

COMMERZBANK AKTIENGESELLSCHAFT

Frankfurt am Main · Federal Republic of Germany

– Issuer and/or Guarantor –

COMMERZBANK OVERSEAS FINANCE N.V.

Curaçao · Netherlands Antilles

– Issuer –

€ 25,000,000,000 Medium Term Note Programme

Arranger

COMMERZBANK
SECURITIES

Dealers

BARCLAYS CAPITAL

COMMERZBANK
SECURITIES

HSBC

JPMORGAN

MORGAN STANLEY

**NATIONAL AUSTRALIA BANK
LIMITED**

**SCHRODER SALOMON
SMITH BARNEY**

UBS WARBURG

Issuing Agent

COMMERZBANK
AKTIENGESELLSCHAFT

The date of this Information Memorandum is July 1, 2002. This Information Memorandum replaces the Information Memorandum dated August 1, 2001 and is valid for one year from the date hereof.

References to the term "Information Memorandum" comprise the German term "Unternehmensbericht".

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Important Notice about this Information Memorandum

The purpose of this Information Memorandum is to give information with regard to Commerzbank Aktiengesellschaft ("the Issuer," "the Guarantor" or "Commerzbank"), Commerzbank Overseas Finance N.V. ("the Issuer" or "COF"), together also referred to as the "Issuers," and the Notes. Each of the Issuers and the Guarantor jointly and severally accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge and belief of the Issuers and the Guarantor (each of whom has taken all reasonable care to ensure that such is the case) the information contained in this Information Memorandum, is true and accurate in all material respects and is not misleading and there are no other facts the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any opinions or intentions misleading.

The Information Memorandum should be read and construed with any amendment or supplement thereto and with any other documents incorporated by reference (according to the rules of the Luxembourg Stock Exchange) and, in relation to any Series (as defined herein) of Notes should be read and construed together with the relevant Pricing Supplement(s) (as defined herein).

The Programme Dealers (the "Dealers") have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, expressed or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of the information contained in this Information Memorandum, or any other financial statement or any further information supplied in connection with the Programme or the Notes. The Dealers accept no liability in relation to the financial or other information contained in this Information Memorandum or any other financial statement or any further information supplied in connection with the Programme or the Notes or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuers and the Guarantor, as the case may be, under the Programme.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Information Memorandum or any other financial statement or further information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by either the Issuers, the Guarantor or any of the Dealers.

Neither this Information Memorandum nor any other financial statement nor any further information supplied in connection with the Programme or the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuers, the Guarantor or any of the Dealers that any recipient of this Information Memorandum or any other financial statement or any further information supplied in connection with the Programme or the Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial conditions and affairs, and its own appraisal of the creditworthiness of the Issuers and the Guarantor. None of this Information Memorandum, any other financial statement or any further information supplied in connection with the Programme or the Notes constitutes an offer or invitation by or on behalf of the Issuers, the Guarantor or the Dealers or any of them to any person to subscribe for or to purchase any of the Notes.

The delivery of this Information Memorandum does not at any time imply that the information contained herein concerning the Issuers and the Guarantor is correct at any time subsequent to the date hereof or that any other financial statement or any further information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial conditions or affairs of the Issuers, the Guarantor or any of their subsidiaries during the life of the Programme. Investors should review, inter alia, the most recent financial statements of the Issuers and the Guarantor when deciding whether or not to purchase any of the Notes.

The distribution of this Information Memorandum and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Information Memorandum or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of the Notes in

the United States, the United Kingdom, Germany, Japan and the Netherlands Antilles (see "Selling Restrictions" on page 242).

The Issuers, the Guarantor and the Dealers do not represent that this document may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating such distribution or offering. In particular, no action has been taken by the Issuers, the Guarantor or the Dealers which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances which are in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms.

In connection with any Series of Notes under the Programme, the Lead Manager or the Purchaser (if any, as the case may be) will act as a stabilising agent (the "**Stabilising Agent**"). The identity of the Stabilising Agent will be disclosed in the relevant Pricing Supplement. References in the next paragraph to "this issue" are to each Series of Notes in relation to which a Stabilisation Agent is appointed.

In connection with the issue of any Series of Notes, the Stabilising Agent or any person acting for him may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the Stabilising Agent or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period.

In this Information Memorandum, references to "U.S.\$", "USD" and "U.S. dollars" are to the lawful currency of the United States of America, references to "€" or "Euro" are to the lawful currency of the member states participating in the European Monetary Union.

Schroder is a trademark of Schroders Holdings plc and is used under license by Salomon Brothers International Limited.

Documents Incorporated by Reference ⁽¹⁾

The following documents shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (1) the most recently published annual reports and accounts of the Issuers and the Guarantor from time to time;
- (2) the most recently published interim report of the Guarantor from time to time currently as of March 31, June 30 and September 30;
- (3) all supplements to this Information Memorandum circulated by the Issuers and the Guarantor from time to time in accordance with the undertakings given by them in the Dealer Agreement (Dealer Agreement); and
- (4) the relevant Pricing Supplements

save that any statement contained herein or in a document which in whole or the relevant part of it is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any subsequent document or which in whole or the relevant part of it is or is deemed to be incorporated by reference herein modifies or supersedes such earlier statement.

The Issuers and the Guarantor will provide, without charge, to each person to whom a copy of this Information Memorandum has been delivered, upon the oral or written request of any such person, a copy of any or all of the documents which, or excerpts of which, are incorporated herein by reference. Such documents will, as soon as they are available, also be available without charge at the offices of the Principal Paying Agent; the Paying Agent in Frankfurt am Main and the Paying Agent in Luxembourg. Written or telephone requests for such documents should be directed to the Issuers or the Guarantor at their registered offices set out at the end of this Information Memorandum.

The Issuers and the Guarantor have given an undertaking to the Luxembourg Stock Exchange in connection with the listing of the Notes to the effect that after the submission of this Information Memorandum to the Luxembourg Stock Exchange and during the duration of the Programme they shall publish a supplement or a new Information Memorandum as may be required by the Luxembourg Stock Exchange in the light of any material changes to any of the information regarding the Issuers and the Guarantor or a material change in the Programme Terms and Conditions of the Notes set out in this Information Memorandum and shall promptly supply to the Luxembourg Stock Exchange such number of copies of the supplement or new Information Memorandum (as the case may be) as the Luxembourg Stock Exchange may reasonably request.

⁽¹⁾ For the purpose of the listing on the Luxembourg Stock Exchange only.

Summary of Terms and Conditions of the Programme and the Notes

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Information Memorandum and, in relation to the terms and conditions of any particular Series of Notes. Words and expressions defined or used in the Dealer Agreement and in the Programme "Terms and Conditions of the Notes" shall have the same meaning in this summary:

- Issuers:** Commerzbank Aktiengesellschaft
Commerzbank Overseas Finance N.V.
- Guarantor:** Commerzbank Aktiengesellschaft
- Arranger:** Commerzbank Aktiengesellschaft
- Dealers:** Barclays Bank PLC
Commerzbank Aktiengesellschaft
Commerzbank Aktiengesellschaft, London Branch
HSBC Bank plc
J. P. Morgan Securities Ltd.
Morgan Stanley & Co. International Limited
National Australia Bank Limited
Salomon Brothers International Limited
UBS AG, acting through its business group UBS Warburg
- Issuing Agent and Calculation Agent:** Commerzbank Aktiengesellschaft
- Paying Agents:** Commerzbank Aktiengesellschaft, Frankfurt am Main, shall be Principal Paying Agent. The Issuer is entitled to appoint other banks of international standing as Principal Paying Agent or additional Paying Agents. As long as Notes are listed on the Luxembourg Stock Exchange and the Frankfurt Stock Exchange the Issuer shall procure that there will at all times be a Paying Agent in the City of Luxembourg and/or in Frankfurt am Main, respectively.
- Listing Agents:** Commerzbank Aktiengesellschaft on the Frankfurt Stock Exchange.
Commerzbank International S.A. on the Luxembourg Stock Exchange.
- Regulatory Matters:** Any issue of Notes denominated in a currency in respect of which particular laws, regulations, guidelines, policies and central bank requirements apply will only be issued in circumstances which comply with such laws, regulations, guidelines, policies and central bank requirements from time to time. Without prejudice to the generality of the foregoing:
- Notes denominated in Yen or in respect of which amounts are payable in Yen ("Yen Notes") will only be issued in compliance with applicable Japanese laws, regulations, guidelines and policies, as amended from time to time. The Issuer or its designated agent and the Guarantor (in case of guaranteed Notes) shall submit such reports or information as may be required from time to time by applicable laws, regulations and guidelines promulgated by Japanese authorities in the case of the issue and purchase of Yen Notes provided that Yen Notes may be offered or sold in circumstances which would not be permissible at the date hereof if permitted by any change or amendment which is made after the date hereof in such rules, regulations and guidelines or in such laws or directives as are applicable to Yen Notes from time to time.
- Distribution:** Notes may be distributed by way of public or private placements and in each case, on a syndicated or non-syndicated basis.

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| Form of Notes: | <p>The Notes shall be in bearer form. Series of Notes with respect to which the C-Rules (as further described under the heading "Selling Restrictions – United States of America") apply will either (i) be represented by a Permanent Global Note, or (ii) initially represented by a Temporary Global Note which will be exchanged against Definitive Notes with Coupons attached (except for Zero Coupon Notes).</p> <p>Series of Notes with respect to which the D-Rules (as further described under the heading "Selling Restrictions" – United States of America") apply will initially be represented by a Temporary Global Note. The Temporary Global Note will either be exchanged for a Permanent Global Note, or if the relevant Issuer and the relevant Dealer so agree, for Definitive Notes with Coupons in each case not earlier than 40 days and not later than 180 days after the date on which the relevant Notes are first offered to persons other than distributors and the relevant issue date upon certification of non-US beneficial ownership.</p> |
| Currencies: | Subject to any applicable legal or regulatory restrictions, and requirements of relevant central banks, Notes may be issued in Euro or such other freely transferable currencies or currency units (each an "Alternative Currency") as may be agreed between the Issuer(s) and the relevant Dealer. |
| Amount: | Up to Euro 25,000,000,000 (or its equivalent in an Alternative Currency) outstanding at any one time. Under the Dealer Agreement the nominal amount of Notes outstanding under the Programme may be increased, subject to the satisfaction of certain conditions set out therein. In that event a supplement to this Information Memorandum or an updated Information Memorandum will be prepared. |
| Fixed Rate Notes: | Fixed rate interest will be payable on such basis as agreed between the relevant Issuer and the relevant Dealer (as indicated in the applicable Terms and Conditions of and the Pricing Supplement each Series of Notes). |
| Floating Rate Notes: | <p>Floating Rate Notes will bear interest on such basis as may be agreed between the relevant Issuer and the relevant Dealer (as set out in the applicable Terms and Conditions and the Pricing Supplement of each Series of Notes). The Margin, if any, relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p> <p>Interest periods for Floating Rate Notes will be one, two, three, six or twelve months or such other period(s) as may be agreed between the relevant Issuer and the relevant Dealer, as set out in the applicable Terms and Conditions and the Pricing Supplement of each Series of Notes.</p> |
| Structured Notes: | <p>Payments of principal and/or of interest in respect of structured Notes will be calculated by reference to such index and/or formula as the relevant Issuer and the relevant Dealer may agree (as indicated in the applicable Terms and Conditions and the Pricing Supplement of each Series of Notes).</p> <p>Structured Notes may also have a maximum redemption amount, a minimum redemption amount or both.</p> |
| Other provisions in relation to Floating Rate Notes and Structured Interest Notes: | <p>Floating Rate Notes and Structured Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes and Structured Notes in respect of each Interest Period, as selected prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates specified in, or determined pursuant to, the applicable Terms and Conditions and the Pricing Supplement</p> |

and will be calculated as indicated in the applicable Terms and Conditions and the Pricing Supplement.

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| Dual Currency Notes: | Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree (as indicated in the applicable Terms and Conditions and the Pricing Supplement). |
| Zero Coupon Notes: | Zero Coupon Notes may be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of a default. |
| Other Types of Notes: | May be issued with such features as agreed between the relevant Issuer and the relevant Dealer. |
| Redemption: | <p>The applicable Pricing Supplement will indicate either that the Notes cannot be redeemed prior to their stated maturity (except for taxation reasons, or, in the case of Senior Notes (as defined herein) only, upon the occurrence of an event of default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice within the notice period (if any) indicated in the applicable Terms and Conditions and the Pricing Supplement, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as indicated in the applicable Pricing Supplement.</p> <p>Subordinated Notes will only be capable of being redeemed prior to their stated maturity under the circumstances described in §§ 4, 6 and 8 of the relevant Terms and Conditions.</p> <p>Notes issued by COF on terms that they must be redeemed before their first anniversary may be subject to restrictions on their denomination and distribution – see “Selling Restrictions” on page 242.</p> |
| Early Redemption for Taxation reasons: | Early redemption for taxation reasons will be permitted as provided in § 6 of the Terms and Conditions of the Notes. |
| Substitution of Issuers, Branch Designation: | <p>Commerzbank in its capacity as Guarantor or any other company may at any time during the life of the Notes assume all the obligations of the Issuer according to § 11 of the Terms and Conditions of each Series of Notes. Upon any such substitution, such substitute company (the “New Issuer”) shall succeed to, and be substituted for, and may exercise every right and power of the Issuer under the Terms and Conditions of the Notes with the same effect as if the New Issuer had been named as the Issuer thereunder.</p> <p>The Issuer/Guarantor may at any time, designate any branch or office of the Issuer/Guarantor outside the Federal Republic of Germany as the branch or office primarily responsible for the due and punctual payment in respect of the Notes then outstanding and the performance of all of the Issuer’s/Guarantor’s other obligations under all the Notes then outstanding.</p> |
| Denominations of Notes: | Such denominations as may be agreed between the relevant Issuer and the relevant Dealer and as set out in the Terms and Conditions and the Pricing Supplement of each Series of Notes or in each case, such other minimum denomination as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency. |
| Taxation: | Payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Federal |

Republic of Germany, or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In the event, that taxes or duties are imposed or levied, the relevant Issuer will, subject to the exceptions set forth in § 6 of the relevant Terms and Conditions, and, in the case of Tier 3 Subordinated Notes (as defined below) if so agreed between the Issuer and the relevant Dealer, pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.

Status: Each Issuer may issue Series of senior Notes ("Senior Notes") or subordinated Notes ("Subordinated Notes") under the Programme.

Senior Notes will be direct, unconditional and unsecured obligations of the Issuer and will rank at least *pari passu* with all other unsecured and unsubordinated obligations of the relevant Issuer.

Subordinated Notes (the "Subordinated Notes") may be issued either as Tier 2 subordinated Notes (the "Tier 2 Subordinated Notes") or by Commerzbank Aktiengesellschaft as Tier 3 subordinated Notes (the "Tier 3 Subordinated Notes"). In either case they will constitute unsecured and subordinated obligations of the relevant Issuer ranking *pari passu* among themselves and *pari passu* with all other subordinated obligations of the Issuer, including Tier 3 Subordinated Notes. In the event of the bankruptcy, dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of bankruptcy of, or against the relevant Issuer, such obligations will be subordinated to the claims of all unsubordinated creditors of such Issuer.

Guarantee: Commerzbank Aktiengesellschaft will irrevocably and unconditionally guarantee to the holders of each Series of Notes issued and outstanding from time to time by COF the payment obligations under the Terms and Conditions of such Series of Notes. In the case of subordinated Notes issued by COF the Guarantee will be subject to the subordination clause of the respective Terms and Conditions of the Notes.

Negative Pledge and Cross Default: The Notes will contain no negative pledge and no cross default clause.

Listing: Application has been made to list Notes issued under the Programme on the Frankfurt Stock Exchange (*Geregelter Markt*) and on the Luxembourg Stock Exchange and may be made on any other stock exchange (an "Alternative Stock Exchange") agreed between the Issuers and the Dealers. Any Series of Notes may be listed on the Frankfurt Stock Exchange, the Luxembourg Stock Exchange or any Alternative Stock Exchange, as may be agreed between the relevant Issuer and the relevant Dealer of such Series of Notes.

Governing Law: The laws of the Federal Republic of Germany.

Place of Jurisdiction: Place of jurisdiction shall be Frankfurt am Main. The Issuers expressly submit to the jurisdiction of the courts of the Federal Republic of Germany. In case of COF being the Issuer, the Noteholders, however, are entitled at their option to pursue their claims also before any competent court in the Netherlands Antilles, respectively.

Selling Restrictions: There are restrictions on the sale of Notes and the distribution of offering material – see "Selling Restrictions" on page 242.

**Konditionenblatt ¹⁾
Pricing Supplement ⁽¹⁾**

bezüglich/relating to

**[COMMERZBANK AKTIENGESELLSCHAFT/
COMMERZBANK OVERSEAS FINANCE N.V.]**

**[Emissionswährung] [Gesamtnennbetrag] [nachrangige] [[•]%/variabel verzinsliche/
Null-Kupon-/Doppelwährungs-/Stufenzins-/Indexierte/Strukturierte]
Anleihe von 200[•]/20[•]**

**[Issue Currency] [Aggregate Principal Amount] [subordinated] [[•] per cent./Floating Rate/
Zero Coupon/Dual Currency/Step-up/Step-down/Indexed/Structured]
Notes of 200[•]/20[•]**

begeben nach dem/issued under the

**EURO 25,000,000,000
Medium Term Note Programme**

der/of

**COMMERZBANK AKTIENGESELLSCHAFT/
COMMERZBANK OVERSEAS FINANCE N.V.**

**[unbedingt und unwiderruflich garantiert durch/ ²⁾
unconditionally and irrevocably guaranteed by ⁽²⁾**

COMMERZBANK AKTIENGESELLSCHAFT]

Datum des Konditionenblattes: [•]

Date of the Pricing Supplement: [•]

Serien-Nr. [•]

Series No.: [•]

¹⁾ Sofern eine Serie von Teilschuldverschreibungen privaten Investoren in Deutschland zur Zeichnung angeboten und/oder an einer deutschen Börse notiert werden sollen, ist die Fassung des jeweiligen Konditionenblatts in der deutschen Sprache rechtsverbindlich. Die unverbindliche englische Übersetzung wird lediglich zum Zwecke der Vereinfachung beigelegt.

⁽¹⁾ To the extent that Notes will be offered to retail investors in Germany and/or will be listed on a German stock exchange, the binding version of the applicable Pricing Supplement will be in the German language. The non-binding English translation will be prepared for convenience only.

²⁾ Nur anwendbar im Falle von Emissionen der Commerzbank Overseas Finance N.V.

⁽²⁾ Only applicable in case of issues by Commerzbank Overseas Finance N.V.

Dieses Konditionenblatt enthält Angaben zu einer Emission von Teilschuldverschreibungen unter dem Euro 25.000.000.000,- Medium Term Note Programm der Commerzbank Aktiengesellschaft und Commerzbank Overseas Finance N.V. (das „Programm“) und ist in Verbindung mit den Programm-Anleihebedingungen zu lesen, die in der jeweils geltenden Fassung des Information Memorandums des Programms enthalten sind. Das Konditionenblatt ergänzt das Information Memorandum vom 1. Juli 2002. Die Emittentin übernimmt für den Inhalt dieses Konditionenblatts die Verantwortung. Begriffe, die in den Programm-Anleihebedingungen definiert sind, haben, falls das Konditionenblatt nicht etwas anderes bestimmt, die gleiche Bedeutung, wenn sie in diesem Konditionenblatt verwendet werden. Bezugnahmen in diesem Konditionenblatt auf Paragraphen beziehen sich auf die Paragraphen der Programm-Anleihebedingungen.

This Pricing Supplement is issued to give details of an issue of Notes under the Euro 25,000,000,000 Medium Term Note Programme of Commerzbank Aktiengesellschaft and Commerzbank Overseas Finance N.V. (the “Programme”) and is to be read in conjunction with the Programme Terms and Conditions of the Notes set forth in the Information Memorandum pertaining to the Programme, as the same may be amended or supplemented from time to time. The Pricing Supplement supplements the Information Memorandum dated July 1, 2002. The Issuer assumes responsibility for the contents of this Pricing Supplement. Terms not otherwise defined herein shall have the meanings specified in the Programme Terms and Conditions. All references in this Pricing Supplement to numbered Sections are to sections of the Programme Terms and Conditions.

[Die Programm-Anleihebedingungen vom 1. Juli 2002 werden angepaßt durch Einfügung der Bestimmungen des Konditionenblatts und durch Streichung sämtlicher Bestimmungen, die für diese Serie von Teilschuldverschreibungen nicht gelten (die „Konsolidierten Anleihebedingungen“). Die Programm-Anleihebedingungen vom 1. Juli 2002 werden in ihrer Gesamtheit durch die Konsolidierten Anleihebedingungen ersetzt. Sofern und soweit die Konsolidierten Anleihebedingungen von den Bedingungen des Konditionenblatts abweichen, sind die Konsolidierten Anleihebedingungen maßgeblich.]³⁾

[The Programme Terms and Conditions of the Notes dated July 1, 2002 shall be amended by incorporating the terms of this Pricing Supplement, and by deleting all provisions not applicable to this Series of Notes (the “Consolidated Terms”). The Consolidated Terms shall replace the Programme Terms and Conditions of the Notes dated July 1, 2002 in their entirety. If and to the extent the Consolidated Terms deviate from the terms of the Pricing Supplement, the Consolidated Terms shall prevail.]⁽³⁾

[Die Bedingungen dieses Konditionenblattes ergänzen die Programm-Anleihebedingungen vom 1. Juli 2002 und passen diese an. Sofern und soweit die Programm-Anleihebedingungen von den Bedingungen des Konditionenblattes abweichen, sind die Bedingungen des Konditionenblattes maßgeblich.]⁴⁾

[The terms of this Pricing Supplement amend and supplement the Programme Terms and Conditions of the Notes dated July 1, 2002. If and to the extent the Programme Terms and Conditions of the Notes deviate from the terms of this Pricing Supplement, the terms of the Pricing Supplement shall prevail.]⁽⁴⁾

³⁾ Nur anwendbar im Falle Konsolidierter Anleihebedingungen.

⁽³⁾ Only applicable in case of Consolidated Terms.

⁴⁾ Nur anwendbar im Falle Ergänzter Anleihebedingungen.

⁽⁴⁾ Only applicable in case of Supplemented Terms.

I.

Bedingungen, die in die Anleihebedingungen einzusetzen sind:
(Nichteingerahmte Bedingungen gelten für alle Teilverschreibungen)
Conditions to be inserted into the Terms and Conditions of the Notes:
(Conditions which are not framed apply to all Notes)

| | |
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| Konsolidierte Anleihebedingungen / Ergänzte Anleihebedingungen Consolidated Terms / Supplemented Terms | [Konsolidierte Anleihebedingungen] [Ergänzte Anleihebedingungen] [Consolidated Terms] [Supplemented Terms] |
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§ 1 (Form; Form)

| | |
|---|--|
| Name des Emittenten Name of the Issuer | [Commerzbank Aktiengesellschaft / Commerzbank Overseas Finance N.V.] |
| Emissionswährung Issue Currency | [Währung] („[Abkürzung]“) [Currency] (“[abbreviation]”) |
| Gesamtnennbetrag Aggregate Principal Amount | [Währung] [Gesamtnennbetrag] [Currency] [Aggregate Principal Amount] |
| Globalverbriefung / Effektive Stücke Global Note / Definitive Notes | [Globalverbriefung / Effektive Stücke] [Global Note / definitive Notes] |
| Vereinbarte(r) Nennbetrag / (-beträge) Specified Denomination(s) | [Anzahl] zu je [Währung] [Nennbetrag], [Anzahl] zu je [Währung] [Nennbetrag], [Anzahl] zu je [Währung] [Nennbetrag] [Number] of [Curr.] [denomination] each, [Number] of [Curr.] [denomination] each, [Number] of [Curr.] [denomination] each |
| US-Verkaufsbeschränkungen US-Selling Restrictions | [TEFRA C / TEFRA D] |
| Clearing-System/ Gemeinsame Verwahrstelle Clearing-System/Common Depositary | [Clearstream Banking AG, Frankfurt am Main / [Verwahrstelle] ist die gemeinsame Verwahr- stelle für Euroclear Bank S.A./N.V. und Clear- stream Banking, société anonyme, Luxemburg] ([gemeinsam] das „Clearing-System“) [Clearstream Banking AG, Frankfurt am Main / [depositary] shall be the common depositary for Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme, Luxembourg] ([together] the „Clearing-System“) |
| Inhaberzinsscheine (Anzahl)⁵⁾ Interest Coupons (number) ⁽⁵⁾ | [Anzahl] [Number] |

⁵⁾ Nur anwendbar bei effektiv verbrieften Teilverschuldverschreibungen (mit Ausnahme von Null-Kupon-Teilschuldverschreibungen).

⁽⁵⁾ Only applicable in case of definitive fixed rate Notes or floating rate Notes (except for Zero Coupon Notes).

§ 2 (Verzinsung; Interest)

Art der Stücke
Type of Notes

[Teilschuldverschreibungen mit festem Zinssatz / Teilschuldverschreibungen mit variablem Zinssatz/ Null-Kupon-Teilschuldverschreibungen / Doppelwährungs-Teilschuldverschreibungen / Strukturierte Teilschuldverschreibungen / Indexierte Teilschuldverschreibungen]
[Fixed Rate Notes / Floating Rate Notes / Zero-Coupon-Notes / Dual Currency Notes / Structured Notes / Indexed Notes]

**Im Falle von Teilschuldverschreibungen mit festem Zinssatz
(einschließlich Step-up und Step-down Teilschuldverschreibungen):**

In the case of Notes with fixed interest (including step-up and step-down Notes):

| | |
|---|--|
| Verzinsungsbeginn Interest Commencement Date | [Datum] [Date] |
| Zinssatz (Prozent p.a.)⁶⁾ Rate(s) of Interest (per cent. per annum) ⁽⁶⁾ | [Zinssatz] [Interest rate] |
| Anzuwendende Bestimmungen bei Step-up und Step-down Anleihen⁷⁾ Applicable Provisions in the case of Step-up and Step-down Notes ⁽⁷⁾ | Die Teilschuldverschreibungen werden ab dem [Verzinsungsbeginn] (einschließlich) bis zum [Datum] (ausschließlich) mit [Zinssatz] und ab dem [Datum] (einschließlich) [anwendbare Bestimmungen einfügen] verzinst. The Notes bear interest at a rate of [interest rate] commencing on [Interest Commencement Date] (inclusive) until [Date] (exclusive) [insert applicable provisions]. |
| Zinsperiode Interest Period | [jährlich / halbjährlich / vierteljährlich] [annually / semi-annually / quarterly] |
| Zinszahlungstag(e) Interest Payment Date(s) | [Tag, Monat], [Tag, Monat], [Tag, Monat], [Tag, Monat] [day, month], [day, month], [day, month], [day, month] |
| Erster Zinszahlungstag First Interest Payment Date | [Tag, Monat, Jahr] [day, month, year] |

⁶⁾ Nur anwendbar bei Teilschuldverschreibungen mit festem Zinssatz (mit Ausnahme von Step-up und Step-down Teilschuldverschreibungen).

⁶⁾ Only applicable to Fixed Rate Notes (except for Step-up and Step-down Notes).

⁷⁾ Nur anwendbar bei Step-up und Step-down Teilschuldverschreibungen.

⁷⁾ Only applicable to Step-up and Step-down Notes.

Im Falle von Doppelwährungs-, indexierten oder anderen strukturierten Teilschuldverschreibungen, bei denen der Zinssatz oder Zinsbetrag durch Bezugnahme auf einen Index und / oder eine Formel oder einen Devisenkurs ermittelt wird:

In the case of Dual Currency Notes, Indexed or other structured Notes, as the case may be, in respect of which the interest rate or interest amount is to be determined by reference to an index and / or formula or an exchange rate:

Anzuwendende Bestimmungen hier einfügen

Applicable provisions to be inserted

Der [Zinssatz / Zinsbetrag] wird wie folgt ermittelt: [anzuwendende Bestimmungen]

The [Interest Rate / Interest Amount] shall be determined as follows: [give details]

Im Falle von Teilschuldverschreibungen mit variablem Zinssatz:

In the case of floating rate Notes:

Verzinsungsbeginn

Interest Commencement Date

[Datum]

[date]

Zinszahlungstage⁸⁾

Interest Payment Dates⁽⁸⁾

[Tage]

[days]

Zinsperiode⁹⁾

Interest Period⁽⁹⁾

[3 Monate / 6 Monate / [andere Zinsperiode]]

[3 months / 6 months / [other interest period]]

Geschäftstag-Konvention

Business Day Convention

[Floating Rate Business Day Convention / Following Business Day Convention / Modified Following Business Day Convention (fixed Interest Payment Dates) / Modified Following Business Day Convention (Interest Periods) / Preceding Business Day Convention]

Zinssatz, Marge¹⁰⁾

Interest Rate, Margin⁽¹⁰⁾

Referenzzinssatz [zuzüglich / abzüglich] [Marge]

Reference Interest Rate [plus/minus] [Margin]

Zinssatz¹¹⁾

Interest Rate⁽¹¹⁾

[Zinssatz] abzüglich Referenzzinssatz

[interest rate] minus Reference Interest Rate

Zinsfestsetzungstag(e)

Interest Determination Date(s)

[Zwei / andere Zahl] Geschäftstage vor dem Beginn jeder Zinsperiode]

[two / other number] business days prior to the commencement of each Interest Period]

⁸⁾ Nur anwendbar bei Teilschuldverschreibungen mit festen Zinszahlungstagen.

⁽⁸⁾ Only applicable in case of Notes with fixed Interest Payment Days.

⁹⁾ Nur anwendbar bei Teilschuldverschreibungen mit Zinsperioden.

⁽⁹⁾ Only applicable in case of Notes with interest periods.

¹⁰⁾ Nur anwendbar bei Teilschuldverschreibungen mit variablem Zinssatz (mit Ausnahme von Reverse Floatern).

⁽¹⁰⁾ Only applicable in case of Floating Rate Notes (except for Reverse Floaters).

¹¹⁾ Nur anwendbar bei Reverse Floatern.

⁽¹¹⁾ Only applicable in case of Reverse Floaters.

| | |
|---|--|
| <p>Geschäftstag für Zinsfeststellungen (§ 2 Absatz (3)) Business Day for interest determinations (§ 2 Paragraph (3))</p> | <p>Jeder Tag [(außer einem Samstag oder Sonntag), an dem Geschäftsbanken in [Frankfurt am Main / London / andere Stadt] geöffnet haben / [und] an dem das Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) Zahlungen abwickelt]. Each day [(other than a Saturday or Sunday) on which commercial banks are open for business in [Frankfurt am Main / London / other city] / [and] the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) settles payments].</p> |
| <p>Referenzzinssatz Reference Interest Rate</p> | <p>[Zahl]-Monats [EURIBOR/LIBOR] [Number]-months [EURIBOR/LIBOR]</p> |
| <p>Zeitpunkt der Zinsfeststellung Time of Interest Determination</p> | <p>[11.00 Uhr / [andere Zeit] vormittags] [[Brüsseler / Londoner] Zeit] [11:00 a.m. / [other time]] [[Brussels / London] time]</p> |
| <p>Relevante Bildschirmseite (Referenzzinssatz) Relevant Screen Page (Reference Interest Rate)</p> | <p>[Bildschirmseite] [Screen Page]</p> |
| <p>Rundung gemäß § 2 Absatz (4)(a) Rounding pursuant to § 2 Paragraph (4)(a)</p> | <p>Rundung auf das nächste [Eintausendstel eines Prozentpunktes, wobei 0,0005 aufgerundet werden]¹²⁾ [Einhunderttausendstel eines Prozentpunktes, wobei 0,000005 aufgerundet werden]¹³⁾ Rounding to the nearest [one thousandth of a percentage point, 0.0005 being rounded upwards]⁽¹²⁾ [one hundred thousandth of a percentage point, 0.000005 being rounded upwards]⁽¹³⁾</p> |

| | |
|---|--|
| <p><i>Bedingungen, die nur für Teilschuldverschreibungen gelten, für die ein Mindestzinssatz gilt:</i></p> | |
| <p><i>Conditions which are only applicable to Notes having a minimum interest rate:</i></p> | |
| <p>Mindestzinssatz Minimum interest rate</p> | <p>[Zinssatz] [Interest Rate]</p> |

| | |
|--|--|
| <p><i>Bedingungen, die nur für Teilschuldverschreibungen gelten, für die ein Höchstzinssatz gilt:</i></p> | |
| <p><i>Conditions which are only applicable to Notes having a maximum interest rate:</i></p> | |
| <p>Höchstzinssatz Maximum Interest Rate</p> | <p>[Zinssatz] [Interest Rate]</p> |

¹²⁾ Nur anwendbar bei Anwendung von Euribor.

⁽¹²⁾ Only applicable in case of Euribor.

¹³⁾ Nur anwendbar im Falle anderer Referenzzinssätze.

⁽¹³⁾ Only applicable in case of other Reference Interest Rates.

Bedingungen, die nur für Null-Kupon-Teilschuldverschreibungen gelten:

Conditions which are only applicable to Zero-Coupon-Notes:

| | |
|--|--------------------------------------|
| Ausgabepreis Issue Price | [Betrag] [Amount] |
| Emissionsrendite (Prozent p.a.) Amortisation Yield (per cent. per annum) | [Zinssatz] [Interest Rate] |

| | |
|---|---|
| Zinskonvention Day Count Fraction | [Actual/Actual / Actual/Actual (ISMA) / Actual/365 (fixed) / 30/360 oder 360/360 oder Bond Basis / 30E/360 oder Eurobond Basis / Actual/360] [Actual/Actual / Actual/Actual (ISMA) / Actual/365 (fixed) / 30/360 or 360/360 or Bond Basis / 30E/360 or Eurobond Basis / Actual/360] |
|---|---|

§ 3 (Rückzahlung; Repayment)

Bedingungen, die für alle Teilschuldverschreibungen (mit Ausnahme von variabel verzinslichen Teilschuldverschreibungen mit Zinsperioden, Doppelwährungs-, indexierten oder anderen strukturierten Teilschuldverschreibungen, bei denen der End-Rückzahlungsbetrag durch Bezugnahme auf einen Index und / oder eine Formel oder einen Devisenkurs ermittelt wird) gelten:

Conditions which are applicable to all Notes (except for floating rate Notes with interest periods, Dual Currency Notes, Indexed or other structured Notes, in respect of which the Final Redemption Amount is to be determined by reference to an index and/or formula or an exchange rate):

| | |
|--|--|
| Fälligkeitstermin Redemption Date | [Datum] [Date] |
| End-Rückzahlungsbetrag Final Redemption Amount | [Nennwert / anderer Betrag] [par / other amount] |

Bedingungen, die nur für variabel verzinsliche Teilschuldverschreibungen mit Zinsperioden gelten:

Conditions which are only applicable to floating rate Notes with interest periods:

| | |
|---|--|
| Rückzahlungsmonat und -jahr Redemption Month and Year | [Monat, Jahr] [Month, Year] |
| End-Rückzahlungsbetrag Final Redemption Amount | [Nennwert / anderer Betrag] [par / other amount] |

Bedingungen, die nur für Doppelwährungs-, indexierte oder andere strukturierte Teilschuldverschreibungen, bei denen der End-Rückzahlungsbetrag durch Bezugnahme auf einen Index und / oder eine Formel oder einen Devisenkurs ermittelt wird, gelten:

Conditions which are only applicable to Dual Currency Notes, Indexed or other structured Notes, in respect of which the Final Redemption Amount is to be determined by reference to an index and / or formula or an exchange rate:

| | |
|--|--|
| Fälligkeitstermin Redemption Date | [Datum] [Date] |
| Berechnung des End-Rückzahlungsbetrages Calculation of Final Redemption Amount | [anzuwendende Bestimmungen] [give details] |

Bedingungen, die nur für Teilschuldverschreibungen gelten, für die ein Mindest-End-Rückzahlungsbetrag gilt:

Conditions which are only applicable to Notes having a Minimum Final Redemption Amount:

| | |
|--|-----------------------------|
| Mindest-End-Rückzahlungsbetrag Minimum Final Redemption Amount | [Betrag] [amount] |
|--|-----------------------------|

Bedingungen, die nur für Teilschuldverschreibungen gelten, für die ein Höchst-End-Rückzahlungsbetrag gilt:

Conditions which are only applicable to Notes having a Maximum Final Redemption Amount:

| | |
|---|-----------------------------|
| Höchst-End-Rückzahlungsbetrag Maximum Final Redemption Amount | [Betrag] [amount] |
|---|-----------------------------|

**§ 4 (Vorzeitige Rückzahlung, Rückkauf von Teilschuldverschreibungen;
Early Redemption, Repurchase of Notes)**

| | |
|---|--|
| Call Option der Emittentin Issuer's Call Option | [Ja / Nein]¹⁴⁾ [Yes / No] ⁽¹⁴⁾ |
|---|--|

| | |
|---|--|
| Put Option der Anleihegläubiger Noteholder's Put Option | [Ja / Nein]¹⁵⁾ [Yes / No] ⁽¹⁵⁾ |
|---|--|

¹⁴⁾ Bei nachrangigen Teilschuldverschreibungen

⁽¹⁴⁾ In the case of subordinated Notes

¹⁵⁾ Bei nachrangigen Teilschuldverschreibungen

⁽¹⁵⁾ In the case of subordinated Notes

Bedingungen, die für alle nicht-nachrangigen Teilschuldverschreibungen gelten, bezüglich derer die Emittentin eine Call Option hat:

Conditions which are applicable to all unsubordinated Notes with respect to which the Issuer has a Call Option:

| | |
|--|---|
| Kündigungsfrist Redemption Notice | [Anzahl von Tagen] [Number of days] |
| Kündigungsdatum(-daten) ¹⁶⁾ Date(s) of early redemption ⁽¹⁶⁾ | [Datum/Daten] [Date(s)] |
| Bedingungen der Kündigung ¹⁷⁾ Conditions of termination ⁽¹⁷⁾ | [Anwendbare Bestimmungen (Kündigungsdaten, Kündigungsbeträge)] [Applicable provisions (Redemption Dates, Redemption Amounts)] |

Bedingungen, die für alle nicht-nachrangigen Teilschuldverschreibungen gelten, bezüglich derer die Anleihegläubiger eine Put Option haben:

Conditions which are applicable to all unsubordinated Notes with respect to which the Noteholders have a Put Option:

| | |
|--|---|
| Kündigungsfrist Redemption Notice | [Anzahl von Tagen] [Number of days] |
| Kündigungsdatum(-daten) ¹⁸⁾ Date(s) of early redemption ⁽¹⁸⁾ | [Datum/Daten] [[date(s)] |
| Bedingungen der Kündigung ¹⁹⁾ Conditions of Termination ⁽¹⁹⁾ | [Anwendbare Bestimmungen (Kündigungsdaten, Kündigungsbeträge)] [Applicable provisions (Redemption Dates, Redemption Amounts)] |

Bedingungen, die für alle nicht-nachrangigen Null-Kupon-Teilschuldverschreibungen gelten:

Conditions which are applicable to all unsubordinated Zero-Coupon-Notes:

| | |
|---------------------------------|--------------------------|
| Ausgabetag Issue Date | [Datum] [Date] |
|---------------------------------|--------------------------|

¹⁶⁾ Nicht anwendbar bei Null-Kupon-Teilschuldverschreibungen.

⁽¹⁶⁾ Not applicable in case of Zero-Coupon-Notes.

¹⁷⁾ Nur anwendbar bei Null-Kupon-Teilschuldverschreibungen.

⁽¹⁷⁾ Only applicable in case of Zero-Coupon-Notes.

¹⁸⁾ Nicht anwendbar bei Null-Kupon-Teilschuldverschreibungen.

⁽¹⁸⁾ Not applicable in case of Zero-Coupon-Notes.

¹⁹⁾ Nur anwendbar bei Null-Kupon-Teilschuldverschreibungen.

⁽¹⁹⁾ Only applicable in case of Zero-Coupon-Notes.

Bedingungen, die nur für nicht-nachrangige Teilschuldverschreibungen mit indexiertem Rückzahlungsbetrag, Doppelwährungs- oder andere strukturierte Teilschuldverschreibungen, bei denen der Vorzeitige Rückzahlungsbetrag durch Bezugnahme auf einen Index und/oder eine Formel oder einen Devisenkurs ermittelt wird, gelten:

Conditions which are applicable only to unsubordinated Notes having an indexed redemption amount, dual currency, or other structured Notes in respect of which the Early Redemption Amount is to be determined by reference to an index and/or formula or an exchange rate:

Berechnung des Vorzeitigen Rückzahlungsbetrags

Calculation of Early Redemption Amount

[anzuwendende Bestimmungen]

[give details]

Bedingungen, die für bestimmte strukturierte Teilschuldverschreibungen gelten:

Conditions which are applicable to certain structured Notes:

Anzuwendende Bestimmungen hier einfügen

Applicable provisions to be inserted

[anzuwendende Bestimmungen]

[give details]

§ 5 (Zahlungen; Payments)

Bedingungen, die nur für Doppelwährungs-Teilschuldverschreibungen gelten:

Conditions which are only applicable to Dual Currency Notes:

Zahlung bei Fälligkeit

Payment at maturity

[anzuwendende Bestimmungen]

[give details]

Bedingungen, die nur für effektive Teilschuldverschreibungen gelten, die weder auf Euro, USD oder Yen lauten, noch in Euro, USD oder Yen rückzahlbar sind:

Conditions which are only applicable to definitive Notes neither denominated nor repayable in Euro, USD or Yen:

Land der Emissionswährung

Country of the Issue Currency

[Land]

[Country]

Zahlungsgeschäftstag § 5 [3 / 4]

Payment Business Day § 5 [3 / 4]

Jeder Tag, [an dem das Trans-European Automated Real-Time Gross settlement Express Transfer System (TARGET-System) / (außer einem Samstag oder Sonntag), an dem Geschäftsbanken und Devisenmärkte in [Hauptfinanzzentrum der Emissionswährung] [und am Ort der Vorlage]²⁰⁾ und das Clearing-System Zahlungen in [Emissionswährung] abwickeln.

Each day [on which the Trans-European Automated Real-Time Gross settlement Express Transfer System (TARGET-System) / [(other than a Saturday or Sunday) on which commercial banks and foreign exchange markets in [Main Financial Centre of the Issue Currency] [and at the place of presentation]⁽²⁰⁾ and the Clearing-System settle payments in [Issue Currency].

²⁰⁾ Nur anwendbar für effektive Teilschuldverschreibungen.

⁽²⁰⁾ Only applicable to definitive Notes.

§ 6 (Steuern; Taxes)

Anwendbarkeit des § 6 (3)
Applicability of § 6 (3)

[Ja²¹⁾ / Nein²²⁾
[Yes⁽²¹⁾ / No⁽²²⁾]

§ 8 (Status [und Garantie]; Status [and Guarantee])

Status
Status

[nicht-nachrangige / nachrangige Teilschuldverschreibungen / Drittrangmittel]
[Senior / Subordinated Notes / Tier Three Capital]

[Garantin
[Guarantor

Commerzbank Aktiengesellschaft]
Commerzbank Aktiengesellschaft]

§ 9 (Zahlstellen [, Berechnungsbank]; Paying Agents [, Calculation Agent])

| | |
|---|---|
| Hauptzahlstelle Principal Paying Agent | [Commerzbank Aktiengesellschaft / [andere Bank]] [Commerzbank Aktiengesellschaft / [other bank]] |
| Berechnungsbank²³⁾ Calculation Agent ⁽²³⁾ | [Commerzbank Aktiengesellschaft / [andere Bank]] [Commerzbank Aktiengesellschaft / [other bank]] |
| Weitere Zahlstelle(n) Additional Paying Agent(s) | [Commerzbank International S.A. / [andere Bank(en)]] [Commerzbank International S.A. / [other bank(s)]] |

Börsennotierung
Listing

[Luxemburger Börse / Frankfurter Börse / [andere Börse] / Nein]. [Es ist immer eine Zahlstelle in [der Stadt Luxemburg / Frankfurt am Main / [andere Stadt]] bestellt]
[Luxembourg Stock Exchange / Frankfurt Stock Exchange [other stock exchange] / No]. [There will at all times be a Paying Agent in [the City of Luxembourg / Frankfurt am Main / [other town]]

²¹⁾ Anwendbar bei allen Teilschuldverschreibungen (ausschließlich nachrangigen Teilschuldverschreibungen in Form von Drittrangmitteln der Commerzbank Aktiengesellschaft, für die kein Tax Gross-up zahlbar ist).

⁽²¹⁾ Applicable in case of all Notes (excluding subordinated Notes in the form of Tier Three Capital of Commerzbank Aktiengesellschaft with respect to which no Tax Gross-up is payable).

²²⁾ Anwendbar im Falle von nachrangigen Teilschuldverschreibungen in Form von Drittrangmitteln der Commerzbank Aktiengesellschaft, für die kein Tax Gross-up zahlbar ist.

⁽²²⁾ Applicable in case of subordinated Notes in the form of Tier Three Capital of Commerzbank Aktiengesellschaft with respect to which no Tax Gross-up is payable.

²³⁾ Nur anwendbar bei variabel verzinslichen, indexierten, Doppelwährungs-, und anderen strukturierten Teilschuldverschreibungen.

⁽²³⁾ Only applicable in case of Floating Rate Notes, Indexed Notes, Dual Currency Notes and other Structured Notes.

§ 10 (Kündigung; Termination)

Anwendbarkeit
Applicability

[Ja²⁴ / Nein²⁵]
[Yes⁽²⁴⁾ / No⁽²⁵⁾]

§ 11 ([Schuldnerersetzung,²⁶] Betriebsstättenersetzung; [Substitution of Issuer,⁽²⁶⁾] Branch Designation)

Anwendbarkeit
Applicability

[Ja²⁶ / Nein²⁷]
[Yes⁽²⁶⁾ / No⁽²⁷⁾]

§ [12] (Bekanntmachungen; Notices)

Veröffentlichungen
Publications

**[[Börsen-Zeitung] / Luxemburger Wort] / [andere
Tageszeitung] / [Clearing-System]]**
[[Börsen-Zeitung] / [Luxemburger Wort] / [other
newspaper] / [Clearing-System]]

§ [13] (Schlußbestimmungen; Final Clauses)

Verbindliche Sprache
Legally binding Language

[Deutsch / Englisch]
[German / English]

²⁴) Nur anwendbar bei nicht nachrangigen Teilschuldverschreibungen.

⁽²⁴⁾ Only applicable in case of unsubordinated Notes.

²⁵) Nur anwendbar bei nachrangigen Teilschuldverschreibungen.

⁽²⁵⁾ Only applicable in case of subordinated Notes.

²⁶) Nicht anwendbar bei nachrangigen Teilschuldverschreibungen in Form von Drittrangmitteln der Commerzbank Aktiengesellschaft.

⁽²⁶⁾ Not applicable in case of subordinated Notes in the form of Tier Three Capital of Commerzbank Aktiengesellschaft.

²⁷) Nur anwendbar bei nachrangigen Teilschuldverschreibungen in Form von Drittrangmitteln der Commerzbank Aktiengesellschaft.

⁽²⁷⁾ Only applicable in case of subordinated Notes in the form of Tier Three Capital of Commerzbank Aktiengesellschaft.

II.

Sonstige, nicht in die Anleihebedingungen einzusetzende Bedingungen, die für alle Teilschuldverschreibungen gelten:

Other Conditions which shall not be inserted in the Terms and Conditions of the Notes and which apply to all Notes:

| | |
|--|--|
| Ausgabetag Issue Date | [Datum] [Date] |
| Ausgabepreis ²⁸⁾ Issue Price ⁽²⁸⁾ | [] [] |
| Wertpapierkennnummer German Securities Identification No. | [] |
| Common Code | [] |
| ISIN-Code | [] |
| Vereinbarungen zu Druck und Lieferung effektiver Teilschuldverschreibungen Printing and delivery arrangements for definitive Notes | [Lead Manager(s)] [werden/wird] rechtzeitig einen Drucker benennen ²⁹⁾ [Lead Manager(s)] will appoint a note printer in due course. ⁽²⁹⁾ [Es werden keine effektiven Teilschuldverschreibungen gedruckt.] ³⁰⁾ [No definitive Notes will be printed.] ⁽³⁰⁾ |
| [Spezielle Begebungs- bzw. Zahlungsanweisungen, Clearing-System] [Special issuance / payment instructions, clearing-system] | [[Lead Manager/Käufer] – Euroclear Kontonr. [] oder – CBL Kontonr. [] [[Lead Manager/Purchaser] – Euroclear Account No. [] or – CBL Account No. []] |
| Durchführung einer syndizierten Emission Transaction to be a syndicated issue | [Ja / Nein] [Yes / No] |

²⁸⁾ Nicht anwendbar auf Null-Kupon-Teilschuldverschreibungen.

⁽²⁸⁾ Not applicable to Zero Coupon Notes.

²⁹⁾ Gilt nur bei effektiven Teilschuldverschreibungen.

⁽²⁹⁾ Only applicable to definitive Notes.

³⁰⁾ Gilt nur für globalverbriefte Teilschuldverschreibungen.

⁽³⁰⁾ Only applicable to Permanent Global Notes.

Details zu Konsortialbank(en) / Käufer(n)

Details of Manager(s) / Purchaser

[[Liste aller Konsortialbanken]

[List of all Managers]

[c/o]

[Konsortialführer] / [Käufer]

[Lead Manager] / Purchaser]

[Adresse]

[address]

Telefon: []

Telefax: []

Telephone: []

Fax: []

Zu Händen von: []

Attention: []

Verkaufsbeschränkungen

Selling Restrictions

Die folgenden Verkaufsbeschränkungen finden zusätzlich zu den in Annex 7 zum Second Supplemental Dealer Agreement vom 1. Juli 2002 niedergelegten Verkaufsbeschränkungen Anwendung:

The following Selling Restrictions shall apply in addition to the Selling Restrictions set forth in Annex 7 to the Second Supplemental Dealer Agreement dated July 1, 2002:

Kursstabilisierungsagent

Stabilisation Agent

[Konsortialführer/Käufer/Keiner]

(Lead Manager/Purchaser/None]

Sonstige Bedingungen

Further conditions

[Weitere Bedingungen, falls anwendbar]

[Further Conditions, if any]

HANDLUNGSANWEISUNG FÜR DEN GEBRAUCH DER PROGRAMM- ANLEIHEBEDINGUNGEN

Diese Programm-Anleihebedingungen gelten für eine Serie von Teilschuldverschreibungen, je nach Vereinbarung zwischen der Emittentin und dem Lead Manager oder Purchaser der entsprechenden Serie, entweder in Form von Ergänzten Anleihebedingungen (wie nachstehend definiert) oder in Form von Konsolidierten Anleihebedingungen (wie nachstehend definiert), mit der Maßgabe, daß die Anleihebedingungen grundsätzlich in Form von Konsolidierten Anleihebedingungen zu fassen sind. Dies gilt insbesondere, wenn eine Serie von Teilschuldverschreibungen (i) nachrangig ist oder (ii) in Deutschland oder einer anderen Jurisdiktion öffentlich angeboten oder (iii) in Euro denominiert ist und an einer Börse notiert wird. Die Ergänzten Anleihebedingungen kommen ausnahmsweise dann zur Anwendung, wenn eine Serie von Teilschuldverschreibungen nicht öffentlich angeboten werden soll und/oder eine Beeinträchtigung der Investoren hierdurch nicht zu erwarten steht.

Wenn die Konsolidierten Anleihebedingungen (wie nachstehend definiert) auf eine Serie von Teilschuldverschreibungen Anwendung finden, so bestimmen sich diese wie folgt: Diese Programm-Anleihebedingungen werden angepaßt durch Einfügung der Bestimmungen des Konditionenblatts, das für die betreffende Serie von Teilschuldverschreibungen gilt, und durch Streichung sämtlicher Bestimmungen, die für diese Serie von Teilschuldverschreibungen nicht gelten (die „Konsolidierten Anleihebedingungen“). Im Hinblick auf eine Serie von Teilschuldverschreibungen werden diese Programm-Anleihebedingungen in ihrer Gesamtheit durch die Konsolidierten Anleihebedingungen ersetzt. Sofern und soweit die Konsolidierten Anleihebedingungen von den Bedingungen des Konditionenblatts abweichen, sind die Konsolidierten Anleihebedingungen maßgeblich.

Wenn die Ergänzten Anleihebedingungen (wie nachstehend definiert) auf eine Serie von Teilschuldverschreibungen Anwendung finden, so bestimmen sich diese wie folgt: Die Bedingungen des Konditionenblattes (das „Konditionenblatt“), das für die betreffende Serie von Teilschuldverschreibungen gilt, ergänzen die Anleihebedingungen (die „Ergänzten Anleihebedingungen“) und passen diese an. Sofern und soweit die Ergänzten Anleihebedingungen von den Bedingungen des Konditionenblatts abweichen, sind die Bedingungen des Konditionenblatts maßgeblich.

Soweit der Lead Manager oder Purchaser und die Emittentin einer Serie von Teilschuldverschreibungen keine andere Regelung treffen, ist der deutsche Text ausschließlich rechtsverbindlich. Dies gilt insbesondere bei in Euro denominierten Serien von Teilschuldverschreibungen, die in Deutschland und/oder einem anderen deutschsprachigen Land öffentlich angeboten oder an einer deutschen Börse notiert werden. In diesem Fall wird eine unverbindliche englische Übersetzung lediglich zu Lesezwecken erstellt und wird weder einer Globalurkunde beigelegt, noch auf der Rückseite effektiver Teilschuldverschreibungen aufgedruckt, ist jedoch bei der jeweiligen Hauptzahlstelle und, solange die Teilschuldverschreibungen an einer Börse notiert sind, bei einer am betreffenden Börsenplatz bestellten Zahlstelle erhältlich.

Sofern die englische Fassung dieser Anleihebedingungen rechtsverbindlich ist (z. B. wenn eine Serie von Teilschuldverschreibungen ganz oder überwiegend außerhalb Deutschlands in nicht-deutschsprachigen Ländern platziert wird und/oder eine Beeinträchtigung der Investoren hierdurch nicht zu erwarten steht, wird eine unverbindliche deutsche Übersetzung zu Lesezwecken erstellt, sofern dies zur Vermeidung einer Beeinträchtigung der Investoren erforderlich erscheint;

INSTRUCTIONS FOR THE USE OF THE PROGRAMME TERMS AND CONDITIONS OF THE NOTES

These Programme Terms and Conditions of the Notes apply to a Series of Notes either in the form of Consolidated Terms (as defined below) or in the form of Supplemented Terms (as defined below), as may be agreed between the Issuer and the Lead Manager or Purchaser of such Series of Notes, provided that the Terms and Conditions are generally to be drafted in the form of Consolidated Terms. This shall in particular apply if a Series of Notes (i) is subordinated or (ii) will be publicly offered in Germany or another jurisdiction or (iii) is denominated in Euro and will be listed on a stock exchange. By way of exception the Supplemented Terms shall apply if a Series of Notes is not publicly offered and/or it is not expected that the investors are adversely affected thereby.

If the Consolidated Terms (as defined below) apply to a Series of Notes they shall be determined as follows: These Programme Terms and Conditions of the Notes shall be amended by incorporating the terms of the Pricing Supplement applicable to the respective Series of Notes, and by deleting all provisions not applicable to such Series of Notes (the “Consolidated Terms”). In respect of a Series of Notes the Consolidated Terms shall replace these Programme Terms and Conditions of the Notes in their entirety. If and to the extent that the Consolidated Terms deviate from the terms of the Pricing Supplement, the Consolidated Terms shall prevail.

If the Supplemented Terms (as defined below) apply to a Series of Notes they shall be determined as follows: The terms of the pricing supplement (the “Pricing Supplement”) applicable to the respective Series of Notes amend and supplement these Terms and Conditions of the Notes (the “Supplemented Terms”). If and to the extent that the Supplemented Terms deviate from the terms of the Pricing Supplement, the terms of the Pricing Supplement shall prevail.

Unless the Issuer and the Lead Manager or the Purchaser of a Series of Notes agree otherwise, the German text shall be exclusively legally binding. This applies in particular if a Series of Notes is denominated in Euro as well as if a Series of Notes will be publicly offered in Germany and/or another German speaking country or will be listed on a German stock exchange. In this case a non-binding English translation will be prepared for convenience only and will neither be attached to a Global Note nor be endorsed on Notes in definitive form but will be available at the offices of the respective Principal Paying Agent and, as long as the Notes are listed on a stock exchange, at the offices of a Paying Agent appointed at the place of the stock exchange.

If the English version of these Terms and Conditions shall be binding (e.g. if a Series of Notes in its entirety or in a very major part is placed outside Germany in non-German speaking countries and/or it is not expected that the investors are adversely affected thereby) a non-binding German translation will be prepared for convenience only if and to the extent necessary to prevent that investors are adversely affected. Such translation will neither be attached to a Global Note nor

diese Übersetzung wird jedoch weder einer Globalurkunde beigelegt, noch auf der Rückseite effektiver Teilschuldverschreibungen aufgedruckt, ist jedoch bei der jeweiligen Hauptzahlstelle und, solange die Teilschuldverschreibungen an einer Börse notiert sind, bei einer am betreffenden Börsenplatz bestellten Zahlstelle erhältlich.

Die für eine Serie geltenden Anleihebedingungen werden der betreffenden temporären und/oder permanenten Global-Inhaber-Schuldverschreibung (die „Globalurkunde“) mit dem jeweiligen Konditionenblatt beigelegt und werden darüber hinaus auf der Rückseite etwaiger Effektiver Teilschuldverschreibungen aufgedruckt, die im Austausch gegen die die Teilschuldverschreibungen einer jeden Serie verbriefenden Globalurkunde(n) ausgegeben werden.

Bestimmungen in eckigen Klammern, die gekennzeichnet sind durch:

- (i) **„1“**, sind nur auf die von Commerzbank Overseas Finance N.V. ausgegebenen Teilschuldverschreibungen;
- (ii) **„2“**, sind nur auf die von der Commerzbank Aktiengesellschaft ausgegebenen Teilschuldverschreibungen;
- (iii) **„3“**, sind nur auf die in Form Effektiver Stücke ausgegebenen Teilschuldverschreibungen;
- (iv) **„4“**, sind nur auf globalverbriefte Teilschuldverschreibungen;
- (v) **„5“**, sind nur auf variabel verzinsliche Teilschuldverschreibungen;
- (vi) **„6“**, sind nur auf Null-Kupon-Teilschuldverschreibungen; und
- (vii) **„7“**, sind nicht auf Null-Kupon-Teilschuldverschreibungen anwendbar.

Im Falle von Konsolidierten Anleihebedingungen sind Bestimmungen in eckigen Klammern nach Maßgabe des Konditionenblatts zu ergänzen. Bei durch einen Schrägstrich getrennten Alternativen sind nicht anwendbare Alternativen zu streichen. Soweit erforderlich ist die Gliederung der Bestimmungen anzupassen. Handlungsanweisungen, die fett und kursiv gedruckt sind, sind zu streichen. Worte oder Zahlen, die in eckigen Klammern fettgedruckt sind, sind in normaler Schrifttype zu schreiben.

be endorsed on Notes in definitive form but will be available at the offices of the respective Principal Paying Agent and, as long as the Notes are listed on a stock exchange, at the offices of a Paying Agent appointed at the place of the stock exchange.

The Terms and Conditions of the Notes applicable to a Series of Notes will be attached to the respective temporary and/or permanent global bearer note (the “Global Note”) together with the relevant Pricing Supplement and will, in addition, be endorsed on the Definitive Notes (if any) issued in exchange for the Global Note(s) representing the Notes of each Series.

Provisions in square brackets preceded by

- (i) **“1”** shall only be applicable to Notes issued by Commerzbank Overseas Finance N.V.;
- (ii) **“2”** shall only be applicable to Notes issued by Commerzbank Aktiengesellschaft;
- (iii) **“3”** shall only be applicable in the case of Notes issued in the form of Definitive Notes;
- (iv) **“4”** shall only be applicable to Notes issued in the form of Global Notes;
- (v) **“5”** shall only be applicable to floating rate Notes;
- (vi) **“6”** shall only be applicable to Zero-Coupon-Notes; and
- (vii) **“7”** shall not be applicable to Zero-Coupon-Notes.

In the case of Consolidated Terms, terms in square brackets are to be supplemented in accordance with the Pricing Supplement. In the case of alternatives separated by a slash, alternatives which are not applicable shall be deleted. To the extent necessary the numbering of the provisions shall be adapted. Instructions in bold and italics shall be deleted. Words or figures in bold characters in square brackets shall be printed in regular characters.

PROGRAMM-ANLEIHEBEDINGUNGEN

Die nachfolgenden Anleihebedingungen gelten für die als Serie Nr. **[Nr.]** im Rahmen des Euro 25.000.000.000,- Medium Term Note Programms der Commerzbank Aktiengesellschaft und der Commerzbank Overseas Finance N.V. (das „Programm“) begebene Anleihe.

PROGRAMME TERMS AND CONDITIONS OF THE NOTES

The following terms and conditions of the Notes apply to the Notes issued as Series No. **[No.]** under the Euro 25,000,000,000 Medium Term Note Programme of Commerzbank Aktiengesellschaft and Commerzbank Overseas Finance N.V. (the “Programme”).

Der folgende Absatz gilt nur für Ergänzte Anleihebedingungen

Diese Programm-Anleihebedingungen werden durch die in dem betreffenden Konditionenblatt (das „Konditionenblatt“) enthaltenen Bestimmungen ergänzt und modifiziert. Soweit die Bestimmungen dieser durch das Konditionenblatt ergänzten und modifizierten Programm-Anleihebedingungen von den Bestimmungen des Konditionenblatts abweichen, sind die Bestimmungen des Konditionenblatts vorrangig. Das Konditionenblatt ist bei der Hauptzahlstelle und, solange die Teilschuldverschreibungen an einer Börse notiert sind bei jeder am betreffenden Börsenplatz bestellten Zahlstelle erhältlich.

The following Paragraph shall only apply to Supplemented Terms

These Programme Terms and Conditions of the Notes shall be supplemented and modified by the terms of the relevant pricing supplement (the “Pricing Supplement”). If the provisions of these Programme Terms and Conditions of the Notes as supplemented and modified by the Pricing Supplement deviate from the provisions of the Pricing Supplement, the provisions of the Pricing Supplement shall prevail. The Pricing Supplement shall be available at the Principal Paying Agent and, as long as the Notes are listed on a stock exchange, at each Paying Agent appointed at the place of the relevant stock exchange.

§ 1 (Form)

- (1) Diese Anleihe der [Commerzbank Overseas Finance N.V., Curaçao, Niederländische Antillen / Commerzbank Aktiengesellschaft, Frankfurt am Main, Bundesrepublik Deutschland] (die „Emittentin“) in **[Währung]** (die „Emissionswährung“) im Gesamtnennbetrag von **[Betrag]** (in Worten: **[Währung, Betrag]**) ist in auf den Inhaber lautende, untereinander gleichrangige Teilschuldverschreibungen (die „Teilschuldverschreibungen“) ⁴[im Nennbetrag von jeweils **[Währung] [Nennbetrag]** eingeteilt.] ³[in den folgenden Nennbeträgen eingeteilt:

- [] .000 Teilschuldverschreibungen zu je **[Währung] [Nennbetrag]**;
- [] .000 Teilschuldverschreibungen zu je **[Währung] [Nennbetrag]**;
- [] .000 Teilschuldverschreibungen zu je **[Währung] [Nennbetrag]**.

§ 1 (Form)

- (1) This issue of [Commerzbank Overseas Finance N.V., Curaçao, Netherlands Antilles / Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany] (the “Issuer”) issued in **[Currency]** (the “Issue Currency”) in the aggregate principal amount of **[Amount]** (in words: **[Currency, Amount]**), is represented by notes (the “Notes”) payable to bearer and ranking pari passu among themselves in the ⁴[denomination of **[currency] [denomination]** each.] ³[following denominations:

- [] .000 Notes of **[currency, denomination]** each;
- [] .000 Notes of **[currency, denomination]** each;
- [] .000 Notes of **[currency, denomination]** each.]

Der folgende Absatz ist nur auf Teilschuldverschreibungen anwendbar, für die TEFRA C gilt

Die Teilschuldverschreibungen ³[werden zunächst durch eine temporäre Globalurkunde (die „Temporäre Globalurkunde“) ohne Zinsscheine verbrieft, die nicht später als 180 Tage nach ihrem Ausgabebetrag gegen einzelausgedruckte, fortlaufend nummerierte Inhaber-Teilschuldverschreibungen („effektive Teilschuldverschreibungen“) ⁷[mit beigefügten Inhaber-Zinsscheinen (die „Zinsscheine“) ausgetauscht wird] ⁴[werden durch eine permanente Global-Inhaber-Schuldverschreibung (die „Globalurkunde“) ⁷[ohne Zinsscheine] verbrieft.] Die ³[Temporäre] Globalurkunde wird bei der [Clearstream Banking AG, Frankfurt am Main („CBF“) / **[Verwahrstelle]** als gemeinsame Verwahrstelle für Clearstream Banking, société anonyme, Luxemburg („CBL“) und Euroclear Bank S.A. / N.V., als Betreiberin des Euroclear Systems („Euroclear“) / **[anderes internationales Clearing-System]]** [(gemeinsam] das „Clearing-System“) hinterlegt.

The following Paragraph shall only be applicable to Notes with respect to which TEFRA C applies

The Notes will ³[initially be represented by a temporary global bearer note (the “Temporary Global Note”) without interest coupons, which will be exchanged not later than 180 days after their issue date against serially numbered definitive bearer Notes (the “definitive Notes”) ⁷[with interest coupons payable to bearer (the “Coupons”) attached]] ⁴[be represented by a permanent global bearer note (the “Global Note”) ⁷[without interest coupons].] The ³[Temporary] Global Note shall be deposited with [Clearstream Banking AG, Frankfurt am Main (“CBF“) / **[depository]** as common depository for Clearstream Banking, société anonyme, Luxembourg (“CBL“) and Euroclear Bank S.A. / N.V., as operator of the Euroclear System (“Euroclear“) / **[other international clearing-system]]** [(together] the “Clearing-System”).

Der folgende Absatz ist nur auf Teilschuldverschreibungen anwendbar, für die TEFRA D gilt

Die Teilschuldverschreibungen werden zunächst durch eine temporäre Globalurkunde (die „Temporäre Globalurkunde“) ohne Zinsscheine verbrieft, die nicht später als 180 Tage nach ihrem Ausgabebetrag gegen einzelausgedruckte, fortlaufend nummerierte Inhaber-Teilschuldverschreibungen („effektive Teilschuldverschreibungen“) ausgetauscht wird.

The following Paragraph shall only be applicable to Notes with respect to which TEFRA D applies

The Notes will initially be represented by a temporary global bearer note (the “Temporary Global Note”) without interest coupons, which will be exchanged not later than 180 days after their issue date against serially numbered definitive bearer Notes (the “definitive Notes”) with interest coupons payable to bearer.

urkunde“) ohne Zinsscheine verbrieft, die nicht früher als 40 Tage und nicht später als 180 Tage nach ihrem Ausgabetermin ³[gegen einzelausgedruckte, fortlaufend nummerierte Inhaber-Teilschuldverschreibungen („effektive Teilschuldverschreibungen“)] ⁷[mit Inhaber-Zinsscheinen (die „Zinsscheine“)] ⁴[durch eine permanente Global-Inhaberschuldverschreibung (die „Permanente Globalurkunde“; die Temporäre Globalurkunde und die Permanente Globalurkunde werden nachstehend gemeinsam als „Globalurkunde“ bezeichnet) ⁷[ohne Zinsscheine] ausgetauscht wird.] Die Temporäre Globalurkunde ³[wird] ⁴[und die Permanente Globalurkunde werden] bei der [Clearstream Banking AG, Frankfurt am Main („CBF“) / [Verwahrstelle] als gemeinsame Verwahrstelle für Clearstream Banking, société anonyme, Luxemburg („CBL“) und Euroclear Bank S.A. / N.V, als Betreiberin des Euroclear Systems („Euroclear“) / [anderes internationales Clearing-System]] ([gemeinsam] das „Clearing-System“) hinterlegt. Der Austausch erfolgt nur gegen Nachweis darüber, daß der bzw. die wirtschaftlichen Eigentümer der durch die Temporäre Globalurkunde verbrieften Teilschuldverschreibungen vorbehaltlich bestimmter Ausnahmen keine US-Personen sind.

interest coupons, which will be exchanged not earlier than 40 days and not later than 180 days after their issue date ³[against serially numbered definitive bearer Notes (the “Definitive Notes”) ⁷[with interest coupons payable to bearer (the “Coupons”) attached]] ⁴[against a permanent global bearer note (the “Permanent Global Note”; the Temporary Global Note and the Permanent Global Note hereinafter together the “Global Note”) ⁷[without interest coupons].] The Temporary Global Note ⁴[and the Permanent Global Note] shall be deposited with [Clearstream Banking AG, Frankfurt am Main (“CBF“) / [depository] as common depository for Clearstream Banking, société anonyme, Luxembourg (“CBL“) and Euroclear Bank S.A. / N.V, as operator of the Euroclear System (“Euroclear“) / [other international clearing-system]] ([together] the “Clearing-System“). The exchange shall only be made upon certification to the effect that, subject to certain exceptions, the beneficial owner or owners of the Notes represented by the Temporary Global Note are not U.S. persons.

Der folgende Absatz (2) ist nur auf Teilschuldverschreibungen anwendbar, die TEFRA C unterliegen

(2) Die ³[Temporäre] Globalurkunde ist nur wirksam, wenn sie die eigenhändigen Unterschriften von ¹[zwei geschäftsführenden Direktoren der Emittentin] ²[zwei durch die Emittentin bevollmächtigten Personen] sowie die Unterschrift eines Kontrollbeauftragten der Commerzbank Aktiengesellschaft trägt.

The following Paragraph (2) shall only be applicable to Notes with respect to which TEFRA C applies

(2) The ³[Temporary] Global Note shall only be valid if it bears the hand-written signatures of ¹[two managing directors] ²[two authorised officers] of the Issuer and the control signature of a person instructed by Commerzbank Aktiengesellschaft.

Der folgende Absatz (2) ist nur auf Teilschuldverschreibungen anwendbar, die TEFRA D unterliegen

(2) Die Temporäre Globalurkunde ⁴[und die Permanente Globalurkunde] [ist / sind] nur wirksam, wenn sie die eigenhändigen Unterschriften von ¹[zwei geschäftsführenden Direktoren der Emittentin] ²[zwei durch die Emittentin bevollmächtigten Personen] sowie die Unterschrift eines Kontrollbeauftragten der Commerzbank Aktiengesellschaft [trägt / tragen].

The following Paragraph (2) shall only be applicable to Notes with respect to which TEFRA D applies

(2) The Temporary Global Note ⁴[and the Permanent Global Note] shall only be valid if [it / they] bear[s] the hand-written signatures of ¹[two managing directors] ²[two authorised officers] of the Issuer and the control signature of a person instructed by Commerzbank Aktiengesellschaft.

Die folgenden Absätze sind nur auf effektive Teilschuldverschreibungen anwendbar

⁷[Jeder effektiven Teilschuldverschreibung werden [Anzahl] Zinsscheine beigefügt.] Die effektiven Teilschuldverschreibungen ⁷[und die Zinsscheine] sind nur wirksam, wenn sie neben einem Prägegestempel die faksimilierten Unterschriften von ¹[zwei geschäftsführenden Direktoren der Emittentin] ²[zwei durch die Emittentin bevollmächtigten Personen] tragen. Die effektiven Teilschuldverschreibungen müssen darüber hinaus die eigenhändige Unterschrift eines Kontrollbeauftragten der Commerzbank Aktiengesellschaft tragen.

(3) Im Rahmen dieser Anleihebedingungen bezeichnet der Ausdruck „Anleihegläubiger“, solange die Teilschuldverschreibungen durch eine Temporäre Globalurkunde verbrieft sind, den Inhaber eines Miteigentumsanteils oder Rechts an der Temporären Globalurkunde und nach Austausch der Temporären Globalurkunde gegen effektive Teilschuldverschreibungen den Inhaber einer effektiven Teilschuldverschreibung ⁷[und/oder eines Zinsscheins].

The following Paragraphs shall only be applicable to Definitive Notes

⁷[[Number] Coupons shall be attached to each Definitive Note.] The Definitive Notes ⁷[and the Coupons] shall only be valid if they bear an embossed emblem and the facsimile signatures of ¹[two managing directors] ²[two authorised officers] of the Issuer. The Definitive Notes shall also bear the hand-written control signature of a person instructed by Commerzbank Aktiengesellschaft.

(3) The term “Noteholder” in these Terms and Conditions of the Notes refers, as long as the Notes are represented by a Temporary Global Note, to the holder of a co-ownership participation or right in the Temporary Global Note, and, after the exchange of the Temporary Global Note against Definitive Notes, to the holder of a Definitive Note ⁷[and/ or a Coupon].

Die folgenden Absätze (3) und (4) sind nur auf globalverbriefte Teilschuldverschreibungen anwendbar

(3) Den Anleihegläubigern stehen Miteigentumsanteile oder Rechte an der Globalurkunde zu, die nach Maßgabe des

The following Paragraphs (3) and (4) shall only be applicable to Notes represented by a Global Note

(3) The Noteholders shall receive co-ownership participations or rights in the Global Note which are transferable in

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| <p>anwendbaren Rechts und der Regeln und Bestimmungen des Clearing-Systems übertragen werden können.</p> <p>(4) Im Rahmen dieser Anleihebedingungen bezeichnet der Ausdruck „Anleihegläubiger“ den Inhaber eines Miteigentumsanteils oder Rechts an der Globalurkunde.</p> | <p>accordance with applicable law and the rules and regulations of the Clearing-System.</p> <p>(4) The term “Noteholder” in these Terms and Conditions of the Notes refers to the holder of a co-ownership participation or right in the Global Note.</p> |
| <p>(•) Die Emittentin behält sich vor, ohne Zustimmung der Anleihegläubiger weitere Teilschuldverschreibungen mit im wesentlichen gleicher Ausstattung in der Weise zu begeben, daß sie mit den Teilschuldverschreibungen zu einer einheitlichen Serie von Teilschuldverschreibungen konsolidiert werden und ihren Gesamtnennbetrag erhöhen. Der Begriff „Teilschuldverschreibung“ umfaßt im Falle einer solchen Konsolidierung auch solche zusätzlich begebenen Teilschuldverschreibungen.</p> | <p>(•) The Issuer reserves the right to issue from time to time without the consent of the Noteholders additional Notes with substantially identical terms, so that the same shall be consolidated to form a single Series of Notes and increase the aggregate principal amount of the Notes. The term “Notes” shall, in the event of such consolidation, also comprise such additionally issued notes.</p> |

**§ 2
(Verzinsung)**

**§ 2
(Interest)**

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| <p>Der folgende Absatz (1) ist nur auf Teilschuldverschreibungen mit festem Zinssatz anwendbar</p> <p>(1) Die Teilschuldverschreibungen werden ab dem [Verzinsungsbeginn] (der „Verzinsungsbeginn“) mit [Zinssatz] verzinst. Die Zinsen sind [jährlich / halbjährlich / vierteljährlich] nachträglich jeweils am [Zinszahlungstag(e)] eines jeden Jahres zahlbar ([der/jeweils ein] „Zinszahlungstag“). Die erste Zinszahlung ist am [erster Zinszahlungstag] fällig. ³[Zinszahlungen erfolgen nur gegen Einreichung der betreffenden Zinsscheine bei einer Zahlstelle.]</p> | <p>The following Paragraph (1) shall only be applicable to Notes with fixed interest</p> <p>(1) The Notes bear interest at a rate of [interest rate] as from [Interest Commencement Date] (the “Interest Commencement Date”). Interest is payable [annually / semi-annually / quarterly] in arrear on [Interest Payment Date(s)] of each year ([the/each an] “Interest Payment Date”). The first interest payment shall be due on [first Interest Payment Date]. ³[Interest shall be payable only against surrender of the relevant Coupons to any Paying Agent.]</p> |
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| <p>Der folgende Absatz (1) ist nur auf Step-up und Step-down Teilschuldverschreibungen anwendbar</p> <p>(1) Die Teilschuldverschreibungen werden ab dem [Verzinsungsbeginn] (der „Verzinsungsbeginn“) (einschließlich) bis zum [Datum] (ausschließlich) mit [Zinssatz] und ab dem [Datum] (einschließlich) [anwendbare Bestimmungen einfügen] verzinst. Die Zinsen sind [jährlich / halbjährlich / vierteljährlich] nachträglich jeweils am [Zinszahlungstag(e)] eines jeden Jahres zahlbar ([der/jeweils ein] „Zinszahlungstag“). Die erste Zinszahlung ist am [erster Zinszahlungstag] fällig. ³[Zinszahlungen erfolgen nur gegen Einreichung der betreffenden Zinsscheine bei einer Zahlstelle.]</p> | <p>The following Paragraph (1) shall only be applicable to step-up and step-down Notes</p> <p>(1) The Notes bear interest at a rate of [interest rate] as from [Interest Commencement Date] (the “Interest Commencement Date”) (inclusive) until [date] (exclusive) and as from [date] (inclusive) [insert applicable provisions]. Interest is payable [annually / semi-annually / quarterly] in arrear on [Interest Payment Date(s)] of each year ([the/each an] “Interest Payment Date”). The first interest payment shall be due on [first Interest Payment Date]. ³[Interest shall be payable only against surrender of the relevant Coupons to any Paying Agent.]</p> |
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| <p>Die folgenden Absätze sind bei Doppelwährungs-, indexierten oder anderen strukturierten Teilschuldverschreibungen, bei denen der Zinssatz oder Zinsbetrag durch Bezugnahme auf einen Index und/oder eine Formel oder einen Devisenkurs ermittelt wird, anwendbar</p> <p>(•) Die Teilschuldverschreibungen werden entsprechend der nachfolgenden Bestimmungen verzinst. Der [Zinssatz / Zinsbetrag] wird durch die Berechnungsbank wie folgt ermittelt: [anwendbare Bestimmungen einfügen].</p> <p>(•) Die Berechnungsbank teilt den für die jeweilige Zinsperiode ermittelten Zinssatz, den für jede Teilschuldverschreibung ³[und jeden Zinsschein] zahlbaren Betrag sowie den maßgebenden Zinszahlungstag unverzüglich der Emittentin ¹[, der Garantin], den Zahlstellen, dem Clearing-System und der Börse, an der die Teilschuldverschreibungen notiert sind, mit, sofern dies nach deren Regularien erforderlich ist. Die Hauptzahlstelle macht den Zinssatz, den für jede Teilschuldverschreibung zahlbaren Zinsbetrag und den Zinszahlungstag unverzüglich gemäß § [12] bekannt.</p> | <p>The following Paragraphs shall apply in the case of dual currency Notes, indexed or other structured notes in respect of which the interest rate or interest amount is to be determined by reference to an index and/or formula or an exchange rate</p> <p>(•) The Notes bear interest pursuant to the following provisions. The [Interest Rate / Interest Amount] shall be determined by the Calculation Agent as follows: [insert applicable provisions].</p> <p>(•) The Calculation Agent shall notify the Issuer ¹[, the Guarantor], the Paying Agents, the Clearing-System and, if so required by its rules, the stock exchange on which the Notes are listed, without delay of the interest rate determined with respect to the relevant Interest Period, the amount payable in respect of each Note ³[and each Coupon] as well as the respective Interest Payment Date. The Principal Paying Agent shall without delay publish the interest rate, the interest amount payable in respect of each Note and the Interest Payment Date in accordance with § [12] hereof.</p> |
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| <p>Der folgende Absatz (1) ist nur anwendbar auf Teilschuldverschreibungen mit variablem Zinssatz</p> <p>(1) Die Teilschuldverschreibungen werden ab dem [Verzinsungsbeginn] (der „Verzinsungsbeginn“) (einschließlich)</p> | <p>The following Paragraph (1) shall only be applicable to floating rate Notes</p> <p>(1) The Notes bear interest as from [Interest Commencement Date] (inclusive) (the “Interest Commencement</p> |
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bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) (jede solche Periode eine „Zinsperiode“) verzinst. Die Zinsen sind für jede Zinsperiode nachträglich am jeweiligen Zinszahlungstag zahlbar. ³[Zinszahlungen erfolgen nur gegen Einreichung der betreffenden Zinsscheine bei einer Zahlstelle.]

