

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

COMMERZBANK 





highlights of commerzbank group

	1.1.–30.9.2002	1.1.–30.9.2001
Income statement		
Pre-tax profit (€ m)	45	290
Net after-tax loss/profit (€ m)	-55	111
After-tax earnings per share (€)	-0.10	0.21
After-tax return on equity ¹⁾ (%)	-0.7	1.2
Cost/income ratio before provisioning (%)	78.5	83.5
	30.9.2002	31.12.2001
Balance sheet		
Balance-sheet total (€ bn)	424.4	501.3
Risk-weighted assets according to BIS (€ bn)	178.0	203.6
Equity (€ bn)	8.8	11.8
Own funds (€ bn)	19.4	23.6
	30.9.2002	30.9.2001
BIS capital ratios		
Core capital ratio (% , excluding market-risk position)	7.1	6.2
Core capital ratio (% , including market-risk position)	6.7	6.0
Own funds ratio (%)	11.5	10.3
	30.9.2002	30.9.2001
Commerzbank share		
Number of shares outstanding ²⁾ (million units)	528.3	535.7
Share price (€, 1.1.–30.9.) high	21.50	33.60
low	5.30	14.08
Book value per share (€)	16.60	22.85
Market capitalization (€ bn)	3.6	9.8
	30.9.2002	30.9.2001
Staff		
Germany	29,527	32,666
Abroad	7,649	7,725
Total	37,176	40,391
	30.9.2002	30.9.2001
Short/long-term rating		
Moody's Investors Service, New York	P-1/A1	P-1/A1
Standard & Poor's, New York	A-1/A ³⁾	A-1/A+
Fitch IBCA, London	F1/A	F1/A+

1) annualized; 2) after deduction of treasury shares; 3) since October 8, 2002: A-2/A-

The figures contained in this report are unaudited.



interim report as of september 30, 2002

To our shareholders

This autumn, the mood of the business community and the financial markets is one of disappointment and uncertainty. The failure, contrary to expectations in the early part of the year, of economic performance worldwide to pick up has been noted with disappointment. Despite an expansionary monetary policy and fiscal stimuli in some cases, economic activity has lacked momentum. During the winter months, the pace of expansion will probably be even somewhat slower. The great uncertainty stems, for one thing, from persistent speculation about a war in Iraq and the upward pressure that this would exert on the price of crude oil. For another, share prices registered a surprisingly sharp decline up to the start of October and are still well below their low level immediately after September 11, 2001.

In this difficult phase for business and the financial markets, economic policy faces an especially great challenge to strengthen the confidence of companies and households as regards the future. For Germany and for the euro-zone as a whole, this would mean abandoning a policy of rising government spending, as this always leads to a higher burden of taxes and social-security contributions, or poses a threat to the solidity of the public finances, and ultimately to the stability of the euro. In addition, it must be recognized at long last that the great challenges of the future can only be mastered by a policy of higher economic growth and employment.

Commerzbank Group's balance-sheet total at around €425bn

As of July 31, we removed Rheinyp and its subsidiaries from the list of consolidated companies as it was merged with the new Eurohypo. This caused the Commerzbank Group's balance-sheet total to contract substantially; on September 30, it stood at €424.4bn, 15.3% lower than at end-2001.

Despite the Bank's lower equity due to the revaluation reserve, its core capital ratio in accordance with BIS rose from 6.0% at end-2001 to 6.7% – not least

due to the deconsolidation of Rheinyp. Our own funds ratio is 11.5%, compared with 10.3%.

We have now included information on the liquidity ratio in the notes to the interim report. Pursuant to Principle II of the German Banking Act (KWG), it has to be at least 1.0. At the Parent Bank, it stood at 1.22 as of September 30; this translates into a liquidity surplus of around €28bn in the short-term bracket.

Earnings performance unsatisfactory

Our business continues to be dominated by a combination of various adverse factors. For one hand, there has been no improvement in the mood on the stock markets. For another, the unchanged weak condition of the economy is causing us ever greater headaches.

Within the Commerzbank Group, we achieved net interest income of €721m in the third quarter of 2002; even though our average interest margin widened further, this figure was still €140m down on the previous quarter. The decline is mainly attributable to the deconsolidation of Rheinyp. But here as well the generally low interest-rate level squeezed earnings from the management of deposits.

Weak economic activity had an especially strong impact on our provisioning. After earmarking €254m and €308m for this purpose in the first and second quarters, respectively, we set aside €436m for the third; overall, this represents 9/12 of the provisioning of just over €1.3bn currently expected for 2002 as a whole.

With net commission income of €501m, we earned roughly €50m less in the third quarter than in the second. The stock-market situation was responsible for weaker revenues in securities and new issues business as well as in asset management. By contrast, we managed to raise commissions in the area of payments, guarantees and foreign commercial business.

