

***interim report  
as of june 30, 2002***

**COMMERZBANK** 



## highlights of commerzbank group

	1.1.–30.6.2002	1.1.–30.6.2001
<b>Income statement</b>		
Pre-tax profit (€ m)	178	569
Net profit (€ m)	74	302
Earnings per share (€)	0.14	0.56
After-tax return on equity <sup>1)</sup> (%)	1.3	5.2
Cost/income ratio before provisioning (%)	78.5	76.4
	<b>30.6.2002</b>	<b>31.12.2001</b>
<b>Balance sheet</b>		
Balance-sheet total (€ bn)	487.5	501.3
Risk-weighted assets according to BIS (€ bn)	199.3	203.6
Equity (€ bn)	10.4	11.8
Own funds (€ bn)	21.9	23.6
	<b>30.6.2002</b>	<b>30.6.2001</b>
<b>BIS capital ratios</b>		
Core capital ratio (% , excluding market-risk position)	6.2	6.2
Core capital ratio (% , including market-risk position)	5.9	6.0
Own funds ratio (%)	10.5	10.3
	<b>30.6.2002</b>	<b>30.6.2001</b>
<b>Commerzbank share</b>		
Number of shares outstanding <sup>2)</sup> (million units)	531.6	540.0
Share price (€, 1.1.–30.6.) high	21.50	33.60
low	14.75	28.02
Book value per share (€)	19.64	23.24
Market capitalization (€ bn)	8.2	16.2
	<b>30.6.2002</b>	<b>30.6.2001</b>
<b>Staff</b>		
Germany	30,462	32,331
Abroad	7,555	7,736
Total	38,017	40,067
	<b>30.6.2002</b>	<b>30.6.2001</b>
<b>Short/long-term rating</b>		
Moody's Investors Service, New York	P-1/A1	P-1/AA3
Standard & Poor's, New York	A-1/A	A-1/A+
Fitch IBCA, London	F1/A	F1/A+

1) annualized; 2) after deduction of treasury shares

The figures contained in this report are unaudited.



## **interim report as of june 30, 2002**

### **To our shareholders**

At mid-year, the picture of a worldwide economic recovery is still rather clouded. GDP has certainly overcome last year's weakness. In Western Europe, economic performance has even managed to gather a little momentum. However, the dramatic collapse of equity prices and the marked appreciation of the euro are weighing upon the mood of business. All in all, though, the fall of prices on the stock market does not herald a renewed slide into recession. Rather, it is the expression of an ongoing revaluation and at the same time the consequence of a serious undermining of investors' confidence, which originated in the United States. A stabilizing influence is being exerted by low long-term interest rates and the fact that central banks on both sides of the Atlantic have postponed their plans to raise interest rates.

A mild economic recovery will not be felt before the final quarter. A more confident mood, which is needed for rising equity prices, will also depend upon the reforms to be expected after the German elections.

### **Slight decline in the Commerzbank Group's balance-sheet total**

The balance-sheet total of the Commerzbank Group contracted by just under 3% to €487.5bn in the first six months of this year. Claims on banks and on customers were each reduced by more than €8bn, whereas the assets held for dealing purposes expanded by €7.7bn. On the funding side, interbank borrowing was almost €10bn higher, while customers' deposits fell by €8.6bn. Securitized liabilities shrank by a sizeable €22bn.

The Bank's equity contracted by 11.2% to €10.44bn; the main factor here, apart from the distribution of the consolidated profit in May, was the volatility of the new IAS 39 items. At mid-year, the revaluation reserve showed a minus of €640m, as against a plus of €189m at end-2001. The reserve from the measurement of cash flow hedges was €144m lower at -€541m, and the reserve from cur-

rency translation €123m lower at -€9m. At the same time, the portfolio of treasury shares, which is deducted directly from subscribed capital and the capital reserve, expanded somewhat and registered a minus of €83m.

### **Overall conditions remain difficult**

In view of the further deterioration of the overall conditions in the second quarter, negative sentiment on German and international stock markets and rising insolvency figures in Germany, we failed to achieve our targets that were based on better premises. Against this background and given a strong increase in provisioning, we are not dissatisfied with the pre-tax profit of €178m achieved in the first half of the year. We are satisfied with the development of costs, as our austerity measures are taking a hold. We set about systematically reducing our costs at a very early point, namely in the second quarter of last year. The success is now becoming obvious. We managed to cut spending substantially not only in a year-on-year comparison, but also compared with the previous quarter.

Net interest income in the first half of the year was down 5.5%, to €1.73bn, compared with the same period in 2001. The second quarter was weaker than the first – not least on account of the sharp appreciation of the euro, which knocked just over €30m off our earnings. While the mortgage banks continue to register persistent pressure on their average margins, there was a further slight improvement in the margins in corporate business.

We earmarked €308m for provisioning purposes in the second quarter, which was €54m more than in the first three months. Given the continuing weakness of economic activity, we expect further insolvencies. Experience has shown that the wave of insolvencies does not peak until the early phase of the upswing; this year, therefore, no easing is in sight for risk provisioning. As a bank with nationwide operations in Germany, we will not remain unscathed by the general development, even despite our well-functioning risk management.



### Commissions and trading profit hit by poor bourse sentiment

Net commission income reflected the situation in the financial markets; it was 7.2% lower than a year earlier at €1.13bn. Here too, the second quarter was slightly weaker than the first. All the same, thanks to considerable success with sales of our open-ended property fund Haus-Invest, we managed to contain the decline in commission income from securities business. We achieved increases in foreign commercial business and payments.

