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Ladies and gentlemen,

Today, we announced what the capital market had previously called for in vain: a restructuring of our activities. The fact that we've achieved this despite all the doubts and reservations shows how keen all those involved were to find a joint solution.

The merger of Deutsche Hyp, Eurohypo and RHEINHYP to form EUROHYPO proves that it really is possible to cooperate across corporate boundaries in our industry. For one thing, this significantly improves our market position in the area of real-estate financing. For another, we have thus given a boost to other potential mergers or partnerships. We can only guess at present what this means for the future.

In all respects, the new EUROHYPO will be an attractive provider of real-estate and public-sector financing. Given its size and expertise, it will join the ranks of the international players. As a result, the new institution will undoubtedly have a more promising future than any one of the individual mortgage banks by themselves.

Up to now, RHEINHYP has preferred to use internal resources to fuel its growth and to remain independent. But this does not imply that ultimately RHEINHYP was not successful in the mortgage-bank market – just the opposite, in fact. For a long time, RHEINHYP has been one of Germany's largest mortgage banks and it has always managed to expand by drawing upon its own resources. Its earnings performance has constantly lived up to our expectations. Against this background, the timing of the merger with the other two institutions is virtually ideal.

The merger will allow us to seize opportunities better than if RHEINHYP had stayed alone. Here again, we see that the whole is bigger than the sum of its parts.

The pace of growth has now moved into a new dimension. It will be much greater, and dictated not least by further expansion outside Germany. The most obvious feature of this new

dimension is the new brand name, which must be seen as a pointer to stepped-up activities in other parts of Europe, and elsewhere as well. We believe that it's mainly in these markets – in Europe and North America – that growth potential can be found. In Germany, however, the focus will be less on developing our business operations and more on improving our market position.

Above all, by bundling our forces and concentrating them in an independent company, EUROHYPO, we are creating a number of competitive advantages:

- we're not only exploiting potential synergies,
- and raising our commission income in the future,
- but we're also establishing ourselves as a benchmark issuer.
- And we can further improve our cost base.

This last aspect in particular is especially important in view of the constant criticism of banks' cost structure. It shows that we are taking the issue seriously, rather than just talking about it.

Two major features of the potential synergies are the standardisation of IT systems, which will remove redundancy, and the reduction of the workforce.

In achieving this goal, the new bank will apply commercial – but also socially acceptable – considerations.

At the same time, this step will take about 20 billion euros of risk-weighted assets off the Commerzbank Group's balance sheet – subject, of course, to confirmatory due diligence. This will considerably improve our core capital ratio, according to both Principle I of the German Banking Act and BIS. Both figures will improve by about 0.5 percentage points. As a result, we see the BIS ratio at around 7%.

But how will the new company benefit from RHEINHYP?

In the area of standardised building finance, EUROHYPO will work with the tried and tested principle of sales agents. RHEINHYP has done this successfully for many years. The new institution will also benefit from RHEINHYP's strong position at home and abroad in commercial real-estate business. In addition, the previous business activities of each of the

individual mortgage banks gives EUROHYPO an excellent track record. For this reason, I think we can speak of a merger of strength.

At the same time, the merger of the three mortgage banks will considerably improve our position with customers. We can offer them our combined expertise and prime-quality service. We believe this is a real win-win situation, as not only the parent banks are benefitting from the merger, but also our customers.

EUROHYPO is going to become the European name in real-estate financing.