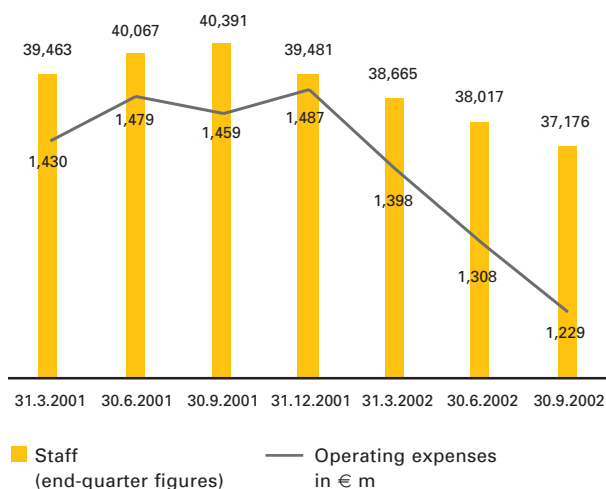
In the third quarter, the net result on hedge accounting fell to a minus of €21m, as against a plus of €51m in the second quarter.

In proprietary trading, we earned €313m in the first quarter, and €104m in the second. For the third quarter, we achieved no more than €36m; there was respectable growth in the profits from dealing in interest-rate risks and also in foreign exchange, precious metals and foreign notes and coin, whereas trading in equities and other price risks registered a minus of €125m.

The unabated weakness of the stock market is also reflected in the net result on the investments and securities portfolio, which reveals a negative balance of €531m in the third quarter. We have subjected our investments to an impairment test and have made write-downs on a substantial scale for some holdings. An impairment test is used to examine whether a company's earnings performance and business outlook justify its book value or whether the investment is permanently impaired. If this is the case, write-downs become necessary.

We expect to conclude negotiations to sell our asset-management subsidiary Montgomery before year-end. On the other hand, we decided in August not to dispose of Jupiter International Group, as originally intended, but rather to integrate it more strongly into our Continental European sales network. Under present market conditions, it was impossible to realize a price that would have represented the company's true value and business potential. The company continues to generate a profit.

Cost-cutting offensive continues to make an impact
Commerzbank Group



Cost-cutting offensive to be maintained

We were unable to compensate fully for the sharp drop in earnings by means of our systematic cost management. However, we will achieve our target of holding operating expenses below €5.5bn in 2002. In the first nine months, they were €433m down on a year previously, at €3.9bn. Personnel expenses fell by 10.3% to €2.1bn; our overall workforce on September 30 was 37,176, compared with 40,391 a year earlier. Other operating expenses were 13.6% lower in a year-on-year comparison at €1.4bn. However, current depreciation on office equipment and buildings rose by 5.8% to €459m.

In view of the persistently difficult earnings situation, we have launched a second cost-cutting offensive, designed to produce structural changes at head office, and also at our subsidiaries and foreign units. The results will be presented next spring.

In investment banking, too, we have established new emphases. We have decided to terminate our investment-banking activities in New York, Prague, Singapore and Tokyo, or to restrict them to areas related to corporate business and risk management. These measures will remove about 25% of the jobs in investment banking. Further savings on personnel and other costs will be realized in back-office functions. In this way, the Bank is underlining its focus in investment banking as well on business with corporate customers and institutions.

In the third quarter, the balance of other income and expenses included the income of €721m from the deconsolidation of Rheinhyp. All told, an amount of €853m appears here for the first nine months, as against -€42m a year previously.

After restructuring expenses of €32m for com-direct bank have been deducted, we achieved a pre-tax profit of €45m from January to September. Thanks to the income from the Rheinhyp transaction, we were able to bear substantial special burdens in the form of provisioning and write-downs. The balance this quarter is a negative amount of €133m, compared with -€279m in the same quarter of 2001.



Business lines reveal uneven development

In retail banking, we achieved a positive operating result of -€53m in the first nine months of this year. By contrast, we incurred an operating loss of -€118m in asset management. This includes amortization of goodwill in an amount of €62m. However, the profit contribution of €125m from business passed on gave rise to a positive result based on internal accounting of €8m.

At €522m, the corporate customers and institutions segment once again made the largest profit contribution. The marginal slackening in the third quarter is attributable to higher value allowances.

In the securities area, we did not manage to achieve the revenues that had been targeted. For this reason, an operating result of -€244m appears here. Thanks to tax income and profit contributions from business passed on, though, we registered no more than a minus of €78m for the result based on internal accounting.

Treasury continues to produce good figures. Revenues were slightly higher than a year earlier; the pre-tax profit reached €258m.