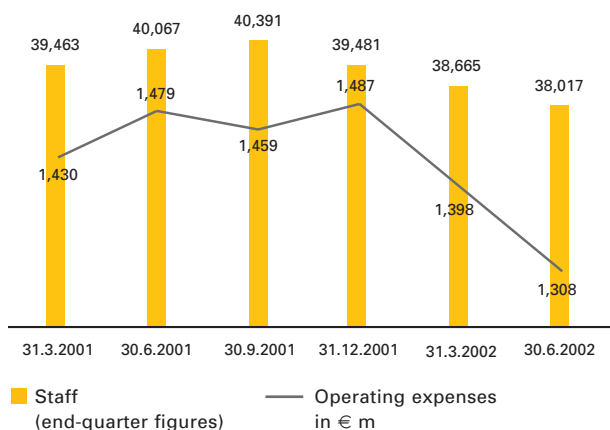
The net result on hedge accounting improved strongly in the second quarter to €51m. In the first three months, we registered a negative balance of €32m for this item.

In the first half of 2002, our trading profit sank by almost 31% to €417m in a year-on-year comparison. €313m of this amount was earned in the first quarter and €104m in the second. There was a sharp decline in the contribution from dealing in equities and other price risks, whereas we improved our result by just over a third in interest-rate risks. The result on dealing in foreign exchange and precious metals was practically 17% lower, but the previous year had been an especially successful one.

In the first half of the year, our net result on the investments and securities portfolio fell 15% short of its year-earlier level. While we earned €92m in the first three months, the second quarter produced a much lower figure of €60m. Up to now, we have not disposed of any major blocks of shares; write-downs on two equity participations had a negative impact in May.

### Cost-cutting offensive makes an impact

Commerzbank Group



### Effects of austerity measures felt

While we cannot be satisfied with our earnings, which declined by €594m overall to €2.88bn, a look at the cost side reveals a different picture. The fall in operating expenses became even stronger during the second quarter; after almost €1.4bn in the first three months, they sank to €1.3bn. All in all, therefore, after six months they were 7% lower than last year and better than their budgeted level. We expect to be able to achieve our target of limiting operating expenses to €5.5bn at most in 2002.

Personnel expenses fell by 5.4% in a year-on-year comparison. We are registering good progress with staff reductions; these are being realized through mutual agreements to terminate contracts, recourse to early retirement and part-time work schemes for older staff, and also by making use of the natural turnover of personnel. All told, the Commerzbank Group's workforce has shrunk by 1,464 to 38,017 so far this year. At end-June, we were even employing 2,050 fewer people than in mid-2001. We were able to reduce other operating expenses by almost 14% to €925m. The sole increase related to depreciation on office furniture and equipment and real estate; following sizeable investment in recent years, it rose further, by 9.4%, to €315m.

Our other operating result per June 30 shows a minus of €5m, compared with -€37m a year earlier. Among other things, this item includes amortization of goodwill to the tune of €57m, which is required under IAS rules.

### Pre-tax profit of €178m

The balance of all income and expense items yields a pre-tax profit of €178m for the first six months of this year, 69% less than in the first half of 2001. While we earned €153m in the first three months, the figure for the second quarter was only €25m. After taxes and the profits and losses attributable to minority interests have been deducted, a net profit of €74m remains for the first half of 2002, compared with €302m a year previously. This translates into earnings per share of €0.14 as against €0.56.

### Uneven development

There were considerable differences between the contributions of the various business lines to the Group's results in the second quarter. Retail banking, which fared well in a difficult environment, deserves



a special mention. comdirect bank was no longer a burden, and the decline in expenses was greater than that in income. Compared with the first half of 2001, the result was €89m higher.

Our asset management is currently being re-organized. Its better performance in the second quarter shows that we have adopted the right course. However, this business line continues to be weighed down by the amortization of goodwill at subsidiaries, which means that its operating result is still negative. Thanks to its high level of profit contributions from business passed on, though, asset management achieved a return on equity of no less than 19.3% in the second quarter.

The corporate customers and institutions segment continues to be the most important pillar of earnings. Even though its net interest and commission income was slightly lower than in the first three months, expenses could be cut by more than 10%. In the second quarter, we achieved a return on equity of 9.3% with a cost/income ratio of 43.6%.

In the securities segment, we clearly missed our earnings targets for the first half of the year. While savings were realized on personnel expenses, the other operating costs at head office were higher, which meant that overall administrative expenses could be cut by only €6m in a year-on-year comparison to €457m.

The treasury department, where we achieved a return on equity of 33.3% in the second quarter, con-

tinues to give us cause for satisfaction. However, it was not quite possible to maintain the high level of the first three months.

The mortgage banks suffered as a result of the persistent pressure on margins and higher provisioning; all told, their earnings practically halved from the first quarter. This pushed their return on equity down to no more than 8.3% in the second quarter, compared with 20.2% in the first three months.

Overall, we achieved a completely unsatisfactory return on equity of 1.3% at Group level in the first half of 2002 with a cost/income ratio of 78.5%, which is too high.

#### €700m in tax-exempt income from Rheinhyp

The integration of Rheinhyp into the new Eurohypo AG will generate tax-exempt income of around €700m, probably in the third quarter. From this amount, possible commitments arising from guarantees for Rheinhyp's loan portfolio have already been deducted. It represents a substantial bolster for the rest of the year.