Date“) up to the first Interest Payment Date (exclusive) and thereafter as from any Interest Payment Date (inclusive) up to the next following Interest Payment Date (exclusive) (each such period being an “Interest Period”). Interest is payable in arrears for each Interest Period on the relevant Interest Payment Date. ³[Interest shall be payable only against surrender of the relevant Coupons to any Paying Agent.]

Der folgende Absatz ist dem Absatz (1) im Falle von festen Zinszahlungstagen anzufügen

Vorbehaltlich des folgenden Absatzes und des Absatzes (2) bedeutet „Zinszahlungstag“ [Zinszahlungstage].

The following Paragraph shall be added to Paragraph (1) in the case of fixed Interest Payment Dates

Subject to the following Paragraph and to Paragraph (2), “Interest Payment Date” means [Interest Payment Dates].

Der folgende Absatz ist dem Absatz (1) im Falle von Zinsperioden anzufügen, wenn keine festen Zinszahlungstage vorgesehen sind

Vorbehaltlich des folgenden Absatzes und des Absatzes (2) bedeutet „Zinszahlungstag“ jeweils den Tag, der [3 Monate / 6 Monate / [andere Zinsperiode]] nach dem vorausgehenden Zinszahlungstag, bzw. im Falle des ersten Zinszahlungstages nach dem Ausgabetag der Teilschuldverschreibungen liegt.

The following Paragraph shall be added to Paragraph (1) in the case of interest periods and no fixed Interest Payment Dates

Subject to the following Paragraph and to Paragraph (2), “Interest Payment Date” means each date which falls [3 months / 6 months / [other interest period]] after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Issue Date of the Notes.

Der folgende Absatz ist dem Absatz (1) anzufügen, wenn die Floating Rate Business Day Convention anwendbar ist

Wenn ein Zinszahlungstag auf einen Tag fällt, der kein Geschäftstag ist, so ist statt dessen der nächst folgende Geschäftstag der Zinszahlungstag, es sei denn, dieser fällt in den nächsten Kalendermonat; in diesem Fall sind die Zinsen (i) an dem letzten Geschäftstag vor demjenigen Tag zahlbar, an dem die Zinsen sonst fällig gewesen wären und (ii) an jedem nachfolgenden Zinszahlungstag am letzten Geschäftstag eines jeden Monats, in den ein solcher Zinszahlungstag fällt, sofern er nicht anzupassen gewesen wäre.

The following Paragraph shall be added to Paragraph (1) if the Floating Rate Business Day Convention applies

If any such Interest Payment Date is not a Business Day, then such Interest Payment Date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) interest shall be payable on the immediately preceding Business Day and (ii) on each subsequent date interest shall be payable on the last Business Day of the month in which such date would have fallen had it not been subject to adjustment.

Der folgende Absatz ist dem Absatz (1) anzufügen, wenn die Following Business Day Convention anwendbar ist

Wenn ein Zinszahlungstag auf einen Tag fällt, der kein Geschäftstag ist, so ist statt dessen der nächstfolgende Geschäftstag der Zinszahlungstag.

The following Paragraph shall be added to Paragraph (1) if the Following Business Day Convention applies

If any such Interest Payment Date is not a Business Day, then such date shall be postponed to the next day that is a Business Day.

Der folgende Absatz ist dem Absatz (1) im Falle von festen Zinszahlungstagen anzufügen, wenn die Modified Following Business Day Convention anwendbar ist

Wenn ein Zinszahlungstag (mit Ausnahme des letzten Zinszahlungstages) auf einen Tag fällt, der kein Geschäftstag ist, so ist statt dessen der nächst folgende Geschäftstag der Zinszahlungstag, es sei denn, dieser fällt in den nächsten Kalendermonat; in diesem Fall ist der Zinszahlungstag der unmittelbar vorangehende Geschäftstag.

The following Paragraph shall be added to Paragraph (1) in the case of fixed Interest Payment Dates if the Modified Following Business Day Convention applies

If any such Interest Payment Date (except for the last Interest Payment Date) is not a Business Day, then such Interest Payment Date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Business Day.

Der folgende Absatz ist dem Absatz (1) im Falle von Zinsperioden anzufügen, wenn keine festen Zinszahlungstage vorgesehen sind und die Modified Following Business Day Convention anwendbar ist

Wenn ein Zinszahlungstag auf einen Tag fällt, der kein Geschäftstag ist, so ist statt dessen der nächst folgende Geschäftstag der Zinszahlungstag, es sei denn, dieser fällt in den nächsten Kalendermonat; in diesem Fall ist der Zinszahlungstag der unmittelbar vorangehende Geschäftstag.

The following Paragraph shall be added to Paragraph (1) in the case of interest periods and no fixed Interest Payment Dates if the Modified Following Business Day Convention applies

If any such Interest Payment Date is not a Business Day, then such Interest Payment Date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be on the immediately preceding Business Day.

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| <p>Der folgende Absatz ist dem Absatz (1) anzufügen, wenn die Preceding Business Day Convention anwendbar ist</p> <p>Wenn ein Zinszahlungstag auf einen Tag fällt, der kein Geschäftstag ist, so ist der Zinszahlungstag der unmittelbar vorangehende Geschäftstag.</p> | <p>The following Paragraph shall be added to Paragraph (1) if the Preceding Business Day Convention applies</p> <p>If any such Interest Payment Date is not a Business Day, then the Interest Payment Date shall be the immediately preceding Business Day.</p> |
| <p>Der folgende Absatz, der nach der entsprechenden Business Day Convention einzufügen ist, ist auf alle variabel verzinslichen Teilschuldverschreibungen anwendbar</p> <p>Als „Geschäftstag“ in dem hier verwendeten Sinn gilt jeder Zahlungsgeschäftstag nach Maßgabe des § 5.</p> | <p>The following Paragraph, which shall be added after the relevant Business Day Convention, shall be applicable to all floating rate Notes</p> <p>The expression “Business Day” shall for the purposes hereof mean a Payment Business Day in the meaning of § 5.</p> |
| <p>Der folgende Absatz (2) ist auf alle Teilschuldverschreibungen (mit Ausnahme von Null-Kupon-Teilschuldverschreibungen) anwendbar</p> <p>(2) Der Zinslauf der Teilschuldverschreibungen endet am Ende des Tages, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Dies gilt auch, wenn die Zahlung gemäß § 5 Absatz ([3 / 4]) später als am kalendermäßig bestimmten Fälligkeitstermin erfolgt.</p> <p>Sofern es die Emittentin aus irgendeinem Grund unterläßt, die zur Tilgung fälliger Teilschuldverschreibungen erforderlichen Beträge rechtzeitig und in voller Höhe bei der Hauptzahlstelle bereitzustellen, läuft die Zinsverpflichtung auf den offenen Kapitalbetrag dieser Teilschuldverschreibungen so lange weiter, bis dieser Kapitalbetrag gezahlt ist, jedoch keinesfalls über den 14. Tag nach dem Tag hinaus, an dem die erforderlichen Beträge der Hauptzahlstelle zur Verfügung gestellt worden sind und dies gemäß § [12] bekanntgemacht worden ist. ⁵[Der Zinssatz wird nach Maßgabe des § 2 Absatz (3) bis (4) ermittelt.]</p> | <p>The following Paragraph (2) shall be applicable to all Notes except for Zero-Coupon-Notes</p> <p>(2) The Notes will cease to bear interest at the end of the day preceding the date on which they become due for redemption, even if payment is made later than on the due date determined by the calendar in accordance with § 5 Paragraph ([3 / 4]).</p> <p>Should the Issuer for any reason whatsoever fail to provide to the Principal Paying Agent, when due, the necessary funds for the redemption of the Notes, then interest on the outstanding principal amount of such Notes will continue to accrue until the payment of such principal has been effected, however not beyond the fourteenth day after the date on which the necessary funds have been provided to the Principal Paying Agent and notice thereof has been given by publication in accordance with § [12]. ⁵[The interest rate shall be determined in accordance with § 2 Paragraph (3) to (4).]</p> |
| <p>Der folgende Absatz (3) ist auf alle Teilschuldverschreibungen mit variablem Zinssatz (mit Ausnahme von Reverse Floatern) anwendbar</p> <p>(3) Der Zinssatz für die Teilschuldverschreibungen wird für jede Zinsperiode als Jahreszinssatz ausgedrückt. Er entspricht dem in Einklang mit Absatz (4) ermittelten Referenzzinssatz [zuzüglich / abzüglich] [Marge] und wird für jede Zinsperiode [zwei / [andere Zahl] / [am ersten]] Geschäftstag[e] [vor dem Beginn] jeder Zinsperiode („Zinsfestsetzungstag“) von der Berechnungsbank ermittelt. Als Geschäftstag im Sinne dieses § 2 Absatz (3) gilt jeder Tag [(außer einem Samstag oder Sonntag), an dem Geschäftsbanken in [Frankfurt am Main / London / [andere Stadt]] geöffnet haben / [und] an dem das Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) Zahlungen abwickelt].</p> | <p>The following Paragraph (3) shall be applicable to all floating rate Notes (except for reverse floaters)</p> <p>(3) The interest rate in respect of the Notes for each Interest Period shall be expressed as a rate per annum. This rate is equal to the Reference Interest Rate determined in accordance with Paragraph (4) [plus / minus] [margin], and shall be determined for each Interest Period [two / [other number] / [on the first]] business day[s] [prior to the commencement] of each Interest Period (the “Interest Determination Date“) by the Calculation Agent. A business day in the meaning of this § 2 Paragraph (3) shall be any day [(other than a Saturday or Sunday) on which commercial banks are open for business in [Frankfurt am Main / London / [other city]] / [and] on which the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) settles payments].</p> |
| <p>Der folgende Absatz (3) ist auf variabel verzinsliche Teilschuldverschreibungen (Reverse Floater) anwendbar</p> <p>(3) Der Zinssatz für die Teilschuldverschreibungen wird für jede Zinsperiode als Jahreszinssatz ausgedrückt. Er entspricht [Zinssatz] abzüglich des in Einklang mit Absatz (4) ermittelten Referenzzinssatzes und wird für jede Zinsperiode [zwei / [andere Zahl] / [am ersten]] Geschäftstag[e] [vor dem Beginn] jeder Zinsperiode („Zinsfestsetzungstag“) von der Berechnungsbank ermittelt. Als Geschäftstag im Sinne dieses § 2 Absatz (3) gilt jeder Tag, [(außer einem Samstag oder Sonntag), an dem Geschäftsbanken in [Frankfurt am Main / London / [andere Stadt]] geöffnet haben / [und] an dem das Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) Zahlungen abwickelt].</p> | <p>The following Paragraph (3) shall be applicable to floating rate Notes (reverse floaters)</p> <p>(3) The interest rate in respect of the Notes for each Interest Period shall be expressed as a rate per annum. This rate is equal to [interest rate] less the Reference Interest Rate determined in accordance with Paragraph (4) and shall be determined for each Interest Period [two / [other number] / [on the first]] business day[s] [prior to the commencement] of each Interest Period (the “Interest Determination Date“) by the Calculation Agent. A business day in the meaning of this § 2 Paragraph (3) shall be any day [(other than a Saturday or Sunday) on which commercial banks are open for business in [Frankfurt am Main / London / [other city]] / [and] on which the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) settles payments].</p> |

Die folgenden Absätze (4) und (5) sind auf alle Teilschuldverschreibungen mit variablem Zinssatz (einschließlich Reverse Floatern) anwendbar

(4) **[Zahl]-**Monats **[EURIBOR/LIBOR]** (der „Referenzzinssatz“) ist der am Zinsfestsetzungstag gegen **[11.00 Uhr / [andere Zeit]]** vormittags (**[Brüsseler / Londoner]** Zeit) auf der Bildschirmseite **[relevante Bildschirmseite]** (oder einer etwaigen Nachfolgesseite der vorgenannten Publikationsstelle oder einer Bildschirmseite einer anderen Publikationsstelle) (die „Bildschirmseite“) veröffentlichte, als Jahreszinssatz ausgedrückte Zinssatz für Einlagen in der Emissionswährung für die betreffende Zinsperiode.

Falls die Berechnungsbank den Referenzzinssatz nicht wie oben beschrieben feststellen kann, weil der fragliche Zinssatz nicht veröffentlicht wird, oder die Berechnungsbank den Zinssatz aus anderen Gründen nicht feststellen kann, so gilt als Referenzzinssatz für die betreffende Zinsperiode das von der Berechnungsbank ermittelte **[(sofern erforderlich auf das nächste Eintausendstel eines Prozentpunktes gerundete, wobei 0,0005 aufgerundet werden) / (sofern erforderlich auf das nächste Einhunderttausendstel eines Prozentpunktes gerundete, wobei 0,000005 aufgerundet werden)]** arithmetische Mittel der Zinssätze, die fünf von der Berechnungsbank gemeinsam mit der Emittentin festzulegende Referenzbanken (die „Referenzbanken“) am betreffenden Zinsfestsetzungstag führenden Banken für Einlagen in der Emissionswährung für die betreffende Zinsperiode nennen.

Geben zwei oder mehr Referenzbanken einen Zinssatz an, so wird das arithmetische Mittel wie beschrieben auf der Basis der zur Verfügung gestellten Angaben errechnet.

Geben weniger als zwei Referenzbanken einen Zinssatz gemäß Unterabsatz (a) oder (b) an, so ermittelt die Berechnungsbank den Referenzzinssatz für die betreffende Zinsperiode nach ihrem billigem Ermessen.

(5) Die Berechnungsbank teilt den für die jeweilige Zinsperiode ermittelten Zinssatz, den für jede Teilschuldverschreibung **³[und jeden Zinsschein]** zahlbaren Betrag sowie den maßgebenden Zinszahlungstag unverzüglich, jedoch keinesfalls später als am ersten Tag der betreffenden Zinsperiode, der Emittentin **¹[**, der Garantin, den Zahlstellen, dem Clearing-System und der Börse, an der die Teilschuldverschreibungen notiert sind, mit, sofern dies nach deren Regularien erforderlich ist. Die Hauptzahlstelle macht den Zinssatz, den für jede Teilschuldverschreibung zahlbaren Zinsbetrag und den Zinszahlungstag unverzüglich gemäß § **[12]** bekannt. Im Falle einer Verlängerung oder einer Verkürzung der Zinsperiode kann die Berechnungsbank den zahlbaren Zinsbetrag sowie den Zinszahlungstag nachträglich berichtigen oder andere geeignete Regelungen zur Anpassung treffen, ohne daß es dafür einer Bekanntmachung bedarf.

The following Paragraphs (4) and (5) shall be applicable to all floating rate Notes (including reverse floaters)

(4) **[Number]-**months **[EURIBOR/LIBOR]** (the “Reference Interest Rate“) is the interest rate expressed as a rate per annum published on screen page **[relevant screen page]** (or any successor page of the aforementioned agency or a screen page of another agency) (the “Screen Page“) on the Interest Determination Date at or about **[11.00 a.m. / [other time]]** (**[Brussels / London]** time) for deposits in the Issue Currency for the relevant Interest Period.

If the Calculation Agent cannot determine the Reference Interest Rate as aforementioned, because the Screen Page is not published, or if the Calculation Agent cannot make such determination for any other reason, then the Reference Interest Rate for the respective Interest Period shall be the arithmetic mean **[(rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards) / (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards)]** determined by the Calculation Agent of the interest rates which five reference banks selected by the Calculation Agent in conjunction with the Issuer (the “Reference Banks“), quote to prime banks on the relevant Interest Determination Date for deposits in the Issue Currency for such Interest Period.

Should two or more of the Reference Banks provide the relevant quotation, the arithmetic mean shall be calculated as described above on the basis of the quotations supplied.

If less than two Reference Banks provide a quotation in accordance with Sub-paragraph (a) or (b), then the Reference Interest Rate for the respective Interest Period shall be determined by the Calculation Agent in its reasonable discretion.

(5) The Calculation Agent shall notify the Issuer **¹[**, the Guarantor, the Paying Agents, the Clearing-System and, if so required by its rules, the stock exchange on which the Notes are listed, without undue delay, but in no event later than the first day of the relevant Interest Period, of the interest rate determined with respect to the relevant Interest Period, the amount payable in respect of each Note **³[and each Coupon]** as well as the respective Interest Payment Date. The Principal Paying Agent shall without delay publish the interest rate, the interest amount payable in respect of each Note and the Interest Payment Date in accordance with § **[12]** hereof. In the event of an extension or a shortening of the Interest Period, the amount of interest payable and the Interest Payment Date may be subsequently amended, or appropriate alternative arrangements may be made by way of adjustment by the Calculation Agent without a publication being necessary with regard thereto.

Der folgende Absatz ist nur auf Teilschuldverschreibungen anwendbar, für die ein Mindestzinssatz gilt

(•) Ist der nach den Bestimmungen dieses § 2 für **[eine Zinsperiode]** ermittelte Zinssatz niedriger als **[Mindestzinssatz]**, so beträgt der Zinssatz für diese Zinsperiode **[Mindestzinssatz]**.

The following Paragraph shall only be applicable to Notes having a minimum interest rate

(•) In the event that the interest rate determined with respect to an Interest Period pursuant to this § 2 is less than **[minimum interest rate]**, the interest rate for such Interest Period shall be **[minimum interest rate]**.

Der folgende Absatz ist nur auf Teilschuldverschreibungen anwendbar, für die ein Höchstzinssatz gilt

(•) Ist der nach den Bestimmungen dieses § 2 für eine Zinsperiode ermittelte Zinssatz höher als **[Höchstzinssatz]**,

The following Paragraph shall only be applicable to Notes having a maximum interest rate

(•) In the event that the interest rate determined with respect to an Interest Period pursuant to this § 2 is greater than

so beträgt der Zinssatz für diese Zinsperiode **[Höchstzinssatz]**.

[maximum interest rate], the interest rate for such Interest Period shall be **[maximum interest rate]**.

Die folgenden Absätze (1) und (2) sind nur auf Null-Kupon-Teilschuldverschreibungen anwendbar

- (1) Die Teilschuldverschreibungen werden zu **[Ausgabepreis]** (der „Ausgabepreis“) ausgegeben. Auf die Teilschuldverschreibungen werden keine periodischen Zinszahlungen geleistet.
- (2) Sofern es die Emittentin aus irgendeinem Grund unterläßt, die zur Tilgung fälliger Teilschuldverschreibungen erforderlichen Beträge rechtzeitig und in voller Höhe der Hauptzahlstelle bereitzustellen, sind Zinsen in Höhe von **[Emissionsrendite]** (die „Emissionsrendite“) auf den jeweils offenen Nennbetrag dieser Teilschuldverschreibungen so lange zu zahlen, bis dieser Nennbetrag gezahlt ist, keinesfalls jedoch über den 14. Tag nach dem Zeitpunkt hinaus, an dem die erforderlichen Beträge der Hauptzahlstelle zur Verfügung gestellt worden sind und dies gemäß § [12] bekanntgemacht worden ist.

The following Paragraphs (1) and (2) shall be applicable to Zero-Coupon-Notes

- (1) The Notes are issued at **[Issue Price]** (the “Issue Price”). There will be no periodic interest payments on the Notes.
- (2) Should the Issuer for any reason whatsoever fail to provide to the Principal Paying Agent when due the necessary funds for the redemption of the Notes, interest at **[Amortisation Yield]** (the “Amortisation Yield”) on the respective outstanding principal amount of such Notes will continue to accrue until the payment of such principal has been effected, however not beyond the fourteenth day after the date on which the necessary funds have been provided to the Principal Paying Agent and notice thereof has been given by publication in accordance with § [12].

(•) Sofern Zinsen für einen Zeitraum zu berechnen sind,

(•) If interest is to be calculated for a period

Der folgende Absatz ist nur anwendbar, wenn „Actual/Actual“ als Zinskonvention vereinbart ist

der nicht einem oder mehreren vollen Jahren entspricht, erfolgt die Berechnung auf der Grundlage der Zahl der tatsächlich verstrichenen Tage geteilt durch 365 oder (wenn in den betreffenden Zinsberechnungszeitraum ein 29. Februar fällt) geteilt durch 366.

The following Paragraph shall only be applicable if “Actual/Actual” is the agreed Day Count Fraction

other than one or more complete years, the calculation shall be effected on the basis of the actual number of days elapsed divided by 365 or (if a 29 February falls within the relevant interest determination period) divided by 366.

Der folgende Absatz ist nur auf festverzinsliche Teilschuldverschreibungen anwendbar, wenn „Actual/Actual (ISMA)“ als Zinskonvention vereinbart ist

- (a) der einem Zinsberechnungszeitraum entspricht oder kürzer als dieser ist, so erfolgt die Berechnung auf der Grundlage der Zahl der tatsächlich verstrichenen Tage geteilt durch das Produkt aus (x) der Anzahl der Tage in dem Zinsberechnungszeitraum und (y) der Anzahl von Zinsberechnungszeiträumen, die normalerweise in einem Jahr enden würden;
- (b) der länger als ein Zinsberechnungszeitraum ist, so erfolgt die Berechnung für diesen Zeitraum auf der Grundlage der Summe aus
 - (i) der Zahl der tatsächlich verstrichenen Tage in dem Zinsberechnungszeitraum, in dem der Zeitraum, für den Zinsen zu berechnen sind, beginnt, geteilt durch das Produkt aus (x) der Anzahl der Tage in diesem Zinsberechnungszeitraum und (y) der Anzahl von Zinsberechnungszeiträumen, die normalerweise in einem Jahr enden würden

und

- (ii) der Zahl der tatsächlich verstrichenen Tage in dem nächstfolgenden Zinsberechnungszeitraum geteilt durch das Produkt aus (x) der Anzahl der Tage in diesem Zinsberechnungszeitraum und (y) der Anzahl von Zinsberechnungszeiträumen, die normalerweise in einem Jahr enden würden.

„Zinsberechnungszeitraum“ meint den Zeitraum ab dem letzten Zinszahlungstag (oder, gegebenenfalls ab dem Verzinsungsbeginn) (jeweils wie in § 2 Absatz (1) definiert) (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich).

The following Paragraph shall only be applicable to Fixed Rate Notes if “Actual/Actual (ISMA)” is the agreed Day Count Fraction

- (a) which is equal to or shorter than an Interest Determination Period, the calculation shall be effected on the basis of the actual number of days elapsed divided by the product of (x) the number of days in the Interest Determination Period and (y) the number of Interest Determination Periods normally ending in any year,
- (b) which is longer than an Interest Determination Period, the calculation for such period shall be effected on the basis of the sum of
 - (i) the actual number of days elapsed in the Interest Determination Period during which the period, with respect to which interest is to be calculated, begins, divided by the product of (x) the number of days in such Interest Determination Period and (y) the number of Interest Determination Periods normally ending in any year

and

- (ii) the actual number of days elapsed in the next Interest Determination Period divided by the product of (x) the number of days in such Interest Determination Period and (y) the number of Interest Determination Periods normally ending in any year.

“Interest Determination Period” means the period from and including the preceding Interest Payment Date (or, if none, the Interest Commencement Date) (each as defined in § 2 paragraph (1)) to but excluding the next Interest Payment Date.

Der folgende Absatz ist nur anwendbar, wenn „Actual/365 (Fixed)“ als Zinskonvention vereinbart ist

der nicht einem oder mehreren vollen Jahren entspricht, erfolgt die Berechnung auf der Grundlage eines Jahres von 365 Tagen und auf der Grundlage der Zahl der tatsächlich verstrichenen Tage.

The following Paragraph shall only be applicable if “Actual/365 (Fixed)” is the agreed Day Count Fraction

other than one or more complete years, the calculation shall be effected on the basis of a 365 day year and on the basis of the actual number of days elapsed.

Der folgende Absatz ist nur anwendbar, wenn „30/360“ oder „360/360“ oder „Bond Basis“ als Zinskonvention vereinbart ist

der nicht einem oder mehreren vollen Jahren entspricht, erfolgt die Berechnung auf der Grundlage eines Jahres von 360 Tagen, bestehend aus 12 Monaten von je 30 Tagen und im Falle eines Zeitraums von weniger als einem Monat auf der Grundlage der tatsächlich verstrichenen Tage. Soweit der letzte Tag des Berechnungszeitraums auf den 31. Tag eines Monats fällt, der erste Tag des Berechnungszeitraums aber nicht auf den 30. oder den 31. Tag eines Monats fällt, so wird der Monat, in den der letzte Tag des Berechnungszeitraums fällt, nicht auf 30 Tage verkürzt. Soweit der letzte Tag des Berechnungszeitraums auf den letzten Tag des Monats Februar fällt, so wird der Monat Februar nicht auf 30 Tage verlängert.

The following Paragraph shall only be applicable if “30/360” or “360/360” or “Bond Basis” is the agreed Day Count Fraction

other than one or more complete years, the calculation shall be effected on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, on the basis of the actual number of days elapsed. If the last day of the calculation period is the 31st day of a month but the first day of the calculation period is a day other than the 30th or the 31st day of a month, the month that includes that last day shall not be considered to be shortened to a 30-day month. If the last day of the calculation period is the last day of the month of February, the month of February shall not be considered to be lengthened to a 30-day month.

Der folgende Absatz ist nur anwendbar, wenn „30E/360“ oder „Eurobond Basis“ als Zinskonvention vereinbart ist

der nicht einem oder mehreren vollen Jahren entspricht, erfolgt die Berechnung auf der Grundlage eines Jahres von 360 Tagen, bestehend aus 12 Monaten von je 30 Tagen und im Falle eines Zeitraums von weniger als einem Monat auf der Grundlage der tatsächlich verstrichenen Tage, wobei der erste oder letzte Tag des Berechnungszeitraums nicht berücksichtigt werden.

The following Paragraph shall only be applicable if “30E/360” or “Eurobond Basis” is the agreed Day Count Fraction

other than one or more complete years, the calculation shall be effected on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, on the basis of the actual number of days elapsed without regard to the date of the first day or last day of the calculation period.

Der folgende Absatz ist nur anwendbar, wenn „Actual/360“ als Zinskonvention vereinbart ist

der nicht einem oder mehreren vollen Jahren entspricht, erfolgt die Berechnung auf der Grundlage eines Jahres von 360 Tagen und auf der Grundlage der tatsächlich verstrichenen Tage.

The following Paragraph shall only be applicable if “Actual/360” is the agreed Day Count Fraction

other than one or more complete years, the calculation shall be effected on the basis of a 360 day year and on the basis of the actual number of days elapsed.

§ 3 (Rückzahlung)

Der folgende Absatz ist auf alle Teilschuldverschreibungen (mit Ausnahme von variabel verzinslichen Teilschuldverschreibungen mit Zinsperioden, Doppelwährungs-, indexierten oder anderen strukturierten Teilschuldverschreibungen, bei denen der End-Rückzahlungsbetrag durch Bezugnahme auf einen Index und/oder eine Formel oder einen Devisenkurs ermittelt wird) anwendbar

- (•) Die Teilschuldverschreibungen werden am [Fälligkeits-termin] (der „Fälligkeitsstermin“) zum [Nennbetrag / [End-Rückzahlungsbetrag]] zurückgezahlt.

§ 3 (Repayment)

The following Paragraph shall apply to all Notes (except for floating rate Notes with interest periods, dual currency Notes, indexed or other structured Notes, in respect of which the Final Redemption Amount is to be determined by reference to an index and/or formula or an exchange rate)

- (•) The Notes will be redeemed at [par / [Final Redemption Amount]] on [Redemption Date] (the “Redemption Date”).

Der folgende Absatz ist auf variabel verzinsliche Teilschuldverschreibungen mit Zinsperioden anwendbar

- (•) Die Teilschuldverschreibungen werden am in den [Rückzahlungsmonat und -jahr] fallenden Zinszahlungstag (der „Fälligkeitsstermin“) zum [Nennbetrag / [End-Rückzahlungsbetrag]] zurückgezahlt.

The following Paragraph shall apply to floating rate Notes with interest periods

- (•) The Notes will be redeemed at [par / [Final Redemption Amount]] on the Interest Payment Date falling into [Redemption Month and Year] (the “Redemption Date”).

Die folgenden Absätze sind anwendbar bei Doppelwährungs-, indexierten oder anderen strukturierten Teilschuldverschreibungen, bei denen der End-Rückzahlungsbetrag durch Bezugnahme auf einen Index und/oder eine Formel oder einen Devisenkurs ermittelt wird

- (•) Die Teilschuldverschreibungen werden am **[Fälligkeits-termin]** (der „Fälligkeitstermin“) zum End-Rückzahlungsbetrag (der „End-Rückzahlungsbetrag“) zurückgezahlt. Der End-Rückzahlungsbetrag wird durch die Berechnungsbank wie folgt ermittelt: **[anwendbare Bestimmungen einfügen]**.
- (•) Die Berechnungsbank teilt den End-Rückzahlungsbetrag und den auf jede Teilschuldverschreibung zahlbaren Betrag unverzüglich der Emittentin ¹[, der Garantin], den Zahlstellen, dem Clearing-System und der Börse, an der die Teilschuldverschreibungen notiert sind, mit, sofern dies nach deren Regularien erforderlich ist. Die Hauptzahlstelle macht den End-Rückzahlungsbetrag und den auf jede Teilschuldverschreibung zahlbaren Betrag unverzüglich gemäß § [12] bekannt.

The following Paragraphs shall apply in the case of dual currency Notes, indexed or other structured Notes, as the case may be, in respect of which the Final Redemption Amount is to be determined by reference to an index and/or formula or an exchange rate

- (•) The Notes will be redeemed at the final redemption amount (the “Final Redemption Amount“) on **[Redemption Date]** (the “Redemption Date“). The Final Redemption Amount shall be determined by the Calculation Agent as follows: **[insert applicable provisions]**.
- (•) The Calculation Agent shall notify the Issuer ¹[, the Guarantor], the Paying Agents, the Clearing-System and, if so required by its rules, the stock exchange on which the Notes are listed, without delay of the Final Redemption Amount and the amount payable on each Note. The Principal Paying Agent shall without delay publish the Final Redemption Amount and the amount payable on each Note in accordance with § [12] hereof.

Der folgende Absatz ist nur für Teilschuldverschreibungen anwendbar, für die ein Mindest-End-Rückzahlungsbetrag gilt

Ist der nach diesem Absatz (•) ermittelte End-Rückzahlungsbetrag niedriger als **[Mindest-End-Rückzahlungsbetrag]**, so beträgt der End-Rückzahlungsbetrag **[Mindest-End-Rückzahlungsbetrag]**.

The following Paragraph shall only be applicable to Notes with respect to which a minimum Final Redemption Amount applies

In the event that the Final Redemption Amount determined pursuant to this Paragraph (•) is less than **[minimum Final Redemption Amount]**, the Final Redemption Amount shall be **[minimum Final Redemption Amount]**.

Der folgende Absatz ist nur für Teilschuldverschreibungen anwendbar, für die ein Höchst-End-Rückzahlungsbetrag gilt

Ist der nach diesem Absatz (•) ermittelte End-Rückzahlungsbetrag höher als **[Höchst-End-Rückzahlungsbetrag]**, so beträgt der End-Rückzahlungsbetrag **[Höchst-End-Rückzahlungsbetrag]**.

The following Paragraph shall only be applicable to Notes with respect to which a maximum Final Redemption Amount applies

In the event that the Final Redemption Amount determined pursuant to this Paragraph (•) is greater than **[maximum Final Redemption Amount]**, the Final Redemption Amount shall be **[maximum Final Redemption Amount]**.

§ 4

(Vorzeitige Rückzahlung, Rückkauf von Teilschuldverschreibungen)

§ 4

(Early Redemption, Repurchase of Notes)

Der folgende Absatz (1) ist auf alle nicht-nachrangigen Teilschuldverschreibungen anwendbar, bezüglich derer der Emittentin keine Call Option zusteht

- (1) Die Emittentin kann die Teilschuldverschreibungen nur gemäß § 6 zur vorzeitigen Rückzahlung kündigen.

The following Paragraph (1) shall be applicable to all unsubordinated Notes with respect to which the Issuer does not have a Call Option

- (1) Except as provided in § 6, the Issuer shall not be entitled to redeem the Notes prior to the Redemption Date.

Der folgende Absatz (2) ist auf alle nicht-nachrangigen Teilschuldverschreibungen anwendbar, bezüglich derer die Anleihegläubiger keine Put Option haben

- (2) Jeder Inhaber von Teilschuldverschreibungen kann die Teilschuldverschreibungen nur gemäß § 10 zur vorzeitigen Rückzahlung kündigen.

The following Paragraph (2) shall be applicable to all unsubordinated Notes with respect to which the Noteholders do not have a Put Option

- (2) Except as provided in § 10, the holders of the Notes shall not be entitled to call for a redemption of the Notes prior to the Redemption Date.

Der folgende Absatz (1) ist auf alle nicht-nachrangigen Teilschuldverschreibungen anwendbar, bezüglich derer die Emittentin eine Call Option hat

- (1) Die Emittentin ist über die Kündigung zur vorzeitigen Rückzahlung gemäß § 6 hinaus berechtigt, sämtliche ausstehenden Teilschuldverschreibungen (jedoch nicht nur Teile davon) mit einer Frist von wenigstens **[Anzahl von Tagen]** Tagen durch Bekanntmachung gemäß § [12] ²[zum **[Datum/Daten]** jeweils zum Vorzeitigen Rückzahlungsbetrag nach § 4 Absatz (3) zur vorzeitigen Rückzah-

The following Paragraph (1) shall be applicable to all unsubordinated Notes with respect to which the Issuer has a Call Option

- (1) The Issuer shall, in addition to the right to redeem the Notes prior to the Redemption Date in accordance with § 6, have the right upon not less than **[number of days]** days' prior notice to be given by publication in accordance with § [12], to redeem prior to the Redemption Date all, but not less than all, of the outstanding Notes ²[on **[Date(s)]** at the Early Redemption Amount pursuant to § 4

lung zu kündigen.]⁶[nach Maßgabe der folgenden Bestimmungen zur vorzeitigen Rückzahlung zu kündigen:

[Anwendbare Bestimmungen einfügen]]

Paragraph (3).]⁶[in accordance with the following provisions:

[Insert applicable provisions]]

Der folgende Absatz (2) ist auf alle nicht-nachrangigen Teilschuldverschreibungen anwendbar, bezüglich derer die Anleihegläubiger eine Put Option haben

(2) Jeder Inhaber von Teilschuldverschreibungen ist, neben dem Recht, die Teilschuldverschreibungen gemäß § 10 zur vorzeitigen Rückzahlung zu kündigen, berechtigt, unter Einhaltung einer Kündigungsfrist von wenigstens **[Anzahl von Tagen]** Tagen schriftlich bei der Hauptzahlstelle ⁷[zum **[Datum/Daten]** jeweils zum Vorzeitigen Rückzahlungsbetrag nach § 4 Absatz (3) zur vorzeitigen Rückzahlung zu kündigen.]⁶[die vorzeitige Rückzahlung seiner Teilschuldverschreibungen nach Maßgabe der folgenden Bestimmungen zu verlangen:

[anwendbare Bestimmungen einfügen]]

³[Der Kündigungserklärung müssen die betreffenden Teilschuldverschreibungen ⁷[sowie alle dazugehörigen, noch nicht fälligen Zinsscheine] beigefügt sein. Bis zur Zahlung aller auf diese Teilschuldverschreibungen ⁷[und Zinsscheine] zahlbar werdenden Beträge verwahrt die betreffende Zahlstelle die betreffenden Teilschuldverschreibungen ⁷[und Zinsscheine] für die Anleihegläubiger.]

The following Paragraph (2) shall be applicable to all unsubordinated Notes with respect to which the Noteholders have a Put Option

(2) Each holder of Notes shall, in addition to the right to call for redemption in accordance with § 10, be entitled upon not less than **[number of days]** days' prior written notice to the Principal Paying Agent, to call his Notes for advance repayment ⁷[on **[Date(s)]** at the Early Redemption Amount pursuant to § 4 Paragraph (3).]⁶[in accordance with the following provisions:

[insert applicable provisions]]

³[The notice of redemption shall be accompanied by the relevant Notes ⁷[and all unmatured Coupons appertaining thereto]. Until payment of all amounts which become payable in respect of such Notes ⁷[and Coupons], the relevant Paying Agent shall keep such Notes ⁷[and Coupons] in custody for the Noteholders.]

Der folgende Absatz (3) ist nur auf nicht-nachrangige festverzinsliche und variabel verzinsliche Teilschuldverschreibungen anwendbar, bei denen der Vorzeitige Rückzahlungsbetrag nicht durch Bezugnahme auf einen Index und/oder eine Formel oder einen Devisenkurs ermittelt wird

(3) Falls die Teilschuldverschreibungen aus den in § 6 Absatz (3) oder in § 10 genannten Gründen gekündigt werden, werden sie zum Nennwert zuzüglich aufgelaufener Zinsen (der „Vorzeitige Rückzahlungsbetrag“) zurückgezahlt.

The following Paragraph (3) shall only be applicable to unsubordinated fixed and floating rate Notes in respect of which the Early Redemption Amount is not to be determined by reference to an index and/or formula or an exchange rate

(3) If the Notes are called for redemption due to an event having occurred as described in § 6 Paragraph (3) or in § 10, as the case may be, they shall be redeemed at par plus accrued interest (the "Early Redemption Amount").

Der folgende Absatz (3) ist auf alle nicht-nachrangigen Teilschuldverschreibungen anwendbar (einschließlich festverzinslicher und variabel verzinslicher Teilschuldverschreibungen anwendbar, bei denen der Vorzeitige Rückzahlungsbetrag durch Bezugnahme auf einen Index und/oder eine Formel oder einen Devisenkurs ermittelt wird)

(3) Falls die Teilschuldverschreibungen aus den in § 6 Absatz (3) oder in § 10 genannten Gründen gekündigt werden, sind diese zu dem wie folgt zu ermittelnden vorzeitigen Rückzahlungsbetrag (der „Vorzeitige Rückzahlungsbetrag“) zurückzuzahlen:

[anwendbare Bestimmungen einfügen]]

The following Paragraph (3) shall be applicable to all unsubordinated Notes (including Fixed Rate Notes and Floating Rate Notes in respect of which the Early Redemption Amount is to be determined by reference to an index and/or formula or an exchange rate)

(3) If the Notes are called for redemption due to an event having occurred as described in § 6 Paragraph (3) or in § 10, as the case may be, the Notes shall be redeemed at the early redemption amount (the "Early Redemption Amount") which shall be determined as follows:

[insert applicable provisions]]

Die folgenden Absätze sind dem Absatz (3) im Falle von nicht-nachrangigen Null-Kupon-Teilschuldverschreibungen anzufügen

Der Vorzeitige Rückzahlungsbetrag ist der Amortisationsbetrag. Der Amortisationsbetrag entspricht der Summe des (i) Ausgabepreises und (ii) des Produkts des Ausgabepreises und der jährlich kapitalisierten Emissionsrendite bezogen auf den Zeitraum, der am **[Ausgabetag]** (einschließlich) beginnt und der mit dem Rückzahlungstag (ausschließlich) endet.

Soweit dieser Zeitraum nicht einer ganzen Zahl von Kalenderjahren entspricht, so erfolgt die Berechnung auf der Grundlage des Zinstagequotienten in § 2 Abs. **[•]**.

Der Rückzahlungstag im Sinne dieses § 4 Absatz (3) ist der frühere der Tage, zu dem die Teilschuldverschreibung

The following Paragraphs shall be added to Paragraph (3) in the case of unsubordinated Zero-Coupon-Notes

The Early Redemption Amount shall be the Amortised Face Amount. The Amortised Face Amount shall equal the sum of (i) the Issue Price and (ii) the product of the Issue Price and the Amortisation Yield (compounded annually) applied to the period from (and including) **[Issue Date]** to (but excluding) the Repayment Date.

If this period is not a whole number of calendar years the calculation shall be made on the basis of the day count fraction set forth in § 2 Paragraph **[•]**.

The Repayment Date in the meaning of this § 4 Paragraph (3) shall be the earlier of the day with respect to which the

gen vorzeitig fällig gestellt werden oder an dem die vorzeitige Zahlung erfolgt.

Notes are called for early redemption or (as the case may be) the day on which early payment is effected.

Der folgende Absatz ist dem Absatz (3) im Falle von nicht-nachrangigen Teilschuldverschreibungen mit indexiertem Rückzahlungsbetrag, Doppelwährungen, oder anderen strukturierten Teilschuldverschreibungen, bei denen der Vorzeitige Rückzahlungsbetrag durch Bezugnahme auf einen Index und/oder eine Formel oder einen Devisenkurs ermittelt wird, anzufügen

The following Paragraph shall be added to Paragraph (3) in the case of unsubordinated Notes having an indexed redemption amount, dual currency, or other structured Notes in respect of which the Early Redemption Amount is to be determined by reference to an index and/or formula or an exchange rate

Der vorzeitige Rückzahlungsbetrag (der „Vorzeitige Rückzahlungsbetrag“) ist [anwendbare Bestimmungen einfügen]

The early redemption amount (the “Early Redemption Amount“) shall be [insert applicable provisions]

Der folgende Absatz (4) ist auf alle nicht-nachrangigen Teilschuldverschreibungen anwendbar

The following Paragraph (4) shall be applicable to all unsubordinated Notes

(4) Die Emittentin ¹[und/oder die Garantin können] ²[kann] jederzeit und zu jedem Preis im Markt oder auf andere Weise Teilschuldverschreibungen ankaufen. Von der oder für die Emittentin ¹[und/oder der Garantin] zurückgekauft Teilschuldverschreibungen können von der Emittentin ¹[und/oder der Garantin] gehalten, erneut ausgegeben oder verkauft oder der Hauptzahlstelle zur Entwertung übergeben werden.

(4) The Issuer ¹[and/or the Guarantor] may at any time purchase Notes in the market or otherwise. Notes repurchased by or on behalf of the Issuer ¹[and/or the Guarantor] may be held by the Issuer ¹[and/or the Guarantor], re-issued, resold or surrendered to the Principal Paying Agent for cancellation.

Die folgenden Absätze (1) – (3) sind nur im Falle von nachrangigen Teilschuldverschreibungen (ausschließlich Drittrangmitteln der Commerzbank Aktiengesellschaft für die kein Steuerausgleich zahlbar ist) anwendbar.

The following Paragraphs (1) – (3) shall only be applicable to subordinated Notes (excluding tier three capital of Commerzbank Aktiengesellschaft with respect to which no Tax-Gross-up is payable)

- (1) Die Emittentin kann die Teilschuldverschreibungen nur gemäß § 6 zur vorzeitigen Rückzahlung kündigen. § 8 bleibt unberührt.
- (2) Die Kündigung der Teilschuldverschreibungen durch die Anleihegläubiger ist ausgeschlossen.
- (3) Der vorzeitige Rückzahlungsbetrag (der „Vorzeitige Rückzahlungsbetrag“) ist der Nennbetrag zuzüglich aufgelaufener Zinsen.

- (1) Except as provided in § 6, the Issuer shall not be entitled to redeem the Notes prior to the Redemption Date. § 8 remains unaffected.
- (2) The right of termination of the Notes by the Noteholders shall be excluded.
- (3) The early redemption amount (the “Early Redemption Amount“) shall be par plus accrued interest.

Der folgende Absatz ist bei allen Teilschuldverschreibungen anzufügen, bei denen der Vorzeitige Rückzahlungsbetrag durch Bezugnahme auf einen Index und/oder eine Formel oder einen Devisenkurs ermittelt wird

The following Paragraph shall be added in case of all Notes in respect of which the Early Redemption Amount is to be determined by reference to an index and/or formula or an exchange rate

(•) Die Berechnungsbank teilt den Vorzeitigen Rückzahlungsbetrag und den auf jede Teilschuldverschreibung zahlbaren Betrag unverzüglich der Emittentin ¹[, der Garantin], den Zahlstellen, dem Clearing-System und der Börse, an der die Teilschuldverschreibungen notiert sind, mit, sofern dies nach deren Regularien erforderlich ist. Die Hauptzahlstelle macht den Vorzeitigen Rückzahlungsbetrag und den auf jede Teilschuldverschreibung zahlbaren Betrag unverzüglich gemäß § [12] bekannt.

(•) The Calculation Agent shall notify the Issuer ¹[, the Guarantor], the Paying Agents, the Clearing-System and, if so required by its rules, the stock exchange on which the Notes are listed, without delay of the Early Redemption Amount and the amount payable on each Note. The Principal Paying Agent shall without delay publish the Early Redemption Amount and the amount payable on each Note in accordance with § [12] hereof.

Der folgende § 4 ist nur im Falle von nachrangigen Teilschuldverschreibungen in Form von Drittrangmitteln der Commerzbank Aktiengesellschaft anwendbar, für die kein Steuerausgleich zahlbar ist.

The following § 4 shall only be applicable to subordinated Notes in the form of tier three capital of Commerzbank Aktiengesellschaft with respect to which no Tax Gross-up is payable

Vorbehaltlich des § 6 ist die Kündigung der Teilschuldverschreibungen durch die Emittentin und die Anleihegläubiger ist ausgeschlossen.

Subject to § 6 the right of the Noteholders and the Issuer to terminate the Notes shall be excluded.

Der folgende § 4 ist im Falle von bestimmten strukturierten Teilschuldverschreibungen anwendbar

The following § 4 shall be applicable to certain structured Notes

[Anwendbare Bestimmungen einfügen]

[Insert applicable provisions]

**§ 5
(Zahlungen)**

**§ 5
(Payments)**

Der folgende Absatz (1) ist auf alle Teilschuldverschreibungen (mit Ausnahme von Doppelwährungs-Teilschuldverschreibungen) anwendbar

- (1) Die Emittentin verpflichtet sich unwiderruflich, alle aus diesen Anleihebedingungen geschuldeten Beträge bei Fälligkeit in der Emissionswährung zu zahlen.

The following Paragraph (1) shall be applicable to all Notes (except for dual currency Notes)

- (1) The Issuer irrevocably undertakes to pay, as and when due, all amounts payable pursuant to these Terms and Conditions of the Notes in the Issue Currency.

Der folgende Absatz (1) ist nur auf Doppelwährungs-Teilschuldverschreibungen anwendbar

- (1) Die Emittentin verpflichtet sich unwiderruflich, alle aus diesen Anleihebedingungen geschuldeten Beträge bei Fälligkeit entsprechend folgender Bestimmungen zu zahlen: **[anwendbare Bestimmungen einfügen]**

The following Paragraph (1) shall only be applicable to dual currency Notes

- (1) The Issuer irrevocably undertakes to pay, as and when due, all amounts payable pursuant to these Terms and Conditions of the Notes pursuant to the following provisions: **[insert applicable provisions]**.

Der folgende Absatz ist dem Absatz (1) bei allen Teilschuldverschreibungen anzufügen, für die TEFRA D gilt

Zahlungen auf durch die Temporäre Globalurkunde verbrieft Teilschuldverschreibungen erfolgen nur gegen ordnungsgemäßen Nachweis nach Maßgabe des § 1 Absatz (1).

The following Paragraph shall be added to Paragraph (1) in case of Notes with respect to which TEFRA D applies

Payments on Notes represented by a Temporary Global Note shall only be effected upon due certification in accordance with § 1 Paragraph (1).

Der folgende Absatz (2) ist nur auf globalverbriefte Teilschuldverschreibungen anwendbar

- (2) Die Zahlung sämtlicher gemäß dieser Anleihebedingungen zahlbaren Beträge erfolgt – gegen Vorlage der Globalurkunde bei der Hauptzahlstelle und im Falle der letzten Zahlung gegen Aushändigung der Globalurkunde an die Hauptzahlstelle – an das Clearing-System oder nach dessen Weisung zur Weiterleitung an die jeweiligen Konteninhaber bei dem Clearing-System. Die Zahlung an das Clearing-System oder nach dessen Weisung befreit die Emittentin in Höhe der Zahlung von ihren Verpflichtungen aus den Teilschuldverschreibungen.

The following Paragraph (2) shall only be applicable to Global Notes

- (2) Payments of all amounts payable pursuant to the Terms and Conditions of the Notes will be made against presentation, and in the case of the last payment, against surrender of the Global Note to the Principal Paying Agent for transfer to the Clearing-System or pursuant to the Clearing-System's instruction for credit to the relevant accountholders of the Clearing-System. Payment to the Clearing-System or pursuant to the Clearing-System's instruction shall release the Issuer from its payment obligations under the Notes in the amount of such payment.

Der folgende Absatz (2) ist nur auf Effektive Null-Kupon-Teilschuldverschreibungen anwendbar

- (2) Zahlungen auf Teilschuldverschreibungen erfolgen, vorbehaltlich des Absatz (3), gegen Vorlage und Aushändigung der betreffenden Teilschuldverschreibung an eine Zahlstelle außerhalb der Vereinigten Staaten.

The following Paragraph (2) shall be applicable to all Definitive Zero-Coupon-Notes

- (2) Payment shall be made, subject to Paragraph (3) below, against presentation and surrender of the relevant Note at the office of any Paying Agent outside the United States.

Der folgende Absatz (2) ist auf Effektive Teilschuldverschreibungen (mit Ausnahme von Null-Kupon-Teilschuldverschreibungen) anwendbar

- (2) Zahlungen auf das Kapital erfolgen, vorbehaltlich des Absatz (3), gegen Vorlage und Aushändigung der betreffenden Teilschuldverschreibung an eine Zahlstelle außerhalb der Vereinigten Staaten. Zinszahlungen erfolgen, vorbehaltlich des Absatz (3), gegen Vorlage und Aushändigung des betreffenden Zinsscheins an eine Zahlstelle außerhalb der Vereinigten Staaten.

The following Paragraph (2) shall be applicable to all Definitive Notes (except for Zero-Coupon-Notes)

- (2) Payment of principal shall be made, subject to Paragraph (3) below, against presentation and surrender of the relevant Note at the office of any Paying Agent outside the United States. Payments of interest in respect of Definitive Notes shall be made, subject to Paragraph (3) below, against presentation and surrender of the relevant Coupon at the office of any Paying Agent outside the United States.

Der folgende Absatz ist dem Absatz (2) im Falle von festverzinslichen Effektiven Teilschuldverschreibungen anzufügen

Die zur Rückzahlung fälligen Teilschuldverschreibungen sind mit allen dazugehörigen, noch nicht fälligen Zinsscheinen einzureichen. Der Gegenwert fehlender, noch nicht fälliger Zinsscheine wird vom Einlösungsbetrag abgezogen, sofern nicht wegen der fehlenden nicht fälligen Zinsscheine eine von der Emittentin verlangte Freistellung oder Sicherheit gewährt wird.

The following Paragraph shall be added to Paragraph (2) in the case of Definitive fixed rate Notes

Notes due for redemption shall be surrendered together with all unmatured Coupons appertaining thereto. The amount of missing unmatured Coupons will be deducted from the redemption amount unless such indemnity and/or security is granted as the Issuer may require.

Der folgende Absatz ist dem Absatz (2) im Falle von variabel verzinslichen, Doppelwährungs-, indexierten und strukturierten Effektiven Teilschuldverschreibungen anzufügen

Die zur Rückzahlung fälligen Teilschuldverschreibungen sind mit allen dazugehörigen, noch nicht fälligen Zinsscheinen einzureichen. Die am Fälligkeitstermin noch nicht fälligen Zinsscheine werden ungültig.

The following Paragraph shall be added to Paragraph (2) in the case of Definitive floating rate, dual currency, indexed and structured Notes

Notes due for redemption shall be surrendered together with all unmatured Coupons appertaining thereto. All unmatured Coupons shall become void on the Redemption Date.

Der folgende Absatz (3) ist nur auf Effektive Teilschuldverschreibungen anwendbar, die weder auf Euro, USD oder Yen lauten noch in Euro, USD oder Yen rückzahlbar sind

(3) Zahlungen erfolgen durch einen auf eine Bank in [Land der Emissionswährung] gezogenen Scheck in der Emissionswährung oder durch Gutschrift auf ein Konto in der Emissionswährung bei einer Bank in [Land der Emissionswährung].

The following Paragraph (3) shall only be applicable to Definitive Notes neither denominated nor repayable in Euro, USD or Yen

(3) Payments shall be made by a cheque in the Issue Currency drawn on a bank in [country of the Issue Currency], or by transfer to an account in the Issue Currency maintained with a bank in [country of the Issue Currency].

Der folgende Absatz (3) ist nur auf Effektive Teilschuldverschreibungen anwendbar, die auf Euro lauten oder in Euro rückzahlbar sind.

(3) Zahlungen erfolgen durch Überweisung auf ein Euro-Konto bei einer Bank mit Sitz in einem Finanzzentrum für die Zahlung von Euro oder nach Wahl der Emittentin (bei Zahlungen innerhalb eines Teilnehmerstaates der Europäischen Währungsunion) in bar.

The following Paragraph (3) shall only be applicable to Definitive Notes denominated or repayable in Euro.

(3) Payments shall be made by transfer to a Euro-denominated account maintained with a bank in a principal financial centre for the payment of Euro or at the option of the Issuer (in the case of payments within a member state of the European Monetary Union) in cash.

Der folgende Absatz (3) ist nur auf Effektive Teilschuldverschreibungen anwendbar, die auf USD lauten oder in USD rückzahlbar sind

(3) Zahlungen erfolgen durch einen auf eine US-amerikanische Bank gezogenen USD-Scheck oder durch Gutschrift auf ein außerhalb der Vereinigten Staaten bestehendes USD-Bankkonto.

The following Paragraph (3) shall only be applicable to Definitive Notes denominated or repayable in USD

(3) Payments shall be made by a USD-cheque drawn on a US-bank or by transfer to a USD-denominated account maintained with a bank outside the United States.

Der folgende Absatz (3) ist nur auf Effektive Teilschuldverschreibungen anwendbar, die auf Yen lauten oder in Yen rückzahlbar sind

(3) Zahlungen erfolgen durch einen auf eine japanische Bank gezogenen Yen-Scheck oder durch Gutschrift auf ein Yen-Konto (bei dem es sich im Falle von Zahlungen an Personen, die keine Einwohner Japans sind, um ein Auslandskonto handeln muß) bei einer japanischen Bank in Tokio.

The following Paragraph (3) shall only be applicable to Definitive Notes denominated or repayable in Yen

(3) Payments shall be made by a Yen-cheque drawn on a Japanese bank or by transfer to a Yen-denominated account (which in the case of a payment to a non-resident of Japan shall be a non-resident account) maintained with a Japanese bank in Tokyo.

Der folgende Absatz ist auf alle Teilschuldverschreibungen (mit Ausnahme von variabel verzinslichen Teilschuldverschreibungen) anwendbar

(•) Falls eine Zahlung auf Kapital ⁷[oder Zinsen] einer Teilschuldverschreibung an einem Tag zu leisten ist, der kein Zahlungsgeschäftstag ist, so erfolgt die Zahlung am nächstfolgenden Zahlungsgeschäftstag. In diesem Fall steht den betreffenden Anleihegläubigern weder eine Zahlung noch ein Anspruch auf Verzugszinsen oder eine andere Entschädigung wegen dieser Verzögerung zu. Als „Zahlungsgeschäftstag“ im Sinne dieses Absatzes ([3 / 4]) gilt jeder Tag [, an dem das Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) / (außer einem Samstag oder Sonntag), an dem Geschäftsbanken und Devisenmärkte in [Hauptfinanzzentrum der Emissionswährung] ³[und am Ort der Vorlage]] und das Clearing-System Zahlungen in [Emissionswährung] abwickeln.

The following Paragraph shall be applicable to all Notes (except for Floating Rate Notes)

(•) If any payment of principal ⁷[or interest] with respect to a Note is to be effected on a day other than a Payment Business Day, payment shall be effected on the next following Payment Business Day. In this case, the relevant Noteholders shall neither be entitled to any payment claim nor to any interest claim or other compensation with respect to such delay. In this Paragraph ([3 / 4]) “Payment Business Day” means a day [on which the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) / (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets in [Main Financial Centre of the Issue Currency]] ³[and at the place of presentation] and the Clearing-System settle payments in [Issue Currency].

Der folgende Absatz ist nur auf variabel verzinsliche Teilschuldverschreibungen anwendbar

- Falls eine Zahlung auf Kapital einer Teilschuldverschreibung an einem Tag zu leisten ist, der kein Zahlungsgeschäftstag ist, so erfolgt die Zahlung am nächstfolgenden Zahlungsgeschäftstag. In diesem Fall steht den betreffenden Anleihegläubigern weder eine Zahlung noch ein Anspruch auf Verzugszinsen oder eine andere Entschädigung wegen dieser Verzögerung zu. Als „Zahlungsgeschäftstag“ im Sinne dieses Absatzes ([3 / 4]) gilt jeder Tag [an dem das Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) / (außer einem Samstag oder Sonntag), an dem Geschäftsbanken und Devisenmärkte in **[Hauptfinanzzentrum der Emissionswährung]** ³[und am Ort der Vorlage] und das Clearing-System Zahlungen in **[Emissionswährung]** abwickeln.

The following Paragraph is only applicable to Floating Rate Notes

- If any payment of principal with respect to a Note is to be effected on a day other than a Payment Business Day, payment shall be effected on the next following Payment Business Day. In this case, the relevant Noteholders shall neither be entitled to any payment claim nor to any interest claim or other compensation with respect to such delay. In this Paragraph ([3 / 4]) “Payment Business Day” means a day [on which the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) / (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets in **[Main Financial Centre of the Issue Currency]** ³[and at the place of presentation]] and the Clearing-System settle payments in **[Issue Currency]**.

Der folgende Absatz ist nur anwendbar auf Effektive Teilschuldverschreibungen.

- Weder die Emittentin noch die Zahlstellen sind verpflichtet, die Berechtigung der Einreicher von Teilschuldverschreibungen ⁷[oder Zinsscheinen] zu prüfen.

The following Paragraph shall only be applicable to Definitive Notes.

- Neither the Issuer nor the Paying Agents are obliged to examine the title of any person presenting Notes ⁷[or Coupons].

Der folgende Absatz ist auf alle Teilschuldverschreibungen anwendbar.

- Jede Bezugnahme in diesen Anleihebedingungen auf Kapital im Hinblick auf die Teilschuldverschreibungen umfaßt:
 - (a) alle Zusätzlichen Beträge, die gemäß § 6 hinsichtlich des Kapitals zahlbar sein können; [und]
 - (b) den End-Rückzahlungsbetrag der Teilschuldverschreibungen am Fälligkeitstag[.] [; und]

The following Paragraph shall be applicable to all Notes.

- Any reference in these Terms and Conditions to principal in respect of the Notes shall include:
 - (a) any Additional Amounts which may be payable with respect to principal pursuant to § 6; [and]
 - (b) the Final Redemption Amount of the Notes at the Redemption Date[.] [; and]

Der folgende Absatz ist auf alle nicht-nachrangigen Teilschuldverschreibungen (mit Ausnahme von Null-Kupon-Teilschuldverschreibungen) anwendbar.

- (c) den Vorzeitigen Rückzahlungsbetrag bei vorzeitiger Rückzahlung der Teilschuldverschreibungen nach § 6 Absatz (3) und § 10[.] [; und]

The following Paragraph shall be applicable to all unsubordinated Notes (except for Zero-Coupon-Notes).

- (c) the Early Redemption Amount in the case of early redemption of the Notes pursuant to § 6 Paragraph (3) and § 10[.] [; and]

Der folgende Absatz ist bei nicht-nachrangigen Null-Kupon-Teilschuldverschreibungen anwendbar.

- (c) den nach § 4 Absatz (3) berechneten Amortisationsbetrag[.] [; und]

The following Paragraph shall be applicable in case of unsubordinated Zero-Coupon-Notes.

- (c) the Amortised Face Amount calculated in accordance with § 4 Paragraph (3)[.] [; and]

Der folgende Absatz ist auf alle nachrangigen Teilschuldverschreibungen (außer Drittrangmitteln der Commerzbank Aktiengesellschaft, für die kein Steuerausgleich zahlbar ist) anwendbar.

- (c) den Vorzeitigen Rückzahlungsbetrag bei vorzeitiger Rückzahlung der Teilschuldverschreibungen nach § 6 Absatz (3)[.] [; und]

The following Paragraph shall be applicable to all subordinated Notes (except tier three capital of Commerzbank Aktiengesellschaft with respect to which no Tax Gross-up is payable).

- (c) the Early Redemption Amount in the case of early redemption of the Notes pursuant to § 6 Paragraph (3)[.] [; and]

Der folgende Absatz (d) ist bei Teilschuldverschreibungen (mit Ausnahme von Null-Kupon-Teilschuldverschreibungen) mit einer Call und oder Put Option anwendbar.

- (d) den Vorzeitigen Rückzahlungsbetrag bei vorzeitiger Rückzahlung der Teilschuldverschreibungen gemäß § 4.

The following Paragraph (d) shall be applicable in the case of Notes (except for Zero-Coupon-Notes) with a Call and/or Put Option.

- (d) the Early Redemption Amount in the case of early redemption of the Notes pursuant to § 4.

- Unbeschadet der Bestimmungen des § 6 unterliegen alle Zahlungen in jedem Fall allen anwendbaren Steuer- oder anderen Gesetzen, Verordnungen und Richtlinien. Den Anleihegläubigern ^{3,7}[und den Zinsscheingläubigern] sollen wegen solcher Zahlungen keine Kosten entstehen.

- All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of § 6. No commission or expense shall be charged to the Noteholders ^{3,7}[and Couponholders] in respect of such payments.

- Die Emittentin kann die von den Anleihegläubigern innerhalb von 12 Monaten nach dem jeweiligen Fälligkeitstermin nicht erhobenen Beträge an ⁷[Zinsen oder] Kapital bei dem Amtsgericht Frankfurt am Main hinterlegen, auch wenn sich die betreffenden Anleihegläubiger nicht im Annahmeverzug befinden. Soweit unter Verzicht auf das Recht zur Rücknahme hinterlegt wird, erlöschen die betreffenden Ansprüche der betreffenden Anleihegläubiger gegen die Emittentin.

- The Issuer may deposit with the Amtsgericht, Frankfurt am Main, ⁷[interest or] principal not claimed by Noteholders within 12 months after its respective due date, even though the respective Noteholders may not be in default of acceptance. If and to the extent that the deposit is made under waiver of the right of withdrawal, the respective claims of the respective Noteholders against the Issuer shall cease.

**§ 6
(Steuern)**

**§ 6
(Taxes)**

Die folgenden Absätze (1) – (2) sind nicht auf nachrangige Teilschuldverschreibungen in Form von Drittrangmitteln der Commerzbank Aktiengesellschaft anwendbar, für die kein Steuerausgleich zahlbar ist.

The following Paragraphs (1) – (2) shall not be applicable to subordinated Notes in the form of tier three capital of Commerzbank Aktiengesellschaft, with respect to which no Tax Gross-up is payable.

- (1) Sämtliche in Bezug auf die Teilschuldverschreibungen zu zahlenden Beträge werden ohne Abzug oder Einbehalt von oder wegen gegenwärtiger oder zukünftiger Steuern, Abgaben oder behördlicher Gebühren irgendwelcher Art gezahlt, die durch oder für die ¹[Niederländischen Antillen oder Irland (im Falle von Zahlungen durch die Commerzbank Overseas Finance N.V. als Emittentin) oder (falls Zahlungen durch die Commerzbank Aktiengesellschaft als Garantin zu erfolgen haben) die Bundesrepublik Deutschland oder irgendeine dort zur Steuererhebung ermächtigte Stelle auferlegt oder erhoben werden, sofern nicht die ¹[Commerzbank Overseas Finance N.V. oder (falls Zahlungen durch die Commerzbank Aktiengesellschaft als Garantin zu erfolgen haben) die Commerzbank Aktiengesellschaft] ²[Emittentin] kraft Gesetzes oder einer sonstigen Rechtsvorschrift verpflichtet ist, solche Steuern, Abgaben oder behördlichen Gebühren abzuziehen oder einzubehalten. In diesem Fall wird die ¹[Commerzbank Overseas Finance N.V. oder (falls Zahlungen durch die Commerzbank Aktiengesellschaft als Garantin zu erfolgen haben) die Commerzbank Aktiengesellschaft] ²[Emittentin] diejenigen zusätzlichen Beträge (die „Zusätzlichen Beträge“) zahlen, die dazu erforderlich sind, daß der nach einem solchen Abzug oder Einbehalt verbleibende Nettobetrag denjenigen Beträgen entspricht, die ohne solchen Abzug oder Einbehalt zu zahlen gewesen wären.
- (2) Zusätzliche Beträge gemäß Absatz (1) sind nicht zahlbar wegen Steuern, Abgaben oder behördlicher Gebühren,
 - denen ein Anleihegläubiger wegen einer anderen Beziehung ¹[zu den Niederländischen Antillen, Irland oder] zur Bundesrepublik Deutschland oder einem anderen Mitgliedsstaat der Europäischen Union unterliegt als der bloßen Tatsache, daß er Inhaber der Teilschuldverschreibungen bzw. ^{4,7}[der Zinsansprüche] ^{3,7}[der Zinsscheine] ist;
 - denen der Anleihegläubiger nicht unterläge, wenn er seine Teilschuldverschreibungen ^{3,7}[oder Zinsscheine] binnen 30 Tagen nach Fälligkeit oder, falls die notwendigen Beträge der Hauptzahlstelle oder den anderen etwa gemäß § 9 bestellten Zahlstellen (gemeinsam die „Zahlstellen“) bei Fälligkeit nicht zur Verfügung gestellt worden sind, binnen 30 Tagen nach dem Tag, an dem diese Mittel den Zahlstellen zur Verfügung gestellt worden sind und dies gemäß § [12] bekannt gemacht wurde, zur Zahlung vorgelegt hätte;
 - die nicht zu entrichten wären, wenn die Teilschuldverschreibungen bei einem Kreditinstitut verwahrt und die Zahlungen von diesem eingezogen worden wären;
 - die von einer Zahlstelle abgezogen oder einbehalten werden, wenn eine andere Zahlstelle die Zahlung

- (1) All amounts payable under the Notes will be paid without deduction or withholding for or on account of any present or future taxes, duties or governmental charges whatsoever imposed or levied by or on behalf of the ¹[Netherlands Antilles or Ireland (if payments are effected by Commerzbank Overseas Finance N.V. as Issuer), or (if payments are effected by Commerzbank Aktiengesellschaft as Guarantor) the] Federal Republic of Germany or any taxing authority therein, unless ¹[Commerzbank Overseas Finance N.V. or (if payments are effected by Commerzbank Aktiengesellschaft as Guarantor) Commerzbank Aktiengesellschaft] ²[the Issuer] is compelled by a law or other regulation to deduct or withhold such taxes, duties or governmental charges. In that event, ¹[Commerzbank Overseas Finance N.V. or (if payments are effected by Commerzbank Aktiengesellschaft as Guarantor) Commerzbank Aktiengesellschaft] ²[the Issuer] shall pay such additional amounts (the “Additional Amounts”) as may be necessary in order that the net amounts after such deduction or withholding shall equal the amounts that would have been payable if no such deduction or withholding had been made.
- (2) No Additional Amounts shall be payable pursuant to Paragraph (1) with respect to taxes, duties or governmental charges
 - for which a Noteholder is liable because of a connection with ¹[The Netherlands Antilles, Ireland or] the Federal Republic of Germany or another member state of the European Union other than the mere fact of his being the holder of the Notes or the ^{4,7}[interest claims] ^{3,7}[the Coupons];
 - to which the Noteholder would not be subject if he had presented his Notes ^{3,7}[or Coupons] for payment within 30 days from the due date for payment, or, if the necessary funds were not provided to the Principal Paying Agent or any other Paying Agent appointed pursuant to § 9 (together the “Paying Agents”) when due, within 30 days from the date on which such funds are provided to the Paying Agents and a notice to that effect has been published in accordance with § [12];
 - which would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a credit institution;
 - which are deducted or withheld by a Paying Agent, if the payment could have been made by another Paying Agent

ohne einen solchen Abzug oder Einbehalt hätte leisten können; oder

- (e) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind.

without such deduction or withholding; or

- (e) which are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding.

Der folgende Absatz (3) ist nur auf nicht-nachrangige Teilschuldverschreibungen anwendbar.

- (3) Sollte irgendwann in der Zukunft aufgrund einer Änderung des in ¹[den Niederländischen Antillen, Irland oder in] der Bundesrepublik Deutschland geltenden Rechts oder seiner amtlichen Anwendung die Emittentin verpflichtet sein oder zu dem nächstfolgenden Zahlungstermin für Kapital ⁷[oder Zinsen] verpflichtet werden, die in § 6 Absatz (1) genannten Zusätzlichen Beträge zu zahlen ¹[oder sollte die Garantin gemäß der Garantie verpflichtet sein oder verpflichtet werden, Zusätzliche Beträge zu zahlen], so ist die Emittentin berechtigt, mit einer Frist von wenigstens 30 Tagen und höchstens 60 Tagen durch Bekanntmachung gemäß § [12] die Teilschuldverschreibungen insgesamt zur vorzeitigen Rückzahlung zum Vorzeitigen Rückzahlungsbetrag zu kündigen.

Eine Kündigung gemäß diesem § 6 Absatz (3) darf jedoch nicht auf einen Termin erfolgen, der dem Tag, an welchem die Änderung des Rechts oder seiner amtlichen Anwendung erstmals für die Teilschuldverschreibungen gilt, mehr als 30 Tage vorangeht.

The following Paragraph (3) shall only be applicable to unsubordinated Notes.

- (3) If at any future time as a result of a change of the laws applicable in the ¹[Netherlands Antilles, Ireland or in the] Federal Republic of Germany or a change in their official application, the Issuer is required, or at the time of the next succeeding payment due in respect of principal ⁷[or interest] will be required, to pay Additional Amounts as provided in § 6 Paragraph (1) ¹[, or if the Guarantor is or will be required to pay Additional Amounts as provided in the Guarantee,] the Issuer will be entitled, upon not less than 30 days' and not more than 60 days' notice to be given by publication in accordance with § [12], prior to the Redemption Date to redeem all Notes at the Early Redemption Amount.

No redemption pursuant to this § 6 Paragraph (3) shall be made more than 30 days prior to the date on which such change of the laws or their official application becomes applicable to the Notes for the first time.

Der folgende Absatz (3) ist auf alle nachrangigen Teilschuldverschreibungen anwendbar, mit Ausnahme von nachrangigen Teilschuldverschreibungen in Form von Drittrangmitteln der Commerzbank Aktiengesellschaft.

- (3) Sollte irgendwann in der Zukunft aufgrund einer Änderung des in ¹[den Niederländischen Antillen, Irland oder in] der Bundesrepublik Deutschland geltenden Rechts oder seiner amtlichen Anwendung die Emittentin verpflichtet sein oder zu dem nächstfolgenden Zahlungstermin für Kapital ⁷[oder Zinsen] verpflichtet werden, die in § 6 Absatz (1) genannten Zusätzlichen Beträge zu zahlen ¹[oder sollte die Garantin gemäß der Garantie verpflichtet sein oder verpflichtet werden, Zusätzliche Beträge zu zahlen], so ist die Emittentin berechtigt, mit einer Frist von wenigstens 30 Tagen und höchstens 60 Tagen durch Bekanntmachung gemäß § [12] die Teilschuldverschreibungen insgesamt zur vorzeitigen Rückzahlung zum Vorzeitigen Rückzahlungsbetrag im Einklang mit § 10 Absatz 5a KWG zu kündigen.

The following Paragraph (3) shall be applicable to all subordinated Notes except for subordinated Notes in the form of tier three capital of Commerzbank Aktiengesellschaft.

- (3) If at any future time as a result of a change of the laws applicable in the ¹[Netherlands Antilles, Ireland or in the] Federal Republic of Germany or a change in their official application, the Issuer is required, or at the time of the next succeeding payment due in respect of principal ⁷[or interest] will be required, to pay Additional Amounts as provided in § 6 Paragraph (1) ¹[, or if the Guarantor is or will be required to pay Additional Amounts as provided in the Guarantee,] the Issuer will be entitled, upon not less than 30 days' and not more than 60 days' notice to be given by publication in accordance with § [12], to redeem all Notes prior to the Redemption Date at the Early Redemption Amount in accordance with § 10 paragraph 5a of the German Banking Act.

Der folgende Absatz ist nur auf nachrangige Teilschuldverschreibungen in Form von Drittrangmitteln der Commerzbank Aktiengesellschaft anwendbar, für die ein Steuerausgleich zahlbar ist.

- (3) Sollte irgendwann in der Zukunft aufgrund einer Änderung des in ¹[den Niederländischen Antillen, Irland oder in] der Bundesrepublik Deutschland geltenden Rechts oder seiner amtlichen Anwendung die Emittentin verpflichtet sein oder zu dem nächstfolgenden Zahlungstermin für Kapital ⁷[oder Zinsen] verpflichtet werden, die in § 6 Absatz (1) genannten Zusätzlichen Beträge zu zahlen ¹[oder sollte die Garantin gemäß der Garantie verpflichtet sein oder verpflichtet werden, Zusätzliche Beträge zu zahlen], so ist die Emittentin berechtigt, mit einer Frist von wenigstens 30 Tagen und höchstens 60 Tagen durch Bekanntmachung

The following Paragraph (3) shall be applicable to all subordinated Notes in the form of tier three capital of Commerzbank Aktiengesellschaft with respect to which Tax Gross-up is payable.

- (3) If at any future time as a result of a change of the laws applicable in the ¹[Netherlands Antilles, Ireland or in the] Federal Republic of Germany or a change in their official application, the Issuer is required, or at the time of the next succeeding payment due in respect of principal ⁷[or interest] will be required, to pay Additional Amounts as provided in § 6 Paragraph (1) ¹[, or if the Guarantor is or will be required to pay Additional Amounts as provided in the Guarantee,] the Issuer will be entitled, upon not less than 30 days' and not more than 60 days' notice to be given by publication in accordance with § [12], to redeem all Notes

gemäß § [12] die Teilschuldverschreibungen insgesamt zur vorzeitigen Rückzahlung zum Vorzeitigen Rückzahlungsbetrag zu kündigen, vorausgesetzt, das zurückzuzahlende Kapital ist durch die Einzahlung anderen, zumindest gleichwertig haftenden Eigenkapitals ersetzt worden oder die Bundesanstalt für Finanzdienstleistungsaufsicht hat der vorzeitigen Rückzahlung zugestimmt.

prior to the Redemption Date at the Early Redemption Amount, provided that the capital has been substituted by the payment of other liable own funds ("Haftendes Eigenkapital") ranking at least equivalent to the Notes or the Federal Financial Services Supervisory Authority ("Bundesanstalt für Finanzdienstleistungsaufsicht") consents to the early repayment.

Der folgende Absatz ist nur auf nachrangige Teilschuldverschreibungen in Form von Drittrangmitteln der Commerzbank Aktiengesellschaft anwendbar, für die kein Steuerausgleich zahlbar ist.

Sämtliche Zahlungen auf die Teilschuldverschreibungen sind von der Emittentin ohne Abzug oder Einbehalt von oder wegen gegenwärtiger oder zukünftiger Steuern, Abgaben oder behördlicher Gebühren irgendwelcher Art gezahlt, die durch oder für die Bundesrepublik Deutschland oder irgendeine dort zur Steuererhebung ermächtigte Stelle auferlegt oder erhoben werden, sofern nicht die Emittentin kraft Gesetzes verpflichtet ist, solche Steuern, Abgaben oder Gebühren abzuziehen oder einzubehalten. In diesem Fall wird die Emittentin die betreffenden Steuern, Abgaben oder behördlichen Gebühren einbehalten oder abziehen, und die einbehaltenen oder abgezogenen Beträge an die zuständigen Behörden zahlen. Die Emittentin ist nicht verpflichtet, wegen eines solchen Einbehalts oder Abzugs zusätzliche Beträge an Kapital ⁷[und/oder Zinsen] zu zahlen.

The following Paragraph shall only be applicable to subordinated Notes in the form of tier three capital of Commerzbank Aktiengesellschaft with respect to which no Tax Gross-up is payable.

All payments under the Notes shall be paid by the Issuer without deduction or withholding for or on account of any present or future taxes, duties or governmental charges whatsoever imposed or levied by or on behalf of the Federal Republic of Germany or any taxing authority therein, unless the Issuer is compelled by law to deduct or withhold such taxes, duties or charges. In that event, the Issuer shall deduct or withhold such taxes, duties or governmental charges and pay the amounts deducted or withheld to the competent authorities. The Issuer shall not be obliged to pay any additional amounts of capital ⁷[and/or interest] because of such deduction or withholding.

**§ 7
(Vorlegungsfristen, Verjährung)**

**§ 7
(Presentation Periods, Prescription)**

Der folgende Absatz ist nur auf globalverbriefte Teilschuldverschreibungen anwendbar.

Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB für die Teilschuldverschreibungen beträgt zehn Jahre und die Verjährungsfrist für Ansprüche aus den Teilschuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

The following Paragraph shall only be applicable to Notes represented by a Global Note.

