

# **DEUTSCHE BANK**

AKTIENGESELLSCHAFT

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REPORT FOR THE YEAR 1972

It is our sad duty to announce the deaths of the following members of our Regional Advisory Councils:

Nico van Delden

Partner and Managing Director, Gerrit van Delden & Co., Gronau (Westf)

Staatsminister a. D. Dr. jur. Otto Fricke

Partner and Managing Director, August Prella, Goslar

Werner Klein

Partner and Managing Director, Bischof & Klein, Lengerich (Westf)

Dr. Rolf Raiser

Chairman of the Supervisory Board.

Württembergische Feuerversicherung Aktiengesellschaft in Stuttgart, Stuttgart

Dr. Carl Underberg

Partner and Managing Director, Underberg GmbH, Rheinberg (Rheinl)

We shall always remember them with respect and gratitude.

It is with deep regret that we report the deaths of the following members of our staff:

Heinz Barnhusen, Schwerte  
Willy Behr, Düsseldorf  
Erika Blaschke, Dillenburg  
Bernhard Brockschnieder, Münster  
Werner Büünk, Goch  
Peter Bunttenbruch, Düsseldorf  
Norbert Dastis, Darmstadt  
Ute Dellbrügge, Herford  
Kurt Döcker, Reutlingen  
Herbert Dörenkämper, Osnabrück  
Mathilde Fischer, Düsseldorf  
Emil Freund, Siegen  
Walter Friedrich, Hannover  
Werner Fuchs, München  
Hermann Führer, Wiesbaden  
Ludwig Gally, Frankfurt (Main)  
Heinz Grobecker, Düsseldorf  
Werner Grüttner, Bielefeld  
Alfred Hahn, Hamburg  
Kurt Hanheide, Hamburg  
Elisabeth Hann, Ludwigshafen (Rhein)  
Elfriede von Harten, Mannheim  
Volkert Hempel, Bremen  
Herbert Henneke, Hattingen  
Karin Herberich, Heilbronn  
Kurt Hiller, Freiburg (Breisgau)  
Rudolf Hoferer, Karlsruhe  
Carola Hotz, Bruchsal  
Karl Isenburg, Düsseldorf  
Ludwig Jaxt, Offenbach (Main)  
Walter Kassebeer, Hannover  
Hildegard Kempa, Solingen-Ohligs  
Maria Kieke, Düsseldorf  
Karl Kienzle, Düsseldorf  
Joachim Klemm, Bonn  
Otto Koch, Stuttgart  
Renate Krebs, Frankfurt (Main)  
Heidrun Lachmann, Villingen  
Ute Lambert, Stuttgart

Joseph Liskén, Düsseldorf  
Erika Litz, Wuppertal  
Willy Lucha, Mannheim  
Wilhelm Maack, Hamburg  
Günter Mattner, Köln  
Friedrich Muckel, Düsseldorf  
Anneliese Müller, Bonn  
Helmut Müller, Frankfurt (Main)  
Hermann Niggemann, Herford  
Franz Nold, Stuttgart  
Johann Olligschläger, Köln  
Heinrich Oswald, Köln  
Andreas Petri, Hannover  
Elisabeth Platzek, Hannover  
Johannes Pott, Osnabrück  
Hans Jochen Radloff, Remscheid  
Leo Resky, Köln  
Franz Rezulak, Hamburg  
Hans-Theo Roosenboom, Goch  
Anneliese Sackbrock, Wuppertal  
Oskar Seidel, Hamburg  
Herbert Siegle, Stuttgart  
Josefine Skalla, Frankfurt (Main)  
Elisabeth Staffeleu, Düsseldorf  
Helmut Steinert, Düsseldorf  
Ingeburg Storch, Hannover  
Reinhilde Stumpp, Lüneburg  
Karl Traubel, Mannheim  
Dr. Otto Trowe, Düsseldorf  
Franz Unger, Düsseldorf  
Helmuth Walter, München  
Josef Wanoschek, Frankfurt (Main)  
Friedrich Wasmer, Säckingen  
Heinrich Wegner, München  
Günther Weiser, Nürnberg  
Heinrich Weiss, Osnabrück  
Josef Wickord, Frankfurt (Main)  
Franz Zimmermann, Mainz

Moreover, we mourn the passing of 280 retired employees of our bank.

We shall always honour their memory.

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## Agenda

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for the

### Ordinary General Meeting

to be held at 10 a. m. on Tuesday, May 8, 1973 in the Kongresszentrum of the München-Sheraton Hotel, Arabellastrasse 6, Munich.

**1.**

Presentation of the established Statement of Accounts and the Report of the Board of Managing Directors for the year 1972, together with the Report of the Supervisory Board.

Presentation of the Consolidated Statement of Accounts and the Report of the Group for the year 1972.

**2.**

Resolution on the appropriation of profits.

**3.**

Ratification of the acts of management of the Board of Managing Directors for the year 1972.

**4.**

Ratification of the acts of management of the Supervisory Board for the year 1972.

**5.**

Increase in the capital of DM 640 million by DM 80 million to DM 720 million, by the issue of new shares with dividend rights as from January 1, 1973 at the price of DM 150 per share of DM 50 par value. The underwriting credit institutions are obliged to offer the new shares to the shareholders in the ratio of one new share for every eight shares held at the price of DM 150 per share of DM 50 par value.

Authorisation of the Board of Managing Directors to stipulate all further details in agreement with the Supervisory Board.

Amendment of § 4 subpara (1) and (2) of the Articles of Association.

**6.**

Election of the auditor for the year 1973.

## Supervisory Board

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Hermann J. Abs, Frankfurt (Main), Chairman

Hans L. Merkle, Stuttgart, Deputy Chairman  
Chairman of the Management of Robert Bosch GmbH

Heinz Osterwind, Frankfurt (Main), Deputy Chairman

Ottmar Baumgärtner, Frankfurt (Main)\*  
Deutsche Bank AG

Professor Dr. J. R. M. van den Brink, Amsterdam  
Chairman of the Supervisory Board of AKZO N.V.

Bernhard Drewitz, Berlin\*  
Berliner Disconto Bank AG

Dr. Helmut Fabricius, Weinheim (Bergstrasse)  
Personally liable partner of Freudenberg & Co.

Dr. Friedrich Karl Flick, Düsseldorf-Oberkassel  
Partner and Managing Director of Friedrich Flick KG

Alfred Haase, München, † March 5, 1972  
Chairman of the Supervisory Board of Allianz-Versicherungs-AG

Jörg A. Henle, Duisburg  
Partner and Managing Director of Klöckner & Co.

Dr.-Ing. E. h. Heinz P. Kemper, Düsseldorf  
Chairman of the Supervisory Board of VEBA AG

Alfred Kistenmacher, Hamburg\*  
Deutsche Bank AG

Werner Leo, Düsseldorf\*  
Deutsche Bank AG

Dipl.-Ing. Dr.-Ing. E. h. Helmut Meysenburg, Essen  
Member of the Board of Managing Directors of Rheinisch-Westfälisches Elektrizitätswerk AG

Dr. h. c. Herbert Quandt, Bad Homburg v d Höhe  
Industrialist, Chairman of the Board of Managing Directors of VARTA AG

Rudolf Schlenker, Hamburg  
Chairman of the Board of Managing Directors of H. F. & Ph. F. Reemtsma

Käthe Schmitz-Karhoff, Köln\*  
Deutsche Bank AG

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Dr.-Ing. E. h. Ernst von Siemens, München (until May 4, 1972)  
Deputy Chairman of the Supervisory Board of Siemens AG

Dr. rer. pol. Peter von Siemens, München (from May 4, 1972)  
Chairman of the Supervisory Board of Siemens AG

Dipl.-Kfm. Günter Vogelsang, Düsseldorf (from May 4, 1972)

Dr. Siegfried Weber, Hamburg \*

Hannelore Winter, Düsseldorf  
Housewife

Gerhard Zietsch, Mannheim \*  
Deutsche Bank AG

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\* *elected by the staff*

## Advisory Board

---

Professor Dr. Kurt Hansen, Leverkusen, Chairman  
Chairman of the Board of Managing Directors of Bayer AG

Otto Wolff von Amerongen, Köln, Deputy Chairman  
Chairman of the Board of Managing Directors of Otto Wolff AG

Wilfried Baumgartner, Paris  
Président Rhône-Poulenc S.A.

Dr.-Ing. Dr. phil. Dipl.-Chem. Friedrich Harders, Dortmund  
Chairman of the Board of Managing Directors of Hoesch AG

Paul Hofmeister, Hamburg  
Chairman of the Board of Managing Directors of Norddeutsche Affinerie

Dr. Heribald Närrer, München (from May 4, 1972)  
Member of the Board of Managing Directors of Siemens AG

Dr. Egon Overbeck, Düsseldorf  
Chairman of the Board of Managing Directors of Mannesmann AG

Wolfgang Reuter, Duisburg  
Chairman of the Board of Managing Directors of DEMAG AG

Dr. Wolfgang Schieren, München (from May 4, 1972)  
Chairman of the Board of Managing Directors of Allianz Versicherungs-AG

Rechtsanwalt Johannes Semler, Frankfurt (Main)  
Member of the Board of Managing Directors of Allgemeine Elektrizitäts-Gesellschaft AEG-TELEFUNKEN

Dipl. rer. pol. Dr. sc. pol. Gerd Tacke, München (until May 4, 1972)  
Member of the Board of Managing Directors of Siemens AG

Professor Dr. phil. nat., Dr.-Ing. E. h. Dr. rer. nat. h. c. Bernhard Timm,  
Ludwigshafen (Rhein)  
Chairman of the Board of Managing Directors of Badische Anilin- & Soda-Fabrik AG

Werner Traber, Hamburg  
Spokesman of the Board of Managing Directors of Hapag-Lloyd Aktiengesellschaft

Dipl.-Kfm. Günter Vogelsang, Düsseldorf (until May 4, 1972)

Casimir Prinz Wittgenstein, Frankfurt (Main)  
Deputy Chairman of the Board of Managing Directors of Metallgesellschaft AG

Dr. Joachim Zahn, Stuttgart-Untertürkheim  
Chairman of the Board of Managing Directors of Daimler-Benz AG



## **Board of Managing Directors**

---

F. Wilhelm Christians

Robert Ehret

Hans Feith

Wilfried Guth

Manfred O. von Hauenschild (until May 4, 1972)

Alfred Herrhausen

Andreas Kleffel

Hans Leibkutsch

Franz Heinrich Ulrich

Wilhelm Vallenthin

Horst Burgard, Deputy

Eckart van Hooven, Deputy

Klaus Mertin, Deputy

Hans-Otto Thierbach, Deputy

## Assistant General Managers

---

Werner Blessing  
Dr. Josef Bogner  
Dr. Siegfried Jensen  
Christoph Könneker

Dr. Paul Krebs  
Ernst H. Plessner  
Hans-Kurt Scherer

Dr. Walter Seipp  
Dr. Karl Friedrich Woeste  
Dr. Herbert Zapp

## Managers and Deputy Managers of the Central Offices

---

### Frankfurt Central Office

Wilhelm Balzer  
Dr. Hans-Albert von Becker  
Georg Behrendt  
Dr. Helmut Bendig  
Siegfried Brockhaus  
Robert Dörner  
Helmut Eckermann  
Wilhelm Eilers  
Dr. Klaus Gaertner  
Rudolf Habicht  
Dr. Walter Hook  
Dr. Ulrich Hoppe  
Heinz Jürgens  
Heinrich Kunz  
Richard Lehmann  
Dr. Hans-Peter Linss  
Dr. Walter Lippens  
Heinz Mecklenburg  
Dr. Hans Otto Mehl  
Josef Meyer  
Alfred Moos  
Dr. Karl Schneiders

Dr. Georg Siara  
Günter Sonnenburg  
Hans Sprengel  
Dr. Ernst Taubner  
Dr. Franz-Josef Trouvain  
Dr. Winfried Werner, Syndic  
Walter Wernicke  
Johann Wieland  
Dr. Kurt Winden, Syndic  
Hans Woydt  
Dr. Wolfgang Arendt, Deputy  
Jochem Bessler, Deputy  
Helmut von der Bey, Deputy  
Dr. Rolf-Ernst Breuer, Deputy  
Fritz Burghardt, Deputy  
Ulrich Cutik, Deputy  
Helmut Goldau, Deputy  
Dr. Peter Grasnick, Deputy  
Rudolf Herget, Deputy, Syndic  
Eckard-Wulferich von Heyden,  
Deputy  
Dr. Jan Hiemsch, Deputy

Dr. Helmut Hossenfelder, Deputy  
Yorck Jetter, Deputy  
Gerhard Junker, Deputy  
Dr. Armin Klöckers, Deputy  
Heinz Köhler, Deputy  
Gerhard Koenig, Deputy  
Paul Körtgen, Deputy  
Dr. Siegfried Kumpel, Deputy, Syndic  
Erich Kunder, Deputy  
Horst Liefelth, Deputy  
Hermann Marx, Deputy  
Dr. Martin Murtfeld, Deputy  
Axel Osenberg, Deputy  
Carl Pflitsch, Deputy  
Dr. Hans Walter Schlöter, Deputy  
Dr. Ernst Schneider, Deputy, Syndic  
Heinrich Stein, Deputy  
Heinrich Stöhr, Deputy  
Erich W. L. Stromeyer, Deputy  
Gerd Volkemer, Deputy  
Walther Weber, Deputy  
Dr. Olaf Wegner, Deputy  
Dr. Ulrich Weiss, Deputy

### Düsseldorf Central Office

Erich Bindert  
Dr. Theo Loevenich  
Dr. Walter Obermüller, Syndic  
Dr. Hans-Joachim Panten  
Hans Rosentalski  
Dr. Werner Schwillig

Rudolf Weber  
Reinhold Bandomir, Deputy  
Dr. Dieter Bökenkamp, Deputy  
Josef Gerhard, Deputy  
Manfred Hahn, Deputy, Syndic  
Günter Hastenrath, Deputy

Dr. Hans-Otto Linnhoff, Deputy  
Werner Römer, Deputy  
Wilhelm Schlaus, Deputy, Syndic  
Heinz Weigle, Deputy  
Dr. Friedrich Wilhelm Wiethage,  
Deputy  
Friedrich Wolff, Deputy

## Managers and Deputy Managers of the Regional Head Branches

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### Aachen

Dr. Karl-Heinz Böhringer  
Erich Möller

### Bielefeld

Ernst Cremer  
Dr. Lothar Gruss  
Dr. Georg Vaerst, Deputy

### Braunschweig

Wolfgang Büsselberg  
Werner Rissmann  
Hans Witscher  
Horst Thiele, Deputy

### Bremen

Dr. Roland Bellstedt  
Hans-Henning von Bülow  
Peter Hartmann

### Dortmund

Dr. Harry Leihener  
Dr. Wolfgang Tillmann  
Hans Christian Oesterlink, Deputy  
Johanna Prill, Deputy

### Düsseldorf

Wolfgang Möller  
Günter Sengpiel  
Friedrich Stähler  
Werner Gösel, Deputy  
Klaus Leukert, Deputy  
Dr. Rüdiger Weber, Deputy

### Duisburg

Karlheinz Pfeffer  
Karl Ernst Thiemann  
Heinrich Sander, Deputy

### Essen

Dr. Herbert F. Jacobs  
Dr. Theodor E. Pietzcker  
Günter M. Schwärzell  
Horst Achenbach, Deputy  
Günter Stuckardt, Deputy

### Frankfurt (Main)

Dr. Ulrich Klauke  
Gottfried Michelmann  
Dr. Hugo Graf von Walderdorff  
Dr. Karl-Heinz Wessel  
Karlheinz Albrecht, Deputy  
Herbert Glogau, Deputy  
Fritz Grandel, Deputy  
Walter Ritter, Deputy  
Norbert Schiffer, Deputy

### Freiburg (Breisgau)

Dr. Günther Dietzel  
Heinz Quester  
Ernst Bareiss, Deputy

### Hamburg

Christoph Könneker  
Hans-Kurt Scherer  
Dr. Harald P. Burchard  
Günther Hoops  
Johann Pfeiffer  
Claus Schatz  
Dr. Hans-Dieter Bartels, Deputy  
Hermann Brenger, Deputy  
Franz Brinker, Deputy  
Johannes Engelhardt, Deputy  
Wilhelm Groth, Deputy  
Gerhard Koop, Deputy  
Dr. Jens Nielsen, Deputy, Syndic

### Hannover

Dr. Werner Anders  
Dr. Heyko Linnemann

### Hannover (cont'd)

Horst Dotzauer, Deputy  
Rudolf Hahn, Deputy  
Günter Olf, Deputy  
Bruno Redetzki, Deputy  
Erich-Karl Schmid, Deputy  
Karl Otto Trautmann, Deputy

### Kiel

Walter Friesecke  
Heinrich Garbo

### Köln

Dr. Walter Barkhausen  
Dr. Franz von Bitter  
Paul Husmann  
Wilhelm Clemens, Deputy  
Jean Klein, Deputy  
Karlheinz Krippendorf, Deputy  
Kurt Peter Wagner, Deputy  
Dr. Dieter Wefers, Deputy  
Ferdinand Zöller, Deputy

### Krefeld

Hans Müller-Grundschock  
Jürgen Paschke  
Werner Jungmann, Deputy

### Mainz

Dr. Harro Petersen  
Dr. Hans Pütz  
Wilken Wiemers, Deputy

### Mannheim

Dr. Fritz Lamb  
Karlheinz Reiter  
Heinz G. Rothenbücher  
Dr. Joachim Seidel  
Herbert Fuss, Deputy  
Ernst Georg Kummer, Deputy  
Helmut Schneider, Deputy

**München**

Dr. Josef Bogner  
Dr. Siegfried Gropper  
Dr. Hamilkar Hofmann  
Dr. Bernt W. Rohrer  
Dr. Hans Sedlmayr  
Karl Dietl, Deputy  
Lothar Ludwig, Deputy  
Rupert Mayer, Deputy  
Rudolf Thilo, Deputy  
Dr. Caspar von Zumbusch, Deputy

**Münster (Westfalen)**

Oskar Klose  
Lothar Zelz  
Kurt Homann, Deputy

**Osnabrück**

Claus Hinz  
Ulrich Stucke

**Siegen (Westfalen)**

Karl-Heinz Fink  
Dr. Wolfgang-Dieter Lange  
Reinhold Seloff, Deputy

**Stuttgart**

Hellmut Ballé  
Norbert Elsen  
Dr. Nikolaus Kunkel  
Paul Leichert  
Gerhard Burk, Deputy

**Stuttgart (cont'd)**

Helmut Deutscher, Deputy  
Heinrich Kizler, Deputy  
Walter Staudt, Deputy

**Wuppertal**

Dr. Hans Hinrich Asmus  
Hans W. Stahl  
Dr. Gerhard Weber  
Dr. Jost Enseling, Deputy  
Dr. Peter Rösler, Deputy

## Report of the Board of Managing Directors

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### Start of the sixth cycle

1972 began with a new cyclical upswing. But the upward movement, which was at first lively, slackened noticeably from May onwards. There was a marked pause in the summer but rising orders brought a renewed upward trend in the autumn. The turn of the year 1972/73 was characterised by still rather subdued, but quickening economic activity.

So the sixth cycle since the Currency Reform started in the Federal Republic. As there was no real preceding downswing and the price level is high, there is much to indicate that the limits of the upswing will show at an early stage.

### Low growth

The national product rose by 9.2% including price changes. Real growth at 2.9% was almost as low as last year but nevertheless higher than expected.

The recession still feared by many observers – and by us – at the end of 1971 was avoided. But at the same time the discrepancy between nominal and real growth in 1972 was greater than had been predicted or had been the aim of economic policy. For a real growth rate slightly above the forecasts the Federal Republic has paid a high price in higher inflation.

Full employment on the labour market remained unthreatened throughout the year. An average unemployment ratio of 1.1%, more than 500,000 vacancies and an increase in the number of foreign workers by around 200,000 prove that the labour market was and is largely exhausted. Industrial capacity, on the other hand, was in many cases inadequately utilised. During the year the general level of capacity utilisation improved from 83% to 86%.

### The aim of stability not achieved

In 1972 the Federal Republic fell even farther short of the aim of greater stability. Particularly after the middle of the year prices rose more strongly. Alto-

gether 1972 brought a rise in the cost of living of over 6%, and thus, regrettably, a new "record" for the Federal Republic, if one does not include the rate of price increases during the Korean war.

We have had creeping inflation for some years now. It is having an increasingly determinant effect on economic and social developments. The spread of the inflationary mentality and the increasing efforts being made to find ways and means of adjusting to the decline in the value of money, are themselves continuously strengthening the rising trend in prices. Frequent reminders that there are similarly high inflation rates in almost every other country only help to lower resistance to the inflationary trend.

### Lower surplus on current account

To turn to the Federal Republic's external position, the current account closed with a relatively low surplus. The surplus on the trade balance increased by more than 25%. But this was compensated by almost equally large deficits on other items in the current account so that on a fair consideration one cannot say that there was a balance of payments problem for the Federal Republic during the year under review. Only during the first half of the year was there again a strong inflow of foreign exchange as a result of large, and partly speculative, movements of capital.

To summarise: the economy of 1972 showed greater growth than had been expected, much stronger price rises than had been forecast, consistent full employment on the labour market and a current account largely in equilibrium.

### Expansive public budgets

Expenditure by the public sector and private consumption were the main dynamic elements in economic activity. Expenditure by the public sector had a strongly expansive effect on demand. In spite of higher tax revenue all public budgets together closed with a deficit of DM 11 billion for 1972. Particularly

during the first months of the year there was a renewed explosion in public expenditure. With this expansive fiscal policy the state made an essential contribution to stopping the downswing and initiating a new upward movement. In this way the transition was smoother than in 1966/67, but there was no effective consolidation phase which could have led to greater price stability.

The inflationary phenomena, which it inadequately counteracted, caused the state increasing difficulties in its budgeting for 1972. The strong direct and indirect wage and salary increases during recent years in the public sector have swallowed more and more of its revenue. Higher prices made material investment more expensive, so that in real terms public investment ability was reduced. Creeping inflation is endangering the financing of necessary reforms. Thus the public sector itself is to a large extent becoming a victim of the steady deterioration in the value of money.

### **The rise in wages still very much above the rise in productivity**

Private consumption increased further with the growth in mass incomes. The growth rates in salaries and wages did slow down, but were again very much higher than the rise in productivity. This is the decisive cause of rising costs and the resultant cost inflation. All observers are agreed on the consequences of excessive wage increases, but it appears to be impossible in practice to draw the necessary conclusions for economic policy. In wage negotiations the trade unions now almost as a matter of course make their minimum claim adjustment to the current inflation rate and participation in the rise in productivity. The result of the negotiations in the metal industry at the beginning of 1973 with an increase in collectively agreed wages of 8.5%, which will in fact be higher due to supplementary benefits, is based on the same principle. This 8.5% has become a guideline for collective agreements in other industries.

On principle, this only maintains the wage and salary earners' given share of national income. But such a wage policy operates as a kind of index clause. It makes past price increases the basis of present wage claims and at the same time projects them as the lower threshold into the future. Thus the inflationary process is automatically perpetuated by a major factor.

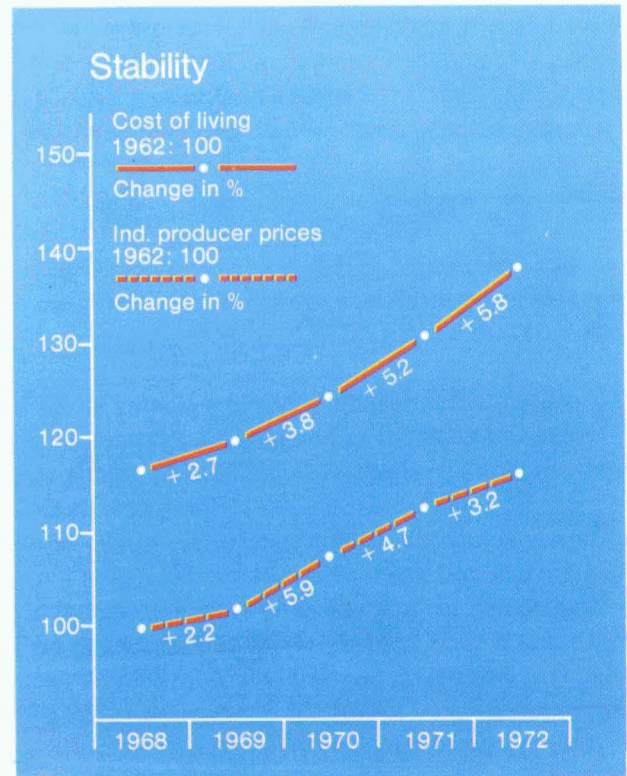
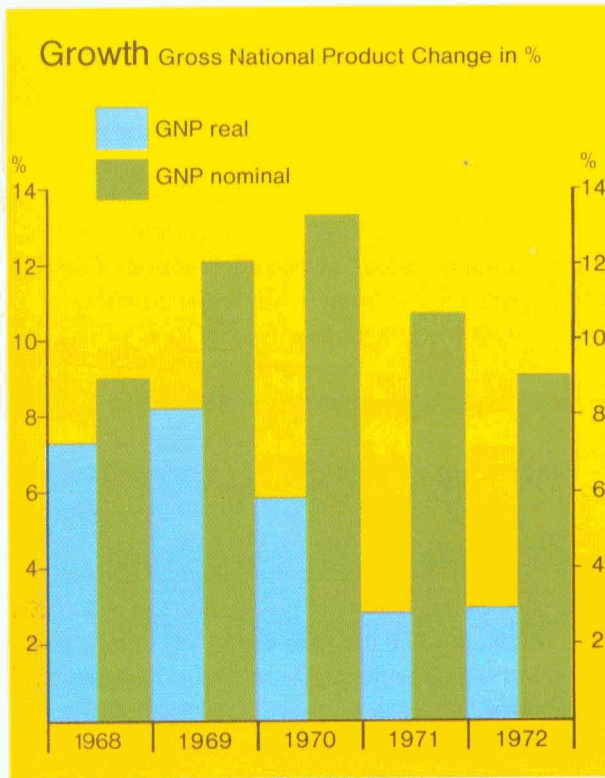
The consequences of the current price rises for wage and salary earners were already clear in 1972; they should be all the more marked in future: the real increase to wage and salary earners as a whole is shrinking despite the constant nominal rise in incomes. The real improvement in the standard of living is ultimately largely the same as the real growth in the national product, and this dropped between 1969 and 1972 from 8% to 2.9%. With a wage ratio of almost 70% a few percent increase in this share is obviously not so decisive for the standard of living of wage and salary earners as the continuous real growth in the national product.

### **Revival of the propensity to invest**

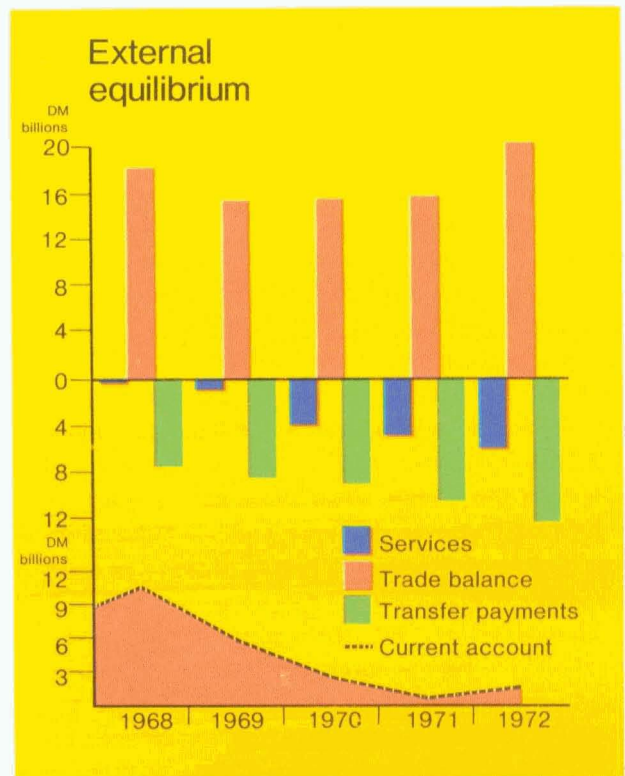
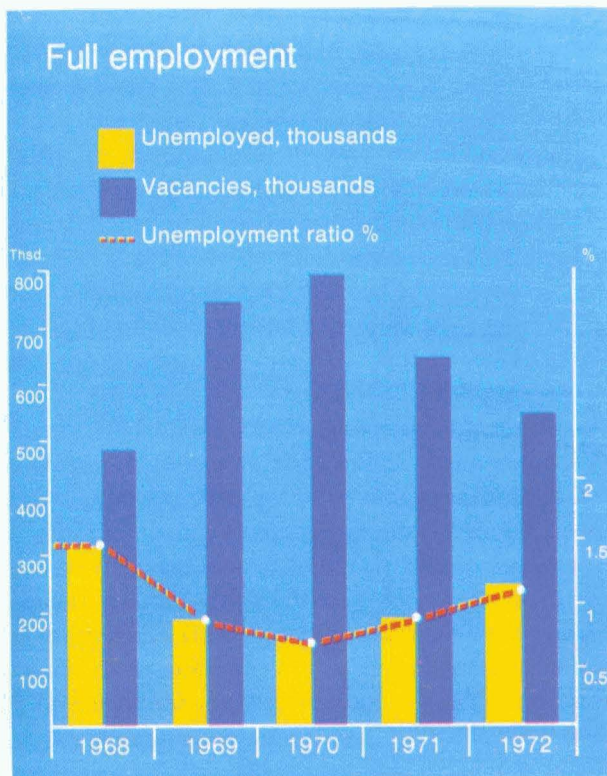
In 1972 investment gave little impulse to the new cyclical upswing. But the strong decline, which seemed possible in the autumn of 1971, did not set in. Investment in all sectors increased nominally by 5.6% and in real terms by 1.9%. Industrial investment, which is very dependent on the business cycle, declined, however, in real terms by about 8%.

Particularly as a result of the weakened earning power the propensity to invest in industry had reached a low at the end of 1971. But companies' expectations improved slowly during the year as a result of the impulses to economic activity from public and private consumption expenditure and later from exports. Some investment plans were revised upwards. This was particularly the case in the consumer goods sector where the high degree of capacity utilisation had declined only slightly even during the downswing, so that there was in any case little spare capacity. But investment was reduced in the capital goods sector. Then at the beginning of 1973 not only orders from abroad but also demand on the home market for capital goods very much increased. Whereas in 1972 investment was mainly for rationalisation purposes, to compensate rising costs, now capacity expansion regained significance.

The company finance situation improved somewhat on average although there were strong differences between individual industries and firms. A considerable part of the higher labour and materials costs could be passed on in prices. At the same time, the slight increase in capacity utilisation furthered productivity. But the growth in income from entrepre-



The four main aims of economic policy and their realisation in the Federal Republic from 1968 to 1972



neural activity again lagged behind the overall increase in the national product. As investment expenditure rose to almost the same extent as funds available for financing, the self-financing ratio of enterprises, which had declined in 1971, has not yet risen again.

### **The Bundesbank takes measures to cope with external factors**

In 1972 the Bundesbank was consistent in its efforts to ward off as far as possible the inflow of money from abroad to the Federal Republic and, shielded by these measures, to counteract the strong expansion of money and credit. At short intervals it made use of its monetary and credit policy instruments, after the Federal Government at the central bank's suggestion had at the beginning of March introduced a cash deposit requirement on certain borrowings abroad by non-banks.

With this protection against external factors the Bundesbank changed its discount policy. While in February it had lowered the rate even further from 4% to 3%, from October it began to raise the rate again.

In June the pound sterling crisis and the resultant general uncertainty on the foreign exchange markets caused Switzerland and the Federal Republic to introduce further measures against money and credit inflows from abroad.

On the advice of the central bank the Federal Government declined to float the D-Mark in isolation again. It decided rather to use § 23 of the Foreign Trade and Payments Law and impose partial control on what had till then been fully liberalised, capital transactions for non-residents with the Federal Republic. It was certainly not easy for the central bank to make this recommendation. But in the circumstances the choice was generally regarded by trade, industry and the banks as the lesser of two evils; a renewed floating of the D-Mark would probably – at least at first – have had an economically unjustifiable revaluation effect and delayed efforts towards European monetary union for years.

The restrictions imposed – cash deposit requirement and partial control on capital transactions – altogether proved effective in 1972. Both in short and long-term capital movements there was a reflow of money abroad. The main reason for this reversal was

the temporary strengthening of the US dollar.

Certainly the Bundesbank in the course of the year succeeded in getting the banks' free liquid reserves down to a minimum. Parallel with this development there was, however, an expansion in the volume of money as well as an increase in the volume of lending by all credit institutions, both of by more than 14.5%. The substitution of domestic for foreign borrowing also played a major but not the decisive role.

### **Another breach in the dam**

Developments during 1972 had awakened the hope that the Deutsche Bundesbank, shielded by the control measures in force against the external factors, would be able to maintain better balance between the expansion of the volume of money and the real growth of the economy. But the renewed inflow of foreign exchange at the beginning of February 1973 seriously jeopardized the initial success of its restrictive policy. Even strengthening the dam by introducing further control measures on cross-frontier money and capital transactions within the framework of § 23 of the Foreign Trade and Payments Law proved insufficient. The need for dirigism in the field of money and capital transactions was strengthened as every new regulation gave rise to further initiative in evading it. Within a few weeks the Bundesbank had to take up more than DM 25 billion in foreign exchange.

Hence in February/March 1973 the central bank's main concern had to be to redirect as far as possible the inflow of foreign exchange out of the country again and neutralize the effects of the remaining amount on the domestic money supply. This was fairly easy in so far as the money which had been converted into D-Marks had been deposited with the banks on non-residents' accounts. The obligatory reserve of 100% on the growth in such deposits in force since July 1, 1972 automatically froze these amounts. Through several reductions in the rediscount facilities the central bank also made refinancing more difficult for the credit institutions. Thus the latest monetary crisis not only made the banks' liquidity dispositions extremely difficult but also had a further negative effect on their profitability calculations. In this process the central bank is increasingly losing its classical function as "The bank of banks" and lender of last resort.

But all this did not affect the liquidity inflows out-



## Monetary and credit policy measures

### 1972\*)

1. 1. Minimum reserve rates on liabilities to residents lowered by 10%.
25. 2. Discount rate lowered from 4 to 3%, lombard rate from 5 to 4%.
1. 3. Rediscount quotas reduced by 10%.  
Reserve rate on growth in liabilities to non-residents subject to reserve requirements increased from 30 to 40%.

Through a regulation issued by the Federal Government, a cash deposit requirement was imposed on certain borrowings abroad, particularly by non-banks. The central bank fixed the rate at 40% (free quota: DM 2 million).

29. 6. Cash deposit rate raised to 50%, free quota of +1.7. DM 2 million lowered to DM 0.5 million.

A reporting requirement was introduced for the assignment of claims to non-residents against payment.

According to § 23 "transactions whose object is the acquisition, against payment, of domestic bearer bonds and bonds payable to order by non-residents from residents shall require authorisation".

Minimum reserve rates on domestic liabilities raised by 20%.

Minimum reserve rates on existing liabilities to non-residents raised to 40% on sight liabilities, 35% on time liabilities, and 30% on savings deposits. Reserve rate on growth in liabilities

to non-residents over the level of November 1971 raised to 60%. Rediscount quotas reduced by 10%.

1. 8. Rediscount quotas reduced by a further 10%.  
Minimum reserve rates on domestic liabilities raised by 10%.
9. 10. Discount rate raised from 3 to 3½%, lombard rate from 4 to 5%.
3. 11. Discount rate raised from 3½ to 4%, lombard rate from 5 to 6%.
1. 12. Discount rate raised from 4 to 4½%, lombard rate from 6 to 6½%.

### 1973\*\*)

1. 1. The Federal Government dropped the free quota for the cash deposit requirement from DM 500,000 to DM 50,000.
12. 1. Discount rate raised from 4½ to 5%, lombard rate from 6½ to 7%.
1. 2. Rediscount quotas cut by 10%.
1. 4. Rediscount quotas cut by 10%.

\*) Date when measure came into force

\*\*) As at mid-January, 1973

side the banking system. In addition to the aforementioned new controls under § 23 of the Foreign Trade and Payments Law the increase in the maximum allowable cash deposit requirement to 100% is to serve this end. The partial EEC floating in March, together with a further revaluation of the D-Mark, set new data for international liquidity movements. Now is the time for a reassessment of the measures adopted during the crisis weeks.