It will be very hard to realize the pre-tax operating profit of between €700m and €800m, which is our target for 2002 as a whole. However, only if our efforts are supported by a far more positive market environment, do we still consider it possible to achieve this goal.

Our highest priority is to return to a satisfactory level of profitability.

Frankfurt am Main, August 2002  
The Board of Managing Directors

The image shows eight handwritten signatures arranged in two rows of four. The top row signatures are: 'Auer', 'P. Blumig', 'M. Altmann', and 'Hartmann'. The bottom row signatures are: 'de Maizière', 'H. P.', 'P. ...', and '...'. The signatures are in black ink on a white background.



## Declaration of compliance with the International Accounting Standards (IAS) and German Accounting Standard no. 6 (GAS 6)

### Accounting principles

Within the Commerzbank Group, we make use of the exemption granted under Art. 292a, German Commercial Code – HGB for our consolidated financial statements. The present interim report was prepared pursuant to IAS 34 for the Commerzbank Group as of June 30, 2002, in accordance with the IASs published by the International Accounting Standards Board (IASB) and with their interpretation by the Standing Interpretations Committee (SIC). The same accounting and measurement methods were employed in preparing this interim report and in calculating the comparable year-earlier figures as for the 2001 consolidated financial statements and in the corresponding year-ago period.

Deviating from the interim report as of June 30, 2001, we have adjusted the comparable figures for the first half of 2001 to the information provided in our 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

In the second quarter of 2002, European Bank for Fund Services GmbH, Haar near Munich, was consolidated for the first time. This change had only a minor impact on the Group's assets and financial position and earnings performance.

## consolidated income statement

	Notes	1.1.–30.6.2002 € m	1.1.–30.6.2001 € m	Change in %
Net interest income	(1)	1,734	1,834	-5.5
Provision for possible loan losses	(2)	-562	-329	70.8
Net interest income after provisioning		1,172	1,505	-22.1
Net commission income	(3)	1,129	1,216	-7.2
Net result on hedge accounting		19	13	46.2
Trading profit	(4)	417	602	-30.7
Net result on investments and securities portfolio	(5)	152	179	-15.1
Other operating result	(6)	-5	-37	-86.5
Operating expenses	(7)	2,706	2,909	-7.0
<b>Profit from ordinary activities</b>		<b>178</b>	<b>569</b>	<b>-68.7</b>
Extraordinary profit		-	-	-
<b>Pre-tax profit</b>		<b>178</b>	<b>569</b>	<b>-68.7</b>
Taxes on income		58	212	-72.6
<b>After-tax profit</b>		<b>120</b>	<b>357</b>	<b>-66.4</b>
Profit/loss attributable to minority interests		-46	-55	-16.4
<b>Net profit</b>		<b>74</b>	<b>302</b>	<b>-75.5</b>



In order to calculate basic earnings per share, the net profit of €74m (30.6.2001: €302m) for the period under review is divided by the average number of shares outstanding during this period of 536.7m (30.6.2001: 535.7m).

	1.1.–30.6.2002	1.1.–30.6.2001
	€	€
Basic earnings per share	0.14	0.56

As in the year-ago period, no exercisable conversion or option rights were outstanding per June 30, 2002. Diluted earnings per share, therefore, correspond to basic earnings per share.

### Consolidated income statement (quarter-on-quarter comparison)

€ m	2 <sup>nd</sup> quarter	1 <sup>st</sup> quarter	4 <sup>th</sup> quarter	3 <sup>rd</sup> quarter	2 <sup>nd</sup> quarter	1 <sup>st</sup> quarter
	2002				2001	
Net interest income	861	873	888	859	929	905
Provision for possible loan losses	-308	-254	-356	-242	-177	-152
Net interest income after provisioning	553	619	532	617	752	753
Net commission income	554	575	482	569	603	613
Net result on hedge accounting	51	-32	35	15	11	2
Trading profit	104	313	537	58	290	312
Net result on investments and securities portfolio	60	92	114	-74	50	129
Other operating result	11	-16	-178	-5	19	-56
<i>Income</i>	<i>1,333</i>	<i>1,551</i>	<i>1,522</i>	<i>1,180</i>	<i>1,725</i>	<i>1,753</i>
Operating expenses	1,308	1,398	1,487	1,459	1,479	1,430
<b>Profit from ordinary activities before restructuring expenses</b>	<b>25</b>	<b>153</b>	<b>35</b>	<b>-279</b>	<b>246</b>	<b>323</b>
Restructuring expenses	-	-	282	-	-	-
<b>Profit from ordinary activities after restructuring expenses</b>	<b>25</b>	<b>153</b>	<b>-247</b>	<b>-279</b>	<b>246</b>	<b>323</b>
Extraordinary profit	-	-	-	-	-	-
<b>Pre-tax profit</b>	<b>25</b>	<b>153</b>	<b>-247</b>	<b>-279</b>	<b>246</b>	<b>323</b>
Taxes on income	6	52	-222	-104	92	120
<b>After-tax profit</b>	<b>19</b>	<b>101</b>	<b>-25</b>	<b>-175</b>	<b>154</b>	<b>203</b>
Profit/loss attributable to minority interests	-17	-29	16	-16	-28	-27
<b>Net profit</b>	<b>2</b>	<b>72</b>	<b>-9</b>	<b>-191</b>	<b>126</b>	<b>176</b>