The period for presentation of the Notes (§ 801, Paragraph 1, Sentence 1 of the German Civil Code) shall be ten years and the period of limitation for claims under the Notes presented during the period for presentation shall be two years calculated from the expiry of the relevant presentation period.

Die folgenden Absätze sind nur auf durch Effektive Stücke verbrieft Teilschuldverschreibungen anwendbar.

- (•) Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB für die Teilschuldverschreibungen beträgt zehn Jahre ⁷[, die Vorlegungsfrist für Zinsscheine beträgt vier Jahre von dem Ende des Kalenderjahres an, in dem der betreffende Zinsschein fällig ist]. Die Verjährungsfrist für Ansprüche aus den Teilschuldverschreibungen ⁷[und den Zinsscheinen], die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

⁷[(2) Im Falle des Abhandenkommens oder der Vernichtung von Zinsscheinen ist jeder Anspruch gemäß § 804 Absatz 1 Satz 1 BGB ausgeschlossen.]

The following Paragraphs shall only be applicable to Notes represented by Definitive Notes.

- (•) The period for presentation of the Notes (§ 801, Paragraph 1, Sentence 1 of the German Civil Code) shall be ten years ⁷[, the period for presentation of Coupons shall be four years calculated from the end of the calendar year during which the respective Coupon was due]. The period of limitation for claims under the Notes ⁷[and Coupons] presented during the period for presentation shall be two years calculated from the expiry of the relevant presentation period.

⁷[(2) In the case of loss or destruction of Coupons, any right under § 804, Paragraph 1, Sentence 1 of the German Civil Code is excluded.]

**§ 8
(Status ¹[und Garantie])**

**§ 8
(Status ¹[and Guarantee])**

Der folgende Absatz ist nur auf nicht-nachrangige Teilschuldverschreibungen anwendbar.

Die Verpflichtungen aus den Teilschuldverschreibungen ^{3,7}[und den Zinsscheinen] stellen unmittelbare, unbedingte und nicht dinglich besicherte Verpflichtungen der Emittentin dar und stehen, sofern nicht gesetzliche Vorschriften etwas anderes bestimmen, mindestens im gleichen Rang mit allen anderen nicht dinglich besicherten

The following Paragraph shall only be applicable to unsubordinated Notes.

The obligations under the Notes ^{3,7}[and Coupons] constitute direct, unconditional and unsecured obligations of the Issuer and rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer (save for such exceptions as may exist from time to time under applicable law). ¹[Commerzbank Aktiengesellschaft

und nicht nachrangigen Verpflichtungen der Emittentin.
¹[Die Commerzbank Aktiengesellschaft (die „Garantin“) hat den Anleihegläubigern gegenüber die ordnungsgemäße Zahlung aller aus den Teilschuldverschreibungen zahlbaren Beträge garantiert.]

(the “Guarantor”) has guaranteed to the Noteholders the due and punctual payment of all amounts payable in respect of the Notes.]

Die folgenden Absätze (1) und (2) sind nur auf nachrangige Teilschuldverschreibungen der Commerzbank Overseas Finance N. V. anwendbar.

- (1) Die Verpflichtungen aus den Teilschuldverschreibungen ^{3,7}[und den Zinsscheinen] sind nachrangige Verpflichtungen der Emittentin, die gleichrangig mit allen anderen nachrangigen Verbindlichkeiten befriedigt werden, die im gleichen Rang mit den Verbindlichkeiten aus den Teilschuldverschreibungen ^{3,7}[und den Zinsscheinen] stehen.

Die Commerzbank Aktiengesellschaft (die „Garantin“) hat den Anleihegläubigern gegenüber die ordnungsgemäße Zahlung aller Beträge aus den Teilschuldverschreibungen garantiert. Im Falle des Insolvenzverfahrens über das Vermögen der Garantin oder der Liquidation der Garantin sind alle Zahlungsansprüche aus der Garantie nachrangig gegenüber sämtlichen nicht nachrangigen Zahlungsansprüchen gegen die Garantin. Dies gilt nicht für solche Verbindlichkeiten, die kraft ihrer Ausgestaltung oder ihrer gesetzlichen Rangfolge den Zahlungsansprüchen aus der Garantie gleichrangig oder nachrangig sind.

- (2) Im Falle der Liquidation („liquidatie“), der Zahlungseinstellung („surséance van betaling“) oder des Konkurses („faillissement“) der Emittentin gemäß den jeweils geltenden Vorschriften des Netherlands Antilles Bankruptcy Decree von 1931 oder eines sonstigen Insolvenz- oder Konkursverfahrens, durch welches die Emittentin liquidiert oder aufgelöst wird, oder aufhört als Rechtsperson zu bestehen, erfolgen keine Zahlungen an die Anleihegläubiger, solange nicht sämtliche vorrangigen Ansprüche aller nicht nachrangigen Gläubiger der Emittentin in vollem Umfang befriedigt sind.

The following Paragraphs (1) and (2) shall only be applicable to subordinated Notes issued by Commerzbank Overseas Finance N. V.

- (1) The obligations under the Notes ^{3,7}[and Coupons] are subordinated obligations of the Issuer and will be discharged equally with all other subordinated obligations of the Issuer ranking pari passu with the Notes ^{3,7}[and the Coupons].

Commerzbank Aktiengesellschaft (the “Guarantor”) has guaranteed to the Noteholders the due and punctual payment of all amounts payable in respect of the Notes. If the assets of the Guarantor shall be subject to insolvency proceedings (“Insolvenzverfahren“) or in the case of the dissolution (“Liquidation“) of the Guarantor any amounts payable under the Guarantee will be subordinated in right of payment to all unsubordinated claims against the Guarantor, except those liabilities which by their terms or by law rank pari passu with or junior to any amounts payable under the Guarantee.

- (2) If and as long as the Issuer shall be subject to dissolution (“liquidatie“), suspension of payments (“surséance van betaling“) or bankruptcy (“faillissement“) under the provisions of the Netherlands Antilles Bankruptcy Decree of 1931 as amended, or if the Issuer shall be subject to any other insolvency or bankruptcy proceedings as a result of which it is dissolved or wound up or ceases to exist as a legal entity, then no payment shall be made to the Noteholders until all prior ranking claims of all unsubordinated creditors of the Issuer have been fully satisfied.

Die folgenden Absätze (1) und (2) sind nur auf nachrangige Teilschuldverschreibungen (einschließlich Drittrangmitteln) der Commerzbank Aktiengesellschaft anwendbar.

- (1) Die Verpflichtungen aus den Teilschuldverschreibungen ^{3,7}[und den Zinsscheinen] sind nachrangige Verpflichtungen der Emittentin, die gleichrangig mit allen anderen nachrangigen Verbindlichkeiten der Emittentin befriedigt werden, die im gleichen Rang mit den Verbindlichkeiten aus den Teilschuldverschreibungen ^{3,7}[und den Zinsscheinen] stehen.

- (2) Im Falle des Insolvenzverfahrens über das Vermögen der Emittentin oder der Liquidation der Emittentin, erfolgen keine Zahlungen an die Anleihegläubiger, solange nicht sämtliche vorrangigen Ansprüche aller nicht nachrangigen Gläubiger der Emittentin in vollem Umfang befriedigt sind.

The following Paragraphs (1) and (2) shall only be applicable to subordinated Notes (including tier three capital) issued by Commerzbank Aktiengesellschaft.

- (1) The obligations under the Notes ^{3,7}[and Coupons] are subordinated obligations of the Issuer and will be discharged equally with all other subordinated obligations of the Issuer ranking pari passu with the Notes ^{3,7}[and the Coupons].

- (2) If the assets of the Issuer shall be subject to insolvency proceedings (“Insolvenzverfahren“) or in the case of the dissolution (“Liquidation“) of the Issuer, then no payment shall be made to the Noteholders until all prior ranking claims of all unsubordinated creditors of the Issuer have been fully satisfied.

Die folgenden Absätze sind auf alle nachrangigen Teilschuldverschreibungen (einschließlich Drittrangmitteln) der Commerzbank Aktiengesellschaft anwendbar.

- (3) Die Aufrechnung des Anspruchs aus den Teilschuldverschreibungen ^{3,7}[und den Zinsscheinen] ¹[oder aus der Garantie] gegen Forderungen der Emittentin ¹[und/ oder der Garantin] ist ausgeschlossen.

- (4) Für die Verbindlichkeiten aus den Teilschuldverschreibungen werden den Anleihegläubigern ¹[mit Ausnahme der Garantie] keine Sicherheiten durch die Emittentin ¹[und/ oder die Garantin] oder durch Dritte gestellt.

The following Paragraphs shall be applicable to all subordinated Notes (including tier three capital) by Commerzbank Aktiengesellschaft.

- (3) Any right of set-off in respect of any amounts due under the Notes, ^{3,7}[and the Coupons] ¹[or the Guarantee] against claims of the Issuer ¹[and/or the Guarantor] is excluded.

- (4) The claims of Noteholders under the Notes shall ¹[except for the Guarantee] not be secured by the Issuer ¹[and/or the Guarantor] or by third persons.

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| <p>(5) Nachträglich können die obigen Bestimmungen hinsichtlich des Nachrangs der Teilschuldverschreibungen ^{3,7}[und der Zinsscheine] ¹[oder der Garantie] nicht beschränkt sowie weder die Laufzeit noch die Kündigungsfrist für die Teilschuldverschreibungen verkürzt werden.</p> <p>(6) Im Falle eines vorzeitigen Rückerwerbs der Teilschuldverschreibungen oder einer anderweitigen Rückzahlung vor dem Fälligkeitstermin ist der so gezahlte Betrag der Emittentin ¹[und/oder der Garantin] ohne Rücksicht auf entgegenstehende Vereinbarungen zurückzugewähren, sofern nicht das Kapital durch die Einzahlung anderen, zumindest gleichwertig haftenden Eigenkapitals ersetzt worden ist oder die Bundesanstalt für Finanzdienstleistungsaufsicht der vorzeitigen Rückzahlung zustimmt.</p> <p>(7) Die Emittentin ¹[und/oder die Garantin] [ist / sind] jedoch berechtigt, Teilschuldverschreibungen im Rahmen der Marktpflege bis zu einer Höhe von 3% ihres Gesamtnennbetrages (eine entsprechende Absicht ist der Bundesanstalt für Finanzdienstleistungsaufsicht und der Deutschen Bundesbank unverzüglich anzuzeigen) oder im Rahmen einer Einkaufskommission zu erwerben.</p> | <p>(5) No subsequent agreement shall have the effect of limiting the above provisions with regard to the subordination of the Notes ^{3,7}[and the Coupons] ¹[or the Guarantee], and neither the term of, nor the notice period for the Notes may be shortened.</p> <p>(6) If the Notes are prematurely repurchased or otherwise repaid prior to the Redemption Date the amount so paid shall be returned to the Issuer ¹[and/or the Guarantor], irrespective of any agreement to the contrary, unless the capital has been substituted by the payment of other liable own funds ("Haftendes Eigenkapital") ranking at least equivalent to the Notes or the Federal Financial Services Supervisory Authority ("Bundesanstalt für Finanzdienstleistungsaufsicht") consents to the premature repayment.</p> <p>(7) The Issuer ¹[and/or the Guarantor] shall, however, be entitled to purchase Notes, for the purpose of market stabilisation of up to 3% of their Aggregate Principal Amount (such intent must be notified to the Federal Financial Services Supervisory Authority and the German Federal Bank ("Deutsche Bundesbank") without undue delay), or as commission agent ("Einkaufskommissionär").</p> |
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Die folgende Absätze gelten nur für nachrangige Teilschuldverschreibungen in Form von Drittrangmitteln der Commerzbank Aktiengesellschaft

- (8) Die Teilschuldverschreibungen haben eine Mindestlaufzeit von zwei Jahren und können von den Anleihegläubigern vor Ablauf dieser Mindestlaufzeit nicht gekündigt werden.
- (9) Auf die Teilschuldverschreibungen sind weder Tilgungs- noch Zinszahlungen zu leisten, wenn dies zur Folge hätte, daß die Eigenmittel der Commerzbank Aktiengesellschaft und der Commerzbank Aktiengesellschaft-Gruppe im Sinne des § 10a KWG die gesetzlichen Anforderungen nicht mehr erfüllen. Vorzeitige Tilgungs- oder Zinszahlungen sind der Emittentin unbeschadet entgegenstehender Vereinbarungen zurückzuerstatten.
- (10) Sofern und soweit Zins- oder Kapitalzahlungen nach Absatz 9 nicht zu leisten sind, sind diese unverzüglich insoweit nachzuholen, als eine solche Zahlung nicht zur Folge hätte, daß die Eigenmittel der Commerzbank Aktiengesellschaft und der Commerzbank Aktiengesellschaft-Gruppe im Sinne des § 10a KWG die gesetzlichen Anforderungen nicht mehr erfüllen. Zahlungen erfolgen in der Reihenfolge ihrer Fälligkeit. Jede solche Zahlung ist nach § [12] bekanntzumachen.

The following Paragraphs shall apply only to subordinated Notes in the form of tier three capital of Commerzbank Aktiengesellschaft

- (8) The Notes shall have a minimum term of two years and may not be terminated by the Noteholders prior to the expiry of such term.
- (9) No capital or interest payments shall be made on the Notes if such payment would have the effect that the own funds (Eigenmittel) of Commerzbank Aktiengesellschaft and the Commerzbank Aktiengesellschaft-group (Gruppe) in the meaning of § 10a of the German Banking Act do no longer meet the legal requirements. Premature payments of capital or interest shall be repaid to the Issuer irrespective of any agreement to the contrary.
- (10) If and to the extent interest or capital payments are not to be effected pursuant to Paragraph 9 above, such payments shall be made without undue delay in the amount that can be paid without having the effect that the own funds (Eigenmittel) of Commerzbank Aktiengesellschaft and the Commerzbank Aktiengesellschaft-group (Gruppe) in the meaning of § 10a of the German Banking Act do no longer meet the legal requirements. Payments shall be applied in the order of their maturity. Any such payment shall be published in accordance with § [12].

Die folgende Überschrift und der folgende Absatz (1) sind nur auf Teilschuldverschreibungen anwendbar, die weder variabel verzinsliche, indexierte, Doppelwährungs-, noch andere strukturierte Teilschuldverschreibungen sind.

**§ 9
(Zahlstellen)**

- (1) Die [Commerzbank Aktiengesellschaft / **andere Bank**] ist Hauptzahlstelle.

The following heading and the following Paragraph (1) shall only be applicable to Notes other than floating rate Notes, indexed Notes, dual currency Notes, or other structured Notes.

**§ 9
(Paying Agents)**

- (1) [Commerzbank Aktiengesellschaft / **other bank**] shall be the Principal Paying Agent.

Die folgende Überschrift und der folgende Absatz (1) sind nur auf variabel verzinsliche, indexierte, Doppelwährungs- und andere strukturierte Teilschuldverschreibungen anwendbar.

**§ 9
(Zahlstellen; Berechnungsbank)**

- (1) Die [Commerzbank Aktiengesellschaft / **andere Bank**] ist Hauptzahlstelle. Die [Commerzbank Aktiengesellschaft / **andere Bank**] ist Berechnungsbank.

The following heading and the following Paragraph (1) shall only be applicable to floating rate Notes, indexed Notes, dual currency Notes, other structured Notes.

**§ 9
(Paying Agents; Calculation Agent)**

- (1) [Commerzbank Aktiengesellschaft / **other bank**] shall be appointed as Principal Paying Agent. [Commerzbank Aktiengesellschaft / **other bank**] shall be the Calculation Agent.

Der folgende Absatz (2) ist nur auf Teilschuldverschreibungen anwendbar, bezüglich derer eine weitere Zahlstelle bestellt worden ist.

- (2) Die [Commerzbank International S.A. / [und] [andere Bank(en)]] [ist / sind] als weitere Zahlstelle[n] (gemeinsam mit der Hauptzahlstelle die „Zahlstellen“) bestellt.

The following Paragraph (2) shall only be applicable to Notes with respect to which an additional Paying Agent has been appointed.

- (2) [Commerzbank International S.A. / [and] [other bank(s)]] shall be appointed as additional Paying Agent[s] (together with the Principal Paying Agent the “Paying Agents”).

Der folgende Absatz ist nur auf Teilschuldverschreibungen anwendbar, die an einer Börse notiert sind, deren Regularien eine lokale Zahlstelle vorschreiben.

- (•) Die Emittentin wird dafür sorgen, daß, solange Teilschuldverschreibungen an der [Frankfurter Wertpapierbörse / Luxemburger Börse / [andere Börse]] notiert werden, immer eine Zahlstelle in [Frankfurt am Main / der Stadt Luxemburg / [andere Stadt]] bestellt ist.

The following Paragraph shall only be applicable to Notes listed on a stock exchange requiring a local Paying Agent.

- (•) The Issuer shall procure that as long as Notes are listed on the [Frankfurt Stock Exchange / Luxembourg Stock Exchange / [other stock exchange]] there will at all times be a Paying Agent in [Frankfurt am Main / the City of Luxembourg / [other city]].

- (•) Die Emittentin wird dafür sorgen, daß stets eine Hauptzahlstelle vorhanden ist. Die Emittentin ist berechtigt, andere Banken von internationalem Ansehen als Hauptzahlstelle [oder als Zahlstellen] zu bestellen. Sie ist weiterhin berechtigt, die Bestellung einer Bank zur Hauptzahlstelle [oder zur Zahlstelle] zu widerrufen. Im Falle einer solchen Abberufung oder falls die bestellte Bank nicht mehr als Hauptzahlstelle [oder als Zahlstelle] tätig werden kann oder will, bestellt die Emittentin ¹[(mit vorheriger Zustimmung der Garantin)] eine andere Bank von internationalem Ansehen als Hauptzahlstelle [oder als Zahlstelle]. Eine solche Bestellung oder ein solcher Widerruf der Bestellung ist gemäß § [12] bekanntzumachen.

- (•) The Issuer shall procure that there will at all times be a Principal Paying Agent. The Issuer is entitled to appoint other banks of international standing as Principal Paying Agent [or Paying Agents]. Furthermore, the Issuer is entitled to terminate the appointment of the Principal Paying Agent [as well as of individual Paying Agents]. In the event of such termination or such bank being unable or unwilling to continue to act as Principal Paying Agent [or Paying Agent], the Issuer shall ¹[(with the prior consent of the Guarantor)] appoint another bank of international standing as Principal Paying Agent [or Paying Agent]. Such appointment or termination shall be published without undue delay in accordance with § [12].

Der folgende Absatz ist nur auf variabel verzinsliche, indexierte, Doppelwährungs- und andere strukturierte Teilschuldverschreibungen anwendbar.

- (•) Die Emittentin wird dafür sorgen, daß, solange Zinsermittlungen oder sonstige Berechnungen nach diesen Anleihebedingungen zu erfolgen haben, stets eine Berechnungsbank vorhanden ist. Die Emittentin behält sich das Recht vor, jederzeit ¹[(mit Zustimmung der Garantin)] die Bestellung der Berechnungsbank zu widerrufen. Im Falle einer solchen Abberufung oder falls die bestellte Niederlassung einer solchen Bank nicht mehr als Berechnungsbank tätig werden kann oder will, bestellt die Emittentin ¹[(mit vorheriger Zustimmung der Garantin)] eine geeignete Niederlassung einer anderen führenden Bank als Berechnungsbank. Die Bestellung einer anderen Berechnungsbank ist von der Emittentin unverzüglich gemäß § [12] bekanntzumachen.

The following Paragraph shall only be applicable to floating rate Notes, indexed Notes, dual currency Notes and other structured Notes.

- (•) The Issuer shall procure that as long as interest rates have to be determined or other determinations have to be made in accordance with these Terms and Conditions of the Notes there shall at all times be a Calculation Agent. The Issuer reserves the right at any time to terminate ¹[(with the consent of the Guarantor)] the appointment of the Calculation Agent. In the event of such termination or of the appointed office of any such bank being unable or unwilling to continue to act as Calculation Agent (as the case may be) the Issuer shall ¹[(with the prior consent of the Guarantor)] appoint an appropriate office of another leading bank to act Calculation Agent. The appointment of another Calculation Agent shall be published without delay by the Issuer in accordance with § [12].

Die folgenden Absätze sind nur auf Teilschuldverschreibungen anwendbar, die weder variabel verzinsliche, indexierte, Doppelwährungs-, noch andere strukturierte Teilschuldverschreibungen sind.

- (•) [Die Hauptzahlstelle / Jede Zahlstelle] haftet dafür, daß sie Erklärungen abgibt, nicht abgibt oder entgegennimmt oder Handlungen vornimmt oder unterläßt, nur, wenn und soweit sie die Sorgfalt eines ordentlichen Kaufmanns verletzt hat. Alle Bestimmungen und Berechnungen durch [die Hauptzahlstelle / eine Zahlstelle] erfolgen in Abstimmung mit der Emittentin und sind, soweit nicht ein offenkundiger Fehler vorliegt, in jeder Hinsicht endgültig und für die Emittentin ¹[(die Garantin)] und alle Anleihegläubiger bindend.

- (•) [Die Hauptzahlstelle / Jede Zahlstelle] ist in dieser Funktion ausschließlich Beauftragte der Emittentin. Zwischen [der Hauptzahlstelle / den Zahlstellen] und den Anleihegläubigern besteht kein Auftrags- oder Treuhandverhältnis. Die [Hauptzahlstelle / Zahlstellen] [ist / sind] von den Beschränkungen des § 181 BGB und etwaigen gleichartigen Beschränkungen des anwendbaren Rechts anderer Länder befreit.

The following Paragraphs shall only be applicable to Notes other than floating rate Notes, indexed Notes, dual currency Notes, other structured Notes.

- (•) [The Principal Paying Agent / Each Paying Agent] shall be held responsible for giving, failing to give, or accepting a declaration, or for acting or failing to act, only if, and insofar as, it fails to act with the diligence of a conscientious businessman. All determinations and calculations made by [the Principal Paying Agent / any Paying Agent] shall be made in conjunction with the Issuer and shall, in the absence of manifest error, be conclusive in all respects and binding upon the Issuer ¹[(the Guarantor)] and all Noteholders.

- (•) [The Principal Paying Agent / Each Paying Agent] acting in such capacity, acts only as agent of the Issuer. There is no agency or fiduciary relationship between the [Principal Paying Agent / Paying Agents] and the Noteholders. The [Principal Paying Agent / Paying Agents] [is / are] hereby granted exemption from the restrictions of § 181 of the German Civil Code and any similar restrictions of the applicable laws of any other country.

Die folgenden Absätze sind nur auf variabel verzinsliche, indexierte, Doppelwährungs- und andere strukturierte Teilschuldverschreibungen anwendbar.

- (•) Die [Hauptzahlstelle / Zahlstellen] und die Berechnungsbank haften dafür, daß sie Erklärungen abgeben, nicht abgeben oder entgegennehmen oder Handlungen vornehmen oder unterlassen, nur, wenn und soweit sie die Sorgfalt eines ordentlichen Kaufmanns verletzt haben. Alle Bestimmungen und Berechnungen durch die [Hauptzahlstelle / Zahlstellen] oder die Berechnungsbank erfolgen in Abstimmung mit der Emittentin und sind, soweit nicht ein offenkundiger Fehler vorliegt, in jeder Hinsicht endgültig und für die Emittentin ¹[, die Garantin] und alle Anleihegläubiger bindend.
- (•) Die [Hauptzahlstelle / Zahlstellen] und die Berechnungsbank sind in dieser Funktion ausschließlich Beauftragte der Emittentin. Zwischen [der/den] [Hauptzahlstelle / Zahlstellen] und der Berechnungsbank einerseits und den Anleihegläubigern andererseits besteht kein Auftrags- oder Treuhandverhältnis. Die [Hauptzahlstelle / Zahlstellen] und die Berechnungsbank sind von den Beschränkungen des § 181 BGB und etwaigen gleichartigen Beschränkungen des anwendbaren Rechts anderer Länder befreit.

The following Paragraphs shall only be applicable to floating rate Notes, indexed Notes, dual currency Notes and other structured Notes.

- (•) The [Principal Paying Agent / Paying Agents] and the Calculation Agent shall be held responsible for giving, failing to give, or accepting a declaration, or for acting or failing to act, only if, and insofar as, they fail to act with the diligence of a conscientious businessman. All determinations and calculations made by the [Principal Paying Agent / Paying Agents] and the Calculation Agent shall be made in conjunction with the Issuer and shall, in the absence of manifest error, be conclusive in all respects and binding upon the Issuer ¹[, the Guarantor] and all Noteholders.
- (•) The [Principal Paying Agent / Paying Agents] and the Calculation Agent acting in such capacity, act only as agents of the Issuer. There is no agency or fiduciary relationship between the [Principal Paying Agent / Paying Agents] and the Calculation Agent on the one hand and the Noteholders on the other hand. The [Principal Paying Agent / Paying Agents] and the Calculation Agent are hereby granted exemption from the restrictions of § 181 of the German Civil Code and any similar restrictions of the applicable laws of any other country.

Der folgende § 10 ist nicht auf nachrangige Teilschuldverschreibungen anwendbar.

**§ 10
(Kündigung)**

- (1) Jeder Inhaber von Teilschuldverschreibungen ist berechtigt, seine Teilschuldverschreibungen zur Rückzahlung fällig zu stellen und deren Einlösung zum Vorzeitigen Rückzahlungsbetrag nach § 4 Absatz (3) gemäß den nachfolgenden Bestimmungen zu verlangen, falls:
 - (a) die Emittentin mit der Zahlung von ⁷[Zinsen oder] Kapital länger als 30 Tage in Verzug ist;
 - (b) die Emittentin irgendeine andere Verpflichtung aus diesen Anleihebedingungen verletzt und die Verletzung 60 Tage nach Eingang einer entsprechenden schriftlichen Mahnung durch den jeweiligen Anleihegläubiger fort dauert;
 - (c) die Emittentin ¹[oder die Garantin] liquidiert oder aufgelöst wird, sei es durch Gesellschafterbeschuß oder in sonstiger Weise (außer im Zusammenhang mit einer Verschmelzung oder Reorganisation in der Weise, daß alle Aktiva und Passiva der Emittentin ¹[bzw. der Garantin] auf den Nachfolger im Wege der Gesamtrechtsnachfolge übergehen);
 - (d) die Emittentin ¹[oder die Garantin] ihre Zahlungen einstellt und dies 60 Tage fort dauert, oder ihre Zahlungsunfähigkeit eingetreten ist; [oder]
 - (e) irgendein ¹[Konkurs- oder] Insolvenzverfahren gegen die Emittentin ¹[oder die Garantin] eingeleitet wird, welches nicht binnen 60 Tagen nach seiner Einleitung endgültig oder einstweilen eingestellt worden ist, oder die Emittentin ¹[oder die Garantin] die Eröffnung eines solchen Verfahrens beantragt oder eine Schuldenregelung zugunsten ihrer Gläubiger anbietet oder trifft[.] [; oder]

The following § 10 shall not be applicable to Subordinated Notes.

**§ 10
(Termination)**

- (1) Each holder of Notes is entitled to declare his Notes due and to require the redemption of his Notes at the Early Redemption Amount pursuant to § 4 Paragraph (3) as provided hereinafter, if:
 - (a) the Issuer is in default for more than 30 days in the payment of principal ⁷[or interest];
 - (b) the Issuer violates any other obligation under these Terms and Conditions of the Notes, and such violation continues for 60 days after receipt of written notice thereof from the respective Noteholder;
 - (c) the Issuer ¹[or the Guarantor] is wound up or dissolved whether by a resolution of the shareholders or otherwise (except in connection with a merger or reorganisation in such a way that all of the assets and liabilities of the Issuer ¹[or the Guarantor, as the case may be,] pass to another legal person in universal succession by operation of law);
 - (d) the Issuer ¹[or the Guarantor] ceases its payments and this continues for 60 days, or admits to be unable to pay its debts; [or]
 - (e) any ¹[bankruptcy or] insolvency proceedings are instituted against the Issuer ¹[or the Guarantor] which shall not have been dismissed or stayed within 60 days after their institution or the Issuer ¹[or the Guarantor] applies for the institution of such proceedings, or offers or makes an arrangement for the benefit of its creditors[.] [; or]

Der folgende Absatz (f) ist nur auf nicht-nachrangige Teilschuldverschreibungen der Commerzbank Aktiengesellschaft anwendbar.

- (f) im Falle einer Schuldnerersetzung im Sinne des § [11] Absatz (4)(b) ein in den vorstehenden Unterabsätzen (c)-(e) genanntes Ereignis bezüglich der Garantin eintritt.

The following Paragraph (f) shall only be applicable to unsubordinated Notes issued by Commerzbank Aktiengesellschaft .

- (f) in the case of a substitution of the Issuer within the meaning of § [11] Paragraph (4)(b) any of the events set forth in sub-paragraphs (c)-(e) above occurs in respect of the Guarantor.

Das Recht zur Fälligestellung erlischt, wenn die Lage, die das Recht auslöst, behoben ist, bevor das Recht ausgeübt wird.

- (2) Die in Absatz (1) genannte Fälligestellung hat in der Weise zu erfolgen, daß ein Inhaber von Teilschuldverschreibungen der Hauptzahlstelle einen diese bei angemessenen Anforderungen zufriedenstellenden Eigentumsnachweis und eine schriftliche Kündigungserklärung übergibt oder durch eingeschriebenen Brief sendet, in der der Nennbetrag der fällig gestellten Teilschuldverschreibungen angegeben ist.

The right to declare Notes due shall terminate if the circumstances giving rise to it have been remedied before such right is exercised.

- (2) The right to declare Notes due pursuant to Paragraph (1) shall be exercised by a holder of Notes by delivering or sending by registered mail to the Principal Paying Agent a written notice which shall state the principal amount of the Notes called for redemption and shall enclose evidence of ownership reasonably satisfactory to the Principal Paying Agent.

Der folgende § [11] ist nicht auf nachrangige Teilschuldverschreibungen in Form von Drittrangmitteln der Commerzbank Aktiengesellschaft anwendbar.

The following § [11] shall not be applicable to subordinated Notes in the form of tier three capital of Commerzbank Aktiengesellschaft.

**§ [11]
(Schuldnerersetzung, Betriebsstättenersetzung)**

**§ [11]
(Substitution of Issuer, Branch Designation)**

- (1) Jede andere Gesellschaft ¹[(einschließlich der Garantin)] kann vorbehaltlich § [11] Absatz (4) jederzeit während der Laufzeit der Teilschuldverschreibungen ohne Zustimmung der Anleihegläubiger nach Bekanntmachung durch die Emittentin ¹[und die Garantin] gemäß § [12] alle Verpflichtungen der Emittentin aus diesen Anleihebedingungen übernehmen.
- (2) Bei einer derartigen Übernahme wird die übernehmende Gesellschaft (nachfolgend „Neue Emittentin“ genannt) der Emittentin im Recht nachfolgen und an deren Stelle treten und kann alle sich für die Emittentin aus den Teilschuldverschreibungen ergebenden Rechte und Befugnisse mit derselben Wirkung ausüben, als wäre die Neue Emittentin in diesen Anleihebedingungen als Emittentin bezeichnet worden; die Emittentin (und im Falle einer wiederholten Anwendung dieses § [11], jede etwaige frühere Neue Emittentin) wird damit von ihren Verpflichtungen aus diesen Anleihebedingungen und ihrer Haftung als Schuldnerin aus den Teilschuldverschreibungen ^{3,7}[und Zins-scheinen] befreit.
- (3) Bei einer derartigen Übernahme bezeichnet das Wort „Emittentin“ in allen Bestimmungen dieser Anleihebedingungen (außer in diesem § [11]) die Neue Emittentin und (mit Ausnahme der Bezugnahmen auf die Bundesrepublik Deutschland in § [13]) gelten die Bezugnahmen auf das Sitzland der zu ersetzenden Emittentin als Bezeichnung des Landes, in dem die Neue Emittentin ihren Sitz hat oder nach dessen Recht sie gegründet ist.
- (4) Eine solche Übernahme ist nur zulässig, wenn
- (a) sich die Neue Emittentin verpflichtet hat, jeden Anleihegläubiger wegen aller Steuern, Abgaben, Veranlagungen oder behördlicher Gebühren schadlos zu halten, die ihm bezüglich einer solchen Übernahme auferlegt werden;

- (1) Any other company ¹[(including the Guarantor)] may assume at any time during the life of the Notes, subject to § [11] Paragraph (4), without the Noteholders' consent upon notice by the Issuer ¹[and the Guarantor] given through publication in accordance with § [12], all the obligations of the Issuer under these Terms and Conditions of the Notes.
- (2) Upon any such substitution, such substitute company (hereinafter called the "New Issuer") shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under these Terms and Conditions of the Notes with the same effect as if the New Issuer had been named as the Issuer herein; the Issuer (and, in the case of a repeated application of this § [11], each previous New Issuer) shall be released from its obligations hereunder and from its liability as obligor under the Notes ^{3,7}[and Coupons].
- (3) In the event of such substitution, any reference in these Terms and Conditions of the Notes (except for this § [11]) to the "Issuer" shall from then on be deemed to refer to the New Issuer and any reference to the country of the corporate seat of the Issuer which is to be substituted (except for the references in § [13] to the Federal Republic of Germany) shall be deemed to refer to the country of the corporate seat of the New Issuer and the country under the laws of which it is organised.
- (4) No such assumption shall be permitted unless
- (a) the New Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution;

Der folgende Absatz (b) ist nur auf nicht-nachrangige Teilschuldverschreibungen der Commerzbank Aktiengesellschaft anwendbar

The following Paragraph (b) shall be applicable only to unsubordinated Notes issued by Commerzbank Aktiengesellschaft

- (b) die Emittentin (in dieser Eigenschaft „Garantin“ genannt) unbeding und unwiderruflich zugunsten der Anleihegläubiger die Erfüllung aller von der Neuen Emittentin zu übernehmenden Zahlungsverpflichtungen unter Garantiebedingungen, wie sie die Garantin üblicherweise für Anleiheemissionen ihrer Finanzierungsgesellschaften abgibt, garantiert und der Text dieser Garantie gemäß § [12] veröffentlicht wurde; und

- (b) the Issuer (in this capacity referred to as the "Guarantor") has unconditionally and irrevocably guaranteed to the Noteholders compliance by the New Issuer with all payment obligations assumed by it under guarantee terms usually given by the Guarantor with respect to note issues by any of its finance companies and the text of this guarantee has been published in accordance with § [12]; and

Der folgende Absatz (b) ist nur auf nachrangige Teilschuldverschreibungen der Commerzbank Aktiengesellschaft anwendbar

(b) (i) die Emittentin (in dieser Eigenschaft „Garantin“ genannt) unbeding und unwiderruflich zugunsten der Anleihegläubiger die Erfüllung aller von der Neuen Emittentin zu übernehmenden Zahlungsverpflichtungen unter Garantiebedingungen, wie sie die Garantin üblicherweise für Anleiheemissionen ihrer Finanzierungsgesellschaften abgibt, garantiert hat, (ii) die Ansprüche der Inhaber von Teilschuldverschreibungen^{3,7}[und Zinsscheinen] aus der Garantie im gleichen Umfang (jedoch nicht darüber hinaus) nachrangig sind, wie die vor der Schuldnerersetzung bestehenden Ansprüche der Inhaber von Teilschuldverschreibungen^{3,7}[und Zinsscheinen] aus den Teilschuldverschreibungen^{3,7}[und Zinsscheinen] und (iii) der Text dieser Garantie gemäß § [12] veröffentlicht wurde;

The following Paragraph (b) shall be applicable only to subordinated Notes issued by Commerzbank Aktiengesellschaft

(b) (i) the Issuer (in this capacity referred to as the “Guarantor”) has unconditionally and irrevocably guaranteed to the Noteholders compliance by the New Issuer with all payment obligations assumed by it under guarantee terms usually given by the Guarantor with respect to note issues by any of its finance companies, (ii) the claims of the Noteholders^{3,7}[and the holders of Coupons] under this guarantee shall be subordinated to the same extent (but not further) as the claims of the Noteholders^{3,7}[and holders of Coupons] under the Notes^{3,7}[and the Coupons] prior to the substitution, and (iii) the text of this guarantee has been published in accordance with § [12];

Der folgende Absatz (b) ist nur auf nicht-nachrangige Teilschuldverschreibungen der Commerzbank Overseas Finance N. V. anwendbar.

(b) die Garantin, außer in dem Fall, daß sie selbst die Neue Emittentin ist, unbeding und unwiderruflich gemäß den Bedingungen der Garantie die Erfüllung aller von der Neuen Emittentin zu übernehmenden Zahlungsverpflichtungen garantiert hat;

The following Paragraph (b) shall only be applicable to unsubordinated Notes issued by Commerzbank Overseas Finance N. V.

(b) the Guarantor has, unless the Guarantor is the New Issuer, unconditionally and irrevocably guaranteed, on the Terms of the Guarantee, fulfilment by the New Issuer of all payment obligations assumed by it;

Der folgende Absatz (b) ist nur auf nachrangige Teilschuldverschreibungen der Commerzbank Overseas Finance N. V. anwendbar.

(b) die Garantin, außer in dem Fall, daß sie selbst die Neue Emittentin ist, unbeding und unwiderruflich gemäß den Bedingungen der Garantie die Erfüllung der Zahlungsverpflichtungen der Neuen Emittentin garantiert hat und die Ansprüche der Inhaber von Teilschuldverschreibungen^{3,7}[und der Inhaber von Zinsscheinen] aus der Garantie im gleichen Umfang (jedoch nicht darüber hinaus) nachrangig sind, wie die vor der Schuldnerersetzung bestehenden Ansprüche der Inhaber von Teilschuldverschreibungen^{3,7}[und Zinsscheinen] aus den Teilschuldverschreibungen^{3,7}[und Zinsscheinen];

The following Paragraph (b) shall only be applicable to Subordinated Notes issued by Commerzbank Overseas Finance N. V.

(b) the Guarantor has, unless the Guarantor is the New Issuer, unconditionally and irrevocably guaranteed, the payment of all sums payable by the New Issuer on the Terms of the Guarantee and the claims of the Noteholders^{3,7}[and the holders of Coupons] in respect of the Guarantee shall be subordinated to the same extent (but not further) as the claims of the Noteholders and^{3,7}[holders of Coupons] under the Notes^{3,7}[and the Coupons] prior to the substitution;

(c) die Neue Emittentin und die Garantin alle erforderlichen staatlichen Ermächtigungen, Erlaubnisse, Zustimmungen und Bewilligungen in den Ländern erlangt haben, in denen die Garantin und/oder die Neue Emittentin ihren Sitz haben oder nach deren Recht sie gegründet sind[.]; und]

(c) the New Issuer and the Guarantor have obtained all governmental authorisations, approvals, consents and permissions necessary in the jurisdictions in which the Guarantor and/or the New Issuer are domiciled or the country under the laws of which they are organised[.]; and]

Der folgenden Absatz (d) ist nur auf nachrangige Teilschuldverschreibungen anwendbar

(d) einziger Zweck der Neuen Emittentin¹[(es sei denn, die Garantin ist die Neue Emittentin)] die Aufnahme von Mitteln ist, die von der Commerzbank Aktiengesellschaft und deren Tochtergesellschaften im Rahmen ihrer üblichen Geschäftsaktivitäten verwendet werden.

The following Paragraph (d) shall only be applicable to subordinatd Notes

(d) the sole purpose of the New Issuer¹[(unless the Guarantor is the New Issuer)] is to raise funds to be used by Commerzbank Aktiengesellschaft and its subsidiaries in their usual business.

(5) Nach Ersetzung der Emittentin durch eine Neue Emittentin findet dieser § [11] erneut Anwendung.

(5) Upon any substitution of the Issuer for a New Issuer, this § [11] shall apply again.

(6) Die²[Emittentin]¹[Garantin] kann jederzeit durch Bekanntmachung gemäß § [12] eine Betriebsstätte der²[Emittentin]¹[Garantin] außerhalb der Bundesrepublik Deutschland zu der Betriebsstätte bestimmen, die primär für die rechtzeitige und pünktliche Zahlung auf die dann ausstehenden Teilschuldverschreibungen und die Erfüllung aller anderen, sich aus diesen Teilschuldverschreibungen

(6) The²[Issuer]¹[Guarantor] may at any time, designate by publication in accordance with § [12] any branch (Betriebsstätte) of the²[Issuer]¹[Guarantor] outside the Federal Republic of Germany as the branch (Betriebsstätte) primarily responsible for the due and punctual payment in respect of the Notes then outstanding and the performance of all of the²[Issuer’s]

gen ergebenden Verpflichtungen der ²[Emittentin] ¹[Garantin] verantwortlich ist.

Die Absätze (4)(c) und (5) dieses § [11] gelten entsprechend für eine solche Bestimmung.

¹[Guarantor's] other obligations under the Notes then outstanding.

Paragraphs (4)(c) and (5) of this § [11] shall apply mutatis mutandis to such designation.

Der folgende § [11] ist nur auf nachrangige Teilschuldverschreibungen in Form von Dritrangmitteln der Commerzbank Aktiengesellschaft anwendbar.

The following § [11] shall only be applicable to subordinated Notes in the form of tier three capital of Commerzbank Aktiengesellschaft.

**§ [11]
(Betriebsstättenersetzung)**

- (1) Die Emittentin kann jederzeit durch Bekanntmachung gemäß § [12] eine Betriebsstätte der Emittentin außerhalb der Bundesrepublik Deutschland (die „Verantwortliche Betriebsstätte“) zu der Betriebsstätte bestimmen, die primär für die rechtzeitige und pünktliche Zahlung auf die dann ausstehenden Teilschuldverschreibungen und die Erfüllung aller anderen, sich aus diesen Teilschuldverschreibungen ergebenden Verpflichtungen der Emittentin verantwortlich ist.
- (2) Eine solche Bestimmung einer Verantwortlichen Betriebsstätte ist nur zulässig, wenn die Verantwortliche Betriebsstätte alle erforderlichen staatlichen Ermächtigungen, Erlaubnisse, Zustimmungen und Bewilligungen in den Ländern erlangt hat, in denen die Verantwortliche Betriebsstätte ihren Sitz hat oder nach deren Recht sie gegründet ist.

**§ [11]
(Branch Designation)**

- (1) The Issuer may at any time, designate by publication in accordance with § [12] any branch (Betriebsstätte) of the Guarantor outside the Federal Republic of Germany (the “Responsible Branch”) as the branch (Betriebsstätte) primarily responsible for the due and punctual payment in respect of the Notes then outstanding and the performance of all of the Issuer's other obligations under the Notes then outstanding.
- (2) No such designation shall be permitted unless the Responsible Branch has obtained all governmental authorisations, approvals, consents and permissions necessary in the jurisdictions in which the Responsible Branch is domiciled or the country under the laws of which it is organised.

**§ [12]
(Bekanntmachungen)**

Der folgende Absatz (1) ist nur auf Teilschuldverschreibungen anwendbar, die an einer deutschen Wertpapierbörse notiert sind.

- (1) Die Teilschuldverschreibungen betreffende Bekanntmachungen werden in einer führenden Tageszeitung mit allgemeiner Verbreitung in Deutschland, die solange die Teilschuldverschreibungen zum Geregelten Markt oder zum Börsenhandel mit amtlicher Notierung an einer deutschen Wertpapierbörse notiert sind, ein überregionales Börsenpflichtblatt dieser Wertpapierbörse sein muß, veröffentlicht (voraussichtlich [[die Börsen-Zeitung] / [andere Tageszeitung]]. Eine Mitteilung gilt mit dem Tag ihrer Veröffentlichung (oder bei mehreren Mitteilungen mit dem Tage der ersten Veröffentlichung) als erfolgt.

**§ [12]
(Notices)**

The following Paragraph (1) shall only be applicable to Notes which are listed on a German stock exchange

- (1) As long as the Notes are admitted to trading with non-official or official listing on a German stock exchange, notices relating to the Notes shall be published in a leading daily newspaper of general circulation in the Federal Republic of Germany which shall be a mandatory newspaper with nationwide circulation designated by such stock exchange (this newspaper is expected to be the [[Börsen-Zeitung] / [other newspaper]]. A notice shall be deemed to be effected on the day of its publication (or in the case of more than one publication on the day of the first publication).

Der folgende Absatz (1) ist nur auf Teilschuldverschreibungen anwendbar, die an der Luxemburger Börse notiert sind.

- (1) Die Teilschuldverschreibungen betreffende Bekanntmachungen werden in einer führenden Tageszeitung mit allgemeiner Verbreitung in Luxemburg (voraussichtlich [[das Luxemburger Wort] / [andere Tageszeitung]]) veröffentlicht. Eine Mitteilung gilt mit dem Tag ihrer Veröffentlichung (oder bei mehreren Mitteilungen mit dem Tage der ersten Veröffentlichung) als erfolgt.

The following Paragraph (1) shall only be applicable to Notes which are listed on the Luxembourg Stock Exchange

- (1) Notices relating to the Notes shall be published in a leading daily newspaper of general circulation in Luxembourg (this newspaper is expected to be the [[Luxemburger Wort] / [other newspaper]]. A notice shall be deemed to be effected on the day of its publication (or in the case of more than one publication on the day of the first publication).

Der folgende Absatz (1) ist nur auf Teilschuldverschreibungen anwendbar, die an einer anderen Börse notiert sind

- (1) Bekanntmachungen erfolgen in Einklang mit den Regeln der Börse, an der die Teilschuldverschreibungen notiert sind.

The following Paragraph (1) shall only be applicable to Notes which are listed on a different Stock Exchange

- (1) Notices shall be made in accordance with the rules of the stock exchange on which the Notes are listed.

Die folgenden Absätze (2) und (3) sind auf alle börsennotierten Teilschuldverschreibungen anwendbar

- (2) Sofern die Regularien der Börse, an der die Teilschuldverschreibungen notiert sind, dies zulassen, ist die Emittentin

The following Paragraphs (2) and (3) shall be applicable to all Notes listed on a stock exchange

- (2) The Issuer shall also be entitled to make notices to the Clearing-System for communication by the Clearing-

berechtigt, Bekanntmachungen auch durch eine Mitteilung an das Clearing-System zur Weiterleitung an die Anleihegläubiger oder durch eine schriftliche Mitteilung direkt an die Anleihegläubiger zu bewirken. Bekanntmachungen über das Clearing-System gelten sieben Tage nach der Mitteilung an das Clearing-System, direkte Mitteilungen an die Anleihegläubiger mit ihrem Zugang als bewirkt.

Der folgende Absatz ist nur auf Teilschuldverschreibungen mit variablem Zinssatz anwendbar, die an der Luxemburger Börse notiert sind

Bekanntmachungen in Bezug auf die Teilschuldverschreibungen, die den Zinssatz, den zahlbaren Zinsbetrag und den Zinszahlungstag betreffen, erfolgen nach diesem Absatz (2).

- (3) Der Text von gemäß diesem § [12] erfolgenden Bekanntmachungen ist auch bei den Zahlstellen erhältlich, die am betreffenden Börsenplatz bestellt sind.

System to the Noteholders or directly to the Noteholders provided this complies with the rules of the stock exchange on which the Notes are listed. Notices to the Clearing-System shall be deemed to be effected seven days after the notification to the Clearing-System, direct notices to the Noteholders shall be deemed to be effected upon their receipt.

The following Paragraph shall only be applicable to floating rate Notes which are listed on the Luxembourg Stock Exchange

Notices relating to the Notes in respect of the interest rate, the interest amount payable in respect of each Note and the Interest Payment Date shall be made in accordance with this Paragraph (2).

- (3) The text of any publication to be made in accordance with this § [12] shall also be available at the Paying Agents appointed at the place of the relevant stock exchange.

Der folgende Absatz ist nur auf Teilschuldverschreibungen anwendbar, die nicht an einer Börse notiert sind.

Die Teilschuldverschreibungen betreffende Bekanntmachungen werden durch eine Mitteilung an das Clearing-System zur Weiterleitung an die Anleihegläubiger oder durch eine schriftliche Mitteilung direkt an die Anleihegläubiger bewirkt. Bekanntmachungen über das Clearing-System gelten sieben Tage nach der Mitteilung an das Clearing-System, direkte Mitteilungen an die Anleihegläubiger mit ihrem Zugang als bewirkt.

The following Paragraph shall only be applicable to Notes which are not listed on a stock exchange

Notices relating to the Notes shall be made to the Clearing-System for communication by the Clearing-System to the Noteholders or directly to the Noteholders. Notices via the Clearing-System shall be deemed to be effected seven days after the notice to the Clearing-System, direct notices of the Noteholders shall be deemed to be effected upon their receipt.

§ [13] (Schlußbestimmungen)

Der folgende Absatz (1) ist nur auf Teilschuldverschreibungen anwendbar, die keine variabel verzinsliche, Doppelwährungs-, indexierte oder andere strukturierte Teilschuldverschreibungen sind.

- (1) Form und Inhalt der Teilschuldverschreibungen^{3,7}[und der Zinsscheine] ¹[und der Garantie] sowie die Rechte und Pflichten der Anleihegläubiger, der Emittentin und der Zahlstellen bestimmen sich in jeder Hinsicht nach dem Recht der Bundesrepublik Deutschland.

§ [13] (Final Clauses)

The following Paragraph (1) shall only be applicable to Notes other than floating rate Notes, dual currency Notes, indexed or other structured Notes.

- (1) The form and content of the Notes^{3,7}[and Coupons] ¹[and the Guarantee] and the rights and duties of the Noteholders, the Issuer and the Paying Agents shall in all respects be governed by the laws of the Federal Republic of Germany.

Der folgende Absatz (1) ist nur auf variabel verzinsliche, Doppelwährungs-, indexierte oder andere strukturierte Teilschuldverschreibungen anwendbar.

- (1) Form und Inhalt der Teilschuldverschreibungen^{3,7}[und der Zinsscheine] ¹[und der Garantie] sowie die Rechte und Pflichten der Anleihegläubiger, der Emittentin, der Berechnungsbank und der Zahlstellen bestimmen sich in jeder Hinsicht nach dem Recht der Bundesrepublik Deutschland.

The following Paragraph (1) shall only be applicable to floating rate Notes, dual currency Notes, indexed or other structured Notes.

- (1) The form and content of the Notes^{3,7}[and Coupons] ¹[and the Guarantee] and the rights and duties of the Noteholders, the Issuer, the Calculation Agent and the Paying Agents shall in all respects be governed by the laws of the Federal Republic of Germany.

- (2) Sollte eine Bestimmung dieser Anleihebedingungen ganz oder teilweise rechtsunwirksam sein oder werden, so sollen die übrigen Bestimmungen wirksam bleiben. Unwirksame Bestimmungen sollen dann dem Sinn und Zweck dieser Anleihebedingungen entsprechend ersetzt werden.

- (3) Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.

- (4) Gerichtsstand ist Frankfurt am Main, Bundesrepublik Deutschland. ¹[Die Emittentin unterwirft sich hiermit ausdrücklich der Gerichtsbarkeit der Gerichte der Bundesrepublik Deutschland. Die Anleihegläubiger können jedoch nach ihrer Wahl ihre Ansprüche auch vor jedem zuständigen Gericht in den Niederländischen Antillen geltend machen. Auch vor diesen Gerichten ist ausschließlich das Recht der Bundesrepublik Deutschland anzuwenden.]

- (2) Should any provision of these Terms and Conditions of the Notes be or become void in whole or in part, the other provisions shall remain in force. Void provisions shall be replaced in accordance with the meaning and purpose of these Terms and Conditions of the Notes.

- (3) Place of performance is Frankfurt am Main, Federal Republic of Germany.

- (4) Place of jurisdiction shall be Frankfurt am Main, Federal Republic of Germany. ¹[The Issuer hereby expressly submits to the jurisdiction of the courts of the Federal Republic of Germany. The Noteholders, however, are entitled at their option to pursue their claims also before any competent court in the Netherlands Antilles. In any such courts the laws of the Federal Republic of Germany shall likewise be applied.]

(5) Für die Kraftloserklärung abhanden gekommener oder vernichteter Teilschuldverschreibungen sind ausschließlich die Gerichte der Bundesrepublik Deutschland zuständig.

(5) The courts of the Federal Republic of Germany shall have exclusive jurisdiction over the annulment of lost or destroyed Notes.

Der folgende Absatz ist nur auf Teilschuldverschreibungen der Commerzbank Overseas Finance N. V. anwendbar.

(•) Die Emittentin erteilt der Commerzbank Aktiengesellschaft, Kaiserplatz, 60261 Frankfurt am Main, Bundesrepublik Deutschland, unter Befreiung von den Beschränkungen des § 181 BGB Zustellungsvollmacht bezüglich dieser Anleihe, jedoch nur für Verfahren, die vor Gerichten in der Bundesrepublik Deutschland eingeleitet werden.

The following Paragraph shall only be applicable to Notes issued by Commerzbank Overseas Finance N. V.

(•) The Issuer grants to Commerzbank Aktiengesellschaft, Kaiserplatz, 60261 Frankfurt am Main, Federal Republic of Germany, a Power of Attorney with exemption from the restrictions of § 181 of the German Civil Code to accept service of any process in connection with this Issue but only in respect of legal actions instituted before courts in the Federal Republic of Germany.

Der folgende Absatz ist nur anwendbar, wenn diese Anleihebedingungen in deutscher und englischer Sprache erstellt werden.

(•) Die [deutsche / englische] Version dieser Anleihebedingungen ist bindend. Die [deutsche / englische] Übersetzung dient ausschließlich Informationszwecken ³[und ist bei den Zahlstellen erhältlich].

The following Paragraph shall only be applicable if these Terms and Conditions are drafted both in the German and the English language

(•) The [German / English] version of these Terms and Conditions of the Notes shall be binding. The [German / English] translation is for convenience only ³[and may be obtained at the Paying Agents].

HANDLUNGSANWEISUNG FÜR DEN GEBRAUCH DER PROGRAMM- GARANTIEBEDINGUNGEN

Diese Programm-Garantiebedingungen der Commerzbank Aktiengesellschaft für Teilschuldverschreibungen gelten für eine Serie von Teilschuldverschreibungen, die von der Commerzbank Overseas Finance N.V. unter dem Euro 25,000,000,000 Medium Term Note Programm der Commerzbank Aktiengesellschaft und der Commerzbank Overseas Finance N.V. emittiert werden.

Diese Programm-Garantiebedingungen werden angepaßt durch Einfügung der Bestimmungen des Konditionenblatts und durch Streichung sämtlicher Bestimmungen in den Garantiebedingungen, die für diese Serie von Teilschuldverschreibungen nicht gelten. Im Hinblick auf eine Serie von Teilschuldverschreibungen werden diese Programm-Garantiebedingungen in ihrer Gesamtheit durch die Garantie ersetzt. Sofern und soweit die Garantie von den Bedingungen des Konditionenblatts abweicht, gelten die Bedingungen der Garantie.

Der deutsche Text der Garantie ist ausschließlich rechtlich maßgeblich.

Die Garantiebedingungen in der für die jeweilige Serie der Teilschuldverschreibungen geltenden Form (die „Garantie“) werden jeder temporären und/oder permanenten Global-Inhaberschuldverschreibung (die „Globalurkunde“) beigeheftet. Die Garantie wird darüber hinaus auf der Rückseite etwaiger effektiver Teilschuldverschreibungen („Effektive Stücke“) aufgedruckt, die im Austausch gegen die die Teilschuldverschreibungen einer dieser Serie verbrieften Globalurkunde ausgegeben werden.

Im Hinblick auf alle Serien von Teilschuldverschreibungen, für deren Anleihebedingungen ausschließlich der deutsche Text rechtsverbindlich ist, wird die englische Übersetzung der Garantie weder einer Globalurkunde beigelegt, noch auf der Rückseite Effektiver Stücke aufgedruckt.

Im Hinblick auf alle Serien von Teilschuldverschreibungen, für deren Anleihebedingungen ausschließlich der englische Text rechtsverbindlich ist, wird jeder Globalurkunde eine unverbindliche englische Übersetzung der Garantie beigelegt und eine unverbindliche englische Übersetzung der Garantie auf der Rückseite Effektiver Stücke aufgedruckt.

In jedem Fall ist eine unverbindliche englische Übersetzung der Garantie bei der jeweiligen Hauptzahlstelle und den Zahlstellen am Ort der Börsennotierung erhältlich.

Bestimmungen in eckigen Klammern, vor denen

- (i) **„1“** steht, sind nur auf festverzinsliche Teilschuldverschreibungen,
- (ii) **„2“** steht, sind nur auf Null-Kupon-Teilschuldverschreibungen,
- (iii) **„3“** steht, sind nur auf Teilschuldverschreibungen mit strukturierten Zinssatz anwendbar
- (iv) **„4“** steht, sind nur auf Teilschuldverschreibungen mit variablem Zinssatz,
- (v) **„5“** steht, sind nur auf nachrangige Teilschuldverschreibungen (mit Ausnahme von Drittrangmitteln der Commerzbank Aktiengesellschaft),
- (vi) **„6“** steht, sind nur auf die in Form effektiver Stücke ausgegebenen Teilschuldverschreibungen mit Ausnahme von Null-Kupon-Teilschuldverschreibungen,
- (vii) **„7“** steht, sind auf alle Teilschuldverschreibungen mit Ausnahme von Null-Kupon-Teilschuldverschreibungen anwendbar.

INSTRUCTIONS FOR THE USE OF THE PROGRAMME TERMS OF THE GUARANTEE

These Programme Terms of the Guarantee of Commerzbank Aktiengesellschaft for Notes apply to Series of Notes issued by Commerzbank Overseas Finance N.V. under the Euro 25,000,000,000 Medium Term Note Programme of Commerzbank Aktiengesellschaft and Commerzbank Overseas Finance N.V.

These Programme Terms of the Guarantee shall be amended by incorporating the terms of the Pricing Supplement and by deleting all provisions in the Terms of the Guarantee not applicable to such Series of Notes. In respect of a particular Series of Notes the terms of the Guarantee shall replace these Programme Terms of the Guarantee in their entirety. If and to the extent the Guarantee deviates from the terms of the Pricing Supplement, the Guarantee shall prevail.

The German text of the Guarantee shall be exclusively legally binding.

The Terms of the Guarantee in the form applicable to the respective Series of Notes (the „Guarantee“) will be attached to each temporary and/or permanent global bearer note (the „Global Note“). The Guarantee will also be endorsed on the Notes in definitive form (the „Definitive Notes“) (if any) issued in exchange for the Global Note representing the Notes of such Series.

With respect to all Series of Notes for which the German text of the Terms and Conditions of the Notes is exclusively legally binding, the English translation of the Guarantee shall neither be attached to a Global Note nor be endorsed on Definitive Notes.

With respect to all Series of Notes for which the English text of the Terms and Conditions of the Notes is exclusively legally binding, an English convenience translation of the Guarantee will be attached to each Global Note and an English convenience translation of the Guarantee will be endorsed on Definitive Notes.

In any case a non-binding English translation of the Guarantee shall be available at the offices of the respective Principal Paying Agent and the Paying Agents at the place where the Notes are listed.

Provisions in square brackets preceded by

- (i) **“1”** shall only be applicable to fixed rate Notes;
- (ii) **“2”** shall only be applicable to zero-coupon- Notes;
- (iii) **“3”** shall only be applicable to Notes with structured interest rates;
- (iv) **“4”** shall only be applicable to floating rate Notes;
- (v) **“5”** shall only be applicable to subordinated Notes (except for tier three capital of Commerzbank Aktiengesellschaft);
- (vi) **“6”** shall only be applicable in the case of Notes issued in the form of definitive Notes except Zero Coupon-Notes;
- (vii) **“7”** shall be applicable to all Notes except Zero Coupon-Notes.

Sonstige Bestimmungen in eckigen Klammern sind nach Maßgabe des Konditionenblatts wie vorgesehen zu ergänzen. Nicht anwendbare Alternativen sind zu streichen.

Other terms in square brackets are to be supplemented as indicated in accordance with the Pricing Supplement. Alternatives which are not applicable shall be deleted.

GARANTIEBEDINGUNGEN

der
COMMERZBANK AKTIENGESELLSCHAFT,
Frankfurt am Main, Bundesrepublik Deutschland

zugunsten der Gläubiger der

**[Emissionswährung] [Gesamtnennbetrag]
[nachrangige] [[*]%/variabel verzinsliche/
Null-Kupon-/Doppelwährungs-/Stufenzins-/
Indexierte/Strukturierte]
Anleihe von 200[*]/20[*]**

der
COMMERZBANK OVERSEAS FINANCE N. V.,
Curaçao, Niederländische Antillen

(„**Emittentin**“)

- (1) Commerzbank Aktiengesellschaft (nachstehend „**Garantin**“ genannt) garantiert hiermit ⁵[nach Maßgabe der Bestimmungen über die Nachrangigkeit gemäß § 8 der Anleihebedingungen] den Inhabern von Teilschuldverschreibungen ⁶[und/ oder etwaiger Zinsscheine] („Anleihegläubiger“) unbedingt und unwiderruflich die ordnungsgemäße Zahlung ⁷[der Zinsen und des Kapitals – sowie etwaiger zusätzlicher Beträge (die „Zusätzlichen Beträge“) gemäß § 6 Absatz (1) der Anleihebedingungen] ²[sämtlicher geschuldeter Beträge einschließlich etwaiger zusätzlicher Beträge (die „Zusätzlichen Beträge“) gemäß § 6 Absatz (1) der Anleihebedingungen] für die obengenannten Inhaber-Teilschuldverschreibungen gemäß den Anleihebedingungen.

⁵[Im Falle des Insolvenzverfahrens über das Vermögen der Garantin oder der Liquidation der Garantin (jeweils ein „Subordinationsfall der Garantin“), sind alle Zahlungsansprüche aus dieser Garantie nachrangig gegenüber sämtlichen nicht nachrangigen Zahlungsansprüchen gegen die Garantin. Dies gilt nicht für solche Verbindlichkeiten, die kraft ihrer Ausgestaltung oder ihrer gesetzlichen Rangfolge den Zahlungsansprüchen aus der Garantie gleichrangig oder nachrangig sind.]

Begriffe, die in den Anleihebedingungen definiert sind, haben die gleiche Bedeutung in dieser Garantie.

- (2) Sinn und Zweck dieser Garantie ist es sicherzustellen, daß unter allen Umständen, unter denen eine Zahlung durch die Emittentin unterbleiben mag, und ungeachtet der Wirksamkeit und Durchsetzbarkeit der Verpflichtungen, die die Emittentin unter den Teilschuldverschreibungen eingegangen ist, die Anleihegläubiger die als ⁷[Zinsen und] Kapital zahlbaren Beträge einschließlich der in § 6 Absatz (1) der Anleihebedingungen vorgesehenen zusätzlichen Beträge zu den in den Anleihebedingungen festgesetzten Fälligkeitsterminen in der dort festgesetzten Weise erhalten.
- (3) Alle Rechte aus dieser Garantie werden ausschließlich von den Anleihegläubigern wahrgenommen. Die Garantin wird ⁵[nach Maßgabe der Bestimmungen über die Nachrangigkeit gemäß § 8 der Anleihebedingungen] auf erste schriftliche Anforderung des jeweiligen Anleihegläubigers unverzüglich alle Beträge zahlen, die erforderlich sind, um den in Absatz (2) genannten Sinn und Zweck zu erreichen. Falls die Garantin kraft Gesetzes verpflichtet sein sollte, von einer solchen Zahlung Steuern, Abgaben oder behördliche Gebühren irgendwelcher Art, die durch oder für die Bundesrepublik Deutschland oder irgendeine dort zur Steuererhebung ermächtigte Stelle auferlegt oder erhoben werden, abzuziehen oder einzubehalten, dann wird die Garantin vorbehaltlich der Ausnahmen gemäß § 6 der Anleihebedingungen diejenigen zusätzlichen Beträge zahlen, die

TERMS OF THE GUARANTEE

of
COMMERZBANK AKTIENGESELLSCHAFT,
Frankfurt am Main, Federal Republic of Germany

in favour of the holders of the

**[Issue Currency] [Aggregate Principal Amount]
[subordinated] [[*] per cent./Floating Rate/
Zero Coupon/Dual Currency/Step-up/Step-down/
Indexed/Structured] Notes
of 200[*]/20[*]**

issued by
COMMERZBANK OVERSEAS FINANCE N. V.,
Curaçao, Netherlands Antilles

(„**Issuer**“)

- (1) Commerzbank Aktiengesellschaft (hereinafter called the „**Guarantor**“) hereby unconditionally and irrevocably guarantees ⁵[subject to the subordination provision in § 8 of the Terms and Conditions of the Notes] to the holders of Notes ⁶[and/or Interest Coupons] („**Noteholders**“) the due payment ⁷[of interest and principal on the Notes as well as of all additional amounts (the „Additional Amounts“) pursuant to § 6 Paragraph (1) of the Terms and Conditions of the Notes, if any, payable in respect of the Notes] ²[of all amounts payable in respect of the Notes including any additional amounts (the „Additional Amounts“) pursuant to § 6 Paragraph (1) of the Terms and Conditions of the Notes, if any,] in respect of the above bearer Notes pursuant to the Terms and Conditions of the Notes.

⁵[If the assets of the Guarantor shall be subject to insolvency proceedings („Insolvenzverfahren“) or in the case of the dissolution („Liquidation“) of the Guarantor (each a „Guarantor Subordination Event“) any amounts payable under this Guarantee will be subordinated in right of payment to all unsubordinated claims against the Guarantor. This does not apply to those obligations which, by their terms or by law, rank pari passu with or junior to any amount payable under the Guarantee.]

Terms defined in the Terms and Conditions of the Notes shall have the same meaning in this Guarantee.

- (2) The intent and purpose of this Guarantee is to ensure that the Noteholders, under any and all circumstances by reason of which the Issuer may fail to effect payment, and regardless of the validity and enforceability of the Issuer's obligations under the Notes, shall receive the amounts payable as ⁷[interest and] principal as and when due and payable pursuant to the Terms and Conditions of the Notes, including any additional amounts as set forth in § 6 Paragraph (1) of the Terms and Conditions of the Notes.
- (3) All rights arising from this Guarantee shall be exercised exclusively by the Noteholders. The Guarantor shall ⁵[subject to the subordination provision in § 8 of the Terms and Conditions of the Notes] upon first written demand of the relevant Noteholder pay without undue delay all amounts required to achieve the intent and purpose described in Paragraph (2) above. If the Guarantor should be required by law to deduct or withhold from such payment any taxes, duties or governmental charges whatsoever, imposed or levied by or on behalf of the Federal Republic of Germany or any taxing authority therein, then, except as otherwise provided in § 6 of the Terms and Conditions of the Notes, the Guarantor shall pay such additional amounts, as may be necessary, in order that the net amounts after such deduction or

dazu erforderlich sind, daß der nach einem solchen Abzug oder Einbehalt verbleibende Nettobetrag denjenigen Beträgen von ⁷[Zinsen und] Kapital entspricht, die ohne solchen Abzug oder Einbehalt zu zahlen gewesen wären.

- (4) Die Verpflichtungen aus dieser Garantie bleiben auch im Falle der Auflösung oder einer Änderung der Rechtsform der Emittentin oder im Falle einer Ersetzung der Emittentin durch eine Neue Emittentin gemäß § 11 der Anleihebedingungen bestehen.
- (5) Form und Inhalt dieser Garantie und alle sich aus ihr ergebenden Rechte und Pflichten unterliegen dem Recht der Bundesrepublik Deutschland. Erfüllungsort und Gerichtsstand ist Frankfurt am Main.
- (6) Der deutsche Text dieser Garantiebedingungen ist ausschließlich rechtlich maßgeblich.

withholding shall equal the amounts of ⁷[interest and] principal that would have been payable if no such deduction or withholding had been made.

- (4) The obligations under this Guarantee shall remain in force, notwithstanding any dissolution or change in the legal form of the Issuer, or any substitution of the Issuer by a New Issuer in accordance with § 11 of the Terms and Conditions of the Notes.
- (5) The form and content of this Guarantee and all the rights and duties hereunder shall be governed by the laws of the Federal Republic of Germany. Place of performance and place of jurisdiction shall be Frankfurt am Main.
- (6) The German text of these Terms of the Guarantee shall be exclusively legally binding.

Use of Proceeds

The net proceeds of each issue of Notes will be available to the Commerzbank Group to be used for corporate purposes.

General

Commerzbank Aktiengesellschaft

Commerzbank Aktiengesellschaft (hereinafter in this section also referred to as the "Bank") was originally established as Commerz-und-Disconto-Bank in Hamburg in 1870. The Bank was established in its present form through the re-merger of the post-war successor institutions of 1952 on July 1, 1958. The registered office of the Bank is located in Frankfurt am Main and its headquarters are at Kaiserplatz, D-60261 Frankfurt am Main. The Bank is registered under number HRB 32 000 in the commercial register of the lower regional court (*Amtsgericht*) of Frankfurt am Main.

The object of the Bank is the handling of banking business of every kind and any operations in connection therewith. The Bank is entitled to establish domestic and foreign branches and to acquire participations in other enterprises.

Commerzbank is a German private-sector bank. It functions as both a commercial and an investment bank, as well as being active in specialised fields – partially covered by subsidiaries within the Commerzbank Group – such as mortgage banking and real-estate business, leasing and asset management. Services are centred on managing customers' accounts and handling payment transactions, loan, savings and investment schemes, and on securities transactions. Additional services are offered within the framework of the Bank's bankassurance strategy of cooperating with leading companies in finance-related sectors, including home loan savings schemes and the insurance business. The Group's operative activities are bundled into two divisions: Retail Banking and Asset Management, on the one hand, and Corporate Banking and Investment Banking, on the other.

As at March 31, 2002, the Bank had a country-wide network of 789 branch offices with a three-tier structure. Commerzbank maintains 20 main branches in the Federal Republic of Germany, supported by 102 regional branches with a further 667 branch offices operating at the third tier.

Subsidiaries and Associated Companies

The Bank has roughly 50 subsidiaries in the Federal Republic of Germany, the most prominent of which are: ADIG Allgemeine Deutsche Investment-Gesellschaft mbH, Munich/ Frankfurt am Main; CBG Commerz Beteiligungsgesellschaft Holding mbH, Bad Homburg v.d.H.; CFM Commerz Finanz Management GmbH, Frankfurt am Main; comdirect bank AG, Quickborn; Commerz Asset Managers GmbH, Frankfurt am Main; Commerzbank Investment Management GmbH, Frankfurt am Main; Commerz Grundbesitzgesellschaft mbH, Wiesbaden; CommerzLeasing und Immobilien AG, Düsseldorf; Commerz NetBusiness AG, Frankfurt am Main; Hypothekenbank in Essen AG, Essen; RHEINHYP Rheinische Hypothekenbank AG, Frankfurt am Main, and Deutsche Schiffsbank AG, Bremen/Hamburg.

Outside the Federal Republic of Germany, the Bank is represented in all major economic and financial centres. Branches and agencies are maintained in Antwerp, Atlanta (Agency), Barcelona, Brno (Office), Brussels, Chicago, Grand Cayman, Hong Kong, Johannesburg, Labuan, London, Los Angeles, Madrid, Milan, New York, Paris, Prague, Shanghai, Singapore and Tokyo.

Representative offices are maintained in Almaty, Bahrain, Bangkok, Beijing, Beirut, Bratislava, Brussels, Bucharest, Buenos Aires, Cairo, Caracas, Copenhagen, Istanbul, Jakarta, Kiev, Mexico City, Minsk, Moscow, Mumbai, Novosibirsk, São Paulo, Seoul, Taipei, Tashkent, Tehran and Zagreb.

In addition, the Bank's major subsidiaries and affiliates outside the Federal Republic of Germany include: ADIG-Investment Luxemburg S.A., Luxembourg; AFINA Bufete de Socios Financieros, S.A., Madrid; BRE Bank SA, Warsaw; Caisse Centrale de Réescompte S.A., Paris; Commerzbank (Budapest) Rt., Budapest; Commerzbank Capital Markets Corporation, New York; Commerzbank Capital Markets (Eastern Europe) a.s., Prague; Commerzbank (Eurasija) SAO, Moscow; Commerzbank Europe (Ireland), Dublin; Commerzbank International S.A., Luxembourg; Commerzbank International (Ireland), Dublin; Commerzbank (Nederland) N.V., Amsterdam; Commerzbank (South East Asia) Ltd., Singapore; Commerzbank (Switzerland) Ltd, Zurich/Geneva; Commerz (East Asia) Ltd., Hong Kong; Commerz Futures, LLC, Chicago; Commerz Securities (Japan) Co. Ltd., Hong Kong/Tokyo; Erste Europäische Pfandbrief- und Kommunalkreditbank AG, Luxembourg;

Hispano Commerzbank (Gibraltar) Ltd., Gibraltar; Jupiter International Group plc, London; Montgomery Asset Management, LLC, San Francisco; P.T. Bank Finconesia, Jakarta; Banque Marocaine du Commerce Extérieur, Casablanca; Korea Exchange Bank, Seoul; Majan International Bank SAOC, Muscat; and Unibanco – União de Bancos Brasileiros S.A., São Paulo.

Share Capital of the Bank

The registered share capital of the Bank currently amounts to € 1,409,737,227.60 divided into 542,206,626 no-par-value shares.

The shares are fully paid-up and are in bearer form. The shares are listed on all stock exchanges in the Federal Republic of Germany. They are also listed on the stock exchanges of London, Tokyo and on the Swiss Exchange, Zurich.

Capitalisation

The following table sets out the consolidated capitalisation (in accordance with International Accounting Standards) of the Bank as at March 31, 2002:

| | € (millions) |
|---|-----------------|
| Bonds and notes outstanding | 143,724 |
| Subordinated liabilities | 7,844 |
| Profit-sharing rights outstanding | 2,497 |
| Subscribed capital | 1,393 |
| Capital reserve | 6,191 |
| Retained earnings | 4,046 |
| Revaluation reserve | 307 |
| Measurement of cash flow hedges | – 49 |
| Reserve arising from currency translation | 99 |
| Minority interests | 1,203 |
| Total capitalisation | <u>167,255</u> |

Save as disclosed herein, there has been no material change in the consolidated capitalisation of the Bank since March 31, 2002.

Management

The Articles of Association provide that the Board of Managing Directors must consist of at least two members. The Board of Managing Directors currently comprises the following members:

- Klaus-Peter Müller, Chairman, Frankfurt am Main
- Martin Blessing, Frankfurt am Main
- Mehmet Dalman, Frankfurt am Main
- Wolfgang Hartmann, Frankfurt am Main
- Andreas de Maizière, Frankfurt am Main
- Michael Paravicini, Frankfurt am Main
- Klaus M. Patig, Frankfurt am Main
- Dr. Axel Freiherr von Ruedorffer, Frankfurt am Main

In accordance with the Articles of Association, the Supervisory Board consists of 20 members. Ten of them are elected by the general meeting of shareholders in accordance with the German Stock Corporation Act and the remaining members by the Bank's employees in accordance with the German Co-determination Act. The Supervisory Board currently comprises the following members:

Dr. Walter Seipp, Honorary Chairman, Frankfurt am Main
Dr. h. c. Martin Kohlhaussen, Chairman, Frankfurt am Main
Hans-Georg Jurkat, Deputy Chairman, Commerzbank AG, Cologne
Heinz-Werner Busch, Commerzbank AG, National Executive Committee – Association
Council, Deutscher Bankangestellten-Verband, Duisburg
Oswald Danzer, Commerzbank AG, Frankfurt am Main
Uwe Foullong, Head of Coordination, Financial Services of ver.di National Administration,
Berlin
Dott. Gianfranco Gutty, Presidente e Amministratore Delegato of Assicurazioni
Generali S.p.A., Trieste, Italy
Dr.-Ing. Otto Happel, Lucerne
Detlef Kayser, Commerzbank AG, Berlin
Dieter Klinger, Commerzbank AG, Hamburg
Dr. Torsten Locher, Commerzbank AG, Hamburg
Klaus Müller-Gebel, Frankfurt am Main
Mark Roach, ver.di National Administration, Berlin
Dr. Erhard Schipporeit, Member of the Board of Managing Directors of E.ON
Aktiengesellschaft, Düsseldorf
Werner Schönfeld, Commerzbank AG, Essen
Prof. Dr.-Ing. Ekkehard Schulz, Chairman of the Board of Managing Directors of
ThyssenKrupp AG, Düsseldorf
Alfred Seum, Commerzbank AG, Frankfurt am Main
Hermann Josef Strenger, Chairman of the Supervisory Board of Bayer AG, Leverkusen
Prof. Dr. Jürgen F. Strube, Chairman of the Board of Managing Directors
of BASF Aktiengesellschaft, Ludwigshafen
Dr. Klaus Sturany, Member of the Board of Managing Directors of RWE Aktiengesellschaft,
Essen
Dr.-Ing. E. h. Heinrich Weiss, Chairman of the Board of Managing Directors of SMS
Aktiengesellschaft, Hilchenbach and Düsseldorf

The business address of the members of the Board of Managing Directors and of the Supervisory Board is the registered office of the Bank.

General Meeting of Shareholders

The Annual General Meetings of Shareholders take place at the Bank's registered office, any other German stock exchange location or in a German city with a population greater than 250,000. They are convened by the Board of Managing Directors or the Supervisory Board.

Financial Year

The financial year of the Bank is the calendar year.

Appropriation of Profits

The Annual General Meeting decides upon the allocation of profit.

Auditors

The auditors of the Bank for the financial years 1999, 2000 and 2001 were PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Bockenheimer Anlage 15, D-60322 Frankfurt am Main, who have audited the financial statements of the Bank for the financial years ended December 31, 1999, 2000 and 2001 without qualification.

Litigation

Neither the Bank nor any of its consolidated subsidiaries is involved in any litigation or arbitration proceedings which may have, or have had during the last two financial years, a material impact on its financial position nor is the Bank aware that any such proceedings are pending or threatened.

management report and financial statements of the Commerzbank group 2001

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survey of the commerzbank group

International economy: unexpected slackening

Worldwide, there was a sharp slowdown of economic activity in 2001. At year-end, GDP was stagnating in most industrial countries. A development of this kind last occurred in the early eighties in the wake of the second oil-price shock. The downturn was caused by the end of the boom in information and communications technology, the rise in the price of crude oil and, not least, the tightening of monetary policy in the United States and the eurozone up to autumn 2000. In this phase of weakness, the world economy was hard hit by the terrorist attacks of September 11. Companies and households perceptibly lost confidence in the future, while in the financial markets, investors became less willing to take on risks. It was only the determined actions of the central banks, and in the U.S. fiscal policy as well, which prevented a deep recession.

In Germany, GDP grew by a mere 0.6% last year, compared with 3% in 2000. The slowdown was primarily attributable to weak domestic demand, due among other things to an ongoing adjustment crisis in construction. At the same time, the situation in the labour market deteriorated considerably. By year-end, the jobless total had already reached the 4 million mark. On account of the higher costs of energy and food in particular, consumer prices rose by 2.5%, the sharpest increase since 1994.

