	24,070
Loans taken up at long term . . . . .	36,929
Liabilities to credit institutions and to other creditors . . . . .	41,596
Interest on bonds issued and on loans taken up . . . . .	45,491
Transmitted credits . . . . .	14,066
Provisions, and valuation reserves . . . . .	8,871
Capital . . . . .	14,000
Published reserves	
a) statutory reserve . . . . .	33,000
b) other reserves (pursuant to Article 7 of the Mortgage Bank Law-HBG) . . . . .	13,900
Other liabilities . . . . .	7,592
Net profit . . . . .	4,110
Total Liabilities	2,008,261

EXPENDITURE	in DM 1,000
Interest and similar expenditure	110,159
Non-recurrent expenditure on bonds issued and on loans granted . . . . .	9,106
Expenditure on personnel . . . . .	4,304
Expenditure on materials . . . . .	2,514
Depreciation of and valuation reserves for fixed assets . . . . .	470
Taxes . . . . .	5,658
Other expenditure . . . . .	268
Year's earnings . . . . .	8,010
Total Expenditure	140,489

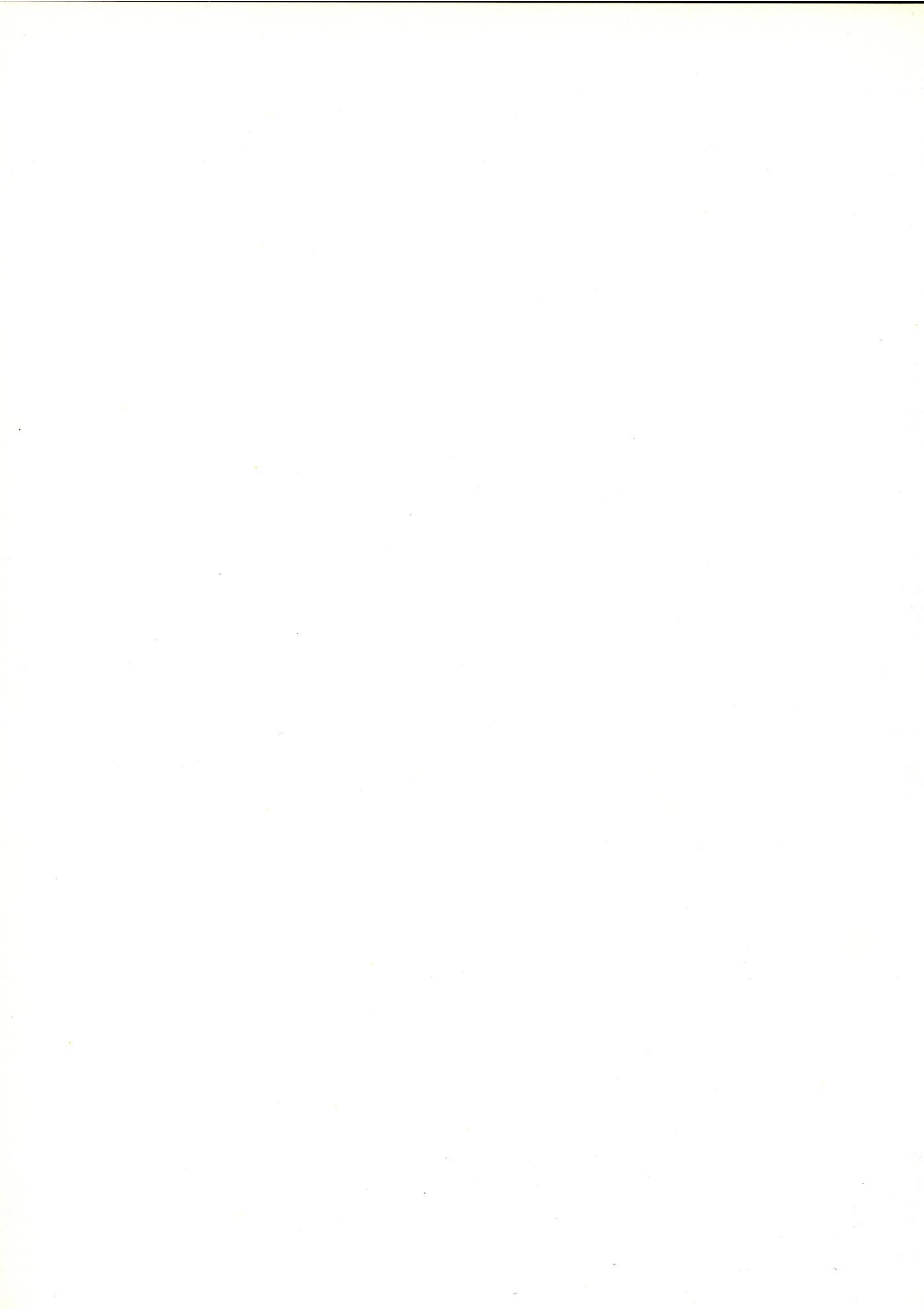
RECEIPTS	in DM 1,000
Interest and similar receipts . . . . .	127,272
Non-recurrent receipts from bonds issued and from loans granted . . . . .	10,002
Other receipts, including those from writing back provisions in connection with lending business . . . . .	3,140
Receipts from writing back provisions, so far as they have not to be shown in "Other receipts" . . . . .	75
Total Receipts	140,489



**List of holdings in enterprises where the Bank had an interest  
in excess of 25 per cent of the capital on December 31, 1971,  
but excluding participations\*)**

<b>Holdings of more than 25% :</b>	<b>Share Capital in DM million</b>
Karstadt Aktiengesellschaft, Essen	300.0
Kaufhof Aktiengesellschaft, Cologne	270.0
Beton- und Monierbau Aktien-Gesellschaft, Düsseldorf	15.0
Brauerei Isenbeck AG, Hamm	6.0
Commerzbank Aktiengesellschaft von 1870, Hamburg	(RM 100.0)
Dampfschiffahrts-Gesellschaft "Neptun", Bremen	7.0
Dortmunder Stifts-Brauerei Carl Funke Aktiengesellschaft, Dortmund	4.0
Hannoversche Papierfabriken Alfeld-Gronau vormals Gebr. Woge, Alfeld (Leine)	20.0
Hochtief Aktiengesellschaft für Hoch- und Tiefbauten vorm. Gebr. Helfmann, Essen	27.9
Kempinski Hotelbetriebs-Aktiengesellschaft, Berlin	11.0
Kämmerei Döhren Aktiengesellschaft, Hannover-Döhren	8.0
Kaiser-Brauerei Aktiengesellschaft, Hannover	2.7
Porzellanfabrik Kahla, Schönwald (Oberfranken)	8.2
Stern-Brauerei Carl Funke Aktiengesellschaft, Essen	11.5
 <b>Holdings of more than 50% :</b>	
H. Maihak Aktiengesellschaft, Hamburg	3.0







**Consolidated companies**

Berliner Commerzbank Aktiengesellschaft, Berlin C: DM 25.00 m 100.0%	Commerzbank International S.A., Luxembourg C: Lfrs 425.00 m 100.0%*)	Rheinische Hypothekenbank, Mannheim C: DM 20.00 m 72.5% Mid of February, 1972: 76.7%
Atlas-Vermögensverwaltungs-Gesellschaft m.b.H., Düsseldorf C: DM 0.10 m 100.0%	Aussenhandel-Förderungsgesellschaft mbH, Düsseldorf C: DM 0.10 m 100.0%	Commercium Vermögensverwaltungs-GmbH, Hamburg C: DM 0.05 m 100.0%
von der Heydt-Kersten & Söhne, Wuppertal-Elberfeld C: DM 7.00 m 100.0%	Ilseder Bank, Sandow & Co., Peine C: DM 2.00 m 100.0%	Immobilien- und Wohnungs-Gesellschaft mbH, Hamburg C: DM 0.05 m 100.0%*)

**Other participations in German banks**

Absatzkreditbank Aktiengesellschaft, Hamburg C: DM 2.50 m 32.5%	AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt a. M. C: DM 40.00 m 12.8%	ADIG Allgemeine Deutsche Investment-Gesellschaft mbH, Munich/Düsseldorf C: DM 4.80 m 27.1%
Gesellschaft zur Finanzierung von Industrieanlagen mbH, Frankfurt a. M. C: DM 1.00 m 12.8%	Liquidations-Casse in Hamburg Aktiengesellschaft, Hamburg C: DM 0.58 m 25.0%	Liquidationskasse für Zeitgeschäfte AG, Munich C: DM 0.50 m 10.0%

**Other participations in German companies**

Lübecker Flender-Werke Aktiengesellschaft, Lübeck C: DM 20.00 m 68.9%	Almüco Vermögensverwaltungs-gesellschaft mbH, Munich a) C: DM 39.00 m 25.0%	Bavaria-Filmkunst GmbH, Munich C: DM 7.84 m 12.2%
Deutscher Rhederei-Verein in Hamburg, Hamburg C: DM 1.00 m 29.9%	Gesellschaft für die Freigabe deutscher Vermögenswerte in Österreich mbH, Frankfurt a. M. C: DM 0.02 m 25.0%	Gesellschaft für Kreditsicherung mbH, Cologne C: DM 0.30 m 26.7%

**Participations in foreign financial institutions**

EuroPartners Securities Corporation, New York C: US \$ 3.00 m 33.3%	International Commercial Bank Ltd., London C: £ 3.50 m 20.0%	Société Financière pour les Pays d'Outre-Mer S.A.***), Geneva C: Sfrs 40.00 m 15.0%
Adela Investment Company S.A., Luxembourg/Lima (Peru) C: US \$ 61.21 m 1.4%	Associated Investment Holding Company S.A., Luxembourg C: US \$ 1.00 m 5.0%	Australian United Corporation Ltd., Melbourne C: A\$ 4.02 m 4.0%
Bondtrade, Brussels/New York C: US \$ 5.00 m 8.8%	The Commercial Bank of Dubai Ltd., Dubai C: QDR 10.00 m 20.0%	Crédit Chimique S.A., Paris C: Ffrs 20.00 m 10.0%*)
The Industrial Finance Corporation of Thailand, Bangkok C: Baht 100.00 m 3.0%	The International Investment Corporation for Yugoslavia S.A., Luxembourg C: US \$ 13.50 m 1.2%	Nigerian Industrial Development Bank Ltd., Lagos C: N£ 2.25 m 1.7%
Sifida Société Internationale Financière pour les Investissements et le Développement en Afrique, Luxembourg C: US \$ 10.50 m 0.9%	Société Financière du Développement-SOFIDE-, Kinshasa C: Zaires 2.00 m 2.5%	Teollistamisrahasto Oy-Industrialization Fund of Finland Ltd., Helsinki C: Fmk 40.00 m 0.6%

**Other participations in foreign companies**

Atlas Participations-France S.A.R.L., Paris C: Ffrs 9.00 m 100.0%*)	Deltec Panamerica S.A., Panama/Nassau (Bahamas) C: 5.13 million shares 1.9%	European Enterprises Development Company S.A., E.E.D., Luxembourg C: US \$ 15.40 m 1.0%
--	--	--