The mortgage banks segment includes Rheinhyp with its income and expenses up to July 31, 2002. As from August 2002, the pro-rata result of the new Eurohypo, in which we hold a 34.57% interest, is shown under Net interest income. This change makes comparison difficult. In the first nine months of this year, an operating result of €213m was generated here.

Outlook

In the fourth quarter, we will form further provisions for restructuring expenses for the measures of the second cost-cutting offensive which will then be foreseeable. In view of the volatility of the markets, we do not think it reasonable to issue a forecast for the year as a whole.

In September, our Bank was the object of a wave of absurd and ridiculous rumours. Our shareholders, our business associates and our employees did not allow themselves to be distracted by such reports. We are grateful to them on this account.

Frankfurt am Main, November 2002

The Board of Managing Directors

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 September 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). With one exception, 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. We no longer recognize and measure securities-lending transactions as claims or liabilities. In other words, we show securities lent to third parties under our securities portfolio and we no longer include borrowed securities in our balance sheet, but rather in a subsidiary ledger. This in no way affects the income statement. As the differences were not material, the year-ago figures have not been adjusted.

Deviating from the interim report as of September 30, 2001, we have adjusted the comparable figures for the first nine months of 2001 to the information provided in our annual report for 2001, through 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 third quarter of 2002, Rheinische Hypothekbank Aktiengesellschaft and its consolidated subsidiaries Rheinhyp Bank Europe and Rheinhyp Finance as well as Rheinhyp-BRE Bank Hipoteczny were removed from the list of consolidated companies following the merger of Rheinhyp with Eurohypo. Both Eurohypo and Rheinhyp-BRE are shown at equity on a pro-rata basis in the present figures.

The main effects of the deconsolidation of the Rheinhyp Group:

	€ bn
Consolidated balance-sheet total	-82
Claims on banks and customers	-63
Investments and securities portfolio	-17
Liabilities to banks and customers	-24
Securitized liabilities	-54
Risk-weighted assets	-22

In addition, ADIG, Commerzbank Investment Management and Commerz Asset Managers were merged in the third quarter of 2002 and their activities were continued under the name of COMINVEST Asset Management GmbH. This merger had no impact on the consolidated balance sheet.



consolidated income statement

	Notes	1.1.-30.9.2002 € m	1.1.-30.9.2001 € m	Change in %
Net interest income	(1)	2,455	2,693	-8.8
Provision for possible loan losses	(2)	-998	-571	74.8
Net interest income after provisioning		1,457	2,122	-31.3
Net commission income	(3)	1,630	1,785	-8.7
Net result on hedge accounting		-2	28	.
Trading profit	(4)	453	660	-31.4
Net result on investments and securities portfolio	(5)	-379	105	.
Other operating result	(6)	853	-42	.
Operating expenses	(7)	3,935	4,368	-9.9
Profit from ordinary activities before restructuring expenses		77	290	-73.4
Restructuring expenses		32	-	.
Profit from ordinary activities after restructuring expenses		45	290	-84.5
Extraordinary profit		-	-	-
Pre-tax profit		45	290	-84.5
Taxes on income		38	108	-64.8
After-tax profit		7	182	-96.2
Profit/loss attributable to minority interests		-62	-71	-12.7
Net loss/profit		-55	111	.

In order to calculate basic earnings per share, the consolidated net loss/profit of -€55m (30.9.2001: €111m) for the period under review was divided by the average number of shares outstanding during this period of 534.4m (30.9.2001: 536.5m).

	1.1.-30.9.2002 €	1.1.-30.9.2001 €
Earnings per share	-0.10	0.21

As in the year-ago period, no exercisable conversion or option rights were outstanding per September 30, 2002. No diluted earnings per share had to be calculated, therefore.

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

€ m	3 rd quarter	2 nd quarter	1 st quarter	4 th quarter	3 rd quarter	2 nd quarter	1 st quarter
	2002			2001			
Net interest income	721	861	873	888	859	929	905
Provision for possible loan losses	-436	-308	-254	-356	-242	-177	-152
Net interest income after provisioning	285	553	619	532	617	752	753
Net commission income	501	554	575	482	569	603	613
Net result on hedge accounting	-21	51	-32	35	15	11	2
Trading profit	36	104	313	537	58	290	312
Net result on investments and securities portfolio	-531	60	92	114	-74	50	129
Other operating result	858	11	-16	-178	-5	19	-56
<i>Income</i>	<i>1,128</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	1,229	1,308	1,398	1,487	1,459	1,479	1,430
Profit from ordinary activities before restructuring expenses	-101	25	153	35	-279	246	323
Restructuring expenses	32	-	-	282	-	-	-
Profit from ordinary activities after restructuring expenses	-133	25	153	-247	-279	246	323
Extraordinary profit	-	-	-	-	-	-	-
Pre-tax profit	-133	25	153	-247	-279	246	323
Taxes on income	-20	6	52	-222	-104	92	120
After-tax profit	-113	19	101	-25	-175	154	203
Profit/loss attributable to minority interests	-16	-17	-29	16	-16	-28	-27
Consolidated net loss/profit	-129	2	72	-9	-191	126	176