There are signs of an improvement in 2002. We expect economic growth to register between 2% and 2½% from year-end to year-end; average growth will be much lower, however. The muted prospects for economic performance and the financial markets are also reflected in our planning for the year, details of which can be found on pages 91–95.

First-time application of IAS 39

In the 2001 financial statements, we have applied IAS 39 for the first time, without having to adjust the year-earlier figures. IAS 39 has far-reaching consequences for our figures, as the accounting and measurement of financial instruments have been revised.

Financial instruments are defined very broadly in this connection – in particular, loans, interest-bearing securities, equities, liabilities and derivatives. The main novel feature is the new categorization of financial instruments, which we will measure in future either at their fair value or historical cost. But the number of financial instruments to be measured at fair value extends far beyond our previous trading portfolio. It comprises virtually all the securities and investments which used to form the core of financial investments.

In addition, IAS 39 contains detailed rules on accounting for financial instruments and hedging transactions. On the liabilities side, it is above all equity that is affected; it is extended to include a revaluation reserve and the result measured for cash flow hedges. You will find a comprehensive explanation of IAS 39 in the Notes on pages 129–132.

Consolidated balance sheet tops €500bn

In the course of 2001, the Commerzbank Group's balance-sheet total expanded by 9% to €501.3bn. Ten companies were consolidated for the first time, including Erste Europäische Pfandbrief- und Kommunalkreditbank in Luxembourg and P.T. Bank Finconesia in Jakarta. On the other hand, seventeen enterprises were removed from the list of consolidated companies; in this connection, Bankhaus Bauer in Stuttgart should be mentioned, which we sold last year.

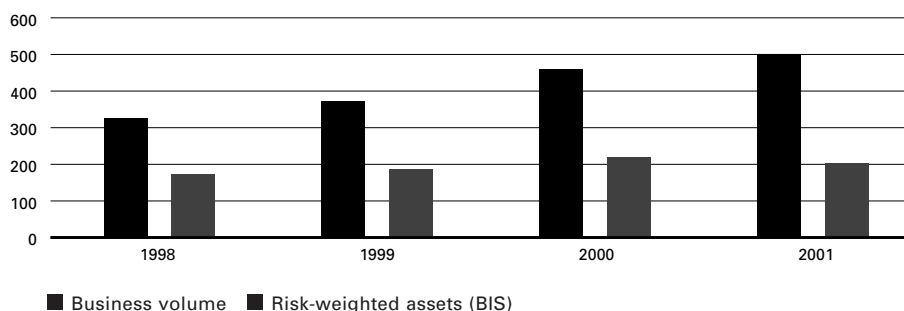
Interbank lending and claims on customers declined by 15% to €63.4bn and by 2% to €220.3bn, respectively. This development was largely because we transferred altogether €19bn of claims on banks and customers to the investments and securities portfolio, which in accordance with IAS 39 have to be shown under this item as claims not originated by the Bank – in particular, promissory notes. In addition, so-called IAS 39 effects now appear under claims and liabilities. Here the results of measuring hedged items appear, which are measured using the same methods as their related derivatives.

Newly included on the assets side are the positive fair values from derivative hedging instruments, whose corresponding negative values are shown on the liabilities side. These are primarily interest-rate instruments which serve to hedge claims or liabilities.

Assets held for dealing purposes expanded by 37% to €95.8bn, for one thing, due to transfers and, for another, on account of the expansion in investment-banking activities. The same holds true for the investments and securities portfolio, which similarly increased by 37% to €104.5bn.

Risk-conscious expansion

Commerzbank Group, in € bn



Investors turn to savings and time deposits

Liabilities to customers rose 8% to €116.4bn, with savings deposits registering an increase of €1bn. Time and sight deposits grew by €7.8bn.

Securitized liabilities rose by 6% to €190.7bn, retaining their significance as the Bank's strongest source of funding. The increase was primarily fuelled by the Parent Bank and its mortgage-bank subsidiaries.



We raised subordinated capital by 6.3% to €10.5bn; while subordinated liabilities expanded, there was a slight decline in profit-sharing certificates outstanding.

Through the application of IAS 39, two items have been added to our equity. For one thing, the price potential contained in the securities and investments portfolio is shown here; this has boosted equity by €189m. For another, the measurement result from cash flow hedges is included in this item, with a negative result of €397m. All told, we have equity of €11.8bn, which is almost 6% lower than a year previously. Despite this decline, our core capital ratio remained a good 6.2%; our own funds ratio was even higher than last year at 10.3%.

Customers with the Commerzbank Group in millions



Difficult environment for banks

The weak condition of the markets and lacklustre economic performance have clearly left their mark on our income statement. However, we were satisfied with the rise of just under 2% in net interest income to €3.6bn. We achieved this increase even though our risk-weighted assets were no higher than a year earlier and, due to the first-time application of IAS 39, no less than €65m was transferred from net interest income to the trading profit.

Provisioning reflects economic weakness

In view of the mounting risks worldwide, we stepped up our provisioning for possible loan losses by more than a third to altogether €927m. Given total on-balance lending of €240bn, this represents a provisioning ratio of 0.39%; but this is still a fairly favourable level and no higher than the average for the past five years. We considerably raised our provisioning for small to medium-sized businesses in Germany, and in particular for firms with an annual turnover of less than €50m. Provision for new doubtful credits more than doubled; but it also had to be increased for domestic problem credits that had already been identified at the start of 2000, while due to the expiry of collateral, a smaller amount of valuation allowances was written back.

We also had to increase provisioning outside Germany, mainly in the U.S. and South-East Asia. When providing for country risks, we took developments in Argentina, where our exposure is small, adequately into account and also stepped up provisioning for Indonesia. Thanks to effective early recognition of problems, however, the Bank was not affected, or only marginally so, by the spectacular major international failures of 2001.

Commerzbank's shareholdings in the non-financial sector

5% of capital and above, as of December 31, 2001

| | |
|--|---------------------|
| Alno AG | |
| Pfullendorf/Baden | 29.4% |
| Buderus AG | |
| Wetzlar | 10.5% |
| Heidelberger Druckmaschinen AG | |
| Heidelberg | 9.9% ¹⁾ |
| Linde AG | |
| Wiesbaden | 10.4% |
| MAN AG | |
| Munich | 6.5% ²⁾ |
| Sachsenring Automobiltechnik AG | |
| Zwickau | 10.0% ²⁾ |

1) held indirectly and directly;

2) held indirectly

Weak securities business erodes commission income

The weak condition of the equity markets had an especially negative impact on net commission income; last year, it was down almost 17% to €2.3bn. Commissions from securities business, which still account for just over 40% of overall commission income, fell by practically a third; in asset management, we achieved net commission income that was 10% lower. By contrast, the development of other types of commission, especially from payments, was encouraging.

At €1.2bn, our trading profit was 26% higher than in 2000. We managed to more than compensate for the sharp decline in trading in equities and other price risks by successes in trading in interest-rate risks and derivatives. This item has also been affected by the first-time application of IAS 39, for here – in addition to the securities remeasured at their fair value – the effects attributable to derivatives held for global interest-rate management, which do not qualify for hedge accounting, also appear. In accordance with IAS 39, these are included under trading rather than hedging transactions.

The measurement of hedging transactions, however, is reflected in the new income-statement item "Net result on hedge accounting", where we registered income of €63m.

The result on the investments and securities portfolio – previously the result on financial investments – was €219m. In the course of the past year, we disposed of smaller blocks of shares, primarily non-strategic investments outside Europe.

First effects of cost-cutting offensive felt

In the second half of 2001, operating expenses developed in line with the cost-cutting decisions taken in the second quarter. In the year as a whole, they rose by 6.9% to €5.85bn. At the halfway stage, the increase had amounted to a sizeable 17.8%. Compared with the same period a year earlier, operating expenses even declined by more than 2% from June to December. In the year as a whole, personnel costs climbed by a mere 2% to €3.1bn, reflecting above all the reduction of provisions for bonuses. We were able to rein in the climb in other operating costs, which reached €2.22bn (+12.5%).

Special items also reduce earnings

The balance of other income and expenses of minus €220m includes a series of non-recurring and special burdens. For instance, we contributed an extra €51m in 2001 to the German Business Foundation Initiative. We also had to set aside €28m for an EU fine, relating to alleged price-rigging in connection with exchanging notes and coins of eurozone currencies. However, we have lodged an objection – with good chances of success. Last but not least, the costs of the introduction of euro notes and coins and the related conversion of accounts also had an impact here.



The balance of all income and expense items yields a profit from ordinary activities of €325m.

Apart from the above-mentioned special burdens, however, further extraordinary items occurred, which we have grouped together as restructuring expenses. All in all, these amounted to €282m, €46m of which relates to branch closures.

After these expenses have been deducted, our pre-tax profit is €43m, compared with €2,234m a year previously, which also included the proceeds (€1.2bn) from the IPO and capital increase of comdirect bank.

In addition, we registered tax income of €114m in the income statement for 2001. This is due to advantages deriving from losses carried forward. Once the profits and losses attributable to minority interests have been deducted, a net profit of €102m remains.

Despite the unsatisfactory earnings performance, we will propose to the Annual General Meeting on May 31 that a lower dividend of €0.40 be paid. The overall dividend payout amounts to €217m and can be realized on the basis of the individual financial statements of the Parent Bank, prepared in accordance with HGB. In the consolidated financial statements, however, it is necessary to withdraw €115m from retained earnings.

Successes and weaknesses in individual business lines

The individual areas of the Bank developed very unevenly. In our segment reporting as well, comparison with the previous year is made difficult by the application of IAS 39.

In Retail banking, we recorded a negative result. One prime factor here was the decline of more than €300m in commissions from securities business. Provisioning was stepped up by €29m.

In Asset management, too, we registered a fall of almost €130m in commissions. The other operating result was adversely affected by higher amortization of goodwill at subsidiaries. As in Retail banking, we did not manage here to achieve a positive return on equity.

The development of the Corporate customers and institutions segment continues to be encouraging. The higher outlays for provisioning were more than offset by strong increases in earnings, above all net interest income. The return on equity rose to 10.8%, while the cost/income ratio was unchanged at 49.4%.

The Securities segment was especially hard hit by the weak condition of the markets. Both its net commission income and its trading profit were lower than a year earlier. On balance, we registered a slightly positive result, which translated into a return on equity of no less than 5.3%.

Structure of provision for possible loan losses

| Commerzbank Group, in € m | 2001 | 2000 | 1999 | 1998 |
|---------------------------|------|------|------|------|
| Germany | 555 | 529 | 522 | 395 |
| Abroad | 325 | 148 | 89 | 394 |
| Global provision | 47 | 8 | 78 | 92 |
| Total net provision | 927 | 685 | 689 | 881 |

Last year was a very successful one for Treasury and foreign exchange. In both net interest income and in trading with interest-rate risks, foreign exchange and precious metals, we achieved far higher results than in the previous year. The return on equity stands at 58.2%, and the cost/income ratio is encouragingly low, at 33.1%.

In Mortgage banking, we had to accept higher charges for valuation allowances. By way of compensation, net interest income was stronger and the results deriving from the measurement of financial instruments in accordance with IAS 39 were positive. While the return on equity amounted to just over 18.4%, the cost/income ratio was an outstanding 20.6%.

In the "Others/Consolidation" segment, the net interest income of –€799m is striking. This includes, above all, the financing costs of our strategic investments.

We cannot be satisfied with the return on equity of 0.9% for the Group as a whole and the cost/income ratio of 82.4%. However, we are confident that the many structural measures and our strategic focus will enable us to achieve a distinct improvement in the current year.

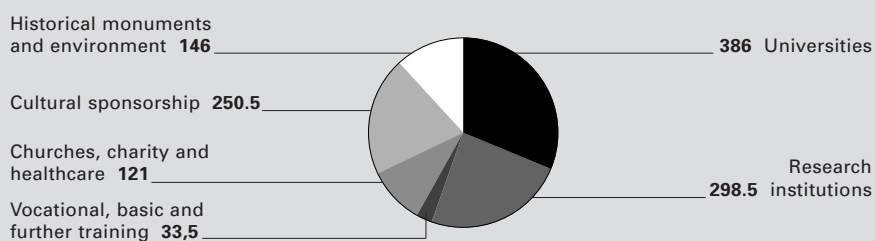
Commerzbank Foundation in 2001

The Commerzbank Foundation was set up in 1970 on the occasion of the Bank's 100-year anniversary. Its initial capital of DM5m was increased several times and was doubled to DM40m when the Bank celebrated its 125th anniversary. In December 2000, it was raised by a further €5m. All told, the Foundation's capital, with reserves included, amounts to more than €26m.

In 2001, the Foundation registered its highest level of support for projects, donating altogether €1,235,500. Its financial support is distributed between the following areas:

Volume of support of Commerzbank Foundation in 2001

in € '000





Quarterly results

| Financial year 2001^{*)} | | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|------------|
| in € m | 1 st quarter | 2 nd quarter | 3 rd quarter | 4 th quarter | Total year |
| Net interest income | 905 | 929 | 859 | 888 | 3,581 |
| Provision for possible loan losses | -152 | -177 | -242 | -356 | -927 |
| Net interest income after provisioning | 753 | 752 | 617 | 532 | 2,654 |
| Net commission income | 613 | 603 | 569 | 482 | 2,267 |
| Net result on hedge accounting | 2 | 11 | 15 | 35 | 63 |
| Trading profit | 312 | 290 | 58 | 537 | 1,197 |
| Net result on investments and securities portfolio (available for sale) | 129 | 50 | -74 | 114 | 219 |
| Operating expenses | 1,430 | 1,479 | 1,459 | 1,487 | 5,855 |
| Other operating result | -56 | 19 | -5 | -178 | -220 |
| Profit from ordinary activities before restructuring expenses | 323 | 246 | -279 | 35 | 325 |
| Restructuring expenses | - | - | - | 282 | 282 |
| Profit from ordinary activities after restructuring expenses | 323 | 246 | -279 | -247 | 43 |
| Extraordinary expenses | - | - | - | - | - |
| Pre-tax profit | 323 | 246 | -279 | -247 | 43 |
| Taxes on income | 120 | 92 | -104 | -222 | -114 |
| After-tax profit | 203 | 154 | -175 | -25 | 157 |
| Profit/loss attributable to minority interests | -27 | -28 | -16 | 16 | -55 |
| Net profit | 176 | 126 | -191 | -9 | 102 |

*) Due to the first-time application of IAS 39, the quarterly figures are not identical to those in the 2001 interim reports.

| Financial year 2000 | | | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|--------------|
| in € m | 1 st quarter | 2 nd quarter | 3 rd quarter | 4 th quarter | Total year |
| Net interest income | 757 | 939 | 950 | 870 | 3,516 |
| Provision for possible loan losses | -141 | -115 | -141 | -288 | -685 |
| Net interest income after provisioning | 616 | 824 | 809 | 582 | 2,831 |
| Net commission income | 751 | 672 | 652 | 649 | 2,724 |
| Trading profit | 360 | 240 | 151 | 198 | 949 |
| Result on financial investments | 67 | 4 | 93 | -84 | 80 |
| Operating expenses | 1,198 | 1,272 | 1,383 | 1,624 | 5,477 |
| Other operating result | 2 | 832 | 196 | 97 | 1,127 |
| Profit from ordinary activities | 598 | 1,300 | 518 | -182 | 2,234 |
| Extraordinary expenses | - | - | - | - | - |
| Pre-tax profit | 598 | 1,300 | 518 | -182 | 2,234 |
| Taxes on income | 217 | 557 | 157 | -108 | 823 |
| After-tax profit | 381 | 743 | 361 | -74 | 1,411 |
| Profit/loss attributable to minority interests | -17 | -12 | -18 | -22 | -69 |
| Net profit | 364 | 731 | 343 | -96 | 1,342 |



retail banking and asset management

The operative business of the Commerzbank Group is split between two divisions; this structure is based on our customer groups. In the Retail Banking and Asset Management division – whose results were completely unsatisfactory in 2001 – the emphasis is on the investment and accumulation of assets, which has become ever more important in recent years.

Retail Banking department

Difficult environment influences growth

After five years of sharply rising prices on international stock markets, equities experienced two decidedly negative years in 2000 and 2001 for the first time since the oil crises in the seventies. With interest rates falling and inflation marginal, but with large-scale revisions of profits and company evaluations, the markets suffered an extreme loss of confidence. As a result, earnings in securities business dropped considerably, which could not be offset by stronger bancassurance and lending activities. This becomes very clear from the commissions earned by Retail Banking, which were 26% down on a year earlier. With our CB 21 programme for boosting earnings and the cost-cutting offensive launched in the second quarter of 2001, we have set the stage for a marked improvement in results in the years ahead.

Ingredients of success: all-round advice and rapid information

The market situation described above has seriously depleted the assets of many of our customers. For instance, the volume of custody accounts held at our branches was reduced from €61bn at end-2000 to €54bn at the end of last year. For us, this is a further incentive to continue to work on the quality of our consulting and on information systems. Thanks to improved consulting modules and the implementation of the information broker, a system for providing rapid information on markets, companies and securities, we can offer our customers important information for decisions relevant to their assets. We believe that we are well-equipped, therefore, to experience a more successful year on the stock market and to achieve ever greater customer satisfaction, strengthening their loyalty to the Bank.

We generated a record amount of €1.5bn for our open-ended property fund, Haus-Invest. This represented a key contribution to the success of this fund last year, when it was able to attract 25% of the overall inflows registered by all publicly-offered property funds in Germany. Haus-Invest manages assets of altogether €7.1bn, €6.2bn of which is invested in real estate. It is remarkable that, in the meantime, 74% of such properties are situated outside Germany, and that it achieved an excellent return of over 6%, a high proportion of which is tax-exempt.

Retail Banking department

| | 2001 |
|----------------------|-------------|
| Equity tied-up (€ m) | 1,380 |
| Return on equity | -5.2% |
| Cost/income ratio | 102.0% |

The Retail Banking department includes

| comdirect bank AG | |
|--------------------------|-------|
| Quickborn | 58.7% |

| CFM Commerz Finanz Management GmbH | |
|---|--------|
| Frankfurt am Main | 100.0% |

| Commerz Service Gesellschaft für Kundenbetreuung mbH | |
|---|--------|
| Essen | 100.0% |

| COMMERZ PARTNER Beratungsgesellschaft für Vorsorge- und Finanzprodukte mbH | |
|---|--------|
| Frankfurt am Main | 100.0% |

In 2000, we took steps to begin distributing the funds offered by selected third-party sources. The successful launch of the fund of funds "Best-in-One World" and the provision of advisory tools to help customers select the best investment funds based on defined criteria deserve particular mention here.

To meet the needs of the different groups (private, individual, business and private-banking customers), we have not only modified and extended our range of products, but have also started to add to existing locations – e.g. in the growth segment private banking.

Tight cost management and improved efficiency

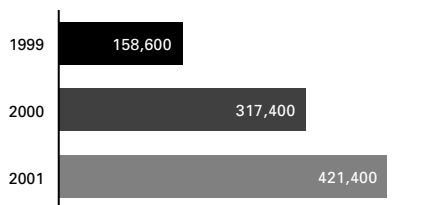
We have resolved various measures in order to achieve a sustained improvement in our results:

After we have further concentrated our branch network, turning the offices into either consulting centres, service points or property centres, we will have a nationwide presence consisting of 725 offices by end-2002. This includes our decision to close down the 30 Commerzbank Shops in shopping centres throughout Germany. Though initially successful, this model did not offer adequate earnings prospects over the medium to long term.

All of these measures will help reduce costs and raise efficiency in dealings with private customers, without neglecting the needs of our customers and their degree of satisfaction. We will achieve this above all by networking all the communications channels with our customers.

Online banking increasingly popular

Parent Bank, number of users



Focus on the internet

We are very satisfied, for example, with the increase in the number of online customers to more than 420,000 – without comdirect – and also with the related expansion in online transactions. Reflecting this dynamic trend, we will launch an important new segment in Commerzbank's multi-channel range of products for our customers this year: the internet branch. From mid-2002, they will find an increasing number of branch services on the internet as well, at www.commerzbanking.de. As distribution channels become linked up with one another, it will be increasingly convenient for customers to avail themselves of Commerzbank's services via the branch, telephone or internet, just as they please.

From the statement of account to quality consulting, our call centre in Essen offers the entire range of services, seven days a week, practically right around the clock. In telephone banking, we raised the number of participants by 100,000 to 570,000, and the number of contacts by 14% to 2.3 million.

Parent Bank: Business involving private clients

| year-end figures | 2001 | 2000 | 1999 | 1998 |
|------------------|-------------------------|-----------|-----------|-----------|
| Private clients | 3,925,800 ^{*)} | 3,754,600 | 3,596,700 | 3,490,700 |
| Custody accounts | 1,312,000 | 1,397,200 | 1,165,100 | 1,070,300 |

^{*)} including TUI Card customers



SparCard very popular

Since September 2000, we have offered our customers the Commerzbank SparCard, which has been very well received by all age groups. By end-2001, we had already issued around 250,000 SparCards to customers, who thus enjoy many advantages over the traditional savings book. With the SparCard, for example, access to savings accounts is possible worldwide from virtually all cash dispensers and thus independently of branch opening times. Long waits at the counter have become a thing of the past, therefore, and our service section can deal with customers' wishes even more quickly. What is more, the SparCard provides customers not only with savings-account statements but also access to overviews of their personal finances and information on their custody accounts from all Commerzbank statement-of-account printers.

Exploring growth areas

In addition to the above-outlined expansion of our investment-advice facilities, through which we intend to increase our market shares substantially over the next few years, we are stepping up our activities in the bancassurance area and in property financing.

Bancassurance – products for old-age provision

Last year, the focus was on intensifying cooperation with AMB Generali Holding AG. As part of a new distribution model, up to 850 specialists of our joint subsidiary will be providing customers with advice on insurance and home-loan savings products at our branches by end-2005. The business operations of these bancassurance centres were launched on May 1, 2001. By year-end, 100 specialists of Commerz Partner Beratungsgesellschaft für Vorsorge- und Finanzprodukte mbH were already active.

In addition to building up this organization of specialists, Commerzbank initiated a programme in May designed to present the Bank as an efficient partner and originator of products for old-age provision incorporating government promotion (the so-called Riester plan). By introducing our "provision report", we have begun a long-term dialogue with our customers. PC-based all-round consulting helps them in their search for individual solutions to the complex situation with regard to provision and incorporates the new government support scheme. In the autumn, we added two pension insurance plans to our product range which meet the requirements of the relevant German legislation and in the meantime have been officially certified. We offer a traditional and a fund-linked variant. At year-end, we rounded off our range with an entirely fund-based solution. Newly generated business in insurance policies was 40% higher than in the previous year.

In view of the decline in property-financing business, sales of home-loan savings plans were weaker than expected. All the same, results exceeded those of the previous year by 30%.

The volume of banking business which our partners generated for us expanded by 60%. This gain was primarily due to Deutsche Vermögensberatung, which last year virtually doubled its share of new business involving home loans from either Commerzbank or its subsidiaries.

In order to be even more efficient in answering and dealing with the questions and wishes of our customers as far as home loans are concerned, we began to install real-estate centres in major German conurbations in mid-2001. All told, our customers will have 40 such centres at their disposal by mid-2002.

Despite difficult market situation, comdirect remains successful

The core activity of comdirect bank AG, online brokerage, continues to be a successful model. Despite last year's general economic downturn, the company achieved a positive result from its ordinary activities in Germany. In addition, comdirect acquired roughly 70,000 new customers in the period under review and, with around 649,000 customers within the group, it maintained its leading position in the industry.

comdirect's website continues to have the best reputation with Germany's internet users. With roughly 160 million page impressions and 50 million visits per month, it stands unchallenged as Germany's top financial portal.

In order to reflect the decline in commissions, caused by the fall on the stock market, comdirect has prescribed for itself an ambitious cost-cutting programme. This also had repercussions in the personnel area. The introduction of voluntary reductions in working hours and short-time working was a clear signal for employees that comdirect is behaving in a responsible manner and has assumed an active role in order to ensure that the jobs of its employees are safe in a long-term perspective. At the same time, it has managed to prune its workforce perceptibly without dismissing people – solely by imposing a recruitment freeze at an early stage and through normal staff turnover.

In Europe, comdirect will concentrate in future entirely on those two markets in which it is already successfully positioned: Germany and the United Kingdom. Business development in France and Italy last year failed to live up to plans and expectations. As break-even point could no longer be reached within the originally intended time, it was decided to dispose of these two subsidiaries. The cost of doing so – a double-digit million figure – is included under restructuring expenses.

Positive outlook overall

We believe that we are well-equipped to achieve profitable growth in the future in retail-banking business by systematically concentrating – with new ideas as well – on the needs of our customers.

Asset Management department

Asset Management department

| | 2001 |
|----------------------|-------------|
| Equity tied-up (€ m) | 474 |
| Return on equity | -4.4% |
| Cost/income ratio | 142.1% |

Clear focus on Europe

Worldwide, we were managing assets of €124.2bn at end-2001. Our 15 European companies generated more than 75% of the overall volume in asset management. In future, the focus will be even more strongly on Europe. Here we are successfully positioned and are able to benefit from the positive earnings prospects for asset managers.



Fresh strategic orientation

In mid-2001, a new orientation was introduced for our European marketing and distribution structures. The emphasis was on creating a stronger customer orientation by means of an all-inclusive approach not based on individual products and distribution geared to target groups. Europe-wide, distribution activities are being split into institutional and retail business, permitting country-specific marketing measures and promoting cross-border distribution of products. In this connection, a new management structure, the Asset Management Committee, was established in order to make reporting lines even shorter.

Strong presence in Germany

Our retail-fund subsidiary ADIG maintained its number 5 position in the German investment sector with a market share of 6.8%. Despite the difficult capital-market situation, its net inflow of funds was slightly positive, reaching €0.3bn. At end-2001, it had €24.7bn of assets under management, as against €27.3bn a year earlier.

ADIG expects a sizeable inflow from its newly developed products in the area of extra private provision with government support, the so-called Riester old-age pension. With its already certified products, ADIG has created the basis for becoming one of the top three investment companies in the field of provision for old age.

Through the formation of ebase, European Bank for Fund Services GmbH, ADIG has established a new settlement platform where fund units of different investment companies can be held in a single custody account. In this way, we are responding promptly to the higher demands made on service by customers and third-party distribution partners.

Our German subsidiary for non-publicly-offered funds, Commerzbank Investment Management GmbH (Commerzinvest) launched 37 new portfolios last year with an overall volume of roughly €2bn. As a result, altogether 421 special funds with a volume of €29.1bn were being managed at end-2001. Another €1.2bn was added to existing non-publicly-offered funds. Furthermore, about 1,000 smaller and mid-sized institutional investors were being looked after in twelve Commerzbank investment funds, which had an overall volume of €1.1bn at the end of last year.

Last December, Commerz International Capital Management GmbH (CICM), which mainly served foreign institutional investors, was integrated into Commerzinvest, which meant that the latter was managing assets of altogether €33.7bn at end-2001.

Foreign subsidiaries successful

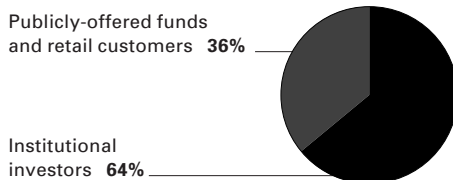
Our French subsidiary specializing in money-market funds, Caisse Centrale de Réescompte (CCR), increased the assets it manages by roughly 10% in a year-on-year comparison. This was due to stronger demand for money-market products combined with outstanding fund performance. In addition, CCR was able to strengthen its position in the European market further, with both equity products based on a value approach and alternative investments.

Jupiter International Group plc ended the year with more than €18bn of assets under management. It expanded its business involving innovative hedge funds and funds of funds. Furthermore, Jupiter Global Active Fund SICAV was

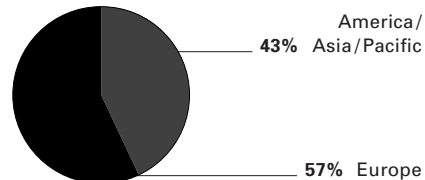
Asset Management

Commerzbank Group, end-2001

Investor structure



Regional structure of investment



launched, a fund of funds with actively managed portfolios that is available in the leading European countries.

After only a year of operations, the Madrid-based Afina asserted its position in the Spanish market to reach break-even point sooner than planned. At end-2001, it was managing assets of €400m. Pentor, the broker acquired at the start of the year, was successfully integrated and will contribute to further growth in the private-banking segment. In addition, Afina became active in Latin America. Considerable growth is also expected in institutional business. By end-2002, the volume of assets is expected to double to €1bn.

Commerzbank Asset Management Italia, formed in 2000, manages roughly €520m for more than 7,300 clients. With its nationwide network of financial counsellors and 25 private-banking centres, it now ranks among the five largest distribution organizations in Italy in terms of net inflows.

Activities in USA and Asia

Our US fund company Martingale Asset Management was managing €1bn at year-end. Given ever greater interest in a value-oriented approach to investment, we expect further growth in 2002. Montgomery Asset Management in San Francisco registered a US\$2.7bn decline to US\$7.5bn in its assets under management in the past year. In the course of this development, the company cut its operating costs and shed 20% of its staff. This year, Montgomery expects the distribution of alternative investment products to produce rising net inflows. As part of our focus on Europe, we intend to incorporate Montgomery into a new transatlantic strategic partnership.

In Asia, we will increasingly concentrate on distribution activities. The existing seven units will be systematically used as distribution channels for both asset-management products and private-banking and trust products. All in all, stepped-up distribution activities should raise the assets under management to €1bn by the end of the year and to €3bn by end-2005. We also intend to use opportunities for external growth, such as cooperation agreements in distribution and strategic alliances. As we generally no longer see Asia as a focal point for production, the cost base in this region will be reduced substantially.

Consolidation making progress

Sections of the previously separate portfolio management activities of ADIG, Commerzinvest, and CICM, together with the related research, were bundled to form Commerz Asset Managers GmbH (CAM) at the start of last year. Through



this move, we are able to meet the requirements of our customers with regard to product quality and innovation. For the first half of 2002, we plan the complete integration of our entire portfolio management into CAM and a distinct streamlining of the product range.

In mid-2001, we combined our Asian asset-management activities under a single roof, Commerz Asset Management Asia Pacific in Singapore. The choice of Singapore makes it possible to respond quickly to market changes, enables us to tighten our management structure and guarantees the above-mentioned focus on distribution together with ambitious cost-cutting measures.

At the close of the past business year, we dissolved the Prague-based Commerz Asset Management (Czech) in the course of the concentration process; the existing custody accounts were transferred to our Prague branch.

All these measures are designed to make systematic use of potential synergies and to achieve significant cost-savings. The consolidation process that has been set in motion will be maintained; for this reason, we expect the current year to produce a distinct improvement in earnings.

The Commerzbank Group's Asset Management units

Europe

| | | | |
|---|--|---|--|
| ADIG Allgemeine Deutsche Investment-Gesellschaft mbH Munich/Frankfurt a. M. 95.8% ²⁾ | Commerz Asset Managers GmbH Frankfurt am Main 100.0% ²⁾ | Commerzbank Investment Management GmbH Frankfurt am Main 100.0% ²⁾ | ebase European Bank for Fund Services GmbH Munich 100.0% ²⁾ |
| ADIG-Investment Luxemburg S.A. Luxembourg 99.0% ¹⁾ | AFINA Bufete de Socios Financieros, S.A. Madrid 48.7% | Caisse Centrale de Réescoute, S.A. Paris 92.1% | CICM Fund Management Ltd. Dublin 100.0% ²⁾ |
| Commerzbank Asset Management Italia S.p.A. Rome 100.0% | Commerzbank Europe (Ireland) Dublin 40.0% | Commerzbank International S.A. Luxembourg 100.0% ²⁾ | Commerzbank (Switzerland) Ltd Zurich 100.0% ²⁾ |
| Hispano Commerzbank (Gibraltar) Ltd. Gibraltar 50.0% | Jupiter International Group plc London 100.0% ²⁾ | SKARBIEC TFI S.A. Warsaw 100.0% ²⁾ | |

Asia

| | | | |
|--|---|---|---|
| Capital Investment Trust Corporation Taipei 24.0% ¹⁾ | Commerz Advisory Management Co. Ltd. Taipei 100.0% | Commerzbank Asset Management Asia Ltd. Singapore 100.0% ²⁾ | Commerzbank (South East Asia) Ltd. Singapore 100.0% |
| Commerz International Capital Management (Japan) Ltd. Tokyo 100.0% ²⁾ | Commerzbank International Trust (Singapore) Ltd. Singapore 100.0% ¹⁾ | KEB Commerz Investment Trust Management Co. Ltd. Seoul 45.0% | |

USA

| | |
|---|--|
| Martingale Asset Management L.P. Boston 59.5% ²⁾ | Montgomery Asset Management, LLC San Francisco 98.7% |
|---|--|

1) The Parent Bank holds some of the interest indirectly.

2) The Parent Bank holds the interest indirectly.



corporate and investment banking

In the partially restructured Corporate and Investment Banking division, all the business relations with companies and institutions are combined and also the necessary product and trading sections as well as real-estate business.

With the goal of creating clear-cut responsibilities and of concentrating expertise, the customer-oriented Corporate Banking, Multinational Corporates and Financial Institutions departments have been assigned to a single member of the Board of Managing Directors since the start of this year. The scope of Corporate Banking was extended to the whole of Europe, while Multinational Corporates and Financial Institutions continue to be active worldwide. At the same time, since the start of the year, we have had regional board members for the first time to look after clients: four in Germany, two in other European countries, and one each for America and Asia.

Corporate Banking department

The new structure also introduces a change of paradigm towards clearly-defined, continuous reporting lines. With this fresh orientation, we are substantially strengthening distribution, while systematically monitoring commercial risks and ambitious targets for returns. Our strong customer orientation as a relationship bank is underscored by

- the sustained expansion of our modern services and financing through a decentralized distribution system with broad national coverage,
- the combination of regional and sectoral distribution for our major customers, incorporating specialists, above all from investment banking and
- a target-group-oriented product range and professional consulting services for corporate plans and strategic issues.

We want to ensure that business opportunities for investment-banking products are better exploited, particularly as regards larger SMEs, through the close meshing of Corporate and Investment Banking. Here we set great store by the close customer contact maintained by our branches on the spot and the support of the investment-banking specialists from head office.

Multinationals looked after on a sectoral basis

The Multinational Corporates department is organized into altogether 17 sectors. Roughly 200 German and foreign companies with annual turnover of more than €5bn are looked after directly by the management board member responsible for the relevant industry, in order to guarantee a close relationship of trust between client and bank at the level of top management.

Corporate Banking and Institutions

| | 2001 |
|----------------------|-------------|
| Equity tied-up (€ m) | 5,755 |
| Return on equity | 10.8% |
| Cost/income ratio | 49.4% |

Mittelstand internet portal

Starting at mid-year, we will offer SMEs an internet portal. By integrating key functions such as account management, payments and investment transactions, we are providing access to these banking products independently of office hours. At the same time, we want to give the users of this internet portal access to valuable financial and sectoral information, as well as the latest news and share prices. We will create added value by working with selected external partners who will complement the portal's range of services with bank-related products.

Public sector ever more important

For the public sector, which is covered by Corporate Banking, we also offer specially tailored solutions – with an encouraging response. For instance, our specialists develop proposals for active debt management by municipalities and communal enterprises. We have modern investment-banking and corporate-finance products to offer communal areas in which liberalization is making rapid progress.

Dynamic growth of company pension schemes expected

The new statutory provisions for improving company pension schemes are making it necessary for many companies to modify and adjust their existing models.

In conjunction with professional partners, Commerzbank offers sound advice in all matters related to the management of old-age provision. The focus here is on comprehensive all-inclusive solutions rather than isolated products. Our range covers:

- company pension arrangements
- fund models organized by employers for private provision by employees
- financing of flexible working-time models and protecting them against bankruptcy.

Together with Höfer Vorsorge-Management GmbH & Co. KG, we have formed Pensor Pensionsfonds AG, which will secure for SMEs in particular the advantages of professional and reasonably-priced provision for their staff, also making it possible to transfer provisions for pensions that are shown in the balance sheet.

Structured financing

The positive trend continued in medium to long-term export financing. Despite the difficult economic situation, we maintained our position well, especially in aircraft and ship financing.

In Europe, we won several contracts to act as arrangers, thanks to our long experience in the area of transport, utilities and telecommunications. An innovative financing transaction in Poland earned us the title "European transport deal of the year" from the specialist press. External rating lists show Commerzbank among the first ten banks worldwide in the financing of power station projects.



The stronger integration of corporate and investment banking has enabled us to respond to the changing needs of our clients with creative capital-market and treasury products. For this purpose, we have increased the number of advisers in our branches.

New service in documentary foreign commercial business

For those of our firms with extensive documentary foreign commercial business, we introduced a new internet-based service last year, top@doc. Drawing upon case studies, this service deals every month with different current problems relating to letters of credit, collections and guarantees, providing concrete tips and recommendations. top@doc also makes it possible to have direct contact with our transaction-management specialists. This new product is complemented by an e-mail service, making potential users aware of the current topic under focus.

Financial Institutions department

Relations with international banks, other financial institutions and countries are the responsibility of the Financial Institutions department. Commerzbank is well-positioned in this area.

Thanks to our existing contacts with roughly 6,000 banks worldwide, we are also able to help our corporate customers with their international business. Once again, this enabled us to play a significant role in handling the financial side of Germany's external trade, where we have a market share of just over 16%.

Launch of euro cash a special challenge

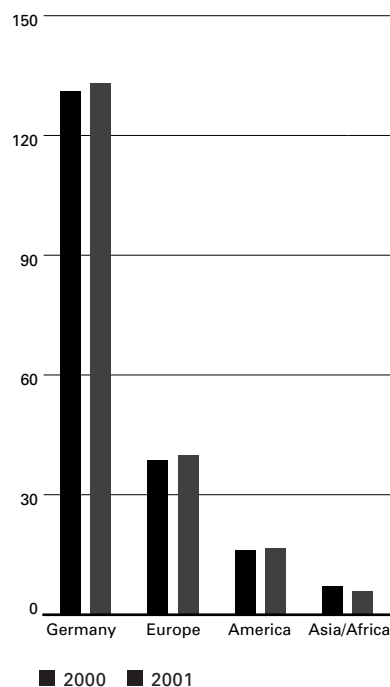
One of our special activities in 2001 was to inform and provide active support for our customers – outside the eurozone as well – in connection with the introduction of euro notes and coins. All told, we supplied 90 foreign banks with euro cash. We asserted our position as a leading clearing bank in the euro-clearing systems Target, EBA and RTGSplus.

Worldwide presence

Through its foreign branches, Group companies, representative offices and major holdings abroad, Commerzbank maintains a global distribution network, with a clear focus on its home market, Europe. We currently have a direct presence in 43 countries.

Over the past decade, our strategic priorities have included the construction of a network of outlets in Central and Eastern Europe. To complement our activities based on BRE Bank in Poland and operative units in the Czech Republic,

Geographical spread of risk-weighted assets according to BIS, Commerzbank Group, in € bn



Hungary and Russia, Commerzbank took up an interest, together with other international financial institutions, in Micro Enterprise Bank Kosovo. In the meantime, we participate in similar institutions in Yugoslavia, Bulgaria and Georgia.

Last year, our operative units in Central and Eastern Europe once again produced excellent results. BRE Bank, in which we have a 50% interest, is Poland's fifth-largest listed bank but ranks second in terms of profits. Its return on equity reached 16.5% and averaged almost 30% over the past five years. The bank has proved that, thanks to its great flexibility and good market position, it can compensate for weaker performance in one area by extra earnings in others. An especially positive development was registered by its internet subsidiary, mBank, which already had 190,000 customers by year-end. Multibank, which looks after wealthy private and smaller business clients, represented another new innovative distribution channel in 2001.

Our subsidiary in Budapest, Commerzbank (Budapest) Rt., managed to practically double its profit last year. The bank is now offering more services for Hungarian SMEs. It is also active in investment banking, now that forint transactions have been liberalized.

As part of the consolidation announced under the CB 21 project, we have concentrated our entire Asian activities outside Japan, above all the trading and IT functions, in the form of Commerzbank Asia-Pacific on Singapore. In addition to the already launched measures, we converted the Mumbai branch into a representative office and raised our interest in Bank Finconesia in Jakarta. We have also substantially reduced our personnel capacity in Asia.

Securities department

Securities department

| | 2001 |
|----------------------|--------|
| Equity tied-up (€ m) | 1,256 |
| Return on equity | 5.3% |
| Cost/income ratio | 103.6% |

The Securities department has further refined its model of a Europe-wide investment bank with global reach. With an operative presence in the key financial centres, it has built up its business step by step over the past few years, starting with equities. Subsequently, the areas of fixed income and mergers & acquisitions were integrated. Now, corporate finance has to be built into this global platform.

In a difficult environment

Last year, investment-banking activities had to cope with extremely difficult market conditions. IPOs were especially hard hit by the weakness of the stock market. However, the development of bond business was encouraging. We see it as positive that the structure of earnings now reveals a more balanced regional pattern.

Mittelstand increasingly seeks capital-market solutions

We offer the larger and mid-sized companies that we serve in Germany and elsewhere in Europe a modern and broad range of corporate-banking, equity, bond and derivative products as well as extensive consulting services. The integrated approach is intended to produce a perceptible improvement in earnings. In the meantime, our investment-banking unit has been recognized and also accepted by the market. This is due, among other things, to its 190 analysts. In the



prominent Extel survey of European equity research, our team was given a good ninth place. In each of the categories asset-backed securities, support services, structured products & convertibles, quantitative analysis and technical analysis for bonds, we were even awarded first place.

Despite the acute weakness of the *Neuer Markt* and the other European stock markets, we achieved fairly good performance in the equity capital markets area. We believe that we are well-positioned, therefore, to benefit to a disproportionately great extent from a future market rebound. Tax reform in particular should trigger a number of capital-market transactions by German companies.

Boom in bond segment

Unlike equity markets, bond business flourished last year, producing a wave of new issues. Above all, we improved our position considerably with German companies, lead-managing more than 9% of all offerings denominated in euros. We also defended our leading position in European jumbo *Pfandbriefe*, and registered a sharp increase in medium-term notes. We were also very active in issuing equity-linked bonds and convertible bonds.

Despite the weaker market environment, we continued to expand our M&A operations. One important mandate was to advise RWE in its acquisition of Transgas. We have already received several interesting commissions for the current year.

In derivatives business, particularly equity derivatives, we achieved a substantial profit contribution in 2001. One of our special strengths continues to be the products for private customers. Measured in terms of market shares for warrants, we ranked first in Brussels and Amsterdam, fifth in Paris and seventh in Germany. Encouraged by these successes, we began to trade our own warrants in Spain, Sweden and Italy in the course of the year.

Treasury and Financial Products department

2001 was the department's best year to date. Even in special areas such as trading in precious metals and banknotes, we registered an encouraging development.

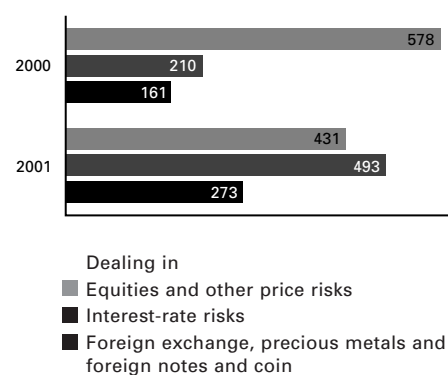
By systematically refocusing our business in good time on currencies other than the euro, we were even able to overcompensate for the loss of important trading opportunities caused by the introduction of the euro. Our important market position was also underlined by the changeover to euro cash. Commerzbank is one of the foremost institutions in European dealings in foreign notes and coin.

Concentration in forex dealing

In order to tighten up our operations, we have concentrated all our Asian foreign-exchange dealing activities in Singapore, while sales activities remain decentralized. The next steps which we plan are an even stronger concentration of trading on a few leading global centres, combined with an unchanged broad deployment of our sales capacity.

Commerzbank Group's trading profit

in € m



Treasury and Financial Products department

| | 2001 |
|----------------------|-------|
| Equity tied-up (€ m) | 624 |
| Return on equity | 58.2% |
| Cost/income ratio | 33.1% |

One outstanding event was the move in late summer to the new trading centre in Frankfurt, the largest of its kind in Europe. By assembling all the trading sections under one roof – including equities, bonds and derivatives, in addition to foreign exchange – we have greatly improved internal communication and interaction.

The enthusiasm that prevailed at many banks a year ago about the introduction of e-commerce has given way to a more sober assessment. We believe that internet-based business models will thrive only in selected areas. For this reason, we are concentrating on individual, promising products such as the ComForex trading platform for our commercial clientele. Since last November, our business customers have been able to trade with us directly via this platform.

Real Estate department

Our Real Estate department comprises CommerzLeasing und Immobilien AG (CLI), Germany's largest property-leasing company, and Commerz Grundbesitzgesellschaft mbH (CGG), where all of the real-estate fund activities are bundled that are subject to the capital investment legislation.

Record result for CLI group

The earnings of the CLI group, advancing by 7% in a difficult environment, were again very encouraging. Its return on equity is over 50%.

Real-estate leasing and real-estate projects generated new business of €1.3bn, giving the CLI group a leading market position again. Its subsidiary CFB Commerz Fonds Beteiligungsgesellschaft acquired new business worth €387m. Among foreign investments, the International Financial Tower in New Jersey should be mentioned, a project with an overall volume of US\$169m extending the prospect of a sizeable increase in value.

Commerz Immobilien (CIMO) concluded various project developments last year. CommerzBaumanagement handled investment projects in the commercial and communal segments. COMUNITHY Immobilien AG, a joint venture with ThyssenKrupp Immobilien formed in 1999, has acquired another stock of 1,000 apartments and has become involved in three project developments. In the leasing of moveable goods, new contracts amounting to €518m were concluded.

CGG group successful

Commerz Grundbesitz-Investmentgesellschaft manages the open-ended property fund Haus-Invest, for which 2001 was the most successful year in its almost 30-year history (see page 69).

One of the innovations in terms of organization was the formation of Commerz Grundbesitz-Spezialfonds Gesellschaft, which is in charge of business involving non-publicly-offered real-estate for institutional investors and has developed successful market activities in the meantime.



Group companies and equity participations in the Corporate and Investment Banking division

Corporate Banking department

| | | | |
|--|---|---|--|
| BRE Bank SA Warsaw 50.0% | Commerzbank (Budapest) Rt. Budapest 100.0% | Commerzbank (Eurasija) SAO Moscow 100.0% | Commerzbank (Nederland) N.V. Amsterdam 100.0% ²⁾ |
| Commerzbank International (Ireland) Dublin 100.0% ²⁾ | Commerz (East Asia) Ltd. Hong Kong 100.0% | P.T. Bank Finconesia Jakarta 51.0% | Banque Marocaine du Commerce Extérieur, S.A. Casablanca 10.0% |
| Majan International Bank SAOC Muscat 15.0% | Unibanco – União de Bancos Brasileiros S.A. São Paulo 8.7% ¹⁾ | | |

Securities department

| | | | |
|--|--|--|---|
| CBG Commerz Beteiligungs-gesellschaft Holding mbH Bad Homburg v.d.H. 100.0% | Commerzbank Capital Markets Corporation New York 100.0% | Commerzbank Capital Markets (Eastern Europe) a.s. Prague 100.0% | Commerz Securities (Japan) Company Ltd. Hong Kong/Tokyo 100.0% |
|--|--|--|---|

Real Estate department

| | |
|--|---|
| Commerz Grundbesitz-gesellschaft mbH Wiesbaden 100.0% | CommerzLeasing und Immobilien AG Düsseldorf 100.0% |
|--|---|

Treasury and Financial Products department

| |
|--|
| Commerz Futures, LLC Chicago 100.0% ¹⁾ |
|--|

1) The Parent Bank holds some of the interest indirectly.

2) The Parent Bank holds the interest indirectly.



commerzbank worldwide





- Foreign branches
- Representative offices
- Group companies and major foreign holdings



staff and welfare report

In view of the abrupt changes in market conditions, we also had to make a rapid adjustment to our human-resources policy. Whereas in the first few months of last year, there were still signs of expansion in some business lines, we countered the negative business trend in May by means of a recruitment freeze and in October with the decision to shed roughly 3,400 jobs.

Cost-cutting offensive

In order to achieve the first savings in personnel costs within the 2001 financial year, individual salary measures were suspended and the so-called Christmas bonus was reduced, except in the case of the lower brackets of collectively negotiated salaries.

Our motto in implementing staff reduction is to enact all the measures swiftly, within a reasonable cost framework and, last but not least, in a socially acceptable manner. For this purpose, a number of possibilities and instruments have been worked out. They range from individual and collective shortening of the hours worked, via far more recourse to the Group's internal labour market, the selective use of normal staff turnover, measures to improve staff qualifications, early retirement and part-time work models for older staff, to individual and group outplacement of personnel. In addition, we have agreed upon a support programme with Adcom, our company for temporary personnel and outplacements.

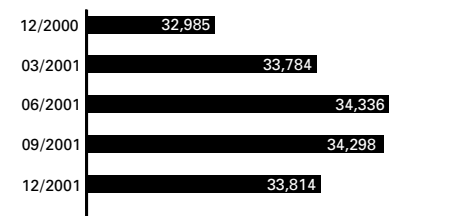
Based on this catalogue of measures, Commerzbank and its employee representatives reached internal agreement on concrete steps allowing rapid implementation. One core aspect of this agreement is to dispense with dismissals until end-2003, insofar as the shedding of jobs proceeds on the agreed time-scale. Certain criteria will be applied on June 30, September 30 and December 31 of this year to check whether developments are running according to plan. The Bank will only resort to dismissals in order not to endanger the implementation of the job reductions. At this point, we wish to thank the staff council. What was achieved in the agreement represents professional, partner-like and constructive cooperation even in a difficult phase.

Variable, performance-linked remuneration

A prominent feature of good remuneration systems today is their flexibility. They have to be capable of responding quickly and reliably to changed market conditions and adjusting to the strategic goals of the company. At the same time, they are an important factor in the attractiveness of a company like Commerzbank as an employer. With our profit and performance-oriented remuneration, we have developed a reliable and modern system of remuneration which meets these requirements. Variable components based on a performance-linked target bonus system complement the basic remuneration of our employees and, together with our additional benefits, ensure attractive and market-related compensation. The risks and rewards for employees and Commerzbank

Changes in permanent staff, 2001

Commerzbank Group



As earnings were expected to expand further, we planned another increase by 3,004 full-time staff at Group level in 2001. Due to the recruitment freeze imposed at mid-year as part of the cost-cutting offensive, however, our permanent staff expanded by only 829 full-time personnel in the course of the year. While a rise of 1,351 was registered in the first half of the year, the number of permanent staff contracted by 522 in the second half.

Data on Commerzbank's personnel^{*)}

| | 2001 | 2000 | Change in % |
|---|---------------|---------------|-------------|
| Total staff Group¹⁾ | 39,481 | 39,044 | 1.1 |
| Permanent staff Group²⁾ | 36,053 | 35,599 | 1.3 |
| Total staff Parent Bank¹⁾ | 30,021 | 29,611 | 1.4 |
| including: based abroad | 2,552 | 2,386 | 7.0 |
| including: trainees | 1,651 | 1,639 | 0.7 |
| Permanent staff Parent Bank | 26,693 | 26,538 | 0.6 |
| Years of service | | | |
| more than 10 | 50.77% | 48.30% | |
| more than 20 | 22.20% | 21.30% | |
| Staff turnover ³⁾ | 5.60% | 6.20% | |
| Total pensioners and surviving dependants | 10,892 | 9,718 | 12.1 |
| including: those retiring during the year | 519 | 498 | 4.2 |
| those entering early retirement | 182 | 138 | 31.9 |
| Older staff on part-time scheme | 235 | 257 | -8.6 |

*) Actual number employed; 1) including local staff in representative offices and cleaning and kitchen personnel, excluding staff on maternity leave and long-term sick; 2) employees, excluding trainees, junior executive staff, temporary staff, volunteers, cleaning and kitchen personnel, staff on maternity leave and long-term sick; 3) due to staff giving notice.

alike are fairly balanced. In good times, employees share in the company's success. Commerzbank, for its part, retains the option of adjusting the variable components of remuneration accordingly in bad times.

Constant development of executive personnel

Our executive personnel are especially important for the success of our company, above all in connection with the measures introduced to reduce costs. Accordingly, we set great store by the careful selection and qualification of our executives and have extended the special qualification programmes for the first three management levels (management circles A to C). The number of staff participating in the selection procedure for management circle C (qualification for level-three managerial duties) was about as high as in the previous year, at 268.

77 employees took part in the selection procedure for management level B (second level of management), 14% of them women. Management circle A has continued to grow in significance; currently, it consists of 24 people, twelve of whom have already taken over a top-level managerial position, either in Germany or elsewhere. Internationally, too, the management-circle system is meeting with ever stronger acceptance. This holds especially true for the international management circle C, which was offered last year in London and Frankfurt.

The Commerzbank Feedback System

In order to use other sources in addition to employee assessment, we have developed the Commerzbank Feedback System. This is an anonymously run online questionnaire relating to the assessment of a person. The questionnaire draws upon several sources: assessment of people by their superiors, by colleagues, other staff and customers. In specialist jargon, this method is known as 360° assessment.



Studies show that such a system encourages employees to focus on results and increases their motivation. As part of a pilot project, a central segment of the Commerzbank Feedback System is initially being realized in the Kiel main branch, which was the instigator of this project.

Company pension scheme facing fresh challenges

Together with the central staff council, we implemented the new statutory regulations for promoting company and private provision for old age at the end of the year. Since end-November, our employees can find detailed information on the Bank's intranet with regard to the scope for voluntary self-financed provision for old age incorporating the so-called "Riester promotion".

More attractive as an employer

In order to make it easier for women staff to move into executive positions, we have supported the "CrossMentoring" project, together with Bosch, Deutsche Bank, Deutsche Telekom, Fraport, Lufthansa, Merck, and Procter & Gamble. Mentoring is a process in which a mentor supports the career and development of a female mentee outside the normal superior/subordinate relationship; under cross-mentoring, this occurs across company boundaries.

So that career and family can be more easily combined, the childcare unit Kids & Co was created. This is an institution in Frankfurt specializing in looking after the children of employees spontaneously on a short-term basis. This first project nationwide has also met with a decidedly positive response on the part of the public.

We are the first German company to offer an internet-based virtual career advisory service for university graduates. By means of "Hotstaff", interested visitors become acquainted in the virtual Commerzbank high-rise building with the demands of and benefits provided by Commerzbank as an employer and learn to assess their specific abilities. The number of visitors went up by 30% to 32,000 last year, and the response was highly positive.

We thank the local staff councils, the central staff council and also the senior staff spokesmen's committee for their constructive cooperation. We also wish to thank all our active employees, as well as those who retired in the course of the past year. Their commitment, their skill and their identification with the Bank played a major part in keeping Commerzbank on course, even though the overall conditions in recent months were very unfavourable in this respect.

Our special thanks is extended to all those employees in the branches and at head office whose great efforts helped ensure a smooth changeover to euro notes and coins.



our share, strategy and outlook

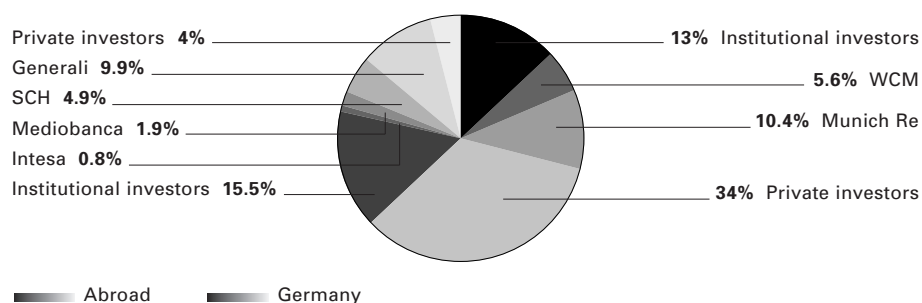
In the past financial year as well, we maintained intensive communication with shareholders and potential investors. By taking part in numerous investor conferences, through meetings with analysts and investors, some of which were readily accessible via internet for those interested, Commerzbank strengthened its contact with professional market participants. At the same time, we increased the number of conference calls and also our one-on-one and group discussions. By adding to the range of information which we provide via internet, we have acknowledged the great interest of private investors, which we also register in the form of e-mail enquiries. This medium gives us the opportunity to make information on Commerzbank available to all groups of investors simultaneously.

It is our goal to provide all market participants in Germany and elsewhere with a reliable information base for their investment decisions. The fact that we are on the right course here is underlined, among other things, by the business journal Capital's analysis of the information content of the annual reports of all German financial institutions. In this survey, conducted in mid-2001 by a prominent consulting firm, Commerzbank was awarded first place. With the first-time application of IAS 39 in connection with our overall accounting, we have met the demand for even greater transparency.

Despite these more intensive communication activities, the Commerzbank share price was unable to shrug off the general weakness of the stock market. In the course of the year, the Commerzbank share forfeited 43% of its value. The final Xetra quotation of the year was €17.47. Our share managed to recover by only just under 25% from its annual low of €14.08, triggered by the tragic events of September 11 in the U.S. In the development during the final quarter of 2001 and the continuing recovery since the start of this year, we see positive signs for a sustained rise in our share price. With our modified strategic positioning, improved operative earnings figures and a communications policy that remains frank and open, we are working to ensure that this trend is maintained.

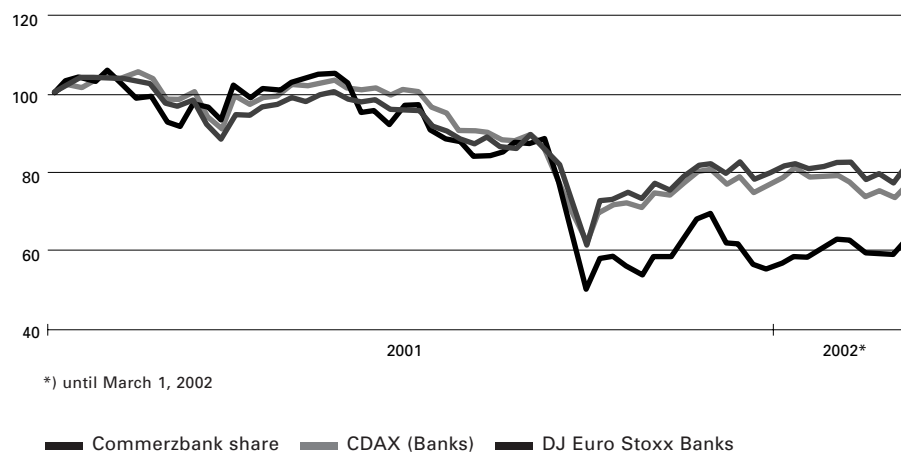
Commerzbank's 361,000 shareholders

share of capital held
(as of March 2002)



Performance of the Commerzbank share

End-of-week figures, January 2001 = 100



In a year-on-year comparison, the trading volume of the Commerzbank share also declined in line with its price performance last year. The 504m Commerzbank shares that were traded represented about 1.6% of the overall turnover in the shares of German listed companies. One striking feature is the especially lively trading in Commerzbank shares during the first quarter. We look upon the decline in subsequent quarters as an indication that now more and more investors with a longer-term orientation are holding Commerzbank in their portfolios.

Last year, our CB 21 programme to boost earnings did not produce the successes that we had imagined when it was implemented. The reason for this was feeble economic performance which could not have been expected on this scale. All the same, we are convinced that the central points of this programme are valid. That is why we are quite systematically realizing them.

In particular, the restructuring of our business activities into two divisions, Retail Banking and Asset Management, on the one hand, and Corporate and Investment Banking, on the other, is proving to be increasingly successful in exploring synergies between business lines. In the future, we will further strengthen our focus on Germany, where we serve our private and business customers on a nationwide basis. In addition, we are quite consciously targeting the European and North American markets in our corporate business.

Alongside this concentration on geographical regions and target groups, we will gear our product range more strongly to the needs of our customers. Our data-based marketing platforms, now available to our account managers for both retail and individual customers, are assisting us in this respect. Due to the wealth of information on our customers generated by this system, we are now in a far better position to channel the needs of our clients into selected business activities.

Another pillar of our strategic positioning in private-customer business is our cooperation with the German subsidiaries of the Italian Generali insurance group. Here, more quickly than planned, workplaces have been set up at our branches for insurance experts.



The successful meshing of commercial business and investment banking continues to be of cardinal importance. In the case of our *Mittelstand* and large corporate clients, this task has been entrusted to the regional board members appointed at the start of this year. The creation of this level of management underlines the Bank's intention to pursue this business model swiftly and successfully. Early experience with our corporate customers has proved to be highly encouraging.

Cost-cutting offensive supports turnaround

To complement our CB 21 programme for boosting earnings, we launched our cost-cutting offensive in mid-2001. In the meantime, this has developed into a five-point programme, also comprising the credit-portfolio check and price-offensive projects, as well as personnel measures. We are convinced that this overall package will produce the turnaround which Commerzbank needs.

Apart from the reduction of the branch network, envisaged by CB 21, from an original 945 at end-2000 to 781 offices, we have resolved to remove another 50 branches. We will implement this measure in the course of 2002.

In asset management, we are reorganizing the corporate centres and bundling the settlement functions of the individual companies.

In investment banking, we are reducing front and back-office IT expenses, streamlining business processes and aiming for further automation in the settlement of securities transactions.

At the same time, primarily in transaction banking and information technology, we will quite consciously replace expensive external personnel by our own staff. In these areas, more than 2,000 external personnel were active for the Bank at year-end.

Higher creditworthiness thanks to credit-portfolio check

Even this year, the third point of our turnaround programme, the credit-portfolio check, should have a positive impact on our risk management. The aim of this measure is to limit provisioning, which last year amounted to roughly 0.4% of total lending. We will examine our credit portfolio exhaustively for special risks, the appropriate collateral and adequate margins. What is new is that the examination is taking place at various hierarchic levels, depending on the size of the Bank's exposure.

Parallel to the credit-portfolio check, we are taking a critical look at all our products and services and will make use of possible existing scope if their pricing is unsatisfactory.

Personnel measures produce surge in creativity

Another point in our programme relates to various personnel measures. The appointment of regional board members has presented our top *Mittelstand* and major corporate customers as well as our sophisticated private clients with inter-

nationally experienced business associates, who can give them support with their strategic decisions. We have also appointed new heads for several departments. We look to them to generate fresh ideas and a great deal of creativity in exploring new and interesting groups of customers.

Fresh strategic orientation complements action on earnings and costs

Both the cost-cutting offensive and our programme to boost earnings are showing the first effects. However, the entire five-point programme is not enough to take us much closer to our long-term target of 15% for our return on equity. We have therefore resolved further measures, which will be implemented in the course of this year. We refer to these under the collective heading "fresh strategic orientation".

As a first point, we have decided to sharpen the strategic profile of the Bank as a whole. For one thing, this means that distribution and production will be separated more strictly – a concentration on adding value in distribution – and, for another, our new external slogan "Ideas ahead". This communication campaign underscores our intention to encourage competition in ideas on behalf of our customers and between our employees.

Secondly, we are going to reposition asset management strategically. In order to achieve cost synergies, we combined our German units for institutional business, Commerzinvest for German and CICM for international clients, at the end of last year. If necessary, we will have to dispose completely of less profitable units or those which do not fit in with our strategy.

In retail banking, our target-group and distribution-channel strategy is to be adapted to changed market conditions and customers' needs. This also applies to our direct broker comdirect, which will concentrate in future more strongly on the core region Germany. The exception will be the UK, where comdirect UK plc, on current planning, will reach break-even point next year.

In addition, we are also examining various possibilities to cooperate with others in transaction banking. It is probably only in this way that permanently low prices – which are consequently in line with the market – can be realized for standard services.

We have made more efficient steering of the Bank as a whole the third point of the new strategic orientation. Financial controlling will be further expanded; this includes the deployment of reliable instruments for measuring the performance of individual business lines.

Commerzbank's strategic thrust

In Germany, Commerzbank will continue to strengthen its position as the efficient bank for demanding private customers. For this purpose, we are expanding our individual-customer and private-banking activities. At the same time, we believe it is important to focus asset management on the requirements of distribution and less on production.

In corporate business, we will step up the development of investment-banking products for larger SMEs and major corporates. Today, 39% of *Mittelstand* firms have an account with Commerzbank and we intend to raise this share to become the top German bank for successful SMEs.



Earnings outlook for 2002

Our earnings performance in the current year will largely depend upon the economic setting and the stock markets. We assume that, thanks to the perceptible interest-rate cuts of the European Central Bank and the marked year-on-year drop in crude oil prices, the mood of German companies and consumers will brighten. The latest economic data from the United States are also positive and show that the recession had bottomed out by end-2001.

All told, we believe that gross earnings will increase only marginally this year. As we firmly assume that Rheinhyp will be removed from the list of consolidated companies, a slight improvement in net interest income could be considered a successful result. Here the positive impulses should come from a widening of the average interest-rate margin. We do not think that any relief will be forthcoming on the provisioning front, unless our main target group, German *Mittelstand* companies, rapidly regains momentum.

We expect our net commission income to register a double-digit percentage increase on 2001. The decisive factor will be how quickly the faith of our customers in the securities markets is restored. However, in our planning, we envisage further positive effects from the CB 21 project and the price offensive. As announced at end-2001, we want to hold our operating expenses at about €5.5bn. We are confident that the systematic implementation of the measures under our cost-cutting offensive will yield this result.

We cannot be satisfied with the budgeted pre-tax profit of between €700m and €800m. These conservatively calculated figures do not contain any income from possible disposals of investments. In addition, the removal of Rheinhyp from the list of consolidated companies should yield a three-digit million figure in the form of a tax-exempt gain.

Earnings performance in 2002 will certainly point in the right direction. However, it will be no more than an interim stage on the way back to the Bank's former earnings strength.

Key Commerzbank dates in 2002/2003

| | |
|--------------------------|--|
| May 8, 2002 | Interim report as of March 31, 2002 |
| May 31, 2002, 10.00 a.m. | AGM, Jahrhunderthalle Frankfurt am Main-Höchst |
| August 8, 2002 | Interim report as of June 30, 2002 |
| November 12, 2002 | Interim report as of September 30, 2002 |
| November 13, 2002 | DVFA Analysts' conference, Frankfurt am Main |
| Early February 2003 | Key financial figures for 2002 |
| April 1, 2003 | Press conference for 2002 results |
| Early May 2003 | Interim report as of March 31, 2003 |
| May 30, 2003 | AGM, Jahrhunderthalle Frankfurt am Main-Höchst |
| Early August 2003 | Interim report as of June 30, 2003 |
| November 11, 2003 | Interim report as of September 30, 2003 |

All the major Commerzbank news items are also available from "Investor Relations" on our homepage: www.commerzbank.com.



risk report

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Risk strategy and risk-management organization

Strategy and goals of risk management

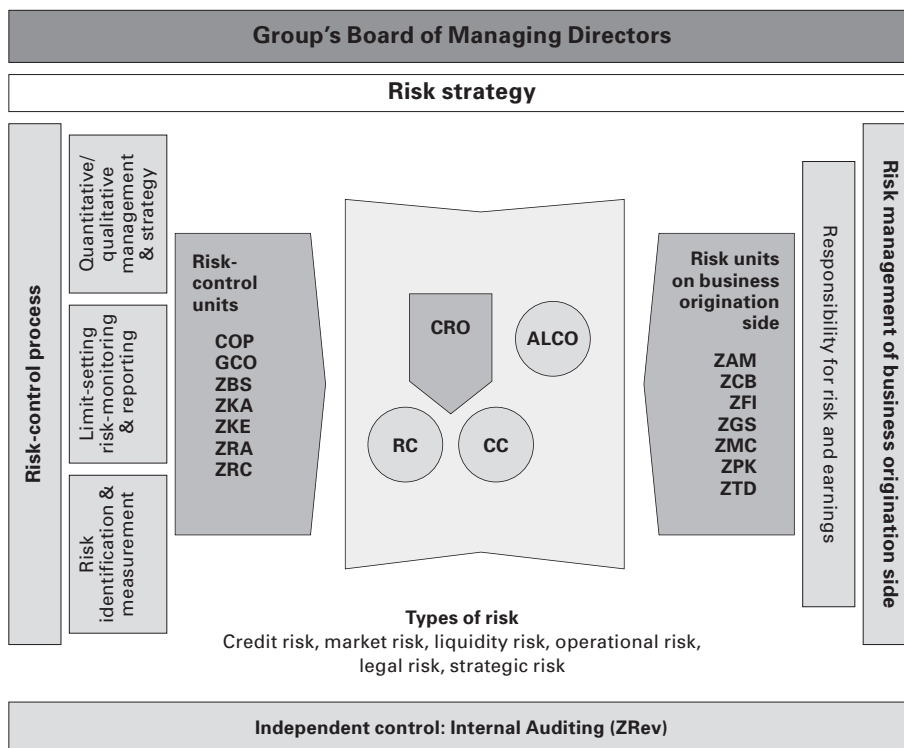
The key pillars of our risk strategy are to identify, measure and monitor all the risks of the Commerzbank Group in the sense of a control loop and to integrate the information gained as a result into a risk/earnings-based management system for the Bank as a whole. The main object is to limit the risks relating to the generation of income by means of risk-policy guidelines and limit structures, thus protecting the Bank from unexpected burdens.

In order to achieve this, a transparent and prompt flow of information to decision-makers is essential, enabling them to weigh up the risks against the rewards. In addition to its central function of preparing and making available information, monthly risk reporting for the entire Bank ensures that previously determined limits are monitored at the highest level of decision-making. This forms the basis, therefore, for managing the outlined risks, taking into consideration both the earnings achieved and the regulatory requirements.

Organization of risk management

The internal control and management of risk is the responsibility of Commerzbank's risk-management organization, whereby we understand risk management in the broader sense as all the appropriate measures for managing risks. The risk-control process, i.e. risk management in the narrower sense, comprises the identification, measurement, limitation, monitoring, reporting and steering of risks.

Organization of risk management



The risk-policy guidelines are laid down by the Group's Board of Managing Directors. As a member of this body, the Chief Risk Officer (CRO) has direct responsibility within the framework of the risk-management organization for the Risk Control (ZRC) and Credit Risk Management (ZKA) staff departments. He is responsible for implementing the risk-policy guidelines throughout the Group. Special committees have been set up to bundle and monitor decisions relevant for risk, and these support the Group's Board of Managing Directors in their decision-making.

The Risk Committee (RC), chaired by the CRO, primarily deals with all topics related to market risk, operational risk and the Bank's overall risk situation. The New Product Committee (NPC), a sub-committee of the Risk Committee, is made up of representatives of various trading units and service departments and is chaired by the head of the Risk Control department. It is responsible for approving and introducing new products and markets.

Within the overall hierarchy of loan approval powers, the Credit Committee (CC), similarly chaired by the CRO, decides by taking ratings into consideration all of Commerzbank's lending commitments up to 2% of its liable equity and also issues a recommendation on all the credit decisions to be taken by the Board of Managing Directors.

The Asset Liability Committee (ALCO), chaired by the management board member responsible for treasury, determines the Bank's interest-rate strategy as well as its asset/liability and liquidity position.



Risk-control process

The risk-control process at Commerzbank is entrusted for all types of risk to the COP (head of Credit Operations Domestic Private Customers) and the GCO (head of Global Credit Operations), as well as to the units ZBS (Accounting and Taxes), ZKA, ZKE (Strategy and Controlling), ZRA (Legal Services) and ZRC.

With its globally-oriented organization, the *Risk Control* department plays a key role in implementing the risk policy established by the Board of Managing Directors. Apart from creating risk transparency and controlling the Commerzbank Group's overall risk, aggregated for all the different types, it is committed to developing an even more sophisticated risk and earnings-oriented management for the Bank as a whole. This entails working out economic capital in connection with the calculation of risk-taking capability and subsequently assigning the various types of risk to the respective business lines.

As part of this calculation, the Group's overall risk is set off against the economic capital for covering risks. The purpose of this comparison is to ascertain whether the Bank is in a position to cope with potential unexpected losses. In order to distinguish it from other concepts of capital used in accounting, the calculated overall risk is also referred to as economic capital, as it is economically necessary for cushioning unexpected fluctuations in results. For all types of risk, the economic capital relates to a period of twelve months per balance-sheet date and also to a confidence level of 99.80%, reflecting Commerzbank's target rating of Aa3.

The core functions of ZRC within the risk-control process include both the daily calculation, analysis and reporting of market risk and also its pro-active control. In addition, its main duties comprise the development of guidelines and procedures for dealing with market, credit (credit value-at-risk) and operational risk, and also the conception of methods for calculating these.

Apart from implementing supervisory requirements (on the topic of risk), ZRC concentrates on preparing information for the Board of Managing Directors and producing quantitative risk analyses and key ratios for steering trading positions. At the same time, ZRC also performs an internal advisory function on all risk-relevant issues.

Primary responsibility for all credit risk is borne by the CRO. The central credit function lies with the *Credit Risk Management* department, which helps the banking departments optimize the credit portfolio in terms of credit risk and is responsible on a Group-wide basis for managing credit risk, taking into account the largely distribution-oriented activities of the banking departments. Observing the statutory provisions, ZKA is primarily responsible for credit-portfolio management as well as measuring and monitoring credit risk, including the formation of adequate provisions. Its duties also include the formulation of general guidelines for analysing and deciding individual lending commitments, as well as preparing a borrower-unit-related decision on all major commitments.

In accordance with the German Banking Act, credit risks are pooled on a borrower-unit basis for the entire Commerzbank Group and monitored by country, business line, rating class, sector and target group (e.g. *Mittelstand*) on a portfolio basis. Loans involving enhanced risks or problem credits are managed by intensive-treatment units, responsible for either Germany or other countries. Credit risk in investment banking is calculated and monitored by a separate section of the department.

With a view to greater efficiency and the "Minimum requirements for the credit business of credit institutions" (MaK), the operative credit function in the corporate and retail-customer segments is being restructured.

In the case of corporate business, the credit analysis and approval function (operative credit function) is entrusted to a "head of Global Credit Operations" (GCO), and for retail business in Germany to a "head of Credit Operations Domestic Private Customers" (COP). GCO and COP report directly to the Chief Risk Officer who is a member of the Board of Managing Directors; they manage branch credit business within the framework of the established guidelines and credit approval powers. In domestic corporate business, the GCO is supported by four regional credit officers (RCO), who assume responsibility for the area covered by the four regional board members and to whom the heads of credit at main-branch level, with their staff, directly report. In retail business, the COP will be in charge of six regional credit officers in future. These will manage six credit centres, at which the credit function in retail business will be regionally concentrated. By end-2002, all of the other operative credit functions (abroad, IB credit, financial institutions) will have been placed under the charge of the CRO.

Risk-management process

Risk management in the narrower sense – risk-steering – is handled for the various types of risk by the relevant trading units: ZGS (Securities), ZTD (Treasury and Financial Products) and ZAM (Asset Management), and also by ZPK (Retail Banking), ZCB (Corporate Banking), ZFI (Financial Institutions), and ZMC (Multi-national Corporates). Within the scope of their business activities, therefore, the risk-management units bear immediate responsibility for risks and earnings. Insofar as systems, procedures and technology are involved, the head-office service departments are responsible for managing operational risk.

Independent audit

All the risk-control and risk-management activities are independently audited by the Internal Auditing department.

Definitions

A uniform interpretation of risk is indispensable for creating an awareness of risk within the Bank. Risk is the potential negative change in the forecast asset, financial and net profit position as a result of an unexpected event. Here the following types of risk are distinguished:

- *Credit risk* is the risk of losses or lost profits due to unexpected defaults or unexpected deterioration in the creditworthiness of counterparties. In addition to this, credit risk covers above all issuer risk, counterparty risk and country risk.



- *Market risk* is the potential loss which can arise for positions held by the Bank due to changes in prices or price-influencing parameters in the financial markets. We distinguish between general and specific market risk as well as interest-rate, currency, equity, precious-metal/commodity and volatility risk.
- *Liquidity risk* is the risk of the Bank not being able to meet its current and future payment commitments. The market-liquidity risk describes the risk that the Bank is unable to settle or hedge its trading positions on time to the desired extent.
- *Operational risk* is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.
- Other major risks such as legal risk resulting from contractual agreements or the overall legal framework, or *strategic risk* resulting from fundamental decisions on the part of the Bank's management, and also *reputational risk*, which threatens confidence in the Bank on account of negative business practices that have become familiar to the public.

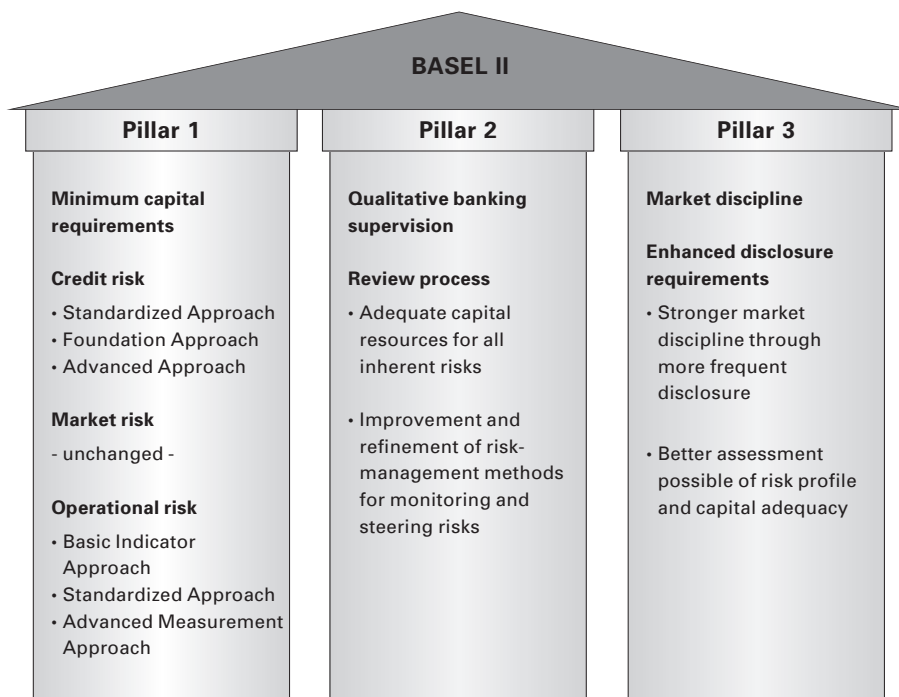
Risk management pursues the goal of increasing the company's market value by steering all risks. These are systematically identified and quantified in connection with the opportunities which arise. Risks which pose a threat to the Bank's earnings are limited and the consequences of assuming risks and the related earnings are analysed.