## Stabilisation policy remains difficult

Given the situation in the domestic economy the decisions of March 1973 regarding exchange rate policy were to a certain extent a contribution to stabilisation for the Federal Republic. Nevertheless, the central bank's task of safeguarding the internal stability of the D-Mark is now more difficult than ever. At 6% the rate of price increases at the beginning of the year was higher than in preceding years. After the relatively small cyclical upswing in 1972 there are now

signs of a stronger upward drive and of an acceleration in price rises. In addition to the continued cost inflation we now appear to have a measure of demand inflation. If anything, therefore, the Bundesbank will have to use even stronger counter-measures. But the experience of the last few years has more than adequately shown that the central bank can only be successful in its efforts for stability if the state and the social partners also make an adequate contribution. In isolation central bank policy would in fact lead to a greater rise in costs and hence bring about the opposite of its intention. Thus the aim itself precludes the Government from what at first appears as the softer option politically of shifting responsibility for stabilisation policy primarily on to the central bank.

The increase in state consumption during the last few years was higher than the nominal growth in the national product. And the budget figures for 1973 do not hold out a promise of a reversal of this trend. A budget policy really in conformity with stability is extremely difficult for the Federal Government because a very high percentage of staff and material costs is practically fixed in advance by laws etc. which have already been passed, and there are, in addition, a number of promised reforms to be carried out.

With the stabilisation programme presented in February the Government therefore chose other ways than a cutback in its own expenditure. Approximately DM 6 to 7 billion in purchasing power is to be drawn off by issues of "Stability" bonds and higher taxes. But the anti-inflationary effect of these measures will probably only be limited, as specifically the higher taxes will have a dampening effect more on investment than on private consumption and will push some prices up further. Most important, however, is the fact that these steps will not have the signal effect which a recognisable reduction in public consumption expenditure would certainly have had.

Under these circumstances it is hardly surprising that the social partners as well have so far taken only partial account of the requirements of stability in their wage and prices policy. If it thus becomes clear that despite all these efforts the central bank will still have to carry the main burden of the battle against rising prices the chances for success of such an anti-inflation policy can only be viewed with scepticism and concern, particularly as a really hard policy on the part of the central bank would ultimately inevitably conflict with the Federal Government's policy of full employment.

The current discussion on an extension of the Bundesbank's range of instruments must also be seen from this aspect. It hardly seems meaningful to keep extending this if even its massive but one-sided use under the prevailing circumstances would hold out little hope of success. If there is no danger from the external position – the situation in 1972 – the available instruments are certainly enough: no means are adequate when there are floods of liquidity coming in from abroad.

Among the new instruments proposed are minimum reserves on bank assets and a credit ceiling. The immediate effect it would have on the growth in bank lending may speak in favour of the minimum reserves on bank assets. The danger would be that this could easily develop into a dirigistic steering instrument, varied for the different types of assets with corresponding disadvantages for individual groups of institutions. There are serious doubts with regard to a credit ceiling, both from the financial point of view and with regard to the freedom of the market. Strong and selective intervention in the distribution of credit can lead to a kind of state planning of the money side of the economy.

### **A somewhat stronger expansion of lending**

In 1972 lending by German credit institutions rose by 15.3%; in 1971 the increase had been 13.7%. Thus there was a slightly stronger expansion of lending during the year under review although the nominal growth in the economy was less than last year.

Credits granted to enterprises and self-employed showed the largest increase in absolute terms at DM 50 billion. The increase in domestic borrowing by enterprises was partly due to the aim to replace foreign with domestic credits and thus avoid the cash deposit requirement. However, there was not a massive run on domestic credit after the cash deposit requirement came into force. In the first half of 1971 German enterprises had still borrowed more than DM 6 billion short-term funds abroad. In 1972 almost DM 6 billion in short-term funds was repaid abroad. If one takes domestic and foreign borrowing by German enterprises together the growth by no means seems very large. Nevertheless, due to the hesitancy to invest many companies had a good reservoir of liquidity.

The development of the demand for bank lending for housing construction clearly reflects the hectic building boom which has been strengthened in the private sector by fears of inflation. In 1972 bank credits to the amount of DM 24.6 billion were utilised for housing construction. That was almost 14% more than during the preceding year.

### **The savings ratio continues high**

Despite the considerable inflation rate savings activity went on undiminished in 1972. At 14% of disposable income the savings ratio reached a new peak. Private households spent about two thirds and saved one third of the increase in incomes during the first

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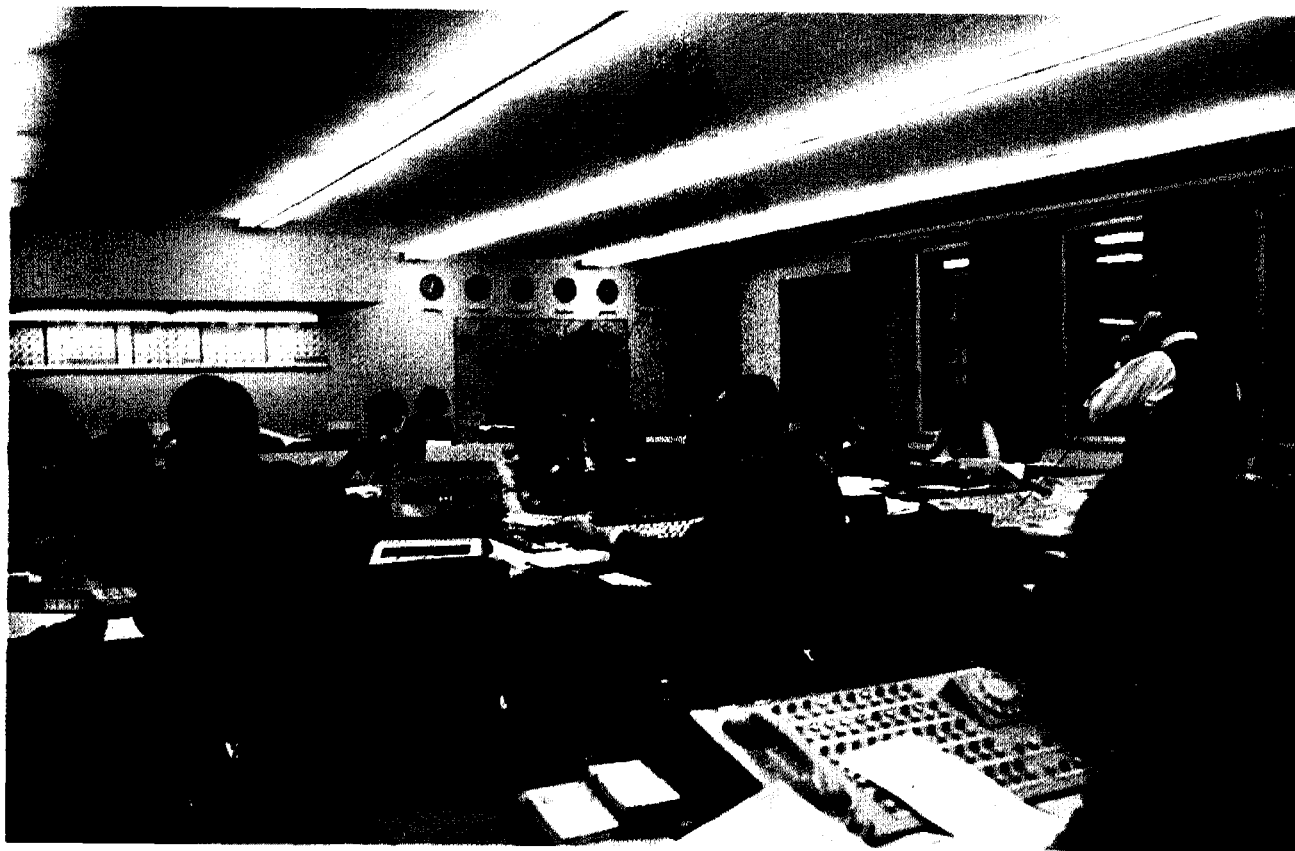
The developments of the last few months have shown what a responsible role the foreign exchange dealer plays in banking. The Deutsche Bank has its own telephone lines to all the world's important financial centres. The picture shows the foreign exchange dealers of our Frankfurt (Main) Central Office at work.

half of 1972. Private monetary wealth formation over the same period was approximately 40% up on the comparable figure for the preceding year. Thus although there was a high consumer boom in 1972 a great deal of money has also been saved, a fact mainly due to continued high rate of wage and salary increases during the last few years.

Savers are now much keener to find forms of investment which guarantee a higher interest rate and hence a certain compensation for price increases. This is one of the main reasons for the larger sales of fixed-interest securities and of bank and Federal savings bonds. But the desire for protection against inflation has not led to greater purchases of shares.

However, the continued boom on the market for housing and the increase of almost a third of payments into building and loan association savings accounts indicate a kind of rush into material assets. The strong rise in building prices has obviously stimulated many people to make even greater efforts to save so as to be able to buy their own property sooner.

It seems remarkable that in addition to these



higher purchases of fixed-interest securities and more saving for building and property investment there has also been a considerable rise in the amount paid into ordinary savings accounts. This may be connected with the fact that saving for a particular purpose is a widespread habit. People save because they want to finance a major outlay later – they want to buy a car or go on an expensive holiday, etc. But today rising prices mean that more money has to accumulate before these targets are reached.

The development during the last year again gives rise to the question as to how sensitive savers are to inflation. The fact that the public has so far not reacted to the strengthening of the inflationary trend by saving less can certainly not be regarded as immunity nor as a proof of confidence. Many savers are watching the value of their savings shrink with great concern and are only going on saving because they cannot see a better alternative way of making provision for the future. But this would change very quickly, if the inflation rate rose so that the discrepancy between the shrinkage in purchasing power and the return on the investment precluded any incentive to save right from the start. The economic consequences would not be the only damage to ensue. In fact, saving has been disappointing during the first months of 1973 and this could already be an indication of a disturbing change in the trend.

#### **Higher charges and the list of conditions on display in the branches**

In 1972 the banks raised their charges and commission fees. For almost twenty years despite continuously rising staff and administrative costs they had left these rates unchanged and introduced a number of additional services free. But the continuous rise in costs with at the same time the reduction in the interest margin made it impossible for them to maintain the business policy of offering services far below cost or at no charge at all and seeking compensation from income in other sectors of their business. They were forced to review their charges and, like all other service enterprises, at last to bring them more into line with the trend in costs.

When taking this inevitable step the credit institutions probably made a mistake in not emphasising *soon enough or clearly enough their reasons for rais-*

*ing charges.* Publicity work was really only set going by the need to defend what they had done. In the meantime the factual arguments put forward by the banks have been meeting with increased understanding.

One result of the higher charges was the growing public desire for better information on prices at the different credit institutions. In their publicity many banks had for a long time been quoting prices in informative prospectuses and advertisements. Then when the Federal Minister for Economics and Finance requested greater clarity within the banking sector through a display of the list of conditions in the banking halls the banks complied. The head organisations for the different groups of banks compiled a list of items, which has been on display since the end of 1972 in all the banking halls, stating the institution's interest rates, charges and commission fees for services to private customers. The regulation is not quite complete in that it covers the credit institutions but not the loan intermediaries, who are to be included although there are practical difficulties in the way.

#### **Strong foreign interest in German shares**

The price level on the German share markets rose from the beginning of the year to mid-August 1972 by 21.3%. The peak for the year registered by the official share index on August 10 was only 4.9% below the absolute peak for the post-war period of the end of August 1960. In the following months the market fluctuated considerably and by the end of the year about half the gain had gone again. The average price rise at the end of the year was 11.7%, almost exactly the same as the year before (+11.8%). Again, however, there were very different developments in the different industries. Monetary developments, especially the above-average growth in the volume of money, proved a strong impulse to business on the German stock markets during the first half of the year. Foreign buying – especially from Great Britain – played an important part.

A favourable factor was the high inflow of funds to the investment companies. Purchases of shares by non-residents were at first unaffected by the controls on capital transactions introduced at the end of June. But after the August rise uncertainty with regard to cyclical and credit policy at times considerably inhib-

ited buying activity on the share markets. The Federal election also made investors prefer to wait and see, thus acting as a further retarding element. With effect from February 5, 1973 share purchases were included in the stricter controls on capital transactions. But as with fixed-interest securities the central bank allows purchases in compensation for sales of shares or bonds by non-residents.

The average yield on German shares quoted on exchanges, which was 3.98% at the end of 1971, sank to 2.81% as a result of lower dividends and higher prices, but had risen again to 3.08% by the end of the year. The average dividend went down from 15.32% at the end of December, 1971 to 13.08% at the end of 1972.

The amount of new shares issued was even lower than in the preceding year. The nominal value went down by 13.9% to DM 2.4 billion and the market capi-

talisation by 12.8% to DM 4.1 billion. The average issue price was 173%, 1.2% higher than last year.

### The need to stop double taxation of shares

The plans to ease the tax burden on shares within the framework of a larger tax reform could not be welded into a bill for the Federal Parliament in 1972 either. We must hope that the new Government will continue work on the existing drafts, which would result in an offsetting system and hence less double taxation. The realisation of these plans would, with a satisfactory development in company earnings, make shares more attractive as a means of participation in productive capital and promote the desired wealth formation among wider circles of the population.

### The bond market – new sales records

During the year under review the market for bonds was extraordinarily receptive. With gross sales of

In order to give our customers speedy and comprehensive information on the latest quotations on the Frankfurt Stock Exchange, an indicator – one of the most modern of its kind – has been installed in the banking hall of our Frankfurt (Main) branch.



fixed-interest securities of domestic issuers totalling around DM 48.1 billion nominal all previous sales records in this sector were broken. The record volume of sales on the bond market (reached in 1971) was beaten by 57%. Moreover, just on DM 5 billion worth of DM foreign bonds were placed – although mostly to foreign investors.

As last year, the most important group of buyers were private households, which with increasing inflation but rising incomes moved into investment forms with a higher yield. The institutional investors were particularly big buyers during the first quarter of 1972. The credit institutions also at first continued to stock up with bonds, but as money and credit policy became more restrictive they cut back their purchases noticeably and some even began to sell again.

During the first half of the year purchases of domestic bonds by non-residents were also of particular significance, totalling over DM 6 billion. At the end of June the Federal Government stopped sales of domestic bearer and order bonds to non-residents. In September, like Switzerland, the Federal Republic brought in a compensation scheme according to which foreign investors may purchase domestic bonds to the extent of sales of domestic bonds by non-residents or of redemption payments. But bonds with an original maturity of 4 years and less are not eligible for compensation. DM foreign bonds are not subject to this restriction.

The interest rate of 7½% introduced at the beginning of the year was retained until the middle of February. From the end of February to the end of March loans could be floated at 7%, but the phase of declining rates soon came to an end. Growing awareness of inflation made investors more sensitive to interest rates. In April the Central Capital Market Committee felt obliged to prevent pressure on the market. During the following weeks, parallel with the increasingly restrictive central bank policy and the prevention of foreign purchases of German bonds the 8% rate was re-established and remained the rate beyond the turn of the year 1972/73. The move to 8½% after another rise in the discount rate in January 1973 was in conformity with the market situation.

The public sector was again a heavy borrower on the capital market in 1972. Public authority and communal bonds amounted to DM 25.9 billion (DM 17.3 billion in 1971). That was almost 54% (56%) of the powerful rise in gross sales of fixed-interest securi-

ties. Mortgage bonds accounted for just on 20% (17%) of sales. The share of industrial bonds went down strongly, from 6.1% in 1971 to 2.7%. The total amount of borrowing on the capital market by industry through share and bond issues has gone down from DM 6.6 billion to DM 5.4 billion.

### **Emphasis on bond funds**

German investment funds selling to the general public attracted around DM 4.4 billion in 1972. This was very much higher than the figures for the two preceding years (DM 1.5 and 1.8 billion), and passed the previous record (DM 3.4 billion) for 1969, the last year in which there were considerable domestic purchases of shares in foreign investment funds (DM 2.1 billion). The assets of all German funds selling to the public thus amounted to DM 15.8 billion, an increase of 38.5% (19%) over the preceding year (DM 11.4 billion).

The investors showed a preference for bond funds, whose share of the market for new sales rose from 25% to 41.5%. The real estate funds were not quite able to maintain their high percentage of the previous year (28%). The share funds dropped from 47% to 32.6%. The development reflects the general direction of investors' interest on the share and bond markets and the demand for holdings in real estate.

### **A more efficient Euro capital market**

Despite the continued tension in the international monetary system and the resultant new controls on capital transactions in a number of countries the market for Euro issues again proved its resilience and adaptability. The volume of new issues in 1972 reached a new record at the countervalue of US\$ 6.5 billion; it was around 45% above the previous year's level. This important market has been expanding rapidly for 3 years now, whereas in the field of Euro dollar credits, the other large international source of financing, there have recently been signs of weakness.

Issues denominated in US dollars again accounted for the largest share in this development. Particularly during the second half of the year the strengthening of the dollar brought lively demand from investors. The considerable rise in the market share of US converti-

ble loan issues (30% of all dollar issues) must be seen in connection with the upswing on the stock market in the USA. As in preceding years the D-Mark took second place among issue currencies, with 24% of the issue volume, followed by the Swiss franc, whose share rose to 12%.

The range of issue currencies was widened in 1972. For the first time a larger number of issues in French francs and Luxembourg francs were floated. Moreover, the Japanese Government's concern to counteract the excessive inflows of foreign exchange through increased capital exports favoured the issue of international Yen loans; the total amount was to the countervalue of US\$ 300 million. On the capital market in Tokyo, the importance of which has noticeably increased recently, bonds of foreign borrowers denominated in US\$ and D-Mark were also placed.

According to the nationality of the borrowers, of the total volume of issues of \$ 6.5 billion Europe accounted for one third (1971: 45%), the USA for a good 30% (little change) and international organisations for 13% (10%). It may be assumed that the proceeds of the last category of loans go mainly to the developing countries. Developing countries which came directly to the capital market were Brazil, Malaysia, Mexico and Singapore – countries which, through considerable development efforts of their own and purposeful economic policies have won the confidence of foreign investors.

As a result of the monetary unrest the interest rate for DM foreign issues at times lay up to 2% below the rate for Euro dollar bonds. Whereas the rate for DM bonds dropped to 6% in August, comparable \$ loans were issued during the same period at 8%. As confidence temporarily strengthened in the US dollar during the rest of the year the gap narrowed again to around ½% – with rates around 7% for DM bonds and 7½% for \$ bonds. In connection with the monetary crisis at the beginning of 1973 the difference widened again to 1½%.

### **The German external payments position after the third revaluation of the D-Mark**

The German trade balance closed for 1972 contrary to all forecasts with the highest surplus yet of DM 20.3 billion. It resulted from a 10% increase in exports and an increase of 7% in imports over 1971. The fears that the third revaluation of the D-Mark and the Wash-

ington realignment of December 18, 1971 would have greater negative repercussions on German exports as a whole have thus not materialised. The main factor in the continued dynamism was the cyclical upswing in almost all the Western industrialised countries, which take around 70% of German exports. There was a slow but almost continuous rise in orders to the German export industry during the first half of the year. The second half brought a leap up after October.

This development shows that the competitive position of the German export industry has not in general deteriorated despite revaluation and new cost burdens. Export prices in important industrialised countries have in fact risen higher than those in the Federal Republic. But the companies' earnings calculations show that goods have not always been exported at profitable prices.

If there was a higher surplus on the trade balance there was again a powerful rise in the deficit on other items in the current account, as for example on foreign travel. Altogether the current account showed a surplus of DM 1.7 billion in 1972 as compared with DM 0.6 billion in the preceding year.

The German capital account showed a deficit of DM 5.3 billion, mainly as a result of the reflow of foreign money and credit repayments, as already mentioned above. The long-term sector, on the other hand, showed a net capital import of DM 12.5 billion as compared with DM 6.3 billion in the previous year. As already stated, the main inflow at DM 9.6 billion was from foreign purchases of securities during the first half of the year.

The German export industry entered 1973 with higher hopes than those held at the beginning of 1972. The optimism is based on the assumption that the cyclical upswing in important buyer countries for the Federal Republic will further increase. There is also hope for stimulus from the enlargement of the Common Market and the free trade agreement between the EEC and the remaining EFTA countries.

Negative factors are the effects of the monetary crisis in the first few months of 1973. The devaluation of the dollar by 10% and the revaluation of the D-Mark by 3% give an overall revaluation effect for the D-Mark of 6%, and this may still increase to some extent through the joint float of six EEC currencies. This will result in heavier burdens for a number of industries – for example, shipping and the docks – which are still shouldering the consequences of earlier revaluations

of the D-Mark. For those companies which export mainly to the USA the revaluation impact will be above the average.

A further expansion of trade with the Eastern block countries is expected. In 1972 the Federal Republic was able to achieve a good over-proportional rise at 31% in its exports to these countries. But altogether they take only 5% of German exports. The entire trade of the Federal Republic of Germany with the Eastern bloc – imports and exports together – in 1972 amounted to only just on one third of West Germany's trade with West Berlin. The main obstacle to East/West trade is still the limited range of goods which the Eastern countries can offer in exchange. However, borrowing by Eastern bloc countries on the Euro dollar market in 1972 noticeably increased.

### **A new monetary crisis after a relatively calm year in 1972**

The international foreign exchange markets were calmer in 1972 than they had been during the previous year. The effects of the pound crisis in June, which led to the floating of the rate for that currency, were absorbed remarkably quickly by the international monetary system, and the continuous discussion on the Japanese balance of payments situation did not cause lasting disturbance. During the second half of the year the position of the US dollar on the foreign exchange markets strengthened, mainly as a result of the successful economic policy in the United States. Despite a powerful cyclical upswing the consistent use of an incomes policy helped to bring the rise in the cost of living in the USA down to around 3% – about half the inflation rate in Europe. In addition, by intervening on the foreign exchange market, the USA showed its readiness to assume part of the responsibility for the stabilisation of the dollar rate.

There was, however, no improvement in the American trade and payments balance. The deficit on the trade balance – which unfortunately and unjustifiably is always taken by the foreign exchange markets too as representing the overall balance of payments position – rose in 1972 to \$ 6.3 billion, three times the previous year's figure. At the same time the Japanese export surplus rose further to \$ 8.4 billion and the German trade balance also showed a high surplus at \$ 6.3 billion.

Before this background the relative calm on the foreign exchange markets was abruptly shattered at the beginning of 1973. The splitting of the rate for the Italian lira and the floating of the Swiss franc were followed by an increasing flight out of the dollar. At the beginning of February the central banks of the Group of Ten had altogether to take up around \$ 8 billion within seven days to support the dollar rate; of this amount the Deutsche Bundesbank alone had to take \$ 6 billion.

On February 12 there followed the quick and logical decision by the US Government to devalue the dollar by 10%, combined with the agreement of the Japanese Government to float the Yen, and the decision to forego currency changes by France, the Federal Republic and most other industrialised countries. But this new "realignment" did not bring the crisis to an end, although taken together with the exchange rate alterations agreed on December 18, 1971, there were very considerable changes in the rates for the main currencies; in the hectic atmosphere their adequacy was scarcely discussed. A major element in the instability of the markets was undoubtedly the fact that the currencies of five important industrialised countries – Canada, Great Britain, Italy, Japan and Switzerland – were without fixed parities, and that there was constant discussion on the possibility of floating further currencies. Only two weeks after the introduction of the new rates another wave of speculation against the dollar set in, affecting all the important European countries. On March 1 alone the Deutsche Bundesbank had to take up \$ 2.7 billion at the new lowest intervention point.

### **In search of a feasible solution**

On March 2 the official foreign exchange markets in all the important industrialised countries were closed to give sufficient time for the necessary European and international conferences.

In view of the deep uncertainty on the markets it no longer seemed possible even for those countries, which, like the Federal Republic, had adhered to the principle of fixed rates for the dollar, to maintain these at least for the time being. But a floating of "all against all" with quite different intervention policies by the individual countries would have increased the uncertainty for international trade to an unbearable degree



and been tantamount to a relapse into the dangerous situation after August 15, 1971.

After intensive negotiations agreement was reached within the EEC that the currencies of the Benelux countries, Denmark, France and the Federal Republic should float jointly against the dollar. Within this group the bands which had already been narrowed are maintained. At the same time it was agreed that the D-Mark should first be revalued by a further 3%.

With regard to European integration this solution certainly leaves something to be desired. But it does ensure the exchange rate flexibility towards the dollar, which is essential at present. For the Federal Republic it means another one-sided burden on the export industry, but avoids the greater revaluation risk which an isolated freeing of the rate would have en-

tailed. The block floating which has now been achieved means that at least more than one third of German foreign trade can be conducted within an area where there are fixed parities. The participation of Norway and Sweden, hence of two countries which do not belong to the EEC, has brought the percentage up to nearly 40%.

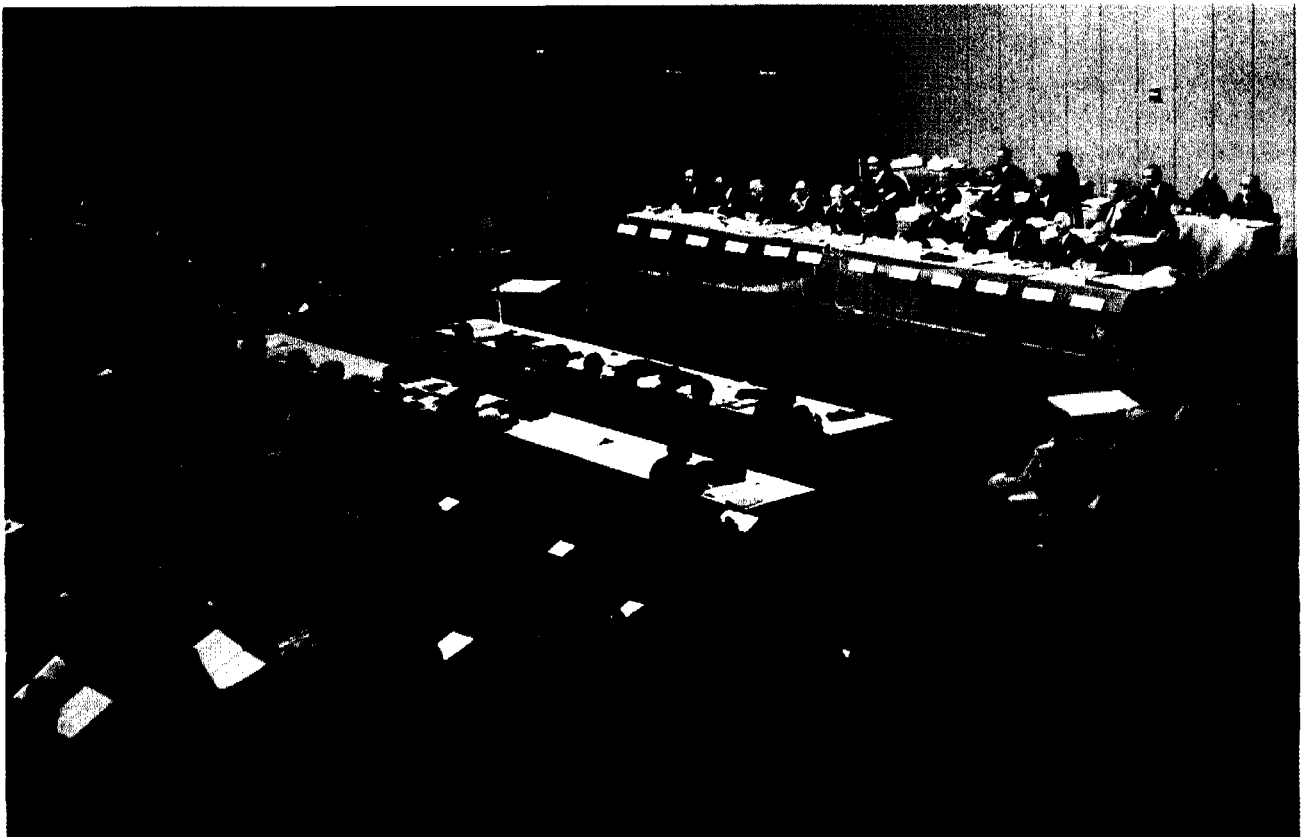
A gratifying aspect of the latest monetary developments is the active cooperation from the American side. It reflects the recognition that without a constructive contribution from the United States confidence in the stability and the functioning of the international monetary system cannot be reinstated.

### **Controls on capital movements only as a necessary evil**

Together with the partial EEC joint float came the announcement that controls on capital movements were to be retained and if necessary increased. Actually it should be assumed that the new exchange rate policy is enough external protection. But after the

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Spokesman of the Board of Managing Directors Franz Heinrich Ulrich answering shareholders' questions at the Annual General Meeting on May 4, 1972 in Düsseldorf.



trauma of repeated floods of liquidity the governments did not feel in a position to abandon measures designed to prevent undesired movements of capital. But the extent and duration of these measures should be kept to the absolute minimum, all the more since the latest crisis has shown how limited the effects of these restrictions are in genuine crisis situations.

In the Federal Republic especially the latest interventions in cross-frontier securities transactions, which were the result of an emergency, should be re-examined. In any case, the inclusion of shares and the subjection of direct investment in the Federal Republic to authorisation have brought in regulations, whose disadvantages for European integration may well prove much greater over the longer term than their protective value may be. It would do lasting damage to the economy to try to retain controls in these spheres for a longer period and certainly to accept them as a permanent solution. On the contrary, after the acute crisis has been overcome, they should be abolished before they have become a habit.

### **Reform of the international monetary system urgently needed**

We have seen only too clearly from the latest monetary crises how distrust in the existing international monetary system has grown. Thus the desired reform has become even more urgent. The preparatory work begun by the Group of Twenty should – under consideration of the new experiences gained in the crisis – be accelerated. At the same time we must strive for a solution to the trade problems with the USA, whereby, however, a link of these to the monetary questions would not be a constructive step.

The main aim in the reform work is to be able, through the establishment of new rules for exchange rate adjustment, through a greater independence of the dollar as reserve currency and a better steering of international liquidity, to counteract the emergence of large disequilibria faster and more effectively than before and thus decisively reduce, if not eliminate altogether, the system's vulnerability to crisis. Decisions on parity changes will ultimately remain the responsibility of national governments. But as exchange rate policy, particularly of the important world trading countries, will always affect that of their partner countries and thus international interests, it appears nec-

essary for the International Monetary Fund to be given greater authority in this process.

Industry and banks are hoping that a new monetary system, as well as giving better assurance of stable monetary conditions, will also include long-term international capital movements in the official liberalisation requirements. Under the present system such obligations were only laid upon the members for the field of trade and services transactions. But the present degree of international economic and financial interdependence makes it seem necessary for internationally applicable liberal regulations, which no country could depart from without compelling reason, to be set up for all types of long-term private capital transactions.

### **Hopes and disappointments for the EEC**

For European integration 1972 was a year of great events and far-reaching plans. It brought new hopes, but also disappointments. The Europe of 6 did not develop into a Europe of 10 as Norway's population voted against entry. The Paris summit conference set the aim of economic and monetary union by December 31, 1980. For 1973 a number of chronological steps were agreed upon with which the transition from the first to the second stage of economic and monetary union was to be made. In addition to the narrowing of fluctuation margins within the Community the "European Monetary Fund" is to help further monetary cooperation within the Community. Intended first primarily as an instrument for the coordination of intervention policies on the foreign exchange markets, it could develop into a genuine crystallisation point for a European central bank.

The latest monetary events seemed at first to offer a chance of moving one step forward with monetary integration in Europe under pressure of the crisis. Unfortunately, however, it did not prove possible to achieve a joint float of all EEC currencies against the dollar with retention or re-introduction of fixed exchange rates within the Community. However, it must be admitted that pre-conditions were hardly favourable, with very different positions and market valuations for individual EEC currencies, so that the attempt to act in consort might well have led to further monetary difficulties, this time within the Community.

It is all the more welcome that six of the nine mem-

ber states did decide to adopt a joint exchange rate policy towards the dollar. The additional 3% revaluation of the D-Mark by the Federal Republic made this Community solution possible. It must be hoped that Great Britain, Ireland and Italy will soon be able to join the common exchange rate policy of their six partners. The time till then should be used to further coordination and harmonisation of economic policies within the Community. That would very much improve the basis for a new joint effort towards the realisation of monetary union. For the rest the present differences in exchange rate policy need by no means hinder efforts to establish a joint standpoint for the Community on reform of the world monetary system.

The will to make clear and quick decisions with a view to progress towards political union is so far, unfortunately, apparent only to a limited degree. The extension of the European institutions was practically excluded at the summit conference. Without real political readiness to renounce some national sovereignty, however, there is a danger that the integration aims will remain an unattainable ideal.

In the sphere of cyclical policy the decision by the EEC Council of Ministers in Luxembourg that the annual rate of price increases within the Community should be cut down to 4% by the end of 1973 was re-

ceived more sceptically by the general public. With all due acknowledgement of this aim and of the readiness to a coordinated anti-inflationary policy, which is urgently necessary for monetary reasons as well, the fact remains that this policy must first and foremost be pursued by the individual member states. The old saying "Stability begins at home" applies here as well.

The EEC member states were not very successful in their stabilisation policies in 1972. The annual rates of price increases varied between 7.9% in the Netherlands and 5.8% in Luxembourg. All the countries have in the meantime, following the decision by the Council of Ministers at the end of October, adopted new measures to combat rising prices. For example, the discount rates in the Netherlands, France, and Belgium/Luxembourg were raised. In Great Britain, the Government under Mr. Heath felt bound to introduce a wage and price freeze in November, which was at first limited to 90 days. The time limit was extended at the beginning of 1973. For the partners in the EEC it will be extremely important to discover which anti-inflation methods – the stronger use of the classical instruments or the more drastic incomes policy – will be more successful. Despite all differences in the points of departure it looks as if the countries could and should learn from each other here.

## Our Bank's Business

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### Satisfactory results after a varied business year

1972 was not an easy year for the Deutsche Bank, as business was very strongly determined by the changes in credit policy and measures adopted by the Bundesbank to safeguard the economy through the foreign trade and payments sector. The balance sheet total increased by DM 5 billion, or 14.3%, to DM 40.2 billion. The volume of business expanded by 15.8%. Both growth rates were higher than in the preceding year (11.9% and 12.1% respectively). The earnings situation developed satisfactorily, especially in the second half of the year, after the first few months had led to a conservative assessment of the results. The final figures were higher than last year.

Lending business – by far the largest area of our activities – did not bring any improvement of the interest margin in 1972. Considering the year as a whole, it declined still further as compared with 1971. Competition on the credit markets did not permit the rising rates for term deposits, especially towards the end of the year, to be passed on fully in the interest rates for lending. The rise in the cost of interest paid out to our customers caused by the restrictive policy of the Bundesbank was therefore not counteracted by a corresponding improvement in the bank's results. The fact that it was nevertheless possible to increase earnings on the "interest business" somewhat in comparison with the previous year was again solely due to the growth in the volume of business.

Net interest earnings rose by about DM 63 million but staff and material expenses – the greater part of which, 80.8%, consisted of staff costs – increased, on the other hand, by DM 124 million. Hence profit on the interest business covered an even smaller proportion of management expenses than in the previous year. Until 1970 it had as a rule covered these expenses.

The major contribution to the positive development in earnings was made by the considerable expansion of securities business. Profits on foreign exchange dealings almost reached the 1971 level. In banking services the introduction of charges for some transactions and the increase of some existing charges

slightly reduced the inadequate cost cover.

Owing to the particularly good achievement in the securities sector, the profit ratio – the operating results expressed as a percentage of the average volume of business – improved somewhat over 1971. Thus the downward trend which has been recorded in this important figure since 1957 has been broken. One cannot, however, say that the trend has been reversed.

In the results for 1972 the advantages of an all-round bank, where the business is on many different bases and where divergent developments in the different sectors over the same period can be balanced out, have again become apparent. However, whether such a balance can be achieved between the results for the various sectors of business is always a matter of chance, never certainty.

### Development of liquidity influenced by credit and monetary policy

A review of the source and use of funds gives the following picture for 1972: the bank received DM 4.5 billion from outside sources; it obtained DM 0.7 billion through increased refinancing from the Deutsche Bundesbank, and DM 0.3 billion own funds from the capital increase and allocation to reserves. DM 3.5 billion was given out in the form of credit and the liquid funds rose by about DM 1.6 billion.

Behind this overall picture, however, there were very strong fluctuations in liquidity in the course of the year. Whereas at the beginning of the year, with demand for credit low, it was to a certain extent a matter of reserving liquidity to enable switching from foreign debts, in the later course of the year the development of the bank's liquidity was increasingly limited by the rises in the minimum reserve rates and the reduction of the refinancing quotas at the central bank. The restrictive effect has become even stronger in the first few months of 1973.

The amount which the bank had to maintain as minimum reserves, i.e. non-interest-bearing deposits with the Bundesbank, had risen to about DM 5 billion by the

end of 1972. That was approximately DM 1.4 billion more than at the end of 1971. The main factor here was the repeated increases in the minimum reserve rates. The rediscount quotas for banks were cut three times during the year, by 10% in each case.

Largely as a result of the higher minimum reserves the cash liquidity ratio increased from 11.4% to 13.8% as at balance sheet date. The overall liquidity ratio rose from 32% to 33%. At the same time the scope for expanding lending business decreased.

In view of these trends in liquidity the bank began about the middle of the year to finance most credits to foreign customers internationally – chiefly through its Luxembourg subsidiary – in order to keep open the opportunities for financing its domestic customers.