consolidated balance sheet

Assets		30.9.2002	31.12.2001	Change
	Notes	€ m	€ m	in %
Cash reserve		3,713	7,632	-51.3
Claims on banks	(9, 11)	59,284	63,392	-6.5
Claims on customers	(10,11)	163,833	220,315	-25.6
Provision for possible loan losses	(12)	-5,449	-5,648	-3.5
Positive fair values from derivative hedging instruments		3,005	3,868	-22.3
Assets held for dealing purposes	(13)	107,520	95,826	12.2
Investments and securities portfolio	(14)	85,622	104,455	-18.0
Intangible assets	(15)	1,767	1,484	19.1
Fixed assets	(16)	3,055	3,374	-9.5
Tax assets		1,148	3,618	-68.3
Other assets	(17)	908	2,996	-69.7
Total		424,406	501,312	-15.3

Liabilities and equity		30.9.2002	31.12.2001	Change
	Notes	€ m	€ m	in %
Liabilities to banks	(18)	110,995	109,086	1.7
Liabilities to customers	(19)	99,523	116,398	-14.5
Securitized liabilities	(20)	104,753	190,670	-45.1
Negative fair values from derivative hedging instruments		5,108	5,381	-5.1
Liabilities from dealing activities	(21)	78,210	47,836	63.5
Provisions	(22)	3,270	3,356	-2.6
Tax liabilities		471	2,098	-77.6
Other liabilities	(23)	2,684	2,859	-6.1
Subordinated capital	(24)	9,293	10,524	-11.7
Minority interests		1,329	1,344	-1.1
Equity of Commerzbank Group		8,770	11,760	-25.4
Subscribed capital		1,374	1,394	-1.4
Capital reserve		6,190	6,197	-0.1
Retained earnings		3,595	4,046	-11.1
Revaluation reserve		-1,282	189	.
Measurement of cash flow hedges		-1,045	-397	.
Reserve arising from currency translation		-7	114	.
2001 net profit ¹⁾		-	217	.
Consolidated net loss 1.1.-30.9.2002		-55	-	.
Total		424,406	501,312	-15.3

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 nine months 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	-20	-
Capital increases (issue of shares to employees)	1	-
Changes in treasury shares	-21	-
b) Capital reserve	-7	-
Capital increases (issue of shares to employees)	6	-
Changes in treasury shares and result on treasury shares	-13	-
c) Retained earnings	-451	-27
Changes in list of consolidated companies	-451	-27
d) Net changes in revaluation reserve	-1,471	39
e) Net changes arising from cash flow hedges	-648	-42
f) Net change in reserve arising from currency translation	-121	-47
g) Dividend payment by Parent Bank	-217	-
h) Consolidated loss/profit (1.1.-30.9.)	-55	62
Equity as of 30.9.2002	8,770	1,329

cash flow statement

€ m	2002	2001
Cash and cash equivalents as of 1.1.	7,632	7,895
Net cash provided by operating activities	-5,027	13,596
Net cash used by investing activities	1,824	-15,098
Net cash provided by financing activities	-719	253
Total cash flow	-3,922	-1,249
Effects of exchange-rate changes	3	8
Cash and cash equivalents as of 30.9.	3,713	6,654

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.-30.9.2002	1.1.-30.9.2001	Change
	€ m	€ m	in %
Interest income from lending and money-market transactions and also from available-for-sale securities portfolio	12,963	16,492	-21.4
Dividends from securities	137	68	.
Current result from investments, investments in associated companies and holdings in subsidiaries	160	174	-8.0
Current income from leasing	231	266	-13.2
<i>Interest received</i>	<i>13,491</i>	<i>17,000</i>	<i>-20.6</i>
Interest paid for subordinated capital and other interest paid	10,848	14,081	-23.0
Current expenses from leasing	188	226	-16.8
<i>Interest paid</i>	<i>11,036</i>	<i>14,307</i>	<i>-22.9</i>
Total	2,455	2,693	-8.8

(2) Provision for possible loan losses

	1.1.-30.9.2002	1.1.-30.9.2001	Change
	€ m	€ m	in %
Allocations	-1,194	-980	21.8
Reversals of provisions	210	427	-50.8
Balance of direct write-downs and amounts received on written-down claims	-14	-18	-22.2
Total	-998	-571	74.8

(3) Net commission income

	1.1.-30.9.2002	1.1.-30.9.2001	Change
	€ m	€ m	in %
Securities transactions	641	718	-10.7
Foreign commercial business and payment transactions	273	256	6.6
Guarantees	104	95	9.5
Asset management	389	436	-10.8
Income from syndicated business	65	101	-35.6
Other net commission income	158	179	-11.7
Total	1,630	1,785	-8.7

Net commission income includes €230m (previous year: €122m) of commissions paid.