The new Basel Capital Accord

The principal goal of the new Basel Capital Accord – known as Basel II for short – is to ensure the stability of the banking system and to promote a change of paradigm towards banking supervision that focuses more on quality. For this purpose, Basel II builds upon three pillars. Pillar 1 seeks to bring the capital backing for both credit risk and operational risk more into line with the economic risk, whereby the explicit capital backing for operational risk breaks fresh ground in banking supervision. Pillar 2 is designed to make sure that banks develop and apply better risk-management procedures in monitoring and steering their risks. Pillar 3 describes the tougher disclosure rules for banks, making it easier for investors and market participants to assess their risk position.

The capital charge for credit risk can be worked out using three different methods. These approaches differ in terms of their complexity and the requirements which they make on banks. While the standardized approach rests upon the ratings of external agencies, the two others (the IRB (internal ratings-based) foundation approach and the IRB advanced approach) involve recourse to banks' internal ratings.

In calculating the equity needed to back operational risk, three approaches are distinguished in terms of their complexity. Each of them contains a factor laid down by the supervisory authorities. Whereas the basic indicator approach takes a single risk indicator (gross earnings) into consideration for the bank as a whole, the gross earnings for each type of business are used for the standardized approach. By contrast, the advanced measurement approach measures operational risk on the basis of loss data.



Commerzbank sees the new Basel Capital Accord as support for its efforts to establish an even more differentiated appraisal of the risks relating to its business and to make its system of modern portfolio management ever more refined. The Bank believes that this will ultimately boost its earnings performance, as the market will accept a pricing of risks that reflects credit standing, and the gap between regulatory and economic capital will be narrowed.

Last year, a Basel II project team was installed at ZRC, which regularly reports to a steering committee chaired by the CRO and, working with the banking departments, staff departments and subsidiaries, coordinates implementation throughout the Group of the requirements to be met. The emphasis is initially on Pillar 1, as for both credit and operational risk minimum records of historical data have to be compiled or disclosed.

As part of our preparations to implement the IRB approach, we are also making sure that we will be able to measure the equity needed to back credit risks, applying either the foundation or the advanced approach. As regards the substantive issues, Commerzbank plays an active role in international and national bodies such as the Institute of International Finance (IIF) and the risk-policy committee of the Bundesverband deutscher Banken (Association of German Banks).

Our general objective is to establish the capital backing required for operational risk using the advanced measurement approach, i.e. reflecting the Bank's risk profile. On account of the requirements that were not clearly specified in the Basel II consultative document, however, we will also create the conditions for applying the basic indicator and standardized approaches.



Risk-control/risk-management process

Monitoring and steering of credit risk

Rating process and rating procedures

Since the early nineties, Commerzbank has had recourse to detailed rating and scoring procedures for checking creditworthiness and standardizing credit decisions. These are binding for our branches and subsidiaries in Germany and elsewhere.

Ratings are a central element of the credit process and help to

- make the assessment of creditworthiness and credit risk more objective,
- systematically identify risks,
- steer risks throughout the Group and present them in the credit portfolio,
- achieve adequate pricing in credit business.

Ratings are established for all fresh commitments, increases in existing credits, loan extensions and examinations of commitments, and also if economic conditions change. We distinguish between the counterparty rating and the credit rating.

| | |
|-----------------------------------|--|
| Counterparty rating | |
| Borrower's creditworthiness | Financial statements, current performance, market development potential, management, personal creditworthiness |
| Market segment | Industry, turnover category |
| Relationship with other companies | For example, degree of integration into a group |
| Country risk | Country rating of the sovereign borrower |
| Credit rating | |
| Collateral | Realistic assumption as to value of collateral |
| Credit structure | Lifetime, repayment, covenants |
| Quality of customer relationship | Length of credit relationship, account management, Commerzbank's position as a lender |

Borrowers are assigned to twelve different rating levels, ranging from 1.0 (exceptionally good creditworthiness) to 6.5 (work-out commitments).

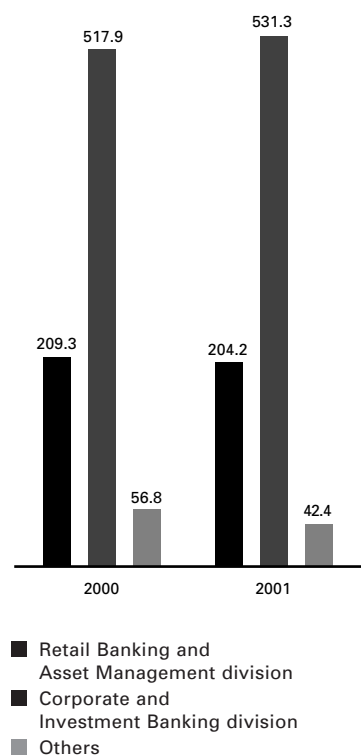
Rating and scoring methods exist for companies (small to medium-sized firms, major customers, multinational corporates, banks, non-banking financial institutions), private customers (business customers, overdraft and consumer credits, credit cards, home loans, other personal loans), specialized lending (commercial real-estate financing, aircraft financing, ship financing, project finance, structured financing) and also for countries and industries.

The rating for German *Mittelstand* clients is worked out with the support of a team of experts that analyse the key figures of the financial statements, also taking into account qualitative company data. In the private-customer segment, the Bank uses standardized scoring procedures, which also make suggestions for lending decisions. For this purpose, Commerzbank's behavioural-scoring procedure is employed, which regularly monitors account movements and can automatically adjust limits.

Last year, the Bank focused on its *Mittelstand* customers in the validation of ratings. Analysis of the average default rates confirms that Commerzbank's internal rating procedures correctly classify or forecast the identified risks. With priority being determined by the importance and the volume of rated loans, each rating procedure is successively validated with descriptive statistics, benchmarks set to external ratings or mathematical-statistical models.

Standard risk costs

Commerzbank Group,
Average for year, in € m



Quantification of credit risk

For internal control purposes, credit portfolio models are now entering the banking world. These are preparing the way for regulatory recognition as regards the capital required to back credit risk. Credit portfolio models are very important for the overall steering of the Bank from the risk/return standpoint. The demands made on such models range from global, Group-wide monitoring of portfolios to the risks represented by individual transactions or contracts.

The prime focus, however, is on the loss distribution of the credit portfolio. From this, both the expected loss (standard risk costs – SRC) and the credit value-at-risk (unexpected loss) are derived. The SRC are intended to cover the expected credit defaults in the form of an insurance premium. In preliminary costing, they are included as a risk premium in calculating the target margin. In actual costing, they form part of the calculation of performance in customer business. In substantive terms, the credit value-at-risk represents an estimate of the amount by which, with a given probability, the potential loss of the loan portfolio exceeds the expected loss.

In order to quantify the credit value-at-risk within the Commerzbank Group, the Credit Risk+[®] model is employed, which is widely used in banking. The assumptions with regard to distribution and functional dependencies on which this model is based were adapted to the specific requirements of Commerzbank and are constantly being refined. They make it possible to present the distribution of portfolio losses analytically. The statistical input parameters, especially default rates, recovery rates, etc., which are worked out on the basis of well-founded methods of estimation as part of the Basel II project, are incorporated into the credit-risk model. This approach enables Commerzbank to meet future supervisory requirements ("Basel III") involving the use of credit portfolio models to determine the capital charges.

Credit approval powers and limit-setting procedure

Commerzbank's structure of rating-related credit approval has a key function in managing credit risk for the entire Bank. Credit decisions for individual borrowers or groups of borrowers are made on the basis of either the aggregated



exposure pursuant to Art. 19, (2), German Banking Act – KWG (borrower unit), or a larger economic risk entity. The relevant level of credit approval is determined by the size of the credit and the rating.

We ensure that decisions are made independently of the business origination side by forming credit groups in our branches that report in both disciplinary and business terms solely to the respective head of the credit units at branch level. By integrating them into the new head-office units Global Credit Operations (GCO) and Credit Operations Domestic Private Customers (COP), we have ensured independence of the business origination side right up to management board level in the future. All commitments exceeding the approval powers of the branches are decided by ZKA or in credit committees (up to an overall exposure of 2% of the Bank's liable equity). Beyond that level, credit decisions are taken by the Board of Managing Directors, based on the recommendation of ZKA and CC, with the Board subsequently being informed about all the decisions of the head-office credit committees.

Limit-monitoring procedure for trading activities

The monitoring of risk and the Bank's controlling measures are based on a system of limits ensuring that daily utilization remains within the set framework. The system of limits directly intervenes in trading systems and ensures that credit exposure arising from trading activities is monitored globally, in real time, and right around the clock. In addition to such information, trading units are provided with data on whether the relevant limits are available. Only if the so-called pre-deal limit check has confirmed that free trading lines are available may deals be concluded. Limit overruns are reported daily to the management. By means of a graduated procedure, such overruns are reduced.

Development of risk and risk provisioning

We take account of discernible credit risks by forming the appropriate provisions. For latent risks, we form general provisions. For concrete creditworthiness risks of individual borrowers – which are indicated by the rating – provision is made, applying Group-wide standards, by means of specific valuation allowances on the scale of the potential loss. The amount of provisioning required is gauged by the unsecured part of the exposure for credits with a rating of 6.0 for work-out commitments.

In international credit business, the economic and political situation of the country is also reflected in the overall assessment of a borrower. For loans to borrowers with an enhanced country risk (transfer or event risk), provisions are formed, if necessary, on the unsecured loans, reflecting the relevant internal country rating, in the form of provision for country or individual risks. Here we always give priority to the latter type.

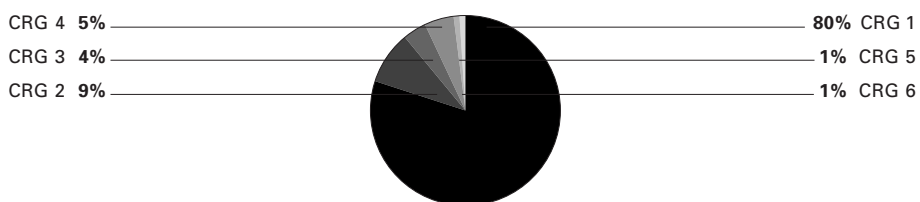
Problem credits (6.0 and 6.5 ratings) are classified by rating and kept in a special IT system, which makes it possible to process individual transactions effectively and to monitor risks. We regularly monitor the adequacy of our provisioning at the portfolio level. In addition, on the basis of careful estimates, the Commerzbank Group's expected need for provisions is worked out each spring and autumn. These estimates form the basis for analyses of discrepancies and for the measures to be adopted as a result.

Country risk

Due to the international character of business, the monitoring and management of country risk by means of country ratings that are constantly updated is especially important. Ratings are worked out independently by a group at ZKV (Corporate Communications and Economic Research). A traffic-lights system points the direction for future lending; a reporting system is used for possible discrepancies between the projected trends and the actual development of the Bank's exposure, and counter-measures are taken promptly. Country-risk reports appear at periodic intervals, describing the development of individual countries and regions and establishing guidelines for future lending. In this way, we achieve risk-oriented control and geographical diversification in our exposure abroad.

Net exposure, by country-rating group (CRG)

Commerzbank Group



Reporting

In 2001, Commerzbank's central management credit information systems (CoMKIS), presenting the main steering parameters and risk ratios for lending business, were further refined. As a result, the lending sections of the main branches in Germany have at their disposal detailed, branch-specific portfolio information on rating and sectoral structure, on risk provisioning and the equity tied up, as well as on loan processing. We systematically recognize the increasingly decentralized responsibility for portfolios by regularly providing information on credit portfolios on a near-time basis. At present, we are developing CoMKIS into a Group-wide information system for lending by incorporating portfolio information from branches and subsidiaries outside Germany.

Credit risk arising from trading transactions is reported on the basis of the "Minimum requirements for the trading activities of credit institutions" (MaH). Limit overruns are reported daily to the management. In addition, the management is informed every month about the largest exposures in off-balance business. Furthermore, limits and exposures are reported by type of business, maturity of transaction, country, risk classification and counterparty category. Portfolio reports are prepared on a regular basis for certain groups of counterparties.

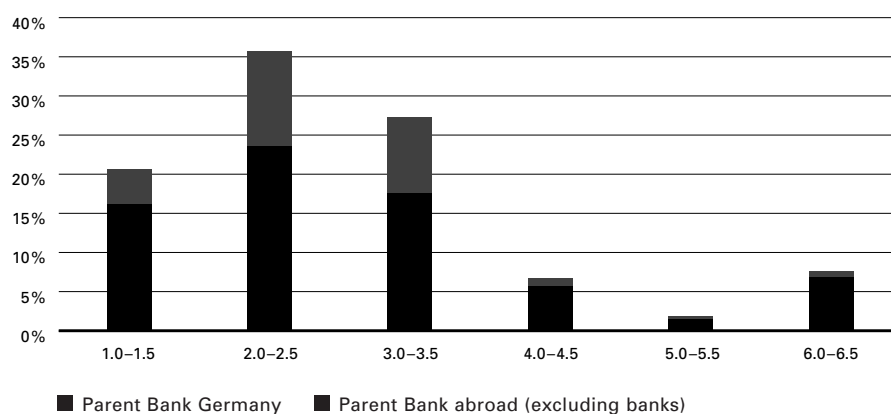
Credit portfolio management

Based on many years of ratings-oriented lending, clear guidelines for risk segments, pricing geared to the standard risk costs, and a risk-oriented structure in terms of organization and operations, which is being further developed with a view to MaK 2002, we are constantly working towards a risk and earnings-oriented improvement in the quality of our credit portfolio.



Borrowing, by rating structure

Parent Bank, per 31.12.2001



For years, we have used rating-related structural goals to achieve a risk-oriented optimization of our credit portfolio, examining individual cases and borrower units, industries and segments of industries, and also country concentration. Here we identify and manage concentrations of borrower units or borrower groups sharing a number of common features whose individual ability to repay debt is influenced by a change in certain shared economic conditions (e.g. membership of the same sector). Drawing upon the development that is forecast for the various sectors, we coordinate the basic approach with our operative units in the form of credit quality reviews. In our segment reporting, we present the breakdown by sector.

Monitoring and steering of market risk

In 2001, Commerzbank received approval for its internal model for measuring capital requirements, which recognizes virtually all of the market risk relevant for Principle I. The model was approved for the Parent Bank with its foreign branches worldwide and covers the equity, interest-rate and foreign-exchange risk categories of general market risk. Within the equity category, it also includes residual risk, which quantifies the risk profile of the individual equity instrument compared with the overall market. After the model had been used internally for roughly two years and the quality of its forecasts had been found to be good in extensive statistical procedures, it was recognized by the Federal Banking Supervisory Office for the purpose of working out the capital backing that is required. We are currently extending the internal model in order to recognize specific interest-rate risk.

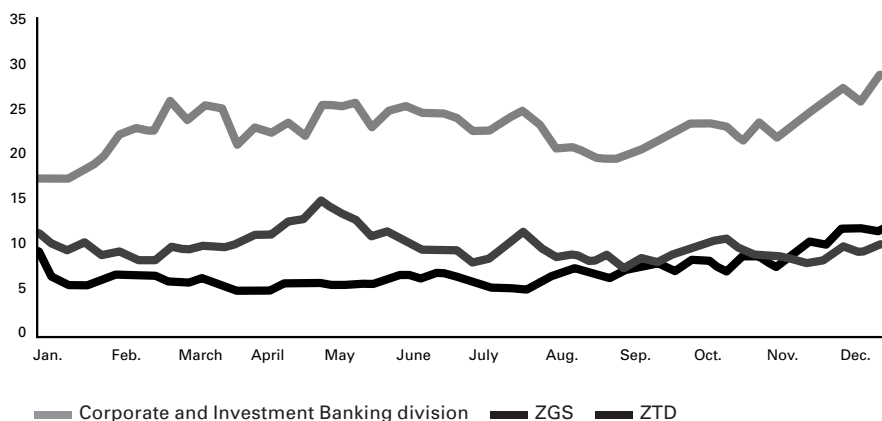
Value-at-risk approach

The value-at-risk (VaR) method is the procedure currently used by the majority of all internationally active banks for measuring market risk. The VaR indicates the maximum loss in value of a portfolio with a given degree of probability (confidence level), whereby it is assumed that the composition of the portfolio remains unchanged during the holding period. A VaR of €1m with a 99% con-

Value-at-risk in the course of 2001

Weekly averages, in € m

1-day holding period; 97.5 % confidence level



confidence interval and a one-day holding period means that a loss of more than €1m within one day will only occur with a probability of no more than 1%, insofar as positions remain unchanged.

The advantages of the VaR approach lie in its universal applicability, its statistical information value and the resulting possibility to compare and aggregate risk in different portfolios.

Historical simulation

The historical simulation method is employed by Commerzbank to calculate VaR. This is the most transparent of the current methods for measuring market risk and entails the smallest model risk. Here, every day, the market changes of the respective past year (or more precisely: the last 255 trading days) are applied to the existing portfolio and the distribution of potential gains and losses is estimated. Changes in interest rates, currencies, equity prices and volatility are incorporated into historical simulation. Typically, marked deviations from a normal distribution can be observed here, in particular large changes in value – so-called fat tails – are more likely than if normal distribution were assumed.

Depending on the confidence interval, the VaR corresponds to simulated losses in the least favourable scenarios for the respective portfolio. At Commerzbank, a confidence interval of 97.5% is used, which corresponds to the seventh-highest simulated loss. For external reporting – and for calculating regulatory capital – a confidence interval of 99% is used, corresponding to the third-largest simulated loss, which in addition is rescaled to a 10-day holding period. A special advantage of historical simulation is that it is fairly easy to calculate the overall risk on the basis of the individual results for lower portfolio levels.

Back-testing

In order to assess and constantly improve the forecasting quality of the risk model employed, and also in view of the supervisory requirements in accordance with Principle I, KWG, the reliability of the VaR methods that are applied is regularly examined.

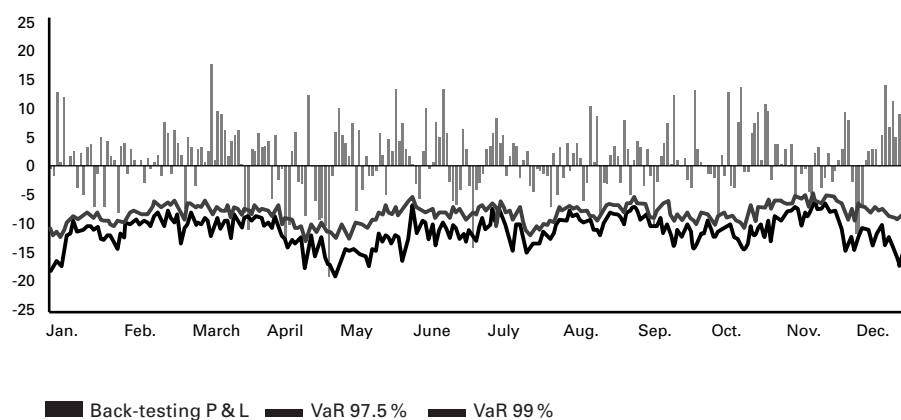


This begins with a comparison of the forecast risks with the profits and losses which would have occurred under the assumption of unchanged positions (so-called "clean back-testing"). Accordingly, the VaR at the 99% confidence interval should be exceeded in merely 1% of all the trading days that are examined. The number of exceptions forms the basis for the evaluation of internal risk models by the supervisory authorities, and consequently for calculating regulatory capital as well.

In the 2001 financial year, three exceptions were recognized at Group level due to extreme market fluctuations. This is in line with statistical expectations and thus meets the regulatory requirement. In addition to this approach, Commerzbank uses a number of other statistical methods for assessing and refining its risk model.

Back-testing in the course of 2001

in € m



Stress testing

As the VaR method does not take account of extreme market movements, the quality and reliability of risk quantification have to be complemented by additional stress tests. These evaluate the scale of losses under extreme market conditions such as those which emerged in past crisis situations. As a rule, the assumed scenarios are based on long-term studies and relate to all markets. In some cases, past crises are also "reconstructed". The stress tests that are used differ from business line to business line and are adapted to accommodate individual portfolios.

Interest-rate risk

The Commerzbank Group's interest-rate risk results from both trading-book and banking-book positions. In the banking book, interest-rate risks mainly arise through different maturities for the Bank's assets and liabilities, e.g. due to the short-term funding of long-dated credits. In measuring interest-rate risks, we include both balance-sheet interest items and the related derivatives.

As for the trading book, the interest-rate risks of the banking book are measured using a net present value approach according to the historical simulation method (value-at-risk). This makes it possible to compare the interest-rate risk

arising from both the trading book and the banking book and also to present the results in aggregated form at Group level, with portfolio effects included.

Procedure for setting limits

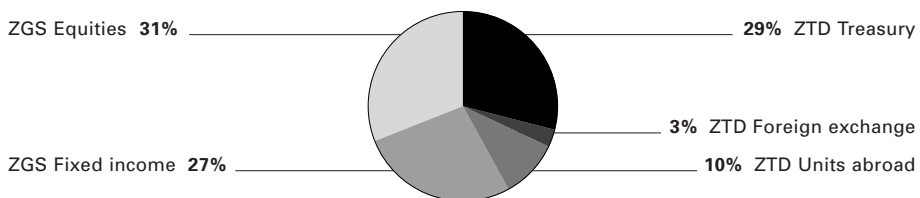
Commerzbank has developed a comprehensive system of limits for restricting market risk. It is based on the already-specified risk ratios as well as on other factors such as sensitivity ratios for traded products. The market-risk limits are determined by the Board of Managing Directors or the Risk Committee. The global market-risk limits have been assigned to specific sub-portfolios (i.e. individual product groups or trader teams) within the respective trading units and may only be altered by means of a formal process for changing limits. By subdividing the limits, we are able to manage the Bank's overall market risk precisely at all levels. At Commerzbank, the following risk categories *inter alia* have been established:

- overnight VaR limits using a 97.5% one-sided confidence interval based on historical simulation;
- overnight stress-test limits in order to cover – outside the VaR calculation – risks arising through extreme market situations, based on various stress-test methods;
- loss-review triggers as a warning signal that a trading unit has reached a certain loss level; this is calculated by setting the accumulated losses against the budgeted trading profit and interest income for the current year.

In addition, further product-specific limits (structural limits) may be established at all levels, e.g. for restricting market-liquidity risk.

Average percentage distribution of market risk

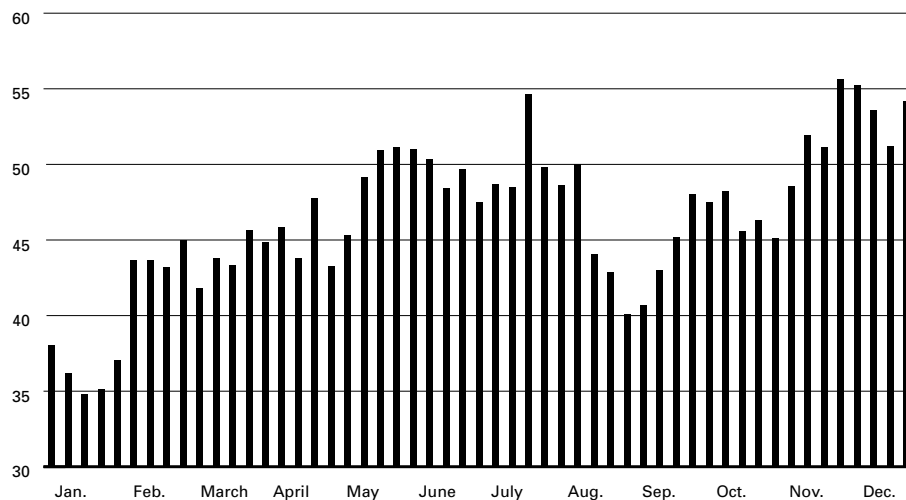
Corporate and Investment Banking division
1-day holding period; 97.5 % confidence level



Market risk in the course of 2001

Weekly averages, in € m

1-day holding period; VaR 97.5 % confidence level



Limit-monitoring process

The daily monitoring of market risk examines the risk figures that have been generated to ascertain the utilization of limits and possible overruns. The risk controllers responsible for the individual trading areas constantly monitor the open trading positions and the ensuing risk. Apart from monitoring the overall positions, ZRC also examines all proprietary-trading transactions to ensure that prices reflect market conditions in accordance with the MaH rules.

Reporting

Risk reporting within the Commerzbank Group occurs at various portfolio levels, on both a daily and a monthly basis. The local risk controllers report the risk figures that they have worked out to all decision-takers within the trading units. In addition, the risk figures are collected, condensed and finally aggregated to form a Group risk figure. Risk reporting takes the form of two reports which appear at different times and also differ in content. Supplementing the so-called flash report, which represents a preliminary form of information, the end-of-day report contains risk figures for all the relevant portfolio levels, including the profit and loss figures worked out by ZBS (Accounting and Taxes).

In close coordination with their parent company, the mortgage banks affiliated with Commerzbank and also comdirect bank AG have established their own risk control. The risks arising at these subsidiaries are managed and controlled on the spot. The risk figures which they establish are used by the central risk-control unit of Commerzbank in order to compute the Group risk. The risk figures of the mortgage banks and comdirect bank AG are also incorporated into the above-mentioned reports.

A comprehensive risk report is also produced at monthly intervals. This is presented to the Board of Managing Directors and to the Risk Committee. The monthly risk report contains detailed evaluations and presentations on all the relevant types of risk, and especially on such topics as the risk-taking capability, market risk, credit risk and operational risk.

Risk management

Drawing upon the key risk ratios and analyses provided by Risk Control, the risk management installed at the Bank's operative units Asset Management (ZAM), Securities (ZGS) and Treasury and Financial Products (ZTD) manages, within a set framework, the risks arising from trading in an active, profit-oriented manner.

Monitoring and steering of equity holding risk

From an organizational standpoint, the monitoring and steering of equity holding risk are handled by two different units of the Bank; private equity/venture capital business is looked after by Securities, while Strategy and Controlling is responsible for both the strategic and all the other non-strategic equity holdings.

The position of the Bank or its subsidiaries as shareholders of other companies entails special risks. Prior to the possible acquisition of an interest, the targeted enterprise is examined, frequently by external consultants such as firms of auditors or lawyers, in terms of its strategic and market-oriented features, its earnings performance and also the plausibility of its budgeted figures, its legal situation, existing agreements and specific labour-legislation characteristics. Whereas the above-mentioned due diligence measures should uncover risk in advance in the case of new acquisitions of interests, other ways of recognizing risk are needed for already existing equity investments.

As a rule, the identification of equity holding risk begins with recourse to and evaluation of sectoral analyses to assess and classify the equity investment in question relative to the average for the relevant industry. In addition, the analyses of individual listed companies have to be consulted – insofar as they are at least partially comparable with the equity investment – in order to classify and assess the conceivable risks attaching to the equity investment, for the purpose of recognizing in good time negative discrepancies which are untypical of the industry.

When the Bank becomes a shareholder, a monitoring system based on regular reports by the enterprise in which the interest has been acquired is immediately installed. With the acquisition of an interest, the Bank as a rule is entitled to take over a seat on the supervisory board or advisory board, making it possible to recognize developments very quickly at enterprises in which the Bank is a shareholder.

In addition to these extensive measures, the risk stemming from the Bank's listed equity investments is quantified, similarly to the calculation of trading positions, regularly monitored and reported to the Board of Managing Directors. One monitoring instrument is the monthly report, presenting the risks arising from strategic and non-strategic investments of the Commerzbank Group as part of the aggregate risk.

Monitoring and steering of liquidity risk

Liquidity risk

Treasury and Financial Products (ZTD) is responsible for managing liquidity risk. In order to ensure professional liquidity management, ZTD prepares liquidity balances and makes cash-flow forecasts. In the course of the year, these are con-



stantly examined. On the basis of these analyses, the future need for borrowed funds is worked out. The aim is to make liquidity management as efficient as possible by raising funds regularly and to cover the Bank sufficiently against market fluctuations. In addition, Commerzbank holds an adequate amount of eligible securities to cover the danger of a short-term liquidity bottleneck. This can occur, for example, if expected incoming payments are delayed, deposits are unexpectedly withdrawn or pledged credit lines are drawn down to a greater extent than expected.

In accordance with Principle II, an institution's liquidity is deemed adequate if the liquid assets available to it within 30 days cover the payment obligations callable during this period. The quotient formed by eligible liquid assets and payment obligations is known as the liquidity ratio and must always have a value of at least 1.

Last year, the liquidity coefficient in accordance with Principle II lay between 1.13 (1.17 in 2000) and 1.23 (1.31) and was thus at all times above the value required by the supervisory authorities. Commerzbank constantly had adequate liquidity at its disposal, therefore.

ZRC and ZTD are currently implementing the principles formulated by the Basel Committee for Banking Supervision on banks' liquidity management. As part of this project, liquidity reporting is being developed and the Bank's instruments for managing and securing liquidity are also being extended and refined.

Market-liquidity risk

Commerzbank monitors market-liquidity risk with the aid of the liquidity VaR that is based on historical simulation. This liquidity VaR is defined as the possible loss during the period in which a portfolio is being entirely liquidated in terms of risk, at a given level of probability (confidence level). Unlike the one-day VaR described above, it also takes into account the period needed to square the specific positions in terms of risk, i.e. to sell, cover or hedge them by means of the relevant transactions.

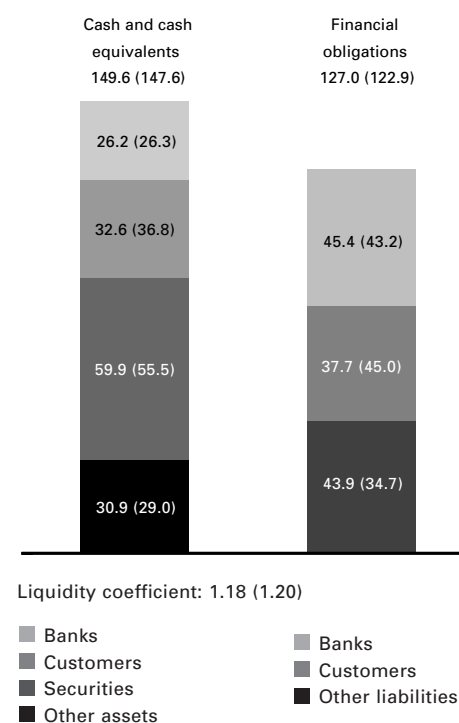
In quantifying such risk, we take into consideration the market liquidity of the underlying transactions by means of portfolio-specific selling or squaring strategies. These strategies indicate the percentage of a portfolio which, if necessary, could be squared in terms of risk and in how many days. The selling strategies employed are regularly updated in consultations with the respective banking departments.

Monitoring and steering of operational risk

The monitoring of operational risk is the responsibility of Risk Control. The main tasks are to develop the methodological guidelines for identifying, quantifying and managing operational risk and to introduce an adequate system of risk reporting. In order to ensure that risk is identified, reported and steered on a broad scale, both qualitative and quantitative methods will be employed in the

Compliance with Principle II

Relevant amounts, Parent Bank,
31.12.2001*, in € bn



*) Figures in brackets: 31.12.2000

risk-management process in future. Responsibility for managing/restricting operational risk – insofar as it relates to systems, procedures and technology – is borne by the Services division.

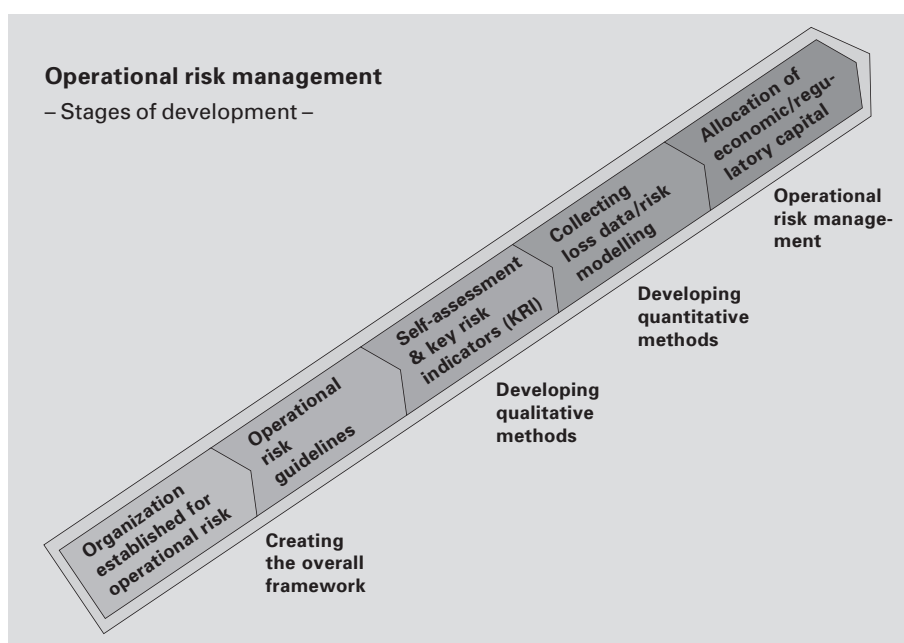
Quantitative method

Taking into account the Basel II requirements which have been specified up to now, we have revised the organization of a structured loss-data database, initiated in 2000, partly redefining it and incorporating it into a new conception of loss-data collection.

The internal collection of loss data is regarded as a key element in the internal model which we are seeking to establish for determining the equity needed to back operational risk. In order to complement and compare (benchmarking) our internal loss data with the experience of the industry as a whole with regard to loss, we intend to take part in an international data-sharing initiative. In future, therefore, loss data will also be available to the industry for rare – but in some cases very high – losses, which are included in our risk modelling.

Qualitative methods

To complement the quantitative collection of loss data, we are continuing to develop the "Surveillance and Monitoring System online" application (an early warning system for operational risk) and have started the planned implementation in investment banking. Indicators have been identified for the key business processes from the risk angle and these have been weighted to reflect their degree of risk (so-called key risk indicators – KRI). This system makes it possible to perform a qualitative and objective assessment of business processes/organizational units on a daily basis. Self-assessment methods are also being examined with a view to the Basel II requirements.





Monitoring and steering of legal risk

The identification and handling of legal risk is entrusted to Legal Services (ZRA). In order to restrict or eliminate such risk, ZRA makes recommendations, which are realized in conjunction with other units of the Bank. ZRA is responsible for producing guidelines and standard contracts, and also for their implementation and monitoring. In addition, it advises domestic branches, head-office departments, various foreign outlets and subsidiaries with regard to legal issues. The duties of ZRA also include informing the Board of Managing Directors and head-office departments about major legal changes and risk, as well as adapting, if necessary, its own guidelines and specimen contracts to new situations and conditions.

Independent control: internal auditing

The Internal Auditing department (ZRev) forms an integral part of the central risk-management system. Free from directives and external influence, it works as a unit independent of business processes with the goal of identifying risk at an early stage and monitoring it. ZRev mainly focuses on testing and assessing the effectiveness of both security measures built into the work process and existing internal checks, as well as on reporting on the structure, functioning and adequacy of risk monitoring to the Bank's management, the banking departments and the related support departments.

The reports provide assessments and recommendations and suggest possible improvements; they are made available to the management and to the units audited, which report on the measures they have adopted. They also take the form of IT system checks and examinations of the internal control system and document the risk process. The chief emphases of the risk-oriented audits are the recognition, analysis, restriction, limit monitoring and reporting of credit and market risk, as well as the recognition and limitation of operational risk.

ZRev addresses credit risk by checking creditworthiness at the individual transaction level under rating-based credit approval powers, and also by ensuring that the scoring procedure is being observed. In examining the methods for limiting market risk arising from trading, ZRev concentrates especially on the consistency of the trading and settlement transactions (legal position), on ensuring conformity with market conditions and with the transactions to be coordinated with counterparties, on the parameters used to calculate risks and results, and the reporting and information which is based on them.

At least once a year, Internal Auditing provides information for all trading units with regard to the implementation of a system of limits and its observance, on how completely, accurately and promptly positions and results are calculated between trading units and the Bank's accounting system. In the area of operational risk, ZRev focuses on weak points in the settlement and control of trading procedures. In this connection, it checks emergency plans (business continuity plans) in trading locations and assesses the systemic presentation of new (derivative) products in the New Product Committee.

Outlook

The methods and measuring systems used in our Bank's risk-control and risk-management process are designed to represent the risks adequately, thus making them the basis of a value-oriented management system for the entire Bank. In 2002 as well, the focus will be not only on refining the systems of analysis for credit risk and the specific market risk of interest-rate products, but also on risk and earnings-oriented management.

At the same time, we are concentrating on the new supervisory requirements imposed on us by the new Basel Capital Accord and the "Minimum requirements for the credit business of credit institutions" (MaK).

As we develop from being a risk taker to a risk manager, we continue to be guided by the following ideas:

- For us, professional risk management remains a key competitive advantage.
- We will continue to employ traditional and modern risk-management procedures alongside one another and in a complementary manner.
- Professional risk management, as a core competency of our Bank, is the basis for steadily raising shareholder value.



structure of Commerzbank group

| Board of Managing Directors | | | |
|---|--|---|---|
| Corporate Divisions | | | |
| Group Management | Retail Banking and Asset Management | Corporate and Investment Banking | Services |
| Staff departments | Banking departments | | Service departments |
| <ul style="list-style-type: none"> Accounting and Taxes Compliance and Security Corporate Communications and Economic Research Credit Risk Management Human Resources Internal Auditing Legal Services Risk Control Strategy and Controlling | <ul style="list-style-type: none"> Asset Management Credit Operations Domestic Private Customers Retail Banking | <ul style="list-style-type: none"> Corporate Banking Financial Institutions Global Credit Operations Multinational Corporates Real Estate Securities Treasury and Financial Products | <ul style="list-style-type: none"> Global Operations Investment Banking IT Development IT Investment Banking IT Production IT Support Organization Transaction Banking |
| Domestic and foreign branch network | | | |
| Cooperation in bancassurance area | | | |
| Group companies and major holdings | | | |
| <ul style="list-style-type: none"> RHEINHYP Rheinische Hypothekenbank AG Hypothekenbank in Essen AG Erste Europäische Pfandbrief- und Kommunalkreditbank AG Korea Exchange Bank | <ul style="list-style-type: none"> ADIG Allgemeine Deutsche Investment-Gesellschaft mbH Commerz Asset Managers GmbH Commerzbank Investment Management GmbH ADIG-Investment Luxemburg S.A. Caisse Centrale de Réescmpte, S.A. Commerzbank Asset Management Italia S.p.A. Commerzbank Europe (Ireland) Commerzbank International S.A. Commerzbank (South East Asia) Ltd. Commerzbank (Switzerland) Ltd Hispano Commerzbank (Gibraltar) Ltd. Jupiter International Group plc Montgomery Asset Management, LLC comdirect bank AG CFM Commerz Finanz Management GmbH Commerz Service GmbH | <ul style="list-style-type: none"> BRE Bank SA Commerzbank (Budapest) Rt. Commerzbank (Eurasija) SAO Commerzbank International (Ireland) Commerzbank (Nederland) N.V. Commerz (East Asia) Ltd. P.T. Bank Finconesia Banque Marocaine du Commerce Extérieur Unibanco – União de Bancos Brasileiros S.A. Commerz Grundbesitzgesellschaft mbH CommerzLeasing und Immobilien AG CBG Commerz Beteiligungsgesellschaft Holding mbH Commerzbank Capital Markets Corp. Commerzbank Capital Markets (Eastern Europe) a.s. Commerz Securities (Japan) Co. Ltd. Commerz Futures, LLC | <ul style="list-style-type: none"> Commerz NetBusiness AG pdv.com Beratungs-GmbH TC TrustCenter AG |

As of January 2002



financial statements in accordance with international accounting standards (ias) for the commerzbank group as of december 31, 2001

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income statement

| | Notes | 1.1.-31.12.2001 € m | 1.1.-31.12.2000 € m | Change in % |
|---|--------------|------------------------|------------------------|----------------|
| Interest received | | 22,571 | 18,811 | 20.0 |
| Interest paid | | 18,990 | 15,295 | 24.2 |
| Net interest income | (29) | 3,581 | 3,516 | 1.8 |
| Provision for possible loan losses | (11, 30, 46) | -927 | -685 | 35.3 |
| Net interest income after provisioning | | 2,654 | 2,831 | -6.3 |
| Commissions received | | 2,566 | 2,912 | -11.9 |
| Commissions paid | | 299 | 188 | 59.0 |
| Net commission income | (31) | 2,267 | 2,724 | -16.8 |
| Net result on hedge accounting | (32) | 63 | - | . |
| Trading profit | (33) | 1,197 | 949 | 26.1 |
| Net result on investments and securities portfolio (available for sale) | (34, 49) | 219 | 80 | . |
| Operating expenses | (35, 52) | 5,855 | 5,477 | 6.9 |
| Other operating result | (36) | -220 | 1,127 | . |
| Profit from ordinary activities before restructuring expenses | | 325 | 2,234 | -85.5 |
| Restructuring expenses | (37) | 282 | - | . |
| Profit from ordinary activities after restructuring expenses | | 43 | 2,234 | -98.1 |
| Extraordinary result | | - | - | - |
| Pre-tax profit | | 43 | 2,234 | -98.1 |
| Taxes on income | (38) | -114 | 823 | . |
| After-tax profit | | 157 | 1,411 | -88.9 |
| Profit/loss attributable to minority interests | | -55 | -69 | -20.3 |
| Net profit | (39) | 102 | 1,342 | -92.4 |

| Appropriation of profit | 2001 | 2000 | Change |
|---------------------------------|-------------|-------------|--------------|
| | € m | € m | in % |
| Net profit | 102 | 1,342 | -92.4 |
| Allocation to retained earnings | - | 800 | - |
| Transfer from retained earnings | 115 | - | . |
| Consolidated profit | 217 | 542 | -60.0 |

The transfer from the Group's retained earnings has no negative impact on the equity ratios of the Commerzbank Group pursuant to the German Banking Act (KWG). When calculated in accordance with the Basel capital accord, the transfer from retained earnings reduces equity.

The consolidated profit corresponds to the distributable profit of the Parent Bank, Commerzbank Aktiengesellschaft. The proposal will be made to the AGM to resolve payment of a dividend of €0.40 per share from the net profit of the Parent Bank. With 541.8m shares issued, this translates into an overall payout of €217m (previous year: 541.8m shares, payout €542m).

| Basic earnings per share | | 2001 | 2000 | Change |
|---------------------------------|-------|-------------|-------------|--------|
| | Notes | € | € | in % |
| Basic earnings per share | (39) | 0.19 | 2.59 | -92.7 |

The calculation of the basic earnings per share according to IAS is based on the net profit, with minority interests not taken into consideration. Diluted earnings

per share are identical to the basic earnings per share, since – as in the previous year – no conversion or option rights were outstanding on the balance-sheet date.

balance sheet

| Assets | | 31.12.2001 | 31.12.2000 | Change |
|--|------------------|-------------------|-------------------|---------------|
| | Notes | € m | € m | in % |
| Cash reserve | (9, 41) | 7,632 | 7,895 | -3.3 |
| Claims on banks | (10, 42, 44, 45) | 63,392 | 74,654 | -15.1 |
| Claims on customers | (10, 43, 44, 45) | 220,315 | 224,837 | -2.0 |
| Provision for possible loan losses | (11, 46) | -5,648 | -5,398 | 4.6 |
| Positive fair values from derivative hedging instruments | (13, 47) | 3,868 | - | . |
| Assets held for dealing purposes | (14, 48) | 95,826 | 69,920 | 37.1 |
| Investments and securities portfolio | (15, 45, 49, 52) | 104,455 | 76,075 | 37.3 |
| Intangible assets | (16, 50, 52) | 1,484 | 1,517 | -2.2 |
| Fixed assets | (17, 18, 51, 52) | 3,374 | 3,537 | -4.6 |
| Tax assets | (24, 53) | 3,618 | 2,132 | 69.7 |
| Other assets | (54) | 2,996 | 4,493 | -33.3 |
| Total | | 501,312 | 459,662 | 9.1 |

| Liabilities and equity | | 31.12.2001 | 31.12.2000 | Change |
|--|------------------|-------------------|-------------------|---------------|
| | Notes | € m | € m | in % |
| Liabilities to banks | (19, 44, 55) | 109,086 | 103,536 | 5.4 |
| Liabilities to customers | (19, 44, 56) | 116,398 | 107,654 | 8.1 |
| Securitized liabilities | (19, 57) | 190,670 | 179,951 | 6.0 |
| Negative fair values from derivative hedging instruments | (20, 58) | 5,381 | - | . |
| Liabilities from dealing activities | (21, 59) | 47,836 | 35,726 | 33.9 |
| Provisions | (22, 23, 60) | 3,356 | 2,864 | 17.2 |
| Tax liabilities | (24, 61) | 2,098 | 1,015 | . |
| Other liabilities | (62) | 2,859 | 5,263 | -45.7 |
| Subordinated capital | (25, 63) | 10,524 | 9,897 | 6.3 |
| Minority interests | | 1,344 | 1,233 | 9.0 |
| Equity | (27, 64, 65, 66) | 11,760 | 12,523 | -6.1 |
| Subscribed capital | (64) | 1,394 | 1,386 | 0.6 |
| Capital reserve | (64) | 6,197 | 6,052 | 2.4 |
| Retained earnings | (64) | 4,046 | 4,517 | -10.4 |
| Revaluation reserve | (15, 64) | 189 | - | . |
| Measurement of cash flow hedges | (4, 64) | -397 | - | . |
| Reserve from currency translation | (8, 64) | 114 | 26 | . |
| Consolidated profit | | 217 | 542 | -60.0 |
| Total | | 501,312 | 459,662 | 9.1 |

statement of changes in equity

| € m | Sub- scribed capital | Capital reserve | Retained earnings | Revalu- ation reserve ¹⁾ | Valuation of cash flow hedges | Reserve from currency translation | Consoli- dated profit | Total 2001 | Total 2000 |
|--|----------------------------|--------------------|----------------------|---|--|--|-----------------------------|---------------|---------------|
| Equity as of 31.12. in previous year | 1,386 | 6,052 | 4,517 | – | – | 26 | 542 | 12,523 | 11,141 |
| Effect of first-time application of IAS 39 | – | – | –331 | 1,505 | –79 | – | – | 1,095 | – |
| Equity as of 1.1. | 1,386 | 6,052 | 4,186 | 1,505 | –79 | 26 | 542 | 13,618 | 11,141 |
| Capital increase for cash | | | | | | | | | 608 |
| Capital increase against contributions in kind | | | | | | | | | 360 |
| Issue of shares to employees | | | | | | | | | 69 |
| Allocation to retained earnings from net profit | | | | | | | | | 800 |
| Transfer from retained earnings | | | –115 | | | | | –115 | – |
| Distribution of dividend | | | | | | | –542 | –542 | –411 |
| Consolidated profit | | | | | | | 217 | 217 | 542 |
| Net changes in revaluation reserve | | | | –1,316 | | | | –1,316 | – |
| Net changes arising from cash flow hedges | | | | | –318 | | | –318 | – |
| Purchase of treasury shares | | | | | | | | 0 | –255 |
| Sale of treasury shares | 8 | 145 | | | | | | 153 | – |
| Other changes | | | –25 | | | 88 | | 63 | –331 |
| Equity as of 31.12. | 1,394 | 6,197 | 4,046 | 189 | –397 | 114 | 217 | 11,760 | 12,523 |

¹⁾ for investments and securities portfolio

As of December 31, 2001, the subscribed capital of Commerzbank Aktiengesellschaft stood at €1,408,751,234.80 pursuant to the Bank's statutes; it is divided into 541,827,398 no-par-value shares (notional value per share: €2.60). After the 5,776,088 treasury shares held by the Bank on December 31, 2001, are deducted, its subscribed capital amounts to €1,393,733,406.00.

The Bank made use of the authorization resolved by the Annual General Meeting of May 25, 2001 to purchase its own shares for the purpose of securities trading, pursuant to Art. 71, (1), no. 7, German Stock Corporation Act – AktG. Gains and losses from trading in the Bank's own shares do not appear in the income statement and are shown under Other changes.

No use was made in the 2001 financial year of the resolution of the Annual General Meeting of May 26, 2000, authorizing the Bank to repurchase its own shares pursuant to Art. 71, (1), no. 8, AktG, for purposes other than securities trading.

Other changes in retained earnings relate to changes in equity at associated companies which, in accordance with IAS 28, have to be shown on a pro-rata basis with no effect on the net profit.

Due to the first-time application of IAS 39, changes in equity also reflect the measurement at fair value of the investments and securities portfolio and the effective part of cash flow hedges.



Changes in minority interests

| | Minority interests | Revalu- ation reserve | Valuation of cash flow hedges | Reserve from currency translation | Gains/ losses | Total 2001 | Total 2000 |
|--|-----------------------|-----------------------------|--|--|------------------|---------------|---------------|
| € m | | | | | | | |
| Minority interests as of 31.12. in previous year | 1,163 | – | – | 1 | 69 | 1,233 | 685 |
| Effect of first-time application of IAS 39 | –122 | 84 | –58 | – | – | –96 | – |
| Minority interests as of 1.1. | 1,041 | 84 | –58 | 1 | 69 | 1,137 | 685 |
| Capital increases | 78 | | | | | 78 | 501 |
| Allocation from net profit | | | | | 55 | 55 | 69 |
| Distribution of profit | | | | | –57 | –57 | –22 |
| Net changes in revaluation reserve | | 131 | | | | 131 | – |
| Net changes arising from cash flow hedges | | | –29 | | | –29 | – |
| Other changes | 12 | | | 29 | –12 | 29 | – |
| Minority interests as of 31.12. | 1,131 | 215 | –87 | 30 | 55 | 1,344 | 1,233 |

cash flow statement

| | 2001 | 2000 |
|--|----------------|----------------|
| | € m | € m |
| Net profit | 102 | 1,342 |
| Non-cash positions in net profit and adjustments to reconcile net profit with net cash provided by operating activities: | | |
| Write-downs, depreciation, adjustments, write-ups to fixed and other assets, changes in provisions and net changes due to hedge accounting | 1,573 | 2,480 |
| Change in other non-cash positions: | | |
| Positive and negative fair values from derivative financial instruments (trading and hedging derivatives) | 985 | 5,774 |
| Net allocations to deferred taxes | -499 | 235 |
| Profit from the sale of assets | -219 | -231 |
| Profit from the sale of fixed assets | -1 | 17 |
| Other adjustments (net) | -3,581 | -3,516 |
| Sub-total | -1,640 | 6,101 |
| Change in assets and liabilities from operating activities after correction for non-cash components: | | |
| Claims on banks | 11,262 | -24,614 |
| Claims on customers | 4,522 | -21,306 |
| Securities held for dealing purposes | -12,815 | -19,804 |
| Other assets from operating activities | 1,165 | -2,438 |
| Liabilities to banks | 5,550 | 30,875 |
| Liabilities to customers | 8,744 | 16,612 |
| Securitized liabilities | 10,719 | 22,984 |
| Other liabilities from operating activities | -2,567 | 1,726 |
| Interest and dividends received | 22,571 | 18,811 |
| Interest paid | -18,990 | -15,295 |
| Income tax paid | -48 | -474 |
| Net cash provided by operating activities | 28,473 | 13,178 |
| Proceeds from the sale of: | | |
| Investments and securities portfolio | 14,798 | 49,678 |
| Fixed assets | 822 | 576 |
| Payments for the acquisition of: | | |
| Investments and securities portfolio | -43,049 | -63,546 |
| Fixed assets | -1,556 | -2,654 |
| Effects of changes in the group of companies included in the consolidation | | |
| Payments from the acquisition of subsidiaries | -11 | -225 |
| Net cash used by investing activities | -28,996 | -16,171 |
| Proceeds from capital increases | 153 | 713 |
| Dividends paid | -542 | -411 |
| Other financing activities (net) | 627 | 1,620 |
| Net cash provided by financing activities | 238 | 1,922 |
| Cash and cash equivalents at end of previous period | 7,895 | 8,952 |
| Net cash provided by operating activities | 28,473 | 13,178 |
| Net cash used by investing activities | -28,996 | -16,171 |
| Net cash provided by financing activities | 238 | 1,922 |
| Effects of exchange-rate changes on cash and cash equivalents | 22 | 14 |
| Cash and cash equivalents at end of period | 7,632 | 7,895 |



The cash flow statement shows the structure of and changes in cash and cash equivalents during the financial year. It is broken down into operating activities, investing activities and financing activities.

Under net cash provided by operating activities, payments (inflows and outflows) from claims on banks and customers and also securities from the trading portfolio and other assets are shown. Additions and disposals from liabilities to banks and customers, securitized liabilities and other liabilities also belong to operating activities. The interest and dividend payments resulting from operating activities are similarly reflected in the net cash provided by operating activities.

The net cash used by investing activities shows payments for the investments and securities portfolio as well as for fixed assets and payments for the acquisition of subsidiaries. The effects of changes in the list of consolidated companies are also recognized.

The net cash provided by financing activities covers the proceeds from capital increases, against which dividend payments are set off, and basically payments received and made with regard to subordinated capital.

We define cash and cash equivalents as the balance-sheet item Cash reserve, which includes cash on hand, balances held at central banks and also debt issued by public-sector borrowers and bills of exchange eligible for rediscounting at central banks. Claims on banks which are due on demand are not included, as we regard these as part of operating business.

notes

Consolidated accounting principles

As in the previous year, the Commerzbank Group's financial statements as of December 31, 2001 were prepared in accordance with the directives 83/349/EEC (directive on consolidated financial statements) and 86/635/EEC (directive on annual accounts of banks) on the basis of the International Accounting Standards (IASs), approved and published by the International Accounting Standards Board (IASB) – formerly International Accounting Standards Committee (IASC) – and with their interpretation by the Standing Interpretations Committee (SIC). A summary of the regulations that have been applied can be found on pages 132–133. The necessary compliance with the directive on the annual accounts of banks was achieved by means of the appropriate structuring of items in the notes. Pursuant to Art. 292a, German Commercial Code (HGB), these consolidated financial statements prepared in accordance with IAS exempt the Bank from the need to prepare financial statements according to German accounting principles. We have presented the main differences between IAS

financial statements and those prepared in accordance with German accounting rules on pages 141 and 142 of this report.

The consolidated financial statements also reflect the standards approved by the German Accounting Standards Board (GASB) and published by the German Federal Ministry of Justice pursuant to Art. 342, (2), HGB.

When preparing the consolidated financial statements, we also provided the details required by the German legislation for control and transparency in the corporate sector (KonTraG) in the notes on the consolidated accounts. In addition, a report on the risks related to future developments (Risk report pursuant to Art. 315, (1), HGB) appears on pages 97–116.

In addition to the consolidated income statement and the consolidated balance sheet, the consolidated financial statements include the statement of changes in equity and minority interests, a cash flow statement and the notes. Segment reporting appears in the notes on pages 150–158.

Unless otherwise indicated, all the amounts are shown in millions of euros.

Accounting and measurement methods

(1) Basic principles

The consolidated financial statements are based on the going concern principle. Income and expenses are recognized on a pro-rata basis; they are shown for the period to which they may be assigned in economic terms.

In the 2001 financial year, accounting was performed applying IAS 39 for the first time, together with the different classification and measurement principles prescribed by this standard. In order to reflect the differing approaches, financial assets and financial liabilities have been assigned to the following categories:

1. Loans and claims originated by the Bank.
2. Financial assets held to maturity.
3. Financial assets held for trading (Assets held for dealing purposes) and certain financial liabilities (Liabilities from dealing activities).
4. Available-for-sale financial assets.
5. Other financial liabilities.

The detailed rules for hedge accounting are applied in the case of derivative hedging instruments.

All the companies included in the consolidation prepared their financial statements as of December 31, 2001.

In accordance with IAS 27, uniform accounting and measurement methods are applied throughout the Commerzbank Group in preparing the financial statements.



(2) Changes due to IAS 39 – general section –

The IAS 39 (Financial instruments: recognition and measurement) regulations were published by IASC in December 1998; they provide for extensive changes in accounting for and measuring financial instruments. In this context, financial instruments are defined above all as loans or claims, interest-bearing securities, equities, investments, liabilities and derivatives (e.g. swaps, forwards, options). Basically, the changes entail a new categorization and largely fair-value measurement of financial instruments, as well as extensive rules for derivative hedge accounting.

These regulations had to be implemented for the first time in the 2001 financial year. As the standard has had to be applied since January 1, 2001, the year-ago figures have not been adjusted. The cumulative effect due to the change in the accounting and measurement rules is reflected in the opening balance sheet of January 1, 2001, and – after deferred taxes had been taken into consideration – it was set off against equity.

Accounting for financial assets and liabilities is dependent upon assignment to the categories described below. IAS 39 provides the following categories for financial assets:

- **Loans and claims originated by the Bank:**
Loans granted directly to the borrower and claims due directly from the borrower are assigned to this category. They are measured at amortized cost. Premiums and discounts appear under Net interest income over the entire lifetime.
- **Held-to-maturity financial assets:**
Non-derivative financial assets with a fixed maturity may be included in this category if they cannot be assigned to the "Loans and claims originated by the Bank" category and if both the intent and the ability exist to hold them to final maturity. They are measured at amortized cost, whereby premiums and discounts are recognized over the entire life to maturity. The Commerzbank Group has not used the "Held-to-maturity financial assets" category with respect to the 2001 financial year.
- **Assets held for trading purposes:**
All financial assets are assigned to this class which are held for trading purposes. These include original financial instruments (especially interest-bearing securities, equities, promissory notes), precious

metals and derivative financial instruments with a positive fair value. In accordance with IAS 39, derivative financial instruments are classified as part of the trading portfolio insofar as they do not qualify as hedging derivatives used in hedge accounting. Financial assets held for trading are initially measured at cost and subsequently at their fair value. Measurement gains and losses appear under Trading profit in the income statement.

- **Available-for-sale financial assets:**
All non-derivative financial assets are assigned to this class which were not covered by one of the above classes. Primarily, these are interest-bearing securities, equities, promissory notes and investments. They are initially measured at cost and subsequently at their fair value. After deferred taxes have been taken into consideration, the result of measurement is recognized with an income-neutral effect in a separate equity item (revaluation reserve). If the financial asset is sold, the cumulative valuation previously recognized in the revaluation reserve is released and shown in the income statement. Should the asset's value be permanently impaired, the revaluation reserve has to be reduced by the amount of the impairment, which is reflected in the income statement. If the fair value cannot be reliably ascertained, measurement is made at amortized cost. Premiums and discounts are recognized under Net interest income over the entire lifetime.

The following categories are available for financial liabilities:

- **Liabilities held for trading:**
All financial liabilities which are held for trading purposes are assigned to this class. This includes derivative financial instruments, insofar as they have a negative fair value, and delivery obligations arising from short sales of securities. In accordance with IAS 39, derivative financial instruments are classified as part of the trading portfolio insofar as they do not qualify as hedging derivatives used in hedge accounting. Derivative financial instruments are initially measured at cost and subsequently at their fair value. Measurement gains and losses appear in the income statement under Trading profit. Delivery obligations arising from short sales

of securities are also measured at their fair value. Changes in the fair value are shown in the income statement under Trading profit.

- **Other financial liabilities:**

These include all original financial liabilities, especially liabilities to banks and customers and also securitized liabilities. Measurement is made at amortized cost. Premiums and discounts are recognized under Net interest income over the entire lifetime.

(3) Changes due to IAS 39 – embedded derivatives –

IAS 39 also regulates the treatment of embedded derivatives. These are derivatives which are part of an original financial instrument and are inseparably linked to it (so-called hybrid financial instruments). Hybrid financial instruments include reverse convertible bonds (bonds whose repayment may take the form of equities) or bonds with indexed interest payments. In accordance with IAS 39, the embedded derivative should be separated from the original host contract under certain conditions and accounted for and measured separately at fair value as a stand-alone derivative. Such separation has to be made if the characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract. In this case, the embedded derivative should be regarded as part of the trading portfolio and recognized at its fair value. Changes in the fair value have to be shown in the income statement. The host contract is accounted for and measured applying the rules of the relevant category of the financial instrument. However, if the characteristics and risks of the embedded derivative are closely linked to those of the host contract, the embedded derivative is not separated from the latter.

(4) Changes due to IAS 39 – hedge accounting –

IAS 39 introduces extensive regulations concerning accounting for hedging instruments, which are superimposed upon the general accounting rules described above for derivatives and also for secured, non-derivative transactions. In line with general regulations, derivatives are classified as trading transactions (assets held for dealing purposes or liabilities from dealing activities) and are measured at their fair value. The result of such measurement is shown in the income statement under Trading profit.

If derivatives are used to hedge risks from non-trading transactions, IAS 39 permits, under certain conditions, the application of special regulations in so-called hedge accounting. Depending on the type of risk to be hedged, two forms of hedge accounting in particular are distinguished:

- **Fair value hedge accounting:**

For derivatives which serve to hedge the fair value of recognized assets or liabilities (so-called fair value hedges), IAS 39 prescribes the use of fair value hedge accounting. The risk of a change in fair value exists above all for loans, securities and liabilities with a fixed interest rate.

In line with the regulations for fair value hedge accounting, the hedging derivative is shown at fair value, with changes in its fair value appearing in the income statement. Any changes in the fair value of the hedged asset or hedged liability resulting from the hedged risk also have to be recognized in the income statement. Given a perfect hedging relationship, the gains and losses recognized in the income statement for the hedge and the hedged transaction will largely balance one another.

If the asset or liability is recognized at amortized cost according to the general regulations (e.g. an extended loan or a bond that has been issued), the book value has to be adjusted for the accumulated changes in fair value resulting from the hedged risk. However, contrary to the general regulations, if the asset is recognized at fair value (e.g. an available-for-sale security), the changes in fair value resulting from the hedged risk have to be recognized in the income statement. The changes in fair value of the hedged financial assets appear – after deferred taxes have been taken into consideration – in the Revaluation reserve with an income-neutral effect, insofar as they do not result from the hedged risk.

- **Cash flow hedge accounting:**

For derivatives which serve to hedge future cash flows (so-called cash flow hedges), IAS 39 prescribes the use of cash flow hedge accounting. A risk with regard to the size of future cash flows exists in particular for floating-interest-rate loans, securities and liabilities as well as forecasted transactions (e.g. forecasted fund-raising or financial



investments). At the same time, IAS 39 also prescribes the application of cash flow hedge accounting rules for the hedging of future cash flows from pending business.

Cash flow hedge derivatives appear at fair value. Reporting of the gain or loss has to be divided into an effective and an ineffective part. The effective portion of the gain or loss is that portion which represents an effective hedge of the cash flow risk. This is recognized directly in a separate item under equity. By contrast, the ineffective portion is shown in the income statement.

For the transactions underlying cash flow hedges, there is no change in the general accounting rules described above.

Quite apart from the requirements outlined above, the application of hedge accounting rules is tied to a number of extra conditions. These relate above all to disclosure of the hedging relationship and also to the effectiveness of the hedge.

The hedging relationship has to be disclosed at the time of its conclusion. Disclosure extends above all to an identification of the hedging derivative and the hedged transaction and also details of the hedged risk and the method employed to determine the effectiveness of the hedge. Disclosure for a transaction hedged with a derivative may relate to either an individual asset, liability, pending business or forecasted transaction or a portfolio of such items which are given similar accounting treatment. However, it is not sufficient to disclose a net risk position to be hedged.

In addition to disclosure, IAS 39 calls for evidence of highly effective hedging for the application of hedge accounting rules. Effectiveness in this connection means the relationship between the change in fair value or the cash flow resulting from the hedged risk and the change in fair value or the cash flow resulting from the

hedging derivative. If these changes almost entirely balance one another, a high degree of effectiveness exists. Proof of effectiveness requires, on the one hand, that a high degree of effectiveness can be expected from a hedging relationship in the future (prospective effectiveness). On the other hand, when a hedging relationship exists, it must be regularly demonstrated that this was highly effective during the period under review (retrospective effectiveness). A high degree of retrospective effectiveness exists if the ratio of changes in the fair value or the cash flow is between 0.8 and 1.25. Here the methods used for determining effectiveness have to be disclosed.

By means of a fair value hedge, the Bank hedges the fair value of a financial instrument against the risks resulting from the change in the reference interest rate, share price and/or the exchange rate. In order to hedge these risks, above all interest-rate and interest/currency swaps are employed. This primarily relates to the Group's new issues business and the securities portfolio used for liquidity management, insofar as these are interest-bearing securities. Equities from these portfolios are hedged by derivatives with warrant character. The same holds true for the other price risks of structured issues. Interest-rate risks resulting from open interest-rate positions in asset/liability management are hedged by means of cash flow hedges using swaps.

(5) IAS, SIC and GASB rules applied

There is regularly a time gap between the approval of an IAS or an interpretation by the SIC and its effective date. As a rule, however, the IASB recommends the early application of not yet effective, but already approved, standards and interpretations.

Within the Commerzbank Group, we have based our accounting and measurement on all the IASs approved and published by December 31, 2001.

Our consolidated financial statements for 2001 are based, therefore, on the following International Accounting Standards (IASs) which are relevant for the Commerzbank Group:

| | |
|--------|--|
| IAS 1 | Presentation of financial statements |
| IAS 7 | Cash flow statements |
| IAS 8 | Net profit or loss for the period, fundamental errors and changes in accounting policies |
| IAS 10 | Events after the balance-sheet date |
| IAS 12 | Income taxes |
| IAS 14 | Segment reporting |
| IAS 16 | Property, plant and equipment |
| IAS 17 | Leases |
| IAS 18 | Revenue |
| IAS 19 | Employee benefits |
| IAS 21 | The effects of changes in foreign-exchange rates |
| IAS 22 | Business combinations |
| IAS 23 | Borrowing costs |
| IAS 24 | Related party disclosures |
| IAS 27 | Consolidated financial statements and accounting for investments in subsidiaries |
| IAS 28 | Accounting for investments in associates |
| IAS 30 | Disclosures in the financial statements of banks and similar financial institutions |
| IAS 31 | Financial reporting of interests in joint ventures |
| IAS 32 | Financial instruments: disclosure and presentation |
| IAS 33 | Earnings per share |
| IAS 36 | Impairment of assets |
| IAS 37 | Provisions, contingent liabilities and contingent assets |
| IAS 38 | Intangible assets |
| IAS 39 | Financial instruments: recognition and measurement |
| IAS 40 | Investment property |



In addition to the standards listed above, we have also taken into consideration the following SIC interpretations that are relevant for us:

| | | relates to |
|--------|---|----------------|
| SIC-2 | Consistency – capitalization of borrowing costs | IAS 23 |
| SIC-3 | Elimination of unrealized profits and losses on transactions with associates | IAS 28 |
| SIC-5 | Classification of financial instruments – contingent settlement provisions | IAS 32 |
| SIC-6 | Costs of modifying existing software | IAS framework |
| SIC-7 | Introduction of the euro | IAS 21 |
| SIC-9 | Business combinations – classification either as acquisitions or unitings of interests | IAS 22 |
| SIC-12 | Consolidation – special-purpose entities | IAS 27 |
| SIC-15 | Operating leases – incentives | IAS 17 |
| SIC-16 | Share capital – reacquired own equity instruments (treasury shares) | IAS 32 |
| SIC-17 | Equity – costs of an equity transaction | IAS 32 |
| SIC-18 | Consistency – alternative methods | IAS 1 |
| SIC-20 | Equity accounting method – recognition of losses | IAS 28 |
| SIC-21 | Income taxes – recovery of revalued non-depreciable assets | IAS 12 |
| SIC-24 | Earnings per share – financial instruments and other contracts that may be settled in shares | IAS 33 |
| SIC-25 | Income taxes – changes in the tax status of an enterprise or its shareholders | IAS 12 |
| SIC-27 | Evaluating the substance of transactions in the legal form of a lease | IAS 1, 17, 18 |
| SIC-28 | Business combinations – “date of exchange” and fair value of equity instruments | IAS 22 |
| SIC-30 | Reporting currency – translation from measurement currency to presentation currency | IAS 21, 29 |
| SIC-33 | Consolidation and equity method – potential voting rights and allocation of ownership interests | IAS 27, 28, 39 |

Furthermore, in the present consolidated financial statements the following German Accounting Standards (GAS) have been applied, which are relevant for us and which have been approved by German Accounting Standards Board and were announced by the German Federal Ministry of Justice up to December 31, 2001, in accordance with Art. 342, (2), HGB:

| | |
|----------|---|
| GAS 1 | Exempting consolidated financial statements in accordance with §292a, HGB |
| GAS 2 | Cash flow statements |
| GAS 2-10 | Cash flow statements of financial institutions |
| GAS 3 | Segment reporting |
| GAS 3-10 | Segment reporting of banks |
| GAS 4 | Purchase accounting in consolidated financial statements |
| GAS 5 | Risk reporting |
| GAS 5-10 | Risk reporting by financial enterprises |
| GAS 7 | Presenting equity in consolidated financial statements |
| GAS 8 | Accounting for investments in associates |
| GAS 9 | Financial reporting of interests in joint ventures |

(6) Consolidated companies

The consolidated financial statements as of 31.12.2001, include in addition to the Parent Bank – Commerzbank AG – 101 subsidiaries (108 in 2000), in which Commerzbank AG holds more than 50% of the capital directly or indirectly, or exerts control over them. Of these, 44 have their legal seat in Germany (44 in 2000) and 57 (64 in 2000) elsewhere.

Twelve major associated companies (five in 2000) – three of them based in Germany – are measured using the equity method. Deutsche Schiffsbank AG (Bremen/Hamburg), which was consolidated on a pro-rata basis in the previous year, was included at equity in the consolidation as of 1.1.2001. This caused the consolidated balance sheet to contract by 0.6%.

173 subsidiaries and associated companies (173 in 2000) of minor significance for the Group's asset and financial position and earnings performance have not been included; instead, they have been shown under Investments and securities portfolio as holdings in subsidiaries or investments. In terms of the Group's overall balance-sheet total, a difference of less than 0.2% arises as a result (0.1% in 2000).

The Commerzbank Group has three sub-groups:

- CommerzLeasing und Immobilien AG, Düsseldorf
- Jupiter International Group plc, London
- comdirect bank AG, Quickborn,

which have presented sub-group financial statements.

The following ten subsidiaries – seven of them based in Germany – were included in the consolidation for the first time in the year 2001:

- ASTRIFA Mobilien-Vermietungsgesellschaft mbH, Düsseldorf
- Commerz Asset Management Asia-Pacific Pte Ltd., Singapore
- Commerz Asset Management Holding GmbH, Frankfurt am Main
- Commerz Asset Managers GmbH, Frankfurt am Main
- Commerz Grundbesitzgesellschaft mbH, Wiesbaden
- Erste Europäische Pfandbrief- und Kommunal-kreditbank Aktiengesellschaft in Luxemburg S.A., Luxembourg
- NIV Vermögensverwaltungsgesellschaft mbH, Frankfurt am Main

- P.T. Bank Finconesia, Jakarta
- Siebte Commercium Vermögensverwaltungs-gesellschaft mbH, Frankfurt am Main
- Zweite Umbra Vermögensverwaltungsgesellschaft mbH, Frankfurt am Main

The following eight companies were shown for the first time at equity in the past financial year:

- Capital Investment Trust Corporation, Taipei/Taiwan
- Clearing Bank Hannover Aktiengesellschaft, Hanover
- Deutsche Schiffsbank Aktiengesellschaft, Bremen/Hamburg
- Hispano Commerzbank (Gibraltar) Ltd., Gibraltar
- IMMOPOL GmbH & Co. KG, Munich
- Second Interoceanic GmbH, Hamburg
- The New Asian Land Fund Limited, Bermuda
- The New Asian Property Fund Limited, Bermuda

The following companies have been removed from the list of consolidated companies:

- Bankhaus Bauer Aktiengesellschaft, Stuttgart
- CCR Chevrillon Philippe, Paris
- CICM (Ireland) Ltd., Dublin
- C. Portmann, Frankfurt am Main
- comdirect nominee ltd., London
- Commerzbank Capital Markets (Eastern Europe) N.V., Amsterdam
- Commerz Immobilien Vermietungsgesellschaft mbH, Düsseldorf
- Commerz International Capital Management GmbH, Frankfurt am Main¹⁾
- EMD Ltd. i.L., Bermuda
- Haus am Kai 2 O.O.O., Moscow
- Immobiliengesellschaft Ost Hägle spol s.r.o., Prague
- Jupiter Tyndall Pension Trust Ltd., London
- KF Ltd. i.L., Bermuda
- NESTOR GVG mbH &Co Objekt Villingen-Schwenningen KG, Düsseldorf
- NEUTRALIS GVG mbH, Düsseldorf
- Paresco Patrimoine S.A.R.L., Paris
- WESTBODEN-Bau- und Verwaltungsgesellschaft mbH, Frankfurt am Main

¹⁾ merged with Commerzbank Investment Management GmbH

A comprehensive list of the subsidiaries and associated companies included in our consolidated financial statements can be found on pages 201–204.



(7) Principles of consolidation

The consolidation of the capital accounts is based on the book-value method, whereby the historical cost of the holding in the subsidiary is set off against the share of the equity that was acquired at that time. As far as possible, any residual differences in amount are assigned to the subsidiary's assets and liabilities, reflecting the percentage share of equity held. If any positive differences remain after such assignment, these are shown as goodwill under Intangible assets in the balance sheet and are depreciated to reflect their probable useful economic lives over a period of 15 years, using the straight-line method; this is charged against the Other operating result.

Claims and liabilities deriving from business relations between Group companies, as well as expenses and income, are eliminated as part of the consolidation of earnings; intra-Group book gains or losses registered during the financial year are eliminated unless they are of minor importance.

Associated companies are measured according to the equity method and are shown as investments in associated companies under Investments and securities portfolio. The assigned value of these investments and the differences in amount (goodwill) are worked out at the time of their first inclusion in the consolidated financial statements, applying the same rules as for subsidiaries. Measurement at equity is based on the financial statements of associated companies that are prepared in accordance with local accounting rules.

Holdings in subsidiaries not consolidated because of their marginal significance and investments are shown either at cost or at their fair value under Investments and securities portfolio.

(8) Currency translation

Assets and liabilities and also items from the income statement denominated in foreign currencies, as well as immatured spot foreign-exchange transactions, are translated at the spot rates, and foreign-exchange forward contracts at the forward rate of the balance-sheet date. Currency translation for investments and holdings in subsidiaries that are denominated in foreign currencies is effected at historical cost. Translation gains and losses from the consolidation of the capital accounts appear in the balance sheet under equity.

As a result of their economically independent business activity, the financial statements of our units abroad that are drawn up in foreign currencies are translated at the spot rates of the balance-sheet date.

The expenses and income generated by the translation of balance-sheet items are recognized in the income statement. Hedged expenses and income are translated at the hedging rate.

The following translation rates (amount per €1 in the respective currency) apply for the non-eurozone currencies that are most important to the Commerzbank Group:

| | 31.12.2001 | 31.12.2000 |
|-----|------------|------------|
| USD | 0.8813 | 0.9373 |
| JPY | 115.33 | 107.23 |
| GBP | 0.6085 | 0.62655 |
| CHF | 1.4829 | 1.5215 |

(9) Cash reserve

With the exception of debt issued by public-sector borrowers, which is shown at its fair value, all the items appear at their nominal value.

(10) Claims

Claims on banks and customers originated by Commerzbank, which are not held for trading, have been shown at either their nominal value or at amortized cost. Premiums and discounts appear under Net interest income over the entire lifetime. The book values of claims which qualify for hedge accounting are adjusted for the gain or loss attributable to the hedged risk.

Claims not originated by Commerzbank – mainly promissory notes – which do not form part of the trading portfolio are included in the Investments and securities portfolio. Promissory notes in the Bank's trading portfolio are not shown under Claims, but rather as Assets held for dealing purposes.

(11) Provision for possible loan losses

We fully provide for the particular risks associated with banking business by forming individual valuation allowances, country valuation allowances and global valuation allowances.

In order to cover the lending risks represented by claims on customers and banks, we have formed individual valuation allowances according to uniform Group standards, reflecting the scale of the potential loan loss.

In the case of loans to borrowers involving an enhanced transfer risk (country risk), the economic situation is assessed on the basis of appropriate economic data. The findings are weighted by the respective internal country rating. Wherever necessary, country valuation allowances are formed.

We cover latent credit risks by means of global valuation allowances. Past loan losses serve as a yardstick for the scale on which global valuation allowances have to be formed.

Insofar as it relates to claims in the balance sheet, the aggregate amount of provision for possible loan losses is shown separately from Claims on banks and Claims on customers. However, the provision for risks in off-balance-sheet business – guarantees, endorsement liabilities, lending commitments – is shown as a provision for lending risks.

Unrecoverable accounts are written down immediately. Amounts received on written-down claims appear in the income statement.

(12) Genuine repurchase agreements (repo deals) and securities-lending business

Repo deals combine the spot purchase or sale of securities with their forward sale or repurchase, the counterparty being identical in either case. The securities sold under repurchase agreements (spot sale) are still accounted for and measured in the consolidated balance sheet as part of the securities portfolio. According to counterparty, the inflow of liquidity from the repo transaction is shown in the balance sheet as a liability to either banks or customers. Interest payments are booked as interest paid, reflecting the various maturities.

The outflows of liquidity caused by reverse repos appear as claims on banks or customers and are measured accordingly. The securities sold under repurchase agreements and on which the financial transaction is based (spot purchase) are not shown in the balance sheet, nor are they measured. Interest from reverse repos is counted as interest income. Claims arising from reverse repos are not netted against liabilities from repos involving the same counterparty.

According to counterparty (borrower), we treat lent securities as claims on banks or claims on customers. In measuring claims to the re-transfer of securities which we lend, we apply the same methods as for assets held for dealing purposes – in the case of the trading portfolio – or the same as for available-for-sale securities – in the case of securities which appear under Investments and securities portfolio. Securities borrowed by the Group from third parties, insofar as they are still held in the portfolio, are included either in Assets held for dealing purposes or the Investments and securities portfolio. We show commitments to return securities under Liabilities to banks or customers.

(13) Positive fair values from derivative hedging instruments

Derivative financial instruments used for hedging which qualify for hedge accounting and have a positive value appear under this item. The instruments are measured at fair value. Internal price models (net present-value or option-price models) are used for measuring products which are not listed; however, listed instruments are measured at market prices. The results deriving from hedge accounting for fair value hedges appear in the income statement under Net result on hedge accounting. By contrast, effective portions of the gains or losses on cash flow hedges are recognized in equity.