\*) in part indirectly

\*\*) wholly indirectly

\*\*\*) participation cancelled in early 1972

\*) through Atlas Partici



# Associated Companies of Commerzbank Aktiengesellschaft

C=Capital

Westdeutsche Bodenkreditanstalt, Cologne C: DM 14.00 m 75.2% Mid of February, 1972: 88.1%	Bank für Teilzahlungskredit Gesellschaft mit beschränkter Haftung, Düsseldorf C: DM 3.50 m 100.0%	Commerz- und Industrie-Leasing GmbH, Düsseldorf C: DM 1.00 m 100.0%**)	
Commerzbank Fonds-Verwaltungsgesellschaft mit beschränkter Haftung (COFO), Düsseldorf C: DM 1.00 m 100.0%	Ad. F. Dreyer, Hamburg C: DM 0.05 m 100.0%*)	Hamburgische Grundstücks Gesellschaft m.b.H., Hamburg C: DM 0.02 m 100.0%	
Norddeutsche Immobilien- und Verwaltungsg-GmbH, Hamburg C: DM 0.02 m 100.0%**)	C. Portmann, Frankfurt a. M. C: DM 1.50 m 100.0%	Friedrich W. Thomas, Hamburg C: DM 0.50 m 100.0%	
Deutsche Grundbesitz-Anlagegesellschaft mbH, Cologne C: DM 0.04 m 25.0%	Deutsche Grundbesitz-Investmentgesellschaft mbH, Cologne C: DM 1.40 m 25.0%	Deutsche Schifffahrtsbank Aktiengesellschaft, Bremen C: DM 26.00 m 9.1%	Deutsche Schiffsbeleihungs-Bank Aktien-Gesellschaft, Hamburg C: DM 16.00 m 28.5%
Lombardkasse AG, Berlin/Frankfurt a. M. C: DM 1.00 m 9.4%	Maschinenbank Finanzierungs-Aktiengesellschaft, Frankfurt a. M. C: DM 1.50 m 15.0%	Privatdiskont-Aktiengesellschaft, Frankfurt a. M. C: DM 5.00 m 9.0%	
Beteiligungsgesellschaft für Industrieansiedlungsunternehmen mit beschränkter Haftung, Hamburg C: DM 3.00 m 25.0%	Beteiligungsgesellschaft für Industrie und Handel mbH, Frankfurt a. M. C: DM 0.25 m 50.0%	Canada-Anlagen-Gesellschaft mbH, Hamburg C: DM 0.06 m 40.0%	Deutsche Gesellschaft für Anlageverwaltung mit beschränkter Haftung, Frankfurt a. M. b) C: DM 50.00 m 25.0%
Treuhand- und Holdinggesellschaft mbH, Frankfurt a. M. C: DM 0.14 m 50.0%	We also have interests in regional security depository banks, credit guarantee associations, and housing companies		(a) has holding in Heidelberger Druckmaschinen AG (b) holds 25 per cent of the share capital of Horten AG
Banco de Investimento do Brasil S.A. (B.I.B.), Rio de Janeiro C: Cr\$ 70.00 m 4.0%	Banco Urquijo S.A., Madrid C: Ptas 2,885.52 m 0.8%	Banque Marocaine du Commerce Extérieur, Casablanca C: Dirham 20.00 m 2.8%	Banque Nationale pour le Développement Economique, Rabat C: Dirham 20.00 m 1.0%
The Development Bank of Singapore Ltd., Singapore C: S\$ 100.00 0.5%	Finanzierungsgesellschaft VIKING, Zurich C: Sfrs 45.00 m 6.7%	Gestiver S.A., Madrid C: Ptas 62.50 m 2.5%	
Pakistan Industrial Credit & Investment Corporation Limited, Karachi C: PR 60.00 m 0.4%	Private Investment Company for Asia (Pica) S.A., Panama-City/Tokyo C: US \$ 24.20 m 0.8%	Rifbank S.A.L., Beirut C: L£ 4.00 m 20.0%	
Union Internationale de Banques S.A., Tunis C: TD 0.70 m 4.0%	World Banking Corporation Ltd., Nassau (Bahamas) C: Bahama \$ 12.15 m 2.8%		
Selected Risk Investments S.A., Luxembourg C: US \$ 15.00 m 11.4%	Société de Gestion Rominvest International Fund S.A., Luxembourg C: Lfrs 5.0 m 10.0%	Tourinvest S.A., Luxembourg C: Lfrs 70.00 m 1.4%	



⬅ **Diagram : Participations of Commerzbank Aktiengesellschaft**



## Report of the Supervisory Board

During the year under review the Supervisory Board performed the duties incumbent upon it according to law and the Articles of Association and continuously supervised the conduct of the Bank's business. The Board itself and its committees reviewed important business transactions and discussed them in regular conferences with the Board of Management.

The Annual Statement of Accounts and the Report for the period January 1 to December 31, 1971, as well as the books have been audited by the Auditors, Deutsche Revisions- und Treuhand-Aktiengesellschaft, Treuarbeit, Düsseldorf, and have been given their confirmatory certificate without qualification. The Supervisory Board has taken note of the result of the audit and has signified its agreement. It has raised no objections to the Annual Statement of Accounts and the Report, and has approved the Annual Statement of Accounts which may accordingly be considered adopted. The Supervisory Board declares its agreement with the Board of Management's proposal for the allocation of the profit.

The Consolidated Annual Accounts, the Group's Annual Report and the Report of the Group Auditors as well as their confirmatory certificate without qualification have been submitted to the Supervisory Board.

The Supervisory Board, at its meeting on March 31, 1972, has appointed Dr. Wolfgang Jahn and Dr. Raban Frhr. v. Spiegel, hitherto Deputy Members of the Board of Management, Full Members of the Board of Management, and has appointed Dr. Peter Deuss and Dr. Jürgen Terrahe, hitherto Assistant General Managers, Deputy Members of the Board of Management.

Düsseldorf, March 21, 1972

THE SUPERVISORY BOARD

Dr. Hanns Deuss

Chairman







at December 31, 1971

LIABILITIES

	DM	DM	DM
<b>Liabilities to credit institutions</b>			
a) payable on demand . . . . .		1,461,172,656.48	
b) for agreed periods, or at agreed periods of notice, of			
ba) less than three months . . . . .	1,324,373,748.53		
bb) at least three months, but less than four years . . . . .	626,173,366.92		
bc) four years or more . . . . .	508,153,342.45	2,458,700,457.90	
including: due in less than four years . . . . . DM 225,233,729.52			
c) customers' drawings on credits opened by us at other institutions . . . . .		45,058,409.21	3,964,931,523.59
<b>Banking liabilities to other creditors</b>			
a) payable on demand . . . . .		4,664,615,558.30	
b) for agreed periods, or at agreed periods of notice, of			
ba) less than three months . . . . .	3,714,171,971.08		
bb) at least three months, but less than four years . . . . .	3,271,589,387.08		
bc) four years or more . . . . .	87,314,950.22	7,073,076,308.38	
including: due in less than four years . . . . . DM 65,899,485.53			
c) savings deposits			
ca) subject to legal period of notice . . . . .	2,075,061,803.81		
cb) other . . . . .	2,765,152,564.34	4,840,214,368.15	16,577,906,234.83
<b>Own acceptances and promissory notes outstanding</b> . . . . .			76,910,655.64
<b>Transmitted credits (on a trust basis)</b> . . . . .			53,516,420.14
<b>Provisions</b>			
a) for pensions . . . . .		171,507,000.—	
b) other . . . . .		102,151,404.82	273,658,404.82
<b>Other liabilities</b> . . . . .			11,809,100.65
<b>Deferred credits</b> . . . . .			85,946,202.34
<b>Special reserve item</b>			
according to Article 1, paragraph 1, item 2, of the Development Aid Tax Law . . . . .			181,514.30
<b>Capital</b> . . . . .			400,000,000.—
<b>Published reserves</b>			
a) statutory reserve . . . . .		226,000,000.—	
(allocation from premium on share issue: DM 75,000,000.—)			
b) other reserves . . . . .		364,000,000.—	590,000,000.—
(allocation from the year's earnings: DM 15,000,000.—)			
<b>Commerzbank Foundation</b> . . . . .			5,382,811.01
<b>Net profit</b> . . . . .			61,625,000.—
		<b>Total Liabilities</b>	<b>22,101,867,867.32</b>
<b>Endorsement liabilities on bills of exchange in circulation</b> . . . . .			747,995,508.84
<b>Liabilities arising from guarantees, including guarantees of bills and cheques, and from indemnity agreements</b> . . . . .			2,026,435,627.77
<b>Obligations in the event of buying back items sold under repurchase agreements, so far as these obligations have not to be shown here above the line</b> . . . . .			747,117.—
<b>Savings bonuses under the Savings Bonus Law</b> . . . . .			65,234,061.92
<b>The liabilities and the items shown here below the line include those to affiliated enterprises, amounting to</b> . . . . .			473,415,446.74



## EXPENDITURE

## Profit and Loss Account

	DM	DM	1970 in DM 1,000
Interest and similar expenditure . . . . .		887,161,000.22	908,929
Commissions and similar expenditure in respect of service transactions . . . . .		6,487,713.05	5,132
Depreciation of and valuation reserves for claims and securities, and allocations to provisions in connection with lending business . . . . .		13,346,571.—	14,801
Salaries and wages . . . . .		317,581,070.18	287,795
Statutory social security contributions . . . . .		33,193,122.33	24,816
Expenditure on pensions, and other benefits . . . . .		38,352,407.19	32,636
Expenditure on materials for the banking business . . . . .		157,188,517.66	136,918
Depreciation of and valuation reserves for land and buildings, furniture and equipment . . . . .		43,459,105.28	33,859
Depreciation of and valuation reserve for participations . . . . .		34,380.41	37
<b>Taxes</b>			
a) on income, earnings and property . . . . .	50,307,908.86		
b) other . . . . .	6,776,688.01	57,084,596.87	47,065
Other expenditure . . . . .		3,986,812.24	6,577
Allocation to Commerzbank Foundation . . . . .		—.—	5,000
Year's earnings . . . . .		76,625,000.—	69,500
	Total Expenditure	1,634,500,296.43	1,573,065

	DM	DM	1970 in DM 1,000
Year's earnings . . . . .		76,625,000.—	69,500
<b>Allocations from year's earnings to published reserves</b>			
a) to the statutory reserve . . . . .	—.—		—
b) to other reserves . . . . .	15,000,000.—	15,000,000.—	10,000
Net profit . . . . .		61,625,000.—	59,500



for the Year 1971

RECEIPTS

	DM	DM	1970 in DM 1,000
Interest and similar receipts from lending and money market transactions . . . . .		1,253,783,457.35	1,290,855
<b>Current receipts from</b>			
a) fixed-interest securities, and government inscribed stock . . . . .	63,931,511.66		
b) other securities . . . . .	41,401,307.31		
c) participations . . . . .	15,157,983.25	120,490,802.22	119,842
Commissions and other receipts from service transactions . . . . .		138,183,696.81	113,365
Other receipts, including those from writing back provisions in connection with lending business . . . . .		108,234,497.10	47,362
Receipts from profit pooling agreements, and from agreements for full or partial transfer of profits . . . . .		179,777.66	32
Receipts from writing back provisions, so far as they have not to be shown in "Other receipts" . . . . .		3,582,687.29	1,564
Receipts from writing back "Special reserve item" . . . . .		10,045,378.—	45
<b>Total Receipts</b>		<b>1,634,500,296.43</b>	<b>1,573,065</b>

Pension payments and payments to Beamtenversicherungsverein des Deutschen Bank- und Bankiergewerbes (a. G.), Berlin, amounting to DM 21,052,023.14 were made during the year. For the next five years we expect pension payments equivalent to 110%, 113%, 119%, 123% and 129% of that amount.

Düsseldorf, March 10, 1972

**COMMERZBANK**  
AKTIENGESELLSCHAFT

THE BOARD OF MANAGEMENT

Behrenbeck Brands Dhom Jahn Lichtenberg Niederste-Ostholt  
Reckel Rieche Spiegel  
Deputy Members: Deuss Knappertsbusch Terrahe

According to our audit, which was duly carried out, the bookkeeping, the annual statement of accounts and the annual report are in conformity with the provisions of the law and the Bank's articles of association.