(4) Trading profit

	1.1.-30.9.2002	1.1.-30.9.2001	Change
	€ m	€ m	in %
Securities department	281	456	-38.4
Treasury department	199	187	6.4
Other	11	-19	.
Net result on proprietary trading	491	624	-21.3
Net result on the measurement of derivative financial instruments	-38	36	.
Total	453	660	-31.4

(5) Net result on investments and securities portfolio

	1.1.-30.9.2002	1.1.-30.9.2001	Change
	€ m	€ m	in %
Result on available-for-sale securities and claims not originated by the Bank	-127	16	.
Result on disposals and measurement of investments, investments in associated companies and holdings in subsidiaries	-252	89	.
Total	-379	105	.

(6) Other operating result

	1.1.-30.9.2002	1.1.-30.9.2001	Change
	€ m	€ m	in %
Other operating income	1,214	327	.
Other operating expenses	278	287	-3.1
Amortization of goodwill	83	82	1.2
Total	853	-42	.

The other operating result primarily includes the income from the integration of Rheinhyp AG into Eurohypo AG and from the reversal of no longer required provisions.



(7) Operating expenses

	1.1.-30.9.2002	1.1.-30.9.2001	Change
	€ m	€ m	in %
Personnel expenses	2,089	2,328	-10.3
Other expenses	1,387	1,606	-13.6
Current depreciation on fixed assets and other intangible assets	459	434	5.8
Total	3,935	4,368	-9.9

(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.

The mortgage banks segment includes Rheinische Hypothekenbank AG with its income and expenses up to July 31, 2002. As from August 2002, the pro-rata result of Eurohypo AG, in which we hold a 34.57% interest, is shown under Net interest income. Eurohypo AG is included in our consolidated financial statements at equity. As a result, the average equity tied up in the mortgage banks segment has increased. The equity tied up is calculated according to the rules of Art. 10, German Banking Act – KWG in conjunction with Principle I. Here we deduct the new book value of the interest in Eurohypo AG from our liable capital (the sum of core and supplementary capital). The book value of the investment is assigned to the average equity tied up to reflect the percentage ratio of core capital to liable funds.

1.1.–30.9.2002	Retail banking	Asset management	Corporate customers and institutions	Securities	Treasury	Mortgage banking	Others/consolidation	Total
€ m								
Net interest income	870	-8	1,478	46	240	366	-537	2,455
Provision for possible loan losses	-145	-	-763	-	-	-90	-	-998
Net interest income after provisioning	725	-8	715	46	240	276	-537	1,457
Net commission income	681	329	575	114	-13	-29	-27	1,630
Net result on hedge accounting	-	0	-2	0	25	-25	-	-2
Trading profit	0	-12	36	281	199	-6	-45	453
Net result on investments and securities portfolio	1	13	32	1	26	90	-542	-379
Other operating result	9	-62	122	3	-1	8	774	853
<i>Income, total</i>	<i>1,416</i>	<i>260</i>	<i>1,478</i>	<i>445</i>	<i>476</i>	<i>314</i>	<i>-377</i>	<i>4,012</i>
Operating expenses	1,363	378	956	689	218	101	230	3,935
Profit from ordinary activities before restructuring expenses	53	-118	522	-244	258	213	-607	77
Restructuring expenses	32	-	-	-	-	-	-	32
Profit from ordinary activities after restructuring expenses	21	-118	522	-244	258	213	-607	45
Taxes on income	9	-8	180	-87	96	83	-235	38
After-tax profit	12	-110	342	-157	162	130	-372	7
Profit/loss attributable to minority interests	8	-7	-19	-	-	-44	-	-62
Consolidated loss/profit	20	-117	323	-157	162	86	-372	-55
Profit contribution from business passed on	5	125	38	79	21	-	-268	0
Result based on internal accounting	25	8	361	-78	183	86	-640	-55
Average equity tied up	1,423	497	5,154	1,066	460	1,647	886	11,133
Return on equity¹⁾ (%)	2.3	2.1	9.3	-9.8	53.0	7.0	.	-0.7
Cost/income ratio (%)	87.3	145.4	42.7	154.8	45.8	25.0	.	78.5