(14) Assets held for dealing purposes

Securities held for dealing purposes, promissory notes and precious metals appear in the balance sheet at their fair value on the balance-sheet date. Also shown at their fair value are all derivative financial instruments which are not used as hedging instruments in hedge accounting and have a positive fair value. For listed products, market prices are used; non-listed products are measured on the basis of the net present-value method or other suitable measurement models. All the realized gains and losses and also the non-realized changes appear as part of the Trading profit in the income statement. Under this item, interest and dividend income from trading portfolios are also shown, less the expenses required to finance them. Spot transactions are recognized immediately they are concluded; they appear in the balance sheet at the time of performance.



**(15) Investments and securities portfolio
(financial assets available for disposal)**

Our investments and securities portfolio comprises all the bonds, notes and other fixed-income securities, shares and other variable-yield securities and all the investments and investments in associated companies, as well as holdings in non-consolidated subsidiaries which are not held for dealing purposes. In addition, in accordance with IAS 39, we include here all the claims on banks and customers not originated by the Bank, in particular promissory notes.

These holdings are accounted for and measured at fair value, or according to the equity method in the case of investments in associated companies. If the fair value cannot be reliably calculated, the item is shown at cost; this primarily holds true for non-listed assets.

Net changes are shown – after deferred taxes have been taken into consideration – under the Revaluation reserve in equity. Realized gains and losses only affect the income statement when the holdings are sold and written off. Premiums and discounts are recognized in Net interest income over the lifetime of the investment or security.

If, however, an effective hedging relationship exists with a derivative financial instrument for investments, securities or claims not originated by the Bank, that part of the change in fair value attributable to the hedged risk is shown under the Net result on hedge accounting in the income statement. In the case of permanent impairment, the lower value (recoverable amount) is shown; the write-down is charged to the income statement.

Insofar as the reasons which led to a write-down no longer apply, a write-up is made affecting net profit or loss, which does not exceed the amount originally written down.

(16) Intangible assets

Apart from software produced in-house and stock-exchange seats acquired by the Bank, we include above all acquired goodwill under intangible assets. Goodwill is examined with a view to its future economic utility on each balance-sheet date. If it appears that the expected utility will not materialize, extraordinary depreciation is made. Goodwill is amortized over a probable useful life of 15 years. We depreciate software over a period of two to five years.

In the financial year, no extraordinary depreciation had to be made on intangible assets.

| | probable useful life in years |
|----------|--|
| Goodwill | 15 |
| Software | 2 – 5 |
| Other | 2 – 10 |

(17) Fixed assets

The land and buildings, and also office furniture and equipment, shown under this item are capitalized at cost, less regular depreciation. Extraordinary depreciation and write-offs are made if the value is permanently impaired.

In determining the useful life, the likely physical wear and tear, technical obsolescence and also legal and contractual restrictions are taken into consideration. All fixed assets are depreciated or written off over the following periods, using the straight-line method:

| | probable useful life in years |
|--------------------------------|--|
| Buildings | 30 – 50 |
| Office furniture and equipment | 2 – 10 |
| Purchased IT equipment | 2 – 8 |

In line with the materiality principle, purchases of low-value fixed assets are immediately recognized as operating expenses. Profits realized on the disposal of fixed assets appear under Other operating income, losses are shown under Other operating expenses.

(18) Leasing

In accordance with IAS 17, a lease is classified as an operating lease if it does not substantially transfer to the lessee all the risks and rewards that are incident to ownership. Finance leases are agreements which substantially transfer these.

– The Group as lessor –

Almost exclusively, the business of the leasing companies within the Commerzbank Group involves operating leases, in which the lessor retains economic ownership of the object of the agreement. Leased property appears in the consolidated balance sheet under Fixed assets. Leased objects are shown at cost or production cost, less regular depreciation over their probable useful economic lives or extraordinary depreciation neces-

sary on account of permanent impairment of value. Unless a different distribution suggests itself in individual cases, the proceeds from leasing transactions are recognized on a straight-line basis over the lifetime of the agreement and are shown under Net interest income.

Insofar as virtually all the risks and rewards relating to the leased property are transferred to the lessee (finance leases), the Commerzbank Group recognizes a claim on the lessee. The claim is shown at its net investment value at the inception of the agreement. The income is recognized as interest income for the respective period.

– The Group as lessee –

The payments made under operating lease agreements are included under Operating expenses. The costs are computed like a rental payment on a regular basis corresponding to the useful life of the leased property.

No contractual obligations existed in the 2001 financial year which require classification as finance leases.

(19) Liabilities to banks and customers and also securitized liabilities

Financial liabilities are accounted for at amortized cost. The derivatives embedded in liabilities have been separated from their host debt instrument, measured at fair value and shown under either Assets held for dealing purposes or Liabilities from dealing activities. As part of hedge accounting, hedged liabilities were adjusted for the gain or loss attributable to the hedged risk.

(20) Negative fair values from derivative hedging instruments

Under this item, we show derivative hedging instruments with a negative fair value which do not serve dealing purposes. The financial instruments are measured at fair value, with internal price models (net present-value or option-price models) applied in the case of non-listed products; by contrast, market prices are used as a basis for listed instruments. The net results from hedge accounting for instruments classified as fair value hedges appear in the income statement. We show the effective portions of the gains or losses on cash flow hedges in equity.

(21) Liabilities from dealing activities

Derivative financial instruments used in proprietary trading which have a negative fair value, and delivery obligations from short sales of securities, are shown as Liabilities from dealing activities. Such liabilities are measured at their fair value.

(22) Provisions for pensions and similar commitments

For employees at the Parent Bank and at some subsidiaries in Germany, provision for old age is made both directly – financed by means of provisions – and through contributions to Versicherungsverein des Bankgewerbes a.G. (BVV), Berlin, and to Versorgungskasse des Bankgewerbes e.V., Berlin. The old-age benefit system is based on payments from the Parent Bank and from several of its subsidiaries and on contributions paid into the BVV or the Versorgungskasse. At various units abroad, contributions are paid into banking-industry pension schemes. In the case of contribution-based schemes, payments to the pension institutions are recognized as expenses for the current period.

The scale of the provisions for the payment-based system of old-age provision depends on the length of service, the pensionable salary and the currently valid scales for employer subsidies.

All provisions for pensions are calculated by means of the projected-unit-credit method in accordance with IAS 19. Future commitments are worked out on the basis of actuarial surveys. This calculation takes into account not only the existing pensions and pension expectancies on the balance-sheet date, but also the rates of increase for salaries and pensions that can be expected in the future. In order to determine the cash value of the pension commitments, a current market interest rate is used. We only recognize higher or lower commitments as a result of actuarial calculations if they lie outside a 10% fluctuation band of the actuarially estimated value.

The assumptions on which the actuarial calculations have been based are:

| | 31.12.2001 | 31.12.2000 |
|---------------------------|------------|------------|
| Calculatory interest rate | 5.75% | 6.50% |
| Change in salaries | 3.00% | 3.50% |
| Adjustment to pensions | 1.50% | 2.00% |



The commitments similar to those for pensions include commitments under early-retirement schemes and under part-time work schemes for older staff, which are computed with the aid of actuarial rules.

(23) Other provisions

We form Other provisions on the scale deemed necessary for liabilities of uncertain amount towards third parties and for anticipated losses related to immatured contracts. We do not form provisions for future expenses not related to an external commitment. In the 2001 financial year, we formed a provision for restructuring measures: The basis for the formation of this provision was a detailed overall plan, coordinated with the boards of the companies affected, providing information on concrete individual measures – above all, branch closures and staff reductions.

(24) Taxes on income

Taxes on income are calculated and shown in accordance with IAS 12, taking account of SIC-21 and SIC-25.

Current tax assets and liabilities are calculated by applying the valid tax rates at which a refund from or a payment to the relevant fiscal authorities is expected.

Deferred tax assets and liabilities derive from differences between the value of an asset or liability as shown in the balance sheet and its assigned value in tax terms. In the future, these will probably either increase or reduce taxes on income (temporary differences). They are measured at the specific income-tax rates which apply in the country where the company in question has its seat and which can be expected to apply for the period in which they are realized. Deferred taxes on as yet unused losses carried forward are shown in the balance sheet if taxable profits are likely to occur within the same unit. Tax assets and liabilities are not netted against one another; they do not appear in discounted form. Deferred tax assets and liabilities are formed and carried such that – depending on the treatment of the underlying item – they are recognized either under Taxes on income in the income statement or they are set off against the relevant equity items with no effect on the income statement.

Income-tax expenses or income which are attributable to the profit from ordinary activities after restructuring expenses are shown under Taxes on income in the consolidated income statement and divided in the notes into current and deferred taxes in the financial year. Other taxes which are independent of income are

subsumed under Other operating result. Current and deferred tax assets and tax liabilities appear as separate asset or liability items in the balance sheet. No taxes on income arose in the past financial year in connection with extraordinary activities.

(25) Subordinated capital

Under Subordinated capital, we account for issues of profit-sharing certificates as well as securitized and non-securitized subordinated liabilities. After their initial recognition at cost, they are shown at amortized cost. Premiums and discounts are recognized under Net interest income over the entire lifetime.

(26) Trust business

Trust business involving the management or placing of assets for the account of others is not shown in the balance sheet in accordance with IAS 30. Commissions received from such business are included under Net commission income in the income statement.

(27) Treasury shares

Treasury shares held by the Parent Bank in its portfolio on the balance-sheet date are deducted directly from equity, pursuant to SIC-16. Gains and losses resulting from the Bank's own shares are set off against retained earnings, with no effect on net profit.

(28) Staff remuneration plans

For its executives and selected other members of staff, the Group has approved three "long-term performance plans" (LTP). These plans permit a remuneration in cash geared to the performance of the share price or the stock index; in line with the currently valid classification, they are considered to be "virtual" stock option plans. The programmes entail a payment commitment if the Commerzbank share outperforms the Dow Jones Euro Stoxx® Bank index (LTP 1999, 2000 and 2001) and/or the absolute performance of the Commerzbank share is at least 25% (LTP 2000 and 2001).

LTP 1999 will run for three years, which, depending on the target being attained (outperformance), may be extended to a maximum of five years. Payment will be linked to a rise in the performance of the Commerzbank share against the Dow Jones Euro Stoxx® Bank index within a range of 1 to 10 percentage points. Depending on the employee's function group and assessed performance at the time when the plan was introduced and also on the percentage of outperformance, the

employee can receive between €10,000 and €150,000. Should the target not be attained after three years, a fresh evaluation will be made after four years and, for a final time, after five years. If no minimal level of out-performance has been attained by that time, the claim to payment under LTP 1999 will expire.

LTP 2000 and 2001 require those entitled to participate in the plan to purchase Commerzbank shares. The scale of such participation depends on the function group of the person covered by the plan (possible participation: between 100 and 1,200 shares). Payments under these plans will be determined by two criteria:

For 50% of the shares,

- the Commerzbank share outperforms the Dow Jones Euro Stoxx® Bank index (payment guaranteed by outperformance of at least 1 percentage point to a maximum of 10 percentage points).

For 50% of the shares,

- an absolute rise of the Commerzbank share (payment guaranteed by a rise of at least 25 percentage points to a maximum of 52 percentage points).

If a maximal achievement of the two criteria is registered, those entitled to participate will receive €100 per share of their own participation, whereby Commerzbank shares will be delivered to the participant's custody account for 50% of this gross amount.

Payment and the delivery of the shares is dependent upon Commerzbank AG making a dividend distribution for the financial year.

The first comparison of the base prices of the first quarter of 2000 (LTP 2000) or the first quarter of 2001 (LTP 2001) with the data for the comparable period will be made after three years in either case.

Should none of the exercising criteria have been met after this time has elapsed, comparison will be made with the base data at annual intervals. If none of the performance targets have been achieved after five years, the plan will be terminated.

For the commitments arising from the LTPs described, we calculate annually, in accordance with the relevant GASB position paper, the pro-rata overall value of the LTP; wherever necessary, we form a provision and charge it to Operating expenses. Given the unsatisfactory performance of the Commerzbank share price, there was no need to form a provision for the 2001 financial year.

In addition, it is possible at subsidiaries, including in asset management, for selected employees to participate through private equity models in the performance of the respective company. Payment in such cases depends on the extent to which fixed performance targets are attained.

These models include direct investment in shares of the respective company. Frequently, these are offered at reduced prices and in combination with call or put options. In addition, warrants and share subscription rights are issued. Premiums are also granted which may similarly be used to subscribe to shares. The observance of blocking periods and agreements for later repurchase determine whether additional income is received.

For such models, we calculate the need for provisions annually, using suitable methods, and show this, if necessary, under Operating expenses.



Major differences in accounting, measurement and consolidation methods: IAS compared with HGB

The objective of financial statements based on IAS is to help investors make decisions by providing them with information on the Group's asset and financial position and its earnings performance and also changes in these over time. By contrast, financial statements based on HGB are primarily geared to investor protection and are also influenced by tax-law provisions due to their authoritative character for the balance sheet prepared for tax purposes. Given these different objectives, the following major differences in accounting and measurement methods arise between German HGB and IAS:

Provision for possible loan losses

In line with international practice, provision for possible loan losses is shown as a charge on the assets side. Taxed hidden reserves may not be formed in IAS financial statements as is possible pursuant to Art. 340f, HGB.

Trading portfolios

In accordance with IAS 39, financial assets held for dealing purposes (Assets held for dealing purposes) and certain financial liabilities (Liabilities from dealing activities) have to be measured at fair value. All gains and losses must be shown in the income statement, regardless of whether they are realized or not. It is not possible, therefore, to form reserves. Under HGB rules, however, no unrealized gains may be shown.

Derivative financial instruments not held for trading purposes

This group of financial instruments is measured in accordance with IAS 39 at fair value. The net changes in hedging instruments used in fair value hedges appear in the income statement, while those from hedging derivatives for cash flow hedges are shown in equity. In financial statements prepared in accordance with HGB, these products are recognized as immatured transactions. Insofar as they are options, these financial instruments appear at cost, less necessary write-downs. Wherever necessary, provisions for contingent losses are formed for negative changes in derivative financial instruments.

Investments and securities portfolio

Investments and securities as well as available-for-sale claims not originated by the Bank are measured at fair value in accordance with IAS 39 or, insofar as this cannot be reliably ascertained, they are shown at amortized cost. The result of measurement is shown with a neutral effect on income in the Revaluation reserve. Under German accounting principles, investments are part of fixed assets and have to be shown at cost. If their value is likely to be permanently impaired, they have to be written down at their lower value. In terms of their character, securities included under this item are securities held as part of the liquidity reserve according to HGB and should thus be classified as current assets. Under HGB rules, the strict lower-of-cost-or-market principle applies in the measurement of such securities portfolios. In accordance with German accounting rules, claims not originated by the Bank have to be recognized at amortized cost, less write-downs.

Hedge accounting

Pursuant to IAS 39, hedging relationships may be established between a hedged item and a derivative financial instrument for hedge accounting purposes. Hedged items may be financial assets (e.g. claims or securities) and commitments (e.g. liabilities or bonds issued). Both for fair value hedges and for cash flow hedges, detailed rules exist, which call for the fair value of a derivative hedging instrument to be shown in gross form, however. Under German accounting principles, hedging transactions are taken account of applying a netted lower-of-cost-or-market principle in measuring the hedged items.

Intangible assets developed in-house and goodwill

Whereas intangible assets developed in-house may not be recognized under HGB rules, IAS requires this, if certain conditions are fulfilled. Goodwill, resulting from the full consolidation of subsidiaries, which in accordance with HGB provisions may be set off directly against retained earnings in the consolidated financial statements, has to be recognized and amortized under IAS rules.

Pension commitments

In accordance with IAS, pension commitments are calculated using the projected-unit-credit method. The calculation takes account of future commitments, reflecting future increases in pay and pensions and also inflation. The discount factor under IAS rules is geared to the long-term interest rate. By contrast, HGB accounting is regularly geared to the valid income-tax regulations, in particular the normal entry-age method.

Other provisions

In accordance with IAS, provisions may only be formed if they relate to an external commitment. Provisions for expenses, permissible under HGB, which serve to recognize future outlays as expenses in the past financial year are not permitted. IAS rules require more concrete details than HGB for the formation of provisions for restructuring, as regards the development, adoption and announcement of a correspondingly detailed plan.

Deferred tax assets and liabilities

Under IAS rules, deferred tax assets and liabilities are calculated with reference to the balance sheet. Advantages deriving from tax loss carry-forwards have to be capitalized – contrary to HGB rules – if it can be assumed that they will be used at a later date. The income-tax rates employed to measure the differences between the values assigned in the balance sheet and for tax purposes are future-oriented. Unlike under HGB regulations, no netting occurs. By contrast, the HGB approach is geared to the income statement in recognizing deferred tax assets and liabilities, and currently valid income-tax rates are applied. The different approaches to defining periods tend to lead to higher deferred taxes under IAS rules.

Equity

In IAS financial statements, minority interests are shown as a separate balance-sheet item. In accordance with Art. 307, HGB, interests held by other shareholders have to be shown separately within equity. With the rules of IAS 39 applied, changes in measurement attributable to the investments and securities portfolio and also effective portions of the gains and losses on cash flow hedges have to be shown in equity with no effect on net income. This type of income-neutral accounting is not found in German accounting rules. Treasury shares held on the balance-sheet date are deducted from equity, pursuant to SIC-16; the gains and losses attributable to treasury shares are set off against reserves with no effect on income. Pursuant to HGB rules, a reserve for treasury shares has to be formed equivalent in amount to the treasury shares shown on the assets side of the balance sheet, while the measurement and trading results are reflected in the income statement.

Trust business

Trust business, which appears in the balance sheet in HGB accounting, does not appear there under IAS rules.



Notes to the income statement

(29) Net interest income

| | 2001 | 2000 | Change |
|--|--------------|--------------|------------|
| | € m | € m | in % |
| Interest income from lending and money-market transactions and also from available-for-sale securities portfolio | 21,849 | 18,169 | 20.3 |
| Dividends from securities | 156 | 115 | 35.7 |
| Current result from investments | 246 | 215 | 14.4 |
| Current result from investments in associated companies | 3 | -57 | • |
| Current result from holdings in subsidiaries | 3 | 49 | • |
| Current income from leasing | 314 | 320 | -1.9 |
| Interest paid on subordinated capital | 667 | 626 | 6.5 |
| Interest paid on securitized liabilities | 7,092 | 6,701 | 5.8 |
| Interest paid on other liabilities | 10,949 | 7,691 | 42.4 |
| Current expenses from leasing | 282 | 277 | 1.8 |
| Total | 3,581 | 3,516 | 1.8 |

(30) Provision for possible loan losses

Provision for possible loan losses appears as follows in the consolidated income statement:

| | 2001 | 2000 | Change |
|--|-------------|-------------|-------------|
| | € m | € m | in % |
| Allocation to provisions | -1,520 | -1,369 | 11.0 |
| Reversal of provisions | 651 | 712 | -8.6 |
| Direct write-downs | -96 | -40 | • |
| Income received on written-down claims | 38 | 12 | • |
| Total | -927 | -685 | 35.3 |

(31) Net commission income

| | 2001 | 2000 | Change |
|---------------------------------|--------------|--------------|--------------|
| | € m | € m | in % |
| Securities transactions | 913 | 1,329 | -31.3 |
| Asset management | 526 | 585 | -10.1 |
| Payment transactions | 182 | 164 | 11.0 |
| Guarantees | 127 | 122 | 4.1 |
| Income from syndicated business | 122 | 134 | -9.0 |
| Other | 397 | 390 | 1.8 |
| Total | 2,267 | 2,724 | -16.8 |

(32) Net result on hedge accounting

| | 2001 € m | 2000 € m | Change in % |
|---|-------------|-------------|----------------|
| Net result on derivatives used as hedging instruments | 28 | – | • |
| Net result on hedged items | 35 | – | • |
| Total | 63 | – | • |

This item reflects the gains and losses attributable to effective hedges in connection with hedge accounting. The result deriving from hedging instruments and the related hedged items represents only the change in

measurement for fair value hedges. The comparable figures for the previous year did not require adjustment.

(33) Trading profit

Due to the first-time application of IAS 39, we have split Trading profit into two components:

- Net result on proprietary trading in securities, promissory notes, precious metals and derivative instruments
- Net result on the measurement at fair value of derivative financial instruments which do not form part of the trading book and do not qualify for hedge accounting.

All the financial instruments held for trading purposes are measured at their fair value. The measurement of listed products is always based on market prices, while internal price models (net present-value and option-price models) are used in determining the current value. Apart from the realized and unrealized gains and losses attributable to trading activities, the Trading profit also includes the interest and dividend income related to such transactions and also their funding costs.

| | 2001 € m | 2000 € m | Change in % |
|---|--------------|-------------|----------------|
| Securities department | 701 | 809 | –13.3 |
| Treasury and Financial Products department | 261 | 122 | • |
| Others | 202 | 18 | • |
| Net result on proprietary trading | 1,164 | 949 | 22.7 |
| Net result on the measurement of derivative financial instruments | 33 | – | • |
| Total | 1,197 | 949 | 26.1 |



Breakdown of the net result on proprietary trading into proceeds from disposals, result of remeasurement and interest income:

| | Bonds and interest-rate derivatives | | Equities and other price risks | | Foreign exchange, notes and coin, and precious metals | | Total | | Change in % |
|---|-------------------------------------|-------------|--------------------------------|-------------|---|-------------|--------------|--------------|--------------|
| | 2001 € m | 2000 € m | 2001 € m | 2000 € m | 2001 € m | 2000 € m | 2001 € m | 2000 € m | |
| Proceeds from disposals | 297 | 139 | 1,399 | 511 | 211 | 156 | 1,907 | 806 | • |
| Result of remeasurement | 94 | -36 | -879 | 316 | 62 | 5 | -723 | 285 | • |
| Total | 391 | 103 | 520 | 827 | 273 | 161 | 1,184 | 1,091 | 8.5 |
| Interest and dividend income | 1,248 | 1,312 | 1,047 | 1,250 | - | - | 2,295 | 2,562 | -10.4 |
| Interest paid to finance securities | 1,148 | 1,205 | 1,167 | 1,499 | - | - | 2,315 | 2,704 | -14.4 |
| Interest income | 100 | 107 | -120 | -249 | - | - | -20 | -142 | -85.9 |
| Proceeds from disposals/ result of remeasurement and interest income | 491 | 210 | 400 | 578 | 273 | 161 | 1,164 | 949 | 22.7 |

(34) Net result on investments and securities portfolio

Under the Net result on investments and securities portfolio, we show the disposal proceeds and result of measuring the available-for-sale securities, claims not

originated by the Bank, investments, investments in associated companies and holdings in subsidiaries which have not been consolidated.

| | 2001 € m | 2000 € m | Change in % |
|--|-------------|-------------|----------------|
| Result on available-for-sale securities and claims not originated by the Bank | 171 | 92 | 85.9 |
| Result on disposals of investments, investments in associated companies and holdings in subsidiaries | 138 | 72 | 91.7 |
| Result of measuring write-downs on investments and holdings in subsidiaries | -90 | -84 | -7.1 |
| Total | 219 | 80 | • |

In the previous year, we showed this item as Result on financial investments. Due to the change in accounting rules produced by IAS 39, the item has been renamed Net result on investments and securities portfolio.

IAS 39 did not require that the change in measuring and accounting for these portfolios be applied retroactively to the 2000 financial year.

(35) Operating expenses

The Group's Operating expenses consist of personnel and other expenses, and depreciation on office furniture and equipment, real property, and also on other intangible assets. They were 6.9% higher than a year earlier at €5,855m and break down as follows:

Personnel expenses:

| | 2001 | 2000 | Change |
|---|--------------|--------------|------------|
| | € m | € m | in % |
| Wages and salaries | 2,500 | 2,428 | 3.0 |
| Compulsory social-security contributions | 330 | 322 | 2.5 |
| Expenses for pensions and other employee benefits | 236 | 257 | -8.2 |
| Total | 3,066 | 3,007 | 2.0 |

Other expenses:

| | 2001 | 2000 | Change |
|---|--------------|--------------|-------------|
| | € m | € m | in % |
| Expenses for office space | 566 | 529 | 7.0 |
| IT costs | 646 | 491 | 31.6 |
| Compulsory contributions, other administrative and company-law expenses | 340 | 350 | -2.9 |
| Advertising, PR and promotional costs, consulting | 195 | 197 | -1.0 |
| Workplace costs | 268 | 240 | 11.7 |
| Sundry expenses | 201 | 163 | 23.3 |
| Total | 2,216 | 1,970 | 12.5 |

Expenses of €327m arising from leasing contracts are included in Other expenses (previous year: €296m).

Depreciation of office furniture and equipment, real property and other intangible assets:

| | 2001 | 2000 | Change |
|--------------------------------|------------|-------------------|-------------|
| | € m | € m | in % |
| Office furniture and equipment | 518 | 460 ¹⁾ | 12.6 |
| Real property | 37 | 23 ¹⁾ | 60.9 |
| Other intangible assets | 18 | 17 | 5.9 |
| Total | 573 | 500 | 14.6 |

¹⁾ The year-ago figures take into account a transfer of leased objects.



(36) Other operating result

The Other operating result primarily comprises allocations to and reversals of provisions, as well as interim expenses and income attributable to hire-purchase agreements. Expenses and income arising from building and architects' fees occur in connection

with the construction management of our sub-group CommerzLeasing und Immobilien AG. Goodwill amortization is also shown here. Other taxes and payments to the German Business Foundation Initiative are also included in the Other operating result.

| | 2001 | 2000 | Change |
|---|-------------|--------------|--------------|
| | € m | € m | in % |
| Other operating expenses | 623 | 524 | 18.9 |
| Expenses arising from building and architects' services | 16 | 41 | -61.0 |
| Allocations to provisions | 83 | 74 | 12.2 |
| Amortization of goodwill | 116 | 88 | 31.8 |
| Hire-purchase expenses and interim rental costs | 119 | 119 | - |
| German Business Foundation Initiative | 52 | - | • |
| Sundry expense items | 237 | 202 | 17.3 |
| Other operating income | 403 | 1,651 | -75.6 |
| Income from the IPO of comdirect bank AG | - | 1,216 | - |
| Income from building and architects' services | 21 | 45 | -53.3 |
| Income from disposal of fixed assets | 22 | 51 | -56.9 |
| Reversals of provisions | 44 | 21 | • |
| Hire-purchase proceeds and interim rental income | 122 | 120 | 1.7 |
| Sundry income items | 194 | 198 | -2.0 |
| Other operating result | -220 | 1,127 | • |

(37) Restructuring expenses

| | 2001 | 2000 | Change |
|-------------------------------------|------------|----------|----------|
| | € m | € m | in % |
| Expenses for restructuring measures | 236 | - | • |
| Domestic branch project | 46 | - | • |
| Total | 282 | - | • |

For the measures envisaged in connection with the announced cost-cutting offensive, which *inter alia* will lead to the closure and merger of branches and also include a reduction of staff at head office as well,

expenses for restructuring measures have been recognized. The domestic branch project comprises the restructuring of the branch network.

(38) Taxes on income

The income-tax expenses break down as follows:

| | 2001 | 2000 | Change |
|-------------------------|-------------|------------|----------|
| | € m | € m | in % |
| Current taxes on income | 385 | 603 | -36.2 |
| Deferred taxes | -499 | 220 | • |
| Total | -114 | 823 | • |

Deferred taxes on the assets side of the balance sheet include deferred tax expenses of €131m from the writing-back of capitalized advantages deriving from loss carry-forwards, which were used in the past financial year.

The following transitional presentation shows the connection between the profit from ordinary activities and taxes on income in the past financial year:

| | 2001 | 2000 |
|--|-------------|--------------|
| Profit from ordinary activities after restructuring expenses (€ m) | 43 | 2,234 |
| multiplied by the relevant income-tax rate of 39% (previous year: 52%) | | |
| Calculated income tax (€ m) | 17 | 1,162 |
| plus/minus tax effects attributable to | | |
| tax-free income and non-deductible expenses | -129 | -413 |
| differences in tax rates due to discrepancies between effective tax rates in Germany and elsewhere and changes in financial year | 60 | 28 |
| amortization of goodwill | 46 | 46 |
| tax effects in previous years | -108 | 0 |
| Taxes on income | -114 | 823 |

The income-tax rate selected as a basis for the transitional presentation is made up of the corporate income-tax rate of 25% introduced in Germany as from January 1, 2001, through the tax-cutting legislation, plus the solidarity surcharge of 5.5%, and an average rate of 18% for trade earnings tax. With the deductibility of trade earnings tax taken into consideration, the German income-tax rate is roughly 39%.

The income-tax effects reflect discrepancies between effective tax rates caused by differences between the German income-tax rate and those of the various countries where members of the Group are based, which range between 10% and 48% (10% and 48%, respectively, in the previous year) and also due to the differing factors for multiplying municipal trade tax in Germany.



(39) Basic earnings per share

| Basic earnings per share | 31.12.2001 | 31.12.2000 | Change in % |
|---|-------------|-------------|----------------|
| Net profit (€ m) | 102 | 1,342 | -92.4 |
| Average number of ordinary shares outstanding (units) | 536,253,922 | 517,688,784 | 3.6 |
| Basic earnings per share (€) | 0.19 | 2.59 | -92.7 |
| Basic earnings per share before restructuring expenses (€) | 0.51 | 2.59 | -80.3 |
| Basic earnings per share before restructuring expenses and amortization of goodwill (€) | 0.74 | 2.76 | -73.2 |

Basic earnings per share, calculated in accordance with IAS 33, are based on net profit without the profit attributable to minority interests. The net profit is divided by the average number of ordinary shares outstanding.

At end-2001, no conversion or option rights were outstanding. The diluted earnings per share, therefore, correspond to basic earnings per share.

**(40) Segment reporting**

The results of the operative business lines covered by the Commerzbank Group are reflected in segment reporting. Segmentation into business lines is based on the Group's internal organization structure, which since January 1, 2001, has consisted of two divisions: Retail Banking and Asset Management, on the one hand, and Corporate and Investment Banking, on the other.

The Retail Banking and Asset Management division covers business with retail and individual customers as well as asset-management activities. The Corporate and Investment Banking division comprises our corporate-customer activities and business involving institutions, as well as the trading sections of investment banking.

We show the mortgage banks as a separate area. The existing structure of the Group Management and Services divisions was left unchanged.

Survey of the divisional structure valid for the past financial year

| | | |
|---|--|----|
| Retail Banking and Asset Management division | Retail Banking department | |
| | Asset Management department | |
| Corporate and Investment Banking division | Corporate Banking department | 1) |
| | Relationship Management department | 1) |
| | International Bank Relations department | 1) |
| | Corporate Finance department | 1) |
| | Real Estate department | 1) |
| | Securities department | |
| | Treasury and Financial Products department | |
| | Mortgage banks | |



Our segment reporting breaks down into the following seven segments, which have reporting obligations:

- Retail banking, which also includes direct banking through our subsidiary comdirect bank Aktiengesellschaft.
- Asset management, above all with the subsidiaries ADIG Allgemeine Deutsche Investment-Gesellschaft mbH and ADIG-Investment Luxemburg S.A., the Jupiter International Group plc and Montgomery Asset Management, LLC.
- Corporate customers and institutions, with the departments Corporate Banking, Relationship Management, International Bank Relations, and Corporate Finance, as well as real-estate business and the commercial corporate-client activities of our domestic and foreign units.
- Securities segment with all the equity and bond-trading activities, trading in derivative instruments and also M&A business.
- Treasury and foreign exchange, which is responsible for liquidity management and interest-rate and currency management, and also for managing the Bank's capital structure.
- Mortgage banks, consisting of Rheinische Hypothekbank Aktiengesellschaft and Hypothekbank in Essen AG and also Erste Europäische Pfandbrief- und Kommunalkreditbank in Luxemburg S.A.
- The "others and consolidation" segment includes the profit contributions for which the individual banking departments are not responsible, as well as those expenses and income items that are necessary in order to bring the control variables of internal accounting, shown in the segment reporting of the operative departments, into line with the corresponding external accounting data.

The result generated by the segments is measured in terms of the net profit and the figures for the return on equity and the cost/income ratio.

The return on equity, as one of the Commerzbank Group's two control variables, is calculated from the ratio between the result based on internal accounting and the average amount of equity that is tied up; it shows the return on the equity invested in a given business line. The Commerzbank Group's long-term target is a sustainable after-tax return on equity of 15%, whereby, as part of the Bank's value-oriented steering, various returns on equity are targeted for the individual

business lines in view of their different risks. Complementing net profit, the result based on internal accounting shows the profit contributions from business passed on by those units which were involved in achieving the income. In the net profit for the year, these amounts always appear under the segment in which they were booked.

The cost/income ratio is the second central control variable. It represents the quotient formed by operating expenses and income, excluding provision for possible loan losses, and reflects the cost efficiency of the various business lines. Here the target is a ratio of 60%.

Income and expenses appear for the separate units, such that they reflect the originating unit and are shown at market prices, with the market interest rate applied in the case of interest-rate instruments. The net interest income of the respective unit also includes the imputed variables return on equity and investment yield. Units with equity or which have been endowed with capital are charged interest on their capital in order to ensure comparability with units which do not have equity. The investment yield achieved by the Group on its equity is assigned to various units such that it reflects the average amount of equity that is tied up. The interest rate that is applied corresponds to that of a risk-free investment in the long-term capital market. Equity is calculated in accordance with Principle I of German banking supervision on the basis of the average amount of risk-weighted assets which has been established and the relevant amounts for market risks (risk-weighted asset equivalents).

Operating expenses represent direct and indirect expenditure. They consist of personnel costs, other expenses and depreciation of fixed assets and other intangible assets, excluding goodwill. Operating expenses are assigned to the individual business lines on the basis of the accountability principle. The indirect expenses arising in connection with internal services are recognized in accordance with the causation principle and are charged to the beneficiary or credited to the unit performing the service. Whereas in the previous year 8.9% of operating expenses was not allocated to business lines, the proportion was reduced to 6.1% in the past financial year.

The Other operating result includes, *inter alia*, the amortization of goodwill.

Taxes on income are assigned to units in line with the tax ratio calculated for the Group.

Breakdown, by business line

| € m | 2001 financial year | | | | | | | Total |
|--|---------------------|------------------|--------------------------------------|--------------|-------------------------------|------------------|----------------------|---------------|
| | Retail banking | Asset management | Corporate customers and institutions | Securities | Treasury and foreign exchange | Mortgage banking | Others/consolidation | |
| Net interest income | 1,135 | 35 | 2,164 | 38 | 417 | 591 | -799 | 3,581 |
| Provision for possible loan losses | -145 | - | -622 | - | - | -158 | -2 | -927 |
| Net interest income after provisioning | 990 | 35 | 1,542 | 38 | 417 | 433 | -801 | 2,654 |
| Net commission income | 913 | 492 | 746 | 199 | -46 | -40 | 3 | 2,267 |
| Net result on hedge accounting | 1 | - | -26 | - | 24 | 64 | - | 63 |
| Trading profit | 1 | 13 | 135 | 701 | 261 | 16 | 70 | 1,197 |
| Net result on investments and securities portfolio | -10 | -37 | 55 | - | 39 | 94 | 78 | 219 |
| Other operating result | -16 | -90 | -46 | -2 | -1 | 22 | -87 | -220 |
| <i>Income</i> | <i>1,879</i> | <i>413</i> | <i>2,406</i> | <i>936</i> | <i>694</i> | <i>589</i> | <i>-737</i> | <i>6,180</i> |
| Operating expenses | 2,064 | 587 | 1,496 | 970 | 230 | 154 | 354 | 5,855 |
| Profit from ordinary activities before restructuring expenses | -185 | -174 | 910 | -34 | 464 | 435 | -1,091 | 325 |
| Restructuring expenses | - | - | - | - | - | - | 282 | 282 |
| Profit from ordinary activities after restructuring expenses | -185 | -174 | 910 | -34 | 464 | 435 | -1,373 | 43 |
| Taxes on income | -73 | -31 | 306 | -47 | 158 | 155 | -582 | -114 |
| After-tax profit | -112 | -143 | 604 | 13 | 306 | 280 | -791 | 157 |
| Profit/loss attributable to minority interests | 34 | -22 | -51 | - | - | -50 | 34 | -55 |
| Net profit | -78 | -165 | 553 | 13 | 306 | 230 | -757 | 102 |
| Profit contribution from business passed on | 6 | 144 | 69 | 53 | 57 | - | -329 | - |
| Results based on internal accounting | -72 | -21 | 622 | 66 | 363 | 230 | -1,086 | 102 |
| Average equity tied up | 1,380 | 474 | 5,755 | 1,256 | 624 | 1,252 | 1,045 | 11,786 |
| Return on equity (%) | -5.2 | -4.4 | 10.8 | 5.3 | 58.2 | 18.4 | | 0.9 |
| Cost/income ratio (%) | 102.0 | 142.1 | 49.4 | 103.6 | 33.1 | 20.6 | | 82.4 |
| Staff (average no.) | 14,121 | 2,351 | 10,111 | 1,296 | 247 | 1,011 | 9,218 | 38,355 |



Breakdown, by business line

| € m | 2000 financial year | | | | | | | Total |
|--|---------------------|------------------|--------------------------------------|--------------|-------------------------------|------------------|----------------------|---------------|
| | Retail banking | Asset management | Corporate customers and institutions | Securities | Treasury and foreign exchange | Mortgage banking | Others/consolidation | |
| Net interest income | 1,120 | 5 | 1,698 | 42 | 149 | 522 | -20 | 3,516 |
| Provision for possible loan losses | -116 | - | -453 | - | - | -100 | -16 | -685 |
| Net interest income after provisioning | 1,004 | 5 | 1,245 | 42 | 149 | 422 | -36 | 2,831 |
| Net commission income | 1,232 | 621 | 691 | 233 | 10 | -22 | -41 | 2,724 |
| Net result on hedge accounting | - | - | - | - | - | - | - | - |
| Trading profit | - | 17 | 75 | 809 | 122 | - | -74 | 949 |
| Net result on investments and securities portfolio | - | -2 | -39 | - | -9 | -6 | 136 | 80 |
| Other operating result | 849 | -45 | 132 | 8 | -1 | 7 | 177 | 1,127 |
| <i>Income</i> | <i>3,085</i> | <i>596</i> | <i>2,104</i> | <i>1,092</i> | <i>271</i> | <i>401</i> | <i>162</i> | <i>7,711</i> |
| Operating expenses | 1,717 | 627 | 1,263 | 986 | 253 | 146 | 485 | 5,477 |
| Profit from ordinary activities before restructuring expenses | 1,368 | -31 | 841 | 106 | 18 | 255 | -323 | 2,234 |
| Restructuring expenses | - | - | - | - | - | - | - | - |
| Profit from ordinary activities after restructuring expenses | 1,368 | -31 | 841 | 106 | 18 | 255 | -323 | 2,234 |
| Taxes on income | 616 | -11 | 353 | 43 | 7 | 115 | -300 | 823 |
| After-tax profit | 752 | -20 | 488 | 63 | 11 | 140 | -23 | 1,411 |
| Profit/loss attributable to minority interests | -1 | -19 | -10 | - | - | -39 | - | -69 |
| Net profit | 751 | -39 | 478 | 63 | 11 | 101 | -23 | 1,342 |
| Profit contribution from business passed on | 8 | 187 | 41 | 33 | 46 | - | -315 | - |
| Results based on internal accounting | 759 | 148 | 519 | 96 | 57 | 101 | -338 | 1,342 |
| Average equity tied up | 1,576 | 424 | 6,018 | 1,348 | 604 | 1,074 | -183 | 10,861 |
| Return on equity (%) | 48.2 | 34.9 | 8.6 | 7.1 | 9.4 | 9.4 | | 12.4 |
| Cost/income ratio (%) | 53.6 | 105.2 | 49.4 | 90.3 | 93.4 | 29.1 | | 65.2 |
| Staff (average no.) | 14,322 | 2,033 | 9,986 | 1,068 | 272 | 986 | 9,654 | 38,321 |

In accordance with IAS 39, the comparable figures for the previous year did not require adjustment.

Quarterly results, by business line

Due to the application of IAS 39 as of December 13, 2001, and the reporting during the year in which the new accounting rules were not applied, we have adjusted the quarterly results for the effects of the remeasurement and revaluation of financial assets and liabilities.

| € m | 1 st quarter 2001 | | | | | | | Total |
|--|------------------------------|------------------|--------------------------------------|------------|-------------------------------|------------------|----------------------|--------------|
| | Retail banking | Asset management | Corporate customers and institutions | Securities | Treasury and foreign exchange | Mortgage banking | Others/consolidation | |
| Net interest income | 286 | 3 | 460 | 17 | 124 | 146 | -131 | 905 |
| Provision for possible loan losses | -31 | - | -89 | - | - | -18 | -14 | -152 |
| Net interest income after provisioning | 255 | 3 | 371 | 17 | 124 | 128 | -145 | 753 |
| Net commission income | 245 | 136 | 174 | 75 | -12 | -5 | - | 613 |
| Net result on hedge accounting | -2 | - | -3 | - | -4 | 11 | - | 2 |
| Trading profit | - | 3 | 42 | 211 | 75 | 2 | -21 | 312 |
| Net result on investments and securities portfolio | - | -15 | 36 | - | -4 | 2 | 110 | 129 |
| Other operating result | -2 | -23 | -2 | 2 | -1 | - | -30 | -56 |
| <i>Income</i> | <i>496</i> | <i>104</i> | <i>618</i> | <i>305</i> | <i>178</i> | <i>138</i> | <i>-86</i> | <i>1,753</i> |
| Operating expenses | 507 | 136 | 348 | 239 | 54 | 37 | 109 | 1,430 |
| Profit from ordinary activities before restructuring expenses | -11 | -32 | 270 | 66 | 124 | 101 | -195 | 323 |
| Restructuring expenses | - | - | - | - | - | - | - | - |
| Profit from ordinary activities after restructuring expenses | -11 | -32 | 270 | 66 | 124 | 101 | -195 | 323 |
| Taxes on income | -4 | -3 | 98 | 27 | 46 | 35 | -79 | 120 |
| After-tax profit | -7 | -29 | 172 | 39 | 78 | 66 | -116 | 203 |
| Profit/loss attributable to minority interests | 8 | -5 | -12 | - | - | -18 | - | -27 |
| Net profit | 1 | -34 | 160 | 39 | 78 | 48 | -116 | 176 |



| € m | 2 nd quarter 2001 | | | | | | | Total |
|--|------------------------------|------------------|--------------------------------------|------------|-------------------------------|------------------|----------------------|--------------|
| | Retail banking | Asset management | Corporate customers and institutions | Securities | Treasury and foreign exchange | Mortgage banking | Others/consolidation | |
| Net interest income | 279 | 5 | 529 | 6 | 100 | 130 | -120 | 929 |
| Provision for possible loan losses | -31 | - | -145 | - | - | -12 | 11 | -177 |
| Net interest income after provisioning | 248 | 5 | 384 | 6 | 100 | 118 | -109 | 752 |
| Net commission income | 238 | 145 | 193 | 47 | -14 | -11 | 5 | 603 |
| Net result on hedge accounting | 1 | - | 1 | - | 2 | 7 | - | 11 |
| Trading profit | - | 5 | 38 | 178 | 82 | 2 | -15 | 290 |
| Net result on investments and securities portfolio | - | 1 | 17 | - | -4 | 3 | 33 | 50 |
| Other operating result | -2 | -19 | 27 | -2 | 2 | 4 | 9 | 19 |
| <i>Income</i> | <i>485</i> | <i>137</i> | <i>660</i> | <i>229</i> | <i>168</i> | <i>123</i> | <i>-77</i> | <i>1,725</i> |
| Operating expenses | 524 | 160 | 387 | 224 | 60 | 37 | 87 | 1,479 |
| Profit from ordinary activities before restructuring expenses | -39 | -23 | 273 | 5 | 108 | 86 | -164 | 246 |
| Restructuring expenses | - | - | - | - | - | - | - | - |
| Profit from ordinary activities after restructuring expenses | -39 | -23 | 273 | 5 | 108 | 86 | -164 | 246 |
| Taxes on income | -17 | -4 | 85 | 1 | 39 | 31 | -43 | 92 |
| After-tax profit | -22 | -19 | 188 | 4 | 69 | 55 | -121 | 154 |
| Profit/loss attributable to minority interests | 8 | -5 | -16 | - | - | -15 | - | -28 |
| Net profit | -14 | -24 | 172 | 4 | 69 | 40 | -121 | 126 |

| € m | 3 rd quarter 2001 | | | | | | | Total |
|--|------------------------------|------------------|--------------------------------------|-------------|-------------------------------|------------------|----------------------|--------------|
| | Retail banking | Asset management | Corporate customers and institutions | Securities | Treasury and foreign exchange | Mortgage banking | Others/consolidation | |
| Net interest income | 278 | 32 | 573 | 8 | 97 | 149 | -278 | 859 |
| Provision for possible loan losses | -11 | - | -182 | - | - | -52 | 3 | -242 |
| Net interest income after provisioning | 267 | 32 | 391 | 8 | 97 | 97 | -275 | 617 |
| Net commission income | 233 | 114 | 189 | 49 | -14 | -10 | 8 | 569 |
| Net result on hedge accounting | 1 | - | -4 | - | 13 | 5 | - | 15 |
| Trading profit | 1 | 3 | -35 | 67 | 30 | 4 | -12 | 58 |
| Net result on investments and securities portfolio | -10 | -31 | 3 | - | -4 | -4 | -28 | -74 |
| Other operating result | 10 | -21 | 23 | - | -1 | 1 | -17 | -5 |
| <i>Income</i> | <i>502</i> | <i>97</i> | <i>567</i> | <i>124</i> | <i>121</i> | <i>93</i> | <i>-324</i> | <i>1,180</i> |
| Operating expenses | 514 | 136 | 365 | 305 | 67 | 40 | 32 | 1,459 |
| Profit from ordinary activities before restructuring expenses | -12 | -39 | 202 | -181 | 54 | 53 | -356 | -279 |
| Restructuring expenses | - | - | - | - | - | - | - | - |
| Profit from ordinary activities after restructuring expenses | -12 | -39 | 202 | -181 | 54 | 53 | -356 | -279 |
| Taxes on income | -5 | -7 | 70 | -68 | 18 | 20 | -132 | -104 |
| After-tax profit | -7 | -32 | 132 | -113 | 36 | 33 | -224 | -175 |
| Profit/loss attributable to minority interests | 4 | -5 | -5 | - | - | -10 | - | -16 |
| Net profit | -3 | -37 | 127 | -113 | 36 | 23 | -224 | -191 |



| € m | 4 th quarter 2001 | | | | | | | Total |
|--|------------------------------|------------------|--------------------------------------|------------|-------------------------------|------------------|----------------------|--------------|
| | Retail banking | Asset management | Corporate customers and institutions | Securities | Treasury and foreign exchange | Mortgage banking | Others/consolidation | |
| Net interest income | 292 | -5 | 602 | 7 | 96 | 166 | -270 | 888 |
| Provision for possible loan losses | -72 | - | -206 | - | - | -76 | -2 | -356 |
| Net interest income after provisioning | 220 | -5 | 396 | 7 | 96 | 90 | -272 | 532 |
| Net commission income | 197 | 97 | 190 | 28 | -6 | -14 | -10 | 482 |
| Net result on hedge accounting | 1 | - | -20 | - | 13 | 41 | - | 35 |
| Trading profit | - | 2 | 90 | 245 | 74 | 8 | 118 | 537 |
| Net result on investments and securities portfolio | - | 8 | -1 | - | 51 | 93 | -37 | 114 |
| Other operating result | -22 | -27 | -94 | -2 | -1 | 17 | -49 | -178 |
| <i>Income</i> | <i>396</i> | <i>75</i> | <i>561</i> | <i>278</i> | <i>227</i> | <i>235</i> | <i>-250</i> | <i>1,522</i> |
| Operating expenses | 519 | 155 | 396 | 202 | 49 | 40 | 126 | 1,487 |
| Profit from ordinary activities before restructuring expenses | -123 | -80 | 165 | 76 | 178 | 195 | -376 | 35 |
| Restructuring expenses | - | - | - | - | - | - | 282 | 282 |
| Profit from ordinary activities after restructuring expenses | -123 | -80 | 165 | 76 | 178 | 195 | -658 | -247 |
| Taxes on income | -47 | -17 | 53 | -7 | 55 | 69 | -328 | -222 |
| After-tax profit | -76 | -63 | 112 | 83 | 123 | 126 | -330 | -25 |
| Profit/loss attributable to minority interests | 14 | -7 | -18 | - | - | -7 | 34 | 16 |
| Net profit | -62 | -70 | 94 | 83 | 123 | 119 | -296 | -9 |

Results, by geographical market

Assignment to the respective segments on the basis of the seat of the branch or consolidated company produces the following breakdown:

| € m | 2001 financial year | | | | | | Total |
|--|---------------------|----------------------------------|---------------|--------------|------------|--------------------|----------------|
| | Germany | Europe (excluding Germany) | America | Asia | Africa | Consoli- dation | |
| Net interest income | 2,734 | 583 | 329 | 117 | 9 | -191 | 3,581 |
| Provision for possible loan losses | -609 | -71 | -155 | -92 | - | - | -927 |
| Net interest income after provisioning | 2,125 | 512 | 174 | 25 | 9 | -191 | 2,654 |
| Net commission income | 1,391 | 538 | 238 | 100 | 4 | -4 | 2,267 |
| Net result on hedge accounting | 67 | -9 | 4 | 1 | - | - | 63 |
| Trading profit | 816 | 284 | 81 | 12 | 4 | - | 1,197 |
| Net result on investments and securities portfolio | 132 | 94 | 7 | -14 | - | - | 219 |
| Other operating result | -52 | -103 | -15 | -3 | - | -47 | -220 |
| <i>Income</i> | <i>4,479</i> | <i>1,316</i> | <i>489</i> | <i>121</i> | <i>17</i> | <i>-242</i> | <i>6,180</i> |
| Operating expenses | 4,475 | 1,042 | 380 | 196 | 4 | -242 | 5,855 |
| Profit from ordinary activities before restructuring expenses | 4 | 274 | 109 | -75 | 13 | - | 325 |
| Risk-weighted assets according to BIS¹⁾ | 133,048 | 39,959 | 16,560 | 5,197 | 679 | - | 195,443 |

In the previous year, we achieved the following results in the geographical segments:

| € m | 2000 financial year | | | | | | Total |
|--|---------------------|----------------------------------|---------------|--------------|------------|--------------------|----------------|
| | Germany | Europe (excluding Germany) | America | Asia | Africa | Consoli- dation | |
| Net interest income | 2,842 | 460 | 239 | 123 | 7 | -155 | 3,516 |
| Provision for possible loan losses | -550 | -48 | -24 | -58 | -5 | - | -685 |
| Net interest income after provisioning | 2,292 | 412 | 215 | 65 | 2 | -155 | 2,831 |
| Net commission income | 1,855 | 560 | 207 | 100 | 4 | -2 | 2,724 |
| Net result on hedge accounting | - | - | - | - | - | - | - |
| Trading profit | 751 | 119 | 47 | 30 | 2 | - | 949 |
| Net result on investments and securities portfolio | 97 | -29 | 12 | - | - | - | 80 |
| Other operating result | 1,138 | 74 | -5 | - | - | -80 | 1,127 |
| <i>Income</i> | <i>6,133</i> | <i>1,136</i> | <i>476</i> | <i>195</i> | <i>8</i> | <i>-237</i> | <i>7,711</i> |
| Operating expenses | 4,294 | 921 | 301 | 193 | 5 | -237 | 5,477 |
| Profit from ordinary activities before restructuring expenses | 1,839 | 215 | 175 | 2 | 3 | - | 2,234 |
| Risk-weighted assets according to BIS¹⁾ | 131,147 | 38,597 | 16,207 | 6,512 | 697 | - | 193,160 |

¹⁾ excluding market risks



Notes to the balance sheet

(41) Cash reserve

We include the following items in the cash reserve:

| | 31.12.2001 | 31.12.2000 | Change |
|--|--------------|--------------|-------------|
| | € m | € m | in % |
| Cash on hand | 788 | 707 | 11.5 |
| Balances with central banks | 5,160 | 4,375 | 17.9 |
| Debt issued by public-sector borrowers, and bills of exchange rediscountable at central banks | 1,684 | 2,813 | -40.1 |
| Treasury bills and discountable treasury notes, as well as similar debt issues by public-sector borrowers | 1,277 | 2,068 | -38.2 |
| Bills of exchange | 407 | 745 | -45.4 |
| Total | 7,632 | 7,895 | -3.3 |

The balances with central banks include claims on the Bundesbank totalling €4,474m (previous year: €3,984m). The minimum reserve requirement to be met at end-December 2001 amounted to €2,479m (previous year: €2,184m).

(42) Claims on banks

| | total | | | due on demand | | other claims | |
|--------------------------------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| | 31.12.2001 | 31.12.2000 | Change | 31.12.2001 | 31.12.2000 | 31.12.2001 | 31.12.2000 |
| | € m | € m | in % | € m | € m | € m | € m |
| German banks | 29,577 | 39,013 | -24.2 | 6,605 | 5,782 | 22,972 | 33,231 |
| Foreign banks | 33,697 | 35,641 | -5.5 | 7,220 | 11,192 | 26,477 | 24,449 |
| Effects of measuring hedged items | 118 | - | . | - | - | 118 | - |
| Total | 63,392 | 74,654 | -15.1 | 13,825 | 16,974 | 49,567 | 57,680 |

The claims on banks include €8,796m of public-sector loans (previous year: €14,977m) extended by the mortgage banks. Due to the first-time application of IAS 39,

which made it possible to transfer claims not originated by the Bank to the investments and securities portfolio, the figures cannot be compared.

(43) Claims on customers

The claims on customers break down as follows:

| | 31.12.2001 | 31.12.2000 | Change |
|---|----------------|----------------|-------------|
| | € m | € m | in % |
| Claims on domestic customers | 147,009 | 158,196 | -7.1 |
| Corporate customers | 62,347 | 58,713 | 6.2 |
| Public sector | 35,027 | 49,291 | -28.9 |
| Retail customers and others | 49,635 | 50,192 | -1.1 |
| Claims on foreign customers | 72,275 | 66,641 | 8.5 |
| Corporate and retail customers | 64,135 | 59,156 | 8.4 |
| Public sector | 8,140 | 7,485 | 8.8 |
| Effects of measuring hedged items (hedge accounting) | 1,031 | - | . |
| Total | 220,315 | 224,837 | -2.0 |

The claims on customers include €58,963m (previous year: €53,512m) of loans secured by mortgages or other security interests in real property. Due to the first-time application of IAS 39, which made it possible to

transfer claims not originated by the Bank to the investments and securities portfolio, the figures cannot be compared.

(44) Claims on and liabilities to subsidiaries and equity investments

The claims on and liabilities to unconsolidated subsidiaries, associated companies and companies in which an equity investment exists are as follows:

| | 31.12.2001 | 31.12.2000 | Change |
|---|------------|------------|--------------|
| | € m | € m | in % |
| Claims on banks | 102 | 40 | . |
| Subsidiaries | 44 | - | . |
| Associated companies and companies in which an equity investment exists | 58 | 40 | 45.0 |
| Claims on customers | 582 | 366 | 59.0 |
| Subsidiaries | 237 | 71 | . |
| Associated companies and companies in which an equity investment exists | 345 | 295 | 16.9 |
| Total | 684 | 406 | 68.5 |
| Liabilities to banks | 128 | 7 | . |
| Subsidiaries | 21 | - | . |
| Associated companies and companies in which an equity investment exists | 107 | 7 | . |
| Liabilities to customers | 59 | 200 | -70.5 |
| Subsidiaries | 41 | 162 | -74.7 |
| Associated companies and companies in which an equity investment exists | 18 | 38 | -52.6 |
| Total | 187 | 207 | -9.7 |



(45) Total lending

| | 31.12.2001 | 31.12.2000 | Change |
|--|----------------|----------------|----------|
| | € m | € m | in % |
| Loans to banks ¹⁾ | 15,725 | 27,572 | -43.0 |
| Claims on customers | 220,315 | 224,837 | -2.0 |
| Bills discounted | 428 | 809 | -47.1 |
| Claims not originated by the Bank ²⁾ | 18,852 | - | • |
| less: reverse repos and securities-lending transactions with customers | 15,578 | 13,487 | 15.5 |
| Total | 239,742 | 239,731 | • |

¹⁾ excluding reverse repos and securities lending; ²⁾ included in investments and securities portfolio

We distinguish loans to banks from claims on banks such that only those claims are shown as loans to banks for which special loan agreements have been

concluded with the borrowers. Therefore, interbank money-market transactions, for example, do not count as loans to banks.

(46) Provision for possible loan losses

Provision for possible loan losses is made in accordance with rules that apply Group-wide and covers all discernible lending and country risks. On the basis of past experience, we have formed global valuation allowances for latent credit risks.

| | Individual valuation allowances ¹⁾ | | Country valuation allowances | | Global valuation allowances | | Total | | Change in % |
|---|---|--------------|------------------------------|-------------|-----------------------------|-------------|--------------|--------------|-------------|
| | 2001 € m | 2000 € m | 2001 € m | 2000 € m | 2001 € m | 2000 € m | 2001 € m | 2000 € m | |
| As of January 1²⁾ | 5,133 | 5,072 | 146 | 224 | 379 | 382 | 5,658 | 5,678 | -0.4 |
| Allocations | 1,422 | 1,240 | 41 | 64 | 57 | 65 | 1,520 | 1,369 | 11.0 |
| Deductions | 1,198 | 1,319 | 64 | 149 | 10 | 57 | 1,272 | 1,525 | -16.6 |
| utilized | 605 | 674 | 16 | 139 | - | 0 | 621 | 813 | -23.6 |
| reversals | 593 | 645 | 48 | 10 | 10 | 57 | 651 | 712 | -8.6 |
| Exchange-rate changes/transfers | 45 | 153 | 11 | 7 | -16 | -20 | 40 | 140 | -71.4 |
| Provision for possible loan losses as of December 31 | 5,402 | 5,146 | 134 | 146 | 410 | 370 | 5,946 | 5,662 | 5.0 |

¹⁾ including provisions; ²⁾ carry-forward to 2001, including companies consolidated for the first time but excluding those removed from the list of consolidated companies

With direct write-downs and income received on written-down claims taken into account, the allocations and reversals reflected in the income statement led to risk provisioning of €927m (previous year: €685m).

Provision for possible risks was formed for:

| | 31.12.2001 | 31.12.2000 | Change |
|---|--------------|--------------|------------|
| | € m | € m | in % |
| Claims on banks | 110 | 214 | -48.6 |
| Claims on customers | 5,538 | 5,184 | 6.8 |
| Provision to cover balance-sheet items | 5,648 | 5,398 | 4.6 |
| Guarantees, endorsement liabilities, credit commitments | 298 | 264 | 12.9 |
| Total | 5,946 | 5,662 | 5.0 |

Before they were reduced by individual valuation allowances and collateral, the value-adjusted claims producing neither interest nor income amounted to €6,905m (previous year: €6,292m).

The provision for credit risks breaks down as follows:

| € m | Individual valuation allowances and provisions for lending business | Loan losses ¹⁾ in 2001 | Net allocation ²⁾ to valuation allowances and provisions in lending business |
|---|---|-----------------------------------|---|
| German customers | 4,309 | 400 | 526 |
| Companies and self-employed | 3,508 | 366 | 427 |
| Manufacturing | 511 | 141 | 64 |
| Construction | 247 | 9 | 11 |
| Distributive trades | 379 | 28 | 64 |
| Services, incl. professions, and others | 2,371 | 188 | 288 |
| Other retail customers | 801 | 34 | 99 |
| Foreign customers | 1,093 | 301 | 303 |
| Banks | 24 | 15 | -13 |
| Corporate and retail customers | 1,069 | 286 | 316 |
| Total | 5,402 | 701 | 829 |

¹⁾ Direct write-downs, utilized individual valuation allowances and provisions in lending business

²⁾ Allocation less reversal



Data on provision for credit risks:

| in % | 2001 | 2000 |
|--------------------------------|------|------|
| Allocation ratio ¹⁾ | 0.39 | 0.29 |
| Write-off ratio ²⁾ | 0.28 | 0.35 |
| Cover ratio ³⁾ | 2.48 | 2.36 |

¹⁾ Net provisioning (new provisions less re-transfers of valuation allowances and provisions for both commercial and country loans and also general provision, plus the balance of direct write-downs and income received on previously written-down claims) as a percentage of total lending

²⁾ Defaults (utilized valuation allowances and provisions for both commercial and country loans, plus the balance of direct write-downs and income received on previously written-down claims) as a percentage of total lending

³⁾ Existing provisions (level of valuation allowances and provisions for counterparty risks in commercial lending, country risks and in general provision) as a percentage of total lending.

Total lending = average volume of commercial loans and country loans

(47) Positive fair values from derivative hedging instruments

Derivative financial instruments employed as hedges, which can be used for hedge accounting purposes and also have a positive fair value, are shown under this item. These instruments are measured at their fair value.

| | 31.12.2001 | 31.12.2000 |
|---|--------------|------------|
| | € m | € m |
| Positive fair values from effective fair value hedges | 2,931 | – |
| Positive fair values from effective cash flow hedges | 937 | – |
| Total | 3,868 | – |

In accordance with IAS 39, positive fair values from derivative hedging instruments are shown in the balance sheet for the first time in the 2001 financial year. The year-ago figures did not have to be adjusted.

(48) Assets held for dealing purposes

The Group's dealing activities include dealing in bonds, notes and other fixed-income securities, shares and other variable-yield securities, promissory notes, foreign exchange and precious metals as well as derivative financial instruments. All the items in the trading portfolio are shown at their fair value.

The positive fair values also include financial instruments which could not be used as hedging instruments in hedge accounting.

| | 31.12.2001 | 31.12.2000 | Change |
|---|-------------------|-------------------|-------------|
| | € m | € m | in % |
| Bonds, notes and other fixed-income securities | 40,419 | 19,858 | • |
| Money-market instruments | 3,396 | 994 | • |
| issued by public-sector borrowers | 354 | – | • |
| issued by other borrowers | 3,042 | 994 | • |
| Bonds and notes | 37,023 | 18,864 | 96.3 |
| issued by public-sector borrowers | 15,463 | 7,041 | • |
| issued by other borrowers | 21,560 | 11,823 | 82.4 |
| Shares and other variable-yield securities | 12,617 | 19,421 | –35.0 |
| Promissory notes held in the trading portfolio | 669 | 761 | –12.1 |
| Positive fair values attributable to derivative financial instruments | 42,121 | 29,880 | 41.0 |
| Interest-based transactions | 27,808 | 16,618 | 67.3 |
| Currency-based transactions | 7,622 | 9,047 | –15.8 |
| Other transactions | 6,691 | 4,215 | 58.7 |
| Total | 95,826 | 69,920 | 37.1 |

€49,542m (previous year: €29,198m) of the bonds, notes and other fixed-income securities and also shares and other variable-yield securities were listed on a stock exchange.



(49) Investments and securities portfolio (financial assets available for disposal)

The Investments and securities portfolio consists of claims not originated by the Bank, all bonds, notes and other fixed-income securities shares and other variable-yield securities not held for trading purposes, invest-

ments, holdings in associated companies valued at equity and holdings in subsidiaries not included in the consolidation.

| | 31.12.2001 | 31.12.2000 | Change |
|--|----------------|---------------|-------------|
| | € m | € m | in % |
| Claims on banks and customers not originated by the Bank | 18,852 | – | • |
| Bonds, notes and other fixed-income securities | 74,767 | 65,851 | 13.5 |
| Money-market instruments | 2,478 | 4,219 | –41.3 |
| issued by public-sector borrowers | 3 | 417 | –99.3 |
| issued by other borrowers | 2,475 | 3,802 | –34.9 |
| Bonds and notes | 72,289 | 61,632 | 17.3 |
| issued by public-sector borrowers | 36,912 | 33,059 | 11.7 |
| issued by other borrowers | 35,377 | 28,573 | 23.8 |
| Shares and other variable-yield securities | 4,351 | 3,990 | 9.0 |
| Investments | 5,225 | 5,531 | –5.5 |
| of which: in banks | 2,780 | 2,700 | 3.0 |
| Investments in associated companies | 852 | 443 | 92.3 |
| of which: in banks | 439 | 387 | 13.4 |
| Holdings in subsidiaries | 408 | 260 | 56.9 |
| of which: in banks | 67 | – | • |
| Total | 104,455 | 76,075 | 37.3 |

The year-earlier figures are based on amortized cost or the at-equity approach. Of the assets shown under this item, €1,318m appear at amortized cost. No permanent

impairment which had to be reflected in profit or loss was registered by the impairment test to be applied to securities.

Fair values of listed financial investments:

| | 31.12.2001 | 31.12.2000 |
|---|---------------|---------------|
| € m | Fair value | Fair value |
| Bonds, notes and other fixed-income securities | 66,452 | 60,659 |
| Shares and other variable-yield securities | 1,273 | 1,548 |
| Investments and investments in associated companies | 4,456 | 5,620 |
| Total | 72,181 | 67,827 |

Investments in large incorporated companies held by the Commerzbank Group, pursuant to Art. 313, (2), no. 4, HGB:

| Name | Seat | Percentage share of capital held | |
|---|------------|----------------------------------|------------|
| | | 31.12.2001 | 31.12.2000 |
| Al Wataniya | Casablanca | 9.5 | 10.0 |
| Banque Marocaine du Commerce Extérieur, S.A. | Casablanca | 10.0 | 10.0 |
| Buderus Aktiengesellschaft | Wetzlar | 10.5 | 10.5 |
| Compagnie Monégasque de Banque S.A.M. | Monaco | 10.4 | 11.5 |
| Heidelberger Druckmaschinen Aktiengesellschaft | Heidelberg | 9.9 | 9.9 |
| Holsten-Brauerei Aktiengesellschaft | Hamburg | 7.2 | 7.8 |
| Linde Aktiengesellschaft | Wiesbaden | 10.4 | 10.0 |
| MAN Aktiengesellschaft | Munich | 6.5 | 6.5 |
| PopNet Internet Aktiengesellschaft | Hamburg | – | 13.9 |
| Sachsenring Automobiltechnik Aktiengesellschaft | Zwickau | 10.0 | 10.0 |
| Security Capital Group Inc. | Santa Fé | 5.1 | 5.2 |
| Unibanco Holdings S.A. | São Paulo | 11.5 | 11.5 |
| Willy Vogel Beteiligungsgesellschaft mbH | Berlin | 19.0 | 19.0 |

(50) Intangible assets

| | 31.12.2001 | 31.12.2000 | Change |
|-------------------------|--------------|--------------|-------------|
| | € m | € m | in % |
| Goodwill | 1,380 | 1,417 | –2.6 |
| Other intangible assets | 104 | 100 | 4.0 |
| Total | 1,484 | 1,517 | –2.2 |

Of the other intangible assets, capitalized software produced in-house accounted for €100m (previous year: €67m).

(51) Fixed assets

| | 31.12.2001 | 31.12.2000 | Change |
|--------------------------------|--------------|---------------------|-------------|
| | € m | € m | in % |
| Land and buildings | 739 | 784 ¹⁾ | –5.7 |
| Office furniture and equipment | 1,846 | 1,837 ¹⁾ | 0.5 |
| Leased equipment | 789 | 916 | –13.9 |
| Total | 3,374 | 3,537 | –4.6 |

¹⁾ The year-earlier figures take the transfer of leased equipment into account.



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

The following changes were registered for intangible and fixed assets, and also for investments, investments in associated companies and subsidiaries in the past financial year:

| € m | Intangible assets | | Fixed assets | |
|--|-------------------|-------------------------|--------------------|--------------------------------|
| | Goodwill | Other intangible assets | Land and buildings | Office furniture and equipment |
| Book value as of 1.1.2001 | 1,417 | 100 | 784 | 1,837 |
| Cost of acquisition/manufacture as of 1.1.2001 | 1,611 | 123 | 905 | 3,523 |
| Additions in 2001 | 119 | 26 | 170 | 531 |
| Disposals in 2001 | 30 | 5 | 191 | 100 |
| Transfers | – | – | – | – |
| Cost of acquisition/manufacture as of 31.12.2001 | 1,700 | 144 | 884 | 3,954 |
| Write-ups in 2001 | – | – | – | – |
| Cumulative write-downs as of 31.12.2000 | 194 | 23 | 121 | 1,686 |
| Currency differences | 11 | 0 | 0 | 0 |
| Additions in 2001 | 116 | 18 | 37 | 518 |
| Disposals in 2001 | 1 | 1 | 13 | 96 |
| Transfers | – | – | – | – |
| Cumulative write-downs as of 31.12.2001 | 320 | 40 | 145 | 2,108 |
| Book value as of 31.12.2001 | 1,380 | 104 | 739 | 1,846 |

| € m | Fixed assets | | | |
|---|------------------|---------------------------|-------------------------------------|--------------------------|
| | Leased equipment | Investments | Investments in associated companies | Holdings in subsidiaries |
| Book value as of 1.1.2001 | 916 | 6,870¹⁾ | 443 | 260 |
| Cost of acquisition/manufacture as of 1.1.2000 | 1,371 | 7,017 | 443 | 260 |
| Additions in 2001 | 467 | 240 | 328 | 148 |
| Disposals in 2001 | 126 | 530 | 5 | – |
| Transfers | –377 | – | 151 | – |
| Cumulative changes arising from measurement at fair value/at equity | – | –1,299 | –31 | – |
| Cost of acquisition/manufacture/fair value as of 31.12.2001 | 1,335 | 5,428 | 886 | 408 |
| Write-ups in 2001 | – | – | – | – |
| Cumulative write-downs as of 31.12.2000 | 455 | 147 | – | – |
| Additions in 2001 | 233 | 56 | 34 | – |
| Disposals in 2001 | 25 | – | – | – |
| Transfers | –117 | – | – | – |
| Cumulative write-downs as of 31.12.2001 | 546 | 203 | 34 | – |
| Book value as of 31.12.2001 | 789 | 5,225 | 852 | 408 |

¹⁾ Carry-forward including revaluation reserves.

(53) Tax assets

| | 31.12.2001 | 31.12.2000 | Change |
|--|--------------|--------------|--------------|
| | € m | € m | in % |
| Current tax assets | 881 | 994 | -11.4 |
| Germany | 773 | 931 | -17.0 |
| Abroad | 108 | 63 | 71.4 |
| Deferred tax assets | 2,737 | 1,138 | • |
| Deferred tax assets | 2,668 | 938 | • |
| Capitalized advantages from unused loss carry-forwards | 69 | 200 | -65.5 |
| Total | 3,618 | 2,132 | 69.7 |

Deferred taxes represent the potential income-tax relief from temporary differences between the values assigned to assets and debts in the consolidated balance sheet in accordance with IAS and their values for tax-accounting purposes in accordance with the local tax regulations of consolidated companies.

€3m of deferred tax assets and liabilities was directly set off against equity.

No deferred taxes were recognized for loss carry-forwards of €632m, as it is uncertain at present whether they will be realized.

Deferred tax assets were formed in connection with the following balance-sheet items:

| | 31.12.2001 | 31.12.2000 | Change |
|--------------------------------|--------------|------------|----------|
| | € m | € m | in % |
| Derivative hedging instruments | 545 | - | • |
| Trading portfolios | 1,058 | 532 | 98.9 |
| Securitized liabilities | 366 | - | • |
| Provisions | 129 | 126 | 2.4 |
| Sundry balance-sheet items | 570 | 280 | • |
| Total | 2,668 | 938 | • |

(54) Other assets

Other assets mainly comprise the following items:

| | 31.12.2001 | 31.12.2000 | Change |
|--|--------------|--------------|--------------|
| | € m | € m | in % |
| Collection items | 379 | 180 | • |
| Advance payments | 722 | 389 | 85.6 |
| Sundry items, including deferred items | 1,895 | 3,924 | -51.7 |
| Total | 2,996 | 4,493 | -33.3 |

Of the previous year's deferred items on the assets side contained in Sundry items, premiums on claims amounted to €434m and discounts on liabilities €817m.

With the application of IAS 39, these were shown under the relevant item for the 2001 financial year.

**(55) Liabilities to banks**

| | total | | Change in % |
|---|-------------------|-------------------|----------------|
| | 31.12.2001 € m | 31.12.2000 € m | |
| German banks | 26,714 | 42,571 | -37.2 |
| Foreign banks | 82,267 | 60,965 | 34.9 |
| Effects of measuring hedged items (hedge accounting) | 105 | - | . |
| Total | 109,086 | 103,536 | 5.4 |

| of which: | due on demand | | other liabilities | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 31.12.2001 € m | 31.12.2000 € m | 31.12.2001 € m | 31.12.2000 € m |
| German banks | 1,841 | 6,071 | 24,873 | 36,500 |
| Foreign banks | 12,150 | 8,113 | 70,117 | 52,852 |
| Effects of measuring hedged items (hedge accounting) | - | - | 105 | - |
| Total | 13,991 | 14,184 | 95,095 | 89,352 |

(56) Liabilities to customers

Liabilities to customers consist of savings deposits, demand deposits and time deposits, including savings certificates.

| € m | Savings deposits | | Other liabilities | | | |
|--|------------------|--------------|-------------------|---------------|---|---------------|
| | 31.12.2001 | 31.12.2000 | due on demand | | with agreed lifetime or period of notice | |
| | 31.12.2001 | 31.12.2000 | 31.12.2001 | 31.12.2000 | 31.12.2001 | 31.12.2000 |
| Domestic customers | 9,838 | 9,125 | 27,799 | 24,859 | 43,413 | 43,291 |
| Corporate customers | 38 | 37 | 16,286 | 14,396 | 30,565 | 27,554 |
| Retail customers and others | 9,795 | 9,073 | 10,928 | 9,910 | 8,259 | 7,385 |
| Public sector | 5 | 15 | 585 | 553 | 4,589 | 8,352 |
| Foreign customers | 866 | 554 | 8,790 | 11,772 | 25,482 | 18,053 |
| Corporate and retail customers | 865 | 550 | 8,450 | 11,459 | 23,918 | 17,700 |
| Public sector | 1 | 4 | 340 | 313 | 1,564 | 353 |
| Effects of measuring hedged items | - | - | - | - | 210 | - |
| Total | 10,704 | 9,679 | 36,589 | 36,631 | 69,105 | 61,344 |

Savings deposits break down as follows:

| | 31.12.2001 | 31.12.2000 | Change |
|---|---------------|--------------|-------------|
| | € m | € m | in % |
| Savings deposits with agreed period of notice of three months | 9,773 | 8,742 | 11.8 |
| Savings deposits with agreed period of notice of more than three months | 931 | 937 | -0.6 |
| Total | 10,704 | 9,679 | 10.6 |

(57) Securitized liabilities

Securitized liabilities comprise bonds and notes, including mortgage and public-sector *Pfandbriefe*, money-market instruments (e.g. certificates of deposit, Euro-notes, commercial paper), own acceptances and promissory notes outstanding.

| | total | | of which: issued by mortgage banks | |
|---|----------------|----------------|---------------------------------------|---------------|
| | 31.12.2001 | 31.12.2000 | 31.12.2001 | 31.12.2000 |
| | € m | € m | € m | € m |
| Bonds and notes issued | 143,627 | 136,091 | 106,962 | 94,379 |
| Money-market instruments issued | 46,258 | 43,407 | 5,751 | 5,149 |
| Own acceptances and promissory notes outstanding | 331 | 453 | - | - |
| Effects of measuring hedged items (hedge accounting) | 454 | - | 313 | - |
| Total | 190,670 | 179,951 | 113,026 | 99,528 |

The interest rate paid on money-market paper ranges between 0.50% and 23.75%; for bonds and notes, it ranges between 0.05% and 25.20%. The original maturity periods for money-market paper may be up to one year. €101bn of the bonds and notes have an original lifetime of more than four years.



The following table presents the most important bonds and notes issued in 2001:

| Amount (€ m equivalent) | Currency | Issuer | Interest rate | Maturity date |
|----------------------------|----------|---------------------------------------|------------------|------------------|
| 5,000 | EUR | Hypothekenbank in Essen AG | 5.250% | 2011 |
| 2,500 | EUR | Hypothekenbank in Essen AG | 3.672% | 2003 |
| 2,000 | EUR | RHEINHYP Rheinische Hypothekenbank AG | 3.542% | 2008 |
| 2,000 | EUR | Hypothekenbank in Essen AG | 3.450% | 2002 |
| 1,500 | EUR | Hypothekenbank in Essen AG | 4.500% | 2003 |
| 1,058 | EUR | RHEINHYP Rheinische Hypothekenbank AG | 3.352% | 2027 |
| 1,000 | EUR | RHEINHYP Rheinische Hypothekenbank AG | 3.376% | 2003 |
| 1,000 | EUR | Hypothekenbank in Essen AG | 3.250% | 2005 |
| 940 | EUR | Commerzbank AG | 5.500% | 2011 |
| 750 | EUR | Hypothekenbank in Essen AG | 3.342% | 2003 |
| 600 | EUR | RHEINHYP Rheinische Hypothekenbank AG | 3.492% | 2006 |
| 567 | USD | Commerzbank AG | 2.136% | 2006 |
| 500 | EUR | RHEINHYP Rheinische Hypothekenbank AG | 3.607% | 2003 |
| 500 | EUR | Hypothekenbank in Essen AG | 4.399% | 2003 |
| 500 | EUR | Hypothekenbank in Essen AG | 3.342% | 2003 |

(58) Negative fair values from derivative hedging instruments

Derivative instruments which are not held for trading purposes, but are used as effective hedges and have a negative fair value, appear under this balance-sheet item. The financial instruments have been measured at their fair value.

| | 31.12.2001 | 31.12.2000 |
|---|--------------|------------|
| | € m | € m |
| Negative fair values from effective fair value hedges | 3,760 | – |
| Negative fair values from effective cash flow hedges | 1,621 | – |
| Total | 5,381 | – |

In accordance with IAS 39, negative fair values from derivative hedging instruments which qualify for hedge accounting appear in the balance sheet for the first time in the 2001 financial year. The comparable figures for the previous year did not have to be adjusted.