Düsseldorf, March 15, 1972

DEUTSCHE REVISIONS- UND TREUHAND-AKTIENGESELLSCHAFT  
TREUARBEIT  
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT · STEUERBERATUNGSGESELLSCHAFT

Dr. Scholz  
Certified Accountant

Simon  
Certified Accountant



## Comparison of the Balance Sheets

### ASSETS

	December 31, 1971 in DM 1,000	December 31, 1970 in DM 1,000
Cash . . . . .	123,186	118,173
Balance at the Deutsche Bundesbank . . . . .	2,172,750	1,614,468
Balance on postal cheque accounts . . . . .	40,356	43,629
Cheques, matured bonds, interest and dividend coupons, and items received for collection . . . . .	193,165	204,675
Bills of exchange . . . . . (including: rediscountable at the Deutsche Bundesbank) . . . . .	3,090,452 (2,573,491)	3,159,654 (2,608,442)
Claims on credit institutions . . . . . of which:	3,142,430	2,620,884
a) payable on demand . . . . .	1,086,143	921,309
b) for agreed periods, or at agreed periods of notice, of		
ba) less than three months . . . . .	349,250	203,771
bb) at least three months, but less than four years . . . . .	1,258,171	1,125,086
bc) four years or more . . . . .	448,866	370,718
Treasury bills and discountable Treasury notes . . . . .	—	335,869
Bonds and notes . . . . . of which:	899,904	983,909
a) with maturities of up to four years . . . . . (including: eligible as security for Deutsche Bundesbank advances) . . . . .	49,825 (49,825)	123,863 (106,664)
b) with maturities of more than four years . . . . . (including: eligible as security for Deutsche Bundesbank advances) . . . . .	850,079 (595,160)	860,046 (634,070)
Securities, so far as they are not to be shown in other items . . . . . of which:	632,224	516,705
a) shares listed on the stock exchange, and investment trust shares . . . . .	603,256	496,810
b) other securities . . . . .	28,968	19,895
Claims on customers, for agreed periods, or at agreed periods of notice . . . . . of which:	10,881,395	9,298,606
a) of less than four years . . . . .	7,216,256	6,508,141
b) of four years or more . . . . .	3,665,139	2,790,465
Equalization and covering claims on public authorities . . . . .	107,916	113,321
Transmitted credits . . . . .	53,516	36,839
Participations . . . . .	381,208	285,743
Land and buildings . . . . .	260,512	231,973
Furniture and equipment . . . . .	94,003	85,840
Other assets . . . . .	28,710	44,645
Deferred charges . . . . .	141	738
<b>Total Assets</b>	<b>22,101,868</b>	<b>19,695,671</b>







## Business Progress 1952/1971

	Balance Sheet Total	Total Lendings	Capital and Reserves	Savings Deposits	Dividend	Total Amount of Dividends Paid	Allocation to Reserves from Year's Earnings	Tax Expenditure	Staff	Branches
	DM 'm	DM 'm	DM m	DM m	in %	DM m	DM m	DM m		
1-1-1952	1.6	1.3	55	75	—	—	—	—	4,812	108
31-12-1952	1.9	1.6	73	115	6	3.1	17.6	12.5	5,297	109
31-12-1953	2.5	2.1	89	178	8.5	4.9	4.0	22.7	5,935	114
31-12-1954	3.2	2.5	101	324	9	5.8	6.2	20.7	6,651	139
31-12-1955	3.7	3.0	152	387	10	8.1	15.7	32.9	7,160	149
31-12-1956	4.4	3.2	179	382	12	12.6	17.0	33.7	7,401	155
31-12-1957	5.3	3.4	226	458	12	15.9	17.0	39.0	7,537	168
31-12-1958	5.6	3.5	253	587	14	21.0	17.0	35.1	7,690	185
31-12-1959	6.4	4.0	338	789	14 + 2	25.2	25.0	57.9	8,371	217
31-12-1960	6.9	4.5	360	930	16	28.8	22.0	62.1	9,465	266
31-12-1961	7.8	5.5	410	1,053	16	32.0	19.0	57.3	10,507	332
31-12-1962	8.7	5.6	420	1,257	16	32.0	10.0	48.1	10,657	372
31-12-1963	9.3	6.0	435	1,477	16	32.0	15.0	51.6	10,740	392
31-12-1964	9.8	6.6	500	1,720	16	36.0	20.0	54.8	11,021	402
31-12-1965	10.3	6.9	520	2,154	16	36.0	20.0	54.0	11,402	436
31-12-1966	11.0	7.4	540	2,649	16	36.0	20.0	55.2	12,076	461
31-12-1967	12.9	8.4	605	3,040	16	40.0	40.0*)	55.3	12,760	550
31-12-1968	15.4	9.7	660	3,565	17	46.8	30.0**)	59.8	13,409	636
31-12-1969	17.4	12.6	840	3,949	17 + 3	62.5	30.0	77.5	14,350	688
31-12-1970	19.7	13.8	850	4,182	17	59.5	10.0	47.1	15,441	719
31-12-1971	22.1	15.6	990	4,840	17	61.6	15.0	57.1	15,952	731

\*) including DM 20.0 m resulting from retransfer to assets side of furniture and equipment

\*\*\*) including DM 5.0 m resulting from retransfer to assets side of furniture and equipment



f  
-  
I  
C  
a  
b  
c  
C  
C  
R  
R  
R

Consolidated Balance Sheet

Assets		Liabilities and Equity	
Current Assets	100,000	Current Liabilities	50,000
Property, Plant, and Equipment	200,000	Long-Term Liabilities	100,000
Intangible Assets	50,000	Equity	150,000
Other Assets	10,000	Common Stock	100,000
		Retained Earnings	50,000
<b>Total Assets</b>	<b>350,000</b>	<b>Total Liabilities and Equity</b>	<b>350,000</b>

Notes to the financial statements:  
 1. The company has no subsidiaries.  
 2. The company has no contingent liabilities.  
 3. The company has no related party transactions.







## Explanatory Notes on the Consolidated Annual Accounts

The consolidated accounts of Commerzbank Aktiengesellschaft include the German enterprises listed hereunder:

Atlas-Vermögensverwaltungs-Gesellschaft m.b.H., Düsseldorf  
Aussenhandel-Förderungsgesellschaft mbH, Düsseldorf  
Bank für Teilzahlungskredit Gesellschaft mit beschränkter Haftung, Düsseldorf  
Berliner Commerzbank Aktiengesellschaft, Berlin  
Commercium Vermögensverwaltungs-GmbH, Hamburg  
Commerzbank Fonds-Verwaltungsgesellschaft  
mit beschränkter Haftung (COFO), Düsseldorf  
Commerzbank International S.A., Luxembourg  
Commerz- und Industrie-Leasing GmbH, Düsseldorf  
Ad. F. Dreyer, Hamburg  
Hamburgische Grundstücks Gesellschaft m.b.H., Hamburg  
von der Heydt-Kersten & Söhne, Wuppertal-Elberfeld  
Ilseder Bank, Sandow & Co., Peine  
Immobilien- und Wohnungs-Gesellschaft mbH, Hamburg  
Norddeutsche Immobilien- und Verwaltungs-GmbH, Hamburg  
C. Portmann, Frankfurt a. M.  
Rheinische Hypothekenbank, Mannheim  
Friedrich W. Thomas, Hamburg  
Westdeutsche Bodenkreditanstalt, Cologne

Commerzbank Aktiengesellschaft holds, directly or indirectly, a 100 per cent interest in each of these companies except for the two mortgage banks: at the closing date we held 72.5 per cent of the share capital of Rheinische Hypothekenbank and 75.2 per cent of that of Westdeutsche Bodenkreditanstalt. During the first few weeks of 1972 we increased our holdings to 76.7 per cent and 88.1 per cent, respectively.

For details of our legal and business relations with these companies we refer to our report on pages 68 to 71.

For the first time the consolidated accounts include the annual accounts of Commerzbank International S.A., Luxembourg, and Westdeutsche Bodenkreditanstalt, Cologne. Commerzbank International S.A., Luxembourg, was included in order to give a better insight into the Group's financial and earnings position, following a substantial expansion of the volume of business



on the part of this subsidiary particularly during the past year. – Since April, 1971, we have been the majority shareholder in Westdeutsche Bodenkreditanstalt, Cologne.

We have not included the account of Lübecker Flender-Werke Aktiengesellschaft, and of H. Maihak Aktiengesellschaft, in both of which we have a majority interest, in the consolidated statement because of the lack of unified management and because such inclusion would impair the indicative value of that statement.

Atlas Participations–France S.A.R.L., Paris, has equally been excluded from the consolidated annual accounts under Article 329, Companies Law (AktG).

The consolidated annual accounts as at December 31, 1971, have been drawn up in accordance with the regulations of December 20, 1967, governing the presentation of the annual accounts of credit institutions; owing to the inclusion of the mortgage banks, the balance sheet pattern has been widened so as to take account of the special nature of the mortgage business.

With the exception of one company which has rendered an interim account, the accounting years of the companies included coincide with the calendar year. The accounts of our Luxembourg subsidiary, drawn up in Luxembourg francs, have been converted at the official middle rate of exchange applicable at the closing date.

Valuation of assets and liabilities was effected according to uniform company law principles throughout the Group.

Capital consolidation has been effected through setting off the book values of participations against the capital and reserves of the companies included in the consolidated annual accounts. Consequently only the book values of the non-consolidated companies are shown as participations in the consolidated balance sheet.

Claims and liabilities among the companies included have been set off against each other in the consolidated balance sheet; expenditure and receipts set off against each other have been eliminated likewise from the consolidated profit and loss account.

The consolidated profit and loss account includes receipts and expenditures of Westdeutsche Bodenkreditanstalt, Cologne, for the last eight months of the year only, as the corporate relationship with this mortgage bank did not begin until April 30, 1971. Profit for the first four months is shown in the consolidated balance sheet as "profit from periods preceding affiliation".

Profits from participations within the Group received during the year under review in respect of the preceding year are included in the profit carried forward.

A contingency reserve has been established for taxes to be paid retrospectively on profit receipts from participations which are included in the consolidated profit, but which have not yet been paid to the parent companies.

Balance sheet total

The Group's balance sheet total amounted to DM 30,229.7 m, an increase of DM 6,451.6 m or 27.1 per cent over the previous year. It exceeds the corresponding figure of Commerzbank Aktiengesellschaft by DM 8,127.8 m (by DM 4,082.4 m in 1970). The increase in the consolidated balance sheet total is chiefly due to the inclusion of a number of further subsidiaries in the consolidated accounts. The individual balance sheet items showed the following changes compared with the previous year:



ASSETS	DM million	LIABILITIES	DM million
Cash reserve, cheques, items for collection, and bills . . . . .	+ 536.7	Liabilities to credit institutions	+ 1,792.3
Claims on credit institutions . . . . .	+ 1,424.8	a) demand . . . . .	+ 344.2
Treasury bills and discountable Treasury notes . . . . .	*/. 351.4	b) time . . . . .	+ 1,448.1
Bonds, notes and securities . . . . .	+ 148.8	Liabilities to other creditors . . . . .	+ 2,376.6
Claims on customers . . . . .	+ 4,545.5	a) demand . . . . .	+ 935.2
Participations . . . . .	*/. 14.8	b) time . . . . .	+ 721.4
Land and buildings, furniture and equipment . . . . .	+ 57.3	c) savings deposits . . . . .	+ 720.0
Own bonds, held by the Group . . . . .	+ 59.9	Bonds . . . . .	+ 1,989.5
Sundries (including transmitted credits, on a trust basis) . . . . .	+ 44.8	Provisions . . . . .	+ 40.4
	+ 6,451.6	Special reserve items . . . . .	*/. 10.0
		Capital and reserves . . . . .	+ 140.0
		Difference pursuant to Article 331, paragraph 1, item 3 of the Companies Law (AktG) . . . . .	+ 14.8
		Foundations . . . . .	+ 0.7
		Sundries (including transmitted credits, on a trust basis) . . . . .	+ 107.3
			+ 6,451.6

Commerzbank Aktiengesellschaft accounts for 72.1 per cent of the non-offset consolidated balance sheet total. A further 27.8 per cent relates to credit institutions within the Group, and 0.1 per cent to other companies.

#### Assets

The Group's total liquid funds—consisting of cash reserve, cheques, matured bonds, interest and dividend coupons as well as items for collection, bills of exchange rediscountable at the Deutsche Bundesbank, claims on credit institutions (for a period of less than three months), Treasury bills and discountable Treasury notes, and securities eligible as collateral for Deutsche Bundesbank advances—amount to 34.8 per cent (previous year: 36.9 per cent) of liabilities to banks and other creditors, and of our own acceptances outstanding.

Liquidity

The rising demand for credit as well as in particular the inclusion of Rheinische Hypothekbank and Commerzbank International S.A. are reflected in the increase of the item "claims on customers" by DM 4,545.5 m compared with the previous year.

Claims on customers

The item now comprises DM 8,552.9 m in short and medium-term claims as well as long-term lendings of DM 8,266.3 m for agreed periods, or at agreed periods of notice of four years or more.



### Liabilities

- Liabilities arising from banking business On December 31, 1971, liabilities to credit institutions amounted to DM 5,873.3 m and those to customers totalled DM 18,045.2 m. Overall liabilities rose by DM 4,168.9 m to DM 23,918.5 m. Lenders sharing in this increase were credit institutions with DM 1,792.3 m, and other creditors with DM 2,376.6 m.
- Bonds This item, amounting to DM 4,506.8 m, comprises exclusively mortgage bonds and communal bonds issued by both of the mortgage banks.
- Difference The difference shown at DM 25.7 m in pursuance of Article 331, paragraph 1, item 3, Companies Law (AktG), is the difference between divergent valuation of investments shown under participations and the Group's share in the capital (including published reserves) of the companies included. Minority interests, together with the profits attributable to them, are shown in a contra item for interests held by third parties.
- Sundries Contingent liabilities for calls on shares not fully paid-up of both AG and GmbH companies amounted to DM 5.5 m at the closing date.