The expansion in the volume of our lending was, as mentioned above, largely due to the influx of deposits, the increase in savings deposits alone covering roughly 40% of the growth in lending. On the other hand further interbank indebtedness, frequently said to lead to an increase in the money supply, was not used in order to obtain liquidity to any significant extent. Liabilities to credit institutions as at 31. 12. 1972 were DM 8.9 billion, DM 1.5 billion higher than at the end of 1971; this is within the usual range of fluctuations from year to year for our bank. On the assets side claims on credit institutions only rose by DM 0.5 billion.

### **A further strong increase in savings deposits**

With nearly DM 1.4 billion increase in savings deposits 1972 almost came up to the exceptionally good savings results for 1971. Total savings deposits exceeded DM 11 billion. The increase of 14.3% was, as last year, above the average for the banking sector as a whole. The number of savings accounts rose by 305,000 to 4.1 million. The average balance rose from DM 2,540 to DM 2,690.

46.7% of the savings deposits are held by workers, salaried employees and civil servants, 17.2% by housewives and 10.4% by self-employed persons.

The changeover from savings deposits to securities has become stronger again. The net amount withdrawn from savings accounts to purchase securities was DM 770 million. Total saving by our customers was therefore, as last year, DM 2.2 billion.

### **800,000 save through "Erfolgssystem 100"**

The savings plan "Erfolgssystem 100" introduced at the end of 1970 is still very popular with our customers. Nearly 800,000 savers have elected to invest their savings through this scheme. This means that the general public is increasingly turning to systematic wealth formation with specific targets. The value of contracts concluded under the "Erfolgssystem 100" has passed the DM 2 billion mark.

Those participating in the plan again preferred the various forms of saving through accounts. More than 100,000 concluded agreements for the cash savings plan with bonus which is one of the variations offered under the "Erfolgssystem 100", in addition to the opportunities for investment under the state bonus and capital formation schemes.

It was noticeable that savers wishing to invest are becoming increasingly interested in information and advice. The bank met this need by further expanding its advisory services for customers. Those who save under "Erfolgssystem 100" are also informed regularly about good investment opportunities through the customer magazine "geld von a bis z".

The most recent developments in savings deposits – in December 1972 and the early months of 1973 – have not been so positive as in the first eleven months of 1972. Savings deposits remained fairly static and at times even declined. The switch to term deposits bearing higher rates of interest and the fact that savers turned more to fixed-interest-bearing securities and saving through investment were among the factors responsible.

### **Liveller lending business during the second half of the year**

The volume of credit extended by the bank rose in 1972 by DM 3.5 billion to DM 26.8 billion. The growth rate was 15.2%, as compared with 9.6% in 1971.

The increase was in all types of credits. There was a stronger rise in claims against customers than in

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TS "Hamburg Express" – one of the most modern container ships – being towed in the Hamburg docks. This vessel, belonging to the fleet of Hapag-Lloyd AG, was financed with the bank's assistance.



bills discounted; short and medium-term advances rose by DM 1.8 billion (+ 17.5%), long-term advances by DM 1.2 billion (+ 18.4%) and bills discounted by DM 0.6 billion (+ 11.8%).

After almost standing still at the beginning of the year, the volume of lending showed an overall rise of DM 1.1 billion in the first half of the year as facilities were more strongly utilised in May and June. The third quarter brought an increase of DM 0.8 billion and the fourth of roughly DM 1.6 billion.

The growth in the demand for credit was probably due to the slowly growing propensity to invest and the tendency to replenish stocks. In addition the measures adopted to stop the inflow of money led to greater demand for domestic funds on the part of our customers. But so far as we have been able to observe actual "homecoming" credits have not been granted. Other forms of switching from foreign credit to domestic credit – such as by not extending foreign credits – may have gradually increased, inasmuch as the burden imposed by the cash deposit and changes in the international interest rate structure made domestic credits appear more advantageous.

The strong growth in the final weeks of 1972 was largely the result of technical considerations at the end of the year as companies compiled their annual financial accounts. Uncertainty as to how credit policy will develop and discussion about the possibility of credit ceilings being introduced also played a further role. Accordingly the greater part of the credits taken up at the end of the year were repaid within the first weeks of 1973.

The strong differences in development between the individual industries led us increasingly to examine credits from the point of view of the structural evolution which is taking place in many sectors of the German economy when taking decisions on requests for borrowing. As a large commercial bank we feel we have a responsibility to the economy as a whole to promote the necessary structural change where possible.

### **Strong demand for Personal Loans**

Personal Drawing Loans (PDK) – overdraft facilities up to DM 1,000 – are increasingly becoming a standard element in a personal account. Demand for Small Personal Loans (PKK) and Loans for Specified

Purchases (PAD) was again brisk. These credits were mainly used to buy cars and household equipment. The volume of PKK and PAD increased by 18.5% to DM 1.4 billion. Defaults were again negligible.

Although interest rates rose in the past year demand for Personal Mortgage Loans (PHD) grew at roughly the same rates as in the previous year. These loans of up to DM 100,000, which are not for any specific purpose, were once again chiefly used for the renovation and modernisation of housing. The volume of these loans outstanding increased by DM 363 million, which is equivalent to a rise of 40.5%. The total amount extended in Personal Loans was over DM 3 billion.

### **Further expansion of building financing**

The closer cooperation with the Deutsche Centralbodenkredit-AG, the Frankfurter Hypothekenbank, the Deutsche Kreditbank für Baufinanzierung AG, Köln, and building and loan associations has resulted in a strong increase in building financing business. We intensified the training of our staff in this field and have formed special groups to handle building financing. This has helped put this sector of our business on a broader, more permanent footing.

In October 1972 the bank added a programmed, simplified building loan from one single source to its range of building financing. These "Personal Building Loans" extend from DM 50,000 to DM 300,000 with a lifetime of more than 25 years. Up to 80% of the building cost or purchase price of owner-occupied houses, flats and other property may be financed with the new credit programme. For the borrower this has the advantage that he only has to negotiate with one department of our bank. All documents concerning the loan are only required once. The loan is secured quite simply through a land charge registered in the bank's favour. The simplified and convenient procedure saves the customer expense and time-consuming journeys.

In order to help provide a clearer picture of the property market, the bank, together with the Ring Deutscher Makler, has established property information centres in three cities in the Federal Republic. The visitor to these centres finds a comprehensive survey of the land and buildings offered on the market in question. At each centre members of the bank staff are on hand to advise potential customers on the fi-

nancing of their project. These centres, more of which are to be opened, have been much in demand.

### **Standard eurocheque system established**

The standard eurocheque and eurocheque card, introduced by all German banks at the beginning of 1972, have become popular means of payment. About 6 million cardholders in the Federal Republic now use the eurocheque to pay for purchases, settle bills and to obtain cash.

The system has also found a firm place in international travel business. Encashment of eurocheques at banks abroad has, we have found, almost tripled in the past year.

Belgium and Luxembourg have also in the meantime introduced the standard eurocheque card and

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The Deutsche Bank occupies a leading position in the field of financing for prefabricated housing. Together with well-known manufacturing firms it has developed special financing programmes.

the eurocheque. The Netherlands plan to do so this year.

At the end of 1972 the bank had issued just under 600,000 eurocheque cards, about 33% more than at the end of the previous year. The customers find it particularly convenient and advantageous that when a eurocheque card is issued a Personal Drawing Loan (PDK) is automatically made available.

### **Higher earnings in the securities business**

The securities business in 1972 brought higher earnings with once again considerably increased turnover. Business in German shares was very lively right into the summer – following the development in prices. In particular, the growing interest of foreign investors in German shares was reflected in correspondingly larger turnover. In the second half of the year the willingness to purchase waned.

Business in foreign shares did not quite equal these high growth rates, as the German markets appeared more attractive to many investors. But our





customers' interest in investing in foreign securities continues to grow.

Bond dealings for our customers were up 62.3% on last year. This large increase was due to a considerable extent to business in new issues, whose volume in 1972 was higher than ever before. Until it was made necessary on 29.6.1972 to obtain approval purchases by foreign investors also contributed strongly to the surge in business activity.

The number of safe-custody accounts we maintained for our non-bank customers reached about 687,000 at the end of 1972, with a total value of over DM 41 billion. This was an increase of about 30,200 accounts in the course of the year. The market value of 430,000 of the accounts was under DM 10,000.

Deutsche Grundbesitz-Investmentgesellschaft mbH and Deutsche Grundbesitz-Anlagegesellschaft mbH, which we founded jointly with Bausparkasse GdF Wüstenrot in 1970 and in which Commerzbank AG has also held a participation since 1971, continued to develop well during the year under review.

The open-end real estate fund of Deutsche Grundbesitz-Investmentgesellschaft mbH, "grundbesitz-invest", was also successful in 1972. With an inflow of approximately DM 286 million its assets totalled DM 563 million as at the end of the year. In other words they more than doubled within one year. The fund achieved a market share of 24.2%.

Deutsche Grundbesitz-Anlagegesellschaft mbH introduced for subscription in 1972 another closed-end real estate fund in the form of a limited partnership – Anlagefonds Hamburg-Altona – with a volume of DM 71 million.

As a result of the large demand for real estate, rising building prices and higher costs for borrowed funds it is becoming increasingly difficult to find suitable property with a satisfactory yield, assured also in the long term, for real estate funds.

Deutsche Gesellschaft für Wertpapiersparen mbH (DWS), Frankfurt (Main), in which we and 14 other banks and bankers have interests, recorded good business in 1972. On May 2, 1972 it became the first German investment company to establish a bond fund, RE-INRENTA, which continuously reinvests the earnings. The fund met with a good reception.

The funds INVESTA, INTERVEST, AKKUMULA, INRENTA, INTER-RENTA and RE-INRENTA had a total inflow of DM 530 million in 1972. That was the second best sales result since the establishment of DWS.

Although a total of DM 230.4 million was paid out to the certificate holders of the four distributing funds for the business year ended September 30, 1972 the total assets of the six DWS funds rose in 1972 from DM 2.41 billion to DM 2.92 billion. This was the result of the inflow of funds already mentioned, as well as of increases in the certificate prices. INVESTA, which invests primarily in German shares, gave the best investment results with a 14% rise in the value of the certificates (where the dividends were reinvested).

Total assets of the six DWS securities funds and the property fund "grundbesitz-invest" exceeded DM 3.6 billion. DM 816 million new funds were received during the year under review.

The Deutsche Gesellschaft für Fondsverwaltung mbH (Degef), Frankfurt (Main), which, as a capital investment company, establishes and manages special funds for major institutional investors, recorded further growth in business in the past year. The volume of funds made available by insurance companies, company pension funds and similar establishments for investment in securities rose again. The total volume of funds managed by Degef will shortly pass the DM 700 million mark.

In addition to the usual inflow of funds the expansion of business is due to the fact that insurance companies now no longer only make use of special funds for fund-linked life assurance, they now also invest cover for other insurance claims in special funds to a greater extent.

The company also manages employees' funds which were created in connection with wealth formation plans agreed by individual companies or under collective wage settlements. These are funds whose certificates may only be purchased by employees of the company for which the fund was set up. This form of investment introduces savers to securities. One important feature is that it is shaped by the staff and the company management. Favourable experience, particularly the growing participation of employees in such funds, leads one to hope that this type of wealth formation, which is both individual and company oriented, will become more widespread.

#### **Further expansion of issuing business**

The bank was able to continue its activity in the issuing business successfully in 1972. On the domes-

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### **Further expansion of issuing business**

The bank was able to continue its activity in the issuing business successfully in 1972. On the domes-

tic side it once again played a leading role in the issue of a considerable volume of new shares. The bank managed and participated in capital increases and share placements of 80 public limited companies. 32 domestic loans totalling DM 7.4 billion were floated with the bank's assistance.

In international issuing business the bank participated fully in the strong expansion in volume during 1972. It acted as manager or co-manager for 59 loans with a total volume of DM 6.1 billion and was thus able to remain in first place in the list of the leading international issuing houses for the fifth consecutive time. As in previous years, almost all the loans for which the bank acted as manager were DM loans issued by foreign borrowers; in the course of the year we floated 22 such loans. In the market for loans in other currencies we were invited to participate, in addition to dollar loans, as co-manager in a number of loans in French Francs.

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Signing of the Brazil Loan for 30 million ECU (European Currency Units) in Frankfurt (Main) on February 25, 1972. This was the first international loan floated by Brazil since 1931.

Among the issuers for whom we procured funds on the international capital market special mention is due to the Republic of Brazil which took up international loans again for the first time for 40 years. The bank floated a loan in European Currency Units and a D-Mark loan for it successfully. These loans followed an issue in US dollars for which we acted as co-manager. The structure of the country's indebtedness has been markedly improved by taking up these long-term funds.

As the most important foreign borrower the World Bank also again took up DM loans amounting to DM 650 million under our management. Just as in the case of the loans for the Inter-American Development Bank this is a way in which private enterprise contributes to improving living conditions in the developing countries. In Europe we continued to assist in solving structural tasks through the issue of 2 loans for the European Investment Bank.

The Deutsche Beteiligungsgesellschaft mbH, Frankfurt (Main), in 1972 for the first time recorded fairly substantial repurchases of participations taken in by its medium-sized partner firms. The favourable



development of their earnings situation enabled the partner firms to exercise their repurchase right. The Deutsche Beteiligungsgesellschaft mbH also benefited from the participations bought back. The correctness of the concept of providing medium-sized enterprises which are unable to issue with a substitute capital market – temporarily also if necessary – has again been justified by this.

As a result of the repurchases the total number of participations held dropped to 11. In the meantime decisions have been taken regarding three new investments in holdings of about DM 11 million.

### **Branch network continues to grow**

In the Federal Republic the bank opened a total of 11 branches and 26 sub-branches, but also closed 6 sub-branches in 1972. Our constant aim to satisfy the growing requirements of our customers through better premises as well means it is necessary to continue to extend our network of branches. The methods of forecasting the business opportunities for new locations are continually being refined. Sub-branches which do not reach an appropriate number of customers or a satisfactory volume of business after a certain time in spite of this are closed again. The expansion of the network is thus kept in line with the development of the bank's earnings.

### **Changing structure of foreign business**

A shift in the pattern of our bank's foreign business had already become visible in earlier years and became stronger in the past business year. In the past the main emphasis in foreign business was on the payments side of German foreign trade and the financing of imports and exports from domestic sources. Credit is now gradually being granted more to foreign companies and the foreign banks acting in their interest. At the same time commercial business with other countries increased further in 1972. In contrast to the previous year turnover on the import side increased more than turnover in connection with exports.

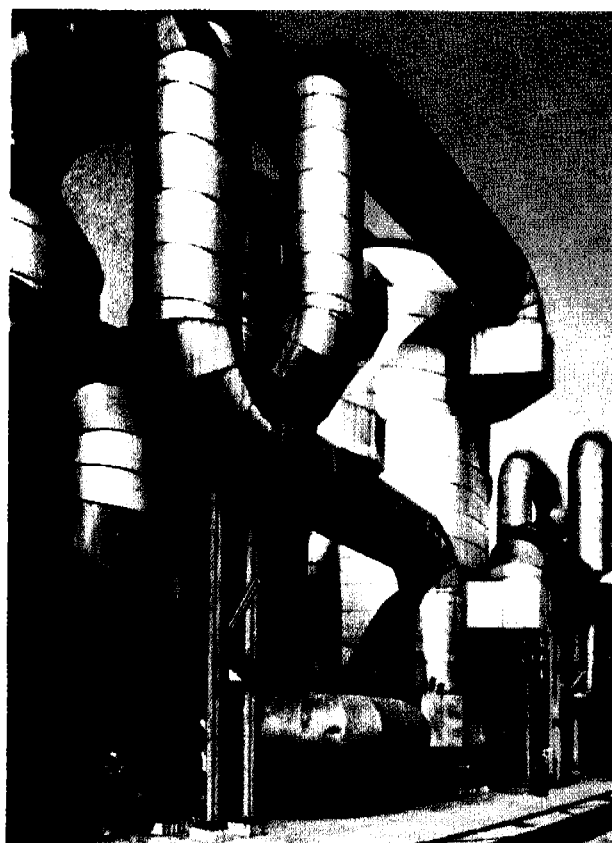
In bank-to-bank business with our foreign correspondents acceptance credit transactions declined in importance in favour of term deposits.

There has also been a remarkable change in export financing. Whereas up until the end of the sixties export financing was to a very large extent provided in the form of credits to the exporters, it has lately been increasingly granted to the buyer. One reason for this development is the large credit potential of the Euro markets.

Nevertheless, the financing provided by the syndicate of the AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt (Main), which we manage, almost reached the high level of 1970 and 1971 again. The ceilings proved adequate; all requests for credit could be met. In the case of the Gesellschaft zur Finanzierung von Industrieanlagen mbH, Frankfurt (Main), which was set up as a sister company of the AKA to handle the financing of exports to the German Democratic Repub-

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This double contact plant developed by Bayer AG, Leverkusen, which we helped to finance, permits the amount of sulphur dioxide discharged to be reduced by almost 90% as compared with the earlier process. This technique is now used by most European producers of sulphuric acid to avoid pollution.



lic, slightly more financing was granted. Here again all wishes for financing could be fulfilled.

A third feature of the structural change in our foreign business is the rapidly growing importance of financing for multinational companies. We try here especially to meet the credit requirements of German firms, which for a number of reasons wish to establish production plant abroad or take up participations. But in addition a considerable volume of credit was made available to companies operating in developing countries – when the risks involved in the individual countries appeared acceptable – for investment there. The intensification of direct foreign financing emphasises that the Deutsche Bank has developed from being a traditional foreign trade bank to an international bank. In connection with these changes in foreign business it has become clear that the all-round bank is the most suitable type to provide this international financing. Multinationals in particular value the fact that they can receive from one source a foreign financing service which extends from short-term credit through medium-term financing to issues each time in the most suitable currencies.

The growing interest of German industry in investing abroad poses the bank the important task of acting more and more as consultant in this field. But to provide advice one must in the end be present at the location of the investment. This and the need to find more customers abroad means that it is necessary to be represented at as many of the important financial centres in the world as possible. The bank's presence abroad had already been extended in latter years in the form of branches, representative offices and participations, to almost 60 bases in 45 countries, and this policy was also pursued consistently in the year under review with preparations for the opening of three new representative offices and two participations in joint establishments. But special attention should be drawn here to the joint activities of our EBIC group, which will be described in more detail at the end of this section.

### **Expansion of the bank's presence abroad**

On January 16, 1973 the representative office of the Deutsche Bank in London was opened. The bank is therefore again represented in the British metropole after a break of 59 years. It is the office's task to pro-

mote our traditionally close ties to British banks, stock-brokers and companies, which will become even more important with Britain's entry into the Common Market.

In 1972 a licence was issued for us to open a representative office in the USSR. In February 1973 it commenced operations in Moscow. The office will maintain contact with the important credit and foreign trade institutions in the Soviet Union and assist German exporting and importing customers as consultant and mediator. The Deutsche Bank has long occupied a leading position in business with the USSR. In 1925 it offered the Soviet Union a credit in the amount of RM 100 million. In 1926 it provided an important stimulus to trade with the USSR through IFAGO (Industriefinanzierungs-Aktiengesellschaft Ost) which was founded on the bank's initiative, and since then it has managed most of the banking syndicates which made funds available for business with Russia. This tradition was kept up in the bank's contribution to the much-publicised pipe and gas supply transaction in 1970.

The official opening of our representative office in Madrid is to take place in April 1973; the great opportunities for development in Spain and Portugal as the countries of Europe grow closer together have been taken into account here.

In 1972 the preparations were also made for the bank to take up two other international participations; the permits for both are expected within the first half of 1973. In the middle of 1972 The Industrial Bank of Japan Ltd., Tokyo, and the Deutsche Bank resolved to establish a joint bank domiciled in Frankfurt (Main). The new bank will operate in the form of a public limited company under the name "Industriebank von Japan (Deutschland) AG – The Industrial Bank of Japan (Germany) –" and has DM 40 million capital, in which our Japanese partner holds the majority. The institution will engage in all normal banking business.

At the end of 1972 it was resolved, upon the instigation of the Industrial and Mining Development Bank of Iran (IMDBI) and the Bank Melli Iran, to establish a multinational Iranian investment bank domiciled in London. This bank will support Iran in acquiring foreign capital for investment projects and in expanding its international trade further. Apart from the Deutsche Bank nine other banks from five countries will participate in this institution.

The Tokyo branch of our subsidiary, the Deutsche

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A third feature of the structural change in our foreign business is the rapidly growing importance of financing for multinational companies. We try here especially to meet the credit requirements of German firms, which for a number of reasons wish to establish production plant abroad or take up participations. But in addition a considerable volume of credit was made available to companies operating in developing countries – when the risks involved in the individual countries appeared acceptable – for investment there. The intensification of direct foreign financing emphasises that the Deutsche Bank has developed from being a traditional foreign trade bank to an international bank. In connection with these changes in foreign business it has become clear that the all-round bank is the most suitable type to provide this international financing. Multinationals in particular value the fact that they can receive from one source a foreign financing service which extends from short-term credit through medium-term financing to issues each time in the most suitable currencies.

The growing interest of German industry in investing abroad poses the bank the important task of acting more and more as consultant in this field. But to provide advice one must in the end be present at the location of the investment. This and the need to find more customers abroad means that it is necessary to be represented at as many of the important financial centres in the world as possible. The bank's presence abroad had already been extended in latter years in the form of branches, representative offices and participations, to almost 60 bases in 45 countries, and this policy was also pursued consistently in the year under review with preparations for the opening of three new representative offices and two participations in joint establishments. But special attention should be drawn here to the joint activities of our EBIC group, which will be described in more detail at the end of this section.

### **Expansion of the bank's presence abroad**

On January 16, 1973 the representative office of the Deutsche Bank in London was opened. The bank is therefore again represented in the British metropole after a break of 59 years. It is the office's task to pro-

mote our traditionally close ties to British banks, stock-brokers and companies, which will become even more important with Britain's entry into the Common Market.

In 1972 a licence was issued for us to open a representative office in the USSR. In February 1973 it commenced operations in Moscow. The office will maintain contact with the important credit and foreign trade institutions in the Soviet Union and assist German exporting and importing customers as consultant and mediator. The Deutsche Bank has long occupied a leading position in business with the USSR. In 1925 it offered the Soviet Union a credit in the amount of RM 100 million. In 1926 it provided an important stimulus to trade with the USSR through IFAGO (Industriefinanzierungs-Aktiengesellschaft Ost) which was founded on the bank's initiative, and since then it has managed most of the banking syndicates which made funds available for business with Russia. This tradition was kept up in the bank's contribution to the much-publicised pipe and gas supply transaction in 1970.

The official opening of our representative office in Madrid is to take place in April 1973; the great opportunities for development in Spain and Portugal as the countries of Europe grow closer together have been taken into account here.

In 1972 the preparations were also made for the bank to take up two other international participations; the permits for both are expected within the first half of 1973. In the middle of 1972 The Industrial Bank of Japan Ltd., Tokyo, and the Deutsche Bank resolved to establish a joint bank domiciled in Frankfurt (Main). The new bank will operate in the form of a public limited company under the name "Industriebank von Japan (Deutschland) AG – The Industrial Bank of Japan (Germany) –" and has DM 40 million capital, in which our Japanese partner holds the majority. The institution will engage in all normal banking business.

At the end of 1972 it was resolved, upon the instigation of the Industrial and Mining Development Bank of Iran (IMDBI) and the Bank Melli Iran, to establish a multinational Iranian investment bank domiciled in London. This bank will support Iran in acquiring foreign capital for investment projects and in expanding its international trade further. Apart from the Deutsche Bank nine other banks from five countries will participate in this institution.

The Tokyo branch of our subsidiary, the Deutsche

Ueberseeische Bank, which had been opened in 1971, developed well during the year under review. It recorded considerable growth in the volume of business, mainly in the lending sector. The branch acts especially on behalf of the subsidiaries of German enterprises operating in Japan.

The UBS-DB Corporation, New York – joint subsidiary of the Union Bank of Switzerland and our bank since the end of 1971 – was able to expand its activities further. It carried out considerably more order business in American securities and participated in a total of 165 issues, 132 of which were American domestic issues.

Compagnie Financière de la Deutsche Bank AG, Luxembourg, which we founded in the autumn of 1970, further consolidated its position in international lending business in 1972. The Deutsche Bank's international financing is today largely carried out

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Opening of our London Representative Office.  
At the reception in the Merchant Taylors' Hall for leading figures from the political and business world Franz Heinrich Ulrich welcomes the Lord Mayor of London, Lord Mais.



through Luxembourg. The balance sheet total of CFDB rose by 22.3% to DM 2.6 billion (converted) by September 30, 1972. Expansion was primarily in lending business, and here in turn – in line with the general trend on the Euro markets – the emphasis was on longer maturities. To pave the way for further expansion of the bank, the capital was increased in 1973.

As a result of the extremely strong expansion of the Euro markets and the stiff competition between the numerous banks active in this field, the interest margins came under pressure. The abundance of liquidity on the Euro market led to growing willingness among those in the market to accept greater credit risks. We have observed this development with concern. It has led us to be very selective in this kind of business.

### **Satisfactory results in foreign exchange dealings**

Turnover in foreign exchange dealings rose by more than a quarter. Strongly fluctuating markets and international interest arbitrage transactions allowed the volume of both spot and forward business to grow. The earnings of the previous year were almost equalled again.

The bank further consolidated its position as leader in the German market for gold bullion and coin. By taking advantage of the extraordinary market situation resulting from the rise in gold prices good results were achieved in this sector.

Earnings from dealings in foreign coins and notes were higher than those in the previous year. Sales of our DM travellers' cheques once again showed a pleasing increase in the year under review. Whereas sales in Germany remained level, there was especially strong expansion abroad. As a whole, sales rose by almost a quarter.

### **EBIC expanding**

1972 was a most eventful year for the EBIC group. The number of members increased again and several new joint establishments were founded. Société Générale (France) and Creditanstalt-Bankverein had joined our European banking group in 1971 and this year talks on the entry of one of the leading Italian banks, Banca Commerciale Italiana, were concluded. The official announcement of the enlargement of the

EBIC group from six members to seven is to be made in April 1973.

For the Far East the Europäisch Asiatische Bank AG, established jointly by the six EBIC banks, has commenced operations. The business of the former Deutsch-Asiatische Bank which was converted into the Europäisch Asiatische Bank AG, has been transferred to it. The bank has branches in Jakarta, Hong Kong, Karachi and Kuala Lumpur. (The EBIC representative office in Jakarta has become the Jakarta branch of the Europäisch Asiatische Bank AG.) A branch was opened in Singapore on November 17, 1972. This branch network is at the disposal of the customers of the partner banks in Asia for all banking business. The Europäisch Asiatische Bank AG made a good start in the remainder of the 1972 business year. The balance sheet total reached about DM 240 million at the end of 1972.

In July 1972 three banks – in Luxembourg, Brussels and Frankfurt (Main) – were established togeth-

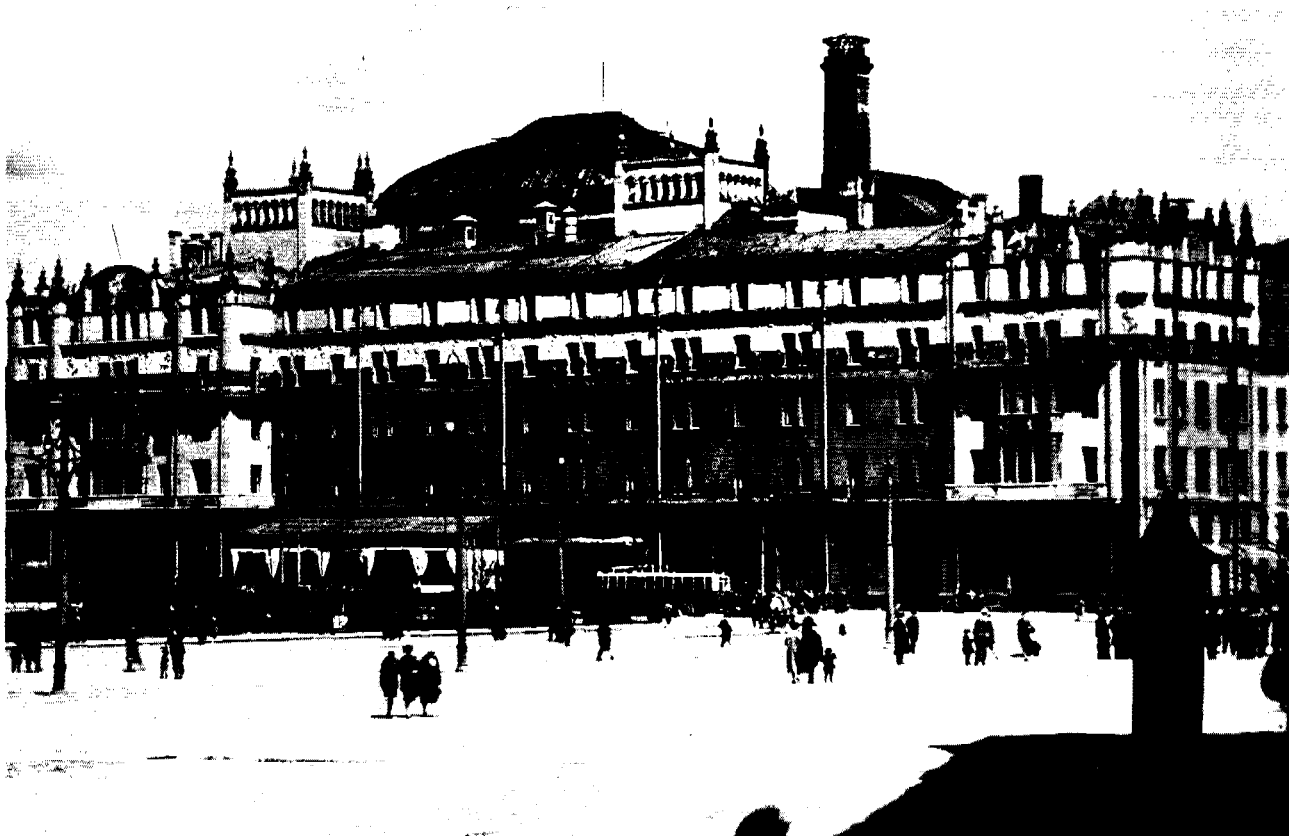
er with the EBIC partners and leading Arab banks. The European Arab Holding S.A., Luxembourg, has capital of Lfrs. 1 billion. The two subsidiaries, the Europäisch-Arabische Bank GmbH, Frankfurt (Main), and the European-Arab Bank (Brussels) S.A., Brussels, devote themselves primarily to the further expansion of European-Arab business.

The direct cooperation between the partners in the EBIC group was also further intensified. In 1972 the so-called EBICREDIT was created. This will simplify and speed up borrowing procedure for our customers in the partner countries, Belgium, the Netherlands, Great Britain, France, Italy and Austria, considerably. Each branch of our bank is now in a position to have credits granted to branches or subsidiaries of German customers in other EBIC countries by the EBIC bank concerned.

In the field of training the EBIC group introduced the EBICMEN programme for young bank executives. Through longer periods with the partner banks a group of internationally oriented staff is to be trained so that they can be delegated at any time to the various partners or the joint establishments.

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Our recently opened Moscow Representative Office is in the Hotel Metropol opposite the Bolshoi Theatre.





The Board of Directors of EBIC – whose members were identical with those of the “European Advisory Committee” – in 1972 consisted of:

J. R. M. van den Brink  
C. F. Karsten  
Amsterdam-Rotterdam Bank N.V.  
H. Treichl  
G. N. Schmidt-Chiari  
Creditanstalt-Bankverein  
W. Guth  
F. H. Ulrich  
Deutsche Bank AG  
L. C. Mather  
E. J. W. Hellmuth  
Midland Bank Limited  
P. E. Janssen  
R. Alloo  
Société Générale de Banque S.A.  
M. Lauré  
J. Richard  
Société Générale (France)

The financial potential of the six EBIC partners is reflected in the combined balance sheet total of US\$ 54.9 billion at the end of 1971. The group had at that date a total of more than 8,600 offices in their countries with over 156,000 staff.

#### **Business development of the joint establishments of the EBIC group**

The largest joint establishments of the EBIC are the two New York institutions, the European-American Banking Corporation and the European-American Bank & Trust Company, with a combined balance

sheet total of US\$ 1,314 million. European-American is therefore still the largest European-owned banking group in New York. In order to be able to take greater advantage of the opportunities of the Californian market and achieve better access to the Pacific area a branch was opened in Los Angeles in 1972. The European-American banks also further consolidated their position as leading bank for US subsidiaries of European enterprises. In addition contacts with American multinationals were especially intensified.

The EBIC special bank for medium-term lending business, the Banque Européenne de Crédit à Moyen Terme (BEC), Brussels, completed its fifth financial year in 1972. It again developed satisfactorily in the year under review. In spite of the growing obstacles in the form of restrictions on capital movements by the major European countries the balance sheet total increased from US\$ 720 million to US\$ 810 million, i.e. by 14%. The main emphasis in credit business is on medium and long-term lendings which account for about 78%. They increased by a total of 25%. There was a notable trend here as well towards longer maturities. As in the past BEC was again active in international syndicate credit business. It managed five lending consortia and participated in seventeen international ones.

The Euro-Pacific Finance Corporation Ltd., Melbourne, in which three other banks from USA, Japan and Australia hold participations in addition to the EBIC partners, engages as an investment house in medium-term lending, securities and issuing business and also acts as a general financial consultant. In spite of stiff competition in all fields business developed satisfactorily. The balance sheet total reached DM 100 million (converted) at the end of the business year 1971/72. So far in the current business year 1972/73 the volume of business has more than doubled.

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In the heart of New York stands the new administrative building of the European-American Banking Corporation and the European-American Bank & Trust Company.



## Our Staff

### Development

In 1972 the total number of employees (including part-time staff) only rose by 113 to 34,914, although the volume of the bank's business rose strongly and the branch network was further extended. This below-average increase was the result of further rationalisation, aimed at reducing the pressure of costs.

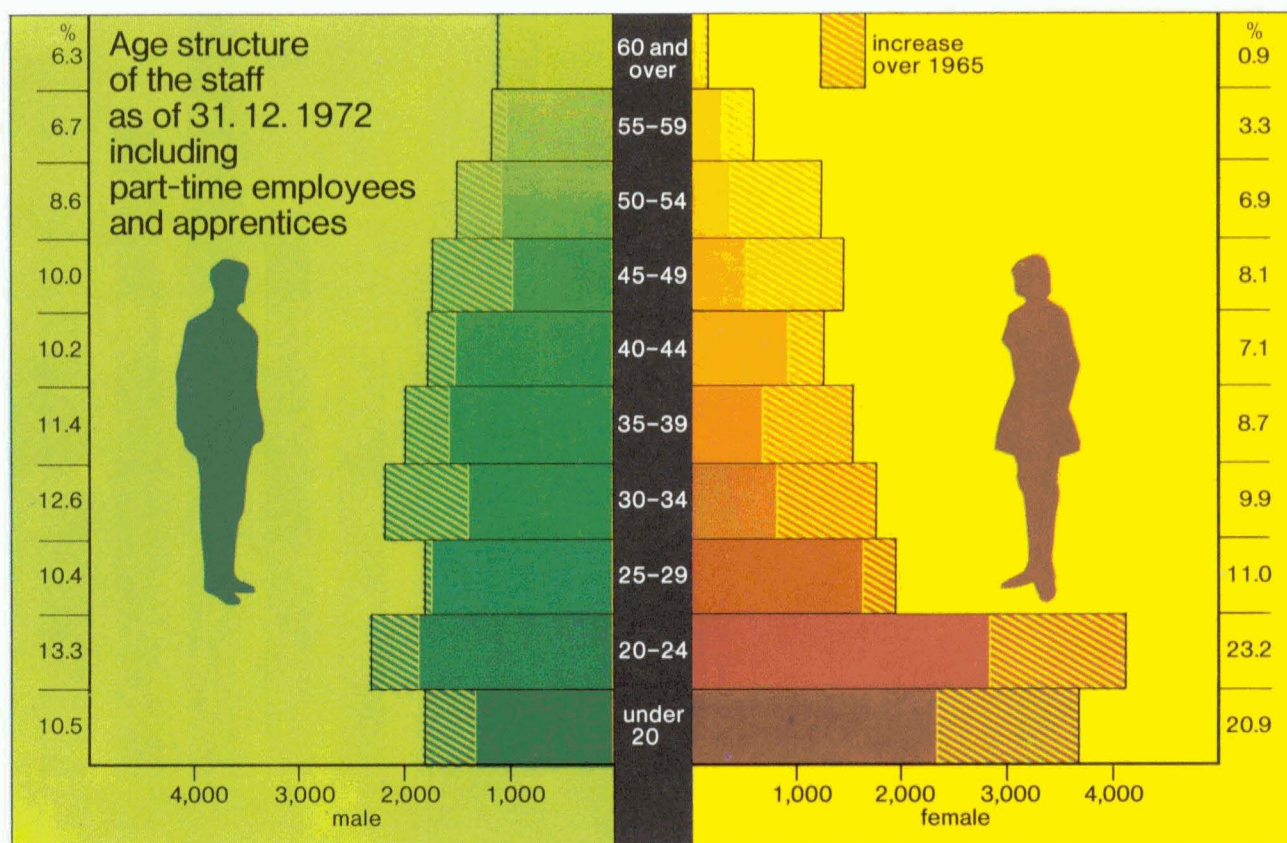
There was a slight decrease in full-time staff to 31,881. The number of part-time employees rose on the other hand to 3,033; that is 8.7% of the total. As the situation on the labour market was still very strained, it proved difficult in the past year as well to find the numbers needed for full-time jobs. By appointing part-time staff we were able to meet the requests which were increasingly reaching us, particularly from women.