## consolidated balance sheet

<b>Assets</b>		<b>30.6.2002</b>	<b>31.12.2001</b>	<b>Change</b>
	Notes	€ m	€ m	in %
Cash reserve		5,101	7,632	-33.2
Claims on banks	(9, 11)	54,549	63,392	-13.9
Claims on customers	(10,11)	211,730	220,315	-3.9
Provision for possible loan losses	(12)	-5,888	-5,648	4.2
Positive fair values from derivative hedging instruments		3,461	3,868	-10.5
Assets held for dealing purposes	(13)	103,479	95,826	8.0
Investments and securities portfolio	(14)	104,853	104,455	0.4
Intangible assets	(15)	1,456	1,484	-1.9
Fixed assets	(16)	3,159	3,374	-6.4
Tax assets		3,418	3,618	-5.5
Other assets	(17)	2,149	2,996	-28.3
<b>Total</b>		<b>487,467</b>	<b>501,312</b>	<b>-2.8</b>

<b>Liabilities and equity</b>		<b>30.6.2002</b>	<b>31.12.2001</b>	<b>Change</b>
	Notes	€ m	€ m	in %
Liabilities to banks	(18)	118,942	109,086	9.0
Liabilities to customers	(19)	107,812	116,398	-7.4
Securitized liabilities	(20)	168,443	190,670	-11.7
Negative fair values from derivative hedging instruments		5,184	5,381	-3.7
Liabilities from dealing activities	(21)	53,725	47,836	12.3
Provisions	(22)	2,798	3,356	-16.6
Tax liabilities		1,954	2,098	-6.9
Other liabilities	(23)	6,683	2,859	.
Subordinated capital	(24)	10,267	10,524	-2.4
Minority interests		1,221	1,344	-9.2
Equity of Commerzbank Group		10,438	11,760	-11.2
Subscribed capital		1,382	1,394	-0.9
Capital reserve		6,126	6,197	-1.1
Retained earnings		4,046	4,046	0.0
Revaluation reserve		-640	189	.
Measurement of cash flow hedges		-541	-397	-36.3
Reserve arising from currency translation		-9	114	.
2001 net profit <sup>1)</sup>		-	217	.
Net profit 1.1.-30.6.2002		74	-	.
<b>Total</b>		<b>487,467</b>	<b>501,312</b>	<b>-2.8</b>

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 six months of 2002:

€ m	Equity	Minority interests
<b>Equity as of 31.12.2000</b>	<b>12,523</b>	<b>1,233</b>
Effects of first-time application of IAS 39	1,095	-96
<b>Equity as of 1.1.2001</b>	<b>13,618</b>	<b>1,137</b>
Changes in 2001 financial year	-1,858	207
<b>Equity as of 31.12.2001</b>	<b>11,760</b>	<b>1,344</b>
Changes in the current financial year		
a) Subscribed capital	-12	-
Capital increases	-	-
Changes in treasury shares	-12	-
b) Capital reserve	-71	-
Capital increases	-	-
Changes in treasury shares	-71	-
c) Retained earnings	-	-
d) Net changes in revaluation reserve	-829	-99
e) Net changes arising from cash flow hedges	-144	-5
f) Reserve arising from currency translation	-123	-65
g) Dividend payment by Parent Bank	-217	-
h) Consolidated profit (1.1.-30.6.)	74	46
<b>Equity as of 30.6.2002</b>	<b>10,438</b>	<b>1,221</b>

## cash flow statement

€ m	2002	2001
<b>Cash and cash equivalents as of 1.1.</b>	<b>7,632</b>	<b>7,895</b>
Net cash provided by operating activities	-2,304	11,615
Net cash used by investing activities	251	-16,124
Net cash provided by financing activities	-483	1,221
<b>Total cash flow</b>	<b>-2,536</b>	<b>-3,288</b>
Effects of exchange-rate changes	5	6
<b>Cash and cash equivalents as of 30.6.</b>	<b>5,101</b>	<b>4,613</b>

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.-30.6.2002	1.1.-30.6.2001	Change
	€ m	€ m	in %
Interest income from lending and money-market transactions and also from available-for-sale securities portfolio	9,145	10,811	-15.4
Dividends from securities	60	48	25.0
Current result from investments, investments in associated companies and holdings in subsidiaries	141	96	46.9
Current income from leasing	149	176	-15.3
<i>Interest received</i>	<i>9,495</i>	<i>11,131</i>	<i>-14.7</i>
Interest paid for subordinated capital and other interest paid	7,638	9,146	-16.5
Current expenses from leasing	123	151	-18.5
<i>Interest paid</i>	<i>7,761</i>	<i>9,297</i>	<i>-16.5</i>
<b>Total</b>	<b>1,734</b>	<b>1,834</b>	<b>-5.5</b>

### (2) Provision for possible loan losses

	1.1.-30.6.2002	1.1.-30.6.2001	Change
	€ m	€ m	in %
Allocations	-748	-631	18.5
Reversals of provisions	197	311	-36.7
Balance of direct write-downs and amounts received on written-down claims	-11	-9	22.2
<b>Total</b>	<b>-562</b>	<b>-329</b>	<b>70.8</b>

### (3) Net commission income

	1.1.-30.6.2002	1.1.-30.6.2001	Change
	€ m	€ m	in %
Securities transactions	452	480	-5.8
Foreign commercial business and payment transactions	183	172	6.4
Guarantees	65	66	-1.5
Asset management	265	303	-12.5
Income from syndicated business	43	71	-39.4
Other net commission income	121	124	-2.4
<b>Total</b>	<b>1,129</b>	<b>1,216</b>	<b>-7.2</b>

Net commission income includes €148m (previous year: €88m) of commissions paid.