### Profit and Loss Account

After allowing for all offsets of expenditures and receipts among Group members the consolidated profit and loss account shows the year's earnings at DM 97.3 m. The profit carried forward of DM 2.0 m comprises the dividends distributed by the consolidated companies in 1971 for 1970, after deduction of retrospective tax. After the transfer of DM 25.5 m to the published reserves, and excluding the profit of DM 2.3 m attributable to interests held by third parties, the consolidated profit remaining amounts to DM 71.5 m.

No events of special importance for the Group have occurred during the current business year.

Düsseldorf, March 10, 1972

### THE BOARD OF MANAGEMENT

Behrenbeck Brands Dhom Jahn Lichtenberg  
Niederste-Ostholt Reckel Rieche Spiegel  
Deputy Members: Deuss Knappertsbusch Terrahe







		DM	DM
Cash			143,916,927.93
Balance at the Deutsche Bundesbank			2,293,249,931.57
Balances on postal cheque accounts			44,216,654.83
Cheques, matured bonds, interest and dividend coupons, and items received for collection			215,935,460.05
Bills of exchange			3,307,325,824.94
including: a) rediscountable at the Deutsche Bundesbank	DM 2,695,215,086.42		
b) own drawings	DM 3,163,298.01		
Claims on credit institutions			
a) payable on demand		1,168,783,408.10	
b) for agreed periods, or at agreed periods of notice, of			
ba) less than three months		868,174,913.58	
bb) at least three months, but less than four years		1,689,249,907.69	
bc) four years or more		816,065,384.77	4,542,273,614.14
Treasury bills and discountable Treasury notes			
a) of the Federal and the Länder governments		4,864,583.35	
b) other		—,—	4,864,583.35
Bonds and notes			
a) with maturities of up to four years			
aa) of the Federal and the Länder governments	DM 33,868,813.73		
ab) of credit institutions	DM 75,351,811.15		
ac) other	DM —,—		
including: eligible as security for Deutsche Bundesbank advances	DM 109,220,624.88	109,220,624.88	
b) with maturities of more than four years			
ba) of the Federal and the Länder governments	DM 229,961,970.28		
bb) of credit institutions	DM 548,806,057.59		
bc) other	DM 272,605,153.41		
including: eligible as security for Deutsche Bundesbank advances	DM 810,878,354.42	1,051,373,181.28	1,160,593,806.16
Securities, so far as they are not to be shown in other items			
a) shares listed on the stock exchange, and investment trust shares		607,920,379.83	
b) other securities		31,898,505.21	639,818,885.04
including: holdings of more than one tenth of the shares of a joint-stock company or mining company, excluding participations	DM 462,535,883.93		
Claims on customers, for agreed periods, or at agreed periods of notice, of			
a) less than four years		8,552,930,885.80	
b) four years or more		8,266,278,982.84	16,819,209,868.64
including: ba) secured by mortgages on real estate	DM 2,681,913,224.74		
bb) communal loans	DM 2,023,225,171.—		
Equalization and covering claims on public authorities			166,837,207.76
Transmitted credits (on a trust basis)			147,459,224.39
Participations			182,473,193.73
including: in credit institutions	DM 64,545,613.84		
Land and buildings			300,676,003.73
Furniture and equipment			97,518,644.15
Own bonds, held by the Group			122,495,079.74
nominal amount	DM 136,911,900.—		
including: eligible as security for Deutsche Bundesbank advances	DM 111,362,746.41		
Other assets			39,616,428.87
Deferred charges			1,212,987.94
		Total Assets	30,229,694,326.96
<b>The assets and the rights of recourse in respect of the liabilities shown on the liabilities side include</b>			
a) claims on affiliated enterprises			292,916,750.—
b) claims which arise from credits falling under Article 15, paragraph 1, items 1 to 6, and paragraph 2, of the Banking Law, so far as they are not shown under a)			87,591,149.27



	DM	DM	DM
<b>Liabilities to credit institutions</b>			
a) payable on demand . . . . .		1,791,697,530.59	
b) for agreed periods, or at agreed periods of notice, of			
ba) less than three months . . . . .	2,058,576,375.80		
bb) at least three months, but less than four years . . . . .	1,463,504,446.22		
bc) four years or more . . . . .	552,622,981.80	4,074,703,803.82	
including: due in less than			
four years . . . . . DM 248,972,459.79		6,899,336.53	5,873,300,670.94
c) customers' drawings on credits opened by us at other institutions . . . . .			
<b>Banking liabilities to other creditors</b>			
a) payable on demand . . . . .		4,970,935,186.35	
b) for agreed periods, or at agreed periods of notice, of			
ba) less than three months . . . . .	4,037,812,671.99		
bb) at least three months, but less than four years . . . . .	3,573,879,246.—		
bc) four years or more . . . . .	211,343,146.91	7,823,035,064.90	
including: due in less than			
four years . . . . . DM 94,242,249.85			
c) savings deposits			
ca) subject to legal period of notice . . . . .	2,340,500,445.23		
cb) other . . . . .	2,910,705,610.88	5,251,206,056.11	18,045,176,307.36
<b>Bonds with maturities of</b>			
a) up to four years . . . . .		11,500,000.—	
b) more than four years . . . . .		4,495,263,866.38	4,506,763,866.38
including: due in less than			
four years . . . . . DM 643,400,469.44			
<b>Own acceptances and promissory notes outstanding . . . . .</b>			76,910,655.64
<b>Transmitted credits (on a trust basis) . . . . .</b>			147,459,224.39
<b>Provisions</b>			
a) for pensions . . . . .		199,643,201.—	
b) other . . . . .		124,099,289.67	323,742,490.67
<b>Other liabilities . . . . .</b>			12,783,804.42
<b>Deferred credits</b>			
a) according to Article 25 of the Mortgage Bank Law (HBG) . . . . .		8,350,584.20	
b) other . . . . .		95,056,205.10	103,406,789.30
<b>Special reserve items</b>			
according to Article 1, paragraph 1, item 2, of the Development Aid Tax Law, and Article 7 c of the Income Tax Law (EStG) . . . . .			522,945.27
<b>Capital . . . . .</b>			400,000,000.—
<b>Published reserves</b>			
a) statutory reserve . . . . .		226,000,000.—	
b) other reserves . . . . .		364,000,000.—	590,000,000.—
<b>Difference pursuant to Article 331, paragraph 1, item 3, of the Companies Law (AktG) . . . . .</b>			25,651,545.37
<b>Contra item for interests held by third parties . . . . .</b>			44,628,671.69
including: from profit . . . . . DM 2,322,969.29			
<b>Foundations . . . . .</b>			6,404,027.61
<b>Profit from periods preceding affiliation</b>			
a) attributable to interests held by third parties . . . . .		422,603.49	
b) attributable to interests held by the Group . . . . .		996,139.13	1,418,742.62
<b>Consolidated profit . . . . .</b>			71,524,585.30
		<b>Total Liabilities</b>	<b>30,229,694,326.96</b>
<b>Endorsement liabilities on bills of exchange in circulation . . . . .</b>			788,403,812.47
<b>Liabilities arising from guarantees, including guarantees of bills and cheques, and from indemnity agreements . . . . .</b>			2,120,225,422.40
<b>Obligations in the event of buying back items sold under repurchase agreements, so far as these obligations have not to be shown here above the line . . . . .</b>			5,747,117.—
<b>Liability under security furnished for liabilities of third parties . . . . .</b>			200,000.—
<b>Savings bonuses under the Savings Bonus Law . . . . .</b>			70,980,328.10
<b>The liabilities and the items shown here below the line include those to affiliated enterprises, amounting to . . . . .</b>			366,112,725.—











## Issuing Business, Bonus Share Issues, Stock Exchange Introductions and Other Syndicate Transactions

### Domestic Public Entities' Bonds

#### Underwriting, issues, and stock exchange introductions

- |   |   |
|---|---|
| 8 % Bonds, Land Baden-Württemberg, 1971                   | 7½% Bonds, City of Cologne, 1971  |
| 7½% Bonds, Freistaat Bayern (Free State of Bavaria), 1971 | 8 % Bonds, Kreditanstalt für Wiederaufbau (Reconstruction Loan Corporation), 1971 |
| 7½% Bonds, Land Berlin, 1971                              | 7½% Bonds, Kreditanstalt für Wiederaufbau (Reconstruction Loan Corporation), 1971 |
| 7½% Bonds, Freie Hansestadt Bremen, 1971                  | 7½% Bonds, Landwirtschaftliche Rentenbank, 1971, 27th issue                       |
| 7½% Bonds, Federal Republic of Germany, 1971              | 7½% Bonds, Landwirtschaftliche Rentenbank, 1971, 28th issue                       |
| 7½% Bonds, Federal Republic of Germany, 1971              | 7½% Bonds, Land Niedersachsen (Lower Saxony), 1971                                |
| 8 % Bonds, German Federal Railways, 1971                  | 7½% Bonds, Land Nordrhein-Westfalen, 1971   |
| 7½% Bonds, German Federal Railways, 1971                  | 8 % Bonds, Land Rheinland-Pfalz, 1971   |
| 7½% Bonds, German Federal Railways, 1971                  | 7½% Bonds, Land Schleswig-Holstein, 1971  |
| 7½% Bonds, German Federal Post Office, 1971               | 7½% Bonds, City of Stuttgart, 1971  |
| 8 % Bonds, German Federal Post Office, 1971               |   |
| 8 % Bonds, Land Hessen, 1971                              |   |

### Other Domestic Bonds (including Convertible, Mortgage and Communal Bonds)

#### Underwriting, issues, and stock exchange introductions

- |   |  |
|---|--|
| Braunschweig-Hannoversche Hypothekenbank            | Klößner-Werke Aktiengesellschaft                             |
| Chemische Werke Hüls Aktiengesellschaft             | Nordwestdeutsche Kraftwerke Aktiengesellschaft               |
| Continental Gummi-Werke Aktiengesellschaft          | Rheinisch-Westfälisches Elektrizitätswerk Aktiengesellschaft |
| Deutsche Schiffsbeleihungs-Bank Aktien-Gesellschaft | SKF Kugellagerfabriken GmbH                                  |
| Hamburgische Electricitäts-Werke Aktiengesellschaft | Schering Aktiengesellschaft                                  |
| Hoesch Aktiengesellschaft                           | Schleswig-Holsteinische Stromversorgungs-Aktiengesellschaft  |
| Industriekreditbank Aktiengesellschaft              | August Thyssen-Hütte Aktiengesellschaft                      |
| Karstadt Aktiengesellschaft                         | Vereinigte Elektrizitätswerke Westfalen Aktiengesellschaft   |
| Kaufhof Aktiengesellschaft                          |  |

### Foreign Bonds (including Convertible Bonds)

#### Underwriting, issues, and stock exchange introductions

- |  |   |
|--|---|
| 9 % US \$ Bonds, Airlease International Finance Limited, 1971            | 8½% US \$ Bonds, Amax International Capital Corporation, 1971 (issue A) |
| 8½% US \$ Notes, Airlease International Finance Limited, 1971            | 8 % UA Bonds, Commonwealth of Australia, 1971                           |
| 8½% US \$ Bonds, Allmänna Svenska Elektriska Aktieföretaget (ASEA), 1971 | 8 % DM Bonds, Autopistas, Concesionaria Española, S.A., 1971            |
| 7 % US \$ Bonds with warrants, Alusuisse International N.V., 1971        | 8½% US \$ Bonds, Azienda Autonoma delle Ferrovie dello Stato, 1971      |
| 8½% US \$ Bonds, Amax International Capital Corporation, 1971            | 8 % DM Bonds, Banco Nacional de Obras y Servicios Públicos S.A., 1971   |
| 8 % US \$ Notes, Amax International Capital Corporation, 1971            | 7½% US \$ Bonds, Bank of Tokyo Holding S.A., 1971                       |