Under the influence of the strong demands on the labour market our staff turnover went up in 1972. Female staff played a large part in this, particularly in the younger age groups.

Again more women than men were recruited. At the end of 1972 for the first time more than 50% of the entire bank's staff were women.

At the end of the year 3,903 young people were serving their apprenticeship with the bank (receiving bank training and general commercial training). In 1972, 1,718 took the requisite examinations at the Chambers of Commerce.

At the end of the year we were paying pensions to 8,035 retired employees and widows of former employees. The bank pensions were once again increased. All staff who had retired by December 31, 1969, or their widows, were included.





In order to give us a better view of the staff sector, we have developed a comprehensive personnel planning system. This serves as a basis for appointment and employment, gives better opportunities for promotion throughout the bank as a whole and of using our staff's abilities to the best advantage. The personnel data bank we are now building up was also initiated for this purpose.

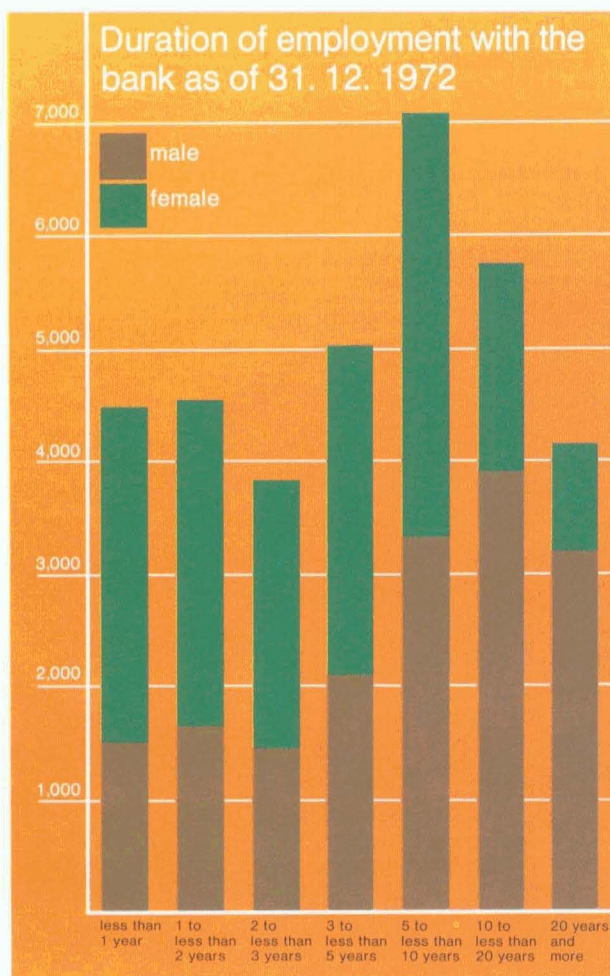
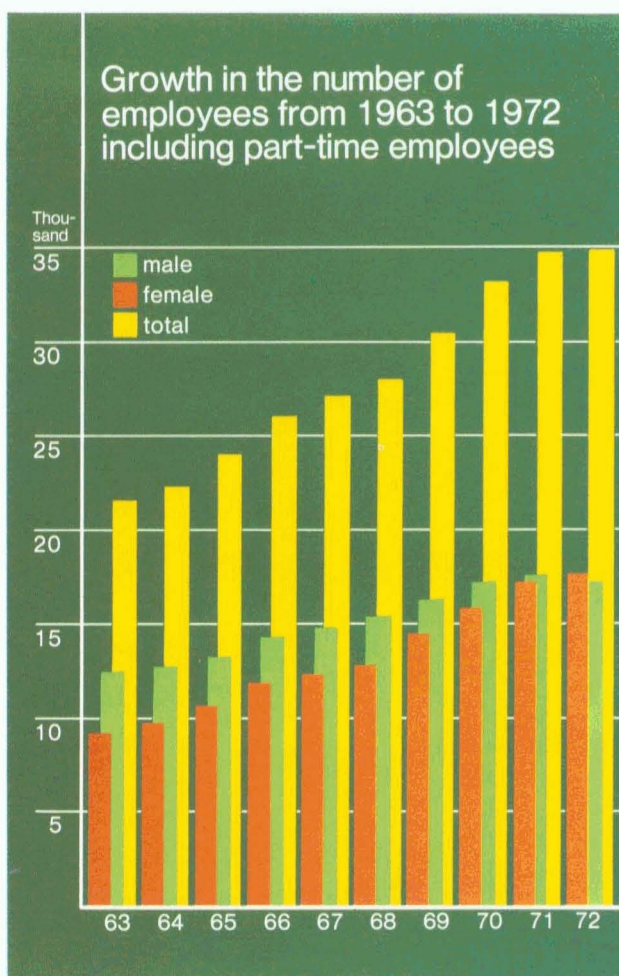
### Professional training and further education

In 1972 in the training sector we united all the regional and central measures into one uniform system. The sections are basic training, further education as well as management training and the system forms a considerable part of the instruments of personnel management.

We have compiled a booklet to explain this new system to all those responsible for personnel. Included are the basic principles of training, the organisational framework and a division into stages for all the specialised fields concerned. The offer of training is open to all members of staff. The choice of participants depends on aptitude and requirements; promotion is on principle from within the ranks of our own employees.

The professional training and further education of our staff is as usual a major concern. In 1972 12,323 employees from all departments took part in educational seminars. 1,146 gained specific banking EDP knowledge. 290 employees were able to practise making decisions in realistic situations by taking part in management games.

About 1,000 informative meetings and discussions were also organised in the branch areas. In this way



our employees were able to bring their specialised knowledge up to date.

Management training was systematised and extended; it corresponds to the various tasks in the individual areas of management. In 1972 638 executive employees attended 31 seminars and discussion groups.

In the seminars we informed our executive employees about the new Labour/Management Relations Act (Betriebsverfassungsgesetz), its principles and its practical effects in the bank.

On December 8, 1972 the main structure of our training centre in Kronberg was completed. The rest of the building is continuing steadily, so that the training centre should be ready for our employees at the end of 1973.

#### **Increased cooperation with the Staff Council**

The new Labour/Management Relations Act came into force on January 19, 1972 and brought important innovations for our bank as well. The number of Staff

Council members increased by about a fifth; in our bigger branches, in compliance with the legal regulations, we have released a number of our employees for Staff Council duties.

The considerably increased rights of the Staff Councils to participate in the personnel, social and economic spheres have meant more talks and consultations. All the questions and problems were discussed in an open and straightforward manner with the Staff Council for the Entire Bank, the Business Committee and the Staff Councils of the individual branches. The training courses for the Staff Councils organised by the Staff Council for the Entire Bank, which were begun last year, were continued on a broader basis in 1972.

#### **Thanks to all the staff**

We express our thanks and gratitude to our staff. The results for the year are also the result of their zeal and initiative.

## Comments on the Statement of Accounts for the Year

### BALANCE SHEET

#### Volume of business

In 1972 the bank's *balance sheet total* rose by DM 5.0 billion to DM 40.2 billion; the *volume of business* (balance sheet total plus endorsement liabilities) increased by DM 5.7 billion to DM 41.7 billion. This was the highest ever expansion of volume in one year. The percentage rise in the balance sheet total was 14.3%, in the volume of business 15.8%.

The source and use of funds can be seen from the following table:

#### Financing Table 1972

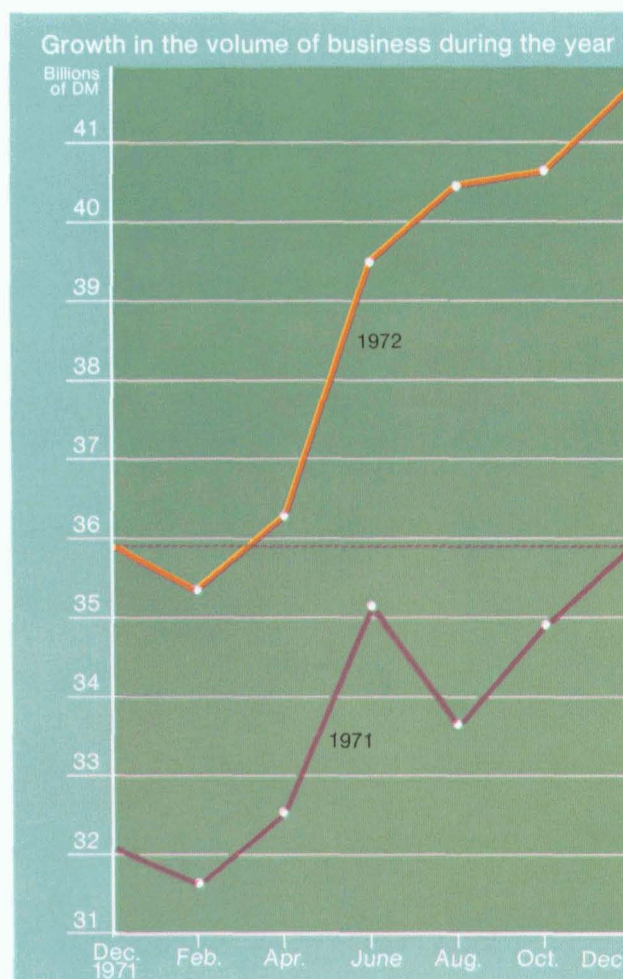
Source of Funds	in millions of DM	
Increase in own funds		
Capital increase 1972	240	
Allocation to published reserves from the net earnings for 1972	50	290
Increase in funds from outside sources		
Liabilities to non-bank customers		
demand deposits	888	
term deposits	700	
savings deposits	1,381	2,969
Liabilities to credit institutions	1,510	4,479
Increase in refinancing		
Bills (endorsement liabilities)	652	
Own acceptances in circulation	63	715
Reduction in holdings of Treasury bills and non-interest Treasury bonds		475
Other funds		288
<b>Total</b>		<b>6,247</b>

Use of Funds	in millions of DM	
Expansion of volume of lending		
Discount credits	569	
Claims on customers	2,999	3,568
Increase of liquid assets and money market investments		
Cash reserve	1,421	
Cheques and other items for collection	206	
Claims on banks (excluding credits)	499	
Bonds and debt instruments	214	2,340
Increase in investment		
(subsidiaries and associated companies, buildings, office furniture and equipment)		259
Other use of funds		80
<b>Total</b>		<b>6,247</b>

Turnover on non-bank customers' accounts was at DM 1,288 billion, DM 63 billion higher than in the previous year.

#### Liquidity

The *cash reserve* – cash in hand, balances with the Deutsche Bundesbank and on postal cheque accounts – rose from DM 3.7 billion to DM 5.1 billion. The increase was almost entirely in balances with the Deutsche Bundesbank; they rose by DM 1.4 billion, or 40.5%, to DM 4.9 billion. This was due both to the in-



flow of deposits subject to the minimum reserve regulations and particularly to the various increases in the minimum reserve rates.

The sum of liabilities to credit institutions and other creditors, own acceptances in circulation and sundry liabilities amounted to DM 37.2 billion (DM 32.6 billion in 1971). The relation of the cash reserve to this (*cash liquidity ratio*) is therefore 13.8% (1971 11.4%).

Total liquid funds (cash reserve, cheques on other banks, matured bonds, interest and dividend coupons as well as items received for collection, bills rediscountable at the Bundesbank, demand claims on credit institutions, Treasury bills and non-interest Treasury bonds, and bonds and debt instruments eligible as collateral for Bundesbank advances) increased from DM 10.4 billion to DM 12.3 billion. The overall *liquidity ratio* (proportion of liabilities covered by liquid funds) rose from 32.0% to 33.0%.

The principles concerning the capital resources and liquidity of credit institutions established by the Federal Banking Supervisory Office have always been observed.

*Treasury bills and non-interest Treasury bonds* are shown with the new purchases at the end of the year at DM 249.2 million; last year's holdings of DM 724.5 million were redeemed or sold.

## Securities

*Bonds and debt instruments* rose by DM 214.2 million to DM 1,272.1 million. This included an increase of DM 348.1 million in securities with lifetime of up to 4 years; the other securities dropped by DM 133.9 million. Of the total amount held DM 1,060.4 million, or 83.4%, was eligible as collateral at the Deutsche Bundesbank.

*Securities, so far as they have not to be included in other items*, (DM 1,147.8 million) remained almost unchanged from the end of 1971 (DM 1,146.6 million).

Syndicate holdings accounted for DM 251.3 million.

Holdings of more than 10% of the capital of a company are shown at DM 871.9 million. Among these, holdings of more than 25% of the capital were reported in accordance with Paragraph 20 of the Joint Stock Corporation Act to the following companies: Augsburger Kammgarn-Spinnerei, Augsburg  
Bayerische Elektrizitäts-Werke, München

Bergmann-Elektricitäts-Werke Aktiengesellschaft,  
Berlin

Daimler-Benz Aktiengesellschaft, Stuttgart

Didier-Werke Aktiengesellschaft, Wiesbaden

Hapag-Lloyd Aktiengesellschaft, Hamburg

Hoffmann's Stärkefabriken Aktiengesellschaft,  
Bad Salzuflen

Philipp Holzmann Aktiengesellschaft,  
Frankfurt (Main)

Karstadt Aktiengesellschaft, Essen

Maschinenfabrik Moenus Aktiengesellschaft,  
Frankfurt (Main)

Pittler Maschinenfabrik Aktiengesellschaft,  
Langen (Hessen)

Schitag Schwäbische Treuhand-Aktiengesellschaft,  
Stuttgart

Schuhfabrik Manz Aktiengesellschaft, Bamberg

Gebrüder Stollwerck Aktiengesellschaft, Köln

Süddeutsche Zucker-Aktiengesellschaft, Mannheim

The holding of more than 25% in Nord-Deutsche und Hamburg-Bremer Versicherungs-Aktiengesellschaft, Hamburg, and the majority participation in INEFA Kunststoffe Aktiengesellschaft, Itzehoe, were sold in the course of the year.

The assets of Porzellanfabrik Kahla, Schönwald, have been taken over in a merger by Hutschenreuther Aktiengesellschaft, Selb. KISTRA Beteiligungsgesellschaft mbH, Frankfurt (Main), to which the shares in Porzellanfabrik Kahla have been transferred, holds over 25% of the capital of Hutschenreuther Aktiengesellschaft. The bank holds the majority of the capital of KISTRA Beteiligungsgesellschaft mbH.

The holding of over 25% of the capital of Gebrüder Stollwerck Aktiengesellschaft, Cologne, was sold at the beginning of 1973.

The bank has again valued the securities holdings strictly according to the minimum value principle.

On balance sheet date neither the bank nor any associated institution or company held any of the bank's own shares.

During the year under review the bank and companies associated with it bought and sold 702, 879 shares of the Deutsche Bank AG at current prices on the stock market; such securities transactions must be reported in accordance with § 71, subpara. (1) No. 1 of the Joint Stock Corporation Act. The average purchase price was DM 324.03 and the average selling price DM 324.89. The proceeds remained in the work-



## Volume of credit

	End of 1972	End of 1971	Change
	– in millions of DM –		
Claims on customers			
short and medium-term	12,081.6	10,283.2	+ 1,798.4 = 17.5%
long-term	7,741.3	6,540.9	+ 1,200.4 = 18.4%
	19,822.9	16,824.1	+ 2,998.8 = 17.8%
Discount credits	5,379.4	4,810.0	+ 569.4 = 11.8%
Lending to credit institutions	1,547.9	1,586.5	– 38.6 = 2.4%
Total volume of credit	26,750.2	23,220.6	+ 3,529.6 = 15.2%

ing funds.

At the end of 1972 57,992 shares of Deutsche Bank AG had been pledged to the bank and the institutions associated with it as collateral for loans.

## Total credit extended

After rather hesitant development during the first few months of the year under review the volume of credit rose strongly from May on. By far the greater part of DM 3,529.6 million increase (+ 15.2%) was in *claims on customers*; their share of the total volume of credit rose from 72.5% to 74.1%. Discount credits showed a growth of 11.8%. Lending to banks remained once again almost unchanged.

The composition of the volume of credit is shown above.

The development of the volume of credit over the last 10 years is shown by the graph on the right.

Long-term loans to customers have accordingly quadrupled during the last 5 years (from DM 1,853 million to DM 7,741 million); short and medium-term credits rose during the same period from DM 6,004 million to DM 12,082 million.

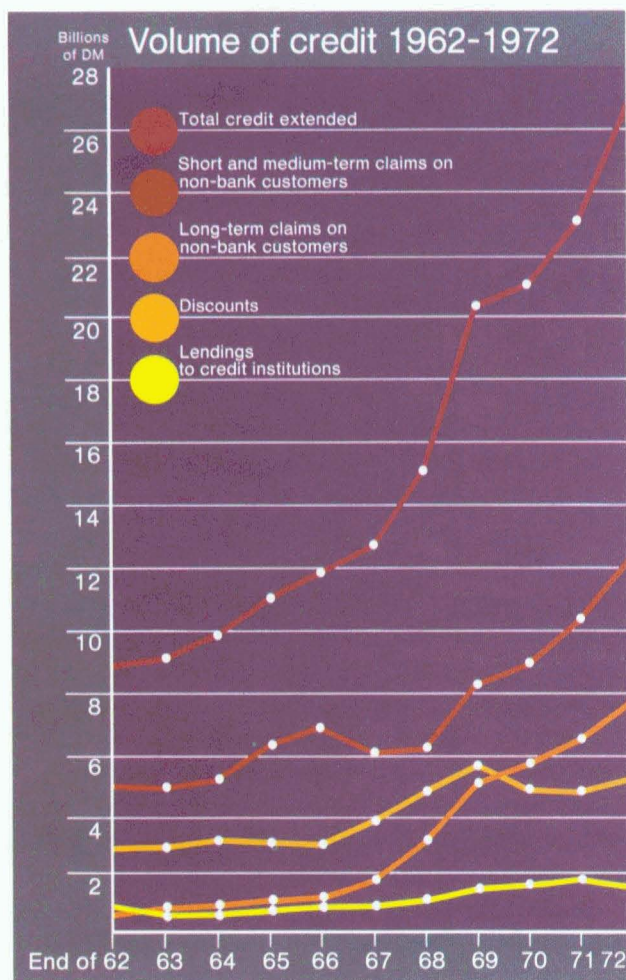
In the year under review programmed credits accounted for about one quarter of the increase in loans to customers. They have now reached DM 3,053.0 million. About two fifths of this is made up of *personal mortgage loans* which again showed high growth, namely DM 363.1 million, or 40.5%.

DM 4,190.4 million (54.1%) of the long-term loans to customers were due in less than 4 years.

Of the DM 5,379.4 million bills purchased and not yet due DM 3,743.2 million were shown as the holding. DM 3,180.9 million (85.0%) were eligible for rediscount or as collateral for advances under the regulations of the Deutsche Bundesbank.

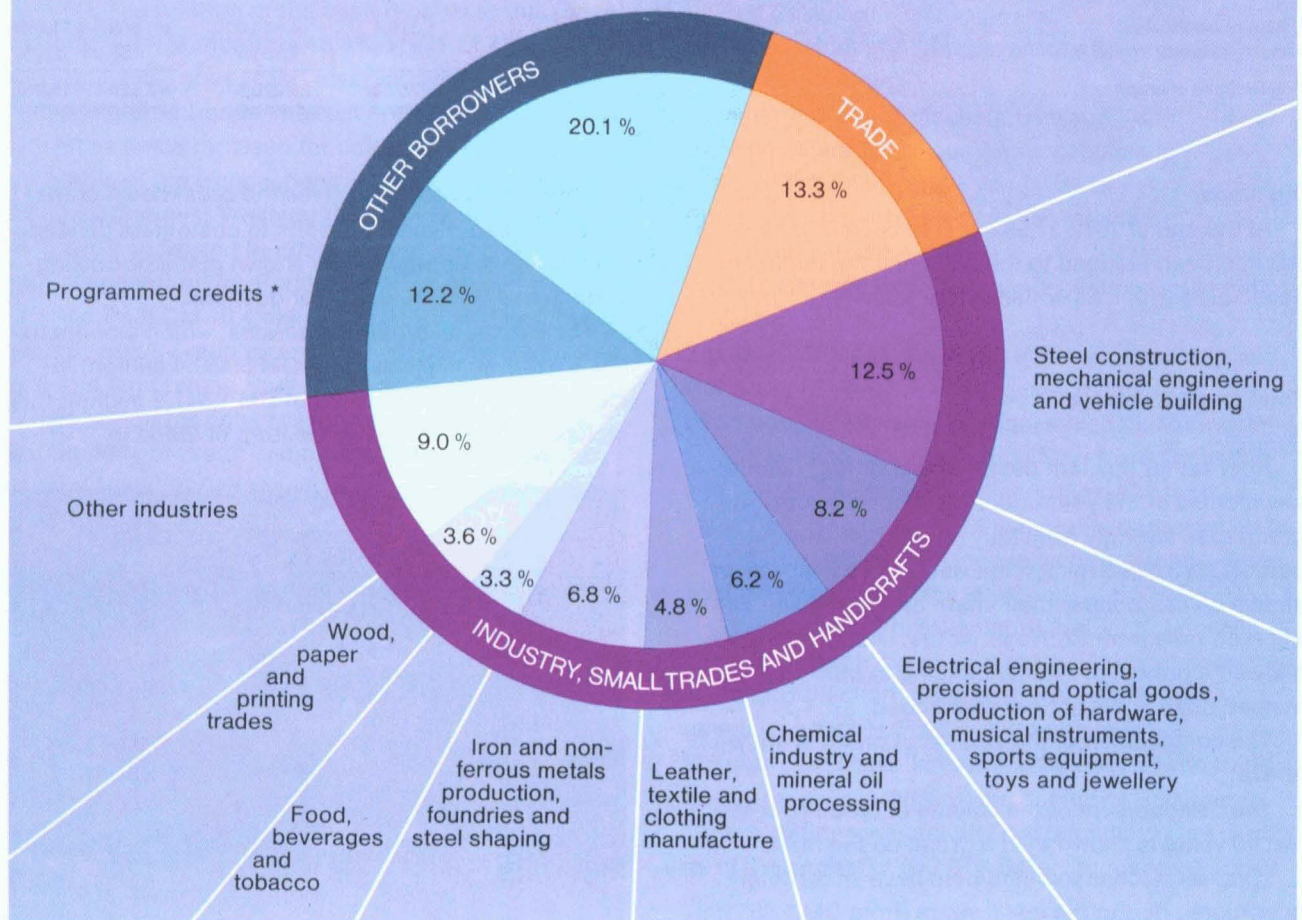
The diagram overleaf gives the breakdown of the advances and discount credits to customers divided into the same categories as shown in the borrowing statistics of the Deutsche Bundesbank.

The *claims on credit institutions*, which amount to DM 5,910.7 million (last year DM 5,450.4 million) include credits to the amount of DM 1,547.9 million; this included DM 80 million in the form of loans to





Break-down of lendings to customers  
by branches as of December 31, 1972



\*) Instalment credits as listed in the Deutsche Bundesbank's statistics of borrowers - 8.5 %

strengthen the borrower's liable funds. The remaining claims amounting to DM 4,362.8 million were employed in money transactions or held as balances on clearing accounts; foreign credit institutions account for DM 2,581.9 million.

DM 905.1 million of claims on customers were financed from funds taken up for specific purposes, mainly from the Kreditanstalt für Wiederaufbau; these were passed on to the borrowers on the terms fixed by the institution providing the funds.

Besides the above-mentioned credits we extended *guarantee facilities and letters of credit* amounting to DM 4,405.6 million to our customers (last year

DM 4,386.8 million).

Account was taken of all discernible risks in the lending business through individual adjustments and provisions, and of latent risks through the prescribed overall adjustment.

#### Investments in subsidiaries and associated companies

These investments have risen by DM 183.0 million to DM 772.6 million over last year. There were additions of DM 189.1 million, while deductions amounted

to DM 5.3 million and depreciation to DM 0.8 million.

The additions stem almost exclusively from investments in credit institutions. Capital increases in institutions in which we already held interests accounted for a major part. The main banks here were:

Badische Bank, Karlsruhe

Berliner Disconto Bank AG, Berlin

Deutsche Centralbodenkredit-AG, Berlin-Köln

Deutsche Kreditbank für Baufinanzierung AG, Köln

Deutsche Schiffahrtsbank AG, Bremen

Saarländische Kreditbank AG, Saarbrücken

Schiffshypothekenbank zu Lübeck AG, Lübeck

The bank also acquired participations in the following new establishments:

Europäisch Asiatische Bank AG, Hamburg

European Arab Holding S.A., Luxembourg

European Brazilian Bank Ltd., London

Industriebank von Japan (Deutschland) AG

– The Industrial Bank of Japan (Germany) ,  
Frankfurt (Main)

The participation in the Deutsch-Asiatische Bank was transferred to the Europäisch Asiatische Bank AG, Hamburg, in exchange for shares. The Europäisch Asiatische Bank AG took over the assets of the Deutsch-Asiatische Bank in a merger.

By the purchase of more shares holdings were increased, particularly in the Deutsche Centralbodenkredit-AG, Berlin-Cologne, the Deutsche Kreditbank für Baufinanzierung AG, Cologne, and the Frankfurter Hypothekenbank, Frankfurt (Main).

The deductions were mainly due to the above-mentioned transfer of the participation in the Deutsch-Asiatische Bank, the retirement of a participation which was incorporated into the Deutsche Bank AG and the sale of some interests.

Reductions in value and risks now discernible in the foreign participations have been duly taken into account in the depreciation.

A table of the credit institutions and other enterprises in which the bank held participations on balance sheet date is given on pages 95 to 98.

The Report of the Group provides information on the relations to the Bank's associated companies.

## **Fixed assets**

During the year under review the expansion of business made increased expenditure on new build-

ings, extensions and renovation of bank premises necessary.

The book value of *land and buildings* increased to DM 389.3 million. The additions amounted to DM 71.1 million. DM 1.6 million is from land purchased; DM 69.5 million was spent on various buildings. This made it possible to move into new business premises in Mannheim, Munich, Remscheid and Stuttgart. In Frankfurt (Main) a multi-storey car park was completed.

The deductions amounted to DM 0.3 million. Depreciation was DM 13.9 million, DM 1.3 million of this was for extraordinary wear and tear.

*Office furniture and equipment* is shown at DM 141.8 million after additions of DM 50.8 million and depreciation of DM 31.8 million. This includes the equipment for 37 newly-opened offices and the equipment necessary for the rationalisation of business. Minor items purchased and fully written off amounted to DM 11.0 million. Depreciation on goods included in this item in the balance sheet was DM 20.8 million, DM 0.9 million of this being in accordance with § 6b of the Income Tax Law.

## **Other asset items**

The *Equalisation and Covering Claims* fell by DM 18.3 million to DM 443.5 million. They still account for 1.1% of the balance sheet total. DM 7.8 million of the drop in Equalisation Claims was due to normal redemption. DM 1.8 million was taken over by the Deutsche Bundesbank. Through adjustment of the Conversion Account there was an increase on balance of DM 0.2 million.

The normal redemptions of the Covering Claims in accordance with § 252 Equalisation of Burdens Law and § 19 of the Old Savings Law amounted to DM 8.9 million.

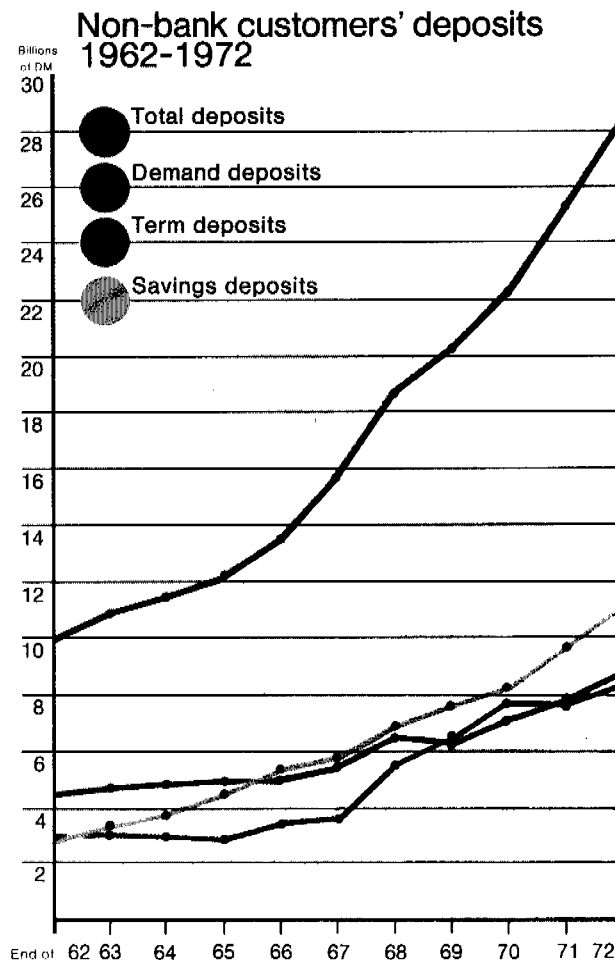
The *sundry assets* (DM 638.5 million: 1971 DM 559.1 million) include, as in the past, holdings in companies with limited liability (GmbH), which are neither a participation nor, according to the balance sheet regulations, eligible for inclusion under securities. This item also includes, inter alia, gold holdings and savings bonus claims.

## Funds from outside sources

The growth in deposits was stronger in 1972 than in the previous year. Total funds from outside sources rose by DM 4,479.1 million, or 13.7% (last year by DM 3,430.0 million, or 11.8%).

About one third of the increase was due to *liabilities to credit institutions*. They increased by DM 1,510.1 million, 20.4%, to DM 8,901.0 million. Liabilities to foreign banks rose by DM 1,032.3 million to DM 4,789.7 million.

Just under half of the increase in *non-bank customers' deposits* (DM 2,969.0 million or 11.8%) was due to savings deposits. The growth of DM 1,381.2 million (14.3%) did not equal the high rate of last year (18.1%). The main increase was again in *savings deposits* with specially agreed period of notice (+ DM 760.8 million, 15.7%). They accounted for 50.8% of total savings deposits.

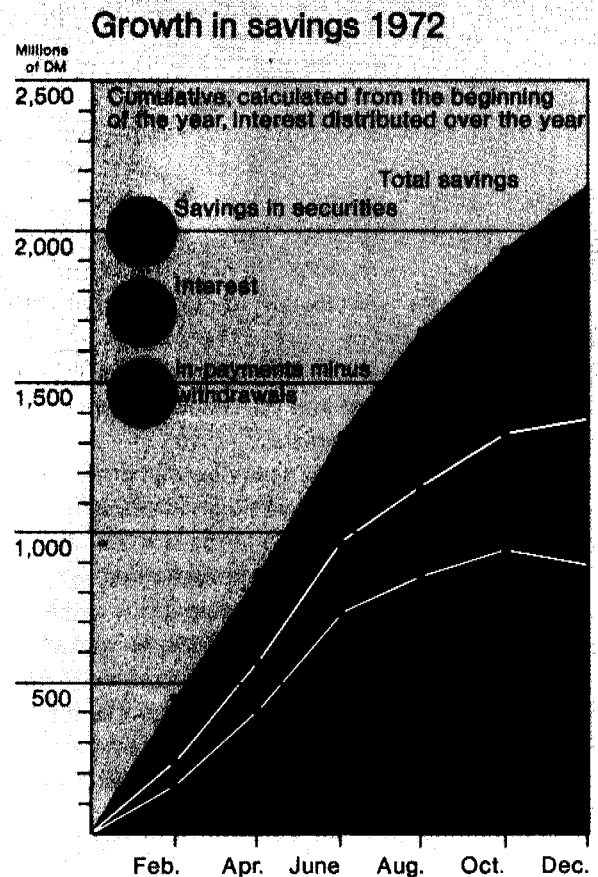


A breakdown of the funds from outside sources is given in the table on the following page.

The development of non-bank customers' deposits during the past ten years is shown in the graph below left.

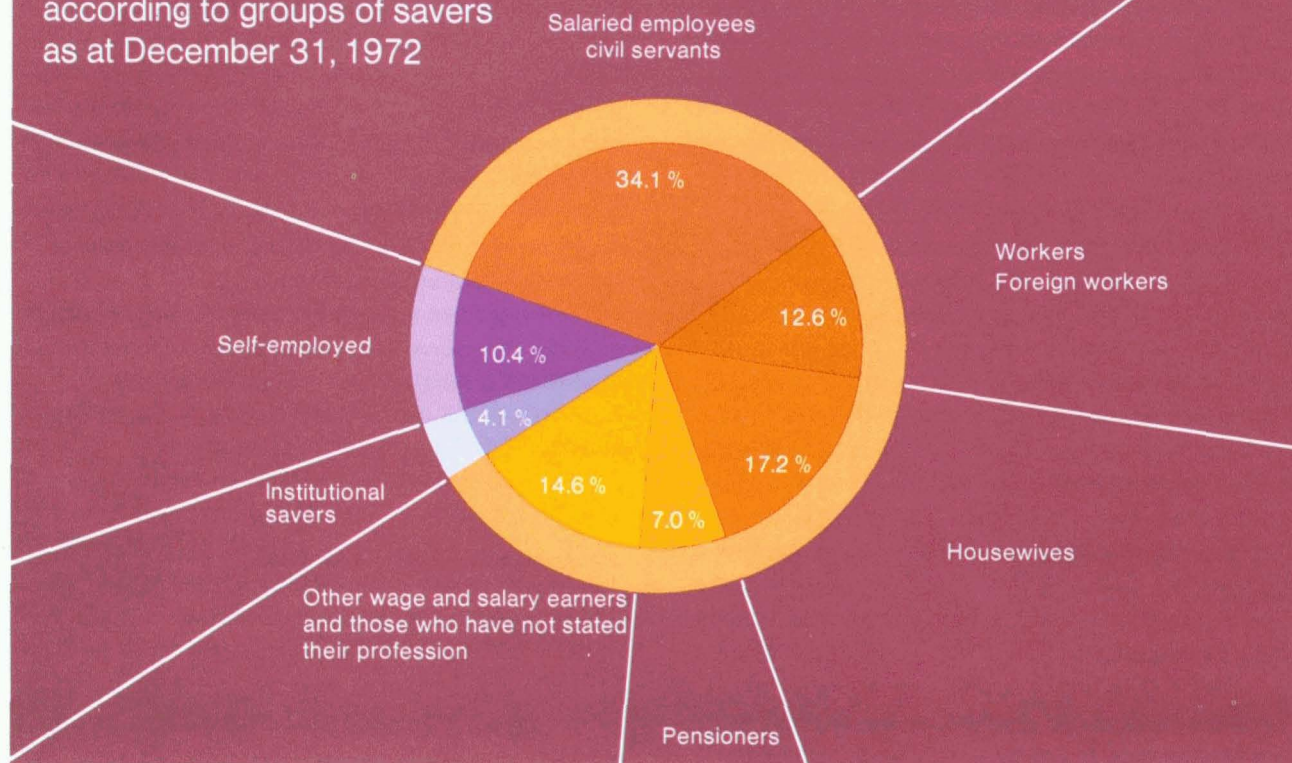
As can be seen these deposits have almost tripled within that period. A clear shift in the composition can be observed, from demand deposits towards term and savings deposits.

The diagram opposite indicates the share of total savings accounted for by the individual groups of savers. Also, total savings (growth in savings deposits plus the balance from purchases and sales of securities transacted with funds from savings accounts) are shown in the graph below.





Break-down of savings deposits  
according to groups of savers  
as at December 31, 1972



### Provisions for special purposes

The provisions for special purposes are shown at DM 666.0 million.

DM 433.2 million is accounted for by *provisions for pensions*. According to the actuarial computation they had to be increased by DM 45.8 million.

The *other provisions* (DM 232.8 million) include provisions against tax, and the overall adjustment which cannot be offset against asset items (for rights of recourse in respect of endorsement liabilities as well as for liabilities arising from guarantees and letters of credit), and provisions for risks arising from the lending business and for uncertain liabilities.

### Funds from outside sources

#### Liabilities to credit institutions

demand deposits	.....
term deposits	.....
customers' drawings on credits opened at other institutions	.....