#### (4) Trading profit

	1.1.-30.6.2002	1.1.-30.6.2001	Change
	€ m	€ m	in %
Securities department	227	389	-41.6
Treasury department	127	126	0.8
Other	66	26	.
<b>Net result on proprietary trading</b>	<b>420</b>	<b>541</b>	<b>-22.4</b>
Net result on the measurement of derivative financial instruments	-3	61	.
<b>Total</b>	<b>417</b>	<b>602</b>	<b>-30.7</b>

#### (5) Net result on investments and securities portfolio

	1.1.-30.6.2002	1.1.-30.6.2001	Change
	€ m	€ m	in %
Result on available-for-sale securities and claims not originated by the Bank	23	91	-74.7
Result on disposals and measurement of investments, investments in associated companies and holdings in subsidiaries	129	88	46.6
<b>Total</b>	<b>152</b>	<b>179</b>	<b>-15.1</b>

#### (6) Other operating result

	1.1.-30.6.2002	1.1.-30.6.2001	Change
	€ m	€ m	in %
Other operating income	223	228	-2.2
Other operating expenses	171	214	-20.1
Amortization of goodwill	57	51	11.8
<b>Total</b>	<b>-5</b>	<b>-37</b>	<b>-86.5</b>

#### (7) Operating expenses

	1.1.-30.6.2002	1.1.-30.6.2001	Change
	€ m	€ m	in %
Personnel expenses	1,466	1,549	-5.4
Other expenses	925	1,072	-13.7
Current depreciation on fixed assets and other intangible assets	315	288	9.4
<b>Total</b>	<b>2,706</b>	<b>2,909</b>	<b>-7.0</b>

### (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 on pages 94-95 of our 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.-30.6.2002	Retail banking	Asset management	Corporate customers and institutions	Securities	Treasury	Mortgage banking	Others/consolidation	Total
€ m								
Net interest income	580	-7	996	24	143	303	-305	1,734
Provision for possible loan losses	-86	-	-433	-	-	-43	-	-562
Net interest income after provisioning	494	-7	563	24	143	260	-305	1,172
Net commission income	478	232	374	85	-22	-23	5	1,129
Net result on hedge accounting	-	1	-3	-	34	-13	-	19
Trading profit	1	-3	43	227	128	10	11	417
Net result on investments and securities portfolio	0	22	9	1	-6	51	75	152
Other operating result	5	-43	50	2	-1	7	-25	-5
<i>Income, total</i>	<i>978</i>	<i>202</i>	<i>1,036</i>	<i>339</i>	<i>276</i>	<i>292</i>	<i>-239</i>	<i>2,884</i>
Operating expenses	939	258	657	457	154	80	161	2,706
<b>Profit from ordinary activities</b>	<b>39</b>	<b>-56</b>	<b>379</b>	<b>-118</b>	<b>122</b>	<b>212</b>	<b>-400</b>	<b>178</b>
Taxes on income	16	-2	129	-42	44	73	-160	58
<b>After-tax profit</b>	<b>23</b>	<b>-54</b>	<b>250</b>	<b>-76</b>	<b>78</b>	<b>139</b>	<b>-240</b>	<b>120</b>
Profit/loss attributable to minority interests	-	-8	-9	-	-	-28	-1	-46
<b>Consolidated profit</b>	<b>23</b>	<b>-62</b>	<b>241</b>	<b>-76</b>	<b>78</b>	<b>111</b>	<b>-241</b>	<b>74</b>
Profit contribution from business passed on	4	102	30	22	19	0	-177	0
<b>Result based on internal accounting</b>	<b>27</b>	<b>40</b>	<b>271</b>	<b>-54</b>	<b>97</b>	<b>111</b>	<b>-418</b>	<b>74</b>
<b>Average equity tied up</b>	<b>1,452</b>	<b>511</b>	<b>5,213</b>	<b>1,068</b>	<b>497</b>	<b>1,520</b>	<b>1,013</b>	<b>11,274</b>
<b>Return on equity<sup>1)</sup> (%)</b>	<b>3.7</b>	<b>15.7</b>	<b>10.4</b>	<b>-10.1</b>	<b>39.0</b>	<b>14.6</b>	<b>.</b>	<b>1.3</b>
<b>Cost/income ratio (%)</b>	<b>88.3</b>	<b>127.7</b>	<b>44.7</b>	<b>134.8</b>	<b>55.8</b>	<b>23.9</b>	<b>.</b>	<b>78.5</b>