8¼% US \$ Bonds, Barclays Bank International Limited, 1971	7¼% ECU Bonds, Ente Nazionale per l'Energia Elettrica (ENEL), 1971
7¼% US \$ Notes, Barclays Bank International Limited, 1971	8 % US \$ Bonds, Esso Overseas Finance N.V., 1971
6¼% US \$ Convertible Bonds, Beatrice Foods Overseas Finance N.V., 1971	7½% US \$ Notes, Esso Overseas Finance N.V., 1971
8¼% US \$ Bonds, Beecham International (Bermuda), Ltd., 1971	8 % US \$ Bonds, Esso Overseas Finance N.V., 1971
6¼% US \$ Convertible Bonds, Borden Overseas Capital Corporation N.V., 1971	7½% US \$ Notes, Esso Overseas Finance N.V., 1971
8¼% US \$ Bonds, Aktieselskapet Borregaard, 1971	7¼% DM Bonds, Eurofima European Company for the Financing of Railroad Rolling Stock, 1971
8 % US \$ Bonds, Caisse Nationale des Télécommunications, 1971	7½% DM Bonds, European Coal and Steel Community (ECSC), 1971
8¼% US \$ Bonds, Carlsberg-Tuborg, 1971	7½% DM Bonds, European Investment Bank, 1971
8¼% US \$ Bonds, Ciments Lafarge, 1971	8¼% US \$ Bonds, European Investment Bank, 1971
7¼% DM Bonds, Comalco Investments Europe S.A., 1971	7¼% hfl Bonds, European Investment Bank, 1971
8½% US \$ Bonds, Commercial Union Assurance Company Limited, 1971	8½% US \$ Bonds, European Investment Bank, 1971
7½% US \$ Notes der Commercial Union Assurance Company Limited, 1971	7¼% US \$ Notes, European Investment Bank, 1971
8 % UA Bonds, Communautés Urbaines de Bordeaux, Dunkerque, Lille, Lyon et Strasbourg, 1971	7¼% DM Bonds, European Investment Bank, 1971
8 % US \$ Bonds, Conoco Eurofinance N.V., 1971	7¼% Ffrs Bonds, European Investment Bank, 1971 (Private Placement)
8¼% US \$ Bonds, Continental Telephone International Finance Corporation, 1971	8¼% DM Bonds, Europistas, Concesionaria Española, S.A., 1971
8 % UA Bonds, The Copenhagen County Authority, 1971	8 % DM Bonds, Finnish Communal Loan, 1971
8½% US \$ Bonds, Copenhagen Telephone Company Incorporated, 1971	7¼% DM Bonds, Firestone Finance Corporation, 1971
8½% US \$ Bonds, Corning International Corporation, 1971	6 % US \$ Convertible Bonds, Ford International Capital Corporation, 1971
7¼% DM Bonds, Courtaulds International Finance N.V., 1971	8¼% US \$ Notes, GATX Oswego Corporation, 1971
8 % UA Bonds, Crédit National, 1971	8 % US \$ Bonds, General Mills Finance N.V., 1971
6¼% US \$ Convertible Bonds, Cummins International Finance N.V., 1971	8¼% US \$ Bonds, General Motors Overseas Finance N.V., 1971
8 % UA Bonds, Kingdom of Denmark, 1971	8¼% US \$ Notes, General Motors Overseas Finance N.V., 1971
7¼% DM Bonds, Kingdom of Denmark, 1971	8 % DM Bonds, Glaxo Finance Bermuda Limited, 1971
6¼% US \$ Convertible Bonds, Dai Nippon Printing Company Limited, 1971	8½% US \$ Bonds, Gränges-The Grängesberg Company, 1971
8½% US \$ Bonds, Dow Corning Overseas Capital Company N.V., 1971	9¼% US \$ Bonds, Grand Metropolitan Hotels Limited, 1971
7½% US \$ Bonds, Du Pont Overseas Finance N.V., 1971	8¼% US \$ Bonds, Grolier International, Inc., 1971
7¼% US \$ Notes, Electricité de France, 1971	8½% Ffrs Bonds, Groupement de l'Industrie Sidérurgique (G.I.S.), 1971
8½% US \$ Bonds, Electricité de France, 1971	8¼% US \$ Bonds, GTE International Incorporated, 1971
7¼% DM Bonds, The Electricity Council, 1971	8½% US \$ Bonds, G.U.S. International N.V., 1971
8¼% UA Bonds, Electricity Supply Board, 1971	8¼% US \$ Bonds, Haas Overseas Capital N.V., 1971
8 % DM Bonds, Electricity Supply Commission (ESCOM), 1971	8 % US \$ Notes, Haas Overseas Capital N.V., 1971
8¼% UA Bonds, Electricity Supply Commission (ESCOM), 1971	9 % US \$ Bonds, Hamersley Iron Finance N.V., 1971
8½% US \$ Bonds, Electricity Supply Commission (ESCOM), 1971	



- 8¾% US \$ Bonds, City of Helsinki, 1971
- 8½% US \$ Bonds, Hill Samuel Group Limited, 1971
- 6 % US \$ Convertible Bonds, Honeywell Capital N.V., 1971
- 8¼% US \$ Bonds, The Hydro-Electric Power Commission of Ontario, 1971
- 7½% DM Bonds, The Hydro-Electric Power Commission of Ontario, 1971
- 7¾% DM Bonds, Mortgage Bank and Financial Administration Agency of the Kingdom of Denmark, 1971
- 8 % £/DM Bonds, I.C.I. International Finance Limited, 1971
- 8 % DM Bonds, I.C.I. International Finance Limited, 1971
- 8 % DM Bonds, Imatran Voima Osakeyhtiö, 1971
- 8 % DM Bonds, Industrial Mortgage Bank of Finland Ltd., 1971
- 7 % US \$ Convertible Bonds, Inter-Continental Hotels Overseas N.V., 1971
- 8¼% US \$ Bonds, International Standard Electric Corporation (ISEC), 1971
- 9 % US \$ Bonds, International Standard Electric Corporation (ISEC), 1971
- 8¼% US \$ Bonds, Ireland, 1971
- 8¾% US \$ Bonds, of Republic of Iceland, 1971
- 8 % DM Bonds, Istituto di Credito per le Imprese di Pubblica Utilità (ICIPU), 1971
- 7¾% US \$ Bonds with warrants, Jardine Matheson International N.V., 1971
- 8 % DM Bonds, City of Johannesburg, 1971
- 7¾% DM Bonds, The Kansai Electric Power Company Incorporated, 1971
- 8½% US \$ Bonds, Kimberly-Clark International Finance Corporation N.V., 1971
- 7¾% DM Bonds, City of Kobe, 1971
- 7¾% DM Bonds, City of Copenhagen, 1971
- 8¾% US \$ Bonds, J. Lyons & Company Limited, 1971
- 8¾% Ffrs Bonds, Manufacture des Pneumatiques Michelin, 1971
- 8¾% US \$ Bonds, Metropolitan Estate and Property International N.V., 1971
- 8½% US \$ Bonds, Mortgage Bank of Finland Oy, 1971
- 8¾% US \$ Bonds, Mount Isa Finance N.V., 1971
- 8 % UA Bonds, City of Nancy, 1971
- 8½% US \$ Bonds, Province of Newfoundland, 1971
- 8 % DM Bonds, Province of Newfoundland, 1971
- 7½% DM Bonds, New Zealand, 1971
- 9 % US \$ Bonds, Le Nickel, 1971
- 7¾% UA Bonds, Norges Kommunalbank, 1971
- 7¾% DM Bonds, Province of Nova Scotia, 1971
- 8¾% US \$ Bonds, City of Oslo, 1971
- 9 % US \$ Bonds, Owens-Corning Fiberglas Finance N.V., 1971
- 8¾% US \$ Bonds, Pekema Oy, 1971
- 8½% US \$ Bonds, Philip Morris International Capital N.V., 1971
- 8 % US \$ Notes, Philip Morris International Capital N.V., 1971
- 8½% US \$ Bonds, Plessey International Finance Corporation Limited, 1971
- 8¼% US \$ Bonds, Quebec Hydro-Electric Commission, 1971
- 8 % DM Bonds, Quebec Hydro-Electric Commission, 1971
- 8½% US \$ Bonds, Quebec Hydro-Electric Commission, 1971
- 8½% US \$ Bonds, Queensland Alumina Finance N.V., 1971
- 6½% US \$ Convertible Bonds, Rand Selection Corporation Limited, 1971
- 8¾% US \$ Bonds, The Rank Organisation Limited, 1971
- 8½% US \$ Bonds, Refinería de Petróleos del Norte S.A. (PETRONOR), 1971
- 7¾% DM Bonds, Saab Scania Aktiebolag, 1971
- 9 % US \$ Bonds, Sandvikens Jernverks Aktiebolag, 1971
- 8¾% US \$ Bonds, Scott Paper Overseas Finance N.V., 1971
- 8 % US \$ Bonds, Shell International Finance N.V., 1971
- 7¾% UA Bonds, Société Nationale des Chemins de Fer Français (SNCF), 1971
- 8 % UA Bonds, Sociétés de Developpement Régional, 1971
- 7¾% DM Bonds, South African Iron and Steel Industrial Corporation Limited (ISCOR), 1971
- 8 % ECU Bonds, Republic of South Africa, 1971
- 7¾% DM Bonds, Republic of South Africa, 1971
- 7¾% DM Bonds, Tenneco International N.V., 1971
- 8½% US \$ Bonds, Transamerica Overseas Finance Corporation N.V., 1971
- 8 % US \$ Bonds, Transocean Gulf Oil Company, 1971
- 7½% DM Bonds, Transocean Gulf Oil Company, 1971
- 8¾% US \$ Bonds, TRW Overseas Finance N.V., 1971
- 9 % US \$ Bonds, City of Turin, 1971
- 8 % Ffrs Notes, Ugine Kuhlmann, 1971
- 7½% DM Bonds, International Bank for Reconstruction and Development (World Bank), 1971
- 7½% DM Bonds, International Bank for Reconstruction and Development (World Bank), 1971
- 8 % DM Bonds, City of Yokohama, 1971



**Shares (including Capital Increases)  
Underwriting, issues, and stock exchange introductions**

Aktiengesellschaft für Energiewirtschaft	Kölsch-Fölzer-Werke Aktiengesellschaft
Allgemeine Deutsche Credit-Anstalt	Christian Adalbert Kupferberg & Compagnie Commandit-Gesellschaft auf Actien
Badische Anilin- und Soda-Fabrik Aktiengesellschaft	Langbein-Pfanhauser Werke Aktiengesellschaft
Banco Central S.A.	Lehnkering Aktiengesellschaft
Baxter/Travenol International Capital Corporation	Lindener Gilde-Bräu Aktiengesellschaft
Bayerische Motoren Werke Aktiengesellschaft	Maihak Aktiengesellschaft
Bayerische Vereinsbank	Mannesmann Aktiengesellschaft
Berliner Commerzbank Aktiengesellschaft	Merrill Lynch, Pierce, Fenner & Smith Inc.
Berliner Kraft- und Licht (Bewag)-Aktiengesellschaft	Mineralbrunnen Überkingen-Teinach-Ditzenbach Aktiengesellschaft
Brauerei Isenbeck Aktiengesellschaft	Mitteldeutsche Hartstein-Industrie Aktiengesellschaft
Chemie-Verwaltungs-Aktiengesellschaft	Münchener Rückversicherungs-Gesellschaft
Compagnie Lambert pour l'Industrie et la Finance S.A.	Nordwestdeutsche Kraftwerke Aktiengesellschaft
Compagnie Pechiney	Oelmühle Hamburg Aktiengesellschaft
Deutsche Schiffahrtsbank Aktiengesellschaft	Phs. van Ommeren N.V.
Deutsche Schiffskreditbank Aktiengesellschaft	Orenstein & Koppel Aktiengesellschaft
Dortmunder Stifts-Brauerei Carl Funke Aktiengesellschaft	Rheinisch-Westfälisches Elektrizitätswerk Aktiengesellschaft
Dortmunder Union-Brauerei Aktiengesellschaft	Rotterdamsch Beleggingsconsortium N.V.
Flensburger Schiffsbau-Gesellschaft	Sächsische Bodencreditanstalt
Ford-Werke Aktiengesellschaft	Siemens Aktiengesellschaft
Gemeinnütziger Bauverein Wesel Aktiengesellschaft	Schering Aktiengesellschaft
Gerling-Konzern Allgemeine Versicherungs-Aktiengesellschaft	Stern-Brauerei Carl Funke Aktiengesellschaft, Essen
Hannoversche Papierfabriken Alfeld-Gronau vorm. Gebr. Woge	Hugo Stinnes Aktiengesellschaft
Hein, Lehmann Aktiengesellschaft	Thomson-CSF S.A.
Henninger-Bräu KGaA	VEBA Aktiengesellschaft
Karstadt Aktiengesellschaft	Vereinsbank in Hamburg
Klöckner-Humboldt-Deutz Aktiengesellschaft	Volkswagenwerk Aktiengesellschaft
Klöckner-Werke Aktiengesellschaft	

**Other Syndicate Transactions**

J. L. de Ball of Canada Ltd.	Kauzenburg-Betriebs-Aktiengesellschaft
Deutsche Pfandbriefanstalt	Kempinski Hotelbetriebs-Aktiengesellschaft
Dortmunder Union-Brauerei Aktiengesellschaft	August Thyssen-Hütte Aktiengesellschaft
Henninger-Bräu KGaA	VEBA Aktiengesellschaft
Kamerun-Eisenbahn-Gesellschaft	Volkswagenwerk Aktiengesellschaft



## Advisory Councils

### Central Council

DR. FRIEDRICH KRÄMER, Hannover  
Chairman of the Board of Management of PREUSSAG Aktiengesellschaft  
*Chairman*

DR.-ING. WALTER BARTELS, Hannover  
Chief Executive, Gewerkschaften Brigitta und Elwerath  
Betriebsführungsgesellschaft mbH

PROFESSOR DR.-ING. DR. E. h. FRANZ BROICH, Marl  
Chairman of the Board of Management of Chemische Werke Hüls AG

DR. FRIEDWART BRUCKHAUS, Wetzlar  
Member of the Board of Management of Buderus'sche Eisenwerke

DR.-ING. E. h. HELMUTH BURCKHARDT, Aachen  
Chairman of the Supervisory Board of Eschweiler Bergwerks-Verein

DR. HANS COENEN, Essen  
Member of the Supervisory Board of Kepa Kaufhaus GmbH

DR. OSKAR JANSON, Krefeld  
Member of the Board of Management of Deutsche Edelstahlwerke Aktiengesellschaft

MAX KÜPPERS, Wesel  
Managing Partner, Gerhard Hülskens & Co.