End of 1972	End of 1971
– in millions of DM –	
4,572.8 = 12.3%	3,921.1 = 12.1%
4,175.2 = 11.3%	3,460.3 = 10.6%
153.0 = 0.4%	9.5 = —
8,901.0 = 24.0%	7,390.9 = 22.7%

#### Liabilities to non-bank customers

demand deposits	.....
term deposits	.....
savings deposits	.....

8,683.3 = 23.4%	7,795.4 = 23.9%
8,450.0 = 22.8%	7,750.1 = 23.8%
11,048.2 = 29.8%	9,667.0 = 29.6%
28,181.5 = 76.0%	25,212.5 = 77.3%
37,082.5 = 100.0%	32,603.4 = 100.0%

Total funds from outside sources .....

## Other liabilities items

As in the past the *sundry liabilities* at DM 14.8 million include liabilities outside the banking business, in particular wage and church tax and social insurance contributions payable.

The *special items including reserves* total DM 12.0 million.

DM 0.9 million was allocated to the special item in accordance with the Development Aid Tax Law.

Profits from sales during the year under review amounting to DM 11 million were eligible for tax preference under § 6b of the Income Tax Law. DM 10.1 million of this was allocated to the special item including reserves in accordance with § 6b Income Tax Law and DM 0.9 million was used for depreciation on office furniture and equipment.

The *transitory items* include receipts which do not relate to the year under review.

## Contingent liabilities

*Endorsement liabilities* on rediscounted bills of exchange rose from DM 780.3 million to DM 1,432.5 million. Bills to a total amount of DM 133.7 million were in the process of collection.

*Liabilities arising from guarantees of various kinds and warranty contracts* remained almost unchanged in comparison with the preceding year at DM 4,405.6 million (1971: DM 4,386.8 million).

*Obligations to repurchase items assigned en pension* fell from DM 666.0 million to DM 571.7 million.

*Liabilities for possible calls* on shares not fully paid up in public and private limited companies and limited partnerships were DM 19.9 million as at balance sheet date. In some cases the bank assumed liabilities in the stead of unlimited partners.

## PROFIT AND LOSS ACCOUNT

### Receipts on the volume of business

The receipts on the volume of business were affected by the Deutsche Bundesbank's credit policy measures. The lowering of the discount rate in De-

cember 1971 and February 1972 by  $\frac{1}{2}\%$  and 1% respectively, and the repeated increases in the minimum reserve rates caused the interest margin to decline further. The gradual increase in the discount rate by a total of  $1\frac{1}{2}\%$ , which had begun in autumn, only permitted a slight improvement, as interest rates for term deposits had already risen before the lending rates were increased.

With a 13.3% expansion in the average volume of business receipts from lending and money market business remained almost unchanged. It was possible to keep down interest expenditure mainly through acting with reserve in accepting term deposits from customers during the first six months of the year.

Details of interest receipts and expense are given below:

	1972	1971
	Mill. DM	Mill. DM
Interest and similar receipts from lending and money market transactions . . . . .	1,919.4	1,918.1
Current receipts from securities, debt register claims, and investments in subsidiaries and associates . . . . .	225.7	231.7
	2,145.1	2,149.8
Interest paid and similar expenses . . . . .	1,152.0	1,219.6
Receipt on the volume of business . . . . .	993.1	930.2

Half of the DM 62.9 million increase in receipts was required for the allocation to the overall adjustment.

### Receipts from services

*Commissions and other receipts from services* increased by DM 72.7 million, chiefly as a result of the expansion in turnover in securities and payments business. The introduction of charges for Personal Accounts as from July 1, 1972 also played a part.

After deduction of expenditure on commissions (DM 15.8 million) there is a surplus of DM 359.6 million. This is an increase of DM 68.8 million whereas staff plus material expenditure rose by DM 123.7 million.

### Other receipts

*Other receipts* are shown at DM 130.3 million. They include the surplus which resulted when part of the

higher ordinary net earnings from securities dealings, the gains from the sale of securities, amounts received on claims written off, on released adjustments and provisions for possible loan losses were set off against depreciation and adjustment on claims and securities. This item also includes net earnings from foreign exchange dealings on our own account as well as those receipts from ordinary and extraordinary business which are not shown separately.

## Staff and material expenditure

*Staff expenses* (wages and salaries, social security contributions, retirement pensions and other benefits) rose by a total of DM 100.3 million, or 12.7% (1971: + DM 121.0 million or 18.2%). The smaller increase was primarily due to the fact that the number of staff only increased by 113 (1971: + 1,731).

In 1972 as well pay agreements were reached (+ 6.5% with fixed minimum) and the other salaries were adjusted accordingly. In addition a new salary structure came into force on October 1.

Wages and salaries, which were the main contributing factor to the rise in staff costs, increased by DM 60.2 million, 9.6%. Social security contributions, which were up 19.5%, caused a relatively higher increase in expenditure. Retirement pensions and other benefits also showed above-average growth (29.7%) as the bank pensions were adjusted to the higher costs of living.

The rise in the *expenditure on material* by DM 23.4 million or 11.9% reflects the general rise in prices and the expenditure necessitated by the expansion of business and the modernisation of the bank.

## Depreciation

*Depreciation and adjustments on land and buildings and on office furniture and equipment* fell by DM 73.3 million to DM 45.6 million. In 1972 depreciation in accordance with § 6b of the Income Tax Law amounted to DM 0.9 million, after DM 76.0 million in 1971.

## Taxes

Tax expense for 1972 totalled DM 143.8 million.

This includes DM 125.6 million in taxes on income, earnings and property. The increase of DM 20.7 million is due in part to the improvement in the operating result and partly, among other factors, to the fact that it was only possible for a considerably smaller proportion of the gains from sales of securities to be given tax preference in accordance with § 6b Income Tax Law. Other taxes include DM 9.7 million company tax in connection with the capital increase.

## Other expenses

DM 10.1 million of the gains from the sale of property and securities were allocated to the special items including reserves.

Total emoluments of the Board of Managing Directors amounted to DM 6,517,329.45. Former members of the Boards of Managing Directors of the Deutsche Bank AG and the Deutsche Bank, Berlin, or their surviving dependents received payments aggregating DM 1,835,383.35.

The Supervisory Board received as fixed emoluments DM 283,780.—; the Supervisory Board payments, which vary according to the annual dividend paid amounted to DM 674,467.18. Members of the Advisory Board received DM 371,626.20 and the members of the Regional Advisory Councils received DM 1,664,858.60.

## Proposed appropriation of profits

The Profit and Loss Account shows:

<i>Receipts</i> .. . . .	DM 2,655.9 million
<i>Expenses</i> .. . . .	DM 2,497.9 million
<i>Year's net earnings</i> .. . . .	DM 158.0 million
<i>Allocation to published reserves</i> .. . . .	DM 50.0 million
<i>Disposable profit</i> .. . . .	DM 108.0 million

It is proposed to the shareholders that a dividend of DM 9.— per share of DM 50.— par value, i. e. DM 108 million be paid on the capital of DM 640 million, whereby DM 80 million from the 1972 capital increase is entitled to dividend as from July 1, 1972.

## Capital and reserves

The Annual General Meeting of May 4, 1972 authorised the Board of Managing Directors to increase the capital by DM 80 million to DM 640 million. This right was exercised on June 9, 1972. The resultant premium of DM 160 million was allocated to the statutory reserve fund.

DM 50 million of the year's net earnings was allocated to the published reserves.

We propose that in order to strengthen the bank's own funds the capital be increased by a further DM 80 million through the issue of 1.6 million new bearer

shares of DM 50 entitled to dividend from January 1, 1973; the shares will be offered at the ratio of 1:8 at DM 150 per share of DM 50.

After the capital increase has been resolved by the Annual General Meeting and carried out the bank's own funds will be composed as follows:

Capital	DM 720.0 million
<i>Published Reserves</i>	
a) statutory reserve fund	DM 634.0 million
b) other reserves	<u>DM 800.0 million</u>
b) (voluntary reserve fund)	
Total	<u>DM 2,154.0 million</u>

Frankfurt (Main), March 1973

THE BOARD OF MANAGING DIRECTORS

*Philipp*

*Winn*

*Winn*

*Stuy*

*Herbert*

*Winn*

*Winn*

*Winn*

*Winn*

*Winn*

*Winn*

*Winn*

*Winn*

## Growth of Capital and Reserves

	Capital	Published Reserves	Capital and Reserves Total
	DM	DM	DM
January 1, 1952 (opening balance sheet)	100,000,000.—	40,500,000.—	140,500,000.—
Allocation from the conversion account		1,500,000.—	1,500,000.—
Allocations from the net earnings 1952—1956		108,000,000.—	108,000,000.—
Capital increase: 1955 (1 for 2 at par)	50,000,000.—		50,000,000.—
Capital increase: 1956 (1 for 3 at par)	50,000,000.—		50,000,000.—
December 31, 1956	200,000,000.—	150,000,000.—	350,000,000.—
Allocation from the net earnings 1957		30,000,000.—	30,000,000.—
December 31, 1957	200,000,000.—	180,000,000.—	380,000,000.—
Capital increase: 1958 (1 for 4 at par)	50,000,000.—		50,000,000.—
Allocation from the net earnings 1958		35,000,000.—	35,000,000.—
December 31, 1958	250,000,000.—	215,000,000.—	465,000,000.—
Allocation from the net earnings 1959		35,000,000.—	35,000,000.—
December 31, 1959	250,000,000.—	250,000,000.—	500,000,000.—
Allocation from the net earnings 1960		50,000,000.—	50,000,000.—
December 31, 1960	250,000,000.—	300,000,000.—	550,000,000.—
Capital increase: 1961 (1 for 5 at par)	50,000,000.—		50,000,000.—
Allocation from the net earnings 1961		40,000,000.—	40,000,000.—
December 31, 1961	300,000,000.—	340,000,000.—	640,000,000.—
Allocation from the net earnings 1962		20,000,000.—	20,000,000.—
December 31, 1962	300,000,000.—	360,000,000.—	660,000,000.—
Allocation from the net earnings 1963		40,000,000.—	40,000,000.—
December 31, 1963	300,000,000.—	400,000,000.—	700,000,000.—
Allocation from the net earnings 1964		30,000,000.—	30,000,000.—
December 31, 1964	300,000,000.—	430,000,000.—	730,000,000.—
Capital increase: 1965 (1 for 6 at par)	50,000,000.—		50,000,000.—
Allocation from the net earnings 1965		70,000,000.—	70,000,000.—
December 31, 1965	350,000,000.—	500,000,000.—	850,000,000.—
Capital increase: 1966 (1 for 7 at par)	50,000,000.—		50,000,000.—
Allocation from the net earnings 1966		100,000,000.—	100,000,000.—
December 31, 1966	400,000,000.—	600,000,000.—	1,000,000,000.—
Allocation from the net earnings 1967		50,000,000.—	50,000,000.—
December 31, 1967	400,000,000.—	650,000,000.—	1,050,000,000.—
Capital increase: 1968 (1 for 5 at 250)	80,000,000.—		200,000,000.—
Allocation from the net earnings 1968		50,000,000.—	50,000,000.—
December 31, 1968	480,000,000.—	820,000,000.—	1,300,000,000.—
Allocation from the net earnings 1969		30,000,000.—	30,000,000.—
December 31, 1969	480,000,000.—	850,000,000.—	1,330,000,000.—
Allocation from the net earnings 1970		30,000,000.—	30,000,000.—
December 31, 1970	480,000,000.—	880,000,000.—	1,360,000,000.—
Capital increase: 1971 (1 for 6 at 280)	80,000,000.—		224,000,000.—
Allocation from the net earnings 1971		40,000,000.—	40,000,000.—
December 31, 1971	560,000,000.—	1,064,000,000.—	1,624,000,000.—
Capital increase: 1972 (1 for 7 at 300)	80,000,000.—		240,000,000.—
Allocation from the net earnings 1972		50,000,000.—	50,000,000.—
December 31, 1972	640,000,000.—	1,274,000,000.—	1,914,000,000.—
Proposed capital increase: 1973 (1 for 8 at 300)	80,000,000.—		240,000,000.—
Position after capital increase 1973	720,000,000.—	1,434,000,000.—	2,154,000,000.—

## Development of Reserves

Published reserves as per opening balance sheet 1. 1. 1952	40,500,000.—
Allocation from the Conversion Account	1,500,000.—
Allocations from net earnings	808,000,000.—
Premium from the capital increases carried out	424,000,000.—
Premium from the proposed capital increase	160,000,000.—
<b>Total published reserves after the capital increase 1973</b>	<b>1,434,000,000.—</b>



## Report of the Supervisory Board

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At the Supervisory Board meetings last year, and in numerous individual discussions, we obtained detailed reports concerning the bank's situation and the basic questions of business policy, and debated these together with the Board of Managing Directors. We followed closely the development of the balance sheet and earnings account throughout the year. Further subjects which received attention were the international monetary situation and its effects on the German economy, the further development of the foreign participations and representative offices of the bank abroad, the securities business, the range of services we offer and the question of bank charges.

The economic situation was the subject of detailed reports and discussion. We also debated important individual business transactions, and dealt with those matters submitted to us for approval in accordance with legal or statutory requirements. Questions of staff policy and collective wage and salary agreements were likewise discussed by the Supervisory Board.

It is the function of the Credit Committee of the Supervisory Board to examine credit commitments. It accordingly called for reports and comments to be

given at its meetings of all major loans or those entailing increased risks.

The Treuverkehr AG Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Frankfurt (Main), who were chosen as auditors of the annual accounts by the Annual General Meeting, have examined the Annual Statement of Accounts, the Report of the Board of Managing Directors and the accounting and have found these to be in conformity with the books, which were properly kept, and with the provisions of the applicable law. We accept the Report of the Auditors.

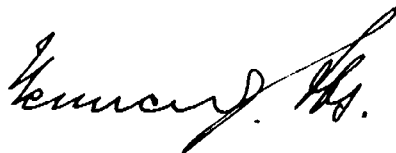
Furthermore we have ourselves examined the Statement of Accounts as of December 31, 1972, the proposed appropriation of profits and the Report of the Board of Managing Directors. We do not raise any objections.

The Consolidated Annual Statement of Accounts, the Report of the Group and the Report of the Auditors of the Consolidated Annual Accounts have been submitted to the Supervisory Board.

We have approved the Annual Statement of Accounts drawn up by the Board of Managing Directors, which has thus been established. We agree to the proposed appropriation of profits.

Frankfurt (Main), March 1973

THE SUPERVISORY BOARD



Chairman

**ANNUAL BALANCE SHEET**

as of December 31, 1972

**PROFIT AND LOSS ACCOUNT**

for the period from January 1 to December 31,  
1972

**THE GROWTH OF THE BALANCE SHEET**

from January 1, 1952  
until December 31, 1972

## ASSETS

## DEUTSCHE BANK AKTIENGESELLSCHAFT

	DM	DM	31. 12. 1971 in 1,000 DM
Cash in hand		238,363,781.26	216,719
Balances with the Deutsche Bundesbank		4,884,341,682.29	3,476,734
Balances on postal cheque accounts		15,022,041.25	23,708
Cheques on other banks, matured bonds, interest and dividend coupons, and items received for collection		457,934,083.94	252,138
Bills discounted		3,743,230,989.44	3,877,150
including:			
a) rediscountable at the Deutsche Bundesbank	DM 3,180,888,840.78		
b) own drawings	DM 6,984,455.19		
Claims on credit institutions			
a) payable on demand	2,170,271,850.90		1,757,194
b) with agreed life, or subject to agreed period of notice, of			
ba) less than three months	462,357,363.65		1,066,213
bb) at least three months, but less than four years	2,786,765,696.17		2,096,857
bc) four years or longer	491,276,956.99		530,099
		5,910,671,867.71	5,450,363
Treasury bills and non-interest-bearing Treasury bonds			
a) of the Federal Republic and the Länder	249,169,270.83		724,508
b) others	—		—
		249,169,270.83	724,508
Bonds and debt instruments			
a) with a life of up to four years			
aa) of the Federal Republic and the Länder	DM 218,050,791.67		
ab) of credit institutions	DM 338,549,166.66		
ac) others	DM 155.—	556,600,113.33	208,471
including:			
eligible as collateral for Bundesbank advances	DM 556,599,958.33		
b) with a life of more than four years			
ba) of the Federal Republic and the Länder	DM 163,861,791.52		
bb) of credit institutions	DM 357,900,648.86		
bc) others	DM 193,742,459.81	715,504,900.19	849,397
including:			
eligible as collateral for Bundesbank advances	DM 503,847,031.55		
		1,272,105,013.52	1,057,868
Securities, so far as they have not to be included in other items			
a) shares marketable on a stock exchange and investment fund certificates	1,138,586,745.18		1,134,601
b) other securities	9,244,375.08		11,998
including: holdings of more than one tenth of the shares in a joint stock corporation or mining company, excluding investments in subsidiaries and associated companies	DM 871,930,096.03	1,147,831,120.26	1,146,599
Claims on customers with agreed life, or subject to agreed period of notice, of			
a) less than four years	12,081,571,819.79		10,283,155
b) four years or longer	7,741,311,111.48		6,540,923
including:			
ba) secured by mortgages on real estate	DM 504,574,929.76		
bb) communal loans	DM 46,452,520.81		
due in less than four years	DM 4,190,434,000.—	19,822,882,931.27	16,824,078
Equalisation and Covering Claims on Federal and Länder authorities under the Currency Reform Laws		443,520,978.29	461,856
Loans on a trust basis at third party risk		105,414,317.49	71,042
Investments in subsidiaries and associated companies		772,577,700.—	589,561
including: in credit institutions	DM 692,685,300.—		
Land and buildings		389,327,500.—	332,371
Office furniture and equipment		141,817,500.—	122,751
Sundry assets		638,528,849.38	559,087
Transitory items		1,584,308.21	1,368
<b>TOTAL ASSETS</b>		<b>40,234,323,935.14</b>	<b>35,187,901</b>

The assets and the rights of recourse in respect of the liabilities shown below the liabilities side include

a) claims on associated companies in accordance with Article 15 of the Joint Stock Corporation Act	1,303,599,767.43	1,093,906
b) claims which arise from credits falling under Article 15, paragraph 1, items 1 to 6, and paragraph 2, of the Banking Law, so far as they are not shown in a)	213,656,199.85	151,158

## BALANCE SHEET as of December 31, 1972

## LIABILITIES

	DM	DM	DM	31. 12. 1971 in 1,000 DM
Liabilities to credit institutions				
a) payable on demand		4,572,799,250.13		3,921,105
b) with agreed life, or subject to agreed period of notice, of				
ba) less than three months	834,025,225.21			
bb) at least three months, but less than four years	2,393,840,520.58			
bc) four years or longer	<u>947,307,197.54</u>	4,175,172,943.33		3,460,266
including: due in less than four years	DM 530,208,115.77			
c) customers' drawings on credits opened at other institutions		<u>153,017,919.97</u>		9,490
			8,900,990,113.43	7,390,861
Banking liabilities to other creditors				
a) payable on demand		8,683,301,355.25		7,795,386
b) with agreed life, or subject to agreed period of notice, of				
ba) less than three months	4,494,835,454.77			
bb) at least three months, but less than four years	3,885,711,012.60			
bc) four years or longer	<u>69,459,890.52</u>	8,450,006,357.89		7,750,119
including: due in less than four years	DM 32,405,707.43			
c) savings deposits				
ca) subject to legal period of notice	5,436,958,488.77			
cb) others	<u>5,611,217,635.10</u>	<u>11,048,176,123.87</u>		9,666,959
			28,181,483,837.01	25,212,464
Own acceptances and promissory notes in circulation			96,091,473.58	33,423
Loans on a trust basis at third party risk			105,414,317.49	71,042
Provisions for special purposes				
a) for pensions		433,258,800.—		387,454
b) others		<u>232,778,149.93</u>		170,974
			666,036,949.93	558,428
Sundry liabilities			14,782,430.24	10,999
Franz Urbig and Oscar Schlitter Endowment				
assets of the Endowment		1,505,190.66		1,510
less investments in securities		<u>1,428,797.84</u>		1,440
			76,392.82	70
Transitory items			235,490,441.75	184,815
Special items including reserves				
a) in accordance with the Development Aid Tax Law		1,863,916.83		999
b) in accordance with Article 6b of the Income Tax Law		<u>10,094,062.06</u>		—
			11,957,978.89	999
Capital			640,000,000.—	560,000
Published reserves				
a) statutory reserve fund	314,000,000.—			
premium from the capital increase 1972	<u>160,000,000.—</u>	474,000,000.—		314,000
b) other reserves (voluntary reserve fund)	750,000,000.—			
allocation from the year's net earnings	<u>50,000,000.—</u>	<u>800,000,000.—</u>		750,000
			1,274,000,000.—	1,064,000
Disposable profit			108,000,000.—	100,800
TOTAL LIABILITIES				40,234,323,935.14
				35,187,901
Endorsement liabilities on rediscounted bills of exchange			1,432,485,788.73	780,323
Liabilities arising from guarantees of various kinds and warranty contracts			4,405,580,277.89	4,386,822
Obligations to repurchase items assigned on pension, so far as these obligations have not to be shown on the liabilities side			571,746,152.70	666,030
Savings premiums under the Savings Premium Law			221,278,029.41	179,835
Comprised among the liabilities are those (including those shown below the balance sheet) to associated companies			1,029,347,879.06	951,364

## EXPENSES

## PROFIT AND LOSS ACCOUNT

	DM	DM	1971 in 1,000 DM
Interest and similar expenses .....		1,152,024,440.21	1,219,587
Commissions and similar expenses in respect of service transactions .....		15,794,940.63	11,857
Salaries and wages .....		689,025,069.28	628,815
Social security contributions .....		79,115,098.20	66,216
Expenditure on retirement pensions and other benefits .....		118,455,335.73	91,346
Material expenditure for the banking business .....		220,774,212.96	197,352
Depreciation and adjustments on land and buildings, and on office furniture and equipment .....		45,649,409.59	118,891
Depreciation and adjustments on investments in subsidiaries and associated companies .....		840,206.43	9,835
Taxes			
a) on income, earnings and property .....	125,591,148.70		104,876
b) others .....	18,165,271.97		12,127
		143,756,420.67	117,003
Allocations to special items including reserves .....		10,959,236.31	807
Other expenses .....		21,489,696.27	18,170
Year's net earnings .....		158,000,000.—	140,800
<b>TOTAL EXPENSES</b>		<b>2,655,884,066.28</b>	<b>2,620,679</b>

Year's net earnings .....

Allocations from the year's net earnings to published reserves

    a) to the statutory reserve fund .....

    b) to other reserves (voluntary reserve fund) .....

Disposable profit .....

In the year under review the Bank effected payment of DM 51,644,614.27 representing pensions and contributions to the Beamtenversicherungsverein des Deutschen Bank- und Bankiergewerbes (a. G.), Berlin. The payments to be effected in the next five years will probably reach 107%, 116%, 126%, 137%, and 150% of the above-mentioned amount.

Frankfurt (Main), March 1973

## DEUTSCHE BANK AKTIENGESSELLSCHAFT

*Christians      Ehret      Feith      Guth*

*Herrhausen      Kleffel      Leibkutsch      Ulrich      Vallenthin*

*Burgard      van Hooven      Mertin      Thierbach*

RECEIPTS

		1971
DM	DM	DM
	158,000,000.—	140,800,000.—
—, —		—, —
<u>50,000,000.—</u>	<u>50,000,000.—</u>	<u>40,000,000.—</u>
	108,000,000.—	100,800,000.—

Wirtschaftsprüfer  
(Chartered Accountant)

# THE GROWTH OF THE BALANCE SHEET until December 31, 1972

— in millions of DM —

	31. 12. 1972	31. 12. 1971	31. 12. 1970	31. 12. 1969	31. 12. 1968	31. 12. 1967
<b>ASSETS</b>						
Cash, balances with Deutsche Bundesbank and on postal cheque accounts	5,138	3,717	2,763	1,673	1,931	1,379
Bills discounted	3,743	3,877	4,095	4,186	4,532	3,777
Claims on credit institutions	5,911	5,450	4,303	3,462	2,843	2,329
Treasury bills and non-interest-bearing Treasury bonds	249	725	408	—	1,878	1,704
Bonds and debt instruments	1,272	1,058	1,482	1,635	1,303	851
Securities, so far as they have not to be included in other items	1,148	1,147	1,325	1,307	1,250	1,038
Claims on customers	19,823	16,824	14,785	13,411	9,310	7,857
with agreed life, or subject to agreed period of notice, of						
a) less than four years	12,082	10,283	8,893	8,190	6,043	6,004
b) four years and longer	7,741	6,541	5,892	5,221	3,267	1,853
Claims on Federal and Länder authorities under the Currency Reform Laws	443	462	481	499	512	519
Loans on a trust basis	105	71	52	43	45	198
Investments in subsidiaries and associated companies	773	590	534	340	320	191
Land and buildings	389	332	345	276	263	241
Office furniture and equipment	142	123	101	88	82	75
Other assets	1,098	812	758	816	574	262
<b>BALANCE SHEET TOTAL</b>	<b>40,234</b>	<b>35,188</b>	<b>31,432</b>	<b>27,736</b>	<b>24,843</b>	<b>20,421</b>
<b>LIABILITIES</b>						
Liabilities to credit institutions	8,901	7,391	6,776	5,132	4,267	3,018
Banking liabilities						
to other creditors	28,182	25,213	22,397	20,326	18,628	15,633
including: term deposits	8,450	7,750	7,331	6,393	5,489	3,778
savings deposits	11,048	9,667	8,187	7,647	6,835	5,983
Own acceptances in circulation	96	33	70	170	8	4
Loans on a trust basis	105	71	52	43	45	198
Provisions for special purposes	666	558	522	484	430	382
a) for pensions	433	387	364	346	319	301
b) others	233	171	158	138	111	81
Capital	640	560	480	480	480	400
Published reserves	1,274	1,064	880	850	820	650
a) statutory reserve fund	474	314	170	170	170	50
b) other reserves (voluntary reserve fund)	800	750	710	680	650	600
Other liabilities	262	197	169	131	79	56
Disposable profit	108	101	86	120	86	80
<b>BALANCE SHEET TOTAL</b>	<b>40,234</b>	<b>35,188</b>	<b>31,432</b>	<b>27,736</b>	<b>24,843</b>	<b>20,421</b>
Endorsement liabilities on rediscounted bills of exchange	1,432	780	640	1,332	151	74
Liabilities arising from guarantees of various kinds and warranty contracts	4,406	4,387	4,185	3,144	2,353	2,066
Year's net earnings	158	141	116	150	136	130
Allocations to published reserves	50	40	30	30	50	50
Disposable profit	108	101	86	120	86	80
Dividend in DM per share	9.— <sup>*)</sup>	9.—	9.—	12.50	9.—	10.—
in %	(18%)	(18%)	(18%)	(18+7%)	(18%)	(16+4%)

<sup>\*)</sup> including receipts from the appreciation in value of office furniture and equipment of DM 70 m.

<sup>\*\*)</sup> including receipts from the appreciation in value of land and buildings of DM 35 m.

<sup>\*\*\*)</sup> shares from the capital increase 1972 entitled to dividend at 50%.

31. 12. 1966	31. 12. 1965	31. 12. 1964	31. 12. 1963	31. 12. 1962	31. 12. 1961	31. 12. 1960	31. 12. 1959	31. 12. 1958	31. 12. 1957	31. 12. 1956	1. 1. 1952
1,859	1,609	1,386	1,546	1,224	1,194	1,388	1,009	953	894	699	417
2,890	2,711	2,890	2,566	2,140	2,288	2,109	2,172	2,041	1,973	1,897	598
1,760	1,285	1,560	1,394	1,453	1,268	983	1,077	1,154	694	686	347
705	203	210	511	448	641	482	320	406	456	54	64
561	657	826	664	591	617	557	1,109	521	374	333	3
1,094	1,064	837	735	826	791	706	532	409	368	352	60
7,975	7,206	6,046	5,693	5,558	4,841	4,128	3,395	2,789	2,779	2,805	1,690
6,915	6,235	5,250	4,912	4,922	4,235	3,696	3,007	2,425	2,407	2,396	1,458
1,060	971	796	727	636	606	432	388	364	372	409	232
514	511	506	504	496	494	501	502	506	493	476	417
171	153	123	109	89	77	65	60	66	78	87	46
154	146	121	117	109	97	80	67	62	58	54	9
226	206	162	159	161	158	154	149	142	134	118	61
70	—	—	—	—	—	—	—	—	—	—	20
173	103	119	98	101	109	69	82	62	56	60	26
18,152	15,854	14,786	14,042	13,196	12,575	11,222	10,474	9,111	8,357	7,621	3,758
2,565	2,153	2,140	2,019	2,044	2,190	1,744	1,516	1,405	1,689	1,810	589
13,777	12,096	11,315	10,764	9,960	9,238	8,475	8,045	6,857	5,933	5,092	2,652
3,607	2,818	2,886	2,970	2,867	2,751	2,551	2,558	2,280	2,103	1,652	731
5,295	4,444	3,704	3,213	2,778	2,383	2,200	1,914	1,427	1,151	964	197
142	133	41	42	61	53	51	56	25	15	15	119
171	153	123	109	89	77	65	60	66	78	87	46
380	366	350	328	308	310	281	219	206	202	209	188
244	221	195	178	169	153	146	139	130	123	127	76
136	145	155	150	139	157	135	80	76	79	82	112
400	350	300	300	300	300	250	250	250	200	200	100
600	500	430	400	360	340	300	250	215	180	150	41
50	50	50	50	50	50	50	25	25	25	25	25
550	450	380	350	310	290	250	225	190	155	125	16
53	47	39	32	26	19	16	38	52	35	33	23
64	56	48	48	48	48	40	40	35	25	25	—
18,152	15,854	14,786	14,042	13,196	12,575	11,222	10,474	9,111	8,357	7,621	3,758
90	417	260	206	526	235	167	133	74	138	317	794
1,894	1,856	1,718	1,543	1,646	1,618	1,473	1,326	1,213	1,338	816	461
164*)	126**)	78	88	68	88	90	75	70	55	50	
100	70	30	40	20	40	50	35	35	30	25	
64	56	48	48	48	48	40	40	35	25	25	
8.—											
16%	16%	16%	16%	16%	16%	16%	16%	14%	12%	12%	



# DEUTSCHE BANK

AKTIENGESELLSCHAFT

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REPORT OF THE GROUP  
FOR THE YEAR 1972

## Report of the Group for 1972

The results of the following companies are incorporated in the Consolidated Annual Statement of Accounts of Deutsche Bank Aktiengesellschaft as of December 31, 1972:

	Proportion of capital held
Berliner Disconto Bank Aktiengesellschaft, Berlin	100 %
Bernhard Blanke, Bankhaus, Düsseldorf	100 %
Deutsche Centralbodenkredit-Aktiengesellschaft, Berlin-Köln	66.5%
Deutsche Gesellschaft für Fondsverwaltung mbH, Frankfurt (Main)	100 %
Deutsche Kreditbank für Baufinanzierung AG, Köln	75 %
Deutsche Gesellschaft für Immobilien-Leasing mbH, Köln	75 %
Deutsche Ueberseeische Bank, Berlin-Hamburg	97.2%
Frankfurter Hypothekenbank, Frankfurt (Main)	85.4%
Gefa Gesellschaft für Absatzfinanzierung mbH, Wuppertal	100 %
Efgee Gesellschaft für Einkaufs-Finanzierung mbH, Düsseldorf	100 %
Gefa-Leasing GmbH, Wuppertal	100 %
Saarländische Kreditbank Aktiengesellschaft, Saarbrücken	68.2%
Hessische Immobilien-Verwaltungs-Gesellschaft mbH, Frankfurt (Main)	100 %
Matura Vermögensverwaltung mbH, Düsseldorf	100 %
Süddeutsche Vermögensverwaltung GmbH, Frankfurt (Main)	100 %
Elektro-Export-Gesellschaft mbH, Nürnberg	100 %
Trinitas Vermögensverwaltung GmbH, Frankfurt (Main)	100 %

The Deutsche Kreditbank für Baufinanzierung AG, Cologne, and its subsidiary, the Deutsche Gesellschaft für Immobilien-Leasing mbH, Cologne, are new additions to the consolidated companies, as the participation in the parent company was increased from 50% to 75% in the year under review.

With effect from January 1, 1972 the Meller Volksbank AG, which was included in the consolidated accounts in the previous year, was combined with Deutsche Bank AG.

The considerable expansion of the Group made it appear advisable to leave out certain companies whose balance sheet total and annual results are without noteworthy effect on the consolidated accounts. The following members of the Group were, because of their small importance (altogether they account for DM 49 million = 0.08% of the Group's balance sheet total), not included in the consolidated statements:

„Alwa“ Gesellschaft für Vermögensverwaltung mbH  
Hamburg

Burstah Verwaltungsgesellschaft mbH, Hamburg  
Castolin Grundstücksgesellschaft mbH, Köln  
Deutsche Gesellschaft für Anlageberatung mbH,  
Frankfurt (Main)  
DIL Deutsche Gesellschaft für Bauplanung und  
-beratung mbH, Köln  
DIL Deutsche Gesellschaft für Immobilien-Mietkauf  
mbH, Köln  
Essener Grundstücksverwertung Dr. Ballhausen, Dr.  
Bruens, Dr. Möller KG, Essen  
Frankfurter Gesellschaft für Vermögensanlagen mbH,  
Frankfurt (Main)  
Gefi Gesellschaft für Finanzierungsvermittlung mbH,  
Berlin  
Grundstücksgesellschaft Grafenberger Allee mbH,  
Köln  
Hochhaus und Hotel Riesenfürstenhof  
Aufbaugesellschaft mbH, Frankfurt (Main)  
Hypotheken-Verwaltungs-Gesellschaft mbH, Berlin  
Jubiläumsstiftung der Deutschen Ueberseeischen  
Bank GmbH Unterstützungskasse, Hamburg  
Heinz Langer Versicherungsdienst GmbH, Stuttgart

Nordwestdeutscher Wohnungsbau-träger GmbH,  
Braunschweig

Saarländische Immobilien-Gesellschaft mbH,  
Saarbrücken

Schisa Grundstücksverwaltungsges. mbH, Köln

Süddeutsche Bank GmbH, Frankfurt (Main)

Tauernallee Grundstücksgesellschaft mbH,  
Berlin

Terraingesellschaft Gross-Berlin GmbH,  
Berlin

Franz Urbig- und Oscar Schlitter-Stiftung GmbH,  
Düsseldorf

The Deutsche Bank, Berlin, and the Exportkreditbank AG, Berlin, are dormant old banks which do not have any new business. As the old bank accounts for these institutions have still not been finally confirmed, they have not been included in the consolidated accounts.

Listed below are associated companies which are not under the uniform direction of Deutsche Bank AG and hence are not eligible for consolidation:

Deutsche Eisenbahn Consulting GmbH, Frankfurt (Main)

Deutsche Gesellschaft für Anlageverwaltung mbH,  
Frankfurt (Main)

Europäisch Asiatische Bank AG, Hamburg

Kistra Beteiligungsgesellschaft mbH, Frankfurt (Main)

Rossmann Beteiligungsgesellschaft mbH, Frankfurt  
(Main)

Deutsche Bank AG only maintains those business relations with these associated companies which are normal with bank customers. There are no business transactions capable of materially affecting the Deutsche Bank's situation to note in connection with these companies.

With regard to the associated companies belonging to the Group we report as follows:

The *Berliner Disconto Bank AG, Berlin*, is represented in West Berlin by 68 offices; it engages in all the transactions of an all-round bank. In the past financial year the balance sheet total rose from DM 2,024 million to DM 2,508 million. Out of the net earnings of DM 8.9 million DM 4.9 million was employed to pay a dividend of 14% and the remaining DM 4.0 million to strengthen the Published Reserves.

At the end of 1972 the bank's Own Funds totalled DM 104 million; DM 35 million of this was attributable to the capital which had been increased by DM 5 million in the year under review. Another increase of the

capital by DM 8 million to DM 43 million is intended for 1973. Normal banking relations are maintained with the other members of the Group. The *Berliner Disconto Bank AG* has rented banking premises from the *Trinitas Vermögensverwaltung GmbH, Frankfurt (Main)*.

Since 1970 Deutsche Bank AG has held a share of limited liability in *Bankhaus Bernhard Blanke, Düsseldorf*. It operates as an all-round bank, with special emphasis on service to private customers.

The *Deutsche Centralbodenkredit-AG, Berlin-Cologne*, conducts all the banking business allowed under the Private Mortgage banks Law in the Federal Republic and West Berlin, especially the granting of mortgage and communal loans as well as the issuing of mortgage and communal bonds. 1972 again brought the bank a considerable expansion of its lending and issuing business. The balance sheet total rose by DM 1,101 million, or 23.3%, to DM 5,829 million. DM 7.5 million of the year's net earnings of DM 18.3 million was allocated to the Published Reserves; another DM 2.5 million is to be transferred to the Legal Reserve by resolution of the General Meeting.

An unchanged dividend of DM 9 per share of DM 50 par value will be paid for 1972. Half of the dividend is to be paid on new shares of nominal DM 12 million from the capital increase of September 1972.