1) annualized



<b>1.1.-30.6.2001</b>	Retail banking	Asset management	Corporate customers and institutions	Securities	Treasury and foreign exchange	Mortgage banking	Others/consolidation	Total
€ m								
Net interest income	565	8	989	23	224	276	-251	1,834
Provision for possible loan losses	-62	0	-234	0	0	-30	-3	-329
Net interest income after provisioning	503	8	755	23	224	246	-254	1,505
Net commission income	483	281	367	122	-26	-16	5	1,216
Net result on hedge accounting	-1	0	-2	0	-2	18	0	13
Trading profit	-	8	80	389	157	4	-36	602
Net result on investments and securities portfolio	-	-14	53	0	-8	5	143	179
Other operating result	-4	-42	25	0	1	4	-21	-37
<i>Income, total</i>	<i>981</i>	<i>241</i>	<i>1,278</i>	<i>534</i>	<i>346</i>	<i>261</i>	<i>-163</i>	<i>3,478</i>
Operating expenses	1,031	296	735	463	114	74	196	2,909
<b>Profit from ordinary activities</b>	<b>-50</b>	<b>-55</b>	<b>543</b>	<b>71</b>	<b>232</b>	<b>187</b>	<b>-359</b>	<b>569</b>
Taxes on income	-21	-7	183	28	85	66	-122	212
<b>After-tax profit</b>	<b>-29</b>	<b>-48</b>	<b>360</b>	<b>43</b>	<b>147</b>	<b>121</b>	<b>-237</b>	<b>357</b>
Profit/loss attributable to minority interests	16	-10	-28	0	0	-33	0	-55
<b>Consolidated profit</b>	<b>-13</b>	<b>-58</b>	<b>332</b>	<b>43</b>	<b>147</b>	<b>88</b>	<b>-237</b>	<b>302</b>
Profit contribution from business passed on	3	84	4	22	29	0	-142	0
<b>Result based on internal accounting</b>	<b>-10</b>	<b>26</b>	<b>336</b>	<b>65</b>	<b>176</b>	<b>88</b>	<b>-379</b>	<b>302</b>
<b>Average equity tied up</b>	<b>1,413</b>	<b>446</b>	<b>5,902</b>	<b>1,277</b>	<b>770</b>	<b>1,220</b>	<b>612</b>	<b>11,640</b>
<b>Return on equity<sup>1)</sup> (%)</b>	<b>-1.4</b>	<b>11.7</b>	<b>11.4</b>	<b>10.2</b>	<b>45.7</b>	<b>14.4</b>	<b>.</b>	<b>5.2</b>
<b>Cost/income ratio (%)</b>	<b>98.8</b>	<b>122.8</b>	<b>48.6</b>	<b>86.7</b>	<b>32.9</b>	<b>25.4</b>	<b>.</b>	<b>76.4</b>

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.

<b>1.1.–30.6.2002</b>	Germany	Europe (excluding Germany)	America	Asia	Africa	Consoli- dation	Total
€ m							
Net interest income after provisioning	733	254	139	41	5	–	1,172
Net commission income	729	254	100	44	2	–	1,129
Net result on hedge accounting	9	10	0	0	–	–	19
Trading profit	397	5	4	9	2	–	417
Net result on investments and securities portfolio	112	35	3	2	–	–	152
Other operating result	28	–22	–5	–1	0	–5	–5
Operating expenses	1,993	484	154	78	2	–5	2,706
<b>Profit from ordinary activities</b>	<b>15</b>	<b>52</b>	<b>87</b>	<b>17</b>	<b>7</b>	<b>–</b>	<b>178</b>

<b>1.1.–30.6.2001</b>	Germany	Europe (excluding Germany)	America	Asia	Africa	Consoli- dation	Total
€ m							
Net interest income after provisioning	1,086	299	86	29	5	–	1,505
Net commission income	777	280	116	41	2	–	1,216
Net result on hedge accounting	11	–1	3	–	–	–	13
Trading profit	383	159	49	8	3	–	602
Net result on investments and securities portfolio	84	61	32	2	0	–	179
Other operating result	23	–25	–8	–1	0	–26	–37
Operating expenses	2,094	543	198	97	3	–26	2,909
<b>Profit from ordinary activities</b>	<b>270</b>	<b>230</b>	<b>80</b>	<b>–18</b>	<b>7</b>	<b>–</b>	<b>569</b>



## Notes to the balance sheet

### (9) Claims on banks

	30.6.2002	31.12.2001	Change
	€ m	€ m	in %
due on demand	15,277	13,825	10.5
other claims	39,272	49,567	-20.8
with a remaining lifetime of			
less than three months	16,149	28,836	-44.0
more than three months, but less than one year	11,050	10,458	5.7
more than one year, but less than five years	6,161	3,996	54.2
more than five years	5,912	6,277	-5.8
<b>Total</b>	<b>54,549</b>	<b>63,392</b>	<b>-13.9</b>
of which: reverse repos	17,049	19,196	-11.2

### (10) Claims on customers

	30.6.2002	31.12.2001	Change
	€ m	€ m	in %
with indefinite remaining lifetime	18,713	17,096	9.5
other claims	193,017	203,219	-5.0
with a remaining lifetime of			
less than three months	39,280	48,356	-18.8
more than three months, but less than one year	18,138	19,880	-8.8
more than one year, but less than five years	49,332	47,960	2.9
more than five years	86,267	87,023	-0.9
<b>Total</b>	<b>211,730</b>	<b>220,315</b>	<b>-3.9</b>
of which: reverse repos	9,836	13,944	-29.5

### (11) Total lending

	30.6.2002	31.12.2001	Change
	€ m	€ m	in %
Loans to banks <sup>1)</sup>	9,588	15,725	-39.0
Claims on customers	211,730	220,315	-3.9
Bills discounted	352	428	-17.8
Claims not originated by the Bank <sup>2)</sup>	20,672	18,852	9.7
less reverse repos and securities-lending transactions involving customers	10,537	15,578	-32.4
<b>Total</b>	<b>231,805</b>	<b>239,742</b>	<b>-3.3</b>

1) excluding reverse repos and securities-lending transactions; 2) included in investments and securities portfolio.