PROFESSOR DR.-ING. DR. HEINRICH MANDEL, Essen  
Member of the Board of Management of Rheinisch-Westfälisches Elektrizitätswerk AG

KARLHEINZ MANGELSEN, Köln (*Cologne*)  
Member of the Board of Management of Kaufhof AG,  
and Chairman of the Supervisory Board of Kaufhalle GmbH

DR. h. c. HERBERT SCHELBERGER, Essen  
Chairman of the Board of Management of Ruhrgas AG

DR.-ING. ALBRECHT SCHUMANN, Frankfurt a. M.  
Chairman of the Board of Management of Hochtief AG für Hoch- und  
Tiefbauten vorm. Gebr. Helfmann

FRITZ SEYDAACK, Düsseldorf  
Member of the Board of Management of Horten AG

DR. GÜNTER WINKELMANN, Mülheim (Ruhr)  
Chairman of the Board of Management of Hugo Stinnes AG and  
Member of the Board of Management of VEBA AG



## Board of Trustees of Commerzbank Foundation

DR. HANNS DEUSS, Düsseldorf  
Chairman of the Supervisory Board of Commerzbank Aktiengesellschaft  
*Chairman*

PROFESSOR DR. DR. h. c. mult. DR. E. h. mult. OTTO BAYER, Leverkusen  
*Deputy Chairman*

DR. h. c. KARL BLESSING, Frankfurt a. M.  
Former President of Deutsche Bundesbank  
*deceased on April 25, 1971*

State Secretary (retd.) PROFESSOR DR. DR. h. c. WALTER HALLSTEIN, Bonn  
*since June 4, 1971*

PROFESSOR DR. DR. h. c. GÜNTER SCHMÖLDERS, Köln (*Cologne*)

DR. RABAN FRHR. v. SPIEGEL, Hamburg  
Member of the Board of Management of Commerzbank Aktiengesellschaft







## List of Branches

### HEAD OFFICES

#### DÜSSELDORF

25, Breite Strasse

Telephone 82 71 · Telex 8 581 381

#### FRANKFURT A. M.

17-19, Grosse Gallusstrasse

Telephone 2 86 21 · Telex 4 11 246

#### HAMBURG

7-9, Ness

Telephone 36 13 11 · Telex 2 12 391

### BRANCHES

- |   |   |   |  |
|---|---|---|--|
| ● Aachen<br>with sub-branches<br>Adalbertstrasse<br>Burtscheid<br>Markt | ● Beckum (Bez. Münster)   | Dankwardstrasse<br>Heidberg<br>Jasperallee<br>Radeklint*    | ● Delmenhorst  |
| ● Aalen   | ● Bensheim  | ● Bremen<br>with sub-branches                               | ● Detmold  |
| ● Ahlen (Westf.)  | ● Berenbostel   | Dobben  | ● Diepholz   |
| ● Ahrensburg (Holst.)<br>with sub-branch<br>Nord                        | ● Bergisch Gladbach   | Findorff  | ● Diez (Lahn)  |
| ● Alfeld (Leine)  | ● Bergneustadt  | Gröpelingen   | ● Dillenburg   |
| ● Alsfeld   | ● Biberach (Riss)   | Hemelingen  | ● Dinslaken  |
| ● Altena (Westf.)<br>with sub-branch<br>Lennestrasse                    | ● Bielefeld<br>with sub-branches<br>Betheleck<br>Heeper Strasse<br>Herforder Strasse<br>Jöllenecker Strasse<br>Sieker<br>Stapenhorststrasse<br>Wellensiek | Neustadt  | ● Dormagen   |
| ● Andernach   | ● Bigge (Krs. Brilon/W.)  | Steintor  | ● Dorsten  |
| ● Aschaffenburg   | ● Bingen  | West  | ● Dortmund<br>with sub-branches<br>Aplerbeck<br>Hörde<br>Hombruch<br>Kaiserstrasse<br>Königswall<br>Mengede<br>Münsterstrasse<br>Ruhrallee   |
| ● Augsburg<br>with sub-branch<br>Donauwörther Strasse                   | ● Bocholt   | Woltmershausen  | ● Dülmen   |
| ● Backnang  | ● Bochum<br>with sub-branches<br>Ehrenfeld<br>Hamme<br>Laer<br>Linden   | ● Bremen-Vegesack   | ● Düren  |
| ● Baden-Baden   | ● Böblingen   | ● Bremerhaven<br>with sub-branches<br>Geestemünde<br>Lehe   | ● Düsseldorf<br>with sub-branches<br>Am Hafen<br>Am Hauptbahnhof<br>Brehmplatz<br>Eller<br>Friedrichstrasse<br>Garath<br>Gerresheim<br>Golzheim<br>Grafenberger Allee<br>Heerdt<br>Heinrichstrasse<br>Holthausen<br>Kaiserswerth<br>Königsallee<br>Nordstrasse<br>Oberbilk<br>Oberkassel<br>Rath<br>Reisholzer Strasse<br>Schadowstrasse<br>Wersten<br>Worringer Platz |
| ● Bad Hersfeld  | ● Bonn<br>with sub-branches<br>Bundeskanzlerplatz<br>Markt<br>Tannenbusch   | ● Bremervörde   | ● Düsseldorf-Benrath   |
| ● Bad Homburg v. d. H.  | ● Bonn-Bad Godesberg<br>with sub-branch<br>Römerplatz   | ● Bruchsal  |  |
| ● Bad Honnef  | ● Bonn-Beuel  | ● Brühl (Bez. Köln)   |  |
| ● Bad Kreuznach   | ● Bonn-Duisdorf   | ● Brunsbüttel   |  |
| ● Bad Nauheim   | ● Borken (Westf.)   | ● Bückeberg   |  |
| ● Bad Neuenahr  | ● Bottrop   | ● Bünde   |  |
| ● Bad Neuenahr-Ahrweiler  | ● Brackwede   | ● Bünde-Ennigloh  |  |
| ● Bad Oeynhausen  | ● Braunschweig<br>with sub-branches<br>Am Hauptbahnhof<br>Celler Strasse  | ● Burgdorf  |  |
| ● Bad Oldesloe  |   | ● Butzbach  |  |
| ● Bad Salzufflen  |   | ● Celle   |  |
| ● Bad Soden (Taunus)  |   | ● Cloppenburg   |  |
| ● Bad Vilbel  |   | ● Coburg  |  |
| ● Balingen (Württ.)   |   | ● Coesfeld  |  |
| ● Bamberg   |   | ● Cuxhaven  |  |
| ● Baunatal (Bez. Kassel)  |   | ● Dachau<br>with paying office<br>MAN-Allach                |  |
| ● Bayreuth  |   | ● Darmstadt<br>with sub-branches<br>Arheilgen<br>Karlstasse |  |



Branches (continued)

- Duisburg  
with sub-branches  
Hochfeld  
Lutherplatz  
Marxloh  
Meiderich  
Wanheimerort
- Duisburg-Hamborn
- Duisburg-Ruhrort
- Ebingen
- Eckernförde
- Eickel (Wanne-Eickel)
- Einbeck
- Eiserfeld (Sieg)
- Elmshorn
- Elten-Feldhausen
- Emden  
with sub-branch  
Rathausplatz
- Emmerich
- Emsdetten
- Enger
- Ennepetal
- Erkelenz
- Erkrath
- Erlangen
- Eschwege
- Eschweiler
- Essen  
with sub-branches  
Altenessen  
Borbeck  
Bredenev  
Essen-Süd  
Essen-West  
Holsterhausen  
Kupferdreh  
Rüttenscheid  
Steele  
Viehofer Platz  
Wasserturm
- Esslingen
- Ettlingen
- Euskirchen
- Fellbach (Württ.)
- Flensburg  
with sub-branches  
Industriegebiet  
(*Industrial Estate*)  
Mürwik  
Norderstrasse  
Südermarkt
- Frankenthal (Pfalz)
- Frankfurt a. M.  
with sub-branches  
Adickesallee
- Alt-Bornheim
- Am Eschenheimer Tor
- Am Opernplatz
- Berliner Strasse
- Bockenheim
- Bornheim
- Dornbusch
- Flughafen (*Airport*)
- Galluswarte
- Hanauer Landstrasse
- Hauptwache
- Kaiserstrasse
- Oederweg
- Platz der Republik
- Rödelheim
- Sachsenhausen
- Schwanheim
- Taunusstrasse
- Zeil  
and paying office
- Airport-Hotel
- Frankfurt a. M.-Höchst
- Frechen
- Freiburg (Breisgau)
- Friedberg (Hess.)
- Friedrichsfeld (Ndrhh.)
- Friedrichshafen
- Fürth (Bay.)  
with sub-branches  
Komotauer Strasse  
Waldstraße\*
- Fulda
- Garmisch-Partenkirchen
- Gelsenkirchen  
with sub-branches  
Am Stern  
Buer-Erle  
Horst  
Neustadt
- Gelsenkirchen-Buer
- Gevelsberg
- Giessen
- Gifhorn
- Gladbeck
- Glinde (Schlesw.-H.)
- Glückstadt
- Goch
- Göggingen  
(near Augsburg)
- Göppingen
- Göttingen  
with sub-branches  
Eichendorffplatz  
Weender Landstrasse
- Goslar
- Greven (Westf.)
- Grevenbroich
- Gross Gerau
- Gütersloh
- Gummersbach
- Haan (Rhld.)
- Hagen  
with sub-branches  
Haspe  
Mittelstrasse  
Wehringhausen
- Halver
- Hamburg  
with sub-branches  
Altstadt  
Am Hafen  
Barmbek  
Billstedt  
Blankenese  
Bramfeld  
Dehnhaiide  
Eidelstedt  
Eilbek  
Eimsbüttel  
Eppendorfer Landstrasse  
Esplanade  
Freihafen (*Freeport*)  
Fuhlsbüttel  
Gänsemarkt  
Geschäftsstadt Nord  
Grindelberg  
Grossneumarkt  
Hamm  
Hammerbrook  
Hoheluft  
Lokstedt  
Messberg  
Mittelweg  
Mundsburg  
Neugraben  
Osdorf  
Osterstrasse  
Othmarschen  
Rahlstedt  
Rothenburgsort  
St. Georg  
St. Pauli  
Schnelsen  
Uhlenhorst  
Volksdorf  
Wandsbek  
Wilhelmsburg  
Winterhude  
and paying office  
Grossmarkthalle
- Hamburg-Altona
- Hamburg-Bergedorf
- Hamburg-Harburg
- Hameln
- Hamm (Westf.)  
with sub-branch  
Marktplatz
- Hanau (Main)
- Hannover  
with sub-branches  
Am Klagesmarkt  
Am Kröpcke  
Am Küchengarten  
Am Steintor  
Buchholz  
Celler Strasse  
Herrenhausen  
Hildesheimer Strasse  
Sallstrasse  
Südstadt  
Vahrenheide  
Vahrenwald  
Wülfel
- Heide (Holstein)
- Heidelberg  
with sub-branch  
Neuenheim
- Heidenheim (Brenz)
- Heilbronn
- Heiligenhaus
- Helmstedt  
with sub-branch  
Gröpern
- Hemer
- Hemmingen-Westerfeld
- Hennef
- Herford  
with sub-branches  
Alter Markt  
Mindener Strasse
- Herne
- Herten
- Herzberg
- Hilden
- Hildesheim  
with sub-branches  
Dammstrasse  
Marienburger Platz  
Zingel
- Hof (Saale)
- Hofheim (Taunus)
- Hohenlimburg  
with sub-branch  
Elsev
- Holzminden
- Homberg (Ndrhh.)
- Homburg (Saar)
- Hoya (Weser)
- Hüttental-Weidenau
- Husum
- Ibbenbüren
- Idar-Oberstein  
with sub-branch  
Idar
- Ingelheim\*