1) annualized



1.1.–30.9.2001	Retail banking	Asset management	Corporate customers and institutions	Securities	Treasury and foreign exchange	Mortgage banking	Others/consolidation	Total
€ m								
Net interest income	843	40	1,562	31	321	425	-529	2,693
Provision for possible loan losses	-73	-	-416	-	-	-82	-	-571
Net interest income after provisioning	770	40	1,146	31	321	343	-529	2,122
Net commission income	716	395	556	171	-40	-26	13	1,785
Net result on hedge accounting	0	-	-6	-	11	23	-	28
Trading profit	1	11	45	456	187	8	-48	660
Net result on investments and securities portfolio	-10	-45	56	-	-12	1	115	105
Other operating result	6	-63	48	0	0	5	-38	-42
<i>Income, total</i>	<i>1,483</i>	<i>338</i>	<i>1,845</i>	<i>658</i>	<i>467</i>	<i>354</i>	<i>-487</i>	<i>4,658</i>
Operating expenses	1,545	432	1,100	768	181	114	228	4,368
Profit from ordinary activities	-62	-94	745	-110	286	240	-715	290
Taxes on income	-26	-14	253	-40	103	86	-254	108
After-tax profit	-36	-80	492	-70	183	154	-461	182
Profit/loss attributable to minority interests	20	-15	-33	-	-	-43	-	-71
Consolidated loss/profit	-16	-95	459	-70	183	111	-461	111
Profit contribution from business passed on	6	112	49	32	43	-	-242	0
Result based on internal accounting	-10	17	508	-38	226	111	-703	111
Average equity tied up	1,382	470	5,859	1,262	659	1,206	1,315	12,153
Return on equity¹⁾ (%)	-1.0	4.8	11.6	-4.0	45.7	12.3	.	1.2
Cost/income ratio (%)	99.3	127.8	48.7	116.7	38.8	26.1	.	83.5

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.–30.9.2002	Germany	Europe (excluding Germany)	America	Asia	Africa	Consoli- dation	Total
€ m							
Net interest income after provisioning	837	260	242	111	7	–	1,457
Net commission income	1,014	374	174	65	3	–	1,630
Net result on hedge accounting	–22	20	0	0	–	–	–2
Trading profit	445	–23	16	12	3	–	453
Net result on investments and securities portfolio	–439	49	9	2	–	–	–379
Other operating result	851	19	–5	–4	0	–8	853
Operating expenses	2,865	718	238	119	3	–8	3,935
Profit from ordinary activities	–179	–19	198	67	10	–	77

1.1.–30.9.2001	Germany	Europe (excluding Germany)	America	Asia	Africa	Consoli- dation	Total
€ m							
Net interest income after provisioning	1,488	484	125	18	7	–	2,122
Net commission income	1,141	419	163	59	3	–	1,785
Net result on hedge accounting	29	–4	3	–	–	–	28
Trading profit	467	125	56	10	2	–	660
Net result on investments and securities portfolio	27	44	32	2	0	–	105
Other operating result	43	–33	–10	–1	0	–41	–42
Operating expenses	3,174	815	274	142	4	–41	4,368
Profit from ordinary activities	21	220	95	–54	8	–	290



Notes to the balance sheet

(9) Claims on banks

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
due on demand	22,090	13,825	59.8
other claims	37,194	49,567	-25.0
with a remaining lifetime of			
less than three months	13,250	28,836	-54.1
more than three months, but less than one year	15,602	10,458	49.2
more than one year, but less than five years	4,130	3,996	3.4
more than five years	4,212	6,277	-32.9
Total	59,284	63,392	-6.5
of which: reverse repos	20,827	19,196	8.5

(10) Claims on customers

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
with indefinite remaining lifetime	29,551	17,096	72.9
other claims	134,282	203,219	-33.9
with a remaining lifetime of			
less than three months	38,970	48,356	-19.4
more than three months, but less than one year	12,397	19,880	-37.6
more than one year, but less than five years	32,554	47,960	-32.1
more than five years	50,361	87,023	-42.1
Total	163,833	220,315	-25.6
of which: reverse repos	12,444	13,944	-10.8

(11) Total lending

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
Loans to banks ¹⁾	10,392	15,725	-33.9
Claims on customers	163,833	220,315	-25.6
Bills discounted	368	428	-14.0
Claims not originated by the Bank ²⁾	20,877	18,852	10.7
less reverse repos	14,844	15,578	-4.7
Total	180,626	239,742	-24.7

1) excluding reverse repos; 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	1,194	980	21.8
Deductions	767	717	7.0
Utilized	557	290	92.1
Reversals	210	427	-50.8
Changes in the list of consolidated companies (Rheinhyp)	-550	-	-
Exchange-rate changes/transfers	2	5	-60.0
As of September 30	5,825	5,926	-1.7

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 €998m for lending risks (see Note 2).