**(12) Provision for possible loan losses**

<b>Development of provisioning</b>	<b>2002</b>	<b>2001</b>	<b>Change</b>
	€ m	€ m	in %
<b>As of January 1</b>	<b>5,946</b>	<b>5,658</b>	<b>5.1</b>
Allocations	748	631	18.5
Deductions	474	457	3.7
Utilized	277	146	89.7
Reversals	197	311	-36.7
Exchange-rate changes/transfers	2	7	-71.4
<b>As of June 30</b>	<b>6,222</b>	<b>5,839</b>	<b>6.6</b>

With direct write-downs and amounts received on written-down claims taken into account, the allocations and reversals reflected in the income statement have given rise to provision of €562m for lending risks (see Note 2).

<b>Level of provisioning</b>	<b>30.6.2002</b>	<b>31.12.2001</b>	<b>Change</b>
	€ m	€ m	in %
Individual value allowances	5,320	5,104	4.2
Country value allowances	139	134	3.7
General value allowances	429	410	4.6
<b>Provisioning for balance-sheet items</b>	<b>5,888</b>	<b>5,648</b>	<b>4.2</b>
Provisions in lending business	334	298	12.1
<b>Total</b>	<b>6,222</b>	<b>5,946</b>	<b>4.6</b>

**(13) Assets held for dealing purposes**

	<b>30.6.2002</b>	<b>31.12.2001</b>	<b>Change</b>
	€ m	€ m	in %
Bonds, notes and other fixed-income securities	43,068	40,419	6.6
Shares and other variable-yield securities	11,221	12,617	-11.1
Promissory notes held for trading purposes	188	669	-71.9
Positive fair values from derivative financial instruments	49,002	42,121	16.3
<b>Total</b>	<b>103,479</b>	<b>95,826</b>	<b>8.0</b>



#### (14) Investments and securities portfolio (available-for-sale financial assets)

	30.6.2002	31.12.2001	Change
	€ m	€ m	in %
Claims on banks and customers not originated by the Bank	20,672	18,852	9.7
Bonds, notes and other fixed-income securities	74,875	74,767	0.1
Shares and other variable-yield securities	3,698	4,351	-15.0
Investments	4,436	5,225	-15.1
Investments in associated companies	830	852	-2.6
Holdings in subsidiaries	342	408	-16.2
<b>Total</b>	<b>104,853</b>	<b>104,455</b>	<b>0.4</b>

#### (15) Intangible assets

	30.6.2002	31.12.2001	Change
	€ m	€ m	in %
Goodwill	1,336	1,380	-3.2
Other intangible assets	120	104	15.4
<b>Total</b>	<b>1,456</b>	<b>1,484</b>	<b>-1.9</b>

#### (16) Fixed assets

	30.6.2002	31.12.2001	Change
	€ m	€ m	in %
Land and buildings	658	739	-11.0
Office furniture and equipment	1,737	1,846	-5.9
Leased equipment	764	789	-3.2
<b>Total</b>	<b>3,159</b>	<b>3,374</b>	<b>-6.4</b>

#### (17) Other assets

	30.6.2002	31.12.2001	Change
	€ m	€ m	in %
Collection items	130	379	-65.7
Advance payments	356	722	-50.7
Sundry assets, including deferred items	1,663	1,895	-12.2
<b>Total</b>	<b>2,149</b>	<b>2,996</b>	<b>-28.3</b>

**(18) Liabilities to banks**

	<b>30.6.2002</b>	<b>31.12.2001</b>	Change
	€ m	€ m	in %
due on demand	21,885	13,991	56.4
with remaining lifetime of	97,057	95,095	2.1
less than three months	51,928	59,233	-12.3
more than three months, but less than one year	27,073	18,603	45.5
more than one year, but less than five years	6,587	6,255	5.3
more than five years	11,469	11,004	4.2
<b>Total</b>	<b>118,942</b>	<b>109,086</b>	<b>9.0</b>
of which: repos	15,651	16,884	-7.3

**(19) Liabilities to customers**

	<b>30.6.2002</b>	<b>31.12.2001</b>	Change
	€ m	€ m	in %
Savings deposits	10,835	10,704	1.2
with agreed period of notice of			
three months	9,995	9,773	2.3
more than three months	840	931	-9.8
Other liabilities to customers	96,977	105,694	-8.2
due on demand	36,707	36,589	0.3
with agreed remaining lifetime of	60,270	69,105	-12.8
less than three months	35,089	47,352	-25.9
more than three months, but less than one year	4,846	4,015	20.7
more than one year, but less than five years	7,867	6,203	26.8
more than five years	12,468	11,535	8.1
<b>Total</b>	<b>107,812</b>	<b>116,398</b>	<b>-7.4</b>
of which: repos	10,171	10,597	-4.0

**(20) Securitized liabilities**

	<b>30.6.2002</b>	<b>31.12.2001</b>	Change
	€ m	€ m	in %
Bonds and notes outstanding	141,238	144,081	-2.0
Money-market instruments outstanding	26,861	46,258	-41.9
Own acceptances and promissory notes outstanding	344	331	3.9
<b>Total</b>	<b>168,443</b>	<b>190,670</b>	<b>-11.7</b>