After the capital had been increased from DM 36.0 million to DM 48.0 million (premium DM 31.2 million), the bank's Own Funds totalled DM 179.7 million at the end of 1972.

The *Deutsche Gesellschaft für Fondsverwaltung mbH, Frankfurt (Main)*, operates as an investment company for big institutional investors, such as insurance companies, company pension and welfare trusts and other trusts and staff funds. The course of business of the company, which had been established in 1968, was again favourable. As in the preceding years, the number and the total assets of the funds managed were increased. For the financial year 1971/72 the company resolved to raise the capital by DM 0.2 million out of reserves to DM 1.2 million and pay 8% dividend.

The *Deutsche Kreditbank für Baufinanzierung AG, Cologne*, specialises in the financing of housing construction. The bank grants loans to finance purchases of property and loans to builders, advance and interim credits against mortgages and savings and loan associations' savings agreements and offers finance for

the whole building project of houses for one and more families, owner-occupied flats and building projects to be used for various purposes. It takes an active part in the granting of the Deutsche Bank's Personal Building Loans. In the year reviewed the balance sheet total passed the DM billion mark for the first time, reaching DM 1,213 million at the end of 1972. As a result of the capital increases carried out in the year reviewed by altogether DM 12 million to DM 36 million, the bank's Own Funds amount to DM 51.7 million.

Its subsidiary, the Deutsche Gesellschaft für Immobilien-Leasing mbH, Cologne, was able to double its volume of business in the period under review. The financing of administrative buildings, department stores, factory buildings and warehouses against leasing receipts and an extensive consulting on the optimal handling of the financial aspect of building projects are the chief activities. To meet customers' special requests, in 1972 the company founded the DIL Deutsche Gesellschaft für Immobilien-Mietkauf mbH, Cologne, and the Schisa Grundstücksverwaltungsgesellschaft mbH, Cologne. Moreover, it has a controlling interest in the Castolin Grundstücksgesellschaft mbH, Cologne, the DIL Deutsche Gesellschaft für Bauplanung und -beratung mbH, Cologne, and the Grundstücksgesellschaft Grafenberger Allee mbH, Cologne.

The *Deutsche Ueberseeische Bank, Berlin-Hamburg*, in co-operation with the other banks in the Group, is chiefly engaged in financing foreign trade. The bank maintains 5 branches in the Federal Territory including West Berlin, 2 branches and 10 sub-branches in Argentina and one branch each in Brazil, Paraguay and Japan. Furthermore, it has 6 foreign representative offices in Central and South America, 5 of which are operated jointly with Deutsche Bank AG.

The balance sheet total rose from DM 754 million to DM 1,114.5 million. From the net earnings for the year of DM 2.9 million a dividend of DM 3 per share of DM 50 par value (= DM 2.4 million on the capital of DM 40.0 million) will again be paid. After allocation of DM 0.5 million to the Other Reserves, the bank's Own Funds are shown at DM 57.0 million. It holds all the shares in the Jubiläumsstiftung of the Deutsche Ueberseeische Bank GmbH Unterstützungskasse, Hamburg.

The *Frankfurter Hypothekenbank, Frankfurt (Main)*, engages in all the banking business conducted by a purely mortgage bank; it is the oldest and biggest

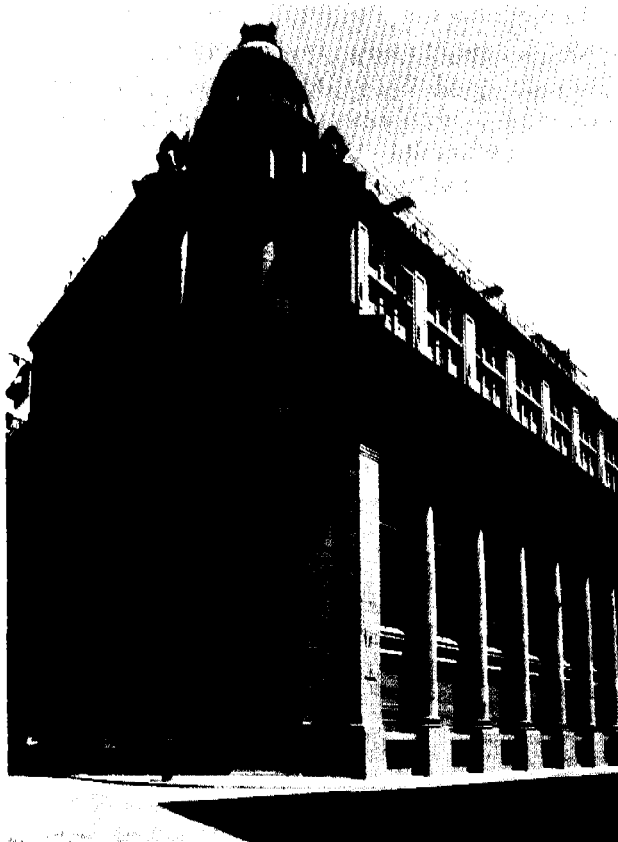
private mortgage bank. It is active in the mortgage bank sector throughout the Federal Territory and West Berlin. Under certain conditions, communal loans are granted in the EEC area as well. In 1972 the balance sheet total rose by 14.8% to DM 8,883 million. DM 14 million was allocated to the Published Reserves from the 1972 net earnings. The General Meeting is requested to approve the transfer of another DM 6 million to the Published Reserves. After this, the bank's Own Funds will total DM 243.8 million (including DM 52.8 million capital). A dividend of DM 9 per share of DM 50 par value is again to be paid for the financial year 1972.

The *Frankfurter Hypothekenbank* is the sole partner of the *Frankfurter Gesellschaft für Vermögensanlagen mbH, Frankfurt (Main)*, which holds 95% of the shares in the *Hochhaus und Hotel Riesenfürstenhof Aufbaugesellschaft mbH, Frankfurt (Main)*.

*Gefa Gesellschaft für Absatzfinanzierung mbH,*

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The *Deutsche Ueberseeische Bank* is represented by a number of branches in the largest South American countries. Our photo shows the main building of *Banco Alemán Transatlántico* in Buenos Aires.



Wuppertal, is engaged in the medium-term financing of capital and consumer goods and in factoring. It is the sole partner of Efgee Gesellschaft für Einkaufs-Finanzierung mbH, Düsseldorf, which provides credit exclusively for the purchase of consumer goods. Moreover, Gefa holds all the shares in the Gefa-Leasing GmbH, Wuppertal; that company rents out transportable equipment. There are profit and loss transfer agreements between Gefa and its two subsidiaries. Furthermore, it has a 100% interest in Gefi Gesellschaft für Finanzierungsvermittlung mbH, Berlin, and Heinz Langer Versicherungsdienst GmbH, Stuttgart. Gefa is also linked by a profit and loss transfer agreement to Deutsche Bank AG.

Gefa's capital is unchanged at DM 18 million. The Published Reserves were increased by DM 1 million from the year's net earnings; at the end of 1972 they were DM 13 million. The balance sheet total of Gefa and its subsidiaries has risen in the year reviewed from DM 499 million to DM 691 million.

The capital of the *Saarländische Kreditbank AG*, Saarbrücken, is in addition to Deutsche Bank AG held by a French banking group. The bank maintains 19 branches in the Saarland; it engages in all ordinary banking business. In 1972 the volume of business expanded further. The balance sheet total rose by DM 111 million (= 18.3%) to DM 716.1 million. The capital was increased in 1972 from DM 14 million to DM 20 million (premium DM 4.5 million). DM 0.5 million from the year's net earnings was transferred to the Published Reserves. A 10% dividend will again be paid for the past financial year, the new shares being entitled to dividend at 50%.

The *Saarländische Kreditbank AG* has rented buildings owned by Deutsche Bank AG in Saarbrücken and St. Ingbert. Further property has been placed at its disposal by its wholly-owned subsidiary, the *Saarländische Immobilien-Gesellschaft mbH*, Saarbrücken. There is a profit and loss transfer agreement between the two companies.

The *Hessische Immobilien-Verwaltungs-Gesellschaft mbH*, Frankfurt (Main), manages its own property, which is mainly used by Deutsche Bank AG, but not as bank buildings, and partly by its employees and third parties. The extension of an apartment house in Frankfurt (Main), which was started in the preceding year, was completed. The building accommodates foreign guests. A training centre, which is being erected for Deutsche Bank AG, is expected to be finished

at the end of 1973. The company is owned by Deutsche Bank AG and Matura Vermögensverwaltung mbH.

*Matura Vermögensverwaltung mbH*, Düsseldorf, manages assets for account of itself and others. The past financial year was satisfactory.

The *Süddeutsche Vermögensverwaltung GmbH*, Frankfurt (Main), inter alia owns all the shares of the Elektro-Export-GmbH, Nuremberg, which finances the export of electrical engineering products. The results of both companies were as expected.

*Trinitas Vermögensverwaltung GmbH*, Frankfurt (Main), together with its two subsidiaries, Hypotheken-Verwaltungs-Gesellschaft mbH, Berlin, and Tauernallee Grundstücksgesellschaft mbH, Berlin, manages property for its own account and that of others in West Berlin. The property is used for the most part by the Berliner Disconto Bank AG and its employees. Trinitas also takes part in winding up the Deutsche Bank, Berlin. There is a profit and loss transfer agreement between the company and Deutsche Bank AG.

With regard to the companies in the Group domiciled abroad the following can be said:

The *Compagnie Financière de la Deutsche Bank AG*, Luxembourg, closed its second financial year on 30. 9. 1972 successfully as well. Owing to its efforts further to expand the market position reached during its initial phase the balance sheet total had risen to DM 2.9 billion (converted) by the end of 1972. This growth is above all due to the expansion in the international lending business, in which the bank took an increasing part. The profit (DM 7 million) was again allocated to the reserves. To take into account the further business expansion, the bank increased its capital to DM 43 million early in 1973. Capital and Published Reserves now total DM 51 million. The favourable development continued also in the first months of the new financial year.

The *German American Capital Corporation*, Baltimore/USA, holds the participations in the European-American Banking Corporation, New York (nom. US\$ 3.8 million) and the European-American Bank & Trust Company, New York (nom. US\$ 2.1 million).

As a general principle transactions between companies belonging to the Group are effected at market conditions.

The *Group's course of business* was mainly determined by the business trend in Deutsche Bank AG,

which on December 31, 1972 accounted for 65.3% of the balance sheet total (before consolidation). 23.9% is attributable to the two mortgage banks and 10.2% to other credit institutions; 0.6% represents the balance sheet totals of other companies.

At the end of 1972 39,582 employees (including part-time staff) were working for the consolidated companies.

The number of offices maintained by the German companies in the Group rose from 1,172 to 1,227.

The consolidated annual statement of accounts as of December 31, 1972 was drawn up on the special sheets published for credit institutions with the legal form of an Aktiengesellschaft (public limited company) and for mortgage banks. We offer the following comments on the statement of accounts.

## CONSOLIDATED BALANCE SHEET

Apart from the elimination of a negligible interim profit, the valuations entered in the individual balance sheets were taken over unchanged in the consolidated balance sheet. Claims and liabilities arising from the mutual business transactions were offset against each other. Bonds and debt instruments of the Deutsche Centralbodenkredit-AG and the Frankfurter Hypothekenbank are shown as "Debt instruments issued by members of the Group". The book values of participations in companies included in the consolidated statement had to be offset against the Group holding in the Own Funds shown in the individual balance sheets (Capital and Published Reserves). The difference on balance of DM 63.1 million is shown as "Reserve arising from consolidation"; thus it has the character of own funds. Participations held by others in the own funds and the profit are shown separately at DM 129.8 million.

One company whose financial year is not the same as the calendar year had to draw up interim accounts.

## Volume of business

At DM 60.4 billion the *volume of business* (balance sheet total and endorsement liabilities) is DM 9.6 bil-

lion higher than that at the end of the previous financial year. The increase was mainly the result of a considerable expansion of business at the banks in the Group. Moreover, the inclusion of the Deutsche Kreditbank für Baufinanzierung AG in the consolidated companies had its effect. The *Group's balance sheet total* rose by DM 9.0 billion, or 18%, to DM 58.8 billion; it exceeds the Deutsche Bank's balance sheet total by DM 18.5 billion.

## Liquidity

The *cash reserve* (cash in hand, balances with the Deutsche Bundesbank and balances on postal cheque accounts) totalling DM 5.6 billion is 13.5% of the liabilities from banks' and customers' deposits (excluding mortgage bank business), own acceptances in circulation, liabilities arising out of interest due on bonds issued, and other liabilities.

*Total liquid assets* (cash reserve, cheques on other banks and other items received for collection, bills rediscountable at the Bundesbank, demand claims on credit institutions, Treasury bills and non-interest Treasury bonds, and bonds and debt instruments eligible as collateral for Bundesbank advances) were DM 13.1 billion; they covered the liabilities mentioned at the rate of 31.8%.

## Securities

The *bonds and debt instruments* held by the Group companies (excluding the debt instruments issued by members of the Group shown as a separate item) totalled DM 1,679.4 million at the end of the year. DM 1,429.3 million of the total amount (= 85.1%) was eligible as collateral at the Deutsche Bundesbank.

*Securities, so far as they have not to be included in other items* are shown at DM 1,155.6 million. DM 1,144.1 million of this (= 99.0%) are shares marketable on a stock exchange and investment fund certificates. The book value of the shares, which represent more than 10% of the capital of a company, amounts to DM 873.6 million.

As in other years, the strict minimum value principle was applied for the valuation of the securities.

## Total credit extended

Total credit extended by the Group rose by DM 6,953.6 million, or 18.9%, to DM 43.8 billion. Its composition is shown in the following table.

In mortgage bank business the Deutsche Centralbodenkredit-AG and the Frankfurter Hypothekenbank were able to increase their claims resulting from loans considerably. The amount shown (including interest) is DM 2,094.3 million, or 19.5%, higher than that of the previous year.

Account has been taken, through adjustments and provisions, for all discernible credit risks. The consolidated credit institutions have made the prescribed overall adjustment for indiscernible risks.

## Investments in subsidiaries and associated companies

Holdings of the Group in non-consolidated companies are shown at DM 261.4 million (DM 234.9 million at the end of 1971). Of this, credit institutions account for DM 175.9 million.

## Fixed assets

Of the land and buildings (DM 514.4 million) DM 389.3 million is owned by Deutsche Bank AG. DM 38.6 million are objects rented out by the Deutsche Gesellschaft für Immobilien-Leasing mbH, 89% of the total amount is used in banking business.

Office furniture and equipment is shown in the balance sheet at DM 227.7 million. Included is movable equipment of Gefa-Leasing GmbH at DM 73.4 million, which is rented out.

## Funds from outside sources

Funds from outside sources – the composition of which is shown in the table on the next page – increased by DM 8.1 billion to DM 54.6 billion. Customers' deposits rose by DM 3.6 billion to DM 31.1 billion. The substantial expansion in the issuing business of the Groups's two mortgage banks is reflected in the rise in the liabilities from debt instruments issued by DM 2.4 billion to DM 12.8 billion.

Funds taken up for specific purposes were passed on to borrowers on the conditions fixed by the lenders. Consolidated companies of the Group obtained loans amounting to DM 20.4 million secured by mortgages on real estate. In the mortgage bank business, in addition to the amounts used as cover which are shown in the consolidated balance sheet, DM 0.4 million was used as cover for loans taken up.

## Contingent liabilities and comments on the balance sheet

On balance sheet date endorsement liabilities on rediscounted bills of exchange were DM 1,633.4 million.

## Total credit extended

	End of 1972		End of 1971
	– in millions of DM –		
Discounts	5,985.8 = 13.7%		5,290.2 = 14.3%
Lendings to credit institutions	1,186.5 = 2.7%		1,246.4 = 3.4%
Claims on non-bank customers			
Short and medium-term claims	14,788.7 = 33.7%	12,163.5 = 33.0%	
Personal mortgage loans	1,307.4 = 3.0%	930.8 = 2.5%	
Other long-term claims	7,709.8 = 17.6%	6,488.0 = 17.6%	19,582.3 = 53.1%
	23,805.9 = 54.3%		
	30,978.2 = 70.7%		26,118.9 = 70.8%
Long-term claims in mortgage bank business, including interest	12,853.8 = 29.3%		10,759.5 = 29.2%
Total credit extended	43,832.0 = 100.0%		36,878.4 = 100.0%

## Funds from outside sources

	End of 1972	End of 1971
	– in millions of DM –	
Liabilities to credit institutions		
demand deposits	4,464.8 = 8.2%	3,786.6 = 8.1%
term deposits	5,153.7 = 9.4%	4,025.5 = 8.7%
customers' drawings on credits opened at other institutions	193.0 = 0.4%	17.0 = ....
	<u>9,811.5 = 18.0%</u>	<u>7,829.1 = 16.8%</u>
Liabilities towards non-bank customers		
demand deposits	9,563.5 = 17.5%	8,427.2 = 18.1%
term deposits	9,346.1 = 17.1%	8,383.6 = 18.0%
savings deposits	12,214.7 = 22.4%	10,672.1 = 23.0%
	<u>31,124.3 = 57.0%</u>	<u>27,482.9 = 59.1%</u>
Debt instruments issued including debt instruments deliverable	12,807.8 = 23.5%	10,422.1 = 22.4%
Long-term loans taken up in mortgage bank business	615.4 = 1.1%	586.4 = 1.3%
Interest	236.3 = 0.4%	199.1 = 0.4%
	<u>13,659.5 = 25.0%</u>	<u>11,207.6 = 24.1%</u>
Total funds from outside sources	<u>54,595.3 = 100.0%</u>	<u>46,519.6 = 100.0%</u>

Liabilities arising from guarantees of various kinds and warranty contracts totalled DM 4,720.7 million.

Obligations to repurchase items assigned en pension were shown at DM 621.6 million.

Liabilities for possible calls on shares in public and private limited companies amounted to DM 18.7 million. In some cases the bank assumed liabilities in the stead of unlimited partners.

Liabilities to consolidated companies were deducted from the above items. Claims on and liabilities to associated companies likewise refer only to companies not included in the consolidated accounts.

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

The expenses and receipts of all the consolidated companies were included in the consolidated profit and loss account. Deducted from the expenses and receipts were charges for mutual services by the consolidated companies, especially interest and commissions.

A comparison with last year's figures should take into account the alterations in the group of consolidated companies listed on page 77.

### Receipts

*Interest and similar receipts from lending and money market transactions* are shown at DM 2,247.3 mil-

lion (against DM 2,171.1 million in 1971). We reported on page 58 on the Deutsche Bank's interest business which accounts for the major portion of that amount. The other commercial banks in the Group were also subject to the effects of the Deutsche Bundesbank's credit policy mentioned there.

*Interest accrued in mortgage bank business* from mortgages and communal loans amounted to DM 846.6 million (DM 696.7 million in 1971), and *non-recurrent receipts from issue and loan business* to DM 61.6 million (DM 52.7 million in 1971).

A total of DM 257.2 million (DM 262.1 million in 1971) was achieved on *current receipts from securities, debt register claims and investments in subsidiaries and associated companies*.

The rise in *commissions and other receipts from service transactions* (DM 418.1 million, 329.2 million in 1971) was chiefly due to the favourable development in turnover in securities business and payment transactions.

*Other receipts* are shown at DM 163.5 million after partial offsetting against depreciation and adjustment on claims and securities.

### Expenses

*Interest and similar expenses* had to be paid in the amount of DM 1,298.4 million (DM 1,325.1 million in 1971).

In *mortgage bank business interest* expended on mortgage bonds, communal bonds and loans taken



up was DM 815.8 million against DM 662.3 million in 1971, *non-recurrent expenses in issue and lending business* amounted to DM 63.8 million after DM 54.0 million in the previous year.

*Staff expenses* (wages and salaries, social security contributions, expenses for retirement pensions and other benefits) rose from DM 880.6 million to DM 1,001.1 million. This increase, apart from the growth in the number of staff, reflects the higher salaries resulting from a collectively agreed wage and salary rise, the higher social security contributions and a re-adjustment of the banks' pension scheme.

*Material expenditure for the banking business* increased from DM 34.6 million to DM 259.2 million.

*Depreciation and adjustments on claims and securities, and allocations to provisions for possible loan losses* are shown at DM 14.6 million.

*Depreciation and adjustments on land and buildings and on office furniture and equipment* required an amount of DM 68.8 million (DM 134.1 million in 1971), including special depreciation in accordance with § 6b Income Tax Law of DM 0.9 million (DM 76.0 million in 1971).

*Tax expense* for 1972 totalled DM 208.0 million, of which DM 186.3 million is due to taxes on income, earnings and property. Not accounted for here was DM 6.9 million additional tax on dividends distributable in 1973 and extra expenses of DM 2.4 million shown by two companies in accordance with § 170, subpara. 2 Stock Corporation Act.

## Profit, capital and reserves

The year's *net earnings* for the Group total DM 206.1 million. The 20.4 million *profit brought forward* includes, in addition to the profits brought forward from the individual statements of account, the earnings from the consolidated companies paid as dividends in 1972 for the preceding year.

After allocation of DM 78.1 million to the Published Reserves (DM 28.1 million by consolidated subsidiaries), and deduction of DM 7.6 million profit attributable to outside shareholders, the *profit of the Group* stands at DM 140.8 million.

The Group's *Own Funds* are comprised as follows:

<i>Capital</i> .....	DM 640.0 million
<i>Published Reserves</i> .....	DM 1,274.0 million
<i>Reserve arising from Consolidation</i> .....	<u>DM 63.1 million</u>
<i>Own Funds of the Group</i> .....	<u>DM 1,977.1 million</u>

The interest of outside shareholders in the Own Funds and profits of the Deutsche Centralbodenkredit-AG, the Deutsche Kreditbank für Baufinanzierung AG, the Deutsche Ueberseeische Bank, the Frankfurter Hypothekenbank and the Saarländische Kreditbank AG is shown in the consolidated balance sheet at DM 129.8 million as *compensatory item for shares held by others*.

Frankfurt (Main), March 1973

DEUTSCHE BANK AKTIENGESellschaft

THE BOARD OF MANAGING DIRECTORS

Christians Ehret Feith Guth

Herrhausen Kleffel Leibkutsch Ulrich Vallenthin

Burgard van Hooven Mertin Thierbach

CONSOLIDATED BALANCE SHEET

as of December 31, 1972

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the period from January 1 to December 31, 1972

# ASSETS

# DEUTSCHE BANK AKTIENGESELLSCHAFT

	DM	DM	31. 12. 1971 in 1,000 DM
Cash in hand		262,162,594.45	240,000
Balances with the Deutsche Bundesbank		5,292,676,256.49	3,716,172
Balances on postal cheque accounts		19,665,182.76	29,042
Cheques on other banks, matured bonds, interest and dividend coupons and items received for collection		467,246,790.81	255,918
Bills discounted		4,121,803,361.75	4,150,065
including:			
a) rediscountable at the Deutsche Bundesbank	DM 3,336,407,248.09		
b) own drawings	DM 64,758,922.81		
Claims on credit institutions			
a) payable on demand	2,062,094,481.48		1,698,006
b) with agreed life, or subject to agreed period of notice, of			
ba) less than three months	656,914,621.85		1,143,147
bb) at least three months, but less than four years	2,674,123,891.94		2,053,568
bc) four years or longer	477,489,524.21		463,593
including:		5,870,622,519.48	5,358,314
used as cover in mortgage bank business	DM 115,200,000.—		
Treasury bills and non-interest-bearing Treasury bonds			
a) of the Federal Republic and the Länder	249,169,270.83		724,508
b) others	1,076,291.79		291
		250,245,562.62	724,799
Bonds and debt instruments			
a) with a life of up to four years			
aa) of the Federal Republic and the Länder	DM 331,101,275.01		
ab) of credit institutions	DM 356,783,916.33		
ac) others	DM 10,469,146.68	698,354,338.02	249,068
including:			
eligible as collateral for Bundesbank advances	DM 679,328,857.99		
used as cover in mortgage bank business	DM 89,647,375.—		
b) with a life of more than four years			
ba) of the Federal Republic and the Länder	DM 397,946,732.01		
bb) of credit institutions	DM 373,384,966.72		
bc) others	DM 209,738,544.79	981,070,243.52	1,055,378
including:		1,679,424,581.54	1,304,446
eligible as collateral for Bundesbank advances	DM 749,949,935.97		
used as cover in mortgage bank business	DM 151,921,503.92		
Securities, so far as they have not to be included in other items			
a) shares marketable on a stock exchange and investment fund certificates	1,144,106,850.96		1,139,229
b) other securities	11,493,172.81		14,334
including: holdings of more than one tenth of the shares in a joint stock corporation or mining company, excluding investments in subsidiaries and associated companies	DM 873,647,824.31	1,155,600,023.77	1,153,563
carried forward		19,119,446,873.67	16,932,319

# CONSOLIDATED BALANCE SHEET as of December 31, 1972

## LIABILITIES

	DM	DM	DM	31. 12. 1971 in 1,000 DM
<b>Liabilities to credit institutions</b>				
a) payable on demand		4,464,763,900.05		3,786,634
b) with agreed life, or subject to agreed period of notice, of				
ba) less than three months	1,080,653,260.69			
bb) at least three months, but less than four years	2,817,435,302.48			
bc) four years or longer	1,255,622,283.04	5,153,710,846.21		4,025,485
including: due in less than four years	DM 666,353,473.70			
c) customers' drawings on credits opened at other institutions		193,040,060.69		17,020
			9,811,514,806.95	7,829,139
<b>Banking liabilities to other creditors</b>				
a) payable on demand		9,563,533,445.13		8,427,192
b) with agreed life, or subject to agreed period of notice, of				
ba) less than three months	5,029,331,690.22			
bb) at least three months, but less than four years	4,236,547,663.50			
bc) four years or longer	80,245,973.92	9,346,125,327.64		8,383,572
including: due in less than four years	DM 43,153,237.83			
c) savings deposits				
ca) subject to legal period of notice	6,171,110,122.37			
cb) others	6,043,582,608.69	12,214,692,731.06		10,672,061
			31,124,351,503.83	27,482,825
<b>Own acceptances and promissory notes in circulation</b>			171,534,128.61	84,958
<b>Debt instruments issued</b>				
a) mortgage bonds		6,895,399,251.46		5,960,163
including:				
registered bonds	DM 748,087,759.71			
b) communal bonds		5,439,252,440.53		4,173,815
including:				
registered bonds	DM 1,648,240,625.03			
c) bonds drawn and called for redemption		479,433.59		505
including:			12,335,131,125.58	10,134,483
to fall due in less than four years or to be taken back further:				
registered bonds handed to lender to secure loans taken up and	DM 195,376,824.25			
registered communal bonds	DM 214,300,585.80			
<b>Debt instruments deliverable</b>			472,669,354.87	287,595
<b>Loans taken up in mortgage bank business with agreed life, or subject to agreed period of notice, of four years or longer</b>				
a) from credit institutions		272,038,440.42		308,650
b) others		343,340,459.57		277,716
including:			615,378,899.99	586,366
with partial liability	DM 3,036,199.73			
due in less than four years	DM 48,952,474.43			
carried forward			54,530,579,819.83	46,405,366

# ASSETS

# CONSOLIDATED BALANCE SHEET

	DM	DM	31. 12. 1971 in 1,000 DM
Claims on customers with agreed life, or subject to agreed period of notice, of		19,119,446,873.67	16,932,319
carried forward			
a) less than four years	14,788,638,029.91		12,163,481
including:			
used as cover in mortgage bank business .. DM 180,237,000.—			7,418,811
b) four years or longer	9,017,236,386.68	23,805,874,416.59	19,582,292
including:			
ba) secured by mortgages on real estate .. DM 536,749,279.47			
bb) communal loans .. DM 353,942,924.40			
due in less than four years .. DM 4,992,445,000.—			
Mortgage bank lendings with agreed life of four years or longer			
a) mortgages	6,993,604,725.77		5,737,936
used as cover .. DM 6,476,274,320.33			
b) communal loans	5,643,549,758.06		4,870,436
used as cover .. DM 5,587,857,127.37			
c) others	100,992,553.36		72,107
including: to credit institutions .. DM 562,264,793.83		12,738,147,037.19	10,680,479
Interest on long-term mortgage bank lendings			
a) pro rata interest	87,555,939.66		66,546
b) interest due after October 31, 1972 and on January 2, 1973	28,051,109.52		12,464
c) interest arrears			—
		115,607,049.18	79,010
Equalisation and Covering Claims on Federal and Lander authorities under the Currency Reform Laws		605,000,089.56	632,557
including:			
used as cover in mortgage bank business .. DM 110,540,024.09			
Loans on a trust basis at third party risk		441,802,405.66	218,819
Investments in subsidiaries and associated companies		261,373,298.75	234,877
including: in credit institutions .. DM 175,884,434.54			
Land and buildings		514,446,823.65	413,426
including: taken over in mortgage business .. DM —			
Office furniture and equipment		227,713,771.23	171,536
Debt instruments issued by a member of the Group		271,804,403.17	271,014
nominal amount: .. DM 289,235,940.—			
Sundry assets		652,927,715.18	568,215
Transitory items		4,007,970.68	2,914
<b>TOTAL ASSETS</b>		<b>58,758,151,854.51</b>	<b>49,787,458</b>
The assets and the rights of recourse in respect of the liabilities shown below the liabilities side include			
a) claims on associated companies		33,433,296.22	158,963
b) claims which arise from credits falling under Article 15, paragraph 1, items 1 to 6, and paragraph 2, of the Banking Law, so far as they are not shown in a)		238,068,588.93	176,292

as of December 31, 1972 (continued)

## LIABILITIES

	DM	DM	DM	31. 12. 1971 in 1,000 DM
carried forward			54,530,579,819.83	46,405,366
Interest on debt instruments issued and loans taken up in mortgage bank business				
a) pro rata interest		135,088,065.15		103,314
b) interest due (including that due on January 2, 1973)		101,173,861.35		95,798
			236,261,926.50	199,112
Loans on a trust basis at third party risk			441,802,405.66	218,819
Provisions for special purposes				
a) for pensions		490,744,686.—		439,317
b) others		408,242,962.27		284,528
			898,987,648.27	723,845
Sundry liabilities			29,009,468.05	23,930
Endowments and benevolent funds				
assets of the Endowments		1,860,908.76		1,881
less investments in securities		1,749,130.01		1,787
			111,778.75	94
Transitory items				
a) in accordance with Article 25 of the Mortgage Bank Law		34,727,883.88		20,839
b) others		321,898,841.76		242,029
			356,626,725.64	262,868
Special items including reserves				
a) in accordance with the Development Aid Tax Law		5,263,916.83		3,987
b) in accordance with Article 6b of the Income Tax Law		11,838,748.29		1,745
			17,102,665.12	5,732
Capital			640,000,000.—	560,000
Published reserves				
a) statutory reserve fund		474,000,000.—		314,000
b) other reserves (voluntary reserve fund)		800,000,000.—		750,000
			1,274,000,000.—	1,064,000
Reserve arising from consolidation			63,069,359.58	79,623
Compensatory item for shares held by others			129,805,902.08	117,800
including: from profit DM 7,575,799.91				
Profit of the Group			140,794,155.03	126,269
TOTAL LIABILITIES			58,758,151,854.51	49,787,458
Own drawings in circulation			6,031,526.03	2,031
including those discounted for borrowers' account DM 2,010,724.71				
Endorsement liabilities on rediscounted bills of exchange			1,633,367,539.54	973,496
Liabilities arising from guarantees of various kinds and warranty contracts			4,720,663,232.40	4,669,203
Obligations to repurchase items assigned en pension, so far as these obligations have not be shown on the liabilities side			621,614,722.70	672,446
Savings premiums under the Savings Premium Law			246,429,039.66	196,066
Comprised among the liabilities are those (including those shown below the balance sheet) to associated companies			148,206,115.32	177,637

## EXPENSES

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

	DM	DM	1971 in 1,000 DM
Interest and similar expenses .....		1,298,401,785.90	1,325,122
Interest expenditure in mortgage bank business on			
a) mortgage bonds .....	420,885,387.64		350,631
b) communal bonds .....	341,231,132.69		245,277
c) loans taken up .....	<u>53,639,502.71</u>		<u>66,373</u>
		815,756,023.04	662,281
Commissions and similar expenses in respect of service transactions ..		17,894,261.70	12,084
Non-recurrent expenses in respect of the mortgage banks' issue and loan business .....		63,762,330.89	54,036
Depreciation and adjustments on claims and securities, and allocations to provisions for possible loan losses .....		14,630,827.84	26,019
Salaries and wages .....		779,278,334.45	703,410
Social security contributions .....		90,196,084.48	74,887
Expenditure on retirement pensions and other benefits .....		131,659,173.96	102,313
Material expenditure for the banking business .....		259,181,113.03	224,592
Depreciation and adjustments on land and buildings, and on office furniture and equipment .....		68,769,692.11	134,052
Depreciation and adjustments on investments in subsidiaries and associated companies .....		840,206.43	9,989
Taxes			
a) on income, earnings and property .....	186,317,472.01		159,592
b) others .....	<u>21,667,883.14</u>		<u>14,048</u>
		207,985,355.15	173,640
Allocations to special items including reserves .....		11,370,605.31	1,341
Other expenses .....		30,371,910.73	21,952
Year's net earnings .....		206,058,143.76	175,524
<b>TOTAL EXPENSES</b>		<b>3,996,155,848.78</b>	<b>3,701,242</b>

Year's net earnings .....

Profit brought forward from the previous year .....

Allocations to published reserves .....

Profit attributable to outside shareholders .....

Profit of the Group .....

Frankfurt (Main), March 1973

DEUTSCHE BANK AKTIENGESELLSCHAFT

Christians Ehret Feith Guth

Herrhausen Kleffel Leibkutsch Ulrich Vallenthin

Burgard van Hooven Mertin Thierbach

for the period from January 1 to December 31, 1972

# RECEIPTS

	DM	DM	1971 in 1,000 DM
Interest and similar receipts from lending and money market transactions		2,247,269,525.05	2,171,079
Current receipts from			
a) fixed-interest securities and debt register claims	147,051,012.65		150,104
b) other securities	97,570,312.89		101,222
c) investments in subsidiaries and associated companies	<u>12,579,026.70</u>		<u>10,758</u>
		257,200,352.24	262,084
Interest earned in mortgage bank business from			
a) mortgages	465,838,933.52		394,058
b) communal loans	<u>380,763,683.15</u>		<u>302,637</u>
		846,602,616.67	696,695
Commissions and other receipts from service transactions		418,147,785.83	329,159
Non-recurrent receipts from the mortgage banks' issue and loan business		61,562,692.51	52,677
Other receipts, including those from the writing back of provisions for possible loan losses		163,535,337.62	157,985
Receipts from the writing back of provisions for special purposes, so far as they have not to be shown under "Other receipts"		1,837,538.86	2,839
Receipts from the writing back of special items including reserves		—	28,724
<b>TOTAL RECEIPTS</b>		<b>3,996,155,848.78</b>	<b>3,701,242</b>

DM	1971 DM
206,058,143.76	175,524,304.81
<u>20,361,811.18</u>	<u>18,392,848.63</u>
226,419,954.94	193,917,153.44
<u>78,050,000.—</u>	<u>60,900,000.—</u>
148,369,954.94	133,017,153.44
<u>7,575,799.91</u>	<u>6,748,022.24</u>
<u>140,794,155.03</u>	<u>126,269,131.20</u>

According to our audit, carried out in accordance with our professional duties, the Consolidated Statement of Accounts and the Report of the Group comply with the statutory provisions.