Branches (continued)

- Ingolstadt
- Iserlohn  
with sub-branch  
Schillerplatz
- Itzehoe
- Jülich
- Kästorf (near Wolfsb.)
- Kaiserslautern
- Kaltenkirchen
- Kamen
- Kamp-Lintfort
- Karlsruhe  
with sub-branches  
Am Mühlburger Tor  
Durlach  
Mühlburg
- Kassel  
with sub-branches  
Altmarkt  
Bettenhausen  
Friedrich-Ebert-Strasse  
with paying office  
DEZ Niederzwehren
- Kaufbeuren  
with sub-branch  
Neugablonz
- Kelkheim (Taunus)
- Kempen (Ndrh.)
- Kempen-Hüls (Ndrh.)
- Kiel  
with sub-branches  
Arndtplatz  
Gaarden  
Holtenauer Strasse Nord  
Holtenauer Strasse Süd  
Kirchhofallee  
Seefischmarkt  
Wellingdorf
- Kirchheim (Teck)
- Kirchweyhe
- Kirn (Nahe)
- Kleve
- Koblenz  
with sub-branch  
Bahnhofplatz
- Köln  
with sub-branches  
Barbarossaplatz  
Braunsfeld  
Chlodwigplatz  
Ehrenfeld  
Eigelstein  
Hohenzollernring  
Hohe Strasse  
Kalk  
Lindenthal  
Neumarkt  
Neusser Strasse  
Sülz  
Weidenpesch  
Zollstock
- Köln-Mülheim
- Konstanz  
with sub-branch  
Petershausen
- Korbach
- Krefeld  
with sub-branches  
Hochstrasse  
Zentrum
- Krefeld-Uerdingen
- Kreuztal
- Laatzten (Han.)
- Lahr
- Landau (Pfalz)
- Landshut
- Langen (Hess.)
- Langenberg (Rhld.)
- Langenfeld
- Langenhagen  
with paying office  
Skala
- Leer (Ostfr.)
- Leeste
- Lehrte (Han.)
- Leichlingen
- Lemgo
- Lennestadt (Altenhudem)
- Leonberg
- Letmathe
- Leverkusen
- Limburg (Lahn)
- Lingen (Ems)
- Lippstadt
- Löhne
- Lörrach (Baden)
- Ludwigsburg
- Ludwigshafen (Rhein)
- Lübbecke
- Lübeck  
with sub-branches  
Am Schlachthof  
Fackenburger Allee  
Geniner Strasse  
Marli  
Travemünde  
and paying office  
Skandinavienkai
- Lüchow
- Lüdenscheid  
with mobile sub-branch
- Lüdinghausen
- Lüneburg
- Lünen
- Mainz  
with sub-branches  
Am Dom  
Rheinallee  
Schillerstrasse\*
- Mainz-Kastel
- Mannheim  
with sub-branches  
Käfertal  
Kaiserring  
Lindenhof  
Neckarau  
Neckarstadt  
Sandhofen  
Waldhof
- Marburg (Lahn)
- Marl-Hüls
- Mayen
- Meerbusch-Büderich
- Meerbusch-Osterath
- Memmingen  
Menden\*
- Meppen
- Meschede
- Mettmann
- Minden
- Misburg
- Mönchengladbach  
with sub-branches  
Am Hauptbahnhof  
Rheindahlen 1  
Rheindahlen 2
- Moers
- Monschau
- Mühl Dorf (Inn)
- Mühlheim (Main)
- Mülheim (Ruhr)  
with sub-branch  
Speldorf
- München (*Munich*)  
with sub-branches  
Baldeplatz  
Grosshadern  
Hauptbahnhof/  
Marsstrasse  
Herkomerplatz  
Hohenzollernstrasse  
Ingolstädter Strasse  
Laim  
Leopoldstrasse  
Lindwurmstrasse  
Müllerstrasse  
Neuaubing  
Nymphenburger Strasse  
Pasing  
Reichenbachplatz  
Riesenfeldstrasse  
Rosenheimer Platz  
Rotkreuzplatz  
Schleissheimer Strasse  
Schwanthalerstrasse  
Sendlinger Strasse
- Thalkirchner Strasse  
Thomasiusplatz
- Münster (Westf.)  
with sub-branches  
Hammer Strasse  
Hansaring
- Neheim-Hüsten
- Nettetal-Lobberich
- Neuenkirchen (near Rheine)
- Neuenrade
- Neu-Isenburg
- Neumünster
- Neunkirchen (Saar)
- Neuss  
with sub-branch  
Dreikönigenstrasse
- Neustadt (Weinstrasse)
- Neu-Ulm
- Neuwied
- Niebüll
- Nienburg (Weser)
- Norden
- Nordenham
- Norderstedt
- Nordhorn
- Northeim (Han.)
- Nürnberg  
with sub-branches  
Friedrich-Ebert-Platz  
Fürther Strasse  
Gibitzenhof  
Landgrabenstrasse  
Plärrer  
Schweinau\*  
Stresemannplatz  
and paying office  
Flughafen (*Airport*)
- Oberhausen  
with sub-branches  
Buschhausen  
Osterfeld
- Oberhausen-Sterkrade
- Obertshausen
- Oberursel (Taunus)
- Oer-Erkenschwick
- Offenbach a. M.  
with sub-branches  
Kaiserlei  
Sprendlinger Landstrasse  
Waldstrasse
- Offenburg
- Oldenburg (Oldb.)  
with sub-branch  
Grossmarkt
- Olpe



Branches (continued)

- Opladen
- Osnabrück  
with sub-branches  
Bramscher Strasse  
Johannisstrasse  
Lotter Strasse  
Schützenstrasse
- Osterholz-Scharmbeck
- Osterode (Harz)
- Paderborn
- Papenburg
- Passau
- Peine
- Pforzheim
- Pfungstadt
- Pinneberg
- Pirmasens
- Plettenberg
- Pullach-  
Höllriegelskreuth
- Radevormwald
- Rastatt
- Ratingen
- Ravensburg
- Recklinghausen  
with sub-branch  
Recklinghausen-Süd
- Rees
- Regensburg
- Reinbek (Schlesw.-H.)
- Remscheid  
with sub-branches  
Alleestrasse  
Hasten
- Remscheid-Lennep
- Remsch.-Lüttringhausen
- Rendsburg
- Reutlingen
- Rheda
- Rhede (near Bocholt)
- Rheine  
with sub-branch  
Schotthock
- Rheinhausen
- Rheydt  
with sub-branches  
Friedrich-Ebert-Strasse  
Odenkirchen
- Rietberg
- Rüdesheim
- Rüsselsheim
- Saarbrücken  
with sub-branch  
Mainzer Strasse
- Saarburg (near Trier)
- Saarlouis
- Salzgitter-Lebenstedt  
with paying office  
Thiede/Steterburg
- St. Wendel
- Sarstedt
- Schleswig
- Schneverdingen
- Schöningen
- Schwabach
- Schwäbisch Gmünd
- Schweinfurt
- Schwelm
- Schwenningen
- Schwerte (Ruhr)
- Schwetzingen
- Sennestadt
- Siegburg
- Siegen
- Siegen-Kaan-Marienborn
- Sindelfingen
- Singen (Hohentwiel)
- Sinsheim
- Soest
- Solingen  
with sub-branch  
Höhscheid
- Solingen-Ohligs
- Solingen-Wald
- Sprendlingen
- Sprockhövel-  
Hasslinghausen
- Stade
- Stadt Allendorf
- Steinhagen
- Stolberg
- Straubing
- Stuttgart  
with sub-branches  
Degerloch  
Feuerbach  
Hauptstätterstrasse  
Marienplatz  
Ostendplatz  
Rosenbergplatz  
Rotebühlplatz  
Schlossstrasse
- Vaihingen a. F.  
Wangen  
Weilimdorf  
Zuffenhausen
- Stuttgart-Bad Cannstatt
- Trier
- Troisdorf
- Tübingen
- Uelzen
- Uetersen
- Ulm
- Unna
- Unterföhring (near Munich)
- Varel (Oldb.)
- Vechta
- Velbert
- Verden (Aller)
- Vermold
- Vetschau (Aachen)
- Viersen
- Viersen-Dülken
- Villingen
- Vlotho
- Voerde (Ndrh.)
- Wahlstedt\*
- Waldbröl
- Waldkraiburg
- Walsrode
- Walsum
- Wanne (Wanne-Eickel)
- Warburg
- Wattenscheid  
with sub-branch  
Höntrop
- Wedel (Holstein)
- Weiden (Oberpfalz)  
with paying office  
DEZ
- Weil (Rhein)
- Weinheim (Bergstrasse)
- Werdohl
- Wermelskirchen
- Wesel
- Wesseling
- Westerholt
- Westerland (Sylt)
- Wetter (Ruhr)
- Wetter-Wengern (Ruhr)
- Wetzlar
- Wiedenbrück
- Wiehl (Bez. Köln)
- Wiesbaden  
with sub-branches  
Biebrich  
Bismarckring  
Bleichstrasse  
Kirchgasse  
Rheinstrasse  
Wilhelmstrasse
- Wilhelmshaven  
with sub-branch  
Gökerstrasse
- Winsen (Luhe)
- Wissen (Sieg)
- Witten  
with sub-branch  
Annen
- Wolfenbüttel
- Wolfsburg  
with sub-branches  
Berliner Brücke  
Detmerode  
Tiergartenbreite
- Worms
- Würselen
- Würzburg
- Wunstorf
- Wuppertal-Barmen  
with sub-branches  
Langerfeld  
Oberbarmen  
Ronsdorf  
Unterbarmen  
Werth  
Wichlinghausen
- Wuppertal-Elberfeld  
with sub-branches  
Cronenberg\*  
Friedrich-Ebert-Strasse
- Xanten
- Zirndorf

\* Opening shortly

● State at end of 1948

● Opened until 1958

● Opened since 1959



## Foreign Branch

New York: 55 Broad Street, New York, N.Y. 10004 (USA)

## Subsidiaries

### BERLINER COMMERZBANK

AKTIENGESELLSCHAFT

Head Office and Main Branch at 125, Potsdamer Strasse, 1 BERLIN 30

Exchange Office at 1, Rankestrasse, 1 Berlin 30

with sub-branches:	<b>Neukölln</b> Hermannstrasse Neukölln Buckow Hermannplatz Karl-Marx-Platz	<b>Schöneberg</b> Hauptgeschäft Friedenau Schöneberg	<b>Tempelhof</b> Am Flughafen Tempelhof Mariendorf Tempelhof Marienfelde Lichtenrade	Wedding Badstrasse*
<b>Charlottenburg</b> Otto-Suhr-Allee Charlottenburg Savignyplatz Kurfürstendamm Amtsgerichtsplatz Reichsstrasse Gedächtniskirche	<b>Reinickendorf</b> Wittenau Tegel	<b>Spandau</b> Nonnendammallee Pichelsdorfer Strasse Spandau	<b>Tiergarten</b> Grossmarkt Moabit Kurfürstenstrasse Budapester Strasse	<b>Wilmersdorf</b> Berliner Strasse Halensee Hohenzollerndamm Wilmersdorf Schmargendorf
<b>Kreuzberg</b> Kottbusser Tor Kochstrasse Mehringdamm	<b>Hermisdorf</b> Reinickendorf Kurt-Schumacher-Platz	<b>Steglitz</b> Albrechtstrasse Steglitz Lichterfelde Lankwitz	<b>Wedding</b> Müllerstrasse	<b>Zehlendorf</b> Schlachtensee Zehlendorf