(59) Liabilities from dealing activities

In Liabilities from dealing activities, the negative fair values of financial derivative instruments not employed as hedging instruments in connection with hedge accounting are shown. Delivery commitments arising from short sales of securities are also included under Liabilities from dealing activities.

| | 31.12.2001 | 31.12.2000 | Change |
|---|---------------|---------------|-------------|
| | € m | € m | in % |
| Interest-based transactions | 28,264 | 16,203 | 74.4 |
| Currency-based transactions | 8,357 | 9,933 | -15.9 |
| Delivery commitments arising from short sales of securities | 4,954 | 6,119 | -19.0 |
| Other transactions | 6,261 | 3,471 | 80.4 |
| Total | 47,836 | 35,726 | 33.9 |

(60) Provisions

Provisions break down as follows:

| | 31.12.2001 | 31.12.2000 | Change |
|---|--------------|--------------|-------------|
| | € m | € m | in % |
| Provisions for pensions and similar commitments | 1,499 | 1,432 | 4.7 |
| Other provisions | 1,857 | 1,432 | 29.7 |
| Total | 3,356 | 2,864 | 17.2 |

The changes in provisions for pensions were as follows:

| | as of 1.1.2001 | Pension payments | Allocation | Transfers/ changes in consolidated companies | as of 31.12.2001 |
|---|-------------------|---------------------|------------|---|---------------------|
| € m | | | | | |
| Pension expectancies of active and former employees | 796 | – | 97 | –72 | 821 |
| Pensioners | 573 | 62 | 37 | 64 | 612 |
| Staff on early retirement schemes | 38 | 17 | 12 | – | 33 |
| Part-time scheme for older staff | 25 | 11 | 19 | – | 33 |
| Total | 1,432 | 90 | 165 | –8 | 1,499 |

For the most part, provisions for pensions and similar commitments represent provisions for commitments to pay company retirement pensions on the basis of direct pledges of benefits. The type and scale of the retirement pensions for employees entitled to benefits are determined by the terms of the pension arrangement

that finds application (pension guidelines, pension scheme, contribution-based pension plan, individual pension commitments), which mainly depends upon when the employee joined the Bank. On this basis, pensions are paid to employees reaching retirement age or earlier in the case of invalidity or death.



The pension commitments are worked out annually by an independent actuary, applying the projected unit credit method.

The projected unit credit for pension commitments as of December 31, 2001, was €1,615m (previous year:

€1,532m). The difference of €116m (previous year: €100m) between this figure and the pension provisions is the result of changes in the actuarial parameters and the bases of calculation in recent years.

Allocations to provisions for payment-based pension schemes in 2001 break down as follows:

| | 2001 | 2000 |
|---|------------|------------|
| | € m | € m |
| Service cost | 46 | 42 |
| Interest cost | 88 | 83 |
| Non-recurring cost of early retirement and part-time scheme for older staff | 31 | 29 |
| Amortization of actuarial differences | – | 4 |
| Allocations to provisions for schemes to which the Bank contributes | 165 | 158 |

Changes in other provisions:

| | as of 1.1.2001 | Utilized | Reversal | Allocation/ changes in consolidated companies | as of 31.12.2001 |
|---------------------------------------|-------------------|------------|------------|--|---------------------|
| € m | | | | | |
| Personnel area | 755 | 572 | 41 | 534 | 676 |
| Restructuring measures | – | – | – | 203 | 203 |
| Risks in lending | 264 | 15 | 65 | 114 | 298 |
| Bonuses for special savings schemes | 160 | 54 | – | 9 | 115 |
| Legal proceedings and recourse claims | 105 | 12 | 33 | 48 | 108 |
| Sundry items | 148 | 106 | 11 | 426 | 457 |
| Total | 1,432 | 759 | 150 | 1,334 | 1,857 |

The provisions in the personnel area basically relate to provisions for various types of bonuses, to be paid to employees of the Group in the first half of 2002.

A provision of €203m was formed for the restructuring measures introduced and announced in the 2001 financial year.

(61) Tax liabilities

| | 31.12.2001 | 31.12.2000 | Change |
|---|--------------|--------------|-------------|
| | € m | € m | in % |
| Current income-tax liabilities | 398 | 412 | -3.4 |
| Income-tax liabilities to tax authorities | 33 | 63 | -47.6 |
| Provisions for income taxes | 365 | 349 | 4.6 |
| Deferred income-tax liabilities | 1,700 | 603 | • |
| Deferred taxes carried as liabilities | 1,700 | 603 | • |
| Total | 2,098 | 1,015 | • |

Provisions for taxes on income are tax liabilities for which no final formal assessment note has been received. The liabilities to tax authorities represent payment obligations from current taxes towards German and foreign tax authorities. Deferred taxes on the liabilities side represent the potential income-tax burden

from temporary differences between the values assigned to assets and liabilities in the consolidated balance sheet in accordance with IAS and their values for tax-accounting purposes in accordance with the local tax regulations of consolidated companies.

Deferred income-tax liabilities were formed in connection with the following items:

| | 31.12.2001 | 31.12.2000 | Change |
|--------------------------------------|--------------|------------|----------|
| | € m | € m | in % |
| Trading portfolios | 338 | 179 | 88.8 |
| Investments and securities portfolio | 834 | 165 | • |
| Imputed credit of foreign losses | 71 | 177 | -59.9 |
| Claims on customers | 349 | 6 | • |
| Sundry balance-sheet items | 108 | 76 | 42.1 |
| Total | 1,700 | 603 | • |



(62) Other liabilities

Other liabilities break down as follows:

| | 31.12.2001 | 31.12.2000 | Change |
|--|--------------|--------------|--------------|
| | € m | € m | in % |
| Deferred interest expenses for subordinated capital | 381 | 364 | 4.7 |
| Effects of measuring hedged subordinated capital items | 230 | – | • |
| Sundry items, including deferred items | 2,248 | 4,899 | –54.1 |
| Total | 2,859 | 5,263 | –45.7 |

The previous year's deferred items on the liabilities side – shown in Sundry items – included premiums from liabilities of €25m and discounts for claims of €517m.

With the application of IAS 39, the corresponding amounts appear for the 2001 financial year as part of the amortized cost of the relevant balance-sheet items.

(63) Subordinated capital

Subordinated capital breaks down as follows:

| | 31.12.2001 | 31.12.2000 | Change |
|--|---------------|--------------|-------------|
| | € m | € m | in % |
| Subordinated liabilities | 8,011 | 7,350 | 9.0 |
| of which: tier-III capital as defined in Art. 10, (7), KWG | 1,175 | 1,058 | 11.1 |
| of which: maturing within two years | 1,985 | 1,843 | 7.7 |
| Profit-sharing certificates outstanding | 2,513 | 2,547 | –1.3 |
| of which: maturing within two years | 15 | 19 | –21.1 |
| Total | 10,524 | 9,897 | 6.3 |

In order to underscore the regulatory claim to such subordinated liabilities, we have shown the effects of measuring hedged items in accordance with IAS 39, and also the deferred interest payments for such transactions, under Other liabilities.

Subordinated liabilities are liable funds as defined in Art. 10, (5a), KWG. The claims of creditors to repayment of these liabilities are subordinate to those of other creditors. The issuers cannot be obliged to make premature repayment. In the event of bankruptcy or winding-up, subordinated liabilities may only be repaid after the claims of all senior creditors have been met.

At end-2001, the following major subordinated liabilities were outstanding:

| Start of maturity | € m | Currency in m | Issuer | Interest rate | Maturity date |
|-------------------|-----|---------------|----------------|---------------|---------------|
| 2000 | 590 | 590 EUR | Commerzbank AG | 6.50 | 2010 |
| 1999 | 550 | 550 EUR | Commerzbank AG | 4.75 | 2009 |
| 2001 | 490 | 490 EUR | Commerzbank AG | 6.13 | 2011 |
| 1997 | 329 | 200 GBP | Commerzbank AG | 7.88 | 2007 |
| 1999 | 300 | 300 EUR | Commerzbank AG | 6.25 | 2009 |
| 1992 | 284 | 250 USD | Commerzbank AG | 5.00 | 2002 |
| 2001 | 250 | 250 EUR | Commerzbank AG | 5.00 | 2011 |
| 1999 | 250 | 250 EUR | Commerzbank AG | 4.10 | 2002 |

In the year under review, the interest paid by the Group for subordinated liabilities totalled €475m (previous year: €435m). This includes €189m (previous year: €173m) of deferred interest expenses for interest due but not yet paid. These are shown as Other liabilities.

Profit-sharing certificates outstanding serve to strengthen the Bank's liable equity capital in accordance with the provisions of the German Banking Act. They are directly affected by current losses. Interest pay-

ments are made solely if a distributable profit exists. The claims of holders of profit-sharing certificates to a repayment of principal are subordinate to those of other creditors.

The following main issues of profit-sharing certificates are outstanding:

| Start of maturity | € m | Issuer | Interest rate | Maturity date |
|-------------------|-----|----------------|---------------|---------------|
| 1993 | 409 | Commerzbank AG | 7.250 | 2005 |
| 2000 | 320 | Commerzbank AG | 6.375 | 2010 |
| 1991 | 256 | Commerzbank AG | 9.500 | 2003 |
| 1992 | 256 | Commerzbank AG | 9.150 | 2004 |
| 1994 | 256 | Commerzbank AG | 5.035 | 2006 |
| 1996 | 256 | Commerzbank AG | 7.900 | 2008 |

Interest to be paid on the profit-sharing certificates outstanding for the 2001 financial year amounts to €192m (previous year: €191m). It is shown under Other liabilities.



(64) Equity structure

Due to the first-time application of IAS 39, there has been a change in the Bank's equity structure compared with the previous year. New equity components have been included in the form of the Revaluation reserve

and the Measurement of cash flow hedges. The reserve from currency translation, which has also been freshly included, previously formed part of retained earnings and is now shown as an item all by itself.

Accordingly, the Bank's equity and shares outstanding broke down as follows:

| | 31.12.2001 | 31.12.2000 |
|--------------------------------------|---------------|---------------|
| | € m | € m |
| a) Subscribed capital | 1,394 | 1,386 |
| b) Capital reserve | 6,197 | 6,052 |
| c) Retained earnings | 4,046 | 4,517 |
| d) Revaluation reserve | 189 | – |
| e) Measurement of cash flow hedges | –397 | – |
| f) Reserve from currency translation | 114 | 26 |
| g) Consolidated profit/loss | 217 | 542 |
| Equity | 11,760 | 12,523 |

a) Subscribed capital

The subscribed capital (share capital) of Commerzbank AG is divided into no-par-value shares, each with a notional value of €2.60. The shares are issued in the form of bearer shares.

| | 1,000 units |
|--|----------------|
| Number of shares outstanding on 1.1.2001 | 533,233 |
| Cash capital increase | – |
| Capital increase against contribution in kind | – |
| Issue of shares to employees | – |
| Plus: treasury shares on 31.12. of the previous year | 8,594 |
| Number of shares issued on 31.12.2001 | 541,827 |
| Less: treasury shares | 5,776 |
| Number of shares outstanding on 31.12.2001 | 536,051 |

Before treasury shares are subtracted in accordance with Art. 71, (1), no. 7, AktG, the subscribed capital stands at €1,408,751,234.80.

No preferential rights exist at Commerzbank AG or restrictions on the payment of dividends.

The value of issued, outstanding and authorized shares is as follows:

| | 31.12.2001 | | 31.12.2000 | |
|---|--------------|----------------|--------------|----------------|
| | € m | 1,000 units | € m | 1,000 units |
| Shares issued | 1,409 | 541,827 | 1,409 | 541,827 |
| - Treasury shares | -15 | -5,776 | -23 | -8,594 |
| = Shares outstanding (subscribed capital) | 1,394 | 536,051 | 1,386 | 533,233 |
| + Shares not yet issued from authorized capital | 414 | 159,183 | 414 | 159,183 |
| Total | 1,808 | 695,234 | 1,800 | 692,416 |

The number of authorized shares totals 701,010 thousand units (previous year: 701,010 thousand units). The amount represented by authorized shares is €1,823m (previous year: €1,823m).

As of December 31, 2001, 12,105,889 shares had been pledged with the Group as security. Given a notional value of €2.60 per share, therefore, this represented 2.23% of the subscribed capital.

b) Capital reserve

In the capital reserve, premiums from the issue of shares are shown. In addition, the capital reserve contains amounts which were realized for conversion and option rights, entitling holders to purchase shares, when bonds and notes were issued.

The Group's capital reserve is the amount shown for Commerzbank AG less the treasury shares held. The values represented by subsidiaries in the capital reserve are eliminated as part of the consolidation of capital accounts or appear as minority interests.

c) Retained earnings

Retained earnings consist of the legal reserve and other reserves. The legal reserve contains those reserves which have to be formed in accordance with national law; in the individual financial statements, the amounts assigned to this reserve may not be distributed. The overall amount of retained earnings shown in the balance sheet consists of €3m of legal reserves and €4,043m of other revenue reserves.

d) Revaluation reserve

The revaluation reserve contains the results of measuring or remeasuring the investments and securities portfolio. Gains or losses appear in the income statement only when the asset has been disposed of or written off.

e) Measurement of cash flow hedges

The gains or losses on effective hedges used in cash flow hedges appear – after deferred taxes have been taken into consideration – under this equity item.

f) Reserve from currency translation

The reserve from currency translation relates to translation gains and losses arising through the consolidation of capital accounts. Here exchange-rate differences are included that arise through the consolidation of subsidiaries and associated companies.



(65) Conditional capital

Conditional capital is intended to be used for the issue of convertible bonds or bonds with warrants attached and also of profit-sharing certificates with conversion or option rights.

Changes in the Bank's conditional capital:

| € m | Conditional capital | Additions | Expiring | Used | Conditional capital | of which: | |
|---|---------------------|-----------|----------|----------|---------------------|--------------------------|-----------------|
| | 1.1.2001 | | | | 31.12.2001 | used conditional capital | available lines |
| Convertible bonds/bonds with warrants | 78 | – | – | – | 78 | – | 78 |
| Convertible bonds/bonds with warrants/profit-sharing rights | 200 | – | – | – | 200 | – | 200 |
| Total | 278 | – | – | – | 278 | – | 278 |

As resolved by the Annual General Meeting of May 30, 1997, the Bank's share capital has been conditionally increased by up to €78,000,000. Such conditional capital increase will only be effected to the extent that the holders of convertible bonds or bonds with warrants attached to be issued by April 30, 2002 by Commerzbank Aktiengesellschaft or a directly or indirectly held wholly-owned foreign affiliate exercise their conversion or option rights.

As resolved by the AGM of May 21, 1999, the share capital has been conditionally increased by up to €200,070,000. Such conditional capital increase will only be effected to the extent that the holders of the convertible bonds, bonds with warrants or profit-sharing certificates carrying conversion or option rights to be issued by April 30, 2004, by either Commerzbank Aktiengesellschaft or companies in which the Bank directly or indirectly holds a majority interest exercise their conversion or option rights or the holders of the convertible bonds or profit-sharing certificates carrying conversion rights to be issued by April 30, 2004, by either Commerzbank Aktiengesellschaft or companies in which the Bank directly or indirectly holds a majority interest meet the obligation to exercise their conversion rights.

(66) Authorized capital

| Date of AGM resolution | Original amount € m | Used in previous years for capital increases € m | Used in 2001 for capital increases € m | Remaining amount € m | Authorization expires: |
|------------------------|------------------------|---|---|-------------------------|------------------------|
| 30.05.1997 | 26 | 10 | - | 16 | 30.04.2002 |
| 21.05.1999 | 175 | - | - | 175 | 30.04.2004 |
| 21.05.1999 | 175 | 25 | - | 150 | 30.04.2004 |
| 21.05.1999 | 86 | 13 | - | 73 | 30.04.2004 |
| Total | 462 | 48 | - | 414 | |

The Board of Managing Directors is authorized to increase, with the approval of the Supervisory Board, the share capital of the Bank by April 30, 2002 through the issue of new shares against cash, in either one or several tranches, by a maximum nominal amount of €15,642,762.29, thereby excluding the subscription rights of other shareholders for the purpose of issuing these shares to the Bank's staff.

The Board of Managing Directors is authorized to increase, with the approval of the Supervisory Board, the share capital of the Company by April 30, 2004 through the issue of no-par-value shares against cash contributions, in either one or several tranches, by a maximum amount of €175,000,000. The Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights to the extent necessary to offer to the holders of conversion or option rights, either already issued or still to be issued by Commerzbank Aktiengesellschaft or its subsidiaries, subscription rights to the extent to which they would be entitled as shareholders after they have exercised their conversion or option rights. In addition, any fractional amounts of shares may be excluded from shareholders' subscription rights.

The Board of Managing Directors is authorized to increase, with the approval of the Supervisory Board, the share capital of the Company by April 30, 2004 through the issue of no-par-value shares against cash or contributions in kind, in either one or several

tranches, by a maximum amount of €149,563,570.80. On principle, shareholders are to be offered subscription rights; however, the Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights to the extent necessary to offer to the holders of conversion or option rights, either already issued or still to be issued by Commerzbank Aktiengesellschaft or its subsidiaries, subscription rights to the extent to which they would be entitled as shareholders after they have exercised their conversion or option rights. In addition, any fractional amounts of shares may be excluded from shareholders' subscription rights. Furthermore, the Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights insofar as the capital increase is made against contributions in kind for the purpose of acquiring companies or holdings in companies.

The Board of Managing Directors is authorized to increase, with the approval of the Supervisory Board, the Company's share capital by April 30, 2004 through the issue of no-par-value shares against cash, in either one or several tranches, by a maximum amount of €73,669,684.60. The Board of Managing Directors may, with the approval of the Supervisory Board, exclude shareholders' subscription rights if the issue price of the new shares is not substantially lower than that of already listed shares offering the same conditions.



(67) The Bank's foreign-currency position

On December 31, 2001, the Commerzbank Group had the following foreign-currency assets and liabilities (excluding fair values of derivatives):

| | 31.12.2001 | | | | Total | 31.12.2000 | Change in % |
|---|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| | € m | | | | | € m | |
| | USD | JPY | GBP | Others | | Total | |
| Cash reserve | 91 | 3 | 14 | 178 | 286 | 60 | • |
| Claims on banks | 11,587 | 2,668 | 3,786 | 5,282 | 23,323 | 23,936 | -2.6 |
| Claims on customers | 31,973 | 4,751 | 8,715 | 11,868 | 57,307 | 43,736 | 31.0 |
| Assets held for dealing purposes | 10,202 | 1,234 | 2,107 | 1,097 | 14,640 | 7,459 | 96.3 |
| Investments and securities portfolio | 11,486 | 2,745 | 1,502 | 3,933 | 19,666 | 10,713 | 83.6 |
| Other balance-sheet assets | 696 | 252 | 1,202 | 3,211 | 5,361 | 7,724 | -30.6 |
| Foreign-currency assets | 66,035 | 11,653 | 17,326 | 25,569 | 120,583 | 93,628 | 28.8 |
| Liabilities to banks | 31,347 | 6,383 | 8,262 | 15,823 | 61,815 | 49,689 | 24.4 |
| Liabilities to customers | 15,444 | 488 | 6,245 | 5,783 | 27,960 | 14,142 | 97.7 |
| Securitized liabilities | 36,777 | 1,134 | 10,555 | 5,250 | 53,716 | 55,963 | -4.0 |
| Other balance-sheet liabilities | 2,352 | 362 | 1,053 | 1,577 | 5,344 | 18,405 | -71.0 |
| Foreign-currency liabilities | 85,920 | 8,367 | 26,115 | 28,433 | 148,835 | 138,199 | 7.7 |

Due to exchange-rate movements in the 2001 financial year, the consolidated balance-sheet total expanded by roughly €4bn.

Notes to financial instruments

(68) Derivative transactions

| 31.12.2001 | Nominal amount | | | | Fair value | |
|--|------------------|---------------------|-------------------------|------------------|---------------|---------------|
| | | Remaining lifetimes | | | total | positive |
| | under 1 year | 1 to 5 years | more than 5 years | | | |
| € m | | | | | | |
| Foreign-currency-based forward transactions | | | | | | |
| OTC products | 535,441 | 105,837 | 31,858 | 673,136 | 9,150 | 8,999 |
| Spot and forward currency transactions | 420,586 | 30,230 | 1,293 | 452,109 | 5,205 | 4,943 |
| Interest-rate and currency swaps | 34,526 | 68,348 | 30,565 | 133,439 | 3,336 | 3,385 |
| Currency call options | 39,347 | 4,091 | – | 43,438 | 609 | – |
| Currency put options | 40,982 | 3,168 | – | 44,150 | – | 671 |
| Other foreign-exchange contracts | – | – | – | – | – | – |
| Products traded on a stock exchange | 162 | – | – | 162 | – | – |
| Currency futures | 116 | – | – | 116 | – | – |
| Currency options | 46 | – | – | 46 | – | – |
| Total | 535,603 | 105,837 | 31,858 | 673,298 | 9,150 | 8,999 |
| Interest-based futures transactions | | | | | | |
| OTC products | 1,323,525 | 816,188 | 629,648 | 2,769,361 | 30,148 | 33,003 |
| Forward-rate agreements | 277,087 | 1,975 | – | 279,062 | 270 | 248 |
| Interest-rate swaps | 988,528 | 664,863 | 508,414 | 2,161,805 | 27,188 | 30,139 |
| Call options on interest-rate futures | 22,914 | 52,240 | 47,146 | 122,300 | 2,185 | – |
| Put options on interest-rate futures | 28,685 | 63,931 | 56,513 | 149,129 | – | 2,412 |
| Other interest-rate contracts | 6,311 | 33,179 | 17,575 | 57,065 | 505 | 204 |
| Products traded on a stock exchange | 158,472 | 4,720 | 3,158 | 166,350 | – | – |
| Interest-rate futures | 59,319 | 2,211 | 1,060 | 62,590 | – | – |
| Interest-rate options | 99,153 | 2,509 | 2,098 | 103,760 | – | – |
| Total | 1,481,997 | 820,908 | 632,806 | 2,935,711 | 30,148 | 33,003 |
| Other forward transactions | | | | | | |
| OTC products | 33,640 | 76,928 | 4,000 | 114,568 | 6,691 | 6,261 |
| Structured equity/index products | 606 | 2,412 | 749 | 3,767 | 629 | 406 |
| Equity call options | 11,350 | 22,287 | 238 | 33,875 | 5,798 | – |
| Equity put options | 11,513 | 20,399 | 562 | 32,474 | – | 5,632 |
| Credit derivatives | 3,210 | 31,666 | 2,451 | 37,327 | 262 | 223 |
| Precious metal contracts | 6,961 | 164 | – | 7,125 | 2 | – |
| Other transactions | – | – | – | – | – | – |
| Products traded on a stock exchange | 47,752 | 5,882 | – | 53,634 | – | – |
| Equity futures | 8,310 | 146 | – | 8,456 | – | – |
| Equity options | 39,442 | 5,736 | – | 45,178 | – | – |
| Other futures | – | – | – | – | – | – |
| Other options | – | – | – | – | – | – |
| Total | 81,392 | 82,810 | 4,000 | 168,202 | 6,691 | 6,261 |
| Total immatured forward transactions | | | | | | |
| OTC products | 1,892,606 | 998,953 | 665,506 | 3,557,065 | 45,989 | 48,263 |
| Products traded on a stock exchange | 206,386 | 10,602 | 3,158 | 220,146 | – | – |
| Total | 2,098,992 | 1,009,555 | 668,664 | 3,777,211 | 45,989 | 48,263 |



As of December 13, 2000, the figures were as follows:

| 31.12.2000 | Nominal amount | | | Fair value | | |
|--|------------------|---------------------|-------------------------|------------------|---------------|---------------|
| | | Remaining lifetimes | | | total | positive |
| | under 1 year | 1 to 5 years | more than 5 years | | | |
| € m | | | | | | |
| Foreign-currency-based forward transactions | | | | | | |
| OTC products | 448,047 | 92,267 | 26,178 | 566,492 | 10,621 | 11,573 |
| Spot and forward currency transactions | 363,166 | 37,212 | 1,594 | 401,972 | 6,900 | 7,348 |
| Interest-rate and currency swaps | 31,739 | 50,652 | 24,584 | 106,975 | 3,055 | 3,679 |
| Currency call options | 26,249 | 2,613 | – | 28,862 | 666 | – |
| Currency put options | 26,893 | 1,790 | – | 28,683 | – | 546 |
| Other foreign-exchange contracts | – | – | – | – | – | – |
| Products traded on a stock exchange | 89 | – | – | 89 | – | – |
| Currency futures | 89 | – | – | 89 | – | – |
| Currency options | – | – | – | – | – | – |
| Total | 448,136 | 92,267 | 26,178 | 566,581 | 10,621 | 11,573 |
| Interest-based futures transactions | | | | | | |
| OTC products | 1,039,710 | 574,717 | 470,978 | 2,085,405 | 21,455 | 21,340 |
| Forward-rate agreements | 220,979 | 1,905 | – | 222,884 | 253 | 212 |
| Interest-rate swaps | 804,675 | 504,117 | 380,262 | 1,689,054 | 19,621 | 19,216 |
| Call options on interest-rate futures | 6,486 | 29,044 | 38,560 | 74,090 | 1,570 | – |
| Put options on interest-rate futures | 7,545 | 38,849 | 49,151 | 95,545 | – | 1,812 |
| Other interest-rate contracts | 25 | 802 | 3,005 | 3,832 | 11 | 100 |
| Products traded on a stock exchange | 75,946 | 3,876 | 2,171 | 81,993 | – | – |
| Interest-rate futures | 20,259 | 1,402 | 641 | 22,302 | – | – |
| Interest-rate options | 55,687 | 2,474 | 1,530 | 59,691 | – | – |
| Total | 1,115,656 | 578,593 | 473,149 | 2,167,398 | 21,455 | 21,340 |
| Other forward transactions | | | | | | |
| OTC products | 22,682 | 69,115 | 13,042 | 104,839 | 4,215 | 3,469 |
| Structured equity/index products | 1,825 | 2,840 | 698 | 5,363 | 1,727 | 818 |
| Equity call options | 5,796 | 29,200 | 547 | 35,543 | 2,448 | – |
| Equity put options | 7,795 | 33,100 | 10,887 | 51,782 | – | 2,622 |
| Credit derivatives | 924 | 3,161 | 605 | 4,690 | 38 | 27 |
| Precious metal contracts | 6,342 | 814 | 305 | 7,461 | 2 | 2 |
| Other transactions | – | – | – | – | – | – |
| Products traded on a stock exchange | 47,959 | 2,854 | – | 50,813 | – | – |
| Equity futures | 12,298 | – | – | 12,298 | – | – |
| Equity options | 35,661 | 2,854 | – | 38,515 | – | – |
| Other futures | – | – | – | – | – | – |
| Other options | – | – | – | – | – | – |
| Total | 70,641 | 71,969 | 13,042 | 155,652 | 4,215 | 3,469 |
| Total immatured forward transactions | | | | | | |
| OTC products | 1,510,439 | 736,099 | 510,198 | 2,756,736 | 36,291 | 36,382 |
| Products traded on a stock exchange | 123,994 | 6,730 | 2,171 | 132,895 | – | – |
| Total | 1,634,433 | 742,829 | 512,369 | 2,889,631 | 36,291 | 36,382 |

On the balance-sheet date, immatured foreign-currency, interest-based and other forward transactions were outstanding as shown in the above tables. These transactions entail merely a settlement risk as well as currency, interest and/or other market risks.

Breakdown of derivatives business, by borrower group:

| € m | Fair value 31.12.2001 | | Fair value 31.12.2000 | |
|--------------------------------------|--------------------------|---------------|--------------------------|---------------|
| | positive | negative | positive | negative |
| OECD central governments | 134 | 76 | 23 | 34 |
| OECD banks | 40,029 | 42,764 | 30,560 | 30,127 |
| OECD financial institutions | 2,588 | 2,884 | 2,222 | 2,376 |
| Other companies, private individuals | 2,614 | 1,860 | 2,952 | 3,326 |
| Non-OECD banks | 624 | 679 | 534 | 519 |
| Total | 45,989 | 48,263 | 36,291 | 36,382 |

Fair values appear as the sum totals of the positive and negative amounts per contract, from which no pledged security has been deducted and no possible netting

agreements have been taken into consideration. By definition, no positive fair values exist for put options. Most of these transactions relate to trading activities.

(69) Market risk arising from trading activities

Not only are value-at-risk figures computed with the aid of mathematical and statistical models used in quantifying market risk, but also simulations of extreme developments in the capital markets.

For the daily measurement of market risk, especially in proprietary trading, we apply value-at-risk models. The underlying statistical parameters are based on an observation period of the past 250 trading days, a one-day exposure and a confidence level of 97.5%. The value-at-risk models are constantly being modified.

On the basis of the risk ratios, the Group manages the market risk for all operative units by a system of risk limits, primarily limits for value-at-risk and stress-test scenarios, as well as loss-review triggers.

The risk position of the Group's trading portfolio at year-end shows the value-at-risk and stress-test figures, broken down by business lines engaged in proprietary trading. The value-at-risk shows the losses which, with their respective degrees of probability (95%, 97.5%, 99%) are not exceeded. The stress-scenario figures indicate the possible overnight loss on the basis of scenario analyses which differentiate between individual portfolios.

Risk position of the trading portfolio:

| Portfolio 31.12.2001 € m | Holding period for VaR calculation | VaR at confidence level of | | | Overnight stress scenario |
|--|--|-------------------------------|-------|------|------------------------------|
| | | 95% | 97.5% | 99% | |
| Corporate and Investment Banking division | 1 day | 7.3 | 9.3 | 14.8 | 139.9 |
| Securities | 1 day | 6.6 | 8.3 | 10.7 | 129.1 |
| Treasury and Financial Products | 1 day | 1.5 | 2.4 | 3.6 | 10.8 |



Risk position of the trading portfolio:

| Portfolio 31.12.2000 € m | Holding period for VaR calculation | VaR at confidence level of | | | Overnight stress scenario |
|---------------------------------|--|-------------------------------|-------|------|------------------------------|
| | | 95% | 97.5% | 99% | |
| Investment Banking division | 1 day | 30.3 | 37.1 | 47.5 | 284.8 |
| Global Bonds | 1 day | 6.8 | 7.9 | 8.4 | 51.3 |
| Global Equities | 1 day | 7.4 | 8.4 | 10.2 | 41.8 |
| Treasury and Financial Products | 1 day | 28.4 | 34.4 | 43.6 | 191.7 |

A more detailed account of the management of market risk can be found in our risk report on pages 108–112.

(70) Interest-rate risk

The interest-rate risk of the Commerzbank Group results from the items in both the trading books and the banking book. In the latter, interest-rate risks mainly arise through maturity mismatches between the Bank's assets and liabilities, e.g. through the short-term funding of long-dated loans. The measurement of interest-rate risk includes the interest-rate items shown in the balance sheet and also their related derivatives.

As in the case of the trading book, the interest-rate risks of the banking book are measured applying the

historical simulation method (value-at-risk). This makes comparison possible between the interest-rate risks of the trading and the banking book, and also permits an aggregated overall presentation of the results at Group level, with portfolio effects included. The overall presentation appears for the first time in this form as of December 31, 2001. Interest-rate risk is measured daily. The risk control unit monitors observance of the related limits throughout the Group.

Interest-rate risk shown separately for trading book and banking book and aggregated for the Group:

| Portfolio 31.12.2001 € m | Holding period for VaR calculation | VaR at confidence level of | | |
|--------------------------------|--|-------------------------------|-------|------|
| | | 95% | 97.5% | 99% |
| Trading book | 1 day | 3.4 | 4.0 | 6.3 |
| Banking book | 1 day | 34.0 | 41.3 | 58.3 |
| Group | 1 day | 33.8 | 44.2 | 62.4 |

The value-at-risk figures show the potential losses in € m, which will not be exceeded with the respective degree of probability (95%, 97.5% and 99%).

(71) Concentration of credit risk

Concentrations of credit risks may arise through business relations with individual borrowers or groups of borrowers who share a number of features and whose individual ability to service debt depends to the same extent on changes in certain overall economic conditions. These risks are managed by the Credit Risk Management department. Credit risk throughout the Group is monitored by the use of limits for each individual borrower and borrower unit, through the pro-

vision of the appropriate security and through the application of a uniform lending policy. In order to minimize credit risk, the Bank has entered into a number of master netting agreements, which ensure the right to set off the claims on and liabilities to a client in the case of default by the latter or bankruptcy. In addition, the management regularly monitors individual portfolios. The Group's lending does not reveal any special dependence on individual sectors.

In terms of book values, the credit risks relating to balance-sheet financial instruments were as follows on December 31, 2001:

| € m | Claims | |
|--|--------------------------|----------------|
| | 31.12.2001 ¹⁾ | 31.12.2000 |
| Customers in Germany | 147,009 | 158,196 |
| Companies and self-employed | 72,347 | 72,725 |
| Manufacturing | 17,177 | 14,021 |
| Construction | 1,583 | 1,275 |
| Distributive trades | 9,410 | 9,796 |
| Services, incl. professions | 35,920 | 35,120 |
| Others | 8,257 | 12,513 |
| Public sector | 35,027 | 49,291 |
| Other retail customers | 39,635 | 36,180 |
| Customers abroad | 72,275 | 66,641 |
| Corporate and retail customers | 64,135 | 59,156 |
| Public sector | 8,140 | 7,485 |
| Sub-total | 219,284 | 224,837 |
| Effects of measuring hedged items (hedge accounting) | 1,031 | – |
| less valuation allowances | –5,538 | –5,184 |
| Total | 214,777 | 219,653 |

¹⁾ Comparability has been impaired by first-time application of IAS 39.



(72) Assets pledged as security

Assets in the amounts shown below were pledged as security for the following liabilities:

| | 31.12.2001 | 31.12.2000 | Change |
|---------------------------|---------------|---------------|-------------|
| | € m | € m | in % |
| Liabilities to banks | 25,407 | 17,925 | 41.7 |
| Liabilities to customers | 13,252 | 2,720 | • |
| Total¹⁾ | 38,659 | 20,645 | 87.3 |

The following assets were pledged as security for the above-mentioned liabilities:

| | 31.12.2001 | 31.12.2000 | Change |
|--|---------------|---------------|-------------|
| | € m | € m | in % |
| Claims on banks | 7,421 | 15,854 | -53.2 |
| Claims on customers | 4,892 | 6,387 | -23.4 |
| Assets held for dealing purposes and Investments and securities portfolio | 30,610 | 6,948 | • |
| Total¹⁾ | 42,923 | 29,189 | 47.1 |

¹⁾ The figures for the past financial year were calculated taking account of IAS 39; the previous year's figures did not have to be adjusted.

The furnishing of security in order to borrow funds took the form of genuine securities repurchase agreements (repos). At the same time, security was furnished for funds borrowed for fixed specific purposes and in connection with securities-lending transactions.

(73) Maturities, by remaining lifetime

| | Remaining lifetimes as of 31.12.2001 | | | | |
|--|---|-------------------|-----------------------|----------------------|-------------------------|
| | due on demand and unlimited in time | up to 3 months | 3 months to 1 year | 1 year to 5 years | more than 5 years |
| € m | | | | | |
| Claims on banks | 13,825 | 28,836 | 10,458 | 3,996 | 6,277 |
| Claims on customers | 17,096 | 48,356 | 19,880 | 47,960 | 87,023 |
| Bonds and notes from the assets held for dealing purposes | 9 | 3,444 | 7,207 | 20,223 | 9,536 |
| Bonds and notes held in investments and securities portfolio and claims not originated by the Bank | 21 | 7,000 | 11,510 | 33,327 | 41,761 |
| Total | 30,951 | 87,636 | 49,055 | 105,506 | 144,597 |
| Liabilities to banks | 13,991 | 59,233 | 18,603 | 6,255 | 11,004 |
| Liabilities to customers | 36,589 | 57,211 | 4,192 | 6,610 | 11,796 |
| Securitized liabilities | 24 | 35,554 | 42,955 | 72,099 | 40,038 |
| Subordinated capital | 15 | 213 | 978 | 3,599 | 5,719 |
| Total | 50,619 | 152,211 | 66,728 | 88,563 | 68,557 |

| | Remaining lifetimes as of 31.12.2000 | | | | |
|--|---|-------------------|-----------------------|----------------------|-------------------------|
| | due on demand and unlimited in time | up to 3 months | 3 months to 1 year | 1 year to 5 years | more than 5 years |
| € m | | | | | |
| Claims on banks | 16,974 | 33,555 | 5,591 | 9,092 | 9,442 |
| Claims on customers | 19,385 | 47,398 | 17,785 | 50,714 | 89,555 |
| Bonds and notes held for trading purposes | 42 | 1,341 | 1,837 | 11,503 | 5,135 |
| Bonds and notes held as financial investments | 290 | 6,437 | 9,009 | 27,492 | 22,623 |
| Total | 36,691 | 88,731 | 34,222 | 98,801 | 126,755 |
| Liabilities to banks | 14,184 | 64,980 | 10,630 | 5,000 | 8,742 |
| Liabilities to customers | 36,631 | 49,250 | 4,040 | 6,623 | 11,110 |
| Securitized liabilities | 252 | 40,630 | 38,961 | 65,095 | 35,013 |
| Subordinated capital | 3 | 1 | 679 | 3,475 | 5,739 |
| Total | 51,070 | 154,861 | 54,310 | 80,193 | 60,604 |

The remaining lifetime is defined as the period between the balance-sheet date and the contractual maturity of the claim or liability. In the case of claims or liabilities which are paid in partial amounts, the remaining lifetime has been recognized for each partial amount.



(74) Fair value of financial instruments

The table below compares the fair values of the balance-sheet items with their book values. Fair value is the amount at which financial instruments may be sold or purchased at fair terms on the balance-sheet date. Insofar as market prices (e.g. for securities) were available, we have used these for measurement purposes. For the majority of financial instruments, internal mea-

suring models involving current market parameters were used in the absence of market prices. In particular, the net present-value method and option-price models were applied. Wherever claims on and liabilities to banks and customers had a remaining lifetime of less than a year, the fair value was considered to be that shown in the balance sheet.

| € bn | Fair value | | Book value | | Difference | |
|--------------------------------------|------------|------------|------------|------------|------------|------------|
| | 31.12.2001 | 31.12.2000 | 31.12.2001 | 31.12.2000 | 31.12.2001 | 31.12.2000 |
| Assets | | | | | | |
| Cash reserve | 7.6 | 7.9 | 7.6 | 7.9 | – | – |
| Claims on banks | 63.6 | 74.9 | 63.4 | 74.7 | 0.2 | 0.2 |
| Claims on customers | 220.2 | 225.8 | 220.3 | 224.8 | –0.1 | 1.0 |
| Hedging instruments | 3.9 | – | 3.9 | – | – | – |
| Assets held for dealing purposes | 95.8 | 69.9 | 95.8 | 69.9 | – | – |
| Investments and securities portfolio | 104.5 | 77.6 | 104.5 | 76.0 | – | 1.6 |
| Liabilities | | | | | | |
| Liabilities to banks | 109.0 | 103.6 | 109.1 | 103.5 | –0.1 | 0.1 |
| Liabilities to customers | 116.8 | 108.5 | 116.4 | 107.7 | 0.4 | 0.8 |
| Securitized liabilities | 189.5 | 178.8 | 190.7 | 180.0 | –1.2 | –1.2 |
| Hedging instruments | 5.4 | – | 5.4 | – | – | – |
| Liabilities from dealing activities | 47.8 | 35.7 | 47.8 | 35.7 | – | – |
| Subordinated capital | 10.8 | 10.1 | 10.5 | 9.9 | 0.3 | 0.2 |

Comparison with the previous year has been impaired by the first-time application of IAS 39. Whereas in the 2000 financial year the investments and securities port-

folio was measured at cost, large sections of this portfolio are now measured at their fair value through the application of IAS 39.

Other notes

(75) Subordinated assets

The assets shown in the balance sheet include the following subordinated assets:

| | 31.12.2001 | 31.12.2000 | Change |
|--|------------|------------|------------|
| | € m | € m | in % |
| Claims on banks | 17 | 27 | -37.0 |
| Claims on customers | 63 | 60 | 5.0 |
| Bonds and notes | 188 | 174 | 8.0 |
| Shares and other variable-yield securities | 53 | 54 | -1.9 |
| Total | 321 | 315 | 1.9 |

Assets are considered to be subordinated if the claims they represent may not be met before those of other creditors in the case of the liquidation or bankruptcy of the issuer.

(76) Off-balance-sheet commitments

| | 31.12.2001 | 31.12.2000 | Change |
|---|---------------|---------------|-------------|
| | € m | € m | in % |
| Contingent liabilities | 31,016 | 28,974 | 7.0 |
| from rediscounted bills of exchange credited to borrowers | 21 | 64 | -67.2 |
| from guarantees and indemnity agreements | 30,995 | 28,910 | 7.2 |
| Credit guarantees | 3,291 | 2,952 | 11.5 |
| Other guarantees | 15,769 | 14,293 | 10.3 |
| Letters of credit | 8,661 | 7,992 | 8.4 |
| Other items | 3,274 | 3,673 | -10.9 |
| Irrevocable lending commitments | 71,511 | 72,662 | -1.6 |
| Book credits to banks | 2,624 | 2,917 | -10.0 |
| Book credits to customers | 66,861 | 67,551 | -1.0 |
| Credits by way of guarantee | 330 | 492 | -32.9 |
| Letters of credit | 1,696 | 1,702 | -0.4 |
| Other commitments | 130 | 85 | 52.9 |

Provision for risks arising from off-balance-sheet commitments has been deducted from the respective items.



(77) Volume of managed funds

Type of managed fund:

| | 31.12.2001 | | 31.12.2000 | |
|------------------------------|--------------|---------------------|--------------|---------------------|
| | No. of funds | Fund assets € bn | No. of funds | Fund assets € bn |
| Retail investment funds | 457 | 58.6 | 358 | 57.9 |
| Equity-based and mixed funds | 315 | 31.3 | 211 | 32.4 |
| Bond-based funds | 117 | 14.1 | 121 | 12.8 |
| Money-market funds | 25 | 13.2 | 26 | 12.7 |
| Non-publicly-offered funds | 1,441 | 41.8 | 1,418 | 50.6 |
| Property-based funds | 3 | 8.1 | 3 | 6.1 |
| Total | 1,901 | 108.5 | 1,779 | 114.6 |

Region in which fund was launched:

| | 31.12.2001 | | 31.12.2000 | |
|--------------------------|--------------|---------------------|--------------|---------------------|
| | No. of funds | Fund assets € bn | No. of funds | Fund assets € bn |
| Germany | 537 | 54.2 | 501 | 54.7 |
| United Kingdom | 1,005 | 17.3 | 892 | 19.6 |
| Other European countries | 240 | 25.1 | 249 | 29.0 |
| America | 102 | 11.0 | 131 | 11.0 |
| Asia, Africa, Australia | 17 | 0.9 | 6 | 0.3 |
| Total | 1,901 | 108.5 | 1,779 | 114.6 |

(78) Genuine repurchase agreements

Under its genuine repurchase agreements, the Commerzbank Group sells and purchases securities with the obligation to repurchase or return them. The proceeds deriving from repurchase agreements in which the Commerzbank Group is a borrower (commitment to

take the securities back) are shown in the balance sheet as a liability to banks or customers. If Group companies or the Parent Bank are lenders (commitment to return the securities), the countervalues paid are shown in the balance sheet as claims on banks or customers.

The genuine repurchase agreements concluded up to end-December break down as follows:

| | 31.12.2001 | 31.12.2000 | Change |
|---|---------------|---------------|--------------|
| | € m | € m | in % |
| Genuine repurchase agreements as a borrower (repurchase agreements) | | | |
| Liabilities to banks | 16,884 | 5,124 | · |
| Liabilities to customers | 10,597 | 7,076 | 49.8 |
| Total | 27,481 | 12,200 | 125.3 |
| Genuine repurchase agreements as a lender (reverse repurchase agreements) | | | |
| Claims on banks | 19,196 | 10,191 | 88.4 |
| Claims on customers | 13,944 | 7,314 | 90.6 |
| Total | 33,140 | 17,505 | 89.3 |

(79) Securities-lending transactions

Securities-lending transactions are conducted with other banks and customers in order to cover the need to meet delivery commitments and to be able to effect securities repurchase agreements in the money market. The re-transfer claims on banks and customers with respect to securities which have been lent to them appear as claims on banks and customers. We show securities borrowed from third parties (insofar as we

still hold them) under Assets held for trading purposes or under Investments and securities portfolio, while a commitment to return the securities appears on the liabilities side. Insofar as the lending fees arising from securities-lending transactions relate to the previous financial year, they are reflected in the income statement.

| | 31.12.2001 | 31.12.2000 | Change |
|---------------------|------------|------------|--------|
| | € m | € m | in % |
| Lent securities | 7,954 | 11,615 | -31.5 |
| Borrowed securities | 13,695 | 11,002 | 24.5 |



(80) Trust transactions at third-party risk

Trust transactions which do not have to be shown in the balance sheet amounted to the following on the balance-sheet date:

| | 31.12.2001 | 31.12.2000 | Change |
|---|------------|------------|--------------|
| | € m | € m | in % |
| Claims on banks | 203 | 275 | -26.2 |
| Claims on customers | 156 | 178 | -12.4 |
| Equity investments | - | 1 | • |
| Assets on a trust basis at third-party risk | 359 | 454 | -20.9 |
| Liabilities to banks | 183 | 282 | -35.1 |
| Liabilities to customers | 176 | 172 | 2.3 |
| Liabilities on a trust basis at third-party risk | 359 | 454 | -20.9 |

(81) Risk-weighted assets and capital ratios as defined by the Basel capital accord (BIS)

Like many other internationally active banks, the Commerzbank Group has committed itself to meeting the demands on capital adequacy contained in the Basel accord. This imposes on banks a minimum requirement of 8% of own funds to risk-weighted assets (own funds ratio). A minimum requirement of 4% applies universally for the ratio between core capital and risk-weighted assets (core capital ratio).

Own funds are defined as liable capital that is made up of core and supplementary capital, plus Tier III capital. Core capital mainly consists of subscribed capital plus reserves and minority interests, less goodwill. Supplementary capital comprises outstanding profit-sharing rights and subordinated long-term liabilities. Tier III capital represents short-term subordinated liabilities.

Structure of the Commerzbank Group's capital in accordance with the Basel capital accord:

| | 31.12.2001 | 31.12.2000 | Change |
|--|---------------|---------------|-------------|
| | € m | € m | in % |
| Core capital | 12,187 | 12,570 | -3.0 |
| Supplementary capital | 8,245 | 8,208 | 0.5 |
| Total liable capital¹⁾ | 20,432 | 20,778 | -1.7 |
| Tier III capital | 466 | 1,058 | -56.0 |
| Eligible own funds | 20,898 | 21,836 | -4.3 |

¹⁾ After the financial statements have been established

| as of 31.12.2001 | Capital charges in % | | | | | | Total |
|---|----------------------|---------------|------------|---------------|------------|-----------|----------------|
| € m | 100 | 50 | 25 | 20 | 10 | 4 | |
| Balance-sheet business | 129,229 | 13,973 | – | 14,078 | – | – | 157,280 |
| Traditional off-balance-sheet business | 4,060 | 21,189 | 199 | 881 | 679 | 60 | 27,068 |
| Derivatives business in investment portfolio | – | 5,900 | – | 5,195 | – | – | 11,095 |
| Risk-weighted assets, total | 133,289 | 41,062 | 199 | 20,154 | 679 | 60 | 195,443 |
| Risk-weighted market risk multiplied by 12.5 | | | | | | | 8,163 |
| Total items to be risk-weighted | | | | | | | 203,606 |
| Total liable capital ¹⁾ | | | | | | | 20,432 |
| Eligible own funds | | | | | | | 20,898 |
| Core capital ratio (excluding market-risk position) | | | | | | | 6.2 |
| Core capital ratio (including market-risk position) | | | | | | | 6.0 |
| Own funds ratio (including market-risk position) | | | | | | | 10.3 |

¹⁾ After the financial statements have been established

As of December 31, 2001, the equity capital ratio in accordance with Principle I, KWG, stood at 10.0%, and the overall capital ratio at 9.6%.

| as of 31.12.2000 | Capital charges in % | | | | | | Total |
|---|----------------------|---------------|----------|---------------|------------|-----------|----------------|
| € m | 100 | 50 | 25 | 20 | 10 | 4 | |
| Balance-sheet business | 132,129 | 15,090 | – | 13,320 | – | – | 160,539 |
| Traditional off-balance-sheet business | 3,112 | 19,349 | – | 833 | 573 | 42 | 23,909 |
| Derivatives business in investment portfolio | – | 3,916 | – | 4,796 | – | – | 8,712 |
| Risk-weighted assets, total | 135,241 | 38,355 | – | 18,949 | 573 | 42 | 193,160 |
| Risk-weighted market risk multiplied by 12.5 | | | | | | | 27,000 |
| Total items to be risk-weighted | | | | | | | 220,160 |
| Total liable capital ¹⁾ | | | | | | | 20,778 |
| Eligible own funds | | | | | | | 21,836 |
| Core capital ratio (excluding market-risk position) | | | | | | | 6.5 |
| Core capital ratio (including market-risk position) | | | | | | | 5.7 |
| Own funds ratio (including market-risk position) | | | | | | | 9.9 |

¹⁾ After the financial statements have been established

The equity capital ratio in accordance with Principle I, KWG, stood at 10.7%, and the overall capital ratio at 9.6%.



Reconciliation of reported capital with eligible equity in accordance with the Basel capital accord (BIS)

| 31.12.2001 € m | Core capital/ Equity | Minority interests | Supplementary/ subordinated capital | Tier III capital | Total |
|--|-------------------------|-----------------------|--|---------------------|---------------|
| Reported in balance sheet | 11,760 | 1,344 | 10,524 | – | 23,628 |
| Reclassifications | | | | | |
| Minority interests | 1,289 | –1,344 | – | – | –55 |
| Tier III capital | – | – | –1,175 | 1,175 | – |
| Net profit | –217 | – | – | – | –217 |
| Deduction of goodwill | –458 | – | – | – | –458 |
| Changes in consolidated companies | –9 | – | – | – | –9 |
| Parts of subordinated capital not eligible due to limited remaining lifetime | – | – | –1,489 | – | –1,489 |
| Revaluation reserve | –189 | – | – | – | –189 |
| Unused but eligible class 3 equity | – | – | – | –709 | –709 |
| Deferred revaluation reserves for securities | – | – | 55 | – | 55 |
| General provisions/ reserves for defaults | – | – | 410 | – | 410 |
| Other differences | 11 | – | –80 | – | –69 |
| Eligible equity | 12,187 | – | 8,245 | 466 | 20,898 |

(82) Average number of staff employed by the Bank during the year

| | 2001 | | | 2000 | | |
|--|--------|--------|--------|--------|--------|--------|
| | total | male | female | total | male | female |
| Group | 38,355 | 18,813 | 19,542 | 38,321 | 19,099 | 19,222 |
| in Germany | 30,673 | 15,080 | 15,593 | 30,212 | 15,537 | 14,675 |
| abroad | 7,682 | 3,733 | 3,949 | 8,109 | 3,562 | 4,547 |
| at companies included in the consolidation in proportion to the share of capital held | – | – | – | 89 | 45 | 44 |

The above figures include both full-time and part-time personnel. Not included in the figures are the average number of employees undergoing training within the Group. The average time worked by part-time staff is 57% of the standard working time.

| | total | | male | | female | |
|----------|-------|-------|------|------|--------|------|
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Trainees | 1,626 | 1,455 | 617 | 563 | 1,009 | 892 |



(83) Remuneration and loans to board members

The following remuneration was paid to members of the Board of Managing Directors and the Supervisory Board:

| | 31.12.2001 | 31.12.2000 |
|---|------------|------------|
| | €'000 | €'000 |
| Board of Managing Directors | 13,513 | 10,638 |
| Supervisory Boards | 465 | 1,708 |
| Retired managing directors and their dependants | 5,655 | 5,160 |

In the past financial year, the remuneration of the Board of Managing Directors comprised basic compensation, profit and performance-related compensation, and remuneration in kind. In 2001, the basic remuneration for a full board member was roughly €358,000; the chairman received an additional premium. The variable compensation paid in 2001 in respect of the 2000 financial year was based, for one thing, on the achievement

of the Group's business successes and, for another, on individual performance. In addition, remuneration in kind was granted on the usual scale. Finally, members of the Board of Managing Directors participate in the long-term performance plans described in note 28. No payments which have to be reported were made under these plans in the 2001 financial year.

On the balance-sheet date, the aggregate amount of advances and loans granted, as well as contingent liabilities, was as follows:

| | 31.12.2001 | 31.12.2000 |
|-----------------------------|------------|------------|
| | €'000 | €'000 |
| Board of Managing Directors | 7,834 | 8,389 |
| Supervisory Boards | 1,217 | 1,266 |

Interest at normal market rates is paid on all the loans to members of the Board of Managing Directors and the Supervisory Boards.

(84) Other commitments

Commitments towards companies either outside the Group or not included in the consolidation for uncalled payments on shares in private limited-liability companies issued but not fully paid amount to €21m.

The Bank is responsible for the payment of assessments of up to €36m to Liquiditäts-Konsortialbank (Liko) GmbH, Frankfurt am Main, the "lifeboat" institution of the German banking industry. The individual banking associations are also responsible for the payment of assessments to Liko. To cover such assessments, Group companies have pledged to Liko that they will meet any payment in favour of their respective associations.

Under Art. 5, (10) of the statutes of the German banks' Deposit Insurance Fund, we have undertaken to indemnify the Association of German Banks, Berlin,

for any losses incurred through support provided for banks in which Commerzbank holds a majority interest.

Obligations towards futures and options exchanges and also towards clearing centres, for which securities have been deposited as collateral, amount to €1,950m (previous year: €303m).

Our subsidiaries Caisse Centrale de Réescote S.A., Paris, and ADIG-Investment Luxemburg S.A., Luxembourg, have provided performance guarantees for selected funds.

The Group's existing obligations arising from rental and leasing agreements – buildings, office furniture and equipment – will lead to expenses of €318m in the year 2002, €344m per year in the years 2003-2005, and €355m as from the year 2006. Leasing and rental expenses within the Group are not taken into account here.

(85) Letter of comfort

In respect of the subsidiaries listed below and included in the consolidated financial statements of our Bank, we ensure that, except in the case of political risks, they are able to meet their contractual liabilities.

| Name | Seat |
|---|--------------------------|
| ADIG Allgemeine Deutsche Investment-Gesellschaft mbH | Munich/Frankfurt am Main |
| ADIG-Investment Luxemburg S.A. | Luxembourg |
| Atlas – Vermögensverwaltungs-Gesellschaft mbH | Bad Homburg v.d.H. |
| Berliner Commerz Grundstücks- und Verwaltungsgesellschaft mbH | Berlin |
| BRE Bank SA | Warsaw |
| BRE Leasing Sp. z.o.o. | Warsaw |
| Caisse Centrale de Réescompte, S.A. | Paris |
| Capital Development Limited | Isle of Man |
| CCR-Gestion | Paris |
| CBG Commerz Beteiligungsgesellschaft Holding mbH | Bad Homburg v.d.H. |
| CBG Commerz Beteiligungsgesellschaft mbH | Frankfurt am Main |
| CFM Commerz Finanz Management GmbH | Frankfurt am Main |
| CICM Fund Management Limited | Dublin |
| comdirect bank Aktiengesellschaft (sub-group) | Quickborn |
| Commerz (East Asia) Ltd. | Hong Kong |
| Commerz Asset Management Asia-Pacific Pte Ltd. | Singapore |
| Commerz Asset Management (UK) plc | London |
| Commerz Asset Management Holding GmbH | Frankfurt am Main |
| Commerz Asset Managers GmbH | Frankfurt am Main |
| Commerz Equity Investments Ltd. | London |
| Commerz Europe (Ireland), Inc. | Wilmington/Delaware |
| Commerz Futures, LLC. | Wilmington/Delaware |
| Commerz Grundbesitzgesellschaft mbH | Wiesbaden |
| Commerz Grundbesitz-Investmentgesellschaft mbH | Wiesbaden |
| Commerz International Capital Management (Japan) Ltd. | Tokyo |
| Commerz NetBusiness AG | Frankfurt am Main |
| Commerz Securities (Japan) Company Ltd. | Hong Kong/Tokyo |
| Commerz Service Gesellschaft für Kundenbetreuung mbH | Essen |
| Commerzbank (Budapest) Rt. | Budapest |
| Commerzbank (Eurasija) SAO | Moscow |
| Commerzbank (Nederland) N.V. | Amsterdam |
| Commerzbank (South East Asia) Ltd. | Singapore |
| Commerzbank (Switzerland) Ltd | Zurich |
| Commerzbank Asset Management Asia Ltd. | Singapore |
| Commerzbank Asset Management Italia S.p.A. | Rome |
| Commerzbank Belgium S.A. N.V. | Brussels |
| Commerzbank Capital Markets (Eastern Europe) a.s. | Prague |
| Commerzbank Capital Markets Corporation | New York |
| Commerzbank Europe (Ireland) Unlimited | Dublin |
| Commerzbank Europe Finance (Ireland) plc | Dublin |
| Commerzbank International (Ireland) | Dublin |
| Commerzbank International S.A. | Luxembourg |



| Name | Seat |
|--|--------------------------|
| Commerzbank Investment Management GmbH | Frankfurt am Main |
| Commerzbank Overseas Finance N.V. | Dublin |
| Commerzbank Società di Gestione del Risparmio S.p.A. | Rome |
| Commerzbank U.S. Finance, Inc. | Wilmington/Delaware |
| CommerzLeasing und Immobilien AG (sub-group) | Düsseldorf |
| Erste Europäische Pfandbrief- und Kommunalkreditbank Aktiengesellschaft in Luxemburg S.A. | Luxembourg |
| Gracechurch TL Ltd. | London |
| Hypothekenbank in Essen AG | Essen |
| IF Limited | Bermuda |
| Jupiter Administration Services Limited | London |
| Jupiter Asset Management (Asia) Limited | Hong Kong |
| Jupiter Asset Management (Bermuda) Limited | Bermuda |
| Jupiter Asset Management (Jersey) Limited | Jersey |
| Jupiter Asset Management Limited | London |
| Jupiter International Group plc | London |
| Jupiter Unit Trust Managers Limited | London |
| KL Limited i.L. | Bermuda |
| Montgomery Asset Management, LLC | San Francisco/Wilmington |
| NIV Vermögensverwaltungsgesellschaft mbH | Frankfurt am Main |
| OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Jupiter KG | Düsseldorf |
| OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Luna KG | Düsseldorf |
| OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Neptun KG | Düsseldorf |
| OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Pluto KG | Düsseldorf |
| OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Uranus KG | Düsseldorf |
| OLEANDRA Grundstücks-Vermietungsgesellschaft mbH&Co., Objekt Venus KG | Düsseldorf |
| RHEINHYP BANK Europe plc | Dublin |
| RHEINHYP Finance, N. V. | Amsterdam |
| RHEINHYP Rheinische Hypothekenbank Aktiengesellschaft | Frankfurt am Main |
| Rheinhyp-BRE Bank Hipoteczny S.A. | Warsaw |
| Siebte Commercium Vermögensverwaltungsgesellschaft mbH | Frankfurt am Main |
| TI Limited i.L. | Bermuda |
| TOMO Vermögensverwaltungsgesellschaft mbH | Frankfurt am Main |
| Tyndall Holdings Limited | London |
| Tyndall International Group Limited | Bermuda |
| Tyndall International Holdings Limited | Bermuda |
| Tyndall Investments Limited | London |
| Tyndall Trust International I.O.M. Limited | Isle of Man |
| von der Heydt-Kersten & Söhne | Wuppertal-Elberfeld |
| Zweite Umbra Vermögensverwaltungsgesellschaft mbH | Frankfurt am Main |

Boards of Commerzbank Aktiengesellschaft

Supervisory Board

| | | |
|---|--|--|
| Dr. h.c. Martin Kohlhaussen <i>Chairman since May 25, 2001</i> | Gerald Herrmann <i>until May 25, 2001</i> | Werner Schönfeld |
| Dietrich-Kurt Frowein <i>Chairman until May 25, 2001</i> | Detlef Kayser | Prof. Dr.-Ing. Ekkehard Schulz |
| Hans-Georg Jurkat <i>Deputy chairman</i> | Dieter Klinger | Alfred Seum |
| Heinz-Werner Busch | Dr. Torsten Locher | Hermann Josef Strenger |
| Uwe Foullong | Mark Roach <i>since May 25, 2001</i> | Prof. Dr. Jürgen F. Strube |
| Dott. Gianfranco Guty | Horst Sauer | Dr. Klaus Sturany |
| Dr.-Ing. Otto Happel | Dr. Erhard Schipporeit | Heinrich Weiss |
| | | Wilhelm Werhahn <i>until May 25, 2001</i> |

Board of Managing Directors

| | | |
|---|--|------------------------------|
| Dr. h.c. Martin Kohlhaussen <i>Chairman until May 25, 2001</i> | Wolfgang Hartmann | Andreas de Maizière |
| Klaus-Peter Müller <i>Chairman since May 25, 2001</i> | Dr. Heinz J. Hockmann <i>until October 31, 2001</i> | Klaus Müller-Gebel |
| Martin Blessing <i>since November 1, 2001</i> | Dr. Norbert Käsbeck <i>until October 31, 2001</i> | Michael Paravicini |
| Mehmet Dalman <i>since November 1, 2001</i> | Jürgen Lemmer | Klaus M. Patig |
| | | Dr. Axel Frhr. v. Ruedorffer |



Holdings in affiliated and other companies

Affiliated companies included in the consolidation

| Name | Seat | Share of capital held in % | of which: indirectly in % | | Equity in 1,000 |
|---|------------------------------|----------------------------|---------------------------|-----|-----------------|
| ADIG-Investment Luxemburg S.A. | Luxembourg | 99.0 | 24.0 | € | 85,577 |
| Atlas-Vermögensverwaltungs-Gesellschaft mbH | Bad Homburg v.d.H. | 100.0 | | € | 197,047 |
| TOMO Vermögensverwaltungs-gesellschaft mbH | Frankfurt am Main | 100.0 | 100.0 | € | -153 |
| Zweite Umbra Vermögensverwaltungs-gesellschaft mbH | Frankfurt am Main | 100.0 | 100.0 | € | 46 |
| Berliner Commerz Grundstücks- und Verwaltungsgesellschaft mbH | Berlin | 100.0 | | € | 1,736 |
| BRE Bank SA | Warsaw | 50.0 | | ZI | 2,501,255 |
| BRE Leasing Sp. z.o.o. | Warsaw | 74.4 | 74.4 | ZI | 26,165 |
| Caisse Centrale de Réescompte, S.A. | Paris | 92.1 | | € | 172,335 |
| CCR-Gestion | Paris | 96.0 | 96.0 | € | 13,357 |
| comdirect bank AG (sub-group) | Quickborn | 58.7 | | € | 571,247 |
| comdirect ltd. | London | 100.0 | 100.0 | | |
| comdirect S.A. | Paris | 99.3 | 99.3 | | |
| comdirect bank S.p.A. | Milan | 100.0 | 100.0 | | |
| Commerz (East Asia) Ltd. | Hong Kong | 100.0 | | € | 70,532 |
| Commerz Asset Management (UK) plc | London | 100.0 | | £ | 181,466 |
| Jupiter International Group plc (sub-group) | London | 100.0 | 100.0 | £ | 232,830 |
| Jupiter Asset Management Limited | London | 100.0 | 100.0 | | |
| Jupiter Unit Trust Managers Limited | London | 100.0 | 100.0 | | |
| Capital Development Limited | Isle of Man | 51.0 | 51.0 | | |
| Tyndall Holdings Limited | London | 100.0 | 100.0 | | |
| Jupiter Administration Services Limited | London | 100.0 | 100.0 | | |
| Tyndall International Group Limited | Bermuda | 100.0 | 100.0 | | |
| Jupiter Asset Management (Asia) Limited | Hong Kong | 100.0 | 100.0 | | |
| Jupiter Asset Management (Bermuda) Limited | Bermuda | 100.0 | 100.0 | | |
| Jupiter Asset Management (Jersey) Limited | Jersey | 100.0 | 100.0 | | |
| IF Limited | Bermuda | 75.0 | 75.0 | | |
| KL Limited i.L. | Bermuda | 66.0 | 66.0 | | |
| TI Limited i.L. | Bermuda | 100.0 | 100.0 | | |
| Tyndall Investments Limited | London | 100.0 | 100.0 | | |
| Tyndall International Holdings Limited | Bermuda | 100.0 | 100.0 | | |
| Tyndall Trust International I.O.M. Limited | Isle of Man | 100.0 | 100.0 | | |
| Commerz Asset Management Holding GmbH | Frankfurt am Main | 100.0 | | € | 339,025 |
| ADIG Allgemeine Deutsche Investment-Gesellschaft mbH | Munich/ Frankfurt am Main | 95.8 | 1.0 | € | 181,994 |
| Commerzbank Asset Management Asia-Pacific Pte Ltd. | Singapore | 100.0 | 100.0 | S\$ | 27,076 |
| Commerzbank Asset Management Asia Ltd. | Singapore | 100.0 | 100.0 | S\$ | 4,706 |
| Commerz International Capital Management (Japan) Ltd. | Tokyo | 100.0 | 100.0 | ¥ | 1,353,351 |
| CICM Fund Management Limited | Dublin | 100.0 | 100.0 | € | 7,187 |

Affiliated companies included in the consolidation

| Name | Seat | Share of capital held in % | of which: indirectly in % | Equity in 1,000 |
|---|---------------------|----------------------------|---------------------------|-----------------|
| Commerz Asset Managers GmbH | Frankfurt am Main | 100.0 | 100.0 | € 10,000 |
| Commerzbank Investment Management GmbH | Frankfurt am Main | 100.0 | 100.0 | € 35,950 |
| CBG Commerz Beteiligungsgesellschaft Holding mbH | Bad Homburg v.d.H. | 100.0 | | € 6,137 |
| CBG Commerz Beteiligungsgesellschaft mbH | Frankfurt am Main | 100.0 | 100.0 | € 4,746 |
| Commerz Equity Investments Ltd. | London | 100.0 | | £ 50,014 |
| CFM Commerz Finanz Management GmbH | Frankfurt am Main | 100.0 | | € 310 |
| Commerz Futures, LLC. | Wilmington/Delaware | 100.0 | 1.0 | US\$ 15,383 |
| Commerz Grundbesitzgesellschaft mbH | Wiesbaden | 100.0 | | € 6,102 |
| Commerz Grundbesitz-Investmentgesellschaft mbH | Wiesbaden | 75.0 | | € 27,508 |
| Commerz NetBusiness AG | Frankfurt am Main | 100.0 | | € 40,162 |
| Commerz Securities (Japan) Company Ltd. | Hong Kong/Tokyo | 100.0 | | ¥ 11,301,817 |
| Commerz Service Gesellschaft für Kundenbetreuung mbH | Essen | 100.0 | | € 26 |
| Commerzbank (Budapest) Rt. | Budapest | 100.0 | | Ft 12,137,987 |
| Commerzbank (Eurasija) SAO | Moscow | 100.0 | | Rbl 235,438 |
| Commerzbank (South East Asia) Ltd. | Singapore | 100.0 | | S\$ 141,605 |
| Commerzbank Asset Management Italia S.p.A. | Rome | 100.0 | | € 31,855 |
| Commerzbank Società di Gestione del Risparmio S.p.A. | Rome | 100.0 | 100.0 | € 2,757 |
| Commerzbank Belgium S.A. N.V. | Brussels | 100.0 | | € 111,927 |
| Commerzbank Capital Markets (Eastern Europe) a.s. | Prague | 100.0 | | Kč 404,553 |
| Commerzbank Capital Markets Corporation | New York | 100.0 | | US\$ 173,863 |
| Commerzbank Europe (Ireland) Unlimited | Dublin | 40.0 | | € 529,032 |
| Commerz Europe (Ireland), Inc. | Wilmington/Delaware | 100.0 | 100.0 | US\$ 19 |
| Commerzbank Europe Finance (Ireland) plc | Dublin | 100.0 | 100.0 | € 44 |
| Commerzbank Overseas Finance N.V. | Dublin | 100.0 | | € 3,485 |
| Commerzbank U.S. Finance, Inc. | Wilmington/Delaware | 100.0 | | US\$ 10 |
| CommerzLeasing und Immobilien AG (sub-group) | Düsseldorf | 100.0 | | € 74,441 |
| ALTINUM Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Sonninhof KG | Düsseldorf | 100.0 | 100.0 | |
| ASTRIFA Mobilien-Vermietungsgesellschaft mbH | Düsseldorf | 100.0 | 100.0 | |
| CFB Commerz Fonds Beteiligungsgesellschaft mbH | Düsseldorf | 100.0 | 100.0 | |
| CFB Verwaltung und Treuhand GmbH | Düsseldorf | 100.0 | 100.0 | |
| COBA Vermögensverwaltungsgesellschaft mbH | Düsseldorf | 100.0 | 100.0 | |
| COBRA Projekt- und Objektmanagement GmbH | Frankfurt am Main | 100.0 | 100.0 | |
| Commerz Immobilien GmbH | Düsseldorf | 100.0 | 100.0 | |
| CommerzBaucontract GmbH | Düsseldorf | 100.0 | 100.0 | |
| CommerzBaumanagement GmbH | Düsseldorf | 100.0 | 100.0 | |
| CommerzLeasing Mobilien GmbH | Düsseldorf | 100.0 | 100.0 | |
| CommerzLeasing Auto GmbH | Düsseldorf | 100.0 | 100.0 | |
| CommerzLeasing Mietkauf GmbH | Düsseldorf | 100.0 | 100.0 | |
| FABA Vermietungsgesellschaft mbH | Düsseldorf | 95.0 | 95.0 | |


Affiliated companies included in the consolidation

| Name | Seat | Share of capital held in % | of which: indirectly in % | Equity in 1,000 |
|--|------------------------------|----------------------------|---------------------------|-----------------|
| NESTOR GVG mbH & Co. Objekt ITTAE Frankfurt KG | Düsseldorf | 100.0 | 95.0 | |
| NOVELLA GVG mbH | Düsseldorf | 100.0 | 100.0 | |
| SECUNDO GVG mbH | Düsseldorf | 100.0 | 100.0 | |
| Erste Europäische Pfandbrief- und Kommunal- kreditbank Aktiengesellschaft in Luxemburg S.A. | Luxembourg | 75.0 | € | 48,764 |
| Gracechurch TL Ltd. | London | 100.0 | £ | 19,786 |
| Hypothesenbank in Essen AG | Essen | 51.0 | € | 626,141 |
| Montgomery Asset Management, LLC | San Francisco/ Wilmington | 98.7 | US\$ | 118,124 |
| NIV Vermögensverwaltungsgesellschaft mbH | Frankfurt am Main | 100.0 | € | 30 |
| OLEANDRA Grundstücks-Vermietungs- gesellschaft mbH & Co., Objekt Jupiter KG | Düsseldorf | 100.0 | € | 9,893 |
| OLEANDRA Grundstücks-Vermietungs- gesellschaft mbH & Co., Objekt Luna KG | Düsseldorf | 100.0 | € | 2,020 |
| OLEANDRA Grundstücks-Vermietungs- gesellschaft mbH & Co., Objekt Neptun KG | Düsseldorf | 100.0 | € | 4,350 |
| OLEANDRA Grundstücks-Vermietungs- gesellschaft mbH & Co., Objekt Pluto KG | Düsseldorf | 100.0 | € | 16,020 |
| OLEANDRA Grundstücks-Vermietungs- gesellschaft mbH & Co., Objekt Uranus KG | Düsseldorf | 100.0 | € | 17,483 |
| OLEANDRA Grundstücks-Vermietungs- gesellschaft mbH & Co., Objekt Venus KG | Düsseldorf | 100.0 | € | 7,351 |
| P.T. Bank Finconesia | Jakarta | 51.0 | Rp. | 83,679 |
| RHEINHYP | | | | |
| Rheinische Hypothekenbank Aktiengesellschaft | Frankfurt am Main | 98.6 | € | 1,319,778 |
| RHEINHYP BANK Europe plc | Dublin | 100.0 | 100.0 € | 107,846 |
| RHEINHYP Finance, N.V. | Amsterdam | 100.0 | 100.0 € | 659 |
| Rheinhyp-BRE Bank Hipoteczny S.A. | Warsaw | 74.3 | 74.3 € | 38,091 |
| Siebte Commercium Vermögens- verwaltungsgesellschaft mbH | | | | |
| Siebte Commercium Vermögens- verwaltungsgesellschaft mbH | Frankfurt am Main | 100.0 | € | 2,770,025 |
| Commerzbank (Nederland) N.V. | Amsterdam | 100.0 | 100.0 € | 237,589 |
| Commerzbank (Switzerland) Ltd | Zurich | 100.0 | 100.0 sfr | 202,959 |
| Commerzbank International S.A. | Luxembourg | 100.0 | 100.0 € | 966,856 |
| Commerzbank International (Ireland) | Dublin | 100.0 | 100.0 € | 158,832 |
| von der Heydt-Kersten & Söhne | Wuppertal-Elberfeld | 100.0 | € | 5,113 |

Associated companies included in the consolidation at equity

| Name | Seat | Share of capital held in % | of which: indirectly in % | | Equity in 1,000 |
|---|-------------------|----------------------------|---------------------------|------|-----------------|
| Capital Investment Trust Corporation | Taipei/Taiwan | 24.0 | 4.8 | TWD | 1,281,747 |
| Clearing Bank Hannover Aktiengesellschaft | Hanover | 20.0 | | € | 5,118 |
| Commerz Unternehmensbeteiligungs-Aktiengesellschaft | Frankfurt am Main | 40.0 | | € | 122,738 |
| COMUNITHY Immobilien AG | Düsseldorf | 49.9 | 49.9 | € | 43,921 |
| Deutsche Schiffsbank Aktiengesellschaft | Bremen/Hamburg | 40.0 | | € | 330,479 |
| Hispano Commerzbank (Gibraltar) Ltd. | Gibraltar | 50.0 | | £ | 8,768 |
| IMMOPOL GmbH & Co. KG | Munich | 40.0 | 40.0 | € | 0 |
| Korea Exchange Bank | Seoul | 32.6 | | ₩ | 1,337,021,000 |
| Pioneer Poland U.K.L.P. | Jersey | 38.7 | 0.8 | US\$ | 14,963 |
| Second Interoceanic GmbH | Hamburg | 24.8 | 24.8 | € | 101,987 |
| The New Asian Land Fund Limited | Bermuda | 46.8 | 46.8 | £ | 480,593 |
| The New Asian Property Fund Limited | Bermuda | 35.9 | 35.9 | £ | 88,578 |

Other major companies not included in the consolidation

| Name | Seat | Share of capital held in % | of which: indirectly in % | | Equity in 1,000 |
|--|-------------|----------------------------|---------------------------|---|-----------------|
| Almüco Vermögensverwaltungs-gesellschaft mbH | Munich | 25.0 | | € | 74,920 |
| ALNO Aktiengesellschaft | Pfullendorf | 29.4 | | € | 39,736 |
| PAN-Vermögensverwaltungs-gesellschaft mbH | Munich | 25.0 | | € | 83,886 |
| PIVO Beteiligungsgesellschaft mbH | Hamburg | 52.0 | 52.0 | € | 17,942 |
| Regina Verwaltungsgesellschaft | Munich | 25.0 | | € | 451,595 |

Frankfurt am Main, March 12, 2002

The Board of Managing Directors

auditors' certificate

We have audited the consolidated financial statements as prepared by Commerzbank Aktiengesellschaft, Frankfurt am Main, consisting of the balance sheet, the income statement and the statement of changes in equity and cash flows as well as the notes to the financial statements for the business year from January 1 to December 31, 2001. The preparation and the content of the consolidated financial statements are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion, based on our audit, whether the consolidated financial statements are in accordance with the International Accounting Standards (IAS).

We conducted our audit of the consolidated financial statements in accordance with German auditing regulations and generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW), as well as in additional consideration of the International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The evidence supporting the amounts and disclosures in the consolidated financial statements are examined on a test basis within the framework of the audit. The audit includes the assessment of the financial statements of the companies included in the consolidated financial statements, the scope of the consolidation, the accounting and consolidation principles used and significant estimates made by the Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the net assets, financial position, results of operations and cash flows for the business year in accordance with IAS.

Our audit, which also extends to the Group management report prepared for the Board of Managing Directors for the business year from January 1 to December 31, 2001, has not led to any reservations. In our opinion, on the whole the Group management report provides a suitable understanding of the Group's position and suitably presents the risks of future development. In addition, we confirm that the consolidated financial statements and the Group management report for the business year from January 1 to December 31, 2001 satisfy the conditions required for the Company's exemption from its duty to prepare consolidated financial statements and the Group management report in accordance with German accounting law. We conducted our audit of the consistency of the Group accounting with the 7th EU Directive required for the exemption from the duty for consolidated accounting pursuant to German commercial law on the basis of the interpretation of the Directive by the German Accounting Standards Committee (DRS 1).

Frankfurt am Main, March 13, 2002

PwC Deutsche Revision
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Wagener
Wirtschaftsprüfer
(German public accountant)

Friedhofen
Wirtschaftsprüfer
(German public accountant)



recent developments

– Extract from the Commerzbank Group's Interim Report as of March 31, 2002 –

At €502.2bn, the Commerzbank Group's balance-sheet total was a mere 0.2% larger than at year-end. While claims on banks and on customers increased slightly to €2.8bn and €3.5bn, respectively, assets held for dealing purposes declined by €6.4bn. Risk-weighted assets were reduced by €5.3bn compared with March 31, 2001.

On the borrowing side, liabilities to banks rose by €13.5bn; by contrast, customers' deposits and securitized liabilities were €4.1bn and €6.1bn lower.

The changes in equity are almost entirely due to the volatility of items according to IAS 39. The revaluation reserve, for instance, expanded by €118m to €307m on account of the more positive bourse environment; the measurement of cash flow hedges rose by €348m, and now stands at only –€49m. With the profit from the first quarter of this year included, equity was 4.4% higher than at year-end, reaching €12.3bn.

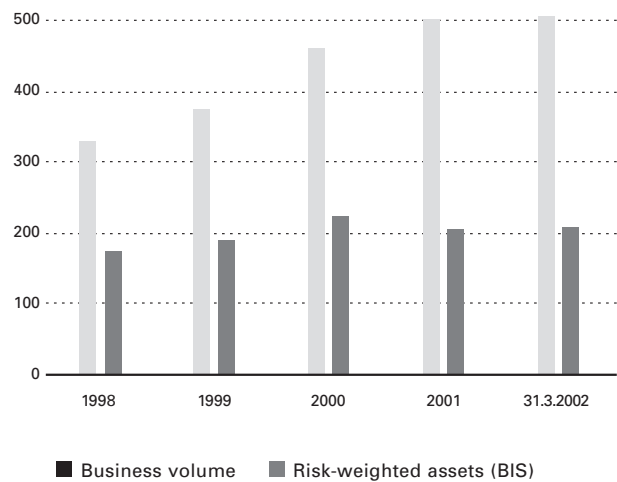
At €873m, the Commerzbank Group's net interest income fell 3.5% short of that in the first quarter of last year. However, profit contributions are expected to rise again in the course of the year; above all, the trend for margins in corporate-customer business is positive.