Frankfurt (Main), March 16, 1973

TREUVERKEHR AG  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

*Dr. Nebendorf*  
Wirtschaftsprüfer  
(Chartered Accountant)

*Fandré*  
Wirtschaftsprüfer  
(Chartered Accountant)



## List of the Deutsche Bank's Investments in Subsidiaries and Associated Companies

	capital	our holding
<b>German credit institutions</b>		
AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt (Main) . . . . .	DM 40.0 million	27.0%
Badische Bank, Karlsruhe . . . . .	DM 18.0 million	25.1%
Berliner Disconto Bank Aktiengesellschaft, Berlin . . . . .	DM 35.0 million	100 %
Bernhard Blanke, Bankhaus, Düsseldorf . . . . .	DM 5.0 million	100 %
Deutsche Centralbodenkredit-Aktiengesellschaft, Berlin-Köln . . . .	DM 48.0 million	66.5%
Deutsche Gesellschaft für Fondsverwaltung mbH, Frankfurt (Main) .	DM 1.0 million	100 %
Deutsche Gesellschaft für Wertpapiersparen mbH, Frankfurt (Main) .	DM 7.5 million	30.0%
Deutsche Grundbesitz-Investmentgesellschaft mbH, Köln . . . . .	DM 1.4 million	37.5%
Deutsche Kreditbank für Baufinanzierung Aktiengesellschaft, Köln .	DM 36.0 million	75.0%
Deutsche Schiffahrtsbank Aktiengesellschaft, Bremen . . . . .	DM 33.0 million	25.2%
Deutsche Schiffspfandbriefbank Aktiengesellschaft, Berlin-Bremen .	DM 1.0 million	25.3%
Deutsche Ueberseeische Bank, Berlin-Hamburg . . . . .	DM 40.0 million	97.2%
Deutsche Vermögensbildungsgesellschaft mbH, Bad Homburg v. d. Höhe . . . . .	DM 1.0 million	50.0%
Europäisch Asiatische Bank Aktiengesellschaft, Hamburg . . . . .	DM 24.0 million	64.6%
Frankfurter Bodenkreditbank Aktiengesellschaft, Frankfurt (Main) .	DM 3.0 million	25.0%
Frankfurter Hypothekenbank, Frankfurt (Main) . . . . .	DM 52.8 million	85.4%
Gefa Gesellschaft für Absatzfinanzierung mbH, Wuppertal . . . . .	DM 18.0 million	100 %
Gesellschaft zur Finanzierung von Industrieanlagen mbH, Frankfurt (Main) . . . . .	DM 1.0 million	27.0%
Industriebank von Japan (Deutschland) Aktiengesellschaft – The Industrial Bank of Japan (Germany) –, Frankfurt (Main) .	DM 40.0 million	25.0%
Lombardkasse Aktiengesellschaft, Berlin–Frankfurt (Main) . . . . .	DM 1.0 million	14.2%
Privatdiskont-Aktiengesellschaft, Frankfurt (Main) . . . . .	DM 5.0 million	13.2%
Rheinische Kapitalanlagegesellschaft mbH, Köln . . . . .	DM 1.0 million	37.5%
Saarländische Kreditbank Aktiengesellschaft, Saarbrücken . . . . .	DM 20.0 million	68.2%
Schiffshypothekenbank zu Lübeck Aktiengesellschaft, Lübeck . . . .	DM 26.0 million	28.1%
<b>Foreign credit institutions</b>		
Banco Comercial Transatlántico, Barcelona . . . . .	Ptas 455.0 million	25.5%
Banco del Desarrollo Económico Español S.A., Madrid . . . . .	Ptas 787.4 million	1.9%
Banco Español en Alemania S.A., Madrid . . . . .	Ptas 48.0 million	15.0%
Banque Commerciale Congolaise, Brazzaville/Congo . . . . .	CFA-Francis 300.0 million	4.2%
Banque Commerciale du Maroc, Casablanca/Morocco . . . . .	Dirham 10.0 million	7.7%
Banque Européenne de Crédit à Moyen Terme, Brussels . . . . .	B. Francs 1,332.0 million	14.0%
Banque Nationale pour le Développement Economique, Rabat/Morocco . . . . .	Dirham 32.4 million	0.7%
Banque Tchadienne de Crédit et de Dépôts, Fort-Lamy/Chad . . . . .	CFA-Francis 250.0 million	7.5%
H. Albert de Bary & Co. N.V., Amsterdam . . . . .	D. Fls 15.0 million	20.0%

		capital	our holding
Compagnie Financière de la Deutsche Bank AG, Luxembourg	L. Francs	420.0 million	99.9%
Corporación Financiera Colombiana, Bogotá/Colombia	Col. Pesos	144.0 million	0.4%
"Euralliance", Société de Gestion d'Investment Trusts, S.A., Luxembourg	L. Francs	6.0 million	32.7%
Euro-Pacific Finance Corporation Ltd., Melbourne/Australia	A\$	2.5 million	8.0%
European Brazilian Bank Ltd., London	£	4.0 million	7.5%
Foreign Trade Bank of Iran, Teheran/Iran	Rials	700.0 million	11.8%
Industrial and Mining Development Bank of Iran, Teheran/Iran	Rials	1,500.0 million	0.9%
The Industrial Credit and Investment Corporation of India Ltd., Bombay/India	Ind. Rupees	100.0 million	1.5%
The Industrial Finance Corporation of Thailand, Bangkok/Thailand	Baht	100.0 million	2.9%
Korea Development Finance Corporation, Seoul/South Korea	Won	1,800.0 million	2.5%
Malaysian Industrial Development Finance Berhad, Kuala Lumpur/Malaysia	M\$	34.7 million	0.7%
Nationale Investitionsbank für Industrieentwicklung AG, Athens	Drachmae	450.0 million	4.9%
The Pakistan Industrial Credit and Investment Corporation Ltd., Karachi/Pakistan	Pak. Rupees	60.0 million	4.6%
Private Development Corporation of the Philippines, Makati, Rizal/Philippines	Phil. Pesos	40.2 million	1.8%
Société Camerounaise de Banque, Yaoundé/Camerouns	CFA-Francs	800.0 million	5.0%
Société Dahoméenne de Banque, Cotonou/Dahomey	CFA-Francs	300.0 million	11.2%
Société Ivoirienne de Banque, Abidjan/Ivory Coast	CFA-Francs	1,000.0 million	12.0%
Teollistamisrahasto Oy-Industrialization Fund of Finland Ltd., Helsinki	Fmk	40.0 million	0.8%
Union Gabonaise de Banque, Libreville/Gabon	CFA-Francs	450.0 million	10.0%
Union Sénégalaise de Banque pour le Commerce et l'Industrie, Dakar/Senegal	CFA-Francs	1,000.0 million	3.8%
Union Togolaise de Banque, Lomé/Togo	CFA-Francs	300.0 million	18.0%

#### Other German enterprises

"Alwa" Gesellschaft für Vermögensverwaltung mbH, Hamburg	DM	0.5 million	95.0%
Deutsche Beteiligungsgesellschaft mbH, Frankfurt (Main)	DM	1.0 million	40.0%
Deutsche Gesellschaft für Anlageberatung mbH, Frankfurt (Main)	DM	0.5 million	100 %
Deutsche Grundbesitz-Anlagegesellschaft mbH, Köln	DM	0.04 million	37.5%
Hessische Immobilien-Verwaltungs-Gesellschaft mbH, Frankfurt (Main)	DM	1.0 million	95.0%
Matura Vermögensverwaltung mbH, Düsseldorf	DM	0.3 million	100 %
Nordwestdeutscher Wohnungsbau-träger GmbH, Braunschweig	DM	0.2 million	100 %
Süddeutsche Vermögensverwaltung GmbH, Frankfurt (Main)	DM	2.0 million	100 %
Trinitas Vermögensverwaltung GmbH, Frankfurt (Main)	DM	1.0 million	100 %

This shop and office block in Cologne, Salierring 47-53,  
was financed by the "grundbesitz-invest" fund of the  
Deutsche Grundbesitz-Investmentgesellschaft mbH, Cologne.

Other foreign enterprises		capital	our holding
Adela Investment Company S.A., Luxembourg/Lima (Peru)	US\$	61.3 million	0.7%
European Arab Holding S.A., Luxembourg	L. Francs	1,000.0 million	8.1%
European Banks' International Company S.A., Brussels	B. Francs	150.0 million	16.7%
European Financial Associates N.V., The Hague	D. Fls	0.4 million	14.3%
European Hotel Corp. (EHC) N.V., Amsterdam	D. Fls	25.3 million	5.3%
German American Capital Corporation, Baltimore/USA	US\$	0.01 million	100 %
International Investment Corporation for Yugoslavia, Luxembourg	US\$	13.5 million	1.2%
Private Investment Company for Asia S.A., Tokyo/Japan, Panama-City/Panama	US\$	25.4 million	0.8%
Société Internationale Financière pour les Investissements et le Développement en Afrique S.A. (SIFIDA), Luxembourg	US\$	12.5 million	0.8%
UBS-DB Corporation, New York	US\$	0.08 million	50.0%

## Security Issuing and other Syndicate Transactions as well as Introductions on the Stock Exchange

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### Domestic Loans of Public Authorities

8% Loans of the Bundesrepublik Deutschland of 1972	7% Loan of the Saarland of 1972
7½%, 7¾% and 8% Loans of the Deutsche Bundesbahn of 1972	7¼% Loan of the Land Schleswig-Holstein of 1972
7½%, 7% and 8% Loans of the Deutsche Bundespost of 1972	7% Loan of the City of Essen of 1972
7% Loan of the Freistaat Bayern of 1972	7¾% Loan of the City of Stuttgart of 1972
8% Loan of the Land Berlin of 1972	7%, 7½% and 8% Mortgage and Annuity Bonds of the Deutsche Siedlungs- und Landesrentenbank – Series 85, 97, 105–120
8% Governmental Loan of the Freie Hansestadt Bremen of 1972	7% and 8% Loans of the Kreditanstalt für Wiederaufbau of 1972
7½% and 7¾% Loans of the Freie und Hansestadt Hamburg of 1972	8% Loan of the Lastenausgleichsbank of 1972 – Issue 14
8% Loan of the Land Hessen of 1972	
7½% and 8% Loans of the Land Niedersachsen of 1972	

### Other Domestic Loans, Mortgage and Communal Bonds

Braunschweig-Hannoversche Hypothekenbank	Klückner-Werke Aktiengesellschaft
Continental Gummi-Werke Aktiengesellschaft	Rheinisch-Westfälisches Elektrizitätswerk Aktiengesellschaft
Deutsche Hypothekenbank	Schiffshypothekenbank zu Lübeck Aktiengesellschaft
Deutsche Hypothekenbank (Actien-Gesellschaft)	August Thyssen-Hütte Aktiengesellschaft
Deutsche Schiffahrtsbank Aktiengesellschaft	Volkswagenwerk Aktiengesellschaft
Gelsenberg Aktiengesellschaft	
Industriekreditbank Aktiengesellschaft	
Kaufhof Aktiengesellschaft	

### Convertible and Optional Loans of Domestic and Foreign Issuers

expressed in Deutsche Mark:

Berliner Handels-Gesellschaft – Frankfurter Bank

Siemens Aktiengesellschaft

expressed in foreign currencies:

Amerada Hess International Capital Corporation  
AMF Incorporated

American Express Overseas Finance Corporation  
American Medical International, N.V.  
American Motors Overseas Corporation, N.V.

Beatrice Foods Overseas Finance N.V.  
Borden Overseas Capital Corporation N.V.  
Broadway-Hale Stores, Inc.  
Damon Corporation  
Dart Industries Inc.

Eaton International Finance Corporation  
 Fedders Capital N.V.  
 General Electric Overseas Capital Corporation  
 The Gillette Company  
 Gould Incorporation  
 Halliburton Company  
 Harris International Finance N.V.  
 International Telephone and Telegraph Corporation  
 Mohasco International N.V.

J. P. Morgan Overseas Capital Corporation  
 Owens-Illinois, Inc.  
 J. C. Penny International Finance Corporation  
 J. Ray McDermott & Co., Inc.  
 Revlon, Inc.  
 Slater, Walker International Finance Limited  
 The Southland Corporation  
 Squibb International Finance N.V.  
 Warner-Lambert International N.V.

## Loans of Foreign Issuers

expressed in Deutsche Mark:

Australien  
 The Australian Industry Development Corporation  
 Autopistas, Concesionaria Española, S.A.  
 Banco Nacional de Obras y Servicios Públicos, S.A.  
 Föderative Republik Brasilien  
 Comalco Investments Europe S.A.  
 Courtaulds International Finance N.V.  
 Königreich Dänemark  
 Electricity Supply Commission  
 EUROFIMA Europäische Gesellschaft für die  
 Finanzierung von Eisenbahnmateriale  
 Europäische Gemeinschaft für Kohle und Stahl  
 Europäische Investitionsbank  
 Europistas, Concesionaria Española, S.A.  
 Republik Finnland  
 The Goodyear Tire & Rubber Company  
 Hamersley Iron Finance N.V.  
 The Hydro-Electric Power Commission of Ontario  
 I. C. I. International Finance Limited  
 Imatran Voima Oy  
 Industrie-Hypothekenbank in Finnland AG  
 Inter-Amerikanische Entwicklungsbank  
 – Inter-American Development Bank –  
 Internationale Bank für Wiederaufbau und  
 Entwicklung (Weltbank)  
 Stadt Johannesburg  
 Jydsk Telefon-Aktieselskab

expressed in foreign currencies:

Amoco International Finance Corporation  
 Anglo American Corporation of South Africa  
 Limited  
 Ashland Oil Finance N.V.  
 Asian Development Bank

Kjøbenhavns Telefon Aktieselskab  
 Klöckner-Humboldt-Deutz Finanz-Holding S.A.  
 Stadt Kobe  
 Malaysia  
 The Manitoba Hydro-Electric Board  
 Stadt Montreal  
 Philip Morris Incorporated  
 Provinz Neufundland  
 Neuseeland  
 Province of New Brunswick  
 Provinz Nova Scotia  
 Nova Scotia Power Commission  
 Provinz Ontario  
 Stadt Oslo  
 Provinz Quebec  
 Quebec Hydro-Electric Commission  
 Sandvik  
 Shell International Finance N.V.  
 Republik Singapur  
 South African Iron and Steel Industrial  
 Corporation, Limited  
 Republik Südafrika  
 Sveriges Investeringsbank Aktiebolag  
 Teledyne International N.V.  
 Telefonaktiebolaget LM Ericsson  
 Trafalgar House Finance N.V.

BASF Transatlantica S.A.  
 BASS Charrington Limited  
 City of Bergen  
 Blue Bell International Finance N.V.  
 Brascan International B.V.

Föderative Republik Brasilien  
 British Insulated Callender's Cables Finance N.V.  
 British Land International N.V.  
 British Leyland Motor Corporation Limited  
 Burlington Overseas Capital N.V.  
 Burton B.V.  
 Cadbury Schweppes Overseas Limited  
 Caisse Nationale des Télécommunications  
 Carrier International Finance N.V.  
 Charter Consolidated Overseas N.V.  
 Ciments Lafarge  
 Comision Federal de Electricidad (CFE)  
 The Copenhagen County Authority  
 The Council of Europe Resettlement Fund for  
     National Refugees and Over-Population in  
     Europe  
 Cutler-Hammer International Finance, Inc.  
 Dana International Finance Company  
 Kingdom of Denmark  
 Du Pont Overseas Finance N.V.  
 EUROFIMA Europäische Gesellschaft für die  
     Finanzierung von Eisenbahnmaterial  
 Europäische Gemeinschaft für Kohle und Stahl  
 European Investment Bank  
 Finnish Municipalities  
 Fisons International Finance N.V.  
 General American Transportation International  
     Finance Corporation  
 General Shopping S A  
 Compagnie Gervais-Danone  
 Grand Metropolitan Hotels Limited  
 Guardian Royal Exchange Assurance Limited  
 Hambros Limited  
 Hamersley Iron Finance N.V.  
 Republic of Iceland  
 I.C.I. International Finance Limited  
 Industrialization Fund of Finland Ltd.  
 Industrial Mortgage Bank of Finland Limited  
 Instituto Nacional de Industria (I.N.I.)  
 International Bank for Reconstruction and  
     Development  
 International Standard Electric Corporation  
 Kleinwort, Benson, Lonsdale Limited

K Mart (Australia) Properties Finance Limited  
 Stadt Kopenhagen  
 Metropolitan Estate and Property International N.V.  
 Mexico  
 Motorola International Capital Corporation  
 National and Grindlays Bank Limited  
 New Zealand  
 Norges Kommunalbank  
 North American Rockwell Overseas Corporation  
 Province of Nova Scotia  
 City of Oslo  
 Outokumpu Oy  
 Pemex (Petroleos Mexicanos)  
 Pennwalt Overseas Finance N.V.  
 PONT-A-MOUSSON S.A.  
 Province of Quebec  
 Queensland Alumina Finance N.V.  
 Ralston Purina Overseas Finance N.V.  
 Reed International Limited  
 Régie Nationale des Usines Renault  
 Rhône-Poulenc S.A.  
 Rothmans International Limited  
 The Rural and Industries Bank of Western Australia  
 Scandinavian Airlines System  
 Scanraff (Skandinaviska Raffinaderi Aktiebolaget  
     Scanraff)  
 Shell International Finance N.V.  
 The Government of the Republic of Singapore  
 Slater, Walker International Finance Limited  
 Republic of South Africa  
 Sveriges Investeringsbank Aktiebolag  
 Swiss Aluminium Australia Limited  
 Sybron Overseas Capital N.V.  
 Compania Anonima Nacional Telefonos de  
     Venezuela  
 Tenneco International N.V.  
 Textron International Inc.  
 Town and City Nederland N.V.  
 Union Oil International Finance Corporation  
 Utah International Finance Corporation  
 Aktiebolaget Volvo  
 The Wellcome Foundation Limited  
 Williams & Glyn's Bank Limited

## Domestic Shares

### AESCLAP-WERKE AKTIENGESELLSCHAFT

vormals Jetter & Scheerer

Aktiengesellschaft Kühnle, Kopp & Kausch

Aktien-Gesellschaft für Steinindustrie

Allgemeine Deutsche Credit-Anstalt

Allgemeine Elektrizitäts-Gesellschaft

### AEG-TELEFUNKEN

Allgemeine Rentenanstalt Lebens- und

Rentenversicherungs-Aktiengesellschaft

Badische Anilin- & Soda-Fabrik Aktiengesellschaft

Badische Bank

Bayer Aktiengesellschaft

Bayerische Hypotheken- und Wechsel-Bank

Berliner Handels-Gesellschaft – Frankfurter Bank

Binding-Brauerei Aktiengesellschaft

Brau-Aktiengesellschaft Nürnberg

Brauerei Isenbeck Aktiengesellschaft

Brown, Boveri & Cie Aktiengesellschaft

Busch-Jaeger Dürener Metallwerke

Aktiengesellschaft

Colonia Lebensversicherung Aktiengesellschaft

Colonia Versicherung Aktiengesellschaft

Continental Gummi-Werke Aktiengesellschaft

Dahlbusch Verwaltungs-Aktiengesellschaft

Daimler-Benz Aktiengesellschaft

John Deere-Lanz Verwaltungs-Aktiengesellschaft

DEMAG Aktiengesellschaft

Deutsche Babcock & Wilcox Aktiengesellschaft

Deutsche Centralbodenkredit-Aktiengesellschaft

Deutsche Hypothekenbank

Deutsche Hypothekenbank (Actien-Gesellschaft)

Deutsche Schifffahrtbank Aktiengesellschaft

Deutsche Spiegelglas Aktiengesellschaft

Deutsche Telephonwerke und Kabelindustrie

Aktiengesellschaft

Deutsche Werft Aktiengesellschaft

Dierig Holding Aktiengesellschaft

DLW Aktiengesellschaft

Dürener Eisenbahn Aktiengesellschaft

Dortmunder Union-Schultheiss Brauerei

Aktiengesellschaft

Einkaufskontor Stuttgart des südwestdeutschen

Nahrungsmittelgroßhandels – Aktiengesellschaft

Eisenwerk Weserhütte Aktiengesellschaft

ELSA Zement- und Kalkwerke Aktiengesellschaft

Europäisch Asiatische Bank Aktiengesellschaft

Farbwerke Hoechst Aktiengesellschaft

vormals Meister Lucius & Brüning

Feintuchfabrik Aktiengesellschaft

Flachglas Aktiengesellschaft DELOG-DETAG

Frankfurter Versicherungs-Aktiengesellschaft

Gebhard & Co., Aktiengesellschaft

Geestemünder Bank

Arn. Georg Aktiengesellschaft

Gerling-Konzern Allgemeine Versicherungs-

Aktiengesellschaft

Girmes-Werke Aktiengesellschaft

Grünzweig + Hartmann und Glasfaser AG

Gutehoffnungshütte Aktienverein

Hacker-Pschorr Bräu Aktiengesellschaft

Hamburg-Bremer Rückversicherungs-

Aktiengesellschaft

Hamburgische Electricitäts-Werke

Hannoversche Papierfabriken Alfeld-Gronau

vorm. Gebr. Woge

Harpener Aktiengesellschaft

Heilmann & Littmann Bau-Aktiengesellschaft

Hemmoor Zement Aktiengesellschaft

Matth. Hohner Aktiengesellschaft

Philipp Holzmann Aktiengesellschaft

Hutschenreuther Aktiengesellschaft

Industrie-Werke Karlsruhe Augsburg

Aktiengesellschaft

Kali-Chemie Aktiengesellschaft

Kaufhof Aktiengesellschaft

Kauzenburg-Betriebs-Aktiengesellschaft

Klöckner-Humboldt-Deutz Aktiengesellschaft

Klöckner-Werke Aktiengesellschaft

Kölnische Hagel-Versicherungs-Gesellschaft

Kölsch-Fölzer-Werke Aktiengesellschaft

Linde Aktiengesellschaft

Mannheimer Versicherungsgesellschaft

Maschinenfabrik Augsburg-Nürnberg

Aktiengesellschaft

Maschinenfabrik Buckau R. Wolf Aktiengesellschaft

Maschinen- und Werkzeugbau

Zuffenhausen Aktiengesellschaft

Mechanische Seidenweberei Viersen

Aktiengesellschaft

Metallgesellschaft Aktiengesellschaft

Motoren-Werke Mannheim Aktiengesellschaft

vorm. Benz Abt. stat. Motorenbau

Münchener Rückversicherungs-Gesellschaft

NAK Stoffe Kommanditgesellschaft auf Aktien  
 Neckarwerke Elektrizitätsversorgungs-  
     Aktiengesellschaft  
 G. M. Pfaff Aktiengesellschaft  
 Pittler Maschinenfabrik Aktiengesellschaft  
 Rheinische Chamotte- und Dinas-Werke  
 Rheinische Hypothekenbank  
 Rheinmetall Berlin Aktiengesellschaft  
 Riedinger Jersey Aktiengesellschaft  
 Gebr. Röders Aktiengesellschaft  
 Ruberoidwerke Aktiengesellschaft  
 Rütgerswerke Aktiengesellschaft  
 Saline Ludwigshalle Aktiengesellschaft  
 Schering Aktiengesellschaft  
 Schiffshypothekenbank zu Lübeck  
     Aktiengesellschaft  
 Siemens Aktiengesellschaft  
 Sinalco Aktiengesellschaft  
 Spinnstofffabrik Zehlendorf Aktiengesellschaft  
 Stern-Brauerei Carl Funke Aktiengesellschaft  
 Hugo Stinnes Aktiengesellschaft  
 Strabag Bau-Aktiengesellschaft  
 Süd-Chemie Aktiengesellschaft

TEUTONIA Misburger Portland-Cementwerk  
 August Thyssen-Hütte Aktiengesellschaft  
 Tuchfabrik Lörrach Aktiengesellschaft  
 Uelzener Bierbrauerei-Gesellschaft  
 VARTA Aktiengesellschaft  
 Veith-Pirelli Aktiengesellschaft  
 Vereinsbank in Hamburg  
 VKI Vereinigte Kunststoffindustrie Aktiengesellschaft  
 C. J. Vogel Draht- und Kabelwerke Aktiengesellschaft  
 Walther & Cie. Aktiengesellschaft  
 Wasserwerk für das nördliche westfälische  
     Kohlenrevier  
 Werkzeugmaschinenfabrik Gildemeister & Comp.  
     Aktiengesellschaft  
 WEDAG Westfalia Dinnendahl Gröppel  
     Aktiengesellschaft  
 Westdeutsche Bodenkreditanstalt  
 Westfälische Transport-Aktien-Gesellschaft  
 Württembergische Feuerversicherung  
     Aktiengesellschaft in Stuttgart  
 Württembergische Metallwarenfabrik  
 Württembergisches Portland-Cement-Werk  
     zu Lauffen am Neckar

### Foreign Shares

Atlas Copco Aktiebolag  
 Avis Inc.  
 C. T. Bowring & Co. Limited  
 British Leyland Motor Corporation Limited  
 Comet Radiovision Services Limited  
 Compagnie Lambert pour l'Industrie et la Finance  
 Compagnie des Machines BULL  
 Compagnie Financière de Paris et des Pays Bas  
 Compagnie Financière de l'Union Européenne  
 Compagnie Financière de Suez  
 Dana Corporation  
 The Dow Chemical Company  
 General Accident Fire and Life Assurance  
     Corporation Limited

General Shopping S A  
 Hitachi, Ltd.  
 Juvena Holding AG  
 Keyser Ullmann Holdings Limited  
 L'Air Liquide  
 Joseph Lucas (Industries) Limited  
 Minnesota Mining and Manufacturing Company  
 National Westminster Bank Limited  
 Nestlé Alimentana A.G.  
 Pechiney Ugine Kuhlmann  
 ROLINCO N.V.  
 Sony Corporation  
 Thomson – CSF



## Regional Advisory Councils

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### Advisory Council of Braunschweig

Dr. jur. Ulrich Schallermacher, *Chairman*  
Member of the Board of Managing Directors,  
Salzgitter AG, Salzgitter-Drütte

Hans-Herbert Munte, *Deputy Chairman*  
Chairman of the Board of Managing Directors,  
Schmalbach-Lubeca-Werke AG, Braunschweig

Dipl.-Ing. Heinz Alten,  
Chairman of the Management,  
Linke-Hofmann-Busch  
Waggon Fahrzeug Maschinen GmbH, Salzgitter-Watenstedt

Dr. oec. Walther H. Buchler,  
Partner and Managing Director of Buchler & Co.,  
Braunschweig

Jürgen von Damm,  
Chairman of the Board of Managing Directors,  
Mühle Rüningen AG, Rüningen über Braunschweig

Karl Graf,  
Diplom-Landwirt and landowner,  
Söderhof über Salzgitter-Ringelheim

Dr. Claus Hagen,  
Member of the Board of Managing Directors,  
Braunschweigische Kohlen-Bergwerke, Helmstedt

Klaus Heibey,  
Partner and Managing Director of  
Messrs. Wullbrandt & Seele, Braunschweig

Professor Dr.-Ing. Friedrich-Wilhelm Kraemer,  
Architect, Professor at the Technische Universität  
Braunschweig, Braunschweig

Herbert Marx,  
Chairman of the Management, MIAG Mühlenbau und  
Industrie GmbH., Braunschweig

Heinz Pförtner,  
Partner in Sonnen-Werke Sieburg & Pförtner,  
Seesen/H., and M. Bassermann & Cie., Schwetzingen,  
Seesen/H.

Dr. jur. Gerhard Prinz,  
Member of the Board of Managing Directors,  
Volkswagenwerk Aktiengesellschaft, Wolfsburg,  
and Chairman of the Board of Managing Directors,  
AUDI NSU AUTO UNION AG., Neckarsulm, Wolfsburg

Dr. jur. Hans Schuberth,  
Partner and Managing Director of National-Jürgens-  
Brauerei and Schuberth-Werk, Braunschweig

Hans-Christian Seeliger,  
landowner, Rittergut Wendessen über Wolfenbüttel

Dr. jur. Reinhard Wolff,  
Chairman of the Board of Managing Directors,  
Braunschweigische Maschinenbauanstalt, Braunschweig

### Advisory Council of Bremen—Osnabrück

Arnold Duckwitz, *Chairman*  
of C. A. Bautz, Bremen

Wilhelm Karmann, *Deputy Chairman*  
Partner and Managing Director of  
Wilhelm Karmann GmbH, Osnabrück

Karl-Heinz Lange, *Deputy Chairman*  
of Albrecht, Müller-Pearse & Co., Bremen

Kurt A. Becher,  
of Kurt A. Becher, Bremen

Friedo Berninghausen,  
of Messrs. Steinbrügge & Berninghausen,  
Bremen-Holzhausen

Manfred Bohnen,  
Member of the Board of Managing Directors,  
NINO AG, Nordhorn

Dr. Jürgen Deilmann,  
Member of the Board of Managing Directors,  
C. Deilmann AG, Bentheim

Victor Dierig,  
Managing Director of F. H. Hammersen GmbH, Osnabrück

Hans Georg Gallenkamp,  
Managing Director of Felix Schoeller jr.  
— Feinpapierfabrik —,  
Burg Gretesch, Post Lüstringen

Dr.-Ing. Max Gennerich,  
Partner and Managing Director of  
Messrs. Windmüller & Hölscher, Lengerich i.W.

Karl-Hillard Geuther,  
of Karl Geuther & Co., Bremen

Hermann C. Helms,  
Member of the Board of Managing Directors,  
Deutsche Dampfschiffahrts-Gesellschaft "Hansa", Bremen

Heinz-Werner Hempel,  
of F. W. Hempel & Co. — Erze und Metalle —, Bremen

Dr. Kurt Hofmann,  
Wilhelmshaven

Werner Klemeyer,  
of Scipio & Co., Bremen

Dr. Juergen Krackow,  
Düsseldorf

Konsul Dr. Friedrich Kristinus,  
Chairman of the Board of Managing Directors,  
Martin Brinkmann AG, Bremen/Hamburg

Dr. Karl Mahlert,  
Managing Director of Exportbrauerei Beck & Co., Bremen

Dipl.-Ing. Hermann L. Mende,  
Partner in Norddeutsche Mende Rundfunk KG, Bremen

Hermann Noé,  
of Dock- und Schiffahrtsgesellschaft Kaiserhafen  
Noé & Co., Bremerhaven

Dr. Heinz Rössler,  
General Manager of Erica Rössler/Modische Strickerei  
GmbH/Heinz Rössler & Söhne KG, Nahne (Osnabrück)

Dipl.-Kfm. Heinz Rust  
Member of the Board of Managing Directors,  
Bremer Woll-Kämmerei, Bremen-Blumenthal

Johann Gottfried Schütte,  
of Joh. Gottfr. Schütte & Co., Bremen

Dipl.-Ing. Carl Starcke,  
Partner in Rud. Starcke GmbH, Melle i. Hann.

Franz Tecklenborg,  
Chairman of the Board of Management,  
BTF-TEXTILWERKE Tecklenborg & Co., Bremen

Henry S. Thomas,  
of Fuhrmann & Co. KG, Bremen

Carl Max Vater,  
of C. Wuppesahl, Bremen

Herbert Waldthausen,  
of Lohmann & Co., Bremen

Helmut Wilkens,  
Chairman of the Board of Managing Directors,  
Wilkens Bremer Siberwaren AG, Bremen

#### **Advisory Council of Düsseldorf—Krefeld**

Dr. h. c. Ernst Wolf Mommsen, *Chairman*  
Chairman of the Board of Managing Directors,  
Fried. Krupp GmbH, Essen

Erich Selbach, *Deputy Chairman*  
Chairman of the Supervisory Board,  
Girmes Werke AG, Grefrath-Oedt (Rhld.)

Professor Dr. Viktor Achter,  
Partner and Managing Director of  
Viktor Achter GmbH & Co., Rheydt

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Member of the Board of Managing Directors,  
Gerresheimer Glas AG, Düsseldorf

Dr. Dr. Jörg Bankmann,  
Member of the Board of Managing Directors,  
Thyssen Vermögensverwaltung GmbH, Düsseldorf

Rudolf v. Bënnigsen-Foerder,  
Chairman of the Board of Managing Directors,  
VEBA AG, Düsseldorf

H. J. E. van Beuningen,  
Member of the Supervisory Board,  
Pakhoed N.V., Rotterdam (Netherlands)

Dr. Markus Bierich,  
Member of the Board of Managing Directors,  
Mannesmann AG, Düsseldorf

Hermann Boehm,  
Senator E. h., Chairman of the Management,  
Schwabenbräu GmbH, Düsseldorf

Leo Brand,  
owner of Heinrich Brand, Neuss

Kurt Bresges,  
Partner and Managing Director of A. Bresges, Rheydt

Niels von Bülow,  
Honorary Chairman of the Supervisory Board,  
Gerresheimer Glas AG, Düsseldorf

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Member of the Board of Managing Directors,  
Rheinmetall Berlin AG, Düsseldorf

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Partner in Messrs. Rohde & Dörrenberg, Düsseldorf

Dipl.-Kfm. Wilhelm Fehler,  
Member of the Board of Managing Directors,  
Hein, Lehmann AG, Düsseldorf

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Partner and Managing Director  
of Messrs. G. Beckers & Le Hanne, Hüls nr. Krefeld

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Corporate Vice President, Europe Minnesota Mining and  
Manufacturing Co., St. Paul, Minnesota (USA)

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Chairman of the Management, Rank Xerox GmbH,  
Düsseldorf

Dr. Wilfried Grewing,  
Managing Director of Hünnebeck GmbH,  
Lintorf Bez. Düsseldorf

Konsul Rudolf Grolman,  
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Kleinewefers GmbH, Krefeld

Dipl.-Kfm. Otto Klötzer,  
Chairman of the Management,  
Gustav Hoffmann GmbH, Kleeve (Rhld.)

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Partner in A. Monforts Maschinenfabrik und Eisengiesserei,  
Mönchengladbach

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Partner and Managing Director of Messrs. Hille & Müller,  
Düsseldorf

Dr. Hans Pahl,  
Partner and Managing Director of the  
Pahl'sche Gummi- und Asbest-Gesellschaft "PAGUAG",  
Düsseldorf

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Chairman of the Board of Managing Directors,  
Langbein-Pfanhauser Werke AG, Neuss

Gerhard Potthoff,  
Chairman of the Board of Managing Directors,  
Horten AG, Düsseldorf

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Chairman of the Supervisory Board,  
Jagenberg-Werke AG, Düsseldorf

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Chairman of the Board of Managing Directors,  
Rösler Draht AG,  
Schwalmtal-Amern Bez. Düsseldorf

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Maschinenfabrik Sack GmbH, Düsseldorf

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KG, Düsseldorf

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Member of the Board of Managing Directors,  
Vereinigte Seidenwebereien AG, Krefeld

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Partner in J. G. Schwietzke Metallwerke, Düsseldorf

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Managing Director,  
Gesellschaft für Elektrometallurgie mbH, Düsseldorf

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Partner and Managing Director of Chemische Fabrik  
Stockhausen & Cie., Krefeld

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Partner in R. Woeste & Co., Düsseldorf

Dr. Carl Wuppermann,  
retired bank manager, Leverkusen

Dipl.-Ing. Eduard Robert Zapp,  
Partner in Robert Zapp, Düsseldorf

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ESTEL N.V. Hoesch-Hoogovens, Arnheim, Hoesch AG  
and Hoesch-Werke AG, Dortmund

Karl Bach,  
Member of the Board of Managing Directors,  
Orenstein & Koppel AG, Dortmund

Harald von Bohlen und Halbach,  
Bohlen Industrie AG, Essen

Hans-Heinz Boos,  
Spokesman of the Board of Managing Directors,  
Edelstahlwerk Witten AG, Witten

Professor Dr. Walter Cordes,  
Member of the Board of Managing Directors,  
August Thyssen-Hütte AG, Duisburg

Wolfgang Curtius,  
Krefeld

Dr. Walter Deuss,  
Member of the Board of Managing Directors,  
Karstadt AG, Essen

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Chairman of the Supervisory Board,  
Th. Goldschmidt AG, Essen

Dr. Felix Eckhardt,  
Honorary President of Dortmunder Union-Schultheiss  
Brauerei AG, Berlin and Dortmund, Lahnstein

Dipl. sc. pol. Hans L. Ewaldsen,  
Chairman of the Board of Managing Directors,  
Deutsche Babcock & Wilcox AG, Oberhausen (Rhld.)

Dr. Bernward Fehrenberg,  
Essen

Dr. Herbert Gienow,  
Member of the Board of Managing Directors,  
Klöckner-Werke AG, Duisburg

Dr. Walter Griese,  
Member of the Board of Managing Directors,  
Flachglas AG DELOG-DETAG, Gelsenkirchen

Dr. Otto Happich,  
Partner and Managing Director of Gebr. Happich GmbH,  
Wuppertal

Robert Heitkamp  
Proprietor of Bauunternehmung E. Heitkamp GmbH  
Wanne-Eickel, Wanne-Eickel

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Heinr. Hill AG, Hattingen (Ruhr)

Walter Hövelmann,  
Partner in Walter Hundhausen KG, Schwerte (Ruhr)

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Honorary Chairman of the Supervisory Board,  
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Essen

Théodore Kaas,  
President of SIDECHAR, Paris, and Member of the Board of  
Managing Directors of Harpener AG, Dortmund

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Volkswahl-Bund Sachversicherung AG, Dortmund

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Ruhrkohle AG, Essen

Dr. Leonhard Lutz,  
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Dipl.-Kfm. Karlheinz Portugall,  
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of the Rheinstahl Sector Bau- und Wärmetechnik,  
Gelsenkirchen

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Member of the Board of Managing Directors,  
Chemische Werke Hüls AG, Marl (Westf.)

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Hochtief AG für Hoch- und Tiefbauten  
vorm. Gebr. Helfmann, Essen

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Stern-Brauerei Carl Funke AG, Essen

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Ruhrchemie AG, Oberhausen (Rhld.)