\*Opening shortly

### COMMERZBANK INTERNATIONAL S.A.

Luxembourg

## Affiliated Banks

RHEINISCHE HYPOTHEKENBANK, MANNHEIM  
WESTDEUTSCHE BODENKREDITANSTALT, COLOGNE  
VON DER HEYDT-KERSTEN & SÖHNE, WUPPERTAL-ELBERFELD  
ILSEDER BANK, SANDOW & CO., PEINE  
BANK FÜR TEILZAHLUNGSKREDIT GMBH, DÜSSELDORF  
COMMERZ- UND INDUSTRIE-LEASING GMBH, DÜSSELDORF

## Representative Offices Abroad

### ARGENTINA, PARAGUAY AND URUGUAY

Hasso A. Rahmsdorf, 456 Avda. Corrientes - Depto. 73, Buenos Aires (Argentina)

### AUSTRALIA

Joint Representative Office Banco di Roma/Commerzbank AG/Crédit Lyonnais  
Representative for Commerzbank: Rainer Kühn, IAC Building, 54-62 Carrington Street, Sydney, NSW 2001

### BRAZIL

Commerzbank Representação Ltda., Rio de Janeiro Office, 123 Av. Rio Branco, conj. 706/707, Rio de Janeiro (Brazil)  
São Paulo Office, 250 Rua Direita, sala 1406, São Paulo

### FAR EAST

Joint Representative Office Banco di Roma/Commerzbank AG/Crédit Lyonnais  
Representative for Commerzbank:  
Gernot Heimburger, 521 & 522, Fuji Building, 2-3 Marunouchi, 3-chome, Chiyoda-ku, Tokyo (Japan)





*One of the first joint representative offices of the Banco di Roma/Commerzbank/Crédit Lyonnais group was opened in Sydney. Commerzbank further underlined the interest it takes in that continent by acquiring a holding in Australian United Corporation, a leading investment bank.*

#### MEXICO

Joint Representative Office Banco di Roma/Commerzbank AG/Crédit Lyonnais  
Representative for Commerzbank: Joachim N. Soszna, 445, Paseo de la Reforma, 7° Piso, Mexico 5, D.F.

#### MIDDLE EAST, EGYPT

Klaus Tjaden, 416–421 Starco Bloc Nord, Beirut (Lebanon)

#### SOUTH EAST ASIA

Joint Representative Office Banco di Roma/Commerzbank AG/Crédit Lyonnais  
Representative for Commerzbank: Hansjörg Braun, 2 Shenton Way, ICB Building, Rooms 314 & 317, Singapore

#### SOUTH AFRICA

Joint Representative Office Banco di Roma/Commerzbank AG/Crédit Lyonnais  
Representative for Commerzbank: Werner P. Kahrass, 1202, Standard Bank Centre, 78 Fox Street, Johannesburg

#### SOUTH WEST AFRICA

Keller & Neuhaus Trust Co. (Pty.) Ltd., Kaiserstreet, Windhoek

#### SPAIN AND PORTUGAL

Günter Schönberner, 11 Calle Cedaceros, Madrid-14 (Spain)

#### VENEZUELA

Jürgen Carlson, 101 Carmelitas–Apartado 5074, Caracas



## Participations in Foreign Financial Institutions

- Australia: Australian United Corporation Ltd., Melbourne
- Bahamas: Deltec Panamerica S.A., Nassau
- Bahamas: World Banking Corporation Ltd., Nassau
- Brazil: Banco de Investimento do Brasil S.A. (B.I.B.), Rio de Janeiro
- Congo (K): SOFIDE Société Financière du Développement, Kinshasa
- Dubai: The Commercial Bank of Dubai Ltd., Dubai
- Finland: Teollistamisrahasto Oy. (Industrialization Fund of Finland Ltd.), Helsinki
- France: Crédit Chimique, Paris
- Great Britain: International Commercial Bank Ltd., London
- Japan: Private Investment Company for Asia (PICA) S.A., Tokyo
- Lebanon: Rifbank S.A.L., Beirut
- Luxembourg: Adela Investment Company S.A., Luxembourg/Lima
- Luxembourg: European Enterprises Development Company E.E.D., S.A., Luxembourg
- Luxembourg: International Investment Corporation for Yugoslavia S.A., IICY, Luxembourg
- Luxembourg: Sifida Société Internationale Financière pour les Investissements et le Développement en Afrique, Luxembourg
- Luxembourg: Société de Gestion Rominvest International Fund S.A., Luxembourg
- Luxembourg: Tourinvest S.A., Luxembourg
- Morocco: Banque Marocaine du Commerce Extérieur, Casablanca
- Morocco: Banque Nationale pour le Développement Economique, Rabat
- Nigeria: Nigerian Industrial Development Bank Ltd., Lagos
- Pakistan: PICIC Pakistan Industrial Credit & Investment Corporation Ltd., Karachi
- Switzerland: Finanzierungsgesellschaft Viking S.A., Zürich
- Singapore: The Development Bank of Singapore Ltd.
- Spain: Banco Urquijo S.A., Madrid
- Thailand: Industrial Finance Corporation of Thailand (IFCT), Bangkok
- Tunisia: Union Internationale de Banques S.A., Tunis
- USA: EuroPartners Securities Corporation, New York

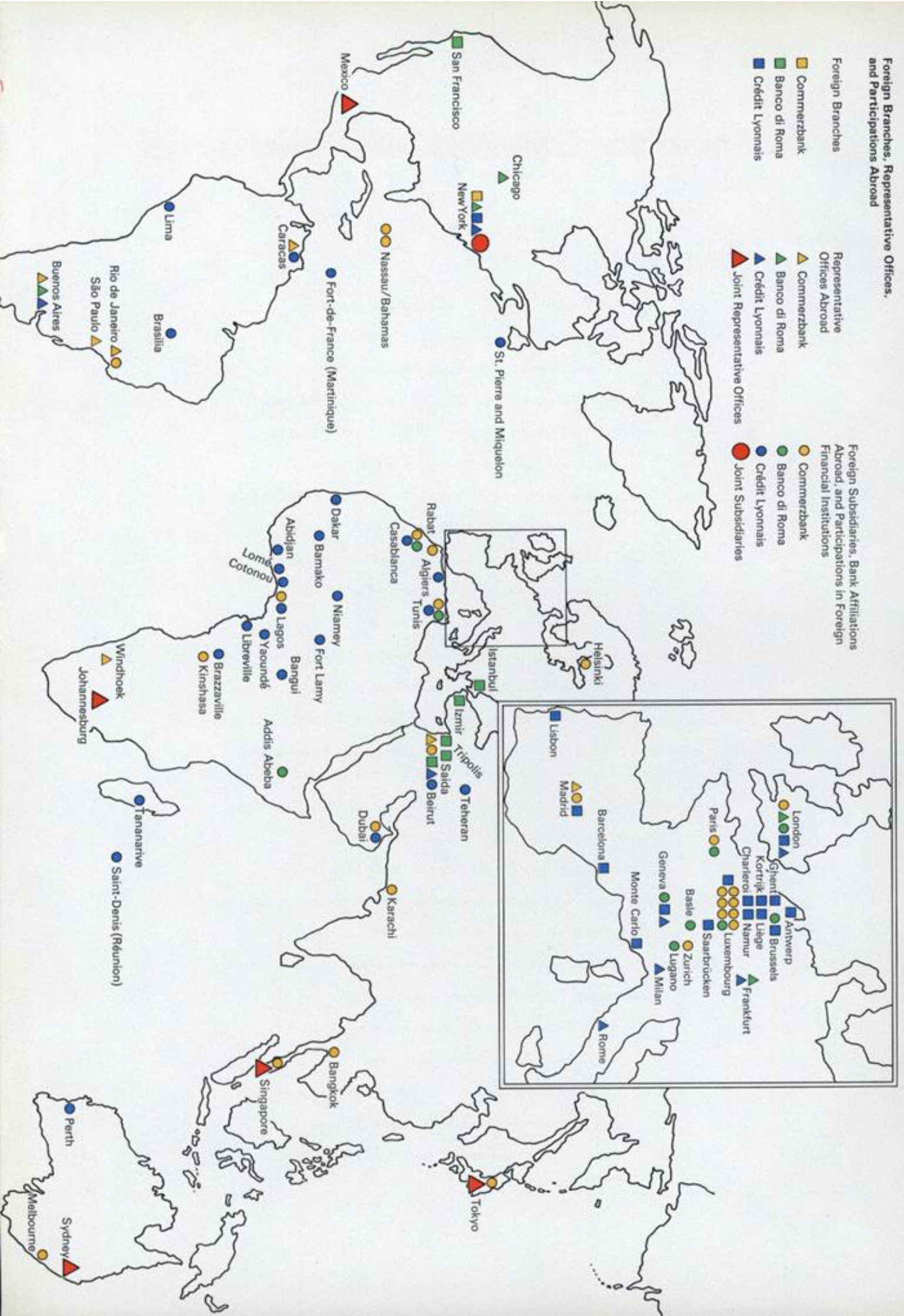


**Foreign Branches, Representative Offices, and Participations Abroad**

- Foreign Branches**
- Commerzbank
  - Banco di Roma
  - Crédit Lyonnais

- Representative Offices Abroad**
- Commerzbank
  - Banco di Roma
  - Crédit Lyonnais
  - Joint Representative Offices

- Foreign Subsidiaries, Bank Affiliations Abroad, and Participations in Foreign Financial Institutions**
- Commerzbank
  - Banco di Roma
  - Crédit Lyonnais
  - Joint Subsidiaries





## BANCO DI ROMA

	Year-End, 1970	Year-End, 1971	Change
Balance Sheet Total . . . . .	Lit 4,755 'm	Lit 5,620 'm	18.2%
Deposits . . . . .	Lit 4,145 'm	Lit 4,830 'm	16.5%
Lendings . . . . .	Lit 2,490 'm	Lit 2,946 'm	18.3%
Capital and Reserves . . . . .	Lit 54 'm	Lit 55 'm	1.9%
Branches . . . . .	256	259	1.2%
Clients . . . . .	1,420,000	1,461,000	2.9%
Staff . . . . .	8,650	9,163	5.9%

## COMMERZBANK

AKTIENGESELLSCHAFT

	Year-End, 1970	Year-End, 1971	Change
Balance Sheet Total . . . . .	DM 19,696 m	DM 22,102 m	12.2%
Deposits . . . . .	DM 18,352 m	DM 20,543 m	11.9%
Lendings . . . . .	DM 13,802 m	DM 15,641 m	13.3%
Capital and Reserves . . . . .	DM 850 m	DM 990 m	16.5%
Branches . . . . .	719	731	1.7%
Clients . . . . .	1,776,500	1,926,800	8.5%
Staff . . . . .	15,441	15,952	3.3%

## CREDIT LYONNAIS

	Year-End, 1970*)	Year-End, 1971*)	Change
Balance Sheet Total . . . . .	Ffrs 53,060 m	Ffrs 71,791 m	35.3%
Deposits . . . . .	Ffrs 46,069 m	Ffrs 62,483 m	35.6%
Lendings . . . . .	Ffrs 52,973 m	Ffrs 67,856 m	28.1%
Capital and Reserves . . . . .	Ffrs 676 m	Ffrs 869 m	28.6%
Branches . . . . .	1,955	2,046	4.7%
Clients . . . . .	2,600,000	2,900,000	11.5%
Staff . . . . .	36,040	38,351	6.4%

\*) preliminary; capital and reserves before appropriation of profit

## The Group in Figures

	Year-End, 1970	Year-End, 1971	Change
Balance Sheet Total . . . . .	DM 83,227 m	DM 98,456 m*)	18.3%
Deposits . . . . .	DM 73,675 m	DM 86,657 m*)	17.6%
Lendings . . . . .	DM 64,469 m	DM 74,704 m*)	15.9%
Capital and Reserves . . . . .	DM 1,739 m	DM 1,843 m*)	6.0%
Branches . . . . .	2,930	3,036	3.6%
Clients . . . . .	5,800,000	6,287,800	8.4%
Staff . . . . .	60,131	63,466	5.5%

\*) conversion made according to the central rates valid at year-end, 1971: Ffr 1 = DM 0.6299; Lit 100 = DM 0.554