In the first quarter of 2001, provisions for possible loan losses had been €152m, climbing steadily to reach €356m in the final quarter. For the first three months of this year, valuation allowances amounting to €254m have been formed. The Group expects the need for provisioning to amount to somewhat more than a billion euros for 2002 as a whole. For even if economic performance picks up in the course of the year, the number of insolvencies in the core market will continue to rise for some time.

While net interest income after provisioning was 17.8% lower than in the relatively good first quarter of last year, it registered a 16.4% increase on the final three months of last year.

Risk-conscious expansion

Commerzbank Group, in € bn



As the customers continue to be reluctant to enter into securities transactions, Commerzbank is not satisfied with the development of net commission income. It fell 6.2% short of the first quarter of 2001. In payments and, encouragingly, in asset management as well, slight increases were achieved, whereas for other types of commission declines were registered. All told, though, the result of altogether €575m was €93m higher than in the previous quarter.

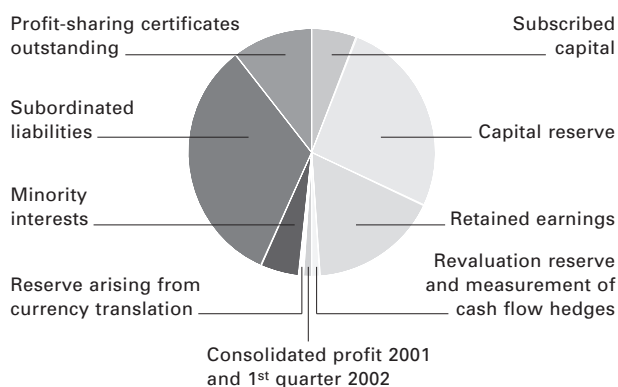
The net result on hedge accounting reflects the gains and losses attributable to effective hedges. As of March 31, the Group had a negative balance of €32m.

In trading in interest-rate risks, the Group achieved a €28m higher result; however, in both equities and foreign-exchange dealing Commerzbank was unable to repeat its year-ago figures. Overall, the trading profit, rising to €313m, was 0.3% stronger than in the first quarter of 2001. This figure includes the net result of €38m on the measurement of derivative financial instruments which do not qualify for hedge accounting.

The net result on the investments and securities portfolio fell by practically 29% to €92m. So far this year, Commerzbank has not disposed of any major blocks of shares or equity investments; the proceeds mainly derive from the management of the portfolio of fixed-income securities.

Own funds reach €23.8bn

Commerzbank Group, March 31, 2002



The first few months of the year have confirmed that the cost-cutting measures which were adopted last summer are having an impact. Both personnel and other operating expenses are lower than the comparable year-ago figures. Personnel expenses were down by 1.3% to €766m; as of March 31, 2002, the Commerzbank Group had a workforce of 38,665, which was 816 fewer than at end-2001. The Group managed to pare down other operating costs by 7.6%, or €39m, to €473m. Growth rates were only registered for write-downs on fixed assets; these rose by 21% to €159m. All told, operating expenses declined by 2.2% to just under €1.4bn. Commerzbank is confident that it will achieve its goal of bringing operating expenses down to their level in 2000 this year.

The balance of other income and expense items improved by €40m to a minus of €16m. Unlike in the previous year, no notable non-recurring expenses were incurred or are to be expected. Other expenses include regular amortization of goodwill in an amount of €28m.

The balance of all income and expense items yields a pre-tax profit of €153m. This derives exclusively from operating business in Germany and abroad. After taxes – at a tax ratio of around 34% – and the profits and losses attributable to minority

interests have been deducted, a net profit of €72m remains, compared with €176m in the first quarter of 2001. Earnings per share stand at €0.13 compared with €0.33 a year earlier.

The segment reporting for the first quarter of 2002 reveals an uneven picture. Once again, the largest profit – of €129m – was achieved by the corporate customers and institutions segment, which combines the Corporate Banking, Financial Institutions, Real Estate and Multinational Corporates departments. However, due to the high level of equity tied-up, its return on equity no more than barely reached double figures. The mortgage banks also fared well, producing a profit contribution of €81m. Treasury and foreign exchange achieved a profit of €48m. After a weak year in 2001, retail banking moved back into the black with a plus of €11m. In asset management, a negative result of €38m was recorded, which is reflected in an unsatisfactory cost/income ratio of 137.8%. The result was also negative in the securities segment, at €18m, above all due to the €79m fall in the trading profit.

All in all, this translates into a return on equity of 2.5% and a cost/income ratio of 77.5% for the Commerzbank Group. Commerzbank will improve these key ratios in the course of the year. Systematic adherence to the cost-cutting offensive and to the CB 21 programme for boosting earnings, together with other structural measures, will all be positive in this respect.

Apart from the planned changes in asset management, the structural innovations include the creation of two additional head-office departments. As from June 2002, Private Banking will become an independent banking department, reflecting its increasing significance. At the same time, a new staff department, Financial Controlling, will step up existing efforts in this area from mid-year onwards. Last but not least, the Bank has adapted its credit organization to the new "Minimum requirements for the credit business of credit institutions" (MaK).

As part of the Bank's efforts to concentrate its foreign network, the representative offices in Warsaw and Rio de Janeiro have been closed. The number of branches in Germany has been reduced to 789.



Commerzbank is confident as regards its performance in the further course of the year. The measures and programmes are having an impact and the em-

ployees are highly committed to putting the Bank back on a course that combines success and long-term growth.

Declaration of compliance with the International Accounting Standards (IAS) and German Accounting Standard no. 6 (GAS 6)

Accounting principles

Within the Commerzbank Group, there is made use of the exemption granted under Art. 292a, German Commercial Code – HGB for our consolidated annual financial statements. The present interim report was prepared pursuant to IAS 34 for the Commerzbank Group as of March 31, 2002, in accordance with the IASs published by the International Accounting Standards Board (IASB) and with their interpretation by the Standing Interpretations Committee (SIC). On principle, the same accounting and valuation methods as for the 2001 consolidated financial statements were employed in preparing this interim report and in calculating the comparable year-earlier figures.

Deviating from the interim report as of March 31, 2001, the comparable figures for the first quarter of 2001 have been adjusted to the information provided in the annual report for 2001, due to the first-time application of IAS 39.

This interim report also meets the provisions of GAS 6 on interim reports, approved by the German Accounting Standards Board (GASB) and published by the German Federal Ministry of Justice on February 13, 2001.

Consolidated companies

Since December 31, 2001, no changes have occurred in the list of consolidated companies.

consolidated income statement

| | Notes | 1.1.–31.3.2002 € m | 1.1.–31.3.2001 € m | Change in % |
|--|-------|-----------------------|-----------------------|----------------|
| Net interest income | (1) | 873 | 905 | -3.5 |
| Provision for possible loan losses | (2) | -254 | -152 | 67.1 |
| Net interest income after provisioning | | 619 | 753 | -17.8 |
| Net commission income | (3) | 575 | 613 | -6.2 |
| Net result on hedge accounting | | -32 | 2 | . |
| Trading profit | (4) | 313 | 312 | 0.3 |
| Net result on investments and securities portfolio | (5) | 92 | 129 | -28.7 |
| Other operating result | (6) | -16 | -56 | . |
| Operating expenses | (7) | 1,398 | 1,430 | -2.2 |
| Profit from ordinary activities | | 153 | 323 | -52.6 |
| Extraordinary profit | | - | - | - |
| Pre-tax profit | | 153 | 323 | -52.6 |
| Taxes on income | | 52 | 120 | -56.7 |
| After-tax profit | | 101 | 203 | -50.2 |
| Profit/loss attributable to minority interests | | -29 | -27 | 7.4 |
| Net profit | | 72 | 176 | -59.1 |



In order to calculate basic earnings per share, the net profit of €72m (31.3.2001: €176m) for the period under review is divided by the average number of shares outstanding during this period of 536.6m (31.3.2001: 531.9m).

| | 1.1.–31.3.2002 | 1.1.–31.3.2001 |
|--------------------------|----------------|----------------|
| | € | € |
| Basic earnings per share | 0.13 | 0.33 |

As of March 31, 2002, no exercisable conversion or option rights were outstanding. Diluted earnings per share, therefore, correspond to basic earnings per share.

Consolidated income statement (quarter-on-quarter comparison)

| € m | 1 st quarter 2002 | 4 th quarter | 3 rd quarter | 2 nd quarter | 1 st quarter 2001 |
|--|---------------------------------|-------------------------|-------------------------|-------------------------|---------------------------------|
| Net interest income | 873 | 888 | 859 | 929 | 905 |
| Provision for possible loan losses | -254 | -356 | -242 | -177 | -152 |
| Net interest income after provisioning | 619 | 532 | 617 | 752 | 753 |
| Net commission income | 575 | 482 | 569 | 603 | 613 |
| Net result on hedge accounting | -32 | 35 | 15 | 11 | 2 |
| Trading profit | 313 | 537 | 58 | 290 | 312 |
| Net result on investments and securities portfolio | 92 | 114 | -74 | 50 | 129 |
| Other operating result | -16 | -178 | -5 | 19 | -56 |
| <i>Income</i> | <i>1,551</i> | <i>1,522</i> | <i>1,180</i> | <i>1,725</i> | <i>1,753</i> |
| Operating expenses | 1,398 | 1,487 | 1,459 | 1,479 | 1,430 |
| Profit from ordinary activities before restructuring expenses | 153 | 35 | -279 | 246 | 323 |
| Restructuring expenses | - | 282 | - | - | - |
| Profit from ordinary activities after restructuring expenses | 153 | -247 | -279 | 246 | 323 |
| Extraordinary profit | - | - | - | - | - |
| Pre-tax profit | 153 | -247 | -279 | 246 | 323 |
| Taxes on income | 52 | -222 | -104 | 92 | 120 |
| After-tax profit | 101 | -25 | -175 | 154 | 203 |
| Profit/loss attributable to minority interests | -29 | 16 | -16 | -28 | -27 |
| Net profit | 72 | -9 | -191 | 126 | 176 |

consolidated balance sheet

| Assets | | 31.3.2002 | 31.12.2001 | Change |
|--|---------|------------------|-------------------|---------------|
| | Notes | € m | € m | in % |
| Cash reserve | | 3,300 | 7,632 | -56.8 |
| Claims on banks | (9, 11) | 66,219 | 63,392 | 4.5 |
| Claims on customers | (10,11) | 223,823 | 220,315 | 1.6 |
| Provision for possible loan losses | (12) | -5,768 | -5,648 | 2.1 |
| Positive fair values from derivative hedging instruments | | 3,139 | 3,868 | -18.8 |
| Assets held for dealing purposes | (13) | 89,454 | 95,826 | -6.6 |
| Investments and securities portfolio | (14) | 108,680 | 104,455 | 4.0 |
| Intangible assets | (15) | 1,482 | 1,484 | -0.1 |
| Fixed assets | (16) | 3,304 | 3,374 | -2.1 |
| Tax assets | | 3,146 | 3,618 | -13.0 |
| Other assets | (17) | 5,433 | 2,996 | 81.3 |
| Total | | 502,212 | 501,312 | 0.2 |

| Liabilities and equity | | 31.3.2002 | 31.12.2001 | Change |
|--|-------|------------------|-------------------|---------------|
| | Notes | € m | € m | in % |
| Liabilities to banks | (18) | 122,544 | 109,086 | 12.3 |
| Liabilities to customers | (19) | 112,287 | 116,398 | -3.5 |
| Securitized liabilities | (20) | 184,544 | 190,670 | -3.2 |
| Negative fair values from derivative hedging instruments | | 4,460 | 5,381 | -17.1 |
| Liabilities from dealing activities | (21) | 43,203 | 47,836 | -9.7 |
| Provisions | (22) | 3,140 | 3,356 | -6.4 |
| Tax liabilities | | 2,031 | 2,098 | -3.2 |
| Other liabilities | (23) | 6,183 | 2,859 | 116.3 |
| Subordinated capital | (24) | 10,341 | 10,524 | -1.7 |
| Minority interests | | 1,203 | 1,344 | -10.5 |
| Equity of Commerzbank Group | | 12,276 | 11,760 | 4.4 |
| Subscribed capital | | 1,393 | 1,394 | -0.1 |
| Capital reserve | | 6,191 | 6,197 | -0.1 |
| Retained earnings | | 4,046 | 4,046 | 0.0 |
| Revaluation reserve | | 307 | 189 | 62.4 |
| Measurement of cash flow hedges | | -49 | -397 | 87.7 |
| Reserve arising from currency translation | | 99 | 114 | -13.2 |
| 2001 net profit ¹⁾ | | 217 | 217 | . |
| Net profit 1.1.-31.3.2002 | | 72 | - | . |
| Total | | 502,212 | 501,312 | 0.2 |

1) after withdrawal from retained earnings



statement of changes in equity

The changes in the Commerzbank Group's equity were as follows in the first quarter of 2002:

| € m | Equity | Minority interests |
|--|---------------|--------------------|
| Equity as of 31.12.2000 | 12,523 | 1,233 |
| Effects of first-time application of IAS 39 | 1,095 | -96 |
| Equity as of 1.1.2001 | 13,618 | 1,137 |
| Changes in 2001 financial year | -1,858 | 207 |
| Equity as of 31.12.2001 | 11,760 | 1,344 |
| Changes in the current financial year | | |
| a) Subscribed capital | -1 | - |
| Capital increases | - | - |
| Changes in treasury shares | -1 | - |
| b) Capital reserve | -6 | - |
| Capital increases | - | - |
| Changes in treasury shares | -6 | - |
| c) Retained earnings | - | - |
| d) Net changes in revaluation reserve | 118 | -183 |
| e) Net changes arising from cash flow hedges | 348 | 14 |
| f) Reserve arising from currency translation | -15 | -1 |
| g) Consolidated profit (1.1.-31.3.) | 72 | 29 |
| Equity as of 31.3.2002 | 12,276 | 1,203 |

cash flow statement

| € m | 2002 | 2001 |
|--|---------------|--------------|
| Cash and cash equivalents as of 1.1. | 7,632 | 7,895 |
| Net cash provided by operating activities | -193 | 8,167 |
| Net cash used by investing activities | -3,951 | -8,808 |
| Net cash provided by financing activities | -190 | 242 |
| Total cash flow | -4,334 | -399 |
| Effects of exchange-rate changes | 2 | 4 |
| Cash and cash equivalents as of 31.3. | 3,300 | 7,500 |

The chart shows the cash flow within the Commerzbank Group. Cash and cash equivalents are represented by the cash reserve item, which is made up of cash on

hand, balances with central banks, as well as debt issued by public-sector borrowers and bills of exchange discountable at central banks.

Notes to the income statement

(1) Net interest income

| | 1.1.-31.3.2002 | 1.1.-31.3.2001 | Change |
|--|----------------|----------------|--------------|
| | € m | € m | in % |
| Interest income from lending and money-market transactions and also from available-for-sale securities portfolio | 4,685 | 5,219 | -10.2 |
| Dividends from securities | 25 | 12 | 108.3 |
| Current result from investments, investments in associated companies and holdings in subsidiaries | 56 | 40 | 40.0 |
| Current income from leasing | 76 | 85 | -10.6 |
| <i>Interest received</i> | <i>4,842</i> | <i>5,356</i> | <i>-9.6</i> |
| Interest paid for subordinated capital and other interest paid | 3,906 | 4,378 | -10.8 |
| Current expenses from leasing | 63 | 73 | -13.7 |
| <i>Interest paid</i> | <i>3,969</i> | <i>4,451</i> | <i>-10.8</i> |
| Total | 873 | 905 | -3.5 |

(2) Provision for possible loan losses

| | 1.1.-31.3.2002 | 1.1.-31.3.2001 | Change |
|---|----------------|----------------|-------------|
| | € m | € m | in % |
| Allocations | -346 | -265 | 30.6 |
| Reversals of provisions | 88 | 110 | -20.0 |
| Balance of direct write-downs and amounts received on written-down claims | 4 | 3 | 33.3 |
| Total | -254 | -152 | 67.1 |

(3) Net commission income

| | 1.1.-31.3.2002 | 1.1.-31.3.2001 | Change |
|--|----------------|----------------|-------------|
| | € m | € m | in % |
| Securities transactions | 234 | 255 | -8.2 |
| Foreign commercial business and payment transactions | 94 | 88 | 6.8 |
| Guarantees | 30 | 35 | -14.3 |
| Asset management | 138 | 130 | 6.2 |
| Income from syndicated business | 14 | 43 | -67.4 |
| Other net commission income | 65 | 62 | 4.8 |
| Total | 575 | 613 | -6.2 |

Net commission income includes €84m (previous year: €46m) of commissions paid.

**(4) Trading profit**

| | 1.1.-31.3.2002 | 1.1.-31.3.2001 | Change |
|---|----------------|----------------|-------------|
| | € m | € m | in % |
| Securities department | 132 | 211 | -37.4 |
| Treasury and Financial Products department | 70 | 75 | -6.7 |
| Other | 73 | 14 | . |
| Net result on proprietary trading | 275 | 300 | -8.3 |
| Net result on the measurement of derivative financial instruments | 38 | 12 | . |
| Total | 313 | 312 | 0.3 |

(5) Net result on investments and securities portfolio

| | 1.1.-31.3.2002 | 1.1.-31.3.2001 | Change |
|--|----------------|----------------|--------------|
| | € m | € m | in % |
| Result on available-for-sale securities and claims not originated by the Bank | 63 | 39 | 61.5 |
| Result on disposals and measurement of investments, investments in associated companies and holdings in subsidiaries | 29 | 90 | -67.8 |
| Total | 92 | 129 | -28.7 |

(6) Other operating result

| | 1.1.-31.3.2002 | 1.1.-31.3.2001 | Change |
|--------------------------|----------------|----------------|--------------|
| | € m | € m | in % |
| Other operating income | 108 | 86 | 25.6 |
| Other operating expenses | 96 | 119 | -19.3 |
| Amortization of goodwill | 28 | 23 | 21.7 |
| Total | -16 | -56 | -71.4 |

(7) Operating expenses

| | 1.1.-31.3.2002 | 1.1.-31.3.2001 | Change |
|--|----------------|----------------|-------------|
| | € m | € m | in % |
| Personnel expenses | 766 | 776 | -1.3 |
| Other expenses | 473 | 512 | -7.6 |
| Current depreciation on fixed assets and other intangible assets | 159 | 142 | 12.0 |
| Total | 1,398 | 1,430 | -2.2 |

(8) Segment reporting

Segment reporting in line with the primary reporting segment of business areas represents the Group's organization based on two corporate divisions as of 2001. A detailed description of the individual lines of business and their assignment to corporate divisions can be found in the Group's 2001 annual report. The

comparable figures for the year-ago period have been adjusted in accordance with the rules of IAS 39 to reflect the effects of the revaluation of financial assets and liabilities and have been published in our 2001 annual report.

| 1.1.-31.3.2002 | Retail banking | Asset management | Corporate customers and institutions | Securities | Treasury and foreign exchange | Mortgage banking | Others/consolidation | Total |
|--|----------------|------------------|--------------------------------------|--------------|-------------------------------|------------------|----------------------|---------------|
| € m | | | | | | | | |
| Net interest income | 284 | 2 | 497 | 10 | 83 | 167 | -170 | 873 |
| Provision for possible loan losses | -33 | 0 | -203 | 0 | 0 | -18 | 0 | -254 |
| Net interest income after provisioning | 251 | 2 | 294 | 10 | 83 | 149 | -170 | 619 |
| Net commission income | 250 | 115 | 191 | 46 | -13 | -12 | -2 | 575 |
| Net result on hedge accounting | 0 | 0 | 0 | 0 | 13 | -45 | 0 | -32 |
| Trading profit | 0 | 3 | 50 | 132 | 70 | 28 | 30 | 313 |
| Net result on investments and securities portfolio | 0 | 3 | 0 | 1 | 0 | 71 | 17 | 92 |
| Other operating result | 1 | -25 | 27 | 2 | 0 | 2 | -23 | -16 |
| <i>Income, total</i> | <i>502</i> | <i>98</i> | <i>562</i> | <i>191</i> | <i>153</i> | <i>193</i> | <i>-148</i> | <i>1,551</i> |
| Operating expenses | 485 | 135 | 350 | 219 | 78 | 38 | 93 | 1,398 |
| Profit from ordinary activities | 17 | -37 | 212 | -28 | 75 | 155 | -241 | 153 |
| Taxes on income | 7 | -5 | 72 | -10 | 27 | 61 | -100 | 52 |
| After-tax profit | 10 | -32 | 140 | -18 | 48 | 94 | -141 | 101 |
| Profit/loss attributable to minority interests | 1 | -6 | -11 | 0 | 0 | -13 | 0 | -29 |
| Consolidated profit | 11 | -38 | 129 | -18 | 48 | 81 | -141 | 72 |
| Profit contribution from business passed on | 2 | 54 | 16 | 10 | 10 | 0 | -92 | 0 |
| Result based on internal accounting | 13 | 16 | 145 | -8 | 58 | 81 | -233 | 72 |
| Average equity tied up | 1,454 | 524 | 5,332 | 1,092 | 525 | 1,602 | 847 | 11,376 |
| Return on equity¹⁾ (%) | 3.6 | 12.2 | 10.9 | -2.9 | 44.2 | 20.2 | . | 2.5 |
| Cost/income ratio (%) | 90.7 | 137.8 | 45.8 | 114.7 | 51.0 | 18.0 | . | 77.5 |

1) annualized



| 1.1.–31.3.2001 | Retail banking | Asset management | Corporate customers and institutions | Securities | Treasury and foreign exchange | Mortgage banking | Others/consolidation | Total |
|--|----------------|------------------|--------------------------------------|--------------|-------------------------------|------------------|----------------------|---------------|
| € m | | | | | | | | |
| Net interest income | 286 | 3 | 460 | 17 | 124 | 146 | -131 | 905 |
| Provision for possible loan losses | -31 | - | -89 | - | - | -18 | -14 | -152 |
| Net interest income after provisioning | 255 | 3 | 371 | 17 | 124 | 128 | -145 | 753 |
| Net commission income | 245 | 136 | 174 | 75 | -12 | -5 | - | 613 |
| Net result on hedge accounting | -2 | - | -3 | - | -4 | 11 | - | 2 |
| Trading profit | - | 3 | 42 | 211 | 75 | 2 | -21 | 312 |
| Net result on investments and securities portfolio | - | -15 | 36 | - | -4 | 2 | 110 | 129 |
| Other operating result | -2 | -23 | -2 | 2 | -1 | - | -30 | -56 |
| <i>Income, total</i> | <i>496</i> | <i>104</i> | <i>618</i> | <i>305</i> | <i>178</i> | <i>138</i> | <i>-86</i> | <i>1,753</i> |
| Operating expenses | 507 | 136 | 348 | 239 | 54 | 37 | 109 | 1,430 |
| Profit from ordinary activities | -11 | -32 | 270 | 66 | 124 | 101 | -195 | 323 |
| Taxes on income | -4 | -3 | 98 | 27 | 46 | 35 | -79 | 120 |
| After-tax profit | -7 | -29 | 172 | 39 | 78 | 66 | -116 | 203 |
| Profit/loss attributable to minority interests | 8 | -5 | -12 | - | - | -18 | - | -27 |
| Consolidated profit | 1 | -34 | 160 | 39 | 78 | 48 | -116 | 176 |
| Profit contribution from business passed on | 1 | 40 | 11 | 4 | 5 | 0 | -61 | 0 |
| Result based on internal accounting | 2 | 6 | 171 | 43 | 83 | 48 | -177 | 176 |
| Average equity tied up | 1,415 | 373 | 6,369 | 1,307 | 827 | 1,227 | 452 | 11,970 |
| Return on equity¹⁾ (%) | 0.6 | 6.4 | 10.7 | 13.2 | 40.1 | 15.6 | . | 5.9 |
| Cost/income ratio (%) | 96.2 | 130.8 | 49.2 | 78.4 | 30.3 | 23.7 | . | 75.1 |

1) annualized

The following breakdown shows the net income and expense items, by geographical market. The figures are assigned according to the seat of the branches or consolidated companies.

| 1.1.-31.3.2002 | Germany | Europe (excluding Germany) | America | Asia | Africa | Consoli- dation | Total |
|---|----------|----------------------------------|-----------|-----------|----------|--------------------|------------|
| € m | | | | | | | |
| Net interest income after provisioning | 389 | 113 | 87 | 27 | 3 | 0 | 619 |
| Net commission income | 381 | 121 | 45 | 27 | 1 | 0 | 575 |
| Net result on hedge accounting | -30 | -2 | 0 | 0 | 0 | 0 | -32 |
| Trading profit | 217 | 91 | 0 | 3 | 2 | 0 | 313 |
| Net result on investments and securities portfolio | 81 | 8 | 2 | 1 | 0 | 0 | 92 |
| Operating expenses | 1,044 | 243 | 86 | 40 | 1 | -16 | 1,398 |
| Other operating result | 12 | -9 | -2 | -1 | 0 | -16 | -16 |
| Profit from ordinary activities | 6 | 79 | 46 | 17 | 5 | 0 | 153 |

| 1.1.-31.3.2001 | Germany | Europe (excluding Germany) | America | Asia | Africa | Consoli- dation | Total |
|---|------------|----------------------------------|-----------|----------|----------|--------------------|------------|
| € m | | | | | | | |
| Net interest income after provisioning | 575 | 122 | 28 | 26 | 2 | 0 | 753 |
| Net commission income | 406 | 139 | 48 | 20 | 1 | -1 | 613 |
| Net result on hedge accounting | 3 | -2 | 1 | 0 | 0 | 0 | 2 |
| Trading profit | 217 | 71 | 20 | 3 | 1 | 0 | 312 |
| Net result on investments and securities portfolio | 65 | 41 | 23 | 0 | 0 | 0 | 129 |
| Operating expenses | 1,059 | 253 | 93 | 45 | 1 | -21 | 1,430 |
| Other operating result | -36 | 2 | -3 | 1 | 0 | -20 | -56 |
| Profit from ordinary activities | 171 | 120 | 24 | 5 | 3 | 0 | 323 |



Notes to the balance sheet

(9) Claims on banks

| | 31.3.2002 | 31.12.2001 | Change |
|--|------------------|-------------------|------------|
| | € m | € m | in % |
| due on demand | 17,987 | 13,825 | 30.1 |
| other claims | 48,232 | 49,567 | -2.7 |
| with a remaining lifetime of | | | |
| less than three months | 24,286 | 28,836 | -15.8 |
| more than three months, but less than one year | 13,049 | 10,458 | 24.8 |
| more than one year, but less than five years | 5,592 | 3,996 | 39.9 |
| more than five years | 5,305 | 6,277 | -15.5 |
| Total | 66,219 | 63,392 | 4.5 |
| of which: reverse repos | 21,106 | 19,196 | 10.0 |

(10) Claims on customers

| | 31.3.2002 | 31.12.2001 | Change |
|--|------------------|-------------------|------------|
| | € m | € m | in % |
| with indefinite remaining lifetime | 22,496 | 17,096 | 31.6 |
| other claims | 201,327 | 203,219 | -0.9 |
| with a remaining lifetime of | | | |
| less than three months | 49,459 | 48,356 | 2.3 |
| more than three months, but less than one year | 17,107 | 19,880 | -13.9 |
| more than one year, but less than five years | 46,881 | 47,960 | -2.2 |
| more than five years | 87,880 | 87,023 | 1.0 |
| Total | 223,823 | 220,315 | 1.6 |
| of which: reverse repos | 13,180 | 13,944 | -5.5 |

(11) Total lending

| | 31.3.2002 | 31.12.2001 | Change |
|---|------------------|-------------------|------------|
| | € m | € m | in % |
| Loans to banks ¹⁾ | 16,072 | 15,725 | 2.2 |
| Claims on customers | 223,823 | 220,315 | 1.6 |
| Bills discounted | 324 | 428 | -24.3 |
| Claims not originated by the Bank ²⁾ | 19,752 | 18,852 | 4.8 |
| less reverse repos and securities-lending transactions involving customers | 14,592 | 15,578 | -6.3 |
| Total | 245,379 | 239,742 | 2.4 |

1) excluding reverse repos and securities-lending transactions; 2) included in investments and securities portfolio.

(12) Provision for possible loan losses

| Development of provisioning | 2002 | 2001 | Change |
|------------------------------------|--------------|--------------|---------------|
| | € m | € m | in % |
| As of January 1 | 5,946 | 5,658 | 5.1 |
| Allocations | 346 | 265 | 30.6 |
| Deductions | 187 | 189 | -1.1 |
| Utilized | 99 | 79 | 25.3 |
| Reversals | 88 | 110 | -20.0 |
| Exchange-rate changes/transfers | 12 | 13 | -7.7 |
| As of March 31 | 6,117 | 5,747 | 6.4 |

With direct write-downs and amounts received on written-down claims taken into consideration, the allocations and reversals have given rise to provision in the income statement of €254m for lending risks (see Note 2).

| Level of provisioning | 31.3.2002 | 31.12.2001 | Change |
|--------------------------------------|------------------|-------------------|---------------|
| | € m | € m | in % |
| Individual value allowances | 5,218 | 5,104 | 2.2 |
| Country value allowances | 132 | 134 | -1.5 |
| General value allowances | 418 | 410 | 2.0 |
| Provisioning for balance-sheet items | 5,768 | 5,648 | 2.1 |
| Provisions in lending business | 349 | 298 | 17.1 |
| Total | 6,117 | 5,946 | 2.9 |

(13) Assets held for dealing purposes

| | 31.3.2002 | 31.12.2001 | Change |
|--|------------------|-------------------|---------------|
| | € m | € m | in % |
| Bonds, notes and other fixed-income securities | 35,384 | 40,419 | -12.5 |
| Shares and other variable-yield securities | 17,244 | 12,617 | 36.7 |
| Promissory notes held for trading purposes | 383 | 669 | -42.8 |
| Positive fair values from derivative financial instruments | 36,443 | 42,121 | -13.5 |
| Total | 89,454 | 95,826 | -6.6 |

**(14) Investments and securities portfolio (available-for-sale financial assets)**

| | 31.3.2002 | 31.12.2001 | Change |
|--|------------------|-------------------|------------|
| | € m | € m | in % |
| Claims on banks and customers not originated by the Bank | 19,752 | 18,852 | 4.8 |
| Bonds, notes and other fixed-income securities | 78,437 | 74,767 | 4.9 |
| Shares and other variable-yield securities | 3,690 | 4,351 | -15.2 |
| Investments | 5,557 | 5,225 | 6.4 |
| Investments in associated companies | 847 | 852 | -0.6 |
| Holdings in subsidiaries | 397 | 408 | -2.7 |
| Total | 108,680 | 104,455 | 4.0 |

(15) Intangible assets

| | 31.3.2002 | 31.12.2001 | Change |
|-------------------------|------------------|-------------------|-------------|
| | € m | € m | in % |
| Goodwill | 1,359 | 1,380 | -1.5 |
| Other intangible assets | 123 | 104 | 18.3 |
| Total | 1,482 | 1,484 | -0.1 |

(16) Fixed assets

| | 31.3.2002 | 31.12.2001 | Change |
|--------------------------------|------------------|-------------------|-------------|
| | € m | € m | in % |
| Land and buildings | 707 | 739 | -4.3 |
| Office furniture and equipment | 1,832 | 1,846 | -0.8 |
| Leased equipment | 765 | 789 | -3.0 |
| Total | 3,304 | 3,374 | -2.1 |

(17) Other assets

| | 31.3.2002 | 31.12.2001 | Change |
|---|------------------|-------------------|-------------|
| | € m | € m | in % |
| Collection items | 138 | 379 | -63.6 |
| Advance payments | 428 | 722 | -40.7 |
| Sundry assets, including deferred items | 4,867 | 1,895 | . |
| Total | 5,433 | 2,996 | 81.3 |

(18) Liabilities to banks

| | 31.3.2002 | 31.12.2001 | Change |
|--|----------------|----------------|-------------|
| | € m | € m | in % |
| due on demand | 26,130 | 13,991 | 86.8 |
| with remaining lifetime of | 96,414 | 95,095 | 1.4 |
| less than three months | 50,090 | 59,233 | -15.4 |
| more than three months, but less than one year | 29,006 | 18,603 | 55.9 |
| more than one year, but less than five years | 6,491 | 6,255 | 3.8 |
| more than five years | 10,827 | 11,004 | -1.6 |
| Total | 122,544 | 109,086 | 12.3 |
| of which: repos | 20,788 | 16,884 | 23.1 |

(19) Liabilities to customers

| | 31.3.2002 | 31.12.2001 | Change |
|--|----------------|----------------|-------------|
| | € m | € m | in % |
| Savings deposits | 10,559 | 10,704 | -1.4 |
| with agreed period of notice of | | | |
| three months | 9,821 | 9,773 | 0.5 |
| more than three months | 738 | 931 | -20.7 |
| Other liabilities to customers | 101,728 | 105,694 | -3.8 |
| due on demand | 37,684 | 36,589 | 3.0 |
| with agreed remaining lifetime of | 64,044 | 69,105 | -7.3 |
| less than three months | 40,974 | 47,352 | -13.5 |
| more than three months, but less than one year | 4,065 | 4,015 | 1.2 |
| more than one year, but less than five years | 7,333 | 6,203 | 18.2 |
| more than five years | 11,672 | 11,535 | 1.2 |
| Total | 112,287 | 116,398 | -3.5 |
| of which: repos | 9,965 | 10,597 | -6.0 |

(20) Securitized liabilities

| | 31.3.2002 | 31.12.2001 | Change |
|---|----------------|----------------|-------------|
| | € m | € m | in % |
| Bonds and notes outstanding | 143,724 | 143,627 | 0.1 |
| Money-market instruments outstanding | 40,682 | 46,258 | -12.1 |
| Own acceptances and promissory notes outstanding | 380 | 331 | 14.8 |
| Effects of measuring hedged items (hedge accounting) | -242 | 454 | . |
| Total | 184,544 | 190,670 | -3.2 |



| Remaining lifetimes | 31.3.2002 | 31.12.2001 | Change |
|--|----------------|----------------|-------------|
| | € m | € m | in % |
| due on demand | 39 | 24 | 62.5 |
| with agreed remaining lifetime of | 184,505 | 190,646 | -3.2 |
| less than three months | 37,245 | 35,554 | 4.8 |
| more than three months, but less than one year | 38,732 | 42,955 | -9.8 |
| more than one year, but less than five years | 74,195 | 72,099 | 2.9 |
| more than five years | 34,333 | 40,038 | -14.2 |
| Total | 184,544 | 190,670 | -3.2 |

(21) Liabilities from dealing activities

| | 31.3.2002 | 31.12.2001 | Change |
|---|---------------|---------------|-------------|
| | € m | € m | in % |
| Interest-based transactions | 24,639 | 28,264 | -12.8 |
| Currency-based transactions | 7,449 | 8,357 | -10.9 |
| Delivery commitments arising from short sales of securities | 6,944 | 4,954 | 40.2 |
| Other transactions | 4,171 | 6,261 | -33.4 |
| Total | 43,203 | 47,836 | -9.7 |

(22) Provisions

| | 31.3.2002 | 31.12.2001 | Change |
|---|--------------|--------------|-------------|
| | € m | € m | in % |
| Provisions for pensions and similar commitments | 1,523 | 1,499 | 1.6 |
| Other provisions | 1,617 | 1,857 | -12.9 |
| Total | 3,140 | 3,356 | -6.4 |

(23) Other liabilities

| | 31.3.2002 | 31.12.2001 | Change |
|--|--------------|--------------|--------------|
| | € m | € m | in % |
| Effects of measuring hedged subordinated capital items | 124 | 230 | -46.1 |
| Deferred interest expenses for subordinated capital | 465 | 381 | 22.0 |
| Other liabilities, including deferred items | 5,594 | 2,248 | . |
| Total | 6,183 | 2,859 | 116.3 |



| as of 31.12.2001 | Capital charges in % | | | | | | Total |
|---|----------------------|---------------|------------|---------------|------------|-----------|----------------|
| € m | 100 | 50 | 25 | 20 | 10 | 4 | |
| Balance-sheet business | 129,229 | 13,973 | – | 14,078 | – | – | 157,280 |
| Traditional off-balance-sheet business | 4,060 | 21,189 | 199 | 881 | 679 | 60 | 27,068 |
| Derivatives business in investment portfolio | – | 5,900 | – | 5,195 | – | – | 11,095 |
| Risk-weighted assets, total | 133,289 | 41,062 | 199 | 20,154 | 679 | 60 | 195,443 |
| Risk-weighted market-risk position multiplied by 12.5 | | | | | | | 8,163 |
| Total items to be risk-weighted | | | | | | | 203,606 |
| Liable capital | | | | | | | 20,432 |
| Eligible own funds | | | | | | | 20,898 |
| Core capital ratio (excluding market-risk position) | | | | | | | 6.2 |
| Core capital ratio (including market-risk position) | | | | | | | 6.0 |
| Own funds ratio (including market-risk position) | | | | | | | 10.3 |

(26) Off-balance-sheet commitments

| | 31.3.2002 | 31.12.2001 |
|---|-----------|------------|
| | € m | € m |
| Contingent liabilities | 31,863 | 31,016 |
| from rediscounted bills of exchange credited to borrowers | 33 | 21 |
| from guarantees and indemnity agreements | 31,830 | 30,995 |
| Irrevocable lending commitments | 70,793 | 71,511 |
| Other commitments | 140 | 130 |

(27) Derivative transactions

Derivative transactions (investment and trading portfolios) involved the following nominal amounts and fair values:

| 31.3.2002 | Nominal amount, by remaining lifetime | | | Fair values | |
|---|---------------------------------------|---|----------------------|---------------|---------------|
| | less than one year | more than one year but under five years | more than five years | positive | negative |
| € m | | | | | |
| Foreign currency-based forward transactions | 557,054 | 105,788 | 31,901 | 7,853 | 8,915 |
| Interest-based forward transactions | 1,497,629 | 824,679 | 625,622 | 26,689 | 27,476 |
| Other forward transactions | 85,541 | 82,641 | 4,250 | 5,040 | 4,328 |
| Total | 2,140,224 | 1,013,108 | 661,773 | 39,582 | 40,719 |
| <i>of which: traded on a stock exchange</i> | <i>211,012</i> | <i>12,438</i> | <i>3,991</i> | | |

| 31.12.2001 | Nominal amount, by remaining lifetime | | | Fair values | |
|---|---------------------------------------|---|----------------------------|---------------|---------------|
| | less than one year | more than one year but under five years | more than five years | positive | negative |
| € m | | | | | |
| Foreign currency-based forward transactions | 535,603 | 105,837 | 31,858 | 9,150 | 8,999 |
| Interest-based forward transactions | 1,481,997 | 820,908 | 632,806 | 30,148 | 33,003 |
| Other forward transactions | 81,392 | 82,810 | 4,000 | 6,691 | 6,261 |
| Total | 2,098,992 | 1,009,555 | 668,664 | 45,989 | 48,263 |
| <i>of which: traded on a stock exchange</i> | <i>206,386</i> | <i>10,602</i> | <i>3,158</i> | | |

(28) Market risk arising from trading activities

The market risk arising from trading activities in the Corporate and Investment Banking division shows the values-at-risk broken down by business line (97.5% confidence interval, overnight), and thus the possible overnight losses. For calculating and managing market

risk, historical simulation is used as the value-at-risk model. A detailed description of the methods employed can be found in the notes in the Group's 2001 annual report.

| Portfolio | 31.3.2002 | 31.12.2001 |
|---|-----------|------------|
| | € m | € m |
| Securities | 7.5 | 8.3 |
| Treasury and Financial Products | 8.8 | 2.4 |
| Corporate and Investment Banking division | 14.6 | 9.3 |

Commerzbank Overseas Finance N.V.

Incorporation, Registered Office and Duration

Commerzbank Overseas Finance N.V. (hereinafter in this section also referred to as the "Company") was incorporated under the laws of the Netherlands Antilles as a limited liability company in Curaçao on November 2, 1983. Its registered office is De Ruyterkade 62, Willemstad, Curaçao, Netherlands Antilles. The Company is constituted for an indefinite period of time.

Purpose

The purpose of the Company is to act as a finance company for Commerzbank Aktiengesellschaft and its subsidiaries (the "Commerzbank group"). The Company shall in particular obtain funds, including through the issuance of bonds and notes, and shall lend such funds to companies of the Commerzbank group.

Share Capital

The authorised capital of the Company amounts to € 2,560,000 divided into 5,000 shares of € 512,- each, of which 1,000 shares have been issued and are fully paid.

The Company is a wholly owned subsidiary of Commerzbank Aktiengesellschaft, Frankfurt am Main.

Capitalisation

The following table sets out the capitalisation of the Company as at March 31, 2002:

| | EUR '000 |
|---|-----------|
| Promissory notes and bonds | 1,135,199 |
| Subordinated promissory notes and bonds | 401,192 |
| Share capital, issued and paid | 512 |
| Share premium | 512 |
| Non distributable reserves | - |
| Retained earnings | 3 |
| Shareholders' equity | 1,027 |
| Total capitalisation | 1,537,418 |

Save as disclosed herein, there has been no material adverse change in the capitalisation of the Company since March 31, 2002.

Management

The management of the Company is entrusted to a Board of Managing Directors, consisting of two or more Managing Directors. The Managing Directors are appointed by the general meeting of shareholders. The Extraordinary General Meeting held on December 14, 1999 decided to transfer the daily management of the Company to Dublin, Ireland as of December 31, 1999.

Presently the Managing Directors of the Company are as follows:

Dr. Thomas K. Naumann, Commerzbank Aktiengesellschaft, Frankfurt am Main, Chairman
John Bowden, Commerzbank Europe (Ireland)/Commerzbank International (Ireland), Dublin
Stephan Wurm, Commerzbank International (Ireland), Dublin

The business address of the Company is Commerzbank House, Guild Street, I.F.S.C., Dublin 1, Ireland.

General Meeting of Shareholders

The annual general meeting of shareholders shall be held in Curaçao within nine months after the close of the Company's financial year.

Financial Year

The financial year of the Company is the calendar year. The Company does not publish interim financial statements.

Appropriation of Profits

The net profit may be reserved or paid out as dividend at the discretion of the general meeting of shareholders.

Auditors

The auditors of the Company for the financial year 1999 were Ernst & Young Accountants, Zeelandia Office Park, Willemstad, Curaçao, Netherlands Antilles who have audited the financial statements of the Company for the financial year ended December 31, 1999 without qualification.

The auditors of the Company for the financial years 2000 and 2001 were PricewaterhouseCoopers, George's Quay, Dublin 2, Ireland, who have audited the financial statements of the Company for the financial years ended December 31, 2000 and 2001 without qualification.

Litigation

The Company is not involved in any litigation or arbitration proceedings which may have, or have had during the last two financial years, a material impact on its financial position nor is the Company aware that any such proceedings are pending or threatened.

Directors' Report

The directors submit their annual report together with the audited financial statements of Commerzbank Overseas Finance N.V. for the year ended December 31, 2001.

Directors responsibilities statements

Irish Accounting Standards requires directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detention of fraud and other irregularities.

Review of the development of the business

The company was incorporated in 1983 in Curaçao, Netherlands Antilles, and is wholly owned subsidiary of Commerzbank AG. The daily management and control of the business was transferred to Dublin as of December 31, 1999. The purpose of the company is to issue bonds for long term refinancing requirements of Commerzbank AG.

Results for the year and state of affairs at December 31, 2001

The profit and loss account and balance sheet for the year ended December 31, 2001 are set out on page 232. Total assets amounted to TEUR 1,843,135 (2000: TEUR 3,673,149) at December 31, 2001. There was a profit after tax for the financial year of TEUR 2,463 (2000: TEUR 3,524). It was then resolved to pay out a dividend of TEUR 2,460.

Directors and Secretary

On April 30, 2001, Mr. Wolfgang Moeller resigned as Chairman and director of Commerzbank Overseas Finance N.V. On the same day, Dr. Thomas Naumann was then appointed as a member of the Board of Directors and new Chairman for Commerzbank Overseas Finance N.V.

Directors and secretary interest

Details of directors' and secretary's interest are set out in note 12 to the financial statements.

Euro

The introduction of the Euro at year-end went very smoothly. The bank did not suffer any problems during the transition period.

On behalf of the board

Dr Thomas Naumann
Stephan Wurm

Report of the Independent Auditors

To the shareholders of Commerzbank Overseas Finance N.V.

We have audited the financial statements on pages 232 to 235.

Respective responsibilities of directors and auditors

The directors are responsible for preparing in Annual Report. As described on page 229, this includes responsibility for preparing the financial statements in accordance with Accounting Standards generally accepted in Ireland. Our responsibilities, as independent auditors, are established in Ireland by statute, the Auditing Practices Board, and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Irish Accounting Standards. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the company balance sheet is in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of accounts;
- whether the directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the company to convene an extraordinary general meeting; such a financial situation may exist if the net assets of the company, as stated in the company balance sheet, are not more than half of its called-up share capital.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at December 31, 2001 and of the profit for the year then ended and have been properly prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants in Ireland.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report on page 229 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 232, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at

December 31, 2001 a financial situation which would require the convening of an extraordinary general meeting of the company.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

April 22, 2002

Profit and Loss Account
Year ended 31 December 2001

| | Notes | 2001 | 2000 |
|--|-------|-----------|-----------|
| EUR '000 | | | |
| Interest income | | 167,749 | 306,107 |
| Interest expense | | (164,914) | (301,694) |
| Net interest | | 2,835 | 4,413 |
| Other Income | | 65 | – |
| | | 2,900 | 4,413 |
| Expenses | 4 | (163) | (497) |
| Profit on ordinary activities before taxation | 5 | 2,737 | 3,916 |
| Taxation on profit on ordinary activities | 6 | 274 | 392 |
| Profit for the financial year | | 2,463 | 3,524 |
| Profit and loss account – beginning of period | | 3,524 | 5,586 |
| Dividend paid and proposed | | (5,984) | (5,586) |
| Profit and loss account – end of period | | 3 | 3,524 |

Profit on ordinary activities arose solely from continuing operations. There are no recognised gains and losses other than the profit retained for the year.

Balance Sheet
31 December 2001

| | Notes | 2001 | 2000 |
|---|-------|-----------|-----------|
| EUR '000 | | | |
| Assets | | | |
| Advances to banks | 7 | 1,786,650 | 3,586,962 |
| Accrued interest income | | 56,485 | 86,187 |
| Total assets | | 1,843,135 | 3,673,149 |
| Liabilities | | | |
| Promissory notes and bonds | 8 | 1,386,692 | 3,207,154 |
| Accrued interest expense | | 55,535 | 84,903 |
| Accruals and other liabilities | 9 | 2,742 | 404 |
| | | 1,444,969 | 3,292,461 |
| Subordinated liabilities | | | |
| Subordinated promissory notes and bonds | | 397,141 | 376,142 |
| | | 1,842,110 | 3,668,603 |
| Shareholders funds | | | |
| Share capital | 10 | 511 | 511 |
| Share premium | | 511 | 511 |
| Profit and loss account | | 3 | 3,524 |
| | 11 | 1,025 | 4,546 |
| Total liabilities and shareholders' funds | | 1,843,135 | 3,673,149 |

On behalf of the board

Dr Thomas Naumann
Stephan Wurm

Notes to the financial statements

1. Accounting policies

The principal accounting policies adopted by the company are set out below.

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the applicable Irish accounting standards.

Income and expense recognition

Interest income and expense are recognised in the profit and loss account on an accruals basis.

Foreign currencies

The financial statements are expressed in Euro.

Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates prevailing at the balance sheet date. Profits and losses in foreign currencies are translated into Euro at the closing rates of exchange.

Profits and losses arising from foreign currency translation and on settlement of amounts receivable and payable in foreign currencies are dealt with in the profit and loss account.

Taxation

Corporation tax is provided on taxable profits at the current rates applicable to the company's activities.

Deferred taxation is calculated under the liability method and is fully provided on timing differences which, in the opinion of the directors, will probably reverse, at the rates of taxation likely to be in force at the time of the reversal.

Cash Flow Statements

The company is exempt from the requirements of FRS 1 (revised) to include a cash flow statement as it is a wholly owned subsidiary and the consolidated financial statements in which the company is included, are publicly available.

2. Ownership and operations

The company is a wholly owned subsidiary of Commerzbank AG which is incorporated in Germany. The company is principally engaged in the issuance of bonds on behalf of Commerzbank AG.

3. Related party transactions

- (a) The company shares certain premises, services and facilities with other group companies. Costs incurred in relation to such items are allocated between the companies involved on an arm's length basis.
- (b) The company has entered into a management agreement with a sister company, Commerzbank International (Ireland). Under this agreement, Commerzbank International (Ireland) has undertaken

to provide assistance and ongoing advice, regarding the management of the company. In return, the company has agreed to pay to Commerzbank International (Ireland) an annual fee for services provided.

- (c) During the year, the company engaged in inter-bank activities with related companies. All such transactions were on an arms length basis.

4. Expenses

The Company entered a service level agreement with Commerzbank International (Ireland) effective January 1, 2000. According to this agreement the company receives services regarding management, accounting, administration, human resources and any other which will be necessary from time to time. Costs that can be allocated directly will be invoiced separately and therefore deducted from the service fee.

| | 2001 | 2000 |
|--|------------|------------|
| | EUR '000 | |
| Operating expenses | | |
| Rent | 10 | 8 |
| Workplace costs | 27 | 8 |
| Consulting, legal fees | 26 | 72 |
| Management fees & corporate expenses | 44 | 145 |
| Personnel | 28 | 6 |
| Audit fee | 6 | 6 |
| Others | 22 | 252 |
| | <u>163</u> | <u>497</u> |

5. Profit on ordinary activities before taxation

No directors remuneration was payable in respect of the year ended December 31, 2001.

6. Taxation on profit on ordinary activities

The Company has received an International Financial Services Centre certificate under Section 446, Taxes Consolidation Act, 1997, as amended, which entitles it corporation tax rate of 10 % on profits derived from certain specified activities (principally banking and trading in financial instruments denominated in foreign currencies)

This reduced rate of 10 % compares with the standard Irish corporation tax rate of 20 %.

The company had no unprovided deferred taxation liability at December 31, 2001.

7. Advances to banks

| | 2001 | 2000 |
|-----------------------------|------------------|------------------|
| | EUR '000 | |
| Payable on demand | 89 | 606 |
| To 3 months | 258,169 | 978,792 |
| To 1 year | 118,380 | 844,524 |
| To 5 years | 1,028,889 | 1,381,917 |
| Over 5 years | 381,123 | 381,123 |
| | <u>1,786,650</u> | <u>3,586,962</u> |

8. Promissory notes and bonds

| | 2001 | 2000 |
|--------------------|------------------|------------------|
| | EUR '000 | |
| To 3 months | 225,646 | 975,733 |
| To 1 year | 118,174 | 844,523 |
| To 5 years | 631,748 | 1,005,775 |
| Over 5 years | 381,124 | 381,123 |
| | <u>1,386,692</u> | <u>3,207,154</u> |

9. Provisions and other liabilities

| | 2001 | 2000 |
|-------------------------|--------------|------------|
| | EUR '000 | |
| Corporation tax | 274 | 392 |
| Proposed dividend | 2,460 | – |
| Accrual | 8 | 12 |
| | <u>2,742</u> | <u>404</u> |

10. Called up share capital

| | 2001 | 2000 |
|---|--------------|--------------|
| | EUR '000 | |
| Authorised: 5,000 ordinary shares of EUR 511.291881 each | <u>2,556</u> | <u>2,556</u> |
| Called up and fully Paid: 1,000 ordinary shares of EUR 511.291881 each | <u>511</u> | <u>511</u> |

11. Reconciliation of movement in shareholders' funds

| | 2001 | 2000 |
|---|--------------|--------------|
| | EUR '000 | |
| Shareholders' funds – beginning of the period | 4,546 | 6,608 |
| Net profit for financial year | 2,463 | 3,524 |
| Dividend paid and proposed | (5,984) | (5,586) |
| Shareholders' funds – end of the period | <u>1,025</u> | <u>4,546</u> |

12. Directors' and secretary's interests

The directors and company secretary who held office at December 31, 2001 had no interests other than those shown below in the shares or debentures of group companies.

| | 2001 | 2000 |
|------------------------------------|----------|-------|
| | EUR '000 | |
| Ordinary shares in Commerzbank AG: | | |
| Dr Thomas Naumann | 145 | – |
| John Bowden | 495 | 305 |
| Hans D. Brammer | 1,945 | 1,800 |
| Stephan Wurm | 315 | 270 |
| Alan Fitzpatrick – Secretary | – | – |

13. Approval of financial statements

The financial statements were approved by the board of directors on April 22, 2002.

Taxation

Federal Republic of Germany

The following section gives a summary of the taxation of Fixed Rate Notes, Zero Coupon Notes and Floating Rate Notes (hereinafter: the Notes) as well as structured Notes. The tax treatment of structured Notes qualifying as financial innovations (*Finanzinnovationen*) (comprising, without limitation, step-up and step-down notes as well as notes in respect of which the interest rate, interest amount or redemption amount is to be determined by reference to an index and/or formula or an exchange rate ("Financial Innovations"), depends on the circumstances in the respective case.

Under current German law, withholding tax on payments can only be levied if

- (i) the payment is made by an entity as described under (i) below;
- (ii) the holder of the Notes or the Financial Innovation is subject to German taxation; and
- (iii) the consideration (in particular interest) granted to the holder of Notes or Financial Innovations is subject to German taxation.

The withholding tax amount is determined by

- (iv) the withholding tax base;
- (v) the applicable tax rate; and
- (vi) the accrued interest, if any, charged to the holder of Notes or Financial Innovations.

The withholding tax amount might be creditable within the tax assessment (vii). The capital income tax base for purposes of the tax assessment may deviate from the withholding tax base (viii).

- (i) Provided withholding tax is levied in accordance with the subsequent paragraphs, the withholding tax is to be withheld upon payment by
 - a German bank or financial institution (including a German branch of a foreign bank or financial institution but excluding a foreign branch of a German bank or financial institution) disbursing coupons, interest receivables or Zero Coupon Notes (1) if it acts as custodian or (2) if it does not act as custodian and disbursement is made against surrender of coupons or Zero Coupon Notes to a recipient other than a foreign bank or a foreign financial institution.
 - Commerzbank Aktiengesellschaft as Issuer of Notes or Financial Innovations if no German bank or financial institution acts as described under the oblique above unless the payment is made outside Germany.
- (ii) Holders of Notes or Financial Innovations are subject to German taxation if they are
 - resident in the Federal Republic of Germany (unlimited tax liability). This includes individuals having a residence or habitual abode in the Federal Republic of Germany and legal persons having their statutory seat or place of management in the Federal Republic of Germany
 - not resident in the Federal Republic of Germany (limited tax liability) to the extent the interest received from the Notes constitutes income from German sources (such as income effectively connected with a German trade or business, income from the letting and leasing of German property, etc.). Interest payments disbursed by a German bank or financial institution or the Issuer against surrender of coupons, if any, or Zero Coupon Notes (over the counter transaction) to a recipient other than a foreign bank or financial institution are subject to German limited tax liability unless the German bank or financial institution or the Issuer acts as custodian. However, a double taxation agreement might provide for a tax exemption. In this case, withholding tax withheld is refundable upon application.
- (iii) Considerations for the holder of the Notes or Financial Innovations in return for permitting the Issuer the use of the principal are subject to taxation if the repayment of a minimum principal amount is promised or granted. This also applies to interest payments
 - deriving from a subordinated Note,
 - step-up or step-down Notes,

- limited by a cap or guaranteed by a floor provided such cap or floor or both does not depend on the profit of an enterprise subject to a deviating German tax regime,
- changing from a fixed to a floating rate after a period of time (or vice versa).

Payments of principal on the Notes are not subject to German taxation.

Provided no repayment of principal or consideration is promised or granted, payments on Financial Innovations are only subject to taxation if the prerequisites of speculative capital gains (in particular a holding period of one year or less) are met. However, this would not trigger withholding tax. With regard to Financial Innovations covering both, capital gains and interest income, a split-up of payments related to capital gains and related to interest might be possible or required depending on the circumstances.

- (iv) Provided the holders of Notes or Financial Innovations and the payments are subject to taxation in accordance with (i), (ii) and (iii), withholding tax will be triggered by payments made upon maturity and by payments made before maturity. With regard to
- Fixed Rate Notes and Floating Rate Notes, the withholding tax base of a payment made upon maturity of a coupon or interest receivable is likely to be determined by the amount of such payment (and/or the balance of the disposal proceeds and/or the acquisition costs). Withholding tax will also be levied on holders of Fixed Rate Notes and Floating Rate Notes disposing of
 - (1) coupons or interest receivables without the underlying Note, in which case the withholding tax base is determined by the proceeds deriving from the alienation of the coupons or interest receivables;
 - (2) coupons or interest receivables together with the underlying Note provided the accrued interest is charged separately, in which case the withholding tax base is determined by the interest amount separately charged;
 - (3) price, where the withholding tax base is determined by the balance of the disposal proceeds or redemption amount and the issue price or acquisition costs, so called *Marktrendite*. If the Notes are denominated in other currencies than Euro, the balance will be firstly calculated in such other currency and then converted into Euro. If the Notes are disposed of or redeemed after a transfer from a securities deposit account kept with another bank, the withholding tax base will be determined as 30 % of the disposal or redemption proceeds.
 - (4) coupons or interest receivables together with the underlying Note provided the accrued interest is not charged separately, in which case the withholding tax base is determined on the same basis as described in (3) above.
 - Zero Coupon Notes, the withholding tax base is determined by the balance of the redemption price on maturity (or the pre-mature redemption price in case of an early redemption by the Issuer) and the issue price (withholding tax base), so-called *Marktrendite*. In case of disposal of Zero Coupon Notes prior to maturity the withholding tax base is determined by the balance of the disposal proceeds and the issue price (or the acquisition costs). If the Notes are disposed of or redeemed after a transfer from a securities deposit account kept with another bank, the withholding tax base will be determined as 30 % of the disposal or redemption proceeds.
- (v) To the extent, withholding tax has to be withheld the withholding tax rate amounts to 30 % plus a solidarity surcharge of 5.5 % of the withholding tax base. The overall deduction therefore amount to 31.65 % of the tax base. In case of an over the counter transaction, the overall deduction amounts to 35 % plus a solidarity surcharge of 5.5 % of the withholding tax base (equal to an overall deduction of 36.925 %).
- (vi) The withholding tax amount may be reduced by the German bank or financial institution or the Issuer to the extent the bank, financial institution or the Issuer separately charged accrued interest to a holder of Notes in the respective year of the disbursement of the coupon or interest receivable, unless the interest payments are made against surrender of the coupons (over the counter transaction) to a recipient other than a foreign bank or financial institution.

- (vii) Holders of Notes or Financial Innovations subject to unlimited tax liability are entitled to credit the withholding tax within their tax assessment. The same holds true for holders of Notes or Financial Innovations subject to limited tax liability if the interest income is effectively connected with a German branch.
- (viii) With regard to the determination of the tax base for capital income within the tax assessment, it has to be taken into consideration that in case of a pre-mature alienation or redemption of the Notes, the tax base for the determination of the capital income deriving from Notes (other than Floating Rate Notes and potentially Financial Innovations) may be calculated on the basis of the issuing yield (so-called *Emissionsrendite*) in advance which may potentially deviate from the above withholding tax base if a holder of Notes furnishes proof for the issuing yield which is at his discretion.

Ireland

Taxation of Income

In general, persons who are either resident or ordinarily resident in Ireland are liable to Irish taxation on their worldwide income whereas persons who are neither resident nor ordinarily resident in Ireland are only liable to Irish taxation on their Irish source income. Since the Irish Finance Act, 1988 there is a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

It is possible that Notes issued by COF would be regarded as property situated in Ireland on the grounds that a debt is situated where the debtor resides. If this proved to be the case, interest and discount earned on such Notes would be regarded as Irish source income. Accordingly, pursuant to general Irish tax rules, a non-resident in receipt of such income would be technically liable to Irish income tax.

Where COF pays interest in the ordinary course of carrying on "relevant trading operations" (within the meaning of section 446 of the Taxes Consolidation Act, 1997), that interest will be exempt from Irish tax where it is received by a company not resident in Ireland (provided that that company does not carry on a trade in Ireland through a branch of agency) or by a person not ordinarily resident in Ireland. Interest paid by COF after December 31, 2002 (i.e. the date on which COF will cease to carry on relevant trading operations) will continue to be exempt from Irish income tax where it is received by such a person provided that the interest is paid in respect of a Note issued by COF in the course of carrying on relevant trading operations before that date and provided the terms of the Note oblige COF to redeem it within 15 years after the date on which it was issued.

Withholding Taxes

In general, withholding tax at the standard rate (currently 20%) must be deducted from interest payments made by an Irish resident company. However, Section 246 of the Taxes Consolidation Act, 1997 (Section 246) provides that this general obligation to withhold tax does not apply where the interest is paid by a company in the course of carrying on relevant trading operations or where it is paid after December 31, 2002 in respect of Notes issued before that date where those Notes were issued by COF in the course of carrying on relevant trading operations and where those Notes require to be redeemed within 15 years of their issue.

Apart from Section 246, Section 64 Taxes Consolidation Act, 1997 (Section 64) provides for the payment of interest on "Eurobonds" without deduction of tax in certain circumstances. A Eurobond is defined in Section 64 as a security which:

- (i) is issued by a company;
- (ii) is quoted on a recognised Stock Exchange (the Frankfurt and Luxembourg stock exchanges are so recognised);
- (iii) is in bearer form; and

(iv) carries a right to interest.

There is no obligation to withhold tax on Eurobonds where:

- (a) the person by or through whom the payment is made is not in Ireland; or
- (b) the payment is made by or through a person in Ireland; and either
 - (i) the Eurobond is held in a recognised clearing system (the Irish Authorities have, by order, designated Euroclear and Clearstream Banking, société anonyme as recognised clearing systems); or
 - (ii) the person who is the beneficial owner of the Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate declaration to this effect.

The Finance Act 1999 introduced an additional exemption from withholding tax. This exemption applies to interest paid by a company or a collective investment undertaking in the ordinary course of its trade or business to a company that is resident in a Member State of the European Union (other than Ireland) or in a country with which Ireland has a double tax treaty. This exemption will not apply if the company receiving the interest carries on a trade or business in Ireland through a branch or agency with which the interest is connected.

Capital Gains Tax

Noteholders who are resident or ordinarily resident in Ireland may be liable to Irish capital gains tax on chargeable gains resulting from the disposal or redemption of the Notes. A Noteholder who is neither resident nor ordinarily resident in Ireland may also be liable to Irish capital gains tax on the disposal or redemption of the Note where the Noteholder carries on a trade in Ireland through a branch or agency to which the Notes are attributable.

Stamp Duty

In general the issue of Notes is not liable to Irish stamp duty.

The transfer by delivery of bearer Notes is not liable to Irish stamp duty. If however, a written instrument of transfer of either bearer or non-bearer Notes is executed then there would be Irish stamp duty payable if:

- (a) the instrument is executed in Ireland or
- (b) it relates to property situated in Ireland or anything done or to be done in Ireland.

As noted above, it is possible that a Note issued by COF would be regarded as property situated in Ireland. However, a written transfer of either a bearer or non-bearer Note in whatever currency denominated will not attract stamp duty where the Notes:

- (i) do not carry a right of conversion into stocks or marketable securities (other than loan capital) of a company having a register in Ireland or into loan capital having such a right;
- (ii) do not carry rights of the same kind as shares in the capital of a company, including rights such as voting rights, a share in the profits or a share in the surplus upon liquidation;
- (iii) are redeemable within thirty years of the date of issue and not thereafter;
- (iv) are issued for a price which is not less than 90 % of its nominal value; and
- (v) do not carry a right to a sum in respect of repayment or interest which is related to certain movement in an index or indices specified in any instrument or other document relating to the Notes.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to Irish capital acquisitions tax if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or

ordinarily resident in Ireland (or, in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) the Notes are Irish situated property.

Notes issued by COF may be regarded as property situated in Ireland.

Netherlands Antilles

I. Withholding Tax

All payments under the Notes may be made free of withholding or deduction of, for or on account of any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands Antilles or any political subdivision or taxing authority thereof or therein.

II. Taxes on Income and Capital Gains

- (a) An individual holder of Notes will not be subject to any Netherlands Antilles taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain realized on the sale, redemption, exchange or conversion of the Notes, provided that:
 - (i) such holder is neither resident nor deemed to be resident in the Netherlands Antilles; and
 - (ii) such holder does not have an enterprise or a profession or an interest in an enterprise or profession that is, in whole or in part, carried on in the Netherlands Antilles by or for the account of such holder, and to which enterprise or profession or part of an enterprise or profession, as the case may be, the Notes are attributable.
- (b) A holder of Notes, which has been organized as a company limited by shares (“naamloze vennootschap”) under the laws of the Netherlands Antilles, which is subject to the provisions of articles 8A, 8B, 14 and 14A of the Profit Tax Ordinance 1940, will not be subject to any Netherlands Antilles taxes on capital gains realized on the sale, redemption, exchange or conversion of the Notes.
- (c) A holder of Notes which has not been organized under the laws of the Netherlands Antilles, will not be subject to any Netherlands Antilles taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain realized on the sale, redemption, exchange or conversion of the Notes, provided that:
 - (i) such holder is neither resident nor deemed to be resident in the Netherlands Antilles; and
 - (ii) such holder is not engaged in trade or business in the Netherlands Antilles through a permanent establishment or representative.

III. Gift, Estate and Inheritance Taxes

No gift, estate or inheritance taxes will arise in the Netherlands Antilles with respect to an acquisition of Notes by way of gift by, or on the death of a holder of Notes who is neither resident nor deemed to be resident in the Netherlands Antilles. A holder of Notes will not be deemed to be resident in the Netherlands Antilles by reason only of the holding of Notes.

IV. Turnover Tax

No Netherlands Antilles turnover tax (“Belasting op Bedrijfsomzetten”) or similar tax will be levied from the Issuer on payments by the Issuer of principal, premium and interest on the Notes or by reason only of the execution, delivery and/or enforcement of the Documents by the Issuer.

V. Other Taxes and Duties

No Netherlands Antilles registration tax, custom duty, transfer tax, stamp duty or any similar documentary tax or duty, other than court fees, will be payable in the Netherlands Antilles in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings of the Documents or the Notes or the performance by the Issuer of its obligations thereunder, provided these actions take place outside the Netherlands Antilles, with the exception of stamp tax amounting to not more than NAFL 10 (U.S.\$ 5.60) per page of document and registration tax of NAFL 5 (U.S.\$ 2.80) per document which are payable in case of registration in the Netherlands Antilles of the Notes and/or the Documents or if such documents are brought into the courts of the Netherlands Antilles.

A holder of Notes will not incur or become liable for any registration tax, custom duty, transfer tax, stamp duty or any other similar documentary tax or duty by reason only of the acquisition, ownership or disposal of the Notes.

Proposed EU Directive on the Taxation of Savings Income

On December 13, 2001 the Council of the European Union approved a new draft directive regarding the taxation of savings income. It is proposed that each EU Member State under its domestic law requires paying agents (within the meaning of the directive) established within its territory to provide to the competent authority of its EU Member State of establishment details of the payment of interest (within the meaning of the directive) to an individual resident in another EU Member State. The competent authority of the EU Member State of the paying agent shall then communicate this information to the competent authority of the EU Member State of which the recipient is a resident. The proposed directive is to be implemented by the Member States by January 1, 2004. However, for a transitional period of seven years Austria, Belgium and Luxembourg may opt instead to withhold tax from such payments. During the first three years after the directive has come into force tax will have to be withheld by these Member States at a rate of 15 % and thereafter of 20 %. It is envisaged that the Council of the European Union will decide on a final text of the directive no later than December 31, 2002. However, since the implementation of the proposal is subject to certain non EU Member States and associated territories and dependencies of EU Member States also agreeing to supply information or imposing a withholding tax it is currently not possible to predict whether, when, or in what form the proposal will ultimately be adopted.

Holders who are individuals should note that, if this proposal is adopted, the Issuer will not pay additional amounts under § 6 of the Terms and Conditions of the Notes in respect of any withholding tax imposed as a result thereof.

THE FOREGOING SUMMARY DOES NOT DISCUSS ALL TAXATION ASPECTS IN THE FEDERAL REPUBLIC OF GERMANY, IRELAND AND THE NETHERLANDS ANTILLES THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF NOTES OR FINANCIAL INNOVATIONS IN LIGHT OF ITS PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE HOLDERS OF NOTES OR FINANCIAL INNOVATIONS SHOULD CONSULT THEIR OWN TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF PURCHASING, HOLDING AND DISPOSING OF NOTES OR FINANCIAL INNOVATIONS, INCLUDING THE APPLICATION AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN THE RESPECTIVE TAX LAWS.

Selling Restrictions

1. United States of America

1.1 The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U. S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has offered and sold the Notes of any Series of Notes, and agrees that it will offer and sell the Notes of any Series of Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after completion of the distribution of such Series of Notes as determined, and such completion is notified to each relevant Dealer, by Commerzbank Aktiengesellschaft or, in the case of a Syndicated Issue, the Lead Manager, only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has agreed to notify Commerzbank Aktiengesellschaft or, in the case of a Syndicated Issue, the Lead Manager when it has completed the distribution of its portion of the Notes of any Series of Notes so that Commerzbank Aktiengesellschaft or, in the case of a Syndicated Issue, the Lead Manager may determine the completion of the distribution of all Notes of that Series of Notes and notify the other relevant Dealers of the end of the distribution compliance period. Each Dealer agrees that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U. S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of this tranche of Securities as determined, and notified to the relevant Dealers, by the [Issuer/Lead Manager], except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Terms used in this paragraph have the meanings given to them by Regulation S.

1.2 For Notes which are subject to TEFRA D the following shall apply:

In addition, except with respect to Notes for which the relevant Dealer and the relevant Issuer agree, provided that such transaction is in accordance and compliance with applicable laws, that the following restrictions shall not apply, each Dealer has represented:

1.2.1 except to the extent permitted under U. S. Treas. Reg. § 1.163-5(c)(2)(i)(D) (the “**D Rules**”):

- (i) it has not offered or sold, and during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person; and
- (ii) it has not delivered and has agreed that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

1.2.2 it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D rules;

1.2.3 if it is a United States person, it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U. S. Treas. Reg. § 1.163-5(c)(2)(i)(D)(6); and

1.2.4 with respect to each affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period, it either (a) repeats and confirms the representations contained in Clauses 1.2.1, 1.2.2 and 1.2.3 on behalf of such affiliate or (b) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in Clauses 1.2.1, 1.2.2 and 1.2.3.

Terms used in this paragraph have the meanings given to them by the U. S. Internal Revenue Code and regulations thereunder, including the D Rules.

Each Dealer has represented that it has not entered into and will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S) with respect to the distribution of Notes, except to its affiliates or with the prior written consent of the Relevant Issuer.

1.3 For Notes which are subject to TEFRA C the following shall apply:

In addition, under U. S. Treas. Reg. §.1.163-5(c)(2)(i)(C) (the “**C Rules**”), Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each Dealer has represented and agreed that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of Notes in bearer form, it has not communicated, and shall not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possession or otherwise involve its U. S. office in the offer or sale of Notes in bearer form. Terms used in this paragraph have meanings given to them by the U. S. Internal Revenue Code and regulations thereunder, including the C Rules.

1.4 An issuance of index-, commodity- or currency-linked Notes may be subject to such additional U. S. selling restrictions as the relevant Dealer(s) may agree with the relevant Issuer as a term of the issuance and purchase or, as the case may be, subscription of such Notes. Each Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U. S. selling restrictions.

2. United Kingdom

Each Dealer represented, warranted and agreed that:

2.1 in relation to Notes which have a maturity of one year or more, it has not offered or sold and, prior to the expiry of a period of six months from the issue date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;

2.2 it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

2.3 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of such Notes in circumstances in which section 21(1) of the FSMA does not, or would not, if it was not an authorised person, apply to the Issuer or the Guarantor; and

2.4 in relation to any Notes issued by COF which have a scheduled maturity of less than one year from the date of their issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons

(i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or

(ii) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses

where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer.

3. Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell any Notes in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Securities and Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, “**resident of Japan**” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

4. Federal Republic of Germany

Each Dealer has represented and agreed that it has only offered and sold and will only offer and sell Notes in the Federal Republic of Germany in accordance with the provisions of the Securities Sales Prospectus Act of 13 December 1990, as amended (*Wertpapier-Verkaufsprospektgesetz*) and any other laws applicable in the Federal Republic of Germany governing the issue, sale and offering of securities. Any resale of Notes in the Federal Republic of Germany may only be made in accordance with the provisions of the Securities Sales Prospectus Act and any other laws applicable in the Federal Republic of Germany governing the sale and offering of securities.

5. Netherlands Antilles

Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes, directly or indirectly, to residents of the Netherlands Antilles other than to persons who, under the Netherlands Antilles Foreign Exchange Control regulations have a special license to purchase Notes or have non-resident status.

6. Ireland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in Ireland any Notes other than (i) to persons (x) whose ordinary business it is to buy or sell shares or debentures whether as principal or agent and (y) to whom such offer or sale is made in the context of their trades, professions or occupations and (ii) in accordance with Part XII of the Companies Act, 1963 (as amended) of Ireland.

7. General

Each Dealer has acknowledged that no representation is made by any of the Issuers, the Guarantor or any Dealer that any action has been or will be taken in any jurisdiction by any of the Issuers, the Guarantor or any Dealer that would permit a public offering of the Notes, or possession or distribution of the Information Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required. Each Dealer will (to the best of its knowledge after due and careful enquiry) comply with all applicable securities laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Information Memorandum or any other offering material, in all cases at its own expense.

General Information

1. Listing

In connection with the application to list the Notes under the Programme on the Luxembourg Stock Exchange, the Articles of Association of the Issuers and the legal notice relating to the issue of the Notes have been registered with the Registrar of the District Court in Luxembourg (*Greffier en Chef du Tribunal d'Arrondissement de et a Luxembourg*) where such documents may be examined and copies thereof may be obtained upon request.

The Luxembourg Stock Exchange has allocated to the Programme the N° 9256 for listing purposes.

2. Material Change

Save as disclosed herein, there has been no material adverse change in the financial position of Commerzbank Aktiengesellschaft, since March 31, 2002 and of COF since December 31, 2001.

3. Documents and Agreements

So long as any of the Notes remains outstanding, copies of the Articles of Association and financial statements of the Issuers and the Guarantor in respect of the financial years ended December 31, 2001, all future annual financial statements of the Issuers and all future annual and interim financial statements (as of March 31, June 30 and September 30) of the Guarantor and any supplements to this Information Memorandum and the documents incorporated herein and therein by reference can be obtained from, and copies of the Second Supplemental Agency Agreement and the Second Supplemental Dealer Agreement each dated July 1, 2002 will be available for inspection at the offices for the time being of the Paying Agent in Luxembourg and Frankfurt am Main. COF does not publish interim financial statements.

4. Paying Agent

As long as the Notes are listed on the Luxembourg and/or Frankfurt Stock Exchange, a Paying Agent will be maintained in Luxembourg and/or Frankfurt am Main accordingly.

5. Authorisations

The establishment of the amended and restated Programme and the issue of each Series of Notes under the Programme has been duly authorised by resolutions of the Board of Managing Directors of Commerzbank of June 1, 1999 and of the Board of Managing Directors of COF of June 27, 2002.

6. Clearing Systems

The Notes have been accepted for clearance through Clearstream Banking AG, Clearstream Banking, société anonyme and Euroclear Bank S.A./N.V.

Frankfurt am Main, in July 2002

COMMERZBANK
AKTIENGESELLSCHAFT

Curaçao, in July 2002

COMMERZBANK OVERSEAS
FINANCE N.V.

Aufgrund dieses Unternehmensberichtes sind unter dem

**€ 25 000 000 000,-
Medium Term Note Programme**

der

COMMERZBANK AKTIENGESELLSCHAFT
Frankfurt am Main · Bundesrepublik Deutschland

COMMERZBANK OVERSEAS FINANCE N.V.
Curaçao · Niederländische Antillen

**zu begebende Schuldverschreibungen gemäß § 65 Börsenordnung in Verbindung mit
§ 44 Börsenzulassungs-Verordnung zum Geregelter Markt
an der Frankfurter Wertpapierbörse zugelassen worden.**

Frankfurt am Main, im Juli 2002

COMMERZBANK
AKTIENGESELLSCHAFT

Address List

1. Issuers

Commerzbank Aktiengesellschaft
Attn.: ZTD/Treasury
Kaiserplatz
60261 Frankfurt/Main
Federal Republic of Germany

Commerzbank Overseas Finance N.V.
De Ruyterkade 62
Willemstad, Curaçao
Netherlands Antilles

2. Guarantor

Commerzbank Aktiengesellschaft
Attn.: ZBS
Kaiserplatz
60261 Frankfurt/Main
Federal Republic of Germany

3. Arranger

Commerzbank Aktiengesellschaft
Attn.: ZTD/Treasury
Kaiserplatz
60261 Frankfurt/Main
Federal Republic of Germany

4. Issuing Agent

Commerzbank Aktiengesellschaft
Attn.: ZG0 IB 1.4.1 Neuemissionen
Kaiserplatz
60261 Frankfurt/Main
Federal Republic of Germany

5. Dealers

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB

Commerzbank Aktiengesellschaft
Kaiserplatz
60261 Frankfurt/Main
Federal Republic of Germany

London Branch
60 Gracechurch Street
London EC3V 0HR
United Kingdom

HSBC Bank plc
Thames Exchange
10 Queen Street Place
London EC4R 1BQ
United Kingdom

J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ
United Kingdom

Morgan Stanley & Co. International Limited
Canary Wharf
25 Cabot Square
London E14 4QA
United Kingdom

National Australia Bank Limited
Level 27, One Pacific Place
88 Queensway
Hong Kong

Salomon Brothers International Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

UBS AG,
acting through its business group UBS Warburg
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

6. Legal Advisors

(to the Dealers as to German law)

Linklaters Oppenheim & Rädler
Mainzer Landstrasse 16
60325 Frankfurt/Main
Federal Republic of Germany

(to the Dealers as to Netherlands Antilles law)

Smeets Thesseling van Bokhorst
Koninginnegracht 29
2514 AB The Hague
The Netherlands

7. Paying and Listing Agents

(on the Frankfurt Stock Exchange)

Commerzbank Aktiengesellschaft
Kaiserplatz
60261 Frankfurt/Main
Federal Republic of Germany

(on the Luxembourg Stock Exchange)

Commerzbank International S.A.
11, rue Notre-Dame
2013 Luxembourg
Luxembourg