Remaining lifetimes	30.6.2002	31.12.2001	Change in %
	€ m	€ m	
due on demand	73	24	.
with agreed remaining lifetime of	168,370	190,646	-11.7
less than three months	28,005	35,554	-21.2
more than three months, but less than one year	35,551	42,955	-17.2
more than one year, but less than five years	70,400	72,099	-2.4
more than five years	34,414	40,038	-14.0
<b>Total</b>	<b>168,443</b>	<b>190,670</b>	<b>-11.7</b>

#### (21) Liabilities from dealing activities

	30.6.2002	31.12.2001	Change in %
	€ m	€ m	
Foreign currency-based forward transactions	13,080	8,357	56.5
Interest-based forward transactions	30,102	28,264	6.5
Delivery commitments arising from short sales of securities	5,694	4,954	14.9
Other forward transactions	4,849	6,261	-22.6
<b>Total</b>	<b>53,725</b>	<b>47,836</b>	<b>12.3</b>

#### (22) Provisions

	30.6.2002	31.12.2001	Change in %
	€ m	€ m	
Provisions for pensions and similar commitments	1,464	1,499	-2.3
Other provisions	1,334	1,857	-28.2
<b>Total</b>	<b>2,798</b>	<b>3,356</b>	<b>-16.6</b>

#### (23) Other liabilities

	30.6.2002	31.12.2001	Change in %
	€ m	€ m	
Effects of measuring hedged subordinated capital items	581	230	.
Deferred interest expenses for subordinated capital	333	381	-12.6
Sundry liabilities, including deferred items	5,769	2,248	.
<b>Total</b>	<b>6,683</b>	<b>2,859</b>	<b>.</b>





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
<b>Risk-weighted assets, total</b>	<b>133,289</b>	<b>41,062</b>	<b>199</b>	<b>20,154</b>	<b>679</b>	<b>60</b>	<b>195,443</b>
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

	30.6.2002	31.12.2001
	€ m	€ m
Contingent liabilities	31,007	31,016
from rediscounted bills of exchange credited to borrowers	28	21
from guarantees and indemnity agreements	30,979	30,995
Irrevocable lending commitments	58,923	71,511
Other commitments	113	130

Provisioning for off-balance-sheet commitments has been reduced by the relevant items.

#### (27) Derivative transactions

Derivative transactions (investment and trading books) involved the following nominal amounts and fair values:

30.6.2002	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	538,317	95,050	35,331	12,706	14,841
Interest-based forward transactions	1,540,628	917,406	716,944	33,047	33,407
Other forward transactions	70,191	90,057	5,614	6,710	4,967
<b>Total</b>	<b>2,149,136</b>	<b>1,102,513</b>	<b>757,889</b>	<b>52,463</b>	<b>53,215</b>
<i>of which: traded on a stock exchange</i>	<i>183,384</i>	<i>15,737</i>	<i>5,977</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
<b>Total</b>	<b>2,098,992</b>	<b>1,009,555</b>	<b>668,664</b>	<b>45,989</b>	<b>48,263</b>
<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 our 2001 annual report, on pages 52ff.

Portfolio	30.6.2002	31.12.2001
	€ m	€ m
Securities	9.6	8.3
Treasury and Financial Products	8.0	2.4
Corporate and Investment Banking division	15.0	9.3

## Boards of Commerzbank Aktiengesellschaft

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*Honorary Chairman*

Dr. h.c. Martin Kohlhaussen  
*Chairman*

Hans-Georg Jurkat  
*Deputy Chairman*

Heinz-Werner Busch

Oswald Danzer  
*since May 1, 2002*

Uwe Foullong

Dietrich-Kurt Frowein  
*until May 31, 2002*

Dr. Gianfranco Guty

Dr.-Ing. Otto Happel

Detlef Kayser

Dieter Klinger

Dr. Torsten Locher

Klaus Müller-Gebel  
*since May 31, 2002*

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Horst Sauer  
*until April 30, 2002*

Dr. Erhard Schipporeit

Werner Schönfeld

Prof. Dr.-Ing. Ekkehard Schulz

Alfred Seum

Hermann Josef Strenger

Prof. Dr. Jürgen F. Strube

Dr. Klaus Sturany

Dr.-Ing. E.h. Heinrich Weiss

### Board of Managing Directors

Klaus-Peter Müller  
*Chairman*

Martin Blessing

Mehmet Dalman

Wolfgang Hartmann

Jürgen Lemmer  
*until May 31, 2002*

Andreas de Maizièrè

Klaus Müller-Gebel  
*until May 31, 2002*

Michael Paravicini

Klaus M. Patig

Dr. Axel Frhr. v. Ruedorffer



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### Investor Relations

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Legal domicile of the bank: Frankfurt am Main (HRB 32000)  
757 branches in Germany

## Group companies and major holdings

### In Germany

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  
Deutsche Schiffsbank AG, Bremen/Hamburg

### Abroad

ADIG-Investment Luxemburg S.A., Luxemburg  
AFINA Bufete de Socios Financieros, S.A., Madrid  
BRE Bank SA, Warsaw  
Caisse Centrale de Réescompte, S.A., Paris

### Foreign branches

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 · Tokyo

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  
Kommunikalkreditbank 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, S.A.,  
Casablanca  
Korea Exchange Bank, Seoul  
Majan International Bank SAOC, Muscat  
Unibanco – União de Bancos Brasileiros S.A., São Paulo

### Representative offices

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