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Wasserwerk für das nördliche westfälische Kohlenrevier,  
Gelsenkirchen

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Dr. Werner Wodrich,  
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Member of the Management, Klöckner & Co., Duisburg

Karl-Wilhelm Zenz,  
Managing Director of Carl Spaeter GmbH, Duisburg

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Member of the Management of Quandt-Gruppe, Bad Hom-  
burg v.d.H.,  
First Deputy Chairman of the Board of Managing Directors,  
Varta AG, Frankfurt (Main)

Dipl.-Kfm. Dr. jur. Martin Bieneck,  
Chairman of the Board of Managing Directors,  
Didier-Werke AG, Wiesbaden

Severino Chiesa,  
Managing Director of Ferrero GmbH, Frankfurt (Main)

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Chairman of the Board of Managing Directors,  
Papierfabrik Oberschmitt W. & J. Moufang AG,  
Oberschmitt über Nidda (Oberhessen)

Dr. jur. Alexander Reichsfreiherr von Dörnberg  
zu Hausen,  
Chairman of the Board of Managing Directors,  
Freiherr von Dörnberg'sche Stiftung Burg Herzberg,  
Hausen über Bad Hersfeld

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Chairman of the Board of Managing Directors,  
Rütgerswerke A. G., Frankfurt (Main)

Dr. Günther Frank-Fahle,  
Chairman of the Management Board  
of the Deutsche Commerz GmbH, Frankfurt (Main)

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Deputy Chairman of the Board of Managing Directors,  
Braun AG, Kronberg

Hermann Gruner  
Member of the Board of Managing Directors,  
Dyckerhoff Zementwerke AG, Wiesbaden

Dr. Helmuth von Hahn,  
Member of the Board of Managing Directors,  
Cassella Farbwerke Mainkur AG, Frankfurt (Main)

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Chairman of the Advisory Council, E. Merck,  
Darmstadt

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Partner and Managing Director of Henkell & Co.,  
Sektellereien, Wiesbaden-Biebrich

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Deputy Chairman of the Supervisory Board,  
W. C. Heraeus GmbH, Hanau

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Breidenstein

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Carl Schenck Maschinenfabrik GmbH, Darmstadt

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Senator E. h., Chairman of the Board of Managing Directors,  
Philipp Holzmann AG, Frankfurt (Main)

Walther Leisler Kiep,  
Partner in Messrs. Gradmann & Holler, Frankfurt (Main)

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Managing Director of Kraft GmbH, Eschborn

Staatssekretär a. D. Dr. Wolfram Langer,  
President of the Deutsche Pfandbriefanstalt, Wiesbaden

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Partner and Managing Director,  
Stahlbau Michael Lavis Söhne, Offenbach

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Member of the Board of Managing Directors,  
Frankfurter Hypothekbank, Frankfurt (Main)

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Member of the Board of Managing Directors,  
Linde AG, Wiesbaden

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Partner in Bankhaus B. Metzler soel. Sohn & Co.,  
Frankfurt (Main)

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Chairman of the Board of Managing Directors,  
Wintershall AG, Kassel

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Deputy Spokesman of the Management,  
Lurgi-Gesellschaften, Frankfurt (Main)

Gerhard Pohl,  
Managing Director, Wella International  
Geschäftsführungsgesellschaft mbH, Darmstadt

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Member of the Board of Managing Directors,  
Farbwerke Hoechst AG, Frankfurt (Main)-Höchst

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Partner in Max Richter, Kammgarnspinnerei,  
Stadt Allendorf (Kreis Marburg)

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Chairman of the Supervisory Board,  
Alfred Teves GmbH, Frankfurt (Main)

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Managing Director of Filzfabrik Fulda GmbH & Co and  
Laurin Hausschuhfabrik GmbH, Fulda

Dr. Hans Schleussner,  
Partner and Managing Director of  
"Biotest"-Serum-Institut GmbH, Frankfurt (Main)-Niederrad

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Chairman of the Board of Managing Directors,  
Dunlop AG, Hanau

Gert Silber-Bonz,  
Chairman of the Board of Managing Directors,  
Veith-Pirelli AG, Höchst (Odenwald),  
and Partner and Managing Director of  
Ph. Ludwig Arzt, Michelstadt (Odenwald)

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Chairman of the Board of Managing Directors,  
Fichtel & Sachs AG, Schweinfurt (Main)

Dr. rer. pol. Karl von Winckler,  
Chairman of the Board of Managing Directors,  
Buderus'sche Eisenwerke, Wetzlar

Dr. phil. nat. Herbert Winter,  
Oberhöchstadt/Ts.

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Managing Director (Spokesman) of Röhm GmbH, Darmstadt

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Gustav Winkler KG, Tiengen (Hochrhein)

Franz Abelman,  
Member of the Supervisory Board  
Ciba-Geigy AG, Wehr (Baden)

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Chairman of the Advisory Council, Otto Textilwerke,  
Wendlingen-Offenburg KG., Offenburg (Baden)

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Member of the Supervisory Board,  
Maggi GmbH, Singen (Hohentwiel)

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Partner and Managing Director of the  
Binder-Magnete KG, Villingen (Schwarzwald)

Dipl.-Kfm. Hermann Brunner-Schwer,  
Managing Partner and President of  
SABA Schwarzwälder Apparate-Bau-Anstalt  
August Schwer Söhne GmbH, Villingen (Schwarzwald)

Richard Dahlinger,  
Partner and Managing Director,  
Ch. Dahlinger, Verpackungswerke, Lahr (Baden)

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Managing Director of Byk-Gulden Lomberg,  
Chemische Fabrik GmbH, Konstanz (Bodensee)

Konsul Dipl. rer. pol. H. W. Dyllick-Brenzinger,  
Partner and Managing Director of  
Brenzinger & Cie. GmbH, Freiburg (Breisgau)

Dipl.-Ing. Helmuth Fahr,  
Chairman of the Board of Managing Directors,  
Maschinenfabrik Fahr AG, Gottmadingen

Horst R. Gütermann,  
Partner in Messrs. Gütermann & Co.,  
Nähseidenfabriken, Gutach (Breisgau)

Dr. jur. Franzjosef Hackelsberger,  
Partner and Managing Director of  
Messrs. J. Weck & Co., Öflingen (Baden)

Rolf R. Herklotz,  
Chairman of the Management of  
Aluminium-Walzwerke Singen GmbH, Singen (Hohentwiel)

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Chairman of the Board of Managing Directors,  
Schiesser AG, Radolfzell (Bodensee)

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Managing Director, Papierfabrik August Koehler AG,  
Oberkirch (Baden)

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General Manager of ALUSUISSE Deutschland GmbH,  
Konstanz (Bodensee)

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Chairman of the Supervisory Board,  
Mez AG, Freiburg (Breisgau)

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Schluchseewerk AG and Rheinkraftwerk Albbruck-Dogern  
AG, Freiburg (Breisgau)

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Spinnerei und Webereien Zell-Schönau AG, Zell (Wiesental)

Achatius Graf Saurma,  
President of the Fürstlich Fürstenbergische  
Gesamtverwaltung, Donaueschingen

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Partner and Managing Director of Friedrich Mauthe GmbH,  
Schwenningen, and Partner in  
Mauthe Uhren-KG, Schwenningen (Neckar)

Rudolf Schuler  
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Gabriel Herosé AG, Konstanz (Bodensee)

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Managing Director, Wehrle-Werk AG,  
Emmendingen (Baden)

Dr. Albrecht Stromeyer-Honegger,  
Partner and Managing Director of Textilgesellschaft  
L. Stromeyer & Co., Konstanz (Bodensee)

Heinrich Villiger,  
Partner and Managing Director,  
Villiger Söhne GmbH, Cigarrenfabriken,  
Tiengen (Hochrhein)

Dr. Gerhard Wiebe,  
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Waldkirch (Breisgau)

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Peter Aldag,  
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ALSEN-BREITENBURG Zement- und Kalkwerke GmbH,  
Hamburg

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Rud. Baader, Lübeck

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Chairman of the Board of Managing Directors,  
Beiersdorf AG, Hamburg

Herbert Dau,  
Chairman of the Board of Managing Directors,  
Hamburg-Mannheimer Versicherungs-AG, Hamburg

Konsul Hans Hagelstein,  
owner of HATRA-Alfred Hagelstein Maschinenfabrik  
und Schiffswerft, Lübeck-Travemünde

Dr. Gustav Hagen,  
Member of the Board of Managing Directors,  
BASF Farben + Fasern AG, Hamburg

Dr.-Ing. Rudolf Hell,  
Chairman of the Supervisory Board, Dr.-Ing. Rudolf Hell  
GmbH, Kiel

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Howaldtswerke-Deutsche Werft AG Hamburg und Kiel,  
Kiel

Claus-Gottfried Holthusen,  
of R. Petersen & Co., Hamburg

Andreas Jepsen,  
Chairman of the Supervisory Board and  
of the Board of Managing Directors,  
Danfoss A/S, Nordborg/Dänemark

Willy Körfggen,  
Chairman of the Management of VTG Vereinigte Tanklager  
und Transportmittel GmbH and Deputy Chairman of the  
Board of Managing Directors of PREUSSAG AG, Hamburg

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of Messrs. Jauch & Hübener, Hamburg

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Partner in Messrs. Wiechers & Heim, Hamburg

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Mobil Oil A. G. in Deutschland, Hamburg

Harald List,  
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Reichhold-Albert-Chemie AG, Hamburg

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Rumhandelshaus, Flensburg

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of Ernst Russ, Hamburg

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Hemmoor Zement AG, Hemmoor (Oste)

Hans Heinrich Matthiessen,  
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Mobil Oil A. G. in Deutschland, Hamburg

Jobst von der Meden,  
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Albingia Versicherungs-AG, Hamburg

Dr. Egbert v. Oswald,  
of Carl Spaeter GmbH, Hamburg

Werner Otto,  
Principal Partner and Chairman of the Advisory Council  
of Otto Versand, Hamburg

Liselotte v. Rantzau,  
of Deutsche Afrika-Linien G.m.b.H., Hamburg

Bernhard Rothfos,  
of Bernhard Rothfos, Hamburg

Joachim v. Schinckel,  
Hamburg

Walter G. Schües,  
Member of the Supervisory Board,  
Nord-Deutsche und Hamburg-Bremer Versicherungs-AG,  
Hamburg

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of G. Schürfeld & Co., Hamburg

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Managing Director of Rud. Otto Meyer, Hamburg

Dr. Rudolf Seidel,  
of Ernst Komrowski & Co., Hamburg

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Chairman of the Management of  
Allgemeine Deutsche Philips Industrie GmbH, Hamburg

Herbert Tiefenbacher,  
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Oelmühle Hamburg AG, Hamburg

Paul Tiefenbacher,  
of Paul Tiefenbacher & Co., Hamburg

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Dr. h. c. Alfred Toepfer,  
of Alfred C. Toepfer, Hamburg

Gyula Trebitsch,  
Chairman of the Management of STUDIO HAMBURG  
Atelierbetriebsgesellschaft mbH, Hamburg

Carl-Arend Weingardt,  
Chairman of the Management, Deutsche Unilever GmbH,  
Hamburg

Johannes C. Welbergen,  
Chairman of the Board of Managing Directors,  
Deutsche Shell AG, Hamburg

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Spokesman of the Management, Günther Wagner Pelikan-  
Werke, Hannover

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Kabel- und Metallwerke Gutehoffnungshütte AG,  
Hannover

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of Maschinenfabrik Stahlkontor Weser Lenze KG, Hameln

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Chairman of the Board of Managing Directors,  
Kleinwanzlebener Saatzucht AG vorm. Rabbethge &  
Giesecke, Einbeck

Dr. Willi Danz,  
Ludwigshafen (Rhein)

Helmut Graf,  
lessee of the Domain Marienburg, Post Hildesheim

Hans-Günther Hage,  
Partner in Senkingwerk GmbH KG, Hildesheim

Dipl.-Math. Walter Hannecke,  
Chairman of the Boards of Managing Directors,  
Magdeburger Versicherungs-Gesellschaften, Hannover

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Wolff Walsrode AG, Walsrode

Helmut Harms,  
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Member of the Supervisory Board,  
Günther Wagner Pelikan-Werke GmbH, Hannover

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Chairman of the Board of Managing Directors,  
Doornkaat AG, Norden (Ostfriesland)

Dipl.-Ing. Lothar Lange,  
Member of the Board of Managing Directors,  
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Paul Lepach,  
Member of the Board of Managing Directors,  
Touristik Union International GmbH KG, Hannover

Konsul Ernst Middendorff,  
Principal Partner and Managing Director of  
Brauerei Herrenhausen GmbH, Hannover-Herrenhausen

Generaldirektor i. R. Ernst Morsch,  
Hildesheim

Peter Müller,  
Spokesman of the Management,  
Beamtenheimstättenwerk Gemeinnützige Bausparkasse  
für den öffentlichen Dienst GmbH, Hameln

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Allgemeine Transportmittel AG, Bad Pyrmont/Düsseldorf

Dr. jur. Hans Samwer,  
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Gothaer Lebensversicherung a. G. and  
Gothaer Allgemeine Versicherung AG, Göttingen

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Allgäuer Alpenmilch AG, München

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Hannover

Dr. Ernst-Heinrich Steinberg,  
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Konsul Dr. Jean Louis Schrader, *Deputy Chairman*  
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Partner in Heinr. Auer Mühlenwerke KGaA, Köln

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Chairman of the Board of Managing Directors,  
Ford-Werke AG, Köln

Oberforstmeister Hermann Behncke,  
General Manager of the Fürstlich Sayn-Wittgenstein-  
Berleburg'sche Verwaltung, Bad Berleburg

Dr. Knut Bellinger,  
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Heinrich Bröll,  
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Strabag Bau-AG, Köln

Jan Brügelmann,  
Partner and Managing Director of  
Messrs. F. W. Brügelmann Söhne, Köln

Professor Dr. Fritz Burgbacher,  
Köln

Paul Falke,  
Partner and Managing Director of the  
Franz Falke-Rohen Strumpf- und Strickwarenfabriken  
GmbH, Schmallenberg (Sauerland)

Dr. Nikolaus Fasolt,  
Partner and Managing Director, Wessel-Werk GmbH, Bonn

Dr.-Ing. E. h. Erwin Gärtner,  
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Bremshey AG, Solingen

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Partner in W. Girardet, Wuppertal

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Chairman of the Board of Managing Directors,  
Rheinisch-Westfälische Kalkwerke AG,  
Dornap Bez. Düsseldorf

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Chairman of the Board of Managing Directors,  
Werkzeugmaschinenfabrik Gildemeister & Comp. AG,  
Bielefeld

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Partner and Managing Director of  
Stocko Metallwarenfabriken, Wuppertal

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Senator E. h., Partner in Dr. Kurt Herberts & Co.  
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Wuppertal

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Managing Director of L. & C. Steinmüller GmbH,  
Gummersbach

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Partner and Managing Director of  
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Rechtsanwalt Horst Klein,  
Chairman of the Board of Managing Directors,  
Hoffmann's Stärkefabriken AG, Bad Salzuflen

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Dipl.-Ing. Kurt Krawinkel,  
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Leop. Krawinkel, Bergneustadt

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Partner in F. A. Kümpers KG, Rheine (Westf.)

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Partner in HORNITEX WERKE Gebr. Künnemeyer,  
Horn – Bad Meinberg

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Werner Meissner,  
Rottach-Egern

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Dr.-Ing. Erich Mittelsten Scheid,  
Chairman of the Advisory Council of Vorwerk & Co.,  
Wuppertal

Otto Müller-Habig,  
Managing Director, Westfalia Separator AG,  
Oelde (Westf.)

Paul Neumann,  
of Messrs. Neumann & Büren, Wuppertal

Dipl.-Ing. Günter Peddinghaus,  
Senator E. h., Partner and Managing Director,  
Carl Dan. Peddinghaus KG, Ennepetal

Hans Walter Pfeiffer,  
owner of Ohler Eisenwerk Theob. Pfeiffer, Plettenberg-Ohle

Albrecht R. Pickert,  
Managing Director of R. & G. Schmöle Metallwerke,  
Menden (Sauerland)

Konsul Albert Rampelberg,  
Managing Director, Deutsche Solvay-Werke GmbH,  
Solingen

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Partner and Managing Director of  
Westfälische Metall-Industrie KG Hueck & Co., Lippstadt

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Bayer AG, Leverkusen

Theodor Scheiwe,  
businessman, Münster (Westf.)

Hans Joachim Schlange-Schöningen,  
Deputy Chairman of the Board of Managing Directors,  
AKZO N.V., Arnhem (Netherlands)

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Partner and Managing Director,  
Messrs. Jung & Simons, Haan (Rhld.)

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Partner in H. E. Schniewind, Haan (Rhld.)

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General Manager of Bekleidungswerke  
Erwin Hucke oHG, Nettelstedt (Westf.)

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Managing Director of Schulte & Dieckhoff GmbH,  
Horstmar (Westf.)

Dr. Werner Schulten,  
Partner and Managing Director of  
Gebr. Schulten, Oeding (Westf.)

Rudolf Stelbrink,  
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Bielefeld

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Partner in Joh. Vaillant KG, Remscheid

Dr. Ludwig Vaubel,  
Wuppertal

Max Wilbrand,  
Partner and Managing Director of Gebr. Rath,  
Kammgarn-Spinnerei und Färberei, Sassenberg (Westf.)

Hans Zaum,  
Wuppertal



## Central Offices: Frankfurt (Main) · Düsseldorf

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### Branches at the following places:

Aachen with 5 Sub-Branches	Bad Wildungen	Bremen with 14 Sub-Branches	Dülmen
Aalen (Württ)	Bad Wörishofen	Bremen-Vegesack	Düren (Rheinl) with 1 Sub-Branch
Achim (Bz Bremen)	Bad Zwischenahn	Bremerhaven with 3 Sub-Branches and 1 Paying Office	Düsseldorf with 29 Sub-Branches and 1 Paying Office
Ahaus	Balingen	Bretten (Baden)	Düsseldorf-Benrath with 1 Sub-Branch
Ahlen (Westf)	Bamberg	Brilon	Duisburg with 12 Sub-Branches
Ahrensburg (Holst)	Barsinghausen	Bruchsal	Duisburg-Hamborn with 3 Sub-Branches
Aldenhoven (Kr Düren)	Baunatal	Brühl (Bz Köln)	Duisburg-Ruhrort
Alfeld (Leine)	Bayreuth	Brunsbüttel	Ebingen (Württ)
Alsdorf (Rheinl)	Beckum (Bz Münster)	Buchholz i d Nordheide	Einbeck
Alsfeld (Oberhess)	Bendorf (Rhein)	Bühl (Baden)	Eiserfeld (Sieg)
Altena (Westf)	Bensberg	Bünde	Eislingen
Altenkirchen (Westerw)	Bensheim	Burgdorf (Han)	Eitorf
Alzey	Bergen-Enkheim	Burgsteinfurt	Ellwangen (Jagst)
Andernach	Bergheim (Erft)	Burscheid (Rheinl)	Elmshorn
Ansbach	Bergisch Gladbach	Buxtehude	Elten-Beek
Aschaffenburg	Bergneustadt	Castrop-Rauxel with 1 Sub-Branch	Eltville
Attendorn	Bernkastel-Kues	Celle	Emden
Augsburg with 7 Sub-Branches	Betzdorf (Sieg)	Clausthal-Zellerfeld	Emmendingen
Aurich	Beverungen	Cloppenburg	Emmerich
Backnang	Biberach (Riss)	Coburg	Emsdetten
Bad Berleburg	Biedenkopf	Coesfeld	Engelskirchen
Bad Driburg (Westf)	Bielefeld with 4 Sub-Branches	Crailsheim	Ennepetal (Westf)-Milspe with 1 Sub-Branch
Bad Dürkheim	Bietigheim (Württ)	Cuxhaven	Ennigerloh
Baden-Baden	Bingen (Rhein)	Dachau with 1 Sub-Branch	Erkrath (Bz Düsseldorf)
Bad Harzburg	Blomberg (Lippe)	Darmstadt with 5 Sub-Branches	Erlangen
Bad Hersfeld	Bocholt	Datteln (Westf)	Eschwege
Bad Homburg v d Höhe	Bochum with 5 Sub-Branches	Deidesheim	Eschweiler
Bad Honnef	Bockum-Hövel	Delmenhorst	Espelkamp
Bad Iburg	Böblingen (Württ)	Detmold	Essen with 22 Sub-Branches
Bad Kreuznach	Bonn with 6 Sub-Branches	Dietzenbach	Esslingen (Neckar)
Bad Lauterberg	Bonn-Bad Godesberg	Dillenburg	Ettlingen (Baden)
Bad Münstereifel	Boppard	Dinslaken (Niederrhein) with 1 Sub-Branch	Euskirchen
Bad Neuenahr	Borghorst (Westf)	Dormagen (Niederrhein)	Eutin
Bad Oeynhausen	Borken	Dorsten	Fallersleben
Bad Oldesloe	Bottrop	Dortmund with 14 Sub-Branches	Fellbach (Württ)
Bad Pyrmont	Brackwede (Westf)		
Bad Sachsa (Südharz)	Bramsche (Bz Osnabrück)		
Bad Salzflen with 1 Sub-Branch	Braunschweig with 11 Sub-Branches and 1 Paying Office		
Bad Segeberg			
Bad Tölz			

Flensburg with 3 Sub-Banches	Griesheim ü/Darmstadt	Heusenstamm	Kierspe (Westf)
Forchheim	Gronau (Leine)	Hilden	Kirchheim (Teck)
Frankenthal (Pfalz)	Gronau (Westf)	Hildesheim with 3 Sub-Banches	Kirchhellen
Frankfurt (Main) with 23 Sub-Banches	Gross-Gerau	Hiltrup	Kleve (Niederrhein) with 1 Sub-Branch
Frankfurt (Main)-Höchst	Gütersloh with 1 Sub-Branch	Hockenheim (Baden)	Koblenz with 1 Sub-Branch
Frechen	Gummersbach	Höhr-Grenzhausen	Köln with 20 Sub-Banches
Freiburg (Breisgau) with 7 Sub-Banches	Haan (Rheinl)	Höxter	Köln-Mülheim
Freudenberg (Kr Siegen)	Hagen (Westf) with 5 Sub-Banches	Hohenlimburg with 1 Sub-Branch	Königsbrunn
Friedberg (Hess)	Haiger	Hohenlockstedt	Königstein (Taunus)
Friedrichsfeld	Halle (Westf)	Holzminden	Konstanz with 1 Sub-Branch
Friedrichshafen	Hamburg with 45 Sub-Banches and 1 Paying Office	Homberg (Niederrhein) with 1 Sub-Branch	Konz ü/Trier
Fürstenfeldbruck	Hamburg-Altona	Horn-Bad Meinberg	Korbach
Fürth (Bay) with 1 Sub-Branch	Hamburg-Bergedorf	Hückelhoven	Kornwestheim (Württ)
Fulda with 1 Sub-Branch	Hamburg-Harburg with 1 Sub-Branch	Hückeswagen	Korschenbroich
Gaggenau (Murgtal)	Hamburg-Harburg with 1 Sub-Branch	Hürth (Bz Köln)	Krefeld with 6 Sub-Banches
Garmisch-Partenkirchen	Hamel	Hüttental with 1 Sub-Branch	Krefeld-Uerdingen
Geesthacht	Hamm (Westf) with 1 Sub-Branch	Husum (Nordsee)	Kreuzau
Geislingen (Steige) with 1 Sub-Branch	Hanau	Ibbenbüren	Kreuztal (Kr Siegen)
Geldern	Hannover with 17 Sub-Banches	Idar-Oberstein with 1 Sub-Branch	Kronberg (Taunus)
Gelsenkirchen with 5 Sub-Banches	Hann. Münden	Ingelheim (Rhein)	Kulmbach
Gengenbach	Harsewinkel ü/Gütersloh	Ingolstadt (Donau) with 2 Sub-Banches	Laasphe
Georgsmarienhütte with 1 Sub-Branch	Haslach (Kinzigtal)	Iserlohn	Laatzen
Gerlingen (Württ)	Hattingen (Ruhr)	Itzehoe	Lage (Lippe)
Germering	Hausen ü/Offenbach	Jever	Lahnstein
Gernsbach (Murgtal)	Heepen ü/Bielefeld	Jülich	Lahr (Schwarzw)
Gersthofen	Heessen (Westf)	Kaarst	Landau (Pfalz)
Geseke (Westf)	Heidelberg with 3 Sub-Banches	Kaiserslautern with 1 Sub-Branch	Landsberg (Lech)
Gevelsberg	Heidenheim (Brenz)	Kamp-Lintfort	Landshut
Giengen (Brenz)	Heilbronn (Neckar) with 1 Sub-Branch	Karlsruhe with 6 Sub-Banches	Landstuhl
Giessen	Heiligenhaus (Düsseldorf)	Kassel with 5 Sub-Banches	Langen (Hess)
Gifhorn with 1 Sub-Branch	Helmstedt	Kehl	Langenfeld (Rheinl)
Ginsheim-Gustavsburg	Hemer	Kempen (Niederrhein) with 1 Sub-Branch	Langenhagen (Han)
Gladbeck (Westf)	Hennef (Sieg)	Kempton (Allgäu) with 1 Sub-Branch	Lauenburg
Goch	Heppenheim	Kettwig	Lauterbach (Hess)
Göppingen	Herborn (Dillkr)	Kevelaer	Leer (Ostfriesl)
Göttingen with 1 Sub-Branch	Herdecke (Ruhr)	Kiel *	Leichlingen (Rheinl)
Goslar with 1 Sub-Branch	Herford	with 7 Sub-Banches	Leinfelden
Grenzach (Baden)	Herne with 2 Sub-Banches	* under the name of: Wilh. Ahlmann Filiale Kiel der Deutschen Bank AG	Lemgo
Greven (Westf)	Herten (Westf)		Lengerich (Westf)
Grevenbroich	Herzberg (Harz)		Lenneadt
	Herzogenrath with 1 Sub-Branch		Leonberg (Württ)
			Lethmathe (Sauerl)
			Leutkirch
			Leverkusen with 2 Sub-Banches

Limburg	Maikammer	Mettmann	Münster (Westf)
Limburgerhof	Mainz	Metzingen (Württ)	with 8 Sub-Branches
Lindau (Bodensee)	with 5 Sub-Branches	Minden (Westf)	Munster
Lingen	Mannheim	Misburg	Neckarsulm
Lippstadt	with 18 Sub-Branches	Mönchengladbach	Neheim-Hüsten
Löhne (Westf)	Marbach	with 4 Sub-Branches	with 1 Sub-Branch
Lörrach	Marburg (Lahn)	Moers	Nettetal
Lohne (Oldb)	Marl (Kr Recklinghausen)	with 1 Sub-Branch	with 1 Sub-Branch
Ludwigsburg (Württ)	Mayen	Monheim (Rheinl)	Neuburg (Donau)
with 1 Sub-Branch	Meckenheim (Rheinl)	Mosbach (Baden)	Neuenrade
Ludwigshafen (Rhein)	Meerbusch	Mühlacker (Württ)	Neu-Isenburg
with 6 Sub-Branches	with 1 Sub-Branch	Mühldorf (Inn)	Neumünster
Lübeck	Meinerzhagen (Westf)	Mühlheim (Main)	Neunkirchen (Kr Siegen)
with 6 Sub-Branches	Melle	Mülheim (Ruhr)	Neuss
Lüdenscheid	with 1 Paying Office	with 1 Sub-Branch	with 3 Sub-Branches
Lüneburg	Memmingen	Müllheim (Baden)	Neustadt (b Coburg)
Lünen	Menden (Sauerl)	München	Neustadt (Weinstr)
with 1 Sub-Branch	Meppen	with 39 Sub-Branches	

In the heart of the city rises the Rathaus, whose high tower is one of Hamburg's landmarks. The docks begin just a few streets away. They are the economic centre of the city and the source of its importance and prosperity. Between these two quarters lies the main building of our Hamburg branch, which, on January 20, 1972, was able to look back on 100 years' existence. (Released LA Hmb 75/73)



Neu-Ulm  
 Neuwied  
 with 1 Sub-Branch  
 Neviges  
 Nieder-Roden  
 Nienburg (Weser)  
 Norden  
 Norderney  
 Norderstedt  
 Nordhorn  
 Norf ü/Neuss  
 Nürnberg  
 with 13 Sub-Branches  
 Nürtingen  
 Oberhausen (Rheinl)  
 with 9 Sub-Branches  
 Oberkirch (Baden)  
 Oberursel (Taunus)  
 Öhringen  
 Oerlinghausen  
 Offenbach (Main)  
 with 3 Sub-Branches  
 Offenburg (Baden)  
 Oldenburg (Oldbg)  
 with 1 Sub-Branch  
 Olpe (Westf)  
 Opladen  
 Osnabrück  
 with 5 Sub-Branches  
 Osterholz-Scharmbeck  
 Osterode (Harz)  
 Ottobrunn  
 Paderborn  
 Papenburg  
 Peine  
 Pforzheim  
 with 3 Sub-Branches  
 Pfullingen (Württ)  
 Pinneberg  
 Pirmasens  
 with 1 Sub-Branch  
 Plettenberg  
 Plochingen  
 Porz  
 Quakenbrück  
 Radolfzell  
 Rastatt  
 Ratingen  
 Raunheim  
 Ravensburg  
 with 1 Sub-Branch

Recklinghausen  
 Regensburg  
 with 4 Sub-Branches  
 Reinbek (Bz Hamburg)  
 Remagen  
 Remscheid  
 with 4 Sub-Branches  
 Remscheid-Lennep  
 Rendsburg  
 Reutlingen  
 with 1 Sub-Branch  
 Rheinbach  
 Rheinberg (Rheinl)  
 Rheine (Westf)  
 with 2 Sub-Branches

Rheinfeldern (Baden)  
 Rheinhausen  
 with 1 Sub-Branch  
 Rheinkamp-Meerbeck  
 Rheydt  
 with 3 Sub-Branches  
 Rinteln (Weser)  
 Rodenkirchen (Bz Köln)  
 Rosenheim (Bay)  
 Rottenburg  
 Rottweil  
 Rüsselsheim (Hess)  
 with 1 Sub-Branch  
 Säckingen  
 Salzgitter-Bad  
 with 2 Sub-Branches

Salzgitter-Lebenstedt  
 with 1 Sub-Branch  
 Salzgitter-Watenstedt  
 St. Georgen (Schwarzw)  
 Schmallenberg (Sauerl)  
 Schopfheim  
 Schorndorf (Württ)  
 Schüttorf  
 Schwäbisch Gmünd  
 with 1 Sub-Branch  
 Schweinfurt  
 Schwelm  
 Schwenningen (Neckar)  
 Schwerte (Ruhr)  
 Schwetzingen

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On June 21, 1972 our Munich branch opened a sub-branch on the Marienplatz, the centre of the traffic-free precinct. The building, constructed in 1769, was renovated in 1911 and the facade has now been redecorated in the earlier style.



Seesen	Traben-Trarbach	Wangen (Allgäu)	Wilhelmshaven
Sennestadt	Triberg (Schwarzw)	Wanne-Eickel	with 1 Sub-Branch
Siegburg	Trier	with 1 Sub-Branch	Willich (Bz Düsseldorf)
Siegen	with 1 Sub-Branch	Warendorf	with 1 Sub-Branch
with 1 Sub-Branch	Troisdorf	Wasseraalfingen (Württ)	Wipperfurth
Siegersbrunn	Tübingen	Wattenscheid	Wissen (Sieg)
Sindelfingen	with 1 Sub-Branch	Wedel (Holst)	Witten
Singen (Hohentwiel)	Tuttlingen	Weener (Ems)	with 2 Sub-Branches
Soest	Übach-Palenberg	Wegberg	Wittlich
Solingen	Überlingen (Bodensee)	Wehr (Baden)	Wolfenbüttel
with 2 Sub-Branches	Uelzen	Weiden (Bz Köln)	Wolfsburg
Solingen-Ohligs	Ulm (Donau)	Weil (Rhein)	with 2 Sub-Branches
Solingen-Wald	with 1 Sub-Branch	Weingarten (Württ)	Worms
Soltau	Unna	Weinheim (Bergstr)	Wülfrath
Sonthofen	Vechta	with 1 Sub-Branch	Würselen (Kr Aachen)
Spengen	Velbert (Rheinl)	Weissenthurm	Würzburg
Speyer	Verden (Aller)	Wenden (Braunschweig)	with 2 Sub-Branches
Sprendlingen (Hess)	Verl	Werdohl	Wuppertal-Elberfeld *
Sprockhövel (Westf)	Viernheim (Hess)	Werl (Westf)	with 14 Sub-Branches
Stade	Viersen	Wermelskirchen	and 1 Paying Office
Stadtlohn	with 3 Sub-Branches	Wernau	Wuppertal-Barmen
Starnberg	Villingen (Schwarzw)	Werne	Wuppertal-Cronenberg
Stolberg (Rheinl)	Vohburg	Wesel (Niederrhein)	Wuppertal-Ronsdorf
Straubing	Vorsfelde	with 1 Sub-Branch	Wyler (Kr Kleve)
Stuttgart	Vreden (Westf)	Wesseling (Bz Köln)	Xanten
with 13 Sub-Branches	Waiblingen	Westerland	Zell (Mosel)
Stuttgart-Bad Cannstatt	Waldbrohl	Wetzlar	Zirndorf
Sundern (Sauerl)	Waldkirch (Breisgau)	Wickrath (Niers)	Zweibrücken
Tailfingen	Waldshut	Wiesbaden	
Titisee-Neustadt	Walsum (Niederrhein)	with 6 Sub-Branches	
Tönisvorst	Waltpop	Wiesloch	

\* also:  
J. Wichelhaus P. Sohn  
Filiale der  
Deutschen Bank AG

BERLINER DISCONTO BANK AKTIENGESELLSCHAFT, Berlin · 67 Sub-Branches

GEFA GESELLSCHAFT FÜR ABSATZFINANZIERUNG MBH, Wuppertal

Further Offices: Berlin · 2 Sub-Branches, Frankfurt (Main), Hamburg, Hannover, München, Nürnberg, Stuttgart, Ulm

Subsidiary GEFA-LEASING GMBH, Wuppertal

SAARLÄNDISCHE KREDITBANK AKTIENGESELLSCHAFT, Saarbrücken · 6 Sub-Branches

Further Offices in the Saar: Bexbach, Dillingen, Dudweiler, Homburg · 1 Sub-Branch, Lebach, Merzig, Neunkirchen · 1 Sub-Branch, Saarlouis, St. Ingbert, Völklingen

COMPAGNIE FINANCIÈRE DE LA DEUTSCHE BANK AG, Luxembourg

DEUTSCHE KREDITBANK FÜR BAUFINANZIERUNG AKTIENGESELLSCHAFT, Köln

DEUTSCHE UEBERSEEISCHE BANK, Berlin – Hamburg · Seat of administration: Hamburg

Further Offices: Düsseldorf, Köln, Stuttgart

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ARGENTINA: Buenos Aires and Rosario (Banco Alemán Transatlántico)  
BRAZIL: São Paulo (Banco Alemão Transatlântico)  
PARAGUAY: Asunción (Banco Alemán Transatlántico)  
JAPAN: Tokyo (Deutsche Ueberseeische Bank – Deutsche Bank Group –)

INDUSTRIEBANK VON JAPAN (DEUTSCHLAND) AKTIENGESELLSCHAFT  
– THE INDUSTRIAL BANK OF JAPAN (GERMANY) –, Frankfurt (Main)

#### AFFILIATE OF THE DEUTSCHE BANK AG IN SECURITIES AND ISSUING BUSINESS IN

USA: UBS-DB Corporation, New York (together with the Union Bank of Switzerland)

#### JOINT INSTITUTIONS OF THE EBIC BANKS

(Amsterdam-Rotterdam Bank N.V., Amsterdam · Creditanstalt-Bankverein, Vienna · Deutsche Bank AG, Frankfurt (Main) · Midland Bank Ltd., London · Société Générale, Paris · Société Générale de Banque S.A., Brussels)

FEDERAL REPUBLIC OF GERMANY: Europäisch-Arabische Bank GmbH, Frankfurt (Main)  
Europäisch Asiatische Bank AG, Hamburg  
ASIA: Offices of the Europäisch Asiatische Bank AG, Hamburg:  
HONGKONG: Hongkong · INDONESIA: Jakarta · MALAYSIA: Kuala Lumpur  
PAKISTAN: Karachi · SINGAPORE: Singapore  
AUSTRALIA: Euro-Pacific Finance Corporation Ltd., Melbourne  
BELGIUM: Banque Européenne de Crédit à Moyen Terme (BEC), Brussels  
European-Arab Bank (Brussels) S.A., Brussels  
European Banks' International Company S.A. (EBIC), Brussels  
USA: European-American Banking Corporation, New York  
European-American Bank & Trust Company, New York

#### PARTICIPATION IN MULTINATIONAL INVESTMENT BANK FOR BRAZIL:

European Brazilian Bank Ltd., London

#### FURTHER PARTICIPATIONS IN BANKS IN

EUROPE: Amsterdam – Athens – Barcelona – Helsinki – Madrid  
AFRICA: Abidjan – Brazzaville – Casablanca – Cotonou – Dakar – Fort-Lamy  
Libreville – Lomé – Rabat – Yaoundé  
AMERICA: Bogotá  
ASIA: Bangkok – Bombay – Karachi – Kuala Lumpur – Makati, Rizal/Manila  
Seoul – Teheran

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FRANCE:	Paris	TURKEY:	Istanbul-Harbiye
GREAT BRITAIN:	London	VENEZUELA:	Caracas
IRAN:	Teheran		