Level of provisioning	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
Individual value allowances	4,907	5,104	-3.9
Country value allowances	143	134	6.7
General value allowances	399	410	-2.7
Provisioning for balance-sheet items	5,449	5,648	-3.5
Provisions in lending business	376	298	26.2
Total	5,825	5,946	-2.0

Before they were reduced by individual value allowances and collateral, the value-adjusted claims producing neither interest nor income amounted to €6,930m (31.12.2001: €6,905m).

(13) Assets held for dealing purposes

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
Bonds, notes and other fixed-income securities	31,886	40,419	-21.1
Shares and other variable-yield securities	2,770	12,617	-78.0
Promissory notes held for trading purposes	208	669	-68.9
Positive fair values from derivative financial instruments	72,656	42,121	72.5
Total	107,520	95,826	12.2



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

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
Claims on banks and customers not originated by the Bank	20,877	18,852	10.7
Bonds, notes and other fixed-income securities	54,171	74,767	-27.5
Shares and other variable-yield securities	3,392	4,351	-22.0
Investments	3,820	5,225	-26.9
Investments in associated companies	2,787	852	.
Holdings in subsidiaries	575	408	40.9
Total	85,622	104,455	-18.0

(15) Intangible assets

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
Goodwill	1,661	1,380	20.4
Other intangible assets	106	104	1.9
Total	1,767	1,484	19.1

We depreciate goodwill regularly over a period of 15 years. The addition in the third quarter of 2002 relates, *inter alia*, to our investment in Eurohypo AG.

(16) Fixed assets

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
Land and buildings	623	739	-15.7
Office furniture and equipment	1,645	1,846	-10.9
Leased equipment	787	789	-0.3
Total	3,055	3,374	-9.5

(17) Other assets

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
Collection items	239	379	-36.9
Advance payments	101	722	-86.0
Sundry assets, including deferred items	568	1,895	-70.0
Total	908	2,996	-69.7

(18) Liabilities to banks

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
due on demand	20,512	13,991	46.6
with remaining lifetime of	90,483	95,095	-4.8
less than three months	46,818	59,233	-21.0
more than three months, but less than one year	28,287	18,603	52.1
more than one year, but less than five years	5,034	6,255	-19.5
more than five years	10,344	11,004	-6.0
Total	110,995	109,086	1.7
of which: repos	20,140	16,884	19.3

(19) Liabilities to customers

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
Savings deposits	10,770	10,704	0.6
with agreed period of notice of			
three months	9,943	9,773	1.7
more than three months	827	931	-11.2
Other liabilities to customers	88,753	105,694	-16.0
due on demand	42,419	36,589	15.9
with agreed remaining lifetime of	46,334	69,105	-33.0
less than three months	32,655	47,352	-31.0
more than three months, but less than one year	5,172	4,015	28.8
more than one year, but less than five years	3,500	6,203	-43.6
more than five years	5,007	11,535	-56.6
Total	99,523	116,398	-14.5
of which: repos	10,523	10,597	-0.7

(20) Securitized liabilities

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
Bonds and notes outstanding	82,154	144,081	-43.0
Money-market instruments outstanding	22,175	46,258	-52.1
Own acceptances and promissory notes outstanding	424	331	28.1
Total	104,753	190,670	-45.1



Remaining lifetimes	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
due on demand	44	24	83.3
with agreed remaining lifetime of	104,709	190,646	-45.1
less than three months	20,534	35,554	-42.2
more than three months, but less than one year	30,513	42,955	-29.0
more than one year, but less than five years	36,053	72,099	-50.0
more than five years	17,609	40,038	-56.0
Total	104,753	190,670	-45.1

(21) Liabilities from dealing activities

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
Foreign currency-based forward transactions	8,282	8,357	-0.9
Interest-based forward transactions	55,900	28,264	97.8
Delivery commitments arising from short sales of securities	7,143	4,954	44.2
Other forward transactions	6,885	6,261	10.0
Total	78,210	47,836	63.5

(22) Provisions

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
Provisions for pensions and similar commitments	1,580	1,499	5.4
Other provisions	1,690	1,857	-9.0
Total	3,270	3,356	-2.6

(23) Other liabilities

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
Effects of measuring hedged subordinated capital items	761	230	.
Deferred interest expenses for subordinated capital	158	381	-58.5
Sundry liabilities, including deferred items	1,765	2,248	-21.5
Total	2,684	2,859	-6.1

(24) Subordinated capital

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
Subordinated liabilities	6,905	8,011	-13.8
Profit-sharing rights outstanding	2,388	2,513	-5.0
Total	9,293	10,524	-11.7

Other notes

(25) Risk-weighted assets and capital ratios as defined by the Basle capital accord (BIS)

	30.9.2002	31.12.2001	Change
	€ m	€ m	in %
Core capital	11,889	12,187	-2.4
Supplementary capital	8,035	8,245	-2.5
Total liable capital	19,924	20,432	-2.5
Tier III capital	626	466	34.3
Eligible own funds	20,550	20,898	-1.7

as of 30.9.2002	Capital charges in %						Total
€ m	100	50	25	20	10	4	
Balance-sheet business	110,915	7,270	-	13,467	-	-	131,652
Traditional off-balance-sheet business	4,532	18,205	13	930	457	49	24,186
Derivatives business in investment portfolio	-	3,798	-	7,366	-	-	11,164
Risk-weighted assets, total	115,447	29,273	13	21,763	457	49	167,002
Risk-weighted market-risk position multiplied by 12.5							10,950
Total items to be risk-weighted							177,952
Liable capital							19,924
Eligible own funds							20,550
Core capital ratio (excluding market-risk position)							7.1
Core capital ratio (including market-risk position)							6.7
Own funds ratio (including market-risk position)							11.5

The deconsolidation of Rheinhyp and its subsidiaries has led to a decline in risk-weighted assets of roughly €22bn. As a result, the Commerzbank Group's core capital was reduced by about €0.4bn, while eligible supplementary capital decreased by about €0.4bn with the integration of the Rheinhyp companies into Eurohypo.



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) Liquidity ratio

The liquidity ratio of the Parent Bank in accordance with Principle II was 1.22 at end-September (31.12.2001: 1.18). This was 22% higher than the minimum level of 1.0. The surplus liquidity in accordance with Principle II in the time band with a remaining lifetime of one month amounted to €28bn.

(27) Off-balance-sheet commitments

	30.9.2002	31.12.2001
	€ m	€ m
Contingent liabilities	30,993	31,016
from rediscounted bills of exchange credited to borrowers	37	21
from guarantees and indemnity agreements	30,956	30,995
Irrevocable lending commitments	54,399	71,511
Other commitments	107	130

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

(28) Derivative transactions

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

30.9.2002	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	496,575	101,343	37,249	8,377	11,871
Interest-based forward transactions	1,460,017	955,448	751,407	58,908	57,275
Other forward transactions	52,064	95,779	4,877	8,376	7,029
Total	2,008,656	1,152,570	793,533	75,661	76,175
<i>of which: traded on a stock exchange</i>	<i>188,047</i>	<i>29,167</i>	<i>11,250</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>		

(29) Market risk arising from trading activities

The market risk arising from trading activities shows the values-at-risk in accordance with Principle I (99% confidence interval, 10-day holding period) of the Commerzbank Group and also of its individual business lines, calculated using Commerzbank's internal market-risk

model. 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	30.9.2002	31.12.2001
	€ m	€ m
Commerzbank Group	49.6	35.8
Securities	26.1	34.3
Treasury	28.9	5.8



Boards of Commerzbank Aktiengesellschaft

Supervisory Board

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Deputy Chairman

Dr. Sergio Balbinot
since November 5, 2002

Heinz-Werner Busch

Oswald Danzer
since May 1, 2002

Uwe Foullong

Dietrich-Kurt Frowein
until May 31, 2002

Dr. Gianfranco Guty
until October 27, 2002

Dr.-Ing. Otto Happel

Detlef Kayser

Dieter Klinger

Dr. Torsten Locher

Klaus Müller-Gebel
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Klaus Müller-Gebel
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Dr. Axel Frhr. v. Ruedorffer



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Investor Relations

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e-mail: ir@commerzbank.com

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

Group companies and major holdings

In Germany

CBG Commerz Beteiligungsgesellschaft Holding mbH,
Bad Homburg v.d.H.
CFM Commerz Finanz Management GmbH,
Frankfurt am Main
comdirect bank AG, Quickborn
COMINVEST Asset Management GmbH,
Frankfurt am Main
Commerz Grundbesitzgesellschaft mbH, Wiesbaden
CommerzLeasing und Immobilien AG, Düsseldorf
Commerz NetBusiness AG, Frankfurt am Main
Hypothesenbank in Essen AG, Essen
Deutsche Schiffsbank AG, Bremen/Hamburg
EUROHYPO AG, Frankfurt am Main

Abroad

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

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

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Kommunalkreditbank AG, Luxemburg

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

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

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

Representative offices

Almaty · Bahrain · Bangkok · Beijing · Beirut · Bratislava ·
Brussels · Bucharest · Buenos Aires · Cairo · Caracas ·
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